UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 86th CONGRESS
FIRST SESSION

VOLUME 105—PART 2

FEBRUARY 2, 1959, TO FEBRUARY 24, 1959
(PAGES 1479 TO 2918)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1959

DEPOSITED BY THE
UNITED STATES OF AMERICA

Congressional Record

United States of America

PROCEEDINGS AND DEBATES OF THE 86th CONGRESS, FIRST SESSION

SENATE

MONDAY, FEBRUARY 2, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, in the fresh mercies of yet another day we come with hearts grateful for Thy grace, praying that, by a strength not our own, our individual record may be kept unstained by any word or act unworthy of our best.

Thou knowest that these testing times are finding out our every weakness and calling for our utmost endeavor against the wrong that needs resistance, and for the right that needs assistance.

Make us ever aware that in the most fateful struggle in human history

We are watchers of a beacon whose light must never die;
We are guardians of an altar that shows Thee ever nigh;
We are children of Thy freemen who sleep beneath the sod;
For the might of Thine arm we bless Thee: Our God, our fathers' God.

Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 29, 1959, was dispensed with.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of January 29, 1958, the following reports of committees were submitted on January 30, 1959:

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 2. Concurrent resolution continuing the Joint Committee on Washington Metropolitan Problems (Rept. No. 15);

S. Con. Res. 5. Concurrent resolution to print additional copies of a committee print entitled "Briefing on the Investment Act";

S. Res. 7. Resolution authorizing the Committee on Post Office and Civil Service to employ a temporary additional clerical assistant;

S. Res. 8. Resolution authorizing the Committee on Post Office and Civil Service to investigate certain matters within its jurisdiction (Rept. No. 23);

S. Res. 16. Resolution authorizing the Select Committee on Small Business to investigate certain small and independent business problems (Rept. No. 24);

S. Res. 20. Resolution authorizing the Committee on Banking and Currency to investigate certain matters within its jurisdiction (Rept. No. 20);

S. Res. 26. Resolution authorizing the Committee on Armed Services to investigate certain matters within its jurisdiction (Rept. No. 16);

S. Res. 30. Resolution authorizing the Committee on Foreign Relations to employ certain additional personnel (Rept. No. 17);

S. Res. 31. Resolution to authorize a study of U.S. foreign policy, with special reference to Latin American and Canadian affairs, and the problems of world disarmament (Rept. No. 18);

S. Res. 32. Resolution providing assistance to Members of the Senate in the discharge of their responsibilities in connection with visits to the United States by foreign dignitaries, and for other purposes (Rept. No. 19);

S. Res. 43. Resolution authorizing the Committee on Government Operations to investigate the administration of all branches of the Government (Rept. No. 14);

S. Res. 44. Resolution continuing the Select Committee on Improper Activities in the Labor or Management Field (Rept. No. 13);

S. Res. 49. Resolution authorizing the Committee on Labor and Public Welfare to employ temporarily additional staff and clerical personnel (Rept. No. 37);

S. Res. 52. Resolution to investigate problems of certain foreign countries arising from flow of escapees and refugees from Communist tyranny (Rept. No. 33);

S. Res. 53. Resolution authorizing an investigation of the administration of the Patent Office (Rept. No. 30);

S. Res. 54. Resolution to investigate juvenile delinquency in the United States (Rept. No. 29);

S. Res. 55. Resolution to investigate matters pertaining to immigration and naturalization (Rept. No. 26);

S. Res. 56. Resolution to investigate the administration of the Trading With the Enemy Act (Rept. No. 32);

S. Res. 57. Resolution authorizing an investigation of the antitrust and monopoly laws of the United States (Rept. No. 27);

S. Res. 58. Resolution authorizing a study of matters pertaining to constitutional amendments (Rept. No. 28);

S. Res. 59. Resolution authorizing an investigation of the administration of the national security law and matters relating to espionage (Rept. No. 25);

S. Res. 60. Resolution authorizing an investigation of the national penitentiaries (Rept. No. 34);

S. Res. 61. Resolution authorizing a study of administrative practice and procedure in Government departments and agencies (Rept. No. 36);

S. Res. 62. Resolution authorizing a study of matters pertaining to constitutional rights (Rept. No. 31); and

S. Res. 63. Resolution authorizing a study of matters pertaining to the revision and codification of the statutes of the United States (Rept. No. 35).

By Mr. HENNINGS, from the Committee on Rules and Administration, with an amendment:

S. Res. 11. Resolution authorizing the Committee on Banking and Currency to investigate certain matters pertaining to public and private housing (Rept. No. 21).

By Mr. HENNINGS, from the Committee on Rules and Administration, with amendments:

S. Res. 42. Resolution authorizing the Committee on Government Operations to make a complete study of all matters pertaining to international activities of the executive branch (Rept. No. 22).

MEMBERS FOR JOINT COMMITTEE ON PRINTING AND JOINT COMMITTEE ON THE LIBRARY

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 68) providing for Members on the part of the Joint Committee on Printing and the Joint Committee of Congress on the Library, which was placed on the calendar, as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. HAYDEN, of Arizona; Mr. HENNINGS, of Missouri; and Mr. MORTON, of Kentucky.

Joint Committee of Congress on the Library: Mr. GREEN, of Rhode Island; Mr. HENNINGS, of Missouri; Mr. JORDAN, of North Carolina; Mr. MORTON, of Kentucky; and Mr. KEATING, of New York.

EXPENDITURES AND EMPLOYMENT OF TEMPORARY PERSONNEL BY COMMITTEE ON RULES AND ADMINISTRATION

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 69) authorizing the Committee on Rules and Administration to make expenditures and employ temporary personnel, and submitted a report (No. 12) thereon; which resolution was placed on the calendar, as follows:

Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) the election of the President, Vice President, or Members of Congress;
(2) corrupt practices;
(3) contested elections;
(4) credentials and qualifications;
(5) Federal elections generally;
(6) Presidential succession.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, is authorized to (1)

make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the priort consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

REPORT ENTITLED "MEETING THE PROBLEMS OF METROPOLITAN GROWTH IN THE NATIONAL CAPITAL REGION" (S. REPT. NO. 38)

Under authority of the order of the Senate of January 29, 1959, Mr. BIBLE, on January 31, 1959, from the Joint Committee on Washington Metropolitan Problems, pursuant to House Concurrent Resolution 172, 85th Congress, submitted the final report of that joint committee entitled "Meeting the Problems of Metropolitan Growth in the National Capital Region," which was printed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT ON AERONAUTICS AND SPACE ACTIVITIES — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 71)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Aeronautical and Space Sciences:

To the Congress of the United States:

Transmitted herewith, pursuant to section 206(b) of the National Aeronautics and Space Act of 1958, is the first annual report on the Nation's activities and accomplishments in the aeronautics and space fields. This first report covers the year 1958.

The report provides an impressive accumulation of evidence as to the scope and impetus of our aeronautical and space efforts. Equally impressive is the report's description of the variety of fields being explored through the ingenuity of American scientists, engineers, and technicians.

The report makes clear that the Nation has the knowledge, the skill, and the will to move ahead swiftly and surely in these rapidly developing areas of technology. Our national capability in this regard has been considerably enhanced by the creation and organization of the National Aeronautics and Space Administration.

The report sets forth a record of solid achievement in a most intricate and exacting enterprise. In this record the Nation can take great pride.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION OF TIME WITHIN WHICH COMMITTEE ON BANKING AND CURRENCY MAY FILE ITS REPORT ON THE HOUSING BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Committee on Banking and Currency may have until midnight to file its report on the housing bill, and that any members of the committee who may wish to file individual views may have the same privilege.

The VICE PRESIDENT. Without objection, it is so ordered.

SUBCOMMITTEE MEETING DURING SENATE SESSIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Labor Subcommittee of the Committee on Labor and Public Welfare be permitted to meet during the sessions of the Senate during this week from February 2 to February 6.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nomination on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the nomination on the calendar will be stated.

MISSISSIPPI RIVER COMMISSION

The Chief Clerk read the nomination of Maj. Gen. Keith R. Barney, U.S. Army, to be a member of the Mississippi River Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I wish to give notice that later in the day we shall expect to have the Senate consider some resolutions reported from the Committee on Rules and Administration. I shall discuss in more detail with the minority leader the order in which the resolutions will be brought up by motion. That will depend upon the convenience of the chairman of the committee affected by the resolution taken up, the ranking minority Member, and other Members who may have a special interest in any of the resolutions. But we expect to have the Senate consider—

Calendar No. 9, Senate Resolution 68, providing for Members on the part of the Joint Committee on Printing and the Joint Committee of Congress on the Library;

Calendar No. 10, Senate Resolution 69, authorizing the Committee on Rules and Administration to make expenditures and employ temporary personnel;

Calendar No. 11, Senate Resolution 44, continuing the Select Committee on Improper Activities in the Labor or Management Field;

Calendar No. 12, Senate Resolution 43, authorizing the Committee on Government Operations to investigate the administration of all branches of the Government;

Calendar No. 13, Senate Concurrent Resolution 2, continuing the Joint Committee on Washington Metropolitan Problems;

Calendar No. 14, Senate Resolution 26, authorizing the Committee on Armed Services to investigate certain matters within its jurisdiction;

Calendar No. 15, Senate Resolution 30, authorizing the Committee on Foreign Relations to employ certain additional personnel;

Calendar No. 16, Senate Resolution 31, to authorize a study of U.S. foreign policy, with special reference to Latin American and Canadian affairs, and the problems of world disarmament;

Calendar No. 17, Senate Resolution 32, providing assistance to Members of the Senate in the discharge of their re-

sponsibilities in connection with visits to the United States by foreign dignitaries, and for other purposes;

Calendar No. 18, Senate Resolution 20, authorizing the Committee on Banking and Currency to investigate certain matters within its jurisdiction;

Calendar No. 19, Senate Resolution 11, authorizing the Committee on Banking and Currency to investigate certain matters pertaining to public and private housing;

Calendar No. 20, Senate Resolution 42, authorizing the Committee on Government Operations to make a complete study of all matters pertaining to international activities of the executive branch;

Calendar No. 21, Senate Resolution 7, authorizing the Committee on Post Office and Civil Service to employ a temporary additional clerical assistant;

Calendar No. 22, Senate Resolution 8, authorizing the Committee on Post Office and Civil Service to investigate certain matters within its jurisdiction;

Calendar No. 23, Senate Resolution 16, authorizing the Select Committee on Small Business to investigate certain small and independent business problems;

Calendar No. 24, Senate Resolution 59, authorizing an investigation of the administration of the national security law and matters relating to espionage;

Calendar No. 25, Senate Resolution 55, to investigate matters pertaining to immigration and naturalization;

Calendar No. 26, Senate Resolution 57, authorizing an investigation of the antitrust and monopoly laws of the United States;

Calendar No. 27, Senate Concurrent Resolution 5, to print additional copies of a committee print entitled "Briefing on the Investment Act";

Calendar No. 28, Senate Resolution 58, authorizing a study of matters pertaining to constitutional amendments;

Calendar No. 29, Senate Resolution 54, to investigate juvenile delinquency in the United States;

Calendar No. 30, Senate Resolution 53, authorizing an investigation of the administration of the Patent Office;

Calendar No. 31, Senate Resolution 62, authorizing a study of matters pertaining to constitutional rights;

Calendar No. 33, Senate Resolution 56, to investigate the administration of the Trading With the Enemy Act;

Calendar No. 33, Senate Resolution 52, to investigate problems of certain foreign countries arising from flow of escapees and refugees from Communist tyranny;

Calendar No. 34, Senate Resolution 60, authorizing an investigation of the national penitentiaries;

Calendar No. 35, Senate Resolution 63, authorizing a study of matters pertaining to the revision and codification of the statutes of the United States;

Calendar No. 36, Senate Resolution 61, authorizing a study of administrative practice and procedure in Government departments and agencies; and

Calendar No. 37, Senate Resolution 49, authorizing the Committee on Labor and Public Welfare to employ temporarily additional staff and clerical personnel.

So far as I am aware, these resolutions were reported by the respective committees having jurisdiction, referred to the Committee on Rules and Administration, and then were favorably reported by the latter committee, I believe unanimously. If I am in error, I shall correct that statement later in the day. The rule has been complied with.

I ask the attachés on both sides of the aisle to inform the interested Senators that, at the conclusion of the morning hour, it will be our intention to have the Senate proceed to the consideration of some of these resolutions.

RESIGNATION OF SENATOR GREEN AS CHAIRMAN OF THE COMMITTEE ON FOREIGN RELATIONS

Mr. MANSFIELD. Mr. President, last Friday the Senate learned of the resignation of the distinguished Senator from Rhode Island [Mr. GREEN] as chairman of the Committee on Foreign Relations. During the years of his tenure, the committee handled many matters of vital importance to the Nation. It handled them well. It handled them with dispatch. No member of the committee contributed more diligently to the building of that record than did its outstanding chairman.

For those who have been associated with the Senator from Rhode Island in the Committee on Foreign Relations, his resignation can only be a source of mixed feelings. On the one hand, we are reluctant to lose his leadership. On the other hand, we do not wish to have him overtax his energies, no matter how formidable the challenges may be.

The members of the committee who were present when the Senator from Rhode Island tendered his resignation know how his colleagues tried to dissuade him. There was far more to that effort than mere ritual. There was in it deep affection, deep respect, and deep appreciation for his dedicated service.

Few Members of this body even begin to approach the fine Senator from Rhode Island in fullness of years. For that alone, he might have the special place which he holds among us. But it is not for that alone that we so highly regard him. His place in our hearts and in our midst derives from something more. It derives from his keen intelligence, his brilliant wit, his unfailing ability to draw the meaningful out of the vague.

The able Senator from Rhode Island has used time to accumulate more than years. He has used it to gather understanding and to sharpen his wisdom. We may, indeed, count ourselves fortunate if, at the end of our lives, our cups contain half as much of understanding and wisdom as his does now.

And the Senator from Rhode Island is not nearly at the end of the road. As a matter of fact, his response to these words is likely to be, "For heaven's sake, do not eulogize me; I'm not leaving the Senate until I am at least a hundred."

I say to the Senator that is splendid with us. We want the Senator from Rhode Island to go on for many years. We want him to continue to gather experiences at home and all over the world. We want him to remain, as he has ever been, always a source of new ideas and fresh thought. We want him to contribute out of his great fund of human feeling and acute intelligence, which is his life, to the work of the committee, to the Senate, and to the Nation. The State of Rhode Island needs him. The Nation needs him. We will need him until he is 100, and perhaps beyond.

Mr. WILEY. Mr. President, I rise to pay tribute to one of the Senate's most distinguished and respected Members, and to call the attention of the Senate and the country to his long public service and his outstanding record as chairman of the Committee on Foreign Relations.

It has been said that he lacks the physical capacity to discharge his duties. During the 2-year period while the senior Senator from Rhode Island has been chairman, the committee met 184 times. He has patiently presided over all but a dozen of these meetings. In addition, as ex officio member of each subcommittee, he has attended no less than 50 subcommittee meetings during this period. And, of course, when appointed a conferee, he took active part in House-Senate conferences on foreign relations matters.

This record does not bespeak a lack of vigor. In fact, it puts many of us to shame.

In 1957, his first year as chairman of the Foreign Relations Committee, the senior Senator from Rhode Island, personally visited the capitals of our 14 NATO allies during an arduous 2-month grind that took him from Ottawa, to Reykjavik, to Ankara, with a strenuous 5-day conference of NATO parliamentarians wedged in. He served as chairman of the Senate delegation to that conference. The year previous, he was the first U.S. Senator ever to make a complete tour of Africa, passing through such unlikely places as Khartoum, Addis Ababa, Nairobi, Pretoria, Leopoldville, Accra, and Monrovia. I daresay that not many of his younger colleagues would voluntarily expose themselves to the discomforts of such a safari. It is well known that the staff member who accompanied him in this ordeal retreated to his bed for several days, while the senior Senator from Rhode Island went forth to campaign in his home State. I advise those who would question his physical capacity to try to keep up with him for just 1 day.

It has also been stated that my distinguished colleague no longer has the mental vigor to discharge his duties as chairman of the Committee on Foreign Relations.

As chairman he has brought forth new ideas and improved that committee's procedures for dealing with its staggering workload.

In 1957, convinced that the customary early January briefing by the Secretary of State on the position of the United States in the world did not elicit sufficient and detailed information on which committee members might form intelligent appraisals, the committee under the chairmanship of the senior Senator from Rhode Island initiated a

series of public hearings at which Government and non-Government witnesses testified on the major challenges faced by the United States and on the geographic areas of deepest concern to us. From these hearings emerged the belief that the time had come for an exploration in depth of U.S. foreign policies throughout the world. As a consequence, the distinguished chairman of the Committee on Foreign Relations sponsored a resolution directing the committee to arrange for exhaustive studies to be made of the extent to which the foreign policy of the United States advances, fails to advance, or can be made to advance the security and well-being of the people of the United States. The arrangements for this study are now progressing satisfactorily under the able leadership of the senior Senator from Rhode Island.

This year, the chairman sharpened the committee's procedure even further by proposing to the President that the Secretary's beginning-of-the-session briefing "be supplemented by testimony concerning the state of our military defenses and the state of our economic relations with the rest of the world. "The coordinated national estimate which such testimony would provide," wrote Senator GREEN, "seems to me to be essential to enable the committee intelligently to consider foreign policy issues that will come before the Senate this year."

I have no doubt that every member of the Committee on Foreign Relations will agree that the recently concluded briefings by the Secretary of State, John Foster Dulles; the Secretary of Defense, Neil McElroy; the Chairman of the Joint Chiefs of Staff, Gen. Nathan F. Twining; the Under Secretary of State, C. Douglas Dillon; and the Director of the Central Intelligence Agency, Allen W. Dulles, have been the most thorough, penetrating, and frank discussions that the Committee on Foreign Relations ever had with the highest ranking members of the administration. I express to the chairman the sincere gratitude of the committee for having made possible these invaluable conferences.

Senator GREEN has also improved the committee's procedures with respect to nominations in two ways. In the first place, on the committee's behalf, he made clear to the Secretary of State that the committee desired generally to meet personally with ambassadorial and other nominees and that it viewed with misgivings the sending or transferring of ambassadors from one post to another without giving the committee the opportunity for this personal contact. In the second place, the senior Senator from Rhode Island questioned the committee's practice of routinely approving all appointments to the lowest class of the Foreign Service, without personally satisfying itself of the quality of what might be termed the freshman class of Foreign Service officers—the future ambassadors. At his suggestion, in the past 2 years, the committee has called before it 1 out of every 10 nominees to class 8 of the Foreign Service. The experience has been as valuable for these young people as it has for the committee.

I would like to cite just one last example of mental vigor of my respected colleague. With his usual astute instinct for bringing order out of disorder, he sponsored last year a resolution to enable the Senate to meet with dignity its responsibilities toward visiting foreign legislators and high government officials of other countries. Many of us have increased our understanding of other nations' problems through these valuable informal contacts with foreign legislators and officials.

Finally, it has been said that the senior Senator from Rhode Island has lacked the depth of insight necessary to discharge his duties as the national interest demands. Those who make this statement cannot have read any of his penetrating reports on his study missions, or listened to his important speeches, or followed his major correspondence with the President.

These make good reading and will stand up well under the test of time. I do not believe that any of the distinguished Senator's critics could show deeper insight and a greater grasp of world problems.

The senior Senator from Rhode Island has also been in the forefront of those of us who have been concerned about our foreign aid program—particularly about the amount of it devoted to military ends. His concern led to an exchange of letters, signed by several members of the committee, with the President in which we wrote:

> We do believe, * * * as individual Members of the Senate with some experience and understanding of the program and a full appreciation of its importance, that with respect to the less developed countries there is a serious distortion in the present relative importance which is attached to military and related aid on the one hand and technical assistance and self-liquidating economic development assistance on the other. * * *
>
> We urge most respectfully that you study the mutual security program. It may be that such a study will lead you, Mr. President, as it has led us, to the conclusions that the principal and most costly shortcoming in the mutual security program remains as it has been for some time—the failure to emphasize military aid less and to stress economic aid and technical assistance more.

I know that my respected colleague must be extremely gratified that, as a result of this correspondence, the President has now created a committee of distinguished private citizens to examine the foreign aid program with a view toward giving it a new direction and fresh purpose.

I could go on much longer with examples of the depth of insight which, it was averred, the senior Senator from Rhode Island lacks. I know of few men that have a better understanding of the deep forces that motivate countries and peoples. I am very glad that the Committee on Foreign Relations will continue to have the benefit of his wisdom.

In conclusion, Mr. President, I ask unanimous consent that a number of articles commendatory of my colleague from Rhode Island be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 28, 1957]

GREEN HAILED IN SENATE AS ITS OLDEST TO SERVE

Senator THEODORE FRANCIS GREEN, Democrat, Rhode Island, that energetic and much-publicized marvel of mortal obstinacy, yesterday became the oldest man ever to serve in the U.S. Congress.

He showed up, as usual, right on time. It was 9:59 a.m. He was 1 minute early for the meeting of the Senate Foreign Relations Committee, of which he is boss, and he was 89 years, 7 months and 26 days old. You'd never know it.

He'd had a minor disappointment on the way to work. He prefers to walk the mile and a half from the University Club, but someone had given him a ride. Rankling over this, the small, neat man, peering happily through his rimless glasses, even disputed the fact he is the oldest man to serve in Congress. If you listen to him, the great day doesn't arrive until May 30.

AND A CAKE, TOO

But his colleagues, who usually do listen, didn't do it this time. They plunged into eulogy and nostalgia. There was even a cake.

And, even though he did think it was the wrong day for all this, the elderly legislator who gave up tennis recently not because he was tired but because "I didn't have the time" and who thinks golf is "an old man's game," no matter what the White House view is, gave in to the celebration.

ENJOYS A GOOD FIGHT

Senate Majority Leader LYNDON JOHNSON of Texas started the floor-flurry of praise. Senate Minority Leader William M. Knowland echoed JOHNSON'S sentiments. Senator JOHN O. PASTORE, Democrat, Rhode Island, was nostalgic. Other Senators offered up a bipartisan paean of praise.

But GREEN was not misled. The man who came to the Senate 20 years ago, at an age when lesser mortals are deep in retirement or the grave, knows the Senate isn't always, or even often, a place of peace.

"Hmmmm," he said, "I rise not to make a speech, but to express my heartfelt thanks. I don't notice much difference in myself when I came to the Senate 20 years ago. I've enjoyed it, but that's because I always enjoy a good fight."

Though it now seems certain he has at last beaten the mark set by Representative Charles Stedman, of North Carolina, who died in office in 1930, GREEN is not resting on his laurels. He wants to be in the Senate when he's 100.

[From the Christian Science Monitor, May 28, 1957]

GREEN'S AGE SETS CONGRESS RECORD

WASHINGTON.—On May 27 at 9:59 a.m., a small, neat man, his eyes atwinkle behind rimless glasses, hurried into room F-53 of the Capitol.

As usual, Senator THEODORE FRANCIS GREEN, Democrat, of Rhode Island, was right on time. The hearing of the Senate Foreign Relations Committee, of which he is chairman, was scheduled to start at 10. As usual, he was the first Senator to arrive.

About the only thing unusual was that on this day, when Senator GREEN was 89 years, 7 months, and 26 days old, he became the oldest man ever to serve in the United States Congress, House or Senate.

Nature failed to cooperate with him on this great occasion. The day started off on a drizzly note.

RUEFUL ABOUT RIDE

Senator GREEN is fond of exercise—(he recently gave up tennis, not because it's too

strenuous but because he no longer has the time)—and he started to walk to work as is his habit. After all, it's only a mile and a half from the University Club, where he has bachelor quarters, to the Senate.

"A friend came by in his car," Senator GREEN said, in a hurt tone. "He insisted that I get in."

There has been considerable dispute among statisticians over the exact date for Senator GREEN's record. He even was proclaimed champion once before only to have a new name pop up.

Now it appears to be certain that Senator GREEN has beaten the record held by Representative Charles M. Stedman, of North Carolina, who passed on in office on September 23, 1930, aged 89 years, 7 months, and 25 days.

There's an endless supply of stories about the Senator.

About his frugality—he is one of the Senate's wealthiest Members, but he's not inclined to throw his money about. A cabdriver, watching Senator GREEN climb the hill toward the Capitol, said: "Look at him, always talking about exercise. The real reason he walks is to save 40 cents."

About the way he runs his committee—most chairmen diplomatically cover up absenteeism, but Senator GREEN seems to delight in calling the roll, like a stern schoolmaster checking up on his truants. "Senator so-and-so," he may sing out. And then he'll say, marking a large black checkmark, "Absent."

BUOYANT ENTHUSIASM

About the enthusiasm he shows on his foreign travels—once in Greece, committee members were so worn out they all agreed to sleep late. When they finally got ready to go to the Acropolis, Senator GREEN could not be found. Regretfully, they went on without him.

When they arrived, there he was, poking about the ruins. He had got up for an early morning swim and then had hiked to the Acropolis.

About the advantages of old age—during tedious speeches it's often an effort to stay awake in the Senate. Reporters sometimes have noted enviously, that Senator GREEN contentedly closes his eyes and settles down. No one can prove that he's sleeping, of course, but he certainly gives his eyes a prolonged rest.

Any young man likes to look to the future, and Senator GREEN is no exception. His present goal: To be in the Senate when he's 100.

He may make it too, for his viewpoint seems to be eternally youthful. He once was asked if he ever considered playing golf.

"No," he said, and explained why. "It's an old man's game."

[From the New York Herald Tribune, May 28, 1957]

HE'S OLDEST CONGRESSMAN EVER—PERENNIALLY YOUNG SENATOR GREEN AT ALMOST 90 BEATS LONGEVITY RECORD

WASHINGTON, May 27.—At 9:59 a.m. today a small, neat man, his eyes twinkling behind rimless glasses, hurried into room F-53 of the Capitol.

As usual, Senator THEODORE FRANCIS GREEN, Democrat, of Rhode Island, was right on time. The hearing of the Senate Foreign Relations Committee, of which he's the chairman, was scheduled to start at 10. As usual, he was the first Senator to arrive.

UNUSUAL MILESTONE

About the only thing unusual was that on this day, when Senator GREEN is 89 years, 7 months and 26 days old, he has become the oldest man ever to serve in the U.S. Congress—House or Senate.

Nature failed to cooperate with him on this great occasion. The day started off on a drizzly note.

Senator GREEN is fond of exercise—he recently gave up tennis, not because it's too strenuous but because he no longer has the time—and started to walk to work. It is a mile and a half from the University Club, where he has bachelor quarters, to the Senate.

"A friend came by in his car," Senator GREEN said, in a hurt tone. "He insisted that I get in."

There has been considerable dispute among statisticians over the exact date for Senator GREEN's record. He even was proclaimed champ once before only to have a new name bob up.

Now it appears to be certain that Senator GREEN has beaten the record held by Representative Charles M. Stedman, of North Carolina, who died in office on September 23, 1930, aged 89 years, 7 months and 25 days.

Senator GREEN's present goal—to be in the Senate when he's 100. He may make it, too, for his viewpoint seems to be eternally youthful. He once was asked if he ever considered playing golf. "No," he said, "it's an old man's game."

SENATOR GREEN HEADS FOR 100

[From the New York Herald Tribune, May 29, 1957]

As of today Rhode Island can claim another distinction to go along with its status as the smallest State in the Union. It is represented by the oldest man ever to serve in Congress—Senator THEODORE FRANCIS GREEN. Neither of these statistical distinctions operates against the well-being of "Little Rhody"—as the State is officially nicknamed. Indeed, its 89-year-old Senator has had an unusually active and distinguished career, as Governor as well as legislator, and today he heads the Senate Foreign Relations Committee in an effective and respected manner.

Despite his years Senator GREEN is a long way from holding a record tenure in Congress. He didn't run for the Senate until 1936, when he was 69, and so has served in Washington for a mere 20 years. The late Joseph G. Cannon, of Illinois, who spent 46 years in the House of Representatives, holds the congressional endurance record—a record which faces a challenge, incidentally, from Senator CARL HAYDEN, of Arizona, who is still going strong after 45 years in Congress. In age Senator HAYDEN is a spry 79.

Canny politician that he is, Senator GREEN refuses to single out ony specific factor as responsible for his longevity. He won't ascribe it to the fact that he never marrried. Nor will he claim vegetarianism, abstemiousness, early retirement at night or any other fads as the reason. In his expansive approach to the problems of the advancing years he rather resembles Sir Winston Churchill.

Senator GREEN has been quoted as expressing a desire to stay on in the Senate until he is 100. We congratulate him on having come thus far, and will be pulling for him all the way.

[From the New York Times, June 22, 1958]

LIFE BEGINS AT 40(×2)—EIGHT NOTABLE OLDSTERS TELL HOW TO STAY YOUNG BEYOND 80

(By Arturo and Janeann Gonzalez)

THEODORE FRANCIS GREEN: A weather-stained plaque on the Brown University campus immortalizes in poetry the class of 1887. The plaque itself shows more of the ravages of time than the poem's author—Rhode Island's Senator THEODORE FRANCIS GREEN, who at 90 is head of the powerful Senate Foreign Relations Committee and the oldest man ever to serve in Congress.

Aids half his age call GREEN "Superman" or "Tarzan." The Senator, who is a bachelor, lives at the University Club when he is in Washington. He rises promptly at 6:30, reads the papers, breakfasts and gets to his office by 9. Now that he's 90, he seldom walks the mile and a half to the Senate Office Building as he used to; he takes a cab or streetcar instead. Although he is a millionaire, GREEN has owned only one automobile in his life; it plummeted right through the wooden floor of the carriage house at his Rhode Island estate the first time he brought it home.

From 9 to 10, he and his eight-man staff tackle the mail; then he heads for the day's first committee meeting. At noon he is on the Senate floor; after lunch at 1, he returns to the Senate, or goes to his office or to another committee session—wherever he is needed most. He also squeezes in several afternoon visits a week to the Senate swimming pool for exercise.

This rugged schedule represents a decrease in the Senator's previous pace. In recent years, he has climbed a 15,000-foot mountain, played a half-dozen sets of tennis a week and experimented with high diving. He toured Latin America in 1954, went around the world in 1955 and celebrated his 89th birthday in the Belgian Congo in 1956. Exercising his senatorial rights, he has been catapulted off a carrier in a jet, has served as an Army tank crewman, and has been transferred between ships at sea in a breeches buoy.

One of Washington's most sought-after guests, GREEN manfully tackles as many as five parties a night, keeping track of where he is and where he's going in the bachelor's proverbial "little black book"; he retires around 11. His death, GREEN feels, will undoubtedly be the result of Washington's heavy traffic, which he abominates. He expects he'll be run down by a careless driver during one of his walks, in which case, he wryly suggests, "I want to be carried into court on a stretcher and with my last breath make a dramatic plea for traffic safety."

THE INCREDIBLE SENATOR GREEN

[From the New York Herald Tribune, Oct. 4, 1958]

While the years are inexorable, age is nevertheless a very relative thing. Some men look old at 40, others walk jauntily at 60. A man is truly as old as he feels.

It would be hard to find a more durable specimen than Rhode Island's Senator THEODORE FRANCIS GREEN, who just celebrated his 91st birthday in Providence. As the oldest Member of the Senate, he still seems, as he has for years, untouched by age—spry, keen, vigorous, lucid. Bill Knowland said of him recently: "He may be here after all the rest of us are gone." GREEN had a medical checkup recently, and was pronounced sound as a dollar. When asked if he intended to stay in the Senate until he is 100, the Senator said cheerily: "I don't see any reason why I shouldn't. It would be very unusual if I did." But Senator GREEN is a very unusual man, besides being one of the Senate's most useful and constructive members. His friends from both sides of the aisle will wish him many happy returns.

[From the New York Times, February 1, 1959]

SENATOR GREEN RETIRES A LITTLE

Senator THEODORE FRANCIS GREEN, of Rhode Island, likes to walk the 2 miles from where he lives to where he works. At 91, he has given up some other things he liked to do, such as mountain climbing and tennis. Now, under a little friendly pressure, but mostly because he cannot see as well as he used to, or hear as well, he has relinquished the chairmanship of the Senate Foreign Relations Committee.

What he says about this is: "I felt that my own life was too filled to overflowing with things I had to do and I'd rather have more time to devote to things I didn't have to do but would like to do." What other people say about it, especially those other people

who have long been in sympathy with his warmhearted domestic policies and bipartisan foreign policy, is that it is too bad THEODORE GREEN cannot take 20 or 30 years off his age and do all over again the good work to which he has so long devoted himself.

Fortunately, the Senate and the American people will still have his experience and his wisdom at their disposal, for it is his intention to finish out his present term, and he has even hinted, with what seriousness only he knows, that he would like to spend his 100th birthday in the Senate. His comparatively youthful successor in the committee chairmanship, JAMES W. FULBRIGHT, of Arkansas, may make more difficulties for Secretary Dulles than Senator GREEN has done, but he can be counted on to be energetic, intelligent, and positive.

[From the New York Herald Tribune, Jan. 31, 1959]

SENATOR GREEN STEPS DOWN

Senator THEODORE FRANCIS GREEN, who at 91 is the oldest man to serve in the Congress of the United States, has resigned as chairman of the Foreign Relations Committee. He gave as his reasons his eyesight, affected by a cataract operation last month, and defective hearing, but at the same time hit out at misleading newspaper articles and slanted editorials by a few callous newspaper writers.

This is somewhat less than fair. The country, Republicans and Democrats alike, is proud of Senator GREEN, of his long, distinguished service and of the vigorous way in which he carries his years. It would be happy to see him attain his goal of being in his Senate seat when he reaches 100. If there is anyone who deserves the overused title of senior citizen, it is THEODORE FRANCIS GREEN, of Rhode Island.

Nevertheless, the chairmanship of the Senate Foreign Relations Committee is a demanding one. It is only natural that there should be concern over the effect of this responsibility on Senator GREEN as well as over the problems of the committee itself under his leadership. Evidently, this concern was not shared by his colleagues, who have urged him to reconsider his decision. But while raising the issue may have been a delicate task for the Providence Journal, it does not evidence callousness.

It is to be hoped that Senator GREEN, who has borne many political storms with equanimity, will recognize that this episode, while it may have been painful for him, was not inspired by malice; that those who approve his action do so with every respect for his talents and confidence in his continued service. The committee resolution which asserted that his alert mind and his vast experience in the field of foreign relations will still be available is one that will receive approval everywhere.

[From the New York Times, Jan. 31, 1959]

HON. THEODORE FRANCIS GREEN

WASHINGTON, January 30.—To make any concession to the processes of aging, no matter how small, is to Senator THEODORE FRANCIS GREEN an act of treason to oneself.

But the 91-year-old Senator has found that even he, an almost ageless athlete, must occasionally give way. Not long ago, in his 80's, he went along with the advice of his doctors and gave up wrestling, mountain climbing, and high diving. Today he made perhaps his most reluctant concession. He gave up the chairmanship of the Senate Foreign Relations Committee.

The Rhode Island Democrat was quick to point out that he had no doubts about his physical stamina to carry on as chairman. Indeed, the Senator still looks quite robust, and his daily schedule belies the fact that he is the oldest man ever to serve in Congress.

He is up each day about 7 a.m. in his bachelor quarters in the University Club. Weather permitting, he likes to walk the 2 miles to the Capitol. And, on an average of twice a week, he has a workout in the Senate gymnasium, with a swim afterward.

LOVES TROLLEYS

On the mornings he does not walk to work the Senator takes to his first transportation love, the trolley car. He has some strong feelings about automobiles that would make Detroit shudder. Consequently, he has never learned to drive.

A multimillionaire, he has owned only one car. It was purchased during his 1932 campaign for Governor of Rhode Island just to keep up appearances. After the campaign, the chauffeur was retired and so was the car.

His proclivity for walking, working out, swimming and traveling around the world has served to keep the Senator in shape for the active social life he leads as the dean of the Senate bachelors. He is in great demand at diplomatic dinners and elsewhere around town and his ruddy face, complete with pince nez and tweedy mustache, often looks out of Washington's society pages.

For some time now, the Senator has been using a little book to help keep tabs on his engagements. One of the many stories told about him is that of the hostess who saw him consulting the little book and asked:

"Are you checking to find out where you go next?"

His answer:

"I'm checking to see where I am now."

SICKLY AS A CHILD

Since he entered politics, he has never seemed to have any trouble deciding where he was going. He was born Oct. 2, 1867, in Providence. In addition to all the childhood diseases he had pleurisy, malaria, pneumonia, and typhoid fever, all of which left him so sickly he could not go to school with other boys. When his strength returned, he went to classes a mile and a half from his home and walked each way. He resolved to hold on to his physical fitness and he has been working at it ever since.

Besides becoming an athlete, he became a linguist—he speaks five foreign languages—a scholar, an alumnus of Brown University, Harvard Law School, and the Universities of Berlin and Bonn. Returning to Providence, he acquired an immensely lucrative law practice and was elected to the State legislature in 1907. He ran unsuccessfully for Governor in 1912 and again in 1930. But in 1932 he won and was reelected in 1934.

After coming to Washington in 1937, the Senator gave vigorous support to the Roosevelt administration and said that he could be called a Roosevelt New Dealer "unless there is a stronger term." He subsequently gave full support to the Truman administration. Seldom does he depart from the Democratic line in domestic matters.

In foreign affairs, however, the Senator has often said that partisan politics stops at the water line and has no place in foreign policy. He is an ardent internationalist and has backed most of President Eisenhower's foreign policy requests.

The Senator's term expires next year. He did not say today whether he would run again, but has said that he would like to serve in the Senate until he is 100.

[From the Washington Post, Jan. 31, 1959]

SENATOR GREEN STEPS DOWN

Senator THEODORE FRANCIS GREEN showed good judgment in deciding to relinquish the chairmanship of the powerful Committee on Foreign Relations. At the advanced age of 91, with his eyesight and hearing impaired, the Senator is no longer capable of carrying on the rigorous duties of the No. 1 legislator in foreign affairs. His resignation will neither terminate nor impair his distinguished career in the Senate and the committee; indeed, his standing among his colleagues will be enhanced by his acknowledgment of his current limitations and his placement of the national welfare above his personal wishes.

Senator J. WILLIAM FULBRIGHT, who will succeed to the chairmanship under the seniority system, will take to the post an abundance of vigor as well as a broad background and an intense interest in foreign relations. More critical of the foreign policies of the Eisenhower administration than his predecessor, Mr. FULBRIGHT is nevertheless keenly aware of the need for anchoring all operations in this sphere to the national welfare rather than partisan politics. He may be expected to reanimate the committee as a potent force in the shaping of international policies.

Meanwhile Congress might well reflect upon the policy it adopted last year to prevent the seniority system from impairing the work of the courts. It provided that when a presiding judge in the district and circuit courts reaches the age 70 he must relinquish his administrative duties, though he may continue to serve as a judge. Opinions will vary as to the exact age at which a chairman should step down, but some such rule applied to congressional committees would be a standing safeguard against the debilitation of age in the positions in which it is likely to be most dangerous.

[From the Washington Star, Oct. 8, 1957]

SENATOR GREEN'S TRIP

For the first time since the founding of the North Atlantic Treaty Organization in 1949, a member of the Senate Foreign Relations Committee is going abroad to visit all the NATO countries on a single trip. He is Chairman THEODORE FRANCIS GREEN, and he is undertaking the 2-month tour in order to see for himself what the alliance has accomplished and what, if anything, should be done to make it an even more effective instrument of Western defense and cooperation.

This is a good idea, and more than a few of NATO's members will welcome it as evidence that the committee is continuing to maintain a lively interest in various interallied problems. The project, involving lengthy conferences with high officials in 14 different countries, would be strenuous even for a young man, but the remarkable Senator GREEN, despite his 90 years, seems to thrive on such labors. The results of his journey should be helpful alike to the United States and all other members of the alliance.

[From the Washington Post, Oct. 2, 1958]

SENATOR GREEN SEES 14 PRESIDENTS

(EDITOR'S NOTE.—Drew Pearson today awards the brass ring, good for one free ride on the Washington Merry-Go-Round to Senator THEODORE FRANCIS GREEN, elder statesman of the Senate, who is celebrating his 91st birthday.)

WASHINGTON.—Senator THEODORE FRANCIS GREEN, of Rhode Island has seen 91 years of American history roll by during which he has met 14 Presidents. This is almost one-half of the Presidents of the United States.

His memory is quite clear regarding them.

The first was Rutherford B. Hayes, who came to Providence in 1877. Mrs. Hayes, seeing the 10-year old THEODORE FRANCIS just behind her in the receiving line, said: "Come here, little boy, you can't see what's going on." Thereafter he stood right beside the President as the latter shook hands with the people of Providence.

James A. Garfield, who followed Hayes, was assassinated. He was the only President since 1877 GREEN did not meet.

Chester Arthur, who replaced Garfield in 1881, came to Newport when GREEN was about 15. When they shook hands, THEODORE FRANCIS yelled: "Ouch."

"Look here, young man," said President Arthur. "I'll show you something. I always squeeze the other man's hand first. Otherwise he'll squeeze mine."

Grover Cleveland, the first Democratic President GREEN met, came to Harvard when the Senator was studying at Harvard Law School, and the future Senator was invited to sit on the platform. Later, he met Cleveland at several receptions in Washington, where GREEN'S uncle, Sam Green Arnold, was a U.S. Senator. Eight of GREEN'S relatives, incidentally, served in the House or Senate.

The Senator recalls meeting Benjamin Harrison briefly at a White House reception.

Teddy Roosevelt's friend: President William McKinley, GREEN also met at a White House party to which he had been invited by Secretary of State John Hay, a friend of GREEN'S father at Brown University. Mrs. McKinley was subject to spasms but insisted on attending White House receptions, and the chief memory young GREEN took away from Washington was of Mrs. McKinley dressed in elegant finery, sitting in a wheelchair, then suddenly seized with a spasm. A handkerchief was thrown over her face and she was taken away.

"Theodore Roosevelt was really a good friend," recalls Senator GREEN, "so much so that he asked me to be his New England campaign manager.

"I had attended the Baltimore Democratic Convention which was deadlocked so long over Champ Clark of Missouri that Peter Gerry and I were the only Rhode Island delegates remaining. I threw the Rhode Island votes to Wilson and went home to find Teddy's wire asking me to help with his Bull Moose campaign in New England.

"I had to say no, that I was supporting Wilson.

"During World War I, Teddy was anxious to command a division in France. Because I had supported Wilson at Baltimore he thought I had influence, and asked me to approach Wilson for him. I replied that I had never asked a personal favor.

" 'You're not asking a favor for yourself, but for a personal friend of yours,' Teddy replied."

Top-spinning Taft: "So I saw Wilson. He said he would take the matter up with his military advisers, but he never gave T.R. a command."

Senator GREEN knew William Howard Taft quite well and once asked him if he didn't get tired "spinning like a top."

"Do you know what happens when a top stops spinning?" Taft asked. "It dies."

GREEN first met Woodrow Wilson when the latter was a professor at Princeton and came to speak at Brown. Wilson spent the night at the Green residence in Providence, built in colonial days.

"Wilson was aloof," recalls the Senator. "I admired him very much, but I never could get close to him."

Warren G. Harding, who died in office, GREEN knew only slightly. Coolidge, who followed him, GREEN met many times, and he remembers a White House reception at which he stood beside a former Coolidge classmate who proceeded to tell the President the story of a mutual school prank.

Coolidge didn't crack a smile. Embarrassed, Mrs. Coolidge tried to cover up.

"Calvin, wasn't that an amusing anecdote?" she said. "I'm so glad you told us."

GREEN also recalls a story told him by one of the famed Patton sisters who knew she was going to sit beside Coolidge and bet $10 she could make him talk. At the dinner the following conversation took place.

"Mr. President, I'm so honored to sit beside you."

No answer.

"They told me you wouldn't talk."

No answer.

"But I knew you'd talk to me."

No answer.

"In fact I bet $10 on it."

"You lost."

Herbert Hoover once spent the night at the Green home when Secretary of Commerce. GREEN describes him as "most intelligent, but a bit reticent. He was pleasant, though quiet. Took in more than he gave out."

Franklin Roosevelt also was entertained at the Senator's home in Providence when Secretary of the Navy. "He was a real friend," recalls GREEN. "It was he who got me started taking a checkup. I was at the White House one day when he said he had to go to the hospital.

" 'What's the matter?' I asked.

" 'Nothing, just a checkup,' he explained. 'If you don't get them you're foolish. Come with me.'

"At the hospital F.D.R. said, 'Give Senator GREEN the same examination you gave me.' They did and I've had one every year since."

Senator GREEN first met Harry Truman in the Senate and occupied the office next to his for 4 years. They were close friends. President Eisenhower he first met when Ike was an Army officer.

That is the record of the oldest man ever to serve in the Senate. Probably no other man has ever known so many Presidents, and it may take another half century for anyone else to equal the record.

DREW PEARSON.

THE EVER GREEN SENATOR GREEN

(By William S. White)[1]

The U.S. Senate holds a position in American life comparable to that of the senate of ancient Rome. It is to a considerable extent a law unto itself. The Senate is ruled by committees. And of all Senate committees the one that excites the most respect and envy is the Committee on Foreign Relations—15 men able at times to challenge the authority of the President. American legislative practice gives enormous authority to committee chairmen. In consequence, the personality of the chairman of the Senate Committee on Foreign Relations is important not only to Americans, but to America's allies as well.

This is particularly true when, as since January 1957, that chairman is one of the most remarkable figures in American public life.

The ordinarily bleak adjective "old" is extraordinarily applicable, in extraordinarily pleasant and useful connotations, to Senator THEODORE FRANCIS GREEN, of Rhode Island, chairman of the U.S. Senate Foreign Relations Committee.

A current American mythology wholly equates the accidental condition of youth with nearly all that is good in life. Much present folklore, indeed, regards the forties as a time of the dissolution, if not the final destruction, of the human personality. To be fifty is to be a venerable party.

Senator GREEN, who in his 90th year actively and zestfully guides perhaps the world's most powerful and influential legislative committee, is a cheerful living refutation of these odd, Hollywood-inspired notions. He is amiable proof as well that in this country the nonconformists are nearly always not the young.

As an aristocrat, and a rich one at that, Senator GREEN is a throwback to this now all but vanished breed to whose extinction he has consciously assisted as a liberal politician supporting for decades the leveling processes involved in welfare legislation and soak-the-rich policies.

A scholar at home in five foreign languages—German, French, Spanish, Polish, and Greek—he is, withal, a dedicated defender of pure and traditional English. His interrogation of State Department witnesses before his committee is never more acid in tone than when they slip into the bureaucratic jargon that so wars in Washington with the mother tongue.

An experimenter in art (particularly Chinese) and in music, and a dilettante in such matters as agriculture, he nevertheless prefers the Acropolis to the vastest industrial complex in all Detroit.

A FRIEND OF TWO ROOSEVELTS

A comparatively leftwing politician by American standards, and a great friend in turn of the two comparatively left wing Presidents Roosevelt, first Theodore and then Franklin, Senator GREEN nevertheless reflects the old rather than the new liberalism in one important thing. He does not consider private fastidiousness or even social discrimination to be in any way exclusive of public democracy.

This amazing man is the best known and the most ubiquitous diner-out in Washington—a man born to the white tie. He is as tireless a figure as there is in American public life today.

His constituency in Rhode Island is predominantly working class yet he maintains an unashamedly Edwardian mansion in his home State. He speaks with the broad upper class A common to the eastern seaboard of North America and scorns to alter his tone in addressing the smokiest union labor hall in Rhode Island.

In an era when some manifestations of intellectualism are rather suspect, Senator GREEN is jauntily pleased with his sound and solid academic background—Brown and Harvard Universities, the Universities of Bonn and Berlin.

He is undoubtedly the most and gayest-traveled chairman ever on the dais of the Foreign Relations Committee. If one aspect of this post pleases him more than all the others, it is the opportunity to roam usefully and with the restrained, small touch of pomp that suits him, from Baghdad to Bern and from Capetown to Copenhagen.

All the same, this man of art galleries, salons and gymnasia (he swims, spars at boxing and climbs the Capitol stairs two steps at a time) is a thoroughly practical politician.

A curious sense of thrift that requires him, a millionaire, to go to social engagements on a streetcar is carried by extension, into his public life. Though he is far more partisan by nature than was his great predecessor on the Foreign Relations Committee Walter F. George, of Georgia, Senator GREEN nevertheless is no man to wreck the foreign policy show by extreme criticism of the administration.

Some weeks ago his cold frowns, from his hierarchical eminence in the Democratic Party and in the Foreign Relations Committee, chilled and ended the design of some junior Democrats to investigate this country's damaged relations with Britain and France over Suez.

If Allied warships were patrolling a hostile shore in a common enterprise, he observed frostily, the commander would hardly halt operations to determine the precise responsibility for a nighttime collision within the destroyer line.

Again, though he has often been wryly disenchanted with the Eisenhower administration on many significant points of foreign policy, the Senator undertakes alterations only within the family and will publicly embarrass the President only in rare moments of extremis.

---

[1] Mr. White, chief congressoinal correspondent of the New York Times and recognized as perhaps the shrewdest observer of the American Government as it actually is and works, has drawn the material for this article largely from personal contact with its subject. He is the author of the by now famous book (reviewed in the first issue) "Citadel—The Story of the U.S. Senate."

AN INDIVIDUAL TRADITIONALIST

An individualist though he is, Senator GREEN is falling into the tradition that has for the most part finally governed chairmen of the Foreign Relations Committee * * * of not gladly rocking the boat.

Opposed to the unwise rigidity of this country's policy toward Communist China, he speaks more softly on this question as chairman of the committee than he did as a member. He recently declared in a recorded radio interview that the United States "should recognize Red China sooner or later." When this provoked head wagging in a Chamber where nonrecognition has long been a seemingly unalterable article of faith, old Senator GREEN made it plain that he had not been advocating immediate recognition. At the same time, he took the opportunity to restate his hostility to the State Department's policy of refusing to allow American correspondents to enter Communist China.

What Senator GREEN really undertakes—as is the case with many senior American politicians—is so to conduct his affairs as on balance to promote the larger designs of his party—and, abroad, his country—without too much concern for the small kinds of consistency which younger public men regard with a rather desperate constancy.

A SOPHISTICATE BUT NOT A CYNIC

He is, in a word, a deeply sophisticated man, though not a cynical one. The thrusts and counterthrusts of American politics rarely move him in any deep way. This is another of the many aspects of his character that make him an 18th century rather than a 19th century man—this basic detachment, not unmixed with cultivated irony.

One of these exceptional occasions that have profoundly affected him came in the so-called McCarthy era, when the late Senator Joseph R. McCarthy, of Wisconsin, was making unsupported charges of seditious conduct against Americans of high and low station.

Senator GREEN was a member of the first of several Senate panels that investigated the McCarthy charges. From the onset he took a glacially hostile position to McCarthy, making no claim to an objectivity that he knew perfectly well did not lie within him.

Rhode Island, as was then true of many other predominantly industrial States, had a large core of devoted McCarthy followers, and Senator GREEN'S unhidden animosity toward their hero evoked a bulk of scurrilous mail.

One day in his office the old gentleman showed me samples of this post, some of it put in terms that would be considered shocking in a railroad latrine.

"Odd, disgusting little things, aren't they?" he drawled. Then he put his fingernail gingerly against a pile of postcards and flicked them into the trash basket, significant of his sole reaction to that kind of constituent pressure.

Liberal, welfarist, democratic though he is, he prizes that protection of privacy that lies at the heart of the representative system of government.

Senator GREEN would have been at home in the age of Pericles. In homage, therefore, we have sought in Herodotus a few characteristics of ancient civilizations which might kindle his ready sense of humor:

"Persians like wine very much * * * it is usually after having drunk excessively that they deal with the most serious affairs. The next day when all are sober, the master, in whose house the affair was discussed, again brings up the subject. If the resolutions taken on the eve are confirmed, the project is carried through. Otherwise, it is dropped. Similarly, when a decision has been made by sober men, it is rediscussed when they have drunk.

"In Persia, one's birthday is considered the most solemn feast. On that day the meals are more copious than for any other celebration. The wealthy will serve a whole roasted bull, horse, camel, or donkey; the poor will have smaller livestock. Dessert is their favorite dish, and they never fail to consume several. It is this which makes them declare that the Greeks eat only to satisfy their hunger, because their desserts are never good. If they were, they would never stop eating."

Herodotus: On the Religion and Customs of the Persians.

[From the American Weekly, Nov. 3, 1957]

SENATORS: YOUNGEST, CHURCH, OF IDAHO; OLDEST, GREEN, OF RHODE ISLAND

(By Frances Leighton)

"It isn't the way a man counts his years but the way he uses them that counts," Senator THEODORE FRANCIS GREEN, chairman of the Senate Foreign Relations Committee said recently. And the bachelor gentleman from Rhode Island should know because he celebrated his 90th birthday on October 2.

Several months before this important date Senator GREEN broke all records by becoming the oldest Member ever to serve in the U.S. Congress. On that occasion he looked back at his unpromising boyhood and said: "I was sick all the time.

"I had mumps, measles, chickenpox whooping cough and all of the rest of the ailments youth is heir to and then I topped them off with a few fancier ones—malaria, typhoid fever, pleurisy and pneumonia."

How did the weakling child become the man now nicknamed "Tarzan" and "Superman" by his less active congressional colleagues?

The boy's father—a great believer in walking—took the first step by forcing him to trudge several miles to school every day from his Providence, R.I., home.

Young GREEN'S health improved and as he grew he tried all kinds of sports. As a result, when he came to Washington in 1937—a youthful 70—his activities included boxing, swimming, high diving, mountain climbing, long-distance running, tennis, handball, wrestling and judo. He still works at most of them and, in addition, is an excellent dancer.

In the Capitol GREEN ignores Senate elevators which stand open, waiting and plainly marked for Senators only, and bounds up the stairs. However, he's a sucker for more exciting transportation such as taking off in a jet from a carrier, diving in a dive bomber, riding in a tank, and making a breeches-buoy transfer at sea. His travels in recent years have included South America in 1954; a trip around the world in 1955, and celebration of his 89th birthday in the Belgian Congo in 1956.

He is a vigorous collector of oriental art and another hobby finds him still fighting the Indian wars—with maps—with his fellow Spanish-American War veteran cronies.

Up at 6:30 the Senator has an ice cold shower followed by half an hour of exercises. After breakfast at 7 he reads newspapers and walks 3 miles to the Senate Office Building where he whips through his mail, sees Rhode Island constituents, and consults colleagues. He spends the rest of the day in committee or on the Senate floor, then returns to his office for important appointments and to clean up the mail—an average of 500 letters a day.

By 4:30 or 5 he slips away for swimming and a workout with weights at the Senate gym. He returns to clear his desk by 6, when he takes a cab to his quarters at the University Club and usually changes to evening clothes. He attends several cocktail parties before a formal dinner at an embassy. As one of Washington's 10 most-sought-after guests, he may attend six affairs in one evening. By 11:30 or 12 he arrives home and falls asleep as soon as his head hits the pillow.

"I didn't set out to be a bachelor," he says. "Every leap year I have new hope, but nothing happens."

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a statement prepared by the junior Senator from Rhode Island [Mr. PASTORE] paying tribute to his colleague [Mr. GREEN], and commenting on his colleague's resignation from the chairmanship of the Committee on Foreign Relations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PASTORE

The action of my esteemed colleague, Senator THEODORE FRANCIS GREEN, fills me both with regret for the decision and with pride for the man who made it. It was absolutely his own choice, as much a surprise to the leadership as it was to me. I am certain that our Democratic leadership would have resisted any suggestion or pressure from any source other than Senator GREEN himself.

In the Senate of the United States, there is no one held in greater esteem and personal affection. He is the embodiment of all the qualities, of integrity, ability, industry, we have in mind when we confer the title "statesman."

Coming to the Senate of the United States 22 years ago, Senator GREEN has achieved a record of attendance and attention to all his duties which has not been surpassed. To master foreign relations, he has been a tireless traveler to all the corners of the earth where American interests are involved. His worth is recognized everywhere, and his word is trusted by all.

Under his chairmanship of Foreign Relations and in an administration of an opposition party, his labors have been for America. No finger of criticism can be pointed at the deliberations and decisions of this committee of the Senate under his chairmanship. Yet Senator GREEN has not hesitated to question individual actions of this administration when he felt that they were contrary to our national interests and our international policy.

For Senator GREEN voluntarily to withdraw from the chairmanship of the Foreign Relations Committee is a decision of a statesman who wishes no shadow of controversy to intrude upon the responsibilities of the committee whose importance is magnified by the perils and problems of our times.

It is a decision in keeping with the antecedents of this great American whose family gave patriotic leadership to our Rhode Island colonial history.

It is in keeping with the character of public service and private sacrifice of a man chosen to be governor of his native State 27 years ago. In that capacity he initiated an era of constructive democracy which has been a model of progress in the common welfare.

No wonder that Senator GREEN is beloved at home. He is inseparable from our State's present and its past. The school of his great devotion, Brown University, has rightly accorded him every distinction.

His has been a career of service and satisfaction. No honor short of the Presidency of the United States could confer a greater responsibility than the chairmanship of the Foreign Relations Committee.

I am proud of my colleagues who have intrusted such authority to the senior Senator from Rhode Island. I am proud of our party which can give guidance to our country in its time of great need.

I am proudest of Senator THEODORE FRANCIS GREEN who in an hour much given to personal rivalries and vaulting ambition,

could choose to serve in a capacity less exalted perhaps but no less exacting—giving to his every thought and action the ideals of a dedicated life—the wisdom of the scholar—the heart of a trusted neighbor of a citizenry with a passion for patriotism.

This is a day and a decision which elevates Senator THEODORE FRANCIS GREEN to the greatest heights of his career in the Senate of the United States. I am certain that every Senator on both sides of the aisle joins me in a tribute from the bottom of our hearts to this great American.

Mr. MORSE. Mr. President, I do not wish to let another day go by without making a few comments about a great man in the Senate, who has just resigned the chairmanship of the Senate Foreign Relations Committee. I refer to the distinguished Senator from Rhode Island, Mr. THEODORE F. GREEN.

At the committee meeting of the Foreign Relations Committee the other day I strongly advised against the resignation, and set forth my reasons. That was before I heard the great man from Rhode Island explain why he felt that, under all the circumstances, no other course of action was open to him. After we heard him, we said, in effect, "It is your decision, but we want you to know that it is the unanimous position of this committee that we would be delighted to have you continue as chairman of the committee. We would not want you to continue for a moment if it were not in the best interests of your health."

When he assured us that he intended to maintain his position of seniority on the committee, that he intended to give us the benefit of his sagacious counsel, and that he intended to continue to carry out all his other duties on the committee, we felt better.

The distinguished Senator from Rhode Island has been a great teacher of mine, not only in the field of foreign relations, but also in connection with the Senate as a whole. I have found him to be a gentle man, but, at the same time, a great fighter for what he believes in. By his example he has taught many of us the lesson that gentleness and determination to fight for the principles one thinks are right are compatible qualities.

Not only has he been a great teacher, but he is one of the great Americans of our time. I have considered it a great personal privilege to serve with him in the Senate. One of my cherished possessions is what I consider to be my personal right to call THEODORE GREEN my friend.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Louisiana.

Mr. LONG. In connection with the Senator's remarks, I believe it should also be stated that the chairman of the committee, the Senator from Rhode Island, devoted more hours to committee hearings and to the other work of the Senate Foreign Relations Committee than did any other member of the committee. No other member of the committee came close in that comparison.

I have sat through a great number of hearings from which other Senators have absented themselves because they were not particularly interested in the line of questioning in which I or other Senators engaged. I found that on a great number of occasions I could look after office business or the interests of my constituents while other Senators were directing questions to witnesses. I cannot recall that that was ever the case with the distinguished chairman of the committee. If only two members of the committee were present at a hearing, he would be one of the two; and if only one was present, he would be that one.

I believe he has demonstrated his greatness and consideration of the national interest in taking the attitude that if he could not do everything which, by any stretch of the imagination, might be required of any committee chairman, he did not wish to retain the chairmanship and allow any other Senator to do anything which the chairman should do.

I have never seen a harder working chairman. I salute the distinguished senior Senator from Rhode Island for the great care he has shown for the national interest, and the great interest he continues to display in saying that that which is best for the country should be done, and that every member of the committee should, to the best of his ability, do that which should be done.

Mr. MORSE. I share the sentiments expressed by the Senator from Louisiana with respect to the chairman of the committee.

It is not trite to speak of him as a man who, time and time again, has performed many services far beyond the line of duty, both as chairman of the committee and as a distinguished Member of the Senate from Rhode Island.

I know for a certainty that the unanimous action taken by the Committee on Foreign Relations the other day, and the tribute we paid to the senior Senator from Rhode Island in the resolution which we adopted, represented the sincere views of every member of the committee. Not only the members of the committee, but the Senate as a whole and the American people will be everlastingly in debt to the senior Senator from Rhode Island [Mr. GREEN].

Mr. KEFAUVER. Mr. President, I should like to say a few words about Hon. THEODORE GREEN, senior Senator from Rhode Island. I have known and worked with Senator GREEN in the interests of the free nations of the world. I served as a delegate in 1957 and 1958 to the NATO Parliamentarians Conference, during which time Senator GREEN was the able chairman of the American delegation to those conferences.

No man has served better in the cause of a fuller understanding of foreign affairs than has Senator GREEN. His knowledge and vast experience have helped immeasurably in solutions to the many complex problems which make up the foreign affairs picture.

While Senator GREEN has stepped aside from the chairmanship of this vital Senate committee, his energy, strength, and wisdom will continue to be invaluable to us. I know he will continue to serve the Senate and the Nation well, as he always has in the past.

I think the Nation is fortunate in having so able a man as Senator FULBRIGHT to carry on the important work as chairman of the committee.

RESIGNATION OF MR. JAMES SMITH AS DIRECTOR OF THE INTERNATIONAL COOPERATION ADMINISTRATION

Mr. MANSFIELD. Mr. President, it is with reluctance that I call the attention of the Senate to the registration, on January 30, of Mr. James Smith as Director of the International Cooperation Administration. Mr. Smith assumed the duties which he is now relinquishing on August 9, 1957.

In the year and one-half during which Mr. Smith served as director of the agency which distributes aid abroad, the responsibilities of the post have been heavy and complex. In the first place, the International Cooperation Administration and its personnel have suffered from an ambiguous administrative status which still leaves it on the fringes of the Department of State, rather than well-integrated into that Department. Furthermore the function of foreign aid, which still is in transition, underwent major changes in policy and direction during the past year and one-half.

In surmounting these difficulties, Mr. Smith displayed unusual administrative capabilities and both imagination and flexibility. In his contacts with the Committee on Foreign Relations, moreover, he was invariably frank, cooperative, and accommodating.

I regret his decision to leave the International Cooperation Administration. I hope his departure from the Government is not permanent. There are many other posts which he might fill. This administration has great need for public service of the kind James Smith is capable of rendering.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON COMMODITY CREDIT CORPORATION SALES POLICIES, ACTIVITIES, AND DISPOSITIONS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report of the general sales manager concerning the policies, activities, and developments, including all sales and disposals, with regard to each commodity which the Commodity Credit Corporation owns or which it is directed to support, dated November 1958 (with an accompanying report); to the Committee on Agriculture and Forestry.

AGREEMENTS UNDER TITLE I OF AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Acting Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, agreements concluded during December 1958, under title I of the Agricultural Trade Development and Assistance Act of 1954, with the Governments of Yugoslavia, the United Arab Republic, and Finland (with accompanying papers); to the Committee on Agriculture and Forestry.

INDEMNIFICATION OF CERTAIN CONTRACTORS AGAINST NUCLEAR AND OTHER UNUSUALLY HAZARDOUS RISKS

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize the Department of Defense to indemnify its contractors against nuclear and other unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes (with accompanying papers); to the Committee on Armed Services.

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize the National Aeronautics and Space Administration to indemnify its contractors against nuclear and other unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes (with accompanying papers); to the Committee on Aeronautical and Space Sciences.

INCREASE OF FORCES AT NAVAL ACTIVITIES PRIOR TO NATIONAL ELECTIONS

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, by repealing section 7475, which restricts the increasing of forces at naval activities prior to national elections (with an accompanying paper); to the Committee on Armed Services.

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Acting Assistant Secretary of Defense (Supply and Logistics), transmitting, pursuant to law, a report on military prime contracts with business firms in the United States for experimental, developmental, and research work (with accompanying papers); to the Committee on Banking and Currency.

REPORT AND FINANCIAL STATEMENT OF DISTRICT OF COLUMBIA ARMORY BOARD

A letter from the Chairman, District of Columbia Armory Board, transmitting, pursuant to law, the annual report and financial statement of that Board, for the fiscal year ended June 30, 1958 (with an accompanying document); to the Committee on the District of Columbia.

REPORT OF D.C. TRANSIT SYSTEM, INC.

A letter from the president, D.C. Transit System, Inc., Washington, D.C., transmitting, pursuant to law, a report covering the operations of that system, for the year ended December 31, 1958, together with a balance sheet, as of December 31, 1958 (with accompanying papers); to the Committee on the District of Columbia.

STATEMENT OF RECEIPTS AND EXPENDITURES OF CHESAPEAKE & POTOMAC TELEPHONE CO.

A letter from the vice president, the Chesapeake & Potomac Telephone Co., Washington, D. C., transmitting, pursuant to law, a statement of receipts and expenditures of that company, together with a comparative general balance sheet, for the year 1958 (with accompanying papers); to the Committee on District of Columbia.

TAXATION OF CERTAIN DIVIDENDS BY COOPERATIVES

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to assure that income allocated as patronage dividends by cooperatives is taxed either to the cooperative or the patron (with an accompanying paper); to the Committee on Finance.

ESTABLISHMENT OF A PUBLIC AFFAIRS OFFICER CORPS

A letter from the Director, U.S. Information Agency, Washington, D.C., transmitting a draft of proposed legislation to promote the foreign policy of the United States by strengthening and improving the foreign service personnel system of the U.S. Information Agency through establishment of a public affairs officer corps (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF ADMINISTRATOR OF GENERAL SERVICES

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, his report on operations of that Administration, for the fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

RESEARCH IN THE FIELD OF METEOROLOGY

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to authorize the Secretary of Commerce to enter into contracts for the conduct of research in the field of meteorology and to authorize installation of Government telephones in certain private residences (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

EXTENSION OF PROVISIONS OF TITLE XII OF MERCHANT MARINE ACT, 1936, RELATING TO WAR RISK INSURANCE

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1965 (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT OF OPERATIONS UNDER FEDERAL AIRPORT ACT

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report describing the operations of that Department under the Federal Airport Act, for the fiscal year ended June 30, 1958 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

REPORT OF FEDERAL MARITIME BOARD AND MARITIME ADMINISTRATION

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report of the Federal Maritime Board and Maritime Administration, for the fiscal year 1958 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF FEDERAL AVIATION ACT OF 1958, RELATING TO FREE OR REDUCED-RATE TRANSPORTATION

A letter from the Chairman, Civil Aeronautics Board, Washington, D.C., transmitting a draft of proposed legislation to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF TITLE 28, UNITED STATES CODE, RELATING TO COPYRIGHTS

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 28 of the United States Code relating to actions for infringements of copyrights by the United States (with accompanying papers); to the Committee on the Judiciary.

CENTENNIAL CELEBRATION OF ESTABLISHMENT OF DEPARTMENT OF AGRICULTURE

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture, and for related purposes (with an accompanying paper); to the Committee on the Judiciary.

RELIEF OF CERTAIN OFFICERS OF PUBLIC HEALTH SERVICE

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation for the relief of Dr. Raymond A. Vonderlehr and certain other officers of the Public Health Service (with an accompanying paper); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter by the Acting Secretary, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on tort claims paid by that Department, for the period January 1, 1958, to December 31, 1958 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Director of Business Administration, National Aeronautics and Space Administration, Washington, D. C., transmitting, pursuant to law, a report on tort claims paid by that Administration, for the period January 1–December 31, 1958 (with an accompanying report); to the Committee on the Judiciary.

COMPULSORY RETIREMENT OF REFEREES IN BANKRUPTCY

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend clause (1) of paragraph d of section 40 of the Bankruptcy Act (11 U.S.C. 68d (1)) to provide for compulsory retirement of referees in bankruptcy (with accompanying papers); to the Committee on the Judiciary.

SIMPLIFICATION OF FILLING OF REFEREE VACANCIES

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend sections 43 and 34 of the Bankruptcy Act (11 U.S.C., secs. 71 and 62) to simplify the filling of referee vacancies (with accompanying papers); to the Committee on the Judiciary.

TRANSMISSION OF PAPERS BY REFEREE TO CLERK OF THE COURT

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C., sec. 67a (9)), respecting the transmission of papers by the referee to the clerk of the court (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF SECTION 50 OF BANKRUPTCY ACT

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend subsections a, d, e, g, h, and k of section 50 of the Bankruptcy Act (11 U.S.C. 78) (with accompanying papers); to the Committee on the Judiciary.

RELIEF OF CERTAIN MEMBERS OF ARMED FORCES

A letter from the Chairman, Foreign Claims Settlement Commission of the United States, Washington, D.C., transmitting a draft of proposed legislation for the relief of certain members of the Armed Forces of the United States, or their survivors, who were captured and held as prisoners of war in the Korean hostilities (with accompanying papers); to the Committee on the Judiciary.

PROHIBITION ON PAYMENT OF ANNUITIES AND RETIRED PAY TO CERTAIN OFFICERS AND EMPLOYEES OF THE UNITED STATES

A letter from the Chairman, U.S. Civil Service Commission, Washington, D.C., transmitting a draft of proposed legislation to

amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

REPORT ON POSITION FILLED UNDER CLASSIFICATION ACT OF 1949

A letter from the Director of Personnel, Department of Commerce, Washington, D.C., reporting, pursuant to law, that, during the 1958 calendar year, there was no change in the position of Department of Commerce Budget Officer; to the Committee on Post Office and Civil Service.

PROGRESS REPORT ON FEDERAL-AID HIGHWAY PROGRAM

A letter from the Secretary of Commerce, transmitting, pursuant to law, a progress report on the Federal-aid highway program, dated January 1959 (with an accompanying report); to the Committee on Public Works.

REPORT OF ATOMIC ENERGY COMMISSION

A letter from the Chairman and members, U.S. Atomic Energy Commission, Washington, D.C., transmitting, pursuant to law, the semiannual report of that Commission, dated January 1959 (with an accompanying report); to the Joint Committee on Atomic Energy.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on records proposed for disposal under the law (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Tennessee; to the Committee on Rules and Administration:

"HOUSE JOINT RESOLUTION NO. 14. A RESOLUTION MEMORIALIZING THE SENATE OF THE UNITED STATES TO RETAIN RULE XXII ALLOWING A MAXIMUM OF FREE DEBATE

"Whereas throughout the history of this great Nation, the free and almost unlimited power of debate in the U.S. Senate has stood as a bulwark against the oppression of minorities by the temporary majority; and

"Whereas this same power has frequently prevented the passage of hasty and ill-advised legislation which may be a product of the political tempo of the moment and against the best interest of the country; and

"Whereas this right of debate has also aided the protection of the States against complete national control of local affairs which cannot allow for the varying conditions among the States and among groups of States; and

"Whereas this right of deliberation is guaranteed by Senate rule XXII which is threatened by a group in the Senate who, under the guise of protecting rights, would destroy even greater and more far-reaching rights: Now, therefore, be it

"Resolved by the House of Representatives, the Senate concurring, That the members of this 81st General Assembly of the State of Tennessee implore and urge the Members of the U.S. Senate to retain Senate rule XXII as it is now constituted, the welfare of the entire Nation demanding it; and be it further

"Resolved, That a copy of this resolution be spread on Journals of the House and Senate and that copies hereof be transmitted forthwith to all Members of the United States Senate, and filed with the clerk thereof.

"Adopted: January 20, 1959.

"JAMES L. BOMAR,
"Speaker of the House of Representatives.

"WM. D. BAIRD,
"Speaker of the Senate.

"Approved: January 22, 1959.

"BUFORD ELLINGTON,
"Governor.

"I certify that the foregoing is a true and correct copy of House Joint Resolution No. 14.

"L. BUCHANAN LOSER,
"Chief Clerk."

A concurrent resolution of the Legislature of the State of South Carolina; to the Joint Committee on Atomic Energy:

"CONCURRENT RESOLUTION TO MEMORIALIZE THE CONGRESS OF THE UNITED STATES, THE JOINT CONGRESSIONAL COMMITTEE ON ATOMIC ENERGY, AND THE ATOMIC ENERGY COMMISSION OF THE UNITED STATES, TO FORTHWITH ENACT AND DECLARE THE JURISDICTION OF THE SEVERAL STATES, AND THE JURISDICTION OF REGIONS COMPACTED OF THE SEVERAL STATES, IN THE DISCOVERY, RESEARCH, AND DEVELOPMENT OF ATOMIC AND NUCLEAR ENERGY FOR PEACEFUL PURPOSES IN THE UNITED STATES

"Whereas the Congress of the United States has, by the Atomic Energy Act of 1954, and acts amendatory thereof, preempted the discovery, research, and development of atomic and nuclear energy for peaceful purposes in the United States; and

"Whereas all activities concerning the discovery, research, and development of atomic energy for peaceful purposes in the United States are required to be licensed by the Atomic Energy Commission and approved by the Joint Congressional Committee on Atomic Energy, thereby establishing a Federal Government monopoly in the discovery, research, and development of atomic and nuclear energy for peaceful purposes in the United States; and

"Whereas the Atomic Energy Commission has not declared any definitive policy of the United States concerning the jurisdiction of the several States and, the jurisdiction of regions compacted of several States, in the discovery, research, and development of atomic and nuclear energy for peaceful purposes in the United States; and

"Whereas decisions by the Supreme Court of the United States of force and effect as the supreme law of the land hold in effect that where Congress has jurisdiction and has legislated control of a subject, like atomic and nuclear energy for peaceful purposes, the preemptive doctrine applies, and that State laws attempting to control or regulate such subject are null and void; because the State legislatures have no power to control or regulate such subject after Congress has legislated concerning control and regulation of the same; and

"Whereas the discovery, research, and development of atomic and nuclear energy for peaceful purposes has become provocative of the power issue between government and private utilities in the United States; and

"Whereas the discovery, research, and development of atomic and nuclear energy for peaceful purposes, in order to attain maximum benefits with a minimum of harmful effects, in promoting the general welfare and providing for the common defense of the United States, requires participation of the several States, and of regions compacted of several States, in the performance of tasks necessary to meet the problems caused by the discovery, research, and development of atomic and nuclear energy for peaceful purposes in the United States: Now, therefore, be it

"Resolved by the Senate, the House of Representatives concurring, That the Congress, the Joint Congressional Committee on Atomic Energy, and the Atomic Energy Commission of the United States is hereby memorialized to forthwith declare the jurisdiction of the several States, and of regions compacted of several States, confining such operations within the circumference of ductile boundaries as may be deemed wise and consistent with the hazards of atomic and nuclear radiation and the national security, in the discovery, research, and development of atomic and nuclear energy for peaceful purposes in the United States; and be it further

"Resolved, That copies of this resolution be transmitted forthwith to the clerk of the Senate and to the Clerk of the House of Representatives of the Congress of the United States, to the clerk of the Joint Congressional Committee on Atomic Energy, and to the Secretary of the Atomic Energy Commission of the United States."

Two resolutions of the General Assembly of the State of Rhode Island; to the Committee on Banking and Currency:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PROVIDE MORE EFFECTIVE AID FOR THE SPECIAL PROBLEMS OF SMALL BUSINESS

"Whereas contrary to the popular concept that the economy of this country is lodged in a few large corporations, history has proven that the basic element in such economy has been the small merchant and manufacturer; and

"Whereas this is evident in every portion of the United States, Rhode Island being no exception; and

"Whereas due to the expansion of the economy and the means of production have unwittingly been made easier for the larger corporations by inequitable tax relief and financing, small business has been placed at a decided competitive disadvantage; and

"Whereas small business has suffered from a lack of support for expansion and thus increased its chances of failure; and

"Whereas the General Assembly of the State of Rhode Island recognizes that unless these problems are met with forthright and positive action, small business may be forced to liquidate or flounder: Now, therefore, be it

"Resolved, That the Congress of the United States be and it is respectfully urged to provide more effective aid for the special problems of small business and to place small business on a more nearly equal footing with larger corporations by providing tax structures which will permit small business to retain a greater share of earnings in its early years, thereby encouraging expansion and reducing chances of failure, and to provide small business with essentially the same choice in methods of financing which is open to the large corporation, such as the establishment of a new system of Federal regional capital banks; and be it further

"Resolved, That duly certified copies of this resolution be transmitted forthwith by the secretary of state to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives from Rhode Island in the Congress of the United States, earnestly requesting that each use his best efforts to see that proper action is taken which would carry out the purposes of this resolution.

"In testimony whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this 29th day of January A.D. 1959.

"[SEAL] AUGUST P. LAFRANCE,
"Secretary of State."

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO IMPLEMENT MORE EFFECTIVELY THE FEDERAL RESPONSIBILITY TO PROMOTE AND MAINTAIN FULL EMPLOYMENT

"Whereas the Congress of the United States in 1946 enacted a Full Employment Act enunciating the principle that full employment is a national responsibility; and

"Whereas any surplus-labor area which has a hard core of unemployment is entitled to relief; and

"Whereas Rhode Island is such an area containing a skilled and well equipped labor force; and

"Whereas it is vital to the economy of the Nation that implementation be given to the principle of full employment by providing for the use of such a labor force; and

"Whereas the Rhode Island contribution to the income of the Federal Government is disproportionately greater than any Federal benefits which it receives: Now, therefore, be it

"Resolved, That the General Assembly of the State of Rhode Island hereby urges the Congress of the United States to enact legislation which would give meaning to the Full Employment Act by providing loans for labor-surplus areas to finance much-needed construction and reconstruction of industrial facilities, guaranteeing a Federal procurement policy assuring labor-surplus areas their fair share of Federal purchases, making funds available for essential public construction and providing suitable training for the unemployed; and be it further

"Resolved, That duly certified copies of this resolution be transmitted forthwith by the secretary of state to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives from Rhode Island in the Congress of the United States, earnestly requesting that each use his best efforts to bring about the enactment of such legislation.

"In testimony whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this 29th day of January A. D. 1959.

"[SEAL] AUGUST P. LAFRANCE,
"Secretary of State."

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Labor and Public Welfare:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION TO INCREASE THE FEDERAL MINIMUM WAGE RATE

"Whereas Rhode Island's manufacturers are faced with unfair competition from a few States and areas with wage rates far below the national average; and

"Whereas such large differentials present a serious threat to established industry in other parts of the Nation, particularly where labor is an important factor; and

"Whereas Congress recently recognized that low wage rates in any part of the Nation are a drag on the entire national economy, reducing employment and income levels at a time when increased consumer purchasing power is essential to national economic health, by increasing the Federal minimum wage rate; and

"Whereas such increase has not been realistic in the light of the present value of the dollar; Now, therefore, be it

"Resolved, That the General Assembly of the State of Rhode Island earnestly urges the Congress of the United States to provide for the immediate enactment of legislation to increase the Federal minimum wage rate to $1.25 per hour; and be it further

"Resolved, That duly certified copies of this resolution be transmitted forthwith by the secretary of state, to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives from Rhode Island in the Congress of the United States, earnestly requesting that each use his best efforts to enact legislation which would carry out the purposes of this resolution."

A resolution of the General Assembly of the State of Rhode Island; to the Committee on Public Works:

"RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO PROVIDE FOR A STUDY OF PUBLIC POWER POTENTIALS IN THE WATERS OF NEW YORK AND NEW ENGLAND

"Whereas New England, and particularly Rhode Island, is a highly industrialized area of the United States; and

"Whereas such areas rely upon great quantities of electric power; and

"Whereas recent studies indicate the wide differential in consumer rates for such power, particularly in the New England States and New York; and

"Whereas public power undoubtedly can contribute to the industrial health and prosperity of this area; and

"Whereas generating plants, dams, and transmission systems should be integrated in a common enterprise so that consumer rates in the entire area shall be the same; and

"Whereas it is vital to the economy of the area that the Federal Government explore the power potentials in the waters of New England and New York: Now, therefore, be it

"Resolved, That the General Assembly of the State of Rhode Island urgently requests the Congress of the United States to enact legislation to provide for a study of the public power potentials in the waters of New York and New England and that the Senators and Representatives from Rhode Island in the Congress of the United States use their best efforts in bringing about such enactment; and be it further

"Resolved, That duly certified copies of this resolution be forthwith transmitted by the secretary of state to the Vice President of the United States, to the Speaker of the House of Representatives in the Congress of the United States, and to each of the Senators and Representatives from Rhode Island in the Congress of the United States."

A resolution of the House of Representatives of the State of North Dakota; to the Committee on Finance:

"HOUSE RESOLUTION NO. 4, A RESOLUTION MEMORIALIZING THE CONGRESS TO REMOVE THE WARTIME EXCISE TAXES UPON LOCAL AND LONG DISTANCE TELEPHONE SERVICE

"Whereas a Federal excise tax of 10 percent upon the charges for local and long-distance telephone service was passed in 1941 as an emergency wartime measure to provide needed funds to support the war effort and to discourage the use of telephone service during the war period; and

"Whereas telephone service is an essential part of our way of life and cannot under any circumstances be considered a luxury item to be taxed in the same manner as furs, jewelry, liquor and other luxury commodities; and

"Whereas other household and business necessities, including electricity, water and gas are not taxed in such a manner; and

"Whereas the placement of high excise taxes upon such a necessity of life as telephone service results in the taxation of those citizens who can least afford to pay in the same manner as those of unlimited financial means; and

"Whereas the wartime emergency requiring the special additional revenue and restriction of the use of telephone service has long since passed; Now therefore, be it

"Resolved by the House of Representatives of the State of North Dakota, That the Congress is urgently requested to remove the unfair and inequitable tax upon telephone service during the current session of Congress; and be it further

"Resolved, That copies of this resolution be forwarded without delay by the Chief Clerk of the House of Representatives, to the President of the United States, the Vice President, the Speaker of the House of Representatives and each member of the North Dakota congressional delegation.

"_____,
"Speaker of the House.
"GERALD L. STAIR,
"Chief Clerk of the House."

Resolutions adopted by the 16th Annual Convention of the Utility Coworkers' Association at Newark, N.J., relating to social security, and so forth; to the Committee on Finance.

A resolution adopted by the student governing board of Northwestern University, Evanston, Ill., relating to the educational exchange program; to the Committee on Foreign Relations.

A resolution adopted by the Citizens' Study Club of Oahu, T.H., favoring the enactment of legislation to grant statehood to Hawaii; to the Committee on Interior and Insular Affairs.

The petition of the Yuchi group of Indians of Oklahoma, relating to compensation for lands taken from them; to the Committee on Interior and Insular Affairs.

A resolution adopted by the mayor and City Council of the City of Hot Springs, S. Dak., relating to the continued operation of the television booster station at Hot Springs; to the Committee on Interstate and Foreign Commerce.

By Mr. McGEE (for himself and Mr. O'MAHONEY):

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Interstate and Foreign Commerce:

"JOINT MEMORIAL MEMORIALIZING THE CONGRESS OF THE UNITED STATES OF AMERICA WITH REFERENCE TO THE OPPOSITION OF THE PEOPLE OF THE STATE OF WYOMING TO UNWARRANTED INTERFERENCE BY DEPARTMENTAL ADMINISTRATIVE ORDERS WITH EXISTING TELEVISION FACILITIES IN THIS STATE

"Whereas a recent interpretation of the existing law by the Federal Communications Commission will prohibit the operation of so-called booster television stations; and

"Whereas the refusal of the Federal Communications Commission to license such stations may be necessary and beneficial within densely populated areas of the United States where many television broadcasting stations are located; and

"Whereas the engineering and other reasons for the refusal to license such stations do not exist in Wyoming; and

"Whereas each such station should be considered individually on its own merits; and

"Whereas the reception from 'booster' stations is the only present and practical means of furnishing the people in remote and isolated areas with the eduactional, recreational, and other benefits of television programs: Now, therefore, be it

"Resolved by the Senate of the 35th Legislature of the State of Wyoming (the house of representatives of such legislture concurring), That the President and Congress of the United States of America be and they are hereby memorialized to take such action as may be necessary to protect existing installations and to prevent a recurrence of administrative orders restricting television facilities beneficial to the people of this State; and be it further

"Resolved, That certified copies thereof be transmitted promptly to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, United States Senator JOSEPH C. O'MAHONEY, United States Senator GALE W. McGEE, and Representative in Congress, E.

KEITH THOMSON, and to the Chairman of the Federal Communications Commission.

"JAY R. HOUSE,
"Speaker of the House.
"NORMAN BARLOW,
"President of the Senate.

"Approved January 27, 1959:
"J. J. 'JOE' HICKEY,
"Governor."

The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Wyoming, identical with the foregoing, which was referred to the Committee on Interstate and Foreign Commerce.

RESOLUTIONS OF AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION

Mr. CARLSON. Mr. President, the American National Cattlemen's Association held its annual meeting at Omaha, Nebr., during the week of January 15, 1959. This convention was attended by 1,500 cattlemen from 40 States.

I would call the Senate's attention to one of the resolutions passed, which is entitled "America Is In Peril," and ask that it be made a part of these remarks.

Another resolution which was presented from the floor of the convention was adopted, urging support for an equitable system of taxation, restoring a portion of the Bill of Rights and I ask that it be made a part of these remarks.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

AMERICA IS IN PERIL

Whereas for many years we have, in our resolutions, called for economy in Government and have pointed to ways, such as through adoption of the Hoover Commission Reports, for example, to cut down our Government spending; and

Whereas each succeeding year brings greater spending of the taxpayers' money, much of it for nonessential services that are based on political expediency and not on demand for the public; and

Whereas our Government cannot long continue to spend if it is unable to find the means for paying for its spending other than through printing money; and

Whereas such a course leads only to even more of the inflation which has already cut the value of our dollar to less than half its former worth and which jeopardizes the economic welfare of every person in the Nation; Therefore be it

Resolved, That, as a first step toward economy in Government, we urge Congress to spend only within the balanced budget that the President has promised; and be it further

Resolved, That we urge for the sake of the future of our country, that the administration and Congress face up to the fact that we have already gone a long way toward ruinous inflation which can only be corrected by turning away from profligate spending and recognizing that Government's role is to govern and not to spend us into bankruptcy and chaos.

RESOLUTION PASSED, 62D CONVENTION, AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION, OMAHA, NEBR., JANUARY 17, 1959

Resolution presented from the floor of the convention and adopted.

Whereas the American National Cattlemen's Association has frequently and consistently taken a firm position in matters of principle; and

Whereas the need for support of an equitable system of taxation, consistent with our Constitution and Bill of Rights, is paramount in the performance of essential governmental functions; and

Whereas our Constitution provides methods for amendment, and precedent has been established, following a procedure of referendum: Therefore be it

Resolved, That we respectfully request the Congress of the United States to take such immediate action as is required which will permit the American people the opportunity made possible under the Constitution to vote upon the question of whether the 16th amendment to the Constitution is to be continued or repealed; and be it further

Resolved, That we urge and request elected representatives to support an equitable tax system restoring portions of the Bill of Rights.

RESOLUTIONS ON KINGS COUNTY CHAPTER, CATHOLIC WAR VETERANS OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a series of resolutions adopted at the 23d Annual Convention of the Kings County Chapter, Catholic War Veterans, held in Brooklyn, N.Y.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION 1

Whereas American foreign policy now permits the importation of many goods and items produced or manufactured in Soviet Russia and the Iron Curtain countries; and

Whereas the purchase of these goods and manufactured articles by American wholesalers and retailers for ultimate distribution to American consumers lends material aid and comfort to the Soviet Union and its satellites in the form of economic stabilization by American dollars; and

Whereas these American dollars may someday come back to haunt us in the form of "Red bullets" in the Soviet attempts to communize and conquer more and more of the world: Now be it therefore

Resolved, That the Kings County Chapter, Catholic War Veterans, once again reaffirm its opposition to the import and purchase of goods and products from the Soviet Union or any of its satellite nations, including Yugoslavia, and petition the Congress of the United States to place an immediate embargo thereon.

RESOLUTION 2

Whereas the Catholic War Veterans are vehemently opposed to communism and all that it stands for; and

Whereas the Communist conspiracy, engendered by Soviet Russia, seeks the destruction of all free peoples and free nations, and

Whereas continued recognition of the governments of the Soviet Union and other Communist nations under the control of Russia lends honor and prestige to them and discourages the spirit of liberty and freedom to the peoples of these nations: Now be it therefore

Resolved, That the Kings County Chapter, Catholic War Veterans, reaffirm its opposition to the continued recognition of Soviet Russia and the satellite countries and call for the cessation of diplomatic, economic, social and cultural relations with these nations, including the Communist regime in Yugoslavia.

RESOLUTION No. 9

Whereas under current laws a former serviceman forfeits all rights of reinstatement of national service life insurance upon 60 days' lapsation of said insurance; and

Whereas many veterans have lost this insurance due to hardships encountered upon release from service which precluded them from continuing national service life insurance; and

Whereas loss of this insurance has in many cases resulted in financial hardship for the families of deceased veterans because they were not otherwise provided for: Now be it therefore

Resolved, That the Kings County Chapter, Catholic War Veterans, petition the Congress of the United States to enact legislation which would permit reinstatement in some form to former holders of national service life insurance.

RESOLUTION No. 15

Whereas the present U.S. Army post known as Fort Jay, Governors Island, N.Y., was originally and officially known as Fort Columbus from its completion in the year 1809 until the year 1904; and

Whereas the name of the discoverer of America appeared on all U.S. Army orders issued on Governors Island through four wars and for a period of 96 years and said post was officially known through this period as Fort Columbus; and

Whereas the late Mr. Elihu Root, the then Secretary of War in the year 1904, signed an executive order by which the name of the great Genoese navigator, Christopher Columbus, was arbitrarily and without just cause removed and expunged as the official designation of the present U.S. Army Post, Fort Jay, N.Y.: Now be it therefore

Resolved, That a communication be forwarded to the Secretray of the Army Brucker requesting that he in all fairness and for the sake of justice review the historical records and restore the name of Christopher Columbus to its place of honor on Governors Island, N.Y., and that the U.S. Army installation presently known as Fort Jay be henceforth known by its original official designation assigned upon its completion in 1809, to wit: Fort Columbus.

RESOLUTION OF ISABELLA COUNCIL 873, KNIGHTS OF COLUMBUS, BROOKLYN, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Isabella Council 873, Knights of Columbus, of Brooklyn, N.Y., expressing approval of the activities of the Federal Bureau of Investigation as they relate to Communists.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the activities of Communist, Communist-front, and certain pseudo-liberal organizations constitute a present and continuing danger to the liberties of all Americans and the welfare of our country; and

Whereas several of these organizations have launched an attack on the Federal Bureau of Investigation, the House Un-American Activities Committee and the Justice Department of the United States, in an effort to hamper their activities and break down our country's defenses against subversion; and

Whereas the Supreme Court of the United States has exceeded its judicial functions in laying down rules for the conduct of congressional investigations, which will impede the fight against subversion: Now, therefore, be it

Resolved, That Isabella Council No. 873, in regular meeting assembled, expresses its wholehearted approval and support of the

activities of the Federal Bureau of Investigation and its Director, Mr. J. Edgar Hoover, and insists that this organization be given the widest possible latitude to continue its invaluable services in protection of our country against its enemies abroad and at home; and be it further

Resolved, That this council endorses and congratulates the House Un-American Activities Committee on its diligent and tireless efforts in exposing Communist infiltration in our Government, in the professions and in vital industries, and we demand that this committee be maintained as a standing committee of the House of Representatives until the Communist menace has been permanently removed; and be it further

Resolved, That this council views with consternation and dismay the lawless actions of the United States Supreme Court in usurping legislative functions, including the laying down of rules for the conduct of legislative investigations, in contravention of the Constitution; and be it further

Resolved, That Isabella Council No. 873 call upon its Senators from New York State and its Representatives in Congress from Kings County to block every effort to tear down our defenses against Communist subversion and, by appropriate legislation, to spell out broadly and in detail the authority and duties of the Senate and House committees engaged in the fight against subversion, and the duties and authority of the Federal Bureau of Investigation, to the end that they may be enabled to function adequately against subversion without hindrance by the Supreme Court; and be it further

Resolved, That copies of this resolution be disseminated within our order, to public officials, patriotic and church societies, soliciting the active support of every loyal American in this effort to maintain our present defenses against subversive activities, in the face of current efforts to destroy them.

GEORGE J. NEUMANN,
Grand Knight.
RICHARD T. GOTTCENT,
Recording Secretary.

VICTOR HERBERT DAY—PROCLAMATION

Mr. BIBLE. Mr. President, I ask unanimous consent to have printed in the RECORD a proclamation issued by the Commissioners of the District of Columbia, designating February 1, 1959, as Victor Herbert Day.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

Whereas Sunday, February 1, 1959, marks the 100th anniversary of the birth of Victor Herbert in Dublin, Ireland; and

Whereas Victor Herbert, after migrating to Germany as a small boy and receiving his education there, chose music as his vocation and the cello as his solo instrument; and

Whereas he came to the United States in 1886, with his wife, the celebrated German soprano Therese Foerster, at the invitation of the Metropolitan Opera Co.; and

Whereas Victor Herbert was not long in our country before he began establishing a reputation on his own—first as a cellist with some of our leading orchestras—then as an assistant conductor; and later as conductor of the Pittsburgh Symphony; and

Whereas his years in Pittsburgh brought the orchestra new stature and enhanced his own reputation as a musical interpreter; and

Whereas by 1904 Victor Herbert had established his own orchestra which he led for many years in New York and other cities, and in being so engaged became an important early recording artist for the Edison and Victor Cos.; and

Whereas through this period of development in the performance of music, Victor Herbert composed a variety of musical works, a list that eventually included not only some of the most popular melodies, but more than 40 operettas, 2 grand operas, orchestral suites, chamber pieces, choral works, and recital pieces for piano, violin, cello, or the voice; and

Whereas Victor Herbert was not only a leader and pioneer in music but, in 1914, largely through his efforts, the American Society of Composers, Authors, and Publishers was formed, and he served as a director and vice president until his death 10 years later:

Now, therefore, we the Commissioners of the District of Columbia, do hereby proclaim Sunday, February 1, 1959, as Victor Herbert Day, in fitting tribute to the memory of the man whom people throughout the world honor as one of the greatest musicians and composers of his time.

ROBERT E. MCLAUGHLIN,
DAVID B. KARRICK,
A. C. WELLING,
Commissioners of the District of Columbia.

REPORT ENTITLED "MISREPRESENTATIONS IN THE ADVERTISING OF PROPERTIES" (S. REPT. NO. 39)

Mr. McCLELLAN. Mr. President, from the Committee on Government Operations, pursuant to Senate Resolution 223, 85th Congress, I submit a report of that committee entitled "Misrepresentations in the Advertising of Properties." I ask that the report be printed.

The VICE PRESIDENT. Without objection, the report will be received and printed, as requested by the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a brief press release which I have issued today explaining the contents of the report and the subject matter therein.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

Senator JOHN L. MCCLELLAN, Democrat of Arkansas, chairman of the Senate Permanent Subcommittee on Investigations, stated:

"Mr. President, on behalf of the Government Operations Committee, I submit the report made to it by the Senate Permanent Subcommittee on Investigations on 'Misrepresentations in the Advertising of Properties,' and ask that it be printed.

"On May 22, 1958, Senator KARL E. MUNDT introduced Senate bill 3889, which was cosponsored by me. This bill was directed at Federal control of firms engaged in taking advance fees from property owners and small businessmen in connection with the advertising of their property for sale. I emphasize the fact that these firms are not engaged in the sale of property as such, but merely advertise it for sale. The subcommittee held hearings on this bill in July of 1958. Testimony disclosed that there is a vicious racket in existence by which some 70 firms in the United States have been fleecing small businessmen of an estimated $50 million annually.

"Basically, the firms enter into contracts with businessmen to advertise for sale the latter's business on a national scale. The salesmen for these firms make use of all types of oral deception, and, through inferences and innuendo, are able to convince the victim that if he signs the contract his business will be sold in a very short period of time at an inflated price.

"The seller generally pays to the salesman at the intial meeting the contract fee which is 1 percent of the estimated value of his property. The victim feels protected, as he has been led to believe that unless a sale is forthcoming this payment will be refunded. The seller subsequently ascertains that his property has been listed in one or two classified ads in newspapers, or in a catalog put out by the firm. Usually, this is the full extent of the advertising. Sales resulting from such advertising contracts are less than one-half of 1 percent. Rarely, however, is there a refund made to the seller.

"The Federal Trade Commission is spending much time and money in its efforts to combat the advance fee racket, and has been successful in issuing several cease and desist orders. Its effectiveness is limited, however, because when one company is eliminated, several other companies come into existence.

"The National Association of License Law Officials, the National Association of Real Estate Boards, the Better Business Bureau, and various State attorneys general, who testified before the subcommittee, are uniformly in agreement that some type of Federal action is needed to control this type of fraudulent operation. The Post Office maintained that although it has been unable to obtain any prosecutions, jurisdiction in this area falls under mail fraud. It is their claim that it is extremely difficult to obtain proof in this type of fraud. The Department of Justice was of the opinion that existing Federal statutes are adequate and there was no need for Senate bill 3889. Because of the objections raised by these two agencies, this bill was not reported favorably to the floor of this body.

"The subcommittee feels that legislation is necessary to control the operations of advance fee firms. In view of the opinion of the Department of Justice that existing fraud statutes are adequate, future hearings will be held to determine the effectiveness of the present statutes, with a view to formulating new legislation.

"On January 20, 1959, Senator KARL E. MUNDT introduced Senate bill 550, which was cosponsored by me, which again is aimed at Federal control of the firms engaged in this vicious racket. Hearings in connection therewith will be held in the near future by the subcommittee."

ANNUAL REPORT OF COMMITTEE ON GOVERNMENT OPERATIONS (S. REPT. NO. 40)

Mr. McCLELLAN. Mr. President, on behalf of the Committee on Government Operations, pursuant to Senate Resolution 223, 85th Congress, I submit the annual report of the Senate Permanent Subcommittee on Investigations, and ask that it be printed. I also ask unanimous consent that there be printed in the RECORD at this point a brief press release which I have today issued explaining the contents of the report.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Arkansas; and, without objection, the press release will be printed in the RECORD.

The press release presented by Mr. McCLELLAN is as follows:

Senator JOHN L. MCCLELLAN, Democrat, of Arkansas, chairman of the Senate Permanent Subcommittee on Investigations, stated:

"Mr. President, on behalf of the Government Operations Committee, I submit the annual report made to it by the Senate

Permanent Subcommittee on Investigations, and ask that it be printed.

"During the past year, the subcommittee's investigations and hearings concerned the operations of many governmental agencies, including the Department of Defense, the Department of the Army, the Department of the Air Force, Department of State, the Department of the Post Office, the Federal Trade Commission, and the International Cooperation Administration. Many of the hearings, which are briefly summarized in this report, were held in executive session and no Senate report was ever made. In several cases various deficiencies, administrative in nature, were brought to the attention of the executive branch involved for corrective action without hearings.

"Hearings were held concerning the relationship of the Air Force to the Civil Air Patrol. The Civil Air Patrol is an official auxiliary of the Air Force. Certain officers in the organization were using the organization's name and prestige for personal enrichment. One lieutenant colonel was seeking donations of large pleasure yachts and selling them and pocketing the proceeds. His operations were uncovered by his superior officer who demanded and received restitution. However, the superior officer then turned around and stole the stolen money. As a direct result of our investigation and hearings, the money has been recouped, the cases involving the two principal offenders will be presented to a grand jury in New York, and extensive changes have been made in the operating relationship between the Air Force and the Civil Air Patrol, which will give the Air Force needed control over certain financial and property affairs of its auxiliary.

"In April of 1958, newspaper stories revealed that an employee of the Library of Congress had taken, without authorization, several hundred classified documents from the Armed Services Technical Information Agency (ASTIA), which was located in the Library of Congress. ASTIA is an executive agency, administratively operated by the Air Force for the purpose of providing an effective flow of scientific information to holders of contracts with the Department of Defense. The hearings disclosed that the guard system was totally inadequate, and this delinquency has been corrected as the guard force has been increased from 3 to 21. The hearings also disclosed that this Agency, which handles hundreds of thousands of classified documents, had no system of intraaccountability. Plans have since been formulated for such an accountability system.

"Hearings were held in connection with Project Sea Weed, which is an Air Force term applied to the prepositioning of war materials at Air Force bases, and concerns the supplies and equipment necessary for immediate defense retaliation strikes in the event of war. Investigation disclosed that little had been accomplished on this project at U.S. Korean airbases due to a lack of concern at all levels, coupled with the shortage of personnel. For example, there were actually assigned to this project one officer and two enlisted men at one air base, who devoted approximately one-third of their time to the program, when there should have been one officer, nine enlisted men, and two civilians working on it full time. As a result of the subcommittee's investigation, substantial progress has been made on this project by the U.S. Air Force.

"In May 1958 there was an explosion of an Army Nike installation at Middletown, N.J. Ten people were killed. The subcommittee held hearings to ascertain the cause of the accident and to review existing safety procedures. Senator JACKSON, who was acting chairman of the subcommittee for this hearing, recommended to the Secretary of the Army that a civilian committee be formed to take a fresh look at all safety features so as to assure that everything that could possibly be done was being done. As many of you know, these Nike installations surround many of our major cities. The Secretary of the Army heartily concurred with this recommendation, and on August 20, 1958, he established a committee of five distinguished civilian experts to examine the adequacy of safety measures, not only for the Nike Hercules, but for all Army defense systems.

"Hearings were held concerning the receipt of gifts from foreign governments by U.S. Government employees. Although there is a constitutional provision prohibiting the receipt of such gifts without the consent of Congress, the Department of State, on November 13, 1957, issued an instruction stating that if the Department of State employee decided the gift was of minor intrinsic value, he could keep it. This was done despite the Attorney General's rulings and Department of State legal rulings to the contrary. Testimony from officials from other executive branches of the Government indicated that they did not follow this new State Department ruling, and it became apparent there were two different rules of conduct. The subcommittee requested the President of the United States to issue an Executive order clarifying the situation. In a letter of December 12, 1958, we were advised by the White House that a careful and thorough study was being made and it was anticipated that legislative proposals will be submitted to this Congress.

"Public hearings were held in connection with Senate bill 3889, 85th Congress, 2d session, which was introduced by Senator KARL E. MUNDT and cosponsored by me. This bill was directed at the elimination of a vicious racket by which some 70 firms in the United States have been fleecing small businessmen of an estimated $50 million annually. These firms enter into contracts with businessmen to advertise the business on a national scale when, in fact, the salesman has represented that the business will be sold in a short period of time at inflated prices. Sales resulting from the advertising are less than one-half of 1 percent. Although the National Association of License Law Officials, the National Association of Real Estate Boards, Better Business Bureaus, and various attorneys general testified that Federal legislation is needed to control this type of operation, postal authorities maintained that they have jurisdiction in this type of case but have been unable to secure any prosecutions because of the difficulty of proof. The Department of Justice supported the Post Office Department and felt that existing Federal statutes are adequate. The subcommittee feels that some type of stronger Federal control is necessary. Accordingly, on January 20, 1959, Senator KARL E. MUNDT introduced Senate bill 550.

"Because of my required attendance at the hearings of the Select Committee on Improper Activities in the Labor or Management Field, Senator HENRY M. JACKSON was acting chairman for most of these hearings.

"On January 30, 1957, the Select Committee on Improper Activities in the Labor or Management Field was created by the Senate under my chairmanship pursuant to Senate Resolution 74, and it was continued pursuant to Senate Resolution 221, dated January 29, 1958. Six professional members of the staff of the Senate Permanent Subcommittee on Investigations have been and still are on loan to the select committee. In addition, one clerk from this subcommittee was loaned to the select committee and two clerks worked jointly for both committees. Thus, approximately $98,000 of the $200,000, which was appropriated to the Senate Permanent Subcommittee on Investigations, has been expended for purposes connected with the Select Committee on Improper Activities in the Labor or Management Field."

INVESTIGATION OF CERTAIN MATTERS BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MURRAY. Mr. President, from the Committee on Interior and Insular Affairs, I report an original resolution, to authorize a study of how this Nation should organize its electric-power industry into large, integrated systems for greatest efficiency and economy.

It has been demonstrated that there are great economies in the construction and operation of giant generating plants, with hundreds of thousands of kilowatts capacity. There are savings up to 50 percent in the cost per kilowatt-hour of capacity in building the plants, and further savings in fuel costs in giant, scientifically controlled boilers. Transmission over increasingly long distances has become possible.

Private power companies, once divorced by the Holding Company Act, are making various types of power-purchase contracts and exchange agreements between each other to make possible the construction of giant generating plants—plants too big for a single system to install economically.

Our public power agencies are entering into pooling agreements and interconnecting with other power generators because of the advantages of giant power.

It is not necessary to review how essential abundant, low-cost power is to the Nation. The Paley Materials Policy Commission a few years ago arrayed all the evidence on this and showed that power is not only an essential to all production, its price enters into the price of nearly every product we buy. Especially in the new electrochemical field, the cost of power in a large measure determines the economic feasibility of commercial production of many fine new products, including some of our light metals.

Several years ago the Department of Interior proposed the establishment of a giant power grid in the West, foreseeing that the economy and efficiency of such a system would make it desirable. Russia is already developing such giant transmission systems and has developed ways to send power efficiently for 500 miles on high tension lines.

This Nation cannot afford the present haphazard approach to the development of giant power grids. There needs to be a study of power needs of the Nation by areas; of the most appropriate geographic units to be interconnected so each could have the most dependable, low-cost supplies of thermal and hydroelectric generating capacity and feasible transmission facilities. There needs to be a study of whether existing laws and regulations are impeding desirable interconnection and joint operations of private companies, or of private and public systems, and of many other aspects of the problem.

It is my hope that hearings on the desirability of such a study will give us not only a very clear picture of the scope of the problem, but also the extent to which other committees of the Senate are involved and should participate in the final study.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). The resolution will be received and appropriately referred.

The resolution (S. Res. 70), reported by Mr. MURRAY from the Committee on Interior and Insular Affairs, was received and referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) minerals, materials, and fuels;

(2) irrigation, reclamation, and power development;

(3) public lands;

(4) Indians;

(5) Territories and insular affairs.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $200,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 821 (by request). A bill to regulate the handling of student funds in Indian schools operated by the Bureau of Indian Affairs, and for other purposes;

S. 822. A bill to authorize the conveyance of certain property administered as a part of the San Juan National Historic Site to the municipality of San Juan, Puerto Rico, in exchange for its development by the Municipality in a manner that will enhance the Historic Site, and for other purposes;

S. 823. A bill to revise the boundaries of the Kings Mountain National Military Park, South Carolina, and to authorize the procurement and exchange of lands, and for other purposes;

S. 824. A bill to direct the Secretary of the Interior to administer certain acquired lands as revested Oregon and California railroad grant lands;

S. 825. A bill to revise eligibility requirements for burial in national cemeteries, and for other purposes; and

S. 826. A bill to enlarge the Devils Tower National Monument in the State of Wyoming and for other purposes; to the Committee on Interior and Insular Affairs.

S. 827. A bill to amend the Helium Act of September 1, 1937, as amended; to the Committee on Armed Services.

By Mr. McCARTHY:

S. 828. A bill for the relief of Han Yung Din; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 829. A bill for the relief of Stefano Tarrantino; and

S. 830. A bill for the relief of Gaetano Ruisi; to the Committee on the Judiciary.

By Mr. MANSFIELD (for himself and Mr. MURRAY):

S. 831. A bill to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181), relating to practices in the marketing of livestock; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER:

S. 832. A bill for the relief of Mrs. Tyra Fenner Tynes; to the Committee on the Judiciary.

By Mr. MUNDT (for himself and Mr. SCHOEPPEL):

S. 833. A bill to provide for the rapid amortization for tax purposes of farm grain-storage facilities completed after December 31, 1958; to the Committee on Finance.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

S. 834. A bill to make certain frozen fish blocks classifiable under paragraph 717 of the Tariff Act of 1930; to the Committee on Finance.

By Mr. SALTONSTALL (by request):

S. 835. A bill for the relief of Natale Gabriele; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 836. A bill for the relief of Paul H. White; to the Committee on the Judiciary.

S. 837. A bill to provide for the promotion of certain persons who participated in the defense of the Philippines; to the Committee on Armed Services.

By Mr. O'MAHONEY:

S. 838. A bill to fortify the antitrust policy of the United States against concentration of economic power and the use or abuse of that power to the detriment of the national economy by preventing manufacturers of motor vehicles from financing the sales of their products; to the Committee on the Judiciary.

(See the remarks of Mr. O'MAHONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER (for himself and Mr. HENNINGS):

S. 839. A bill to supplement the Sherman Act and the Federal Trade Commission Act by prohibiting automobile manufacturers from engaging in the business of financing and insuring automobiles purchased by consumers, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. TALMADGE:

S. 840. A bill for the relief of Robert E. Wills; to the Committee on the Judiciary.

By Mr. MORTON:

S. 841. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Finance.

(See the remarks of Mr. MORTON when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE (for himself and Mr. NEUBERGER):

S. 842. A bill to authorize the Secretary of Agriculture to make long-term contracts for the disposal of surplus agricultural commodities, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. CLARK:

S. 843. A bill for the relief of Ursula Gewinner; to the Committee on the Judiciary.

By Mr. HENNINGS:

S. 844. A bill for the relief of Kazuko Yamanaka Barker; and

S. 845. A bill for the relief of Ekaterine G. Hronopoulos; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 846. A bill to provide that the lock and dam referred to as the Cannelton Lock and Dam, near Cannelton, Ind., on the Ohio River, shall hereafter be known and designated as the George Ewing Lock and Dam; to the Committee on Public Works.

By Mr. CHAVEZ:

S. 847. A bill for the relief of Sha Shiao Fonz; to the Committtee on the Judiciary.

By Mr. CARLSON:

S. 848. A bill for the relief of Peter Trbojevic and his wife, Milica Trbojevic; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 849. A bill for the relief of Bunge Corp. of New York, N.Y.; to the Committee on the Judiciary.

By Mr. KEFAUVER (for himself, Mr. HENNINGS, Mr. CARROLL, and Mr. LANGER):

S. 850. A bill to provide for assistance to and cooperation with States, or political subdivisions or instrumentalities thereof, for the establishment of institutions of a minimum security type for treating and rehabilitating juvenile delinquents; to the Committe on Labor and Public Welfare.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. O'MAHONEY (for himself, Mr. MURRAY, Mr. ANDERSON, Mr. BIBLE, Mr. ALLOTT, Mr. McGEE, Mr. GOLDWATER, Mr. KUCHEL, and Mr. ENGLE):

S. 851. A bill to provide that withdrawals or reservations of public lands shall not affect certain water rights; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. O'MAHONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. O'MAHONEY (by request):

S. 852. A bill to amend section 30(a) of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C., sec. 187a), to prevent the undesirable division of oil and gas leaseholds; and

S. 853. A bill to amend section 30(a) of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C., sec. 187a), to prevent the undesirable division of oil and gas leaseholds; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. O'MAHONEY when he introduced the above bills, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 854. A bill for the relief of Luther M. Crockett;

S. 855. A bill for the relief of Saeko Higa and Masako Higa; and

S. 856. A bill for the relief of W. L. Benedict; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself and Mr. McGEE):

S. 857. A bill to authorize the Administrator of General Services to convey certain lands in the State of Wyoming to the city of Cheyenne, Wyo.; to the Committee on Government Operations.

By Mr. JAVITS (for himself, Mr. KEATING, and Mr. SALTONSTALL):

S. 858. A bill to amend the Internal Revenue Code of 1954 so as to permit railroad corporations to take full advantage of tax relief measures enacted or granted by the

States and their political subdivisions; to the Committee on Finance.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG of Ohio:

S. 859. A bill declaring the inundation of property because of, or aggravated by, wind, waves, or tidal effects on the Great Lakes to be properly within the flood-control activities of the Federal Government; to the Committee on Public Works.

(See the remarks of Mr. YOUNG of Ohio when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE:

S. 860. A bill to amend section 19 of the Federal Reserve Act with respect to the use of vault cash holdings as required reserves against deposits; to the Committee on Banking and Currency.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 861. A bill to provide for the control of noxious plants on land under the control or jurisdiction of the Federal Government; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself and Mr. PROXMIRE) (by request):

S. 862. A bill to establish a family milk program for needy families in the interest of improved nutrition through increased consumption of fluid milk; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 863. A bill to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms and in providing increased amounts for teachers' salaries; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 864. A bill to provide greater protection against the introduction and dissemination of diseases of livestock and poultry, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. BYRD of Virginia:

S. 865. A bill for the relief of Tai Sung Chung; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 866. A bill to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910; and

S. 867. A bill to amend the "Life Insurance Act" of the District of Columbia approved June 19, 1934, as amended by the acts of July 2, 1940 and July 12, 1950; to the Committee on the District of Columbia.

By Mr. WILLIAMS of New Jersey:

S. 868. A bill for the relief of Julian Cerf; and

S. 869. A bill for the relief of Konstantinos A. Kostalas; to the Committee on the Judiciary.

By Mr. ELLENDER (by request):

S. 870. A bill to provide a revolving fund for certain loans by the Secretary of Agriculture, for improved budget and accounting procedures, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. LANGER:

S. 871. A bill to amend title II of the Social Security Act so as to eliminate the requirement that an individual having attained 50 years of age in order to be eligible for disability benefits thereunder and repeal the provision which requires that the amount of disability benefits thereunder be reduced by the amount of certain other benefits payable by reason of the same disability;

S. 872. A bill to allow an additional income tax exemption for a dependent child who is a full-time college student;

S. 873. A bill to amend the Internal Revenue Code of 1954 to allow a deduction from gross income for certain amounts paid by a teacher for his further education; and

S. 874. A bill to provide for the payment of an old-age pension to persons who have attained 65 years of age, if male, and 60 years of age if female; to the Committee on Finance.

S. 875. A bill to amend the Railroad Retirement Act of 1937 to permit women to receive reduced benefits thereunder at age 62; to the Committee on Labor and Public Welfare.

S. 876. A bill to amend the first section of the act entitled "An act to prohibit payment of annuities to officers and employees of the United States convicted of certain offenses, and for other purposes," approved September 1, 1954, so as to limit its application to cases involving the national security; to the Committee on Post Office and Civil Service.

By Mr. CASE of New Jersey:

S. 877. A bill to authorize a 4-year program of Federal assistance to States and communities to enable them to increase public elementary and secondary school construction;

S. 878. A bill to provide assistance to the States in certain surveying and planning with respect to college facilities; and

S. 879. A bill providing a program of financial assistance to the States for the construction of public community colleges; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. CASE of New Jersey when he introduced the above bills, which appear under a separate heading.)

By Mr. TALMADGE:

S. 880. A bill to establish qualifications for persons appointed to the Supreme Court; to the Committee on the Judiciary.

(See the remarks of Mr. TALMADGE when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE:

S. 881. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to extend the insurance program established by such title so as to include insurance against the costs of hospital, nursing home, and surgical service; to the Committee on Finance.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER:

S. 882. A bill for the relief of the heirs of J. B. White; to the Committee on Agriculture and Forestry.

By Mr. LANGER:

S. 883. A bill to confer jurisdiction upon the U.S. Court of Claims to hear, determine, and render judgment upon claims of customs officers and employees to extra compensation for Sunday, holiday, and overtime services performed after August 31, 1931, and not heretofore paid in accordance with existing law; to the Committee on the Judiciary.

By Mr. BRIDGES:

S. 884. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in the Philippines in 1959; and for other purposes; and

S. 885. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. BRIDGES when he introduced the above bills, which appear under a separate heading.)

By Mr. HILL (for himself, Mr. HUMPHREY, Mr. AIKEN, Mr. ALLOTT, Mr. BARTLETT, Mr. BIBLE, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. DODD, Mr. DOUGLAS, Mr. EASTLAND, Mr. ENGLE, Mr. FULBRIGHT, Mr. GREEN, Mr. GRUENING, Mr. HART, Mr. HARTKE, Mr. HAYDEN, Mr. HENNINGS, Mr. JACKSON, Mr. JOHNSON of Texas, Mr. KEFAUVER, Mr. KENNEDY, Mr. KERR, Mr. KUCHEL, Mr. LANGER, Mr. LONG, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MCCARTHY, Mr. MCGEE, Mr. MCNAMARA, Mr. MONRONEY, Mr. MORSE, Mr. MOSS, Mr. MURRAY, Mr. MUSKIE, Mr. NEUBERGER, Mr. PASTORE, Mr. RANDOLPH, Mr. SCOTT, Mr. SMATHERS, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, Mr. YOUNG of North Dakota, Mr. YOUNG of Ohio, Mr. MORTON, and Mr. SALTONSTALL):

S.J. Res. 41. Joint resolution to establish in the Department of Health, Education, and Welfare the National Advisory Council for International Medical Research, and to establish in the Public Health Service the National Institute for International Medical Research, in order to help mobilize the efforts of medical scientists, research workers, technologists, teachers, and members of the health professions generally in the United States and abroad, for assault upon disease, disability and the impairments of man and for the improvement of the health of man through international cooperation in research, research training, and research planning; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HILL when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. BIBLE (for himself, Mr. MORSE, and Mr. BEALL):

S.J. Res. 42. A joint resolution to establish an objective for coordinating the development of the District of Columbia with the development of other areas in the Washington Metropolitan region and the policy to be followed in the attainment thereof, and for other purposes; to the Committee on the District of Columbia.

(See the remarks of Mr. BIBLE when he introduced the above joint resolution, which appear under a separate heading.)

SURVEY OF ELECTRIC POWER SITUATION OF THE UNITED STATES

Mr. MURRAY (for himself, Mr. NEUBERGER, and Mr. CARROLL) submitted the following resolution (S. Res. 71), which was referred to the Committee on Interior and Insular Affairs:

Whereas the planning and organization of electric power supply into the most modern and efficient systems, serving increasingly large geographic areas, is of vital importance to the general welfare of the United States, and especially to (1) the employment, productivity, and living standards of its increasing population; (2) maintenance of the leadership of the United States in a world of

increasing economic competition; and (3) the National defense; and Whereas both public and private power systems are involved in the problem and since enactment of the 1944 Flood Control Act, the Department of the Interior has had the responsibility for marketing all power produced at Federal multiple-purpose river basin projects other than those in the TVA program: Now, therefore, be it

Resolved, That the Senate Committee on Interior and Insular Affairs is hereby authorized and directed to make a comprehensive survey of the electric power supply situation of the United States and to recommend legislation to assure development and organization of bulk power supply to enable the United States to maintain an expanding economy, an increasing standard of living for all its people, and its position of strength in the world situation; and be it further

Resolved, That the Senate Committee on Interior and Insular Affairs is authorized to employ such staff, and to arrange for the loan of such employees of, and the provision of such information by, the agencies and departments of the Government, as may be required for the completion of such survey. The sum of $300,000 is hereby authorized to be expended in the completion of such survey.

AMENDMENT OF RESOLUTION ESTABLISHING SPECIAL COMMITTEE ON PRESERVATION OF MEMORABILIA OF SENATE

Mr. ANDERSON submitted the following resolution (S. Res. 72), which was referred to the Committee on Rules and Administration:

Resolved, That Senate Resolution 318—85th Congress, establishing a special committee of the Senate to study and report with respect to preserving memorabilia of the Senate, is amended by striking out "February 1" in section 4 and inserting in lieu thereof "April 2."

APPOINTMENT OF MINORITY MEMBERS OF SELECT COMMITTEE ON SMALL BUSINESS

Mr. DIRKSEN submitted the following resolution (S. Res. 73), which was considered and agreed to:

Resolved, That, pursuant to S. Res. 58, Eighty-first Congress, first session, agreed to February 20, 1950, as amended July 1, 1955, and January 17, 1959, creating a Select Committee on Small Business, the minority membership of the said committee shall consist of the following named Senators for the Eighty-sixth Congress: Messrs. LEVERETT SALTONSTALL, ANDREW F. SCHOEPPEL, BARRY GOLDWATER, JOHN SHERMAN COOPER, HUGH SCOTT, and WINSTON L. PROUTY.

AMENDMENT OF PACKERS AND STOCKYARDS ACT, 1921, RELATING TO PRACTICES IN MARKETING OF LIVESTOCK

Mr. MANSFIELD. Mr. President, on behalf of the senior Senator from Montana [Mr. MURRAY] and myself I introduce for appropriate reference legislation to amend the provisions of the Packers and Stockyards Act of 1921, as amended.

In brief, this legislation would authorize a nationwide program to promote greater consumption of meat products. These research and sales promotion programs would be financed by small deductions made from the sales of livestock. A nationwide set of rules for such a beef promotion program would be more efficient and beneficial than the individual State promotion programs and the program would be under the general supervision of the Department of Agriculture.

In the State of Montana, the livestock industry has operated a very successful voluntary beef promotion program. My State is an excellent example of what could be done on a nationwide scale. In fact the Montana Beef Council has carried on a very clever promotion program in the various advertising media.

This is not compulsory legislation, it is permissive. It does not require an appropriation of funds. The enactment of this bill will permit the collection of voluntary contributions on a nationwide basis. The stockmen, under the provisions of this bill, will have an opportunity to decline from contributing to the program prior to the actual sale.

This same bill was considered by the Senate Committee on Agriculture during the last session of Congress, but no definite action was taken. I think this is good legislation and I am hopeful that the committee will act on this measure at an early date. I do not feel that this is a controversial measure and I understand that the form of this bill meets the objections of the Department of Agriculture.

The approval of this program would contribute immensely to the welfare of the livestock industry.

The industry is not and has not asked for direct subsidization, and I do not think it is too much to ask that Congress approve a promotion program which will help to increase their sales and insure against the possibility of future subsidization.

Mr. President, I ask unanimous consent to have the language of this bill printed at the conclusion of my remarks in the CONGRESSIONAL RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 831) to amend the provisions of the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181), relating to practices in the marketing of livestock, introduced by Mr. MANSFIELD (for himself and Mr. MURRAY), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181), is amended by adding after section 317 thereof a new section reading as follows:

"SEC. 318. Nothing contained in this act shall be construed as prohibiting a market agency, upon request of a livestock producer sponsored association or organization, from making deductions from the proceeds of sales of livestock or any species thereof to finance research or sales-promotion programs: *Provided*, That in accounting to the shipper of such livestock, the shipper is advised of the amount of the deduction, the purpose thereof, the organization it was made for, and that upon request of the shipper, made within 30 days from date of deduction, the amount deducted will be paid to the shipper: *Provided further*, That no deduction shall be made if the shipper so instructs the market agency prior to time of sale or accounting therefor."

CLASSIFICATION OF CERTAIN FROZEN FISH BLOCKS UNDER TARIFF ACT OF 1930

Mr. SALTONSTALL. Mr. President, on behalf of my colleague, the junior Senator from Massachusetts [Mr. KENNEDY], and myself, I introduce, for appropriate reference, a bill to make certain frozen fish blocks classifiable under paragraph 717 of the Tariff Act of 1930. I ask unanimous consent that the bill, together with a brief explanation of its purposes, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 834) to make certain frozen fish blocks classifiable under paragraph 717 of the Tariff Act of 1930, introduced by Mr. SALTONSTALL (for himself and Mr. KENNEDY), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 717 of the Tariff Act of 1930 is amended by adding a new subdivision (d) thereto as follows: "(d) Fresh fish cut, sliced, ground, minced, or otherwise reduced in size, formed and frozen into blocks, slabs, sheets, or other bulk shapes, and suitable for processing into fish sticks, flakes, cakes, portions, or similar products of any size or shape, except fish provided for elsewhere in this paragraph or in paragraph 1756 of this Act, 2½ cents per pound."

SEC. 2. The foregoing amendment shall enter into force as soon as practicable, on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effect a modification or termination of any international obligation of the United States with which the amendment might conflict, but in any event not later than one hundred and eighty days after the passage of this Act.

The statement presented by Mr. SALTONSTALL is as follows:

STATEMENT OF PURPOSE OF BILL

Frozen fish blocks, consisting of fish trimmings recovered in the production of fillets and other portions of fish, have been classified by the Customs Service under the provision for "Fish, fresh or frozen (whether or not packed in ice), filleted, skinned, boned, sliced, or divided into portions, not specially provided for," which appears in paragraph 717(b) of the Tariff Act of 1930. The original rate of duty applicable to such products under that act is 2½ cents per pound. However, pursuant to the General Agreement on Tariffs and Trade (GATT), the rate has been reduced to 1⅞ cents per pound with respect to approximately the first 15 million pounds entered for consumption in the United States during each calendar year.

On June 4, 1957, the U.S. Customs Court in a case reported as *Iceland Products, Inc., and Ambrosio* v. *United States*, Abstract 60817, held that such frozen fish blocks do not come

within the meaning of any of the terms in that provision, presumably because the blocks are not sold for direct consumption. The evidence in the trial was to the effect that the blocks are sold only to "companies who process the fish into fish flakes or fish cakes." The blocks were held by the court to be classifiable under the provision for fish, prepared or preserved, not specially provided for, in paragraph 720(b), as modified by the GATT, with duty at the rate of 1 cent per pound. A Government petition for rehearing has been granted and is now pending.

It is the purpose of the proposed legislation to maintain the status quo which existed prior to the cited court decision with respect to the tariff classification of all frozen fish blocks should the final decision of the customs courts affirm the practice of the collector of customs who classified the pertinent fish blocks under paragraph 717(b), as modified, and, if said practice is finally determined by the courts to be erroneous, it is the alternative purpose of the bill to provide a new tariff classification which shall impose a duty at the flat rate of 2½ cents per pound on all frozen fish blocks except those specially provided for in paragraph 1756 of the Tariff Act of 1930 which relates to sea herring, smelts, and tuna fish.

To accomplish this purpose, section 1 of the bill would amend paragraph 717 of the Tariff Act of 1930 by adding a new subparagraph (d) thereto which contains a tariff description that specifically covers frozen fish blocks and imposes a duty thereon at the rate of 2½ cents per pound. However, it would specifically except from its provisions any frozen fish blocks which are provided for elsewhere in paragraph 717 or 1756. Thus, if the present court decision is changed after the rehearing or should be reversed on appeal, the classification of such fish blocks would be under paragraph 717(b) and the provisions of paragraph 717(d) would, in effect, be inoperative.

Section 2 of the bill delays the effective date of the bill so as to allow the President as much as 180 days in which to modify or terminate any trade-agreement concession with which the bill, as enacted, might conflict. Such effective-date clauses have been employed in recent tariff legislation where it appears to contravene our international trade-agreement commitments. For example, see Public Law No. 479 of the 83d Congress.

PREVENTION OF MANUFACTURERS OF MOTOR VEHICLES FROM FINANCING SALES OF THEIR PRODUCTS

Mr. O'MAHONEY. Mr. President, I introduce for appropriate reference a bill that has to do with the monopolistic condition which has been developing for years in the manufacture of automobiles and other motor vehicles.

The Senator from Tennessee [Mr. KEFAUVER] and I, who are both members of the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary, have been working upon this proposed legislation. Recognizing the problem to be one of great significance and great importance, we have agreed to introduce separate bills. The bills are different, but only slightly different. The introduction of the two bills today, however, will, we hope, indicate to all manufacturers of motor vehicles that this is an important subject to which careful consideration and constructive action should be accorded.

We are not acting in a punitive sense, but in a corrective sense. We are seeking to obtain release from monopolistic methods.

Mr. President, I send the bill to the desk and ask for its appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 838) to fortify the antitrust policy of the United States against concentration of economic power and the use or abuse of that power to the detriment of the national economy by preventing manufacturers of motor vehicles from financing the sales of their products, introduced by Mr. O'MAHONEY, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. O'MAHONEY. Mr. President, the bill is entitled, as stated in the preamble, a bill "to fortify the antitrust policy of the United States against concentration of economic power and the use or abuse of that power to the detriment of the national economy by preventing manufacturers of motor vehicles from financing the sales of their products."

MANUFACTURERS COULD NOT PROVIDE FINANCING FOR PURCHASERS OF THEIR PRODUCTS

This bill makes it unlawful for any corporation, its subsidiaries, officers or employees, engaged in the manufacture and sale in interstate or foreign commerce of motor vehicles, to own or maintain any facilities for financing the sale at wholesale or retail of motor vehicles manufactured by such corporation. It would not prevent the manufacturer from permitting purchasers of motor vehicles who buy at wholesale to pay for such vehicles within a reasonable time after purchase at no additional charge. The term "motor vehicles" as used in the bill means passenger cars, trucks, buses, station wagons, and off-the-road earth moving machinery. The prohibitions of the bill are to be enforced through the injunctive powers of the Federal courts.

This proposed legislation is not drawn as a criminal statute. It sets forth in clear, simple language rules for the guidance of businessmen. If enacted into law, the business community will know that Congress has declared it is against public policy and in violation of law to combine the financing or banking aspect of the motor vehicle business with that of the manufacture of such vehicles. The bill is limited in its scope to the highly concentrated automotive industry where the threat of monopoly, if not actual monopolization, is present.

FINANCING OPERATIONS INTENSIFY CONCENTRATION OF ECONOMIC POWER IN MOTOR INDUSTRY

The economic dangers flowing from concentration of productive and banking facilities are present to a very high degree in the automotive industry. The problem has long been recognized—by those charged with enforcing the antitrust laws as well as by Members of Congress, but relief has apparently proved to be difficult, if not impossible, to obtain.

This Congress will have to decide whether to preserve free independent enterprise from the forces of concentration which are making big business and big Government twin foes to economic freedom. World War II diverted the Congress in 1941 from the consideration of legislation designed to make business free from control by either private monopoly or by Government. The concentration of economic power that was clearly visible in March 1941, when the final report of the TNEC was filed has now become greater than ever. It exists not only in the motor field but in almost every other field involving the production of basic commodities.

CONCENTRATION IS DISPLACING COMPETITION

In a recent address dealing with the concentration of economic power, Judge Victor R. Hansen, Assistant Attorney General, made it clear how competition has been displaced by concentration in the motor industry. Judge Hansen stated:

> The majors in 1949 produced more than 85 percent of new cars—leaving the smaller firms with a meager 14½ percent market share. By the first 4 months of 1954, however, the majors had jumped to almost 95½ percent, while the smaller producers' share had shrunk to a bit over 4 percent.

Three manufacturers dominate the manufacture and sale of automobiles. The largest of these, General Motors, has accounted for more than 40 percent of new car sales since 1931. In the years 1954, 1955, and 1956 General Motors' share of the market had risen to 50 percent. For the first 11 months of 1958, General Motors' market share was 50.2 percent. For the same period, General Motors, Ford, and Chrysler combined sold more than 94 percent of all the cars produced in the United States.

MANUFACTURERS CHARGED WITH MONOPOLIZING FINANCING BUSINESS

Mr. President, the Subcommittee on Antitrust and Monopoly has studied the techniques and methods used in the automobile financing field at considerable length. In 1955 when I was acting chairman, and again in 1958 under the Senator from Tennessee [Mr. KEFAUVER], the subcommittee held hearings in which much information was developed on this matter. During the 1955 hearings, the history of the three indictments in 1938 against General Motors, Ford, and Chrysler and their affiliated finance companies was placed in the record of the subcommittee in detail. Those indictments charged conspiracy to monopolize the business of financing the sale of automobiles by forcing and inducing dealers handling the cars of the respective manufacturers to use the financing facilities of the companies affiliated with the manufacturers at both the wholesale and retail levels. It was charged that because of the high unit price of cars and the requirement that all cars be paid for in cash before shipment, large sums of money were regularly and continuously required to finance purchases by dealers at wholesale, as well as to permit retail purchasers to buy cars on a time-sales basis. It was also charged that the defendants had excluded as far as possible all finance companies other than the company affiliated with the manufacturer from the business of financing cars at both wholesale and retail, and that each manufacturer had given various special services,

facilities and preferences to its affiliate and had coerced its dealers to use the services of the affiliate.

Some of the means alleged in those indictments to have been used to compel dealers to use the financing facilities of the manufacturers' affiliates were the cancellation of dealers' franchises and threats to cancel such franchises; the making of these contracts for a period of 1 year only, subject to cancellation on short notice; conditioning the making of such contracts on the dealer's promise to use the facilities of the manufacturer's affiliate; discriminating against noncooperative dealers by shipping cars which were not ordered during periods of overproduction and refusing to ship cars during periods of short supply; shipping cars of different types from those ordered; and shipping an excessive quantity of parts and accessories to noncooperative dealers. As a result, it was charged in the indictment that dealers were deprived of a free choice of finance companies even though under their contracts with the manufacturer they were not agents of the manufacturer but were independent contractors.

Mr. President, these indictments were returned on May 27, 1938, and on November 15, 1938, Ford and Chrysler agreed to consent judgments and the indictments against them were dismissed. Civil suits against these two manufacturers were substituted for the criminal proceedings. Under these consent decrees, all forms of coercion formerly imposed by the two companies, Ford and Chrysler, against their dealers were enjoined. These decrees also provided that first, if the still-pending criminal proceedings against GM did not terminate in a conviction, the injunctive features of the consent decrees should be suspended until substantially identical requirements should be imposed on GM; and, second, the bar against affiliation of Ford and Chrysler with a finance company should be suspended unless the Government got a final adjudication divorcing General Motors Acceptance Corporation—GMAC—from General Motors by January 1, 1941.

COMPANIES FOUND GUILTY OF CHARGES

Mr. President, it was just 1 year and 1 day later, on November 16, 1939, that GM and three affiliated companies were found guilty by the jury in the criminal case. Fines of $5,000, the maximum at that time, were levied against each of the four defendants in the GM case. When the conviction was upheld on appeal late in 1941, the injunctive features of the Ford and Chrysler consent decrees became final.

CIVIL CASE DISMISSED WITHOUT REQUIRING GM TO DIVORCE GMAC

The Government then filed a civil suit against GM, on October 4, 1949, seeking to divorce GMAC from GM. During the pendency of this civil case, extensions of the bar against reaffiliation with finance companies which was in force against Ford and Chrysler were sought and given by the court, up to and including January 1, 1946. Chrysler attempted to have the extensions barred in 1941 and 1942, but failed. In 1946, Ford succeeded in having the bar against affiliation with a finance company suspended. The Supreme Court, which finally resolved the matter, held that the crucial fact, as of that time, was not the degree of actual disadvantage then being placed on Ford, but the persistence of an inequality of treatment against which Ford had secured the Government's protection in the 1938 consent judgment.

After the Ford litigation was concluded, the Chrysler decree was modified to conform with the suspension secured by Ford, in order that Chrysler would not be required to operate at a competitive disadvantage with Ford or GM.

On July 28, 1952, a final judgment by consent was entered in the GM civil suit without obtaining divestiture of GMAC from GM. It conformed substantially with the modified judgments then in force against Ford and Chrysler.

During the 1955 hearings of the Subcommittee on Antitrust and Monopoly, the testimony contained references to the reasons why the Department dismissed the case against GM without divorcement. In substance, such reasons all went to the difficulty of proving in 1952 facts and actions carried on in 1938. In other words, it was not possible to prove a conspiracy and certain types of coercive action 14 years after the charges contained in the original indictment were made.

GM STRENGTHENED COMPETITIVELY BY GMAC

GMAC was organized in 1919 as a wholly owned subsidiary of GM, in order to provide needed automobile financing and broaden the market for the sale of GM cars. GMAC is today the only automobile financing company owned by an automobile manufacturing company and has truly exercised its function of placing its parent corporation in a stronger economic and competitive position.

In 1955, I presided over hearings which culminated in Senate Report No. 1879 entitled "Bigness and Concentration of Economic Power—A Case Study of General Motors Corp." Throughout the hearings it was often emphasized that GM has used its financing affiliate GMAC as a device to aid its sales of cars. During the hearings it was shown that the dependent position of the GM dealers upon the factory was sufficient to obtain the financing business from these dealers. A mere gentle reminder by sales representatives that GMAC is a member of the GM family was usually sufficient inducement to the dealer to let all of his financing business go to GMAC. The great vice of this situation rises from the fact that tremendous economic power is retained by a company which produces 50 percent of the automobiles manufactured in the United States and which is the largest manufacturing company in the world. The power which comes with such size is what guarantees the lions' share of the financing business for GMAC as GM's financing affiliate.

GMAC DOMINATES AUTOMOBILE FINANCING BUSINESS

GMAC is by far the largest automobile finance company in the automobile time finance sales business and is as large as 375 of its competitors combined. During the 1955 hearings it was reported that GMAC's total overall market position, including both the General Motors product and the product of all other automobile companies, amounted to more than 34 percent of all of the automobile time financing business done by finance companies, as distinguished from the automobile finance business done by banks, credit unions, and so forth. Thus, it had more than 34 percent of the entire business done by all automobile finance companies, whose total business equaled about 53 percent of the total automobile finance market. According to recent information brought to my attention, GMAC's percentage of all passenger car and commercial vehicle installment credit extended by U.S. sales finance companies has been steadily increasing from 1948 to 1956. According to this source, each of the five largest independent sales finance companies, plus all other U.S. finance companies combined, show a decline in their respective share of the market—but GMAC increased its share from 19 percent in 1948 to 40.3 percent in 1956. The increase in GMAC domination of the industry was especially pronounced during 1953 and 1954, when its percentage of the business done by all sales finance companies rose from 28.4 percent to 38.2 percent. This was an increase or 34.5 percent.

Since GMAC does business exclusively with GM dealers, the change in GMAC's industry position has been influenced by the relative change in GM's position in the automobile industry. Recent data indicates that during the period 1953 through 1956 GMAC increased its proportion of the market by 41.7 percent, while GM increased its share of the market by only 21.7 percent.

GMAC PROFITS SOAR

GMAC's continuous growth has also carried along a phenomenal rate of profit to GM. During the period 1950–57 GMAC has averaged 18.7 percent net profit, after taxes, on stockholders' average investment. The following is but a sample of this growth: In 1925, the income of GMAC was $2,356,000; by 1937, it had increased to $14,592,000. According to the 1954 annual report of GMAC the company had total current assets of $2,617,256,371, and total assets, including investment in Motors Insurance Corporation at book value, of $2,651,691,802. In 1954, gross income of $215,232,197, and net of $33,833,771 was reported. In 1957 GMAC reported a net income after taxes of $46,037,136.

FINANCING OPERATION BOLSTERS GM'S POSITION IN RELATED MARKETS

During the course of the 1955 General Motors hearings, the subcommittee also considered the way in which General Motors used its finance affiliate to improve its position in other market areas, such as the manufacture of buses, diesel engines and earth moving machinery—Euclid. Such equipment is financed by GM through Yellow Motors Acceptance Corporation—YMAC—its wholly owned subsidiary. Bus producers have insisted that financing is one of the chief advantages of General Motors. ACF-Brill's president, for example, noted that his

buses were priced competitively but because he could not offer financing for so long a period, he lost many sales. The president of the Southern Coach Manufacturing Co., offered similar evidence during the hearings. His new firm was specifically told it could have sales if it provided financing. His firm now makes no attempt to get customers unless such customers finance purchases locally. A representative of another bus firm, the Fixible Co., stated that his firm had utilized GMAC to finance its sales. He reported an instance of GMAC refusing to handle his financing of a bus sale and GM thereupon received the same order which it financed on longer terms through Yellow Motors Acceptance Corp. Fixible now relies on customer financing by local banks.

Following these hearings, the Department of Justice on July 6, 1956, filed an antitrust suit against General Motors, charging monopolization of the manufacture of buses by means of, among other things, financing the sale of buses through GMAC on terms which General Motors competitors with more limited resources could not meet. In its prayer for relief, the Government requested that General Motors be required to offer to finance the sales of buses manufactured by any other company upon the same terms and conditions as it finances its own buses. A motion for summary judgment by the defendants has been filed and argued before the Federal District Court in Detroit, and a decision on this motion is now pending.

During the 1955 hearings, the subcommittee undertook a study of the acquisition of the Euclid Road Machinery Co. by General Motors. Sales of road machinery equipment were being financed through GMAC. The report suggested that the previous history of General Motors supported the belief that the company would soon acquire a dominant position in the earth moving equipment field, and that the great financial strength of the General Motors Corporation would be instrumental in achieving this goal. Since the date of these hearings, both competitive manufacturers and dealers, who have asked to remain anonymous for fear of retaliation, have furnished information to this subcommittee that Euclid has been acquiring business by means of its ability to offer extravagant finance terms which none of its competitors could meet.

BILL WOULD HELP PRESERVE COMPETITION IN AUTOMOBILE FINANCING BUSINESS

The Congress must act now if it hopes to combat the growing concentration of economic power. This is one of the major problems facing the Nation. The bill I am introducing today would dissolve the unholy alliance between manufacturing and financing in the automobile industry—the most highly concentrated of our basic industries. The bill is not a panacea, but it is a step which is manifestly necessary if free competition in the automobile financing industry is to be preserved. Experience has demonstrated that the present antitrust laws are wholly inadequate to meet this situation. Only affirmative and prompt action of the Congress will suffice.

PROHIBITION OF AUTOMOBILE MANUFACTURERS FROM ENGAGING IN FINANCING AND INSURING THER PRODUCTS

Mr. KEFAUVER. Mr. President, on behalf of myself, and the Senator from Missouri [Mr. HENNINGS], I introduce, for appropriate reference, a bill to supplement the Sherman Antitrust Act and the Federal Trade Commission Act by prohibiting automobile manufacturers from engaging in the business of insuring and financing automobiles purchased by consumers.

This prohibition follows a finding in the bill that automobile manufacturers by engaging in these businesses restrain trade in automobiles and promote monopolization of the production, distribution, sale, financing, and insuring of automobiles.

The question might very well be asked, "Why is this extraordinary measure necessary?" A basis for the findings in this bill and the prohibition of the bill may be found in the reports of the hearings of the Senate Antitrust and Monopoly Subcommittee held in 1955 under the direction of Senator O'MAHONEY, and in 1958 under my direction. Concentration in the automobile industry has reached an all-time high. General Motors, Ford, and Chrysler during 1958 sold more than 94 percent of all of the new cars manufactured in the United States.

By the recent announcement of the Ford Motor Co. of its intention of reentering the business of financing new car sales to the consumer, the problem has been increased in magnitude. Although unconfirmed, I have also heard rumors to the effect that Chrysler is likewise contemplating reentering this field.

A most unusual situation has developed in the business of financing and insuring new-car sales by virtue of the activities of the Department of Justice. In 1938 the Department of Justice obtained indictments against General Motors, Ford, and Chrysler, charging each with a conspiracy to restrain trade in automobiles by coercing their dealers to finance car sales through finance firms owned by each. Civil actions were filed against the same defendants. By the entry of consent decrees in the civil actions against Ford and Chrysler, the criminal cases against these two defendants were nol prossed. The consent decrees entered into between these defendants and the Government in the civil cases were contingent upon like relief being secured against General Motors Corp.

General Motors Corp. resisted the criminal indictment and was ultimately, in 1941, adjudged guilty. However, the civil case against General Motors, which was likewise resisted, was ultimately dismissed as the result of the failure by the Justice Department to prosecute its case. I understand that the explanation offered by the Department for its failure to press its case against General Motors in this respect was that it was due to the fact that the Second World War had intervened and because its evidence had become remote and some of the witnesses had become unavailable. When the Department of Justice's civil case against General Motors was dismissed, the consent orders against both Ford and Chrysler were modified. By this peculiar set of circumstances it can be seen that General Motors, which dominated the manufacture of new cars, was left as the only manufacturer engaged in new-car financing and insuring. As a result of this position, its share of the new-car financing and insuring rose to an all-time high. I am not surprised, therefore, that the Ford Motor Co. has indicated its interest in returning to this lucrative undertaking.

The bill which I send to the desk is designed to deal with the concentration of economic power in the automobile industry by absolutely preventing further abuse of this power in the automobile financing and insuring field. Obviously, the bill would prevent the Ford Motor Co. from engaging in the financing and insuring of automobiles as it has announced it intends to do, and the bill would prevent General Motors Corp. from continuing in these lines of business after January 1, 1961.

I do not offer this bill as an overall curative for the extremely serious noncompetitive situation that has developed among the automobile manufacturers. I offer it, however, as a step in the direction of curtailing the abuse of the power that has resulted from the great concentration among the automobile manufacturers. I do not believe that this bill will in any way affect the ability of any dealer in obtaining adequate financing or insuring for any car that he might sell to the consuming public. I am convinced that the results of my bill would be beneficial to untold numbers of small automobile finance companies as well as insurance companies. This bill would not prevent automobile manufacturers from extending credit to their dealers.

No longer is it necessary in the automobile industry for the manufacturer to have written requirements in the dealers' franchises in order to obtain for itself the new car financing and insuring business of its dealers. Being captive dealers, it is no more than logical to expect such business to be given to the manufacturers.

I am convinced that the Department of Justice and the Federal Trade Commission are powerless to cope with this problem under existing law. It is for this reason that I introduce this bill so that Congress can take the necessary step in order to retard the further trend toward monopoly control in the automobile industry. I concede that my bill is an extraordinary step, but I am convinced that if we are to preserve our free, competitive enterprise system, such measures are absolutely necessary. Care will be taken that investors will not suffer any tax burden resulting from this spinoff.

In order that other Senators may have an opportunity to become cosponsors to my bill, I ask unanimous consent that the bill lie on the table for 3 calendar days.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, as has been stated by the distinguished Senator from Wyoming [Mr. O'MAHONEY] we have both prepared bills to deal with

automobile financing and the fact that at least one automobile company is in the financing or banking business.

The bill which I introduce on behalf of myself and the Senator from Missouri [Mr. HENNINGS] would not only deal with automobile manufacturers who are engaged in banking or financing, but also with automobile manufacturers in the insurance business.

I send the bill to the desk and ask for its appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Tennessee.

The bill (S. 839) to supplement the Sherman Act and the Federal Trade Commission Act by prohibiting automobile manufacturers from engaging in the businesses of financing and insuring automobiles purchased by consumers, and for other purposes, introduced by Mr. KEFAUVER (for himself and Mr. HENNINGS), was received, read twice by its title, and referred to the Committee on the Judiciary.

VOLUNTARY PENSION PLANS BY SELF-EMPLOYED INDIVIDUALS

Mr. MORTON. Mr. President, I introduce, for appropriate reference, a bill which incorporates intact the provisions of H.R. 10, introduced in the House of Representatives on January 7 by Representative KEOGH, and H.R. 9, introduced on that same day by Representative SIMPSON of Pennsylvania. This bill is identical to the so-called Jenkins-Keogh bill, which passed the House last year.

I realize that this is a tax measure and that the House will have to take action first. I understand that we may expect prompt action on the part of the Ways and Means Committee and the House itself on this measure. I introduce it in this body in order to bring this matter to the attention of my colleagues, especially those serving on the Finance Committee, since I feel that this legislation corrects a grave injustice in our tax laws.

The purpose of this bill is to encourage the establishment of voluntary pension plans by self-employed individuals. It seeks to provide, in respect to the establishment of retirement income, equality of tax treatment between the self-employed and employees. It would extend to the self-employed, who wish to make financial provision for retirement, a tax treatment no less favorable than that enjoyed by individuals employed by others. At present, an employee working for a company with an approved pension plan pays no current income tax on his company's contribution to his own retirement. The company, of course, deducts these pension costs as a legitimate business expense before calculating its own income taxes. Employees thus accumulate retirement benefits out of pretax dollars. A self-employed person, on the other hand, may make such retirement provisions only out of after-tax dollars. It seems to me that this establishes a very unjust discrimination. Let us take the doctors as an example. Most of them are in fairly high income tax brackets during the 15 or 20 years of their maximum earning capacity. It is during these years that they should provide for their own old age security. Yet it is during these same years that their personal income tax rates are at a peak. This, of course, operates against their ability to provide for security in their later years.

It is no secret that one of the big inducements which corporations hold out to young men who have been trained as engineers, accountants, scientists, even lawyers and in some cases, doctors, is the benefit of a very generous pension plan. Now I have nothing against the large corporations. I cannot blame them for recruiting the bright young brains of America, but I do think it is important to the future of this country that a certain number of these bright young men and women strike out for themselves. I do not want to see all of them hitch their destiny and their future to the large corporations with elaborate pensions plans.

Legislation similar to this has been adopted in Great Britain and Canada, and in New Zealand. The proposal which was enacted by the British Parliament is broader in scope than the bill which I introduce today. My bill applies only to the self-employed. The British bill took in the pensionless employed.

I realize that there are many who feel that, if we are to enact any legislation in this field, it should include everyone and not be restricted to just the self-employed. Such a proposal, in the first place, could be extremely costly to the Treasury. This, of course, would depend upon how many persons took advantage of the tax-forgiving features of the bill. In the second place, let me point out that most pension plans are the result of collective bargaining. The pensionless employee today has the opportunity to obtain pension plan benefits by negotiating with his employer just as he has the opportunity to obtain higher wages, better working conditions, sick leave, paid holidays, and so forth.

It may be that, at some future date, when the fiscal condition of our country is somewhat less precarious than at present, we might want to extend the coverage of this measure to the pensionless employed. However, I think it would be a great mistake to do so at this time. The real injustice is done to the self-employed.

The bill provides for tax deductions of amounts paid as retirement deposits with a maximum limit of $2,500 per year or 10 percent of the year's net earnings of the self-employed individual, whichever is the lesser amount. No deductions would be allowed an individual for any taxable year after he attains age 70. A lifetime limit on contributions to a retirement plan shall not exceed an amount equal to 20 times the maximum annual deduction allowable if the $2,500 annual limit were the only limit.

There are about 10 million self-employed people in this country. Nearly 8 million are sole proprietors or practitioners in some profession. The rest are engaged in partnership endeavors. Over 3 million are engaged in agriculture, forestry, or fishing. Over 4 million are small businessmen and the balance come from the professions, doctors, scientists, accountants, auditors, engineers, and so forth. These people all earn their way and contribute to a better future for our country by using their talents, skills, and brains as individuals and on their own. They constitute the very sinews of our free society. Yet our tax structure is such that we discourage these men and women on whom our national destiny rests so heavily. We actually encourage them to submerge their own individual efforts into some giant corporate effort for the sake of their own well-being after their productive years have expired.

The bill which I introduce corrects this inequity and I think that it is high time that the Congress took action in this field. As I said at the outset, I believe that the House of Representatives will pass a measure similar to this within the next few weeks. I trust that when this is done, the Finance Committee of the Senate will hold hearings and take favorable action on this proposal. You will recall that it was offered as an amendment to a tax bill last year but was ruled out on a point of order. I think that this subject is of sufficient importance to justify hearings by the Finance Committee and of sufficient merit to be favorably reported by that great committee.

I introduce the bill, Mr. President, and ask that it be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 841) to encourage the establishment of voluntary pension plans by self-employed individuals, introduced by Mr. MORTON, was received, read twice by its title, and referred to the Committee on Finance.

LONG-TERM CONTRACTS FOR DISPOSAL OF SURPLUS AGRICULTURAL COMMODITIES

Mr. PROXMIRE. Mr. President, on behalf of myself, and the Senator from Oregon [Mr. NEUBERGER], I introduce, for appropriate reference, a bill for the purpose of enabling underdeveloped countries to buy substantial quantities of surplus American farm commodities for investment in public works projects, a measure that can best be described as a food for peace bill. A similar bill has been introduced in the House by Representative POAGE, ranking member of the Committee on Agriculture.

Food shortages are one of the principal obstacles to economic progress in many parts of Asia, Africa, and South America. People cannot be spared for work on roads, bridges, water systems, public schools, and other basic improvements, because they are needed in farming in order to provide barely enough to eat to survive from year to year.

My bill would authorize the Secretary of Agriculture to lend surplus food commodities to these countries on an investment basis. These loans would be repayable with interest over a period of up to 40 years, either in dollars or in goods or services needed by our own economy.

The major share of the cost of the capital improvements that are most urgently needed is for labor. And the major share of the labor cost in these economies can be paid in food. According to United Nations economists, 60 percent and more of the cost of many primary economic development projects can be paid for in the form of food.

My bill provides that the United States can enter into 10-year contracts to supply guaranteed annual amounts of wheat, rice, dried nonfat milk, and other surplus foods, so as to permit construction of more extensive and better planned projects than are possible through sporadic and uncertain supplies such as are permitted under present laws.

Completion of capital improvements of this kind will raise the productive power of these countries sufficiently to enable them to pay off the loans of food in dollars or goods and services which we need over a long-term period.

Moreover, by increasing the productivity and purchasing power of these underdeveloped economies, permanent markets may be developed for many kinds of manufactured products as well as farm commodities from the United States.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 842) to authorize the Secretary of Agriculture to make long-term contracts for the disposal of surplus agricultural commodities, and for other purposes, introduced by Mr. PROXMIRE (for himself and Mr. NEUBERGER), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

ASSISTANCE TO STATES FOR ESTABLISHMENT OF INSTITUTIONS FOR TREATING AND REHABILITATING JUVENILE DELINQUENTS

Mr. KEFAUVER. Mr. President, I introduce for appropriate reference on behalf of myself and the distinguished senior Senator from Missouri [Mr. HENNINGS], Senator from Colorado [Mr. CARROLL], and Senator from North Dakota [Mr. LANGER], a bill to provide for assistance to and cooperation with States for the establishment of institutions of a minimum-security type for treating and rehabilitating juvenile delinquents.

This measure, if enacted into law, would, in effect, aid States to aid themselves in coping with their delinquency problems. This would be accomplished in two ways: First, by broadening the Federal Property and Administrative Services Act of 1949 so that surplus Federal property, including military installations, could be used for the treatment of juvenile delinquents as well as for health, educational, and civil defense purposes; and, second, by providing funds in the form of grants to the States for the purpose of helping to establish, maintain, or operate institutions of a minimum-security type for the treatment and rehabilitation of juvenile delinquents.

The Subcommittee To Investigate Juvenile Delinquency, of which I am a member, has noted and been concerned with the lack of treatment facilities for certain types of delinquents. Often a judge is faced with the choice of sending a youngster to a State training school or releasing him on probation. Very often neither is a wise choice, particularly for young first offenders.

Although there are many well-operated training schools in the country, testimony developed at subcommittee hearings indicates that there are still many that resort to brutal disciplinary practices. Also, in many instances, these schools are overcrowded and understaffed, a situation which in itself precludes an effective rehabilitation program. One purpose in sending our boys and girls to a training school is for treatment so that they may return to society with the hope of becoming productive, useful members of the community. Very often just the reverse happens—many youngsters learn new criminal skills rather than the arts of constructive citizenship in the correctional schools where we place them. The rigidity of the program, the lack of adequate personnel, and the inability to treat the individual in the State training school make effective rehabilitation programs difficult, if not impossible.

On the other hand, when a youngster is released on probation to the custody of his parents, he is returned to the environment that may have caused his delinquency in the first place. There are, of course, many cases where it is desirable that a child be returned to his parents, and, regardless of the number and type of institutions available, this would be the proper treatment in these cases. For others, however, more constant supervision than can be provided by probation is necessary, particularly where the home situation, as so often is the case, is inimical to the welfare of the young person involved.

For these reasons, we feel that the bill introduced here is necessary to help close the gap in our treatment programs for delinquent young people and to provide a more flexible plan for dealing with youngsters who do not need the maximum security of the typical State training school, yet are not in a position to profit from probation. The programs envisioned in this legislation could take several forms. The one, however, for which we have the most hope is the forestry camp type of institution. Several States, notably California which pioneered the movement, already successfully operate such camps, and we believe that if this movement could be extended to all areas of the country it would prove of great benefit. The beauty of the forestry camp type of program is that it can more successfully rehabilitate certain of our delinquents and that it can accomplish this much cheaper than the conventional type of juvenile institution. These camps provide healthly and useful outdoor work for boys, and the treatment and education administered in this setting appear to be much more effective for some youngsters. The performing of physical labor and the learning of manual skills in themselves are often a tonic to many jaded youths who have never had the opportunity of doing meaningful and constructive work. In the treatment of delinquents more is involved, of course, than the mere physical setting. Any treatment program must provide for education and must have a competent, understanding, and intelligent staff. The measure which is being introduced makes provision for staff and other complementary features by the appropriation of money to the Secretary of Health, Education, and Welfare for the purpose of making grants to the States to help establish, maintain, and operate these programs.

There are other types of programs that are badly needed and sadly lacking in our overall treatment of delinquents. Many plans have been proposed for returning youngsters to society after they have been in correctional institutions. A "halfway house" type of program has been suggested for this purpose, and it is our understanding that such "halfway houses" are common in Europe. In such a setting, a small group of youngsters live together under adequate supervision in a homelike atmosphere. Generally, they are free to work or go to school or otherwise participate in the life of the community. Granted competent supervision and community cooperation, such centers could do much to put young persons on the road to self-sufficiency and constructive family living.

These are only two types of programs that might be initiated under this bill. There are other needs which may vary from community to community and from State to State. This legislation is flexible enough to allow for whatever type of program that may be necessary to meet particular needs.

There is no need for me to go into the matter of the seriousness of the delinquency problem in the Nation—the facts and figures on this matter are eloquent testimony to the urgency of the need. We here are not going to solve this problem completely by legislation; we can, however, help those whose responsibility the delinquents really are, that is, the citizens of the communities where they reside, to help their own delinquents by inaugurating an imaginative, constructive, and yet realistic program for the treatment of young people who are in trouble. Let us give a positive answer rather than merely join with those who deplore the continuing rise in delinquency and resort to useless handwringing as if that would by some magic effect a cure. I submit that the enactment of this legislation would be a step in the direction of constructive action.

Mr. President, I commend this bill to the attention of the Senate.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 850) to provide for assistance to and cooperation with States, or political subdivisions or instrumentalities thereof, for the establishment of institutions of a minimum security type for treating and rehabilitating juvenile delinquents, introduced by Mr. KEFAUVER (for himself, Mr. HENNINGS, Mr. CARROLL,

and Mr. LANGER), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

EFFECT OF WITHDRAWALS OR RESERVATIONS OF PUBLIC LANDS ON CERTAIN WATER RIGHTS

Mr. O'MAHONEY. Mr. President, last year, during the sessions of the previous Congress, an effort was made to secure the enactment of legislation which would straighten out the tangle between Congress and the executive department with respect to western water rights. Toward the close of the last session, in May 1958, the Secretary of the Interior sent to the Senate a substitute bill, different in many respects from the measure which had been recommended by the Committee on Interior and Insular Affairs, but not satisfactory to many of those who believe that the water rights of the people living in local communities in their States are of such great importance that they should not be taken over by the Federal Government.

During the conferences held last week under the chairmanship of the chairman of the Committee on Interior and Insular Affairs, a group of Senators discussed this measure with the directors of the reclamation association.

Finally, as had been suggested, three of us formed a subcommittee to work upon the draft of a bill. It was felt desirable that we should hold early hearings to determine if it were not possible to obtain legislation which would be agreeable both to Congress and to the executive departments. An earnest effort has been made by the Secretary of the Interior to bring this about. When Secretary Seaton presented his substitute measure, he spoke for the other interested executive departments.

Now, on behalf of the subcommittee, consisting of the Senator from Nevada [Mr. BIBLE], the Senator from Colorado [Mr. ALLOTT], and myself, and also on behalf of certain other Senators, I introduce this measure. I ask that it be appropriately referred, with the understanding, however, that it lie on the desk for the balance of the week, so that those Senators who may desire to join in sponsoring it, may do so.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 851) to provide that withdrawals or reservations of public lands shall not affect certain water rights, introduced by Mr. O'MAHONEY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. BIBLE subsequently said: Mr. President, earlier today the distinguished senior Senator from Wyoming [Mr. O'MAHONEY] introduced, on behalf of himself and other Senators, a bill to provide that the withdrawal of reservations of public lands shall not affect certain water rights. I am pleased to join with the senior Senator from Wyoming and other Senators as cosponsor of the bill, Senate bill 851. This bill is substantially in the same form as recommended by the Secretary of the Interior in a letter of May 13, 1958, to the Chairman of the Committee on Interior and Insular Affairs as a substitute for the proposed Western Water Rights Settlement Act of 1957, which had been reported favorably by the committee on July 17, 1956, and which was designated as S. 863.

The Secretary of the Interior, in his letter, stated that the Department of Justice, Department of Defense, Department of the Interior, Department of Agriculture and Bureau of the Budget concurred in the proposed substitute language. It is our understanding that the substitute language represents a conciliation of divergent views of the executive agencies on the subject.

I would be less than frank with the Senate unless I stated that the substitute language fails to give what the West seeks as full or adequate protection for western water rights from the programs of some Federal agencies which, on occasion, have sought to escape compliance with the water laws of the Western States. Certainly, neither the substitute language in the Secretary's letter nor the text of the bill which was presented today, adequately meets the situations that the West has found are the bases for justified complaints of disregard by Federal agencies of the water laws of the Western States.

However, the West is confronted by the necessity of presenting to the Congress legislation that will be a step in the right direction. The substitute language, as modified somewhat in the bill introduced earlier today, gives recognition to the basic water laws of the Western States, including the constitutional provisions approved by the Congress when each State was admitted to the Union.

When hearings are held on the bill, full revelations of the intent, purpose, and effect of the provisions will be made. We hope that further concessions will be forthcoming from the executive agencies. We hope the hearings will develop facts and conditions that will justify strengthening the measure and thus promote cooperative programs between the Federal agencies and the States to develop the land and water resources of this vital segment of the Nation.

I ask unanimous consent that my statement regarding the water rights bill be printed in the RECORD at the conclusion of the remarks of the senior Senator from Wyoming.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF MINERAL LEASING ACT, 1920

Mr. O'MAHONEY. Mr. President, I introduce, for appropriate reference, two bills which I, as chairman of the Subcommittee on Public Lands of the Interior and Insular Affairs Committee, am introducing by request. Both of these measures deal with the same subject, namely, the prevention of the undesirable division of oil and gas leaseholds on the public domain. One of the bills is proposed by the Department of the Interior in an executive communication dated January 28, 1959. The other is an alternative proposal submitted to me by the Rocky Mountain Oil & Gas Association through Mr. Robert B. Laughlin, of Casper, Wyo., its executive vice president.

I wish to give notice, Mr. President, that the Public Lands Subcommittee will consider both of these measures and quite probably hold public hearings on them in order to determine which is the most desirable for the protection of the public and assuring the maximum development of the mineral resources of the public domain.

The problem with which these measures seek to deal is a serious one. For years, certain promoters have been offering to the public fractional oil and gas leases, usually in 40- or 80-acre tracts, at many, many times the charge made by the Federal Government. This activity not only results in loss to the investing public, but also has added greatly to the burdens of laws relating to the public domain and its mineral resources.

This situation and the evils resulting from it are explained in some detail in the executive communication from the Secretary of the Interior and in a letter of comment on an earlier but identical proposal that I have received from Mr. Frank Gallivan, an attorney, of Cheyenne, Wyo. I ask unanimous consent that both of these communications may be printed in the RECORD at this point in connection with my introduction of the proposed legislation.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the communications will be printed in the RECORD.

The bills, introduced by Mr. O'MAHONEY, by request, were received, read twice by their titles, and referred to the Committee on Interior and Insular Affairs, as follows:

S. 852. A bill to amend section 30(a) of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C., sec. 187a), to prevent the undesirable division of oil and gas leaseholds; and

S. 853. A bill to amend section 30(a) of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C., sec. 187a), to prevent the undesirable division of oil and gas leaseholds.

The communications presented by Mr. O'MAHONEY are as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 28, 1959.

Hon. RICHARD M. NIXON,
President, U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are four copies of a proposed bill to amend section 30(a) of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C., sec. 187a), to prevent the undesirable division of oil and gas leaseholds.

We request that the proposed legislation be referred to the appropriate committee for consideration, and we recommend that it be enacted.

Section 30(a) of the Mineral Leasing Act, as amended by the act of July 29, 1954 (68 Stat. 585; 30 U.S.C., sec. 187a), provides that any oil or gas lease issued under the act may be assigned or subleased, with respect to all or any part of the acreage included therein, to any person qualified to own such a lease. All assignments or subleases of this type are

subject to final approval by the Secretary of the Interior.

In past years many persons advertising in newspapers and periodicals throughout the Nation have offered for sale to the public 40-acre oil and gas leases issued by the Government. The customary price for the sale of such a lease is $100. In their advertising these persons have implied that many can be lucky enough to strike it rich, relying solely on the information offered. In their advertisements such psychologically encouraging items are employed as maps which show oil activities within the particular State. Generally speaking, the prospective purchaser cannot distinguish between development and wildcat drilling. In reality, the profitable leasing of lands for oil and gas cannot be based simply on such information, but must, rather, be the result of the use of technical skill and science and by the investment of considerable sums of capital. The average layman, inexperienced in the oil industry and ignorant of the time and effort needed in the selection of drilling sites, can be easily misled by advertisements which report oil strikes.

Because of these advertisements there was an unprecedently heavy filing of oil and gas lease offers for 40-acre tracts; these leases were taken, we believe, purely for speculation. This tremendous influx of offers imposed a heavy burden on the various land offices. On June 17, 1952, departmental regulations (43 CFR 192.42(d)) were amended to provide that leases for less than 640 acres would be issued only under exceptional circumstances. Unfortunately, the amendment of these regulations was only a partial solution to this problem, since leaseholders could under the present terms of section 30(a) assign or sublease 40-acre tracts. Although the 1952 regulation generally prohibits the issuance of small oil and gas leases, advertisers are still able to offer for sale 40-acre leases assigned out of larger leases. The volume of work imposed by the requests for approval of such assignments is a heavy burden on our various land offices. Moreover, under existing conditions many people are the victims of misleading advertising.

Accordingly, we believe that section 30(a) should be amended to prohibit the Secretary of the Interior, under most circumstances, from approving any assignment offer covering less than 640 acres. We would, however, recommend that there be certain exceptions to that rule. One necessary exception would be where the entire acreage of an existing valid lease is less than 640 acres. Other exceptions would be where there is evidence that exploration or development will actually be undertaken in the assigned area. The enclosed draft bill would amend section 30(a) to accomplish these desirable results.

The Bureau of the Budget has advised that there is no objection to the submission of the proposed legislation to the Congress.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

MINERAL LEASING ACT OF FEBRUARY 25, 1920—AMENDMENT AS AMENDED (30 U.S.C., SEC. 187A), TO PREVENT THE UNDESIRABLE DIVISION OF OIL AND GAS LEASEHOLDS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 30(a) of the Mineral Leasing Act, as amended by the act of July 29, 1954 (60 Stat. 585; 30 U.S.C., sec. 187a) is further amended by the insertion of the following sentence immediately after the first sentence thereof:

"The Secretary shall not, however, approve any assignment of an interest in less than 640 acres except where (1) the proposed assignment covers the entire acreage of an existing valid lease which includes less than 640 acres, (2) the proposed assignee enters into an agreement, satisfactory to the Secretary, requiring the assignee within two years from the effective date of the assignment to commence drilling or to enter into a cooperative or unit plan of development or operation satisfactory to the Secretary, and posts a surety company bond to secure compliance with the agreement, and, in the event of the assignee's failure to comply therewith, the assigned portion of the lease shall be automatically terminated, (3) the lands covered by the proposed assignment are within a cooperative or unit plan of development or operation approved by the Secretary, or within a proposed cooperative or unit plan of development or operation pending for approval before the Secretary, or (4) the lands covered by the proposed assignment are within an oil or gas producing field."

CHEYENNE, WYO., *January 19, 1959.*

Senator JOSEPH C. O'MAHONEY,
Senate Interior Committee,
Senate Office Building, Washington, D.C.

DEAR SENATOR: Just prior to the close of the last session of Congress the Department of the Interior transmitted to the President of the Senate a proposed bill to amend section 30(a) of the Mineral Leasing Act of February 25, 1920, as amended. Because of the fact that Congress was about to adjourn, the bill was not formally introduced. However, I have been advised that the Department intends to introduce the bill in this session of Congress and press for its passage.

The bill was drafted by the Department in an apparent attempt to bring a halt to the selling of small tracts, usually 40 or 80 acres, to the general public by promoters through the median of newspaper and magazine advertisements.

The original entrepreneur who conceived this plan offered leases costing 50 cents per acre for as high as $5 per acre. As new opportunists flocked to the racket, the price gradually dropped to its present level of $1 per acre. The original promoter actually had no filing on the land but when he had the sucker's money he would secure an application signed in blank and send it to an agent in the city where the land office was located with instructions to fill in the application for the amount of acreage purchased. Usually he would designate a particular county in the State for filing. The agent who sometimes operated on a commission basis but usually on a flat $5 or $10 fee would then search the records for any 40-acre tract open for filing. Since a 40-acre tract costs a $10 filing fee plus $20 rentals for the first 3 years, the promoter has at this point paid $30 in rents and fees plus $10 commissions for a total investment of $40 for which he received $200, leaving a net of $160 on each 40-acre tract. If he sold 80 acres his fees and costs remained the same, but with $20 more rental, leaving him a profit of $340. As you can see, it was a lucrative racket. As others inevitably joined the parade and competition drove the price down, the profit element dropped to where it is hardly worth the effort, for a 40-acre tract costs $30 without commissions to the agent (these are now $2.50).

Thousands of these type leases were issued on the public domain resulting in an increasing and unprofitable workload for the local level land offices. For the most part, it appears that they have caused the oil industry itself less trouble than it caused the Government.

In 1952, the Department in a move to control this practice adopted a rule that provided that leases of less than 640 acres would issue only if the land applied for was isolated by surrounding leases or private lands. Since locating 40 or 80 acres that met the test of isolation was a difficult task, the promoters remaining in business commenced filing applications of 640 acres to the maximum allowable of 2,560 acres and now when they sell a 40- or 80-acre tract they merely assign that tract out of the existing lease.

Under the 1946 law the Secretary may disapprove an assignment only for lack of qualifications of the assignee and he now seeks the power embodied in the bill under discussion.

Since most of my work is concerned with title and ownership problems concerning Federal oil and gas leases, and these people increase my problems, I am in complete sympathy with the Department's plight, but I am unalteraby opposed to the legislation in question for I believe that the end results of the enactment of this statute as it now stands will do more harm to the orderly development of the public domain than even the Department anticipates. I have been an advocate of the ancient Chinese remedy of cutting off the head to cure the headache. In my opinion the Department is about 9 years late with their plan and not only has the horse been stolen but there is not even a barn door left to lock.

My objections to the bill as it now stands are many and often interlocking but for the purpose of this letter I will itemize them as follows:

1. Since the normal attrition of competition has driven the profit to a bare minimum, the promoters are not now nearly so aggressive or so numerous as they were in 1951 to 1955 and the administrative burden of approving these assignments is rapidly diminishing.

2. The number of tracts of less than 640 acres on the public domain not only arises from the assignment-type of transaction, but can also be traced to departmental practices, such as splitting leases partly within and partly without unit areas, and permitting partial surrenders of existing leases to leave remaining in the lease tracts of less than 640 acres. As a result of these and other conditions including geologic conditions, the Federal oil and gas leases on the public domain are now so divided that I would estimate that in Wyoming over 50 percent of the outstanding leases are now for 640 acres or less. Of the remaining leases, at least half, while embracing acreage in excess of 640 acres, are composed of noncontiguous tracts spread over an area of the allowed 6 square miles.

These leases all bear different expiration dates and as they are relinquished or canceled by Government action they are immediately applied for by 1 to 50 people which results in keeping the broken pattern in effect. If this bill is enacted and, as a result, assigned leases are canceled for failure to develop, the land will again be immediately applied for, thus keeping the broken lease pattern in effect.

As a result of the broken lease pattern, operating companies, to secure a 40- to 80-acre tract within what they consider a geologic structure, would be forced to either take all the lease, drill each parcel within 2 years or unitize. As a practical matter all of these alternatives are loaded with trouble for the operator.

As to the first requirement of the bill, take a case where a lease covers 80 acres in section 35 of a township, which the company considers within its geologic picture, but with the same lease also embracing 320 acres in section 6 of the same township. Under these conditions, which are not unusual, the company would be forced to take assignment of what it considers worthless land in section 6 to secure valuable land in section 35. In addition, bear in mind that the acreage limitation is 46,080 acres and you are forcing the purchaser to add to precious chargeability 320 unwanted acres. Multiply this by no

more than a few like situations in each area in the State of Wyoming and you will quickly have an operating company out of business because it is out its permitted acreage.

To illustrate this point, I enclose several ownership take-offs from the group which my office happened to be making at this time. Pick any four townships in any oil-active area in the State and we will make plats on them to illustrate that the situation described is more common than not.

As to the second requirement of the bill, I again call your attention to the plat diagrams I have attached and point out the broken condition of the acreage holdings. To drill a well on even part of the tracts in a potential structure within a 2-year period would be beyond the capabilities of even the wealthiest operator, particularly when you realize that in most of the Rocky Mountains and particularly in Wyoming we have reached the age of development where the average wildcat well is projected to depths of 8,000 feet or more. Most operators will tell you that today it is almost impossible to assemble a block of land, do geophysical work, clear titles, and move in to drill a rank wildcat area in a period of less than 2 years, and this bill could require them to be drilling one to a dozen wells to maintain leases in force before they had an opportunity to evaluate even the first well. In the gas areas in the State, spacing is usually on a 160-acre or 320-acre basis which would further complicate the picture.

As to the third requirement, it could be argued that if the land were unitized as provided therein, the objections raised to 1 and 2 above would be eliminated. This is probably true but the forming of an acceptable unit plan is not as easy as it would appear. The potential drilling operator often has other operators or leaseholders within the logical unit area who refuse to cooperate, and to bring all parties in the area into a unit is a considerable undertaking at any time. For the most part unitization, because of these difficulties, is used only where the geologic structure is sufficiently large to justify the time and expense. In many instances an operator would not have sufficient interests in the logical unit area to give the control required by USGS. I might point out that if unitization were as simple as it sounds very few operators would be holding the large amounts of direct chargeability with which they are now burdened.

3. The bill as it is now written is not in the alternative as to requirements 1, 2, and 3, but these could well be interpreted to be multiple requirements. If this legislation must be enacted these should be alternate requirements, and the word "or" should be inserted before "(2)" and "(3)."

4. Since the bill applies to "any assignment of an interest," X company could not assign a fractional leasehold interest to Y company in less than 640 acres without being brought under this section's restrictions.

5. The Department objects to the splitting of leases into these small tracts but they have consistently refused to permit the consolidation of previously assigned portions back into the base lease where one person, or operator, has been able to secure control of all subdivisions of the same lease. At the termination of a unit agreement they will not reconsolidate the lease which they themselves split. This seems inconsistent with their present position on this bill.

6. Prior to 1946, the Secretary of the Interior had assumed the right to deny assignments without reason and, for obvious reasons, this power was limited in the act of August 8, 1946. The reasons for taking that power away in 1946 are as valid today as they were then.

In my opinion, this bill would do as much toward limiting development on the public domain as any proposal that has been advanced since I have been in the business. I might point out that I have never once, to my knowledge, represented, performed any work or service for any of the promoters involved and have consistently refused to have anything to do with any of them. In fact, they have caused me considerable work and expense each month since 1951.

I believe that the Department has a problem, although they also have many other problems of their own creation, which could easily be corrected, that constitute larger work burdens, but I believe that the suggestion advanced by the Rocky Mountain Oil & Gas Association will solve the problem without creating the chaos and difficulties which will arise under this bill.

Mr. John Gee as a representative of that association is forwarding additional information.

If hearings on this bill are to be held by the Senate committee, I am certain that it would be appreciated by all the industry if those hearings were held in either Casper or Denver after adequate notice is given.

Very sincerely yours,

FRANK M. GALLIVAN.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO TAX RELIEF MEASURES FOR RAILROADS

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to grant to railroads a form of tax relief which will enable them to take full advantage of any tax abatements granted to them by cities, counties, and States, in order to help them continue commuter service. I introduce the bill on behalf of the Senator from Massachusetts [Mr. SALTONSTALL]; my colleague, the junior Senator from New York [Mr. KEATING]; and myself.

This proposed legislation is specifically cited by the New York State Public Service Commission, in its report issued January 28, as a bill which should be enacted if Congress is to meet its responsibility toward solving the current national crisis in railroad passenger service. The Commission's report follows Governor Rockefeller's call for action to help maintain railroad commuter service.

I introduced and worked for passage of a similar bill during the last session in connection with the fight to ameliorate those provisions of the Transportation Act of 1958 which would make it too easy for railroads to receive Interstate Commerce Commission approval of plans to discontinue commuter services.

This proposed legislation would amend the Internal Revenue Code of 1954 to assure that tax relief granted by States and municipalities to railroads operating commuter services at a loss would directly benefit the railroads and not be absorbed by increased Federal taxes.

The New York Public Service Commission has recommended this measure. It would provide Federal leadership without preempting State functions, and Federal assistance without interfering in railroad management, which would in turn encourage States and localities to offer desperately needed help at their level.

Specifically, adoption of this measure would prove a powerful stimulus to local governments to grant tax exemptions and abatement to railroads which are operating necessary but unprofitable passenger commuter services. The present Federal tax laws discourage such help. Using the year 1957 as an example, had New York and its municipalities forgiven the approximately $45 million in taxes they collected from the railroads, the Federal Government could have stepped in to collect as much as $23 million of this amount, even though it was intended to help railroads continue operating commuter service. Had my proposal been law at that time, the Federal Government could not have collected this amount, and millions of dollars could have been spent by railroads for continuance and improvement of such vital passenger service.

Today, the Long Island Railroad reaps the benefits of a comparable tax situation. Because millions in tax forgiveness granted by the State and city are not being siphoned off by Federal corporation taxes, due to tax loss carryovers from previous years, this railroad is the only line in the East which does not operate commuter service at a net loss. However, in 1962 the present Federal loss benefit will probably be exhausted, and the Federal Government will start to collect the majority of the tax benefits which have been granted by New York State and City. This prospect is expected to seriously jeopardize plans for reducing fares, installing equipment, and providing safer, more efficient service.

The New York Public Service Commission has also recommended that Congress pass legislation to eliminate the present 10 percent Federal tax on passenger fares; such a bill has already been introduced in this session by the Senator from Florida [Mr. SMATHERS]. His measure will show that the Federal Government as well is willing to give up tax revenues in the interest of preserving passenger service, and thus should stimulate additional State action in this field.

At the present time, railroad commuter service operates at a net loss almost everywhere in the Nation, with the focal point of the problem the New York metropolitan area. Daily 208,000 railroad commuters come into New York City from the outlying districts, including suburbs in New Jersey and Connecticut, as compared to the 100,000 commuters who come by car. If all commuter service by rail were to be discontinued tomorrow, it is estimated that the entire area from 60th Street in midtown Manhattan southward to the tip of the island would have to be converted into a parking lot to accommodate the cars of the commuters.

Nationally, there are 500,000 railroad commuters. The railroads estimate that the losses they incurred which were solely attributable to the cost of providing this passenger service amounted to $165 million in 1958; that amount is more than double the estimated loss in 1954 of $76 million.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 858) to amend the Internal Revenue Code of 1954 so as to permit railroad corporations to take full advantage of tax relief measures enacted or granted by the States and their political subdivisions, introduced by Mr. JAVITS (for himself, Mr. KEATING, and Mr. SALTONSTALL), was received, read twice by its title, and referred to the Committee on Finance.

INCLUSION OF CERTAIN PROPERTY DAMAGE WITHIN FLOOD CONTROL ACTIVITIES OF FEDERAL GOVERNMENT

Mr. YOUNG of Ohio. Mr. President, I introduce, for appropriate reference, a bill declaring the inundation of property because of, or aggravated by, wind, waves, or tidal effects on the Great Lakes to be properly within the flood-control activities of the Federal Government. I ask unanimous consent that the bill may lie on the desk for 3 days to permit any Senators who desire to cosponsor it to affix their signatures.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Ohio.

The bill (S. 859) declaring the inundation of property because of, or aggravated by, wind, waves, or tidal effects on the Great Lakes to be properly within the flood-control activities of the Federal Government, introduced by Mr. YOUNG of Ohio, was received, read twice by its title, and referred to the Committee on Public Works.

Mr. YOUNG of Ohio. Mr. President, the bill is for the purpose of procuring a congressional declaration that the inundation of property because of, or aggravated by, wind, waves, or tidal effects on the Great Lakes comes within the flood-control activities of the Federal Government.

Briefly, the situation is this. In 1936, the Congress passed the Flood Control Act of 1936, bringing within Federal jurisdiction the control of floods on rivers, navigable waters, and other waterways. Although no specific reference was made to the Great Lakes, nor to any waterway, flood-control projects were authorized for our area in Flood Control Acts subsequently enacted pursuant to the specific authority contained in the 1936 act.

Despite this manifestation of congressional intent to include the Great Lakes in the scope of the 1936 act, the Director of the Bureau of the Budget declared during the 80th Congress that it was not the intent of Congress—in the 1936 act or subsequently—to include lake and tidal floods within the national program for flood control. The then Secretary of War rejected this position, pointing out that amending acts had included the words "floods aggravated by or due to wind, or tidal effect," and that congressional authority for one Lake Erie project included such language. Later, in 1948 and in 1950, Congress again manifested its intent by authorizing flood protection projects on Lake Michigan, Lake Erie, and Lake Ontario. The Bureau of the Budget, however, steadfastly maintained that the 1936 act does not contain legislative authority for these Great Lakes projects. It has stated repeatedly that until Congress takes affirmative action to expand the policy enunciated in the Flood Control Act of 1936, it will not consider any projects authorized by Congress for flood control on the Great Lakes to be in accord with the national program for flood control.

It thus becomes clear that a demonstration of congressional intent satisfactory to the Bureau of the Budget will require specific legislation.

AMENDMENT OF FEDERAL RESERVE ACT, RELATING TO USE OF VAULT CASH HOLDINGS

Mr. PROXMIRE. Mr. President, I introduce a bill which would authorize the Board of Governors of the Federal Reserve System to permit member banks to include in their required reserves all or part of their vault cash holdings, in addition to their balances with Federal Reserve banks.

This proposal was recommended by the Board of Governors of the Federal Reserve System a year ago and was included in the amendments proposed in S. 3603, 85th Congress. However, no action was taken on the bill.

Before the Federal Reserve System was established, vault cash was the final reserve of the banking system, since it alone was available to meet cash withdrawals. The Federal Reserve banks, however, have been empowered to grant additional reserves or cash when needed. Vault cash holdings and reserve balances at the Reserve banks are interchangeable and both serve the same purpose in influencing the volume of bank credit. Accordingly, both should equally be counted as reserves.

Counting of vault cash as reserves would have other advantages: It would encourage the holding by member banks of larger stocks of currency that would be available over widely dispersed areas for use in a national emergency. This amendment would make it possible to release more than $2 billion of reserves for all member banks. Country banks in the aggregate hold nearly $1.3 billion of vault cash, amounting to almost 4 percent of their net demand deposits, or about one-fourth of their present required reserves. Reserve city banks, as a group, have vault cash holdings amounting to 1.7 percent of net demand deposits, or less than one-tenth of their total required reserves. The vault cash holdings of many large city banks, however, including most central reserve city banks, amount to 1 percent or less of their net demand deposits and a small fraction of their required reserves.

In view of these differences between the vault cash holdings of different classes of banks, and between different banks, an automatic change to permit counting vault cash holdings as reserves would have an unduly upsetting effect. Accordingly, the proposed bill authorizes the Federal Reserve System to permit banks to count all or part of their currency and coinage as reserves.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 860) to amend section 19 of the Federal Reserve Act with respect to the use of vault cash holdings as required reserves against deposits, introduced by Mr. PROXMIRE, was received, read twice by its title, and referred to the Committee on Banking and Currency.

CONTROL OF NOXIOUS WEEDS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to provide for the control of noxious weeds on land under the control or jurisdiction of the Federal Government.

Mr. President, this bill would aid in making State weed-control programs effective by giving the States authority to require removal of noxious weeds from Federal lands, with the expense to be borne by the Federal agencies controlling such lands.

Approximately 4 million acres of tax-exempt land in Minnesota is under control of the Federal Government, such as Indian lands, conservation land, or forest areas, islands, and so forth.

Minnesota has a very effective weed law, enforced by the commissioner of agriculture through the director of the division of plant industry, with the services of 10 district weed and seed inspectors and county inspectors in all of the counties, and also the 3 supervisors in each of the 1,841 townships for a total of 5,523 township inspectors, and the mayors of the 805 villages and cities.

In carrying out the weed-control program of our State, these inspectors find it very difficult to ask our farmers to control their weeds when weeds on State and Federal lands cannot be controlled due to a lack of funds allocated for this purpose. Some 6 years ago the Minnesota Legislature appropriated $10,000 annually for the control of weeds on tax-exempt lands, and as a result all complaints as to weeds on State lands have been taken care of. However, much of the problem on Federal lands still remains.

In the past, in order to avoid a general breakdown of the program, it has been necessary to spend some of the State fund for weed control on Federal lands, such as the control of leafy spurge on the Forget-Me-Not Island near Lake Park in Becker County and Canadian thistle on the Indian reservation in Yellow Medicine County.

To date, no funds have been provided for the control of weeds on Federal lands by the Federal Government. It is only reasonable and just that this situation should be corrected, as it does not seem logical that the farmers of a State should be required to destroy their weeds while the Federal Government is not required to keep the weeds on lands under their supervision under control.

While I have outlined this problem from the standpoint of Minnesota, the same situation applies in other States.

The regulatory, extension, industrial, and research people of the 14 Midwestern States and 4 Provinces of Canada have an organization known as the

North Central Weed Control Conference which meets annually for the discussion of weed control. Minnesota is a member, and plays an important role in the functions of this organization. The North Central Weed Control Conference has passed resolutions requesting the Federal Government to provide funds for such a purpose, and the organization has asked Minnesota to take the lead in bringing this about.

The commissioners and secretaries of agriculture of the States have also made similar requests.

The amount involved is not large. We estimate that an appropriation of $10,000 annually would be sufficient for taking care of the weeds on Federal lands in Minnesota.

All this bill would do is authorize such expenditures by Federal agencies supervising these lands, making them responsible for complying with State weed laws on the same basis as owners of privately owned lands.

If the Federal department, agency, or independent establishment involved has failed to comply with weed-control procedures under State law, this bill would authorize State commissioners of agriculture, or other proper agencies, of any State which has in effect such a program to enter upon Federal land, with permission of the head of the appropriate Federal agency, to destroy by appropriate methods noxious weeds growing on such lands. It further provides that States shall be reimbursed by the Federal agency involved for any expenses incurred in such weed removal, provided the Federal agency left it up to the State agencies to remove the weeds rather than do it themselves.

I urge active support for this measure, particularly from other Midwestern States confronted with a similar problem.

These noxious weeds cause a severe economic loss annually to agriculture unless they are controlled, and it is unfair to expect farmers to wipe out weeds on their own property, at their own expense, if seeds from similar weeds are blown all over the State from patches of noxious weeds on federally owned property.

An identical bill was introduced in the last session of Congress and passed the Senate by unanimous consent. I hope that the Senate will again approve this measure and that it will become law, in order to correct this glaring weakness in the weed eradication programs of the various States.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 861) to provide for the control of noxious plants on land under the control or jurisdiction of the Federal Government, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

FAMILY MILK PLAN

Mr. HUMPHREY. Mr. President, at the request of the National Milk Producers Federation, I am introducing a bill to establish a family milk program for needy families, with the junior Senator from Wisconsin [Mr. PROXMIRE] as cosponsor.

Mr. President, I am sponsoring this measure because I believe it is a step in the right direction of encouraging greater consumption of fluid milk as the most realistic and least costly way of improving the economic conditions of dairy farmers, while at the same time providing improved nutrition among low-income groups of the Nation.

Perhaps this measure is too modest, and does not go far enough. It has been designed only to make use of the balance of section 32 funds, which have already been appropriated by the Congress for the diversion of surplus agricultural commodities from the normal markets. We have been informed that approximately the amount of money called for in the bill will remain unused by the Secretary of Agriculture at the end of this fiscal year, unless otherwise directed by the Congress.

I would prefer serious consideration as to the extent of the need for improved nutrition through increased consumption of fluid milk before making a final determination as to the level of such a program. For that purpose, before proceeding with action on this bill in committee, I intend to ask the chairman of our Committee on Agriculture and Forestry for the opportunity of an exploratory hearing to develop the full picture of the need for expanded milk consumption for the Nation's health, as well as examining the possibilities of using increased consumption as a more practical means than now exists of protecting dairy income.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 862) to establish a family milk program for needy families in the interest of improved nutrition through increased consumption of fluid milk, introduced by Mr. HUMPHREY (for himself and Mr. PROXMIRE), by request, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

EDUCATION ASSISTANCE ACT OF 1959

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, the Education Assistance Act of 1959, a bill to provide a 5-year program of Federal aid to States and localities for expanded school construction to eliminate the existing classroom shortage and for the purpose of increasing teachers' salaries with special provision for science and mathematics teaching. The Senate Educational Subcommittee, of which I am a member, will start hearings on Federal education aid legislation on Wednesday, February 4.

My bill is divided into four major titles, providing authorizations over a 5-year period as follows:

Title I: Grants to be appropriated at the rate of $400 million annually to the States on a dollar-for-dollar basis for school construction in communities, under priorities established by State educational agencies;

Title II: Loan funds up to an aggregate of $750 million for the purchase of school construction bonds issued by communities unable to find markets for them at reasonable interest rates;

Title III: Federal advances, not to exceed a total of $150 million, to back the credit of State agencies issuing bonds to finance schools for local school districts;

Title IV: Grant expenditures to States starting at $100 million for fiscal 1960, and increasing $50 million a year to a maximum of $250 million annually, for a 5-year program to supplement the salaries of qualified teachers. States may submit plans to include special salary supplementation for teachers of science and mathematics.

Despite more than a decade of unprecedented effort by States and localities, an acute national shortage of classrooms and qualified teachers persists. Only the establishment of a major national defense emergency program of Federal assistance can help solve critical problems such as these:

Depressingly low pay standards for teachers. Their pay is 37 percent under the average income in 17 professions, and at the start teachers average pay of $2,000 a year less than the pay received by beginning engineers.

A downward trend in school construction last year of almost 3,000 classrooms compared to 1957, which means our backlog of school building needs may not be wiped out until 1984, a timelag we cannot afford.

Overcrowded classrooms, particularly in major U.S. cities, where 40 percent of all elementary pupils try to learn in classes of 35 and over, compared to the optimum ratio of 25 pupils to 1 teacher.

In 1957–58, about 3 percent of our gross national product, or $13 billion, was spent on public school education. It was less than we spent as a nation for recreation, for automobiles, or for tobacco and alcohol in 1957. And it was clearly inadequate to provide either the standard of instruction or the scope of educational opportunity needed for the fullest development of the mental resources of our youth, so essential to the promotion of human advancement, economic prosperity, and national security in the space age which is now upon us.

My bill would anticipate grant expenditures aggregating a maximum of $2,950 million by the Federal Government over the entire 5-year program; this amount is equivalent to 0.014 percent of our estimated gross national product for this year 1959 alone.

Last year, Congress reacted to the public alarm at our slow progress in light of Soviet Russia's remarkable scientific gains, and concentrated educational effort by passing the National Defense Education Act. It fell short of our clear national need, but at least it was the start of a catch-up program whose logical next step is the enactment of a temporary emergency measure, such as the Education Assistance Act I am proposing for primary and secondary schools.

By investing under 1 percent of this year's proposed Federal budget for each of the next 5 years, under this bill more

than $10 billion in Federal, State, and local expenditures for public education could be generated. We would construct new classrooms at the rate of 84,000 (at an average estimated cost of $40,000 per classroom), and thus eliminate the current backlog of 140,500 by the end of the program in 1964. Under present plans, 68,440 classrooms are to be built this year, with 23 States reporting plans to build fewer classrooms than they did during 1957–58; however, the grand total is barely sufficient to meet the new classroom requirements of 65,300 for excess enrollment, to say nothing of the 75,200 new classrooms needed to replace obsolete classrooms.

The Education Assistance Act of 1959 would supplement teachers' salaries and provide one-fourth of the amount required to raise their average pay 12 percent annually, the rate which should be sustained for 5 years if teaching salaries are to approach the median income in other professions.

Under title I of the proposed act alloting Federal funds to States on a matching dollar-for-dollar basis, New York and Texas could qualify for a maximum annual grant of $24.5 million, followed by Pennsylvania, $22.7 million; California, $22.6 million; Ohio, $18.6 million; Michigan, $16.6 million; Illinois, $16.4 million; North Carolina, $14.7 million; Georgia, $12.2 million; Alabama, $11 million; and Tennessee, $10.8 million. The remaining States could qualify for varying amounts of about $10 million or less, with Delaware at the bottom of the list—$619,000.

The formula used in my bill is similar, but not identical to the one incorporated in the School Assistance Act of 1957—H.R. 1, 85th Congress—reported by the House Committee on Education and Labor, but defeated by a close vote in 1957.

My bill would allocate $400 million in grants among the States, half on the basis of relative school-age population and half on the basis of a need formula, and takes into account each State's school-age population, financial ability, and actual expenditures to meet school needs. However, under the new method of calculating the school effort index, States which shut down schools to avoid obeying court orders to desegregate might receive reduced allotments. In figuring the index, States are not allowed to count moneys earmarked for school expenditures, but only that which is actually spent; in addition, money paid in salaries to teachers who are still on the payroll, although their schools may have been closed down, cannot be credited as an actual expenditure on which Federal aid may be based. Where the school effort index falls below the national average, indicating that the State is not exerting sufficient effort, its original allotment will be lowered, and the total reduction reassigned proportionately among other States.

Second to no other problem in severity is the shortage of qualified teachers even in States with the highest average teaching salaries, according to the National Education Association. Although talented college graduates do enter the field in the face of beginning salaries ranked 17th from the top of a list of professional salaries, how many can be persuaded to stay if, at the end of 10 years, their pay increase averages only one-third that in the sales profession and less than half as much given accountants.

This proposed legislation proposes the expenditure of $950 million to supplement teachers' pay during the program, in recognition of the fact that to end half-day sessions, hire new teachers for the more than 1 million new pupils enrolling each year, and to raise salaries at least relative to those paid qualified personnel in other professions, we must increase total amounts paid teachers to $14 billion by 1965. Even though States and localities exert maximum effort, it appears most unlikely that they can maintain more than the status quo without outside help.

Alternate methods of financing new school construction are also included in the Education Assistance Act of 1959. Title II authorizes the Commissioner of Education to purchase up to a total of $750 million, over a 5-year period, in community school bonds to assist localities which cannot obtain financing from other sources on reasonable terms. School districts with low assessed valuations, with unknown credit ratings, and those subject to sudden shifts in population or industry are most likely to benefit under this provision.

To provide immediate school construction in rapidly expanding suburban areas, which are growing several times faster than the national population rate, title III would provide $150 million to share equally with the States the cost of establishing and maintaining a reserve fund equal to 1 year's payment of principal and interest on bond issues by State educational agencies to build schools. If this money is fully utilized, approximately $6 billion in such bonds could be issued.

Critics who would attack this bill on the grounds that it could lead to Federal domination and control of public school education in this country are ignoring the successful record of Federal educational assistance programs which have operated in the past with no hidden strings attached. Federal aid to land grant colleges dating back to 1862, the aid to federally impacted areas bill passed in 1950, and last year's Defense Education Act involved actual instruction of students as well as physical construction. They have not been attacked as instruments designed to snatch away control. The act I am proposing specifically states that in its administration, the Federal Government shall not exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction in any school or school system.

Its purpose is not to negate the fundamental responsibility of the States and localities for education; rather, it recognizes that the national interest requires that Federal assistance be extended to them in handling their urgent school problems. If we do not finance a major national program along these lines, then we are sentencing growing millions of our children to study in obsolescent, overcrowded, and sometimes unsafe classrooms. Imposing such a severe educational handicap on the next generation which must meet the tremendous world and Communist challenges in science, technology, and almost every other field holds the gravest consequences for the future of our country and of the freedom we hold to be indispensable to our national and personal existence.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 863) to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms and in providing increased amounts for teachers' salaries, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

PROTECTION AGAINST INTRODUCTION AND DISSEMINATION OF DISEASES OF LIVESTOCK AND POULTRY

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to provide greater protection against the introduction and dissemination of diseases of livestock and poultry.

Mr. President, this proposed legislation would give the Secretary of Agriculture authority to properly dispose of animals which have been brought into this country or moved interstate in violation of a Federal quarantine, or which have been found on such movement to be infected or exposed to a dangerous communicable disease.

The Department of Agriculture is now powerless to seize and dispose of many such animals regardless of the disease involved as they can proceed against the violator only through normal court action. The disposal of animals under the proposed new authority would be in conformity with the requirements of the situation; for instance, one action might be taken in the case of foot-and-mouth disease and an entirely different action in the case of a less dangerous disease.

My bill also recognizes the dilemma in which the Department of Agriculture and the livestock producers of the Nation would find themselves in the event of an emergency outbreak of foot-and-mouth disease and the inability of an individual State to carry its share of the eradication effort. This proposed legislation would give the Secretary of Agriculture power to act in case of an extreme emergency, such as an unchecked outbreak of foot-and-mouth disease.

The Department of Agriculture has close cooperative arrangements with all the States looking toward the prevention of any such emergency condition through prompt cooperative action. In most circumstances these arrangements would prove most successful, but, in view of the increasing international traffic and the recent outbreaks of foot-and mouth disease in Canada and Mexico, we must be prepared to act immediately

in case of an outbreak of an extremely dangerous foreign disease. We must also consider the possibility of biological warfare against our livestock.

In addition, this bill pertains to payments of indemnities, the cleaning of facilities, and the authority to inspect. The provisions regarding importation of livestock into the United States are necessary in order to deal adequately with such long incubation period diseases as scrapie and with livestock that have at one time or another been diseased or exposed to foot-and-mouth disease.

The remaining portion of the bill would amend current legislation to make the present laws to protect livestock and poultry more applicable to any disease. It also would relieve some uncertainty as to the coverage of Department of Agriculture employees under the statutes prohibiting assault upon or interference with the work of certain Federal employees. I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 864) to provide greater protection against the introduction and dissemination of diseases of livestock and poultry, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That as used in this Act unless the context indicates otherwise—

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "animals" means all members of the animal kingdom including birds, whether domesticated or wild, but not including man.

(c) The term "United States" means the States, Puerto Rico, Hawaii, Guam, the Virgin Islands of the United States, and the District of Columbia.

(d) The term "interstate" means from a State or other area included in the definition of "United States" to go through any other State or other such area.

SEC. 2. (a) The Secretary, whenever he deems it necessary in order to guard against the introduction or dissemination of any communicable disease of livestock or poultry, may seize, quarantine, and dispose of, in such manner as he deems necessary or appropriate (1) any aminals which he finds are moving or are being handled or have moved or have been handled contrary to any law or regulation administered by him for the prevention of the introduction or dissemination of any communicable disease of livestock or poultry; (2) any animals which he finds are moving into the United States, or interstate, and are affected with or have been exposed to any communicable disease dangerous to livestock or poultry; and (3) any animals which he finds have moved into the United States, or interstate, and at the time of such movement were so affected or exposed.

(b) Whereas the existence of any extremely dangerous, communicable disease of livestock or poultry, such as foot-and-mouth disease, rinderpest, or European fowl pest, on any premises in the United States would constitute a threat to livestock and poultry of the Nation and would seriously burden interstate and foreign commerce, whenever the Secretary determines that an extraordinary emergency exists because of the outbreak of such a disease anywhere in the United States, and that such outbreak threatens the livestock or poultry of the United States, he may seize, quarantine, and dispose of, in such manner as he deems necessary or appropriate, any animals in the United States which he finds are or have been affected with or exposed to any such disease and the carcasses of any such animals and any products and articles which he finds were so related to such animals as to be likely to be a means of disseminating any such disease. The Secretary shall notify the appropriate official of the State or other jurisdiction before any action is taken in any such State or other jurisdiction pursuant to this subsection.

(c) The Secretary may order the owner of any animal, carcass, product, or article referred to in subsection (a) or (b) of this section, or the agent of such owner, to dispose of such animal, carcass, product, or article in such manner as the Secretary may direct.

(d) Except as provided in subsection (e) of this section, the Secretary shall compensate the owner of any animal, carcass, product, or article destroyed pursuant to the provisions of this section. Such compensation shall be based upon the fair market value as determined by the Secretary, of any such animal, carcass, product, or article at the time of the destruction thereof. Compensation paid any owner under this subsection shall not exceed the difference between any compensation received by such owner from a State or other source and such fair market value of the animal, carcass, product, or article. Funds in the Treasury available for carrying out animal disease control activities of the Department of Agriculture shall be used for carrying out this subsection.

(e) No payment shall be made by the Secretary for any animal, carcass, product, or article which has been moved or handled by the owner thereof or his agent in violation of any law or regulation administered by the Secretary for the prevention of the introduction or dissemination of any communicable animal disease, or any law or regulation for the enforcement of which the Secretary enters or has entered into a cooperative agreement for the control and eradication of any such disease, or for any animal which has moved into the United States contrary to an embargo imposed by any such law or regulation administered by the Secretary.

SEC. 3. The Secretary, in order to protect the health of the livestock or poultry of the Nation, may promulgate regulations requiring that railway cars; vessels; airplanes; trucks; and other means of conveyance; stockyards; food, water, and rest stations; and other facilities, used in connection with the movement of animals into or from the United States, or interstate, be maintained in a clean and sanitary condition, including requirements for inspection, cleaning, and disinfection.

SEC. 4. The Secretary is authorized to promulgate regulations prohibiting or regulating the movement into the United States of any animals which are or have been affected with or exposed to any communicable animal disease, or which have been vaccinated or otherwise treated for any such disease, or which he finds would otherwise be likely to introduce or disseminate any such disease, when he determines that such action is necesasry to protect the livestock or poultry of the United States.

SEC. 5. Employees of the Department of Agriculture designated by the Secretary for the purpose, when properly identified, shall have authority (1) to stop and inspect, without a warrant, any persons or means of conveyance, moving into the United States from a foreign country, to determine whether such person or means of conveyance is carrying any animal, carcass, product, or article regulated or subject to disposal under any law or regulation administered by the Secretry for prevention of the introduction or dissemination of any communicable animal disease; (2) to stop and inspect, without a warrant, any person or means of conveyance moving interstate upon probable cause to believe that such person or means of conveyance is carrying any animal, carcass, product, or article regulated or subject to disposal under any law or regulation administered by the Secretary for the prevention of the introduction or dissemination of any communicable animal disease; and (3) to enter upon, with a warrant, any premises for the purpose of making inspections and seizures necessary under such laws and regulations. Any Federal judge, or any judge of a court of record in the United States, or any United States commissioner, may, within his jurisdiction, upon proper oath or affirmation indicating probable cause to believe that there is on certain premises any animal, carcass, product, or article regulated or subject to disposal under any law or regultion administered by the Secretary for the prevention of the introduction or dissemination of any communicable animal disease, issue warrants for the entry upon such premises and for inspections and seizures necessary under such laws and regulations. Such warrants may be executed by any authorized employee of the Department of Agriculture.

SEC. 6. (a) Whoever violates any regulation promulgated pursuant to the provisions of sections 1 through 5 of this Act shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both.

(b) The Secretary may bring an action to enjoin the violation of, or to compel compliance with, any regulation promulgated or order issued under said sections, or to enjoin any interference by any person with an employee of the Department of Agriculture in carrying out any duties under said sections, whenever the Secretary has reason to believe that such person has violated, or is about to violate, any such regulation or order, or has interfered, or is about to interfere, with any such employee. Such action shall be brought in the United States district court, or the United States court of any Territory or possession, for the judicial district in which such person resides or transacts business or in which the violation, omission, or interference has occurred or is about to occur. Process in such cases may be served in any judicial district wherein the defendant resides or transacts business or wherever the defendant may be found, and subpenas for witnesses who are required to attend the court in any judicial district in any such case may run into any other judicial district. No costs shall be assessed against the United States in any such case.

SEC. 7. Section 11 of the Act of May 29, 1884, 58 Stat. 734, as amended (21 U.S.C. 114a), is further amended by inserting the words "any communicable diseases of livestock or poultry, including, but not limited to," after the word "eradicated".

SEC. 8. (a) The first section of the Act of March 3, 1905, 33 Stat. 1264, as amended (21 U.S.C. 123), is further amended by striking out the phrase "cattle or other livestock" and inserting in lieu thereof the words "any animals", and by inserting after the word "disease" the words "of livestock or poultry, or that the contagion of any such disease exists or that vectors which may disseminate any such disease exist in such State or Territory or the District of Columbia".

(b) Sections 2, 3, and 4 of such Act, 33 Stat. 1264, 1265, as amended (21 U.S.C. 124, 125, 126), are further amended by striking out the phrase "cattle or other livestock" each time such phrase appears in those sections and inserting in lieu thereof the words "quarantined animals".

SEC. 9. The first proviso under the heading "General Expenses, Bureau of Animal Industry" in the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1916", approved June 30, 1914, 39 Stat. 419, as amended (21 U.S.C. 128), is further amended by striking out the phrase "cattle or other livestock" and inserting in lieu thereof the words "quarantined animals".

SEC. 10. Section 1114 of title 18 of the United States Code is amended by inserting after "wild birds and animals," the following: "any employee of the Department of Agriculture designated by the Secretary of Agriculture to carry out any law or regulation, or to perform any function in connection with any Federal or State program or any program of Puerto Rico, Hawaii, Guam, the Virgin Islands of the United States, or the District of Columbia, for the control or eradication or prevention of the introduction or dissemination of animal diseases,".

SEC. 11. The Secretary is authorized to issue such regulations as he deems necessary to carry out the provisions of this Act.

SEC. 12. The authority conferred by this Act shall be in addition to authority conferred by other statutes. Any provision of any other Act inconsistent with the provisions of this Act is hereby repealed.

SEC. 13. If any provision of this Act or application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

PROPOSED LEGISLATION RELATING TO EDUCATION

Mr. CASE of New Jersey. Mr. President, I introduce, for appropriate reference, three bills dealing with education. I hope that these will be considered when the Senate Subcommittee on Education of the Senate Committee on Labor and Public Welfare opens hearings on Wednesday.

The first of these bills is one originally proposed by President Eisenhower in 1956 and 1957, providing a program of Federal emergency assistance to the States for school districts needing aid to finance school facilities. I cosponsored these bills earlier and I only regret Congress did not complete action on them so that we could be 3 years further along in meeting this deficit in school facilities.

Under the bill annual appropriations of $325 million would be made for 4 years to the States on the basis of State income per child of school age, the number of such children and the relative State effort for school purposes. This is an emergency measure limited strictly to construction and would avoid any possible question of Federal control.

The shortage of public school classrooms remains at 140,500 and this means that some 2 million youngsters are receiving a second-class education in a country where free public education has always occupied a special place in our society. This is a matter of real shame. We cannot realize our ideal of adequate educational opportunity as long as youngsters are being taught in overcrowded and sometimes dangerously obsolete classrooms, as long as we are forced to hold classes in basement boilerrooms, in school corridors, or even worse, to hold half sessions.

Our problem in the field of higher education is not yet as critical, but the shortage of college facilities is rapidly developing and, unless we move quickly, many of our brightest young men and women will be denied a college education.

For this reason, I am reintroducing two bills which I sponsored in the last session of Congress. The first would provide assistance to the States in surveying and planning college facilities. The bill is intended to stimulate the States, and the public at large, to recognize the extent of the problem we face and to begin making comprehensive plans for its solution. Wise planning will bring facilities for higher education to areas now without them, and will avoid duplicating facilities in other areas of the State.

The second bill would provide a program of financial assistance to the States for the construction of public community colleges. These 2-year colleges have been enthusiastically endorsed by President Eisenhower's Committee on Scientists and Engineers and President Eisenhower's Committee on Education Beyond the High School, as well as by numerous outstanding educational authorities.

The 2-year colleges cost less to build, since they do not require expensive dormitories, or elaborate eating and recreational facilities. For the students they provide the economic advantages of living at home and the possibility for a part-time job in the hometown. The end result is a much smaller drain on the family pocketbook.

If we are truly concerned about strengthening the Nation, we must be prepared to finance adequately our educational program. Good education is expensive, but it is essential to realizing fully our national greatness and our aspirations for the dignity of the individual.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. CASE of New Jersey, were received, read twice by their titles, and referred to the Committee on Labor and Public Welfare, as follows:

S. 877. A bill to authorize a 4-year program of Federal assistance to States and communities to enable them to increase public elementary and secondary school construction;

S. 878. A bill to provide assistance to the States in certain surveying and planning with respect to college facilities; and

S. 879. A bill providing a program of financial assistance to the States for the construction of public community colleges.

LOAN OF CERTAIN EQUIPMENT TO BOY SCOUTS OF AMERICA

Mr. BRIDGES. Mr. President, I introduce for appropriate reference two bills which will authorize the Secretary of Defense to loan, at no Government expense, certain equipment and services for the use of the Boy Scouts of America and Scout officials attending the world jamboree to be held in July and August of this year and the fifth national jamboree to be held in June, July, and August 1960.

The bills permit the Secretary of Defense to loan tents, cots, blankets, commissary articles and similar articles in stock and available for the use of some 500 Scouts at the world jamboree to be held in the Philippines and some 50,000 Scouts at the national jamboree to be held in Colorado Springs, Colo.

The success of the Boy Scout movement in this country over nearly half a century is very well known. I think it is appropriate that the fifth national jamboree, to which one of these bills refers, will mark the 50th anniversary of scouting in America.

In view of the outstanding accomplishments of this fine movement in the past in aiding the youth of America, I urge my colleagues to take favorable action on these measures.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. BRIDGES, were received, read twice by their titles, and referred to the Committee on Armed Services, as follows:

S. 884. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and to provide transportation and other services to the Boy Scouts of America in connection with the World Jamboree of Boy Scouts to be held in the Philippines in 1959, and for other purposes; and

S. 885. A bill to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Boy Scouts of America for use at the Fifth National Jamboree of the Boy Scouts of America, and for other purposes.

INTERNATIONAL HEALTH AND MEDICAL RESEARCH ACT OF 1959

Mr. HILL. Mr. President, on behalf of myself and Senator HUMPHREY, Senator AIKEN, Senator ALLOTT, Senator BARTLETT, Senator BIBLE, Senator BYRD of West Virginia, Senator CANNON, Senator CARROLL, Senator CASE of New Jersey, Senator CASE of South Dakota, Senator CHAVEZ, Senator CHURCH, Senator CLARK, Senator COOPER, Senator DODD, Senator DOUGLAS, Senator EASTLAND, Senator ENGLE, Senator FULBRIGHT, Senator GREEN, Senator GRUENING, Senator HART, Senator HARTKE, Senator HAYDEN, Senator HENNINGS, Senator JACKSON, Senator JOHNSON of Texas, Senator KEFAUVER, Senator KENNEDY, Senator KERR, Senator KUCHEL, Senator LANGER, Senator LONG, Senator MAGNUSON, Senator MANSFIELD, Senator MCCARTHY, Senator MCGEE, Senator MCNAMARA, Senator MONRONEY, Senator MORSE, Senator MORTON, Senator MOSS, Senator MURRAY, Senator MUSKIE, Senator NEUBERGER, Senator PASTORE, Senator RANDOLPH, Senator SALTONSTALL, Senator SCOTT, Senator SMATHERS, Senator SPARKMAN, Senator STENNIS, Senator SYMINGTON, Senator WILLIAMS of New Jersey, Senator YARBOROUGH, Senator YOUNG of North Dakota, and Senator YOUNG of Ohio, I introduce for appropriate reference a joint resolution entitled "The International Health and Medical Research Act of 1959."

This joint resolution is designed to establish machinery to help mobilize this country's health research resources so that our scientists can participate effectively in a concerted attack, in cooperation with research scientists of other lands, against the still unconquered diseases that have baffled and plagued mankind through the centuries.

In short, this measure will provide the means for American medical science to sound a world call for a common attack and a common advance against the cripplers and killers of mankind.

Mr. President, in the closing days of the last Congress I introduced a joint resolution practically identical to this one. The drafting of that resolution—Senate Joint Resolution 199 of the 85th Congress—had been a task of many months, involving intensive consultation with many experts in the field of research and in the field of international cooperation in research, including experts in the United States Public Health Service and the National Institutes of Health.

I introduced the joint resolution during the closing days of the 85th Congress in order to give all the groups and individuals who have been and are interested in this kind of a program an opportunity to study the terms of the resolution, and to make suggestions for modifications in its provisions.

Many comments were received, from all over the world, but mainly, of course, from doctors and scientists in the United States. I was gratified to find that the resolution, in the form introduced last year, met with widespread approval. I received very few suggestions for changes. Some few suggestions for technical changes were received, and a few technical modifications have consequently been made in the resolution as it was introduced last year. No suggestions for gross changes in substance or approach were made, and none have been made in the resolution which I am now introducing.

Mr. President, the joint resolution has been given the short title of "Health for Peace Act." We have given it this name because this is one of the goals, and this would be, we believe, one of the major contributions of this legislation.

If the governmental machinery and devices authorized in this proposed legislation are established, and if the programs authorized to be conducted are undertaken in the spirit in which they are set forth in the joint resolution, I have no doubt that the cause of peace, as well as the cause of health, will be greatly served. If the Congress passes this measure, notice will be served to all nations and all peoples that the U.S. Government desires that a new and substantial emphasis be given to world cooperation: not for conflict, not for war, not for the struggle of one nation against the other, but for cooperation in the struggle against every man's enemy, and the enemy of every man's family—disease and disability.

We seek from this program no benefits for ourselves except those which can be shared most broadly with every nation and every people—the benefit of knowledge of the nature of diseases and disabilities which still afflict mankind, and the techniques and facilities which are necessary to combat and overcome them.

Of course, this benefit to our own Nation would be a very, very great one—a benefit beyond monetary value by comparison with which the amounts of money authorized to be expended under the terms of this resolution pale into insignificance.

There is no doubt in my mind or, I believe, in the minds of the cosponsors of this legislation, that the $50 million annually proposed to be expended under the terms of this legislation will produce dividends that are beyond price—dividends that can be expressed only in terms of the hundreds and thousands, and perhaps hundreds of thousands, of lives that can and will be saved in our own country alone, not to speak of millions of lives that can and will be saved in other countries in the years ahead.

It is an incontrovertible fact, attested to by medical authority, that the greatest need in the field of medical research today is for four things: First, a freer flow of knowledge and information among the scientists and research workers of all nations; second, a coordination of research to avoid, to the maximum possible extent, duplication of research efforts here and abroad; third, a vastly expanded program of exchange of doctors, scientists, research workers, and technicians between this country and abroad by means of travel, study, and conferences; and fourth, a vastly expanded program of training of additional research scientists and technicians.

Mr. President, the underlying idea of this program of international cooperation in health and medical research is by no means mine alone. It is an idea that has been urged by doctors, scientists, and research authorities in this country and abroad for quite a few years now.

It is a concept with a considerable history among medical scientists and others concerned with the health of mankind. President Eisenhower gave voice to it in his state of the Union message of January 9 a year ago.

Last year the Congress adopted an amendment to the Mutual Security Act—an amendment proposed by the senior Senator from Minnesota [Mr. HUMPHREY] who, I am proud to say, is a cosponsor of this resolution, and to whose activities in this field I will refer in a moment. In that amendment to the Mutual Security Act the Congress of the United States declared that it is the "policy of the United States to continue and to strengthen mutual efforts among the nations for research against diseases such as heart disease and cancer. In furtherance of this policy, the Congress invites the World Health Organization to initiate studies looking toward the strengthening of research and related programs against those and other diseases common to mankind or unique to individual regions of the globe."

The purpose of the measure which I have introduced today is to implement this policy—to implement it domestically—by authorizing the establishment of governmental machinery for the effective mobilization of our own research facilities and resources and authorizing also a series of programs which will translate the declaration of a policy and a purpose into concrete action.

Let me make clear that the programs proposed in this joint resolution do not replace or affect any of the programs of cooperation with other countries in health matters now under way. Almost all of these are operational programs rather than research programs. They use already known techniques for the control and eradication of such epidemic diseases as malaria, hookworm, and tuberculosis. I believe that these programs should be expanded. But that is a question to be dealt with in other legislation. This resolution deals only with the encouragement of medical research on an international level.

Nor does the proposed legislation conflict in any way with the functions of the WHO or of any other international organization in the field of research.

I want to emphasize here again that the main purpose of this resolution is to mobilize the health resources of the United States, and to set up machinery within the U.S. Government, to enable this country to play its proper role in a worldwide health and medical research undertaking. The enactment of this legislation is essential to permit the United States both to take the lead and to do its part in this vital work.

Does anyone doubt that this task is essential? It is a matter of common knowledge that in the field of disease and disability we—both here in America and throughout the world—face problems of increasing gravity. Despite breathtaking progress in the control and cure of some diseases, we encounter each day new evidence that disease and disability are making fresh inroads upon our lives, our health, and our well-being.

New diseases and new varieties of diseases are appearing. Old immunities are disappearing. Diseases and infirmities to which some people in distant regions have had a natural immunity are reappearing there or they are appearing in new areas where there is no such acquired immunity. The expansion of air travel has brought old diseases to new places. Last winter America was invaded by a contagious virus originating in north China, which suddenly exploded by way of Hong Kong throughout much of the world, and resulted in the worldwide epidemic called Asiatic flu. A number of new and baffling viruses seem to be appearing in epidemic form. Where these come from—from what part of the world—no one knows.

Truly, disease is as international a problem as war itself.

Many of the millions and hundreds of millions of lives being saved by the conquest and control of some diseases are being attacked in increasing numbers by other diseases and disabilities to which medical science does not yet have a satisfactory answer—and, in some cases, no answer at all.

In 1957, cancer killed one American every 2 minutes. And of those who died

of cancer, 75,000 men and women were in their thirties, forties, and fifties—in the prime of productive life. Unless we find the answer to this dread disease in its many forms, two-thirds of all American families will be touched by cancer, and 40 million persons now alive in the United States will be disabled by cancer.

Around the earth, the incidence of cancer is on the increase in 33 countries.

Ten million Americans are currently suffering from heart and circulatory diseases. Last year diseases of the heart and circulatory system were responsible for more than 50 percent—some 800,000—of the total deaths in the United States. Of those who died from the failure of the heart or blood vessels, 158,000 had not reached the age of retirement.

Today there are between 9 and 10 million people in the United States who suffer from a mental illness or defect of sufficient seriousness to require hospitalization. Between 9 and 10 million hospital beds are thus occupied by mental patients. This is 1 out of every 20 men and women and children in America. The number is growing rather than declining. The cost of maintaining these mental patients—and this is a cost borne largely by State and local government—has increased almost to the breaking point in recent years. Yet, for many, if not most, of these mental patients the only hope of recovery and restoration to useful life lies only in the possibility of new discoveries which remain yet to be made, developed, and tested by the research scientists of the world.

I have been talking about diseases that take their toll in the hundreds of thousands of lives and, in the case of mental illness, remove millions from a productive life and make them an almost unbearable burden upon the resources of government.

There are also other, but statistically lesser, diseases which are, for all the individuals concerned—for their families and for all society—a tragic matter, and which are still unconquered. For instance, there is cerebral palsy, whose incidence is on the increase in the United States and in other countries.

The number of people who are being permanently crippled and disabled by disease and accident each year in the United States and in the world is much greater than the number who are being rehabilitated and restored to active life each year.

There are, indeed, an almost unlimited number of other fields of vital research whose exploration would be of immeasurable benefit to our own country and to mankind. Take malnutrition, for example, and the whole problem of the food we eat and the water we drink. Much remains to be learned and applied about this fundamental subject.

Half the people of the world are suffering from malnutrition. Some scientists believe that the discontent, unrest, and threat of war which brood over the world may be traceable in part to malnutrition. This whole field can and should be a subject of study under the terms of the proposed legislation.

Another subject is the matter of congenital defects in children. A quarter of a million infants with significant congenital defects are born every year. We know very little about the predisposing causes of such defects. This field of knowledge has scarcely been scratched. Likewise, in regard to cerebral hemorrhage and other diseases and accidents of the brain, we stand only at the threshold of clear scientific understanding.

I could cite many additional facts and statistics underlining the gravity of the current problems of disease and disability and of the problem of the basic health and vigor of the people of our country and of other countries. But surely there is no need. The Senate, and the Nation, must be fully aware that there is a compelling need to step up the pace of scientific advance against the still unconquered killers and cripplers of men and women and children.

The joint resolution I have introduced presents a program that would contribute, in a major and irreplaceable way, to this advance, through research on an international scale.

Today, much duplicate research is going on in the various countries of the world. Some of this duplication is desirable; some is inevitable. But much of it is unnecessary and wasteful of men, money, and effort, at a time when the coordination of all available men, money, and efforts could bring significant—perhaps even miraculous—progress toward the attainment of those goals for which all mankind prays.

Some of the great philanthropic foundations like the Rockefeller Foundation and the Ford Foundation have made substantial grants for medical research abroad. But this is not enough. There is a critical need for concerted international planning, programing, and prosecution of research. There is need for a much greater flow and exchange of information, and for a greatly expanded program of training of research personnel.

The kernel of a great medical discovery may be unwittingly brought to light in an obscure laboratory in Poland, or Thailand, or Ecuador. Another scientist or group of scientists in Washington or London or Paris may be able to see in this finding the implications which by further research can be converted into a great medical development, to the immeasurable benefit to man. But all too frequently, the obscure finding does not come to light for years. Progress is impeded, and precisely because of the lack of the means of communication and coordination which this joint resolution would provide.

There are countless examples of this kind which have come to light after a prime discovery has been made. If the obscurely discovered finding had been known, medical progress could have been advanced by years.

We are told, for instance, that if all the research experience in the world today, bearing on the subject of cancer and heart disease, could be brought together and sifted and refined, and further research conducted on the basis of that knowledge, a major breakthrough not only would be possible, but even likely, in the near future.

Need I make the point that we in America have no exclusive patent on skill in medical research? Genius in this field, as in other fields, is rare, but it is distributed without regard to geographic boundaries. I commend to those interested in this aspect of the matter a recent committee print entitled "International Medical Research," issued by a Government Operations Subcommittee, of which Senator HUMPHREY is chairman. It is, indeed, to our consummate interest, as well as to the interest of other nations and peoples in the world, for our scientists to work in closest cooperation, coordination, and harmony with the scientists of all other countries—and I mean all—in this critical struggle against the international forces of disease.

All that I have said thus far is part of the scientific justification, mostly from the viewpoint of the American people, for a program of international cooperation in medical and health research.

I come now to the ways and means of achieving this, as specifically set out in the terms of the joint resolution we are submitting to the Senate today.

Let me now summarize, as briefly as I can, the means, methods, and particular purposes set forth in this joint resolution.

First. It would establish a National Institute for International Medical Research as part of the National Institutes of Health.

Second. It would establish a National Advisory Council for International Medical Research. The membership of the Advisory Council would be drawn from leaders in the fields of medical and health research, and public affairs generally—outside the Government—under the chairmanship of the Surgeon General, and with a few additional Government representatives to assure coordination, to survey and help guide policy, to make recommendations, to pass on grants and loans, and to report periodically to the Secretary, the President, and the Congress.

Third. It would authorize the appropriation of $50 million annually to be expended under the supervision of the Secretary of Health, Education, and Welfare, chiefly through the U.S. Public Health Service, and specifically the National Institutes of Health.

The specific activities authorized to be undertaken under the terms of the bill are—

(a) To encourage and support the planning of essential research into disease, disease prevention, and the impairments of man, on a worldwide basis.

(b) To encourage and support the coordination of medical and medically related experiments and programs of research in the United States with complementary programs abroad.

(c) To encourage and support the training of specialized research personnel by a wide range of means, including the establishment of research fellowships within the National Institutes of Health and elsewhere, both in the United States and abroad.

(d) To encourage and support, through direct financial grants and loans of equipment among other means, specific research projects and experiments in hospitals, laboratories, and research institutions abroad, in regard to diseases, disease prevention, and physical disability.

(e) To encourage the improvement of research facilities abroad.

(f) To encourage and support the rapid international interchange of knowledge and information concerning disease and disability, including the holding of international conferences, arrangements for translation and distribution services.

(g) To cooperate with the research activities of the World Health Organization, the Pan-American Sanitary Bureau, the United Nations International Children's Emergency Fund, and other international organizations.

The detailed purposes to be achieved by this joint resolution are spelled out in section 2 of the resolution. Some of them are already referred to in the summary I have just given. For the sake of the record I ask unanimous consent that the full statement of specific purposes, as set forth in section 2 of the resolution, be printed at this point in my remarks.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

1. To encourage and support on an international basis studies, investigations, experiments, and research, including the conduct and planning thereof, relating to—

(a) The causes, diagnosis, treatment, control, and prevention of physical and mental diseases and other killing and crippling impairments of man.

(b) The rehabilitation of the physically handicaped, including the development and use of appliances for the mitigation of the handicaps of such individuals.

(c) The origin, nature, and solution of health problems not identifiable in terms of disease entities.

(d) Broad fields of science, including the natural and social sciences, important to or underlying disease and health problems.

2. To encourage and support the rapid international interchange of knowledge and information concerning developments in those branches of science pertaining directly or indirectly to the prevention, diagnosis, treatment, or mitigation of disease and disability and other health and rehabilitation problems.

3. To encourage and support, on an international basis, the training of personnel in research and research training through interchange of scientists, research workers, research fellows, technicians, experts, and teachers in research specialties not otherwise or generally provided for in the programs authorized by section 32 of the Surplus Property Act of 1944, as amended, and the U.S. Information and Educational Exchange Act of 1948, as amended.

4. To encourage and cooperate with research programs undertaken by the World Health Organization and other international bodies engaged in, or concerned with, international endeavors in the health sciences, and to support such programs in cases in which such international organizations can effectively carry out activities authorized by this joint resolution.

5. To advance the status of the health sciences in the United States, the health standards of the American people, and those of other countries and peoples, by cooperative endeavors with the scientists, research workers, technicians, experts, teachers, and practitioners of those countries in research and research training.

6. To help mobilize the health sciences in the United States as a force for peace, progress, and good will among the various peoples and nations of the world.

Mr. HILL. Mr. President, as I have already indicated, the principal governmental machinery that would be utilized to carry out these programs and achieve these purposes would be in the National Institutes of Health of the U.S. Public Health Service. But there is specific provision, too, for the use of the Office of Vocational Rehabilitation for encouraging international research and experiments dealing with the rehabilitation of the disabled and physically handicapped. And authority is given the Secretary of Health, Education, and Welfare to use the Children's Bureau, for instance, to carry out other pertinent parts of the program. The Children's Bureau can and should play a significant part in this undertaking. And there are other agencies in the Department of Health, Education, and Welfare which can be readily utilized in the administration of collateral parts of this broad program of research, research training and research cooperation.

I am aware that there are other Federal agencies already concerned with international cooperation in health matters, such as, and above all, the Department of State.

Provision is made in this resolution for coordination and consultation among the departments and agencies in any way concerned with such activities. Specific instruction is provided for the Department of Health, Education, and Welfare to work with the Department of State and to secure policy guidance from that Department with respect to any of the activities authorized in the resolution which affect or involve foreign policy.

I want to emphasize again that this resolution is limited in its scope to encouraging coordinated research, research exchange and research training. It does not authorize operational programs in respect to either private medical practice abroad or public health, although research in public health methodology would, of course, be encompassed.

The amount proposed to launch these urgently needed programs—$50 million—is small, indeed, when we consider the potential returns only in terms of the medical progress that this legislation promises.

I believe the Nation can afford to spend $50 million for an international war against disease. We cannot afford not to make this expenditure.

Mr. President, recently I asked the Legislative Reference Service of the Library of Congress to give me an educated estimate as to the number of lives that have been saved by medical progress in the United States during this century. They provided me some interesting figures.

By applying the life expectancy rate in each successive year since 1900, as compared to the life expectancy rate in 1900, there was produced the figure of 1,600 million life years saved among the people of the United States from 1900 through 1956.

Using the present life expectancy figure of 70 years per person, 1,600 million life years means about 23 million lives saved by the advances of medicine and science since 1900.

The Legislative Reference Service also advised me that if the death rate of 1900 had applied in 1955, the number of deaths in the United States would have been 3,440,000 instead of the actual 1955 figure of 1,528,000. Thus, in 1955 alone, 1,911,000 lives were saved by the advances of medicine and science since 1900.

This is only part of the measure of the debt we owe to medical science, including the science of public health.

Can we balance the value of those 23 million lives saved during the past 50 years against the amount of money spent on medical research during the past 50 years and the further amount proposed to be spent under the pending resolution? Do those millions of lives saved indicate the urgency for spending another $50 million on research—on an international research program which will also advance the cause of peace?

Let us take the mortality rate of infants. If the mortality rate of 1900 had been applied in 1955, 586,000 infants would have died at birth instead of the actual figure of 106,000. Thus, the lives of 400,000 infants were saved in 1 year by the advance of medical science. For every infant who died in 1955, four were saved.

I have heard eminent medical authorities predict that a major breakthrough in the field of cancer, for instance, or in heart disease, would almost surely result in an extension of the life expectancy in America to 75 years. Is this prospect worth the expenditure of an additional $50 million?

As I said earlier in this discussion, the resolution, as it is being introduced today, is almost identical with Senate Joint Resolution 199 which I introduced last year, and which has already been studied by many experts in medical research in America and abroad. I would like to read a few brief excerpts of the comments on this resolution I have received from some of these doctors, scientists and heads of scientific organizations:

From Sir Stewart Duke-Elder, Director of Research of the Institute of Ophthalmology, University of London:

The idea is an excellent one, and there is no doubt that propositions such as you suggest go further than anything else to relieve human suffering and, moreover, to strengthen the influence of Western countries throughout the world.

From Dr. Samuel A. Kirk, Director of the Institute for Exceptional Children, University of Illinois:

Your recent resolution * * * is indeed a most forward-looking proposal, not only for the citizens of the United States but for the people of the world.

From Dr. Michael E. DeBakey, Baylor University College of Medicine:

I am writing to express my enthusiastic approval and strong support of your proposal. * * * Aside from the truly humanitarian objective of your proposal, I know of nothing that could influence more favorably our foreign relationships.

From Dr. Stuart Mudd of Philadelphia, President of the International Association of Microbiological Societies:

This positive approach to international cooperation focused on research in the health sciences must surely capture the imagination and command the admiration of people everywhere. This kind of leadership by the United States is certainly in the interests of peace among the nations.

From Dr. J. M. Ulmer, Cleveland, Ohio, secretary of the National Foundation of Eye Research:

I heartily support the purpose of the resolution. Not only in the very important field which has my special interest, but all fields of public health should be approached on an international basis if we are really to make progress.

And from Dr. Martha Potgieter, of the University of Connecticut:

This is indeed a real history-making step in the field of human health and research into that important and baffling problem.

I have many more letters, scores of them. I will not further take the time of the Senate to read from them. The views of the experts will be methodically solicited and assembled in the course of the hearings on this legislation.

The interesting thing is how the doctors and scientists, themselves, emphasize not only the importance of this legislation to the cause of scientific advance against disease and disability, but its importance to the cause of peace. This collateral contribution might well turn out to be its chief one, in terms of the urgency of the problems which confront us in the world today.

Our distinguished colleague, Senator HUBERT HUMPHREY, grasped this possibility some time ago, and has been pursuing it, as we all know, in speeches in this body, in addresses before public forums in every part of the country, and, this summer, in an intensive study and conference trip abroad, in his official capacity as chairman of a subcommittee of the Government Operations Committee.

Late in the last session the Senate authorized the subcommittee to make a study of international cooperation in medical research. In furtherance of the instructions of the Senate, the distinguished Senator from Minnesota traveled to many countries in Europe and spoke with leaders of scientific thought and of government in those countries.

We all know that one of the leaders of government with whom Senator HUMPHREY discussed this subject was Mr. Khrushchev, the Prime Minister of Russia. The Senator from Minnesota is quite capable of speaking for himself on this matter and undoubtedly will. But it is pertinent to my discussion today to recall that he found one of the potential areas of agreement between this country and the Soviet Union to be the project for international cooperation in the world struggle against disease.

This is surely one of the paths to peace in this war-threatened world. I should like to borrow from Senator HUMPHREY's happy talent for phrasing just once. He said recently that one of the greatest products of a program of international cooperation in medical research might be a new vaccine—a peace vaccine. I echo his hope.

Freedom from disease is the most fundamental aspiration of every man and woman in the world. This is a specific freedom toward the achievement of which all peoples and all nations can work together without fearing that an advance by one will be to the disadvantage of the other.

To the extent that the joint resolution we are introducing today is a major step forward in the directions I have indicated, I believe that it is one of the most important pieces of legislation that will be considered at this session of Congress.

I doubt whether this resolution in its present form is a perfect piece of legislation. Indeed, I do not remember ever having seen a perfect piece of legislation. I am sure that it can be improved upon by constructive suggestions and modifications in committee. I expect that there will be full and adequate hearings on this measure and that a sound record will be presented to the Senate on the basis of which to vote when the resolution is reported, as I hope it will be in the very near future.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The joint resolution (S.J. Res. 41) to establish in the Department of Health, Education, and Welfare the National Advisory Council for International Medical Research, and to establish in the Public Health Service the National Institute for International Medical Research, in order to help mobilize the efforts of medical scientists, research workers, technologists, teachers, and members of the health professions generally, in the United States and abroad, for assault upon disease, disability, and the impairments of man and for the improvement of the health of man through international cooperation in research, research training, and research planning; to the Committee on Labor and Public Welfare, introduced by Mr. HILL (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Whereas it is recognized that disease and disability are the common enemies of all nations and peoples, and that the means, methods, and techniques for combating and abating the ravages of disease and disability and for improving the health and health standards of man should be sought and shared, without regard to national boundaries and divisions; and

Whereas advances in combating and abating disease and in the positive promotion of human health can be stimulated by supporting and encouraging cooperation among scientists, research workers, and teachers on an international basis, with consequent benefit to the health of our people and of all peoples; and

Whereas there already exist tested means for international cooperation in matters relating to health, including the World Health Organization, the Pan American Sanitary Bureau, and the United Nations International Children's Fund (UNICEF), with which the United States is identified and associated, and it is highly desirable that the United States establish domestic machinery for the maximum mobilization of its health research resources, the more efficiently to cooperate with and support the research, research-training, and research-planning endeavors of such international organizations: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this joint resolution does establish the domestic machinery for such maximum mobilization of its health research resources, the more efficiently to cooperate with and support the research, research-training, and research-planning endeavors of the international organizations.

SEC. 2. The purpose of this joint resolution is:

(1) To encourage and support on an international basis studies, investigations, experiments, and research, including the conduct and planning thereof, relating to:

(A) The causes, diagnosis, treatment, control, and prevention of physical and mental diseases and other killing and crippling impairments of man.

(B) The rehabilitation of the physically handicapped, including the development and use of appliances for the mitigation of the handicaps of such individuals.

(C) The origin, nature, and solution of health problems not identifiable in terms of disease entities.

(D) Broad fields of science, including the natural and social sciences, important to or underlying disease and health problems.

(2) To encourage and support the rapid international interchange of knowledge and information concerning developments in those branches of science pertaining directly or indirectly to the prevention, diagnosis, treatment, or mitigation of disease and disability and other health and rehabilitation problems.

(3) To encourage and support, on an international basis, the training of personnel in research and research training through interchange of scientists, research workers, research fellows, technicians, experts, and teachers in research specialties not otherwise or generally provided for in the programs authorized by section 32 of the Surplus Property Act of 1944, as amended, and the United States Information and Educational Exchange Act of 1948, as amended.

(4) To encourage and cooperate with research programs undertaken by the World Health Organization and other international bodies engaged in, or concerned with, international endeavors in the health sciences, and to support such programs in cases in which such international organizations can effectively carry out activities authorized by this joint resolution.

(5) To advance the status of the health sciences in the United States, the health standards of the American people, and those of other countries and peoples, by cooperative endeavors with the scientists, research workers, technicians, experts, teachers, and practitioners of those countries in research and research training.

(6) To help mobilize the health sciences in the United States as a force for peace, progress, and good will among the various peoples and nations of the world.

SEC. 3. (a) The Secretary of Health, Education, and Welfare (hereinafter referred to in this joint resolution as the "Secretary") is authorized and directed to carry out the purposes of this joint resolution in conformity with its provisions.

(b) The Secretary may utilize, for the performance of his duties authorized by this joint resolution, the Public Health Service, including the National Institute for

International Medical Research established by this joint resolution and the other National Institutes of Health, and, where appropriate, the Office of Vocational Rehabilitation, the Children's Bureau, and such other agencies and offices in the Department as he may deem desirable to carry out the functions authorized herein.

(c) The duties and functions hereby authorized shall be carried out in consultation and cooperation with the National Advisory Council for International Health Research established by this joint resolution.

SEC. 4. There is hereby established, in the Public Health Service, as a part of the National Institutes of Health, the National Institute for International Medical Research. This Institute, in cooperation with the other National Institutes, shall carry out such major duties and functions of operation and administration in connection with this joint resolution, as may be assigned by the Surgeon General, including the support of research and research training through grants, contracts, and cooperative activities and the direct conduct of research in facilities outside the United States.

SEC. 5. (a) There is hereby established, in the Department of Health, Education, and Welfare, the National Advisory Council for International Medical Research (hereinafter referred to in this joint resolution as the "Council"), to advise, consult with, and make recommendations to the Secretary or the Surgeon General or the Director of the Office of Vocational Rehabilitation, or such other officers of the Department as may be appropriate, on matters relating to the purposes and programs authorized by this joint resolution. The internal procedures of the Council shall be governed by rules and regulations adopted by the Council and approved by the Secretary.

(b) The Council shall receive reports on and review all research and research-training projects or programs undertaken, or proposed to be undertaken, pursuant to this joint resolution, and no grant, contract, or loan for any such research project or program shall be approved by the Surgeon General, the Director of the Office of Vocational Rehabilitation, or the Secretary except after review and recommendation by the Council.

(c) The Council shall consist of the Surgeon General of the Public Health Service, who shall be Chairman, a duly designated representative of the Secretary of State, and sixteen members appointed by the Secretary without regard to civil service laws. The Director of Vocational Rehabilitation shall be a member ex officio. The Secretary may appoint additional ex officio members on either a permanent or temporary basis, as desirable, but the number of such additional ex officio members shall not be greater than two at any one time. The sixteen appointed members shall be leaders in the fields of medical research, teaching and training, medical or biological science, rehabilitation, education, or public and international affairs. Eight of the sixteen shall be selected from among leading experts and authorities in the fields with which this joint resolution is concerned, with special emphasis on association with research and research training.

(d) Each appointed member of the Council shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed either for the balance of that term, or for a full four-year term at the discretion of the Chairman, and (2) the terms of the members first taking office after September 30, 1953, shall expire as follows: four shall expire four years after such date; four shall expire three years after such date; four shall expire two years after such date; and four shall expire one year after such date, as designated by the Secretary at the time of appointment. None of the sixteen appointed members shall be eligible for reappointment until a year elapses since the end of his preceding term.

(e) Members of the Council, other than ex officio members and members who are officers or full-time employees of the Government, while attending conferences or meetings of their respective council or committees thereof, or while otherwise engaged in the work of the Council or of the committees thereof, upon the specific authorization of the Chairman of the Council or the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not exceeding $50 per diem, and shall also be entitled to receive an allowance for actual and necessary traveling and subsistence expenses while so serving away from their places of residence. This authorization for compensation and expenses shall also extend to consultants and members of special field or other committees engaged or established pursuant to section 6 of this joint resolution.

(f) The Council shall meet at the call of the Chairman or on the request of a third of its membership, but in no event less than three times during the year.

(g) Provision shall be made by the Secretary for representatives of other Federal departments or agencies engaged in medical-biological research or in international health-assistance efforts to be invited to meet with the Council, when appropriate, to discuss programs and problems of common concern.

(h) Provision shall be made by the Secretary, through the Surgeon General, for coordination of the work of and consultation, between the Council and the National Advisory Health Council, and the national advisory councils of the National Institutes of Health, and through the Director of Vocational Rehabilitation, the National Advisory Council on Vocational Rehabilitation, with respect to matters bearing on the purposes and administration of this joint resolution.

SEC. 6. The Secretary is authorized to secure, from time to time, and for such periods as he deems advisable, the assistance and advice of consultants who are technicians, experts, scholars, or otherwise especially qualified in fields related to research, research training or research planning, from the United States or abroad. These experts, individually or in groups, shall advise the Secretary or the Surgeon General or the Director of Vocational Rehabilitation, or the Council, on such matters as are appropriate.

SEC. 7. The Secretary is hereby authorized to engage in the following activities:

(1) Encourage and support research, investigations and experiments by individuals, universities, hospitals, laboratories, or other public or private agencies or institutions, in countries other than the United States, relating to the cause, prevention, and methods of diagnosis and treatment of physical and mental diseases and impairments of man, referred to in paragraph (1) of section 2, by means of: the direct conduct of research in countries other than the United States, financial grants, contracts, grants or loans of equipment, and grants or loans of medical, biological, physical, or chemical substances or standards where required for research or research training, and furnishing expert personnel from the United States (including the payment of travel and subsistence for such experts when away from their places of residence).

(2) Encourage and support research, investigations and experiments conducted in countries other than the United States, related to the rehabilitation of the physically handicapped, by the means referred to in paragraph 2 hereof.

(3) Encourage and support the coordination of experiments and programs of research conducted in the United States with related programs conducted abroad, by facilitating the interchange of research scientists and experts between the United States and foreign countries who are engaged in such experiments and programs of research, including the payment of per diem compensation, subsistence and travel for such scientists and experts when away from their places of residence, as provided for consultants in section 5(e) hereof.

(4) Make grants for the improvement or alteration of facilities needed for medical research and research training, including the provision of equipment for research and training purposes.

(5) Establish and maintain research fellowships within the National Institutes of Health and elsewhere with such allowances (including travel and subsistence expenses) as may be deemed necessary to train United States research workers, research teachers, technicians, and experts in the laboratories of other countries, and to procure the assistance of talented research fellows from abroad, and, in addition, to provide for such fellowships and other research training through grants, upon recommendation of the Council, to public and other nonprofit institutions. This program of fellowships and grants shall not duplicate or replace the programs authorized under section 32 of the Surplus Property Act of 1944, as amended, and the United States Information and Educational Exchange Act of 1948, as amended.

(6) Encourage and support broad surveys of the incidence of the major diseases endemic in various parts of the world and initiate comprehensive plans for their eradication or mitigation through cooperative programs of research and research training in regard to these diseases, including research in pertinent phases of the science of public health.

(7) Support and encourage international communication in the medical and biological sciences, international scientific meetings, conferences, translation services and publications, including provision for travel funds to permit participation in such conferences.

SEC. 8. The Secretary shall keep the Secretary of State fully informed concerning the projects and programs undertaken pursuant to this joint resolution, and shall solicit and secure from him policy guidance with regard to such projects, programs, or other activities proposed to be undertaken under this joint resolution.

SEC. 9. Programs authorized by this joint resolution shall not unnecessarily duplicate those undertaken by other departments and agencies of the Government pursuant to law, nor of international organizations of which the United States is a member, and the Secretary shall take proper precaution to this end. For this and related purposes, he shall make necessary arrangements for consultation and coordination with other departments and agencies of the Government engaged in medical-biological research or in international health-assistance efforts. Nothing contained in this joint resolution shall be applied or construed to diminish the authority or responsibility of other departments and agencies in the field of international cooperation in medical or other scientific endeavors.

SEC. 10. The activities authorized herein shall not extend to the support of public health nor other programs of an operational nature as contrasted with research, nor shall any of the grants herein authorized include grants for the improvement or extension of public health administration in other countries except for necessary research in the science of public health and public health administration.

SEC. 11. The Secretary shall prepare an annual report, which shall include a report from the Council, and submit it to the President, for transmittal to the Congress, summarizing the activities under this joint resolution, and making such recommendations as he, and the Council, may deem appropriate.

SEC. 12. The Secretary, or the Surgeon General, or the Director of Vocational Reha-

bilitation, is authorized to use the services of any member or members of the Council, and where appropriate, any member or members of the other several national advisory councils, or study sections, or committees advisory thereto of the Public Health Service, or of the Office of Vocational Rehabilitation, in connection with matters related to the administration of this joint resolution, for such periods as may be determined necessary.

SEC. 13. Any alien whom the Secretary deems it desirable to come to the United States under the terms of paragraphs (4) and (7) of section 7 of this joint resolution, who is otherwise excluded from admission into the United States by the provisions of section 212 of the Immigration and Nationality Act, may, upon certification by the Secretary, upon recommendation of the Surgeon General or the Director of Vocational Rehabilitation, as may be appropriate, be paroled into the United States by the Attorney General pursuant to the authority contained in section 212(d)(5) of such act.

SEC. 14. There is hereby authorized to be appropriated the sum of $50 million annually, to carry out the provisions of this joint resolution. Such amount is to be apportioned as the Congress may direct to the office of the Secretary, the Public Health Service (including the National Institute for International Health and Medical Research), the Office of Vocational Rehabilitation, and other agencies in the Department of Health, Education, and Welfare as appropriate.

SEC. 15. This joint resolution shall be entitled "The International Health and Medical Research Act of 1959." Its short title shall be "The Health for Peace Act."

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Would the Senator permit me to be honored by adding my name to the joint resolution as a cosponsor?

Mr. HILL. The Senator from Alabama will not only permit, but will rejoice in having the name of the distinguished Senator from Massachusetts on the joint resolution.

Mr. SALTONSTALL. I thank the Senator.

COORDINATION OF DEVELOPMENT OF THE DISTRICT OF COLUMBIA WITH OTHER AREAS IN WASHINGTON METROPOLITAN REGION

Mr. BIBLE. Mr. President, on behalf of the Senator from Oregon [Mr. MORSE], the Senator from Maryland [Mr. BEALL], and myself, I introduce, for appropriate reference, a joint resolution by which Congress would declare its interest in the coordinated development of all parts of the National Capital region. The joint resolution sets forth a declaration of policy under which all parts of the Federal Government and the District of Columbia Government are called upon to work toward the achievement of such a coordinated regional development, with first priority being given to the areawide solution of the water supply, sewage disposal, and transportation problems.

This joint resolution is the first legislative proposal to be submitted as a result of the work of the Joint Committee on Washington Metropolitan Problems, appointed pursuant to House Concurrent Resolution 172 of the 85th Congress. The joint committee's extensive inquiries into the problems of this rapidly growing metropolitan area have produced ample evidence that the Federal Government has a very real interest in the proper development of the whole metropolitan region that centers on the District of Columbia. The region has expanded far beyond the boundaries of the Federal District which the Founding Fathers established as the seat of government of the United States.

The magnitude of this regional growth is illustrated by the fact that:

Three-fifths of the region's inhabitants now live outside the District of Columbia.

Approximately two Federal employees of every three live in suburban counties.

The movement of Federal agencies into the suburbs has proceeded almost as rapidly as the growth of suburban population; more than one-third of all Federal personnel in the region are employed at installations in Maryland and Virginia.

Half of the Federal payroll, which here totals some one billion six hundred million dollars, is paid in the Maryland and Virginia parts of the area.

Although Federal employment in the area has declined each year since 1951, total employment has grown and now exceeds the Federal employment. This movement toward economic diversification is of profound metropolitan significance.

These trends are all increasing as this booming urban concentration spreads farther into the suburban areas. We are the second fastest growing large metropolitan area in the United States, exceeded only by Houston, Tex.

The committee has also been mindful that, despite many special characteristics deriving from Washington's role as a National Capital, ours is but one of the Nation's 183 metropolitan areas, most of which exhibit similar problems of growth and expansion. The distinguished majority leader has recently commented upon the national aspects of these problems. Other Senators have expressed the view that they call for action. I will only cite the relevance of our studies during the past year to these broader concerns and future efforts.

The Federal Government is largely responsible for the growth of the National Capital region, and at the same time the conduct of its business at the seat of government is affected in many important ways by the changes that this explosive growth has brought about in the character of the region. The Federal Government therefore has both an obligation to the people of the region, and a very real interest of its own, in seeing to it that there is sound, properly planned, and well coordinated regional growth.

The Federal Government's obligation arises from the fact that the rapid growth that stems from the relocation of Federal installations at suburban locations generates demands for public services that local governments find it extremely difficult to meet, especially since a Federal installation does not add to local tax revenues as a new private employer does. The Federal Government's interest in well-planned metropolitan growth is largely to be found in the fact that many of the costs of uncoordinated and poorly planned metropolitan growth will finally be paid by the Federal Government, in the form of the difficulties that it, the largest employer in the region, will encounter in doing business here, and in the form of the added costs that it will incur in creating a National Capital suitable to a great country.

The proposed joint resolution aims to focus the attention of the agencies of the Federal and District of Columbia Governments on the need for achieving a sound pattern of metropolitan growth. The joint committee recognizes that a number of public agencies, Federal, State, and local, have been doing their best to cope with the problems that have been brought on by the explosive growth of the region, and certainly much good work has been done by them. But the joint committee concluded that new organizational arrangements are needed in the Federal Government to enable it to play its role on the metropolitan scene, and some new institutions of regional government are needed to carry out functions that transcend the boundaries of the preexisting governmental jurisdiction.

The passage of this joint resolution is a desirable preliminary to the carrying out of the needed organizational changes. I believe I speak for my colleagues on the joint committee when I express the hope that favorable action on the joint resolution will be only the first in a series of steps by Congress, by the States of Maryland and Virginia, and by the local governments of the National Capital region, to implement the recommendations contained in the joint committee's final report of January 31.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 42) to establish an objective for coordinating the development of the District of Columbia with the development of other areas in the Washington Metropolitan Region and the policy to be followed in the attainment thereof, and for other purposes, introduced by Mr. BIBLE (for himself, Mr. MORSE, and Mr. BEALL), was received, read twice by its title, and referred to the Committee on the District of Columbia.

AMENDMENT OF REORGANIZATION PLAN NO. 2 OF 1953—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the senior Senator from Illinois [Mr. DOUGLAS] be added as a cosponsor of my bill, S. 144, to amend Reorganization Plan No. 2 of 1953, when this bill is next printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF FEDERAL COAL MINE SAFETY ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of January 28, 1959, the names

of Senators SCOTT, LANGER, and GRUENING were added as additional cosponsors of the bill (S. 743) to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals, introduced by Mr. CLARK (for himself, Mr. MURRAY, Mr. CARROLL, Mr. Moss, Mr. MCGEE, Mr. RANDOLPH, Mr. DOUGLAS, and Mr. HARTKE) on January 28, 1959.

LABOR-MANAGEMENT PRACTICES ACT OF 1959—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of January 28, 1959, the name of Mr. HRUSKA was added as an additional cosponsor of the bill (S. 748) providing further safeguards against improper practices in labor organizations and in labor-management relations; requiring disclosure of certain financial transactions and administrative practices of labor organizations and their officers and agents and reports of direct and indirect dealings between them and employers which may conflict with obligations as employee representatives; reinforcing rights of members of labor organizations with respect to funds and property, the election and removal of officers, and the exercise by other labor organizations of supervisory control of such organizations; providing penalties for certain criminal acts; and for other purposes, introduced by Mr. GOLDWATER (for himself and Senators DIRKSEN, ALLOTT, BENNETT, BRIDGES, BUSH, BUTLER, CASE of South Dakota, COTTON, CURTIS, HICKENLOOPER, WILLIAMS of Delaware, CAPEHART, and MUNDT) on January 28, 1959.

RICHARD E. BYRD ANTARCTIC COMMISSION—ADDITIONAL COSPONSOR OF BILL

Mr. WILEY. Mr. President, I am pleased to request unanimous consent that the name of the distinguished Senator from our newest State, Alaska [Mr. GRUENING], be added as a cosponsor of S. 764, to establish the Richard E. Byrd Antarctic Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

TELEVISION BOOSTER STATIONS—ADDITIONAL COSPONSOR OF BILL

Mr. ALLOTT. Mr. President, the so-called TV booster bill, Senate Joint Resolution 26, was printed prior to the time I received a call from the Senator from North Dakota [Mr. LANGER] that he wished to join as a cosponsor. I therefore ask unanimous consent that the name of the Senator from North Dakota [Mr. LANGER] be added as an additional cosponsor of Senate Joint Resolution 26, which I introduced on January 23, and that this be so shown on all future printings.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. Mr. President, I should like permission to have printed in the RECORD at this point a copy of my letter to the Federal Communications Commission requesting them to rescind their action to abolish the use of VHF television booster stations and replace them with UHF stations.

The situation in North Dakota is becoming increasingly serious to the owners of television sets. There are very few television stations in the entire State, and they are widely separated. Therefore, a large portion of the population cannot receive television programs at all without the use of booster stations. To convert from the VHF to the UHF boosters would be a great expense to these people. This I consider unjustified in view of the fact that no interference with regular channels has been reported in my State.

I trust that the Federal Communications Commission will see fit to reexamine its position and make the necessary changes. If not, as stated in my letter, I shall request the Senate Interstate and Foreign Commerce Committee to make a thorough and complete investigation of the situation and, if necessary, urge the adoption of appropriate legislation in this field.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 19, 1959.

Hon. JOHN C. DOERFER,
Chairman, Federal Communications Commission, Washington, D.C.

MY DEAR MR. CHAIRMAN: Enclosed herewith are several letters I have received from constituents concerning the Federal Communications Commission's action which would abolish the VHF–TV booster stations.

Because North Dakota is sparsely populater, there are many areas not reached directly by television stations. These areas depend upon the VHF booster stations to enable them to receive television programs. They now are told that they must convert to UHF, which would be a great expense to them. In the town of Bowman alone, the cost would be about $5,000, in addition to the approximately $2,000 already invested. I understand that these stations do not cause the kind of interference which would require the stringent action taken by FCC.

It is my understanding that the staff report of the Interstate and Foreign Commerce Committee of the Senate has recommended that appropriate regulations be issued to allow these VHF stations to remain on the air, provided they do not cause interference. I also understand that Commissioner T. A. M. Craven, after a personal inspection of the areas, made the same recommendation.

I am hopeful that the Federal Communications Commission will reexamine its position and take into consideration the heavy burden that they are placing on a small portion of our population. If not, I shall request the Senate Interstate and Foreign Commerce Committee to make a thorough and complete investigation of the matter and, if necessary, urge the adoption of appropriate legislation in this field.

May I hear from you?

With kind regards, I am,

Sincerely,

———.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were order to be printed in the RECORD as follows:

By Mr. TALMADGE:

Address delivered by him before Association of Cotton Textile Merchants of New York on January 29, 1959.

By Mr. MURRAY:

Article entitled "The West Puts Its Brand on Congress" written by RICHARD L. NEUBERGER and published in the New York Times magazine of February 1, 1959.

By Mr. JACKSON:

Review by Senator J. W. FULBRIGHT of Walter Lippmann's book, "The Communist World and Ours," published in the Washington Post of February 1, 1959.

NOTICE OF HEARING IN NEW YORK CITY BY THE SUBCOMMITTEE ON JUVENILE DELINQUENCY OF THE COMMITTEE ON THE JUDICIARY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Subcommittee on Juvenile Delinquency of the Committee on the Judiciary may hold hearings in New York City on February 5 and 6, 1959, during the sessions of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORLD PROGRESS THROUGH EDUCATIONAL EXCHANGE

Mr. WILEY. Mr. President, 139 organizations met in Washington last week in common convention as members of the International Education Association.

Their topic was the international exchange of students, scholars, and technicians—how such programs could be improved and coordinated without limiting the individual freedom of the exchangee.

This type of people-to-people contact is wonderfully helpful in exchanging ideas between different countries, increasing mutual respect, and laying a firmer foundation for peaceful understanding.

Mr. President, in order that my colleagues may become better acquainted with this program toward world progress through educational exchange, I ask unanimous consent that there be printed in the RECORD at this point in my remarks the message of President Eisenhower, which he personally delivered to the conference.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE PRESIDENT TO THE THIRD NATIONAL CONFERENCE ON EXCHANGE OF PERSONS, AT THE MAYFLOWER HOTEL, FRIDAY, JANUARY 30, 1959

It is a privilege to greet the members of this audience, all dedicated to the promotion of knowledge of all peoples by all other peoples.

The theme for this conference—"World Peace Through International Exchange of Persons"—suggests one of the most promising gateways for reaching our most sought-after goal—a just and lasting peace.

We realize that peace demands understanding. I know of no better single method of reaching mutual understanding than by multiplying our international contacts through people-to-people diplomacy. Four-

teen years have now passed since delegates from the world over met in San Francisco to draft the United Nation's Charter. One experience that accompanied this meeting seems to have some relevance for all of us.

To escape the tedious strain of weeks of conferences, a party of a geographer, a statesman, and a lawyer driven by an Army sergeant took a trip to the Redwoods. Walking among the giant trees, the geographer remarked that while it would be a slight exaggeration to say that over every square mile of the earth's surface, dust particles from the entire earth's surface circulated, the statement was, to all intents, true.

To this, the statesman replied, "If only we might have the same interchange of peoples and ideas, our troubling problems of the San Francisco Conference would be resolved over night."

From the lawyer came the jesting comment, "This is the greatest violation of private property rights that I have ever heard."

But the final observation came from the Army sergeant, "What this means to me," he said quietly, "is that we're all really living in each other's backyard."

Each passing year since the drafting of the United Nation's Charter has brought new reminders of closer relationships between the people of all nations. As the world has moved through tensions and intermittent crises, the importance of our interdependence has been strikingly driven home by far-reaching developments in atomic fission, electronic communication and swifter than sound flight. Today when the possibility of war carries with it a threat to the survival of civilization, the urgency of dealing effectively with all threats to peace is self-evident.

Mutual understanding is more than important—it is vital.

The exchange of persons is one approach by which we may work for understanding along many fronts. I do not think of a crash program—the need is for a continuous program based upon the common-sense belief that understanding is an exportable item to all nations, including our own.

We recognize, of course, that as we welcome students, educators, lawyers, scientists, artists, Government officials, and others from distant lands, it is equally important that Americans also enjoy the enriching experience of work and study in other nations. Such programs I am happy to note are receiving constant encouragement and support from the 130 public and private organizations that are represented here today.

The education and training of our people for effective service in our Government's overseas activities is so important that the Secretary of State has recently appointed a special assistant for the Coordination of International Educational and Cultural Relations. The exchange of persons is an essential feature of this training effort.

Peace is a goal that must never slip from focus. We have the resources and faith in ourselves to do our part for its attainment. But we must use these resources wisely. We must use some of our strength to bolster the free nations that, with us, stand as the defenders of freedom and which, with us, work for the achievement of a just peace.

For a moment may I digress to mention a related matter that deeply concerns all of us. I refer to the funds that are appropriated by the Congress every year to enable our friends around the world better to defend themselves and to maintain their independence through viable economies. Of all the money which this country lays out in 1 year, none of it contributes more to the security of our Nation and to freedom than that allocated to our mutual security programs.

Those, in public and private life, who would have us cut America's mutual aid and loan programs simply do not understand what these programs mean to peace and to America's safety.

Any cutback of present budgetary levels for our mutual security program would require additional outlays for our own security forces, far greater than any amount that could be so saved. Moreover, such reductions would in the long run dilute the faith of our allies in America's determination and ability to exercise leadership for freedom. I shall do all in my power to insure that our friends around the world will not have their faith in these American purposes undermined.

Building friendships among nations through the exchange of individuals is not an idea of startling novelty. Nor is it work that can be undertaken only through a single program of grand design. The very term "people-to-people diplomacy" implies a healthy variety of programs—lots of them. To each of you here today, along with the organizations that you represent, and to the Institute of International Education which will have a 40th anniversary celebration tonight, I extend warmest congratulations on your exchange work.

I hope your joint efforts will ever grow and multiply. We need more individual diplomats from Main Street, from our farms, schools, laboratories—from every walk of life. People-to-people diplomacy means thousands of part-time ambassadors—all working for better relationships among all peoples. And the finest definition of an Ambassador, you will recall, is this: "He is, above all, a man of peace."

NAMING OF BOARD OF TRUSTEES FOR THE NATIONAL CULTURAL CENTER

Mr. WILEY. Mr. President, I was extremely happy to receive word from the White House last Thursday of the final naming of the public members of the board of trustees for the new National Cultural Center to be erected here in our Nation's Capital. This significant event happily brings us one step closer to the actual achievement of this most noteworthy goal.

EFFORTS TOWARD ENACTMENT OF LEGISLATION

My colleagues in both Houses of the Congress are well aware of the long and, yes, sometimes discouraging, battle that has been fought by the many exponents of the legislation which eventually resulted in S. 3335 of the 85th Congress, and finally in Public Law 874. They cannot help but be aware of the courageous and determined efforts of a dedicated group of public-spirited citizens who maintained the courage of their convictions that here was a project which would enrich countless numbers of lives through expansion of cultural horizons; that here was an absolute necessity in order for our Capital City to fulfill its role of importance, not only as a tourist center from which local and foreign visitors derive their knowledge and lasting impressions of the United States, but as an international cultural beacon which will be commensurate with our leadership in world affairs.

My colleagues will also long remember the bipartisan spirit in the long history of this legislation—a splendid example showing how both parties can work together in harmony for the cultural advancement and mutual benefit of our great country. I wish to mention the commendable efforts of my distinguished associates in the Senate, Mr. FULBRIGHT and Mr. ANDERSON, who worked with me as cosponsors on the bill; and I wish to pay particular tribute to the Member of the other House who exerted his legislative skill so long and so faithfully in order that this achievement might be realized. I refer to the gentleman from New Jersey, Representative FRANK THOMPSON, who, with his able and devoted legislative assistant, Mr. George Frain, worked literally night and day for years to see the culmination of this great project.

My distinguished associates will also recall that enactment of S. 3335 was specifically requested by the President of the United States and was endorsed by the Department of Interior, the Bureau of the Budget, the Board of Commissioners of the District of Columbia, and the Commission on Fine Arts. They will recall that it is a historical fact that when George Washington directed Maj. Pierre L'Enfant to plan a Federal City, he directed that it be planned as a cultural and civic center for the new United States, and in his inaugural message to Congress he called attention to the need for recognition of music and the arts.

APPOINTMENT OF BOARD OF TRUSTEES

Now, 170 years later, we are taking decisive steps to correct this long deficiency. The 15 Federal officials named in Public Law 874 and the 15 general trustees appointed by the President will be charged with the responsibility of supervising and overseeing the construction of the Center with funds contributed through popular donation, and to then maintain and administer it by presenting programs of the performing arts. It is essential that these members be of the very highest caliber of civic leadership—active, dedicated, and able—and that they function in close cooperation with the Advisory Committee on the Arts, which Committee will serve as a program committee to establish objectives and policies, and will make recommendations to the board regarding cultural activities to be carried on in the Center. I believe that the President has named just such a group of outstanding individuals. I believe that with names that have been included, such as Mr. Ralph Becker, the able chairman of the very active Cultural Development Committee of the Washington Board of Trade; the Honorable L. Corrin Strong; Mrs. Ethel Garrett; Mrs. Catherine Shouse; Mr. Floyd Akers; Mr. Daniel Bell; and the names of distinguished citizens throughout the country, we can soon realize a national cultural establishment which will develop a greater knowledge, understanding, and appreciation of the fine arts; and that, through their effective presentation, their standards of execution will be raised to an ever-higher level of achievement.

NEED FOR PUBLIC SUPPORT

However, I want to reemphasize that this will be a national cultural center, not a District of Columbia center, and we want all the people of the United States to know and understand that this will be their center. We shall need their

help and support. We shall need their financial contributions. The law specifically states that if the Board of Regents of the Smithsonian Institution does not find that sufficient funds to construct the Center have been received by the Board of Trustees within 5 years after enactment of the act, it shall cease to be effective, and all offices created by the act and all appointments made under it shall terminate. Therefore, it is vitally urgent that every effort be exerted to effect the necessary collection of funds; there must be a revitalization of contact with the 104 national organizations which had been contacted by the former Auditorium Commission, and the opportunity must be readily available so that contributions can be made by private philanthropists, by foundations, and by the American public.

With another step taken, then, let us move full speed ahead toward actual construction of the National Cultural Center. Let us demonstrate to the other nations of the world the cultural interests and achievements of the people of the United States through this means for development and strengthening of the ties which unite the United States with other nations. I repeat, let us construct our "defenses of peace in the minds of men" by providing a suitable building for the presentation of music, opera, drama, dance, and poetry which is deserving of recognition as a part of the great heritage of our civilization.

I ask unanimous consent that the press release from the White House, showing the appointments of the members of the Board of Trustees by the President, be printed at this point in the RECORD.

There being no objection, the list of appointments was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
January 29, 1959.

The President today made the following appointments:

The following-named persons to be members of the Board of Trustees of the National Cultural Center:

For a term of 2 years from September 2, 1958: Ralph E. Becker, of the District of Columbia; Mrs. Catherine Filene Shouse, of the District of Columbia; Henry Clay Hofheimer II, of Virginia.

For a term of 4 years from September 2, 1958: Philip Melville Talbott, of Virginia; Floyd DeSoto Akers, of the District of Columbia; John Josiah Emery, of Ohio.

For a term of 6 years from September 2, 1958: Winthrop W. Aldrich, of New York; Mrs. Ethel Garrett, of the District of Columbia; Daniel W. Bell, of the District of Columbia.

For a term of 8 years from September 2, 1958: Ralph J. Bunche, of New York; Mrs. Dorothy Buffum Chandler, of California; Robert L. Wood, of Texas.

For a term of 10 years from September 2, 1958: L. Corrin Strong, of the District of Columbia; John Nicholas Brown, of Rhode Island; Frank H. Ricketson, of Colorado.

COMMENDATION OF WILBUR A. DEXHEIMER, DIRECTOR, BUREAU OF RECLAMATION

Mr. ALLOTT. Mr. President, the subject of reclamation is one of paramount importance to Coloradoans, as it is to most people of the West. The development of an orderly, fruitful reclamation program is something to which this administration can point with pride. Although there remains an ever-critical need for further development of water resources, among others, the Department of the Interior, through its Bureau of Reclamation, is seeking to accomplish its knotty task within the reasonable limits of the budget and area requirements.

The man responsible for this program is the Director of that Bureau, Wilbur A. Dexheimer. "Dex," as all of us know him, has been a career employee of the Bureau of Reclamation since 1928, with the exception of service with the Corps of Engineers in World War II and a foreign assignment for a few years thereafter. A native of Denver in my own State of Colorado, Mr. Dexheimer is a graduate of our Colorado schools. A highly respected expert in his field, the Commissioner is the author of "Construction of the World's Highest Multiple Arch Dam" and "Hydroelectric Development in Australia."

Commissioner Dexheimer has proven himself to be a most efficient administrator. When he became Commissioner in 1953, the Bureau of Reclamation had 13,504 employees. The high number was 17,194, 2 years before that, and today the Bureau is down to 9,800 employees. Yet the Bureau's program for this year covers $265 million—only $10 million less than in the year of peak employment—and this work is being done with 40 percent fewer employees.

Recently, Commissioner Dexheimer made a provocative address before the Four-States Irrigation Council in Denver, Colo. He discussed some of the basic problems facing the utilization of this country's water resources, and brings to them all the tremendous storehouse of information and good judgment acquired through a lifetime devoted to the conservation of our water supply. He displays in his remarks the forcefulness and ability to go to the core of the issues which have helped him develop the Bureau of Reclamation into the resourceful and effective operation it now is. I recommend the reading of his remarks to everyone concerned about the future of this Nation and particularly to those with specific concern for our natural resources.

Mr. President, I ask unanimous consent that his remarks be printed in full at this point in the RECORD.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). Is there objection to the request of the Senator from Colorado?

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

CONSERVING OUR LAND AND WATER

(Remarks by W. A. Dexheimer, Commissioner of Reclamation, Department of the Interior, Before the Four-States Irrigation Council, Albany Hotel, Denver, Colo., January 15, 1959)

All of us here are, to some degree, involved in food production. I take great pleasure in having a degree of responsibility in this most vital of all human enterprises, and I imagine that each one of you has an identical feeling.

While we go about our daily tasks of building canals, or delivering water, or processing beans, or feeding or transporting cattle, we are likely to be concerned with the tasks of the moment. Of course, we deal with our major and minor problems one by one, and out of the cumulative actions come the cumulative decisions that ultimately affect both progress and history.

Tonight, we gather to honor four individuals who have made great personal contributions to what we might call the total picture. I'd like to make a few remarks about the total picture taken in broad perspective.

First, let's consider the current status of agriculture in this four-State area, and later we'll look into long-range matters. In Kansas, Nebraska, Wyoming, and Colorado, an excellent year for production lies behind us. Only a few small areas in the four States had difficulties.

Many of the grain crops set alltime records, and others were near record. Sugar beets did well, second best on record, both pricewise and yieldwise. Fruits and vegetables had high yields. Most livestock trends continued upward. As always, at any given time, some price conditions were favorable for some products in some areas, and less favorable for others.

Waterwise, 1958 was what we call a good year. Reservoirs went into the growing season at high levels, and particularly on the Colorado-Big Thompson and North Platte projects, supplies were heavily used. Soil moisture conditions were favorable.

The Bureau of Reclamation functions according to river basins, and it is not very practical to assemble statistical information about reclamation projects by States. The Denver regional office, however, assembled some figures to show where we stand at the end of 1958 concerning projects in Nebraska, northern Kansas, southeastern Wyoming, and northeastern Colorado.

Project water was supplied during 1958 to approximately 1,145,000 acres. Facilities within the region now include 26 dams, which create reservoirs with irrigation storage capacity of 4½ million acre-feet. There are 2,700 miles of canals and laterals. The Federal investment in irrigation facilities is $350 million.

The estimated gross income from 9 projects in 1958 was $97 million—one-fourth as much as the irrigation facilities investment.

As an interesting sidelight, I might mention that only 13 years ago—at war's end, and the beginning of Missouri River Basin project construction—in this region there was only one bureau project offering irrigation service. That was the old, big, and strong North Platte.

Comparing 1958 with 1945, today we have in the region 3 times more irrigable acreage, double the irrigation storage capacity, and nearly 10 times the crop values.

Some of us most concern ourselves with daily price structures, replenishment of water supplies, and the complexities of national agricultural policies. Nevertheless, in the long run, these issues are transient. The surplus of corn and the depressed price of hogs may, next year, or a few years hence, be a matter only of historical interest.

In the business of utilizing land and water, we must recognize the dimensions of problems of the near future. Our population growth has immense implications. Most important are the water needs for the increased population, and industrial expansion.

Many of us in the Department of the Interior are repeatedly emphasizing in public these issues applying to population and water. The two are related subjects, the human resource constantly adding to the requirements imposed on the natural resource. We are not quite "voices crying in the wilderness"—many others inside and

outside of public life, one of them being Governor McNichols, are making the same crusade. The motive is common to all—it is to encourage public awareness that we must prepare now for the future.

The Bureau of the Census, a few weeks ago, reported that the United States population had risen by almost 20 million between the 1950 census and July 1957.

Seven million of this increase was in the 17 Western States, where the growth rate is almost double that of the 31 Eastern States. These four States have seen their population grow by 670,000 individuals during those 7 years, to the total of 5½ million.

This is where we stand. Now, where are we going? We're going into an increase in population that is staggering in its implications, yet is inevitable, barring calamity. During the next 20 years, we will reap the harvest of the postwar boom in marriages and babies, which were tied in with economic prosperity.

Dr. Philip M. Hauser, head of the population research center at the University of Chicago, was quoted recently in U.S. News & World Report that, should the birthrate persist the U.S. population, less than 100 years from now, would be about 1 billion persons. Taking the top-estimated forecast for the next 20 years, Dr. Hauser pointed out that an increase of 98 million people might occur.

The growth spiral has a compounding effect. The first postwar babies will be the mothers and fathers introducing a new generation in 5 to 8 years. The result of an ever-increasing base of young couples will be that the annual increase of births over deaths, now 2½ million, would be 4 million between 1965 and 1970, and about 5 million between 1970 and 1975, according to Dr. Hauser.

Two main factors: rising population and greater per capita use, bear on the problem of national water supplies. The Nation is using about 250 billion gallons of water a day. The demand, by 1980, might well be over 500 billion gallons a day.

Water is limited not only in quantity but in availability. It will be necessary to squeeze the available supply in nearly all parts of the country, this area being no exception. Irrigation, the largest single user at about 100 billion gallons daily, will be subjected to encroachment with ever-increasing strength, by both urban and industrial development.

This will mean, of course, that irrigation interests must prepare to defend their position. More immediately and more urgently, the irrigation interests must plan for and carry out water economies at once. The days are numbered for loose and squanderous misuse of irrigation water.

The storage and distribution works constructed by the Bureau of Reclamation, or being planned for future construction, are in addition to the works constructed by other agencies or by private organizations. All of these are worthy, in my opinion, because they are in the direction of conservation and use of available water. The value of these works will increase, not decrease, as the value of water itself rises.

It's only in the long view that we realize substantial progress has been made toward heeding the admonition voiced by Theodore Roosevelt in his eighth annual message to Congress. That famous conservationist declared in 1908:

"What has thus happened in northern China, what has happened in central Asia, in Palestine, in North Africa, in parts of the Mediterranean countries of Europe, will surely happen in our country if we do not exercise that wise forethought which should be one of the chief marks of any people calling itself civilized."

There are many men in this room who have contributed much to the wise use of the water resource, some of them not only in their local areas, but also in much broader domains. Four of them will be especially honored tonight, for their activities.

I have tried to emphasize the gravity of the population-water problem that lies in the near future. In many senses, that future is upon us now. All measures are prudent if they will help to conserve water, to improve water use, and to increase yields of desired agricultural products. Because the Four-States Irrigation Council exists to do these things, it is performing an exceedingly desirable service.

And now, it is my pleasure to announce the four individuals from among you who have been singled out to receive the Headgate Award this year.

COLORADO: RALPH L. PARSHALL

Not many men in the engineering profession have monuments bearing their name scattered throughout the world. Such a man, however, is Ralph Parshall, designer of the famous and efficient Parshall flume, the device widely used to measure water flows.

Ralph's whole career has been devoted to water engineering, as a teacher, as a representative of the Department of Agriculture, and as an inventor. Although he retired from the Department in 1948, after 35 years of service, he has not retired from an active life. The research laboratories of Colorado State University have been and remain his vocation and avocation.

Long and imposing is the list of devices Ralph developed at or through Colorado State University. He has studied water flows, measurement of flows, measurement of evaporation, silt control, and soil permeability. The equipment or techniques he created to solve specific problems of irrigation water deliveries are effectively serving in many places in the West, but especially in Colorado. Ralph Parshall's personal mark on irrigation is a permanent one.

KANSAS: GUY W. CALDWELL

Guy certainly ranks as one of reclamation's most ardent advocates, in Kansas or elsewhere. He helped to organize the Kirwin Irrigation District, the No. 1 district in Kansas, and has been its president since it was organized. He was born and reared in Smith County, and has always lived in the Harlan community. As a breeder of the finest Angus cattle, Guy has made a showplace of his Harlan farm and ranch, and has established a national reputation for the quality of his stock. He is equally accomplished as a farmer.

He started working for water conservation in 1932. His efforts were rewarded last year when the first acreage on the Kirwin unit received irrigation water. Facilities will be available for the full 11,500 acres to be irrigated next year. These facts culminate almost 30 years of interest and enthusiasm in water matters.

After helping to organize the Kansas Reclamation Association, he has served that organization as vice president, secretary, and treasurer, and at the present time is one of its directors. In 1945 he was a member of the committee that wrote the Kansas irrigation law.

NEBRASKA: GEORGE E. JOHNSON

Conferring the Headgate Award on George Johnson this year is appropriate timing, because he has just retired from full-time service with the Central Nebraska Public Power & Irrigation District, commonly known as the Tricounty.

George built the tricounty—literally. As its chief engineer and general manager, he had charge of the design, construction, and operation of the project—huge Kingsley Dam, forming Lake McConaughy with its 2 million acre-foot capacity; a system of works to deliver irrigation water to 100,000 acres; three hydroelectric plants, and hundreds of miles of transmission lines. Just a few months ago, the Canaday steam generating plant of 100,000-kilowatt capacity was put into service—another one of George's construction jobs.

Now, a consultant to the Tricounty, when he retired on December 31, he was chief engineer and manager of the steam generating division. A native of Nebraska and graduate civil and electrical engineer, from time to time he has been a consulting engineer for power and other construction in this area and also in the Argentine. Included in this remarkable career is 8 years as Nebraska's State engineer, a job in which he supervised all irrigation, waterpower, highway, and drainage work.

WYOMING: H. T. PERSON

Dean of the University of Wyoming's College of Engineering since 1948, H. T. Person is not only an educator, but an extremely active participant in water matters affecting his State. He has been a foremost adviser to the Wyoming State engineer, to the State planning board, and to the Wyoming commissioner for interstate compacts or negotiations on the Colorado, Snake, Yellowstone, Cheyenne, Bear, and Niobrara Rivers.

He has served both as president and vice president on the Wyoming Board of Examining Engineers, as chairman of the State planning board, and Wyoming representative on the Missouri River Basin interagency subcommittee.

Obviously selfless and a hard worker, he believes in organizations for the public good. He has held, in addition, offices in the Wyoming section of the American Society of Civil Engineers, the Wyoming Engineering Society, and the Wyoming Reclamation Association, and has been active in a number of national or regional organizations.

His broad knowledge and experience and his objective mind are currently being applied to a special service; he is consulting engineer to the Navajo tribal council on the use and division of the San Juan River waters.

THE FEDERAL BUDGET

Mr. ALLOTT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial from the Rocky Mountain News with respect to the budget, which I believe is a very pithy and pertinent explanation of the situation in which we find ourselves this day.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

COYOTE FOR WATCHDOG

Again Saturday night in Albuquerque, Senator LYNDON JOHNSON repeated that the last Democratic Congress clipped $5.6 billion off the budgets for fiscal 1958 and 1959.

It would be interesting to know what happened to that $5.6 billion.

The $71.8 billion budget submitted by President Eisenhower for 1958 was so vast that Washington was flooded with angry mail from taxpayers. Congress made deep cuts in some items but increased others. And through later deficiency appropriations, some of the original cuts were put back.

Result: Expenditures in 1958 were $71.9 billion. No saving there. The budget for fiscal 1959—the current year ending June 30—was $73.9 billion. Spending is estimated at $80.9 billion which again is no saving, but $7 billion more than the budget.

If, as Senator JOHNSON says, Congress saved $5.6 billion, there is a slight discrepancy

somewhere of $12.7 billion, or approximately the amount of the deficit expected his year.

The Federal debt, incidentally, has increased $14.5 billion in the same 2-year period, to $285 billion. The interest alone will cost $8 billion next year.

Senator JOHNSON spoke scornfully of reports President Eisenhower will use his veto power to check a "wild" spending spree.

"To set the present administration up as guardian of the balanced budget," he said, "is in the same class as hiring a coyote for a watchdog over the sheep."

We hope the Democrats will prove to be successful watchdogs.

COMPETITION IN STEEL BUYING

Mr. KEFAUVER. Mr. President, on September 15, 1958, Mr. Roger Blough, chairman of the board of the United States Steel Corp., made an address to the Economic Club of Detroit in which he was extremely critical of the Subcommittee on Antitrust and Monopoly, and of me in particular.

On September 22 I wrote to the Economic Club of Detroit asking them for an opportunity to reply to Mr. Blough. In a reply dated October 1, Mr. Allen B. Crow, president of the organization, stated that because of their crowded schedule they would not be able to give me this opportunity until the following March or April, and voiced some reservations concerning the propriety of my appearance.

I am happy to note, however, that there are other segments of the business community which have a broader attitude than the Economic Club of Detroit concerning the desirability of presenting both sides of the case. The business journal, Purchasing News, which serves purchasing agents in plants manufacturing metal products, approached me with the idea of presenting in an early issue Mr. Blough's address together with a reply which I might prepare. I was most happy to accept their generous invitation, and both Mr. Blough's speech and my reply appear in the January 12 issue of Purchasing News. I ask unanimous consent to have printed in the RECORD at this point the pages of this issue containing Mr. Blough's speech and my reply.

On the basis of letters which I have received, I am convinced that there are many businessmen throughout the country who are quite concerned over the implications of a continuation of the upward movement of steel prices. I wish to commend Purchasing News most strongly for giving to their readers the opportunity to appraise themselves of both sides of this extremely important issue.

There being no objection, the speech and the reply were ordered to be printed in the RECORD, as follows:

COMPETITION: DOES IT EXIST IN STEEL BUYING?

(This important question is discussed in the following Purchasing News feature by Roger Blough of United States Steel, and Senator ESTES KEFAUVER. In a recent speech "Price and the Public Interest," Roger Blough, chairman of the board, United States Steel Corp., explains pricing in the steel industry. Because many of the comments made by Mr. Blough were leveled at Senator KEFAUVER, comparable space was requested in Purchasing News to present his point of view. Agreement to present the Senator's views was made on the stipulation that both sides of the question be presented side by side. We sincerely believe this important material is must reading for P.A.'s.)

BLOUGH SAYS

(Roger M. Blough, chairman of the board, United States Steel Corp., began his discourse with introductory remarks to his audience:)

Nevertheless, perhaps I'd better begin by saying to you gentlemen, very simply and very sincerely, that I would like never to see another price go up.

Like all of you here—and like every other businessman in America—I am deeply disturbed by the steady postwar upsurge in the prices of both goods and services. I am even more disturbed by the persistent inflation that has caused those prices to rise. I am equally disturbed by the headlong increase in wage costs which has contributed so importantly to the inflationary spiral. I am further disturbed by the skyrocketing price of government and by the consequent Federal deficit which is a major source of this inflation. But most of all, I am disturbed by what appears to be a conscious or unconscious campaign of misinterpretation and even representation, the purpose of which is to place all blame for the inflation upon the pricing policies of American industry. In fact, disturbed is an inadequate word to describe my reaction to what frequently amounts to a campaign of calumny peddled from high places by those who pose as defenders of the public interest.

"Mistaken champions"

Thus far, these mistaken champions of the public interest have concentrated their attack primarily upon three industries—steel, automobiles, and oil; but, if pursued, the natural results of this campaign will be to inflame public opinion against business generally and eventually to lay the groundwork for someone seizing an ever-larger measure of control over its affairs.

So I would like, today, to talk with you for a little while about this matter of price and the public interest—to examine with you some of the aspects of this propaganda campaign as it has been applied to steel, and to discover, if we can, whose public interest our attackers are serving.

Now the theme song of the campaigners, of course, is that a rise in the price of steel is little less than a national calamity. It makes no difference how small the price increase may be, nor how inadequate it is in the face of the ballooning costs of both wages and materials. Any price increase of any size is immediately denounced as unjustified. The campaigners proclaims that it will touch off another disastrous round of inflation and that it will cause consumers to "sit on their hands" and thus plunge the Nation back into the recession from which it is just now emerging. In short, they chorus that rising steel prices are the cause of inflation, recession, and all other economic ills.

And this—to put it as politely as I can—is a fairytale. You might even say that it is a "Grimm" fairytale. Let's look into it a bit.

Last year, in preparing to launch its attack upon the steel industry, the antimonopoly subcommittee of the U.S. Senate carefully picked a number of economists to come before it and show how the so-called administered prices of business had caused inflation. The experiment was not an unqualified success from the committee's point of view.

"Accusing finger"

Several of the economists pointed an accusing finger at administered wages and other rising costs; and one of the group—Prof. Richard Ruggles, of Yale—presented an exhaustive study of the Government's Cost of Living Index which revealed this challenging fact: That since 1951, the price of products—or things—has risen only 2 percent, while the price of services—or nonthings, such as transportation, medical care, laundry, haircuts, rent and so on—had risen 21 percent. In other words, the rise in the price of all the manufactured articles and other things that people bought had been negligible. And having presented this evidence, Dr. Ruggles concluded with these significant words—and I quote them exactly from the record. He said:

"It is not possible to maintain, in view of the statistical evidence, that administered prices have been primarily responsible for the inflationary spiral."

Now it may surprise you to learn that—through some mystifying oversight of its staff, no doubt—the majority report of the committee fails even to mention Dr. Ruggles' testimony. Perhaps the committee majority felt that the facts he presented were not in the public interest.

Also in the same committee record are facts from a similar study which was published in the New York Times last year. They show that while the price of steel had increased 14 percent since 1951, the price of household appliances, such as washing machines and the like, had actually declined by 13 percent during the same period. And in this connection the Times made a statement that is at once so true and so astonishing, that again I want to quote it verbatim. Said the Times:

"Though it may seem surprising, the price of steel could practically double and the cost of living would hardly show it."

And, gentlemen, do you know that by the strangest of coincidences, that evidence is nowhere mentioned in the majority report of the committee either?

But even more puzzling to me, is what I might call the strange case of the forgotten price reduction.

Some of you may recall that just 10 years ago this summer—in what was then hailed as an outstanding act of industrial statesmanship in a period of serious inflation—United States Steel refused a wage increase to its workers and reduced the price of steel by amounts ranging up to $5 a ton on those products which might be expected to produce the most immediate effect upon the consumer's pocketbook and the cost of living.

At that time the cost of living was rising at a frightening rate—fully four times as fast, in fact, as it has during the past year; and do you remember what happened to it after the price cut?

Well, it went up still faster, the march of inflation was not even fazed by the steel price reduction. It moved on, unabated; and within a few months, United States Steel had to raise wages, rescind the reduction and increase its prices in a belated effort to catch up with the tail end of the wage-cost procession that had already passed it by.

And then an interesting thing happened. No sooner had steel prices been raised than the cost of living began to drop. Month after month it went down until it reached the lowest level in 22 months. So here was a kind of laboratory test, if you will, which disproved completely the fairy tales that the campaigners keep telling. The whole story—fully documented—was presented in evidence to the Senate committee, and the senior Senator from Tennessee, as chairman of the group, was present and heard the entire testimony regarding this price reduction.

Yet the CONGRESSIONAL RECORD shows that on July 30 a member of the committee rose on the floor of the Senate and said:

"I should like to ask one more question of the distinguished Senator from Tennessee. Does he remember any testimony that the

steel companies have ever reduced their prices?"

To which Senator KEFAUVER replied: "I do not remember any."

Now I would not want to overemphasize this lapse of memory nor to examine too closely its relationship to the public interest. I would merely point out that certainly it served the interests of those who would confuse the American people into believing that there is an immediate and inseparable cause-and-effect connection between steel prices and the cost of living * * * that a steel price increase is the cause and a rise in the cost of living is invariably the effect.

No; the campaigners go merrily along, dinning their theme song into our tired ears. They tell us that the higher cost of steel will raise the price of everything from tractors to hairpins; that it will boost the price of everything from automobiles to safety pins; and they express concern about the price of appliances and bobby pins.

Now this universal preoccupation with the price of pins embraces an emotional appeal that is surefire stuff. You know the ancient tale: "For the want of a nail, the shoe was lost." And what could be lost for the want of a safety pin is almost too horrendous to contemplate.

But be of good cheer, gentleman. The Nation is not yet undone. I am happy to inform you that—according to the Government's Wholesale Price Index—the price of fasteners—including safety pins, hairpins, bobby pins, and zippers—has declined more than 14 percent in the past 10 years.

So let's face up to the facts.

And the fact is that in making all of the millions of products that they turn out, American manufacturers use many thousands of kinds of different materials, one of which is steel. The fact also is that when the price of any of these materials goes up, the manufacturer's costs go up accordingly; and that somehow under our competitive system he must meet these higher costs or "go broke." The fact is further that American manufacturers have done a magnificent job of offsetting much of this higher cost through research, improved technology, and the investment of vast sums of money in new, more efficient tools of production. So instead of being pyramided and passed along to the consumer—as the campaigners tell us they are—these costs have been absorbed in large measure.

But the most important fact, of course, is that the intrinsic or basic cost of the materials that go into all of the products that are made in America is only a small percentage of the total cost of those products.

Commenting on the price of steel, the other day, an official of the Ford Motor Co. was quoted as saying: "Labor costs mean more to the auto industry than material costs. About 80 percent of what you pay for a car goes for labor and only about 20 percent for materials—including steel."

And that, of course, is not only true of automobiles, it is true throughout industry generally.

If you took all of the products that are made in America, put them in one huge pile, and added up the price tags on the lot, upwards of three-quarters of this total value would represent the employment costs that were incurred all along the line of production. The remaining quarter or less would cover not only the basic cost of all the raw materials, but would also pay for the rental of property, the interest in debt, and the dividends that pay for use of all of the tools of production that were employed in the manufacture of those products.

"Insignificant in comparison"

So the truth of the matter is that the effect of a rise in the price of steel—or any other material—is so insignificant in comparison to the overwhelming importance of a rise in wage costs, that it is not—and never can be—a controlling, or even a dominant factor in the price of finished articles.

And this, of course, is precisely the fact that certain members of the Senate Antimonopoly Subcommittee have been trying so successfully to ignore.

When the steel companies—after a costly 5-week strike—reluctantly signed their present labor agreement with the union 2 years ago, everyone knew that the annual boosts in employment costs provided in that contract could not possibly be absorbed through an improvement in what some people call productivity, and could, therefore, only be met by a rise in prices. There was no secret about that. You knew it; we knew it; the union knew it; the public knew it; and the Government knew it. But the very same Senators who are now crying havoc at the rise in steel prices were strangely silent then. Did any of them ever raise his voice against these inflationary wage demands? Did any one of them even faintly suggest that such wage demands might not be entirely in the public interest?

No; there wasn't so much as a whisper from them.

Ever since last spring the automobile companies here in Detroit have been fighting to hold the wage-price line, knowing what the effect of the union's wage demands would be in the price of the 1959 models. But they have been fighting alone while the Senate subcommittee looks with studied care in some other direction.

So here we find an interesting study in practical politics. The committee majority professes to be amazed by the fact that industrial prices have risen at a time when demand was falling off in the market place. This, they say, is in defiance of all of the natural laws of economics; and they try to conjure up evidence to show that big, bad business monopoly has caused this unusual phenomenon.

"Unique phenomenon"

Yet with astonishing success, they have diligently failed to recognize a truly unique economic phenomenon which clearly accounts for the first: the fact that wage costs have never stopped their upward push, even though there are 5 million unemployed. Could it possibly be that this strange, and economically inexplicable behavior of wage rates has had, in baseball language, an assist from the massive power over costs—and therefore prices—which Congress itself has conferred upon the great national unions?

I merely ask.

Gentlemen, this subcommittee has spent hundreds of thousand of dollars of Federal funds to investigate prices in some of our major industries; and I am sure that the companies which have been haled before it have, together, spent many times that sum in preparing and presenting every fact and figure about their business that could be meaningful and legitimately helpful to the committee.

Had the committee used this material in a real, unbiased, scholarly, and nonpolitical effort to enlist the American people in an all-out attack upon inflation at its actual sources, every penny of this money would have been well spent, and the investigation would have performed a great service to the Nation. But the committee majority has chosen instead an opposite course, some of the reasons for which we can only surmise.

This political world being what it is, it could hardly be expected that the members of the committee majority could find the time or the inclination to point out that a basic source of the present inflation lies in the fiscal action of a Congress which, in 2 years, has raised the price of Government by $10 billion, and has left behind it a $12 billion deficit—an action which is certain to give inflation an added boost.

Neither, I suspect, would it be in the personal political interest of the committee majority to expose the extent to which the leadership of labor has been responsible for rising prices.

So the committee majority has chosen to devote its resources to antibusiness attacks on industrial profits—attacks which have already stimulated considerable discussion of peacetime price controls. Let's look at a quick sampling of the kind of misinformation that the taxpayers are getting out of this committee for their money:

The chairman of the committee keeps telling us, 12 months later, that the $6-a-ton price increase of last year has actually cost the direct buyers of steel $540 million and that the cost to the consumer was undoubtedly pyramided to several times that amount.

"Room for improvement"

Passing the fact that there is considerable room for improvement in his level of arithmetical accuracy since the industry shipped just 64,308,000 tons of steel products in the period, the obvious purpose of the chairman is to leave the impression that the dollars from the increased price went into the steel companies' pockets and somehow stayed there. Does he give equal billing to the fact that all the dollars going in went out and more too? And for what? Not for increased dividends, but to pay the increased wages and the other costs incurred during the 12 months that have passed. Proof enough of this is the fact that the industry's profit declined 50 percent between the first half of last year and the first half of this.

The chairman has also repeatedly stated that most of the wage increase which went into effect last July 1 would be offset by the long run increase in labor productivity. Now I don't know, of course, just how long a run the Senator has in mind; but the longer we run, at the past rate of wage increases, the worse off we are; for the undisputed evidence in the record of the committee shows that during the past 17 years, United States Steel's employment costs, per man-hour, have gone up at an average rate of more than 8 percent per year, while the Government's own reports show that output per man-hour in steel has risen by less than 3 percent per year. And anyone, including the Senator from Tennessee, who can really absorb the 8 percent out of less than 3 percent, is exactly the man our industry has been looking for, for years.

But the Wonderland arithmetic of the committee reaches its most mystifying proportions when the Senator and some of his colleagues discuss steel profits. They say, for example, that the $6-a-ton price rise of last year was at least twice as much as was necessary to cover the wage increase that became effective at the same time. Beyond that, they insist that the entire cost of the wage increase was offset by a decline in the price of scrap, as if this were all the cost a steel company has; and the conclusions which they draw from these statements are strange and wonderful to behold.

If they were correct, of course—if the increase in wage costs had been completely offset by a decline in costs—then, if we may also indulge in the committee majority type of shorthand mathematics—the profits of the steel companies would have gone up by more than $180 million.

The fact is, however, that their profits have dropped by $288 million in the 12 months that have passed since that price rise occurred; and the rate of profit has fallen from 7.2 percent on sales to 6.2 percent. In other words, had the companies raised the price of steel enough to cover their increased costs and to maintain their former profit rate during this past year of low demand, it would have taken a $10-a-ton price boost, instead of $6, to do the job.

"Embarrassing clarity"

Now the official reports of these companies have been published and are certainly known to the committee and its staff. They show with embarrassing clarity what the facts are; yet these members of the committee continue to repeat such groundless statements. And it makes you wonder whether the committee majority really believes in adequate profits for industry—and whether a business profit is a part of its political philosophy.

Commenting on what he called the destructive philosophy of the committee majority, as it would affect any company or industry, Senator EVERETT DIRKSEN, in his minority report on the committee's steel hearings declared:

"Indeed, the majority seems to feel that the attempt of such enterprises to operate profitably on a downward trend in the business cycle is somehow inimical to the national interest."

Further insight into the philosophy which holds that a lack of adequate business profits is somehow in the public interest was evidenced in the course of a session of the committee a few weeks ago which was devoted exclusively to the excoriation of steel prices and profits. The Senator from Wyoming spoke eloquently of the dangers arising out of the economic cold war which is being waged against us by Soviet Russia, and then said:

"United States Steel, which is in the position of leadership, wants to maintain itself in the black. The Government of the United States is in the red and is going further into the red; and I have no hesitation in saying that unless the leaders of American industry immediately act to help put the United States in the black, instead of letting it drift deeper and deeper into the red, we will not be able successfully to wage this cold war without great losses to industry and to the people alike."

"Deeper into the red"

Now I can understand the Senator's deep concern at the progress which Russia has made in the economic cold war against us. I understand it because I share it fully. I can also understand his profound concern over the Federal deficit, for I share that too. But if we are to infer that industry—by making a profit—is causing the Federal Government to drift deeper and deeper into the red, then his reasoning escapes me.

Consider for a moment that for every dollar of profit corporations make, the Federal Government collects $1.08 in corporate income taxes. The decline in steel profits alone that has occurred in the past year has already cost the Federal Treasury about $300 million; and were steel profits to be wiped out completely, the Treasury would suffer an additional loss of more than $700 million, thus pushing the Government just that much farther into the red, enlarging the deficit, and driving our Nation closer to the verge of uncontrolled inflation.

Consider, too, that under our Constitution the Senator from Wyoming and his 530 congressional colleagues have the ultimate power to control Government expenditures and receipts, and thus they determine what the Government's fiscal condition will be. So when the Senator appeals to the leaders of American industry to help put the United States in the black, about the best thing that industry can possibly do to aid the Senator in his dilemma, so far as I can see, is to strive to maintain the profits upon which the Government leans so heavily for its revenues.

But above all, consider the nature and the use of corporate profits. What are they?

Well, the fact is that profit, over the years, is nothing more nor less than the price which a corporation must pay for the use of all of the plants, mills, furnaces, machines, tools and other capital assets that it needs in the fabrication of its product. Without sufficient profits, industry can no longer replace its tools of production as fast as they wear out, at which point the workers who once used these tools are without work. Is that in the public interest?

Without adequate profits, industry can no longer adapt the fruits of research and improve—as it constantly has—our Nation's standard of living. Is that in the public interest?

Without enough profit, industry can no longer develop the new sources of raw materials that this Nation must have. Is that in the public interest?

Neither can industry obtain the new, more efficient machines and techniques that have thus far enabled it to absorb so much of the rising cost of labor and materials. Thus prices will then rise at a headlong pace. Will that be in the public interest?

In short, with American troops maintaining the peace in the Middle East, with the Seventh Fleet alerted at Quemoy, with Russian industrial technology advancing at such a rapid pace as to challenge, seriously, our own, and with the multiple problems of the cold war which so deeply and properly concern the Senator from Wyoming, how can American industry discharge its responsibilities to the national welfare and the national security unless it does make a profit large enough to do the enormous job that only a profit can do in the critical years that lie ahead? How else could industry possibly act in the public interest?

"Dangerous unwillingness"

Now surely the members of the committee majority, having achieved the high and respected office which they hold, are fully aware of the facts I have presented here today. Why then this dangerous unwillingness to consider these facts, unpalatable as they may be from a short range political point of view? What is the committee majority driving at?

I hope that the answer is not to be found in a statement which was made at a committee meeting last month by a Senator from Wisconsin—but this is what he said:

" 'Price control' is a word we always used to be scared of, but we are letting someone else control the price; why can't the American people control the price, through its Government?"

I am sorry to say the Senator's statement was warmly endorsed by several members of the committee.

Now it is true that one thing which the responsible public official must constantly guard against is a kind of natural itch to extend the powers of government over everything and everybody. In a way this itch is a sort of occupational hazard endemic in the world of politics, and must always be reckoned with. So it is inevitable, I suppose, that those who are afflicted in this way should try to foist peacetime price and wage controls upon the American people; but surely no responsible Member of Congress—knowing that authority and responsibility must go together—would ever seek to do so.

The Members of Congress are accountable directly to the people of their respective constituencies. They are not accountable directly to the owners, the customers or the employees of any business or enterprise, as management is. And for Government or any committee of Congress to try to usurp the functions of management—either by intimidation or by law—is as alien to our American constitutional concepts as for business to try to usurp the function of Government.

In fact, I can think of nothing that could insure a Soviet victory in the cold war more completely and more quickly than that the selfsame Members of Congress who have "controlled" the Government's finances into the deplorable condition described by the Senator from Wyoming, should now be allowed to "control" American business and industry into a state of acute capital starvation by attempting to regulate all prices, wages, and profits from Washington.

Gentlemen, if this unhappy concept of what appears to some to be in the public interest—as I have described it here today—were a threat to the steel industry alone, I would not have imposed upon your time and patience in this manner. But this dangerous philosophy of a profitless profit system is a grave and present menace not only to every business and industry in the land, but to the broadest possible public interest, including the national security.

Unless the American people understand the true facts, and are apprised of this danger, there is little hope that they will ever be able to deal successfully with the serious inflationary problem that confronts them. I can only suggest that it is up to you—the members of the Detroit Economic Club and of similar representative organizations all over our land—and each one of you, to lay the facts before them. You have no reason or right to assume others will do the job for you.

And time is of the essence; for as the Senator from Wyoming recently said, in what I am sure was a statement of great perception (although used in a different context):

"If we destroy the free economy, we will destroy free government. That is the situation that confronts us."

And, gentlemen, it certainly is.

KEFAUVER SAYS

(Senator ESTES KEFAUVER, of the Subcommittee Investigating Pricing, told Purchasing News:)

Mr. Blough's speech is an important address in that it represents the approach which apparently has been decided upon by the management of the Nation's third largest industrial corporation to questions raised by a congressional committee—in this instance the Senate Subcommittee on Antitrust and Monopoly of which I have the honor to be chairman. The questions raised were important to the economy, to steel consumers, and to the general public; they included such important issues as: (1) How could prices rise in the face of declining demand and substantial excess capacity; (2) why did each of the steel companies, some of which appear to have lower costs than United States Steel, raise their prices by the same amount and to the same level as United States Steel; (3) what is the explanation for bids identical to the thousandths of a cent; (4) to what extent was the price increase justified by the increase in labor costs? What is really significant about Mr. Blough's speech is that it apparently represents a considered decision not to discuss these and related issues on the basis of reason and logic, but rather simply to malign the subcommittee with misinterpretations and distortions. To those whose hope for the future is based upon mankind's ability to solve his problems objectively, this is a saddening state of affairs. But it makes all the more necessary the task of setting the record straight, which I shall now attempt to do.

"Not too subtly"

The principal theme of Mr. Blough's speech is that in addressing itself to the recent price increase in the steel industry, the subcommittee deliberately ignored the fact that wages had been increased. It is inferred, but not too subtly, that this was done for political purposes. Mr. Blough states that when the contract with the union was signed 2 years ago, it was obvious that the wage increases agreed upon would require increases in prices. Yet, he says, "But the very same Senators who are now crying havoc at the rise in steel prices were strangely silent then. Did any one of them ever raise his voice against these inflationary wage demands? Did any one of them even faintly suggest that such wage demands

might not be entirely in the public interest? No; there wasn't so much as a whisper from them." May I point out that at that time no inquiry was being made of administered prices in the steel industry and that the facts on which to base an evaluation of wage-price changes were not being gathered. In the absence of any factual basis I considered it inappropriate then, as I would in any similar situation, to comment on whether a price increase was justified by a wage increase.

One year later, however, we did begin an inquiry into the matter in the course of which we gathered the facts on the wage-price increase in 1957. As Mr. Blough well knows, far from ignoring the wage issue, the subcommittee spent many days in examining the question of the extent to which the 1957 price increase reflected the wage increase. The facts indicated that the price increase was at least twice the increase in wage costs. It is these facts, which he has been unable to refute, that are the real cause of Mr. Blough's present unhappiness.

"Astonishing observation"

Mr. Blough then goes on to make the astonishing observation that our failure to object to the wage-price settlement in the steel industry in 1956 is paralleled by the subcommittee's indifference to the cost-price situation in the automobile industry. Referring to the conflict between the union and the automakers, Mr. Blough states that the Senate subcommittee has been looking with studied care in some other direction. This may come as a surprise to officials of the automobile companies, to the union and to outside experts who have spent many days this year testifying before the subcommittee on the general wage-cost-price-demand situation in the automobile industry. For Mr. Blough's information those hearings, running to several volumes, will shortly be published.

Mr. Blough's contention that I am concerned only with price increases and studiously ignore wage increases is false, and Mr. Blough knows it to be false. Beginning in the latter part of May of this year, I made a speech on the steel price situation virtually every day on the Senate floor. During these speeches I repeatedly addressed myself to the forthcoming wage increase in the steel industry. On May 22 I sent a letter to the President urging him to adopt voluntary measures to halt the inflationary spiral and calling his attention to the success with which voluntary measures had been used in the early years of World War II to stabilize prices and wages. Among the steps taken then, whose use at this time I urged upon President Eisenhower, were "efforts to persuade labor that for the welfare of the economy they should hold the wage line and avoid inflationary wage increases." In this letter, which was made part of the public record on June 13, I made my position on the wage question crystal clear, stating: "I have every hope and belief that a program designed to stabilize prices through voluntary means will receive the full cooperation of labor. If labor organizations were to persist in demands which exceed productivity gains and require significant increases in prices, the spotlight of publicity should be turned on them." On June 20 I sent telegrams to Mr. Blough and Mr. David McDonald, president of the United Steelworkers, outlining to both the dangers of a steel price increase and asking them to attend a conference which I hoped would be called by President Eisenhower to work out a voluntary program on wages and prices. Although President Eisenhower never did call the conference, David McDonald, of the Steelworkers, in his reply to me stated that he would be glad to participate. Again, on August 4 the majority of the members of the subcommittee joined together in urging the President "to call a conference of representatives of industry and labor to formulate a wage-price program to arrest what appears to be developing into a permanent inflationary trend, which continues unabated regardless of whether the economy is in a state of prosperity or recession." We emphasized that "important as are the interests of both industry and labor, they are secondary to the public interest."

This, I surmise, is what rankles Mr. Blough. It is not that we have been ignoring the wage question—a charge which he knows is not true. It is that we have emphasized that the public interest is paramount to the interests not only of labor but of industry as well.

A corollary line of argument advanced by Mr. Blough is that the subcommittee is opposed of profitmaking. We stand accused of being in favor of a dangerous philosophy of a profitless profit system. Criticism of a price increase as exorbitant is made the equivalent of an attack upon our American free enterprise system. This is a level to which I never thought Mr. Blough would sink. Again, my position on profits has repeatedly been made clear. Thus, on June 18, I said in a speech on the floor of the Senate:

"To resolve any possible confusion that might arise on this point, I wish to make it abundantly clear here and now that I am not opposed to profitmaking by the steel companies or any other companies. Indeed, I wish that the steel companies had made greater profits than was actually the case last year. Those of us who are concerned about the price behavior of the steel industry and its possible consequences are not concerned with how much money the steel companies make; what does concern us is how they make their profits."

"Two ways of making profits"

I then went on to point out that there are two ways of making profits—the old American way, epitomized by the elder Henry Ford, of low unit profits and high volume and the European cartel pattern of low volume and high unit profits. What concerns me is the danger that certain concentrated American industries such as steel may be adopting the cartel method. Mr. Blough speaks of the work of the subcommittee as alien to our American constitutional concepts. What is really alien to American concepts is the replacement of the traditional American method of profitmaking by the restrictive method of high prices and limited production and employment. That this has in fact been taking place in the steel industry is indicated by the ability of the steel companies to realize favorable profit showings while operating at relatively low levels of production. For example, in the first half of 1958 the profit rate after taxes on stockholders' investment for United States Steel was 9 percent on an annual basis. This is about the same level as the company enjoyed in such good years in the past as 1924, 1925, 1928, 1949, and 1954. The one great difference, however, is that in order to attain this profit rate in the past United States Steel had to operate at 75 to 85 percent of capacity. Now it is able to achieve the same profit percent of capacity. How many others can make that claim?

In his speech, Mr. Blough cites the decline in profits between 1957 and 1958 as proof of the incorrectness of the subcommittee's conclusions. Mr. Blough knows that profits in the steel industry, as in most other industries, are determined to a considerable extent by the level of production. He knows that between 1957 and the first half of 1958 the operating rate of United States Steel Corp. fell from 85 to 54 percent. He knows that as a result a decrease in profits was inevitable. Yet, without mentioning the decline in production, he draws from the decline in profits the inference that the price increase was fully justified and that indeed an even greater price increase would have been in order.

That the industry's price increase in 1957 was greater than its cost increase is made abundantly clear by the fact that those steel companies which suffered a decline in production maintained or even increased their profits, while those which maintained their production at about the same rate showed sharp increases in their profits. An extreme example is the case of Jones & Laughlin Steel Corp. which, between 1956 and 1957, suffered a decline in its percent of capacity operated from 97 to 88 percent; yet its net profits after taxes actually rose from $45.1 million to $45.5 million. Youngstown Sheet & Tube had a decrease in its operating rate from 94 to 82 percent; yet its net profits remained virtually unchanged at $43.2 million in 1956 and $42.5 million in 1957. United States Steel Corp., it happens, had exactly the same operating rate in 1956 as in 1957—85.2 percent; yet its profits rose from $348 million in 1956 to $419 million in 1957—an increase of 20 percent. Bethlehem Steel Corp. had about the same operating rate in both years—91.6 in 1956 and 93.3 in 1957; yet its net profits rose from $161.4 million in 1956 to 191 million in 1957—an increase of 18.3 percent.

Third line of attack

In addition to criticizing the subcommittee for ignoring the wage increase and opposing the profit system, Mr. Blough draws a third line of attack in which he seeks to demonstrate the ineffectiveness of steel price reductions in stemming the rise in the cost of living. According to Mr. Blough's account—which does not suffer from any undue modesty—United States Steel in 1948 tried to play the role of industrial statesmanship. The company refused a wage increase to its workers and reduced the price of steel by amounts ranging up to $5 a ton on those products which might be expected to produce the most immediate effect upon the consumer's pocketbook and the cost of living.

But with what results? Mr. Blough says, "The march of inflation was not even fazed by the steel price reduction. It moved on, unabated; and within a few months, United States Steel had to raise wages, rescind the reduction and increase its prices in a belated effort to catch up with the tail-end of the wage-cost procession that had already passed it by." Moreover, although this story, according to Mr. Blough, was presented to the subcommittee in my presence, I disclaimed knowledge of it on the Senate floor. In response to a question of whether I remembered "any testimony that the steel companies have ever reduced their prices," I replied, "I do not remember any."

Thus the story is complete: United States Steel tried to arrest the rise in the cost of living by reducing steel prices; the effort failed; and on top of that I stand convicted of not being in good faith. It is a nice, neat story, complete with punch line. Its only flaw is that it bears only a passing resemblance to the truth.

Let us take a look at that 1948 price reduction. True, there was a reduction in the price of finished steel. Between April and June the composite price of finished steel published by Steel magazine declined by 1 percent—hardly enough, incidentally, to have much effect on the cost of living. It wasn't much of a drop, but, as Mr. Blough says, a decline in the price of finished steel did take place.

But this is only part of the story. Two months earlier, United States Steel had increased the price of semifinished steel. This is steel purchased as raw material by small, nonintegrated steel companies, which they then process into finished steel products and sell in competition with the finished steel products of the big companies. Hence, these small producers are at one and the same time

in competition with the integrated concerns in the sale of finished steel and dependent upon them for their supply of semifinished steel. By raising the price of the semifinished steel while holding the price of finished steel unchanged the big companies can put a "squeeze" on their smaller rivals. This is what actually happened in 1948.

"Squeeze was tightened"

In February, the price of semifinished steel was raised substantially, the index of rerolling billets and slabs published by Iron Age rising 12 percent. The price of finished steel was held unchanged. Two months later the squeeze was tightened, as United States Steel and the other big producers lowered the price of finished steel. This was the benevolent act of industrial statesmanship referred to by Mr. Blough. The squeeze was eased some months later, not because United States Steel had regretfully concluded that a 1 percent drop in the price of finished steel had not arrested the rise in the cost of living, but because of the many protests against this vicious, monopolistic maneuver from within the industry and from Congress.

In March 1948, hearings were held by the Joint Economic Committee under the chairmanship of Senator Taft. The hearings reveal the Senator to have been highly critical of the big firms, particularly United States Steel, for having imposed the price squeeze on their smaller rivals. The testimony indicated that the smaller companies were unable to absorb the price increase on semifinished steel and remain in competition with the big companies. The committee in its report states:

"In the hearings held by this committee under the chairmanship of Senator Taft in 1948 the fact was brought out that the increases then promulgated squeezed the independent fabricators. The results appear clearly in the profit records of the individual [steel] companies" (81st Cong., 2d sess., S. Rept. No. 1373, p. 20).

The only element in common between Mr. Blough's fanciful account and the true record is that the price of finished steel was reduced in 1948. But the reduction was accompanied by an increase in the price of other types of steel, it was much smaller than implied by Mr. Blough, and it was put into effect for an entirely different and hardly laudatory purpose.

When, in response to the question on the Senate floor, I replied that I did not remember any price decreases by steel companies, I was of course speaking of fairly recent years and what I particularly had in mind were the unsuccessful efforts by Mr. Blough during hearings before our subcommittee to cite instances where other steel companies had lowered their prices below those of United States Steel. In trying to create the impression that United States Steel was not in fact the price leader, Mr. Blough cited examples of price actions taken by other steel companies before United States Steel had changed its price. Upon examination, none of these examples turned out to be true illustrations of the point which Mr. Blough was trying to establish. They consisted merely of instances in which other steel companies had narrowed or eliminated a premium above United States Steel's price which they had been able to charge during a seller's market. Or, they consisted of instances in which certain smaller steel companies which had not been closed by a steel strike had changed their prices in anticipation of the strike settlement. The only instance produced by Mr. Blough of a price action taken by another steel company which resulted in a price below United States Steel's was the failure of Republic Steel in 1954 to increase its price on one product, galvanized sheets, by the full amount of the increase imposed by United States Steel, with the result that about a month later United States Steel rescinded part of its increase to bring its price into line with Republic's lesser increase.

What Mr. Blough has thus done on this price question is to follow the same line of attack that he employed on the wage and profit matters. This has been to create a diversionary issue which would draw attention away from the facts. It matters not to Mr. Blough that the diversionary issue may be misleading or even false as long as it accomplishes its purpose. While scarcely commendable, this tactic is certainly understandable in view of the nature of the record. Very briefly the record on prices is one of continuing price increases since World War II which are made regardless of whether labor costs are rising or falling or whether demand is increasing or decreasing, of price increases which have raised the industry's profit rate in relation to production to levels far above anything which has ever existed in the past, of the consequent addition of many billions of dollars to the cost of goods and services throughout the economy, of virtually a complete absence of price competition in the industry, and of the clear and unmistakable dominance of United States Steel as the industry's price leader.

Mr. Blough makes a number of other points in his speech which are so absurd or so inaccurate as to warrant only passing reference. For example, he states, "Any price increase of any size is immediately denounced as unjustified." May I point out that the task of denouncing the thousands or probably even millions of price increases which occur yearly throughout the economy would have occupied the full time of each member of the subcommittee working 24 hours a day. Actually, questions have been raised of price increases in only three industries—oil, automobiles and steel—and those are industries in which questions needed to be raised.

"As a surprise"

He states that the economists who opened our hearings on administered prices were carefully picked * * * to come before it and show how the so-called administered prices of business had caused inflation. That this was the function they are supposed to perform will come as a surprise, I am sure, to such distinguished men as Dr. Edwin C. Nourse, Dr. Gardiner C. Means and the others who appeared. As for being carefully picked the record should show that all of the country's economic authorities who have specialized on the subject of administered prices were invited to testify, and the subcommittee heard all of them with the exception of two who were unable to appear.

Mr. Blough persists in talking about the rise in employment costs per employee-hour. As was pointed out by the subcommittee in its report, this is just as meaningless as a measure used by the union of profits per man-hour, and for essentially the same reason. As productivity rises with the replacement of labor by machinery, the number of man-hours required to produce a given amount of steel will decline. Therefore, other things being equal, both employment costs per man-hour and profits per man-hour will rise. But the significance of these trends has not been made clear by either Mr. Blough or the union. What would be significant would be a breakdown of labor costs, materials cost, and other costs, not per man-hour, but per ton of steel produced. After all, the steel industry is not a law firm; the unit of measurement on which its price is based is not hours expended but tons of steel produced. Unfortunately, United States Steel and the other steel companies have persistently refused to disclose their costs in terms of the meaningful unit of measurement.

Mr. Blough cannot, in strict logic, be accused of reasoning in circles, because he never quite closes his circles. He fails to recognize himself when he meets himself coming back. He complains that the Congress is partly responsible for inflation, because, he says:

"This political world being what it is, it could hardly be expected that the members of the committee majority could find the time or the inclination to point out that a basic source of the present inflation lies in the fiscal action of a Congress which, in 2 years, has raised the price of Government by $10 billion, and has left behind it a $12 billion deficit—an action which is certain to give inflation an added boost."

He knows, of course, that Government spending cannot be reduced in periods of cold-to-lukewarm war. He knows that the way to avoid deficits is to increase taxes. Yet a major part of the statement prepared for the subcommittee by his Finance Committee chairman, Mr. Tyson, was a plea for tax reduction for the steel industry in general and United States Steel in particular. And last year, when Mr. Blough submitted to the subcommittee a memorandum on "Inflation and What the Congress Might Do About It," he said nothing about raising taxes to cover the deficit he now complains of.

Perhaps the real significance of Mr. Blough's speech is that it may be symptomatic of the way in which top management of our large corporations has decided to respond to criticism. Confronted with the highly unusual behavior of rising prices at a time of declining production and employment, it was almost inevitable that Members of Congress and the public would begin to ask questions. Top management has the choice of meeting these questions either through the "high road" of reasoned argument or the "low road" of invective, misrepresentation and falsehood. It is saddening that in this speech Mr. Blough has chosen the latter.

In particular, his speech will come as a blow to those economists, political scientists, and social philosophers who believe that corporate management has entered on a new era—an era in which management is aware of and responsive to its responsibilities to the public interest and can defend its decisions to the public on reasoned grounds. Mr. Blough's speech is proof that either such reasoned grounds do not exist or, worse, that they were deliberately ignored in favor of flip and facile charges unsupported by fact or reason. Although he may not realize it, Mr. Blough has compounded the difficulty of defending his cause.

NATIONAL SECURITY—ADDRESS BY SENATOR RUSSELL BEFORE RESERVE OFFICERS ASSOCIATION

Mr. TALMADGE. Mr. President, on Friday night, January 30, the Reserve Officers Association of the United States paid a richly deserved tribute to the outstanding record and myriad accomplishments of my distinguished senior colleague [Mr. RUSSELL] in presenting to him its Minute Man of the Year Award. The accompanying citation acclaimed him as the man who has "contributed most to provide national security in the United States."

We in Georgia are tremendously proud of our senior Senator and the selfless dedication with which, for more than a quarter of a century, he has brilliantly served the interests of his State and Nation. We are particularly pleased that the Nation as a whole shares our pride and recognizes the great debt of gratitude which all Americans owe to him.

The address which the illustrious senior Senator from Georgia delivered

on the occasion to which I have referred is a masterful and moving assertion of the determination of the American people to maintain the strength and heritage of our Nation. It should be read by every American, and I ask unanimous consent to have it printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR RICHARD B. RUSSELL, DEMOCRAT, OF GEORGIA, CHAIRMAN OF THE SENATE ARMED SERVICES COMMITTEE, ON RECEIVING THE RESERVE OFFICERS ASSOCIATION MINUTE MAN AWARD FOR 1959, AT THE SHERATON PARK HOTEL, WASHINGTON, D.C.

Mr. President, members of the Reserve Officers Association of the United States.

I accept the award of Minute Man of the Year with a feeling of great humility. I accept it with the full knowledge that the greatest contribution any citizen can make to our national security is but a small part of the total effort necessary to keep our country strong and free.

In this land of ours, the security of the country is a responsibility devolving upon all Americans in all walks of life. Over a period of many years, no group has contributed more to the security of our Nation than the members of the Reserve Officers Association of the United States. It is, therefore, a peculiar honor and distinction to be selected by you as the citizen who contributed most to provide national security to the United States.

From the time of George Washington, the concept of supporting active duty forces with a well trained reserve has been a generally accepted doctrine of our national defense system. The citizen soldier led in most instances by reserve officers, have been the principal components of the Armed Forces that have brought this Nation victory in every war in which we have been engaged.

Our plans to defend this country in the future in large part rest upon the expected contributions to be made by those who in time of peace preserve the identity and the efficiency of reserve organizations who will be the first called in time of war.

I deem it a privilege this evening to salute and commend the reserve officers of this Nation for their continuing interest ip all things that affect the military strength of this Nation.

While questioning the validity of your selection, I can say in all good conscience that no one has a greater desire to contribute to our national security. In these times of stress and danger, there can certainly be no higher objective in life. If my efforts have contributed substantially to our country's defense, that fact of itself would be reward enough for any man.

Today, the name of those who work toward national security is legion. Few persons in our country do not contribute in some way—either directly or indirectly.

Those who serve in the active military forces, those who stand alert in our Ready Reserve, are of course, the first line of the Nation's defenses. But some aspect of our security efforts touches almost every living American every day of their lives.

The citizens who pays the taxes to finance the Defense Establishment; those in the executive branch who labor over war plans and military programs; the Congress that seeks to provide the means of implementing the plans; the industrial worker who produces the arms; the farmer who raises the necessary food and fiber; the scientist who designs our missiles—all these and many others are vital components of the national strength.

During my service in the Congress, the degree of interest in our Reserve organization has varied from time to time. Some of those who have directed the administration of the Deparment of Defense have sought to emphasize the importance of a large and well-trained Reserve. Others have limited their interest in a Reserve program to lip service. It has been frequently said that our military establishment either enjoys a period of feast or famine. The Reserve organization is more familiar with varying degrees of a famine diet.

The members of this organization have consistently sought to impress upon the Congress and the country that a strong and active reserve is a vital part of any adequate system of national defense.

The vital question as to whether our national defense is adequate is one that is difficult to answer with any degree of certainty. Whether or not our defense is adequate depends on our strength as compared to that which may be brought to bear against us by our potential enemies.

This places us at an immediate disadvantage. The countries lying behind the Iron Curtain can be much more secretive than the Free World about their war-making potential and their success in development of the terrifying new weapons of the Space Age.

We are confident that our Armed Forces are capable of inflicting great destruction on any enemy in a general war. We must recognize that the balance of arms is an equation that must be constantly re-examined in the light of the best intelligence estimates as they become available.

Although I realize the objections to such a course, I have frequently thought that the American people should be told frankly of the capabilities of our potential enemies based on the best estimates of our military and intelligence officials. I believe this would create better public understanding and awareness of the effort required for national survival.

I have unlimited faith in the willingness and determination of our people to support whatever defense measures are needed to preserve our freedoms, if they are given a candid explanation of the need.

Because of this confidence in the people, I am not reassured by bland statements that our defense strength is "greater than ever before." We must know it is enough to survive. To borrow an illustration from football, it is obviously better to have 14 points in a 14–7 victory than to have 21 points in a 28–21 loss.

Technological progress of the last decade and the promise of even more startling developments in the immediate future have introduced many complications to defense decisions. In a transitional period, some of the old weapons and techniques must be abandoned to make way for the new.

If we could predict with certainty the type of conflict in which our Armed Forces are likely to become engaged, a choice of systems and the establishment of spending priorities would be greatly simplified.

It is fundamental by now that we must maintain a potent retaliatory force capable of deterring overt aggression and use of force by the Kremlin.

International events since the hostilities in Korea emphasize the many possibilities of armed conflict calling for what have been termed "conventional forces," although this is a term of changing and imprecise meaning. Indeed, our possessing of great retaliatory power may logically increase the probability that conflicts will occur in a degree less than total.

If both we and our enemy have the power of terrible destruction in a nuclear war, the chances of such a war are greatly decreased. This increases the likelihood of a large number of small wars for which we must be prepared. Our destruction can be as certain through a nibbling process maintained long enough as it could be by the horrors of a nuclear holocaust.

After making these basic observations, I should attempt to relate the role of our Reserve forces to our overall defense effort.

I have always believed that there is a clear relationship between the size of the active duty force and the size of the Reserve forces.

The successive reductions in our active duty forces that have been made by our defense planners within recent years have been a source of genuine concern and alarm to many of us charged with a responsibility for our national security.

The last Congress registered its strong disapproval of the proposed reduction of the Regular Army to 870,000 men and the Marine Corps to 175,000. This reflected a growing Congressional concern that reductions in the resources and strength of the Army are impairing its ability to meet its responsibilities throughout the world.

I am distressed that the Defense Department is going forward with plans to reduce the strength of the Army and Marine Corps despite the intent of Congress to the contrary.

If these reductions are to be made despite our protests, it becomes even more essential that compensative emphasis be placed on the effectiveness of the Reserve forces.

Unfortunately, I fear that the effectiveness of the Reserves has not received the attention that it deserves by defense officials in the executive branch. Except for Congressional action having the force of law, the number of our Reserve forces would have been reduced by 70,000 during this fiscal year.

This action by the Congress in exercisting its constitutional responsibility of raising and supporting armies met with the keen displeasure of some defense officials. They have already renewed their efforts to reduce the Reserves in the coming fiscal year.

I, for one, will vigorously oppose any effort to restrict the Congress' lawful prerogative in this field, and I shall fight any attempt to impair the effectiveness of the Reserve forces.

I readily concede that size is not the sole measure of the strength of our Reserve forces. Increasingly complex weapons and changing strategic and tactical concepts compel reevaluation of both the organization of the Reserve and the type of training it must conduct.

Old weapons and techniques are made obsolete from day to day.

This makes all the more important the training of the Reserve forces on which we will be compelled to depend in the event of all-out war. The technique of a rapid countdown of IRBM's and ICBM's cannot be acquired in brief training. Such new developments as the Polaris have revolutionized the technique of submarine warfare. The obligation upon the Congress of the United States to maintain an adequate defense cannot be met unless the Congress meets its obligation to the Reserve forces.

The leaders of our Reserve forces, such as the members of this organization, have declared their willingness to accept necessary change to intensify training of the type needed for utilization in an active-duty status.

My experience with Reserve leaders convinces me that you are eager to cooperate and to maintain the kind of Reserve structure that military considerations demand. At the same time, you are justified in questioning reductions in strength that are masqueraded as modernization without having any real basis in doctrine.

I could not conclude my remarks without expressing my appreciation to the members of this organization, not alone for the honor bestowed on me tonight, but for your dedicated service in the Reserve. As leaders of our Reserve forces, you deserve a large share of credit for the Reserve strength that we have. This Reserve strength is substantial despite our recognition that it could and should be greater.

I commend you for your enthusiastic participation in our national security effort, and I urge you to continue your interest and your activities in this trying era of international stress.

We have a common goal—the security and freedom of our country. By working together, in a spirit of eternal vigilance and stout determination, ours will continue to be "the land of the free and the home of the brave."

Thank you.

SCHOOL SEGREGATION CASES—ARTICLE BY CHARLES J. BLOCH

Mr. TALMADGE. Mr. President, one of the greatest legal minds of this century is that of Hon. Charles J. Bloch, of Macon, Ga. Mr. Bloch was president of the Georgia Bar Association in 1944–45, and was chairman of the Judicial Council of Georgia from 1945 to 1947. He is chairman of the rules committee of the Supreme Court of Georgia, is the author of the widely acclaimed book "States' Rights—The Law of the Land," and is a nationally recognized authority on constitutional law.

With the precise and unassailable legal logic for which he is noted, Mr. Bloch has written an article for the January 1959 issue of the American Bar Association Journal which should be convincing to all who will read it with open minds. It is entitled, "The School Segregation Cases: A Legal Error That Should Be Corrected." It is an article which should be read by every American and, in order that it might be given the widest possible circulation, I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SCHOOL SEGREGATION CASES: A LEGAL ERROR THAT SHOULD BE CORRECTED

(By Charles J. Bloch, of the Georgia Bar (Macon))

(In this article, Mr. Bloch undertakes to answer the position set forth by Attorney General Rogers in his address before the assembly of the American Bar Association in Los Angeles (published at p. 23 of this issue of the Journal). Mr. Bloch feels that the Attorney General is ignoring long-established constitutional doctrine, particularly judicial constructions of the 14th amendment practically contemporaneous with its ratification, when he says that the Supreme Court's decision is the law of the land.)

I was graduated from the University of Georgia in 1913. I was admitted to the bar of Georgia in 1914. I was admitted to the bar of the Supreme Court of the United States on December 18, 1918. I have been practicing law in Georgia for almost 45 years. Maybe those dates only demonstrate that I am old fashioned. So is the Constitution. It is a century older than I am, but "equal" means the same today and meant the same in 1954 as it did in 1927, 1893, and 1789.

When I was in college, we were taught what I still believe to be the law of the land. We were taught that the plain mandates of the Constitution, the Ark of the Covenant, were to be obeyed, not evaded. We were taught that the power of the courts and the duty of the courts were to construe the Constitution, not to amend it or distort it to conform to their personal notions and beliefs.

Conditions in the world of 1893–1913 were not static any more than they have been in the world of 1938–58. But no attempt was in those days made to amend the Constitution by judicial fiat or decree. If the changed conditions required a change in the organic law, the organic law was not stultified and destroyed in order to accomplish the change. The organic law was amended in the manner provided in it.

In 1895, the Supreme Court of the United States in an opinion written by Chief Justice Fuller, with Justices Harlan, Brown, Jackson, and White dissenting, held that an income tax law passed by the Congress was unconstitutional. Said the Chief Justice, with whom Justices Field, Gray, Brewer, and Shiras concurred:

"It is the duty of the Court in this case simply to determine whether the income tax now before it does or does not belong to the class of direct taxes, and if it does, to decide the constitutional question which follows accordingly, unaffected by considerations not pertaining to the case in hand."[1]

There was a great hue and cry over that decision. Populists did not like it. Southerners did not like it. The farmers of the great West did not like it. About the only segment of the population which did like it was that segment concentrated in the northeastern section of the country.

Justice Field retired from the Court in 1897; Justice Gray in 1902; Justice Brewer in 1910. Other gentlemen succeeded them as Justices. But no attempt was made to have a new Court amend the Constitution by reversing the Income Tax case of 1895.

The meaning of the provisions of the constitutional provision as to the power of Congress to levy taxes had "take[n] on meaning and content as" it was "interpreted and applied in" that specific case.[2]

LEGAL AMENDMENT * * * NOT USURPATION OF POWER

The Constitution provided for its own legal amendment. That method was followed, and 18 years later, the 16th amendment supplanted the decision of the Court. The organic law remained unwounded. It had been amended by due and legal process, and not by usurped power.

The 14th amendment to the Constitution of the United States, proclaimed in 1868, in its first section, thus ordains:

"All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States, and of the State wherein they reside. No State shall make or enforce any law, which shall abridge the privileges or immunities of citizens of the United States. Nor shall any State deprive any person of life, liberty or property, without due process of law; nor deny to any person within its jurisdiction, the equal protection of the laws."

The constitution of the State of Missouri provided that male citizens should be entitled to vote.

In this situation, Mrs. Minor, a native-born, free, white citizen of Missouri, over 21 years of age, sought to vote. She asserted that she had that right because of the 14th amendment. The case reached the Supreme Court. Chief Justice Waite speaking for a unanimous Court denied her the right to vote, saying:

"Certainly, if the courts can consider any question settled, this is one. For nearly 90 years the people have acted upon the idea that the Constitution, when it conferred citizenship, did not necessarily confer the right of suffrage. If uniform practice long continued can settle the construction of so important an instrument as the Constitution of the United States confessedly is, most certainly it has been done here. Our province is to decide what the law is, not to decide what it should be. * * * If the law is wrong, it ought to be changed, but the power for that is not in us. The arguments addressed to us bearing upon such a view of the subject may perhaps be sufficient to induce those having the power to make the alteration, but they ought not to be permitted to influence our judgment in determining the present rights of the parties now litigating before us. No argument as to woman's need of suffrage can be considered. We can only act upon her rights as they exist. It is not for us to look at the hardship of withholding. Our duty is at an end if we find it is within the power of a State to withhold."

So spoke Chief Justice Waite and Associate Justices Clifford, Miller, Field, Bradley, Swayne, Davis, Strong, and Hunt in 1874.[3] Very soon, some of those Justices died; vacancies occurred in the Court. By 1897 not one was left. But there was no effort made to have the new Court, in the light of changed circumstances of women, their new power, the psychological effect upon them of not being permitted to vote, their entering the field of business and finance, to reverse and repeal its former decision. The admonition of the Court was heeded. The appeal was made to Congress and the States. The 19th amendment to the Constitution was, by the prescribed, legal, constitutional method, submitted to the States. Forty-four years after *Minor* v. *Happersett*, female citizens legally and constitutionally secured the right to vote.

Jurists and lawyers of that day were taught:

"Legislatures may alter or change their laws, without injury, as they affect the future only, but where courts vacillate and overrule their own decisions on the construction of statutes affecting the title to real property, their decisions are retrospective and may affect titles purchased on the faith of their stability. Doubtful questions on subjects of this nature, when once decided, should be no longer considered doubtful, or subject to change. Parties should not be encouraged to speculate on a change of the law when the administrators of it are changed. Courts ought not to be compelled to bear the infliction of repeated arguments by obstinate litigants, challenging the justice of their well considered and solemn judgments."[4]

THE BROWN CASE—A SHOCKING REVERSAL

Should the law of the land there declared be different in a situation where the States of the South had spent literally billions of dollars upon the idea that the Constitution when amended in 1868 did not affect their rights to maintain separate but equal public schools?

Paraphrasing *Minor* v. *Happersett*, for nearly 90 years the people of the South had acted upon the idea, repeatedly and unanimously decided by the courts of the land, that the States had the right, in regulating their public schools, to separate the races therein.[5]

Is it any wonder, therefore, that the people of the South were shocked, that every student of constitutional law was shocked, when, on May 17, 1954, the Court announced "that in the field of public education the doctrine of 'separate but equal' has no place? Separate educational facilities are inherently unequal."

The Court ignored every rule of law when it made the quoted announcement which was the very opposite of the holdings on the very same question which has "been many times decided to be within the constitutional power of the State legislature to settle, without intervention of the Federal courts under the Federal Constitution."

---

[1] *Pollock* v. *Farmers Loan & Trust Co.*, 157 U.S. 601.

[2] Cf. the Attorney General's Washington speech, proposition Second.

[3] *Minor* v. *Happersett* (21 Wall. 162, 177–8).

[4] *Minnesota Mining Co.* v. *National Mining Co.* 3 Wall. 332, 334).

[5] *Gong Lum* v. *Rice* (275 U.S. 78, 87).

[6] 275 U.S. 78, 86.

So spoke Chief Justice Taft for a unanimous Court in 1927.[6]

In support of that holding there were cited, not the opinions of psychologists, but of the courts of Massachusetts, Ohio, New York, California, Kansas, North Carolina, Indiana, Missouri, Arizona, and Nevada, as well as the opinions of three Federal courts.

In support of that holding there were cited, not the opinions of modern psychologists, but the adjudications of learned jurists made over a period extending from 1849 to 1900. The people of the South trusted their Government. It was on the faith of those solemn judicial constructions of the Constitution that the people of the South, emerging from the ravages of war and reconstruction, spent literally billions of the dollars of their tax revenues, garnered from the properties of their own citizens, for the operation and construction of their own schools.

Does anyone for a moment think that if the South had thought the 1927 opinion of Chief Justice Taft was subject to a reversal based on the opinions of psychologists it would have constructed this vast public school system?

In his Los Angeles speech the Attorney General said: "The ultimate issue becomes the role of law itself in our society; whether the law of the land is supreme or whether it may be evaded or defied."

Why did not the Department of Justice in 1952 and 1953 and 1954, when these school segregation cases were pending in the Supreme Court, say to the Court: "The law of the land is supreme. The ultimate issue is the role of law itself in our society. The law of the land as to the question now before you has in the language of a unanimous Court, 'been many times decided to be within the constitutional power of the State legislature to settle, without intervention of the Federal courts under the Federal Constitution.' "

Why did not the Department of Justice then say to the Court: The decision is within the discretion of the State in regulating its public schools, and does not conflict with the 14th amendment."

That was the supreme law of the land as declared for over a century before May 17, 1954.

Perhaps, if the Department of Justice had so advised the Court, the law of the land would not have been evaded or changed by the Court.

How can the Department of Justice now tell the South that it is evading or defying the law of the land when the South is trying only to have redeclared what has been the law of the land for over a century?

In his Los Angeles speech, the Attorney General says that the May 17, 1954, decision was foreshadowed by earlier holdings. If it was so foreshadowed, it is all the more a reason why the Department of Justice, really anxious to keep the supreme law of the land from being evaded and defied, should in 1952 and 1953 and 1954, have stepped in, and told the Court that the question under consideration had been decided, and that the decision had been established as the law of the land for over 90 years.

Such a statement might not have been politically expedient, but it would have been in accord with the Department's present sentiments as to what the South should do.

The Attorney General, in the foreshadowing phase of his speech, referred to the Court's opinion delivered through Chief Justice Hughes with reference to the Negro living in Missouri who sought admission to the Law School of the University of Missouri. The Attorney General said of this case that "The constitutional requirement of equal protection of the laws was not deemed satisfied by the State's offer to pay tuition at a school of comparable standing in a nearby State." The Attorney General did not mention the fact that in that case,[7] decided in 1938, the Supreme Court distinctly recognized the separate but equal doctrine as being a part of the law of the land.

Mr. Chief Justice Hughes there said "The State court has fully recognized the obligation of the State to provide Negroes with advantages for higher education substantially equal to the advantages afforded to white students. The State has sought to fulfill that obligation by furnishing equal facilities in separate schools, a method the validity of which has been sustained by our decisions." [8]

And further, said Chief Justice Hughes: "The State was bound to furnish him within its borders facilities for legal education substantially equal to those which the State there afforded for persons of the white race, whether or not other Negroes sought the same opportunity." [9]

All that the Court held there was that the separate but equal doctrine which it recognized as a part of the law of the land was not satisfied by Missouri's offer to pay the Negro's tuition at a law school of comparable standing in a nearby State.

There was nothing in that decision to foreshadow that the Court, differently constituted, would 16 years later say "that in the field of public education the doctrine of separate but equal has no place."

"SEPARATE BUT EQUAL" * * * THE LAW OF THE LAND IN 1938

The decision of 1938 recognized the separate but equal doctrine as a part of the law of the land.

The decision of 1954 nullified it.

In discussing the 1950 Texas law school case,[10] the Attorney General failed to state that there the Court refused to disturb the findings of the Court in *Plessy* v. *Ferguson*. What the Court did do was to recognize the "separate but equal" doctrine as generally stated and applied, but to hold that there could not be a separate but equal law school because of factors incapable of objective measurement which make for greatness in a law school.

At Los Angeles, the Attorney General said that since May 17, 1954, holdings of the Supreme Court and of the lower Federal courts emphasize that a State may not engage in other forms of segregation, for example in providing recreational facilities and in public transportation.

Revolutionary as it was, conflicting with the law of the land as it did, the scope of *Brown* v. *Topeka*, and its companion cases of May 17, 1954, was confined to public education.

In the cases decided on May 17, 1954, the plaintiffs contended only that segregated public schools are not "equal," and cannot be made equal. Argument was had at the 1952 term and the 1953 term. The Attorney General of the United States then in office participated both terms as amicus curiae. One wonders why the Attorney General, either as amicus curiae or magister curiae, did not inform the Court that the question raised by the plaintiffs had long since been settled by repeated decisions of State courts of last resort alluded to by Chief Justice Taft [11] in *Gong Lum* v. *Rice*, by the unanimous opinion of the Court in *Gong Lum* v. *Rice*, as well as by the Supreme Court in *Plessy* v. *Ferguson*,[12] and *Cummings* v. *Board of Education*.[13] One wonders why a Department of Justice which now insists that the decisions of May 17, 1954, are the law of the land, did not prior to May 17, 1954, insist with equal vigor that the century-old, unanimous holdings establishing the "separate but equal doctrine" constituted the law of the land. Why did the Department of Justice permit the Court to destroy this established "law of the land" without a murmur of protest?

The only question raised and decided on May 17, 1954, pertained to public education. When the Court on May 17, 1954, said that the separate but equal doctrine did not make its appearance in the Court until 1896 in the case of *Plessy* v. *Ferguson* involving "not education but transportation," and that "American courts had since labored with the doctrine for over half a century", why did not the Department of Justice, upholder as it is of the law of the land, advise the Court, teach the Court, that the separate but equal doctrine, involving not transportation but education, had made its appearance in and been established by the courts of Massachusetts, Ohio, Indiana, California and New York in an unbroken line of decisions beginning a half century prior to 1896. The Department of Justice should not, as an upholder and defender of the law of the land, have permitted Justice Frankfurter, Justice Burton, Justice Minton, Chief Justice Warren and Justice Jackson to remain in ignorance of what the courts of their home States had decided long before *Plessy* v. *Ferguson*.

Repeatedly in its opinion of May 17, 1954, did the Court use explicit language demonstrating that it was considering only "whether *Plessy* v. *Ferguson* should be held inapplicable to public education".[14] Distinctly did it "conclude that in the field of public education, the doctrine of 'separate but equal' has no place," and that "any language in *Plessy* v. *Ferguson* contrary to this finding is rejected".[15]

THE LAW OF THE LAND: AMENDED BY THE JUDICIARY

Insofar as the separate but equal doctrine applied to other forms of segregation, for example, in the providing of recreational facilities and in public transportation, the separate but equal doctrine indisputably undisturbed by the decisions of May 17, 1954, remained the law of the land. Nevertheless, the Department of Justice without an apparent murmur of protest has permitted the law of the land to be destroyed by the application of *Brown* v. *Topeka* to totally unrelated cases.[16] The first case to apply the doctrine of the school cases to any other form of segregation was one involving bathing beaches.[17] The city of Baltimore appealed. There was a motion to affirm made, and on November 7, 1955, per curiam the motion to affirm was granted, and the judgment affirmed. So, without opinion, with the stroke of a pen, was the law of the land as it had existed for over half a century judicially amended. Apparently, there was not even an argument of the grave questions before the Supreme Court on appeal. The strident voices of today as to the law of the land were strangely silent 3 years ago when this repeal by the judiciary was taking place. The Supreme Court has never seen fit to consider thoroughly and discuss thoroughly any of the lower court cases which have destroyed the law of the land by expanding the doctrine of the school segregation cases.[18]

---

[7] *Missouri ex rel. Gains* v. *Canada*, 305 U.S. 337.

[8] Op. cit. p. 344.

[9] Op. cit. p. 351.

[10] *Sweatt* v. *Painter*, 339 U.S. 629.

[11] *State of Ohio ex rel. Garnes* v. *McCann*, 21 Ohio St. 198, 211; *Cory* v. *Carter*, 48 Ind. 327; *King* v. *Gallagher*, 93 N.Y. 438; *Ward* v. *Flood*, 48 Calif. 36, among others.

[12] 163 U.S. 537.

[13] 175 U.S. 528.

[14] 347 U.S. at p. 492.

[15] 347 U.S. at pp. 494–495 (see also 349 U.S. at p. 293).

[16] E.g., *Dawson* v. *Baltimore*, 220 F. 2d 386; 350 U.S. 377.

[17] Ibid.

[18] See 347 U.S. 974; 350 U.S. 879, 352 U.S. 903.

Why has the Supreme Court permitted its plain ruling in the school cases of 1954 to be distorted and extended beyond their original scope?

Is the established law of the land so to be destroyed in all fields of jurisprudence in the future?

Will the Department of Justice remain silent witness to such destruction and then lecture free citizens of the United States who complain of such judicial repeal?

Are not American lawyers interested in such questions of fundamental law quite aside from their views on segregation?

The Attorney General said, too, in Los Angeles: "The unanimous decision of the Court in the recent school cases thus represents the law of the land for today, tomorrow, and I am convinced, for the future, for all regions and for all people."

This theory was not true as to Texas voting laws. In 1935, the law of the land was so declared as to render these laws valid and constitutional.[19] Nine years later, that declaration was reversed without the change of a syllable having been made in the organic or statute law.[20] That theory was not true as to *Plessy* v. *Ferguson*. That theory was not true as to *Gong Lum* v. *Rice*. That theory was not true as to the restrictive covenant cases. That theory was not true as to any case if the members of the Supreme Court are free to cut the pattern of the established law of the land to fit the wishes of a majority or a vociferous, clamoring minority at any given time.

The Attorney General and all others who have treated the school segregation cases as establishing an immutable principle designated by a catch phrase as the "law of the land" have entirely overlooked or ignored the fact that these four State cases had, as their foundation, a finding as to the effect on colored children of their being separated from the white children. Any lawyer reading the opinion in those cases will find it perfectly clear that the basis of the ruling of the Supreme Court was the findings of fact made by the courts below in the Kansas [21] and Delaware [22] cases which were reviewed along with the South Carolina and Virginia cases. If that factual basis is eliminated, the so-called conclusion of law falls. What appears to be basic questions of constitutional law really are not. The legal questions there apparently decided were based on findings of fact of two of the cases which were assumed to apply in the other two cases.

A LEGAL ERROR THAT SHOULD BE CORRECTED

It may well be that in the future a trial judge in Georgia or in any other State of the Union may conclude from other testimony, additional testimony of real experts, testimony matured in the light of developments since May 17, 1954, more complete testimony, that in our Georgia society, or Texas society, or the society of any other State, State-imposed segregation in education does not, of itself, result in Negro children receiving educational opportunities which are substantially inferior to those available to white children similarly situated, or that if it does, that the psychological effect on white children of the enforced mixing and mingling overbears the effect of segregation on Negro children.

And the Attorney General overlooks the fact, when he says "the South must obey," that the 11th amendment to the Constitution of the United States is still a part of that Constitution, and that Federal court decrees cannot compel any State of the Union to operate a public school system. Federal courts may, under existing decisions, enjoin the operation of segregated schools; they cannot compel the operation of integrated schools.

Even the opinion of May 17, 1954, recognizes that the Court was dealing with systems of public schools which the State had undertaken to provide,[23] not which the State was compelled to provide.

Not yet has the time come when a Federal court decree can compel a State to provide a school, a college, a hospital, or any other institution which a State does not choose to provide.

The Attorney General said: "When a court has entered a decree, the State has a solemn duty not to impede its execution." Surely the Attorney General did not mean that if a court should enter a decree compelling a State to maintain an integrated school that the State had a solemn duty to maintain that integrated school.

If he meant that, he has overlooked the 11th amendment and an unbroken line of cases construing it and declaring the law of the land.[24]

If he did not mean that, what is it that the South must obey? Compliance with what law of the land is inevitable?

President Lincoln, in his first inaugural address, recognized that decisions of the Supreme Court were not the law of the land. Said he:

"At the same time, the candid citizen must confess that if the policy of the Government upon vital questions affecting the whole people is to be irrevocably fixed by decisions of the Supreme Court the instant they are made in ordinary litigation between parties in personal actions, the people will have ceased to be their own rulers, having to that extent practically resigned their government into the hands of that eminent tribunal. Nor is there in this any assault upon the Court or the judges. It is a duty from which they may not shrink to decide cases properly brought before them, and it is no fault of theirs if others seek to turn their decisions to political purposes." [25]

They should not, however, decide cases not properly before them. When they do, it is their fault if others seek to turn such decisions to political purposes.

The Court simply had no constitutional power to declare as the law of the land its edict in the 1955 opinion in *Brown* v. *Board of Education of Topeka, Kansas:* These cases were decided on May 17, 1954. The opinions of that date, declaring the fundamental principle that racial discrimination in public education is unconstitutional, are incorporated herein by reference. All provisions of Federal, State or local law requiring or permitting such discrimination must yield to this principle." [26]

The cases before the Court from Kansas, Delaware, South Carolina, and Virginia [27] were decided May 17, 1954. Under the guise of considering "the manner in which relief is to be accorded," the Court sought to legislate with respect to all provisions of Federal, State or local law which might be deemed to permit racial discrimination in public education. The Court fell into the same error in which Chief Justice Taney had fallen a century before. It overlooked or ignored the fact that its constitutional power is confined to the adjudication of cases.[28]

The judicial power of the Federal courts does not extend to the giving of mere advisory opinions or determination of abstract propositions, but a justiciable controversy must exist.

Just 3 weeks before its 1955 opinion in the school segregation cases, Justice Frankfurter speaking for a majority of the Court had said that the Supreme Court does not sit to satisfy a scholarly interest in intellectually interesting and solid problems, nor for the benefit of particular litigants.[29]

In the 1954 litigation between citizens of Kansas, Delaware, South Carolina, and Virginia and the school authorities of those four States, the policy of the Government affecting 44 other States could not be irrevocably fixed by the Supreme Court.

When and if a case arises in Georgia, or any other State of the Union in 1959 or a subsequent year involving alleged discrimination in public education, the parties to that case have a right to introduce evidence pertinent to the legal issues in that case and have those issues decided on the basis of the record in that case. The trial court may or may not feel bound to follow the 1954 school segregation cases according to whether or not those cases lawfully control the issues then before the Court.

That the statement last made is a correct statement of the law of the land may be easily proved.

In 1940, one Smith sued Texas election officials because they had denied him the privilege of voting in a primary. The trial judge, Judge Kennerly, thought that a decision of the Supreme Court of the United States rendered a few years before [30] was controlling and dismissed the petition. The case was appealed to the Court of Appeals for the Fifth Circuit. The appellate court (Judges Sibley, Hutcheson and Holmes) said that the Texas statutes regulating primaries which were considered by the Supreme Court in the prior case were still in force, and that that decision controlled. There was an application for certiorari made and granted. The Supreme Court overruled its prior decision of 9 years before, and reversed the Texas Federal judge and the Court of Appeals of the Fifth Circuit.[31]

THE SCHOOL CASES * * * NOT THE LAW OF THE LAND

Brown v. *Board of Education of Topeka, Kans.*, and its three companion cases are no more the law of the land today with respect to public schools than *Grovey* v. *Townsend* was the law of the land in 1944 with respect to primary elections.

The States of the South in regulating their own public schools in 1959 need be controlled and compelled by *Brown* v. *Board of Education of Topeka*, decided in 1954, no more than the colored voters of Texas were controlled and compelled in 1940 by *Grovey* v. *Townsend* decided 5 years before.

The colored voters of Texas thought the Supreme Court of the United States was wrong when in 1935 the Court said they could not vote in white Democratic primaries in Texas. They persisted in the efforts to vote. The Supreme Court reversed its prior decision and granted them the right they sought.

The States of the South think the Supreme Court of the United States was wrong when, in 1954, the Court said they could not regulate their own public schools when, in 1954, the Court overturned century-old precedents. They are persisting in their efforts to regulate, and so save, their public school systems.

The States of the South defy no one.

The States of the South do insist that the school cases of 1954 are not the law of the land. The States of the South are seeking to have reestablished as the law of the land

[19] 295 U.S. 45.
[20] 321 U.S. 649.
[21] 347 U.S., p. 492, note 9; 347 U.S., p. 494.
[22] 347 U.S., p. 494, note 10.
[23] 347 U.S. 493.
[24] *Great Northern Life Ins. Co.* v. *Read*, 322 U.S. 47; *Ford Motor Co.* v. *Department of Treasury*, 323 U.S. 459.
[25] Annals of American Academy of Political and Social Science, vol. 185, p. 53.
[26] 349 U.S. at p. 298.
[27] 347 U.S. 483, 497.
[28] Constitution, art. III, sec. 2.
[29] *Rice* v. *Sioux City Memorial Park Cemetery*, 349 U.S. 70, 74.
[30] *Grovey* v. *Townsend*, 295 U.S. 45.
[31] *Smith* v. *Allwright*, 321 U.S. 649.

the declarations of it which had existed a hundred years before May 17, 1954.

We do not flout the decisions of the Supreme Court. Neither do we classify them as the law of the land.

We simply say that the findings and beliefs of the Court expressed in the school cases do not irrevocably fix the policy of the Government upon vital questions affecting the whole people.

Was the decision of the Supreme Court of the United States in *Paul* v. *Virginia* [32] flouted when Attorney General Biddle persuaded Mr. Justice Black and several associates to decide *United States* v. *Southeastern Underwriters Association*? [33]

Was the decision of the Supreme Court of the United States in *Hammer* v. *Dagenhart* [34] flouted when, 22 years later, the Court was induced through Attorney General Robert H. Jackson to overrule it? [35]

To cite any more of the myriads of such instances in the annals of American jurisprudence would be merely to labor to establish the obvious.

In a speech delivered in California during October 1958, Dean Erwin Griswold apparently tried to draw a line between firm but constructive comment on the one hand, and broadside attacks motivated primarily by dislike of results in particular cases.

While I heartily dislike the results of the school segregation cases, I have endeavored to draw the line suggested by Dean Griswold.

Incidentally, the case [36] which Dean Griswold was criticizing is just as much the law of the land as in *Brown* v. *Topeka*. It will be interesting to see what happens to the law of the land as declared in that case.

I have sought to demonstrate, using specifics instead of generalities, that not only are the school segregation cases not the law of the land, but that they are legally erroneous and that the errors with which they abound should have been detected and should now be corrected.

INAUGURAL ADDRESS BY HON. ERNEST VANDIVER, GOVERNOR OF GEORGIA—BUDGET MESSAGE

Mr. TALMADGE. Mr. President, on Tuesday, January 13, the State of Georgia inaugurated the Honorable Ernest Vandiver as its 73d Governor. The inaugural address which he delivered on that occasion and his combined address and budget message to the general assembly delivered on January 15 are masterful statements of the aspirations and determination of the people of Georgia, and I ask unanimous consent that the texts of both be printed in the body of the RECORD.

There being no objection, the address and budget message were ordered to be printed in the RECORD, as follows:

INAUGURAL ADDRESS OF GOV. ERNEST VANDIVER

Governor Griffin, Lieutenant Governor Byrd, Speaker Smith, members of the general assembly, State officials, distinguished guests, and my fellow Georgians, the oath, just administered to me, places the mantle of responsibility squarely upon my shoulders for the next 4 years. You may be assured that I shall not wear it lightly. I shall constantly bear in mind that you have bestowed upon me the highest honor which you can give to any citizen of this State.

It is with tremendous pride, that I reflect upon the fact that you gave me the greatest majority ever accorded a candidate for Governor in a contested election during this century. But, it is also in a spirit of deep humility, that I accept the fact that you have placed upon me a corresponding responsibility by supporting me in such large measure.

To the nearly one-half million citizens who expressed their confidence in me, I shall ever be grateful. By your overwhelming support you have thrown to me the torch of leadership, in this most critical period. That torch I consider to be the greatest challenge of my life. By the same token, I feel that every citizen of Georgia should accept this time in our history as a challenge to do his very best no matter what lies ahead.

At this very hour, we are assembled here to inaugurate an administration which can herald a dynamic new era in the government of this State.

The principles upon which I asked you to elevate me to the governorship and which will guide my administration are: (1) economy, (2) reform, (3) reorganization, (4) integrity, and, (5) preservation of our way of life.

These will stand as the very cornerstone of the Vandiver administration.

Together they represent a foundation upon which a great administration can be built.

It is a foundation around which people of all persuasions can rally.

Laying these stones, one by one, we can construct here a mighty fortress, from which we can defend ourselves against the dark abyss of doubt, uncertainty, and discord, and move forward into an era of peace, progress, and prosperity.

Let me assure you that my chief ambition is to serve as Governor of all the people. No special group will be shown any favoritism. All for one and one for all should be the slogan for our people to meet the tests that are to come in the parlous days of the future.

As this administration begins let me assure you that I harbor no malice toward anyone. We have no enemies to punish nor special friends to reward. Our goal is to give the people that kind of government in which they can place full confidence and reliance at all times.

On Thursday of this week, I will address the general assembly in joint session at 12 o'clock noon. I will, at that time, list in detail the legislative program of this administration, and I will make my recommendations for legislation to be enacted at this session. Today, I shall discuss with you the broad principles which will determine the future conduct of my administration.

ERA OF CRISIS

My friends, as we formulate our policies for tomorrow, we cannot overlook the powerful forces in constant movement throughout the world—freedom versus dictatorship. We cannot insulate ourselves from the effects of these ever-changing tides among men and nations.

While communistic, atheistic Russia makes dramatic and important scientific advances of immense military and long-range significance, we lag behind. It is the tragedy of the ages that our leaders in Washington waste their precious time punishing the South with a second Reconstruction.

As the 86th Congress of the United States begins its session there is a dangerous current of opposition to the South and southern affairs flowing through that body. We must steel ourselves to fight with all possible strength the many assaults that are certain to be waged against us.

We must unite in giving full backing to the courageous members of the Georgia delegation in the House and Senate. These leaders are ready to do battle to the limit to preserve our rights and they are entitled to the full support of our citizenship.

Today, Georgia faces an era of crisis that is without parallel.

The dangers that confront us come from within and from without the borders of our State.

From without, the States are being subjected to ever-increasing Federal pressures.

These pressures come in several forms. They are embodied in Federal deficit spending with resultant inflation, oppressive civil rights legislation, Federal court decrees attempting to wrest authority from State and local governments, the prospect of new Federal taxation, further usurpation of State and local tax sources, and in various other ways which cause all Americans grave concern.

With full knowledge of these things, and keeping them constantly in mind, we must lay our plans to maintain the sovereignty of the State of Georgia, and to prepare it to withstand the attacks of our enemies who are poised to strike us again and again.

The administration we are inaugurating today is sworn to uphold the fundamental principle that the true barriers protecting our liberties are the State governments.

Their powers and prerogatives must be preserved at all costs.

I will work along with Governors of sister States who are interested in joining on this common ground and working together to save our form of government and to maintain the previous rights and liberties it affords.

During the trying days, months, and years that lie ahead, I am comforted by the strong moral fiber of our people and in the sure knowledge that they possess an indomitable spirit.

I know that they have an inner strength which will help to chart our course through an uncertain future.

We stand ready always, you and I, to make any and every sacrifice that is necessary to preserve the honor and integrity of our great Commonwealth.

If any foreign power threatens the security of our beloved country, Georgians, as they have done in every crisis that has faced this Nation throughout its history, are ready to perform whatever tasks are necessary.

STATE FISCAL AFFAIRS

It is certain now, as never before, that our very survival as a sovereign State depends to a great extent upon whether we pursue wise and effective fiscal policies, and whether they are properly and soundly administered.

Particularly unfortunate is the fact that in a time of high taxes, in a time of high State income, in a time of lush authority spending and in a time when the State was flush with money that none of the surplus was laid aside as a measure of prudence and safety.

When the general assembly met last January, the surplus in the State Treasury stood at its peak—$35,183,150.02.

In the last few months, yes, in the last few days, this surplus has dwindled and dwindled until it is down to a bare minimum at the present time.

The State surplus is at the lowest it has been in 12 years, according to the State auditor.

The State's cash balance, according to published reports of an address made recently by the State treasurer, is lower than at any time since he took office 26 years ago.

Current State spending is at the rate of $340 million annually.

But income into the State treasury is far less than that.

The income of the State during the last fiscal year was only $318 million.

That means deficit spending in the amount of $22 million.

---

[32] 3 Wallace 168 (1868).
[33] 322 U.S. 533.
[34] 247 U.S. 251.
[35] *United States* v. *Darby*, 312 U.S. 100.
[36] *Flora* v. *United States of America*, 78 S. Ct. 1079.

It is obvious, then, that the State cannot continue this rate of spending under the present revenue structure.

To meet this emergency, we have no choice other than to institute drastic economies.

The Vandiver administration will dedicate its every effort toward carrying essential State services forward, within the limitation of available revenues.

We will utilize what funds are available to accomplish the greatest good for the greatest number of our people.

Let me assure the old people of this State, our dependent children, our totally disabled, our blind, those receiving care and treatment at our State institutions, our schoolteachers and our educators, that their needs will always be uppermost in my mind.

The time is now at hand to practice old-fashioned economy.

REORGANIZATION

From this hour until my public service is concluded, it is my firm determination, to give to the people of this State, the maximum value in goods and services for every tax dollar spent.

Our goal—an honest dollar's value for a dollar honestly spent.

To accomplish it, a thorough reorganization of the State government is mandatory.

The incoming administration and the incoming general assembly have an overwhelming directive from the people to set the statehouse in order.

If any department head, or any agency chief in the State government, feels he cannot economize to obtain greater efficiency, then my suggestion to him is to stand aside and give someone else a chance to get the job done.

HONESTY IN GOVERNMENT

I am placing every official and employee on notice, here and now, that I am expecting them, in the Vandiver administration, to conduct themselves as public officials, and to conduct the people's business as the public business at all times.

I am proud and grateful that men of integrity, experience, and ability have consented to serve in posts of responsibility in my administration, and to help me in setting a standard of conduct, worthy of the trust and the confidence of the people of Georgia.

Every official act of the State government during my administration will be carried out openly and in full view of the people and of the press of this State.

Yes; only through a government that seeks the right, to the end that justice may be done, can our people long endure, or, effectively preserve the Georgia way of life.

The laws of Georgia are no respecter of persons.

They apply equally to the public official and to the private citizen.

They will be enforced equally and impartially, without fear or favor, during my administration.

The highest official can expect no sanctuary in the Governor's office if he flouts the law.

Let me assure you, that I will hold personally responsible the heads of the various departments and divisions appointed by me for the faithful discharge of their duties.

If any one of them violates his trust and responsibility to the people, I will remove him from office immediately.

It has been handed down in every constitution of the State of Georgia, yes, it has been written in the blood and sweat and tears of our fathers, that, and I quote:

"All government of right originates with the people, is founded on their will only, and is instituted solely for the good of the whole. Public officers are the trustees and servants of the people, and at all times amenable to them."

That is what the constitution of Georgia says.

I shall follow the constitution of Georgia.

It will be the policy of my administration, from its first day until its last.

RESTORE ASSEMBLY POWER

The Vandiver administration and the general assembly have some difficult problems to meet in the next 2-year period.

This general assembly and I will labor together in a great partnership for the benefit of all Georgians.

Let me assert my firm belief that the delicate system of checks and balances afforded under our form of government should be protected at all times.

Let me say further that no one branch of the State government should be allowed to subordinate any other branch.

During my service as Governor the constitutional powers and prerogatives of the people's elected representatives in the general assembly will be restored and will be respected.

While I would resist vigorously any movement or proposal to diminish the constitutional or statutory authority of the chief executive of the State, I assure you, the people of Georgia, that I will work in a spirit of harmony and accord and on equal terms with the legislative branch in all matters.

ECONOMIC GROWTH

Now, let us talk about our State's economic growth.

Today we are witnessing in Georgia a transition which will affect every man, woman, and child, in the immediate years to come.

One of the paramount problems confronting us at this time is caused by the loss of population and income in some areas of the State through no fault of their own. And on the other hand, we have rapidly growing populations in many areas.

We have come to a point in our economic development where it is absolutely necessary that we establish a closer balance between agriculture and industry.

We must work to make certain that there is a proper diffusion of industrial growth over the whole State, especially in the smaller counties and in the smaller cities.

There are communities in Georgia where the procurement of one new plant could make the difference between life and death to that community.

It is the duty of your State government to work on the closest terms with all State organizations and with all local groups in the task of bringing steady payrolls and new job opportunities to Georgia for Georgia people.

That, we will do.

Your State government intends to serve a useful purpose in coordinating these efforts.

Your State can and will help local governments directly toward furthering their interests.

It can and will help indirectly, by giving them the means and authority to help themselves.

There is much that needs to be done.

There is much that can and will be done.

It can and will be done by a high degree of continuous cooperation between a diligent, energetic State administration working at the State level and moving forward hand in hand with active, working officials at the local level.

COUNTY UNIT SYSTEM

Then there is another matter which concerns the vast majority of Georgians today. That is the preservation of the county unit system of primary elections.

For more than 40 years this system has served the people of Georgia well.

It stands as a mighty bastion for local self-determination.

The sovereignty of Georgia's 159 counties must be maintained.

Their strength and vigor must be preserved.

Every county must continue to have a representative voice in State government.

To guarantee that each county does retain a measure of self-determination, we must leave no stone unturned in the constant battle to maintain this meritorious system.

The people in every corner of this State can be assured that the full might of the State government will be utilized to oppose vigorously every effort to destroy it or to weaken the principle embodied in it.

SEGREGATION

Because of the limitations of time, it has been possible for me to discuss only my general beliefs and views relative to the operation of your State government. However, I would be remiss, if I did not emphasize the seriousness of the most overriding internal problem, ever to confront the people of Georgia and the South during our lifetime. Without doubt, the decisions that must be made are the most difficult that any Governor has faced in the past 100 years.

We know that a little band of willful men, sitting securely for life in the rarefied atmosphere of the Nation's highest judicial tribunal, have attempted through the usurpation of power, not given to them by the Constitution of the United States, to mold the actions and thoughts, of not only the 40 million people who reside in the South, but of every citizen in every section of this Nation.

However, the straws in the winds now indicate a growing bitterness to judicial tyranny and an ever-expanding resistance to it on the part of people who live in every State.

There is no more righteous cause than the preservation of the Constitution of the United States as originally written—this Constitution that has made us the greatest Nation on the face of the earth.

Throughout the course of recorded history, whenever great struggles loomed on the horizon, there have been those who would throw up their hands and cry "Surrender" even before the enemy arrived on the scene.

In the last few weeks and months we have seen this happen in our own Georgia, a State that has proudly borne the reputation throughout the length and breadth of this Nation, of being the veritable stronghold of constitutional government.

Fortunately, throughout this great Commonwealth of Georgia, these advocates of surrender have been few and far between. However, they have by their concerted efforts and misleading oratory, deceived a few citizens into believing that the battle is over, and that we stand amidst the ruins of defeat.

These fermenters of division and discord know that what they propose is neither intellectually honest nor fundamentally sound.

They speak of "token integration."

There is no such thing as "token integration."

They know, or should know, that the few raindrops of "token integration" would become a downpour, a deluge, and then a flood which would engulf our people.

The tragedy of this whole situation is that the great rank and file of both races are fully aware of the fact that separate schools are best for all.

They know the harmful results that would come from any other course.

A thoughtful person has but to look at other cities in America—not in the South—to visualize the consequences of what would happen here.

I have been into almost every militia district of this State—I know the thinking of the people in the four corners of the State—there is a virtually unanimous opinion among

the people of Georgia that the constitution and laws of Georgia must be upheld to the letter, and that in so doing we are acting in accordance with the Constitution of the United States as it was written and adopted, not as it has been distorted and twisted by the political judges of the U.S. Supreme Court.

We have only just begun to fight.

The people of Georgia and their new Governor say to the U.S. Supreme Court, that we will fight this tyranny at every crossroads; we will fight it wherever it raises its ugly head, in these very streets, in every city, in every town, and in every hamlet, until sanity is restored in the land.

As the immortal Thomas Jefferson wrote shortly before he assumed the Presidency,

"I have sworn upon the altar of God, eternal hostility against every form of tyranny over the mind of man."

That oath includes judicial tyranny.

It is an oath to which you and I of this generation proudly subscribe today.

If we are left alone, free from outside dictation and interference, we can, within the framework of our traditional pattern of life, work out all of our needs and problems to the benefit of every citizen.

Now is the time for Georgia people in positions of leadership and responsibility all over the State, to take hold and to declare steadfastly, that we are not going to permit disruptive influences to wipe out the gains in all fields which we are making in our State.

Of one thing I am certain, Georgians are determined to stand by their rights and traditions, whatever the cost.

WE LOOK AHEAD

As we look to the future, we do so with that same high confidence and resolve that have marked Georgia people throughout her history. We do so in a spirit of love and respect, and with that quiet, warm, comforting inner feeling that comes from the sure knowledge that our people, and our grassroots leadership, from the mountains to the sea, can be depended upon to do the right thing at the right time.

It is with prayer to Almighty God, and it is with a deep sense of personal humility, that I approach the solemn duties of our State's highest office.

As your new chief executive, I ask every one of you—the people of this Empire State—to give me that constant and continuing support needed to safely see us through the trying times which loom ahead.

Let us be of stout heart and resolute spirit, let us bind ourselves together in this, a common cause and by our solid front and united efforts we will, under God, build a glorious and lasting Commonwealth for our children and for the children of future generations.

COMBINED ADDRESS AND BUDGET MESSAGE OF GOVERNOR ERNEST VANDIVER TO THE GENERAL ASSEMBLY OF GEORGIA ASSEMBLED IN JOINT SESSION IN THE HOUSE OF REPRESENTATIVES CHAMBER OF THE STATE CAPITOL IN ATLANTA

Lieutenant Governor Byrd, Speaker Smith, members of the house and of the senate, State officials, distinguished guests, my fellow Georgians and friends, my first words to you are that your chief executive has no intention of turning Georgia schools and colleges over to the Federal Government for any purpose, anywhere, at any time during the next 4 years.

We assemble here with fresh minds, with deeply imbued intentions to work with all our will for those causes we feel will benefit our citizens and to unite, as never before, in battling for the preservation of the rights and traditions which have been handed down to us from the very foundation of our Commonwealth.

Let me assure you that I am here with the intention of devoting my time to hard work and I am sure you are as eager and ready to work as hard to solve the manifold problems that confront us today.

Permit me at the outset to express my deep confidence in the ability and the integrity of the members of the two branches of the legislative division of the State government.

With many of you, in both houses, I have had the pleasure of working to meet grave governmental problems in the past. It is comforting to me to realize that I have such a group of high-minded, able and patriotic representatives of the people with whom to work in the important days of the immediate future.

The majority vote of the people of Georgia which sent us here is the supreme law of the land and all of us are eager and willing to conform to the mandates of that law.

We who have asked the electorate for responsibility assume it with full vigor and determination.

It will require application and sacrifice.

But, I am sure that you and I both are willing to give it, realizing the need our State has for both productive and constructive leadership at this present time.

I reiterate what I said day before yesterday in my inaugural address. That is, this administration will, in pursuing its objectives, take the members of the legislature into its confidence as full working partners.

My recommendations to you today will be designed to strengthen your hand in carrying out your constitutionally prescribed legislative duties and casting every senator and representative of the people in a role for more effective service.

Let me say at the outset today that many of the problems which will come before me as your Governor and before you as legislators will not be easy of solution. The complex era in which we live and the rapid growth of the State government in the last two decades makes it so.

I assure you, here and now, speaking for myself and for other officials in the administration, that during the coming 4 years, we will follow the rules of conduct which you lay down to guide us in day-by-day service to the taxpayers.

THE PROBLEM

There are two great, outstanding problems which confront us at this time.

One of them is an internal problem—caused by the fact that the fiscal condition of the State government borders on bankruptcy.

The other problem is external—brought on by the fact that the Federal Government is following a course of ever-increasing encroachment upon the rights and powers of the States.

Concerning the internal problem, we now reap the whirlwind from a policy of living it up today without thought of tomorrow.

An indifferent, irresponsible and profligate spending policy, marred further by instance after instance of corruption, exhausting the surplus, leaving no margin of safety, brings us squarely to the day of reckoning.

Let me say that I have no criticism to offer, only a recitation of the facts as they exist.

My responsibility pertains to the future conduct of the State government.

That responsibility I solemnly assume to do the best that I can in view of conditions that exist.

I must have your help. I must have your confidence. I must have your support. I must have your cooperation.

THE SOLUTION

The solution to our dilemma lies in economy—sound economy practices executed with impartiality and fearlessness.

Honesty in government: That is the fundamental requirement for the pillars of no institution no matter how sacred can long stand unless it exists.

Reorganization: That, too, is necessary to get away from the morass of bureaucracy in which it is difficult and sometimes impossible to fix responsibility and to carry out properly the functions assigned by the general assembly to the executive.

And, most important of all—maintenance of our way of life—a way of life which means constitutional government and all that it implies; the right of the people of the several States to life, liberty, and the pursuit of happiness; the right to be secure in our homes, our jobs and in our daily lives free from outside dictation and interference; the right to worship God as we see fit; the right to choose our own associates; the right to rear our children in a wholesome environment; the blood-won right to local self-determination; yes, those are the rights that go together to form the sacred American heritage.

As we approach the fulfillment of our duties in this new administration, we do so in the complete realization that our responsibilities are grave, the task ahead is hard, the work long, tedious and difficult. But, at all costs, we must be on with it, for riding with us is Georgia's destiny, the destiny of our common country.

As loyal Americans, as true Georgians, we will not fail them nor will we flag in our duty when so much is expected of us.

BUDGET REDUCTION

Prudence demands that our first undertaking be to rehabilitate the fiscal position of our State.

The present quarterly budgets were approved by the outgoing chief executive.

The first quarterly budget that I will have an opportunity to sign as your Governor has been reduced by me.

On the day before yesterday, shortly after taking the oath of office as Governor, I issued an executive order, effective April 1, reducing all budgets of the State by 10 percent across-the-board, except those essential functions of education, highways, welfare, institutions, health and a few of the smaller agencies where the appropriations have not been overly-extended in the past few years.

In addition, I have ordered all department and agency heads to submit to me by April 15 their proposed budgets for the ensuing fiscal year so that each item therein must be justified before approval.

This is only the beginning of a program of retrenchment which will be carried out with vigor and without relent. Other reductions will be made from time to time.

It is my belief that this course will allow an orderly elimination of unnecessary expense, will permit needed streamlining and will allow intelligent and unimpeded studies to be made so that a thoroughness can be achieved in reorganization and economy which would not otherwise be possible.

CONDITION OF THE STATE

The budget reduction already made and those impending are occasioned by the precarious financial condition of the State.

We have no choice.

We have seen the State government grow fat and top-heavy with waste and lost motion.

We have seen the State payrolls padded with useless employees many of whom are not qualified for the jobs they hold and others who have done no work for their pay.

We have seen State officials and employees collect money due the State and fail to turn it into the treasury.

We have seen authority debt climb to the astronomical total of $312,406,000, requiring $29,055,108.09 annually each year out of the State's operating budget to pay back principal and interest on the amounts borrowed.

We have seen this method of financing, which served a good purpose when used to build schools and other permanent institutions, diverted to finance projects of short-term life which will either be long since worn out or will require heavy maintenance before the bills are paid.

We have seen roads built on borrowed money at two or three times the cost, and only a little quicker, than they could have been constructed on a pay-as-you-go basis.

We have seen State materials appropriated to private use.

We have seen highway personnel certify thousands of dollars of work done which had not, in fact, been done.

We have seen expensive heavy equipment belonging to the State mysteriously disappear and turn up in the strangest places.

We have seen the purchasing laws flouted which has made the State pay higher than retail prices for some of its purchases and the passing off of shoddy materials and unneeded merchandise on the State.

We have seen public money, public equipment and public personnel used to do work on private property.

We have seen the unbelievable spectacle of some public officials collecting money on the side into a private fund from persons or businesses over which these officials exercised life or death regulatory control for the brazenly announced purpose of doing their duty in one instance and refraining from doing their duty in the other.

We have seen an unfortunate disposition on the part of some high State officials to do business with themselves in an individual or corporate capacity.

We have seen the advent of the so-called shade tree commission agents or ten percenters with whom it has been necessary to make a side arrangement before being able to sell to the State.

Almost daily, we have seen other arrogant abuses of the public trust.

Wasteful spending and corrupt practices feed upon each other.

It is no wonder, then, that the State is on the verge of bankruptcy and the surplus dissipated.

It is no wonder then that we find the State engaging in deficit spending to the extent of $22 million annually at the present time.

SURPLUS DISSIPATED

At the beginning of the last fiscal year, the surplus account in the State treasury stood at $35,183,150.12.

Today, that surplus stands at a bare $2,608,255.08 only enough to operate the government for about 3 days.

That is the lowest the State surplus has been in 12 years.

The State's cash balance, according to a recent speech of the State treasurer, is at the lowest it has been since he took office 26 years ago.

The $35-million surplus has been spent without effective legislative direction and without any effort being made to economize in State operations.

Notwithstanding the fact that during the last 4 years additional taxes have been collected out of the taxpayers of Georgia exceeding $200 million; notwithstanding the fact that in addition to this over $150 million in new debt has been placed on the people; notwithstanding the fact that more taxes have been collected than ever before, not being satisfied with all this new and additional money to spend, the meager surplus which took 7 years to accumulate was spent in the short space of a few months.

We find that State income at the beginning of this fiscal year is at the rate of $318 million annually.

Yet, we find State spending at the change of administrations to be at the rate of $340 million annually.

It is obvious that we cannot continue deficit spending.

My friends, considering the situation we have inherited, that was none of our making, unless we hold outgo to income and unless we lay aside a reasonable amount for the surplus fund to meet essential and emergency needs, we hasten the State's present headlong rush toward complete insolvency and total bankruptcy or a massive tax increase.

Neither of these alternatives holds any attractiveness for me and I am sure that you and the people share my view.

It is now squarely up to the General Assembly of Georgia and this administration to practice every economy possible in the operation of the State government.

That course offers the only satisfactory solution to the financial crisis now confronting the State.

Georgians expect us, you and I, to make every sincere effort to achieve genuine economy and meaningful reorganization and streamlining of State governmental functions.

CONTINUING RESPONSIBILITY

Now, permit me to discuss with you the harmful results which come from the utilization of State surplus funds for so-called "recurring items" in the budget which must continue to be paid year after year and for the so-called "nonrecurring items" either which will require huge sums to complete or which will require large appropriations to operate in future years.

Let me remind you that the $35 million surplus has been spent largely on items that henceforth will be a more or less continuing responsibility in the budget.

This was done in full knowledge of the fact that no funds would be available to pay the bills and that revenues had not been provided to put these programs on a sound basis for future operation.

For an example of what I mean, look at the $8 million item which must come out of the highway department appropriation each year for 16 years to finance the debt of the State rural roads authority.

This creates a critical condition in that department.

Money must be taken away from 100 percent State-aid construction to finance the authority debt. We have no alternative. This is translated throughout the entire government.

I could cite you numerous other examples of expenditures made which will be costly, indeed, in the years to come. The question that presents itself is this—has not our State, under its present revenue structure, spread itself and its programs far enough?

Is it wise to spend what income we have for this, that and the other, benefitting only a few, taking available funds away from long-established functions, such as education, highways, welfare, health, institutions, and so on, thereby affecting adversely thousands and thousands of our people?

I say not.

The place where we have got to spend State income in the coming 4 years is where it will do the most good for the most people.

The empire builders, the dreamers, the wasters, the log-rollers, and the treasury raiders have had their day.

RESTORE ASSEMBLY AUTHORITY

It is time to restore control over the purse of the government of the State of Georgia to the people and to their elected representatives in the general assembly.

We have had only one appropriation bill enacted in the last 8 years.

And, the general assembly had little say-so in formulating the act under which we are now operating.

Regrettably, complications brought on by the so-called highway allocation amendment have rendered it impossible to consider a new appropriations bill because of the substantial amount of money which would have to be taken away from education and transferred to highways to meet the terms of the constitutional provision.

It is my suggestion that this general assembly give careful study to the possibility of revision or repeal of the allocation provision, removing the impediment to future budget bills, and that the corrective proposal be presented to the people for their ratification or rejection in the general election next year.

In any event, it will not be possible, because of the allocation provision, for me to present an appropriations bill to you until after the general election at the January 1961, session.

KEEP PRESENT APPROPRIATIONS ACT

Because of the present muddle in State finances and because of the reorganization period through which we must go in the next 2 years, I request that the present appropriations act remain as it now stands, without any amendment, in order that we make such reductions in spending as are required from time to time by careful study and the force of necessity.

ACTIVATE FINANCE COMMISSION

Let me say now that in the conduct of my administration the finance commission, composed of representatives and senators from the legislative branch will be activated and consulted frequently by me not only to advise and counsel with the Governor relative to the preparation of the budget and appropriations bill for submission to the general assembly but also in regard to crucial finance policies where the utmost cooperation is essential between the Governor and the members of the legislature.

In the interest of gathering accurate information and factual data relative to State expenditures, requiring careful investigation and time-consuming studies, to be made available to the budget authorities, to the finance commission and others concerned, it is my intention to create within the Governor's Office, itself, a division on departmental operations. It will be a factfinding agency only, not encroaching on the prerogatives of any official or legislator. It will be headed by a competent person as director fully familiar with budget and fiscal affairs, who shall be vested with authority to make a constant examination of all budget requests.

It will be necessary for us to institute every economy possible in the next few months in an effort to rebuild the surplus by fiscal year's end in order to take care of the barest needs for operations in the education department—to project the minimum foundation program; in the highway department—to match Federal funds under the interstate program and to provide for now neglected maintenance; and, in the welfare department—to take care of normal increases in the number of needy persons entitled to assistance.

The extra money that will be required to do these things in the coming fiscal year, over and above the present normal operating budget, is estimated to be as follows:

Education, $11 million, of which the $8 million additional would be for operations of the common schools; $2 million would be for the university system and $750,000 for additional State contributions to the teacher retirement system fund.

These are the amounts that will be required to project present programs in education. It is my hope, however, that, with practicing some economies, the department of education and the university system may be able to satisfy their minimum needs with amounts somewhat lesser than those I have stated.

Highways—$10 million: We have two pressing situations in the highway department. One is occasioned by the increasing amounts of money being required for debt retirement and for Federal fund matching out of the present operating allotment, thus reducing

by an equal amount the money available for 100 percent State-aid construction.

The other, and perhaps the most pressing situation, is the fact that maintenance on all of our highways has been neglected as long as we can do so. That condition, at the minimum, will require additional millions.

In any event, by practicing rigid economies, throughout the entire organizational structure of the highway department, we should be able to use that money where it will do the most good for construction and maintenance purposes. But, nonetheless, we will need additional millions in the highway department just to take care of increased maintenance needs and such 100 percent State aid construction as must be done on an emergency basis which cannot be deferred.

Welfare—$1 million: That amount will be required over the present normal operating budget in order to take care of additional persons becoming eligible for public welfare assistance under existing programs in that department.

Only through stringent management do we have any hope whatever of meeting these requirements in the ensuing 1959–60 fiscal year.

I will need your help not only when you are in session but throughout the year in assisting me to help relieve the pressures for other less essential expenditures.

Your understanding and patience will be necessary when I must say "No" to you and our people on occasion.

I have gone into detail relative to State finances to give you the why's and wherefore's in order that you and the people of Georgia might know that we are now having to pay the piper for waste, extravagance, indifference, irresponsibility and corruption.

"WATCHDOG COMMITTEE" REPORT

Realizing the condition of the State Government, the Georgia State Senate, at last year's session created the Senate Committee on Government Operations, better known as the watchdog committee.

Its assigned mission was "* * * to study * * * the State government with a view toward: (1) Practicing every economy possible; (2) financing essential services as far as posisble within State income; and, (3) whether reorganization would result in more efficient services and savings to the taxpayers of Georgia."

Despite an open hostility on the part of the preceding administration to the committee and despite a denial of funds for its initial operations, it has carried on its work and has filed its report.

I compliment, as highly as I know how, the members of this committee for their determination to do as thorough a job for the people as possible under adverse circumstances. And for the fact that they were willing to do so at their own expense, if necessary.

I commend this report to you for your careful study and consideration.

The recommendations made form a valuable guidepost for obtaining better government in Georgia.

They embrace both proposals for legislative action and administrative improvement. The latter are being carried out as rapidly as feasible and possible.

To carry forward and complete the work started by the interim Senate Committee on Government Operations, the administration will sponsor at this session the creation of a joint "Governor's Committee on Economy and Reorganization." It is my request that it be vested with full powers and provided with funds to hire the help needed to effect a complete program of both administrative and structural reorganization.

I assure you the committee will have the backing, support, and cooperation of the Governor's office and every department and agency in its work.

REORGANIZATION

The present structure of the State government has been pyramided, one function on top of the other, over a period of many years. Time and careful study, as well as capable, informed assistance, will be necessary to correct its deficiencies.

And, let me say this, in any economy and consolidation program as much depends upon proper, aggressive, thorough administrative action as depends upon corrective legislative action.

It is my desire to bring these two great forces together—the legislative and the executive—as a working team to place Georgia's government on a sound, business footing.

The administration will make a substantial beginning at this session by offering bills to do just that.

Proposed legislation will be presented to abolish outright 11 boards, bureaus, commissions, etc., and to eliminate 14 more by consolidations. Four others will be abolished by executive order.

HONESTY IN GOVERNMENT

At the same time, the administration will support a 25-part honesty in government package bill in line with my campaign pledges made to the people last summer. This bill will define explicitly crimes against the State by persons selling to the State or holding positions of trust in the State government.

The purpose of this legislation is to prevent any recurrences of happenings we have witnessed in recent months where State officials and employees have engaged in various practices inimical to the State's interests seemingly with complete impunity.

Permit me to suggest that any crippling amendments that might be offered to weaken this bill be vigorously resisted for we must arm our prosecuting officials with laws with teeth in them.

Let us do so, that never again, can any State official or employee arrogantly hold himself above the law and proclaim to the world that he does not care one whit for what the people think and that the accepted standard of ethics and morals observed by every citizen in the conduct of their affairs does not apply to him.

I call upon you to help me end that sort of thing once and for all in Georgia.

OTHER RECOMMENDATIONS

Other suggestions for legislative enactment to be made by the Vandiver administration relating to administrative operation, which I ask that you push to speedy enactment, are included in the following bills:

Elimination of the loopholes in the laws governing purchasing procedures.

Installation of adequate legislative safeguards surrounding acquisition of property by the State.

Calling a halt to authority financing at present levels unless specifically authorized by the general assembly.

Abolishing the ill-fated and battle-scarred Georgia Commission on Education and creating a more effective commission on constitutional government to cooperate with similar such official committees in other States.

Changing the name of the Georgia Agriculture Development Authority, amending its powers generally to state the legislative intention to broaden its operating base to include industrial development, as well as agricultural development.

Now, I have outlined to you the administration's legislative program and have detailed to you the condition of the State government, particularly as it relates to the perilous financial condition of the treasury.

I do not need to tell you that just pulling ourselves out of the difficulties we are in will require time, patience, and application on our part.

The welfare of nearly 4 million people is at stake.

Not only are we confronted with these many internal problems but we, like all the States, are menaced by ever-growing efforts of the Federal Government to strip State and local governments of their reserved powers and responsibilities and concentrate them all in one vast, sprawling, complex, tyrannical bureaucracy in Washington.

It is a continuation of an age-old struggle—man's fight to govern himself in a manner consistent with his needs, his heritage, his desires and his environment.

The administration beginning today will carry on this fight intelligently and with every resource available to us.

We say to our local officials all over Georgia that the Vandiver administration is 100 percent behind you in the proper performance of your duties and that we will stand with you to a man against oppression and intimidation from any quarter.

To make certain the governor's authority to come to the aid of our officials, a bill will be offered to you for your consideration giving your chief executive the power to expend State funds in retaining counsel and in providing other help where needed.

COUNTY UNIT SYSTEM

Continuing on the theme of local, self-determination, permit me to say that this administration will utilize its every resource to maintain inviolate and unchanged the county unit system principle of statewide primary elections in Georgia.

We want the voters of Iron City, Red Clay, Fargo, Mountain View, Jones Settlement, Avant's Sidetrack and all those other communities, cities and counties throughout this great State to continue to have an effective voice in the State government.

MAINTAIN GEORGIA WAY OF LIFE

During the past few months I have worked closely with a distinguished committee select by me, composed of several of the best legal minds in this State in the field of constitutional law. We have studied ways and means of preserving the right of the people of this State to govern their own internal affairs in accordance with our social customs and the Georgia way of life.

Based upon this study, the Vandiver administration will sponsor in the general assembly several bills designed to strengthen our position in the fight to preserve segregated schools in Georgia.

I strongly recommend and urge to the general assembly that these segregation measures be enacted into law, so that our way of life may be preserved in Georgia.

These measures are:

1. A bill to authorize the Governor, as conservator of the peace, of the State to close a single public school within a system should it be ordered integrated, and, to close the school from which the pupil ordered integrated came or might normally could have attended. This is in addition to the power already possessed by the Governor to close an entire affected system.

2. A bill to prohibit any political subdivision of the State having an independent school system from levying ad valorem taxation for the support of mixed schools.

3. A bill to permit the Governor to designate legal counsel in school cases and to pay fees and expenses of counsel and court costs.

4. A bill to set age limits on enrollees in the university system, except where special dispensation is made.

5. A bill authorizing the Governor as conservator of the peace, to close any unit in the university system of Georgia when he deems it necessary to preserve and keep the

peace, dignity and good order of the State; and,

6. A bill which would facilitate the establishment of bona fide private schools by allowing taxpayers credits upon their State income tax returns for contributions to such institutions which are organized and operated exclusively for educational purposes after such institutions have been certified in accordance with law.

Yes, these are the Vandiver segregation bills, designed to maintain the peace and harmony of the State and to protect the children of Georgia as they gather about the firesides of their parents.

As you and I begin our work in earnest, we do so with the immortal words of Tennyson ringing in our ears;

"To strive, to seek, to find, and not to yield."

To strive, to do our best in everything we do;

To seek, economy and efficiency in day-by-day operations;

To find, a means of providing better government for Georgia;

And not to yield, in upholding our sacred institutions and traditions.

With unbounding confidence in our people, in the sure knowledge that our cause is right and that in the final outcome we will emerge victorious, with the help of Divine Providence, we move forward together in mutual trust, determination and in good spirit.

DESIGNATION OF NEW CHAIRMEN OF COMMITTEES ON FOREIGN RELATIONS AND BANKING AND CURRENCY

Mr. PROXMIRE. Mr. President, later today or tomorrow, an order will be entered which will automatically pass this body, designating new chairmen of the Foreign Relations Committee and the Banking and Currency Committee.

Mr. President, I object to this order. I object because its passage will mean that the chairmen of 10 of the 15 major standing committees of the Senate will be from the 11 States of the Old South.

I make this objection without any derogation of the excellent character and the obvious competence of the Senators who will assume these chairmanships.

Under the entrenched Senate custom of seniority these Senators are automatically entitled to their chairmanships. Of course, I have no illusion that this protest will be effective.

I speak out, Mr. President, because I think it is time that this body took a clear, open-eyed, public look at the consequences of following seniority on committee chairmanships.

Mr. President, this body has modified the seniority custom in election of Senators to the various committees of this body. It did so just last month. It can and should do so on committee chairmanships.

There is probably no power possessed by this body greater than which appertains to a committee chairmanship. It is no passing accident that two-thirds of the major chairmanships are held by Senators from the South. So long as this body follows the seniority system without compromise or modification, this degree of southern domination of the Senate of the United States is an inevitable and certain consequence of Democratic Senate control. For reasons every informed American fully understands, southern Senators remain in office far longer than their northern colleagues. This has been true as a matter of historical fact. It is sure to be true for the foreseeable future. This means simply and obviously that an unqualified, unmodified system of seniority for selecting committee chairmen guarantees the South a sure and certain degree of dominance in this body whenever the Democratic Party wins Senatorial elections.

Mr. President, any custom that guaranteed the Northeast or the Far West, or the Midwest or any other section of this country, this kind of privileged power would be equally wrong. This is why I suggest for the consideration of this body the thoughts that the seniority system as it applies to committee chairmanships be modified so that no more than half of the 15 major standing committees have chairmen from the same section of the country.

PROTECTING METROPOLITAN WATER QUALITY

Mr. CHAVEZ. Mr. President, the distinguished senior Senator from West Virginia [Mr. RANDOLPH], is a member of the Subcommittee on Rivers, Harbors, and Flood Control of the Committee on Public Works. That committee also handles proposed legislation with respect to water pollution on rivers and elsewhere. The Senator from West Virginia is very much interested in this matter.

On January 29 he made an address before the winter meeting of the Interstate Commission on the Potomac River Basin, at the Hotel Washington, Washington, D.C. Because all of us have read in recent times how badly the Potomac is polluted, I ask unanimous consent that this very interesting address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PROTECTING METROPOLITAN WATER QUALITY

Mr. Toastmaster, members of the Interstate Commission on the Potomac River Basin, and distinguished guests, it gives me genuine pleasure to be able to participate in your program and to see the growing regard for and attention being given to solving the problems of metropolitan water control.

The source of the Potomac River is in West Virginia—in that mountain area in a State which has been called the Father of Rivers. I trust that you will not feel that a West Virginian is again speaking too enthusiastically about the hills of home.

I am reminded of the day almost 22 years ago, as the Representative from the Second District of West Virginia when I first addressed this question before what was then the Potomac Valley Joint Conference on River Pollution. It was out of this conference that the compact of your present commission was developed. As a member and chairman of the House Committee on the District of Columbia during the 14 years of my service in that body, I had the privilege of being one of the originators of the compact.

At that time, Congress and the people of the Nation as a whole were just beginning to awaken to the growing need for pollution abatement planning for our streams and rivers. We had finally begun to realize that our water resources—just as our resources of forest and land—must be conserved and treasured if we are not to make of nature's bounty a human wasteland.

Considerable progress has been made in this field during the past 2 decades or more; and in the Potomac River Basin much of the credit for this progress belongs to the Interstate Commission. With a small staff and limited financial resources, the Commission has shown what can be achieved through cooperative effort and a well-organized educational and publicity program.

Yet, much remains to be done. With the growing population pressure and industrial development within the basin, and with the increasing needs of the metropolitan area of Washington, we find ourselves on the sort of treadmill where we must run merely to remain in the same place.

For example, in 1937 the Potomac Basin area of approximately 14,000 square miles held a population of 1½ million people; today, the population of the basin area is slightly more than 3 million, while the problems of industrial and urban waste have correspondingly increased.

During the same period, the population of Metropolitan Washington has also more than doubled. According to a recent statement of Mr. Murray Stein, of the U.S. Public Health Service, from 1944 to 1952 the population of the area increased 44 percent and Potomac pollution increased 45 percent. From 1952 to 1956, the population rose 9 percent and the pollution gained only 1 percent.

Thus, although the rate of pollution increase has lessened, the absolute amount of pollution continues to grow—and this in spite of the installation, in recent years, of sewage treatment plants by the city of Alexandria and by Arlington and Fairfax Counties. Nor do these figures tell the whole story; a degree of pollution which may be tolerable for a given population becomes intolerable as the population increases—especially during dry months when the river is down and domestic consumption is up.

For too long now, the residents of Washington, visitors from other States, as well as our friends from afar, have been subjected in dry, summer weather to the stench of the noxious wastes of the Potomac—and this in the heart of the Capital of the most prosperous Nation in the world.

Although much progress has been made, especially in the last 10 years—as Dr. Abel Wolman has pointed out in his most recent study of the water resources problem of the Potomac River Basin—industrial and urban expansion of the basin, and the public demand for a healthier environment, present us with a continuing challenge.

Dr. Wolman further states that one of the most serious pollution problems stems from the acid mine drainage in the coal fields areas of the upper Potomac. As a Senator from West Virginia, I am, of course, acutely aware of this problem and of its chief cause—that is, the problem of a sick and depressed industry which cannot afford to develop adequate facilities to control the drainage. This condition of the coal industry is due to the variety of such sources as the development of the new sources of power and automation within the industry itself. I offer this particular reference to illustrate the complexity of the web of relationships—physical, geographical, human, and economic—which enter into the problem that confronts us.

The most serious pollution problem, however, and one which indicates the need for expanding the Commission's responsibilities, is that of soil erosion and siltation. Although no actual measurements have been made, informed estimates place the annual amount of silt carried by the Potomac at 40 million cubic feet. Forty million cubic feet of earth—from the farms and forest lands of

the basin—flow annually beneath the 14th Street Bridge—despoiling the banks, smothering the bottom life, and presenting a continual eyesore in the Nation's Capital; * * * not to mention the irrevocable loss this represents to the once rich lands of the basin. This presents a problem which reaches beyond the narrow limits of pollution abatement, as a restrictive practice, into the fields of forest management, farming practices, urban and suburban housing developments, and highway construction.

Finally, we must soon face the necessity of regulating the flow of the Potomac itself. As mentioned earlier, the population of metropolitan Washington has doubled in the past 20 years.

It is estimated that, by 1980, our population will have reached 3½ million—by 2000 A.D., 4.8 million—with a critical summertime consumption in the area of 700 million gallons per day in 1980 and 1 billion gallons per day in 2000 A.D.

With a minimum flow of the river at Great Falls of 500 million gallons per day, one need not be a mathematical wizard to see the implication: * * * During a severe drought all the water in the river would need to be diverted to the city, and this could happen within the next 10 years.

This is a problem, incidentally, confronting not only the Washington area but others as well. As was pointed out recently by Representative JOHN BLATNIK, chairman of the House Public Works Committee, our major national problem 10 years hence will be that of maintaining and insuring an adequate supply of fresh water. Representative BLATNIK and my distinguished colleagues, Senators KERR and MONRONEY—both of Oklahoma—among others, have been in the forefront of those who have pressed for increased Federal responsibility to avert an otherwise inevitable national crisis.

A significant advance in this direction was achieved by the 84th Congress in passing Public Law 660, which, for the first time, made Federal funds available to States, interstate agencies, and local communities for the purpose of stimulating pollution abatement programs and facilities.

I was pleased to note, also, a recent announcement in the press that the administration is asking Congress to appropriate $500,000 this year to accelerate a comprehensive survey of Potomac River Basin resources. It is to be hoped that this request indicates a growing awareness on the part of the Administration—as well as in the Congress—of the urgency of the problem. But however important and necessary such a survey is, it will not solve the problem of one of the chief sources of pollution; * * * that is, the towns and cities of the upper Potomac which do not have the funds—and cannot afford to borrow on the open market—to build their own sewage treatment plants.

It might be advisable, therefore, under some such plan as the Community Facilities bill, to augment the limited funds available under Public Law 660 by providing Federal loans to communities in river basin areas for the specific purpose of sewage treatment plants. In addition, thought should be given to the feasibility of offering tax benefits to industries to stimulate their development of treatment plants for industrial wastage.

I offer these suggestions, not in the sense of presenting a program, but merely to indicate the continuing need for exploring the range and function of Federal responsibility.

Surely, there can be no question that this is a legitimate area of Federal interest. The bare figures of the growth in per capita water consumption in the United States illustrate the point dramatically:

In 1900, the per capita use of water was 540 gallons per day; by 1940 this had increased to 1,020 gallons per day; it is estimated that, by 1975, this figure will be more than doubled to 2,100 gallons per day for every man, woman, and child—or a total of approximately 450 billion gallons per day.

Though it becomes apparent that water resources control is a national problem—and therefore enlists the Federal interest and responsibility—it is equally apparent that the Federal Government exercises no magic power over the problem.

Indeed, the very complexity of the problem and the variety of regional conditions call for the solution in other than Federal terms. There are, at present, no less than 22 Federal agencies from the various departments and independent administrative bodies which are active in the field of water resources conservation, planning, and development. Such are the conclusions of the recent study by Dr. Wolman and his associates, conducted under the authorization of the Commission. However, in order to extend the range of the Commission's functions and responsibilities, it will be necessary not only to remove the annual budgetary ceiling of $30,000, but, also, to pass new enabling legislation revising the terms of the interstate compact.

It has been suggested in the previously mentioned report that the terms of the compact be extended to provide for a conservancy district which will serve "the purposes of supporting and coordinating the activities of Federal, State, local, and private agencies, groups, and interests concerned with the wise and full use of the water and associated land resources of the interstate stream, and for the purpose of assisting such agencies, groups, and interests by sponsoring research and special investigations, by holding meetings and conferences to deal with problems and subjects of common interest, and by the dissemination of information."

The original Commission on the Potomac River Basin has done yeoman service in the pioneering of pollution abatement on a regional basis. We have, however, now arrived at a new phase of development—not only in the problems presented, but also in terms of our approach to the solution of these problems. It is time, therefore, that the compact for the Potomac River Basin be revised so that we might bring to full fruition the economic and recreational—the natural and human resources of the river basin—and so that we might restore the Potomac itself to a river worthy of the Nation's Capital.

I would be pleased to cooperate in working for the enabling act necessary for this next development in the resources of the Potomac River Basin.

HEART OF THE YEAR AWARD TO SENATOR LYNDON B. JOHNSON, OF TEXAS

Mr. ANDERSON. Mr. President, on July 3, 1955, the people of the United States were shocked and saddened to learn that the alert and vigorous majority leader of the Senate had been stricken with a heart attack. The attack had occurred the day previously, on July 2, 1955. I had been present at the same gathering where the majority leader was stricken.

Throughout the ensuing days, the American people followed Senator JOHNSON'S progress in the hospital with tremendous interest. The questions were: Can he regain his strength and health? Can he again resume his position of responsibility? Can he again be the leader of the majority party in the U.S. Senate? Since that time our colleague has given most emphatic answers to those questions.

This morning, at the White House, the American Heart Association presented to Senator LYNDON B. JOHNSON the Heart of the Year Award. The inscription upon it reads:

> Presented to Senator LYNDON B. JOHNSON, whose faith, courage, and achievement in meeting the personal challenge of heart disease have inspired people everywhere with new hope and confidence.

I hope all Senators will examine the medal, because it is a fine one.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KEFAUVER. I wish to join with the distinguished Senator from New Mexico in paying tribute to the senior Senator from Texas upon his receiving this award. Not only in the Senate, but also in the House of Representatives, where many of us served with him, he was very active in helping to secure education in and larger appropriations for the treatment of heart disease. So this award is a recognition which he has deserved, not merely for the work he has done in the last few years, but also for his activities in this field over a period of many years.

Mr. ANDERSON. I thank the Senator from Tennessee.

Mr. President, at the time the award was made, there were present at the White House: Dr. J. Willis Hurst; Dr. Bruce Barton, chairman of the board, American Heart Association; Charles Perry McCormick, campaign chairman for the Heart Fund; William W. Moore, Jr., and Frederick Arkus, National Heart Association, National Office; Paul Welch, secretary to Mr. McCormick; Bryce Harlow, of the President's staff; Thomas E. Stephens, Secretary to the President; President Eisenhower; and Senator and Mrs. Johnson.

I thought it was extremely gracious of the President of the United States to make this presentation to the distinguished majority leader. When Senator JOHNSON of Texas received the award, he replied as follows:

> I am accepting the award of behalf of all those who owe recovery from a heart attack and return to good health to the American Heart Association and to the dedicated work of the medical profession.
>
> There is no politics in the battle against sickness and disease. As President Eisenhower and I discovered, heart attacks are completely bipartisan. The struggle against heart disease must be bipartisan, also.
>
> More basic research is needed in our struggle to find out more about heart disease. Therefore, you should support your Heart Fund drive.

As one who carries a little heart medicine with him at times, I think I may say that all of us have been inspired by the way in which the distinguished majority leader has carried on his activities. I, for one, am very, very happy to know that the American Heart Association recognizes that men of strength, determination, and courage are able to rise above circumstances which seem to be difficult and to emerge strong and filled with a desire to contribute to the cause of good government and to do the best they know how for the Republic they serve.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ANDERSON. Yes; I am happy to yield to my distinguished friend from Illinois.

Mr. DIRKSEN. Mr. President, I have known a good many coronary cases, past and present. I suppose that after surveying and observing them over a period of time, one gets the distinct impression that when these attacks come on, there is a tendency, somehow, to retreat from the activities of normal existence and to let them weigh down like some clammy psychosis upon all activity and future adjustment.

If I had to pick an individual anywhere in the United States who by his activities and his diligence, demonstrated his devotion and his unremitting, keen interest in everything which goes on, it would be the majority leader of this great body, the very distinguished senior Senator from Texas [Mr. JOHNSON].

So I concur in the sentiment which goes along with this award. I think the Senator's whole life, his whole being, and all his activities since the onset of the attack some time ago, have done wonders toward inspiring people to know that they can go on and do great work.

I may say, in a rather personal vein, that I was in Paris, France, returning from the Orient, at the time of this very unfortunate occurrence several years ago. I felt so keenly about it that I sent Senator JOHNSON a cablegram from Paris, uttering my own prayers for his well-being. But his activity, his earnestness, in going about the business of the country, has been such that I think he is a great living example and a wonderful exponent of how the ravages and attacks that come from we know not where can be rolled back to enable us to live long and useful lives.

Mr. ANDERSON. I appreciate the sentiments expressed by the able and distinguished minority leader, as I am sure the majority leader does. They are what I would have expected from the Senator from Illinois, after my long association with him in the House and now, again, in the Senate.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. YOUNG of Ohio. As a new Senator, I yield deference and devotion to the distinguished senior Senator from Texas [Mr. JOHNSON], who is our outstanding majority leader. I have marveled at his strength, his vigor, his activity, and his great industry in the service of the Nation.

I join other Senators in a feeling of great happiness over the recognition accorded the Senator from Texas today by the American Heart Association.

Mr. JOHNSON of Texas. Mr. President, my friends have been much too kind to me. I am very much in the debt of the distinguished Senator from New Mexico. I perhaps would not be here today except for his wise counsel on the evening when I suffered the attack.

I hope that none of my colleagues will have any more to say about it, although my appreciation could not be greater.

I hope that out of it, however, will come an examination on the part of every citizen of the country as to whether we are doing enough in basic research in the heart field. Approximately 300,000 to 400,000 of our citizens die each year from this terrible disease. Approximately 3 million or 4 million of our citizens are suffering now from it. The only way we can ever get at it is, not by speeches—although they are important, and it is necessary to enlighten our folks—but by reaching down into our pockets and helping the American Heart Association with its Heart Fund drive this month, and by reaching down into the coffers of the Treasury and providing more money for more basic research, so we can find some of the answers to this terrible disease which is taking so many of our best people.

I would not have called a doctor except at the insistence of the Senator from New Mexico [Mr. ANDERSON]; and I probably would not have survived after I had a doctor except for the prayers and understanding not only of all the Members of this body but of others as well. Mr. President, to show you what a wonderful institution this is, I say to you that within less than a week after my attack 94 Members of this body had communicated with me; and their prayers, their encouragement, and their stimulation are what permitted me to carry on.

To the Heart Association; to my own Dr. Hurst; to President Eisenhower, who dictated a letter in which he urged me to take things a little slower and a little easier, and then went away from his desk to have an attack himself, the next day—in fact, I am informed that the last letter he dictated was the one to me, urging me to take things a little slower; and I now have that letter, unsigned, from him—and to the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Ohio [Mr. YOUNG], and the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], who always is too generous with me, I extend my thanks; also for what I know the Senator from Minnesota [Mr. HUMPHREY] wants to say, although I hope he will not. However, I know of his great interest in this field. I suggest that he save his words and his speech, so we can get some more money and save more lives.

Mr. HUMPHREY. Mine will be a short speech. Amen. [Laughter.]

Mr. ANDERSON. Mr. President, I shall not take longer of the time of the Senate; but as one of the members of the cardiac club, I wish to say that we are delighted to see the Senator from Texas in such excellent health. On behalf of all of us, I congratulate the Heart Association on the recognition it has given him and on its program for the welfare of mankind.

HAWAIIAN STATEHOOD

Mr. GRUENING. Mr. President, when the 85th Congress enacted legislation to make Alaska the 49th State, it took a historic step which proved highly popular throughout the Nation. I think it fair to state that no more widely applauded action has been taken by the Congress in recent years. Throughout our land, people hailed this action as a demonstration that Uncle Sam practices what he preaches, cheered it, and were cheered by it as evidence that our Nation had not, as seemed to be feared in some quarters, become old and tired, and had not slowed down and, indeed, had not concluded its magnificent growth and expansion westward and forward which had characterized our entire history.

Alaska's admission signified the extension of the frontiers of democracy to America's farthest north and farthest west. It advanced the front line of freedom to within a naked-eye view of the totalitarian police state which lies just across Bering Strait.

Now our Nation, I feel confident, looks forward to another action similarly important and correspondingly desirable. It is the admission of Hawaii as the 50th State.

Mr. President, Hawaii has waited long and patiently for application to it of the most basic American principle—the principle of government by consent of the governed.

It has been over 100 years since President Franklin Pierce suggested that Hawaii be incorporated into the American Union as a State. In our own time, the case for the admission of Hawaii as a State has been heard again and again. Since 1935, no fewer than 22 formal hearings have been held on this matter by the appropriate committees of both the Senate and the House. As Director of the Division of Territories and Island Possessions, I attended one of those hearings 22 years ago, in the fall of 1937, in Hawaii, before a joint committee of Senate and House Members.

The record on the issue of Hawaii's statehood has now mounted to the formidable number of 6,400 printed pages of testimony and exhibits, totaling some 3 million words, with approximately 900 witnesses having been heard both in the Territory and in Washington. Ten congressional reports on investigations testifying to Hawaii's readiness for statehood have been made. The case for Hawaii has undoubtedly been given more thorough consideration than that given to almost any other matter which is likely to come before the 86th Congress. Probably no State already admitted has had its application so thoroughly examined, so carefully considered, and approved so many times.

Hawaii has met every test of statehood. It has more population than four States of the Union. It has for years paid into the Federal Treasury more taxes than those paid by nine States of the Union. It has, for a quarter of a century or more, had a successful, going economy. It has set no less high social standards. Hawaii not only has met every test of patriotism, but also has established a record of which any State of the Union might be proud. Its record of service in war has been unexcelled: in the percentage of its casualties, in the proportion of those decorated for gallantry in action, and in the proportion of its people serving both in World War II and in Korea.

One of the unique contributions which Hawaii will make to the great diversity of cultures which is a part of America's strength is its gift of the aloha spirit. Those of us who have been to Hawaii have been deeply moved by its warmth, its kindliness, its generosity, and its genuineness. It comes close to being a living application of the Golden Rule. The world needs more of it.

Hawaii has rightly been called the showcase of democracy. As such, it has a great contribution to make in the struggle between the freedom that America represents and the tyranny of totalitarianism. Hawaii's admission will go far to enlist the support and sympathy of the neutral, the wavering, the uncommitted people of the world. This is an action that will even penetrate iron curtains. I have had occasion to say before, and repeat it now because I deeply believe it, that it is more important for the United States to grant statehood to Hawaii than it is for Hawaii to receive it.

I am happy to be a cosponsor of Senate bill 50, appropriately so numbered, for the admission of the 50th State, introduced by the distinguished chairman of the Committee on Interior and Insular Affairs, Senator MURRAY, of Montana, who has played so large a part in helping Alaska achieve statehood, and who has done so much to bring the Hawaii statehood bill to its present favorable legislative status, with its sponsorship by 54 Members of the Senate.

Mr. President, in the court of public opinion, of American opinion, the cause of Hawaii statehood has been overwhelmingly approved. The last Gallup poll showed a ratio of 8 to 1 in favor of Hawaii statehood in 1958. Hundreds of editorials have for years appeared throughout our Nation's press endorsing Hawaiian statehood. Very few of them have been unfavorable.

At this time I should like to submit several recent editorials on the subject of the admission of Hawaii: One is entitled "Next: Hawaii," and was published in the New York Times; another is entitled "The Case for Hawaii," and was published in the Winston-Salem Journal; another is entitled "Alaska Today, Hawaii in '59?," and was published in the Spartanburg (S.C.) Herald; another is entitled "One Star Is Missing," and was published in the Austin (Tex.) Statesman; another is entitled "Give Statehood to Hawaii, Soon," and was published in the Tyler (Tex.) Courier-Times; another is entitled "Make Hawaii 50th," and was published in the Gainesville (Tex.) Register; and another, which was published in the Atlanta Journal, and was reprinted from the Milwaukee Journal, concludes with this sentiment, which I heartily endorse:

There are few more urgent matters to be faced by the new Congress—nor one on which such easy agreement could be reached. Let's make it 50 united States as soon as possible after Congress convenes.

Mr. President, I ask unanimous consent that these editorials be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 1, 1959]

NEXT: HAWAII

There is no reason or excuse to put off statehood for Hawaii. The fact that Alaska has become a State is a contributing argument for Hawaiian statehood, but it is only one among many.

The arguments for Hawaiian statehood have been presented from time to time for a generation or so. In 1947, 1950, 1953, and 1954, the House voted for statehood. Since 1948 both major parties have been committed to statehood, immediate or eventual. Since 1952 both have been committed to "immediate statehood." The time has now come to keep these longstanding promises. In Washington this weekend, majority and minority leaders of the House stand committed to action at this session. The final draft of the enabling act may be brought to the floor this week. And this time the enemies of statehood, of whom there still are a few, would be unwise to delay the measure in the House or try to talk it to death in the Senate. Some calculating politicians want to hold Hawaii with nearly 600,000 population, to one representative. One guesses who—and why.

There are no good arguments against Hawaiian statehood. The bad arguments have been: First, that the Hawaiian population is racially mixed; second, that the Communists are strong in the island; third—and this argument is rarely made out loud—that the Representatives and Senators first elected under statehood would probably be Republican.

It is true enough that the people of Hawaii are an intricate mixture of Chinese, Japanese, Portuguese, Koreans, Filipinos, some survivors of the original island people and a relatively small Caucasian intermixture. Some years ago island observers noted with delight that their elected Miss Hawaii claimed seven distinct strains of ancestry. The testimony of all candid and unbiased observers is that Hawaii is producing a richly endowed new race of its own. Those who fatuously believe, as did the late Mr. Hitler and his friends, that there is such a thing as a "pure" race should consult textbooks.

In the great crisis of 1941–45 Japanese-descendent citizens of Hawaii proved their loyalty and worth at home and in battle. As for the Communists, they doubtless do exist, in Hawaii as on the mainlands. They don't control Hawaii, however, any more than they control the mainland. Nor is their influence among the workers in the sugar industry, or the waterfront employees, whatever it may be, likely to be increased by statehood.

Statehood is logical, just and necessary. The old ideas about far-off islands are obsolete. Hawaii in the jet age is next door to California. Like Alaska she is in the front-line of our western defenses. Hawaiian statehood should be an "immediate" order of business, in the Senate as in the House.

[From the Winston-Salem (N.C.) Journal, Dec. 27, 1958]

THE CASE FOR HAWAII

Now that Alaska has become the 49th State, no excuse exists for continued refusal to admit Hawaii to statehood. The 86th Congress, which convenes next month, should not end its 1959 session without acting to carry out the pledges of both parties and the repeated recommendation of President Eisenhower.

One of the chief arguments against Hawaiian statehood—that noncontiguous areas should not be a part of the Union—has been completely dissolved by Alaska's admission. If a noncontiguous Territory like Alaska, with a population of only 209,000, is to be granted statehood, surely Hawaii, with a population of nearly 600,000 deserves as much.

Political considerations have played an important role in the denial of Hawaiian statehood, but they too should be put aside. Democrats traditionally have been reluctant to approve Hawaii's admission because the Territory sent Republican delegates to Congress for many years. But now that Hawaii has voted Democratic in two successive elections, a two-party system may be well rooted there. Southerners have taken a dim view of the prospect of adding two more pro-civil-rights votes in both House and Senate. But disagreement with the views of a prospective State is hardly a valid reason for denying it a voice in Congress.

Another argument that has a certain popular appeal lies in the alleged magnitude of Communist influence on the islands. It has been claimed that Communists control the two largest labor unions in the Territory and that the unions, in turn, exercise a powerful influence in government.

If the Hawaiian Government were actually Communist controlled, this contention might have some merit. But the evidence to the contrary is strong. Only 2 weeks ago, for instance, Chairman LEO W. O'BRIEN of a House Interior and Insular Affairs subcommittee reported after a tour of the islands that the Communist apparatus is crippled in Hawaii. Communism, it would seem, could be fought more effectively if Hawaii is made a partner in the Union.

To all outward appearances, Hawaiian statehood has a better chance next year than ever before. Senator LYNDON JOHNSON has promised to schedule an admission bill for early debate. And Republican Senator THOMAS H. KUCHEL has given assurances that an overwhelming nonpartisan majority of his Senate colleagues favor statehood.

Hawaii's years of waiting, let us hope, are near an end.

[From the Spartanburg (S.C.) Herald, Jan. 3, 1959]

ALASKA TODAY, HAWAII IN '59?

Today the President proclaims Alaska the 49th State of the Union.

Alaska adds more than one-sixth to the total area of the States. It brings in more than 160,000 in population. It displaces Texas as the biggest and braggingest State in the Nation.

Yet, Alaska represents a greater change in the winning of its place on the Stars and Stripes. No longer does Congress consider it imperative that the soil of a new State be contiguous to that of the first 48 States.

That departure is of special importance to Hawaii, which also wants to add its star to the flag. Hawaii already is pressing its claim to statehood, and it has a strong claim.

Congress will find it hard to refuse. Whatever arguments there were against the principle of statehood for the Territories were swept aside in the acceptance of Alaska.

[From the Austin (Tex.) Statesman, Jan. 6, 1959]

ONE STAR IS MISSING

Now that Alaska has been formally ushered by Presidential Proclamation into the sisterhood of States, attention is being given to statehood for Hawaii.

Should this Congress vote to admit Hawaii, the life of the new 49-star flag will be brief. Alaska adds 160,000 population exclusive of the Armed Forces stationed there. Admission of Alaska also set a precedent. It stilled the clamor that a State must be contiguous to that of the other States.

Hawaii has a population exceeding 500,000. It pays more taxes to the Federal Government than 10 of the mainland States. That should make admission difficult to refuse, though some Congressmen are against statehood, fearing instability, in an emergency, of the island cluster's polyglot oriental population.

The House has voted for the admission to the Union of Hawaii three times. The Senate has failed to ratify the action so far. Perhaps this time it will, now that the precedent of noncontiguity has been broken.

[From the Tyler (Tex.) Courier-Times, Dec. 23, 1958]

GIVE STATEHOOD TO HAWAII, SOON

If our national lawmakers are mellowed into a spirit of generosity at this season, let them resolve to carry that mood over into the forthcoming Congress and then give statehood to Hawaii.

That Territory has been waiting patiently for 55 years for that gift. The Territorial legislature requested it back in 1903. Since 1920 there have been bills introduced in Congress to make Hawaii a State. The House has voted for Hawaiian statehood three times, the Senate once. There have been 21 hearings and studies into Hawaii's readiness for statehood. There are 6,450 pages of testimony in 33 volumes of congressional reports attesting to Hawaii's eligibility. Both political parties have endorsed statehood for a decade.

In recent years Hawaii has missed statehood only because enough votes couldn't be mustered to make Alaska a State, too. Now Alaska is a State.

Hawaii has many valid claims to statehood; one is particularly important now. By accepting Hawaii, with its people of many races, this country would be showing Asia that there are no racial barriers against people of oriental origin in our system of government.

There are few more urgent matters to be faced by the new Congress—nor one on which such easy agreement could be reached. Let's make it 50 united States as soon as possible after Congress convenes.

[From the Gainesville (Tex.) Register, Jan. 6, 1959]

MAKE HAWAII 50TH

While welcoming Alaska into the Union as our 49th and largest State, we think that the 86th Congress, which convenes Wednesday should give serious consideration to making the Territory of Hawaii the 50th star in our flag.

Lorrin P. Thurston, publisher of the Honolulu Advertiser and chairman of the Hawaii Statehood Commission, says that no Territory seeking admission as a State has ever more completely fulfilled the requirements of statehood or has been in as excellent a financial position to pay the costs and meet the obligations involved. Nor has any Territory been in a position to give more to the Union in terms of understanding of the needs of America for friendship and solid business relations in the entire Pacific area, and help in their accomplishment. We believe that is going to be increasingly important in the years to come.

The results of the November 4 general elections show that a majority of supporters of statehood for Hawaii have been returned to the 86th Congress. Leaders in both parties, and committee chairmen who will conduct hearings on Hawaii statehood bills, have promised action early in the new congressional session.

National opinion polls, and polls conducted in their constituencies by Members of the Congress, as published regularly in the press and in the CONGRESSIONAL RECORD, show that sentiment for the admission of Hawaii as a State is at an alltime high.

The admission of Alaska, to which the press and the people of the country gave overwhelming and enthusiastic approval, has swept away, once and for all, the myth of noncontiguity as a bar to statehood.

Prosperous, busy Hawaii, with a gross Territorial product of $2 billion, paying more Federal taxes than 10 States, and earning per capita income ahead of 25 others, will become a substantial member of the family of States when admitted.

Population in 1950 was 499,794. Today it is nearly 600,000. Industry parallels this growth. The year 1959 will witness completion of a $40 million oil refinery, a small steel plant, and more hotels to take care of our ever-increasing number of visitors. It will also usher in the era of the jet age in the Pacific. Flights between Honolulu and San Francisco will be of only 250 minutes' duration. The whole Pacific area is buzzing with activity.

By an act of its legislature, Hawaii first petitioned the Congress for statehood 55 years ago (in 1903). Since that time 21 hearings and investigations into our readiness for statehood have been held. The published record of hearings and reports totals 33 volumes comprising 6,450 pages of printed testimony. All of the reports have been favorable.

Thrice has the House passed the bill; the Senate once, when it was combined with the Alaska measure. In each instance, inaction by the other body caused bills to fail.

We agree with Publisher Thurston that in view of Hawaii's long record of exemplary pupilage in the best American tradition, that there is no longer a valid excuse for refusing to grant full American citizenship to the residents of the Territory. We hope the Congress will help Hawaii become the 50th State in 1959.

[From the Atlanta Journal, Jan. 1, 1959]

In recent years Hawaii has missed statehood only because enough votes couldn't be mustered to make Alaska a State, too. Now Alaska is a State.

Hawaii has many valid claims to statehood; one is particularly important now. By accepting Hawaii, with its people of many races, this country would be showing Asia that there are no racial barriers against people of oriental origin in our system of government.

There are few more urgent matters to be faced by the new Congress—nor one on which such easy agreement could be reached. Let's make it 50 united States as soon as possible after Congress convenes. (Milwaukee Journal.)

SEVENTY-SEVENTH ANNIVERSARY OF THE BIRTH OF THE LATE PRESIDENT FRANKLIN D. ROOSEVELT

Mr. RANDOLPH. Mr. President, inasmuch as the Senate was not in session on Friday of last week, I invite attention to the fact that Friday, January 31, was the 77th anniversary of the birth of the late President Franklin D. Roosevelt.

It is particularly significant and opportune to note that, when President Roosevelt came into office, the United States was in one of the most discouraging periods of our history.

In my home State of West Virginia, economic and social conditions in some sections—especially the bituminous coal-producing areas—are approaching a status almost as deplorable and tragic as were the dark years of the 1930's. I am also aware that similar grave and distressing conditions exist in several other States.

President Roosevelt's words when he assumed his duties, "This Nation asks for action and action now," are as timely today as they were then. He had the vision, the courage, and the determination as well as qualities of leadership to meet the pressing problems of that terrifying time.

Mr. ENGLE. Mr. President, on Friday we commemorated the 77th anniversary of Franklin Delano Roosevelt's birthday. With each birthday the name of Franklin Roosevelt takes on deeper meaning and significance. Each year we see greater improvements in the lot of our working men and women. We see greater peace and security for our elder citizens. We see greater advances along the road to the ultimate in civil rights. All this we can trace back to the vision and courage of Franklin Delano Roosevelt.

President Roosevelt's assault on poverty and injustice was relentless, and he made many enemies along the way. But in the difficult war years his bitterest critics became his reluctant admirers as they saw this great humanitarian become an incisive world figure with the strength and resolution to give the leadership the world so sorely needed.

THE MORAL AND SPIRITUAL OBLIGATION OF THE UNITED STATES

Mr. HUMPHREY. Mr. President, in the Washington Post and Times Herald of January 29, 1959, there was published an extremely thoughtful article by Mr. Walter Lippmann discussing a subject which has long absorbed me—the concept that a rich nation like ours must help the have-not nations of the world to develop their potential economic productivity, not only because it is in our own national interest to do so, but also because there is a moral and spiritual obligation to help our fellow men.

Mr. Lippmann quotes Mr. Douglas Dillon, of the State Department, as stating that—

> The need to help these peoples forward on the road to economic progress would confront us even if communism and the Sino-Soviet bloc simply didn't exist.

I wish to commend this kind of broadgage and affirmative thinking in the highest echelons of the State Department. It is a similar remark to one I made during the discussion of the National Defense Education Act last session when I said in substance the following: "There are constructive programs which we should undertake because they are noble and positive and meaningful in themselves, without reference to the cold war and without reference to the Soviet Union. I do not think we should be forever looking over our shoulders, and forever watching what the other fellow is doing. Let us get on with some constructive policies, and let the other side do a little watching, and a little reacting. In other words, let us have a little more action, and a little less dependence on reaction."

Mr. President, I ask unanimous consent to have printed at this point in my remarks the article by Mr. Walter Lipp-

mann entitled "The Duty of Rich Nations."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DUTY OF RICH NATIONS

The President of Argentina, Mr. Frondizi, has come to Washington and gone. Unlike Mr. Mikoyan's visit, his was a state visit in which the whole ritual for such occasions was observed. But Mr. Frondizi has left behind him for the American people to ponder what can fairly be called the most poignant, and it might be the most embarrassing, question in our foreign relations.

The question is whether we are ready to recognize the principle that rich nations in the world community, like rich individuals in their own communities, have a duty to help the poor to raise themselves out of poverty. "We cannot ignore," said President Frondizi to Congress, "the harsh fact that millions of beings in Latin America suffer from misery and backwardness * * *. When there is misery and backwardness in a country, not only freedom and democracy are doomed but even national sovereignty is in jeopardy."

This principle—that rich have a duty to the poor—is not now part of our official philosophy of foreign aid. The United States has made substantial contributions, and not all of them have been wisely and effectively spent. But in relation to our wealth the contributions have not been very great. What matters most, however, is that Congress has voted these contributions on what is humanly speaking a self-defeating principle. They have not been voted on the principle that the rich have a duty to the poor but on the theory that we are subsidizing our allies in the cold war. Because Latin America has not been in the frontline of the cold war, we have done comparatively little about the misery and backwardness of Latin America.

This theory—that foreign aid is an instrument of the cold war, and would not otherwise be necessary or desirable—was challenged by President Frondizi. On this point, there were, as he spoke, men in high places who were prepared to understand him. Notable among them was Mr. Douglas Dillon, who is the Under Secretary of State in charge of economic affairs. On January 16 before the Foundation for Religious Action, Mr. Dillon made a speech which had little attention at the time, but is of great and far-reaching consquence.

After saying that there was no need before that audience to spell out the full dimensions of the Soviet challenge, Mr. Dillon went on "to examine with you the demands being made upon our resources and upon our consciences to help raise the living standards of the peoples of Asia, Africa, Latin America. These are the areas where most of mankind lives and where the struggle between freedom and totalitarianism may ultimately be decided. The need to help these peoples forward on the road to economic progress would confront us even if communism and the Sino-Soviet bloc simply didn't exist."

Why? For the same fundamental reason, which is at once a matter of morals and/or prudence, that we have learned to accept the view that within a nation great extremes of poverty and riches are intolerable to our consciences and subversive of the social order. We now live in a world community, and the most portentous fact about the age in which we live is that the gap between the rich peoples of Western Europe, North America, and Australasia on the one hand, of Asia, Africa, and Latin America on the other, is enormous. Worse still, the gap is widening. Rich peoples are getting richer faster than the poor peoples are overcoming their poverty.

The rich countries, with a total population of about 400 million, have an average income per capita of about a thousand dollars a year. In the United States, it is more than $2,000 a year. The underdeveloped countries, leaving out Communist China, have a population of over a billion and an average income of only $60 a year. During the past 50 years, the per capita income in the West has doubled, and it is rising appreciably each year. In the poorer countries, the per capita income has increased very little, and in many places it has deteriorated.

These are, I believe, the overriding facts of the times we live in and of the world in which we have to play so big a part. It is not too much to say that on our response to these facts will depend—if we do not all go up in the smoke of a world war—our prospects in the cold war, and our position in the decades to come as a world power. This does not mean, and no one should be so silly as to suppose that it does, that we who are only about 7 percent of the world's population, can eliminate the immemorial misery of half of the human race. What we can do is to raise considerably the amount we invest or lend to the key countries in Asia, Africa, and Latin America. Thus we can well afford to set aside something in the order of five billions annually for development and reconstruction. For that would not be much more than 1 percent of our gross national product.

The way we make our contribution is at least as important as the amount of the contribution. For insofar as we treat the contributions as a subsidy to buy allies in the cold war, they do as much, probably more harm, than they do good. For then we present ourselves in the guise of a great imperial power seeking to buy dependents, and that is a principal reason why with all the fuss about our foreign aid programs, we have been losing, not gaining, friends in the world.

The whole operation of foreign aid would wear a different face if it were founded on the principle—laid down by Mr. Dillon—that we make a contribution because it is the simple duty of the rich to help the poor. It would be a noble act, which would pay big dividends in self-respect at home and good will abroad, if the Government would declare the principle that to fight against poverty is a duty, not an instrument of our military strategy.

I do not myself think it is wishful thinking to believe that Congress and the people, who are now bored with foreign aid as it is presented and administered, would respond much more readily if it were inspired by a big idea, rather than by small and calculating notions of how to score points in a contest.

THE MODERN GARB OF TYRANNY

Mr. RUSSELL. Mr. President, since the decision by the Supreme Court in the school cases in April 1954 a great many speeches have been delivered and a great many articles have been written dealing with that subject. I have read a great many of them.

A few weeks ago I had the privilege of reading an address delivered by Hon. Alex A. Lawrence, of Savannah, Ga., before a meeting of the Magna Charta Dames on November 12, 1958.

I regard this address as one of the ablest deliverances on the situation which prevails in the United States today. Mr. Lawrence is an outstanding lawyer. For many years he has been a leader of the Georgia bar. In addition, he is one of the most eminent historians in the United States.

Among his more prominent offerings has been a biography of Mr. Justice Wayne, of the United States Supreme Court, and a book entitled "Storm Over Savannah," which dealt with the siege of Savannah in the war for independence, referred to as the Revolutionary War.

I commend this address to the attention of all those who are interested in the subject of freedom, and in the subject of maintaining a proper balance between the powers of government in this country.

Those who read this able address must come to the inescapable conclusion that unless we are able to restore some measure of restraint on the Federal judiciary in this land of ours, the freedom of all our people will be in danger.

I regard this address as so noteworthy that I ask unanimous consent to have it printed in the body of the RECORD at this point as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE MODERN GARB OF TYRANNY

(Address by Alex A. Lawrence, before a meeting of the Magna Charta Dames, Nov. 12, 1958)

There are many ways in which a speaker either fails to gain or soon will lose the attention of an audience. A sure one is not at the outset to provide his listeners with some clues to his route and purposes so that he may be more easily followed.

I purpose to speak to you about the long struggle in England and America to bring rulers under restraint of law. Tyranny is always versatile. It has ridden with the sword; it has borne the scepter; we have seen it in cassock; it has carried the mace. Today it appears in new garb—black robes. If tyranny's modern guise is harder to penetrate, it is just as evil and malignant as in the days when it wore a crown or brandished a sword. Such is the general theme and purport of what I have to say today.

Nowhere is the importance of Magna Carta better illustrated than in the fact that one who travels the way I am taking starts out from that June day nearly 750 years ago when the barons met King John in the meadow which is called Runnymede between Windsor and Staines. John was a tyrant, pure and simple. Of the man from whom the barons wrested Magna Carta in the year 1215 a contemporary said: "Foul as it is, hell itself is defiled by the fouler presence of John." We do not see his like again in English history. We shall, however, see other tyrants. They have an evil characteristic in common, the control or attempted control of justice. The Curia Regis of Angevin days was indeed a king's court. The monarch frequently sat there in person. Justice was purchased and sold there like a commodity. We do not need the 40th chapter of Magna Carta to prove that fact; many examples of the vending of justice are brazenly recorded on the rolls of the exchequer of those times.

The great place of Magna Carta in constitutional history rests in the fact that the unlimited prerogative of kings was for the first time brought under restraint. Thereafter the Crown was to be under the rule of law. The Great Charter symbolizes the end of absolute and the beginning of limited monarchy. Under it England became a nation and not a Norman appendage.

But tyranny is never deterred by written compacts. Scarcely was the Great Charter sealed before it was repudiated by King John.

Pope Innocent III issued a papal bull declaring the charter void. The barons were excommunicated. Tyrants, as we shall see, often ride in high company. Despite its confirmation by English kings on upward of 30 occasions (11 times alone in the reign of Edward I), Magna Carta was dishonored in the breach rather than honored by observance during the next 400 years. Arbitrary imprisonment was the rule in England. Personal liberty was unknown. During those centuries the royal prerogative grew in malignance. The mass of English people were docile. Masses are always docile. Large gains in freedom and liberty are usually achieved by the blood and valor of a few great souls.

With the coming of the Stuart kings, England emerged from the Middle Ages. Though its trappings remained, medievalism was dead. It was the high destiny of Englishmen of that century to establish after bitter struggle the concept of limited monarchy; of a Crown that was not above the law. The human leaven at work in the Tudor period perhaps made a struggle for supremacy between King and Parliament inevitable. James I hurled the gage of battle at the feet of the Commons. The royal prerogative was so unbounded, he claimed, as to be "no subject for the tongue of a lawyer, nor is it lawful to be disputed." He repeatedly informed Parliament that its privileges were exercisable under his pleasure and that it had no more business inquiring as to what he might lawfully do than as to what the Deity could. "The duetie, and allegeance of the people to their lawfull king," wrote this monarch, was to "obey his commands in all things, * * * acknowledging him a judge set by God over them, having power to judge them, but to be judged only by God." Churchmen of the day preached this doctrine of the divinity of kings.

It is "a thing regal and proper to a king," James I declared, "to keep every court within its bounds." Chief Justice Edward Coke had described Magna Carta as "such a fellow that he will have no sovereign." He was dismissed from office because he did not see eye to eye with the Crown. The attorney general of Charles I argued to a sympathetic king's bench in 1627: "Should anyone say, the King cannot do this? No, we may only say, he will not do this." In modern days there are attorney generals who claim a similar prerogative for the Federal judiciary. And there are those among us who maintain that we have as little right to challenge the United States Supreme Court as the Deity.

Fortunately for freedom the light of Magna Carta shone across 400 years of darkness into the 17th century. The Great Charter was now to play its greatest role. It became for this era the very symbol of man's freedom. There were Englishmen in the time of the Stuarts who were as undaunted by tyrants as the barons were in the time of John. They forced through Parliament the celebrated Petition of Right. In spirit and purpose the blood brother of the Charter, it drew a line in certain areas which marked the end of the King's prerogative and the beginning of the reign of law. The writ of habeas corpus was to lie even when an arrest was by command of the King or the star chamber.

But parchments make poor fetters for tyrants. The petition was repudiated by Charles I and the parliamentary leaders were imprisoned. The executioner's ax later descended upon his royal neck. The death sentence declared that he had ruled, not by law, but by his own will.

However, tyranny was not dead. Tyranny never dies; it merely sleeps. The second Charles and the second James piously professed deep respect for law. Tyrants live comfortably under law—or rather under the mere form of it. Courts can be controlled when judges are controllable. (Courts can still be controlled by advance screening of the judicial philosophy of appointees.) Charles II dismissed two lord chancellors, three chief justices, and six judges. James II went further. Seldom has the judiciary been so disgraced by partiality and arrogance as in this era. Judges prostituted themselves in advancing every royal encroachment. In riding the "bloody assizes" in 1685 Chief Justice Jeffries and his colleagues were on the King's business under the King's orders. James II placed troops at their beck and call. The history of tyranny moves in circles—not vertically. Present always meets past at some point. In modern days an itinerant judge, equally partial, is sent down by the Department of Justice on the business of superiors. Troops pour in to enforce his edict at bayonet point. History ran a full circle in Arkansas. The difference was that 17th century Englishmen saw and knew what was going on; 20th century Americans will not look.

The Declaration of Rights enacted by Parliament in 1689 following the Glorious Revolution that dethroned James II was the crowning glory of a century that saw the establishment or vindication of many of the basic principles and cherished liberties that were later to find expression in the Federal Constitution and the original amendments. Unknowing people sometimes are heard to say that the Bill of Rights in the Constitution of the United States gives them the privilege to this or that. The Bill of Rights gives nothing. It only reaffirms and resecures liberties won long before by Anglo-Saxon struggle and sacrifice. It is easy to take hereditary rights for granted. That is why liberty is often lost. Freedom lives in men's hearts; it withers on paper. "Liberty," Lord Acton once said, "is something never established for the future; but something which each age must provide for itself."

Tyranny did not pass with the Stuarts. So long as lust for power is a depravity of mankind, so long will despotism be resilient. Thwarted in England in the 17th century, it reared itself in America in the next century. The royal prerogative was extended across the Atlantic under George III. A great revolution settled the issue. A new nation came into being, dedicated to the idea of the bridling of absolute power through government under a written constitution. Like Magna Carta, the genius of the Federal Constitution was the restraint of absolutism by law. Under expressly delegated powers, carefully counterbalanced and always limited, it couldn't happen here.

O Magna Charta Dames, proud in the accomplishment of your forebears at Runnymede, do you not see that the curse of King John is over your own land? Tyranny is, indeed, often difficult to see. What is hard to detect is hard to deter. Even when recognized, men tend to endure rather than overthrow it. Charles I might have died an absolute monarch if he had not attempted to impose the episcopacy on Scotland; James II was chased off the throne mainly because he was a papist, not because he was a tyrant. Judicial despotism is more insidious than any other form of absolutism. The Supreme Court of the United States is a "noiseless, and therefore unalarming instrument;" the Federal judiciary is "a subtle corps of sappers and miners." Those are not my words. Thomas Jefferson said that.

A man could feel a Tudor lash across his back or a Stuart pillory about his neck. Despotism is obvious when it arbitrarily crops men's ears or chops off their heads. But a berobed Chief Justice with lawbook in hand (a modern sociological tome between its covers) is harder to recognize for what he really is. Absolutism is the same bad merchandise in all eras. Packages and trademarks change.

An eminent jurist, Judge Learned Hand, has recently declared that the basis on which the Supreme Court set itself up as a third legislative chamber can rest on nothing else than a "coup de main"—or a pure usurpation, one might say, if the French had not given us a phrase for it. The Court has evolved into an anomalous body, unknown to the Founding Fathers; unknown to the Federal Constitution; unknown, indeed, to anything in the history of constitutional law. It has become a sort of constitutional convention; always in session and eternally busy at making our Constitution read like modern judges want it to be read.

The Supreme Court Justice is no longer a jurist, he is a zealot. A lawyer in name, he is a reformer at heart. The philosophy that the Court should use its enormous power for so-called wholesome social purposes is rampant in our generation. The liberal and activist elements on the Court have unabashedly thrown off all restraint. One of the Justices glibly announces that "stare decisis has * * * little place in American constitutional law." Members of the Court explain that the process of amendment of the Constitution is too slow. Others cooly tell us that if they are wrong the next generation of judges can correct them. Mr. Justice Stone significantly pointed out in 1936 that "while unconstitutional exercise of power by the executive and legislative branches of the Government is subject to judicial restraint, the only check upon our exercise of power is our own sense of self-restraint." At that type of restraint tyrants in all ages have laughed while populaces weep. Liberty held at the arbitrary will of another is the illusion of liberty. Power which is only self-restrained is absolutism.

For over a century there were limitations of a sort upon the Supreme Court. For one thing, the judges looked for the meaning of the Constitution in the intent of the framers and ratifiers of that document. It meant what the Founding Fathers intended it to mean; not what judges thought it ought to mean for their own day and time. The touchstone of original intent was, to some extent, a check on arbitrary will in constitutional interpretation. There was another restraint—the rule of common law that courts must stand by settled judicial precedents. Once the meaning of a provision of the Constitution is fixed by a decision the judges are under a duty in later cases to follow the rule previously established by it.

Both in theory and practice these restraints upon raw judicial power have been abandoned in our Highest Court. The sheet anchors of the ship have been willfully cut loose by her crew. In large areas the Supreme Court rules by uncontrolled will. So did John and James and Charles.

It is a peculiar irony that due process guarantees intended to secure individual freedom have become the very source and breeding place of arbitrary rule by courts. Weapons intended to keep men free have been remolded in the judicial forge into shackles by which men are reenchained. As an able writer says: "The well understood words of Magna Carta moved across six centuries into the 5th and 14th amendments. Once they were our freedom—now they are our chains.[1] No student of constitutional history would suppose that the 39th chapter of Magna Carta and the words "due process of law" in the statute of Edward III meant more than that ordinary legal processes must precede any sentence, judgment, or action by which a man is deprived of his life, liberty, or property. The same words in the 14th amendment have been tortured by the courts into the meaning that State action of any kind must be constitutionally tested by its conformity to what is called fundamental principles of liberty and of justice or by equally nebulous formulas. What this means is nothing more than the notions and

[1] R. Carter Pittman, of Dalton, Ga.

predilections of judges on the particular subject. This is not law, it is whim.

The caprice and the favortism that mark its hegemony in constitutional interpretation is reflected in hundreds of decisions exhibiting a tender solicitude for the rights of criminal, Communist and crank while the rights of sovereign States go begging in the same Court. It is an old tale. After all, the 10th amendment is but a parchment compact.

Judicial absolutism is more awesome when its expression is legislation in the guise of court decrees affecting and dictating the pattern of daily life for millions of Americans. It is the more frightening in the hands of men (one man when there is a close division on the Bench) elected by nobody; responsible to none but themselves and appointed for life by politicians. Despotism is the more artful when it parades as justice and law. It is the more absolute when people are cajoled into believing that court decisions are the law of the land to which unquestioning obeisance is due. * * * Obeisance. Across three centuries there come to us the words of John Selden who, asked by what statute resistance to tyranny can be justified, majestically replied, "By the custom of England, which is part of the law of the land."

It is a sort of law of political science that governmental bodies possessing powers whose limits are adumbral or unprecisely defined inevitably tend to exert authority to the outermost bounds of the area of doubt. Power always expands into vacuums. Our Constitution has become but the gloss of decisions of the Supreme Court. That tribunal has now cast aside the restraints by which courts ordinarily police themselves. The high prerogative which it exercises is practically unlimited. Judicial independence has become judicial arrogance.

Somehow we must find some way to impose some measure of restraint on the powers of the Supreme Court. No one would destroy the Court. The halter of law is not a mark of servility; it is the hallmark of liberty. This is not the occasion to discuss the nature of the curb; whether it takes the form of elimination of judicial review of State action save where the same impinges on the delegated powers of the Federal Government; whether the Federal judicial should be denied power to veto State legislation because of the 14th amendment or the Federal Bill of Rights; whether the method of selection of Federal judges should be reformed, including divorcement of the judiciary from the Department of Justice; or whatever other means may be devised to bring the Supreme Court under a restraint wholly lacking now. It is more important at the moment to get people to realize that judicial absolutism exists today in America and that it is dangerous to liberty.

Facing in our time a constitutional crisis as grave as that which confronted 17th century England, a great task lies ahead of us. Absolutism is always formidable. It is never without powerful allies. In the coming struggle may God give us the courage of the men who centuries ago at Runnymede put rulers under the rule of law for the first time.

PUBLIC BACKS PRESIDENT EISENHOWER ON HOLDING THE LINE

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the Gallup poll report published in the Washington Post and Times Herald of Saturday, January 31, 1959.

This report is entitled "Public Backs Ike on Hold-the-Line." It shows once again that public thinking is well-informed and is perhaps running ahead of some areas of congressional thinking. A substantial number of our citizens realize that an unbalanced budget inevitably contributes to inflation and concomitantly decreases the value of the dollar. When it comes to the question whether the budget should be kept in balance by cutting back programs or increasing taxes, a whopping 72 percent favored cutting back programs.

Mr. President, I hope this public opinion poll will serve as a clear indication to us as elected representatives of the people as to the path to follow. I also hope it will serve as a clear contradiction to those who interpreted last fall's election results as a popular mandate for unbalanced budgets and runaway deficit spending.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE GALLUP POLL—PUBLIC BACKS IKE ON HOLD-THE-LINE

(By George Gallup)

PRINCETON, N.J., January 30.—In the clash between President Eisenhower and congressional Democrats over the budget, the President holds a great initial advantage in public support for his philosophy of "holding the line."

Just what may happen to this advantage, however, will depend on how well and how hard the Democrats sell their philosophy that an expanding economy requires more Federal aid even if it means deficit spending to accomplish this.

The important political significance is that the public still thinks in strictly orthodox terms regarding the budget, or "like a family, the Government shouldn't spend more than it takes in."

Behind this overwhelming vote is a feeling on the part of many voters that operating in the red during the next year or two will result in serious inflation and have a generally harmful effect on the Nation's economy.

Some political observers have felt that if prices continue up between now and 1960, the Republicans will have a readymade issue in blaming the Democrats and their policy of deficit spending for rising prices.

Democrats challenging the President, therefore, have yet to convince voters of their economic philosophy—namely that increased spending is needed to make certain of national growth and progress to keep pace with Russia.

Some key questions and results in the Gallup poll's nationwide study of the public's attitude toward the budget:

Do you see any connection between an unbalanced budget and the prices of things you buy?

	Percent
Prices will rise	56
Prices will drop	1
See no connection	43

Do you see any connection between an unbalanced budget and the value of the dollar?

	Percent
Inflation, value of dollar decreases	58
Value of dollar increases	1
See no connection	41

If the time should come when Government income cannot pay for all the things in the budget, which would you favor—cutting back on certain things or increasing taxes?

	Percent
Favor cutting back	72
Favor increased taxes	15
No opinion	13

When voters who favored cutting back under these circumstances were asked what they would like to see pared, two areas of the budget were mentioned most often.

The No. 1 item which voters would like to cut back on is Government operations—salaries, personnel, and other expenses incurred in the day-to-day operation of the Federal Government.

The next most frequently mentioned was foreign aid.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXTENSION OF TIME FOR FILING REPORTS OF THE COMMITTEE ON THE JUDICIARY

Mr. JOHNSON of Texas. Mr. President, on behalf of the Committee on the Judiciary, I ask unanimous consent that the time for filing reports pursuant to Senate Resolution 230, Senate Resolution 231, Senate Resolution 232, Senate Resolution 234, Senate Resolution 235, Senate Resolution, 236, Senate Resolution 237, Senate Resolution 238, and Senate Resolution 239, 85th Congress, be extended to March 17, 1959.

These reports concern certain subcommittees of the Committee on the Judiciary. I have taken the matter up with the minority leader, and he has agreed to it. I am informed that the chairman of the Committee on the Judiciary desires to have this request approved.

The PRESIDING OFFICER. Without objection, it is so ordered.

INVESTIGATION BY COMMITTEE ON ARMED SERVICES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 14, Senate Resolution 26.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution, as follows:

Resolved, That the Committee on Armed Services, or any duly auhorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) common defense generally;

(2) the War Department and the Military Establishment generally;

(3) the Navy Department and the Naval Establishment generally;

(4) soldiers' and sailors' homes;

(5) pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces;

(6) selective service;

(7) size and composition of the Army and Navy;

(8) forts, arsenals, military reservations, and navy yards;

(9) ammunition depots;

(10) maintenance and operation of the Panama Canal, including the administration, sanitation, and government of the Canal Zone;

(11) conservation, development, and use of naval petroleum and oil-shale reserves;

(12) strategic and critical materials necessary for the common defense.

SEC. 2. For the purpose of this resolution the committee, from February 1, 1959, to

January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed $190,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

Mr. JOHNSON of Texas. Mr. President, under rule XXV of the Standing Rules of the Senate, the Committee on Armed Services is authorized to examine, investigate, and make a complete study of any and all matters pertaining to the common defense generally; the War Department and the Military Establishment; the Navy Department and the naval establishment; the Soldiers' and Sailors' Homes; pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces; selective service; size and composition of the Army and Navy; forts, arsenals, military reservations and Navy yards; ammunition depots; maintenance and operation of the Panama Canal; conservation, development, and use of naval petroleum and all shale reserves; and strategic and critical materials necessary for the common defense.

For the purpose of the resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to make expenditures as it deems advisable, and to employ, upon a temporary basis, technical, clerical, and other assistants and consultants.

Most of these funds are to be utilized by the Preparedness Investigating Subcommittee. A listing of the staff allowed to the subcommittee appears at page 3 of the committee report. The letter of the Chairman of the Armed Services Commitee is found at page 2 of the report.

I may say that the Committee on Armed Services approved the resolution unanimously. The funds requested amount to $190,000. It is the same amount which has been provided each year for several years under both Republican and Democratic Congress. We try to be as prudent as we can in the use of these funds, and frequently we turn back some of the money. We believe it is necessary to have these funds available so that appropriate hearings may be held if necessary. That was the situation after sputnik, when several months of testimony was heard, and when more than 80 witnesses were sworn before the subcommittee. We spent 4 months in that connection, and evolved a very constructive report, which was submitted to the Senate unanimously. We believe that this is one of the best subcommittees of the Senate and that its work justifies its expenditures many times over.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. ELLENDER. I understand that the pending resolution is similar to the resolution adopted last year.

Mr. JOHNSON of Texas. I would say it is identical.

Mr. ELLENDER. Is the staff a continuing one, or does the subcommittee employ a staff if and when it needs one?

Mr. JOHNSON of Texas. That situation fluctuates. We have a minimum staff of clerical people and a minimum number of investigators. When we conduct hearings, as we have for the last few days, we employ additional people on a consulting basis. Those people do not become permanent members of the staff. Consequently, we have been able to save some money in following that procedure.

Mr. ELLENDER. Do I understand correctly that, for example, the chief counsel of the subcommittee is not a permanent employee of the subcommittee?

Mr. JOHNSON of Texas. No; we have a chief counsel, who is a permanent employee of the subcommittee. However, we call in special counsel for some of our hearings, on a consulting basis.

Mr. ELLENDER. Last year the amount originally requested by the Armed Services Committee was $190,000, the same as this year. However, before the last session ended an additional $12,000 was appropriated, which made the total for that committee $202,000. This was the total amount requested by and authorized for the committee last year. Am I to understand that that entire amount was spent by the subcommittee?

Mr. JOHNSON of Texas. I am not familiar with the $12,000. I assume it has some connection with the Committee on Armed Services, and deals with a matter over which the committee has jurisdiction, and over which I have no voice. The $190,000 which was assigned to the Preparedness Investigating Subcommittee was appropriated, and we will return, of that amount, approximately $63,000.

Mr. ELLENDER. Of course, I have not been able to look into this matter very carefully, because these resolutions have been rushed through the Committee on Rules and Administration. As a matter of fact, they were printed only Saturday and were not available until this morning. Therefore, I have not had time to study them carefully. That is why I am asking my good friend the questions I have been propounding.

The record, I believe, shows that, in addition to the $190,000 which the committee obtained last year, an additional $12,000 was granted. I have been unable to find out whether that entire amount has been spent. The Senator, as I understand him, says that $60,000 has been spent.

Mr. JOHNSON of Texas. I said I had no information on the $12,000. That amount is not involved in the pending resolution. It is not involved here at all. It has nothing to do with the resolution dealing with funds set for the Preparedness Investigating Subcommittee. The subcommittee requests $190,000. Of the $190,000 given the subcommittee last year, we returned approximately $63,000.

The Senator will find that information in the last paragraph of the chairman's letter on page 2 of the report.

Mr. ELLENDER. Mr. President, it is not my purpose to place in the RECORD anything which is not in accord with the facts. I therefore reserve the right to place in the RECORD a statement dealing further with this $12,000 appropriation, and if it were appropriated for use by the subcommittee.

Mr. JOHNSON of Texas. Perhaps that money went to the Committee on Armed Services, but it did not go to the Preparedness Investigating Subcommittee. The authorization requested here is for the benefit of the Preparedness Investigating Subcommittee. Historically and traditionally we have been getting $190,000. Most of the time we have been able to return some of the funds. Last year we returned $63,000. I believe the Armed Services Committee did make a special request for $12,000, just as other committees make requests for additional funds.

Mr. ELLENDER. Each committee does get $10,000 for the entire session, for printing.

Mr. JOHNSON of Texas. I believe the Committee on Armed Services obtained $12,000 instead.

Mr. ELLENDER. I shall look into the matter, and I shall correct my statement, if the Senator will permit me to do so, if I am in error.

Mr. JOHNSON of Texas. I am informed by the clerk of the committee that the $12,000 was awarded to the subcommittee headed by the Senator from Mississippi [Mr. STENNIS], who heads the Subcommittee on Military Construction.

Mr. ELLENDER. Is that a separate subcommittee?

Mr. JOHNSON of Texas. It is a separate subcommittee.

Mr. ELLENDER. Are there any other subcommittees of the Committee on Armed Services?

Mr. JOHNSON of Texas. Not that I am informed, so far as investigating work is concerned.

Mr. ELLENDER. I thank the Senator for the information. As I have said, I should like to reserve the right to correct the RECORD as to the statement I made if I were in error. It appears now that I was misinformed to the extent that I was under the impression that a total of $202,000 was allocated to the Preparedness Investigating Subcommittee last year when in reality, $190,000 went to that subcommittee and another subcommittee of the Armed Services Committee received the additional $12,000.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 26) was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote by which the resolution was agreed to be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONTINUATION OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN THE LABOR OR MANAGEMENT FIELD

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 11, Senate Resolution 44.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution, as follows:

Resolved, That the select committee, authorized and directed to conduct an investigation and study of the extent to which criminal or other improper practices or activities are, or have been, engaged in in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of the interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities, established by S. Res. 74, Eighty-fifth Congress, first session, agreed to January 30, 1957, as amended by S. Res. 88 of the Eighty-fifth Congress, first session, agreed to February 7, 1957, and extended by S. Res. 221 of the Eighty-fifth Congress, second session, is hereby continued. Any vacancy in the select committee so continued shall be filled in the same manner as the original appointments were made under section 2 of S. Res. 74, Eighty-fifth Congress, first session, as amended.

SEC. 2. For the purposes of this resolution, the select committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized, as it may deem necessary and appropriate to (1) make such expenditures from the contingent fund of the Senate; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpena or otherwise the attendance of such witnesses and production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony, either orally or by deposition; (7) employ on a temporary basis such technical, clerical, and other assistants and consultants; and (8) with the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, employ on a reimbursable basis such executive branch personnel as it deems advisable; and, further, with the consent of other committees or subcommittees, to work in conjunction with and utilize their staffs, as it shall be deemed necessary and appropriate in the judgment of the chairman of the select committee.

SEC. 3. Notwithstanding the provisions of section 3 of S. Res. 74, Eighty-fifth Congress, as amended, the select committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960, on which date the select committee shall cease to exist.

SEC. 4. Notwithstanding the provisions of section 5 of S. Res. 74, Eighty-fifth Congress, and S. Res. 221 of the Eighty-fifth Congress, second session, as amended, expenses of the select committee, under this resolution shall not exceed $750,000 and shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. JOHNSON of Texas. Mr. President, I call the resolution to the attention of the Senator from Arkansas.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the resolution.

Mr. McCLELLAN. Mr. President, at the time the resolution was submitted, we sent to the Committee on Rules and Administration a letter explaining the request. The letter is addressed to the chairman of the Committee on Rules and Administration, the distinguished Senator from Missouri [Mr. HENNINGS]. In effect, we made a tentative report on the work of the committee during the past year. We are in process of preparing an interim report for the last year's work, which will be filed sometime in the latter part of this month.

Mr. President, I ask unanimous consent that this letter, explaining the work of the committee and giving the reason for the request, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

The Honorable THOMAS C. HENNINGS, JR.,
Chairman, Committee on Rules and Administration, United States Senate, Washington, D. C.

MY DEAR SENATOR: Reference is made to Senate Resolution 44, introduced in the Senate on January 23, 1959. This resolution requests the continuation of the Senate Select Committee on Improper Activities in the Labor or Management Field for an additional period of one year. Attached is the estimated budget for the period of February 1, 1959, to January 31, 1960.

The request for the continuance of the operation of this Committee has been approved by the unanimous vote of the members of the select committee.

As I pointed out before, the economic factors involved in the committee's work are of great magnitude. We are dealing in a field which directly affects over 17 million working men and women in organized labor. It is evident that organized labor is one of the most dominant forces in our Nation's economy and the economic well-being of our country can be directly affected by the unscrupulous control of portions of organized labor by racketeers and dishonest labor officials.

The treasuries of unions, including pension and welfare funds, represent an investment capital of such size that their impact on the securities and investment markets can best be gaged in the light of the Securities and Exchange Commission report that pension fund reserves alone are currently the largest single source of equity capital. The tremendous financial resources of labor unions have attracted too many unprincipaled men who have sought to enrich themselves to the detriment of the rank and file members of these organizations. These men have assumed dictatorial powers; stripped various members of their democratic rights by means of manipulation of their constitutions and bylaws and by resort to obscure legal technicalities; and have resorted to coercion and violence to accomplish their purposes. They have hired highly-paid accountants, lawyers, and publicity men to assist them in their grab for control and have flouted the courts, Congress, and the rights of members of their unions.

The committee has filed a report for its first year work, a copy of which is attached for your reference. The staff of the committee, at the present time, is diligently at work on a report of its operations during the second session of the 85th Congress. It is hoped that this report will be completed and filed soon after mid-February 1959.

As we have pointed out in our first report, and in hearings we have had during the past year, management must accept the blame for its part in bad labor practices. The Atlantic & Pacific Tea Company was equally at fault with Max Block, President of the Meat Cutters Union; and the Food Fair Company was equally guilty in its dealings with officials of the Meat Cutters and other unions to obtain favorable contracts.

We have found other instances of improper practices by both labor and management during our hearings. There was the mass picket lines and violence by the UAW in the Kohler strike on the one hand and the hiring of labor spies and purchase of tear gas guns by the Kohler Co. on the other hand.

In the committee's hearings we have found wholesale lootings and embezzlements of the funds of the treasuries of the Teamsters Union. One example was that of Local 107 in Philadelphia. In that situation we were confronted with the mass use of the fifth amendment by officers and underlings of this local to protect its higher officials. A very real example of dictatorial control of a local union by one man who reigns through the use of goon squads and violence.

The committee hearings have also disclosed widespread improper practices of union officials: Failure to disclose financial data to the membership of locals and some international unions; destruction of union records to conceal frauds and misuse of union funds; practices involving conflict of interest where union officials have entered into business enterprises which conflict with their obligations as union officials; infiltration of criminal elements into the field of both labor and management; corruption and collusion between criminal elements in management and labor to gain more favorable contracts to the detriment of the rank and file members of the union and competitive management concerns; improper secondary boycott practices and evidence of collusion between management to use such boycotts to eliminate competition between some management concerns; the use of go-betweens and labor consultants who have ingratiated themselves with dishonest labor leaders to obtain favorable terms for the companies these consultants represent.

During the past year, the committee heard 547 witnesses, conducted 103 days of hearings in a 10-month period from February 26 to December 26, 1958, or held a hearing in one out of every two working days. During these hearings, over 17,919 pages of testimony was taken. In comparison, during a similar period in the first year of the committee's operations, between February 1, 1957, and December 1957, the committee heard 427 witnesses in 95 days of public hearings, the transcript of which ran 15,736 pages. At the same time, of course, the members of the committee have had to cover their other senatorial duties. The burden of this work has been accepted by the committee because each member, I am sure, realizes the tremendous importance of the committee's task.

The following is a schedule of the hearings held since February 26, 1958:

	Days of hearings	Number of witnesses	Pages of transcript
Kohler (Feb. 26–Mar. 29)	23	75	4,899
Perfect Circle (Mar. 31–Apr. 1)	2	9	324
Philadelphia Teamsters (Apr. 15–May 9)	10	110	1,810
Meat Cutters—A. & P. (May 14–28)	9	36	1,375
Carpenters; Max Raddock (June 4–27)	6	29	855
Apalachin; Mafia (June 30–July 3)	4	24	722
Chicago restaurants (Mar. 21, July 8–31)	9	66	1,479
Overall and linen (July 31–Aug. 1)	2	16	353
Teamsters; Hoffa (Aug. 5–Sept. 18 and Nov. 17)	26	127	4,659
Secondary boycotts (Nov. 13–20)	6	29	918
Sheet Metal Workers (Dec. 2–3)	2	17	359
Coin machines [1] (Feb. 26, Dec. 4, 9)	3	7	97
Glimco; [1] local 777 (Apr. 24)	1	2	69
Total	103	547	17,919

[1] Hearings incomplete; to be continued.

The work of the committee between February 1, 1958, and July 1958, was discussed in my letter to you 5 months ago, dated July 22, 1958. This letter was incorporated in the Rules Committee report No. 1942, to the Senate. (To avoid repetition, I call your attention particularly to the discussion of the work of the committee, referring to the third paragraph on page 3 of the printed report, which covers the hearings of Kohler, Perfect Circle, the Philadelphia Teamsters, the Meat Cutters, and the A. & P. Co., the Carpenters Union, the Apalachin Mafia inroads into organized labor and the Chicago restaurant rackets.)

Since then, we have held hearings in the following situations:

1. The Detroit overall case, involving the combination of a racket-controlled overall service with certain officials of the Teamsters Union in Detroit. Testimony indicated that Detroit automobile dealers were threatened with strike action but then told that if they would sign up with the particular overall company the union would not insist on a contract.

2. For 7 weeks, the committee heard testimony on the activities of James R. Hoffa and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America. The testimony covered a wide variety of subjects—the misuse of Teamsters funds, the stifling of union democracy, the extensive infiltration and domination of the union by racketeers and hoodlums, the solicitation of payoffs and bribes to settle labor-management problems and the continuing use of violence as a weapon of coercion and intimidation.

3. A hearing into the practice of secondary boycotts. This field of labor-management relations, on which there exists a good deal of controversy, was studied in respect to a number of situations, trucking lines in Nebraska and Texas, and the Barbers Union in New York City.

4. A hearing into the activities of certain officials of the Sheet Metal Workers International Union in the Chicago, Ill., area. The principal testimony centered on an arrangement arrived at between the Coleman Co., of Wichita, Kans., and Arthur Cronin, an international vice president of the union. Company officials testified they paid Cronin $27,000 for labor peace and Cronin denied receiving the money. Testimony was also heard on payoffs made by contractors in Chicago to certain officials of a Sheet Metal Workers Union local. The payoffs were described as the price necessary to operate a sheet metal business in that city.

In addition, the committee has heard several witnesses in two cases it expects to develop further in the coming month. These are an investigation of racket infiltration in the coin operated machine industry and in a hearing into the activities of Joseph Glimco, president of Local 777 of the Teamsters in Chicago, which represents some of that city's taxi drivers.

We have 51 members on our current staff. I would like to point out, as I have done before, that in my opinion we have assembled one of the most dedicated, experienced, and capable staffs ever utilized by a Senate committee. The staff members have worked without regard to usual business hours. A 12- or 15-hour day, frequently including Saturdays and Sundays, is not unusual for each of them. Were it not for their diligence and ability, it would have been impossible for us to accomplish what we have in the relatively short space of 2 years.

In addition to the above, the committee has also utilized, on a full-time basis, six very experienced investigators on loan from the Senate Permanent Subcommittee on Investigations, whose work has been of invaluable help to the committee.

It is the duty of the committee to take all steps to reveal the full facts to the Congress so that corrective measures can be taken where needed. Congress can act wisely only when it is in possession of the complete picture. This has been foremost in the minds of the chairman and members of the committee. It is my earnest desire and, I believe, the desire of other members of the committee, to complete the assignment at the earliest possible moment. However, the task of the committee is, as yet, not complete. During the course of the hearings thus far, there have been brought to life situations which, we feel, require legislative attention but, by no means, have all the existing wrongs been fully disclosed.

The staff is presently engaged in investigating other complaints of improper labor and management practices in areas not previously covered. It appears essential that the facts developed be presented and studied if we are to have a full understanding of all the factors upon which to base remedial legislation. These facts must be thoroughly explored to avoid the danger of enacting legislation which, while intent on curbing improprieties of dishonest labor or management officials, may also work to hamper and restrict proper labor and management relations and practices of honest, bona fide unions.

To properly fulfill the committee's responsibilities, more time is needed. It is my earnest hope that the committee will be able to complete its task by the end of the current year, and submit a final report to the Congress.

Sincerely yours,

JOHN L. MCCLELLAN,
Chairman.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas state whether the report he just mentioned is the only report which will be filed by the committee concerning its activities during the last session of Congress?

Mr. McCLELLAN. The Senator may recall that following the first year of the committee's operation a quite extensive report was filed. We are now in the process of preparing a second interim report, which will be equally voluminous and will be as informative, I think, as the previous one.

Mr. ELLENDER. Can the Senator state the extent to which hearings were held during the last session of Congress as compared with previous years?

Mr. McCLELLAN. In the previous year, the committee held 104 days of public hearings. That statement is made from recollection, but I feel certain I am correct.

Mr. ELLENDER. That was during the year 1957?

Mr. McCLELLAN. That was during the first year of the committee's operations, from January 31, 1957, to January 31, 1958.

This new report will cover from January 31, 1958, to January 31, 1959. At the time of the writing of this letter, which was some 6, 8, or 10 days ago, the committee had held 103 days of public hearings.

In the previous year the committee heard about 104 witnesses. Last year we heard 547 witnesses.

Since the letter was prepared, the committee has held, I believe, 4 additional days of public hearings. So that will bring the total to at least 107 days of public hearings during the year for which we are reporting.

Mr. ELLENDER. Will the report, which the Senator intends to file, disclose any new information of improper activities in the labor-management field?

Mr. McCLELLAN. Yes; it will show them. Particularly in this report, we go into secondary boycotts and other aspects which were not considered in the previous year.

Mr. ELLENDER. Let me ask the Senator if the report is related to the so-called labor investigation, or is it a report from a subcommittee of the Committee on Government Operations.

Mr. McCLELLAN. This is a report of the Select Committee on Improper Practices in the Labor or Management Field.

Mr. ELLENDER. How much money did the committee receive last year? It was much more, was it not?

Mr. McCLELLAN. The same amount as is asked for this year.

Mr. ELLENDER. According to information before me, last year the committee received $200,000. This year the Senator is asked for $220,000.

Mr. McCLELLAN. The Senator is looking at the resolution request from the permanent subcommittee.

Mr. ELLENDER. I believe I have the correct resolution. The amount sought is $220,000, is it not?

Mr. McCLELLAN. I still think the Senator is in error. What is now before the Senate is Senate Resolution——

Mr. ELLENDER. Was not Calendar No. 12, Senate Resolution 43, what the Senator asked to have considered?

The PRESIDING OFFICER. The clerk will state the resolution which is now under consideration.

The CHIEF CLERK. Senate Resolution 44.

Mr. ELLENDER. Calendar No. 11, Senate Resolution 44.

Mr. McCLELLAN. I think we are talking about different resolutions.

Mr. ELLENDER. I understood we were considering Calendar No. 12, Senate Resolution 43.

Mr. McCLELLAN. I understood the clerk to announce that it was Senate Resolution 44. I have been addressing my remarks to Senate Resolution 44.

Mr. ELLENDER. I am sorry; I misunderstood the clerk. I had Calendar No. 12, Senate Resolution 43, before me. Is the resolution, then, which we are now considering the one dealing with the so-called labor investigation?

Mr. McCLELLAN. It is the resolution continuing the Select Committee on Improper Activities in the Labor or Management Field.

Mr. ELLENDER. What is the amount requested for this year?

Mr. McCLELLAN. It is $750,000.

Mr. ELLENDER. What was the amount received last year?

Mr. McCLELLAN. It was the same amount. In this instance, we are not taking into account the increases in salaries. It is our purpose and our hope—and I, as chairman, shall work to this end—to bring the work of the Select Committee to an end this year.

Mr. ELLENDER. That is precisely the question I wanted to ask the Senator. I think that point was brought out in requesting the appropriation for the Select Committee last year.

Mr. McCLELLAN. No; I did not bring it up.

Mr. ELLENDER. As I recall last year I asked if it were going to be possible to bring the work of the Select Committee to an end within the year, and the reply was that there was some hope along that line. But now the committee is asking for the same amount it received last year, and I presume it will retain the same number of employees.

Mr. McCLELLAN. There will be substantially the same number of employees. However, as public hearings are concluded, the staff should be reduced somewhat, and will be.

If the Senator has followed the work of the select committee, he knows that it has conducted possibly one of the most comprehensive investigations which have been made by Congress, at least since I have been a Member of it.

Mr. ELLENDER. I do not doubt that at all. I am well aware of the fine work being done by the Senator from Arkansas and the entire select committee. That is not my point. The Senator made recommendations in the labor-management field last year and the year before, and presumably will make more recommendations in the year ahead. But the truth of the matter is that, unfortunately, the Congress has done nothing with them. What is more, any bill which is presented to the Senate in this field will have to be considered by a standing committee which handles such legislation—the Committee on Labor and Public Welfare. While I have great respect for the work done by the Senator from Arkansas and his select committee, I have felt for a long time that these labor-management hearings should have been held by the Committee on Labor and Public Welfare. In this way, there would not be a duplication of work. The committee which held the hearings and conducted the investigation would also be able to consider corrective legislation.

Seven hundred and fifty thousand dollars was spent last year by the select committee and another $750,000 is proposed to be spent this year. The year before last, I think $500,000 was spent.

Mr. McCLELLAN. Yes.

Mr. ELLENDER. That will make a total of $2 million which will have been spent on these investigations, but Congress has not done anything else with what has been uncovered. Before any proposed legislation is considered by the Senate, legislation to correct some of the evils discovered by the Senator's select committee, the Labor and Public Welfare Committee will have to reconsider the matter and will probably want to run the whole gamut of hearings again.

Mr. MANSFIELD. I think it should be brought out by the Senator from Arkansas that he will try to bring the work of the select committee to an end this year.

In my opinion, no money appropriated by the Senate has been better spent. So far as proposed legislation is concerned, the Senate had before it last year the Kennedy-Ives bill, which passed this body by a vote of 88 to 1, directly as a result of the hearings held by the select committee, of which the distinguished Senator from Arkansas is the chairman.

Mr. ELLENDER. But what finally became of the bill?

Mr. MANSFIELD. It passed the Senate by a vote of 88 to 1.

Mr. ELLENDER. But it did not become law.

Mr. MANSFIELD. If politics had not entered in, the bill would be law today.

Mr. ELLENDER. Before that bill was considered by the Senate, the Senator from Massachusetts [Mr. KENNEDY] and other Senators had to spend much time in going over much of the same ground that was covered in the hearings held by the select committee headed by the Senator from Arkansas.

Mr. MANSFIELD. Exactly; there is nothing like being certain.

Mr. McCLELLAN. The Committee on Labor and Public Welfare—the legislative committee—does not need to go over the same ground which the select committee covers. The select committee develops the facts. We bring out the evidence and make a record of testimony given under oath concerning practices and actions, and we state what appears to be wrong.

The legislative committee undertakes to draft language to deal with conditions which are developed in the record made by the select committee. The legislative committee gets evidence, in an advisory capacity, as to the nature of legislation which is needed to correct the evils. It does not necessarily develop the facts, as the select committee is expected to do, to bring to light the conditions which prevail in this area of our economy and our national life, and which possibly need correction.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the morning hour has concluded.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed with its consideration of these resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, does the Senator from Arkansas not agree that since the select committee has been dealing with this matter for more than 2 years, it should already be in the best possible position to recommend remedial legislation to the Congress?

Mr. McCLELLAN. But this committee does not have that authority.

Mr. ELLENDER. I understand that it does not have authority to report legislation to the Senate, but it seems to me that it should be able to recommend, to propose, legislation.

Mr. McCLELLAN. If it were given that authority, certainly the committee would be trespassing upon the prerogatives of one of the regular, standing committees.

This committee has the right and duty to recommend, and it actually does recommend, the areas in which legislation should be enacted to correct the conditions which we find to exist.

Mr. ELLENDER. I simply desire to reemphasize to the Senate that the creation of such select committees is very expensive; and the sad thing is that much of the work done by these committees goes unheeded. Furthermore, if any proposed legislation were to be submitted, it would have to be submitted to the committees which have jurisdiction over the subject, in this case, the Committee on Labor and Public Welfare.

As I have said, by the end of this year we shall have spent in excess of $2 million to hold hearings on these labor-management matters; but up to now, unfortunately, the Congress has not acted upon them.

I am very hopeful that my good friend from Arkansas will be able to conclude hearings of the select committee this year, thus saving much money. In my judgment, $75,000 to hold hearings on a subject that has been explored for 2 years is not chicken feed.

Mr. McCLELLAN. Mr. President, no Member of the Senate is more anxious than I am to conclude this work. It is not pleasant work. What I am about to say is not a condemnation of the labor movement, nor is it a condemnation of business; but our committee has been working in a field in which, in some areas and in some unions and in some businesses, the underworld element of the country is using the legitimate purposes of the unions and labor organizations and businesses and business associations as a front, a clock, a cover-up, and a vehicle by means of which to ply its nefarious practices; and that is growing, not diminishing. This committee is exposing it. That is not easy to do. Fortunately, we have had a trained staff. I believe we have assembled one of the best staffs in the country, and we have been able to make exposures which I think have shocked the sense of decency and morality of the whole country.

It is the duty of the Congress to legislate, let me say; and if the Congress fails to do so, it will be derelict in the performance of its duty; and much of this money will have been spent in vain and uselessly unless the Congress measures up to its responsibility.

But if the Congress does measure up to its responsibility—and certainly all of us hope it will, and I believe it will—

the money which has been spent for this committee will be one of the best investments ever made in the security of this country, in my judgment.

Mr. President, I have stated that no one is more anxious than I am to get through with this job. I say to my colleagues that this work requires two-thirds of my time. In doing this job, the work is taxing, exacting, and at times most exasperating, because of the character of the persons with whom we have to deal in some of the investigations. They are not easy to deal with. Some of them are among the smartest criminals in the country. It is not easy to sit on the committee and look them in the eye and try to compel them to answer, so as to get the facts on the record.

I wish to get through with the work. If I thought we could quit now, I would be the first on this floor to say, "Let us stop." But I know we now have ahead of us a backlog of work which will be of interest to the Congress, and, in my judgment, will call for the enactment of legislation.

I am doing this work as best I can. I believe the record speaks for itself, Mr. President; I do not think I need comment further.

Mr. ELLENDER. Mr. President, far from being desirous of criticizing the work of my good friend, the Senator from Arkansas, I believe, as I stated last year, that he is doing work far beyond the call of duty. There is no doubt of that.

What I am complaining about is the meager actual results of all this fine work. Hearings have been held. The select committee has made its findings known. But the Congress is in the same old rut. We have not done anything to correct any of the wrongs discovered by the select committee.

Let me also ask whether any new facets of the labor-management problem will be investigated this session that were not investigated last session or the session before that.

Mr. McCLELLAN. Yes, some were; there is no doubt about that. Some of the testimony and some of the cases will be cumulative. That cannot be avoided in laying a foundation.

I have stated that I think the committee should end in another year; and I am going to do my best to end it. But I think that whenever the committee stops its work, there will be a vacuum, and something should take over and should carry on.

This matter is most serious. Some day I shall make a little speech here, and shall say to my colleagues how serious I believe it is.

Of the four great dangers today to America and her destiny, the racketeering and the world of crime that have infiltrated the labor-management relations field certainly constitute one.

Mr. ELLENDER. Is that not a matter for the Department of Justice?

Mr. McCLELLAN. And additional laws must be enacted in that connection.

Mr. ELLENDER. That is what I have been saying. Of course, the select committee has exposed the swindling, the racketeering, and all the other evils which exist in some phases of labor-management relations. But nothing has been done about these revelations. I am very hopeful, I say to my friend from Arkansas, that these hearings will be soon concluded, and that the Congress will be in a position to enact laws in order to correct the evils brought to light. I think it is time to do so. In my humble judgment, we have at hand sufficient information to enable us to carry on. My point is that in too many instances investigating committees lapse into continuing bodies whose principal activity is not the securing of information but the continuity of existence. For one good example, just consider the juvenile delinquency study resolution which we shall consider in a few moments. Let me relate to my good friend, the Senator from Arkansas, the history of this subcommittee of the Judiciary Committee. It was begun in 1953; and we were told that the original appropriation of $75,000 would be sufficient to do the job. But the committee has perpetuated itself from year to year, until it has spent more than $600,000; and now it is requesting even more.

My objection is that when these special subcommittees are organized, there does not seem to be any end to them. Monetary requests for them are made year after year. We have used more and more money for the carrying on of investigations; but I find that little or no legislating is done in these fields, and certainly the evils of which the committees complain are not being cured. In fact, if I correctly understand my good friend, J. Edgar Hoover, they are now worse, instead of better.

Mr. McCLELLAN. I join my distinguished colleague in calling upon this body and in calling upon this Congress to enact remedial legislation in this session which is indicated from the record of the hearings.

Mr. President, I ask for the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 44) was agreed to.

INVESTIGATION BY COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 12, Senate Resolution 43.

The PRESIDING OFFICER. The resolution will be read.

The legislative clerk read the resolution, as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946 and in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations, or any subcommittee thereof, is authorized from February 1, 1959, through January 31, 1960, to make investigations into the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corrupt or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds, in transactions, contracts, and activities of the Government or of Government officials and employees; and any and all such improper practices between Government personnel, and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals, or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public: *Provided*, That in carrying out the duties herein set forth, the inquiries of this committee shall not be deemed limited to the records, functions, and operations of the particular branch of the Government under inquiry, and may extend to the records and activities of persons, corporations, or other entities dealing with or affecting that particular branch of the Government; (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis such technical, clerical, and other assistants and consultants as it deems advisable: *Provided further*, That the minority is authorized to select one person for appointment and the person selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the head of the department or agency concerned, and of the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $220,000, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. McCLELLAN. Mr. President, Senate Resolution 43, now before the Senate for consideration, is for the purpose of supplying funds for the continued operation of the Permanent Subcommittee on Investigations of the Committee on Government Operations. The work of the subcommittee during the past year is recorded in detail in the annual report of the subcommittee, which was filed today. This report shows that during the past year the subcommittee hearings concerned the operations of many governmental agencies, including the Department of Defense, the Department of the Army, the Department of the Air Force, the Department of State, the Post Office Department, the Federal Trade Commission, and the International Cooperation Administration. One of these hearings concerned the relationship of the Air Force to the Civil Air Patrol. As a result of the work of the subcommittee, two senior officers of the Civil Air Patrol were suspended. They were later dismissed from the CAP and the District Attorney for New York City will shortly present the matter to a grand jury. In addition, changes of substance were made in the bylaws of the Civil Air Patrol, giving for the first time authority to the Air Force to make needed investigations concerning the financial structure of that organization and to better police the millions of dollars of Air Force property used by the Civil Air Patrol.

It is anticipated that large savings will result to the Government as a result of this particular hearing alone.

Language has been added to the subcommittee's resolution this year for the purpose of spelling out in more detail its precise jurisdiction. Under the Legislative Reorganization Act of 1946 and Rule XXV of the Standing Rules of the Senate, the Permanent Subcommittee on Investigations of the Committee on Government Operations is given the duty of studying the operation of government activities at all levels with a view to determining its economy and efficiency. The subcommittee's jurisdiction is not set forth in any further detail than this general language. The subcommittee feels that the additional language in this resolution is necessary in view of the ruling of the U.S. Court of Appeals in *Brewster* v. *The United States*, 25 F. 2d. 899. I have already reported the impact this decision has had on the operations of the Permanent Investigations Subcommittee in a floor speech reported in the CONGRESSIONAL RECORD, volume 104, part 7, page 9443.

Frank Brewster, a west coast Teamster official, had been convicted of contempt of Congress in refusing, on jurisdictional grounds, to answer questions before the Permanent Investigations Subcommittee. He appealed and the conviction was reversed by the Circuit Court of Appeals for the District of Columbia on April 15, 1958. Thereafter the Supreme Court of the United States denied a writ of certiorari which had been prepared by the Department of Justice. The Brewster decision was a close one. The Court split 2 to 1. There was a strong dissent written by former Supreme Court Justice Stanley Reed, who stated:

> Congress alone has the authority to decide the scope of a committee's jurisdiction. * * * Such a judicial supervision of legislative procedure as this decision imposes is, in my opinion, not only an invasion of legislative prerogatives but hampers congressional investigations.

I heartily concurred in Mr. Justice Reed's remarks. However, the majority opinion questioned whether the Senate as a body had properly granted the Committee on Government Operations the authority to conduct these types of investigations. It held that "it is not at all clear that the power to investigate the misuse of union funds inheres in the committee's duty." The Court expressed doubt as to the subcommittee's jurisdiction because of the vague and general language which sets forth the duties of the subcommittee in rule XXV of the Standing Rules of the Senate.

Under this decision, the permanent Subcommittee on Investigations has found itself unduly burdened in attempting to carry out the duties assigned to it by the Senate. The decision has the effect of stripping the subcommittee of any need for subpena power, and would surely have prevented the proper presentation to the Senate of many important cases in recent years, including the five percenter hearings, which delved into the operations of middlemen and their influence in obtaining Government contracts. There could have been no conviction of persons such as John Maragon, Harry Lev, and others. The subcommittee could not have investigated the sale of post office jobs in the State of Mississippi, nor could it have investigated properly the leaks of important decisions by the Civil Aeronautics Board. It could not have made its study of Communist infiltration of defense plants, nor could it have obtained the great savings which resulted to the Government from its investigation of clothing procurement practices in the military services. The millions of dollars which have been saved by the work done by this subcommittee could not have been saved had this decision been written some years ago. Unless the jurisdiction of the subcommittee is made clear, it is doubtful whether it will be able to continue as an effective arm of the Congress in seeking out and reporting all forms of fraud, corruption, and inefficiency.

There is no doubt in my mind that the subcommittee always possessed the jurisdiction set forth in the proposed resolution now under consideration. In my view, it is merely a restatement, clarification, and elaboration of the existing jurisdiction grant contained in rule XXV. However, regardless of my personal view as to what the subcommittee's jurisdiction may have been in the past, adoption of the proposed resolution will make it manifestly clear to the courts in the future, that it is the intent of the Senate that his group look into the matters set forth in the resolution.

On March 1, 1941, by Senate Resolution 71 of the 77th Congress, 1st session, there was created a special committee to investigate the national defense program. Senator Harry S. Truman was appointed chairman. Its jurisdiction extended generally to a complete study and investigation of the national defense program, including procurement and construction, contracts, utilization of small business facilities, contractor accounting, labor and management practices, and such other matters as the committee deemed appropriate. This special committee exercised a broad jurisdiction during World War II, and supplanted the approximately 100 special committees which were set up during World War I to perform similar functions.

In 1946 the Congress passed the Legislative Reorganization Act. One of the principal purposes of this act was to amend the Standing Rules of the Senate so as to diminish the number of standing committees and special committees and provide procedural guidelines for the resultant greatly diminished number of committees.

Early in 1948 the special committee investigating the national defense program was terminated. There was immediately formed by the Government Operations Committee its Permanent Subcommittee on Investigations. Almost the entire staff of the then terminating War Investigating Committee was integrated into the new Investigations Subcommittee. The extensive files of the War Investigating Committee were integrated fully. In summary, the old committee continued on with a new name and continued to do the same type of work. The chief clerk and some of the professional staff still serve in identical capacities today.

Section 102 of the Legislative Reorganization Act of 1946 amended the Standing Rules of the Senate, sharply limited the number of standing Senate committees, and regrouped the jurisdictional areas of them. For each of the standing committees there was spelled out those matters of proposed legislation and other things which should be referred to the committee. These matters were stated subjectively. Under the new rules duties were assigned to only two committees. The Committee on Rules and Administration was given certain administrative functions concerning the assignment of office space and the examination and forwarding of bills to the White House for signature. The Government Operations Committee was the only other committee to which specific duties were assigned. Among these was the duty of "studying the operation of Government activities at all levels with a view to determining its economy and efficiency."[1] Thus, while other committees were assigned subjective jurisdiction, this committee was given functional jurisdiction.

Senate Report No. 1400, 74th Congress, 2d session, is the report which accompanied the original draft of the Legislative Reorganization Act of 1946 (S. 2177). Pages 12 through 17 contain a detailed analysis of every type of legislative matter that could be conceived in the minds of the drafters. In the entire six pages of finely printed material there is only one instance where there was no then existing counterpart of the type of jurisdiction proposed to be conferred. That instance was in those sections of the functional duties imposed upon the Government Operations Committee, page 13.

For the past 17 years the subcommittee and its predecessor has at all times been the major and at times the only organization of trained professional investigators maintained by the Senate. As stated in its first annual report, the subcommittee "has considered itself to be an investigative service organization for the Senate."[2] The subcommittee serves the Senate in those areas where other committees do not have the trained force or facilities to conduct investigations. Other committees have often assisted this subcommittee in its investigations.

In attempting to determine the intent of the Senate in giving its grant of jurisdiction to the Government Operations Committee, weight must be given to arguments which preceded the passage of the bill.

During the floor debates which preceded the passage of the Legislative Reorganization Act of 1946, very little reference was made to the proposed jurisdictional grant to the Government Operations Committee. In the CONGRESSIONAL RECORD, volume 92, part 5, page

[1] Sec. 102, Legislative Reorganization Act of 1946, Public Law 753, 79th Cong., 2d sess., 60 Stat. 814, 816; Standing Rules of the Senate, Rule XXV, sec. (g)(1)(B).

[2] Rept. No. 5, 81st Cong., 1st sess., p. 2.

6371, the discussion centered on the work which had been done by the Truman committee during World War II as opposed to the approximately 100 special committees which had been organized to investigate similar matters in World War I. On page 6372 Senator HILL stated that—

> The pending bill gives to the [Government Operations Committee] a more important status than it has had and arms it with facilities for its work that it has not had in the past.

Senator HILL continued:

> I believe the bill will give to that committee a jurisdiction and a responsibility and an emphasis which it certainly has not had in the past, and will make it a committee which will look into many matters and will cover many subjects which it has not been able to handle in the past. By virtue of handling them, it will eliminate the need we have had in the past for some of the special committees.

Senator La Follette, who was the floor manager of the bill, and who was answering queries of the proposed sections, concurred with Senator HILL.

As stated above, upon the passage of the Legislative Reorganization Act of 1946, the general investigative work for the Senate was being done by the special committee investigating the national defense program and was continued by its successor, the Permanent Investigations Subcommittee. A few days prior to the activation of the Permanent Investigations Subcommittee, Senator ALEXANDER WILEY, then chairman of the Senate Committee on the Judiciary, appeared before the Committee on Government Operations and said: [3]

> I understand it is presently contemplated that your committee will have created in its jurisdiction an investigational subcommittee to handle matters of investigation for all of the standing committees. This move is in accord with the recommendation previously made by me and I should like to observe that this appears to be a businesslike step since most of the standing committees, including the Judiciary Committee, are unequipped to handle investigations.

Except by its annual grant of funds to maintain a professional staff, and by its adoption of contempt citations against certain of its witnesses, the full body of the Senate has rarely expressed itself on the subject matter of this subcommittee's jurisdiction. That a jurisdictional overlap does exist in the function of the Senate Investigations Subcommittee is quite clear. It has been the subject of some debate. On May 27, 1948, a considerable part of the day on the Senate floor was given over to a discussion of a resolution to investigate the Voice of America. This was shortly after the passage of the Legislative Reorganization Act of 1946 and a great number of Senators took part in the discussions and expressed individual views. The proceedings are recorded in the CONGRESSIONAL RECORD, volume 94, part 5, pages 6552–6562. The following are excerpts from the floor debate. Numbers in parentheses refer to pages of the CONGRESSIONAL RECORD for May 27, 1948:

> Senator BARKLEY. I understand that the Committee on Expenditures in the Executive Departments may have overall jurisdiction to investigate expenditures in all departments, regardless of the particular committee from which the legislation upon which the investigation is based may have emanated (p. 6553).
>
> Senator AIKEN. The law clearly authorizes the Committee on Expenditures in the Executive Departments to make investigations of any agencies of Government at all levels (p. 6557).
>
> Senator FERGUSON. The Senate Committee on Expenditures in the Executive Departments has undertaken to organize a staff so that the committee may take on the burden of investigations for the Senate (pp. 6558–6559).
>
> Senator BREWSTER. Mr. President, I think much good may come out of this discussion, which may seem to have taken a great deal of the time of the Senate at a very congested period. Yet, the fundamental question here is one which ultimately must be resolved. There is no question that under the phraseology of the Reorganization Act and under one theory of its approach there is not a single subject which is not within the purview and jurisdiction of the Committee on Expenditures in the Executive Departments. That point has been repeatedly made (pp. 6558–6559).
>
> Senator BARKLEY. * * * The Committee on Expenditures in the Executive Departments or of the subcommittee of which the Senator from Michigan is chairman [has] authority under the law [to] investigate the economical or efficient expenditure of money in any department. That is the purpose for which the committee was created (p. 6560).
>
> Senator BARKLEY. * * * It is unfortunate * * *. But I was never more sincere in my life than I am in the assertion that the proposition, which is purely a parliamentary matter, as to which committee shall receive the resolution, in no way impinges upon or will impinge upon the jurisdiction of the Committee on Expenditures in the Executive Departments to investigate any department it sees fit to investigate (p. 6560).

On the subject of the subcommittee's concurrent jurisdiction with the jurisdiction of other committees, it is very interesting to note that in extensive hearings held in 1952 on the sale of Government-owned tankers, the following statement was made by the then chairman, Clyde R. Hoey:

> Last year the subcommittee on RFC of the Senate Committee on Banking and Currency received testimony that a group headed by Joseph E. Casey had acquired eight tanker vessels from the Maritime Commission. After the RFC Subcommittee had taken some testimony in connection with these tanker transactions, it decided that further investigation in this case was beyond the scope of its jurisdiction. For that reason Senator FULBRIGHT, the chairman of the RFC Subcommittee, referred this case for further investigation to this subcommittee. At about this same time last year the Senate Committee on Interstate and Foreign Commerce was also making preliminary inquiries in the case and the chairman of that committee also made available to us the results of his inquiry. (Hearings, Feb. 18, 1952, p. 1.)

In regard to the foregoing, it is interesting to note that a principal witness before the RFC Subcommittee declined to answer questions relating to certain questionable transactions relative to the purchase of ships in the Maritime Commission on the grounds that such an inquiry was beyond the scope of the subcommittee's jurisdiction—hearings before the Subcommittee on Banking and Currency, U.S. Senate, 82d Congress, 1st session, part III, page 1652. Commenting on this position, Senator J. WILLIAM FULBRIGHT, chairman of the RFC Subcommittee, observed:

> As I understand you here this morning, you only object to this committee going into it because it is not within the province of the resolution passed, giving us authority to conduct the present investigation, but under a proper authorization of the proper committee, you concede that this is a proper matter for investigation.

After further discussion of the issue raised by the witness, the following colloquy occurred:

> Senator FULBRIGHT. * * * I would assume that under your theory you will not contest the jurisdiction of the Committee on Expenditures which has a broad authority to inquire into this, would you?
>
> Mr. CASEY. No.

The Permanent Subcommittee on Investigations is the investigative arm of the Committee on Government Operations. The standing committees of the Senate are not primarily investigative in nature, but basically deal with legislation. Other investigative subcommittees are by their nature restrictive, such as the Preparedness Subcommittee of the Armed Services Committee, and the Internal Security Subcommittee of the Judiciary Committee. Therefore, as a practical matter, the Permanent Investigations Subcommittee, which must look into the efficiency and economy of the executive branch of the Government, does, in fact, and necessarily must, overlap virtually every standing committee of the Senate but only in the field of investigation as such.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am glad to yield.

Mr. ELLENDER. As I understand, the pending resolution entails an expenditure of a larger sum than that spent last year.

Mr. McCLELLAN. This one does, because, as the Senator from Louisiana knows, there was an increase of 10 percent in salaries. In the previous resolution I did not make such a request, because, as I told the Senator, we wanted to taper off. As we concluded public hearings, we began to taper off the staff.

Mr. ELLENDER. Does that mean that the same number of employees, attorneys, and investigators as are now employed will be employed during the coming year by the subcommittee?

Mr. McCLELLAN. That is right.

Mr. ELLENDER. There is no reduction contemplated?

Mr. McCLELLAN. That is right. It is the permanent subcommittee that took over the Truman committee.

Mr. ELLENDER. This clearly shows that the committee is the same one which was organized when Mr. Truman was in the Senate. In my judgment he probably became President as a result of the creation of the committee. It just shows what I said a moment ago—these

[3] Hearings before the Committee on Expenditures in the Executive Departments, U.S. Senate, 80th Cong., 2d sess., on Evaluation of the Legislative Reorganization Act of 1946, p. 254.

committees and resolutions never die; they keep on.

Mr. McCLELLAN. May I point out to the Senator that the subcommittee was designed to be a permanent subcommittee, by its very nature.

Mr. ELLENDER. I understand that, but the Senator must not forget that in addition to the $220,000 he is asking for now, his committee also receives regular budget of $123,000.

Mr. McCLELLAN. The Senator is talking about the full committee.

Mr. ELLENDER. Yes.

Mr. McCLELLAN. Which is not out of line, in any sense, as compared with what other committees obtain.

Mr. ELLENDER. Oh, no. The biggest offender in the spending of money for investigations is the Committee on the Judiciary. The Judiciary Committee receives $123,000 or $124,000 for its regular operations. Aside from that amount of money, the committee is now asking for a sum of $1,300,000. The committee of the Senator from Arkansas is a piker compared to what the Committee on the Judiciary is asking.

Mr. McCLELLAN. I do not want to amend the resolution. I do not want to ask for an increase. I do not need an increase.

Mr. ELLENDER. We have had investigations going on from year to year. I wonder if my distinguished friend from Arkansas can tell me—in light of the investigations that he has conducted over the past 10 years—has anything new been developed?

Mr. McCLELLAN. I can say to the distinguished Senator that in many instances we have uncovered graft, corruption, waste, extravagance, and have had those conditions corrected. Last year, as a result of the work of the committee, an extensive program has been launched by the Air Force with respect to the purchase of parts and supplies to bar excessive requirements in different places. Some of those supplies went into waste; some were actually buried underground.

I think the committee is an arm of the Senate that we would not want to do without. If anything ever paid for itself in dollars and cents, and resulted in savings to this Government and the country, this committee has. Not only that, but we have stopped fraud and graft in the procurement of supplies.

Mr. ELLENDER. The committee has stopped it?

Mr. McCLELLAN. We have stopped it in some places. There is no doubt of it, because we have sent the offenders to the penitentiary. Those persons are not engaging in graft any more. There may be others who, engaged in graft, are in other places. For that reason I think the committee ought to continue to look into such questions.

Mr. ELLENDER. As the Senator from Arkansas knows, the Senate authorized $190,000 just a few minutes ago for the Preparedness Subcommittee of the Armed Services Committee. I believe in the past that subcommittee uncovered evidence of graft in the construction of military housing. Is there any conflict between the work of the committee of the Senator from Arkansas and the Armed Services Subcommittee, which also looked into the same matters?

Mr. McCLELLAN. Under the authority establishing the committee, it is charged with the duty of making a study of Government at all levels, with respect to economy and efficiency. That committee overlaps all other committees of the Congress. Any question which a standing committee can investigate, in my judgment, this committee also can. The jurisdiction of the committee so provided. The legislative committees do not necessarily have investigating staffs. As a rule, they do not. I understand the purpose of creating the subcommittee and making it permanent was that it might perform investigation service for all the other committees. I think that is a true picture of its purpose. I did not help create the committee. It is possible I did, as I was a Member of the Senate; but I had no personal interest in it.

Mr. ELLENDER. So the Senator from Arkansas is of the belief that there can be no reduction of funds for these investigations?

Mr. McCLELLAN. The Senate can cut them all out.

Mr. ELLENDER. I am talking about this particular committee. Does the Senator from Arkansas believe it is entirely necessary that the entire sum of $220,000 be provided, when only $200,000 was used last year?

Mr. McCLELLAN. Of course, the Senator from Louisiana understands the additional request is made because of an increase in salaries which was provided.

Mr. ELLENDER. Yes.

Mr. McCLELLAN. We cannot help that.

Mr. ELLENDER. I thought the Senator from Arkansas might absorb that additional cost, as he did in the previous request.

Mr. McCLELLAN. If I can, I will do so. I may point out to the Senator from Louisiana that the subcommittee pays for itself hundreds and hundreds of times over the money it spends. In a foreign country we saved approximately one or two million dollars as a result of the committee's work, which will pay for the cost of the committee for 10 or 15 years. The committee is that important. It belongs to the Senate. If the Senate wants it, it should provide funds for its work If it does not want the committee, it should not.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 43) was agreed to.

MEMBERSHIP ON JOINT COMMITTEES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 9, Senate Resolution 68.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 68) providing for members on the part of the Joint Committee on Printing and the Joint Committee of Congress on the Library.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Georgia [Mr. TALMADGE] may be granted as much time as he desires to make an address to the Senate, because the Senator has been waiting patiently since 12 o'clock to make some remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

MINIMUM QUALIFICATIONS FOR APPOINTMENT TO THE SUPREME COURT OF THE UNITED STATES

Mr. TALMADGE. Mr. President, the Constitution of the United States sets forth specific qualifications which must be met by those desiring to serve as President or Members of either of the two Houses of Congress.

But it is completely and strangely silent on the question of the qualifications which should be possessed by Justices of the Supreme Court of the United States.

Section 2 of article II specifies that Justices shall be appointed by the President by and with the advice and consent of the Senate.

Section 1 of article III provides that Justices shall hold their offices during good behavior, and shall at stated times receive for their services a compensation which shall not be diminished during their continuance in office.

Those are the only references in the Constitution to the office of Justice of the Supreme Court of the United States.

And the only logical conclusion which can be drawn therefrom is that there is no legal limitation upon the President as to the background and experience of those he nominates to serve on the bench of the Nation's Highest Tribunal.

He could appoint a plumber.

He could appoint a high-school student.

He could appoint an alien.

Or he could appoint himself.

The failure of the framers of the Constitution to require that particular qualifications be possessed by the principal jurists of the country was a source of grave concern to the citizens to whom it was submitted for ratification. The people foresaw great danger to the Republic in a wide-open Federal judiciary composed of handpicked judges appointed for life and exercising power limited only by whatever exceptions Congress might choose to make.

Had it not been for the soothing assurances of Alexander Hamilton, that point well might have jeopardized approval of the Constitution. But Hamilton called such fears a phantom and maintained that there were so few men with sufficient skill in the laws to qualify them for the station of judges that the public could count on the selection of judges possessing those qualifications which fit men for the stations of judges.

Until the last quarter of a century, Hamilton's assurances held true. But for the past 25 years we have seen the fears of the early citizens of this Republic realized.

We have seen men appointed to the High Tribunal totally devoid of any of the tributes which Hamilton would have considered to "fit men for the stations of judges."

We have seen appointments made on the basis of political persuasion rather than the qualifications of the appointees.

The great mischief done by the resulting revolutionary innovations in constitutional law is evidenced by the growing demand throughout the Nation for Congress to enact legislation restoring the Supreme Court to its appointed constitutional role.

To illustrate my point, Mr. President, let us look at the present composition of the Supreme Court.

Of the nine Justices, only five have had any judicial experience and one of those received his experience as a police court judge. With the exception of Justice Brennan, none of the Justices had prior judicial experience of more than 5 years.

Only two of the nine Justices ever served as judge of a State or Federal court of general jurisdiction.

Only one of the nine Justices ever served as judge of a State appellate court.

Only three of the nine Justices ever served as judge of a Federal appellate court inferior to the Supreme Court.

The backgrounds of the other Justices are ones of Governor, Attorney General, Government official, and professor.

A majority of the members of the present Court did not even devote their major efforts to the professional practice of law before they were appointed to the bench.

It is small wonder then, Mr. President, that the Supreme Court in recent years has been totally lacking in the restraint which must be inherent in the judicial process if judges are to adjudicate the cases and issues before them in the light of the Constitution, the law and precedent rather than their personal prejudices or political opinions.

The importance and necessity for judges to be possessed of restraint inherent in the judicial process was magnificently stated by a Member of this body—the learned and distinguished senior Senator from North Carolina [Mr. ERVIN], who himself is a graduate of the bench—in an address before the Texas bar in 1956. I would like to read from his remarks as follows:

> What is the restraint inherent in the judicial process? The answer to this query appears in the statements of Hamilton. The restraint inherent in the judicial process is the mental discipline which prompts a qualified occupant of a judicial office to lay aside his personal notion of what the law ought to be, and to base his decision on established legal precedents and rules.
>
> How is this mental discipline acquired? The answer to this question likewise appears in the statements of Hamilton. This mental discipline is ordinarily the product of long and laborious judicial work as a judge of an appellate court or a trial court of general jurisdiction. It is sometimes the product of long and laborious work as a teacher of law. It cannot be acquired by the occupancy of an executive or legislative office. And, unhappily, it can hardly be acquired by those who come or return to the law in late life after spending most of their mature years in other fields of endeavor.
>
> The reasons why the mental discipline required to qualify one for a judicial office is ordinarily the product of long and laborious work as a practicing lawyer, or as an appellate judge, or as a judge of a court of general jurisdiction are rather obvious. Practicing lawyers and judges of courts of general jurisdiction perform their functions in the workaday world when men and women live, move, and have their being. To them, law is destitute of social value unless it has sufficient stability to afford reliable rules to govern the conduct of people, and unless it can be found with reasonable certainty in established legal precedents. An additional consideration implants respect for established legal precedents in the minds of judges in courts of general jurisdiction and all appellate judges other than those who sit upon the Supreme Court of the United States. These judges are accustomed to have their decisions reviewed by higher courts and are certain to be reminded by reversals that they are subject to what Chief Justice Bleckley of the Supreme Court of Georgia called the fallibility which is inherent in all courts except those of last resort if they attempt to substitute their personal notions of what they think the law ought to be for the law as it is laid down in established legal precedents.

Mr. President, the fact that a man may possess a brilliant intellect, have fine attributes of character, and be actuated by the loftiest of motives does not necessarily qualify him to serve as a judge. Men who are excellent teachers, successful executives, and outstanding legislators do not automatically possess those characteristics which shape the temperament of a true judge.

Regardless of how one may feel about given decisions of the Supreme Court, any fair-minded person will agree that its present members are gentlemen of notable attainment and outstanding accomplishments in their fields. But the fact nevertheless remains that the majority of them have not labored as practicing lawyers or as judges in State and Federal courts inferior to the Supreme Court. Consequently, events have found them either unable or unwilling to subject themselves to judicial restraint or to sublimate their own beliefs and conclusions to the provisions of the Constitution and the laws of the land.

For the past 25 years the Senate has made little use of its constitutional power to advise with and consent to the appointments of Supreme Court Justices by the President. By and large, confirmations have been made without record votes.

It is more than passing strange to note, Mr. President, that the degree of judicial usurpation of legislative power has been in the same proportion that the Senate has failed to exercise its power and responsibilities with respect to the confirmation of Justices.

Congress has the power to restore the Court to its proper function, not only through the limitation of its jurisdiction but also under paragraph 18, section 8, article I of the Constitution which provides:

> The Congress shall have power to make all laws which shall be necessary and proper for carrying into execution the foregoing powers and all other powers vested by this Constitution in the Government of the United States or in any department or officer thereof.

It is under authority of that paragraph, Mr. President, that I today introduce for appropriate reference and consideration a bill proposing the addition of a new paragraph to section 1 of title 28 of the United States Code. That new paragraph would read as follows:

> No person shall be appointed after the date of enactment of this paragraph to the office of Chief Justice of the United States or to the office of Associate Justice of the Supreme Court unless, at the time of his appointment, he has had at least 5 years of judicial service. As used in this paragraph "judicial service" means service as an Associate Justice of the Supreme Court, a judge of a court of appeals or district court of the United States, or a justice or judge of the highest court of a State.

Since the Constitution is silent as to the qualifications which Justices should possess, Mr. President, I feel it is incumbent upon Congress to bind the Chief Executive by at least minimum requirements which must be met by his appointees to the Nation's highest bench.

Since Congress already has acted to determine the number of Justices who sit on the Court, the amount of their salaries, the conditions of their retirement, and the number of their assistants, surely it is not unreasonable that it now should take steps to make certain that the Justices themselves are possessed of the tempering influence of detached consideration of legal problems which can be attained only through the highest type of judicial experience.

I do not believe anyone will dispute the fact that it is in the best interests of this Nation and of the Supreme Court that Congress act to assure that Supreme Court Justices henceforth will be selected only from among the country's best available legal talent.

The preservation and maintenance of our constitutional, republican form of government demands such action.

I sincerely hope that it will be forthcoming during this 1st session of the 86th Congress.

I herewith submit my bill and ask that it be read twice and appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 880) to establish qualifications for persons appointed to the Supreme Court, introduced by Mr. TALMADGE, was received, read twice by its title, and referred to the Committee on the Judiciary.

MEDICAL AND HOSPITAL CARE UNDER SOCIAL SECURITY

Mr. MORSE. Mr. President, once again I am introducing a bill designed to help our older people achieve a measure of security against that most dreaded disaster of later life—a serious and expensive illness. I am proud to introduce this part of a measure originally introduced in the House by the Honorable AIME J. FORAND, which will insure the cost of hospital, surgical, and nursing

home care for people eligible for social security benefits.

Mr. President, underlying this approach to the problem of medical costs in the United States is the deep conviction of mine that a democratic society of free people, organized into a government of self-government, cannot justify a situation now prevailing in our country in which millions of our fellow citizens cannot afford to become ill. I mean that sentence in the light of every meaning it implies.

As a society we are failing in our responsibility to our fellow citizens, if we permit a condition to continue in which millions of our fellow citizens—particularly the elderly—cannot afford to become ill.

No one is more aware than the senior Senator from Oregon of what usually happens to a politician when he raises his voice in protest of excessive medical costs. However, the undeniable factual situation is that the cost of becoming ill in the United States today is beyond the ability of millions of American families to pay without doing great damage to the economic future of that family.

Therefore, it is not in criticism of the medical profession that I make this speech. Rather, it is a plea to the American people that they awaken before it is too late to the need for governmental action necessary to bring relief to the millions of American families who are living under the constant fear and specter that a serious, bankrupting illness hovering over the housetops of millions of American homes today may descend to the family hearth.

It makes no difference to me that cries of anguish will go up from the reactionary forces in the country as they distort the position of the senior Senator from Oregon. As my speech will disclose, I am making no plea for so-called socialized medicine. Neither do I join the medical fraternity in raising the hue and cry that any proposal in the Halls of Congress which seeks to meet this great health financing need in America constitutes the bugaboo of socialized medicine.

Mr. President, we can protect the health of America without socialized medicine. We can protect the health of America without continuing to subject millions of our families to the specter of economic bankruptcy when the head of the family or a member of the family is overtaken by serious illness.

INVESTIGATION OF MEDICAL COSTS IN DISTRICT OF COLUMBIA

I intend, so long as I am in the Senate, to continue as I have in the past, to try to meet forthrightly the problem of medical costs in America. Shortly, the subcommittee on Health, Education and Public Welfare of the Committee on the District of Columbia, of which I am chairman, will begin hearings on medical costs in the District of Columbia, because such preliminary information as has been made available to my subcommittee satisfies me that it is a subject matter which deserves some attention from the Committee on the District of Columbia of the Senate. I conducted a short hearing on this problem toward the end of the last session of Congress, and at that time I announced that in this session of Congress my subcommittee would proceed with a detailed investigation.

Today I raise my voice by way of an invitation to the medical fraternity to join us in a mutual endeavor to conduct an objective study of the medical problem and the hospital problem, to the end that we may gather the facts. I say that because we cannot proceed further until we can answer the question: "What are the facts?" Unless we have the facts we cannot answer the next, controlling question confronting every Member of the Senate: "On which side of this issue do the facts show the public interest to be?"

Whenever I am satisfied that the facts have been brought out on an issue, regardless of how controversial it may be, and once I am satisfied on which side of that issue the facts show the public interest to be, I intend to vote for the public interest irrespective of the political implications.

Therefore, I salute Representative Forand for his leadership in seeking to add health insurance to social security benefits. The bill I now offer is the same as the health insurance provisions of his H.R. 9467 of the 85th Congress, and my S. 3508.

Very simply, this proposal means that once a person's eligibility for retirement, survivor or dependent benefits has been established, he will receive a card to present as proof to any hospital, nursing home, or surgeon meeting specific broad standards or professional qualifications. The cost, up to 60 days a year, for any ailment in a qualified hospital will be covered including complete cost of all normal hospital and surgical services if the need for them is certified by a physician. The bill for this care, with the doctor's certification, will be submitted by the hospital to the Department of Health, Education, and Welfare—just as it is now submitted to Blue Cross—and payment will be made from the old-age and survivors insurance trust fund.

Nursing home care up to another 60 days will be paid in the same way if the patient is transferred to the nursing home from the hospital on a doctor's certification, but only those nursing homes can qualify which provide skilled nursing services and are operated in connection with a hospital or under the direction of doctors.

This is not a bill to socialize medicine. It provides only for payment for hospital, surgical, and nursing home care, following the pattern developed by many of our voluntary prepayment plans. The bill specifically states that the Secretary of Health, Education, and Welfare shall have no supervision or control over: First, the practice of medicine or the manner in which services are provided; second, the details of the administration or operation of hospitals or nursing homes; and third, the selection, tenure, or compensation of hospital or nursing home personnel.

One of the results of this legislation would be its salutary effect on the Nation's financially burdened medical facilities, due in part to expenses they must bear in providing free care for indigent patients. By providing reasonable reimbursement for some of these services, we will not only be providing better care for our older citizens, but we will also be improving the financial position of our hospitals and nursing homes so that they can furnish better care for all of us.

I know of no single threat to their security which causes more concern among our older citizens than the fear that their savings will be wiped out, or their married children's income threatened, by the cost of a prolonged or serious illness requiring hospitalization. It is not at all unusual for such medical bills to run as high as $250 for the cost of an operation, $1,100 for 2 months in the hospital and $500 for 2 months of nursing home care.

The letters we all receive from our constituents and the simple facts of our times convince me that Congress has a mandate to act on this proposal.

THE HIGH COST OF MEDICAL CARE

The first fact of our time which we must recognize is that, as the quality of our potential medical care has improved, its cost has also been increasing so drastically that it has become unavailable to many of our older people. The cost of medical care has skyrocketed in the past few years, rising far more than the overall cost of living. Measured by the official Consumer Price Index, the cost of living has increased about 23 percent since the benchmark 1947–49. At the same time the cost of medical care has jumped 44 percent.

There is a rather striking difference between 23 percent and 44 percent in the 2 statistics.

Hospital room rates have more than doubled, surgeon's fees have risen 26 percent and general practitioner's fees have risen 39 percent. Costs of hospitalization have increased for a number of reasons. The improved laboratory services, including the diagnostic and therapeutic equipment which saves lives and shortens hospital stays are very expensive. The reasonable increase in nurses' salaries—which are still too low—is another substantial cost-increase item.

Finally, income from endowments has failed to keep pace with other costs, and—most of all—our hard-pressed hospitals must bear heavy costs for the medical care of people who must have such care but cannot afford to pay for it. Hospital administrators point out that, as matters stand now, the paying hospital patient is carrying a large part of the burden of his indigent fellows.

And anyone who has bought a prescription during the last year can testify to the rising costs of those lifegiving drugs which mean healthier lives for most of us.

Let me digress for a moment. There is a considerable virus epidemic going around which is causing a large amount of absenteeism on the Hill these days. Many doctors are prescribing a little pill. It costs only $1.10. Some of us can afford it. But just think of the man-hours which are lost because those who cannot afford a $1.10 pill every 4 hours, day and night, for the 2 or 3 days the little epidemic seems to run its course, are incapacitated more than 3 or

4 days. I do not generalize; I refer here to specific instances.

This is one of those little humane factors which I would mention in the course of my remarks, because we always come back to the great humane question: Why should there be discrimination among us when it comes to the availability of drugs which will make us well more quickly, irrespective of our economic status in life?

When dealing with a subject as delicate and touchy as this one—and I well know how touchy it is—I try to discuss the fundamental principles of fairplay and decency. Who wants to dispute that it is only fair and decent that in a free society such as ours we should try to make certain that our fellow citizens are not discriminated against in the field of health protection, simply because they do not have the economic means to provide themselves with the same protection which the wealthier among us can afford?

That is a sociological principle. I want the RECORD to show that I said "a sociological principle," not "a socialistic principle," which is involved. This is a sociological problem. It is many other things, too. But the thesis I am advocating today is the thesis I have always thought was basic in our system of self-government, which has for its primary purpose the promotion of the general welfare of all the people of the country, not merely those who can afford to pay, or those who cannot.

Unfortunately, those who can afford to pay for adequate medical care also pay for those who cannot afford it, thanks to a medical practice which is all too common and which, in my judgment, is basically unsound. I shall address myself to that problem later in these remarks.

Americans last year spent more than 10 times as much on prescription drugs as they did in 1939, in spite of the fact that manufacturers' profits and markups at the corner drugstore may not, generally speaking, be too far out of line with other cost increases.

These are some of the reasons why many nonprofit prepaid insurance plans, such as Blue Cross and Blue Shield, have been forced to put into effect rate increases ranging up to 40 percent or more during the last year.

These are the reasons why I am not impressed with the argument that "voluntary insurance can do the job." For if this is the case, voluntary insurance can only provide the kind of adequate health care which our older people are entitled to by sharply increased rates which cut deeply into their already limited purchasing power.

In my opinion, this is a total societal problem. I think it is in the public interest to take the steps necessary to provide health protection, even for those who have the attitude before they are sick that they do not care and are not sufficiently interested to take the steps necessary to prepare for their own protection. All of us have an interest in the health of every person in our land. The lack of health on the part of any segment of our population at any given time is a great national loss.

If you want to talk materialistically with me for a moment, Mr. President, I am perfectly willing to say that one of the facets of this problem is that of protecting our country as a whole from the economic loss of unnecessary illness. There is much illness which lasts longer than it needs to last, because in the initial stages of an illness, people discover that they do not have the economic means which would enable them to take the steps of protection which they ought to take. So they procrastinate, and the economy as a whole suffers a loss.

I call attention to that part of the statement last May of Dr. Aims C. McGuinness, the special assistant to the Secretary of Health, Education, and Welfare, who told the annual meeting of the Middle Atlantic Hospital Association that the one-third of our population not having health insurance of any kind is the group that needs protection most. But I am not impressed with his conclusion that the present administration earnestly believes that voluntary health insurance offers the best means of helping most people meet the costs of health care. This, I submit, is the kind of schizophrenic thinking which has so far delayed the kind of positive action which will bring protection to people who need it.

Nor am I impressed with the solution presented last December by the American Medical Association. The AMA finally recognized that something must be done in this area, and prescribed as their remedy that doctors lower medical fees for older people to help insurance companies and prepayment plans to lower costs for the aged.

This proposal, based on a 4-year study by a 15-man commission, was hailed by one observer as one of the landmarks of 20th century American medical care. I submit that the mountain has brought forth a mouse. Such an answer is like giving an aspirin to a man with a broken bone.

The fact that we cannot apply a 19th century concept of adjusted doctor bills to the mid-20th century is well documented in a recent book entitled "The Doctor Business," written by Richard Carter, which points up the conflict in what he calls the dollar policies of organized medicine. On the subject of adjusted fees, he writes:

> This is hardly a sensible way of doing things, even though organized medicine cherishes it and regards it as essential to American freedom. In the first place, the decision as to who should pay, and how much, is not wisely entrusted to the physician. He has neither the time nor the competence to serve as social investigator, economist, and credit agency. He has all he can do to serve as physician. In the second place, the individual patient is no help. It is unnatural to negotiate from a horizontal position and, in any event, is unseemly to bargain with the man who has just relieved your pain or saved your life. Hence, negotiations seldom take place during illness, even though bills are frequently submitted at that time. After the roses are back in the patient's cheeks and he has a chance to evaluate the bill and consider his equity in the matter, it is usually too late. If he now questions the bill, he is an ingrate, or at least is afraid that he will be called one to his face. For such a patient, it often is easier to skip full payments and switch physicians.

A better solution—for the average doctor, as well as for his older patient—is to remove the economic problem from the sickroom or the doctor's office in the manner prescribed in my bill, for I agree with Mr. Carter that the individual physician of this country is by preference a dedicated scientist and a devoted healer and that his need for relief from the power of organized medicine is as great as the public's.

I believe, too, that our hospitals will benefit from the bill I am proud to sponsor, for, as Prof. Wilbur Cohen pointed out in a recent issue of the Journal of Nursing:

> Hospitals, at the present time, are caught in a tight squeeze. On the one hand, they have long been considered as community nonprofit organizations of a service character and have, thereby, been endowed with a special status under the tax laws. But, to keep their heads above water, they increasingly have had to require potential patients to be able to pay before being admitted. They are thus losing some of their charitable emphasis and become viewed by people in the community as another service institution, albeit still not operated for profit. As they do so, their status in the community is altered by the tendency to demand payment from some source for all service rendered. There is widespread recognition of the difficulty of receiving sufficient endowments, community chest contributions and payments from public agencies for the indigent to fully cover the costs of hospital service for those who do not or cannot pay the full cost.
>
> The difficult decisions which hospitals are faced with is to refuse to admit those who are not able to pay their full cost, to require someone to pay the full cost on their behalf, or to spread the cost of those who cannot pay over those who can or are willing to pay.

Of course, the figures show that the proportion of our older people who are purchasing their own health insurance is increasing. A recent study by the Health Information Foundation reported that more than three out of every eight persons 65 years of age or over in this country now have some form of voluntary health insurance, and that the proportion of aged persons with such insurance increased about 50 percent from 1952 to 1957. I have studied, too, the data on health-insurance ownerships collected in the national survey of a sample of beneficiaries, conducted by the Bureau of Old-Age and Survivors Insurance in the fall of 1957, which showed that 430 out of 1,000 had some form of health insurance.

But a careful study of these figures shows two important things: One is that the proportion of those having insurance sharply declines as age—and the need for such protection—increases; and the other is that the kind of protection furnished is directly related to income, with the result that those least able to afford expensive medical costs have the least protection. The important thing shown by the figures is the large proportion of people who do not have any insurance protection, not those who do.

Mr. President, let me say this about many of those who have some such form of insurance policy—and this happens to be one of the subjects on which, in my judgement, we need to accumu-

late much more data than that we now have: The data we do have show rather clearly that many of these insurance policies are illusory; they do not provide the propsective patient with the protection he should have.

Once he becomes ill, he finds that in the fine print of many of the policies, many exceptions are set forth; and he finds that the policies do not begin to cover all of his hospital and medical expenses.

Mr. President, one of the complaints which I am receiving, as chairman of the subcommittee of the District of Columbia Committee which has jurisdiction over health matters in the District of Columbia is from persons who think they are insured and then find that since they took out their policies there has been an increase in hospital and medical costs. So they find themselves coming close to paying the same amount of money which they would have paid if they had never taken out such a policy and if medical and hospital costs had not been increased.

That situation concerns many of us. It is always sad to discover a case in which an individual finds he does not have the protection he thought he had. I wish to say to the medical profession and the hospital administrators of the country, "It is not in your interest to let that condition continue," because the result is that when many of these policyholders find they were not covered as they thought they were, because of the increase in costs of medical care and hospital care since they took out their policies, their normal, human reaction is resentment against the medical profession and the hospitals.

Mr. President, I think there is a comity of interests in connection with this problem. There is a mutuality of interest among the doctors, the hospitals, the legislators, and the public to do something about it. From my desk on the floor of the Senate, I say today to the doctors, "Get your heads out of the sand. You must come forward with a program much better than your program of last December." In my judgment the American people will not "buy" it, because it does not meet the medical-cost problems of millions of fellow Americans.

Mr. President, politicians will come and go; and there may be some of us so outspoken on this subject that we may go sooner than others. But this problem will continue with the country until it is solved in the interests of the people of the Nation. Today I respectfully say to the medical profession and to the hospital associations, "You will never be able to stem the growing demand on the part of the American people for adequate service at times of illness, at a cost they can afford to pay."

If the medical profession and the hospital associations of this country think they have much time left to exercise the medical statesmanship it is their duty to exercise, then I file today a respectful dissent, because, as a politician, I talk to too many people in this country for me to develop the type of myopia which seems to characterize the eyesight of most doctors and hospital officials in this country in respect to the matter of medical cost.

I shall always be pleased, Mr. President, to be one who at least was willing, for years, to point out respectfully to the doctors and hospital officials of this country, "You are out of step with a growing public demand," because I am convinced that as surely as the sun rises, the medical profession and the hospital associations in this country are going to have to come forward with a much better program than they have promulgated to date if they are not to be confronted with legislative demands in the parliamentary bodies of the Nation—in the States and nationally—that will make the bill which I am offering today look like a very mild reform.

RETIRED PEOPLE HARDEST HIT BY MEDICAL EXPENSES

And so I say, Mr. President, it is simply economic nonsense to continue to assume that our older people, hard pressed in the best of health to make ends meet on the shrinking purchasing power of the pension dollar, can squeeze enough extra dollars from this meager income to meet the mounting cost of really adequate health protection. Clearly, they cannot.

This logic points, I believe, to the fallacy in the statistics which show that increasing proportions of our older people are purchasing health insurance. For they buy only the kind of insurance they can afford—the kind which comes at a median of $4 a month, and does not provide them adequate protection against the medical problems of their older years.

Under my bill they would pay the premiums on health insurance while still employed and better able to afford them, and would enjoy the benefit of its coverage when they need it most—after retirement.

Not long ago a brief article in the Kiplinger magazine, entitled "How to Read a Health Insurance Ad," suggested some of the pitfalls which may arise in purchasing such protection—particularly at reduced rates. For, as this author points out, some ads may make such flat statements as "We pay your hospital and surgical bills," when in fact they pay only certain ones and within certain limits. Others, which claim to cover "up to $1,500 for hospital expenses," may actually provide payment of a certain room and board charge per day—say $15—for a maximum number of days—say 100—so that for a 10-day hospital stay costing $250, one can collect only $150.

The bill I propose has no such fine print. It has been carefully studied to meet the needs of our older men and women in a responsible way, with the authority of the Government behind it. And one very important provision of the plan is the fact that the cost of this care is paid through the social security tax during the years of working life, rather than during years of retirement, when income is reduced.

In this regard, I am happy to say that the Democratic Advisory Council, in advocating such legislation in its own state of the Union message, has emphasized the fact that this proposal would require a tax increase of one-half of 1 percent, split 50–50 between employers and employees. This would mean a $12 annual tax increase for the worker paying the maximum amount of tax possible under the new $4,800 wage base—and proportionately less for workers who earn less. The protection afforded, I believe, is well worth this modest price.

I do not say—and I do not believe Representative FORAND says—that this bill cannot be improved in some respects. But I do believe that this proposal deserves immediate and serious consideration. The study now being conducted by the Department of Health, Education, and Welfare, at the request of the Ways and Means Committee, may be of some help. But let us not wait upon an administration that is decades behind the times in recognizing and coming to grips with social and economic problems. The Congress has the primary obligation to consider this legislation, to perfect it, and then to enact it.

So far as I am concerned, I shall keep an open, objective mind in regard to any proposals for amendments to my bill which can be substantiated by the facts. I have only one desire, may I say to the medical profession and to the hospital associations, and that is to try to cooperate with them in the development of legislation, which I am satisfied is inevitable, that will remove from the rooftops of the homes of America the hovering specter of fear that the economy of the home may be destroyed if a long, serious illness descends and takes over the body of any member of that home.

Mr. President, this is a humane measure. I referred to it as a sound sociological measure.

I close, before asking to have the bill printed at this point in my remarks, by saying it is also a measure based upon good morals. I happen to believe, Mr. President, it is but an implementation, in this field, of the Golden Rule.

I ask unanimous consent, before I turn briefly to another matter, that my bill on this subject be printed in full at this point in my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 881) to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to extend the insurance program established by such title so as to include insurance against the costs of hospital, nursing home, and surgical service, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committe on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title II of the Social Security Act is amended by adding after section 225 the following new section:

"HOSPITALIZATION AND SURGICAL INSURANCE

"Eligibility for insurance

"SEC. 226. (a) (1) The cost of hospital or nursing home services furnished to any individual during any month for which he is entitled to monthly benefits under section

202 (whether or not such benefits are actually paid to him) or is deemed entitled to such benefits under the provisions of paragraph 2, or the cost of such services furnished to him during the month of his death where he ceases to be entitled by reason of his death, and the cost of surgical services which are not of an elective nature, shall, subject to the provisions of this section, be paid from the Federal Old-Age and Survivors Insurance Trust Fund to the hospital, physician, and nursing home which furnished him the services. Services to be paid for in accordance with the provisions of this section include only services provided in the United States.

"(2) For purposes of this section, (A) any individual who would upon filing application therefor, be entitled to monthly benefits for any month under section 202 shall, if he files application under this section within the time limits prescribed in section 202(j) be deemed, for purposes of this section only, to be entitled to benefits for such month, (B) such individual shall, whether or not he files application under this section, be deemed to be entitled to benefits under section 202 for such month for purposes of determining whether the wife, husband, or child of such individual comes within the provisions of clause (A) hereof, and (C) any individual shall, for purposes of this section, be deemed entitled to benefits under section 202 if such individual could have been deemed under clauses (A) or (B) of this paragraph to have been so entitled had he not died during such month.

"(3) For purposes of paragraph (2), an individual's application under this section may, subject to regulations, be filed (whether such individual is legally competent or incompetent) by any relative or other person, including the hospital, physician, or nursing home furnishing him hospital, surgical, and nursing home services and, after such individual's death, his estate.

"(4) Payments may be made for hospital services furnished under this section to an individual during his first sixty days of hospitalization in a twelve-month period that begins with the first day of the first month in which the individual received hospital services for which a payment is made under this section, and during his first sixty days of hospitalization in each succeeding twelve-month period; and for nursing home services furnished under this section to an individual if the individual is transferred to the nursing home from the hospital, and if the services are for an illness or condition associated with that for which he received hospital services: *Provided*, That the number of days of nursing home services for which payments may be made shall, in any twelve-month period as described above, not exceed one hundred and twenty less the number of days of hospital services (in the same twelve-month period) for which payments are made under this section.

"(5) The provisions of section 205 relating to the making and review of determinations shall be applicable to determinations as to whether the costs of hospital, nursing home, and surgical services furnished an individual may be paid for out of the Federal Old-Age and Survivors Insurance Trust Fund under this subsection, and the amount of such payment.

"Description of hospital, nursing home, and surgical services

"(b)(1) For purposes of this section, the term 'hospital services' means the following services, drugs, and appliances furnished by a hospital to any individual as a bed patient: bed and board and such nursing services, laboratory services, ambulance services, use of operating room, staff services, and other services, drugs, and appliances as are customarily furnished by such hospital to its bed patients either through its own employees or through persons with whom it has made arrangements for such services, drugs, or appliances; the term 'hospital services' includes such medical care as is generally furnished by hospitals as an essential part of hospital care for bed patients; such term shall include care in hospitals described in paragraph (1) of subsection (d); such term shall not include care in any tuberculosis or mental hospital.

"(2) The term 'nursing home services' means skilled nursing care, related medical and personal services and accompanying bed and board furnished by a facility which is equipped to provide such services, and (A) which is operated in connection with a hospital, or (B) in which such skilled nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to practice medicine or surgery in the State.

"(3) The term 'surgical services' means surgical procedures (other than elective surgery) provided in a hospital, or in case of an emergency or for minor surgery, provided in the outpatient department of a hospital or in a doctor's office. Surgical services may include oral surgery when provided in a hospital. The term 'elective surgery' means surgery that is requested by the patient, but which in the opinion of cognizant medical authority is not medically required.

"Free choice by patient

"(c) (1) Any individual referred to in paragraphs (1) and (2) of subsection (a) may obtain the hospital or nursing home services for which payment to the hospital or nursing home is provided by this section from any hospital or nursing home which has entered into an agreement under this section, which admits such individual and to which such individual has been referred by a physician or (in the case of hospital or nursing home services furnished in conjunction with oral surgery) dentist licensed by the State in which such individual resides or the hospital or nursing home is located, upon a determination by the physician or dentist that hospitalization or nursing home care for such individual is medically necessary; except that such referral shall not be required in an emergency situation which makes such a requirement impractical.

"(2) Any individual referred to in paragraphs (1) and (2) of subsection (a) may, with respect to the surgical services for which payment is provided by this section, freely select the surgeon of his choice, provided that the surgeon is certified by the American Board of Surgery or is a member of the American College of Surgeons except that such certification shall not be required in cases of emergency where the life of the patient would be endangered by any delay, or in such other cases where such certification is not practicable, and except that, in the case of oral surgery, such individual may select a duly licensed dentist.

"(3) Regulations under this section shall provide for payments (in such amounts and upon such conditions as may be prescribed in such regulations) to (A) hospitals for hospital services rendered in emergency situations to individuals referred to in paragraphs (1) and (2) of subsection (a) by hospitals which have not entered into an agreement under this section, and (B) physicians for surgical services rendered by physicians not certified by the American Board of Surgery or not members of the American College of Surgeons.

"Agreements with hospitals, nursing homes, and providers of surgical services

"(d)(1) Any institution (other than a tuberculosis or mental hospital) shall be eligible to enter into an agreement for payment from the Federal Old-Age and Survivors Insurance Trust Fund of the cost of hospital or nursing home services furnished to individuals referred to in paragraphs (1) and (2) of subsection (a) if it is licensed as a hospital or nursing home pursuant to the law of the State in which it is located

"(2) Each agreement with a hospital under this section shall cover all hospital services included under subsection (b) (which services shall be listed in the agreement), shall provide that such services shall be furnished in semiprivate accommodations if available unless other accommodations are required for medical reasons, or are occupied at the request of the patient, shall be made upon such other terms and conditions as are consistent with the efficient and economical administration of this section, and shall continue in force for such period and be terminable upon such notice as may be agreed upon.

"(3) An agreement with a hospital or nursing home under this section shall provide for payment, under the conditions and to the extent provided in this section, of the cost of hospital and nursing home services which are furnished individuals referred to in paragraphs (1) and (2) of subsection (a): *Provided*, That no such payment shall be made for services for which the hospital or nursing home has already been paid (excluding payments by such individuals for which reimbursement to them by the hospital has been assured); but no such agreement shall provide for payment with respect to hospital or nursing home services furnished to an individual unless the hospital or nursing home obtains written certification by the physician (if any) who referred him pursuant to subsection (c) that his hospitalization or care in the nursing home was medically necessary and, with respect to any period during which such services were furnished, written certification by such individual's attending physician during that period that such services were medically necessary. The amount of the payments under any such agreement shall be determined on the basis of the reasonable cost incurred by the hospital or nursing home for all bed patients, or, when use of such a basis is impractical for the hospital or nursing home or inequitable to the institution of the Federal Old-Age and Survivors Insurance Trust Fund, on a reasonably equivalent basis which takes account of pertinent factors with respect to services furnished to individuals referred to in paragraphs (1) and (2) of subsection (a). Any such agreement shall preclude the hospital or nursing home with which the agreement is made from requiring payments from individuals for services, payment of the cost of which is provided by this section, after it has been notified that the cost of such services is payable from the Federal Old-Age and Survivors Insurance Trust Fund, except that it may require payments from such individuals for the additional cost of accommodations occupied by them at their request which are more expensive than semiprivate accommodations.

"(4) Except as provided by regulation, no agreement may provide for payments (A) to any Federal hospital, or to any other hospital for hospital services which it is obligated by contract with the United States (other than an agreement under this section) to furnish at the expense of the United States, or (B) to any hospital for hospital services which it is required by law or obligated by contract with a State or subdivision thereof to furnish at public expense except where the eligibility of the individual for such services is determined by application of a means test.

"(5) No supervision or control over the details of administration or operation, or over the selection, tenure, or compensation of personnel, shall be exercised under the authority of this section over any hospital or nursing home which has entered into an agreement under this section.

"(6) Agreements under this subsection shall be made with the hospital or nursing home providing the services, but this paragraph shall not preclude representation of such institution by any individual, association, or organization authorized by the institution to act on its behalf.

"(7) The Secretary shall enter into agreements with qualified providers of surgical services as defined in paragraph (2) of subsection (c). Such agreements shall stipulate that the rates of payment agreed on shall constitute full payment for these services. Such agreements may be made with any qualified individual, or with any association or organization authorized by the surgeons, dentists, or physicians to act in their behalf.

"(8) Nothing in such agreements or in this Act shall be construed to give the Secretary supervision or control over the practice of medicine or the manner in which medical services are provided.

"(9) Except to the extent the Secretary has made provision pursuant to subsection (h) for the making of payments to hospitals and nursing homes by a private nonprofit organization or for the making of payments to physicians, dentists, and surgeons by their designated representatives, he shall from time to time determine the amount to be paid to such provider of service under an agreement with respect to services furnished, and shall certify such amount to the Managing Trustee of the Federal Old-Age and Survivors Insurance Trust Fund, except that such amount shall, prior to certification, be reduced or increased, as the case may be, by any sum by which the Secretary finds that the amount paid to the provider of services for any prior period was greater or less than the amount which should have been paid to it for such period. The Managing Trustee prior to audit or settlement by the General Accounting Office, shall make payment from the Federal Old-Age and Survivors Insurance Trust Fund, at the time or times fixed by the Secretary, in accordance with such certification.

"Nondisclosure of information

"(e) Information concerning an individual, obtained from him or from any physician, dentist, nurse, hospital, nursing home, or other person pursuant to or as a result of the administration of this section, shall be held confidential (except for statistical purposes) and shall not be disclosed or be open to public inspection in any manner revealing the identity of the individual or other person from whom the information was obtained or to whom the information pertains, except as may be necessary for the proper administration of this section. Any person who shall violate any provision of this subsection shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both.

"Medical and hospital services under workmen's compensation

"(f) The provisions of subsection (a) shall not be applicable to any services which an individual required by reason of any injury, disease, or disability on acount of which such services are being received or the cost thereof paid for, or upon application therefor would be received or paid for, under a workmen's compensation law or plan of the United States or of any State, unless equitable reimbursement to the Federal Old-Age and Survivors Insurance Fund for the payments hereunder with respect to such services have been made or assured pursuant to agreements or working arrangements negotiated between the Secretary and the appropriate public agency. Notwithstanding the above sentence, if (1) the individual's entitlement to receive such services (or to have the cost thereof paid for) under such a workmen's compensation law or plan is in doubt when such services are required, (2) the cost of such services is otherwise payable from the Federal Old-Age and Survivors Insurance Trust Fund pursuant to this section, and (3) the individual makes an appropriate application under such workmen's compensation law or plan and agrees, in the event that he is subsequently determined to be entitled to receive such services (or to have the cost thereof paid for) under such law, to reimburse the Federal Old-Age and Survivors Insurance Trust Fund in the amount of any loss it might suffer through its payment for such services, then the cost of such services may be paid from such Trust Fund in accordance with this section. In any case in which the cost of services is paid from the Federal Old-Age and Survivors Insurance Trust Fund pursuant to the immediately preceding sentence, or is paid from such Trust Fund with respect to any such injury, disease, or disability for which no reimbursement to such Trust Fund has been made or assured pursuant to the first sentence of this subsection, the United States shall, unless not permitted under the law of the applicable State (other than the District of Columbia) be subrogated to all rights of such individual, or of the provider of services to which payments under this section with respect to such services are made, to be paid or reimbursed pursuant to such workmen's compensation law or plan for such payments. All amounts recovered pursuant to this subsection shall be deposited in the Treasury of the United States to the credit of the Federal Old-Age and Survivors Insurance Trust Fund.

"Regulations and functions of advisory council

"(g) All regulations specifically authorized by this section shall be prescribed by the Secretary. In administering this section, the Secretary shall consult with a National Advisory Health Council consisting of the Commissioner of Social Security, who shall serve as Chairman ex officio, and eight members appointed by the Secretary. Four of the eight appointed members shall be persons who are outstanding in fields pertaining to hospital and health activities, and the other four members shall be appointed to represent the consumers of hospital, nursing-home, and surgical services, and shall be persons familiar with the need for such services by eligible groups. Each appointed member shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and the terms of office of the members first taking office shall expire, as described by the Secretary at the time of appointment, two at the end of the first year, two at the end of the second year, two at the end of the third year, and two at the end of the fourth year after the date of appointment. An appointed member shall not be eligible to serve continuously for more than two terms but shall be eligible for reappointment if he has not served immediately preceding his reappointment. The Council is authorized to appoint such special advisory and technical committees as may be useful in carrying out its functions. Appointed Council members and members of advisory or technical committees, while serving on business of the Council, shall receive compensation at rates fixed by the Secretary, but not exceeding $50 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence. The Council shall meet as frequently as the Secretary deems necessary, but not less than once each year. Upon request by three or more members it shall be the duty of the Secretary to call a meeting of the Council.

"Utilization of private nonprofit organizations

"(h)(1) The Secretary may utilize, to the extent provided herein, the services of private nonprofit organizations exempt from Federal income taxation under section 501 of the Internal Revenue Code of 1954 which (A) represent qualified providers of hospital, nursing home, or surgical services, or (B) operate voluntary insurance plans under which agreements, similar to those provided for under subsection (d), are made with hospitals, nursing homes, and physicians for defraying the cost of services. Such organizations shall be utilized by the Secretary to the extent that he can make satisfactory agreements with them and to the extent he determines that such utilization will contribute to the effective and economical administration of this section. Such agreements shall not delegate (A) his functions relating to determinations as to whether the costs of hospital, nursing home, and surgical services furnished an individual may be paid for out of the Federal Old-Age and Survivors Insurance Trust Fund under this section and the amount of such payment, and (B) his functions relating to the making of regulations.

"(2) An agreement under paragraph (1) shall provide for payment from the Federal Old-Age and Survivors Insurance Trust Fund to the organization of the amounts paid out by such organization to hospitals, nursing homes, physicians, and dentists, under this section and of the cost of administration determined by the Secretary to be necessary and proper for carrying out such organization's functions under its agreement pursuant to this subsection. Such payments to any organization shall be made either in advance on the basis of estimates by the Secretary or as reimbursement, as may be agreed upon by the organization and the Secretary, and adjustments may be made in subsequent payments on account of overpayments or underpayments previously made to the organization under this subsection. Such payments shall be made by the Managing Trustee of the Trust Fund on certification by the Secretary and at such time or times as the Secretary may specifiy and shall be made prior to audit or settlement by the General Accounting Office.

"(3) An agreement under paragraph (1) with any organization may require any of its officers or employees certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from the Federal Old-Age and Survivors Insurance Trust Fund.

"Certifying and disbursing officers

"(i)(1) No individual designated by the Secretary pursuant to an agreement under this section, as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payments certified by him under this section.

"(2) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this section if it was based upon a voucher signed by a certifying officer designated as provided in paragraph (1).

"Adjustments in cash benefits

"(j) For purposes of section 204, any payment under this section to any hospital, nursing home, physician, or dentist, with respect to hospital, nursing home, or surgical services furnished an individual shall be regarded as a payment to such individual."

(b) The amendments made by subsection (a) shall be effective on the first day of the

twelfth calendar month after the month in which this Act is enacted.

(c) Notwithstanding the provisions of section 226(a)(2) of the Social Security Act, as amended by this Act, and subsection (b) of this section, applications filed under such section 226 which would otherwise be valid shall, subject to regulations of the Secretary, be considered valid even though filed more than three months prior to the effective date of this Act, but not if filed prior to the first day of the fourth calendar month after the month in which this Act is enacted.

SEC. 2. (a) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income) is amended to read as follows:

"SEC. 1401. RATE OF TAX.

"In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax as follows:

"(1) in the case of any taxable year beginning after December 31, 1959, and before January 1, 1963, the tax shall be equal to 4⅞ percent of the amount of the self-employment income for such taxable year;

"(2) in the case of any taxable year beginning after December 31, 1962, and before January 1, 1966, the tax shall be equal to 5⅝ percent of the amount of the self-employment income for such taxable year;

"(3) in the case of any taxable year beginning after December 31, 1965, and before January 1, 1969, the tax shall be equal to 6⅜ percent of the amount of the self-employment income tax for such taxable year; and

"(4) in the case of any taxable year beginning after December 31, 1968, the tax shall be equal to 7⅛ percent of the amount of the self-employment income for such taxable year."

(b) Section 3101 of such code (relating to rate of tax on employees under the Federal Insurance Contributions Act) is amended to read as follows:

"SEC. 3101. RATE OF TAX.

"In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to the following percentages of the wages (as defined in section 3121 (a)) received by him with respect to employment (as defined in section 3121 (b))—

"(1) with respect to wages received during the calendar years 1960 to 1962, both inclusive, the rate shall be 3¼ percent;

"(2) with respect to wages received during the calendar years 1963 to 1965, both inclusive, the rate shall be 3¾ percent;

"(3) with respect to wages received during the calendar years 1966 to 1968, both inclusive, the rate shall be 4¼ percent; and

"(4) with respect to wages received after December 31, 1968, the rate shall be 4¾ percent."

(c) Section 3111 of such code (relating to rate of tax on employers under the Federal Insurance Contributions Act) is amended to read as follows:

"SEC. 3111. RATE OF TAX.

"In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in sec. 3121(a)) paid by him with respect to employment (as defined in sec. 3121(b))—

"(1) with respect to wages paid during the calendar years 1960 to 1962, both inclusive, the rate shall be 3¼ percent;

"(2) with respect to wages paid during the calendar years 1963 to 1965, both inclusive, the rate shall be 3¾ percent;

"(3) with respect to wages paid during the calendar years 1966 to 1968, both inclusive, the rate shall be 4¼ percent; and

"(4) with respect to wages paid after December 31, 1968, the rate shall be 4¾ percent."

(d) The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1959. The amendments made by subsections (b) and (c) shall apply with respect to remuneration paid after December 31, 1959.

REPORT OF JOINT COMMITTEE ON WASHINGTON METROPOLITAN PROBLEMS

Mr. MORSE. Mr. President, I now wish to make a very brief statement on the report filed by the Joint Committe on Washington Metropolitan Problems on January 31. The report represents a commendable first step on the long and difficult road toward a solution of some of the very serious problems which confront the Washington metropolitan area. They are problems which can be expected to press ever more heavily upon this region in the years just ahead.

I am sure everyone on the joint committee deeply appreciates the kind editorial published in this morning's Washington Post and Times Herald making favorable comment on the report of our committee.

I ask unanimous consent that the editorial be printed at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A VOICE FOR THE REGION

Congress has been given an imaginative, farseeing, and yet thoroughly practical scheme for adapting local government in the National Capital area to the enormous postwar growth of the region. Senators BIBLE, BEALL, and MORSE and Representatives MCMILLAN, BROYHILL, and HOWARD SMITH, as well as former Representative Hyde who helped to launch the study, are to be highly commended for their unanimous support of the proposals. The able staff director of the joint committee, Frederick Gutheim, also deserves high praise for conducting a far-ranging investigation and pulling the results together in a succinct and forceful manner.

One of the great virtues of the joint committee's proposals is that they are based upon existing institutions and recognize the need to deal with, protect, and improve established local governments in the approach to metropolitan controls. Thus the National Capital Planning Commission would become a regional agency, with emphasis on development planning for the entire area. Local functions would be left to city, county, or multicounty agencies already set up. The embryo Metropolitan Conference, now a loose, voluntary grouping of local government officials, would be given more formal status, perhaps some limited taxing power and, ultimately, elected members. Together the conference and the Regional Development Agency would form a kind of bicameral metropolitan council, its functions largely advisory, in which the local governments of the region could try to forge harmonious policies and programs.

No less important than these innovations is the proposal for committing the Federal Government to a new and broader interest in the Washington region through a revised system of local payments in lieu of taxes and through support of the Regional Development Agency. Coupled with local tax support of the conference and with revenue-type financing of metropolitan transportation and other public works under the aegis of a new metropolitan public works authority, this would give the whole scheme the necessary financial underpinning.

Such a limited federation of Washington area local governments, built around a more broadly expressed Federal interest in the region, is certainly not a radical program. No overnight miracles would be worked. But for the first time the Washington area could begin to speak with a single voice and address itself to area problems in a concerted fashion. There is probably room for refinement of the details, but on the whole, we think the report merits prompt study and action by Congress, Maryland, Virginia, and the local governments of the region.

Mr. MORSE. Mr. President, the joint committee has worked hard and long to bring this report to the Congress. The record will show that 14 technical reports have been published; 82 witnesses in the 9 days of public hearings offered 1,159 printed pages of testimony, which was most helpful, and which was given careful attention in the 12 executive sessions of the joint committee.

The staff director of the joint committee, Mr. Frederick Gutheim, was chosen by the members of the committee on the sole basis of his high technical ability and accomplishment in the field of metropolitan planning. In my judgment, he has performed brilliantly in an exceedingly difficult and complex area. It was not easy to adjust differing viewpoints and conceptions which were honestly and tenaciously held by the spokesmen for the many agencies operating in the metropolitan region. To him, to his capable staff, and to the very able consultants who worked with him the members of the joint committee owe a debt of gratitude. But the report, Mr. President, owes its final form in great measure to the leadership given the staff by our chairman, the distinguished and very able Senator from Nevada. His example gave constant proof of his own deep conviction of the necessity and worth of the study. The sage counsel given the joint committee by the Members of the House of Representatives who were our colleagues in this endeavor, again, Mr. President, in my judgment, will be most helpful in gaining the acceptance of that body to the recommendations put forth in the report. I think that the unanimous agreement on this report, on both sides of the aisle and on both sides of the Hill, constitutes impressive testimony to the determination of the members to reach a position acceptable both to the Congress and to the neighboring communities.

However, I want to make it perfectly clear that much remains to be done before this metropolitan area will have the governmental institutions that it needs to deal effectively with the urgent problems of water supply, sewage disposal, and transportation. These are the paramount problems which require the provision of regionwide facilities. There are other aspects of the population growth which could profit from attention on a regional scale, but, Mr. President, the committee felt that it was most important to concentrate its attention upon the major and most pressing of the metropolitan needs.

For a moment I shall touch upon some of the magnitudes of the suburban explosion which compelled us to seek a method whereby a solution to these three problems could be obtained.

The city of Washington and its suburbs constitute now the second fastest growing metropolitan area in the Nation. Since 1930 we have witnessed almost a 200 percent increase in population. That growth—and I think it a healthy one in the main—continues. By 1960, only a year from now, 2,130,000 men, women, and children will live in the area. We have been assured that 5 years later, in 1965, an additional 290,000 human beings will swell our metropolitan population to over 2.4 million people.

These people will need water, sewerage facilities, roads, rapid transit, and jobs for the family breadwinners. The problems are not limited to the District lines. Even now only about two-fifths of the population live in the District. When the relocation of Federal agencies now in progress is completed, we will find that 43 percent of all the Government employees of the Capital will work outside the District in the suburbs and neighboring communities. Already the local payroll of the Government, which in fiscal year 1958 amounted for Washington to $1.6 billion, goes to Federal employees, 52 percent of whom live outside the District in the adjacent territory.

Before the region can equip itself with the extensive network of public works and facilities to serve a population of 2½ to 3 million people, we must face up to the fact that the region is an interdependent whole. The area will probably never meet the challenge which faces it as long as it is limited to what can be accomplished upon a piecemeal basis, jurisdiction by existing jurisdiction.

An adequate, long-run governmental structure for the region requires, in my view, two things. First, self government for the District and a substantial annual payment from the Treasury in lieu of taxes. Second, devolution by the Congress, by the municipal government of the District, and by the States of Maryland and Virginia, of enough of their powers and prerogatives to a regional governmental structure sufficient to enable the region to act as a unit in charting future growth and in providing itself with those essential facilities and services which it needs and which lie beyond the capacity of any one jurisdiction.

I close Mr. President, by inviting to the attention of the Senate the consequences of failing to put the report recommendations into legislative life.

On page 13 of the report we said, and it bears repeating:

CONSEQUENCES OF DOING NOTHING

Failure to face up to the problems of metropolitan growth will result in real costs for both the region and the Federal Government. This is particularly the case in the central city. But, as we have shown, both the suburban residents who work in the central city and use it in other ways, and the suburban communities that are increasingly linked to the central city, are involved in the fate of the central city and the metropolitan area as a whole.

The growth of slums and congestion, the deterioration of real property values and the mounting social problems, the decline of many types of retail trade and the flattening growth curves in other types of central city business activity—all these spell trouble. They mean higher governmental costs, higher tax rates, and reduced tax resources. They mean a spiral of migration from the central city and its problems—to the suburbs where problems of equal and perhaps greater difficulty are already clearly emerging.

Nor is the governmental cost the only measure of metropolitan waste. Private business serving the metropolitan region is equally affected by the deterioration of its markets, the rising cost of doing business, by labor shortages, and by other problems arising out of urban disorganization, jurisdictional fragmentation, and the lack of necessary regional facilities. In the end, all metropolitan interests share the same fate. Whether they are governmental or business interests, social or economic interests, central city or suburban interests, all are affected. In this region, because of its widespread and manifold interests, the Federal Government is probably more affected than any other single interest, and will be more adversely influenced if metropolitan problems are neglected and inertia prevents the needed action.

Mr. President, this joint committee report does not offer a plan to solve easily and overnight the manifold of urban difficulties which face our Capital. But it does set forth and describe institutions and organizations which can and should be created to work toward a sound solution of the difficulties and to plan intelligently for the health, growth, and development of the National Capital region.

Mr. President, I ask unanimous consent to have printed as a part of my remarks, at the close of my remarks, the Senate joint resolution which was introduced.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Washington Metropolitan Region Development Act".

SEC. 2. The Congress hereby declares that, because the District which is the seat of the Government of the United States and has now become the urban center of a rapidly expanding Washington Metropolitan Region, the necessity for the continued and effective performance of the functions of the Government of the United States at the seat of said Government in the District of Columbia, the general welfare of the District of Columbia and the health and living standards of the people residing or working therein and the conduct of industry, trade, and commerce therein require that the development of the District of Columbia and the management of its public affairs shall, to the fullest extent practicable, be coordinated with the development of the other areas of the Washington Metropolitan Region and with the management of the public affairs of such other areas, and that the activities of all of the departments, agencies, and instrumentalities of the Federal Government which may be carried out in, or in relation to, the other areas of the Washington Metropolitan Region shall, to the fullest extent practicable, be coordinated with the development of such other areas and with the management of their public affairs; all toward the end that, with the cooperation and assistance of the other areas of the Washington Metropolitan Region, all of the areas therein shall be so developed and the public affairs thereof shall be so managed as to contribute effectively toward the solution of the community development problems of the Washington Metropolitan Region on a unified metropolitan basis.

SEC. 3. The Congress further declares that the policy to be followed for the attainment of the objectives established by section 2 hereof, and for the more effective exercise by the Congress, the Executive Branch of the Federal Government and the Board of Commissioners of the District of Columbia and all other officers and agencies and instrumentalities of the District of Columbia of their respective functions, powers, and duties in respect of the Washington Metropolitan Region, shall be that all such functions, powers, and duties shall be exercised and carried out in such manner as (with proper recognition of the sovereignty of the State of Maryland and the Commonwealth of Virginia in respect of those areas of the Washington Metropolitan Region as are situate within their respective jurisdictions) will best facilitate the attainment of such objective of the coordinated development of the areas of the Washington Metropolitan Region and coordinated management of their public affairs so as to contribute effectively to the solution of the community development problems of the Washington Metropolitan Region on a unified metropolitan basis.

SEC. 4. The Congress further declares that, in carrying out the policy pursuant to section 3 hereof for the attainment of the objective established by section 2 hereof, priority should be given to the solution, on a unified metropolitan basis, of the problems of water supply, sewage disposal and water pollution and transportation.

SEC. 5. The Congress further declares that the officers, departments, agencies, and instrumentalities of the Executive Branch of the Federal Government and the Board of Commissioners of the District of Columbia and the other officers, agencies, and instrumentalities of the District of Columbia, should develop, as rapidly as feasible, such specific plans and proposals to implement and carry out the recommendations contained in the final report of the Joint Committee on Washington Metropolitan Problems pursuant to H. Con. Res. 172, Eighty-fifth Congress.

SEC. 6. As used herein, the term "Washington Metropolitan Region" includes the District of Columbia, the counties of Montgomery and Prince Georges in the State of Maryland, the counties of Arlington and Fairfax in the Commonwealth of Virginia, and the several municipalities (including Alexandria and Falls Church) within said counties.

MEMBERSHIP ON JOINT COMMITTEES

The Senate resumed the consideration of the resolution (S. Res. 68), providing for members on the part of the Joint Committee on Printing and the Joint Committee of Congress on the Library.

Mr. MANSFIELD. Mr. President, I understand there is no opposition to Calendar No. 9, Senate Resolution 68, and I ask for its immediate consideration and urge its approval.

The PRESIDING OFFICER. The question is on agreeing to Senate Resolution 68.

The resolution (S. Res. 68) was agreed to, as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. HAYDEN, of Arizona; Mr. HENNINGS, of Missouri; and Mr. MORTON, of Kentucky.

Joint Committee of Congress on the Library: Mr. GREEN, of Rhode Island; Mr. HENNINGS, of Missouri; Mr. JORDAN, of North Carolina; Mr. MORTON, of Kentucky; and Mr. KEATING, of New York.

EXPENDITURES BY COMMITTEE ON RULES AND ADMINISTRATION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 10, Senate Resolution 69.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution authorizing the Committee on Rules and Administration to make expenditures and employ temporary personnel.

PROPOSED HOUSING LEGISLATION

Mr. ROBERTSON. Mr. President, in the near future we will have before us a housing bill reported from the Banking and Currency Committee on which I serve. But I shall be unable to support that bill.

Some new authorization for Federal support of residential housing and urban renewal unquestionably is needed at this time and the choice offered the Senate will be, basically, either the kind of program advocated in the President's budget and incorporated in bills introduced as S. 65 and S. 612 or the broader, more expensive program proposed in the Sparkman bill, S. 57, which is the basis for the Banking and Currency Committee's bill.

I shall not attempt any detailed analysis of these bills but, before general debate on housing starts, I want to go on record for two purposes: First, to explain why I cannot personally accept my committee's bill and, second, to urge that consideration of these proposals be strictly on the basis of their merits and not treated as a political issue or test of party loyalty.

Last year I supported the urban renewal and housing measures which were enacted into law. I recognize the merit of stimulating the building industry and promoting home ownership through such aids as FHA guaranteed loans and encouraging urban renewal undertakings by reasonable grants and technical assistance. I hope to vote this year for legislation which will continue those programs.

But I feel that our support of housing, like our support of public works, welfare and other efforts of the Federal Government, must be adjusted to our financial position and I frankly feel that we are not justified in launching into greatly expanded housing programs this year when every cent used for the expansion will be money borrowed by the Federal Government and added to the already heavy burden of our national debt.

It is estimated that during the current fiscal year which will end on June 30 the Government will spend approximately $12 billion in excess of its revenue. The full inflationary effect of that spending has not yet been felt and, as I have repeatedly pointed out in the past, there is no more cruel tax than inflation, which falls the heaviest on those least able to bear an increased tax burden and is a form of levy which no one can evade.

The President has submitted for fiscal 1960 what he claimed was a balanced budget but the balance was predicated upon assumptions which, in my opinion, are overly optimistic. The major assumption is that in the 12 months commencing July 1, 1959, corporations of the Nation will enjoy the largest earnings before taxes in their history and that the taxable incomes of individuals will increase more in that period than at any previous period in our history. Both of those contingencies must occur if the Treasury is to realize an additional $10 billion of tax revenue. There is every reason to believe the next fiscal year will be a prosperous one but the degree of increase is open to question.

The second assumption of the President to justify his estimate of a balanced budget is that the Post Office deficit will be reduced by imposition of a 5-cent rate on first class mail and that increased highway spending will be met by an increase of 1½ cents per gallon in the Federal gasoline tax. The chances for imposition of those two new taxes are, in my opinion, less than 50 percent.

A third assumption, of course, is that the Congress will hold appropriations at or below the figures recommended in the budget. The optimism of that assumption will be tested for the first time in our action on housing legislation.

The administration's program, as outlined in the budget and incorporated in S. 65, which is a so-called emergency bill, and S. 612, would call for $300 million of new obligational authority in fiscal 1959 and another $250 million in 1960. In other words, the President's balanced budget in 1960 contemplates a total of $550 million of new obligational authority for the 1959 and 1960 fiscal years, although the total new obligational authority proposed for the life of these bills is $1,650 million.

In contrast, the Sparkman bill (S. 57), as introduced, would call for $875 million of new obligational authority and $300 million for VA direct loans in fiscal 1959 and $350 million of additional obligational authority in 1960. That makes a total of $1,525 million which would be authorized by the Sparkman bill for this year and next year, which is $975 million more than the administration proposal and nearly as much as the total authorization proposed for the life of the administration bill. The total proposed authorization for the Sparkman bill would be $2,925 million—which is $1,275 million more than the administration bill. The Sparkman bill also calls for $8 billion of new authorization for FHA loan insurance, contrasted with $6 billion in the administration bill.

Obviously, then, approval of a program such as is proposed in the Sparkman bill means that at the very beginning of this session we are throwing out the window any hope of balancing the budget in fiscal 1960 so far as obligational authority is concerned. There will be no chance to save elsewhere in the budget the approximately $1 billion that would be added here and, indeed, the example of generosity set in dealing with housing is likely to influence grants for other admittedly worthwhile programs on the upward side.

If we consider proposed spending in fiscal 1960, rather than obligational authority, we find that the administration proposal would add only $3.6 million for urban renewal grants to the expected outlay next year while the Sparkman bill would add $300 million for VA direct loans, $33.3 million for public housing, $9.25 million for urban renewal and $5 million for college loans, a total of $347.6 million.

The difference of $344 million in spending planned under the bills, while less than the difference in obligational authority, would more than wipe out the slender spending surplus of $100 million estimated in the budget.

This would mean serving notice on our own taxpayers that any hope for a tax reduction next year should be completely abandoned, and it will constitute notice to the other nations of the world, who are beginning to be alarmed concerning the stability of the American dollar, that we are unwilling to accept ourselves the type of austerity in the management of our currency which we have so freely recommended to others faced with inflationary threats.

One other point I want to make in indicating why I cannot approve this larger housing program is that it involves further expansion of the scheme I have criticized in the past to bypass the Appropriations Committees of the House and Senate by authorizing funds to be withdrawn directly from the Treasury through use of borrowing authority which is given to a Federal agency.

Direct borrowing from the Treasury is proposed in the Sparkman bill for $525 million for college housing and for college classrooms and laboratories—a dangerous procedure, regardless of the merits of the program.

The urban renewal and public housing programs do call for appropriations, but congressional control through the Appropriations Committees is reduced to a minimum because once a long-term contract has been signed, as authorized in the housing bill, the Government assumes an irrevocable obligation to make payments under that contract and the Appropriations Committees have no choice except to approve these items, as they do interest on the national debt or veterans pensions.

I shall not go into further detail at this time, Mr. President, but the principles involved in urban renewal and housing legislation were discussed in a speech I made to the League of Virginia Municipalities on September 22, 1958. Since my views on the subject now are the same as they were last fall, I ask unanimous consent to have printed in the RECORD at this point the remarks I made at that time.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR A. WILLIS ROBERTSON PREPARED FOR ANNUAL MEETING OF VIRGINIA LEAGUE OF MUNICIPALITIES AT ROANOKE, VA., SEPTEMBER 22, 1958

The opportunity to renew contacts with my many friends in the Virginia League of Municipalities was so attractive that I wel-

comed the invitation to come here today. When I looked over the elaborate program prepared for your annual meeting, however, I was frankly puzzled as to what I might add to it and, therefore, I welcomed the suggestion of those from whom I sought advice that I should talk to you about Federal legislation affecting municipalities.

Any complete review of Federal-municipal relations obviously is impossible in the time at my disposal, but I shall discuss briefly what the Federal Government has been doing to aid municipalities and other local units of government and proposals for additional aid which were considered by the 85th Congress—especially those measures which were handled by the Senate Banking and Currency Committee on which I serve.

Then, I want to offer a few comments on the significance of the Federal aid picture and my suggestions as to the attitude which I feel those responsible for municipal affairs in Virginia should take toward future legislation.

Members of this group are far better informed than the average citizen as to what is done with taxes collected by the Federal Government, but some of you may not have realized that Federal grants-in-aid have grown to the point where they total nearly 1½ times the total amount which was spent by the Federal Government for all purposes, including national defense, when I first entered the Congress.

The Federal spending budget in 1933, my first year as a Member of the House of Representatives, was $4.6 billion. In comparison, for the fiscal year ending June 30, 1957, the total of Federal grants to State and local governments and Federal aid to programs involving payments to individuals within the States was more than $6.4 billion.

The way in which these programs have grown is illustrated by the fact that the total distribution of Federal aid in 1930 was only $147 million. In 1940 it was $1.4 billion and in 1950 it was $5.5 billion, using round figures throughout.

You may also be interested to know that Virginia's share of this aid in the 1957 fiscal year—the last for which I could obtain complete figures—was around $99 million.

This total included, of course, many items such as aids to agriculture, veterans benefits, and research grants not related to municipal functions, but there still remained a large part of the total which directly or indirectly affected the budgets of Virginia cities and towns.

There was, for example, $2.5 million paid in Virginia for school lunch programs and another million distributed to encourage consumption of milk by Virginia schoolchildren. Emergency grants for school construction in federally impacted areas brought around $5.5 million to local governments in Virginia and Federal aid for operating schools in these areas provided another $7.6 million.

Public Health Service grants in Virginia amounted to more than $1 million and our State's share of Hill-Burton hospital construction funds was $2.2 million.

The Social Security Administration transferred to Virginia more than $1 million for maternal and child welfare services and more than $13 million for public assistance to the blind, aged, dependent children and disabled persons. Vocational rehabilitation grants to Virginia were nearly $1 million and unemployment compensation grants from Federal funds exceeded $2.3 million.

The urban renewal program brought nearly $2 million to Virginia cities in the 1957 fiscal year and there was around $2.4 million spent in this State for public housing.

Payments to National Guard units in Virginia totaled more than $8.7 million and unemployment compensation payments for veterans and Federal employees amounted to over $1.2 million.

The items I have mentioned are merely some significant samples taken from the 25 pages of fine-type tables in the annual report of the Secretary of the Treasury. I commend that full tabulation to those of you who are interested in a better understanding of just how far the Federal Government has departed from the Jeffersonian concept of having the Central Government do only those things which the State and local governments are unable to do for themselves.

Since that report was made Congress has enacted the Housing Act of 1957 which authorized spending of $1.9 billion, including an additional $350 million for slum clearance and urban renewal and liberalizing the percentage of the Federal contribution to these projects from two-thirds to three-fourths of the net cost.

The 85th Congress also extended the program of emergency school aid to federally impacted areas to June 1959 and authorized a permanent program of assistance for construction and operation of schools in these areas based on the number of children of persons who both reside and work on Federal property.

That, I might add, is the only kind of Federal aid to education which I approve. We cannot have the Federal Government paying for our schools without controlling them, but it is no more than fair that when the Government assigns workers to an area where they live without being subject to local property taxes there should be payments in lieu of taxes which amount to a fair tuition charge for educating their children. The alternative is to expect the Federal Government to provide its own schools on the Government reservations.

Another action of the last Congress to increase Federal aid was extension of the Hill-Burton hospital program for another 5 years during which $211 million will be distributed. That has been one of the best of the Federal-aid programs.

Programs of Federal aid to localities carried on under legislation within the jurisdiction of my Banking and Currency Committee include: (1) Loans to State and local governments for planning public works. (2) Loans to State and local governments for construction of public works. (3) Loans and grants for urban renewal and slum clearance; and (4) loans and annual contributions to local public agencies for construction and operation of low-rent public housing.

For public works planning there is a revolving fund of $48 million authorized of which $24 million has been appropriated. Projects to be planned may include educational facilities, public buildings such as court houses, city halls, police and fire stations, civic auditoriums and facilities such as garbage disposal plants, port developments, harbor and flood relief works and airports. The theory of this program is to encourage advance planning which otherwise might be deferred by communities which are short of funds and thus to have more projects ready for a quick start if an increased public works program is needed as an anti-recession measure.

In addition to this planning program there was authorized by the Housing Amendments of 1955 a fund of $100 million for loans to local and State governments to build essential community facilities for which financing is not otherwise available on reasonable terms and conditions.

These two loan programs would have been broadened by the so-called Community Facilities bill (S. 3497) which passed the Senate but was rejected this year by the House. That bill would have authorized another $2 billion for the construction loan fund and $98 million for planning cost advances. It also would have liberalized loan terms. If enacted into law the program would have been financed by the Federal Government with borrowed money. That would have been unsound in principle and inflationary in effect.

I was even more emphatically opopsed to the Area Redevelopment Act (S. 3683) which passed both Houses of the Congress but was vetoed by the President. That bill would have authorized $200 million for loans and $75 million for grants-in-aid to areas of so-called chronic unemployment.

As I said in a speech on the Senate floor opposing S. 3683, if Congress had not abandoned all constitutional restraint on spending, the bill would not even have come before the Senate. We have no constitutional authority to spend money in one locality to help overcome its economic disadvantages as compared with other localities. This amounts to an attempt by the Federal Government to substitute its decisions regarding the development of an area for the natural decision of our free enterprise system, and ignores the Constitutional principle that even though you treat the general welfare clause as a grant of Congressional power it still means general and not local welfare.

In addition, both the community facilities bill and the area redevelopment bill contained the objectionable authority to finance the programs by borrowing from the Secretary of the Treasury rather than coming to the Appropriations Committees of the House and Senate for the funds. It is easy enough for these spending programs to get out of hand when they must pass annual scrutiny by two committees of the Congress, but when they are given a direct pipeline into the Treasury for their funds and their demands cannot be reviewed, once the initial authorization has been granted. the dangers are compounded.

As I have indicated, the housing amendments approved in 1957 liberalized both the terms and scope of the urban renewal program for which spending of $1.350 billion has been authorized but the proposed 1958 omnibus housing bill (S. 4035) which passed the Senate but failed in the House would have authorized another $2.25 billion for urban renewal.

This bill also would have extended for another year the present authority for 70,000 units of low-rent public housing and would have permitted additional annual contribution contracts for 17,500 low-rent units.

Still another bill which failed of enactment was a House bill (H.R. 13420) to increase grants to State and local governments under the Water Pollution Control Act. This would have permitted grants up to 30 percent of the cost of projects or up to $500,000, whichever was the smaller. The aggregate appropriation proposed for the program was $1 billion of which up to $100 million could be used in any fiscal year.

In referring to proposals for enlarged Federal aid programs which were handled by the Senate Banking and Currency Committee and which passed the Senate but which were rejected by the House, I want you to understand that I speak apologetically rather than boastfully.

I realize how modern demands for schools, health, and police protection have greatly increased the financial burden of our municipalities while heavy Federal income and excise taxes have impinged upon potential revenue. A major reduction in Federal taxes, however, would, in my opinion, be preferred by most of our Virginia towns and cities to increased Federal handouts because while Virginia is scheduled to receive about $100 million of Federal aid in this current year Virginia's estimated share of the proposed $80 billion spending will be over a billion dollars or 10 times what we will get back in Federal aid.

My friend, Horace Edwards, recently pointed out to me that a family living in

Richmond with two children, an annual income of $6,500 and a $12,000 home, would pay the city only $246 in taxes but would pay the Federal Government around $700. That family, whether it realized it or not, is helping to put up the money which is discounted by the Federal bureaucrats and then sent back to the city for various aid programs. But, in addition, that family is helping to support aid programs in other areas from which it does not profit and which may involve activities that the people of Richmond would not approve if allowed to pass on them in a referendum.

Furthermore, all the families in Virginia, even those in the lowest brackets which pay only nominal Federal, State, and local taxes are victims of what I described to a bankers meeting in Richmond this month as "the cruelest tax," which is inflation.

Continual spending by the Federal Government in excess of its revenues, which apparently will approach $12 billion in this fiscal year, is one important element in raising prices and lowering the purchasing power of the dollar. Our dollars now will buy less than half the commodities they would buy before World War II and the trend is toward additional rounds of wage increases and price increases which offset them, the inflation tax falling heaviest on those with fixed incomes.

Aside from causing individual hardships, this trend toward inflation is serious because, as the Russian leader Lenin said: "the surest way to overthrow an existing social order is to debauch the currency."

Therefore, I urge you, as leaders in your communities, to take a stand for a sound economy and for economical operation of the government at all levels.

When you need new public works or improved services, seek ways to finance them for yourselves and then give your backing to efforts to taper off and discontinue Federal aid programs instead of encouraging their expansion and the starting of new ones.

You, after all, as municipal representatives occupy a key spot in our system of government because, as Alexis de Tocqueville wrote a century and a half ago in his essay on "Democracy in America": "Local assemblies of citizens constitute the strength of free nations. Town meetings are to liberty what primary schools are to science; they bring it within the people's reach; and they teach men how to use it and enjoy it."

Mr. ELLENDER. Mr. President, will the Senator from Virginia yield to me?

Mr. ROBERTSON. I yield.

Mr. ELLENDER. I wonder if the distinguished Senator from Virginia can answer a question which is in my mind, and I preface my question with an apology. I am sorry I did not hear all of the Senator's speech.

I wonder if the Senator has been able to obtain information as to what the present obligations of the Federal Government under FHA, VA loans, and other methods of financing housing may be.

Mr. ROBERTSON. The Senator from Virginia has no recent tabulation. Two years ago he had a very complete tabulation made. It is his recollection that the indirect obligations of the Government were between $50 billion and $60 billion. A good part of that is for housing loans which we have underwritten, and other projects on which the Government has loaned money. But there has been a great deal of money borrowed under the procedure adopted during the emergency in 1932 and 1933, of issuing bonds rather than going through the appropriation procedure, and borrowing directly from the Treasury.

Also, we have been quite free in underwriting obligations, as though lending our name were an easy way to put money in circulation, without creating any real liability.

The junior Senator from Virginia will be glad if some member of his committee, or the committee staff of the Banking and Currency Committee, will compile such a tabulation. Perhaps it will be available when the housing bill is considered on the floor of the Senate.

Mr. ELLENDER. I hope the Senator will have such a tabulation prepared, because I believe that the Senate and the country should be made aware of the huge value of the many loans which have been guaranteed by the Government. As the Senator knows, our debt is about to reach the $285 billion limit. I am informed that we shall reach that limit by June 30.

The obligations to which I refer are guaranteed by the Government, and they are over and above the staggering national debt.

Mr. ROBERTSON. That is correct. The indirect obligations are not carried as debt.

Mr. ELLENDER. I am very hopeful that the distinguished new chairman of the Committee on Banking and Currency, through some member of his committee, will inform the Senate and the country concerning the outstanding value of indirect obligations which have been created since these housing programs have been placed on the statute books.

Mr. ROBERTSON. The information would be very pertinent, certainly, from a psychological standpoint.

The junior Senator from Virginia was asked at lunch by the senior Senator from Georgia [Mr. RUSSELL] what the total expenditures of the Government were when the junior Senator from Virginia was elected to Congress in 1932. The reply was, "One-third of what the interest on the national debt will be in the fiscal year 1960." Four billion dollars covered everything. In 1935, when President Roosevelt proposed that we spend $4,800,000,000 for relief and recovery, the junior Senator from Virginia made a speech against the proposal, and said that if we started spending that way, we would live to see the national debt go up to $50 billion; and that if it did, we would all be ruined.

We are still here. We have not been ruined, but think how far down the road toward ruin we have gone.

In the February issue of the Reader's Digest we shall see an article showing how, in a relatively short period of time, France has inflated its currency 20 times. Professor Schlichter, of Harvard, says that a little inflation is a good thing, and that no one should object to 3 percent.

That sounds as though a little credit expansion makes everyone feel happy. However, if a man 35 years of age is paying for an insurance policy, and he suffers 3 percent inflation a year, by the time he is 70 years of age, the insurance has been used up. At 3 percent a year, in 33⅓ years, the insurance is gone. That is why we must "level" on this subject. The Senator is right, that we ought to know what the national indebtedness will be and that we ought to know what the indirect obligation is going to be, if the situation should turn against us and the loans for housing should go sour.

Mr. ELLENDER. It is almost incredible that out of every dollar we appropriate, 10 cents goes toward paying the interest on the national debt. I have been in the Senate for 22 years. As I recall, when I first came to the Senate, the entire amount we appropriated to operate all departments of Government was approximately what is now required to pay the interest on our national debt.

Mr. ROBERTSON. The Senator is right. A good many people will say, "We can remember when we could buy things for a third of what it costs now, but at that time we did not have any money to buy them with, whereas now we have the money." That is a temporary viewpoint. We must consider what may happen.

Mr. JOHNSTON of South Carolina. Mr. President, in preparing the Senator's statement I should like him to include the bonds under the retirement fund and the social security fund.

Mr. ROBERTSON. The Senator from South Carolina is opening a broad field. We cannot get dependable figures.

Mr. JOHNSTON of South Carolina. The retirement fund costs run between seven and eight billion dollars.

Mr. ROBERTSON. I understand that there is a great deal of potential liability in the railroad retirement fund also. Of course, that is not a direct obligation, but we have been administering it, and certainly the railroad workers, if the time ever came that the funds did not pay out, would expect Congress to come to their rescue.

We recently had a report from a committee—I believe the President appointed it—which showed that if we increase the social security taxes, as has been proposed, the social security fund will be safe. If we do not increase the taxes, the present revenue under the tax program will not finance present payments, and to that extent we would go into the red. The committee made a very exhaustive study. The junior Senator from Virginia was encouraged to note that the committee stated that the program was on a sound basis, even though we have greatly increased the benefits and increased the time with respect to the qualification of widows, and that it would remain sound if we would let the payroll taxes go up, as was contemplated.

I shall get such information as the Committee on Appropriations and other committees can gather on the total debt picture, because we certainly need all the information we can get.

Mr. ELLENDER. I am particularly anxious to ascertain the obligations at this time in the housing field, particularly the VA and FHA and any other housing programs that we now have on the statute books.

Mr. ROBERTSON. In the housing field it is something over $20 billion.

EXPENDITURE BY COMMITTEE ON RULES AND ADMINISTRATION

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana that the Senate proceed to the consideration of Senate Resolution 69 authorizing the Committee on Rules and Administration to make expenditures and employ temporary personnel.

The motion was agreed to.

Mr. ELLENDER. Mr. President, as I understand, the purpose of the appropriation requested is to maintain the Subcommittee on Privileges and Elections, so that the subcommittee may investigate any elections which may take place this year or next.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. As I recall, during an off year the amount provided in the past has been $60,000.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. I notice that that amount has been raised to $75,000 in the resolution. As long as there is no election to be investigated during this year, why should the amount be increased?

Mr. MANSFIELD. I would say that it was at my suggestion that the amount requested was reduced from $100,000 to $75,000 in committee. The subcommittee, under the chairmanship of the distinguished senior Senator from Rhode Island [Mr. GREEN] has been quite busy during the past year, and there are possibilities that some questions may still arise relative to the election of last November. In addition, the subcommittee must prepare for the presidential election next year, and that will keep it busy. It may be that $75,000 may not be required, but I believe it is important that the amount be on hand so that there may be a little leeway. Last year $150,000 was granted, and of that amount $59,000 was returned to the contingent fund of the Senate. I should also like to call to the attention of the Senator the fact that it is my understanding that the staff, which now numbers eight, is going to be reduced to five. Therefore, economies will be made in that direction.

Mr. ELLENDER. If the staff is reduced to five, why will it require $75,000 to run the subcommittee?

Mr. MANSFIELD. With the increase in pay which Congress voted last year, it will be necessary to allow a little extra money; in addition, there is a certain amout of investigative work that must be done.

Mr. ELLENDER. How many attorneys will it be necessary to employ?

Mr. MANSFIELD. Really only two.

Mr. ELLENDER. I notice that the subcommittee employs a chief counsel, who is paid a salary of $14,979.45; an assistant chief counsel, who is paid $14,979.45; and a minority counsel, who is paid the same amount. There are three lawyers who are to receive the same amount of money. Why is it necessary to engage such expensive lawyers?

Mr. MANSFIELD. It is not necessary to have that many, but I do believe it is necessary to have at least one majority counsel and one minority counsel.

Mr. ELLENDER. Why? I should like to know why it is necessary to have more than one lawyer. There may be a need for investigators, but it strikes me that not more than one lawyer would be needed.

Mr. MANSFIELD. The Senator has a point there, but I am sure he is educated enough in the field of practical politics to know that the minority——

Mr. ELLENDER. No; I plead ignorance.

Mr. MANSFIELD. He knows it is necessary to have the minority represented by way of a minority counsel. I am sure the Senator is not ignorant about this aspect of the matter.

Mr. ELLENDER. I merely wish to point out that a rule was agreed to some time ago that, if on a committee there were more than two lawyers, a third lawyer should be appointed for the minority. However, I point out to the Senate that, in my opinion, we do not need more than one lawyer on this subcommittee, which has little or nothing to do now but to answer a few letters. A few clerical people could do that. I served on the Committee on Rules and Administration, and I know the work that is done. It strikes me that we would not be violating the procedure, or any agreement which has been entered into by the Republicans and Democrats, relating to situations where, if a committee employs two counsel, it is necessary to provide a third, so as to give the minority a counsel. Here, only one lawyer is needed; if we confined the staff to those persons actually needed we could save the expense of hiring two lawyers. We could do that if we were only courageous enough to do it.

Mr. MANSFIELD. I should like to say to the Senator, who has served on the committee, and knows the work of the committee, that several bills have been referred to the committee dealing with proposed amendments to the Corrupt Practices Act and to the Hatch Act, and to miscellaneous related acts. Therefore, the Senator must know that the staff will have to prepare itself for the coming election year. The Senator knows that in a presidential election year the elections are a little more vigorous than in other election years.

Mr. ELLENDER. As I understand, the subcommittee involved here has from its inception dealt with elections.

Mr. MANSFIELD. With elections and privileges.

Mr. ELLENDER. Now, apparently the work has been expanded, and a regular force has been employed. The Committee on Rules and Administration has the right to employ four experts, or four lawyers, and six clerical assistants. What will these people do?

Mr. MANSFIELD. Under the proposed appropriation it will be impossible to hire that many people. Besides, there is no desire on the part of the chairman, the distinguished Senator from Rhode Island [Mr. GREEN] to do so. I have indicated that the staff, which has been pretty stationary for the past 2 years, is going to be reduced from eight to five.

Mr. ELLENDER. The Senator and I are talking about two different things. I am saying that the Committee on Rules and Administration, being a standing committee of the Senate, has the right under the Reorganization Act to employ four professionals and six clerical assistants.

For that purpose, the committee has a sum total of $123,560 allotted to it. Why is that money not used in order to do the work which the Senator from Montana speaks of, namely, to investigate the Corrupt Practices Act and activities other than contested elections?

Mr. MANSFIELD. I can only say that the distinguished Senator from Louisiana has asked me a question outside my sphere of knowledge. All I know concerning this subject is what I am talking about at the present time. I certainly hope the Senator will not oppose the appropriation of $75,000 for this most necessary committee.

Mr. ELLENDER. I have opposed many of these resolutions—mostly in vain—but I am simply trying to show to Senators who are newcomers to this body the extent to which some committees are extending themselves. I am quite confident that if the Committee on Rules and Administration, which has the authority under the Reorganization Act to employ four professional and six clerical employees, were to put its employees to work, they could still sit around and not be busy all the time, even if they applied themselves.

But here we have a separate subcommittee. I am not objecting to the appointment of a separate subcommittee of the Rules Committee; it has been done in the past. But since this is not an election year, why should we appropriate as much as $75,000 to hire three lawyers, and pay each of them over $14,000 a year, in order, more or less, to enable them to sit around? That is what they will do, because they will not have work to keep them fully occupied.

Mr. MANSFIELD. There is much merit in what the Senator from Louisiana has said. I assure him, so far as I as one member of the committee, am concerned, that we will take into consideration what he has already said and try to bring about a reform along the lines he has suggested. I point out again that the committee has tried to make a start by reducing its staff from eight to five.

Mr. ELLENDER. I presume the reduction will be made in the clerical employees, the poorly paid employees.

I repeat, that in the past, in an off-election year, we have never appropriated more than $60,000. That is what I am suggesting be done this year. The committee will not be kept very busy, because of a lack of elections during this year.

Mr. MANSFIELD. This is the kind of committee as to which one can never tell whether it will be busy or not. I recall that in my first year in the Senate this committee spent in excess of $300,000 to investigate one campaign conflict.

Mr. ELLENDER. I remember that, but that investigation required a special resolution. But now there is no indication of an election contest of any kind in sight. Why anticipate it? Why keep people on the payroll unnecessarily? Why not simply provide $60,000, as was done in the past, and let us save $15,000 if we can?

Mr. MANSFIELD. If the Senator will agree to providing $75,000, we will try to save the $15,000, and more, and return it to the contingent fund.

Mr. ELLENDER. I would rather save it now, because if the money is appropriated, ways and means will be found to spend it.

Mr. MANSFIELD. Is the Senator offering a resolution or an amendment?

Mr. ELLENDER. I offer an amendment that the amount be reduced from $75,000 to $60,000.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MORTON. I point out to the Senator from Louisiana that the senior Republican member of the committee, the Senator from Nebraska [Mr. CURTIS], offered an amendment, or made a proposal in the committee, that the amount be $50,000. Then the Senator from Montana suggested that we split the difference and make the amount $75,000. Our side, knowing the majority of the votes were on the other side anyway, said we would accept $75,000.

But if the Senator is offering an amendment to make the amount $60,000, I will support it, as I would have supported the $50,000 in committee.

Mr. ELLENDER. May I ask the Senator from Montana if it is or is not true that it is contemplated to hire at least two lawyers, one to represent the majority and the other the minority?

Mr. MANSFIELD. The lawyers, as the Senator from Louisiana speaks of them, are already employed and are on the payroll. There is one to represent each party.

Mr. ELLENDER. That is on this particular subcommittee?

Mr. MANSFIELD. Yes.

Mr. ELLENDER. Is it the purpose to maintain that status, whether they have work to do or not?

Mr. MANSFIELD. So far as I am concerned, I agree that one lawyer, as chief counsel, is enough. But when the ranking minority member of the committee asks that he be represented by an associate or an assistant counsel, what are we to do?

Mr. ELLENDER. Personally, I would vote him down. As I recall, a rule was adopted, or an understanding was reached, some time ago, that if, on a committee of this kind, there were more than two lawyers, then the minority should be represented. But I contend that one lawyer is sufficient—and if but one lawyer is selected, then, under the agreement as I understand it, the minority would not be entitled to a lawyer.

The committee could easily function with $60,000—especially since this is not an election year.

I am confident ample funds with which to conduct its work would be available to the subcommittee if only $60,000 were provided.

I hope my amendment will be agreed to.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 2, line 22, it is proposed to strike out "$75,000" and insert in lieu thereof "$60,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment. [Putting the question.]

Mr. ELLENDER. I ask for a division.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the resolution.

The resolution (S. Res. 69) was agreed to, as follows:

Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) the election of the President, Vice President, or Members of Congress;

(2) corrupt practices;

(3) contested elections;

(4) credentials and qualifications;

(5) Federal elections generally;

(6) Presidential succession.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

CONTINUATION OF JOINT COMMITTEE ON WASHINGTON METROPOLITAN PROBLEMS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 13, Senate Concurrent Resolution 2.

The PRESIDING OFFICER. The concurrent resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 2) continuing the Joint Committee on Washington Metropolitan Problems.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the concurrent resolution.

Mr. ELLENDER. Mr. President, I have discussed the resolution with the Senator from Nevada [Mr. BIBLE]. He assures me that the work which was started last year will be completed this year with the amount which is provided in the resolution.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. I am very hopeful that such will be the case.

Mr. MANSFIELD. That was the assurance which was given to the Committee on Rules and Administration. I think the work will require only a few months. I thank the Senator from Louisiana for his courtesy in this matter. I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 2) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Washington Metropolitan Problems created by H. Con. Res. 172, agreed to August 29, 1957, is hereby continued through September 30, 1959.

SEC. 2. The joint committee is hereby authorized to make expenditures from February 1, 1959, through September 30, 1959, which shall not exceed $30,000, to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

ADDITIONAL PERSONNEL FOR THE COMMITTEE ON FOREIGN RELATIONS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 15, Senate Resolution 30.

The PRESIDING OFFICER. The resolution will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 30) authorizing the Committee on Foreign Relations to employ certain additional personnel.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Does the resolution provide for the same number of employees as were provided last year?

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. It provides for no additional employees?

Mr. MANSFIELD. No; it is simply a continuation of the existing status. It is the usual resolution which is submitted by the committee.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 30) was agreed to, as follows:

Resolved, That the Committee on Foreign Relations is authorized effective February 1, 1959, and until otherwise provided by law, to employ two additional professional staff members and three additional clerical assistants to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with section 202(e), as amended, of the Legislative Reorganization Act of 1946 and the provisions of Public Law 4, Eightieth Congress, approved February 19, 1947, as amended.

STUDY OF UNITED STATES FOREIGN POLICY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 16, Senate Resolution 31.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 31) to authorize a study of United States foreign policy, with special reference to Latin American and Canadian affairs, and the problems of world disarmament.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. CHAVEZ. Mr. President, may I inquire of the Senator from Montana what is planned to be done by the provisions of the resolution?

Mr. MANSFIELD. The resolution seeks to enable the making of a survey of the conditions of American foreign policy throughout the world in general; and, in particular, a survey of Latin American affairs, under the chairmanship of the Senator from Oregon [Mr. MORSE]; and also a study of American-Canadian relations under the chairmanship of the Senator from Vermont [Mr. AIKEN].

The effect is to continue, except for approximately $15,000, the same amounts appropriated last year. I believe it will be found that of the approximately $500,000 requested, something in excess of $450,000 of the total amount granted last year has been returned to the Senate.

Mr. CHAVEZ. Yes. I have no objection to the amounts allowed heretofore. But as a practical matter, how will the inquiry regarding our relations with Canada or with Latin America be made?

Mr. MANSFIELD. As the Senator from New Mexico knows, the genesis of this matter was the incidents which affected the Vice President during his tour of the southern part of the hemisphere. The purpose of the request is, of course, to make an intensive study in the case of each country; and I believe approximately $150,000 was allocated for that purpose last year. Very little of that amount has been spent; and the request is that the remainder be reappropriated at this time. It is hoped that from the survey will come a better understanding between the people of the Latin American countries and the people of the United States, and also a solution of some of the problems which confront us mutually.

Mr. CHAVEZ. I understand the purpose, and I think it is laudable. I hope the committee will obtain the proper kind of staff to do the investigating, because many investigations mean nothing more than a trip somewhere; they do not mean anything definite in the way of information by which we can determine why unpleasant incidents occur.

Mr. MANSFIELD. The Senator from New Mexico is correct.

Mr. CHAVEZ. I wish the committee to do a good job.

Mr. MANSFIELD. Let me point out that the distinguished senior Senator from Oregon [Mr. MORSE] is proceeding slowly and carefully, and intends to do a good, impartial job; and I believe the results of his investigation or survey will be very worthwhile, and will well warrant the amount of money to be appropriated.

Mr. CHAVEZ. Let me assure the Senator from Montana that I do not know of anyone whom I would trust more to do a good job than I would the Senator from Oregon [Mr. MORSE].

Mr. MANSFIELD. Yes.

Mr. CHAVEZ. I hope he will obtain the right kind of staff, who will go to the countries south of the border and will find out what the trouble is.

I am not a member of the Foreign Relations Committee, but I talk to these people practically daily; and we never have been at a lower ebb in regard to our relations with South America than we are now.

Mr. MANSFIELD. I agree with the Senator from New Mexico.

I should like to point out, for the edification of the Senate and the country as a whole, that Latin America has had no more stanch friend than the Senator from New Mexico [Mr. CHAVEZ]; and because of his great interest, he can be assured that what the Senator from Oregon [Mr. MORSE] is going to do will be well done and will be in the best interests of our country and the best interests of mutual relations and understanding.

Mr. CHAVEZ. I thank my friend.

Mr. ELLENDER. Mr. President, let me ask my friend, the Senator from Montana, a question. He has stated, I believe, that three subcommittees have been combined.

Mr. MANSFIELD. No; the three requests have been combined. They cover three separate items. One is the overall survey which is under the direct chairmanship of the distinguished Senator from Arkansas [Mr. FULBRIGHT].

Mr. ELLENDER. As I recall, last year we provided $300,000 for that purpose.

Mr. MANSFIELD. Yes.

Mr. ELLENDER. How much of it was spent?

Mr. MANSFIELD. I believe approximately $275,000 or perhaps $280,000——

Mr. ELLENDER. Was spent?

Mr. MANSFIELD. No; was returned—which meant that perhaps $20,000 was used. The survey did not begin until late.

Mr. ELLENDER. What about the other appropriations which were made for the Foreign Relations Committee? Do I correctly understand that all of the money appropriated last year was returned to the Treasury?

Mr. MANSFIELD. Practically all of it was returned. Of the $150,000 appropriated under the Latin American resolution, only $1,601.57 was spent. The rest was returned to the Treasury

Mr. ELLENDER. Then what we are really doing now is more or less reappropriating the sums which were made available last year; is that correct?

Mr. MANSFIELD. Exactly. Of the $300,000 for the foreign-aid survey, $23,662.25 was spent; and approximately $8,000 or $9,000 is to be used in the interest of furthering American-Canadian relations. We had the committee set up under the chairmanship of the distinguished Senator from Vermont [Mr. AIKEN]. It worked with a similar parliamentary body from the Canadian House and Senate, and it seeks to bring about a better understanding of the difficulties between the two countries.

Mr. ELLENDER. Mr. President, I wish to say to my good friend, the Senator from Montana, that last year it was my privilege to visit every country in South America and Central America, with the exception of Paraguay and Bolivia. I am now preparing a report of my findings which I hope to submit to the Senate soon. It is a one-man report; I did not require a committee to prepare it. The entire cost to the Government for my personal expenses was approximately $510, and my transportation fare was approximately $1,000. For any other expenses, I paid the bills myself. I hope to have in the hands of my colleagues not later than Monday a complete report regarding every country I visited, and at that time I hope to make a presentation of the matter to the Senate.

I wish to say that I found that things in South America and Central America are not quite as bad as one would judge from reading the newspaper accounts; as my report will show.

Mr. MANSFIELD. Mr. President, I, for one—and I know I speak for many others—look forward with great interest to the report the distinguished Senator from Louisiana will make, because, as always, when he returns from such trips, he makes a good report which contains considerable information not otherwise available. I hope a copy of the report will be sent the chairman of the subcommittee conducting the Latin American study—the Senator from Oregon [Mr. MORSE]—because I wish to assure the Senator from Louisiana that, judging from everything the Senator from Oregon has said to the full committee, he intends to do a good, painstaking job in this area.

Mr. ELLENDER. I wish to say to my friend that this is my seventh report, based on my visits abroad, to the Appropriations Committee. Of the seven reports, two—as the Senator from Montana knows—were printed, as Senate documents—one in 1956 and one in 1957. My 1958 report is now in the process of being printed. I hope to have a copy of it in the hands of each Senator and each Member of the House of Representatives either the latter part of this week or early next week. I spent a great deal of time on the report, and I hope it will be of some assistance to those who propose to spend approximately $150,000 or $200,000 to go over the same ground I have gone over.

Mr. MANSFIELD. Let me say to the Senator from Louisiana that no one is more assiduous in making reports, following such trips, and in giving us the benefit of his findings and views; and I

think they are certainly factual and worthwhile.

The PRESIDING OFFICER (Mr. HARTKE in the chair). The question is on agreeing to the resolution.

The resolution (S. Res. 31) was agreed to, as follows:

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to make a full and complete study of any and all matters pertaining to the conduct of United States foreign policy, with special reference to Latin America and Canadian affairs, and the problems of world disarmament.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, all such technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

SEC 3. In the conduct of its studies the committee may use the experience, knowledge, and advice of private organizations, schools, institutions, and individuals in its discretion, and it is authorized to divide the work of the studies among such individuals, groups, and institutions as it may deem appropriate and may enter into contracts for this purpose.

SEC. 4. The expenses of the committee, under this resolution, which shall not exceed $500,000 for the period ending January 31, 1960, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ASSISTANCE TO MEMBERS OF THE SENATE IN CONNECTION WITH VISITS BY FOREIGN DIGNITARIES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 17, Senate Resolution 32.

The PRESIDING OFFICER (Mr. HARTKE in the chair). The resolution will be read by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 32) providing assistance to Members of the Senate in the discharge of their responsibilities in connection with visits to the United States by foreign dignitaries, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, I should like to know the reason for the resolution. Why is it necessary to appropriate funds and employ an extra person to receive foreign dignitaries on behalf of the Foreign Relations Committee? That is a new one.

Mr. MANSFIELD. I may say to the Senator from Louisiana that a similar resolution was adopted last year. It was intended to take away the burden of entertaining and looking after so many foreign official visitors who are coming to the Capitol, many of them parliamentarians from other countries in the world, many of whom had extended courtesies to our membership while we were visiting their countries.

I think the record will indicate that something on the order of official visitors, from prime ministers on down, or up, depending on the country, from 30 countries, visited us last year; that $5,000 was appropriated by the Senate for the purpose; that something on the order of $2,700 or $2,800 was returned; that one staff member was assigned to this particular staff, but, in addition, this staff member undertook other duties in connection with the duties of the committee.

Mr. ELLENDER. Has that staff member been provided for, or will the staff member be provided for this year?

Mr. MANSFIELD. Yes.

Mr. ELLENDER. Out of which funds will the staff member be paid?

Mr. MANSFIELD. The staff member is to be paid out of funds provided by Senate Resolution 30, which has been a continuing matter over the years. It is out of funds provided by that resolution that the staff member is paid, because her primary job is to do committee work as such. This is an added responsibility, which she assumes when visits occur.

Mr. ELLENDER. This is an innovation, Mr. President.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. It is true it was started last year.

Mr. MANSFIELD. Last year.

Mr. ELLENDER. It is out of the ordinary for the Senate to provide funds to entertain foreign visitors. I do not see why the Senate should. I thought that was a function of the State Department, because usually such visitors come to the Capitol and are escorted by members of the State Department. Why should the Senate provide separate funds for that purpose? It is something I do not understand.

Mr. MANSFIELD. I do not see what difference it makes whether the funds are taken from one pocket or another. I think it gives the Senate an opportunity to show visiting dignitaries courtesy and consideration.

Mr. ELLENDER. But the State Department has a regular fund for that purpose. The State Department has been doing it in the past. I do not see why the Senate should take over that prerogative.

Mr. FULBRIGHT. Mr. President will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I do not think the Senate should be in the position of having to ask for handouts from the State Department and having to ask the Department whether we can have certain visitors for lunch. I do not think the Senate should have to ask the State Department for money when official visitors come to Capitol Hill. Many of such visitors are members of their own legislative bodies. I think is is very undignified for the Senate to have to ask the State Department if the Department will give a lunch for us at the Capitol so Senators can entertain such visitors.

I do not think the Senator from Louisiana will insist on his objection.

Mr. ELLENDER. I am not insisting on anything.

Mr. FULBRIGHT. For example, when Mr. Mikoyan visited the Senate, the Senate should not have been in the position of having to ask Secretary of State Dulles if Senators could have a luncheon in the Capitol to entertain the visitor. The Senate should have funds to pay for that kind of luncheon.

Mr. ELLENDER. Regular funds are provided for such a purpose.

Mr. FULBRIGHT. The State Department has to approve the requests.

Mr. ELLENDER. Why should the Senate have to do this? We are establishing a precedent. We have had foreign visitors come to the Committee on Agriculture and Forestry of which I am chairman. Of course, I paid for this entertainment out of my own pocket.

Mr. FULBRIGHT. The Senator from Louisiana is a very rich man. We cannot afford to do that.

Mr. ELLENDER. I am objecting to the fact the Senate is establishing a precedent with this action. The first thing we know, other resolutions will be proposed to entertain those who come to visit us.

Mr. GREEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Rhode Island.

Mr. GREEN. May I add my word of endorsement of the proposal? It was, in a sense, an experiment, which has worked very well indeed. It is astonishing the good will that has been generated as a result of entertaining visiting foreign dignitaries. We have heard from many quarters how grateful they were, and how interesting it was, and how pleased they were to come into direct contact with Senators. If the proposal were adopted that the Senate leave such entertainment entirely to the State Department, I think many of the visiting foreign officials would go back to their countries and make their reports without having the advantage of contacts with Members of the Senate.

I cannot urge too strongly that what was experimental for 1 year be continued at least until it proves to be unnecessary or unwise.

Mr. MANSFIELD. I thank the Senator from Rhode Island for his comprehensive illustration of what the proposal entails.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I have no objection to the resolution whatsoever. I think it is very well to have a foreign diplomat come to Washington and be entertained by the Senate. However, the visitor does not get to know the United States

of America by so doing. I know many foreign visitors would like to visit different places in the country and see at first hand the problems which exist in those areas. Some of those interested in flood control would like to see the Ohio, or go to Missouri, and other places.

There is no particular reason why the only way to entertain a foreign diplomat is to entertain him in Washington. I believe the resolution should be all-inclusive. I am sure many foreign visitors would like to know how rural mail is delivered and how activities of that kind are handled. Such visits would make for more good will than would come about as the result of a hundred years of political discussion in the city of Washington.

I have no objection to the resolution, but I hope it will be made more all-inclusive. I should like to see some foreign visitors go to the State of the Senator from Montana and visit the national parks. I think such visits would bring about more good will than would visits to Washington.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 32) was agreed to, as follows:

Resolved, That in order to assist the Senate properly to discharge and coordinate its activities and responsibilities in connection with participation in various interparliamentary institutions and to facilitate the interchange and reception in the United States of members of foreign legislative bodies and prominent officials of foreign governments, the Committee on Foreign Relations is authorized from February 1, 1959, through January 31, 1960, to employ one additional professional staff member to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of section 202(e) of the Legislative Reorganization Act of 1946, as amended.

SEC. 2. The Secretary of the Senate is authorized and directed to pay the actual and necessary expenses incurred in connection with activities authorized by this resolution and approved in advance by the chairman of the Committee on Foreign Relations, which shall not exceed $5,000 from February 1, 1959, through January 31, 1960, from the contingent fund of the Senate upon vouchers certified by the Senator incurring such expenses and approved by the chairman.

INVESTIGATION BY COMMITTEE ON BANKING AND CURRENCY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 18, Senate Resolution 20.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 20) authorizing the Committee on Banking and Currency to investigate certain matters within its jurisdiction.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr ELLENDER. Mr. President, is that one of the regular resolutions? I thing there are three or four of them pending before the Senate.

Mr. FULBRIGHT. This is the regular one. I believe it provides for $70,000. That amount was authorized last year, and the pending resolution provides the same amount. It is for the regular activity of the committee.

Mr. ELLENDER. The resolution does not provide for an investigation into housing, does it?

Mr. FULBRIGHT. No; it does not. It is the same kind of resolution the Senate adopted last year.

Mr. ELLENDER. How much of the $70,000 was spent?

Mr. FULBRIGHT. Not all of it. The result shows good housekeeping. I am a little ashamed to ask for so little when we compare the request to other requests for money. The committee did not use all the funds authorized. Forty-five thousand dollars of it has been spent up to now. I submitted the budget to the Committee on Rules and Administration. Unfortunately, I have been in attendance on the Housing Subcommittee.

The resolution requests funds for the regular activities of the committee. Because of several pieces of legislation affecting international matters, such as the Inter-American Fund, a request will have to be made later for a supplemental amount; but the committee is requesting this year the same amount it asked last year, $70,000.

Mr. ELLENDER. Does the Senator know how the regular staff of the committee is kept busy? As the Senator knows, each standing committee has the right to employ four professional staff members and six clerical workers. In order to hire those people each standing committee is given $123,560.

Mr. FULBRIGHT. The Senator is correct.

Mr. ELLENDER. To what extent are the regular staff people used to do work which is contemplated would be covered under Senate Resolution 20? In other words, why could not the regular staff workers do such work?

Mr. FULBRIGHT. The staff members do the work. The Senator will find that the committee actually reports to the Senate more bills than any other committee in the Senate—I believe—or at least nearly as many as any other committee. The committee is engaged in a great many different kinds of activities.

In addition to the regular staff members we need specialists. For example, we were requested to investigate the situation regarding newsprint and steel scrap. We employed no one on the regular staff who was competent for that work. We must have some extra employees, especially economists, in such a field to supplement the regular activities of the staff.

The Senator asked about last year's expenditures. Of the $70,000 authorized for the 12-month period under Senate Resolution 214, the estimated expenditures through January 31, 1959, are $45,960.19, which will leave a balance of $24,039.81. We do not believe all of the money will be required. In the coming year, as I say, we have several anticipated activities more far reaching in character than those we had last year, especially with respect to the International Bank and the Inter-American Bank. We will have to hold hearings and a great deal of time will be required.

Mr. ELLENDER. Do I correctly understand that the difference between $45,960.19 and $70,000 either has been or will be returned to the Treasury?

Mr. FULBRIGHT. It is estimated that that will be the expenditure needed to finish out the year.

Mr. ELLENDER. The remark is made that that is the estimated expenditure through January 31, 1959.

Mr. FULBRIGHT. The Senator is correct.

Mr. ELLENDER. The difference then will revert to the Treasury?

Mr. FULBRIGHT. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 20) was agreed to, as follows:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) banking and currency generally;

(2) financial aid to commerce and industry;

(3) deposit insurance;

(4) the Federal Reserve System, including monetary and credit policies;

(5) economic stabilization, production, and mobilization;

(6) valuation and revaluation of the dollar;

(7) prices of commodities, rents, and services;

(8) securities and exchange regulation;

(9) credit problems of small business; and

(10) international finance through agencies within the legislative jurisdiction of the committee.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $70,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDITIONAL CLERICAL ASSISTANT FOR COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. MANSFIELD. Mr. President, since the Senator from Alabama and the Senator from Minnesota are not present in the Chamber, I move that the Senate proceed to the consideration of Calendar No. 21, Senate Resolution 7.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 7) authorizing the Committee on Post Office and Civil Service to employ a temporary additional clerical assistant.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, is this the regular resolution?

Mr. JOHNSTON of South Carolina. This is the regular resolution.

Mr. ELLENDER. There is no additional request?

Mr. JOHNSTON of South Carolina. There is no additional request.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 7) was agreed to, as follows:

Resolved, That the Committee on Post Office and Civil Service is authorized, from February 1, 1959, through January 31, 1960, to employ one additional clerical assistant to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with the provisions of Public Law 4, Eightieth Congress, approved February 19, 1947, as amended.

INVESTIGATION BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 22, Senate Resolution 8.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 8) authorizing the Committee on Post Office and Civil Service to investigate certain matters within its jurisdiction.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, I believe that last year the committee received the sum of $50,000 for this investigation, and now the committee is asking for $90,000. Why is there a request for an increase?

Mr. JOHNSTON of South Carolina. The Senator is correct. This year we plan to go into a very deep study in the field of hospitalization and sick benefits. We also must consider this year the matter of the Railway Express Agency. As the Senator will notice, I have a written memorandum on the fact that we anticipate the Railway Express study. Many of the railroads have threatened to pull out from under the Railway Express Agency. We must investigate the field to see what must be done and how to set up charges in the event the Post Office Department has to go into this field. It is a very large field and will call for a great deal of study.

Mr. ELLENDER. Is that not a field for the Committee on Interstate and Foreign Commerce?

Mr. JOHNSTON of South Carolina. No.

Mr. ELLENDER. We appropriate money for the operation of that committee.

Mr. JOHNSTON of South Carolina. Part of the work now falls under the jurisdiction of the Post Office and Civil Service Committee.

Mr. ELLENDER. In what respect?

Mr. JOHNSTON of South Carolina. In other words, when one mails something at the present time, up to a certain size it is sent by parcel post. The Railway Express gets into the field when the item is larger.

Mr. ELLENDER. When did anybody ask that the matter be investigated by the committee? In other words, how did this request come about?

Mr. JOHNSTON of South Carolina. The whole committee has been thinking about this matter. When the matter was taken up before the committee the only objection raised as to the amount was that many members did not think the amount would be sufficient. The Committee on Post Office and Civil Service was unanimous in the feeling that we needed the money not only for the field mentioned but also for a study of the insurance field. We are collecting over $100 million each year from the employees of the United States.

Mr. ELLENDER. Is this the only subcommittee for which money is being requested?

Mr. JOHNSTON of South Carolina. So far as the Committee on Post Office and Civil Service Committee is concerned, it is all.

Mr. President, for the information of the Senate, I ask unanimous consent to have printed in the RECORD a statement I have prepared with respect to Senate Resolution 8.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senate Resolution 8 provides $90,000 to the Committee on Post Office and Civil Service for the 12-month period ending January 31, 1960, with which to continue or undertake not less than five pressing and extremely important studies and investigations.

At the outset, I should like to anticipate and answer questions which might arise as to why the committee is seeking more money this year than it was able to utilize last year. Last year the committee was faced with an unusually large legislative program. It simply did not have the time to undertake the studies it proposes to make this year.

I should like to point out that during the 85th Congress the committee considered 231 separate legislative proposals, of which 24 were enacted into law. Among these were the complex and controversial bill to increase postal revenues by some $500 million a year, the bills which raised the salaries of over 2 million Federal employees, the bill to increase benefits of over a quarter of a million former employees on the retirement roll, and the enactment of a postal policy for the guidance of the executive and legislative branches in consideration of future postal rate increases.

These and other measures required public hearings on 65 different dates.

Over 3,000 post office nominations were considered and reported.

This year, the committee does not anticipate quite such a heavy legislative program. It intends to be just as busy, however. It intends to devote a great deal of time and effort to a number of problems, some of which are growing acute and others of which have widespread interest and implication.

First, the committee intends to continue the study and investigation of the postal service which have been carried forward by stages since first undertaken during the 83d Congress.

The study this year will give particular emphasis to appropriate research and development programs in the postal service; ways and means of improving the postal service to the public and the development of better and more modern ways of performing that service.

Second, among the acute problems on the horizon is the future of the Railway Express Agency. In recent months two major railroads have declared their intentions of withdrawing support of that agency. Continuation of this type of service to the public is of concern to the committee as it is to the business fraternity and individual citizens of the Nation.

The problems involved are complex in the extreme and not easy of solution. They must be given immediate and thoughtful attention if damage to the economy of the Nation is to be averted.

Third, it is essential that the effect of the increases in postal rates enacted last year be carefully analyzed before intelligent consideration can be given to the future upward adjustments currently being recommended by the administration.

Fourth, it is proposed to study fully the Federal employees' group life insurance program under which the Government and its employees paid over $100 million in premiums last year. This is one matter in which 96 percent of all Federal employees have a personal interest.

And, finally, it is proposed to conduct a study to develop the facts and determine the feasibility of a group medical and hospitalization program for Federal employees.

I believe the amount requested to conduct these important studies is very modest. There were some on the committee who thought it not enough. Personally, I favor taking a conservative approach. If, however, it is proved that those who thought it not enough were correct in their judgment, I shall not hesitate to return and ask for additional funds at a later date, for I am confident that the studies to be undertaken are worth whatever they may cost. However, I hope they can be undertaken and concluded with the amount requested, or less, if that should be possible.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 8) was agreed to, as follows:

Resolved, That the Committee on Post Office and Civil Service, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) the administration by the Post Office Department of the postal service, particularly with respect to (a) research and development, (b) quality and frequency of mail service rendered the public, and (c) postal policy;

(2) the desirability of the acquisition by the Post Office Department of the equipment and facilities of the Railway Express Agency;

(3) the effect of postage rate increases on business enterprises and on the national economy generally;

(4) a group medical and hospitalization program for Federal employees; and

(5) the administration of the Federal employee group life insurance program by the Civil Service Commission.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that this gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $90,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION BY SELECT COMMITTEE ON SMALL BUSINESS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 23, Senate Resolution 16.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 16) authorizing the Select Committee on Small Business to investigate certain small and independent business problems.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, as I understand the situation, the request is for the regular appropriation.

Mr. LONG. The Senator is correct.

Mr. ELLENDER. The request has been made every year?

Mr. LONG. That is correct.

Mr. ELLENDER. The appropriation of $100,000 is an addition to the $123,560 which is appropriated to the regular committee?

Mr. LONG. Yes.

Mr. ELLENDER. In other words, the Select Committee on Small Business is entitled to the same amount a standing committee of the Senate receives, such as the Committee on Agriculture and Forestry or the Committee on the Judiciary. The committee gets $123,560 plus the $100,000.

What kind of work is being carried on which makes it necessary to provide the amount of $223,000?

Mr. LONG. $223,000?

Mr. ELLENDER. That is the amount. That is the total amount.

Mr. LONG. It is the total amount, yes.

Mr. ELLENDER. In other words, the Select Committee on Small Business receives the same appropriation received by the standing committee of the Senate, with which to hire four professional staff members and six clerical staff members. The committee is entitled to $123,560.

Mr. LONG. The Senator is correct.

Mr. ELLENDER. It strikes me that such an amount should be sufficient, yet every year the committee comes in with a request for an additional $100,000. I am wondering if that is going to be true in perpetuity, or whether there will ever be any end to it.

Mr. LONG. Yes, it certainly will be true in perpetuity so long as the committee is doing the work, because we need that many people to get the job done. More than two-thirds of the Senators refer work to the committee. It is necessary for the committee to help people who have problems under the antitrust laws. I refer to small businessmen, who are getting the worst of the deal. Legislative proposals are referred to the legislative committee. Complaints are referred to the select committee. Small businessmen, who legally have to be considered for Government procurement contracts but who are not being considered and are being discriminated against in favor of large concerns, bring their problems to the select committee.

We find, for example, a situation in which a gas war is going on, and the small petroleum stations are being driven out of business. Perhaps the Judiciary Committee has jurisdiction over legislation covering that subject, but we have been unable to obtain any results in that direction, although the chairman of the appropriate subcommittee tried to help. Nevertheless, even if the legislative committee cannot do it, someone should hold a hearing to develop the facts and make them available to the Senate.

As an example, in my home town of Baton Rouge, La., independent filling station operators are taking quite a beating. Someone should investigate and develop the facts, and see if the law is being followed. Great pressure is being brought to bear upon those people. They are getting by under very trying circumstances. The Small Business Committee has a man in Baton Rouge, La., right now investigating such subjects.

We are also conducting hearings with regard to the operators of small sawmills. They have a great many problems. Ordinarily that field would be handled by the Committee on Agriculture and Forestry, but for some time that committee has been too busy to look into this subject. After about 3 years the Small Business Committee decided to conduct a hearing and look into these problems. Last Saturday I spent 5 hours in a hearing discussing these problems. That was not the first day hearings were conducted along that line.

We are trying to do what the Senate told us to do. We believe that we need the money requested in order to do the job. Incidentally, the amount requested is less than the committee spent last year.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ELLENDER. What problems did the Senator say the Small Business Committee had studied that should have been studied by the Committee on Agriculture and Forestry?

Mr. LONG. The problem of independent small sawmills. Also, the producers of timber are having some difficulty, on a nationwide basis. The Senator from Wisconsin [Mr. PROXMIRE] submitted a resolution indicating what the problems in his area were.

Mr. ELLENDER. That is, as they affect small business.

Mr. LONG. As they affect the independent small sawmills and landowners.

Mr. ELLENDER. The Senator is referring to the problem as it affects their businesses, and not to the problem of the growth of timber, which would be within our jurisdiction. Insofar as the small-business aspect is concerned, it would not come under the jurisdiction of the Committee on Agriculture and Forestry.

Mr. LONG. I presume any legislation in that field would have to be considered by the Committee on Agriculture and Forestry. We would be willing to defer to that committee. We have been willing for some time to do so.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 16) submitted by Mr. SPARKMAN on January 12, 1959, was agreed to, as follows:

Resolved, That the Select Committee on Small Business, in carrying out the duties imposed upon it by S. Res. 58, Eighty-first Congress, agreed to February 20, 1950, and S. Res. 272, Eighty-first Congress, agreed to May 26, 1950, is authorized to examine, investigate, and make a complete study of the problems of American small and independent business and to make recommendations concerning those problems to the appropriate legislative committees of the Senate.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF ADMINISTRATION OF NATIONAL SECURITY LAW AND MATTERS RELATING TO ESPIONAGE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 24, Senate Resolution 59. I must say that from now on we shall be considering a number of resolutions from the Judiciary Committee.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 59) authorizing an investigation of the administration of the national security law and matters relating to espionage.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. EASTLAND. Mr. President, this resolution involves an appropriation which is less than the usual amount for this particular subcommittee. The amount has been reduced by $65,000, as compared with the amount 2 years ago. We are turning back $20,000 into the Treasury. I think the Senate ought to cooperate with a subcommittee which is reducing its operating cost.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. EASTLAND. I yield.

Mr. ELLENDER. The Senator is referring to the Internal Security Subcommittee, is he not?

Mr. EASTLAND. Yes.

Mr. ELLENDER. I realize that is a very important subcommittee. As the Senator from Mississippi knows, I have never opposed any of its activities. However, I have been watching the creation and growth of many subcommittees. I find that once a so-called temporary subcommittee is created, it is nearly always continued from year to year. Such committees never seem to die.

Mr. EASTLAND. This subcommittee was established by a special resolution of the Senate.

Mr. ELLENDER. I understand.

While I am on my feet I should like to point out that the Judiciary Committee has more money appropriated to it for its operations than any other committee.

Mr. EASTLAND. Does not the Senator believe it is entitled to more money? It handles the majority of the bills introduced in the Senate.

Mr. ELLENDER. When I was chairman of the Claims Committee I did all the work with one clerk. We worked.

Mr. EASTLAND. Mr. President, I am sure the distinguished Senator from Louisiana does not wish to infer that members of the Senate Judiciary Committee do not work.

Mr. ELLENDER. Frankly, I do not believe they work as hard as we did.

Mr. EASTLAND. Of course we work on these claims. Let me give an illustration in connection with another subcommittee. The Subcommittee on Immigration once handled about 100 bills a year. Now the Subcommittee on Immigration is handling from 1,400 to 1,600 bills a year. We cannot help it if the workload piles up. We are trying to do the best job we can. Here is a subcommittee with a request which is $65,000 below the usual amount.

Mr. ELLENDER. As compared with 2 years ago.

Mr. EASTLAND. Yes; as compared with 2 years ago.

Mr. ELLENDER. I am not complaining about that. I am speaking of the Judiciary Committee as a whole.

Mr. EASTLAND. Each of these resolutions can stand on its own bottom, and I am sure each one will be justified by the Senator who presents it. The resolutions were unanimously agreed to by the Judiciary Committee, and were approved by the Committee on Rules and Administration.

I have heard the debate. I have great respect for the able Senator from Louisiana. He is an able and honorable Senator. However, I have failed to hear my distinguished colleague point to one dollar that has been wasted in connection with these resolutions.

Mr. ELLENDER. The Senator evidently has not read the record.

Mr. EASTLAND. Will the Senator point to a single dollar which is being wasted? Consider the Judiciary Committee——

Mr. ELLENDER. Take the Juvenile Delinquency Subcommittee of the Judiciary Committee. That subcommittee was organized in 1953. The Senator who organized it said, "I can do all the work in 1 year." Yet that subcommittee has been continued from year to year. We have already authorized, for the study of juvenile delinquency, $602,859.82. That subcommittee is today asking for more money.

Mr. EASTLAND. I cannot think of a better subject, or a field which needs investigation more than does the field of juvenile delinquency.

Mr. ELLENDER. But the Senator cannot cure the evils of juvenile delinquency merely by holding hearings.

Mr. EASTLAND. That subcommittee has done very fine work. The Senator from Missouri [Mr. HENNINGS] will present the resolution dealing with that subcommittee, and I am sure he will justify it. I failed to hear the distinguished Senator point to a dollar that has been wasted.

Mr. ELLENDER. I could point to a great many employees who stand around and do not work half the time.

Mr. EASTLAND. Will the Senator name the person or persons who do not work half the time?

Mr. ELLENDER. Does the Senator refer to employees of the committee?

Mr. EASTLAND. Yes. Who are they? Who are the employees who do not work half the time? Name them and we will put them to work.

Mr. ELLENDER. Resolutions of a similar character to those which we are considering today called for appropriations of $3,383,500 last year. The resolutions which we have considered and will consider during the day call for $3,567,000, or an increase of almost $200,000.

Back in 1940 we began holding hearings, and we spent, for all subcommittees, the enormous sum of $140,000. This year we shall spend in excess of $3,500,000 to hold hearings before all the various subcommittees. I say that a great deal of the work which is being done by the subcommittees could and should be done by the full committees themselves.

The distinguished Senator from Mississippi spoke about the large number of bills which his committee must handle and report to the Senate. The Senator stated that the Judiciary Committee handled more than 50 percent of the total number of bills considered by the Senate. That is true. Before the Reorganization Act was passed, I was chairman of the Claims Committee. On that committee we had 12 or 13 Senators. The distinguished Senator from South Carolina [Mr. JOHNSTON] served on it, and he knows of the work we put into those bills every week. The committee was able to handle all those bills with one clerk. If we look at the record, we will see that the Committee on Claims handled over 50 percent of the bills which were considered by the Senate, which is the same amount of work that is now being done by the Committee on the Judiciary. All of this work has been transferred to the Judiciary Committee. We have provided special subcommittees which are empowered to employ lawyers to go over these bills. The point I was trying to make a little while ago was that prior to the enactment of the Reorganization Act, the Senators on the Claims Committee studied the bills themselves, without the asistance of attorneys, without having a horde of attorneys go over the bills.

Today, in addition to the $123,560 the Judiciary Committee can spend to hire four professional staff members and six clerical assistants, the committee will be given $1,392,500 with which to carry on its work.

Last year the committee received $1,134,000. There is no letup. There is always something new coming up, as will be shown as these resolutions are presented. I cannot help but repeat that, in respect to the juvenile delinquency resolution which was presented to the Senate in 1953, I can well remember the Senator from New Jersey, Mr. Hendrickson, asking for $75,000. Someone had sold him the idea that if he could go out and make a study of juvenile delinquency, we could do a great deal about it. He said that he could complete his studies with that amount of money. That is what he said the first year.

However, by the next year he asked for double that amount. Now the subcommittee is still in operation. As I pointed out a short time ago, we have already authorized $602,859.82. We are being asked—I do not remember exactly the amount involved—for quite an amount of money to continue this investigation. In spite of that fact, all that we have been doing in that field is to study and study juvenile delinquency, and doing nothing about it. To my way of thinking it is just so much wasted money. Why do we not do something about it? We know the problem exists.

Insofar as continuing these investigations is concerned, to my way of think-

ing it will just be a waste of funds. We are not going to get anywhere with it. That money will be used to give a few lawyers a few years of employment. Many of them have been on the Hill ever since I have been in the Senate.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 59) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, insofar as they relate to the authority of the committee hereunder, to make a complete and continuing study and investigation of (1) the administration, operation, and enforcement of the Internal Security Act of 1950, as amended; (2) the administration, operation, and enforcement of other laws relating to espionage, sabotage, and the protection of the internal security of the United States; and (3) the extent, nature, and effect of subversive activities in the United States, its Territories and possessions, including, but not limited to, espionage, sabotage, and infiltration by persons who are or may be under the domination of the foreign government or organizations controlling the world Communist movement or any other movement seeking to overthrow the Government of the United States by force and violence.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution, which shall not exceed $224,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF NATIONAL PENITENTIARIES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 34, Senate Resolution 60.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 60) authorizing an investigation of the national penitentiaries.

Mr. MANSFIELD. This is the usual $5,000 appropriation. Every year some of the appropriated funds are returned.

Mr. HENNINGS. I succeeded the distinguished senior Senator from South Carolina [Mr. JOHNSTON] as chairman of the subcommittee, this being my third year as chairman and my sixth year as a member. The money is used for expenses of actual visits of members of the subcommittee and other members of the Committee on the Judiciary, who find such visits helpful for their information and find it helpful for the welfare of the inmates of the institutions; but, most of all, such visits are helpful to those who are dedicating their lives to the rehabilitation and, at times, to the necessary restraint and custody of those who are a menace to society. This amount has been appropriated every year, and practically all of it has been turned back, within a thousand dollars or so. The amount requested is $5,000.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HENNINGS. I am glad to yield to the distinguished Senator from North Dakota, who is a member of the subcommittee, and a very active member of the subcommittee.

Mr. LANGER. We always turn back about $4,000 of the $5,000 appropriated. One of the good things we have accomplished is to make it possible for prisoners to send their letters directly to the Supreme Court, and to Senators or Representatives from their State. That has done a great deal of good.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 60) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to examine, investigate, and inspect national penitentiaries.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF MATTERS PERTAINING TO IMMIGRATION AND NATURALIZATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 25, S. Res. 55.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate to examine, investigate, and make a complete study of any and all matters pertaining to immigration and naturalization.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $96,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. EASTLAND. Mr. President, this is a request for the normal appropriation. Last year we received $90,000, and we turned back $2,500. There is an increase in the appropriation requested of $6,000, which is to take care of the increase in salaries which Congress voted last year. The subcommittee has stayed current with its work. During the 85th Congress, 1,865 private bills were referred to the subcommittee. Of that number, it disposed of 1,655. It had 4,635 cases involving adjustment of status pending before it, of which it disposed 3,776.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 55) was agreed to.

INVESTIGATION OF ANTITRUST AND MONOPOLY LAWS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar 26, Senate Resolution 57.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 57) authorizing an investigation of the antitrust and monopoly laws of the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. KEFAUVER. Mr. President, the amount appropriated to this committee last year was $365,000. The $395,000 which is asked this year represents the amount appropriated last year plus the

10 percent increase in employees' salaries, which the Senate voted, and the increase in the civil service deposit requirement.

The request is unanimous on the part of the subcommittee and the Committee on the Judiciary, with the exception that the Senator from North Dakota [Mr. LANGER] presented a forceful plea for his amendment that $1 million should be appropriated for the work of the committee.

The country is going through a period of concentration, of mergers, of inflation, and of high prices. The committee, for the past year and a half, has held important and effective hearings, which I think have done great good in helping, at least, to hold prices down to some extent, especially the administered prices in the steel industry and the automobile industry, and through the work of the Senator from Wyoming [Mr. O'MAHONEY], in the oil industry.

The committee has held hearings in connection with monopoly efforts in the milk industry and the asphalt roofing industry. Under the Senator from Wyoming [Mr. O'MAHONEY], hearings have been held as to the adequacy of State commissioner control of insurance matters; and under the Senator from North Dakota [Mr. LANGER], in connection with insurance and rentals, costing an exorbitant amount for small credit groups.

The committee expects to continue its study of oil and automobile problems, and also to make studies of the costs of food, especially bread; certain drugs, fertilizers, the replacement of farm machinery, paper boxes, automobile financing and insurance—on which two bills were introduced today—rubber tires, and other matters.

I call the attention of the Senate to the fact that the President in his Economic Report of January 20, 1959, made some 20 recommendations for specific legislation. I refer to page 67 of the report, where immediate hearings are asked concerning 5 of these recommendations. They are very technical matters and will involve lengthy hearings.

Incidentally, the committee has had 200 separate hearings in the last year. Some of them were held in the morning, some in the afternoon, and some at night.

Among the President's recommendations are, first, a bill to require notification to the antitrust agencies of proposed mergers of businesses of significant size engaged in interstate commerce. The committee has held some hearings on this subject; it will have to have more.

Second, to empower the Attorney General to issue civil investigative demands in antitrust cases when civil procedures are contemplated.

Next, to make Federal Trade Commission cease-and-desist orders final when issued for violations of the Clayton Act, unless appealed to the courts.

Next, to authorize the Federal Trade Commission to seek preliminary injunctions in merger cases where a violation of law is likely. Judge Hanson has recommended that we hold hearings on a proposal to put section 7 of the Clayton Act to a test under section 2 of the Sherman Antitrust Act, believing that this would help in the enforcement of the antitrust laws.

These are complicated, difficult, intricate problems. For instance, we have had before us previously, and it has been introduced again this year, a bill to amend the Robinson-Patman Act. The committee has held extensive hearings on this subject, and will have it up for consideration again this year.

I think if ever there was a time when the work of the committee in these fields was needed, it is now, when the Nation is faced with economic influences which are getting bigger, bigger, and bigger, and more small entrepreneurs are being pushed out. It is imperative that we do something to improve and better enforce the antitrust laws, so as to give the small fellow a better break. We have done the best we can so far; we could do more at this session of Congress.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. ELLENDER. Does the committee act in the capacity of a court? How does the Senator conclude that prices have been lowered?

Mr. KEFAUVER. Our hearings are on legislative proposals concerning matters in the jurisdiction of the committee. But I think the public interest we aroused by throwing the spotlight on, for instance, what the effect of a large increase in the price of steel would have been last July was beneficial. I think that spotlighting the inflationary effects of the proposed increased cost and the delay in putting it into effect undoubtedly held down the amount of the increase somewhat.

Mr. ELLENDER. But there was an increase, was there not?

Mr. KEFAUVER. There was an increase, but it was not so much as it was the year before, although the wage increase was the same.

Mr. ELLENDER. Since the committee has been operating, how much proposed legislation has been submitted to the Senate and passed by Congress concerning any matter affecting the antitrust laws?

Mr. KEFAUVER. Some bills have been passed by the Senate. Last year no bills were passed by the Senate, except a meat bill which the Senator from Wyoming [Mr. O'MAHONEY] was instrumental in having passed for his guidance.

Mr. ELLENDER. The meat bill was introduced by the Senator from Wyoming?

Mr. KEFAUVER. Yes. Also, the Senate passed the good-faith automobile bill for the protection of small dealers.

But the small number of bills passed has not been because many members of the committee have not tried hard. There has been much opposition from the other side of the aisle, as the Senator from Illinois, I think, would testify.

The Senate passed a finalization bill, which made decrees of the Federal Trade Commission and other decrees under the Clayton Act final, but the bill died in the House of Representatives.

Mr. ELLENDER. Does the committee expect to report to the Senate proposed legislation on these matters?

Mr. KEFAUVER. We expect to report to the Senate bills relating to each of the five proposals suggested by the President, on some of which we have been working. We expect to report quite a number of others on which it is expected the Committee on the Judiciary will vote favorably.

Mr. DIRKSEN. Mr. President, I shall not detain the Senate long on this matter. There have been occasions when I have appeared before the Committee on Rules and Administration to oppose some of the amounts involved. But I have discovered over a period of time that if the amonut is inadequate and the work goes on, sooner or later there must be a request for a deficiency or a supplemental amount. I do not think the discussion goes to the heart of the question finally. I think somewhere along the line the whole investigative function will have to be better coordinated and probably placed in a single group.

It runs in my mind—and probably our distinguished Parliamentarian would correct me if I were wrong—that some 35 or 40 years ago the investigative function was only sparingly used by the Senate. It came into full flower in connection with Teapot Dome, back in 1924. That investigation seemed to standardize the technique. It put the Teapot Dome matter on the front page and kept it there for a long time. It certainly augmented the stature of Senator Walsh of Montana, who was a great prosecutor, if any one of that nature ever came to this body.

Over the years since 1924 there have been a number of circumstances which, I think, have heightened interest in the investigatory technique. I do not know how many committees in the House of Representatives have dealt with the issue of subversion and communism. They finally eventuated in the forming of a standing committee, the Committee on Un-American Activities. A comparable function is carried on in the Senate by the Subcommittee on Internal Security of the Committee on the Judiciary.

Then the Committee on Government Operations came into the field when I was a member of that committee. It became known to the country, not as the Committee on Government Operations, but as the McCarthy committee. That committee, too, I think, rather intensified interest in the investigative function.

Today there are many committees and subcommittees which investigate matters properly within their jurisdiction. That is certainly so. But they cover a very wide field. I have looked at some of the subjects they have considered; investigation of world health; investigation of foreign policies; investigation of mutual aid; investigation of juvenile delinquency; investigation of trademarks and patents; investigation of naturalization and immigration; investigation of monopoly and antitrust.

I do pay tribute to the diligence of the distinguished Senator from Tennessee. If any Member of this body has ever been more diligent than he in the

pursuit of that subject matter, I would not be able to name him. In fact, I used to complain a great deal because there were not sufficient hours in the day for me adequately to address myself to the responsibilities of the Appropriations Committee, the Judiciary Committee, the Committee on Reduction of Nonessential Government Expenditures, and other committees; and I found myself in a state of semifatigue, as a result of trying to keep up with my very distinguished compatriot from Tennessee.

Mr. KEFAUVER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. KEFAUVER. I appreciate the words and the compliment of the Senator from Illinois.

Mr. DIRKSEN. I assure my colleague that I meant it as a compliment.

Mr. KEFAUVER. Although the distinguished Senator from Illinois may have been tired when he came to the committee, he was effective enough to prevent our committee from having the Senate pass many measures which should have been passed by the Senate and also by the House of Representatives.

Mr. DIRKSEN. I accept that compliment with the utmost grace and good spirit. I remember the line in the "History of the Roman Empire," by Edward Gibbon; I believe he said progress is made, not by what goes on the statute books, but by what comes off them. So, in my humble way, I have devoted my talents in the interest not only of getting laws off the statute books, but, even more important, of keeping laws from going onto the statute books.

I know my friend recalls that I made a herculean effort for a long time to prevent the enactment of what has been known for some time as Senate bill 11, dealing with the Robinson-Patman Act. I think the RECORD will show that I participated in the consideration of the proposed amendment of the Packers and Stockyards Act. I see my very distinguished friend, the Senator from Wyoming [Mr. O'MAHONEY], in the Chamber this afternoon. He and I have tussled, season in and season out; and finally we got an agreed-upon compromise bill. But if my ears did not deceive me, I believe I heard, either today or some other day recently, the introduction of a bill further amending the Packers and Stockyards Act. So, I believe my work is cut out for me again, unless this one is a little more agreeable than the preceding one.

Mr. President, these are some of the tasks we face. Certainly, with the passage of time they become legion. In the 83d Congress, I believe the actual expenditures by the Senate for committee investigations were somewhat in excess of $3 million. In the 84th Congress they were in excess of $4,750,000. In the 85th Congress, the last one, they were nearly $5,750,000. And judging by the generous beginning we make now, I apprehend that before the curtain rolls down on the 86th Congress, such expenditures probably will exceed those of any of the preceding Congresses, because I see the crusading zeal and spirit which already are manifesting themselves, and I see the imaginative approach; and, for aught I know, it will not be long before we shall be investigating conditions on the moon, for this is the moon age and the space age.

So, like Alexander, who lamented the fact that there were not other worlds to conquer, someone will be coming along with a resolution which will require the appropriation of additional funds.

So I say, regarding the whole approach, I believe more coordination is necessary. This problem certainly receives and deserves the best consideration of the Congress. The power of investigation is a frightful one. When it is coupled with the power of subpena and the power to call for books and records, it is no wonder that the citizenry stand in awe. I have detected, I think, that when citizens, even men of great affairs in the country, come before a congressional committee, there is a sense of awe and a sense of respect for Government techniques; and I apprehend that a little fear goes along with them, as the witnesses wonder—inasmuch as the members of the committees are not inhibited by the rules of evidence carefully prescribed in the case of proceedings in the courts—about what will happen. As my colleagues know, in connection with such inquiries, the sky is the limit; there is no inhibition upon a Senator as to the line of questioning he may pursue with respect to any subject matter. It can be related or germane, or it can be unrelated and ungermane. So the citizenry of the country have an interest in such investigations; and when they are summoned, with their books and records, they wonder exactly what will happen and what the impact will be, not only on the well-being of the industry they represent, but also on the well-being of the country and on the thinking of the country.

Then, too, such proceedings become costly. Recently we received testimony from representatives of the steel industry. I was advised privately that it cost them $500,000 to prepare for that hearing. I have no way of knowing whether that is true. But we see great hosts of people come to the committee hearings, and we see the books and records they are required to produce; and we realize that they have to be rather careful in their statements, because there sits a distinguished gentleman—now on the floor of the Senate—for whom I have the utmost respect; he is a great scholar in the economic field. I refer to my friend, Mr. DIXON. Of course, no witness could afford to respond to a question by a statement that was not accurate, because any witness knows he is likely to be caught up with. So, too, they find it necessary to search their records, and the testimony must be accurate. There must be a staff of accountants and auditors and persons learned in the entire domain of economics, who will be sure that their answers are responsive, and that the data and other information they give to the committee are accurate and authentic in every particular. So they have a great interest in such matters.

Thus, the subpena power and the power to summon before a Senate committee result in an ordeal for those who are called. So that power is to be very, very carefully exercised, in order that the Senate will not fall into disrepute in the eyes of the country and in the eyes of those who in good respect and good grace come before our committees because they must come, when they are subpenaed. To be sure, many of them are invited, and a subpena is not always necessary; but there are occasions when a subpena is necessary.

We discover that there is now something of a reaction in the country, particularly in a field so shot through with emotionalism. Certain of the cases have been brought before the Supreme Court, particularly cases in which those who have been questioned have fought against being held in contempt of the Senate or in contempt of the Senate committee concerned. In that connection, there are questions as to whether the committee has departed from or has exceeded its authority; there are questions as to whether a quorum of the committee was present at the time when the questions were asked; there are questions as to whether a witness was under obligation to respond to a given line of questioning.

In that connection there comes to mind one of the cases in which the Supreme Court reversed its previous opinion; and, on that basis, we entertained and discussed an alternative proviso in the statute, so we could meet the objection which had been registered by the Supreme Court.

All those things, then, I believe, argue for the validity of the premise I have tried to lay down, namely, that I believe the Congress should reexamine the entire investigatory technique. Perhaps the Congress should set up a pool; and perhaps we could conduct it, at least in part, if not entirely, in the manner of the Royal Commissions in Britain. The testimony before those Commissions is never printed; all that comes forth is the report of the Commission. But it becomes an honor to serve on such Commissions. The appointments are made by the Crown, and men of substance and understanding vie with one another in the hope of being designated to serve on one of the Commissions. They receive no compensation for it. But when they have made a report it becomes personal knowledge, gospel, and the predicate for what may issue out of their parliamentary body, the House of Commons.

So, before we finish with these resolutions—and I certainly shall not resist these money requests—I wish to call attention to the fact that as each standing committee exercises its subpena power, as we create select and special committees to deal with other matters, there results a welter of investigations, and the question arises, Are we proceeding on diverse roads in the hope of finding an answer in a field that comes within the jurisdiction of a good many committees?

I am sure the Senator from Tennessee will not object if I allude for a moment to the hearing under way at the present time. The committee had a very distinguished group of economists before it, on the question of dealing with administered

prices and what contribution such prices make to the cause of inflation. I think in some places we may be shucking a little old straw, but I do not boil about that. In fact, I would like to see some more economists come before the committee.

But we must not forget that the Finance Committee has jurisdiction in the whole fiscal and monetary field, and has great latitude having to do with fiscal and monetary policies. There exists the Committee on Banking and Currency. I always felt the question of inflation was properly in the field of that committee. Now we are dealing with the question of inflation, and the chairman said, at the opening of the hearings, that inflation is the uppermost, primary challenge before the country. The House of Representatives will be doing some work in the field. If the House has not already done so, it is trying to set up a rather high-level committee.

So we proceed on parallel lines to try to find answers to generically the same problems. I believe these approaches can be coordinated. If we are going to make an attack upon the fortress of inflation, let us do it as a determined, cohesive effort, with some of the very best mental resources and every bit of talent we can get and the finest staff we can assemble, because it involves a big and challenging question.

That brings into focus what I said at the outset—the necessity of some coordination of these investigative techniques. If we can do it by means of resolution, I shall be more than glad to support an effort in that field. In so doing, I think the results will be infinitely more objective and infinitely more fruitful. Then it will not be said—and I think at times it is improperly said—that these are only political investigations, which sometimes eventuate into witch hunts. For there is only one way of justifying the investigatory power, and that is by the fruit on the tree.

Having said my say, I hope this statement will address itself to the attention of others, and that as a result, if this is just a mustard seed to be planted today, it will grow into something substantial later. I shall be happy if that kind of result can be accomplished.

I see my genial friend from North Dakota rising. I think I have some notion of what he has in mind. I shall listen with interest.

Mr. LANGER. Mr. President, I want to compliment my friend from Illinois for the very beautiful language he uses. It is always a delight to listen to him. Any time the distinguished Senator from Illinois talks, I love to sit by and hear the words flow out. But, Mr. President, I shall vote for the resolution with the greatest reluctance, because the amount is absurdly inadequate.

First of all, Mr. President, I ask unanimous consent that I may have printed at this point in my remarks a letter I wrote to the chairman of the Committee on Rules and Administration, together with a statement I prepared at the same time.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
January 27, 1959.

Hon. THOMAS C. HENNINGS, Jr.
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: When I was chairman of the Senate Judiciary Committee, I inaugurated the Senate Antitrust and Monopoly Subcommittee. No appropriation was made for that subcommittee, but we proceeded with our personal staffs to do a job for the people. The famous Dixon-Yates deal was the moving force of that new Subcommittee on Antitrust and Monopoly. Since that time, the appropriations to the subcommittee have been very meager in comparison with the problem of protecting the American people from the giant monopolies and concentrated industries.

You cannot fight an enemy armed with intercontinental missiles and hydrogen bombs with only popguns as your weapons. Nor can the Senate Antitrust and Monopoly Subcommittee with peanut appropriations meet the challenge to curb the monopolies and concentrated industries which have created such an impact on our economy.

During the automobile hearings last year, Mr. L. L. Colbert, president of Chrysler Motor Co., stated that it cost his corporation a half-million dollars to prepare for the 1 day it appeared before this Antitrust and Monopoly Subcommittee hearing. Now, here is an illustration of just one of the many giant corporations that the Antitrust and Monopoly Subcommittee must observe or investigate as to its antitrust and monopoly activities and that one corporation spent one-half million dollars to prepare itself for a 1-day hearing; whereas the Senate Antitrust and Monopoly Subcommittee is expected to investigate and conduct hearings affecting all of the giant corporations of the United States for a 365-day period on a budget of only $395,000. The subcommittee hearings on the Middle East oil crisis show that the increase of the price of oil and gasoline cost the Federal Government alone an additional $85 million for expenditures of military services and that the total cost of the Federal, State, and municipal governments and to the consuming public was approximately put at $1 billion. This is only one of the giant industries that come before our subcommittee.

With kind regards and every good wish, I am,

Sincerely,

WILLIAM LANGER.

INDIVIDUAL VIEWS OF SENATOR WILLIAM LANGER JUSTIFYING AN APPROPRIATION OF $1 MILLION FOR THE U.S. SENATE ANTITRUST AND MONOPOLY SUBCOMMITTEE

Although I am sympathetic to the request of the majority members of the U.S. Senate Antitrust and Monopoly Subcommittee for an appropriation of $395,000 for the ensuing year of February 1, 1959, to January 31, 1960, I must most emphatically urge the Senate Judiciary Committee, the Senate Rules Committee, and the full Senate body to adopt my amendment to increase the Senate Antitrust and Monopoly Subcommittee's appropriation to $1 million.

You cannot fight an enemy armed with intercontinental missiles and hydrogen bombs with only popguns as your weapons. Nor can the Senate Antitrust and Monopoly Subcommittee with peanut appropriations meet the challenge to curb the monopolies and concentrated industries which have created such an impact on our economy.

In the recent hearings of the Senate Antitrust and Monopoly Subcommittee, in dealing with inflation and administered prices, Senator DIRKSEN asked Mr. L. L. Colbert, president of the Chrysler Motor Co., how much did it cost the Chrysler Motor Co. to prepare itself for these hearings. Mr. Colbert answered that he believed the total cost would amount to one-half million dollars. Now, gentlemen of the Senate, here is an illustration of just one of the many giant corporations that the Antitrust and Monopoly Subcommittee must observe or investigate as to its antitrust and monopoly activities, and that one corporation spent one-half million dollars to prepare itself for a 1-day hearing; whereas the Senate Antitrust and Monopoly Subcommittee is expected to investigate and conduct hearings affecting all of the giant corporations of the United States for a 365-day period on a budget of only $395,000. I would say that, from the comparison in the time consumed and the record created, both General Motors and Ford Motor Co. must have each spent at least one-half million dollars and possibly twice as much to prepare for those same hearings.

When I was chairman of the Senate Judiciary Committee, I inaugurated the Senate Antitrust and Monopoly Subcommittee. However, the Senate did not appropriate any funds whatsoever for the work of the subcommittee. With the help of my own personal staff, I began the investigation and hearings on the famous Dixon-Yates deal. Senator ESTES KEFAUVER succeeded me as chairman of that subcommittee and we conducted the Dixon-Yates investigation and hearings to its ultimate conclusion which resulted in the cancellation of the Dixon-Yates contract and saved the U.S. Government millions of dollars and protected the public power policy of the United States.

The report of the Senate Antitrust and Monopoly Subcommittee, entitled "Monopoly in the Power Industry," issued in 1955, contained basic facts and specific recommendations. It is interesting to note that because of insufficient appropriations, the subcommittee was unable to pursue those recommendations. These suggested hearings should be held. For the information of the Senate, I present some of those recommendations:

"BROAD MONOPOLY INQUIRY NECESSARY

"On the basis of evidence outlined above and elaborated in subsequent pages of this report, the committee recommends that it be provided with adequate funds to undertake a full investigation of monopolistic trends and abuses in the power industry as a basis for recommending changes in existing laws or in the administration of existing laws to protect the country against the threat of an unlimited private power combine of such gigantic proportions as to be inconsistent with the survival of genuine private enterprise or the successful functioning of democracy itself. The committee should investigate and report on the following:

"(1) The interrelations between public utility companies supplying and distributing electric energy, together with (a) the extent to which nonutility corporations own or control the voting stock of such public utility corporations or exercise direct or indirect influence over the management of such corporations by any other means; (b) the relationship of any other nonutility corporations providing services, supplies, or equipment to such electric utility corporations, whether affiliated or not; and (c) any financial or other practices of such companies which may directly or indirectly affect the public interest in control of monopoly or concentration of economic power or the political influence associated therewith;

"(2) The relations, financial or otherwise, between banks, insurance companies, fiduciary institutions, investment trusts, endowments, foundations, stockbrokers, underwriters, or any other corporate or institutional owners of or dealers in or agents for

the owners of securities and public utility corporations supplying or distributing electrical energy or holding companies owning the stocks of such corporations, or corporations, partnerships, or persons providing services, supplies, or equipment to such electrical utilities; and the practices of such corporations, partnerships, or persons insofar as they may directly or indirectly affect the public interest in control of monopoly or concentration of economic power in the power industry or in other industries;

"(3) Whether, and to what extent, the corporations and other agencies noted above, or any of the officers or employees thereof, or anyone on their behalf or on behalf of any organization of which any such corporations may be a member, through the expenditure of money or through control of the avenues of publicity, have made any, and what, effort to influence or control public opinion in the interest of establishing or maintaining private monopoly as against Federal, municipal, or other public, or cooperative ownership of the means by which power is developed and electric energy is generated, transmitted, or distributed; or to influence or control the election of the President, Vice President, or Members of the United States Congress; or to influence or control any other elections or referendums which involve issues of monopoly in the business of supplying and distributing electricity to residential farm, commercial, or industrial consumers;

"(4) The effectiveness of the exercise by local communities of the right to choose public or cooperative electric service as a supplement to utility regulation in controlling monopolistic practices in the electric power business; and the function or responsibility of the Federal Government in enabling such local communities to introduce public or cooperative competition into what might otherwise become a field dominated by giant private monopolies.

"SUBJECT OF THE INQUIRY MUST BE MONOPOLY IN ALL ITS ASPECTS

"Finally, the committee emphasizes the fact that such an investigation constitutes just the first stage in an overall monopoly study which must help to shed light on the direction of the American economy.

"Perhaps the most significant byproduct of World War II, in terms of long-range effect upon our economy, was the impetus it gave to increasing concentration of economic power. This tendency has been reinforced and accelerated during the last 4 years. Fundamental changes in our economic organization are increasingly visible, and it has not yet been possible to evaluate and assess the full effects of this trend to bigness.

"The history of the past 60 years has seen the development of monopoly, from trusts, to holding companies, to corporate mergers, with an ever-increasing concentration of financial control in the background. As we have already noted, we seem to be in the throes of the third great forward surge of monopoly in the history of our country. The last two such movements ended in catastrophe for the Nation, accompanied by serious loss of our national wealth and grave waste of our human resources, consequences that are not lightly to be dismissed. And the last great merger movement was characterized particularly by the pyramiding of control through public utility holding companies.

"The daily press tells us that American business is today combining, uniting, grouping and regrouping, merging, remerging and merging again. Competition as a way of life is under constant attack and small, independent business is on the decline. We, therefore, recommend that this investigation develop facts concerning the scope of the merger movement, the extent and strength of the thrust toward monopoly, and the decline of competition in our economic life.

"With all these facts before us, we feel that it is necessary and, indeed, long overdue, for Congress to make an examination into: (1) Changing concepts of competition and monopoly experience in the light of recent economic developments; (2) the rise of new financial and industrial oligarchies, and highly integrated forms of business and management; (3) business practices aimed at limiting or eliminating competition; and (4) methods of Government regulation to control all these in the public interest.

"The foundation of our antitrust laws, designed to deal with this very problem, the Sherman Act, is now almost 65 years old. On that foundation has been erected a jerry-built structure of supplementary, confusing, and sometimes conflicting laws, spread over a long period of time, and encrusted with a gloss of judicial interpretation. These sometimes obscure the original purposes and intent of congressional antimonopoly policy, and often defy the efforts of the most capable judge to enforce, or able lawyer to understand them.

"Perhaps codification of all our multitudinous antitrust laws is in order. Certainly revisions are badly needed, if only for the sake of clarification and bringing our antitrust laws into consonance with our changing economic system. And perhaps new and better tools and policies of enforcement are called for. For this reason Congress must concern itself not only with its important policymaking function in the field of monopoly but also with enforcement of these policies by the executive branch of the Government. For this will determine, in large measure, whether the congressional intent is being carried out or frustrated. The investigation, which we here recommend, is, therefore not only necessary to the work of Congress, but also uniquely a function of Congress itself. Furthermore, because these issues squarely involve the problems of monopoly, such an investigation is the direct responsibility of the Subcommittee on Antitrust Monopoly and Legislation."

In January of 1957, the major oil companies announced an increase in the price of crude oil. Later, the processors of gasoline announced an increase in the price of gasoline resulting in a 1-cent per gallon increase in the price of gas to the consuming public as well as to the Government of the United States and to the State, county, and city governments.

Rear. Adm. O. P. Lattu, Executive Director of Military Petroleum Supply Agency, Department of the Navy, stated in his appearance before the subcommittee hearings on the emergency oil lift program and related oil problems, that "we estimated that the recent price increase would add approximately $85 million to the expenditures of military services for such petroleum products for the next 12 months." It has been estimated that the entire cost to the Federal, State and city governments and to the consuming public as a result of this price increase of oil would amount to approximately $1 billion.

The subcommittee firmly believes that its announced investigation and hearings had a marked effect on the program of the Department of Justice in urging a grand jury investigation of major oil companies' activities during the emergency oil lift program. This Federal grand jury indicted those major oil companies and the case is now pending before the Federal courts. Had our subcommittee not taken the immediate action that it did, you can speculate as to whether any effective action would have been taken against these oil companies. Further, as a result of our investigation and hearings, the public became informed of the matter and gradually price reductions in crude oils and gasoline were being noted.

I just read recently where the major oil companies were planning a price increase. Our subcommittee should have sufficient funds to fully investigate this price increase to assure ourselves the American public is not being taken advantage of by such price increase.

We have the matter of steel price increases of July 1957 of $6 per ton. We held hearings and even at the conclusion of those hearings, the steel industry went ahead in July 1958 and increased the price of steel another $6 per ton. Before the session ended last year, we had a very short hearing with representatives of the Federal Trade Commission and the Department of Justice discussing the problem generally. In order for us to get all of the facts in the matter, it would require even a more intensive investigation and hearings as to the 1958 price increase than was conducted after the 1957 price increase. As I stated earlier, you cannot fight monopoly and giant concentrated industries with "peanut" appropriations.

Gentlemen, I am very much interested in the reasons for the price increases of farm machinery and replacement parts of farm machinery. From the information that I have received, the price increases had a devastating effect on the farmers who are getting less for their crops but are paying more for everything that they use on the farm. The cost of replacement parts of farm machinery is almost unbelievable and we must find the reason for that price increase. This affects every farmer in the United States and it amounts to millions upon millions of dollars. To find the true answer to such a problem, you must have an adequate staff of experts who will have the facilities to dig out the true facts in the matter.

I have had many State officials tell me that State commissions were ineffective in curtailing rate increases by utilities, such as telephone companies, the railroad, water, gas, and electricity, because the State legislatures would not appropriate enough money to provide them with adequate expert staff members who would be able to dig out the facts and prepare a strong case against those utilities. The utility companies spend thousands upon thousands of dollars for the best experts in the field to acquire rate increases which come out of the pockets of the people. You can sympathize with the State legislature in not making sufficient appropriations, because most States do not have the resources from which to fight these giant companies; but who can say that the Federal Government of the United States, with its vast resources, hasn't sufficient funds to appropriate to fight the giant monopolies and concentrated industries which take advantage of the 175 million people in this great country of ours.

I again say, it is almost ridiculous that just one corporation can spend one-half million dollars to prepare for a 1-day hearing; whereas the entire appropriation for our subcommittee to fight all monopolies in concentrated industries is $100,000 less than what was spent by the Chrysler Motor Co.

Because of our limited staff, we have been unable to get into many areas of investigation which we must do if we are expected to curtail the monopolistic and concentrated powers of those industries. Why, we learned in the investigation and hearings on the meatpackers bill that the Supreme Court of the United States in 1921 curtailed the power of the giant meatpackers by prohibiting them from having retail outlets in the meat industry. Also, because of monopolistic practices of certain retail meat and grocery chains, they became so large and so powerful that they entered into the meatpacking business and by doing so held many independent meatpackers at their mercy. I am thankful to say that, although S. 1356, the meatpackers bill, did not pass in the form that the Senate Antitrust and Monopoly Subcommittee desired, at least we were able, because of our investigation and hearing, to prevent

the giant retail chains from escaping jurisdiction of the Federal Trade Commission on the basis they had bought interest into the meatpacking business and were considered meatpackers under the law. However, there is plenty of room for investigation in the giant retail food chains who have become so tremendously large that the independent grocery store has almost become a thing of the past.

Many people cannot understand why the wheat farmer of North Dakota and other wheat farmers in the Great Plains States of the country are getting less and less for their wheat, while the consuming public has to pay more and more and more and more for the price of bread.

Gentlemen, every year the price of automobiles goes up. Every year the price of steel, aluminum, and other metallic products goes up and up and up. The cost of living has gotten so far out of proportion that if a salaried worker does get a pay increase the purchasing power of this pay increase is not as strong as it was a year before.

And what about the poor salaried worker who is not in a position to get periodic pay increases, and what about people who live on pensions, social security, or people who, 20 years ago, purchased an annuity with the hope that they could live on $150 or $200 per month and today are facing difficult times because of the constant inflation and price increases that confront us. These are vital things that only the Senate Antitrust and Monopoly Subcommittee can do anything about and we just can't do it with peanut appropriations.

The subcommittee in its letter of January 5, 1959, to Chairman JAMES O. EASTLAND, Senate Judiciary Committee, states more fully the proposed work of the subcommittee than can be accomplished within the $395,000 budget. A review of those activities need not be more fully stated here, except to reiterate that the subcommittee needs a million-dollar appropriation in order to protect the financial stability of our country and its people.

Mr. LANGER. Mr. President, this committee, hard working as it is, is entirely understaffed. We do not begin to have the number of lawyers we should have. I think my distinguished friend from Illinois will bear me out. For example, in the General Motors and the automobile investigation, one of the witnesses was asked how much it had cost General Motors to prepare for the hearing. The witness replied "One-half a million dollars." Here we have just a few Senators and a few lawyers on our staff. We are supposed to investigate one monopoly after another.

What do we find? We find the cost of living going up and up and up. A wonder drug comes on the market, and the people are charged any price the companies wish to charge them. Of course, pharmaceuticals should be investigated.

Let us take farm machinery. If one goes to the State of Louisiana, where my distinguished friend from Louisiana lives, he will hear the same cry that he can hear in North Dakota. For example, the canvas for a combine which, 6 or 7 years ago, cost $17, now costs $98. If a farmer wants to buy a combine, he learns that the same machine which cost him, 6 or 7 years ago, $3,500 or $4,000, now sells for $10,000.

It is the duty of this committee to investigate and ascertain why such high prices are being charged, and whether or not a monopoly exists. Four or five concerns manufacturing a certain piece of machinery can charge people whatever they want to. It is true of many other businesses.

The Senator from Wyoming [Mr. O'MAHONEY], I believe, brought out the fact that when the price of oil was increased 1 cent a gallon, it cost the U.S. Government $85 million, and it cost the people of the United States $1 billion.

The committee made some investigation into the oil problem. The Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Tennessee [Mr. KEFAUVER] have done a great job, but they have done it with limited means. It is something like sending out a fellow with a revolver against a tank coming down the road.

The common people have no place else to go to, when it comes to the high cost of living, except the committee, because, as my distinguished friend has just stated, the committee has subpena power. It can drag before the committee the books of companies. But after the books have been dragged before the committee, the committee needs accountants to go over the books and understand them. The committee needs lawyers. So we have a hopelessly handicapped committee, with a staff which is totally inadequate.

I give notice now that I intend to pursue this matter further before the committee, and get a record vote to determine whether the committee is going to have enough money to do our duty as the committee should, or whether it is not.

I will add that in the last campaign, all over the great State of North Dakota, in every county newspaper, the opposition took big advertisements saying that in 1952 a drill cost so much money and that it had gone up 100 percent or 125 percent, and also, put us in office and we will reduce the cost.

The Democrats should reduce the cost of living, because the people took them at their word. I hope one of these days to introduce some of those advertisements into the RECORD.

I think it is most important we provide enough money for the committee, to protect the people who during the last few years have not been protected.

Mr. DIRKSEN. Mr. President, will the distinguished Senator yield to me?

Mr. LANGER. I yield.

Mr. DIRKSEN. I understand the conviction of my eminent friend from North Dakota. Ever since I can recall the Senator has pursued this matter with vigor. When the committee asked $375,000, $385,000, or $395,000, the Senator always felt—and it is a matter of conviction—that the committee ought to have $1 million.

I believe, however, the Senator more or less supports the point I made in the beginning. The Senator speaks about farm machinery, about the cost of living, about the cost of insurance and about pharmaceuticals. The fields one can investigate are endless. The question is, How does one finally coordinate the information and get the most good from the investigation? One cannot lose sight of the fact that although we may have a staff large enough to fill this Chamber there are only so many Senators to carry the load. Obviously, the Senators must learn the facts. How do we ration the time which is available among all the investigations at one and the same time, without developing a confused state?

It would be difficult indeed in such circumstances to see the whole picture except through the eyes of some member of the staff. I have always wanted to see the picture through my own eyes if I possibly could. There is a physical limitation which is often involved.

It is like the story with respect to the fellows who are going to make the trip into space. Many applications have been made, and an attempt has been made to whittle the number down to about a dozen. No matter what kind of mechanical gadget we construct to make the race through space at two or three thousand miles an hour, the question remains, what is the vitality and the resistance of the fellow who has to sit in the gadget, so that it will be effective? Unless that man is a robot, there are physical limitations. I do not know whether we can get robots to sit at the committee table to answer appropriate questions and give us the story we want.

Mr. LANGER. We can get a pretty good picture.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. KEFAUVER. I thank the Senator from North Dakota for his words. I point out that the Senator was the one who had the vision to see the need for the committee in the first place.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement I have prepared on the work of the committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

As chairman of the Senate Antitrust and Monopoly Subcommittee, I sincerely urge favorable action on Senate Resolution 57.

I believe that all the Members of this body are satisfied that the high cost of living represents the No. 1 domestic problem of the American people. This problem has been increasingly emphasized in recent weeks by the President and by the leaders of the Congress.

Beginning in the spring of 1957, the Antitrust and Monopoly Subcommittee began public hearings into administered price industries on the grounds that it was believed that much of the high cost of living was due to the upward manipulation of prices by big companies in administered price industries. The subcommittee was concerned at that time, as it is now, with the plight of the farmer and the small businessman and the large number of unemployed.

Extensive hearings have been held by the Antitrust and Monopoly Subcommittee in such industries as steel and automobiles. We have found that in these industries which are so basic to our economy there exists a kind of upside-down competition where prices have continued to go up even when production remained low or declined; and that where prices were put into effect by the biggest company other members of the industry followed almost automatically.

To me, this upside-down competition presents the crux of the high price problem.

For our system to endure, we must have a free economy. We call it that. But competition is fast disappearing and no economy can remain free and competitive if price competition does not exist. In almost every industry we now have a big one, two, three or four. This trend is continuing at an alarming pace. The problem of high prices and inflation grows increasingly worse with the decline of competition. I am persuaded that, at least during the past 3 years, practically all of our inflation is directly traceable to administered price manipulation in our basic industries. Sure, some of the blame can be traced to labor as well as management. However, the time has come to stop this dangerous spiral, because as surely as we lose our economic freedom, we will lose our political freedom.

Almost 70 years ago, the first of the antitrust laws were passed by Congress. They were later supplemented by a number of other laws. The body of our antitrust law has been termed the charter of our economic freedom. These laws do not force companies to compete. They are aimed at removing illegal restraint and monopolistic abuses. Concrete evidence is necessary to show illegality.

In the past, such evidence was forthcoming and successful cases were brought against giant combinations of wealth. However, today as before, there are many instances of identical pricing where prices are set by the leader and followed by the rest of the industry. Evidence of collusion often is lacking because companies do not get together and set prices as they did in the past. There appears to be a pattern where industries' prices are set simply by following those of the leader. The Antitrust and Monopoly Subcommittee has been told by the Department of Justice and the Federal Trade Commission that they are helpless to proceed unless concrete evidence of collusion can be proved.

In this unhappy state of affairs, the people are caught in a price squeeze, and the Government, under present laws, appears powerless to ease their predicament.

The moneys requested to continue the work of this subcommittee are necessary if we are to find the answer to this riddle.

I say to the Members of this body that the answer to this riddle must be found in the framework of our antitrust laws if we are to preserve our competitive way of life. The only other alternative is some form of Government regulation, which is repugnant to me except under extreme wartime emergencies, or an abandonment of our way of life so that the managers of our giant corporations can do the regulating. The choice is obvious. Congress must assume its constitutional responsibilities. Article I of the Constitution charges the Congress with the responsibility of regulating commerce—not the chairman of the board of United States Steel Corp., or the General Motors Corp.

A very active program has been planned by our subcommittee during the coming year. The subcommittee intends immediately to consider legislative proposals aimed at supplementing our antitrust laws. The President in his economic message submitted to the Congress, on January 20, made four such recommendations falling directly within the purview of this subcommittee. They deal with premerger notification, finalization of Clayton Act orders, the granting of investigative demands to the Department of Justice in civil procedures, and authority to the Federal Trade Commission to seek preliminary injunctions in merger cases.

The administered price hearings thus far held and those planned in other industries are to be used as a basis for consideration of supplementing sections 1 and 2 of the Sherman Act.

The subcommittee contemplates a review of the enforcement program of the Department of Justice and the Federal Trade Commission with respect to section 7 of the Clayton Act. This act was amended in 1950 and, in the 8 years that have sinced passed, only one case has been finally adjudicated and it by virtue of the fact that the district court's opinion in the Bethlehem-Youngstown merger was not appealed. The Congress must know whether there is any basic weakness in the law in order to understand the apparent lack of enforcement by these two agencies of the Government.

The subcommittee, under the direction of Senator O'MAHONEY, intends to continue its investigation of insurance in order to determine whether Public Law 15 is operating effectively in the public interest. Also, under Senator LANGER'S direction, the subcommittee will continue its surveillance of tie-in sales of credit insurance with small loans and other transactions. Hearings are presently planned in a number of other industries, including bread, drugs, fertilizers, replacement parts for farm machinery, paper boxes, automobile financing and others.

Our economy is complex and difficult. Much study needs to be done on the problem. However, I am convinced of one thing—that if we are to find the answer to the riddle, much of the answer must be found within the framework of our antitrust laws. But for other demands made upon the time of subcommittee members, I would have asked for more funds for this important undertaking. However, the $395,000 to continue the work of the subcommittee is absolutely necessary. I say to those who stand opposed to the forces of monopoly and high prices that they should support this resolution.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 57) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate to make a complete, comprehensive, and continuing study and investigation of the antitrust and antimonopoly laws of the United States and their administration, interpretation, operation, enforcement, and effect, and to determine and from time to time redetermine the nature and extent of any legislation which may be necessary or desirable for—

(1) clarification of existing law to eliminate conflicts and uncertainties where necessary;

(2) improvement of the administration and enforcement of existing laws;

(3) supplementation of existing law to provide any additional substantive, procedural, or organizational legislation which may be needed for the attainment of the fundamental objects of the laws and the efficient administration and enforcement thereof.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $395,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

PRINTING OF ADDITIONAL COPIES OF "BRIEFING ON THE INVESTMENT ACT"

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 27, Senate Concurrent Resolution 5.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A concurrent resolution (S. Con. Res. 5) to print additional copies of a committee print entitled "Briefing on the Investment Act."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Con. Res. 5) was agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Select Committee on Small Business of the Senate seven thousand additional copies of the committee print entitled "Briefing on the Investment Act."

STUDY OF MATTERS PERTAINING TO CONSTITUTIONAL AMENDMENTS

Mr. MANSFIELD. Mr. President, at the request of one of the Members of the Senate, Calendar No. 28 will be passed over, and I shall ask that the Senate move to the consideration of Calendar No. 29.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KEFAUVER. Does the Senator mean consideration of the resolution will be passed over to another day?

Mr. MANSFIELD. It will be passed over to another day. The resolution refers to a new matter, and the Senator from Louisiana would like to consider it further.

INVESTIGATION OF JUVENILE DELINQUENCY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 29, Senate Resolution 54.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 54) to investigate juvenile delinquency in the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. ELLENDER. Mr. President, this is the resolution which relates to juvenile delinquency. Last year, I believe, the Senate provided $75,000, in the hope that the investigation would be completed, yet we are confronted with a resolution requesting $150,000. What is the explanation?

Mr. HENNINGS. I am sure the Senator has followed these matters in casual reading, if not in careful study. The Senator has already suggested a partial solution, but I do not believe those of us who have lived with this matter have anything resembling a complete solution. I was a prosecutor in a large city in the gang days. I know a little bit about matters of court—in terms of felonies and in terms of convicting young men who might have been saved. I know something of the problem of imprisonment and lives of crime and law violation.

As chairman of the Subcommittee on National Penitentiaries of the Committee on the Judiciary, I have visited a great many penitentiaries and reformatories. I know, for example, that it cost $41 million to support the prison system in the United States last year.

In the past year the subcommittee has had a staff of 4 or 5 people. We had hoped to operate as a standby committee, but the staff has been totally inadequate. There is a constantly increasing population in this country, a burgeoning and ever-growing problem of young people getting into trouble, and a constantly increasing load of law violations.

This is a matter about which we cannot learn too much. I have been associated with a voluntary organization which has a dedicated mission in this field. I have been both a working member and a national director of the association for some years. I refer to the Big Brother Organization. For 35 years we have been trying to salvage boys.

I have seen boys 18 or 20 years of age sent to the penitentiaries for 10, 15, or 20 years, or even for life imprisonment, as a result of crimes of violence such as armed robbery or murder.

I do not think I qualify very well as a "bleeding heart" because I spent 7 years of my life up against the gun in a tough criminal courtroom in a big city.

Mr. LANGER and Mr. KEFAUVER addressed the Chair.

Mr. HENNINGS. If my colleagues will permit me to continue, I want to say that the requested appropriation is, indeed, most reasonably within the realm of what should be done in this field. There is a constant demand for action, as the distinguished Senator from North Dakota [Mr. LANGER] and the distinguished Senator from Tennessee [Mr. KEFAUVER] know. The Senator from Tennessee has served as chairman of this subcommittee in past sessions of the Congress. Others have served on the subcommittee, and others have been interested in this problem. They all know that in order to salvage the youth of this country we must find some of these difficult answers. The answers are not simple.

It is true that part of the answer is found in the home. However, let us suppose there is no home, or let us suppose there is no home worthy of the name. Most of us have been fortunate in that respect, since we have had good parents who have guided us and tried to help us, but many children in this country do not have that advantage.

The staff of the committee is not a "political" staff. There are only four or five persons employed. The chief counsel has degrees of bachelor of arts and master of arts; he is a graduate of the Harvard Law School; he is a member of the Colorado bar; he has attended Denver University and Simmons College; and he was legal adviser to the juvenile court of Denver for 5 years. All others on the staff of the subcommittee are well qualified in the work. I do not believe a single one could be called a patronage employee.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. HENNINGS. I am glad to yield to my distinguished colleague.

Mr. LANGER. I simply want to recall to the distinguished Senator's memory the great work done by the Senator from Tennessee [Mr. KEFAUVER] when he was chairman of the subcommittee, immediately preceding the service of the present chairman. The various service organizations such as the American Legion, AMVETS, the Veterans of Foreign Wars and all the rest worked together in a great cooperative movement, with the churches.

No one on this earth will ever know how many lives ESTES KEFAUVER, the chairman of this subcomittee, saved among the youth of the country by the great work which he did. Whatever the appropriation was at that time, certainly the money was well spent.

As the distinguished Senator from Missouri has just said, this committee has a staff of only four working for it. We should have more.

Mr. HENNINGS. I do not know the politics of any member of the staff, but the staff does need enlarging, and the Senator's wishes will certainly be considered.

Mr. President, I ask unanimous consent that a statement which I have prepared relative to the work of the Juvenile Delinquency Subcommittee be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON CONTINUATION OF COMMITTEE TO INVESTIGATE JUVENILE DELINQUENCY

For the ninth straight year juvenile delinquency has increased in the United States, and the citizens of this country are looking more and more to the Federal Government for leadership, guidance, and information on this subject. The latest figures from the Children's Bureau indicate that for the last year for which complete figures are available (1957), 603,000 children appeared before our juvenile courts. This constitutes a 16 percent increase over the previous year.

Further, I think it should be pointed out that we estimate that in the not too distant future there will be well over 2 million adolescents in the United States who have been before the juvenile courts. There are also an untold number of "hidden delinquents" who, while exhibiting delinquent behavior patterns just as serious as those coming before the courts, have for some reason or other not been apprehended. These "hidden delinquents," coupled with our known delinquents, comprise a tremendous segment of our juvenile population.

For these reasons, the Committee To Investigate Juvenile Delinquency hopes to continue its work during the coming year, and the following are areas which we feel should be investigated.

In the very near future, the committee plans to hold hearings in New York City and in Washington, D.C., on juvenile court procedures. This is an area which we believe is in need of quiet study and appraisal. If it appears that more of an investigation is in order, we shall no doubt go to other parts of the country to see how various courts are operating and what recommendations we can make for improved service through juvenile courts to our children and the communities in which they reside.

The committee staff has done a great deal of work on the utilization of former juvenile delinquents by the Armed Forces. Much information has been compiled on this subject, and we believe that hearings would be of inestimable value in bringing to light facts which might lead to improvement in present methods of selecting or rejecting inductees and enlistees.

Since a great number of juvenile offenders are getting into trouble because of automobile theft, we are considering the possibility of holding hearings on the Dyer Act with a view to exploring the feasibility of inclusion by manufacturers of antitheft devices on new automobiles.

The matter of delinquent and incorrigible children in the public school systems is one of continuing concern to parents and educators in many urban centers. We hope to continue our work in this area during the year.

We hope to bring together many interested agencies and individuals in an effort to find a solution to the so-called border problem, that is, where young persons from the United States cross the border into Mexico and are exposed to all manner of vices.

As a result of investigations by the committee, various Members have introduced within the last few days bills with regard to the following subjects: Training of personnel; aiding community and State delinquency projects; pornography in Washing, D.C.; outpatient units for narcotic addicts; and intrastate adoption practices. In addition, a bill has already been introduced in this session to control the manufacture, distribution, and sale of barbiturate and amphetamine drugs.

A recent feature article in the Baltimore (Md.) Sun papers began with this statement:

"One of the country's most graphic and significant collections of information, regarding the increase, the causes and the scope of juvenile delinquency, has been gathered by the Senate Judiciary Subcommittee during 4½ years of investigation."

Because this is widely known, during the past year alone the committee staff filled requests for approximately 8,000 copies of our reports and transcripts of hearings. Numerous other requests are received for publications now out of print. The Library of Congress also receives many requests for this material and has condensed three of our reports into 30- to 40-page synopses, but the demand exhausted their supply in a very short time. They now plan to issue

other of our reports in this condensed form because of the hundreds of requests they receive.

The staff has also handled from 4,000 to 5,000 pieces of correspondence and inquiries. A great many inquiries come from other congressional offices. This, I believe, is evidence of the nationwide character of delinquency and the widespread interest of citizens from all parts of the country and all walks of life to learn more of the nature of delinquency and the role of the Federal Government in combating it. Surely the people of this country deserve some leadership from us in dealing with this grave problem—a problem shared to some degree by all areas and all types of communities.

During both sessions of the 85th Congress, 16 pieces of legislation were introduced and the major provisions of 3 of these were enacted into law. Two of these laws prohibit the interstate transportation of switchblade knives and give the Federal Government new tools with which to prosecute the pornographer, who usually has no qualms about selling his unsavory wares to our youth. The third law put into effect for the District of Columbia the Uniform Reciprocal Enforcement of Support Act.

Hearings were held in March 1958 on training schools for juveniles. We know that these hearings have already been of benefit in improving practices in training schools.

In addition to these matters, studies were initiated or continued on the following subjects: The handling of delinquent children in public schools; utilization of former delinquents by the Armed Forces; the practices of State training schools; the study of community plans for handling delinquency by sending out 115 questionnaires to cities of over 100,000 population, the results of which will be included in our community plan report; and juvenile court procedures.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 54) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to juvenile delinquency in the United States, including (a) the extent and character of juvenile delinquency in the United States and its causes and contributing factors; (b) the adequacy of existing provisions of law, including chapters 402 and 403 of title 18 of the United States Code, in dealing with youthful offenders of Federal laws; (c) sentences imposed on, or other correctional action taken with respect to, youthful offenders by Federal courts; and (d) the extent to which juveniles are violating Federal laws relating to the sale or use of narcotics.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall reports its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $150,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

INVESTIGATION OF ADMINISTRATION OF PATENT OFFICE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 30, Senate Resolution 53.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 53) authorizing an investigation of the administration of the Patent Office.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, this resolution relates to a subcommittee which has been operating for some time in a very difficult field. Will the Senator from Wyoming [Mr. O'MAHONEY] explain the resolution briefly?

Mr. O'MAHONEY. Mr. President, this is one of the standing subcommittees of the Committee on the Judiciary. It is charged with the responsibility for handling legislation which comes before the Senate with respect to patents, trademarks, and copyrights. It is a very busy sector of the operations of the Government, and of the work of various industries and individuals throughout the United States.

I hold in my hand a list of various documents which were prepared by the subcommittee during the past year, and which are now available for sale at the Government Printing Office. Many of them have been available throughout the years.

There are 18 of these monographs, every one of them written by an expert; some by persons in the Library of Congress, and some by members of the staff of the Patent Office.

I am advised by the Government Printing Office that with respect to these 18 documents—the latter two are not available in printed form—the Superintendent of Documents has already collected from the public, from the sale of the documents, about $8,500.

I ask unanimous consent that this list, showing the price of each document, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PUBLICATIONS OF THE SENATE SUBCOMMITTEE ON PATENTS, TRADEMARKS, AND COPYRIGHTS

(Available from Superintendent of Documents, Government Printing Office, Washington 25, D.C., for prices listed)

RESEARCH STUDIES

No. 1: Proposals for Improving the Patent System, by Dr. V. Bush, 15 cents.

No. 2: The Patent System and the Modern Economy, by G. Frost, 25 cents.

No. 3: Distribution of Patents Issued to Corporations (1939–55), by the Patent Office Commissioner Watson and P. J. Federico, 15 cents.

No. 4: Opposition and Revocation Proceedings in Patent Cases, by P. J. Federico, 15 cents.

No. 5: The International Patent System and Foreign Policy, by R. Vernon, 20 cents.

No. 6: Patents and Nonprofit Research, by A. M. Palmer, 25 cents.

No. 7: Efforts To Establish a Statutory Standard of Invention, by Library of Congress—LRS (V. L. Edwards), 15 cents.

No. 8: The Role of the Court Expert in Patent Litigation, by L. H. Whinery, 30 cents.

No. 9: Recordation of Patent Agreements—A Legislative History, by Library of Congress—LRS (M. Daniels and V. L. Edwards), 15 cents.

No. 10: Exchange of Patent Rights and Technical Information Under Mutual Aid Programs, by M. H. Cardozo, 20 cents.

No. 11: The Impact of the Patent System on Research, by S. Melman, 25 cents.

No. 12: Compulsory Licensing of Patents—A Legislative History, by Library of Congress—LRS (C. S. Corry), 25 cents.

No. 13, Patent Office Fees—A Legislative History, by Library of Congress—LRS (V. L. Edwards), 15 cents.

No. 14: Economic Aspects of Patents and the American Patent System: A Bibliography, by Library of Congress—LRS (J. W. Allen), 20 cents.

No. 15: An Economic Review of the Patent System, by F. Machlup, 25 cents.

No. 16: The Research and Development Factor in Mergers and Acquisitions, by M. Friedman, 15 cents.

No. 17: Renewal Fees and Other Patent Fees in Foreign Countries, by P. J. Federico, 15 cents.

No. 18: Synthetic Rubber: A Case Study in Technological Development Under Government Direction, by R. A. Solo, 35 cents.

Senate Report No. 72, 85th Congress, 1st Session, 15 cents.

Senate Report No. 1430, 85th Congress, 2d Session, 15 cents.

Mr. O'MAHONEY. The purpose of placing that list in the RECORD is to advise those who may read the RECORD of some of the work which this subcommittee has carried on, the results of which are now available in the Government Printing Office.

The most important thing I have to say about this resolution is that during the past six years appropriations for research and development in scientific fields have been increasing. The Government of the United States has been conducting research, appropriating from $2 billion to $4 billion a year for this purpose. The result is that many discoveries and inventions have been made.

There are 18 different agencies of the Government which benefit from appropriations for research and development, and there are many private industries, some of them industrial corporations, some of them universities or laboratories, which benefit from Federal appropriations for this purpose.

There is no agreement among the 18 Government agencies which enjoy these benefits with respect to the manner in which patents and licenses should be handled so as to protect the public interest. There seems to be no doubt in the minds of members of the Judiciary

Committee and members of the Committee on Rules and Administration that the appropriation for which we ask, which is recited in the report on the desk of every Senator, should be approved. I hope it will be.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 53) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a full and complete examination and review of the administration of the Patent Office and a complete examination and review of the statutes relating to patents, trademarks, and copyrights.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $145,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STUDY OF MATTERS PERTAINING TO CONSTITUTIONAL RIGHTS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 31, Senate Resolution 62.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 62) authorizing a study of matters pertaining to constitutional rights.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. HENNINGS. Mr. President, this resolution applies to a standing subcommittee of the Committee on the Judiciary. The subcommittee is asking for the same amount the subcommittee was allotted last year. It turned back into the Treasury $30,000.

I ask unanimous consent that a statement which I have prepared relating to the work and activities of the subcommittee be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This matter relates to the standing Subcommittee on Constitutional Rights of the Committee on the Judiciary. I am ready to answer any questions on the resolution.

This year we have asked for the same amount as last year to carry on our important work. This amount has been approved by both the Committee on the Judiciary and the Committee on Rules and Administration without a dissenting vote.

In 1958 the subcommittee's activities included examination, investigation, and study of a number of matters pertaining to constitutional rights. The subcommittee dealt with such diverse matters as freedom of information; wiretapping, eavesdropping, and the Bill of Rights; confessions and police detention; equal protection of the laws; the right to travel; and the rights of persons subject to American military jurisdiction. In addition, the subcommittee handled many complaints of the infringement of constitutional rights directly from the public and many from Members of Congress. The subcommittee endeavors to investigate all such complaints as seem appropriate. After careful examination, many charges appear groundless but often a record can be corrected or information furnished as a result of consideration by the subcommittee.

In the forthcoming period, the subcommittee intends to continue its studies and investigations concerning (1) freedom of information in Government and the alleged "Executive privilege"; (2) wiretapping, eavesdropping, and the Bill of Rights; (3) the rights of persons, particularly civilians, subject to American military jurisdiction; and (4) legislation assigned to the subcommittee within the Judiciary Committee relating to equal protection of the laws and due process of law.

The subcommittee has undertaken preliminary examination of the following subjects also to be studied this year:

(1) Providing adequate protection for the constitutional right to legal counsel in Federal courts;

(2) Compiling a survey status of constitutional rights;

(3) Fair hearing procedures for Federal job applicants.

The heavy workload carried by the subcommittee members and the staff is well illustrated by the fact the subcommittee receives an average of almost 100 letters and 350 telephone calls a week. Individual complaints referred to the subcommittee by Senators, Representatives, and others—practically all of which require interviewing one or more persons—average six a week, or slightly more than one a day. Staff research averages more than 120 hours per week. In addition, during the past year, the subcommittee prepared five separate publications dealing with matters pertaining to current constitutional rights problems. These were in addition to the record of the hearings held by the subcommittee.

I have prepared a statement outlining what the Constitutional Rights Subcommittee has done during the past year in each of the fields of activity I have already mentioned, and I include it in the RECORD:

STATEMENT BY SENATOR THOMAS C. HENNINGS, JR., OUTLINING THE ACTIVITIES OF THE CONSTITUTIONAL RIGHTS SUBCOMMITTEE DURING 1958

In the field of freedom of information, the Constitutional Rights Subcommittee held hearings on March 6 and April 16, 1958, on S. 921, amending section 161 of the Revised Statutes (5 U.S.C. 22) with respect to the authority of Federal officers and agencies to withhold information and limit the availability of records. Witnesses at these hearings included the Attorney General of the United States; representatives of the American Society of Newspaper Editors, Sigma Delta Chi journalistic fraternity, the American Civil Liberties Union, and the National Federation of the Blind; and newsmen in individual capacities. Statements were filed for the record by many other interested organizations and individuals.

S. 921 was favorably reported, without any dissenting votes, by the subcommittee, and by the Committee on the Judiciary (S. Rept. No. 1621). It was considered and debated in the Senate on July 31, 1958, and the proposal was passed without any opposition votes. The language of S. 921 was approved by the President on August 12, 1958, and became Public Law 85–619.

Another freedom of information bill, assigned to the subcommittee for consideration, was S. 2148, to amend the public information section of the Administrative Procedure Act. Attempts were made by the subcommittee to schedule hearings on S. 2148 in 1958 but mutually satisfactory dates could not be arranged with the potential witnesses who are most actively interested in the legislation. A collection of Government agency and press association views on S. 2148 is being published as a committee print.

On May 20 and May 22, 1958, the subcommittee conducted public hearings on the subject of wiretapping, eavesdropping, and the Bill of Rights. The subcommittee addressed itself to the basic questions, What are wiretapping and eavesdropping, how are they done today, and what constitutional and legal questions do such practices raise? Witnesses were an assistant vice president of the American Telephone & Telegraph Co., a research professor from the Moore School of Electrical Engineering, University of Pennsylvania, the attorney general of the Commonwealth of Pennsylvania, a professor of government, and a prosecuting attorney. In addition, the subcommittee staff compiled the texts of judicial decisions construing section 605 of the Federal Communications Act, related cases, State and foreign laws, and bibliographies; these background materials were printed as an appendix to the hearings.

As a part of the continuing study, and for use in connection with public hearings by the subcommittee in the 86th Congress, the staff has compiled representative essays and law review articles, including the written views of Herbert Brownell, Jr., and William P. Rogers, and has assembled correspondence with law professors throughout the country who commented on the subject in general or on the record to date of the hearings in particular or submitted new articles for the consideration of the subcommittee.

During 1958, the subcommittee also has done considerable work on the subject of confessions and police detention. The subcommittee has been studying developments in Federal law subsequent to *McNabb* v. *United States* (318 U.S. 332 (1943)), under rule 5(a) of the Federal Rules of Criminal Procedure, and in accordance with the due process of law requirements of the Bill of Rights.

Public hearings were conducted by the subcommittee on March 7 and 11, 1958. Witnesses were attorneys in private practice, law professors, the U.S. attorney for the District of Columbia, a Federal district court judge, a county sheriff, a metropolitan chief of police and a deputy chief in charge of detectives, and representatives of civil liberties and public interest organizations. The printed record contains appendix material including studies dealing with various aspects of the subjects of arrest, detention, questioning, warning, and rights of individuals accused of committing crimes.

In the 2d session of the 85th Congress, six bills falling under the general category

of equal protection of the laws were referred to the subcommittee for consideration. However, at a meeting of the subcommittee on May 5, 1958, a majority voted to postpone scheduling hearings because extensive hearings were conducted on the general subject and specific legislation referred to the subcommittee during the 1st session of the 85th Congress.

Another subject with which the subcommittee has been actively concerned during the past year has been the rights of persons subject to American military jurisdiction.

It has not been feasible for the subcommittee to conduct public hearings yet on this subject of continuing interest but a staff study has been made of the constitutional rights of the several classes of persons involved and the special problems connected with each group.

The Senate Committee on Armed Forces, of course, has primary jurisdiction as the standing legislative committee over the Military Establishment of the United States, and its military personnel. Accordingly, the Senate Constitutional Rights Subcommittee may act merely in an advisory capacity in developing suggestions for improvements in the Uniform Code of Military Justice. The subcommittee position is similar with regard to status of forces agreements which come before the Senate Committee on Foreign Relations.

However, the constitutional rights of civilians who accompany American Armed Forces outside the continental limits of the United States are of appropriate concern to the Senate Constitutional Rights Subcommittee. The Supreme Court has had no easy time in deciding the rights of these persons. The persons discussed here fall into these categories: Civilian dependents of Armed Forces personnel; civilian employees of the Armed Forces; and civilian employees of defense contractors. The basic question is: What jurisdiction may the U.S. Government exercise over these persons when they are accused of violating Armed Forces regulations or the criminal laws of this country or of the county where they are? The subcommittee is seeking the answer.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 62) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to constitutional rights.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $115,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement relative to the resolution just agreed to.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This resolution would authorize the expenditure of $115,000 by the Committee on the Judiciary, acting through its Subcommittee on Constitutional Rights, from February 1, 1959, through January 31, 1960, to examine, investigate, and make a complete study of any and all matters pertaining to constitutional rights.

The purposes of the resolution are detailed in a letter from Senator THOMAS C. HENNINGS, chairman of the subcommittee.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON
CONSTITUTIONAL RIGHTS,
January 22, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Submitted herewith is the budget approved by the Senate Judiciary Subcommittee on Constitutional Rights for the period of February 1, 1959, through January 31, 1960.

The Constitutional Rights Subcommittee respectfully requests approval by the Senate Committee on the Judiciary for authorization to expend an amount not to exceed $115,000 during this period for salaries and administrative expenses. This is the same amount that has been approved by the committee in each of the last 3 years and is the amount approved by the Senate last year.

The Subcommittee on Constitutional Rights conducted a number of public hearings and studies during the past year, pursuant to the provisions of Senate Resolution 234, of the 85th Congress, 2d session. These activities have been summarized in an annual report which is being submitted to the full committee. The subjects covered were: Freedom of information, the alleged "Executive privilege" to withhold information from the Congress, and alleged undue secrecy in Government; wiretapping, eavesdropping, and the Bill of Rights; confessions and police detention, and the laws of arrest and arraignment; and rights of persons subject to American military jurisdiction.

The language of one bill—S. 921, amending section 161 of the Revised Statutes (5 U.S.C. 22), dealing with freedom of information—considered and favorably reported by the subcommittee and the full committee, became law on August 12, 1958, as Public Law 85–619 (72 Stat. 547).

The subcommittee intends to continue its studies and investigations concerning (1) freedom of information in Government and the alleged "Executive privilege"; (2) wiretapping, eavesdropping, and the Bill of Rights; (3) the rights of persons, particularly civilians, subject to American military jurisdiction; and (4) legislation assigned to the subcommittee within the Judiciary Committee relating to equal protection of the laws and due process of law. The subcommittee intends to undertake studies and investigations of the following subjects, for which preliminary examination is currently under way: (1) Adequate provisions for protecting the constitutional right to legal counsel in Federal courts; (2) a national survey of the current status of constitutional rights; and (3) fair hearing procedures for Federal job applicants.

A. The continuing activities are summarized as follows:

1. Freedom of information in Government and the alleged "Executive privilege": The subcommittee reported one bill last year which was enacted into law. The subcommittee intends to continue its examination of legislative proposals aimed at clarifying and protecting the right of the public to information, and, accordingly, has compiled data dealing with a second bill. (This was S. 2148 in the 85th Cong., reintroduced in the present Congress as S. 186.)

2. Wiretapping, eavesdropping, and the Bill of Rights: The first phase of this study—examination of the grave constitutional questions, judicial interpretations, and statutory provisions—can be completed in a few more public hearings. Subsequently, study should proceed in an orderly way concerning the individuals and organizations who (a) employ wiretapping, electronic eavesdropping, and the secret recording of sounds and conversations, for (b) what purposes, and under (c) what authority.

3. Rights of persons, particularly civilians, subject to American military jurisdiction: The most troublesome problem in this area is how to handle American civilians overseas with our Armed Forces who either violate U.S. law and regulations or local (i.e., the host country's) laws. These civilians are (a) dependents of U.S. personnel, (b) employees of the U.S. Armed Forces, or (c) employees of defense department private contractors.

A staff study and tentative draft legislation have been prepared but it has not been feasible yet to conduct public hearings which should be held in the coming year.

4. Equal protection of the laws and due process of law: The subcommittee intends to give adequate opportunity for the presentation of major points of view on all legislation assigned to it within the Judiciary Committee. Time to be involved will depend upon several factors, including the nature of the legislative proposals, the availability of witnesses, other activities of the subcommittee, etc. For example, the subcommittee conducted exhaustive hearings in the 1st session of the 85th Congress, meeting often mornings and afternoons—on 15 different days. The printed record ran to 930 pages.

B. New studies to be undertaken are summarized as follows:

1. Adequate provisions for protecting the constitutional right to legal counsel in Federal courts: Bar association studies in the District of Columbia have recommended different methods for furnishing legal counsel to indigents in the Federal courts.

In addition to witnesses presenting different points of view, from the District of Columbia, we expect to be able to hear outstanding members of State bar associations who have also been studying the subject.

2. A national survey of the current status of constitutional rights.

Pursuant to the language of the authorization resolution: "* * * to examine, investigate, and make a complete study of any and all matters pertaining to constitutional rights," the subcommittee intends to survey current public opinion concerning the status of rights of individual persons guaranteed or otherwise protected under the Constitution of the United States today.

3. Fair hearing procedures for Federal job applicants.

A staff study and tentative draft legislation have been prepared but it has not been feasible to conduct public hearings yet on the subject.

Finally, I believe it should be noted that the subcommittee office receives complaints of the infringement of constitutional rights throughout the year directly from the public or from Members of Congress. The subcommittee endeavors to investigate all such

complaints as seem appropriate. After careful examination, many charges appear groundless but often a record can be corrected or information furnished as a result of consideration by the subcommittee. The subcommittee intends to continue to furnish this service.

I hope that the Committee on the Judiciary will act favorably on this request at its next meeting.

With kindest regards, I am,

Sincerely yours,

THOMAS C. HENNINGS, Jr.,
Chairman.

INVESTIGATION OF ADMINISTRATION OF THE TRADING WITH THE ENEMY ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed with the consideration of Calendar No. 32, Senate Resolution 56.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 56) to investigate the administration of the Trading With the Enemy Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 56) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a further examination and review of the administration of the Trading With the Enemy Act, as amended, and also the War Claims Act of 1948, as amended, and consider bills affecting said Acts.

SEC. 2. For the purposes of this resolution, the committee from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $60,000, shall be paid from the contingent fund of the Senate upon voucher approved by the chairman of the committee.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement covering the use for which the funds provided for in the resolution are intended.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON TRADING WITH THE ENEMY ACT,
Washington, D.C., January 26, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR EASTLAND: The work of this subcommittee was first authorized by Senate Resolution 245 of the 82d Congress, 2d session. It has been successively continued to January 31, 1959. Fifty thousand dollars was authorized for the period covered by Senate Resolution 232, which expires January 31, 1959. The new resolution proposes the sum of $60,000 for the essential expenses of continuing this work until January 31, 1960.

Of the $50,000 allocated under Senate Resolution 232 of the 2d session of the 85th Congress, an estimated $18,000 will be returned as unexpended balance. That resolution carried, as does the proposed resolution, a provision for a minority counsel. However, the minority did not avail itself of the opportunity of employing a minority representative for the subcommittee, hence the unexpended funds are larger than normally would have been the case.

There were 10 bills under consideration by the subcommittee during the 2d session of the 85th Congress. Three bills were reported (S. 163, S. 411, and H.R. 11668). S. 163 passed the Senate and was referred to the Committee on Interstate and Foreign Commerce of the House. S. 411, though reported favorably, was not acted upon by the Senate. H.R. 11668 was enacted into law and became Public Law 85-884, approved September 2, 1958.

A considerable amount of the subcommittee's time and efforts during the previous session was spent in conferences, discussions, and studies with the executive departments concerned with these questions in attempting to devise a plan to carry out the announced intention of the administration for a revised and more equitable program for submission to the 85th Congress. As the session neared its close, and no program had been worked out, the committee decided to act on only one phase of the subject and, consequently, reported S. 411, which would have provided for the payment of certain American war damage claims and would have provided for the return of vested assets to persons who had become U.S. citizens since the vesting of their property.

I believe that you will agree that the question of the payment of American war damage claims and the disposition of vested assets should be resolved during this, the 86th, Congress. The subcommittee has been working diligently for just solution as expeditiously as possible. I desire, and shall work to the end, that the affairs of the subcommittee be terminated, if possible, in this session.

At the present time it does not appear necessary to conduct extensive hearings on these two questions, with perhaps several executive sessions with the appropriate executive agencies. Much can be accomplished through communications with the interested parties.

In continuing the work, the subcommittee seeks the assistance of a counsel, an associate counsel (minority), two attorney-investigators, one clerk, and two stenographers.

Sincerely yours,

OLIN D. JOHNSTON,
Subcommittee Chairman.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement relative to Senate Resolution 56.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This resolution would authorize the expenditure of the sum of $60,000 to enable the Subcommittee on Trading With the Enemy Act of the Committee on the Judiciary from February 1, 1959, through January 31, 1960, to conduct hearings, conferences, and discussions, and to reach areas of agreement in various matters with the executive department.

The proposals to be undertaken under this resolution are set forth in a letter from Senator OLIN D. JOHNSTON, chairman of the subcommittee, to Senator JAMES O. EASTLAND, chairman of the Committee on the Judiciary, and in Senator EASTLAND's letter of transmittal to Senator THOMAS C. HENNINGS, JR., chairman of the Committee on Rules and Administration, which letters (with accompanying budget) are as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
January 26, 1959.

Re Senate Resolution 56.

Hon. THOMAS C. HENNINGS, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR SENATOR HENNINGS: The Committee on the Judiciary today ordered reported an original resolution providing additional funds for a continuation of the study, examination, and review of the administration of the Trading With the Enemy Act and the War Claims Act of 1948. The study has been conducted by the Subcommittee on Trading With the Enemy Act, which was first authorized by Senate Resolution 245 of the 2d session of the 82d Congress. Its functions have been successively authorized by Senate resolution. Under the terms of Senate Resolution 232 of the 2d session of the 85th Congress, the authority for the conduct of this study is to expire January 31, 1959. The new resolution proposes the sum of $60,000 for the period ending January 31, 1960.

The subject matter before this subcommittee is one of the most complex facing the Congress today. The subcommittee chairman has assured me that it is his desire and he will work to the end that this program will be completed during this session of the Congress. Considerable difficulty was encountered during the last Congress in devising a program agreeable to the committee and to the administration, but I am hopeful that this Congress will see the difficulties resolved through legislation to dispose of the vested assets and to provide for the payment of American war damage claims.

Enclosed for your information is the proposed budget for the subcommittee and a statement from the chairman of the subcommittee outlining his plans for the coming year.

Sincerely,

JAMES O. EASTLAND, *Chairman.*

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON TRADING WITH THE ENEMY ACT,
Washington, D. C., January 26, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR EASTLAND: The work of this subcommittee was first authorized by Senate Resolution 245 of the 82d Congress, 2d session. It has been successively continued to January 31, 1959. Fifty thousand dollars was authorized for the period covered by Senate Resolution 232, which expires January 31, 1959. The new resolution proposes the sum of $60,000 for the essential expenses of continuing this work until January 31, 1960.

Of the $50,000 allocated under Senate Resolution 232 of the 2d session of the 85th Congress, an estimated $18,000 will be returned as unexpended balance. That resolution carried, as does the proposed resolution, a provision for a minority counsel. However, the minority did not avail itself of the opportunity of employing a minority representative for the subcommittee, hence the unexpended funds are larger than normally would have been the case.

There were 10 bills under consideration by the subcommittee during the 2d session of the 85th Congress. Three bills were reported (S. 163, S. 411, and H.R. 11668). S. 163 passed the Senate and was referred to the Committee on Interstate and Foreign Commerce of the House. S. 411, though reported favorably, was not acted upon by the Senate. H.R. 11668 was enacted into law and became Public Law 85–834, approved September 2, 1958.

A considerable amount of the subcommittee's time and efforts during the previous session was spent in conferences, discussions, and studies with the executive departments concerned with these questions in attempting to devise a plan to carry out the announced intention of the administration for a revised and more equitable program for submission to the 85th Congress. As the session neared its close, and no program had been worked out, the committee decided to act on only one phase of the subject and, consequently, reported S. 411, which would have provided for the payment of certain American war damage claims and would have provided for the return of vested assets to persons who had become United States citizens since the vesting of their property.

I believe that you will agree that the question of the payment of American war damage claims and the disposition of vested assets should be resolved during this, the 86th, Congress. The subcommittee has been working diligently for a just solution as expeditiously as possible. I desire, and shall work to the end, that the affairs of the subcommittee be terminated, if possible, in this session.

At the present time it does not appear necessary to conduct extensive hearings on these two questions, with perhaps several executive sessions with the appropriate executive agencies. Much can be accomplished through communications with the interested parties.

In continuing the work, the subcommittee seeks the assitance of a counsel, an associate counsel (minority), two attorney-investigators, one clerk, and two stenographers.

Sincerely yours,

OLIN D. JOHNSTON,
Subcommittee Chairman.

INVESTIGATION OF PROBLEMS OF CERTAIN FOREIGN COUNTRIES ARISING FROM THE FLOW OF ESCAPEES AND REFUGEES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 33, Senate Resolution 52.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 52) to investigate problems of certain foreign countries arising from flow of escapees and refugees from Communist tyranny.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 52) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to the problems in certain Western European nations, and in certain Near Eastern, Middle Eastern, and Far Eastern countries, created by the flow of escapees and refugees from Communist tyranny.

SEC. 2. For the purposes of this resolution, the committee from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the department or agency concerned and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. The expenses of the committee, under this resolution, which shall not exceed $37,500, shall be paid from the contingent fund of the Senate by vouchers approved by the chairman of the committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement showing the reason why these funds are necessary.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This resolution would authorize the Committee on the Judiciary, acting through its Special Subcommittee To Investigate Problems Connected With Emigration of Refugees and Escapees, to continue from February 1, 1956, through not later than January 31, 1960, its inquiries into the difficulties created by the flow of refugees and escapees from the Communist tyranny and to expend for such purposes not in excess of $37,500.

The purposes of the resolution are more fully stated in a letter to Senator THOMAS C. HENNINGS, JR., chairman of the Committee on Rules and Administration, from Senator JAMES O. EASTLAND, chairman of the Committee on the Judiciary, which letter (with accompanying budget) is as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
January 26, 1959.

Re Senate Resolution 52.

Hon. THOMAS C. HENNINGS, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D. C.

DEAR MR. CHAIRMAN: Your attention is respectfully directed to a Senate resolution which was approved on January 26, 1959, by the Committee on the Judiciary further extending the authority to conduct a study of the problems of certain Western European nations and countries of the Near, Middle, and Far East created by the flow of refugees and escapees from Communist tyranny. The resolution, as approved by the committee, would extend the operative life of the Special Subcommittee To Investigate Problems Connected With Refugees and Escapees to January 31, 1960.

According to the latest figures furnished me, there are in Europe today 178,000 nonsettled refugees. Represented among them is the entire roster of peoples enslaved by communism—Poles, Yugoslavs, Czechslovaks, Hungarians, Balts, Bulgarians, Rumanians, Albanians, and a score of nationalities of the U.S.S.R. More than 48,000 of these people are still living in refugee camps under deplorable conditions. In addition to the European refugees, we have approximately 900,000 Arab refugees whose resettlement presents an even greater challenge. These figures will, I believe, demonstrate the need for the continued closest surveillance over this highly incendiary and pressing problem.

In addition to the resolution, I am also attaching a copy of the proposed budget covering the period embraced by the resolution.

I earnestly solicit your sympathetic cooperation to the end that the resolution may have early and favorable consideration by the Committee on Rules and Administration.

With kindest regards, I am,

Sincerely,

JAMES O. EASTLAND,
Chairman.

STUDY PERTAINING TO REVISION AND CODIFICATION OF THE STATUTES OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 35, Senate Resolution 63.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 63), authorizing a study of matters pertaining to the revision and codification of the statutes of the United States.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 63) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to revision and codification of the statutes of the United States.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided,* That, if more than one counsel is employed, the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less

by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a justification for this request.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This resolution would authorize the expenditure of $25,000 by the Committee on the Judiciary, acting through its Subcommittee on Revision and Codification, from February 1, 1959, through January 31, 1960—"to examine, investigate, and make a complete study of any and all matters pertaining to revision and codification of the statutes of the United States."

The purposes of the resolution are more fully detailed in a letter from Senator SAM J. ERVIN, Jr., chairman of the Subcommittee on Revision and Codification, to Senator JAMES O. EASTLAND, chairman of the Committee on the Judiciary, which letter (with accompanying budget) and letter of transmittal from Senator EASTLAND to Senator THOMAS C. HENNINGS, Jr., chairman of the Committee on Rules and Administration, are as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
January 27, 1959.

Hon. THOMAS C. HENNINGS, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am enclosing the budget which was approved by the Committee on the Judiciary, at its meeting on Monday, January 26, 1959, for the work of the standing Subcommittee on Revision and Codification.

The committee authorized the reporting to the Senate of an original resolution (S. Res. 63) to provide the amount of $25,000 for the work of the subcommittee for the period from February 1, 1959, through January 31, 1960.

The program of the subcommittee is fully set forth in a letter to me, from the Honorable SAM J. ERVIN, JR., chairman of the subcommittee. I am forwarding this letter to you herewith, with the proposed budget, for the information of the Committee on Rules and Administration for consideration at its forthcoming meeting.

With kindest regards, I am,
Sincerely,

JAMES O. EASTLAND,
Chairman.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
January 26, 1959.

Hon. JAMES O. EASTLAND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR EASTLAND: This is in reference to the original resolution which the Committee on the Judiciary approved today for an appropriation in the amount of $25,000 to set up a staff for the standing Subcommittee on Revision and Codification, and which I explained before the committee.

In prior Congresses various titles of the United States Code have been codified which, from an examination of the titles in the code, will show to be of great importance. The titles of the code so far codified have been titles 1, 3, 4, 6, 9, 14, 17, 18, 28, 35, 10, and 32. It will be noted that such titles as "Civil and Criminal Code" and the laws relating to the armed services are included in this compilation.

The codification bills generally originate in the House of Representatives, where the Subcommittee on Revision of the Laws of the Committee on the Judiciary and its staff process these pieces of legislation. They, in connection with publishing companies, bring the laws into the right categories and prepare the eventual bill that is to be the subject matter of the Congress. This work is so detailed that it oftentimes takes 3 or 4 years to codify a particular title. It can be readily seen that a project of this magnitude must carry a cutoff date for the laws which are to be codified, and that subsequent laws must then be taken care of by a so-called cleanup bill. The element of time then enters into the picture because when the bill has received approval of the House and been sent to the Senate it almost of necessity must be passed in that Congress or the entire work of the Congress as to that legislation is for naught and must be commenced again in the next succeeding Congress. This causes a great deal of waste in the matter of time and expense. It also means that a great amount of work must be taken on face because without a staff the Committee on the Judiciary does not have the facilities to recheck 4 or 5 years of work within a single session. When this is realized, it becomes apparent why a staff for this most important legislative function be provided for this subcommittee.

As an example of the work that necessarily goes into a report on revision and codification legislation I cite H.R. 7049 of the 84th Congress, an act to revise, codify, and enact into law title 10 of the United States Code entitled "Armed Forces," and title 32 of the United States Code entitled "National Guard." The bill itself contained 776 pages, consisting of 4 parts and 165 chapters. The schedule of laws repealed consisted of approximately 43 pages. The report on the bill (S. Rept. 2484 to accompany H.R. 7049 of the 84th Cong.) consisted of 1,156 pages and covered every section of the titles dealt with in the revision and codification bill. Prior to reporting, the subcommittee held hearings on H.R. 7049 and did considerable checking and rechecking of its contents.

In the 85th Congress another bill (H.R. 8943), known as the cleanup bill, was introduced and processed through the Subcommittee on Revision and Codification and the Committee on the Judiciary. This bill of course, was to pick up all of the laws enacted after the cutoff date and to correct such substantive and technical errors as appeared in the original codification. The cleanup bil consisted of 36 sections, covering 185 pages. The schedule of laws repealed by that legislation consisted of approximately three pages. The subcommittee likewise held hearings on this bill and checked and rechecked its contents.

On the basis of the foregoing, I urge the approval of the attached proposed budget, since these funds will enable the subcommittee to make its contribution toward the goals outlined and set forth in this letter.

Sincerely yours,

SAM J. ERVIN, Jr.,
Subcommittee Chairman.

STUDY OF ADMINISTRATIVE PRACTICE AND PROCEDURE IN GOVERNMENT DEPARTMENTS AND AGENCIES

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 36, Senate Resolution 61.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 61) authorizing a study of administrative practice and procedure in Government departments and agencies.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, I believe the Senator from Colorado [Mr. CARROLL] should give a brief explanation of the resolution.

Mr. CARROLL. The purpose of the resolution is to enable the subcommittee to investigate the Administrative Procedures Act, which has not been amended by Congress for more than 12 years. The President of the United States and others have come forward with some very comprehensive proposed legislation, as evidenced by S. 600, introduced at this session of Congress, and S. 4094, introduced during the last session of Congress. It is a very large project for us to undertake. As I have said, it will be the first time in 12 years that such proposals will be considered. That is the purpose and function of the subcommittee, namely, to make an investigation and examination into the subject of departmental practices and procedure.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 61) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to make a full and complete study and investigation of administrative practice and procedure within the departments and agencies of the United States in the exercise of their rulemaking, licensing, and adjudicatory functions, including a study of the effectiveness of the Administrative Procedure Act, with a view to determining whether additional legislation is required to provide for the fair, impartial, and effective performance of such functions.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Sen-

ate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $115,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDITIONAL STAFF AND CLERICAL PERSONNEL FOR COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 37, Senate Resolution 49, which will be stated by title.

The LEGISLATIVE CLERK. A resolution authorizing the Committee on Labor and Public Welfare to employ temporarily additional staff and clerical personnel.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. HILL. Mr. President, the resolution merely permits the Committee on Labor and Public Welfare to have the same staff that it had during the last session and during preceding sessions of Congress, with the exception of one additional clerical position. I ask unanimous consent to have printed in the RECORD at this point a statement in explanation of the resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Today, January 27, 1959, the Committee on Labor and Public Welfare in executive session unanimously approved a resolution extending for 1 year the authority of this committee to employ certain temporary professional staff members and clerical assistants. This resolution, Senate Resolution 49, has been referred to your committee.

Under this resolution, the committee would be authorized—

(1) To continue the employment of four additional clerical assistants whose positions were first approved by your committee and by the Senate during the 1st session of the 83d Congress by Senate Resolution 37, and subsequently reapproved by Senate Resolution 186 of the 2d session of the 83d Congress; by Senate Resolution 34 of the 1st session of the 84th Congress; by Senate Resolution 194 of the 2d session of the 84th Congress; by Senate Resolution 75 of the 1st session of the 85th Congress, and by Senate Resolution 254 of the 2d session of the 85th Congress; these positions thus have been authorized on six occasions over the past 6 years.

(2) To continue the employment of four temporary professional staff members and two clerical assistants whose positions have been authorized since March 8, 1957, by Senate Resolution 101 of the 1st session of the 85th Congress and by Senate Resolution 253 of the 2d session of the 85th Congress.

(3) To employ an additional clerical assistant above the number presently authorized.

Thus, for purposes of simplification, Senate Resolution 49 combines the authority which was given the committee in the 85th Congress under separate resolutions.

Not only has the membership of the committee been enlarged from 13 to 15, and the number of standing subcommittees has been increased from 5 to 7, but it is clear to the members of this committee that the legislative workload during the 1st session of the 86th Congress will be exceptionally heavy, in certain fields even heavier than that during the 2d session of the 85th Congress. Thus, the committee feels that its need for continuation of the authority to employ additional personnel as proposed in Senate Resolution 49 is even more compelling than in previous years.

Rather than seeking a large sum of money to be expended for general purposes, the committee believes it would be served more effectively by requesting that a number of temporary personnel be authorized for the current year in the same manner as in preceding years.

The committee expects to maintain its policy of filling positions under the proposed resolution only as the workload requires. As in the past the committee expects to engage personnel authorized under the proposed resolution only for such periods of time as they are actually needed.

The personnel filling the positions referred to will be needed to work on important legislative matters related to labor, railroad retirement, and veterans' affairs.

If Senate Resolution 49 is approved, the committee intends to employ professional staff members at a base annual rate not to exceed $8,000, and clerical assistants at a base annual rate not to exceed $3,600.

On behalf of the Committee on Labor and Public Welfare, may I express the hope that your committee will be able to give early consideration and take favorable action on this resolution.

LISTER HILL.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 49) was agreed to, as follows:

Resolved, That the Committee on Labor and Public Welfare is authorized from February 1, 1959, through January 31, 1960, to employ four additional professional staff members and seven additional clerical assistants to be paid from the contingent fund of the Senate at rates of compensation to be fixed by the chairman in accordance with section 202(e), as amended, of the Legislative Reorganization Act of 1946, and the provisions of Public Law 4, Eightieth Congress, as approved February 19, 1947, as amended.

INVESTIGATION BY COMMITTEE ON BANKING AND CURRENCY PERTAINING TO PUBLIC AND PRIVATE HOUSING

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 19, Senate Resolution 11.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration, with an amendment, on page 2, line 19, after the word "exceed", to strike out "$114,500" and insert "$100,000", so as to make the resolution read:

Resolved, That the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to public and private housing.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $100,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD, at this point, a statement covering the need for this appropriation.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This resolution would authorize the expenditure of $100,000 by the Committee on Banking and Currency, or any duly authorized subcommittee thereof, from February 1, 1959, through January 31, 1960, "to examine, investigate, and make a complete study of any and all matters pertaining to public and private housing."

The amendment added by the Committee on Rules and Administration would reduce the amount requested from $114,500 to $100,000.

The general purposes of the study are stated by the Committee on Banking and Currency in its report to the Senate on Senate Resolution 11 (S. Rept. 4, 86th Cong., 1st sess.). Additional information on the intended inquiry is contained in a joint letter to Senator Thomas C. Hennings, Jr., chairman of the Committee on Rules and Administration, from Senator J. W. FULBRIGHT, chairman of the Committee on Banking and Currency, and Senator JOHN SPARKMAN, chairman of its Subcommittee on Housing, which letter (with accompanying budget) is as follows:

U.S. SENATE,
COMMITTEE ON BANKING AND CURRENCY,
SUBCOMMITTEE ON HOUSING,
January 21, 1959.

Hon. THOMAS C. HENNINGS, Jr.,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR SENATOR HENNINGS: On January 20, 1959, there was referred to your committee for consideration Senate Resolution 11, which was reported favorably from the Committee on Banking and Currency on January 20, 1959.

This resolution requests authorization for the Committee on Banking and Currency, or any duly authorized subcommittee, to expend funds in an amount not exceeding $114,500. These funds will be used by the Subcommittee on Housing of the Committee on Banking and Currency to continue its study and investigation of matters relating to public and private housing. These functions are authorized by section 134 of the

Legislative Reorganization Act of 1946, pursuant to the committee's jurisdiction under rule XXV 1(d)4 of the Standing Rules of the Senate. The subcommittee proposes to employ upon a temporary basis such assistance as it deems advisable in connection with the scope of activity to be carried out.

During the 2d session of the 85th Congress, the subcommittee's activities included studies and investigations of all phases of housing. The subcommittee also held hearings during the last session and prepared for the Committee on Banking and Currency the 1958 Emergency Housing Act, the omnibus housing bill, and other bills falling within the purview of the subcommittee.

During the last session of the Congress, the subcommittee began a comprehensive study to throw light on the question, "Does the decade 1961–70 pose problems in private housing and mortgage markets which require Federal legislation by 1960?" It is generally agreed that during the next 10 years our economy will expand far beyond today's level. The rate of home construction, which has been at a constant level for the past several years, must increase to meet the needs of a growing population with a rising standard of living. Net new family formation resulting from the births of the forties, the replacement of units to be demolished in order to carry out the national housing policy of a decent home for every American family, the increased mobility of American families, and the higher standard of living toward which we strive, will require more and better housing facilities in the future. Mortgage credit is the principal resource problem. It is incumbent upon committees of Congress having a responsibility in the housing field to seek ways for providing an adequate supply of home mortgage credit in the future.

The Subcommittee on Housing has launched this study of mortgage credit with a printed compendium, by experts in the field, which is widely regarded as a significant contribution to knowledge on this subject. It is planned that hearings will be held during this session of the Congress. It is also expected that this study will lead to constructive legislative proposals and improvement of the Nation's housing inventory.

The subcommittee has come to serve as a channel of communication between Members of the Senate, Government agencies, the housing industry, and the public. It has accumulated experience and knowledge which are utilized every day by Members having an interest in legislation, both existing and proposed, and in administrative problems affecting housing.

It is our sincere belief that the $114,500 authorization requested is completely justified by the size and complexity of the many problems of our Federal housing programs and is, in fact, necessary if the Senate is to keep itself informed on these vital matters. We hope that your committee will give favorable consideration to this resolution.

Attached to this letter is a copy of Senate Report 4 and an itemized budget indicating the manner in which the funds requested by this resolution are proposed to be used.

Sincerely,

J. W. FULBRIGHT,
Chairman, Senate Committee on Banking and Currency.

JOHN SPARKMAN,
Chairman, Senate Subcommittee on Housing.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The resolution, as amended, was agreed to.

STUDY OF MATTERS PERTAINING TO CONSTITUTIONAL AMENDMENTS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 28, Senate Resolution 58.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read the resolution, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to constitutional amendments.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided,* That, if more than one counsel is employed, the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement in explanation of the resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEFAUVER

As chairman of the Subcommittee on Constitutional Amendments, I wish to speak briefly in support of the subcommittee's modest request for $25,000 for the 1st session of the 86th Congress.

In the past, the staff work of this subcommittee was done by one of the staff members of the full Judiciary Committee. However, the workload of the full committee and the subcommittee has been on the increase over the past several years, and it is the considered and unanimous view of the members of both the committee and subcommittee that the many proposals which are referred to the subcommittee can be given much more thorough and effective consideration if the subcommittee is authorized to employ a counsel and a secretary.

During the 85th Congress, 38 constitutional amendments were proposed in the Senate; 140 proposals were introduced in the House. There is every expectation that more than this number will be proposed in the 86th Congress. Furthermore, many of these proposals will require the closest scrutiny, and several may require hearings. For example, there has been considerable pressure for several years to amend the Constitution to provide for Presidential disability. There is much sentiment in favor of an amendment to repeal the 22d amendment.

These various proposals should be given the most serious consideration. The proposed budget is the bare minimum necessary for such consideration. Therefore, I hope that the Senate will approve Senate Resolution 58.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 58) was agreed to.

STUDY BY COMMITTEE ON GOVERNMENT OPERATIONS OF INTERNATIONAL ACTIVITIES OF THE EXECUTIVE BRANCH

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 20, Senate Resolution 42. I wish to have that resolution made the pending business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Government Operations with an amendment, on page 2, line 20, after the word "from", to strike out "date of approval" and insert "February 1, 1959", and on page 3, line 15, after the word "exceed", to strike out "$55,000" and insert "$45,000", so as to make the resolution read:

Resolved, That for the purpose of continuing the study provided for in S. Res. 347, Eighty-fifth Congress, agreed to August 18, 1958, the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to the international activities of Federal executive branch departments and agencies relative to worldwide health matters, and of any and all matters pertaining to intergovernmental relations between the United States and international organizations of which the United States is a member, as provided for in rule XXV(1)(g)(2)(B) and (D) of said Standing Rules of the Senate, and of any and all matters pertaining to international health research, rehabilitation, and assistance programs, including but not limited to (1) the general level of authorization of funds for the future to enable the programs efficiently to achieve their purposes, including the use of United States appropriations and foreign currencies generated by American aid and sales of farm surpluses; and (2) the coordination of programs related to international health, on the part of interested U.S. Government agencies, including but not limited to, the programs of the Department of State, the International Cooperation Administration, the U.S. Information Agency, the Department of Health, Education, and Welfare, the Atomic Energy Commission, the Veterans' Administration, and the National

Science Foundation, in appropriate cooperation with nongovernmental organizations.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized at its discretion to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings under this resolution and S. Res. 347, Eighty-fifth Congress, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $45,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ORDER FOR ADJOURNMENT UNTIL TOMORROW

Mr. MANSFIELD. Mr. President, I move that when the Senate adjourns tonight, it adjourn until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to direct an inquiry to the acting majority leader. It was my understanding that the committee report on the housing bill would be filed prior to midnight today, so that the housing bill debate could get underway tomorrow after the morning hour had been concluded. I wonder if there has been any change in the plan.

Mr. MANSFIELD. The Senator's assumption was correct. Unfortunately, events have developed which make it impossible to lay down the housing bill as the order of business tomorrow. I should like at this time, on behalf of the majority leader, to announce to the Senate that the housing bill will not be reported until tomorrow night. I believe the minority leader should know this so that he may notify his colleagues accordingly. We will therefore have a night session on Wednesday, Thursday, and Friday, and we will also meet on Saturday if the housing bill and the airport bill have not been disposed of.

I believe that should be sufficient notice to the membership as to what the schedule will be for the rest of the week. As the minority leader has indicated, there is a great deal of interest in the celebration of Mr. Lincoln's birthday anniversary, and we would like to complete action on those two pieces of proposed legislation this week so that we can attend to the other matter next week.

Mr. DIRKSEN. I should like to utter the hope that starting out so early with night sessions will not become the pattern for the rest of the session.

Mr. MANSFIELD. I am in full accord with the distinguished minority leader, and share his hopes in that regard. I, too, hope that these night sessions, which have become too common in the past, will become a little more uncommon in the future. In view of the situation existing in the housing area, however, it is quite important that action be taken on the housing bill this week, before the Lincoln week celebrations. Every Senator is aware of the crucial need for action in this field. In order to meet that need it will very likely be necessary to hold several night sessions this week.

Mr. DIRKSEN. I am delighted to hear the acting majority leader agree with me.

ADJOURNMENT

Mr. DIRKSEN. Mr. President, I move that the Senate adjourn in accordance with the order previously entered.

The motion was agreed to; and (at 5 o'clock and 48 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, February 3, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate, February 2, 1959:

U.S. COAST GUARD

Capt. Chester L. Harding, USCG, for promotion to the permanent rank of rear admiral in the U.S. Coast Guard.

ASSISTANT DIRECTOR OF LOCOMOTIVE INSPECTION

Edwin R. Butler, of Illinois, to be assistant director of locomotive inspection, vice Howard H. Shannon, resigned.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

TO BE ENSIGNS

Jack W. Kinney, Jr.	Limberios Vallianos
Michael L. Olivier	Fred M. Welch
Lester M. Pence, Jr.	Douglas J. Wilcox
Joe P. Pennington	J. Austin Yeager
Frank A. Spear, Jr.	W. Paul Yeager

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant, subject to qualification therefor as provided by law:

(*Indicates ad interim appointment.)

Abraham, Louis R.	Adams, Thomas G.
Abrahamson, Dennis P.	Aitchison, Don E.
Ackerman, Robert K.	Anderson, Kenneth F., Jr.
Adamo, Nicholas J.	Anderson, Neil P.
Adams, Robert T.	Andrews, Charles T.
Andrews, William D.	Dolson, Thomas C.
Angle, Harold L.	Donovan, John B., Jr.
Apple, Richard K.	Douglas, Donald M.
Auer, William C., Jr.	Dowling, William P.
Baggett, Robert L.	Drake, James R.
Ball, George M.	Dubac, Carl H.
Baranski, Leonard S.	Dunn, Frank A., Jr.
Barnard, William H.	Dunn, Ronald E.
Barnes, Harry F.	Ebner, Thomas J.
Barnhardt, Richard H.	Edens, Allen R.
Barr, Victor M.	Edgar, Thomas R.
Bartsch, Robert W.	Edwards, Fred L., Jr.
Barwick, Hugh B., Jr.	Egan, Donald E.
Bates, John E.	Egan, John J.
Bath, Thomas J.	Eikenbery, Terry L.
Beagle, Ronald G.	Elardo, Frank P. Jr.
Bearce, Denny N.	Eskam, John A.
Beck, Peter S.	Evans, John S.
Beckman, Norbert J.	Ewoldsen, Hans M.
Beeunas, Lawrence F.	Fazekas, Alex E.
Beggin, John P.	Felker, James E.
Bench, Dan A.	Fentriss, James F.
Benson, James W.	Ferdinand, Warren A.
Berry, Roy L.	Ferree, Charles R.
Bickel, Robert F.	Fiel, Mervin A.
Billips, Charles E.	Finn, Robert C.
Bittner, Robert B.	Firing, Fritz
Blair, Lynde D.	Ford, Pat D.
Blasingame, Ben C.	Formanek, Robert L.
Bocklund, Daniel D.	Forsyth, Otis F.
Boggs, James C., Jr.	Fox, Clifford G.
Boswell, James M.	Farncis, Peter D.
Bower, William E.	Frank, Armin H.
Bowlin, Jerry T.	Franklin, Carroll R.
Boyd, Edward H.	Franklin, Ray M.
Brandt, Loren A.	Fraser, Donald R.
Braun, Richard G.	Fraser, James H.
Brokaw, James C.	Frasier, Joseph A., III
Brooks, Donald D.	Freeman, Larry W.
Brower, George H.	Friske, John D.
Brown, Bruce L.	Fudge, Robert J.
Brown, Robert S., Jr.	Gazzaniga, Donald A.
Bur, Arnold J.	Geddes, Donald P., Jr.
Burger, John C.	Gerleman, Loren D.
Burke, John J., Jr.	Getchell, James A.
Burnaman, Phillip R.	Giles, William G.
Burnham, Robert G.	Gillespie, Thomas E., Jr.
Burns, Jackie D.	Gillette, Earle J., Jr.
Burr, Robert H.	Glaser, Ronald R.
Burroughs, Franklin D.	Gonzales, Cyril E.
Butler, Wallace J.	Goodman, John C.
Calfee, Richard W.	Granger, Albert L.
Calleton, Theodore E.	Griffin, Warren L., Jr.
Cameron, Dougal A., III	Griffin, John L.
Campbell, Joseph G., Jr.	Gulick, Roy M., Jr.
Cannon, Floyd E.	Hager, George F., Jr.
Carbonar, Vincent A.	Hamilton, George S.
Carlton, John D.	Hammes, John K.
Carney, Robert T.	Hampton, Charles T.
Carolan, Frederick A.	Hancock, Thomas W., Jr.
Carrier, John H.	Harding, William W., Jr.
Carroll, Harry D., Jr.	Harman, John R.
Carroll, Edward P.	Harrity, Peter C.
Carter, Jared G.	Hart, James B.
Castonguay, Roger T.	Hart, Milledge A. III
Chapman, Harlan P.	Hayden, Francis M.
Clapp, James L.	Haymond, Phillip M.
Clark, Dale H.	Henry, John W., Jr.
Clark, George	Henry, Richard T.
Cobb, Westray S.	Herndon, Dale C.
Cody, Joseph F., Jr.	Hey, John M.
Cone, Fred J.	Hickox, Dean C.
Conway, Charles G.	Hinds, William R.
Cook, Robert M.	Hoffman, Russell E.
Cooley, James C.	Holiday, William G.
Coykendall, John M.	Holmes, Lee B.
Crews, Frank T., Jr.	Hook, Kenneth R.
Crone, Forrest W.	Hopkins, John I.
Cronin, Timothy J., Jr.	Hornsby, Malcolm T., Jr.
Crudup, Dempsey B.	Hovell, Peter F.
Dailey, John R.	Hughes, Guy D.
Davenport, Thomas F., Jr.	Hughes, Richard D., Jr.
Davisson, Elden R.	Hunt, Harry A., Jr.
Dettle, Christian J.	Hunt, Theodore E.
Dick, Jerry A.	Hurbis, Charles J.
Dixon, John A.	Huston, Ralph S.
Doerner, William C.	Jackson, William D.

James, Perry L.
Janovy, David L.
Jastrzemski, Walter M.
Johns, David D.
Johnson, Gunnar A.
Johnson, Lester E.
Johnson, Bruce W.
Johnson, Gordon E., III
Jones, Paul D.
Kaaa, Edmund W., Jr.
Kartchner, Orville R.
Katen, Arthur C.
Kent, James J.
Kenworthy, Richard J.
King, Paul D., Jr.
Kingree, Ben III
Kish, Joseph A.
Kisker, George W.
Klingensmith, Cloyd H.
Klosak, Eugene J.
Knettles, Charles E.
Knight, Frank P.
Knobloch, Eugene W.
Koehler, Clement J.
Koester, Charles T.
Kosmata, Alan R.
Kostesky, Raymond M.
Kraemer, Aaron
Krauss, Walter J., Jr.
Krop, Eugene D.
Kropp, Ronald G.
Kugler, Ernest R.
Kuttner, Ludwig G.
LaBonte, Jovite, Jr.
Lamb, Robert S.
Landis, John L.
Lane, James H.
Laue, John F.
Lawrence, Richard J.
Lay, Bobby A.
Lee, Alex
Leonard, Clark M.
Lethin, Ronald R.
Lewis, Franklin J.
Livingston, Henry S.
Llewellyn, John S., Jr.
Long, Howard L.
Long, William H.
Loring, Arthur P., Jr.
Lowrie, James F.
Luedke, Bruce D.
Lundberg, Darwin D.
Lutes, Edmund M., Jr.
Lynch, Bruce G.
Lynch, Jarvis D., Jr.
Lynn, Chester V., Jr.
MacFarlane, John L.
MacLeay, Donald L., Jr.
Maddox, Robert T.
Maeser, Earl S.
Manke, John A.
Marshall, John T.
Martin, Delbert M.
Martin, Joel A.
Martin, Robert S., Jr.
Massey, James L.
Massey, Schamyl C.
Matthews, Harris E.
Mavretic, Josephus L.
McAlister, Robert H.
McCloskey, Peter F.
McClung, Conrad O.
McClure, George M., III
McDavid, James E., III
McFadden, Dudley E., Jr.
McGrath, Daniel R.
McGregor, Jack E.
McKellar, Charles W. F.
McKenna, William E., Jr.
McManus, Edward P.
McManus, William J.
McMillin, Theodore R., Jr.
Mears, Leon G.
Meeth, John C., Jr.
Meiners, Joseph B., Jr.
Meister, George F., Jr.
Melton, Howard I., Jr.
Memmer, George V.
Menton, James P.
Mercier, Lawrence E.
Merline, David A.
Meserve, Richard C.
Miller, Michael
Miller, Neil P.
Milligan, Robert F.
Millington, Seth F.
Moe, Frederick J.
Monson, Charles L., Jr.
Moore, Robert S.
Moore, William B.
Moreton, James C.
Morgan, Harvey J.
Moriarty, Neil F.
Morris, George S.
Motherway, Robert T.
Movich, Richard C.
Mulrooney, Michael J.
Munro, Robert G.
Murtland, James B., III
Musilli, John A.
Necco, Charles R.
Nelson, William O., Jr.
Newman, Dewey L.
Newton, Carl W.
Nichols, Donald L.
Nist, James S.
Noll, Richard A.
O'Brien, Richard J.
Ogden, Don J.
Olin, Charles H.
O'Malley, James P.
Orio, Carl D.
Ortman, Herman W.
O'Shea, Cornelius J., Jr.
O'Toole, Patrick E.
Owen, Ronald L.
Palmer, John K.
Pappas, Delos S.
Park, Blaine R.
Parke, Charles F.
Parker, John B.
Patterson, Richard A.
Paulson, Theodore R., Jr.
Penland, Richard K.
Perkins, Dayle M.
Perry, Clarence R.
Peterson, Richard I.
Phillips, Keith E.
Phillips, Reed, Jr.
Poche, Adolph J., Jr.
Porter, Charles R.
Porter, Leonard E.
Porter, Robert R.
Powers, Robert A.
Pratt, David T.
Preble, Lee A.
Rackham, Robert N.
Raitt, George D.
Reed, James P.
Reed, Ralph L.
Reese, John A., Jr.
Regan, Frank C., Jr.
Reilly, James K.
Reinecke, Frank M., Jr.
Reinke, Milton A.
Rice, James F.
Rivera, Cuevas S.
Roach, James L.
Rogler, John E.
Rohloff, Carl A.
Rourke, William B., Jr.
Russell, Eugene B.
Ryan, Edward F.
Ryan, Thomas J.
Rychlik, Robert W.
Sanchez, David A.
Sanders, Joe P.
Sargeant, Robert A.
Sasso, Louis G.
Schaet, Donald E.
Schaffer, William A.
Schmidt, James M.
Schneider, John F.
Schneider, William L.
Schoen, William A.
Schoon, John E.
Schroeder, Rolf R.
Schultz, Jack T.
Schumacher, James A.
Schweri, Philip A.
Scofield, David H.
Seals, Charles J., Jr.
Searle, Henry L.
Sells, William A., Jr.
Shank, Paul J., Jr.
Sheridan, Lawrence D.
Sheridan, Robert F.
Shigley, Richard T.
Shillinglaw, James S.
Shortt, Harry R.
Skelton, Richard J.
Slider, William P.
Slough, Phillip G.
Smallman, John
Smith, Donald D.
Smith, James W.
Smith, John D.
Smith, Robert W.
Soesbe, Keith E.
Solomonson, Carl, Jr.
Sonnen, Charles J., II
Spaete, Robert P.
Spooner, Richard T.
Stableford, Richard H.
Stannard, Robert A.
Stapleton, Gerald F.
Stauffer, Robert M.
Steele, Orlo K.
Stein, Michael E.
Stephenson, Benton E. Jr.
Stith, Edward E.
Stoddart, George A.
Stone, Rodney L.
Strain, Walter L.
Suhre, Walter A., Jr.
Sullivan, Daniel L.
Sullivan, John A.
Sumrall, Haskell H., Jr.
Svec, M. Ronald
Swab, James E.
Swartz, William J.
Swenson, Carter P.
Tatum, Ronald E.
Taylor, George H., III
Taylor, Richard B.
Taylor, Theodore W.
Tesarek, Dennis G.
Tharp, John J.
Thompson, Jack C.
Thompson, Milton S.
Throm, Robert B.
Toben, Theodore J., Jr.
Tonini, Franklin J.
Townley, Edward F., Jr.
Townsend, James B.
Trapp, Earl G.
Treat, Raymond C.
Treichler, Donald R.
Trent, Anthony
True, Robert H.
Tully, Thomas J.
Van Gorder, Jan H.
Van Leeuwen, Neil R.
Varney, Richard S.
Von Carp, Hermann E. F., Jr.
Wagenhals, Walter L.
Wagner, Robert C., Jr.
Waite, Haines D.
Walker, Edwin H., IV
Weidler, Jay B., Jr.
Weinerth, Stuart L., Jr.
Weld, Wayne C.
Whaley, William M.
Williams, Donald E.
Williams, James P.
Williams, Robert W.
Williams, John C., III
Wills, Wayne M.
Wilson, Donald B.
Wuertz, Joseph B.
Wynn, Anthony M.
Yezzi, Richard C.
Young, Melvin B., III
Adams, Richard J.
Brown, Richard H.
Burns, Mervyn J.
Carroll, Edward P.
Correll, William R.
Di Fiore, Harold J.
Eddy, John L.
Ellis, Gerald L.
Franzoni, Andrew E.
Gurtner, James F.
James, Gerald D.
Kerce, Herbert M.
Kitchens, Kenneth E.
Lee, Peter B.
Lively, Charles M.
Lougheed, Thomas P.
Miller, Ralph D.
Pitt, Albert
Rule, Julius M.
Spaulding, Dorsey L.
Wilde, Hugh L.

The following-named women officers of the Marine Corps for permanent appointment to the grade of first lieutenant, subject to qualification therefor as provided by law:

Allen, Shirley L.
Auldridge, Carolyn J.
Connors, Anne M.
Durkin, Nancy J.
Farman, Elsa L.
Hernandez, Manuela
Knapp, Patricia A.
Leonard, Betty L.
Marting, Eleanor F.
Primeau, Elaine I.
Quisenberry, Delores J.

The following-named officers of the Marine Corps for temporary appointment to the grade of first lieutenant, subject to qualification therefor as provided by law:

Adams, Dale H.
Adams, Hubert J., Jr.
Ades, Robert E., III
Alexander, John R.
Alexander, Richard H.
Allinder, Myrl W., Jr.
Alogna, John M.
Anderson, Leon L.
Anderson, John W.
Anthony, Anthony A.
Austin, Randall W.
Auten, Don E.
Baker, Charles W.
Baker, Horace W.
Barney, Dale G.
Barrett, Charles S., III
Bartol, Henry J.
Bauer, William D.
Beckwith, William H.
Behme, James E.
Bergen, Daniel F.
Bigler, James C., Jr.
*Bloodworth, John M.
Bohr, Harper L., Jr.
Boman, Bruce B.
Bonthron, William J.
Bossert, John M.
Bosworth, Gerald G.
Bowman, Donald G.
Brackman, James T., II
Brennan, William F.
Brickett, Charles M.
*Bridges, Larry W.
Brill, Newton C.
Brinegar, Richard L.
Brock, David A.
Brown, Charles J.
Browne, Edward R.
Buerk, Gerald S.
Burke, John P.
Burleson, Eugene B., Jr
Buss, Richard H.
Butchart, Edward W.
*Butler, Frank H., Jr.
Butler, John W.
Byrnes, Robert E., III
Cady, Thomas C.
Callaway, Lee, III
Campanella, Francis B
Capek, Richard C.
Carswell, Donn A.
Carty, John J.
Cassidy, Myles D.
Caswell, Russell J.
Caton, James R.
Chambliss, John C.
Chappell, John F.
Clark, Robert L.
Clay, John P.
Clinton, James R.
Cobb, Jerry L.
Cohan, Leon, Jr.
Collins, Larry M.
Cooper, Matthew T.
Cooper, Samuel W.
Crabtree, Robert G.
Cullen, Robert F.
Culver, Richard O., Jr.
Cunningham, Dennis M.
Cunningham, Francis J., III
Curd, James H. R.
Cuthrell, Donald W., Jr.
Dalberg, James E.
Damuth, Don R.
Daniels, Clifton
Daugherty, Charles L., Jr.
Davidson, James U.
Davis, Charles E., III
Davis, Ronald W.
Day, Bernard C.
Dean, Alan J.
Dean, Bennett R.
*Dearth, Wayne R.
DeBrine, Richard A.
Deegan, Gene A.
DeMartino, Pasquale W.
Dennis, Charles H.
Donnelly, John L.
Donnelly, Walter A., Jr.
Dougherty, Paul K.
Doughty, Clifford C.
Douse, George H.
Driscoll, Eugene J., Jr.
Dube, Marcel J.
Dulaney, Richard L.
Dusek, Lowell Michael
Dwyre, Michael D.
Dyer, Calvin R.
Dyer, Paul W.
Ebanks, William J., Jr.
Edwards, Elgin C.
Evans, Robert V.
Featherstone, Robert K.
Felix, William D.
Ferguson, Robert A.
Fraser, Thomas J., Jr.
Fredericks, William B.
French, Leighton H.
Friedland, Alan S.
Garant, Philias R.
Garner, John T.
Gelpi, Gerard T.
Ging, Edward D.
Gleason, Michael N.
Goldberg, Marvin A.
Goode, Kenneth N.
Gordon, Richard H.
Granger, James H.
Gratto, Joseph M.
Green, John M., Jr.
Hafner, Bron D.
Halbleib, John A.
Hale, Harold W.
Hale, William H., Jr.
Hammack, Tommy R.
Hanley, Michael J.
Hanson, Richard A.
Hanthorn, Russell L.
Hardgrove, William R.
Harper, Hugh J.
Hart, John G., III
*Hart, Robert W., Jr.
Hatton, George A., Jr.
Haws, William E., Jr.
Hayward, Benjamin N., Jr.
Hemingway, John W.
Henry, James W.
Henry, Norman E.
Himmerich, Robert T.
Hodge, Gene D.
Hofland, Robert M.
Hogaboom, Pieter L.
Horne, George R., II
Houseman, William B.
Hudson, Jerry E.
Huff, Edwin L.
Hulme, Michael E.
Hurley, Robert B.
Iles, Jacob E.
Iliff, Warren J.
Imbus, Robert J., Jr.
Irish, Jerry A.
Isherwood, Geoffrey B.
James, Ronald K.
Jenkins, Jerry H.
Jespersen, Robert R.
Kaapu, Kekoa D.
Kammeier, Frederick A.
Kandra, Myron J.
Kazalunas, John
Keane, Michael F., Jr.
Kirkham, James H.
Klinkenberg, Arnold L.
Knapper, Roger E.
*Kohnen, Hubert
Kreicker, Graham H.
Kretschmar, Ernest T.
Lakes, Jack B.
Lammerding, Richard L.
Landy, Barry A.
Lanigan, John D.
Larson, Richard D.
Lawe, Richard C.
Lawler, Traugott F.
Leary, Daniel F., III
Lee, William F.
Lengauer, George T., Jr.
Letscher, Martin G.
Lewis, Sherman R., Jr.
Lindseth, Clarence D.
Little, John C., III
Longdon, Alexander P., Jr.
Luft, Robert S.
Lummis, Charles D.
MacCarthy, Alan W., Jr.
MacKay, Malcolm L.
Mackin, Patrick M.
Maguire, Robert J.
Mahoney, John M.
Maley, Frederic W.
Maloy, Kevin A.
Manazir, Charles H.
Martin, Edgar C.
Martin, Warren L.
Massey, Gerald J.
Mayberry, William B.
Mayers, Kenneth E.

McCabe, John G.
McCormick, Ralph C.
*McCraner, James N.
McDorman, Leroy D., Jr.
McElroy, Theodore R.
McFadden, Jack D.
*McGee, David O.
McKinney, Ronald D.
McKittrick, Robert O.
McNelly, John F.
McNutt, Kenneth A.
Mead, Charles P., Jr.
Means, Henry N., III
Meissner, Howard W.
Merriss, William D.
Milleman, Sherwood E.
Miller, Anthony D.
Miluski, Joseph J.
Mixson, Miles E.
Molsbee, Neil
Mooney, William A.
Morris, Paul D.
Mosher, David K.
Mulkern, Thomas R., Jr.
Mulkey, Jesse G.
Murdick, Perry H., III
Murphy, John R.
Naugle, Donald G.
Navadel, George D.
Neal, Robert G., Jr.
Newman, Gale L.
Nichols, Charles H., Jr.
Nicol, Alton E.
Nielsen, Bruce S.
Noble, Robert E.
Nugent, Wallace R.
Oakley, Cledith E.
O'Brien, Joseph J.
O'Hayre, John J., Jr.
Olson, Reid H.
Paige, Reid B.
Parks, Hugh L., III
Pastrell, Darrell K.
Phenegar, Wesley R., Jr.
Pierce, Jerry S.
Polk, Larry J.
Polyak, George R.
Pope, Ernie T.
Power, Thomas J.
Pratt, Thomas M., III
Quanrud, Richard B.
Radcliffe, Eugene T.
Raines, Richard C.
Rasavage, John R.
Ratzlaff, James W.
Reed, Robert W.
Reeves, Thomas L.
Reynolds, Richard C.
Rhinesmith, Gary B.
Roberson, John C.
Robinson, Donald M.
Robinson, Frederick J.
Rodewald, William O.
Rodwell, Roy O.
Rosenberg, Joseph F.
Roudebush, Tom
Roundtree, Lee C.
Rushing, Clifton L., Jr.
Russell, Francis P. Jr.
Russo, Anthony R.
Salmon, Michael D.
Scamehorn, Richard C.
Schenck, Kennell I., Jr.
Schermerhorn, Dale W.
Schmidt, John E.
Schneider, Herman W.
Seaver, Robert L.
*Seymour, Kenneth F.
Shannahan, John K.
Shroyer, David K., Jr.
Silvear, Thomas A.
Silver, Tommy J.
Simpson, Fred D., Jr.
Simpson, James F.
Sinnott, William T.
Smaldone, Ronald A.
Smith, Robert E.
Smith, William W.
Smyth, Thomas J.
Sotsky, George R.
Spangler, John F.
Sprick, Doyle R.
Stehr, Paul W.
Stewart, Douglas K.
Stoloski, William J.
Stremic, Anthony W.
Studer, Edward A.
Sudmeyer, Paul T.
Suedekum, Norman F.
Sutherland, Arthur A., Jr.
Sutton, Robert A.
Swenson, Wayne R.
Sydnor, Giles C.
Taylor, Bruce C.
Taylor, Franklin D.
Taylor, Richard H.
Telford, Jacque W.
Thames, Samuel E.
Thomas, Willard Y.
Thomas, William L.
Thompson, Amos D., Jr.
Thompson, Charles B.
Tilton, Richard C.
Tinker, Alan
Toelle, Alan D.
Toth, James E.
Uram, Edward T.
Van Antwerp, William M., Jr.
Van Niman, John H.
Van Tassel, Gerry L.
Vasko, George E.
Vaughn, Clovis S.
Vindich, Joseph G.
Volz, Carl W.
Vowell, David E.
*Waibel, Leonard C.
Wakefield, Robert H.
Wallace, Harry R.
Walters, Warren S.
Ward, Charles L.
Warnicke, Edward A.
Wasik, Henry J.
Wells, Jack W.
Wells, Raymond
Weltin, William L.
Werner, Robert G.
Westcott, William F.
Westphal, Paul E., Jr.
Whiting, Edward R.
Whittlesey, Joseph T.
Wier, David A.
Williams, Laurence T.
Williams, Walter L., Jr.
Willmarth, John M.
Wilson, David R.
Wilson, Robert B.
Wood, Howard C.
Woodward, Robert L.
Wright, Ronald W.
Yenerall, Grant L.
Yon, Dandridge H.
York, Geoffrey A.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer, W-3, subject to qualification therefor as provided by law:

Eaton, Harvey M.
Ross, Robert G.
McArthur, Robert J.
Johnson, Roy K.
Frye, Robert A.
Travis, Willis S.
Davis, Jules E.
Thomas, Robert L.
Lawson, Jewel H.
Metz, George F.
Bogue, Douglas W.
Shellhorn, Melvin W.
Brown, Robert M.
Ronsvalle, John
Harris, Jesse R.
Clegg, Donald L.
Smiley, Hubert A.
Smith, Hulon C.
Beith, Rolfe H.
Alcorn, Murrie G.
Barnidge, James L., Jr.
McShane, H. Clint
Dale, Frederick H.
Cline, James, Jr.
Meinke, Theodore
Bouvy, Jack W.
Faraklas, Tom, Jr.
Elliott, Harry R.
Kibbee, Roy F.
Meek, Donald L.
McLane, Benjamin V., Jr.
Kerr, John D.
Pedersen, Eric T.
Davi, Charles V.
Labahn, Louis E.
Garrett, Willard D.
Chapman, Robert R., Jr.
Gibson, Herbert S.
Henry, Ernest C.
Peterson, William M.
Koste, Raymond A.
Palmer, Wayne G.
Holl, Frederick L.
Buckler, Robert E.
Brown, George H.
Anello, Ben
Mead, William D.
Hare, Casper P.
Oliver, Milton P.
Layne, Gerald J.
Rook, James A.
Gloshen, John R.
Watson, Robert T., Jr.
Rafi, Paul H.
Newton, Charles O.
D'Lamater, Robert J.
Crook, Rex W.
McClure, Robert J.
Bond, Willard K.
Allen, Lacy J.
Jessen, Jesse A.
McEwen, Charles E., Jr.
Young, Leonard R.
Strahan, John
Westmoreland, Robert H.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer, W-2, subject to qualification therefor as provided by law:

Gilman, George L., Jr.
Robbins, Raymond B.
Osterhoudt, Peter C.
Parker, Barney W.
Barnes, Cletus, Jr.
Strong, Hubert R.
McLellan, Robert
Donahue, Leo J.
Rogers, William M.
Christie, Martin S.
McCullough, J. D.
Sroufe, Robert C.
Friar, Elton V.
Thomas, Johnny W.
Benavage, Peter
Stein, Samuel W.
Hayes, John L.
Costanza, Frank V.
Crocker, Ernest, Jr.
Martin, Galen R.
Westerlind, George L.
Williams, James T.
Zullo, Rocco A.
Dennis, Harold S.
Shansby, Melvin B.
Overs, Clarence J.
Le Bouf, Henry B., Jr.
Rodd, Richard T., Jr.
Bruce, Thomas H.
Gustafson, Walter C.
Lundgren, Darrell Q.
Slocum, Leslie V. R.
Wayne, James H.
Delaney, James J.
Normandeau, Joseph P.
Gilbert, Clifford R.
Murphy, James L.
Dyson, Frederick W.
Redmond, James E.
Van Note, Duane R.
Holland, John E.
Sparks, Sidney
Gamber, Michael
Brenton, Perry S.
Ritter, John L.
Lay, Cophes L.
Clark, Harry F.
Rypar, Joseph
Rogers, John L.
Ciampa, Angelo P.
Martin, Lawrence T.
Stuckey, A. W.
Sheridan, Lawrence V.
Brewer, Patrick R.
Babyak, Joseph J.
Brearey, Leonard J.
Duncan, Orville H.
Bailey, Walter L.
Clemons, William D., Jr.
Fix, Edwin J., Sr.
Scroggs, Frank W., Jr.
Robinson, Max E.
Sprague, Lee N.
Crawford, Roy H.
Border, James A.
Nixon, Joseph A., Jr.
White, William R.
Kammeyer, Preston L.
Russell, Robert H.
Maneely, William H., Jr.
Hall, Clyde T.
Newtown, Glenford A.
Kennedy, Jo E.
Corbett, William C.
O'Connor, Donald J.
Robertson, Margaret
Spikes, Aaron W.
Beyer, Huston H.
Georgia, Daniel C.
Burton, Ottis C., Jr.
Christ, Arthur J.
Young, Lauritz W.
Conner, Gerald H.
Patterson, Merlyn M.
Williamson, Robert V.
Palmer, Robert M.

IN THE NAVY

The following-named officers of the Navy for temporary promotion to the grade of lieutenant commander in the staff corps indicated, subject to qualification therefor as provided by law:

(*Indicates ad interim appointment.)

Medical Corps

Akin, George M., Jr.
Alspach, Rodger L.
Aquadro, Charles F.
Arnest, Richard T., Jr.
Arthur, Ransom J.
Barrick, Richard H.
Beckwith, Frederick D.
Bishop, Calvin F.
Brown, Herbert R., Jr.
Burke, Robert A.
Cady, Gerald W.
Cowell, William E.
Cox, John W.
DeForest, Robert E.
Dobel, Gerald F.
Eckert, Herbert L.
Egbert, Lawrence D., Jr.
Ewing, Channing L.
Garrison, Joseph S., III
Gossett, Clarence E.
Grause, Thomas J.
Grote, Arthur J.
Hart, George R.
Hinton, Benjamin F.
Jauchler, Gerard W.
Johnson, John D.
Kane, John R.
Kelly, Glenn F.
Kleh, Thomas R.
Koth, Douglas R.
Ledwith, James W.
McCord, Don L.
McHenry, Laudie E., Jr.
Most, John A.
Nunnery, Arthur W.
O'Connell, Fred H.
Osgood, Morgan F.
Ovington, Robert C.
Prather, Victor A., Jr.
Ramirez, Philip E.
Robinson, William M. M.
Sacher, Edward C.
Sammons, Billy P.
Sears, Peter D.
Sedwitz, Joseph L.
Shea, Martin C., Jr.
Spaulding, Raymond C., Jr.
Staggers, Frank E.
Szakacs, Jeno E.
Tabor, Richard H.
Trostle, Henry S.
Turner, Thomas W.
Watkins, Tommie K.
Wurzel, John F.

Supply Corps

Acree, Calvin "H"
Anderson, William "B", Jr.
Anweiler, Calvin R.
Armstrong, Edmund S.
Audino, Joseph R.
Austin, Robert C.
Ayrassian, Neshan
Baccaro, Michael V.
Balderston, Lee R.
Bassing, Bernard E.
Bayers, John A.
Benfell, Leonard H., Jr.
Bennett, William W.
Bergeaux, Floyd E.
Bingham, Mack "B"
Blassic, Robert S.
Bliss, Roger C.
Bollens, Alfred P.
Borchert, William H.
Braley, Charles R., Jr.
Bridges, Charles D., III
Bristow, John M.
Broill, Robert T.
Butler, Herbert F., Jr.
Byrd, James L.
Carmer, Elwood A.
Carrington, James H. H.
Carter, Robert T.
Cecil, William F.
Cefalu, Dominic V.
Chadwick, William A.
Chegin, George I.
Chester, Francis J.
Chetlin, Norman D.
Colbert, Bryan R.
Coons, William W.
Coryell, Rex S.
Crozier, Wayne R.
Culwell, Charles L.
Dasovich, Michael
Dauchess, Edward G.
Deutch, Martin J.
Dickson, Holton C., Jr.
Ditto, Chester L.
Doddy, William F.
Donahue, Daniel F.
Donoher, Thomas J.
Downs, Thomas R.
Duessel, Harold C.
Dunbar, Robert F.
Edson, Stephen R., Jr.
Edwards, Howard R., Jr.
Ellingwood, Leonard D.
Ferrell, Reginald G.
Forehand, Joseph L.
Frahler, Andrew L.
Francisco, Dick H.
Funk, Raymond W.
Futral, Herschel E., Jr.
Gamber, Gerald K.
Garbalinski, Walter
Garibaldi, James J.
Ghormley, Robert L., Jr.
Goldstein, Gerald H.
Granger, Howard P.
Grimes, Joseph L.
Haas, Harold E.
Haberthier, Jack H.
Haley, Richard W.
Hamric, Herschel B., Jr.
Hausold, Robert P.
Herndon, Paul C.
Herr, Gordon M.
Higgins, Everett C.
Hoffman, Rex V., Jr.
Hopkins, Leroy E.
Humphrey, Harvey R.
Ingram, Thomas J., III
Jackson, Dale E.
Johnston, William E.
Knapp, George H.
Kearsley, Harold
Kocher, Edward M.
Kreyenhagen, Milton E.
Kulczycki, Alfred S.
Leventhal, Robert S.
Levine, Alan Y.
Linthicum, Walter E.
Long, Samuel M., Jr.
Mahaffey, John J.
Malerich, Francis J.
Matthews, William H.
May, Richard C.
McEnearney, John E.
McMullen, Marvin E.
Medlin, Raymond A.
Mehaffey, Donald C.
Morgan, James P., Jr.
Morphew, Karl M.
Murphy, George A.

Murphy, Ralph F., Jr.
Murphy, Thomas F., Jr.
Naismith, James A.
Newman, Carl H.
Nicol, Robert G.
Owens, Andrew J.
Prestwich, John P.
Pringle, John B.
Rendelson, Paul L.
Renne, Raymond B.
Riger, Robert J.
Roberts, Calvin W.
Robinson, Kenneth M.
Roll, Arch C.
Sartor, Alvis D.
Schmidt, Robert V.
Scott, Harold K.
Selden, Clairborne T.
Slattery, John G.
Smeds, James H.
Smith, Charles M.
Smith, Roy F.
Speer, Wilburn A., Jr.
Stark, Warren H.
Stevens, Robert J.
Swanke, Charles C.
Swenson, Darrell E.
Tapp, James G.
Taylor, William L.
Tracy, George D.
VanMalsen, Wesley W.
VanZee, Elvin L.
Volkmann, Harry M.
Watson, Lawrence A.
Watson, Raymond A.
Watt, Robert J.
Webster, Kenneth B.
White, Warren P.
Will, James C.
Williams, Leslie W.
Wilson, Dorsey V.
Winfrey, William L.
Witte, Anton L.
Woodbury, Orpheus L., Jr.
Woodworth, Fred I., Jr.

Chaplain Corps

Barlik, Robert F.
Bodle, Harold D.
Byrnes, John P.
Carlson, Kenneth W.
Crabtree, Roger L.
Dodge, John K.
Forsyth, Willis J.
Fulfer, George W.
Gibbons, Alan R.
Grabowski, John
Griffin, Gordon H.
Griffin, Jack B.
Hailstone, Charles E.
Hardman, Samuel R.
Hershberger, George M.
Jones, Edwin S.
Kelly, Edward J.
Kiefer, Robert W.
Killeen, James J.
Kirkbride, Donald L.
Kirkland, Albert S. M.
Little, James S.
Mattiello, Lucian C.
McClone, Roger K.
Michael, Don M.
Nickelson, Jay V.
Odell, Robert W.
Oliver, Preston C.
Osman, Robert E.
Riess, Paul G.
Riley, Edward O.
Roberts, Stacy L., Jr.
Rogers, Lowell R.
Saeger, Alfred R., Jr.
Seiders, Marlin D.
Sessions, Hal R., Jr.
Sire, Elwin N.
Somers, Lester I.
Symons, Harold F.
Tillberg, Harlin E.
Titley, Richard K.
Trett, Robert L.
Trumbo, Warren D.
Ude, Willis P.
Vinson, William H.
Wolfe, Billy N.

Civil Engineer Corps

Anderson, Gordon A.
Bacon, Howard I.
Bartley, Delmar A.
Bibbo, Domenico N.
Bird, David R., Jr.
Birnbaum, Philip S., Jr.
Brown, Warren F.
Brown, Wesley A.
Calhoun, Charles W.
Carroll, Robert G.
Cavendish, Lynn M.
Clements, Neal W.
Dambra, Rudolph F.
Day, Frank W.
Day, James C., Jr.
Dickman, Robert E.
Dobson, John F.
Douthitt, Roy W.
Fluss, Richard M.
Galloway, James E.
Graessle, Howard D. II
Hackett, Arthur E.
Hoffman, George L.
Howe, Charles M.
Johnson, William M., Jr.
Kauffman, Steven K.
Kleck, William, Jr.
Litke, Robert A.
MacCordy, Edward L.
Marquardt, Walter E., Jr.
Marsh, Edward H. II
McEleney, Philip J.
McManus, Edward A.
Michael, Edwin M.
Nelson, Robert H.
Parsons, John E., Jr.
Profilet, Stephen B.
Raber, Robert R.
Schley, Gordon W.
Swecker, Claude E., Jr.
Taber, Donald O.
Tinklepaugh, Richard L.
Trueblood, Donald R.
Vance, Robert C.
Wagoner, Jack R.
Watson, John D., Jr.
Welton, Dexter M.
Wilson, Frank D.
Wittschiebe, Donald W.
Woodworth, Robert P.
Wynne, William E.

Dental Corps

Allen, Ethan C.
Atkinson, Ray K.
Baird, Daniel M.
Barrow, Paul E.
Beeler, Grover G., Jr.
Clouser, Earl G.
Corthay, James E.
Cullom, Robert D.
Davy, Arthur L.
Demaree, Neil C.
Gehrman, Robert E.
George, Raymond E.
Glasser, Harold N.
Hancock, Charles D.
Hartnett, Joseph E.
Heinkel, Erwin J., Jr.
Holland, Edmund M. R.
Hotz, Philip C.
Howard, Roger H.
Huestis, Ralph P.
Lyons, James J.
Marit, Dan
Mendel, Robert W.
Montgomery, Wendell E.
Oenbrink, Philip G.
Pennell, Ernest M., Jr.
Slater, Robert W.
Smith, Scott M.
Spicer, Robert H.
Swift, William S., Jr.
Thomas, Julian J., Jr.
Walker, William G.
Webb, John J.
Yarbrough, Jesse L.

Medical Service Corps

Arm, Herbert G.
Blessant, Angelo P.
Damato, Morris J.
Davenport, Thomas G.
Davison, Robert J.
Duckworth, James W.
Ellis, Dan K.
Grantham, Herbert G.
Green, Irving J.
Harter, Wilmer J.
Hatfield, Paul H.
Henning, William H.
Hull, Edward F.
Hutchinson, Albert P.
McIntosh, Charles I.
McWilliams, Joseph G.
Meriwether, Waters T.
Musick, Paul E.
Nice, Armand R.
Paige, Ray F.
Papi, John
Roberts, Robert M.
Sammons, Howard M.
Scrimshaw, Paul W.
Walter, Eugene L., Jr.
Werner, Gordon W.
Wiliams, Wayne E.
Zuelzke, Fred A.

Nurse Corps

Alexander, Betty J.
Allen, Doris M.
Balashek, Helen M.
Barber, Ella
Beretta, Gwendolyn L.
Bowman, Wanda C.
Bristol, Katherine J.
Broker, Irene W.
Brownstein, Dora
Burcham, Janice M.
Burns, Dolores T.
Cardillo, Virginia M.
Carmickle, Mary E.
Carroll, Emma L.
Christ, Gertrude A.
Clayton, Wilma C.
Cleary, Virginia M.
Crawford, Minnie R.
Crosby, Nancy J.
Davis, Betty M.
Davis, Jean E.
Devan, Winifrede
Devaney, Audrey M.
Dias, Louise S.
Doherty, Katheryn L. T.
Dowell, Patricia L.
Ellis, Barbara
Ernst, Joan T.
Evans, Daisy
Fenn, Bernice E.
Frank, Lillie M.
Gale, Mary I.
Gardill, Norma H.
Gormish, Sophia H.
Hanes, Eileen
Harper, Marchetta
Hart, Anna G.
Heimberger, Peggy S.
Hyler, Mary S.
Jakshe, Louise F.
Jones, Eva D.
Kane, Margaret A.
Kelly, Mary T.
Kenyon, Helen A.
Kessler, Lois P.
Lecroy, Margaret L.
Leoni, Clara J.
Lesho, Veronica A.
Lewis, Betty J.
Malloy, Kathleen M.
Merritt, Lois C.
Mickiewicz, Marcella A.
Morris, Thekla W.
Pechal, Lily M.
Pelkington, Alva B.
Power, Luisa A.
Quillin, Rose M.
Rapp, Gloria V.
Redfern, Mary V.
Reid, May L.
Roark, Nathalie A.
Roller, Helen
Roth, Eva K.
Rowe, Dorothy L.
Schuh, Lorraine C.
Schultz, Aldona
Searcy, Owedia M.
Segin, Olga
Shearer, Carolyn J.
Short, Dorothea M.
Slate, Faye J.
Stankovich, Melva
Sterling, Gloria J.
Surman, Mary S.
Swoboda, Nadean M.
Thurnau, June R.
Trujillo, Virginia C.
Walker, Geneva E.
Wathen, Mary J.
Wentzel, Mary M.
Wilson, Marjorie R.
Zabel, Kathryn E.

The following-named officers of the Navy for temporary promotion to the grade of lieutenant in the line and staff corps indicated, subject to qualification therefor as provided by law:

Line

Abbott, Leonard J.
Abernethy, Paul L., Jr.
Adams, Jackie D.
Adams, John L.
Agnew, William F.
Ailes, John W., IV
Albritton, Charles R.
Alderson, Donald M., Jr.
Aldrich, Thomas L.
Alecxih, Donald A.
Alexander, Howard W.
Alexander, James W.
Allen, Bill R.
Allen, Charles A.
Allen, John C.
Allen, Peter F.
Alligood, Bruce T., Jr.
Anderson, Erns M.
Anderson, James C.
Anderson, Roland F.
Anderson, Ray "J"
Anderson, William P.
Andrews, Reece L.
Ansel, Frank N.
Armstrong, David W.
Aronis, Alexander B.
Arthur, Glenn N., Jr.
Artz, Robert C.
Ashby, Donald R.
Asher, Roy W.
Ashford, James P.
Asman, Robert K.
Astley, James F.
Atherton, Raymond
Atkins, George P.
Atkins, George T., Jr.
Augustyniak, Edward J.
Aut, Warren E.
Aven, Donald J.
Awbrey, Roy D.
Bader, Allen L.
Baglioni, Victor A.
Bailey, Gail R.
Bailey, John P., Jr.
Baird, Winfield S., Jr.
Baker, Richard L.
Baldauf, Laurence C., Jr.
Baldry, George K.
Baldwin, James T.
Baldwin, John A., Jr.
Baleme, Leroy C.
Ballew, Charles W.
Ballinger, Robert M.
Balsamo, Leo J.
Banbury, Floyd R.
Bannon, John M.
Banz, Robert D.
Bardwell, Robert F.
Barker, George D.
Barker, Monroe W.
Barker, William S.
Barnes, Richard A.
Barr, Walter A.
Barrett, James M.
Batdorf, Paul D.
Bates, Glenn D.
Bates, Walter F.
Battles, Roy E.
Batzler, John R.
Bauder, James R.
Baumgartner, John P.
Baxter, William J., Jr.
Bean, Alan L.
Beardslee, Ralph C., Jr.
Beavert, Alfred F.
Bechelmayr, Leroy R.
Beck, Norman E.
Beisel, Gerald W.
Bel, Douglas W., Jr.
Belay, William J.
Beltz, Russell C.
Benefiel, Oscar W.
Bennett, Joseph E.
Bennett, Raymond "D"
Benton, Joseph D.
Bernard, George O.
Bernardin, Peter A.
Berrier, John J., Jr.
Bethany, Jesse E.
Betsworth, Roger G.
Biegel, Herbert K.
Bigney, Russell E.
Bilderback, John E.
Billing, Clare B.
Bishop, Michael E.
Black, Cole
Black, George E.
Blackmar, Fredrik E.
Blaine, Robert D.
Blair, Peter S.
Blanc, Garvey A.
Blandford, James R.
Blount, Eddie B.
Blythe, Russell M.
Boardman, John R.
Bodensteiner, Wayne D.
Boland, Bruce R.
Bonham, Clarence C.
Bonner, James T., Jr.
Bonz, Philip E.
Borden, Archie D.
Bossart, Edmund B., Jr.
Bosworth, Kirk L.
Boucher, Francis T.
Boudreaux, Luk S., III
Boudreaux, Byron F.
Bourke, Donall G.
Bowen, Barry V.
Bower, Thomas E.
Bowler, Peter P.
Boyd, Robert L.
Brace, Robert L.
Bracken, Leonard A., Jr.
Bradley, Bedford C.
Brady, Frederick L., Jr.
Brainerd, John L.
Brandau, James F.
Braun, Carl T.
Brecheen, John A.
Bridenstine, Harold L.
Briggs, Donald R.
Brogden, Ronald D.
Brooks, Dennis L.
Broughton, James A.
Browder, Edward H.
Brown, Harold E.
Brown, Isom L.
Brown, Leo P.
Brown, Robert C.
Brown, Thomas F., III
Brown, Thomas N.
Brown, Victor A.
Browning, Robert B.
Brownlow, James H.
Brubaker, Joseph D., Jr.
Brunick, Gerard P.
Buchanan, Auda E.
Buck, Harry J.
Buckley, John E.
Bull, Norman S.
Bullard, Jerry L.
Burch, William J.
Burden, Harvey W.
Burgess, Harold E., Jr.
Burke, Thomas J., Jr.
Burnett, Richard W.
Burnham, Leonard
Burrows, Hubbard F., Jr.
Bush, William L., Jr.
Butterfield, Frederick D.
Buzzard, Robert D.
Byers, James "Z"
Byrne, Joseph L.
Byrne, Patrick S.
Cabot, Alan S.
Cade, John W.
Cajka, Anthony C.
Callahan, Robert L.
Cameron, Jim F.
Cameron, Robert W.
Camp, John R.
Campbell, Harry F., Jr.
Campbell, Richard F.
Campbell, Richard H.
Campbell, William H.
Cann, Thomas P.
Caraway, Elisha B., Jr.
Caricofe, Charles N.
Carlson, Dudley L.
Carlson, Leland J.
Carr, James M., Jr.
Carry, Allan H.
Carson, Burton E., II
Carter, Powell F., Jr.
Cartwright, Frederick E.
Carver, Robert L.
Case, Philip D.
Case, Robert W.
Caston, Terry G.
Caswell, David W.
Cazares, Ralph B.
Chadwick, William R.
Channell, Ralph N.
Chapman, Melvin E.
Chapman, William R.
Chase, Warren P.

Chiz, Thaddeus F.
Christensen, Howard E.
Christian, Robert R.
Christmas, Walter B.
Cicolani, Angelo G.
Cisson, Arthur
Clark, Charles F., Jr.
Clark, Orris V.
Clark, Robert "C"
Clausen, Carroll E.
Clement, Carl C., Jr.
Cleveland, Gary M.
Cliff, Gene L.
Cobb. George W.
Cockfield, David W.
Coe, Jonathan S.
Coffey, Roger L.
Coleman, Charles L.
Coleman, Theodore L., Jr.
Colley, Richard T.
Combs, Lawrence L.
Compton, George O.
Comstock, Richard I.
Conerty, Frank C.
Conlan, Robert L.
Conley, David J.
Conmy, Walsh J.
Connell, William C.
Conoly, Samuel S., Jr.
Constans, Robert F.
Conway, James M.
Cook, Charles F.
Cookson, Robert H.
Cooper, James A.
Copeman, Thomas H., Jr.
Corcoran, Martin F.
Corey, Stuart M.
Cornell, Gordon C.
Cornett, Paul A.
Corsi, Joseph A.
Cotton, Alfred S.
Coupe, Richard H.
Cowan, Stuart M.
Coward, Alton A., Jr.
Cox, Dwight H.
Craig, Lee R.
Crain, Richard W., Jr.
Crandall, Keith C.
Craven, John F.
Crawfoot, Edward R.
Crawford, Warren H.
Creech, Worley Y., Jr.
Creighton, Perry F., Jr.
Cress, Tom J.
Crider, James A.
Crosby, Frederick P.
Crosier, Dale F.
Crozier, Robert A.
Culhane, Daniel M.
Currie, Raymond M.
Curtis, Dennis E.
Curtis, William R.
Cutchen, Paul O.
Dalbey, Ralph J., Jr.
D'Aloia, John, Jr.
Daly, Paul S.
Damon, Terry A.
Dana, John B.
Dann, Alan O.
Davis, Carl F., Jr.
Davis, Charles N.
Davis, George W., Jr.
Davis, Harry L.
Davis, Richard C.
Davis, Thomas A. E.
Dawson, Albert L.
Day, Earl F.
Deal, James W.
Debroder, Glen G.
Decesare, Victor A.
Dedrickson, Charles R.
DeGroff, James L.
Deibert, Bernard N.
Deisher, Richard J.
Delano, George B.
Delashmitt, Joseph C., Jr.
Delozier, James L.
DelPlato, Lawrence S.
Dennison, Daniel C.
Dennison, William E.
Devito, Vincent H.
DeVries, Edgar L.
DiCarlo, Vincent A.
Dickens, Roderick S., Jr.
Dickson, George K.
Diehm, William C., III
Dietz, Warren C.
Dillon, John F.
Dimse, Richard H.
Dingle, James W., Jr.
Dobbs, William D.
Doheny, Vincent
Donahue, Joseph M.
Donnelly, Verne G.
Donovan, Ian E. M.
Donovan, Robert M.
Dopazo, Anthony J.
Dougherty, Gerald P.
Downing, Thomas P.
Doyle, Michael G.
Doyle, Robert C.
Dozier, George W., Jr.
Dresel, Loring P.
Duffy, Francis J.
Duffy, Leonard G.
Duke, Louie C.
Duke, Robert J.
Dunn, Joseph J.
Dupree, Richard E.
Durbin, Robert H., Jr.
Durgin, David A.
Duval, Montague R.
Dwyer, John L.
Eadie, James P., II
Earley, Joseph M., Jr.
Echard, Richard D.
Eckels, Donald E.
Eckerle, Charles R., Jr.
Edberg, Walter O.
Edgerton, Thomas H.
Edson, Charles T.
Egan, William P.
Eidsmoe, Norman E.
Elam, David L.
Elder, William N.
Elias, William, Jr.
Eller, Richard C.
Elliott, Charles P.
Elliott, Frederick H.
Emery, Robert E.
Emery, Thomas R. M.
Emmett, Joseph R.
Engelfried, Donald W.
Englert, Robert J.
Eppel, Calvin C.
Eppler, Billy M.
Erhardt, Richard O.
Erickson, Kenneth J.
Ervin, Billy M.
Erwin, Charles H.
Estocin, Michael J.
Etcheson, Gerald R.
Evans, Irvin R.
Evans, James J.
Evans, Richard P.
Evans, Thomas G.
Evrard, Leroy
Exley, William F.
Exon, Roger M.
Fairchild, Joseph D.
Fall, Robert H., III
Fancher, Allen P.
Farino, Francis J.
Farris, David E.
Fassett, Harold S., Jr.
Feakes, Fred A.
Feakes, George E., Jr.
Fech, Duane V.
Fegan, Joseph H.
Felling, Thomas A.
Fend, Clarence E., Jr.
Ferguson, Sam A.
Ferrell, Edward S.
Ferrier, Harry H.
Fields, James E.
Filbert, Harold C.
Fillingane, Hulon P.
Fink, Jerome I.
Finke, Walter J., Jr.
Fischer, Herman V., Jr.
Fisher, John C.
Fisk, Harold W.
Fitzgerald, John
Fitzsimmons, Robert J., Jr.
Fix, Vernon H.
Fladager, Myles E.
Flanigan, John E., Jr.
Fleming, James T., Jr.
Florin, Donald E.
Flowers, Walter R.
Foard, Wyatte F., Jr.
Foley, Harvey D.
Folta, Daniel A.
Foltz, Donald S.
Fonda, Raymond C.
Foote, Theodore P.
Ford, Daniel R.
Ford, Harold L.
Ford, James N.
Fordham, Barton W., Jr.
Forehand, Ronald
Forest, Joseph A.
Fountain, Robert R., Jr.
Fox, Evarts C., Jr.
Fox, Henry J., IV
Francis, Nigel D.
Frecker, David A.
Frederick, Peter G.
Freed, Maitland G.
French, Henry A.
Froid, James C.
Frye, Richard H.
Fueston, Vernon M., Jr.
Fulford, John A.
Fuller, Milo W.
Fullinwider, Simon P., Jr.
Fulmer, Charles R.
Funck, James R.
Gaines, Richard K., Jr.
Gallagher, John W.
Galli, William L.
Galvin, Robert J.
Gammell, Clark M.
Ganey, John R.
Gardner, Geoffrey L.
Garrow, Jack A.
Gasser, Thomas A.
Gattuso, Joseph A.
Gauthey, Jules R.
Gay, David E.
Gayle, Leroy F.
Geer, Richard G.
Gehring, Gary J.
Gerhan, Charles F., Jr.
Gerl, Neil D.
Gerrity, William J.
Giedzinski, Henry B.
Gilchrist, Richard B.
Gill, Russell R.
Gillett, Jerry T.
Gilliamsen, Donald A.
Gilmore, Kenneth D.
Gilstad, Gerald W.
Glanville, John T., Jr.
Gleim, James M.
Goetz, Robert B.
Golanka, Stanley R.
Golden, Robert H.
Gonzales, Alfred H.
Good, Robert C.
Gooden, Milford I.
Gooding, Charles L., Jr.
Goodman, Forrest H.
Goodson, Ray
Goodwin, Andrew J., Jr.
Gore, James R.
Graf, Howard F.
Grafius, Guy A. B.
Graham, Miles T.
Graham, Robert F.
Graham, Roger L.
Graham, Walter W., III
Grammer, William R.
Grant, Edwin H., Jr.
Granum, Roger B.
Graue, Clifford R.
Greathouse, Edwin A.
Green, Ellis F.
Greene, Donald L.
Greene, George W., Jr.
Greene, James F., Jr.
Greenhalgh, William T., Jr.
Grego, James M.
Griffin, James L.
Griffing, Edward P.
Grimes, Laurence H., Jr.
Groff, Charles C.
Grozen, Paul B.
Grundy, Charles D.
Grunewald, John W.
Grutchfield, Harold B., Jr.
Guidry, Rodney R.
Guilday, Daniel S.
Guille, Sherred L.
Guimond, Gordon R.
Gunther, Howard P.
Gussett, James C.
Hagee, Charles "R"
Hagen, Elmer C.
Hagen, Jack
Hagenau, Karl H.
Hager, Donald G.
Hague, John D.
Haines, Collins H.
Hall, Charles W.
Hall, Harry L.
Hall, Roy V.
Halle, "S" Portland, III
Halloran, John W.
Hamilton, David G.
Hamilton, Frank P.
Hamilton, Harry D.
Hamilton, Robert B.
Hampe, Barry F.
Hampton, Robert A.
Hamrick, Franklin G.
Haney, Norman L.
Hansen, Lawrence V., Jr.
Hanson, Robert P.
Harden, Thad H.
Harmon, "J" "E"
Harmony, Lee D., Jr.
Harms, Stanley J.
Harper, Elwood N.
Harper, Norman W.
Harris, Donald K.
Harrison, Stuart E.
Harsh, Kenneth C.
Harter, John V.
Harvey, Donald L.
Harvey, Neil L.
Harvey, Richard M.
Hastoglis, Anthony A.
Haverfield, Benjamin F.
Hawkins, Cecil "B," Jr.
Hawley, William C.
Haynes, John B.
Hazlett, Frederick W.
Heath, Edmund W.
Hebert, Donald F.
Heckman, Donald C.
Heisel, Lawrence L.
Hellinger, Richard L.
Henderson, Thomas F.
Henderson, Raymond R.
Henderson, Bobby G.
Hendricks, George H.
Hendrickson, Claude F., Jr.
Hepworth, Robert W.
Hernandes, Diego E.
Herndon, Herbert F.
Herzog, Louis L.
Heyl, William E.
Hickey, John A.
Hicks, Clarence A., Jr.
Higgins, Leo A.
Highfill, Kenneth L.
Hill, James G.
Hine, Raymond W.
Hine, William G.
Hines, Marion L.
Hinger, Carl K.
Hinton, Robert M.
Hobbs, William L., Jr.
Hoehne, Ralph L.
Hoff, Paul M., Jr.
Hogan, George C.
Hogg, Robert L.
Holland, John C., Jr.
Holland, Lee "M"
Holland, William J. Jr.
Hollinshead, William G.
Holman, Robert A., Jr.
Holmes, Donald L.
Holte, Hartley O.
Honeycutt, Jackson H.
Hoover, Harry A.
Hoppenjans, Lawrence G.
Horne, Hainyard L., Jr.
Hosepian, Edward S.
Hoskins, Perry D.
Houston, Chester E.
Howe, John E.
Hubbard, Henry L.
Hudson, Joe A.
Huff, Ralph R.
Huggins, Harry L.
Hughes, John W.
Hughes, Richard M.
Humphrey, Griffith L.
Hunt, Herman L.
Hunt, James H.
Hunt, Kirby P.
Hunt, Richard L.
Hussmann, Tom G.
Hyde, Willis G.
Hyman, Arnold J.
Hyman, Theodore K.
Idzi, Edward D.
Irvine, Thomas E.
Ives, Clarence D.
Ives, Richard H.
Jackson, Jimmie D.
Jackson, Joe T., Jr.
Jackson, Robert S.
James, Harry R., III
Janes, William E., Jr.
Jansen, Alexander J.
Janus, Anthony, Jr.
Jardine, Edward F., Jr.
Jaudon, Johns P.
Jedlicka, John E.
Jefferis, Lawrence R.
Jenkins, Gaston J.
Jenkins, John C.
Jensen, Carl T.
Jessen, Paul O.
Jewett, Robert G.
Johnson, Billie D.
Johnson, Donald L.
Johnson, Edward D.
Johnson, Edwin "C"
Johnson, George L.
Johnson, Grant R.
Johnson, John R.
Johnson, John A.
Johnson, Lauren A.
Johnson, Max R.
Johnson, Raymond F., Jr.
Johnson, Robert A.
Johnson, Roger D.
Johnson, Virgil J.
Johnson, William T.
Johnston, Edward A.
Johnston, Fred W., Jr.
Jones, Gerald L.
Jones, Harry W.
Jones, John L.
Jones, Richard M.
Jones, Robert E.
Jones, Robert L.
Jones, Roycroft C., Jr.
Jordan, Arliss L.
Jordan, Douglas S.
Judd, Robert G.
Jumper, Eugene A., Jr.
Jurgensen, Kenneth I.
Kaiser, Donald S.
Karlen, James H.
Katzman, Marvin S.
Kavanaugh, Alfred W.
Keaney, Mark J.
Kear, Donald
Keating, Leo P., Jr.
Keene, Thomas J.
Keener, Delbert V.
Keery, Jerry L.
Keiser, Robert B.
Keith, John D.
Kellaway, Peter W.
Keller, Constantine C., III
Kellerman, Donald W.
Kelly, Donald C.
Kelly, Gerald C.
Kelly, James P., Jr.
Kendra, Robert J.
Kennedy, Calvin E.
Kennedy, Jack M.
Kennington, William A.
Kerrington, Paul R.
Kerrigan, Robert J.
Kewley, Leslie P.
Keyes, Roy V., Jr.
Keys, Robert C.
Kibler, Timothy M.
Kiefaber, Thomas G.
Kiehl, Richard L.
Kilborn, Edgar L.
Kingston, Edward A.
Kingston, John J., Jr.
Kirby, Alexander G., Jr.
Kirby, Harvey R.
Klein, Verle W.
Kloves, Thomas R.
Klugman, Dale R.
Klusmann, Charles F.
Knapp, Franklyn P.
Knepper, Donald E.
Knepper, Robert R., Jr.
Knoth, Larence W., Sr.
Koch, Richard J., Jr.
Koehler, Robert L.
Koester, Frederick H., Jr.
Kohloff, Donald A.
Kois, John R.
Kolaras, Demosthen N.
Kolb, Stanley D., Jr.
Kopfman, Theodore F.
Kornblatt, Raymond H.
Kother, Charles G.
Kowalsky, Jerold D.
Kozischek, Albert J.
Krag, George H.
Kraus, Harold G.
Kraus, Kenneth E.
Krienke, Henry P.
Kronzer, Joseph J., Jr.
Kucera, Ronald C.
Kugler, Valarius E.
Kuhne, William P.
Kunkler, Hilary G.
Kuplinski, Stanley J.
Lacklen, Albert J.
Laghut, Herbert M.
Laine, LeRoy C.
Lake, Clarence R.
Lam, Chapman L.
Lamb, Walter W.
Lambert, Russell G.
Lamers, John P.
Lane, Robert W.
Langston, Thomas J.
Larson, John P.

Laughlin, Alvin T.
Lavallee, David O.
Lavallee, William F.
Lawless, Spencer C.
Lawniczak, George E., Jr.
Laye, John E.
Layn, Samuel W.
Leach, William J.
Leaver, John M., Jr.
LeClerc, Raymond P.
Lee, Leonard M.
Lee, Melvin R.
Lee, William P.
Leedom, Clair E., Jr.
Lehman, George W.
Lennon, Richard H.
Leo, Leonard
Leonard, Richard R., Jr.
Leopold, Robert K.
Lett, Raymond E.
Levey, Gerald
Ligon, Richard R.
Lilienthal, Donald H.
Lilly, John E., Jr.
Lindsey, Austin M.
Linehan, Donald B.
Lipford, William L.
Lipster, Donald C.
Liptak, Richard D.
Locke, William J.
Loeb, Gerald K.
Long, John F.
Lotton, Donald E.
Lotze, Herbert E., Jr.
Lowery, Willis E.
Lowrey, Clifford A.
Lucken, Frank E.
Lukomski, Fred J.
Lull, Edward W.
Lund, Eugene P.
Lundy, Robert H.
Luzader, Randall M.
Lyle, Frank E.
Lynch, Will T.
Lynn, John C.
Lyons, William P.
MacDonald, John W.
Mack, John A.
MacKenzie, Joseph D.
MacKinnon, Malcolm, III
Magee, Donald C.
Maki, Arthur O., Jr.
Malec, Joseph, Jr.
Mandly, Charles R.
Manikowski, Paul R.
Mann, John A.
Manso, Mike
Manthorpe, William H. J., Jr.
Maratea, Ronald "M"
Marcoux, Louis H.
Marsh, Lloyd P.
Marshall, Brendan P.
Marshall, Norman G.
Martin, Donald
Martin, Donald L.
Martin, George H.
Martin, George W.
Martin, Harry C.
Masalin, Charles E.
Mason, Stuart J., Jr.
Mathews, Richard L.
Matthes, Walter L., Jr.
Matthews, Mitchell D., Jr.
Matzner, Rudolph, Jr.
Mauer, Tommy L.
McAdoo, William C.
McArdle, Stephen J., Jr.
McCally, Kenneth R.
McCann, Joseph D.
McCarron, William E., Jr.
McCarthy, Charles J., Jr.
McCarthy, Paul F., Jr.
McCarthy, Richard J.
McCartney, Faber W.
McCauley, William F.
McClellan, Billy L.
McClelland, Jack E.
McClure, Jack A.
McClure, John S.
McComis, Charles W.
McCoy, Frank R., Jr.
McCrimmon, Douglas R.
McDonnell, John R.
McGonagill, Eber C.
McGonegal, Donal E.
McHale, Edward B.
McIntyre, James G.
McIsaac, Alben T.
McKay, Richard D.
McKean, Francis E.
McKee, Donald R.
McKinney, James D.
McKinnon, Thomas R.
McKinzie, Raymond C.
McLaren, Alfred S.
McLaughlin, John S.
McLyman, Edward J., Jr.
McMurtry, George J.
McNish, John E.
McQuaid, Robert W.
McSweeny, Robert H.
McVoy, Robert P.
Meloy, Robert T.
Melton, Carroll D.
Melton, Wade I.
Meltzer, Herbert S.
Mengle, Kenneth J.
Merritt, Paul R.
Merritt, Robert S.
Mester, Richard L.
Meyer, William F.
Michael, Benjamin H.
Middleton, Jerry T.
Mieldazis, Richard J.
Mielich, Robert M.
Miesse, Walter T.
Miles, Robert W.
Miller, Justin A., Jr.
Miller, Robert N.
Miller, Robert W.
Miller, Ronald C.
Miller, Ronald D.
Miller, Theodore W.
Minnich, Donald E.
Mixon, Richard I.
Mlekush, Matt C.
Mohr, Charles R.
Monaghan, James J., Jr.
Monroe, Henry L., Jr.
Moody, DeWitt H.
Moore, Gene R.
Moore, Thomas H.
Moore, William H., IV
Morano, Anthony
Morgan, Charles H.
Morgan, John R.
Morris, James I.
Morrison, Robert M.
Mortvedt, Robert E.
Moss, David P.
Moss, David L.
Motes, Thomas L.
Mott, Charles E.
Moxley, Donald F.
Mudgett, Richard L.
Munger, Burton L.
Munsey, Malcolm H.
Murphy, James F.
Murphy, John J.
Mustin, Henry C.
Myer, Charles W.
Myers, Robert U.
Myers, Willie R.
Narmi, Ronald E.
Narowetz, Bruce A.
Nations, Travis D.
Naylor, Olen E., Jr.
Needham, Donald E.
Nelson, Richard T.
Nelson, Roger E., Jr.
Newbegin, Edward C.
Newbegin, Robert G., IV
Newell, Byron B., Jr.
Newman, Charles L.
Niemela, George R.
Nixon, Robert T.
Nolan, Walter E., Jr.
Noll, Rolf F.
North, Henry C., Jr.
Norton, James
Nourse, George H.
Nyhus, Keith A.
Nyquist, John W.
Oakes, Winslow B.
Oates, Carl W.
O'Brien, Charles M., Jr.
O'Connell, Daniel E.
O'Connell, Robert L.
O'Connell, Richard M.
O'Dea, Paul F.
O'Dell, Jerry T.
O'Donnell, John L.
Oehlbeck, Edward W.
Offins, Jack A.
Ogden, Edward G.
O'Hara, James M.
O'Leary, Richard E.
Oliver, Charles P.
Olmstead, Stanley E.
Olsen, Walter E.
Olson, Gary E.
Olson, Ross S.
Ormond, George, Jr.
Ortmann, Dean A.
Osborn, Harold N.
Osborn, Lloyd C.
Osher, Victor E., Jr.
Oslun, William J.
Ostergren, James E.
Ostlund, Ross G.
O'Toole, Walter D. J.
Overbay, William A.
Overdorff, William R.
Overman, Percy C., Jr.
Overman, William J., Jr.
Padrta, Jerry C.
Parker, Elton C., Jr.
Parker, Frank
Parker, John T., Jr.
Patch, Harry W., Jr.
Patterson, Joel D.
Paul, Roy C.
Payne, Thomas G.
Paynter, David M.
Pearl, Harlan R.
Pearl, Robert E.
Pearson, Joseph K.
Peckham, Daniel E.
Peebles, Edward M.
Peirce, William B.
Perez, Joseph F.
Perry, Gilbert R.
Perry, Raymond
Pesenti, Francis V.
Peters, Richard A.
Petersen, Gordon S.
Peterson, Fred C.
Peterson, Richard A.
Petranek, Vernon E.
Petri, Gordon L.
Petty, Dale B.
Pfeiffer, Paul N.
Phillips, Charles W.
Phillips, George S.
Pielstick, Blake H.
Pierce, John T.
Pietrowski, Joseph L.
Pirie, Robert B., Jr.
Platz, Bruce W.
Plesur, Jack J.
Plowman, Herschel L.
Plumly, Charles M.
Poe, Alfred L., Jr.
Poissot, Marvin S.
Pollak, Robert K.
Pollard, William A.
Pollmann, Eugene L.
Poore, Glen W.
Porter, Allan A.
Porter, Edwin D.
Potter, Thomas B., Jr.
Potter, Willis F.
Potts, Bill H.
Powell, John H.
Powers, Edward F., Jr.
Powers, John B.
Pray, William L.
Prentice, Gordon R.
Pressly, George B.
Pruden, Neil "S"
Pugliese, William N.
Pullen, Luther D.
Rademacher, John W.
Raiter, Richard F.
Rammelmeyer, Ross
Rasmussen, Lloyd W.
Ratliff, William E.
Rausch, Leonard M.
Raysin, Paul E.
Rebello, Kenneth R.
Reed, Calvin C.
Reed, Richard L.
Reed, William C.
Reeder, John G.
Reedy, David A.
Rees, Malcolm C., Jr.
Reid, Gerald E.
Reise, Thomas L.
Reitzel, Philip M.
Renard, John W.
Renninger, Willard H.
Rentz, William O. K.
Reszetar, Stephen W.
Reynolds, David B.
Reynolds, Keith A.
Reynolds, Preston A.
Rhodes, William K., Jr.
Rice, Eugene M.
Rice, Keith J.
Rice, Robert C.
Richards, John R.
Richey, Fredrick J.
Ricketts, Myron V.
Riddell, Alvin R.
Riendeau, Gerald L.
Ries, Ronald E.
Riley, Ivers W., Jr.
Riley, Thomas R., Jr.
Ritter, Todd D.
Riviere, James P.
Roach, Harold S., Jr.
Roberts, John W.
Roberts, Lloyd C.
Robertson, John L.
Robinson, Clifford V.
Robinson, Joel A.
Robinson, Robert M.
Rockwell, William A.
Rogers, Eugene
Rollins, Everet F., Jr.
Rose, Russell L.
Roth, James F.
Roth, James A.
Rothrock, James C.
Rouchon, Alvin A.
Rowe, Kirk W.
Rule, Robert R.
Ruotolo, Anthony P.
Rush, William H.
Ryan, James W.
Ryan, John N.
Ryan, Roger P.
Ryman, Gerald M.
Salmon, Robert L.
Samonds, John P.
Sample, Chester G.
Samuelson, Charles R.
Sanders, Carl H., Jr.
Sanders, James D.
Sandmeyer, Thomas E.
Sanstol, George S.
Santivasci, John D.
Saunders, Wesley L., Jr.
Saunders, Wesley W.
Schelling, Arthur L.
Schleichardt, Robert K.
Schlemmer, Robert M.
Schmidt, Edward A.
Schoenberger, Frederick B.
Schrader, Harry C., Jr.
Schultz, Thomas D.
Schulze, Walter H., II
Schuppert, Vincent J.
Schwaebe, Charles F.
Schwartz, Robert J.
Scoles, Albert J.
Scott, Ausgustus E., Jr.
Scott, Austin B., Jr.
Scott, Gary L.
Scott, George W.
Scott, MacGregor G.
Scott, Ronald D.
Searight, Murland W.
Seely, James M. G.
Segal, Robert "B"
Seibert, Markley R.
Seiger, Lawrence S.
Selgrath, James J.
Shacklock, Floyd B.
Shand, William F.
Shanley, Robert J.
Shearin, John W.
Sheldon, Charles "B"
Sheldon, George E., Jr.
Shelton, Donald C.
Shepard, Rolf A.
Shields, Dan G.
Shine, Thomas, Jr.
Showers, William H.
Shows, Ned H.
Shulick, John, Jr.
Shultz, Donald E., Jr.
Shumate, James W.
Shupe, Gordon B.
Sides, Winfield M., Jr.
Sievert, Robert G.
Siljestrom, Gordon F.
Sill, John R.
Simia, Richard
Simmering, Larry K.
Simon, Roger O.
Sineath, George E.
Singer, Charles V., Jr.
Skelton, Wallace A.
Skorupski, Stanley S., Jr.
Slayton, Marshall T.
Sleet, Harold D.
Smith, Allen, III
Smith, Barton L.
Smith, Charles R.
Smith, Charles L.
Smith, Darrel
Smith, Dickinson M.
Smith, Donald A.
Smith, Edward G.
Smith, James L.
Smith, John W.
Smith, Kenneth E.
Smith, Lewis D.
Smith, Marvin G.
Smith, Ralph A., III
Smith, Richard J. W.
Smith, Robert L.
Smith, Walter S.
Smith, William D.
Smith, Winchester "C," Jr.
Smithhart, Richard A.
Snow, James R.
Snyder, Gary L.
Snyder, Sherman R.
Sommers, Carl W., II
Sommerville, William J., Jr.
Sorensen, Jackie R.
Sottak, Edward J.
Sousa, Manuel B., Jr.
Sousae, Jack F.
Southall, Charles M.
Southard, David F.
Spear, John R.
Spence, Harry E.
Spencer, Walton R.
Spisak, Thomas J.
Spry, Norman L.
Staggs, Dudley V., Jr.
Stallman, Thomas F.
Stanley, Herbert L.
Starbuck, Thomas H.
Steffenhagen, Paul R.
Stehle, Leroy R.
Steketee, Frederick B.
Stembel, David M., Jr.
Stephens, Francis L.
Stephens, Gordon L.
Stetz, Elias J.
Stevens, James R.
Stevens, William
Stevenson, George L.
Stevenson, Peter K.
Stewart, John E.
Stock, Merlyn L.
Stoddart, Ronald L.
Stokes, Francis G.
Stone, Jack W., Jr.
Stone, Ronald P.
Storm, Carroll F.
Stott, George W., Jr.
Stouter, Leland R.
Straley, Ralph N., II
Strang, Carl J., Jr.
Strange, Robert C.
Streit, John B.
Striffler, Willard C., Jr
Stuart, Donald B.
Stuebben, Richard W., Jr.
Stuntz, Harley L., III
Sturtz, Donald L.
Sullivan, Dennis J., Jr.
Sullivan, Florence M.
Sullivan, Martin J.
Sullivan, Thomas E.
Sutherland, Paul E., Jr.
Swaim, Wilber B.
Swenson, Nils A.
Switzer, Robert J.
Sylvester, Charles T.
Sympson, William G. A., Jr.
Tallman, John M.
Tarka, Thadeus
Tarver, Charles A., Jr.
Tassell, James E.
Taylor, John E.
Taylor, Patterson C.
Tennison, Raymond P.
Terrill, Horace J., III
Test, Richard "Z"
Thayer, Albert J.
Thomas, Benjamin A.
Thompson, Emil S., Jr.
Thompson, Ernest T.
Thompson, Harry E.
Thompson, James C.
Thompson, Richard G.
Thrailkill, Chester J.
Thune, John R.
Tice, George D., Jr.
Tindall, Frederick W.
Todaro, Donald G.
Todd, James F.
Tollaksen, Robert E.
Toncray, James R.
Toney, Albert L., Jr.
Toupin, Ernest J., Jr.
Toutant, Donald J.
Tracy, William K.
Trask, Ace F.
Treese, Clifford D.
Trelford, Wallace E.
Trimble, Delmer
Truman, Ernest V., Jr.
Trygsland, Arnold L.
Tsantes, George, Jr.
Tucker, James R.
Tucker, James W.
Tucker, John E.
Tully, William R., Jr.
Turner, Edmond L.
Turner, Lee R., Jr.
Turpel, Joseph F.
Udall, Gordon F., Jr.

Ullman, Robert W.
Ulrich, John H.
Underwood, Fred S.
Updike, Walter G.
Vainosky, Thomas M.
Van Dermay, Robert E.
Vandewater, George L., Jr.
Van Dien, Casper R.
Van Dusen, Harold L.
Van Kleeck, Loring E.
Varhalla, Michael R.
Vaughan, Gordon G.
Vaught, Gerald C.
Veatch, Philip A.
Vehorn, Raymond C.
Vernam, Claude C.
Vilhauer, Levern T.
Villar, Emmanuel J.
Villemaire, Grant J., Jr.
Vinson, Howard E.
Volk, George H.
Von Perbandt, Louis K.
Wack, Charles G.
Wade, Seaborn H., Jr.
Wagner, Harry A.
Waitley, Denis E.
Walck, Claude W.
Walden, William A.
Waldrop, Clyde E.
Walker, Benny R.
Walker, Eugene R.
Walker, John A., Jr.
Walker, Raymond H., Jr.
Walker, William R.
Wallin, Homer N., Jr.
Walsh, Lawrence P.
Walter, Donald W.
Walter, Howard J.
Walter, Joseph J.
Walther, Peter E.
Wanbaugh, Peter M.
Warburton, Thomas G.
Ward, Charles W. D., Jr.
Ward, Conrad J.
Ward, John H.
Wardwell, Edward A.
Ware, Larry E.
Warnke, James F.
Warren, Frank B.
Warrick, Richard P.
Warthen, Ronald R.
Watson, Jerome F.
Watson, John
Watson, Thomas H.
Watts, Harry C.
Ways, Raymond A.
Wear, Richard J.
Weaver, John C.
Webb, James E.
Webb, John B.
Weber, Richard M.
Webster, Hugh L.
Wehrmeister, Raymond L.
Weil, Calvin M.
Weimorts, Robert F.
Weis, Richard L.
Weller, James R.
Werblow, John W.
West, Donald A.
Westbrook, Darrel E., Jr.
Westfall, Ronald C.
Wetzel, James F.
Whalen, Joseph D.
White, Bernard A.
White, Billy J.
White, Danforth E.
White, Marvin L.
White, Trentwell M., Jr.
Whiting, Ted "E"
Whitney, Frank C.
Wickwire, George A., Jr.
Wigley, Lawrence S.
Wigley, William W.
Wild, John E.
Wilkinson, Edward A., Jr.
Wilkinson, Bruce S.
Will, Charles H., Jr.
Willett, Richard S.
Williams, David E.
Williams, Gerald G.
Williams, Gordon R., Jr.
Williams, John O., Jr.
Williams, Joseph F.
Williams, Percy W., Jr.
Williamson, John P., Jr.
Willyard, Robert H.
Wilson, Derek W.
Wilson, Gordon B.
Wilson, John R., Jr.
Wilson, Victor L.
Wilson, Wayne W.
Wilson, William R.
Wilster, Gunnar F.
Winchester, Warren H.
Windham, Paul M.
Witthoft, Ronald D.
Wittner, Carroll H. J.
Wolkensdorfer, Daniel J.
Wood, Albert A., Jr.
Woods, Carl J.
Woolnough, Robert M.
Woolway, David J.
Worth, Douglas A.
Woxvold, Eric R. A.
Wright, Murray H.
Wright, Ronald A.
Wyatt, Joseph E.
Yonke, William D.
York, Howard L.
York, Willard B.
Young, Clinton H.
Young, Leonard R.
Young, Milton E.
Yuscavage, John M.
Zadd, Charles J.
Zimmerman, Robert V.
Zipf, Otto A.
Zseleczky, Emil J.

Supply Corps

Allen, Samuel B., Jr.
Andersen, Elif A.
Ardizzone, Joseph C.
Awalt, Richard E.
Barbary, Robert A.
Beach, Herman D.
Beals, Donald A.
Bedford, Arthur G.
Begley, John A., Jr.
Bennett, Charles A., Jr.
Beumer, Delbert H.
Bilka, Joseph L.
Blake, James F., Jr.
Bonnett, Herschel J.
Braun, Arthur F.
Buehler, Cyril H.
Carlson, Verner R.
Causbie, Edgar S.
Chrisman, Alfred B.
Clamp, Robert W.
Clark, Davis L.
Coleman, Eugene V.
Collier, William G.
Conway, James P.
Davis, Robert W.
Devenney, James J.
Dolloff, Robert H.
Douglass, Jerry B.
Dowling, Richard M.
Dugue, Regis G.
Ellis, Richard W.
England, Alfred I.
Erickson, Barry M.
Flynn, John J., Jr.
Foreman, Clarence P., Jr.
Frost, Laurence W.
Gaddis, Glenn L.
Gallagher, Robert F.
Gallaher, James H.
Griffiths, Charles E.
Hamilton, John F.
Hamilton, James W.
Hamilton, Michael H.
Hayes, Lester D., Jr.
Haynsworth, Hugh C., III
Henseler, Richard C.
Hirschy, Henry E., Jr.
Holder, James R.
Holland, Ralph L.
Jackson, Gerald E.
Jacobson, Samuel
Jerauld, William E.
Jones, Bobby J.
Jones, John M., Jr.
Kaiser, Robert A.
Knock, Richard T.
Kurowski, Raymond J.
Lang, Robert D.
Leal, Milford A.
Leftwich, Harry W.
Lemma, Paul A.
Lovelace, Donald A.
Lovelace, James B., Jr.
Maney, Jerry "B"
Manley, Eugene T.
Manson, Albert A.
Mara, Ray A.
Martin, Winston L.
McCahon, John T.
McInnis, William H.
McLaughlin, Richard B.
McSwain, Billy G.
Mead, George W., III
Mehrens, Arthur J., Jr.
Miller, David O.
Murray, Robert E.
Narducci, Charles C., Jr.
Newcomb, Frank N.
O'Donnell, William P.
Olinger, Richard S.
O'Neil, James R.
Pace, Earl H.
Perkins, James O.
Powell, William M.
Rader, Farrell J.
Ribbe, Richard H.
Rittenberg, Leonard P.
Ruese, Edward F., II
Ruth, Richard A., IV
Ruth, Stephen R.
Shumaker, Carl
Singer, David A.
Smith, Allen P.
Smith, Jack L.
Sojka, Casimir E.
Steadman, Will G., III
Stephens, Dennis R.
Stok, Joseph W.
Stombaugh, William E.
Straw, Donald G.
Sullivan, Patrick D.
Sweeney, James W.
Sweet, Warren "M"
Szwed, James A.
Taylor, Robert R.
Thurston, Clarence J.
Tokay, Ronald N.
Trenkle, William H.
Turcotte, William E.
Virden, Frank S.
Vogel, Carl P., Jr.
Vollum, Robert B.
Webb, Carl R., Jr.
Webb, Hoyt T.
Webb, Jimmy D.
Wildman, John E.
Willenborg, Harold H.
Wilson, Frank K.
Wilson, Richard P.
Wright, Cary F.
Wright, James H.
Wright, Walter F., Jr.
Zoller, Paul G.

Chaplain Corps

Carpenter, Elbert N.
Chambliss, Carroll R.
Clardy, William J.
Dodson, Leonard W., Jr.
Doxie, Donald F.
Doyle, James F.
Fedje, Earl W.
Fuller, Harold E., Jr.
Goss, Hubert S., Jr.
Greenwood, Charles L.
Kinlaw, Dennis C.
League, William C.
McAlister, Fred R., Jr.
Newton, John G.
Plank, David P. W.
Schneider, Otto
Seegers, Leonard O.
Swenson, William R.
VanLandingham, Maurice R., Jr.
Wuebbens, Everett P.

Civil Engineer Corps

Andress, Hyneman M.
Auerbach, Ralph W., Jr.
Bair, William A.
Barry, Richard P.
Brogan, Cornelius P.
Brooks, Murray L.
Brown, George H.
Burdick, William E.
Clark, Jerry L.
Conner, Donald L.
Eager, Walter J., Jr.
Grinke, Walton J.
Jacobs, Aaron B.
Kramer, Robert L.
Kreshin, Lawrence
Lowe, Stephen D.
MacFarlane, Neil L.
Moger, Jack B.
Minnier, William F.
Myers, Russell, Jr.
Oliver, Philip, Jr.
Peace, Robert C.
Perry, Phil M.
Phenix, Robert P.
Ruff, Lowell H., Jr.
Shafer, Willard C.
Skrinak, Vincent M.
Smila, William W.
Stedman, Ralph S., Jr.
Taglienti, Gene S.
Tate, Thomas N.
Weis, John M.
Westberg, Robert J.
Wile, Dorwin B.

Medical Service Corps

Andersen, Walter A.
Barker, Samuel D.
Brownlow, Wilfred J., Jr.
Coulson, Harold H.
Davies, John A.
DeCesaris, Chester A.
Devine, Leonard F.
Devine, Robert G.
Dickerson, Kenneth H.
Floan, Kenneth F.
Forrester, George G., Jr.
Gallaher, Robert E.
Harvey, Billy D.
Herrin, James H.
Jordan, Thurman O.
Kendrick, Allison N.
Kramer, Stanley H.
Ksenzak, Joseph F.
McGehee, Thomas L.
Myers, John David
Neuman, Richard
O'Connor, William F.
Paxton, Arthur W.
Ramirez, Gale
Ruffin, Robert S.
Sanborn, Warren R.
Shaneyfelt, Carl L.
Sims, John L.
Skidmore, Wesley D.
Smith, Dewey L., Jr.
Snowden, Donald J.
Spahn, James A., Jr.
Stallings, Orlando
Tanner, Millard F.
Whitlock, William E.

Nurse Corps

Cordell, Billie E.
Csik, Theresa H.
Effner, Dorothy J.
Emter, Dorothy M.
Glawson, Isabel C.
Hunt, Florence E.
Jones, Mary L.
Nagy, Bettye G.
Nester, Mary L.
Pappas, Johannah H.
Pearce, Martha V.
Sparks, Beverly J.

The following-named woman officer of the Navy for permanent promotion to the grade of lieutenant commander in the Supply Corps, subject to qualification therefor as provided by law:

Kaye, Shirley J.

The following-named women officers of the Navy for permanent promotion to the grade of lieutenant in the line and Supply Corps as indicated, subject to qualification therefor as provided by law:

Alexander, Jane C.
Bales, Barbara L.
Bennett, Marjorie L.
Clinton, Clydenna L.
Gregg, Elizabeth L.
Hill, Beverly I.
Horn, Emile L.
Kuhn, Lucille R.
Lanier, Henrietta R.
Letham, Margaret E.
McDonough, Lida J.
McIlraith, Margaret A.
O'Connell, Sally H.
Reynolds, Mary C.
Sarbaugh, Rachel J.
Sloman, Jean P.
Suneson, Charlene I.
York, Beverly F.

Supply Corps

Beiszer, Margaret C.
Carr, Mildred L.

The following-named (Naval Reserve Officers Training Corps) to be ensigns in the line of the Navy, subject to qualifications therefor as provided by law:

*Sully W. Bonansinga
*Howard A. Dovre
*James F. Euclide
*Martin B. Klein
*Donald A. Trull
*Robert E. Van Heuit

The following-named (Naval Reserve Officers Training Corps) to be ensigns in the Supply Corps of the Navy, subject to qualifications therefor as provided by law:

*Frederick C. McKenney
*Roger T. Morrison

The following-named (Naval Reserve Officers Training Corps) to be ensigns in the Civil Engineer Corps of the Navy, subject to qualifications therefor as provided by law:

*William D. Gabbard
*Roy H. R. Gilbert
*David H. Glenn

George A. Nelson, Jr. (civilian college graduate) to be a permanent lieutenant (junior grade) and a temporary lieutenant in the Medical Corps of the Navy, subject to qualifications therefor as provided by law.

The following-named (Reserve officers) to be permanent lieutenants and temporary lieutenant commanders in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

*Jorge R. Valdivieso del Toro
Ralph K. Zech

The following-named (Reserve officers) to be lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

*Michael C. Carver
*George W. Goldthorpe
*Charles R. Hamlin
*James L. Hughes
Thomas E. Maxwell
John T. Rulon
*Daniel Shuptar

The following-named (Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Medical Corps of the Navy, subject to qualifications therefor as provided by law:

Charles C. Ching
John C. Dalco
Robert C. Garrison, Jr.

Donald K. Hitman
*Edmund P. Jacobs
John F. Nowell
*Arthur L. Rehme
Robert Saffian
Guy B. Townsend
Richard L. Weidenbacher, Jr.
Alan F. Wentworth
Harry Zehner, Jr.
Luther A. Youngs, III

*Toshiko Motomatsu (Reserve officer) to be a permanent lieutenant (junior grade) and a temporary lieutenant in the Nurse Corps of the Navy, subject to qualifications therefor as provided by law.

CONFIRMATION

Executive nomination confirmed by the Senate February 2, 1959:

MISSISSIPPI RIVER COMMISSION

Maj. Gen. Keith R. Barney, U.S. Army, to be a member of the Mississippi River Commission.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 2, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Joshua 1: 9: *The Lord thy God is with thee whithersoever thou goest.*

Most merciful and gracious God, help us in this moment of prayer to gain a vital and vivid sense of Thy guiding and sustaining presence.

Grant that our minds and hearts may be inspired with a more filial trust in Thee and a more fraternal attitude toward all the members of the human family.

Give us the glad assurance that there is a supreme spiritual power in the universe working for justice and peace and righteousness, however feeble and frail our own finite efforts may be.

Hear us in the name of our blessed Lord. Amen.

The Journal of the proceedings of Thursday, January 29, 1959, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Vice President had appointed the Senator from Utah [Mr. BENNETT] and the Senator from Vermont [Mr. AIKEN] as minority members on the part of the Senate of the Joint Committee on Atomic Energy, pursuant to title 42, United States Code, section 2251, to fill existing vacancies.

CLERK FOR NORTH ATLANTIC TREATY PARLIAMENTARIANS' CONFERENCE

The SPEAKER. The unfinished business is the further consideration of House Resolution 36, which the Clerk will report.

The Clerk read the resolution, as follows:

Resolved, That effective January 3, 1959, the Chairman of the House Delegation of the United States Group of the North Atlantic Treaty Parliamentarians' Conference is authorized, until otherwise provided by law, to employ a clerk to be paid from the contingent fund of the House of Representatives at a rate of basic compensation not to exceed $6,000 per annum.

The SPEAKER. The question is on the resolution.

Mr. GROSS. Mr. Speaker, on that I ask for a division.

The question was taken; and on a division there were—ayes 56, noes 8.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

THE NATION'S ACTIVITIES AND ACCOMPLISHMENTS IN THE AERONAUTICS AND SPACE FIELDS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 71)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed:

To the Congress of the United States:

Transmitted herewith, pursuant to section 206(b) of the National Aeronautics and Space Act of 1958, is the first annual report on the Nation's activities and accomplishments in the aeronautics and space fields. This first report covers the year 1958.

The report provides an impressive accumulation of evidence as to the scope and impetus of our aeronautical and space efforts. Equally impressive is the report's description of the variety of fields being explored through the ingenuity of American scientists, engineers, and technicians.

The report makes clear that the Nation has the knowledge, the skill, and the will to move ahead swiftly and surely in these rapidly developing areas of technology. Our national capability in this regard has been considerably enhanced by the creation and organization of the National Aeronautics and Space Administration.

The report sets forth a record of solid achievement in a most intricate and exacting enterprise. In this record the Nation can take great pride.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 2, 1959.*

CIVIL RIGHTS

Mr. POWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POWELL. Mr. Speaker and colleagues, today the Civil Rights Commission started hearings in New York City, and the good people of Virginia have started desegregation. This, therefore, should be a day for sober reflection. Are we not witnessing increasing heroic honesty in the South and increasing cowardly hypocrisy in the North?

May I say that the Powell type of amendment is just as applicable to the denial of Federal funds in New York City because of segregation there as it is in any other area in defiance of the Supreme Court. Also, I concur with the president of Notre Dame, Father Hesburgh, a member of the Civil Rights Commission, that in the North some areas practice discrimination in housing more than many areas in the South. Legislation to remedy this has been introduced by me and the number of the bill is H.R. 1053. It will prohibit discrimination prior to construction and during the lifetime of publicly financed housing by putting guarantees in the application for FHA insured mortgages.

STATEHOOD FOR HAWAII

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, for 60 years Hawaii, the beauty of the Pacific, has been waiting for Congress to set the date for the ceremony that will join her with the United States. It has been a long "engagement," but the organ has started to play. As she comes up the aisle, radiant as a star, the hearts of all who live in freedom will go out to the lovely bride.

But wait a moment. The prospect that the Territory of Hawaii will be admitted to statehood is such a happy one that we fall in love with its possibilities.

To be more prosaic, we admire the courage and loyalty of that fateful day, December 7, 1941, when Hawaii took the first staggering blow in defense of freedom. We remember how her sons and daughters fought with supreme devotion to our common heritage until the final victory was won.

In fact, we have much to learn from Hawaii, with its school attendance that is far above the national average. More than 38 percent of the Territory's 2-year budget for 1955–57 was appropriated for public schools. There are 250 Christian churches on the island of Oahu alone. All faiths enjoy freedom of worship in the islands.

Hawaii has an alert and intelligent electorate, fully qualified for the responsibilities of representative government. More than 88 percent of the registered voters went to the polls in 1958. Hawaii's economy is strong and is developing rapidly. Its living standards are among the best. The Territory does a business of almost $2 billion a year. Hawaii has contributed more than $2⅓ billion in Federal taxes since becoming a Territory. Hawaii is no longer a second-class petitioner. It is we who are privileged to have Hawaii's human, and spiritual,

and economic resources joined with ours in the Union of the sovereign States.

We, in the continental United States, have made many errors in our time, but none has embarrassed us more in the eyes of the world, than the pretexts and the delays that have been put in the way of Hawaii's recognition as a coequal member of our Federal Union.

Twenty separate congressional hearings have exhaustively investigated Hawaii's fitness for statehood. One suspects that these have been repeated so that the investigators could enjoy the obvious charms of the islands.

Public opinion, since 1941, has been overwhelming in its endorsement of Hawaiian statehood. Since Alaska was admitted to the Union, nothing now stands in the way of Hawaii.

Let us vote promptly and unanimously to confer the honor of statehood that is so well earned and is so long overdue, and thereby tell the world that freedom's example is extending out into the Pacific for all the emerging peoples of the Orient to see, and be encouraged by, and emulate in their own lands.

To the 575,000 people of Hawaii we say: "Congratulations and a joyful welcome to our Federal Union."

Premature? The wedding is only weeks away.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. O'BRIEN of New York. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have permission to sit while the House is engaged in general debate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SHIPMENT OF MILK AND MILK PRODUCTS IN INTERSTATE COMMERCE

Mr. JOHNSON of Wisconsin. Mr. Speaker, I as unanimous consent to address the House for 1 minute and to revise and extend my remarks and to include a statement.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I am introducing today a bill to provide for control of sanitation practices in respect to fluid milk and fluid milk products shipped in interstate commerce, and to eliminate the use of sanitation regulations as economic barriers to the shipment of sanitary fluid milk and fluid milk products between the States.

Members may recall that I introduced somewhat similar legislation in 1957. This legislation was also introduced by Senator HUBERT HUMPHREY and then Congressman EUGENE MCCARTHY and Congressman FRED MARSHALL. A number of Midwestern Senators and Congressmen are also introducing this legislation.

Hearings were held in 1958 on the previous milk sanitation bill and they served a very fine purpose. These hearings showed deficiencies in the bill then before the Congress and pointed the way to modification and development of a better and more acceptable bill.

The bill which I am introducing today has been drafted so as to conform to the recommended principles adopted by the Association of State and Territorial Health Officers. This association, as its name indicates, is composed of State and other sanitation officials and health officers. It has studied this matter carefully and has developed and adopted a set of recommended principles for Federal milk sanitation legislation. These recommended principles were formally adopted at the annual convention of the association in Washington, D.C., October 24 to 28, 1958. I am asking unanimous consent to have the report included in the RECORD after my remarks.

There are several very significant differences between the bill I am introducing today and the bill upon which hearings were held in 1958.

The 1957 bill would have required that all fluid milk and fluid milk products which were shipped in interstate commerce or which affect interstate commerce would have had to comply with the recommended milk ordinance and code issued by the U.S. Public Health Service.

Objections were raised to the tendency of the 1957 bill to force all milk up to the sanitary quality of milk approved under the U.S. code, and, furthermore, many sanitarians were of the opinion that the old bill took away from them their rights and prerogatives with respect to regulating the sanitation of milk shipped in intrastate commerce.

The current bill does not require any State or municipality to adopt the U.S. Public Health Service milk ordinance and code, nor does it require that all fluid milk and fluid milk products shipped in interstate commerce must meet the requirements of the code.

The bill does provide, however, that any milk which does meet the requirements of a Federal milk sanitation code, the promulgation of which is provided for in the bill, cannot be excluded from any State or fluid milk market in the United States. State and local health authorities under this bill will still inspect out-of-State supplies of milk which are not qualified under the U.S. code, if they so desire. But no State or local health authority can prevent the entry of milk which does qualify under the code.

The bill also provides for many safeguards in areas receiving milk from plants qualified under the code. They have the right of inspection of milk upon arrival to see that it has not deteriorated in transit and, after arrival, the handling, processing, and sale of such milk must meet the requirements applied to milk entering such markets from intrastate sources.

I feel that this bill will go far toward eliminating the use of sanitation regulations as economic trade barriers which have been and are widely prevalent in this country, while at the same time protecting and maintaining the rights and prerogatives of State and local health authorities in respect to milk originating within their respective jurisdictions.

NEED AND RECOMMENDED PRINCIPLES FOR FEDERAL MILK SANITATION LEGISLATION—OFFICIAL STATEMENT AND RECOMMENDATION OF THE ASSOCIATION OF STATE AND TERRITORIAL HEALTH OFFICERS, OCTOBER 24, 1958

NEED AND RECOMMENDED PRINCIPLES FOR FEDERAL MILK SANITATION LEGISLATION [1]

Background

The Association of State and Territorial Health Officers and the Conference of State Sanitary Engineers, in the interest of facilitating the flow of high quality milk in interstate commerce and of preventing the use of milk sanitation requirements as trade barriers, enlisted the cooperation of the U.S. Public Health Service in a study of these problems. In accordance with the recommendation (appendix A) passed by the ASTHO at its 1957 annual meeting, and pursuant to the direction of the association's executive committee on May 14, 1958, following its consideration of CSSE Resolution No. 3e (appendix B), a subcommittee of the Environmental Sanitation Committee, ASTHO, was appointed to study the matter of Federal milk sanitation legislation relating to these problems. The members of this subcommittee were: Dr. Russell E. Teague, chairman, Mr. Alfred H. Fletcher, Dr. Henry A. Holle, Mr. Karl M. Mason, Mr. C. B. Neblett, Dr. Carl N. Neuppert, Mr. Blucher A. Poole, Dr. James E. Scatterday, and Mr. Willis van Heuvelen.

This subcommittee met with representatives of the Public Health Service in Washington, D.C., on September 4, 1958, to consider the current status of the sanitary control of milk, the need for Federal regulation of interstate milk supplies, and the merits of bills which have recently been introduced in the Congress for Federal regulation of fluid milk and fluid milk products. The preliminary report prepared by the subcommittee was approved by both the Environmental Sanitation Committee and the Federal Relations Committee of the ASTHO. 'Based on the report and recommendations of these committees, as well as subsequent discussion of the problems involved, the association formally adopted the following statement and recommendation:

Statement

Resolution No. 10 (appendix C) adopted by the ASTHO at its 1957 annual meeting, and Resolution No. 3e adopted by the CSSE at its 1958 meeting, both dealing with the responsibilities of State and local health agencies for the sanitary control of milk supplies and the continuing need for the exercise of such control as a consumer protection measure, were reviewed. Consistent with these resolutions, the association believes there is a need to strongly reaffirm that the sanitary control of fluid milk and fluid milk products is a public health matter which is primarily the responsibility of State and local governments except where interstate commerce is involved, and that the exercise of such control should be vested in health departments which are consumer protective agencies rather than in agencies whose principal responsibility is to foster agricultural interests.

The association gave consideration to the practice of some States and municipalities to use health regulations as economic barriers to the free movement of fluid milk,

[1] An official statement and recommendation of the Association of State and Territorial Health Officers adopted at its annual meeting in Washington, D.C., October 20–24, 1958. Additional copies of this report may be obtained from Dr. M. I. Shanholtz, secretary, ASTHO, Virginia Department of Health, Richmond, Va.

both in intrastate and interstate commerce, a practice which has resulted in several bills being introduced in the Congress to establish preemptive Federal control over interstate milk. The association recognizes that States and their political subdivisions have the right to exclude milk of questionable quality, but unanimously agrees that health regulations should not be used to restrict either the intrastate or interstate movement of milk of high sanitary quality. In this connection it is felt that the sanitary control of market milk and milk products cannot be divorced from the economics of milk production, processing, and marketing, and that health agencies at all levels of government have a responsibility to avoid taking actions which cannot be sustained on public health grounds and which have an adverse economic effect on the dairy industry.

The changes which have taken place in the dairy industry in the past 25 years, and which have resulted in greatly increased volumes of milk being offered for sale in interstate commerce, were reviewed in order to determine whether or not the present system of State and local supervision could be utilized for the control of interstate milk shipments without creating an undue burden on interstate commerce. It was the consensus of opinion that the problems of the industry can no longer be considered solely on a local milkshed basis, that the increased interstate movement of milk has complicated its control by State and local agencies, and that uniform sanitary standards and practices are necessary to insure the quality of milk shipped interstate and to eliminate the unjustified use of health regulations as trade barriers. While the voluntary cooperative State-PHS program for the certification of interstate milk shipments, established at the request of ASTHO, has greatly facilitated interstate milk shipments, it has not been able to break down deliberate barriers toward which current Federal legislative proposals are directed. For these reasons, it was agreed that some form of Federal legislation is needed.

The association considered specific forms of Federal legislation that might be appropriate. While it favors the objectives of H.R. 7794 and certain aspects of this and similar bills, it is opposed to those sections of the bills that would provide for centralized Federal control, supervision, and the extension of such control to all milk supplies "affecting interstate commerce." It was felt that direct Federal supervision would unnecessarily superimpose another layer of control on existing State and local systems that might be utilized, and that the "affects interstate commerce" provisions would result in the Federal Government preempting the right of State and local governments to control their intrastate supplies.

Consideration was also given to an approach which would simply place a legislative base under the present voluntary State-PHS milk certification program. It was recognized that such an approach would not solve in its entirety the trade barrier problem and thus would not be acceptable to the proponents of the proposed Federal legislation. However, in view of the fact that the voluntary certification program, which utilizes State and local inspection services, has proven effective and practical in operation, the association believes that the essential elements of this program should be incorporated into any Federal legislation enacted by the Congress to control interstate milk supplies. It was the consensus that if these elements were coupled with a provision prohibiting a State or municipality from excluding milk from out-of-State sources which compiled with basic public health criteria for certification, that such an approach would provide an effective and practical means of assuring high quality products for consumers in milk-importing areas and for eliminating the use of health regulations as trade barriers without abridging the rights of State and local agencies to control the sanitary quality of their intrastate supplies. In fact, the association believes that this approach would strengthen the programs of State milk sanitation agencies. Therefore, the following recommendation was passed on October 24, 1958, at the annual association meeting in Washington, D.C.

Recommendation

That the Association of State and Territorial Health Officers recommend to the Congress the adoption of Federal legislation pertaining to interstate milk shipments, incorporating the following principles:

A. Declare as public policy that the sanitary control of fluid milk and fluid milk products is necessary to protect the public health, and that the exercise of such sanitary control is primarily the responsibility of State and local health departments, except that no State or local government has the right to obstruct the free movement in interstate commerce of fluid milk products of high sanitary quality by the use of unnecessary sanitary requirements or other health regulations;

B. Establish uniform sanitation standards and practices consistent with those contained in the unabridged form (pt. III and pt. IV) of the Milk Ordinance and Code—1953 Recommendations of the Public Health Service, for fluid milk and fluid milk products shipped in interstate commerce;

C. Authorize the Surgeon General of the Public Health Service to conduct, in cooperation with State milk sanitation authorities, a program for certification of interstate milk shippers, in which certification would be based on compliance ratings made by State milk sanitation rating officials in accordance with a rating method, criteria and procedures to be promulgated by the Surgeon General of the Public Health Service;

D. Authorize the Surgeon General to certify only those interstate sources of fluid milk and fluid milk products which are awarded a compliance rating of 90 percent or more by the State milk sanitation authority;

E. Authorize the Surgeon General—

1. To make such ratings, inspections, laboratory examinations, studies, and investigations as he may deem necessary to satisfy himself as to the validity of the sanitation compliance ratings submitted by the State milk sanitation authorities for certification,

2. To provide for revocation or suspension of certifications for cause, and

3. To disseminate information on certified sources;

F. Prohibit the use of State and local milk regulations as trade barriers to the interstate shipment of fluid milk and fluid milk products of high sanitary quality by providing that no State, municipal or county authority or official may exclude, on public health grounds, or because of varying sanitation requirements, any fluid milk and fluid milk products shipped in interstate commerce from sources certified by the Surgeon General as having a sanitation compliance rating of 90 percent or more, if, upon receipt, such fluid milk and fluid milk products comply with the bacterial standards, temperature requirements, composition standards, and other criteria specified in the prescribed sanitation standards and practices;

G. Authorize the Surgeon General to amend the prescribed sanitation standards and practices if, after consultation with State and Territorial health authorities, other State milk control agencies and the dairy industry, he finds amendments are necessary to either protect the public health or to eliminate obsolescent sanitation standards and practices;

H. Authorize the Surgeon General—

1. To conduct research and investigations, and to support and aid in the conduct by State agencies, other public or private organizations and institutions of research and investigations, concerned with the sanitary quality of fluid milk and fluid milk products, and

2. To make the results of such research studies and investigations available to State and local agencies, public or private organizations and institutions, and the milk industry;

I. Authorize the Surgeon General to—

1. Train State and local personnel in milk sanitation methods and procedures,

2. Provide technical assistance to State and local milk sanitation authorities on specific problems,

3. Conduct field studies and demonstrations, and

4. Cooperate with State and local authorities, public and private institutions, and industry, in the development of improved programs for control of the sanitary quality of milk; and

J. Exclude from provisions of the legislation manufactured dairy products such as butter, condensed milk and evaporated milk unless used in the preparation of fluid milk or fluid milk products, sterilized milk or milk products not requiring refrigeration, all types of cheese other than cottage cheese, and nonfat dry milk, dry whole milk and part fat dry milk unless used in the preparation of fluid milk or fluid milk products; and further

K. Authorize necessary appropriations for the Surgeon General to carry out his responsibilities under the legislation;

That its secretary transmit the views contained in this recommendation to the Secretary of the Department of Health, Education, and Welfare, to the appropriate committees of the Congress, and to other interested parties.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield.

Mr. BYRNES of Wisconsin. I am very glad to state to the gentleman that I am pleased to join him in the introduction of this legislation.

Mr. JOHNSON of Wisconsin. I thank the gentleman.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Wisconsin. I yield.

Mr. LAIRD. I would also like to state that I am joining with the gentleman in this cooperative effort to see that this legislation is enacted by this 86th Congress.

Mr. JOHNSON of Wisconsin. I thank the gentleman very much.

DISTRIBUTION OF SURPLUS FOODS TO NEEDY FAMILIES IN THE UNITED STATES

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. OLIVER. Mr. Speaker, I am introducing today a bill which I consider to be of utmost importance in relieving many thousands of people in depressed areas of this country from economic despair.

We have heard much talk of late that this country has emerged from the recession that has afflicted our Nation for more than a year. In a conference that

I recently held with the Director of the Food Distribution Division of the Department of Agriculture, I was informed that the amount of people receiving surplus foods from the Department of Agriculture's surplus food distribution program has increased from 3.1 million to 5.2 million in slightly over a year. The number of citizens in Maine alone receiving the benefits from this program has increased from 27,270 to 51,891 during the period from December 1957 to December 1958.

Obviously, there are some regions in this country that have not received the benefits of this present so-called economic recovery. One of the areas is the Biddeford-Sanford region in my district in Maine. The rate of unemployment in this area, as published by the Bureau of Labor Statistics, has been far above the minimum rate required to qualify this region as a substantial surplus labor area since March of 1954. Recent figures indicate that the August 1958 rate of unemployment was 12 percent. It is estimated that the Biddeford unemployment rate when considered alone is now close to 30 percent. This region, which is dependent on the textile industry, has been dealt many serious blows as a result of Federal governmental policies. The administration of the reciprocal trade agreements program had dealt a serious blow to the textile industry long before the current recession affected our economy. Farm price supports, which apply to cotton, and not to cotton products, have resulted in foreign textile producers buying United States cotton at the surplus price of 20 percent below the domestic price level, processing the cotton, and then reimporting their products to compete with domestic textile goods. I do not wish to elaborate at this time on what I consider to be all of the causes behind the current plight of the textile industry. I feel sure that necessary corrective legislation to relieve some phases of Federal discrimination against the industry will be introduced and passed in this Congress. However, considerably more must be done to revitalize the textile industry. I sincerely feel that the Federal Government, which has played such a prominent part in adversely affecting the textile industry and thereby forcing thousands of textile workers to their economic knees, should make a positive contribution in assisting the industry in its recovery as well as extending constructive relief to those hard-pressed workers. In this connection, it should be noted that regions other than textile areas, such as the coal producing areas of Pennsylvania and the rural communities of Kentucky, have been equally hard hit by the recession. The far-reaching nature of this depressed areas problem with its human impact gives encouragement as to the possibility of the passage of bills for temporary as well as permanent relief for these areas during this session of the 86th Congress.

The bill which I am introducing today is designed with a specific purpose in mind. When Public Law 480 was passed, this country was in a period of peak prosperity; full employment prevailed. Very little thought was given to the fact that first priority for the disposal of so-called surplus agricultural products was given to the needy of foreign countries and last priority to the people of our own country. My bill would amend Public Law 480 to reverse this injustice. Certainly, first priority should be given to the needy and hungry in our own country before we look to the needs of those abroad.

There are available funds in the amount of $400 to $500 million, accumulated under section 32 of the act of Congress of August 24, 1935, which could and must be used for financing an increase in the volume and variety of surplus food distribution. Section 32 funds are specifically collected for the purpose of encouraging domestic and foreign use of our agricultural products. The bill that I am introducing today provides for use of $150 million of these funds during the remainder of fiscal year 1959 and throughout fiscal year 1960 for use in the distribution of foods to needy people in the United States and in broadening the present scope of the school lunch program.

I have made specific mention in the bill of certain products which are presently excluded from the Department of Agriculture's program and which I feel should be included in the food distribution program because of their high nutritive content and variety to both the young and the undernourished.

In days of relative prosperity for some, it is unfortunate that many of our citizens do not have enough food to meet even the bare minimum requirements for existence. I hope that Congress will take quick action to assure passage of this vital measure.

A BILL TO FACILITATE THE DISTRIBUTION OF SURPLUS FOOD PRODUCTS TO NEEDY FAMILIES IN THE UNITED STATES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 32 of the act of August 24, 1935 (7 U.S.C. 612c) is amended by adding at the end thereof the following:

"In carrying out the provisions of this section, not less than $50,000,000 of the funds herein appropriated shall be used during the fiscal year ending June 30, 1959, and not less than $100,000,000 of such funds shall be used during the fiscal year ending June 30, 1960, for the purchase of agricultural food commodities and the products thereof (including dried beans, processed potato products, cooking oil, canned fruits, pork shoulder and luncheon meat, dried eggs, peanut butter, and such other products as the Secretary of Agriculture may direct) and the donation of such commodities and products for relief purposes. The commodities so purchased shall be made available to States for distribution to needy families and persons and to schools in the same manner and under the same conditions, including the payments of costs in connection with such distribution, as in the case of other food commodities made available to needy persons and to schools under this section or under section 416 of the Agricultural Act of 1949, as amended, or related legislation. The Secretary is authorized to make such expenditures as are necessary to carry out this paragraph without regard to any other provisions of law governing the expenditure of public funds, and without regard to the provisions of this section limiting the availability of funds for any one agricultural commodity or the products thereof or relating to any division between storable and perishable commodities."

SEC. 2. Title III of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new section as follows:

"SEC. 306. No surplus agricultural food commodities shall be available for sale for foreign currencies under title I of this act, or for transfer on a grant basis under title II of this act, unless the Secretary of Agriculture shall have first made such commodities available for distribution, under the provisions of section 32 of the act of August 24, 1935 (7 U.S.C. 612c), or section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), or related provisions of law, to needy families and persons in the United States."

COMMITTEE ON SCIENCE AND ASTRONAUTICS

Mr. GEORGE P. MILLER. Mr. Speaker, I ask unanimous consent that the Committee on Science and Astronautics may sit during general debate the balance of this week.

The SPEAKER. Is there objection? There was no objection.

SPANISH-AMERICAN WAR WIDOWS' PENSIONS

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, life has been made a little brighter for the aged widows of the Spanish-American war because of the good hearts of the Members of the 85th Congress and the wise and well-justified legislation enacted by them to increase the meager pensions of these widows to meet in part at least the inroads of inflation. For all this the veterans of a war of 61 years ago are deeply grateful.

Adj. Gen. James H. McElroy has sent me a copy of Resolution 6 adopted at the 60th national encampment, United Spanish War Veterans, at Louisville, Ky., in September last, with the request that it "be read to the Members of Congress and published in the CONGRESSIONAL RECORD." The resolution follows:

RESOLUTION 6

Whereas it is the desire and wish of the members of the United Spanish War Veterans to express our thanks and appreciation to the Members of the 85th Congress, and especially to the Members of the House of Representatives, who passed our bill H.R. 358 for increase of pensions to our widows and their dependents by unanimous vote: Now, therefore, be it

Resolved by the 60th national encampment of the United Spanish War Veterans in convention assembled at Louisville, Ky., August 31 to September 4, 1958, That the thanks and appreciation of our members be extended to each Member of the House of Representatives of the 85th Congress by a copy of this resolution duly signed by our commander in chief and attested to by our adjutant general.

THOMAS H. HAMMOND,
Commander in Chief.

Attest:

JAMES H. MCELROY,
Adjutant General.

EXTENSION OF THE DRAFT

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Speaker, since 1947 I have been counseling with young college students.

I find that the threat of induction casts a pall over the plans of the young men of America with respect to planning for education, careers, and marriage. The Nation needs every one of its young people to seek the maximum education that such persons can profitably secure. Perpetuation of the draft impedes our national educational program. It corrodes the energies and zest of our young people.

It is my understanding that modern military methods require not short-time enlistments but persons who are or can become specialists and who will accept extended periods of service in order to make maximum contributions to the Defense Establishment. Reliance upon the draft prevents the Congress and the military from coming to grips with the changes in personnel policies, including pay, that would secure and hold competent enlisted personnel in adequate numbers. It encourages the use of uniformed personnel at tasks that could be performed more economically by civilians.

The United States regularly professes its peaceful intentions. The perpetuation of the draft at this time appears to belie these professions. Inasmuch as I believe that the Nation can secure a more efficient and economical Defense Establishment without the draft, and improve the general welfare of the country in the process, I would urge that the committee consider favorably an attempt to operate the establishment without passage of H.R. 2260. There would be ample time to pass such a bill after our experiment to get along without it had truly failed.

Finally, the United States must pursue peace persistently. Reliance upon military might is said to buy time. Unhappily, it frequently appears that our great concern for the strength of our Military Establishment causes us to neglect to use the time to best advantage.

The money saved from the greater efficiency resulting from the course of action outlined above could be used not only to reduce taxes, but also to build greater good will the world around, and to develop ways of peaceful cooperation in meeting the great needs of the human race—the abolition of poverty, hunger, disease, and misery.

The war against these evils is the only war we seek, for it is the only war in which all mankind can be victorious.

LABOR-MANAGEMENT REFORM BILL

Mr. LOSER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. LOSER. Mr. Speaker, in the closing days of the 85th Congress—August 1958—the Kennedy-Ives labor bill was brought before the House for consideration under what is known as suspension of the rules.

The bill had been before the Senate earlier in the session, passed and sent to the House. It was not immediately referred to the Committee on Labor, but remained on the Speaker's desk.

Thereafter, it was referred to the appropriate committee for processing, but before the committee had set it down for a hearing, the Senate bill—S. 3974—was placed on the House Calendar for consideration under suspension of the rules. The bill failed to receive the necessary two-thirds vote under this procedure, and, of course, failed of passage.

Mr. Speaker, at that time I voted against suspension of the rules because I thought such a complicated measure should be considered by the Labor Committee, affording all interested parties an opportunity to testify for or against the measure. I stated then that I was not unmindful of the fact that legislation in this field was badly needed. I further stated that I would support legislation that has as its objective the correction of abuses disclosed by the McClellan rackets committee.

The distinguished Senator from Massachusetts [Mr. KENNEDY]—for himself, Senator ERVIN, and at least a dozen other Senators—has introduced another labor-management bill—S. 505—which is now pending before the Committee on Labor and Public Welfare of the U.S. Senate. A companion bill has been introduced in the House by the distinguished gentleman from Connecticut [Mr. BOWLES]. These bills are identical and follow generally the Kennedy-Ives bill of last year, but significantly omit highly controversial amendments to Taft-Hartley contained in the former measure.

Mr. Speaker, too, the President of the United States has proposed legislation in this field and the distinguished gentleman from Pennsylvania [Mr. KEARNS] has introduced the administration bill in the House. Both of these measures are now before the appropriate committees for consideration.

Mr. Speaker, it is of deep interest to observe that the administration bill—Kearns—and the Kennedy-Ervin bill, in dealing with labor reform, cover very much the same ground on union elections, limited prohibitions against ex-convicts serving as union officials, and the requirements for reporting and disclosing the expenditure of union funds, and penalties for the destruction of union records.

It seems to me, Mr. Speaker, that it is of considerable importance to keep in mind, in dealing with these measures, that labor reform is the objective of the Congress. The purpose of the legislation is to correct abuses disclosed by Senator MCCLELLAN's committee, and that it should not be encumbered with highly controversial amendments to the National Labor Relations Act—Taft-Hartley. I am hopeful, in the consideration of these bills, there shall be no partisanship, and that our Committee on Labor as well as the Senate committee, will bring forth the kind of legislation that will reflect credit upon the Congress, and do equal justice between employer and employee.

The Kearns bill contains a number of highly controversial amendments to Taft-Hartley that are not related to labor reform. If such changes are embodied in a labor reform measure we run counter to the economic interests of one group or another. It could very well result in no reform bill at all. We all know that many people want to repeal section 14(b), involving right-to-work laws.

Therefore, I repeat, to encumber a labor reform measure with controversial Taft-Hartley amendments is likely to kill the bill. All of us know there has been no substantial amendment to Taft-Hartley since it became law in 1947.

Mr. Speaker, with these thoughts in mind, I have prepared for introduction in the House my own labor reform measure. I have sought to tighten up several provisions in the Kennedy-Ervin bill. My chief aim, in a labor reform measure, is to be certain that goons, hoodlums, and racketeers who have been convicted of felonious crimes against the Nation and/or the several States shall not be elected or serve in any capacity for a labor union.

This is one of my objections to Senator KENNEDY's bill. It provides that persons convicted of certain crimes shall not serve as officers of a labor organization, unless the Secretary of Labor finds that such persons' services would not be contrary to the purposes of the act. In other words, the Secretary is vested with authority to permit ex-convicts to serve as officers, and so forth, if he should find such persons' services "would not be contrary to the purposes of the act." His determination as to fitness is made final. On this point, it seems to me, the law should be self-executing, and the Secretary should not have any discretion in the matter.

Mr. Speaker, it was disclosed in my State by one of the South's leading newspapers, the Nashville Tennessean, that ex-convicts in at least two instances were serving in an official capacity in the Teamsters Union. In fact, one of the enterprising young newspaper reporters on the Nashville Tennessean, Mr. John Seigenthaler, worked for months in connection with the disclosures by the McClellan rackets committee. This young man and his newspaper were leaders in Tennessee in this fight to clean up labor unions controlled by hoodlums.

And, Mr. Speaker, the administration bill—Mr. KEARNS'—is quite ambiguous on this point. Section 303(a)(2) makes it unlawful for any person "(2) to serve as an officer, agent, or other representative of a labor organization at any time within 5 years after such person has been convicted of any violation of this act."

Section 305(b) of the Kennedy bill has a similar provision. So it appears that persons serving as officers, and so forth, of a labor organization and convicted of violating the act, shall be prevented from further serving as such officer for a period of 5 years, under the Kennedy bill, yet if the officer has been convicted of "robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, and so forth," he still can serve as an officer, and so forth, if the Secretary of Labor so decrees.

Under the Kearns bill, H.R. 3540, the ambiguous or, should I say, loosely drawn provision on this subject provides in section 303(a)(3) that it shall be unlawful for any person "(3) to serve as an officer, agent, or other representative of a labor organization during any period in which, by reason of such person's conviction of any crime, such person is ineligible to vote in any election held under the laws of any State." This simply means that the law of the several States will rule the question of eligibility to vote and thereby hold office in a labor union.

This provision, in my opinion, only prevents persons from holding office in a labor union who have been convicted of a crime that carries with it deprivation of the elective franchise or right to vote.

Mr. Speaker, this provision in the administration bill—Kearns—if it was conceived to prevent persons convicted of felonies from serving as officers of a labor union, is innocuous.

There are many crimes, Mr. Speaker, felonies, if you please, that, upon conviction, do not carry with conviction ineligibility to vote or deprivation of the elective franchise.

To illustrate, a conspiracy to commit a felony, in which there is the possibility of loss of life, is a felony; assault with intent to do bodily harm, or to take human life, is a felony; murder and manslaughter, including assaults with intent to commit murder and manslaughter, are felonies, yet conviction upon any of these felonious charges does not deprive the person convicted of the right to vote. In fact, Mr. Speaker, under the law of my State, it is only conviction of crimes involving moral turpitude or so-called infamous crimes that carry loss of citizenship and I am sure such is the law in many of the States.

It necessarily follows that both of these measures—Kennedy-Ervin and Kearns bills—fail to meet the No. 1 problem, as disclosed by the McClellan rackets committee, to-wit: Preventing goons and hoodlums convicted of felonious crimes of violence from serving as officers and agents of a labor organization.

The bill I am introducing today provides that—

> No person who has been convicted of robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, or of any felony under the laws of the United States or of any State, or conspiracy to commit any of such crimes and felonies, shall serve as an officer, director, trustee, member of any executive board or similar governing body, business agent, manager, paid organizer or other paid officer or employee of a labor organization engaged in an industry affecting commerce for a period of 5 years immediately following his or her final discharge from prison, jail or other penal institution. If such conviction and sentence carried infamy and/or deprivation of citizenship, such person would not be eligible to hold such an office, place of trust or employment in or by a labor organization for a period of 5 years after the restoration of his or her citizenship by a court having jurisdiction in the State and judicial district wherein such person resides.

This provision will be, in my opinion, sufficient to prevent antisocial people convicted of crimes from serving as officers of a labor organization. I am sure there are untold thousands of men and women dedicated to organized labor, capable and thoroughly competent to administer the affairs of labor unions who would welcome the opportunity to serve in positions and offices of trust and responsibility and who live correct lives. There cannot possibly be any occasion to elect thugs and gunmen to administer labor unions and their affairs.

My bill not only prevents loans to officers or employees by a labor organization, but it also prevents such loans to relatives, related either by blood or marriage.

The same provision is applicable to the employers making loans to an officer of a labor organization.

My bill also permits a member of a labor organization to bring civil action in any State court of general jurisdiction against the parent organization when a subordinate body of the organization is under trusteeship, and it is charged that the provisions of the bill respecting trusteeship, are being violated.

Further, Mr. Speaker, my bill differs from the Kennedy-Ervin bill in that the term "supervisor" as set forth in section 2(11) of the National Labor Relations Act, is not changed. This is one of the controversial sections of Taft-Hartley that has no place in a labor reform measure.

My bill follows Senator KENNEDY's bill in title I which covers reporting and disclosure of certain financial transactions and administrative practices; also title II, relative to trusteeships, except in section 204(a), wherein my bill permits a civil suit in a State court by a member of a labor organization in trusteeship when he or she can show that the parent organization is violating said title II of act.

Senator KENNEDY's bill on this subject denies access to the courts—United States—except upon complaint of the Secretary of Labor. My bill permits the Secretary to bring such an action on complaint of a member, in addition to the member's remedy just referred to. The bill I am introducing today, however, follows Senator KENNEDY's bill in a number of respects.

Mr. Speaker, I am not unmindful of the tremendous amount of work that the very distinguished Senator from Massachusetts, Mr. KENNEDY, has done on his bill. His contribution toward labor reform as a member of the McClellan rackets committee has been outstanding. His services in this area reflect credit upon him.

I felt, however, Mr. Speaker, that there were a number of changes that could be made in the legislation offered by Senator KENNEDY that would eliminate serious objections offered to his bill in the 85th Congress, and contained in the Kennedy-Ervin bill (S. 505), now pending in the Senate. I hazard the opinion that these changes will improve the legislation.

I am hopeful that this Congress will enact into law a measure that will do full and complete justice between labor and management, and at the same time correct the abuses and shocking revelations disclosed by Senator MCCLELLAN and his committee.

EQUAL PAY WITHOUT DISCRIMINATION ON ACCOUNT OF SEX

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain information.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, today the gentleman from Pennsylvania [Mr. KEARNS] has introduced a bill to provide equal pay without discrimination on account of sex in interstate employment. I have introduced a companion bill, and I understand numerous others are introducing companion bills.

This proposal is designed to provide a means within the scope of the Federal regulatory power to eliminate discrimination in wage rates based on sex where men and women are performing comparable work for the same employer. It is a part of the legislative program of the Department of Labor.

The proposal would apply to employers whose employees are engaged in commerce or in the production of goods for interstate commerce. The administration of the act would be vested in the Secretary of Labor and procedures of enforcement and wage collection authorized similar to those now utilized by the Department of Labor in the administration of the Fair Labor Standards Act.

The payment of lower wage rates to workers of one sex for the same or comparable work as that performed by the other sex has an undesirable effect on the economic life of the entire Nation. Such practices tend to affect adversely the general purchasing power and the standards of living of workers. Unfair competitive advantages are enjoyed by employers who pay discriminatory wage rates based on sex. In addition to the tangible economic ills caused by discriminatory wage practices, such practices violate fundamental principles of justice and impair the prestige of the United States in international affairs.

A nondiscriminatory wage level makes possible the maximum utilization of worker skills. This, together with collateral benefits, such as morale improvement, may stimulate production and lessen the effects of unfair competition.

It is of great importance that Congress eradicate discriminatory pay practices in interstate commerce.

EQUAL PAY PROPOSAL—SECTION-BY-SECTION ANALYSIS

Section 1 title of act: Establishes short title of "Federal Equal Pay Act."

Section 2, findings and declaration of policy: Enumerates undesirable conditions in interstate commerce resulting from payment of wage differentials based on sex and intention of Congress to correct such conditions.

Section 3, prohibition of wage rate differential based on sex: Prohibits employers having employees engaged in commerce or in the production of goods for commerce from discriminating, on the basis of sex, in payment of wages in any place of employment in which their employees are so engaged. The language descriptive of proposed coverage and the supporting definitions in section 10 are phrased to make available precedents established under the Fair Labor Standards Act in determining coverage under the proposed legislation.

Section 4, administration: Authorizes the Secretary of Labor to issue rules and regulations, make investigations regarding compliance with the act, issue subpenas, and restrain violations. These provisions are largely adapted from similar provisions of the Fair Labor Standards Act.

Section 5, wage restitution and liquidated damages: Provides that employers who violate the act shall be liable for wages of which an employee is deprived and for not more than an additional equal amount as liquidated damages. The liability in employees suits for unpaid wages and liquidated damages is like that now provided by the Fair Labor Standards Act, as modified by section 11 of the Portal-to-Portal Act.

Section 6, enforcement: Authorizes employee suits to recover amount of employer liability under section 5. Authorizes Secretary to supervise payment of wages withheld in violation of the act and to bring suits for such wages in behalf of employees upon their request. The recovery of unpaid wages, but not liquidated damages, is authorized in suits by the Secretary of Labor or by administrative action in supervising employer payments. Establishes a 2-year period of limitation for commencing recovery action after cause accrues.

Section 7, posting: Requires employer to post copy of act or official poster explaining its provisions in each place of employment where act applies.

Section 8, unlawful discharge or discrimination and penalties: Makes it unlawful to discharge or discriminate against any employee assisting in the enforcement of the act. Upon a second conviction for such discharge or discrimination, imposes a criminal penalty. Provides that the U.S. district courts will have jurisdiction of criminal proceedings for violation of this section.

Section 9, injunction proceedings: Provides that the U.S. district courts will have jurisdiction to restrain violations of the act or regulations issued under it.

Section 10, definitions: Defines terms used in the act principally as defined in the Fair Labor Standards Act.

Section 11, appropriation: Authorizes necessary appropriations to carry out act.

Section 12, effective date: Provides that act will take effect 120 days after passage.

STATEMENT IN EXPLANATION OF A BILL TO PROVIDE EQUAL PAY WITHOUT DISCRIMINATION ON ACCOUNT OF SEX IN INTERSTATE EMPLOYMENT

Mr. KEARNS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KEARNS. Mr. Speaker, this proposal which I have introduced today is designed to provide a means within the scope of the Federal regulatory power to eliminate discrimination in wage rates based on sex where men and women are performing comparable work for the same employer. It is a part of the legislative program of the Department of Labor.

The proposal would apply to employers whose employees are engaged in commerce or in the production of goods for interstate commerce. The administration of the act would be vested in the Secretary of Labor and procedures of enforcement and wage collection authorized similar to those now utilized by the Department of Labor in the administration of the Fair Labor Standards Act.

The payment of lower wage rates to workers of one sex for the same or comparable work as that performed by the other sex has an undesirable effect on the economic life of the entire Nation. Such practices tend to affect adversely the general purchasing power and the standards of living of workers. Unfair competitive advantages are enjoyed by employers who pay discriminatory wage rates based on sex. In addition to the tangible economic ills caused by discriminatory wage practices, such practices violate fundamental principles of justice and impair the prestige of the United States in international affairs.

A nondiscriminatory wage level makes possible the maximum utilization of worker skills. This, together with collateral benefits, such as morale improvement, may stimulate production and lessen the effects of unfair competition.

It is of great importance that Congress eradicate discriminatory pay practices in interstate commerce.

EQUAL PAY PROPOSAL—SECTION-BY-SECTION ANALYSIS

Section 1, title of act: Establishes short title of "Federal Equal Pay Act."

Section 2, findings and declaration of policy: Enumerates undesirable conditions in interstate commerce resulting from payment of wage differentials based on sex and intention of Congress to correct such conditions.

Section 3, prohibition of wage rate differential based on sex: Prohibits employers having employees engaged in commerce or in the production of goods for commerce from discriminating, on the basis of sex, in payment of wages in any place of employment in which their employees are so engaged. The language descriptive of proposed coverage and the supporting definitions in section 10 are phrased to make available precedents established under the Fair Labor Standards Act in determining coverage under the proposed legislation.

Section 4, administration: Authorizes the Secretary of Labor to issue rules and regulations, make investigations regarding compliance with the act, issue subpenas, and restrain violations. These provisions are largely adapted from similar provisions of the Fair Labor Standards Act.

Section 5, wage restitution and liquidated damages: Provides that employers who violate the act shall be liable for wages of which an employee is deprived and for not more than an additional equal amount as liquidated damages. The liability in employee suits for unpaid wages and liquidated damages is like that now provided by the Fair Labor Standards Act, as modified by section 11 of the Portal-to-Portal Act.

Section 6, enforcement: Authorizes employee suits to recover amount of employer liability under section 5. Authorizes Secretary to supervise payment of wages withheld in violation of the act and to bring suits for such wages in behalf of employees upon their request. The recovery of unpaid wages, but not liquidated damages, is authorized in suits by the Secretary of Labor or by administrative action in supervising employer payments. Establishes a 2-year period of limitation for commencing recovery action after cause accrues.

Section 7, posting: Requires employer to post copy of act or official poster explaining its provisions in each place of employment where act applies.

Section 8, unlawful discharge or discrimination and penalties: Makes it unlawful to discharge or discriminate against any employee assisting in the enforcement of the act. Upon a second conviction for such discharge or discrimination, imposes a criminal penalty. Provides that the U.S. district courts will have jurisdiction of criminal proceedings for violation of this section.

Section 9, injunction proceedings: Provides that the U.S. district courts will have jurisdiction to restrain violations of the act or regulations issued under it.

Section 10, definitions: Defines terms used in the act principally as defined in the Fair Labor Standards Act.

Section 11, appropriation: Authorizes necessary appropriations to carry out act.

Section 12, effective date: Provides that act will take effect 120 days after passage.

FAIR LABOR STANDARDS INDUSTRY COMMITTEE AMENDMENTS OF 1959

Mr. KEARNS. Mr. Speaker, I also ask permission to include an explanation of legislation relating to Fair Labor Standards Industry Committee Amendments of 1959, and that those who are supporting this legislation with identical bills may be extended the same privilege.

The SPEAKER. Is there objection?

There was no objection.

The statement referred to follows:

STATEMENT IN EXPLANATION OF THE FAIR LABOR STANDARDS INDUSTRY COMMITTEE AMENDMENTS OF 1959

This proposal which I have introduced today would amend the Fair Labor Standards Act to provide for review by the Secretary of Labor of the minimum wage recommendations of the industry committees. It is designed to carry out a recommendation made by the President when he signed the enrolled enactment of the "American Samoa Labor Standards Amendments of 1956." The proposal embodied in the bill is a part of the legislative program of the Department of Labor.

EFFECT OF RECENT AMENDMENTS TO THE ACT

Prior to the 1955 amendments to the Fair Labor Standards Act, the wage rate recommendations of the tripartite industry committees in Puerto Rico and the Virgin Islands were subject to review by the Secretary of Labor. After affording interested persons an opportunity to be heard, he was directed by the statute to accept these recommendations, provided they were in accordance with law and supported by the evidence. If the Secretary disapproved the recommendations, he was directed to refer the matter back to the industry committee, or another industry committee for such industry, for further consideration.

The 1955 amendments to the act abolished these safeguards. They required the Secretary to provide by order that the industry committees' recommendations shall take effect 15 days after they are published in the Federal Register, with no authority in the Secretary to review the recommendations. They also required that the minimum rates of wages established in accordance with this procedure be reviewed by the committees at least once each fiscal year. The 1956 amendments to the act provided procedures for adjusting minimum wage and overtime pay standards in American Samoa, by adopting the special industry committee procedures for establishing minimum wage rates in Puerto Rico and the Virgin Islands. In 1958, the industry committee provisions of the act were amended, as recommended by the Department, to provide for biennial rather than annual review of industry committee rates (Public Law 85–750). In addition to providing for biennial review, the Department also proposed that the act be amended to provide for review by the Secretary of Labor of the mnimum wage recommendations of industry committees. However, no action was taken by the 85th Congress on this latter proposal.

NEED FOR REVISING THE PRESENT PROVISIONS OF THE ACT

The present industry committee provisions of the act run counter to good principles of Government administration. They place authority to determine minimum wage rates in temporarily constituted bodies consisting in major part of interested private parties representing employers and employees with no provision for check or review of their actions by any responsible official of the executive branch.

If the committee's actions are contrary to the statutory standards or cause hardship, aggrieved persons have no official to whom they can complain and obtain a remedy. Their only recourse is through appeals to the courts, in which event the Secretary of Labor must defend the wage order recommended by the committee and promulgated by him under a statutory provision requiring him, without review, to rubberstamp their action through a formal order.

The constitutionality of the present Puerto Rican provisions has already been attacked in the courts and may well be raised in future litigation. Defenses against these attacks will present major problems for the Department of Labor attorneys in view of Supreme Court decisions which, it has been urged show that the present Puerto Rican provisions are invalid as an unconstitutional delegation of a legislative power to private persons.

Since, under the proposed amendments, the Secretary will review the industry committee's recommendations and, at the time of judicial review, the committee may no longer exist, it will also be necessary to amend the judicial review provisions of the act to require that the Secretary, rather than the industry committee, file with the Court the new or modified findings in connection with a second hearing. It is also desirable to amend this provision so that the Court has the benefit of the same review of the second recommendation as of the first.

PROPOSED LEGISLATION TO AMEND THE ACT

Section 5(c) of the act would be amended by the attached bill to require the Secretary of Labor to prescribe, by rules and regulations, the procedures to be followed by him in reviewing the minimum wage determinations of the industry committees. Under this provision the Secretary could provide orderly procedures for review.

Section 8(d) would be amended to give the Secretary of Labor 30 days from receipt of the transcript of the record upon which the industry committee's report was made in which to issue the wage order carrying the committee's recommendations into effect or in which to disapprove the recommendations. If the wage order is issued, the recommendations would take effect upon the expiration of 15 days after the date of issuance, as at the present time. The Secretary would be required to approve the recommendations unless he finds that they were not made in accordance with law, are not supported by the evidence in the record of the industry committee or, taking into consideration the same factors as are required to be considered by the industry committee will not carry out the purposes of this section.

If he disapproves the recommendations, he would be directed to refer the matter back to the industry committee which made them or to another industry committee for such industry for further consideration and recommendation. The tests of disapproval and the disposition of the matter when he disapproves follow the pre-1955 language of the act.

Section 10(a) of the act would be amended to require the Secretary, rather than the industry committee, to file with the court the modified or new findings made by the committee in connection with matters referred back to the committee by the court for the purpose of adducing additional evidence. The Secretary would also be required to file the committee's recommendation, if any, for modifying or setting aside the original order and any findings of the Secretary on review which would require his disapproval of such recommendations under section 8(d).

Section 5 of the attached bill provides that the term "Secretary" as used in this act and the amendments made by this act means the Secretary of Labor.

Section 6 of the bill provides that the amendments made by sections 3 and 4 shall be applicable with respect to any committee findings or recommendations under the Fair Labor Standards Act pending before the Secretary, and any actions under that act pending before such committee, on or after the effective date of this act.

GROUNDHOG DAY

Mr. GAVIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Speaker, I want to call to the attention of the Members of the House—and particularly the new Members and its saddens me to find most of them are on the wrong side of the aisle—that today is Groundhog Day.

And the one and only Punxsutawney Groundhog, that great prognosticator of the weather who predicts with amazing accuracy weather conditions for the next 6 weeks, has spoken.

He emerged from his den on Gobbler's Knob in the foothills of the Alleghenies in my district, the 23d District of Pennsylvania which I am proud and honored to represent, at 8:23 a.m. this morning.

He saw his shadow. This means, whether we like it or not, 6 more weeks of severe cold, wintry weather.

I was advised by the president of the Punxsutawney Groundhog Club, Mr. Sam R. Light, that this great prophet, this seer of seers, contrary to tradition, for the first time in history was sleeping soundly at dawn. To the consternation of those present, he did not appear until 8:23 after President Light had repeatedly pounded on top of his burrow entrance with a heavy club.

Sure enough the burrow door slowly squeaked open and the sleepy-eyed prophet appeared, glanced around, saw his shadow, and with chattering teeth intoned:

Double, double, toil and trouble,
Six more weeks of snow to shovel,
Icy winds and zero nights ahead,
This is one year I should have stayed in bed.

So there you have it. Six more weeks of wintry weather.

THE COPE: WORD AND DEED

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a newspaper editorial.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I am placing in the RECORD an editorial I clipped from the St. Louis Post-Dispatch several weeks ago, dated January 7, 1959, entitled "Segregation in the Unions."

As a Republican who has been lambasted by the Committee on Political Education of the AFL–CIO I have become quite aware of the inconsistency of the statement of COPE and the actions of the labor leaders who control COPE. One of COPE's self-serving claims to liberalism lies in its public statements on civil rights matters. Yet in the St. Louis area where I am the target of the political attacks of the controllers of COPE I fight for elimination of racial bigotry and they hide and permit it in the area where they have their greatest control in their own unions.

The same situation exists when it comes to the rights of the union man to have a voice in union affairs. COPE

talks about civil rights and yet permits its rank and file members to be deprived of the basic right of secret ballot and the right to an accounting of dues. And when the President proposes a bill which will give the union man these rights COPE backs a phony bill which claims to give these rights but provides no adequate remedy to enforce the rights. A right is no right unless there is a remedy. The remedy is the issue. The President's bill calls for loss of tax exemption on the part of a union whose officials do not give the right of secret ballot and accounting of dues to its union members. Will COPE support a bill with this remedy? If past performance is a test they will not any more than they will eliminate racial discrimination in unions. The Post Dispatch is in error if it thinks the AFL–CIO has already moved against goon control. If the AFL–CIO will support an adequate remedy for the enforcement of democracy in unions then and only then, can it be said they have moved against goon control.

The editorial follows:

SEGREGATION IN THE UNIONS

The indictment which the National Association for the Advancement of Colored People has brought against a major group of trade unions, five of them based on cases in the St. Louis area, is one of which labor unionism as a whole should be heartily ashamed.

NAACP Labor Secretary Herbert Hill shows that these union locals practice segregation in the most flagrant manner, restrict Negro members to minor jobs, deny them important work opportunities including those on Government contract, and cheat them of the fruits of seniority. In the St. Louis and East St. Louis area, locals cited are those of the plumbers and pipefitters, plasterers and cement masons, hod carriers and common laborers, railway and steamship clerks, and the International Brotherhood of Electrical Workers. Unless the plea to the AFL–CIO civil rights department brings prompt results, the NAACP serves notice it will take legal action.

The constitution of the AFL–CIO avows the purpose "to encourage all workers without regard to race, color, or national origin to share in the full benefits of union organization." Even if it did not, the dignity of work and of the worker is basic to all unionism, and the labor movement would not have much of a plausible philosophy left without it. How long will the AFL–CIO, which has already moved against goon control, defer moving against racist control, which also dishonors its name and frustrates its valid purposes?

THE FEDERAL EQUAL PAY ACT

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. CHURCH. Mr. Speaker, I have today, with great satisfaction—and equally great hope for its passage—introduced a bill designed to eliminate any further discrimination in wage rates based on sex. In other words, passage of this bill would establish equal pay where men and women are engaged in comparable work for the same employer, whether these employees are engaged in commerce or in the production of goods for interstate commerce.

The present system of discrimination in wage rates based only on sex violates every principle of justice; and, furthermore, lays the United States open to merited criticism by other nations who have long since accepted the just principle of equal pay for equal work. What is even more important, the proposed act would protect and strengthen our economic life. The present practice lowers the general purchasing power and also the standard of living of workers and of their families and impairs the economic health of our entire Nation.

In an age in which women can in nowise be said to work merely as a mode of self-expression or to supply an additional unneeded income for themselves or for their families, it is doubly important that their skills be utilized for full production and that for the sake of their families they receive equal pay for their work.

If time permitted, I would like indeed to go into a full analysis and discussion of the number of women who are today employed because the income that they produce is essential to their own support or to the support of families. Suffice it, at this moment, to say that the proposed legislation will serve to correct a situation that is unjust and economically unhealthy.

The legislation, which is part of the program of the Department of Labor, would be known, in brief, as the Federal Equal Pay Act, as established by section 1 of the act.

Section 2 enumerates undesirable conditions in interstate commerce resulting from payment of wage differentials based on sex and intention of Congress to correct such conditions.

Section 3 prohibits employers having employees engaged in commerce or in the production of goods for commerce from discriminating, on the basis of sex, in payment of wages in any place of employment in which their employees are so engaged. The language descriptive of proposed coverage and the supporting definitions in section 10 are phrased to make available precedents established under the Fair Labor Standards Act in determining coverage under the proposed legislation.

Section 4 authorizes the Secretary of Labor to issue rules and regulations, make investigations regarding compliance with the act, issue subpenas, and restrain violations. These provisions are largely adapted from similar provisions of the Fair Labor Standards Act.

Section 5 provides that employers who violate the act shall be liable for wages of which an employee is deprived and for not more than an additional equal amount as liquidated damages. The liability in employee suits for unpaid wages and liquidated damages is like that now provided by the Fair Labor Standards Act, as modified by section 11 of the Portal-to-Portal Act.

Section 6 authorizes employee suits to recover amount of employer liability under section 5. Authorizes Secretary to supervise payment of wages withheld in violation of the act and to bring suits for such wages in behalf of employees upon their request. The recovery of unpaid wages, but not liquidated damages, is authorized in suits by the Secretary of Labor or by administrative action in supervising employer payments. Establishes a 2-year period of limitation for commencing recovery action after cause accrues.

Section 7 requires employer to post copy of act or official poster explaining its provisions in each place of employment where act applies.

Section 8 makes it unlawful to discharge or discriminate against any employee assisting in the enforcement of the act. Upon a second conviction for such discharge or discrimination, imposes a criminal penalty. Provides that the U.S. district courts will have jurisdiction of criminal proceedings for violation of this section.

Section 9 provides that the U.S. district courts will have jurisdiction to restrain violations of the act or regulations issued under it.

Section 10 defines terms used in the act principally as defined in the Fair Labor Standards Act.

Section 11 authorizes necessary appropriations to carry out act.

Section 12 provides that act will take effect 120 days after passage.

Others of my colleagues, equally recognizing the need, are joining in the introduction of this measure. It is our hope that prompt consideration will be given to this proposed legislation as an indication of congressional recognition of the need for correction of current methods of discrimination which are unjust, economically unhealthy, and a limitation on the standard of living of American families.

EQUAL PAY FOR EQUAL WORK

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, in two recent messages to Congress, the budget message on January 19 and the Economic Report on January 20, President Eisenhower recommended the enactment of Federal legislation to provide equal pay for equal work. In his Economic Report, the President said:

> Certain legislative improvements are required in programs that lie within Federal jurisdiction. * * * Favorable consideration is again requested for legislation * * * to carry out the principle of equal pay for equal work without discrimination based on sex.

In recent months prominent educators, Government officials, and national leaders in industry and labor have called attention to the urgent need for better utilization of womanpower to meet the challenge of our times. More than one-third of all adult women in the population are working. They fill one of every three jobs. It is estimated that by 1965 the number of women workers will need to be increased by 5,400,000 if the demands of the Nation for goods and services are to be met.

Business and industry increasingly realize the close relationship between full utilization of womanpower and the principle of equal pay for equal work. To earn equal pay women must be employed in the same jobs as men. However, today many women are still concentrated in lower paying jobs. Women as a group need opportunities to acquire skills and technical knowledge which will enable them to advance to higher level positions.

We must do everything we can to give women workers this opportunity. In the 85th Congress, we enacted a National Defense Education Act to provide for financial assistance to educational institutions and loans to students desiring to attend institutions of higher education, both men and women. To help women workers make their full contribution to the national economy, enactment of a Federal law to provide equal pay for equal work is the logical next step.

Within the current month Dr. James R. Killian, Jr., Presidential Assistant for Science and Technology, called for the increasing utilization of women in scientific and professional fields. Leaders have pointed out that new programs to stimulate engineering enrollment, particularly for women, must be sought. The need is the same in nearly every other profession. The estimates of future needs for physicians, teachers, scientists, mathematicians all are far greater than the anticipated supply.

Unequal pay for the same work discourages women from preparing themselves for the higher level occupations and prevents the full utilization of women workers by employers even after women are fully trained and actually on the job.

As long as women can be paid a lower rate than men for the same work, the age-old prejudice against women workers will be maintained. We need to enact an equal pay law to eliminate this substantial barrier against the full utilization of women's abilities and talents. Such a law will assist and encourage women to move into professional, scientific, and other skilled jobs so urgently needed in the American economy today.

The unions, women's and civic organizations and many industrialists recognize the importance of equal pay legislation. Since their merger in June 1956, the AFL–CIO has actively endorsed Federal legislation through the union executive council. The National Committee for Equal Pay, composed of representatives of National women's and civic organizations and unions, has continued over many years to urge Federal legislation.

This legislation is clearly in the Nation's interest and I urge the committee to schedule hearings on this at the earliest possible time.

EQUAL PAY FOR WOMEN

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the gentlewoman from New York [Mrs. WEIS] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mrs. WEIS. Mr. Speaker, I am today introducing legislation dealing with the problem of discrimination because of sex in the payment of wages.

Simply stated, the purpose of this legislation is to eliminate the practice of paying women lower wages than men are paid for doing precisely the same kind of work, with the same amount of skill, for the same employer.

It does not require a great deal of intelligence to see the basic injustice of paying different wages to two people who are working side by side and doing the same operation. Yet this is exactly what is being done in many places throughout the country today. Women are being forced to work for lower pay, for no other reason than that they are women.

It is at this kind of practice that my bill is aimed.

Great numbers of women in our country must work in order to provide for their own health and well-being and for that of their families. It is precisely these women who suffer most from this unfair method of competition.

Furthermore, wage differentials based solely on sex prevent the maximum utilization of the available labor resources, and are a source of labor disputes which unnecessarily burden commerce.

Finally, discrimination of this or any other kind does not enhance this country's prestige throughout the world.

I hope that the Congress will act promptly to correct the abuses which have made necessary the introduction of this legislation.

UNIFORM REGULATION FOR THE MARKETING OF MILK PRODUCTS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. NELSEN. Mr. Speaker, I take this time to advise my colleagues that today I have introduced a bill relative to uniform regulation of the marketing of milk products. This bill has become known as the Johnson bill—LESTER JOHNSON, Congressman, Wisconsin's Ninth District.

This legislation seeks to correct some abuses that prevail in some of the marketing areas where through the subterfuge of health standards monopolies of markets have resulted instead.

Many of these areas have barred quality milk from their marketing areas, with price protection, at the same time they have dumped their surplus production on the unprotected producers operating in many areas of the country.

My colleague the gentleman from Wisconsin [Mr. JOHNSON] invited me to join in the introduction of this bill suggesting to me in his letter of January 5 that a bipartisan approach is necessary if we hope to make any progress in this field. I subscribe to that thinking.

This measure will assure adequate health standards; it will also assure the producers of adequate and reasonable market protection.

Some of the provisions of this bill in my opinion can be changed relative to personnel for administration and costs.

I feel that to a great degree State and Federal employees can be enlisted to administer the provisions of this act. It is my hope that committee hearings will examine such a possibility.

Due to the crying need for such a measure, I am happy to join with Congressman JOHNSON and others in introducing this bill. It is our hope that the Congress will give this important measure the study and consideration it deserves.

LEGISLATION TO REMOVE MILK BARRIERS BY PROVIDING FOR UNIFORM MILK SANITATION STANDARDS AND REGULATIONS

Mr. QUIE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. QUIE. Mr. Speaker, today I am joining with Congressman LESTER JOHNSON, of Wisconsin, as well as other colleagues from both sides of the aisle, in introducing legislation which would require uniform and consistent sanitation and regulation of milk and milk products.

This bill, if enacted, would mean that the arbitrary discriminations and blockades which have been set up in the guise of health standards by local communities and various States would be changed to conform to one yardstick.

Through this legislation, a high standard of sanitation would be preserved and the free flow of milk products—including Minnesota milk—would be encouraged. Another important objective of this bill would be the protection of the health of the American consumer.

In the past I have introduced similar legislation to achieve this same end—but I feel that if there is a better chance to win enactment by joining with others in a bipartisan effort, then this step should be taken.

The value of this legislation is apparent. If enacted, it would serve to protect and bolster the dairy economy of the Nation, which would certainly affect directly the economy of the First District of Minnesota.

Mr. Speaker, I represent a district composed of 12 counties in southeastern Minnesota which depend on dairying for a substantial part of the farm income.

I have pointed out before to the House that roughly four-fifths of the farms in the First District are dairy farms, with more than 33 percent of the total population of my district being dairy farm families.

Statistics I have already produced in testimony last year before a committee of the House have shown that the well-being of the Minnesota dairy farmer is essential to the economy of the First

Congressional District and the State of Minnesota. It is a certainty that this legislation would bolster the agricultural economy of the entire Nation as well.

Because I believe that this legislation—the National Milk Sanitation Act—would be of tremendous assistance to dairy farmers of Minnesota, Wisconsin, and the Nation—and because I feel strongly that all segments of our society should be protected from discrimination—I am happy to join my colleagues on this bill which would set up national milk sanitation and inspection standards.

LET'S STOP USING TAXPAYERS' MONEY TO INDUCE FARMERS TO DRAIN WET LANDS VALUABLE FOR WILDLIFE

Mr. REUSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Speaker, I have today introduced, for appropriate reference, H.R. 3918, a bill to amend the Soil Conservation and Domestic Allotment Act so as to end Federal cost sharing and technical assistance in farm drainage where the Secretary of Interior finds it harmful to wildlife. A companion bill, H.R. 3909, is being introduced by the gentleman from South Dakota [Mr. McGOVERN].

Our national policy should be to encourage the highest and best use of the Nation's land and water resources. Instead, the Federal Government has been paying out millions of taxpayers' dollars to encourage farmers to drain wet lands, particularly in Minnesota and the Dakotas. Such drainage brings into existence new surplus crops of corn, wheat, and other grains, thus creating new competition for existing farmers. The drainage program, by hastening runoff from the land, often causes harmful erosion and depletes our water reservoirs. It has already destroyed almost one-third of the Nation's finest breeding grounds for migratory waterfowl.

Secretary of Agriculture Benson has been urged time and again to put a stop to the wasteful and destructive phases of this program. He has refused to do so. H.R. 3918 is designed to meet this situation before the last waterfowl breeding ground has been blotted from the continental United States.

The basic authority for the Department of Agriculture's payments to farmers for draining wet lands is contained in the Soil Conservation and Domestic Allotment Act of 1936, Public Law 461, 74th Congress. Under this act, the Secretary of Agriculture has designated drainage as an eligible conservation practice, thereby permitting the Federal Government to pay farmers 50 percent of the cost of drainage work on their land, and the entire cost of technical assistance through the Soil Conservation Service.

Federal cost sharing for farm drainage was initiated in the North Central, Western, and Southern States in 1942. Spurred on by World War II, by 1944 Federal payments were being made in 37 States. The program received an additional impetus during the Korean conflict.

THREE HUNDRED AND FIFTY THOUSAND POTHOLES DRAINED

This drainage of potholes, water-holding depressions varying in size from small potholes to shallow lakes covering hundreds of acres, has been most marked and destructive in the so-called prairie pothole region of the Middle West. This consists of 39 counties of eastern North Dakota, 44 counties of eastern South Dakota, and 57 counties of western Minnesota. Of the 1,350,000 potholes in the area at the start of the subsidized drainage program, more than 350,000 have been drained through Federal subsidies. In addition, an unknown number have been drained by farmers acting without the benefit of Federal subsidy.

The Intergovernmental Relations Subcommittee of the House Committee on Government Operations, of which the Honorable L. H. FOUNTAIN, of North Carolina, is chairman, held a hearing on August 15, 1957, on the question of farm drainage. The testimony of Daniel H. Janzen, Director of the Bureau of Sport Fisheries and Wildlife of the Department of Interior, sums up the danger to our shrinking wildlife resources presented by Secretary Benson's activities:

1. The end of unlimited water resources for industry and agriculture is in sight. Our shortage of wet lands valuable for waterfowl habitat is nationwide. Our expanded population has far more time to spend in recreational activities and is constantly increasing its demands on our shrinking waterfowl resources. Additional losses in waterfowl habitat will seriously jeopardize our waterfowl resource base. We must preserve and develop the remaining waterfowl habitat in the United States.

AN INTERNATIONAL RESPONSIBILITY

2. The protection of migratory waterfowl and its habitat is more than a domestic responsibility. It is an international obligation of the Federal Government under treaties concluded with Great Britain and Mexico and a number of laws enacted by the Congress to implement those treaties. We believe that wholesale destruction of vital waterfowl production habitat by agencies of the Federal Government—or as a result of their programs—is clearly inconsistent with the obligations of the United States under these international conventions.

3. We want to emphasize here that we are not opposed to all drainage of wet lands. Neither are we opposed to Federal subsidy and technical assistance for all drainage. We are, however, greatly concerned about the continuance of Federal technical assistance for drainage of wet lands which are vital to the maintenance of our waterfowl resources.

4. The three-State area of Minnesota, North Dakota, and South Dakota has produced an average of 4 to 5 million ducks annually during the past 7 years. Nearly three-fourths of the ducks produced in the United Staes are hatched here. Waterfowl banded in the three-State pothole region and northeastern Montana during the nesting season have been shot in 42 States, Canada, and Latin America.

Breeding-ground studies conducted by the Service in cooperation with State fish and game departments and Canadian wildlife agencies show conclusively that the prairie pothole region, including the three-State area and adjacent Canada, is the preferred breeding habitat on the North American Continent. In 1956, these potholes furnished production habitat for 67 percent of the continental breeding population.

It is sometimes suggested that drainage of prairie potholes may not necessarily be a serious factor in duck production because breeding birds can find nesting sites farther north in Canada. Breeding-ground censuses during past years show conclusively that such a northward shift of breeding birds does occur when water is not abundant in the prairie region, but this shift causes a significant reduction in duck production. When there is an abundance of water farther south the birds will shift back to the preferred breeding habitat of the prairie pothole region to breed and nest.

The prairie potholes thus represent the most productive natural duck-breeding habitat on the continent and any reduction in this habitat by drainage must necessarily result in a lower production potential for our waterfowl.

5. Destructive soil erosion due to cloudbursts and floods in Minnesota in August 1957, could have been prevented on two bases; first, if there had been less drainage more of the water would have been stored temporarily in these depressions, but because of the drainage it rushed off rapidly; second, had there been more assistance by the Department of Agriculture to stabilize the soil on the hillsides, there would have been less damage done to the farms. One of the reasons that there was not more assistance to farmers was because funds were not available. It has been my feeling for many years that if the engineering-technical assistance and the funds made available for this drainage were made available to farmers to stabilize soil on the hillsides, that problem would have been more nearly solved.

SAVING MILLIONS

6. For at least 8 years the U.S. Fish and Wildlife Service has negotiated with agricultural agencies to find a cooperative solution to the curtailment of drainage damaging to waterfowl. After all, this is a problem that can be solved only by the interests that are presently responsible for that drainage.

7. In keeping with current economy policies in Government, substantial savings of somewhat more than a million dollars annually could be achieved by abolishing subsidies for drainage in the three pothole States.

8. The position of the U.S. Fish and Wildlife Service on this problem is that the Federal Government should not offer subsidies for drainage in the prairie pothole region of the Dakotas and Minnesota, because of the national interest in the 4 million acres of waterfowl wet lands there. We do not, of course, object to a farmer draining his land on his own initiative at his own expense. This is his right as a private property owner.

9. The handwriting is on the wall for the waterfowl resources of this Nation unless destruction of its breeding habitat is halted. Prompt action is called for to maintain this resource, and the recreation it supports, as we know them today.

Another witness was Thomas A. Schrader, director, Department of Game Fish and Parks, State of South Dakota, who testified:

DESTROYS UPLAND, TOO

Mr. REUSS. Based upon your years of experience in this prairie pothole area, both in the Fish and Wildlife Service and as director of the South Dakota Game Commission, do you have an opinion as to whether the federally subsidized drainage program has had an effect on wildlife production?

Mr. SCHRADER. It has had a tremendous adverse effect on wildlife, not only on waterfowl, which is primarily the interest of the Fish and Wildlife Service, but biologists in the South Dakota Game and Fish Depart-

ment are of the opinion that this drainage does more harm to the upland game, primarily pheasant, than it does to the waterfowl. We have lost tremendous acreages of very valuable upland game habitat in addition to the waterfowl production that has been lost.

Mr. REUSS. Do you have an opinion, based on your actual observation, as to whether the effect of the federally subsidized farm drainage program in the pothole area has been primarily one of bringing new land into production as opposed to some other purpose?

Mr. SCHRADER. Well, all of it brings new land into production. In fact, it got its start during the war. This program was first accelerated by the effort during the war to put new land into production. It was listed as one of the early places which would increase production badly needed during the war. I have never been able to find a place, from my experience, where drainage would not increase production. Now there may be places where that is the case. But in the pothole country I have never seen a drainage project that did not have as its ultimate end result an increase in production. It is primarily for the production of corn and flax, which we have too much of already.

Mr. REUSS. When you say that you have never seen a pothole drainage project which has had any other result than increasing the area devoted to producing crops, how many potholes, or former potholes, have you looked at in the last 12 years?

Mr. SCHRADER. I suppose that I have seen 10,000 of them personally. I have been employed in this work to the extent that I have seen thousands and thousands of drained potholes. I have taken a good many of the photographs that we have in our files in the office.

Subcommittee Chairman FOUNTAIN summarized the subcommittee's study as follows:

The subcommittee's study revealed that policies of two different Federal agencies were, to some extent at least, working at cross purposes. On one hand, the Department of Agriculture offered financial and technical assistance to farmers in the draining of agricultural land. On the other, the Department of Interior was seeking to encourage the development of additional wetland areas for wildfowl breeding purposes. According to wildlife spokesmen, Federal assistance was resulting in drainage of many wetland areas which otherwise might have been left in their original state."

DRAINAGE VASTLY EXCEEDS ACQUISITION

A comparison between federally assisted wetlands drainage programs and federally acquired waterfowl habitat in the three prairie pothole States for the period 1951–55 shows devastatingly how much faster we are moving to destroy duck habitat than to acquire it:

	ACP drainage		FWS acquisition	
	Funds spent [1]	Duck habitat removed (acres) [2]	Funds spent [3]	Duck habitat acquired (acres) [3]
1951	$871,380	40,700	$6,731	647
1952	1,089,851	63,700	50	57
1953	1,077,639	61,100	13,025	785
1954	1,117,976	40,300	1,179	282
1955	1,482,877	50,900	46,628	1,691
Total	5,639,723	256,700	67,613	3,462

[1] Source: Annual summaries of ACPS.
[2] Source: FWS estimates based on 25 percent of total ACP drainage in the 140 counties where duck production is important. These estimates represent 19.3 percent of all reported drainage for the 3 States.
[3] Annual reports of the Migratory Bird Conservation Commission.

As the above table shows, the agriculture conservation program was spending 83 times as much to destroy waterfowl habitat as the Fish and Wildlife Service was spending to acquire it. In terms of acres, ACP was removing 74 times as many acres of wet lands as FWS acquired.

Faced with this indictment of the farm drainage program in the prairie pothole States, the Department of Agriculture spokesman at the August 15, 1957, hearing sought to justify the Department's activities by insisting that the program was good conservation. When pressed how a program that was wasteful of water, destructive of wildlife habitat, and inconsistent with soil-bank objectives could be called conservation, Deputy Administrator Gladwyn E. Young, of the Soil Conservation Service, testified that by draining their marshy areas farmers can shift crop production to lowlands that are less subject to soil erosion than their uplands. A more sensible approach, it seems to me, would be for the Soil Conservation Service and the Agricultural Conservation Program Service to attempt to save the uplands from erosion by vigorously promoting practices such as terracing, contouring, and stripcropping, rather than let the uplands go to pot and then attempt to recoup needed land by draining wet lands. This is not the first time that true conservation has been trespassed against in the name of conservation.

CONSERVATIONISTS PROTEST

True conservationists have protested for many years the Department of Agriculture's farm drainage activities in the prairie pothole States. From time to time, the Department of Agriculture has thrown a crumb to its critics by adding a word here or a phrase there to its farm drainage regulations. In 1952 language was added requiring due consideration to the maintenance of wildlife resources. Starting in 1955 language was added prohibiting drainage assistance for the primary purpose of bringing new land into crop production. Apparently the Department of Agriculture made no serious effort to enforce even these loose limitations. An inspector for the Fish and Wildlife Service conducted a survey of ACP drainage activities in North Dakota in 1955 and 1956. Of the acreage drained during these 2 years in North Dakota, he reported, 48.1 percent—13.4 percent of the total number of potholes drained—was in direct violation of the Department of Agriculture's regulations. This high percentage of violations of even the Department's loose rules appears to be the result of leaving the drainage program to such a large extent in the hands of county agricultural stabilization conservation committees.

On August 9, 1957, the Agricultural Conservation Program Service issued still a new regulation on drainage subsidies, as follows:

1101.976. Practice C–9: Constructing permanent open drainage systems to dispose of excess water. Federal cost-sharing may be authorized for clearing the necessary minimum width right-of-way. Federal cost-sharing may be authorized for the spreading of spoil banks where this is necessary for the effective utilization of the drainage system. No Federal cost-sharing will be allowed for ditches, the primary purpose of which is to bring new land into agricultural production. This practice is not applicable to land other that that devoted to the production of cultivated crops or crops normally seeded to hay or pasture during at least 2 of the 5 years preceding that in which the practice is applied; provided, however, that upon a showing by a farmer applicant for this practice that the land on which the practice is to be applied was in cultivated crops, tame hay, or seeded pasture 2 years out of 10 years preceding the application applied for, he may be allowed cost-shares as to such land. The installation of this practice on eligible land shall not be ineligible for cost-shares because its use results in incidental drainage on ineligible land. No Federal cost-shares are allowable for cleaning a ditch, installing crossing structures, or for other structures primarily for the convenience of the farm operator. In the installation of drainage systems, due consideration shall be given to the maintenance of wildlife habitat.

FEDERAL GOBBLEDYGOOK

This regulation was aptly characterized in the September 1, 1957, issue of Conservation News, published by the National Wildlife Federation, as—

A classic example of Federal gobbledygook. The loopholes are plenty big enough to drive a bulldozer or a dragline through at any point. * * * The phrase "primary purpose" in the third sentence above permits local committees in charge of ACP payments to say that bringing new land into production is merely incidental to another purpose, say, the drying up of wet fringes of a pothole that have been farmed in years of subnormal rainfall. The effect of the long, involved fourth sentence is "2 in 10 years"; the "2 in 5" proposal is meaningless. If, despite the foregoing loopholes it still bothers the conscience of a county committee to approve the drainage of a pothole, the fifth sentence clearly opens the way for ditches passing incidentally through permanent potholes to reach adjacent eligible land.

The Bureau of Sport Fisheries and Wildlife of the Department of the Interior on August 27, 1957, had the following discouraging comment to make on the new ACP regulation:

The 1958 ACPS program regulations for drainage assistance under practices C–9 and C–10 have been carefully studied. In our review of these regulations particular attention was given to the new language they contain which purportedly was included to clarify the policies and objectives of the Department of Agriculture in administering the program. Our conclusion is that the 1958 regulations provide more encouragement through Federal assistance for drainage of farm wet lands than comparable regulations of the past several years.

Under practice C–9, the wording of the first two sentences authorizing cost-sharing for clearing rights-of-way and for the spreading of spoil banks is the same as in 1957. The third sentence which states that Federal cost-sharing will not be allowed for ditches, the primary purpose of which is to bring new land into production, likewise is the same as last year. Experience has shown that the term "primary purpose" is widely used as a justification for assisting drainage which does bring substantial acreages of new land into production.

The fourth sentence apparently is a new attempt to define land eligible for drainage assistance. Although the first portion of this sentence states that the practice is not applicable to land other than that devoted to the production of cultivated crops, seeded hay, or pasture during 2 of the preceding 5

years, a following proviso nullifies this restriction by stating that cost-sharing will be allowed for lands shown to be in production of such crops 2 out of the preceding 10 years. Thus, under this portion of the regulation, lands which are considered as unfit for cultivation, tame hay, or seeded pasture 80 percent of the time are now eligible for drainage cost-sharing. Drainage of such lands obviously destroys much waterfowl habitat and increases the acreage of land under cultivation.

The fifth sentence authorizes cost-sharing for drainage of eligible lands which cannot be drained without also draining ineligible lands. This is a new provision in the regulations, although the practice of allowing such cost-sharing is not new. In past years, ineligible wet lands have been drained with Federal funds and technical assistance when they were located between an eligible area and the terminal point of the ditch necessary to drain this eligible area. Situations of this type comprised some of the more flagrant deviations from the stated policy of the agricultural agencies assisting drainage. Inclusion of this new language apparently is intended to provide outright policy authorization, at the national level, for such cases, which in the past have been justified on the basis of local interpretation. In effect, this provision in the 1958 regulations will make all potholes susceptible to legal drainage.

The last two sentences in the regulations for practice C–9 contain no new provisions over those included in the 1957 docket.

The regulations for practice C–10 in the 1958 docket include provisions identical with those in practice C–9. Our comments on these provisions apply to the regulations for both practices.

On the whole, the 1958 regulations for ACPS practices C–9 and C–10 do not reflect cooperative or sympathetic consideration of the views of the Bureau of Sport Fisheries and Wildlife on the impact of drainage on waterfowl habitat. We also wish to point out that the Bureau of Sport Fisheries and Wildlife was not provided an opportunity to review these regulations prior to their acceptance by the Secretary of Agriculture.

NEW BILL IS CHANGED

On February 10, 1958, I introduced H.R. 10641. The first section of H.R. 10641 is identical to the language of H.R. 3918, introduced by me today. The second section sought to amend the Soil Bank Act so as to provide incentives under the soil bank to farmers for maintaining wet lands in the conservation reserve program. An identical bill, H.R. 10642, was introduced in the House on the same day by the gentleman from South Dakota [Mr. McGOVERN]. A Senate counterpart, S. 3553, was introduced on March 25, 1958, by Senator RICHARD L. NEUBERGER, of Oregon.

No hearings were held on these bills. The Department of Agriculture, in reporting on them, opposed them on the ground that section 2 would impose an unwanted obligation to protect wildlife upon the Soil Bank Act and the Department of Agriculture. Fortunately, section 2 of last year's bills has now become unnecessary because of the enactment, on August 1, 1958, of Public Law 85–585. Under this law, all receipts from the sale of duck stamps are earmarked for the acquisition of migratory bird habitat by the Department of the Interior, and such acquisition can include the purchase or lease by the Fish and Wildlife Service of small wetlands and pothole areas. A system, such as that envisaged by section 2 of last Congress bill, of enabling hunters and sportsmen benefiting from farmers' wet lands to compensate farmers for maintaining wet lands, through the duck stamp, has thus been worked out.

H.R. 3918, therefore, merely rules out Federal assistance for farm drainage, either through agricultural conservation program cost-sharing, or through Soil Conservation Service technical assistance, where the effect of the drainage is to injure wildlife. The provision, of course, in no way prevents a farmer from going ahead on his own. By providing that the Secretaries of Agriculture and Interior shall develop regulations for carrying out the Secretary of the Interior's wildlife protective power, the bill makes possible speedy administration. For example, the Secretaries might well decide to concentrate on proposed drainages in Minnesota and the Dakotas, where the problem of wildlife preservation is acute, and to refrain from interfering with the drainage program elsewhere.

CONTROL STILL NEEDED

H.R. 3918 is just as necessary as it was a year ago, since the Department of Agriculture's program of draining wet lands valuable for wildlife at the taxpayers' expense is still rolling along. In response to my request, I have recently received a report on Department of Agriculture subsidized drainage in the prairie pothole region from Mr. R. W. Burwell, regional director, Bureau of Sport Fisheries and Wildlife, Department of the Interior, Fish and Wildlife Service, for the north-central region, with headquarters in Minneapolis, Minn. Under date of January 2, 1959, Mr. Burwell writes:

You asked about, and I promised to give you our appraisal of, the current drainage situation in the prairie pothole region. Destruction of waterfowl production habitat in the heart of the breeding ground in the United States continues, but at a reduced rate. Data reported in Department of Agriculture releases suggest that the reduction in drainage is greater than is actually the case. This stems in part from a change in Agriculture's method of reporting. Formerly that Department often reported as "acreage drained" the entire acreage of a field in which a pothole was drained even though the pothole was only a fraction of the size of the field. Recent reports from the Department of Agriculture show, more nearly, the actual acreage of wet lands drained, thereby suggesting a tremendous drop in the amount of drainage.

Our investigations show that there has been a significant reduction in the rate of waterfowl habitat drainage in North and South Dakota and Minnesota since 1954. In Minnesota and North Dakota drainage of waterfowl habitat in 1957 was below that of 1956. The reverse was true, however, in South Dakota where drainage in 1957 was considerably above that of 1956. Although we do not have all of the 1958 information at this time, the trend appears to be toward more drainage in all three States in 1958.

Drainage guidelines were issued in 1957 by the ACPS and SCS which had the effect of reducing drainage in Minnesota and North Daokta but not in South Dakota. These guidelines resulted in a shift of drainage emphasis away from the larger, more permanent, marsh types useful as brood areas, but were of little importance in reducing the rate of drainage of the more temporary areas necessary for waterfowl courtship and breeding activities.

From a waterfowl habitat standpoint, there is a basic weakness in the Department of Agriculture drainage regulation which permits the drainage of any waterfowl marshes that have been devoted to crops 2 years out of the 5-year period immediately preceding the drainage application. Local drought conditions often permit waterfowl habitat to become eligible for drainage in the prairie pothole region. Incidental drainage of ineligible wet lands is permitted if the drainage facility is constructed to drain eligible land. For these reasons we can predict an increase in drainage in any year immediately preceded by a 5-year period which included 2 years of local drought severe enough to permit plowing and seeding of some potholes.

Perhaps Department of Agriculture drainage regulations could be improved for the benefit of wildlife if the regulations limited such assistance to wetland areas that have been devoted to crops at least 4 years out of the 5-year period immediately preceding the drainage application. Also, marshes or other wetlands partially or totally surrounded by eligible land should not be eligible for drainage assistance unless they have produced a harvestable cultivated crop 4 years out of the 5 years preceding that in which the application is made.

Such a restriction would permit drainage of some wildlife habitat but would be an improvement over present conditions. The only real solution, in my opinion, would be the elimination of both technical and financial assistance for drainage.

SOURCES OF OPPOSITION

I look forward to the same opposition by self-interested groups to H.R. 3918 as was raised against its predecessors, H.R. 10641 and H.R. 10642, in the last Congress. One such group is the manufacturers of drainage equipment. The May 1958 issue of Conservation News, the publication of the National Wildlife Federation, reprints a widely circulated letter from a drainage machinery manufacturer, urging all-out opposition to H.R. 10641 and H.R. 10642:

WHO CASHES IN ON DRAINAGE SUBSIDIES?

In the case of farm drainage it is the manufacturers of bulldozers, draglines, and other heavy, earthmoving equipment. Some soil conservation districts are trying desperately to pay out on ditching machinery that slick salesmen talked them into buying on time. Understandably the district officers panic when someone mentions cutting off the drainage subsidies.

Recently Conservation News came by an interesting document that throws a good deal of light on the situation. It is a letter, reprinted below, that was sent to soil conservation district leaders in the Dakotas—and probably in many other States—by a corporation that manufactures big, and expensive, ditching machinery. S. 2496 and companion bills mentioned in Mr. Davis' letter are the proposed amendments to the Coordination Act that have been recommended by Secretary of the Interior Seaton. This legislation has been endorsed by the National Wildlife Federation and many other conservation organizations. The facts reported by Mr. Davis are distorted or downright untrue—but his purpose is to frighten farm leaders into opposing the bill.

H.R. 10641 and H.R. 10642, also opposed by the dragline makers, are the Reuss and McGovern bills to eliminate ACP payments for draining marshes that are valuable for wildlife and to substitute soil bank payments to farmers for retaining such wet lands.

GAR WOOD INDUSTRIES, INC.,
Findlay, Ohio, April 1, 1958.

Urgent Message to All Persons Interested in Farm Drainage:

There are now several bills before the House of Representatives and Senate which could—if passed—inflict serious handicaps on all drainage programs in the United States.

Here are some of the facts about these bills:

The proposed legislation would give the Department of the Interior power to control the Department of Agriculture's drainage policies. This legislation, promoted by wildlife interests, is very vague about how restrictions on drainage would be imposed. But it adds up to this: The Fish and Wildlife Division of the Department of the Interior would exercise control of drainage outlets whenever technical assistance or funds from any Federal agency were connected with such drainage—thereby restricting or controlling a great amount of private drainage needing such outlets.

We have no argument with those who argue for the preservation of our wildlife resources—but we do know that legislation such as this is too awkward to accomplish anything without seriously crippling our country's progressive farm drainage program.

It is imperative, for the preservation of your own interests, that you write or telegraph both your congressional and senatorial representatives and vigorously object to this legislation. When you write, be sure and refer to this legislation accurately. The Watkins bill, the one with the great likelihood of passing (unless you raise your voice), is formerly known as—

Senate bill S. 2496 and House of Representative companion bills H.R. 8631, H.R. 8747, H.R. 9053.

Other legislation, even more restrictive—though without too much possibility of passing—should also be referred to by you in your correspondence. This is known as House of Representative bills H.R. 10642 and identical bill H.R. 10641.

There is no time to waste. Your future is at stake right now. Write, wire, or telegraph your Representatives and Senators today.

Very truly yours,

D. J. DAVIS,
General Sales Manager, Construction Machinery.

LOBBYING BY USDA

The Department of Agriculture is likewise not above doing a little lobbying against the Reuss-McGovern bills. The Rapid City (S. Dak.) Journal for April 16, 1958, reports on the speech made by a Department of Agriculture official, Hugh Hiller, before a South Dakota sportsmen's club:

DRAINAGE PROGRAM IS DEFENDED BY TECHNICIAN

KADOKA.—An answer to charges of sportsmen's groups that drainage of potholes by farmers is endangering the propagation of ducks and geese in South Dakota has been made by a Soil Conservation Service technician.

Hugh Hiller, SCS work unit conservationist in Kadoka, spoke before the Kadoka Rod and Gun Club defending the drainage program sponsored jointly by the SCS and Agriculture Stabilization and Conservation.

Hiller said some sportsmen's clubs are drumming up support for the Reuss-McGovern bill now before Congress. The bill, among other things, would prohibit ASC payments for drainage where the Secretary of Agriculture finds the wildlife conservation program would be materially harmed.

Hiller said that in 15 years of service with SCS he has not received a request from a farmer to drain an area which had any value to wildlife. The line between soil and water conservation and wildlife conservation is invisible, and agencies for both types of work must cooperate or both will fail, he said.

CAMPAIGN AGAINST BILLS

H. R. Morgan, of Bismarck, N. Dak., former North Dakota game and fish commissioner, and now special field representative for the National Wildlife Federation, had this to say at the December 17, 1958, meeting of the Department of the Interior's Advisory Committee on Fish and Wildlife, concerning the campaign to defect the Reuss-McGovern bills:

I hope to be able to impress you with the danger of a hoax which is being perpetrated upon the American public through propaganda which is being circulated throughout the Midwest. I shall endeavor to show you that this hoax will be perpetuated unless we, here, take it upon ourselves to give the public the facts. I am, of course, referring to the drainage of the duck habitat of the Midwest and the propaganda circularized to encourage landowners to take advantage of the Federal cost-sharing provided for drainage under the agricultural conservation program.

Your first reaction to this may be that the responsibility for counteracting this propaganda campaign should rest with the Fish and Wildlife Service. Do not overlook the facts in this connection. Those responsible for the propaganda are not attacking the Service. The Service, in an all-out fight to combat this propaganda, would be attacking a program authorized by the Congress. The Service can attack only upon the basis that drainage of waterfowl habitat is directly contrary to the program which they have been made responsible, by the same Congress, to carry out.

Before I show you samples of this propaganda, I should like to state a few pertinent facts. I will be speaking about the tristate area of Minnesota and the Dakotas. This area comprises the last important duck-breeding grounds in the United States. Although drainage has eliminated much of what was formerly duck production habitat, this area is still important in that it annually produces from 3 to 5 million ducks.

Federally subsidized drainage is provided under the Soil Conservation and Domestic Allotment Act of 1938. It is an eligible practice under the agricultural conservation program, which provides that the agricultural stabilization and conservation committee of each State and county may pay up to 50 percent of the cost of agricultural drainage, and the Soil Conservation Service may provide, at public expense, the engineering necessary for such drains. Federally subsidized drainage began in the tristate area in 1942. It was encouraged as an emergency war measure designed to make more land available for crop production. Because of a shortage of manpower and heavy earthmoving equipment it did not attain its peak until 2 years after the war was over. In the period 1951–55, 256,700 acres were drained in this area, while during the same period the Fish and Wildlife Service acquired 3,462, according to the CONGRESSIONAL RECORD, in an effort to combat the efforts of a sister department to the Federal Government. Drainage of farmlands increases the value of the farm, increases the crop surpluses of the Nation, and exploits the most valuable resource of the Nation, and therefore should not be subsidized. Federally subsidized drainage favors a minority group of farmers and proves unfavorable to the majority group by resulting in added produce placed upon a competitive market and in increased land values of those owning cheap lowlands. Drainage of natural surface water reservoirs increases erosion and main channel floods by more rapidly discharging runoff into tributary streams.

DRAINAGE IS INCOMPATIBLE

Drainage is directly opposed to the objectives of the Agricultural Act of 1956 (the most recently enacted), which states that water is to be held upon the areas where it falls. Drainage of farmlands adds to production and in so doing defeats the objectives of the Soil Bank Act which is designed to decrease crop surpluses through shrinking acreages devoted to such production. It is, thus, an incompatible practice opposed to the public interest. Every tax dollar spent to subsidize drainage is a dollar which is not available for land treatment designed to hold water upon the land (terracing and contouring). Over a 9-year period 1,019 terracing and 851 contour practices were established in South Dakota, while during the same period 15,234 drainage practices were carried out. Some of these facts should attract the attention of those other than duck hunters.

Now, who benefits from this congressionally blessed program?

Possibly some politicians within the farm bloc. If so, they benefit at public expense and to the detriment of the majority of farmers.

Obviously, the tile manufacturer, whose signs may be observed, encouraging drainage, as you drive through this area.

Obviously, also, the manufacturer of heavy earthmoving equipment who, since World War II was forced to find a new outlet for his products.

Definitely the earthmoving contractors who, with their equipment, are forced to dig deeper and longer ditches in order to bleed the last drop of surface water from isolated potholes.

Surely some of the Government bureaucrats who perpetuate themselves on payrolls at public expense. And so long as this continues, the duck will not be the only one to suffer.

So far we have complacently set back and allowed this hoax to be perpetrated upon us. We have let the Fish and Wildlife Service "take the rap." But as I pointed out, they can go only so far.

They have acquired duck habitat, but were unable to successfully combat the Department of Agriculture's paid drainage program. The farmer is interested in money. Agriculture's program pays better than Interior's.

They have made it plain that drainage was detrimental to ducks. They have instigated a WHP (waterfowl habitat preservation) program in this area. A program which has been manned by capable dedicated men who have furnished us with the tools we need to crush this drainage if we are disposed to use them. They have completed a waterfowl habitat inventory which we can also use. They have not been completely asleep, but we have.

R. G. Lynch, staff writer for the Milwaukee Journal, writing in 1956, stated that 20 to 30 percent of the potholes in this region (approximately 300,000 of them) had at that time been destroyed. According to the Fish and Wildlife Service, the period 1943 to 1954 saw the loss of 962,796 surface water acres in the tristate area; 360,000 acres of this was in my own State of North Dakota, at a cost of $2½ million in ACP payments to say nothing of the cost of engineering services furnished cost free by SCS.

From 1935, when hunters began to buy duck stamps, until 1956, the Service managed to acquire 237,979 acres of duck habitat. During only a part of this same period over 1 million acres of habitat were destroyed in the tristate area alone. We, who have voluntarily taxed ourselves, for the privilege of hunting waterfowl, are now forced into

the position of increasing that tax so that the entire proceeds may be used to acquire sufficient duck habitat in public management to perpetuate the species. Is it too little and too late?

Speaking of legislation, I believe it to be the only answer to our drainage problem. Drainage guidelines have been tried. They leave too much to the judgment of the man in the field, the SCS engineer. In the past they have provided the red herring which Agriculture has dragged across the trail of promiscuous drainage. They have been repeatedly reworded. Each revision, we were told, would correct existing wrongs, close existing loopholes. In spite of this we continue to have drainage at an accelerated rate.

Mr. Speaker, it is a paradox that the administration with all its talk of economy, still insists on spending millions of taxpayers' dollars for farm drainage that destroys the last breeding ground of ducks and geese in this country. Now that we have embarked upon a sound long-range program of greatly expanding Federal purchases and leases of wetlands areas of value for waterfowl production, we should refrain from undoing this program by concurrently subsidizing the drainage of waterfowl-valuable wet lands. The bills introduced today will go far to insure that farmers are paid for doing that which is best, not that which is worst, from the standpoint of highest land use.

RAILROAD RETIREMENT AMENDMENTS

Mr. ASHLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I am today introducing two amendments to the Railroad Retirement Act, which I believe will correct two glaring inequities which exist in the current program.

The first of these measures provides that a widow or widower, as the case may be, who has lost her entitlement by remarrying, may again become entitled to a railroad annuity if her second husband dies within 1 year after remarriage. The bill also restores the entitlement of widowers, parents, and surviving dependent beneficiaries under these same circumstances.

Under the present provisions of the Railroad Retirement Act, a widow who remarries becomes ineligible for any monthly payments she may have received as the result of her first husband's death. Furthermore, if her second husband dies before they have been married 1 year, she is unable to collect any widow's benefits based on his income.

My bill, Mr. Speaker, would permit her to again collect the widow's insurance benefits she was receiving before her second marriage. In other words, it would restore the benefits she was receiving on the basis of her first husband's employment record. This legislation is of the utmost importance to a few unfortunate women who have twice become a widow and who, because of a cruel double blow dealt them by fate, find themselves deprived of benefits to which they should be entitled.

The 85th Congress demonstrated both justice and mercy by amending the social security law to reinstate the entitlement of widows and surviving dependents under these circumstances and I sincerely hope that the same humanitarian spirit will prevail so that equity may be restored under our railroad retirement program.

The second bill which I have introduced is likewise designed to correct another inequity in the retirement status of spouses of retired railroad employees.

Under the present law the wife of a retired railroad worker cannot receive her full annuity if, in addition, she is entitled to social security benefits either in her own right or on the basis of her husband's employment credits. Her railroad annuity is either reduced by the amount to which she is entitled under social security or she receives only one of such annuities, whichever is the larger.

Although the Congress has acknowledged the unfairness of this restriction against the receipt of dual benefits in the case of widows, by amending the Railroad Retirement Act to permit payment of a widow's annuity and her social security benefits, spouses are still discriminated against by this grossly unfair dual benefits restriction.

My bill proposes to repeal this discriminatory restriction against dual benefits as it now applies to spouses of retired railroad employees.

I earnestly trust that when the Congress considers the long overdue cost-of-living increase for retired railroad workers, they will in the same spirit of fairness rectify this serious inequity which I have cited and which cries out for statutory remedy.

HOUSING

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, earlier this morning the gentleman from New York [Mr. POWELL] stated that he is introducing a bill—and I have not seen it—which has to do with housing.

He also called attention to the fact that the President's Commission is in New York investigating discrimination in housing.

If the majority party goes through with its civil rights legislation, will it go so far in connection with housing and renting that, if a man owns a 2-apartment house, he cannot select his tenants? Are you going that far?

I would like to know because, if that is going to be the situation, when that legislation comes up for consideration, it is my purpose to offer an amendment, and I hope our folks will go along with it, providing that the Republicans will have an equal share in this union money that is being collected from union members—both Republicans and Democrats—and used for campaign purposes.

MAINTENANCE OF THE AMERICAN FISHING FLEET

Mr. MILLS. Mr. Speaker, on January 12, last, H.R. 2181, to amend title V of the Merchant Marine Act, 1936, as amended, to promote the maintenance of the American fishing fleet under competitive conditions and in the interest of sustained fish food supplies in case of emergency, and for other purposes, was referred to the Committee on Ways and Means. The bill proposes to amend an act that comes within the jurisdiction of the Committee on Merchant Marine and Fisheries.

I ask unanimous consent, therefore, that the bill be rereferred to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week be dispensed with.

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I should like to ask the gentleman if the draft bill is to come up for consideration this week?

Mr. McCORMACK. Mr. Speaker, if the gentleman will permit this unanimous consent request to go through, I shall ask the Republican leadership to inquire as to the legislative program for this week.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM FOR THIS WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, may I ask the majority leader what the legislative program will be for the balance of this week?

Mr. McCORMACK. I am glad the gentleman asked me that question. I was going to make an announcement because I like to advise the Members as far ahead as I can of legislation that might come up, particularly under the circumstances where I was unable to announce the program for this week.

The Rules Committee is meeting tomorrow; and I am hopeful that committee will consider rules on two bills, one H.R. 2256, a bill reported by the Committee on Veterans' Affairs, providing for direct loans for veterans and also increasing the interest rate from 4.75 percent to 5.25 percent. If a rule is re-

ported that bill will be programed for Wednesday.

The other bill is H.R. 2260, extension of the Selective Service Act. If a rule is reported that bill will follow the veterans' housing bill. If a rule is not reported out on selective service until Wednesday, then it will come up on Thursday. In any event, if both rules are reported out, it is the intention to program both bills this week, but the first bill to be brought up will be the GI housing bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. GROSS. That means that the draft bill could come up on Wednesday; is that correct?

Mr. McCORMACK. Yes.

Mr. GROSS. May I point out to the gentleman that there are no printed reports and no hearings available and will not be until tomorrow morning. Is that not moving pretty fast, if the Members are to have an opportunity to read the hearings and the report?

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Georgia.

Mr. VINSON. I might state to the gentleman that the hearings will be here in accordance with the rules of the House by the time the bill is called. They will be available tomorrow morning.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. McCORMACK. With pleasure.

Mr. GROSS. The gentleman's committee tells me that neither the report nor the hearings will be available until tomorrow morning at the earliest.

Mr. VINSON. That is correct. That is just what I said. Tomorrow is Tuesday. Then on Wednesday, if a rule is granted, and after the veterans bill, general debate will take place on Wednesday; at least Thursday, on the extension of selective service.

Mr. GROSS. That does not give us very much time to read the hearings and the report on the bill to acquaint ourselves with what transpired in the committee and to intelligently approach consideration of this bill.

Mr. VINSON. I trust the gentleman, with his usual diligence, will not be so delayed in reading so as not to be fully cognizant of what is contained in the report.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to suggest to the majority leader, as I suggested to him privately a minute ago, that there is an affair downtown that will take probably from noontime to perhaps 3 o'clock on Thursday. If, in the consideration of the program, for those who want to go downtown to have luncheon, he could so arrange it, why, we would appreciate it.

Mr. McCORMACK. Of course, the gentleman from Indiana knows that the gentleman from Massachusetts always tries to cooperate, and the gentleman from Massachusetts will on this occasion. We can consider that matter from the practical aspects on Wednesday, but I am sure we will be able to take care of it.

Mr. VINSON. Mr. Speaker, if the gentleman will yield further, I do think it is highly important to advise the House that at the conclusion of whatever time the draft bill may be considered it is my intention to ask for a yea-and-nay vote.

Mr. McCORMACK. What the gentleman says is not inconsistent with what the gentleman from Massachusetts just said. From a practical angle, we will try to have the House function to meet the problem that confronts the minority leader.

FEDERAL EQUAL PAY LEGISLATION

Mrs. DWYER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. DWYER. Mr. Speaker, it is a great privilege to join my colleagues here today in reintroducing Federal equal pay legislation. I am hopeful that the long campaign for justice and equality which has kept this legislation before the Congress will at long last be successful.

It has been my experience that the more people know about this legislation—the more they appreciate the conditions it is designed to correct and that the advantages it is believed would follow—the greater is their support for it.

During my service in the New Jersey State Assembly, I found this especially true. It was my privilege as a member of that body in 1952 to sponsor equal pay legislation and lead the successful fight for its passage.

Our experience in New Jersey with the equal pay law, and similar experience in other States, should do much to demonstrate the usefulness of the legislation on a national scale.

There is no doubt about the need for equal pay legislation. As the bill itself states in its policy declaration, the existence in interstate commerce of wage differentials based on sex has depressed wages and living standards, prevented maximum utilization of labor resources, caused labor disputes, burdened commerce, and constituted an unfair method of competition.

Passage of this bill would benefit the entire economy. Women today are an important part of our total labor force. Their earnings contribute significantly to the well-being of their families and help to increase our national wealth.

On the other hand, when women are unjustly discriminated against in the payment of wages, women are not the only ones who suffer. If women are employed at unfair wage levels, the general wage scale is thereby depressed, Honest and fair employers are subjected to harmful competition, and discrimination becomes an unfair competitive anvantage. In general, the loss in purchasing power and the lowering of living standards, resulting from such wage discrimination, make themselves felt adversely throughout the economy.

We who support this legislation, Mr. Speaker, are determined to do everything possible during this 86th Congress to pass this legislation. We appeal to all our colleagues for understanding and assistance in a cause which can only bring our country rich rewards.

THE WESTERN PREDICAMENT

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. HERLONG] is recognized for 60 minutes.

Mr. HERLONG. Mr. Speaker, the cold war is going badly for our side. Nation after nation in the Near East and the Far East is slipping from pro-Western to neutral, to pro-Communist neutral, and this same pattern is now taking shape in Africa. Even in Western Europe, where many thought the tide had turned, we see some nations like Greece beginning to slip back. In Latin America the Communist Party is gaining rapidly in size and influence in key nations like Venezuela and Argentina.

This is happening despite Hungary and Khrushchev's confessions about Stalin and despite our generous aid programs.

The Communists are winning because they have developed a new form of power struggle, a new dimension of political warfare, which makes it possible for them to get to the people in each target nation and to control or manipulate them in ever-increasing numbers in the interest of the Soviets. As long as the Communists can do this and we cannot counteract it, our own diplomacy and aid programs will be largely undercut, while those of the Soviet Union and Red China will achieve success all out of proportion for the money spent.

This new dimension of political warfare is being fought by the Communists in labor unions, universities, cultural groups, newspapers, villages, and in every type of economic, racial or religious grouping.

In this war, the Communists have three advantages which give them a decided edge over their opponents:

First, the Communists have trained the most skilled, dedicated and cohesive leadership groups and cadres the world has known. They simply fight harder and with more know-how than their opponents. The intensity with which the Communists train their cadres is still imperfectly understood.

Second, the Communists have developed their conspiratorial version of political warfare into an operational science. They have become masters of the art of conflict management.

Third, they have a superior organization which is skillfully deployed throughout the fabric of each nation to obtain maximum power and influence for the numbers involved. This organization, manned by trained political activists, permits the Communists to take full advantage of the infinite variety of organizational possibilities inherent in a total political war, whether setting up a

front to organize and manipulate a previously unorganized sector of a given society, infiltrating an existing institution, or recruiting student leaders for a guided tour of the "New China." It is significant that an advanced textbook on Bolshevik strategy and tactics is called "The Organizational Weapon"—Selznick, McGraw-Hill, 1952.

We continue to take a licking because we have failed to develop these three indispensable keys to a total political war.

Instead, we have relied on the conventional means of diplomacy, military and economic aid and intelligence. These conventional means, regardless of the skill with which they are employed, fail to engage the Communists on much of the battleground. There has been a stubborn almost suicidal refusal on our part to face up to what a total political war means in terms of cadres, organization and operational know-how, if the Communists are to be fought organization for organization, argument for argument and person to person within the free world.

We had hoped that the newly independent nations in the Near and Far East and Africa would somehow develop their own vigorous anti-Communist leadership groups if we would only bolster their economies and contain the Red army. With some exceptions, this has not happened and today there is a desperate need in these areas for native leaders who can fight the Communists in all segments of their societies with an equal degree of devotion and operational-organizational know-how. This means university professors, labor leaders, businessmen, student leaders, writers, and professional people as well as government leaders.

Moreover, the need is just as great within the United States. In all levels of our society, there is a glaring lack of understanding of the total nature of the Soviet political warfare offensive and what it has accomplished and what lies ahead. But most important, people from the community level up lack leadership which can show them how they can make their weight felt in the cold war. By and large our great civic organizations are uncommitted. Their members continue to think little league baseball while the free world comes unstuck under the relentless pressure of the Communist organizational weapon. With trained leadership showing the way many of our people could join in this struggle. Without such leadership tremendous energies are wasted and opportunities missed as we leave everything to Uncle Sam.

Within the Federal Government there are few who are well grounded in communism, political warfare and the interrelated economic-military fields. Each Federal agency or department dealing with the cold war produces within itself a multitude of competing plans and ideas. Some are based on a realistic estimate of the political warfare situation and some are not. Ultimately the agency head must pick and choose between these plans. If he lacks extended experience or training in communism, political warfare and the interrelated economic-military fields, and many have since the end of World War II, he may be more likely to pick the plan which corresponds with his level of understanding. Thus expert knowledge, even where it exists at the "desk level," is often frustrated.

Only a small percentage of the thousands of Federal employees who serve overseas have substantial knowledge of communism and political warfare, or special knowledge or even interest in the foreign areas where they serve. If these people learned the language, were articulate about the United States, and knowledgeable about the cold war, they could cultivate newspaper people, labor leaders, and rank and file citizens and do a great deal to combat Communist influence. Instead, most stay within their own narrow circle of American friends and are political warfare neuters or outright liabilities. The same applies to many private citizens working overseas.

Today, the Soviet political warfare offensive is hitting its stride as years of patient cadre training and organizing begin to pay off. Most alarming, the Soviets are now in position to add a huge economic, scientific-technical assistance program and cultural program to their existing organizational weapon. Already Soviet aid to certain countries exceeds our own, and Russian and Chinese cultural groups touring the Near and Far East are so numerous and diversified they amount to a cultural cold war. The Soviet Union is turning out scientists, engineers and technicians at a rate beyond their internal needs. Recent visitors report these people are receiving language training in many languages and dialects. The newly independent nations, eager for quick industrial expansion, are turning increasingly to Russia, which has become a symbol of what a backward country can do using Communist methods. All of this opens fascinating possibilities to Soviet planners who can now give their existing organizational weapon a tremendous added punch. It creates the gravest sort of problems for the West.

The Western predicament is that we have been unable to develop effective countermeasures to the Communist organizational weapon. We know the conventional means alone will not do the job. Unless we come up with the answer, we face the day when the United States and a handful of shaky allies will be substantially isolated in a world that has become Communist or pro-Communist neutral.

To fight the Communist organizational weapon, we need trained, dedicated people who understand Communist strategy and tactics and the realities of a total power struggle, and we need these people deployed throughout each free world nation where they can organize strength against Communist imperialism and lay the groundwork for a broad-based coalition of freemen. The West must develop a new synthesis of the operational art to make this possible.

Today the whole area of countermeasures or counteraction, outside the conventional fields, is relatively unexplored. Counteraction can and should be raised to the level of an operational science, and its practitioners should be trained with the care and thoroughness of a surgeon. It can and should offer fascinating opportunities at the community, State, and National levels.

Believing so completely that this should be done, the gentleman from Minnesota [Mr. JUDD] and I have today introduced legislation that we believe will accomplish this objective.

Before going on to specific proposals of the legislation, certain points should be clarified.

First of all, since the Communist organizational weapon is working within a multitude of political, religious, economic and racial groups, counteraction must be carried out by leaders of these same groups. This means that counteraction will be led by people whose views and backgrounds are widely divergent and who are united chiefly by their desire to stem the Communist tide. Counteraction then means a broad coalition in which coordinated action would be achieved by focusing on the supreme danger of Communist domination and by giving that business its due priority. The strength and virtue of free men rest on the integrity of their convictions. To achieve unity of action we must never belittle differences existing between convictions, but rather search for common purposes on which men and groups can agree without betraying or minimizing their individual differences.

Second, there is no desire or need to emulate Communist conspiratorial techniques in carrying out the proposal set out in our bill. The method and techniques proposed can and should be in full accord with democratic ethics and morality.

Third, this legislation seeks to fill a vacuum. It does not encroach upon any existing department or agency of the Federal Government. Hereafter, when the expression "counteraction" is used, it is intended to mean primarily counteraction outside of the conventional means already employed by the Government, and especially counteraction that may be conducted by private citizens and organizations.

Fourth, the Communists have built up so much lead time in political warfare we must proceed on a crash program basis.

THE FREEDOM COMMISSION ACT

Under the legislation an independent commission tentatively called the Freedom Commission would be established and given the responsibility and powers to develop counteraction, to train selected persons in counteraction, and to act as an information center serving all persons working against the Communist conspiracy.

In order to do this, the Commission would establish an advanced training center tentatively called the Freedom Academy. The best available experts in all relevant fields of knowledge would be brought together at the Academy where they could devote their full time to (a) developing counteraction into a science, and (b) training and turning out highly skilled, dedicated men and women, selected from throughout the free world to organize and lead counteraction.

The Commission: The Commission would be composed of seven members, one of whom would be Chairman. The members would be appointed by the President with the advice and approval of the Senate and would serve for staggered terms of 6 years, except the Chairman who would serve at the pleasure of the President. The Commission would have broad powers to achieve its purpose and could employ such advisers and establish such committees as it needs from time to time to operate the Academy, select the faculty, prepare a curriculum, select a student body, and so forth.

The Commissioners should be broadly representative, dedicated in their desire to fight communism and bipartisan in their approach. Above all the Commissioners must themselves demonstrate that a broad-based coalition of free men can recognize the primacy of the Communist threat and undertake sustained action of a high order without unseemingly bickering over individual political differences.

Joint congressional committee: The vital nature of the Commission's work, the need to proceed on a crash basis into a relatively unexplored field loaded with delicate policy questions, the necessarily generalized statutory authority—much of the area of the program being still unexplored—and above all the need for public confidence, requires that Congress as well as the executive branch be fully and currently informed of the Commission's activities and problems. The proposed legislation, therefore, provides for a joint congressional watchdog committee with a permanent staff empowered to investigate, advise, and report. This committee would be analogous to the Joint Committee on Atomic Energy and like it, dedicated to the promotion of the public and legislative will in a sensitive agency imperative to our country's international survival.

Academy students: The student body would be selected from throughout the free world and would be representative of the diverse groups within which the cold war is being fought. They must be men and women of character and intelligence ready to dedicate more than their spare evenings to the cause of freedom. On graduation they would return to their own communities and institutions where, using their special skills and techniques developed at the Academy, they would be leaders in counteraction.

ACADEMY CURRICULUM

(a) The common fund of knowledge: Anti-Communists of widely divergent political beliefs can cooperate on a surprisingly broad front if they possess a common understanding of communism and the realities of the total power struggle. Without this common fund of knowledge, a coalition is exasperatingly difficult whether among private citizens or free world governments. Therefore, the first function of the curriculum is to build this fund so that Academy graduates can talk shop and plan together on the basis of the mutual respect and confidence which flows from their common understanding. As part of this fund, the students will acquire a thorough understanding of the Communist conspiracy, including the history and development of Communist theory and doctrine; knowledge of Soviet Russia, Red China, and the satellite countries; the organization, strategy, and tactics of the Communist Party; and the heritage and the prospects of the free world. In order to provide perspective, related subjects will include an analysis of the world military situation, the political and economic situation in the principal nations, and other problems of international affairs as they relate to the Communist conspiracy. Also included—for foreign students at least—would be American history with special emphasis on American foreign and military policy after World War II, since it is of first importance that the leader of the free world be understood and trusted.

(b) Organizing skills: Academy students will be trained in the technique and procedures they should use in combating Communist influence and the Communist organizational weapon. This includes a study of organizing methods and operational techniques suitable for different classes, groups, and environments, keeping in mind these methods should be in accord with the ethics and morality of free men. Because Communists try to divide non-Communists in order to decrease their effectiveness as an opposition force, students will also be taught the techniques of mediation and coalition necessary to get non- and anti-Communists working together.

(c) Schools and teaching skills: The Academy is only one school serving a world community and can train no more than a small fraction of the needed leaders. The success of counteraction will depend above all on the ability of graduates to recruit and train large numbers of activists. This means a series of training schools or training programs at community, regional or national level. The graduates should have concrete ideas on how to set up and finance these schools under varying conditions, and they, like the Academy faculty, must give inspired instructions. This means the curriculum must stress teaching and speaking skills and a great deal of thought will have to be given to matters such as textbooks, teaching aids including films, minimum libraries, and so forth, to be used by the graduates in their own training programs.

(d) Special skills: Each student may acquire special knowledge and skills in his particular field. For instance, peasants make up a great majority of the population in most of the underdeveloped areas. No group suffers more under communism and the peasantry represents a huge potential source of anti-Communist strength. Under present circumstances, however, most villagers are submerged under the staggering problems of eking out a living and may have no interest in anti-communism per se. False promises of land and the simple fact that the Communists have become the "other party" to which the villagers give their protest vote is making them increasingly susceptible to Communist manipulation. The Academy graduate who has a good technical understanding of the peasant's agricultural and public health problems and becomes a devoted village worker is in the best position to carry out counteraction, and special training in these technical subjects would appear to be part of the training for a well-rounded leader of counteraction from these areas.

Again, the Communists have captured labor organizations in many countries on bread and butter issues and because of greater skills in strike leadership, collective bargaining and grievance machinery. Once in, of course, the union treasury is milked for party purposes, the membership is manipulated and the comrades use their labor power to control political parties. This kind of thing can best be fought by trained anti-Communist labor organizers who have superior labor union skills and can beat the Communists on the bread and butter level as well as on ideological issues. Selected foreign students might be trained in these trade union subjects at AFL–CIO schools.

Some of the most promising potential leaders of counteraction may be hesitant at first to attend a school that deals primarily with political subjects. However, many can be induced to come, if they are promised additional training in their profession or business by way of on-the-job training in industry or business or additional study at a university of their choice either before or after completing their Academy program. The Commission should give careful study to subsidized training outside the Academy, particularly in the technical and administrative skills and knowledge so badly needed in the underdeveloped areas. We could perform no greater service to the free world and the underdeveloped countries than to train a leader in these critically needed technical or administrative skills while also turning him into a knowledgeable leader of counteraction. Our great failing with foreign students in the past is that we have made no effort to develop them into articulate anti-Communists or to make them feel that the free world is counting on them and backing them. They have returned home as individuals without a sense of mission and have often been recruited into the Communist party which has appeared to them to be the only group that had a dynamic program and knew where it was going and how to get there. Academy graduates in this country can play an important part in setting up these on-the-job training programs, and seeing to it that these students get to meet our business, labor, and cultural leaders and are made to feel they are important to us and the free world, and that we intend to back them in every way we can.

To develop a high-level leader of counteraction, depending on his previous experience, will take one to several years of instruction, preferably interspersed with practical work. Many key people cannot or will not give this much time. Therefore, shorter courses or a series of courses ranging from a few weeks to several months in length should be set up, in addition to the longer programs. An oil company transferring employees to South America might be

willing to send them to the Academy for 1 month. Or an exchange student from a key Asian country who has finished his regular studies might be willing to stay on an extra 3 to 6 months or longer to attend the Academy. However, the major function of the Academy is to turn out high-level leaders of counteraction so the principal emphasis should probably be on the longer programs.

Academy faculty: The great and important task of developing counteraction into a science—outside the conventional fields—will be the job of the faculty under the supervision of the Commission. This will require special knowledge from a number of areas. Included in the faculty should be experts on all aspects of the Communist conspiracy along with historians, sociologists, military experts, political scientists, linguists, and experts on the area and groups within which the graduates will work. Never before has such a group been brought together within a single institution where they could devote their full energies to developing and teaching counteraction. Half-formed ideas, discarded as unworkable without trained leadership and organization, could grow into bold dynamic programs under the stimulus of shop talk among these diversified experts and the realization that here at last is the organization that can put these ideas across. In the beginning the faculty will have to teach each other as well as the student body. The instructions must be of a high order, for the students must be instilled with esprit de corps and a sense of mission.

GENERAL CONSIDERATIONS AND EXPECTED RESULTS

Academy graduates will have no strings attached when they return to their native lands or home communities, but as highly trained anti-Communists with a sense of mission and thorough understanding of what has to be done to fight the Communist organizational weapon, it is expected that the graduates from each country will cooperate closely in organizing counteraction, and in fact should be a working nucleus before leaving the Academy. They will be trained to furnish the three indispensable keys to counteraction: skilled leadership, organization and operational know-how. Being representative of the diverse groups and classes of their native land, they will have immediate access to those they will seek to organize.

The principal task of graduates in the United States will be to develop a sense of urgency in our people and a willingness to fight the cold war with the same intensity as a hot war; and then to provide the leadership and organization by which private citizens can make their weight felt in this total power struggle. This means building within each city and town a trained corps of persons well informed on communism and the military-economic-political warfare realities. This can only be done through intensive study programs and training schools at the community and State level.

Once we have these trained people in numbers, a vast array of long- and short-term programs become possible. Without them, very little of lasting importance can be done.

One example may illustrate this central point.

Several years ago the American Bar Association adopted a resolution to the effect our high school students should be taught the facts about the Communist conspiracy and the mortal danger facing their country. It was then discovered there were no teachers qualified in this subject and no textbooks or any center the teachers could turn to for help. The lawyers themselves could give little assistance and a worthy project launched with much fanfare fell flat on its face. Such a project would be a natural for Academy graduates and their trainees.

The idea of private citizens participating in the cold war on a large scale requires a few brief illustrations.

The Soviets can commit the most brutal crimes against humanity and suffer only minor, short-term propaganda reverses. Yet, if we so much as stub our toe, the roof falls in. Following the crushing of the Hungarian revolution, a number of intellectual, student, and worker leaders were imprisoned and the arrests are still continuing. With calloused brutality the Soviets from time to time announce the execution of certain of these captives. Those familiar with sadistic AVO techniques can imagine the fate of the others. These freedom fighters are the most heroic, selfless allies freedom has ever had. There is reason to believe the Soviets might release many, if we made them pay a high enough price for their continued imprisonment and torture. Yet there has been no concerted effort along these lines to our everlasting shame. Every execution should be an occasion for cold fury among our citizens and free people everywhere. The continued retention of these free-world martyrs should result in massive demonstrations and pressures of every type against the Soviets. Academy graduates and their trainees working in civic organizations, labor unions, churches, and universities, could organize this protest not only in the United States but throughout the free world.

Russia and Red China are flooding India and other Asian nations with books and magazines promoting the Communist line. Sold at less than cost and tailored to every group and nationality—even including illustrated nursery books showing the friendly Russian bear saving little Red Ridinghood from the United States wolf—these books are making a considerable impression. Sometimes this is about the only reading material available to book hungry intellectuals. The Communist organizational weapon works overtime distributing this material, obtaining favorable reviews for Soviet books, plastering billboards with ads and pressuring bookshops and newsstands into favored displays.

Our great civic organizations through the leadership and prodding of Academy graduates can directly involve themselves in a meaningful way in this crucial battle for Asian minds and loyalties. For example, hundred volume sets of the Western classics interspersed with such notable anti-Communist books as "The New Class," "Darkness at Noon," "The Bridge at Andau," "A Century of Conflict," or "Dr. Zhivago" could be obtained in paperbound editions for as little as $15 or $20 per set. Our civic organizations could raise the money for printing and shipping thousands of sets to eastern nations where local Academy graduates would insure proper distribution.

A trained leader of counteraction can be expected to take the long view of developing situations and to initiate the sustained corrective action now that will decisively influence events many years in the future. With the Soviets going all out to train scientists and engineers to insure their space supremacy and the development of a superior weapons technology, we must respond or concede world dominion to our enemies. The educational challenge of this across-the-board power struggle is perhaps the most important of all. Academy graduates trained to face the unpleasant realities will know what our educational system must produce to insure survival, and can be effective counterweights to those urging a softer education in our secondary schools and universities. Again, acting within a multitude of civic organizations, they can focus the attention and energies of these groups on this vital educational challenge and away from the business or pleasure as usual activities which often dominate present civic thinking. This is anti-communism or counteraction at its best.

Counteraction has drifted so long without trained leaders or adequate organizational forms, it is difficult for some to grasp the very great potential which will gradually come into being as successive classes are graduated from the Academy. Slowly at first but surely a broad-based coalition of freemen ranging from anti-Communist Socialists to conservatives will emerge in many key parts of the free world. Led by dedicated, knowledgeable native leaders using new and imaginative techniques they will in time turn the organizational weapon against the Communists.

Today the anti-Communist morale throughout the free world is at rock bottom. The Commission and the Academy will be a shot in the arm. They will become a symbol that at long last Uncle Sam is going to fight the cold war with both hands.

CONCLUSION

At this time, no one can be definitive or dogmatic as to precise details of the academy program. We are dealing with a new area where we of the free world have just begun to explore the outer fringes. We are seeking to develop an awareness of the problems facing the free world in meeting the Communists on a broad front, where they have been operating virtually unchallenged for half a century. It will not be easy to overcome so great a timelag, but as freemen we can never admit that it cannot be overcome.

We must not continue to stand by in hopeless confusion, in awe of a monster which in 50 years has devoured half the

world. It is still not too late to meet the challenge. But time is running out faster than we dare think.

We can no longer afford the luxury of attempting at our leisure to perfect our program. We must proceed at once to gather what experts we can to set into immediate operation the two great phases of this legislation, development of counteraction, and intensive training. Our available experts must work as an emergency team, teaching each other their skills and knowledge so that each may become as quickly as possible the type of expert necessary to work out the many complexities of the program. All efforts must be made to set this phase of the legislation into operation as soon as possible. The training program will aid in the development of the science of counteraction. The development of counteraction will aid the training program. Neither phase can wait for the perfection of the other.

We are not dealing with a static situation, but with a constantly growing and changing problem. The program must be kept flexible, constantly expanding, constantly changing to meet new challenges in the world situation.

We cannot expect perfection in our program. We can expect the maximum effort by all concerned. This program promises no miracles, no easy and secure path to freedom. It offers a lifetime of sacrifice and toil to many who embrace it; for many, great danger, and for some, death.

For communism, with the lead time of half a century, it is already high noon. For us, it is the choice between continued darkness or early dawn. Let us choose the dawn and choose it now. The choice may not be ours again.

Mr. COLMER. Mr. Speaker, will the gentleman yield briefly?

Mr. HERLONG. I am very happy to yield to my distinguished colleague.

Mr. COLMER. I would just like to commend the distinguished gentleman from Florida upon the very excellent statement and analysis of the Communist threat. If I understand the gentleman, he thinks it is about time we took the offensive in some of these things, rather than following always the lead of the Communists.

Mr. HERLONG. Yes, and to that end, may I say to the gentleman, we propose to establish a commission and a school for the purpose of training people to do just that.

Mr. COLMER. Of course, as the gentleman, I think, is aware, this lone voice has long contended in this Chamber that the trouble with our foreign policy in combating communism has been that we are always on the defensive; the Russians call the signals and we run the defensive plays. You cannot win a football game that way; you cannot win a cold war or a hot war that way. I think therefore the gentleman is to be commended for suggesting some offensive action.

Mr. HERLONG. I thank the gentleman very much and appreciate his support.

Mr. Speaker, I yield back the balance of my time.

FRANKLIN DELANO ROOSEVELT

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 50 minutes.

Mr. VANIK. Mr. Speaker, last Friday, January 30, was the 77th anniversary of the birth of Franklin Delano Roosevelt, the 32d President of the United States. I take this time to speak in commemoration of this event. Then I will be happy to yield to those of my colleagues who may desire to speak on this occasion.

From the time of his election as a New York State senator in 1910 until his death in 1945 as a fourth-term President of the United States, the life of Franklin Delano Roosevelt was one of untiring activity in the political arena except for the period of his temporary illness in 1921.

Franklin Delano Roosevelt was an inspiration to the public service. He had a keen sense of duty to his country and obligation to his fellow man. He was quicker than his contemporaries to recognize the existence of a social or economic problem, and he was braver than most in attempting its solution. Almost daily he came to grips with critical problems without hesitation or fear. He emerged as a giant in a period which demanded a leader with no less stature. His entire being was devoted to human problems. His life itself was a trial. His sensitivity to little irksome tribulations and his appreciation of crises of gigantic magnitude reflected his great capacity to understand with depth and perception the philosophical nature of man. He was a specialist on people; he knew their likes and dislikes, their whims, their caprices. Yet he was never led by provincial forces. He was a national leader who was devoted to the pursuits of national interest. However, he never let the needs of individual sections of the country suffer while he charted the Nation's course and set about to achieve national aims and objectives.

At a time when democracy as a system of government and free enterprise was imperiled, he arose from the political morass, the confusion and despair of his time, to lead the way, to give hope and inspiration to a directionless people. Today, from the distance of some 15 years, his greatness looms larger than before, and the future perspective will assess him still greater. He was the very epitome of the generation which he said had "a rendezvous with destiny."

He was never helpless in the whirlpool of events. He always managed to master every situation. As we reflect over the Franklin Delano Roosevelt era, we cannot help but wonder what sort of world would it be today, were he again its leader with all his verve and vitality. Indeed, much of our difficulty stems from relative mediocrity among the free world's leaders when a measure of Franklin Delano Roosevelt's greatness is required.

Thus we salute the record of a life which, over three-quarters of a century ago, came into being on the banks of the Hudson; which was destined to confer vast benefits upon his countrymen and to exert immeasurable influence for good, not only upon them, but upon all mankind for generations to come.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I want to commend the distinguished gentleman from Ohio for taking the time to make this fine statement with reference to one of the great men of all time. In my opinion, no other man in modern history understood and gave expression to the longings of the average man as did President Franklin D. Roosevelt. He took over the helm of government at a time when our economy was at its lowest, and he lifted the confidence of the American people to new heights. He was a leader such as the world rarely knows. Like Washington, he was great in war, great in peace, and great in the hearts of his countrymen. He was our hope and inspiration in the darkest economic and military periods of our history. I join my friend in this word of tribute to this great man.

Mr. VANIK. I thank the gentleman.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Speaker, I want to commend the gentleman from Ohio for his remarks on one of the great men not only of the United States but in the history of the world.

I have some very fond memories of the days of the Presidency of the great Franklin D. Roosevelt. My dad was one of the Members of this Congress who came in during the landslide of 1932. He took singular pride in the accomplishments that were made during the first 100 days of the Roosevelt administration. I recall with a great deal of pride that during that time my dad often slept in the office so that he would have a few hours more to work on legislative business, at which the Congress and President worked with diligence, dispatch and wisdom. I am sure that my friend and colleague, and indeed all of the Members of the House are aware of the great accomplishments of the Roosevelt administration at the Social Security Act, the NIRA, the NRA, the Fair Labor Standards Act, the act guaranteeing bank deposits, the law strengthening our statutes against child labor and labor by women in dangerous and unhealthy situations, the Minimum Wage Act, which raised the standard of living in this country, the school lunch program, and farm legislation to raise and improve farm families' income and living conditions and other measures and now looked upon as the great standard humanitarian and social legislation of this country, and indeed of any other country in the world.

Under the leadership of this great man America rose from the depths of despair and became largely the most prosperous nation in the world and the best place to live.

It is with a great deal of pleasure that I join my colleague in remembering the anniversary of the birthday of this great man, a day on which we pay honor to

him and give thanks for the many wonderful things which his leadership bestowed on America.

Mr. VANIK. I thank the gentleman from Michigan.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Does the gentleman remember that in 1933 there came to power not only Franklin Delano Roosevelt but there also came to power in Europe a man named Adolf Hitler who, as the gentleman remembers, we could hear on the radio, by shortwave broadcasts from Germany. I think it is significant that at a time when one nation was plunged into darkness even as another nation was plunged into darkness, we Americans had the great good fortune, the blessing, perhaps, of the Almighty, to have a creative and imaginative leader who would provide that vision, that inspiration; who would bring out of each man the best that was in him, so that America gave a creative response to the great depression and gave a creative response to the challenge of the World War. I think perhaps it is significant that the careers of these two men should have come to an end at approximately the same time, within a few months of each other. Yet with what a profound difference: One having brought the world tumbling into ruin at his feet; the other, in his closing year, having given inspiration and imagination. The gentleman may remember, as I do, working in the Executive Office of the President during the war years, that it was President Roosevelt who called for the creation of the great international conferences out of which arose the Food and Agriculture Organization, the World Health Organization, the International Bank for Reconstruction and Development, the International Monetary Fund, and the United Nations itself. These great steps forward that have built a new world were steps that came to full fruition after Franklin Delano Roosevelt was dead, but it was out of his vision and out of his inspiration they came into being. And, I wonder if the gentleman would join me in expressing gratitude that this Nation should have been so favored, not only in the depression but in World War, with a leader of such great vision. And, perhaps the gentleman would also join me in hoping that the challenges which still face this Nation will be met by the next President with the same kind of vision and courage, the same kind of creative leadership which brings forth that wonderful response that Americans will always give to a strong and imaginative and courageous leader.

Mr. Speaker, on this day we pause to celebrate the birthday of a great American—Franklin Delano Roosevelt. Few men in our time have been so revered and trusted and few men have been subjected to such bitter calumny and criticism.

Mr. Speaker, it was my good fortune to have come of age during the period that Franklin Delano Roosevelt was in the Presidency. I graduated from high school shortly after his first inaugural. I went through college and graduate school while he was President and I came to Washington to serve in the Executive Office of the President during the war years.

Although on his staff for 2 years in the Budget Bureau, I actually saw him in the flesh on only one occasion but it was an unforgettable experience. He made one of his rare wartime personal appearances to dedicate the magnificent shrine to Thomas Jefferson. In the course of his remarks on April 13, 1943, at this dedication he said some things about Jefferson which I think were also true of himself:

> Jefferson was no dreamer—for half a century he led his State and his Nation in fact and in deed. I like to think that this was so because he thought in terms of the morrow as well as the day—and this was why he was hated or feared by those who thought in terms of the day and the yesterday.
>
> We judge him by the application of his philosophy to the circumstances of his lifetime. But in such applying we come to understand that his life was given for those deeper values which persist throughout all time.
>
> Leader in the philosophy of government, in education, in the arts, in efforts to lighten the toil of mankind—exponent of plannings for the future, he led the steps of America into the path of the permanent integrity of the Republic.
>
> BELIEVED IN MAN
>
> Thomas Jefferson believed, as we believe, in man. He believed, as we believe, that men are capable of their own government and that no king, no tyrant, no dictator can govern for them as wisely as they can govern for themselves.
>
> He believed, as we believe, in certain inalienable rights. He, as we, saw those principles and freedoms challenged. He fought for them as we fight for them.
>
> He proved that the seeming eclipse of liberty can well become the dawn of more liberty. Those who fight the tyranny of our own time will come to learn that old lesson. Among all the peoples of the earth the cruelties and oppressions of its would-be masters have taught this generation what its liberties can mean. This lesson, so bitterly learned, will never be forgotten while this generation lives.
>
> The words which we have chosen for this memorial speak Jefferson's noblest and most urgent meaning, and we are proud indeed to understand and share:
>
> "I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man."

Mr. Speaker, the Presidency of the United States in the hands of Jefferson or Roosevelt is an office which can serve, and did serve, to set the Nation's feet upon paths of great progress. We, as a nation, have been truly blessed to have had such a President as Franklin Delano Roosevelt in the periods of great crisis through which the Nation has had to pass. Many of the things we now take for granted were achieved because of his imagination, his vision, and especially his capacity to inspire others to give the best that was in them.

Mr. Speaker, we pause in remembrance of Franklin Delano Roosevelt not only because of the many contributions that he made to American life but because each of us hopes that the Presidency will one day again be in the hands of a man who will give us inspiration and guidance and who will seek out the best that is in each of us so that the Nation may again gratefully respond to the great challenges which are before us.

Mr. VANIK. I am pleased to join the gentleman, and I thank the gentleman for his comments.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the majority leader the distinguished gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, it is well that we pause to pay tribute to Franklin Delano Roosevelt on the anniversary of his birth. The late President and I were very close personal friends. It was my pleasure to cooperate with him during the years that he was President. It was also my pleasure to support him in his various candidacies for President of the United States.

Mr. Speaker, there are two lines of figures in the history of the world who are outstanding and who occupy outstanding pages in history; the first, those on the constructive side, the builders; the others, on the destructive side, the destroyers. Franklin Delano Roosevelt, as long as man exists and history of tomorrow is connected with history of today, will always live in the mind of the average person not only of America but throughout the world as one of the 10 great figures on the constructive side of history. We saw, during his lifetime, an illustration of the two types of leadership that will occupy prominent pages in history; one, constructive leadership, the other, destructive; in the person of Franklin Delano Roosevelt giving constructive leadership and Adolf Hitler giving destructive leadership.

Under Franklin D. Roosevelt America was rebuilt, not only morally, but politically and economically. I can remember during the dark days of the depression when the people turned to him for leadership he gave the people the leadership that was necessary to meet a grave crisis in our country's history, a crisis of an internal nature. He gave them social security; unemployment compensation; the minimum wage; public and low-cost housing; strengthening of our banking institutions through the Federal Deposit Insurance Corporation—those bills and so many others; the 100-day holiday that sparked the American people and brought back hope and confidence. Under his leadership America went through that great period of reconstruction following the last economic conflagration.

Then when the world was faced with danger from abroad, a danger which also confronted our own country, Franklin Delano Roosevelt gave not only to the people of our country but to the people of the world the vision and the forward looking and courageous leadership that met the problems. All of us know the result of World War II.

I can remember talking with Franklin Delano Roosevelt on one occasion—and I refer to this to show the spirit of the man and the courage of the man—about a year after we entered the war. As I remember it now, turning my mind back

to that time, Rommel was galloping across Africa. The British had been defeated at Tobruk. There had been other defeats. It looked as though the Nazi forces under the generalship of Rommel were going to take over that very valuable and strategic area of the world, which it was at all times, but particularly in connection with World War II. Our intelligence had apparently reported that Hitler and his forces were going to move into Spain and take over Spain and Portugal, which would include the Azores. That would mean taking over complete control of the Mediterranean which would have been a very bad blow not only to our country but to our allies at that time. There were many other dark clouds on the horizon. Rommel had been winning battle after battle. Other forces of Hitler were moving into the Soviet Union. We were being defeated all along the line, in this battle and that battle. I remember the late Franklin Delano Roosevelt telling me these things and how dark everything looked. He very seldom brought his hand or his knuckles or his fist down on his desk, but he did on that occasion and he said, "JOHN, Hitler can win every battle but until he wins the battle of the Atlantic, he has not won the war."

To me that was dramatic. In other words, notwithstanding how bad everything looked, Franklin Delano Roosevelt showed his indomitable courage and he could see that Hitler would not win the war by winning the battles that he had already won, that he could win every battle, but until he won the battle of the Atlantic, until he won control of the Atlantic Ocean, he had not won the war.

America was enriched, the world was enriched by the fact that Franklin Delano Roosevelt was born and lived and gave to our country and the world the leadership that he did give. The best evidence now is that everything that he proposed was vigorously and bitterly opposed and for years attempts were made to repeal or weaken the legislation that he had recommended. Today anything is accepted. Everything he did is recognized as having been to strengthen America, not only internally but externally.

Yes, Mr. Speaker, Franklin D. Roosevelt will always live in the minds of the people of America but greater will he live in the minds of the simple people, the good people everywhere, because he symbolized and will always symbolize as long as history lives and mankind can record history those fine things, those noble things, those hopes and aspirations of the average person.

As I said at the opening of my remarks, Franklin D. Roosevelt forever will occupy a position among the 10 most constructive figures of the world.

Mr. VANIK. I thank the majority leader.

Mr. RHODES of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield.

Mr. RHODES of Pennsylvania. Mr. Speaker, I am pleased to join my colleagues in this commemoration of the 77th birthday anniversary of our late President, Franklin Delano Roosevelt.

It is altogether fitting and proper that we pause for a few moments to pay tribute to this great American, who will always symbolize the Democratic Party's dedication to the welfare of the common man.

Under the leadership of Franklin Roosevelt, great social and economic reforms were established. Millions of Americans returned to their jobs. Our economy was rejuvenated. Emergency relief and public-works projects were set up. Social security and unemployment compensation programs were enacted into law. Labor was given the right to organize and bargain collectively. A farm program was established. Securities and exchange practices were brought under public regulation. A reciprocal-trade program and fair-labor-standards legislation was enacted, along with many other milestones in his program to alleviate the effects of the depression. Franklin Roosevelt's dynamic New Deal program paved the way for a brighter and more secure future for all Americans.

In commemorating the 77th anniversary of his birth, let us rededicate ourselves to carry on his fight against poverty, ignorance, prejudice, and injustice in the world. Let us resolve to go forward toward the full realization of the humanitarian goals which he so clearly established.

Mr. VANIK. I thank the gentleman from Pennsylvania.

Mr. KARSTEN. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Missouri.

Mr. KARSTEN. Mr. Speaker, I commend the distinguished gentleman from Ohio for taking this time to commemorate the 77th anniversary of the birth of one of the greatest Americans, the late Franklin D. Roosevelt.

It was my privilege to be in Washington during most of the Roosevelt era. I recall the first time I saw him. It was in this very House 25 years ago when he delivered his message to the regular opening session of the 73d Congress. The House was overflowing with Members, former Members, and visitors. As a committee employee, I was permitted to be on the floor on this occasion.

The President's message was one dealing with the financial and economic chaos which confronted our Nation. It would be difficult to paint the picture of hopelessness that shrouded the country. But a few of the elements of despair I vividly recall. There were 12 million people out of work. The insecure banks had just reopened. Thousands of homeowners and farmers were faced with foreclosure. Poverty was everywhere. The country lay in economic ruins. I recall one sentence of the message in which the President said that—

> The task confronting the First Congress of 1789 was no greater than our own.

His message did not deal in specific legislative remedies, but, rather, it was a symbol of hope to the Congress and to the people from whom all hope had gone. He came to counsel with Congress and with the country to build on the ruins of the past a program for restoration of our national well-being. He said:

> Civilization cannot go back; civilization must not stand still. We have undertaken new methods. It is our task to perfect, to improve, to alter when necessary, but in all cases to go forward. To consolidate what we are doing, to make our economic and social structure capable of dealing with modern life, is the joint task of the legislative, the judicial, and the executive branches of the National Government.

His words gave hope to the Congress and to the country. They are just as true now for in the complicated world in which we live we know that we cannot go back: we know we must not stand still and in all cases we must continue to go forward.

One of the great needs of the present day is this spirit to progress. It is fitting therefore that we should reflect upon the counsel he gave that 73d Congress. This Congress like that one carries a mandate from the American people. Let us exercise it wisely and well.

Mr. VANIK. I thank the gentleman from Missouri.

Mr. GEORGE P. MILLER. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. Mr. Speaker, it is well that we pause to pay tribute to Franklin Delano Roosevelt on the anniversary of his birth. Since his untimely passing in 1945, I have regarded any words that I might say in commemoration of President Roosevelt as presenting a personal challenge to me in the fulfillment of my duties as a Member of the Congress of the United States. He was our friend; he was head of my political party; and he was President of my country. But his life, his words, and the wealth of action that he left as an American heritage, make the matter of speaking in his memory a hopeful occasion. I recall that it was President Roosevelt who said, and I quote, "This generation of Americans has a rendezvous with destiny." Franklin D. Roosevelt was dedicated to the future of America.

I believe that it was a fortunate incident, indeed, that F. D. R. was born in the month of January. Thus, when we are still on the threshold of a new session of Congress, we have the opportunity to reflect on the man and the history of his time. We can gain strength for the months ahead by pausing to remind ourselves of the character of Franklin D. Roosevelt.

I have mentioned the fact that President Roosevelt was our friend. But it is no careless statement I add that millions of Americans, as well as many people in other areas of the world, felt that President Roosevelt was their personal friend. Many who had never seen or spoken to him felt a common bond of friendship. How did he become a symbol of freedom and justice in this world, to all mankind?

I would include in the reasons for Roosevelt's popularity the fact that he possessed a forceful personality; that his use of the spoken word was exemplary; he knew how to express himself. He possessed moral purpose and persuasive

skill. But the factor that I wish to especially emphasize on this anniversary date is the devotion that he had for America. He understood America. He intensely loved America. He had studied its history. From boyhood he had become submerged in the glories of America's traditions. He had become familiar with the lives of America's heroes.

Franklin Roosevelt, however, did not confine his knowledge of America to the achievements of its past. He acquired the fortunate habit of becoming increasingly familiar with current regional problems, with current economic needs. He became familiar with every section of the country. He knew our farmlands, our cities, our national parks, our undeveloped natural resources. Putting all this information together, with his astute recognition of individual needs, he presented to America a political philosophy which saved the life of our Nation.

President Roosevelt's inaugural address, which went out over the radio to the American people on March 4, 1933, carried a daring analysis of the source of America's ills. Such an analysis had not been heard since the days of Andrew Jackson. Then came the President's promise of action. He set the record straight concerning the handling of our foreign policy. He advocated discipline, but not without freedom.

There was no doubt that a new spirit had begun to move across our land. This spirit, like some other political philosophies of our history, did not die 14 years ago, when President Roosevelt died on April 12, 1945. This new spirit remained. A new fundamental issue emerged. That issue was, and is, whether or not our democratic form of government is capable of solving human problems.

May I remind you further of the optimistic faith of Franklin D Roosevelt? He had faith in our institutions, faith in the ability of the millions of ordinary people, who make up this Nation, to govern themselves. He believed that increased freedom and increased opportunity for the average individual would mean greater progress for everybody. He did not believe that any segment of the population enjoyed a monopoly on truth or virtue.

The most direct evidences of President Roosevelt's beliefs are found in his speeches. I can pay no greater tribute to him than recalling his words, and I quote:

> I do not believe in abandoning the system of individual enterprise. The freedom and opportunity that have characterized American development in the past can be maintained if we recognize the fact that the individual system of our day calls for the collaboration of all of us to provide, at the least, security for all of us.

Of democracy he said:

> Democracy is the one form of society which guarantees to every new generation of men the right to imagine and to attempt to bring to pass a better world.

Of social justice, Roosevelt said:

> The four freedoms of common humanity are as much elements of man's needs as air and sunlight, bread and salt. Deprive him of all these freedoms and he dies—deprive him of a part of them and part of him withers. Give them to him in full and abundant measure and he will cross the threshold of a new age, the greatest age of man.

Of the depression, he said:

> Our real enemies are hunger, want, insecurity, poverty and fear. Against these there is no glory in a victory only partisan.

Of economic morality, he said:

> In our generation, a new idea has come to dominate thought about government, the idea that the resources of the Nation can be made to produce a far higher standard of living for the masses of the people if only government is intelligent and energetic in giving the right direction to ecomic life.

Of government, Roosevelt said:

> I believe party organization—the existence of at least two effectively opposing parties—is a sound and necessary part of our American system; and that, effectively organized nationally and by States and by localities, parties are good instruments for the purpose of presenting and explaining issues, of drumming up interest in elections, and, incidentally, of improving the breed of candidates for public office.

In conclusion, I recall it has been said that it was one of fate's most tragic ironies that Franklin Roosevelt was cast in the role of the supreme leader of the most powerful Nation the world had ever known, engaged in the most tremendous war in history. For he was a man who loved peace, who sought for his countrymen and other nations, peace, prosperity, brotherhood, and freedom.

On the anniversary of his birth, we need to look to his formulas which have inspired Americans to face realities for themselves and to shoulder responsibilities in this world without fear.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield.

Mr. STRATTON. Mr. Speaker, as a Member of this body from the State of New York, I would like to join my colleagues and the able gentleman from Ohio [Mr. VANIK] in paying respect to the late President Roosevelt. I think it is, perhaps, significant that Franklin D. Roosevelt got his start in political life and in the kind of political leadership for which he became famous in the Empire State of New York. He is looked upon by the people of our State with pride as one of our really great leaders and one of the greatest Governors in all our history. The policies which flowed from that early leadership and the programs which he developed in New York State formed the basis for the same dynamic leadership which he later gave to our Nation and to the world.

Mr. Speaker, it was my privilege to have served for a period of 2 years before World War II as a secretary to a Member of this body. At the time of Pearl Harbor, it was also my good fortune to be seated in the gallery on December 8 when the President of the United States delivered his message to a joint session of Congress asking for a declaration of war on Japan. I will always remember that day, Mr. Speaker, as one of the great dramatic moments in history. With our Nation just hit by surprise by the Japanese and recoiling under that severe attack, the Members of Congress on both sides of the aisle watched in silence as the President of the United States walked in to address them. I remember how he came in through the Speaker's lobby, on the arm of his son, the distinguished gentleman from California [Mr. ROOSEVELT], who now serves in this body, then a Marine Corps officer in uniform. For several moments—and I had never watched this happen before, Mr. Speaker—President Roosevelt made his way up the temporary ramp to the rostrum with great difficulty and yet with great courage. As he finally grasped the sides of the rostrum and took his place before the reading desk, a great burst of applause suddenly went up from both sides of the aisle. The Members of both Houses of Congress I think realized then that the very same faith and the very same courage which had enabled this great man to overcome his physical handicap, and which had refused to give up or surrender in the face of a surprise attack from a terrible, crippling disease, was the same kind of faith and courage we would need to press our attack sucessfully against the evil forces which had just been directed against us with such telling force.

I remember the stirring words of that address. Already we were beginning to learn some details of the serious extent of the damage that the Japanese had inflicted upon us the day before. But the sheer courage, the sheer faith, the sheer determination that were expressed so courageously and so determinedly by Franklin D. Roosevelt in that dramatic message delivered to Congress on that fateful day was instantly transmitted to the Members of Congress and to the people of the United States. Doubts, fears, and rumors were suddenly stilled, and in that hour the American people became just as confident as was their President that we would, in his words, "win the inevitable triumph, so help us God," even though as President he knew much better than we did that morning just how enormous was the damage we had suffered at Pearl Harbor.

Mr. Speaker, that, to my way of thinking, is political leadership at its greatest—the God-given ability to infuse the kind of moral and spiritual enthusiasm and determination into a whole people that will somehow bring them to greater and more inspired heights of achievement than would otherwise have been possible.

I think our greatest need today in the face of the Communist threat is some of the same kind of spiritual and moral leadership that were given to us in the past by President Franklin D. Roosevelt, an inspired leadership that certainly was at no time more dramatically or more completely demonstrated than when he delivered his war message to the joint session of Congress following the Japanese attack on Pearl Harbor.

Mr. VANIK. I thank the distinguished gentleman from New York.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield.

Mr. PUCINSKI. Mr. Speaker, I, too, wish to join the gentleman from Ohio

in taking this time today to pay tribute to a great American, Franklin D. Roosevelt, on the 77th anniversary of his birthday. Destiny has a way of looking after America in its great moments of crisis. As in the past, when great leaders emerged during America's tragic moments of need, so it was in 1933 that a Nation which was on the brink of disaster and total collapse welcomed a President who had the courage, the wisdom, and the vision to lead us out of despair. Franklin Delano Roosevelt believed in the principles laid down by Thomas Jefferson that a free people, given the facts, can always be counted upon to make the right decision.

The program that President Roosevelt had the courage to present to the American people has been covered well by my colleagues. Perhaps one of the greatest contributions that Franklin D. Roosevelt had made, and which preserved the concept of a sustained economy under which we now survive, was his program of unemployment compensation. In a free democracy, in a free enterprise system such as ours, we will always have economic hills and valleys. It was his great wisdom and courage that gave us built-in economic safeguards which have saved many from poverty ever since. Within the last 10 years, this Nation, on three different occasions, has come within the very brink of economic disaster, and this program of unemployment compensation has helped to carry us through. There are no breadlines in America today because the unemployed have unemployment compensation to cushion the hardships of temporary unemployment.

My colleagues here have enumerated many, many great contributions of Franklin D. Roosevelt, but I recall one in particular that history has sometimes tried to forget, when in my home city of Chicago in 1937 this great President stood before thousands of people in dedicating the Link Bridge and had the wisdom to seek permission to stop the first of Europe's dictators. President Roosevelt had seen the first of the great dictators of Europe emerge. He had seen the war clouds forming over the horizon, and he stood before the American people and pleaded for permission to impose economic sanctions, a quarantine, against Mussolini who had stabbed Ethiopia in the back. He pleaded with the world to stop the first of the great dictators who were intent on leading this world to ruin. I think if the people of America at that time had given this great man the tools—the authority to deal with Mussolini—we probably would not have seen World War II.

History is not quite yet ready to appraise Franklin Roosevelt's contributions to our Nation. But in due time historians will recognize that the domestic program and philosophy which he laid before us was the philosophy that has helped preserve this great Nation of ours.

Mr. VANIK. Mr. Speaker, I thank the gentleman.

Mr. BOYLE. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield.

Mr. BOYLE. Mr. Speaker, let me add my commendation to the gentleman from Ohio for securing a special order to point up and salute the birthday anniversary of a great President and a great American, Franklin Delano Roosevelt. As the years pass we become more and more conscious of the world's debt to Roosevelt. He was a leader with vision, courage, and political skill. He had a profound understanding of human needs and used his talents in an attempt to achieve the more abundant life for all people.

Franklin Roosevelt was born at Hyde Park, N.Y., on January 30, 1882, the son of James and Sara Delano Roosevelt and a fifth cousin of Theodore Roosevelt. He was educated at Groton, Harvard, and the Columbia University Law School, and in 1907 was admitted to the New York bar.

Roosevelt's political career began in 1910 when he was nominated for the State senate from the district in which Hyde Park was located. Although the district was so overwhelmingly Republican that it had sent only one Democrat to the State senate since the Civil War, Roosevelt won out in the general election. In the State senate his opposition to boss rule so greatly increased his popularity that he was reelected in 1912.

Soon after Woodrow Wilson's inauguration on March 4, 1913, Roosevelt was appointed Assistant Secretary of the Navy, a post he held until 1920. In that year he was sent as a delegate to the Democratic National Convention held in San Francisco. There he made a speech seconding the nomination of Gov. Alfred E. Smith. Smith lost the nomination but Roosevelt was selected to run as Vice President on the ticket headed by Gov. James M. Cox of Ohio. Although the ticket went down to defeat, Roosevelt established contacts and made many friends during the campaign. But the Roosevelt we came to know later was not really recognized in 1920. None would have guessed the true dimensions of his greatness as history was soon to demonstrate them.

Keeping in close touch with public affairs in 1924 he attended the Democratic National Convention. In 1928 he agreed reluctantly to become a candidate for the governorship of New York. He was elected by a plurality of 25,564, and in 1930 he was reelected by a plurality of 725,001 votes. During his two terms he succeded in having much important legislation placed on the statute books. In part, his policies were a continuation of those of Governor Smith, but he struck out into new paths with his programs for old-age pensions; farm relief, unemployment relief, and other social measures.

Let us go back in retrospect to 1932, when Roosevelt entered the White House in those dark days of despair. The depression had drained the faith of people in their Government. Unemployment and want had robbed the people of hope. The world of business had lost considerable public esteem and even caste. Strange and ugly voices were heard in the land. New and dangerous ideologies were dangled before the American people and found many takers in the midst of unemployment, want, and misery.

It was against this background on Inauguration Day that a new spirit came to America. The people had elected a man of courage and faith—a man not dismayed by disaster but rather encouraged and emboldened by it. With firmness and resolution, he set about the initial tasks of recovery and reconstruction. In a comparatively brief time under his leadership hope replaced fear and panic.

Seldom has there been a leader who knew and understood so well the common man and the role of the Federal Government in providing for his welfare in those areas where individual effort or local or State activities were powerless to help. It was Franklin Roosevelt's philosophy of government which made it possible for the New Deal to assist the American people in pulling themselves up from the depths of depression. It was a philosophy which did not fear government but saw in it a force for good rather than a necessary evil. It was this philosophy, coupled with unflinching courage, in putting his program into operation, that places the United States and the entire world in Roosevelt's debt forever.

Under his leadership, great social and economic reforms were conceived, initiated and accomplished. Millions of Americans returned to their jobs. Our economy was rejuvenated. Emergency relief and public works projects were established. A farm program was set up. Fair labor standards legislation was enacted. Securities and exchange practices were brought under public regulation. Social security and unemployment compensation programs were enacted into law. These policies, along with many other features of the dynamic New Deal program, paved the way for a brighter and more secure future for all Americans forever.

Today, millions of Americans are enjoying a happier old age because of the benefits of a social security system instituted by Franklin D. Roosevelt. Because of the Securities and Exchange Commission, the investing public is no longer subject to the unregulated greed which resulted in so many thousands losing their hard-earned life savings. Millions of Americans know their bank deposits are safe now because of the Federal Deposit Insurance Corporation. These many social pieces of legislation and their accomplishments are an enduring memorial to our great President.

Even more important than the material benefits was the spirituality and self-confidence he brought to us. "We have nothing to fear but fear itself" was the message he gave to America and to the world.

Roosevelt had been President for more than 6 years when the German armies marched into Poland. Roosevelt knew that our globe is one world and he was prepared for the full implication of the challenge, the opportunity and that truth. More than any other man, he led the free world out of a threatening engulfment by the forces of despotism and tyranny. It was his vision that created the United Nations.

On this occasion we can best commemorate his birthday by rededicating ourselves to continue the fight for his goal of world peace, and by renewing our efforts to achieve the objectives of full employment and economic abundance for the average American citizen and for all the people of the world.

Mr. VANIK. Mr. Speaker, I thank the distinguished gentleman from Illinois.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the distinguished gentleman from California.

Mr. ROOSEVELT. Mr. Speaker, I want to thank the gentleman from Ohio and my colleagues on behalf not only of myself but also of my family for the tributes which have today been given to my father.

Mr. Speaker, I would also like to thank the Democratic congressional campaign committee under the able leadership of our colleague from Ohio [Mr. KIRWAN] for the carnations which today are being worn by so many of us, and which were contributed by that committee.

Mr. Speaker, I would only add that it is truly heartwarming to know how many realize the historic importance of the things that were contributed to the welfare of our country in those days. I am sure if my father had a message for any one of us today it would perhaps be that we continue to have faith in the ability of the American people to meet whatever grave challenges face us and to meet them with the same kind of steadfast determination and unalterable faith, that if we have nothing to fear we can conquer, advance the happiness of our own people, and the peace and security of all.

Mr. Speaker, I am indeed grateful to all my colleagues.

Mr. VANIK. I thank the gentleman from California.

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point in the RECORD on the life and accomplishments of the late President Franklin D. Roosevelt.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. EVINS. Mr. Speaker, I was not privileged, as the Speaker and other Members of this Chamber were, to serve in the Congress during those momentous years which are already being referred to in our history as the Roosevelt era. But I do consider myself privileged to have played a small part as an attorney in the Federal Trade Commission in the momentous program which, under Franklin Delano Roosevelt's dynamic leadership, produced one of the greatest revivals of national spirit, energy, and achievement history records.

Franklin Delano Roosevelt became President at a time when both materially and spiritually our Nation was at perhaps the lowest ebb our history records. Undaunted by the overwhelming problems which faced us, Franklin D. Roosevelt inspired the Nation with his own confidence in the future and destiny of our Nation.

To F. D. R. the problems of those tragic days were not a prelude to disaster but a challenge to the great energy, capabilities, and imagination which had made our Nation great and an opportunity to realize even more fully the destiny of our country. Under his leadership our people threw off their fears and despondency, and joined together hopefully and energetically not only to solve their immediate problems but to lay the foundation for a better life, a greater nation, and a further realization of the high ideals on which our Nation was founded. It is true that many mistakes were made and not all of the things undertaken were totally successful; but the overall program has won such acceptance that today even those who opposed it most bitterly take its achievements for granted. It was a period that all Americans can look back on with pride because it was an outstanding example of the characteristic American ability to face up to and conquer new problems and new frontiers. It was another example of the fact that given dynamic leadership our Nation can rise to any challenge.

Mr. Speaker, we have always found in our past history the inspiration to face the present and the future. And that history shows that if we face our problems boldly and deal with them dynamically we do not only solve them but in solving them we realize our destiny more fully. The administration of Franklin D. Roosevelt was one in a long series of such examples. It has a particular force today when once again our confidence is on the wane and once again there are those who want us merely to drift with the tide instead of rising to conquer the new frontiers that face us; and this occasion, when we recall those days, offers the hope that once again we will rise to the challenge of those frontiers instead of surrendering to their difficulties. For the great lesson of the life of Franklin D. Roosevelt both in his private and in his public life is that, if we face up to the adversities of life with courage and boldness, we have within us, both as a nation and as individuals, the capacity to triumph and progress toward an even greater and higher expression of our unique character as Americans.

Mr. HECHLER. Mr. Speaker, as we celebrate the birthday of Franklin D. Roosevelt, it is fitting to recall that one theme which dominated his life was faith. The very last word which he wrote, on the day of his death on April 12, 1945, was the word "faith." In correcting the text of his Jefferson Day Address, to be delivered on the following day, Franklin D. Roosevelt wrote in his own hand, as the last sentence of this undelivered address, "Let us move forward with strong and active faith."

President Roosevelt fully understood and demonstrated his grasp of the challenge of the Presidency. In his every act and public address, he displayed the force of energizing leadership. His voice was the voice of democracy, and the voice of the free world in vigorous support of its institutions.

My home State of West Virginia reveres the memory of Franklin Delano Roosevelt perhaps even more than some of the States where the economic situation was not as acute during the great depression of the late twenties and early thirties. On the campus of Marshall College, in Huntington, W. Va., there is a plaque on the flagpole, designed and placed by the WPA workers who erected the flagpole. This plaque pays tribute to the leadership of President Roosevelt in the darkest days of the depression, and records the heartfelt tribute of the workers who erected the flagpole.

Today in West Virginia we are facing a serious economic situation with nearly one out of every six people in our State depending on Federal surplus commodities to survive. The economic situation cries out for the type of leadership which Franklin D. Roosevelt once supplied and is so sorely lacking today in both the White House in Washington and the State House in Charleston, W. Va.

On this anniversary of Franklin D. Roosevelt's birth, I trust we can rededicate ourselves to the great principles for which he stood, to maintain the faith which he instilled in free peoples, and to move forward with the same spirit which dominated his actions on behalf of common people everywhere.

NEED FOR FLEET DISPERSAL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. MAGNUSON] is recognized for 20 minutes.

Mr. MAGNUSON. Mr. Speaker, I should like to take a few minutes today to address the House on a matter of great importance to every American. It is a matter of which many of my colleagues are not aware, I fear, because it is the result of a gradual evolution brought about by an adjustment to peacetime defense needs. I am afraid we are concentrating all our military operations in one area of the west coast and making them very vulnerable to annihilation. There is a definite and imminent need for a west-coast dispersal similar to what is being done on the east coast.

During the months since the end of the Korean war, I have noticed with a great deal of alarm how our Armed Forces are being concentrated more and more in one small area of California. Not only do we have many of our defense-production plants in that area, but the Department of Defense apparently feels all our manpower, ships and planes should be jammed together down there, too.

I have talked with many of the officers and civilians who make these decisions for the Department of Defense and have tried to impress upon them the dangers inherent in such a tight concentration. For the most part, my appeals have fallen on deaf ears. The Department of Defense and the Armed Forces seem bound and determined to concentrate everything we have in California. Just take a look at what is going on there. Our Pacific Fleet aircraft carriers train in that area, our pilots go to school there, technicians get their training there, our submarines are being built and tested there. As the rest of us who live on the

west coast take a look at what is going on, we wonder just where this is going to end. It is getting so crowded down there that our pilots have a hard time finding clear areas to fly through.

WHAT ABOUT WEATHER?

I have listened to the Navy explain many times that it trains off the shores of southern California because of the ideal weather conditions in that area. Now, I ask you—how many times have our Armed Forces been fortunate enough to fight in ideal weather conditions? Was the winter at the Chosen Reservoir in Korea "ideal"? Were the Aleutian patrols of World War II carried on in "ideal weather"? Did our troops invade the Pacific Islands and Europe in "ideal weather"? Of course not. Everyone knows we cannot select the places where we may have to fight or what the weather conditions will be. We just may be called upon to do some fighting in places where the weather is a lot more turbulent than that found in southern California.

NAVY WANTS DISPERSAL

The Navy is well aware of the importance of proper dispersal and mobility in this missile age. Back in May of 1956, Adm. Arleigh A. Burke, Chief of Naval Operations, discussed the importance of dispersal with a reporter for U.S. News & World Report. At that time he stated that one of the Navy's greatest weapons was that by its very nature it has "built-in dispersion." I wonder if Admiral Burke still feels that the Navy is dispersed well enough to survive a concentrated attack with the powerful new missiles we know the Soviet Union possesses.

FLEXIBILITY NEEDED

The Navy has been assigned an important new role in our modern defense setup. It is a rapid-striking force which we have come to rely on as a mighty armada for all-out warfare or as a flexible and mobile weapon for the so-called brushfire skirmishes such as occurred in Lebanon and Egypt. Even though the Navy has proved its ability to help put out these fires, we don't want our firemen to get trapped in one firehouse when they can operate more effectively from a number of district firehouses. The outmoded central fire-station concept is leaving our fleet open to possible destruction by nuclear holocaust.

Realizing such a danger, the Navy recently announced plans to disperse our fleet concentrations on the east coast.

EAST COAST DISPERSAL

This dispersal is scheduled to take place over the next 2 hours. The initial phase of the plan calls for relocation of several destroyer and submarine squadrons by March of this year. One destroyer squadron now based at Newport, R.I., will be moved to Mayport, Fla., and four submarine squadrons will be transferred from New London, Conn. Charleston, S.C., will receive two destroyer squadrons and one submarine squadron.

Also moving to Charleston will be a destroyer tender from Norfolk, Va., and two submarine-support ships, a tender and a submarine-rescue vessel from Key West, Fla. So, as you can see, we are going to have our fleet spread up and down the entire east coast. The purpose of this dispersal is to minimize the amount of damage which could be done by one nuclear bomb.

WHAT ABOUT WEST COAST?

But, on the other hand, much of our Pacific Fleet is being concentrated along a few miles of southern California coastline. Here is what the Navy has to say about west-coast dispersal. In a recent letter to me, Vice Adm. Thomas S. Combs, Deputy Chief of Naval Operations, said:

> The existing and programed west-coast training facilities and operating areas approach the ideal with regard to our present needs.

I wonder just how ideal our ship deployment would be if we were called upon to get our Navy to a trouble spot in the Far East tomorrow. How ideal would our deployment be if the Soviet Union suddenly started maneuvers near Alaska with all the submarines she is supposed to have? How ideal would it be if one atomic bomb were dropped on San Diego? The Navy, of course, has a stock answer. It says, "We can move quickly."

LOSS OF TIME

How quickly are we moving when we sacrifice at least a day's sailing time by moving to the Far East from California instead of from Washington State? I have always thought the shortest and quickest way to get from one place to another was in a straight line. Yet, look at the comparative distances between important areas of the Far East and Alaska and our west-coast ports. Formosa, our present hotspot in the Far East, is 292 miles closer to Washington State than it is to California. Yokohama is 282 miles closer, Indochina is 280 miles closer, and Kodiak, Alaska, is 436 miles closer. You do not have to be a military expert to know that a full day or more of sailing time can be mighty important in time of war.

We all were delighted to read in the newspapers recently that the Air Force had flown a jet fighter from Alaska to Florida in just 5½ hours. Sounds good; does it not? But did you ever stop to think of how long it would take to fly the other way—from Florida to Alaska? Last week's phenomenal speed record was set with the aid of a powerful southerly jetstream. When our planes have to fly against that jetstream it takes nearly twice as long, and they have to stop along the way to refuel. I doubt if any of my colleagues want to leave Alaska high and dry without adequate sea and air protection.

ANOTHER PEARL HARBOR?

Now, I am not suggesting that all our ships should be moved to the Puget Sound area. I don't want to see all our fleet moved anywhere. But what we do need is a more sensible dispersal of our fighting ships so we will not end up having a southern California Pearl Harbor. The weather is nice in Hawaii, too, but that did not do our ships any good when they were trapped in the harbor on December 7, 1941.

As Members of Congress, we cannot sit back and see our national security being sacrificed just because our Armed Forces have made up their minds that it is a little easier to operate in California. War is not a soft job, and our training for war cannot be soft if we are to remain strong.

In the Pacific Northwest we have ship maintenance and repair facilities at the Puget Sound Naval Shipyard which are second to none. Seattle, Tacoma, Port Angeles and Bellingham have deep harbors with good pierside facilities. There is plenty of housing available, and we have good schools and recreational facilities for Navy families.

I think every Member of Congress should make it his job to see that the Navy follows its intelligent east coast dispersal with a similar dispersal on the west coast. It is not necessary to move aircraft-carrier operations into the North Pacific for extensive training in order to accomplish this.

HOW TO DISPERSE

It is my sincere belief that the welfare of the entire Nation would be served best if the Navy immediately would move a destroyer squadron or two into the Puget Sound area for training and to safeguard our coastline. Destroyers are multipurpose vessels which could use such training. If they are called upon to fight, the chances are better than even that they will have to fight in the North Pacific, anyway. It might cost a little money to move ships to this area, but the additional training crews would receive and the value of dispersal would be well worth the price we would have to pay. Serious crippling or complete destruction of our stateside fleet would be a much higher price to pay.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. MAGNUSON. I yield to my colleague from Oregon.

Mr. ULLMAN. Mr. Speaker, I am very happy to join my friend from Seattle, Wash., in the very fine statement he has made. He has marshaled some very excellent arguments for dispersal. We in the State of Oregon concur in that basic philosophy. With all deference to our good friends from California, I know that they will join us in advocating a policy that is in the best interest of the Nation, and that is a well-dispersed defense program.

Certainly what the gentleman has said is true, and I strongly concur in his arguments that we in the Pacific Northwest are most concerned about present concentration of our defense effort there in a few large areas.

Mr. MAGNUSON. I thank the gentleman from Oregon.

THE ATOMIC AGE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, it is a fair statement, I believe, that as goes the atom so goes the future of the world.

When the atom was split, an era ended; the world as we knew it fell apart, in a sense—a new day had dawned, a new epoch in human affairs had commenced, a new age had arrived—the atomic age with its great hopes and heavy responsibilities.

Mankind is now traveling the atomic road. Whither it leads depends upon the use we make of this powerful secret, the atom, wrung from nature's abundant storehouse.

I am not one to shrink before the possibilities of atomic destiny. What God in his infinite and inscrutable wisdom has placed into the world of His creation is not to be feared or shunned. The unfolding of the wonders of the physical world is but new evidence that the Creator has packed the universe with rich secrets awaiting the exercise of man's natural curiosity, intelligence, and enterprise—who knows what greater discoveries await our search and conquest? The more we unlock the doors of the mysteries of the universe, the more we are aware of the divine symphony the world represents.

Mr. Speaker, I make these few prefatory observations in the humble effort to indicate I feel I have a proper orientation to the subject I wish to discuss here today: "The Peaceful Uses of Atomic Energy."

The atom has placed a powerful force in our hands; and with the commensurate responsibility to make the most beneficient use of it, for above all things, man is a moral creature.

America, naturally in healthy self-interest, had no choice but to adopt atomic energy to a variety of weapons for defense and survival in freedom. Moral man first has the task of safeguarding and preserving and perpetuating life and the realities of the 20th century are such that we in the United States were left with no alternative but to develop an atomic arsenal. However, it is inherent in our public morality and national conscience that the United States will never wantonly use such weapons, that we will never utilize them for aggression—we have developed them to the accompaniment of the fervent hope that we will never have to use them.

We turn then to the more inviting aspect of atomic development: the peaceful uses of atomic energy.

Mr. Speaker, it is my purpose to review our endeavors in this engrossing field, to delineate the projects undertaken and proposed, to examine them as to the feasibility and worth, to appraise and evaluate them. It is my hope that we may be able to clear away much of the vagueness and uncertainty and confusion that attend this whole vital program and arrive at some warranted conclusions that will point the way for proper action.

First, I suppose we might take a look at the figures on the domestic production of uranium ores last year. They show an increase of nearly 50 percent over 1957 and it is estimated to total about 5 million tons valued at approximately $115 million, according to the United States Bureau of Mines. Uranium concentrate production at the end of the year, valued at about $250 million, was at the rate of nearly 14,000 tons a year, compared with 10,000 tons in 1957 and 6,000 tons in 1956.

The Department of Interior reported that the consumption of uranium continued to be in the production of atomic weapons and the development of atomic reactors for propulsion, research, and electricity. Information advanced at the Second United Nations Conference on Peaceful Uses of Atomic Energy in Switzerland last September showed the United States is producing 81,000 kilowatts of electricity with 8 reactors, Great Britain 105,000 kilowatts with 3 reactors and Russia 114,000 kilowatts with an unknown number of reactors.

Thus we can see at once that in this practical application of atomic energy, Russia is out in front, Great Britain is second and United States takes up the rear.

The Department of the Interior is also authority for the recent statement that—

> Funds for building nuclear powerplants in the United States during the year ending June 30, 1959, are expected to more than double that spent by the Government and industry during the preceding 12 months.

Mr. Speaker, I note that the administration's new budget provides for an increase in the total appropriation for the Atomic Energy Commission. The actual spending by AEC in fiscal 1958 was $2,268,000,000 as compared with requirements for 1959 of $2,630,000,000.

It needs to be remarked in consideration of this, however, that the budgetary spirit of the new submissions is narrow and restrictive, the emphasis is on austerity and not on growth and expansion of the various functions of government to meet the greater needs of a rapidly growing population. In this connection and diverting for just a moment it is noteworthy that the administration's new budget schedules make no provisions for any weapons tests in the fiscal year 1960. Under the circumstances, testing grounds in Nevada and the Pacific will be kept on a standby basis.

In the opinion of the Bureau of Mines the domestic outlook for uranium appears to be for continued production of ore and concentrate at the rate exceeding 1958's. Progress in developing economic nuclear power and nuclear propulsion will continue. The joint 1-million-kilowatt power program proposed in the U.S.-Euratom agreement should be well under way within the next decade. This latter embraces joint U.S.-Euratom proposals for a research and development program looking to the industrial objective of 1 million electric killowatts. The AEC expects the program to be realized within the next 5 to 7 years, the Department of Interior uses the time expectation "the next decade." The program is to be financed by equal contributions from the AEC and Euratom. For the first 5 years the total funds are expected to amount to about $100 million. According to present thinking, roughly half of the funds will be spent in Europe and half in the United States for research and development contracts and for experimentation on the reactors to be built under the agreement.

In view of the progress the Soviets are making in this direction, the U.S.-Euratom program is a step in the right direction and the industries of free Europe will share the fruits of the activity.

The research and development program will be aimed primarily at the improvement in performance of the reactors to be built under the joint program, and at lowering fuel cycle costs. It will also deal with plutonium recycle and other problems relevant to these reactors.

Mr. Speaker, in a manner speaking, reactors are the heart of our program for the peaceful uses of atomic energy. Because of this fact I have read with great concern the statement in recent days that most of "the present nuclear powerplants in the United States are loaded with unnecessary hazards to the public safety." This statement was made on January 3 by Morgan G. Huntington, president of the RNB Corp., of Salt Lake City, Utah. In considering this statement it is well to bear in mind that Huntington is experienced in this field and is the former head of the construction section of the nuclear-reactor division of ACF Industries, and in addition is an expert engineer formerly in the employ of the U.S. Bureau of Mines.

Huntington in his statement claimed that most of the present reactors are potentially capable of "disastrous explosions which would scatter harmful radioactive material," and that "such an explosion could come through a nuclear incident or in case a pressure core vessel should simply fail and let go."

Pinpointing the fact that the majority of the present nuclear reactors in the Nation are adjacent to large centers of population, and that any reactor explosion would attain catastrophic proportions, Huntington called for an official reexamination of the hazards of present type construction.

Developer of a radiant nuclear boiler concept through which "public safety is insured by the elimination of obvious potential public hazards, one or more of which presently exists in all other types of power reactors," Huntington described his company's nuclear boiler as "fundamentally a graphite-moderated uranium-fueled pile, which is designed primarily to minimize the dangers attendant upon large-scale nuclear fissions."

Huntington listed the following advantages for the RNB reactor concept over presently utilized reactors:

First. The sudden reduction of equilibrium poisoning—xenon gas—cannot cause the RNB to pass into the prompt critical range and out of control because there are no transient neutron poisons.

Second. The RNB cannot explode through failure of the core pressure vessel or rupture of the high-pressure gas shroud. The critical array of the RNB is operated at atmospheric pressure.

Third. Upon the sudden loss of coolant, the RNB cannot become prompt-critical and instantly pass beyond mechanical control.

Fourth. In the RNB concept, there can be no explosion resulting from chemical reactions between coolant and metals nor between water and metallic coolant,

because no fluid coolant, either gaseous or liquid, bathes the fuel and/or moderator.

Fifth. There are no dangerously radioactive gases under pressure nor are there any radioactive liquids to leak, spill, or to be stored.

Sixth. No fission products can be entrained in a circulating coolant and hence there can be no fuel element failure in the usual sense.

Seventh. The graphite core assembly is gravity restrained and can withstand tilting more than 40° from the vertical in any direction without misalinement of penetrations. The RNB is not subject to destruction nor to damage by even severe earthquake shock.

Huntington said he has filed a number of applications for patents "along avenues which apparently have not been investigated by the Atomic Energy Commission." It is his contention that the power output of the RNB could be from 3 to 10 times greater than the American adaptations of the British gas-cooled reactor for given weights of graphite and uranium.

Certainly such a comparative analysis of the safety factors of the reactor program the AEC has adopted and is pursuing and what Huntington proposes is something to give us pause. It has been said, and I feel rather glibly, by high ranking employees of the AEC that the "American people accept the inherent dangers of the atomic energy program." This is a glossing over of the question. The average American cannot be expected to be well informed on the inherent dangers of the AEC's reactor program. Certainly the agency has made no point of educating the public on this score. A small number of scientists, no doubt are aware of it, but their number is very small in relation to the whole of our population. If our people accept the dangers, as the AEC states, then it is because they have been left in the dark on the subject, they are assenting out of their ignorance of the true state of affairs.

In recent years there has been all too much of this attitude that "Uncle knows best." There has been and is insistent complaint that our Government is keeping the facts of life in our day and age away from the people. There is a growing opinion in and out of Congress that there has been too much official secrecy, that the American people are being denied a very precious right—their right to know the truth.

It would seem to be very sound policy for the AEC to give immediate attention to the safety points Mr. Huntington makes with respect to the Agency's present reactor program, and this is said with all due regard to the recent report brought in by the distinguished ad hoc committee which the AEC had studying this very subject.

I consider it significant that the distinguished ad hoc committee which studied and recently made its report on the AEC's reactor program purposely chose to exclude from its survey the question of safety factors. The comments of this able committee on this vital aspect of the reactor program would have been most welcome. Perhaps the program needs to be reexamined again by a committee of similar stature and the aspect of public safety made the prime object of inquiry.

Mr. Speaker, I am concerned to find that an Atomic Energy Commission proposal to use a nuclear explosive to extract oil from shale as a demonstration of the peaceful use of atomic energy has been vigorously criticized as a pseudo-scientific nightmare fraught with dangerous possibilities.

Huntington has said the AEC proposal "would not only fail to produce any oil that would find its way into commerce but would create serious hazards by scattering millions of tons of rock over a wide area, much of it highly radioactive."

Huntington also predicted that the proposed AEC explosion experiment could create "a huge radioactive dust cloud in the upper atmosphere that will probably circle the globe as do many volcanic dust clouds."

Huntington voiced his opposition to the AEC proposal in a telegram of protest to the officials of the AEC who met early this month at Dallas, Tex., with representatives of the industrial concerns on tentative plans for the oil-from-shale explosion test.

Detailing a bill of particulars, Huntington in his protest telegram based his opposition on the following reasons:

First. A crater will be blasted about as wide as the explosion is deep.

Second. Millions of tons of rock, some of it highly radioactive, will be scattered over a wide area.

Third. A huge radioactive dust cloud will be visible in the upper atmosphere for weeks and will probably circle the globe as do many volcanic dust clouds.

Fourth. No oil whatever will enter commerce as a result of such a blast.

Huntington urged the conferees "to abandon the proposed experiment as impractical, futile, and danger charged."

Huntington said he was prompted to interest himself in an analysis of the project on the basis of information carried in the December 17 New York Times service report to the Salt Lake City Tribune which stated that the AEC "among its applications for peaceful uses of atomic energy recommends exploding a thermonuclear device—a hydrogen bomb—beneath an oil shale deposit."

Quoting further from the Times story, Huntington said the release stated:

> The Commission (AEC) studies indicate that oil shale represents one of the most promising applications for the peaceful use of atomic explosives. It is estimated that one thermonuclear device exploded beneath an oil shale deposit could free 25 million barrels of oil.
>
> The method now being proposed—

The story continued—

> by Commission scientists would eliminate the costly step of mining and taking the rock to an oil extraction plant.
>
> Instead a nuclear explosion would be set off, deep beneath an oil shale strata. The explosive force would shatter millions of tons of shale.

Commenting on the foregoing AEC projections and conclusions, as reported in the New York Times story, Huntington proposed a more moderate and reasonable approach to in situ shale oil recovery. He expects the pendant parting petropyrolysis process to produce gasoline at prices presently competitive with that from natural petroleum.

Huntington pointed out that the average oil shale in Utah, Wyoming, and Colorado would yield only 15 to 25 gallons of oil a ton and therefore to produce 1 barrel of oil, 2 tons of shale must be destructively distilled.

> To cause oil shale to yield oil it must be heated above 800° F. However, if 1 ton of oil shale is heated above 1,400° F., in addition to 20 gallons of oil, some 400 pounds of carbon dioxide gas is released. Furthermore, at a temperature well below 2,000° F. shale oil is completely destroyed and each ton of shale so heated generates some 5,000 cubic feet of hydrogen—

Huntington said.

Continuing his analysis on which he based his objections, Huntington said:

> If oil shale is heated very rapidly to above 2,000° F. as would certainly be the case in the AEC proposal, the pressure of the evolved gases (about 10 moles of carbon dioxide and about 15 moles of hydrogen per ton of shale) would be in the same order as a dynamite explosion; i.e., 25 tons per square inch. (NOTE.—A "pound mole" is 369 cubic feet at 60° F.) To avoid lifting the surface, a million-ton blast of TNT equivalent in such hydrocarbon impregnated rock must be buried deeply enough to contain a pressure of about 25 tons a square inch which would be some 10 miles beneath the surface of the earth.

On the above listed factors, Huntington then based the adverse conclusions which he cited to the AEC-industrialists sponsors conferees in his telegram asking that the "proposal be canceled in the public interest."

On the basis of Mr. Huntington's analysis of this proposed nuclear blast of Rocky Mountain shale, I have written Chairman McCone, of the Atomic Energy Commission, to answer to the charge of "gross engineering miscalculation which gravely jeopardizes the public safety," in connection with this project.

Mr. Huntington has advised me that the staff of the California Radiation Laboratory representing the AEC in the direction of Operation Plowshare has very seriously misinterpreted the results of the first underground nuclear blast, Operation Rainier, which are the basis for the oil shale nuclear explosion.

On the basis of the case Huntington made out against the nuclear blasting of oil shale, I have written Mr. McCone to the effect "either nuclear blasting in the Rocky Mountain oil shale is safe and reasonable or it is not. If this project is as hazardous and foolish as Huntington claims, then I am sure you will promptly announce cancellation."

> DEAR MR. MCCONE: On January 9, Mr. Morgan G. Huntington wrote a letter to Mr. John Potts, special assistant to Commissioner Libby, asking specific questions concerning your proposed nuclear explosion within certain hydrocarbon impregnated carbonate rocks. No reply has been forthcoming to this letter.
>
> Mr. Huntington is very much concerned over what he describes as a "gross engineering miscalculation" on the part of the staff of the Atomic Energy Commission. Huntington believes that you as an experienced

engineer, will immediately and correctly evaluate this "gross error."

Huntington predicts that, should your staff explode the proposed "10 kiloton device" within the Rocky Mountain oil shales at a depth of from 1,000 to 2,500 feet beneath the surface, the following results will obtain:

1. A conical crater will be blasted about as wide as the explosion is deep.

2. Millions of tons of rock will be thrown over the countryside, much of it radioactive.

3. The huge dust cloud so formed will consist largely of carbon black from the destruction of shale oil.

4. No oil whatever will enter commerce as the result of such a blast.

5. The direct cost of this proposed nuclear blast will be in the order of 10 or 15 million dollars, aside from the liability incurred from damages.

At the AEC-Bureau of Mines meeting in Dallas earlier this month, Dr. Roland F. Herbst made a statement which is diametrically opposed to Huntington's views. Dr. Herbst, representing AEC, holds that, since oil shale is stronger than volcanic tuff, "it is possible that a larger yield (larger nuclear explosion) can be contained in shale than in tuff."

At this same meeting, also speaking for the AEC, Dr. Charles E. Violet inferred that the ground surface would remain undisturbed if a 10-kiloton device were exploded in oil shale, 2,150 feet deep.

Mr. Huntington explains that your staff has "carelessly overlooked" the vastly important differences between oil shale and volcanic tuff which are set forth in the enclosed letter from him.

For my own information as a Member of Congress, Committee on Appropriations, I ask that you enlighten me on the Operation Plowshare.

Enclosed is a list of questions presented to me by Mr. Huntington, along with several of his opinions and predictions in the form of a press release:

"WASHINGTON, D.C., *January 16, 1959.*

"Subject: AEC's Operation Plowshare.

"The Honorable DANIEL J. FLOOD,
"House of Representatives,
"Washington, D.C.

"DEAR MR. FLOOD: Following my January 6 telegraphed objection to the nuclear blasting of Rocky Mountain oil shales, I wrote a letter to Mr. John Potts posing a number of questions. So far, I have received no answer to the letter.

"As you will recall, you twice unsuccessfully tried to arrange an appointment for me to discuss the RNB power reactor with Mr. McCone, Chairman of the Commission.

"In this present case, I believe it is urgent that you bring to Mr. McCone's attention the reasons why I so seriously object to the AEC's Operation Plowshare. As an experienced mechanical engineer, I am sure he will recognize at once the enormity of the error his staff has made. To analyze the problem, I list several questions:

"1. Is it not true that in Operation Rainier, except for the initial shock, the rock-heaving gas pressure never exceeded the critical pressure of steam; i.e., about 3,000 pounds per square inch, and that the principal gas was condensable at about 212° F.?

"2. Is it not true that the same device, exploded within the completely impermeable Rocky Mountain oil shales, would develop effective rock-heaving gas pressures in the order of 25 tons per square inch, during the lifetime of the fireball?

"3. Is it not true that when very rapidly heated to above 2,000° F. carbonate oil shale exerts the approximate equivalent rock-heaving force of TNT per unit volume? (Some 10,000 standard cubic feet of uncondensable gases evolve per ton of carbonate oil shale.)

"4. When the AEC announces a 10-kiloton device, do they mean a yield of about 1.29×10^{11} B.t.u. (the thermal equivalent to TNT) within a period of, say, one ten-thousandth of a second, or is the lifetime in the order of one-tenth of this? (This has been clouded by earlier military restrictions.)

"5. Is it possible for this 10-kiloton device to yield as much as 2.5×10^{11} B.t.u., or even more, with completely favorable detonations?

"6. Is it true that the 1,700-ton device which was exploded in the Operation Rainier yielded only about half of its rated thermal output? Why was this?

"7. If the Operation Rainier explosive device yielded only about 1.1×10^{11} B.t.u., instead of 2.2×10^{11} B.t.u., why do they continue to publish its output as 1,700-ton TNT equivalent, or double its actual value? Which figure are they using in scaling up for a very much larger blast?

"8. Is it not true that the Operation Rainier was the first actual large scale, effective calorimeter and, therefore, the first real measure of the total thermal output of such a device?

"9. I have from your office the cost of Operation Rainier as $1,500,000 for the device and blast preparation. What is the ABC's estimate of the total cost per ton of rock fragmented by nuclear blasting? Isn't nuclear blasting at least 10 times as costly as with conventional explosives?

"10. On the basis of the rock 'shattered' by Operation Rainier, is it not true that this is the most expensive blast in the history of modern engineering? The AEC claims the Rainier blast shattered 50,000 tons, compacted 500,000 tons and caved 150,000 tons of rock which was originally "loosely consolidated volcanic ash." Why, then, do they advertise nuclear blasting as a cheap method of fragmenting rock?

"11. I read in the December issue of the Scientific American that the AEC intends exploding a million-ton device within the New Mexico salt beds and that this will instantly melt 3 million tons of salt. As an experienced mechanical engineer, what is Mr. McCone's understanding of the mechanics of such fantastic heat transfer? How will such heat transfer be effected in a few millionths of a second? Has anyone explained this to you? If so, please explain it to me.

"12. Do you suppose Mr. McCone is satisfied with the statement which Dr. Charles E. Violet made at the Dallas meeting earlier this month? Does he believe it is safe to accept Mr. Violet's assurance that 'the strength of oil shale is probably twice that of tuff' and, therefore, all radioactive fission products will be contained if a 10-kiloton blast is buried to a depth of '2×450 W1/3' when W is equal to 10? Dr. Violet specifically infers that the surface would remain undisturbed if a 10-kiloton device were exploded in oil shale 2,150 feet deep.

"Does Mr. McCone agree with Dr. Violet to the extent that he would go ahead with this experiment in the face of my apparently lone warning that this same blast would 'create a valuable tourist attraction in the form of a crater one-half-mile deep and thoroughly embarrass American scientific prestige?'

"I shall very much appreciate your asking Mr. McCone for clarification of the above listed 12 points connected with Operation Plowshare.

"Respectfully yours,

"MORGAN G. HUNTINGTON."

I shall appreciate also your answering the questions Huntington has posed. Either nuclear blasting in the Rocky Mountain oil shale is safe and reasonable, or it is not. If this project is as hazardous and foolish as Huntington claims, then I'm sure you will promptly announce cancellation.

Sincerely yours,

DANIEL J. FLOOD,
Member of Congress.

I am still awaiting reply from Mr. McCone on my letter and it will be interesting to see what it will be.

In the meantime, Huntington, in further considering the proposed nuclear shale oil blast, has come to the conclusion that an aerial hydrogen explosion of fantastic proportions would be an additional devastating byproduct of the proposed Atomic Energy Commission's project. He is of the conviction that the same disastrous results would attend any similar attempt to launch a substantial nuclear blast of the Canadian Athabasca oil sands. These are, of course, the largest single petroleum reservoirs in the world. They lie in the northeast corner of Alberta. The oil there is too viscous to flow at the rock temperature. There have been proposals to use a nuclear explosion to reclaim the oil from these sands. Unfortunately, in Huntington's opinion, a nuclear explosion of the sands will not recover any oil, but instead will most likely produce an aerial hydrogen explosion of destructive results. If such an explosion is tried on the same depth and blast basis as the AEC's Rainier experiment, the results will be most unhappy, Huntington insists. Naturally the proper husbanding of these oil deposits are of concern to the whole free world.

Mr. Speaker, at this time I would like to have inserted in the RECORD at this point a copy of a telegram Huntington sent on January 27 to Mr. John Potts, Special Assistant to Commissioner Libby, of the AEC, in which in addition to repeating his primary objections to the proposed nuclear shale oil blast, he adds the objection of the extra aerial hydrogen explosion, and states the same spectacular results would come from a similar explosion in the Canadian Athabasca oil sands. The telegram to Mr. Potts follows:

SALT LAKE CITY, UTAH, *January 27, 1959.*

Mr. JOHN POTTS,
Special Assistant to Commissioner Libby,
Atomic Energy Commission,
Washington, D.C.:

Reiterate my opinion Atomic Energy Commission proposed 10-kiloton nuclear oil shale blast affirmed your wire January 6. What I call "Operation Desolation Denver" is in my opinion extremely dangerous because probably one-half billion standard cubic feet gas generated at approximately 20 times rock pressure at 900-foot depth could heave out 4 million tons oil shale at high velocity. I should expect dust cloud containing estimated 1 million tons pulverized oil shale with 300 million standard cubic feet hydrogen would subsequently explode above ground with greater force than initial nuclear blast.

Further believe practically all fission products and other radioactive material would be expelled with pulverized oil shale cloud, substantial part of which probably would settle out over Denver area.

Repeat my opinion that no oil whatever would be recovered as result of any such nuclear blast in oil shale.

I believe much the same type of highly spectacular repeating hydrogen aerial explosion would be expected from nuclear blasting of Canadian Athabasca oil sands.

Do you and Commissioner Libby continue to insist that your projected oil shale blast is a safe and reasonable experiment?

MORGAN G. HUNTINGTON,
President, RNB Corp.

Mr. Speaker, I believe I have adduced enough expert testimony to cause us to bracket in a huge question mark the whole of the Atomic Energy Commission's program on the peaceful uses of atomic energy. Although Huntington is the most articulate and outspoken in his criticism of several of these proposals, he is by no means alone in his dissent. There is a considerable section of informed academic and scientific opinion that shares his views on the oil shale blasting and Canadian sand nuclear explosion proposals. In the same questionable category should be placed the proposal to use a nuclear explosion in salt beds to obtain "useful energy." The AEC's suggestions to blast ore bodies and harbors with nuclear explosions likewise lend themselves to exposure to the claim of being fanciful and farfetched and inadequately thought out.

When the whole peaceful uses program of the AEC is evaluated it appears that the only activity that finds unanimous support is the agency's controlled fission in the form of power reactors, but as we have noted earlier, their present models contain one or more obvious hazards to the public safety. The pressurized core reactors are particularly questionable in this respect because, while otherwise probably well controlled, the failure of a core vessel under high pressure would scatter virulently poisonous fission products and probably cause death and injury to the surrounding populations.

The following summary conclusion by Huntington points up the whole problem on the AEC's peaceful uses of atomic energy:

> I insist that the prime design parameter for nuclear power reactors or any other nonmilitary use of atomic energy should be the consideration of public safety. Personally, I am inflexible in my opinion that no one has the God-given license to jeopardize the lives and property of his neighbors, merely because the neighbors can't comprehend the enormity of his carelessness.

Mr. Speaker, I must confess I am seriously disturbed at all of this. It would appear that the activities and programing of the Atomic Energy Commission warrant reexamination, study, and inquiry. Allowing for the human capacity for mistakes the realm of atomic energy is one in which the margin of error should be held to a minimum. Sound public policy decrees this; as a responsible arm of our Government, the Congress should insist upon maximum efficiency in all atomic matters. We fail to do so at our peril.

Mr. Speaker, under unanimous permission, I insert in the RECORD at this point several communications of Mr. Huntington's dealing with several aspects of this question:

WASHINGTON, D.C., *December 12, 1958.*

Re the Scientific American article on "Nuclear Blasting."

Mr. DONUIL M. HILLIS,
Geologist,
Denver, Colo.

DEAR MR. HILLIS: Thank you for your letter of December 4 calling my attention to the December Scientific American and to the article by Drs. Gerald W. Johnson and Harold Brown entitled "Nonmilitary Uses of Nuclear Explosives." I am enclosing the original AEC Bulletin, UCRL 5142, which describes the underground blast upon which the authors base many of their assumptions. (Brown and Johnson represent the California Radiation Laboratory which the AEC has placed in charge of Operation Plowshare.)

The September 1957 Rainier blast took place in Nevada 900 feet beneath the surface within a series of flows of loosely consolidated volcanic tuff. Because the rock was initially porous to the extent of 20 or 30 percent of its volume and freely pervious, the high-temperature gases generated in the immediate vicinity of the explosion were quickly quenched and the heat was almost instantly distributed through a large volume of the porous rock. No surface disturbance was observed beyond a dust-producing shock wave.

The surrounding volcanic ash was compacted by the explosion so that an empty sphere 110 feet in diameter was formed with a fused internal shell a few inches in thickness. As would normally be expected in such weak rock, the 110-foot opening soon caved toward the surface. This, then, accounts for the 200,000 tons. In addition, there were some 500,000 tons of the weakly cemented granular tuff fragmented by the 1,700-ton equivalent of TNT.

So far as rock fragmented per unit weight of explosive is concerned, Operation Rainier is possibly the least efficient blast in the history of modern engineering since it yielded only about 440 tons per ton of TNT equivalent. In commercial blasting the mining engineer normally expects 1 ton of explosive to break from 4,000 to 8,000 tons of rocks to pass a 4-cubic-yard shovel. The overall cost of the underground 1,700-ton nuclear blast is estimated to have been at least $1,500,000. Per ton of rock said to have been broken, the cost probably exceeded $2 a ton.

In column 1 of page 30, the authors state that the 4-inch internal glassy shell of the 110-foot sphere was "compressed." This is ridiculous because the glassy lining of the crater does not exceed the density of normal rock of this character and is nothing more than molten volcanic ash solidified into a glass. It does, however, contain entrained gases much like the common volcanic glass perlite, which, upon being heated to incipient fusion, swells 5 or 10 times its original volume and so becomes commercially useful as lightweight concrete aggregate and insulating material.

Much of what follows in this article is based upon the assumption by authors Johnson and Brown that rock is "compressible" by atomic blasts, and that huge caverns may be so formed within the earth's crust. Rock is not compressible. Rock can only be compacted if pores or voids already exist which can be closed by pressure.

Please forgive me if I cannot resist pointing out a few more droppings from these paragons of scientific learning who would lead us in the peaceful uses of atomic energy:

On page 31 of the December issue of the Scientific American, the authors suggest finding an underground cavern 2,000 feet in diameter or perhaps they would blast such a cavity within the earth's crust. At any rate, they propose heating gases within such a subterranean chamber by frequent atomic blasting. What rock will stand unsupported in such tremendous open chambers even without the shocks of repeated nuclear blasting as proposed by the authors?

On page 32 of the same Scientific American, Johnson and Brown approve detonating a nuclear weapon within a thick salt bed at Carlsbad, N. Mex., with the assurance that the tremendous heat released within a very small fraction of a second will be absorbed by molten salt and that the temperature of the salt would instantly (within a few millionths of a second) be raised to 1,500° F. In fact, they confidently assume that a megaton explosive (a million ton equivalent of TNT) detonated within a salt bed would yield 3 million tons of molten salt. Undoubtedly, a great deal of salt would be vaporized but I am sure that none of the heat from the blast would be retained in the salt at useful energy levels. In fact, the thermal gradient from the nuclear blast temperature of several million degrees Fahrenheit to the body of the cold salt would be so sharp that little or no salt would melt largely because of the insulating effect of the vaporized salt and the low thermal conductivity of solid and molten salt.

The authors also evidence some difficulty with arithmetic. On page 32, column 2, Johnson and Brown write that fuel costing $1 a million B.t.u.'s would be reflected in the cost of electric power only to the extent of 1 mill per kilowatt-hour. In other words, the authors believe that 1 million B.t.u.'s would generate 1,000 electrical kilowatt-hours. But of what consequence is the mistake of a single order of 10 by the proponents of multi-million-dollar industrial nuclear explosions?

Anyone interested in the fragmentation of rock may consult with the engineers from the various explosive companies such as Monsanto and duPont and listen to their free expression of what they think of the efficiency of concentrated blasts.

Enclosed is a copy of a letter to Bill Pemberton which touts my pendant parting petropyrolysis of oil shales. I do believe this is so far the most workable in situ shale oil recovery proposal.

Kindest personal regards and best wishes for the holidays.

Sincerely yours,

MORGAN G. HUNTINGTON.

JANUARY 23, 1959.

The SECRETARY, CHAMBER OF COMMERCE,
Denver, Colo.

Subject: "Operation Desolation Denver."

DEAR SIR: Should this letter seem a bit facetious, I apologize. I assure you, my purpose is entirely serious.

Salt Lake City lies to the windward of the site of our Atomic Energy Commission's proposed nuclear blasting of oil shale and we are perfectly safe from the radioactive dusting which Denver is likely to suffer. Nevertheless, a few of us, living safely upwind from the machinations of the oil shale blasters, do question the morality of sacrificing Denver and its environs to whimsey.

Apparently, we stand alone in opposition to what we call "Operation Desolation Denver" in the piquant parlance of these paragons of learning who would lead us in the peaceful uses of atomic energy.

My calculations indicate that the 10-kiloton nuclear device currently projected by the AEC (this is but 1 percent of the megaton blast proposed by the AEC in December and but one-thirteenth of what AEC's Dr. Herbst insisted would be perfectly safe at the Dallas meeting earlier this month), exploding in the oil shale due west of Denver, would heave upward something like 100 million tons of rock.

The great volume of high-pressure gases generated by the rapid heating of oil shale would create a huge dust cloud containing perhaps 1 million tons of pulverized rock and carbon black. Carried by the prevailing westerly winds, this airborne silt would blanket Denver within 6 hours.

For the ensuing months or years, during the period of decontamination, Denver truly would be a scene of desolation.

We are horrified and outraged that a private corporation and/or Government agency should be permitted to jeopardize lives and property simply because no one has the courage nor the power to prevent such injudicious use of nuclear weapons.

We do not believe that Denver and its environs are expendable, even were it possible to recover a little oil thereby.

Yours very truly,

MORGAN G. HUNTINGTON.

P.S.—Since there is a difference of opinion as to the degree of hazard to which your city would be subjected in the nuclear blasting of oil shale, we should like to know what you would think of circulating the following questionnaire among technically informed groups:

QUESTIONNAIRE

I herewith register my opinion in respect to Operation Desolation Denver. The AEC-oil company proposal for a 10-kiloton blast in oil shale is:

1. A safe and reasonable experiment.
2. Definitely hazardous and foolish.
3. A very interesting experiment; let the AEC go ahead.

——— ———.

Mr. Speaker, in view of the Washington Sunday Star feature in the This Week supplement—February 2, 1959—the article by Dr. Teller, I feel the attached observation should be included in my remarks.

I am aware that since I prepared my talk on this subject that there has come into the press a glowing affirmative statement on behalf of Operation Plowshare from a distinguished scientific source. It is my intention at an early date to offer a categorical, point-by-point refutation of this overall chain.

LET'S PUT "MUSCLE" IN FTC ORDERS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. If there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I note with pleasure that the distinguished chairman of the Committee on the Judiciary, the gentleman from New York [Mr. CELLER], has cosponsored a measure which I introduced on January 7 of this session. I refer to my bill—H.R. 432—which seeks to amend the Clayton Act to provide for more expeditious enforcement of cease and desist orders issued by the Federal Trade Commission under the act.

In the last session of the 85th Congress I had introduced the same bill, and as sole sponsor on the House side was encouraged by the fact that the counterpart was approved by the other body. Committee testimony clearly pointed up the value of this needed legislation which had, and continues to have, the endorsement and support of the Federal Trade Commission and other interested Government agencies.

With this Congress demonstrating its active concern for small business, Mr. Speaker, I wish to emphasize that my proposal—as well as that of my colleague from New York—is an important aspect of the overall legislative goal to encourage the existence and further development of economic democracy through support and protection of small business endeavors.

I say this because the purpose of our joint effort is to assure the enforcement of the objectives of the Clayton Act—to prevent monopolistic mergers, unjustified price discriminations, and exclusive dealing arrangements, all factors in lessening the opportunity for legitimate competition and small-business development. As the matter stands today, however, enforcement of the objectives of the Clayton Act by the Federal Trade Commission is weakened by the lack of adequate implementing procedures. The ponderous steps that must be taken by the FTC, in its efforts to make cease and desist orders meaningful and expeditious, has resulted in a diminution of the intended effectiveness of such orders.

At the present time, for example, a cease and desist order issued by the FTC carries with it no force of law demanding compliance upon which legal sanctions could be imposed in case the order is violated. There is, therefore, obvious and pressing need to change this dilemma. This my bill proposes to do.

Because of the support given by the Federal Trade Commission and other Federal agencies to my proposed legislation, the affirmative record of the other body in 1958 and the cosponsorship of the chairman of the Judiciary Committee to which it has been referred, I am hopeful that this Congress will act favorably on the proposal to give adequate enforcement muscle to FTC orders issued for the purpose of carrying out the legislative intent of the Clayton Act.

VENEZUELA'S NEW PRESIDENT

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. PORTER] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PORTER. Mr. Speaker, on February 13, in Caracas, Venezuela, a new President of Venezuela will be inaugurated. He is one of the outstanding democratic leaders of the hemisphere, a man of ideals and common sense, a man of determination and accomplishment.

We here in the United States should know him better and I am including, by unanimous consent, an article about the new President which appeared recently in the magazine Venezuela Up to Date, January 1959:

VENEZUELA HAS A NEW PRESIDENT FREELY ELECTED

Don Rómulo Betancourt has been elected President of Venezuela in the thoroughly free and honest elections held December 7.

He won by a large margin against two other candidates, Rear Adm. Wolfgang Larrazábal, former President of the government junta, and Dr. Rafael Caldera, a Caracas lawyer.

Unofficial reports at this writing give Sr. Betancourt 1,264,241 votes or 49 percent of the total; Larrazábal, 893,619 votes; and Caldera, 421,610 votes. The final total is estimated around 2,600,000, although more than 2,900,000 persons registered to vote.

Sr. Betancourt was the candidate of the Democratic Action Party, largest in Venezuela, of which he is president. Rear Admiral Larrazábal's candidacy was sponsored by Democratic Republic Union (URD) and the Communist Party. Dr. Caldera is secretary general of the Christian Democratic Party (COPEI). The Democratic Action, URD, and COPEI Parties are all slightly leftist.

The new President is expected to be inaugurated in February and is to serve for the 5-year period 1959–64.

Also elected were 46 senators and 133 deputies for a national congress—two senators for each of the 20 states, the federal district and two federal territories, and one deputy for every 50,000 persons or fraction over 25,000. In addition, each state elected its own legislature and municipal councils. The new congress will meet in Caracas 30 days after its composition is published in the Official Gazette, and then set the date for the presidential inauguration.

No official figures have been given out as to the makeup of the congress, but it is known the Democratic Action Party will have a majority in both houses. The Communists seem to have elected two senators and about six deputies.

Senor Betancourt won everywhere except in the federal district and the State of Aragua, where Rear Admiral Larrazábal received a 5 to 1 majority. After the fall of the Pérez Jiménez regime, last January 23, Larrazábal was chosen to head the Government junta which took over the affairs of the nation, and became extremely popular in Caracas.

The new President, a man of 50, has spent 20 years of his life in jail or exile because of his opposition to dictatorships in his country. Born in Guatire, Miranda State, he entered Liceo Caracas for his education, and met there Don Rómulo Gallegos, the famous writer, then a professor at the Liceo. Senor Betancourt says his erstwhile teacher is the man who has most influenced his mind, and Don Rómulo states Senor Betancourt, of all his pupils, has most profited from his teachings.

Young Betancourt began to study law at Central University, but his student activities clashed with the actions of Dictator Juan Vicente Gómez, and he was compelled to leave the country and seek refuge first in Costa Rica and then in Colombia. He returned to Venezuela in 1936, after Gómez's death, and was expatriated in 1938 for his activities in the labor movement. He managed to get back to Venezuela and lived secretly in Caracas helping in the creation of the National Democratic Party, which eventually became the present Democratic Action Party. As political conditions changed, he came out into the open to support Gallegos for president in 1943, but Gallegos lost that time.

In 1945, he participated in the revolt against President Medina and headed the junta that followed, until the election of Sr. Gallegos in 1947. When the latter was ousted the following year, Sr. Betancourt left the country once more and for 10 years lived in Washington, Havana, and New York, until last year, when he returned, following the overthrow of Pérez Jiménez.

Sr. Betancourt is the author of several books on political philosophy, among them Venezuela—Política y Petróleo (Venezuela—Politics and Petroleum) and Pensamiento y Acción (Thought and Action).

He is married to Miss Carmen Valverde of Costa Rica. The couple's only child, Virginia, is now following a postgraduate course at the University of Chicago, with her husband, José Lorenzo Pérez.

At the first press conference after his election, he stated his plans to form a coalition government with the participation of good men from other parties. Venezuela's No. 1 problem, he declared, is unemployment, and

this will be the first to be tackled by his administration. Immigration will be curbed for a while to help the unemployment situation.

Senor Betancourt, along with the other 2 candidates, favor revision of the tax law to alter the 50–50 basis for the division of oil and iron ore profits to a ratio more favorable to Venezuela.

When the results of the election were no longer in doubt, Rear Admiral Larrazábal sent to Senor Betancourt the following message:

"I want to be the first to congratulate you on your victory in the cleanest elections of our history. I pray to God that He will guide you in wisely conducting the affairs of our nation."

The President elect answered as follows:

"I appreciate and thank you for your noble gesture in congratulating me on the outcome of the elections, even before the Supreme Electoral Council issues the proper proclamation. I am happy to be able to shake your hand and reiterate my sincere esteem, without having to regret the utterance of one single offensive word against you from a public tribune. I propose to visit with you at your home tomorrow, and also with our friend, Dr. Rafael Caldera, to ratify my personal appreciation and exchange ideas regarding the cooperation expected from you both, to fulfill, for the good of Venezuela and within an atmosphere of national harmony, the arduous responsibility I am about to assume."

In answer to Dr. Caldera's congratulatory message, he replied:

"I have your message of congratulation, which reiterates the expressions of friendship received from you on previous occasions. You and the COPEI Party may be sure that the government I shall have the honor and responsibility of presiding will have an ample Venezuelan character and will be of national concord. It is my sincere wish to be able to depend, during the difficult and promising 5-year period to come, on your important cooperation and that of your party."

PEOPLE OF THE STATE OF NEW YORK v. JOHN DOE

Mr. DULSKI. Mr. Speaker, I rise to a question of the privilege of the House.

The SPEAKER. The gentleman will state it.

Mr. DULSKI. Mr. Speaker, I have been subpenaed to appear before the grand jury of the county of Erie, city of Buffalo, N.Y., on the 3d day of February 1959.

Under the precedents of the House, I am unable to comply with this subpena without the consent of the House, the privileges of the House being involved. I therefore submit the matter for the consideration of this body. Mr. Speaker, I send to the desk the subpena.

The SPEAKER. The Clerk will read the subpena.

The Clerk read as follows:

GRAND JURY SUBPENA

(Copy sec. 612, criminal code)

In the name of the people of the State of New York, to THADDEUS J. DULSKI, Buffalo, N.Y.:

You are commanded to appear before grand jury of the county of Erie at room 222 in the Erie County Hall, in the city of Buffalo, N.Y., on the 3d day of February 1959, at 9:30 o'clock in the forenoon of that day, as a witness in a criminal action prosecuted by the *People of the State of New York* v. *John Doe.*

Dated at the city of Buffalo, N.Y., the 28th day of January 1959.

CARMAN F. BALL,
District Attorney of Erie County.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FARBSTEIN (at the request of Mr. MCCORMACK), for an indefinite period, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FLOOD, for 30 minutes, today.

Mr. BAILEY, for 30 minutes, tomorrow.

Mr. AUCHINCLOSS, on Wednesday next, for 20 minutes.

Mr. POWELL (at the request of Mr. ROOSEVELT), for 60 minutes, on Wednesday.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE.

Mr. HOLLAND in two instances and to include extraneous matter.

Mr. CELLER in four instances and to include extraneous matter.

Mr. DULSKI and include extraneous matter.

Mr. HERLONG.

Mr. CURTIS of Missouri and to include extraneous matter.

Mr. ALGER and to include extraneous matter.

Mr. JOHANSEN and to include a letter from a constituent.

Mr. HALPERN (at the request of Mr. HALLECK) and include extraneous matter.

Mr. UTT (at the request of Mr. HIESTAND) and to include extraneous matter.

(At the request of Mr. ROOSEVELT, and to include extraneous matter, the following:)

Mr. DINGELL.

Mrs. SULLIVAN.

Mr. KING of California.

Mr. DORN of New York (at the request of Mr. HIESTAND) and to include extraneous matter.

ADJOURNMENT

Mr. ROOSEVELT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 46 minutes p.m.) the House adjourned until Tuesday, February 3, 1959, at 12 o'clock noon.

OATH OF OFFICE, MEMBERS AND DELEGATES

The oath of office required by the sixth article of the Constitution of the United States, and as provided by section 2 of the act of May 13, 1884 (23 Stat. 22), to be administered to Members and Delegates of the House of Representatives, the text of which is carried in section 1757 of title XIX of the Revised Statutes of the United States and being as follows:

> "I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter. So help me God."

has been subscribed to in person and filed in duplicate with the Clerk of the House of Representatives by each of the following Members and Delegates of the 86th Congress, pursuant to Public Law 412 of the 80th Congress entitled "An act to amend section 30 of the Revised Statutes of the United States" (U.S.C., title 2, sec. 25), approved February 18, 1948:

ALABAMA

1. Frank W. Boykin.
2. George M. Grant.
3. George W. Andrews.
4. Kenneth A. Roberts.
5. Albert Rains.
6. Armistead I. Selden, Jr.
7. Carl Elliott.
8. Robert E. Jones, Jr.
9. George Huddleston, Jr.

ALASKA

At large

Ralph J. Rivers.

ARIZONA

1. John J. Rhodes.
2. Stewart L. Udall.

ARKANSAS

1. E. C. Gathings.
2. Wilbur D. Mills.
3. James W. Trimble.
4. Oren Harris.
5. Dale Alford.
6. W. F. Norrell.

CALIFORNIA

1. Clement W. Miller.
2. Harold T. Johnson.
3. John E. Moss.
4. William S. Mailliard.
5. John F. Shelley.
6. John F. Baldwin, Jr.
7. Jeffery Cohelan.
8. George P. Miller.
9. J. Arthur Younger.
10. Charles S. Gubser.
11. John J. McFall.
12. B. F. Sisk.
13. Charles M. Teague.
14. Harlan Hagen.
15. Gordon L. McDonough.
16. Donald L. Jackson.
17. Cecil R. King.
18. Craig Hosmer.
19. Chet Holifield.
20. H. Allen Smith.
21. Edgar W. Hiestand.
22. Joe Holt.
23. Clyde Doyle.
24. Glenard P. Lipscomb.
25. George A. Kasem.
26. James Roosevelt.
27. Harry R. Sheppard.
28. James B. Utt.

29. D. S. (Judge) Saund.
30. Bob Wilson.

COLORADO

1. Byron G. Rogers.
2. Byron L. Johnson.
3. J. Edgar Chenoweth.
4. Wayne N. Aspinall.

CONNECTICUT

1. Emilio Q. Daddario.
2. Chester Bowles.
3. Robert N. Giaimo.
4. Donald J. Irwin.
5. John S. Monagan.

At large

Frank Kowalski.

DELAWARE

At large

Harris B. McDowell.

FLORIDA

1. William C. Cramer.
2. Charles E. Bennett.
3. Robert L. F. Sikes.
4. Dante B. Fascell.
5. A. S. (Syd) Herlong, Jr.
6. Paul G. Rogers.
7. James A. Haley.
8. D. R. (Billy) Matthews.

GEORGIA

1. Prince H. Preston.
2. J. L. Pilcher.
3. E. L. (Tic) Forrester.
4. John J. Flynt, Jr.
5. James C. Davis.
6. Carl Vinson.
7. Erwin Mitchell.
8. Iris Faircloth Blitch.
9. Phil M. Landrum.
10. Paul Brown.

IDAHO

1. Gracie Pfost.
2. Hamer H. Budge.

ILLINOIS

1. William L. Dawson.
2. Barratt O'Hara.
3. William T. Murphy.
4. Edward J. Derwinski.
5. John C. Kluczynski.
6. Thomas J. O'Brien.
7. Roland V. Libonati.
8. Dan Rostenkowski.
9. Sidney R. Yates.
10. Harold R. Collier.
11. Roman C. Pucinski.
12. Charles A. Boyle.
13. Marguerite Stitt Church.
14. Elmer J. Hoffman.
15. Noah M. Mason.
16. Leo E. Allen.
17. Leslie C. Arends.
18. Robert H. Michel.
19. Robert B. Chiperfield.
20. Edna (Mrs. Sid) Simpson.
21. Peter F. Mack, Jr.
22. William L. Springer.
23. George E. Shipley.
24. Melvin Price.
25. Kenneth J. Gray.

INDIANA

1. Ray J. Madden.
2. Charles A. Halleck.
3. John Brademas.
4. E. Ross Adair.
5. J. Edward Roush.
6. Fred Wampler.
7. William G. Bray.
8. Winfield K. Denton.
9. Earl Hogan.
10. Randall S. Harmon.
11. Joseph W. Barr.

IOWA

1. Fred Schwengel.
2. Leonard G. Wolf.
3. H. R. Gross.
4. Steven V. Carter.
5. Neal Smith.
6. Merwin Coad.
7. Ben F. Jensen.
8. Charles B. Hoeven.

KANSAS

1. William H. Avery.
2. Newell A. George.
3. Denver D. Hargis.
4. Edward H. Rees.
5. J. Floyd Breeding.
6. Wint Smith.

KENTUCKY

1. Frank A. Stubblefield.
2. William H. Natcher.
3. Frank W. Burke.
4. Frank Chelf.
5. Brent Spence.
6. John C. Watts.
7. Carl D. Perkins.
8. Eugene Siler.

LOUISIANA

1. F. Edward Hébert.
2. Hale Boggs.
3. Edwin E. Willis.
4. Overton Brooks.
5. Otto E. Passman.
6. James H. Morrison.
7. T. A. Thompson.
8. Harold B. McSween.

MAINE

1. James C. Oliver.
2. Frank M. Coffin.
3. Clifford G. McIntire.

MARYLAND

1. Thomas F. Johnson.
2. Daniel B. Brewster.
3. Edward A. Garmatz.
4. George H. Fallon.
5. Richard E. Lankford.
6. John R. Foley.
7. Samuel N. Friedel.

MASSACHUSETTS

1. Silvio O. Conte.
2. Edward P. Boland.
3. Philip J. Philbin.
4. Harold D. Donohue.
5. Edith Nourse Rogers.
6. William H. Bates.
7. Thomas J. Lane.
8. Torbert H. Macdonald.
9. Hastings Keith.
10. Laurence Curtis.
11. Thomas P. O'Neill, Jr.
12. John W. McCormack.
13. James A. Burke.
14. Joseph W. Martin, Jr.

MICHIGAN

1. Thaddeus M. Machrowicz.
2. George Meader.
3. August E. Johansen.
4. Clare E. Hoffman.
5. Gerald R. Ford, Jr.
6. Charles E. Chamberlain.
7. James G. O'Hara.
8. Alvin M. Bentley.
9. Robert P. Griffin.
10. Elford A. Cederberg.
11. Victor A. Knox.
12. John B. Bennett.
13. Charles C. Diggs, Jr.
14. Louis C. Rabaut.
15. John D. Dingell.
16. John Lesinski.
17. Martha W. Griffiths.
18. William S. Broomfield.

MINNESOTA

1. Albert H. Quie.
2. Ancher Nelsen.
3. Roy W. Wier.
4. Joseph E. Karth.
5. Walter H. Judd.
6. Fred Marshall.
7. H. Carl Andersen.
8. John A. Blatnik.
9. Odin Langen.

MISSISSIPPI

1. Thomas G. Abernethy.
2. Jamie L. Whitten.
3. Frank E. Smith.
4. John Bell Williams.
5. Arthur Winstead.
6. William M. Colmer.

MISSOURI

1. Frank M. Karsten.
2. Thomas B. Curtis.
3. Leonor K. (Mrs. John B.) Sullivan.
4. George H. Christopher.
5. Richard Bolling.
6. W. R. Hull, Jr.
7. Charles H. (Charlie) Brown.
8. A. S. J. Carnahan.
9. Clarence Cannon.
10. Paul C. Jones.
11. Morgan M. Moulder.

MONTANA

1. Lee Metcalf.
2. LeRoy H. Anderson.

NEBRASKA

1. Phil Weaver.
2. Glenn Cunningham.
3. Lawrence Brock.
4. Donald F. McGinley.

NEVADA

At large

Walter S. Baring.

NEW HAMPSHIRE

1. Chester E. Merrow.
2. Perkins Bass.

NEW JERSEY

1. William T. Cahill.
2. Milton W. Glenn.
3. James C. Auchincloss.
4. Frank Thompson, Jr.
5. Peter Frelinghuysen, Jr.
6. Florence P. Dwyer.
7. William B. Widnall.
8. Gordon Canfield.
9. Frank C. Osmers, Jr.
10. Peter W. Rodino, Jr.
11. Hugh J. Addonizio.
12. George M. Wallhauser.
13. Cornelius E. Gallagher.
14. Dominick V. Daniels.

NEW MEXICO

At large

Joseph M. Montoya.
Thomas G. Morris.

NEW YORK

1. Stuyvesant Wainwright.
2. Steven B. Derounian.
3. Frank J. Becker.
4. Seymour Halpern.
5. Albert H. Bosch.

6. Lester Holtzman.
7. James J. Delaney.
8. Victor L. Anfuso.
9. Eugene J. Keogh.
10. Edna F. Kelly.
11. Emanuel Celler.
12. Francis E. Dorn.
13. Abraham J. Multer.
14. John J. Rooney.
15. John H. Ray.
16. Adam C. Powell.
17. John V. Lindsay.
18. Alfred E. Santangelo.
19. Leonard Farbstein.
20. Ludwig Teller.
21. Herbert Zelenko.
22. James C. Healey.
23. Isidore Dollinger.
24. Charles A. Buckley.
25. Paul A. Fino.
26. Edwin B. Dooley.
27. Robert R. Barry.
28. Katharine St. George.
29. J. Ernest Wharton.
30. Leo W. O'Brien.
31. Dean P. Taylor.
32. Samuel S. Stratton.
33. Clarence E. Kilburn.
34. Alexander Pirnie.
35. R. Walter Riehlman.
36. John Taber.
37. Howard W. Robison.
38. Jessica McC. Weis.
39. Harold C. Ostertag.
40. William E. Miller.
41. Thaddeus J. Dulski.
42. John R. Pillion.
43. Daniel A. Reed.

NORTH CAROLINA

1. Herbert C. Bonner.
2. L. H. Fountain.
3. Graham A. Barden.
4. Harold D. Cooley.
5. Ralph J. Scott.
6. Carl T. Durham.
7. Alton Lennon.
8. A. Paul Kitchin.
9. Hugh Q. Alexander.
10. Charles Raper Jonas.
11. Basil L. Whitener.
12. David M. Hall.

NORTH DAKOTA

At large

Quentin Burdick.
Don L. Short.

OHIO

1. Gordon H. Scherer.
2. William E. Hess.
3. Paul F. Schenck.
4. William M. McCulloch.
5. Delbert L. Latta.
6. James G. Polk.
7. Clarence J. Brown.
8. Jackson E. Betts.
9. Thomas L. Ashley.
10. Walter H. Moeller.
11. Robert E. Cook.
12. Samuel L. Devine.
13. A. D. Baumhart, Jr.
14. William H. Ayres.
15. John E. Henderson.
16. Frank T. Bow.
17. Robert W. Levering.
18. Wayne L. Hays.
19. Michael J. Kirwan.
20. Michael A. Feighan.
21. Charles A. Vanik.
22. Frances P. Bolton.
23. William E. Minshall.

OKLAHOMA

1. Page Belcher.
2. Ed Edmondson.
3. Carl Albert.
4. Tom Steed.
5. John Jarman.
6. Toby Morris.

OREGON

1. Walter Norblad.
2. Al Ullman.
3. Edith Green.
4. Charles O. Porter.

PENNSYLVANIA

1. William A. Barrett.
2. Kathryn E. (Mrs. William T.) Granahan.
3. James A. Byrne.
4. Robert N. C. Nix.
5. William J. Green, Jr.
6. Herman Toll.
7. William H. Milliken, Jr.
8. Willard S. Curtin.
9. Paul B. Dague.
10. Stanley A. Prokop.
11. Daniel J. Flood.
12. Ivor D. Fenton.
13. John A. Lafore, Jr.
14. George M. Rhodes.
15. Francis E. Walter.
16. Walter M. Mumma.
17. Alvin R. Bush.
18. Richard M. Simpson.
19. James M. Quigley.
20. James E. Van Zandt.
21. John H. Dent.
22. John P. Saylor.
23. Leon H. Gavin.
24. Carroll D. Kearns.
25. Frank M. Clark.
26. Thomas E. Morgan.
27. James G. Fulton.
28. William S. Moorhead.
29. Robert J. Corbett.
30. Elmer J. Holland.

RHODE ISLAND

1. Aime J. Forand.
2. John E. Fogarty

SOUTH CAROLINA

1. L. Mendel Rivers.
2. John J. Riley.
3. W. J. Bryan Dorn.
4. Robret T. Ashmore.
5. Robert W. Hemphill.
6. John L. McMillan.

SOUTH DAKOTA

1. George S. McGovern.
2. E. Y. Berry.

TENNESSEE

1. B. Carroll Reece.
2. Howard H. Baker.
3. James B. Frazier, Jr.
4. Joe L. Evins.
5. J. Carlton Loser.
6. Ross Bass.
7. Tom Murray.
8. Robert A. Everett.
9. Clifford Davis.

TEXAS

1. Wright Patman.
2. Jack Brooks.
3. Lindley Beckworth.
4. Sam Rayburn.
5. Bruce Alger.
6. Olin E. Teague.
7. John Dowdy.
8. Albert Thomas.
9. Clark W. Thompson.
10. Homer Thornberry.
11. W. R. Poage.
12. Jim Wright.
13. Frank Ikard.
14. John Young
15. Joe M. Kilgore.
16. J. T. Rutherford.
17. Omar Burleson.
18. Walter Rogers.
19. George Mahon.
20. Paul J. Kilday.
21. O. C. Fisher.
22. Bob Casey.

UTAH

1. Henry Aldous Dixon.
2. David S. King.

VERMONT

At large

William H. Meyer.

VIRGINIA

1. Thomas N. Downing.
2. Porter Hardy, Jr.
3. J. Vaughan Gary.
4. Watkins M. Abbitt.
5. William M. Tuck.
6. Richard H. Poff.
7. Burr P. Harrison.
8. Howard W. Smith.
9. W. Pat Jennings.
10. Joel T. Broyhill.

WASHINGTON

1. Thomas M. Pelly.
2. Jack Westland.
3. Russell V. Mack.
4. Catherine May.
5. Walt Horan.
6. Thor C. Tollefson.
7. Don Magnuson.

WEST VIRGINIA

1. Arch A. Moore, Jr.
2. Harley O. Staggers.
3. Cleveland M. Bailey.
4. Ken Hechler.
5. Elizabeth Kee.
6. John M. Slack, Jr.

WISCONSIN

1. Gerald T. Flynn.
2. Robert W. Kastenmeier.
3. Gardner R. Withrow.
4. Clement J. Zablocki.
5. Henry S. Reuss.
6. William K. Van Pelt.
7. Melvin R. Laird.
8. John W. Byrnes.
9. Lester R. Johnson.
10. Alvin E. O'Konski.

WYOMING

At large

Keith Thomson.

HAWAII

Delegate

John A. Burns.

PUERTO RICO

Resident Commissioner

Antonio Fernós-Isern.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

458. A letter from the Acting Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report concerning agreements concluded during December 1958 under title I of Public Law 480,

83d Congress, pursuant to Public Law 128, 85th Congress; to the Committee on Agriculture.

459. A letter from the Assistant Secretary of Agriculture, transmitting a report of the General Sales Manager on Commodity Credit Corporation sales policies, activities, and dispositions for November 1958; to the Committee on Appropriations.

460. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, by repealing section 7475, which restricts the increasing of forces at naval activities prior to national elections"; to the Committee on Armed Services.

461. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize the Department of Defense to indemnify its contractors against nuclear and other unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes"; to the Committee on Armed Services.

462. A letter from the Secretary of Defense, transmitting a semiannual report with respect to the exercise of the authority granted by title IV of Public Law 85-685, pursuant to Public Law 85-685; to the Committee on Armed Services.

463. A letter from the Acting Assistant Secretary of Defense (Supply and Logistics), transmitting reports on Army, Navy, and Air Force prime contract awards to small and other business firms, pursuant to Public Law 85-536; to the Committee on Banking and Currency.

464. A letter from the executive secretary, Public Utilities Commission of the District of Columbia, relative to submitting additional material relating to executive communication No. 238, dated January 7, 1959; to the Committee on the District of Columbia.

465. A letter from the Chairman, District of Columbia Armory Board, transmitting the 11th Annual Report and Financial Statement of the District of Columbia Armory Board for the fiscal year ended June 30, 1958, pursuant to Public Law 605, 80th Congress, and Public Law 85-561; to the Committee on the District of Columbia.

466. A letter from the vice president, the Chesapeake & Potomac Telephone Co., transmitting a statement of receipts and expenditures of the Chesapeake & Potomac Telephone Co. for the calendar year 1958, pursuant to the act of March 4, 1913; to the Committee on the District of Columbia.

467. A letter from the president, D.C. Transit System, Inc., transmitting a report covering the operations of D.C. Transit System, Inc., for the year ended December 31, 1958, pursuant to the act of Congress approved March 4, 1913 (Public 435); to the Committee on the District of Columbia.

468. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide for review by the Secretary of Labor of the minimum wage recommendations of industry committees"; to the Committee on Education and Labor.

469. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination"; to the Committee on Education and Labor.

470. A letter from the Director, U.S. Information Agency, transmitting a draft of proposed legislation entitled "A bill to promote the foreign policy of the United States by strengthening and improving the foreign service personnel system of the U.S. Information Agency through establishment of a Public Affairs Officer Corps"; to the Committee on Foreign Affairs.

471. A letter from the Administrator, General Services Administration, transmitting the Ninth Annual Report on Operations of the General Services Administration for the fiscal year 1958, pursuant to Public Law 152, 81st Congress; to the Committee on Government Operations.

472. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

473. A letter from the Acting Secretary of Commerce, transmitting the 13th Annual Report describing the operations of the Department of Commerce under the Federal Airport Act, as amended, for the fiscal year ending June 30, 1958; to the Committee on Interstate and Foreign Commerce.

474. A letter from the Chairman, Civil Aeronautics Board, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons"; to the Committee on Interstate and Foreign Commerce.

475. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to authorize the Secretary of Commerce to enter into contracts for the conduct of research in the field of meteorology and to authorize installation of Government telephones in certain private residences"; to the Committee on Interstate and Foreign Commerce.

476. A letter from the Chairman, United States Atomic Energy Commission, transmitting the 25th Semiannual Report of the United States Atomic Energy Commission, pursuant to the Atomic Energy Act of 1954; to the Joint Committee on Atomic Energy.

477. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "A bill to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture, and for related purposes"; to the Committee on the Judiciary.

478. A letter from the Director of Business Administration, National Aeronautics and Space Administration, transmitting a report pertaining to all tort claims paid during 1958, pursuant to Public Law 773, 80th Congress; to the Committee on the Judiciary.

479. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend title 28 of the United States Code relating to actions for infringements of copyrights by the United States"; to the Committee on the Judiciary.

480. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a report of all tort claims paid by this Department for the period January 1 to December 31, 1958, pursuant to section 2673 of title 28, United States Code; to the Committee on the Judiciary.

481. A letter from the chairman, Foreign Claims Settlement Commission of the United States, transmitting a draft of proposed legislation entitled "A bill for the relief of certain members of the Armed Forces of the United States, or their survivors, who were captured and held as prisoners of war in the Korean hostilities"; to the Committee on the Judiciary.

482. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C. sec. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court"; to the Committee on the Judiciary.

483. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to amend clause (1) of paragraph d of section 40 of the Bankruptcy Act (11 U.S.C. 68d(1)) to provide for compulsory retirement of referees in bankruptcy"; to the Committee on the Judiciary.

484. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to amend sections 43 and 34 of the Bankruptcy Act (11 U.S.C. secs. 71 and 62) to simplify the filling of referee vacancies"; to the Committee on the Judiciary.

485. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to amend subsections a, d, e, g, h, and k of section 50 of the Bankruptcy Act (11 U.S.C. 78)"; to the Committee on the Judiciary.

486. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war-risk insurance, for an additional 5 years, ending September 7, 1965"; to the Committee on Merchant Marine and Fisheries.

487. A letter from the Director of Personnel, U.S. Department of Commerce, transmitting a report concerning positions in grades GS-16, 17, and 18, pursuant to Public Law 854, 84th Congress; to the Committee on Post Office and Civil Service.

488. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation entitled "A bill to authorize the National Aeronautics and Space Administration to indemnify its contractors against nuclear and other unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes"; to the Committee on Science and Astronautics.

489. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation, entitled "A bill to assure that income allocated as patronage dividends by cooperatives is taxed either to the cooperative or the patron"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, the following report was filed on January 31, 1959, pursuant to House Concurrent Resolution 172, 85th Congress:

Mr. McMILLAN: Joint Committee on Washington Metropolitan Problems. Report pursuant to House Concurrent Resolution 172, 85th Congress, pertaining to problems of the metropolitan growth in the National Capital region; without amendment (Rept. No. 26). Referred to the Committee of the Whole House on the State of the Union.

[Submitted February 2, 1959]

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. VINSON: Committee on Armed Services. H.R. 2260. A bill to extend until July 1, 1963, the induction provisions of the Universal Military Training and Service Act; the provisions of the act of August 3, 1950, suspending personnel strengths of the Armed Forces; and the Dependents Assistance Act of 1950; with amendment (Rept. No. 27). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 3834. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. ANFUSO:

H.R. 3835. A bill declaring October 12 to be a legal holiday, to be known as Columbus Day; to the Committee on the Judiciary.

H.R. 3836. A bill to amend the Immigration and Nationality Act to extend the period of time during which naturalized citizens of the United States may reside in certain foreign countries without losing their nationality; to the Committee on the Judiciary.

H.R. 3837. A bill to provide for the expeditious naturalization of former citizens of the United States who have lost United States citizenship by voting in a political election or plebiscite held in Italy; to the Committee on the Judiciary.

By Mr. BASS of New Hampshire:

H.R. 3838. A bill to amend section 203 of the Social Security Act to increase the amount individuals are permitted to earn without suffering deductions from their benefits; to the Committee on Ways and Means.

H.R. 3839. A bill to provide a program of tax adjustment for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. JOHNSON of Wisconsin:

H.R. 3840. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNES of Wisconsin:

H.R. 3841. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. FLYNN:

H.R. 3842. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. LAIRD:

H.R. 3843. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN:

H.R. 3844. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. BROCK:

H.R. 3845. A bill to promote television reception to small communities and to rural and isolated areas by establishing a Community Television Bureau in the Federal Communications Commission and waiving the requirement for construction permits for VHF booster stations in operation on or before December 30, 1958, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOMFIELD:

H.R. 3846. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mrs. CHURCH:

H.R. 3847. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for tuition and other expenses paid by him for his education or the education of his spouse or any of his dependents; to the Committee on Ways and Means.

By Mr. DAVIS of Tennessee:

H.R. 3848. A bill to provide tax equity through the taxation of cooperative corporations and to provide tax credits for recipients of dividends from genuine cooperatives; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 3849. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. DINGELL:

H.R. 3850. A bill to increase from $4,800 to $6,000 the amount of annual earnings which may be taken into account in computing benefits under title II of the Social Security Act and which are subject to social security taxes; to the Committee on Ways and Means.

H.R. 3851. A bill to amend title II of the Social Security Act to provide that full benefits thereunder, when based upon the attainment of retirement age, will be payable to men at age 60 and to women at age 55, and for other purposes; to the Committee on Ways and Means.

H.R. 3852. A bill to amend title II of the Social Security Act to eliminate the requirement that an individual must have attained the age of 50 in order to become entitled to disability insurance benefits; to the Committee on Ways and Means.

H.R. 3853. A bill to amend title II of the Social Security Act to provide a more liberal definition of the term "disability" for purposes of entitlement to disability insurance benefits and the disability freeze; to the Committee on Ways and Means.

H.R. 3854. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. FOLEY (by request):

H.R. 3855. A bill for the licensing of public adjusters in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FLYNN:

H.R. 3856. A bill to amend the National Defense Education Act of 1958 to provide for 20,000 national defense scholarships, and for other purposes; to the Committee on Education and Labor.

H.R. 3857. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HALEY:

H.R. 3858. A bill to provide for the construction of a Veterans' Administration hospital of 1,000 beds at Bay Pines, Fla.; to the Committee on Veterans' Affairs.

H.R. 3859. A bill for the establishment of a temporary National Advisory Committee for the Blind; to the Committee on Education and Labor.

By Mr. HUDDLESTON:

H.R. 3860. A bill to amend section 5899 of title 10, United States Code, to provide that Naval Reserve captains and commanders shall be eligible for consideration for promotion when their running mates are eligible for consideration for promotion; to the Committee on Armed Services.

By Mr. IKARD:

H.R. 3861. A bill to amend the Internal Revenue Code of 1954 to encourage private investment abroad and thereby promote American industry and reduce Government expenditures for foreign economic assistance; to the Committee on Ways and Means.

By Mr. JENSEN:

H.R. 3862. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. JOHNSON of California:

H.R. 3863. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

By Mr. KASEM:

H.R. 3864. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

Mr. KEARNS:

H.R. 3865. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide for review by the Secretary of Labor of the minimum wage recommendations of industry committees; to the Committee on Education and Labor.

H.R. 3866. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide for procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mrs. CHURCH:

H.R. 3867. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide for procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mrs. ROGERS of Massachusetts:

H.R. 3868. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mrs. WEIS:

H.R. 3869. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. MILLS:

H.R. 3870. A bill creating an additional temporary circuit judgeship for the U.S. Court of Appeals for the Eighth Circuit; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H.R. 3871. A bill to amend title 23 of the United States Code, relating to highways, in order to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

H.R. 3872. A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of knit handwear; to the Committee on Ways and Means.

H.R. 3873. A bill to provide that members of the Armed Forces shall be paid compensation at the rate of $2.50 per day for each day spent in hiding during World War II or the Korean conflict to evade capture by the enemy; to the Committee on Interstate and Foreign Commerce.

H.R. 3874. A bill to extend the life of the Alaska International Rail and Highway Commission; to the Committee on Interior and Insular Affairs.

By Mr. ROOSEVELT:

H.R. 3875. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. SMITH of California:

H.R. 3876. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. TAYLOR:

H.R. 3877. A bill to amend title 23 of the United States Code, relating to highways, in order to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. WRIGHT:

H.R. 3878. A bill to amend title 23 of the United States Code to provide that the Secretary of the Interior shall approve the acquisition of certain lands of national historical significance, or of interests therein, for highway purposes; and to insure that highway plans are developed with due regard to community planning; to the Committee on Public Works.

By Mr. ZELENKO:

H.R. 3879. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. HERLONG:

H.R. 3880. A bill to create the Freedom Commission for the development of the science of counteraction to the world Communist conspiracy and for the training and development of leaders in a total political war; to the Committee on Un-American Activities.

By Mr. JUDD:

H.R. 3881. A bill to create the Freedom Commission for the development of the science of counteraction to the world Communist conspiracy and for the training and development of leaders in a total political war; to the Committee on Un-American Activities.

By Mr. BECKER:

H.R. 3882. A bill providing further safeguards against improper practices in labor organizations and in labor-management relations; requiring disclosure of certain financial transactions and administrative practices of labor organizations and their officers and agents and reports of direct and indirect dealings between them and employers which may conflict with obligations as employee representatives; reinforcing rights of members of labor organizations with respect to funds and property, the election and removal of officers, and the exercise by other labor organizations of supervisory control, of such organizations; providing penalties for certain criminal acts; and for other purposes; to the Committee on Education and Labor.

By Mr. BATES:

H.R. 3883. A bill to make certain frozen-fish blocks classifiable under paragraph 717 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. BOGGS:

H.R. 3884. A bill to provide for a survey of Lake Pontchartrain, La.; to the Committee on Public Works.

By Mrs. BOLTON:

H.R. 3885. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mrs. DWYER:

H.R. 3886. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mrs. MAY:

H.R. 3887. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mrs. ST. GEORGE:

H.R. 3888. A bill to prohibit discrimination on account of sex in the payment of wages by employers having employees engaged in commerce or in the production of goods for commerce, and to provide procedures for assisting employees in collecting wages lost by reason of any such discrimination; to the Committee on Education and Labor.

By Mr. BOYLE:

H.R. 3889. A bill to provide that abandoned deposits in certain banks shall escheat to the respective States in which such banks are located; to the Committee on Banking and Currency.

By Mr. BROCK:

H.R. 3890. A bill to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BROYHILL:

H.R. 3891. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAMBERLAIN:

H.R. 3892. A bill to amend the Internal Revenue Code of 1954 to allow an individual to deduct, for income tax purposes, the expenses incurred by him for transportation to and from work; to the Committee on Ways and Means.

By Mr. CRAMER:

H.R. 3893. A bill to provide for the acquisition of sites and the construction of buildings for a training school and other facilities for the Immigration and Naturalization Service, and for other purposes; to the Committee on Public Works.

H.R. 3894. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

H.R. 3895. A bill to amend the Internal Revenue Code of 1954 so as to prohibit the deduction of expenses or losses incurred in illegal wagering; to the Committee on Ways and Means.

By Mr. DAVIS of Tennessee:

H.R. 3896. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 3897. A bill to amend title II of the Social Security Act to provide insurance thereunder against the cost of hospitalization for insured persons and their dependents and survivors, and for other purposes; to the Committee on Ways and Means.

H.R. 3898. A bill to amend title II of the Social Security Act to provide that the benefits payable thereunder shall be exempt from all taxation; to the Committee on Ways and Means.

By Mr. FERNÓS-ISERN:

H.R. 3899. A bill to amend the Immigration and Nationality Act to provide for the establishment of quotas, and preferences within quotas, for aliens immigrating directly to the Commonwealth of Puerto Rico; to the Committee on the Judiciary.

H.R. 3900. A bill to permit the use of foreign-built hydrofoil vessels in the coastwise trade of the Commonwealth of Puerto Rico; to the Committee on Merchant Marine and Fisheries.

By Mr. FINO:

H.R. 3901. A bill to amend title II of the Social Security Act so as to increase the minimum amount of the monthly insurance benefits payable thereunder; to the Committee on Ways and Means.

By Mr. FLYNN:

H.R. 3902. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. GRANT:

H.R. 3903. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for lease and transfer of cotton acreage allotments; to the Committee on Agriculture.

By Mr. HALPERN:

H.R. 3904. A bill to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms and in providing increased amounts for teachers' salaries; to the Committee on Education and Labor.

By Mr. KASTENMEIER:

H.R. 3905. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. KOWALSKI:

H.R. 3906. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. LOSER:

H.R. 3907. A bill to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes; to the Committee on Education and Labor.

By Mr. McDONOUGH:

H.R. 3908. A bill to amend the Internal Revenue Code of 1954 to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

By Mr. McGOVERN:

H.R. 3909. A bill to amend the Soil Conservation and Domestic Allotment Act so as to end Federal cost-sharing and technical assistance in farm drainage harmful to wildlife; to the Committee on Agriculture.

By Mr. MACK of Illinois:

H.R. 3910. A bill to establish a Commission on Primary Election Dates; to the Committee on House Administration.

By Mr. MAGNUSON:

H.R. 3911. A bill to provide that newspapermen shall not be required to reveal the source of their information in Federal courts

or before committees of Congress, except where disclosure is found to be necessary in the interests of national security; to the Committee on the Judiciary.

H.R. 3912. A bill to provide an additional income tax exemption for a taxpayer if he or his spouse is a student and not a dependent of another taxpayer; to the Committee on Ways and Means.

By Mr. MEADER:

H.R. 3913. A bill to amend section 3 of the Federal Airport Act, so as to direct that the Administrator of the Federal Aviation Agency, in formulating and revising the national airport plan, shall take into account the advantages and disadvantages of airport sites and proposed airport sites as shown by studies of en route, holding and approach air traffic patterns, and the desirability of promoting safety in aviation by minimizing interference between civilian and military air operations; to the Committee on Interstate and Foreign Commerce.

By Mr. O'HARA of Illinois:

H.R. 3914. A bill to provide for the conveyance of certain real property of the United States to the Department of Conservation of the State of Illinois; to the Committee on Armed Services.

By Mrs. PFOST:

H.R. 3915. A bill to maintain the domestic cobalt industry by increasing certain rates of duty and thereby decrease the dependence of the United States on foreign sources for this vital strategic and critical metal; to the Committee on Ways and Means.

By Mr. QUIE:

H.R. 3916. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. REED:

H.R. 3917. A bill to amend title 23 of the United States Code, relating to highways, in order to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. REUSS:

H.R. 3918. A bill to amend the Soil Conservation and Domestic Allotment Act so as to end Federal cost-sharing and technical assistance in farm drainage harmful to wildlife; to the Committee on Agriculture.

H.R. 3919. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. ROONEY:

H.R. 3920. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mrs. ST. GEORGE:

H.R. 3921. A bill to provide for the establishment, under the National Science Foundation, of a National Science Academy; to the Committee on Science and Astronautics.

By Mr. SAYLOR:

H.R. 3922. A bill to amend the national defense amendment, and for other purposes; to the Committee on Ways and Means.

H.R. 3923. A bill to provide for the presentation of a medal to persons who have served as members of a United States expedition to Antarctica; to the Committee on Armed Services.

H.R. 3924. A bill to permit awards of both readjustment pay and disability compensation; to the Committee on Armed Services.

H.R. 3925. A bill to amend the Natural Gas Act so as to provide standards for determining the effect of the proposed exportation or importation of natural gas on the public interest; to the Committee on Interstate and Foreign Commerce.

By Mr. STUBBLEFIELD:

H.R. 3926. A bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes; to the Committee on Public Works.

By Mr. TOLLEFSON:

H.R. 3927. A bill to repeal the cabaret tax; to the Committee on Ways and Means.

H.R. 3928. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WESTLAND:

H.R. 3929. A bill to promote television reception to small communities and to rural and isolated areas by establishing a Community Television Bureau in the Federal Communications Commission and waiving the requirement for construction permits for VHF booster stations in operation on or before December 30, 1958, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WIER:

H.R. 3930. A bill to permit the remains of the late Michael Joseph Doody to remain buried in the Fort Snelling National Cemetery, Minn.; to the Committee on Interior and Insular Affairs.

By Mr. ZABLOCKI:

H.R. 3931. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. BASS of New Hampshire:

H.J. Res. 203. Joint resolution proposing an amendment to the Constitution of the United States, prohibiting taxation by States of nonresidents; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.J. Res. 204. Joint resolution proposing an amendment to the Constitution of the United States relative to disapproval of items in general appropriations bills; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.J. Res. 205. Joint resolution proposing an amendment to the Constitution relating to eligibility to the Office of President; to the Committee on the Judiciary.

By Mrs. MAY:

H.J. Res. 206. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. MILLS:

H.J. Res. 207. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SLACK:

H.J. Res. 208. Joint resolution providing for participation by the United States in the West Virginia Centennial Celebration to be held in 1963 at various locations in the State of West Virginia, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Kansas:

H.J. Res. 209. Joint resolution to authorize the manufacture and sale of a Civil War Centennial Medal; to the Committee on the Judiciary.

H.J. Res. 210. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H. Con. Res. 72. Concurrent resolution establishing a Joint Committee on Intelligence Matters; to the Committee on Rules.

By Mr. POFF:

H. Con. Res. 73. Concurrent resolution relative to the exercise by the President of the United States of veto powers over items in certain bills; to the Committee on Rules.

By Mr. ROOSEVELT:

H. Con. Res. 74. Concurrent resolution expressing the sense of the Congress that the American people must more fully and completely employ the plentiful resources of the American farmer to enhance the standard of living throughout the free world and to bolster the political and economic stability of those nations which have embarked upon programs of economic construction; to the Committee on Agriculture.

By Mr. HIESTAND:

H. Res. 150. Resolution creating a select committee to conduct an investigation and study of the scope of and justification for activities of the United States that compete with private enterprise; to the Committee on Rules.

By Mr. JONAS:

H. Res. 151. Resolution creating a select committee to conduct a study of the fiscal organization and procedure of the Congress; to the Committee on Rules.

By Mr. ZELENKO:

H. Res. 152. Resolution to provide for the unity of Ireland; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 or rule XXII, memorials were presented and referred as follows:

By Mr. BROCK: Resolution of the Legislature of the State of Nebraska, Legislative Resolution 11, 69th session, in opposition to any further increase in the present Federal excise tax on gasoline; to the Committee on Ways and Means.

By Mr. FORAND: Memorial of the Rhode Island General Assembly, memorializing the Congress of the United States to implement more effectively the Federal responsibility to promote and maintain full employment; to the Committee on Banking and Currency.

Also, memorial of the Rhode Island General Assembly memorializing the Congress of the United States to enact legislation to increase the Federal minimum wage rate; to the Committee on Education and Labor.

Also, memorial of the Rhode Island General Assembly memorializing the Congress of the United States to provide for a study of public power potentials in the waters of New York and New England; to the Committee on Public Works.

Also, memorial of the Rhode Island General Assembly memorializing the Congress of the United States to provide more effective aid for the special problems of small business; to the Committee on Ways and Means.

Also, memorial of the Rhode Island General Assembly, memorializing the President and the Congress of the United States to enact and maintain tariff rates on textiles, lace, jewelry, and rubber goods imports; to the Committee on Ways and Means.

Also, memorial of the Rhode Island General Assembly memorializing the Congress of the United States to enact legislation to incorporate the principle of reinsurance as a means of enabling the Federal Government to assume its proper responsibility in equalizing the burden of financing the employment security program, to the Committee on Ways and Means.

By Mr. McGINLEY: Resolution of the Legislature of the State of Nebraska setting forth their position with respect to an increase in the present Federal excise tax on gasoline; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the State of New Mexico memorializing the President and the Congress of the United States with reference to admitting Hawaii to the Union of the United States of

America; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States relative to removing the unfair and unequitable tax on telephone service; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States expressing their deep appreciation for the past assistance and contributions to the State by the Honorable CATHERINE MAY and wishing her success as a Member of the House of Representatives of the United States; to the Committee on House Administration.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States relative to taking such action as may be necessary to protect existing installations and to prevent a recurrence of administrative orders restricting television facilities beneficial to the people of their State; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States to implement more effectively the Federal responsibility to promote and maintain full employment; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States to enact legislation to increase the Federal minimum wage rate; to the Committee on Education and Labor.

Also, memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States to provide for a study of public power potentials in the waters of New York and New England; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States to provide more effective aid for the special problems of small business; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 3932. A bill for the relief of Rabbi Chaim B. Fink; to the Committee on the Judiciary.

H.R. 3933. A bill for the relief of Calogero Pagliarello Zagarri; to the Committee on the Judiciary.

By Mr. BAILEY:

H.R. 3934. A bill for the relief of Mrs. E. Christine Williams; to the Committee on the Judiciary.

By Mr. BENTLEY:

H.R. 3935. A bill for the relief of Kenko Hayashi; to the Committee on the Judiciary.

H.R. 3936. A bill for the relief of Janis Silins; to the Committee on the Judiciary.

H.R. 3937. A bill for the relief of Tara Miah; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.R. 3938. A bill for the relief of Alvin Ergin (Ahmet Hamdi Ergin); to the Committee on the Judiciary.

H.R. 3939. A bill for the relief of Virginia E. Speer; to the Committee on the Judiciary.

By Mr. BURNS of Hawaii:

H.R. 3940. A bill for the relief of John Moe and Lani Raymon Moe; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H.R. 3941. A bill for the relief of Robert A. Moore; to the Committee on the Judiciary.

By Mr. FALLON:

H.R. 3942. A bill for the relief of Thanos Thanopoulos; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 3943. A bill for the relief of Eddis G. Elizey; to the Committee on the Judiciary.

By Mr. FERNÓS-ISERN:

H.R. 3944. A bill for the relief of Josefa Ruiz Peralta; to the Committee on the Judiciary.

By Mr. HUDDLESTON:

H.R. 3945. A bill for the relief of certain aliens; to the Committee on the Judiciary.

By Mr. LIBONATI:

H.R. 3946. A bill for the relief of Mrs. Halina Tomashewska; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 3947. A bill for the relief of Miss Suimo Sugihara; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 3948. A bill for the relief of Claudio Diaz Torres; to the Committee on the Judiciary.

By Mr. MARTIN:

H.R. 3949. A bill for the relief of Antonio Pedro Araujo; to the Committee on the Judiciary.

H.R. 3950. A bill for the relief of Manuel Medeiros; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 3951. A bill for the relief of Taman Toufie Korban; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 3952. A bill for the relief of Eliyahu (Elijahu) Gutman; to the Committee on the Judiciary.

By Mr. REED:

H.R. 3953. A bill for the relief of Natale Mario Sorce; to the Committee on the Judiciary.

H.R. 3954. A bill for the relief of Joseph H. Cornell; to the Committee on the Judiciary.

By Mr. ROBISON:

H.R. 3955. A bill for the relief of Ignazio Martini; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H.R. 3956. A bill for the relief of Peter Clemens August Grauert and Hans Herbert Grauert; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H.R. 3957. A bill for the relief of Gil Salcedo and Amadea Avanzado; to the Committee on the Judiciary.

By Mr. SIKES:

H.R. 3958. A bill for the relief of the Schutt Construction Co., Inc.; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 3959. A bill for the relief of Hisako Sakai; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 3960. A bill for the relief of Patrick W. Gowan, David Dooling, Harlie L. Mize, James H. Blaes, and William L. Perkins; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 3961. A bill for the relief of Reginald Clio Rickman; to the Committee on the Judiciary.

H.R. 3962. A bill for the relief of Jose Ramon Pineiro; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

57. By Mr. SCHENCK: Petition of the City Commission of the City of Dayton, Ohio, calling upon the appropriate committees of Congress to enact legislation providing for reimbursement to displaced persons of moving costs incurred by them in consequence of the interstate expressway program; to the Committee on Public Works.

58. By the SPEAKER: Petition of Wilford J. Flyte and others, Hot Springs, S. Dak., petitioning consideration of their resolution with reference to taking such remedial action as deemed necessary to preclude the closing of the lower booster station necessary for television reception in the city of Hot Springs, S. Dak.; to the Committee on Interstate and Foreign Commerce.

59. Also, petition of Milton Van Zandt, Esq., New Orleans, La., petitioning consideration of his complaint with reference to the State of Louisiana not giving his family and him proper legal protection; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Address of Hon. Herman E. Talmadge, of Georgia, Before Association of Cotton Textile Merchants of New York

EXTENSION OF REMARKS

OF

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Monday, February 2, 1959

Mr. TALMADGE. Mr. President, I ask unanimous consent to have printed in The CONGRESSIONAL RECORD the text of the address which I delivered on Thursday, January 29, 1959, at the annual dinner of the Association of Cotton Textile Merchants of New York held at Hotel Plaza in New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Chairman Leslie, President Bell, distinguished guests and members of the Association of Cotton Textile Merchants of New York, thank you for affording me the privilege of sharing with you this significant occasion in your association's history. It is an honor for which I am deeply and humbly grateful.

This is a group with which I feel at home not only because of our common interest in the textile industry and its future but also because of the close ties which many of you and your firms have with my State of Georgia.

We in Georgia know how to appreciate the great industry which you represent.

Our State is the Nation's fifth largest producer of cotton textiles.

One out of every three Georgians employed in industry realizes his livelihood from a textile plant.

More than 85,000 Georgia cotton farmers look to the cotton textile industry as the principal market for the fiber they produce.

And, considering the wide dispersal of the industry and the hundreds of allied indus-

tries and businesses which it sustains, it is no exaggeration to say there is hardly a Georgia family whose welfare is not to some degree influenced by the cotton textile industry.

Therefore, I am particularly pleased to have this opportunity to express to you and your industry the heartfelt gratitude of all Georgians for the many contributions which the textile industry has made and is making toward the continuing economic progress of our State.

Georgians are looking with confidence toward a future of growth and prosperity limited only by the extent of our energy and imagination and it is a source of pride and inspiration to us to know that the textile industry shares our faith in a greater tomorrow and has cast its lot with us in laboring toward its realization.

The economic and social bonds between your industry and my State make it inevitable that what affects one affects the other.

When the textile industry prospers, Georgia prospers; when the textile economy is threatened, Georgia's economy is endangered, too.

That is why Georgians are sorely disturbed about what is happening to the cotton textile industry as the result of the asinine and unrealistic government policies and programs which have placed the industry and jobs of its employees in grave jeopardy.

Of all the Nation's major industries none is more deserving of favorable consideration in the formulation of governmental policy than the textile industry.

That is true not only because the Armed Forces rank textiles immediately behind steel in the order of priority of materials needed for national defense but, even more important, because no other industry so nearly epitomizes the American concept of free enterprise and competitive economy.

Since Samuel Slater built this country's first textile mill at Pawtucket, R.I., in 1790 and thus set in motion the American industrial revolution which transformed the United States from a frontier nation into a world power, the term "monopoly" has never been associated with the textile industry.

While the heavy industries were concentrating themselves in vast industrial complexes, the textile industry dispersed itself throughout the country in community-type enterprises of which no single company controls as much as 5 percent.

While the monopolies were seeking to control their wealth by channeling it through interlocking subsidiaries, the textile industry went into the open market to buy its needs and thus contributed to the establishment and expansion of independent allied industries in the best American tradition.

The result has been the development of a responsible and highly competitive industry which turns out superior products at minimum prices through efficiency, imagination and mass production—an industry so closely attuned to the general business cycle that it is a recognized bellwether of economic trends—an industry which, so long as it was protected from unfair competition, prospered and contributed to the prosperity of all associated with it.

What has happened to the textile industry through no fault of its own is a shameful chapter in the industrial history of the United States. It is a sad commentary upon our national values and a ringing indictment of the poor judgment and callous indifference of our national policymakers.

The situation in which our Federal Government has placed the American textile industry is incredible to the point of disbelief to one not familiar with the facts.

But the record is as incontrovertible as it is shocking.

The United States has spent American tax dollars to help rebuild and equip the war-ravaged textile industries of our allies and former enemies and to establish new textile industries in undeveloped countries where wage scales are minute fractions of those in this country.

The United States has furnished the operators of those plants with complete information about even the most advanced management and production techniques developed by the American industry.

The United States has sold surplus American cotton to those countries at prices as much as 20 percent under those which the American industry must pay on the domestic market and, in many instances, has loaned the money with which the purchases were made and then bought the finished products for foreign aid distribution in other countries.

The United States has offered to finance the relocation of American textile plants to other countries and to insure them against loss or expropriation.

The United States has lowered American tariffs to the point and set import quotas so low that foreign textiles turned out with cheap labor and cheap cotton in new, modern plants built with American capital are glutting and destroying the markets for American textiles right here at home.

Those are the things which have been done to the American textile industry in the name of global goodness and under the guise of protecting the free world against communism.

In other words, it is the actual, if not officially expressed, policy of the Government of the United States that the American textile industry is expendable and should be forced to help finance its own liquidation.

What other conclusion can be drawn from policies and programs which require an industry and its employees to pay taxes to build, equip, and supply the plants of the competitors which are threatening to put it out of business?

It is a situation which prompts the question: Just how stupid can we get?

To my knowledge no other industry in the history of the world ever has been forced to compete for its existence under handicaps like those unilaterally imposed by American trade and foreign aid policies on the textile industry of the United States.

Because this country has taken the position of favoring foreign textile industries over its own, the list of advantages enjoyed by textile manufacturers in other countries over their American counterparts is staggering.

They can get their capital from the U.S. Treasury.

They can buy American cotton 20 percent cheaper and use borrowed American dollars to pay for it.

They can sell their finished products back to the American Government through so-called three-way deals under the foreign aid program.

They can pay wage scales which are one-tenth or less of the American legal minimum.

They can impose working conditions which would be illegal in the United States.

They can learn American trade secrets and production know-how merely by asking.

They can undersell comparable American products on the American market.

It is small wonder in the light of those facts that the American textile industry has lost markets equivalent to 10 percent of the national production and that, since 1947, 717 textile mills have closed their doors and 345,000 textile jobs have been discontinued.

It is a great tribute to the vitality and resiliency of the industry that it has been able to contain its losses within those bounds and that, even in the face of the almost insurmountable odds against which it must compete, it is now in the midst of a strong comeback.

Your distinguished president, Mr. Bell, very ably and graphically summarized the situation and position of the textile industry last month in his report on "Ten Years of Cotton Textiles—1948 to 1958" in which he stated:

"Unlike other sections of the American economy which have been favored with direct Government subsidies, financial and tax benefits or which have enjoyed large scale Government buying of their products, textiles have been made the ugly ducklings of the national barnyard. In consequence, textile people have become leading critics of a foreign trade policy which fundamentally discriminates unfairly against the American producer of textiles and apparel while at the same time it grants special privileges here to his foreign competitors and bounties abroad."

It is to your everlasting credit that you have refused to be either discouraged by your plight or daunted by your high-placed adversaries.

Your persistent and consistent stand in defense of your rights has served to open the eyes of many heretofore complacent individuals. And I am encouraged to believe that the pressures being generated by your articulate and irrefutable criticism of the untenable policies of our Federal Government will assure their eventual modification to afford the textile industry the legislative relief and protection to which it is entitled and which it must have if it is to survive.

Without in any way minimizing the gravity of the problem or the effort necessary to bring about its solution, I am confident that—just as surely as was the case in the fable to which Mr. Bell referred in his well-phrased analogy—your days as the "ugly ducklings" of the American economy are numbered.

Although you have been rebuffed time and again when you have sought to present the merits of your case before the executive and legislative branches, you have the satisfaction of knowing that you have forced both to recognize the justice of your cause—the executive in negotiating the import agreement with Japan and the legislative in the action of the Senate in ordering a full-dress study of the problems of the industry.

As a temporary expedient, the executive agreement with Japan gave the industry some relief, but a limited unilateral arrangement which leaves the American textile industry at the mercy of a foreign government is no solution. Furthermore, the problem of low-cost foreign goods is not limited to Japan as is evidenced by snowballing apparel imports from the sweatshops of Hong Kong where the world's lowest wage scales prevail.

It is my resolute conviction that all American industry has a right not only to expect but also to demand that its National Government by policy and statute give it unequivocal protection from indiscriminate foreign imports. That can be accomplished only through an effective system of tariffs and quotas sufficiently high to protect the investment of our industry and the jobs and living standards of its workers and to assure that all products of equivalent quality regardless of origin go into the American marketplace on a basis of competitive parity.

Let no one confuse the issue with the specious contention that America's position of world leadership in the struggle against international communism requires this country to divide up its domestic markets among the uncommitted nations of the world. The point at issue is not a question of foreign policy but rather a question of maintaining the vitality of our domestic economy. Trade is a matter of business and cannot be made a matter of international politics without disastrous results to business.

To any individual willing to take the time to think it through it obviously is far more important to the future of the free world that the United States sustain its solvency than it is to hand the remainder of the

world readymade markets in this country at the expense of American industry. In dealing with the issue we must never lose sight of the fundamental fact that the only hope for the survival of all the free world is an economically invincible America and that the only sure course to American economic invincibility is through maintaining and strengthening—not betraying and destroying—our free enterprise, industrial economy here at home.

If the American textile industry were seeking special favors or preferential treatment, this might be a different story. But, as was so aptly stated by President Halbert M. Jones, of the American Cotton Manufacturers Institute, in testimony before the special Senate subcommittee studying textile problems last July, all the industry is seeking is "a recognition of the vital and important place which this industry and its employees occupy in our national economy and, as a result of this recognition, an assurance of fair and just consideration of our industry and our textile jobs in all of our relations with the Government and its policies."

I interpret that to mean that the textile industry wants nothing more—and nothing less—than to be treated like any other corporate taxpayer. Surely no fairminded and realistic individual could object to that and I am hopeful that the Senate study of your industry's problems will prove to be the beginning of action which will culminate in remedial legislation during the 86th Congress.

While I would not presume to predict what form any such enactments might take, I do have some definite ideas about the points I think they ought to include if the textile industry and its employees are to receive the protection to which they are entitled. They are:

1. Amendment of section 22 of the Agricultural Adjustment Act to make it beyond doubt that its restrictions on imports apply to finished, as well as raw, agricultural products.

2. Strengthening of patent laws to prevent foreign pirating of American processes and techniques and to prohibit the State Department and the International Cooperation Administration from disclosing details about them under the foreign aid program.

3. Amendment of Public Law 480 to prohibit the importation into the United States of goods manufactured with commodities sold abroad under its subsidization.

4. Amendment of the Mutual Security Act to require that the International Cooperation Administration purchase in this country all textile products distributed under its terms.

5. Enactment of a new national farm program under which the farmer would be guaranteed his proportionate share of the national income through compensatory payments and the textile and other agricultural-processing industries would be permitted to buy agricultural commodities at free market prices.

While I shall give my wholehearted support to all of those measures, as well as to any other reasonable and practical proposals which may be made for dealing with textile problems, I expect to concentrate my efforts in this area during the 86th Congress on seeking a new farm bill. My interest in so doing is not only to put the farmer back on his feet on a free-enterprise basis but also to help the textile industry and all other industries utilizing agricultural commodities regain their competitive position at home and abroad.

The present farm program has been a miserable failure by any yardstick. From the farmer's standpoint, it has reduced his income below the subsistence level and all but put him out of business. From the taxpayer's standpoint, it has increased his tax burden and the prices he has to pay for agricultural products. From the textile industry's standpoint, it has forced it to buy cotton at artificially high prices and thus priced its goods out of the world market and many areas of the domestic market.

My study of the problem has brought me to the conclusion that the only effective and permanent solution lies in freeing the farmer to plant and sell as he pleases and allowing commodity prices to seek their own levels under the law of supply and demand. It is my view that the most efficient and economical way under such an arrangement to make up the difference between the farmer's income and the minimum wage and collective bargaining advantages enjoyed by labor would be to pay him a compensatory payment on basic commodities consumed in this country equal to the difference between the market price and 100 percent of parity.

The beauty of such an arrangement is that it would cost the taxpayers $2 to $3 billion a year less and would put perhaps as much as $1 billion a year more in the pockets of the farmers. As paradoxical as that may seem, it would be the case because the high costs of administering the present bureaucratic program and of handling, transporting, storing and disposing of surplus commodities—the latter figure now running to more than $1 million a day—would be eliminated and every farm program dollar would go directly to the farmer.

I have embodied my ideas in a bill which I introduced in the Senate earlier this month. The overwhelmingly favorable response which I have received from farmers and consumers alike since I first set forth my plan last year encourages me to believe that it has widespread appeal and has the best chance of any proposal yet put forth of becoming a basis for agreement among the various farm groups in writing a new national farm law.

It is my hope that it will have the approval and support of the textile industry. I honestly think it could do more to help the industry than any other measure yet proposed because it would let you buy your cotton at the prevailing world price and would put an end to the utterly ridiculous present situation under which your foreign competitors are buying American cotton at subsidized prices of $35 to $40 a bale below its cost of production.

It is the only way of which I know by which our domestic farm economy can be restored and American textiles put back on the world market at competitive prices at the same time.

Certainly it is worth a try because, as I think you will agree, anything would be an improvement over the present patchwork of discredited and abortive farm laws.

The plights in which the textile industry and the farmer find themselves are perfect examples of what happens in nations which, to use the words of Thomas Jefferson, "have more machinery of government than is necessary."

With the exception of the external menace of communism, all of the ills and problems of the United States can be summarized in the one phrase—too much government.

The American economy is suffering from too much government.

We have 48-cent dollars and face the prospect of 10-cent dollars as the result of ever-broadening governmental policies and programs which are bankrupting our Nation and mortgaging our future.

American prestige abroad is suffering from too much government.

We have undertaken through various bureaucratic and paternalistic programs of spending and instruction to try to make the world over in our own image and as a result find ourselves despised and distrusted throughout most of the world and with less friends and dependable allies than before we started.

The American people are suffering from too much government.

The ever-encroaching arm of Federal governmental authority is embracing more and more affairs traditionally and constitutionally regarded as local matters and as a result the individual citizen finds himself with less and less voice in the conduct of his local government and its institutions.

I cannot bring myself to believe that the majority of American people approve of the philosophy that central governments must be all things to all men and do all things for all men.

To the contrary the mail which I receive from all sections of the Nation indicates to me that the rank and file of the populace are gravely concerned about the present course of our Nation and the consequences of pursuing it to its ultimate conclusion.

I believe the people of this country want to see the Federal budget balanced and the Nation's economy stabilized.

I believe the people of this country want the United States to cease doing for people in other countries what it either is unable or unwilling to do for our own citizens here at home.

I believe the people of this country want the Federal Government to confine its activities to those areas reserved to it by the Constitution and leave the management of all other affairs to local people on the local level.

I believe with Thomas Jefferson that: "The people may be misled or deceived for a time, but where the avenues of truth are open there men will learn to reject what is false and harmful. Where the people are well informed, they can be trusted with their own government; whenever things get so far wrong as to attract public notice they may be relied upon to set them to rights."

Throughout the Nation there is a growing awakening to the dangers inherent in our country's present policies and a swelling voice for a recognition of the lessons of the past through a return to the fundamentals of constitutional, republican government.

I feel with all my being that the American people already would have expressed themselves in favor of such a return to fundamentals had they had a clear-cut choice at the polls.

I have faith in the desire and willingness of the American people to demand that their house be set in order and I believe that that desire and willingness is not far from making itself felt.

In a constitutional republic such as ours, the masses may not be immediately articulate; but once given leaders and leadership they are swift in making their wishes felt and known.

It is out of that abiding faith in the reason, good judgment, and commonsense of the great American public that I, in concluding, wish to address myself through you and this occasion to it about a matter which should be a source of grave concern to all persons who are interested in the education of all the children of this Nation regardless of their color or place of residence.

I speak of the chain of events which has resulted in the closing of public schools in various localities of the South and which, if allowed to run their full course, surely will result in the destruction of public education in the South.

Such an eventuality would be a tragic catastrophe which this Nation cannot afford under any circumstances to permit to happen at this critical juncture in our national life. Engaged as we are in a life-or-death struggle with the forces of world communism, this is no time to permit a constitutional controversy to rob the Nation of the minds and talents of a great segment of its youth by locking the doors of the public schools in their faces.

My friends, unless it is the wish of this Nation that we tear our country apart and destroy the schools of the South, action

must be taken soon in the Congress of the United States to resolve the issue on a realistic, constitutional basis.

And I cannot believe there is any reasonably intelligent person who would contend that the use of Federal bayonets or the rearing of a generation in ignorance are either realistic or constitutional—and certainly not humane—solutions to the problem.

I have given long and serious study to this question and, recognizing that there are feelings as strong on the other side of the subject as mine are on my side, I have come to the conclusion that there is only one solution compatible with constitutional concepts to which all persons of all shades of opinion can subscribe.

That is the solution which I stood before the Senate on last Monday and outlined with all the sincerity of my being—that is, to amend the Constitution of the United States to give the people on the State and local level the right to determine for themselves the manner in which the issue will be solved in their localities.

This proposed amendment reads as follows:

"Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution or system is administered by such State and subdivision."

Let me emphasize the language "the right to determine for themselves."

Such a provision in our Constitution would leave the citizens of each State and locality free to make their own decisions in accordance with local conditions and prevailing attitudes as to how and when their schools would comply with the Supreme Court's school decision.

Such a provision in our Constitution would prevent destruction of the public schools of the South and would end for all time any threat from any quarter of Federal control of education.

Such a provision in our Constitution would assure uninterrupted instruction for all the children of this country regardless of their color or place of residence.

Such a provision in our Constitution would permit either retention of the status quo or orderly change as dictated by the requirements of public opinion and make certain that whatever change might take place would be by the constructive process of evolution rather than the destructive process of revolution.

Such a provision in our Constitution would create a basis for unity throughout the Nation at a time when it is vitally important that we present a united front before our enemies.

I do not believe there is any parent in this country who could sincerely say that he or she does not believe in the fundamental fact that public schools are local institutions and, if they are to fulfill their role, must be operated on the local level by the parents of the children who attend them.

Neither do I believe that there is any parent in this country who is genuinely concerned about the future of our Nation and the education of our children who could not support such an amendment as I have proposed with a clear conscience and in complete consistency with his principles.

I presented my amendment in good faith. As a stanch adherent of the principle of local self-government and local self-determination, I have no qualms about submitting that or any other issue to the people of the United States or their elected representatives to be resolved by the democratic process.

The very basis of our form of government is, in the words of the Declaration of Independence, that it derives its "just powers from the consent of the governed." And it is to invoke that heritage to resolve the question of control of our public schools that I have proposed my amendment.

I appeal to all the citizens of America—particularly to the parents of school-age children—to let their views about what I have proposed be known to their Senators and Congressmen.

I am convinced that, if they will, the 86th Congress will vote to give the people of America the opportunity to amend our Constitution to assure for all time to come that they retain the fundamental right to run their schools on the local level in accordance with the wishes of the local citizenry.

The future of the United States rests in the hands and hearts of the American people.

Although we sometimes may be justified in feeling frustrated about the course and policies of our Government, we must never sell our people short nor discount their loyalty, courage, honesty, ability and sincerity of purpose.

They have demonstrated time and again their intense determination to meet and overcome whatever obstacles may confront them.

And, like Thomas Jefferson, I put my unswerving faith in them to continue to do so.

I thank you.

Merger of Manufacturers Trust Co. and Bankers Trust Co. Would Have Most Serious Competitive Implications

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. CELLER. Mr. Speaker, last week I wrote to the superintendent of Banks of the State of New York, the Chairman of the Federal Reserve Board, and the Assistant Attorney General in charge of the Antitrust Division, Department of Justice, calling their attention to the grave competitive implications of the proposed merger of Manufacturers Trust Co. and the Bankers Trust Co., both of New York City.

In these letters I pointed out that this consolidation, following on the heels of the Guaranty Trust-Morgan merger proposal, would result in an undue concentration of banking facilities in New York City; spur further bank mergers in the city; and ignite a chain reaction that could have the most profound repercussions on the entire banking structure of the city and State.

The banking system of New York City is already highly concentrated to the point where the four largest banks in the city control over 60 percent of the city's banking assets. Manufacturers Trust is now the third largest in the city with over $3 billion of total assets, while Bankers Trust is the city's sixth largest bank having total assets in excess of $2.8 billion. Merger of these two institutions would mean that almost 70 percent of the total assets of New York City's banks would be concentrated in the hands of four financial houses.

I pointed out that although there are now approximately 54 banks serving the city area, the new entity resulting from the consolidation would have assets almost double the combined total assets of 44 of the city's banks.

It is no less significant that Manufacturers Trust and Bankers Trust are in substantial competition with each other in the so-called retail banking field. Manufacturers Trust, with 114 branches in New York City, already has the most extensive retail banking system in the city. Adding the 45 branches of Bankers Trust would only serve to increase the dominance of the new institution in this phase of the city's banking business and further restrict the freedom of choice of depositors and borrowers alike.

In addition to these considerations, I indicated that the present size of Manufacturers Trust and Bankers Trust has been accomplished in large part through absorption of other banking houses. Manufacturers Trust Co., for example, since its organization in 1905, has absorbed no less than 81 banks together with their branches, all in the greater New York area. The Bankers Trust Co. also has been taking over other banks at a rapid rate, especially in the last several years. Since 1950 the Bankers Trust Co. has absorbed such substantial banks as the Public National Bank & Trust Co. of New York, the Title Guarantee & Trust Co., Lawyers Trust Co., Flushing National Bank, the Commercial National Bank & Trust Co., and the Bayside National Bank.

In the context of the merger history of these two institutions the present merger proposal appears as but another step toward larger size and greater dominance in the New York City market area.

In my letter to Assistant Attorney General Hansen in charge of the Antitrust Division, I said in part:

> Bank mergers, whether accomplished by stock or asset acquisitions, are * * * circumscribed by the provisions of the Sherman Act of 1890 which prohibits combinations in restraint of trade, attempts to monopolize, or monopolization of trade or commerce. * * * Establishing a Sherman Act violation hardly presents insuperable problems.
>
> In this connection, I think it is highly significant that since 1950 there has been a total of 1,232 bank mergers, of which 1,059 took place in the period from 1953 to 1958. Despite this great number of bank consolidations which is concentrating control of the Nation's banks into fewer and fewer hands, the Antitrust Division has never once invoked the provisions of the Sherman Act against a bank merger. I am at a complete loss to understand this extraordinary record of inaction.
>
> In respect to the Guaranty Trust-Morgan and Manufacturers Trust-Bankers Trust merger proposals, I trust that the situation will change and that the Department will finally execute the provisions of the Sherman Act promptly, vigorously and effectively. This is particularly important since each of these mergers on its face would apparently result in a substantial lessening of competition as between the acquiring and acquired institutions. Thus, Guaranty Trust and J. P. Morgan are seemingly in vigorous and substantial competition with each other in the wholesale banking business, while Manufacturers Trust and Bankers Trust compete with each other substantially in the retail banking field. In both

cases, this competition would be entirely lost should the merger plan be accomplished.

The chairman of the board of J. P. Morgan last week has been quoted as saying that the Department of Justice inquiries about the merger with Guaranty were apparently routine. If this accurately reflects the nature of the Department's inquiries, that would be a most serious reflection on the Department's willingness to enforce the provisions of the Sherman Act impartially and vigorously. A token investigation conducted for appearance's sake would be worse than no investigation at all. Moreover, I hope that in dealing with these two merger proposals the Department will carefully avoid pursuing the course it followed in 1955 in connection with Chase-Bank of Manhattan merger.

In my letter to Chairman Martin of the Federal Reserve Board, I stated, among other things:

The statutory structure requires that State member banks be placed on an equality with national banks in respect to branches and that since national banks must obtain approval of the Comptroller of the Currency of branches acquired through merger, State member banks of the Federal Reserve System are necessarily subject to the same condition. Thus the Board has made it plain that in determining whether or not it will approve the establishment by a bank of branches acquired through merger, it is bound by the same terms and conditions and the same limitations and restrictions as are applicable to branches of national banks. For that reason, the Board has stated that it is required, like the Comptroller of the Currency, to consider the effect of the merger on competition.

It follows, in these circumstances, that it is incumbent on the Board to use the same competitive test as that which the Comptroller of the Currency has stated he follows. In this connection I would point out that the Comptroller of the Currency has made it clear that before granting merger approval, he will determine whether the effect of the transaction in any section of the country may be substantially to lessen competition or tend to create a monopoly; that he will determine, in short, whether the transaction is violative of the policy of the Celler-Kefauver Act.

* * * * *

In view of the competitive test set forth above, it is difficult to ascertain how the Board could grant approval of the branch applications which will be here involved.

* * * * *

More than that, the consequences of the contemplated transaction are so far-reaching as to make it imperative that the Board conduct public hearings on the record so that all the facts be brought out and all interested parties be given an opportuinty to be heard. I think it fundamental that matters of this importance not be left to informal private determination. The public interest involved here is too great for that.

My letter to the New York State superintendent of banks pointed out the necessity of careful investigation of this transaction in order to determine whether its effect may be substantially to lessen competition or tend to create a monopoly. It also emphasized the importance of public hearings on the record.

I further indicated that it was essential for each of the three agencies involved to have close consultation with each other particularly with respect to the competitive phases of the merger proposal.

Finally, each agency was requested to furnish the Antitrust Subcommittee answers to a series of questions dealing with the competitive factors that are involved.

Attached are copies of my letters to the Assistant Attorney General in charge of the Antitrust Division, the Chairman of the Federal Reserve Board, and the New York State superintendent of banks.

JANUARY 23, 1959.

SUPERINTENDENT OF BANKS,
State of New York Banking Department,
New York, N.Y.

DEAR SIR: My attention has been directed to a proposed merger of the Manufacturers Trust Co. and the Bankers Trust Co., both of New York City. This transaction, which would require your approval, presents on its face grave competitive implications. Following on the heels of the Guaranty Trust merger proposal, there is little doubt that its consummation would result in an undue concentration of banking facilities in New York City; spur further bank mergers in the city; and ignite a chain reaction that could have the most profound repercussions on the entire banking structure of the city and State. I think it entirely probable that approval of a Manufacturers Trust-Bankers Trust consolidation would bring banking monopoly in our State much closer into being.

As you know, the banking system of New York City is already highly concentrated to the point where the four largest banks in the city control over 60 percent of the city's banking assets. In this connection it will be noted that Manufacturers Trust is now the third largest in the city with over $3 billion of total assets, while Bankers Trust is the city's sixth largest bank having total assets in excess of $2.8 billion. Merger of these two institutions would mean that almost 70 percent of the total assets of New York City's banks would be concentrated in the hands of four financial houses. This, I think you will agree, would be a matter of the most serious concern.

Furthermore, although there are now approximately 54 banks serving the city area, I would emphasize that the new entity resulting from the consolidation would have assets almost double the combined total assets of 44 of the city's banks.

No less significant, Manufacturers Trust and Bankers Trust are in substantial competition with each other in the so-called retail banking field. Indeed, Manufacturers, with 114 branches in New York City, already has the most extensive retail banking system in the city. Adding the 45 branches of Bankers Trust, would only serve to increase the dominance of the new institution in this phase of the city's banking business and further restrict the freedom of choice of depositors and borrowers alike.

It must be borne in mind that the present proposal, like that of Guaranty Trust and Morgan, does not involve a situation where a small, inadequately financed or managed bank, suffering or falling behind in the competitive race, seeks by merging to form a big, integrated institution able to compete on equal terms. On the contrary, each of the banks involved here is a gigantic, efficient, and vigorously competing institution well able independently to serve the banking needs of its respective clients. In fact, it is evident that the proposed consolidation is primarily the outgrowth of a deliberate effort on the part of the parties to expand their banking facilities, add to their capital and depositors, and, in general, increase their overall financial strength in the economy. Nor can it be overlooked that the present size of Manufacturers Trust and Bankers Trust has been accomplished in large part through absorption of other banking houses. Manufacturers Trust Co., for example, since its organization in 1905, has absorbed no less than 81 banks together with their branches, all in the Greater New York area.

The Bankers Trust Co. also has been taking over other banks at a rapid rate, especially in the last several years. In fact, since 1950, the Bankers Trust Co. has absorbed such substantial banks as the Public National Bank & Trust Co. of New York, the Title Guarantee & Trust Co., Lawyers Trust Co., Flushing National Bank, the Commercial National Bank & Trust Co., and the Bayside National Bank.

In the context of the merger history of these two institutions, the present merger proposal appears as but another step toward larger size and greater dominance in the New York City market area.

You will recall that on December 19, 1958, I wrote to your office with respect to the proposed merger involving the Guaranty Trust Co. and J. P. Morgan & Co. In that communication I pointed out that your predecessor had testified before our Antitrust Subcommittee in 1955:

"It has been my policy as superintendent of banks of the State of New York to follow the spirit of the Celler Antimerger Act in determining whether or not to approve mergers of banks that come within my jurisdiction. That is to say, if after analysis of all facts, I find that the effect of a proposed bank merger may be substantially to lessen competition or tend to monopoly in any locality, I will unhestitatingly withhold approval."

The Comproller of the Currency of the United States has likewise made it clear that his policy is the same—that before granting merger approval, he will determine whether the effect of the transaction in any section of the country may be substantially to lessen competition or tend to create a monopoly; that he will determine, in short, whether the transaction is violative of the policy of the Celler-Kefauver Act. Thus, in a letter to me dated March 14, 1955, the Comptroller of the Currency stated in part:

"In determining whether the approval of this office will be given to any merger or consolidation, the Comptroller considers, among other things, how the proposed merger will affect the particular banks involved, the soundness of the national banking system, and the convenience and needs of the community concerned. There may be a technical question as to the specific application of section 7 of the Clayton Act to these mergers. However, it has been the practice of the Comptroller before giving his approval to determine whether the effect of the merger, 'in any section of the country * * * may be substantially to lessen competition, or to tend to create a monopoly.' "

Again in March 1957, the Comptroller testified before the Antitrust Subcommittee as follows:

"COUNSEL. Is it your practice * * * not to approve any bank merger where the effect may be substantially to lessen competition or tend to create a monopoly?

"Mr. GIDNEY. I say, that has been our practice. We have not approved any where it could be.

"COUNSEL. That is your practice?

"Mr. GIDNEY. We have not approved where it could be shown."

If competition in the banking field in New York City is to be preserved, it is, of course, vitally important that your office adhere to this policy in scrutinizing both the Guaranty Trust-Morgan and Manufacturers Trust-Bankers Trust merger proposals. Furthermore, in applying that policy, it is equally important that the purpose of the Congress in passing the Celler-Kefauver Antimerger Act be kept carefully in mind. In this respect, as I indicated in my previous letter

of December 19, 1958, the decision of Judge Weinfeld in the Bethlehem-Youngstown merger case is extremely relevant. Also in my previous letter, I observed that Judge Weinfeld in that decision had pointed out that the precise purpose of the Celler-Kefauver Act was to limit future increases in the level of economic concentration resulting from corporate mergers in order to block resulting monopolistic tendencies in their incipiency. The report of our House Judiciary Committee on this legislation emphasizes that a merger would come under the statutory ban when its effect "may be a significant reduction in the vigor of competition, even though this effect may not be so far reaching as to amount to a combination in restraint of trade, create a monopoly, or constitute an attempt to monopolize. Such an effect may arise in various ways such as elimination in whole or in material part of the competitive activity of an enterprise which has been a substantial factor in competition, increase in the relative size of the enterprise making the acquisition to such a point that its advantage over its competitors threatens to be decisive, undue reduction in the number of competing enterprises, or establishment of relationships between buyers and sellers which deprive their rivals of a fair opportunity to compete."

In connection with the present transaction you will note that in the Bethlehem-Youngstown case the court rejected a contention, which undoubtedly will be made here, that the merger of the two companies would result in increased competition with the largest concern in the field. Apposite is the court's statement that to allow the merger would set in motion "a chain of reaction of further mergers by the other but less powerful companies in the * * * industry * * * [reaching] a point of more intense concentration in an industry already highly concentrated."

The considerations in the Bethlehem-Youngstown situation apply with even greater force to the Manufacturers Trust-Bankers Trust merger proposal. More than that, the consequences of this contemplated transaction are so far reaching as to make it imperative that your office conduct public hearings on the record so that all the facts be brought out and all interested parties be given an opportunity to be heard. I think it fundamental that matters of this importance not be left to informal, private determination. The public interest involved here is too great for that.

I point out also that the Antitrust Division of the Department of Justice is the executive agency possessing the greatest expertise with respect to application of the standards of the Celler-Kefauver Act. Consequently, it would seem essential that your office seek the advice of the Antitrust Division, if there is to be an informed judgment concerning the competitive phases of the transactions.

In all the circumstances, I would greatly appreciate your advising our Antitrust Subcommittee as soon as possible as to whether or not your office contemplates following the spirit of the Celler-Kefauver Act in determining whether or not to approve the proposed Guarantee Trust-Morgan merger and the Manufacturers Trust-Bankers Trust merger.

With respect to the Manufacturers Trust-Bankers Trust merger proposal, I should also appreciate your advising our Antitrust Subcommittee—

1. Whether or not your office is undertaking an investigation of this transaction;

2. The nature of such investigation;

3. Whether or not your office is consulting with the Antitrust Division with respect to the competitive phases of this transaction;

4. The nature of such consultation;

5. Whether or not your office proposes to hold hearings with respect to this transaction;

6. In the event hearings are not held, the reasons therefor.

Finally, you will recall that included in my letter of December 19 was a series of questions relating to the Guaranty Trust-Morgan merger proposal. Would you undertake to provide answers to these questions at your earliest convenience?

Sincerely yours,

EMANUEL CELLER, *Chairman.*

JANUARY 26, 1959.

Hon. WILLIAM MCCHESNEY MARTIN, Jr.,
Chairman of the Board of Governors,
Federal Reserve System,
Washington, D.C.

DEAR MR. CHAIRMAN: My attention has been directed to a proposed merger of the Manufacturers Trust Co. and the Bankers Trust Co., both of New York City. This transaction presents on its face grave competitive implications. Following on the heels of the Guaranty Trust-Morgan merger proposal, there is little doubt that its consummation would result in an undue concentration of banking facilities in New York City; spur a further wave of bank mergers in the city; and ignite a chain reaction that could have the most profound repercussions on the entire banking structure of the city and State.

As you know, the banking system of New York City is already highly concentrated to the point where the four largest banks in the city control over 60 percent of the city's banking assets. In this connection, it will be noted that Manufacturers Trust is now the third largest in the city with over $3 billion of total assets, while Bankers Trust is the city's sixth largest bank having total assets in excess of $2.8 billion. Merger of these two institutions would mean that almost 70 percent of the total assets of New York City's banks would be concentrated in the hands of four financial houses.

Furthermore, although there are now approximately 54 banks serving the city area, I would emphasize that the new entity resulting from the consolidation would have assets almost double the combined total assets of 44 of the city's banks.

It is clear that this transaction cannot be completed except with approval of the Federal Reserve Board which, as you have previously advised me, has jurisdiction over the establishment by the continuing bank of branches at locations of former offices of the absorbed institution. Indeed, the Board, as you recall, has recently pointed out in *Old Kent Bank and Trust Company* v. *The Federal Reserve System* (D. Col., C. A. No. 1993–58) that the necessity for Board approval of branches acquired through merger is required by the Federal statutes dealing with supervision and regulation of the banking industry. The Board's position, as indicated in that case, is that the statutory structure requires that State member banks be placed on an equality with national banks in respect to branches and that since national banks must obtain approval of the Comptroller of the Currency of branches acquired through merger, State member banks of the Federal Reserve System are necessarily subject to the same condition. Thus the Board has made it plain that in determining whether or not it will approve the establishment by a bank of branches acquired through merger, it is bound by the same terms and conditions and the same limitations and restrictions as are applicable to branches of national banks. For that reason, the Board has stated that it is required, like the Comptroller of the Currency, to consider the effect of the merger on competition.

It follows, in these circumstances, that it is incumbent on the Board to use the same competitive test as that which the Comptroller of the Currency has stated he follows. In this connection I would point out that the Comptroller of the Currency has made it clear that before granting merger approval, he will determine whether the effect of the transaction in any section of the country may be substantially to lessen competition or tend to create a monopoly; that he will determine, in short, whether the transaction is violative of the policy of the Celler-Kefauver Act. For example, in a letter to me dated March 14, 1955, the Comptroller of the Currency stated in part:

"In determining whether the approval of this office will be given to any merger or consolidation, the Comptroller considers, among other things, how the proposed merger will affect the particular banks involved, the soundness of the national banking system, and the convenience and needs of the community concerned. There may be a technical question as to the specific application of section 7 of the Clayton Act to these mergers. However, it has been the practice of the Comptroller before giving his approval to determine whether the effect of the merger, 'in any section of the country * * * may be substantially to lessen competition, or to tend to create a monopoly.'"

Again, in March 1957, the Comptroller testified before the Antitrust Subcommittee as follows:

"COUNSEL. Is it your practice * * * not to approve any bank merger where the effect may be substantially to lessen competition or tend to create a monopoly?

"Mr. GIDNEY. I say, that has been our practice. We have not approved any where it could be.

"COUNSEL. That is your practice?

"Mr. GIDNEY. We have not approved where it could be shown."

Against this background I note that Manufacturers Trust and Bankers Trust are in substantial competition with each other in the so-called retail branch banking field. Indeed, Manufacturers, with 114 branches in New York City, already has the most extensive retail banking system in the city. Adding the 45 branches of Bankers Trust, would only serve to increase the dominance of the new institution in this phase of the city's banking business and further restrict the freedom of choice of depositors and borrowers alike.

In view of the competitive test set forth above, it is difficult to ascertain how the board could grant approval of the branch applications which will be here involved.

Beyond that, it is clear that the Antitrust Division of the Department of Justice is the executive agency possessing the greatest expertise with respect to application of the above competitive standards in view of its prosecution of cases under the Celler-Kefauver Act. Consequently, it would seem essential that the board seek the advice of the Antitrust Division, if there is to be an informed judgment concerning the competitive phase of the transaction.

Also, since the transaction is subject to approval by the New York State superintendent of banks, and since the avowed policy of the superintendent is to follow the competitive test specified above, it would seem essential for the board to maintain close and continuous liaison with the bank superintendent particularly in respect to competitive aspects.

More than that, the consequences of the contemplated transaction are so far reaching as to make it imperative that the Board conduct public hearings on the record so that all the facts be brought out and all interested parties be given an opportunity to be heard. I think it fundamental that matters of this importance not be left to informal private determination. The public interest involved here is too great for that.

In view of the foregoing considerations, I would greatly appreciate your advising our Antitrust Subcommittee as soon as possible as to the competitive test the Board will follow and whether or not the Board will disapprove this transaction if it finds that its effect in any section of the country may be substantially to lessen competition or tend to create a monopoly. I should also appreciate your advising our subcommittee—

First. Whether or not the Board is undertaking an investigation of this transaction;

Second. The nature of such investigation;

Third. Whether or not the Board will consult with the Antitrust Division and the New York State superintendent of banks with respect to the competitive phases of this transaction;

Fourth. Whether or not the Board proposes to hold hearings with respect to this transaction.

Finally, many of the above factors are equally applicable with respect to the proposed Guaranty Trust-Morgan merger proposal. Therefore, it would be appreciated if the Board answer each of the above questions as they relate to that proposed transaction.

I am enclosing for the Board's information copies of letters I have sent to the superintendent of banks of the State of New York and the Antitrust Division of the Department of Justice concerning this matter.

Sincerely yours,

EMANUEL CELLER,
Chairman.

JANUARY 26, 1959.

Hon. VICTOR R. HANSEN,
Assistant Attorney General,
Department of Justice,
Washington, D.C.

DEAR JUDGE HANSEN: My attention has been directed to a proposed merger of the Manufacturers Trust Co. and the Bankers Trust Co., both of New York City. This transaction presents on its face grave competitive implications. Following on the heels of the Guaranty Trust-Morgan merger proposal, there is little doubt that its consummation would result in an undue concentration of banking facilities in New York City; spur further bank mergers in the city; and ignite a chain reaction that could have the most profound repercussions on the entire banking structure of the city and State. I think it entirely probable that a Manufacturers Trust-Bankers Trust consolidation would bring banking monopoly in New York State much closer into being.

The banking system of New York City is already highly concentrated to the point where the four largest banks in the city control over 60 percent of the city's banking assets. In this connection, it will be noted that Manufacturers Trust is now the third largest in the city with over $3 billion of total assets, while Bankers Trust is the city's sixth largest bank having total assets in excess of $2.8 billion. Merger of these two institutions would mean that almost 70 percent of the total assets of New York City's banks would be concentrated in the hands of four financial houses. This, I think you will agree, would be a matter of the most serious concern.

Furthermore, although there are now approximately 54 banks serving the city area, I would emphasize that the new entity resulting from the consolidation would have assets almost double the combined total assets of 44 of the city's banks.

No less significant, Manufacturers Trust and Bankers Trust are in substantial competition with each other in the so-called retail banking field. Indeed, Manufacturers, with 114 branches in New York City, already has the most extensive retail banking system in the city. Adding the 45 branches of Bankers Trust would only serve to increase the dominance of the new institution in this phase of the city's banking business and further restrict the freedom of choice of depositors and borrowers alike.

It must be borne in mind that the present proposal, like that of Guaranty Trust and Morgan, does not involve a situation where a small, inadequately financed or managed bank, suffering or falling behind in the competitive race, seeks by merging to form a big, integrated institution able to compete on equal terms. On the contrary, each of the banks involved here is a gigantic, efficient, and vigorously competing institution well able independently to serve the banking needs of its respective clients. In fact, it is evident that the proposed consolidation is primarily the outgrowth of a deliberate effort on part of the parties to expand their banking facilities, add to their capital and depositors, and, in general, increase their overall financial strength in the economy. Nor can it be overlooked that the present size of Manufacturers Trust and Bankers Trust has been accomplished in large part through absorption of other banking houses. Manufacturers Trust Co., for example, since its organization in 1905, has absorbed no less than 81 banks together with their branches, all in the Greater New York area.

The Bankers Trust Co. also has been taking over other banks at a rapid rate, especially in the last several years. In fact, since 1950, the Bankers Trust Co. has absorbed such substantial banks as the Public National Bank & Trust Co. of New York, the Title Guarantee & Trust Co., Lawyers Trust Co., Flushing National Bank, the Commercial National Bank & Trust Co., and the Bayside National Bank.

In the context of the merger history of these two institutions, the present merger proposal appears as but another step toward larger size and greater dominance in the New York City market area.

Further demonstrating the effect this and the Guaranty Trust-Morgan proposal will have on the banking structure, the president of the Manufacturers Trust Co. was quoted last week as saying: "The merger discussions were spurred by news of the Morgan-Guaranty combine. * * * I know of no bank in New York that hasn't had conversations formal or informal with other banks over the possibility of a merger." Business Week of January 10, 1959, had this to say: "New York bankers predict that if and when [this] merger goes through, a series of competitive realinements will result that won't end until a new balance of power is established among New York banks."

I am quite aware that these two merger proposals may involve an acquisition of assets and that, should this be the case, section 7 of the Clayton Act would not be applicable. However, I am equally aware—as I am sure the Department of Justice is—that bank mergers, whether accomplished by stock or asset acquisitions, are also circumscribed by the provisions of the Sherman Act of 1890 which prohibits combinations in restraint of trade, attempts to monopolize, or monopolization of trade or commerce. Illegality under the Sherman Act is established by proof that the merger has actually resulted in an unreasonable lessening of competition. It is true that such proof is more difficult than the Clayton Act test which requires only a reasonable probability of a substantial lessening of competition. Nevertheless, establishing a Sherman Act violation hardly presents insuperable problems.

In this connection, I think it is highly significant that since 1950 there has been a total of 1,232 bank mergers, of which 1,059 took place in the period from 1953 to 1958. Despite this great number of bank consolidations which is concentrating control of the Nation's banks into fewer and fewer hands, the Antitrust Division has never once invoked the provisions of the Sherman Act against a bank merger. I am at a complete loss to understand this extraordinary record of inaction.

In respect to the Guaranty Trust-Morgan and Manufacturers Trust-Bankers Trust merger proposals, I trust that the situation will change and that the Department will finally execute the provisions of the Sherman Act promptly, vigorously, and effectively. This is particularly important since each of these mergers on its face would apparently result in a substantial lessening of competition as between the acquiring and acquired institutions. Thus, Guaranty Trust and J. P. Morgan are seemingly in vigorous and substantial competition with each other in the wholesale banking business, while Manufacturers Trust and Bankers Trust compete with each other substantially in the retail banking field. In both cases, this competition would be entirely lost should the merger plan be accomplished.

The chairman of the board of J. P. Morgan last week has been quoted as saying that the Department of Justice inquiries about the merger with Guaranty were apparently routine. If this accurately reflects the nature of the Department's inquiries, that would be a most serious reflection on the Department's willingness to enforce the provisions of the Sherman Act impartially and vigorously. A token investigation conducted for appearance's sake would be worse than no investigation at all. Moreover, I hope that in dealing with these two merger proposals the Department will carefully avoid pursuing the course it followed in 1955 in connection with the Chase-Bank of Manhattan merger.

There is a further consideration. As you know, both of the merger proposals will require the approval of the New York State superintendent of banks and the Federal Reserve Board. In considering these transactions these agencies should, for reasons which I have set forth in the letters which are enclosed, consider whether the merger's effect may be substantially to lessen competition or tend to create a monopoly. This competitive test is the same as the standards set forth in section 7 of the Clayton Act as amended by the Celler-Kefauver Act. For that reason, it would appear imperative that the Antitrust Division present its views on the competitive phases of these transactions to the superintendent of banks and to the Federal Reserve Board. As you know, it would not be a novel departure for the Division to present its views on the competitive aspects of a bank merger to a bank supervisory agency. This is evidenced by your letter to me dated March 20, 1957. It is also evidenced by the Department's intervention before the Federal Reserve Board on the application by the First National City Bank of New York to form a holding company to acquire the County Trust Company of Westchester. In view of the competitive implication of each of the two current bank merger proposals, I think you will agree that it is of even greater importance here for the Department to present its views to the bank supervisory agencies. On the other hand, should the Department fail to act, "in its overall responsibility for section 7's enforcement—outside of the banking area—[the] Department would be bound by bank merger precedents [it] had no voice in picking or shaping."

In light of the foregoing considerations, I will appreciate your furnishing the following information to our Antitrust Subcommittee as soon as possible with respect to the Guaranty Trust-Morgan and the Manufacturers Trust-Bankers Trust merger proposals—

1. Whether the Department of Justice is presently undertaking a Sherman Act investigation of each of these proposals;

2. Whether or not each of these investigations is or is not routine;

3. Whether or not the Department of Justice is consulting with the New York State superintendent of banks and the Federal Reserve Board with respect to the competitive phases of these transactions;

4. The nature of such consultations.

Finally, I am enclosing for your information copies of letters I have sent to the New York State superintendent of banks and to the Federal Reserve Board concerning the Manufacturers Trust-Bankers Trust merger proposal.

Sincerely yours,

EMANUEL CELLER, *Chairman.*

The West Puts Its Brand on Congress

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, February 2, 1959

Mr. MURRAY. Mr. President, as all of us know, the distinguished junior Senator from Oregon [Mr. NEUBERGER] is one of this Nation's most capable writers, as well as one of the most able and conscientious Members of the Senate.

Further proof of the Senator's perceptiveness as a writer appeared yesterday in the New York Times magazine, which published Senator NEUBERGER's article entitled, "The West Puts Its Brand on Congress."

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD Senator NEUBERGER's article, from the February 1 issue of the New York Times magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WEST PUTS ITS BRAND ON CONGRESS—SOMETHING NEW HAS BEEN ADDED TO POLITICS: THE PRESTIGE AND POWER OF THE FAST-GROWING WEST.

(By RICHARD L. NEUBERGER)

After he had sent Lewis and Clark on that first westward trek across our land, Thomas Jefferson visioned a vast commercial empire in the realm the great explorers had discovered. Their reports to him told of virtually limitless riches in pelts, timber, fisheries, deep harbors, minerals, and valleys ripe for homesteading. And so Jefferson foresaw for the American West a mighty role in the burgeoning nation. Yet it is doubtful that even our buoyant third President, with his dreams of western expansion and success, could have imagined the influence and prestige that the West holds in the nascent 86th Congress—and will hold perhaps in the sessions of Congress for many years to come.

Two factors have combined to make the West far more prominent and influential on Capitol Hill than ever before. One is a national migration that has moved steadily and inexorably toward the sunset rim of the continent during the past 2 decades. The other is a renewal, after a hiatus of almost half a century, of the historic process of adding States to the Union.

But what is the West? After all, a place as rooted in the East as the University of Michigan has an alma mater song that refers to its athletes as the champions of the West. By comparison, Capt. Meriwether Lewis, on his journey of high destiny, felt he had reached the real West when he glimpsed peaks nearly 3 miles high notching the distant horizon. The West has been defined more explicitly by one of its foremost chroniclers, the late Bernard DeVoto, as "the huge and fateful area extending from the eastern ramparts of the Rocky Mountains to the shores of the Pacific Ocean."

Today this area consists of 12 immense States—Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Idaho, Nevada, California, Oregon, Washington, and Alaska—covering nearly half the land mass of the Nation. It includes teeming metropolis and lonely upland in its span from ocean strand to glacial summit.

Alaska, of course, is the latest addition—the first new State since Arizona was admitted in 1912. Inevitably the next new State, and probably soon, will be Hawaii. Its admission to the Union will change the geographic definition of the West, but it will assuredly be considered part of the West, especially since it shares many of the social dilemmas and climatic and crop conditions of its principal contact on the mainland, California.

The political growth of the new West can be seen at its sharpest in the House of Representatives. Between 1940 and 1950, the West gained eight seats in the House because of population increases. People are traveling westward to operate aircraft plants, to staff military bases, and to produce and test the original atomic weapons. According to the latest estimates from the Bureau of Census, the West will qualify for an additional nine Representatives when the next congressional reapportionment occurs in 1960. Most of these will accrue to California, which in recent years has passed Illinois, Ohio, and even Pennsylvania in population, and by 1965 is expected to challenge New York's supremacy as the most populous State in the Union.

As for the Senate, the West now occupies 24 out of the 98 seats. When Hawaii becomes a State, western membership will increase to 26 out of 100. This will mean, for example, that western Senators will outnumber those of the solid South by eight.

What will the new West do with its aggregate of political power? Will it act as a bloc? Is there, for example, a western stereotype in the Senate, as we have come to think of one for the Senators from the South and even the East?

Mention of southern politicians often conjures up pictures of men hostile to civil-rights legislation, proud of the TVA, fervently in favor of price supports on cotton and tobacco, and proficient at dramatic and flowery oratory. The typical Member of Congress from one of the great cities of the East is regarded as an ardent sponsor of civil rights, an opponent of restrictive immigration laws, and frequently friendly to such broad causes as urban renewal and public housing.

Western Senators, however, cannot be so easily characterized. They share no uniformity of experience or antecedents or political views. The two new Members from the fledgling State of Alaska, to cite a case in point, are E. L. BARTLETT, a former prospector for gold in Alaska's foaming creeks, and ERNEST GRUENING, a former editor of newspapers and magazines in New York City. Senator CARL HAYDEN, of Arizona, known as the silent Senator, rarely speaks from the floor, while Senator WAYNE MORSE, of Oregon, is famous for his feats of oratorical endurance.

The very name Montana creates visions of cowpokes and six-shooting frontier sheriffs, but Montana's popular junior Senator, MIKE MANSFIELD, is a former professor of oriental history who specializes in scholarly studies of foreign policy. The West claims the Senator of longest tenure, HAYDEN, now in his sixth successive term, and the Senator of youngest age, FRANK CHURCH, of Idaho, 34.

Western Senators include Protestants, Catholics, Mormons, and Jews. They range from Arizona's BARRY GOLDWATER, critic of labor unions, to JAMES E. MURRAY, of Montana, their defender; from WALLACE F. BENNETT, of Utah, foe of public power, to Washington's HENRY M. JACKSON, its advocate; from WARREN G. MAGNUSON, of Washington, proponent of 90-percent price supports on basic crops, to CLINTON P. ANDERSON, of New Mexico, an adherent of the flexible scale for farm commodities. While Senator JOSEPH O'MAHONEY, of Wyoming, warns against business monopolies, Senator GORDON ALLOTT, of neighboring Colorado, calls for Federal action to suppress monopolies in organized labor.

There is no clear western position on civil rights, one of the most heatedly discussed issues of our era. This was evident during the bitter Senate debate in the summer of 1957 when southerners succeeded in having a crippling jury-trial amendment added to legislation which sought to assure southern Negroes access to the ballot box. Twelve of the twenty-two Senators then from the West answered to their names in favor of the amendment, while 10 western Senators opposed it.

Not even on such a regional issue as the great waterpower site at Hells Canyon, along the Oregon-Idaho border, is a so-called western viewpoint discernible. Every Democratic Senator from the West voted for Federal development of the mile-deep chasm; all the West's Republican Senators favored a private utility company. This was almost exactly the same partisan division that prevailed on the issue among Senators from other parts of the country.

The West's sheer immensity and geographic and economic diversity prevent a monolithic point of view. A Senator from Los Angeles or Portland has totally different pressures upon him from those affecting a Senator from Pocatello or Carson City. As a member of Oregon's Legislature, I had sponsored one of the early State fair employment practices acts in the Nation. But in the Senate I soon discovered that some of my colleagues from other Western States—particularly those from the States that lie behind the battlements of lofty mountain ranges—had had little or no local experience with this issue.

A Senator from California, where thrive such specialty crops as lettuce and asparagus and citrus fruits, thinks differently on agricultural matters from a Senator whose home is Montana, where upland wheat and other grains are the all-important farm commodities. In the Southwest the fundamental problem is lack of water for drinking and irrigation, but in the Northwest flood-control projects are needed to hold back the Columbia's rampant freshets.

In the vital realm of foreign policy, the West is riven by many points of view. Geographical diversity is a factor here, too. Some of the world's finest harbors dot the Pacific seaboard—Puget Sound, the mouth of the Columbia River, San Francisco Bay, San Pedro Bay. Congressmen from these areas are receptive to reciprocal trade. They know that accelerated overseas commerce means jobs for their stevedores, sailors, and warehousemen. They support foreign aid and other instruments of internationalism.

On the other side of the trade issue, representatives of the mountain States are often conscious of the economic impact of imports on the ores, sugar beets, and finished minerals produced by their constituents. During the last session of Congress, the administration proposed generous subsidies for certain ores such as lead and zinc in an effort to win the support of some western Senators for continuation of the reciprocal trade program.

It has been regarded as inevitable that the West's increasing strength in Congress will bring about a dilution of the great political power long wielded there by the South. The only challenge to southern domination of Senate committees, through the holding of key chairmanships, comes from western Senators of lengthy service such as HAYDEN, of

Arizona, and MURRAY, of Montana. Nor can it be overlooked that the President pro tempore of the Senate is not a southerner but Mr. HAYDEN, who first came to Capitol Hill as a House Member almost 47 years ago. No southerner would think of challenging him for this honor.

Yet westerners and southerners are not necessarily arch rivals, as some seem to assume. If there is a prevailing western viewpoint on economics, it is that too much of the country's manufacturing is concentrated in a few Eastern States. The South shares this attitude. Despite the financial vigor of the California colossus, the West in general needs new industrial payrolls; so does the South. Too many of the West's natural resources are hauled out as raw materials, rather than processed by native industries. The South murmurs against the same inequity.

Oregon's timber industry complains that the structure of national freight rates tends to make prohibitive the local manufacture of lumber into finished products. Southern sawmill owners voice an identical protest. A Western Democratic Senator, looking at the swift reaches of the Columbia and Colorado Rivers, has many of the same thoughts as his Democratic colleague from the realm of the Tennessee and its surging tributaries; each hopes that cheap kilowatts in abundance will lure new manufacturing payrolls to his State.

Thus, the expanding strength of the West in Congress may not be so distressing to the long-dominant South as has been predicted, particularly in the field of economic legislation.

Despite the lack of a Western stereotype, are there some policies which Congressmen from the West may be expected to promote with special diligence? I would say such issues fall into a few categories:

1. Water. During the past quarter of a century, the Federal Government has spent more than $10 billion to develop western water resource projects. This pace will probably be accelerated in view of the West's new numerical strength—although western Republicans and Democrats may continue to split over the question of Federal powerplants versus private-utility dams.

2. Recreation. The West is the scene of many of the country's outdoor marvels—Yosemite, the Grand Canyon, Crater Lake, Yellowstone, Mount Rainier, and Mount Hood—and tourist trade is a key part of the economy of most Western States. Westerners in Congress are certain to unite behind requests for additional appropriations to be spent in the national parks and national forests.

3. Transportation. The West needs better roads, especially in its sparsely settled farming and timber areas. Western Members of Congress will favor acceleration of the Federal aid program on interstate and secondary highways.

4. Hemisphere relations. The West is highly conscious of its neighbors on the North American Continent. Mexico shares tourists, rivers, and wetback migratory laborers with such border states as California, New Mexico, and Arizona. Off to the north, Oregon and Washington and Montana seek a mutual agreement with Canada for joint use of the still untapped Columbia River waterpower. Alaska's Senators desire a similar pact on the Yukon.

5. Credit and monetary policy. Tight money has not been popular in the West. Traditionally, the West has sought low interest rates in order to encourage expansion. Residential housing, crucial to the logging and lumber industries of the Pacific Northwest and northern California, relies on abundant and cheap credit. Higher rates of interest contribute to more expensive public works projects. All of these things may make the West a factor in opposing tighter Federal controls over interest and credit.

Despite these common causes, western Senators and Representatives enjoy a far wider latitude on major issues than do their counterparts from other regions, who are often blocked by local prejudices and conclusions. Elections in the South and East can turn for or against a candidate on a single issue. I do not know of any one political question that alone could determine the fate of a major candidate in a Western State.

The West is, in effect, a genuine third force in the Congress, capable of entering new alliances and adopting untried positions. Its bargaining power is enormous if only because its allegiance cannot be forecast. In the elections of 1958 westerners triumphed who advocated a firm stand on Quemoy and Matsu, but so did those who called for recognition of Red China.

As the newest American region (I have talked with pioneers who remember the Indian wars), it perhaps is fitting that the West is the least strapped by political straitjackets. When the West is older, its ideas will jell and harden; strong voting blocs may materialize; spokesmen in Senate and House may be handcuffed by phobias. But now the West is young.

The Economics of Progress—Reform of Tax Rates and Methods

EXTENSION OF REMARKS
OF
HON. A. S. HERLONG, JR.
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. HERLONG. Mr. Speaker, on behalf of my friend and distinguished colleague on the Ways and Means Committee, the gentleman from Tennessee [HOWARD H. BAKER], and myself, I would like to call to the attention of the House companion bills, H.R. 3000 and H.R. 3001, which we introduced on Wednesday, January 21, 1959. These bills would reform Federal tax rates and methods to accord with the economics of progress. It is our conviction that this legislation should have priority over competing claims of all other Government policies and programs. We, therefore, urge its prompt consideration and enactment, and to this end solicit the interest and cooperation of our colleagues on the Ways and Means Committee, of all Members of the Congress, and of the executive branch.

The present Federal tax structure stunts economic growth since it both prohibits adequate capital accumulation and destroys capital once accumulated. We can no longer afford a Federal fiscal policy based only on short-term considerations, from fighting inflation in one year to fighting recession in another, while neglecting the root source of fiscal crises.

By removing tax blocks to progress, our bills would contribute more than any other possible Government action to our economic well-being and national security. In enabling the economy to grow much more rapidly and consistently than in recent years, these bills would—

Counter the challenge of Russian communism for world economic leadership;

Encourage other nations outside the Communist orbit to reorganize their tax systems to permit more rapid economic development out of their own capital;

Increase the supply and mobility of venture capital, thus insuring a rebirth of the American genius for the starting and development of businesses;

Provide new and better job opportunities;

Insure adequate revenues for military preparedness and all other necessary Federal expenditures;

Smother inflation with growth.

In introducing this legislative program, we call special attention to two matters. The first is that the revenue effect of comprehensive reform in tax rates and methods is so great that major goals can only be achieved by spreading out reductions over a number of years. The second is that any lesser program would still leave us far short of a sound tax system insofar as capital accumulation and economic progress are concerned.

We cannot correct the fundamental tax problem of our times by nibbles and bites.

Legislative proposals for thorough reform of the income tax rate structure over a period of years are not new. Such proposals were introduced in the 85th Congress—H.R. 6452, H.R. 9119, H.R. 9415, and H.R. 11461—and received overwhelming support from the witnesses who testified for broad tax reduction during the hearings held by the Ways and Means Committee just 1 year ago. These earlier bills were designed to deal only with the tax impact on accumulation of new capital out of current income. The new bills also would reduce the tax destruction and increase the mobility of capital accumulations, by deferring tax on gains of individuals from sales of long-term capital investments the proceeds of which are reinvested within the taxable year, and by reduction in the rates of tax on estates and gifts. The bills also would establish more realistic depreciation rules. Because of the revenue effect of these new provisions, especially those applying to depreciation, it has been necessary to set ultimate income tax rates under the legislation at 47 percent instead of 42 percent, as in the earlier bills.

CAPITAL AND PROGRESS

Mr. Speaker, the boldness of the challenge to free capitalism by the government capitalism of Communist Russia was the story behind the news which launched us into the space era. Of all the steps to counter that challenge which may be taken in America, and in other free nations, none could approach in importance the reorganizing of tax structures in recognition of the inherent goodness of capital and its indispensable role in the preservation of freedom in the world.

Combined with man's energy, vision, and technological skill, capital is the

source of all economic progress. Its beneficial effect starts with employment. The production of capital goods itself provides jobs. Then, these goods are used to increase the productivity of existing jobs and to create new production and new jobs.

Any tax method or rate which impedes the accumulation, use, or preservation of capital is a tax on human betterment and national strength. Our Federal tax structure must stand convicted of this fault.

By use of capital-destroying tax rates and methods we have prevented our economy from achieving anything like its potential for progress. This means we have fewer and less productive jobs than should be available. Our total production is far short of our national capability for progress and the standard of living of our people is correspondingly less than it should be. It also means that failure to effect fundamental reform of our tax structure quickly would put in jeopardy the industrial supremacy on which our national security depends.

The critical impact of destructive tax rates on the economic health and vitality of our economy has often been overlooked because of the persistent illusion that our economy has been continuously in the midst of a capital goods boom since the end of World War II. This illusion comes from looking at totals expressed in inflationary instead of constant dollars.

For a span of 60 years preceding the depression of the 1930's, our economy grew in the range of 4 percent a year. We achieved no net growth in the decade ending with 1939, and the using up of productive plant and equipment was much greater than replacement during the war years. Thus, at the end of World War II, we were faced with a deficiency in capital formation which had been building up for 15 years.

Despite this deficiency, total economic growth—measured in constant dollars of gross national product—averaged only 3.8 percent annually in the decade ending with 1957.

Moreover, there was a nearly 40-percent reduction in the rate of growth in the second 5 years of that period as compared with the first. Specifically, in the first 5 years ending with 1952, the growth rate averaged 4.6 percent, but in the second 5 years ending with 1957, the average slipped down to 2.9 percent. In 1958, we lost ground in the production of goods and services and much more in capital formation. While we are now in a period of recovery in production, there is a continued lag in capital formation out of which must come substantial future increases in production. In fact, even at present inadequate production levels, the evidence indicates that we are using up capital plant and facilities at a rate 20 percent or more higher than we are replacing them.

In contrast with our postwar experience, Soviet Russia has made spectacular strides in capital formation and total production in recent years. Published estimates indicate that total Russian production which, only a few years ago was less than 25 percent of ours, is now upward of 35 percent and expanding at a rate in the order of 8 percent a year.

These growth rates were achieved before the recent announcement of Communist leader Khrushchev of a program of capital investment in the Soviet Union between now and 1965, which would equal their total investment in the 41 preceding years of the Communist revolution. One does not have to accept at face value Khrushchev's boast of burying us under an avalanche of production to recognize that the goal of Russian communism is fixed and unchanging. It is political domination of the world. Even if we had not been told so plainly, we would know that their aim is to accomplish such domination by using industrial strength to sabotage governments, to enter and destroy free markets, and eventually to control whole economies throughout the world.

Khrushchev stated that they would equal our production in 1970. Actually, the Russians would not have to increase their growth rate of 8 percent a year in order to equal our total production by 1980, if we grow on at an average rate of 3 percent. If our growth rate should further decline to an average of no more than 2 percent, with Russia's continuing at 8 percent, their total production would approximate ours by 1975.

There could be no excuse for our Nation settling for growth rates in the future of no more than 2 or 3 percent. The core of the problem is in capital creation. In the Soviet Union, capital creation has absolute priority over all other matters, in sharp contrast to the situation in America. It is past time that we gave top priority to removing the tax blocks to capital creation. Under a tax system which did not penalize the accumulation and ownership of capital, and which allowed full play to the natural incentives for capital use, there could be no doubt of our capabilities for much more rapid progress than in recent years. We should not be satisfied through the indefinite future with an average growth rate under 5 percent. Even at that rate, if the Russian economy should continue to grow at 8 percent annually, they would reach our total production before the end of the century. Actually, there is no reason why we should not set our sights on a growth goal of 6 percent or more. Despite the arbitrary methods by which capital is created in the Soviet Union, we need not fear the challenge of government capitalism if our free capitalism is released from punitive tax rates.

SPECIFICS OF REFORM OF TAX RATES AND METHODS AND UNDERLYING REASONS

Mr. Speaker, in regard to a tax system which grossly penalizes capital accumulation and restricts economic progress the words "tax reform" could reasonably and logically have only one meaning, namely, to relax its penalizing and restrictive effects. In preparing our bills we have necessarily limited the proposed reforms to one type of action, regarding five major tax areas, which we believe would be most beneficial to economic progress, job creation and betterment, and national security. There are many other proposals for tax revision which merit the description of "reform" because their effect would be to reduce tax restraints on economic growth. Those involving substantial revenue effect have not been included in our bills since this would be possible only by the exclusion of some or all of one or more of the reforms provided therein. We believe that proposals, essentially technical in nature, involving little revenue effect, should be handled in separate legislation.

In the following discussion we describe the reforms in tax rates and methods included in our bills, with explanation of underlying facts and reasons.

THE INDIVIDUAL INCOME TAX

Starting with January 1, 1959, there would be five annual coordinated reductions in all the graduated rates of individual tax, with the first bracket rate being reduced from 20 to 15 percent. With compression of the scale of graduation being the key to fundamental tax reform over the 5 years, the top individual rate would be brought down to 47 percent, from its present 91 percent. Specific examples of reductions in other statutory rates follow: $4,000 to $6,000 taxable income bracket, from 26 to 17 percent; $8,000 to $10,000 bracket, from 34 to 19 percent; $12,000 to $14,000 bracket, from 43 to 21 percent; $16,000 to $18,000 bracket, from 50 to 23 percent; and $20,000 to $22,000 bracket, from 56 to 25 percent. Appendix A shows the new rates for each year. Appendix B provides a means by which individual taxpayers can compute their tax liability at the end of the reduction period, as compared to present law.

The revenue effect of these reductions would be somewhat more than $2 billion annually, or upward of $11 billion over the 5-year period, out of a total revenue effect for the legislation as a whole of about $17 billion. Nearly 60 percent of this $11 billion revenue effect—tax saving to the individual—would fall in the taxable income brackets up to $6,000, as shown in appendix C; and 79 percent in the taxable brackets up to $18,000. Only 6 percent of the total would fall in the brackets above $50,000. Of course, the data for the lower brackets include tax savings on all income falling in such brackets, including that of taxpayers whose total income also places them in higher brackets. The table demonstrates the point, however, that there could be no further significant reductions in the lower brackets by forgoing part of the reductions in the middle and higher brackets.

The emphasis we place on compression of the graduated scale of individual tax rates reflects the fact that graduation is the worst saboteur of the economics of progress. While the most senseless and uneconomic rates are in the highest brackets, the steepest climb in graduation is through the middle and not the higher brackets. In fact, half of the

total range of graduation—the 71 percentage points between the first rate of 20 percent and the top rate of 91 percent—is reached at the taxable income bracket beginning with $22,000, where the rate is 56 percent—basic rate of 20 percent, and graduated element of 36 percent.

The steeply graduated rates dull the incentives to earn higher income and to engage or invest in venturesome enterprises.

These rates drastically limit the accumulation of new capital in two ways. As income increases only a declining margin is available for saving. And, because of the impact on incentives, much less income is sought and realized in the middle through higher brackets than would be the case under moderate rates.

The high rates limit the investment potential even more than indicated by the immediate effect on capital accumulation. Savings of persons in the middle and higher income brackets are more likely to be invested in the risky or venturesome types of enterprise than are the savings of those with lower incomes. This likelihood would be greatly increased under moderate rates. Risk-taking investments always forerun opportunity for safer use of investment funds. Under sustained, higher level growth, which must be sparked and initially fueled by venture capital, there would be much greater accumulation and use of investment funds from all sources.

The limitation on total investment potential has its most severe effect as regards the starting of new businesses, and the expansion of small businesses once begun. Aside from the incentives to engage in business, or to make a business grow, the punitive tax rates make it impossible for the small business to secure venture capital from outside sources. The once prolific source of such capital, the successful person who was willing and able to invest in new enterprises, has been choked off by the punitive tax rates. When, under moderate tax rates, the successful are again able to accumulate substantial savings out of current income, we will find that they again will be interested in investing in such enterprises.

Moreover, even well-established businesses in the middle and larger size categories are often faced with an impossible problem of finding adequate new funds for expansion. All across the board, the steeply graduated rates of individual tax serve directly and indirectly to limit the accumulation of new capital funds so desperately needed to realize our Nation's potential for progress and security.

THE CORPORATION INCOME TAX, AND DEPRECIATION

Starting January 1, 1959, there would be 5 annual reductions of 1 percentage point each in the rates of corporate tax, and 5 annual reductions of 5 percent each in the maximum required length of property lives for depreciation on new plant and equipment as measured from an average of present experience.

The first three reductions in tax rates would apply to the normal corporate tax, bringing it down from 30 to 27 percent, and the last two reductions would apply to the surtax, bringing it down from 22 to 20 percent. The combined top rate would thus be reduced from 52 to 47 percent.

The revenue effect of the corporate rate reductions is estimated at $400 million annually, or a total of $2 billion over the 5 years.

The depreciation provisions, applied to new acquisitions of business plant and equipment, would supplant Treasury determination of property lives under Bulletin F by substituting six broad statutory classifications of depreciable property. In actual experience many taxpayers have used, with Revenue Service approval, shorter property lives than provided in Bulletin F, and the aim in the legislation is to measure the reduction in lives from average actual experience.

In practical effect, the new lives available for use in regard to property acquisitions in the fifth and succeeding years would permit an average increase of one-third in the rates of depreciation allowances. These increases would come on top of the liberal allowances in early years under the sum-of-the-year's digits and double declining balance methods, made available to taxpayers through the 1954 Revenue Code, and the extra first-year allowance granted to small business taxpayers in the legislation of 1958.

While the long-range effect of depreciation speedups is to defer and not eliminate tax liability, the short-to-medium-range effects are the same as that coming from any type of tax reform.

On the basis of rough data we have estimated the revenue effect of these depreciation changes at up to $600 million annually, or up to $3 billion over the 5-year period. It is estimated that approximately 75 percent of the tax savings would go to corporate taxpayers, and 25 percent to unincorporated business taxpayers.

Potentially, corporate profits are a major source of new venture capital. The potential derives from two factors: First, profits retained within a corporation increase the stockholder's equity and hence are venture capital; and, second, people who own stocks could normally be expected to invest a large part of dividend income in new equities.

In recent years the first factor has been negated in large part because of the overstatement of corporate profits due to inflation. This results because depreciation charges are stated in dollars of original investment, instead of in dollars reflecting replacement cost. The difference, which is subject to the tax on profits, has to be made up out of retained profits in order to maintain intact the present value of investment. Only the remaining profits are available for net new investment in plant and facilities. This problem is aggravated by the required spreadout of depreciation allowances over unrealistically long periods of time.

Under these conditions, it is understandable there would be advocacy of legislative action to compensate for the inflationary impact on profits by increasing depreciaton allowances to reflect replacement instead of orignal cost. Such a procedure, however, would run counter to the purpose of our legislation, which is to stop inflation, not compensate for it. There are other reasons why it would not be feasible to incorporate a replacement cost formula, namely: the revenue effect would be so large as to prevent any contemporary reduction in corporate rates, as well as some of the reduction in individual rates contemplated in our bills; the tax reduction dollars involved would go entirely to establish enterprises without improving the depreciation situation of enterprises still in the development and initial expansion phases; and it would leave unresolved and even aggravate the problem of excessive property lives.

On the other hand, reduction of property lives as provided in our legislation would contribute to forces for stopping inflation; can be accommodated by forgoing a reduction of only 5 percentage points in the corporate tax; would benefit enterprises in accordance with the rate of new investment regardless of preceding development; and would constitute a major step toward a permanent solution to the problem of excessive property lives which otherwise could become intolerable under the rapid advance of technology. Moreover, as additional tax reduction opportunities open up, this procedure may be readily expanded to accomplish a total reduction of say 50 percent in property lives which would mean a doubling of depreciation allowance rates. As a final point, when this procedure brings property lives down to realistic levels, there would be eliminated one of the areas of persistent conflict between taxpayers and the Revenue Service involving tremendous time and cost on the part of both.

As regards the second factor mentioned above, stockholder reinvestment of dividend income is now largely prevented by the steeply climbing rates of individual tax. This situation would be greatly improved under the moderate individual rate scale provided in our bills.

THE CAPITAL GAINS TAX

In accordance with the precedent already established on the sale and repurchase of homes, our bills make statutory provision for tax-free transfer of capital by individuals, but not by corporations, from one investment to another when the transactions are completed within the taxable year, and the investments sold have been held by the taxpayer for at least 6 months. The result would be a deferral of tax on long-term gains until such time as the taxpayer disinvests. We have included this application of the rollover principle in the legislation since the only possible justification for taxing at any time the proceeds from sale of a long-term investment is that the seller is disinvesting

with the intention of using capital gains as income for consumption purposes.

Recognizing that consideration of this kind of procedure for prospective effectuation could result in an inflationary buyer's market for securities and other producing properties, as present owners held back from selling in the expectation of tax deferral on later sales, we have set the effective date for this provision as of January 1, 1959. Data are not available from which the revenue effect of this provision can be systematically calculated, but it could not be too large because of the exclusion of corporate transactions and also some other types of transactions, such as sale of timber-cutting rights as distinguished from the property itself, now classed as capital gains. The total revenue effect might go as high as $1 billion, but conceivably could be as low as half a billion dollars.

Whatever the revenue effect, there would be a complete offsetting increase in the availability of new capital. A tax on a capital gain from investment is a tax on capital, and the existing supply of capital is diminished by the amount of the tax. Capital so destroyed must be replaced by new capital accumulated out of current income, before there is a net addition to capital supply for new investment.

In addition to decreasing the existing supply of capital, the fact of a tax on capital gains serves to reduce the mobility of capital, since it defeats the investor's judgment where the reasons for transferring capital from one investment to another do not outweigh the tax consideration. Capital immobilized in this way is described as locked in. The result is particularly serious as regards new and small business since, other things being equal, it restricts movement of funds from ownership in well-established businesses to more venturesome enterprises involving the prospect of greater return. Thus, the capital gains tax serves to compound the prohibitive barrier of the graduated individual tax to the starting and development of business.

ESTATE AND GIFT TAXES

Instead of establishing a new formula for setting tax rates on estates and gifts, our bills would simply bring the top rate of estate tax down to 47 percent to coincide with the top rates of individual and corporate tax after 5 years, and consistent with the present relationship, reduce the top rate of gift tax to three-fourths of this figure, or 35.25 percent. All lower rates would be reduced in proportion. Thus, as set forth in appendix D, the estate tax rates would range by taxable brackets from 1.75 to 47 percent, compared with the present 3 to 77 percent, and the gift tax rates from 1.25 to 35.25 percent, compared with the present 2.25 to 57.75 percent.

These new rates would become effective on the day following enactment of the legislation. Because of the normal delay between the occurrence of death and payment of estate tax, the revenue effect of the legislation would not be significant in the first year. Thereafter, it is estimated the effect would be no more than $400 to $500 million annually.

Since a death or gift tax is a tax on capital these are but modest reductions in destructive rates. As with the capital gains tax, the net reduction of capital through estate and gift taxes can only be restored by withdrawals from new savings out of current income.

The high rates have been championed as a means for breaking up and redistributing the wealth represented in large estates. To the extent of the tax, however, capital is destroyed and not redistributed. Actually, the high rates have resulted in transfer of the bulk of many large estates to tax-exempt trusts and foundations. Instead of dispersing ownership, such transfers have created a new kind of concentration which, unlike individual ownership, is self-perpetuating.

In its competitive-free economy, operating under the protection of the antitrust laws, America does not face the social dangers of concentration of wealth which have plagued other less dynamic societies. The higher the rate of economic growth, the greater will be the diffusion of income and new wealth throughout the population.

Actually, exorbitant rates of estate and gift taxes are a major tax cause of the merger of family and other closely held businesses with larger concerns. They complete the blow initially dealt the formation and development of new businesses by the graduated income tax.

FISCAL ASPECTS OF LEGISLATION

Mr. Speaker, it is our opinion that reform of the tax rate structure is of such urgent, overriding necessity in the national interest that it must not be further delayed for any reason. We further believe there could be no question but that, with enactment of this legislation, economic growth over the next 5 years would be adequate to offset the revenue effect of the legislation with a comfortable margin left over. It is roughly calculated that each 1 percent annual increase in the rate of economic growth, as measured by gross national product, will produce a billion dollars in additional Federal revenues. It is also estimated that the revenue effect of our bills would average out at less than $3.5 billion annually, or the equivalent of revenue increase which would come from roughly a 3.5-percent rate of economic growth. Thus, if with enactment of this legislation economic growth should average 5 percent annually over the next 5 years, there would be an average annual surplus of revenue increase of at least $1.5 billion over the requirements for effectuating the reforms provided.

Nevertheless, we recognize that the case for enactment must stand up against two natural questions.

The first would involve the danger that Government spending would increase so as to encumber the revenue gain from economic growth, whether or not induced by tax rate reform. The second question would involve the matter of timing, namely, whether any legislation should be enacted effectuating tax rate reductions in advance of our achievement of budget balance with a surplus in sight.

SPENDING VERSUS TAX RATE REFORM

In regard to the first question, the fundamental purpose of forward scheduling of income tax rate reductions, and depreciation rate changes, is to permit business planning, including the starting and development of business, in the knowledge of a more favorable tax climate in succeeding years.

In addition, forward scheduling would set up competition against encumbering revenue increase with new spending commitments, thus greatly increasing the likelihood that specific tax rate reductions will be possible within the framework of budget balance. Moreover, as with the earlier bills, we have provided a safeguard in the form of postponement procedures to guard against a renewed wave of deficit spending.

Taking the President's 1960 budget estimate as the benchmark, the legislation provides that income tax rate reductions may be postponed after those to be effecuated as of January 1, 1959. Postponement would be made in the event of determination as of November 15 in any year that spending for the fiscal year is running in excess of $77 billion, and a state of budget unbalance is threatened.

In view of the clear case in the national interest for giving absolute priority to tax rate reform, we offer these postponement procedures with some reluctance but in the hope that they will continuously induce, on behalf of the executive branch and the Congress, the utmost discipline and prudence in regard to spending.

The legislation places the responsibility for initiating postponement in the hands of the President. Balance has been struck as between the Congress and the executive in the final exercise of postponement authority.

While the postponement procedures may be applied separately as between corporate and individual tax rate reductions, every postponement of an individual tax rate cut must be accompanied by a postponement of a corporate tax cut. The only limitation on this linkage is where the result would be to postpone a corporate reduction for more than 1 year.

The bill further provides that each scheduled reduction in either the individual or corporate tax may be postponed for only 1 year with the schedule of subsequent reductions also being moved ahead 1 year. Thus, if spending should not be kept under control, it would be possible to space out the income-tax cuts over a maximum period of 9 years without new enabling legislation.

INFLATION VERSUS TAX RATE REFORM

The second question, that of enacting tax rate reductions in advance of budget balance, stems from the belief that such action would be inflationary.

Putting the first income tax rate reductions, and depreciation changes, into effect on January 1, 1959, would have minimal revenue effect in fiscal year 1959,

but perhaps $4 billion revenue effect in fiscal year 1960. In addition, expansion of the rollover principle in the capital-gains tax would have an effect on revenues in fiscal year 1960 of perhaps somewhere between $500 million and a billion dollars. It would appear superficially that these tax actions would unbalance the 1960 budget, on the basis of the President's estimates, by an amount over $4 billion, but such a result is problematical.

In the first place, the President's revenue estimates for fiscal 1960 have been made on the basis of recovery trends which have not extended to business investment in plant and equipment and which leave with us a nagging problem of unemployment. It is possible that expansion in the use of current production facilities will carry overall economic activity to a point of producing up to $77 billion in revenue, but such a level of production would not be long sustained in the absence of sharp revival in capital formation.

In the second place, even with the lag in rate of investment in plant and equipment, our economy under present tax rates is pressed to find savings out of current income adequate to meet current demand. It seems probable that any sharp setup in the rate of business investment would be short-lived because of the inadequate rate of new capital accumulations.

Since we cannot continue to tolerate an inadequate rate of new investment, as this would in reasonable time prove self-defeating even insofar as Federal revunes and deficits are concerned, we come to the conclusion that a good beginning on tax rate reform is the first step to insure a positive closing of the deficit gap and then keeping it closed.

We cannot fight inflation by keeping the tax brakes on economic growth.

This conclusion may be further buttressed by two different propositions. The first starts with the fact that we would not now be running a deficit except for the lag in economic growth. Specifically, if in spite of existing tax rates we had been able to achieve economic growth at the historic average of 4 percent, instead of the actual average of 3 percent, in the 5 years ending with fiscal 1957, the revenue total in that year would have been some $5 billion higher or $76 billion instead of $71 billion. If such a trend had continued through 1958, revenues would have reached $80 billion, which would have meant a budget surplus of $8 billion in that year. If continued through fiscal 1959, the revenue total would be some $84 billion or $3 billion more than enough to balance the budget. Of course, if growth had been achieved and maintained through the present at a 4 percent rate, the budget would not now include expenditures which have been recession inspired, and the surplus would be greater than $3 billion.

The second proposition requires understanding of the forces for continuous or repetitive inflation. The deficit spending of World War II greatly boosted the money supply and was the principal force for inflation for several years thereafter. Contrary to general impression, however, total budget operations in fiscal years after World War II ended have not been a net contributor to inflation. Combining all Federal accounts, the Government actually collected from the people approximately $19 billion more than it paid out to them, in fiscal years 1947 through 1958. Even when the estimated cash deficit of over $13 billion for fiscal year 1959 is added in, a cumulative cash surplus from 1947 on of nearly $6 billion is shown.

This analysis is not intended to divert attention from the seriousness of budget deficits, nor of the obligation of the executive branch and the Congress to exercise the utmost restraint in budget making and spending. It does, however, make us look elsewhere to identify the instigating forces for inflation in recent years.

Inflation in recent years has reflected the constant tendency of wages as a whole to increase faster than national productivity, thus forcing a constant increase in labor costs per unit of output. The current recession, and hence the current deficit, came when the inflation produced by increasing unit-labor costs overran money supply.

However, the increases in unit labor costs would have been less if increases in national productivity had been greater. It may be that the contemporary trend in wage increases would be too great under any circumstances, but we know that the American appetite for an increasing standard of living creates pressures for a steady increase in wage and salary rates.

Thus, while there is and will remain need for the utmost restraint by unions and management in determining general wage increases, to concentrate on this point without attention to the cause of inadequate growth in production and productivity would not solve the problem of inflation, or the recurring problem of recession, deficits, and then more inflation.

A great underlying force for inflation in our time is the continuing capital shortage, resulting in inadequate growth in production and productivity, and caused by punitive tax rates and methods.

For many years past, Federal fiscal policy has been based on short-term considerations from fighting inflation in one year to fighting recession in another, thus causing neglect of the problem of a revenue system dependent upon economically destructive tax rates. In retrospect we know this has been a self-defeating approach, resulting in repeated recurrence of fiscal crises stemming from retarded economic growth. Looking ahead, we can be certain that continuation of emphasis on short-range aspects of fiscal policy would be the most short-sighted of national policies.

If we will move now to enact comprehensive tax-rate reform, there is good reason to believe that the short-term revenue effect would be largely compensated for by a sharp upward trend in capital formation, and hence additional revenues, before the end of fiscal 1960. There could hardly be reasonable doubt that in succeeding years there would be full compensation, and in the long run we would be rid of the plague of recurring fiscal crises.

We must smother the forces for inflation with growth.

APPENDIX A.—*Individual tax rates*

Taxable income bracket [1] (thousands)	Present rates	Jan. 1, 1959	Jan. 1, 1960	Jan. 1, 1961	Jan. 1, 1962	Jan. 1, 1963
0 to $2	20	19	18	17	16	15
$2 to $4	22	20.5	19.5	18.5	17.5	16
$4 to $6	26	24.5	23	21.5	20	17
$6 to $8	30	28	26	24	21	18
$8 to $10	34	31	28	25	22	19
$10 to $12	38	35	32	28	24	20
$12 to $14	43	39	35	31	26	21
$14 to $16	47	42	37	32	27	22
$16 to $18	50	45	40	35	29	23
$18 to $20	53	48	42	36	30	24
$20 to $22	56	50	44	38	32	25
$22 to $26	59	53	47	40	33	26
$26 to $32	62	55	48	41	34	27
$32 to $38	65	58	51	43	36	28
$38 to $44	69	61	53	45	37	29
$44 to $50	72	64	56	47	38	30
$50 to $60	75	66	57	48	39	31
$60 to $70	78	69	60	51	40	32
$70 to $80	81	71	62	52	41	34
$80 to $90	84	74	64	54	44	36
$90 to $100	87	76	66	56	46	38
$100 to $150	89	78	68	58	48	41
$150 to $200	90	80	70	60	50	44
$200 and over	91	82	72	62	52	47

[1] After deductions and exemptions. Applies to single persons, married persons filing separate returns, and split incomes of husbands and wives filing joint returns.

APPENDIX B.—*Tax computation tables—Individuals*

If the taxable income[1] is—	The tax—	
	Is: Present law	Will be: Year 1963
Not over $2,000	20 percent of the taxable income	15 percent of the taxable income.
Over $2,000 but not over $4,000	$400, plus 22 percent of excess over $2,000	$300, plus 16 percent of excess over $2,000.
Over $4,000 but not over $6,000	$880, plus 26 percent of excess over $4,000	$620, plus 17 percent of excess over $4,000.
Over $6,000 but not over $8,000	$1,360, plus 30 percent of excess over $6,000	$960, plus 18 percent of excess over $6,000.
Over $8,000 but not over $10,000	$1,960, plus 34 percent of excess over $8,000	$1,320, plus 19 percent of excess over $8,000.
Over $10,000 but not over $12,000	$2,640, plus 38 percent of excess over $10,000	$1,700, plus 20 percent of excess over $10,000.
Over $12,000 but not over $14,000	$3,400, plus 43 percent of excess over $12,000	$2,100, plus 21 percent of excess over $12,000.
Over $14,000 but not over $16,000	$4,260, plus 47 percent of excess over $14,000	$2,520, plus 22 percent of excess over $14,000.
Over $16,000 but not over $18,000	$5,200, plus 50 percent of excess over $16,000	$2,960, plus 23 percent of excess over $16,000.
Over $18,000 but not over $20,000	$6,200, plus 53 percent of excess over $18,000	$3,420, plus 24 percent of excess over $18,000.
Over $20,000 but not over $22,000	$7,260, plus 56 percent of excess over $20,000	$3,900, plus 25 percent of excess over $20,000.
Over $22,000 but not over $26,000	$8,380, plus 59 percent of excess over $22,000	$4,400, plus 26 percent of excess over $22,000.
Over $26,000 but not over $32,000	$10,740, plus 62 percent of excess over $26,000	$5,440, plus 27 percent of excess over $26,000.
Over $32,000 but not over $38,000	$14,460, plus 65 percent of excess over $32,000	$7,060, plus 28 percent of excess over $32,000.
Over $38,000 but not over $44,000	$18,360, plus 69 percent of excess over $38,000	$8,740, plus 29 percent of excess over $38,000.
Over $44,000 but not over $50,000	$22,500, plus 72 percent of excess over $44,000	$10,480, plus 30 percent of excess over $44,000.
Over $50,000 but not over $60,000	$26,820, plus 75 percent of excess over $50,000	$12,280, plus 31 percent of excess over $50,000.
Over $60,000 but not over $70,000	$34,320, plus 78 percent of excess over $60,000	$15,380, plus 32 percent of excess over $60,000.
Over $70,000 but not over $80,000	$42,120, plus 81 percent of excess over $70,000	$18,580, plus 34 percent of excess over $70,000.
Over $80,000 but not over $90,000	$50,220, plus 84 percent of excess over $80,000	$21,980, plus 35 percent of excess over $80,000.
Over $90,000 but not over $100,000	$58,620, plus 87 percent of excess over $90,000	$25,580, plus 38 percent of excess over $90,000.
Over $100,000 but not over $150,000	$67,320, plus 89 percent of excess over $100,000	$29,380, plus 41 percent of excess over $100,000.
Over $150,000 but not over $200,000	$111,820, plus 90 percent of excess over $150,000	$49,880, plus 44 percent of excess over $150,000.
Over $200,000	$156,820, plus 91 percent of excess over $200,000	$71,880, plus 47 percent of excess over $200,000.

[1] After deductions and exemptions.

APPENDIX C

Tax savings by taxable income[1] brackets, based on current income levels

Taxable income[1] bracket (thousands)	Taxable income (millions)	Present rates	New rates, end of 5 years	Tax savings (millions)
$0 to $2	$95,121	20	15	$4,756
$2 to $4	15,967	22	16	957
$4 to $6	6,590	26	17	593
$6 to $8	4,090	30	18	491
$8 to $10	2,826	34	19	424
$10 to $12	1,984	38	20	357
$12 to $14	1,563	43	21	345
$14 to $16	1,074	47	22	269
$16 to $18	842	50	23	227
$18 to $20	720	53	24	209
$20 to $22	571	56	25	177
$22 to $26	924	59	26	306
$26 to $32	910	62	27	318
$32 to $38	584	65	28	215
$38 to $44	421	69	29	168
$44 to $50	312	72	30	130
$50 to $60	299	75	31	131
$60 to $70	203	78	32	94
$70 to $80	149	81	34	70
$80 to $90	109	84	36	53
$90 to $100	82	87	38	39
$100 to $150	217	89	41	105
$150 to $200	95	90	44	44
$200 and over	231	91	47	102
Total	135,887			10,580

[1] After deductions and exemptions.

Tax savings by taxable income bracket groups

Brackets	Tax savings (millions)	Percent of total
$0 to $6,000	$6,306	59.6
$0 to $18,000	8,419	79.5
$50,000 and over	636	6.0

APPENDIX D

Rates of estate and gift taxes

Taxable estate or gift (thousands)	Estate tax rates		Gift tax rates	
	Present	Upon enactment	Present	Upon enactment
	Percent	*Percent*	*Percent*	*Percent*
0 to $5	3	1.75	2.25	1.25
$5 to $10	7	4.25	5.25	3.25
$10 to $20	11	6.75	8.25	5
$20 to $30	14	8.5	10.5	6.25
$30 to $40	18	11	13.5	8.25
$40 to $50	22	13.5	16.5	10.25
$50 to $60	25	15.25	18.75	11.5

Rates of estate and gift taxes—Continued

Taxable estate or gift (thousands)	Estate tax rates		Gift tax rates	
	Present	Upon enactment	Present	Upon enactment
	Percent	*Percent*	*Percent*	*Percent*
$60 to $100	28	17	21	12.75
$100 to $250	30	18.25	22.5	13.75
$250 to $500	32	19.5	24	14.5
$500 to $750	35	21.25	26.25	16
$750 to $1,000	37	22.5	27.75	16.75
$1,000 to $1,250	39	23.75	29.25	17.75
$1,250 to $1,500	42	25.5	31.5	19
$1,500 to $2,000	45	27.5	33.75	20.5
$2,000 to $2,500	49	30	36.75	23.5
$2,500 to $3,000	53	32.25	39.75	24.25
$3,000 to $3,500	56	34.25	42	25.75
$3,500 to $4,000	59	36	44.25	27
$4,000 to $5,000	63	38.5	47.25	28.75
$5,000 to $6,000	67	41	50.25	30.75
$6,000 to $7,000	70	42.75	52.5	32
$7,000 to $8,000	73	44.5	54.75	33.5
$8,000 to $10,000	76	46.25	57	34.5
Over $10,000	77	47	57.75	35.25

Consideration of Immigration Matters

EXTENSION OF REMARKS

OF

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1959

Mr. DULSKI. Mr. Speaker, the proposal to transfer consideration of immigration matters in the House of Representatives from the Judiciary Committee to the Committee on Internal Security runs exactly contrary to the best American traditions.

It implies that the immigrant is a potential security risk or suspect, instead of a potential good American.

It tends to stop consideration of the immigrant as a man seeking freedom and justice—for these are factors that a judicial function considers—and instead makes of the immigrant a man possibly guilty of subverting our institutions, and therefore the business of a security committee.

The transfer of passport controls to such a committee is equally bad. Instead of keeping the emphasis on the right of every American citizen to travel, as a free man, the emphasis would now be placed upon the danger of any American citizen being allowed to move at will about the world.

The implications of such transfers of function thus run far beyond the administrative questions involved. They go to the very essence of the picture of freedom which we present to the world abroad, and to our people at home.

Even on the administrative level, however, immigration questions bear much closer relationship to the courts and the Department of Justice—and therefore to the Judiciary Committee—than they do to police or security functions. If any other interest were to be consulted, it would logically be that of the departments and committees charged with labor and economic questions.

The same is true respecting passport affairs, which fall basically within the area of the State Department and the Senate and House committees charged with the supervision of foreign relations.

Any departure from this logical distribution of authority could only be justified on the theory that a special police or security function is involved in these matters.

Review by Senator Fulbright of Walter Lippmann's Book "The Communist World and Ours"

EXTENSION OF REMARKS

OF

HON. HENRY M. JACKSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, February 2, 1959

Mr. JACKSON. Mr. President, I ask unanimous consent that there may be printed in the CONGRESSIONAL RECORD

a review by Senator J. WILLIAM FULBRIGHT of Walter Lippmann's book, "The Communist World and Ours."

The review, which appeared in the Washington Post of February 1, 1959, provides an excellent introduction to Mr. Lippmann's able and suggestive analysis.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

AS MR. K. SAID TO LIPPMANN

("The Communist World and Ours," by Walter Lippmann; reviewed by J. WILLIAM FULBRIGHT, chairman of the Senate Foreign Relations Committee)

No man has contributed more to the thoughtful considerations of the American scene than has Walter Lippmann during his long and distinguished career. He has a genius for extracting the essential threads of meaning from complex and confusing circumstances. In domestic affairs, his analysis often clarifies the abstruse and puzzling questions which arise from our complicated system of government.

This latest book in the field of foreign affairs from Mr. Lippmann's pen does not offer a cure for all the ills which afflict our relations with the U.S.S.R., but it does make some sensible suggestions regarding those relations. International affairs may not yield quite so readily as do domestic affairs to logical analysis, but understanding of statecraft and a feeling for the traditions of organized societies have produced in this instance, an interesting, a useful, and a provocative volume.

This work is divided into two parts, the first being the interview with Khrushchev and the second the author's own views and policy suggestions.

Mr. Lippmann's report of the interview is objective and matter of fact, but he conveys an interesting and lively impression of a powerful and ominous man. Khrushchev, he says, was quite relaxed and had none of the symptoms of a busy and preoccupied man.

In the anteroom to his office there were no guards, no people waiting, no secretaries carrying papers, no newspapermen, and there was none of the hustle and bustle which usually prevails in the outer rooms of busy and important officials. Under such conditions a man can think, and a man who directs a powerful nation with the ability and the opportunity to think can be a formidable and troublesome antagonist.

Khrushchev believes, says, Mr. Lippmann, that American policy rests on an obsolete estimate of the existing balance of military power, because our forward bases in Germany and Turkey cannot be defended against Russia's rockets. However, communism, according to Khrushchev, is not a danger as a military policy, but as an ideology * * *. We—the Communists—will cause you, the Americans, more trouble each year.

Under the new 7-year plan, the Communists expect to surpass the United States in per capita production. The United States, says the master of the Kremlin, is living the last years of its greatness.

One of Khrushchev's principal complaints against the United States was that we are contributing to the remilitarization of Germany. He warned that such a policy could well result in Germany being destroyed or more probably joining the U.S.S.R. in order to avoid destruction by nuclear missiles.

Perhaps the most significant revelations of the interview were Khrushchev's concern about German affairs and his confidence in the power and effectiveness of his missiles of intermediate range.

The cause of our bad relations with Russia, Mr. Lippmann says, is the suspicion each side holds that the other side intends to commit aggression. This suspicion arises from the belief that in the long run neither side can tolerate the other.

In spite of all the propaganda to the contrary, we do not inhabit one world, says Mr. Lippmann. But looking at the history of the globe, the truth, as I see it, is that there has never been one world, that there has never been a universal state or a universal religion.

So, he concludes, we should not approach this conflict as if it were a religious war in which the contending positions are absolute. Such a policy leaves no room for maneuver, for diplomacy, for statesmanship, or in short no hope for any solution except total war.

Mr. Lippmann is not without hope, that is, if we keep our powder dry and keep plenty of it, as he advises us to do. But we must find a way to provide adequate armaments without working ourselves up into a frenzy of threats and fear and without insisting that all the smaller nations of the world line up on one side or the other.

The main threat of the Communist states lies not in their clandestine activity but in the force of their example. Their example of material achievements has especial appeal to the underdeveloped peoples of Asia and Africa, an appeal not easy for us to meet. He suggests that the only convincing answer to this challenge is for the West to help India match the achievements of China without sacrificing her free society.

In Europe, the critical area of the movement, we should strive to bring about the withdrawal of the Red Army gradually and with prudent safeguards. I think, says Mr. Lippmann, that we are missing the bus as long as we fail to identify ourselves with the idea of bringing to an end, however gradually, the military occupation of the European Continent.

Such sentiments only a short time ago aroused a storm of protest. They may again, but the less we plunge ourselves into hysterics, the more likely we are to take good care of our affairs, wisely concludes the author of this succinct and penetrating book.

Wool Act Should Protect Sheep Growers and Workers

EXTENSION OF REMARKS

OF

HON. ELMER J. HOLLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1959

Mr. HOLLAND. Mr. Speaker, as a member of the House Committee on Education and Labor, I have become acquainted with a serious problem of cut earnings and unemployment among sheepshearers in some Western States. This decrease in earnings and work is not due to economic conditions in the industry. Instead, it is the result of importing workers who labor under semipeonage conditions and undercut the wages of sheepshearers who have long lived and long worked in the areas.

The crews who are being imported into the woolgrowing areas from Texas are paid as little as one-fourth of the wages of the sheepshearers who live in the Rocky Mountain and west coast States. They are tied to the contractor who brings them into the wool areas because they owe him the money he has advanced them in the winter or nonshearing months.

The conditions of these crews who come into the woolgrowing areas to shear sheep is short of fantastic. They are crowded into trucks like cattle. They must sleep around the trucks. They are provided only the lowest quality foods.

This exploitation of substandard living and working conditions has resulted in serious harm to the sheepshearers who live in the woolgrowing areas. Their jobs are being taken away. Their wage rates are being seriously undercut. They are finding it increasingly difficult to get work.

Mr. Speaker, I want to point out that these conditions exist while the Federal Government supports the earning of wool-growers. The Wool Act was enacted to put a floor under the earnings of the growers. It is aimed at allowing American growers to compete with foreign ones.

It is obvious that the growers have a protection which workers do not have. It is obvious that workers need the same sort of protection against imported labor, which undercuts their wages, as the growers have protection against imported wool whose price undercuts their income.

I sincerely hope that legislation to protect sheepshearers will be enacted by Congress. If we are to protect one part of the wool industry, we must protect the other also.

In the past, I, as well as many other Representatives from urban areas, have voted for the Wool Act and other measures which aided the wool industry. I am certain that these city Congressmen believed, as I did, that our votes would help not only the woolgrowers, but also the workers who shear the sheep.

Workers should certainly have the same protection which the growers have. This is simple justice. If the growers opposed legislation to provide fair labor standards for the workers, I would certainly reconsider my position toward the Wool Act. I would see little justice in renewing the act, as we do every 3 years.

I am certain, Mr. Speaker, such a situation will not come about. I hope legislation to protect the earnings of sheepshearing workers will be enacted, just as legislation now exists to protect the earnings of woolgrowers.

Need to Supplement Surplus Commodities

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1959

Mrs. KEE. Mr. Speaker, during last week I joined with Senators RANDOLPH and BYRD of West Virginia in introducing legislation to direct the Secretary of Agriculture to use $200 million to purchase foods to supplement the surplus commodities now being distributed to needy citizens.

This legislation is of particular interest to West Virginia, Mr. Speaker. Our

State is in the unfortunate position of having 306,000 people dependent upon these surplus commodities for their food supply. At present, only butter, flour, meal, rice and dried milk are available for distribution.

The unfortunate families of West Virginia and the rest of the Nation who must, because of no fault of their own, rely upon this food supply, are not getting anywhere near an adequate diet. The West Virginia Department of Health has stated that the diet, as now constituted, provides only 26 percent of the needed calories, 36 percent of the necessary protein and 46 percent of the required calcium.

Mr. Speaker, the Secretary of Agriculture should be in a position to purchase other foods as they become available to supplement this diet. At present, he does not have such authority. The legislation I introduced will give it to him.

The plight of these 306,000 West Virginians, dependent upon surplus Government-owned farm commodities for their food supply, emphasizes the need for a program to assist distressed economic areas such as West Virginia.

The providing of food, as essential as it is in the present emergency, is at best only a stopgap measure. What is needed is a program to attract industries which will provide jobs for these people. We are all familiar with the story of how employment in coal mines and on railroads has declined steadily in recent years. These men must be given new opportunities.

Congress is going to pass legislation in this field. The legislation would provide loans and grants for the economic rehabilitation of distressed areas. The jobs such a program would create will make surplus food programs unnecessary in the long run.

But in the meantime, Mr. Speaker, we should at least provide a subsistence diet for people who are forced to depend upon surplus commodities for food for their families.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my newsletter of January 31, 1959:

WASHINGTON REPORT
(By Congressman BRUCE ALGER, Fifth District, Texas)

JANUARY 31, 1959.

The President's labor message to Congress contained various commendable provisions to remedy labor leaders' abuses and excesses, suggesting: (1) Unions to file annual public reports concerning financial transactions with the Secretary of Labor; (2) filing of union constitutions and bylaws; (3) keeping of proper records, open to the Government and union members; (4) proper administration of union funds; (5) the right of secret ballot by union members; (6) imposition of criminal penalties for violations of the law (bribery, embezzlement, records destruction, false entries, etc.); (7) prevention of secondary boycotts; (8) recognition of coercion or blackmail picketing as illegal.

These legislative requirements are tougher than the Democrat bill of last year and the newly introduced Democrat bill of this year, but at best they comprise a minimum labor law. What we need, in addition, is a law to put labor unions under the antitrust law and subject to all the laws which govern our citizens (not above and beyond the law as labor unions are at present). Such a law is urgently needed to protect union members themselves from their own leaders.

A comprehensive tax reform bill is another urgent Federal legislative need. The progressive confiscatory tax, never intended by the originators of our Nation's income tax, is killing incentive and drying up risk capital. When incentive goes, free enterprise will die. When risk capital becomes scarce, Government loans enter the scene. In both cases, socialism blooms while the heavy-laden taxpayer gives up property and loses freedom. To a degree this is the United States' situation today. To whatever degree we are encouraging socialism by tax burdens, at the expense of personal freedom and free enterprise, we must alter the income tax law. Yet such alteration in the closely knit Government-business relationship must necessarily be accomplished gradually, with maximum foresight and planning. The changes effected must not disrupt business nor inflate or weaken our currency through deficit spending, as a result of precipitously reduced income to Government.

So I joined others in sponsoring the bipartisan tax reform and reduction bill known as the Herlong-Baker bill. The bill provides: (1) A gradually reduced individual and corporate income tax rate over a 5-year period (individual—lowest bracket down from 20 to 15 percent; highest—91 to 47 percent; corporate—1 percent per year); (2) a more realistic depreciation rate; (3) decreased estate and gift taxes; (4) deferral of capital gains tax until taxpayer disinvests. At the end of the 5-year period further tax changes could be made to remove the tax burden and stimulate economic growth. The loss of Government income, which always must be considered in tax cuts, would be more than offset by business growth which in turn provides more tax revenues. This seemingly contradictory anomaly has been established by earlier tax cuts providing the wisdom and incentive of such action. So it is that by preserving incentive and building risk capital, we can surpass any Russian effort (no matter how great) that is based on government tyranny. If we try to emulate Russia by government regulation, control, and confiscatory progressive taxation, which is Russia's blueprint for destroying free enterprise societies, we just commit suicide. Unfortunately, many citizens and some Congressmen, as I see it, do not even recognize the danger, much less the solution to the problem. This tax bill provides a solution, it seems to me.

Controversial subjects now being discussed here for legislative attention, in addition to tax and labor reform, include agriculture, housing, airports, depressed areas and school construction—all requiring more Federal money, more stipulated Federal terms, more Federal control—at the expense of local and State jurisdiction and the balanced budget.

As we embark legislatively in a new Congress, I think the time has come for both political parties to state their principles. Surely, Members of Congress should know and adhere to a basic concept of the role that Federal Government should play in our lives—rather than competitively bidding for votes, or entering name-calling contests, solely on the strength of a name—Republican or Democrat—without a basic definition of principles. It is my hope that in the days ahead, members of both parties will stay with basic American concepts in defining the Constitution, and will decide legislative issues with an eye to the strictly limited role assigned the Federal Government by the Constitution, thus preserving states rights and the importance of the individual citizen.

"A wise and frugal government, which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government" (Thomas Jefferson, inaugural address, March 4, 1801).

Bank Merger Bills

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. CELLER. Mr. Speaker, I have today introduced two bills which would ban any bank merger or consolidation whose effect in any section of the country may be substantially to lessen competition or tend to create a monopoly.

The first of these bills would amend section 18(c) of the Federal Deposit Insurance Corporation Act. It would—

First. Expand provisions of existing banking laws so as to require prior approval by the Comptroller of the Currency, the Federal Reserve Board, or the Federal Deposit Insurance Corporation of every bank merger or consolidation involving insured banks.

Second. Prohibit the appropriate Federal bank supervisory agency from approving any bank merger or consolidation where the effect in any section of the country may be substantially to lessen competition or tend to create a monopoly.

Third. Make it necessary for the appropriate Federal bank supervisory agency to obtain the views of the Attorney General respecting the competitive phases of the transaction and require the Attorney General to submit his views within 30 days.

Fourth. Require the appropriate Federal bank supervisory agency to give notice and opportunity to be heard to the appropriate supervisory authority of the interested State in the event the transaction involves State banks.

Fifth. Incorporate a so-called antitrust savings clause for bank mergers similar to that governing bank holding companies thus making it clear that applicable provisions of the antitrust laws pertaining to banks are not to be superseded.

The second bill would close a loophole in section 7 of the Clayton Act as amended by the Celler-Kefauver Act of 1950, and prevent bank mergers achieved by acquisition of assets where the effect may be substantially to lessen competition or tend to create a monopoly in any section of the country.

Section 7 of the Clayton Act, as amended in 1950 by the Celler-Kefauver Act, covers bank mergers achieved by stock acquisitions, but fails to cover bank mergers accomplished by means of asset acquisitions. This gap in existing law has no logical basis in view of the fact that the purchase of assets has an even more enduring effect than a purchase of stocks and thus is even more inimical to competition. The bill would plug this gap in existing law and provide the Federal Reserve Board and the Attorney General with the same enforcement authority under the Celler-Kefauver Act to move against asset acquisitions by banks as against stock acquisitions.

All bank mergers whether accomplished by acquisition of stock or assets are circumscribed by the provisions of the Sherman Act of 1890 which prohibits combinations in restraint of trade, attempts to monopolize or monopolization of trade or commerce. Illegality under section 1 of that act is established by proof that the merger has actually resulted in an unreasonable lessening of competition. Section 7 of the Clayton Act, as amended by the Celler-Kefauver Act, requires, on the other hand, only a reasonable probability of a substantial lessening of competition. Hence the bill would enable the antitrust enforcement agencies to cope more effectively with the mounting trend of bank merger activity. The bill is similar to H.R. 5948 which was introduced by Mr. CELLER in 1955 and approved by the House of Representatives that year without dissent. The Senate did not, however, take final action on the measure.

Amendment of both the banking laws and the antitrust laws would assure that Federal officials apply the same competitive test to all bank mergers. In general, the bills would make applicable to the acquisition of a bank by another bank competitive principles which, under the Bank Holding Company Act of 1956, now govern the acquisition of banks by holding companies.

These bills would establish a uniform competitive test for all bank mergers and forestall approval of any whose effect might be substantially detrimental to competition.

Legislation of this kind is vitally needed in view of the rash of mergers that has been taking place among banking houses in recent years. In the period from 1950 through 1958, for example, a total of 1,232 mergers have been completed, resulting in the disappearance of many strong, competitive, sizable financial institutions.

In large part because of bank-merger activity, concentration of the Nation's banking facilities has reached a point where a few large banks control a disproportionate share of total loans and deposits. Thus the 100 largest banks control more than 48 percent of the Nation's bank deposits. What is more, in 10 of the Nation's 16 leading financial centers, 4 banks own more than 80 percent of all commercial assets. Indeed, in each of the 16 leading financial centers, the first 2 banks own more than 40 percent of all the commercial assets; the first 4 banks, 60 percent.

The bank-merger trend has become, as the Federal Reserve Board stated, a matter of deep concern, particularly since competition is one of the strongest single factors which safeguards a sound banking system. The proposed merger of Guaranty Trust-J. P. Morgan exacerbates this situation. Permitted to be consummated, it would seriously affect the competitive banking structure of New York City. Our Antitrust Subcommittee will continue to keep a watchful eye on all developments in this matter. It is gratifying that another proposed merger in New York City between Manufacturers Trust and Bankers Trust has been called off. This transaction would have had equally grave consequences.

The President, recognizing the seriousness of the bank-merger problem, has in his recent Economic Report transmitted to the Congress in January 1959, repeated his recommendation that Congress act favorably on legislation to authorize Federal regulation of the merger of banking institutions accomplished through the acquisition of assets.

The measures I have introduced not only would carry out this recommendation, they would provide an effective accommodation as between the requirements of the banking and the antitrust laws.

Reimbursement of the State of California

EXTENSION OF REMARKS

OF

HON. CECIL R. KING

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1959

Mr. KING of California. Mr. Speaker, I submit for inclusion in the RECORD, under leave to extend my remarks, a memorandum dated June 5, 1958, in regard to H.R. 10443, 85th Congress, introduced by me. This memorandum was prepared for the Honorable JOSEPH M. MONTOYA, at his request, for use at the hearings on that bill. I have reintroduced the same bill, H.R. 827, of the present 86th Congress:

In order to provide for reimbursement of the expenditures of the various States in responding to requisitions for troops, Congress passed an act approved July 27, 1861, 12 Stat. 276, as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, directed, out of any money in the Treasury not otherwise appropriated, to pay to the governor of any State, or to his duly authorized agents, the costs, charges, and expenses properly incurred by such State for enrolling, subsisting, clothing, supplying, arming, equipping, paying, and transporting its troops employed in aiding to supress the present insurrection against the United States, to be settled upon proper vouchers, to be filed and passed upon by the proper accounting officers of the Treasury."

By resolution approved March 8, 1862, 12 Stat. 615, to assure prospective as well as retroactive application of this statute, Congress provided: "That the said act shall be construed to apply to expenses incurred as well after as before the date of the approval thereof."

Congress also provided by joint resolution approved March 19, 1862, 12 Stat. 616, as follows:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That if any State during the present rebellion shall make any appropriation to pay the volunteers of that State, the Secretary of War is hereby authorized to accept the same, and cause it to be applied by the paymaster general to the payments designated by the legislative act making the appropriation, in the same manner as if appropriated by act of Congress; and also to make any regulations that may be necessary for the disbursement and proper application of such funds to the specific purpose for which they may be appropriated by the several States."

The following regulations pertaining to reimbursement of the expenditures of the States were promulgated by Secretary of the Treasury Chase:

"8. Bounties or donations to men, or their families, to induce men to volunteer, will not be recognized. Such bounties as may be authorized by law will be paid by the United States directly to the men authorized to receive them. Voluntary contributions, either by States or local corporations or by individuals, in aid of families of volunteers, etc., constitute no charge against the United States, and will not be refunded."

Congress viewed this legislation as sufficient authority to reimburse California for bounties and extra pay (see House report, pp. 46, 48, 49):

"It is not apparent how the requirements shown in section 8 of these rules necessarily flow from and are in accord with the intent of the act of Congress.

"If it is to be inferred from the interpretation put upon this act by the Secretary of the Treasury that the expenditures were not proper if they constituted bounties * * * such a conclusion cannot really follow from anything in the act itself * * *.

"The expenditure made by the State of California * * * was not a bounty in any proper sense.

"Had it not been for this particular paragraph 8 of the so-called Chase regulations, so narrowly interpreted, the legislation enacted by Congress on July 27, 1861, would have been sufficient long ago to have enabled the Secretary of the Treasury to have settled the requests for reimbursement on behalf of the State of California.

"It is only upon such a technicality presented under the so-called Chase regulations, narrowing and limiting the plain intent of the act of 1861, that up to the present the State of California remains unreimbursed.

"Congress * * * swept aside this technical construction of the act of 1861 under the Chase regulations, which the Army officers themselves stated were unjust and inequitable to apply thereto."

The California Soldiers' Relief Fund was insufficient to cover all claims filed by its enlisted volunteers, and the California Legislature by an act approved March 31, 1866 (Statutes of California, 1865–66, at 640), appropriated the additional sum of $550,000 for the payment of the claims of California volunteers accrued or to accrue under the provisions of the act of April 27, 1863, and the State treasurer was authorized and required to transfer that amount from the general fund to the solders' relief fund.

By an act approved March 31, 1866 (Statutes of California, 1865–66, at 604), the California Legislature provided that the remainder of extra pay claims after the exhaustion of the additional appropriation of $550,000 should be paid out of the soldiers' bounty fund which was created by the legislation hereinafter referred to in finding No. 32.

EXTRA PAY TO VOLUNTEERS

Pursuant to said acts, the State of California expended the principal amount of $1,459,270.21 as extra pay to the California volunteers for their services in the United States Army. In addition, California expended $3,000 to print the relief or extra pay bonds.

By April 1864, the time was approaching when the enlistments of many volunteers raised in California in the early part of the war would expire. The California volunteers in the United States Army were occupying important stations throughout the Far West, and it was obvious that it was a matter of necessity to retain them in the service by reenlistment or to replace them with new recruits. Despite the provision for extra pay, it was difficult to obtain sufficient enlistments to meet the additional calls made on California by the Federal authorities.

The probability existed that unless volunteer enlistments increased, the national draft would have to be applied in California as it had been in the East. The threat of the draft failed to stimulate enlistments.

By an act approved April 4, 1864 (Statutes of California, 1863–64, at 486), the California Legislature granted every soldier who should thereafter enlist as a California volunteer in the United States Army for 3 years, or during the war, a bounty of $160 in addition to any other pay or bounties to which the soldier might otherwise be entitled. To encourage reenlistments, it was further provided that a bounty of $140 be paid to every veteran soldier who had served more than 6 months in the United States Army, either honorably discharged therefrom or then serving therein, who reenlisted in any unit organized as a part of any quota of California.

To pay the bounties, the California Legislature created the soldiers' bounty fund by appropriating $2 million to be raised by issuance of bonds bearing interest at the rate of 7 percent per annum, redeemable July 1, 1884.

BOUNTY PAYMENTS TO VOLUNTEERS

The bounty payments made by the State of California pursuant to said act, amounted to the principal sum of $900,839.50.

INTEREST PAID ON EXTRA PAY AND BOUNTY INDEETEDNESS

The interest paid by the State of California acts of April 27, 1863, and April 4, 1889, on the original relief (extra pay) and bounty bonds, issued pursuant to the California acts of April 27, 1863, and April 4, 1864, to the date of their redemption or conversion at times prior to July 1, 1889, amounted to $302,364.60 on the relief bonds, and $366,206.26 on the bounty bonds, or a total of $668,570.86.

By an act approved April 2, 1870 (Statutes of California, 1869–70, at 646), the California Legislature authorized the issuance of bonds known as the State funded debt bonds of 1873, to bear interest at the reduced rate of 6 percent per annum, for the purpose of liquidating and refinancing the funded indebtedness of the State. Pursuant to said act, and on January 2, 1873, various new bonds were exchanged for relief bonds to the extent of $239,500, and for bounty bonds to the extent of $605,000. Thereafter and until July 1, 1889, the State of California paid interest on such new bonds in the sum of $233,025 on the converted relief indebtedness and in the amount of $598,950 on the converted bounty indebtedness or a total of $831,975.

The total interest payments to July 1, 1889, on the relief and bounty indebtedness amounted to the sum of $1,500,545.86.

After July 1, 1899, and until July 2, 1945, when all of the State funded debt bonds of 1873 were redeemed, the State of California paid interest on the new bonds issued in exchange for the original relief and bounty bonds, to the extent of $789,693.34 on the relief indebtedness, and in the sum of $2,032,900.85 on the bounty indebtedness, or a total of $2,822,594.19.

The total interest paid by the State of California on all bonds covering the indebtedness incurred to finance the extra pay and bounty payments amount to $4,323,140.05.

By an act approved May 27, 1902 (32 Stat. 207, 235), Congress provided that the claim of the State of Nevada be reopened and reexamined by the Secretary of the Treasury. As authorized thereby, the Secretary transmitted the claim to the Court of Claims for determination of disputed questions of law. In its opinion of March 14, 1910 (45 C. Cls. 254, at 271–86), the court upheld the Chase regulations and decided that Nevada could not recover bounties paid to officers for securing enlistments, extra pay provided to the Nevada volunteers, or interest paid on moneys borrowed for those purposes.

Thereafter, by an act approved March 4, 1929 (45 Stat. 2378), Congress authorized by direct appropriation the payment of such claims of the State of Nevada.

CERTIFICATION BY THE TREASURER OF THE STATE OF CALIFORNIA

Exhibit A

Amount expended in recruiting California volunteers	$24,260.00
Amount expended in payment of adjutant general, etc	38,083.17
Amount expended in organizing volunteers	5,639.34
Amount expended in pay of volunteer officers	23,277.34
Amount expended in extra pay to enlisted men of California volunteers	1,459,270.21
Amount expended in bounty to enlisted men	900,839.50
Total expenses of volunteers	2,451,369.56
Amount expended in payment of interest on moneys borrowed to carry out the provisions of laws of the State of California enacted Apr. 27, 1863, and Apr. 4, 1864	1,500,545.86
Aggregate expenses incurred on account of volunteers, principal, and interest	3,951,915.42
Amount expended on account of militia	468,976.54
Grand total of expenses on account of volunteers and militia	4,420,891.96

Exhibit B

Interest paid on moneys borrowed through the sale of State bonds issued under acts of Legislature of California approved Apr. 27, 1863 and April 2, 1870; (period of interest payments, July 1, 1889–Sept. 25, 1950),[1] aggregate	789,693.34
Interest paid on moneys borrowed through the sale of State bonds issued under acts of Legislature of California approved Apr. 4, 1864 and Apr. 2, 1870 (period of interest payments, July 1, 1889–Sept. 25, 1950),[1] aggregate	2,032,900.85
Discount on sale of State bonds issued under acts of Legislature of California approved Apr. 27, 1863, Mar. 18, 1864, Mar. 31, 1866, appropriating $1,459,270.21 for pay of troops; loss	100,512.00

Exhibit B—Continued

Discount on sale of State bonds issued under acts of Legislature of California approved Apr. 4, 1864, appropriating $900,839.50 for pay of troops (recruits and reenlistment); loss	$217,510.00
Total loss on account of discounts at which original bonds were sold and on account of the discount at which new bonds were given in exchange for original bonds	318,022.00

Recapitulation

Volunteers and militia, expenditures and advances	4,420,891.96
Discounts on sales and exchanges of State bonds	318,022.00
Interest paid on moneys borrowed through sale of State bonds, July 1, 1889–Sept. 25, 1950[1]	2,822,594.19
Amount repaid by the United States since July 1, 1889	None
Final balance due State of California	7,561,508.15

[1] All actual interest payments ceased on July 2, 1945, being the date of redemption of all bonds affecting this matter, therefore above calculations reflect actual interest payments to July 2, 1945.

Address by Hon. Richard M. Simpson at 73d Annual Meeting of the American Tariff League

EXTENSION OF REMARKS

OF

HON. JAMES B. UTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1959

Mr. UTT. Mr. Speaker, one of the most able and conscientious Members of this body was the recent recipient of an annual award by one of America's oldest business organizations. On October 29, 1958, the American Tariff League awarded its annual scroll of honor to Representative RICHARD M. SIMPSON, of Pennsylvania.

We are all aware, I am sure, of Congressman SIMPSON's consistent devotion to the maintenance of a strong and prosperous America and his almost prophetic concern with the problems that occur in the economic area. He has been an active proponent of all measures directed toward a stable industrial base for our country. He has for years devoted his energies to the creation of a sound, equitable taxation system and has just as vigorously opposed the perpetuation of unsound fiscal policies.

On the occasion of the Tariff League award, Mr. SIMPSON delivered an address, since reprinted in Vital Speeches of the Day, calling attention to the new crises ahead in world trade. I heartily recommend this speech to all Members as a portion of what we can expect in the days and years ahead.

Under leave to extend my remarks, I include the text of the league's award as well as the text of his address. They follow:

THE AMERICAN TARIFF LEAGUE ANNUAL SCROLL OF HONOR, 1958

The American Tariff League, Inc., at its 73d annual meeting salutes the Honorable RICHARD M. SIMPSON, U.S. Representative from the 18th Congressional District of the Commonwealth of Pennsylvania, who has served continuously, beginning with the 75th Congress in 1937, in the interest of a sound, strong, and prosperous United States of America.

Representative SIMPSON has devoted his legislative energies to the perfecting of his country's foreign trade and tax laws in ways that would assure the growth of a dynamic economy and would prevent the corrosive effect of unsound fiscal policies. His high position on the Committee on Ways and Means of the House and the friendly respect in which he is held by his fellow House Members of all parties have combined to make his voice important in Government councils. In addition, his own party in the House has demonstrated its regard and confidence in Representative SIMPSON by entrusting to him for several years the leadership in their political campaign efforts.

Representative SIMPSON in the last four Congresses has courageously lent his name and prestige, and gave unstintingly of his efforts, to legislation designed to afford adequate safeguards to American industry faced with injury due to the workings of our foreign trade policy. As a result, these safeguards now have an assured place in our laws.

In respect and appreciation for his great services to the American economy, and with its best wishes for his future expanding role in legislative and Government affairs, the American Tariff League, Inc., on October 29, 1958, unanimously resolves that this scroll of honor be presented to Representative SIMPSON.

WORLD TRADE: NEW CRISES AHEAD

(Talk by Hon. RICHARD M. SIMPSON at 73d annual meeting of American Tariff League)

I thank you sincerely for this splendid award—and for the singular honor of your friendship.

Your sincere good will is reassuring, particularly to one so fresh from the heat of congressional controversy.

It is always reassuring to see again that Americans really care, that they are truly interested in wise government, and in the people they send to Washington to serve their highest and most honorable interests.

As you well know, many of us differ as to just what these honorable interests are.

Are they, for example, best served by yielding a large measure of sovereign economic authority to a multinational body, in which our voice is only one of many?

Are they best served by inviting American manufacturers to take their capital and machines and jobs to other shores, as the most effective way to meet and beat the competition for the home market here?

And are they best served by inviting others to invade the world's most productive economy on terms that are clearly harmful to many of our industries and workers, terms lacking minimum wage guarantees, child labor prohibitions, and beyond the purview of our antitrust laws?

I don't think so. I know you don't think so. I know many other Americans don't think so.

I know something else, and that is that in the years just ahead a great many more Americans are going to find that they don't think so, either.

Far from being resolved in 1958, as some would have you believe, the great issues of international trade will intensify. Many critical decisions remain to be made in capitals around the world.

Foreign trade, moreover, is quite likely to occupy a prominent position on the agenda of the 86th Congress. Let me recount a few of the reasons why.

Issue No. 1 concerns a legal interpretation of Executive authority under the Trade Agreements Act. The Customs Court of New York has seriously challenged the supposed discretion of the Executive to modify recommendations of the Tariff Commission as he sees fit.

If this ruling is upheld, the Executive will be required either to accept or reject Tariff Commission findings as they stand, and he will be required to act within the time limit specified for these cases by Congress.

This issue may have to be resolved by legislation. If the Customs Court decision is sustained by higher tribunals, legislation is the likely recourse for those who seek to maintain Executive freewheeling in trade policy.

But no matter how the litigation ends, the case already has crystallized doubts in the minds of many, doubts which may be thoroughly explored and discussed in the next Congress.

Issue No. 2 calls up again the question of OTC, the proposed Organization for Trade Cooperation. Has the idea really been discarded by its advocates? Have they really found a way to reach the same goal by detouring around Congress, as the press has suggested?

This speculation grows out of what was said—and not said—by a leading United States delegate to the latest meeting of GATT. He said the United States was amenable to creating "stronger permanent delegations" to GATT in Geneva, presumably so that these delegations might assume duties previously foreseen for OTC. But he did not mention OTC.

This is still a subject of raw speculation. Those in a position to know the answers have remained silent. Meanwhile, the trial balloon is aloft, waiting to be pushed one way or the other by public opinion.

I need not remind you that two Congresses have rejected the principles of OTC. My conviction is that Congress will continue to reject OTC, camouflaged or otherwise.

Now, issue No. 3. And that is GATT itself, to which I have been a delegate. In my opinion, it is showing signs of wear and tear. Today it is challenged by a trading concept, the European Common Market, which is a contradiction of its basic principles.

There is talk of a watchdog committee to protect the interests of GATT's non-European members doing business in the Common Market. At the same time there is talk of new Common Market agreements elsewhere in the world.

The question is, where does the American manufacturer fit in? Equally important, where does the American workingman fit in?

A few weeks ago, at a meeting here in New York, the president of a large corporation told a group of chemical producers that only one course is open to American industry, and that is to establish plants in Western Europe.

He said this was the only way that American companies could compete in the Common Market and its system of "monopolistic free enterprise," to quote his own words.

Then, just last week, a spokesman for the State Department said the same thing. And that is particularly ironic, since it was by the same source that we were assured only recently that the Trade Agreements Act would strengthen our bargaining hand and prevent just such a situation.

There are other ironies attached to GATT. You probably noticed that the British delegate accused us of "bad behavior" in our trading policies. He was particularly incensed by the Administration's lead-zinc quota, and, as usual, he rebuked us for continuing a system of agricultural quotas which serve to stabilize our domestic farm market and safeguard the standard of living of our farm population.

He said the United States should take the lead in chopping down trade barriers and fostering the flow of goods between nations.

On the other hand, when it was believed that large profits were waiting behind the Iron Curtain for those who would come and get them, American leadership and considerations of Free World defense were shunted aside by these same allies.

Over our objections, the controls on strategic shipments to the Communists were peeled back at the insistence of merchants in Britain and other Western countries.

It boils down to this:

When it comes to sacrifice, the United States is exhorted by Sir David Eccles, Chief of the British Board of Trade, to furnish the momentum.

When it comes to opportunity, even the dubious opportunity of doing business with international warloards, the United States is asked not to stand in the way of progress.

We are used to this, of course. As acknowledged leader of the free world, and as the pillar of free world security, perhaps it is no more than right that we should give more than we expect to receive.

The fact is, we have accepted this burden of self-sacrifice, at tremendous cost to our citizens and our economy, even while attempting to disguise it as "reciprocity."

These are simply a few of the issues, the unsettled questions, facing us in the field of foreign commerce. There are others—the Soviet economic offensive, for example.

That the Soviets can severely disrupt world markets at their pleasure has been proven to us all. By dumping tin and aluminum on a large scale, the Communist provoked market upheavals that brought hardship to large and small nations alike.

In fact, these tactics proved so successful that they have been adopted by the Chinese Communists who are flooding the Far East with slave-labor goods, to the distress of Japan and other countries.

Both Houses of Congress, through their respective Foreign Affairs and Foreign Relations Committees, will, I expect, investigate this problem in the next session.

Policies bearing on United States private investment abroad will be studied by a subcommittee of the Ways and Means Committee.

Furthermore, the new Congress will be watching for signs that changes in the Trade Agreements Act of 1958 are accomplishing what they set out to do; namely, to provide a greater measure of stability and equality for domestic industries and workers vulnerable to excessive imports.

I realize you were not satisfied when Congress enacted this law. I was not satisfied, either, because several improvements that we worked for were rebuffed.

But in perspective we must recognize that important gains were made.

For the first time in a quarter of a century Congress holds statutory powers to review Executive decisions in escape clause cases. These powers are not easily invoked—yet they are a long step in the right direction.

In addition, peril point procedures were tightened up. The range of relief available under the escape clause was broadened. The Office of Civil and Defense Mobilization was given greater authority to curb trade practices harmful to national security.

Obviously, these are not cure-all measures. Important gains, yes, as far as they go. And

certainly they reflect credit not only on the 85th Congress, but on the American Tariff League and other responsible groups and individuals whose support was essential and decisive.

Yet you know and I know the struggle is far from over. In view of the long list of imponderables confronting our policy-makers, and the long list of unresolved issues, you might say the struggle has hardly begun.

I cannot emphasize too strongly the importance of continued vigilance—on the part of America's industries, American labor, American consumers; and on the part of those they select to encourage a healthy, expanding economy by intelligent governmental action.

The need for responsible participation in a vital public issue is still strong. Already we are witnessing new currents of alarm among industries once unconcerned by this issue.

This underscores my belief that more and more industries, more and more workers, more and more Americans in all walks of life will be sharing our concern in the years just ahead.

Again, I thank you for this generous award, for your warm hospitality, and for inviting this expression of a firm and mutual faith.

Tribute to India League and J. J. Singh

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the following farewell message to the India League of America, which is suspending its activities on March 1, 1959:

INDIA LEAGUE OF AMERICA,
17 East 54th Street,
New York, N.Y.

DEAR FRIENDS: I cannot tell you how much I regret not being able to be with you at this farewell meeting of the India League of America. I feel as if I were saying goodby to old friends by proxy, and that I know is no way of revealing the depth of friendship and regard I have felt for the members of the India League. I wish I could be with you to tell you of the personal satisfaction I have gained from my association and participation in the work of the India League.

I want to single out from among the many friends in the India League the one with whom I have worked closest and who has given me so much of his time and thought when there was work I could do as a friend of India in the Halls of Congress. J. J. Singh has been a source of strength and inspiration to all of us; a man of dedication to his principles; a sturdy ambassador of good will for India. I remember the work we did together in accomplishing the passage of legislation that removed the obnoxious India Exclusion Act from our statute books and prepared the way for the naturalization of Indians resident in the United States.

Though he is leaving our midst, I know that our paths will cross again.

We who are the friends of India will not forget one moment that a crucial role in world history is now being played by the people of India. India must be given every opportunity to prove to the world that freedom and economic opportunity can exist side by side and that it is not mandatory that freedom of a people must necessarily exclude its economic well-being, or that economic progress can only be made at the expense of freedom. This is the test mankind faces in these troubled times and one of the most significant of all testing foregrounds is the subcontinent. It is not a choice, it is a must that we, in the United States, give economic aid to India, help to increase her trade, and help to finance her new industries. That we have so far failed to recognize the importance of India to the development of a free society everywhere is borne out by the fact that of the $20 billion of trade that the United States carries on, only $5 million relates to India. Yet India gives us the mica, the jute, the manganese, the spices that we ourselves must have in the development of our own economic and scientific progress. To India we look for the attributes of charity and compassion, steeped as she is in spiritual strength. We in the United States cannot afford to take our eyes away from the Indian scene. I have witnessed for myself, in my visit to India, the heartbreaking problems that face her. I have seen, too, the tremendous work that is being done in the villages. The intelligence and sensitivity of her leadership, her men and women of dedication and sacrifice have left a deep impress on me. The world watches the struggles of a free people of India and the progress made under that freedom as against the brutal totalitarianism of Communist China. In a sense then I say—and I repeat—that herein lies the test tube of whence our civilization shall go.

I shall miss you all, but I must leave you with the assurance that my work and my friendship for India shall continue unabated.

Sincerely and hopefully,
EMANUEL CELLER.

The Truth About the British Ambassador's Complaint Involving Contracts and the National Security

EXTENSION OF REMARKS
OF
HON. ELMER J. HOLLAND
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. HOLLAND. Mr. Speaker, I have drawn to the attention of Mr. Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, the unreasonableness of the complaint by the British Ambassador insisting that since they are able to undersell the manufacturers of electrical goods due to their low income to the workers, that we should grant them the contracts anyway—even at the cost of unemployment to between 500 and 1,000 electrical workers.

I am hoping Mr. Hoegh will consult with our own Government instead of taking the dictates of a foreign government when he asks for advice in the placing of orders:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 30, 1959.

The Honorable LEO A. HOEGH,
Director of the Office of Civil and Defense Mobilization, Washington, D.C.

DEAR SIR: It is my hope that the petitions submitted to you by the national security committee and the transformer section of the National Electrical Manufacturers Association and by the General Electric Co. regarding the threatened impairment of national security as a result of imports of large hydraulic turbine generators, large transformers and large electrical circuit breakers will be considered and decided entirely within the letter and spirit of the criteria expressed by Congress in the Trade Agreements Extension Act of 1958. I have noted the recent news stories and press comments which were published following your decision recommending that the hydraulic turbines for the Greers Ferry Dam in Arkansas be purchased from the Baldwin-Lima-Hamilton Corp., on national security grounds, instead of from the English electric company which submitted the low bid. I have also noted that the British Ambassador promptly protested to the State Department that it is "a strange form of trade liberalization" to invite foreigners to bid and then tell them that the low foreign bid will not be accepted because of the national security interests of the United States.

In my opinion it is strange that the British Ambassador has so little regard for a decision of our Government regarding the national security interests of the United States. Last year when Congress was considering the Trade Agreements Act several representatives of foreign trade interests argued that the United States should not adopt a policy of restricting imports which threaten our national security. The foreigners, who naturally want unrestricted access to American markets, argued that such restrictions would be contrary to "liberal trade" policies. Congress rejected these arguments, and wrote into law specific criteria for protecting our national security interests when threatened by imports. I suppose it is the British Ambassador's duty to make a special plea for a British manufacturer who wants to sell his goods to a United States Government agency. On the other hand, I hope you will regard it as your duty to carry out the policies of the United States, as prescribed by Congress and approved by the President last year.

As Secretary of State Dulles observed a few days ago, the United States is not the only country making certain exceptions and qualifications to the general principle of liberal trade. In fact, I believe the foreign trade policies of the United States are far more liberal than those of Great Britain.

I urge that the pending petitions dealing with the threats to our national security interests from imports of heavy electrical equipment be resolved not according to the desires of foreign suppliers and foreign governments, but in keeping with criteria set forth in the provisions of section 8 of the Trade Agreements Extension Act of 1958.

Furthermore, I want to urge that your decision on these petitions be made as promptly as possible. The petitions deal with problems of national security, but inevitably the economic welfare of the employees in the heavy electrical industry is also involved. We need a realistic Government policy to guide our Government procurement and we need it soon.

Sincerely yours,
ELMER J. HOLLAND,
Member of Congress.

The Most Brazen Attempt at Propaganda Ever Devised

EXTENSION OF REMARKS
OF
HON. SEYMOUR HALPERN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. HALPERN. Mr. Speaker, the New York Times and other newspapers

last week carried news accounts of an exhibit of Russian-made scientific equipment set up at meetings of the American Physical Society and the American Association of Physics Teachers at the Hotel New Yorker in New York City. The purpose of this exhibit was to promote the sale to American schools of such Soviet-made equipment as microscopes, electronic equipment, projectors, and other apparatus for use in our classrooms.

Mr. Speaker, in passing the National Defense Education Act of 1958, the Congress declared:

> The Congress hereby finds and declares that the security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women. The present emergency demands that additional and more adequate educational opportunities be made available. The defense of the Nation depends upon the mastery of modern techniques, development from complex scientific principles. It depends as well on the discovery and development of new principles, new techniques, and new knowledge.

This act was designed to make appropriations of some $70 million annually over a 4-year period to State education agencies for the acquisition of equipment to teach sciences, mathematics, and modern foreign languages.

It is a sobering challenge.

It must be met head on. We cannot afford to be second best in this educational race with Russia.

To meet it, we will need the best talents of American educators, the best talents of American manufacturers, and the enthusiastic cooperation of our schoolchildren and college students.

This is a project for the whole United States.

Its seriousness is shown by the fact that no sooner had the ink dried on this new law than the Russians began figuring ways to take advantage of it—for Russia.

And—in typical Red fashion—they've really moved right in on us. They want to show us how to teach our youngsters. They want to show us with made-in-Russia scientific equipment which they are anxious to sell to American school boards, State educational agencies, and colleges at a much lower cost than American-produced equipment.

This is the most brazen attempt at propaganda ever devised. The Russians hope to reach our youth during their most impressionable years. They hope to convince them—by setting up made-in-Russia equipment in our classrooms—that Russia is the world's No. 1 scientific power.

How can we convince our youngsters that America is the greatest of all nations—that our scientists are the world's best—that our manufacturers produce products that are the envy of the world—if we place Russian microscopes, electronic equipment, and other devices in their physics lab classes?

Sure, the Russian-made equipment is cheaper. Even with the heavy duty the Russians must pay their equipment can be sold at lower prices than American-made goods. Do I have to tell you why? The Russian equipment is made by slave labor or other workers in Government-run factories. In fact, I am sure that the Reds would be glad to provide these wonderful propaganda gimmicks for free if we would let them. They realize, of course, that to give it to us for free would make it a truly propaganda vehicle but by selling it to us they are bringing in this propaganda weapon under the guise of commercial business.

There is no question among the educators and scientists with whom I have talked that our equipment is far superior to the Russian equipment. But that is not the point. This is just another Russian move—another Russian big step—to propagandize us. We hope that American educators will have more sense than to fall for this obvious device.

A Bill To Impose a Tax Upon Savings and Loan Associations and Mutual Savings Banks

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. CURTIS of Missouri. Mr. Speaker, today I have reintroduced a bill to equalize a taxpaying situation in our economy and at the same time provide revenue to the Federal Treasury, which is similar to the bill I introduced in the last Congress with the exception that I have deleted the portion that limited the amount savings and loan institutions could pay out in dividends and receive a tax credit.

The following is the same explanation I made of the bill at the time I originally introduced it. However, before setting it out I want to make it clear that my purpose in introducing a specific bill was and still is to have something specific for the Ways and Means Committee to consider. In suggesting that the 12 percent tax reserve fund be changed to 5 percent I am wedded to no figure. If hearings developed the fact that more than 5 percent is required I would be interested in using that figure. Certainly savings and loan and mutual banks are entitled to some differential which reflects their actual needs for reserve accounts to insure the safety of their investors. On the other hand, that figure should be realistic as should all differentials placed in our tax code. All differentials need periodic review lest through changed circumstances or merely through added experience we find that what we thought was a differential actually is a preferential.

I do not share the concern of certain people in the mutual bank and savings and loan field that equalizing the tax burden between savings institutions places a tax on thrift. Quite the contrary, it should encourage thrift by making the institutions which appeal to the people to save on a more equally competitive basis. The entire issue should be what will make the Federal tax laws neutral as between competitive thrift institutions. Differences between types of institutions should be reflected in the tax laws where the differences make a competitive difference. If the differential is too large it becomes a preference; if too small it becomes a burden. I want the amount of tax-free credit funds to be neither a preference nor a burden.

There are two ways of equalizing a tax situation between competitive groups. One is by increasing the tax of the lower, the other by decreasing the tax of the higher. From the long-range viewpoint of good tax policy, probably the savings institutions with lower reserve rates should have this rate raised to bring about equalization. From the practical standpoint, however, it is doubtful if this kind of equalization can be brought about under the present Federal fiscal climate.

This bill would impose a tax upon savings and loan associations and mutual savings banks. It is motivated by no lack of appreciation for the economic service being performed by these institutions. Quite the contrary. As a member of the board of directors for 17 years of the oldest savings and loan institution in Missouri, I am deeply concerned about their economic welfare and want them to continue performing the service they do perform for our society. I am satisfied that placing them on a basis of nearer equality as opposed to preference with other savings institutions will actually redound to their economic health. Wherever possible we should remove subsidies in our economy whether they are in the nature of direct subsidies or indirect subsidies through tax benefits or other devices.

Savings and loan associations and mutual savings banks were specifically exempt from the payment of Federal income taxes until 1951. In that year the Congress revoked their tax-exempt status and put them on a taxpaying basis. While this amendment was in the Senate, however, a provision was added which permits a savings and loan association or mutual savings bank to retain, as a deductible reserve for bad debts, any and all earnings as long as the reserves of the association do not exceed 12 percent of all withdrawable accounts. As a result of this provision, which was enacted into law, practically all savings and loan associations and most mutual savings banks are able to retain all their earned income without paying an Federal income tax thereon.

It was obviously the intent of the Congress, in removing the tax-exempt status of these organizations, to put them on a taxpaying basis. That intent was not fulfilled as a result of the tax formula which was adopted. The ineffectiveness of this formula is quite evident by comparing their reserves when the tax law was passed with those of a recent date. At the end of 1951 the capital structure of the members of the Home Loan Bank System—representing 95 percent of the assets of all associations—was 8.2 percent of their outstanding shares, which then totaled $15,025,505,000. Earnings

in 1951 were $540,260,000. On December 31, 1955, with earnings of $1,190,865,000, and outstanding shares of $30,813 million—an increase of $15,800 million—their capital structure was approximately 7.5 percent of outstanding shares. Thus, it is evident that after years of tremendous prosperity, they are getting no closer to being required to pay any Federal income tax.

Section 593(2) of the Internal Revenue Code should be amended so that it will no longer permit practically all savings and loan associations and most mutual savings banks to escape the payment of all income taxes. Since most State laws relating to State chartered building and loan associations provide for a reserve equal to from 3 to 5 percent of withdrawable accounts, it seems that a reserve of that amount would be adequate. At the present time the reserve of most commercial banks is less than 1 percent. In order, then, to put savings and loan associations and mutual savings banks on a taxpaying basis, the suggested bill provides that the amount of tax-free reserve funds that can be accumulated be limited to 5 percent instead of 12 percent of withdrawable accounts.

The States Are Something, Still

EXTENSION OF REMARKS
OF
HON. AUGUST E. JOHANSEN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. JOHANSEN. Mr. Speaker, some months ago a constituent stopped me on the street back home and asked, "Don't the States have any rights any more?"

The question, and its implied protest, is, in my judgment, becoming increasingly pertinent and crucial. Moreover, it has a significant and most revealing historical precedent.

Back in 1867, as an aftermath of the tragic Civil War and as a part of the equally tragic Reconstruction era controversy, U.S. Senator Charles Sumner, of Massachusetts, was advocating consolidation of virtually all governmental powers in the National—that is, Federal—Government.

It is worth noting that his motive was to establish through the whole country absolute equality of civil and political rights.

Regarding Sumner's views, his biographer, Edward L. Pierce, writing in 1893, said:

> Thoughtful students of the American system recognized, even at that period when national power was being pressed to its utmost verge in the interest of freedom, that Sumner's conception was one-sided. He admitted indeed the place of States in our system, as supplying opportunities for education and meeting local wants; but he treated them as conveniences rather than essential organs of national life, and his conception reduced them almost to the level of counties and towns—as if States, with equal representation in the Senate and with jurisdictions guarded by the Constitution against national interference, bore any real analogy to the municipal divisions of a State, which are useful for local administration but absolutely subject, as to their sphere and even as to their existence, to legislative power.

Commenting on Sumner's views his own colleague from Massachusetts, Senator Henry Wilson, remarked critically after Sumner had lectured in Boston, "The States are something, still."

Today I wonder just how much longer Senator Wilson's statement can be made truthfully and accurately.

Item: Increasingly the Federal Government is establishing itself as the agency for "supplying opportunities for education and meeting local wants."

Item: Continually, and in more and more fields, States are finding their authority to legislate either sharply curtailed or specifically banned by decree of the U.S. Supreme Court. While the integration decision is the most spectacular and presently the most disturbing example, it is only one.

Item: Openly even Members of Congress are urging that there is every reason to use—the Federal tax system—in preference to State and local systems where the choice exists—which means progressive centralization and federalization of the tax-levying and revenue-dispensing function of Government.

Item: Recently a distinguished Federal judge—not from Michigan—confessed to me that the practical meaning of the 10th amendment—supposedly reserving broad and vital powers to the States—is becoming increasingly obscure and uncertain, a situation which he deplored.

Item: More and more it seems to me—as I stated this week on the floor of the House—we face the possible supreme irony and tragedy that, under the guise of creating alleged social rights, we will so centralize Government, so nullify the 10th amendment, and so weaken the responsibility, rights and powers of the States that the security of all rights and liberties of our citizens will be jeopardized by an all-powerful Government in Washington.

Are we really willing to reduce the sovereign States to the status of counties in a single, Federal superstate? I think not.

2d Lt. George W. P. Walker

EXTENSION OF REMARKS
OF
HON. FRANCIS E. DORN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. DORN of New York. Mr. Speaker, it is with great sadness that I inform my colleagues of the death of 2d Lt. George W. P. Walker, son of Mr. and Mrs. George Walker of 1103 East 34th Street, Brooklyn, N.Y. Lieutenant Walker was in an aircraft accident in North Carolina while he was en route to Oakland, Calif., for overseas assignment.

Lieutenant Walker was my appointee to the U.S. Military Academy and when he was graduated from that institution in June of 1958, he stood No. 1 in his class. For the entire time he attended the Military Academy, he was carried on the dean's list.

Upon graduation, he was presented with the following awards:

For having the highest rating in mechanics of fluids, a portable typewriter, presented by the National Society, Daughters of the American Revolution.

For excellence in intercollegiate debating, a wristwatch presented by the Consul General of Switzerland.

As the No. 1 man in military topography, a wristwatch presented by the Daughters of the Union Veterans of the Civil War.

The Francis Vinton Greene Memorial, caliber .45 pistol, presented in the name of Mrs. Greene, for standing No. 1 in general order of merit for 4 years; a set of books presented by the American Bar Association for having the highest rating in law; a silver tray—called the Eisenhower award—presented by Mr. Charles P. McCormick of Baltimore, Md., for excellence in military psychology and leadership.

In addition to maintaining his very high military and academic standing while at the Academy, Cadet Walker was active in extracurricular activities, and during his last year held the rank of lieutenant in the Corps of Cadets.

The Nation has lost a potential outstanding military leader and the loss is indeed a great one. I was proud to have been his sponsor, and I join in grieving with his parents.

Social Security Protection

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, February 2, 1959

Mr. DINGELL. Mr. Speaker, today I am introducing a group of bills which are intended to close up some significant holes in social security protection provided for our old people, our widows and children, and those of our workers who become disabled. In brief my proposals would:

First. Provide hospitalization benefits for individuals who (a) are eligible, or potentially eligible, for old-age benefits, (b) are the survivors or dependents of insured workers, or (c) are disabled;

Second. Reduce the retirement age from 62 to 55 for women and from 65 to 60 for men;

Third. Provide a more liberal definition of disability for both the cash payment program and the disability freeze;

Fourth. Eliminate the requirement that an individual must have attained age 50 in order to qualify for cash disability benefits;

Fifth. Raise the limit on outside earnings, without loss of benefit, from $1,200 to $1,800 a year;

Sixth. Clarify the law so that it is clear that social security benefits shall be exempt from all taxation;

Seventh. Increase the earnings base for tax and benefit purposes from $4,800 to $6,000 a year.

The most important area in which action is needed is in the provision of hospital care insurance for our older citizens. It is one of the unpleasant facts of our times that the age group which probably needs this type of insurance the most—elderly people over 65—finds itself in the position of being the least protected. Just over one-third of the people over 65 and one-sixth of the people over 75 have hospitalization of any sort.

Many private plans refuse to accept older people after they pass a specified age and drop members or raise rates as age increases. These practices seem to be the accepted method of avoiding adverse risks and holding down the premium rates. Moreover the plans which do not discriminate against the older subscriber—Blue Cross and others—are finding competition increasingly severe from those that do.

The bill which I have introduced provides a simple and straightforward remedy—a hospitalization benefit—to the present social security system. Under the bill anyone who would be entitled to receive old-age, survivors, or disability insurance benefits, would also be eligible for up to 60 days of hospitalization in a semiprivate room in any calendar year. The cost would be paid directly to participating hospitals from the appropriate social security trust fund. A total of some 13 million persons—including the dependents and survivors of eligible workers—would be given this protection at the outset. The bill provides for utilization of qualified State agencies and private nonprofit organizations, and it preserves the right of each patient, upon referral by a licensed physician, to make his own choice of a hospital.

The insurance in the bill would include the usual services, drugs, and appliances furnished by a hospital—that is, bed and board and the nursing, laboratory, and ambulance services, use of operating room, staff services, and those other services, drugs, and appliances which are customarily furnished by the hospital to its bed patients. The insurance would not cover any medical or surgical care, except such as is generally furnished by hospitals as an essential part of hospital care. It would not cover hospitalization in any tuberculosis or mental hospital or an institution which furnishes primarily domiciliary or nursing care.

I also have reintroduced a bill to reduce the retirement age to 55 for women and 60 for men. Age 65 for retirement is an arbitrary figure which was established without any convincing social or economic reason. The healthy and vigorous, who are permitted to work, almost uniformly continue beyond the present age of 65. This is evidenced by the fact that the average age of retirement for men under the social security system is 68. On the other hand, many persons because of health, company compulsory retirement, automation, and other events beyond their control are forced off their lifetime jobs. Once the older worker is thus removed from the labor market, the difficulties in finding new employment are often insuperable. He is, then, in a very real sense, retired, yet must struggle through the interim years until he reaches the age specified in the Social Security Act.

The two amendments I propose to the disability provisions are a necessity if we are to have a meaningful program. The requirement of age 50 for disability benefits has no defense in reason. The worker who becomes disabled at age 45 is just as much in need of benefits as the worker aged 55.

Fully realizing that disability benefits will mean nothing to the man who cannot qualify for the strictly worded and strictly administered definition of disability in existing law—inability to engage in any substantial gainful activity—I urge the Congress to act speedily in adopting a more equitable provision. The definition I propose would be closer to those in the Civil Service and Railroad Retirement Acts and would allow the worker to qualify if he was unable to engage in a substantial gainful activity which is the same as or similar to the occupation or employment last performed by him on a regular basis before the onset of such impairment. As the law is now administered it is a "flat on your back" proposition, and the social security definition is much more severe than in other Federal disability programs.

A liberalization of the so-called retirement test is another much-needed development. At a time when living costs are cutting deeply into the protection furnished by benefits—averaging around $70 per month per retiree—the $1,200 per year earnings limit makes a marginal existence mandatory and discourages attempts to better oneself. My proposal, to raise the annual earnings limitation to $1,800, is a reasonable start in the solution of this perplexing problem.

As a means of protecting beneficiaries from possible State and local taxation of their meager benefits, I have introduced a bill which would make it clear that social security benefits are exempt from all taxation. At present the Federal Government does not tax such benefits, but this is the result of Treasury ruling rather than specific provision of law. Such an enactment would clarify this muddy situation at all levels of government.

Finally, I have introduced a bill which will raise the wage base for benefit and tax purposes from $4,800 to $6,000 a year. Last year Congress, in raising the wage base from $4,200 to $4,800 a year, took a step in the direction of bringing the earnings that are creditable for social security more nearly into line with the great increase in wages which has occurred in the past decade. But we did not go far enough. The original law in 1935, which used a $3,000 wage base, covered all the wages of 97 percent of covered workers thereby implying that the program should cover all the wages of almost every American worker. If the full earnings of the same proportion of workers today were to be covered the wage base would have to be set at more than $8,000. My proposal, to increase it to $6,000 a year, is needed to help regain this lost ground and, incidentally, would provide a saving which would help to finance a part of the cost of the other improvements I am advocating.

I believe we have every reason to be proud of the evolution of our social security system. We should always remember, however, that the history of this legislation has been one of action, and the frontier of social security is not closed.

Balancing the $40 Billion Defense Budget by Firing 17 Custodial Employees Under the Contracting-Out Subterfuge

---

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1959

Mrs. SULLIVAN. Mr. Speaker, after months of effort—telephone calls, correspondence, further correspondence, and more telephone calls—I have finally obtained from the Department of Defense its explanation for the proposed dismissal of 17 longtime career employees in St. Louis and their replacement through the device of contracting out the work they do.

These 17 men are in the custodial force at the Army Support Center in St. Louis. They have worked for the Government for from 7½ to 20 years. Many are veterans—this is the kind of work which is normally supposed to be reserved for veterans who qualify—and some are disabled veterans with 10-point preference under civil service.

I am now informed that by contracting out their work to private enterprise, we are going to be well on our way to solving "the general funding situation within the Department of the Army" which has "required that stringent economy measures be imposed."

WHERE ARE THE ELUSIVE FIGURES ON ECONOMY?

Mr. Speaker, we all expect and demand that the Defense Department exercise strict economy. We all know that the greatest part—the overwhelming part—of the huge budget Congress has been asked to enact for the coming fiscal year represents expenditures of the Department of Defense. If we could save substantial sums in Defense Department expenditures, we could almost certainly enjoy the luxury of cutting taxes, and certainly we could eliminate the nuisance excise taxes. So cutting Defense Department expenditures—if that is safe to do, in light of our defense needs—would be most acceptable to all of us.

But I have not been convinced that firing 17 longtime employees of the Army Support Center in St. Louis and turning over the work of these custodial employees to private enterprise on a con-

tract basis, will put any significant crimp in a $40 billion defense budget. Further than that, I cannot obtain—I have not been able as yet to obtain—any figures actually showing there would be any saving at all. The figures are elusive.

In fact, Mr. Speaker, my information is that the substitution of a private contract for the custodial work now done by these modestly paid civil service employees would actually cost the Government more rather than less for cleaning the installation in St. Louis.

CAREER GOVERNMENT EMPLOYEES SUMMARILY FIRED

In the meantime, these 17 employees, many of them up in years, face a bleak prospect in looking for other work. I have received very moving letters from some of the employees outlining their problem in finding other employment after, in some cases, a lifetime of working for the Federal Government in an unskilled or semiskilled capacity.

It was this situation, plus the difficulty in finding any clearcut evidence of savings to the Federal Government as a result of these dismissals, which led me to intervene in the case as soon as I learned in December that these men had been notified of their scheduled dismissal as of February 15, 1959.

As I said, Mr. Speaker, I tried immediately to find out how the Government would accomplish any savings through the dismissal of these men, since the work they perform is going to be performed in any event—and by a private contractor who must not only pay prevailing wages but must make a profit in order to stay in business.

I said that the figures on possible savings are quite elusive. I am convinced, further, that if any such figures exist, they are, in fact, illusive.

The chairman of the House Appropriations Subcommittee on Defense Appropriations has sought the same figures. I am beginning to doubt that any such figures exist.

It appears to me that someone in the Department of the Army dreamed up a bright idea as to a way to get around personnel ceilings and make it appear through a subterfuge that the Army was cutting down on civilian employees. By firing employees and contracting out the work they do, the Army apparently can show a reduction in employment even though there is no corresponding reduction in expenses, and even though costs may actually be much higher.

If this is what has been happening, then I certainly think the responsible officials in the Department of Defense should crack down—and the Civil Service Commission and the Bureau of the Budget should also intervene. And Congress, also, must look into this problem—not because of 17 employees in St. Louis but because their situation seems to be part of a nationwide pattern.

MONTHLY REPORTS ON GOVERNMENT EMPLOYMENT

Mr. Speaker, a few days ago, the Joint Committee on Reduction of Nonessential Federal Expenditures issued its monthly report on Government employment for the month of December. It showed a slight cut of 2,943 in the number of Federal employees from the previous month's total of 2,351,824.

The joint committee added, Mr. Speaker—and to me this is most significant in view of the situation I have discovered in the Army Support Center in St. Louis—the joint committee added that the decrease in overall Government employment of 2,943 represented a cut of 3,930 civilian workers in the military departments against an increase of 987 in employees of the civilian agencies.

How many of the 3,930 civilian employees let go by the military were taken off the rolls only to have their work turned over to private contractors at a cost at least equal to, and probably higher, to the Government? That is the figure I would like to know about, Mr. Speaker.

GENERAL ACCOUNTING OFFICE INVESTIGATING

In several instances in the past, Mr. Speaker, the military services—and particularly the Army—have been disclosed to have contracted for services through private enterprise in order to maintain a fictitious employee ceiling on total personnel. I am aware of the fact that the General Accounting Office has looked into several such instances, and has found the ceiling on employees cannot legally and properly be circumvented by farming out, on contract, work normally done by Government employees.

The General Accounting Office is currently conducting an inquiry into the proposed dismissals in St. Louis, and I sincerely hope it can establish the true facts. I have not been able to get those facts on specific costs or savings from the Army. In fairness, I might say that the Army informs me there are substantial reductions in direct costs obtainable through contracting out custodial work of this nature—and I will place that letter in the RECORD later in my remarks—but I have seen no figures to bear this out. And the information does not coincide with information I received elsewhere from sources I deem to be reliable.

EXCHANGES OF CORRESPONDENCE

Mr. Speaker, I submit, in chronological order, some of the correspondence I have sent or received on this matter.

First, the letter I wrote to Secretary of Defense McElroy shortly after this matter was brought to my attention, and after I had made a series of preliminary inquiries by telephone:

[LEONOR K. (Mrs. JOHN B.) SULLIVAN,
Third District, Missouri]

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., December 12, 1958.

Hon. NEIL H. MCELROY,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I have recently learned of a Department of Defense action in St. Louis involving a group of faithful career Government employees, many of them with 10-point preference as disabled veterans. The whole situation smacks of shabby treatment and fiscal dishonesty. I am writing to you in the hope that you will not only correct this particular situation but see to it that any similar episodes occurring elsewhere are stopped.

In an apparent desire to reduce the number of civilian employees of the Department of Defense, someone in the Department dreamed up the idea of eliminating certain custodial positions and then placing out the work on a contract basis. As a result, a majority of the men now employed as laborers in the custodial department of the St. Louis Area Support Center have been notified their jobs will be eliminated February 15 and the work put out on contract. When I inquired about this I was informed that the orders had come from the 5th Army Headquarters, who got their orders from Washington, based on a determination to reduce the number of employees. So far as I can determine there will be absolutely no saving in costs and, in fact, operating costs may increase.

The men involved have been employed by the Federal Government for periods ranging from 7½ to 20 years. There are only a few of them involved and I can appreciate the fact that with all the worries that you have you may not have the opportunity to look into a matter involving perhaps 17 employees in an installation in St. Louis. Yet I think the principle involved here is important enough to justify the concern of everyone in the Department of Defense interested in preventing injustice to faithful, longtime employees and interested also in avoiding the presentation of a dishonest picture of "economies" in the Department.

May I have a report on this matter at your earliest convenience?

With best wishes, I am,

Sincerely yours,

LEONOR K. (Mrs. JOHN B.) SULLIVAN,
Member of Congress, Third District, Missouri.

Mr. Speaker, since the monthly reports on Government employment issued by Senator BYRD'S joint committee may well have been a factor in the Army's desire to contract out various types of work to private enterprise, and since I know the Senator from Virginia would want to make sure that the figures his committee issues reflect the true conditions of Government employment, I addressed the following letter to Senator BYRD in his capacity as chairman of the joint committee:

DECEMBER 12, 1958.

Hon. HARRY F. BYRD,
Chairman, Joint Committee on Reduction of Nonessential Federal Expenditures, U.S. Senate, Washington, D.C.

DEAR SENATOR: Each month the joint committee of which you are chairman issues reports on the number of Government employees and the increase or decrease in Government payrolls. This is useful information for the Congress to have and I am sure stimulates the executive department in seeking to hold employment in line.

May I respectfully point out, however, that in an attempt, apparently, to make its employment picture look better than it really is, the Department of Defense seems to have adopted a policy of discharging longtime faithful, career Government employees and awarding this work on a contract basis to outside firms.

A situation of this kind has just been called to my attention at the Army's St. Louis Area Support Center, where a majority of the custodial staff—men with from 7½ to 20 years of service, including a number with 10-point preference as disabled veterans—are to be discharged as of February 15. I have checked and I have been informed that the Federal Government will not save any money by such a step but may, actually, pay out more than it presently does for this work.

Of course, by eliminating these jobs and others like them the Department of Defense

presumably shows a better employment picture while hiding or disguising the cost of custodial work in other accounts or items of its budget.

I wonder if there is any way your committee can investigate this type of practice and see to it that the departments do not provide a misleading and totally dishonest picture of their employment costs by resorting to subterfuges of this kind, particularly when career Government employees are cast adrift after a lifetime of service.

With best wishes, I am,

Sincerely yours,

LEONOR K. (Mrs. JOHN B.) SULLIVAN,
Member of Congress, Third District, Missouri.

Furthermore, Mr. Speaker, if the contracting out of custodial work was in fact a subterfuge to get around ceilings on personal services employment, and could cost the Government far more in the long run than retaining faithful employees in the work, it occurred to me that the President's chief budget officer, the Director of the Bureau of the Budget, would want to look into the situation. Consequently, I addressed the following letter to Mr. Stans:

DECEMBER 12, 1958.

Hon. MAURICE H. STANS,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. STANS: May I call your attention to a situation in St. Louis which I think is reprehensible?

After a lifetime of service, a group of Federal employees on the custodial staff of the Army's St. Louis Support Center—all of them with from 7½ to 20 years service, some of them with 10-point veterans' preference—have received notice of discharge as of February 15. The work they have been performing is to be put out on contract to private firms. I am informed that there will be absolutely no saving to the Federal Government as a result of this step, although there will be great hardship on the individuals involved.

Could you give me the thoughts of the Bureau of the Budget on measures of this kind taken by individual agencies to carry out the orders of the President to cut down on employment, when the measures taken are subterfuges of this kind, saving no money whatsoever and perhaps costing more than the present system?

Does the Bureau of the Budget exercise any supervision or control over agencies putting out more and more of their work on a contract basis to private firms when there is absolutely no saving involved and when it actually costs the Government more in the long run?

With best wishes, I am,

Sincerely yours,

LEONOR K. (MRS. JOHN B.) SULLIVAN,
Member of Congress, Third District, Missouri.

Following, Mr. Speaker, is a reply I received from Senator BYRD, dated December 15:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES,
December 15, 1958.

Hon. LEONOR K. SULLIVAN,
House of Representatives,
Washington, D.C.

DEAR MRS. SULLIVAN: I have your letter of December 12. I am very glad that you have called this matter to my attention.

I share your concern over such a practice and I shall look into the matter thoroughly.

With high regards and very best wishes.

Faithfully yours,

HARRY F. BYRD,
Chairman.

The Office of the Secretary of Defense acknowledged my letter to the Secretary in a reply dated December 16, and indicated the Department of the Army would seriously study the allegations. That letter follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., December 16, 1958.

Hon. LEONOR K. SULLIVAN,
House of Representatives.

DEAR MRS. SULLIVAN: This is to acknowledge your letter to the Secretary of Defense dated December 12, 1958, in which you requested a report pertaining to certain personnel practices by the Army in the St. Louis Area Support Center. Secretary McElroy is out of the country on official business.

Your letter complained of elimination by the Army of certain custodial positions in order to reduce the number of civilian employees, and then allegedly having the same work effected by contractors. This is a matter within the purview and knowledge of the Department of the Army, and I have therefore taken the liberty of referring your letter to the Secretary of the Army for direct reply to you.

Please be assured that the allegations contained in your letter will be seriously studied, and investigated if necessary.

Your interest in this matter is appreciated.

Sincerely yours,

CARLTON R. ADAMS,
Captain, USN, Deputy Assistant to the Secretary (Legislative Affairs).

On the last day of the year, Mr. Speaker, the Assistant Director of the Bureau of the Budget, Mr. Elmer B. Staats, responded to my letter of December 12 as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., December 31, 1958.

Hon. LEONOR K. SULLIVAN,
House of Representatives,
Washington, D.C.

MY DEAR MRS. SULLIVAN: This is in response to your letter of December 12, 1958.

Administration policy, as expressed in Bureau of the Budget Bulletins 55–4 and 57–7, reads as follows:

"It is the general policy of the administration that the Federal Government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary business channels. Exceptions to this policy shall be made by the head of an agency only where it is clearly demonstrated in each case that it is not in the public interest to procure such product or service from private enterprise."

Savings to the Government are not always apparent in action taken under this policy because comparisons of cost may not include all relevant costs of the agency production units. Government and private accounting systems differ which makes comparison difficult, and because taxes paid by the private entrepreneur to Government may offset apparently higher costs.

Agencies are required to carry out actions under this policy in an orderly way. They have been directed to give adequate notice to the community and employees in advance of discontinuance or curtailment, and where necessary to assist employees in finding other employment.

Through such measures it is hoped that the inevitable dislocations which occur can be minimized to the end that a viable economy might be maintained and responsible Government promoted.

Please get in touch with us if we can be of further assistance.

Sincerely yours,

ELMER B. STAATS,
Assistant Director.

BUDGET BUREAU SEES VIABLE ECONOMY IN FARMING OUT 17 CUSTODIAL JOBS TO PRIVATE ENTERPRISE

Mr. Speaker, I read the letter from Mr. Staats with great interest—and a somewhat sinking feeling in the pit of my stomach. If I gather its drift correctly, we are to turn over to private enterprise all jobs now performed by Government employees except where it is clearly demonstrated in each case that it is not in the public interest to procure such product or service from private enterprise.

Under that approach, I am sure we could conceivably justify firing nearly everybody in Government except the Cabinet members and a few assistants. We could hire taxis instead of chauffeurs for the entire executive level of the executive department; we could farm out the Council of Economic Advisers to the Brookings Institution and the Budget Bureau to one of the big industrial management firms. We could assign Westinghouse or General Electric the task of administering the Atomic Energy Act; and we could fire a whole slew of generals, admirals, and Assistant Secretaries of Defense and farm out their work to corporations expressly formed for that kind of servicing operation.

This may be taking the thing far afield, Mr. Speaker, but the principle is the same. We are firing 17 janitors in St. Louis in order to shore up private enterprise, assure a viable economy and perhaps—we do not know for sure, but perhaps—save some money, perhaps only by the fact that we will collect taxes on the private contractor doing the work these 17 men have performed.

Mr. Speaker, on January 20 the Army directed another interim letter to me on this matter, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington D.C., January 20, 1959.

Hon. LEONOR K. SULLIVAN,
House of Representatives.

DEAR MRS. SULLIVAN: This is in further reply to your inquiry pertaining to certain personnel practices by the Army in the St. Louis Area Support Center.

Please be advised that the investigation of this matter is continuing. Upon receipt of the necessary information you will be informed immediately.

Sincerely,

JOHN W. B. WALTERS,
Lieutenant Colonel, GS, Office, Chief of Legislative Liaison.

After nearly 2 more weeks of waiting, while the February 15 deadline for the dismissal of the custodial employees at St. Louis rapidly approached, and after a number of calls to find out what, if anything was happening on this, I have finally received the Army's reply to my letter of December 12.

This letter, dated today and handcarried to me, is as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE SECRETARY OF THE ARMY,
Washington, D.C., February 2, 1959.

Hon. LEONOR K. SULLIVAN,
House of Representatives.

DEAR MRS. SULLIVAN: This is in reply to your recent inquiry regarding the proposed release of custodial laborers at the U.S. Army Support Center, St. Louis, Mo., and assignment of the custodial work on a contractual basis.

The general funding situation within the Department of the Army has required that stringent economy measures be imposed. Since, in many instances, the application of such measures has brought about a reduction in available manpower without a corresponding reduction in the amount of work to be performed, local commanders have been forced to explore every possible means for continuing their operations.

The St. Louis Support Center was faced with this problem when, approximately 7 months ago, it became necessary to assume the maintenance of additional office space in the Mart Building. At that time, due to budgetary limitations, space authorizations would not permit the employment of any additional personnel for the performance of this additional work and it was decided to contract for its performance.

Experience with this contract indicated that there were a number of advantages to the installation. First, a substantial reduction in direct cost has occurred, even though the contractor is paying prevailing union wages for such work. Second, the contractor furnishes all equipment and supplies, thus relieving the installation of the work involved in procuring, accounting for, and repairing numerous items of property not required for the conduct of its mission. Third, there has been a substantial reduction in the overhead required for supervision of the custodial work.

Further budgetary limitations have now required that the St. Louis Support Center seek additional means of carrying out its mission without jeopardizing essential operations. Such limitations were partially met by not filling 13 vacancies arising from personnel actions such as retirements, transfers, and resignations. In the light of earlier favorable experience with contract operations, and in order to conduct operations fully within fund limitations, it was decided to reduce the maintenance staff by 17 employees and to enter into an additional contract for the performance of this work.

Any action which causes the loss of loyal and experienced personnel is always regretted by the Department. You may be assured, however, that every effort is being extended by the center to find other employment for the employees involved. To date this action has resulted in the probable placement of three employees.

Thank you for your interest in this matter, and I hope that the information furnished will be of assistance to you.

Sincerely,

C. G. DODGE,
Brigadier General, GS, Deputy Chief of Legislative Liaison.

MORE INVOLVED THAN 17 CUSTODIAL JOBS

Mr. Speaker, it is not very encouraging that in the period since early December until now—a period of 2 months since these 17 men were notified they were going to be let go—the Army's "every effort" in helping the men find other employment has resulted in "the probable placement of three employees."

That, more than anything else the Army and the other agencies involved have said, or omitted from saying, sums up the cruelty of this whole highhanded episode.

It may seem a bit farfetched for me to go into so much detail here today over the jobs of 17 custodial employees in an Army installation in St. Louis. But these are not 17 fenceposts, or 17 decks, or 17 cases of floor wax. They are 17 long-time, career Government employees, in jobs normally reserved for and assigned to veterans, and some are disabled veterans. There are 17 families involved here. One of the men who wrote to me has 8 children—he is a 10-point disabled veteran with 22 months of overseas service to his credit and 16 months of service in the States in World War II.

Both the Disabled American Veterans and the American Legion have intervened in these dismissals because of the pattern and trend they reflect in disguising Government personnel costs by turning out career employees—frequently veterans—and replacing them through the private contract subterfuge.

I appreciate the interest other Members of the House have showed in this problem when I discussed it with them, and I appreciate the followup inquiries which several have made. I hope we can save these 17 jobs. But the principle involved here goes far beyond the 17 men involved. It goes to the heart of decency in personnel and fiscal policies in Government.

A Realistic Housing Program

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, February 2, 1959

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include an address I delivered at the open forum of the New York Hotel Trades Council, AFL–CIO, Friday, January 30, 1959, in New York City. The address follows:

It is a pleasure and a privilege to discuss with you the problem of how we can provide decent housing for our people.

As with all big problems, it is not only degree which is important—that is, how much we can or should do about housing but also the approach—how we should go about it. In this respect I especially wish to congratulate you. Your approach here today has been most commendable. First, you have taken up the problem from the point of view of self-help. What can your own organization do about housing? Secondly, you have considered the question in terms of local government. And, finally, you have come to the question of what should the Federal Government do?

It seems to me that there is a great deal that the Federal Government can and must do in this field. This is through no fault of forward looking local agencies like the New York Housing Authority. Nor is it through lack of efforts by the unions to bring about better housing for their members. The plain fact is that the legitimate demands of our people for decent housing have exceeded the ability of commercial enterprise, labor organizations, and local government to satisfy those needs.

There is a variety of reasons for this. The biggest single factor is the growth of our population. It is expected that within the next decade, the population of the United States will increase by 25 million people. Within the next 20 years, approximately 56 million people will be added to our population. More than 1 million new families will be formed every year in the 1960's. Each of these families will seek and should have suitable housing. Fresh air, sunlight, adequate space for family living, modern appliances, recreational areas are fortunately no longer luxuries in 20th century America. They have come to be regarded as necessities, and rightly so.

In a country as large and as varied as the United States, it is obvious that the housing problem will take many different forms. Consequently, the programs upon which the Federal Government is embarked are equally varied. In much of the country—and especially in the large suburban areas—decent housing is best provided by encouraging homeownership. Through a series of acts passed in the 1930's Congress formulated programs of Government insurance and credit reserves designed to generate a flow of mortgage money at reasonable rates. The Federal Home Loan Bank System, the Home Owners Loan Corporation, the Federal Housing Authority, the Federal National Mortgage Association were all born of the great social and economic purposes of the New Deal. In one form or another those programs have been continued up to the present time. They have been expanded and additional programs like VA guaranteed loans have been created based on the same underlying principles.

What has this alphabet soup of housing accomplished? Let the figures speak for themselves. The FHA has insured mortgages on 4½ million homes. Of these, 2½ million were new construction. Twenty to thirty percent of the new homes built each year are facilitated by FHA insurance.

The VA has guaranteed home loans to almost 5 million veterans since 1944 alone.

The Federal National Mortgage Association, or Fannie Mae, has purchased mortgages amounting to almost $6 billion and has thus increased the availability of mortgage credit to the homebuilder.

It is a source of enduring satisfaction to me that I had the opportunity to vote for every one of these programs. As I travel around the United States, I can see in the living conditions of our people what we have accomplished through FHA, the VA, Fannie Mae, and others. I shudder to think of the situation we would be in today without them.

Not only have these programs brought decent housing to our people, but they have transformed homebuilding from a craft to an industry which, since World War II alone, has contributed about $140 billion to the national product.

And this has been done, amazingly enough, at little cost to the taxpayer. If we were today to liquidate all housing assets held by the Government we would find that except in public housing and urban renewal, these programs have not only paid for themselves but have shown a profit. Long-term, low downpayment home financing has been demonstrated to be realistic, sound, and effective.

Remember the cries of "Socialist" and "Bolshevik" which we heard when the New Deal fought for decent housing? Yet, today not a single responsible leader of the housing or banking businesses would have the temerity to advocate repeal of most of the Federal housing programs. On the contrary, I think they would actually insist that the continued operation of the Federal housing programs are essential to the health of banking and the housing industry.

The argument today is rather over how much we can afford. I say that in the area of home loan guarantees and secondary market operations there is no limit on what we can provide for the simple reason that these programs have cost us nothing and, soundly administered, will continue to cost us nothing.

Legislation has already been introduced in the 86th Congress to raise FHA mortgage ceilings on sales housing and to reduce down payment requirements. It would also reduce the equity required of builders in rental housing, thus stimulating construction

of rental units. Authority to increase the total of FHA guaranteed mortgages by $8 billion for the next 2 fiscal years has also been proposed. This is sound legislation and I will wholeheartedly support its passage.

The enormous increase in homeownership under FHA and related programs has, however, been responsive to only part of the national housing problem. Special conditions which could not be handled under the National Housing Acts have necessitated special programs such as military housing, defense housing, cooperative housing, college housing, and public housing.

I should like to say a few words about the public housing program. Some of you will recall that the first public housing, consisting of about 22,000 dwelling units, was built by the old PWA back in 1934. Additional units were built under the United States Housing Authority which lapsed in 1940. The program was revised in 1949 and is now in effect but on a very modest scale.

The purpose of public housing is, of course, to provide decent low rental housing to those who could not otherwise afford it. Under the terms of the program, the Federal Government lends funds to locally established housing authorities for the construction of publicly owned projects. The Federal Government also pays the local authority an annual subsidy of the difference between the rent charged and the cost of carrying charges and operation.

I am aware that a number of serious problems have developed recently in the operation of public housing. Rundown projects and problem families have made public housing less attractive than it can be. I believe that it is up to local authorities to be more vigorous in maintaining the appearance and habitability of these projects.

The poor are still with us and their demands for decent housing must be met. In the budget which the President submitted he requested no new low-rent housing units but merely an extension of time for contracting for units already authorized. An expanding nation cannot afford a holding operation on public housing. I believe that authorization for fiscal year 1960 should be increased by 27,500 units. I also believe that the frequently unrealistic maximum income limits for occupancy should be raised.

Of all the Federal programs, however, the one that has completely captured my imagination is urban renewal. I know the cities and their problems best. I was born into the city; I grew up in the midst of its crowded tenements, and I have lived and worked in the city all my life. Slums, overcrowded tenements, blighted areas have taken a heavy toll in human misery and degradation. Fine men, good citizens, have come from the slums, but so have more crime and disease than we should have. The cost, however, is not only in human values, it is also in dollars and cents.

In a typical city the taxpayer pays an average of $7 each year for services rendered in a blighted area. The area pays back only $4.25 in taxes. In a good area the average cost per citizen is $3.60, and the area pays back $11.30.

Slums and blighted areas make the largest demands on the cities' services—hospital care, fire, police, welfare services. One city finds that 40 percent of its police calls, 40 percent of its relief funds, 30 percent of its city hospital expenses are used for 6 percent of its people—those living in blighted areas. With their financial structures already weakened by the movement of industry and taxpayers to the suburbs, and as a result of the increasing cost of services, the cities just can't afford the indefinitely continued existence of slums.

Under the urban renewal program which developed from the Housing Act of 1954, the local community is encouraged to formulate a workable program of urban redevelopment. This program must include sound local housing and health codes, a master plan for the community's development, and an analysis of neighborhoods and the treatment needed. It must include evidence of financial capacity to provide the necessary local contribution. It must also include plans for rehousing displaced families. Presented with a workable program the Federal Government will, on its part, make loans and grants to pay the bulk of the net cost for clearing slum areas or for replanning blighted areas for rehabilitation. In addition, special FHA mortgage insurance is made available to encourage private investment in rebuilding these areas.

The principles governing the urban renewal program are sound ones. Emphasis is placed upon the initiative of local government in bringing about a solution of its own community problems. Assistance given by the Federal Government is realistic and effective. But we must have more, not only of Federal aid but of local enthusiasm and initiative. Urban renewal presents what is perhaps the most difficult housing problem in America today. Costs are high. Rehousing displaced families often presents a real bottleneck to otherwise effective programs. However, the goal of clean, well-planned cities and decent homes for city dwellers is too exciting, too important to be frustrated by anything less than sheer impossibility.

I believe the program should be pushed as far and as fast as we possibly can.

The President has requested $225 million a year for the next 6 years. In a period of high national income, I believe that the United States can and must do more to clean up its cities, to alleviate the misery of the slums and to provide decent city housing for our increasing population. I believe the annual appropriation requested by the President is inadequate and should be increased to anywhere from $350 million to $600 million a year.

In housing, as in public works, in medical research, in industrial development, and social security this country will either advance and create a better life for its people, or it will stagnate and die. A nation's course in history is very much like a skier going up a steep slope. He keeps going up or he slides to the bottom; there is no standing still.

In the 36 years I have spent in the Congress of the United States, this country has made great progress in insuring better sosial and economic conditions for our people. The Nation has moved considerably from the place near the bottom of the hill where we were 50 years ago. I am convinced that the new 86th Congress will, in the field of housing, as in other areas, make it possible for this country to climb still further up the slope of our national aspirations.

SENATE

TUESDAY, FEBRUARY 3, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, from everlasting to everlasting:

Standing in the brief span of our mortal days, in the mystery of prayer we come looking unto Thee who stretcheth out the heavens as a curtain, and who upon the earth bringeth haughty princes to nothing and maketh the judges of the earth as vanity, for even in our little day we have seen Thy word fulfilled—"They shall wither and the whirlwind shall take them away as stubble."

In all our fainting and failing, around our incompleteness flows Thy completeness, as we are sustained in the certainty that the Creator of the ends of the earth fainteth not, neither is weary, and there is no searching of His understanding.

We come claiming the promise that they that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run and not be weary; they shall walk and not faint.

Girded by Thy might, give us the courage to fly, the urgency to run, and the patience to walk.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 2, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

REPORT OF SURGEON GENERAL OF PUBLIC HEALTH SERVICE—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 73)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare:

To the Congress of the United States:

Under the provisions of title VII of the Public Health Service Act, as amended by Public Law 835, 84th Congress, I transmit herewith for the information of the Congress the Third Annual Report of the Surgeon General of the Public Health Service summarizing the activities of the health research facilities program.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 3, 1959.*

REPORT OF U.S. CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

I transmit herewith the Annual Report of the U.S. Civil Service Commission for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 3, 1959.*

(NOTE: The only copy of the above report was transmitted to the House of Representatives.)

REPORT OF COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Agriculture and Forestry:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, Eighteenth Congress, I transmit herewith for the information of the Congress the report of the Commodity Credit Corporation for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 3, 1959.*

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

JOINT RESOLUTION OF LEGISLATURE OF NEW MEXICO

Mr. ANDERSON. Mr. President, I ask unanimous consent to have printed in the RECORD a joint resolution passed by the 24th Legislature of the State of New Mexico, memorializing the Congress of the United States to extend the fullest rights, duties, and blessings of statehood upon Hawaii by admitting her to the Union of the United States of America.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE JOINT MEMORIAL 5

Joint memorial memorializing the Congress of these United States to extend the fullest rights, duties, and blessings of statehood upon Hawaii by admitting her to the Union of the United States of America

Whereas over 99 percent of the pupils in the public schools of Hawaii are citizens of the United States, and

Whereas the half million people of the islands include among their members large numbers of three great racial groups who speak five of the great languages heard around the world, and

Whereas members of nearly 50 language and racial groups and subgroups have long been associated together in amity and mutual esteem in the public schools of the Territory, and

Whereas as long ago as 1851 the islanders secretly petitioned these United States to be taken under our protection, and

Whereas the islands of Hawaii were annexed by joint resolution of Congress in 1898 and established as a Territory by law in 1900, and

Whereas the people of the Territory have amply demonstrated their capacity for self-government and self-reliance, and

Whereas the people of the United States must demonstrate to the world that our published ideals of liberty, fraternity, and equality are in truth a living creed to which we adhere: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the Congress and President of the United States be respectfully petitioned to admit Hawaii to statehood without delay; and be it further

Resolved, That copies of this joint memorial of the Legislature of the State of New Mexico be sent to the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and to the members of the New Mexico delegation to the U.S. Congress.

ED V. MEAD,
President, Senate.
HAL THORNBERRY,
Chief Clerk, Senate.
MACK EASLEY,
Speaker, House of Representatives.
ALBERT ROMERO,
Chief Clerk, House of Representatives.

FLOOD CONTROL WORKS—RESOLUTION OF PENNSYLVANIA HOUSE OF REPRESENTATIVES—LETTER

Mr. CLARK. Mr. President, the disastrous floods in western Pennsylvania have again proved the necessity for adequate flood control works in our river basins. Flood control projects on French Creek and the Shenango River would have prevented the enormously costly disasters to Meadville and Sharon. In both cases, Congress authorized projects more than 20 years ago, but the French Creek survey got underway only 2 years ago, and preconstruction planning of the Shenango (Sharpsville) Reservoir has just been started as the result of congressional insistence on action last year.

I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Pennsylvania House of Representatives, on January 27, 1959, pointing out the importance of the Shenango project to Mercer and Lawrence Counties.

There being no objection, the resolution was referred to the Committee on Public Works, and, under the rule, ordered to be printed in the RECORD, as follows:

The 85th Congress of the United States appropriated funds for the planning of a dam north of Sharpsville in Mercer County, Pa., which project is commonly known as the Shenango Reservoir Dam. Beyond the planning stage, however, no concrete action has been taken. This proposed dam, the basic purpose of which is the control of floods, will be of immeasurable benefit to the inhabitants of Mercer and Lawrence Counties and the surrounding countryside.

Recent unfortunate experiences have proven beyond doubt that proposed flood control projects should not be allowed to lag. Hesitation can mean a disastrous loss of human life and property: Therefore, be it

Resolved, That the House of Representatives of Pennsylvania, in the name of the people of Pennsylvania, memorialize the Congress of the United States to appropriate such funds and enact such legislation as may be necessary to bring about a speedy completion of the Shenango Reservoir Dam north of Sharpsville in Mercer County, Pa.; and be it further

Resolved, That copies of this resolution be forwarded by the chief clerk of the house of representatives to each Senator and Representative from Pennsylvania in the Congress of the United States.

HIRAM G. ANDREWS,
Speaker, House of Representatives.
JAS. MINSKY,
Chief Clerk, House of Representatives.

Mr. CLARK. Mr. President, I also ask unanimous consent to have printed in the RECORD a letter I wrote on January 26 to the distinguished chairmen of the House and Senate Appropriations Committees urging a speedup in appropriations for the Shenango and French Creek projects, so that actual construction can get underway at the earliest possible time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 26, 1959.

Hon. CLARENCE CANNON,
Chairman, Committee on Appropriations, House of Representatives.

DEAR MR. CHAIRMAN: Two of the communities which have suffered most heavily in the current disastrous floods in Pennsylvania are Meadville, located in Crawford County, on French Creek; and Sharon, Mercer County, on the Shenango River.

A preliminary estimate indicates at least $2 million damage in Meadville, and 4,000 families affected. Railroad service into the community was suspended for several days, and highways were completely blocked. While public services are now returning to normal, a change of weather—i.e., a heavy rainfall—could bring about a return of flood conditions.

In Sharon, the official estimate of damage is $3 million, while the combined estimate of damage from the latest flood and that of July 1958 is $8 million.

Flood control works on French Creek were authorized in 1936, on the Shenango River in 1938.

Not until 1955, however, was the Corps of Engineers provided funds to undertake its preliminary examination of the French Creek Basin. To date, appropriations totaling $52,900 have been made for this survey, which is currently underway and which will ultimately provide a new flood-control plan for the French Creek Basin. A sum of $25,000 for continuation of this survey is included in the President's 1960 budget request. I am informed that if $49,900 were appropriated, the survey could be completed in the 1960 fiscal year—moving the completion date forward by about 12 months.

The Shenango River Reservoir (also known as Sharpsville) was moved into the preconstruction planning stage last year by congressional action. The 1960 budget request includes $150,000 for continued planning, but I am advised that if $200,000 were appropriated this year, planning could be completed several months earlier, and construction could begin.

May I urge your committee to appropriate the sums of $49,900 to complete the French Creek survey within the next fiscal year, and $200,000 to complete preconstruction planning for the Shenango River (Sharpsville) Reservoir as speedily as possible. Hopefully, this would prepare the way to begin earliest construction of these two projects.

Almost a generation has passed since authorization of flood control works on the French Creek and the Shenango River. Since that time, several floods have occurred, inflicting great suffering and damage. I urge that these small amounts of additional money be provided so that these two important projects can go forward without additional delay.

Sincerely,

JOSEPH S. CLARK.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KEFAUVER:

S. 886. A bill to make the antitrust laws applicable to the organized professional team sport of baseball and to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional team sports, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 887. A bill for the relief of Melecio Acosta-Morales; to the Committee on the Judiciary.

By Mr. WILEY:

S. 888. A bill for the relief of Maria Reitzenstein; to the Committee on the Judiciary.

By Mr. EASTLAND:

S. 889. A bill to permit the exchange between farms in the same county of cotton acreage allotment for rice acreage allotmen ; to the Committee on Agriculture and Forestry.

S. 890. A bill to provide for the appointment of additional circuit and district judges, and for other purposes; to the Committee on the Judiciary.

By Mr. YOUNG of North Dakota:

S. 891. A bill to provide for wheat marketing quotas without acreage allotments; and

S. 892. A bill to provide an improved farm program; to the Committee on Agriculture and Forestry.

By Mr. PROXMIRE:

S. 893. A bill to amend section 613(c) of the Internal Revenue Code of 1954 so as to limit percentage depletion of ores and minerals to the income from the extraction of such ores and minerals; to the Committee on Finance.

By Mr. WILEY:

S. 894. A bill to authorize the establishment of the Ice Age National Park in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILEY (by request):

S. 895. A bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bills, which appear under separate headings.)

By Mr. CASE of New Jersey:

S. 896. A bill for the relief of Anthony Elio Monacelli; and

S. 897. A bill for the relief of James Yoo Ellis (Jae Kyung Yoo); to the Committee on the Judiciary.

By Mr. SALTONSTALL (for himself and Mr. CAPEHART):

S. 898. A bill to authorize the Secretary of Defense to make monetary awards for inventive contributions to the national defense, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. SALTONSTALL when he introduced the above bill, which appear under a separate heading.)

By Mr. McCLELLAN:

S. 899. A bill to provide for the discontinuance of certain reports now required by law; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. McCLELLAN (by request):

S. 900. A bill to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes;

S. 901. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years; and

S. 902. A bill to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. McCLELLAN when he introduced the above bills, which appear under separate headings.)

By Mr. ANDERSON:

S. 903. A bill to amend section 4 of the act of May 31, 1933 (48 Stat. 108); to the Committee on Interior and Insular Affairs.

By Mr. ENGLE:

S. 904. A bill to provide for the assessment of costs against the United States in the case entitled "United States against Fallbrook Public Utility District"; to the Committee on the Judiciary.

By Mr. ENGLE (for himself and Mr. KUCHEL):

S. 905. A bill to provide for the establishment of four soil and water conservation laboratories; to the Committee on Agriculture and Forestry.

By Mr. YARBOROUGH:

S. 906. A bill to amend section 1622 of title 38 of the United States Code in order to clarify the meaning of the term "change of program of education or training" as used in such section; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 907. A bill to amend the Veterans' Benefits Act of 1957 to provide for pensions of $125 per month to veterans of World War I who are 60 years of age; and

S. 908. A bill to prohibit the denial of a deduction as a business expense for compensation paid to a dependent of the taxpayer for personal services actually rendered in the taxpayer's trade or business; to the Committee on Finance.

By Mr. JOHNSTON of South Carolina:

S. 909. A bill relating to the observance of holidays occurring on Saturday; to the Committee on Post Office and Civil Service.

By Mr. HUMPHREY (for himself, Mr. KUCHEL, Mr. BUSH, Mr. DOUGLAS, Mr. ERVIN, Mr. GOLDWATER, Mr. JACKSON, Mr. MAGNUSON, Mr. SCOTT, Mrs. SMITH, and Mr. WILEY):

S. 910. A bill to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 911. A bill to authorize reduced retired pay plus pension or compensation to certain retired personnel of the armed services who retired prior to January 1, 1957; to the Committee on Armed Services.

By Mr. JAVITS (for himself, Mr. CASE of New Jersey, Mr. COOPER, Mr. CARLSON, and Mr. BEALL):

S.J. Res. 43. Joint resolution to establish the Health Services Study Commission; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. KEATING (for himself, Mr. CAPEHART, Mr. CLARK, Mr. JAVITS, Mr. KUCHEL, Mr. MORTON, Mr. PROXMIRE, Mr. WILLIAMS of Delaware, Mr. SCOTT, and Mr. CARLSON):

S.J. Res. 44. Joint resolution proposing an amendment to the Constitution of the United States relative to disapproval of items in general appropriation bills; to the Committee on the Judiciary.

APPLICABILITY OF ANTITRUST LAWS TO CERTAIN PROFESSIONAL TEAM SPORTS

Mr. KEFAUVER. Mr. President, I introduce a bill for the purpose of making the antitrust laws applicable to the organized professional team sport of baseball and to exempt certain aspects of the organized professional team sports of baseball, football, basketball, and hockey from the antitrust laws.

The necessity of section 1 of the bill grows out of the inequity created by the decision of the Supreme Court in 1922 that baseball was not a commercial enterprise, which decision it reaffirmed in 1953. In 1955 and 1957, respectively, the Supreme Court held the business of exhibiting professional boxing matches and professional football are within the antitrust laws.

In effect, the Supreme Court recognized the discrimination between sports resulting from its decisions but left the correction of the situation to Congress. This bill does that by placing baseball in the same relationship to the antitrust laws as the other team sports under the Court's decisions.

A bill, S. 4070, was introduced in the last session of Congress which would have given to the organized professional sports of baseball, football, basketball and hockey practically full exemption from the antitrust laws with respect to a large part of their operations. That bill was considered too broad in its exemptions and there was not sufficient time before the end of the session to work out a satisfactory bill. However, I am convinced that there are areas in the operations of those sports which deserve special consideration under the antitrust laws in order that they may survive and grow as seems to the best public interest. The bill now proposed, I believe, affords the exemptions reasonably necessary and proper.

The bill with certain limitations permits those organized professional sports to control the employment, selection and eligibility of players and the reservation, selection and assignment of player contracts. However, this privilege is limited to the control of not more than 80 players by any one club at any given time. This would give greater relief to minor leagues from the present practices under which some major leagues control, directly or indirectly, as many as 450 players and player contracts. The players' rights also are given greater protection. Under the bill, a player must give his written consent before he can be subjected to the terms of the system of player control adopted by the sport organizations. This would give relief from the unfair situation in which a young football

player now finds himself by being compelled to play professional football for a team for which he has no desire to play and with which he has never before negotiated.

The organized professional sports of baseball and football may regulate the right to operate within specific geographic areas provided any area designated may not exceed a radius of more than 35 miles from the location of the ball park or field. This exemption as to geographic areas does not apply to cities of more than 2 million people, so that additional clubs in the very large cities could not be foreclosed under the geographic area exemption contained in the bill.

The regulation by the sports organizations of the broadcast and telecast of sports contests are exempted by the bill from the antitrust laws provided that any agreements, rules, or conduct with respect to such broadcasts and telecasts must be found by the Federal Communications Commission to be reasonably necessary. The Commission would be in the position of considering a conflict of public interests. They must weigh the need to protect and build up minor leagues in baseball, for example, by some regulation of telecasts of big league games into the territory of a minor league game on the same date and the rights of people who wish to have sports contests appear on their TV sets. It seems to me that the Commission is in better position to ascertain the facts and strike a balance between these two public interests than can be done by either blanket exemption of sports management from the antitrust laws or an attempt to specifically regulate in the bill itself.

The bill further exempts agreements made and actions taken for the preservation of public confidence in the honesty of sports contests. I am sure that such action by the sports is in the public interest and will continue to be the high aim of these sports as in past years.

I call your attention to section 7 of the bill which makes this bill effective only for 4 years from the date of its approval. At the end of that time, its continued desirability can be examined and proper action taken.

Mr. President, in order that other Senators may have an opportunity to join me in sponsoring the bill, I ask unanimous consent that it lie on the desk for one week.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Tennessee.

The bill (S. 886) to make the antitrust laws applicable to the organized professional team sport of baseball and to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional team sports, and for other purposes, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on the Judiciary.

ICE AGE NATIONAL PARK, WIS.

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to establish an Ice Age National Park in Wisconsin.

The proposed legislation would authorize the establishment of a national park, incorporating areas in 34 counties in Wisconsin.

The scope and beauty of Wisconsin's moraines—geological formations sculptured by glacial action—are unsurpassed anywhere in the country. The significance of these moraines is recognized by geologists, conservationists, including authorities in the Department of the Interior, and other persons qualified to evaluate the importance of these significant topographical features.

Currently, there is a study being undertaken by the Department of Interior on the merits of the proposed park. Unfortunately, winter has held up the field surveys. I have, however, urged the Department to carry out its study of these moraine formations as expeditiously as possible.

I am aware, of course, that there are a number of questions to be answered. These include:

First. What should be the scope of the park area—that is, just how much of the moraine area in the 34 counties along the 500-mile-long glacially significant strip should be included in such a project?

Second. How would land areas adjacent to the proposed park be affected?

Third. How much will it cost and how will it be financed?

Fourth. What administrative problems will be involved in developing and administering the park?

Fifth. How would the national park relate to the National-State established Kettle Moraine Park?

These and other problems will need to be resolved in the local, State, and National interest.

The bill I am introducing today is a counterpart of the measure introduced in the House of Representatives by Congressman REUSS on January 7.

In attempting to move forward such a park project, I must also pay a most deserved tribute to the fine, enthusiastic groundwork laid by Raymond T. Zillmer, conservationist authority of Milwaukee, Wis., and other State conservationists, who have done a splendid job in engendering interest and educating a great number of people on the merits of such a project.

Annually, millions of tourists now visit our Kettle Moraine State Park which encompasses a portion of the glacially formed topographical features. The creation of a park incorporating more of the moraines—particularly areas otherwise unproductive—would be most worthwhile and could be expected to attract more tourists to visit our Badger State.

Overall, I believe the establishment of an Ice Age National Park to preserve the unique and significant moraine area would be a real boon to Wisconsin, as well as a benefit for the Nation.

The PRESIDING OFFICER (Mr. KEFAUVER in the chair). The bill will be received and appropriately referred.

The bill (S. 894) to authorize the establishment of the Ice Age National Park in the State of Wisconsin, and for other purposes, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

REPRESENTATION OF INDIGENT DEFENDANTS IN CRIMINAL CASES IN UNITED STATES DISTRICT COURTS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States.

I do so at the request of the Department of Justice and because I believe there continues to be a serious problem which this bill would go far to cure.

It will help assure equal justice under the criminal law for rich and poor alike.

I ask unanimous consent that a short statement on this matter, prepared by me, together with a copy of the bill and a copy of the Attorney General's letter supporting the bill, be printed in the RECORD at this point, as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, statement, and letter will be printed in the RECORD.

The bill (S. 895) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States, introduced by Mr. WILEY (by request), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18 of the United States Code, section 3006, is hereby amended to read as follows:

"SEC. 3006. Public defenders; Representation of indigent defendants

"(a) Each United States district court may appoint a public defender at each place where terms of court are held. Whenever a district court is satisfied that the number of cases assigned to a public defender is greater than can be conveniently conducted by him, it may appoint one or more assistant public defenders. The public defender with the approval of the court may appoint necessary clerks as approved by the Director of the Administrative Office of the United States Courts. Public defenders or assistant public defenders may be full-time or part-time officers as the volume of work in the judgment of the court requires.

"Whenever a court in which there is a public defender is satisfied that a person charged with a felony or misdemeanor, other than a petty offense, as defined by section 1 of this title, is unable to employ counsel, it shall assign the public defender to act as counsel. Where there are indigent defendants with such conflicting interests that they cannot all be properly represented by the same counsel, the court may appoint counsel separate from the public defender for one or more of them and provide for the compensation and reimbursement of expenses of such counsel in the same manner

as is provided for counsel appointed under subsection (c) of this section. The public defender shall act as counsel for each defendant to whom he is assigned at every stage of the prosecution, unless after the assignment the court is satisfied that the defendant is able to employ other counsel. Each district court may adopt appropriate rules governing the conduct of public defenders subject to general regulations on the subject, which may be adopted by the Judicial Conference of the United States.

"(b) Each public defender and assistant public defender shall be paid a salary based upon the service to be performed, not exceeding $10,000 per annum, to be fixed by the Judicial Conference of the United States. He shall also be reimbursed for expenses necessarily incurred by him in the performance of his duties when approved by the district court.

"(c) If a district court in a district not having a city of more than five hundred thousand population considers that the representation of indigent defendants in criminal cases can be provided for more economically by the appointment of counsel than by the appointment of a public defender, and no public defender is appointed; or

"If a district court in a district having a city of over 500,000 population so considers, the judicial council of the circuit approves, and no public defender is appointed; the court may appoint counsel for indigent defendants in particular cases. Counsel so appointed may be compensated in amounts determined by the court upon the conclusion of the service, at a rate not in excess of $35 a day for time necessarily and properly expended in preparation and trial of the case, and may be reimbursed for expenses reasonably incurred in the representation and approved by the court. The aggregate amount expended for compensation and reimbursement of such counsel in any district may not exceed $5,000 in any fiscal year.

"(d) A public defender or counsel appointed by the court who represents an indigent defendant in a criminal case in the district court shall also represent him in appeal proceedings if either the district court or the court having jurisdiction of the appeal considers that there is reasonable ground for appeal and so directs. Services of the nature specified in this subsection rendered by a public defender are part of his duties and shall be performed without other compensation than his salary. Counsel appointed in the particular case may be compensated for such services in the measure specified in subsection (c) for such counsel and be reimbursed for their expenses. Sums so paid for compensation and expenses of services on appeal are included in the maximum limit of $5,000 in any fiscal year imposed by subsection (c) in the respective districts from which the appeals are taken.

"(e) There are authorized to be appropriated to the United States courts, out of any money in the Treasury not otherwise appropriated, sums necessary to carry out the provisions of this section. The salaries and expenses of public defenders and assistant public defenders and compensation and expenses of attorneys appointed by the courts to represent defendants in particular cases, above provided for, shall be paid out of appropriations available therefor under the supervision of the Director of the Administrative Office of the United States Courts.

"(f) The term 'United States district court' as used in this section shall include the District Court of the Virgin Islands, the District Court of Guam, and the district courts of the United States created by chapter 5 of title 28, United States Code."

SEC. 2. The analysis of chapter 201 of title 18, United States Code, is amended by striking out item 3006 and inserting in its place the following item:

"3006. Public defenders; representation of indigent defendants."

The statement and letter presented by Mr. WILEY are as follows:

STATEMENT BY SENATOR WILEY

BILL OF RIGHTS

The Bill of Rights is one of the most important parts of the Constitution.

As a matter of fact, the adoption of the Constitution was on the understanding that the first 10 amendments thereto constituting the Bill of Rights would be adopted.

The freedom of the individual and the sanctity of private property owned by the individual are necessary foundations of our American way of life and our free enterprise economic system.

FREEDOM OF INDIVIDUAL

One of the great distinctions between America and the Communist world is the fact that in America a person is free to make his own decisions and, though he may sometimes decide wrongly, is never to be convicted without adequate proof and only after full opportunity for hearing.

INDIGENT DEFENDANTS DENIED RIGHTS

But there are, most unfortunately, some of our citizens who find themselves temporarily without funds to retain adequate legal counsel to defend them.

Should these people be denied the protection of the Bill of Rights of the Constitution because they cannot pay a lawyer who knows what their rights are? The answer is a resounding, "No."

The poorest defendant should have the best counsel possible.

FINE, FREE SERVICE BY BAR ASSOCIATIONS

And the most able members of the bar have rendered fine service by volunteering free of charge to defend citizens who are in trouble in the criminal courts.

However, not all members of the bar are trial lawyers. More and more lawyers are involved in complicated business transactions requiring the talents of so-called desk lawyers who seldom, if ever, appear in the courts.

INCREASED BURDEN

As a result, the burden upon the trial lawyer has increased to the point where it is likely to become intolerable. A skilled lawyer, experienced in court practice who can demand high fees can really not be expected to give nearly all of his time to the defense of indigent defendants.

As a result, the bar associations throughout the country have been studying the problem and trying to come up with solutions.

For instance, the Bar Association of the District of Columbia has done fine work in arranging for volunteer service by its members in defense of persons charged before the district and municipal courts in Washington, D.C.

A commission headed by former Judge Cayton has made a real contribution by its report on the problem. But disagreement as to the local solution by private means continues although the D.C. Bar Association and Judicial Conference have considered the matter.

SERIOUS PROBLEM

There is some feeling that because the prosecuting attorney is employed by the Government, there might be some question as to whether a public defender also employed by the Government would represent the defendant with full vigor. It has been my experience, and I was a district attorney myself in the early part of my career, that wherever lawyers enter a case they give their full energy and talents to the representation of the particular client whom they represent, irrespective of their own personal profit, so long as no question of ethics is involved in continuing to represent the client.

THIS BILL HELPS SOLUTION

If the burden had not become too great for the private practitioners to bear, I would not suggest a Government remedy. And the problem has been increased by a recent decision to the effect that all persons charged with insanity are entitled to representation by counsel. In the District of Columbia I understand that this has seriously increased the burden upon volunteer defense counsel.

And since there is a problem which is not being solved, and since failure to solve this problem is denying constitutional rights to some Americans, I propose the adoption of this bill to provide for appointment of public defenders in the representation of indigent defendants in criminal cases.

COURT CONTROL

This bill leaves the appointment of defense counsel in the hands of the judges, as it is now; but it provides for compensation for public defenders appointed by the courts.

EQUAL JUSTICE UNDER THE LAW

Finally, I point out this fact: Enemies of our American society frequently accuse us of allegedy having one set of laws for the rich and one set of laws for the poor.

They assert that a poor man will be punished for a crime for which a rich man might escape the penalty of the law.

They further charge that, in criminal cases, it is the poor who will end up in the penitentiary or receive capital punishment, and the rich who will escape with a comparative light sentence, or perhaps escape entirely.

While this is seldom the case, let us demolish these accusations. Let us confirm that there is one law, and one law only—the same for the rich, the same for the poor. Let us make absolutely sure that, in criminal cases, people in the lower income brackets are not denied equal justice under the law of our country.

FEBRUARY 2, 1959.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: For the past several Congresses the Department of Justice has proposed legislation to provide for the representation of indigent defendants in criminal cases in the district courts of the United States. There is again enclosed for your consideration and appropriate reference legislation to assure equal justice under the criminal laws for rich and poor alike.

Under the existing system in the Federal courts, the judges assign counsel to represent the indigent on a voluntary basis. Although the bar has responded admirably, it is unfair to impose this heavy burden upon the relatively few who are familiar with the practice of criminal law. Nor is it fair to the destitute defendants to distribute such assignments among a much larger number of attorneys, many of whom may have little or no experience in criminal matters.

If the guaranty of the sixth amendment that an accused shall "have the assistance of counsel for his defence" is to be meaningful for those who cannot afford to retain competent counsel, the community must undertake the responsibility of providing and paying for necessary defense counsel just as it provides and pays for prosecution staffs.

The enclosed bill would provide for the appointment of public defenders by the district courts. However, it is flexible enough to permit of their appointment on a part-time or full-time basis in various areas of the country as the volume of work dictates. Furthermore, in districts in which the courts are of the opinion that adequate representation of indigent defendants can be provided more economically through the appointment

of special counsel in particular cases, they may follow such a course. Thus, the measure affords the opportunity of making use of the best features of both the public defender and the assigned counsel systems, as determined by local circumstances.

This remedial legislation is long overdue. I urge its prompt, favorable consideration by the Congress.

The Bureau of the Budget has advised that there is no objection to the submission of this recommendation.

Sincerely,

WILLIAM P. ROGERS,
Attorney General.

STIMULATION OF INVENTIVE CONTRIBUTIONS TO THE DEFENSE EFFORT

Mr. SALTONSTALL. Mr. President, on behalf of the Senator from Indiana [Mr. CAPEHART] and myself I introduce a bill designed to stimulate inventive contributions to the defense effort on the part of both private citizens and Government employees. For this reason, I ask that it be referred to the Committee on Armed Services.

Reward for constructive effort has been a basic premise of the free enterprise society. Opportunity for reward is a fundamental consideration. Our Founding Fathers saw to that when in article I, section 8 of the Constitution they provided that "Congress should have the power to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive rights to their respective writings and discoveries."

Mr. President, under this article the patent laws have been written and the patent office has carried forward its most useful work. However, our Founding Fathers in setting up this article of the Constitution could not foresee the speed with which today's technological developments take place. They instructed Congress to protect the inventor for a limited time, which our patent laws do to this day. But it takes from 2 to 3 years to secure patents in these hurried times and it has occasionally occurred that an invention urgently needed by our armed services has not been reserved to its inventor as required by the Constitution. The new development made possible by a scientist's genius and made available by the inventor to the armed services has been used in whole or in part by the armed services, but the inventor has been compensated for it inadequately, or in some unfortunate cases not at all, due to the restrictions now imposed on the armed services by statute.

I interpolate at this point to say that last year Congress enacted a special statute to reward a certain captain of the Navy for a very helpful invention which he made, which contributed greatly to our success in World War II. That invention was compensated for by a special statute. The bill I am introducing would apply the same rule generally.

The new development has had the further unfortunate effect of discouraging inventors from even presenting much-needed inventions for consideration by the Department of Defense.

Mr. President, it is time that our constitutional protections be extended to these patriotic inventors whose developments are made available immediately and before patenting to the armed services. It is time that these men be encouraged by promise of payment to bring forward the fruits of their scientific effort. Congress has considered similar measures in the past. This proposal is drawn from the best judgment which has been brought to bear on the problem. I urge that it be given prompt attention by the Congress in our national interest.

Mr. President, I ask that my remarks in the previous session of Congress on this legislation be printed in the RECORD at this point, as they are an explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEVERETT SALTONSTALL ON INTRODUCTION OF INVENTIVE CONTRIBUTIONS BILL

Mr. President, I introduce herewith for appropriate reference a bill designed primarily to stimulate contributions of a technical, scientific, or management improvement nature.

Since sputnik and our consequent realization that the space age was upon us, we, as a nation, have been more concerned than ever with the importance of technical and scientific achievement in our own country. It is no understatement to say that the security and welfare of our Nation depends upon our being technologically superior. World leadership will depend in the years ahead as much on our scientific know-how as it has in the past on our political and diplomatic know-how. We have also come to realize that the organization by which we manage our defense affairs must be as efficient as possible and must be fully equipped to meet its enormous responsibilities on a split-second basis.

The job of maintaining technological superiority and continuing to stimulate scientific advances is a job for our whole Nation. We cannot expect to exploit the scientific barriers of the future by simply designating a group or an agency of the Government to be responsible. We must have the contribution of all our talented citizens wherever they may be. The H-bomb, for example, was developed by a group of scientists working independently in their university laboratories. The jet engine was developed by a British Air Force officer who conducted the necessary research as a hobby. We must in the years ahead make rapid use of scientific and technical knowledge wherever it is developed.

The bill which I am today introducing vests authority in the Secretary of Defense to reward any person, whether a private citizen, a corporation, or a person in the military service as a civilian or in uniform. The award is to be made based principally upon the value of the contribution to the national defense. Inventive contribution is defined as: Any plan or proposal for the improvement of management procedure or technique within any defense agency; or any plan or proposal for the application of any patented or unpatented technical or scientific innovation to national defense use.

This legislation which I am proposing is not new or original. There have been many comparable suggestions made in the past. The first legislative proposal of this nature was offered in the 82d Congress and there are currently bills pending in this Congress to effect the same purpose. The bill which I have offered, which will be clear from the section by section analysis which I have prepared, is, however, varied in some significant ways from previous proposals. Furthermore, I believe that events of the past 6 months have demonstrated dramatically the need for this type of legislation. Our national security demands that authority be vested in the Federal Government to reward those outstanding contributions which prove to be of value to our national defense in helping us further scientific and technical management problems.

The Department of Defense has consistently favored this type of legislation. There may be a number of modifications which the executive branch would want written into this bill and I hope that the bill will have the benefit of constructive suggestions by all interested parties so that the final legislation will reflect our best efforts designed to stimulate and encourage technical and scientific advances for national defense. One simple illustration may be helpful in explaining the potential benefits of this kind of legislation. Let us suppose that an inventor has designed an extremely helpful item perhaps for purposes of illustration an amplifying tube which will greatly increase the effectiveness of our electronic equipment. Naturally the inventor wants this to be available to our Defense Establishment at the earliest possible time but he also wants to be assured that he will be properly compensated. He cannot divulge his secret to industry or to the Defense Department for he could quickly lose his proprietary interest. Moreover, the Defense Department is without authority at the present time to pay the inventor. They perhaps may be able to reward him by offering him some sort of contractual arrangement. But if the invention has great potential they can in no way give him a fitting reward and once the idea is divulged they are without authority to compensate him. So the inventor naturally seeks protection under our patent laws but it takes several years to receive a final patent and in this intervening period which in many cases would be in excess of 3 years, the Defense Department has been without the benefit of a potentially vital technical improvement. Even after the patent is issued, the inventor must go through complicated legal proceedings—sometimes being forced to sue for infringement. And, also, there is the very real damage that the inventor without significant financial resources cannot afford the long and costly procedure in obtaining his patent and in this case the invention may be lost forever. How much better it would be, in the interest of our national security and in the interest of treating equitably those persons who do by their genius produce technical and scientific advances, if this invention could be made immediately available to our Defense Establishment and the inventor given immediately proper compensation.

One of our principal objectives with the Defense Establishment has been to create incentives. The military pay bill which we are now considering is designed primarily on the recommendations of the Cordiner Committee to create incentives for qualified and trained persons to remain on military duty. We try to create incentives for our industries manufacturing in the defense effort. The preferred basis on which we now contract with them is called an incentive contract. It seems to me only consistent with this objective that we create incentives for creative individuals, whether they are in military service or in private life, to use their best talents in furthering our defense effort.

The potential gain by stimulating such activity on the part of inventors and scientists would, I am confident, outweigh many times the minor costs incurred. In this connection there are many illustrations which could be used where over the past years the Defense

Department has spent many thousands of dollars in research, only to find that the item we are seeking has already been developed by a private person who, because the law does not protect him, has not been able to offer the fruits of his invention to the Defense Department.

I have drafted this bill in cooperation with some of the leading patent attorneys in the Defense Establishment. One of the gentlemen with whom I have conferred received national recognition a few years ago for his outstanding treatise on this subject. He pointed out then, in 1951, the desperate need for a system whereby individual genius can be stimulated to make contributions for our national defense and he pointed out the total inadequacies of our patent law system to achieve this objective. I am pleased to say that this bill has resulted from as many years research and investigation.

I hope that this bill will have the serious and earnest attention of all our many colleagues. In the years ahead our Nation's strength and security may depend upon our ability to beat another nation to a technical achievement and when a matter of weeks or months may make the difference between security and disaster, we cannot afford to discourage genius, we cannot afford to create a monopoly on new ideas.

Mr. SALTONSTALL. Mr. President, I ask that the bill be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, the bill will be received, appropriately referred, and printed in the RECORD.

The bill (S. 898) to authorize the Secretary of Defense to make monetary awards for inventive contributions to the national defense, and for other purposes, introduced by Mr. SALTONSTALL (for himself and Mr. CAPEHART), was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inventive Contributions Act of 1958".

DECLARATION OF POLICY

SEC. 2. It is the purpose of this Act to stimulate and encourage improved management methods and technical and scientific advances for the national defense by making eligible for compensation persons who have made inventive contributions thereto.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "defense agency" means the Department of Defense, any military department or agency thereof, or any armed force of the United States.

(b) The term "person" includes any individual, partnership, corporation, association, or other legal entity.

(c) The term "inventive contribution" means—

(1) any plan or proposal for the improvement of management procedure or technique within any defense agency; or

(2) any plan or proposal for the application of any patented or unpatented technical or scientific innovation for use by any defense agency.

AWARDS AUTHORIZED

SEC. 4. (a) Whenever any person has directly or indirectly communicated in confidence or otherwise to a defense agency, on or after May 1, 1958, an inventive contribution which at the time of such communication was new and original with such person, and which as a result of such communication thereafter has been used by any defense agency, the Secretary of Defense may pay to such person a monetary award in such amount as the Secretary determines in conformity with the provisions of subsection (b) to be payable. Payment of any such award may be made in a single sum, or through periodic payments.

(b) In determining the amount of any such monetary award made to any person with respect to any inventive contribution, the Secretary of Defense shall take into account the following factors:

(1) the value of that contribution to the national defense;

(2) the aggregate amount of any sums which have been expended by the contributor for the development of that contribution for use by defense agencies;

(3) the amount of any compensation (other than salary received for services rendered as an officer or employee of the Government) received by such person for or on account of the use of such contribution by the United States;

(4) the amount of any benefits which have been or may be derived by such person through the exploitation of such contribution for use by persons other than the United States; and

(5) such other factors as the Secretary of Defense may determine to be material.

(c) Notwithstanding any other provisions of this Act or of any other provision of law except a provision of law hereafter enacted expressly in limitation hereof, no award shall be made by the Secretary of Defense for inventive contributions as defined in this Act unless—

(1) the Secretary of Defense has submitted to the Armed Services Committee of the Senate and of the House of Representatives a written report stating the name of the applicant to whom the award is to be made and the amount;

(2) (a) a thirty-day period has elapsed since the submission of such report, or (b) the committees have advised the Secretary of Defense, in writing, that there are no further questions to be asked concerning the award contemplated. If within such period a concurrent resolution is passed by the Congress authorizing payment of such award in another amount or subject to different conditions, payment of the award shall be made in conformity with the terms of that resolution.

(d) If more than one person claims an interest in the same inventive contribution, the Secretary of Defense shall ascertain and determine the respective interests of each such person, and shall divide the award to be made as to such contribution among all persons determined to be entitled to share in that award in such proportions as he determines to be equitable.

(e) Any award made under this Act for any inventive contribution may be paid from (1) funds appropriated to any defense agency for management procedures or for the procurement of equipment or supplies incorporating such contribution, or (2) other funds appropriated for the payment of such award. If such a contribution has been used by more than one defense agency, payment of any award made therefor may be allocated among using defense agencies according to the extent of their use of such contribution as determined by the Secretary of Defense.

PROCEDURE FOR DETERMINATION

SEC. 5. (a) Awards under section 4 may be made to any person by the Secretary of Defense (1) upon his own initiative, (2) upon the recommendation of the Secretary of any military department, or (3) upon application made by such person to the Secretary of Defense.

(b) Upon receipt of any application for an award under this Act on account of any inventive contribution, the Secretary of Defense shall ascertain the extent to which such contribution has been used by defense agencies. If any such use has occurred, he may refer the application to the Secretary of the military department administering the activity for which greatest use of that contribution has been made. After hearing upon such application, the Secretary of that military department shall prepare a written report thereon, which shall contain a recitation of the material facts disclosed with respect to the application and his recommendation for action to be taken thereon. Copies of such report shall be transmitted to the Secretary of Defense, the Secretary of each other military department concerned, and to the applicant by registered mail at the same time it is delivered to the Secretary of Defense.

(c) This recommendation of the Secretary of the military department shall lie before the Secretary of Defense for thirty days before final disposition is made by the Secretary. During this time the Secretary of Defense may entertain an appeal from the applicant or designate his representative in the Office of the Secretary of Defense to entertain such an appeal.

(d) Subject to the provisions of section 4 (c), action taken in conformity with the requirements of this Act by the Secretary of Defense upon any application or recommendation shall be final and conclusive, and shall not be subject to review by any other person or by any court. Any determination made under this Act shall be effective only for the purposes of this Act.

ADMINISTRATION

SEC. 6. (a) The Secretary of Defense shall promulgate such rules and regulations as he shall determine to be required to implement the provisions of this Act.

(b) To the extent authorized by the Secretary of Commerce, the Secretary of Defense in the administration of this Act may utilize the services of the National Inventors Council and the staff thereof for the receipt, evaluation, and communication of inventive contributions to any defense agency. The communication of any inventive contribution to the National Inventors Council followed by the communication of such contribution by said council to a defense agency shall, for the purposes of section 4 of this Act, constitute proof of the communication of such contribution to such defense agency.

RELATIONSHIP TO OTHER PROVISIONS

SEC. 7. (a) The eligibility of any person to receive compensation under any other provision of law for any inventive contribution shall not affect his eligibility to receive an award made under this Act on account of the same contribution.

(b) The receipt of an award made to any person under this Act for any inventive contribution shall not affect his eligibility to receive compensation under any other provision of law on account of the same contribution, except that the amount of such compensation under such other provision of law shall be reduced by the amount of the award made to him under this Act.

EFFECTIVE DATE

SEC. 8. This Act shall take effect on the first day of the second month beginning after the date of enactment of this Act.

DISCONTINUANCE OF CERTAIN REPORTS

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill to provide for the discontinuance of cer-

tain reports now required by law. The purpose of this bill is to eliminate the periodic submission of numerous reports to the Congress or to various committees thereof, as now required by statute, when such reports no longer serve a useful purpose.

The proposed legislation was initiated by the Committee on Government Operations by letter dated August 15, 1957, to the Director of the Bureau of the Budget, who was requested to make an evaluation of the reports prepared by the various departments and agencies for submission to the Congress to determine (a) the purpose for which each such report was prepared; (b) the use made of such reports; and (c) recommendations as to their continuation or abolition. In accordance with this request, the Bureau of the Budget released a bulletin dated October 24, 1957, addressed to the head of each department and agency of the Federal Government, in which it was requested that complete information as to the origin, use, need or lack of need, the cost of preparation, and other necessary data be supplied to the Bureau so as to permit further evaluation of the preparation of legislation to support the findings of the agencies for submission to the committee.

The original draft bill received from the Bureau pursuant to its survey provided for the repeal of 57 laws or parts thereof which now require the submission of reports to Congress. On receipt of the draft bill, a copy was forwarded to the chairman of each standing committee of the Senate, with a request that the staff of each committee review the proposal and report to the Committee on Government Operations as to which of the reports proposed to be discontinued were needed for the use of such committees.

The bill I have introduced reflects the changes and recommendations of the chairmen of the Senate committees, and continues existing law requiring the submission of reports which are useful to the committees of Congress. Should this bill be enacted into law, it will repeal 46 sections or parts of law requiring the submission of reports to Congress instead of 57 such provisions as originally recommended by the Director of the Bureau of the Budget. There is general agreement by the committees of the Senate that all of these 46 reports may be discontinued without jeopardizing or denying essential information required by Members or committees of the Congress.

This bill is similar to legislation which has been enacted from time to time to eliminate the need for the preparation and submission of reports which no longer serve any useful purpose, or for other reasons, were no longer needed by the agencies or by the Congress.

The act of May 29, 1928 (45 Stat. 986) repealed the requirement for submission of 128 reports; the act of August 7, 1946 (60 Stat. 866) of 62 reports; the act of October 31, 1951 (65 Stat. 701) of 131 reports; and the act of August 30, 1954 (68 Stat. 966), reported by the Committee on Government Operations, repealed the statutory requirement for the submission of 33 such reports.

The committee believes that the enactment of this bill would result in substantial savings through the reduction of administrative expenses, printing and binding, and other related costs, without impairing or interfering with the continuous flow of essential information to the Congress of the United States.

Mr. President, I ask unanimous consent that a copy of my letter to the Director of the Bureau of the Budget, together with his reply and a letter transmitting the draft of the bill as originally proposed to carry out the purpose and objectives of the survey, with an analysis thereof, be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bill (S. 899) to provide for the discontinuance of certain reports now required by law, introduced by Mr. MCCLELLAN, was received, read twice by its title, and referred to the Committee on Government Operations.

The letters presented by Mr. MCCLELLAN are as follows:

AUGUST 15, 1957.

Hon. PERCIVAL F. BRUNDAGE,
Director, Bureau of the Budget,
Washington, D.C.

DEAR MR. BRUNDAGE: It has come to the attention of this committee that there are numerous reports submitted to the Congress or various committees thereof on a quarterly, semiannual, annual, or other periodic basis, dealing with the operations of or providing certain information in connection with statutory authorizations approved by the Congress in accordance with provisions of specific acts of Congress. The initial purpose of these reports, in many instances, was to provide the legislative branch of the Government with detailed and periodic information relative to the progress, status, or other factors relating to governmental activities, the effectiveness of the programs being administered by the executive branch, and the economies or public service improvements that have resulted from specific enactments.

Most of these reports served, at least for a period following approval of the legislation, to provide the Congress with information necessary to determine whether or not the authority granted thereunder was being exercised in accordance with the intent of the Congress and in the public interest, and that the objectives of the legislation were being achieved. On the other hand, in reviewing certain of these reports that have been submitted in accordance with laws enacted a number of years ago, it is quite obvious that, due to changes in conditions, subsequent legislation, or for other reasons, some of these reports now serve no useful purpose, the need for the details specified to be furnished in such reports no longer exists and the costs incident to the preparation of the reports are no longer warranted.

It is the belief of this committee that it would be helpful to the Congress to have the Bureau initiate a continuous study and survey into the requirements for the submission of these reports, in order that the committee may determine whether or not any change in conditions existing at the time the legislation was approved warrants the discontinuance of the submission of such reports. I wish, therefore, to request that you and your staff give consideration to this matter, with a view to cooperating with the committee in evaluating the need for continuing the preparation of all such reports, and to the drafting of legislation to eliminate those that may no longer be necessary.

The staff of the committee has been directed to cooperate with your staff in connection with the development of information that will be required in order that the committee may give appropriate consideration to legislation or other actions that may be indicated, with a view toward repealing provisions of law requiring the submission of reports which no longer serve any useful purpose. I believe the staff can be helpful in contacting Members of Congress who may have participated in processing legislation which required the preparation of these reports and in obtaining their cooperation in eliminating the need for filing reports when it is determined that they are no longer required to conform to the original objectives of the laws under which they were to be submitted.

Thanking you for your consideration and advice regarding this matter, I am,

Sincerely yours,

JOHN L. MCCLELLAN,
Chairman.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., September 6, 1957.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Government Operations, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of August 15, 1957, requesting that the Bureau initiate a study of the current necessity for periodic reports required by law to be submitted to the Congress and that we submit proposed legislation to repeal statutory requirements for reports which are no longer needed.

We will be glad to initiate a study directed toward eliminating reports that no longer serve a useful purpose. We have conducted such surveys in the past with good results but, since the last such effort was completed in 1954 (68 Stat. 966), we believe it is timely to undertake a similar study now.

Arrangements, now under consideration by the Bureau, will be made to obtain appropriate participation from agencies of the executive branch. As suggested in your letter, we will consult with staff of your committee in order to develop mutually helpful arrangements in this undertaking.

Sincerely yours,

PERCIVAL F. BRUNDAGE,
Director.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 10, 1958.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: By letter of August 15, 1957, the chairman of the Senate Committee on Government Operations asked the Bureau of the Budget to initiate a study of reports which are required by statute to be submitted to the Congress in order to identify any reports which no longer are being used and to submit appropriate draft legislation. Enclosed is a draft bill which would repeal 59 such reporting requirements, together with a statement of the reasons for recommending repeal in each instance.

In conducting the study, we asked agencies to furnish detailed information concerning preparation and use within the executive branch of all reports which they are required by statute to submit to the Congress. To the extent feasible, the agencies also attempted to ascertain in each instance whether the report is being used by committees of the Congress. The draft bill is based upon recommendations from agencies. So far as could be determined, the reporting requirements which would be repealed by the draft bill are no longer needed.

While we are not able to estimate accurately the savings that will result if these reporting requirements are repealed, we believe they are worthwhile and we recommend favorable consideration of the draft bill. We are continuing to analyze several other statutory reporting requirements and will submit additional drafts of proposed legislation if it appears that any of them should be repealed.

The draft bill is similar to legislation which has been enacted from time to time for the purpose of eliminating the requirement for submission of reports deemed to be unnecessary. The most recent of these enactments, the act of August 30, 1954, 68 Stat. 966, repealed the requirements for 32 reports.

Sincerely yours,

ROBERT E. MERRIAM,
Acting Director.

A BILL TO DISCONTINUE CERTAIN REPORTS NOW REQUIRED BY LAW

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following reports or statements now required by law are hereby discontinued, and all Acts or parts of Acts herein cited as requiring the submission of such reports or statements are hereby repealed to the extent of such requirement:

REPORTS UNDER EACH EXECUTIVE DEPARTMENT AND INDEPENDENT ESTABLISHMENT

1. The annual report to Congress by the head of each Federal agency of the administrative adjustment of claims of $1,000 or less, stating the name of each claimant, the amount claimed, the amount awarded, and a brief description of the claim (28 U.S.C. 2673).[1]

2. The annual report to the Post Office and Civil Service Committees and the Appropriations Committees of the Senate and House of Representatives of the action taken in reviewing certain positions, together with information comparing the total number of employees on the payroll on June 30 and their average grade and salary with similar information for the previous June 30 (65 Stat. 757; 5 U.S.C. 43, note).

REPORTS UNDER DEPARTMENT OF THE TREASURY, HOUSING AND HOME FINANCE AGENCY, GENERAL SERVICES ADMINISTRATION, AND SMALL BUSINESS ADMINISTRATION

3. The quarterly reports to Congress of progress in liquidating the assets and winding up the affairs of the Reconstruction Finance Corporation as required by section 106(b) of the Reconstruction Finance Corporation Liquidation Act (67 Stat. 231; 15 U.S.C. 609, note) and by Reorganization Plan No. 1 of 1957.

JOINT REPORT UNDER THE POST OFFICE DEPARTMENT AND GENERAL SERVICES ADMINISTRATION

4. The joint report to Congress, required of the Postmaster General and the Administrator of General Services by sections 101 and 409 of the Public Buildings Act of 1949, of the public buildings projects eligible to be constructed in accordance with applicable statutory provisions (63 Stat. 176 and 200; 40 U.S.C. 352, 355).[1]

REPORT UNDER THE DEPARTMENT OF STATE

5. The annual statement to Congress of expenditures from the contingent fund, including contingent expenses of foreign intercourse and of all the missions abroad (R.S. 209; 5 U.S.C. 164).

REPORTS UNDER THE DEPARTMENT OF TREASURY

6. The annual report to Congress of expenditures from the earnings of the Pershing Hall Memorial Fund (49 Stat. 426; 36 U.S.C. 492).

7. The inclusion in the annual report of amount expended under the Mustering-Out Payment Act of 1944 (58 Stat. 10; 38 U.S.C. 691g).

8. The semiannual report to the Congress of claims paid which became due as the result of the correction of military records of the Coast Guard (10 U.S.C. 1552(f)).

9. The annual report to the Congress of the number by rank and age group of officers of the Coast Guard above the rank of lieutenant commander who are entitled to flight pay and the average monthly flight pay for the preceding 6-month period (60 stat. 20; 37 U.S.C. 118a–1).

10. The annual report to Congress of all amounts paid in settlement of claims for damage caused by vessels in the Coast Guard service and for towage and salvage and the report to Congress within twenty days after paying any such claim in an amount over $3,000 (14 U.S.C. 646(b)).[1]

11. The report to Congress within twenty days after receipt of a payment exceeding $3,000 due the United States in settlement of a claim for damage to property in the Coast Guard service caused by a vessel or floating object or in settlement of a claim for damage cognizable in admiralty in a district court of the United States (14 U.S.C. 647(b)).[1]

12. Inclusion in the annual report of the Secretary of the Treasury of the amounts expended under authority of the Armed Forces Leave Act of 1946 as required by section 8 of that Act (60 Stat. 967; 37 U.S.C. 37).

REPORTS UNDER THE DEPARTMENT OF DEFENSE

13. The annual reports to Congress by the Secretary of Defense and by the Secretary of each military department of the settlement of claims against the United States by a civilian employee of the Department of Defense or of a military department, or by a member of the Army, Navy, Air Force, or Marine Corps for damage to or loss of personal property incident to his service (10 U.S.C. 2732(f)).[1]

14. Inclusion in the annual report to Congress on civilian positions established for professional and scientific services of the functions and qualifications of each incumbent (10 U.S.C. 1582).[1]

15. The semiannual report to Congress by the Secretary of Defense of claims paid which became due as the result of the correction of military records (10 U.S.C. 1552(f)).

16. The semiannual report to the Committees on Armed Services of the Senate and House of Representatives of the regulations governing the length of tours of duty outside the United States by members of the Army and Air Force (10 U.S.C. 714).

17. The quarterly report to the Committees on Armed Services of the Senate and the House of Representatives of the cost, number, and location of family housing units in foreign countries constructed or acquired or which are intended to be constructed or acquired by use of foreign currencies acquired through commodity transactions of the Commodity Credit Corporation (5 U.S.C. 171z–1).[1]

18. The report of proposed participation by personnel of the Armed Forces in international amateur sports competition (69 Stat. 11; 22 U.S.C. 1982(b)).

19. The report to Congress of all projects for the establishment or development of military, naval, or Air Force installations and facilities by the construction, installation, or equipment of temporary or permanent public works which have been authorized by the Congress and for which adequate funds have not been appropriated (64 Stat. 245).

20. The semiannual report of the Secretary of Defense covering expenditures, work, and accomplishments of the Department of Defense accompanied by recommendations, separate reports from the military departments and itemized statements of savings and of the elimination of duplications and overlappings (5 U.S.C. 171a(d)).[1]

21. The annual report to Congress by the Secretary of the Air Force of amounts paid or received in settlement of admiralty claims for damage, towage, and salvage and the report to the Committees on Armed Services of the Senate and House of Representatives within twenty days after paying a claim in an amount over $3,000 or after receiving payment of a claim (10 U.S.C. 9805).

22. The annual report to Congress by the Secretary of the Army of amounts paid or received in settlement of admiralty claims for damage, towage and salvage, and the report to the Committees on Armed Services of the Senate and House of Representatives within twenty days after paying a claim in an amount over $3,000 or after receiving payment of a claim (10 U.S.C. 4805).

23. The quarterly report to Congress by the Secretary of the Army of the number of officers in the executive part of the Department of the Army and the number of commissioned officers on or with the Army General Staff and justification therefor (10 U.S.C. 3031(c)).[1]

24. The semiannual report to Congress by the Secretary of each military department of the research and development contracts made during the reporting period including specific information on each contract costing more than $50,000 (10 U.S.C. 2357).

25. The semiannual report to the Armed Services Committees of the Senate and House of Representatives by the Secretary of each military department of the exercise of authority to expend out of appropriations available for military construction amounts for public works projects not otherwise authorized by law and not exceeding $200,000 per project (70 Stat. 1016; 5 U.S.C. 171z–4).

26. The semiannual report to the Armed Services Committees of the Senate and House of Representatives by the Secretary of each military department of options procured on real estate during the reporting period (68 Stat. 560).

27. Inclusion in the annual report to Congress by each military department of the amounts expended under authority of the Armed Forces Leave Act of 1946 as required by section 8 of that Act (60 Stat. 967; 37 U.S.C. 37).

28. The annual report to the Congress by the Secretary of each military department of the number by rank and age group of officers entitled to flight pay and the average monthly flight pay for the preceding 6-month period (60 Stat. 20; 37 U.S.C. 118a–1).[1]

29. Inclusion in the annual report by each military department of the amounts expended under the Mustering-Out Payment Act of 1944 (58 Stat. 10; 38 U.S.C. 691g).

30. The annual report to Congress by the Secretary of the Navy of amounts paid or received in settlement of admiralty claims for damage, towage and salvage, and the report to the Committees on Armed Services of the Senate and the House of Representatives within twenty days after paying a claim in an amount over $3,000 or after receiving payment of a claim (10 U.S.C. 7624).

31. The annual report to Congress by the Secretary of the Navy of all vessels used for experimental purposes which have been stricken from the Naval Vessel Register (10 U.S.C. 7306(b)).

32. The annual report to Congress by the Secretary of the Navy of the appropriations for the Navy Department showing the amount appropriated, amount spent, the amount remaining unspent and estimate of probable demands (10 U.S.C. 7217).

33. The quarterly report to Congress by the Secretary of the Air Force of the number

[1] Not included in the bill as introduced.

[1] Not included in the bill as introduced.

[1] Not included in the bill as introduced.

of officers in the executive part of the Department of the Air Force and the justification therefor (10 U.S.C. 8031(c)).[1]

34. The report to Congress by the Secretary of the Navy not less frequently than once every 6 months of all land acquired for the construction of ships or the production of ordnance material for ships to be constructed (56 Stat. 53).

35. The report every 6 months by the Secretary of the Army of the amount of dairy products acquired from the Commodity Credit Corporation and used to provide additional butter and cheese and other dairy products as a part of the ration of the Army, Navy, or Air Force and in hospitals under the jurisdiction of the Department of Defense (68 Stat. 900; 7 U.S.C. 1446a(b)).

REPORTS UNDER THE POST OFFICE DEPARTMENT

36. The inclusion in the annual report of operations of the postal savings system of the names of post offices receiving deposits, the number of depositors in each and the amount on deposit (36 Stat. 814; 39 U.S.C. 751).

37. The annual report by the Postmaster General of the number of articles bearing penalty indicia procured or accounted for through him by each executive department and agency, by each independent establishment and by each organization and person authorized by law to use the penalty privilege (62 Stat. 1048; 39 U.S.C. 321j).

REPORTS UNDER THE DEPARTMENT OF THE INTERIOR

38. The annual report to the Congress of the fish restoration and management projects established and expenditures therefor (64 Stat. 434; 16 U.S.C. 777j).[1]

39. The report to Congress of the action of the Secretary of the Interior to reserve lands within any Indian reservation valuable for power or reservoir sites or irrigation project (36 Stat. 858; 43 U.S.C. 148).

40. The report to Congress of all withdrawals of public lands of the United States from settlement, location, sale or entry (36 Stat. 848; 43 U.S.C. 143).

41. The annual report to Congress of any contract or contracts made under the provisions of the Act of June 4, 1936 and moneys expended thereunder (49 Stat. 1458; 25 U.S.C. 455).

42. The annual report to Congress of the activities of, expenditures by and donations to the lignite research laboratory in North Dakota (62 Stat. 85; 30 U.S.C. 403).

43. The report to Congress of investigations made to determine the effects of domestic sewage, mine, petroleum, and industrial wastes, erosion silt, and other polluting substances on wildlife (60 Stat. 1080; 16 U.S.C. 665).

44. The annual report to the Appropriations Committees of the Senate and House of Representatives justifying and showing all investments and expenditures made or proposed out of the Colorado River dam fund for the joint use of the project and of other Federal activities at or near Boulder City (62 Stat. 1130; 63 Stat. 784; 43 U.S.C. 618p).

REPORTS UNDER THE DEPARTMENT OF COMMERCE

45. The annual report to Congress covering the progress made in classifying the highways into groups composed of roads of similar service importance (54 Stat. 871; 23 U.S.C. 20a).

REPORTS UNDER THE DEPARTMENT OF AGRICULTURE

46. The annual report to Congress of activities relating to the Puerto Rico hurricane relief loans (45 Stat. 1067; 70 Stat. 525).

47. The monthly report to Congress with respect to the activities carried on under the authority for cooperation with Mexico in control and eradication of foot-and-mouth disease and rinderpest (61 Stat. 8; 21 U.S.C. 114d).

48. Inclusion, in the annual report of the Secretary on the operations of the Commodity Credit Corporation to dispose of all stocks of agricultural commodities held by it, of a detailed program for the expansion of markets for surplus agricultural commodities through marketing and utilization research and improvement of marketing facilities (70 Stat. 198; 7 U.S.C. 1851(b)).

49. The report of the estimates of national farm housing needs and of progress made toward meeting such needs (63 Stat. 435; 42 U.S.C. 1476(b)).

50. The annual report to Congress of the receipts, expenditures, and results of the cooperative agricultural extension work in all States receiving such benefits and as to whether the appropriation of any State has been withheld and if so the reasons therefor (38 Stat. 374; 67 Stat. 85; 7 U.S.C. 347).

51. The annual report to Congress of the receipts and expenditures and work of the agricultural experiment stations in all States and whether any portion of the appropriation available for allotment to any State has been withheld and if so the reasons therefor (69 Stat. 673; 7 U.S.C. 361g).

REPORT UNDER THE SMITHSONIAN INSTITUTION

52. The annual communication to Congress of the report of the National Yeomen F or of such portions of such report as the Secretary of the Smithsonian Institution may deem of national interest and importance (49 Stat. 1506; 36 U.S.C. 139b).

REPORT UNDER THE VETERANS' ADMINISTRATION

53. The monthly report of the amount of dairy products used in Veterans' Administration hospitals which was acquired from the Commodity Credit Corporation (68 Stat. 900; 7 U.S.C. 1446a(a)).

REPORT UNDER THE CIVIL SERVICE COMMISSION

54. The report of findings of a quarterly survey of appointments made under provisions of the Defense Production Act (69 Stat. 583; 50 app. U.S.C. 2160(b)(7)).[1]

REPORT UNDER THE GENERAL SERVICES ADMINISTRATION

55. The annual report to Congress of activities under the Abaca Production Act of 1950 (64 Stat. 437; 50 U.S.C. 546).

REPORTS UNDER THE FEDERAL COMMUNICATIONS COMMISSION

56. The monthly report to Congress of (1) application cases in which a hearing is not necessary and a final decision has not been rendered within 3 months from date of filing, and (2) all hearing cases in which a final decision has not been rendered within 6 months from the final date of the hearing (66 Stat. 714; 47 U.S.C. 155(c)).[1]

57. Inclusion in the annual report of information regarding each new employee, including biographical data and experience, Commission positions held and compensation paid, together with the names of employees leaving the employ of the Commission (66 Stat. 712; 47 U.S.C. 154(k)).

REPORT UNDER THE FEDERAL POWER COMMISSION

58. The annual report to Congress of (1) preliminary permits and licenses issued for hydroelectric projects, and in each case the parties thereto, the terms prescribed, and the moneys received, and (2) the names and compensation of persons employed by the Commission (41 Stat. 1065; 46 Stat. 798; 16 U.S.C. 797(d)).[1]

REPORT UNDER THE NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

59. Inclusion in the annual report to Congress on civilian positions established for professional and scientific services of a description of the qualifications of each incumbent together with a statement of functions performed by him (63 Stat. 411; 50 U.S.C. 159).

ANALYSES AND EXPLANATION—REPORTS UNDER EACH EXECUTIVE DEPARTMENT AND INDEPENDENT ESTABLISHMENT

Item No. 1: The head of each Federal agency is required to submit to the Congress annually a report as to all claims of $1,000 or less paid by it from agency funds under the Federal Tort Claims Act of August 2, 1946. The report must include the name of each claimant, the amount claimed and paid, and a brief description of the claim. The reports are of no value to preparing agencies and there is no evidence of their value to Congress. Congressional review seems unnecessary since data relating to each claim are on hand and available from agency records and are reviewed by the General Accounting Office.[1]

Item No. 2: Not later than July 31 each year until termination of the national emergency proclaimed by the President in 1950, each executive department and agency is required to report to the Post Office and Civil Service Committees and the Appropriations Committees of the Senate and House of Representatives of the action taken to review all positions created or changed to a higher grade since September 1, 1950, to determine the need for each position and whether it is properly classified. In addition the report must include information comparing the total number of employees on the payroll on June 30 and their average grade and salary with similar information for the previous June 30. An undesirable effect of this reporting requirement is that it tends to establish one pattern for the annual review of positions without regard to changing needs. Further the comparative data are duplications of information contained in the budget for each agency. The report is of no value to the executive branch nor does it appear to provide any information not otherwise available to Congress.

REPORTS UNDER DEPARTMENT OF THE TREASURY, HOUSING AND HOME FINANCE AGENCY, GENERAL SERVICES ADMINISTRATION, AND SMALL BUSINESS ADMINISTRATION

Item No. 3: The Reconstruction Finance Corporation Liquidation Act contains a provision requiring the Secretary of the Treasury to report to Congress quarterly on progress in liquidating the assets and winding up the affairs of the Reconstruction Finance Corporation. Reorganization Plan No. 1 of 1957 abolished the Reconstruction Finance Corporation and transferred its "remaining functions" to the Housing and Home Finance Administrator, the Administrator of General Services, the Administrator of the Small Business Administration, and the Secretary of the Treasury. The "remaining functions" by definition in the reorganization plan includes the statutory requirement to submit a quarterly progress report to Congress. Since the liquidation has been largely accomplished it would appear that the reporting requirement has served its purpose. Unless repealed, however, the statutory provision would require reporting until the last dollar is liquidated which may take several years. Information on the progress of liquidation will be included in the annual reports of the agencies concerned as well as in budget submissions. In view of the status of the liquidation such annual reporting would seem sufficient to keep the Congress adequately informed as to further progress.

[1] Not included in the bill as introduced.

[1] Not included in the bill as introduced.

[1] Not included in the bill as introduced.

JOINT REPORT UNDER THE POST OFFICE DEPARTMENT AND GENERAL SERVICES ADMINISTRATION

Item No. 4: The Public Buildings Act of 1949 requires the Administrator of General Services and the Postmaster General to submit to each new Congress a report showing the location and approximate accommodations of public buildings projects which they find eligible to be constructed in accordance with applicable statutory provisions. The report is also to show the limit of cost of each project when estimated to be in excess of $200,000. A similar reporting requirement was contained in the Public Buildings Act of May 25, 1926, and was apparently established for the purpose of providing a basis for selection of public building projects under omnibus or lump-sum appropriations. Although there have been single appropriations for specific public buildings, there has been no omnibus or lump-sum appropriation available for nearly 20 years; therefore, the report has been of little value. Moreover, the report creates considerable confusion since immediately after publication of the list of cities eligible for Federal projects, numerous inquiries are received concerning the status of specific projects. Since the designation of an eligible project has no relationship to any approved construction plan or authorization, the report is actually a misleading document.[1]

REPORT UNDER THE DEPARTMENT OF STATE

Item No. 5: Under the act of May 9, 1836 (5 Stat. 25) the Secretaries of certain departments and the Secretary of State were required to submit a statement of expenditures from their "contingent funds." The report of the Secretary of State was "to include all the contingent expenses of foreign intercourse, and of all the missions abroad except such expenditures as are settled upon the certificate of the President." This report has not been prepared by the Secretary of State as a separate report for many years. The information on an appropriation basis is included in the annual budget. By the act of August 26, 1842 (5 Stat. 527) the general sense of the act of 1836 was retained but expanded to include greater detail. When the statutes were revised in 1873 the act of 1842 became section 193 and that portion of the act of 1836 relating wholly to the Secretary of State became section 209. When the United States Code was enacted in 1926, section 193 became 5 U.S.C. 104 and section 209 became 5 U.S.C. 164. On May 29, 1928, the act of 1842 was amended (45 Stat. 986) by repealing the provision for reports in detail while the related law pertaining to the Secretary of State was not repealed apparently because it was overlooked at the time

REPORTS UNDER THE DEPARTMENT OF TREASURY

Item No. 6: The Secretary of the Treasury is required to submit on the first day of each regular session of Congress a report of expenditures made from the earnings of the Pershing Hall Memorial Fund established for the maintenance and/or perpetuation of Pershing Hall erected in Paris, France, under the auspices of the American Legion, Inc. The Secretary of the Treasury includes this information in his annual report to Congress and thus repeal of this special reporting requirement would eliminate the duplication of information furnished the Congress.

Item No. 7: The Mustering-Out Payment Act of 1944 authorizes payment of certain sums to members of the Armed Forces who were engaged in active service in World War II and who are discharged or relieved from active service under honorable conditions on or after December 7, 1941, and who do not come within certain exceptions. The amounts expended for such paymcnts to members of the U.S. Coast Guard are required to be reported to Congress in the annual report of the Secretary of the Treasury. The volume of such payments being made at the present time is too insignificant to be of any special administrative or budgetary value. See also item No. 29.

Item No. 8: See explanation under item No. 15.

Item No. 9: See explanation under item No. 28.

Item No. 10: This item along with item No. 11 involves authority and reporting requirements of the Secretary of the Treasury which correspond to those of the Secretary of the Air Force as set forth under item No. 21. The explanation and justification in item No. 21 are equally applicable to item Nos. 10 and 11.[1]

Item No. 11: See explanation under item No. 10.[1]

Item No. 12: See explanation under item No. 27.

REPORTS UNDER THE DEPARTMENT OF DEFENSE

Item No. 13: The Secretary of Defense and the Secretary of each military department are authorized to settle and pay a claim against the United States for not more than $2,500 by a civilian employee or by a member of the Army, Navy, Air Force, or Marine Corps for damage to or loss of personal property incident to his service. Each of the above officials is required to report to Congress once a year on each claim settled under this authority including the name of the claimant, the amount claimed and the amount paid. These reports are of no value to the military departments or to the Department of Defense and the limited information would not appear to serve a useful purpose to Congress. Records and payment vouchers are audited by departmental auditors and by the General Accounting Office The file on each claim is available from records storage.[1]

Item No. 14: The Secretary of Defense and the Secretary of each military department are authorized to establish limited numbers of positions to carry out research and development requiring the services of specially qualified scientific or professional personnel. Each calendar year the Secretary of Defense is required to report to Congress on the number of positions established during the year under this authority and to list the name, rate of compensation, functions, and qualifications of each incumbent. The reporting requirement should be modified to eliminate the detailed reporting of the functions of each position and the backgrounds of individual incumbents. New positions proposed are reviewed and approved by the Civil Service Commission before they are established as are also the qualifications and proposed salaries of incumbents. Such information in the report is of no value to the Department of Defense and seems unnecessary information for Congress.[1]

Item No. 15: The Secretary of each military department under procedures approved by the Secretary of Defense is authorized to correct military records and to pay a claim found to be due as the result of correcting a record. The Secretary of the Treasury is authorized to take similar action in regard to the Coast Guard. Every 6 months the Secretary of Defense for all military departments and the Secretary of the Treasury for the Coast Guard are required to report to Congress on claims paid under such authority including the name of the claimant, a brief description of the claim and a statement of amount paid. These reports serve no useful purpose in the executive branch, nor do they contain unique data since information regarding each case is available from records storage. Furthermore, experience indicates that the authority to correct records and pay claims is being exercised judiciously and no need exists for a detailed report as a safeguard device.

Item No. 16: The Secretary of Defense is required to advise the Committee on Armed Services of the Senate and House of Representatives in April and October each year of the regulations and changes in regulations governing the length of tours of duty outside the United States by members of the Army and Air Force. This information is contained in published regulations of the Army and of the Air Force and is available to Congress upon request. A periodic report of such regulations without regard to the significance of changes made, if any, seems of doubtful value to Congress.

Item No. 17: The Secretary of Defense is authorized to construct or acquire family housing and community facilities in foreign countries through projects which utilize foreign currencies acquired pursuant to the Agricultural Trade Development and Assistance Act of 1954 or through other commodity transactions of the Commodity Credit Corporation. The statute requires the Secretary of Defense to furnish to the Committees on Armed Services of the Senate and House of Representatives quarterly reports of the cost, number, and location of housing units constructed or acquired during the quarter or intended to be constructed or acquired during the next quarter pursuant to the above authority. These reports are of no value to the Department of Defense, and there is no information to indicate that the report has been of any value to Congress. The data that might be desired are available from project approvals and program estimates in the Defense Department.[1]

Item No. 18: The Secretary of Defense and, for Coast Guard personnel, the Secretary of the Treasury, are authorized to permit personnel of the Armed Forces to train for, attend and participate in international amateur sports competition if the Secretary of State determines that the participation will serve the interests of the United States. At least 30 days before making any commitment under such authority the Secretary of Defense is required to furnish to the Armed Services Committees of the Senate and House of Representatives a report setting forth the details of the proposed participation by personnel of the Armed Forces. These reports contain the statement that the Secretary of State is of the opinion that the interests of the United States would be served by such participation. A similar report concerning personnel of the Coast Guard is not required of the Secretary of the Treasury. The reporting requirement of the Secretary of Defense should be repealed. The report is of no value to the Department of Defense and its preparation serves no known purpose other than to meet the statutory requirement.

Item No. 19: The Secretary of Defense is required by section 408(b) of Public Law 564, 81st Congress, to submit to the first session of each Congress a list of all military, naval and Air Force public works projects which have been authorized by Congress and for which adequate funds have not been appropriated. This report should be discontinued since a summary of the information in the report is furnished Congress each year when the annual military construction authorization bill is presented. Moreover, the current procedure whereby unfinanced military construction authorization is regularly repealed each year provides for better control of unused authorizations and renders the reporting requirement of Public Law 564 redundant.

Item No. 20: By act of August 10, 1949, the Secretary of Defense was required to submit semiannual reports to the President and to Congress covering expenditures, work and

[1] Not included in the bill as introduced.

[1] Not included in the bill as introduced.

[1] Not included in the bill as introduced.

accomplishments of the Defense Department accompanied by (1) recommendations (2) separate reports from the military departments and (3) itemized statement of savings and of eliminations of duplication and overlapping. By arrangement with the chairmen of the Senate and House Armed Services Committees in the fall of 1950, the mid-year report was changed to a relatively short report of about 50 pages giving the pertinent data mainly in statistical form with the end-year report to provide comprehensive coverage of the full year's activities. The reports overlap most of the statutory reporting requirements of the Department of Defense and particularly the budget hearings which present identical material in greater detail. The reports are of some value in the Department of Defense for their historical content but such information is available from other sources. The use currently being made of these reports by the Department of Defense, the public and the Congress does not appear to justify the annual cost estimated at $120,000. The mid-year statistical report is estimated to account for about $10,000 of this total.[1]

Item No. 21: The Secretary of the Air Force is authorized to settle or compromise for $500,000 or less a claim against the United States for damage caused by a vessel of or in the service of the Department of the Air Force or for towage and salvage service rendered to such a vessel. The Secretary is also authorized to settle, or compromise and receive $500,000 or less in payment of a claim by the United States for damage to property of the Department of the Air Force caused by a vessel or floating object or for salvage services performed by the Department of the Air Force for any vessel. The Secretary is required to report to the Armed Services Committees of the Senate and House within 20 days after paying a claim of $3,000 or more or after receiving payment of a claim. The report includes a description of the claim, amount paid or received, basis for determination and other pertinent data. In addition, he is required to submit to Congress an annual report of the amounts paid or received in settlement of claims for damage, towage or salvage. These reporting requirements should be repealed. The number of claims paid and the aggregate amount paid are included in annual budget submissions. The reports have no value within the Department of Defense nor is there any known use of the reports by Congress. It is rare that any claimant is ever again interested in a paid claim. If such information is needed by Congress, the complete file for each case is available from departmental records. Claims, records and ledgers are audited by departmental auditors and payment vouchers are post audited by the General Accounting Office.

Item No. 22: This statutory authority and reporting requirement as affecting the Secretary of the Army are identical to that concerning the Secretary of the Air Force about which comments are set out under item No. 21. The explanation and justification contained therein are equally applicable to this item.

Item No. 23: Statutory restrictions permit not more than 3,000 officers of the Army to be assigned or detailed to permanent duty in the executive part of the Department of the Army. Of this number not more than 1,000 may be with the Army General Staff. The Secretary of the Army is required to report quarterly to Congress the number of officers in the executive part of the Department of the Army and the number with the Army General Staff together with justification therefor. There is a similar reporting requirement affecting the Air Force but none for the Navy Department. The reports submitted have not included any justification as provided for by the statute but only numbers of officers assigned. Since the limit is placed by statute there seems nothing achieved by a report of numbers assigned.[1]

Item No. 24: The Secretary of each military department is required to report to Congress semiannually on all research and development contracts costing more than $50,000 entered into during each 6-month period, the report to include specific information on each contract. Information contained in this report is largely duplicated in the semiannual report required by 10 U.S.C. 2304(e) which requires a report to Congress of all research and development contracts that are entered into by negotiation. Those contracts over $50,000 which are made through advertising and bid would be the only ones reported under section 2357 which would not also be reported under section 2304(e). The reports are not needed by the military departments and would not be prepared except to meet statutory requirement. The reporting requirement should be repealed since the information is largely duplicated in other reports and the basic records are available if needed.

Item No. 25: The Secretary of each military department is authorized with certain limitations to use funds available for military construction to establish and develop military installations determined to be urgently required, provided the cost of the project does not exceed $200,000. Each Secretary is also authorized to use funds available for maintenance and operation to accomplish such a project when the cost does not exceed $25,000. The Secretary of each department is required to report semiannually to the Armed Services Committees of the Senate and House of Representatives giving details of the exercise of this authority. The reports per se are of no value to the military departments and would not be prepared except to meet statutory requirements. The information reported is available when needed from retained records and summary data are available through normal fiscal and cost procedures.

Item No. 26: The Secretary of each military department is authorized to procure options on real estate which in his judgment is suitable and likely to be required in connection with prospective public works projects of his department. For each semiannual period during which an option is procured under this authority, the Secretary is required to render a report to the Armed Services Committees of the Senate and House of Representatives. This reporting requirement should be repealed. While the number of options procured under this authority has been almost nil the requirement necessitates numerous negative reports within the military departments. The information would be available whenever required even though the provisions were repealed.

Item No. 27: Provisions of the Armed Forces Leave Act of 1946 require that amounts expended under the act shall be included in the annual reports to Congress by the departments concerned. Payments under this act have declined to insignificant proportions and such claims are no longer separated from other claims. As a result amounts expended under the act have not been reported as a separate item for the last several years.

Item No. 28: In connection with the authorization for incentive pay for hazardous duty involving frequent and regular participation in aerial flight, the Secretary of each military department and the Secretary of the Treasury for Coast Guard officers is required to submit an annual report to Congress. The report is to contain the number of officers by rank and age group above the rank of major or lieutenant commander who were entitled to flight pay together with the average monthly flight pay authorized to be paid to such officers during the 6-month period preceding the report. The reports are of no value within the executive branch and since the information can be made available to Congress on specific occasions if the need should arise, the requirement for a periodic report appears unnecessary.[1]

Item No. 29: Item No. 7 explanation offers justification for eliminating this reporting requirement as it affects the Coast Guard. That reasoning is also applicable to the military departments. Because of the virtual inactivity under this act the information has not been included for several years as a separate item in the annual reports to Congress by the military departments.

Item No. 30: This statutory authority and reporting requirement as affecting the Secretary of the Navy is identical to that concerning the Secretary of the Air Force about which comments are set out under item No. 21. The explanation and justification contained therein are equally applicable to this item.

Item No. 31: The Secretary of the Navy is authorized to strike from the Naval Vessel Register the name of any vessel which an examining board finds to be unfit for service. With approval of the President any such vessel may be used for experimental purposes. The Secretary is required to submit an annual report to Congress of all such vessels used for experimental purposes. This reporting requirement is unnecessary since such information is regularly reported in the Navy's annual budget justification statement to Congress in that portion dealing with the status of naval vessels.

Item No. 32: By act of May 1, 1820, the Secretary of the Navy was required to report annually to Congress regarding the annual appropriations and as to each head (1) the amount appropriated, (2) amount spent, (3) amount remaining unspent at end of fiscal year, and (4) estimate of probable demands. This requirement, remaining through the years, was included in the recent codification of military laws and is now cited as 10 U.S.C. 7217. This information is also presented to Congress in response to Public Law 663, 83d Congress (31 U.S.C. 200) which requires such information to be reported to Congress annually by the head of each Federal agency. Because of this duplication, it is recommended that the reporting requirement in 10 U.S.C. 7217 be repealed. The report has been of value to the Navy Department as an historical financial record of its operations and will be continued as a financial report even though the requirement is discontinued. However, the repeal would permit revisions in the report as may be called for by changes in the Navy accounting system.

Item No. 33: Statutory restrictions permit not more than 2,800 officers of the Air Force to be assigned or detailed to permanent duty in the executive part of the Department of the Air Force. The Secretary is required to report quarterly to Congress of the number of officers so assigned, together with justification therefor. A similar report by the Secretary of the Army is commented on under item No. 23 above. The reports submitted have not included any justification for assignments as required by the statute but have simply listed the number of officers involved. Since a limit on the officers assigned to the executive part of the Air Force is set by statute there seems nothing achieved by a report of the number so assigned, and repeal of this reporting requirement is indicated.[1]

Item No. 34: Public Law 440, 77th Congress, authorized the Secretary of the Navy to provide essential equipment, facilities, and land for the construction of ships and

[1] Not included in the bill as introduced.

[1] Not included in the bill as introduced.

[1] Not included in the bill as introduced.

the production of ordnance material for such ships authorized by the act to be constructed. The Secretary is required to transmit to Congress not less frequently than once every 6 months a full report of all land acquisitions "effected under the authority of this or any subsequent act." Although authority to acquire land under "this" act has expired and no reports are being submitted to Congress in accordance with its provisions, the requirement for reporting land acquired under "any subsequent act" is still outstanding. Since adequate reporting provisions for land acquisition are included in Public Law 155, 82d Congress, the repeal of the reporting requirement of Public Law 440, 77th Congress, is clearly indicated.

Item No. 35: By act of August 28, 1954, the Agricultural Act of 1949 was amended to provide, among other purposes, for increasing the use of dairy products by authorizing the Commodiity Credit Corporation to make available, for use of the Veterans' Administration and the military departments, dairy products acquired through price support operations. The Secretary of the Army, acting for the military departments, is required to report every 6 months to the Committees on Agriculture of the Senate and House of Representatives and to the Secretary of Agriculture the amount of dairy products used to provide additional quantities of such products as a part of the rations of the Army, Navy, or Air Force and in Defense Department hospitals. A separate reporting requirement, identical except for submission monthly rather than each 6 months, is applicable to the Administrator of Veterans' Affairs for additional dairy products used as a part of the ration in Veterans' Administration hospitals. While these reports are not burdensome and the data would otherwise be collected for reimbursement purposes, the actual reports are of no value in the executive branch and appear to serve no purpose in Congress. Information of the quantities of dairy products used is readily available from accounting records at any time a need for such data arises. A periodic report, especially as frequently as once each month, would seem unnecessary.

REPORTS UNDER THE POST OFFICE DEPARTMENT

Item No. 36: The Board of Trustees for the Postal Savings System is required to submit a report to Congress at the beginning of each regular session showing by States and Territories the number and names of post offices receiving deposits, the aggregate amount of deposits and of withdrawals, the number of depositors in each, total amount standing to credit of all depositors at end of year, the amount of such deposits at interest, amount of interest received and amount paid, the amount of deposits surrendered for bonds, the number and amount of unclaimed deposits, and information regarding investments by the Board, expenses of operation and other pertinent facts. Of the 54 pages in this report 44 pages are devoted to a listing of the offices receiving postal savings, the number of depositors and the amount on deposit. This information in such detail is of no value to the Post Office Department or to the Board of Trustees for the Postal Savings System nor would it appear to be of any value to Congress or to the public. The exclusion of these itemized data from the annual reporting requirements would remove a major cost factor in the report preparation.

Item No. 37: Statutory provisions require that all penalty indicia matter mailed by Federal agencies and other organizations and persons authorized to use the penalty privilege shall be procured or accounted for through the Postmaster General under such regulations as he shall prescribe. The Postmaster General is required by statute to report to the Congress the number of such penalty indicia matter procured or accounted for through him by each authorized user. While agencies will continue to report indicia procurements to the Post Office Department, compilation of such reports is of no value to the Department and a recurring need for such information by Congress appears doubtful. If such data should be needed at any time it can readily be prepared from records in the Post Office Department.

REPORTS UNDER THE DEPARTMENT OF THE INTERIOR

Item No. 38: The Secretary of Interior is authorized and directed by statute to cooperate with States in fish restoration and management projects. Appropriations are authorized which may be apportioned to the States in accordance with the statutory provisions and in keeping with cooperative efforts of the individual State and the fish restoration and management projects proposed. The Secretary is required to report annually to Congress giving detailed information of projects established and of expenditures. The report is of no value within the Department and serves no known useful purpose. The same material is available in more detail in reports of the Federal Aid in Fish and Wildlife Restoration programs prepared by the Branch of Federal Aid and published annually by the Wildlife Management Institute and the Sport Fishing Institute.[1]

Item No. 39: The act of June 25, 1910 (36 Stat. 858, 43 U.S.C. 148), authorizes the Secretary of the Interior to reserve from all appropriations lands within Indian reservations valuable for power or reservoir sites or necessary for use in connection with irrigation projects, and requires that the Secretary shall report to Congress all reservations made in conformity with the statute. Very few such transactions have been reported in over 20 years and the report is of no value to the Department of the Interior. Moreover, the reporting requirement appears to have been obsolete since the act of June 18, 1934 (48 Stat. 984), which prohibits the allotment in severalty of lands within Indian reservations and provides for the restoration of certain lands to tribal ownership.

Item No. 40: The President is authorized to make withdrawals of public lands from settlement, location, sales, or entry and reserve such lands for various public purposes. The Secretary of the Interior is required to report all such withdrawals to Congress at the next regular session following the withdrawal. This report covers only certain types of withdrawals under a specific statute and does not include withdrawals under other statutes. The report thus has limited coverage and is of little value.

Item No. 41: The Secretary of the Interior is authorized by act of June 4, 1936, to contract with any State or political subdivision or with any public or private institution for the education, medical attention, agricultural assistance, and social welfare of Indians. In addition, he is required to report to Congress annually on each contract made under such authority along with the amount of money expended. Apparently the significance of this report was the desire of Congress, at the time the authority was given to the Secretary, to be informed of the extent to which the authority was exercised. Other authorities now exist for the Secretary to contract with States which do not require reports to Congress. Moreover, such information is largely duplicated in budget estimates and justification.

Item No. 42: The Secretary of the Interior is authorized and directed to establish, equip, and maintain a research laboratory in the lignite consuming region of North Dakota, to conduct researches and develop uses and market outlets for lignite coal and its products. The Secretary is required to make a report to Congress at the beginning of each session of the activities of, expenditures by, and donations to the laboratory. This report serves no useful purpose within the Department since all the material is included in other reports. Moreover, information in the report duplicates to a considerable extent material available to Congress in the budget and the Secretary's annual report.

Item No. 43: The Secretary of the Interior is authorized to make such investigations as he deems necessary to determine the effects of domestic sewage, mine, petroleum and industrial wastes, erosion silt, and other polluting substances on wildlife and to make reports to Congress concerning such investigations and of recommendations for alleviating dangerous and undesirable effects of such pollution. The sole report made under this act was submitted in February 1951. The activities described in this report complement and supplement similar activities carried out by the Department of Health, Education, and Welfare under the Water Pollution Control Act (33 U.S.C. 466).

Item No. 44: The Interior Department Appropriation Act, 1950, contained a provision requiring an annual report to the Appropriations Committees of the Senate and House of Representatives of all investments and expenditures made or proposed out of the Colorado River Dam Fund for the joint use of the project and of other Federal activities at or near Boulder City. While such provision has not been repeated in subsequent appropriation acts, it would appear that the reporting requirement may constitute permanent legislation. The information required in the report may easily be made available to the Appropriations Committees upon request or as part of the annual budgetary submissions.

REPORT UNDER THE DEPARTMENT OF COMMERCE

Item No. 45: By act of September 5, 1940, the Secretary of Commerce in cooperation with State highway departments is directed to investigate the service afforded to traffic, population, and lands by all highways in each State and report annually to Congress on the progress made to classify the highways into groups of roads of similar service importance. This report is of no value to the Department of Commerce. The requirement for the report is no longer necessary since broader provisions covering investigations and research of this type were subsequently enacted and most recently in the act of June 29, 1956, which established the Federal aid highway program.

REPORTS UNDER THE DEPARTMENT OF AGRICULTURE

Item No. 46: By Public Resolution No. 74, 70th Congress, approved December 21, 1928 (45 Stat. 1067), a Hurricane Relief Commission was established, provided with funds, and authorized to make loans to individual coffee and coconut planters, and other growers to provide relief from the effects of the Puerto Rican hurricane of September 1928. A requirement was included for an annual report to Congress of lending activity by the Commission. Subsequently this reporting responsibility was transferred to the Secretary of Agriculture. The report has no value in the executive branch. The report at present is merely a recital of current collection activity on loans originally made by the Commission. The loan balances are largely uncollectible, have been outstanding for nearly 30 years, and little activity of any kind can be expected. It would seem that the reporting requirement was included in the statute to keep Congress informed of the initial volume of loans. The report has long since served this purpose and no reason for its continuation is apparent.

Item No. 47: The Secretary of Agriculture was authorized by act of February 28, 1947,

[1] Not included in the bill as introduced.

to cooperate with Mexico in the control and eradication of foot-and-mouth disease and rinderpest in Mexico, where he deems such action necessary to protect livestock and related industries of the United States. The Secretary is required to report to Congress every 30 days with respect to activities carried on under this authority. The reports have been generally negative for the last several years. Mexico was declared free of foot-and-mouth disease in December 1954. The present operation is one of inspection and maintenance of a standby organization having only routine activities. The monthly reports serve no purpose and contain no information of value.

Item No. 48: The act of May 28, 1956, directed that the Commodity Credit Corporation shall as rapidly as possible consistent with other obligations dispose of all stocks of agricultural commodities held by it. The Secretary of Agriculture is required by the act to report annually to Congress on his operations under that directive. In addition to matters concerning quantities and methods of disposition, the report is to include a detailed program for the expansion of markets for surplus agricultural commodities through marketing and utilization research and improvement of marketing facilities. This portion of the report involves an undertaking of almost 60 pages which consist of a summary of salient facts which are available in greater detail in other reports made for other purposes or available from other sources. Consequently the report has no value within the Department. Furthermore, by the nature of the material submitted, year to year changes would not be sufficient to warrant annual reporting.

Item No. 49: The Housing Act of 1949 requires the Secretary of Agriculture to prepare and submit estimates of national farm housing needs and to submit periodic reports on progress being made toward meeting such needs. A request in the proposed budget for fiscal year 1951 for funds to undertake a survey of farm housing needs was not approved; consequently, no survey has ever been made and no report submitted.

Item No. 50: In authorizing legislation for the cooperative agricultural extension program, there is included a requirement that the Secretary of Agriculture make an annual report to Congress on the receipts, expenditures, and results of this work in all States receiving benefits. This report has very little value within the Department as the information is available from other sources. The known use of the report does not justify the cost of its preparation as required by statute.

Item No. 51: In authorizing legislation for continuing the encouragement and support of State agricultural experiment stations, there is included a requirement that the Secretary of Agriculture make an annual report to Congress of the receipts, expenditures, and work of the agricultural experiment stations in all the States and of any funds withheld and the reasons therefor. This report has been widely used by research administrators since it furnishes data on the research programs of the State experiment stations. In addition it has been useful to the technical staff charged with administration of the Federal-grant funds. Consequently, there is no intention to discontinue the preparation of a report at this time. However, there is no evidence to indicate that the report is of significant interest to Members of Congress, and the repeal of the reporting requirement would permit tailoring the report to better serve State and departmental purposes.

REPORT UNDER THE SMITHSONIAN INSTITUTION

Item No. 52: In 1936, Congress created a corporation by the name of "The National Yeoman F" for patriotic, historical, and educational purposes. The statute requires the organization to report annually to the Secretary of the Smithsonian Institution concerning its proceedings and the Secretary to transmit to Congress such portions of the report as he may deem of national interest and importance. No report has ever been submitted to the Smithsonian Institution by the National Yeoman F, and no information of current activity of this organization has been obtained.

REPORT UNDER THE VETERANS' ADMINISTRATION

Item No. 53: See explanation under item No. 35.

REPORT UNDER THE CIVIL SERVICE COMMISSION

Item No. 54: The June 28, 1955, amendment to the Defense Production Act of 1950 authorized the President to employ persons of outstanding experience and ability without compensation. Every 3 months the Civil Service Commission is required by the statute to survey appointments made under this authority and report the findings to the President and to the Joint Commitee on Defense Producion. Appointments of consultants and experts under the Defense Production Act represent only a small percentage of the total of such appointments under all authorities and has shown a steady decrease. The number on the rolls of all Federal agencies as of September 30, 1957, was only 148. Agreements with agencies and a post audit procedure on regular inspections have proved a satisfactory means of controlling expert and consultant appointments, and the special quarterly survey cannot be justified.[1]

REPORT UNDER THE GENERAL SERVICES ADMINISTRATION

Item No. 55: The Abaca Production Act of 1950 continued the program for the production of abaca in the Western Hemisphere. The act restricts the number of acres under cultivation, authorizes surveys and research, and makes other provisions for control of the program. In addition, it requires that an annual report be submitted to Congress on all activities under the act. The program was originally administered by the Reconstruction Finance Corporation, but since July 1, 1954, has been a responsibility of General Services Administration. Being a responsibility of GSA, a statement regarding program activities is properly a matter for inclusion in the annual report of the Administrator, thus eliminating the need for a separate report to Congress on the abaca program.

REPORTS UNDER THE FEDERAL COMMUNICATIONS COMMISSION

Item No. 56: The Communications Act amendments, 1952, require that the Federal Communications Commission promptly report to Congress all applications, not requiring a hearing, which have been pending for 3 months, and all applications which have gone to hearing but which have been pending for 6 months from the final date of the hearing. Although the report has been submitted since 1952 it has little or no value within the Commission nor is there knowledge of any purpose which it has served.[1]

Item No. 57: The Communications Act amendments, 1952, require that the annual report of the Federal Communications Commission shall include the names of all persons taken into the employment of the Commission during the reporting year along with pertinent biographical data and experience, Commission positions held, and compensation paid. Also to be included are the names of all persons who left employment with the Commission during the year. This portion of the annual report of the Commission is valueless to the agency, and so far as known the information serves no purpose to the public or to Congress.

[1] Not included in the bill as introduced.

REPORT UNDER THE FEDERAL POWER COMMISSION

Item No. 58: The Federal Power Act, as amended, requires the Federal Power Commission to submit to Congress annually a report giving a brief description of preliminary permits and licenses issued for hydroelectric projects, and in each case the parties thereto, the terms prescribed, and the moneys received. Also required to be reported are the names and compensation of persons employed by the Commission. Any purpose which this report was intended to serve when provided for in the 1920 legislation is no longer meaningful. It is now little more than 70 pages of detail, all of which is included in other reports to Congress or is available upon request. Any Member of Congress expressing an interest in an application is furnished a copy of the document constituting the permit or license when issued. Summary data on personnel and on moneys received are included in the annual budget presentation. The report is of no value to the Commission nor is there known any purpose which it is serving.[1]

REPORT UNDER THE NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

Item No. 59: The reporting requirement for the Chairman of the National Advisory Committee for Aeronautics is identical to that of the Secretary of Defense as set forth under item No. 14. The requirements stem from the same legislation and the explanation and justification for repeal stated under item No. 14 are equally applicable to this item.

[1] Not included in the bill as introduced.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, RELATING TO DIRECT PAYMENT OF CERTAIN EXPENSES

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Property and Administrative Services Act of 1949, to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes.

This bill is being filed at the request of the Administrator of General Services, as a part of the legislative program of the General Services Administration for 1959. Its approval by the Congress would permit the Administrator to utilize part of the receipts from the disposal of surplus property to defray the appraisal and other direct expenses incurred from the time property is reported excess to the GSA until disposal by the agency concerned.

The Comptroller General of the United States, in a letter dated June 13, 1958, to the Administrator pointed out that the General Services Administration lacked the statutory authority to accomplish this objective.

The amendment is intended to clarify the Administrator's authority, and to further the economic objectives of the Federal Property and Administrative Services Act of 1949, and the general policies prescribed by the Director of the Bureau of the Budget in Circular No. A–2, dated October 18, 1955, to promote the maximum utilization of excess property by executive agencies.

Mr. President, I ask unanimous consent that a copy of the letter from the

Administrator of General Services, dated January 9, 1959, addressed to the Vice President of the United States, requesting introduction of this bill, and the supporting data submitted with the request, be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 900) to amend section 204(b) of the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with utilization of excess real property and related personalty, and for other purposes, introduced by Mr. MCCLELLAN (by request), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. MCCLELLAN is as follcws:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., January 9, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: There is transmitted herewith for referral to the appropriate committee, a draft bill prepared by this agency "to amend the Federal Property and Administrative Services Act of 1949 to extend the authority of the Administrator of General Services to pay direct expenses in connection with the utilization of excess real property and related personalty, and for other purposes."

This proposal is a part of the legislative program of the General Services Administration for 1959.

The amendment is intended to further the economic objectives of the Federal Property and Administrative Services Act of 1949 and the general policies prescribed by the Director, Bureau of the Budget, in Circular No. A–2, dated October 18, 1955, copy enclosed, to promote the maximum utilization of excess property by executive agencies. The amendment would authorize the Administrator of General Services to obligate and pay out of the proceeds set aside from the disposition of surplus real property direct expenses incurred from the time the property is reported as excess to GSA by executive agencies in accordance with section 202 of the said act.

The Comptroller General of the United States in his letter of June 13, 1958, in reply to our letter of May 16, copies enclosed, points out the lack of statutory authority to accomplish this objective. The letters also disclose both the background and the need for our proposed legislation.

This agency urges prompt and favorable consideration of the enclosed draft bill, which will not increase budgetary expenditures.

The Bureau of the Budget has advised that there is no objection to the submission of this proposal.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., October 18, 1955.

To: Heads of Executive Departments and Establishments.

Subject: Review of real property holdings (other than public domain).

1. Purpose: It is desirable that the Federal Government divest itself of real property holdings which are not needed. The head of each agency is requested personally to insure that intensified action is taken to identify and declare as excess real properties which are not needed. The purpose of this circular is to establish general guidelines for the accomplishment of this objective with respect to real properties within the continental United States, exclusive of the public domain.

2. Policy guidelines: Real properties or portions thereof generally shall be declared excess when:

(a) They are not being used by the owning agency and there are no approved plans for future use.

(b) Substantial net savings to the Government would result if properties used for essential purposes were sold at their current market values and other suitable properties of substantially lower current values were substituted for them.

(c) The costs of operation and maintenance are substantially higher than for other suitable properties of equal or less value which can be made available by transfer, permit, or purchase.

(d) They are being leased to private enterprise but could be sold under provisions of the leases and in accordance with existing laws, if the Government's requirements for goods or services produced on such properties would be met satisfactorily with the properties in private ownership.

(e) They are being used by the Government to produce goods or services which are available from private enterprise, except when it is demonstrated clearly in each instance that it is not in the public interest to obtain such requirements from private enterprise.

3. Financing arrangements: It is recognized that, in some instances, action cannot be accomplished in accordance with these guidelines without first incurring expenses for which appropriate financing arrangements or legislation must be obtained. There should be no delay, however, in making the necessary studies and in submitting proposals for such financing arrangements or legislation, including estimates of replacement costs and ultimate net savings, as part of the budget submissions.

4. Implementation: The head of each agency should insure that—

(a) Instructions and criteria are developed and issued for the application of the guidelines established herein. It is requested that copies of such criteria and instructions be sent to the Bureau of the Budget by November 30, 1955.

(b) Thorough reviews of real property holdings are initiated promptly and carried through on an annual basis.

(c) Properties or portions of properties are declared excess without delay if continued ownership is not justified.

By the direction of the President:

ROWLAND R. HUGHES,
Director.

JUNE 13, 1958.

Hon. FRANKLIN FLOETE,
Administrator, General Services Administration.

DEAR MR. FLOETE: Reference is made to your letter of May 16, 1958, requesting advice as to whether the proceeds set aside from the disposal of surplus real property pursuant to section 204(b) of the Federal Property and Administrative Services Act of 1949, as amended, may be obligated to pay the direct expenses incurred for fees of appraisers employed to determine the fair market value of real property at the time such property is reported excess to the General Services Administration by executive agencies pursuant to section 202(a) of the said act. That section provides that the extent to which a transferee agency shall make reimbursement for excess property which is transferred to it shall be determined by the Administrator of General Services, with the approval of the Director of the Bureau of the Budget.

It is stated in the letter that the Bureau of the Budget has proposed as a general policy that, instead of excess real property being transferred by General Services Administration from one Government agency to another without reimbursement, such property be sold as surplus unless it can be utilized within the Government for a purpose which is roughly commensurate with its value, and that the Bureau of the Budget has disapproved certain proposed transfers of excess property by GSA to requesting agencies without reimbursement and has recommended that reimbursement be made therefor. It is stated further that, in view of the policy and recommendations of the Bureau of the Budget, General Services Administration has found it advisable to determine the highest and best use of all excess real property reported to it, and that such determination can best be accomplished after appraisals of the property by commercial appraisers in accordance with the procedure now used for appraisals of real property which General Services Administration proposes to liquidate as surplus. The view is expressed in your letter that appraisals made promptly when property is reported to be excess have a twofold advantage in that they insure neither an undue impairment nor an undue augmentation of the funds of the holding agency and the transferee agency, respectively, and they save time and expense of maintenance and protection if it is found that the property should be disposed of as surplus rather than transferred to other Government agencies. Also, the opinion is expressed that such prompt appraisal will result in an ever-increasing and expeditious disposal of Government-owned real properties as surplus and the purchase of other properties better adapted to the particular needs of Government agencies.

As stated in your letter, section 204(b) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 485), authorizes your Administration to set aside in a separate fund in the Treasury all proceeds of dispositions of surplus real and related personal property and to pay therefrom "the direct expenses incurred for the disposition of surplus property under this act for fees of appraisers * * * and for surveying," either directly or by reimbursement to the appropriation initially bearing such expenses.

We perceive no basis for concluding that the fees of appraisers for appraising property when it is reported to your Administration as excess may properly be regarded as "direct expenses incurred for the dispositions of surplus property" within the meaning of the quoted statutory provision. At the time when property is reported as excess, it is not known whether the property ever will be declared surplus and sold as such; and in many instances it never is so declared and sold. Use of the proceeds of the sale of surplus property to pay expenses incurred before the property is declared as surplus appears to be unauthorized by the plain language of the statute and there is nothing in the legislative history of the pertinent amendment (68 Stat. 1051, approved Aug. 31, 1954) which indicates that the legislative intent was otherwise.

For the reasons above set out, the question presented is answered in the negative.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., May 16, 1958.

Hon. JOSEPH CAMPBELL,
Comptroller General of the United States,
Washington, D.C.

DEAR MR. CAMPBELL: Your advice is requested as to whether the proceeds set aside

from the disposal of surplus real property pursuant to section 204(b) of the Federal Property and Administrative Services Act of 1949, as amended, may be obligated to pay the direct expenses incurred for fees of appraisers employed to determine the fair market value of real property at the time such property is reported excess to GSA by executive agencies pursuant to section 202 of the above act. Such appraisals would not be required when excess real property is transferred to a public body for use as a public airport or historic monument, or whenever obtaining an appraisal of real property will be uneconomical or will serve no useful purpose.

Section 202(a) of the above act provides that the extent to which a transferee agency shall make reimbursement for excess property which is transferred to it shall be determined by the Administrator of General Services, with the approval of the Director of the Bureau of the Budget, except in those instances enumerated in the proviso of section 202(a) where reimbursement is required at fair value. In implementing this section of the act the Administrator of General Services, in GSA regulation 2, chapter IV, sections 101 and 202, has prescribed policies and methods to promote the maximum utilization of excess real property by executive agencies. The Director of the Bureau of the Budget, in Circular No. A–2, dated October 18, 1955, has established general policy guides for determining when executive agencies shall divest themselves of real property holdings which are not needed by such agencies. One of such guides set forth in the circular is the situation wherein substantial net savings to the Government would result if properties used for essential purposes are sold at their current market values and other suitable properties of substantially lower current values are substituted for them. For example, in a recent case the Department of the Army applied for transfer to it of real property which had been declared to GSA as excess and requested that such transfer be made without reimbursement, since there were no funds in the current appropriation of such Department for the purchase of the land. In a letter to the Administrator of General Services, dated December 4, 1957, the Bureau of the Budget urged GSA to reconsider its decision approving this transfer inasmuch as it appeared to be in the best interest of the Government to sell the property in question as surplus and to require the Department of the Army to purchase other, less valuable, property. In reaching this conclusion, the Bureau of the Budget proposed, as a general policy, that excess real property be sold as surplus unless such property can be utilized within the Government for a purpose which is roughly commensurate with its value and recommended that, if the proposed transfer to the Department of the Army is made by GSA, reimbursement for the property should be required. There have been other recent cases where the Bureau of the Budget has disapproved proposed transfers of excess property by GSA to requesting agencies without reimbursement and has recommended that reimbursement be made therefor.

In view of the recommendations made by the Bureau of the Budget, GSA has found it advisable to determine the highest and best use of all excess real property reported to it. Experience has shown that such determination can best be accomplished after careful appraisals of excess real property are made by commercial appraisers, in accordance with the procedure now being used for appraisals of real property which GSA proposes to liquidate as surplus to Government needs. When GSA determines that the best interests of the Government would be served by further Federal utilization of the property, the requesting agency is notified as to the extent of reimbursement therefor. Because of the significance of this initial evaluation of the property, we feel that it would be uneconomical to establish an independent evaluation of the property at the time it is sold as surplus.

Accurate and fair appraisals made promptly when property is reported to be excess have a twofold advantage in that they insure neither an undue impairment nor an undue augmentation of the funds of the holding agency and the transferee agency, respectively, and they save time if it is found that excess real property is not needed by, or should not be transferred to, Government agencies and that the property should be disposed of as surplus.

Pursuant to GSA regulations, the military establishments have 60 days after notice of availability within which to advise GSA of a tentative requirement for excess real property and 30 days thereafter to advise of a firm requirement; civilian agencies have 30 days to advise of a tentative requirement and 30 days to advise of a firm requirement.

Appraisals by commercial firms of Government property such as an office building, a warehouse or a vacant property usually take about 45 days, whereas large industrial plants may take 90 days. Added to this is the time it takes to award such appraisal contracts and, after appraisals are received, the time it takes to prepare the appraisal report. The resulting delay in disposition of surplus property necessitates the expenditure of Government funds for protection and maintenance, of the property during the waiting period. However, if appraisals are made when property is declared excess and are therefore available at the time it is decided to dispose of property as surplus, the expense of maintenance and protection of the property can be avoided, or at least reduced. The expense saved in following this procedure could be significant. For example, during the period July 1, 1956, through June 30, 1957, 83 parcels of land, with or without improvements thereon, were transferred, for utilization by Federal agencies, and 284 parcels of land, with or without improvements thereon, were determined to be surplus, for disposal by GSA.

We feel that, in furtherance of the economic objectives of the above act, which are achieved, in part, by promoting maximum utilization of excess real property, a determination of the economic feasibility of transferring excess real property to meet program needs and requirements of Federal agencies can be made only after (1) the property has been evaluated in terms of its highest and best use, (2) the proposed use of the property by an applicant agency has been disclosed, and (3) the availability of other property of less value, whether in Government ownership or not, which will adequately serve the purpose has been fully explored. It is our opinion that comformity with the policies set forth above will result in an ever-increasing and expeditious disposal of Government-owned real properties as surplus and the purchase of other properties which are better adapted to the particular needs of Federal agencies.

Section 204(b) of the above act authorizes us to set aside in a separate fund in the Treasury all proceeds of dispositions of surplus real and related personal property and, insofar as here pertinent, to pay therefrom "the direct expenses incurred for the dispositions of surplus property under this act for fees of appraisers, * * * and for surveying," either directly or by reimbursement to the appropriation initially bearing such expenses.

Under the procedures outlined above the appraisal and survey expenses will be incurred at a time when the property is still excess, not yet having been determined to be surplus. This fact, however, does not—in our opinion—operate to preclude use of the special fund to reimburse the appropriation initially charged with such expenses applicable to property ultimately determined to be surplus and offered for sale pursuant to the act. An expression of your views on this conclusion is requested.

Since an appraisal obtained at the time the property is reported excess serves the dual purposes outlined above, we are of the opinion that all direct expenses incurred in connection with such appraisals for fees of appraisers properly may be paid from the proceeds set aside from the disposal of surplus property pursuant to section 204(b) of the above act, notwithstanding the fact that the property is excess at the time such expenses are incurred and may never become surplus.

Your advice also is requested as to whether, under the circumstances related herein, you will object to use of the proceeds set aside in the separate fund to pay appraisal and survey expenses applicable to property even though the particular property ultimately may be transferred to another agency for utilization pursuant to a determination under the regulations and procedures herein outlined that such use is more advantageous to the Government in terms of efficiency and economy than would be a sale of the property.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT, RELATING TO MAKING OF CERTAIN CONTRACTS

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a bill to amend the Federal Property and Administrative Services Act of 1949, to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years.

This bill, which I am introducing at the request of the Administrator of General Services, is designed to bring about more effective operation and economy in the maintenance and operation of Federal office space by authorizing the Administrator to make contracts for cleaning, maintenance, elevator operation, and for other similar custodial services for periods of time not exceeding 5 years.

Under existing authority of law the period of such contracts is limited to 1 fiscal year, which is the period of availability of appropriations made to the General Services Administration for such purposes. It is believed that authority to contract for longer periods of time will provide greater flexibility and make it possible to effect savings in the custodial and service operations of public buildings. For example, a maintenance contractor is now required to furnish under its contract any equipment needed for performance of the job, such as trucks, scrubbing machines, polishing machines, and so forth. A charge for the use of such equipment is, of course, included in the contract price to the Government. Experience has shown that under a longer term contract the annual cost to the Government represented by the annual charge for such equipment would be reduced considerably.

Mr. President, I ask unanimous consent that a copy of the letter dated January 21, 1959, addressed to the President of the Senate, from the Administrator of General Services, requesting the introduction of this bill, be printed in the RECORD and made a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 901) to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years, introduced by Mr. MCCLELLAN (by request), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. MCCLELLAN is as follows:

GENERAL SERVICES ADMINISTRATION,
Washington, D.C., January 21, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

MY DEAR MR. PRESIDENT: There is transmitted herewith, for referral to the appropriate committee, a draft bill prepared by this agency "to amend the Federal Property and Administrative Services Act of 1949 to authorize the Administrator of General Services to make contracts for cleaning and custodial services for periods not exceeding 5 years."

This proposal is a part of the legislative program of the General Services Administration for 1959.

The bill is intended to increase economy and efficiency in the maintenance and operation of Federal space by authorizing the Administrator of General Services to make contracts for cleaning, maintenance, elevator operation, and similar custodial services for periods not exceeding 5 years.

Under present law, the period of such contracts is limited to 1 fiscal year, which is the period of availability of appropriations made to the General Services Administration for such purposes. It is believed that authority to contract for a longer period will yield lower costs and more efficient service. For example, a maintenance contractor is required to furnish, under its contract, any equipment needed for performance of the job, such as delivery trucks, scrubbing machines, polishing machines, ladders, hand trucks, etc. A charge for the use of such equipment is, of course, included in the contract price to the Government. Experience has shown that under a longer term contract the annual cost to the Government represented by the annual charge for such equipment would be reduced considerably.

Likewise, where the Government makes annual contracts with the same or different contractors, the cost will generally be higher than under a contract for an assured, longer period of work. Moreover, each new contractor under an annual contract arrangement has to organize for the job and train new employees, thus sacrificing the efficiency that comes from experience in doing the job. During this organization and training, which usually takes some weeks, the Government has to put up with work by the new and inexperienced personnel which often produces results only slightly better than unsatisfactory.

The provisions of the enclosed draft bill, permitting the Administrator of General Services to enter into contracts for periods up to 5 years for cleaning, maintenance, elevatory operation, and similar custodial services, would result in reduction in the annual budgetary costs for such services by enabling this agency to obtain the price advantage of long-term contracts. The extent of these savings cannot be measured at this time because long-term contracts for such services have not been negotiated in the past.

Enactment of the proposed bill would grant authority to enter into the type of contract here involved in those instances where, in the discharge of authority vested in the Administrator of General Services by other law to maintain, operate, and protect public buildings, he considers it essential to effective accomplishment of such responsibilities to do so. More important, however, would be the greater sustained efficiency by the independent contractor and his employees in the performance of such services, resulting from the continuity of operation and the elimination of the annual training hiatus during which performance has been so unsatisfactory.

This agency urges prompt and favorable consideration of the enclosed draft bill.

The Bureau of the Budget has advised that there is no objection to the presentation of this proposed legislation to the Congress.

Sincerely yours,

FRANKLIN FLOETE,
Administrator.

RECEIPT AND DISBURSEMENT OF CERTAIN FUNDS

Mr. MCCLELLAN. Mr. President, I introduce, for appropriate reference, a bill to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes.

This bill is being introduced in response to a request submitted to the President of the Senate by the Public Printer. In his letter to the President of the Senate, the Public Printer stated that the proposed bill has been referred to the Bureau of the Budget and that the Government Printing Office has been advised that a similar bill relating to the Post Office Department was cleared by that office last year with the approval of the Treasury Department, the General Accounting Office, and the Department of Justice.

I ask unanimous consent that the letter dated January 19, 1957, addressed to the President of the Senate requesting introduction of this bill, be printed in the RECORD at this point as part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 902) to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes, introduced by Mr. MCCLELLAN (by request), was received, read twice by its title, and referred to the Committee on Government Operations.

The letter presented by Mr. MCCLELLAN is as follows:

U.S. GOVERNMENT PRINTING OFFICE,
Washington, D.C., January 19, 1959.

The PRESIDENT OF THE SENATE,
U.S. Senate,
Washington, D.C.

DEAR SIR: S. 4010 was introduced in the 85th Congress, 2d session, on June 13, 1958, and referred to the Committee on Government Operations. The purpose of this bill is "to provide for the receipt and disbursement of funds, and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes." However, the bill failed to become law in the last session of Congress.

The draft of the proposed bill had previously been referred to the Bureau of the Budget who advised us that a similar bill, relating to the Post Office Department, was cleared by that office in the prior year with the approval of the Treasury Department, the General Accounting Office, and the Department of Justice. Also, we were advised by the Bureau of the Budget that it had checked informally with the above agencies and they have raised no objections.

In view of the importance to us of this legislation, we are hopeful that the attached draft bill will be introduced before the Congress.

Very truly yours,

RAYMOND BLATTENBERGER,
Public Printer.

CLARIFYING THE EDUCATIONAL RIGHTS OF VETERANS UNDER THE KOREAN CONFLICT GI BILL OF RIGHTS

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to amend the educational provisions of the Korean conflict GI bill of rights.

This amendment would simply make it possible for a veteran studying under the GI bill to go from undergraduate studies into postgraduate studies in the same field without this being counted as a change in his educational program.

Under the present law, a veteran undergoing training is allowed one free change of course. The Veterans' Administration has interpreted this to mean that the completion of studies for a bachelor's degree and entering studies for a master's or doctorate is a change in program, even if the studies are in the same field.

In my opinion this is not what the authors of the GI bill had in mind. The primary purpose of this measure is to provide for educational training for these men who unselfishly served our country. It is designed to show our Nation's gratitude by helping them as they helped us, and to better qualify our veterans for the duties of citizenship in a free country. I feel that this portion of the bill makes it more difficult for these veterans to continue their education to plan for a better America, and therefore, it should be changed.

In the 85th Congress, I was author of a similar bill which was passed by the Senate, but did not pass the House in the rush at the close of the session.

I feel that passage of this amendment would greatly help our veterans who want to improve themselves and their country, and I ask for prompt consideration and action.

I request unanimous consent that this bill be printed in full at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 906) to amend section 1622 of title 38 of the United States Code in

order to clarify the meaning of the term "change of program of education or training" as used in such section, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1622 of title 38 of the United States Code is amended by adding at the end of such section the following new subsection:

"(c) As used in this section the term 'change of program of education or training' shall not be deemed to include a change from the pursuit of one program to pursuit of another where the first program is prerequisite to, or generally required for, entrance into pursuit of the second."

PAYMENTS TO LOCAL GOVERNMENTS IN LIEU OF TAXES

Mr. HUMPHREY. Mr. President, on behalf of myself and Senators KUCHEL, BUSH, DOUGLAS, ERVIN, GOLDWATER, JACKSON, MAGNUSON, SCOTT, SMITH, and WILEY, I introduce for appropriate reference a bill which would authorize payments to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes.

In essence, this bill would authorize, for a 5-year period, first, a very limited program of payments in lieu of taxes on industrial or commercial real property acquired by the Federal Government after June 30, 1950; second, payments of special assessments levied after the effective date of the act in urban or suburban areas, if such assessments were also levied on real property owned by other taxable persons; and third, payments in lieu of taxes on the interest of the Federal Government in real property leased or sold to private persons under conditional sales contracts, if such property were owned by a taxable person.

The program would be administered by a five-member, bipartisan Federal Board for Payments to Local Governments, appointed by the President, subject to Senate confirmation. A taxing authority would be required to file an appropriate application, specifying the Federal property involved, the basis of its claim and the period for which the claim is made—not to exceed 12 months in any single application. The Board, after determining the existence of a probable basis for the claim, and conducting a hearing if a basis is found to exist, would be required to determine and certify to the controlling Federal agency the amount of payment to be made to the local taxing authority. In the case of industrial or commercial real property, however, the applicant would be required to make a showing that Federal acquisition of such property has resulted in a financial hardship to the community in question. The actual payment to be made would be based upon the amount of local taxes which would have been payable had the property been privately owned, increased by any additional expenditures incurred by the taxing authority in furnishing services to the Federal property, and diminished by the aggregate of local-type governmental services furnished by the controlling Federal agency, further diminished by any additional credit against Federal liability resulting from any exemption, immunity or reduction in the tax rate or amount, if such are available under State or local law, to private persons as an inducement to engage in industrial or commercial activities within the territorial jurisdiction of the particular tax authority. The Board's decisions would be final and conclusive upon all taxing authorities and Federal agencies.

In essence, Mr. President, this bill would do nothing more than establish a temporary program of payments in lieu of taxes and special assessments on a very limited category of real property which has been removed from the local tax rolls as a result of Federal acquisition. The major category of payments would be at the discretion of a Federal Board which would administer the program, and numerous additional safeguards have been included in order to insure against any undue or unjustifiable payments. It would also require the Board to conduct a comprehensive study and make a case-by-case analysis of virtually every phase of fiscal and related problems of local taxing authorities arising out of Federal immunity from local real and personal property taxes, including the operation of all existing programs. The Congress would receive semiannual reports from the Board on the operation of the program, and, within 2 years after the date of enactment, a comprehensive report, accompanied by appropriate proposed legislation, detailing its recommendations on the necessity for a continuing policy.

Finally, the bill would implement, in principle, many of the major recommendations of the Commission on Intergovernmental Relations, relative to payments in lieu of taxes, and nothing contained in the measure would have any effect upon existing payments or revenue-sharing arrangements authorized by law.

This bill, Mr. President, represents the culmination of nearly 10 years of continuous efforts by the Committee on Government Operations to develop a program which would afford some measure of relief to local communities which have suffered losses as the result of the presence of Federal tax-immune property in other jurisdictions, but would not do violence to the principle of Federal tax immunity or constitute an undue burden on the Federal Treasury. It is identical to S. 4183, developed by the committee and reported favorably in the 84th Congress, and S. 967, which was before the committee in the 85th Congress.

Mr. President, through the years, many hundreds of witnesses have been heard; many volumes of testimony have been compiled; and numerous reports have been made by interested groups and carefully studied by the committee. Based upon these many years of study and consideration, the committee, in the 84th Congress, came to the following conclusions, which are applicable with equal, if not greater, force today:

First. There is an urgent need for immediate legislative action to relieve local taxing authorities from unjustified and inequitable burdens and hardships which have been imposed upon them as the result of large-scale Federal acquisition of various types of property which has operated to remove such property from the tax rolls.

Second. Because of the extremely complex nature of the subject and the many variables which are involved, it is not possible to devise a comprehensive program which will operate in a fair and equitable manner, and which is not likely to involve huge expenditures of Federal funds and possible windfall payments to communities which have actually been benefited rather than harmed by the presence of Federal installations.

Third. The only equitable type of program which is possible is one in which payments are based upon individual cases and situations as they are presented and documented, and as information relative to each situation is compiled, evaluated, and assessed on its merits.

Mr. President, I believe that this bill represents the best legislation that is possible at this time. It will not authorize any giveaway program; it will not open the gates to unlimited and unrestrained payments by the Federal Government to local communities; and it is not discriminatory. It is my firm conviction, based upon my service as the mayor of a good sized city, as a member of the Committee on Government Operations, and at one time chairman of the Subcommittee on Intergovernmental Relations, and as a member of the Commission on Intergovernmental Relations and its Study Committee on Payments in Lieu of Taxes and Shared Revenues, that this bill is a modest attempt to deal with a very vexing problem.

I am pleased to be able to state that this proposed legislation has the support of such distinguished organizations as the National Association of County Officials, the American Municipal Association, and the Council of State Governments.

Mr. President, I am greatly heartened by the fact that many Senators on both sides of the aisle support the principle of payments-in-lieu-of-taxes legislation. There may be others who wish to join as additional cosponsors of this measure. Accordingly, I ask that the bill be allowed to remain at the desk for 9 days to permit the signature of additional cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will remain at the desk as requested by the Senator from Minnesota.

The bill (S. 910) to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

ACQUISITION OF ADDITIONAL FOOD COMMODITIES FOR DISTRIBUTION TO NEEDY PERSONS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of January 23, 1959, the names of Senators GREEN, JACKSON, MANSFIELD, YARBOROUGH, LONG, CASE of South Dakota, MURRAY, MCCARTHY, CAPEHART, BARTLETT, CHAVEZ, GRUENING, LANGER, HART, MAGNUSON, ENGLE, YOUNG of Ohio, MOSS, MCGEE, HUMPHREY, WILLIAMS of New Jersey, PROXMIRE, HENNINGS, and CARROLL were added as additional cosponsors of the bill (S. 663) to authorize the Secretary of Agriculture to acquire additional food commodities for distribution to needy persons, introduced by Mr. BYRD of West Virginia (for himself and Mr. RANDOLPH) on January 23, 1959.

INCREASED USE OF AGRICULTURAL PRODUCTS FOR INDUSTRIAL PURPOSES—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of January 27, 1959, the name of Mr. YARBOROUGH was added as an additional cosponsor of the bill (S. 690) to provide for the increased use of agricultural products for industrial purposes, introduced by Mr. JOHNSTON of South Carolina (for himself, Mr. PROXMIRE, Mr. HUMPHREY, and Mr. TALMADGE) on January 27, 1959.

SOCIAL SECURITY BENEFITS FOR COMMUNIST PARTY MEMBERS

Mr. WILLIAMS of Delaware. Mr. President, on January 15, 1959, District Judge Edward A. Tamm, of Washington, D.C., rendered a decision of far-reaching implications to the American taxpayers. Under this decision as it affects the Social Security Act, not only will the Federal Government be required to restore a convicted member of the Communist Party—and one who even has been deported as an undesirable alien—to full social security benefits, but also the Federal Government must send to this deported Communist retroactive social security payments for the past 2 years.

Furthermore, if the decision is not reversed by the Supreme Court, all previously convicted Communists, and even those who have been convicted of treason, will be restored to full social security benefits.

Under this decision, Ephram Nestor—or Daniel Nestor or Prodan Nesteroff—will receive $1,501.20, plus accrued interest, representing retroactive payments. In addition, he will receive monthly benefits, beginning December 1, 1958, of $55.60, plus the 7 percent increase authorized under last year's amendment to the Social Security Act.

To qualify for these social security payments, all that Mr. Nestor ever paid into the fund as tax on his earnings totaled less than $125.

In 1956, Congress recognized the unfairness to the American taxpayers in allowing individuals convicted of treason, espionage, or membership in organizations designed to overthrow the Government of the United States—the Communist Party, and so forth—to remain on the social security rolls; and to correct this we adopted an amendment to the Social Security Act—section 121, H.R. 7225—the purpose of which was to deny such benefits upon conviction of the above-mentioned crimes.

At this point I ask unanimous consent to have incorporated in the RECORD a copy of the amendment as approved by the Congress on July 26, 1956.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT AS ADOPTED TO H.R. 7225

SEC. 121. (a) Section 202 of the Social Security Act is amended by adding after subsection (t) (added by section 118 of this act) the following new subsection:

"CONVICTION OF SUBVERSIVE ACTIVITIES, ETC.

"(u)(1) If any individual is convicted of any offense (committed after the date of the enactment of this subsection) under—

"(A) chapter 37 (relating to espionage and censorship), chapter 105 (relating to sabotage), or chapter 115 (relating to treason, sedition, and subversive activities) of title 18 of the United States Code, or

"(B) section 4, 112 or 113 of the Internal Security Act of 1950, as amended,

then the court may, in addition to all other penalties provided by law, impose a penalty that in determining whether any monthly insurance benefit under this section or section 223 is payable to such individual for the month in which he is convicted or for any month thereafter, and in determining the amount of any such benefit payable to such individual for any such month, there shall not be taken into account—

"(C) any wages paid to such individual or to any other individual in the calendar quarter in which such conviction occurs or in any prior calendar quarter, and

"(D) any net earnings from self-employment derived by such individual or by any other individual during a taxable year in which such conviction occurs or during any prior taxable year.

"(2) As soon as practicable after an additional penalty has, pursuant to paragraph (1), been imposed with respect to any individual, the Attorney General shall notify the Secretary of such imposition.

"(3) If any individual with respect to whom an additional penalty has been imposed pursuant to paragraph (1) is granted a pardon of the offense by the President of the United States, such additional penalty shall not apply for any month beginning after the date on which such pardon is granted."

(b) The amendment made by subsection (a) of this section shall not be construed to restrict or otherwise affect any of the provisions of the act entitled "An act to prohibit payments of annuities to officers and employees of the United States convicted of certain offenses, and for other purposes", approved September 1, 1954 (Public Law 769, 83d Cong.).

(c) Section 210(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(17) Service in the employ of any organization which is performed (A) in any quarter during any part of which such organization is registered, or there is in effect a final order of the Subversive Activities Control Board requiring such organization to register, under the Internal Security Act of 1950, as amended, as a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, and (B) after June 30, 1956."

(d) Section 3121(b) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"(17) service in the employ of any organization which is performed (A) in any quarter during any part of which such organization is registered, or there is in effect a final order of the Subversive Activities Control Board requiring such organization to register, under the Internal Security Act of 1950, as amended, as a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, and (B) after June 30, 1956."

Mr. WILLIAMS of Delaware. On January 15, 1959, District Court Judge Edward A. Tamm declared the 1956 amendment unconstitutional.

At this point I ask unanimous consent to have printed in the RECORD an article appearing in the Washington Post and Times Herald of January 16, 1959, in which Judge Tamm's decision declaring this amendment unconstitutional is reported.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

VESTED PROPERTY RIGHT, SAYS RULING—DISTRICT COURT RESTORES OLD-AGE BENEFITS OF ALIEN DEPORTED IN 1956

(By James Clayton)

Old-age benefits payable under the Social Security Act are vested property rights and cannot be taken away arbitrarily by Congress, District Court Judge Edward A. Tamm ruled here yesterday.

His decision came as he struck down as unconstitutional a 1956 amendment which cut off old-age benefit payments to persons who are deported. This amendment, the judge said, deprives those affected by it of their property without due process of law.

The immediate effect of the decision is to restore a $55.60 a month pension to Ephram Nestor, who was deported in July 1956, to Bulgaria because he had once belonged to the Communist Party while he was an alien in this country.

But its long-range effect, according to lawyers familiar with the social security program, is to cast doubt upon some other changes which Congress has made in the program. For this reason, they believe, the decision will be carried to the Supreme Court.

The Government has long contended that benefits under the social security laws are gratuities which Congress can offer and withdraw at will. Government attorneys argued to Tamm that this point was well established in law.

But Nestor's attorney contended, and Tamm agreed, that the nature of old-age benefits is such that they become the property right of the person who has paid in money throughout the years. If they are such, they can be taken away only through due process of law.

Tamm said that previous decisions on this point are divided.

But he added, "however, must it logically follow that before Congress has the power to exercise such revision or alteration that it may also completely deprive one of such benefits after they fully accrued? This court does not think so."

Nestor had worked in employment covered by social security taxes from December 1936 until January 1955. He was awarded a pension in December 1955, and, 7 months later, was shipped back to Bulgaria whence he had come in 1913. The amendment was passed a month later and his pension was promptly cut off.

Mr. WILLIAMS of Delaware. The attention of Congress was first called to

this question by an article by Jack Steele which appeared in the Washington Daily News under date of October 22, 1955. In the article Mr. Steele called attention to one Alexander Bittelman, a high-ranking Communist, who was drawing $88.10 a month as social security benefits, even while serving a 3-year sentence in the Federal penitentiary at Atlanta, Ga., for conspiring to overthrow the Government of the United States by force and violence.

This Mr. Bittelman was convicted as one of the founders of the Communist Party in our country. He entered the United States in 1912, after having been deported to Siberia by the czar, for revolutionary activities. He was one of the 13 Communist leaders convicted under the Smith Act in January 1953. In spite of his conviction as a Communist and a traitor, Mr. Bittelman was eligible, under the law prior to the adoption of the 1956 amendment, to receive $88.10 a month in social security benefits, even while serving in the Federal penitentiary. Congress and the American people were aroused, and prompt action was taken to amend the law.

While Judge Tamm's decision declaring this amendment unconstitutional was in connection with another case—that of Ephram Nestor—nevertheless, the effect of his decision to protect what he refers to as the "constitutional rights" of these traitors will be to restore them to full eligibility for all retirement benefits, at the expense of the American taxpayers.

I have discussed this matter with the appropriate authorities, and have been advised that a determined effort will be made to appeal this decision and to have it reversed by the Supreme Court of the United States.

This is just one more instance in which our courts are today going rather far afield in the protection of what they refer to as the "constitutional rights" of traitors and racketeers. I suggest that it is high time that the courts also remember the rights of the 170 million law-abiding American citizens.

I ask unanimous consent to have printed at this point in the RECORD the article which appeared in the Washington Daily News on October 27, 1955, in which is outlined the record of the Communist who was then in prison and drawing full social security benefits.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RED INMATE GETS $88.10 MONTHLY SECURITY FROM HAND HE TRIED TO BITE

(By Jack Steele)

The Social Security Administration each month mails a check for $88.10 to a Communist inmate of the Federal penitentiary at Atlanta, Ga.

It goes to Alexander Bittelman, a high-ranking Red now serving a 3-year sentence there for conspiring to advocate overthrow of the U.S. Government by force and violence.

The $88.10 a month payment is made to the 65-year-old Mr. Bittelman under the Government's old-age insurance program. He can cash the check and spend the money, and, furthermore, it isn't subject to income tax.

DOUBLE SECURITY

His monthly check is a sort of double security from the hand of the Government he tried to bite.

Even that isn't the whole story.

Mr. Bittelman gets the check even though he hasn't paid a penny of the $6,000 fine imposed when he was sentenced on February 3, 1953, for violating the Smith Act.

And the Government keeps on paying his social security even though it expects to deport him to his native Russia as soon as he finishes serving his sentence.

Government officials did a lot of stuttering today trying to explain the Bittelman case. They were partially tongue-tied because the social security laws bar disclosure of details of the cases of individual beneficiaries.

HYPOTHETICAL

This picture was pieced together from what they could and would say about a hypothetical case similar to Mr. Bittelman's.

Social security laws and regulations do not bar payments to prisoners. Old-age insurance is based on taxes paid by both employees and employers in covered industries. The theory seems to be that it is a statutory right which is not canceled—as many others are—by conviction for a serious crime.

(The only exception, which does not apply to the Bittelman case, is that payments may not be made to a person who would thus benefit from his own crime such as a woman who murdered her husband and thus became eligible for social security.)

There is no legal bar to payments to persons convicted under the Smith Act or other antisubversive laws. Presumably, anyone serving a sentence for treason would receive social security if eligible.

Social security checks cannot be seized or garnisheed by the Government or any other creditor.

Both the Justice and Health, Education, and Welfare Departments are investigating the Bittelman case—presumably to see if there is any way these loopholes in the law can be closed.

If not, they may ask Congress to amend the law next year.

CREDIT

Credit for bringing the Bittelman case to light goes to William H. Hardwick, warden of the Atlanta Penitentiary.

Warden Hardwick declined to talk about the case today, but it was learned that he did some vigorous eyebrow raising when Mr. Bittelman's social security checks began to turn up at the prison several months ago.

He reported the situation to the Bureau of Prisons, which told him to continue delivering the checks until further orders and bucked the case along to the Social Security Administration.

Mr. Bittelman is one of the founders of the Communist Party in this country. He came to the United States in 1912 after having been deported to Siberia by the czar for revolutionary activity. He attended an underground meeting in 1920 at Kingston, N.Y., at which the party was supposedly formed, and later served as a member of the party's national committee.

Mr. Bittelman was 1 of 13 second-string Communist leaders convicted under the Smith Act in January 1953. He began serving his sentence last January 11.

He once worked for a New York publishing house, but it is not known whether this is where he earned his social security.

Mr. WILLIAMS of Delaware. I next ask unanimous consent to have printed in the RECORD a letter dated January 22, 1959, signed by Mr. J. M. Swing, Commissioner of Immigration and Naturalization Service, Department of Justice, confirming the conviction of Ephram Nestor of Communist activities and his deportation as an undesirable alien.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, D.C., January 22, 1959.

Hon. JOHN J. WILLIAMS,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: This will refer to your inquiry regarding the deportation case of Daniel Nestor or Ephram Nestor or Prodan Nestoroff.

A review of this alien's file shows that he was born on November 13, 1890, in a part of Austria-Hungary that is now in Bulgaria. He entered the United States in 1913. On March 22, 1954, he was ordered deported because he was a member of the Communist Party of the United States after entry into this country. The Board of Immigration Appeals dismissed his appeal from this order on November 9, 1954.

Mr. Nestor declined to testify during the deportation proceedings. He was identified by three witnesses as having been a Communist Party member from 1933 to 1939. Also, there was introduced in evidence a Communist Party membership book for 1938, issued to Dan Nestor on December 9, 1937, and showing payment of membership dues for each month of the 1938 calendar year.

Mr. Nestor was deported to Bulgaria on July 7, 1956.

Sincerely,

J. M. SWING,
Commissioner.

THE SENIORITY RULE ON COMMITTEE CHAIRMANSHIPS

Mr. CLARK. Mr. President, yesterday the distinguished junior Senator from Wisconsin [Mr. PROXMIRE] addressed himself briefly to the problem of seniority in connection with committee chairmanships. I should like to associate myself with his remarks.

In doing so, I do not wish to be misunderstood. I have the highest regard and personal affection for the chairman of each and every standing or special committee of the Senate. However, I do not think one's personal affection or one's feeling of respect for these gentlemen should be permitted to divert attention from the fact that the present use of seniority in connection with chairmanships is doing grave national damage to the Democratic Party, because it results, unfortunately, in having Senators come into the positions of chairmen of various committees who are fine gentlemen of great ability and high integrity but who find themselves out of sympathy with the national programs and policies of the party to which I belong.

I do hope that in the near future an effort will be made to modify the seniority rule in connection with the selection of committee chairmen, just as has been done in connection with selection of a majority leader, and of a whip, and in assignment of the Members to committees in this session of Congress.

FREE MARKET FOR GOLD

Mr. MURRAY. Mr. President, on January 20 I joined with Senators BIBLE, BARTLETT, GRUENING, MANSFIELD, and KUCHEL in the sponsorship of a bill which

would authorize a free market for gold and direct the Secretary of the Treasury to pay $70 per ounce for newly mined domestic gold.

I have today received a thought-provoking letter from the distinguished senior Senator from Colorado [Mr. ALLOTT] commenting on this bill, and because of its importance I ask unanimous consent that the letter of the Senator from Colorado be printed in the body of the RECORD of today.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
February 2, 1959.

The Honorable JAMES MURRAY,
Chairman, Committee on Interior and Insular Affairs, Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I want you to know that I appreciate your courtesy in offering me an opportunity to cosponsor your bill, S. 590, to authorize a free market for gold and set the Treasury price at $70 per ounce. Like all western Senators, I have put a great deal of time and thought into this problem and feel that there is much merit in the bill. From the viewpoint of the gold miner who is the only person in the country required by Government edict to sell his goods at the same price today that he received in 1934, the present situation is patently unfair. Conversely, the commercial users of gold constitute the only industrial group whose materials are arbitrarily pegged at depression-level prices.

Unfortunately, a clear and sound solution to this problem, that will not disrupt our entire trade picture and produce substantial inflation and further debase our currency is more difficult. In this connection, a free market for gold seems less subject to criticism than the question of whether we should statutorially put the price at $70 or any other specified figure.

Because I am not an economic expert, I have concluded that I should study the problem further and await official reports of the departments and the advice I know will be offered to the committee by experts in the various fields affected by this proposed legislation before I endorse any specific solution. I hope you will go ahead with full and complete hearings on this problem so that we may develop a realistic solution and I want you to know that I will work with you in developing and securing congressional approval of any sound improvement in the presently unsatisfactory method by which this country handles gold.

Before reaching this conclusion and immediately after receiving your letter that you planned to introduce this bill, I contacted, for their advice, a number of people in my State whom I consider to be the best informed and the most interested in this problem. Several of them called to discuss this legislation. I think you might be interested in some of the remarks of those who wrote, so I shall set them out here. A prominent lawyer, a distinguished stock broker and a very able president of a mining company all urged me unqualifiedly to support your bill as drafted. One said that:

"Your courageous sponsorship of this bill will be of historic import, I feel.

"Americans are burdened with taxes; our debts are crushing; we are having difficulty in selling Government bonds (except to banks). If taxes are as high as we can endure them, if our debts are so large that we cannot sell additional bonds, and if our dollar has depreciated by over 50 percent in 18 years; the time has come to stop inflation. We stop inflation by admitting the depreciation that has occurred in the dollar, and insure against further erosion in it by returning the right of convertibility to the American people. Admitting the dollar's depreciation is not inflationary, as long as the right to own and buy gold is concurrently returned to the American people . . . It seems to me that around $100 gold price will be necessary to stop the gold outflow, but this is a guess. Raising its selling price and giving Americans the same rights as foreigners have is the important thing. We so need peaceful trade and confidence. People all over the world are crying for it. The first nation to offer sound and hard money to individuals so that trade can be carried on will be acclaimed leader for years to come. It can and must be the United States of America." As one of our colleagues from Massachusetts has observed, as I am sure you know, "Courage is where you find it."

An effective vice president of one of the largest mining companies in this country which mines gold as a byproduct said:

"If we are to curb inflation it seems to me any move of this kind should be given very serious thought as to what effect it will have on inflationary moves . . . so far as our gold going to foreign countries, that is something to be considered as well, however, my thought, for what it is worth, is there are a great many things that would prove more advantageous to the country as a whole than the changing of the price of gold."

Another prominent mining executive and sometimes officer of one of our mining associations told me that:

"I discussed the matter with several of them [members of the mining club] without disclosing my reasons except that we should all be interested in measures having to do with gold. * * * From discussions on the second section of the Murray bill I conclude that it may be impossible to get favorable action on the bill at this time, the industry surely should fight for it. It would seem possible that if section 1 of the bill were passed, the law of supply and demand would indicate what the world thinks the price should be. It would seem, too, that if there is an active and increased movement of gold into private hands or foreign countries, it might be easier to get a higher price established for gold in the United States."

An excellent attorney, who has spent a great part of his life working with mining problems and who formerly held high political office wrote me in some detail and I think his careful analysis will be of interest to you:

"The first section of S. 590 is all right.

"As for the second section: No one knows what is now the real value of gold. The January 1959 issue of the Engineering and Mining Journal, page 27, quotes Pick's "World Currency Report" on the free or black market value of gold as of December 31 in terms of the U.S. dollar as varying all the way for coins from $38 per ounce in Buenos Aires to $58.50 in Bombay and for gold bars from $35.08½ in New York to $56.50 in Bombay. The situation is further complicated by the fact that the U.S. Treasury both buys and sells gold at between $34.90 and $35.10 per ounce. These sales are to foreign countries and to domestic manufacturers of gold articles. * * *

"If $75 is too low, we will continue to lose gold; if too high, we will be flooded with foreign gold, and it could be inflationary.

"However, something must be done. We now have about $20½ billion in gold. In the last year we have lost about $2½ billion in gold—most if not all to foreign nations and we will continue to lose it. We have equipped other nations with the latest machinery under lend-lease. We taught them our latest technology under point 4. But we have never required them to raise their standards of living. There is one weakness in the policies of free or reciprocal trade. There is no way to compel other nations to buy from us. They are not foolish. They will sell to us but they will buy where they can get the best for the least. So they are selling to us and demanding and often getting payment in gold at $35 per ounce. Sometimes a double profit is possible by selling that gold in a market where it brings more than $35 per ounce, or by using that gold to purchase raw materials in markets where gold is higher.

"Again, GORDON, there are about $15 billion in foreign held claims against the United States for which payment in gold may be demanded and now received. In addition, there are obligations of the Federal Reserve banks of about $47 billion for which the law requires a gold backing of 25 percent or about $12 billion, that totals $27 billion in obligations and reserves for which we have a coverage of only $20⅝ billion in gold. A run on our gold by foreign claimants would be disastrous. It would force the Treasury to cease payments in gold.

"We cannot long stave off a run on our gold when we continue to lose gold at from $15 to $50 million each week.

"I realize I am straying some from the questions in your letter, but I think you should have this information, and what I am giving you comes from what I regard as very reliable sources.

"I think section 2 of S. 590 should require the Treasury to continue to buy all gold tendered to it at $35 per ounce, but I think the Treasury should be prohibited from disposing of its gold stocks in any except bona fide monetary transactions. Specifically it should be prohibited from selling any of its gold stocks to the gold manufacturing industry.

"Last year this country produced around $60 million in gold—a lot of it as a byproduct from the mining of other ores. While it is difficult to get exact figures, the demand for gold for industrial purposes is estimated at around $100 million annually (you can probably get better figures on this demand than I can). At any rate, the demand is large enough and the supply is sufficiently inadequate to force the market price of gold considerably above $35, provided the competition from sales by the U.S. Mint is stopped.

"It might also be worthwhile to require the mint when it pays foreign obligations in gold to value the gold not at $35 per ounce, but at the value of gold in the country of the payee. * * * I think this is a more realistic method of getting at the problem. * * * I think it far better to free gold from Government restrictions—let it seek its own price level and then revalue it."

Sincerely yours,

GORDON ALLOTT,
U.S. Senator.

FINANCIAL OBLIGATIONS OF STATE AND LOCAL GOVERNMENTS

Mr. MURRAY. Mr. President, the Eisenhower administration would like to have State and local governments take over more financial and administrative burdens. The Eisenhower administration expresses great concern over the size of Federal expenditures and indebtedness.

But the administration does not seem concerned over the difficulty State and local governments have in meeting even present obligations—difficulties which in many cases are greater than those faced by the Federal Government. Nor does the administration seem concerned about some of the real problems in this country which must be met by Government—Federal, State, or local.

In the field of health, only yesterday Howard A. Rusk, M.D., of the New York

Times, pointed out that the President has proposed drastic reductions in Federal grants for construction of hospitals and research facilities, and proposed no increase for medical research. In making these budget recommendations, Dr. Rusk pointed out that "no attempt was made to analyze the key factors of national interest."

As regards schools, the administration is trying to make us forget about the continuing shortage of classrooms and teachers, and the fact that State and local government cannot, by themselves, alone, provide adequate educational facilities.

We must not let the President forget about educational needs. It is evident that, because of the absence of White House leadership, Congress must lead in the field of educational legislation. We must also point out the economic facts of life, which show that the Federal Government is in a position to pay more for education, and that State and local governments are not able to pay all of this cost by themselves.

Mr. President, the January 1959 issue of the Monthly Review, published by the Federal Reserve Bank of Atlanta, carries some disturbing figures about the increase in State and local indebtedness. According to the Monthly Review:

> The high rate of borrowing by governmental agencies other than Federal since the end of World War II has, of course, resulted in a rapid growth in debt. The outstanding debt of all State and local governments in the United States amounted to approximately $55 billion at the end of fiscal year 1959, 3.5 times the amount in 1945. In absolute terms, most of the postwar increase has been in the debt of local governments; they accounted for almost $26 billion of the $38 billion rise in total debt. Percentagewise, however, the rise in State debt has been more rapid. At the end of 1945, obligations of State governments accounted for 15 percent of the combined State and local debt; by the end of fiscal 1958, however, State debt represented about 27 percent of the total.

Mr. President, let us compare this great increase in State and local debt with the status of the Federal debt. The January 1959 issue of the Monthly Review, published by the Federal Reserve Bank of St. Louis, concludes its article, "Magnitude of the Federal Debt," with the following paragraph:

> It has become part of the folklore of the country that we have a tremendous Federal debt and that it has been continuously growing. The facts are that it has not grown on balance for over a decade, that relative to the growth in the rest of our financial structure the national debt has declined to only half the size reached at the end of World War II, and that it is at its most manageable size in nearly 2 decades.

Mr. President, I ask unanimous consent to have printed in the RECORD immediately following these remarks the three articles to which I have referred—an article in the February 1 issue of the New York Times headlined "A Disturbing Budget," an article from the January 1959 issue of the Federal Reserve Bank of Atlanta Monthly Review, headlined "Sixth District States and Local Governments Continue To Buy Now, Pay Later," and an article from the January 1959 issue of the Federal Reserve Bank of St. Louis Monthly Review, headlined "Magnitude of the Federal Debt."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 1, 1959]

A DISTURBING BUDGET—HOW PRESIDENT'S PROPOSED OUTLAYS AFFECT THE NATION'S MEDICAL RESEARCH

(By Howard A. Rusk, M.D.)

The President's budget for the fiscal year 1960, beginning July 1, appears to propose greater total expenditures by the Department of Health, Education, and Welfare than in any previous year.

The proposed appropriation of $3,129,719,000 in an increase of $89 million over appropriations for the fiscal year 1959. More than $2 billion, or nearly two-thirds of the total proposed appropriation, is for grants to States to assist needy, aged, blind, and disabled persons and dependent children.

Pending before Congress, however, are proposed supplemental appropriations for the various constituent agencies of the Department of Health, Education, and Welfare of $258 million.

If the usual course of action is taken and these supplemental appropriations are voted, the actual expenditures for the Department of Health, Education, and Welfare for fiscal year 1959 will be $3,228 million, or $52 million more than the President proposes be spent during the next fiscal year.

To effect this saving of $52 million and still at the same time provide increased funds for certain programs within the Department, the President proposes to decrease appropriations for grants for construction of facilities by $151,142,000.

This reduction would be achieved by reducing direct Federal construction of facilities from $28,530,000 in the current fiscal year to $3,888,000 in the next fiscal year and to reduce grants to medical schools, hospitals, and other agencies for construction from $267,700,000 to $141,200,000.

Lesser savings would be achieved by reducing grants for the control of tuberculosis and venereal diseases.

SCHOOLS UNAFFECTED

All of these reductions for construction would be in the fields of medicine and health; appropriations for construction, operation and maintenance of schools in federally affected areas are to remain the same.

Grants for hospital construction during the next fiscal year would be reduced from $186,200,000 to $101,200,000, and grants for construction of health research facilities from $30 million to $20 million.

It is significant that in these proposed reductions in Federal grants for the construction of hospitals and health research facilities, there is no discussion of the national need for such programs. The rationale of the proposed reduction is that they are "in accord with a governmentwide policy to defer Federal construction and decrease support of non-Federal construction."

The President also pointed out that Congress had increased Federal grants for hospital construction in 1959 over the level of previous years as an antirecession measure.

In explaining that there is no increase proposed to support medical research through the National Institutes of Health, the budget message calls attention to the report filed last summer of "eminently qualified" consultants who completed an "exhaustive study of all research activities of the department."

The words quoted were well chosen, for the group consisted of ten prominent medical educators and industry research executives with Dr. Stanhope Bayne-Jones as the chairman.

HIS QUALIFICATIONS

Dr. Bayne-Jones, formerly dean of the Yale University School of Medicine, is president of the Joint Administrative Board of the New York Hospital-Cornell Medical Center, and technical director of research, Office of the Surgeon General.

These "eminently qualified" consultants after "exhaustive study" concluded that expenditures for medical research in this country cover and should be tripled to reach a billion dollars a year by 1970.

Action on their report in the President's budget included:

No increase in Federal appropriations for research.

No increase in Federal appropriations for research facilities.

The statements, "The report contains a number of far-reaching recommendations which will require a considerable amount of thoughtful consideration," and "An intensive study of these recommendations is now under way and is expected to be completed in early spring, at which time its results will be made known."

It is significant that in his budget proposals for 1960, the President has proposed such drastic reductions in Federal grants for construction of hospitals and research facilities and has proposed no increase for medical research. It is disturbing that in doing so, no attempt was made to analyze the key factors of national interest and explain the logic in terms of the national interest underlying this decision.

[From the Federal Reserve Bank of Atlanta Monthly Review, January 1959]

SIXTH DISTRICT STATES AND LOCAL GOVERNMENTS CONTINUE TO BUY NOW, PAY LATER

(By Alfred P. Johnson)

State and local governments borrowed at a record rate in 1958. The story of the underlying forces stimulating borrowing—an expanding population, increased suburbanization, and a general upgrading in the quality of capital improvements—has been told innumerable times and needs little elaboration at the moment. In essence, however, the continued high volume of borrowing is due to the almost insatiable demand for services by the public, on the one hand, and to definite limitations on the willingness or ability of governmental units to raise additional funds via taxation, on the other.

BORROWING HIGH IN 1958

In the first 3 quarters of 1958, new security offerings of State and local governmental units in those States that lie wholly or partly within the Sixth Federal Reserve District—Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee totaled $881 million. Borrowing of governmental units in individual States ranged from a high of $213 million in Louisiana to a low of $77 million in Mississippi. Preliminary estimates for the full year 1958 indicate that all Government entities in the district States borrowed more than $1 billion. If this estimate is realized, 1958 will be the second consecutive year that State and local borrowing has broken through the billion-dollar barrier.

The high volume of municipal offerings in 1958, both in the District and in the Nation, resulted from an interaction of long- and short-run factors affecting the demand for funds by State and local governments. Such things as growth and shifts in population continued to create a need for capital spending. At the same time, a favorable credit climate, particularly in the first half of last year, provided governmental units with an opportunity to borrow at relatively attractive rates.

Yields on State and local government issues reached their peak in the third quarter of 1957 and then declined sharply. After the middle of 1958, however, long-term rates rose

rapidly as money market conditions changed abruptly with the marked upswing in business activity.

Changes in interest rates, although they undoubtedly influence borrowing patterns of State and local governments to some degree, should not be overexaggerated. A review of security offerings by district governmental units in recent years shows that the level of borrowing has not been highly correlated with variations in interest rates. A low volume of borrowing, for example, has not always coincided with high interest rates. This suggests that where projects are deemed "essential" and not easily postponed, the level of interest rates may not be a major deterrent to borrowing.

Considering the market for municipals in terms of district totals, as we have been doing, is a useful abstraction. It conceals, however, marked variations in size, length of maturity, and quality of issues offered for sale. In order to obtain some further insight into the nature of the market for municipals in the district, therefore, we have analyzed in detail the 1,018 issues offered for sale in the first 10 months of 1958.

SHORT- AND LONG-TERM BORROWING IMPORTANT

During the period January-October, housing authorities throughout the district accounted for about 44 percent of the number of issues offered and about 38 percent of the value. Funds borrowed by housing authorities generally take the form of temporary loans—notes with maturities of less than 1 year—which are used to finance construction of public housing. Although funds for building these facilities may be obtained from the Public Housing Administration, most housing authorities have chosen to sell their obligations on the market with the guaranty of the Federal agency behind them. As the buildings reach completion, most of the temporary notes are replaced by longer issues.

Housing authorities are particularly important in Georgia and Alabama, where in 1958 they accounted for 78 and 57 percent, respectively, of the total new issues offered. Since housing authorities do the major volume of financing in these States, the average maturity on all new issues was generally lower than in other States.

Apart from the temporary housing authority issues, nearly all maturities on other obligations were in excess of 1 year, and over one-half of the offerings of State governments and special authorities carried maturities of 10 years or more. That average maturities on the issues of these governmental units were longer reflects in part their larger dollar size.

Over four-fifths of the offering of State governments and special authorities exceeded $1 million, compared with only one-fifth of the offerings of cities, counties, and school boards. Because of variations in size of issues, State governments and special authorities accounted for 20 percent of the value of all offerings, even though they represented only 4 percent of the number. Issues of cities, counties, and school boards, on the other hand, made up 42 percent of the value of all security offerings, although they accounted for 52 percent of the number.

DEMAND BEHIND THE BORROWING

The purpose of borrowing reflects, of course, the degree of participation in the market of different types of governmental units. Since housing authorities were active borrowers in 1958, as in other years, it is not surprising that funds for the construction of public housing amounted to $370 million or 39 percent of the value of all borrowing from January to October 1958.

Security offerings to finance educational facilities, primarily for the construction of public schools, ranked next in importance. In 1958, borrowing for this purpose amounted to $159 million or 17 percent of the total. The proportion of total borrowing for school purposes was about the same as in 1957 but somewhat higher than in the previous 2 years.

Borrowings to finance the development of public utilities—water supply, electric and gas supply and transit systems—and roads were again important in 1958. With the population continuing to grow and scattering to many suburban points, moreover, it is likely that borrowing for these purposes will continue heavy in the years ahead.

New municipal offerings within 6th district States by type of issuer, size of issue, and average maturity—January–October 1958

[Percent of number of total offerings]

	Alabama	Florida	Georgia	Louisiana	Mississippi	Tennessee	District
Type of issuer:							
State	3	1	1	4	2	2	2
City	25	36	10	22	45	30	27
County	8	9	9	30	26	24	17
School board	5	20	1	11	11	1	8
Housing authority	57	26	78	33	15	43	44
Special authority	1	8	1	----	----	----	2
Other	1	----	----	----	1	----	----
Total	100	100	100	100	100	100	100
Size of issue (thousands of dollars):							
0 to 100	16	2	7	20	41	6	15
100 to 249	25	12	22	21	21	19	21
250 to 499	27	24	36	22	17	25	26
500 to 999	16	25	18	13	11	22	17
1,000 and over	16	37	17	24	10	28	21
Total	100	100	100	100	100	100	100
Average maturity (years):							
1 year or less	64	28	73	30	18	41	44
1 to 5	17	8	12	13	25	9	14
5 to 10	7	23	5	33	40	29	22
10 and over	12	41	10	24	17	21	20
Total	100	100	100	100	100	100	100

GROWTH IN LONG-TERM DEBT OUTSTANDING

The high rate of borrowing by governmental agencies other than Federal since the end of World War II has, of course, resulted in a rapid growth in debt. The outstanding debt of all State and local governments in the United States amounted to approximately $55 billion at the end of fiscal year 1958, 3.5 times the amount in 1945. In absolute terms, most of the postwar increase has been in the debt of local governments; they accounted for almost $26 billion of the $38 billion rise in total debt. Percentagewise, however, the rise in State debt has been more rapid. At the end of 1945, obligations of State governments accounted for 15 percent of the combined State and local debt; by the end of fiscal 1958, however State debt represented about 27 percent of the total.

Estimates of long-term debt of district State governments—which are published annually—parallel national trends. Sample estimates of the growth in debt of large cities in the district also indicate a debt pattern similar to that for the Nation. When all of these pieces of information are put together, the long-term indebtedness of State and local governments in the district amounts to over $4 billion. Those estimates were made in the absence of complete data on outstanding long-term debt of all State and local governments in district States which are not available on an annual basis as they are for the Nation.

PUBLIC DEMANDS STILL RISING

The borrowing trend of State and local governments in the district still appear to be upward. Compilations by the Bond Buyer show that the inventory of proposed and/or authorized borrowing by governmental entities in the District totaled $795 million in mid-November 1958, up 6 percent from a year earlier. The need to borrow results, of course, from increasing pressures on State and local governments to spend.

The demand for public services continues unabated and, in a sense, feeds upon itself. An expressway, for example, is built to speed up traffic to and from the central city. Residential building follows the highway, and suburban developments spring up at points farther and farther away from the city. These developments in turn create demands for water, electricity, schools, and feeder roads. The expressway, built originally to speed the flow of traffic, becomes congested and inadequate. It must be widened, extended farther—and so it goes.

The ability of most governmental units to meet the demands for services they have traditionally provided has been stretched to the limit. Although some "new" sources of revenue may still be untapped, they are certainly dwindling. If governments are to meet the expanded demand for services, they may be faced with the alternative of accepting further sharp increases in debt or raising tax rates. The time, therefore, may be approaching when the public has to choose between a school or a shiny new automobile, a sewer or a new television set.

[From the Federal Reserve Bank of St. Louis Monthly Review, January 1959]

MAGNITUDE OF THE FEDERAL DEBT

THE CURRENT FEDERAL DEFICIT RAISES QUESTIONS ABOUT THE SIZE OF THE DEBT

Cash expenditures of the Federal Government are now exceeding cash receipts at a rate of over $10 billion per annum. Preliminary data for November and December indicate that outlays of the Federal Government exceeded income by roughly $2.6 billion. Expenditures are customarily greater than receipts by about $900 million in the 2 months. Hence, adjusted for seasonal influences, the Treasury operated at a $1.7 billion deficit in November and December or at an annual rate of $10.2 billion. This rate was still below the official forecast made in August which placed the cash deficit for the fiscal year ending June 30, 1959 at $13.7 billion.

The stimulative effects of a large cash deficit were welcomed last spring and summer when there was a wide margin of idle capacity. Now, with business activity more nearly back to normal, inflationary aspects of the deficit provide more reason for concern.

Some are worried about the burden of the Federal debt, which grows when the Government spends more than its income. In view of the deficit, the current growth in the national debt, and the public concern about the magnitude of the debt, it seems appropriate to review briefly Federal budget experience during the postwar period. A few comparisons will be made to put the national debt into better perspective.

PUBLICLY HELD DEBT FELL SLIGHTLY FROM MID-1946 TO MID-1958

In the table adjoining, the net cash surplus or deficit of the Federal Government is given for each of the 12 fiscal years from July 1, 1946, to June 30, 1958. Over the entire period, the Government operated at a moderate cash surplus (nearly $19 billion), rather than at a deficit as many people believe. Budgetary expenditures did exceed net budgetary receipts by about $12.6 billion in the 12 years, but this was more than offset by surpluses in other governmental activities, primarily trust funds operated by the Government.

Federal Government cash receipts and expenditures

[In billions of dollars]

Fiscal year ended June 30—	Receipts	Expenditures	Surplus (+) deficit (−)
1947	43.6	36.9	+6.7
1948	45.4	36.5	+8.9
1949	41.6	40.6	+1.0
1950	40.9	43.1	−2.2
1951	53.4	45.8	+7.6
1952	68.0	68.0	0
1953	71.5	76.8	−5.3
1954	71.6	71.9	−.3
1955	67.8	70.5	−2.7
1956	77.1	72.6	+4.5
1957	82.1	80.0	+2.1
1958	81.8	83.3	−1.5
1959 [1]	80.4	94.1	−13.7

[1] Estimated.

Source: Treasury Bulletin.

Reflecting the net cash surplus, plus a reduction in Treasury cash balances, the Federal debt in the hands of the public declined nearly $21 billion (9 percent) in the 12 years ended June 30, 1958. At mid-1946 there were about $241 billion of Federal securities outside U.S. Government investment accounts; by June 30, 1958, there were just over $220 billion. Total securities issued or guaranteed by the U.S. Government rose from $270 billion to $276 billion in the 12 years, but Government investment accounts increased their holding from $29 billion to $56 billion.

RELATIVE TO THE REAL AND DOLLAR SIZE OF THE ECONOMY, THE DEBT DECLINED SIGNIFICANTLY

While the national debt in the hands of the public has contracted about 9 percent over the past 12 years, the real wealth, production, and income of the country have increased greatly. Personal income has risen by about a third in real terms, and dollar income has virtually doubled. Over the 1946–58 period, the gross national product of the country adjusted for price changes rose 44 percent. Thus, over a 12-year span when the real product of the country was rising at an average rate of over 3 percent per annum, the Federal debt (outside Government investment accounts) was declining at an average rate of about two-thirds of 1 percent per year.

At mid-1946 the Federal debt in the hands of the public equaled 114 percent of the national production for the year. By June 30, 1958, this debt was but half as large as the estimated gross national product for 1958.

The country's financial assets have also increased greatly over the postwar period. For example, resources of the country's leading financial institutions have risen 85 percent. On June 30, 1946, the assets of commercial banks, savings banks, savings and loan association, and life insurance companies combined amounted to $227 billion. By mid-1958 their combined assets were $419 billion. In 1958 U.S. Government securities in the hands of the public were equal to 53 percent of the total assets of these institutions compared with 106 percent in 1946.

The national debt has also declined in relation to cash receipts of the Federal Government. In 1946 the debt (outside Government investment accounts) was 5½ times as large as the Government cash receipts for the year, and in 1958 it was 2⅔ times as large. Despite an increase in the cost of borrowing money since the end of World War II, interest payments on the debt held outside the Government declined from 2.7 percent of national income in 1946 to less than 1.7 percent in 1958. Servicing of the debt absorbed 11 percent of Government cash receipts in 1946, but only 7.1 percent in 1958.

Concern has frequently been expressed over the fact that a larger portion of the Federal debt is in the form of short-term obligations. On June 30, 1946, marketable Government securities due or callable within 1 year held by the public (other than U.S. Government investment accounts and Federal Reserve banks) amounted to $39 billion, accounting for 16 percent of the total national debt held by the public. By mid-1958, the amount of these short-term obligations had risen to $49 billion or 22 percent of the total. According to preliminary indications, the rates rose to about 24 percent by the end of 1958.

One fear of an increasing volume of short-term securities outstanding is that, since these issues are generally attractive to commercial banks, there is more likelihood that the debt will be financed by credit creation (monetized) rather than financed out of savings. However, from mid-1946 to mid-1958 short-term Government security portfolios of commercial banks fell from nearly $24 billion to $16 billion despite the larger volume of these securities available.

Although large short-term debt adds to problems of monetary management, it should be noted that the rise in the dollar amount of short-term Federal debt outstanding in the 12-year period (26 percent) was less than the increase in personal incomes in real terms (34 percent) or in dollar terms (98 percent). A larger volume of short-term Federal debt has probably filled a need in our growing economy. It has provided States and local governments, nonfinancial corporations, and other investors with high-grade liquid instruments for investment of temporarily idle funds.

THE DEBT IS AN ESTABLISHED PART OF OUR FINANCIAL STRUCTURE

Although ownership of the Government debt shifts from time to time in response to changing conditions, the debt appears to be imbedded in our financial structure. Government securities are a major asset of most financial institutions and many other organizations. Such obligations are universally considered to be of highest grade and very liquid. Prices of Government securities, of course, fluctuate as aggregate demands and supplies of investment funds change, but buyers for a large volume of Government securities usually can be found without depressing prices greatly by the offering.

As the Federal debt matures, the Treasury is faced with refinancing problems, such as determining the proper rates and other terms on its offering in light of current market conditions. The Treasury, at times, has also been restricted in the interest rates it could offer on these issues, complicating its task. However, if the Government stands ready to pay the rates called for by the demand and supply conditions of the money market, there is little doubt but that any refunding will be a success.

The existence of an outstanding Federal debt of $220 billion in the hands of the public is not in itself conducive to inflation. So long as it is financed at interest rates appropriate to the current supply and demand for credit and is not permitted to implement an undue credit expansion of the commercial banks, it is a neutral factor. At times of financial stress some monetization of the debt might be unavoidable, but with determined effort and a willingness to pay going interest rates for savings, the existing debt should not be inflationary.

NET INCREASES OF DEBT CARRY DANGERS OF INFLATION

A net increase in the Government debt is usually more of an inflationary threat than the refinancing of the existing stock of debt. When the debt of the Government is increasing, the rest of the economy must be saving on balance, either intentionally or by being forced to consume less via higher prices. To avoid inflationary pressures when business activity is near capacity, the current increase in the debt must be financed at such rates, and with such other terms, that it attracts a like amount of savings or postponement of other investment. Inflationary pressures will result if the deficits are covered by attracting otherwise idle funds, speeding up the velocity of the existing money supply, or by bank-credit expansion increasing the size of the money supply. If the current increase of the debt plus other investment demands for funds are financed at such interest rates that they do not exceed people's willingness to save, it will not cause inflation.

SOUND FINANCING OF ANY UNAVOIDABLE DEFICIT CAN RESTRAIN INFLATION

It has become part of the folklore of the country that we have a tremendous Federal debt and that it has been continuously growing. The facts are that it has not grown on balance for over a decade, that relative to the growth in the rest of our financial structure the national debt has declined to only half the size reached at the end of World War II, and that it is at its most manageable size in nearly two decades. If future increases in the Federal debt are limited to reasonable proportions, and if they are financed sensibly in the light of prevailing financial conditions, the debt should be manageable and need not necessitate or create a presumption of inflation.

CITATION OF ROTARY INTERNATIONAL

Mr. ANDERSON. Mr. President, on January 30, 1959, the Institute of International Education celebrated its 40th birthday. As part of the Third National Conference on Exchange of Persons, which the Institute is sponsoring in cooperation with 139 national private and public agencies interested in exchange of persons, five awards were made to organizations, institutions, and individuals who have made unusual contributions to the improvement of understanding among nations.

Rotary International was chosen as the recipient of the private organization award. I ask unanimous consent that the citation to Rotary be printed in the RECORD.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

CITATION FOR A PRIVATE ORGANIZATION

To Rotary International, a private organization with a notable record of service in building international understanding and good will through support of fellowships for study abroad, the Institute of International Education presents its award for distinguished service.

Established in 1905, Rotary's goal is to advance international understanding, good will and peace through a world fellowship of business and professional men united in the ideal of service. The 10,022 Rotary Clubs in 111 countries and geographic areas are in themselves a dramatic example of international communication among private citizens.

The Rotary Foundation, established in 1928, provides opportunity for men and women of all nationalities, races and creeds to live, study and travel in other nations. Since its establishment, the Rotary Foundation has awarded fellowships to 1,202 young men and women from 67 countries of 6 continents. The criteria for selection are excellence of scholarship plus a dedication to service as an ambassador of good will.

Unique among foundations, the money for this program comes from Rotary Clubs and individual members throughout the free world.

Supplementing the Rotary Foundation fellowships are the outstanding accomplishments of individual Rotary clubs and districts in the sponsorship of international exchange of more than 10,000 young men and women each year. Students on the secondary, university, and graduate levels participate in these locally supported programs for formal educational training, international camps, tours, and conferences. For example, over a period of 15 years one Rotary district in Illinois has enabled 23 U.S. students to go to 5 continents; the educational foundation of the Rotary Club of Atlanta in a 12-year period has financed the international exchange of 167 students; in addition, the Rotary Clubs of the State of Georgia have assisted 419 students from 57 countries; the Visiting International Students Association of California, a Rotary-sponsored program, has provided unusual opportunities to students from abroad for special training and friendly contacts with Rotary members and clubs.

The Institute of International Education believes that Rotary International has demonstrated how a worldwide organization of business and professional men can increase international knowledge and understanding. In recognition of this impressive demonstration of what groups of private citizens can do, the Institute presents its distinguished service award to Rotary International.

The award will be accepted by Clifford Randall, of Milwaukee, president of Rotary International.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

STUDY BY COMMITTEE ON GOVERNMENT OPERATIONS OF INTERNATIONAL ACTIVITIES OF THE EXECUTIVE BRANCH

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER (Mr. CANNON in the chair). Is there objection to the request of the Senator from Texas? The Chair hears none; and the Chair lays before the Senate the unfinished business, which will be stated for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 42) authorizing the Committee on Government Operations to make a complete study of all matters pertaining to international activities of the executive branch.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FAMILY MILK PROGRAM FOR NEEDY FAMILIES

Mr. PROXMIRE. Mr. President, I am happy to join my colleague, the senior Senator from Minnesota, in sponsoring the family milk plan bill introduced yesterday at the request of the National Milk Producers Federation.

I agree with the Senator from Minnesota [Mr. HUMPHREY] that this bill is not a full and adequate answer to the dairy farmer's problem. But it does represent the proposal of this nationwide organization of dairy farmers for making use of the balance of section 32 funds which has been allowed to remain unused.

The sponsors of this bill admit that it will do very little in terms of the overall dairy situation. If it works with complete effectiveness, it will increase the sales of milk in fluid form by only 1 or 2 percent. This will not absorb the margin of surplus production which it is now contemplated will need to be purchased by Commodity Credit Corporation in the form of manufactured dairy products, hence it will have no effect in raising the prices that farmers receive for manufacturing milk. Producers of milk for manufacturing will still receive prices no higher than the floor established by the support program.

I commend the National Milk Producers Federation for their initiative in advancing this worthwhile suggestion for making use of the unexpended funds available under section 32 of our farm laws. Certainly this is a worthwhile use for those funds for which, apparently, the Department of Agriculture feels it cannot find justified uses at present. While this proposal would do very little to remedy the dairy farmers' income problem, it is a helpful suggestion, and I am anxious to have it given full consideration by Congress. I feel that a really effective measure must be passed by this Congress to raise the incomes of all dairy farmers, and to raise them by a substantial amount above their present levels. I shall continue to work with dairy producers in Wisconsin and elsewhere to arrive at a more substantial and effective overall program. This proposal by the National Milk Producers Federation makes a most valuable and helpful contribution to this task.

I have a brief prepared statement describing how the family milk plan would operate. I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ECONOMIC EFFECTS OF FAMILY MILK PLAN

According to computations furnished to me by the National Milk Producers Federation, the family milk plan would work about like this:

First, the increased consumption of fluid milk would be accomplished through a consumption incentive subsidy applied to all milk purchased by the family above its normal purchases. The amounts of 10 cents and 15 cents per quart as the contribution have been suggested. The actual amount would, under terms of this bill, be determined by the Secretary.

This procedure would require the families to advance additional money from their own incomes in order to purchase the additional milk. That is, they would be required to spend more total money on milk than before, but they would receive the additional milk at a low price, as a result of the Federal contribution.

With milk retailing for approximately 25 cents per quart, the suggested Federal contribution would enable eligible consumers to purchase additional milk above their present consumption at a cost to them of between 10 and 15 cents per quart. If low-income families cannot afford to increase the amount they are already spending for milk, it would be necessary to increase the Federal contribution in order to increase net milk consumption.

If a Federal contribution of 10 cents per quart would be sufficient, the $75 million provided in this bill would result in increasing the sales of milk in fluid form by 750 million quarts, or 1.6 billion pounds. This represents slightly over 1 percent of the total production of milk that is expected in 1959. If the contribution needs to be as high as 15 cents per quart in order to provide the necessary incentive for low-income families to spend more of their own money on milk, then the total increase in sales of fluid milk would be 500 million quarts or 1 billion pounds of milk—somewhat less than 1 percent of the total milk production.

On the basis of our experience in recent years, we can expect five, six or seven billion pounds milk equivalent to be absorbed annually under the price support programs in the form of manufactured dairy products. In order for rising consumption of fluid milk to have any effect upon the prices farmers receive for manufacturing milk, substantially the full amount of the surplus must be shifted into fluid consumption, so that the supply of milk for manufacturing purposes will be brought into balance. Prices for manufacturing milk will rise only when there is a reduction in the supply placed on the market for manufactured dairy products.

Therefore, with this program able to absorb only 1 billion pounds or so of the present annual milk surplus of five to seven billion pounds, it will not raise the price farmers receive for milk sold for manufacturing purposes.

However, it will increase the return to those dairy farmers who will sell increased quantities of milk for fluid milk consumption. Farmers receive higher prices for milk that is to be sold in fluid form than for milk to be used for making butter, cheese, dried milk and other manufactured dairy products. According to the National Milk Producers Federation, the average price for fluid milk is $5.25 per hundred pounds, compared with $3.25 for manufacturing milk. Thus, the dairy farmer will receive $2 per hundred pounds additional income for the additional milk that is sold through this program for fluid consumption.

The volume of additional milk that would be diverted from the surplus for manufacturing purposes into fluid consumption under this program, assuming that it were to be 100-percent effective, with no substitution or displacement of existing consumption, would range from 1 billion to 1.6 billion pounds. At $2 per hundred pounds—the difference between the average price for milk for fluid consumption and milk for manufacturing—this would represent a total increase of gross income to the dairy industry of $20 million to $32 million, according to calculations of the National Milk Producers Federation. All

of this increase would go to producers of milk for consumption in fluid form. This proposal has the very attractive feature of requiring relatively little in the way of increased governmental outlay. This is true because a substantial part of the cost of the consumption incentive subsidies would merely offset costs which the Government would otherwise incur under the price support purchase program.

According to calculations of the National Milk Producers Federation, the cost to the Government under the purchase program amounts to $3.40 per hundred pounds of milk equivalent. Therefore, it would cost the Government from $84 million to $55 million to absorb the volume of surplus milk under the price support program that might be diverted into fluid consumption by a program such as this. The net cost to the Government above present obligations, therefore, would range from $20 million to $41 million, depending on the amount of the consumption incentive required to achieve the increased use of fluid milk.

This feature of programs to stimulate increased consumption of milk in fluid form deserves most serious and thoughtful consideration by everyone; an important part of our population needs more fluid milk for adequate nutrition, and the true cost of achieving increased consumption is relatively very low when the opportunity is taken into consideration of offsetting existing obligations to purchase manufactured dairy products.

REPORT ON REHABILITATION OF ALCOHOLICS IN THE DISTRICT OF COLUMBIA

Mr. JOHNSTON of South Carolina. Mr. President, on January 9, I introduced Senate Joint Resolution 1, a joint resolution to establish a commission to study the problems of alcoholism. Recently Robert J. Conner, Sr., Assistant Director of Probation, compiled a report entitled "Rehabilitation of Alcoholics in the Municipal Court for the District of Columbia for the Calendar Year of 1958." This report shows the astonishing number of arrests and convictions for intoxication in the District of Columbia. The report also discusses the methods used in the municipal court for the rehabilitation of alcoholics. This very excellent report further substantiates my proposal and the need for a commission to study problems of alcoholism. I ask unanimous consent that this report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT ON THE REHABILITATION OF ALCOHOLICS IN THE MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA FOR THE CALENDAR YEAR OF 1958

(By Robert J. Conner, Sr., Assistant Director of Probation)

Alcoholism is everybody's business. The big question is: What can we, as members of decent society, do to help a segment of society that is in desperate need of help? Alcoholism was the fourth largest health problem in the country. It is now near third place and is still growing. There are approximately 5 million known alcoholics in this country today and an untold number who are unknown.

At this time we have over 5,000 humans being confined in the District of Columbia Department of Corrections, and of that number, approximately 78 percent are there because of the excessive use of alcohol. In the District of Columbia during the year of 1958, there were 42,355 people arrested for intoxication. However, that is only one side of the picture. When we take into account the untold suffering of families and children along with the intense burden placed on our Welfare Department, we then have a tremendous problem.

Alcoholism is a disease. It has been so classified by medical science. Only recently did the American Medical Association go on record as recognizing alcoholism as an insidious disease. The peculiar thing about this disease known as alcoholism is that medical science has been unable to cope with the illness. The courts have been unable to cope with the situation, and the clergy have been unable to render but very little service, all due to the fact that alcoholism is a disease of the body, mind and spirit.

Now there is an answer to this problem. There is a plan of recovery, a workable one. A proven program to the extent that more than 400,000 people are sober today, with the help of AA. That plan is Alcoholics Anonymous. In my humble opinion, it is God's answer to a drunk's problem because it is a well-rounded program, one that takes into account the physical illness, mental illness, and spiritual illness. It is composed of 12 separate and distinct steps. These steps are like a ladder leading up from the depths of despair to just as high as the individual chooses to go.

Every individual with whom we try to work is "not faced with demands, but presented with a gift'—the AA program. It is a program that provides the basis for knowing the ground on which we stand, the person we are, and the company to which we belong.

It is essentially the record not of what AA requires, but what AA offers. It is the history of AA dealing with humanity and finally the lifeline by which people are led into normal living. At the same time, it is a history of 400,000 strong human responses to our program in terms of living evidence. The individual is returning to the community a new person, a respectable person, a self-supporting person.

And the number grows. In the municipal court, 80 percent of those that accept our offer are succeeding.

The process of implementing the selection for release of defendants charged with intoxication in the Municipal Court for the District of Columbia is as follows:

First, and only after the defendant has entered a plea of guilty or has been found guilty by the court, is his record reviewed by the presiding judge in the D.C. branch. Then and only then is the case referred to the probation office for a brief interview and screening to determine the situation.

The first question is, does the defendant recognize that he has a drinking problem and that his life is unmanageable by the use of alcohol? If the answer is "yes," the next important thing is, does he want to do something constructive about his problem?

Regardless of his past record, unless that record shows felonies or other charges not related to drinking, the defendant is then told that we are interested in helping him if he wants to help himself. The only requirement is a desire to overcome his drinking habit.

If he answers "yes" to these simple questions, a request is made for a continuance and the defendant is committed to the District Jail in default of bond for 3 to 5 days, depending upon his apparent physical condition. In our jail there is a system by which these defendants are returned to the court in an improved condition, physically and mentally, to the extent that it is almost inconceivable except by those of us who again interview and get the reaction of these men. They are far more normal than when we had the initial interview.

It is then that we try to determine the subject's motivation more accurately not by trying to sell anything or give anything. We do the best we know how to explain what the AA program is and is not. In this same chain of thought we try to portray a thorough picture of the many benefits that can be obtained by practicing the principles of the AA program.

This period of interview takes place in a room that is private and where no interruptions are allowed to distract the attention of a potential probationer or quasi-probationer. Orientation begins at 8 a.m. and lasts until 10 a.m., during which time two or three probation officers and two or three persons not connected with the court, who are members of AA, talk with these defendants. It is these latter people who make a great contribution to our success and to the success of these people who are being released. These people are taking their own time to help the man who is still having trouble with liquor.

Thereafter, every one of these defendants is given a choice—either to accept our offer or reject our offer. About 99 percent accept. The few who reject are returned to the court for disposition without recommendation from the probation office.

Irrespective of the times an individual has been in court, we are ready and equipped to handle a greater volume of cases than ever before. This program is gaining momentum rather rapidly and it is most gratifying to see the people who have been in jail as many as 250 times who are sober, now working and paying taxes, rather than being unemployed and supported by the taxpayers.

The fact remains that chronic alcoholism is everybody's business. Not a single man is ever released to us under any circumstances who is turned out on the street with no place to go. We are successfully finding these people a place to live. With the help of the Home, Harbor Light, D. C. Municipal Lodging House, Central Union Mission, et al., all of these people have a place to sleep and eat, at least temporarily. On the day following their release, all who are unemployed are requested to return to the probation office between 2 and 4 p.m. for the purpose of assisting them find gainful employment. The newly founded employment counseling service and several other employment agencies are cooperating with us fully.

Every person with whom we try to work, we invite, not coerce, to attend one of our meetings, or both, about AA held in this court. One meets every Saturday at 9 a.m. in the Criminal Division in court room No. 18. The other group meets in the civil division in room No. 114 every Monday at 8:30 p.m. Both of these meetings are well-attended to the extent that the court room is beginning to be more packed every week—even the jury boxes are filled.

These meetings are attended not only by our people, but by visitors—relatives, friends, and some professional people such as doctors, nurses, ministers, etc. Two or three probation officers are in attendance also to recognize, encourage, direct these people along the right channels, and to introduce them to other people in AA, thus indoctrinating them into the therapy of our group program.

The individual who has been treated the way we are endeavoring to indoctrinate them with the principles of AA and fails to find the answer to his or her own drinking problem simply does not want to find it.

Each of us who are directly or indirectly connected with this program throughout the probation department are greatly inspired and gratified by the results obtained. It is not only our duty but our privilege to be able to make a contribution such as this to make this a little bit better community in which to live and work. At the same time, we are reducing the number serving time in jail.

Number of arrests by Metropolitan Police for intoxication during 1958, 42,355.

Number of arrests by Metropolitan Police for intoxication during 1957, 42,844.

Number committed to D.C. Jail during 1958, 16,226.

Number actually served time in D.C. Jail during 1958 (this number who are out on their honor produces the additional reduction in the jail population), 15,342.

Number committed to D.C. Jail during 1957, 16,654.

Released on probation and quasi-probation during 1958, 1,066.

Number succeeding on our program during 1958, 884.

Percent of success on our program, 82.9 percent.

Percent of reduction in jail population during 1958, 6.56 percent.

It will be noted at this point that a large number of the ones who were counted as officially unsuccessful have since found AA and are today no longer problem drinkers. Of course, we are unaware of that number. It will also be noted here that our expanded program has been in effect only since September 19, 1958.

For your information: There is a meeting about AA held every Saturday, 9 to 10 a.m., courtroom No. 18, third floor, Municipal Court Building.

The court group meeting about AA meets every Monday, 8:30 to 9:30 p.m., courtroom No. 114, first floor, Civil Court Building.

You are cordially invited to the above meetings. They are of vital importance to people who are in the process of learning how to live normally. These meetings are conducted by alcoholics, for alcoholics.

In addition, there are more than 40 AA groups in the metropolitan area to which any person with a drinking problem is welcome.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT FOR THE COMMITTEE ON BANKING AND CURRENCY TO REPORT THE HOUSING BILL, AND CONSIDERATION OF IT BY THE SENATE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order for the Committee on Banking and Currency to report the housing bill today, notwithstanding the adjournment of the Senate, and that the individual and minority views may be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I also ask unanimous consent that it be in order to consider the housing bill tomorrow if that bill shall be reported today.

Mr. KUCHEL. Mr. President, reserving the right to object, may I inquire of the distinguished acting majority leader if a check has been made of any members of the committee on the minority side?

Mr. MANSFIELD. It is my understanding that my request would fit in with the request of all members of the committee.

Mr. CLARK. Mr. President, I suppose I am the bad actor for the minority point of view in this regard. As we used to say, I hold in my hand the so-called supplementary minority views, which are presently being circulated and which may require a little revision. However, I have every hope that we can agree on them by the middle of the afternoon. I understand permission has been given to have the bill reported by midnight tonight.

Mr. MANSFIELD. That is correct.

Mr. CLARK. While I do not wish to make any commitment that we will meet the deadline, I have every hope that we will do so.

Mr. HOLLAND. Mr. President, reserving the right to object, I should like to ask the distinguished acting majority leader if it is his intention to call up the housing bill for consideration by the Senate before the printed reports are available to the Members of the Senate?

Mr. MANSFIELD. We hope that the printed reports will be available tomorrow, and we should like to start the discussion of the bill then. As the distinguished leader, the senior Senator from Texas [Mr. JOHNSON], has pointed out, we hope to consider both the housing and the airport bills this week.

Mr. HOLLAND. Of course I am completely in sympathy with the idea of considering bills as soon as they are ready for consideration and disposing of them as rapidly as they can be considered on the floor. However, I am not in accord with the idea of taking up a bill of the size of the housing bill until the reports are printed and available to the Members of the Senate. That is the point to which I am addressing my remarks. I have no objection to the unanimous-consent agreement, if it is understood that, unless all committee reports, both minority and majority, are available, there will be no disposition to take up the bill on the floor of the Senate.

Mr. MANSFIELD. Every effort will be made to comply with the Senator's thoughts on the matter.

Mr. CLARK. Mr. President, I should like to associate myself with the comments of the distinguished senior Senator from Florida [Mr. HOLLAND]. There is a tendency to rush this important bill through the Senate before the Members of the Senate have adequate time in which to read and study the reports on the bill. I, for one, can see no great necessity for enacting the bill into law before the Lincoln Day recess. I hope that all Senators will have an opportunity to patiently study the bill, which has so many fine provisions in it, and some which are not very fine, before action is taken on the bill.

Mr. MANSFIELD. I express the hope that the Committee on Banking and Currency, which has held extensive hearings on the bill, and which will report the bill to the Senate, will make every effort to see to it that both the majority and the minority views are laid before the Senate as soon as possible.

This subject is nothing new. After all, there have been lengthy discussions held on housing bills in previous years. I believe that what may be basically at issue is the number of units involved, and perhaps the interest rate. I hope the Senate may have an opportunity at the earliest moment to work its will on this very important and needed legislation.

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. I have no objection to taking up the bill as soon as the report is ready; but if the distinguished Senator from Pennsylvania, who is a member of the committee and a very able Senator, believes that it would be untimely to take it up until the report is available, I feel certain the acting majority leader can understand how much more is that the case for us who are not members of the committee and are not privileged to know what has happened in the hearings or what are the contents of the bill.

I was in the Senate yesterday and heard the statement made by the distinguished junior Senator from Virginia [Mr. ROBERTSON] concerning the bill. Unless I misunderstood him, his statement was that the passage of the bill would mean that this year, in this year's appropriation, we would be binding ourselves to double the appropriation shown by the budget for the objectives covered by the bill. It seems to me that certainly presents an issue about which Senators have a right to advise themselves, and one which they should study very carefully, because such a first step, made at this time, would mean, of course, the death knell of any chance to balance the budget at this session of Congress.

Mr. MANSFIELD. I agree with the Senator from Florida as to the colloquy undertaken between the Senator from Virginia and the Senator from Louisiana [Mr. ELLENDER] yesterday relative to the bill. I point out that this is basically the same bill that was before the Senate last year. I further state that, insofar as a balanced budget is concerned, such a consummation is an assumption only, because a balanced budget is dependent upon an increase in taxes, an increase in postal rates, an increase in gasoline taxes, an increase in rates for the REA and other agencies of the Government. So when we talk about a balanced budget, I think we had better talk carefully, and walk carefully, as well, because it is only on the basis of certain "ifs" which the administration has advanced that there is any likelihood that the budget will be balanced.

Mr. HOLLAND. I am one of those who is in favor of walking cautiously. I have studied the budget. I know that some $3.6 billion of expenditures have already been authorized, including expenditures in the field of housing, which do not appear in the budget, and which if increased would tend even more greatly to unbalance the budget of actual expenditures which are anticipated.

The problem is so complex and so involved that I think Senators are entitled to have the chance to see and to study the report from the very able committee, and particularly the very able chairman of the subcommittee, who repeatedly has carried the burden of housing bills,

and who always gives us a clear picture of what is involved.

I shall not agree to the unanimous-consent request unless it be understood that the debate will not precede the making available of the printed report of the committee, including the minority views.

Mr. MANSFIELD. The Senator from Florida is reasonable, as always. I think I can assure him that the printed report will be available, because, as I have said previously, the bill is almost the same as the one which was passed last year. There will not be much difference in the reports. The distinguished Senator from Pennsylvania [Mr. CLARK] has assured us that by the middle of this afternoon he and his colleagues will have their minority views amalgamated. I assume, on that basis, that the minority views will then be sent to the Printing Office and will be available in printed form the first thing tomorrow morning for consideration by the Senate as a whole.

Mr. HOLLAND. With that assurance and on that assumption, I have no objection.

Mr. CLARK. I should like to correct, if I may, what I am certain was an inadvertent statement of my position, made by the Senator from Montana. I am not in a position to assure him that the minority views will be ready for printing by the middle of this afternoon. I will do my level best, as I said earlier, to have them ready. I have a draft of the minority views with me. However, six Senators are involved, two of whom are out of town, although they are expected back within the hour.

I do not desire to delay action on the bill, but I cannot give assurance that the minority views will be ready by the middle of the afternoon.

Mr. MANSFIELD. The Senator is correct. My statement was made on the basis of what the Senator has just said.

Mr. CLARK. I should like to make a suggestion. I observe the majority leader in his chair.

I believe the interests of orderly procedure would be served if the airport bill could be called up and disposed of before the housing bill. The airport bill is not so complicated and not so difficult to understand. It is more nearly identical with the bill which was passed last year, and which the President vetoed.

Many changes have been made in the housing bill this year. The committee took testimony running well over 800 pages. I think we would move ahead faster and better if we took up the airport bill before we took up the housing bill.

I realize, of course, that this is not a prerogative of mine, but of the majority leader. But I make the suggestion in all candor.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I subscribe to the expressions made by the Senator from Florida and the Senator from Pennsylvania. This is an important bill. It contains many ramifications. Included in one bill are diverse subjects which I believe require study: first, from the standpoint of comparing the decision of the committee with the recommendation of the President; second, to learn what the portents are concerning the total expenditures which are likely to be made by Congress as compared with the moneys which will be available to finance the expenditures.

I think that on a bill of this significance the Senate ought to have available the report, including the minority views, before time begins to run on the discussions which will take place on the floor.

Finally, considering the huge sum of money which is involved and the significance which attaches to the bill, I do not believe there is justification in trying to hurry it through the Senate. The fact that an attempt is being made to hurry its passage leaves, at least, an inference that some purpose is involved other than the mere passage of the bill. To me, the purpose would seem to be getting the train on the rails and getting it moving, so that an example of repudiating the President's recommendations will be established in two bills. From there on, there will be no telling what will be done.

Mr. MANSFIELD. Mr. President, I renew my request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. LAUSCHE. Mr. President——

Mr. MANSFIELD. I have given assurance to the Senator; that is all I can do. I hope he will not object to the request, because the Senate has now been in session almost a month. The committee held hearings this year and last year. I think we should get on with the business of the Senate.

Mr. LAUSCHE. There have been some conditions attached to the granting of the request.

Mr. MANSFIELD. I have given my assurance to the Senator from Florida—I thought the Senator from Ohio heard it—that it is the intention of the leadership to have the report, together with the minority views, available by tomorrow morning. On that condition, the Senator from Florida has agreed to withhold his reservation.

Mr. HOLLAND. Mr. President, my agreement to withhold my reservation was on the understanding that the report and the bill would be available. If they are not available, I shall strongly insist that the bill not be taken up tomorrow.

Mr. MANSFIELD. The Senator has that right. We have been assured by the Senator from Pennsylvania that he will make every effort—he cannot promise definitely—to get agreement on the minority views by midafternoon, so that the report, together with the minority views, can be printed and be available tomorrow morning.

Mr. LAUSCHE. The objection of the Senator from Florida has been withdrawn on the condition that by tomorrow noon the report, including the minority views, if there are such, will be available. What will be the parliamentary situation in the event that condition has not been met by tomorrow noon?

Mr. MANSFIELD. Then I assume that the Senator from Florida would again renew his protest; and his protest would be given every consideration.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. JOHNSON of Texas. First, we do not take up bills unless reports are available. That is the responsibility of the leadership. We simply do not do it unless reports and hearings are available.

Mr. HOLLAND. That assurance is adequate, and I accept it. That was what I wanted to get. It was not given until I requested it.

Mr. JOHNSON of Texas. We have a problem in connection with the housing bill. It is basically the same bill on which we acted last year. The first decision we had to make was whether to repeat the hearings and go over the same ground we plowed last year. We had extended meetings with the chairman of the committee, who is reasonably familiar with this subject, and who spent many years dealing with it. The chairman of the subcommittee also was in attendance at the meetings.

They both concluded that although much of the testimony would be repetition and would, in some measure, be the same, there were enough changes, enough additions, and enough new proposals to warrant the holding of new hearings.

We have a problem with the builders of the country concerning FHA guarantees which indicates that we shall have to get prompt action on the housing bill and have a special resolution to take care of that situation. We had the same picture last year.

So, after conferring with the ranking minority member of the committee, the Senator from Indiana [Mr. CAPEHART]; with the chairman of the subcommittee, the Senator from Alabama [Mr. SPARKMAN]; with the chairman of the full committee, the Senator from Arkansas [Mr. FULBRIGHT]; and with the minority leader [Mr. DIRKSEN], it was concluded that we should have extended hearings. Those hearings have been held, the testimony has been taken, the hearings have been printed, and the reports were to be prepared. I was assured by the leadership of the committee, with the concurrence of the minority leader, that the bill could be reported last weekend.

Based upon that assurance, on my responsibility as leader, I said to my friends of the minority that they could make plans for Lincoln Week, and we would not have any rollcall votes during that week.

We had this matter discussed thoroughly on the floor of the Senate. We purposely arranged for the minority leader to be present, for the chairman of the committee to be present, and for the chairman of the subcommittee to be present; and we outlined, so all could see, what our hopes were.

As we approached the reporting of the bill, we were told that we should delay its reporting, that the bill should not

be brought up, and that we should not try to have the Senate consider the bill last week. It developed that the bill could not be reported last week. But it was thought it would be possible to get the bill reported on Monday. But then it was found that that could not be done. And for next week we had given assurances, so it was obvious that, so far as action on the housing matter was concerned, we would be immobilized next week. In short, we found that it would be 3 weeks before we could consider a bill which embraced a substantial part of the corresponding bill the Senate passed last year.

Therefore, after conferring again with the responsible chairman of the committee, with the chairman of the subcommittee, with the minority leader, and with the ranking minority member of the committee—after all, one cannot take a poll of all the Members of the Senate in regard to scheduling action on one of these measures—we concluded that we could go through with our plans to let the minority members carry out their plans for next week.

On the other hand, not one substantive piece of proposed legislation has been passed by the Senate during the first month of this session. We concluded that if we could not act on an emergency bill on which the insurance feature is running out—even though hearings and debate on a corresponding bill were had in the Senate last year—in 6 weeks' time, then there was not much else that Congress could do in January and February. Anyway, we thought we could at least obtain unanimous consent to have the minority views filed by midnight yesterday; and we did obtain such consent. But when that deadline for the filing of the minority views approached—and by that time I had left the Chamber—some of the members of the committee thought that they could not meet the deadline for the filing of their minority views. So it was agreed that we would not have the Senator from Alabama [Mr. SPARKMAN] make his presentation today and outline the contents of the bill today and have general debate on it today, because we would not have the minority views before us. So we concluded we would wait until Tuesday midnight, and anticipated that by that time we could have the majority report and the minority views filed and available. So that was the program decided on.

We agreed that the Senate would meet on Wednesday, Thursday, Friday and, if necessary, on Saturday, in order to get this measure passed, because the Senate already had acted on substantially the same bill once before. And that is what we hope to do.

I cannot speak for the minority members, as to when they will have their views ready. But the committee members have already ordered the bill reported, and the staff has prepared the report. I had understood that all but two of the minority members had been approached, and would be here within the hour. If necessary we can keep the Senate in session, and can have Senators discuss other matters until the report is filed.

I very much dislike to see the Senate waste January and the first part of February, and then take off time for Lincoln's Birthday and Washington's Birthday. Somewhere down the line the American people will say, "Why don't you act on the housing bill?"

Mr. HOLLAND. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. In the first place, I do not think anyone wishes to usurp the prerogatives of the majority leader. I understand that his burdens are very great, and I do not wish to participate in making them any greater.

But I wish it understood that yesterday afternoon, in the effort to get the reports, I called the senior Senator from Arkansas [Mr. FULBRIGHT], who still was serving as chairman of this committee, and was told that he was in an executive session of the committee, and that the bill had not been reported. Then, pursuing the matter as far as I could, I was told that no reports were then available. Regardless of whether that information was correct or was incorrect, at least that is what I was told.

Mr. JOHNSON of Texas. I think that is correct.

Mr. HOLLAND. Very well.

This morning, when I ask whether the bill will be taken up tomorrow without having the committee reports printed and available, I am assured, first, with some conditions, by the Senator from Montana that that is his understanding. And now I have understood the majority leader to say that he will not have the Senate take up the bill until the reports are printed. On that understanding, I have said that I am completely agreeable to having the Senate proceed; and that will be my position.

Mr. JOHNSON of Texas. I thank the Senator from Florida.

Mr. HOLLAND. However, I wish the Senator from Texas to realize that this morning the press announced, for the first time, that, not the original bill, but some compromise which was reached yesterday afternoon in the committee between the leadership on this side in the committee and the leadership on the other side was to be reported. I looked in vain in the newspaper report to ascertain what the compromise was. I do not yet know what it was.

With knowledge given to all of us that the bill was ironed out on some different basis, yesterday afternoon, or perhaps last night—I do not know when the committee finished its deliberations—and in view of the fact that this is a huge bill which is not just an emergency measure, because it lays down a pattern for some years in the future, I believe we are entitled to know what is provided by the bill, and to have a chance to examine the report on it.

I am quite content to rest on the assurance given by the Senator from Texas that he does not call up bills for consideration, and will not in this instance call up this bill, unless and until the reports are available. Upon that understanding, I am thoroughly content.

Mr. SPARKMAN. Mr. President, will the Senator from Texas yield to me?

Mr. LAUSCHE. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. Mr. President, I yield first to the Senator from Alabama; and then I shall yield to the Senator from Ohio.

Mr. SPARKMAN. Mr. President, if the Senator from Texas will obtain the unanimous-consent agreement he plans to request, then I shall be glad to speak.

Mr. JOHNSON of Texas. I am glad to wait.

Mr. SPARKMAN. Mr. President, I wish to say that the majority members of the committee would have had their report on the bill filed as of midnight last night, in accordance with the consent given, had it not been that some Members who did not like some of the provisions of the bill—I may say, in all fairness, that that is because they believe they do not go far enough—wish to have further time in which to prepare their minority views.

The Senator from Pennsylvania [Mr. CLARK] thought he could get his views prepared by midnight of last night; but the committee was in session during the evening, and therefore he was not able to meet that deadline. So we agreed to give him another day in which to prepare supplemental views on the bill.

In regard to the bill, I should like to say it is almost identical with the bill the Senate passed last year; there are practically no additions or changes.

There are a few additions or changes, let me say, in order to take care of obligations which may have piled up by reason of our not having the bill of last year enacted into law. But there is nothing mysterious about that situation.

With reference to the working out of any compromises, I would say this—although I have not seen the newspaper article to which the Senator from Florida has referred: The only thing I can think of is the fact that we did work out an agreement in regard to some of the so-called public housing amendments. We worked them out in keeping with suggestions coming from the administration itself. In other words, we accepted some proposals which they offered, to proceed administratively, rather than to have such matters written into the proposed law, as provided in the bill the Senate passed last year.

There are a few other changes; for instance, one provision in this bill, which was not included in the bill the Senate passed last year, calls for the addition of $10 million under section 701. That money will allow the smaller towns and cities of the country to plan for their public-works programs. That provision is not only in our bill; it is also in the administration's bill. It is part of the regular program which has been going on. That amount of money comes to $10 million, which will be a fund which will continue for several years. For instance, the other $10 million fund was used up in approximately 6 years, as I recall.

So I wish to say to those who are concerned about the bill, there is no material change as between this bill and the one the Senate passed last year.

Mr. HOLLAND. Mr. President, I have just handed to the distinguished Senator

from Alabama the tear sheet from the Washington Post of this morning; it contains the article to which I have referred. The article indicates that the senior minority member of the committee [Mr. CAPEHART] had announced to the press that some changes and compromises had been made, and that he was prepared to accept them. But he did not say what the attitude of the executive branch is toward the bill.

It does not make much difference to the Senator from Florida what somebody else may have said about the matter; he feels he is entitled to know what is in the bill.

Mr. SPARKMAN. I agree. I think Senators always ought to have reports on important bills available. Certainly, I did not understand it was the thought of anybody that we would carry on with the bill until the reports were available.

The Senator from Indiana is quoted as saying there had been considerable modification of the bill. That statement may have had reference to the public housing modifications, which provisions were put into the bill at the request of the administration. One substantial item, $125 million, was cut out of the loan guarantee program—the kind of program, by the way, that the administration had approved. The provision had been put in the bill last year, and the Senate had passed it with an authorization of $250 million. We agreed to cut the amount down to $125 million. I think those are the principal matters referred to.

Mr. LAUSCHE. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from Ohio.

Mr. LAUSCHE. From what has been said, I do not think there can be any objection to the propriety of the suggestion that the reports be available before taking up the housing bill.

Mr. JOHNSON of Texas. There is no question about the propriety or no necessity for the suggestion. First, I may say, there is no rule that requires a report. Second, there is no intention to proceed without the report. What we are trying to do is get the report filed.

Mr. LAUSCHE. This morning I sent down to the committee to get papers prepared by the committee so I could begin to study the bill. I received a transcript of the evidence. I looked at the first four pages of the transcript to see if there was a compact statement describing what was done. There is no such statement in the front pages of the transcript, and probably correctly so.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LAUSCHE. Then I wanted to see the report. I think I would be indefensibly derelict in the performance of my duty unless, before I acted on the bill, I had available information and documents which are customarily before Senators.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield? I will agree with the Senator——

Mr. LAUSCHE. May I complete my statement, with due respect to the majority leader? I ask for nothing more than is customarily given to Senators before they act on a bill. That is all I ask for today. When the Senator from Texas said that tomorrow, unless those reports were available, he would not consider going forward with the consideration of the bill, that statement satisfied me.

Mr. JOHNSON of Texas. I thank the Senator. I agree with the Senator when he states that if he considered the bill without the report, he would be derelict in his duty. I ask the Senator from Ohio if he is aware of the request that has been made to this body, which is that we have permission to file the report when the Senate is not in session. The purpose of getting the permission is to get the right to file the report without having Senators sit in this Chamber this evening, as the rules require when reports are filed. When the report is filed, it will be printed, and when it is printed, it will be distributed.

The Senator from Texas does not bring bills up by motion without reports being available. The housing bill is not before this body. The only reason why it is not is that there has been a delay in reporting. The only reason why we are making the request is that one Senator who wants to file supplementary views is out of town and will not be here until 7 o'clock. I am informed two other Senators can get here in about an hour.

We could stay in session until 7, or we could recess at 9 o'clock, but in an attempt to accommodate Members of the Senate, we have asked unanimous consent to file a report notwithstanding the fact that the Senate will not be in session. Before we take up the bill, the report will be available. The request has not yet been granted.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes.

Mr. HOLLAND. The distinguished Senator from Texas was not on the floor when the request was made. The Senator from Texas has correctly stated the first part of the request—to which nobody here would object, I think—but the latter part of the request of the Senator from Montana [Mr. MANSFIELD], who spoke with his customary candor, was not only that consent be given for filing the report after the session, but that it be in order to take up the bill the first thing tomorrow.

Mr. JOHNSON of Texas. If the report was available.

Mr. HOLLAND. He did not say that. Now the Senator has given us that assurance, and nobody is complaining.

Mr. JOHNSON of Texas. The request was that it be in order to consider the housing bill on tomorrow if that bill is reported.

Mr. HOLLAND. We shall be very glad to have that modification of the unanimous-consent request appear in the RECORD.

Mr. JOHNSON of Texas. I read from the request that the majority Democratic whip made to the Senate, prepared by a member of the staff. I did not hear it, but I can read, and that is what it says.

I inform the Senate here and now that I did not have any intention to take up the housing bill without reports being available. If I had had, we would have the bill up today. The only reason why we are not discussing the bill, the only reason why the Senator from Alabama is not discussing it, the only reason why we are wasting the time of the Senate, is that we are waiting for each and every Senator who wishes to do so to file reports, and when that is done, get them printed. Then, when the reports are available for every Senator to see and read them, the Senator from Alabama will explain the bill.

We hope that in the days ahead we can finally conclude action on the bill before we get into the commitment of next week.

I have never moved to take up a housing bill or any other bill, unless it was a noncontroversial one which required no rollcalls, without reports and hearings being available.

The rules permit me to do it. The best evidence that the leadership is not going to do it is that we are not doing it.

The only rule that requires that reports be available is the one concerning general appropriation bills.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes.

Mr. LAUSCHE. The Senator from Ohio has no disposition to waste the time of the Senate. The words he has spoken on this subject have been very limited, and have occupied very little time. I wish to point out that what the Senator from Ohio has stated has been his attitude on practically all matters which have come before this body. Today he is asking only an assurance that he will have a report before the bill is taken up tomorrow. That assurance having been given me, my duties are fulfilled.

Mr. JOHNSON of Texas. Now, Mr. President, I make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Did the Democratic whip [Mr. MANSFIELD] propose the following request: "I also ask unanimous consent that it be in order to consider the housing bill tomorrow if that bill shall be reported today"?

The PRESIDING OFFICER. The Senator from Montana did.

Mr. JOHNSON of Texas. Is that the request pending?

The PRESIDING OFFICER. It is.

Mr. JOHNSON of Texas. Has it been acted upon?

The PRESIDING OFFICER. It has not.

Is there objection to the request?

Mr. PROXMIRE. Mr. President, reserving the right to object, and I shall not object, I should like to repeat to the majority leader the request of the distinguished senior Senator from Pennsylvania, who has just suggested—and I did not hear any answer to this suggestion—that the housing bill be taken up after the airport bill. As a member of the committee, I sat through virtually all the hearings. The hearings were completed only Wednesday. They were available only last Friday.

It is true that the housing bill is in most respects similar to the bill of last year. However, there are 17 new Members of the Senate. This is an extremely complicated bill. It is far more complex, as the Senator from Pennsylvania has stated, than the airport bill.

It seems to me that this kind of enormously important legislation should be given the most careful kind of consideration. It seems to me it is asking very little indeed to request that the matter be deferred until after the airport bill can be considered.

Mr. JOHNSON of Texas. Mr. President, I appreciate the counsel of my friend from Wisconsin. All the matters to which the Senator referred have been given very careful consideration by the committee members on both sides and by the leadership. I will say to the Senator that both Senators concerned with the airport bill are not available to take the bill up. That bill has not been reported. We perhaps would be confronted with the same situation with regard to the airport bill that faces us with respect to the housing bill. Anyone who had a special plea to make or special amendments to offer would probably want to have the bill put over until later in February, until he could try to generate steam in connection with his proposal.

We have a plan to proceed with consideration of the housing bill. If we can conclude in time, we will ask Senators to take up the airport bill. If not, we will try to take the bill up at the earliest possible date.

After having made the promise to the Senate, and made a statement to Senators as to what was going to happen, and since we are confronted with an emergency, in that the FHA insurance has a time limit, I do not think we would be justified in saying, "We will not take up this matter until after Washington's Birthday."

Mr. PROXMIRE. I will say to the Senator from Texas that I consulted the staff director of the Committee on Banking and Currency this morning. I asked him to tell me every single instance in which the postponement of the passage of the bill for 3 weeks would affect the housing industry, would affect the production of new homes, or would affect the situation in any way. He said that there would be some effect—some effect. The effect that he was able to bring to my attention was quite moderate and limited. He said that insurance provisions would not run out for the 2 or 3 weeks involved in the postponement of action by the Senate on the bill.

Mr. JOHNSON of Texas. I am not in a position to say that the bill will be enacted into law in 2 or 3 weeks. I hope that we can act on the first version in the Senate before we take time off for Lincoln's Birthday. That is the plan, the hope, and what we anticipate. That is what we will try to do.

Mr. PROXMIRE. I thank the Senator.

Mr. JOHNSON of Texas. I assume the House of Representatives will take time off next week, as we in the Senate plan to do. The House will have to consider the same measure. Perhaps the bill will have to go to conference. The bill will have to go to the President, and the President will have time, under the Constitution, to exercise his rights.

I would not assume the bill will become law in 2 or 3 weeks. I do not know. I want the Senate to discharge its duty when we are prepared to do it. I assume the 17 new Members will be available to hear the discussion this week. We have plenty of time. We have nothing else to do. I see no reason for immobilizing the Senate.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Texas. I yield to the Senator from Pennsylvania.

Mr. CLARK. If the Senator's request for a unanimous-consent agreement were approved—and I shall not object—would the Senator be prepared to yield the floor so that I might make a statement taking perhaps 5 or 10 minutes?

Mr. JOHNSON of Texas. My only purpose is to try to get unanimous consent so that the report can be made. If we do not, the Senate can stay in session.

Mr. CLARK. I thank the Senator.

Mr. JOHNSON of Texas. Mr. President, I renew the request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request proposed by the Senator from Montana [Mr. MANSFIELD]? The Chair hears none, and, without objection, the unanimous-consent request is agreed to.

Mr. CLARK. Mr. President, has the unanimous-consent request been approved?

The PRESIDING OFFICER. The request has been approved.

Mr. CLARK. Mr. President, in view of the colloquy which has just taken place, I should like to make a brief statement to correct the RECORD.

The housing bill which will come before us—we hope tomorrow—is not an emergency bill in any sense of the word. It is an omnibus housing bill covering a great deal of the same ground which was covered by the bill passed last year, but containing a substantial number of new provisions.

The testimony taken before the committee covers almost one thousand pages of transcript. Because of the pressure of other business not very many members of the committee sat through all the hearings. I am sure that was proper. The able and dedicated Senator from Alabama was one who sat through the hearings. The Senator from Wisconsin was another. I was a third.

When the hearings were concluded last Wednesday, the committee recessed until Friday so that the hearings could be printed and would be available for use of committee members when the committee met to mark up the bill. In any event, the time of the committee was taken Thursday by the annual review by the staff of the Federal Reserve Board of the status of our fiscal and monetary policy. That meeting could not very well have been postponed.

We met on Friday morning to mark up the bill. We were confronted with a printed agenda which contained well over 100 separate items on which the committee was required to act. We met and worked diligently until Friday afternoon at 3:45 and we disposed of many of the items, setting aside the most controversial ones until yesterday.

I do not know who advised the majority leader that we would be in a position to report the bill on Friday. I am sure that if I had been consulted it would have been easy for me to say that would be impossible. I know my good friend from Alabama well enough to be confident that he was of the opinion we could not mark up the bill by Friday or even by Saturday.

There were other members of the committee in addition to me who had important weekend speaking engagements. With their usual courtesy, the chairman of the committee and the chairman of the subcommittee agreed that we should not meet any later than the middle of Friday afternoon, and that then we should recess until Monday.

Most of us did a lot of work on the bill over the weekend in order to be prepared on Monday to move forward. We did move forward yesterday, starting at 10 o'clock. We had a brief luncheon recess, and worked on until nearly 6 o'clock in the afternoon.

There were many controversial features in the bill. I recall a number of important provisions which were adopted by a vote of 8 to 7. I recall several other provisions which were rejected by a vote of 8 to 7.

There were a good many other provisions, including a very important one dealing with urban redevelopment and slum clearance, rejected by a vote of 9 to 6. With respect to that rejection, a statement of supplemental views is in the course of preparation. An effort will be made on the floor to persuade the membership of the Senate to accept the views of the six rather than the views of the nine.

There were a number of other controversial items as to which the vote was 10 to 5. Perhaps 12 or 15 other matters were not brought to a record vote, because it was obvious that a majority of the committee was not in accord with the position which I and several other Senators took. With regard to those items it is my judgment—since I feel I know something about the needs of America's cities—that the provisions in the bill are not sufficient.

We were anxious to cooperate. We were anxious not to waste time. I know that every member of the Committee on Banking and Currency, with the exception of myself, is entitled to the commendation of his colleagues in the Senate for the courteous and careful way in which he behaved, for the effort to reconcile conflicting views, and for conduct in the committee worthy of the best tradition of this body. For us to get the bill as far along as we have today, in view of the many controversial matters involved, to my way of thinking, is little short of a miracle.

Mr. President, it has been said that some member of the committee will be out of town until 7 o'clock tonight. That may well be true, but I do not know which member it is. According to

the best of my understanding, all members who voted for the urban renewal proposal, which will be the subject of the supplementary views, will be in town within the next half hour. As I said before, I shall make every effort to have the draft of the supplementary views, which I hold in my hand, approved by the other five Senators, if they are willing to sign it—and they may not all be willing to sign—sent to the Printer by this afternoon.

Mr. President, it is my understanding of the procedures in the first months of a new Congress that it is rarely, if ever, that important legislation is ready for action during January. There was one very important floor action during January, in connection with rule XXII. In my judgment the Senate made a mistake in the action it took at that time. I realize that my views are in the minority. However, I hope the Senate will not, because of undue haste and pressure, make a series of additional mistakes when it comes to consider the housing bill tomorrow and later. That, of course, is a matter for each individual Senator to determine in accordance with his own conscience. But I believe none of us need feel hangdog or chagrined because this bill has not yet reached the floor of the Senate. It is a miracle that it is as far along as it is. I believe none of us need feel any sense of guilt if, when the bill does reach the floor, we insist on full debate of the many controversial provisions and on not being rushed into action which we may later regret.

No housing bill can become law until it has passed the other body and been signed by the President. I have no reason to believe—perhaps others have—that the other body is prepared to act with the reckless haste with which we are being urged to act.

I suspect that if the bill were delayed 3 weeks—and I do not myself intend to delay it, further than to see that all the controversial provisions are brought to the attention of the Senate—such a delay of 3 weeks would not be a critical matter in any sense of the word. Nevertheless, I appreciate the fact that the majority leader is entitled to bring up legislation when he thinks the time has come. He is entitled to do everything he can to expedite the legislation, and I shall not object.

Members of my staff sat up most of last night preparing material for our statement of supplemental views. Members of the staff of the committee have sat up almost all of every night since the testimony was completed last Wednesday in order to prepare the agenda for action and then to prepare the bill and the report.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Alabama.

Mr. SPARKMAN. I wish to make a brief comment with reference to some of the things which the distinguished Senator from Pennsylvania has said.

First, no member of the Housing Subcommittee or of the full committee was more diligent and earnest in his work than was the Senator from Pennsylvania. By the way, the hearings were held before the full committee.

Mr. CLARK. I thank my friend.

Mr. SPARKMAN. We all knew, all the way through, what his views were. I had discussed them with him many times since the opening of Congress.

Something has been said about haste in connection with this bill. There is a reason. I do not know whether I should say that it is an emergency matter; but certainly there are some provisions in the bill which must be acted upon immediately. This is the situation with which we were confronted when the Congress met:

The FHA insurance authorization had become exhausted. The administration was asking for $6 billion additional authorization for the remainder of this fiscal year. In the bill which I introduced, I asked for $4 billion for the remainder of the year. The committee agreed upon $5 billion for the remainder of this year, and $5 billion for the fiscal year 1960.

The FHA insurance authorization really expired last October. Since that time the FHA has been operating on a letter-of-intent arrangement, knowing, of course, that many of those to whom commitments had been made would not utilize the commitments, and that the money would be turned back. It has been turned back. Enough has been recovered to allow the FHA to operate until probably the middle of this month.

We knew that was the situation when Congress convened. We knew that the college housing program was out of money, and that its funds needed replenishing. We knew that the urban renewal program was out, and that something had to be done. So we were confronted with the administration proposal, which was to pass a hurry-up simple resolution which would take care of the FHA insurance authorization, the college housing, and the urban renewal programs for the remainder of this fiscal year, leaving the remaining provisions for a general housing bill.

We were confronted with the alternative of following that procedure or of handling all of the program in one bill. We decided that it would be better to handle all of it in one bill; and, of course, if we were to handle all of it in one bill, that necessitated early action in order to extend the various programs.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. Just a moment.

I would not go so far as to say that there is an absolute emergency, but we do know that unless we do something right away with respect to the FHA insurance authorization, the FHA will not be able to continue to insure mortgages.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am speaking on the Senator's time. I appreciate the courtesy of the Senator in allowing me to remind him that there was a "hurry-up" situation involved in connection with the bill. Knowing that our friends across the aisle are expecting to take off their usual week or 10 days to celebrate Lincoln's Birthday, we felt that it would be a good thing to schedule this bill so that action upon it could be completed ahead of that time.

No element of surprise was involved. The Senator from Pennsylvania knows that I told him, even before our first hearings were started, that I hoped to have the bill on the floor of the Senate for action on February 2. That was early in January. He knew that I had established that timetable, so he was not taken by surprise.

Mr. CLARK. If the Senator does not mind a comment in lighter vein, the Senator told me a month ago exactly what would be in the bill; and his prediction was substantially accurate. With his usual courtesy, he has made a number of concessions to those of us who feel differently, but the bill was pretty well written before the first hearing was held.

Mr. SPARKMAN. It was written last year in the Senate, and passed by the Senate. It is a bill which, as I have said many times, certainly does not measure up to what I would like in the way of a full, overall, well-rounded housing program. But I believe I am practical enough to know some of the things with which we are confronted, both in the legislative process and at the White House.

I believe that this is a good bill. I believe it will produce housing, and will reinvigorate some of the programs which are dragging now, and have dragged by reason of the fact that we were not able to get a bill through last year.

I firmly believe that this is a good bill and that it could pass the Senate. I do not believe the President would veto the bill, because it has in it practically everything that the administration recommended. In some respects it goes beyond what the administration would want, but certainly it does not go beyond what the country needs. I believe the President would sign the bill.

Mr. CLARK. Mr. President, I am very happy to hear my friend's eloquent exposition of his views. No Member of this body knows more about housing or is more dedicated to the cause of good housing than is the Senator from Alabama. I wonder if he would indulge me while I ask him a question.

Mr. SPARKMAN. Certainly.

Mr. CLARK. The Senator is very close to his colleague from Alabama on the House side, Representative RAINS, who has this subject in charge in the House. Has the Senator any information which would be helpful to the Senate as to when the House intends to bring this bill to the floor and vote upon it?

Mr. SPARKMAN. I will say to the Senator from Pennsylvania that I have talked to my friend Mr. RAINS, the chairman of the Housing Subcommittee in the House, on many different occasions. The latest was last night. He told me that Speaker RAYBURN was pressing for quick action on the housing bill, because he recognizes the semiemergency situation which exists, and is therefore pressing for quick action.

Mr. CLARK. Would I be wrong if I said it is highly unlikely that the House will pass the housing bill before the 1st of March?

Mr. SPARKMAN. Of course, no one can tell, here in the Senate, what the House will do. However, I will say to the Senator that I can answer him only by saying that I should be greatly surprised if there should be any such delay in the House. I believe it will be well ahead of that time that the House will take action.

Mr. CLARK. I am happy to have the Senator's statement on that point, because I certainly would not want us to lag behind the House on this legislation. Nevertheless, it has been my view—and again I may be absolutely wrong about it—that there will not be much opportunity for the bill to clear both Houses for at least another month.

Mr. FULBRIGHT. Mr. President, will the Senator yield to me on that point?

Mr. CLARK. I am happy to yield to the distinguished former chairman of the Committee on Banking and Currency, whose departure from that chairmanship I regret very much, even though it means his going to greater glory.

Mr. FULBRIGHT. The Senator is premature, I believe, in making that statement, because I am still the chairman of the Committee on Banking and Currency; at least I was the chairman until a few minutes ago.

Mr. CLARK. I had been under the impression that the change had been made. I regret that I anticipated the inevitable.

Mr. FULBRIGHT. I merely wish to say this in supporting the chairman of the subcommittee. I was under the impression that the Senator from Pennsylvania was interested in passing this legislation. That is, I was for some time now. Therefore, I went along with the program of putting the bill on the calendar as early as we could, with that in mind. I honestly do not believe that the Senator from Pennsylvania has a legitimate complaint.

Mr. CLARK. If the Senator will let me interrupt him at that point, I should like to make this observation. My good friend from Arkansas came on the floor when most of the colloquy had already transpired. Therefore, he did not have the opportunity of hearing the discussion among several Members of the Senate on this point. I should like to say again that I am not complaining about anything. I am merely trying to set the record straight, in view of some of the comments which were made and which, to my way of thinking, were not entirely accurate.

Mr. FULBRIGHT. Then I was under a misapprehension. I thought the Senator was complaining about our desire to dispose of the legislation.

Mr. CLARK. No; I did not make that complaint. I thought that we should take up the airport bill first. However, the majority leader has explained why that cannot be done. I am perfectly prepared to go along with the leadership in its desire to start the debate on the housing bill tomorrow. I hope, however, that we will not be rushed into any unanimous-consent agreements to limit debate and that we will have plenty of time in which to discuss the very controversial questions involved in the proposed legislation.

Mr. FULBRIGHT. The Senator from Pennsylvania knows that I am the last man who will try to limit his debate. He can talk as long as he wants to talk. He can talk all night, so far as I am concerned. I will not ask him to desist for a moment.

Mr. CLARK. I thank my friend for his customary courtesy.

Mr. FULBRIGHT. I believe the Senator will agree that in committee he was never cut off. He made every motion he desired to make, and talked as long as he wanted to talk.

Mr. CLARK. I have no doubt that I talked far too much.

Mr. FULBRIGHT. I would not want to comment on that in public. However, I do believe that the Senator has had all the time in committee that he wanted to take. I believe he will agree that he was given all the time he wanted to have on the offering of amendments. He knows that he was able to get many of his amendments adopted in committee. I am sure that some of them have improved the bill. It is too bad to leave the impression that the Senator is being high pressured by the committee. I do not believe that is true, particularly in view of the fact that the bill is the same bill, and involves the same subjects—of course there may be some differences in amounts—as the bill that was passed last year. At least by and large it is the same bill the Senate passed last year.

Mr. CLARK. I never said that I was being high pressured by the committee. I said that it had always been the customary courtesy to permit 1 week in which to prepare dissenting and minority views. However, I said I would not insist on that courtesy, because I know the majority leader is in a great hurry to get the bill taken up and disposed of. Therefore, as I said earlier, my people sat up most of last night to prepare a draft of dissenting views, and I have in my hand the first draft of those dissenting views.

Mr. FULBRIGHT. I believe the Senator is in error about the customary time of 1 week for the preparation of dissenting views. The custom is that there is granted whatever is a reasonable time in which to prepare dissenting views, so far as that time meets the desires of those who wish to present dissenting views. On some bills, which are highly complex, it takes longer, whereas on another bill it does not take as much time. There is no man in the Senate who knows more about the subject matter involved in the bill than does the Senator from Pennsylvania, and in view of his familiarity with the subject matter——

Mr. CLARK. The Senator is wrong in his generous statement.

Mr. FULBRIGHT. I made it clear to him that he had at his disposal the full staff or as many members of the staff that he needed to help him in preparing the dissenting views.

Mr. CLARK. The Senator is always very courteous.

Mr. FULBRIGHT. In all honesty there is no legitimate complaint on anyone's part about the rapidity of movement. We have the time. The country wants this bill enacted into law. It has already been passed last year. Some parts of the law have lapsed because of the lack of money. There is every reason in the world to move as rapidly as possible to the passage of the bill. The Senator will have every opportunity to discuss it at length. He can offer amendments, and it is up to the Senate to suport him if it wishes to do so. He will have every opportunity. There will be no restriction placed upon him either by way of debate or by way of offering amendments. This is a characteristic which I do not believe the Senator has duly appreciated in the past on other occasions.

Mr. CLARK. The Senator is very kind, and I thank him for his little lecture.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I wish to congratulate the Senator from Pennsylvania on his statement that he believes we should have full debate without any unanimous consent limitations on time. It was very wise on his part to make that clear, and I am delighted that he should have made that announcement at this point. It is an extremely complex and difficult subject with which we are concerned in the housing bill. There are many new Members in the Senate, and there have been some changes made in the bill. Some of us earnestly hope that there will be other changes made in the bill before it is passed by the Senate.

I know that I speak also for the Senator from Pennsylvania when I say that we in no sense want to delay the legislation. Certainly we do not want to kill it. We want a housing bill. I do not know of anyone else in the Senate who wants it more than does the Senator from Pennsylvania.

Mr. CLARK. I thank the Senator.

Mr. PROXMIRE. It is unfortunate that we should be put in the position of wanting to delay the bill and perhaps to kill it, and in that way to be associated with those who oppose the bill. I hope our position will not be misunderstood. We want a housing bill passed. We want a good housing bill passed. We feel that we should have every opportunity to discuss it in detail. It is extremely helpful that the Senator from Pennsylvania has made his position so clear this morning.

Mr. CLARK. I thank my friend from Wisconsin. Mr. President, I yield the floor.

ADMINISTRATION ORDER UPROOTS 2,430 FAMILIES WHO ARE BUYING HOMES

Mr. YARBOROUGH. Mr. President, it is difficult to measure in terms of dollars or family hardship the damage the Department of the Navy and the administration propose to inflict upon the Corpus Christi, Tex., area.

Upon two previous occasions, I have brought this matter to the attention of the Senate. Repeatedly I have respectfully urged the administration and the Department of the Navy to reconsider its

arbitrary move to shut down the entire overhaul and repair facility at the Corpus Christi Naval Air Station. It is a move which is discriminatory; a misguided effort to balance the budget at the expense of the residents of a single area of our country.

Mr. President, there are nine of these overhaul and repair facilities in the country. Five of them are on the Atlantic coast; two are on the Pacific coast; one is on the eastern part of the Gulf of Mexico; and one is at Corpus Christi. The one at Corpus Christi is the only one in any portion of the western part of the Gulf of Mexico, and planes are flown there from both the Pacific coast and the Atlantic coast to be repaired. The Corpus Christi facility is rated as the second most efficient of the entire nine stations in the country. Despite the fact that it is the second most efficient facility in work turned out per man-hour and per dollar of cost, an order has been issued arbitrarily to shut it down.

No one is more interested than I am in securing fiscal stability, but it is obvious that the administration is not acting and cannot act in the best interest of the American people with such ill-considered moves as this proposed overhaul and repair facility shutdown.

Mr. President, does it help the American family to issue a governmental order to kick 2,996 men off their jobs? I should like the administration to consider carefully that involved here are 2,430 families who have purchased and are paying for their own homes. Families are the most important unit in the life of this Nation.

A governmental order which uproots nearly 3,000 families, which in dictatorial fashion puts skilled and efficient men in the ranks of the unemployed, is a matter of the most grave concern to me. It is high time that the administration recognized that more than simple Navy Department economics are involved in this drastic action. These workers have 5,156 children, and the livelihood of 12,982 men, women, and children is earned at this facility.

There is an order, among the civilian personnel administrative orders of the Navy, which provides that in an instance like this, when there is to be a closing out of a facility, those who have worked there will be entitled to be transferred to some other facility. But in this case the Navy has arbitrarily ruled, "No"; that the personnel will not be transferred; they are out. Some of these employees lack only 2 months to 6 months of earning their retirement. But the Navy is shutting them off by disregarding its own orders. It is saying, "We will not transfer you to our other overhaul and repair bases on the Pacific coast or on the Atlantic coast." The Navy is saying, "We have honored the pledged word of the Government for 19 years and 6 months or 19 years and 22 months, but we will not let you earn the other 2 months or 6 months before your retirement."

In addition, the shutdown of this facility will be a heavy and long-crippling blow to this entire area. Consider the result of 2,433 families, or a big portion of them, losing their homes. Consider that exclusive of home loans, the consumer indebtedness of these workers totals over $4,322,000. The thing the administration is trying to do at Corpus Christi in the name of economy for the Navy is bound to inflict irreparable damage on the economy of an entire area.

This is a move which threatens to throw 14 percent of this city's working force out of work.

Mr. President, often we have heard the military expression "phaseout." This is not a phaseout; this is a kickout at Corpus Christi. The Navy is stomping down on its employees, instead of gradually phasing out the work. We frequently hear references to phasing out something by 1962, 1961 or 1960. But at Corpus Christi the Navy is saying to its employees at the overhaul and repair facility, "We are closing you out on the 23d day of February."

Mr. President, that is a sad commemoration of the birthday of the Father of our Country.

There are nine naval overhaul and repair facilities across the Nation. I believe that the only fair, equitable, reasonable, and efficient thing to do is to cut back proportionately all nine operations instead of taking the knife to the workers and the economy of one area.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a resolution opposing the proposed overall and repair shutdown which was adopted by the Southside Rotary Club of Corpus Christi.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

We, the members of Southside Rotary Club of Corpus Christi, in meeting assembled on this 21st day of January 1959, request the Congress and the executive branch of our Government to reconsider the unwarranted and uneconomic proposal to close the overhaul and repair department of the U.S. Naval Air Station, Corpus Christi.

The Navy Department has ordered a small cut in civilian employees across the Nation. Thirty percent of that nationwide cut is concentrated in Corpus Christi overhaul and repair. Such figures give us pause to wonder.

Our overhaul and repair department is one of nine in the U.S. Navy. It employs approximately 10 percent of the total of all overhaul and repair employees and has a physical plant presently valued at approximately $30 million. Some 3,000 persons employing some 75 different crafts and skills are integrated into a smoothly functioning major industry of Corpus Christi, with an $18 million annual payroll. Overhaul and repair employees comprise approximately 14 percent of the total labor force of Corpus Christi. Their sudden firing will dissipate a highly organized and specialized repair and overhaul facility, causing untold hardship for 3,000 Corpus Christi families and will make an indelible impression on the economy of Corpus Christi, which is unable to absorb so drastic a cut in its labor force. Impact on local business will be drastic, widespread, and prolonged.

But let all who hear, know, that this Rotary Club is not opposed to economy in Federal Government, nor do we oppose the reduction in military expenditures where our preparedness program requires it. We do not selfishly ask for the maintenance of a Federal facility for the sole purpose of supporting the local economy. We do not endorse pork barreling or make-work Federal jobs in time of prosperity.

We believe it imperative, however, that all concerned recognize that the closing of overhaul and repair, Corpus Christi, is not an economy move by the Government and will not reduce Federal expenditures one iota, but on the contrary, augurs the probable increase of unnecessary Federal expenditures. Our conviction is based on these facts:

1. There has been no indication of comparable reduction in the Navy's use of the particular types of aircraft, engines, and engine components being overhauled and repaired at overhaul and repair, Corpus Christi. The same work being done at Corpus Christi will therefore have to be done elsewhere, most probably by the expanding of overhaul and repair facilities at the other eight overhaul and repair departments scattered across the Nation. The equipment and physical plant at overhaul and repair, Corpus Christi, is one of the most modern and efficient of all overhaul and repair departments. The closing of Corpus Christi overhaul and repair will mean the elimination of the most efficient equipment while increasing the workload for the more antiquated equipment of other overhaul and repair departments.

2. The Navy has continuously sought to disperse its facilities as a protective measure in the event of national emergency, and industry has been urged to vacate the populous areas of the East and the exposed areas of the North and west coast, easily occessible over the North Pole. Corpus Christi is, geographically, best situated in the event of national emergency.

3. The Navy Department has repeatedly faced the problem of potential budget cuts and has repeatedly determined that, in the event of any budget cutting, it will be best prepared for military emergencies by making a horizontal cut in its overhaul and repair facilities, rather than a vertical cut: That is, by reducing the operating level of all overhaul and repair departments, rather than by eliminating any one overhaul and repair department. This permits the fastest expansion in time of need, and retains a nucleus of employees and a physical plant in readiness when the occasion arises.

This sudden reversal of long-established Navy Department policy of making horizontal cuts in overhaul and repair department activity, being economically and militarily unwise, cannot be attributed to aught but political expediency or false economy.

We condemn playing politics with national defense and a false pretense and a sham and a facade made of governmental economy.

Since the work must yet be done, closing Corpus Christi is a travesty on economy. Even if the total workload of all overhaul and repair were to be reduced, a wiser and more economical reduction would be a horizontal cut reducing all facilities, or even reducing the less modern facilities, or the more exposed geographical locations, or the facilities less capable of expanding, or those that have not produced the high degree of efficiency of overhaul and repair, Corpus Christi. From any point of view, the proposed closing of overhaul and repair, Corpus Christi, is uneconomical, unwise, and militarily dangerous.

We in Southside Rotary condemn the proposed closing, and petition our Government to reconsider and review the essential facts and rescind the order to close overhaul and repair, Corpus Christi.

Passed unanimously by the Southside Rotary Club of Corpus Christi, Tex., January 21, 1959.

D. BAXTER JACKSON,
President.

HAL HEERSSEN,
Secretary-Treasurer.

DESTRUCTION OF PARITY PRINCIPLE IS A SEVERE BLOW TO FARMERS

Mr. PROXMIRE. Mr. President, if the recommendations in the farm message of President Eisenhower last week are carried out, parity will be dead. These recommendations will wipe out the policy of our National Government of 25 years' standing to maintain fair economic treatment for farm people. It will eliminate the measurement of equity for which farm people have fought for 40 years.

The President proposed that parity be abandoned as the objective of our national farm policies. Its place would be taken over by market forces hopelessly rigged against the farmers. This is the same weary destination toward which our farmers have been pushed at terrible cost to the taxpayers for the last 6 years.

Everyone should know that several million independent farmers are helpless to defend their own interest in a marketplace in which the cost of everything the farmer buys goes only one way—up; while what the farmers sell is going down and will continue to go down. Mr. President, farm commodities are the only important group of products in our entire economy which are subject to market pricing. Prices of every other important commodity are determined by administrative action of one kind or another, instead of by the process of free competition. Mr. President, this is dead certain to drive the farmer into distress. His productivity is increasing three times as fast as the rest of the economy, but every increase in productivity drives his income lower—and quickly. It is a simple fact of life, demonstrated over and over, that farm prices and total farm income drop very quickly as production increases.

The President's proposal would make farmers the victims of every other group in our economy. Farm people would be stripped of the last remaining vestige of help from the Government to redress the disadvantages which they suffer in bargaining for fair returns for their labor, which is far longer than that of others; their productivity, which has increased so much more rapidly; and their capital investment, which averages so much higher. This would be done by abandoning efforts to seek the objective of parity prices in our farm programs, and to substitute for the goal of parity a target of something even less than their powerful adversaries are willing to give them in the market.

Under the President's proposal, farm price supports would be cut by 10 to 25 percent in the first year, by 7 to 16 percent in the second year, and by 3 to 8 percent each year thereafter, below the average market prices of recent years.

This proposal will quickly return the farmers of America to the desperate, dreary exploitation from which they suffered throughout the twenties and into the great depression of the 1930's.

Never since the vetoes of the McNary-Haugen bills by Presidents Coolidge and Hoover has a Chief Executive of the United States dealt such a damaging blow to the well-being of American farmers.

Mr. President, the parity idea originated in the 1920's, in the bitter struggle of depressed agriculture for the McNary-Haugen plan. This plan—which was sponsored by two great Republican leaders who will rank throughout history as outstanding champions of the farmers—proposed that the Government should help the farmers to achieve prices which are fair. The concept of parity maintained that farmers should be able to purchase, with a given quantity of farm commodities, the same amount of nonfarm commodities that they had been able to buy before World War I, before the severe economic dislocations caused by the war had brought farmers' purchasing power into serious imbalance.

Since that time—nearly 40 years ago—friends of the farmers have fought to uphold the principle that Congress should seek to help farmers to achieve the goal of parity of purchasing power. The parity ratio is a standard used to measure the degree to which farm prices are in line with what Congress has defined as a fair and equitable objective for farmers.

Farmers are keenly interested in parity, because parity prices measure the level at which prices farmers receive for commodities will be in balance with the prices they must pay for goods and services—nonfarm commodities, for interest on their borrowings, for taxes, and for farm labor.

Parity prices necessarily change from time to time, in the same direction and in the same amount as the prices which farmers must pay for what they buy. If prices farmers pay double, parity prices double; if prices farmers pay go down, then parity prices go down too.

Parity prices do not necessarily assure the farmer of a profit. Neither do they assure the farmers of incomes equal to those of nonfarm people. In fact, farmers' incomes are substantially below those of others in our economy, even when farm prices have averaged full parity.

Nor is farming the only occupation in which a balance or equality between prices received and paid is constantly measured and sought—often with assistance and encouragement from the Government. Every regulated public utility in the Nation is assured of parity—at a much higher level than parity for farmers. Utilities are assured of income sufficient to cover their operating costs, however high they might go—and in addition to that, of a fair rate of profit.

Surely, if the utility companies which provide our electricity and telephones and transportation are entitled to parity—plus a profit—then the farmers who furnish us with the finest diets ever enjoyed by any nation on the face of the earth should be entitled to parity.

The Fair Labor Standards Act guarantees workers $1 an hour. This incidentally, is nearly twice what Department of Agriculture figures show our Wisconsin farmers are earning. Our Wisconsin farmers are earning on the average, 55 cents an hour, if you grant them a modest 5 percent return on their invested capital. This is according to the Department of Agriculture.

No one else in our economy, Mr. President, would be willing to settle for as low a measurement of fair and equitable returns as farm parity represents. Farm parity should be modified upward, toward full, true equality of opportunity for farm people, instead of being reversed toward the dismal patterns of the 1920's and 1930's, as the President now seeks to do.

When farm prices last averaged 100 percent of parity, in 1952, the average incomes of people on farms averaged only 52 percent of the average for nonfarm people. The average last year was only 45 percent—although 600,000 farms have disappeared since that time, and the farm families who lived on them have moved into the cities.

Mr. President, I do not know of any action by a Chief Executive of the United States which more clearly repudiates specific, solemn promises which he has made to American farmers, than this proposal by President Eisenhower to scuttle the parity principle.

In his 1952 campaign, General Eisenhower promised farmers he would seek "not merely 90 percent of parity—but full parity." Yet in 1958, he proposes to bury the very yardstick he upheld to measure his pledge to farmers 6 years ago.

In his 1956 campaign, the President promised to help farmers to achieve full income parity. Today, just 6 years later, he is asking Congress to acquiesce in an action which will drive farm prices down and will reduce farmers' incomes sharply below the present level, which is less than one-half of what he promised.

Mr. KUCHEL. Mr. President, will the Senator yield at this point?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from Wisconsin yield to the Senator from California?

Mr. PROXMIRE. I yield.

Mr. KUCHEL. I wish to ask a question. As to the allegation that the President in his 1952 campaign spoke of "100 percent of parity in the marketplace," is it not true that that is generally conceded to have been his honest statement of his desire that they be paid that much in the marketplace?

Mr. PROXMIRE. That is entirely true, and that statement was made in Kasson, Minn. A little later—on October 14, 1952, I believe—at Brookings, S. Dak., General Eisenhower said the Republican Party was pledged to 90 percent of parity—not in the marketplace, but to the achievement of 90 percent of parity, guaranteed—and I stress the word "guaranteed"—by our Federal Government.

Mr. KUCHEL. I cannot qualify as an expert on farm legislation, and certainly the statements the Senator from Wisconsin has made should be discussed with respect to farm legislation.

However, I wish to say, as I have stated, that there are two sides to this question; and some of the able Members of the majority party take a position quite opposed to that taken by my friend

from Wisconsin. For example, the able junior Senator from New Mexico [Mr. ANDERSON], a Democrat, and a distinguished former Secretary of Agriculture, I believe agrees with the President in his farm recommendations, rather than with those which are so ably advanced by my friend from Wisconsin.

Mr. PROXMIRE. I thank the Senator from California for that observation; and I would remind him that on his side of the aisle there are a number of Senators, some of whom are true experts on agriculture, and are Members of the Committee on Agriculture and Forestry, who would strongly support my position and would vehemently disagree with Secretary Benson and President Eisenhower. Of course, that indicates one of the fine things about the two parties and why they are parties of such substance—namely, they are great enough to permit disagreements within themselves.

Mr. GOLDWATER. Mr. President, at this point will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. I should like to ask the Senator from Wisconsin several questions, since he represents a great party, and since in his statement he has discussed the stand taken by the other party. Am I correctly informed that 30 percent of American agriculture operates under the Agricultural Adjustment Act, and that 70 percent operates outside that law?

Mr. PROXMIRE. I am not sure of the exact figures, but the Senator from Arizona makes a legitimate point. The fact is that the commodities which are supported are very likely a minority of the production of our farmers.

Mr. GOLDWATER. Am I also correct in understanding that the 70 percent who depend upon the action taken in the open market have enjoyed—I will not say good times—but the same corresponding level that the rest of the economy of the country and the rest of the businesses of the country have had? In other words, they have had their ups and their downs; but actually they have made money at the small farmer level, have they not?

Mr. PROXMIRE. As the distinguished Senator from Arizona knows, the prices of various farm commodities are very closely related. For example, as he knows, the price of corn is directly related to the price of hogs and the price of beef. This interrelationship means that when prices for corn are supported, the price for hogs is favorably influenced, too. So that much of the production that is outside the price support area is very immediately, directly, and favorably affected by adequate price supports.

I should like to say that I would be the last to defend the present farm program of parity as it is presently on the statute books. I think it is an unsound program. It is ridiculous; it is not giving the farmer what he needs; and certainly it constitutes a very great burden which the taxpayers of the Nation must bear. I think it must go. But I think to abandon the farmer and to leave him with no program at all would be grievously irresponsible of us and devastating for our farmers.

Mr. GOLDWATER. Mr. President, if the Senator from Wisconsin will yield further, let me say that Arizona is something of a farming State; about 20 percent of our income comes from farming. We in the West find it difficult to understand why peanuts, for example, are so vital a crop to the Nation that the taxpayers' money should be spent to support peanuts. We do not understand, honestly, why tobacco should be supported. We believe the action of the corn farmers last year was a wise one. We, who grow and sell cotton at a price well below the supported figure, are rather frightened because the market is disappearing below the pegged price. Do not those situations give the Senator from Wisconsin some cause for worry?

Mr. PROXMIRE. Indeed, they do; they give me a great deal of worry, and a feeling that we should have a consistent farm program which will deal with virtually all, if not all, of our farm production, and will deal with it equitably. I believe the present farm program does not deal properly and equitably with agriculture. It should deal with all, or virtually all, not just 30 percent, as the Senator from Arizona has pointed out.

Mr. GOLDWATER. I believe the Senator from Wisconsin will offer at the proper time what he believes to be a proper farm program, in place of what he says is the unworkable program today—a program which the administration inherited. But does the Senator from Wisconsin believe that the 70 percent of agriculture who today are not under the farm program are getting along all right without having the Government stick its nose into their businesses?

Mr. PROXMIRE. My answer is that at the last session I introduced an omnibus farm bill which would bring all of agriculture into the program; and I asked a number of agricultural authorities—including the distinguished junior Senator from New Mexico [Mr. ANDERSON] and the outstanding expert in the Library of Congress—for their estimates regarding the cost of my program. All of them assured me that it would be substantially less than the cost of the present program. I want that point clearly understood, because my criticism today, which is a criticism of the present program, rather than an offer of a new program, is consistent with the fact that I have offered an alternative program in the past, and I intend to do so again in the future.

Mr. GOLDWATER. Mr. President, I respect the Senator from Wisconsin for that fact; I have always understood him to be one who does not criticize an existing program without offering something in its place.

But certainly it should be clear that the present administration, which inherited the present bad agricultural program from its predecessors, has, unfortunately, had to place the burden around the necks of the American people to the extent of billions and billions of dollars.

I think the Senator will have to agree, on sober reflection, that much of the increased cost of equipment and supplies of American agriculture comes from increased taxes. We find tax costs going up all over the country, not just in agriculture. Taxes and unwarranted wage increases are probably the greatest source of cost increase to the American farmer.

I hope the Senator, in his recommendations, will give due consideration to that fact, because I think the farmers will be thankful.

Mr. PROXMIRE. I thank the Senator from Arizona for his helpful and constructive suggestions. I would add that one cost increase to the American farmer comes about as a direct result of action by the Federal Government—it is interest rates. The farmer is overwhelmingly a debtor. The policy of the Federal Reserve Board, in increasing interest costs, has increased the farmer's costs very substantially.

Another element contributing to increased costs is the kind of administered price economy in which we live, as has been brought out so well by the Kefauver hearings. That kind of economy adversely affects the farmer.

Also, to be fair, if labor unions are successful in securing wage increases which exceed productive increases, the farmer is hurt along with everybody else in the economy.

I think we should recognize the fact that we cannot expect the farmer to survive by himself in a free economy of the Ricardian or Adam Smith type, because there exist in our economy administered prices, limited production of steel and oil, for instance. Also there are interest rates which Government policy allows to go higher and higher. In that kind of economy we must recognize the farmer must be helped, rather than be cut loose and allowed to sink.

Mr. President, the Congress of the United States must not be a party to this brutal injustice to farm people. Instead of chopping down the parity yardstick of equity for farm people, we should erect another one beside it, to measure the parity of income as the real goal of national farm policy.

Instead of pointing agriculture back toward the tragedy of the Great Depression, we should point toward a future in which farmers and their wives and their children can enjoy full equality of opportunity with other citizens, in an expanding economy that provides constantly rising standards of living for all.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, if there is no objection from my friend, the Senator from Wisconsin, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

Mr. PROXMIRE. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

BASKETBALL TOURNAMENT AT SANTIAGO, CHILE

Mr. CAPEHART. Mr. President, many Americans, myself among them, felt a deep disappointment recently when a basketball team representing the United States was sadly trounced by Russia in a world amateur tournament in Santiago, Chile, and was further humiliated the next day when showered by debris from the stands in a none-too-impressive victory over the Chile team.

At a time when our prestige could be much better in some parts of the continent to our south, this is most deplorable. I know Senators will share this humiliation with me when I tell them that one Santiago newspaper stated following the rout by Russia: "When it comes to shooting at the moon or at a basket, the United States cannot keep up with Russia."

I am from Indiana, where basketball is close to being a religion, and I pride myself on the fact that I am a basketball fan. So possibly this occurrence in South America has affected me more than others. However, I cannot help being sorrowful at the manner in which the U.S. team was selected for an international competition of such importance, and the circumstances that led up to the incidents mentioned.

I suppose Americans are as good sports as any, and can accept a defeat as well as the next one. That has been proven from time to time in the past. We have lost contests in international competition and survived, very often taking the foreign victors to our hearts as heroes and idols. But generally we have been represented by our best talent, or at least by representative athletes. Here, though, is a situation that is quite different.

Basketball is an American sport, introduced by us to 80 countries of the world. We should guard that heritage zealously—I might even say, jealously. From the facts that I have been able to ascertain about this tournament in Chile, our country went into it in a most haphazard way. Where other countries sent their best, many coming from much greater distances than we, no such effort was made by this country.

I am not censuring those who selected the team. Perhaps they were handicapped, possibly by lack of funds or even of available talent. I am not criticizing the American players. I am sure they gave of their best, and their best just was not good enough. But I do feel that when we enter a worldwide event of this kind, proper preparations should be made; that a strong attempt should be made to field the best possible team.

Apparently this was not done in connection with this tournament in Chile. Many outstanding basketball players have told me they did not even know that a team was being selected to play in Santiago; others said they did know, but had not been approached and did not know how to go about trying for a place on the team.

How was the team chosen? I quote from a newspaper dispatch:

According to the Associated Press, there was no college or AAU (Amateur Athletic Union) team available to send to Chile.

So we RAN AN AD in an AIR FORCE PAPER asking for VOLUNTEERS.

The capitals are those of the newspaper I am quoting from—the Chicago Daily News of January 30, 1959.

Players desiring a tryout had to pass their request through channels and risked veto anywhere along the line by superiors.

As a result, our volunteer basketball ambassadors put on a rather embarrassing show in Chile.

We have profited in the past by setbacks and experiences in other worldly matters. We should use this last incident as a lesson for our participation in world sports in the future. International athletic competition is most important. I suggest, in the future, that leaders in any sport anticipating international competition call in qualified experts to aid, men highly experienced in the particular field, so that a team representing this country will be one that we can well be proud of, win or lose.

I ask unanimous consent that a column by Mr. Arthur Daley in the New York Times of February 3, 1959, be included as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SPORTS OF THE TIMES

(By Arthur Daley)

SEEING RED

Brazil graciously saved the United States from deeper embarrassment during the world amateur basketball championships in Chile last week by outscoring our inept and maladroit heroes in their farewell game. Otherwise the North Americans would have taken the title from the Soviet Union by default. And that would have magnified our utter disgrace.

It's bad enough as it is, heaven knows. Basketball is an American invention and this country has more and better players per square foot than any nation in the globe. Yet we carelessly sent a pick-up team of fifth-rate players to a world championship tournament. The group was so lacking in talent that the Russians whomped them, 62 to 37. So American prestige plummeted still lower in the land where we are trying to impress the citizenry with our good neighbor policy.

The kids who played are not at fault, even though indignant Chilean spectators demonstrated their disgust by showering the Americans with papers, coins, fruit and other debris. The blame rests on the colleges and clubs that couldn't be bothered to make the trip and on the officials who countenanced such laissez faire. It was a disgrace.

Propaganda coup

Once upon a time the United States could slough off something like that without an eyebrow being raised. But when the Soviet Union is involved in any sports event, it ceases to be one of those jolly-well-done-old-boy affairs. The Russians don't fool. They go at it with a grim, single-mindedness of purpose, all guns loaded with live ammunition.

Four years ago the Canadians figured they could win the world amateur hockey championships from force of habit. They unthinkingly dispatched a third-rate team. The Russians won and everyone in the Dominion was as outraged as if the Soviet skaters had trampled the Maple Leaf flag into the Moscow mud. Canada beaten at Canada's own game? It was the insult supreme.

The chances are that the United States will do in basketball what Canada did the next time in hockey. The folks to the north organized a crackerjack team and slaughtered the Red brothers. We'll do that also, but for us it could almost be the old story of too little, too late.

The Russian propaganda coup is tremendous. The Communist newspaper in Santiago already has crowed: "When it comes to shooting at the moon or a basket, the United States cannot keep up with Russia." Howja like them potatoes?

Don't forget that South America—forgive me for bringing up a touchy subject—is quite conscious of the fact that the colossus to the north had to get reinforcements from a Peruvian national, Alex Olmedo, in order to win back the Davis Cup.

By default

Although sports is just an incidental part of the American way of life, the Soviet Union regards it as an integral and integrated part of the relentless surge toward world communism. Hence there was no hesitancy when the time came for the Russian quintet to face Nationalist China, a nation unrecognized by the Kremlin. The Red brothers coldly defaulted and yielded the world championship, placing it as a sacrifice at the altar of their propaganda gods.

The next thing you know the Soviet will send golfers to cut divots on the sacred sod of St. Andrews in Scotland and begin their domination of that Caledonian sport. And maybe Casey Stengel should begin to strengthen his Yankees for an onslaught there.

The most hilarious skit at the baseball writers show was one that introduced the whacky Jerry Mitchell as a commissar with Astrakhan hat, red Cossack greatcoat, and glittering Cossack boots plus a handlebar mustache. He spoke only a Sid Caesar version of Russian, which Len Koppett interpreted. A string of gutturals spewed forth under the mustache.

"Hees excellency says," droned the interpreter, "that baseball in Rooshia is on a higher plane—on steppes, ha, ha."

Not for laughs

This broad burlesque was funny and yet it's no laughing matter when the Russians engage in any sport. They use athletics as a showcase to display the rapidity of their advances. The result is impressive.

Starting from nowhere they have become a world power over the past decade in track and field, gymnastics, weightlifting, wrestling, speed skating, skiing, hockey, basketball, and anything else they decide to concentrate on. They have just started a serious study of capitalistic sport as could be found, tennis. Within the next decade they'll be battling for the Davis Cup.

The old Anglo-Saxon principle of sports for sports sake no longer is operative. The Russians bring their own warped viewpoint into the world of athletics and use the toy department as a propaganda tool.

It behooves America to become increasingly aware of this new fact of life. Only our best will do whenever we face the Soviet Union in competition. We've been sportsmen long enough to accept defeat of our best without blinking and without reproach. But the other kind of defeat, such as the recent basketball one, is inexcusable because it is unnecessarily damaging to American prestige.

HEALTH SERVICES STUDY COMMISSION

Mr. JAVITS. Mr. President, I introduce today for myself and Senators BEALL, CARLSON, CASE of New Jersey, and COOPER, a joint resolution to establish a Health Services Study Commission which would determine the health service needs of all our citizens, with particular reference to the coverage required by and actually extended to certain groups like

the aged, unemployed, mentally ill, minorities, and others, including families in thinly populated areas, by the many voluntary prepaid health insurance plans now in operation.

At the end of a 2-year study, the Commission would recommend to the President and the Congress what legislation, if any, might be necessary to supplement or stimulate broader health protection coverage by existing private and nonprofit programs and to gage the effect of such an expansion on our health personnel and facilities.

Senators CASE, COOPER, and I are the minority members of the Subcommittee on Health of the Senate Labor and Publice Welfare Committee.

Since the founding of the Public Health Service in 1798, the Federal Government has recognized its responsibility toward promoting the health and welfare needs of the general public. The Service's extensive medical research activities, the establishment of social security, and Federal aid for hospital construction are examples of pioneer efforts by the Federal Government in many areas where, without such assistance, major needs could not have been met. I feel that, before undertaking important new financial responsibilities in the health field, the Federal Government should assess the job being done by voluntary health insurance plans which operate within our free enterprise system, without impinging upon the traditional doctor-patient relationship. That is one of the principal reasons why a study of available health services is urgently required to be carried out by a Federal commission which can investigate all the facets of what is obviously a national problem.

Under the terms of the bill, the Commission, to be composed of 3 public and 12 private members, shall specifically examine the following matters:

First. The adequacy of existing programs of health insurance and group or cooperative health plans in meeting the overall health service needs of the entire population;

Second. The necessity for extending such health insurance coverage to provide adequately for retired or elderly persons, those temporarily unemployed, and those suffering from mental illness;

Third. The problems experienced by the aged, members of racial, or other minority groups and residents of rural areas in securing health insurance coverage;

Fourth. The effect which expanded coverage of such plans would have upon the adequacy of the existing number and distribution of health personnel and facilities.

I wish to emphasize, in this connection, that the joint resolution which my colleagues and I are introducing proposes to use as a base the organizations already established by voluntary health plans and insurance plans which are so widespread in use in our country. It is not intended to establish a system of Government medicine or a system of Government medical care.

Indeed, this is the feasible alternative, heavily based upon the private economic system, to any idea of a system of Government medical care, such as roused so much controversy late in the 1940's when the so-called Government medical plan was proposed by the administration.

Mr. President, in recent years, there has been a sizable increase in the number who participate in voluntary health insurance plans, as these plans have come to be recognized as the soundest method for our people to meet the unpredictable and frequently high costs of medical and hospital care. However, an examination of the total number enrolled in voluntary health insurance plans leads to a misleading diagnosis. The fact that in 1957 121 million people had some sort of protection must be balanced against the harsh statistic that less than one-quarter of our total medical expenditures were covered by prepaid hospital insurance plans. When less than $4 billion of the $15 billion total was accounted for by these plans, it is symptomatic of the inadequacy of the protection held by those who have some form of coverage, to say nothing of the financial burden borne by the 50 million or more who have no health coverage of any sort.

Mr. President, I emphasize that obviously there are tremendous lags in the program, magnificent as it is and substantial as it is as a foundation upon which to build.

Another fertile field for study by the Commission is the coverage extended to various population groups like the aged. It is estimated that no more than 10 percent of the total hospital costs of retired or elderly persons are now covered. Whatever the cause may be—prohibitively high premium costs, automatic cancellation of policies after a certain age, or the refusal to issue policies to the aged by many insurance plans—a growing proportion of our population will be without adequate coverage as those 65 or older increase from 1 in 12 to 1 in 8 by the year 2000.

The recession lows of 1958 brought into sharp focus the plight of some 4 million temporarily unemployed workers who were ineligible to receive one or more unemployment compensation payments because of illness which disqualified them under existing law.

I emphasize the 4 million is not an absolute figure, but refers to 4 million workers from many millions unemployed from time to time who suffered the deprivation because of illness. This worked severe hardship on both the unemployed and their families who were cut off from such payments at the very moment when they most needed financial aid.

There are two categories, the aged and the unemployed, who especially need to have their health needs reviewed. Finally, there are complaints that racial and other minority groups are often unable to participate in existing health insurance plans. Because of their generally low income levels as many as 60 percent of these families are estimated to live in substandard housing which is both unsafe and unsanitary. Inevitably this results in a poor general health record which requires higher than average medical service expenditures and, if absorbed by existing health insurance programs, these added costs could force a substantial increase in the premium rates for all members. In addition, although over 75 percent of the population in 11 industrial States in the Northeast is covered by some form of voluntary health insurance, in the remaining 31 States the proportion with such protection is far lower and in predominantly rural areas sinks way below 50 percent.

I emphasize this point very strongly, since it is of interest to many Members of the Senate. In predominantly rural areas the coverage for any kind of health protection sinks way below 50 percent.

There is considerable evidence, though much of it incomplete, that wide gaps do exist in the kind of protection given and the groups which are covered under existing voluntary health service plans. The creation of a Federal Health Services Study Commission which is now proposed by myself and four other colleagues is an essential first step in judging first, whether legislation on the Federal level is required in this field; second, whether existing programs are meeting current needs; and, third, whether our overall responsibility in making sure adequate health protection is provided to the aged, unemployed, indigent, and others can be met satisfactorily through the growing number of private agencies. Such a national inventory of our health services must be taken promptly.

Mr. President, I emphasize that, of course, an investigation such as this could be made by a senatorial committee or by a joint committee of both Houses. It is our tradition that when we want to prepare a program with which to go forward in the country—a program which might be partly private, partly public, partly State, partly municipal, and partly Federal—the traditional way in which we approach a great national issue of this character is by a commission. Of course, the bipartisan Commission established by the bill has all the investigatory and operational powers normally granted to such bodies and is composed of 15 members to be appointed as follows: First, 7 by the President, 3 from the executive branch, and 4 from private life; second, 4 by the President of the Senate from private life; and, third, 4 by the Speaker of the House of Representatives from private life.

Our Members can always deal with these questions in the committees. I think it is very important that both the legislative and executive arms have highly skilled people of their choice available for this kind of service.

Mr. President, my friend and colleague the Senator from New Jersey [Mr. CASE] intended to make a statement supplementary to mine, since he is deeply interested in the proposed legislation, of which I have the honor to state he is a cosponsor. I should like to read his statement into the RECORD, since it is not very long. I observe my colleague the Senator from Minnesota [Mr. HUMPHREY] is waiting to address the Senate. I state to the Senator that this will take only about 2 minutes.

The statement prepared by the Senator from New Jersey is as follows:

STATEMENT BY SENATOR CLIFFORD P. CASE UPON INTRODUCTION OF HEALTH SERVICES STUDY COMMISSION RESOLUTION

In recent years, Mr. President, great progress has been made in medical science. Great progress has been made, also, toward bringing medical care within the reach of the American people. Have we done as much as we can and should do in this direction?

Today, as ranking Republican on the Health Subcommittee of the Labor and Public Welfare Committee, I am joining the senior Senator from New York [Mr. JAVITS] and other colleagues in a proposal to establish a Health Services Study Commission. Such a commission is urgently needed. Appointed by the President and Congress from professional and private life, this 15-member Commission would explore the effectiveness of current health-insurance programs and recommend ways of filling current gaps in those efforts.

It would inventory health personnel and facilities to determine whether their present number and distribution are adequate to handle expanded health insurance programs.

Mr. President, statistics in the health field are incomplete and inconclusive. Private health-insurance plans—properly the cornerstone of our system—are on the increase in coverage, allowance of benefits, and complexity.

In the United States last year, nearly 120 million of our people had some form of hospitalization insurance. For surgical care, 101 million Americans had insurance protection, at least in part. Insurance against medical care in hospitals covered 65 million. Nine million could be treated by doctors at home or in the office under insurance plans of one kind or another.

Company and union plans, community programs, group health insurance coverage like Blue Cross or Blue Shield, voluntary prepayment plans of private insurance companies offering either individual or group policies, and coverage offered by private medical associations are the chief bulwark of our private health-insurance system.

Their growth has been steady. In 1958, 72 percent of the American people were covered by some form of hospitalization insurance. Ten years earlier, 42 percent of all Americans had this, the most popular kind of protection. In 1948 24 percent carried surgical insurance compared to 65 percent today. Major medical expense policies which today protect 13 million people against the costs of catastrophic or prolonged sickness were unheard of a decade ago.

The proportion of all private medical bills paid by insurance has likewise gone up in these 10 years, from 27 percent in 1948 for hospital service, to 57 percent in 1957. Insurance paid for 6 percent of the cost of doctors bills in 1948 and 31 percent in 1957.

Despite these strides, troublesome questions arise. They require authoritative answers before we decide whether, how much, and what form of help Government should give the development of private insurance programs.

Several areas of particular need should be explored and the Commission our bill would set up can help supply the answers. The Commission will determine, for example, "the need for extended health insurance coverage for group or cooperative health programs so as to provide adequately for (a) the health service needs of retired persons and elderly persons, (b) the health service needs of persons during periods when they are temporarily unemployed; (c) the health service needs of persons who are suffering from mental illness;

"Problems experienced by elderly persons, members of racial or other minority groups, and residents of rural areas in securing health insurance coverage or in securing the benefits of group or cooperative health programs designed to enable participants therein to secure medical care."

According to the Health Information Foundation, in 1957 about three out of every eight persons 65 and more in this country had some form of voluntary health insurance. An additional one-sixth of the aged population had carried insurance previously, but the last time, on the average, they were covered was 5 years ago. Among those insured, benefits were believed to pay the entire medical bill for about one-third of the insured, and only part of the bill for the remaining two-thirds.

In each plan which permits coverage for the aged, how does the fine print read? How many policies are cancellable and under what circumstances? Can the aged meet the increased costs of coverage? Are benefits at all comparable to those for younger age groups? Many questions remain.

As Mr. Shapiro and Miss Einhorn, of the Health Information Plan of Greater New York, recently wrote: "The outstanding features of HIP's enrollment with aged subscribers is that, despite the conversion privilege, most of those who must decide whether to convert or to terminate coverage, dropped their insurance * * *. On leaving employment many of the subscribers are faced with the dual economic problem of reduced income and increased out-of-pocket costs to maintain their insurance. And this, of course, at a time when their medical needs are increasing. A pertinent question for the committee is where and how do the aged whose health insurance is terminated obtain medical care. It would be of much interest, for example, to determine the extent to which former HIP enrollees become dependent on hospital clinics and ward facilities."

Insurance for the mentally ill raises equally serious questions. Dr. Louis S. Reed, of Cornell University, found that prepayment plans generally provide less extensive coverage for mental illness than for other types. He states this is due to the long duration of mental illness, to the fact that mental illness has traditionally been considered as apart from other illness, and to the fact that much of this kind of hospitalization is provided in Government hospitals at little or no cost.

The difficulty of providing health insurance coverage for these special groups stems chiefly from the fact they require above-average amounts of care and, in general, in the case of the aging, have below-average incomes. Any large expansion of protection for the aged must involve some way of covering costs by spreading them through other segments of the population. It may not be reasonable to expect private, competitive plans to distribute social costs needed to assure adequate protection to all or the great majority of the aged.

It is in these special areas that Government assistance, within the framework of our private insurance system, may be indicated.

The Health Services Study Commission should guide us to right decisions.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 43) to establish the Health Services Study Commission, introduced by Mr. JAVITS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

STUDY BY COMMITTEE ON GOVERNMENT OPERATIONS OF INTERNATIONAL ACTIVITIES OF THE EXECUTIVE BRANCH

The Senate resumed the consideration of the resolution (S. Res. 42), to authorize the Committee on Government Operations to make a study of the international activities of the Federal executive branch departments and agencies relative to worldwide health, and for other purposes.

The PRESIDING OFFICER. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Rules and Administration was, on page 2, line 20, after the word "from," to strike out "date of approval" and insert "February 1, 1959."

The amendment was agreed to.

The next amendment was, on page 3, line 15, after the word "exceed" to strike out "$55,000" and insert "$45,000."

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

Mr. HUMPHREY. Mr. President, the first point I wish to make with reference to the resolution is in connection with the amendment of the title so as to read: "Resolution authorizing the Committee on Government Operations to make a complete study of all matters pertaining to international activities of Federal executive branch departments and agencies in the field of health and medical research."

It is very important that the title be perfectly clear.

Mr. President, yesterday afternoon when the Senate proceeded to the consideration of Calendar No. 20, Senate Resolution 42, I was engaged as chairman of the Subcommittee on Disarmament of the Senate Foreign Relations Committee in taking up the significant problems before that subcommittee. It was not possible for me therefore, to be present on the floor when my distinguished colleague from Montana [Mr. MANSFIELD] moved to take up this resolution extending for 1 year the international health study.

I should like to make a few remarks today to point out the deep significance of this study.

I should like to show why the study is so necessary as background to the work of other committees of the Senate and why it is so essential if we are to fulfill the mission of the Committee on Government Operations.

The basic point about this study is that we are endeavoring to gather facts through the study which might not, in the rush of events be gathered in so comprehensive a way by any other committee but which are essential to the understanding by the Congress of this very important overall field of international health and medical research.

OVERALL U.S. HEALTH EXPENDITURES

As amended by the Committee on Rules, Senate Resolution 42 provides for a total of $45,000 to be spent during this coming year.

If this appears to be a considerable sum, I invite the attention of my colleagues to the fact that the U.S. Government is spending for medical research no less than $454 million this year. And I say this is a very sound and fruitful expenditure on our Government's part.

I further invite the attention of my colleagues to the fact that for overall health activities, hospital care, research, and otherwise, the U.S. Government is spending a little under $3 billion a year.

THE INTERNATIONAL CHALLENGE

Now, the question may be asked, Why make a study on international research and international assistance as such?

The answer is that the great unfulfilled need of medical research today is in the field of expanded international cooperation. This is not simply my opinion—it is the opinion of science in general, of medical leaders in Bethesda and all over the land.

I repeat, the greatest single opportunity for accelerated new discovery is through strengthening the cooperation of American and foreign medical research.

Unless this is done we may find that the almost half a billion dollars which we are wisely spending in medical research—but which is being spent almost exclusively in the continental United States—may not realize its fullest potentialities.

Already, fortunately, Federal agencies are beginning to extend their research activities into the international sphere. That means that the Department of Health, Education, and Welfare, the National Science Foundation, and the Department of Defense are beginning to be active in overseas medical research work.

The question is, however, Will this activity proceed along the soundest and most efficient lines?

A further question concerns our international medical assistance efforts. Here, again, we have a multiplicity of instrumentalities—U.S. agencies like ICA and international agencies like the World Health Organization, the Food and Agriculture Organization, the United Nations Children's Fund.

The question is, therefore, Are our overseas medical-assistance programs proceeding with fullest efficiency and coordination?

The answers can only come from a comprehensive review such as is already under way.

In my judgment, to spend $45,000 which may contribute to the efficiency of research which may indirectly affect $3 billion of U.S. health expenditures—to do so is good business and sound economics.

The $45,000 which we contemplate is, in my judgment, minimal for this task.

TRIBUTE TO SENATOR HILL'S BILL

I may say further that it is a source of special gratification to me that yesterday, on the very day that the Senate was beginning to take up the continuation of this study that there was introduced in the Senate by the distinguished senior Senator from Alabama [Mr. HILL], what I regard as a genuinely historic bill which will become one of the great landmarks of the 86th Congress. I refer to Senate Joint Resolution 41, The International Health and Medical Research Act of 1959. It is similar to the bill introduced by my colleague, the chairman of the Senate Committee on Labor and Public Welfare [Mr. HILL] in the previous Congress.

It is my pleasure to be one of the many cosponsors of Senate Joint Resolution 41, the "Health for Peace" act. Naturally, it is a source of pride to me to have been referred to in the course of the eloquent remarks of yesterday by my able associate from Alabama—who is the universally acknowledged dean of health legislation in the Senate, the tireless champion of this health cause. He was generous enough to refer to some of my background efforts in this international health field.

I can assure my thoughtful friend from Alabama that I can think of few, if any, bills to which I would be prouder to contribute in any measure than this great piece of legislation for which he deserves and will receive the highest credit which a grateful Nation can confer upon him.

The present Hill bill Senate Joint Resolution 41 is, of course, but the latest in a long series of notable Lister Hill bills which the people of Alabama and the United States of America recognize as health statesmanship of the highest order.

The Labor Committee which the senior Senator from Alabama heads is, of course, one of the busiest in the Capitol. But I look forward to the hearings which it will hold, at no doubt an early date, on this bill and which will receive, I am sure, an outpouring of favorable sentiment from the medical profession and from lay leaders throughout this country.

SPECIALIZED APPROACH OF GOVERNMENT OPERATIONS COMMITTEE

Of course, the Lister Hill bill stands in its own right. We of the Senate Committee on Government Operations are not in any way evaluating this or any other bill. That is not our business. That is instead the jurisdiction of the very competent Labor and Public Welfare Committee. Our own jurisdiction is separate and apart, as the questions and answers which follow will indicate.

What the Government Operations Subcommittee is doing is making a comprehensive analysis of the budgetary and other facts in the world health picture. We are studying medical research as conducted not simply by the great National Institute of Health. We are studying too, medical assistance, as conducted by a wide variety of U.S. Government agencies and by international agencies of which the United States is a participant.

A MEMORANDUM OF ANSWERS IN RESPONSE TO QUESTIONS FROM ALL OVER THE WORLD

Literally hundreds upon hundreds of letters have come from all parts of the United States and literally from all over the world kindly praising this international health study, offering suggestions, and making inquiries about it.

In order to be of service to our many correspondents, I have prepared a factual background memorandum. It is prepared in the form of a series of questions and answers. They describe the origin of this study, its progress to date, its scope, its initial publications, its significance, and it future plans.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the factual background memorandum to which I have referred.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS ON SENATE RESOLUTION 42, 86TH CONGRESS, AUTHORIZING CONTINUATION OF INTERNATIONAL HEALTH STUDY

WHAT WAS THE ORIGIN OF THIS STUDY?

Senate Resolution 347, 85th Congress, approved August 18, 1958, authorized the expenditure of $30,000 by the SENATE Committee on Government Operations for the purpose of an international health study.

Specifically, the resolution directed a review of "any and all matters pertaining to the international activities of Federal executive branch departments and agencies relative to worldwide health matters * * * and of any and all matters pertaining to international health, research, rehabilitation, and assistance programs."

The resolution directed a report to the Senate by January 31, 1959, in accordance with standard practice of the Senate for such reports.

WHAT IS NOW PROPOSED UNDER THE STUDY?

Senate Resolution 42, as amended by the Senate Committee on Rules, directs that (a) the duration of the review be extended until January 31, 1960; (b) $45,000 be authorized for the study.

It might be noted that the Senate Committee on Government Operations had proposed a larger figure—$55,000. Even this sum, however, would have been less, proportionately, for the full year that was granted under Senate Resolution 347, 85th Congress, for the 5½ months from August 18, 1958, to January 31, 1959.

It should be further noted that of the $30,000 originally allocated, approximately $21,000 was returned as of January 31, 1959, in unexpended balance.

WAS IT CONTEMPLATED ORIGINALLY THAT THE STUDY COULD BE COMPLETED IN 6 MONTHS?

No. Any such comprehensive review naturally requires a longer period of time.

The January 31 deadline in the new congressional session was a matter, therefore, of customary Senate procedure, rather than being intended as an actual termination date for the study.

HOW HAS THE COMMITTEE USED THE TIME THUS FAR AVAILABLE?

It has acted with all possible dispatch.

First, Chairman MCCLELLAN of the Committee on Government Operations assigned to the standing Subcommittee on Reorganization and International Organizations jurisdiction for the study.

Immediately, operations commenced for a thorough analysis:

(A) A comprehensive 9-page work plan was drafted. This plan spelled out that the study's objective was to "study the many international health programs in which the U.S. Government is directly engaged and/or which it financially supports, so as to determine (a) what is now being done, by whom, where, when, how, with what standards, at what cost, and with what objectives in mind; (b) in the event of any duplication, inefficiency, or other operational problems, what changes might be made."

The work plan indicated that "where changes appear necessary, the subcommittee intends to develop recommendations whereby the resources of the taxpayers of the United States may be used with increasing efficiency."

The work plan, incidentally, has been widely praised by literally dozens of medical authorities for its comprehensiveness and carefulness of approach.

(B) The subcommittee proceeded to invite reactions to all present international health activity by circularizing the work plan to the widest possible variety of expert groups. These groups included (a) agencies of the U.S. Government; (b) international organizations of which the United States is a member; (c) American medical organizations and allied groups—nurses, therapists, etc., in the healing arts; (d) American voluntary health organizations, sectarian and nonsectarian; (e) American and international scientific organizations in the fields of biology, chemistry, and related disciplines; (f) American businesses which have had extensive experience in overseas programs of health for their own employees; (g) the American pharmaceutical industry, including its trade associations; (h) foundations; (i) American medical colleges and schools of public health; (j) independent research laboratories; (k) leading American scientists and physicians.

(C) Literally hundreds of helpful reactions have poured in as a result. This has included detailed correspondence, often with voluminous reports attached, from all of the types of groups mentioned above. The Department of Health, Education, and Welfare has been especially cooperative.

The overall correspondence contains a wealth of constructive data which it is believed has rarely, if ever, been available to the Congress for a similar purpose.

Great numbers of unsolicited communications have come in, as well, from medical leaders at home and abroad who have heard of this study.

Many Senators' offices have referred both correspondence and medical visitors to the subcommittee.

(D) The subcommittee staff has participated in a great many conferences with medical experts from both private and public life, analyzing this problem.

(E) Since the study is per se international, it was and is necessary to secure direct firsthand reports from leading authorities abroad on the subject of medical research and service.

Accordingly, the chairman of the subcommittee conferred with health and other officials in the following foreign countries from mid-November to early December 1958: France, Switzerland, Finland, Denmark, Sweden, United Kingdom, Soviet Union, and Norway.

Prior to the chairman's discussions, the project director of the study had, during a trip from mid-October to early November, conferred with officials in many of the above and in these additional countries: Italy, Belgium, and Germany.

Likewise, judgment was gained from officials in Spain by the staff director of the committee. He compiled additional information, as did the consultant to the committee from numerous European authorities at the time the chairman and project director were separately viewing this problem in Scandinavia and the Soviet Union.

The chairman personally secured information from the broadest possible gamut of officialdom, in addition to purely medical authorities.

A formal hearing was held in Paris at which testimony was received from the Director of the French National Institute of Hygiene, the Executive Secretary of the Council of International Organizations in Medical Sciences, and the Chairman of the Board of "Excerpta Medica" Foundation.

Helpful statements were compiled as well from Nobel award winners and other outstanding biologists, chemists, physicists, in many of the aforementioned countries.

DO THE SUBCOMMITTEE'S FINDINGS TO DATE INDICATE THAT THE SUBJECT MATTER OF THE STUDY WILL PROVE AS IMPORTANT AND HELPFUL AS WAS ORIGINALLY ENVISIONED?

Yes. The subcommittee has found that (1) The medical profession, at home and abroad, has literally been unanimous in all its many communications in support of the importance of the study and the need for it to proceed full speed ahead; and (2) in its own review, the subcommittee does find a host of problems of major magnitude to the legislative and executive branches which it intends to explore in detail.

DOES THE STUDY INDICATE THAT THE COMMITTEE ON GOVERNMENT OPERATIONS IS THE GROUP TO HANDLE THIS REVIEW?

Yes. The broad nature of the jurisdiction of the Committee on Government Operations uniquely qualifies it to make the type of comprehensive review which is essential.

In its memorandum of justification to the Committee on Rules, the Committee on Government Operations noted these facts:

(A) Rule XXV of the Senate provides that it shall be the Committee on Government Operations to which "shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

"(a) Budget and accounting measures, other than appropriations.

"(b) Reorganizations in the executive branch of the Government.

"(c) Such committee shall have the duty of (1) studying the operation of Government activities of all levels with a view to determining its economy and efficiency; (2) studying intergovernmental relationships between the United States and the States and municipalities, and between the United States and international organizations of which the United States is a member."

All of these responsibilities are brought into action in view of the vast scope of Federal health programs.

(B) No less than eight agencies of the U.S. Government are currently engaged, if only in part, in medical-biological research. These agencies include:

(1) Department of Health, Education, and Welfare.

(2) Atomic Energy Commission.

(3) Veterans' Administration.

(4) Department of Defense—Army, Navy, and Air Force.

(5) Department of Agriculture.

(6) National Science Foundation.

(7) Office of Civil and Defense Mobilization.

(8) Department of Commerce.

The National Research Council—National Academy of Sciences likewise plays an important role.

(C) No less than four agencies are responsible for administering or implementing international health assistance programs:

(1) Department of State.

(2) International Cooperation Administration.

(3) Department of Health, Education, and Welfare.

(4) National Science Foundation.

(D) No less than 11 international organizations in which the United States is active are involved in health activity, in whole or in substantial part:

(1) United Nations including Technical Assistance and Special Scientific Committees.

(2) World Health Organization and Pan-American Health Organization.

(3) United Nations Children's Fund.

(4) Food and Agricultural Organization.

(5) United Nations Relief and Works Agency (Arab refugees).

(6) United Nations Educational, Scientific, and Cultural Organization.

(7) International Labor Organization (occupational health).

(8) South Pacific Commission.

(9) International Atomic Energy Agency.

(10) International Civil Aviation Organization (e.g., health quarantine).

(11) Colombo Plan.

(E) No less than nine additional U.S. agencies have health-related functions of some significance.

(1) Department of Labor.

(2) Department of Treasury.

(3) Department of Justice.

(4) Federal Trade Commission.

(5) Civil Service Commission.

(6) President's Committee on Employment of the Physically Handicapped.

(7) Small Business Administration.

(8) Panama Canal Zone Government.

(9) National Advisory Committee to Selective Service.

The present study will naturally only examine those Federal activities bearing upon the two fields of (1) international medical research, (2) international medical assistance.

Indirect results of the findings may however, significantly affect many of the programs handled by agencies on the aforementioned lists.

The subcommittee is examining among other phases the extent to which the health and research recommendations of the Hoover Commission, an organization of the executive branch of Government, have been carried out. This is a phase entirely within the jurisdiction of this committee.

WHAT IS THE OVERALL RELATIONSHIP BETWEEN THE JURISDICTION OF THIS COMMITTEE AND THAT OF OTHER COMMITTEES IN THIS GENERAL FIELD?

The relationship is a vital one. Every effort has been made to demarcate areas of review, so as to minimize overlapping and avoid duplication of effort.

The committee stated at the outset that it recognized, of course, the jurisdiction of other Senate committees in the health and research fields.

Accordingly, it invited the collaboration of the following Senate committees: (a) The Senate Committee on Foreign Relations, (b) the Senate Committee on Labor and Public Welfare, (c) the Senate Committee on Armed Services, (d) the Senate Committee on Appropriations.

It has kept these committees advised and has, in every way, sought to avoid any waste or duplicate motion.

The other committees have indicated that they recognize this committee's jurisdiction. They note that the Committee on Government Operations does not intend, for example, to evaluate the quality of American medical research or the substance of American foreign relations. Rather, it is such questions as procedure, coordination, budgeting, efficiency, authority which engage the attention of this committee.

WHAT IS THE IMPORTANCE FROM THE U.S. BUDGETARY STANDPOINT OF INTERNATIONAL MEDICAL RESEARCH?

Certain financial figures will provide the answer on why improved research pays financial dividends to the taxpayers.

As indicated in the memorandum of justification which was filed with the Senate Committee on Rules (see S. Rept. 22), agencies of the U.S. Government had obligational authority for all purposes related to health of no less than $2.8 billion in the 1959 fiscal year.

For all activities of the U.S. Government, obligational authority totaled $76.9 billion in the 1959 fiscal year.

According to the American Medical Association the $2.8 billion subtotal represented an increase of $344.7 million over the obligational authority of the previous year.

Of the $2.8 billion, an estimated $454 million was to be devoted directly to the field of medical research.

It is important to bear in mind that it is medical research which offers some of the brightest opportunities for helping to relieve the rising financial costs of overall health programs to the Federal Government.

It has been estimated that nearly 38 million Americans are eligible in whole or in part to receive medical care from or through the Federal Government. The amount of such care will tend to increase in years up ahead, in view, as the memorandum pointed out, of such factors as the aging of the veterans population of the United States.

How research can pay off to reduce such costs can perhaps best be seen in an illness like pneumonia. Just a few short years ago, a person stricken with pneumonia might have spent several weeks in the hospital with comparatively expensive medical, nursing, and bed care. Even then, the results might not have been entirely satisfactory. By contrast, today, so-called miracle drugs can reduce previous costs down to an almost insignificant fraction of what they might have otherwise have been and can often prove far more effective.

Of course, there is no guarantee on the results of specific research. But there is ample reason to believe that strengthened cooperation in medical research should result in increased likelihood of fruitful advances.

ARE THERE OTHER ADVANTAGES FROM A FINANCIAL STANDPOINT?

Definitely yes:

(a) American wage earners lose literally billions of dollars a year in income because of sickness and disability. But the results of past medical research demonstrate that major discoveries can result in enormous savings of income which might otherwise be lost because of absence from work.

(b) A further result of lost income is, of course, lost tax revenue to the Federal Treasury.

(c) Still another result of absence from work is the fact that the efficiency of American business is reduced, thereby serving to increase costs.

(d) It should be noted, too, that sickness and disability result in enormous direct and indirect costs to State and local governments as well.

The subcommittee points out that American medical research is fortunately proceeding in high gear. The question before the Senate is not, therefore, whether such research will continue or not; of course, the research will definitely continue. But the subcommittee is of the strong opinion that this particular study may prove one of the many means by which the efficiency of research may be strengthened at home and abroad.

WHAT OTHER VALUES ARE THERE IN THE STUDY?

Many values. It should be noted that in the questions which have been presented and answered thus far, only one of the two phases of the study has been mentioned in detail. That is the phase of international medical research.

The second phase is likewise crucial: international medical assistance. Today, such assistance involves aside from research the expenditure by the International Cooperation Administration alone of some $46 million in 34 nations.

In the case of such assistance, there is ample justification from many standpoints for the study.

(a) The primary justification is the same as in the instance of research—the humanitarian reason. The basic aim of medical research is to help find new answers to reduce pain and suffering, disability and premature death. The aim of medical assistance is precisely the same—to apply known remedies so as to help liberate man from the yoke of disease and illness. Efficiency of assistance programs is therefore essential.

(b) But if one were of such a mind as to view the problem strictly from an economic standpoint, there is a direct or indirect financial value in studying our present worldwide assistance programs. Today, American business pays what amounts to a hidden tax on raw materials which it secures from underdeveloped areas of the world because of the toll taken by sickness in those areas. In other words, goods which American importers buy are higher in price because of the lowered efficiency resulting from widespread disease in Asia, Africa, the Middle East and Latin America. In turn the American exporter incurs economic losses since foreign markets are reduced in their purchasing power in view of the toll of disease.

This boils down to the fact that a healthy population produces more and better and buys more. A sick population is a poorer customer and a poorer salesman of products.

(c) The subcommittee notes further that there is tremendous significance to this subject of international research and assistance from the standpoint of American foreign policy.

The nature of the image of America in the eyes of the world will crucially shape the capacity of our country to deal with other nations—friendly, neutral, or otherwise.

The image of America as a generous humanitarian supporter of man's improved health is not only a favorable image but is a well-justified image in the eyes of foreign peoples. That image can be still further improved.

As indicated earlier, it is not the purpose of this subcommittee to delve into the substance of our foreign relations with other countries, because that is obviously the province of the Committee on Foreign Relations.

The committee, however, does recognize the important foreign policy implications of its work and seeks to strengthen the efficiency of our country in serving the objectives of foreign policy.

WHAT IS THE STAKE OF JOHN Q. CITIZEN IN THE EFFICIENCY OF MEDICAL RESEARCH?

The stake is enormous. As Senator HILL pointed out yesterday with such clarity, medical discovery is of deep significance to every man, woman, and child in the United States and literally to generations unborn.

The following estimates were compiled for the subcommittee at its request by the National Health Education Committee. The statistics document the toll taken by disease in the United States. Current estimates are that somewhere in the United States, every half minute, someone dies of cardiovascular or renal disease. Every 2 minutes, cancer obliterates a life; every 5 minutes, an accident kills, every 10 minutes—pneumonia. Every 19 minutes diabetes; every 29 minutes cirrhosis of the liver. Every 33 minutes—suicide; every 41 minutes tuberculosis; every 51 minutes ulcer of the stomach and duodenum.

The efficient expenditure of dollars or of counterpart currencies for medical research is therefore of crucial importance.

WHY THE EMPHASIS ON INTERNATIONAL MEDICAL RESEARCH, AS SUCH?

Because medicine and science have always been international. All discovery draws from and contributes to the pool of findings throughout the world, as Senator HILL so rightly observed.

Most American physicians are agreed that it is in the field of international cooperation that medical research faces many of its brightest opportunities for accelerated and evermore fruitful discovery.

Of course, no nation has a monopoly on scientific genius. All of mankind has benefited from the discoveries of the Frenchman, Pasteur; the Scotsman, Fleming; the Canadian, Banting; the Belgian, Vesalius; the Italian, Spallanzani; the Dutchman, Leeuwenhoek; the Swede, Arrhenius; the Englishman, Lister; the Japanese, Noguchi; the Pole, Curie; the Austrian, Semmelweis; the Greek, Hippocrates; the German, Koch; the Spaniard, Casal, and from other individuals of diverse nationality.

The great American and foreign talent which may be found, for example, in the National Institutes of Health in Bethesda has its counterpart in talent in public and private research facilities and laboratories throughout the world.

WHAT IS THE RELATIONSHIP BETWEEN THE ROLE OF THE FEDERAL GOVERNMENT AND OF PRIVATE INDIVIDUALS AND GROUPS IN THIS STUDY?

The relationship is a crucial one. American medicine is rightly based on the system of private practice. Traditionally, therefore, the American people look to private sources for both international medical research and assistance.

As was noted in these questions and answers earlier, the subcommittee has proceeded on the basis of contacting every private medical source whom it has had reason to believe could contribute to the study.

The subcommittee acknowledges with deep appreciation the enormous assistance which has already been given by such outstanding organizations as the American Medical Association, the American Nurses Association, the American Dental Association, the American Hospital Association, the Pharmaceutical Manufacturers' Association and similar professional groups.

Literally dozens of specialized medical organizations, for example, in the fields such as tropical medicine have helped. So have others like the World Medical Association, the International Union Against Cancer, the International Congress of Cardiology.

In addition, the subcommittee has made every effort to enlist the judgment of the great variety of American voluntary organizations—both sectarian and lay groups. Within the committee files are to be found a panorama of reports from American voluntary organizations; from religious groups, for example, as well as from lay organizations like Medico and the American Public Health Association and from groups which have concentrated in coping with individual diseases. The latter include the American Heart Association, the American Cancer Society, the National Foundation, the National Multiple Sclerosis Society, the Muscular Dystrophy Association, the Arthritis and Rheumatism Foundation, United Cerebal Palsy, Association for the Aid of Crippled Children, Leonard Wood Memorial, National Association for Mental Health, National Association for Retarded Children, National Tuberculosis Association, to cite but a dozen such groups with international interests.

American foundations likewise have been a source of invaluable reports.

On December 18, 1958, at the invitation of the National Health Council, in New York, which represents 63 American voluntary health organizations, the staff's project director presented a report on behalf of the chairman of the subcommittee. The report was greeted enthusiastically by the assembled members. Of particular interest was the announcement that one of the subcommittee's future publications (to be issued some months hence) will be a document devoted exclusively to a description of what is now being done in the field of international activity by American voluntary organizations. It was the consensus of council members that such a document could,

in itself, be of considerable importance to the American voluntary movement.

The subcommittee cannot stress too emphatically that it seeks to encourage American voluntarism at home and abroad, for example, through the American Council on Voluntary Agencies working in international assistance efforts. Teamwork between private and public groups, each doing in its sphere what it respectively can best do and yet each cooperating on matters of common interest, is the key to the future of the health of our own and other peoples.

WHAT INFORMATION HAS THE SUBCOMMITTEE PUBLISHED AND DOES IT PROPOSE TO PUBLISH?

The committee issued as an initial committee print a 117-page publication entitled, "International Medical Research," which was prepared by the National Institute of Health at the subcommittee's request.

Other publications shortly to be printed are:

(a) "Statutory Authority for Medical and Health-Related Research by Federal Agencies: The Basis for International Cooperation" (a Library of Congress compilation which will indicate the need to supplement existing authority for international programs).

(b) "The Status of World Health—In Outline and Chart." (A report prepared by the U.S. Public Health Service at the subcommittee's request. It will indicate by maps and diagrams the overall dimensions of international health problems, in contrast to any piecemeal view.)

Sometime thereafter, the committee will publish "Interim Report of the Subcommittee on Reorganization and International Organizations Pursuant to Senate Resolution 347." (This will provide an outline accounting of all existing Federal budgets in this field.)

It should be noted that publication of this interim report will naturally be dependent upon decision of the total subcommittee membership. However, 4 of its 6 members are new to this activity. Thus, earlier publication of an interim report was not feasible since the commencement of the 86th Congress in January 1959 involved the transfer of previous members and filling of vacancies, a task not completed until last week.

Of the previous seven-man subcommittee, only two past members are included in what is now the new six-man membership.

The interim report will accordingly reflect the views of the full present membership.

Numerous other publications are also scheduled for subcommittee consideration in the months thereafter. They include:

(a) "International Activity of American Voluntary Health Organizations" (mentioned earlier).

(b) "The Armed Forces and Medical Research" (which will indicate the military's stake in war and in peace in health research).

(c) "International Health Activity by the Union of Soviet Socialist Republics" (indicating Soviet governmental activity, bilaterally and multilaterally, in the health field).

HOW IMPORTANT IS IT THAT THE SENATE PROCEED IN THIS STUDY IN RELATION TO OTHER DEVELOPMENTS NOW GOING ON?

Very important. A whole series of events at home and abroad is shaping up which underline the significance of this review. Thus:

(1) At this very time, the World Health Organization is making a study toward expanding medical research.

For this purpose, it is utilizing $300,000 which had been wisely tendered by the United States of America at the General Assembly of the WHO, which met in Minneapolis in May of last year.

(2) At this very moment, too, the World Health Organization is in the process of consideration of plans for an International Public Health and Medical Research Year.

The Senate, itself, had unanimously resolved for the consideration of such a year through Senate Resolution 361, 85th Congress, which it approved in August 1958.

In September 1958, the Ukrainian Socialist Republic offered a draft resolution in the United Nations, proposing such a year.

In January 1959, the United Nations General Assembly unanimously approved the resolution.

It is expected that the International Public Health and Medical Research Year will take place, commencing the middle of 1961.

There is not an exact parallel between this proposed year and the International Geophysical Year, in which 66 nations participated. Nevertheless, leading medical experts at home and abroad believe that the year could serve as an important milestone in world health.

It should be further noted that in 1960, under the auspices of the World Federation for Mental Health, there will be observed World Mental Health Year.

(3) In the Congress, itself, a wide variety of legislation is coming up in this field. As I pointed out at the start of my remarks, Senator LISTER HILL and Congressman JOHN FOGARTY are offering tremendously significant companion bills to establish a National Institute for International Medical Research, under which $50 million would be annually authorized for supporting overseas medical research projects.

All of these and other developments underline the significance of the Senate's obtaining a full understanding of precisely what the Federal Government is now doing and how these Federal activities can be made more efficient.

Mr. HUMPHREY. Mr. President, I point out that this study is being conducted under the jurisdiction of the Committee on Government Operations. We are not proposing new programs, but rather an accounting of the efficiency, adequacy, and performance under established programs carried out under acts of Congress by the executive departments and agencies of the Government.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution (S. Res. 42), as amended, was agreed to, as follows:

Resolved, That for the purpose of continuing the study provided for in S. Res. 347, Eighty-fifth Congress, agreed to August 18, 1958, the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to the international activities of Federal executive branch departments and agencies relative to worldwide health matters, and of any and all matters pertaining to intergovernmental relations between the United States and international organizations of which the United States is a member, as provided for in rule XXV (1)(g)(2)(B) and (D) of said Standing Rules of the Senate, and of any and all matters pertaining to international health research, rehabilitation, and assistance programs, including but not limited to (1) the general level of authorization of funds for the future to enable the programs efficiently to achieve their purposes, including the use of United States appropriations and foreign currencies generated by American aid and sales of farm surpluses; and (2) the coordination of programs related to international health, on the part of interested United States Government agencies, including but not limited to, the programs of the Department of State, the International Cooperation Administration, the United States Information Agency, the Department of Health, Education, and Welfare, the Atomic Energy Commission, the Veterans' Administration, and the National Science Foundation, in appropriate cooperation with nongovernmental organizations.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized at its discretion to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings under this resolution and S. Res. 347, Eighty-fifth Congress, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $45,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The title was amended so as to read: "Resolution authorizing the Committee on Government Operations to make a complete study of all matters pertaining to international activities of Federal executive branch departments and agencies in the field of health and medical research."

THE NAVAL RESERVE FORCES

Mr. HUMPHREY. Mr. President, at a time when the Nation is increasingly coming to realize the importance of maintaining flexible and mobile armed forces to deal with any military threat, without necessarily resorting to nuclear war, it is always reassuring to discover the very high state of training and readiness of the Reserve forces of the Army, Navy, Air Force, and National Guard.

I might point out that the Reserves' high morale and efficiency is doubly remarkable in view of the mistaken deemphasis of the administration on Reserve training.

Americans can take real pride in their Reserve forces. And in Minnesota, we are very proud indeed of what we think is the outstanding Naval Air Reserve station in the Nation. Yes, the Reserve forces at the Naval Air Station of the Twin Cities of Minneapolis and St. Paul last year demonstrated a degree of proficiency and spirit which is truly unique among the naval air activities in the country.

NAS, Twin Cities, has become the most consistent prizewinner among our naval air stations.

The Naval Air Establishment's Edwin Francis Conway Trophy for overall efficiency is recognized as the top Naval

Air Reserve training stations award of them all. This trophy is awarded in an annual competition among all the Naval Air Reserve training stations in the United States. This year there were 22 competing. In past years there have been as many as 28.

In 1958, the Twin Cities Naval Air Station won this top award for the third consecutive year.

The number of competitors seems to make little difference to the Twin Cities station. Of the 17 years during which the Conway Trophy has been awarded, this air station has now earned it a total of five times—the last three times being consecutive. It is the only station in America to have won it so many times.

This tribute reflects the thought expressed last March by the Arab-speaking newspaper Al Aman, published daily in Rabat, Morocco. Referring to one of the station's patrol squadrons which had been selected to train with the Sixth Fleet in the Mediterranean, the Moroccan paper commented:

> It is doubtless true that Minnesota enjoys a favored position in the United States and these men prove that her sailors are among the best.

I do not wish to overemphasize the efficiency of this station, because efficiency without effective training would be of little value to our Armed Forces. However, the effectiveness of the training offered at the naval air station is also a matter of remarkable record. Of the eight types of flying squadrons the station has eligible to compete for Noel Davis awards, which are given for excellence in the training offered, the station garnered five this year—making it the only station to receive so many. Five wins out of eight tries. This brings to 10 the total number of Noel Davis awards captured by the station's squadrons since resumption of the competition in 1946.

This year's winners are Squadron VF–812 commanded by Comdr. A. L. Kane, Squadron VP–814 commanded by Comdr. M. F. Carpenter, Squadron VA–813 commanded by Lt. Comdr. C. C. Zuel, Squadron HU–811 commanded by Lt. Comdr. G. L. Strommen, and FASRON–816 commanded by J. F. Bachmeier, commander.

Previous winners include Squadron VP–814 commanded by Comdr. M. F. Carpenter, Squadron VPFAS–815 commanded by Comdr. R. G. Glumack, Squadron VF–811 commanded by Lt. Comdr. J. M. Smith, Squadron VA–813 commanded by Lt. Comdr. L. J. A. Rasmussen, and Air Wing Staff–81 commanded by Capt. P. R. Norby.

In the interests of defense, the variety of training offered at the naval air station of the Twin Cities ranks high in the official ratings. It trains transport squadrons, anti-submarine-warfare squadrons, fighter squadrons, attack squadrons, fleet air service squadrons, helicopter squadrons, patrol bomber squadrons, in addition to various support groups necessary to the operation of a total of 22 squadrons.

The training total on the air station rolls include 2,200 men, of whom 370 are pilots The station also provides host facilities to a number of surface training units which will bring the total number of men trained there to almost 4,000 a year.

When it is realized that a pilot can be kept at a high peak of efficiency for only a few thousand dollars through this Reserve program, compared to the $90,000 it would take to replace one who leaves the service, it can be seen that the 370 pilots alone save the taxpayers a sum that is worthwhile saving, while at the same time the Nation is provided with critically important Reserve strength for instantaneous deployment.

Other categories of trainees offer similar savings to the country and its taxpayers.

It is important to point out that the entire Twin Cities and Minnesota community, as well as a few of our friends from neighboring Wisconsin, make this saving possible for the American taxpayer.

Of course no air station could exist without a modicum of public support. None could reach the championship performance of the naval air station without the full fledged support of the many communities it serves.

In the Twin Cities we look upon the air station more as a part of our community than as a part of a force that is controlled somewhere else. Its men are our men, its performance is our performance, and only the faculty of this efficient training program comes from elsewhere. Its victories are our victories, and its problems are ours to solve.

As one who takes part in the appointment of young men to the Naval Academy at Annapolis, I am proud of the fact that the citizens of Minnesota through their naval air station have received appointments for 13 men in the Academy last year and plan to receive appointments for even more this year. They have perfected a program for picking outstanding young citizens for naval service. The quality of the men being offered from this program cannot be disputed. They showed their interest in the Navy by joining its Reserve. They showed their competence under the watchful eyes of naval officers who recommended them highly. In addition they took the same competitive examinations offered all enrollees.

We are proud of the fact that our naval trainees at this station—which I believe is farther from the sea than any other on this continent—contributed $60,000 to local charitable functions during the past 3 years, often being the largest single contributor. In addition it has contributed a sizable amount to the National Navy Relief program.

Additionally, we are proud of the fact that the Naval Air Reserve station and its men are considered part of every major civic event in our communities. It would be almost as unthinkable to have a civic event without their participation as it would to neglect inviting the mayor. These neighbors of ours give freely of their time both to the difficult work of learning their arts of national defense, and the improvement of the communities which support them so well.

We know that we have more than enough men well trained at home to man the Navy's largest craft, but better than that, we know that they are trained in a diversity of arts that make a complete defense possible while offering considerable strength to the rest of the Nation on its northern border.

I am grateful for this opportunity to pay honor to the entire Naval Reserve, as well as to these young Minnesotans and Wisconsinites who have become an outstanding example to Naval reservists throughout the Nation of what can be accomplished by serious minded young men, backed by vigorous community effort.

TAX TREATMENT OF FARM COOPERATIVES

Mr. MORSE. Mr. President, Mr. A. M. Camp, the president of the North Pacific Grain Growers, Inc., has brought to my attention a resolution passed by that organization during their meeting in Portland, Oreg., on January 16 and 17 pertaining to the tax statement of farm cooperatives.

Because of the importance of this subject I ask unanimous consent that the resolution be printed in the RECORD at this point in my remarks in order that my colleagues may have the benefit of the thinking of grain growers in the Pacific Northwest.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

> The Farm Cooperative provides a method whereby individual farmers may associate themselves into a business enterprise.
>
> The sole purpose of such business organization is to provide business services at cost and thereby reflect additional profit-making possibilities to the individual member's own farm operations.
>
> The heart of this farm cooperative business association is the contract between the member and the association which legally describes methods of operations and legally spells out the fact that any profits made off the individual member's volume of business belongs to that member and not to the association. The tax implication consistently follows the single tax principles involved in partnerships. By law farmers are granted the corporate form as a practical method of administering these partnership contractual relationships.
>
> In light of the foregoing, North Pacific Grain Growers, Inc., recommends that Congress (a) establish clear and concise legislation to once and for all establish the single tax principle for farm cooperatives, and (b) establish concise law to provide that any and all patronage refunds be taxed at face value in the farmers' hands at the date of issue or notification.
>
> Copies of this resolution to be forwarded to all Pacific Northwest Senators and Congressmen, and to all local member organizations.

TOWARD A NEW FARM POLICY

Mr. MORSE. Mr. President, my attention has for some years past been directed toward the need for a new and constructive approach to the solution of our farm problems. Far too often the glib generalization in this area has had currency far beyond what is deserved. Propaganda to the effect that farmers have been hurt by rising industrial wages, for example, has received wide

circulation, although, as shown by the Committee on Economic Progress publication, Toward a New Farm Program, this is an erroneous statement. As I have said before, the prosperity of our Nation depends upon the general welfare of all segments of our population. What is good for the farmer is good for the laboring man, and vice versa.

To document the statement that a farm depression hurts both workers and consumers, I ask unanimous consent that an excerpt from the CED publication, which can be found on page 22 of the booklet, be printed in the RECORD at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

To count the hurtful effects of the farm depression upon others, we must look at our whole economy. During the 6-year period 1953–58, our total economic expansion (averaging only 1.3 percent a year) has been considerably less than a third of the amount needed for full production and full employment. In consequence, our total national production has been more than $150 billion below full production. Man-years of employment opportunity have been about 10 million too low. The average American family, for this 6-year period as a whole, has had about $2,800 less income than it would have had with full prosperity for all.

How have these trends, so damaging to our whole economy, been influenced by the farm depression? All of our economic trouble has come largely from a deficiency in private consumption, which during the 6-year period as a whole has been equal to about 63 percent of the total production deficiency. The farm population, during this period, has averaged only about 12½ percent of our total population. But the deficiency in consumer spending by farm operators' families alone has amounted to about 17 percent of the total deficiency in private consumption.

Farmers are also big spenders for capital goods, even when their incomes are depressed. And it is clear that capital expenditures by farmers would have been much higher if agriculture had enjoyed prosperity. During the 6-year period 1953–58, the deficiency in capital spending by farmers came to almost 28 percent of the deficiency in total private capital spending.

During this period, the deficiency in farm operators' net income has been about 23 percent of the total income deficiency of all American consumers.

In 1958, total true unemployment in the United States was about 3.4 million higher than in 1953. Comparing the same 2 years, farm employment (as measured by the Department of Agriculture) declined by more than 1.3 million. The decline in farm employment thus was a substantial factor in the increase in unemployment throughout the Nation.

Putting all of these facts together, it may be estimated that somewhere between one-fourth and one-third of our gigantic deficiences in total production and employment opportunity, during the past 6 years, have been due to the farm depression.

Mr. MORSE. Mr. President, the converse of this axiom, namely, that deficient incomes of others hurt farmers, is also well stated in an excerpt from the same publication on pages 29 and 33. I ask unanimous consent that these excerpts be included at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The farm depression is due mainly to bad national farm policies. Nonetheless, deficient incomes and consumption in other parts of the economy aggravate the farm depression.

For the 6-year period 1953–58 as a whole, the total personal income of the American people was almost $134 billion below the amount needed for full production and full employment. This resulted in a deficiency of almost $96 billion in total private consumption. And as part of this, American families spend more than $32 billion less for food, clothing, and shoes than they would have spent under full prosperity conditions. Allowing for the spread between what the consumer pays and what the farmer gets, this reduced farm marketings by about $11 billion. It reduced net farm operators' income by about $4.7 billion.

There has been propaganda to the effect that farmers have been hurt by rising industrial wages. Just the opposite is true. Farmers have been hurt by the failure of wages and salaries to expand enough to help maintain full consumption and full prosperity for all. During the 6-year period under review, the deficiency in wages and salaries was almost three-quarters of the total deficiency in consumer income. In 1958, the deficiency in wages and salaries was more than four-fifths of the consumer income deficiency.

This is doubly significant to farmers, because wage earners spend much more of their total income for food than higher income families. Families with incomes under $2,000 spend about 70 percent of their income for food; families between $3,000 and $4,000 spend more than 40 percent; while families above $10,000 spend only about 18 percent.

The wide extent of poverty among nonfarm families has an especially hurtful effect upon food consumption. American multiple-person families with annual incomes below $3,000, and single-person families below $1,000, now number almost 7 million. It is estimated that the annual food expenditures of these families are more than a billion dollars less than the requirements for a moderate satisfactory diet. If these families could afford an adequate diet, it would lift total consumption of various food products in amounts ranging from 1 to 3 percent. This would be more than the surpluses of many of these products. Additional production would be needed.

* * * * *

The farm depression is due largely to falling farm prices. But it is also due to rising industrial prices—the administered prices of the things the farmer buys. In addition, rising consumer prices for food and clothing decrease the real consumption of farm products; they also prejudice the consumer against the farmer. And rising prices for other consumer items cut into the amount which the consumer can spend for food and clothing.

A sound approach to the farm problem requires that we know the causes of this price inflation. Especially, we must understand whether there is a connection between wage trends and price inflation. For the opinion is widespread—though not correct—that rising wages have been responsible for the price inflation so damaging to farmers and others.

In the period leading up to the recent economic recession, administered industrial prices rose rapidly. And the profits earned by great industries which lifted their prices were enormous; their profits rose far more than their prices. Accordingly, this is very clear: Even with the wage increases which actually occurred, these prices could have been held steady—or raised very little—and still yielded fair profits. Looking at administered consumer prices, the situation was much the same.

During this same period leading up to the economic recession, the profits of leading corporations rose very much faster than wage rates. Correspondingly, investment in the means of production outran consumption. The most serious economic recession since World War II resulted. And even after a sharp recession in their own sales commenced, these big industries, instead of reducing prices to expand sales, raised prices still faster. Administered consumer prices also rose rapidly during the recession.

The agitation against wage earners, undertaken by the same forces who have been deflating farm income, seems to be part of an effort to divide farmers and workers. This hurts both groups. It benefits only those between the farmer and the consumer, who buy farm products too cheaply, and who hire labor for less than they should pay.

Of course, those who work for wages in agriculture are paid far less than industrial workers. But the remedy is not to reduce industrial wages; it is to lift farm wages. The very low level of farm wages has a depressive effect upon agricultural life. And if farm wages today are high relative to the farmer's ability to pay, the remedy is to restore farm income.

Mr. MORSE. Mr. President, the solution proposed by the eminent economist Leon H. Keyserling and his associates in the CED pamphlet is one worthy of very careful study by all of us who are concerned with the problem. It is a solution which will not receive a unanimous vote, of this I am sure, but it is a new approach and one which contains the very careful thinking of an expert in this field. I ask unanimous consent that excerpts from the booklet containing the recommendations of Mr. Keyserling be printed in the RECORD at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUMMARY AND THEME: A FULL PROSPERITY BUDGET FOR AGRICULTURE

Our national farm policies have become bankrupt. The urgent task now is to commence their liquidation. This action should not be negative. It should take the positive form of an entirely new national farm program.

The new need is to restore moral justice and economic soundness to agriculture. In addition, the prolonged farm income depression is hurting our entire economy sorely. The slow erosion of our farm plant jeopardizes our future food and fiber needs. The mounting farm surpluses and their public cost are but one vivid aspect of failure throughout our whole economy to translate our tremendous technological progress into wise utilization for the benefit of all. Today, in other key sectors of our economy, surpluses of productive power over use—represented by idle men and plants—are much bigger than the farm surpluses. While we need constant shifts in the composition of production and employment, the total adjustments must result in full production and full employment for the whole economy.

The new farm program proposed in this study is geared to these broader objectives. It urges a short-range and long-range full prosperity budget for agriculture. This involves coordinated goals for: Expanded domestic and overseas consumption of American farm products, farm production and employment adjusted to consumption, and farm purchasing power rising toward income

parity with others. It would seek to achieve these farm objectives consistently with maximum production, employment, and purchasing power for the economy as a whole. It would thus, for the first time, apply to agriculture the purposes and approaches of the Employment Act of 1946.

THE THREE MAIN ASPECTS OF THE FARM FIASCO

First and foremost, since World War II—and mostly after 1951—there has been a vast deflation of farm income. Since 1947, the farmer's income from all sources has been pushed downward 23 percent in real terms, while incomes of the nonfarm population have moved upward 48 percent in real terms. After a brief upward flurry in 1958, farm incomes and prices are again moving downward. Our farm families now have only about 50 percent of income parity with other groups. Morally, in a great Nation capable of economic justice for all, this is unconscionable.

Second, the farm plant is being eroded by this income deflation. Farm families—the vital human element in agriculture—are being driven off the land, without opportunity for full employment at good incomes elsewhere. The "factory in the field" is supplanting the family type farm. And this change, instead of lifting farm living standards, is accentuating the impoverishment of farm families. The land care and machinery needed to conserve and prepare agriculture for the growing needs of a growing population are being neglected. To achieve good diets for all American families, and to add fairly to the food and fiber supply of the free world, would require nearly one-fourth more U.S. farm production by 1964 than in 1957.

Third, the accumulated farm surpluses, and the public costs of an irrational farm program, are mounting by leaps and bounds. Since the middle of 1952, accumulated wheat stocks have become 6 times as large, and cotton stocks have risen from approximately zero to about 1 million bales. The Government investment in farm surpluses is now about 5 times (in constant dollars about 4 times) as high as it was in mid-1952, and the funds in the Federal budget devoted to agriculture are now more than 6 times (in constant dollars about 5 times) as high as in fiscal 1952. The net losses to the Government on the farm program, during the past 5 years, have averaged almost 5½ times as high annually as during the preceding 7-year period.

These farm surpluses and public costs would be undesirable but not intolerable, if they represented programs contributing to the prosperity of more than 20 million farm people and to general prosperity. But these surpluses and public costs are intolerable, when they have resulted from the same national farm policies which have thrown farm families into an enduring depression and hurt the whole economy.

INJURY TO OUR WHOLE ECONOMY AND WORLD POSITION

Viewing our economy as a whole, the failure since the end of the Korean war to translate our rapidly advancing technology into full use has cost the Nation idleness of plant and manpower representing more than $150 billion worth of lost production, and about 10 million man-years of unemployment in excess of minimum levels. It appears that somewhere between one-third and one-fourth of our total slack in production, during the past 6 years, stems directly from deficiencies in farm income and purchasing power. In recent years, the decline in farm employment has contributed very substantially to the rise in unemployment in the United States. The notion that our economy in general can be sufficiently prosperous, despite agriculture in distress, is therefore a myth.

On a worldwide scale, so-called overproduction of food in the United States, while literal starvation confronts more than half the world, weakens the humanitarian underpinning of our international policies. We offer to the rest of mankind the spectacle of a Nation which seems not to care sufficiently about others, or which is unable to marshal the brains or the will to meet the challenge of abundance. This travesty is heightened when millions of American families suffer malnutrition.

The farm depression and its manifold consequences are too serious for political recrimination or maneuvering. There is no room for pride in past programs, and no room for passing the buck with respect to current programs. In the final analysis, the farm problem is merely a prime example of our overall failure to achieve the full prosperity and abundance for all which our burgeoning technology makes not only desirable but mandatory. Therefore, a complete reconstruction of the national farm program could well be the first step in a great reappraisal of our total economic performance as a Nation. Especially since sputnik, we have talked much about this great reappraisal, but done little to get it started.

THE FATAL FLAW IN THE FARM PROGRAM

The overwhelming flaw in our recent approaches to the farm problem can be stated simply. The prevalent theory has been that organized protection of farm prices or income was the reason why farmers were producing too much; that this overproduction was depressing farm prices and incomes despite this expensive protection, and that systematic and continuous removal of this farm price or income protection would lead 5 million uncoordinated farmers—guided by free market prices without other regulation of production—to a neat adjustment of supply to demand. And this adjustment, according to the theory, would soon make agriculture prosperous and everybody else happy. In short, the effort has been to solve the farm problem by a steadfast backward movement toward letting farmers get whatever prices and incomes they could while producing whatever they would.

To put this in another way, we have sought to solve the farm problem by asking agriculture to return to the laissez faire economics of the 19th or early 20th centuries. This is an approach which all the rest of our economy—and all the rest of the thinking world—has abandoned since the great depression of the 1930's, and abandoned still further in the face of the great problems of today. In our economic life and national policies generally, we have—while maintaining the essential initiative and freedom of our enterprise system—substituted conscious organized efforts for laissez faire. In many major sectors of our economy except agriculture, production is regularized or rationalized, and prices and other incomes are deliberately fixed or administered. Usually this is done through private action, where the particular group concerned is able to take such action. Frequently it is done through public action, or a mixture of private and public action.

These profound changes have not been without some defects. Certainly, the power of huge industries to administer prices needs to be tempered by much more private restraint and public scrutiny. Nonetheless, the substitution of order for chaos has brought great improvements in our economic structure during the past quarter century, and nobody now wants to cancel out these gains. These changes have liberated the American economy in general from the periodic ravages of depression. Under these circumstances, to thrust agriculture backward toward a complete laissez faire position which has not worked, while others are moving forward toward purposeful coordination, condemns agriculture by decree of national policy to an exploited position in American life. The farmer is being forced to sell for whatever he can get, and to buy for what others ask.

To be sure, national farm policy still intervenes with a series of disconnected, inconsistent, and improvised measures. But these combinations of one step forward and two steps backward are no substitute for a deliberative, consistent, and purposeful national farm program. The results thus far are dismal.

The recent decision of corngrowers to accept less price protection in exchange for less production restraint is likely to have further unfortunate results. At best, this decision represented a choice between highly undesirable alternatives, forced upon farmers by a rigid and relentless national farm policy. If we can learn even an iota from experience, we must know by now that the so-called freedom for agriculture now espoused by the Department of Agriculture means more farm income depression, more surpluses, and more public costs.

THE EMPLOYMENT ACT OF 1946 SHOULD BE APPLIED TO AGRICULTURE

The new approach to the farm problem herein proposed is that agriculture, instead of being dispossessed from our general economy, should be incorporated into the mainstream of our general economic efforts. The farm sector of our economy should be brought under the influence of the same philosophy and practices which have been helpful to many other sectors.

Toward this end, the Employment Act of 1946 should now be applied in a practical way to the farm problem. This act calls for the periodic establishment of goals for maximum employment, production, and purchasing power, and for an integrated set of private and public economic policies directed toward the achievement of these goals. The Employment Act is not now being sufficiently used. But its utility and soundness are now without serious challenge.

A FULL PROSPERITY BUDGET FOR AGRICULTURE

Specifically, the application of the Employment Act to agriculture would mean this: The President, with the aid of the appropriate executive departments, would be required to submit to the Congress at least once a year a full prosperity budget for agriculture. This would contain short-range and long-range goals for expansion of the consumption of farm products, taking into account both our growing domestic needs and our fair world responsibilities. It would equate these consumption goals with goals for the short-run and long-run readjustment of farm production and farm plant, taking account also of new farm technology. It would favor the family type farm, as an economically efficient and socially desirable unit of production. It would facilitate the movement of some farmers to full employment at full pay in other parts of the economy. It would employ credit tools, income protection tools, and other inducements, toward the achievement of all these adjustments through the voluntary cooperation of farmers.

And of highest priority, it would embody income goals for farm families, designed to reward appropriate production adjustments with a level of farm income and living standards moving gradually toward parity with that of other Americans. The public costs of the new farm program, which would form a part of this prosperity budget for agriculture, would be rationalized and reduced, because the public costs of a bad farm program have already been proved far higher than were these costs under a better though insufficiently good farm program.

And finally, through this operation under the Employment Act, full prosperity for

agriculture would be meshed with full prosperity goals for the whole American economy. This would help to maintain better balance between the agricultural and the industrial sectors, not only with respect to production, but also with respect to employment and incomes. In view of the very rapid pace of agricultural technology, even fully expanded consumption may not forestall some further contraction of acreage and total farm employment. But we must make sure that any transition is sensible rather than brutal; and that those moving from agriculture are absorbed by full employment and maximum growth for the economy as a whole.

This step forward would not be a panacea. But it would, for the first time in a long time, bring reason into the whole farm program. By outlining clearly where we wanted to go, it would provide a continuing inventory of the merits or defects of specific and detailed farm policies and programs. By incorporating justice into its income objectives, it would promote the voluntary cooperation of farmers toward the regulation and rationalization of production. This end has not been, and never can be, achieved through the harsh deflation of farm income. And it would bring to the farm program the essential support of other groups, by developing a farm program good for everybody because it would be good for agriculture, and good for agriculture because it would be good for everybody.

THE NEEDED PRIORITIES OF ACTION

This fundamentally new approach should precede continuance of debate on the details of price support formulas, production payments, and production adjustments. For this kind of debate, without the needed reorientation, has long been flying in the dark. It has resulted in one crashlanding after another.

The argument that this new approach would substitute a managed agriculture for a free agriculture has no more merit than the same argument when raised unsuccessfully against vast improvements in other sectors of our economy. The new approach would merely substitute a voluntary but intelligently coordinated farm effort for a hodgepodge of errors, a prosperous agriculture for a depressed agriculture. It would make full use of our abundant capabilities for the benefit of people, and move forthrightly against the dire economic threat to our enterprise system which our current failure to deal with the farm problem thrusts upon our whole economy.

This study has been directed by Leon H. Keyserling, with the assistance of Mary Dublin Keyserling and Philip M. Ritz.

NEW PROGRAM: A FULL PROSPERITY BUDGET FOR AGRICULTURE

THREE BASIC ELEMENTS IN A NEW FARM PROGRAM

A new national farm program must provide workable short-range and long-range answers to three basic questions: First, how much consumption of foods and fibers do we need and want for domestic and international use, consistent with our other needs and wants in a fully expanding economy? Second, what kind of farm plant—including human and other resources—will produce amply but not excessively to meet these consumption requirements, with a reasonable margin of safety? Third, and of transcendent importance, what kind of farm family income will conserve and improve this productive plant, and provide farm families with incomes and living standards moving gradually toward parity with others?

Not even the shadow of such a national farm program now exists. There are hardly any long-range goals or efforts toward adequate expansion of consumption. The farm productive plant is being eroded by farm income deflation, and further distorted by accidental events and by hit-or-miss random efforts. And the only goal for farm income, judged by results, is deflation.

These three evils interact. They require a unified remedy. The task is to substitute a good long-range national farm policy for a medley of disjointed efforts which are no unified policy at all.

WE SHOULD APPLY THE "FULL EMPLOYMENT LAW" TO AGRICULTURE

More than 12 years ago, in the Employment Act of 1946, the Nation embarked upon a policy of historic significance. This act required the President to set forth in his annual economic reports to the Congress a unified overall economic program. The three prime objectives were defined as maximum levels of production, employment, and purchasing power. The Congress was then to evaluate this program, adjust it, and enact legislation to carry it out. Many aspects of this program need to be cast in a long-range perspective to be meaningful. The purposes of the Employment Act are now being honored by the executive branch mostly in the breach, but this problem is not within the scope of this study.

The Employment Act could be applied most usefully at once to the farm problem. It is suggested that the Employment Act of 1946 be amended, to require that the President send annually to the Congress a short-range and especially a long-range full prosperity budget for agriculture. This would set forth domestic consumption goals and export goals for farm products, and needed levels of production to achieve these goals; needed levels of employment, meaning the farm plant—human and otherwise—best suited to square with this volume of production; and needed levels of purchasing power. meaning goals toward the gradual attainment by farmers of income parity with the nonfarm population.

This could bring order out of chaos in national farm policies. And by relating these policies to the Employment Act, it would mesh farm prosperity objectives with full prosperity objectives for all.

MODEL PROSPERITY BUDGET: PRODUCTION AND CONSUMPTION

Compared with 1957, we have the resources to increase our total national production by about $70 billion by 1960, and by more than $180 billion by 1964. Employment should rise by almost 4 million by 1960, and by more than 8½ million by 1964. Average family income should be almost $2,000 higher by 1964.

Per capita consumption of farm products has not grown appreciably during recent years. But this is because the very large number of low-income families (who would spend much more for food if their incomes were much higher) has not been reduced substantially under conditions of low economic growth and high economic slack. Sustained full employment and maximum economic growth would in itself speed the reduction of poverty. In addition, programs for improved income distribution (such as improved minimum wages and social security payments) are essential for full employment and maximum economic growth. There should also be special programs of food distribution to the needy.

In a full economy, per capita meat consumption by 1964 could be more than 12 percent higher than in 1957; consumption of dairy products and fruits and vegetables more than 9 percent higher; of cotton, almost 10 percent higher; and of tobacco, more than 8 percent higher. Allowing for population growth, consumption gains would be even greater.

Internationally, in the original Federal budget for fiscal 1959, outlays for economic and technical development overseas were projected at less than $1 billion. Nothing is more important to the cause of freedom and permanent peace than that we lift these outlays greatly at once, and to an annual level of about $2½ billion by 1964. This would help to reach an overall level of farm exports about one-third higher than recent levels by 1964. We should work more effectively with international food organizations. And our long-range program for the international flow of farm products should be an essential part of a full prosperity budget for agriculture.

Taking into account domestic consumption and exports, total production and use of American farm products should rise by almost one-fourth by 1964. By then, compared with 1957, meat and poultry production and use should increase by more than one-fourth; eggs and dairy products, and fruits and vegetables, should move upward by more than one-fifth. With adequate exports, wheat use can be lifted by almost 20 percent; cotton by almost 30 percent; and tobacco by more than 18 percent.

MODEL PROSPERITY BUDGET: THE FARM PLANT

Due to upward trends in farm productivity and yields, the size of the farm productive plant cannot be expected to grow in proportion to the vast increases in production and consumption. With rare exceptions, notably vegetables and fruits, existing or even reduced acreages and other units of production will be ample. The guidelines of the Prosperity Budget can help to keep these plant adjustments in line with production and consumption goals. This would avoid surpluses of the size resulting from an erratic farm program.

The prosperity budget does not imply compulsion. Farmers who have tried to cooperate in hit-or-miss production adjustments, accompanied by income deflation, will certainly cooperate voluntarily in rational production adjustments, induced by fair income treatment.

National farm policies should also be used to reverse the trend toward excessive concentration of holdings. This can be helped by limiting the size of farms receiving assistance, or the amount of assistance to any one farm—or by both. There can be no defense of public payments of $100,000 or more to individual farmers. There should be a ceiling on payments, designed to extend justice to farmers and not to enrich anyone. Farm policies should protect and augment the family type farm. In 1958, it is estimated that the family type farms numbered about 41 percent of all farms, and accounted for about 58 percent of all sales of farm products. The 1964 goal should point toward family type farms accounting for close to two-thirds of all farms, and an even larger percentage of total sales.

The number of farms too small in size or too frail in resources to offer anything but eternal poverty to their occupants should be sharply reduced. Some can be lifted to thriving family type farms. And an overall full prosperity program would help some families to move from farm poverty to an American living standard elsewhere.

FARM CREDIT AS A TOOL

Farm credit should be amplified at lower costs. The volume and types of public farm credit should be part of the full prosperity budget for agriculture and be geared to production, plant, and income goals.

MODEL PROSPERITY BUDGET: FARM INCOME

By 1960, compared with 1957, net farm operators' income should be lifted by almost $5 billion, and by 1964 by almost $11½ billion. Farm income from all sources should be lifted by more than $6 billion and more than $14 billion, respectively. Allowing for some reduction in the farm population, per capita farm income should rise even more rapidly. Even these goals would bring the farm population by 1964 only to 80–85 percent of income parity, on a per capita basis, with the nonfarm population. And with a farm program which improved rather than worsened the distribution of income, the great majority of farm families who now live in poverty could by 1964 have annual incomes in excess of $4,000.

PRICE SUPPORTS, PRODUCTION PAYMENTS, AND OTHER INCOME MEASURES

In some cases where price support programs will remain desirable, price levels should be related to income goals. Otherwise, the parity price concept is misleading. Even when the farmer got 100 percent price parity a few years ago, he was getting about 50 percent of income parity.

In other cases, production payments or other forms of direct income supplementation should be used, sometimes in combination with price supports, and sometimes while letting prices find their own level. There are cases where this would reduce the public costs of fair farm income protection, and also result in lower prices to consumers. Further, the problem of expanding our farm exports calls for variety in the methods used to improve farm income.

But it would be erroneous and costly, at this stage, to get bogged down again in conventional formulas for protecting farm income. This approach has not yielded good results because there have been no adequate perspectives to guide it. The first vital step is the full prosperity budget for agriculture. Then, for the first time in a long time, we shall know where we want to go, and be able to get there.

THE PROSPERITY BUDGET AND PUBLIC COSTS

To commence a new farm program solely with an effort to reduce public costs would put the cart before the horse. The current farm program started this way; and costs have nonetheless soared because the farm program itself has failed. If we balance farm production and consumption, adjust the farm plant accordingly, and rescue both farmers and our whole economy from the tremendous economic burden of a depressed agriculture, the public costs of the farm program will be much lower and will also be worthwhile. In a full prosperity budget for agriculture, we would be able to schedule realistically both costs and benefits, because we would know where we were going.

Mr. MORSE. Mr. President, the subject of our national policy for agriculture, what it is and what it ought to be, should be the concern of every thinking citizen. It is my judgment that Mr. Keyserling and his associates have rendered a true public service in presenting their thinking on this most vital policy area. I hope that it will stir up a great public debate on this issue, for literally, the very existence of our country is dependent in the final analysis upon our continued ability to produce and distribute food and fiber.

In this connection also, Mr. President, I should like to bring to the attention of the Senate the views of a highly respected constituent of mine, Mr. Harley Libby. Mr. Libby has for many years been associated with the Oregon Farmers Union, and he speaks with deep conviction from an intimate informed knowledge of the problems of Oregon agriculture. I ask unanimous consent that a letter from him under date of January 5, 1959, be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OREGON STATE FARMERS UNION,
Salem, Oreg., January 5, 1959.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MORSE: The beginning of 1959 seems a most appropriate time to wish you health and happiness for a constructive new year.

It also seems proper at this date to outline briefly the stand of the Oregon Farmers Union on a few pertinent points of legislation that are quite sure to be considered at this session of the new Congress. You will note that our position will be generally consistent with that expressed on previous occasions.

For example, the farm program:

CONTROLS

We believe some system of production controls to be necessary.

We believe any method of limited production should be determined on a unit basis of pounds, tons, bushels, etc. We have always advocated this plan.

Surely production controls based on our best acres—highly fertilized—have long since demonstrated their failure to cut surpluses.

PRICE SUPPORTS

We believe in a program of realistic price supports spread to cover much more than the six so-called basics, and geared to maintain a supply sufficient to our needs.

Any system of price supports based on less than a fair and equitable price cannot be very real.

DIRECT PAYMENTS

We believe all production payments should be made directly to the farmer who produces the commodity, and not by the way of the processor-jobber trickle-down system.

DEFINITE DOLLAR LIMITATION

Last, but certainly not least, we believe that there should be a definite dollar limit on the amount of production payment that may be earned by any individual producer.

Had this limitation been in effect, it would have effectively prevented some very objectionable features of excessive payments in the past.

Individuals may produce as much as they please, but will have definite dollar limitation on price protection.

May we point out certain freedoms under this plan, and a simplicity of administration.

SOIL BANK

We believe in the principles of the Soil Bank program in that it is more logical and economical to store natural fertility against a time of future need than to trade dollars with a fertilizer company and store surpluses.

COLUMBIA BASIN CORPORATION

We believe in the principles embodied in the Columbia corporation bill.

We feel there would be greater possibilities of securing new and needed multipurpose projects under the system of financing provided in this act.

We are frankly afraid to yield ground on the preference clause, feeling that it offers a protection we dare not lose.

We are necessarily intent on some method by which we may recapture some part of our losses at Hells Canyon.

REA INTEREST RATES

We are against increase in REA interest rates.

We know, and appreciate, the great and long-awaited services brought to rural America by this department. We believe the public interest has been well served and that only the most dire necessity would justify increases.

SURPLUS FOODS

We are for a food stamp plan to be used in the orderly movement of our surpluses to those in need.

SOCIAL SECURITY

We do not favor increased dollar benefits at this date. We would, however, urge the addition of medical care, with perhaps certain limits.

With today's cost of medical care and hospitalization it is not logical to believe that many people on social security income could personally finance any serious illness.

TAXATION ON ABILITY TO PAY

We would reaffirm our position that income should be the basis of taxation.

We are opposed to the proposed increases in Federal gas tax. The levy is now heavy, and new highway projects proceed at a speed that does not promote economy.

Senator MORSE, you well know the economic condition of this Nation's farmer. You will not be misled by the statement that farm income is up.

One needs to remember that the income is being divided between fewer and fewer people. Our diminishing numbers are tragic evidence of the many farm families who have left the land.

The growth of vertical integration and corporation farming points to more and more market monopoly and a further displacement of homes and people.

The Farmers Union has a real concern in what is happening. We believe that the people themselves are the greatest resource of any nation and that they have even increased importance in a democracy.

The task of bountiful production by our Nation's farmers has never been excelled. We take just pride in that record, though we agree that logical controls, though unpopular, are necessary to preserve order.

Any farm program will cost some money, but may we respectfully point out that a maintained and bountiful supply of farm commodities has great value to every individual citizen. Food and clothing are vitally important even to national security, though it is seldom mentioned.

We believe that a sound farm program that insures protection against cold and hunger needs no apology. It can justify its costs.

Our sincere thanks for your good support in the past and our continued hope for your intelligent understanding of our philosophy.

Yours sincerely,

HARLEY LIBBY,
Oregon State Farmers Union.

FOREIGN RELATIONS BRIEFINGS

Mr. WILEY. Mr. President, as my colleagues know, the executive branch arranged for a series of four hearings before the Committee on Foreign Relations at the request of the distinguished committee chairman. More than usual attention was given to providing the committee members with the broad background information about an extraordinarily complex world necessary if they are to perform their functions most intelligently. Entrusted with this task were the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Under Secretary of State for Economic Affairs, and the Director of the Central Intelligence Agency.

Now that these hearings have taken place, I wish to express my gratitude to the Chief Executive and to the gentlemen who came before the committee. It is, of course, only courteous to thank extremely busy men for taking so much time away from their vitally important duties. But more than the motive of courtesy impels me to speak on this subject. Frankly, I thought the briefings comprehensive, generally excellent and most useful.

Much of the information given to the committee was not new or startling. However, it is my impression that we received in goodly measure what we asked for: namely, what our French friends would call a tour of the horizon.

The natural consequence of such briefings is concentration upon what is now going on in the world and where we stand with respect to these events. The representatives of the Executive gave us this appraisal with, in many instances, a praiseworthy degree of frankness.

It is true that the limited time at our disposal did not permit us to explore many issues as fully as we might have wished. I, for one, would welcome more lengthy sessions of this character. But the absence of dessert does not diminish my appreciation for an excellent main course, and I want my appreciation to be recorded.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin has the floor.

FAMINE CONDITIONS IN NORTHEASTERN BRAZIL

Mr. WILEY. Mr. President, a few weeks ago I noticed renewed press reports of famine conditions and unrest in northeastern Brazil. I wondered whether our Government was taking the humanitarian interest in that situation implicit in our claim to be a good neighbor. Therefore, I asked the Department of State to give me what information it could on our attitude and actions with regard to this distressing problem.

First, let me say that our officials concerned with the area responded with praiseworthy speed and frankness in giving me a full report on the issue. Secondly, and most important, I was gratified to learn that our Government had consistently shown its interest and readiness to help alleviate the undoubted suffering in a large region of Brazil.

In summary, the United States since last March has expressed its willingness to provide assistance on, roughly, eight different occasions, and has complied with three of the four official Brazilian requests that were formally made. Since our current Public Law 480 agreement with Brazil was signed on December 31, 1956, among other items some 788,300 tons of wheat, 2,730 tons of lard, and 1,650 tons of butter have been delivered to Brazil against local currency payment.

Mr. President, I believe that the State Department report given me on this subject is most instructive, especially concerning the complexities of administering a program which is of such obvious benefit to the United States and to other countries. I ask unanimous consent that excerpts of the report be printed in the RECORD as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Just behind the coastal plain of the northeastern hump of Brazil lies an area of some 300,000 square miles which is chronically deficient in rainfall and which frequently suffers droughts in varying degrees. An estimated 10 million people live in this region. The permanent nature of the problem in this area may be deduced from the provision made in the Brazilian Constitution of 1946 (art. 198) that the Federal Government and the governments of the states in the area must each spend at least 3 percent of annual tax revenues to combat the effects of the drought and to relieve the afflicted population.

The 1957–58 rainy season (December to March) was shorter than usual, with torrential downpours that broke many storage dams and then ceased abruptly to leave the rapidly drying out earth to parch without relief. In an area normally self-sufficient in food, the livestock suffered from lack of feed and were slaughtered excessively. Entire crops were consumed, leaving little or no seed for replanting. As food supplies ran out, many stricken families left their homesteads in the sparsely settled hinterland and trekked to the coastal cities to seek jobs and food. Supplies were rapidly exhausted and considerable suffering resulted.

When this situation was first reported in the Brazilian press on March 21, 1958, our Embassy in Rio de Janeiro entered into liaison with the Brazilian Government agency immediately concerned with the drought problems. These discussions revealed clearly the confidence of the Brazilian authorities that food supplies on hand and available for movement to the stricken area were adequate. Upon his return to Rio de Janeiro from an inspection trip to the northeast, the Secretary General of the Brazilian Coordinating Council for Food Supplies informed our Embassy on April 7, 1958, that the situation was under control but that a request might soon be made for United States assistance in furnishing additional dried milk.

On April 11, 1958, our Ambassador called on President Juscelino Kubitschek, of Brazil, and discussed the drought situation and possible United States assistance. President Kubitschek said at that time that he was going to visit the northeast and that he might later wish to consult further with the Ambassador with respect to such assistance.

On April 25 a U.S. Air Force C–124 plane flew 19 tons of Brazilian foodstuffs from Rio de Janeiro to the drought area, supplementing similar flights of smaller Brazilian Air Force planes.

Both the United Nations International Children's Emergency Fund (UNICEF) and the National Catholic Welfare Conference (NCWC) have had extensive programs for dried milk distribution in operation in northeastern Brazil for some time. Their stocks on hand were sufficient to cope with the immediate emergency but were rapidly depleted by the abnormally heavy demands arising from the severity of the drought. The UNICEF program was supplemented by a donation of some 1,000 tons of Canadian dried milk.

On April 28, the local representative of the National Catholic Welfare Conference submitted a request to the International Cooperation Administration for 1,000 tons of nonfat dried milk to expand the NCWC program in the drought area. This request was made formal by a Brazilian Foreign Office note delivered to the Embassy in Rio de Janeiro late on May 2. Arrangements were made immediately for shipment of 500 tons of dried milk from New York on May 5 and the remaining 500 tons about a week later, the shipments arriving in Brazil on June 4 and 12, respectively.

Embassy Rio de Janeiro continued to follow closely the drought situation and on May 16, 1958, U.S. Ambassador Briggs wrote to the Brazilian Minister of Foreign Affairs a note which contained the following statement: "I assure you that my Government is ready to consider sympathetically any request that may be made by your Government for appropriate cooperation under the provisions of Public Law 480."

The Brazilian press carried stories on May 31 of the interest expressed by the U.S. Congress (the Cooley committee) in Brazil's drought disaster and called attention to the readiness of the United States to assist. On June 3 our Embassy in Rio de Janeiro reported that the existing Brazilian Government programs were being largely successful in alleviating the situation, and that a request for United States assistance was unlikely at that time.

On June 17 Ambassador Briggs called on the Secretary General of the Brazilian Foreign Office, informed him of direct-assistance requests which the Embassy had received from the Governor of the State of Paraiba and from business groups in the State of Piaui, and reiterated the willingness of the United States to provide foodstuffs if the Brazilian Government so requested. He was informed that the situation was well in hand and improving.

At about this time, however, private business sources informed the agricultural attaché of growing, urgent need for livestock feed in the drought area. This information was passed on to Washington and preparations for an immediate response to any Brazilian request was undertaken.

On July 30 and 31 our Embassy at Rio de Janeiro reported that corn was urgently needed for livestock feed in the drought area and that the Brazilian Government was preparing to request it under title I of Public Law 480. Inasmuch as the legislative authority for the necessary amendment to the existing Public Law 480 agreement with Brazil had expired June 30, 1958, the Embassy was instructed to tell the Brazilian Government that we would be willing to consider the necessary amendment when the required legislative authority was reenacted. After renewal of the Public Law 480 legislative authority on September 6, Embassy Rio de Janeiro was authorized, on September 17, to exchange notes with the Brazilian Foreign Office amending the December 31, 1956, Surplus Agricultural Commodities Agreement to provide for 40,000 metric tons of corn under title I, Public Law 480. When informed, on September 25, of our willingness and ability to go ahead with this sale of 40,000 tons of corn, a Brazilian Foreign Office spokesman indicated that there was now little likelihood of concluding such a transaction because of the time which had elapsed and the availability of corn elsewhere at lower prices.

On October 23 Embassy Rio de Janeiro reported that it had received an informal request for purchase by the Brazilian Government of 20,000 tons of corn and 2,000 tons of butter. The Brazilians were advised that there was no butter available for sale under title I of Public Law 480 at that time but that our corn offer was still open. On October 29 our Embassy delivered a formal note to the Foreign Office informing it that we were prepared to issue a purchase authorization for 40,000 tons of corn if such were desired by the Brazilian Government. On November 22 the Brazilian Government told Embassy Rio de Janeiro that the corn was now urgently needed. Nevertheless, no reply had yet been made by the Brazilian Government to our Embassy's note of October 29, so that the necessary amendment of the 1956 agreement had not been accomplished.

On November 26, 1958, a representative of the Brazilian Embassy in Washington called at the Department of State to discuss his Government's urgent need to obtain 40,000 tons of corn, 40,000 tons of rice and 40,000 tons of beans (of unspecified type), before December 15. Subsequent telephone conversations informed the Brazilian Embassy that no rice was available for title I sales. In lieu thereof, the Brazilian Embassy expressed a desire for 40,000 tons of grain sorghum.

On December 3 the Brazilian Embassy requested that the above-mentioned emergency foodstuffs be furnished immediately, without awaiting settlement of the complex question of the appropriate exchange rate to be applied to current sales of agricultural commodities to Brazil under the 1956 agreement. This request was met and on December 12 the 1956 agreement was amended by an exchange of notes here in Washington to provide for the desired commodities. On

December 18 the purchase authorization for 40,000 tons of corn was issued. The purchase authorization for 40,000 tons of sorghum was issued on January 6. Details of actual purchases by the Brazilian Government under these authorizations, and delivery schedules arranged by them are not yet available. Issuance of a purchase authorization for beans has been delayed awaiting receipt of information from the Brazilian Government as to the type of beans desired and will, of course, depend on the availability of that type.

Meanwhile, in the course of the conversations in Washington regarding the title I sales of beans, corn and sorghum, the U.S. representatives repeatedly pointed out to the Brazilian Embassy officers that a title II, emergency-type program could probably be justified if the Brazilian Government cared to request such assistance. On December 3, 1958, the Brazilian Embassy informed the Department of State that no request for a title II program was being considered by the Brazilian Government. On December 5 at a meeting between Assistant Secretary of State Rubottom and the Brazilian Minister of Finance the possibility of a Public Law 480, title II program to relieve the effects of the drought in Brazil was discussed. The Minister again indicated that the Brazilian Government did not plan to request a title II program.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR FILING AND PRINTING OF AMENDMENTS TO THE HOUSING BILL

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, notwithstanding the adjournment of the Senate today, amendments to the housing bill may be filed today and ordered printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT UNTIL TOMORROW AT 11 A.M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until tomorrow at 11 o'clock a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I now move that the Senate stand adjourned.

The motion was agreed to; and (at 3 o'clock p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Wednesday, February 4, 1959, at 11 o'clock a.m.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 3, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Samuel 12: 24: *Only fear the Lord, and serve Him in truth with all your heart; for consider how great things He hath done for you.*

Almighty and ever-blessed God, whose divine providence supplies all our needs, we thank Thee for Thy continuing care and goodness.

Help us to appreciate the many opportunities we have of daily working with Thee and our fellow men in establishing those eternal verities and virtues which Thou hast ordained for the peace of the world.

May we be eager to join hearts and hands with men of every nation who are striving to lead groping humanity out of darkness and confusion into the light and glory of a better day.

Hear us in the name of the Prince of Peace. Amen.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 2. Concurrent resolution continuing the Joint Committee on Washington Metropolitan Problems; and

S. Con. Res. 5. Concurrent resolution to print additional copies of a committee print entitled "Briefing on the Investment Act."

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

RAILROAD RETIREMENT BENEFITS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the House Committee on Interstate and Foreign Commerce have programed several bills to amend the Railroad Retirement Act of 1937 so as to provide increases in benefits. One of the bills heard before the committee today was H.R. 1273 that I filed on the first day of the session. A similar bill was approved by the committee at the last session but was not considered by the House. I wish to offer my statement before the committee in favor of this legislation:

We are well aware that our common-carrier transportation system and especially the passenger branch of that service, is in serious difficulties.

The Congress knows the importance of the railroads to our people and our economy. I am confident that legislation will be enacted, providing tax relief or subsidies, in order to maintain adequate railroad service.

At the same time, we must show some consideration for the railroad employees who have devoted their lives to this type of work in the expectation of receiving adequate retirement annuities when their working years have ended.

The decline in railroad revenues is no reason for cutting down the original pledge made to the railroad employees. In fact, the rising cost of living is all the more reason why annuities should be increased to compensate for the depreciated retirement dollar.

The purpose of the bills under consideration is to increase all retirement annuities by about 7 percent, and to increase the minimum daily benefit rate paid for unemployment by an average of 20 percent.

We face the fact that this will increase the annual operating costs of the railroad industry by approximately $125 million. With this bill goes the obligation to enact remedial legislation that will enable the railroads to absorb these costs without financial strain. The railroads are essential. So too, are their skilled workers. We cannot very well come to the aid of one, without providing assistance for the other.

The pride of the railroad worker in his special work is an important factor in the operating reliability and safety of our railroads. We cannot afford any decline in his morale occasioned by neglect of the retirement and unemployment compensation programs in which he has had full confidence up to now.

In a changing economy like ours, with its constantly shifting rewards for work done, we sometimes fail to notice the decline in real security and status of those groups that we take for granted. Then, we suddenly realize that adjustments are imperative.

As the report of this committee stated: "The need for increasing retirement and survivor benefits is obvious in the light of the fact that living costs have increased significantly since the last 10-percent increase in benefits was provided in 1956. The 7-percent increase recommended in the bill (H.R. 4353) will undoubtedly help to alleviate the hardships of annuitants and pensioners who are trying to live on a fixed income. The committee feels that the increase proposed in the reported bill is very modest and should be granted. The committee regrets that the present financial condition of the railroad retirement system and the railroad industry does not permit an increase in benefits by a greater amount.

"There was general agreement until recently that the railroad retirement system was virtually without peer among plans of its kind. However, with the passage of the 1950 and later amendments to the Social Security Act, and the gains made in the past several years by employees in many industries through the adoption of private supplemental pension plans, the railroad retirement system has fallen behind. Recognizing this problem, many Members of Congress have introduced bills proposing to improve the benefits under the Railroad Retirement Act."

This was in the report dated August 12, 1958.

On August 28, 1958, Public Law 85-840 was approved, known as the Social Security Amendments of 1958.

These provided for a 7-percent increase in benefits for recipients of old-age, survivors,

and disability insurance. Bigger social security checks went into the mails yesterday to more than 12,500,000 persons, the first to include the increases voted by Congress last year.

So the reasons advanced by the committee in 1958, as to the need for increasing benefits under the Railroad Retirement Act, are even more convincing in February 1959.

REPORT OF CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith the annual report of the United States Civil Service Commission for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 3, 1959.*

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file reports.

The SPEAKER. Is there objection?

There was no objection.

THIRD ANNUAL REPORT OF THE SURGEON GENERAL — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 73)

The SPEAKER laid before the House the following message from the President of the United States; which was read by the Clerk and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered printed:

To the Congress of the United States:

Under the provisions of title VII of the Public Health Service Act, as amended by Public Law 835, 84th Congress, I transmit herewith for the information of the Congress the Third Annual Report of the Surgeon General of the Public Health Service summarizing the activities of the health research facilities program.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 3, 1959.*

REPORT OF THE COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress, I transmit herewith for the information of the Congress the report of the Commodity Credit Corporation for the fiscal year ended June 30, 1958.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 3, 1959.*

FOREMAN REPRESENTATION AT COLLECTIVE BARGAINING AGREEMENTS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DULSKI. Mr. Speaker, because I feel that the foremen in American industry are presently captives in the "no man's land" of collective bargaining in American industry due to definitions and restrictions contained in the Taft-Hartley Act, I have introduced H.R. 1802 which is designed to once more restore to the foremen class of people the status of first-class citizens, or an equal status, with all the rights and privileges of the rank and file worker, with all the protection of the laws of the land, and will be able to take their rightful place at the bargaining table, and have a voice and a vote in affairs affecting their welfare.

In modern industry today, we have strong representation for management at the top level—at the bottom level we have strong representation for the rank and file worker. In the middle, we find a vast number of people called foremen with no representation whatsoever operating in a vacuum as a buffer, and sometimes a whipping boy, between management and union in the economic struggle for survival.

I contend that these people, the foremen of America, have a natural right of association which should not and cannot be taken away from them by administrative definition and interpretation of legal verbiage. I contend that the foremen of America have a natural right to band together to process grievances, protect their job security, safeguard their working conditions, and be human beings—the same as any other group of workers. At the present time, neither the law nor company policy provides proper protection for the foremen class of people, although a foreman in American industry speaks for and acts for management. At the same time, in his personal capacity, he is an employee subject to terms and conditions of employment imposed upon him from above—a matter over which he has no control or no voice.

I find no basis for the argument that foremen, through enjoyment of the benefits and fruits of the collective bargaining process, would impair the effective performance of their duties in behalf of management.

On the claim of divided loyalties, we cannot assume that self-organization for collective bargaining would prove incompatible with the foreman's faithful performance of his duties. Such an assumption has never been proved.

Many foremen groups throughout the Nation have been organized, but not recognized, without detriment to their loyalty or efficiency to management goals.

Management's disciplinary powers are adequate to insure faithful and efficient job performance by all of its employees, regardless of title.

The basic argument of the foremen concerns the denial by their employers of the right to participate in the decisions which affect their welfare as employees.

A foreman does not lose his right to serve himself in matters fixing his own wages, hours, seniority rights, or working conditions because he serves his master in others.

The foreman is caught in the squeeze between a gigantic mechanized system that can turn the human element, including foremen, into robots—unless the fundamental and basic human principles, one of which is the right of association, are completely respected and tolerated.

My bill proposes to free the shackles that bind the foremen of America in managerial bondage and restore to them their natural rights and privileges to which they are entitled as a matter of plain, simple, common justice.

EUROPEAN COMMON MARKET

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, though my voice is as the voice of one crying in the wilderness, I feel impelled to ask the indulgence of my colleagues while I plead briefly the cause of humanity.

Starvation and want stalk the hills and valleys of my native State. While the press, radio, and television are telling the Nation of the wonderful prosperity we are enjoying, they play down or completely ignore facts that clearly show eight of our States are losing population.

My State of West Virginia has the highest percent of its labor force unemployed. It is significant that the States that are losing population are the same States that are suffering from lack of employment.

I submit, Mr. Speaker, that with 8 of the Nation's 49 sovereign States in the throes of a depression, we cannot boast of a stable national economy. With 15.7 percent of its labor force unemployed, my State becomes a liability rather than an asset. They can contribute little toward balancing our national budget at a figure of $77 billion when that amount envisions added revenues based on full employment.

Mining soft coal is my State's leading industry. More than 50 percent of the Nation's annual output is West Virginia production. All of you are aware of the plight of this industry, that 8 years ago supplied jobs for 125,000 miners. Today the State has 41,000 miners employed.

Since this decline in coal has been spread over several years, most unemployment compensation payments have long since become exhausted. Our work-

men roam the Nation looking for jobs, and there are no jobs. Meanwhile their families are objects of charity and are living on meager grants of surplus Government foods.

One large coal mining county in my district had a population of 81,300 in 1950. Today, 26,400 are receiving surplus foods. In thousands of homes the only stable meal is the hot lunch the youngsters get in school. Shoes and clothing are being supplied to schoolchildren by charity donations.

And now, Mr. Speaker, instead of a ray of sunlight to brighten their droll existence, dark and ominous storm clouds hover on the horizon and threaten the jobs of some 7,000 of the 41,000 miners now working.

This latest calamity that threatens us is directly chargeable to the overt and deliberate acts of preceding sessions of the Congress. West Virginia, for the past 3 or 4 years, has shared in an export coal market to west European countries. Exports have averaged from 35 to 40 million tons annually. A major share of these exports were from West Virginia.

Now we are to lose these markets. I would like to read into the RECORD the following telegram from the National Bituminous Coal Operators Association announcing the first great blow that we can expect from the $3 billion of American exports going annually into the common market nations of Western Europe:

Western Germany has announced that effective February 16, 1959, a tax of $4.76 a ton will be levied on coal imported into that country. This tax will adversely affect the already hard-hit coal industry of the United States. We normally export 12 to 16 million tons of coal per year to Germany. The tax will not be levied on coal consumed in the coastal area, but will be applicable on about 10 to 13 million tons of coal exported from the United States. Loss of market due to this unreasonable tax will contribute further to the economic distress and unemployment now prevalent in the coal-producing areas of the United States. Your interest and influence in opposing this move on the part of Germany to tax American coal will be greatly appreciated.

EDWARD G. FOX,
President, Bituminous Coal Operators Association.

Knowing that this will be the death blow to one of the Nation's basic defense industries, I have protested to our State Department in vigorous words this blackmail attempt by one of our so-called friends to force the granting of compensatory duty reduction on other imported articles from the common market nations in return for their admission of American goods into the now closed area.

In an effort to block the German imposition of this heavy import duty, which will tax us out of the German market, I have formally lodged with the State Department this following telegram:

C. DOUGLAS DILLON,

Under Secretary of State for Economic Affairs, Department of State, Washington, D.C.:

On behalf of the State of West Virginia and particularly for our State's soft coal industry, I want to vehemently protest the action taken by the West German Government on January 23, effective February 16, 1959, imposing a $4.76 per ton import duty on soft coal. Action by Germany will exclude minimum of 14 million tons of present soft coal imports from the United States. Sixty percent soft coal production comes from West Virginia. Kentucky, Tennessee, and western Virginia coal fields also affected. Consider this first blow resulting from formation Common Market in Europe. Suggest you read terms General Agreement on Trades and Tariffs at Geneva which forbids formation of bilateral or group agreements by members of the general agreement without the unanimous consent of all nations concerned. Starvation and want stalk the hills and valleys of West Virginia. Loss of 8 to 10 million tons soft coal markets means ultimate destruction of a basic industry absolutely necessary for national defense.

Congressman CLEVELAND M. BAILEY,
Third West Virginia District.

Mr. Speaker, I feel I would be remiss in my duty if I failed, at this time, to discuss what we, here in America, face in the way of competition from the Common Market.

Three thousand miles away, but right in America's commercial backyard, a vast economic upheaval is taking place—the Common Market being formed by six European nations. It will remold Europe's economic life and, ultimately, will mean a multibillion-dollar shakeup in United States-European commercial relations.

On January 1, 1959, France, Germany, Italy, Holland, Belgium, and Luxembourg took the first major steps toward creating their European Economic Community, or European Common Market, as it is more widely known.

Whether these six forms an association with the rest of Western Europe through the British-sponsored free trade area or go it alone, the fact remains that the new year opened an experiment in economic union so bold that it would have been dismissed as visionary only a decade ago.

Even at this point, the six governments' venture, formalized in a treaty signed March 25, 1957, takes a considerable play of imagination to grasp in its entirety.

All tariffs and other trade restrictions on these nations' mutual commerce will be progressively reduced over a 12- to 15-year period until they are finally eliminated.

The six will gradually adopt a single set of tariffs for trade with outside countries and negotiate as a single bloc with other nations.

Through a European social fund and a European investment bank, the six will jointly finance the retraining and adaption of workers hurt in the march toward free trade and back up with loans and guarantees industrial development projects in the Common Market area and in the members' overseas territories.

In short, some 164 million people, long divided by fierce economic and political rivalries, are aiming to create a union whose closest parallel can be found in the union of the United States.

To say that a program of this magnitude and daring—if carried out according to its original terms—will have far-reaching implications both for Eurpoe and the rest of the world would seriously understate the situation.

In fact, it is so big that there are American businessmen dealing with Europe who question whether the six governments will keep to their timetable.

But it would be equally dangerous for U.S. businessmen—even those who do not at present sell goods in Europe—to ignore the Common Market, for there can be no doubt that it will have a profound influence on Europe's commercial relations with the United States.

The clue to what the Common Market means and what its members will or will not do in carrying out their commitments lies less in the day-to-day political events that precipitated its formation than in basic economic trends.

The element of protection comes into the picture because there is a very real danger—almost a certainty—that some U.S. exports will be hurt.

Many American-made goods are already meeting stiff competition as a result of the expansion of European industry.

The freeing of trade within the common market countries (France, Germany, Italy, Holland, Belgium and Luxembourg) is expected to give tremendous impetus to the rationalization of European industry, particularly in those fields where national barriers have impeded the growth of mass production.

This will mean even greater competition for many of the products that enter into the average $2,700 million annual flow of U.S. goods to the six countries.

Of more immediate importance than this long-term trend is the tariff discrimination United States and other nonmember countries will have to contend with.

On January 1 the six governments began their 12-to-15-year program of tariff adjustments. Tariffs are to be cut 10 percent for their mutual trade. Import quotas are to be increased by 20 percent, or more, if they do not come up to an amount equal to 3 percent of the national production of the specific product by the importing country.

Bilateral quotas—quantities fixed for importation from any other individual member of the Common Market—will be combined into one quota covering all of the six governments.

This process will continue until goods produced in any one of the six will be able to move into all of the others without tariffs or quota restrictions. The last possible date for the attainment of this goal, under the treaty, is 1973.

West Germany's action calls for an immediate showdown on the whole international trade program. I see in it the forerunner of whatever other arbitrary steps the European community of nations may decide to take in order to keep out our products. The executive department of this country has been sold a bill of goods that demands full access to our own markets, presumably in return for minor concessions abroad. As West Germany has demonstrated for the whole world to see, even those minor concessions are repudiated at the convenience of the country with which we are dealing.

Here is the picture: When West Germany faced a severe fuel shortage, the

American coal producers responded without hesitation. From 1954 to 1957 our shipments to that country rose from 1.4 to 15.5 million tons. In the calendar year 1958, the figure was slightly more than 10 million tons, a decline resulting from two primary factors: One, heavy fuel oil moving into Western Europe; and two, a slowdown in industrial activity similar to the general business decline in this country.

American coal shippers took this loss philosophically. All they have asked is an opportunity to compete on an equitable basis. They have been able to put the coal into European ports at prices below those charged by producers on the continent, and the least that they would expect under the so-called reciprocal trade agreements program is an opportunity to hold on to these markets through fair competitive practices. They also expect contracts to be honored. The Bonn action would reportedly shut out about 9 million tons of American coal this year. It would bring additional economic havoc into West Virginia, which is the Nation's greatest coal producer and exporter. Everyone knows how our State has already suffered from the impact of foreign trade policies that permit alien oil to enter our east coast at the expense of the coal industry.

Last year residual oil imports amounted to 170 million barrels—equivalent in energy value to 41 million tons of bituminous coal. For the first 16 days of 1959 this heavy fuel oil from foreign refineries poured into our coastal markets at the rate of 803,900 barrels per day.

Mr. Speaker, if this rate were to continue throughout the current year—and the executive department has thus far taken no definitive action to put a stop to this deluge—the annual influx would amount to 293 million barrels. What is happening is that the coal industry in West Virginia and other producing States is being throttled by a noose in the hands of a gang of international diplomats. Our State Department policymakers go into a calypso every time they hear the beat of a Creole Petroleum oil drum.

I was a member of the subcommittee that held hearings on this problem back a number of years ago and, if you will examine those reports, you will find it difficult to distinguish between the expressed trade theory of the State Department representatives and the executive of the international oil companies.

Now we are not only being subjected to an extended assault on our markets by foreign oil; the export market which we have won through our ability to produce so efficiently is being closed to us. You have heard about the little Nash Rambler that overtakes the Cadillac. What is actually happening is that the little Volkswagen and stables of other pony automobiles are passing American cars in sales in Europe. The American automobile manufacturers not long ago were one of the most vociferous advocates of free trade, but I have noticed that recently there has been a resounding silence out of Detroit on this subject. Of course, some of our manufacturers have set up plants in other countries so that they might take advantage of the cheap labor and supplies, then ship the product to American dealers under our generous tariff program. The result is that American workers in auto manufacturing areas do not get as much work time per year as they would if this Government used the same sort of a protective device that is utilized elsewhere in the world. If a tariff equivalent to the one announced by West Germany on American coal were imposed upon foreign cars, you would hear our friends in Bonn and elsewhere screaming to high heaven. In all probability the State Department would follow the same line, in keeping with its policy of worrying about diplomacy to the exclusion of any concern about the American worker. The automobile worker himself is not the only one who suffers when foreign cars glut our markets. The coal miner who provides an important ingredient of the steel which goes into the automobiles also loses. The railroader who moves coal to steel mills and automobile plants takes it on the chin. The American glassmaker is hurt, as are chemical manufacturers who produce plastics, parts manufacturers, and makers of electrical equipment.

How the American Government becomes involved in policies that open our markets to the products of cheap foreign labor while permitting other countries to bar exports from our shores is difficult to comprehend. We have been giving billions of dollars around the world for more than 10 years, yet at the same time the American taxpayer who makes these donations possible is forced to stand by and see his job taken away from him under the guise of reciprocal trade. I call on my colleagues in Congress to take cognizance of the inconsistencies in our trade program.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PORTER and to include extraneous matter.

Mrs. ROGERS of Massachusetts to revise and extend her remarks and include two amendments on the GI housing bill.

Mr. BRAY.

Mr. KEOGH.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 7 minutes p.m.) the House adjourned until tomorrow, February 4, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

490. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report on the operations of Bureau of the Budget Circular No. A–45 upon departments, agencies, and corporations of the Government, pursuant to the General Government Matters Appropriation Act, 1959; to the Committee on Appropriations.

491. A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking"; to the Committee on Banking and Currency.

492. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to add certain public lands in California to the Pala Indian Reservation, the Pauma Indian Reservation, and the Cleveland National Forest, and for other purposes"; to the Committee on Interior and Insular Affairs.

493. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States"; to the Committee on the Judiciary.

494. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend section 3731 of title 18 of the United States Code relating to appeals by the United States"; to the Committee on the Judiciary.

495. A letter from the Chairman, Civil Aeronautics Board, transmitting a report covering supergrade positions provided for by Public Laws 85–469 and 85–726, pursuant to Public Law 84–854; to the Committee on Post Office and Civil Service.

496. A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation entitled "A bill to clarify and make uniform certain provisions of the law relating to special postage rates for educational, cultural, and library materials, and for other purposes"; to the Committee on Post Office and Civil Service.

497. A letter from the Acting Chairman, National Capital Planning Commission, transmitting a draft of proposed legislation entitled "A bill to authorize acquisition by the Administrator of General Services of certain land and improvements thereon located (1) within the area bounded by Constitution Avenue on the north, the Anacostia River on the east, Independence Avenue on the south, and Second Street SE. and NE. on the west, and (2) within the contiguous area bounded by C Street NE. on the north, 21st Street NE. on the east, Constitution Avenue on the south, and North Carolina Avenue on the west, all within the District of Columbia, and for other purposes"; to the Committee on Public Works.

498. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated December 9, 1958, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Pine Orchard Harbor, Branford, Conn., authorized by the River and Harbor Act approved July 24, 1946; to the Committee on Public Works.

499. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order granting the application for permanent residence filed by Kong Foon, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

500. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation and a list of persons involved, covering certain aliens,

pursuant to Public Law 863, approved July 1, 1948; to the Committee on the Judiciary.

501. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Narciso Fucak, pursuant to section 244(a)(1) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1254(a)(1)); to the Committee on the Judiciary.

502. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation and a list of persons involved, covering certain aliens, pursuant to section 244(a)(5) of the Immigration and Nationality Act of 1952 (8 U.S.C. 1254(a)(5)); to the Committee on the Judiciary.

503. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by certain aliens, pursuant to section 6 of the Refugee Relief Act of 1953; to the Committee on the Judiciary.

504. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting a report to the Congress of the Director of the Office of Civil and Defense Mobilization on the administration of section 8 of the Trade Agreements Extension Act of 1958 pursuant to the Trade Agreements Extension Act of 1958; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THORNBERRY: Committee on Rules. House Resolution 147. Resolution authorizing the Committee on Education and Labor to conduct certain studies and investigations coming within its jurisdiction; without amendment (Rept. No. 28). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 153. Resolution for consideration of H.R. 2260, a bill to extend until July 1, 1963, the induction provisions of the Universal Military Training and Service Act; the provisions of the act of August 3, 1950, suspending personnel strengths of the Armed Forces; and the Dependents Assistance Act of 1950; without amendment (Rept. No. 29). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 154. Resolution for consideration of H.R. 2256, a bill to amend chapter 37 of title 38, United State Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes; without amendment (Rept. No. 30). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 51. Resolution creating a select committee to conduct a study and investigation of the problems of small business; with amendment (Rept. No. 31). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 3963. A bill to amend the Railroad Retirement Act of 1937, as amended, so as to eliminate certain deductions from a spouse's annuity; to the Committee on Interstate and Foreign Commerce.

H.R. 3964. A bill to amend the Railroad Retirement Act of 1937 to provide that the entitlement of a widow, widower, or parent to a survivor annuity may in certain cases be retained or regained after his or her remarriage; to the Committee on Interstate and Foreign Commerce.

By Mr. ASPINALL (by request):

H.R. 3965. A bill to amend section 30(a) of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C., sec. 187a), to prevent the undesirable division of oil and gas leaseholds; to the Committee on Interior and Insular Affairs.

By Mr. CARNAHAN:

H.R. 3966. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. CUNNINGHAM:

H.R. 3967. A bill to amend sections 1461, 1462, 1463, and 1465 of title 18 of the United States Code to provide mandatory prison sentences in certain cases for mailing, importing, or transporting obscene material; to the Committee on the Judiciary.

By Mr. GRAY:

H.R. 3968. A bill to amend sections 536 and 537 of title 38, United States Code, to provide for payment of pension to the widows and children of veterans of the Spanish-American War who served for 70 days or more; to the Committee on Veterans' Affairs.

H.R. 3969. A bill to authorize the Secretary of Agriculture to develop a recreation area in connection with the Shawnee National Forest in Pope County, Ill., and for other purposes; to the Committee on Agriculture.

By Mrs. GREEN of Oregon:

H.R. 3970. A bill to authorize Federal assistance to the States and local communities in financing an expanded program of school construction so as to eliminate the national shortage of classrooms; to the Committee on Banking and Currency.

By Mr. JONES of Alabama:

H.R. 3971. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for lease and transfer of upland cotton acreage allotments and to preserve cotton acreage history; to the Committee on Agriculture.

By Mr. JOHNSON of California:

H.R. 3972. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KARSTEN:

H.R. 3973. A bill to exclude from taxable income taxes imposed upon employees under the social security, railroad retirement, and civil service retirement systems; to the Committee on Ways and Means.

H.R. 3974. A bill to provide for the extension of certain special provisions relating to State plans for aid to the blind; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 3975. A bill to amend chapters 2, 3, 4, 5, 6, and 8 of the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. McGOVERN:

H.R. 3976. A bill to authorize the Secretary of Agriculture to make long-term contracts for the disposal of surplus agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. McINTIRE:

H.R. 3977. A bill to authorize certain improvement of the Southwest Harbor, Maine; to the Committee on Public Works.

H.R. 3978. A bill to authorize certain improvement of the Stonington Harbor, Maine; to the Committee on Public Works.

By Mr. MATTHEWS:

H.R. 3979. A bill to amend the Federal Employees Salary Increase Act of 1958 to authorize the granting of certain salary increases to employees of the agricultural stabilization and conservation county committees; to the Committee on Post Office and Civil Service.

By Mr. NIX:

H.R. 3980. A bill to amend title IV of the Housing Act of 1950 (college housing) to authorize loans to educational institutions for the construction, rehabilitation, alteration, conversion, and improvement of classroom buildings and other academic facilities; to the Committee on Banking and Currency.

H.R. 3981. A bill relating to the foreclosure of FHA-insured mortgages; to the Committee on Banking and Currency.

H.R. 3982. A bill to amend and extend the laws relating to the renewal of urban communities, and for other purposes; to the Committee on Banking and Currency.

By Mr. OSMERS:

H.R. 3983. A bill to repeal certain excise taxes; to the Committee on Ways and Means.

By Mr. PRICE:

H.R. 3984. A bill to provide for the conveyance of certain lands known as the Des Plaines Public Hunting and Refuge Area to the State of Illinois; to the Committee on Armed Services.

By Mr. SIMPSON of Pennsylvania:

H.R. 3985. A bill to amend the Internal Revenue Code of 1954 to provide a special method of taxation for real estate investment trusts; to the Committee on Ways and Means.

By Mr. WITHROW:

H.R. 3986. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. McGOVERN:

H.J. Res. 211. Joint resolution to establish in the Department of Health, Education, and Welfare the National Advisory Council for International Medical Research, and to establish in the Public Health Service the National Institute for International Medical Research, in order to help mobilize the efforts of medical scientists, research workers, technologists, teachers, and members of the health professions generally, in the United States and abroad, for assault upon disease, disability, and the impairments of man, and for the improvement of the health of man through international cooperation in research, research training, and research planning; to the Committee on Interstate and Foreign Commerce.

By Mr. MATTHEWS:

H.J. Res. 212. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H. Con. Res. 75. Concurrent resolution authorizing the printing of additional copies of committee print entitled "Title 38, United States Code, Veterans' Benefits"; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: A memorial of the Legislature of the State of Georgia memorializing the President and the Congress of the United States to call a convention for the purpose of proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

Also, a memorial of the Legislature of the State of South Carolina memorializing the

President and the Congress of the United States to enact and declare the jurisdiction of the several States, and the jurisdiction of regions compacted of the several States, in the discovery, research, and development of atomic and nuclear energy for peaceful purposes in the United States; to the Joint Committee on Atomic Energy.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 3987. A bill for the relief of Maria Swiatek; to the Committee on the Judiciary.

By Mr. CUNNINGHAM:

H.R. 3988. A bill for the relief of Panagiotis Kamboukos (Kazantzas); to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:

H.R. 3989. A bill for the relief of Athena Nicholas Euteriadou; to the Committee on the Judiciary.

By Mr. DANIELS:

H.R. 3990. A bill for the relief of Jure Ruscic; to the Committee on the Judiciary.

By Mr. GRAY:

H.R. 3991. A bill for the relief of Harold N. Ward; to the Committee on Veterans' Affairs.

By Mr. McINTIRE:

H.R. 3992. A bill to authorize and direct the Secretary of the Treasury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges; to the Committee on Merchant Marine and Fisheries.

H.R. 3993. A bill to authorize and direct the Secretary of the Treasury to cause the vessel *Fundy II*, owned by Stanley E. Dodge, of Stonington, Maine, to be documented as a vessel of the United States with full coastwise privileges; to the Committee on Merchant Marine and Fisheries.

By Mr. WESTLAND:

H.R. 3994. A bill for the relief of Mr. and Mrs. Fred Fletcher; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Health Insurance for Senior Citizens

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1959

Mr. KEOGH. Mr. Speaker, the welfare of our senior citizens has been, as it should be, a matter of growing concern in recent years, as their numbers have continued to mount in proportion to the population.

The maintenance of an adequate standard of living for senior people and of adequate housing and improved health and medical care facilities for this segment of our population, have been a matter of great concern to government, labor, and industry. Over the past 25 years each has done much to help in these worthwhile objectives.

As a member of the Ways and Means Committee and of the House, I have long taken an interest in social security and other legislative proposals to provide more and deserved comfort and security for people in the later years of their lives. Industry and labor have worked together in the development of improved pension and retirement plans. For some years I have sponsored a bill to extend to the self-employed the same tax-deferrable privileges enjoyed by approved and qualified employee pension plans. I have hopes that that bill, which last year passed the House by an overwhelming voice vote, will be enacted this session or, at the latest, during this Congress.

Unfortunately, progress assuring the 65-plus group adequate means with which to meet the burden of higher costs for medical care has not kept stride with other social welfare advances. Those over 65, generally, have been unable to obtain health insurance coverage.

There are now about 15 million people of age 65, or more, in the United States—about 8.6 percent of the total population—and only about 6 million of these have hospital-surgical coverage. This coverage for the most part is under plans which they paid for prior to age 65 and which plans have advanced to permit retention of coverage after age 65.

It is, therefore, very encouraging to many to note the intensified efforts on the part of the insurance industry and the medical profession to solve this problem and to give to those over age 65 the opportunity of providing for their own medical care costs through private initiative.

The Continental Casualty Co., one of the Nation's largest insurance companies, has pioneered in this field and other insurers are following suit.

The Continental 65-plus policy, after being tested in several States, has recently been introduced in my home State of New York and in seven other Eastern States.

By successfully applying the principle of group insurance to individuals, Continental has found that it is possible to make available, without restriction, basic hospitalization and surgical insurance coverage to those age 65 plus.

This new plan admittedly is not a panacea. For this critical problem, it most certainly does represent a great and feasible stride forward in the expansion of voluntary health prepayment plans for those generally more in need of such protection, and, as such, merits the public recognition by those in government, industry, and labor who long have urged the encouragement of such worthwhile experiments. We shall see.

Dick Neuberger Is Fully Recovered and Will Soon Be Back in Washington

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1959

Mr. PORTER. Mr. Speaker, under leave to extend my remarks, I wish to report that our respected colleague and friend in the other body, the junior Senator from Oregon, RICHARD L. NEUBERGER, will return to Washington Thursday, February 12, 1959. He will be accompanied by his wife, Maurine.

It will be good to see them. His many friends have missed him. We were shocked and dismayed last fall when it was disclosed that he was the victim of a cancer the doctors identified as malignant. After a period of anxiety we were somewhat relieved to learn that this cancer was radioresponsive and that the outlook for recovery was excellent.

So it was DICK entered on a long period of cobalt treatments which only recently were completed. Now the official report is that he is wholly recovered. This is heartening news indeed for all his friends and admirers here and throughout the Nation.

Before he knew of his condition he had been in the forefront of the fight to obtain more funds for cancer and other medical research. He is resolved to continue this effort, and his very presence here should win him more allies equally determined.

The statement issued by Senator NEUBERGER'S physicians on February 3, 1959, was as follows:

Senator NEUBERGER has completed an intensive course of radiation for the malignant tumor which was surgically removed last fall. He has tolerated the therapy well and has gained 14 pounds in weight. We are gratified with the manner in which he has responded to the treatment program, and we have every confidence in its success. He is returning to Washington next week prepared to resume a normal schedule of activity.

Bloomington, Ind., an All-American City

EXTENSION OF REMARKS

OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 3, 1959

Mr. BRAY. Mr. Speaker, I am pleased to announce that a city in my district, Bloomington, Ind., has been selected as one of the all-American cities by Look magazine and the National Municipal League. This is an honor extended to only 11 medium-sized cities throughout the Nation.

Bloomington is a city with which I have had a long and special association, and its achievements are always filled with meaning for me. It has truly been a second home to me since I first went there as a freshman at Indiana University in 1921, and worked at Wells' Cafe. Throughout the years I have had continued close contact with Bloomington. My wife is a professor at Indiana University and my son is a senior in the law school there.

I have lived in Morgan County, which is adjacent to Monroe County, of which Bloomington is the seat, all of my life, as has my family since 1822. The people of Bloomington are and always have been representative of a friendly, kind, but rugged independence so typical of those living among the rolling hills of southern Indiana. I have known that Bloomington is an all-America city but I am glad to see it receive official recognition.

From long association I know the kind of teamwork which binds the citizens of Bloomington together in one successful civic enterprise after another. I have seen it exemplified in many instances, and I saw it again last fall when they made their presentation before the panel that selected this year's honor cities. I joined the delegation sent out to Colorado Springs, and after seeing first-hand their presentation I felt their selection was assured.

While I was happy to see Bloomington grow and become an increasingly important industrial center, I was fearful that this growth might destroy that friendly, helpful village atmosphere that has made Bloomington such a fine place in which to live and raise a family. But the true greatness of Bloomington is its ability, despite its growth and increasing importance, to remain the kind, friendly community that I knew years ago.

The same judgment applies to Indiana University. One cannot adequately discuss Bloomington without discussing the university, nor discuss the university without discussing Bloomington. Both have lived and grown together for about 140 years. Indiana University has steadily grown from a small but outstanding midwestern school to one of the largest universities in the country and, like Bloomington, it has retained its personal and friendly atmosphere, reflected in its interest in each student.

Perhaps the greatest thing that can be said of any city is that it is a fine place to live. You can certainly say that of Bloomington. It is most outstanding in livability.

Two Amendments To Be Offered to H.R. 2256

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 3, 1959

Mrs. ROGERS of Massachusetts. Mr. Speaker, the following are two amendments which I propose to offer to the bill H.R. 2256, which I understand will come up for action on the floor tomorrow afternoon. I believe it will be difficult for the veterans to pay the high interest rates proposed in H.R. 2256:

AMENDMENT TO H.R. 2256, 86TH CONGRESS, AS REPORTED WITH A COMMITTEE AMENDMENT

Section 2(a) of H.R. 2256, 86th Congress, as reported with a committee amendment, is amended by (1) striking the word "and" before "(2)" and inserting a comma in lieu thereof, and (2) by adding before the period at the end thereof the following: "and (3) by adding at the end thereof a new sentence to read as follows: 'In every case in which a loan is guaranteed under section 1810 and the interest rate is more than 4¾ per centum per annum, the Administrator is authorized to pay out of appropriations directly to the veteran, during the period the property is owned and occupied by the veteran as his home, and at such intervals as he may prescribe by regulations, an amount representing the difference between the interest paid by the veteran on the loan at the rate actually charged, not exceeding the maximum rate chargeable hereunder at the time the loan was made, and the amount of interest that would have been paid had the rate been set at 4¾ per centum per annum.'"

ADDITIONAL AMENDMENT TO H.R. 2256, 86TH CONGRESS, AS REPORTED BY THE COMMITTEE

Amend section 2 of H.R. 2256 by adding a new subsection (c) as follows:

"(c) Paragraph (1) of subsection (d) of section 1811 of title 38, United States Code, is amended by adding at the end thereof the following: 'In every case in which the interest rate on the direct loan is more than 4¾ percent per annum, the Administrator is authorized to pay out of appropriations directly to the veteran, during the period the property is owned and occupied by the veteran as his home, and at such intervals as the Administrator may prescribe by regulations, an amount representing the difference between the interest paid by the veteran on the loan at the rate actually charged and the amount of interest that would have been paid had the rate been set at 4¾ percent per annum.'"

Mr. Speaker, it is important to legislate additional money for GI loans. I feel the veterans fare better if they can secure loans under VA auspices.

COMPARISON OF GI LOANS AND FHA LOANS

There are certain definite advantages to GI loan financing over FHA financing from the viewpoint of the veteran borrower and these advantages are present even if the two loans bear an identical interest rate.

The obvious advantage to the GI loan is that it may be obtained for home, farm, or business purposes whereas the FHA has no comparable farm and business loan program.

Other advantages of GI loan financing are as follows:

First. The GI loan guarantee or insurance is furnished without charge to the borrower whereas FHA loan insurance is paid for by the borrower through a mortgage insurance premium payment of one-half percent per annum on the monthly declining balance of the loan.

Second. The VA valuation of the property fixes the maximum price which the veteran may pay for the property. The FHA valuation is used in determining only the maximum loan amount and the purchaser may pay in excess of the FHA appraisal if he chooses to do so.

Third. The GI loan may be made for 100 percent of the approved purchase price. The FHA loan may be no more than 97 percent of the FHA valuation of the property in cases where the property is valued at no more than $13,500 and for a lesser percentage as the value of the property increases. Consequently, a downpayment requirement exists in FHA insurance authority which is not present in VA authority.

Fourth. The GI loan may be prepaid by the borrower at any time without premium or fee. A prepayment fee of 1 percent of the outstanding principal balance may be required if the borrower wants to pay off an FHA loan before maturity.

Fifth. The VA has authority to purchase defaulted GI loans where the holder refuses to extend indulgence in deserving cases, thereby affording the borrower a further opportunity to keep his home. The FHA has no comparable authority.

Sixth. The VA has more limitations on foreclosure action by lenders which are designed to protect the veteran's interest and prohibit precipitous action.

Seventh. The VA has a statutory directive to release an original veteran borrower from liability under certain conditions where the property is sold and a new purchaser assumes the mortgage indebtedness. The FHA has no such requirement.

SENATE

WEDNESDAY, FEBRUARY 4, 1959

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, as in this Chamber, where rise the pillars of a people's hope, Thy servants in the ministry of national and world welfare face perplexing decisions affecting the lives of untold millions who look to them for the wise word and the right action, lift us all, we pray, from the confusions and bafflements of these perilous days into the unhurried calm of Thy presence.

For the preservation of our freedom, for the defeat of all tyranny, for the redemption of democracy from its failures, for the attainment of a just and enduring peace for all the earth, we lift our hearts to Thee, O God of our salvation.

We ask it in the dear Redeemer's name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 4, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. EVERETT M. DIRKSEN, a Senator from the State of Illinois, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. DIRKSEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 3, 1959, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of February 3, 1959, the following report of a committee was submitted:

On February 3, 1959:

By Mr. SPARKMAN from the Committee on Banking and Currency, with an amendment:

S. 57. A bill to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes (Rept. No. 41).

HOUSING ACT OF 1959—AMENDMENTS SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of February 3, 1959,

Mr. CLARK, on February 3, 1959, submitted amendments, intended to be proposed by him, to the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. CAPEHART, on February 3, 1959, submitted amendments, intended to be proposed by him, to Senate bill 57, supra, which were ordered to lie on the table and to be printed.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSTON of South Carolina, and by unanimous consent, the Interstate and Foreign Commerce Committee and the Judiciary Subcommittee of the Committee on the District of Columbia were authorized to meet today during the session of the Senate.

On request of Mr. CLARK, and by unanimous consent, the following committees or subcommittees were authorized to meet today during the session of the Senate:

The Preparedness Subcommittee of the Committee on Armed Services; and

The Committee on Aeronautical and Space Sciences.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. MANSFIELD. Mr. President, for the information of the Senate, I announce that there are no nominations on the Executive Calendar.

The ACTING PRESIDENT pro tempore. The Chair so understands.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON OPERATIONS UNDER BUDGET CIRCULAR NO. A–45

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a report on the operations of Bureau of the Budget Circular No. A–45 upon departments, agencies, and corporations of the Government dated January 1959 (with an accompanying report); to the Committee on Appropriations.

SAFEGUARDS AGAINST CERTAIN MERGERS AND CONSOLIDATIONS OF BANKS

A letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking (with accompanying papers); to the Committee on Banking and Currency.

REPORT ON ADMINISTRATION OF TRADE AGREEMENTS EXTENSION ACT OF 1958

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, his report on the administration of section 8 of the Trade Agreements Extension Act of 1958, dated February 1, 1959 (with an accompanying report); to the Committee on Finance.

AMENDMENT OF FOREIGN SERVICE BUILDINGS ACT OF 1926

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the Foreign Service Buildings Act of 1926 (with accompanying papers); to the Committee on Foreign Relations.

ADJUSTMENT AND CANCELLATION OF CERTAIN IRRIGATION CHARGES AGAINST NON-INDIAN OWNED LANDS, WYOMING

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian-owned lands under the Wind River Indian irrigation project, Wyo., and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

EXTENSION OF LEASING PROVISIONS TO CERTAIN LANDS IN OREGON

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C., secs. 869–869–3), to certain lands in Oregon, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

ACQUISITION OF LANDS FOR GEOLOGICAL SURVEY

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of December 24, 1942 (56 Stat. 1086; 43 U.S.C., sec. 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey" (with an accompanying paper); to the Committee on Interior and Insular Affairs.

ADDITION OF CERTAIN PUBLIC LANDS IN CALIFORNIA TO PALA INDIAN RESERVATION, PAUMA INDIAN RESERVATION, AND CLEVELAND NATIONAL FOREST

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to add certain public lands in California to the Pala Indian Reservation, the Pauma Indian Reservation, and the Cleveland National Forest, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPRESENTATION OF INDIGENT DEFENDANTS IN CERTAIN CRIMINAL CASES

A letter from the Attorney General, transmitting a draft of proposed legislation to provide for the representation of indigent defendants in criminal cases in the district courts of the United States (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF SECTION 3731, TITLE 18, UNITED STATES CODE, RELATING TO APPEALS BY THE UNITED STATES

A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 3731 of title 18 of the United States Code relating to appeals by the United States (with accompanying papers); to the Committee on the Judiciary.

DRAFTS OF PROPOSED LEGISLATION

A letter from the Attorney General, transmitting three drafts of proposed legislation, as follows:

A bill to authorize the Attorney General to compel the production of documentary material required in civil investigations for the enforcement of the antitrust laws, and for other purposes;

A bill to amend the Clayton Act, as amended, by requiring prior notification of corporate mergers and acquisitions, and for other purposes; and

A bill to amend the Clayton Act by prohibiting the acquisition of assets of other banks by banks, banking associations, or trust companies when the effect may be substantially to lessen competition, or to tend to create a monopoly (with accompanying papers); to the Committee on the Judiciary.

REPORT ON CLAIMS ARISING FROM CRASH OF NAVY AIRCRAFT NEAR MINNEAPOLIS, MINN.

A letter from the Assistant Secretary of the Navy, reporting, pursuant to law, on claims settled and paid by the Secretary of the Navy, arising from the crash of a U.S. Navy F9F–4 jet aircraft near Wold-Chamberlain Air Field, Minneapolis, Minn., on June 9, 1956 (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the application for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

SPECIAL POSTAGE RATES FOR EDUCATIONAL, CULTURAL, AND LIBRARY MATERIALS

A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation to clarify and make uniform certain provisions of the law relating to special postage rates for educational, cultural, and library materials, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

REPORTS ON POSITIONS FILLED IN CERTAIN GRADES OF CLASSIFICATION ACT OF 1949

A letter from the Administrator, Small Business Administration, Washington, D.C., transmitting, pursuant to law, a report on positions filled under the Classification Act of 1949, in grades GS–16, 17, and 18 (with accompanying papers); to the Committee on Post Office and Civil Service.

A letter from the Chairman, Civil Aeronautics Board, Washington, D.C., transmitting, pursuant to law, a report on positions filled under the Classification Act of 1949, in grades GS–16, 17, and 18 (with accompanying papers); to the Committee on Post Office and Civil Service.

ACQUISITION BY ADMINISTRATOR OF GENERAL SERVICES OF CERTAIN LAND

A letter from the Acting Chairman, National Capital Planning Commission, Washington, D.C., transmitting a draft of proposed legislation to authorize acquisition by the Administrator of General Services of certain land and improvements thereon located (1) within the area bounded by Constitution Avenue on the north, the Anacostia River on the east, Independence Avenue on the south, and 2d Street, southeast and northeast, on the west, and (2) within the contiguous area bounded by C Street, northeast, on the north, 21st Street, northeast, on the east, Constitution Avenue on the south, and North Carolina Avenue on the west, all within the District of Columbia, and for other purposes (with an accompanying paper); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the house of delegates of the American Bar Association in Los Angeles, Calif., relating to judicial nominations and appointments; to the Committee on the Judiciary.

RESOLUTION OF OKLAHOMA HOUSE OF REPRESENTATIVES

Mr. KERR. Mr. President, I present, for appropriate reference, a resolution of the House of Representatives of the State of Oklahoma relating to the National Defense Education Act of 1958.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare and, under the rule, was ordered to be printed in the RECORD, as follows:

ENROLLED HOUSE RESOLUTION 511

Resolution commending the members of the Oklahoma congressional delegation for their wholehearted participation in the passage of Public Law 85–864, the National Defense Education Act of 1958

Whereas the Congress of the United States in its wisdom passed the National Defense Education Act of 1958 which will, among other important items, enable the Commissioner of Education to make loans available to students at low interest rates in order that students in need thereof may pursue their courses of study in institutions of higher education; and

Whereas the sums authorized to be appropriated for such purpose amount to $47,500,000 for fiscal year 1959, $75 million for fiscal year 1960, $82,500,000 for fiscal year 1961, $90 million for fiscal year 1962, and such sums for fiscal year 1963 and each of the 3 succeeding fiscal years as may be necessary to enable students who have received a loan for any school year prior to July 1, 1962, to continue or complete their education, the majority of such sums so appropriated going for loans to students; and

Whereas Oklahoma may receive a part of the money so appropriated which amount bears the same ratio to the sums thus appropriated as the number of persons enrolled on a full-time basis in this State bears to the total number of persons enrolled on a full-time basis in all of the States; and

Whereas the passage of said National Defense Education Act of 1958 will mean authorization of approximately $6 million will be made available to higher education students in this State and many promising students will, because of the loans, be able to continue and complete their education: Now, therefore, be it

Resolved by the House of Representatives of the 27th Legislature of the State of Oklahoma—

1. That all members of the congressional delegation are hereby commended for their participation in the passage of the National Defense Education Act of 1958.

2. That a duly authenticated copy of this resolution be transmitted by the clerk of the house of representatives to each member of said Oklahoma congressional delegation.

Adopted by the house of representatives the 26th day of January 1959.

CLINT G. LIVINGSTON,
Speaker of the House of Representatives.

FEDERAL AID TO EDUCATION—RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Northeast Queens Council for Schools, of New York, N.Y., relating to Federal aid to education.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"Whereas there is still a serious shortage of classrooms and of teachers requiring emergency action on the part of the Federal Government; and

"Whereas limited financial resources available to many communities are not adequate to support construction programs of sufficient size to eliminate their classroom shortages and not sufficient to provide proper compensation to their teachers; and

"Whereas the national interest requires that the Federal Government assist State and local governments in solving these pressing problems: Therefore, be it

"*Resolved*, That the Federal Government provide Federal financial assistance on a grant basis to help meet the problems of inadequate facilities and inadequate teachers' salaries by enacting such Federal aid to education legislation in 1959."

Resolution drafted by conference committee of Northeast Queens Council for Schools, resultant from fifth annual Boroughwide conference on educational legislation on this 16th day 1958.

NAOMI GARSTEIN,
President.

THE FIGHT AGAINST COMMUNISM—RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by Our Lady of Fatima General Assembly, Fourth Degree, Knights of Columbus, of Suffolk County, N.Y., endorsing the activities of the Federal Bureau of Investigation in the fight against communism.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the activities of Communist, Communist-front, and certain pseudoliberal organizations constitute a present and continuing danger to the liberties of all Americans and the welfare of our country; and

Whereas several of these organizations have launched an attack on the Federal Bureau of Investigation, the House Un-American Activities Committee, and the Justice Department of the United States in an effort to hamper their activities and break down our country's defense against subversion; and

Whereas the Supreme Court of the United States has exceeded its judicial functions in laying down rules for the conduct of congressional investigations, which will impede the fight against subversion: Now, therefore, be it

Resolved, Our Lady of Fatima General Assembly, in regular meeting assembled, expresses its wholehearted approval and support of the activities of the Federal Bureau of Investigation and its Director, Mr. J. Edgar Hoover, and insists that this organization be given the widest possible latitude to continue its invaluable services in the protection of our country against its enemies abroad and at home; and be it further

Resolved, That this assembly endorses and congratulates the House Un-American Activities Committee on its diligent and tireless efforts in exposing Communist infiltration in our Government, in the professions, and in vital industries, and we demand that this committee be maintained as a standing committee until the Communist menace has been permanently removed; and be it further

Resolved, That this assembly view with consternation and dismay the lawless actions of the United States Supreme Court in usurping legislative functions, including the laying down of rules of conduct of legislative investigations, in contravention of the Constitution; and be it further

Resolved, That Our Lady of Fatima General Assembly call upon its Senators and its Representative to Congress from Suffolk County to block every effort to tear down our defenses against Communist subversion, by appropriate legislation, to spell out broadly

and in detail the authority and duties of the Senate and House committees engaged in the fight against subversion, and the duties and authority of the Federal Bureau of Investigation, to the end that they may be enabled to function adequately against subversion without hindrance by the Supreme Court; and be it further

Resolved, That a copy of this resolution be sent to our Representatives in Congress, and we solicit the active support of all loyal Americans in this effort to maintain our present defense against subversive activities in the face of current efforts to destroy them.

FAITHFUL NAVIGATOR.
FAITHFUL SCRIBE.

PROPOSED FEDERAL AIRPORT LEGISLATION—LETTER AND STATEMENT

Mr. SCHOEPPEL. Mr. President, I am in receipt of a letter from Clarence R. Miles, manager of the legislative department of the Chamber of Commerce of the United States. The substance of Mr. Miles' letter is that the chamber meant to submit its comment on Senate bill 1 and Senate bill 674, the airport bills now under consideration in the Committee on Interstate and Foreign Commerce, but found the hearings finished before the chamber's views could be formulated.

Inasmuch as it is now too late to publish the chamber's statement as part of the hearings on the airport bills, I ask unanimous consent that Mr. Miles' letter to me and the statement transmitted therewith be printed at this point in the body of the RECORD.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE
OF THE UNITED STATES,
Washington, D.C., February 2, 1959.

The Honorable ANDREW F. SCHOEPPEL,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SCHOEPPEL: At the time the Senate Interstate and Foreign Commerce Committee was holding hearings on S. 1 by Senator MONRONEY and on S. 674 of which you are a cosponsor, the chamber's committees and the chamber's board of directors were reviewing all of our policies and relating them to currently proposed legislation. Under these circumstances, it was impossible for us to make a meaningful contribution to the consideration of this important legislation.

As a result of committee study and of action by our board of directors in support of the committee's recommendations, we are now in a position to urge enactment of S. 674 with certain amendments. A statement outlining our position is attached. If the record of the committee hearings has not been closed, I respectfully request that this statement be included therein.

Cordially yours,

CLARENCE R. MILES,
Manager, Legislative Department.

STATEMENT IN BEHALF OF THE CHAMBER OF COMMERCE OF THE UNITED STATES SUBMITTED BY CLARENCE R. MILES, MANAGER, LEGISLATIVE DEPARTMENT, FEBRUARY 2, 1959

The Chamber of Commerce of the United States has for a number of years favored a reasonable amount of Federal aid for the development of an adequate nationwide airport system.

In view of the fact that all of our committees and our board of directors would be in Washington to review our legislative program, we felt we should delay any comment on S. 1 and S. 674 until the end of their deliberations.

Our Transportation and Communication Committee reviewed these legislative proposals, in light of chamber policy, on Wednesday and Thursday, January 28 and 29. They made a report to our board of directors on Saturday, January 31.

The board of directors concurred with the view of the Transportation and Communication Committee that the Federal Airport Act should be continued, in the public interest. But it also held that in continuing Federal aid, the Congress should recognize the need for arriving at a balanced budget. The need for balancing the 1960 budget at the lowest possible level of expenditures is imperative because of the huge deficit contemplated this fiscal year.

Consequently, the chamber believes that S. 674, rather than S. 1, represents a more acceptable solution of this problem.

In supporting S. 674, however, we recommend that it be amended in the following manner:

1. Limit aid to the building of a system of airports that is essential for commercial traffic in interstate commerce. In other words, Federal aid should not be available for airports used only for local flying.

2. Clearly state that funds provided should not be employed for the construction or acquisition of administration buildings more elaborate or expensive than is truly essential for interstate commerce traffic. Contrary to S. 674, therefore, we recognize that certain terminal facilities are essential to reasonably meet the needs of commercial air traffic.

3. Provide for the imposition of user charges to recoup Federal aid granted under the new act. Such revenue should come from beneficiaries such as those using the landing areas, including commercial corporation, private and military transport; the community in which the airport is located; and adjacent land owners. Such a plan, we believe, is essential if this program is to produce an adequate airport system and at the same time insure the wisest possible expenditure of public funds.

REPORTS OF COMMITTEES

The following reports of a committee were submitted:

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

S. Res. 50. Resolution authorizing the Committee on Interstate and Foreign Commerce to investigate the textile industry (Rept. No. 48);

S. Res. 65. Resolution authorizing a comprehensive study of problems of the aged (Rept. No. 47);

S. Res. 70. Resolution authorizing the Committee on Interior and Insular Affairs to investigate certain matters within its jurisdiction (Rept. No. 46); and

S. Res. 72. Resolution extending the time for filing a report by the Special Committee on Preservation of Memorabilia of the Senate (Rept. No. 45).

By Mr. HENNINGS, from the Committee on Rules and Administration, without additional amendment:

S. Res. 45. Resolution to provide additional temporary staff and funds for the Committee on Public Works (Rept. No. 44).

By Mr. HENNINGS, from the Committee on Rules and Administration, with an amendment:

S. Res. 66. Resolution authorizing a study of the National Labor Relations Act and Labor-Management Relations Act (Rept. No. 43).

ANNA B. MAYS—REPORT OF A COMMITTEE

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 76) to pay a gratuity to Anna B. Mays, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Anna B. Mays, widow of Lewis C. Mays, an employee of the Office of the Architect of the Capitol at the time of his death, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

REPORT OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE ENTITLED "PROBLEMS OF THE DOMESTIC TEXTILE INDUSTRY"—(S. REPT. NO. 42)

Mr. PASTORE. Mr. President, last year the Senate approved Senate Resolution 287, which authorized the Committee on Interstate and Foreign Commerce to conduct a study of the domestic textile industry. The authority under the resolution expired last Saturday, January 31. Anticipating that event, the Committee on Interstate and Foreign Commerce submitted a resolution for an extension of the time, and for an added appropriation of $2,500 to complete its work. This became unnecessary because the study was completed in the meantime. It was delayed somewhat because of the reorganization of the committee itself since the new session of Congress.

I ask unanimous consent at this time to submit, on behalf of the Committee on Interstate and Foreign Commerce, the report authorized under the original resolution.

The PRESIDING OFFICER. The report will be received and printed, as requested by the Senator from Rhode Island.

Mr. PASTORE. Mr. President, at this time I should like to explain the report. Since the end of World War II we have witnessed economic growth in this country of which we can all be justly proud. Although this growth has been interrupted by three postwar recessions, there has been a substantial increase in employment, production, and personal income which has meant a significant rise in the living standard of the American people as a whole. Unfortunately, not all sectors of our economy have shared in this economic growth. While other industries have been expanding, the domestic textile industry, for example, has been contracting. During the past decade 350,000 textile jobs have been lost in the United States. There are many who believe that during a period of economic growth workers displaced by the contraction of some industries will be absorbed by other industries which are expanding. We know, however, that while this is true to some extent, it is not true in all cases. As a result of the staggering loss in textile employment over the past 10 years, we have seen a

growing number of textile communities added to the list of surplus labor areas. Some textile communities have experienced a high level of unemployment throughout the entire decade.

While industrial workers in general have enjoyed the benefits of rising wages even those textile workers who have been fortunate enough to remain employed have shared only to a minor degree in our overall increases in production and productivity. Those who have lost their jobs have experienced serious hardships, and in many cases this has extended over a long period of time.

The decline of the textile industry during a period of general economic growth has been a matter of growing concern to a number of us. On April 2, 1958, the Honorable Frederick G. Payne discussed the problems of the textile industry on the floor of the Senate. Much of his speech dealt with the effects of Federal policy upon this industry. Shortly afterward, on April 14, 1958, the Honorable NORRIS COTTON introduced a resolution—S. Res. 287, to which I have referred—calling for the establishment of a subcommittee to conduct a full and complete study of all factors affecting commerce and production in the textile industry of the United States. I was asked to serve as chairman of this subcommittee of the Committee on Interstate and Foreign Commerce. Others who served with me included Senators Bible, Cotton, Payne, Purtell, and Thurmond. Of these, only Senators COTTON and THURMOND remain as members of the subcommittee today. I digress briefly to pay tribute to the members of this subcommittee.

In the course of our investigation we held hearings in Washington, in the New England States, in the South, and in New York City. My colleagues faithfully attended these hearings where we listened to the testimony of more than 200 witnesses. They have a deep and genuine concern with the problems of this industry and of the workers who have been displaced by the events of the past 10 years. With me they share the fervent hope that steps can be taken to mitigate the effects of Federal policies upon this industry, and to halt the decline of production and employment which is steadily weakening an important sector of the domestic economy.

I may say, parenthetically, that while $25,000 was authorized for the committee under that resolution, we spent, I think, only about $7,000 to complete the full study.

I would be remiss if I did not pay high tribute to our working staff. Especially are we indebted to the unremitting labors of Dr. William H. Miernyk, Director of the Bureau of Business and Economic Research in Northeastern University at Boston, Mass. He is a renowned author and authority in all the areas of our study. We were most fortunate to be able to enlist a man of his great ability. His cooperative spirit and high sense of responsibility has been reflected throughout our proceedings.

To the loyalty, integrity, and industry of the committee staff we owe a deep debt of gratitude. And to the staffs of the participating Senators we extend our sincere appreciation for their unfailing helpfulness.

The end product of this study has been made possible only through the arduous toil and devotion of many persons of whom their government may well share the pride of our committee.

The findings of this long investigation cannot be detailed here. But I can summarize the highlights. While industrial production in the Nation increased 45 percent, from the base period 1947 to 1949, textile production declined 2 percent. Consequently, textile production has accounted for a dwindling share of total manufacturing output. The production of cotton textiles has dropped about 3 percent, but the production of woolen and worsted goods during this period has declined by more than 44 percent. The only segment of the textile industry to show an increase is that producing fabrics from man-made fibers, but here the increase has been much less than is popularly believed. Over the past 10 years this segment of the industry has shown a gain of less than 5 percent, and it must be remembered that this gain is measured from a relatively small base. As I have indicated, the overall cutback in textile production has resulted directly in the loss of 350,000 jobs.

But the effects of the decline in textiles do not stop here. The textile industry is an important buyer of agricultural and industrial products from the farms, forests, and mines of almost every State in the Union. Some industries—such as the textile machinery industry—sell most if not all of their output to textile mills.

As a result of the decline in textiles there has been a drop in production and employment in other industries which are suppliers to the textile industry. We can trace the effects back further and see that other industries which sell to the textile machinery industry are likewise affected by the decline in textile production. In brief, the problem of the decline in textiles is serious enough if we do not look beyond this industry itself. But if we take into account the effects upon other industries in our economy, the decline in textiles has had far more damaging consequences than is apparent on first examination.

The textile industry is essential to our national defense effort. We spend billions of dollars each year on defense. Some of these expenditures are for research designed to improve our national security. Few would disagree that it is sound public policy to spend whatever is necessary to reduce our vulnerability to attack. But is it sound policy at the same time that we are striving to strengthen our defenses, through an expanding missile program and other similar developments, to allow an industry which produces one of our basic civilian and military needs to decline to the point where our ability to defend ourselves will be jeopardized in the event of a national emergency? We believe not. We are further convinced that to some extent the problems of the domestic textile industry stem from the ways in which various Federal Government policies are administered.

I can only list these policies briefly, but I hope that every Member of the Senate will carefully study our subcommittee report so that he may understand how these policies have contributed to the decline of textile production and employment.

Our agricultural price-support program has resulted in a two-price system for cotton. Foreign textile manufacturers can purchase American cotton at prices about 20 percent below those paid by American mills. This cotton, fabricated into cloth, can then enter our markets at prices lower than American mills can charge and cover their cost of production. In addition, the wages paid to textile workers in countries which export cloth to the United States range from one-half to one-tenth those received by American textile workers. As a part of our program of liberalizing international trade, we have made it easier for these fabrics to enter our markets. The American textile industry has tried to compensate for lower wages and lower raw material prices abroad by increasing its productivity. Although profits in this industry have been shrinking, the industry has gone through an extensive and costly modernization program over the past 10 years. Productivity in the domestic textile industry has gone up much more rapidly than the increase in productivity in the manufacturing industry in general.

But despite these efforts, American mills cannot compete in our own or in world markets with low-cost foreign mills which also have kept abreast of recent technological developments.

Thus our agricultural price support program, and our foreign trade program have both contributed to the loss of domestic textile production and employment. In addition, through our foreign aid program we have expanded textile capacity in countries which formerly purchased textile products from the United States. Partly as a result of the growth of new textile industries in other countries, the domestic textile industry has lost two-thirds of its export market.

If the trends of the past 10 years are continued, at some point we will reach the stage where the domestic textile industry cannot satisfy our basic civilian and military needs in the event of an emergency. If the domestic textile industry continues to decline, other industries which sell their products to textile mills will lose important customers. The hardship which now exists in many textile communities will spread to other communities. If these dangers are to be avoided, a positive program will be required to halt the textile decline; to stabilize production and employment; and to permit future growth as our population increases and as our national income rises. With this in mind, the

Textile Subcommittee makes the following recommendations:

First. We recommend the establishment of a permanent interagency committee within the Department of Commerce to deal excusively with textile affairs. This committee should consist of representatives of the Departments of Agriculture, Commerce, Defense, Labor, State, and the Treasury.

It should also include representatives of the International Cooperation Administration, the Office of Civilian Defense Mobilization, and the Tariff Commission. The Chairman of the Textile Interagency Committee should be the Assistant Secretary of Commerce for Domestic Affairs. To assist the Textile Interagency Committee, we recommend that there be established an advisory committee to consist of three representatives of textile management, three representatives of textile labor, and three representatives of the public at large. In addition, we recommend that at each session of Congress there be appointed a Textile Subcommittee within the Committee on Interstate and Foreign Commerce to work closely with the Textile Interagency Committee and the advisory committee.

Second. We recommend that there be instituted within the Department of Commerce a program to improve on the collection and analysis of statistical data which will assist textile management to solve some of the problems internal to the industry.

Third. We recommend that quotas be established which will permit foreign producers of textile products to sell in our markets within limits which will not further endanger existing textile capacity. Furthermore, we recommend that the quotas be established by specific categories of textile products so that no one branch of the domestic textile industry will feel the full impact of imports from abroad.

Fourth. We recommend that agencies responsible for the administration of our foreign aid program make a careful study of the longrun consequences of further expansion of world textile capacity before additional grants be made to other countries to expand their own textile production for the international market.

Fifth. We recommend more realistic interpretation of the current peril-point provision of the Trade Agreements Act and faster action on escape-clause cases brought before the Tariff Commission.

Sixth. We recommend that some proportion of custom duties collected on textile products entering the United States be used to finance research—especially basic research designed to find new end uses for textile products, and economic research which will aid the industry in planning its future production program.

Seventh. Depreciation rates on textile machinery now in effect are obsolete. We recommend that at the earliest opportunity the Internal Revenue Service issue a revised schedule of depreciation rates, taking into account current industry practices which would permit a more rapid writeoff of new equipment for tax purposes.

Eighth. We also recommend that the Finance Committee carefully study the relevant provisions of the Internal Revenue Code, with a view toward revision to protect against abuses under the loss carry-forward and carry-back provisions which now are often used by financial speculators to liquidate textile mills which could be operated successfully.

Ninth. We recommend elimination of the two-price system on cotton. If it is not feasible to eliminate immediately the two-price system on cotton, we recommend that tariffs on imported cotton products be increased by an amount equal to the difference in cost between foreign-produced and domestically produced cotton products resulting from the two-price cotton system.

Tenth. Finally, we recommend that the Foreign Assets Control Division of the United States Treasury Department review its policy toward the importation of partly processed textile fibers from countries with which we do not now maintain normal trading relationships. This policy has been inconsistent and discriminatory. It has allowed finished products made from these fibers to enter the American market, but has prohibited domestic textile manufacturers from purchasing such partly processed fibers from Western European countries, at the cost of many domestic textile jobs.

I should like to conclude by again urging each Member of the Senate to carefully study the report of the Textile Subcommittee. The problems of this industry are serious; and unless positive action is taken to solve these problems, it will only be a matter of time before the domestic textile industry is unable to satisfy our basic civilian and military needs, and we shall have placed ourselves in serious jeopardy in the event of a national emergency.

Mr. THURMOND. Mr. President, I wish to make two brief statements:

First, let me say I was a member of the subcommittee; and I should like to take this opportunity to commend the distinguished Senator from Rhode Island [Mr. PASTORE] for the fine leadership he gave our subcommittee and for the fair, excellent, and unbiased manner in which he presided over the hearings.

Second, I should like to express the hope that the Congress will take steps to put into motion the recommendations which have been made in the report. The textile industry not only provides employment to more than 1 million persons, but also ranks in importance—second only to steel—as regards the national defense.

I sincerely hope action will be taken soon, in order that the textile industry, which is so essential to the economy of the Nation, can resume its normal operations of past years.

Mr. PASTORE. Mr. President, I wish to thank my distinguished colleague, the Senator from South Carolina, for his complimentary remarks, and to assure him and the other Members of the Senate that we had a fine subcommittee which devoted itself diligently to the task assigned to it. Without the keenness of mind and the eagerness and industry displayed by the distinguished Senator from South Carolina [Mr. THURMOND], I do not believe our report would be as successful as it is. I may say that one of the refreshing things about the report is that it is unanimous.

Mr. THURMOND. Mr. President, I thank my distinguished friend for his kind remarks.

Mr. SPARKMAN. Mr. President, before the Senator from Rhode Island leaves the floor, I should like to add my word of thanks to him and to his subcommittee for the study and the work they have done in this field of operations of the textile industry.

I was glad to support the amendment which was submitted last year—I believe it was last year—by the Senator from Rhode Island, in connection with the mutual security aid bill, if I correctly recall. I thought it was a good amendment. The Senator from Rhode Island and I and quite a number of other Senators had previously, in connection with a mutual aid bill, sought to obtain protection for the textile industry. In fact, that amendment failed of adoption by only one vote, as I recall. It was the amendment which was offered by the late, beloved chairman of the Finance Committee, Senator George, of Georgia.

Last year, we certainly felt that the least we could do would be to make this study. I believe the subcommittee has done a fine job. The textile industry of the Nation is of great importance to many States—in fact, to more States than I believe most persons realize, without thinking through the matter very carefully. The industry is a very important one; and it needs the most careful consideration in respect to protection in its operations, so that the great numbers of persons who are gainfully employed in that great industry may continue to be so employed.

Mr. PASTORE. I thank the Senator from Alabama.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. ELLENDER, from the Committee on Agriculture and Forestry:

Clarence Ludlow Miller, of Kentucky, to be an Assistant Secretary of Agriculture and to be a member of the Board of Directors of the Commodity Credit Corporation.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MUNDT (for himself and Mr. YOUNG of North Dakota):

S. 912. A bill to amend title II of the Agricultural Act of 1956 so as to provide for the utilization of surplus agricultural products through the use in motor fuels of alcohol manufactured from agricultural products grown on farms in the United States; to the Committee on Agriculture and Forestry.

By Mr. ANDERSON:

S. 913. A bill to amend the Tariff Act of 1930 with respect to the dutiable status of wood moldings; to the Committee on Finance.

By Mr. LANGER:

S. 914. A bill to amend section 404 (b) of the Housing Act of 1950; to the Committee on Banking and Currency.

S. 915. A bill amending title II of the Social Security Act so as to permit the payment of benefits to certain illegitimate children of male individuals who are covered by the insurance system established by such title; and

S. 916. A bill amending title II of the Social Security Act so as to permit certain children with respect to whom an individual has stood in loco parentis for several years before such individual retires or dies to become entitled to child's insurance benefits on the basis of the wages and self-employment income of such individual; to the Committee on Finance.

By Mr. JACKSON:

S. 917. A bill for the relief of Mr. and Mrs. Fred A. Fletcher; to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 918. A bill to amend the law relating to the construction and operation of public parks and recreational facilities on lands in reservoir areas in order to permit the removal of natural resources where necessary for such purposes; to the Committee on Public Works.

By Mr. GREEN:

S. 919. A bill for the relief of Kenneth Lashley, Jr.; and

S. 920. A bill for the relief of Ralph H. Traher; to the Committee on the Judiciary.

S. 921. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. YARBOROUGH:

S. 922. A bill authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande River at or near the city of El Paso, Tex.; to the Committee on Foreign Relations.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appears under a separate heading.)

By Mr. JOHNSTON of South Carolina:

S. 923. A bill for the relief of Christos Psihogios; to the Committee on the Judiciary.

By Mr. SCOTT (for himself, Mr. CLARK, and Mr. CASE of New Jersey):

S. 924. A bill to amend the Communications Act of 1934 in order to establish for educational purposes a certain priority in the award of very high frequency television channels; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. SCOTT when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 925. A bill to provide for the granting of a nonquota immigrant status to certain immigrants who are the brothers, sisters, sons, or daughters of citizens of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S. 926. A bill to amend the Internal Revenue Code of 1954 so as to allow a deduction from gross income for certain expenses incurred by a taxpayer in providing an education for himself, his spouse, and his dependents; to the Committee on Finance.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself and Mr. KEATING):

S. 927. A bill providing for the Surgeon General of the United States to establish a hospital in the State of New York especially equipped for the treatment of persons addicted to the use of habit-forming drugs; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 928. A bill for the relief of Charles Bernstein; to the Committee on the Judiciary.

By Mr. HENNINGS (for himself, Mr. SYMINGTON, and Mr. GREEN):

S. 929. A bill to amend the Internal Revenue Code of 1954 to allow income tax deductions for certain payments to assist in providing higher education; to the Committee on Finance.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. HENNINGS (for himself and Mr. GREEN):

S. 930. A bill to extend educational benefits now provided for Korean conflict veterans to persons serving in the Armed Forces after January 31, 1955, and before the termination of compulsory military service under existing laws of the United States; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. KERR (for himself, Mr. CASE of South Dakota, Mr. GRUENING, Mr. GORE, Mr. KEFAUVER, Mr. SPARKMAN, Mr. HILL, Mr. STENNIS, Mr. EASTLAND, and Mr. COOPER):

S. 931. A bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. KERR when he introduced the above bill, which appear under a separate heading.)

By Mr. KERR:

S. 932. A bill to amend the Internal Revenue Code of 1954 to increase the amount of expenses paid for the medical care of individuals who have attained the age of 65 which may be deducted for income tax purposes; to the Committee on Finance.

By Mr. CAPEHART:

S. 933. A bill to increase the annual amount which certain veterans are permitted to earn without being deprived of the receipt of their pensions;

S. 934. A bill to include wholesale distributors of gasoline within the definition of "producer" for purposes of the excise tax on gasoline; and

S. 935. A bill to amend title II of the Social Security Act to reduce from 6 to 3 months the period during which disabled persons must wait before becoming entitled to disability insurance benefits under such title; to the Committee on Finance.

(See the remarks of Mr. CAPEHART when he introduced the above bills, which appear under separate headings.)

By Mr. MUNDT:

S. 936. A bill to amend title VI of the Public Health Service Act, as amended, in order to make certain nonprofit corporations and associations eligible for Federal aid under such title; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself, Mr. CHAVEZ, Mr. LANGER, Mr. MAGNUSON, and Mr. PASTORE):

S. 937. A bill to amend the public assistance provisions of the Social Security Act to elminate certain inequities and restrictions and permit a more effective distribution of Federal funds; to the Committee on Finance.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. GOLDWATER:

S. 938. A bill to incorporate the Navy Dads' Clubs of America; to the Committee on the Judiciary.

S. 939. A bill to authorize the establishment of the Fort Bowie National Historic Site, in the State of Arizona, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BUSH:

S. 940. A bill for the relief of Hlias Anthony Lousedes; to the Committee on the Judiciary.

By Br. BUSH (for himself and Mr. JAVITS):

S. 941. A bill to provide that the Secretary of the Interior shall develop and carry out an emergency program for the eradication of starfish in Long Island Sound and adjacent waters; to the Committee on Interstate and Foreign Commerce.

By Mr. HENNINGS:

S.J. Res. 45. Joint resolution to establish a commission for the celebration of the 100th anniversary of the birth of Gen. John J. Pershing; to the Committee on the Judiciary.

(See the remarks of Mr. HENNINGS when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. CAPEHART:

S.J. Res. 46. Joint resolution to provide for the designation of the fourth Sunday of September of each year as "Senior Citizens Day"; to the Committee on the Judiciary.

RESOLUTIONS

Mr. DIRKSEN submitted the following resolution (S. Res. 74), which was considered and agreed to:

Resolved, That Mr. GOLDWATER be, and he is hereby, excused from further service as a member of the Select Committee on Small Business, that Mr. JAVITS be assigned to service on said committee to fill the vacancy, and that his name appear on the list following the name of Mr. SCHOEPPEL.

Mr. JOHNSON of Texas submitted the following resolution (S. Res. 75), which was considered and agreed to:

Resolved, That the following-named Senators be, and they are hereby, appointed as the majority members of the Select Committee on Small Business, created by S. Res. 58, 81st Congress, 1st session, as amended, for the 86th Congress: JOHN SPARKMAN (chairman), RUSSELL B. LONG, HUBERT H. HUMPHREY, GEORGE A. SMATHERS, WAYNE MORSE, ALAN BIBLE, JENNINGS RANDOLPH, CLAIR ENGLE, E. L. BARTLETT, HARRISON A. WILLIAMS, JR., and FRANK E. MOSS.

Mr. HENNINGS, from the Committee on Rules and Administration, reported an original resolution (S. Res. 76) to pay a gratuity to Anna B. Mays, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. HENNINGS, which appears under the heading "Reports of Committees.")

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT OF 1933

Mr. KERR. Mr. President, on behalf of myself, and Senators CASE of South

Dakota, GRUENING, GORE, KEFAUVER, SPARKMAN, HILL, STENNIS, EASTLAND, and COOPER, I introduce, for appropriate reference, a bill to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes. I ask unanimous consent that the bill may lie on the desk for 24 hours in order that any other Senators who care to may become joint sponsors.

The PRESIDING OFFICER (Mr. DODD in the chair). The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Oklahoma.

The bill (S. 931) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, introduced by Mr. KERR (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

RIO GRANDE RIVER BRIDGE AT OR NEAR EL PASO, TEX.

Mr. YARBOROUGH. Mr. President, I introduce for appropriate reference a bill authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande River at or near the city of El Paso, Tex.

The purpose of the bill is to permit the construction of adequate bridge facilities connecting the progressive, growing cities of El Paso, Tex., and Juarez, Mexico. The people to be served comprise the greatest population living along a bilingual international border city in the Northern Hemisphere, there being a total of approximately half a million people in the two cities with only two bridges to serve them.

The bridge that is being planned by the farsighted public officials and community leaders in Texas and Mexico would do more than to break up an ordinary traffic jam. It would contribute greatly to the interchange of culture and ideas as well as jobs and services between friends on both sides of the border. Building this bridge would help to build a better good neighbor policy, not only in El Paso but throughout a great area in the Southwest.

Under the bill, the selection of the site for the proposed bridge would be left up to local officials. Local officials plan to finance this work at no expense to the Federal Government. The construction and operation of the bridge would be subject to the approval of the International Boundary and Water Commission of the United States and Mexico, and to the approval of proper authorities in Mexico.

Mr. President, I commend this bill to the attention of the Senate.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 922) authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande River at or near the city of El Paso, Tex., introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Foreign Relations.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, RELATING TO PRIORITY IN AWARD OF VERY HIGH FREQUENCY TELEVISION CHANNELS

Mr. SCOTT. Mr. President, over the past week the Interstate and Foreign Commerce Committee, of which I am a Member, has heard testimony on legislation to stimulate and encourage the use of television for educational purposes.

One of the principal deterrents to the development of TV stations for educational use is that UHF channels, which have been assigned for that purpose throughout the country, cannot be economically maintained. This is due to insufficient TV sets in circulation capable of UHF reception.

At the same time, only a few VHF channels have been assigned for educational use—but where this has been possible, educational TV has made progress.

In the area south of New York, comprising New Jersey, eastern Pennsylvania, Delaware, and a portion of Maryland, no VHF channel has been assigned for educational TV. Even one VHF channel to cover this area would be highly beneficial. If the Federal Communications Commission can resurvey its allocations and arrive at some solution, whereby more VHF channels can be "dropped" in, the result would serve a wide public interest.

No VHF channel is presently assigned covering the area comprising much of New Jersey, eastern Pennsylvania, Delaware, and a part of Maryland.

Mr. President, on behalf of myself and Senators CLARK and CASE of New Jersey, I introduce for appropriate reference a bill which would give priority consideration, in the reassignment of a channel operating at very high frequency (VHF) relinquished by the commercial licensee, to an applicant proposing to operate such a station for noncommercial educational purposes.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 924) to amend the Communications Act of 1934 in order to establish for educational purposes a certain priority in the award of very high frequency television channels, introduced by Mr. SCOTT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. FREAR. Mr. President, will the Senator yield for a question?

Mr. SCOTT. I am glad to yield.

Mr. FREAR. To what channel is the Senator referring in his bill?

Mr. SCOTT. There is a channel which would be affected in this bill, and that is channel 12, the VHF channel operating out of Wilmington, Del.

Mr. FREAR. I want to inform the Senator from Pennsylvania that, of course, I cannot agree with his bill, because I think the Delaware Senators are going to maintain that channel belongs to Delaware. We would be very happy to have one of the channels operating out of Philadelphia designated as an education channel.

Mr. SCOTT. I am sure this channel is one which we would like to see utilized for educational purposes, if possible, and which would be for the benefit of people in parts of New Jersey, eastern Pennsylvania, parts of Maryland, and Delaware. We hope we can get a VHF channel for educational purposes, since VHF cannot be received except by sets capable of being used for that purpose in schoolrooms.

Mr. FREAR. I am sure the Senator will get cooperation from the Senators from Delaware regarding a station which is appropriate to be used for education, so long as a channel is left for Delaware.

AMENDMENT OF INTERNAL REVENUE CODE, RELATING TO A DEDUCTION FROM GROSS INCOME FOR CERTAIN EDUCATIONAL EXPENSES

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a bill designed to grant a special tax deduction for certain expenses of higher education incurred by a taxpayer, his spouse, or his dependents as described in the Internal Revenue Code.

This bill would allow deductions equal to 50 percent of the costs of tuition, fees, and materials required in the course of study. This deduction, as included in the bill, would be treated in the same manner as a legitimate business expense, and would, therefore, be deducted at the time that the taxpayer is computing his adjusted gross income.

Mr. President, the sharply rising costs of higher education are placing a severe financial burden on many American taxpayers, who are conscientiously attending to the educational needs of their children, and I earnestly feel tax relief such as that proposed in this bill is urgently needed to lessen this economic burden. The provisions of the bill will also serve to offer a greater incentive to the many fine young men and women in the United States, who are working and financing the costs of their own college education.

I sincerely hope that the proper legislative committees of Congress will give early and sympathetic consideration to legislation of this type.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 926) to amend the Internal Revenue Code of 1954 so as to allow a deduction from gross income for certain expenses incurred by a taxpayer in providing an education for himself, his spouse, and his dependents, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Finance.

FEDERAL NARCOTICS HOSPITAL IN NEW YORK STATE

Mr. JAVITS. Mr. President, on behalf of myself, and my colleague, the junior Senator from New York [Mr. KEATING], I introduce, for appropriate reference, a bill to amend the Public Health Service Act to require the estab-

lishment of a Federal narcotics hospital in New York State. Representatives VICTOR ANFUSO, Democrat, of New York, and SEYMOUR HALPERN, Republican of New York, are introducing identical legislation in the House.

The measure stipulates that the U.S. Surgeon General may arrange with the State, its political subdivisions, and neighboring States for a jointly operated hospital in New York especially equipped to treat drug addicts. In addition, it provides that "outpatient units" are to be set up to treat persons who are addicted and give followup care after hospitalization. These units could also be financed jointly in cooperation with State and local governments.

The Federal Narcotics Bureau reveals that about 45 percent, or some 21,000, of the Nation's known narcotic addicts live in the New York metropolitan area, including parts of New Jersey and Connecticut. Medical and police authorities report that 2,707 of these users are juveniles under the age of 21. Yet, according to the State Bureau of Narcotics Control, there are no hospital beds for adult drug addicts who voluntarily seek treatment anywhere in New York, and only 200 beds for juvenile addicts. The nearest narcotics hospital is the Federal establishment at Lexington, Ky., 600 miles away from New York City.

These statistics reveal a critical situation which confronts most drug addicts in Northern and Eastern States. Their best chance of getting even a modicum of medical attention enabling them to "shake" the drug habit temporarily rests in admission to a prison hospital ward. And that is where the average addict receives it, at least in New York, to an increasing degree. Twenty percent of all prisoners in New York State jails were drug users at the time of their arrest; and last year, of the 4,772 new admissions, the users totaled 1,068, or nearly 23 percent. Police departments in several major cities like New York and Chicago estimate that as many as one-half of the crimes committed in their jurisdiction are due to drug addiction. If this correlation is correct, then conceivably 54,000 of New York City's rising rate of 108,358 recorded crimes in 1958 would be attributable to this problem. It is estimated that illicit trade in narcotics and crimes committed by addicts to finance their habit drain the U.S. economy of between $300 million and $400 million annually.

In recent years, tougher laws and stricter enforcement have led to the arrest and imprisonment of some of the biggest dope smugglers and pushers. However, it is evident that even by calling out the entire Army, Navy, and Air Force we shall not eliminate entirely the illegal importation and sale of habit-forming drugs. With rising crime rates staring us in the face, we must root out a major cause of criminal activity, drug addiction. That means, according to medical experts, providing special hospital facilities—not more jail cells or prison beds—where users of illegal drugs can voluntarily go for help. If a substantial number of addicts are to be cured of the habit for good and more widespread addition leading to more crimes is to be prevented, then these special facilities must be readily accessible for the medical and psychological treatment and rehabilitation deemed absolutely essential by health authorities.

The bill introduced today represents a continuation of the major effort undertaken last session by myself, Senator Ives, Congressman ANFUSO, and others, through legislation and conferences with Federal, State, and city officials to open a narcotics hospital in New York. At that time, Ellis Island was considered as a site, but it was decided the cost of converting and maintaining the plant for that purpose would be prohibitive. However, we were assured by the Federal Commissioner of Narcotics, Harry Anslinger, that a narcotics hospital established in New York City "would decrease rather than increase the problem of Federal narcotics enforcement." "We are not worried about the smuggling of narcotics into the institution," Commissioner Anslinger reported.

The existence of a narcotics hospital and the setting up of "outpatient units" which will provide medical treatment, guidance, and psychological help for former addicts who have been released will be fully utilized in New York even if the legislature does not enact a compulsory commitment law. Right now, the Public Health Service reports that the typical patient at the Federal hospital in Lexington, which has a 1,000-bed capacity, is a male from the Northeast, probably New York, who has left his family to travel hundreds of miles to Kentucky in the desperate hope of being cured. Nevertheless, the average patient there undergoes three to four cures. Authorities cannot force him to remain the 3 or 4 months generally required; but, regardless, once he is back home, exposed to family tensions and the pressures and temptations of his old environment, divorced from medical or psychological treatment, he usually resumes his drug habit shortly thereafter. Constant repeaters are the rule, not the exception.

Although the bill declares the establishment of this narcotics hospital to be mandatory in New York, ample recognition is given the responsibility of New York, its political subdivisions and adjoining States whose addicts might make use of it, to share in the financial costs involved; therefore, the Surgeon General is authorized to enter into joint agreements with them concerning the operation of both the hospital and the outpatient units.

Shifting our main emphasis to an all-out medical attack on widespread drug addiction, backed up with laws requiring compulsory hospitalization of drug addicts, will prove a much less expensive and more effective approach to a practical and humane solution to a problem which nationwide directly involves 45,000 reported addicts in the United States and their families.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 927) providing for the Surgeon General of the United States to establish a hospital in the State of New York especially equipped for the treatment of persons addicted to the use of habit-forming drugs, introduced by Mr. JAVITS (for himself and Mr. KEATING), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO INCOME TAX DEDUCTIONS FOR HIGHER EDUCATION

Mr. HENNINGS. Mr. President, to further promote and encourage higher education in this Nation, I believe it wise and just to allow a tax deduction benefit to those who make an effort and sacrifice to send their dependent children to institutions of higher learning, and to allow a tax benefit to our students who are making the effort to earn a higher education for themselves. This is Federal aid without Federal interference.

Therefore, on behalf of myself, the junior Senator from Missouri [Mr. SYMINGTON] and the Senator from Rhode Island [Mr. GREEN], I introduce for appropriate reference a bill to amend the Internal Revenue Code so that certain payments which must be made to provide higher education can be computed as a tax deduction. Amounts paid out for tuition and fees, for books, for room and board will be deductible. I also propose that certain deductions be allowed for money that is donated for scholarships.

Similar benefits have been proposed in a bill, H.R. 1264, which Representative W. R. HULL, JR., introduced in the House. I urge consideration of these tax benefit proposals.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 929) to amend the Internal Revenue Code of 1954 to allow income tax deductions for certain payments to assist in providing higher education, introduced by Mr. HENNINGS (for himself, Mr. SYMINGTON, and Mr. GREEN), was received, read twice by its title, and referred to the Committee on Finance.

RENEWAL OF GI EDUCATION AND TRAINING PROGRAM

Mr. HENNINGS. Mr. President, this Nation denies to its young men and women who have entered the armed services since January 1955 many worthwhile veteran programs which would benefit them and the Nation. This is, in my opinion, both shortsighted and unjust.

For the first time in the Nation's history, young Americans have been drafted into military service in times of relative peace. They are required to give up from 6 months to 2 years of their private lives for the defense of the Nation. Some minimize this sacrifice by saying we are not now at war. But neither are we now at peace. The members of the armed services constantly are exposed to risk, either potential or actual. The Marines in Lebanon, the Army in Berlin, and the Navy in the Formosa Straits all have been exposed to genuine risk.

Nevertheless, when these young people return to civilian life, they are no longer eligible for mustering out pay; for GI disability not traceable to service; for VA medical care except for service-connected disabilities; for pensions for total disability not traceable to service; for preference in job-finding assistance; or for GI bill education and training. I do not propose that all of these benefits which accrue to other veterans be restored at this time. But I strongly believe that the least we can do as long as we continue to draft our young people is to give them the benefits of GI bill education and training when they have completed their service.

Therefore, on behalf of myself and the Senator from Rhode Island [Mr. GREEN], I introduce for appropriate reference a bill to renew the GI education and training program for as long as the draft exists. The extent of the benefits will depend on the length of time on active duty.

Mr. President, we often hear the call for foresighted programs to strengthen the Nation. This legislation is such a program. We know from past experience that the Nation is well rewarded in tax receipts alone from the higher incomes which veterans earn when they have benefited from GI bill education and training. Looking to the future, we can be sure even now that the Nation will more than recover in taxes the expenses of renewing this program. In addition, of course, a well-educated and trained citizenry is invaluable.

In justice to the young men and women who are required to interrupt their private lives and to be exposed to risk for the defense of the Nation, I urge the renewal of this minimal program.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 930) to extend educational benefits now provided for Korean conflict veterans to persons serving in the Armed Forces after January 31, 1955, and before the termination of compulsory military service under existing laws of the United States, introduced by Mr. HENNINGS (for himself and Mr. GREEN), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

INCREASED AMOUNT OF EARNINGS BY CERTAIN VETERANS WITHOUT LOSS OF PENSION

Mr. CAPEHART. Mr. President, I introduce, for appropriate reference, a bill which increases the maximum annual earnings limit permitted under title 38 of the United States Code, otherwise known as the veterans compensation and pensions laws. In effect, this bill doubles the amount of money a disabled veteran is permitted to earn in gainful employment without the forfeiture or loss of his pension rights.

By reason of the general wage and living cost spiral, the maximum annual earnings limits have become antiquated and unrealistic and in all fairness and equity should be subjected to remedial legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 933) to increase the annual amount which certain veterans are permitted to earn without being deprived of the receipt of their pensions, introduced by Mr. CAPEHART, was received, read twice by its title, and referred to the Committee on Finance.

INCLUSION OF WHOLESALE DISTRIBUTORS OF GASOLINE WITHIN DEFINITION OF "PRODUCER," FOR EXCISE TAX PURPOSES

Mr. CAPEHART. Mr. President, I introduce, for appropriate reference, a bill which will amend sections 4081(a) and 4082 of the Internal Revenue Code of 1954, relating to the definitions of purposes of the gasoline tax, which in effect will shift the direct imposition of such tax from the producer or blender of the gasoline to the level of the wholesaler.

In many cases, small gasoline producers and blenders are required under the present provisions of the code to assume and pay the gasoline tax at the time of initial sale to the wholesaler, the tax being computed upon the basis of original gallonage.

However, between the producer and wholesaler there is by reason of the volatile nature of the product a certain amount of evaporation in addition to normal spillage, and so forth.

The circumstances of the trade are in certain particulars similar to existing conditions in the brewing industry which were discussed at length on the floor of the Senate last year. It has been argued with at least some degree of merit that the imposition of a tax upon any perishable commodity in its original form and volume, which tax is then passed on to a wholesaler, retailer or consumer, who in effect receives something less than the original form or volume of such commodity, is an unfair and inequitable tax, the imposition of which would amount to an invasion or deprivation under the due process clause of the 14th amendment.

It is apparent that a producer who also had retail outlets would not be required under the code to compute and pay the tax until the time of "sale," i.e., the time of transfer from the retailer to the consumer; and accordingly would be afforded a competitive advantage over a producer or blender who had no retail outlets, but was required to compute and pay the tax at the time of "sale" to a wholesaler or jobber.

In fairness and justice I ask the Senate to correct this inequitable condition.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 934) to include wholesale distributors of gasoline within the definition of "producer" for purposes of the excise tax on gasoline, introduced by Mr. CAPEHART, was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO REDUCTION OF TIME OF WAITING TO RECEIVE DISABILITY INSURANCE BENEFITS

Mr. CAPEHART. Mr. President, I introduce, for appropriate reference, a bill which would amend title II of the Social Security Act to reduce from 6 to 3 months the period during which disabled persons must wait before becoming entitled to disability insurance benefits under such title.

I am reliably informed that as much as 8 to 10 months are often consumed between application for benefits and actual receipt of payments, all of which subjects an applicant in most cases to extreme hardships.

It is my understanding that the intention of Congress under the present law was to require a reasonable waiting period in order to satisfactorily determine the applicant's permanency of status. In practice, however, it has been adequately shown that the inequitable and unfair aspects of this so-called waiting period can be partially obviated without any unreasonable sacrifice or loss and in the best interests of the Government. Accordingly this bill would reduce to one-half the minimum time now required before consideration and adjudication of such claims.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 935) to amend title II of the Social Security Act to reduce from 6 to 3 months the period during which disabled persons must wait before becoming entitled to disability insurance benefits under such title, introduced by Mr. CAPEHART, was received, read twice by its title, and referred to the Committee on Finance.

AVAILABILITY OF FEDERAL FUNDS TO CERTAIN ORGANIZATIONS

Mr. MUNDT. Mr. President, I introduce, for appropriate reference, a bill to expand the coverage of the Hill-Burton Act so as to make Federal funds available to mental health centers and clinics which are operated on a nonprofit basis and receive funds from a State or a political subdivision of a State.

I introduced this bill in both the 84th and 85th Congresses; but, due to overriding social circumstances, committee consideration of this measure was deferred. It is my hope that the atmosphere has now cleared, and that during the 86th Congress a thorough study will be made of this proposal.

All of us are aware of the significant strides which over the past decade have been made by the medical sciences with reference to mental health. However, it does little good merely to obtain greater knowledge and understanding of the varying mental health problems, if we do not have adequate clinical facilities to properly treat mental illness. In my home State of South Dakota, several forward-looking communities have been striving arduously to establish effective mental-health programs, but they are constantly confronted with the problem

of insufficient funds to erect adequate physical facilities to properly care for the mental-health problems in their locale. An extension of the Hill-Burton provisions seems to me the best way to make Federal funds available for these worthy projects. I hope the committee will give early attention to this proposal.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 936) to amend title VI of the Public Health Service Act, as amended, in order to make certain nonprofit corporations and associations eligible for Federal aid under such title, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF PUBLIC ASSISTANCE PROVISIONS OF SOCIAL SECURITY ACT

Mr. HUMPHREY. Mr. President, on behalf of myself and Senators PASTORE, MAGNUSON, LANGER, and CHAVEZ, I introduce, for appropriate reference, a bill to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds.

The purpose of this measure is well summarized in the statement of policy, which reads as follows:

> It is the purpose of this act to provide more effectively for the protection, care, and assistance of the people of the United States who are in need thereof, and to promote the welfare and happiness of the people of the United States by providing public assistance to its needy and distressed. * * *

In my judgment, the true test of the good society is not measured in terms of economic output or gross national product, but rather in how it treats its aged, its poor, and its distressed citizens.

In our preoccupation with material possessions, new and ever brighter gadgets, and longer and more powerful motorcars, we too often simply close our eyes to the less fortunate members of our society who are dependent upon public assistance in order to live.

We have a great moral obligation to the needy aged, the blind, the physically handicapped, and the dependent children. In a society as rich as ours there is no justification for such people being denied their human dignity. Yet, the fact of the matter is that in all too many States, our public assistance programs are being administered in such a manner as to strip from these recipients their right as an American citizen to be treated with respect and dignity.

Two years ago the gentleman from California, Representative JAMES ROOSEVELT, and I had drafted a bill designed to humanize our public assistance program. This bill (S. 1793), entitled the "Humanitarian and Old-Age Rights Act," was offered in the Senate by myself and other colleagues, and in the House of Representatives by the gentleman from California, Representative ROOSEVELT, as H.R. 6611.

The letters which I received in support of this bill from all parts of the country were most heart rending. They were not written on expensive stationery with fancy letterheads. They were on common ordinary paper, in all varieties of handwriting, and obviously written from the heart. These letters, Mr. President, confirmed my belief that legislation is in order to establish higher and more uniform standards of public assistance.

The bill which I introduce today is identical to the above-mentioned bill I offered in the 85th Congress. A companion bill (H.R. 423) has been introduced in the House by Representative ROOSEVELT.

Briefly, I would like to outline provisions of the bill.

First, it would make the age requirement for old-age assistance recipients the same as that established for old-age beneficiaries under title II of the Social Security Act.

The need for this is obvious when we consider the low minimum benefits now paid under the OASI program. Many beneficiaries who fall into the low category cannot, naturally, live on a benefit payment of $50 or $60 per month, and must therefore apply for public assistance to supplement this inadequate income.

Therefore, when we lowered the age for women OASI beneficiaries to 62 as we did in 1956, and did not make a corresponding change in the public assistance program, many people were bound to be caught in the squeeze and our original purpose defeated to a large extent.

Secondly, we would allow the aged and handicapped on public assistance to earn up to $50 per month; the parents of needy children up to $30 per month; and the needy children, themselves, up to $30 per month to supplement their assistance checks. The blind are already permitted to earn $50 without penalty of reduction in aid.

This privilege was extended to the aged by this body in 1956, but, unfortunately, it was knocked out of the social security amendments by the conference committee.

Our bill would allow recipients to own a home of an assessed value, less all encumbrances, up to $5,000 free from the imposition of a lien. To me, the practice of forcing an old person to sign over the little home that he has spent most of his life acquiring, as a condition of receiving aid in time of need, is abominable.

We would exempt household furnishings and other personal effects plus an insurance policy or burial arrangement up to $500 in value, when considering need, and we would also establish a floor of $1,200 under the amount of personal property which a single recipient is allowed to have.

Mr. President, I see no earthly reason why we should require people to be absolute paupers before we consider them in need of help to obtain the day-to-day necessities of life. To force them to use up every last resource before they are given aid is to strip them of any feeling of security should they become ill, or should their checks be held up in the skein of red tape or for other reasons. If they have been thrifty enough to purchase a burial policy so that their last remains can be covered with a semblance of dignity, are we to force them to cash this in, thereby finally sentencing them to potter's field?

Mr. President, is it right to grind them right down into the dust of absolute poverty before they can expect any help?

Mr. President, we would further prohibit the practice of some States whereby the public-assistance laws are used to enforce the general-support laws of the State. This is the so-called responsible relatives law where children of pensioners are subjected to continual harassment by State and county administrators even though they are in no way financially capable of supporting their aged parents.

While I firmly subscribe to the theory that it is the moral responsibility of children to care for their parents if they can reasonably afford to do so, I feel that this should be a matter for State support laws, and not be used merely as a harassment in the public-assistance program.

To show the hardship this so often works on our oldsters, in some States the mere existence of a relative deemed capable of supporting the old person is reason enough—according to State law—for denying that old person aid. Whether or not the relative is actually supporting the needy person is not taken into consideration. The fact that the relative exists is enough.

As another consideration, Mr. President, our bill provides that the program is to be administered by each State so as to insure uniform treatment of the needy in all its political subdivisions.

We would further reinstate the original policy adopted by Congress that the names of recipients be held confidential.

That is, we would outlaw the "shame list," which is used by all too many States to ridicule recipients of aid. This law reminds me of the old practice of putting town drunks or wife beaters in stocks in the public square to shame them in front of fellow townsmen. We hardly think that such a theory has any place in the 20th century.

We come now to the question of the residence requirement imposed by a majority of our States. The Public Assistance Act says that a State shall not impose a residence requirement exceeding 5 years out of the 9 years preceding application. And many States impose this maximum.

Even on the surface, this whole idea of a residence requirement seems ridiculous and even downright un-American to me. Though I come from the great State of Minnesota, I am also an American citizen. I am not restricted to living in Minnesota. When I come to Washington, it is not necessary that I take out a visa to remain or that I obtain a passport to travel to California if I choose to do so. I am just as much an American citizen in California or Nebraska as I am in Minnesota.

To partially alleviate this problem, our bill reduces the State-imposed residence requirements now allowed by the Federal Government from 5 years to 1 year, and

provides that should an otherwise qualified person not meet State residence requirements, the Federal Government will pay its share direct to the person until they have met the State residence requirement.

Finally, Mr. President, this bill provides that no person receiving such public aid shall be deemed a pauper and no warrant drawn in payment shall contain any reference to indigency or pauperism, and that the value of any United States surplus food made available will not be deducted from the recipient's aid.

Mr. President, I ask unanimous consent that the text of the bill I am sending to the desk be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 937) to amend the public assistance provisions of the Social Security Act to eliminate certain inequities and restrictions and permit a more effective distribution of Federal funds, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Humanitarian and Old-Age Rights Act".

STATEMENT OF PURPOSE AND POLICY

SEC. 2. It is the purpose of this Act to provide more effectively for the protection, care, and assistance of the people of the United States who are in need thereof, and to promote the welfare and happiness of the people of the United States by providing public assistance to its needy and distressed. It is the policy of the Congress that assistance under titles I, IV, X, and XIV of the Social Security Act, as amended by this Act, shall be administered promptly and humanely, with due regard for the preservation of family life and without discrimination on account of race, religion, or political affiliation, and that such assistance shall be so administered as to encourage self-respect, self-reliance, and the desire to be a good citizen, useful to society. Titles I, IV, X, and XIV of the Social Security Act shall be liberally construed in order to carry out this purpose and policy.

OLD-AGE ASSISTANCE

SEC. 3. (a) (1) (A) Section 2(a)(1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 2(a)(3) of such Act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 2(a)(7) of such Act is amended to read as follows: "(7) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming old-age assistance; except that, in making such determination, the State agency shall disregard (A) the first $50 per month of earned income, (B) the ownership by such individual (alone or with his or her spouse) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), (C) the ability of such individual's family and relatives to provide for his support, (D) any donations of surplus food which may have been made to such individual from stocks of the Commodity Credit Corporation, and (E) the first $1,200 in value (over and above all encumbrances of record) of personal property owned by such individual;"

(3) Section 2(a) of such Act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the following: "and (12) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(4) Section 2 (a) of such Act is further amended by adding after clause (12) the following new sentence: "For purposes of clause (7)(E), no life insurance policy shall be valued at more than its present surrender value to the individual, and the term 'personal property' shall not include (i) the individual's clothing, furniture, household equipment, foodstuffs, fuel, personal jewelry, or other personal effects, or (ii) interment plots, money placed in trust or insurance for funeral, interment, or similar expenses, or any contract rights connected therewith, if such money, insurance, or contract rights do not exceed $500 in value."

(5) Section 2(b)(1) of such Act is amended to read as follows:

"(1) An age requirement at any given time of more than the age which at such time constitutes retirement age for purposes of title II of this Act; or".

(6) Section 2(b)(2) of such Act is amended to read as follows:

"(2) Any residence requirement which excludes any resident of the State who has resided therein continuously for one year immediately preceding the application; or".

(b) The second sentence of section 1 of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles IV, X, and XIV".

(c) Section 4 of such Act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of old-age assistance to any individual, a requirement that such individual subject his home to a lien of any kind or transfer to the State agency any interest in his home;".

(d) Title I of such act is amended by adding at the end thereof the following new sections:

"Direct Payments to Individuals Not Satisfying Residence Requirements

"SEC. 7. If an individual, after making application for old-age assistance, is denied such assistance by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such individual is not entitled to old-age assistance by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such individual has made such application and would be eligible for old-age assistance if he satisfied such requirements. The Secretary shall thereupon pay directly to such individual for each month, beginning with the first month (after the month of such individual's application) in which such individual would have been eligible for old-age assistance if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the old-age assistance which such individual would receive for such month if he then satisfied such requirements.

"Assistance for Needs of Recipient Only

"SEC. 8. Assistance paid to any individual under this title is to assist him in meeting his individual needs and is not for the benefit of any other person; and such assistance shall not be regarded as income of any person other than such individual."

AID TO DEPENDENT CHILDREN

SEC. 4. (a)(1)(A) Section 402(a)(1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 402(a)(3) of such Act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 402(a)(7) of such Act is amended to read as follows: "(7) provide that the State agency shall, in determining need, take into consideration any other income and resources of any child claiming aid to dependent children; except that in making such determination the State agency shall disregard (A) the first $15 per month of income earned by such child and the first $30 per month of income earned by his parent or guardian, (B) the ownership by such child (or by his parent or guardian) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), and (C) any donations of surplus food which may have been made to or for such child from stocks of the Commodity Credit Corporation;".

(3) Section 402(a) of such Act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the word "and", and by adding at the end of the subsection the following new clause: "(13) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(b) The second sentence of section 401 of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles I, X, and XIV".

(c) Section 404 of such Act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of aid to any dependent child, a requirement that such child (or his parent or guardian) subject to his (or their) home to a lien of any kind or transfer to the State agency any interest in such home;".

(d) Title IV of such Act is amended by adding at the end thereof the following new section:

"Direct Payments to Dependent Children Not Satisfying Residence Requirements

"SEC. 407. If a dependent child, after making application for aid to dependent children, is denied such aid by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such child is not entitled to aid to dependent children by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such child has made such application and would be eligible for such aid if he satisfied such requirements. The Secretary shall thereupon pay directly to such child for each month, beginning with the first month (after the month of such child's application) in which such child would have been eligible for aid to dependent children if he satisfied such residence requirements and ending with the month preceding the first

month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the aid to dependent children which such child would receive for such month if he then satisfied such requirements."

AID TO THE BLIND

SEC. 5. (a)(1)(A) Section 1002(a)(1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 1002(a)(3) of such Act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 1002(a)(8) of such Act is amended to read as follows: "(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the blind; except that, in making such determination, the State agency shall disregard (A) the first $50 per month of earned income, (B) the ownership by such individual (alone or with his or her spouse) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), (C) the ability of such individual's family and relatives to provide for his support, (D) any donations of surplus food which may have been made to such individual from stocks of the Commodity Credit Corporation, and (E) the first $1,200 in value (over and above all encumbrances of record) of personal property owned by such individual;".

(3) Section 1002 (a) of such Act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the following: "and (14) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(4) Section 1002 (a) of such Act is further amended by adding after clause (14) the following new sentence: "For purposes of clause (8) (E), no life insurance policy shall be valued at more than its present surrender value to the individual, and the term 'personal property' shall not include (i) the individual's clothing, furniture, household equipment, foodstuffs, fuel, personal jewelry, or other personal effects, or (ii) interment plots, money placed in trust or insurance for funeral, interment, or similar expenses, or any contract rights connected therewith, if such money, insurance, or contract rights do not exceed $500 in value."

(5) Section 1002 (b) (1) of such Act is amended to read as follows:

"(1) Any residence requirement which excludes any resident of the State who has resided therein continuously for one year immediately preceding the application; or".

(b) The second sentence of section 1001 of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles I, IV, and XIV".

(c) Section 1004 of such Act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of aid to any individual, a requirement that such individual subject his home to a lien of any kind or transfer to the State agency any interest in his home;".

(d) Title X of such Act is amended by adding at the end thereof the following new sections:

"Direct Payments to Individuals Not Satisfying Residence Requirements

"SEC. 1007. If an individual, after making application for aid to the blind, is denied such aid by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such individual is not entitled to aid to the blind by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such individual has made such application and would be eligible for such aid if he satisfied such requirements. The Secretary shall thereupon pay directly to such individual for each month, beginning with the first month (after the month of such individual's application) in which such individual would have been eligible for aid to the blind if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the aid to the blind which such individual would receive for such month if he then satisfied such requirements.

"Assistance for Needs of Recipient Only

"SEC. 1008. Assistance paid to any individual under this title is to assist him in meeting his individual needs and is not for the benefit of any other person; and such assistance shall not be regarded as income of any person other than such individual."

AID TO THE PERMANENTLY AND TOTALLY DISABLED

SEC. 6. (a)(1)(A) Section 1402(a)(1) of the Social Security Act is amended to read as follows: "(1) provide that it shall be in effect in all political subdivisions of the State;".

(B) Section 1402(a)(3) of such Act is amended to read as follows: "(3) provide for the establishment or designation of a single State agency to administer the plan;".

(2) Section 1402(a)(8) of such Act is amended to read as follows: "(8) provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming aid to the permanently and totally disabled; except that, in making such determination, the State agency shall disregard (A) the first $50 per month of earned income, (B) the ownership by such individual (alone or with his or her spouse) of a home having an assessed value, less all encumbrances of record thereon, of less than $5,000 (except to the extent that he is receiving rental income therefrom), (C) the ability of such individual's family and relatives to provide for his support, (D) any donations of surplus food which may have been made to such individual from stocks of the Commodity Credit Corporation, and (E) the first $1,200 in value (over and above all encumbrances of record) of personal property owned by such individual;".

(3) Section 1402(a) of such Act is further amended by striking out the final period and inserting in lieu thereof a semicolon and the following: "and (13) provide that there will be no discrimination based on sex in determining the needs of individuals receiving assistance under the plan."

(4) Section 1402(a) of such Act is further amended by adding after clause (13) the following new sentence: "For purposes of clause (8)(E), no life insurance policy shall be valued at more than its present surrender value to the individual, and the term 'personal property' shall not include (i) the individual's clothing, furniture, household equipment, foodstuffs, fuel, personal jewelry, or other personal effects, or (ii) interment plots, money placed in trust or insurance for funeral, interment, or similar expenses, or any contract rights connected therewith, if such money, insurance, or contract rights do not exceed $500 in value."

(5) Section 1402(b)(1) of such Act is amended to read as follows:

"(1) Any residence requirement which excludes any resident of the State who has resided therein continuously for one year immediately preceding the application; or".

(b) The second sentence of section 1401 of such Act is amended by inserting before the period at the end thereof a semicolon and the following: "but no payment shall be made under this title to any State which has not also submitted, and had approved by the Secretary, State plans for assistance under titles I, IV, and X".

(c) Section 1404 of such Act is amended by striking out "or" at the end of paragraph (1), by adding "or" at the end of paragraph (2), and by inserting after paragraph (2) the following new paragraph:

"(3) that in the administration of the plan there is imposed, as a condition of aid to any individual, a requirement that such individual subject his home to a lien of any kind or transfer to the State agency any interest in his home;".

(d) Title XIV of such Act is amended by adding at the end thereof the following new sections:

"Direct Payments to Individuals Not Satisfying Residence Requirements

"SEC. 1406. If an individual, after making application for aid to the permanently and totally disabled, is denied such aid by the State agency solely because he does not satisfy the residence requirements imposed under the State plan, and if such individual is not entitled to aid to the permanently and totally disabled by reason of prior residence in another State, the State agency shall promptly notify the Secretary of the fact that such individual has made such application and would be eligible for such aid if he satisfied such requirements. The Secretary shall thereupon pay directly to such individual for each month, beginning with the first month (after the month of such individual's application) in which such individual would have been eligible for aid to the permanently and totally disabled if he satisfied such residence requirements and ending with the month preceding the first month in which he satisfies such requirements, an amount (as determined under regulations prescribed by the Secretary) equal to the Federal Government's proportionate share of the aid to the permanently and totally disabled which such individual would receive for such month if he then satisfied such requirements.

"Assistance for Needs of Recipient Only

"SEC. 1407. Assistance paid to any individual under this title is to assist him in meeting his individual needs and is not for the benefit of any other person; and such assistance shall not be regarded as income of any person other than such individual."

MISCELLANEOUS PROVISIONS

SEC. 7. (a) As used in the provisions of the Social Security Act amended by this Act, the term "Secretary", except when the context otherwise requires, means the Secretary of Health, Education, and Welfare.

(b) Section 618 of the Revenue Act of 1951 (relating to public access to State public assistance records) is repealed.

(c) No check or warrant drawn in payment of assistance to any individual under title I, IV, X, or XIV of the Social Security Act, and no envelope or other outer covering therefor, shall bear any printing or marking which indicates or implies that such individual is indigent or a pauper.

(d) The amendments made by sections 3(d), 4(d), 5(d), and 6(d) shall apply with respect to months beginning after the date of the enactment of this Act. Section 7(b) shall apply with respect to payments to which the States (including the agencies

and political subdivisions thereof) become entitled after the date of the enactment of this Act. Sections 7(a) and 7(c) shall take effect on the date of the enactment of this Act. The remaining amendments made by this Act shall take effect on July 1, 1960.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair has been requested by the Vice President to announce for him the following appointments:

READING OF WASHINGTON'S FAREWELL ADDRESS

The designation, pursuant to the resolution of the Senate of January 24, 1901, of Mr. ALLOTT, a Senator from the State of Colorado, to read Washington's Farewell Address to the Senate on Monday, February 23, next.

SENATE OFFICE BUILDING COMMISSION

The appointment of Mr. ALLOTT and Mr. COOPER to be members of the Senate Office Building Commission, created by the act of April 28, 1904, as amended, vice former Senators Malone, of Nevada, and Purtell, of Connecticut.

MEMBER OF BOARD OF VISITORS TO UNITED STATES MERCHANT MARINE ACADEMY

The appointment of Mr. COTTON to be a member of the Board of Visitors to the United States Merchant Marine Academy, pursuant to title 46, United States Code, section 1126c.

MEMBER OF BOARD OF VISITORS TO UNITED STATES COAST GUARD ACADEMY

The appointment of Mr. BUSH to be a member of the Board of Visitors to the United States Coast Guard Academy, pursuant to title 14, United States Code, section 15h.

APPOINTMENT OF MINORITY MEMBERS OF JOINT ECONOMIC COMMITTEE

The PRESIDING OFFICER. The Chair has been requested by the Vice President to announce for him the appointment, pursuant to section 5(a) of Public Law 304, 79th Congress, the appointment of Mr. BUSH, Mr. BUTLER, and Mr. JAVITS as members on the part of the Senate of the Joint Economic Committee, to fill existing vacancies thereon.

APPOINTMENT OF MEMBER OF SELECT COMMITTEE ON IMPROPER ACTIVITIES IN LABOR OR MANAGEMENT FIELD

The PRESIDING OFFICER. The Chair, at the request of the Vice President, announces for him the appointment of Mr. CAPEHART as a member of the Select Committee on Improper Activities in the Labor or Management Field, to fill the vacancy caused by the retirement from the Senate of Hon. Irving M. Ives, of New York.

PROHIBITION OF FEES TO VIEW TELECASTS IN PRIVATE HOMES—BILLS INTRODUCED BY SENATOR LANGER

Mr. DIRKSEN. Mr. President, on January 20 I introduced some bills on behalf of my distinguished friend the Senator from North Dakota [Mr. LANGER] and I asked that the bills be considered as having been introduced by the distinguished Senator from North Dakota himself. Evidently I did not make myself clear, and the bills are shown as introduced under my sponsorship with the distinguished Senator from North Dakota listed as a cosponsor.

Mr. President, I ask unanimous consent that the proper correction be made, so that the bills, S. 591 and S. 592, will be shown as having been introduced by the distinguished Senator from North Dakota [Mr. LANGER] and will not include my sponsorship.

I observe the Parliamentarian is shaking his head, Mr. President. I made such a unanimous-consent request previously. I thought it was within the rule, and I heard no objection.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the RECORD shows the bills were not introduced under the sponsorship of the Senator from Illinois but by the distinguished Senator for the Senator from North Dakota.

Is there objection to the request of the Senator from Illinois? The Chair hears none; and, without objection, proper corrections will be made.

Mr. DIRKSEN. The bills should be printed as having been introduced by the distinguished Senator from North Dakota, and my name should not appear on the bills as a cosponsor. I hope that is made clear, Mr. President.

The PRESIDING OFFICER. Without objection the request is agreed to.

Mr. LANGER. Mr. President, I thank the Senator from Illinois for what he did for me when I could not be present. I want to assure the Senator that both bills are excellent bills and I am sorry he is not a cosponsor of them.

Mr. DIRKSEN. I received all the credit and my distinguished friend received all the blame.

HOUSING ACT OF 1959—AMENDMENTS

Mr. HART (for himself and Mr. MCNAMARA) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. YOUNG of North Dakota (for himself and Mr. LANGER) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 57, supra, which was ordered to lie on the table and be printed.

Mr. MONRONEY (for himself, Mr. HUMPHREY, Mr. MCNAMARA, Mr. HART, Mr. GORE, Mr. YARBOROUGH, Mr. KERR, Mr. JOHNSTON of South Carolina, Mr. JACKSON, Mr. MAGNUSON, Mr. CARROLL, Mr. ANDERSON, Mr. MCGEE, Mr. LONG, Mr. THURMOND, Mr. GRUENING, Mr. BARTLETT, Mr. MORSE, Mr. KEFAUVER, and Mr. LANGER) submitted amendments, intended to be proposed by them, jointly, to Senate bill 57, supra, which were ordered to lie on the table and to be printed.

Mr. MORSE submitted amendments, intended to be proposed by him, to Senate bill 57, supra, which were ordered to lie on the table and to be printed.

PRINTING OF REVIEW ON REPORTS ON THE GULF INTRACOASTAL WATERWAY CHANNEL TO PORT MANSFIELD, TEX.—(S. DOC. NO. 11)

Mr. CHAVEZ. Mr. President, I call this matter to the attention of the majority leader.

Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated September 19, 1958, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of reports on the Gulf Intracoastal Waterway, channel to Port Mansfield, Tex., requested by resolution of the Committee on Public Works, adopted June 17, 1949. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

Mr. JOHNSON of Texas. I express my appreciation to the Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico? The Chair hears none, and it is so ordered.

LEASE AND TRANSFER OF ACREAGE ALLOTMENTS—ADDITIONAL COSPONSOR OF BILL

Mr. SPARKMAN. Mr. President, on January 9, 1959, I introduced the bill (S. 58) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for lease and transfer of acreage allotments. I ask unanimous consent that the name of the Senator from South Carolina [Mr. JOHNSTON] may be added as a cosponsor of the bill when it is next printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH SERVICES STUDY COMMISSION—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent that the name of the Senator from Massachusetts [Mr. SALTONSTALL] may be added as one of the cosponsors of the joint resolution (S.J. Res. 43) to establish the Health Services Study Commission, introduced by me on February 3, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

STANDING COMMITTEE ON VETERANS' AFFAIRS—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. MORSE. Mr. President, I ask unanimous consent that at such time as Senate Resolution 19, establishing a standing Committee on Veterans' Affairs in the Senate, is reprinted, the name of the Senator from Colorado [Mr. CARROLL] may be included as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. TALMADGE:

Remarks by Representative VAN ZANDT in presenting to Senator RUSSELL the annual Minute Man of the Year Award of the Reserve Officers Association of the United States.

Address delivered by him at the 29th annual convention of the American Coalition of Patriotic Societies, at Washington, D.C., on February 3, 1959.

NOTICE OF HEARING ON NOMINATION OF PHILIP K. CROWE TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY TO UNION OF SOUTH AFRICA

Mr. GREEN. Mr. President, on behalf of the Committee on Foreign Relations, I desire to announce that the Senate received today from the President of the United States the nominations of Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Union of South Africa, and Raymond A. Hare, of West Virginia, now Ambassador Extraordinary and Plenipotentiary of the United States to the United Arab Republic, to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary of the United States to the Kingdom of Yemen.

Notice is given that the Committee on Foreign Relations, at the expiration of 6 days, in accordance with the committee rule, will give consideration to these nominations.

ADDRESSES BY JOHN M. MAHAN AND SENATOR JOHNSON OF TEXAS AT THE VETERANS OF FOREIGN WARS CONGRESSIONAL DINNER, 1959

Mr. MANSFIELD. Mr. President, last evening the Veterans of Foreign Wars of the United States held their annual banquet for the Members of the Congress of the United States. On that occasion, almost 500 Members of the Congress—the largest number ever present at such an event—were present to do honor to the national commander of the Veterans of Foreign Wars, John W. Mahan, of Helena, Mont.; to the Commandant of the Marine Corps, Gen. Randolph McC. Pate; and to our distinguished majority leader, the senior Senator from Texas, LYNDON B. JOHNSON, who was the recipient of the distinguished service award given by that organization annually.

It was an inspiring occasion. The speeches were well delivered. The time consumed was less than 2 hours. Every State was given recognition; and, in effect, a most interesting time was had by all in attendance. It was an occasion reflecting great credit on the VFW with its 1,300,000 members and on its outstanding commander in chief, our fellow Montanan, John W. Mahan. We were proud of him and all our other friends from our State who were present.

But while everyone there enjoyed himself, there was of course a seriousness about the occasion which brought home to all those present the difficulties under which we live at the present time.

The full Montana congressional delegation, headed by our distinguished senior Senator, Mr. MURRAY, was in attendance. In addition, there were approximately 50 members of the VFW from Montana headed by our State Commander Dale Pawlowski, of Circle, Mont.

An inspiring address was delivered by my fellow Montanan, the national commander of the Veterans of Foreign Wars, John W. Mahan, in the introduction of the guest of honor, the distinguished majority leader, the Honorable LYNDON W. JOHNSON, the senior Senator from Texas.

Mr. President, I ask unanimous consent that the address delivered by Mr. Mahan and the address delivery by the distinguished majority leader in reply be incorporated in the RECORD at this point.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY JOHN W. MAHAN INTRODUCING THE HONORABLE LYNDON B. JOHNSON, VFW CONGRESSIONAL DINNER 1959

Mr. JOHNSON, Mr. Speaker, General Pate, over 125 years ago the great American migration west was just getting under way. Pioneers, frontiersmen, adventurers boldly set forth to tame the land from Texas to Oregon and to make it part of America. These men carried with them a desire to explore, to build, to find a new life for themselves regardless of the danger and hardship. They found that new life and the greatness of America was assured.

Today, fortunately for the Nation and for free men everywhere, men from the West—with this same toughness of spirit, idealism—ever restless to meet new challenges, to explore new frontiers—are coming back from whence their ancestors came—because here on the Potomac lie the challenges and the frontiers of the 20th century—the frontiers of freedom, of dignity, of worlds beyonds ours—of space.

Foremost among these men is our guest of honor. He began his career in Government 22 years ago. Elected to Congress in 1938, he interrupted this career the day after Pearl Harbor and was the first Member of Congress to don a uniform. As a lieutenant commander in the Naval Reserve, he served with distinction in the combat areas of the South Pacific. While there he volunteered for a hazardous combat mission to obtain vital intelligence over hostile New Guinea. For this action he was personally decorated with the Silver Star by Gen. Douglas MacArthur.

He has advanced in 10 years to a man of great national and international prominence in serving our country as its spokesman in the United Nations—to bring about the peaceful uses of outer space. He is chairman of the Senate Aeronautical and Space Sciences Committee, chairman of the Preparedness Subcommittee of the Senate Armed Services Committee, and member of the Appropriations Committee.

Perhaps in the last analysis the real mark of a man is what his fellow men think of him. This man has become almost a legend in less than 10 years. He was elected to the Senate in 1948. He was elected by his fellow Senators as leader of his party in the Senate only 4 years later—a post he has occupied ever since. This is the judgment of his peers—the men who know him best. And what of his friends—the ones who know him as a person—not only as the efficient, skillful leader of the Senate? To them, he is a warm and friendly neighbor—gracious, generous, and sentimental—a friend who is there when needed.

This is a man. And men is what this Nation needs in the midtwentieth century. As a westerner, I am proud he is from the West. As commander in chief of the VFW, I am proud that he is a member of our organization. As an American, I am both proud and grateful that he occupies a position of high leadership of the Nation in these anxious times.

It is a high honor to present to you a man from the West who brings to the present the pioneer spirit of the past, a man who brings to free men everywhere hope for the future, the distinguished Senator from Texas. I am happy to present the highest award which the 1,300,000 members of the VFW can bestow on any man, the gold citizenship award to the Honorable LYNDON B. JOHNSON.

FOR THE COMMON DEFENSE

(Address by Senate Democratic Leader LYNDON B. JOHNSON, of Texas, Veterans of Foreign Wars dinner, Washington, D.C., Feb. 3, 1959)

Mr. Chairman, ladies, and gentlemen, for this award—and for the honor of this occasion—I am most grateful to you. While your recognition is to my public service, this moment is one of deep personal meaning to me.

I accept this award in the sense of a representative of the millions of Americans who have joined in a partnership to provide for the common defense.

This includes those who faced the enemy in combat.

This includes those who have produced the tools of preparedness.

THE THOUGHT OF PREPAREDNESS

This includes those who, like the Veterans of Foreign Wars, have banded together to keep alive the thought of preparedness in the hearts of our citizens.

The VFW is not just an organization founded upon memories of events which become nostalgic as we get farther from them. It is a vital force upon the American scene today.

For 22 years now—as a Member of the House and as a Member of the Senate—I have served in the Congress. Throughout that period I have served continuously on those committees charged with the most direct responsibility for our national security.

DECISION AND RESPONSIBILITY

National security—in these times—is complex. National strength is costly.

The burdens of decision and responsibility are trials.

But when these matters are approached in terms of individual human lives, the complexities become simple, the cost becomes cheap, and the trials cease to matter.

The question today has not changed since 1942.

Can free men ask their sons to defend freedom with less than the best of weapons or less than the maximum of willing support wherever the line of battle may fall?

For myself—and, I am sure, for you—I say that the answer is forthright and simple, "No."

NO AREA OF COMPROMISE

On this, there is no area of compromise. There is no alternative. There are no choices. Either this is to be our standard and the purpose of our efforts, or it is not.

In terms of principle it is simple. It is not simple in terms of application. Twenty years ago—when we were beginning to mobilize for World War II—we used what weapons were needed to protect our freedom. Where we did not have those weapons on hand, we could afford to make substitutions.

We handed our sons broom handles with signs attached to identify them as guns. We posted signs on old trucks and called them tanks. We simulated artillery with water pipes.

SUBSTITUTES FOR THE REAL THING

Those weapons that mattered so much to us in 1940 are basically obsolete, and even the broom handles are obsolete.

The demands of national security—and the change of our national position—no longer permit us the leisure of outfitting ourselves with substitutes for the real thing.

This is the first—and the greatest—single change in our concept of national security.

Time is no longer our friend. Time is no longer on our side.

Security is no longer a point at which we may hope to arrive 1 year, 2 years, or 10 years hence. Security—in the modern world—is a condition we must maintain each hour of each day.

This underscores another matter of great importance.

CHANGES IN MILITARY CONCEPTS

Twenty years ago—in our period of mobilization against the threat afforded by the Axis powers—you will recall the profound changes we were forced to undergo in our military concepts. At the beginning of mobilization, armored divisions and mechanized divisions were unheard of. Paratroops and dive-bombing and landing craft were unknown concepts. The most romantic branch of our services was the horse cavalry.

VICTORIES: THE PRODUCT OF CHANGE

Our victories in World War II were the product of changes we were forced to make in our thinking after the war in Europe had begun.

Today—and for so long as the Nation shall endure—we do not have, and will not have, the same margin of time.

THE EDGE OF CAPABILITY

For more than a decade, peace has been maintained because—as men such as Winston Churchill have pointed out—we of the United States have held a continuing edge in capabilities. What we often overlook is that American science gave us the lead in the nuclear age. This lead—won by the invention and creativeness of our minds—served the world as the greatest single deterrent to aggression. The fact that we had unquestioned leadership in this realm made it unnecessary to use atomic energy in any military form.

THE TIME OF DANGER

This demonstrates the point that needs making now. Our greatest time of danger in the world is at times of transition.

When we come to a phase in which old concepts are obsolete and new concepts are not yet perfected, there is where the danger lies.

SECURITY FOR THE FUTURE

If American science had not been the leader in bringing free men to the atomic age, the cost of national security these past 15 years would have been prohibitive beyond our imagination. The parallel challenge of the opportunities of space is identical.

The weapons of the past are obsolete. The strategies of the past are obsolete. Along with this transition, we must face another fact of change.

ONE GOAL FOR AMERICA

We are working now in the Senate on the job that is foremost for the members of the legislative branch—getting the facts. We must have those facts to discharge our duties. It is my hope, though, that out of this can come the search for a new way and a better way to bring together—rather than to keep apart—our joint pursuits of the same goal.

There is—and must be—only one goal for Americans:

To provide our Nation with security and, through that strength, to be leaders for peace.

A TIME OF GREAT POTENTIAL

We have come to a time of great potential. Never has there been so great an opportunity for us as that opening now. If we move with vigor into the leadership of space, we shall turn those wild fields into the meadows of peace. The opportunity to achieve a creative peace is the opportunity before us now, and the challenge to our lives, our talents, our will. With this before us, let us so work that it shall never be said again that we did too little, too late.

DULLES-FULBRIGHT ACCORD

Mr. MANSFIELD. Mr. President, in the New York Herald Tribune of Tuesday, February 3, there appeared a story entitled "In Interests of Nation: Dulles-Fulbright Accord Sought," written by Rowland Evans, Jr.

I think this is a very worthwhile synopsis of a situation which exists, and which will continue to exist in the future so far as the relationship between the Senate Foreign Relations Committee and the Secretary of State is concerned.

Let me say that, on the whole, that accord has been quite good. I anticipate that it will be just as good in the future, if not better.

In the article Mr. Evans refers not only to the Secretary of State and his possible relationship with the Senator from Arkansas [Mr. FULBRIGHT], the new chairman, but he also refers to the Senator from Minnesota [Mr. HUMPHREY], the Senator from Alabama [Mr. SPARKMAN], the Honorable C. Douglas Dillon, Under Secretary of State for Economic Affairs, and the Assistant Secretary of State, William B. Macomber, who is the congressional liaison contact between the State Department and the Congress as a whole.

I join Mr. Evans in his high praise of Mr. Macomber's devotion to duty. Although this is a well-written story, there is one vital element missing. I am delighted, in respect to this, to observe the presence in the Chamber at this moment of members of the Committee on Foreign Relations—the Senator from Alabama [Mr. SPARKMAN], the Senator from Indiana [Mr. CAPEHART], the Senator from Vermont [Mr. AIKEN], and others, who will attest to the fact that last year the Foreign Relations Committee unanimously—and I believe at the instigation of the distinguished Senator from Arkansas [Mr. FULBRIGHT]—voted to send a letter of commendation and thanks to Assistant Secretary Macomber for the fine attitude he displayed, for the good cooperation he had shown, and for his attention to duty and detail in keeping the committee informed of developments in the field of foreign policy and in its relations with the Department of State. To my knowledge, this is the first time that a letter of this kind had ever been sent to a man in Secretary Macomber's position and, in my opinion, it was richly deserved.

I ask unanimous consent that this story be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN INTERESTS OF NATION: DULLES-FULBRIGHT ACCORD SOUGHT

(By Rowland Evans, Jr.)

WASHINGTON, February 2.—A number of factors are operating quietly and persistently in the background to help resolve the public discord that, on occasion, has marred the relationship between Secretary of State John Foster Dulles and Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas.

For obvious reasons, the national security will not be strengthened if the chairman of the Foreign Relations Committee and the Secretary of State are at each other's throat. Conversely, the interests of the Nation can be immeasurably advanced if the men who occupy these two pinnacles of power in the conduct of foreign relations can merge their talents and collaborate in finding solutions to the plaguing questions of the time.

CHAIRMAN KEY PERSON

A Foreign Relations chairman can, if he tries hard, wreck the best laid plans of an administration, as Senator Henry Cabot Lodge, grandfather of the present American Ambassador to the United Nations, wrecked President Wilson's League of Nations.

On the other hand, the chairman can virtually guarantee the acceptance of some pretty radical policies, if his support is fully engaged. For example, the late Senator Arthur H. Vandenberg underwrote the Marshall plan.

Senator FULBRIGHT, the newest chairman, is well aware of all this. So is Mr. Dulles, who has a good deal more at stake. Mr. Dulles needs the Senate more than the Senate needs him.

While the Secretary and the Senator work to reconcile their differences of method and technique and try to conduct their private negotiations out of the headlines, the hidden but immensely important apparatus of informal communication between the Senate and the State Department is now working overtime to make the job easier.

ROLE OF MACOMBER

Assistant Secretary of State William B. Macomber, the imaginative, highly skilled operator who has charge of congressional liaison and who is the principal implement of this apparatus, holds the complete confidence of Senator FULBRIGHT. Mr. Macomber has roots of his own in the Senate, where he once served as Senator JOHN SHERMAN COOPER'S administrative assistant. He also has a unique intimacy with Mr. Dulles, for whom he worked as confidential assistant before taking charge of congressional liaison.

The selection of Mr. Macomber was one of Mr. Dulles' wisest appointments. His job is to translate and interpret administration foreign policy for the Democratic Congress and interpret the congressional response for the administration. He works at this delicate job, with its inevitable byproduct of sensitivity feelings and wounded pride, as meticulously as a diamond cutter. His is a job of human relations wherein the element of face has extraordinary importance. Mr. Macomber has a talk with Senator FULBRIGHT almost every day. He recently held a breakfast in the State Department for 11 freshmen Senators, an unpublicized affair that could pay a dividend at some future time.

C. Douglas Dillon, Under Secretary of State for Economic Affairs, is another key member of the apparatus of informal communication. Like many rich men with successful business backgrounds, he has the confidence of the powerful in Congress. Of all the Department's top officials, he is liked the best and trusted the most. His relationship with Senator FULBRIGHT is intimate. He is a

natural bridge between Mr. Dulles and Senator FULBRIGHT, if any is needed.

AN ALLY OF DULLES

On the Senate Foreign Relations Committee, Senator JOHN J. SPARKMAN is perhaps the strongest Democratic ally of Mr. Dulles. Senator SPARKMAN helped Mr. Dulles write the Japanese peace treaty and holds the Secretary in high regard. Elsewhere on the committee, Senator HUBERT H. HUMPHREY'S work in the disarmament field has brought him in close contact with Mr. Dulles and, perhaps surprisingly, the two have developed a strong mutual respect.

Also working to exploit the subsurface avenues of communication is Carl Marcy, the gifted chief of the committee's staff.

How the collective force of these personalities plays upon the two principals will depend on how the Secretary and the Senator work out their own disagreements—differences of technique rather than basic objectives. If their own lines of communication should start to clog, these are the figures in the background who will be in position to force them open.

In the meantime, regular and unpublicized conversations between the Secretary and the Senator are a certainty.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

LEGISLATIVE RECOMMENDATIONS OF THE PRESIDENT IN THE LABOR - MANAGEMENT FIELD—STATEMENT BY THE SECRETARY OF LABOR

Mr. DIRKSEN. Mr. President, the distinguished Secretary of Labor is appearing this morning before the Senate Committee on Labor, to testify. I ask unanimous consent that there be printed in the body of the RECORD the text of the statement the Secretary is making before that committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JAMES P. MITCHELL, SECRETARY OF LABOR, BEFORE THE SUBCOMMITTEE ON LABOR, SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, FEBRUARY 4, 1959

I am pleased to be here once again to discuss with this committee the legislative recommendations of the President in the labor-management field. In his labor message of January 28, the President said that there is need for the enactment of effective legislation:

"To safeguard workers' funds in union treasuries against misuse of any kind whatsoever.

"To protect the rights and freedoms of individual union members, including the basic right to free and secret election of officers.

"To advance true and responsible collective bargaining.

"To protect the public and innocent third parties from unfair and coercive practices such as boycotting and blackmail picketing.

"To carry these principles into action, the President has submitted to the Congress a fair and just legislative program which is set out in S. 748. The main concern of the administration in developing this legislative program has been to protect individual rights of the men and women who work and the interests of the public in a manner which will aid rather than hinder the furtherance of the growth of legitimate trade unionism. It will deal effectively with the problem areas in labor-management relations which require legislative action. It bears upon employers as well as unions but does not place undue burdens upon either. It recognizes that the majority of labor and management officials are sincere and honest in their dealings one with the other and with the union members, and is directed to helping the legitimate trade union movement clean its own house and to assisting fair employers in curbing any improper practices on the management side."

I propose in this statement to explore the primary problem areas in labor-management relations which require, and which may be solved by, Federal legislative action, and I propose to show how the administration's bill, as a comprehensive approach, deals with these problems. The interim report of the Select Committee on Improper Activities in the Labor or Management Field, chaired by Senator MCCLELLAN, set out nine conclusions which the committee had reached as the result of its investigations and which should be dealt with by Federal legislative action. Any legislative program in this field will be judged by the American people on the basis of how completely, effectively, and fairly it reaches these problem areas.

The administration's bill, I submit, will best meet this test. As the President stated in his message, it "will do so without imposing arbitrary restrictions or punitive measures on the legitimate activities of honest labor and management officials." It is important to remember that the great majority of those connected with labor and management fall in this category, and that the evils we are seeking to correct are as much anathema to them as they are to the American public as a whole.

The conclusions of the select committee were:

1. That there had been a "significant lack of democratic procedures in the unions studied."

2. That there had been an abuse of the power to place subordinate bodies under "supervisorship."

3. That "certain managements have extensively engaged in collusion with unions."

4. That there had been "widespread misuse of union funds in the unions studied."

5. That "violence in labor-management disputes * * * still exists."

6. That there had been management violations of the Taft-Hartley Act by use of labor spies, "spontaneous" employee committees, and other improper practices.

7. That "the weapon of organizational picketing has been abused" by its use without regard to the desires of the employees in question.

8. That "gangsters and hoodlums have successfully infiltrated some labor unions."

9. That there is an extensive "no man's land" in jurisdiction over labor-management relations.

Let us examine these conclusions in more detail and certain of the evidence which supports them and see how the administration's proposals would apply to them. In doing so, I should like to omit from my review of this evidence, where I can do so without misquotation, the names of the perpetrators of the abuses that have been shown to exist. To add once more to the notoriety of these persons would contribute nothing and might well detract from the emphasis which should be placed on the substance of the abuses in which they were involved and which we are proposing to correct.

1. The select committee found that there had been a significant lack of democratic procedures in the unions studied and that the use of the secret ballot had been denied in many cases.

The president of the Bakery and Confectionery Workers' International Union, which has since been expelled from the AFL–CIO, was found to be "an example of a labor autocrat who * * * conjures up few rivals." It was stated that in the 1956 union convention at San Francisco this man "railroaded through" changes in the union constitution which destroyed any remaining pretenses of union democracy. It was found that actions and statements by this officer "at the convention nakedly exposed an authoritarian philosophy abhorrent to legitimate American unionism. Under his callous direction use of the secret ballot to elect international officers was abandoned, thus further intimidating possible dissenters."

With respect to the Teamsters' Union, the select committee said:

"Teamster officials have crushed democracy within the union's ranks. They have rigged elections, hoodwinked and abused their own membership, and lied to them about the conduct of their affairs. They have advanced the cause of union dictatorship and have perverted or ignored their own constitution and bylaws.

* * * * *

"At the recent international convention of the teamsters in Miami, Mr. Beck and Mr. Hoffa, with the help of their bevy of lawyers, made a mockery of the international constitution. They showed that they regarded the constitution as a piece of paper to be obeyed or ignored as it might benefit them. In this instance, the decision was to waive the constitution. Without this action, Mr. Hoffa could not have been elected teamster president.

"Delegates from a New York local who participated actively in the convention were not elected until 10 days after the convention was over. The ultimate cynicism of the Miami situation is demonstrated, however, by the colloquy which took place between the committee and a Hoffa supporter from Detroit. He was asked if he was a delegate to the convention and he replied that he was. He was asked when he was elected and he replied that there was to be a membership meeting that night to consider the nominations and election of delegates and he was to be elected at that time."

Flagrant disregard of democratic procedures was also found to exist in some other unions investigated by the select committee. It may be asked, why did the membership of these unions stand for this kind of an organization? The answer is obvious from illustrations given in the interim report. According to the report members of a local union in Long Island who questioned the actions of local officers were viciously beaten, and when they filed criminal charges were given drumhead trials and barred from the union for a period of 5 years, heavily fined, and deprived of their means to earn a livelihood.

Under the administration's bill the dictatorships in these unions would be prevented by standards required by the bill or would be exposed to the scrutiny of the members and the public under the reporting and disclosure requirements. The unions would be required to report how all officers are selected and to certify that certain standards for the election and removal of officers are provided in their governing documents and are observed.

The administration's bill would require officers of international unions to be elected not less frequently than every 5 years by secret vote or by delegates elected by secret vote. Officers of local unions would be required to be elected not less frequently than every 3 years by secret vote.

The provisions of the administration's bill would assure that all members of the organization would be entitled to nominate and to be candidates, and to vote in secret, upon due notice and without restraint or coercion. The facilities necessary for an honest election, including tellers and observers, would have to be provided by the union.

Unions would be required by the administration bill to report their procedures for the removal of officers. They would also be required to have in their constitutions and bylaws procedures, which would have to be followed, enabling the removal of officers by a majority secret vote where a substantial number of the members indicate that they desire to have such a vote. A prompt election to choose successors to removed officers, conducted in accordance with the standards of the bill, would be required.

The administration bill would empower the Department of Labor to investigate violations of its election provisions without disclosing names of complaining union members. If it were found that violations had occurred and the union refused to comply with the act and take the necessary corrective action, appropriate relief, including the holding of new elections, could be ordered and sanctions could be imposed for willful violations. Fair administrative procedures with judicial enforcement and review are provided by the bill.

Under the administration bill members of unions would be able to bring action in State or Federal courts for relief against violations of the election provisions of the bill in any case where no action or proceeding by the Secretary of Labor was pending. Any existing remedies against irregularities in the election of union officers under other Federal or State law would be preserved. Members bringing, or causing to be brought, any actions or proceedings to enforce the election requirements would be protected from reprisals by a provision in the bill expressly stating that this shall not be grounds for disciplinary action by the union.

The administration's bill would also require the reporting and disclosure of the grounds for suspension or expulsion of members and the provisions made and procedures followed for notice, hearing, judgment and appeal in connection with disciplinary action against members.

These provisions together provide a comprehensive statutory framework that would ensure basic democratic rights for union members, and make available to them adequate remedies when these rights are infringed or threatened.

2. The select committee found that certain international unions "flagrantly abused their power to place local unions under trusteeship or supervisorship" by imposing supervisorship without basis and for unconscionably long periods of time. It found also that supervised locals were "plundered" and used as pawns in political battles within the international unions.

The committee found that two Chicago locals of the International Union of Operating Engineers had been under supervisory control of the international since their creation in 1929. At that time, one local had no members, but it gradually absorbed the members of another Chicago local. Attempts by the members of the local to remove supervisorship were unsuccessful. The man designated to supervise its affairs subsequently became the president of the international. He then relinquished direct control of the local union, but his appointed successors used the funds of the local to buy him, among other things, four Cadillacs, an air conditioner, a TV set and an encyclopedia. The appointed officers of the union were not accountable to the membership for their administration of its financial or other affairs. The situation in the other Chicago local under supervisory control for 29 years seems to have been similar, except that the appointed officers there used the funds for their own personal benefit rather than for the benefit of the president of the international.

And in its findings on the Teamsters' Union the committee states:

"They have indiscriminately used the power of placing locals under trusteeships and kept these union entities in servitude when it served the interests of the union leadership to do so. When a local is under trusteeship, its members completely lose control over their finances and the right to elect their own officials.

"Some 13 percent of all the locals in the Teamsters' Union are under trusteeship. Teamster officials have admitted before the committee that they do not know the reason why some were put under trusteeship or why they remain in that state at the present time. Some of the locals have been under trusteeship for 15 years. One individual, through trusteeship, can control the destinies of many people. Mr. Hoffa is the trustee of some 17 different locals."

The abuses illustrated by these examples would be effectively dealt with by the administration's bill. Under it such control would be permitted to be established only for purposes of ensuring democratic, responsible, and honest administration of the subordinate organization or effectuating legitimate objectives of the labor organizations involved. These objectives would include the elimination of practices which are dishonest or corrupt or in disregard of obligations to members, to employers, to employees, or to the public under applicable laws, collective bargaining agreements, and provisions of constitutions and bylaws. Supervisory control would have to conform also to the applicable provisions of the constitution and bylaws and other governing rules and regulations of the unions involved. It would be permitted only for periods not longer than necessary for correction of the evils in question.

The standards required by the administration's bill would eliminate the possibility of the arbitrary assumption or exercise of supervisory control. Supervisory control would be permitted in proper circumstances because, when properly used, it is a legitimate method for correcting abuse or corruption in subordinate union organizations.

It would appear that any situation justifying the establishment of supervisory control could be cleaned up within a year-and-a-half in most cases. Therefore, the bill would create a presumption that the exercise of control for a period in excess of 18 months is not reasonably necessary. If the union can demonstrate the need for continuing the supervision, the bill would permit its continuance on a year to year basis. In this way control of their affairs would be returned to the members of the subordinate union as soon as possible.

The administration's bill would make it unlawful, subject to criminal penalties, to count the votes of delegates of a supervised local in any convention or election of officers of the supervising union unless the delegates are chosen by the local members by secret vote. The bill would also make it unlawful and a criminal offense to transfer moneys of the supervised union to the supervising union except the per capita taxes and assessments which would otherwise be payable. Under the bill, the prohibitions and penalties provided for convicted criminals serving as union officers and persons permitting such service would apply to persons serving or permitting others to serve as supervisors or trustees of unions under supervisory control.

Special reports would have to be filed with the Department of Labor within 30 days after any assumption of supervisory control by a union over another union, and at 6-month intervals thereafter, showing whether the prescribed standards were being met, what progress was being made in accomplishing the purposes for which the control was assumed, the anticipated length of time required before local autonomy would be restored, and the steps being taken to bring supervisory control to an end.

These provisions of the administration's bill would provide means for correcting the abuses shown in the select committee's interim report by making it possible to prevent arbitrary, prolonged, and corrupt supervisorships. The requirements of the bill concerning exercise of supervisory control would be enforced in much the same way that the provisions governing union elections would be enforced, that is, through the use of administrative processes with provision for judicial enforcement and review and the imposition of administrative and judicial sanctions. This is preferable to providing only for judicial enforcement since it would permit corrections of violations without the formality and expense connected with court trials, reducing the potential costs of administration to the Government as well as to the union organizations concerned. Since our Federal trial courts are already overburdened, the use of administrative processes would permit more rapid action to correct violations. This would be particularly beneficial to the members of the organizations involved since the objective of these provisions is to return control of their affairs to them as soon as possible.

3. Another conclusion of the select committee in the interim report is that "certain managements have extensively engaged in collusion with unions."

Discussing an ex-president of an international union, the committee said, in part:

"The committee testimony clearly shows that there was an under-the-table relationship between William E. Maloney and Stephen A. Healy, founder and head of the S. A. Healy Co., one of the Nation's largest contractors. That this relationship was of great value to Healy and his firm is best demonstrated, in the committee's view, by the testimony that Healy, for a long period of time, was a favored contractor who received special concessions on his union contracts."

With respect to the Teamsters, the committee said in connection with one situation:

"Many Puerto Rican and Negro workers belonging to the Teamster locals established and sponsored by Hoffa in New York received for a 40-hour week the minimum wage of $40, plus $1 to pay their union dues. The working conditions and the treatment that these people have received from those Teamster union officials who signed 'sweetheart' contracts with greedy employers is a disgrace not only to trade unionism but to the moral principles on which this country was built."

The Committee discovered that Teamsters' business agents had, in several instances, negotiated "sweetheart" contracts by which workers' wages were substantially reduced from the level that had previously been maintained.

The committee found that an $11,000 payment was made to John Dioguardi, alias Johnny Dio (a three-time convicted labor racketeer), by the purchasers of his nonunion dress shop so that the shop might remain nonunion. At this time, Dio was running a local union representing other dress-shop workers.

The administration's bill strikes at this evil in several ways. Unions would be required to report the full circumstances of the receipt of anything of value from any employer having employees who are or might be represented by the union. The information required in these reports would have to be made available to each union member

in appropriate form and manner. Also, union officers, agents, and key administrative personnel would have to report payments from these employers as well as information on investments and business transactions so related to these employers as to possibly involve conflicts of interest. They would also have to report such transactions by relatives or other third persons if they benefited directly or indirectly. They would not have to report payments permissible under section 302(c) of the Taft-Hartley Act; purchases in the regular course of business at regular prices, or bona fide investments in traded securities if a substantial interest in the business is not involved. Employers would be required to report full information on any transaction directly or indirectly engaged in with the union, its officers, agents, or representatives if the latter are required to report on these matters. These broad requirements are necessary in order to bring conflict-of-interest transactions into the open for examination by the union members and the public—and the information obtained could be published.

Administrative and judicial sanctions would be available to obtain compliance with these reporting requirements. Injunctions to compel compliance would be available, and administrative orders, judicially reviewable and enforcible, could be issued after hearings. Further, the National Labor Relations Board would be required to deny its processes to unions and employers who do not comply with the reporting provisions.

Criminal penalties would be provided for willful failure or refusal to comply, for filing false information, and for concealing or destroying the books and records which those affected would be required to keep. I might point out that the recordkeeping requirement could as easily be thwarted by the concealment of the records as by their destruction.

The administration bill would provide criminal penalties for bribery between employers and their representatives or intermediaries and union officers, agents, or representatives or any trust in which a union is represented. This would be made a felony. Certainly, on the basis of the McClellan committee report, such a provision is necessary in any adequate legislation. In addition, the bill makes a necessary amendment to section 302 of the Taft-Hartley Act to prohibit payments or agreements for payments to any union or its officers or employees by any employer if the union represents any of his employees or has members employed in the same occupations as his employees.

The administration bill, through the combined effect of its broad reporting requirements and its prohibitions on bribery and improper payments between employers and unions and their officials, is designed to eliminate the abuses found with respect to collusion between employers and unions. Employers and unions will be hesitant to engage in the schemes which have been shown to exist in the past because their dealings could no longer be cloaked in secrecy. The bright glare of publicity and the information union members would obtain about the financial affairs of their unions, as well as about the dealings of their union officials and employers, would enable the members to protect their own interests, as well as the assets of their labor organizations.

4. The fourth conclusion stated in the interim report was that there had been "widespread misuse of union funds in the unions studied," that, among other things, "financial safeguards have been woefully lacking," financial reports to members have often been "false, sketchy" and even in those forms unavailable to the members, and destruction of financial records "has been rife."

The hearings before the committee show that $6,663 of the wayward funds of the western conference of teamsters found their way into the purse of an interior decorator, who was engaged by the conference to redecorate the private residence of the conference secretary-treasurer. The dues of the western conference members were used to purchase a new automobile for a friend of a union business agent, and custom tailored suits for the chairman and his horse trainer. The investigation of the financial affairs of this organization was complicated by a mysterious robbery in which the financial records sought by the committee were reportedly ransacked.

Committee records show that in 1956 the expenses of the former president of an international union since expelled from the AFL–CIO included $25,000 for entertainment, dinners, birthday parties, and personal expenses. No bills were submitted to support any of these vouchers.

There was testimony that the former president and the former secretary of another international union (both of whom resigned at the insistence of the AFL–CIO) misappropriated some $66,000 from the union treasury. The committee's interim report states that the president's expenditures were "picayune" when measured against those of his next in command. The "personal items bought on the secretary's trip charge credit card amounted to $1,776; but where he shone best, by comparison with the president, was in the charges paid out for him at hotels—a thumping $30,036." The committee's report points out that this sum did not include his actual hotel bills, for which the union paid about $50,000 (between April 1954 and March 1957) or the bill at a hotel in Washington where the union maintained a room for which it paid about $17,600 during this same period. The report describes how this union officer would order merchandise (such as suits), have them delivered to and paid for by the hotel, which would then put the charge on the union's bill. An air-conditioning unit, three TV sets, three radios, a typewriter, and trampoline lessons were included. All of them were purchased through the handy "hotel pay-out device."

These two officers financed from union funds the purchase of expensive homes and the purchase of items such as a color TV, a woman's suit, a golfer's lamp, and $14,000 for theater tickets.

The committee charged James Hoffa with grossly misusing nearly $2½ million of teamster funds and dispensing them with one end in view: financial assistance to himself and his friends. The committee named Gerald Connelly, "a labor thug," Louis Berra, "convicted of taking kickbacks from a contractor," Paul (The Waiter) Ricca, "considered by many to be the head of the Mafia in America," and many other questionable characters as recipients of Hoffa's financial generosity, at union expense. According to the committee's report, those who received funds from the "friendly teamster lending institution" usually found it convenient to "lend" Hoffa substantial sums in return.

I sincerely believe that the administration's bill would provide the most effective procedures for ensuring that such graft and corruption will not continue. In the first place, it would require that union funds and property be held and administered for the benefit of the members and for furthering the purposes of the union—not for the financial enrichment of union officials. This requirement would be enforcible in any court in a suit by, or in behalf of, union members.

The Administration's bill would also require detailed reporting and disclosure of the financial operations of unions, certain financial transactions of their officers and direct and indirect dealings between union officers and employers which may involve conflicts of interests.

But we cannot rely on reporting and disclosure alone to curb the abuses which have been disclosed. The use of union funds to pay for purely personal items for union officials cannot be expected to be disclosed in a report since payments for such things would, of course, be concealed in some general item. It is imperative, therefore, that adequate authority to investigate alleged violations and to enforce reporting requirements be provided.

The administration's bill provides such authority. It would authorize the Secretary of Labor to conduct investigations either on his own initiative if he had reason to believe a violation had occurred or upon complaint of a union member. It would also authorize the Secretary to subpena witnesses and documents, hold hearings, issue decisions and orders requiring compliance, impose sanctions for willful violations and bring actions in the Federal courts for injunctions to compel compliance with the provisions.

The bill would provide criminal penalties for willful violations of the reporting requirements and other provisions of the act, for concealment or destruction of records required by the act to be kept, for embezzlement of union or certain trust funds and for false entries in or destruction of union books and records.

Any present remedies that union members have under State or Federal laws, in addition to those provided in the bill, would be preserved.

With these provisions, much could be accomplished to eliminate the misuse of union funds. Reports could be carefully examined, with particular attention being given to unreasonably large allowances to officers and to other items that appear questionable. When union members have knowledge that union funds are being spent for purely personal expenditures, they could advise the Department which would then investigate the matter. If investigations disclose wrongdoing, the Secretary could then take immediate action to curb abuses.

Criminal penalties alone are not adequate in this area. If the object of the legislation is to bring into the open the information on which reports are required, there should be some way, such as by obtaining an injunction or by administrative orders, to compel disclosure. Something more is needed than merely providing that those who willfully refuse to report as required may be prosecuted as criminals.

5. The select committee found that violence and coercion in labor disputes still exists "to an extent where it may be justifiably labeled a crime against the community."

It is true that violence, including that in connection with labor disputes, is a matter which the State and local law enforcement agencies should deal with. But much of the labor violence and coercion occurs in connection with matters which are subject to Federal labor-management relations legislation—namely, secondary boycotts and blackmail picketing.

The McClellan committee hearings contain numerous incidents of blackmail picketing where certain unions by the use of violence and intimidation have coerced, or attempted to coerce, employers to deal with them in violation of the representation rights of employees. In Flint, Mich., testimony shows that the business agent of Teamster Local 332 would approach an employer, none of whose employees belonged to his union, to sign a contract or would start picketing for recognition without any warning. An employer who held out despite the picketing met with incidents, such as a fire bomb tossed into his store, sugar poured into truck gas tanks, and personal assaults.

In Scranton, Pa., a building being put up by a nonunion contractor was dynamited, a

bakery owner was subjected to bombing and truck damage when he objected to union demands that he and other self-employed drivers cease making deliveries, 3,000 men were pulled off a large Federal construction job to mass picket a nonunion road contractor employing 45 persons who was the object of an organizational drive.

In Tennessee, it was charged, a goon squad, built around a corps of Teamster officials with long police records, was responsible for at least 173 acts of violence in connection with Teamster and other union organizing campaigns over the last 4 years.

Much of this kind of coercion occurred in connection with organizational activities. In many of these cases there was blackmail picketing or the threat of blackmail picketing. In other instances the coercion was for the purposes of forcing a person to cease doing business with a nonunion employer.

The administration's bill would eliminate areas of presently permissible secondary activity which lead to the injury of innocent third parties. It would also eliminate the type of blackmail picketing through which workers are organized against their will and which spawns violence. No bill which fails to contain provisions in these areas of blackmail picketing and the secondary boycott loopholes can claim to be a truly effective labor reform measure.

The testimony before the select committee again and again illustrated the method by which certain unions, particularly the Teamsters, utilized the inadequacies of the present secondary boycott provisions to force employers to do business with only those people approved by union officials. As the interim report of the select committee states: "The economic livelihood of a small tavern or store owner depends on his ability to get deliveries of beer, other beverages and food. The Teamsters have the power to shut these deliveries off and, as the testimony clearly shows, did so * * *."

The extent to which the Teamsters avail themselves of the secondary boycott is evidenced by the fact that 34 percent of the injunctions against secondary boycott activity sought by the National Labor Relations Board from 1947 to 1957 involved the Teamsters. These included only those secondary activities presently covered by the act; it is certain that the incidence of secondary boycotts successfully engaged in by the Teamsters by means of activities not presently prohibited is vastly greater.

The weaknesses of the present secondary boycott provisions of the act are evident when we examine what they now cover. As now written, they require a combination of two factors: First, an objective of the union must be to compel one person to cease doing business with another; second, the means employed to achieve this objective must be through a strike or inducement of employees to concertedly refuse to perform services.

If these factors do not coexist the secondary boycott provisions have not been violated under the law as it now stands. Some unions have, therefore, been able effectively to impose secondary boycotts and yet avoid the proscriptions of the act by directly threatening or coercing the employer (or his supervisory personnel) whom they want to cease doing business with another person. They also avoid the existing provisions by inducing individual employees, or workers not defined as employees by the act such as railroad and agricultural workers—to refuse to handle the products of the person with whom they want the employer to cease doing business. None of these activities is considered to be prohibited under the law as it now stands.

Under present law the Teamsters' Union can appeal to individual truckdrivers to refuse to deliver goods to any establishment, as well as appeal to other individual union men such as repairmen, and maintenance men, to refuse service, with impunity. Since the appeal or threat is directed to the individual truckdriver and helper or repairman, there is no concerted activity if such employees refuse to service the employer objected to. In this fashion the will of the union can be imposed upon the small employer without running afoul of the present law. In addition, the union can go directly to an employer and threaten him with labor troubles if he continues to do business with another employer. Often the threat of labor trouble is as potent a weapon as the trouble itself would be. Thus, pressure can be applied to a secondary employer at these two points without violating the present act. Moreover, since the employer may be coerced, agreements may be forced upon him under which his employees do not have to work on goods produced or handled under conditions unacceptable to the union or on goods produced by persons of whom the union does not approve. Although it has been held under the present law that a union may not seek to enforce such an agreement by inducement of employees to refuse to perform services, direct coercion of an employer by a union such as the Teamsters will get the same result.

One of the cases reported to the select committee illustrates the type of conduct the administration's proposals are designed to eliminate. Testifying before the committee, Tom Coffey, a small Nebraska trucker, told of how he was approached by a persuasive Teamster representative, who informed Mr. Coffey that the Teamsters "didn't have time to fool with a little company, that they were going to organize from the top down." The Teamsters did not claim that they represented a majority of the employees nor did they petition the NLRB to hold an election. When Mr. Coffey refused to deliver his employees to the union, the Teamsters using the secondary boycott put the squeeze on him. His trucks were followed and picketed. Other truckers were advised not to carry freight that had been transported by Mr. Coffey's trucks. Mr. Coffey's business was destroyed.

The testimony of Mr. Clark, copartner of another small Nebraska trucking firm, told of Teamster conduct which followed the same pattern.

Under the administration's proposal the secondary boycott provisions will be broadened and strengthened to make unlawful the type of activity which I have described. If amended as proposed, the scondary boycott provisions will apply to coercion of employers to cease doing business with another. The effect of this type of secondary activity is no less damaging upon employers and employees and no less contrary to the public interest than is the type of secondary activity presently prohibited by the act.

6. The committee found extensive management violations of the Taft-Hartley Act by use of labor spies, "spontaneous" employee committees, and other improper practices.

In its report, the select committee concludes that employers had violated the rights of their employees under the Taft-Hartley Act by interfering with their organization activities and their right to bargain collectively. The committee conducted an extensive investigation of a notorious "labor relations consultant" and his activities on behalf of employers to discourage union organization or to promote company unions or other unions which would not faithfully represent the employees.

Companies made substantial payments to this middleman and his agents which were used in establishing employee committees to oppose unions' organizational campaigns or in creating company unions. On his advice, in one store of a national chain a company-dominated union was created to keep out a legitimate union. Later the company union was discarded in favor of no union at all. Employees who supported the company's varying union policies received special favors, but those who opposed them were discriminated against.

Companies were instructed in the techniques of spying on their employees to learn their views on unions. Funds were given the consultant or his assistants for their services and expenses, and these persons in turn paid the expenses of "spontaneous" employee committees whose purpose was to oppose unionization. In some instances, friendly unions were brought in and agreements signed with them without any consultation with the employees whom the unions were supposed to represent.

All of these activities would appear to be unfair labor practices under the Taft-Hartley Act. However, the procedures provided by that act for the protection of employees must be bolstered against these employer payments to middlemen for activities such as those found by the committee in this case.

The administration's bill would attack this problem in two ways.

First, the bill provides that an employer must make a full report if he directly or indirectly makes specified payments which may involve interference with the rights of individual employees under the Federal labor-management relations laws. This would include direct financial dealings with unions and employees as well as dealings through intermediaries such as labor relations consultants. The appropriate procedures and sanctions applicable to other reports would be applicable to these reports, and these reports would be sufficient to put employees on notice of employer activity detrimental to their interests.

Second, the bill would amend section 302 of the Taft-Hartley Act to make it unlawful for an employer or any person acting in his interest to pay or agree to pay any employee or group of employees of the employer for the purpose of causing employees to interfere with other employees of the employer in the exercise of their rights under the Federal labor-management relations laws. It would also be unlawful for any person to request, receive, or agree to accept such a payment.

These provisions would not prevent an employer from retaining consultants or advisers for the legitimate conduct of labor-management relations, but they would prevent the use of their services to deprive employees of their rights to determine their own status.

7. The committee found that the weapon of organizational picketing has been abused by its use without the consent of employees of picketed establishments and before any of them have indicated any desire to join the union in question.

I have called this abuse blackmail picketing.

The most flagrant abuses of this type brought to light involved the notorious Johnny Dio. As the interim report of the committee pointed out, certain Dio-controlled locals by the use of organizational picketing or the threat of such picketing forced small businessmen into recognizing them and then sold out the very employees over whom they had seized jurisdiction by signing collusive contracts with the employers.

Testimony before the committee as to the activities of the business agent of Teamster Local 332 in Flint, Mich., revealed a similar sordid story. No attempt was made by the Teamsters to persuade employees to join the union or to have a vote held to determine whether the employees wished to be represented by the union. By use of a picket line or the threat of picketing, employers were forced to recognize local 332 and hand the bargaining rights of their employees over to hoodlums and racketeers.

The device which made possible the improper activities in this area uncovered by the select committee was the ability of a

union to picket without regard to the wish of the employees.

The administration's bill comes to grips with this problem by dealing directly with the cause, namely the relatively unrestricted availability to unions of the tactic of organizational picketing.

The administration's proposals in this area do not contemplate the elimination of all such picketing. They would restrict it, however, to those situations in which there is some indication that the employees are interested in being represented by the union. Although not within the scope of the Taft-Hartley Act or the administration's picketing amendment Mr. Hoffa's threat to picket police stations and vital facilities in the city of New York, in the face of no showing of interest by the police in being represented by his Teamsters Union, is a good illustration of blackmail picketing. If the picketing had been persisted in, it presumably could only have been terminated either by the police joining the Teamsters against their will or the authorities bargaining with a union not selected as a bargaining representative by the employees involved. This effort failed because Hoffa was met by the overwhelming weight of public opinion. However, the testimony before the select committee has demonstrated that blackmail picketing often succeeds when the targets are the few employees of a small employer where public opinion is difficult to arouse.

Under the administration's proposals picketing, or a threat to picket where the union cannot demonstrate that there is a sufficient interest on the part of employees in having it represent them, or where the picketing has continued for an unreasonably long period of time without an election being conducted, could be met by the employer or an aggrieved employee going to the NLRB and charging an unfair labor practice. The charge would receive priority and speedy handling, and the NLRB regional director could get, promptly, a court order to prohibit such blackmail picketing.

Under present law, an employer who has recognized and entered into an agreement with a union which has demonstrated to his satisfaction that it has been designated as bargaining representative by a majority of his employees, but which is not certified by the National Labor Relations Board, may be subject to picketing by another union. This is an unfair situation because under the law the employer must recognize and bargain with the union having majority status, whether or not it is certified. However, he, his employees, and the majority union may be subjected to the harassment of picketing by a stranger union.

The administration's proposals would eliminate this possibility. Under circumstances where the employer has recognized a union in accordance with the act, picketing by another union would be prohibited.

Another type of situation which would be met by this proposal is where an organizational campaign terminates in a representation election in which no union is certified. Under the present law the employer and the employees may be subjected to organizational picketing, even though the employees have rejected representation by the picketing union.

The administration's proposal would eliminate this possibility by barring representation picketing if within the preceding 12 months a valid election has been held. After the employees have indicated their rejection of union representation they should be left free for a reasonable period of time from organizational efforts by picketing.

The total effect of these proposals in the administration bill would be to regulate picketing so that employers and their employees will not be subject to the continuous coercion of an organizational picket line. The National Labor Relations Board, in administering these provisions, would determine when unions had sufficient interest to justify such picketing and what under particular circumstances would be a reasonable period of time for such action. Flexible application of these standards would contribute to more equitable and orderly labor relations, as well as eliminate the abuses of picketing for representation purposes which have made possible many of the improper activities revealed by the Senate select committee.

8. It was found that gangsters and hoodlums have successfully infiltrated into some labor unions.

As stated by the chairman of the Senate select committee at the opening of the New York City phase of the 1957 hearings, hoodlums and racketeers are attracted to the labor movement because of the opportunities for using labor charters as an instrument of extortion from employers and the victimization of the union membership.

An example of the first type of activity is the Mount Hood Cafe in Portland, Oreg., which happened to have a pinball machine owned by someone outside the union combine. The owner was told to take the machine out or he would be picketed. At the instigation of a convicted burgler, who happened to be head of Teamsters' Joint Council No. 37 in Portland and the Teamster's international organizer for the State of Oregon, pickets did appear and had a severe effect on the cafe's business. The owner told the committee if he had not removed the nonunion combine machine, as directed by the union business agent, he would have gone bankrupt.

In the New York City area the committee found that from a local established in 1950 by the union, now known as the Allied Industrial Workers of America, a whole string of units of the same organization sprang up which came under the domination of Johnny Dio. Under Dio's influence 40 men were brought into the labor movement in positions of trust and responsibility—men who, among them, had been arrested a total of 178 times and convicted on 77 of these occasions for crimes including theft, violations of the Harrison Narcotics Act, extortion, conspiracy, felonious assault, violation of the weapons laws, being an accessory to murder, forgery, and possession of stolen mail.

The administration's bill would strike at this situation by barring all convicted felons from serving as union officials for such time as they have lost the right to vote. It further holds responsible union officials liable for any such persons assuming union office. Violations of these provisions would be subject to criminal penalties and the Secretary of Labor would be authorized to prevent by judicially enforceable orders the assumption of union positions by such persons.

I think this legislation should bar from union office for the length of time specified by Congress anyone convicted of any felony and not just certain felonies. Specifically mentioning certain crimes that would make a person ineligible might result in a failure, for example, to cover all the categories of crimes found in the backgrounds of the New York paper local officials. The Secretary of Labor should not be given the task of determining whether or not assumption of office by such persons would be contrary to the purposes of the act, placing him in the dubious position of guaranteeing to the millions of union members the future good conduct of convicted felons.

The administration bill's restriction of organizational picketing for blackmail purposes against the desires of the employees and the closing of loopholes in the secondary boycott provisions would also act as deterrents to gangster infiltration into unions by limiting devices which are susceptible to use for criminal activities by persons such as Dio and which provide some of the inducement for gangsters to move into the labor movement.

9. Finally, it was found by the select committee that there is an extensive no man's land in jurisdiction over labor-management relations which leaves employers and employees with no recourse to any governmental agency.

Several of the witnesses before the committee testified that abuses uncovered by the committee occurred in this no man's land between State and Federal jurisdiction. The interim report of the committee pointed out that in the committee's inquiry into activities in the New York area it was shown that exploitation of workers and circumvention of legitimate labor organizations were made possible because employers had no recourse to any governmental agency.

While there is general agreement on the need for dealing with the problem, there is considerable difference in the approaches suggested.

I do not think that requiring the Board to assert jurisdiction over all disputes arising under the National Labor Relations Act meets the no man's land problem. This proposal, in my opinion, is unworkable and unrealistic. The Board, as a practical matter, cannot assert jurisdiction to the full reach of the act. To attempt to do so would force the Board to dissipate its energies upon countless numbers of disputes in small establishments which, although they affect commerce, are primarily local in character. The result would so increase the length of time required to dispose of proceedings brought before the Board as to render its processes ineffective.

Even if the Board were to be given increased funds to further extend its jurisdictional standards (and I think that the Board should exercise jurisdiction to the fullest extent that is reasonably possible), there would remain numerous business establishments whose activities affect commerce so slightly and are so peculiarly local as to make it unwise, as well as impractical, for the Board to take jurisdiction over labor disputes which involve them. The only way in which a forum may be provided for disputes of this kind is to make it clear that agencies and courts of the States and Territories can act when the Board declines to assert jurisdiction. To fail to do this would be to leave many of the racketeering activities directed against small employers in an area in which no relief is available either from the Federal Government or the States.

The administration proposal would specifically authorize the Board to decline jurisdiction where it does not consider that the effect on commerce is sufficiently substantial to warrant the exercise of its jurisdiction and would authorize the States to act where the Board so declines. Prior to the Supreme Court's decision in the Guss case many State agencies and courts assumed that they had such authority and asserted jurisdiction in this area. The effect of the administration's proposal, therefore, is no more than to make legal a situation which existed prior to the Guss decision.

In addition to eliminating this jurisdictional gap, the administration's bill would enable the National Labor Relations Board to expedite its procedures by authorizing it to conduct representation elections without a prior hearing where there is no substantial objection. This would particularly expedite the Board's work in those cases where there are no significant issues and where it is likely that the election itself would determine what issues there are and eliminate any requirement for further Board action.

This proposal would also eliminate a device used by parties for delaying purposes only. In the case of the Coffey Transfer Co., referred to previously, the ability of the Teamsters union to delay a representation election involving only seven employees was one of

the factors which put Coffey out of business. Mr. Coffey filed petitions for an election in September 1955 but by raising questions as to the appropriate unit and filing unfair labor practice charges the teamsters delayed an election until January 1956. The union's loss of this election was not certified until April because of challenges of the voting eligibility of certain strike replacements. In the meantime, in March 1956, Mr. Coffey had sold his business for one-third of what he had been offered 3 years previously.

The administration's proposal relating to the designation of an acting general counsel is also designed to prevent any delays in the operations of the Board. In the case of the sudden resignation or incapacity of a general counsel the work of the Board could be slowed down drastically unless a successor is immediately nominated and confirmed by the Senate, which is not always the case, because of the general counsel's final authority over the issuance of complaints. It is not clear that this function can be performed by any person other than the regularly appointed incumbent of that office.

The administration's bill contains two other amendments to the Taft-Hartley Act which are directly related to the labor-management reform aspects of the bill. One is the amendment of sections 9(f) and (g) so as to continue the present requirement that unions conform with reporting requirements as a condition of access to the processes of the act and to extend the requirement to employers. The second is the amendment of section 302 of the act, relating to improper employer payment to employee rerpesentatives, so as to extend it to additional persons and types of payments.

To promote sound industrial relations and thereby lessen possible labor strife, some other amendments are also necessary.

The administration's proposal authorizing the Board to certify unions in the building and construction industry without a prior election is designed to accommodate the unique employment practices of that industry under the representation provisions of the act. The authority of the Board in this respect, however, is carefully conditioned upon certain factors so as to insure that the freedom of employees to belong to a union of their own choosing is not infringed. This proposal would enable construction unions to acquire Board certification, with the protections that certification provides for unions, and would contribute to the stability of labor relations in that essential industry.

The adminisration's proposals with respect to the voting rights of replaced economic strikers and requiring employers, as well as unions, to file non-Communist affidavits are designed to remove inequities in the act which have long been apparent. The proposal regarding bargaining during the life of a contract has the same purpose.

The proposal to require the Board to be bipartisan in composition is to bring it in line in this respect with other regulatory agencies.

I am submitting at this time for the information of the committee and incorporation into the RECORD an explanation of the bill which contains a careful section-by-section summary of its provisions.

I think I can best close this statement by quoting the following paragraph from the President's labor message:

"Complete and effective labor-management legislation, not a piecemeal program, is essential to assure the American public that true, responsible collective bargaining can be carried on with full protection to the rights and freedoms of workers and with adequate guarantees of the public interest. These recommendations, when adopted, should do much to eliminate those abuses and improper practices which, I am firmly convinced, the American public expects and believes will be corrected through legislative action. Equally important, they will do so without imposing arbitrary restrictions or punitive measures on the legitimate activities of honest labor and management officials."

The enactment of the President's program into law will be a great service to the country and its working men and women; the enactment of anything less than this program would provide no more than a partial answer to the public demand and great need for this legislation.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A MORE DYNAMIC AND COMPREHENSIVE URBAN-RENEWAL PROGRAM—STATEMENT BY RICHARD C. LEE

Mr. DODD. Mr. President, on January 26 the able and distinguished mayor of New Haven, the Honorable Richard C. Lee, testified before the Housing Subcommittee of the Senate Banking and Currency Committee. Mayor Lee came to Washington to urge a more dynamic and comprehensive urban renewal program. He is preeminently qualified to do so since, both in practice and in theory, he has long been one of the Nation's foremost authorities in this field.

He is more than an authority. He is a leader and a doer. The magnificent program which he has put into effect in New Haven has caught the imagination not only of Connecticut, but of people all over the country who are interested in this vital problem.

The testimony of Mayor Lee before the Housing Subcommittee was an eloquent and reasoned plea for a vastly expanded program of slum clearance and urban redevelopment. I think it ought to be read by all who are interested in this question or who have to pass judgment on it.

Today, the Senate begins consideration of housing legislation. In the next day or two, we shall decide the fate of housing, slum clearance, and urban renewal for the immediate future. For that reason, I ask unanimous consent to have inserted at this point in the RECORD the testimony of Mayor Lee, in order that it may be made available to every Senator before the Senate passes judgment on this crucial problem.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF MAYOR RICHARD C. LEE, OF NEW HAVEN, CONN., BEFORE THE HOUSING SUBCOMMITTEE OF THE SENATE BANKING AND CURRENCY COMMITTEE, JANUARY 26, 1959

My name is Richard C. Lee. I am mayor of the city of New Haven. I am testifying as mayor of New Haven and on behalf of the American Municipal Association as chairman of its urban renewal committee.

I would like to begin by endorsing wholeheartedly the statement this morning of my good friend and colleague, Mayor Anthony Celebrezze, of Cleveland.

We mayors have given a lot of thought to urban renewal, public housing, and the related FHA 220 and 221 programs. In cooperation with other groups, such as the National Association of Housing and Redevelopment Officials, the National Housing Conference, and others, we have prepared a detailed legislative program for submission to the Congress.

On the Senate side, much of our program is contained in Senator SPARKMAN'S bill (S. 57). Senator CLARK'S bill (S. 193) fits even more closely our ideas of the size of the program required for the years ahead if we are really to do a job on slums and blight.

Mayor Celebrezze's statement outlines our position very thoroughly and I do not propose to duplicate what he has said.

Instead, I should like on this, my fourth successive yearly visit to your committee, to discuss, briefly and frankly, some of the broad national issues involved in the legislation before you.

In the last 4 years our program in New Haven has gone well indeed, despite many heartbreaking delays. I will not attempt to describe our problems and our progress but I would like to give you each a copy of the latest annual report of our Citizens Action Commission. It contains a very good description of our program. I am proud of the fact that our city and its people have just won the All-American City Award of the National Municipal League and Look magazine.

Our experience in New Haven, my work as chairman of the AMA's Urban Renewal Committee, the visits I have made to other cities and the discussions I have had with visiting delegations have given me an unusual opportunity to see the problems of our cities at first hand. I do not claim a theoretical or technical knowledge of urban problems but I do have an administrator's working knowledge.

I wish I could report on the basis of what I have learned that year by year we are making progress as a nation in our war against slums and blight. Here and there there are encouraging signs. The facts are, however, that in the Nation we are engaged only in a limited rearguard action against slums.

I am appalled at the slum conditions I have seen. After 10 years of slum clearance under the Housing Act of 1949, urban slums are more widespread than ever before and seem to be growing faster.

In this period, millions of American families have fled to FHA insured housing in the suburbs to escape blight. In the same time hundreds of millions of dollars have been invested in suburban shopping centers and industrial parks. A new America has been created around our cities and the old America inside has been left to rot away.

I. THE URBAN RENEWAL PROGRAM IS IN THE MIDDLE OF A DISTURBING SLOWDOWN

1. Between September 5 and December 31 of 1958 only five projects moved into the action stage with loan and grant contracts totaling only $4.1 million.

2. In the same period, there were practically no new projects approved for the survey and planning stage.

3. The Administration has adopted a rationing formula for the distribution of unallocated funds which puts us all on a starvation diet. Together with other administrative actions it has all but destroyed urban renewal as we knew it only a year ago and substituted a weakened approach which gives us the form of urban renewal without the substance. It will never do the job.

4. Despite all the fond hopes, only 2,931 units of section 220 FHA insured housing have actually been completed in urban renewal areas, with only 6,994 more under construction.

5. The record of section 221 FHA insured relocation housing is even more dismal. Five hundred and sixty-five units have been completed and 727 units are under construction.

6. The public housing program has been so strangled by redtape that despite the need for new units, few cities are willing to run the gantlet.

Unpleasant though it may be, we must face the fact that the urban renewal program is not producing at anything like the pace which is needed.

For this situation the Congress must accept responsibility along with the administration. There has never been enough money made available and last year there was no legislation at all.

II. THERE IS NO PRACTICAL ALTERNATIVE TO SUBSTANTIAL FEDERAL APPROPRIATIONS FOR SLUM CLEARANCE AND URBAN RENEWAL PROGRAMS

I would ask you please to bear in mind that we mayors are not down here seeking a handout. The urban renewal program involves not only one local tax dollar for every two Federal dollars, it also requires us to go out and organize our community to support the program, with all the disruption to established habit patterns which it brings. I can assure you that the political risks in this program are all on the local level and they are substantial.

We mayors are more than a little disturbed at the spender label which is plastered so readily on anyone who wants to raise the standard of living in our cities in a way which requires the expenditure of public funds for capital improvements whether they be new schools or sewers or slum clearance projects.

We believe in the free-enterprise system. It has given the American people a standard of living undreamed of even a generation ago. But unhappily slums and blight also seem to prosper in our present-day economy. We have searched in vain for some way in which we could get the profit motive operating an effective slum clearance and urban renewal program without Government financial aid.

I am satisfied that there is no such private enterprise solution and for a very simple reason. Except for midtown Manhattan and a few isolated patches of real estate elsewhere it is just not profitable to tear down income-producing slums and put up slumproof improvements.

This is a matter of simple economics. You cannot pay market value for slum properties even if you could assemble them at all in parcels of suitable size, then relocate the families, tear down the buildings, put up new structures with proper setbacks, provide offstreet parking and still make a normal profit.

In the absence, therefore, of a workable, private enterprise alternative—which everyone would automatically label "good"—we must seek out a workable public alternative, which necessarily requires public funds and is therefore, in the minds of too many, automatically evil.

The President has suggested that the cities and the States assume a gradually increasing share of the cost of urban renewal in accordance with the predominantly local benefits received.

Speaking personally, I would like to see the cities assume sole responsibility for the financing and execution of urban renewal projects. I am confident that the savings in time and money could lead directly to substantial savings of as much as 20 percent in the net cost of each urban renewal project.

The simple fact, however, is that the cities and the States of our Nation would bankrupt themselves financing an adequate urban renewal program on the basis of the present distribution of taxing powers.

It seems to me that those who make proposals for local assumption of the cost of urban renewal should be prepared with a specific taxing proposal to raise the wherewithal.

We mayors are practical people. We see no sign of the Federal Government's giving up significant taxing powers to us. Nor is private enterprise able to do the job.

We have no choice, therefore, but to come down to Washington and ask for a fair share of Federal funds. The key question of course is, What is a fair share?

III. THE ALLOCATION OF FEDERAL MONEY AMONG THE VARIOUS NONDEFENSE PROGRAMS AS PROPOSED IN THE 1960 BUDGET IS OBSOLETE

The President's $77 billion budget provides for a 6-year urban renewal program beginning at $250 million per year and going down. The actual cash appropriation sought is only $145 million, one indication that a speedup in urban renewal is not expected next year either.

One way to determine the fairness of this proposal is to compare it with others in the budget.

For the purpose of comparison the $145 million figure is the one which most directly affects the taxpayer next year. Anyone who feels that the comparison would be more valid can substitute the authorization figures.

Here is what I find in studying the President's budget.

The new budget provides $4.49 billion for the stabilization of farm prices and farm income under a program which, nonetheless, the President still describes as outmoded and unsuited. This is over 30 times as much as the $145 million recommended for slum clearance.

Even the financing of rural electrification and rural telephones gets twice as much ($335 million) as is made available to cities to get rid of slums.

Research and other agricultural services get $301 million; financing farmownership and operation, $196 million; conservation and development of agricultural land and water resources, $675 million.

All in all a cash expenditure of $6 billion for agriculture in 1960 against $145 million for slum clearance.

I am not picking on farmers. We all need them, probably even more than they need us. Nor am I questioning any of the specific programs involved. I am in no position to evaluate them. And I might say there are many other nondefense functions which get much more out of this economy budget than slum clearance.

It is my belief, however, that somewhere along the line the Federal Government has failed to keep up with changing times. Here are my statistics to back up this statement.

IV. MORE AMERICANS LIVE IN SLUMS THAN ON FARMS

Incredible as it may seem, in the richest country in the world, more Americans live in the slums of our cities, North, South, East, and West, than on all of the farms in the Nation.

Here are the facts. On Friday, January 23, 1959, the census clock in the Department of Commerce reported our total population as 175,764,235.

On that same date the Bureau of the Census reported 20,837,000 living on farms in America. Our most conservative estimate of slum dwelling units in America runs over 6.5 million. At the Census Bureau figure of 3.35 persons per household, the slum population of America today is 21,775,000 and growing. In round figures, the conclusion inescapably reached is a simple one—approximately 1 million more people live in America's slums than live on all of her farms.

The 65 percent of the American population who live in the cities and pay 75 percent of the total Federal tax bill, are being told by the President that $6 billion in cash is necessary from their tax money this year for a farm program which he has stated is outmoded. At the same time they are being told that slum clearance primarily benefits them as city dwellers but in the same breath that the United States this year can only afford $145 million in cash and an authorization of $250 million for new programs.

Put another way, the administration proposes $34 per capita from each person in the United States for the farm program and only 83 cents for slum clearance.

Aid for slum clearance in this economy budget comes to $72.50 per slum dweller. At that rate we will not clear our slums in this century.

Aid for agriculture comes to an incredible $3,000 per farm dweller per year. Give us that much money in the cities per slum dweller for just 1 year and we will never have to come back.

Gentlemen, I respectfully suggest that whether in or out of balance on the income-outgo side, this budget is disturbingly far out of line in its recognition of the pressing nondefense needs of the American people.

This budget, if adopted, would lead to a further drying up of the urban renewal program as ever-expanding slums and blight engulf evermore millions of our fellow citizens.

It is inconceivable to me that in this, the richest Nation in the world, we cannot afford to eliminate our slums completely and to begin the job right now.

We mayors ask you to approve a program of $600 million a year for 10 years. Our surveys and our own direct knowledge and observation of the size of the problem in our cities indicate to us that this full sum is required.

In the light of the 1960 budget allocations—at least on the domestic level—our requests are not unreasonable. The resources of our Nation are not so meager that we need put up with even one slum-dwelling unit.

I urge that we, all of us, raise our sights.

Thank you.

TRIBUTE TO USO

Mr. WILEY. Mr. President, today, February 4, the United Service Organizations—better known to the Nation and our millions of service men and women as USO—observes its 18th birthday.

During its lifetime, the USO has provided millions of our military personnel with a home away from home. This group of voluntary, civilian organizations and personnel—not a part of the Government—includes the Young Men's Christian Association, the National Catholic Community Service, the National Jewish Welfare Board, the Young Women's Christian Association, the Salvation Army, and the National Travelers Aid Association.

As an illustration of the scope of activities, in 1958 the USO utilized the services of some 80,000 men and women, and sponsored 1,375 overseas shows and many more thousands of local programs. Also, the USO staffed 267 clubs, provided information to service personnel, made housing placement facilities available, and serviced snackbars for millions.

Overall, the USO brings hometown friendship and understanding to our troops wherever stationed—here and abroad.

For financial support, the USO depends upon the united funds, community chests, and other voluntary community campaigns. This year, it will

require $11,500,000 to effectively carry out its splendid programs. The American people, I am sure, will again demonstrate—by support—their confidence in this constructive organization for furthering the spiritual, recreational, and welfare needs of our military forces.

The Nation, indeed, owes a debt of gratitude to the USO and the individuals involved for an outstanding record of service.

Mr. RANDOLPH. Mr. President, today marks the 18th anniversary of USO service to members of our Armed Forces of the United States. This organization is a voluntary civilian group of six national agencies, namely, the Young Men's Christian Association, the National Catholic Community Service, the National Jewish Welfare Board, the Young Women's Christian Association, the Salvation Army, and the National Travelers Aid Association.

President Eisenhower has sent the following message to USO President Holgar J. Johnson:

As the United Service Organizations complete 18 years of service to our Armed Forces, it is a pleasure to extend, through you, my warm greetings to the volunteers and leaders of the USO. Skill and understanding, backed by the generous support of American citizens, have enabled the USO to bring many friendly services to our men and women in uniform. As you face the challenge of another year, I am confident that the USO will continue to enjoy the confidence of our people here at home and the appreciation of our service personnel stationed around the world.

Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff, declared:

The continuation of this USO service is perhaps even more important at the present time than during a period of actual war.

During wartime a visible incentive exists for the young soldier who is enduring hardships far from home. However, this incentive of actual conflict does not exist today and the constant waiting in a condition of readiness or alert creates a heavy strain on morale.

Senator LYNDON JOHNSON, of Texas, our distinguished majority leader, said:

The USO fulfilled a function that could not be duplicated by any other agency because it kept the members of the armed services in close and intimate contact with home. * * * There is the need to keep men aware of the fact that their fellow Americans are supporting them, not only physically but spiritually. That was the role of the USO—a role which was performed superbly.

Senator EVERETT M. DIRKSEN, of Illinois, our esteemed minority leader, declared:

Its (USO's) contributions to morale and to the spirit of our military men particularly in the lonesome outposts across the world have been truly magnificent. It will have made a lasting impression upon millions of Americans, and it so richly deserves the most generous salute from our people everywhere.

Senator JOHN F. KENNEDY, of Massachusetts, said:

To those of us who served in the Armed Forces during the war or since, USO is an especially meaningful testimonial to the American tradition of community services and public welfare. It is impossible to measure in words the contribution which the USO has made in enlarging the welfare and spiritual oportunities for Americans. In this country and abroad, USO has become a home away from home and a living example of America's humanity.

Mrs. Eleanor Roosevelt said:

USO keeps right on doing work with our soldiers here in this country and with our soldiers now stationed in so many far distant areas of the world. * * * It tries to bring a little bit of home to the servicemen who are away from home and to make us at home feel a sense of responsibility about them and give them a feeling that they still have a sense of responsibility for their home.

Lloyd W. Dinkenspiel, president of the National Jewish Welfare Board, said:

It has been the genius of USO that it has drawn into its volunteer ranks Americans of all faiths and from all economic strata, dedicated to serving men in uniform. In a sense, this huge army of volunteers dedicated to service is a testimonial of faith in USO and its aims. USO has been a valuable ally in our total defense effort—a beacon to our soldiers and a source of comfort to their families.

Arthur A. Schuck, chief Scout executive, Boy Scouts of America, said:

The USO is to be congratulated on having completed its 18th year of service to the millions of young men who have gone through the armed services since 1941.

The tremendous service performed during World War II brought magnificent results in morale and spirit among our troops. The moral influences of your six member organizations have had a direct effect on our Nation. Those values have continued since World War II and you can continue to make significant contributions.

J. Clinton Hawkins, president of YMCA National Council, and Vivian C. McCollom, chairman, YMCA National Board, said:

Incorporated into the USO structure are sound basic principles of service shared by all of its member agencies. Experience has proved that, in the implementation of these principles, people of different faiths can cooperate in providing these common services and yet infuse them with the spirit of their own religious traditions.

Mr. President, it was my privilege today, as a member of the National Board of Governors of USO, to escort eight members of the Armed Forces on a Capitol Hill tour. These young men and women of the Air Force, the Army, the Navy, and the Marine Corps, visited with Senators from their home States and they were in the gallery during debate on important legislation. They journeyed to the Supreme Court, where they met one of the Associate Justices and also visited the Library of Congress.

The Senator from Texas [Mr. JOHNSON], whose career in the Armed Forces was outstanding, said to these representatives of our Armed Forces in a stimulating talk in his office that he was not preaching when he reminded them "to give the best that you have and the best will come back to you."

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DODD in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Bible	Hartke	Mundt
Byrd, W. Va.	Hayden	Murray
Cannon	Holland	Prouty
Chavez	Hruska	Proxmire
Clark	Javits	Randolph
Dirksen	Johnston, S.C.	Saltonstall
Dodd	Jordan	Smith
Dworshak	Keating	Sparkman
Ellender	Langer	Stennis
Frear	Mansfield	Talmadge
Green	McNamara	Williams, N.J.
Gruening	Morse	Yarborough
Hart	Moss	Young, N. Dak.

Mr. MANSFIELD. I announce that the Senator from Washington [Mr. MAGNUSON], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL] is absent because of illness.

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BARTLETT, Mr. BENNETT, Mr. BRIDGES, Mr. BUSH, Mr. BUTLER, Mr. BYRD of Virginia, Mr. CAPEHART, Mr. CARLSON, Mr. CARROLL, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHURCH, Mr. COOPER, Mr. COTTON, Mr. CURTIS, Mr. DOUGLAS, Mr. EASTLAND, Mr. ENGLE, Mr. ERVIN, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GORE, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HILL, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSON of Texas, Mr. KEFAUVER, Mr. KENNEDY, Mr. KERR, Mr. KUCHEL, Mr. LAUSCHE, Mr. LONG, Mr. MARTIN, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCGEE, Mr. MONRONEY, Mr. MORTON, Mr. MUSKIE, Mr. O'MAHONEY, Mr. PASTORE, Mr. ROBERTSON, Mr. RUSSELL, Mr. SCHOEPPEL, Mr. SCOTT, Mr. SYMINGTON, Mr. THURMOND, Mr. WILEY, Mr. WILLIAMS of Delaware, and Mr. YOUNG of Ohio entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

Mr. MANSFIELD. Mr. President, is the Senate still in the morning hour?

The PRESIDING OFFICER. Yes; is there further morning business?

SUPPORTING FIGURES ON THE HOUSING BILL

Mr. DIRKSEN. Mr. President, yesterday the distinguished junior Senator from Virginia [Mr. ROBERTSON] made some remarks on the housing bill. I thought perhaps he would have some amplification of his remarks in the form of supporting figures; and I should like to make inquiry of him now as to whether he proposes to insert such figures in the RECORD at this time.

Mr. ROBERTSON. Mr. President, on Monday, when I expressed my interest in housing, but my objection to exceeding the budget estimate at this time, however desirable the program might be, I was asked by the distinguished Senator from Louisiana whether I could obtain for him figures on the indirect obligations of the Government. I said I could not do so offhand, but that I would furnish them.

I now ask unanimous consent to have printed at this point in the RECORD a tabulation furnished by the Secretary of the Treasury showing that the indirect obligations of the Government amount to $297 billion. But that, of course, includes some insurance funds which we never expect to become actual liabilities.

Then I call attention to the reference in the President's budget, at pages 957 to 969, to the Federal credit programs. That shows a larger contingent liability for housing than the Treasury figures indicate. The budget shows only $23 billion for 1958 on FHA, to increase to $37 billion in 1960; and it shows that the Veterans' Administration guarantees will increase from $30 billion to $38 billion. The budget indicates that the grand total will rise from $76,900,000,000 in 1958 to $104,800,000,000 in 1960.

Mr. President, I also state that the housing bill would increase the direct borrowing from the Treasury, for college dormitories, dining halls, and other facilities, by $525 million. That would result in a new category of borrowing.

I ask unanimous consent to have printed at this point in the RECORD figures showing the total which has been borrowed from the Treasury, which is nearly $30 billion, and also showing the $25 billion which has been authorized, and can still be borrowed, and thus can bypass the Appropriations Committee.

There being no objection, the statement and tabulations were ordered to be printed in the RECORD, as follows:

LONG-RANGE COMMITMENTS AND CONTINGENCIES OF THE U.S. GOVERNMENT AS OF JUNE 18, 1958

The attached statement covers the major financial commitments of the U.S. Government, except the public debt outstanding and those involving recurring costs for which funds are regularly appropriated by the Congress and are not yet obligated, such as aid to States for welfare programs and participation in employee-retirement systems. The statement is segregated into four categories, namely (a) loans guaranteed and insured by Government agencies, (b) insurance in force, (c) obligations issued on credit of the United States, and (d) undisbursed commitments, etc.

The items appearing in this statement are quite different from the direct debt of the United States. They are programs of a long-range nature that may or may not commit the Government to expend funds at a future time. The extent to which the Government may be called upon to meet these commitments varies widely. The liability of the Government and the ultimate disbursements to be made are of a contingent nature and are dependent upon a variety of factors, including the nature of and value of the assets held as a reserve against the commitments, the trend of prices and employment, and other economic factors.

Caution should be exercised in any attempt to combine the amounts in the statement with the public debt outstanding for that would involve not only duplication but would be combining things which are quite dissimilar. As indicated by the enclosed statement, there are $107.8 billion of public debt securities held by Government and other agencies as part of the assets that would be available to meet future losses. The following examples illustrate the need for extreme caution in using data on the contingencies and other commitments of the United States Government.

1. The Federal Deposit Insurance Corporation had insurance outstanding as of June 23, 1958, the latest available, amounting to $129 billion. The experience of the Federal Deposit Insurance Corporation has been most favorable. During the period this Corporation has been in existence, premiums and other income have substantially exceeded losses which has permitted the retirement of Treasury and Federal Reserve capital amounting to $289.3 million (all repaid to Treasury), and the accumulation of $1.9 billion reserve as of June 30, 1958. The Corporation's holdings of public debt securities as of that date amounted to $2 billion which already appears in the public debt total. Out of $255.6 billion of assets in insured banks as of June 23, 1958, the latest available, $68.8 billion are in public debt securities (also reflected in the public debt). The assets, both of insured banks and the Federal Deposit Insurance Corporation, as well as the continued income of the Corporation from assessments and other sources, stand between insured deposits and the Government's obligation to redeem them.

2. The face value of life insurance policies issued to veterans and in force as of June 30, 1958, amounted to $43.6 billion. This does not represent the Government's potential liabilities under these programs since some of these policies will probably be permitted to lapse and future premiums, interest and the invested reserves amounting to $6.9 billion of public debt securities should cover the normal mortality risk.

3. Under the Federal Reserve Act of 1913, as amended, Federal Reserve notes are obligations of the United States which, as of June 30, 1958, amounted to $25.9 billion. The full faith and credit of the United States is behind the Federal Reserve currency. These notes are a first lien against the $51.5 billion of assets of the issuing Federal Reserve banks which includes $25.4 billion of Government securities already included in the public debt. These notes are specifically secured by collateral deposited with the Federal Reserve agents which, as of June 30, 1958, amounted to $17.4 billion in Government securities and $12.3 billion in gold certificates.

Long-range commitments and contingencies of the U.S. Government as of June 30, 1958

[In millions of dollars]

Commitment or contingency and agency	Gross amount of commitment or contingency	Public debt securities held by Government and other agencies
Loans guaranteed or insured by Government agencies:		
Agriculture Department:		
Commodity Credit Corporation	[1] 428	----
Farmers' Home Administration: Farm tenant mortgage insurance fund	[2] 175	----
Commerce Department: Federal Maritime Board and Maritime Administration	[3] 79	----
Export-Import Bank of Washington	83	----

See footnotes at end of table.

Long-range commitments and contingencies of the U.S. Government as of June 30, 1958—Continued

[In millions of dollars]

Commitment or contingency and agency	Gross amount of commitment or contingency	Public debt securities held by Government and other agencies
Loans guaranteed, etc,—Con.		
Government agencies—Con.		
Housing and Home Finance Agency:		
Federal Housing Administration:		
Property improvement loans	[3] 320	70
Mortgage loans	22, 291	469
Office of the Administrator: Urban renewal fund	131	----
Public Housing Administration	3, 109	----
International Cooperation Administration: Industrial guarantees	[4] 157	----
Small Business Administration	[5] 9	----
Treasury Department:		
Reconstruction Finance Corporation liquidation fund	[6] 4	----
Defense Production Act of 1950, as amended	[6] 7	----
Federal Civil Defense Act of 1950, as amended	[6] 3	----
U.S. Information Agency: Informational media guarantees	9	----
Veterans' Administration	17, 010	----
Defense Production Act of 1950, as amended	254	----
Total loans guaranteed or insured by Government agencies	44, 049	539
Insurance in force:		
Agriculture Department: Federal Crop Insurance Corporation	[6] 260	----
Commerce Department: Federal Maritime Board and Maritime Administration	[6] 78	----
Export-Import Bank of Washington	3	----
Federal Deposit Insurance Corporation	[7] 128, 694	2, 034
Held by insured commercial and mutual savings banks	----	[7] 68, 826
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation	41, 589	294
Held by insured institutions	----	3, 088
Veterans' Administration:		
National service life insurance	42, 080	5, 714
U. S. Government life insurance	1, 545	1, 144
Total insurance in force	214, 249	81, 100
Obligations issued on credit of the United States: Postal Savings certificates:		
United States Postal Savings System	[8] 1, 213	1, 206
Canal Zone Postal Savings System	[8] 6	6
Total postal savings certificates	1, 219	1, 212
Other obligations: Federal Reserve notes (face amount)	25, 863	[9] 25, 438
Undisbursed commitments, etc.:		
To make future loans:		
Agriculture Department:		
Commodity Credit Corporation	3	----
Disaster loans, etc., revolving fund	1	----
Farmers' Home Administration:		
Loan programs	9	----
State rural rehabilitation funds	2	----
Rural Electrification Administration	795	----
Development Loan Fund	101	----
Export-Import Bank of Washington: Regular lending activities	1, 424	----

See footnotes at end of table.

Long-range commitments and contingencies of the U.S. Government as of June 30, 1958—Continued

[In millions of dollars]

Commitment or contingency and agency	Gross amount of commitment or contingency	Public debt securities held by Government and other agencies
Undisbursed commitments, etc.—Continued		
To make future loans—Con.		
Housing and Home Finance Agency:		
Office of the Administrator:		
College housing loans	275	----------
Public facility loans	23	----------
Urban renewal fund	258	----------
Public Housing Administration	248	----------
Interior Department:		
Bureau of Commercial Fisheries: Fisheries loan fund	1	----------
Defense Minerals Exploration Administration: Defense Production Act of 1950, as amended	5	----------
International Cooperation Administration: Loans to foreign countries	[4] 1,240	----------
Small Business Administration	74	----------
Treasury Department: Reconstruction Finance Corporation liquidation fund	1	----------
Veterans' Administration (veterans' direct loan program)	26	----------
Total undisbursed commitments to make future loans	4,486	----------
To purchase mortgages:		
Agriculture Department: Farmers' Home Administration: Farm tenant mortgage insurance fund	1	----------
Housing and Home Finance Agency: Federal National Mortgage Association:		
Secondary market operations	75	----------
Special assistance functions	1,084	----------
Total commitments to purchase mortgages	1,160	----------
To guarantee and insure loans:		
Agriculture Department: Farmers' Home Administration: Farm tenant mortgage insurance fund	9	----------
Commerce Department: Federal Maritime Board and Maritime Administration	140	----------
Housing and Home Finance Agency: Federal Housing Administration	5,306	----------
To guarantee and insure loans:—Continued		
Defense Production Act of 1950, as amended	124	----------
Total commitments to guarantee and insure loans	5,579	----------
Unpaid subscriptions: International Bank for Reconstruction and Development	2,540	----------

See footnotes at end of table.

Long-range commitments and contingencies of the U.S. Government as of June 30, 1958—Continued

[In millions of dollars]

See footnotes at end of table.

Long-range commitments and contingencies of the U.S. Government as of June 30, 1958—Continued

[In millions of dollars]

[1] The Corporation finances part of its activities by issuing certificates of interest to private lending agencies. The outstanding amount of $244,000,000, as of June 30, 1958, is included in this figure.

[2] Includes accrued interest.

[3] Represents the Administration's portion of insurance liability. The estimated amount of insurance in force and loan reports in process as of June 30, 1958, is $1,175,000,000. Insurance on loans shall not exceed 10 percent of the total amount of such loans.

[4] The Export-Import Bank of Washington acts as agent in carrying out this program.

[5] Represents deferred participations.

[6] Represents estimated insurance coverage for the 1958 crop year.

[7] Figures are as of June 23, 1958.

[8] Excludes accrued interest.

[9] Includes public debt securities amounting to $17,420,000,000 that have been deposited with the Federal Reserve agents as specific collateral.

NOTE.—The above figures are subject to the limitations and precautionary remarks, as explained in the note attached to this statement.

Statement of transactions relating to authorizations to expend from public debt receipts as of Dec. 31, 1958

Accounts	Balance of authorizations at beginning of fiscal year 1959	Net additional public debt authorizations granted by Congress through Dec. 31, 1958	Total advances made from July 1, 1958 through Dec. 31, 1958	Repayments made during fiscal year 1959 which affected borrowing authorizations	Cash refundings during fiscal year 1959 (nonadd)	Repayments made during fiscal year 1959 which do not affect borrowing authorizations	Net change [(4)−(5)]	Unused authorizations Dec. 31, 1958 [(2)+(3)−(8)]	Net amount due Treasury Dec. 31, 1958
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Commodity Credit Corporation	$2,972,000,000.00	----------	$3,055,000,000.00	[1] $2,430,000,000.00	----------	----------	−$625,000,000.00	$2,347,000,000.00	$12,153,000,000.00
Export-Import Bank of Washington:									
Regular	4,492,000,000.00	----------	463,800,000.00	153,900,000.00	----------	----------	−309,900,000.00	4,182,100,000.00	1,817,900,000.00
Transferred from RFC [2]	----------	----------	----------	----------	----------	$3,059,779.70	----------	----------	17,341,035.28
Capital stock	----------	----------	----------	----------	----------	----------	----------	----------	999,000,000.00
Federal Deposit Insurance Corporation	3,000,000,000.00	----------	----------	----------	----------	----------	----------	3,000,000,000.00	----------
Federal home loan banks	1,000,000,000.00	----------	----------	----------	----------	----------	----------	1,000,000,000.00	----------
Federal National Mortgage Association:									
Management and liquidating functions	----------	−$103,981,000	26,069,000.00	130,050,000.00	$50,000,000	----------	103,981,000.00	----------	1,244,309,622.70
Secondary market operations	2,250,000,000.00	----------	110,849,622.11	50,664,797.90	----------	----------	−60,184,824.21	2,189,815,175.79	60,184,824.21
Special assistance functions	[3] 2,485,778,706.52	----------	256,209,040.33	10,877,815.02	----------	----------	−245,331,225.31	2,240,447,481.21	399,081,800.04
Preferred stock	65,000,000.00	----------	----------	----------	----------	----------	----------	65,000,000.00	71,000,000.00
Federal Savings and Loan Insurance Corporation	750,000,000.00	----------	----------	----------	----------	----------	----------	750,000,000.00	----------
Housing and Home Finance Agency:									
College housing	536,143,450.56	----------	94,000,000.00	----------	----------	----------	−94,000,000.00	442,143,450.56	482,856,549.44
Flood insurance	500,000,000.00	----------	----------	----------	----------	----------	----------	500,000,000.00	----------
Public facility loans	86,300,000.00	----------	5,500,000.00	----------	----------	----------	−5,500,000.00	80,800,000.00	19,200,000.00
Urban renewal program	927,000,000.00	----------	20,000,000.00	----------	----------	----------	−20,000,000.00	907,000,000.00	93,000,000.00

[1] Includes payment of $1,760,399,886 representing restoration of capital impairments as authorized by Public Law 85-459, approved June 13, 1958.

[2] Transferred from Reconstruction Finance Corporation pursuant to Reorganization Plan No. 2 of 1954.

[3] Balance June 30, 1958, was reduced by $7,721,893.40 representing fiscal year 1958 portion of the mortgage portfolio financed by earnings, working capital, and purchase discounts.

Statement of transactions relating to authorizations to expend from public debt receipts as of Dec. 31, 1958—Continued

Accounts	Balance of authorizations at beginning of fiscal year 1959	Net additional public debt authorizations granted by Congress through Dec. 31, 1958	Total advances made from July 1, 1958 through Dec. 31, 1958	Repayments made during fiscal year 1959 which affected borrowing authorizations	Cash refundings during fiscal year 1959 (nonadd)	Repayments made during fiscal year 1959 which do not affect borrowing authorizations	Net change [(4)−(5)]	Unused authorizations Dec. 31, 1958 [(2)+(3)−(8)]	Net amount due Treasury Dec. 31, 1958
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
International Cooperation Administration:									
Loan to Spain	$580,583.04		$210,699.09			$1,913,546.74	$−210,699.09	$369,883.95	$51,335,678.19
Mutual Defense Assistance program	310,335.28					9,682,254.32		310,335.28	1,100,795,778.26
India emergency food aid						1,223,423.10			22,995,512.59
Industrial media guarantee	199,071,521.50							199,071,521.50	
Public Housing Administration	1,465,000,000.00		55,000,000.00	$55,000,000.00				1,465,000,000.00	35,000,000.00
Rural Electrification Administration	848,000,000.00	$434,500,000	220,000,000.00			50,495,300.39	−220,000,000.00	1,062,500,000.00	2,897,256,349.59
St. Lawrence Seaway Development Corporation	43,300,000.00		11,300,000.00				−11,300,000.00	32,000,000.00	108,000,000.00
Secretary of Agriculture:									
Farmers' Home Administration:									
Regular loans		229,500,000	95,000,000.00			135,258,042.89	−95,000,000.00	134,500,000.00	177,602,567.14
Farm tenant-mortgage insurance loans	27,515,000.00		7,820,000.00	1,460,000.00			−6,360,000.00	21,155,000.00	8,845,000.00
Farm housing loans	400,000,000.00		35,000,000.00			5,827,431.64	−35,000,000.00	365,000,000.00	59,963,341.43
Secretary of the Treasury:									
Federal civil defense	249,130,000.00			30,000.00	$100,000		30,000.00	249,160,000.00	840,000.00
U.S. Information Agency:									
Informational media guarantee	11,187,610.67		2,111,000.00	[1] 1,732,236.00			−378,764.00	10,808,846.67	17,178,764.00
Veterans' Administration:									
Veterans' direct loan program		97,766,135	97,766,135.00				−97,766,135.00		877,844,131.00
Defense Production Act of 1950, as amended:									
Export-Import Bank of Washington	5,430,974.30	−7,500,000	311,631.79	2,749,495.45			2,437,863.66	368,837.96	27,131,162.04
General Services Administration	316,300,000.00	30,000,000	270,000,000.00	110,000,000.00			−160,000,000.00	186,300,000.00	1,598,700,000.00
Secretary of Agriculture	7,733,000.00		174,000.00		2,084,000		−174,000.00	7,559,000.00	58,807,000.00
Secretary of the Interior	8,800,000.00		1,000,000.00				−1,000,000.00	7,800,000.00	31,000,000.00
Secretary of the Treasury	31,090,000.00	−15,500,000	610,000.00	4,370,000.00	15,400,000		3,760,000.00	19,350,000.00	162,750,000.00
Unallocated	7,234,000.00	−7,000,000						234,000.00	
International Bank for Reconstruction and Development	2,540,000,000.00							2,540,000,000.00	635,000,000.00
International Monetary Fund									950,000,000.00
International Finance Corporation									35,168,000.00
Credit to the United Kingdom						50,928,414.94			3,419,393,157.00
Total	25,224,905,181.87	657,785,135	4,827,731,128.32	2,950,834,344.37	67,584,000	258,388,193.72	−1,876,896,783.95	24,005,793,532.92	29,632,480,272.91

[1] Payment of $1,732,236 representing partial restoration of realized impairment to the capital used in carrying on the authority to make informational media guarantees, as provided in sec. 1011 of the U.S. Information and Educational Exchange Act of 1948, as amended, was authorized by Public Law 85-766, approved Aug. 27, 1958.

Mr. ROBERTSON. Mr. President, last of all, let me say that on Monday I inserted in the RECORD the figures furnished by the Home and Housing Administrator on the Sparkman bill, as then introduced. I was discussing the bill as introduced, as compared with the figures proposed by the Administrator. Some changes were made in the bill, and they result in a reduction by approximately $100 million of the impact on the 1960 cash budget. That is a reduction in loans to be made for veterans' housing. Therefore, I ask unanimous consent to have printed in the RECORD the complete comparison, furnished me on yesterday by the Administrator, of the committee bill and of the Administration's position. The figures still show, however, that from the standpoint of obligational authority, the committee bill is one billion, two hundred and some-odd million dollars more.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

The PRESIDING OFFICER (Mr. DODD in the chair). The Senate is still proceeding in the morning hour, and the 3 minutes available to the Senator from Illinois have been consumed.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that I may proceed for an additional 3 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President——

Mr. SPARKMAN. Mr. President, a parliamentary inquiry: Has the unanimous-consent request of the Senator from Virginia—to make certain insertions in the RECORD—been agreed to?

The PRESIDING OFFICER. It has.

Mr. SPARKMAN. I was on the floor, and wished to reserve the right to object, not for the purpose of attempting to prevent the publication of the figures in the RECORD, but in order to have an opportunity to make brief remarks.

Mr. CAPEHART. Mr. President, will the Senator yield to me?

Mr. ROBERTSON. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. Mr. President, I have the floor; and I yield first to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, I hope I shall be permitted to receive the question which my colleague, the Senator from Illinois, wishes to ask, and then to reply to it.

Then, inasmuch as the chief patron of the bill wishes to ask a question, I hope that opportunity will also be afforded.

Mr. DIRKSEN. Mr. President, at this time I yield to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, my question is this: In the total of over $200 billion of potential obligations on the part of the Government, how much of that amount is for the guarantee of bank deposits, how much is for the guarantee of insurance on FHA, and how much is for the guarantee of insurance on Veterans' Administration?

Mr. ROBERTSON. The figure for bank deposits is $194 billion. That is the largest item. Then insurance is included. As I have said, those are items which we do not think will become actual liabilities.

Mr. DOUGLAS. So the actual obligations of the Federal Government are not as great as the extremely large, global figure originally cited by the Senator from Virginia would indicate. Is that correct?

Mr. ROBERTSON. Yes. The Treasury Department calls attention to all these things, and says they must not be treated as actual liabilities, nor must they be confounded with the national debt. It is just a summary of the liabilities. We cannot say that one is a potential liability and another one is not. When the Government has extended its credit, all of them must be included.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

The PRESIDING OFFICER. The additional 3 minutes granted the Senator from Illinois have expired.

Mr. DIRKSEN. Then, Mr. President, I yield the floor.

Mr. SPARKMAN. Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SPARKMAN. Mr. President, I have hurriedly looked at the figures the distinguished chairman-to-be of our committee has submitted. The Senator from Indiana [Mr. CAPEHART] has casually looked at them, too.

I wish to say that I do not wholly agree as to their accuracy; and if the Senator from Virginia will, for the time being, hold up putting them into the RECORD, I think we might have an opportunity to check the figures a little more carefully, a little later.

In the meantime, Mr. President, I should like to make a brief comment: When the Senator from Virginia gives the totals for the two programs, of course he does not state the difference between the bill as reported to the Senate and the proposal of the Administration in the case of additional FHA insurance authorizations. The Administration figure for that item was $2 billion in excess of the amount called for by the bill as it was reported, and $4 billion in excess of what my bill proposes.

Mr. CAPEHART. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. Mr. President, in order to keep the record and the facts straight—because the figures the able Senator from Virginia has were prepared by the Federal Housing Administration—let me say they were prepared earlier yesterday morning, after the Senate Banking and Currency Committee had reported the bill at 6:30 p.m. the day before; and it was impossible for anyone to get all the facts regarding what was contained in the bill as then reported. For that reason, and in order to be fair to the Federal Housing Administration, and not get into the RECORD any figures which are not accurate, I suggest that the figures be held up for several hours until they can be rechecked, because I believe the Administration has now rechecked its figures, and finds—after the officials were able to read the bill and read the report and understand exactly what is contained in them—that there have been some changes.

Mr. ROBERTSON. Mr. President, in view of the statement made by our distinguished colleague, the Senator from Indiana [Mr. CAPEHART], who is the ranking Republican member of our committee—I refer to his statement that the Republican head of this Administration had furnished me figures which are not accurate—I withdraw my request, and later shall resubmit the figures for the RECORD.

Mr. CAPEHART. I did not say that, at all; I merely said that when the figures were compiled, they were given from memory, and were not taken from the actual records; and I see nothing to be lost by holding up the figures for several hours, until the actual facts can be determined.

Mr. ROBERTSON. Mr. President, I shall hold them up; but I believe that sooner or later the actual figures should be placed in the RECORD, because I quoted the figures in my brief remarks on Monday, and the bill has since been changed, and I asked for a revision. These are the revised figures; and now we shall get the latest edition.

Mr. CAPEHART. No one wishes to keep the figures out of the RECORD. We want them to go into the RECORD. But we would like to make sure about them.

Mr. ROBERTSON. Mr. President, I understand that consent was given to my request to have printed in the RECORD the report by the Treasury Department on indirect obligations, and also the report on authorized borrowings.

The PRESIDING OFFICER. That is correct.

Mr. CAPEHART subsequently said: Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared as to the effects upon the Treasury of the money to be provided in the bill, and two charts prepared for me by the Housing and Home Finance Agency.

Mr. SPARKMAN. Mr. President, may I ask the Senator from Indiana a question? Is this the corrected copy the Senator from Virginia was talking about this morning?

Mr. CAPEHART. These are the corrected figures, based upon a close analysis of the bill, which it was not possible to make until yesterday afternoon, when final action was had on the bill by the committee.

Mr. SPARKMAN. Does the Senator have an extra copy, which we may use on this side of the aisle?

Mr. CAPEHART. There are plenty of copies available. I thought a copy had been placed on every desk. If not, I will see that the Senator gets one.

Mr. SPARKMAN. We do not seem to have a copy. I should like very much to have one.

Mr. CAPEHART. There is supposed to be a copy on each desk.

Mr. LANGER. Mr. President, I ask that the colloquy and the insertions in the RECORD be printed at the appropriate place in the discussion. It occurs to me that about an hour ago we were discussing this matter, and that would be a proper place for the insertion.

Mr. SPARKMAN. Yes. Even beyond that, the Senator from Indiana and the Senator from North Dakota were engaged in an exchange about 10 or 15 minutes ago. It would seem to me to be well to have the insertion in the RECORD made at that point.

Mr. CAPEHART. Mr. President, I ask unanimous consent that this colloquy and the insertions be printed in the RECORD at the appropriate point earlier in the discussion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

There being no objection, the statement and charts were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

On behalf of myself and others, I shall offer 10 amendments to Senate bill 57, the housing bill.

The purpose of some of these amendments is simply to make the bill more workable from an administration standpoint. Most important, however, are amendments dealing with appropriations and authorizations and their effect on the fiscal affairs of this country.

To begin with, I doubt if ever before there has been proposed legislation before the Congress about which there has been as much misunderstanding and as many unfactual statements as there are on this bill.

The facts about this bill with respect to its draining effect on the U.S. Treasury and on the budget are as follows, based on estimates of the officials of our housing agencies who have all of the facts:

1. If Senate bill 57 is passed as reported from the Senate Banking and Currency Committee, the drain on the Treasury would be approximately $240 million in fiscal 1960.

2. If the Senate accepts the amendments which I will offer, the drain on the Treasury will be only approximately $5 million.

My position is that because of the tremendous demand on the Treasury for money from every direction, we can well afford to reduce proposed new projects and authorizations to lesser amounts without hindering our housing program.

The largest item in the bill is for urban renewal and constitutes more than $2 billion of the $2,900,000,000.

This program, of course, was first approved in the housing law of 1949 but was not actually activated until the housing law of 1954 under the Eisenhower administration.

Specifically, the more important reductions proposed in my amendments are:

To eliminate any new authorizations for public housing because we already have sufficient authorizations to finance this program

for the next 12 months and because we still have 115,000 units not completed or occupied.

To eliminate $300 million in direct loans to veterans.

This proposal is based on the almost unanimous opinions of those who have studied the situation and are in a position to know the facts that the proposed increase in the interest rates on veterans loans to 5¼ percent will provide the realistic incentive under which private institutions will absorb all VA mortgages.

Housing and Home Finance Agency—Proposed housing legislation—Comparative summary of amounts provided for grants, loans, and insurance or guarantees in administration and Senate committee bills

[In millions]

Purpose	New obligational authority		Budget expenditures									
			Fiscal year 1960		Fiscal year 1961		Fiscal year 1962		Fiscal year 1963		Total	
	Administration	Senate	Administration	Senate	Administration	Senate	Administration	Senate	Administration	Senate	Administration	Senate
For grants												
Urban renewal grants:												
Fiscal year 1959	$100.0	$350										
Fiscal year 1960	250	350										
Fiscal year 1961	250	350										
Fiscal year 1962	250	350										
Fiscal year 1963	200	350										
Fiscal year 1964	200	350										
Fiscal year 1965	200											
Subtotal, urban renewal grants	1,450.0	2,100			$4.0	$8.0	$20.0	$45.0	$40.0	$75.0	$64.0	$128.0
Relocation payments				$3.25		8.0	2.0	12.0	5.0	15.0	7.0	38.25
Urban planning assistance [1]	10.0	10.0	$1.0	1.1	2.2	2.5	3.3	3.5	1.9	2.1	8.4	9.2
Farm housing research [1]		.225		.04		.08		.08		.02		.22
Public housing, annual contributions		13.0								13.0		[2] 13.0
Scholarship grants [1]		1.5		.5		.5		.5				1.5
Defense hospital grants [1]		15.0		2.5		5.0		5.0		2.5		15.0
Subtotal for grants	1,460.0	2,139.725	1.0	7.39	6.2	24.08	25.3	66.08	46.9	107.62	79.4	205.17
For loans:												
Urban renewal advances			3.6	7.0	12.0	16.0	11.0	14.0	10.0	13.0	36.6	50.0
Urban renewal temporary loans					15.0	20.0	15.0	20.0	15.0	20.0	45.0	60.0
Public housing, planning and construction				21.0								21.0
College housing, direct loans	200.0	400.0			125.0	140.0	75.0	240.0		20.0	200.0	400.0
College classrooms, etc., direct loans		125.0		5.0		25.0		90.0		5.0		125.0
VA direct loans		300.0		200.0		100.0						300.0
Subtotal for loans	200.0	825.0	3.6	233.0	152.0	301.0	101.0	364.0	25.0	58.0	281.6	956.0
Total for grants and loans	1,660.0	2,964.725	4.6	240.39	158.2	325.08	126.3	430.08	71.9	165.62	361.0	1,161.17

	Insurance and guarantee authorities	
	Administration	Senate
For insurance and guarantees:		
Urban renewal, guarantee of nonresidential loans for urban redevelopment	[3] $125.0	
College classrooms, etc., guarantee of college loans for construction of classrooms and other academic facilities		$125.0
Federal Housing Administration, general mortgage insurance authorization	[4]	10,000.0

[1] New obligational authority when actually appropriated.

[2] In addition, about $870,000,000 will remain to be paid out in following 38 to 40 years.

[3] Provides new form of loan assistance within existing authorizations; no increase in obligational authority or expenditures.

[4] Administration bill would provide temporary increase of $6,000,000,000 followed by permanent legislation eliminating ceiling on insurance authorization.

AWARD TO SENATOR MUNDT BY INTERNATIONAL HOUSE OF NEW YORK

Mr. KEATING. Mr. President, on January 27, 1959, there was an impressive ceremony held here at Washington at which our distinguished colleague the the Senator from South Dakota [Mr. MUNDT] was given an award by International House of New York. I ask unanimous consent to have printed at this point in the RECORD a press release covering these proceedings, including therein the citation to the Senator from South Dakota.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.—International House of New York today honored Senator KARL MUNDT, of South Dakota, for his service in initiating the Smith-Mundt Act in 1948. The citation was presented by Mr. Howard A. Cook, president, and signed by Mr. John J. McCloy, chairman of the board of trustees.

Former Senator H. Alexander Smith of New Jersey was previously honored at an awards dinner held in New York City in November. MUNDT was unable to attend the New York dinner and received the citation today in special ceremonies at the Capitol.

The citations to Smith and MUNDT were part of a 10-year anniversary observance held by International House.

International House is a residence and program center for graduate students studying in New York City as part of the educational exchange programs. The Smith-Mundt Act established the cooperative exchange program between the United States and foreign countries. Voice of America was also established by the Smith-Mundt legislation.

Attending the award luncheon today were representatives of the United States Information Agency, the Department of State, International House, and other organizations which have contributed to the success of exchange programs.

The citation to Senator MUNDT reads:

"Devoted from birth to South Dakota, yet widely traveled in Europe and the Middle East, active exponent of fraternal relations, academic and nonacademic, promoter of the art of effective debate as teacher, organizer and national president of the National Forensic League, champion of conservation, U.S. Senator from South Dakota, during the last 10 years after an equal number of years of energetic service in the U.S. House of Representatives, benefactor to international education as author of the congressional resolution of 1945 which led to the formation of the U.S. Educational, Scientific, and Cultural Organization:

"In honor of your crucial service 10 years ago in initiating the Smith-Mundt Act, the general basic authority for a cooperative exchange program between the United States and other countries, International House expresses in this citation our warm and deep appreciation on behalf of the world of students and scholars."

The text of Mr. Cook's remarks in presenting the citation follows:

"Last fall, Senator MUNDT, you will recall that I issued an invitation to you and Senator Smith to attend a dinner in your honor in New York City so that the trustees and students of International House could honor you for your work in the exchange-of-persons program.

"We thought it was particularly appropriate because 1958 was the 10th anniversary year of the Smith-Mundt Act. At that time we had a very nice presentation. Senator Smith was there with 11 Smith-Mundt students who were living at International

House and it was a gala occasion and we missed you.

"In fact, we are very sorry you couldn't be there. On the other hand, it's fortunate in some regards because it makes possible this particular meeting with this wonderful group here who all have very firm convictions about the importance of the exchange-of-persons program.

"It seems to me that by initiating this act, you and Senator Smith added a new dimension to our foreign policy by helping to increase the number of students and scholars and leaders coming to the United States to study and enabling others to go abroad. Because this legislation has been so important, together with other acts; the Fulbright Act and the many private acts, International House felt that it would like to honor you and Senator Smith for your work in this field.

"And it's a great pleasure for me at this time to present this citation to you on behalf of the board of trustees and students at International House."

Acceptance remarks of Senator MUNDT follows (excerpts):

"I think each of us (Senator Smith and Senator MUNDT) feels that probably numbered among the things which we have achieved or hope to achieve * * * we rank right at the top the passage of the Smith-Mundt Act.

"And we believe, and I know you believe that * * * the cementing of human relations * * * is the best weapon for peace that we have. An ancient philosopher one time said that the many you don't like are the many you don't know, and I think people like Americans when they come to know them and that Americans find that people in other countries have a great many more similarities than they have dissimilarities.

"If we can cement and harness those similarities in international understanding, I think we can ultimately avert permanently * * * war."

IMPORTS OF CERTAIN WOOL PRODUCTS

Mr. MUNDT. Mr. President, I call attention to the fact that the National Wool Growers Convention meeting in Oregon on January 29 adopted unanimously a resolution, which has been sent to me by telegram, through the courtesy of Mr. R. A. Smiley, president of the Western South Dakota Sheep Growers Association.

The telegram reads as follows:

We are advised Treasury Department rescinding countervailing duties on imports subsidized wool tops from Uruguay. Available trade information indicates subsidization these exports requiring countervailing action under section 303 our Tariff Act has not been eliminated. This action will further weaken wool market which is already depressed to lowest point in 17 years. We therefore urge your assistance in having Secretary of Treasury defer action until industry can be heard and facts developed. Unless prevented this action will undoubtedly increase cost of National Wool Act.

R. A. SMILEY,
President, Western South Dakota Sheep Growers Association.

May I simply add that the producers of wool, lamb, and sheep products have been having tremendous and growing difficulties as a result of importations. I think the request of the woolgrowers' association is very pertinent, plausible, and persuasive, when they simply ask the right to be heard before a change is made which will result in a still further increase in the imports of wool.

CODE OF ETHICS FOR HOLDERS OF PUBLIC OFFICE IN NEW YORK CITY

Mr. JAVITS. Mr. President, I call the attention of the Senate to the proposed code of ethics for city employees and city legislators of the city of New York. I ask unanimous consent that the news story relating to it, as well as the text of the code from today's New York Times, be made a part of my remarks.

There being no objection, the article and code were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 4, 1959]

NEW ETHICS CODE FOR PUBLIC OFFICE SUBMITTED TO CITY—COUNCIL COMMITTEE DEFINES CONFLICTS OF INTEREST—CIVIL PENALTIES URGED

(By Charles G. Bennett)

All 225,000 officials and employees of New York City would be held to rigid standards of conduct under a new code of ethics proposed yesterday.

Along with the new code there would be a complete revision of the conflict-of-interest provisions—section 886 of the city charter.

The new section 886 would seek to clarify conflicts of interest, make specific the provisions now considered vague and reduce the likelihood of improper practices by city officers and employees.

The code of ethics was unveiled yesterday by the city council as the result of a 2-year study of its six-man special committee on standards and ethics. Councilman Morris J. Stein, Brooklyn Democrat, is chairman of the committee.

HEARING SET ON FEBRUARY 19

S. Stanley Kreutzer served as counsel to the committee. Mr. Kreutzer described the new program yesterday as "the first general municipal ethics code of its kind in the United States."

Mayor Wagner also hailed the code as representing largely his views of assuring and maintaining fitness for public service in New York City.

[From the New York Times, Feb. 4, 1959]

TEXT OF THE PROPOSED CODE OF ETHICS FOR THE CITY'S EMPLOYEES

(Following are the essential portions of a proposed amendment to sec. 886 of the New York City Charter defining conflicts of interest for city officers and employees. Also, the complete texts of three local laws that would establish a code of ethics for all city employees, set up a board of ethics and restrict the appearances before city agencies of former employees. All were made public yesterday.)

AN ACT TO AMEND THE NEW YORK CITY CHARTER, IN RELATION TO CONFLICTS OF INTEREST

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. Section 886 of the New York City Charter is hereby amended to read as follows:

"SEC. 886. Conflicts of interests prohibited.

"(1) No councilman or other officer, employee or person whose compensation or salary is payable in whole or in part from the city treasury—

"(a) shall or become interested directly or indirectly in any manner whatsoever except by operation of law in any business dealings with the city;

"(b) shall act as attorney, agent, broker or employee for any person, firm or corporation interested directly or indirectly in any manner whatsoever in business dealings with the city;

"(c) shall accept any gift, service, loan, thing or promise of value from any person, firm or corporation which, to his knowledge, is interested directly or indirectly in any manner whatsoever in business dealings with the city;

"(d) shall represent private interests before any city agency;

"(e) shall appear as attorney or counsel or give opinion or evidence against the interests of the city in any litigation to which the city is a party.

"(2) As used in this section, the words 'business dealings' shall mean—

"(a) any contract, work or business with the city, or the performance of or litigation arising out of or involving any such contract, work or business, or the sale or acquisition of any property, the expense, price of consideration for which is payable to or from the city treasury or by any assessment levied pursuant to law;

"(b) or the purchase, lease, rental or letting of, or grant of license or permit in relation to, any real or other property belonging to or taken by the city, or which shall be sold for taxes or assessments, or by virtue of legal process or any provision of law by or at the suit of the city.

"(3) This section shall not be construed—

"(a) to prohibit a councilman or other officer or employee from being affiliated with, employed by, or representing a person, firm, or corporation whose business dealings with the city form an insubstantial part of its total business: *Provided,* That he has no direct or indirect interest in such business dealings and receives no part of the benefits thereof and takes no active part in connection therewith;

"(b) to prohibit a councilman or other officer or employee from appearing before any agency upon matters only incidentally requiring official action which do not develop into a substantial part of the employment: *Provided,* That he has not been retained for the purpose of appearing before the agency; *Provided further,* That the compensation in whole or in part is not contingent or dependent upon action by such agency;

"(c) to prohibit a councilman from appearing without compensation before any city department or agency in behalf of constituents or in the performance of public, official, or civic obligations.

"(4) For the purpose of this section, the word 'agency' shall include the New York City Housing Authority and the Triborough Bridge and Tunnel Authority.

"(5) Any violation of any of the provisions of this section shall, at the option of the controller, render forfeit and void the contract, work, business, sale, or transaction affected.

"(6) Any violation of any of the provisions of this section shall constitute cause for fine, suspension, or removal from office or employment.

"(7) If, however, any person shall knowingly and intentionally violate any of the provisions of this section, he shall, on conviction thereof, forfeit his office and be punished for a misdemeanor."

SEC. 2. This act shall take effect immediately.

A LOCAL LAW TO AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK IN RELATION TO A CODE OF ETHICS

Be it enacted by the council as follows:

SECTION 1. Chapter 40 of the Administrative Code of the City of New York is hereby amended by adding thereto a new section to

follow section 897.1–0 to be section 898.1–0, to read as follows:

"SEC. 898.1–0. Code of ethics.

"(a) Conflicts of interest: No councilman or other officer or employee, whether paid or unpaid, shall engage in any business or transaction or shall have a financial or other private interest, direct or indirect, which is in conflict with the proper discharge of his official duties.

"(b) Representing private interests before city agencies: No councilman or other officer or employee whose salary is paid in whole or in part from the city treasury shall appear in behalf of private interests before any agency, including the New York City Transit Authority, the New York City Housing Authority, and the Triborough Bridge and Tunnel Authority. Councilmen, however, may appear without compensation in behalf of constitutents, or in the performance of public or civic obligations.

"This section shall not prohibit appearances upon matters only incidentally requiring official action which do not develop into a substantial part of the employment, provided that the retainer is not for the purpose of appearing before the agency, and provided further that the compensation, in whole or in part, is not contingent or dependent upon the action of such agency.

"No person serving the city without compensation shall appear, either directly or indirectly, on behalf of private interests in matters involving the agency which he serves or before any agency of the city affecting matters involving the agency in which he serves or in any representative capacity against the interests of the city.

"(c) Representing private interests before courts: No councilman or other officer of employee, whether paid or unpaid, shall represent private interests in any action or proceeding against the interests of the city, in any litigation to which the city, the New York City Transit Authority, the New York City Housing Authority or the Triborough Bridge and Tunnel Authority is a party.

"(d) Disclosure by councilman of interest in legislation: A councilman who has a direct or indirect financial or other private interest in any proposed legislation shall publicly disclose, on the official records of the council, the nature and extent of such interest.

"(e) Disclosure by officer or employee of interest in legislation: An officer or employee who, whether paid or unpaid, has a direct or indirect financial or other private interest in any legislation, and who participates in discussion before or gives official opinion to the council, the board of estimate, or the mayor, shall publicly disclose on the official record the nature and extent of such interest.

"(f) Gifts and favors: No councilman or other officer or employee, whether paid or unpaid, shall accept any valuable gift, service, loan, thing, or promise from any person, firm, or corporation with whom or with respect to whom he, or to his knowledge, the city has business dealings, or regarding whom he has the power to take official action.

"(g) Disclosure of confidential information: No councilman or other officer or employee, whether paid or unpaid, shall disclose confidential information concerning the property, Government or affairs of the city. Nor shall he use such information to advance the financial or other private interest of himself or others.

"(h) Investments in conflict with official duties: No councilman or other officer or employee, whether paid or unpaid, shall invest, or hold any investment directly or indirectly in any financial, business, commercial or other private transaction, which creates a conflict with his official duties.

"(i) Incompatible employment: No councilman or other officer or employee, whether paid or unpaid, shall engage in or accept private employment or render services for private interests when such employment or service is incompatible with the proper discharge of his official duties.

"(j) Future employment: No councilman or other officer or employee, whether paid or unpaid, shall solicit, negotiate for, or promise to, accept employment, by any person, firm or corporation with which he or his agency is engaged on behalf of the city in the transaction of business or which is or may be affected by his official action."

SEC. 2. Any violation of any of the provisions of this section shall constitute cause for fine, suspension or removal from office or employment.

SEC. 3. This local law shall take effect immediately.

A LOCAL LAW TO AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK IN RELATION TO THE BOARD OF ETHICS

Be it enacted by the council as follows:

SECTION 1. The administrative code is hereby amended by adding thereto a new section, to follow section B 1–6.0 to be section B 1–7.0 to read as follows:

"SEC. B 1–7.0. Board of ethics.

"(a) There is hereby created and established a board of ethics to consist of the corporation counsel, the director of personnel and three public members to be appointed by the mayor who shall be domiciled in the city of New York, who shall serve without compensation. The public members shall each serve for a term of 4 years. The members shall elect a chairman.

"(b) The board shall render advisory opinions to officers and employees, with respect to section 898.1–0 of the administrative code of the city of New York. Such advisory opinions shall be rendered pursuant to written request by the officer or employee concerned. The board shall publish its advisory opinions with such deletions as may be necessary to prevent disclosure of the identity of the officer or employee involved."

SEC. 2. This local law shall take effect immediately.

A LOCAL LAW TO AMEND THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK, IN RELATION TO APPEARANCES BEFORE CITY AGENCIES OF FORMER OFFICERS OR EMPLOYEES

Be it enacted by the council as follows:

Section 1, chapter 40 of the administrative code of the city of New York is hereby amended by adding thereto a new section, to follow section 896.1–0, to be section 897.1–0, to read as follows:

"SEC. 897.1–0. Appearances before city agencies of former officers or employees. No person who has served as officer or employee of the city shall within a period of 2 years after termination of such service or employment appear before any agency of the city or receive compensation for any services rendered on behalf of any person, firm, corporation or association in relation to any case, proceeding or application with respect to which such person was directly concerned, or in which he personally participated during the period of his service or employment, or which was under his active consideration or with respect to which knowledge or information was made available to him during the period of said service or employment. Any violation of this section shall be a misdemeanor."

SEC. 2. This local law shall take effect immediately.

Mr. JAVITS. Mr. President, I call attention to the fact that New York State has pioneered in codes of ethics or conflicts of interest which relate to legislators, as well as to executive department employees.

The State of New York has such a code, and I have outlined that code in introducing legislation for a Federal code; but the city of New York has come along with a code developed by a man whom I used extensively when I was attorney general—counsel for the New York City Council, S. Stanley Kreutzer.

I should like to invite the attention of the Congress, Mr. President, to the fact that the New York City Code requires a councilman—that is, a member of our city legislative body—who has a direct or indirect financial or other private interest in any proposed legislation, to publicly disclose on the official records of the council the nature and extent of such interest.

Mr. President, I think that is a very interesting and very important contribution in the field of how to deal with conflicts of interest; to wit, public disclosure even on the part of those in legislatures, such as the Senate.

Secondly, there is a prohibition against the acceptance of any valuable gift, service, loan, thing, or promise from any person, firm, or corporation with whom or with respect to whom he, or to his knowledge, the city has business dealings, or regarding whom he has the power to take official action.

I think that, too, is a very excellent guideline for the Congress of the United States and for the executive departments of the Federal Government.

Finally, the code creates a board of ethics, consisting of the principal legal officer of the city of New York, the director of personnel, and three public members appointed by the mayor. The board is empowered to give advisory opinions.

Mr. President, it seems to me these are excellent precedents for conflict-of-interest laws. Again I say I hope very much the Congress will take its duty seriously, will exercise its responsibility upon the highest level in this regard, and will act, and act promptly, upon an effective code of ethics to deal with conflicts of interest. The code which we adopted is a kind of decalog of good conduct, but it is not one effectively, directly, and specifically dealing with conflicts of interest. This is the real question which plagues the Congress. It is the real question the Congress must solve in order to give the people of the country confidence that we are meeting a national issue in the proper way.

My colleague who is waiting to be recognized, the Senator from Missouri [Mr. HENNINGS], is the chairman of the Committee on Rules and Administration. I know the Senator is very much interested in this particular subject, and I commend to him the reading of this new effort on a governmental level to deal with the problem.

Mr. HENNINGS. Mr. President, I will say to the distinguished Senator from New York that I am indeed most interested in the suggestions he has made before the Senate this morning with respect to the code of ethics. I read in the New York Times of this morning, I believe, of the New York State Code. I assure the Senator this is a matter of great interest, and it will have our serious consideration.

JUVENILE WORK AT HIGHFIELDS RECEIVES NATIONAL ATTENTION

Mr. WILLIAMS of New Jersey. Mr. President, all in this Chamber are concerned with the rising number of crimes committed by the juveniles in this Nation. The U.S. Department of Health, Education, and Welfare tells us that 40,000 youngsters are now in the custody of the law in reformatories or correctional schools. Approximately 1 million teenagers will be brought before the courts for delinquency this year alone. The New York Times, in July of last year, conducted a survey, the results of which indicated that delinquency is not limited to big cities. The writers said there were definite indications of an increase in youthful crime in New York City suburbs.

These are sobering facts. I am particularly happy, therefore, that a national television network has, within the past 2 weeks, given the public important facts about the delinquency problem and about the work of an unusual rehabilitation project, the Highfields Residence Center for Delinquents in Hopewell, N.J.

Highfields is operated by the New Jersey State Division of Correction and Parole. Small groups of boys are sent there because they have taken a turn toward delinquency. At Highfields, they meet in a group, an hour and a half each night, 5 nights a week, during their 4-month stay. They talk over their problems under the guidance of a trained leader. Eight out of ten boys, after they leave Highfields, have stayed out of trouble.

The CBS television network, in programs January 18 and January 25, described the delinquency problem on its "The 20th Century" series. Their documentary programs gave a greater understanding of the work at Highfields. The programs also made a very important point. As expressed in words used on the program:

> Delinquents are children who don't feel good about themselves. Their lack of self-esteem is reflected in a lack of respect toward others.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER (Mr. CANNON in the chair). Is there further morning business? If not, morning business is concluded.

HOUSING ACT OF 1959

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 38, Senate bill 57, the Housing Act of 1959.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

Mr. FULBRIGHT. Mr. President, it has often been said that politics is the art of the possible and that the legislative process is the art of compromise.

The bill now taken up illustrates the wisdom of these observations.

As the debate develops on the Housing Act of 1959, Senators will note that the bill is under attack from the right and the left—that it will be described as inflationary on the one hand and repressive on the other.

The Senate will be reminded, on the one hand, that there is an anticipated deficit of $12 billion for fiscal 1959, and, on the other, that there was an election in 1958. I acknowledge the truth of both these statements. In reply to the first, I should say that the bill has an insignificant effect on the 1959 budget, that it does provide for increased Federal expenditures in subsequent fiscal years not out of line with housing needs—and housing needs, I should emphasize, are basic human needs.

As to the latter statement—that there was an election in 1958—I should remind my colleagues, who will make this argument, that there was no presidential election in 1958. Furthermore, there will not be another one until 1960—nor a new President until 1961. There is every indication that in the meantime the present incumbent of the Presidency is aware of his veto power, and not averse to using it. It may be, of course, that some people would welcome a veto of the pending bill.

Mr. KUCHEL. Mr. President, will my friend yield to me?

Mr. FULBRIGHT. I yield to the Senator from California.

Mr. KUCHEL. I have as great respect for the able Senator from Arkansas as I have for any other Member of the Senate. I was wondering what the authority was for his statement that the Chief Executive would utilize the veto power.

Mr. FULBRIGHT. If the Senator will listen, I will repeat what I said. I think he misunderstood what I said.

Mr. KUCHEL. That may well be.

Mr. FULBRIGHT. There is every indication that in the meantime the present incumbent of the Presidency is aware of his veto power, and not averse to using it.

I did not say that he would veto the pending bill. I do not believe he would veto the bill before us. However, I think he would be tempted to veto it with some of the amendments being proposed.

Mr. KUCHEL. In other words, what the Senator is saying is that the Chief Executive is aware of his constitutional responsibility.

Mr. FULBRIGHT. Exactly.

Mr. KUCHEL. As each of his predecessors was concerning the President's constitutional rights and duties.

Mr. FULBRIGHT. Exactly; and that he would use the veto power if the bill should get too far out of line with his thinking.

Mr. KUCHEL. I thank the Senator.

Mr. FULBRIGHT. I do not think he would veto the bill before us. I believe he would veto it if it were greatly inflated by amendments. I think the Senator will realize that that is the point I was trying to make.

Personally, I am more concerned with accomplishing work and meeting needs in the light of the practicalities, than with creating issues. Furthermore, I believe the American people are intelligent enough to realize the difference between a practical approach to housing needs and a political gesture.

I hope Senators will support the Sparkman bill without substantial amendment.

Mr. President, as this is very likely the last bill which will be reported to the Senate by the Banking and Currency Committee while I am chairman, and as it is a housing bill, I wish to take this opportunity to commend the Senator from Alabama [Mr. SPARKMAN] for his devoted efforts in behalf of housing.

No Member of this body knows more about housing than does the Senator from Alabama. No other Senator knows as much about the history of housing, housing needs, and what should be done about housing. As Senators know, he has carried the chief burden, the housing legislation, for the committee for many years. This bill can be defended on that basis, if upon no other. But, as usual, it is a good bill, not only because of his mark upon it, but because of the efforts he has put into it this year, as well as his efforts during the hearings last year.

The chairmanship of the Committee on Banking and Currency has been an interesting assignment for me, and I am reluctant to give up the position. However, I congratulate the Senate and the members of the Committee on Banking and Currency upon their good fortune in having such an experienced and competent member as the junior Senator from Virginia to take over the chairmanship of that committee.

The junior Senator from Virginia came to the Senate in 1946, after many years' experience in the House of Representatives, where I served with him in 1943 and 1944. He is one of the best informed Members of this body on all aspects of banking legislation. His financial institutions bill of the last Congress, for example, was a monumental piece of work, encompassing practically all the important financial institutions of the country. He recommended to the Senate, and the Senate accepted, many important improvements in those institutions.

I believe the junior Senator from Virginia could be characterized as an enlightened conservative. He is not likely to lead the Senate into any radical or unworkable schemes. The Senate and the country can take much comfort from that prospect.

I regret very much giving up the chairmanship of such a fine committee, but my regret is softened by the fact that the position will pass into such competent hands.

I take this opportunity to thank all the members of the committee, and especially the members of the committee staff. It is a very fine staff—a professional staff, in the sense of the Reorganization Act, which was passed some years ago. There are many excellent members of that staff. I thank them for their cooperation while I have been chairman, and for the many instances in which they have been of great assistance to me in connection with particular legislation.

This assignment has been a most interesting one. I feel that through it I have learned a great deal about the business life of our Nation. I learned a great

deal that I certainly did not previously know about some of the most complex aspects of the great country which we serve in this body.

I wish Godspeed to the junior Senator from Virginia.

Mr. ROBERTSON. Mr. President, will the junior Senator from Arkansas yield to me?

Mr. FULBRIGHT. I am glad to yield to the distinguished junior Senator from Virginia.

Mr. ROBERTSON. No one could be more grateful than I am for the very gracious, kind, and flattering remarks which our distinguished chairman has made concerning the ranking Democratic member who is scheduled shortly to succeed him as chairman.

The junior Senator from Virginia is proud, of course, of the honor which will come to him in succeeding to the chairmanship of a great committee. However, he can say in all sincerity that the junior Senator from Virginia and every other member of that committee sincerely regret that we are to lose as chairman our distinguished colleague from Arkansas.

The junior Senator from Virginia has served under three chairmen, two of them Democrats, and one Republican. He is engaging in no invidous comparisons when he says that the legislative program of the past 4 years, enacted under the leadership of the distinguished chairman, the Senator from Arkansas [Mr. FULBRIGHT] has never been surpassed during that 12 year period.

The work of the committee has not only been fair, but it has also been characterized by great harmony. The last 4 years of that work have set an example which the junior Senator from Virginia will do his best to emulate, by handling the work of the committee efficiently and maintaining the fine relationships which have been established between the parties and all of those on the committee who have different economic views.

Again I wish to congratulate the Nation and the members of the Committee on Foreign Relations on the type of outstanding man in the field of foreign relations who is to head that committee, and again to express our genuine regret that we will lose him.

Mr. SPARKMAN. Mr. President, first I ask unanimous consent that during the consideration of the housing bill, two additional members of the staff of the Committee on Banking and Currency be permitted to be with us on the floor in order to assist us.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. With reference to the remarks which have just been made by the Senator from Arkansas and the Senator from Virginia, I wish to join in what the Senator from Virginia has said regarding the fine leadership and cooperation and help all of us on the Committee on Banking and Currency have received from the chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT]. I came to the committee at the same time the Senator from Virginia became a member, and we have served under the same chairmanships. First there was the late Senator Tobey, from New Hampshire; then the late and beloved Senator Maybank, of South Carolina; then the Senator from Indiana [Mr. CAPEHART]; and then the Senator from Arkansas [Mr. FULBRIGHT]. We had fine leadership during all those years.

Mr. FULBRIGHT. Mr. President, before any false impression is created, I wish to say that I am not leaving the committee.

Mr. SPARKMAN. I realize that.

Mr. FULBRIGHT. I do not want that impression to be created.

Mr. SPARKMAN. We fully understand that. The Senator will notice that I have always referred to the chairmanship, not to the membership of the committee. Certainly we shall continue to have the advice and help and leadership of the Senator from Arkansas. We shall continue to have his assistance as a member of the committee even though he is giving up the chairmanship.

I wish to join the Senator from Arkansas in what he said in welcoming to the chairmanship which the Senator from Arkansas is vacating, our distinguished colleague, the Senator from Virginia [Mr. ROBERTSON], who has sat between us in the committee meetings during all these years. I know that we will continue to have the same type of leadership and cooperation.

I particularly wish to commend the Senator from Virginia for the outstanding work he has done. He has carried a good part of the terrific load of the work which comes to the Committee on Banking and Currency every year. As a matter of fact, I believe that the Financial Institutions Act, which the Senate passed in the last Congress, was one of the most monumental works ever undertaken by that committee. That was done under the very close leadership and direction of the Senator from Virginia.

I express my appreciation to the Senator from Arkansas for the remarks he has made regarding me. I have had his leadership and cooperation and his help, as I have had of every member of the Housing Subcommittee, and, indeed, of the full Banking and Currency Committee.

I also agree with what he said about the harmonious operation of the committee. We have our differences, but we thrash them out in committee, and we work together very well. I am delighted to note that the Senator from Arkansas [Mr. FULBRIGHT] will continue to be a member of the Banking and Currency Committee.

Finally, I wish to say that I enjoy another association which not all of the members of the Banking and Currency Committee can enjoy, and that is that I will still be serving under the chairmanship of the Senator from Arkansas while he is chairman of the Committee on Foreign Relations, and I look forward to that association with a great deal of interest.

Mr. ROBERTSON. The junior Senator from Virginia wishes to express his deep appreciation for the kind references to him made by the distinguished Senator from Alabama. Concerning the program the Senator from Virginia anticipates after our friend from Arkansas gives up the chairmanship of the Banking and Currency Committee, the junior Senator from Virginia was asked if he planned any realinement of subcommittees. He said certainly he did not. For instance, he said, as chairman of the Subcommittee on Housing, we have the best posted man on housing on the whole committee, and that in no circumstances would he want to change that chairmanship. The subcommittees will remain the same. The staff will be the same, except that there will be some realinement of duties.

We mean to carry on, as the junior Senator from Virginia has said before, as the Senator from Arkansas has carried on, in a spirit of harmony. Everyone will be given the privilege of expressing his views. The majority will prevail on the legislation which is reported by the committee. The chairman hopes that he will find himself in line with the majority on many issues. If he does not, he hopes there will be no hard feelings. On the floor every Member will vote his convictions, and there will be no hard feelings toward those who differ.

Again the prospective chairman congratulates the chairman of the Subcommittee on Housing. Among the principal activities of the committee will be legislation in the fields of housing and small business. The Senator from Alabama is outstanding in both those fields, and certainly at the present time they are very important fields. We look forward to the handling of housing legislation as it has been handled in the past.

Mr. SPARKMAN. Mr. President, I should like to add one further word with reference to what the Senator has said about the staff of the Committee on Banking and Currency. Capitol Hill is fortunate to have many good staffs, but I say with full confidence in my statement that no committee has a finer staff than does the Committee on Banking and Currency. It is a staff which has been continued from one chairmanship to another, except as some members of the staff have withdrawn or gone on to private work of some kind. We have an outstanding staff, and I wish to compliment it, and at the same time express my gratitude for the fine help the members of the staff have given to us throughout the years.

Now, Mr. President, I wish to speak on the pending housing bill. I shall not speak at great length, although I shall be glad to reply to any questions which may be asked. I simply wish to touch on some of the high points. I realize that I may omit discussing some things in which some Senators may be particularly interested, although I shall not do so purposely. But I shall touch on the parts which I believe may be of the most interest to the greater number of the Members of this body.

First, Mr. President, let me say, as I have previously stated here on the floor, that the bill the committee has reported is a reasonable one. Furthermore, as I

have also stated even about the bill I introduced, although the bill now before the Senate is not the bill I originally introduced, nevertheless the pending bill follows it largely, but excludes, on the one hand, some provisions which the committee thought should be omitted; and includes, on the other, some provisions which the committee thought should be incorporated.

However, by and large the pending bill is the same as the bill I introduced earlier in the session; and, as I have so often said, the pending bill is essentially the bill the Senate passed last year. Last year our committee reported a rather comprehensive housing bill, which came to the floor of the Senate; and on the floor a compromise was worked out. The compromise was fully entered into by Members of the Senate on both sides of the aisle. The distinguished Senator from Indiana [Mr. CAPEHART], the ranking minority member of the full Banking and Currency Committee, and also of the housing subcommittee, participated in the working out of that compromise, which ended in the passage of the bill by the Senate.

The bill I introduced this year was almost identical with that one. There were a few changes, but only in cases in which it was felt it was necessary to make changes in order to take care of obligations which had piled up since that time. For instance, last year it was agreed here that $150 million additional should be placed in the revolving fund for direct loans to veterans. That figure was set as a result of information which had been given to our committee by the Veterans' Administration—namely, that that much additional money would be required in order to take care of the backlog which had developed up to that time.

This year, when I introduced the bill, instead of providing for $150 million, I provided $300 million—again because of information which came to us from the Veterans' Administration to the effect that a sizable backlog had built up. That is one of the changes the committee made.

Other changes were made, but all of them were very much along that line, that is, to bring the bill up to date. For example, $10 million was provided under section 701 of the bill to provide money for the smaller cities and towns, to assist them in planning their public works and their urban renewal programs.

Mr. ROBERTSON. Mr. President, will the Senator yield at that point, before he leaves the subject of direct loans?

Mr. SPARKMAN. Yes.

Mr. ROBERTSON. Was the $300 million item in the bill reduced to $200 million by the committee?

Mr. SPARKMAN. No; it remained at $300 million.

Mr. ROBERTSON. There was some discussion about it; but it remained at $300 million?

Mr. SPARKMAN. Yes. The Senator from Virginia was not able to be present at the time we considered that particular item, but I think he will be interested in knowing of a certain development which had taken place in the House of Representatives. The House Veterans' Affairs Committee had provided for authority to increase interest rates of VA guaranteed loans from the present 4¾ percent to 5½ percent and, coupled with that, had increased the revolving fund for direct loans, by $300 million.

The Senator from Virginia is aware of the jurisdictional difficulty in dealing with this question in the House. Jurisdiction in the House is divided between two committees, the Veterans' Affairs Committee and the Banking and Currency Committee.

I may say to the Senator from Virginia that our committee agreed to write into our bill the exact wording of the House committee approved bill dealing with this subject, in the hope that if the two Houses of Congress passed identical bills there would be no jurisdictional difficulty this year.

Mr. ROBERTSON. I should like to ask the Senator one other question. Was there any change in the bill of the Senator from Alabama with respect to VA loans that could be used for rural loans that are not now covered?

Mr. SPARKMAN. I would not say they are not now covered, but they are not covered with sufficient funds.

Mr. ROBERTSON. Yes.

Mr. SPARKMAN. I am glad the Senator has raised that point, because it may be that some Senators do not understand that the original law, as I recall it, provided that the loan shall be made only to credit-worthy veterans who live in rural or semirural areas where funds otherwise are not available.

I wish to say, in all frankness, that if we increase the interest rates of VA-guaranteed loans to 5¼ percent, I am of the opinion it will cut down some of the backlog. The full $300 million may not be required to remove the backlog. However, if funds are not required, they will not be used. The funds can be used only in rural or semirural areas to take care of credit-worthy veterans who are unable to get the money otherwise.

Mr. President, I wish to point out there has been a great deal of talk about how large the amount covered by the bill is and how greatly it differs from the administration bill. As a matter of fact, over the radio this morning I heard a commentator say that our bill asked for three times what the administration requested.

Mr. President, that just is not the case. I bring the matter up at this time to point out that the biggest single difference—certainly so far as cash is involved—between the bill which the committee reported and the bill which the administration proposed, is this very item of $300 million to provide loans for veterans who live in areas, all over this country, where mortgage money is not available, in order to give them an opportunity to share in a program of decent housing. This has been one of the most successful programs we have had in the whole field of housing. I have stated this many, many times on the floor of the Senate and in committee that I am rather reluctant to state it again, but the idea behind the introduction of this program of direct VA loans, when I introduced it back in 1950, as I recall, was presented to me by a banker who called attention to the fact that in the smaller communities, towns, and outlying areas, local lenders simply could not take care of veterans who were entitled to decent homes, because mortgage money was not available in such areas.

As a result of the suggestion by the banker, I had a bill prepared. There was some difficulty in getting it passed the first time, but after the program worked for a few years and experience was gained therefrom, we have had no trouble in extending the program from time to time and, in addition, when more moneys were needed for the revolving fund, such moneys were added. This VA direct loan program is one of the best programs we have had. The rate of delinquencies in repayment of the loans has been negligible.

Let me make it clear, this is a loan program. There is no grant involved. Every dollar is to be paid back—and with interest. This means the Government will make a profit. If the provision to raise the interest rate to 5¼ percent is enacted by the Congress and signed into law by the President, it means such loans will bear an interest rate of 5¼ percent, because, under the law, VA direct loans carry the same rate of interest as do VA-guaranteed loans.

Certainly, I believe the direct loan program ought to be kept alive.

As of December 31, 1958, the VA had some 50,000 pending applications for direct loans. These applications were filed by veterans throughout the entire Nation.

Mr. President, very recently a veteran living in my State wrote me in connection with this matter. In his letter he said he simply could not understand the situation in the direct loan program. He stated he had had an application on file for perhaps a year or longer, I do not remember how long. He went ahead to say, "They tell me I am No. 1031 on the list."

This is a case of a veteran in my home State. He has no real hope for a loan in the near future under the present loan authorization. This is a revolving fund and, as things presently stand, this veteran has no hope of getting a direct loan for, perhaps, 2 or 3 more years.

All we are attempting to do by providing these additional funds to the revolving fund is to make it possible to eliminate the present backlog of applications now pending. If all the additional money is not needed, it will not be used, and, therefore, will not represent a charge on the budget of the United States.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the information which was supplied to the committee by the Veterans' Administration. This information is found on page 625 of the transcript of hearings for this year. The information relates to the VA direct loan program, the backlog of applications for loans, and the additional amount required to satisfy this backlog.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

VA DIRECT LOAN PROGRAM

Under this program, the Veterans' Administration is authorized to make direct Federal loans to veterans living in remote areas which are not accessible to the normal channels of mortgage credit. The terms of the loan are comparable to those under the VA loan-guarantee program, but for a maximum amount of $13,500.

STATUS AS OF DEC. 31, 1958

Unencumbered June 30, 1958	$5,000,000
Treasury advance July 1, 1958	50,000,000
Treasury advance Oct. 1, 1958	50,000,000
Principal repayments anticipated July 1, 1958, to Dec. 31, 1958	22,000,000
Total available July 1 to Dec. 31, 1958	127,000,000
Loaned or committed (estimated)	127,000,000
Unencumbered balance as of Dec. 31, 1958 (negligible).[1]	

BACKLOG AS OF DEC. 31, 1958

Applicants on waiting list:	
As of May 29, 1958	30,600
As of June 30, 1958	35,000
As of Dec. 31, 1958	50,000

[1] A new advance of $50 million will be made available on Jan. 1, 1959, in accordance with the Emergency Housing Act which authorized $150 million for fiscal 1959 and 1960.

Because of the lack of funds, the VA refuses to accept any more applications. They so advise the applicant and issue a number which gives him a priority to be effective if and when funds are available. To remove the backlog would require an estimated $300 million. Each potential application is for an average loan of $10,000, making a gross estimated total of $500 million. According to a normal attrition of 40 to 50 percent, the net demand would be $250 million. If these applications were to continue at the present rate until February 1, 1959, a $300 million authorization would be a minimum to eliminate the backlog.

Mr. SPARKMAN. This information relates to the status of the direct loan program as of December 31, 1958, and I desire to read one sentence therefrom:

If these applications were to continue at the present rate until February 1, 1959, a $300 million authorization would be a minimum to eliminate the backlog.

This is not my statement; this is not the statement of the Committee on Banking and Currency; but it is the statement of the Veterans' Administration, which administers this loan program.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KUCHEL. Does the Veterans' Administration, in making the statement which the able Senator has just read, equate the figure with a recommendation for a change in interest rates?

Mr. SPARKMAN. No, it does not. I believe the Senator was present when I replied to a question from the Senator from Virginia [Mr. ROBERTSON].

Mr. KUCHEL. Yes.

Mr. SPARKMAN. I said in reply to the question that, frankly, I believe if we increase the interest rates, as S. 57 would provide, it will reduce the need for additional funds to some extent. The reduction would not be great, but increasing the interest rate would cut down the backlog in some areas. Probably the full $300 million would not be required.

I also pointed out that if the additional money is not required, the money will not be made available. This is not an appropriation of a specific amount. Therefore, if the money is not used, there will be no impact on the budget.

Mr. President, the Senator from Arkansas made a statement a few minutes ago which I believe we should all bear in mind. This bill has been attacked from one side as being too liberal, as including too much, and as providing too great expenditures or programed outlays. On the other side, the bill has been attacked for not providing enough.

Certainly I can think of some programs I wish we could step up a great deal more than is provided for in this bill. However, I recognize the fact that all of us would like to see a condition come about which will produce a balanced budget. I believe, Mr. President, that we must consider, in connection with this matter, a balanced economy. What we have tried to do in this bill is provide a program which will produce housing.

Practically every statement the administration issues regarding the upturn in the economy—and we all are happy that there has been an upturn—includes something about the upsurge in housing, the tremendous push it has attained over the past several months, and what may be expected during 1959.

Mr. President, in this regard, the Emergency Housing Act of 1958, which we passed in the Senate and which the President signed on the last day under the law he was allowed to sign it—and he signed it grudgingly—is very important. If it had not been for the law enacted during the last session, I suggest the upturn in the economy would not have been anything like we had experienced. The upturn would not have come as early as it did, and certainly the upturn would not have had the great proportion experienced thus far.

Pursuant to the Emergency Housing Act of 1958, I suggest that between 200,000 and 300,000 houses were built which otherwise would not have been built. Surely you agreed this legislation was a good investment. The cost outlay of a billion dollars, from the standpoint of the budget, represented a good investment. There were no grants in this legislation. Not a dime was provided for grants. The legislation provided for a billion dollars for loans, with respect to which the Federal National Mortgage Association made a great deal of money.

That is another thing of which many people lose sight. The Federal housing program, which is the largest part of our housing program, has not cost the Federal Government 1 penny. The several million houses which have been constructed through the medium of FHA financing during the time the agency has been in existence—24 years—have not cost the Government, nor the taxpayer for that matter, any money. The FHA has paid for itself. In addition it has built up a reserve of nearly $700 million.

A moment or so ago I said something about authorizing an additional billion dollars for the Federal National Mortgage Association in the Emergency Housing Act of 1958. I wonder if it is generally known and understood that the Federal National Mortgage Association buys mortgages? These mortgages bear interest and are paid off, and during the time the Federal National Mortgage Association has been in operation, it has made a clear profit of nearly a quarter billion dollars.

When the Senator from Virginia [Mr. ROBERTSON] was present I mentioned that one of the changes in the bill which I introduced and in the bill as reported from the committee, as compared with the provisions in the bill which the Senate passed last year, was with respect to the $300 million for direct loans to veterans. I was about to speak of another change in the bill and now contained in the committee bill; namely, the $10 million to enable small cities and towns to make surveys and to do planning in connection with public improvements, public works, urban renewal, and other plans of that type.

In 1954, we provided $5 million for the section 701 program. In 1956, we increased the authorization by an additional $5 million—a total of $10 million.

This program has now been in operation for about 5 years. The authorization is about exhausted. There remains only $975,000 to be appropriated. Nine million twenty-five thousand dollars has been spent or allocated, and $975,000 remains to be appropriated. We thought we ought to add $10 million to that fund, so we put that amount in the committee bill when the administration bill also contained an additional $10 million for this program. So there is no difference between the committee bill and the administration's bill in connection with the authorization for the 701 program.

This additional authorization will cause no immediate impact on the budget, because this item has already been budgeted for 1960; that is the $975,000, the amount which remains in the existing authorization.

It is rather interesting to study the impact of the bill on the budget. A great many people think it would shatter the budget, and break it down. As a matter of fact, it would have virtually no effect upon the budget for 1959, and very little upon the budget for 1960. In fact, if the item for the VA direct loans, that is, the additional $300 million, is not considered as a budget expenditure—and it really should not be carried in the budget, because it is not an expenditure, but a loan, an investment—Senate bill 57, as reported by the committee, is only some $30 million higher than the amount the administration recommended to our committee. I do not believe that most people understand this to be true, but nevertheless, it is.

Mr. CLARK. Mr. President, will the Senator yield at that point?

Mr. SPARKMAN. I am glad to yield to my friend from Pennsylvania, who is one of the hardest and ablest workers on our housing subcommittee.

Mr. CLARK. I thank my friend for his kind comment.

I should like to emphasize what the Senator has just said, because I agree with him that the press of the country and the people of the country do not understand what very minor differences there are between Senate bill 57, the bill which the Senator from Alabama has drafted and piloted through the Banking and Currency Committee with such skill, and the administration proposal, which the committee—correctly, in my judgment, at least—rejected.

Is it really true that if we eliminate the $300 million for direct veterans' loans—every cent of which, as the Senator pointed out, will be repaid to the Treasury—the Senator's bill would cost only $30 million more than the administration bill?

Mr. SPARKMAN. In the 1960 budget?

Mr. CLARK. Yes.

Mr. SPARKMAN. I was only discussing the impact on the 1960 budget, because so much has been said about throwing the budget out of balance.

Mr. CLARK. I invite the Senator's attention to a table which appears on page 61 of the report of the committee. I take it from what he says that that table, which was submitted to the committee by HHFA is not correct, because that would show, as an additional expenditure by reason of Senate bill 57, some $233 million. I was a little skeptical of that table.

Mr. SPARKMAN. I think I can explain that. The administration states that if our bill passes as it has been reported, $200 million will be spent for veterans' loans. In other words, the administration estimates that it will not spend the full $300 million, but will spend only $200 million, and that $200 million is included in the administration figure of some $230 million.

Mr. CLARK. The administration makes no distinction between money put out on a loan basis, which will be paid back, and money which is put out as a grant, or an expenditure for services, and does not come back.

Mr. SPARKMAN. The Senator is correct.

I do not direct any criticism at the administration for doing that. The trouble is with our system of bookkeeping. I wish we could devise a new system of bookkeeping for the Federal Government. No business would keep books in the manner in which the Government keeps books. The $1 billion which we made available last year to the Federal National Mortgage Association, with which to buy up mortgages, was invested—every cent—in moneymaking mortgages so far as the Government was concerned. Yet this $1 billion is carried as though it had been spent, never to be recovered.

Mr. CLARK. If the Senator will yield further, I should like to make the observation that not only would no well-operated business keep its books in the obsolete method utilized by the Federal Government, but no well-operated city does it. Every city of which I have any knowledge whatever—certainly my own city of Philadelphia—has separated its capital budget from its operating budget. I believe that if the Federal Government were to bring its budget procedures into line with those of the majority of well-operated cities in the United States, we would be a great deal better off.

Mr. SPARKMAN. Recently, there was published in one of the national magazines—I believe it was U. S. News & World Report—an article which discussed this very subject; namely, the manner of keeping the Federal Government budget. There was a chart which showed that if there were a division between expenditures—that is, money spent, not to be recovered—and capital investments—that is, the $1 billion in FNMA mortgages, for example—instead of the budget being out of balance this year, it would be balanced, and next year we would have several billion dollars left over.

Mr. AIKEN rose.

Mr. SPARKMAN. The Senator from Vermont seems to have become interested. I made a remark which he may not have caught. I am not saying this in criticism of the administration. What I am saying is that it is most unfortunate that we have the system of bookkeeping which we have—a system which does not take into account such things as investments in home mortgages, which have actually resulted in money being made. A moment ago I gave figures showing that during its operation the FHA had built up a surplus of about $700 million profit, and that the FNMA, during its operation, had built up a profit of about $250 million. Nearly $1 billion has been made in the housing operation by those two agencies alone.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. AIKEN. The Senator has answered the question I was about to ask him, with respect to the repayment of the housing loans and the present standing of the Government on the profit and loss statement.

What the Senator is saying, I take it, is that the assets of the Government, and consequently of the taxpayer, are increasing at a much faster rate than the liabilities.

Mr. SPARKMAN. I think that is an absolutely sound statement. That does not take into account what has been a very fine and profitable operation in the VA guarantee program, under which mortgages have been handled by the Veterans' Administration, and not necessarily through the Federal National Mortgage Association.

Mr. AIKEN. It is proposed to strike out direct loans to veterans in rural and sparsely settled areas. After a great deal of difficulty some counties were made eligible for loans. But if we must go home and explain to them that, although they were made eligible for loans last year, we have decided not to make any loans at all this year, I am wondering just what the reaction will be. I understand that whether a county is eligible depends on the capital wealth of the county.

Mr. SPARKMAN. On the availability of mortgage money.

Mr. AIKEN. Yes. In some counties there may be a colony of extremely well to do people who, because of their own personal income, would disqualify everyone in the entire county from receiving a direct loan. It makes for a very difficult situation. Most people would still be in favor of direct loans, but, because of the fact that there are a few people living in the county who are well-to-do, the whole county, and all the people living in it, would be disqualified from receiving direct loans. Therefore I am wondering, if provisions for direct loans to veterans living in rural or sparsely settled areas of the country are stricken, how we will be able to explain it to the people when we go home.

Mr. SPARKMAN. Just a little while ago I placed in the CONGRESSIONAL RECORD a statement which was based on information obtained from the Veterans' Administration. That information showed that as of December 31, 1958, there was a backlog of 50,000 applications from veterans living in rural and semi-rural areas. The information also showed that if applications continued to be received at the present rate until February 1, 1959, $300 million in authorizations would be the minimum amount that would be required to eliminate the backlog.

Mr. AIKEN. Has the Senator from Alabama any information showing what the record of repayment is on that type of loan? I refer to direct loans in the rural areas. What is the record of repayment of those loans as compared with the repayment of other type of loans?

Mr. SPARKMAN. If that information is not contained in this year's hearings, I know that it was contained in the hearings of last year. It is one of the most remarkable things that has ever been accomplished. I refer to the record of repayment. It was shown then that the cases in default were almost negligible. We must remember that VA loans carry a rate of interest which gives a profit to the U.S. Government.

Mr. AIKEN. Another reason why I have a particular interest in this phase of the loan provisions is that there are so many people who are presently living in undesirable quarters in cities and who would like to get outside the cities and build their homes where they could enjoy better living. If there is no provision for loans for people who wish to acquire land and to build a home in the rural or sparsely settled areas of the country, they will be sentenced to living in those city areas, and perhaps will have to depend on urban renewal to some extent, but under conditions other than those which are preferable and desirable.

Mr. SPARKMAN. I have before me a brief statement on that point which was made during the hearings this year. I wish I had a more complete breakdown. However, Mr. William J. Driver, Acting Chief Benefits Director of the Veterans' Administration gave us this testimony:

> To date, nearly 6 percent of the direct loans have been repaid in full; 6 percent have been sold to private investors, and it has been necessary to foreclose on only a little over one-half of 1 percent of the direct loans made.

Mr. AIKEN. I know that the Senator from Alabama has been very much interested in the rural development program, which is designed to make the best possible use of hundreds of thousands of small farms which have become uneconomic, and make the best possible living for the people who live on those farms. If there is no provision made for loans for those rural areas, the little farms will probably grow into brush, and our whole rural development program will be given a setback. That is what is likely to happen if no provision is made for direct loans to veterans in those areas.

Mr. SPARKMAN. I believe the Senator is correct.

Mr. AIKEN. We hear a great deal of talk that, "You can go out and get the money at 5½ or at 5¼ percent." That does not work out that way, however.

Mr. SPARKMAN. It would not matter whether the interest rate were 10 percent. There would still be some areas of the Nation where mortgage money would not be available.

Mr. AIKEN. There are some areas where the small local banks simply cannot provide the means for making those loans. There are other areas where they do not want to bother with them.

Mr. SPARKMAN. I shall repeat something I said a little while ago before the Senator came into the Chamber. I introduced legislation which established the VA direct loan program in 1950. One day I had received a letter from a banker at Tuscumbia, Ala. He was a smalltown banker. He said in his letter, "Our bank has always tried to serve this community. We believe that the veterans who are coming back from service are entitled to share in the housing program." He said, "However, a small bank like this can only carry a small number of mortgages in its portfolio, and we cannot get mortgage investors to come in. I believe that in cases like that the Federal Government ought to provide a direct loan."

Acting on that suggestion I had legislation drawn which, as I have said, I introduced in 1950.

Mr. AIKEN. Some people who object to making direct loans in rural areas might also object because, as they say, "If people build homes 10 miles out of town, we will have to build public roads for them to get them into town, and that will cost money. We may even have to run rural electrification lines out to them, and perhaps even provide schools, or at least make arrangements to transport their children to school." Some people will object to all these things because other people like to raise a family and have a home that is not located in a crowded district in a city, but, instead, a few miles out in the country, where they can walk on land they own and where they can take pride in its ownership and pride in being American citizens.

Mr. SPARKMAN. I am glad that the Senator from Vermont made that statement. I agree with him completely.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield to the Senator from Indiana.

Mr. CAPEHART. There is no question about the fact that both the Senator from Alabama and I, and others, are interested in having GI's get loans to build houses. The question at the moment, as I see it, is whether it is not better—and I believe it is—for them to get their loans through private industry.

Mr. SPARKMAN. Yes.

Mr. CAPEHART. If the interest rate is going to be the same on direct Government loans and loans from private industry.

Mr. SPARKMAN. Yes, I agree that I would much rather see it that way.

Mr. CAPEHART. All of us would much rather see that.

Mr. SPARKMAN. Yes.

Mr. CAPEHART. The Veterans' Affairs Committee of the House has increased the interest rate to 5¼ percent, and the Senate Committee on Banking and Currency has increased the rate to 5¼ percent in the bill which we are considering. I believe it is the best judgment of everyone I have talked to about the subject—and it makes sense to me—that with a 5¼ percent interest rate, there will be more buyers of veterans' mortgages at 5¼ percent than there will be mortgages, whether we are talking about a small town or a big town, because, as the able Senator will agree, a veteran's mortgage, which is guaranteed by the Federal Government—and in case of default is immediately payable in cash—is preferable to an FHA mortgage.

Mr. SPARKMAN. I believe it is.

Mr. CAPEHART. Therefore, I believe the whole argument is based upon the question, under existing conditions, when there is such a great demand for taxpayers' money, and a great demand on the Treasury from every direction, for things needed, whether this is not one of the places where we could, at least for the next few months, see if private industry cannot buy these mortgages and thereby relieve the Treasury of the obligation, and help a little toward balancing our budget and reducing our expenditures. That is the problem. I have not found any member of the committee or anyone else who is not sincere and conscientious in his desire to help the veteran. But the veteran, likewise, is a taxpayer. He, too, wants the Government to have a balanced budget. I think he would prefer to sell his mortgage to private industry than to the Government, because a lot of redtape is involved when he borrows directly from the Government. Therefore, I shall recommend strongly—and shall offer an amendment later to that effect—the elimination of direct loans at this time, and to try out such a procedure for a period of 6 months.

Mr. SPARKMAN. I agree with what the Senator from Indiana says about the desirability of private investors supplying the money for mortgages. Furthermore, I am quite certain that with the interest increase it will be possible to get the VA guaranteed mortgage program off the ground and moving again.

Mr. CAPEHART. As was done a year ago.

Mr. SPARKMAN. I said earlier that I felt an interest rate increase would perhaps cut down the demand for VA direct loans. But there is one item I wish to call to the Senator's attention: First, VA direct home loans cannot be made to any veteran who can get money at any price—not merely at the 5¼-percent rate, but at any price. That is the law. If money is available to the veteran at 6 percent, he cannot come to the Veterans' Administration and say, "I want your mortgage, because otherwise I will have to pay 6 percent." In other words, if the veteran can obtain money, he cannot get a direct loan.

Mr. CAPEHART. Is it the opinion of the able Senator from Alabama, then, that even though we provide for $300 million, if that is the purpose, or $200 million, or $150 million, or even $100 million, very little of it, if any, will be used?

Mr. SPARKMAN. Will the Senator please restate his question?

Mr. CAPEHART. Is it the Senator's opinion that even though we provide in the bill for $300 million, $200 million, $150 million, $100 million, $50 million, very little of it, if any, will be used as a result of the increase in the interest rate?

Mr. SPARKMAN. Let us use the Administration's figures on that. The Administration gives us these figures, which are found on page 61 of the report. If $300 million is voted and the 5¼-percent interest date increase is voted, it is the estimate of the Administration—

Mr. CAPEHART. Is that the Veterans' Administration?

Mr. SPARKMAN. These figures are furnished to us by the Housing Agency. I assume they obtained the figures from the Veterans' Administration. The Housing Agency estimates that there would be $200 million spent on VA direct home loans. That amount is included in the figure which the Senator from Indiana has been using.

Mr. CAPEHART. If it is voted.

Mr. SPARKMAN. That is correct.

Mr. CAPEHART. The reason why we are taking a little time on this subject is that it is one of the items in dispute between the proponents of the bill we are considering and the proponents of the amendment which it is planned to offer.

Mr. SPARKMAN. I had said earlier that this is really the biggest single item of difference. I may have gone too far a while ago when I said "at any price."

Mr. CAPEHART. If we eliminate the $300 million, then the impact or the drain upon the Treasury in the fiscal year 1960, as between the bill which is being considered and the so-called administration bill, would be only about $35 million.

Mr. SPARKMAN. Thirty or thirty-five million dollars; that is correct.

Mr. CAPEHART. That is the only big difference between the proposals. If we could eliminate that item, the only argument then would be over the amount of $30 million or $35 million. There will be other years when there will be differences.

Mr. SPARKMAN. Even then, the difference will not be too great.

Mr. CAPEHART. It will not be too great.

Mr. SPARKMAN. I may have gone too far a while ago when I said "at any price." I would say it does have to be competitive. But if the money is available at a competitive interest rate, then the borrower can get a direct loan.

The second point I wish to make is that in the bill we continue the VHMCP for 2 years. That is the voluntary arrangement whereby private insurance companies, investment bankers, and others, agree to assist in this program. In other words, we are doing everything we can to push private money into these areas. I said earlier that if the demand is not present, the money will not be used. It is not appropriated.

Mr. CAPEHART. We are all trying to keep the budget in balance. If we could eliminate the $300 million, we would be only about $35 million apart, and the proposed legislation would call upon the Treasury for only about $35 million.

Mr. SPARKMAN. The Senator is correct.

Mr. CAPEHART. We would not be too far apart, if we could decide simply to eliminate the $300 million, or perhaps reduce the amount to as little as $50 million.

Mr. SPARKMAN. Is the Senator proposing to eliminate the assistance that we give to the country boys?

Mr. CAPEHART. No; I do not agree with the Senator on that.

Mr. SPARKMAN. We would be eliminating from the program assistance to the country boys who are veterans. We would exclude them from loans.

I should like to remind you that this program involves no grants and no cost. The program actually makes money. I am simply not willing to eliminate the country boys. I would much rather eliminate some other phase of the program.

I am much more interested in seeing the veterans out in the country given some opportunity to have decent housing than I am in raising the price level for the finest homes in town to $20,000. I do not think it is right to tell a country boy, who is a veteran of the Second World War or the Korean war, that he cannot have a $10,000 house.

Mr. CAPEHART. Would the Senator be willing to limit the program to veterans who live in the country?

Mr. SPARKMAN. It is already limited to rural and semirural areas.

Mr. CAPEHART. Why not limit it to farmers who live in small towns having a population of, say, 2,000 or under? Those are the people we are discussing.

Mr. SPARKMAN. No. The law has been operating well now for 9 years under a definition we all understand, and it relates to rural and semirural areas. It provides credit to veterans who live in rural and semirural areas, and who cannot obtain credit otherwise. I think that is a satisfactory definition, and certainly is sufficiently restrictive.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. AIKEN. I should like to contribute first hand knowledge. Vermont is a rural State and would be one of the big losers if direct loans to rural areas were discontinued. The average loan in the rural areas of my State is $6,000. The loan average in the rest of the country is $10,000. If those who are opposed to making loans in rural areas really want to save money for the Government, they should make all loans in rural areas, because they would be making loans of $6,000 instead of $10,000.

I have been reading statements in the newspapers by persons who are opposed to making loans to veterans in rural areas.

I do not see why we should, under any circumstance, discriminate against a veteran who lives in a rural area. To do that would be one of the worst things we could do for the country and one of the worst things we could do for the veterans.

In this connection I would like to ask a question: It is assumed by those who are opposed to rural loans that money will be available at 5¼ percent. Was any assurance given to the committee that the money would be available at 5¼ percent once rural loans were discontinued by the Federal Government?

Mr. SPARKMAN. No. As a matter of fact, the testimony before the committee—I do not remember whether it was in the hearing this year or the hearing last summer—by persons who represent the mortgage bankers and investment people, who chip in and set up a voluntary program, was that in spite of all they would be willing to do, there would still be a need for the direct-loan program.

Mr. AIKEN. Would not the discontinuance of loans in rural areas be an incentive to raising the interest rates to the maximum amount permitted by the States, plus such service charges as might also be made?

Mr. SPARKMAN. Of course, that is true; but I go back to the fact that there is a scarcity of money available in those areas. The largest single lending group in the country, so far as home mortgages are concerned, are the savings and loan associations. I believe they carry a higher percentage of mortgages than any other group. But the FHA-insured and VA-guaranteed mortgage funds are made available by mortgage bankers and large insurance companies and similar large investment funds. Most of these lenders are in New York City, Hartford, Philadelphia, and cities like that. They are not interested in making loans in small rural places. Of course, they do not mind making a loan in Birmingham, Ala., where they probably have their own representatives.

But if I were to ask them to go to Dale County, perhaps, which is a small rural county, or to Lawrence County, or to any other county, they would not be interested primarily because they have no way of servicing the loan in such counties.

Mr. AIKEN. That is correct.

Mr. SPARKMAN. I wish to say, to their credit, that many of the companies joined together and established the VHMCP, a voluntary program for making loans; and they have tried to penetrate these areas insofar as possible. However, they have only a limited amount of funds, even when they have combined their resources. Their testimony is that, despite all they are able to do, the direct-loan program is still needed in order to reach certain areas which they simply cannot reach.

Mr. AIKEN. Furthermore, the record shows that more persons can be decently housed by the expenditure of the same amount of money in rural areas than in urban areas.

Mr. SPARKMAN. Certainly that is true.

Mr. CAPEHART. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Alabama yield to the Senator from Indiana?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. Someone has said that we are discriminating against the veterans——

Mr. SPARKMAN. I did not say that.

Mr. CAPEHART. I realize that; some others have said it. However, the fact is that we are not discriminating against the veterans. In fact, we are discriminating against the other groups in the population by giving the veterans an advantage.

Mr. SPARKMAN. No; as I view the situation, we are simply trying to equalize the opportunities.

Mr. LANGER. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield to the senior Senator from North Dakota, who, I may say, was most helpful in the writing of similar legislation for direct loans to farmers for decent housing.

Mr. LANGER. Let me ask the distinguished Senator from Alabama what percentage of such loans the veterans who live in the rural areas have been receiving during the last 9 years.

Mr. SPARKMAN. I am sure the Senator knows that all of the money in this program goes to veterans living in rural areas or in small towns. If the Senator is inquiring about what direct loan funds go to veterans living on farms, I do not know. About the size of this program related to the overall housing program, it would be hard to compare, because this is a direct-loan program, whereas the other programs are insurance or guarantee programs. The FHA insurance program is approximately $30-odd billion, and the VA guarantee program involves some $24 billion of loan guarantee for direct Government loans to veterans in rural areas or small towns. The figure is $1 billion. It is only one-thirtieth of the FHA program and about one twenty-fourth of the VA guarantee program. So it would be only a small percentage of the whole.

Mr. LANGER. Yes. The Senator from Alabama knows that if it had not been for the direct loans by the Government last year the farmers would not have been able to obtain such loans.

Mr. SPARKMAN. Yes; and that is why last year I proposed legislation to take care of the situation, which the Senator from North Dakota joined in sponsoring; and he was quite instrumental in getting it through.

Mr. CAPEHART. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. The point is that all of us are in sympathy with the veterans and also with the farmers; and we wish to do the right thing. But we wish to start on this proposed legislation—I am sure the Senator from Alabama has the same thought—being the first piece of major legislation of this session, by seeing whether we can remove enough authorizations or appropriations, without either hurting our people or hindering the program, to make it possible to balance the budget. That is what we are trying to do. We are not attempting to hurt or to hinder anyone; our purpose is simply to help the 170 million Americans by keeping down the expenditures and the budget, so it will not be necessary to raise taxes.

So we are not attempting to hinder the program. Instead, our endeavor is to find whether we can delay some items for a period of time, without hurting anyone or any group, and at the same time get a balanced budget, and perhaps a little surplus. That is what I am interested in. I am not interested in hindering any program, and I know the able Senator from Alabama feels the same way about the matter.

Mr. SPARKMAN. Mr. President, the Senator from Indiana knows how I worked in the committee to try to hold this program to what I consider to be reasonable limits; and—as I have stated earlier—after all, this bill represents essentially what was agreed to here last year between the distinguished Senator from Indiana and myself and other Members who participated in that compromise settlement.

Mr. CAPEHART. I believe that is a correct statement.

Mr. SPARKMAN. Yes.

Mr. CAPEHART. However, I think circumstances today are different, because today there is a greater demand on the Government for missiles and rockets and to meet the military threat of our enemy. So I believe we must take that factor into consideration, and must see whether we can, in the case of every bill which comes before us this year, cut off some of what I shall call, for lack of a better description, the fat, or find some way by which we can eliminate a little of the proposed expenditures without hurting the programs.

Here is one instance of that sort, I believe; and we are endeavoring to have a balanced budget and, possibly, reduced expenditures, because I believe the country will be better off if we operate on that basis.

Mr. SPARKMAN. As I stated earlier, I favor a balanced budget; but I want it in connection with a balanced economy.

Mr. CAPEHART. That is correct; and I agree.

Mr. SPARKMAN. I do not believe we should sacrifice the one for the other.

Mr. CAPEHART. I am 100 percent in agreement that we should not. But I believe we can have a balanced economy and also a balanced budget.

Mr. SPARKMAN. Furthermore, as the Senator from Indiana may recall, earlier I pointed out that all of these loans are profit making; and I deplored the bookkeeping system the Government has, which does not permit these expenditures to be shown as capital expenditures, rather than just as dead-end expenditures, inasmuch as the Senator from Indiana knows they are not dead-end expenditures at all.

Mr. CAPEHART. I agree. As I said to the press, I know of no piece of proposed legislation about which there has been so much misunderstanding and so many unfactual statements as there have been about the housing bill which now is before us.

On the facts, which speak for themselves, we are not too far apart; and I believe that before we get through—and I know the able Senator from Alabama will be very, very helpful—all Members of the Senate will demonstrate their good, common sense, and thus will make it possible to eliminate from this housing bill the items which are not essential, but which can be eliminated without hindering the bill at all. After they are eliminated, I believe we shall have one piece of legislation which will add very little—although, of course, it will add a little—to the drain on the Treasury, which has a tendency to put the budget out of balance.

Mr. SPARKMAN. At this time, let me say—in reply to the question the Senator from North Dakota asked me a few minutes ago—that I now have before me some figures which bear on the question he asked. I refer now to page 609 of the hearings, from which I shall read a brief statement which was included in the testimony received from the Veterans' Administration:

> From the beginning of the direct home loan program in mid-1950 through December 1958, we have made 126,850 direct loans amounting to nearly $956 million—

I guessed that the correct figure was $1 billion; and, obviously, I did not miss by very much the exact amount—

> to veterans in rural areas and in small cities and towns where private mortgage funds for guaranteed home loans have not been generally available.

Mr. LANGER. I thank the Senator from Alabama.

Mr. SPARKMAN. Mr. President, a while ago I said the FHA itself has incurred contingent obligations in excess, I believe, of $30 billion, and is requesting additional authority by means of this bill. The FHA has requested $12 billion. My bill proposes $8 billion. The committee struck a balance between the two at $10 billion. So, under the terms of this bill, the FHA will receive $10 billion of additional authorization; and we may very well assume that in another year or year and one-half the FHA may have engaged in contingent obligations amounting to more than $40 billion. But it is $1 billion direct loans to veterans as opposed to $30 billion for FHA and $24 billion VA-guarantee program. That does not take into account all the other different housing programs. So it is a very small percentage of the whole.

Now, Mr. President, I shall move on rapidly to some of the other matters contained in the bill. A great many persons are interested in the home improvement plan and the continuation of that program. It has been one of our most successful programs. Under the bill, the program would be continued for about 15 months. It is due to expire on June 30 of this year. Under the bill, it is continued until September 30, 1960, which will give us ample time next year to consider it, and perhaps to continue it for a longer period of time. My own feeling was that it might have been well to continue the program for 5 years. However, it is a program to which nobody objects. Those interested in the program may well be assured that it will be continued from time to time.

Something has been said here by Senators about the speed with which the bill was brought to the floor. I commented on it yesterday. I shall not say more except to call attention to the fact that, even though the bill is an omnibus bill, it contains about four matters which I consider to be urgent—and, as a matter of fact, three of which the administration considers to be urgent, because the administration submitted a request, in the very beginning of the Congress, asking Congress to authorize those three emergency matters.

The committee decided it would be better to place all of the subjects in one bill and get housing legislation behind us for the year. That is the reason why the committee brought the bill to the floor so quickly.

I spoke about the FHA authorization. FHA is going to be unable to insure loans after about the middle or the last part of this month. The agency will have run out of funds. Therefore, it is urgent that legislation covering its needs be enacted. That is one of the requests of the administration. The bill authorizes less than the request made.

Another item is college housing loans. The administration requested additional authority for that purpose. By the way, $200 million was requested immediately. The administration is going to submit a program later which will request more funds.

That is another point I wish to make. When some persons take hold of the bill and try to ascertain the difference between the amount authorized in the bill and in the administration bill, they overlook a very significant point—that the administration, in submitting its program, has left several items out, saying they would be submitted later. The amount desired by the administration for college loans will be submitted later. It does not appear in its proposal. It makes the bill, as reported by the committee, look as though we are asking for $200 million more than the administration is requesting when, as a matter of fact, the committee may not be asking for as much as the administration is.

The same is true with respect to loans for nursing homes. There are a good many hundreds of thousands of persons in this country who live in nursing homes. They are elderly people, or people of all ages who, because of some disability, require nursing care and a degree of medical care, but not sufficient medical care to require their stay in hospitals, so they live in nursing homes.

I think the conscience of the country has been shocked in recent months by some of the terrible fires which have broken out in nursing homes and the loss of life which has resulted.

The American Hospital Association, the American Medical Association, and the American Nursing Association have asked the committee to include provision for nursing homes in the bill. At first the committee was reluctant to do so. I felt it was a matter which was within the jurisdiction of the committee over which my senior colleague from Alabama [Mr. HILL] is chairman, the Senate Committee on Labor and Public Welfare. But I took the matter up with him and his committee, and they agreed that the matter should be taken care of in our bill. In fact, they asked us to adopt some of the language which was proposed in that committee.

So it is difficult to compare the two bills, because the committee bill is complete and in several instances the proposals submitted by the administration are not complete.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LANGER. If in Birmingham, Ala., it was desired to have a nursing home, what would be the procedure, under the bill, for getting one?

Mr. SPARKMAN. Let me say, generally and briefly, it would have to be shown, through the proper agency in the State of Alabama, which would be the State health department, that there was need for the nursing home. Second, it would have to be shown that there was a regular State licensing system which assured proper sanitation, proper care, and such matters. In other words, it would have to be a genuinely approved nursing school, under the best standards.

Mr. LANGER. Would any matching of funds be involved?

Mr. SPARKMAN. No; only borrowing is involved; no grants are provided. The bill permits FHA to insure up to 75 percent of the value of the property. The borrowing, of course, is from private funds. The FHA would insure the loan. By the way, the maximum rate of interest which would be permitted under this program would be 5 percent with authority for the FHA Commissioner to increase the rate to 6 percent.

It is not what one could call a liberal program at all. It is a new program, and I think a very good one. We have provided for the safety standards which have been suggested to the committee by the American Medical Association, the American Hospital Association, and the American Nursing Association. We incorporated into the bill even some of the language proposed by the Department of Health, Education, and Welfare.

Mr. LANGER. It seems to me the provision is not liberal at all.

Mr. SPARKMAN. It is not liberal, but it is what was requested.

Mr. LANGER. In other words, the nursing home would have to find someone willing to lend it $250,000 or $300,000, and the FHA would guarantee 75 percent of the loan?

Mr. SPARKMAN. I believe the testimony was that the average cost of a nursing home is $25,000. So there would have to be raised the amount of $60,000 or $65,000. Then someone would take a mortgage for the remainder, and the FHA would insure the loan. It is a program which will enable people in nursing homes to get out of fire traps and get decent, serviceable, efficient facilities.

Mr. LANGER. Why, may I ask, will the Government insure only 75 percent of the loan?

Mr. SPARKMAN. It was all the association asked for or wanted.

I stated the Government was asking for three emergency matters: The increase in the FHA insurance authorization, college housing loans, and capital grant funds for urban renewal. We decided the thing to do was to put all of this in one bill, especially since the Senate passed on the matter last summer. We wanted to get it over with and get the housing problem behind us. I think there is ample logic for the position we took.

We tried to increase the incentives for rental housing, for cooperative housing, and for urban renewal housing.

We tried to increase the incentive for rental housing primarily for the reason that there is a dearth of rental housing being built throughout the country now. A great many communities need rental housing. In my own home town of Huntsville, Ala., there has been a great influx of population and a tremendous increase in the demand for housing due to the location of the Redstone Arsenal. There is practically no rental housing available. The community got along pretty well with the sales housing, but it is all that can be done to keep up with the sales housing. A great many people come to the community who will be there only 3 months, 6 months, or a year or so, and they do not want to buy houses. The community simply cannot get enough rental housing built. We have tried to increase the incentive for rental housing.

Mr. President, we tried to step up incentives for rental housing, cooperative housing, and urban renewal housing.

Cooperative housing comes as near as any housing to meeting the needs of the middle income group.

As to the urban renewal housing, we are attempting to get some kind of low-cost housing, housing the people can afford to buy or rent. This is the FHA section 221 housing, which people of relatively low incomes can afford. We have tried to increase the incentives for that type of housing.

We have set up a new program of housing for the elderly. This is a field which has been almost neglected, certainly until recent years. About 3 or 4 years ago the staff of the subcommittee made the first study, so far as I know, as to the needs of housing for elderly persons. I refer Senators to that study for probably the best compilation of information which we yet have had available.

In this program we have tried to set up a program which will make it possible to build housing for elderly persons. The administration proposed a similar program, but there is a difference between our approach and the administration approach. I desired to mention that, because many of these provisions are about the same.

The administration wanted the housing for elderly persons more or less in colonies. Our committee decided that was not the way to handle the subject, that we should not colonize the elderly people. We thought we should permit the elderly people to live in housing projects where their own children lived and where there were neighbors living. We thought the housing should be suitable for their use. To provide for those benefits, we required that at least 50 percent of the housing in the project should be built so as to be suitable for use by elderly persons.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from North Dakota.

Mr. LANGER. Will the distinguished Senator explain exactly how this would be done, with respect to an elderly couple? Exactly what would be the procedure?

Mr. SPARKMAN. The biggest single incentive in the matter is that we permit the FHA to insure at 100 percent. In other words, there would be no downpayment required so far as the cost of the house was concerned. We tried to write into the law the cost elements, and tried to require that the housing be planned for elderly persons, with no high steps and everything on one floor. The different parts of the house must be built so as to make the house particularly adaptable to elderly persons.

This is more or less of an experiment, but I believe it is a start, and that we can develop even a better program as we go along.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. The Senator from Vermont is seeking a little more information. Among the proposed amendments there is one which disturbs me considerably, which relates to college housing. Has the Senator from Alabama discussed that subject?

Mr. SPARKMAN. No, I have not discussed college housing. We have a college housing program. I wonder what item the Senator has in mind?

Mr. AIKEN. As I understand, there is an amendment to be proposed which would greatly reduce the amount of money available for loans for college housing, for educational purposes.

Mr. SPARKMAN. Of course, I certainly would be against that proposal. I think the majority of the committee would certainly be against it. We discussed the matter thoroughly in the committee, and the figure as shown in the bill is what the majority of the committee decided upon.

Mr. AIKEN. Does the Senator from Alabama believe the amount which is included in the bill will be actually necessary and will be taken up by the colleges?

Mr. SPARKMAN. Yes. Just a few minutes ago I invited attention to some of the hidden differences, if I may so call

them, between our bill and the administration bill. Everyone who has analyzed the bills has tried to make it appear that our bill includes a great deal more than the administration bill. I used college housing as an illustration. We propose to increase the amount to be loaned to colleges for college housing purposes by $400 million. The administration proposed in its emergency bill to increase the sum by $200 million, and said it would come up later with a request for an additional amount. I am not sure there is much difference between our bill and the administration request, including the amount the administration has not submitted. This is a long-range proposal.

Mr. AIKEN. In the general legislation for the promotion of higher education which was enacted into law by the Congress last year, how much was provided for construction?

Mr. SPARKMAN. Nothing. I believe no construction was provided for.

Mr. AIKEN. I think the Senator is correct. I am simply seeking information.

Mr. SPARKMAN. There was no construction. That was a bill for fellowships, aid in procuring laboratory equipment, graduate studies, and things like that.

Mr. AIKEN. The Senator is correct. I think the legislation which was passed last year was designed to make it possible for more of our high-school graduates to go to college.

Mr. SPARKMAN. Yes.

Mr. AIKEN. I am wondering how ridiculous we would be if we made it possible for thousands more to go to institutions of higher education, without providing any place for them to go.

Mr. SPARKMAN. The Senator states the situation very well. This is definitely a program related to our present college housing program, which has proved to be so very successful.

Mr. AIKEN. Am I correct in my understanding that, of all the loans made to colleges to date, not a single dollar has been in default?

Mr. SPARKMAN. I do not have the figures, but the other day I heard the statement made—I believe it was made in testimony before our committee—that no college loan was in default. I obtained the impression that that statement included all loans—private and otherwise. But certainly no loans made under our college housing program have resulted in the loss of a single dollar.

Mr. AIKEN. More than 800 loans have been made.

Mr. SPARKMAN. That is correct.

Mr. AIKEN. Without the loss of a single dollar to date.

Mr. SPARKMAN. That is correct.

Mr. AIKEN. And probably there will not be a single dollar lost up to the time when the loans are completely matured and repaid.

Mr. SPARKMAN. Yes.

I know the unending interest the Senator from Vermont has in little people. His State is made up of little people, as is my State. In both States there is a predominance of little schools, little farmers, little colleges, and so forth. This program has been a lifesaver for a great many of our smaller colleges throughout the country. Many of the large colleges which have rich endowments can get all the money they want.

Mr. AIKEN. In Vermont we do not have wealthy colleges, with endowments of $100 million or more.

Mr. SPARKMAN. The same is true in my State. In fact, it is true throughout most of the country.

Mr. AIKEN. We have quite a few small colleges which, since 1951, have been borrowing modest amounts under the Federal loan program.

Mr. SPARKMAN. And they have put their students in decent dormitories, instead of the slum or shack type of structures left over from the war.

Mr. AIKEN. They have disposed of many of the hangar types of dormitories left over from the war, and have provided decent places to live, decent classrooms, decent cafeterias, and so forth. Yet they are still unable to meet the demand that they accommodate more students.

Mr. SPARKMAN. That is true.

Mr. AIKEN. I know that they are looking forward to the extension of this loan program, so that they may continue to expand until they are able more nearly to meet the demands which are being made upon them.

I realize that if the people of the country had their way most of their children would come to Vermont to get their higher education. We do not expect that, but we do expect all those within our State, and many from neighboring States, to come there. We want to make it possible for them to do so.

Those institutions have made loans since 1951 which have varied from $340,000 up to $800,000. They are paying those loans back, and they are educating young people, not only from Vermont, but from neighboring States as well. They wish to continue to do so.

If this legislation should go through as some would have it go through, I am wondering what would happen to my State if no loans were available for rural areas, and the college loan fund were done away with. We would not be in a very favorable position.

Mr. SPARKMAN. I agree with the distinguished Senator from Vermont.

Mr. President, there are several other items which I might mention. I shall mention only a few more. I hope to be quite brief.

One of the items is really the biggest item in the bill, namely, the urban renewal program. Urban renewal is one of the emergency measures for which the administration wished to provide in a quick measure.

The administration is in favor of continuing the slum clearance and urban renewal programs. Slum clearance was started in 1937. There was a provision in the United States Housing Act of 1937 for slum clearance, but the program really was not brought to life until the Housing Act of 1949, when it was written into the law in consequence of the efforts of the predecessor of our distinguished friend from Ohio [Mr. LAUSCHE]. Senator Taft, Senator Ellender, and Senator Wagner were the three cosponsors who worked for years to develop the Housing Act of 1949. It was a great accomplishment. I had the pleasure of serving as chairman of the subcommittee when the bill was put through on the floor of the Senate. It was a great achievement.

Title I of the Housing Act of 1949 was what we called the slum clearance and redevelopment title. We worked at it for 4 or 5 years, and obtained such experience as we could.

In 1954 the act was changed and expanded. The urban renewal program has now really taken hold. It is financed with loans and grants. Capital grants are made by the Federal Government to the locality to help defray the cost of the program. The Federal Government pays two-thirds, and the locality pays one-third of the amount which is lost in the process of buying the property, removing the buildings, and doing the work of clearing the area and reselling the property for redevelopment.

While the proportions are two-thirds and one-third, what is meant is the Federal Government pays two-thirds of the net cost and the locality pays one-third.

Testimony from a successor of our distinguished friend from Ohio [Mr. LAUSCHE], Mayor Celebrezze, of Cleveland, who testified before our committee the other day, gave the actual figures which were relevant to the Cleveland urban renewal projects. He showed that Cleveland had actually borne 51 percent of these costs rather than one-third. So whereas the law reads one-third and two-thirds, the testimony before us is that the amount of the costs which the city or the local authority pays is often 50 percent, because there are a great many fringe jobs to be done which the Federal Government does not include as a proper development cost.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield.

Mr. LAUSCHE. This morning there came to me a telegram from a person in Chicago, stating that a project there cost $11 million for the acquisition of the land, and that it was then sold to private developers for $1½ million. This writer expressed concern about the great disparity between the cost and the price at which the land was sold.

I ask the Senator from Alabama whether that item was brought to the attention of the committee. It is a new matter, which came to my desk only this morning. That is all the telegram says, so I know nothing further about the case.

Mr. SPARKMAN. That situation certainly will bear looking into. I should be terribly shocked to learn that such a statement was true. We certainly will be glad to check into it.

Mr. LAUSCHE. If that were the fact, under the present law if there were a loss of $9½ million, 66 percent would be borne by the Federal Government and one-third by the local authorities, plus the fringe expenditures to which the Senator has referred.

Mr. SPARKMAN. Yes.

I refer the Senator to a project in Chicago. This may be the one to which he

was referring. There was an application from Chicago for $16,959,000 for one project.

Before I go further, I may say to the Senator that this will not be a satisfactory answer, and that we will have to check into it for the Senator.

Mr. LAUSCHE. I received a telegram relating to this matter.

Mr. SPARKMAN. I wish to call the Senator's attention to the fact that we maintain a full-time staff in the Subcommittee on Housing, and that he would be surprised, I am sure, to know how many instances exactly like the one he cites we check into through the year. We are instructed in the resolution which the Senate adopted to stay on top of this problem all the time in order to know what is going on. We will be delighted to check into the matter and see what knowledge we can gain.

Mr. LAUSCHE. The Senator understands that what I have communicated to him is the only knowledge I have, and that came to me in a telegram.

Mr. SPARKMAN. I invite the Senator's attention to page 82 of the report, and the table contained on that page. It shows approval actions from December 8 to December 31, 1958. Those are the submitted projects which are shown under Chicago. They total $16,959,994. Does the Senator see that figure under Chicago?

Mr. LAUSCHE. Yes.

Mr. SPARKMAN. Under the formula limit Chicago was allowed $10,963,000. I believe that was in accordance with the rationing formula, because they ran out of money and had to ration the money. Of that amount, $8,797,655 has been approved. That is the only information we have as of this time, but we shall be glad to run down the information. Certainly the figures the Senator has given do not look right to me.

Mr. LAUSCHE. I thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Florida.

Mr. HOLLAND. In my case, as in the case of the distinguished Senator from Ohio, this is a field in which I do not have much specialized information, not being a member of the committee, and there not being any urban renewal projects in my State.

I recall that when an item like this came up 2 or 3 years ago, I referred it to the attorney general of Florida. I received from him a telegram, which I placed in the RECORD at that time, to the effect that the supreme court of our State had ruled that under the Florida constitution our cities were not authorized to use public funds in acquiring property in urban renewal projects which would not be used for city purposes but, instead, would be devoted to other uses.

Mr. SPARKMAN. That is correct.

Mr. HOLLAND. I thank the Senator. That is my understanding. I do not have such information at the moment, except that I requested information from the General Counsel of the Urban Renewal Administration. I have from him a memorandum showing that as of August 1, 1958—which I suspect is the last date on which he has any information—Florida was one of eight States which did not have authority to enter into urban renewal proposals; that is, that the cities of our State and in these other States do not have that authority.

The list given to me by the General Counsel of the Urban Renewal Administration comprises these States: Florida, Idaho, Louisiana, Montana, New Mexico, South Carolina, Utah, and Wyoming. There is a notation on the list that South Carolina has started on a proposal by which at the next session of the legislature, as I understand it, if the legislature so decides, South Carolina can qualify its cities to go into this program.

I should like to ask my distinguished friend if that is also his understanding of the situation.

Mr. SPARKMAN. That is correct. I believe the outlying possessions come under it also, except for Guam.

Mr. HOLLAND. The same list shows Guam as not being qualified. I understand that Alaska and Hawaii are qualified.

Mr. SPARKMAN. Puerto Rico also.

Mr. HOLLAND. I have no information on that point.

Mr. SPARKMAN. I am not sure, but I believe that is true.

Mr. HOLLAND. If I understand the matter correctly, omitting the areas which are not States at the present time, there are at the present time eight States in which no urban renewal projects can be undertaken under State law; is that correct?

Mr. SPARKMAN. That is my understanding.

Mr. HOLLAND. Is it not also the case that in some of the urban renewal projects there is very little, if any, housing involved from the standpoint of replacing houses for people to live in?

Mr. SPARKMAN. Well——

Mr. HOLLAND. To continue, if I may, I must say that I do not have specialized information on this subject, but I saw an interview on television the other day with Robert Moses of New York, who, as we all know, is a very distinguished citizen and public servant in New York, and who is serving the State and city in numerous developments and improvements, and in the interview reference was made to an urban renewal project in New York City which is termed the Washington Square project, in connection with which one of the great universities of that city is using up a large part of the area being renewed for the purpose of building various college buildings and for the purpose of constructing at least four different auditoriums or buildings of that type. Is the Senator familiar with that project?

Mr. SPARKMAN. Not with that particular project, but I can well understand that such a project would be undertaken.

Mr. HOLLAND. As I read the proposed law, in the case of colleges and universities, an exception is made, under which housing does not necessarily play a very substantial part. Is that correct?

Mr. SPARKMAN. A relaxation of the requirement is carried in the bill. The general law now in existence provides that the area must be predominantly residential, and that has been held to be at least 51 percent.

Mr. HOLLAND. Does the Senator mean that an area which is used for a renewal project must be at least 51 percent in residential use up to the time the project is initiated or in its conversion housing use after the project is completed?

Mr. SPARKMAN. Either way.

Mr. HOLLAND. It is a fact, is it not, that there are projects in which 51 percent of the area which was found to be residential before the project was initiated and before the land was taken is being used for various industries, colleges, auditoriums, civic projects, and things of that kind, which are not residential?

Mr. SPARKMAN. Provided that the rule is observed that 51 percent is residential.

Mr. HOLLAND. Except in the case of colleges. Is that correct?

Mr. SPARKMAN. Yes; that is carried in the bill. It is a special provision in the bill. In addition, we have in the bill what is called the skid row amendment, which was adopted 3 or 4 years ago, to permit certain areas with a substantial number of slum dwellings in a city to qualify even though the 51 percent provision cannot be applied. I believe that 10 percent of capital grant funds can be used for such areas. Our bill would increase this percentage to 20 percent which may be used for that purpose.

Mr. HOLLAND. The purpose of my question is this. First I wish to show that in the case of colleges or universities the residential requirement need not be carried out, as is the case in connection with other areas. Is that correct?

Mr. SPARKMAN. That is correct under the proposed bill.

Mr. HOLLAND. Either before or after.

Mr. SPARKMAN. Yes.

Mr. HOLLAND. However, in the case of other urban renewal projects it is required that residential facilities be made available for those who are displaced, but not on the spot.

Mr. SPARKMAN. You are correct, decent housing must be made available for displaced families.

Mr. HOLLAND. But not on the spot. Is that correct?

Mr. SPARKMAN. That is correct. There is a provision in the bill which seeks to encourage the building of more residences within the urban renewal area for housing the people who have been displaced. We carry such a provision in the bill.

Mr. HOLLAND. There are projects on which a serious problem is raised by where the people who have been dispossessed by the project are to live. Is that correct?

Mr. SPARKMAN. Federal assistance will not be authorized for a project until arrangements have been made for taking care of the displaced families.

Mr. HOLLAND. I should like to ask the Senator why there has been the discussion in the press of Washington, which he has seen, I am sure, and which I likewise have seen, in recent months,

indicating that there is a grave question as to whether citizens dispossessed by the urban renewal project in the southern part of the city of Washington would have adequate housing?

Mr. SPARKMAN. I am not familiar with those press reports. Certainly, I cannot conceive of such a situation, because under the law a project cannot be approved until a plan is made which will assure decent and sanitary shelter for the people who have been displaced.

By the way, if the Senator will let me do it at this point, I should like to call attention to the fact that we carry in the pending bill an authorization of 35,000 additional low-rent housing units. In the bill I introduced, I provided for only 17,500, but the committee raised the figure to 35,000. The whole purpose of public housing is to make available decent housing to those people who cannot afford to pay an economic rent. I believe I could describe it in this way: Let us take, for example, the usual slum area. Some people who live there own their own houses, and some of them are paying rent. Perhaps they pay only a few dollars a week or something like that. Those who own property will get enough out of the sale of their property to enable them to make a downpayment on another house, possibly under the FHA section 221 program. That is a special program with very liberal financing terms to enable those people to buy. Now let us look at those families who rent in this area. At present they are paying a couple of dollars a week rent, and cannot make any downpayment, nor can they afford to pay an economic rent. In most cities, there will be public housing projects, and a pledge will be given to the urban renewal administration that certain public housing units will be reserved to take care of those who are not able to pay an economic rent. The law provides that those families have a priority as far as available public housing units is concerned.

Mr. HOLLAND. I notice in the tabulation submitted by the Senator from Indiana a few minutes ago, prepared by the Housing and Home Finance Agency, that one of the complaints of the administration is that $13 million is proposed to be supplied by the Senate committee for an annual contribution to public housing construction. Is my understanding correct that that item is not included in the administration bill?

Mr. SPARKMAN. That is correct. They were proposing a different program altogether. By the way, if the Senator will permit me to say so, in connection with the discussion we had a minute ago, it might be well to read into the RECORD this brief statement of the law, from section 105 of the Housing Act of 1949, as amended:

> Contracts for loans or capital grants aid shall be made only with a duly authorized local public agency and shall require that—
>
> * * * * *
>
> (c) There be a feasible method for the temporary relocation of families displaced from the urban renewal area, and that there are being provided, in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families displaced from the urban renewal area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment.

I remember the writing of that section. It was a very difficult section to write, but I believe we packed into it just about every requirement.

Mr. HOLLAND. Will the Senator from Alabama state just what is accomplished by the difference in the wording of the proposal embraced in the pending legislation, where colleges and universities are brought into the picture?

Mr. SPARKMAN. If I can find it quickly, I will read the specific part of the report. First, the urban college must be a part of a renewal area, or contiguous or adjacent to it. The bill provides that such an area would qualify as an urban renewal area even though the area is not predominantly residential.

The bill would also permit the community to be given credit toward its one-third share from expenditures made by the colleges in purchasing property within the urban renewal area. This credit would still be permitted even though the college made the expenditure up to 5 years prior to the start of the urban renewal project.

Mr. HOLLAND. In other words, as to colleges and universities which, under the present program, are permitted to take part in a fuller way, the investments they have made in acquiring property within the urban renewal area within the last 5 years may be considered as a part of the local contribution to the grant.

Mr. SPARKMAN. Yes; just as would be true of the local authority, had it done the same thing.

Mr. HOLLAND. Is it correct that the full authorization in the present urban renewal law is $1,350,000,000?

Mr. SPARKMAN. Yes; the Senator is correct. The total amount authorized to date is $1,350,000,000.

Mr. HOLLAND. It is proposed by the bill to add $2.1 billion to that amount; is it not?

Mr. SPARKMAN. Over the next 6 years.

Mr. HOLLAND. In other words, it is proposed by the bill to grant out of Federal funds for the urban renewal program an additional $2.1 billion for urban renewal projects throughout the Nation.

Mr. SPARKMAN. Over the next 6 years.

Mr. HOLLAND. That amount would be added to the $1.35 billion already authorized?

Mr. SPARKMAN. That is correct.

Mr HOLLAND But little of which has been spent up to now, although most of it has been allocated.

Mr. SPARKMAN. Practically all of it has been allocated, but only $156 million has actually been spent. By the way, the budget for 1960 calls for an expenditure of $104 million. Nothing in any of these bills will disturb that. It takes anywhere from 3 to 4 years to get one of these projects planned and under way. That is the reason there is such a long lead time. But a start cannot even be made on such a project until funds have been allocated.

Mr. HOLLAND. I think I understand clearly the point the Senator is making. The $2.1 billion additional will not be spent tomorrow. It does not even have to be spent in the next 6 years, but it will be allocated some time within the period provided in the bill.

Mr. SPARKMAN. That is correct.

Mr. HOLLAND. It will be grants of Federal funds to cities and States which are qualified to accept the benefit and which work out plans satisfactory to the Federal Government.

Mr. SPARKMAN. That is correct.

Mr. HOLLAND. Then it is proposed by the bill not only to make the whole program more generous, at least as it applies to colleges and universities in urban areas, but to add $2.1 billion in grants or largess out of Federal funds to certain cities which may have qualified in the course of the operation of the law.

Mr. SPARKMAN. The Senator is correct. It is a slum clearance program which Congress saw fit to enact away back in 1937, to renew in 1949, and to revise in 1954.

About 3 years ago, President Eisenhower made a speech—I believe it was the President's speech—in which he dealt with this cancer that is eating America. In his speech he said that at the present rate it will take more than 200 years to get rid of the slums.

I point out to the Senator that the amount of grant allowances that are proposed in the bill, to which the committee agreed, is exactly what we had over the last 2 or 3 years—$350 million a year. As a matter of fact, most of the criticism which has come to me has been that we do not provide enough, because due to our not passing a bill last year a backlog has developed.

I estimate that during the first year about $500 million will be required. Therefore, the committee has provided in the bill that in the next year the amount may be stepped up by $150 million. That means that during the next year, if the President sees fit to do so, the amount may be stepped up to $500 million.

My own feeling is that with a 6-year program, giving ample time for planning, $350 million will be sufficient, with the $150 million escalator, and that the $2,100 million limitation will enable us to do a creditable job of cleaning up the slums of the country.

Again, there is not as much difference between our bill and the administration bill as many persons seem to think. Our bill provides for $2,100 million over 6 years, and with the same matching formula as now exists.

The administration's proposal is for $1,550 million over the next 6 years, with a gradual reduction of the Federal Government's contribution and a gradual increase in the local community's contribution.

So by 1962 the State or local governments participating would be required to match the Federal Government's contributions dollar for dollar.

The Senator from Florida heard me say to the Senator from Ohio [Mr.

LAUSCHE], formerly the mayor of the great city of Cleveland, that his successor in office as mayor of Cleveland testified that, actually, many American cities today are paying approximately 50 percent; and he showed us that Cleveland was actually paying 51½ percent.

Mr. HOLLAND. Am I correct in my understanding that the completed cost, insofar as the net cost of these projects is concerned, is proposed to be met by putting up two-thirds thereof from Federal grants?

Mr. SPARKMAN. That is correct.

Mr. HOLLAND. And one-third by local contributions?

Mr. SPARKMAN. That is correct.

Mr. HOLLAND. Which could be in cash or even in property acquired over the last 5 years?

Mr. SPARKMAN. That is correct.

Mr. HOLLAND. I think my friend has been very frank, and I appreciate it.

As I have understood his statement, it has indicated that it is proposed by means of this bill to increase the total authorization for the urban renewal program from $1,350 million to $3,450 million, or to increase it by $2,100 million, an increase of approximately 2½ times; and that it would commit the Nation, therefore, if that were enacted, to an increase of the old program by 2½ times what it was originally designed to be, and would commit us to heavy expenditures over the next several years.

Mr. SPARKMAN. This may be technical, but I wish to be sure that the record is absolutely clear on this point. The Senator from Florida said it would be 2½ times what it was originally designed to be. If he means "designed for all time," of course I differ with him, because when the act was written, it was designed that the Federal Government would continue on this formula until we got rid of slums in the country, insofar as the localities were willing and able to participate. In other words, the $1,350 million was only the amount which was made available for the first 4 or 5 years.

Mr. HOLLAND. But this would be a continuation of the program, by multiplying it by 2½, and thus increasing the funds available for urban renewal loans and grants over the next few years?

Mr. SPARKMAN. That is correct.

Mr. HOLLAND. Next, I should like to ask about a matter of policy. I cannot find any other paragraph of the bill which does not apply equally to all parts of the Nation and which does not allow some kind of construction work to go on in all parts of the Nation in most instances, direct residential construction, with most of which I am in complete accord. Why was it thought advisable by the committee—which knew that 8 States were not qualified to participate and that some of them have declined repeatedly, by their legislatures, to submit constitutional amendments which will allow them to participate—to attach this bill, not a national residential bill, and sometimes not even a residential bill at all, to a housing measure?

Mr. SPARKMAN. As I said at the beginning, this was done way back in the Housing Act of 1937; it is nothing new with us. It was carried forward in the Housing Act of 1949. It was carried forward in revised form in the Housing Act of 1954. We simply have been accepting the basic act, and have been providing for a carrying forward of the program, by making more funds available.

With reference to the point about its not applying to all parts of the Nation, if I am not mistaken that is also true with refcrence to the rural electrification program. I believe there are some States of the Union which do not permit that program to apply to them. Yet the Congress legislates in a national way on that program.

Mr. HOLLAND. In the case of the Rural Electrification Administration, do we make grants to anyone or do we lend money?

Mr. SPARKMAN. We lend money at 2 percent interest.

Mr. HOLLAND. And the money loaned is to be repaid, is it not?

Mr. SPARKMAN. Yes. But there are programs which do not apply equally, because there are certain requirements which have to be met by the States. That was true with regard to the old age insurance program, under the Old Age Security Act; and it was also true of unemployment compensation. I am sure all States participated; but there is nothing unusual about enacting legislation which provides that in order for a local government to participate, it must comply with certain standards or requirements. I do not know; but I presume that when this act was written into law, nearly 22 years ago, it was presumed that all the States would take advantage of it.

Mr. HOLLAND. I should like to ask another question, if I may. Both the Senator from Alabama and I heard the remarks made the other day by the Senator from Virginia [Mr ROBERTSON], who soon is to be chairman of the Banking and Currency Committee. In that statement he said that enactment of this bill would mean that the drain on the Treasury in the fiscal year 1960 would be increased by nearly one-quarter of a billion dollars. I do not remember the exact amount stated; but it was $240-odd million, or thereabouts.

Mr. SPARKMAN. In the figures which have been submitted to us by the Housing and Home Finance Agency—and the Senator from Indiana has them in his hand—we find that that figure is $240 million, I believe.

Mr. HOLLAND. I was trying to point out that the Senator from Virginia made substantially the same statement, as I recall. Is that the recollection of the Senator from Alabama?

Mr. SPARKMAN. Yes; I believe that is correct.

Mr. HOLLAND. Then, if the Senate passes the bill, it must do so in the knowledge that thereby it will be proposing, with the objectives of this bill, to increase the budgeted amounts by practically one quarter of a billion dollars, for the fiscal year 1960. That is correct; is it not?

Mr. SPARKMAN. Let me call the attention of the Senator from Florida to a point which was discussed earlier in the day, when he was not able to be on the floor. If he will look at the table, he will find that $200 million of that amount is attributed to the direct loan program of the veterans' housing in rural and semi-rural areas. Frankly, why that is carried as a budget item, I do not understand.

Mr. CAPEHART. It is borrowed directly from the Treasury.

Mr. SPARKMAN. It is borrowed directly from the Treasury, but is money loaned to veterans which will be returned to the Treasury as the loans are repaid. But in our bookkeeping it is carried as a budget item.

As I pointed out earlier today, that is the greatest difference between our bill and the administration's bill. The administration's bill would do away with the direct loans, or at least would not provide any more money for the revolving fund.

Mr. HOLLAND. Then, as I understand, there is no argument about the fact that this bill would involve an expenditure, out of public funds, in the fiscal year 1960, of approximately one-quarter of a billion dollars more than the amount required by the administration's program. Is that correct?

Mr. SPARKMAN. That is correct, provided the full $200 million that the Administration estimates would be spent for direct loans to veterans were actually used.

I wish to call the attention of the Senator from Florida to the point that on the one hand we are met with the argument that we do not need to increase or replenish the fund, which is a revolving fund; the money is loaned, and is paid back. By the way, in answer to an inquiry by one of the Senators I read into the RECORD the figures in that connection, and pointed out that six percent of the loans have been repaid; six percent have been sold; and ½ of 1 percent have been in default, to the point of foreclosure. It has been a most successful program. I call it a capital investment.

I called attention earlier today to something which I think is deplorable; that is our Government system of bookkeeping. It does not take into account such capital investments. I think the Senator from Florida will be interested in my repeating this. We put a billion dollars into the Federal National Mortgage Association under the Emergency Housing Act of 1958. All of that money went into loans that pay interest. I also indicated that the FNMA, during the time it has been operating, has made nearly a quarter of a billion dollars in clear profit. Yet that $1 billion was carried last year as if it were a dead expenditure—a deadend expense—when it is not.

This $200 million VA direct loan item is carried as if it is money to be spent—never to come back—when, as a matter of fact, such part of it as is spent will be recovered in profit-making repayments to the Government.

I started to say a minute or so ago that I am met by the argument, on the one hand, that now that we are raising the interest rate to 5¼ percent we do not need additional funds for the Veterans Direct Loan program. I cannot agree with that statement. As a matter of fact, mortgage investors, themselves, said that, regardless of all they could do, there were some areas in the rural sections of the country they

could never reach with mortgage financing. So I think there always will be a need for direct home loans to veterans. But if that argument should be correct, and none of the $200 million should be spent, it would not have any impact on the budget. In other words, the expenditure is conditioned upon its being spent in the form of mortgages on homes of American families, veterans of the Second World War or the Korean war.

Mr. HOLLAND. I may say the Senator from Alabama has more faith in the type of operations that bureaucrats here in Washington carry on than I do, if he thinks they would not lend the money if Congress made available $200 million this year.

Mr. SPARKMAN. Oh, no.

Mr. HOLLAND. Under his statement, it might easily be more competitive with private enterprise than it would have been the other way.

Mr. SPARKMAN. I certainly do not want that statement to go unchecked, because the law itself requires that loans can be made only to worthy veterans living in rural or semirural areas who are not able to get money from private sources. That is the law.

If the Senator will read the testimony of some of the leading bankers and insurance company executives, he will see they testified before the committee it has been a good program, well administered, and ought to be continued.

Mr. HOLLAND. I thank the Senator.

The Senator from Virginia stated in his remarks that certain items in the bill consisted of authorizations upon which expenditures would be made which would not come under the budget; that is, the agency could draw directly on the Treasury and then lend the amounts. I doubt if anyone could supply the amount required, unless a table on it has been prepared for the RECORD. If the Senator has it, I ask him to present it. Otherwise, I ask him to supply it for the RECORD, at his convenience, during the debate.

Mr. SPARKMAN. Let me say, first, that there is no new provision in the bill for that type of funds. For example, let us take urban renewal, college housing, and that type of financing. The funds have been used over the years just as the Commodity Credit Corporation has used funds.

The Senator from Indiana has a table which shows the amounts for all activities of the Government. The Senator from Virginia was asked this morning about the total amount securing bank deposits. He reported a tremendously large figure. I do not remember what it was. We know FDIC carries $3 billion.

Mr. HOLLAND. Let me complete my point. The joint committee headed by the senior Senator from Virginia [Mr. BYRD] requested from the Treasury recently a compilation of amounts of that kind. The two largest were the expenditures for Federal aid highways, including the Interstate System, which was something over $3 billion, to be expended during this current year, not now appearing in the budget at all, and the other item was something like $400 million, or probably $500 million, for Federal National Mortgage Association expenditures.

The point I am getting at is, not only is the budget to be increased a quarter of a billion dollars by the bill which the Senator from Alabama proposes, but also items are again carried forward in the bill which call for expenditures vastly beyond the budgeted amounts, but they will be expenditures in fiscal 1960 and will be added to the financial burdens of the taxpayers of the country during that period. Am I correct?

Mr. SPARKMAN. The Senator is correct. I called attention earlier to the fact that there are two or three parts of this program which the Administration has not yet submitted. However, comparing the bill against the partial program which the Administration has set, omitting the veterans loans, there would be in 1960 an expenditure of $35,790,000 greater than the administration's proposal. I do not know how much the other programs of the Administration would reduce that difference.

Mr. HOLLAND. But the Senator from Alabama also knows this bill would increase programs which call for unbudgeted expenditures by the Federal National Mortgage Association.

Mr. SPARKMAN. By the Federal National Mortgage Association? No; we do not increase the authorization for that agency at all.

Mr. HOLLAND. Unbudgeted expenditures——

Mr. SPARKMAN. Not by the Federal National Mortgage Association.

By the way, Mr. President, I ask unanimous consent to have inserted in the RECORD at this point, because we have been referring a great deal to the Federal National Mortgage Association, the table appearing on page 155 of the hearings, which shows the operations of the Federal National Mortgage Association over the years. The table shows the operations of the agency at least over several years. I was hoping the total operations were shown there, because Mr. Baughman, in his statement before the committee, as I recall, showed that the total operations of the agency had resulted in a profit of something over $236 million.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal National Mortgage Association—Mortgage portfolio, commitments outstanding, net income last 6 calendar years

SECONDARY MARKET OPERATIONS [1]

[Dollar figures in millions]

Year	Year-end mortgage portfolio at cost	Year-end commitments outstanding	Year-end portfolio and outstanding commitments	Net income during year
1953				
1954				
1955	$83.0	$26.5	$109.5	$0.3
1956	628.2	283.4	911.6	2.8
1957	1,562.2	180.1	1,742.3	6.4
1958	1,322.6	79.9	1,402.5	11.0

[1] Of the $20,500,000 net income during the period, $6,600,000 was paid in dividends ($5,200,000 to U.S. Treasury and $1,400,000 to holders of common stock) and the balance of $13,900,000 represents the Dec. 31, 1958, undistributed earned surplus.

Federal National Mortgage Association—Mortgage portfolio, commitments outstanding, net income last 6 calendar years—Con.

TOTAL FEDERAL GOVERNMENT PROGRAM [2]

Year	Year-end mortgage portfolio at cost	Year-end commitments outstanding	Year-end portfolio and outstanding commitments	Net income during year
1953	$2,461.6	$637.9	$3,099.5	$30.5
1954	2,461.7	475.7	2,937.4	30.8
1955	2,555.4	49.9	2,605.3	34.5
1956	2,423.2	76.9	2,500.1	36.0
1957	2,361.4	597.1	2,958.5	35.0
1958	2,556.2	1,497.7	4,053.9	26.4
A. Management and liquidating functions: [3]				
1953	2,461.6	637.9	3,099.5	30.5
1954	2,461.7	475.7	2,937.4	30.8
1955	2,555.4	42.8	2,598.2	34.4
1956	2,417.7	8.1	2,425.8	35.3
1957	2,289.9		2,289.9	31.0
1958	2,138.7		2,138.7	13.6
B. Special assistance functions: [4]				
1953				
1954				
1955		7.1	7.1	.1
1956	5.5	68.8	74.3	.7
1957	71.5	597.1	668.6	4.0
1958	417.5	1,497.7	1,915.2	12.8

[2] Of the $193,200,000 net income during the period $114,600,000 was incorporated into a reserve for losses and contingencies. All the benefits and burdens incident to the administration of the management and liquidating and special assistance functions inure solely to the Secretary of the Treasury.

[3] Of the $175,600,000 net income during the period, $107,400,000 was incorporated into a reserve for losses and contingencies.

[4] Of the $17,600,000 net income during the period, $7,200,000 was incorporated into a reserve for losses and contingencies.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SPARKMAN. The Senator from Florida is trying to finish a point.

Mr. BUSH. I wanted to supplement what the Senator from Florida is trying to bring out.

Mr. HOLLAND. I think the additional figure supplied to us as to what is planned to be expended in 1960, additional to the Federal aid, referred to the entire Agency, the Housing and Home Finance Agency, rather than the Federal National Mortgage Association.

The Senator has already stated, and it is, of course, a fact, that there are increases in some of the activities which call for the type of expenditures proposed by his bill. What I have requested is that the total of those increases beyond the current program be furnished for the RECORD.

Mr. SPARKMAN. I believe that is shown in the table which has been submitted to us by the Housing and Home Finance Agency, which the Senator from Indiana placed in the RECORD a moment or so ago.

Mr. HOLLAND. It does not show anything except the budgeted expenditures. I am referring to nonbudgeted expenditures. These items do not show in the budget. The report of the Treasury to us showed that the proposed expenditures in fiscal 1960 for Federal-aid highways, nonbudgeted, were about $3.2 billion.

For this Agency there is enough more to bring the total to nearly $3.7 billion.

Mr. SPARKMAN. I say again, the Senator from Indiana has a table in this regard.

Mr. CAPEHART. I do not believe there are any unbudgeted items in the housing bill.

Mr. SPARKMAN. Yes.

Mr. HOLLAND. Yes, there are.

Mr. CAPEHART. Perhaps I do not understand the Senator.

Mr. SPARKMAN. What the Senator refers to is a financing by the Treasury. The point I make is that there are programs financed in that way. The urban renewal program receives appropriations.

Mr. HOLLAND. There are some programs in that category.

Mr. SPARKMAN. Some of the other programs are outside the budget, but there is not a single new program of that type. The programs have been in existence over the years. The Senator from Virginia today presented a table to show what the amount is for all the Government. I believe the Senator from Indiana later put that information in the RECORD.

Mr. CAPEHART. I do not think so.

Mr. SPARKMAN. I think it was a part of the figures the Senator received. Perhaps the Senator from Virginia put the information in the RECORD. At least, the Senator had the information.

Mr. HOLLAND. I do not care to pursue the matter further. I simply say the Senator knows, as we all know, that there are amounts of money intended to be spent next year by this Agency which are not included in the budget, and that those amounts are to be spent in fields which are increased as to size in the bill. I hope the Senator can procure at least an approximate figure, so that we can have the information in the RECORD.

Mr. CAPEHART. Mr. President, will the Senator yield?

If the Senator refers to loans——

Mr. HOLLAND. I do not refer to loans; I refer to grants.

Mr. CAPEHART. Loans made directly from the Treasury but not budgeted?

Mr. HOLLAND. For instance, the Federal aid highway expenditures are not loans; those are payments in cash. Those payments are not shown by the budget.

The budget is not a $77 billion budget. It is $77 billion for the items shown by the budget, but the amount which the administration intends to spend in fiscal 1960 is about $81 billion, and we all know that is the case. There is no use in trying to kid ourselves or the public.

What I am seeking to obtain is a showing—and I think it will be easy for those familiar with the bill to produce—as to the increases in those items which are not budgeted and which will not be budgeted but expenditures for which will be paid by the making of drafts by this Agency upon the Treasury of the United States, without Congress having anything to do about the matter, except to approve the basic authorizing legislation.

Mr. CAPEHART. I can give that information easily, because I have it before me. The item for college classrooms contains $5 million, and the estimated VA direct loans are $200 million. That is a total of $205 million in Senate bill 57, the housing bill, as amended.

The $200 million and the $5 million, of course, are loans, and are not budgeted. That refers to money borrowed directly from the Treasury. Of course, the money will be repaid, but these are loans and are not budgeted. The figure is $205 million.

Mr. HOLLAND. Mr. President, I think my request has been clearly made, and I am sure my distinguished friend from Alabama [Mr. SPARKMAN] will supply the figure. I think it would be an interesting figure for the Senate to have. I appreciate the indulgence of the Senator from Alabama.

Mr. CAPEHART. Is the Senator under the impression the figure is more than the record I have shows it to be?

Mr. HOLLAND. Yes. The figure for last year was supplied to the Joint Committee on Reduction of Nonessential Federal Expenditures by the Treasury, and is vastly more than the one the Senator mentioned.

Mr. CAPEHART. I am talking about fiscal year 1960.

Mr. HOLLAND. I am speaking about the same figure. We asked for the figure as to what it was expected would be expended for objectives not covered by the budget, and we were given, as I have said, in two items alone, enough to increase the budget by about $3.7 billion.

Mr. CAPEHART. I think the Senator from Florida and the Senator from Alabama and I are thinking about different things. As shown by the chart before me we are talking about the effect of the bill presently under consideration. We are considering the effect on the 1960 budget in respect to nonbudgeted items, and that is $205 million.

In years gone by, the Congress has authorized expenditures for housing purposes. We have authorized $1,450 million for urban renewal, of which amount about one-fourth has been spent. Some of that comes under the same category.

Confining the figure to the bill about which we are talking, I think the Senator will find the figure is $205 million.

Mr. HOLLAND. If that proves to be the case, of course we do not need to go further. We should show that is the case.

Mr. CAPEHART. It is a sizable amount.

Mr. President, there is an interesting point which should be made, in all fairness. I am sure we want to keep the record straight.

As to the urban renewal advances, comparing the so-called administration bill with the Senate bill which we are considering, for example, for the fiscal year 1960 the administration bill for urban renewal, so far as advances are concerned, would provide $3½ million, and the Senate committee bill would provide $7 million. In 1961 the administration bill would provide $12 million and the Senate committee bill would provide $16 million. In 1962 the administration bill would provide $11 million and the Senate committee bill would provide $14 million. In 1963 the administration bill would provide $10 million and the Senate committee bill would provide $13 million.

Under the urban renewal temporary loans, there would be nothing provided in 1960 either under the administration bill or under the Senate committee bill.

However, in 1961 the administration bill would provide $15 million and the Senate committee bill woud provide $20 million. In 1962 the administration bill would provide $15 million and the committee bill would provide $20 million. In 1963 the administration bill would provide $15 million and the Senate committee bill would provide $20 million.

If we consider the grants, under the same two items, in 1960 the administration bill would provide nothing and the Senate bill would provide $3¼ million. In 1961 the administration bill would provide nothing and the Senate bill would provide $8 million. In 1962 the administration bill would provide $2 million and the Senate bill would provide $12 million. In 1963 the administration bill would provide $5 million and the Senate bill would provide $15 million.

Under the urban planning assistance the proportion is about the same, and I shall not read those figures.

In order to keep the record straight, in all fairness it should be said that these moneys for grants and loans are quite small, and they are spread out over a period of years. What I am saying is that the money we are talking about, $2.1 million for urban renewal on grants and loans, is the amount I have just mentioned. That does not include the amount of money, of course, which would be advanced for the loans which would be insured by the Federal Government. In those instances, unless the loans were defaulted there would not be one nickel cost to the Federal Government.

I think in all fairness we should keep those facts in mind. I think we also should mention the fact that only for the fiscal year 1960 is there a big difference between the impact upon the Treasury of the administration bill and the impact upon the Treasury of the Senate bill. By the time we consider 1961, 1962, 1963, 1964, and 1965—a 6-year period—there is not very much difference. There is a difference, but it is not very great.

In any event, the impact each year is not much in dollars and cents. What we are trying to do at the moment, of course, is to balance the fiscal year 1960 budget, and we are talking about a bill which affects the fiscal year 1960 budget. If we could eliminate the $300 million for direct loans to veterans and cut the public housing units from 35,000 to perhaps 17,500, the difference in the impact upon the Treasury between the administration proposal and the Senate bill we are considering would be about $35 million.

Mr. HOLLAND. I trust that the Senator from Indiana is not suggesting that he has any objection to the furnishing of one single figure, with an explanation, as to how greatly the spending picture is affected by items in the bill which we are considering. I refer to the spending for 1960, in fields not covered by the budget. I know that there are some

items in that category, and I think it would be interesting to the Senate to have that information.

Mr. CAPEHART. The Senator may well be correct. Let us get the figures.

Mr. SPARKMAN. We will certainly do our best to obtain the figure which the Senator wishes, if it involves breaking down the information by budget years.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. I should like to put a question to the Senator from Indiana for the purpose of getting clearly in mind the aggregate draw which would be made upon the budgeted funds by this bill.

I should like to have the Senator from Indiana give me his opinion as to the increase which would be imposed upon the President's budget if the pending bill were passed.

Mr. CAPEHART. Does the Senator mean for the fiscal year 1960?

Mr. LAUSCHE. For the fiscal year 1960.

Mr. CAPEHART. According to the Federal Housing Authority officials, who have all the facts—although it is necessary for them to make certain estimates—it is estimated that if we pass Senate bill 57, authorizing $300 million for direct veterans loans, only $200 million of it will be spent, and that if we authorize 35,000 additional public housing units, picking up some authorizations which were not previously used, the total impact upon the Treasury will be approximately $240 million, as opposed to the administration's estimate of the impact of about $5 billion.

In all fairness, if we eliminate the $200 million for veterans loans, the difference between the impact of the administration's bill on the Treasury and that of Senate bill 57 will be about $40 million. If we reduce the public housing units to 17,500, the difference will be about $35 million; and if we eliminate any additional public housing at all, as I see it, the difference will be about $25 million.

Mr. LAUSCHE. It would greatly help me if the Senator from Indiana would eliminate the conditions and give the cold figures.

Mr. CAPEHART. I gave the cold figures. According to those who have the facts, and who ought to know—and if they do not know, I do not know who does, because they deal with the facts—the impact would be $240 million.

Mr. LAUSCHE. Has there been eliminated the sum of $100 million because it is assumed that the $100 million would not be used?

Mr. CAPEHART. Yes; and if the $100 million were used, the impact would be $340 million.

Mr. LAUSCHE. That amount would be added to the budget?

Mr. CAPEHART. Yes. The budget would be increased by that much, as compared with the administration bill.

Mr. SPARKMAN. Mr. President, in response to the question of the Senator from Ohio, let me say that a part of the $5 million is budgeted already, so the net difference is $235 million, $205 million of which represents loans, including $200 million to the Veterans' Administration. This amount would be charged up only in the event it was used.

Mr. LAUSCHE. In the event it were drawn upon by applications for loans.

Mr. SPARKMAN. Yes. It represents a contingency which remains. It is a credit which exists, which can be drawn upon. As the Senator from Indiana says, if we do not consider veterans' loans of $200 million, the difference is approximately $35 million.

Mr. LAUSCHE. Mr. President, will the Senator yield for one further question?

Mr. SPARKMAN. I yield.

Mr. LAUSCHE. I should like to have the Senator from Indiana listen.

For the fiscal year 1960, what additional authorization is granted to various agencies to borrow money from the Treasury? Can that be stated in a single aggregate amount?

Mr. SPARKMAN. That is the figure we are looking up in response to the inquiry of the Senator from Florida [Mr. HOLLAND].

Mr. LAUSCHE. So there are two pertinent figures—first, the amount by which the budget would be increased; and second, the amount by which the national debt would probably be increased through borrowings from the Treasury.

Mr. HOLLAND. Unbudgeted expenses.

Mr. LAUSCHE. Unbudgeted expenses.

Mr. CAPEHART. I do not believe there are any.

Mr. SPARKMAN. If I correctly understand the table which has been furnished to us by the Housing and Home Finance Agency, in 1960 there will not be one dollar in that category.

Mr. LAUSCHE. Mr. President, may I put a further question to the Senator from Alabama?

Mr. SPARKMAN. I yield to the Senator from Ohio.

Mr. LAUSCHE. Did the committee take into consideration the wisdom of making sure that our Nation is adequately strong for defense; and in doing so did it conclude that perhaps more money will have to be spent for national defense? If so, a decision ought to be made as to which is the more important at this time—to provide money for national defense, or to expand this program over and above what the President has suggested.

Mr. SPARKMAN. Is the Senator proposing that we expand the defense program over and above what the President has suggested?

Mr. LAUSCHE. I am not certain, but I have been reading in the press that there is virtual unanimity of opinion that the program should be expanded. Therefore this query is raised in my mind: If that is necessary, the answer should be "Yes; make the Nation militarily strong." But, in order to insure against any unreasonable unbalancing of the budget, we ought to dispense with certain programs, even though they may be desirable, and go forward only with essential and needed programs.

Mr. SPARKMAN. I do not care to debate the philosophy of the issue. The committee, as a whole, discussed these questions. Questions came up from time to time, and I am certain, that every member of the committee had these matters in mind. I believe that every Member of the Senate feels the same way about the desirability of balancing the budget, and that most Senators would measure the necessity—if it becomes a necessity—of increasing the President's budget on military matters.

Insofar as I am concerned, I would like to balance the budget just as much as the President would like to balance it. He would like to see a balanced budget. However, if evidence ever comes before us that it is necessary to spend more money for defense, I will not hesitate to spend it even thought such spending may serve to unbalance the budget for 1 year.

So far as housing is concerned, I wish to take a little issue with the apparent philosophy of the Senator from Ohio. I do not regard housing as something that is merely desirable. I regard it as essential. I believe the Senator from Ohio does also.

Mr. LAUSCHE. Yes.

Mr. SPARKMAN. It is essential to provide decent, adequate and sanitary housing in which Americans can live. I regard housing just as essential as clothing, food and things like that. And to the list I add national defense. As a matter of fact I would put national defense over everything, because our security depends upon it. However, I do not believe that we should refer to housing as something that is merely desirable. I believe it to be essential.

I believe that every member of the committee had these matters in mind and under consideration. I believe that each member decided, after giving sincere and conscientious thought to these items, what his decision would be on the subject of housing. By the way, I should like to call attention to the fact that after we had completed the hearings but before we started marking up the bill, we called before us the staff of the Federal Reserve Board—in executive session—to give the committee a briefing on the economic condition of the country.

The Senator will remember that in the Committee on Foreign Relations we had a briefing from the military as to our defense posture. The Senator will remember that.

However, I believe that every Senator, acting within his own individual rights and in accordance with the dictates of his conscience had all those items I have enumerated in mind. The bill reflects the best collective thinking of the committee.

Mr. LAUSCHE. I wish to assure the Senator from Alabama that I deeply appreciate his courtesy and sincerity in approaching this problem. However, I am bothered by the fact that there are 8 or 10 other bills which are being considered by other committees. There is no coordination to ascertain what the overall cost will be after all the bills are passed, if they are passed. No one has taken pencil in hand and figured out how much money is available and what the ultimate aggregate cost will be. No one has tried to figure out what

the deficit will be, or has tried to provide ways and means of meeting it. I am in favor of the housing program, but I believe we ought to conceive of some means of paying for it without indulging in deficit operations. That is the thought I had in mind.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. SPARKMAN. May I ask whether the Senator from Connecticut still wishes to ask a question? He wished to ask a question a short time ago.

Mr. BUSH. I thank the Senator, but I will defer the question for the present. The discussion is now far from the subject on which I wished to address an inquiry to the Senator from Alabama. I had reference to FNMA. I will get it in the RECORD some time later in the debate. I thank the Senator.

Mr. SPARKMAN. I yield to the Senator from Louisiana.

Mr. ELLENDER. I have been reading the report, as I had opportunity, and have been listening to the debate. I am much confused as to the difference in the impact the pending bill may have as compared with that of the administration bill. We have heard estimates made by the distinguished Senator from Alabama and others by the distinguished Senator from Indiana [Mr. CAPEHART]. In the report I note that the Senator from Utah [Mr. BENNETT] has added some individual views.

In the third paragraph of his individual views, the Senator from Utah states:

> The increased burden on the budget for fiscal year 1960 resulting from adoption of S. 57 rather than the administration bill has been estimated at between $230 and $344 million. This would more than eat up the projected $70 million surplus for next year, and would start us on the road to a deficit which the President has so correctly renounced.

I should like to ask my friend from Alabama, in the light of these figures, given by a member of the committee, whether that statement is correct.

Mr. SPARKMAN. I do not know how the Senator from Utah has arrived at the $344 million figure. I believe that is a mistake.

Mr. CAPEHART. I believe I can answer that question. The figure I am giving is the figure supplied by the HHFA.

Mr. ELLENDER. Are those figures correct?

Mr. CAPEHART. Yes. The figures are based on the fact that we authorized $300 million for direct veterans' loans. They will be able to use only $200 million of that amount. The Senator from Utah in his statement said that the complete amount will be used up.

Mr. ELLENDER. The full amount that is being authorized on the program?

Mr. CAPEHART. Yes; whereas FHA is of the opinion that only $200 million of it would be used up. That accounts for the difference between the two figures.

Mr. SPARKMAN. The Senator from Indiana and I are in agreement that the difference, actually, between the committee bill and the administration bill, so far as the 1960 budget is concerned, is $235 million.

Mr. ELLENDER. More?

Mr. SPARKMAN. Yes; more. That includes the $200 million for loans to veterans living in rural areas.

Mr. ELLENDER. Yesterday I asked for some information. I do not know whether it has been presented to the Senate. I asked for information as to the full amount of the Federal Government's obligations with respect to FHA and veterans' guaranteed loans.

Mr. SPARKMAN. I believe the Senator from Virginia [Mr. ROBERTSON] put that information in the RECORD earlier today.

Mr. ELLENDER. I was informed that by the end of the 1960–61 fiscal year the amount would total $102 billion. Is that correct?

Mr. SPARKMAN. I do not know. I have not seen the figure.

Mr. CAPEHART. Was that for 1962?

Mr. ELLENDER. No; 1961.

Mr. SPARKMAN. The present amount for FHA is approximately $30 billion, and for VA I believe it is $18 billion.

Mr. ELLENDER. That is a total of $48 billion.

Mr. SPARKMAN. That includes the insured loans.

Mr. ELLENDER. Yes.

Mr. SPARKMAN. Yes; I would say that. Then there has been about a billion dollars loaned to veterans, and also a smaller amount—it may run to a billion dollars or $750 million—which has been loaned for farm housing.

Mr. ELLENDER. This amount is the amount which is actually guaranteed by the Federal Government?

Mr. SPARKMAN. Guaranteed or insured.

Mr. ELLENDER. I understand.

Mr. SPARKMAN. There is a difference, of course.

Mr. CAPEHART. There is a reserve of about $800 million.

Mr. SPARKMAN. On the insured portion premiums are collected, and there is a reserve, which is considered by many financial experts as being greater than is required.

Mr. ELLENDER. This bill increases by $8 billion the FHA guarantees?

Mr. SPARKMAN. The bill I introduced proposed $8 billion—$4 billion until June 30, 1959, and $4 billion thereafter. The administration asked for $12 billion for the same period. Later they asked that the ceiling be completely eliminated. The committee reported out a provision for $10 billion, that is $5 billion for fiscal 1956, and $5 billion thereafter.

Mr. ELLENDER. The total would be about what?

Mr. SPARKMAN. About $38½ billion.

Mr. ELLENDER. That is the overall amount?

Mr. SPARKMAN. Yes. It is roughly $38 billion. It is between $38 billion and $40 billion for FHA.

Mr. ELLENDER. I wonder whether the Senator would repeat for the RECORD what he stated with reference to the programs which would increase the amount over and above the administration bill. Is it due primarily to the fact that we are providing for 35,000 more units of public housing in the bill?

Mr. SPARKMAN. That is one of the items.

Mr. ELLENDER. To what extent would that increase the amount?

Mr. SPARKMAN. By $21 million.

Mr. ELLENDER. Twenty-one million dollars?

Mr. SPARKMAN. Yes.

Mr. CAPEHART. That is for fiscal 1960, is that correct?

Mr. SPARKMAN. It occurs only one time.

Mr. ELLENDER. That, of course, goes to make up the $200 million we were talking about a while ago.

Mr. SPARKMAN. That is correct.

Mr. ELLENDER. The rest of it comes——

Mr. SPARKMAN. From direct loans to veterans.

Mr. ELLENDER. And from college loans?

Mr. SPARKMAN. And from college loans; that is correct. There is $3.4 million for urban renewal advances.

Mr. ELLENDER. The Senator has stated that the $21 million for public housing for 1960 will not be continued.

Mr. SPARKMAN. It is not a recurring item. The $200 million may be used or it may not. Of course, it is in the form of a loan.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a section-by-section analysis of the bill as it appears in the report beginning on page 63.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

Section 101: Amends section 2(a) of the National Housing Act to extend the title I property improvement program of the FHA 1 year until September 30, 1960.

Technical

Section 102: Makes cross-reference between FHA section 204 (payment of insurance) and the six insurance programs to which the provision applies.

Mortgage ceilings for sales housing

Section 103: (a) Amends section 203(b)(2) of the National Housing Act (regular sales housing program) to increase the maximum mortgage amount which may be insured by FHA from $20,000 to $25,000 on two-family homes.

(b) Amends section 203(b)(8) of the National Housing Act (regular sales housing program) to increase the nonoccupant owner's maximum loan to the maximum permitted the homeowner, the nonoccupant owner would put into escrow 15 percent of the mortgage amount for 18 months or until he sells the property. (A nonoccupant owner is now permitted 85 percent of the mortgage amount available to a homeowner.)

(c) Amends section 203(i) of the National Housing Act (housing in rural and outlying areas) to permit an increase from $8,000 to $9,000 in the maximum insurable loan.

Mortgage insurance authorization ceilings

Section 104: Amends section 203(i) and section 701 of the National Housing Act to remove the ceilings on the FHA mortgage insurance authorizations.

FHA debentures

Section 105: Amends section 204(k) of the National Housing Act to permit the FHA to include in debentures the cost of acqui-

sition and the cost of conveyance title to FHA.

Regular rental housing program

Section 106: Amends section 207 of the National Housing Act to delete all provisions relating to housing for elderly persons, since the proposed bill (in title II) establishes a new FHA section 231 program of mortgage insurance for elderly persons' housing.

The present dollar limitation on the maximum amount of a section 207 mortgage would be increased, as follows:

	Present		Proposed	
	Per room	Per unit if under 4 rooms	Per room	Per unit if under 4 rooms
Garden type	$2,250	$8,100	$2,500	$9,000
Elevator type	2,700	8,400	3,000	9,400
Increase for high cost areas	1,000	--------	1,250	--------

Amends section 207(c)(3) to increase the mortgage limits for trailer courts or parks from $1,000 to $1,500 per space, and from $300,000 to $500,000 per mortgage.

Interest rate increases

Section 107: (a) Amends section 207 of the National Housing Act by establishing a new interest rate ceiling of 5 percent (present ceiling 4½ percent) with authority for the Commissioner to increase the rate to 5½ percent if he finds such action is necessary to meet the mortgage market.

(b) Amends section 213(d) of the National Housing Act to establish a new interest rate ceiling for section 213 management-type cooperatives as in (a) above. This section also amends section 213(d) of the National Housing Act by authorizing the Commissioner to increase the interest rate on section 213 sales-type cooperatives to 6 percent if he determines such action is necessary to meet the mortgage market. (This section would not change the basic ceiling of 5 percent on sec. 213 sales-type mortgages.)

(c) Amends section 803(b) of the National Housing Act to establish a new interest rate ceiling for section 803 military housing mortgages as in (a) above.

Cooperative housing

Section 108: (a) Amends section 213(b)(2) of the National Housing act to (1) increase the maximum loan ratio from 90 percent of replacement cost (95 percent of replacement cost if 50 percent of the cooperators are veterans) to 97 percent of replacement cost, and (2) increase the present dollar limitations on the maximum loan amount to the same amounts allowed for section 207.

(b) Amends section 213(d) to permit the inclusion of community and commercial facilities in mortgages on property held by sales-type and investor-sponsored cooperatives.

(c) Amends section 213 to extend the cooperative housing program to existing structures acquired by consumer cooperatives.

Mortgage ceilings for Alaska, Guam, and Hawaii

Section 109: Amends section 214 of the National Housing Act to provide that the 50 percent higher mortgage amount which the FHA Commissioner, at his discretion, may allow in Alaska, Guam, and Hawaii, may be applied to high-cost-area mortgage amounts in the programs where such high-cost-area provisions pertain. This section also permits the FHA Commissioner to assess a service charge in connection with mortgages assigned to him.

General mortgage insurance authorization

Section 110: Amends section 217 of the National Housing Act to increase FHA's general mortgage insurance authorization by $5 billion for each of the fiscal years 1959 and 1960. The portion of the fiscal year 1959 increase which is unused through June 30, 1959, may not be added to the revolving fund.

Repeal of obsolete provision

Section 111: Repeals section 218 of the National Housing Act, an obsolete provision, which permitted the transfer of application fees from the FHA section 608 program to the section 207, regular rental housing program.

Housing in urban renewal areas

Section 112: (a) Amends section 220(d)(3)(A) of the National Housing Act (urban renewal housing) to increase the maximum mortgage amount which may be insured by FHA on sales housing, as follows: From $20,000 to $22,500 on one-family homes; from $20,000 to $25,000 on two-family homes; and from $27,500 to $30,000 on three-family homes. The existing ceiling of $35,000 on four-family homes would not be changed.

(b) Amends section 220(d)(3)(B) of the National Housing Act (housing in urban renewal areas) to establish higher dollar limitations on the maximum amount of the mortgage on multifamily housing in urban renewal areas. The new ceilings would be the same as those proposed for FHA's section 207 (regular rental housing) program.

Amends section 220(d)(3)(B) to change the maximum permissible loan ratio from 90 percent of replacement cost (which may include a 10-percent allowance for builder's and sponsor's profit and risk) to 100 percent of replacement cost (excluding any allowance for builder's and sponsor's profit and risk).

Permits exterior land improvements (as defined by the FHA Commissioner) to be included in the mortgage without being computed as part of the per room or per unit cost limitations.

Permits the inclusion of such nondwelling facilities as the FHA Commissioner deems adequate to serve the needs of the occupants of the property and of other housing in the neighborhood.

(c) Amends section 220 to permit housing in urban renewal areas to be occupied by single persons.

Relocation housing

Section 113: Amends section 221 of the National Housing Act (relocation housing) to extend the benefits of the program to any family displaced within the environs of a community that has a workable program.

Section 114: (a) Amends section 121(d)(2) in order to (1) increase the maximum insurable loan for the construction or rehabilitation of sales housing from $9,000 to $10,000 in normal-cost areas, and from $10,000 to $12,000 in high-cost areas; and (2) make eligible for mortgage insurance two-, three-, and four-family dwellings which meet FHA minimum property standards and appropriate State and local housing ordinances or regulations.

(b) Increases the maximum insurable mortgage amount for multifamily projects from $9,000 to $10,000 per unit (from $10,000 to $12,000 in high-cost areas), and changes the valuation basis for computing the maximum insurable mortgage amount on relocation rental housing constructed by nonprofit mortgagors. At present private nonprofit corporations and public agencies are eligible for FHA-insured loans equal to 100 percent of the Commissioner's estimate of value. This subsection would place such mortgage insurance on a cost instead of a value basis for new construction.

This subsection would also make section 221 mortgage insurance available to other than nonprofit mortgagors for the production of rental housing for displaced families, on the same basis as section 220 redevelopment housing; i.e., the mortgage would be in an amount equal to the estimated replacement cost or actual certified cost (whichever is lower), exclusive of any allowance for builder's and sponsor's profit and risk.

(c) Amends section 212(a) of the National Housing Act to apply the prevailing wage requirements of the Davis-Bacon Act to multifamily (10 or more families) structures under FHA section 221 (relocation housing).

Section 115: Amends section 222(b) of the National Housing Act (mortgage insurance for servicemen) to (1) permit the benefits of section 222 in the purchase of property constructed under the provisions of section 203(i), and (2) increase the maximum insurable mortgage from $17,100 to $20,000.

Cost certification

Section 116: Amends section 227 of the National Housing Act to revise the cost-certification requirements affecting FHA section 220, section 221, and the proposed section 231 in accordance with amendments made by other sections of this bill.

Voluntary termination of insurance

Section 117: Amends title II of the National Housing Act by adding a new section 229 to authorize the FHA Commissioner to terminate any mortgage insurance contract upon request of the mortgagor and mortgagee.

Avoidance of foreclosure

Section 118: Amends title II of the National Housing Act by adding a new section 230 to authorize the FHA Commissioner to extend the time for curing a mortgage default covering a 1- to 4-family residence, and, in order to avoid foreclosure, to acquire the mortgage.

Legal notifications sent by mail

Section 119: Amends section 512 of the National Housing Act to provide that certain legal notifications be considered sufficient if sent to the last known address.

Transient housing in Alaska

Section 120: Amends section 513 of the National Housing Act in order to permit certain FHA section 207 and section 608 projects in Alaska to be used for transient use for a period not to exceed 3 years.

TITLE II—HOUSING FOR THE ELDERLY

Section 201: Adds a new section 231 to the National Housing Act to provide a new program of housing for elderly persons.

(1) The dollar limits on the maximum amount of the mortgage would be the same as those proposed for FHA's section 207 (regular rental housing) program. Interest rate ceilings would be the same as those proposed for FHA's section 207 program.

(2) Would permit insurance of mortgages up to 100 percent of replacement cost for nonprofit corporations, and 100 percent of replacement cost (excluding any allowance for builder's and sponsor's profit and risk) for other than nonprofit corporations.

(3) Would require that not less than 50 percent of the living units in the project be designed specially for use and occupancy by elderly persons. Elderly persons would be given a preference or priority of opportunity to rent all units.

(4) The economic soundness test of FHA's regular rental housing program (sec. 207) would not be applicable to the new program for elderly persons.

(5) The FHA Commissioner would be authorized to establish regulations and restrictions as to rents, charges, capital structure, rate of return, and methods of operation.

(6) Would apply the prevailing wage requirements of the Davis-Bacon Act, except that the wages which must be certified under the Davis-Bacon Act may be reduced by

such amount as the FHA determines to have been fully credited to the mortgagor.

(7) Would include a provision making proprietary nursing homes eligible for FHA mortgage insurance, up to 75 percent of the value of the new or rehabilitated property. Mortgages insured under this new provision would bear an interest rate of 5 percent with authority for the Commissioner to increase the rate to 6 percent if he finds such action is necessary to meet the mortgage market. In addition, the Commissioner of the FHA would be required to obtain certain certificates from State agencies relative to the licensing and inspection of nursing homes prior to insuring mortgages.

TITLE III—URBAN RENEWAL

Statewide planning

Section 301: Amends section 101(b) of the Housing Act of 1949 by directing the HHFA Administrator to encourage the utilization of State agencies to provide effective solutions for urban renewal problems of smaller communities.

Technical

Section 302: Amends section 102(a) of the Housing Act of 1949 to clarify uncertainties in existing law whether the Federal Government's loan agreement with the local public agency covers interest as well as principal where local public agency pledging the loan agreement as collateral.

Early land acquisition and clearance

Section 303: Amends section 102(a) of the Housing Act of 1949 to authorize the HHFA Administrator to permit land acquisition and clearance prior to the signing of a loan and grant contract, provided local law permits such early acquisition and clearance, and provided that land acquired under this procedure shall not be disposed of until the urban renewal plan is approved by the local community.

Urban renewal loan authorization

Section 304: Amends section 102(e) of the Housing Act of 1949 to permit the Administrator to make borrowings from the Treasury in excess of $1 billion at discretion of the President.

Grant authorization

Section 305: Amends section 103(b) of the Housing Act of 1949 to provide a 6-year, $2.1 billion slum-clearance and urban-renewal program, with an annual capital grant authorization of $350 million, which could be increased by $150 million in any 1 year.

Repayment of uncollectible advances

Section 306: Amends section 103(b) of the Housing Act of 1949 to authorize the use of urban renewal grant funds to repay Treasury loans made to finance urban planning advances which are now uncollectible because of cancellation of the project.

Community renewal programs

Section 307: Amends section 103 of the Housing Act of 1949 by adding a new subsection (c) to authorize planning grants for the preparation of community renewal programs, which would enable a community to survey its urban renewal needs and resources, and schedule projects.

Technical

Section 308: Amends section 105(b) of the Housing Act of 1949 to facilitate public improvements involving the Federal Government and the District of Columbia in connection with urban renewal projects.

Section 309: Amends section 106(e) of the Housing Act of 1949 to eliminate the provision in existing law that not more than 12½ percent of the total loan authorization may be obligated in any one State; does not alter the 12½ percent State limitation on grant authorization.

Relocation payments

Section 310: (a) Amends section 106(f) of the Housing Act of 1949 to authorize relocation payments when the displacement is a result of any governmental activity in an urban renewal area, and of programs of voluntary repair and rehabilitation; increases from $100 to $200 the maximum amount of relocation payments to individuals and families; and increases from $2,500 to $3,000 the maximum amount of relocation payments to business establishments.

(b) Amends section 106 by adding a new subsection (g) to give business concerns which are displaced from urban renewal areas a priority of opportunity, insofar as practicable and desirable (as determined by the local governing body), to purchase or lease commercial or industrial facilities provided in connection with area redevelopment.

Priority for State-assisted projects

Section 311: Amends section 106 of the Housing Act of 1949 to establish a priority for projects toward which a State contributes at least one-half of the required local grant-in-aid.

Planning requirements

Section 312: Amends section 110(b) of the Housing Act of 1949 to authorize the HHFA Administrator to expedite urban renewal projects by permitting him to omit or to simplify present detailed requirements for the urban renewal plan.

Nonresidential development

Section 313: Amends section 110(c) of the Housing Act of 1949 to permit up to 20 percent (now 10 percent) of the total capital grant authorization to be used for areas which are not predominantly residential, and which are not to be redeveloped for predominantly residential uses, even if such areas do not include a substantial number of slum dwellings as presently required.

Noncash grants-in-aid

Section 314: (a) Amend section 110(d) of the Housing Act of 1949 to provide that improvements and facilities that are otherwise eligible may be credited as local grants-in-aid to urban renewal projects, provided their commencement does not precede the signing of the loan and grant contract for the project by more than 5 years.

(b) Amends section 110(d) to permit the cost of certain public improvements serving the urban renewal area to be credited as a local grant-in-aid when financed by revenue bonds payable from service charges against the users of the system.

Credit for interest payments

Section 315: Amends section 110(e) of the Housing Act of 1949 to authorize the HHFA to include interest on advances by a city (local public funds) as an item of gross project cost for an urban renewal project.

Uniform date

Section 316: Amends section 110(g) of the Housing Act of 1949 to make uniform the date for determining the application of the "going Federal rate" of interest under urban renewal contracts.

Technical

Section 317: Makes conforming amendments.

Federal recognition

Section 318: Waives the requirement in section 110(d) of the Housing Act of 1949 for communities whose projects could not obtain Federal recognition during the period from January 1, 1957, through December 31, 1958, because of limitations on the HHFA Administrator to make capital grants or to reserve funds. Under existing law, such Federal recognition is required to enable the local community to include local activities and facilities as noncash grants-in-aid.

Urban renewal areas involving colleges

Section 319: Adds a new section 112 to the Housing Act of 1949 to (1) remove "predominantly residential" requirement in areas involving an educational institution; (2) permit credit toward the locality's one-third share of expenditures made by the educational institution in purchasing property and in clearing the property; (3) permit the expenditure to be counted toward a community's local share provided the expenditure is made no more than 5 years prior to the signing of the loan and grant contract for the urban renewal project.

Urban planning

Section 320: (a) Amends section 701 of the Housing Act of 1954 (grants to assist urban planning) to extend the scope of the urban planning grant to (1) include any group of adjacent communities, having a total population of less than 50,000, and having common or related urban planning problems; (2) include a county or a group of counties; and (3) include municipalities having a population of less than 50,000.

(b) Amends section 701 to increase the authorization for grants to assist urban planning from $10 million to $20 million.

Investments by banks in long-term obligations of local public agencies

Section 321: Amends section 24, title XII of the United States Code (the National Bank Act) to permit national banks and State member banks (to the extent permitted by State laws) of the Federal Reserve System to purchase or underwrite obligations of local public agencies having a maturity of more than 18 months.

TITLE IV—LOW-RENT HOUSING

Declaration of policy

Section 401: Amends section 1 of the U.S. Housing Act of 1937 to add the following policy objectives: to make adequate provision for larger families and for families consisting of elderly persons; where a local housing authority has determined that the acquisition and repair, rehabilitation or remodeling of existing dwellings by the local public agency for use as a low-rent housing project is in the public interest of the community, the Public Housing Commissioner and the Housing and Home Finance Administrator shall encourage and facilitate such undertakings; to vest in local housing authorities full responsibility for the establishment of rents and eligibility requirements (subject to income limit ceilings provided in the act); and to authorize local housing authorities to permit families whose income increases beyond the limits for continued occupancy to remain in their homes either through group or individual purchase, or as tenants paying a nonsubsidized rent if private housing is not available to them.

Rents and income limits

Section 402: Amends several sections of the U.S. Housing Act of 1937 to permit local housing authorities to set rents and income limits for their low-rent projects, subject to a statutory ceiling on income limits.

(a) and (b) are technical, amending sections 2(1) and 15(7)(b) to delete provisions to be covered by other sections of the act.

(c) amends section 15(8)(a) to authorize the local agency to fix maximum income limits for admission and continued occupancy. The statutory ceiling would differ from existing law in two respects: (1) the present $100 exemption for each minor or adult dependent is eliminated; (2) the 20-percent gap requirement is waived for displaced families. It also removes the Public Housing Administration's authority to require the prior approval of specific income limits set by the local agency.

(d) and (e) amend sections 15(8)(b) and 15(8)(d) to remove references to the Pub-

lic Housing Administration's power of prior approval of specific income limits.

(f) repeals section 502(b) of the Housing Act of 1948, relating to the exemption of benefits for disability or death occurring in connection with military service, which is incorporated in the basic act by subsection (c) above.

Central administrative office facilities

Section 403: Amends section 2(5) of the act of 1937 to permit a local public housing agency to furnish administrative facilities to the local urban renewal agency, at economic rent, in localities where the public housing agency and the local public agency operate as separate legal entities but with a common administrative staff.

Use of existing dwellings

Section 404: Provides that where a local housing authority determines and certifies to the Public Housing Commissioner and to the Housing and Home Finance Administrator that the acquisition and repair, rehabilitation or remodeling of existing dwellings for use as a low-rent housing project, the Commissioner and the Administrator shall employ the powers, functions, and duties vested in them by the United States Housing Act of 1937, as amended, or any other act in such manner as shall facilitate and encourage the undertaking and carrying out of such a low-rent housing project by such local public housing agency, and the annual report of the Administrator shall include information on the number of such cases and the manner in which such functions, powers, and duties were so employed and exercised in such cases.

Authorization

Section 405: Amends section 10(1) of the act of 1937 by increasing the authorization for new annual contribution contracts by an additional 35,000 units to become available July 1, 1959. It would also extend by 2 years the period during which the existing authorizations would be available. This would make available for 2 additional years, until July 31, 1960, any units not contracted for under the first authorization of 35,000 units which expired July 31, 1958, would extend the second authorization of 35,000 units to June 30, 1961, and make the new authorization of 35,000 units available until June 30, 1963.

Overincome tenants

Section 406: (a) Amends section 15(8) of the U.S. Housing Act of 1937 by adding a new paragraph (e) to stipulate the terms on which a low-rent dwelling unit may be sold to a public housing tenant. The tenant would be required to pay local taxes, amortize the full purchase price of his home, and pay interest at not less than the cost of money to the local agency. The local agency would have an option to repurchase a dwelling if the family fails to carry out its contract. This plan is permissive with local agencies. If any agency finds it is not feasible to operate under this plan, it could permit overincome tenants to remain in occupancy if the local agency determines that it is impossible for the family to rent or buy a decent private dwelling, and if an unsubsidized rent is paid.

(b) Technical: Amends the act in a number of places to make possible the sale of low-rent units.

Amendments to existing contracts

Section 407: Amends the U.S. Housing Act of 1937 by adding a new section 30 to provide that existing annual contribution contracts shall be revised, upon request of local agencies, in accordance with the terms of the act of 1937 as it is amended at any time, provided that the interest of the holders of outstanding bonds is not jeopardized.

Low-rent housing in urban renewal areas

Section 408: (a) Amends section 107 of the Housing Act of 1949 to facilitate the development of low-rent housing in urban renewal areas. Under existing law, when a new public housing project is located outside of an urban renewal area, the locality is required to make a local contribution in the form of tax exemption, but if located within an urban renewal area a further local contribution is required equal to one-third of the writedown in land value. The proposed amendment would eliminate this difference by accepting tax exemption as the only required local contribution for low-rent projects in urban renewal areas. This provision will apply to Federal, State, and city projects.

(b) Provides that where land to be acquired as part of an urban renewal project is made available to a local housing authority as a site for a low-rent housing project assisted under the U.S. Housing Act of 1937, as amended, an amount equal to the price for such land shall be included as a part of the development cost of such low-rent housing project and paid over by the local housing authority to the local agency undertaking such urban renewal project as the purchase price for said land.

TITLE V—COLLEGE HOUSING

Section 501: Amends section 401(d) of the Housing Act of 1950 to increase the revolving fund for college housing loans by $400 million (the present ceiling is $925 million). Of the $400 million increase, $50 million is reserved for other educational facilities, increasing the reservation for this purpose from $100 million to $150 million, and $50 million is reserved for student-nurse and intern housing facilities, increasing the reservation for this purpose from $25 million to $75 million.

Section 502: Amends title IV of the Housing Act of 1950 by adding new sections 405 and 406 which authorize the Administrator to make and guarantee loans to educational institutions for the construction of new, or rehabilitation of existing classrooms, laboratories, and related facilities, including equipment and utilities. Authorizes a revolving fund of $125 million to finance the new loan program, and $125 million to finance the new guarantee program. This section also provides for the prevailing wage scale under the Davis-Bacon Act to be applicable to all construction financed with college housing loans.

TITLE VI—ARMED SERVICES HOUSING

Section 601: (a) Amends section 803(a) of the National Housing Act to extend the military housing program (secs. 803 and 809) for 1 year, until June 30, 1960.

(b) Amends section 803(b) to increase from 25 to 30 years the maximum maturity of mortgages insured under this section.

(c) Amends section 803(b) of the National Housing Act to permit the Commissioner to include the cost of nondwelling facilities as a part of the mortgage security, adequate to serve the occupants of military housing.

(d) Amends section 803(c) of the National Housing Act to permit the Commissioner to reduce insurance premiums below one-half of 1 percent per annum with respect to Wherry projects acquired by the Secretary of Defense.

Defense housing for impacted areas

Section 602: (a) Amends title VIII of the National Housing Act by adding a new section 810 to authorize the FHA Commissioner to insure mortgages on single-family and multifamily projects (not to exceed 3,000 units), the need for which is certified by the Secretary of Defense. Insurance would be on an acceptable risk rather than an economic soundness basis. The projects would be held for rental for a period of not less than 5 years unless released by the military for sale. Priority in rental or sale is given to military personnel and essential civilian personnel of the armed services as evidenced by certification issued by the Secretary of Defense.

(b) Amends section 808 of the National Housing Act to make applicable the provisions of section 227 of the National Housing Act (cost certification).

(c) Amends section 212(a) of the National Housing Act to make applicable the prevailing wage requirements of the Davis-Bacon Act.

(d) Amends section 305(f) of the National Housing Act to make section 810 mortgages eligible for purchase by the Federal National Mortgage Association under its special assistance function.

Acquisition of rental housing projects

Section 603: (a) and (b) Amend sections 404(a) and (b) of the Housing Amendments of 1955 to permit the Secretary of Defense to acquire FHA section 207 rental projects, if completed prior to July 1, 1952, and certified by the Department of Defense as necessary for military housing purposes, and to make the acquisition of such projects mandatory if section 803 housing is constructed in the area of the FHA section 207 projects.

(c) Amends section 407(f) of the act entitled "An act to authorize certain construction at military installations, and for other purposes," approved August 30, 1957, in order to exempt FHA section 207 rental projects covered by this section from being declared "substandard" because the units in such projects do not meet minimum floor area prescribed for other military housing.

TITLE VII—MISCELLANEOUS

Federal National Mortgage Association

Section 701: (a) Amends section 302(b) of the National Housing Act to increase from $15,000 to $20,000 the dollar limit for mortgages purchased under the Federal National Mortgage Association's secondary market operations. Also permits FNMA to purchase mortgages insured by FHA under section 220 of the National Housing Act in principal amounts as insured by FHA.

(b) Amends section 305(b) of the National Housing Act to extend for 2 years (until August 7, 1960) the requirement that the Federal National Mortgage Association purchase mortgages under its special assistance functions at par.

(c) Amends section 306 of the National Housing Act in order to permit the Federal National Mortgage Association to assume the ownership, servicing, and sale of certain mortgages and other obligations acquired, or to be acquired, by the PHA in connection with the liquidation of various housing projects.

(d) Amends sections 304(b), 306(b), and 310 of the National Housing Act in order to permit the Federal National Mortgage Association to invest its excess funds in Federal intermediate credit bank debentures, Federal home loan bank notes, Federal land bank bonds, and banks for cooperative debentures.

Farm housing research

Section 702: (a) Amends section 603(c) of the Housing Act of 1957 to extend the farm housing research program for a period of 3 years, beginning July 1, 1959, and authorizes an annual appropriation of $75,000.

(b) Directs the HHFA Administrator to study the housing needs of migratory farmworkers.

Surveys of public works planning

Section 703: Amends section 702 of the Housing Act of 1954 by adding a new subsection (f) to authorize the Administrator to use, in any one fiscal year, up to $50,000 of the revolving fund to conduct surveys of the status and current volume of State and

local public works planning and surveys of estimated requirements for State and local public works.

Servicemen's Readjustment Act of 1944

Section 704: (a) Amends section 1802(d) of title 38, United States Code, to permit the VA to expand the existing class of supervised lenders to include a new category of mortgage lenders. A supervised lender is entitled to make a VA loan without prior approval by the VA. The new category would consist of approved mortgagees under the certified agency program of the FHA. The inclusion of the new category would not be automatic; each applicant must be acceptable to the VA.

(b) Amends section 803(c) of title 38, United States Code, to increase the statutory maximum interest rate on VA-guaranteed and direct home loans from 4¾ percent to 5¼ percent.

(c) Amends sections 504(c) and 514 of the Servicemen's Readjustment Act of 1944 to authorize the Administrator of Veterans' Affairs to prohibit builders and lenders from participating in the VA home loan programs, if such builders or lenders have been barred from the benefits of the National Housing Act by the Federal Housing Commissioner.

(d) Amends section 513(d) of the Servicemen's Readjustment Act of 1944 to provide an additional $300 million for the VA direct home loan program.

Consolidation of Lanham Act and other low-rent projects

Section 705: Amends section 606 of the act entitled "An act to expedite the provisions of housing in connection with national defense and for other purposes," approved October 14, 1950, to permit the commingling of Lanham Act and low-rent project funds and the use of all residual receipts for reduction of any Federal annual contributions contract under the consolidated contract.

Disposal of projects

Section 706: (a) Amends section 607 of the act of October 14, 1940 (Lanham Act), to authorize the PHA Commissioner to modify the terms of any contract relating to any housing projects disposed of by him to cooperatives.

(b) Amends section 406(c) of the Housing Act of 1956 to extend until January 31, 1961, the time in which military personnel may continue to occupy war housing projects PA-36011 and PA-36012 (Passayunk) which are presently owned by the Housing Authority of Philadelphia, Pa.

(c) Amends sections 12(c) and 13(e) of the U.S. Housing Act of 1937 to permit the PHA to sell three PWA low-rent projects to other than a local public agency.

Voluntary home mortgage credit program

Section 707: Amends section 610 of the Housing Act of 1954 to extend the voluntary home mortgage credit program for 2 years, until July 31, 1961.

Planning scholarships and fellowships

Section 708: Authorizes $500,000 annually for a 3-year period to be used by the HHFA Administrator to provide scholarships and fellowships in public and private nonprofit institutions of higher education for the graduate training of professional city planning and housing technicians and specialists.

Home Owner's Loan Act of 1933

Section 709: Amends section 5(c) of the Home Owner's Loan Act of 1944, as amended, to permit an insured savings and loan association to invest an amount not exceeding at any one time 5 percent of its withdrawable accounts in loans to finance the acquisition and development of land for primarily residential usage.

Hospital construction

Section 710: Revives and extends until June 30, 1960, the authority of the Housing Administrator to make hospital construction loans or grants or other payments under the Defense Housing and Community Facilities and Services Act of 1951, in cases where loans, grants or payments were denied solely because of the availability of funds for the fiscal year 1959.

CORDON RULE

In the opinion of the committee, it is necessary to dispense with the requirements of subsection 4 of rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate in connection with this report.

Mr. CAPEHART. Mr. President, I offer an amendment in the nature of a substitute for S. 57.

The PRESIDING OFFICER. Without objection, the amendment will not be read in its entirety, but will be printed at this point in the RECORD.

The amendment is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1959".

TITLE I—FHA INSURANCE

SEC. 101. Section 2(a) of the National Housing Act is amended by striking out "on and after July 1, 1939, and prior to September 30, 1959,".

SEC. 102. (a) Section 2(a) of such Act is amended by striking out the last sentence of the first paragraph thereof.

(b) Section 203(a) of such Act is amended by striking out the colon and all that follows the colon and placing a period after the word "thereon".

(c) Section 203(i) of such Act is amended by striking out the comma following the word "highway" and everything that follows and inserting a period in lieu thereof.

(d) Section 217 of such Act is repealed.

(e) Section 701 of such Act is amended by striking out the colon at the end of the first proviso and everything that follows and inserting a period in lieu thereof.

SEC. 103. (a) Section 8(g) of such Act is amended by striking out "and (h) of section 204" and inserting in lieu thereof "(h), (j) and (k) of section 204."

(b) Sections 213(e), 222(f)(1), 221(g)(1), 222(e) and 809(e) of such Act are each amended by striking out "and (j) of section 204" and inserting in lieu thereof "(j) and (k) of section 204".

SEC. 104. Section 203(b) of such Act is amended by—

(1) striking out "$20,000" in paragraph (2) and inserting in lieu thereof "$25,000"; and

(2) striking out the period at the end of paragraph (8) and inserting in lieu thereof a colon and the following: *"Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness."

SEC. 105. Section 204(k) of such act is amended to read as follows:

"(k) Notwithstanding any other provision of this section or of section 604 or 904 and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such sections, the Commissioner may: (1) include in debentures reasonable payments made by the mortgagee with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagee and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this act) payments made by the mortgagee for the cost of acquiring the property and conveying and evidencing title to the property to the Commissioner; and (3) terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagee, or in the event the contract of insurance is terminated pursuant to section 229."

SEC. 106. Section 207 of such act is amended by—

(1) striking out in subsection (b) "(except provisions relating to housing for elderly persons)" and "(except with respect to housing designed for elderly persons, with occupancy preference therefor, as provided in the paragraph following paragraph (3) of subsection (c))";

(2) striking out in subsection (c) the first unnumbered paragraph following paragraph (3);

(3) striking out "4½ per centum" in the first sentence of the second unnumbered paragraph folowing paragraph (3) of subsection (c) and inserting in lieu thereof "5½ per centum"; and

(4) adding at the end thereof a new subsection (r) to read as follows:

"(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this act, after the effective date of the Housing Act of 1959, a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage."

SEC. 107. Section 212(a) of such Act is amended by adding before the period at the end thereof ", and any mortgage insured under sections 221(d)(4) and 230(c)(4)".

SEC. 108. Section 213(d) of such act is amended by—

(1) striking out the first sentence and inserting in lieu thereof the following: "Any mortgage insured under this section shall provide for complete amortization by periodic payments within such term as the Commissioner may prescribe but not to exceed 40 years and from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 5½ per centum per annum, on the amount of the principal obligation outstanding at any time, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at such per centum per annum, not in excess of 6 per centum per annum on the amount of the principal obligation outstanding at any time, as the Commissioner finds necessary to meet the mortgage market."; and

(2) striking out the last sentence and inserting in lieu thereof the following: "Property covered by a mortgage executed by a corporation or trust of the character described in subsection (a) shall include eight or more family units. Property covered by a mortgage executed by a corporation or trust of the character described in paragraph (1) or (3) of subsection (a) of this section may include such commercial

and community facilities as the Commissioner deems adequate to serve the occupants of the property."

SEC. 109. The first sentence of section 214 of such Act is amended by striking out "mortgage amounts provided in this act," and inserting in lieu thereof "mortgage amounts including increased mortgage amounts in geographical areas where cost levels require an increase) provided in this Act,".

SEC. 110. Section 218 of such Act is repealed.

SEC. 111. Section 220(d)(3) of such Act is amended to read as follows:

"(3) The mortgage shall—

"(A) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not in excess of—

"(i) $25,000 in the case of a property upon which there is located a dwelling designed principally for a one- or two-family residence, or in the case of a dwelling (or dwellings) designed for more than two families, but less than twelve families, such greater amount as the Commissioner may prescribe;

"(ii) 97 per centum of $13,500 of the Commissioner's estimate of the replacement cost of the property as of the date the mortgage is accepted for insurance plus 85 per centum of such cost in excess of $13,500 but not in excess of $16,000 and 70 per centum of such cost in excess of $16,000 if the application for insurance is for construction of a proposed dwelling approved for insurance prior to the beginning of construction;

"(iii) 97 per centum of $13,500 of the Commissioner's estimate of the appraised value of the property as of the date the mortgage is accepted for insurance plus 85 per centum of such value in excess of $13,500 but not in excess of $16,000 and 70 per centum of such value in excess of $16,000 if the application for insurance covers (1) an existing dwelling, the construction of which was completed more than one year preceding the date of the application for insurance, or (2) a dwelling which is to be rehabilitated with the mortgage proceeds;

"(iv) 90 per centum of $13,500 of the Commissioner's estimate of the appraised value of the property as of the date the mortgage is accepted for insurance plus 85 per centum of such value in excess of $13,500 but not in excess of $16,000 and 70 per centum of such value in excess of $16,000 if the application for insurance covers (1) a dwelling under construction at the time the application is filed, or (2) an existing dwelling, the construction of which was completed within one year prior to the date of the application for insurance;

"(v) 85 per centum of any mortgage amount computed under the foregoing provisions of this subparagraph (A) if the mortgagor is not the occupant of the property: *Provided*, That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness;

"(B)(i) not exceed $12,500,000, or, if executed by a mortgagor coming within the provisions of paragraph (2)(B) of this subsection (d), not exceed $50 million;

"(ii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) the Commissioner's estimate of the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, but shall not include any allowance for builder's or sponsor's general overhead and profit);

"(iii) not exceed 90 percent of the Commissioner's estimate of the value of the property or project when the proposed improvements are completed if the proceeds of the mortgage are to be used for the repair or rehabilitation of a project or property; and

"(iv) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), $2,250 per room (or $8,100 per family unit if the number of rooms in such property or project is less than four per family unit). The Commissioner may, in his discretion, increase the dollar amount limitation of $2,250 per room to not to exceed $2,700 per room and the dollar amount limitation of $8,100 per family unit to not to exceed $8,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures and may, in his discretion, increase any of the foregoing dollar amount limitations by not to exceed $1,000 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require.

"(v) include such nondwelling facilities as the Commissioner deems adequate to serve the needs of the occupants of the property and of other housing in the neighborhood."

SEC. 112. Section 221 of such Act is amended by—

(1) inserting in the first proviso of the second sentence of subsection (a) the word "reasonable" immediately preceding the word "preference";

(2) striking out "$10,000" in paragraph (2) of subsection (d) and inserting in lieu thereof "$12,000";

(3) striking out paragraph (3) of subsection (d) and inserting the following new paragraph (3):

"(3) if executed by a mortgagor which is a private nonprofit corporation, association, or organization acceptable to the Commissioner, not exceed—

"(i) $12,500,000; and

"(ii) $9,000 per family unit for such part of such property or project as may be attributable to dwelling use except that the Commission may increase this amount to not to exceed $10,000 in any geographical area where he finds that cost levels so require; and

"(iii) the Commissioner's estimate of the replacement cost of the property or project when the proposed improvements are completed in the case of a property or project approved for mortgage insurance prior to the beginning of construction (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approval by the Commissioner); or

"(iv) the Commissioner's estimate of the value of the property or project when the proposed improvements are completed if the proceeds of the mortgage are to be used for the repair or rehabilitation of a property or project;";

(4) inserting the following new paragraph (4) in subsection (d) and renumbering paragraph (4) to be paragraph (5):

"(4) if executed by a mortgagor which is not a nonprofit organization, not exceed—

"(i) $12,500,000; and

"(ii) $9,000 per family unit for such part of such property or project as may be attributable to dwelling use except that the Commissioner may increase this amount to not to exceed $10,000 in any geographical area where he finds that cost levels so require; and

"(iii) the Commissioner's estimate of the replacement cost of the property or project when the proposed improvements are completed in the case of a property or project approved for mortgage insurance prior to the beginning of construction (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, but shall not include any allowance for builder's or sponsor's general overhead or profit); or

"(iv) 90 per centum of the Commissioner's estimate of the value (as of the date the mortgage is accepted for insurance) of the property or project when the proposed improvements are completed if the proceeds of the mortgage are to be used for the repair or rehabilitation of a property or project;";

(5) striking out the period at the end of subsection (d) and inserting in lieu thereof a semicolon and the following new paragraphs (6) and (7):

"(6) in the case of mortgages meeting the requirements of paragraphs (3) or (4) of this section, cover a property or project for use as rental accommodations for twelve or more families eligible for occupancy as provided in this section; and

"(7) in the case of mortgages meeting the requirements of such paragraphs (3) or (4), be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents, sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire, for not to exceed $100, such stock or interest in any such mortgagor as the Commissioner deems necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Section 221 Housing Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.";

(6) inserting the following before the period at the end of subsection (f): "and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants"; and

(7) striking out "paragraph (3)" in paragraph (2) of subsection (g) and inserting in lieu thereof "paragraph (3) or (4)".

SEC. 113. Section 227 of such Act is amended by—

(1) striking out clause (iv) in subsection (a) and everything following clause (iv) and inserting in lieu thereof the following: "(iv) under section 221 if the mortgage meets the requirements of paragraph (3) or (4) of subsection (d) thereof, or (v) under section 230;" and

(2) striking out in subsection (c) the last two sentences and inserting in lieu thereof the following: "In the case of a mortgage insured under section 220(d)(3)(B)(ii) or section 221(d)(4)(iii), the 'actual cost' computed pursuant to the provisions of this paragraph (c) shall not include the allowances for general overhead items and builder's profit set forth in clause (i) of this subsection."

SEC. 114. Title II of such Act is amended by adding the following at the end thereof:

"Voluntary termination of insurance

"SEC. 229. Notwithstanding any other provision of this Act and with respect to any mortgage heretofore or hereafter insured under this Act, the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage."

SEC. 115. Title II of such Act is amended by adding the following at the end thereof:

"Housing for the elderly

"SEC. 230. (a) The purpose of this section is to assist in relieving the shortage of housing for elderly persons and to increase the supply of rental housing for elderly persons.

"For the purposes of this section—

"(1) the term 'housing' means a project or property having eight or more new or rehabilitated living units, specially designed for the use and occupany of elderly persons;

"(2) the term 'elderly person' means any person, married or single, who is sixty years of age or more;

"(3) the terms 'mortgage', 'mortgagee', 'mortgagor', and 'maturity date' shall have the meanings set forth in section 207 of this Act.

"(b) The Commissioner is authorized to insure any mortgage (including advances on mortgages during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgages prior to the date of their execution or disbursement thereon.

"(c) To be eligible for insurance under this section, a mortgage to provide housing for elderly persons shall—

"(1) involve a principal obligation in an amount not to exceed $12,500,000, or, if executed by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or nonprofit development or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, and methods of operation, not to exceed $50 million;

"(2) not exceed, for such part of such property or project as may be attributable to dwelling use, $8,100 per living unit: *Provided*, That the Commissioner may, in his discretion, increase the dollar amount limitation of $8,100 per unit to not to exceed $8,400 per unit to compensate for the higher costs incident to the construction of elevator-type structures and may increase each of the foregoing dollar amount limitations by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require;

"(3) if executed by a mortgagor which is a private nonprofit corporation, association or organization acceptable to the Commissioner, involve a principal obligation not in excess of 90 percent of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner);

"(4) if executed by a mortgagor approved by the Commissioner which is not a nonprofit corporation, association, or organization, involve a principal obligation not in excess of 90 percent of the Commissioner's estimate of the value of the property or project when the proposed improvements are completed (the Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents, sales, charges, capital structure, rate of return, and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire, for not to exceed $100, such stock or interest in any such mortgagor as the Commissioner deems necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Housing Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance);

"(5) provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe;

"(6) bear interest (exclusive of premium charges for insurance) at not to exceed 5½ per centum per annum on the amount of the principal obligation outstanding at any time;

"(7) cover a property or project which is approved for mortgage insurance prior to the beginning of construction or rehabilitation, which is specially designed for the use and occupany of elderly persons in accordance with standards established by the Commissioner, and which may include such commercial and special facilities as the Commissioner deems adequate to serve the occupants.

"(d) The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe, and shall prescribe such procedures as in his judgment are necessary to secure to elderly persons a preference or priority of opportunity to occupy such property.

"(e) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this Act shall apply to mortgages insured under this section, and all references therein to section 207 shall refer to this section."

SEC. 116. Section 512 of such Act is amended by adding the following at the end thereof: "For the purposes of compliance with this section the Commissioner's notice of a proposed determination under this section shall be considered to have been received by the interested person or firm if the notice is properly mailed to the last known address of such person or firm."

SEC. 117. Section 802 of such Act is amended by—

(1) striking out "June 30, 1959" in subsection (a) and inserting in lieu thereof "June 30, 1960";

(2) striking out the second sentence in paragraph (3) of subsection (b) and inserting in lieu thereof the following: "The mortgage shall provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe, but not to exceed thirty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 5½ per centum per annum of the amount of the principal obligation outstanding at any time.";

(3) adding at the end of said paragraph (3) the following: "The property or project may include such nondwelling facilities as the Commissioner deems adequate to serve the occupants."; and

(4) adding at the end of subsection (c) the following: "The Commissioner is further authorized to reduce the amount of premium below one-half of 1 per centum per annum with respect to any mortgage acquired by the Secretary of Defense or his designee if the mortgage is insured pursuant to the provisions of this title as in effect prior to August 11, 1955.".

TITLE II—FEDERAL NATIONAL MORTGAGE ASSOCIATION

SEC. 201. Section 302(b) of the National Housing Act is amended by striking out everything following "(3)" and inserting in lieu thereof "except with respect to mortgages insured under section 803 or mortgages covering property located in Alaska, Guam, or Hawaii, the Association may not purchase any mortgage if the original principal obligation thereof for each family residence or dwelling unit covered by the mortgage exceeds or exceeded $20,000 in the case of a mortgage offered for purchase under section 304, or $15,000 in the case of a mortgage offered for purchase under section 305."

SEC. 202. Section 305(b) of such act is amended by striking out everything following the first sentence thereof, and inserting in lieu thereof the following: "Subject to the provisions of this section, the prices to be paid by the Association for mortgages purchased in its operations under this section shall be established from time to time by the Association. The Association shall impose charges or fees for its services under this section with the objective that all costs and expenses of its operations under this section should be within its income derived from such operations and that such operations should be fully self-supporting."

SEC. 203. (a) Sections 304(b) and 306(b) of such Act are amended by striking out "and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds".

(b) Section 310 of such Act is amended by striking out "in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds".

SEC. 204. (a) Section 306 of such Act is amended by adding at the end thereof the following subsection:

"(e) Notwithstanding any of the provisions of this Act or of any other law, the Association is authorized, under the aforesaid separate accountability, to make commitments to purchase and to purchase, service, or sell any mortgages offered to it by the Housing and Home Finance Administrator or the Housing and Home Finance Agency, or by such Agency's constituent units or agencies or the heads thereof, after such Administrator has found the acquisition thereof by the Association to be in the interest of the efficient management and liquidation of the mortgages. There shall be excluded from the total amounts set forth in subsection (c) hereof the amounts of any mortgages purchased by the Association pursuant to this subsection."

(b) In connection with the sale of any mortgages to the Federal National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act, the Housing and Home Finance Administrator is authorized, and any other official, unit, or agency selling such mortgages thereunder is directed, to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof as said Administrator determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortages: *Provided*, That no such transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been sub-

mitted to and finally acted upon by the Congress.

TITLE III—URBAN RENEWAL

SEC. 301. Section 101(b) of the Housing Act of 1949 is amended by adding at the end thereof a new sentence as follows: "The Administrator shall particularly encourage the utilization of local public agencies established by the States to operate on a statewide basis in behalf of small communities within the State, whenever that arrangement provides an effective solution to community development or redevelopment problems in such communities, and is approved by resolution or ordinance of the governing bodies of the affected communities."

SEC. 302. Section 102(a) of such act is amended by striking out in the second sentence the words "as part of the gross project cost" and inserting in lieu thereof "for such purposes."

SEC. 303. (a) Section 102(c) of such act is amended by—

(1) Inserting "feasibly, as determined by the Administrator," after "obtain";

(2) striking out "it may do so with the consent of" and inserting in lieu thereof "it shall do so under terms approved by"; and

(3) striking out "repayment of" and inserting in lieu thereof "repayment of the principal of and the interest on".

(b) Section 102(e) of such Act is amended to read as follows:

"(e) The total amount of loan contracts outstanding at any one time under this title shall not exceed the aggregate of the estimated expenditures to be made by local public agencies as part of the gross project cost of the projects assisted by such contracts. To obtain funds for advance and loan disbursements under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount which shall not, unless authorized by the President, exceed $1,000,000,000, it being the intention of this section that, to the fullest extent determined to be feasible by the Administrator, local public agencies shall obtain loan funds from sources other than the Federal Government, including such funds obtained in accordance with subsection (c). For the purpose of establishing unpaid obligations as of a given date against the authorization contained in the preceding sentence, the Administrator shall estimate the maximum amount to be required to be borrowed from the Treasury and outstanding at any one time with respect to loan commitments in effect on such date."

SEC. 304. (a) Section 103(a) of such Act is amended by striking out the second sentence and inserting in lieu thereof the following: "The aggregate of capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed the total amount obtained by adding together the amounts for each such project determined by multiplying its net project cost by the applicable percentage. Such percentage, which shall apply to each project receiving initial Federal recognition during the period specified, shall be 66⅔ per centum for the period prior to July 1, 1960; 60 per centum for the period between July 1, 1959, and June 30, 1960, inclusive; 55 per centum for the period between July 1, 1960, and June 30, 1961, inclusive; and 50 per centum for any time thereafter: *Provided*, That the percentage for any project for which no planning advance or grant is received and retained by the local public agency and which the Administrator, at the request of such agency, may approve on a three-fourths capital grant basis shall be 75 per centum, or such lesser percentage as the Administrator determines to be generally consistent with the percentage of net project costs hereunder applicable at the time to projects not so approved."

(b) Section 104 of such Act is amended to read as follows:

"SEC. 104. Every contract for capital grants under this title shall require local grants-in-aid in connection with the project involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to the difference between the aggregate net project costs involved and the sum described in the second sentence of section 103(a)."

SEC. 305. (a) The first sentence of section 103(b) of such Act is amended by (1) inserting after "$1,450,000,000" the following: ", which limit shall be increased by $250,000,000 on July 1 in each of the years 1958, 1959, and 1960 and by $200,000,000 on July 1 in each of the years 1961, 1962, and 1963", and (2) inserting in the proviso after "such limit" the following: ", and any such authorized increase therein,".

(b) The last sentence of section 103(b) of such Act is amended by inserting the following before the period at the end thereof: ": *Provided*, That any amounts so appropriated shall also be available for repaying to the Secretary of the Treasury, for application to notes of the Administrator, the principal amounts of any funds advanced to local public agencies under this title which the Administrator determines to be uncollectible because of the termination of activities for which such advances were made, together with the interest paid or accrued to the Secretary (as determined by him) attributable to notes given by the Administrator in connection with such advances, but all such repayments shall constitute a charge against the authorization to make contracts for grants contained in this section: *Provided further*, That no such determination of the Administrator shall be construed to prejudice the rights of the United States with respect to any such advance".

SEC. 306. (a) Such Act is amended by—

(1) striking out in the first sentence of section 102(d) the following: "The Administrator may make advances of funds to local public agencies for surveys of urban areas to determine whether the undertaking of urban renewal projects therein may be feasible and" and inserting in lieu thereof "Prior to July 1, 1960, the Administrator may contract to make advances of funds to local public agencies";

(2) inserting after "the Administrator" in the first sentence of the second paragraph of section 102(d) the following: ", prior to July 1, 1960,";

(3) adding the following new subsection to section 103:

"(c) The Administrator may make grants to local public agencies for the preparation or completion of community renewal programs, which may include, without being limited to, (i) the identification of slum areas or blighted, deteriorated, or deteriorating areas in the community, (ii) the measurement of the nature and degree of blight and blighting factors within such areas, (iii) determination of the financial, relocation, and other resources needed and available to renew such areas, (iv) the identification of potential project areas and, where feasible, types of urban renewal action contemplated within such areas, and (v) scheduling or programing of urban renewal activities. Such programs shall conform, in the determination of the governing body of the locality, to the general plan of the locality as a whole. The Administrator may establish reasonable requirements respecting the scope and content of such programs. No contract for a grant pursuant to this subsection shall be made unless the governing body of the locality involved has by resolution or ordinance approved the preparation or completion of the community renewal program, and the submission by the local public agency of an application for such a grant. Notwithstanding section 110(h) or the use in any other provision of this title of the term 'local public agency' or 'local public agencies' the Administrator may make grants pursuant to this subsection for the preparation or completion of a community renewal program to a single local public body authorized to perform the planning work necessary to such preparation or completion. No grant made under this subsection shall exceed a fixed percentage of the cost (as such cost is determined or estimated by the Administrator) of the preparation or completion of the community renewal program for which such grant is made. Such fixed percentage shall be the same as the percentage which would apply under section 103(a) to any capital grants for the projects involved."

(b) Section 110(d) of such act is further amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this subsection, in any community for which there exists a community renewal program meeting the requirements of the Administrator established pursuant to section 103(c) hereof, no subsequent donation or provision of a public improvement or public facility of a type falling within the purview of this subsection shall be deemed to be ineligible as a local grant-in-aid for any project in conformity with such community renewal program solely on the basis that the construction of such improvement or facility was commenced without notification to the Administrator and prior to Federal recognition of such project, if such construction was commenced not more than 5 years prior to the authorization by the Administrator of a contract for loan or capital grant for the project."

(c) Such act is further amended—

(1) by striking out the word "capital" in section 100, in the heading preceding section 103, the first time it appears in the first sentence of section 103(a), each place it appears in section 103(b), and in sections 106(a)(3), 106(b), 106(c)(6), and 106(c)(8);

(2) by striking out the words "for urban renewal projects" in section 100;

(3) by inserting in section 101(a) after the word "title" in the first place where it appears therein "or for grants pursuant to subsection (c) of section 103 hereof"; and

(4) by striking out of the third paragraph of section 110(c) the word "capital" each place it appears.

SEC. 307. (a) Section 103 of such Act is amended by adding the following new subsection:

"(d) After June 30, 1960, the Administrator may make planning grants to local public agencies for surveys and plans for urban renewal projects as defined in this title, including, but not limited to, (i) plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, (ii) plans for the enforcement of State and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements, and (iii) appraisals, title searches, and other preliminary work necessary to prepare for the acquisition of land, all in connection with the undertaking of projects. No contract for planning grant shall be made unless the governing body of the locality involved has by resolution or ordinance approved the undertaking of the surveys and plans and the submission by the local public agency of an application for such a planning grant. Notwithstanding section 110(h) or the use in any other provision of this title of the term 'local public agency' or 'local public agencies,' the Administrator may make planning grants for surveys and plans for an

urban renewal project to a single local public body which has the authority to undertake and carry out a substantial portion, as determined by the Administrator, of the surveys and plans or of the contemplated project: *Provided,* That the application for such planning grant shows, to the satisfaction of the Administrator, that the filing thereof has been approved by the public body or bodies authorized to undertake those portions of the surveys and plans or of the project which the applicant is not authorized to undertake. No planning grant made under this subsection shall exceed a fixed percentage of the cost (as such cost is determined or estimated by the Administrator) of the surveys and plans for which such grant is made. Such fixed percentage shall be the same as the percentage which would apply under section 103(a) to any capital grants for the projects involved."

(b) Such act is amended effective July 1, 1960, to—

(1) striking out from section 101(a) "advances" and inserting in lieu thereof "planning grants";

(2) striking out subsection (d) of section 102 and redesignating subsections (e), (f), and (g) as subsections (d), (e), and (f), respectively;

(3) striking out in the last paragraph of section 110(c) "advances" and "outstanding advances", and inserting in lieu thereof "planning grants"; and

(4) inserting in clause (1) of section 110(e) after the word "undertakings", the following: "(except surveys and plans financed under section 103(d)."

(c) Notwithstanding any other provision of this section or section 306, the Administrator is authorized to amend, at any time after July 1, 1960, any contract for advance entered into under section 102(d) of the Housing Act of 1949, for the purpose of providing additional advances thereunder or for any other purpose necessary to the completion of the survey and planning work covered by such contract.

SEC. 308. Section 105(b) of such act is amended by adding the following before the semicolon at the end thereof: ": *And provided further,* That, with respect to any improvements of a type which it is otherwise authorized to undertake, any Federal agency (as defined in section 3(b) of the Federal Property and Administrative Services Act of 1949, as amended, and also including the District of Columbia or any agency thereof) is hereby authorized to become obligated in accordance with this subsection (b), except that clause (ii) of this subsection shall apply to such Federal agency only to the extent that it is authorized (and funds have been made available) to make the improvements involved."

SEC. 309. Section 106(e) of such act is amended by striking out all before the proviso and inserting in lieu thereof the following: "Not more than 12½ percent of the grant funds provided for in this title shall be expended for capital grants in any one Senate:".

SEC. 310. Section 110(b) of such act is amended by inserting in clause (2) after "to indicate" the following: ", to the extent required by the Administrator for the making of loans and grants under this title,".

SEC. 311. Section 110(c) of such act is amended by inserting before the last paragraph thereof the following paragraph:

"Notwithstanding the first sentence of the preceding paragraph, the Administrator (i) may extend financial assistance, other than capital grants, under this title to local public agencies for projects in urban renewal areas (other than open land areas) which are not clearly predominantly residential in character and which will not be predominantly residential under the urban renewal plan therefor, and (ii) may make, and agree to make, loans to refund temporary loans for such projects, as provided in this paragraph. Any such refunding loan shall be made when the project involved has been completed, shall provide for repayment within 10 years, and shall be in an amount not exceeding the net project cost of such project. The aggregate amount of all such refunding loans outstanding at any one time shall not exceed $150 million. Except as otherwise provided in this paragraph, all loans hereunder shall be subject to the provisions of this title applicable to temporary and definitive loans. Section 102(c) is hereby made applicable to all loans authorized by this paragraph, and the Administrator shall require local public agencies to obtain loan funds from sources other than the Federal Government unless the Administrator determines in the particular case involved that such action is not feasible."

SEC. 312. Section 110(e) of such act is amended by striking out the first sentence and inserting in lieu thereof the following:

"'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertakings necessary to carry out the projects (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash. There may be included as part of the gross project cost, under any contract for loan or grant heretofore or hereafter executed under this title, with respect to moneys of the local public agency, which are actually expended and outstanding for undertakings (other than in the form of local grants-in-aid) necessary to carry out the project, in the absence of carrying charges on such moneys, an amount in lieu of carrying charges which might otherwise have been payable thereon for the period such moneys are expended and outstanding but not beyond the point where the project is completed, computed for each 6-month period or portion thereof, at an interest rate to be determined by the Administrator after taking into consideration for each preceding 6-month period the average interest rate borne by any obligation of local public agencies for short-term funds obtained from sources other than the Federal Government in the manner provided in section 102(c): *Provided,* That such amount may be computed on the net total of all such moneys of the local public agency remaining expended and outstanding, less other moneys received from the project undertaken in excess of project expenditures, in all projects of the local public agency under this title, and allocated, as the Administrator may determine, to each of such projects. With respect to a project for which a contract for capital grant has been executed on a three-fourths basis pursuant to the proviso in the third sentence of section 103(a), gross project cost shall include, in lieu of the amount specified in clause (1) above, the amount of the expenditures by the local public agency with respect to the following undertakings and activities necessary to carry out such project:

"(i) acquisition of land (but only to the extent of the consideration paid to the owner and not title, appraisal, negotiating, legal, or any other expenditures of the local public agency incidental to acquiring land) disposition of land, demolition and removal of buildings and improvements, and site preparation and improvements, all as provided in paragraphs (1), (2), (3), (4), and (6) of section 110(c); and

"(ii) the payment of carrying charges related to the undertakings in clause (i) (including amounts in lieu of carrying charges as determined above), exclusive of taxes and payments in lieu of taxes but not beyond the point where such a project is completed; but not the cost of any other undertakings and activities (including, but without being limited to the cost of surveys and plans, legal services of any kind, and all administrative and overhead expenses of the local public agency) with respect to such project."

SEC. 313. Section 110(g) of such act is amended by—

(1) striking out of the first sentence "is approved" and inserting in lieu thereof "for any project under this title is authorized";

(2) inserting in the second sentence after "Any" the word "such"; and

(3) striking out of the second sentence "contract is revised or superseded by such later contract" and inserting in lieu thereof "later contract is authorized".

SEC. 314. Section 110 of such act is amended by adding the following at the end thereof:

"(k) 'Federal recognition' means execution of any contract for financial assistance under this title or concurrence by the Administrator in the commencement, without such assistance, of surveys and plans."

SEC. 315. Section 701 of the Housing Act of 1954 is amended by striking out in the last sentence "$10,000,000" and inserting in lieu thereof "$20,000,000".

SEC. 316. The next to last sentence of paragraph 7 of section 5136 of the Revised Statutes, as amended, is amended by striking out "prior to the maturity of such obligations (which obligations shall have a maturity of not more than eighteen months), moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay the principal of such obligations with interest to maturity thereon, which moneys under the terms of said agreement are required to be used for the purpose of paying the principal of and the interest on such obligations at their maturity" the first place it appears and inserting in lieu thereof the following: "prior to the maturity of the principal of and the interest on such obligations, moneys in an amount which (together with any other moneys irrevocably committed to the payment of interest on such obligations) will suffice to pay when due all installments of the principal of and the interest on such obligations, which moneys under the terms of said agreement are required to be used for the purpose of paying when due all installments of the principal of and the interest on such obligations".

TITLE IV—MISCELLANEOUS

SEC. 401. Section 702 of the Housing Act of 1954 is amended by adding the following new subsection:

"(f) The Administrator is authorized to use during any fiscal year not to exceed $50,000 of the moneys in the revolving fund (established under subsection (e)) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided,* That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent."

SEC. 402. (a) Section 12(c) of the United States Housing Act of 1937 is amended by striking out the word "only" in the first sentence, and by striking out the last sentence.

(b) Section 13(e) of such act is hereby amended by striking out "(except low-rent housing projects, the disposition of which is governed elsewhere in this act)" in the first sentence.

SEC. 403. Section 606 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is amended—

(1) by inserting the following sentence after the first sentence of subsection (b): "If any such project is consolidated under a

single annual contributions contract with any low-cost project being assisted with annual contributions under the said act, the payment of any annual contribution on account of any project so assisted shall not be deemed to be a capital grant or annual contribution with respect to any project conveyed hereunder."; and

(2) by inserting the following proviso before the semicolon at the end of subparagraph (c)(3): ": *Provided*, That the provisions of this subparagraph shall not be applicable to any project which is consolidated under a single contract with one or more low-rent projects being assisted under the United States Housing Act of 1937, and all income from any such project conveyed under this section may be commingled with funds of the project or projects with which it is consolidated and applied in accordance with the requirements of the consolidated contract and the provisions of section 10(c) of the said act".

SEC. 404. The use of projects PA-36011 and PA-36012 (which were conveyed to the Housing Authority of Philadelphia, Pa., under section 406(c) of the Housing Act of 1956) for the housing of military personnel and civilians employed in defense activities without regard to their income, and the giving of a preference in respect of 700 dwelling units in such projects for such military personnel as the Secretary of Defense or his designee prescribes, for a period of 6 years after the date of the conveyance of such projects, is authorized; and such use and the giving of such preferences shall not deprive such projects of their status as "low-rent housing" as that term is used and defined in the United States Housing Act of 1937 and within the meaning of that term as used in section 606(b) of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended. The Housing and Home Finance Administrator is authorized and directed to agree to any amendments to the instruments of conveyance which may be required to give effect to the purposes of this section.

SEC. 405. Section 610(a) of the Housing Act of 1954 is amended by striking out "July 31, 1959" and inserting in lieu thereof "July 31, 1961".

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, will the Senator from Indiana yield, without losing his right to the floor?

Mr. CAPEHART. I yield.

Mr. DIRKSEN. Mr. President, I am about to suggest the absence of a quorum; but before doing so, I wish to have an understanding with the acting majority leader. I think we should have a quorum present, because the vote which will be taken on the Capehart amendment in the nature of a substitute will be one of the important votes, since it is on a substitute for the entire committee bill. It represents the viewpoint of the administration. I believe, therefore, that all Senators should be notified, so that they may be on the floor.

Mr. CAPEHART. Mr. President, this is the bill I previously introduced. It was before the committee for several weeks and was considered by the committee. I shall not take more than 5 minutes to discuss it, perhaps even less. I do not know how much time other Senators may want, including Senators on the other side of the aisle; but, so far as I am concerned, there is a possibility that we might vote on the amendment in the nature of a substitute within 20 minutes.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CLARK. I had intended to make a reasonably full speech after the Senator from Indiana had concluded his remarks; but in view of what he has just said, I should be happy, indeed, to defer my speech until tomorrow, in order that all of the amendments which the Senator from Indiana intends to offer might be acted on this afternoon. I think that would make for more orderly progress.

Mr. CAPEHART. After the vote on the pending amendment in the nature of a substitute, I shall offer an amendment to substitute the emergency measure, and I shall not speak more than 3 or 4 minutes on that amendment. Then we can have a vote.

After that, I have 10 amendments to offer, if my amendments in the nature of substitutes lose. But I am sure they will not; I am very optimistic today. Then perhaps we can make some progress today in voting.

Mr. CLARK. As the Senator from Indiana knows, I have 5 amendments of my own. I shall be very happy to give way to the Sentor so that his amendments may be acted upon before I call up my own, which could very appropriately be done tomorrow.

Mr. CAPEHART. I appreciate that.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	McNamara
Allott	Goldwater	Monroney
Anderson	Gore	Morse
Bartlett	Green	Morton
Bennett	Gruening	Moss
Bible	Hart	Mundt
Bridges	Hartke	Murray
Bush	Hayden	Muskie
Butler	Hennings	O'Mahoney
Byrd, Va.	Hickenlooper	Pastore
Byrd, W. Va.	Hill	Prouty
Cannon	Holland	Proxmire
Capehart	Hruska	Randolph
Carlson	Humphrey	Robertson
Carroll	Jackson	Russell
Case, N.J.	Javits	Saltonstall
Case, S. Dak.	Johnson, Tex.	Schoeppel
Chavez	Johnston, S.C.	Scott
Church	Jordan	Smith
Clark	Keating	Sparkman
Cooper	Kefauver	Stennis
Cotton	Kennedy	Symington
Curtis	Kerr	Talmadge
Dirksen	Kuchel	Thurmond
Dodd	Langer	Wiley
Douglas	Lausche	Williams, N.J.
Dworshak	Long	Williams, Del.
Eastland	Mansfield	Yarborough
Ellender	Martin	Young, N. Dak.
Engle	McCarthy	Young, Ohio
Ervin	McClellan	
Frear	McGee	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Indiana as a substitute for the committee amendment.

Mr. CAPEHART. Mr. President——

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CAPEHART. Yes.

Mr. ELLENDER. A while ago, during debate, I asked the question as to what were the total guarantees and loans of the Government outstanding during 1958–60. I was informed, from information furnished to me by the Senator from Virginia, that it amounted to $102 billion. But, instead of that figure, it is really $104,863 million.

Mr. CAPEHART. The amount covers what, please?

Mr. ELLENDER. Outstanding loans, guarantees, and insurance for major Federal credit programs classified by the agency as programs.

Mr. CAPEHART. That is, other than FHA?

Mr. ELLENDER. No. Ninety percent of this huge total is accounted for by the Federal Housing Administration and the Veterans' Administration. It will be noted that the figures are estimates made for 1960.

Mr. President, at this point in my remarks I ask unanimous consent that the part of the budget beginning on page 959, "Loans Outstanding and Guarantees in Force," together with that portion on page 960 dealing with the same subject, and including the table, be incorporated in the RECORD at this point in my remarks.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

LOANS OUTSTANDING AND GUARANTEES IN FORCE

The best index of the level of Federal credit programs over a period of years is provided by the total of the outstanding loans, guaranties, and insurance in force.

Outstanding loans by the end of 1960 are estimated at $22.6 billion, about $4.1 billion more than at the end of 1958. About 40 percent of the increase over the 2 years is in foreign loans by the Export-Import Bank, the International Cooperation Administration, and the Development Loan Fund. Increased housing loans, especially mortgage purchases by the Federal National Mortgage Association, account for most of the remainder. Slightly less than one-half of the loans outstanding are to foreign borrowers, including the loan of $3.4 billion to the United Kingdom, loans of $3.6 billion by the Export-Import Bank, and $3.3 billion by the International Cooperation Administration.

Guaranties and insurance in force are estimated to increase to $82.3 billion by the end of 1960. The increase of about $24 billion since the end of 1958 reflects primarily increased guaranties and insurance of mortgage loans by the Federal Housing Administration and the Veterans' Administration. These two programs account for more than 90 percent of all outstanding guaranties and insurance, and most of the remainder are obligations guaranteed by the Public Housing Administration.

The amounts shown include both the guaranteed and unguaranteed portion of outstanding loans in order to give a clearer picture of the economic impact of these programs and to tie in better with banking statistics. They do not, however, indicate the estimated contingent liability of the Federal Government, which is shown in table 6. The major program for which the contingent liability differs materially from the principal amount of the loans is the veterans loan guaranty program. By the end of 1960, the Government liability will be about $18.5 billion lower than the outstanding amount of such loans.

TABLE 4.—*Outstanding loans, guarantees and insurance for major Federal credit programs classified by agency or program*

[In millions]

Agency or program	1958 actual		1959 estimate		1960 estimate	
	Direct loans and investments	Guarantees and insurance	Direct loans and investments	Guarantees and insurance	Direct loans and investments	Guarantees and insurance
Housing and Home Finance Agency:						
Federal National Mortgage Association	$2,503		$3,246		$3,303	
Urban Renewal Administration	69	$131	70	$221	71	$326
Community Facilities Administration	386		643		859	10
Federal Housing Administration	295	23,408	309	32,625	329	37,673
Public Housing Administration	91	3,110	102	3,384	102	3,699
Veterans' Administration	852	30,727	1,072	32,500	1,244	38,670
Department of Agriculture:						
Rural Electrification Administration	2,774		2,989		3,210	
Farmers' Home Administration	858	172	939	201	904	232
Commodity Credit Corporation	1,172	428	1,973	363	1,159	192
Department of Commerce: Maritime Administration		79		255		450
Civil Aeronautics Board		1		20		37
Interstate Commerce Commission				120		262
Expansion of defense production	244	351	231	323	204	287
Small Business Administration	232	48	396	73	564	96
Department of Health, Education, and Welfare			14		54	
Treasury Department: Loan to United Kingdom	3,470		3,419		3,367	
Export-Import Bank	2,987	56	3,401	30	3,637	265
Department of State: International Cooperation Administration	2,519		2,864		3,260	
Development Loan Fund	2		125	25	322	75
Total by type of assistance	18,454	58,515	21,793	70,140	22,589	82,274
Grand total	76,969		91,933		104,863	

The probability that the Government will be called upon to take over any substantial part of the guaranteed or insured portion of outstanding loans is small, except possibly in a national financial emergency. Sizable assets are available to minimize any potential losses. Moreover, in the case of most mortgage insurance programs charging premiums, income in the past has been sufficient not only to cover expenses and current losses, but also to build up substantial reserves.

Mr. CAPEHART. Mr. President, I do not think I shall need more than 5 minutes, and perhaps less. There may be others who wish to discuss the substitute which is at the desk, which is the pending business, introduced by me as a complete, 100-percent substitute for S. 57.

The issue so far as I am concerned is clear cut and crystal clear. I have been a member of the Senate Committee on Banking and Currency for 15 years. I have been a supporter of housing bills each of those 15 years. I am in sympathy with the general housing legislation. I have voted for such legislation. Some parts of the program I have voted against.

The issue is clear today. The substitute which I have offered is the proposal of the President of the United States, of the administration, and of those in administrative positions to try to do only one thing. One desire is to maintain in the fiscal year 1960 a balanced budget, with the hope that we may even have a surplus. There is no intention on the part of myself or on the part of anyone else to hinder in any way whatsoever the different housing programs. There is absolutely no intention to do that at all.

It is my best judgment, it is the best judgment of the President, and it is the best judgment of those who are in charge of the Federal Housing Agency and of the VA housing, that the Congress of the United States could accept this substitute without interfering with the proper operation of the housing programs for the next fiscal year. There is sufficient latitude or sufficient authority to carry on for another 12 months under the substitute bill without hindering the program one iota.

I was a Member of the Senate, of course, last year, when the Congress passed no housing legislation except some additional authorizations. I think that year was the third best housing year in the history of the Nation. The starts in the month of December were on the basis of 1.4 million, probably one of the biggest years in history so far as starts were concerned.

There is a difference between the two bills moneywise or authorizationwise, or with respect to impact upon the Treasury for 1960.

I should like to say that we must keep in mind that housing legislation comes in three categories so far as money is concerned. First, there are provisions which call for grants. In those cases the Federal Treasury spends the money, and we never get it back and never intend to get it back. We call those grants. The second category is what we call loans. In those cases the Federal Government loans the money directly from the Treasury, and the people to whom the money is loaned pay it back.

The third category is by far the largest. I would say it represents 90 percent of the operations of FHA. It is the category in which the Federal Government does nothing more nor less than insure the mortgages. In that case if the man who takes the mortgage pays it in full, there is no cost to the Federal Government at all.

The Federal Government, through the Federal Housing Administration, charges one-half of 1 percent as a fee for insuring such mortgages, and that fund at the moment amounts to between $700 million and $800 million. There is a reserve of between $700 million and $800 million against future losses. We must keep in mind, of course, that losses might be more than $700 million or $800 million, and if they were, there would be a cost to the Treasury of whatever the additional losses happened to be.

Those are three categories. When we make grants, we spend money we never expect to get back. When we make loans, we expect to get the money back, and the record of repayment has been good, I must say in all fairness. The third category is the insurance of mortgages.

The substitute bill which is before the Senate for consideration would have an impact upon the Treasury for the fiscal year 1960 of only about $5 million. In other words, the substitute bill would add to the debt about $5 million in fiscal year 1960. That is the year about which we are concerned. We are, of course, concerned about future years, but if we balance the budget year by year we do not need to worry too much about future years.

The Senate committee bill, for which my bill is a substitute, as written would have an impact upon the Treasury of approximately $240 million. That figure is based upon the following information:

The impact from urban renewal advances would be $7 million.

The impact from urban renewal temporary loans would be nothing.

The impact from public housing planning and construction would be $21 million. That is true because the bill provides for 35,000 additional public housing units, plus the picking up of some we lost in the past, and the cost to the Treasury would be $21 million.

There would be no impact upon the budget in fiscal year 1960 for the college housing direct loans.

The impact for the college classroom direct loans is estimated at $5 million. Under the administration bill, there would be no impact.

The VA direct loans in the Senate committee bill are $300 million. The FHA, which made up the figures I am quoting, estimates that if the Congress approves the $300 million there will be a call upon that $300 million for only about $200 million.

Therefore, we have a total of $240 million under Senate bill 57. Under my substitute the figure would be about $5 million.

Mr. President, I neglected to state that the substitute is offered on behalf of the Senator from Utah [Mr. BENNETT], the Senator from Connecticut [Mr. BUSH], and myself. Under our substitute the figure would be $5 million.

Do we or do we not wish to balance the budget in the fiscal year 1960? Would it or would it not hinder the housing program to eliminate certain items? For example, we could eliminate 35,000 public housing units, and we would still have enough money to operate for the next 12 months. Moreover, there are 115,000 public housing units, either under construction or contract, that the people have not moved into yet. They are in process. We have enough money to operate for 12 months.

With respect to the VA program, Senate bill 57 provides $300 million. My substitute provides nothing. I believe we have already agreed in the Senate Committee on Banking and Currency—and the House has already voted it—to increase the interest rate to 5¼ percent. Everyone with whom I have talked is certain that with that interest rate, private industry will absorb every mortgage that is available. That is a debatable question. Nevertheless, that is the best judgment of most people.

So we come down to the question, Do we or do we not wish to say to ourselves, in connection with each bill which comes before us, "Can we make some reductions here, there, or somewhere else without hindering the program, and without working any hardship upon anyone in the United States?" Should we not ask ourselves that question with respect to each of the bills to come before us, and see if we cannot eliminate enough expenditures from them to make certain that we shall have a balanced budget?

That is the problem. We do not wish to hinder any program. We do not wish to discriminate against anyone. We do not wish to take advantage of anyone.

We would like to do all the things which are proposed, and more besides. However, it would not make any difference whether Senate bill 57 provided twice as much money for urban renewal; we would not be able to spend it. And if it provided 10 times as much, and if we could spend it, we still would not be able to solve all the blight problems in the United States.

We are all interested in eliminating slums. Over the years, under the program we are following, we will eliminate slums. Through the program which is under way, we will build a great deal of public housing. As I say, there are 115,000 units that people have not yet moved into. As we travel down the road, all of us desiring to do the right thing by the people of the United States by clearing away slums, buying houses for those who cannot afford them, accommodating veterans, farmers, and others, is it not better for the people themselves that we have a balanced budget? Is it not better to create a surplus, so that someday we can grant tax relief to all the people? Aside from the poor people who go into the housing, all these programs are for the benefit of people who pay taxes, and who ought to be as much interested as we are in balancing the budget and in a strong economy.

We have great demands from every direction for Federal expenditure of the taxpayers' money. There is no question that one can make a good point of the argument that we should increase our defense program, that we should have more missiles, more rockets, and so forth. I do not have the facts before me, but there is a demand from every direction for the expenditure of Federal funds. I do not know what the new farm bills are to cover, but why can we not, in connection with the very first bill to come before the Senate, say to curselves—all 98 of us—"Let us use our very best judgment in seeing if we cannot eliminate a great many expenditures without crippling or hindering any essential program, but giving us a balanced budget?"

That is my only reason for offering this substitute. That is the only reason for making the appeal which I am making. If we had a great deal of money, if our budget was in balance, and we had a great surplus and a very small national debt, so that we could grant our people a tax reduction, there would be no necessity for the remarks I have just made.

But that is not the situation. The situation is just the opposite. When are we going to take action? When is the time to adopt the formula I have just explained, and apply it to all the proposed legislation which comes before us? If the time is not now, when will it be? If under existing conditions, when our national income is the largest in the history of the Nation, when more people are employed than ever before, at the highest wages, when our gross national product is the largest it has ever been, if we cannot then live within a balanced budget, when can we hope to do so?

The Congress of the United States is 100 percent responsible for balanced budgets, appropriations, and authorizations.

One may say, "The President does not fight hard enough for balanced budgets," or "The President recommends this, or does this, or says that, but the administration is wasteful. It ought not to be asking for these appropriations."

Or one may say, "The administration does not push hard enough for these programs." Nevertheless, in the final analysis, we and we alone are responsible. The President cannot come here and vote. The administration cannot initiate legislation calling for appropriations or authorizing the expenditure of money. The administration can spend money only after we have appropriated it or directed that the money be borrowed from the Treasury.

That is the position in which we find ourselves. I wish I could support a more liberal program than the one I have proposed; but my conscience will not permit me to do so, in view of the fact that my conscience tells me that the amount of money in my substitute would not in any way interfere with any of our programs this year, and that we should have a balanced budget. At least we should work to that end.

Mr. BUSH. Mr. President, will the Senator yield in order that I may propound a parliamentary inquiry provided he does not lose the floor?

Mr. CAPEHART. I am glad to yield under those conditions.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. If the pending amendment offered by the Senator from Indiana is adopted, will it then be subject to further amendment by the Senate?

The PRESIDING OFFICER. The Parliamentarian advises the Chair that if the substitute offered by the Senator from Indiana is adopted, the bill will not thereafter be open to further amendment.

Mr. BUSH. In view of that situation, I should like to ask the Senator from Indiana if he would modify his amendment in two respects.

In the first place, with respect to the new obligational authority for the fiscal years 1963, 1964, and 1965, I should like to have him substitute, for each of those 3 years, $250 million for the figure of $200 million in the administration bill, so as to make the $250 million uniform for the 6 years.

Mr. CAPEHART. What years did the Senator refer to?

Mr. BUSH. The years 1963, 1964, and 1965.

Mr. CAPEHART. I am willing to accept that modification.

The PRESIDING OFFICER. The Chair is advised that, the yeas and nays having been ordered, the modification may not be made except by unanimous consent.

Mr. CAPEHART. Mr. President, I ask unanimous consent to accept the suggested modification. It has to do with the years 1963, 1964, and 1965. We can take a look at the situation later. The proposed modification has nothing to do with balancing the budget in 1960 and 1961—particularly 1960, which is the critical year.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

Mr. SPARKMAN. Mr. President, reserving the right to object, I should like to ask the Senator from Connecticut if under his proposed modification there would be a change in the matching formula, so that the States or local governments would have to match on a 50–50 basis.

Mr. CAPEHART. I did not understand the modification to do anything except change the amount.

Mr. SPARKMAN. In other words, it would require the local governments to match dollar for dollar?

Mr. CAPEHART. Yes. I understood the modification not to bring about a change in anything except in the amount for the 3 years.

Mr. BUSH. The stepdown in the Federal share would take place under the amendment of the senior Senator from Indiana [Mr. CAPEHART], but the purpose of my amendment is not to step down the Federal contribution in dollars. It does leave in the amendment the stepdown in the Federal share and the stepup in the State share.

Mr. SPARKMAN. Percentagewise.

Mr. BUSH. Yes.

Mr. CAPEHART. The Senator would like to do both. He would like to increase the amount in the substitute and——

Mr. BUSH. And leave the rest of it as it is in the administration's bill.

Mr. CAPEHART. Leave the percentage formula as it is.

Mr. BUSH. Leave the rest of it as it is in the bill that the Senator has offered as a substitute.

Mr. CAPEHART. The modification would be in effect for 1963, 1964, and 1965.

Mr. BUSH. Yes. I should now like to call the Senator's attention to this other suggested modification.

Mr. SPARKMAN. I do not believe the Senator's previous modification has been acted on. I merely wish to say that we ought to be certain in understanding this proposal of the Senator from Connecticut. It should be clearly understood that it would require a change in the formula whereby, instead of the Federal Government contributing two-thirds, as has been the case since the program was started, the Federal Government would now contribute 50 percent and the local government would have its contribution increased.

Mr. BUSH. But that 50 percent would only be after a step down, first, of 60 percent, the next year of 55 percent, and then a step down to 50 percent. It goes down by degrees over a period of 3 years, and State governments would be encouraged to help pay the local costs.

Mr. CAPEHART. I have no objection.

The PRESIDING OFFICER. The Senator modifies his amendment accordingly.

Mr. BUSH. I call the Senator's attention to another proposed modification. At an appropriate place in his substitute, I ask that there be included the following language:

Section 106 of the Housing Act of 1949 is further amended by adding at the end thereof the following new subsection:

"(h) Without limiting any authority otherwise provided in this title, any local grants-in-aid may be furnished by the State government as distinguished from other local public agencies, as herein defined. In making capital grants available for projects, priority shall be given projects in States where the State government has furnished or contracted to furnish local grants-in-aid to the project in an amount which equals or exceeds one-half the total required amount."

That is language proposed by the committee.

Mr. CAPEHART. I ask that I may modify my substitute accordingly.

The PRESIDING OFFICER. The Senator modifies his amendment accordingly.

Mr. CAPEHART. I hope we will be able to get a vote on the amendment tonight, or tomorrow. I know of no one on the Committee on Banking and Currency, on either side—and this is particularly true of the Senator from Alabama [Mr. SPARKMAN]—who is not conscientious and sincere in trying to have enacted a workable housing bill. I wish to congratulate all members of the committee for the hard work they have put into the bill. It is a complicated subject. It is not readily or easily understood. We are dealing with a problem which has been with us for many years. I suspect it will be with us for many years to come. We ought to pass a bill which, without hindering the program, will at least stay within the President's budget.

Mr. KEATING. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. KEATING. Would it be the Senator's intention, if the amendment in the nature of a substitute should be defeated, to offer the amendments which he submitted previously?

Mr. CAPEHART. It is my intention—of course I cannot conceive of the substitute being defeated——

Mr. KEATING. I do not mean that it should happen.

Mr. CAPEHART. I understand. I say that because I know that Senators are practical men. They understand the importance of balancing the budget and maintaining a strong economy, if it can be done without interfering with the housing program. However, if my substitute should fail, I shall offer an amendment to cover the emergency which exists with reference to FHA, so far as the balance of this year is concerned. If that fails—and again I cannot conceive of it failing—I shall offer, together with other Senators, the Senator from Utah [Mr. BENNETT], the Senator from Connecticut [Mr. BUSH], and others, the 10 amendments which are lying on each Senator's desk. Those 10 amendments, in substance, do about what the substitute bill would do. There are some exceptions, but generally speaking they do about what the substitute bill would do, except that they would do it piecemeal. We would have to cut the dog's tail off a little bit at a time with the 10 amendments.

Mr. ROBERTSON. Mr. President, the junior Senator from Virginia regrets very much that the principal sponsor of the administration bill has decided to change his approach to this problem. Speaking against the Sparkman bill last Monday, the junior Senator from Virginia said that he hoped the problem could be approached free from any political partisanship and decided strictly on its merits, and that economy would not be applied as a party test.

When the committee took for consideration the five bills on this subject, it was the Senator from Indiana [Mr. CAPEHART], who moved that the Sparkman bill be the pending business, subject to all amendments, and that was the procedure adopted. We amended the Sparkman bill with reference to the temporary bill, with reference to S. 612, with reference to the Clark bill and with reference to some other proposals.

Then the committee reported the Sparkman bill. The junior Senator from Virginia was the only member of the committee who did not vote to report the Sparkman bill. It was not because he is opposed to urban renewal, and not because he is opposed to increasing the authorization for FHA, but solely, as he stated on Monday, because he did not want in the first action of the Senate to breach the President's so-called balanced budget. First there is doubt as to whether it will be balanced, this bill or no bill.

Assuming that the President was correct in believing that he would get a 5-cent postage rate, an additional 1½-cent increase in the gasoline tax, and have perhaps a $70 million surplus, we could not have had such a surplus. According to the first figures on the Sparkman bill, the amount exceeded the budget by $346 million.

Yesterday I was sent a report from the administrator that the Sparkman bill had been amended, and that the cash impact upon fiscal 1959 would be only $230 million. When I offered to place those figures in the RECORD, the senior Senator from Indiana said the figures were not correct. So they were not offered. Since then, we have had delivered to us a study which states that they are correct. I have not had time to analyze the study.

My objection to the change in procedure is that yesterday it was proposed to give us the privilege of voting for specific amendments, and to bring the proposal within the money-type program, without attaching all the other details which are contained in S. 612. When the committee was considering this matter we were amending the Sparkman bill. I never agreed to report S. 612. No other member of our committee agreed to report S. 612.

What is the situation now? If on the basis of party loyalty the Republicans should vote for S. 612 without knowing what is contained in the bill they will have to accept it as it is because no one knows what is in it. I myself do not know. It has been changed. If they vote for S. 612 sight unseen, they will be voting to uphold a veto. That will give us a party test. I am not here to have a party test. But if there is to be a party test, I will vote on the Democratic side. I want to have separate votes on the merits of financing a desirable program. But I do not want to increase our ability to pay or to borrow money and go into a hole, and perhaps have inflation to finance even a good thing, although it is not an essential thing.

I would be wiling to go into a "hole" for military defense, if our lives depended upon it, because a price tag cannot be put upon national security. But a price tag can be put on urban renewal; a price tag can be put on slum clearance; a price tag can be put on public housing. A price tag can also be put on surveys to provide nice facilities for communities. But a price tag cannot be put on national defense.

As I have pointed out, the committee approached the matter of amending the Sparkman bill and got that bill in good shape. It was not in the shape in which I thought it should be. It still exceeded what we had voted to provide. I am the only member of the committee who felt that way. We were given to understand that all of us who wanted to vote for economy could vote on specific questions of economy without all the details which have been proposed as additions to the bill.

There was the subject of the removal of all ceilings on FHA housing. There was the question whether there should be an increase to 4.8 percent or 5.5 percent in FHA loans, or no authorization at all. There was the question of giving reasonable preference to those who wanted to go into low-rent housing. There was the question of fixing the purchase price and charges under the FNMA special assistance program.

No one knows what is contained in the substitute amendment at the desk. If the sponsors sat up all night, unless they had some experts to work with them,

they would not know by tomorrow what was in it.

But if we say that there is an urban renewal program which will cost $200 million a year, and that there is another one which will cost $300 million a year, then we will know what we are doing.

If it is said that here is a program to provide for 10,000, 15,000, or 20,000 new public housing units, or a program for 45,000 public housing units, which will cost, in 40 years, more than $800 million, we will know what we are doing.

I do not want to labor the question, but tomorrow I shall be better prepared to point out what is in the proposal. Certainly I shall have a better opportunity than any Senator who is not a member of our committee to know what is in the proposal.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CAPEHART. The Senator from Virginia said the bill had not been considered. It was introduced 4 weeks ago. It was considered, along with all the other bills, by the full committee. In fact, the table or chart from which the committee worked had an explanation of every feature of each bill. So the bill had due consideration in the committee.

Mr. ROBERTSON. The Senator from Indiana was not too accurate in quoting me. I did not say the bill was not considered. I said that on motion of the Senator from Indiana, the Sparkman bill was made the pending business of our committee. The other bills were offered as amendments when we reached them. There was never any independent consideration of S. 612 as a separate bill. The same is true of the Clark bill. The same is true of other amendments which were offered to the other provisions of the committee bill.

We thought we would have a center line. First I made a motion to exclude matters which were not germane to housing, but that motion was rejected. The motion made by the Senator from Indiana to make the Sparkman bill the pending business, and then to amend the Sparkman bill, was adopted. Now the Senator from Indiana is leaving that position to get a test vote on S. 612, to see who will support a veto.

No one will know what is in that bill. If Senators vote for it without knowing what is in it, then they will support a veto. If they do not, it will be a matter of guesswork.

Mr. CAPEHART. I do not like to have it said of me that I was not a gentleman in the committee. There was considerable argument as to what we should do and how we should proceed. Finally, I made the suggestion that, in order to get moving, we place S. 57 before us and use it as the committee bill for purposes of amendment. The committee is composed of 10 Senators from the other side of the aisle and only 5 from this side of the aisle. So the Senators on the minority side did not have the necessary votes to do other than what the committee desired.

The able Senator from Virginia was kind enough to give me his proxy all day on Monday. I voted his proxy all day Monday for economy proposals and many other changes for which he wished me to use it. I even cast his proxy vote against the bill, and made the statement that I expected to vote to permit the bill to be reported to the Senate, in order that the Senate might have it for consideration.

But I reserved the right to vote against all of it; I reserved the right to offer amendments; I reserved the right to offer substitutes, purely as a matter of accommodation to and cooperation with all Senators, in order that the Senate might proceed in an orderly way.

I have a perfect right to offer the amendment in the nature of a substitute. The able Senator from Virginia has a perfect right to vote against it. The Senator from Virginia, on Monday, when the committee was marking up the bill, made a speech in the Senate advocating, I thought, almost the same amount that is provided in the substitute amendment. Now he seems to have changed his mind. Perhaps he has not changed his mind about the money items in the bill; perhaps his objection has to do with something else in the bill.

Mr. ROBERTSON. Mr. President, I do not yield for any further speeches by the Senator from Indiana. He has again become somewhat confused about the fact that I was present during all of the session on Friday. I was present at the session on Monday until the committee had virtually completed its work on the bill. Then, because I had another committee assignment that afternoon, I left my proxy with the Senator from Indiana.

The Senate has before it a bill containing 157 pages. Every member of the committee knows that we carefully considered that bill, line by line. We argued, pro and con, all the sections in S. 57. We handled it that way. We began to handle it that way on the floor. Then, all of a sudden, when we expected amendments to bring the authorization items within the proper scope of an economy measure, we find that another bill, equally as long, is submitted for our consideration; but no one knows what is in it.

Mr. President, which is the efficient way to approach the subject? I am not going to swallow something I do not know about. If the Republican members wish to do so, let them do it; that is their privilege and their responsibility. But I insist that the only appropriate way for us to reflect our honest convictions regarding economy in respect to the housing program is to take up the Sparkman bill's provisions one by one—and that bill contains a number of provisions which I prefer to the corresponding provisions of the companion bill—and then vote those authorization provisions either up or down. Then we shall know where we stand.

On tomorrow, I probably shall have more to say. But at this time I shall conclude by pointing out that a 110-page bill has now been submitted; but at this time, only 10 minutes after it was submitted, it has already been changed by an amendment or modification. I submit that that is not the proper way to legislate on a subject such at the one we are considering.

Mr. BUSH. Mr. President——

The PRESIDING OFFICER (Mr. HART in the chair). The Senator from Connecticut is recognized.

Mr. BUSH. First, I wish to state my great distaste for a bill of this type, in connection with housing. The bill deals with various aspects of housing, including urban renewal, college housing, college classrooms, veterans' loans, FHA insurance, residential construction, and so forth. The bill includes provisions regarding five or six separate subjects, which should be dealt with separately, so that each can be judged on its merits. I think the incorporation of all these items into one large omnibus bill is a great mistake. I protested against it last summer, when the previous housing bill was before the Senate. I protested against it in the Banking and Currency Committee only a week ago. And I protest against it now. I protest against it because I do not think it is a proper way to legislate—namely, to throw all these important items into one omnibus bill.

Furthermore, there is the danger that if one of these items is dealt with in a lopsided manner or in a way particularly unacceptable to the administration, inasmuch as the President does not have the power of item veto, the result may be to imperil the enactment of the sections of the bill which are perfectly proper. That could well be the result of lumping together the proper provisions, which the President might consider as such, and those to which he will be opposed. That is another basis of my objection.

I also object to the steps taken in the committee in trying to whip out this piece of proposed legislation. Never before, since I have been a Member of the Senate—and this is my seventh year in this body—have I sat in a committee meeting in which members have been under such pressure to rush through a piece of proposed legislation which is not emergency legislation in any sense of the word. If there were a hurry to get such a bill enacted into law, Senate bill 65, introduced by the distinguished senior Senator from Indiana, could easily have been brought up and passed by now. I do not believe it would have been controversial.

But, no; we had to go through this very large omnibus bill. The hearings were restricted; and in the committee Senators were kept with their noses to the grindstone for hour after hour, until finally we got out a bill.

Then it was hoped that it would actually be brought before the Senate and would be acted upon by the Senate even before the report on the bill was available to the Senate. Republican Senators were meeting on yesterday to consider this proposed legislation, and at that time we did not have either a copy of the bill or a report on it; but we were told that this measure would be the pending measure that day.

I protest that there is no necessity to put Senators under pressure of that type. The Senate is supposed to be a deliberative body. Mr. President, the Senate should be a deliberative body. But it

cannot be a deliberative body if Senators are asked to rush through proposed legislation without having a chance to have their staffs analyze the bill and without having a chance to analyze it themselves. That is my protest.

Mr. President, I am interested in a bill for which I can vote. I think many aspects of this bill are important to the Nation. There is something valid in each of the titles of the bill, in my opinion. But I wish to have the Senate deal with a bill for which I can vote, and I wish to have the Senate consider a bill the President can sign.

This afternoon we have heard considerable debate about the budget. We have heard statements regarding the necessity of paying heed to the fiscal condition of the Nation at this very crucial time in our history.

I see no necessity, Mr. President, for us to go beyond the recommendations of an administration which has been friendly to the whole business of government in housing, and has been especially friendly to the urban renewal program, which constitutes the largest item in this bill, and to proceed to pad the bill to such an extent, which I believe exceeds the necessities of the occasion and exceeds the proprieties of the occasion, insofar as our fiscal position is concerned.

Mr. President, much has been made of the fact that the impact on the budget the very next year may not be very great. I believe that can be fairly argued, although if the Sparkman bill is passed, the budget will be violated by in excess of $200 million. Nevertheless, Mr. President, we are in the process of acting on a bill of an authorization nature, regarding expenditures which are likely to be made 6 years from now. But how do we know what expenditures will be needed at that time? I am not at all impressed by the suggestion that we go beyond the recommendations of the administration bill, to the point or the extent the Sparkman bill does—in other words, to make an increase of approximately $100 million each year for the 6 years, and also to make it possible for the total amount to be compressed into 4 years, so that under the Sparkman bill we conceivably could obligate in the next 4 years, up to $500 million each year, not $350 million. That is one of the features of the Sparkman bill which I do not believe is understood by Senators. So I hope that Senators who now are absent will have an opportunity to read these observations in the RECORD, and to realize that that is one of the features of the bill which I believe will be found most objectionable to the administration.

Finally, Mr. President, regarding the matter of the budget, I wish to state again that this is not a propaganda budget, as the majority leader has called it. Instead, it is a realistic budget. It is a realistic budget based upon the knowledge by this administration of our position in world affairs today—and that is a very dangerous position. It is a budget which is based on the desire of the administration to keep the value of our currency high, to keep it sound. It is a sound-dollar budget; and if ever a sound-dollar budget was needed in the history of the Nation, it is needed now. If ever we have been subjected in a so-called peacetime year to pressures which militate against the possibilities of a sound dollar, certainly those pressures have been brought to bear now; and unquestionably we shall continue to be subjected to them for the next 2 or 3 years.

So, Mr. President, I believe that those who take that budgetary position regarding the bill are correct; and for that reason, the Senate should stand with the administration.

Mr. President, I desire to call attention to the minority views of the distinguished senior Senator from Utah [Mr. BENNETT], which appear with the report on the bill, beginning on page 85. How the Senator from Utah had a chance to prepare those minority views, I do not know. I have not had a chance to prepare any minority views; and I was amazed to learn that he had found time to prepare so very excellent a presentation of minority views in regard to the Sparkman bill. I call attention particularly to page 88, where we find that the Senator from Utah comments on other objectionable provisions of the bill. He speaks of FNMA special assistance, and says—

The bill—

That is to say, the Sparkman bill—

reinstitutes for 2 years the par purchase requirement for FNMA special assistance. This is a mistake. The program is presently operating satisfactorily and the par purchase requirement would unnecessarily substitute Government financing for private financing.

I certainly endorse what the Senator from Utah has said about that, Mr. President.

I call the attention of Senators to page 155 of the hearings, where we have a report of the Federal National Mortgage Association—mortgage portfolio, commitments outstanding, net income last 6 calendar years. This information was given to the committee at the hearings, and I ask unanimous consent to have the table printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal National Mortgage Association—Mortgage portfolio, commitments outstanding, net income last 6 calendar years

SECONDARY MARKET OPERATIONS [1]

[Dollars figures in millions]

Year	Year-end mortgage portfolio at cost	Year-end commitments outstanding	Year-end portfolio and outstanding commitments	Net income during year
1953				
1954				
1955	$83.0	$26.5	$109.5	$0.3
1956	628.2	283.4	911.6	2.8
1957	1,562.2	180.1	1,742.3	6.4
1958	1,322.6	79.9	1,402.5	11.0

[1] Of the $20,500,000 net income during the period, $6,600,000 was paid in dividends ($5,200,000 to U.S. Treasury and $1,400,000 to holders of common stock) and the balance of $13,900,000 represents the Dec. 31, 1958, undistributed earned surplus.

Federal National Mortgage Association—Mortgage portfolio, commitments outstanding, net income last 6 calendar years—Continued

TOTAL FEDERAL GOVERNMENT PROGRAM [2]

Year	Year-end mortgage portfolio at cost	Year-end commitments outstanding	Year-end portfolio and outstanding commitments	Net income during year
1953	$2,461.6	$637.9	$3,099.5	$30.5
1954	2,461.7	475.7	2,937.4	30.8
1955	2,555.4	49.9	2,605.3	34.5
1956	2,423.2	76.9	2,500.1	36.0
1957	2,361.4	597.1	2,958.5	35.0
1958	2,556.2	1,497.7	4,053.9	26.4
A. Management and liquidating functions: [3]				
1953	2,461.6	637.9	3,099.5	30.5
1954	2,461.7	475.7	2,937.4	30.8
1955	2,555.4	42.8	2,598.2	34.4
1956	2,417.7	8.1	2,425.8	35.3
1957	2,289.9		2,289.9	31.0
1958	2,138.7		2,138.7	13.6
B. Special assistance functions: [4]				
1953				
1954				
1955		7.1	7.1	.1
1956	5.5	68.8	74.3	.7
1957	71.5	597.1	668.6	4.0
1958	417.5	1,497.7	1,915.2	12.8

[2] Of the $193,200,000 net income during the period, $114,600,000 was incorporated into a reserve for losses and contingencies. All the benefits and burdens incident to the administration of the management and liquidating and special assistance functions inure solely to the Secretary of the Treasury.

[3] Of the $175,600,000 net income during the period, $107,400,000 was incorporated into a reserve for losses and contingencies.

[4] Of the $17,600,000 net income during the period, $7,200,000 was incorporated into a reserve for losses and contingencies.

Mr. BUSH. Mr. President, the figures show that in the secondary market operations portfolios we had, at the end of the year 1958, $1,400 million worth of mortgages and outstanding commitments; and, in the total Federal Government programs other than the secondary market operations, a total of $4,053 million; or a total of $5,400 million, approximately.

It is said from time to time that the National Federal Mortgage Association operation is a profitable operation for the Federal Government. I have noted that in the last year, 1958, the net income from the secondary market operations is estimated at $11 million, and from other Government programs operation the net income is estimated at $26 million, or a total of some $37 million.

Unless my arithmetic is worse than it usually is, and that is possible—it is not very good at best—I believe those figures amount to about a return of two-thirds of 1 percent in connection with the portfolio totals I have mentioned of $5,400 million. I do not consider that a return of two-thirds of 1 percent is a very good investment for anybody.

Another point to remember is that the $5,400 million mortgages in portfolios were put there with the taxpayers' money, or else the money was borrowed at the taxpayers' credit to put the money into portfolios. So this money represents a subsidy quite similar to the farm subsidy, as a result of which we now have some $8 billion worth of surplus products in storage. Instead of farm products, in this case we have mortgages.

These mortgages are probably good, for the most part, but I quite agree with the Senator from Utah [Mr. BENNETT] when he states that we should not increase the mortgage portfolios or take any action in this proposed legislation which would require the administration to increase the portfolios. On the contrary, in the stringent financial conditions under which we are living, we should be taking steps to reduce this particular portfolio of mortgages.

Mr. President, I beg support for the substitute bill which has been proposed by the Senator from Indiana. It is a good program. It provides for a very generous urban renewal program, which is a very vital necessity.

I may say that in our State of Connecticut we have gone ahead with the urban renewal program, and that is true of other States of the Union. We recognize the very great importance of the program to our State. We also recognize that we have a stake in the solvency of the United States and in the integrity of the Federal budget.

I beg support of the administration bill because I think it gives generous recognition to the urban renewal program, which really was given life and impulse by this administration following the Housing Act of 1954. It is one of the items in the history of this administration which I think anybody can be proud of.

I think that concludes my observations for the present.

Mr. SPARKMAN. Mr. President, earlier today I had an exchange with the Senator from Florida [Mr. HOLLAND] and also the Senator from Ohio [Mr. LAUSCHE], with reference to the nonbudgeted items in the housing program. We are prepared now to give that figure. I have discussed the matter privately with the Senator from Florida. He asked me to put it into the RECORD. I told him I would make a statement.

Insofar as the pending bill is concerned, there is not one dollar authorized in it that is not budgeted. It is all covered in the budget. There is no break of the appropriations setup at all. The only operation in the whole housing field outside of the budget is the secondary market operations of the Federal National Mortgage Association.

By the way, just to refresh our recollections, the secondary market operations of the Federal National Mortgage Association are of a private corporation nature. In other words, persons who sell mortgages or do business with the Federal National Mortgage Association are required to buy stock—in the past it has been 3 percent; at the present time I believe it is 2 percent—of FNMA, with the idea that eventually the agency will be privately owned.

The Federal National Mortgage Association in its secondary market operations has made a profit continuously since its revised setup in the act of 1954. I have not checked this, but I believe I am correct when I state it has paid a dividend each quarter beginning in 1956. So it is a private market operation, and it is the only operation in the whole housing field, or that has anything to do with the housing field, outside of the budget.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. What the Senator is saying is that everything is within the budget. However, there are some items which have to do with unbalancing the budget.

Mr. SPARKMAN. Yes.

Mr. CAPEHART. I want to make that clear in the RECORD.

Mr. SPARKMAN. I am not discussing that.

Mr. CAPEHART. I agree with the Senator.

Mr. SPARKMAN. The Senator from Florida [Mr. HOLLAND] and the Senator from Ohio [Mr. LAUSCHE] wanted a statement with reference to the nonbudget operation. The answer is that there is nothing in the bill affecting the budget. There is nothing in the bill and there is nothing in the substitute offered by the Senator from Indiana affecting the secondary operations of the Federal National Mortgage Association.

Mr. CAPEHART. The Senators brought the subject up, and the explanation is needed for the RECORD.

Mr. SPARKMAN. I wish to make one correction. I said there was nothing having to do with the secondary operations, and I will modify that to the extent of saying that we raised the ceiling or the maximum mortgage which could be purchased from $15,000 to $20,000. However, there is nothing affecting capitalization or the money operation.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HOLLAND. I appreciate the Senator's advising the Senate as he has. I, too, have checked on the matter since our colloquy earlier in the afternoon. I find that the item which the Senator mentions and which is not in the budget represents expenditures by FNMA in fiscal year 1959 of $359 million, so they say, and estimated expenditures in fiscal year 1960 of $485 million. In neither case would that be included within the terms of the announced budget.

Mr. SPARKMAN. That is correct.

Mr. CAPEHART. There is nothing in the pending bill to increase it.

Mr. SPARKMAN. It does not affect the budget, and it is a private operation.

Mr. HOLLAND. As I understand the situation, the Senator from Alabama advised us there was nothing in the bill which would increase the amount.

Mr. SPARKMAN. That is correct.

Mr. HOLLAND. Unless it might be increased by the greater trading.

Mr. SPARKMAN. That is the action of FNMA. Nothing in the bill requires greater trading.

Mr. HOLLAND. But the bill does increase the number of mortgages with which they are permitted to deal?

Mr. SPARKMAN. The bill would increase the maximum which may be paid for any single mortgage. Formerly, it was $15,000, and at the request of FNMA it has been raised to $20,000.

Mr. HOLLAND. Any increase in the estimated $485 million, which they report for this item, would have to come from the source which the Senator just indicated, would it not?

Mr. SPARKMAN. That is correct.

Mr. HOLLAND. I thank the Senator.

Mr. CAPEHART obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MANSFIELD. Have the yeas and nays been ordered on the substitute?

Mr. CAPEHART. The yeas and nays have been ordered.

Mr. President, before I renew my suggestion of the absence of a quorum, I wish to state that with the exception of the minority leader [Mr. DIRKSEN], who I think will take only a short time, we on this side are ready to vote. I am hopeful we can possibly get a vote today.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, first of all, it is my understanding that the yeas and nays have been ordered on the pending substitute.

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. It is also my understanding that the pending amendment is a substitute for the so-called Sparkman bill.

The PRESIDING OFFICER. The question is on agreeing to the substitute offered by the Senator from Indiana [Mr. CAPEHART], for himself and other Senators, for the committee amendment.

Mr. DIRKSEN. I shall be very brief, and thereafter I believe we can proceed to a vote.

I believe that the issue is pretty clear, but I thought one or two things should be made abundantly clear. I listened with interest to the junior Senator from Virginia [Mr. ROBERTSON] who said that it was his understanding that we would perfect the Sparkman bill, and that no substitute would be offered. I know of no such understanding. I know of no one who could contrive such an understanding. I know of no one in this Chamber who would be authorized to enter into that kind of understanding, because any Member could rise in his place and, as a substitute, offer the administration bill. That is precisely what is before us at the present time.

I thought an effort was made to make it appear that this amendment was in the nature of a political tactic. I can certainly assure my distinguished friend from Virginia that nothing could be further from the thoughts of the minority leader; and I have heard no such sentiment expressed by the minority members of the Committee on Banking and Currency—neither by the distinguished Senator from Connecticut [Mr. BUSH], the distinguished Senator from Indiana [Mr. CAPEHART], or the distinguished

Senator from Utah [Mr. BENNETT], or any other member.

This substitute was agreed upon among ourselves in order that we might have a vote upon an integrated housing bill which represents the administration's viewpoint. There is nothing political or partisan in that approach, and I think it is a very proper approach and a very proper thing for the minority to do, namely, to assert, for its own administration, the viewpoint which it takes upon the entire housing problem, which is now pending before us.

The point was made also that there was a very lengthy substitute bill before us, with which no one was familiar. In the first place, there are no 150 pages in the Sparkman bill. There are no 150 pages in the Capehart-Bennett-Bush bill, the administration bill. I believe that if anyone will take the trouble to examine it, he will find that it contains only 42 pages, which is a long way from 150 pages. It seems to me that if a person does his homework well, he will have no difficulty in getting through a 43-page bill. I have done so, and I am not a member of the committee. In addition, I have had occasion to examine a good many tables and prepared statistics showing the differences between the two proposals.

So when it is indicated that we have no familiarity with what is in the substitute, I am afraid that is considerably wide of the mark. We have had two conferences in which most of the time was devoted to the question of housing. There came before us those who were familiar with the operational end of the business. So we have some familiarity with what is in the substitute.

With respect to the administration bill, let me say that years ago we established a Housing and Home Finance Agency. As of the present time, there are in that Agency, roughly, 10,980 employees. That is almost equivalent to a division in the U.S. Army. There are 10,980 employees scattered at the department level in Washington, and scattered through 100 field offices from one end of the country to the other, and perhaps beyond. That constitutes a rather formidable force for gathering background knowledge and developing experience on every facet and every aspect of the housing field.

Those who man the directors' offices in the various States, whether they be in the voluntary mortgage organization, whether they be in the Federal housing activity or the Public Housing Authority, whether they deal with community facilities or other subjects, attend conferences—they are familiar with the mortgage market. They are familiar with credit facilities. They keep in contact with the builders. They know what the home building requirements and demands may be in a given area.

So we have a far-flung organization, with a strength of nearly 11,000, whose combined knowledge, experience, background, and skill are available when the time comes to develop a package bill to deal with various aspects of the entire housing picture.

That is precisely what has happened. One may call this proposal the President's bill if he likes; he may call it the bill of the Housing Administration; he may call it the bill of the Budget Bureau; he may call it the Capehart bill, the Bennett bill, or the Bush bill. But the fact is that it reflects a refined and distilled experience of literally thousands of people who are familiar with every aspect of the housing program.

But the substitute does something more. It is thoroughly objective. It represents a national viewpoint. The President of the United States can do nothing but send to the Congress legislation which approaches a problem from the national viewpoint, and not from the standpoint of a particular provincial or sectional interest.

I examined the list of witnesses who appeared before the committee. A college president appeared. What would be his primary interests? It would be in college housing. Certainly there is nothing sinful or wrong about that. He comes to express his interest. But that represents only a segment of the larger interest.

A spokesman for the homebuilders came before the committee. What interest did he assert? He asserted a definite and limited interest with respect to the homebuilders.

Mayors of metropolitan centers came and sat through the hearings. They included the distinguished mayor of Philadelphia. What was their primary interest? Their primary interest was the so-called urban renewal. Even the mayor of Chicago was present for that purpose.

I find no fault in that testimony. Some people say that it represents a very limited interest, as distinguished from that of the administration, which tries to see the whole picture in the large, to coordinate it, and then, within the limits and the framework of our resources and the available funds, to set up a coordinated, well integrated housing bill which covers every facet of the problem, and has a proper regard for the budget as a whole, in order that the budget in the fiscal year 1960 may be balanced. There is also involved a psychological factor.

I believe I should address these remarks particularly to my colleagues on my own side of the aisle. I refer to a psychological factor. When a hole is punched in the dike the first time major legislation is before us, how many other holes will be punched? When the bellwether comes out of the barn, the sheep all follows. Anyone who ever lived in the country knows that. So if we punch a hole in the budget line, or if we let the waters erode the top of the dike, headlines will appear to the effect that, "The President's Budget Has Been Punctured."

Another feature is involved, too. I am in favor of holding the line the best I know how, because I believe the question of the budget is of vital importance to our country and of vital importance to the dollar values and vital to the people who live on circumscribed and limited and fixed and inflexible incomes, who are the millions who get hurt unless we exercise a cautious responsibility and make sure that we leave nothing undone to prevent the erosion of the dollar.

I was interested in examining the speech of the Chairman of the Federal Reserve Board after his return from Europe. He expressed alarm that confidence is a dubious thing in other countries right now, because they have said that when they find a $13 billion deficit in the greatest country on the face of the earth and it maintains that kind of deficit in an expanding economy, it can mean only one thing, and that is that there is no will and no determination to protect our fiscal integrity.

That is a rather unhappy situation, as we think of the necessity for confidence in the American dollar on the part of the people abroad, and confidence in the same dollar on the part of the people at home.

The substitute, therefore, offers an entire housing package. It covers the whole field. It is within our national resources, based upon estimated receipts. It is well coordinated. It gives balanced consideration to every item of value. It gives balanced consideration to the direct loan feature, urban renewal, mortgage money, and interest rates. Those things are not merely put together hit and miss. With a great organization of nearly 11,000 people, the best thinking has gone into it. We can be proud of the package that has been offered by the administration.

Mr. COTTON. Mr. President, may we have order, so that we can hear the Senator from Illinois?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DIRKSEN. There is no particular point in my laboring the matter any longer. The members of the Committee on Banking and Currency have done an excellent job in this field. The individual amendments will be ready to be directed to particular items in the bill.

However, I could not let pass without rebuttal the observation that was made, first, that there was an understanding that the substitute was not to be offered, because we know of no such understanding; secondly, that someone seeks to read partisan or political significance into the offering of the substitute. Nothing could be more remote from the fact.

Mr. President, I commend the substitute to all Members of the Senate, first, because it is balanced, sound, reasonable, and within the frame of our resources; and also because it is within the budget estimates. Those are indeed important to the well-being of this country, both now and in the future.

With those brief remarks, I am ready to proceed to vote on the substitute. Perhaps we could have a quorum call, if my distinguished friend from Montana would agree that I should suggest the absence of a quorum.

Mr. MANSFIELD. Certainly.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

Mr. HOLLAND. Mr. President, I should like to address a brief question to the Senator from Illinois, the minority leader, if I may.

Mr. DIRKSEN. Certainly.

Mr. HOLLAND. Or to the Senator from Indiana.

Mr. CAPEHART. Yes.

Mr. HOLLAND. Am I correctly advised that——

Mr. KUCHEL. Mr. President, may we have order? We cannot hear what is going on.

Mr. HOLLAND. Am I correctly advised that the substitute bill upon which we are about to vote contains a provision reducing the required Federal contribution for urban renewal payments from the present level of two-thirds?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the Senate is now in a situation where no debate is in order.

Mr. HOLLAND. I am merely asking a question of the Senator from Indiana.

The PRESIDING OFFICER. The Senate is now proceeding with a call of the roll.

Mr. DIRKSEN. I had asked that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CAPEHART. The answer to the question of the Senator from Florida is that it does reduce the contribution to 50 percent at the end of 3 years.

Mr. HOLLAND. It is now two-thirds.

Mr. CAPEHART. Yes. In the first year it would be 60 percent; then 55 percent, and then 50 percent.

Mr. HOLLAND. I thank the Senator from Indiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART] in the nature of a substitute, as modified. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD: I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Oregon [Mr. NEUBERGER], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL] is absent because of illness.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The result was announced—yeas 32, nays 58, not voting 8, as follows:

YEAS—32

Allott	Curtis	McClellan
Bennett	Dirksen	Morton
Bridges	Dworshak	Mundt
Bush	Ervin	Prouty
Butler	Goldwater	Saltonstall
Byrd, Va.	Hickenlooper	Schoeppel
Capehart	Holland	Stennis
Carlson	Hruska	Thurmond
Case, S. Dak.	Kuchel	Williams, Del.
Cooper	Lausche	Young, N. Dak.
Cotton	Martin	

NAYS—58

Aiken	Hart	McNamara
Anderson	Hartke	Monroney
Bartlett	Hayden	Morse
Bible	Hennings	Moss
Byrd, W. Va.	Hill	Muskie
Cannon	Humphrey	O'Mahoney
Carroll	Jackson	Proxmire
Case, N.J.	Javits	Randolph
Church	Johnson, Tex.	Robertson
Clark	Johnston, S.C.	Russell
Dodd	Jordan	Scott
Douglas	Keating	Smith
Eastland	Kefauver	Sparkman
Ellender	Kennedy	Symington
Engle	Kerr	Talmadge
Frear	Langer	Williams, N.J.
Fulbright	Long	Yarborough
Gore	Mansfield	Young, Ohio
Green	McCarthy	
Gruening	McGee	

NOT VOTING—8

Beall	Murray	Smathers
Chavez	Neuberger	Wiley
Magnuson	Pastore	

So Mr. CAPEHART's amendment in the nature of a substitute was rejected.

Mr. CAPEHART. Mr. President, I call up my amendment designated "2–3–59–I" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. It is proposed to strike out section 405 relating to additional low-rent housing units.

Mr. CAPEHART. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CAPEHART. The amendment would strike out all the so-called public housing units for fiscal year 1960. We would save the Treasury $21 million in 1960. The reason for that is very, very simple. They say they have sufficient funds with which to operate for the next 12 months, to build all the housing units which might be processed. And, in addition, there are 115,000 public housing units which at the moment are being constructed or are under contract. Of course, people have not yet moved into them. Think of that, Mr. President; 115,000 not yet available, but contracted for or about finished.

So here is an opportunity for us to save $21 million toward balancing the budget in 1960. This amendment, if adopted, will not interfere at all with the program. Senators can vote for this amendment with a clear conscience and with assurance that it will not hold back public housing, but that it will save $21 million in 1960.

As I have stated, 115,000 units are in process at the moment.

Mr. CLARK. Mr. President, I think each Member of the Senate should know that if he votes for this amendment, he will vote to kill urban renewal and urban redevelopment by slow strangulation.

The urban renewal law requires that before a slum can be cleared, provision must be made to relocate in safe and sanitary housing the families who have been living in the slum. The income level of a majority of the slum dwellers is so low that it is impossible for them to acquire safe and sanitary housing through private sources. Therefore, it is incumbent upon us to provide for the great need for such housing, not only by urban renewal, but through other governmental action.

Senators who vote in favor of the Capehart amendment will vote to render homeless the people who will have to move out of the slums and out of the highway rights-of-way in the next 3 or 4 years.

I sincerely hope the amendment will be rejected. Certainly it should be rejected.

Mr. JAVITS. Mr. President, will the Senator from Pennsylvania yield to me?

The PRESIDING OFFICER (Mr. FREAR in the chair). Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. CLARK. I am happy to yield.

Mr. JAVITS. Mr. President, I think it should be pointed out that the bill deals with a subject which I believe to be extremely helpful from the point of view of the development of communities on urban-renewal sites. I shall not trouble the Senate at this time with the details; but the bill encourages, for the first time, the establishment of public-housing projects upon the urban-renewal sites themselves.

In view of the fact that most urban-renewal developments will include some commercial establishments and, in many cases, cooperative apartments or apartments otherwise held at higher prices than those charged for public housing, I think the new provision of the bill gives us some assurance of balanced communities; and also I believe it buttresses the point of public housing as part of the essential development of urban renewal and the utilization of important metropolitan facilities continuously, rather than to abandon them because people no longer live there.

So, in view of the very modest amount of public housing which now is provided for—and which those of us who, like myself, who have fought this battle for 16 years now, recognize to be very modest and very limited, because it is for the relocation of families for which such housing is most urgently needed—I hope this modicum will not be cast out of the bill. I believe it is essential to a modest housing program and housing act. So I hope very much that this provision will be retained in the bill.

Mr. BUSH. Mr. President——

Mr. CLARK. Mr. President, I am happy to yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, I thank the Senator from Pennsylvania. I did not realize that he still had the floor.

I ask unanimous consent to have printed in the RECORD a statement from the Public Housing Administration concerning public low-rent housing units

both as of January 1, 1959, and as of June 30, 1960, as estimated. These are simply the figures the PHA has submitted.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LOW-RENT PUBLIC HOUSING UNITS

(A) As of January 1, 1959, we have units:	
(1) Under management	444,173
(2) Under construction	30,007
(3) Under contract, but not yet started	81,769
(4) Authorized, but not yet under contract	30,589
Total	586,538
(B) As of June 30, 1960, we expect to have:	
(1) Completed	475,000
(2) Under construction or under Federal-aid contract	110,000
Approximate total	585,000

Mr. CLARK. Mr. President, I believe it is important to note that the total inventory of public housing today is less than 1 percent of the total habitable housing units in the Nation. The testimony given before our committee indicates that in order to meet the need for public housing in the next 2 years, an additional 250,000 units will be required.

Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, before the Senate votes on the pending proposal, I hope the record will be quite clear as to what the Senate will be doing and as to the authorization amounts involved.

As I understand—and if I am in error, I ask any member of the committee to correct me—there is involved in the pending Sparkman bill a carryover of authority on housing units, plus new authorization, which over a 2-year period will make available 25,500 units annually. That will be a total of 51,000 public housing units over the 2-year period.

If I am correctly informed, these units cost $13,600 apiece, according to the Housing Authority. Without going into the details of the arithmetic, let me say that I have an idea that we are dealing with a commitment, over a 40-year period, of $900 million. Either I am right or I am wrong. If I am wrong, let some Senator stand up and tell me I am wrong, and I will back off. If I am right, the record will bear me out.

Mr. President, I was at the other end of the Capitol when the program started, long ago. This was a part of the program for one-third of the ill-housed. The limits of income are now so high that pretty nearly everybody can get into one of the housing units.

It is all right to talk about urban renewal and slum clearance, but a peak number of houses are being built in all sections of the country, and are available to all the people. If the Senate wants to commit the Government for this amount of money, all right; but let us be sure we know we are making that commitment.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Virginia.

Mr. ROBERTSON. The distinguished minority leader is right. The amount involved here is between 8 and 9 hundred million dollars. We know there is authority to build 100,000 units, which have been committed, except for about 10,000. But that will be under the provision Congress has already authorized. The provision in the pending bill will cost, as the Senator has said, something over $900 million—nearly $1 billion. For that reason the junior Senator from Virginia is going to vote to reduce the amount.

Mr. DIRKSEN. It is a commitment which will apply over 40 years and will add to the debt limit. I am not going down that road. I think public housing has gotten on the wrong track. It started out all right, but I think it has hit a couple of detours.

Before I vote to authorize any more units, I want to be pretty sure I am on solid ground. This program needs a great deal more looking at than it has received so far.

I commend the amendment offered by the distinguished Senator from Indiana [Mr. CAPEHART].

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. I believe the amendment proposes to strike out section 405 of the bill. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. I find in the copy of the bill I have, which has on it the identification "Report No. 41," there are two sections 405. I wonder which one the amendment refers to. There is one such section on page 23, and another one on page 131.

The PRESIDING OFFICER. The amendment offered by the Senator from Indiana relates to the additional low rent housing units.

Mr. CAPEHART. Public housing units.

Mr. McCLELLAN. It is the section referred to on page 123. Is that correct?

Mr. CAPEHART. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana to strike out section 405, relating to additional public housing units. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arizona [Mr. HAYDEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Rhode Island [Mr. PASTORE] would each vote "nay."

On this vote, the Senator from Oregon [Mr. NEUBERGER] is paired with the Senator from North Dakota [Mr. YOUNG].

If present and voting, the Senator from Oregon would vote "nay" and the Senator from North Dakota would vote "yea."

Mr. KUCHEL. I announce that the Senator from Wisconsin [Mr. WILEY] and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

I also announce that the Senator from Maryland [Mr. BEALL] is absent because of illness.

On this vote, the Senator from North Dakota [Mr. YOUNG] is paired with the Senator from Oregon [Mr. NEUBERGER].

If present and voting, the Senator from North Dakota would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 37, nays 50, not voting 11, as follows:

YEAS—37

Aiken	Dworshak	Moss
Bennett	Eastland	Mundt
Bridges	Ervin	Prouty
Bush	Goldwater	Robertson
Butler	Hickenlooper	Russell
Byrd, Va.	Holland	Saltonstall
Capehart	Hruska	Schoeppel
Carlson	Jordan	Stennis
Case, S. Dak.	Kuchel	Talmadge
Cooper	Lausche	Thurmond
Cotton	Martin	Williams, Del.
Curtis	McClellan	
Dirksen	Morton	

NAYS—50

Allott	Green	Mansfield
Anderson	Gruening	McCarthy
Bartlett	Hart	McGee
Bible	Hartke	McNamara
Byrd, W. Va.	Hennings	Monroney
Cannon	Hill	Morse
Carroll	Humphrey	Muskie
Case, N.J.	Jackson	Proxmire
Church	Javits	Randolph
Clark	Johnson, Tex.	Scott
Dodd	Johnston, S.C.	Smith
Douglas	Keating	Sparkman
Ellender	Kefauver	Symington
Engle	Kennedy	Williams, N.J.
Frear	Kerr	Yarborough
Fulbright	Langer	Young, Ohio
Gore	Long	

NOT VOTING—11

Beall	Murray	Smathers
Chavez	Neuberger	Wiley
Hayden	O'Mahoney	Young, N. Dak.
Magnuson	Pastore	

So Mr. CAPEHART's amendment to the committee amendment was rejected.

Mr. CAPEHART. Mr. President, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. It is proposed to strike out section 704(d), relating to VA direct loans.

Mr. CAPEHART. Mr. President, I ask for the yeas and nays.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Now that the yeas and nays have been ordered on the Senator's amendment, will the Senator indicate how long he anticipates discussing his amendment?

Mr. CAPEHART. I will discuss the amendment only for 1 minute or so.

Mr. JOHNSON of Texas. Mr. President, we will have the yeas and nays on this amendment. I assume the Senator from Alabama [Mr. SPARKMAN] will not require much time. As soon as we conclude the next vote we will have no further votes this evening.

Mr. CAPEHART. Mr. President, I am personally willing to quit, or we can vote on this; whatever the management wishes. [Laughter.]

I do not know of a better way to describe it.

Mr. JOHNSON of Texas. Now that we are in agreement, will the Senator proceed to discuss the merits of his amendment?

Mr. CAPEHART. I think what I said was a perfect way to describe the able majority leader and the able minority leader. They are really the managers.

This amendment would eliminate $300 million of direct loans to veterans, on the theory, based on the best information we can secure, that as a result of raising the interest rate to 5¼ percent on VA loans private industry will be happy and glad to buy every VA mortgage which will be made available. We can therefore save $200 million, as estimated by the FHA, which otherwise will be a drain on the Treasury in 1960.

If Senators will vote for the amendment they can save $200 million, according to the FHA, and stop a drain on the Treasury in 1960.

If the amendment is agreed to, the only difference between the so-called administration bill and the bill we are considering will be about $35 million.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CAPEHART. In my opinion—and it is the opinion of those better qualified than I—we do not need to provide this money. We do not need to make direct loans to veterans, if we increase the interest rate, as the House of Representatives has done and as the bill would do.

Furthermore, if we eliminate this item, we will then have a difference of only $35 million between the administration bill and the Sparkman bill. It seems to me if we are conscientious and sincere about wanting to balance the budget—and I know we are—this is the best way to do it.

At the moment the difference between the Senate bill which we are considering and the administration proposal is approximately $240 million, of which $200 million is represented by this one item. It seems to me to be good, common horse sense and good judgment——

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LAUSCHE. What is the present rate of interest allowed to be charged in order to qualify for a guaranteed loan?

Mr. CAPEHART. The present rate of interest on direct loans is 4¾ percent. For many years it was 4¼ percent. We increased it last year by one-half of 1 percent, and we got a couple of hundred thousand VA houses. Now it is proposed to increase it to 5¼. Private investors will pick those mortgages up, because a VA mortgage is more attractive than an FHA mortgage, because if an FHA mortgage goes into default, the FHA issues a debenture. If a veteran's loan is defaulted, the Veterans' Administration gives cash or a check. Therefore, when the interest rates are the same, investors will want VA mortgages rather than FHA mortgages.

This would be a good place to stop much of the argument. It seems to me that if this proposal were adopted the administration bill and Senate bill 57 would be only about $35 million apart.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SALTONSTALL. What evidence did the committee have that veterans' houses would be built if the interest rate were changed?

Mr. CAPEHART. I do not believe there is any argument on the question whether or not they would be built. Those who argue for this proposal maintain that it is needed for the remote rural districts. My position, and the position of those who are better qualified than I am, is that if we increase the interest rate, investors everywhere will pick up veterans' mortgages. What could be better than a veteran's mortgage guaranteed 100 percent by the United States Government, and bearing 5¼ percent interest?

The House has already retained the $300 million in a bill. So I suggest that we eliminate the $300 million and go to conference, because in that event the question would be thrown into conference. The House will have something to say on that subject, but we would be much better off, as conferees, if we could go to the House with an amount which puts the question in conference. Really, the $300 million is not needed. It would throw the budget out of balance by an estimated $200 million. It would promote a great deal of propaganda, and would encourage people over the country to say that Congress voted the budget out of balance when there was no need for it.

If I thought for a moment that this proposal would deny a single veteran a mortgage, I would not be advocating it. But I honestly believe, in my own mind, that it would not deny a single veteran a single loan.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LAUSCHE. Am I correct in my understanding that under the existing law, even if the amendment offered by the Senator from Indiana were adopted, every veteran would be eligible for the benefits of guaranteed loans made by the Federal Government, on mortgages bearing interest at the rate of 5¼ percent?

Mr. CAPEHART. The Senator is correct.

Moreover, the law provides that a veteran cannot obtain a direct loan from the Government if he can obtain a loan anywhere else. He cannot participate in any part of the $300 million if he can obtain a loan anywhere else at a comparable rate. So if we have a 5¼-percent mortgage, we know that the veteran is going to be able to obtain the loan, because private investors will be interested.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BUSH. The Senator will agree, will he not, that the 5¼-percent rate is a ceiling? It might very well be that mortgages could be obtained at a lesser rate, under this legislation.

Mr. CAPEHART. The Senator is 100 percent correct.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. MONRONEY. I was interested in what the distinguished ranking Republican member of the committee said about the 5¼ percent interest rate. I should like to announce, for the information of the Senate, that I have an amendment, sponsored by myself, the Senator from Minnesota [Mr. HUMPHREY], the senior Senator from Michigan [Mr. MCNAMARA], the junior Senator from Michigan [Mr. HART], the Senator from Tennessee [Mr. GORE], the Senator from Texas [Mr. YARBOROUGH], the senior Senator from Oklahoma [Mr. KERR], the Senator from South Carolina [Mr. JOHNSTON], the junior Senator from Washington [Mr. JACKSON], the senior Senator from Washington [Mr. MAGNUSON], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. ANDERSON], the Senator from Wyoming [Mr. MCGEE], the Senator from Louisiana [Mr. LONG], and the junior Senator from South Carolina [Mr. THURMOND], to freeze the interest rate at 4¾ percent. That was the amount approved by the Senate last year, when we were told that all that was needed to release a flood of GI private money was to increase the rate to 4¾ percent. We increased it. Now, after 10 months, we are faced with a proposal to increase it further by ½ of 1 percent. When we yield to the greed of the money lenders who go on a sit-down strike, we are in the position where we shall be invading outer space with our interest rates sooner than with our missiles.

Mr. President, I ask unanimous consent that the amendment be printed and lie on the table.

Mr. CAPEHART. The best answer to that argument—perhaps not conclusive—is that the House has already increased the interest rate to 5¼ percent. Members of the House must have some idea what they are doing. There are more of them—at least more of them to make mistakes, if they make a mistake. [Laughter.]

The thing in which we are all interested is seeing that the GI gets a home. If it is necessary to increase the interest rate in order to do it, let us do it. I am a veteran. I should like to have anyone give me one good reason why, after 11 or 12 years following the end of the Korean war, a veteran should have an

advantage in interest rates over a working man who is working for $1.50 or $2 an hour, particularly if, by doing what is proposed, we can help to keep the budget in balance. That is the important thing, in my judgment.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

The PRESIDING OFFICER. Will the Senator from Indiana yield to the Chair?

Mr. CAPEHART. Certainly.

The PRESIDING OFFICER. The Chair asks the Senator from Indiana if he yielded to the Senator from Oklahoma [Mr. MONRONEY] for the purpose of making the unanimous-consent request which he propounded.

Mr. CAPEHART. I have no objection to allowing the Senator from Oklahoma to submit his amendment and have it printed and lie on the table.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment will lie on the table and be printed.

Mr. CAPEHART. I now yield to the Senator from Arkansas [Mr. MCCLELLAN].

Mr. McCLELLAN. If the committee proposal prevails, and the Senator's amendment is rejected, I should like to inquire what the interest rates would be on direct loans to veterans.

Mr. CAPEHART. Will the Senator restate the question?

Mr. McCLELLAN. Under the provisions of the committee proposal, what would be the interest rate on direct loans to veterans from the Government?

Mr. CAPEHART. Five and one-quarter percent.

Mr. McCLELLAN. Am I to understand that the Senator from Oklahoma proposes——

Mr. CAPEHART. But if it is rejected, the rate will remain at 4¾ percent.

Mr. McCLELLAN. If what is rejected?

Mr. CAPEHART. The amendment——

Mr. McCLELLAN. If the Senator's amendment is rejected?

Mr. CAPEHART. No. My amendment deals only with the $300 million. The bill, Senate bill 57, which we are trying to amend, in another section increases the interest rate from 4¾ to 5¼. In other words, the Senate Committee on Banking and Currency, in Senate bill 57, the so-called Sparkman bill, voted unanimously to increase the interest rate to 5¼ percent. If my amendment is adopted, the situation will be that we shall have an interest rate of 5¼ percent. There is still some money with which to make direct loans to veterans.

Mr. McCLELLAN. Assuming that we are to allow the veteran to obtain a direct loan from the Government, how much interest will he have to pay on such loan?

Mr. CAPEHART. Five and one-quarter percent, under the terms of the committee proposal.

Mr. McCLELLAN. What is the difference between obtaining a loan directly from the bank and paying 5¼ percent interest, and obtaining a loan directly from the Government and paying 5¼ percent interest?

Mr. CAPEHART. There is no difference so far as interest is concerned.

Mr. McCLELLAN. I understand that he may possibly obtain a loan from the bank at a lower rate. Is it proposed to freeze the interest rate at 5¼ percent?

Mr. CAPEHART. Five and one-quarter percent is the maximum that could be charged. A bank could lend money at a lesser rate if it so desired.

Mr. McCLELLAN. Suppose the veteran elects to go to the Government and obtain the loan direct, as authorized by the bill.

Mr. CAPEHART. He cannot obtain the loan directly from the Government, if a banker is willing to lend him the money at 5¼ percent.

Mr. McCLELLAN. In other words, if a bank will not make the loan at 5¼ percent——

Mr. CAPEHART. He cannot come to the Government.

Mr. McCLELLAN. The borrower cannot come to the Government. However, if he does come to the Government, he will have to pay 5¼ percent. Is that correct?

Mr. CAPEHART. That is correct. All we are trying to do is help balance the budget and make it possible for veterans to secure houses and to give them no advantage over the 30 million or 40 million people who are laboring people. The veterans are laboring people too. They are interested in balancing the budget also. They are good citizens. I do not believe they want any advantage. This particular amount will not help them.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. FULBRIGHT. I want it made clear that there is nothing mandatory about the 5¼ percent. The interest does not have to go up that high.

Mr. CAPEHART. That is correct. It does not have to go up that high.

Mr. FULBRIGHT. That is the limit.

Mr. CAPEHART. Yes. In the housing bills we have always set a limit. It is possible to charge less, of course. In 90 percent of the times the amount has been less.

Mr. McCLELLAN. The Federal Government could charge less than 5¼ percent?

Mr. CAPEHART. Yes.

Mr. McCLELLAN. The 5¼ percent is the maximum. Is that correct?

Mr. CAPEHART. That is correct.

Mr. McCLELLAN. I cannot understand that point. Would the Administrator be authorized to discriminate by charging one veteran 5 percent, another 5¼ percent, and still another 4¾ percent? Could the Administrator do that?

Mr. CAPEHART. No; but the banks could do it.

Mr. McCLELLAN. The banks could do it. I am talking about the Government.

Mr. CAPEHART. The Administrator could not do it. The bank could not do it and get the Government's guarantee. It cannot be done without the Government's guarantee.

Mr. JOHNSTON of South Carolina. Is it not true that at the present time the rate is 4¾ percent, and is it not also true that the banks discount the amount to about 94½? I am speaking of most banks.

Mr. CAPEHART. The Senator has brought up a good point. The banks that buy the mortgages discount them to 96 or 94, and that gives them the same rate of yield as FHA mortgages, which carry 5¼ percent.

Mr. JOHNSTON of South Carolina. I should like to know what assurance there is that the mortgages will not be discounted in the future.

Mr. CAPEHART. I do not know that I could give the Senator any assurance.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. AIKEN. I should like to say that I am not particularly impressed by the argument that if we raise the interest rate someone will make a loan sooner or later. I should like to say this, however, that in this country we have hundreds of thousands of small farms which have become uneconomic for farming purposes but which are ideal for residential purposes. They may be located anywhere from 10 to 15 miles out of town. I should like to make it as practicable as possible for veterans and their families to utilize these small farms as homes, as many of them have already done in New England and the eastern parts of the country.

I also wish to point out that, using my State as an example of a rural State, the average loan has been $6,000, while the average loan throughout the country, urban and rural combined, has been about $10,000.

It is evident that for a million dollars it is possible to house more people in rural areas than in the more expensive city areas. Furthermore, I venture the prediction that if the ceiling on the interest is fixed at 5¼ percent it will not necessarily mean that the veterans or anyone else will get 5¼ percent money. The rate would probably go up. I know from talking to some of my friends that it probably would. I am pretty sure it would be 6 percent plus a service charge. If there is a provision in the bill for direct loans, perhaps local banks will make 5¼ percent bank loans under FHA. If there is no provision, I would not give much for any chances of the fellow who lives 8 or 10 miles out of town of getting a loan.

I cannot vote for the amendment because I do not believe it would result in something I want to see, namely, more people getting out of the crowded areas in towns and cities and moving into rural districts.

Mr. CAPEHART. The Senator is mistaken. The rate could not possibly be more than 5¼ percent and be guaranteed by the Government.

Mr. AIKEN. But I know people who would rather have 6 percent without the Government guarantee. I wish to make it as practicable as I can for as many people as possible to get out of town and into the rural areas. It is better for them and better for the country. It may cost a little bit more to build high-

ways and schools for them, but it fits in with our rural development program.

Mr. CAPEHART. The Senator is proceeding on the theory that a great many veterans live in the country. It is a very small proportion.

Mr. AIKEN. I live 4 miles out of town, and I am surrounded by veterans.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. COOPER. The argument is made that, so far as direct loans to veterans are concerned, particularly to veterans who live in small communities and in rural areas, this credit will not be available. From the discussions in committee, and from the Senator's information, can he give us any assurance as to where credit would be available to veterans in small towns?

Mr. CAPEHART. If we make the interest rate the same on veterans' loans as on FHA loans and on other loans, the veteran loan, being a more attractive loan to the investor, the investor will buy the attractive loan at the same interest rate, before he does the other loan. Therefore, we feel it safe to assume that the investor will buy the veteran's loan because of the increase in the interest rate, and because the Federal Government guarantees the loan 100 percent. The one who buys the loan does not care about the location, as the Senator from Vermont has observed. It is guaranteed by the Federal Government, and it carries 5¼ percent interest, and if it is defaulted, the investor gets his cash.

Mr. COOPER. But the private institution takes into account the financial responsibility of the borrower. Most of those borrowers are young people starting out in life. The real problem in many small rural sections, as I see it, is whether the banks will make available this credit. Does the Senator have any answer to that problem?

Mr. CAPEHART. I do not know whether anyone can answer it completely, except that the investors have been buying the mortgages.

Mr. COOPER. Does the Senator remember how much was made available in the Housing Act of 1958 for direct veterans' loans?

Mr. CAPEHART. I cannot be accurate about it, but I think it was in the neighborhood of $100 million, in 1958.

Mr. SPARKMAN. That is approximately correct.

Mr. CAPEHART. Now we are talking about $300 million, with an increase in the interest rate.

Mr. COOPER. The information that has come to me from letters from people in my own State is that in many small communities they cannot get money from private institutions. Would the Senator consider amending his amendment to assure us that some money would be available for direct loans?

Mr. CAPEHART. I would suggest that we vote on the pending amendment. If it fails—and I am sure it will not fail—the Senator can offer an amendment. Perhaps the Senator would like to offer an amendment to my amendment. That is the privilege of every Senator.

Mr. COOPER. I ask unanimous consent that I may offer an amendment to the Senator's amendment, that is, to reduce the $300 million to $150 million.

Mr. LANGER. I object.

Mr. CAPEHART. I would suggest that we first vote on my amendment.

Mr. SPARKMAN. Mr. President, I shall speak very briefly on the amendment.

Mr. COOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. COOPER. I offered a modifying amendment. I understood the yeas and nays had been ordered on the Capehart amendment. I was under the impression that I had to ask unanimous consent in order to offer my modifying amendment.

The PRESIDING OFFICER. Objection was offered.

Mr. COOPER. Was it necessary for me to secure unanimous consent to offer my modifying amendment?

The PRESIDING OFFICER. An amendment is now pending.

Mr. COOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Kentucky will state it.

Mr. COOPER. A few minutes ago I offered an amendment to the amendment of the Senator from Indiana. My proposal was to reduce the amount from $300 million to $150 million. I ask if unanimous consent was required to offer my amendment.

The PRESIDING OFFICER. The Chair was in error in his ruling. The Senator from Kentucky offered an amendment to the amendment of the Senator from Indiana. It was the understanding of the Chair that objection had been raised. But the objection was raised in error. The Senator from Kentucky can offer his amendment to the amendment of the Senator from Indiana.

Mr. COOPER. I offer the amendment.

The PRESIDING OFFICER. The Senator from Indiana, the Chair understood, yielded to the Senator from Kentucky for that purpose.

Mr. CAPEHART. Unless there is great objection, I am prepared to accept the amount of $150 million.

The PRESIDING OFFICER. The Chair is certain that the Senator from Indiana is well familiar with the procedure when the yeas and nays have already been ordered.

Mr. CAPEHART. Mr. President, I ask unanimous consent to modify my amendment so as to strike out "$300 million" and insert in lieu thereof "$150 million."

Mr. LANGER. I object.

Mr. CAPEHART. Mr. President, I ask unanimous consent to withdraw the order for the yea and nay vote on my amendment and to permit a vote by acclamation. Then I shall offer the amendment for $150 million.

Mr. LANGER. I object.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. COOPER. Mr. President, a parliamentary inquiry.

Mr. SPARKMAN. Mr. President, I wish to make certain that I still have the floor. I was under the impression that I had been recognized, and I had started to speak. I did not yield to any Senator. I do not know how all this discussion got started.

I hope that some arrangement can be worked out. As I understand the situation, it is this. The Senator from Indiana offered an amendment to strike out altogether the provision which made veterans who live in rural or semirural areas eligible for loans with which to build decent houses at a maximum cost of $10,000 each. I think that picture should be made clear.

Then the Senator from Kentucky, as I understand, indicated a desire to continue the program, but to reduce the amount from $300 million to $150 million. I stated earlier in the day that I was not at all certain that $300 million was really necessary if the interest rate were raised to 5¼ percent, as is provided in another section of the bill.

I do not agree with the Senator from Indiana and other Senators who have stated that the moneylenders would rush in to every nook and corner of the Nation, to the rural areas of southwest Alabama, Arkansas, Mississippi, Virginia, Vermont, and all the other States—including Texas. [Laughter.] I could name every State in the Union, because there are rural and semirural sections in every State in which it is not possible for a veteran to get mortgage money with which to build a decent $10,000 home in which to rear his children.

That is what the program is designed for. The law states that such a program shall be accorded the credit-worthy veterans who live in rural or semirural areas and who are unable to obtain financial help elsewhere. Under the present program, every possible way is provided to make such help available to veterans, but only in the event it is not available from other sources.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. LANGER. Is it not true that for the last 2 or 3 years farmers have been unable to get loans at 4½ percent from any bank or insurance company?

Mr. SPARKMAN. That is true.

Mr. LANGER. Farmer after farmer was foreclosed. Now it is proposed to make the amount available $150 million. In my opinion, that amount will not go far enough. I think we ought to hold to the entire $300 million. That is why I have objected.

Mr. SPARKMAN. Let me remind the Senator from North Dakota of one thing which might be overlooked. The program is already set up with a revolving fund. The general law provides that $150 million a year shall be added to the revolving fund. I do not want Senators to lose sight of that fact. So $150 million will automatically be added to the revolving fund. The Senator from Kentucky proposes to add $150 million to that amount.

I may say to the Senator from Kentucky, the Senator from North Dakota, and the Senator from Indiana, who offered the main amendment, that I am of the opinion that a good job can be

done with the $150 million which will be additional to the $150 million which will go into the regular rotating or revolving fund.

I hope the Senator from North Dakota will not object, but will let the amendment be offered. Remember, the question will be in conference between the House and Senate. The House has passed a bill which provides $300 million. If we pass a bill which will provide for $150 million, the amount which will be agreed to in conference should be somewhere between those two figures.

Mr. LANGER. I withdraw my objection.

Mr. COOPER. I offer my modifying amendment.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 153, line 9, it is proposed to strike out "$300,000,000" and insert in lieu thereof "$150,000,000."

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SPARKMAN. I join with the Senator from Kentucky as a cosponsor of the amendment.

Mr. CAPEHART. I am very happy to modify my amendment and to accept the figure of $150 million.

Mr. President, I ask unanimous consent to withdraw the order for the yea-and-nay vote, to modify my amendment, and to accept the figure of $150 million in lieu of $300 million.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? The Chair hears none, and it is so ordered.

The Senator from Indiana now accepts the amendment offered by the Senator from Kentucky, on page 153, line 9, to strike out "$300,000,000" and insert in lieu thereof "$150,000,000."

Mr. DIRKSEN. Mr. President, I have not seen so much confusion in this Chamber in a long time on what is, in my judgment, one of the most challenging issues before the Senate.

When we went down the road of direct loans to be made out of the Federal Treasury to veterans in remote and inaccessible places, as the law provides, I said at the time that we would never come back on that road. What has happened today proves it. Every request to go farther down that road proves it. Wait until we rack up billions of dollars of direct loans out of the Treasury. We will not stop with veterans. Let us not kid ourselves on that score.

There was a reason for our action the first time. There was some justification for it. The Housing and Home Finance Agency and the Veterans' Administration were not tooled up to do the paperwork in inaccessible areas in order to make loans to veterans. That was a good index. I think they made a pretty good case. But something has happened since that time. They tried out, in 30 different areas, a method by which little banks, trusted fiduciaries, trusted representatives, small building and loan associations, became the agents of the Housing Agency to do the paperwork necessary to make the loans. That technique is now being extended to every section of the country.

The reason given heretofore for lending directly out of the Treasury for this purpose has fallen; it has been cast aside; and no longer is there any justification for it. The Housing Administration will tell Senators there is no justification for it. The Housing Administration will tell Senators that it can now process these loans, because it tried that, and it was a demonstrated success in over 30 areas of the country.

Where, then, is the justification for tapping the Federal till for $150 million or $300 million? We got $150 million before. So now it is proposed to add $150 million to it.

There is another legislative body which wanted to increase the ante. We shall hear about $500 million, and we shall hear about $1 billion. But where are we going to shut it off?

What shall we say to the little tenant farmers who want to reach into the Treasury on the same basis? We shall not have an answer.

Eighteen months ago I said to the President, "Mr. President, I hope you will not go down that road, because if you do, you never will walk back."

And today there is living proof in this Senate Chamber that we are walking farther and farther down that road.

Mr. President, what do you think the next Congress will do? Senators will rue the day they do it, if they do it now.

Before Senators cast an emotional vote, they should be sure where it will take us.

Mr. President, I will not accept any compromise. Any amount of this sort will still breach the budget. Even the $150 million will breach the President's budget by $36 million. And I will be the last to punch a hole in the dike.

Mr. President, I yield the floor.

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER. The Senator from Indiana.

Mr. CAPEHART. Mr. President, I withdraw my amendment.

Mr. KERR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Is there objection?

Mr. KERR. Mr. President, I had asked the Senator to yield, and I understand that he did yield.

The PRESIDING OFFICER. The Senator from Indiana was recognized; and he has asked to withdraw his amendment.

Mr. CAPEHART. Mr. President, I ask unanimous consent that I may withdraw my amendment.

The PRESIDING OFFICER. Without objection——

Mr. JOHNSON of Texas. Mr. President, I wish to inquire about the parliamentary situation. The Senator from Indiana is requesting unanimous consent to withdraw his amendment, which would strike from the bill the $300 million authorization. That was the amount in the original amendment, as I understand. Is that correct?

Mr. CAPEHART. That is correct.

Mr. JOHNSON of Texas. Mr. President, I understand that today the other body passed the measure with the $300 million authorization included in it. I understand that our committee voted to recommend to the Senate the $300 million authorization. In an effort to come as close as possible to the recommendations of the administration, I asked the members of the committee on both sides to consider amending the bill by reducing the authorization from $300 million to $150 million, because no one can have his way all the time on every item. I believe that we shall be more likely to obtain some veterans' housing if we provide for $150 million, rather than $300 million.

I did not know the Senator from Kentucky [Mr. COOPER] was working on the same matter; but I had had several conversations with the chairman of the subcommittee and with other members of the subcommittee. I had also talked to some of the officials of the House of Representatives, in the hope that if the Senate voted the $150 million authorization, we could go to conference, and there could try to obtain an amount which would be acceptable to the legislative branch of the Government, and one which perhaps would be acceptable to the administration. If we can do that with reasonable unanimity, I think we should try to do so.

If there are going to be deep divisions and if a substantial number of Members are opposed to the $150 million, then I believe we should proceed to vote on the original Capehart amendment.

I had thought we had an agreement. I did not hear the statement made by the Senator from Illinois [Mr. DIRKSEN]; I was out of the Chamber at the time. But I should like to ask him whether I correctly understand that he is opposed to the $150 million authorization.

Mr. DIRKSEN. I was just speaking my conviction, and I think I was asserting the position of the administration, because the housing bill which came to us did not call for any amounts, outside of the funds carried over, for direct funds to veterans. If I am wrong, I ask to be corrected.

However, I think that is the form in which the bill came to us. Certainly, under the circumstances, and in view of the background involved, and in view of my conviction that at the end of this road there will be difficulty for us, I had to assert that viewpoint.

What the majority here may do is quite another matter; and certainly I shall not stand in the way. But I believe the viewpoint which was expressed by the Housing and Home Finance Agency and by the President of the United States should be accurately and authoritatively asserted on this floor; and that I have done.

Mr. SPARKMAN. Mr. President, will the Senator from Texas yield to me?

Mr. CASE of South Dakota. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. JOHNSON of Texas. Mr. President, I ask the Senator from South Dakota first to permit me to yield to the Senator from Alabama; and then I shall

be glad to yield to the Senator from South Dakota.

Mr. CASE of South Dakota. Very well.

Mr. JOHNSON of Texas. Then, Mr. President, at this time I yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I believe the RECORD should show what the law on this point is. The Senator from Illinois referred to the remote sections. Here is the law, and this is the form in which it was originally passed in 1950:

(b) Whenever the Administrator finds that private capital is not generally available in any rural area or small city or town for the financing of loans guaranteed under section 501 of this title, he shall designate such rural area or small city or town as a "housing credit shortage area" and shall make, or enter into commitments to make, loans for any or all of the following purposes in such area:

(1) For the purchase or construction of a dwelling to be owned and occupied by a veteran as his home;

(2) For the purchase of a farm on which there is a farm residence to be owned and occupied by a veteran as his home;

(3) For the construction on land owned by a veteran of a farm residence to be occupied by him as his home; or

(4) For the repair, alteration, or improvement of a farm residence or other dwelling owned by a veteran and occupied by him as his home.

If there is an indebtedness which is secured by a lien against land owned by a veteran, the proceeds of a loan made under this section for the construction of a dwelling or farm residence on such land may be expended also to liquidate such lien, but only if the reasonable value of the land is equal to or in excess of the amount of the lien.

(c) No loan may be made under this section to a veteran unless he shows to the satisfaction of the Administrator that—

(1) He is a satisfactory credit risk;

(2) The payments to be required under the proposed loan bear a proper relation to his present and anticipated income and expenses;

(3) He is unable to obtain from a private lender in such housing credit shortage area, at an interest rate not in excess of the rate authorized for guaranteed home loans, a loan for such purpose for which he is qualified under section 501 of this title; and

(4) He is unable to obtain a loan for such purpose from the Secretary of Agriculture under the Bankhead-Jones Farm Tenant Act or under the Housing Act of 1949.

In other words, Mr. President, I want the RECORD to show that the law is limited to those rural and semirural areas.

I wish to remind the distinguished Senator from Illinois that when this question came up for extension—I believe it was in 1952 or 1953, but I do not remember just when the Senator from Illinois came to the Senate, and perhaps he will enlighten me on that point; but it was the first extension after that time—the Senate incorporated the revolving-fund provision with the annual contribution method provision; and I remember quite well that the Senator from Illinois took the floor and had some good words to say about the program and about this revolving feature. He was most helpful in getting that extension through in the form in which it has operated.

Mr. DIRKSEN. Mr. President, just let the Senator from Alabama document the RECORD, instead of guessing.

Mr. SPARKMAN. I shall be glad to do so. I stated that it was when the extension came up. As I recall, it was 1952 or 1953; and the Senator from Illinois made a speech about it, and complimented us for bringing in the revolving-fund feature with this annual contribution to it; and the program has continued to operate in that way, down to this very day.

Today, all we are doing is trying to put some supplemental funds into that revolving fund, in order to take care of the backlog which has accumulated; and the Veterans' Administration tells us that as of December 31, it had 50,000 applications in its backlog.

The program is a remarkably good one. As I pointed out earlier today, 6 percent of the mortgages have been paid off in full; 6 percent have been sold to private investors; and less than one-half of 1 percent have been foreclosed. The program has been remarkably successful, and I certainly think it is one program which we ought to help move forward. It is not in competition with private capital. It works only in areas where private capital is not available.

Mr. GORE. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry: A moment ago I rose to a point of order, and I understood the Senator from Texas to agree that I would be recognized for that purpose, following the remarks of the Senator from Alabama.

Mr. JOHNSON of Texas. Yes; I did make that commitment. So if the Senator from Tennessee will please wait, inasmuch as I had that commitment to the Senator from South Dakota, I now yield to him.

Mr. CASE of South Dakota. I thank the Senator from Texas.

Mr. President, it is my understanding that the order for the yeas and nays on the Capehart amendment had been withdrawn. In that case, the Senator from Indiana had a right to withdraw his amendment as a matter of right, and did not have to request unanimous consent. In that event, the only amendment now before the Senate is that of the Senator from Kentucky [Mr. COOPER].

Mr. JOHNSON of Texas. I understand that is the case. I was temporarily detained, and it was my understanding that no unanimous consent had been given to withdraw the yeas and nays. If I was in error—and the minority leader indicates that I was, and he is usually very accurate; and I was not in the Chamber at that moment—then the present parliamentary situation, as I now understand it, is that the question at this time before the Senate is on agreeing to the amendment of the Senator from Kentucky [Mr. COOPER]. The Senator from Kentucky offered an amendment which I have been trying all afternoon to get accepted by both sides; and I thought I had just about gotten it accepted, when I left the Chamber. Then my delightful friend, the Senator from Illinois, made a speech against the amendment.

I do not want the yeas and nays on the Cooper amendment, if it is agreeable to the author. I think we can vote the amendment in and recess for the evening.

Mr. COOPER. I have not asked for the yeas and nays. I am perfectly willing to have a voice vote.

Mr. GORE. Mr. President——

Mr. JOHNSON of Texas. I yield to my friend from Tennessee.

Mr. GORE. The able junior Senator from Alabama said that all this provision did was provide additional money. I respectfully suggest it does one other thing. It increases the interest rate by which the money already available can be loaned to veterans as well as the rate at which the additional money herein proposed can be loaned.

I would regret to see the first bill passed by this new Congress increase the interest rates for veterans' loans higher than those for other loans which the Government makes. For example, the loans under the REA program are at 2 percent; for veterans they would be 5¼ percent under this bill. Farmers home loans are made at 4 percent, and loans to aid in ship construction are made at 3½ percent; for veterans they would be at 5¼ percent under this bill.

During the last 5 months the interest rates on Government bonds, Government bills, and prime commercial paper have experienced the most drastic increase that has taken place in any similar period in history. It is time this Congress wrote a democratic housing bill.

I will join the able junior Senator from Oklahoma and other Senators in the amendment which he proposes to offer, and in other amendments which will be offered, in an attempt to do so.

For 14 years, including the first 2 years of the Eisenhower administration, the Federal National Mortgage Association served as a secondary market for home loan mortgages. It did so at a profit for the Government. I repeat, for 14 years, under the late President Franklin D. Roosevelt, former President Harry Truman, and President Dwight D. Eisenhower, that happened.

What is wrong with a program that has been tested and proved and found successful and profitable for 14 years? The tight money policy and an acceleration of the inflationary spiral of interest rates is not the answer.

To supplement the amendment offered by the junior Senator from Oklahoma, for himself and other Senators, I shall offer an amendment which will restore the program I have described, under which the Federal National Mortgage Association will provide an effective secondary market for home mortgages.

Mr. JOHNSON of Texas. In my opinion, the Senator from Tennessee is correct that this bill increases the interest rate, and I believe most Members of the Senate are aware of that fact. I think before we conclude consideration of the pending bill we shall have an opportunity to pass on the amendment of the Senator from Oklahoma and the Senator from Tennessee.

Now I want to dispose of the amendment of the Senator from Kentucky, if I can.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. If the Senate votes for the Cooper amendment and agrees to it, it would still be in order for the original Capehart amendment to be called up, if the Senator from Indiana does it, or if any other Senator does it. Is that correct?

The PRESIDING OFFICER. In the opinion of the Chair, the statement of the Senator from Connecticut is accurate.

Mr. JOHNSON of Texas. Mr. President, may we have a vote on the Cooper amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kentucky [Mr. COOPER].

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the Cooper amendment was adopted.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate adjourns this evening, it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in adjournment until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 7 o'clock and 16 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Thursday, February 5, 1959, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate February 4, 1959:

DIPLOMATIC AND FOREIGN SERVICE

Raymond A. Hare, of West Virginia, a Foreign Service officer of the class of career minister, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Arab Republic, to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Kingdom of Yemen.

Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of South Africa, vice Henry A. Byroade.

POST OFFICE DEPARTMENT

Rollin D. Barnard, of Colorado, to be an Assistant Postmaster General, vice Ormonde A. Kieb, resigned.

U.S. ATTORNEY

Russell B. Wine, of Texas, to be U.S. attorney for the western district of Texas for the term of 4 years. He is now serving in this office under an appointment which expires February 9, 1959.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Jimmy R. McWhirter, Dolomite, Ala., in place of Gladys Reaves, retired.

Huge F. Penn, Hartselle, Ala., in place of J. T. Cooper, retired.

Edith E. Bowden, Honoraville, Ala., in place of A. R. Morgan, deceased.

Geraldine T. Forbus, Kellyton, Ala., in place of E. M. Culberson, retired.

Eugene Williamson, Orrville, Ala., in place of H. E. Marshall, retired.

Thomas E. Fischer, Plantersville, Ala., in place of S. K. Martin, retired.

Thomas O. Rudder, Stevenson, Ala., in place of E. O. Mann, retired.

J. Carson Whitson, Talladega, Ala., in place of B. B. Hardegree, resigned.

ALASKA

Victor R. Milligan, Ketchikan, Alaska, in place of P. N. Ripley, retired.

ARIZONA

Walter L. Bristol, Nogales, Ariz., in place of E. L. Wheeler, retired.

ARKANSAS

Samuel J. McGraw, Austin, Ark. in place of M. B. Adams, retired.

William McKinley Huddleston, Batesville, Ark., in place of E. F. Crutchfield, transferred.

Ferrell S. Tucker, Caraway, Ark., in place of Lee Rea, deceased.

Cline C. Pile, Charleston, Ark., in place of C. W. Spiller, retired.

C. Stewart Landes, Lewisville, Ark., in place of B. W. Walker, retired.

Wilburn Gale Hanna, Luxora, Ark., in place of F. R. Rogers, transferred.

Ruby R. Ryan, Magazine, Ark., in place of G. O. Thomasson, deceased.

Hubert C. Robbins, Jr., Piggott, Ark., in place of H. M. Jinks, resigned.

Joe L. Mills, Sulphur Springs, Ark., in place of M. E. Whaley, retired.

CALIFORNIA

Jesse Ralph Layton, Fullerton, Calif., in place of F. D. Lowrey, removed.

Eva C. Edwards, Littlerock, Calif., in place of M. A. Wallace, resigned.

Fred Judson Booth, Stockton, Calif., in place of George Langford, retired.

Eugene C. Schmitt, Vina, Calif., in place of C. E. Spaletta, resigned.

COLORADO

Robert Hayes Wardwell, Colorado Springs, Colo., in place of Darius Allen, retired.

DELAWARE

Joseph J. Pearce, Jr., Milford, Del., in place of J. E. Mayhew, retired.

FLORIDA

Stewart H. Hawkins, Anna Maria, Fla., in place of F. I. Warttig, retired.

Jay R. Shattuck, Deerfield Beach, Fla., in place of E. V. Morrow, resigned.

James F. Rylant, Fernandina Beach, Fla., in place of Louis Goldstein, retired.

Marion M. Woolley, Fort Walton Beach, Fla., in place of H. T. Stewart, resigned.

Huber C. Hurst, Jacksonville, Fla., in place of G. C. Blume, deceased.

Eugene M. Dunlap, Miami, Fla., in place of S. R. Valliere, deceased.

Clarence C. Christilles, Seville, Fla., in place of M. O. Causey, retired.

GEORGIA

Horace J. Healan, Hoschton, Ga., in place of J. P. Pirkle, retired.

Raymond D. Hill, Thomasville, Ga., Claude Rountree, deceased.

IDAHO

Loren D. Anderson, Filer, Idaho, in place of H. C. Hunter, deceased.

Taft P. Budge, Paris, Idaho, in place of L. J. Passey, removed.

HAWAII

George T. Hara, Honolulu, T. H., in place of A. P. Lino, retired.

ILLINOIS

Arlynn M. Price, Abingdon, Ill., in place of J. W. Lucas, resigned.

John W. Dehmlow, Algonquin, Ill., in place of M. W. Struwing, removed.

Gordon L. Smedley, Ashland, Ill., in place of Pearl Caswell, removed.

Louis H. Kauling, Beckemeyer, Ill., in place of E. J. Zinschlag, retired.

Rex H. Carter, Berwyn, Ill., in place of J. J. A. Borkovec, retired.

Ethel F. Hierman, Bluffs, Ill., in place of T. B. Meehan, removed.

Robert V. Loft, Capron, Ill., in place of M. M. Boyd, removed.

Edward J. Kleen, Elmwood, Ill., in place of C. R. Bowers, retired.

Ernie R. Rightmyer, Fairfield, Ill., in place of J. C. Stanley, removed.

Theron C. Tavenner, Freeport, Ill., in place of J. C. McKinstra, deceased.

Kenneth L. Pflaum, Genoa, Ill., in place of J. R. Sester, removed.

Lee H. Clark, Glenarm, Ill., in place of M. L. McCraner, retired.

Viola Kinman, Hamburg, Ill., in place of E. F. Day, retired.

Hester L. Kaufman, Harristown, Ill., in place of C. C. Brown, resigned.

George E. Maris, Heyworth, Ill., in place of L. M. Wakefield, removed.

Richard R. Michelsen, Huntley, Ill., in place of W. L. Donahue, transferred.

Bayard M. Wright, Lacon, Ill., in place of M. W. Dunn, removed.

Richard D. Michael, LeRoy, Ill., in place of W. J. Strange, retired.

Robert E. Seely, Jr., Manhattan, Ill., in place of F. J. Lowrey, Sr., resigned.

William H. House, Mansfield, Ill., in place of R. A. Tilford, resigned.

Wilbur C. Heuser, Marine, Ill., in place of H. B. Gramann, retired.

Stewart V. Edlund, Mazon, Ill., in place of W. S. Shipley, removed.

Raymond E. Rub, Minooka, Ill., in place of M. E. Brannick, retired.

Frank D. Talley, Mount Carmel, Ill., in place of Fay Moyer, removed.

Theodore L. Medcalf, New Baden, Ill., in place of Bert Baird, retired.

Cecil Moore, New Canton, Ill., in place of C. T. Gilbert, retired.

Earl J. Thompson, O'Fallon, Ill., in place of J. L. Anheuser, resigned.

Gerald W. Sears, Plano, Ill., in place of I. W. Nelson, retired.

Aileen H. Adams, Rapids City, Ill., in place of C. E. Hancock, retired.

Elmer J. Leusby, Rock Falls, Ill., in place of C. H. Beien, retired.

Frank G. Brown, Salem, Ill., in place of C. H. Roberts, transferred.

Lowell T. Green, Strasburg, Ill., in place of G. E. Kull, resigned.

Herbert W. Danekas, West Brooklyn, Ill., in place of J. H. Michel, retired.

Richard Z. Dolgopol, Wheeling, Ill., in place of August Grewe, retired.

INDIANA

Hayward A. Claybaugh, Argos, Ind., in place of N. D. Thompson, retired.

Wilfred M. Bedel, Batesville, Ind., in place of C. H. Andres, deceased.

Maurice F. Keilman, Dyer, Ind., in place of L. E. Hoffman, deceased.

James L. Conwell, Greensburg, Ind., in place of C. D. Samuels, resigned.

Paul Burns, Oakland City, Ind., in place of T. J. Lemasters, retired.
Ray E. Melick, Oaktown, Ind., in place of E. P. Donnar, retired.
Verda May Penrod, Uniondale, Ind., in place of Arthur Miller, deceased.

IOWA

John H. Hendriks, Muscatine, Iowa, in place of A. S. Barry, retired.
Charles C. Yost, West Des Moines, Iowa, in place of R. I. Rinkler, retired.

KANSAS

Jacob C. Gaeddert, Inman, Kans., in place of J. F. Lambert, transferred.
Lorn R. Lahey, Sr., McCune, Kans., in place of C. E. Mansfield, retired.
Roland D. Kesler, Quinter, Kans., in place of R. S. Ikenberry, retired.
Lloyd W. Barker, Valley Falls, Kans., in place of Clayton Wyatt, retired.

KENTUCKY

John F. Murdock, Covington, Ky., in place of R. T. Von Hoene, deceased.
William D. Gorman, Hazard, Ky., in place of A. M. Moore, retired.
William B. Mathews, Maysville, Ky., in place of N. M. Hargett, removed.
James E. Morris, Neon, Ky., in place of J. M. Caudill, resigned.
Arnold D. Sprague, Jr., Sturgis, Ky., in place of L. D. Rose, retired.
Francis E. Ryan, Verona, Ky., in place of Mayro Hayden, resigned.
Julian B. Hays, Woodburn, Ky., in place of L. W. Hobbs, retired.

LOUISIANA

Ora G. Thomas, Mooringsport, La., in place of A. H. Barre, retired.
Everett Hill, Pitkin, La., in place of C. W. Carson, retired.
Cecil B. Waldrip, Quitman, La., in place of O. M. Peters, retired.

MICHIGAN

Budd A. Goodwin, Adrian, Mich., in place of P. F. Frownfelder, retired.
Raymond J. O'Neil, Belleville, Mich., in place of F. A. Prais, transferred.
Harriet E. Burditt, Cement City, Mich., in place of L. M. Taggart, removed.
George A. Martin, Dearborn, Mich., in place of J. A. Yagley, retired.
Otis E. Howe, Decatur, Mich., in place of H. H. Creagan, removed.
Duaine E. Murphy, Eagle, Mich., in place of R. E. Van Driesen, removed.
Charles H. Pratt, Flint, Mich., in place of W. O. Kelly, resigned.
Sayre H. Ostrander, Grand Marais, Mich., in place of E. L. Mulligan, retired.
James Patejdl, Harbert, Mich., in place of O. W. Tornquist, retired.
Urho J. Koski, Houghton, Mich., in place of J. C. Healy, removed.
John W. Van Eck, Kalamazoo, Mich., in place of Walter Schanz, removed.
Bob Lee Baker, Mendon, Mich., in place of M. C. Travis, removed.
Leon B. Crofoot, Mikado, Mich., in place of Mamie Deford, resigned.
Leo G. Smith, Newberry, Mich., in place of Joseph Villemure, retired.
Richard E. Jackson, Palmyra, Mich., in place of A. C. Johnston, transferred.
Nellie J. Morrison, Rapid City, Mich., in place of C. K. Guy, removed.
Erwin H. Kubath, St. Joseph, Mich., in place of E. M. Evans, retired.
Mary S. Porter, Samaria, Mich., in place of M. S. Dunbar, retired.
Ernest R. Steen, Shelby, Mich., in place of R. R. Royal, retired.
Stewart E. Walter, Smiths Creek, Mich., in place of A. F. Lenart, retired.
Harold J. Hawkins, Wayland, Mich., in place of M. R. Ehle, removed.

MINNESOTA

Donna J. Gross, Calumet, Minn., in place of P. F. Preice, retired.

MISSISSIPPI

Frank S. Kennedy, Jr., Meridian, Miss., in place of W. D. Kennedy, deceased.
Edgar I. Adcock, Ridgeland, Miss., in place of B. D. Battley, resigned.
Rufus A. Ware, Stringer, Miss., in place of J. G. Ishee, retired.

MISSOURI

Gordon A. Rollins, Carthage, Mo., in place of C. O. Smith, removed.
David C. Baumann, Huntsville, Mo., in place of C. E. Burkhart, transferred.
Jeffrey P. Hillelson, Kansas City, Mo., in place of A. F. Sachs, retired.
Floyd A. Cooley, Mansfield, Mo., in place of J. E. Craig, retired.

MONTANA

Virgil S. Davis, Anaconda, Mont., in place of F. J. J. Finnegan, removed.
Leonard E. Eriksen, Hungry Horse, Mont., in place of H. D. Howell, resigned.

NEW HAMPSHIRE

Oliver L. Carter, Seabrook, N.H., in place of S. J. Foote, retired.

NEW JERSEY

Alfred E. Casagrand, Bayville, N.J., in place of B. D. Coffey, retired.
Mary C. Bittle, Neshanic Station, N.J., in place of E. Q. McTanney, resigned.
Michael Yurcisin, Roebling, N.J., in place of George Majoros, Jr., removed.
Marjorie E. Houghtaling, Vernon, N.J., in place of A. E. Baldsin, deceased.

NEW MEXICO

John P. McFarland, Albuquerque, N. Mex., in place of H. P. Cooper, deceased.
Benjamin H. Roberts, Corona, N. Mex., in place of B. E. Jones, resigned.
Ethel B. Solomon, Mosquero, N. Mex., in place of E. L. Wallace, removed.
Thomas W. Wilson, Ojo Caliente, N. Mex., in place of P. T. Lucero, resigned.
Sibyl S. Griffin, Reserve, N. Mex., in place of Irene Graham, resigned.
William D. Reams, Silver City, N. Mex., in place of J. L. Turner, resigned.
Julius E. Fitzner, Tucumcari, N. Mex., in place of T. N. Lawson, retired.

NEW YORK

Charles A. Briggs, Jr., East Chatham, N.Y., in place of A. V. Beebe, retired.
John L. Kress, Jr., Galway, N.Y., in place of J. T. Hunter, retired.
Edward A. Byrnes, Haverstraw, N.Y., in place of E. A. Ganson, resigned.
Lawrence M. Kendall, Millwood, N.Y., in place of H. S. Putney, retired.
H. Douglas Troutman, Romulus, N.Y., in place of Charles McGrane, retired.
Royden W. McCullough, Wyoming, N.Y., in place of G. F. Powers, Jr., transferred.

NORTH CAROLINA

Carlyle P. Matheson, Andrews, N.C., in place of Galusha Pullium, removed.
Edward Leroy Hobby, Apex, N.C., in place of T. B. Miller, retired.
Guy E. Snyder, Bakersville, N.C., in place of J. F. Greene, resigned.
Ransom T. Williams, Bladenboro, N.C., in place of R. L. Bridger, deceased.
Lyle B. Cook, Boone, N.C., in place of J. E. Brown, Jr., removed.
Melvin H. Crisp, Brasstown, N.C., in place of Iowa Green, retired.
Vernon P. Fullbright, Brevard, N.C., in place of T. C. Galloway, retired.
James R. Frady, Candler, N.C., in place of B. E. Brenton, resigned.
Clarence W. Burrell, Canton, N.C., in place of W. C. Hill, retired.
Arlie R. Cox, Central Falls, N.C., in place of A. M. York, retired.
J. Howard Crowell, Concord, N.C., in place of B. E. Harris, resigned.
Clifton W. Crispe, Cullowhee, N.C., in place of B. B. Long, retired.
Jay T. Baker, Dallas, N.C., in place of G. L. Friday, resigned.
Clifford O. Scott, Dobson, N.C., in place of R. L. Folger, removed.
Theaddeus H. Pope, Dunn, N.C., in place of Ralph Wade, retired.
Raymond H. Hoots, Edneyville, N.C., in place of J. W. Nesbitt, retired.
Sion Chester Rogers, Elizabethtown, N.C., in place of J. K. Clark, retired.
Burl L. Orr, Fontana Dam, N.C., in place of B. Q. Cable, transferred.
Wallace K. Crawford, Hayesville, N.C., in place of F. R. Jones, retired.
John Perry, Jr., Hendersonville, N.C., in place of Columbus Few, retired.
Carl L. Talley, Highlands, N.C., in place of C. C. Potts, retired.
Maude T. Brown, Hillsboro, N.C., in place of T. E. Bivins, resigned.
John F. Mewborne, Kingston, N.C., in place of E. R. Wooten, resigned.
Norman A. Randall, Leicester, N.C., in place of M. H. Current, retired.
Roby J. Maley, Lexington, N.C., in place of S. J. Smith, retired.
Kirby W. Greene, Jr., Linwood, N.C., in place of F. H. Shoaf, transferred.
Harveleigh M. White, Method, N.C., in place of A. T. White, deceased.
Worth T. Hendricks, Mocksville, N.C., in place of Daisy Holthouser, transferred.
Coy S. Lewis, Jr., Robbins, N.C., in place of G. E. Walker, deceased.
Carroll O. Jenkins, Robbinsville, N.C., in place of W. G. Carver, removed.
Charles C. Small, Sophia, N.C., in place of D. R. Bulla, retired.
Martin T. Southard, Stokesdale, N.C., in place of H. G. Cook, retired.
Enos R. Boyd, Waynesville, N.C., in place of J. H. Howell, retired.
Howell W. Ratcliff, Weaverville, N.C., in place of Kate Reagan, retired.
Josiah A. Maultsby, Jr., Whiteville, N.C., in place of A. E. Powell, retired.
Julius C. Vogt, Wilson, N.C., in place of G. T. Fulghum, retired.
M. Vance Hickman, Winston-Salem, N.C., in place of W. B. Booe, resigned.

NORTH DAKOTA

Myron J. Wallin, Crosby, N. Dak., in place of H. A. Emanuel, retired.
Anna E. Schlabach, Driscoll, N. Dak., in place of A. M. Bruschwein, retired.
William T. Fassett, Dunseith, N. Dak., in place of I. G. Williams, retired
Dora H. Loeppke, Heaton, N. Dak., in place of J. C. Stuart, resigned.
Sidney G. Muirhead, Keene, N. Dak., in place of T. L. Lacey, resigned.
Leo Ketterling, Lehr, N. Dak., in place of J. H. Bellon, retired.
Albert E. Storhoff, Nome, N. Dak., in place of A. M. Bakke, resigned.

OHIO

Gay W. Smyth, Bergholz, Ohio, in place of M. M. Morrow, retired.
Ernest J. Rogers, Lowellville, Ohio, in place of J. B. Fanto, removed.
Clarence J. Loch, Salineville, Ohio, in place of M. F. Mulheran, retired.
Roger K. Amstutz, Sulphur Springs, Ohio, in place of L. M. Light, deceased.
Virgil E. Marine, Zanesfield, Ohio, in place of M. A. Sine, resigned.

OKLAHOMA

Marguerite L. McDonald, Bokoshe, Okla., in place of O. C. Broking, retired.
Thomas H. Henderson, Fort Cobb, Okla., in place of W. S. Bird, transferred.
Jim J. Loftis, Frederick, Okla., in place of C. F. Vickrey, removed.
Jack H. Justice, Maysville, Okla., in place of B. C. Sparks, transferred.

Frank M. Hippard, Okeene, Okla., in place of A. M. Farhar, deceased.
Earl D. Allee, Quapaw, Okla., in place of C. E. Douthat, retired.
Guy W. Willibey, Sapulpa, Okla., in place of G. B. Grigsby, resigned.
Isaac L. Thomson, Valliant, Okla., in place of A. M. Mills, resigned.
Loran D. Rhodes, Webbers Falls, Okla., in place of M. D. Harmon, retired.
Beulah G. Wallace, Wilburton, Okla., in place of L. M. Pace, deceased.

PENNSYLVANIA

Emma Jane Kimmel, Dalmatia, Pa., in place of P. L. Tressler, retired.
Warren S. H. Reppert, Egypt, Pa., in place of E. A. Breinig, retired.
George K. Bilger, Kreamer, Pa., in place of C. G. Hummel, removed.
Paul E. Kuhlman, Lebanon, Pa., in place of D. E. Walter, removed.
Claude B. Faust, Macungie, Pa., in place of F. E. Neumeyer, removed.
L. Ramond Moore, Modena, Pa., in place of E. E. Morris, retired.
Stanley T. Wagner, Penns Creek, Pa., in place of J. C. Showers, retired.
Sherwood H. McCormack, Sligo, Pa., in place of W. J. Forsythe, removed.
Rudolph Simitz, Spinnerstown, Pa., in place of Laura Lancaster, resigned.
Robert E. Doebler, Sunbury, Pa., in place of Charles Kline, retired.

PUERTO RICO

Angel Cesar Benitez Lopez, Aguas Buenas, P.R., in place of F. G. Gonzales, retired.
Oscar Rios Santiago, Corozal, P.R., in place of A. M. Bou, retired.
Luis Domenech, Isabela, P.R., in place of B. de la R. Guevara, retired.
Jose M. Vidal, Jr., Juncos, P.R., in place of J. A. Principe, removed.
Efrain Poupart, Las Piedras, P.R., in place of Angeline Frias, retired.

SOUTH CAROLINA

Robert B. Nickles, Donalds, S.C., in place of P. M. Davis, retired.
Marvin F. Carpenter, Graniteville, S.C., in place of F. L. Zimmerman, retired.

TENNESSEE

Charles B. Gray, Afton, Tenn., in place of R. V. Earnest, retired.
Freddie R. Maxwell, Algood, Tenn., in place of M. H. Swallows, retired.
Lee N. Ruch, Belvidere, Tenn., in place of Clyde Zimmerman, transferred.
Harold N. Tidwell, Bon Aqua, Tenn., in place of A. J. Frazier, resigned.
Oliver M. Spence, Chattanooga, Tenn., in place of R. T. Sterchi, deceased.
Paul D. Tolley, Decaturville, Tenn., in place of J. W. Stout, retired.
E. Neil Muzzall, Henry, Tenn., in place of M. B. Curry, transferred.
Betty Greer Goddard, Louisville, Tenn., in place of S. L. Graves, transferred.
Erma J. Hall, Mayland, Tenn., in place of E. L. Phillips, resigned.
Paul R. Ledbetter, Obion, Tenn., in place of H. B. Fox, deceased.
William R. Allbritten, Puryear, Tenn., in place of Z. A. Humphreys, removed.
Johnnie V. Braswell, Smyrna, Tenn., in place of N. E. Colman, retired.
John L. Sanders, Somerville, Tenn., in place of W. A. Rhea, retired.
Thomas R. Carothers, Wartrace, Tenn., in place of A. S. Shriver, retired.

TEXAS

George D. FitzSimmons, Jr., Alice, Tex., in place of M. A. Mullen, removed.
Dudley B. Lawson, Alto, Tex., in place of J. B. Thorn, Jr., transferred.
Albert A. Hubbard, Alvarado, Tex., in place of E. P. Robinson, retired.
George L. Hanke, Aspermont, Tex., in place of W. M. Robbins, declined.
Ruby D. Cummings, Barstow, Tex., in place of A. J. Hayes, resigned.
Marion Lee Neal, Baytown, Tex., in place of N. B. Ballard, transferred.
Oscar Dwain Carr, Big Lake, Tex., in place of G. T. Edens, retired.
James Q. Pennington, Bluegrove, Tex., in place of R. O. Childs, removed.
Noah L. Pruitt, Jr., Bronte, Tex., in place of C. G. Williams, retired.
William C. Brown, Brownfield, Tex., in place of J. L. Shelton, resigned.
Benedict M. Kocurek, Caldwell, Tex., in place of R. A. Bowers, transferred.
William M. Sumner, Carrollton, Tex., in place of G. F. Isom, removed.
Benjamin W. Pearce, Center, Tex., in place of S. E. Burns, deceased.
Homer B. Adams, College Station, Tex., in place of T. O. Walton, retired.
Effie Stewart Noack, Daisetta, Tex., in place of A. W. Hart, retired.
J. F. Grimes, DeSoto, Tex., in place of O. L. Steadman, resigned.
Alene W. Cottrell, Dime Box, Tex., in place of J. A. Bayer, transferred.
Homer R. Granberry, Douglassville, Tex., in place of E. E. McMillian, Jr., removed.
John Sleeper, Sr., Elm Mott, Tex., in place of T. F. Gassaway, retired.
Billy G. Williams, Freer, Tex., in place of E. C. Kelly, removed.
Howard W. Curtis, Galena Park, Tex., in place of E. P. Minnock, removed.
James D. Wheeler, Jr., Garland, Tex., in place of F. B. Crush, resigned.
Etta L. Chamberlain, Goree, Tex., in place of C. R. Chamberlain, deceased.
Holman R. Lee, Graham, Tex., in place of W. E. Simpson, removed.
Lamon Burnett, Hillsboro, Tex., in place of B. C. Jackson, removed.
Charles M. Martinson, Jr., Jasper, Tex., in place of H. R. Hancock, transferred.
Ronald A. Helfenstine, Kennedale, Tex., in place of Sallie Helm, resigned.
Samuel J. Morse, Jr., Linden, Tex., in place of N. L. Stanley, transferred.
William H. Moore, McAdoo, Tex., in place of R. L. Nickels, retired.
Bill R. Reeves, McLean, Tex., in place of J. R. Back, removed.
Lloyd A. Adams, Mount Pleasant, Tex., in place of A. B. Gilpin, deceased.
Horace W. McAdams, Muleshoe, Tex., in place of A. J. Gardner, transferred.
Wade M Slough, Odessa, Tex., in place of W. T. Henderson, retired.
Hugh Clifford Ryan, Pasadena, Tex., in place of C. T. Coolidge, retired.
Arthur R. Main, Petersburg, Tex., in place of L. M. Brashear, resigned.
Robert C. Watson, Plains, Tex., in place of Cora Read, retired.
Kyle C. Elam, Port Arthur, Tex., in place of F. C. Toups, deceased.
Ocie K. Milner, Jr., Quitman, Tex., in place of J. T. Morse, transferred.
Joy S. Morris, Rosenberg, Tex., in place of L. O. Senkel, transferred.
Trinidad Solis, San Diego, Tex., in place of L. F. Garcia, removed.
Lenard R. Miller, Talco, Tex., in place of G. L. Barber, retired.
Raymond J. Hruska, West, Tex., in place of J. D. Wilkinson, removed.

UTAH

Howard D. Knight, Parowan, Utah, in place of Ivan Decker, removed.

VIRGINIA

George P. Grindstaff, Damascus, Va., in place of W. C. Mock, deceased.
Virginia B. German, Dunn Loring, Va., in place of J. J. Meyer, removed.
Charles W. Harris, Jr., Fairfax, Va., in place of S. S. Swart, retired.
Inez P. Richardson, Fentress, Va., in place of A. L. Humphries, resigned.
Jo Pierson Horne, Fort Blackmore, Va., in place of E. C. Turner, resigned.
Wilmer J. Whitaker, Fries, Va., in place of G. K. Fielder, retired.
William C. Deming, Front Royal, Va., in place of A. O. Haley, retired.
Harry G. Penley, Gate City, Va., in place of H. B. Quillen, Jr., resigned.
Virginia G. Kiser, Grundy, Va., in place of P. V. Dennis, Jr., resigned.
Joseph F. Downing, Jr., Keller, Va., in place of C. W. Bradford, deceased.
William N. Legard, Marshall, Va., in place of H. H. Russell, retired.
Claude A. Helsley, Mauertown, Va., in place of Roy Hockman, retired.
Thelma E. Addington, Nickelsville, Va., in place of R. L. McConnell, retired.
Tecumseh S. Dalton, Pulaski, Va., in place of E. P. Whitman, retired.
James E. Brunner, Riner, Va., in place of G. J. Akers, retired.
James L. Whitlow, Sandston, Va., in place of R. H. Woodall, retired.
Joseph E. Bell, Smithfield, Va., in place of V. W. Joyner, deceased.
Roy M. Cleek, Warm Springs, Va., in place of W. G. Cleek, resigned.
Christine D. James, Waterford, Va., in place of J. J. James, deceased.

VIRGIN ISLANDS

Charles E. Clarke, Frederiksted, V.I., in place of Adele Berg, resigned.

WASHINGTON

Harvey L. Jones, Tacoma, Wash., in place of G. P. Fishburne, retired.

WEST VIRGINIA

Mary Virginia Earman, Harpers Ferry, W. Va., in place of M. E. Marquette, retired.
Dillard R. Walker, Stanaford, W. Va., in place of W. L. Warden, resigned.

WISCONSIN

Inez Myrtle Rautio, Amberg, Wis., in place of A. S. Port, retired.
Roy L. Fergot, Edgar, Wis., in place of F. J. Shortner, retired.
Matilda J. Loden, Granville, Wis., in place of H. M. Pfeil, resigned.
Richard C. Coffen, Lake Tomahawk, Wis., in place of E. L. Saykally, deceased.
Stanley I. Andersen, Loretta, Wis., in place of Jennie Ruid, retired.
John C. Pribnow, Loyal, Wis., in place of L. M. Meyer, deceased.
Shirleigh L. Collins, Melrose, Wis., in place of E. D. Young, resigned.
Robert C. Herman, Thorp, Wis., in place of W. S. Wagner, retired.

WYOMING

George W. Nichols, Big Piney, Wyo., in place of G. L. Barp, resigned.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 4, 1959

The House met at 12 o'clock noon.

The Reverend Arthur E. Paterson, of Middletown, Conn., offered the following prayer:

O God eternal and infinite, who in the midst of all things transitory art ever the same our Heavenly Father; do Thou, we pray, for this day, at this its beginning, throughout its hours and at its ending, be the guide of our thinking, our words, and our action.

We ask Thy blessing upon the President of the United States, its Congress and its courts, and upon men of good will throughout this Nation.

When this day questions arise enlisting our concern, give us grace at every point first to listen inwardly for Thine

answer and for Thy direction; that on this floor, in committee room, or elsewhere, we may ever be stalwart in safeguarding and confirming the principles of right, justice, and charity toward all men in all parts of this beloved land.

This we ask through Jesus Christ our Lord, whose leadership we desire with longing hearts in a perplexed and ever-changing world. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON EDUCATION AND LABOR

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 147) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Education and Labor, effective from January 3, 1959, acting as a whole or by subcommittee, is authorized to conduct a full and complete study and investigation relating to all matters coming within the jurisdiction of the committee: *Provided,* That the committee shall not undertake any investigation of any subject which is being investigated by any other committee of the House.

For the purposes of such investigations and studies the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether the House has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. Subpenas shall be issued only over the signature of the chairman of the committee or a member of the committee designated by him; they may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

The committee may report to the House of Representatives from time to time during the present Congress the results of its studies and investigations, with such recommendations for legislation or otherwise as the committee deems desirable. Any report submitted when the House is not in session shall be filed with the Clerk of the House.

Mr. THORNBERRY. Mr. Speaker, as the reading of the resolution indicates, this is the usual resolution giving to the Committee on Education and Labor authority to conduct investigations within its jurisdiction. I have no requests for time.

I yield to the gentleman from Idaho [Mr. BUDGE].

Mr. BUDGE. Mr. Speaker, I know of no objection to the adoption of the resolution. I have no requests for time.

The resolution was agreed to and a motion to reconsider was laid on the table.

SELECT COMMITTEE ON SMALL BUSINESS

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 51) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective January 4, 1959, there is hereby created a select committee to be composed of fifteen Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

SEC. 2. It shall be the duty of such committee to conduct studies and investigations of the problems of all types of small business, existing, arising, or that may arise, with particular reference to (1) the factors which have impeded or may impede the normal operations, growth, and development of the potentialities thereof; (2) the administration of Federal laws relating specifically to small business to determine whether such laws and their administration adequately serve the needs of small business; (3) whether Government agencies adequately serve and give due consideration to the problems of small business; and (4) to study and investigate problems of small business enterprises generally, and to obtain all facts possible in relation thereto which would not only be of public interest but which would aid the Congress in enacting remedial legislation: *Provided,* That the committee shall not invade any subject matter under active investigation by any standing committee of the House.

SEC. 3. The committee may from time to time submit to the House such preliminary reports as it deems advisable; and prior to the close of the present Congress shall submit to the House its final report on the results of its study and investigation, together with such recommendations as it deems advisable. Any report submitted when the House is not in session may be filed with the Clerk of the House.

SEC. 4. For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any properly designated chairman of a subcommittee, or any member designated by him, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

Sec. 5. The majority of the members of the committee shall constitute a quorum for the transaction of business, except two or more shall constitute a quorum for the purpose of taking of evidence including sworn testimony.

With the following committee amendments:

Page 1, line 1, change "4" to "3."

Page 1, line 2, strike out the word "fifteen" and insert "thirteen."

Page 1, line 4, after the word "Speaker," insert "seven from the majority party and six from the minority party."

Page 1, line 8, strike out "It shall be the duty of such committee" and insert "The select committee is authorized."

Page 2, line 10, change the colon to a period.

Page 2, line 10 through line 13, strike the following: *"Provided,* That the committee shall not invade any subject matter under active investigation by any standing committee of the House," and insert the following: *"Provided,* That the committee shall not undertake any investigation of any subject which is being investigated by any other committee of the House."

Mr. THORNBERRY. Mr. Speaker, as a reading of the resolution and the committee amendments indicate, this is the usual resolution creating a Select Committee on Small Business.

The resolution called for a membership of 15 Members to be appointed by the Speaker; but the committee has offered an amendment to the resolution which will authorize the Speaker to appoint 13 Members, 7 of the majority party and 6 of the minority party.

This is a committee of the House that has done an important job for the small businessmen of the Nation.

I know of no objection to the resolution on this side of the aisle.

Mr. BUDGE. Mr. Speaker, this resolution was adopted unanimously. I know of no objection and I have no requests for time on this side.

The SPEAKER. The question is on the committee amendments.

The committee amendments were agreed to.

The SPEAKER. The question is on the resolution.

The resolution was agreed to and a motion to reconsider was laid on the table.

A UNIVERSITY OF THE AMERICAS

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HEMPHILL. Mr. Speaker, today I have introduced a joint resolution to provide for a study of the possibility and desirability of establishing a university of the Americas. This bill is identical with House Joint Resolution 1, introduced by the Honorable HALE BOGGS, of Louisiana, whose leadership and judgment in matters affecting the Western Hemisphere is recognized and appreciated by all who study the relations of our own country with our friends and neighbors of Central and South America.

It is my opinion that we have long neglected the friendship of our Western Hemisphere brothers, to favor others whose friendship in many instances has been, to say the least, questionable. Many of our Latin American friends have expressed such an opinion.

This legislation would go far in promoting our mutual interests, and facilitating understanding beyond that which presently exists. It would supplement, if enacted, the Pan American Union and other efforts toward joint and mutual contribution toward a better tomorrow.

The cost is negligible compared to the prospective benefits. A study would yield much information of value.

Our new world is a world of new culture, happy culture, so well expressed in the music and song, as well as the poetry, of our friends and neighbors to the south. I do not believe they know that

most of us appreciate them as much as we do.

I strongly urge the passage of this legislation.

DEBBIE QUINN, LA PORTE, IND., AMERICA'S VALENTINE GIRL FOR 1959

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BRADEMAS. Mr. Speaker, it is a great honor for me to call the attention of my colleagues in the House to a young and lovely little girl now watching these proceedings from the gallery.

She is 6-year-old Debbie Quinn, of La Porte, Ind., a city in the district I represent. As you see Debbie now, she is the picture of health and energy. Yet Debbie was born with four serious heart defects, including a hole the size of a quarter between the heart ventricles.

But thanks to the dedication and skill of Dr. C. Walton Lillehei of the University of Minnesota Heart Hospital, her heart was repaired and as Debbie says "It's as good as new." The operation Dr. Lillehei performed took 7½ hours. During that time the functions of Debbie's heart and lungs were taken over by a newly developed machine, to leave the heart free for the surgeon's work.

Debbie, with her parents and brother, Bobby, is visiting us today as America's Valentine Girl for 1959, an honor which was bestowed upon her yesterday at the White House by Mrs. Eisenhower. She has been chosen as a symbol of hope for heart victims everywhere by the American Heart Association.

The fact that Debbie, whose heart defects would have been incurable 10 years ago, is here with us today demonstrates that the Heart Association is deserving of support in its battle against crippling heart ailments.

I should also like to pay tribute to Debbie's parents, Mr. and Mrs. James Quinn, whose courage, love, and devotion have helped their daughter win her battle for a normal and healthful life.

AREA ECONOMIC REDEVELOPMENT

Mr. WAMPLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WAMPLER. Mr. Speaker, because I feel quite strongly that the many areas in the United States that are suffering from substantial and persistent unemployment and underemployment, in many instances, of a tragically prolonged period, must have Federal assistance to overcome their economic redevelopment problems, I have introduced today a measure calling for the establishment of an Area Redevelopment Administration.

My bill, which is identical to the area redevelopment measure introduced by Senator DOUGLAS, of Illinois, for himself and 38 cosponsors and by Members of this body, is substantially the same as a similar measure passed by the 85th Congress, only to be vetoed by President Eisenhower.

Under the terms of the bill, Mr. Speaker, Federal loans would be authorized totaling $300 million and grants totaling $75 million to go to qualified areas of chronic unemployment and underemployment, both industrial and rural. Four and a half million dollars for technical aid to redevelopment areas would also be made available. Loans made from the two $100 million revolving funds—one for industrial projects in industrial redevelopment areas and the other for industrial projects in rural redevelopment areas—are to be for a 30-year period. Loans made from the third $100 million revolving fund, established to improve and develop depressed area community facilities so as to enhance the opportunities in the area for the attraction or expansion of industrial or commercial plants and facilities, will run for 40 years. Loans made will bear interest at the rate of one-half of 1 percent above the Treasury's borrowing cost.

I have information, Mr. Speaker, to the effect that in the State of Indiana, alone, there are six labor market surplus areas suffering from chronic economic distress and would therefore be eligible for assistance; they are Evansville, Terre Haute, Michigan City-La Porte, Muncie, Richmond, and Vincennes. In July of 1956 these 6 areas had a population of between 550,000 and 600,000, or approximately 13 percent of the State's total.

In addition, I am informed that in the Sixth District of Indiana, the city of Terre Haute and surrounding area, 1 of Indiana's 2 major economically distressed areas, with a 1956 population of 105,000 has been a labor-surplus area almost continuously since World War I; that its depressed status is attributable to long-term declines in manufacturing, coal mining, and supporting trade and service activities; and, that unemployment exceeded 9 percent of the labor force from 1954 through the middle of 1957.

As late as January 1958, Terre Haute's unemployment level was at 9 percent, with 4,200 of the 44,900 labor force out of work.

Mr. Speaker, I wish to express my unqualified support for this and all similar measures introduced by Members of both bodies, from both sides of the aisle. These distressed communities in Indiana and elsewhere in the country are in dire need of assistance if they are to regain their economic health and thereby be in a position to contribute materially to our Nation's industrial strength.

PROVIDING ADDITIONAL FUNDS FOR DIRECT LOANS TO VETERANS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 154 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2256) to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer their names:

[Roll No. 3]

Barrett	Fogarty	Passman
Buckley	Green, Pa.	Powell
Bush	Hagen	Preston
Carnahan	Jackson	Reed
Carter	Jensen	Scott
Chelf	Keith	Shelley
Cook	Landrum	Shipley
Curtis, Mo.	Lennon	Smith, Calif.
Davis, Tenn.	Levering	Taylor
Dawson	Martin	Whitener
Dixon	Meader	Withrow
Donohue	Miller, N.Y.	Zelenko
Farbstein	Murray	

The SPEAKER. On this rollcall 390 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING ADDITIONAL FUNDS FOR DIRECT LOANS TO VETERANS

Mr. MADDEN. Mr. Speaker, House Resolution 154 makes in order the consideration of H.R. 2256, the veterans' housing bill. The resolution provides for an open rule and 2 hours of general debate on the bill.

The bill is designed to provide additional funds for direct loans to veterans and to increase the ceiling on the interest rate for veterans' loans.

First. The direct loan program was created because the guaranteed loan program was not providing an equitable opportunity for all veterans to obtain a home loan. The guaranteed loan program functioned in metropolitan areas but has been of little benefit to veterans

living in small cities and towns and rural areas.

Second. There has been such a heavy demand for this type of loan that the funds previously provided have been seriously depleted, and as of April 1958 there were over 13,000 veterans on the waiting list for direct loans. As of November 1, 1958, over 43,000 veterans were on the direct loan waiting list.

Third. The current rate of interest has been too low to attract lenders to make loans under the guaranteed loan plan.

Fourth. The bill provides for a fund of $300 million for direct loans and increases the ceiling on the rate of interest for all loans from the present 4¾ percent to 5¼ percent.

There appears to be a very great need for enactment of this legislation in order to take care of those veterans, particularly in the rural areas, who cannot obtain the funds under the guaranteed loan plan.

I urge the adoption of House Resolution 154.

Mr. Speaker, I yield 30 minutes of my time to the gentleman from Idaho [Mr. BUDGE] and reserve the balance of my time.

Mr. BUDGE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, while I do not appear here in opposition to the adoption of the rule because I feel this matter should be fully debated, there are three things which should be called to the attention of the membership of the House in connection with this legislation.

First, within the first 30 days, at the very beginning of this Congress, we are called upon to vote on a proposition to exceed the President's budget by $300 million.

Second, the procedure called for in this legislation, whereby a direct pipeline is made into the United States Treasury to obtain the $300 million, is without even the consideration of one of the great committees of this House; namely, the Committee on Appropriations. I feel it is not only improper, but I think it is also unconstitutional to appropriate money in this fashion.

There is one other element involved. If we adopt this type of legislation, the House could very well end up in a situation where it loses its prerogative of starting appropriation bills. The other body has, in the past, successfully used this device by making a direct pipeline approach into the Treasury, and I know that, if we follow it in this body, we can certainly expect it from the other side of the Capitol.

Mr. Speaker, those three things, I think, should be borne in mind, and I believe each one of us should take a very close look before, this early in the session, for this purpose, and in this manner, we exceed the President's budget by $300 million.

Mr. Speaker, I now yield 5 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN. Mr. Speaker, as the gentleman from Idaho has stated, this bill, if enacted, rejects the President's plea for a balanced budget. Bear that in mind. This is the first bill to be taken up in the Congress of the United States. It starts right off, I repeat, by rejecting the President's plea for a balanced budget.

Mr. Speaker, this bill authorizes $300 million for direct loans to veterans in the field of housing. At the present time and under the present law there is now $192 million available to be used for that purpose.

Now, the other body also, Mr. Speaker, has rejected the President's plea for a balanced budget. Last Friday the Committee on Banking and Currency of that body favorably reported—and it is now before the other body—the omnibus housing bill which authorizes appropriations in the amount of $2,925 million. The administration housing bill provides for but $1,650 million. Thus the housing bill in the other body goes over the President's budget by over $1.3 billion.

Now, Mr. Speaker, we have been in session here about a month. These are the only two bills that have been before the Congress. Here we come with these two bills amounting to over $1.5 billion over the President's budget.

Now, how can we possibly talk about having a balanced budget when there are going to be scores and scores of other bills; when the first two bills that we have go over the President's recommendations for a balanced budget by $1.5 billion?

Since the November elections, Mr. Speaker, we have continually read in the press that this is going to be a radical Congress; that it would not have any financial responsibility whatsoever. And, I am saying now, with these first two bills coming before the Congress which exceed the President's budget by $1.5 billion, that we are rejecting his plea for a sound, stable fiscal policy. I just cannot be for this sort of thing.

Mr. MADDEN. Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, I want it understood that I am not opposing this rule nor am I opposing this bill. I do, however, want to call attention to one thing which appears in this bill which illustrates a growing menace to our entire fiscal situation. That is the so-called back-door approach to the U.S. Treasury.

Mr. Speaker, we are supposed to have very definite rules with reference to handling our fiscal matters. There has been a tendency in recent years, however, to bypass the Congress, to bypass the regular appropriation processes, and to give various agencies of the Government the authority to borrow directly from the U.S. Treasury, and to grant contract authority for these agencies to obligate and spend money without the annual supervision and review by the Congress over such spending.

Let me show you just exactly to what extent this has progressed. In the 2d session of the 85th Congress there were bills, originated by and passed by the Senate, which bypassed the regular appropriation processes, amounting to $9,110,196,000 which involved the use of the so-called public debt transaction or contract authority devices.

There were bills passed in the House, and most of those were these Senate bills, involving the same devices, totaling $4,575,196,000.

There were enacted into law bills—other than appropriation bills—carrying those devices totaling $4,164,196,000, and those bills exceeded the President's budget requests by a net amount of $149,196,000. I have in my hand a list of those bills. There is a total of 16 bills, and 12 of them originated in the Senate.

It has been the unvarying practice from the beginning that appropriation bills originate in the House of Representatives. These are appropriation bills. Why do I say so? I do not ask you to take my word for it. All I ask you to do is look at the Constitution of the United States, which states:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law.

These bills do draw large sums from the Treasury of the United States; therefore, they are appropriation bills.

If they are not appropriation bills the money is being withdrawn from the Treasury contrary to the provisions of the Constitution. That, it seems to me, is the inescapable fact. Although they are appropriation bills they are not being handled as such.

Do you know there will be submitted in the near future, according to the recent budget message, supplemental appropriations requests for fiscal year 1959, which ends June 30, totaling $8,715 million, and, of that amount, $5,375 million involves this principle of the back-door approach to the Treasury of the United States? In other words, less than half of that tremendous sum would normally go through the regular annual appropriations process if we cbntinue to follow these improper and diffused procedures. And there are more such items proposed for the coming fiscal year 1960. I include the following table:

Some idea of the current dimensions of bypasses of the regular appropriations process (public debt and contract authorities)

1. In the 2d sess., 85th Cong.:	
(a) Total of Senate passed bills	$9,110,196,000
(b) Total of House passed bills (excludes some from committees which were defeated on floor)	4,575,196,000
(c) Total amount enacted (excludes $437 million airport bill passed but vetoed)	4,164,196,000
(d) Final enactments exceeded the budget requests by net amount of	+149,196,000
2. Proposed supplementals for fiscal 1959 to be submitted to the present session (6 propositions)	5,375,000,000
3. Amounts in 1960 budget (and for 1960) which would also be processed outside the regular appropriations procedure:	
(a) Requiring action this session:	
Airport construction	65,000,000
Urban renewal capital grants	250,000,000
	315,000,000

Some idea of the current dimensions of bypasses of the regular appropriations process (public debt and contract authorities)—Continued

3. Amounts in 1960 budget, etc.—Continued	
(b) Not requiring action because they will become available in 1960 under previous "bypassing" laws:	
VA direct loans	150,000,000
Farm tenant mortgage insurance fund	30,000,000
Maritime stuff	2,696,000
Public health	510,000
Roads, Indians	12,620,000
Roads, Park Service	34,000,000
Total for 1960—budget requests	544,826,000

NOTE.—Of course, these are budget figures. If legislative committees greatly exceed them on such things as housing, depressed areas, airports, etc., the totals will be much bigger.

Now you say: What harm is done? What is the effect of it? Well, the effect is just this: You do not have an adequate review by the Congress of the funds that are being spent by the Government agencies. It is taking the control of these funds away from the Congress of the United States. I am certain every Member of this House has heard many speeches about Congress losing control of the purse. This is probably the single most important way it is being lost.

The Congress, for example, authorizes an agency to borrow $2 billion directly from the Treasury for certain expenditure purposes. There is no provision for regular annual review as to how that money is spent. So long as that condition exists, the Congress of the United States is not discharging its duty. With our duty to appropriate money comes the responsibility of seeing that the money appropriated is properly spent—and the proper and time-honored way is the annual appropriations process.

I think one of the smartest things—just as an illustration—that this Congress ever did was with reference to foreign aid. I have had the privilege of serving on the subcommittee of the Committee on Appropriations that has handled that particular appropriation since its inception, and it was my privilege for a long time to be chairman of that subcommittee—when we started the foreign aid program there was a suggestion that a general authorization be given. But, the Congress said, "No—a program of this kind should be reviewed annually. In that way we can control the program and check on it every year." Therefore, the Congress provided for a double review annually, because it required an annual authorization. Every year the administration has had to come before this body; go first to the Committee on Foreign Affairs for an authorization for the appropriation of funds for the next fiscal year and then, after Congress acts on that, the administration has to request an appropriation and go before the Committee on Appropriations to justify the request. I want to say to you that this process alone has saved this Nation billions of dollars, and at the same time has provided adequate funds for the foreign aid program. We have had adequate programs and, at the same time, they have been under the strict annual—I want to stress annual—review of the Congress.

In my judgment, one of the greatest problems facing this Nation today is our fiscal situation. I know the menace from abroad. I know that we are facing one of the most ruthless enemies that the world has ever known. I know that we have to make expensive provision for our national defense, but let us understand thoroughly that a sound fiscal policy is a vital and essential part of our national defense, because a bankrupt nation cannot defend itself.

I would not say that this Nation is near bankruptcy, but I do say to you that we have a situation whereby we are spending tremendous sums of money every year. I have those figures before me. During the last 6 calendar years we have collected $444 billion in taxes from our people. Notwithstanding that fact, our Federal debt has increased alarmingly. We are facing in the current fiscal year a deficit of $12,900,000,000. We talk about a balanced budget for next year. But the facts are that if we do not watch out, we are going to face a deficit again next year. If we cannot balance our budget in these times of prosperity, what will we do when we face times of adversity? We as Members of Congress should assume our responsibility and properly review appropriations before they are enacted. We can't balance the budget when we have no control over backdoor spending. We must see that appropriation bills are properly handled, that all funds are handled according to the proper appropriation process, and that what money we do spend is properly spent and that no more is spent than is absolutely essential. The time-honored way, the time-tested way has been the annual congressional appropriations review. Let us follow the Constitution and get this business of handling appropriations back on the right track.

The SPEAKER pro tempore. The time of the gentleman from Virginia [Mr. GARY] has expired.

Mr. BUDGE. Mr. Speaker, I yield 10 minutes to the distinguished gentleman from Indiana, the minority leader [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, the gentleman from Virginia [Mr. GARY] knows of my great affection for him, but I must say the speech he has just made is the best speech that could possibly be made against the inclusion of the $300 million in this bill which we do not need. I agree with him about the matter of fiscal responsibility, but there is a time to start, and right now is the time. I want the people of this country to know that we are in the minority, 283 as against 153, and you have got the votes to spend an additional $300 million if you want to do it. But if I have my way the people of the country are going to know just who is doing it, and they are going to know the consequences that will follow from irresponsible action.

I might say to my friends that this seems to be the opening of the battle of the budget. Already the budget busters are on the move. I am a little surprised to see my good friend the gentleman from Texas [Mr. TEAGUE] apparently in the forefront of the budget busters.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. Yes; I yield.

Mr. TEAGUE of Texas. Is it not true that the President asked that the interest rate on VA home loans be increased?

Mr. HALLECK. Yes.

Mr. TEAGUE of Texas. And is it not true that he said if there was a realistic interest rate it would take care of the veterans' housing problem?

Mr. HALLECK. Well, I only yielded for a brief question.

Mr. TEAGUE of Texas. I want to make one point. It has been said that if a realistic interest rate does take care of veterans' needs, VA does not have to draw any of this $300 million. It is not mandatory. It is permissive. It will be up to the Administration. If private capital will do the job and liquidate the waiting list all of these funds will not be needed. If private lenders do not do the job with this interest rate increase, we will expect VA to use these direct loan funds.

The gentleman from Indiana has expressed surprise regarding my position on this bill to provide an opportunity for veterans in rural areas to obtain a home loan. I would like to say to the gentleman that I am equally surprised to see this issue being converted into a political football. Our committee has functioned on a nonpartisan basis. The adoption of the interest rate amendment was nonpartisan. The adoption of the amendment to add additional direct loan funds in the committee was nonpartisan and there were only two dissenting votes on the passage of the bill.

My committee was working to find a way to provide money for veterans to finance home loans. It surprises me that the gentleman from Indiana has not approached this bill in the same spirit. The gentleman's own district and State provide good examples of the needs for this legislation. The survey recently conducted by the committee shows that there are approximately 36,620 veterans residing in the gentleman's district and that the direct loan funds in the program at the present time were sufficient to provide only 15 direct loans in his district during the period April to December 1958.

There are five counties in the gentleman's district where not a single direct loan was made, yet there were 940 Indiana veterans on the direct loan waiting list in December 1958. The gentleman's district is quite similar to many of the rural areas throughout the Midwest and Southwest.

In 1956, after the veterans' housing program had operated 10 years, we checked every county in the United States. The following percentages of veterans in several of the counties in the gentleman's district had obtained loans:

County:	*Percentage*
Benton	11.8
Carroll	13.7
Fulton	14.8
Jasper	6.6
Kosciusko	15.6

County:	Percentage
Newton	17.8
Pulaski	12.9
Starke	8.7

These percentages compare to the national average of 25.2 of all veterans who had obtained a home loan at the time of the survey. The State of Indiana is below the national average, having an average of 23.5 use of eligibility. I have pointed out the counties which I have mentioned fall below both the State average and national average in the use of entitlement.

In view of the limited opportunity which veterans in Indiana have had to participate in the home loan program, it appears to me that the gentleman from Indiana would be joining with the committee in passing this bill rather than seeking to capitalize on it in a political way.

It seems to me that the gentleman from Indiana has chosen a poor example. As the gentleman knows the money used in this program is not lost to the Treasury of the United States. As a matter of fact, the direct loan program is showing a very nice return to the taxpayers even though it was not created primarily for that purpose. The program has returned $45,578,552 in interest to the Treasury. The direct-loan program for World War II veterans is scheduled to expire in June 1960 and the program for Korean veterans is scheduled to expire in June 1965. After that time all repayments of principal and interest will revert to the Treasury and since veterans have a record of paying off their loans on an average of 10 years, it is apparent that the entire amount which has been authorized for direct loans will be soon returned to the Treasury with interest and there will be no resulting losses at all to the taxpayers. On the contrary, the program will show a net gain to the taxpayers running into the hundreds of millions of dollars by 1965.

Mr. HALLECK. I understand that the Administrator may draw the money at his discretion, but we have got a responsibility to meet right here. Rather than to vote the expenditure, why not go ahead with this realistic interest rate which will make it possible for private capital to do the job? Then if they cannot do the job they can come in and ask for more money. There will be close to $200 million direct-loan money available to begin with.

Let me say with reference to deficit spending, already in three bills that have been started, the President's budget would be thrown out of balance about $3 billion. And here you add on another $300 million which I assume would not be voted if we did not expect to spend it.

Then, as the gentleman from Virginia [Mr. GARY] said, continued deficit spending means further inflation—ruinous inflation.

We on our side are going to do our best to hold down the increase in the cost of living that the housewife has to pay. We are going to fight the dissipation of the value of savings, of the people who have put their money in dollar investments; yes, and the retirement pay and disability pay of the veterans themselves.

Actually there is no need for this additional $300 million. I am going to support the rule. An amendment will be offered to strike out the $300 million, and I shall support it.

I would like to interject that I am a little surprised, but not too much, at the great haste with which this bill has been brought to the floor and was brought out of the committee. I have picked up a little information this morning, that even the members of the committee are not familiar with what the necessities are. I suppose it was a move based on the supposition that our existing fiscal responsibility would be embarrassed by having to vote on a bill like this, labeled as the first veterans' bill. Now, you are not going to embarrass me. I do not know how many more I can speak for, but it is not going to embarrass me to support an amendment to strike out the $300 million because I know that amendment ought to be adopted.

Mr. AYRES. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

Mr. AYRES. I think it should be pointed out that although this is known as a veterans' housing bill, this bill does not apply to any veterans living in a metropolitan area; this bill applies only to veterans in remote rural areas.

Mr. HALLECK. Of course. I cannot yield further at the moment. I want to respond to that, because that was a primary purpose for which this program was developed. The necessity in that respect is all eliminated. Day after day after day last year we had a general housing bill under consideration and we heard the dire predictions of the gentlemen on the Democratic side who said that if we did not pass that bill housing would just stop in this country, but the fact is that there were more housing starts in 1958 than in any other year but one.

The new housing starts in December of 1958 projected on an annual basis reached an alltime high, and it was 1,400,000 per year. So you see actually those dire predictions did not come to pass.

I say this program of $300 million is not necessary. It is not necessary because there will be available almost $200 million: $150 million authorized in legislation now on the books; $42 million out of principal payments, and between $3 and $4 million that will come from the sale of some of these properties.

I would like to point out to you one other proposition to establish, I hope to the satisfaction of everyone on my side of the aisle, and I hope some on the other who may be concerned about what might happen if this $300 million is not provided, that needs are being met.

For slightly over a year now, the Federal Housing Administration has been conducting the certified agency program on an experimental basis. This program makes the benefits of FHA financing available to veterans and others in rural areas and smaller towns that are distant from FHA insuring offices. There has been close cooperation with the voluntary home mortgage credit program which is also helpful to veterans in rural areas, in this effort.

In the certified agency program, greater responsibility is delegated to the financial institution that originates the application. With the cooperation of fee appraisers and inspectors, qualified and assigned by the FHA, the lender processes the loan to closing. By this system FHA maintains established standards of credit analysis, appraisal and inspection as it extends its usefulness to home buyers that are in less accessible areas.

In January 1958 CAP was just getting started and only one loan had been closed and two committed under this program. Progress during the year was steady and several new areas were added to the experiment as the year progressed. It promises to be a real force in providing financing for veterans.

Announcement has already been made of plans to extend CAP on a nationwide basis. The expansion will be subject to receipt of additional insurance authorization, careful training of agents, appraisers, and inspectors, and will be limited to towns of 20,000 population and less, in areas distant from the insuring offices and branches.

Reception to this program has been exceedingly good in the experimental areas and indications are that the program is effectively extending FHA into additional territories. As of December 31, 1958, 18,566 loans had been committed and 7,461 loans had been closed. Taking into account the very limited area and time of the program's operation, this is considered an excellent response and would indicate on the basis of an average mortgage loan of approximately $10,000, a volume of approximately $265 million either insured or committed.

I feel confident that the certified agency program is a sound concept which, so long as it is wisely administered, will result in many benefits to the home-buying public and especially to veterans in smaller communities and rural areas.

In other words, the FHA is developing a program that takes advantage of private capital through the guarantee of the amount and the loans are being made in that fashion. With that kind of a program moving at full speed ahead, utilizing as it does the processes of FHA, to which we all subscribe, why, may I ask you people who talk about fiscal responsibility, should we provide for the spending of $300 million more and throw the President's budget way out of balance when you are going to have available for direct loans $200 million, with a realistic interest rate, in which everyone who may reasonably be expected to get help in securing homes will be provided that help?

When it is offered, let us adopt the amendment to strike this $300 million. Let us start out with a good word to the country that, having regard to the dangers and the perils of continued deficit financing and excessive spending, they can be assured we are going to stop deficit spending. We can only do that by exercising the sort of courage

that sometimes is mighty useful around certain places.

The SPEAKER. The time of the gentleman from Indiana has expired.

Mr. MADDEN. Mr. Speaker, I yield 7½ minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, for the benefit of the new Members—the old Members are aware of the fact—may I say that this is the same argument we have at the beginning of each session of the Congress. Of course, the argument discounts the balancing of the budget of the American people, it discounts the protection to American people from floods. It seems that some of our Republican friends have taken the floor in recent days to talk about the floods that took place recently in Ohio. But each year we hear the same battle cry with a Republican President and a Democratic Congress.

What happened in recent years? In 1957 the President's budget message estimated the fiscal year 1958 receipts to be $73,600 million and expenditures of $71,800 million, or a surplus of $1,800 million. The newspapers gave great importance to the balanced budget. That was the battle cry of the administration.

A year later, on January 13, 1958, the budget message receipts for the fiscal year 1958 were reestimated at $72,400 million and expenditures at $72,800 million, or a deficit of $400 million.

The January 1959, budget showed the actual 1958 receipts at $69,100 million and expenditures at $71,900 million, or a deficit of $2,800 million.

So the much advertised estimated surplus of $1,800 million became a deficit of $2,800 million, a difference of $4,800 million.

The Congress during that session reduced the President's budget message; just the same as we reduced it in the 85th Congress, by over $5,600 million.

Let us take the present fiscal year and see what the estimates are. We remember a year ago the same cry that there was a balanced budget, that the President had sent up a balanced budget. The January 13, 1958, President's budget estimate for fiscal year 1959 showed receipts of $74,400 million and expenditures of $73,900 million, or a surplus of $500 million.

Again the argument was made about a balanced budget. However, the President's budget message of January 19, 1959, gave a corrected estimate of receipts of $68 billion, expenditures $80.9 billion, or a deficit of $12.9 billion. Nearly a year ago the Joint Committee on Taxation of the Committee on Ways and Means, when the administration was telling the country there would be a surplus, estimated there would be a deficit of between $11 billion and $12 billion, despite the fact that in the last session of the Congress we reduced the President's budget estimate by $617,242,723 and in the previous session we reduced the President's budget estimate by over $5 billion. So, during the last Congress, the 85th Congress, there was a reduction in the President's budget estimates in 2 years of over $5.6 billion. And, who is going to say that we will not reduce? Who is going to say that the Congress will not reduce the President's budget estimate? That does not mean to say that we have to hew the line to what he recommends. We can use our own judgment. But, here in January they are making the same cry that they made in January of last year and in January of the year before of a balanced budget, when the administration itself, by its own act, unbalanced the budget in this fiscal year by $12.9 billion.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Of course, I yield——

Mr. HALLECK. I thank the gentleman.

Mr. McCORMACK. For a question.

Mr. HALLECK. I listened to the speech of the gentleman from Virginia [Mr. GARY] a little bit ago, and if I heard him correctly, it was that the supplemental appropriations for this current fiscal year would be something over $8 billion, as I remember. Has the gentleman taken that into account in portraying the magnificent accomplishments of the 85th Congress in respect to balancing the budget?

Mr. McCORMACK. The difference of $12.9 billion is on estimates given to the Congress by the President of the United States. The Congress itself, in the 85th Congress, reduced the President's budget estimate by $5.6 billion. So, the Congress has reduced it. If there is any spending, it is a spending President and not a spending Congress.

Now let us come to the bill under consideration. This is not the first time that legislation of this type has come before the Congress. In 1950 there was direct housing loans by the Veterans' Administration for veterans. Furthermore, the Reconstruction Finance Corporation started through this method; the Federal Home Loan Banks started through this method; the Home Owners Loan Corporation the same way; the Federal Deposit Insurance Corporation; the Federal National Mortgage Association; the Rural Electrification Administration; Public Housing Administration; Commodity Credit Corporation. There is a long list of important progressive pieces of legislation that had to start through the employment of the method engaged in this bill. Those who are opposed to progressive legislation always take a position in opposition to certain provisions being included in any bill. If that opposition had prevailed, much of the progressive legislation of the past years now on the statute books would never have been enacted into law.

To me, the amazing thing is that some of those who come down here now and who will come down here when public housing comes up and who are opposed to the provisions of that bill are the loudest in demanding that the same provisions be included in the Commodity Credit Corporation bill, be included in connection with agriculture. I supported them on that occasion, but they talk one way when a bill affects them and they talk another way when a bill affects another part of our country.

Mr. BUDGE. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Speaker, my original intent is to discuss the general overall problem presented by the distinguished gentleman from Virginia [Mr. GARY], because I feel that the problem he sets forth is one that is of major seriousness and consequence to the country and a matter that this Congress should meet head on.

As the gentleman from Virginia indicated, there is a provision in this legislation which is another attempt by a back-door means and method to have an adverse impact on the Federal Treasury. I refer specifically to that portion of the bill on page 1, beginning in line 5, as follows:

> In addition to the sums authorized in this subsection, the Secretary of the Treasury shall also advance to the Administrator such additional sums, not in excess of $300 million as the Administrator may request, and the sums so advanced shall be made available without regard to any limitation contained in this subsection with respect to the amount which may be advanced in any one quarter annual period.

That particular language is an amendment to the basic act. On page 3 of the committee report you will find the basic legislation in toto, with the language I have just read included in its appropriate place.

If you read this language on page 30 of the committee report I think you will come to the same conclusion that the gentleman from Virginia [Mr. GARY], others, and I have come to, that this is a very unsound, unwise method of making funds available to the various agencies of our Government. First, I join with the gentleman from Virginia in the conclusion that this particular funding method is basically unconstitutional. Secondly, it takes from this body, the House of Representatives, its prerogative to have original review of appropriation proposals, or spending bills. Thirdly, I think this approach is fundamentally fiscally irresponsible.

I think the gentleman from Virginia [Mr. GARY] pointed out, but if he did not, it should be pointed out that in the last session of Congress there were some 16 legislative proposals that had provisions similar in effect to this one. Twelve of those bills originated in the other body, and only 4 in this body. We in the House should object to this situation as a limitation on our constitutional and traditional prerogative.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. FORD. I would be very glad to yield to the gentleman from New York.

Mr. TABER. The gentleman from Massachusetts was correct, as far as he went, when he told about the reductions that were made by the 85th Congress through the regular appropriations process, but he did not tell about the nearly $4 billion increase over the budget request which was also enacted by the same 85th Congress, where the money went out of the Treasury through these back-door provisions in legislative bills outside the appropriations process. That

means that the savings through cutting the appropriations estimates in the regular appropriations bills were substantially wiped out by the increase in the back-door withdrawals. The back-door withdrawals are the things we have before us right now and that will bankrupt the United States.

Mr. GARY. Mr. Speaker, will the gentleman yield?

Mr. FORD. I am glad to yield to the gentleman.

Mr. GARY. It not only means that the savings were wiped out, but it means that any opportunity for savings was wiped out because there was no review allowing us an opportunity for savings in those bills.

Mr. FORD. I wholeheartedly agree with the observations of the gentleman from New York and those of the gentleman from Virginia [Mr. GARY].

As I was about to say, the other body in 12 instances in the last session of the Congress, in effect, originated appropriation bills. According to the Constitution, and interpretations of the Constitution, that is an inappropriate action for them to take, and it seems to me that we, in this body, should be jealous of our responsibilites and our obligations in this area. We should prevent now and in the future the inclusion of such language in all bills that originate in this body or in the other body.

I would like to emphasize the point that, in my judgment, this kind of provision is fiscally irresponsible. The gentleman from Massachusetts has pointed out that in the first session of the 85th Congress, the House and Senate by the recommendations of their respective committees on appropriations reduced the new obligational authority requested by the President to the extent of slightly over $5 billion. However, the distinguished gentleman from Massachusetts failed to point out that in the same session of the Congress the House and Senate increased the President's request for the right to obligate by this back-door method over $2,700 million. Those facts and figures are pointed out on page 80 and 81 of hearings on the 1960 budget which were just concluded by the House Committee on Appropriations.

As a matter of fact, by this back-door method in the first session of the 85th Congress, the President recommended legislation which would have made available $3,168,905,000, but the Congress by this irresponsible method upped that availability to $5,807,751,000, increasing the President's budget in this area by over $2.7 billion. In the second session of the 85th Congress, the House and Senate reduced the new obligational authority through the Appropriations Committees by the sum of $617 million. But, on the other hand, in the last session of the Congress by this back-door method, the House and Senate went beyond the President's budget and, in effect, increased the availability of obligational authority.

In my judgment and in my opinion, we should stop this kind of funding, that I indicated in the language on page 1 of the bill. I am convinced that if we strike that language in this bill and in subsequent bills, we will get a higher degree of fiscal responsibility.

Let me point out again in another way what I mean. All of you have or should have a copy of the Federal Budget in Brief. If you will turn to page 55 of that document, you will find this language:

> In 1953 unexpended balances carried forward at the end of the year from appropriations was $78.4 billion.

By constant pressure from the Congress those unexpended balances in a period of about 8 years have been reduced to $41.5 billion. In other words, in 1953 the unexpended balance was $78.4 billion. At the end of fiscal 1960 it is estimated it will be $41.5 billion. That is a reduction in unexpended balances of approximately $37 billion. To me that shows that the Congress in the regular appropriation processes has done a good job and was able to get a higher degree of fiscal responsibility.

If you will go down to a line below in this same chart you will find this, "From other authorizations, authorizations to spend from debt receipts"—that is the process and procedure which is in this paragraph—you will find that at the end of fiscal 1953 the unexpended balance in this category totaled $20.2 billion. If you will go across the page you will find at the end of fiscal 1959 the unexpended balance in this category will probably go up to $26 billion, an increase of $5.8 billion.

I am only seeking to illustrate that when we use this faulty method of financing the Congress loses fiscal control, the Congress loses the ability to intelligently scan, item by item, the requests for expenditure. When we do that we find that the unexpended balances increase. That is a condition which we should not condone. One way to stop it is to eliminate this kind of provision in this bill or in any other bill. Then we can return to the kind of control which has brought a reduction in unexpended balances from appropriation, from $78.4 billion down to $41.5 billion over the same period of time.

It is my judgment that this legislation, with this kind of provision in it, is unsound, unwise and fiscally irresponsible, and I hope and trust it is defeated if this provision is retained.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield.

Mr. ARENDS. I just want to say that I agree entirely with the position which the gentleman takes. Further I would like to say to the House that some years ago there was a Member from Pennsylvania, Mr. Rich, with whom many of the older Members had the privilege of serving, who always asked the $64,000 question which should be in the minds of everybody today: "Where are you going to get the money?"

The SPEAKER pro tempore (Mr. ROONEY). The time of the gentleman from Michigan has expired.

Mr. BUDGE. Mr. Speaker, I yield the remaining time to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, why did the Founding Fathers in the Constitution provide that no funds should be withdrawn from the Treasury except by appropriation made by the Congress?

This was the reason: They knew that bureaucratic control and bureaucratic management was irresponsible and that the people could not be protected from the bureaucrats except by requiring that the money that was withdrawn from the Treasury must be withdrawn on appropriations made by the Congress.

I ran into a story yesterday that made me realize just how irresponsible bureaucrats are. They were going to build a six-room schoolhouse for Indian children. That was fine; but what do you suppose they brought in for architects and engineers' fees for that job? Two hundred and thirty thousand dollars—almost half enough to build the schoolhouse.

Are we going to continue to allow the bureaucrats to fritter away money forever? The only salvation for the United States is the control by Congress of the right to appropriate money, and unless we preserve that right and maintain our liberties in that field, we are gone.

Let us not be fooled into voting for something we know is wrong and is the wrong way to do it.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. What is the use of having the gentleman's committee, the Appropriations Committee, if we adopt this kind of procedure?

Mr. TABER. It is gradually growing bigger and bigger, and the waste is becoming worse and worse. That is why, as I understand, the gentleman from Virginia offered an amendment to the rules of the House which would correct this situation. I hope we will meet our responsibility and not let any more money flow out of the Treasury by the back door.

Mr. MADDEN. Mr. Speaker, I yield the balance of my time to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I wish to talk about the question that has been raised here this morning of this back-door approach to the Treasury, as it is called. I would like first to make clear how that situation developed. It came about by provisions in authorization bills which state that the administrator of the agency in question may issue notes. He may take those notes to the Treasurer of the United States, and the Secretary of the Treasury is required to cash those notes and treat it as a transaction under the Second Liberty Loan Act. In that way the review of appropriations never gets to the House of Representatives, or to the Senate, for that matter.

This thing has been going on for a long time in small fashion; last year it mushroomed. As you have heard, over $9 billion of bills came to the House with that provision in them; and although the other body is prohibited under our rules from initiating appropriations, and is prohibited under the direct terms of

the Constitution from initiating revenue bills, 12 of those 16 bills which came before the House were bills coming from the other body.

I am one of those who believes that when you see something ought to be done, stop talking about it and act. I have introduced a resolution this morning to amend the rules so as to bring us back within the terms of constitutional legislation. That resolution will be referred to the Rules Committee. I very much hope the Rules Committee will bring it to the floor of the House in the near future. If that is done, this House will determine in a democratic way, and as it should, whether we shall pursue the course which we have been pursuing or whether we are going to conform to constitutional requirements.

I know certain people get tired of being told about the Constitution of the United States and, in view of what is going on in the country, I feel some hesitancy about mentioning that more or less outmoded document.

In the first place, as you have been told this morning, there is a specific provision in the Constitution—just a few words—which says that no money shall be withdrawn from the Treasury of the United States except by appropriation pursuant to law. Time and again here it has been held, and is the solid rule of the House of Representatives, that an appropriation is anything that permits money to be withdrawn from the Treasury without further action by the Congress.

The Constitution also specifically provides that all revenue measures must originate in the House of Representatives under the theory of the Constitution of the United States that the Members of the House are closest to the people bearing the burden of taxation. So the Constitution specifically gives this body sole and exclusive jurisdiction to originate revenue legislation.

The provision in this bill which I have spoken of concerning the Second Liberty Loan Act is an example. As I said to you before, 12 of those bills came here last year from the other body that had no jurisdiction to initiate legislation affecting tax measures.

I hope that the Members of the House will give some serious consideration to this problem. It is a tremendous problem. You cannot possibly keep up with your financing with this method of operation. All we are seeking to do is to say that before any money is appropriated or any means provided to withdraw it from the Treasury the matter shall come to the House, go to the Appropriations Committee, be considered by that committee and analyzed and acted on by the Committee on Appropriations. That is all there is to the proposition.

Mr. Speaker, I heard my distinguished friend from Massachusetts, the majority leader, talking about how all of these things which have been done for the benefit of the people would not have been done if we had not had this back-door-to-the-Treasury proposition. I am not proud of that statement. This House has always been able to act within the Constitution. There are ways it can be done. To say it cannot be done in any way except by violating the Constitution of the United States seems to me to be an inaccurate sort of a statement.

I have heard a lot of talk here this morning about the budget. We all want to balance the budget. I think every Member of the House wants to be responsible in our fiscal affairs. I wish we would not get so much politics into this because every time we get to talking about "who done it" each side says the other side did it. As a matter of fact, we did cut the President's budget by over $5 billion last year. But let me say to you gentlemen on my side of the aisle, we Democrats did not do it. Let me say to you gentlemen over there on the Republican side that you did not do it. It was done by the responsible membership of this House on both sides of the aisle, irrespective of political considerations, by Members who thought we ought to have a strong financial policy. That is the way it was done, and if it is done again that is the way it has got to be done.

I hope those Members of the House who feel as some of us do about the dire necessity of doing something about the expenditures of this Nation will stand together and irrespective of the line that runs down the middle of this Chamber here vote your convictions for a balanced budget and for a sound fiscal policy, without regard to political parties.

The SPEAKER. The time of the gentleman from Virginia has expired. All time has expired.

The question is on the resolution.

The resolution was agreed to.

Mr. TEAGUE of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2256) to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2256, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TEAGUE of Texas. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I certainly regret that the leadership on my left has chosen to make this veterans bill a political football. I wish that every Member of this House could have been in our committee the 2 days that we worked on this bill. Politics was never mentioned; it was never thought of in any way, form, or fashion. This bill is the result of a very sincere effort of a committee of this Congress to take care of a job that has been given to us of taking care of housing for veterans in this country. This is not an irresponsible bill. It is a good bill.

Mr. Chairman, I am not going into all of the details of our veterans' housing program. I am going to cover the two principal parts of this bill. One part of it is $300 million for direct loans; the other part of it is increasing the interest rate on guaranteed loans from 4¾ percent to 5¼ percent. The President of the United States recommends that we increase the interest rate. I have opposed this increase for many years. It finally boils down to the fact of whether or not you want fewer houses and have our veterans pay less interest or whether you want more houses and let them pay more interest. Our committee, after very careful deliberation, in the most nonpartisan atmosphere that you can imagine, voted to increase the interest rate. After that there was a vote to increase the amount from $150 million to $300 million for direct loans.

Now, first let me tell you a little about direct loans. There are over 45,000 veterans on the waiting list for direct loans. The Administrator had $150 million for the fiscal year 1959—July 1, 1958 to June 30, 1959. All that money has been drawn from the Treasury. It has been distributed by the VA central office. Now, if this 5¼ percent interest rate will provide money for housing, the Administrator for Veterans' Affairs does not have to draw one dime of this $300 million. If it does not produce the money to build veterans' housing, then he should draw it and we will expect him to do so. There has been a period in the past when he failed to draw $50 million that was available. So, it is up to the Administrator and the President whether they use this $300 million. The following charts show the activity in the VA direct loan program as compared with the VA guaranteed loan program:

CHART 1

National totals

	Direct loans, Apr. 1–Dec. 1, 1958								Guaranteed loans, July through November 1958	Veteran population	Veterans on waiting list for direct loan
	Total loans made	Purchase new home	Purchase existing home	Construct new home	Purchase farm with home	Construct farm home	Repair home	Repair farm home			
National totals	10,790	2,226	5,728	2,248	438	31	110	9	73,752	19,517,000	41,025

CHART 1—Continued

State totals

State	Direct loans, April through November 1958								Guaranteed loans July through November 1958	Veteran population	Veterans on waiting list for direct loan
	Total loans made	Purchase new home	Purchase existing home	Construct new home	Purchase farm with home	Construct farm home	Repair home	Repair farm home			
Alabama	341	81	85	157	10	2	5	1	1,052	328,000	1,163
Arizona	94	0	73	21	0	0	0	0	692	111,000	42
Arkansas	305	22	112	125	41	2	3	0	192	180,000	1,301
California	82	55	17	10	0	0	0	0	7,572	1,681,930	306
Colorado	186	135	28	7	11	0	5	0	1,823	194,000	448
Connecticut	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	1,530	275,000	0
Delaware	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	216	48,000	0
Florida	355	24	107	216	1	0	7	0	2,474	458,000	1,601
Georgia	704	52	296	291	50	10	5	0	535	368,000	2,407
Idaho	234	12	126	92	1	0	3	0	212	69,000	1,217
Illinois	242	23	193	13	4	2	7	0	1,363	513,000	940
Indiana	396	345	32	7	10	1	1	0	2,249	1,142,000	1,312
Iowa	257	13	202	38	3	1	0	0	721	289,000	346
Kansas	190	6	144	24	12	0	1	0	838	236,000	136
Kentucky	467	25	355	39	40	0	6	2	429	315,000	2,686
Louisiana	262	27	114	120	0	0	1	0	760	296,000	783
Maine	290	6	267	4	7	0	6	0	842	107,000	79
Maryland	110	10	91	9	0	0	0	0	1,882	268,080	66
Massachusetts	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	5,695	743,000	0
Michigan	239	78	139	10	8	0	4	0	2,173	884,000	1,503
Minnesota	375	89	175	86	14	1	6	0	1,342	445,000	1,403
Mississippi	272	77	151	33	3	0	8	0	397	201,000	1,321
Missouri	618	35	363	86	129	2	3	3	1,767	487,000	1,369
Montana	143	10	79	50	2	0	2	0	155	75,000	1,049
Nebraska	167	6	137	23	1	0	0	0	127	157,000	502
Nevada	42	22	9	11	0	0	0	0	7	35,070	332
New Hampshire	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	910	72,000	0
New Jersey	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	3,453	707,000	0
New Mexico	84	38	28	16	1	0	1	0	893	90,000	457
New York	63	18	39	4	2	0	0	0	10,980	1,931,000	152
North Carolina	570	30	317	219	0	0	4	0	610	448,000	2,792
North Dakota	65	12	32	18	1	0	2	0	106	63,000	857
Ohio	489	333	143	8	5	0	0	0	2,023	1,079,000	2,425
Oklahoma	174	21	80	43	17	7	6	0	502	274,000	1,118
Oregon	218	13	194	10	1	0	0	0	208	212,000	304
Pennsylvania	135	18	104	13	0	0	0	0	5,020	1,455,490	667
Rhode Island	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	374	118,000	0
South Carolina	287	21	137	129	0	0	0	0	195	217,000	884
South Dakota	151	28	71	43	5	0	4	0	103	75,000	665
Tennessee	193	27	118	31	14	0	3	0	1,002	380,000	901
Texas	514	50	288	147	21	2	6	0	5,332	998,000	662
Utah	185	55	113	11	2	1	1	2	341	95,000	854
Vermont	21	2	18	0	1	0	0	0	400	43,000	0
Virginia	532	364	164	0	3	0	1	0	928	360,430	3,154
Washington	141	0	136	3	1	0	1	0	624	306,000	521
West Virginia	445	64	334	68	21	0	4	0	89	243,000	1,191
Wisconsin	138	0	115	8	15	0	0	0	1,053	403,000	795
Wyoming	79	9	25	41	1	0	3	0	86	33,000	323
District of Columbia	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	1,581	213,490	0

[1] No areas eligible.

CHART 2

States	Direct loans							Guaranteed loans, all kinds, to Oct. 1, 1958	
	Funds available		April–October 1958, builder's request for commitments						
	During period April–October	At end of October 1958	Requests received	Number of units	Requests approved	Number of units approved	Dollar value	Total number made	Dollar value, all loans
National total	$117,400,495	$58,188,599	548	2,467	431	1,916	$21,836,706	5,451,010	$44,472,120,869
Alabama	5,058,967	1,573,327	19	111	18	108	1,318,535	67,823	533,462,980
Arizona	2,129,240	843,965	2	18	2	18	223,768	27,993	216,691,732
Arkansas	4,806,871	1,183,437	29	83	26	74	832,670	28,993	160,878,475
California	5,008,375	2,807,781	15	133	3	17	194,400	706,263	6,731,680,817
Colorado	2,501,857	944,978	3	22	2	10	108,750	68,153	583,028,398
Connecticut								79,440	721,611,791
Delaware								22,944	224,557,467
Florida	6,750,195	2,812,215	21	214	18	180	1,972,000	128,986	1,102,275,118
Georgia	10,043,143	3,072,835	16	98	14	85	1,016,300	99,644	808,682,853
Idaho	2,971,745	1,144,272	21	121	18	103	1,337,900	14,513	97,640,715
Illinois	6,518,016	2,679,305	5	22	4	17	211,500	213,119	1,842,630,123
Indiana	4,357,419	1,287,734	3	18	2	8	102,750	105,677	667,209,426
Iowa	3,464,136	1,176,186	0	0	0	0	0	71,475	478,960,889
Kansas	2,007,491	400,954	0	0	0	0	0	53,362	362,797,617
Kentucky	7,006,936	2,443,177	15	78	14	75	$932,390	45,039	330,153,982
Louisiana	4,257,850	1,699,218	31	85	15	63	829,200	66,236	570,285,331
Maine	2,201,572	606,352	0	0	0	0	0	23,919	122,932,971
Maryland	2,169,119	859,855	0	0	0	0	0	90,354	717,194,788
Massachusetts								255,846	2,126,441,699
Michigan	6,601,125	2,324,219	5	44	5	44	563,290	207,937	1,757,773,256
Minnesota	4,214,770	1,405,370	22	74	21	66	800,700	110,841	918,800,465
Mississippi	4,301,799	1,720,546	17	75	12	60	673,350	33,105	223,108,580
Missouri	8,713,481	1,107,914	3	6	3	6	71,500	127,976	1,051,756,688
Montana	2,150,216	811,706	27	67	27	67	890,300	12,526	96,253,764
Nebraska	2,352,103	773,926	7	29	7	29	371,926	26,757	173,304,693
Nevada	921,715	163,547	16	33	15	30	403,900	3,369	24,560,718
New Hampshire								31,172	184,299,790
New Jersey								273,513	2,416,376,192
New Mexico	1,548,636	711,002	14	109	8	72	836,600	28,180	221,802,845
New York	1,207,404	523,173	0	0	0	0	0	650,592	5,053,189,930
North Carolina	9,254,144	1,788,258	28	135	17	92	1,063,000	62,385	447,771,294
North Dakota	2,225,396	853,473	18	54	18	54	711,500	12,310	73,430,288
Ohio	7,850,000	2,795,270	6	49	4	28	359,300	212,293	2,216,021,344

CHART 2—Continued

States	Direct loans							Guaranteed loans, all kinds, to Oct. 1, 1958	
	Funds available		April–October 1958, builder's request for commitments						
	During period April–October	At end of October 1958	Requests received	Number of units	Requests approved	Number of units approved	Dollar value	Total number made	Dollar value, all loans
Oklahoma	$3,677,145	$1,183,155	23	69	16	55	633,890	95,485	$650,506,297
Oregon	3,051,548	904,254	8	12	7	11	128,996	34,717	252,943,695
Pennsylvania	4,545,598	2,460,132	0	0	0	0	0	404,790	2,920,508,443
Rhode Island								37,730	278,323,069
South Carolina	5,043,998	764,631	16	82	10	59	678,600	38,128	269,160,447
South Dakota	2,250,970	599,700	15	41	15	41	483,650	12,370	69,811,923
Tennessee	4,960,744	1,603,779	12	58	4	30	352,830	88,933	640,722,787
Texas	9,384,191	2,394,425	10	44	7	18	222,100	319,409	2,565,147,664
Utah	2,613,151	767,665	21	87	14	58	767,000	25,370	205,022,748
Vermont	281,387	147,318	0	0	0	0	0	14,997	84,128,234
Virginia	7,543,495	3,025,296	79	327	64	269	3,233,831	75,480	595,215,741
Washington	2,679,296	849,715	0	0	0	0	0	114,084	834,426,387
West Virginia	5,270,857	1,469,024	3	24	3	24	251,500	22,045	137,120,517
Wisconsin	2,692,404	1,028,971	1	2	1	2	27,000	87,100	717,361,283
Wyoming	505,561	476,998	7	43	7	43	569,700	8,777	72,094,972
District of Columbia								88,860	1,023,069,648

NOTE.—Leaders (...) indicate areas not eligible for direct loans.

Now, more than that, when a veteran applies for a direct loan, the minute he does the Administrator lets it be known to the private lenders that this veteran has applied for a direct loan. If no private lender indicates he wants the paper he makes the loan. If the Administrator makes a builder-commitment, then within 60 days any lender can purchase this loan and get the two points paid for the commitment. After 60 days any private lender in the United States can pick up this paper or any direct loan any time he wants to at par. So if the administration thinks this 5¼ percent is going to provide ample money for loans, why are they complaining about this? There is no reason for it if what they say turns out to be true.

I am sure the gentleman from Ohio [Mr. AYRES] would not misinform this House. I understood him to say this bill had nothing to do with veterans in the metropolitan areas.

Mr. AYRES. Is the gentleman addressing a question to me?

Mr. TEAGUE of Texas. I yield to the gentleman from Ohio if he cares to comment on it. Before I yield to the gentleman from Ohio, I would like to say that the gentleman from Ohio and I have served on the Veterans' Affairs Committee for many years. The gentleman from Ohio has been a member of the Housing Subcommittee for many years and served as its chairman during the 83d Congress. The gentleman from Ohio is without question one of the best informed Members of this body on matters relating to veterans' housing.

Mr. AYRES. I said this was billed as a veterans' housing bill for all veterans. Actually the moneys in this bill apply only to those veterans in the rural communities that qualify for the direct loans in what the Veterans' Administrator has designated as being direct-loan areas. As far as the increase in the interest rate from 4¾ percent to 5¼ percent, that will help the veterans in the metropolitan areas get loans, which we all know they cannot get today.

Mr. TEAGUE of Texas. That is correct. The gentleman lives in a metropolitan area in his State of Ohio. About 35 to 40 percent of the veterans have been able to get VA-guaranteed loans. Yet there are other counties in Ohio where only 5, 6, or 7 percent of the veterans have been able to get loans. This bill is to help those veterans that cannot get loans any other way. The 5¼ percent should provide more guaranteed loan money for veterans in the metropolitan areas.

I want to read to you what the Veterans' Administrator told us is the present situation of the direct loan program:

Public Law 85–364 permitted a Treasury advance of up to $50 million during the fourth quarter of fiscal year 1958 and authorized $150 million in Treasury advances during each of fiscal years 1959 and 1960.

For 1959 there is about $40 million in the regional offices, but there is no more money due from the Treasury, and not a dime in the central office for additional loans until the 1st of July.

The funds which became available for the fourth quarter of fiscal year 1958 were allocated to our regional offices on a pro rata basis of their needs to provide loans to veterans on their March 1958 waiting lists. By the end of June 1958, loans made and in process had exhausted funds available and the waiting list had grown to nearly 35,000.

The maximum permissible Treasury advances have been obtained for the first three quarters of fiscal year 1959. These funds, together with the proceeds of sales and principal repayments on loans previously made, have been allocated to our regional offices on a pro rata basis of veteran population in designated housing credit shortage areas.

This is the present situation.

At the end of December 1958, loans made and in process were sufficient to absorb funds available as of that date and there were more than 45,000 on waiting lists. The funds which have been allotted to regional offices for making direct loans during the third quarter of fiscal year 1959 and the estimated principal repayments during the balance of this fiscal year—no Treasury advances being available for the fourth quarter—will be enough to make about 7,000 loans. Funds which will become available during fiscal year 1960 will be enough to make about 20,000 loans.

That means of the 45,000 veterans now on the waiting list, if you take the situation the gentleman from Indiana was talking about, this money will take care of about 35,000 loans through 1960, and this does not include all the new applications that will come in.

My committee tried desperately to meet this housing situation, and we have a good bill. Again, it is not an irresponsible bill.

In testimony before our committee it was indicated that VA's home loan activity has declined drastically during the past few months. As a result VA has reduced its personnel. VA officials have predicted that if the bill before us is enacted that their anticipated workload will double next year. This, of course, means that the VA Loan Guaranty Section will need additional money for personnel.

I expect to contact the Administrator of Veterans' Affairs to urge him to anticipate this problem in his budget planning for the months ahead. I sincerely hope that our Appropriations Committee will recognize this problem when they consider the VA's budget.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from California.

Mr. ROOSEVELT. I am just a little bit curious about why it is necessary on the direct loans to increase the amount of interest to make it the same as the guaranteed loans would get. But, it seems to me if we agree the interest rate for the guaranteed loans must be increased in order to get private capital, and if at the same time private capital even then is not forthcoming, should the veteran nevertheless be penalized when the Government makes a direct loan? Why should not his interest rate under that situation remain just the way it is now?

Mr. TEAGUE of Texas. The gentleman raises a very good point. The truth of the matter is the Administrator has the authority to set this interest rate. He has always set this rate the same as the guaranteed loans. Since the program began, we have lost on direct loans something over $1 million and we have made something over $40 million. So, I think the gentleman has an excellent point, and it is something that my committee probably should have looked into before this.

Mr. ROOSEVELT. Would the gentleman be averse to my offering an amendment to the bill which would hold the direct loan interest rate to the amount which presently is charged in view of the fact that the program is making money?

Mr. TEAGUE of Texas. From what I know right now, I will say to the gentleman, I would not be able to agree with that. I would like to have a further study into the matter.

Mr. ROOSEVELT. I thank the gentleman.

Mr. TEAGUE of Texas. Mr. Chairman, in order that the importance of this legislation may be better understood, I would like to review the history of the veterans' home loan program from its inception.

After World War II the returning veterans found themselves at a great disadvantage in trying to purchase homes. This disadvantage prevailed because they had no money for down payments to compete with the defense workers who had higher paying jobs and who were therefore able to accumulate a sizable saving for a down payment on a home. Further, homes were scarce and builders were unable to obtain commitments to build a sufficient number of homes to be financed with conventional financing and low down payments. In order to assist the returning veteran to readjust to civilian life, Congress passed the Servicemen's Readjustment Act of 1944. This act included numerous benefits, such as the vast educational programs with which everybody is familiar, unemployment compensation, and loan guaranty benefits. This act was to run for 10 years after the date of termination of World War II, which was later established as July 25, 1947.

The Veterans' Administration loan guaranty program provided a guarantee to a private lender who was willing to finance the purchase of a home for a qualified veteran. The guaranty was 50 percent of the purchase price, but not to exceed $4,000. The loan was to be at 4 percent interest and could run for 20 or 25 years. This small amount of guaranty was used to guarantee the down payment portion of the purchase price of a home. A combination loan, with the Veterans' Administration guaranteeing part and the Federal Housing Administration insuring the remainder, assisted many a veteran in purchasing a home. However, the down payments and the monthly payments were rather high, having been scheduled according to requirements of the FHA.

This type of loan proved unsatisfactory, both from the standpoint of the veteran and the lender, and in 1950 Congress changed the law providing for an increase in the amount of guarantee to 60 percent of the sale price, or $7,500, whichever was the smaller. This new act proved to be the solution in assisting veterans in purchasing homes and, in addition, it has proved to be one of the greatest underwriting steps ever taken in the mortgage field for the purchase of homes.

By 1950 Congress found that the veterans living in our rural areas, small cities, and towns, were failing to obtain private or conventional financing. This was primarily due to the fact that the large lenders refused to make loans in outlying areas because they could make all the loans they wanted in the greater metropolitan areas where servicing was no problem. In order to correct this inequity, Congress in 1950 authorized the Veterans' Administration direct loan program. This program provided $150 million and authorized the Administrator to make loans directly to veterans living in the rural areas, small cities, and towns where private or conventional financing was not available. The maximum amount for a direct loan was set by law at $10,000. The program immediately stimulated purchases of homes in the rural areas and veterans at once began making application for direct loans. The first appropriation of $150 million was soon used up. Since 1950 each Congress has extended the program and authorized additional sums of money. The funds authorized have proved to be insufficient each year, and a large waiting list of veterans desiring direct loans has been constantly in existence since 1950.

In 1951 the lenders slowed down the making of guaranteed loans, claiming that the 4-percent interest rate was not a sufficient yield for them and they began investing their money in other fields. Testimony was received by the Committee on Veterans' Affairs to the effect that the interest rate must be increased, or the VA loan guarantee program would become nonexistent. This was the first effect of the tight money market on the veterans' home loan program. Thus in order for veterans to continue to obtain financing, the VA Administrator considered it necessary to increase the ceiling on the Veterans' Administration interest rate to 4½ percent. This authority was provided in the 1948 amendment to the Servicemen's Readjustment Act of 1944. Immediately after the ceiling was raised to 4½ percent, the lenders, again finding the veterans' loan attractive, made ample funds available for loans in the metropolitan areas.

Even this increase in interest rate did not assist veterans living in our rural areas to obtain private financing, and the direct-loan program was therefore extended, with an additional authorization of $150 million.

Both the guaranteed- and the direct-loan programs continued to provide homes for veterans until 1957, when the tight-money situation made mortgage funds unavailable for a veteran's 4½-percent guaranteed loan. Testimony was again presented to the committee by the lenders, stating that unless the interest rate was increased they would be unable to make any more VA loans because of the low yield which placed the veteran's loan at a disadvantage with other available loans paying the lenders higher rates of interest.

Mr. Chairman, I was opposed to the original increase in interest rate from 4 to 4½ percent because I felt that the veteran's guaranteed loan had many advantages for lenders over other guaranteed or insured Government home loans. These advantages were, and still are, that a lender making a veteran guaranteed loan receives his claim in cash upon foreclosure. Other Government-insured loans pay off in debentures. Further—and this is an outstanding advantage—in case the lender is unable to deliver physical possession of the property to the Veterans' Administration upon foreclosure, the VA will still pay in cash the lender's claim. Other governmental-insured loans demand that physical possession be given before a claim is paid, and even then the claim is paid in debentures. Notwithstanding these advantages, the Congress, caught in the tight-money dilemma, increased the ceiling on the interest rate again—from 4½ to 4¾ percent. This law went into effect on April 1, 1958—Public Law 85-364. This same law extended the direct-loan program and the loan-guaranty program for 2 years, making the expiration of both programs July 25, 1960, and increased the maximum amount of a direct loan from $10,000 to $13,500. It also gave the Administrator the authority to process all applications received on or before July 25, 1960—1 additional year for the closing of these loans.

Mr. Chairman, again when the interest-rate ceiling was increased, lenders flocked to the program and made ample funds available for guaranteed loans in the metropolitan areas and, as they had in the past, failed or refused to make mortgage funds available in the rural areas.

All of which brings us back to the bill we have before us today—H.R. 2256. This is the bill I introduced on January 12, 1959, for the purpose of providing additional funds for the Veterans' Administration direct loan program, as well as to effect additional legislation which I feel is necessary to assist the veterans of our country in obtaining housing.

As I mentioned before, the direct loan program was first authorized by the Congress in 1950, because it was found that the Veterans' Administration guaranteed loan program was not offering an equitable opportunity for veterans living in rural areas, small cities and towns to obtain home loans. On the other hand, the veterans living in the metropolitan areas have had little or no difficulty in obtaining mortgage financing.

My committee made a national survey and found that of 3,234,438 veterans living in 1,635 rural counties, less than 10 percent had obtained a loan to purchase a home. This compares with 2,857,307 veterans residing in 126 metropolitan counties where over 40 percent have obtained a guaranteed loan.

The VA guaranteed loan program has assisted over 5 million veterans in obtaining a home loan. The VA direct loan program has made loans to only 126,848 veterans. This small number of direct loans to veterans in the rural areas, small cities and towns, is due to the fact Congress has not authorized sufficient funds for the program to meet the demand.

Public Law 85-364, enacted by the second session of the 85th Congress, extended the direct loan program for 2 years and authorized $150 million for each of the fiscal years 1959 and 1960.

At the time this law was enacted there were about 13,000 veterans on the waiting list. It was found the reason so few veterans throughout the country had made application for a direct loan resulted from the well-known fact there were not sufficient funds in the direct loan program; thus many veterans who really need a direct loan did not bother to apply. As a result of the enactment of Public Law 85–364, the list of veterans wanting a direct loan grew and grew until today there are over 45,000 veterans on the waiting list. It will be noted from page 5 of the report on H.R. 2256 that there were 43,187 veterans on the VA direct loan program waiting list as of November 1, 1958. This number has increased to over 45,000 in a little more than 2 months.

Mr. Chairman, just the mention of over 45,000 veterans being on the waiting list today for a direct loan in itself does not really carry the true meaning of the VA direct loan waiting list. The real meaning back of this condition is that we have over 45,000 veterans who today cannot get a VA guaranteed loan from private lenders and unless Congress provides adequate funds for the direct loan program, those veterans—in all probability—will never be able to buy a home.

I might add that the direct loan program is not a gift to the veterans of our rural areas; it is a profitable investment of the taxpayers' money. The money authorized for the VA direct loan program will be repaid to the Treasury of the United States with interest. To date the loss from direct loans has been only eight-tenths of 1 percent, while the Government has been collecting from 4 to 4¾ percent interest, leaving almost 4 percent profit or gain on the investment. Since the inception of the direct loan program the Veterans' Administration has collected $113,794,542 in interest on the loans. A typical annual return on the direct loan program is about $26 million, based on the 4½ percent interest rate.

The committee took the large waiting list into consideration and in order to provide what seems to be a minimum amount of funds needed for the direct loan program, increased the amount, by amendment, from $150 million to $300 million. I might add that this amendment had the support of a large majority of the members of the committee.

Under the present law the VA interest rate is tied to the current interest rate set on FHA home insured loans. The interest rate on VA guaranteed and direct home loans cannot exceed one-half of 1 percent below the FHA home loan interest rate, or 4¾ percent, whichever is lower. The second provision, section 2, of this bill eliminates this tie.

During the hearings held on H.R. 2256, the officials of the Veterans' Administration testified that the VA guaranteed home loan program was almost nonexistent. Witnesses stated that the current VA interest rate of 4¾ percent was not realistic or competitive on today's mortgage market and recommended the VA Administrator be given authority to set a higher interest rate. They said that a higher interest rate would attract mortgage money and loans on veteran homes would become available immediately.

The committee heard from the Mortgage Bankers Association of America, the U.S. Savings and Loan League, the National Association of Home Builders, the National Association of Real Estate Boards, and the American Legion. This group concurred with the views of the Veterans' Administration and recommended the interest rate ceiling be increased. The committee also heard from the VFW and AFL–CIO. This group opposed increasing the interest rate. The committee was convinced that there would be little activity in the program without a higher interest rate and on this basis approved the amendment to increase the interest rate ceiling from 4¾ to 5¼ percent.

The increase in interest rate will result in an additional cost to veterans of our country amounting to many millions annually. Let us take an example of a $15,000 home with a 25-year loan. The added cost to the veteran would be $52.20 per year, due to the increased interest rate. Over the life of the loan this would mean an additional cost to the veteran of $1,305. Using the figure of 300,000 veteran home loans, the increase in interest rate will result in lenders receiving an additional $15,660,000 for their loans in 1959. This amount over the 25-year period of the loans will result in an increase to the lenders of $391,500,000.

An increase in interest rate will not only cost more for veterans who are able to qualify for a loan, but will also be the direct cause for the rejection of many veterans' applications due to their credit rating or insufficient income to pay the increased interest payments. Although the increased interest payment on a $15,000 home will be only $4.35 per month, this additional $4.35 will require the veteran to have an additional $20 monthly income in order to qualify for the loan. Many veterans who are today borderline cases—creditwise—for a 4¾-percent loan, will not be able to obtain approval for a loan with 5¼-percent interest rate.

The third provision of the bill, section 2(b), Mr. Chairman, authorizes all certified agents of any department of the Government to make Veterans' Administration automatic home loans.

Most lenders can make VA-guaranteed loans, but under the present law only Federal land banks, national banks, State banks, private banks, building and loan associations, insurance companies, credit unions, and mortgage and loan companies that are subject to State or Federal supervision can make automatic loans. All other lenders must submit the veteran's loan application for prior approval by the Veterans' Administration. An automatic loan saves delay in closing a loan and eliminates unnecessary paper shuffling between the lender and the Veterans' Administration.

The fourth provision of the bill, section 3, requires a builder or seller of homes in a subdivision containing five or more houses to deposit the veteran's downpayment in a special trust fund.

There have been numerous cases where veterans have taken their life savings and made a downpayment on a home and lost every cent due to the builder or seller declaring bankruptcy. There are about 20 States that have laws requiring deposits on the purchase of a home to be placed in special trust accounts. The code of ethics of the National Association of Real Estate Boards requires all deposits to be placed in special trust accounts.

The fifth provision of the bill, section 4, is in two parts. The first part authorizes the Administrator of Veterans' Affairs to suspend a builder who has been suspended by FHA. The second part authorizes the Administrator of Veterans' Affairs to suspend a lender who has been suspended by FHA. Under existing law the Federal Housing Commissioner has the legal authority to suspend participants from the FHA program, based solely on their suspension by the Veterans' Administration. This bill will give the Administrator of Veterans' Affairs similar authority.

Mr. Chairman, I requested the Mortgage Bankers Association, the U.S. Savings and Loan League, the National Association of Home Builders, the Veterans' Administration and the House and Home Finance Agency to give me a forecast or estimate on the effect the increase in interest rate from 4¾ to 5¼ percent will have on the VA home loan guaranty program for calendar year 1959. As I stated previously, the Veterans' Administration officials have stated that there is little or no money available today—at 4¾ percent—for veterans' home loans.

The Mortgage Bankers state that the VA guaranteed home loan program activity rose from 141,274 loans in 1952, to 391,789 in 1954, and to its peak in 1955 of 649,591 loans. The program declined to such an extent that in 1958, only 145,930 loans were approved. With the increase in interest rate to 5¼ percent they estimate that "a reaction of a similar sort may be expected to follow the interest rate adjustment now contemplated." They also estimate that even with the increase in interest rate to 5¼ percent, there will be discounts required by lenders of two to four points.

The discounts may be explained as points that a lender charges the builder or seller for making the loan. The discount cannot be charged to the veteran as a discount; however, there is no question but that the veteran pays the discount in the sales price or quality of his home. When lenders are not satisfied with the interest rate on a veteran's guaranteed home loan, they charge extra points or discounts to increase their yield. For example, a lender may make a $15,000 loan to a veteran at 5¼ percent and charge the builder or seller two to four points, or $300 to $600 cash, for making the loan. This increases the yield realized by the lender from 5¼ to 5¾ percent, or 6¼ percent, depending on the length of time the loan is to run.

With the proposed increase in interest rate there will be confusion and anxiety on the part of veterans who are in the process of purchasing a home. It goes without saying that the lenders have,

since the Committee on Veterans' Affairs reported H.R. 2256, offered commitments to make veterans' home loans with an escalator clause in the commitment providing that the loan will be closed at 4¾ percent interest or the higher prevailing interest rate on the date of closing. This means that all loans from today forward will be closed at the high rate of interest if this bill is enacted. There will also be some lenders who will attempt to void their outstanding commitments to make veterans' loans at 4¾ percent, in order to get the new increased interest rate. The Veterans' Administration has authority under existing law to suspend builders and lenders who are guilty of unfair mortgage practices which are detrimental to a prospective veteran home buyer. Consequently, I am going to look to the Administrator to see that lenders who have outstanding commitments with no escalator clauses to make these loans to veterans at the 4¾-percent interest rate to fulfill these commitments, even though the interest rate is increased.

The U.S. Savings and Loan League's forecast of the effect on loans if the 5¼-percent interest rate is approved is that their members will lend an additional $1.1 billion in the VA-guaranteed home-loan program during the calendar year 1959. They state that the total amount of money to be made available under the new interest rate in 1959 will be about $1.6 billion, and they forecast that all types of lenders will make more than $5 billion for VA-guaranteed home loans during the calendar year 1959. The U.S. Savings and Loan League also forecasts that their members will charge from 3 to 4 points discount in some areas. This forecast is similar to that of the Mortgage Bankers' Association discussed previously.

The National Association of Home Builders submitted their estimate of the effects of the increase in interest to 5¼ percent on new housing starts. The Association of Home Builders say there will be between 130,000 and 150,000 new units. These new starts plus loans made on existing homes, which usually run 50–50, will mean that we can expect about 300,000 VA-guaranteed home loans to be made to veterans during the calendar year 1959 with 5¼-percent interest rates. The National Home Builders' Association says that without the increase in interest rate there would be about 70,000 to 90,000 new starts during the calendar year 1959, and the large majority of these would be from existing commitments that have been previously issued by lenders prior to the tight money situation we now find confronting us.

The Housing and Home Finance Agency forecasts that the increase in interest rate to 5¼ percent on VA-guaranteed home loans will increase the housing starts in 1959 from 50,000 to 100,000. This, added to the outstanding commitments for new starts of about 70,000, plus loans for existing homes will result in over 300,000 loans for veterans in 1959.

In making their forecast for 1959, the Veterans' Administration states that if H.R. 2256 is enacted into law by March 1, 1959, they anticipate closing 375,000 VA guaranteed home loans and 40,000 VA direct home loans. These figures compare with 145,930 guaranteed and 17,440 direct loans closed during 1958.

The voluntary home mortgage credit program was created by the Housing Act of 1954. This program was to be administered by the Housing and Home Finance Administrator with a staff of Government employees. However, the members and directors of the program were to be from private lending institutions who voluntarily joined the program. The purpose of the program was to acquaint all lenders with the need for mortgage financing in remote areas of our country and to induce them to set aside a certain portion of their mortgage allocations for housing construction loans in rural areas, small cities and towns. This program was to cooperate very closely with the Veterans' Administration and its direct loan program in an effort to channel private and conventional mortgage funds into these rural areas, thereby eliminating the necessity for the VA direct loan program. The lenders participating in the voluntary home mortgage credit program demanded discount points which virtually killed the program. In addition, the Voluntary Home Mortgage Credit Program Agency was able to get the Veterans' Administration to agree that if one of the voluntary home mortgage credit program lenders offered to make a veteran a conventional loan at reasonable discount points, the VA would refuse to make this veteran a direct loan. That is, if the seller refused to agree to the discount points. This, of course, worked a hardship on the veteran applicants for direct loans because, as I stated previously, the veteran cannot pay the discount points and in to numerous cases the seller of the home also refused to pay the discount points, placing the veteran in a position where he could not get either type of VA loan—direct or guaranteed.

My committee held hearings on this procedure and the Veterans' Administration revised its method of referrals of veteran applicants for direct loans to the voluntary home mortgage credit program, giving them a maximum number of days to find a lender or the Veterans' Administration would make the loan. Even under this arrangement the Administrator established a rule that a 2 point discount was not unreasonable and that if the seller would not agree to pay the 2 points, the veteran could not obtain either a guaranteed or a direct loan.

The day after H.R. 2256 was reported by my committee, the Voluntary Home Mortgage Credit Program Agency asked the Veterans' Administration to agree to refer veterans wanting direct loans to their program, at the 5¼ percent interest rate, plus discount points to be agreed upon as being reasonable.

Public Law 85–364, the present program, authorizes the VA Administrator to offer direct loans for sale to private lenders directly or through the voluntary home mortgage credit program. I call attention to the fact that where the Veterans' Administration makes a commitment to a builder under the direct-loan program, the builder must pay two points to the Administrator for the commitment. The law authorizes the Administrator to pass this two points on to a private lender who purchases the loan within 60 days from the date of its closing. I feel that this discount should be passed on to private lenders and to members of the voluntary home mortgage credit program. However, I do not feel that any additional discounts should be recognized for the placing of veterans' loans through the voluntary home mortgage credit program and its participating lenders.

Mr. Chairman, I have attempted to give both sides of the provisions contained in H.R. 2256. If this bill is enacted and the Administrator increases the interest rate to 5¼ percent, it will still fall short of supplying mortgage financing to the veterans in the rural areas, small cities, and towns of our country, but this bill will be a great help. It is important that we continue to provide these veterans with direct loan funds and I feel confident that my colleagues will support the bill now before us.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield.

Mr. SANTANGELO. Mr. Chairman, I want to commend the chairman for bringing out this bill, but there are a few questions which arise in my mind. I recognize the gentleman is trying to protect the veteran not only so far as the veterans' deposits are concerned, but also to make sure the veteran gets a decent house. But, section 3 of your bill raises certain problems and questions which I would like to have answered. As I understand it, the direct loans bear an interest rate of 5¼ percent as do the FHA loans. I know that if you are going to require the builder to set aside the deposit that the veteran puts up for the purchase of his home, you will be preventing these builders from using the funds which they sorely need in order to complete the construction of the buildings. You do not make that provision with respect to the FHA loans. You are thereby giving the builder the urge to go to the FHA to obtain funds because then he can use the moneys that he gets as a deposit. Do you not think that by setting up this requirement, which is for the benefit of the veteran, that you are indirectly hurting the veteran because the builders will not build under these loans but will go to other people in order to get loans?

Mr. TEAGUE of Texas. I would say to the gentleman that right next door to where he lives, last year veterans lost $160,000 because builders took the veterans' deposits and downpayments and used it and then went into bankruptcy.

Mr. SANTANGELO. That is true.

Mr. TEAGUE of Texas. If I may continue for a moment. In the code of ethics of the National Association of Real Estate Boards, and some 20 States, there is this same provision. We do not think it is an unfair provision.

Mr. SANTANGELO. If the rate of interest is going to be the same, and I say you are perfectly right, the veteran must

be protected, but since the rate of interest chargeable to the veteran under these direct loans is the same as the FHA, then the builder is not going to go to the direct loans because he is the one who initiates the whole program and he is the one who brings the veteran in to make the application and, therefore, they are not going to the Veterans' Administration because you are denying the builder the right to use the funds, and if he does use them he is liable to a penalty of a prison sentence. I ask myself this question, and I ask it of the gentleman: Do you not think, sir, by this provision you will be denying the veteran an opportunity to get a house which he so sorely needs?

Mr. TEAGUE of Texas. No, sir; I do not.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from Oklahoma, a former member of our committee and former chairman of the Subcommittee on Housing of the Committee on Veterans' Affairs.

Mr. EDMONDSON. Mr. Chairman, I merely want to express my appreciation to the gentleman from Texas for his forthright and, I think, concise statement as to just what the issues are that are involved in this bill. I particularly appreciated his accenting the fact that, if we do not provide direct loan funds and make them available, there are going to be many veterans in this country who do not have the availability of the GI loan program for their houses. To cite an illustration to the gentleman, our good friend, the gentleman from Indiana, told us a few moments ago that the year 1958 was the second highest year in building activities that we have ever had in the United States. In the year 1958, however, the records as revealed in the House Committee Print No. 1 will show that in 16 counties which I have the privilege of representing in this House there were 13 counties in which there is no record of a guaranteed loan being made in that record year. In 13 of those 16 counties the only loans that were made under this GI program to veterans were made under this direct-loan program. I think if the Members will look at this House committee print showing the breakdown for the different States on veterans' housing they will find in every State represented in this Chamber many counties in which there is absolutely no activity under the guaranteed-loan program. There are counties in my district in which I cannot remember a guaranteed loan ever having been made at any time. The direct loan is the only answer to these veterans' problems. I think the gentleman and his committee are to be commended for aggressively moving to give to the veterans in the small towns and in the rural areas a fair break under this program.

Mr. TEAGUE of Texas. This committee print is available to all the Members. It tells the number of guaranteed loans and the number of direct loans, and gives you a complete picture of the housing situation in each of your districts.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield.

Mr. ROGERS of Colorado. Some discussion has been had about loans in metropolitan areas. There have been certain restrictions on loans in metropolitan areas. Does this bill in any manner change those restrictions?

Mr. TEAGUE of Texas. It does not.

Mr. ROGERS of Colorado. Do I get your explanation right, that if an application is made by a veteran in a metropolitan area and private lenders are not able to supply the money or will not take the loan, is the Veterans' Administration in a metropolitan area then authorized to make a direct loan to that veteran?

Mr. TEAGUE of Texas. No. He will not do that, because he would send his direct-loan money to an area where only 2 percent of the veterans were able to obtain a loan. He will not send it into an area where over 35 percent of the veterans have obtained loans.

Mr. ROGERS of Colorado. But under this bill the Veterans' Administration can get $300 million, as I understand it. Is there any limitation on his putting it into a metropolitan area?

Mr. TEAGUE of Texas. There are over 45,000 veterans on the waiting list right now. This $300 million will take care of about 30,000 veterans. None of these veterans are in a metropolitan area.

Mr. ROGERS of Colorado. It is not the intent of this legislation to assist men in metropolitan areas?

Mr. TEAGUE of Texas. You are speaking of the direct-loan money?

Mr. ROGERS of Colorado. Yes.

Mr. TEAGUE of Texas. It is to help the veterans in rural areas where it is impossible to get any kind of money.

Mr. ROGERS of Colorado. But the question I am trying to emphasize is that if a veteran makes an application in a metropolitan area, and none of the private lenders comes forward and takes the loan, is the Administrator authorized then to make the direct loan to the veterans in a metropolitan area?

Mr. TEAGUE of Texas. He is authorized to consider larger cities for direct loans but he will not do it.

Mr. ROGERS of Colorado. Why?

Mr. TEAGUE of Texas. Because it would take billions of dollars to do what the gentleman is talking about. We are trying to get only $300 million here.

Mr. ROGERS of Colorado. Then if those veterans in a metropolitan area cannot get a loan locally they are out?

Mr. TEAGUE of Texas. That is exactly right.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield

Mr. TEAGUE of Texas. I yield.

Mr. MATTHEWS. I would like to congratulate the gentleman on the statement he has made and to congratulate his committee.

I want to thank the House Committee on Veterans' Affairs for giving us an opportunity to vote on a bill that will make more money available immediately for the direct loan program to our veterans to enable them to get necessary homes. I introduced H.R. 3039 during the early days of this session, and this bill would have provided an additional sum not in excess of $150 million for the direct loan program.

I know we are all aware of the splendid record that our veterans have made in repaying their loans. And I think this program is one of the safest and one of the most practical programs from an economic standpoint in which our Federal Government has participated.

When I was in my district, the Eighth District of Florida, this past fall, I do not know of any personal problem that came to my attention more than the problem of a veteran with a good job and reasonable financial security finding himself unable to get the necessary financing to build a home. I want to pay tribute to the loan guarantee officer in Florida, Mr. Tom C. David, who has done a magnificent job. I have talked with him many times over the telephone and have corresponded with him about this problem; and although he has been, and is today, as cooperative as humanly possible, the fact is, of course, there is just no money to lend.

As late as October 2 of this last fall, I wrote a letter to Mr. David regarding a direct loan application for one of my constituents, a Mr. Ernest B. Huggins, of Gainesville, Fla. Mr. Huggins is a splendid young businessman and there would have been no question of his receiving the loan if the money had been available. However, and I quote from a letter received from Mr. David on October 3, 1958, as follows:

> I have checked our records and find that there are approximately 380 veterans ahead of Mr. Huggins on our direct loan list. From the number of loans we are able to make each quarter I am sure we will not reach him within the next twelve months. We are receiving a large number of inquiries from veterans, but we have nearly 1,500 names on our list and at the present time we are making only 45 to 55 loans direct to veterans each quarter.

I am sure this same problem is being faced in all parts of America. It is particularly acute in my own district, since I represent an agricultural area composed of 15 counties of large geographical area, but of comparatively small population. Many of the counties of my district are not able to provide home loan financing through the conventional channels. Many of our veterans actually have no place else to go except to the direct loan program. This program has meant much to the rural areas of my district, and I know the same can be said of all other rural areas in our country.

I hope Congress will vote for an increase in the amount of money available for the direct loan program, and that many of our veterans who have waited so patiently will soon be able to see the construction of their homes actually started.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield.

Mr. BAILEY. I would like to ask the distinguished gentleman from Texas a couple of questions.

The Veterans' Administration advises me that the percentage of defaults on existing loans is greater in my State of

West Virginia than in any other State. I can understand because more than 15 percent of the laboring force in my State is unemployed.

Does the gentleman think it would be advisable to set up some kind of a moratorium on these loans in any State where the percentage of unemployment is a certain amount? Should we not forestall the Veterans' Administration in taking action for a certain time in such situations? What is the gentleman's reaction?

Mr. TEAGUE of Texas. I would say to the gentleman that I do not believe our committee has received a single complaint from a veteran. It is my understanding the Veterans' Administration has been very liberal in their foreclosure procedures.

Mr. BAILEY. The situation is getting worse in my State. I would like to have the chairman investigate and see what the situation is there.

Mr. TEAGUE of Texas. We will be very glad to look into it.

Mr. BAILEY. A great percentage of them are being threatened with the loss of the investment they already have in their homes.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield.

Mr. MULTER. There has been much said up to this time about balancing the budget and not spending money and that this would be a good place to stop spending money.

The fact of the matter is that this is not a program for the expenditure of money; this is a loan program. Am I right?

Mr. TEAGUE of Texas. The gentleman is correct.

Mr. MULTER. And is not this also the fact? That up to date the losses in this loan program have been eight-tenths of 1 percent; the losses have aggregated less than $2 million?

The profits earned by the interest from this program even at the low rates before we increase them have exceeded $45 million? So that there has been a net profit to the U.S. Government on this loan program at the low interest rates of more than $43 million

Mr. TEAGUE of Texas. There will be about $26 million a year in interest coming in from now on.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield for a question?

Mr. TEAGUE of Texas. I yield to the gentleman from Connecticut.

Mr. MONAGAN. It is true, is it not, that there are certain States, such as Connecticut, which is my State, in which there is no direct loan program?

Mr. TEAGUE of Texas. That is very true for the reason that to a great extent private loans have been available.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I have two amendments to offer to the bill which I do not like in its present form and I hope they will be adopted: One is that on the direct loans to veterans where the interest rate is raised from 4¾ to 5¼ the Administrator be authorized to take up the difference. The other is that on the guaranteed loans the Treasury pay the difference between the 4¾ and 5¼ percent interest rate.

It seems to me, Mr. Chairman, that in many directions we are cutting the veterans unconscionably. We created this veterans' loan program to give housing to the veterans. I want to read a few of the advantages to veterans in making a comparison of GI loans and FHA loans.

There are certain definite advantages to GI loan financing over FHA financing from the viewpoint of the veteran borrower and these advantages are present even if the two loans bear an identical interest rate.

The obvious advantage to the GI loan is that it may be obtained for home, farm or business purposes whereas the FHA has no comparable farm and business loan program.

Other advantages of GI loan financing are as follows:

(a) The GI loan guarantee or insurance is furnished without charge to the borrower whereas FHA loan insurance is paid for by the borrower through a mortgage insurance premium payment of one-half of 1 percent per annum on the monthly declining balance of the loan.

(b) The VA valuation of the property fixes the maximum price which the veteran may pay for the property. The FHA valuation is used in determining only the maximum loan amount and the purchaser may pay in excess of the FHA appraisal if he choses to do so.

(c) The GI loan may be made for 100 percent of the approved purchase price. The FHA loan may be no more than 97 percent of the FHA valuation of the property in cases where the property is valued at no more than $13,500 and for a lesser percentage as the value of the property increases. Consequently, a downpayment requirement exists in FHA insurance authority which is not present in VA authority.

(d) The GI loan may be prepaid by the borrower at any time without premium or fee. A prepayment fee of 1 percent of the outstanding principal balance may be required if the borrower wants to pay off an FHA loan before maturity.

(e) The VA has authority to purchase defaulted GI loans where the holder refuses to extend indulgence in deserving cases, thereby affording the borrower a further opportunity to keep his home. The FHA has no comparable authority.

(f) The VA has more limitations on foreclosure action by lenders which are designed to protect the veteran's interest and prohibit precipitous action.

(g) The VA has a statutory directive to release an original veteran borrower from liability under certain conditions where the property is sold and a new purchaser assumes the mortgage indebtedness. The FHA has no such requirement.

Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, it may be that we find ourselves in this rather difficult situation because of the haste that all of us on the committee were guilty of in trying to get this bill to the floor without realizing, perhaps, that there could be so much controversy.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. I think the gentleman should speak only for himself so far as haste is concerned.

Mr. AYRES. I tried to get the bill held over for 5 days. It was important that we vote the next day, we were told. It was important that we vote before 11 o'clock because I had a plane to catch on that day.

Mr. TEAGUE of Texas. The gentleman knows on the first day many of us wanted to vote, but in consideration of the gentleman we put it over until the next day.

Mr. AYRES. The gentleman did postpone it for 1 day. We were successful in getting the interest rate amendment adopted, increasing the rate from 4.75 percent to 5.25 percent. Then immediately on the adoption of that amendment the gentleman from Texas [Mr. TEAGUE] offered an amendment which doubled the ante, increasing the amount from $150 million to $300 million. I thought at the time we were being a little bit inconsistent in that approach because actually with the increase in the interest rate we will need far less money than we would need if we left the interest rate at the 4.75 percent.

Mr. TEAGUE of Texas. Is it not true that if the increased interest rate provides sufficient money the Administrator does not have to draw any of this money?

Mr. AYRES. That is absolutely correct.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Illinois.

Mr. COLLIER. Would not the gentleman clarify the fact that this money is not returned to the Treasury but, rather, goes into a revolving fund? It does not go back into the Treasury at all.

Mr. AYRES. I will get to that in a moment.

Mr. Chairman, this direct loan program was first started in 1950 and in each session of the Congress since we have continued the program. In the 83d Congress, when the Republicans were in the majority we continued it. But this is the first time in the length of the program that we have come in and asked for additional money for the program over and above that which was previously allocated.

Why are we out of money today? They are out of money because in the GI program you have had a very unrealistic interest rate. The only money that has been available to the veteran has been through the direct loan program at 4.75 percent because the private lenders would not put out loans with that rate of interest. I have been advised by responsible people in the savings and loan field, the insurance companies, and the small savings and loan associations,

that if we have a 5.25 percent interest rate at least half of the applications that are now pending or some 20,000 of the veterans who are trying to get a direct loan will be able to get a guaranteed loan.

We cannot follow what the gentleman from California was suggesting, that is, that we have a differential between the direct loan and a guaranteed loan, because we are in this difficulty today only because of the 4.75 percent money that was available to a certain group of veterans when there was no 4.75 percent money available to the veterans as a whole.

I know many of you are familiar with the VHMCP. That is the voluntary home mortgage credit plan.

Here is how that works. These people who have contacts with private lenders go out and try to place the loan before the Government makes the direct loan. The VHMCP has not been able to operate effectively during the last few months because of this unrealistic interest rate. Now, if we have 5¾ percent, then the VHMCP can do a good job, and there is no doubt in my mind that in most areas they will be able to place the loans. Now, it is true that there are some remote areas of our country where the figures show very few veterans have taken advantage of the program, but that does not necessarily mean that there are veterans there who have applied and been denied the opportunity. Now, this program has been in effect since 1950. Our veterans who served in World War II have been out of service on an average of 12 or 13 years and our Korean boys have been out on an average of 4 years, so actually the demand would be dropping off for direct loans if we had a realistic interest rate and permitted the VHMCP to operate in a businesslike manner. It is true that if this bill does not pass, there is not any money available at the present time. But, I think in view of what has happened and in view of what has transpired and now for the first time the Members are familiar with the necessity of having a realistic interest rate, it might be advisable to give the realistic interest an opportunity to function for 60 days. We will be in session quite awhile, I imagine, and then, as the gentleman from Virginia pointed out, and the gentleman from New York, it will perhaps straighten itself out once and for all, because our Veterans' Affairs Committee naturally has a lot of pride in the matter. Speaking for myself and not for the chairman, one of the reasons we were so anxious to get this bill out was to get one out before the other body did, because we would lose our jurisdiction eventually, probably, over this whole thing.

Mr. TEAGUE of Texas. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Texas.

Mr. TEAGUE of Texas. I think it important that the gentleman state when the eligibility for World War II veterans expires. If we do not do as the gentleman suggests, and wait to see if 5¾ percent will do the job, a great many veterans' eligibility would have expired. As the gentleman knows a veteran usually loses his chance to buy a particular piece of property, if he cannot get the loan in a reasonable time.

Mr. AYRES. It expires in 1960.

I will say to the gentleman from Texas we are all getting excited over the veterans; that there has been a great demand by veterans for housing. I have been very active in this sort of thing, yet I have to receive my first letter from a veteran since this has come up saying "Will you please help me get a direct loan?" There is not the demand that there has been. Most of the interest in this program stems from areas where they have not been able to get it because of an unrealistic interest rate.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Ohio.

Mr. HAYS. I would like to point out to the gentleman that in the eastern Ohio district that I represent, which is immediately adjacent to his territory, you cannot get a veterans loan now, and in my humble judgment you will not be able to get very many at the new interest rate. I happen to be a director of one bank, and we have made a great many loans at the old rate, as many as we could with the limited amount of capital that we had to operate with. But, there are other banks in that area who say that they will not make any veterans loans at any price, and certainly not at a price below 6 percent. There have been applications from veterans who cannot get a direct loan unless there is a direct loan program. I personally would rather see it handled through the banks, but I would not like to foreclose these people whose term expires in 1960 when they will not be able to get it, in my opinion.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. According to the committee's own records there are 2,425 veterans on the waiting list for direct loans in the gentlemen's State of Ohio. Would that indicate to the gentleman a considerable number who are eager to get these loans and are in need of them?

Mr. AYRES. I think the gentleman will find in the final analysis that when these are checked there will be about a 20-percent dropoff in applications.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. AYRES. I yield to the gentleman from Indiana.

Mr. HALLECK. Is it not true that the interest rate which was unrealistic added to the backlog, and now that the rate is realistic private capital will move in and these veterans will be able to get loans at the guaranteed program. In addition, there will be $200 million available for these loans in the fiscal year 1960, which, with the improved interest rate, ought to meet every available need.

Mr. AYRES. The gentleman is correct.

Mr. EDMONDSON. Is not that argument, that raising the interest rate is going to meet this situation, the same argument we have had every time this issue has come up, and have we not raised it several times intending to meet this problem in the rural areas, and we still have a continued demand in the rural areas?

Mr. AYRES. Congress has never voted except for a one-fourth percent increase. The Congress did not raise it to 4¾, the Administrator did that, and the loans increased, which the gentleman is familiar with because he was a member of the subcommittee at that time. I think the issue we are faced with here is this: Are you willing to vote for the increased interest rate and take a chance for the next 2 months and give it an opportunity to see if it is going to work, or do you want to open up $300 million immediately and make that available without giving the interest increase an opportunity to work in this field?

Mr. TEAGUE of Texas. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. MITCHELL], a member of the committee.

Mr. MITCHELL. Mr. Chairman, the enactment into law of H.R. 2256, which I trust will be overwhelmingly approved by this body, is vitally necessary if we intend to make the VA direct loan program a truly effective measure that will enable veterans in small towns and rural areas to buy homes.

I am particularly interested in the direct loan program. Early last year, shortly after joining the Committee on Veterans' Affairs, I found that thousands of qualified veterans, who desired to do so, were unable to purchase homes because of the lack of proper financing. This was true not only in my area, the Seventh District of Georgia, but throughout the entire Nation. Sufficient financing was just not available to veterans living in small cities, towns, and rural areas of the country. Private loans were not available and, although the direct loan program was on the books, the VA had no funds to meet the need. To correct this situation, the Congress provided additional funds for the direct loan program in Public Law 85–364, which is known as the Emergency Housing Act of 1958. Public Law 85–364 was a good measure: good for the veterans, good for the builders, and good for business generally. It put veterans back into the market for homes; it provided jobs for laborers, bulldozer operators, brickmasons, carpenters, electricians, plumbers, painters, and a host of others. It provided orders for sand and cement, bricks and stone, lumber and steel. It sent small builders and their suppliers to their local banks for short-term loans for equipment, supplies, and increased production. It meant new business for practically everyone in all areas of the Nation. The unemployed went back to work and new orders poured into the factories. Virtually every community and every business, both large and small, were profitably affected as a result of the enactment of Public Law 85–364.

I might point out also, in case anyone is concerned about how much all this good work cost, that the VA direct loan aspect of the housing program did

not cost the taxpayers 1 penny. To any Member who wants to help the veterans, particularly those living in rural areas; who wants to aid his community and serve his Nation, but who hesitates to be considered a spender, here is a golden opportunity. This program and this bill before us today is one that the most prudent protector of the public purse can support. It is one program on which all of us on both sides of the aisle can join forces and support in good conscience. This program is an investment in homeownership and good citizenship. It adds stability to the community, it adds new taxpayers and new income in the form of real estate tax to the small towns, where it is so greatly needed. It is an investment that pays a return—a return of unlimited intangible value and yet an actual return in dollars and cents to the U.S. Treasury. VA records on the program indicate a loss of only eight-tenths of 1 percent. With the interest rate permitted under this bill at 5¼ percent, the profit to the Treasury will be more than 5 percent, less cost of administration. Surely that leaves a substantial profit. This program makes no gifts, no grants-in-aid, no handouts to be repaid in counterpart funds, no iceboxes for Eskimos, no shower baths for cameldrivers, no air conditioning for the Arctic.

This bill provides for loans to qualified veterans, who must be approved by the VA, for the purchase of the building of a home, the soundness of which must also pass the inspection of and be approved by the VA. These are sound loans, secured loans to good risk veterans. These loans must be repaid in hard cash, with interest, in U.S. dollars.

The revival last year of the VA loan program was popular throughout the country. It was certainly popular with the veterans. When Public Law 85–364 went into effect, on April 1, 1958, there were 13,084 qualified veterans on the waiting list for direct VA loans. When veterans heard that new funds had been appropriated and the loan program extended for 2 years, many who had lost hope of ever securing a loan rushed to the nearest VA office to file an application. Although the loans were made as rapidly as possible to the approved veterans at the top of the waiting list, the requests for loans were so great that the waiting list increased to more than 40,000 in the first 8 months following the enactment of the bill.

The waiting list has been growing at the rate of approximately 2,000 veterans a month. In Georgia alone, more than 2,400 veterans are on the waiting list at this time. Additional funds are needed and needed now.

I feel that the situation in my State is more or less typical and if it had not been for the direct loan program many veterans, who were able to take advantage of the bill we passed last year, would not now be homeowners.

With the limited funds made available to the VA in Georgia, over 700 veterans were able to obtain homes since April 1, 1958. Of these loans, 173 were made to veterans in the Seventh District of Georgia, which I am privileged to represent.

Mr. Chairman, although H.R. 2256, now under consideration, requires an initial outlay of $300 million, or approximately 30,000 loans to qualified veterans, it will not cost the taxpayers of this country 1 red cent. The program is in the black. Through repayments, plus interest, it not only is making money for the U.S. Treasury, but it has been of tremendous help to the veterans and our Nation.

This great program provides homes for our veterans and, as I stated earlier, it has stimulated construction, provided employment, and increased business generally for our local merchants.

For years now, we have passed legislation and held out the possibilities of GI loans, but to far too many veterans we have offered only the shadow. H.R. 2256 provides the substance. I urge its approval.

Mr. Chairman, I have heard in the last few minutes the word "realistic" used many, many times. I think that under the leadership of the distinguished gentleman from Texas [Mr. TEAGUE] the bill as reported by the Committee on Veterans' Affairs is indeed a realistic bill in all respects. As reported it carries, what my colleague from Ohio calls, a realistic interest rate. However, it is one which personally does not appeal to me. I think 4¾ percent was realistic. As the gentleman says, however, this is 5¼, therefore it is realistic. It is further realistic in that it provides a realistic amount, $300 million. This amount will not wipe out this tremendous backlog of veterans who are entitled to these loans but will materially reduce the number who are on the waiting list.

I think you can say further that it is realistic in the fact that it does not cost the Government 1 cent in the long run. This is a bill which will in fact make the Government money.

As my friend from Ohio states, he has been assured by many private bankers that if this interest rate were raised to 5¼ percent there would be no need for this direct-loan provision. That being the case, there is no reason for us to fail to go ahead and provide this direct-loan money, because if private capital does what it says it will do, there will be no need for the Administrator to draw drafts on the Treasury. So that is no objection to this bill.

I think that certainly this bill is being realistic in that the Congress has provided entitlement to the veterans of our country for homebuilding, whether it be by guarantee or direct.

We have many in my area in the Seventh Congressional District of Georgia who are on the waiting list and who have not been able to finance the purchase of a home. Thirteen out of my 14 counties are eligible for direct loans. In 8 out of those 13, during this last year after the money was made available, not a single direct loan was made in those counties. I believe, although I am referring to my own home district, that 90 percent of you who live outside of metropolitan areas would find the same situation applies in your case likewise.

The gentleman from Colorado [Mr. JOHNSON] a few moments ago stated what would happen to a veteran in a metropolitan area if he was unable to obtain a loan. Of course, veterans' loans both under direct loan as well as the guaranteed loan are based on whether the veteran is a good risk. In metropolitan areas, the law provides that in the event private capital in these metropolitan areas fails to provide funds, it is within the power of the administrator, if they are a good risk, in metropolitan areas to make the veterans eligible for direct loans.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield.

Mr. CONTE. Mr. Chairman, I would like to ask the gentleman who now has the floor: How many counties in Georgia are eligible for these direct loans?

Mr. MITCHELL. I do not have those figures for the State at large, but I may be able to get them in just a moment. I would say that we have 159 counties and something between 140 and 145 would be eligible for direct loans.

Mr. CONTE. How many counties in the State of Massachusetts would be eligible for these direct loans?

Mr. MITCHELL. I yield to the chairman.

Mr. TEAGUE of Texas. None.

Mr. CONTE. I would like to point out to the gentleman from Georgia that this is typical of the Southern States and the agricultural States, coming to this Congress and asking for loans and grants continually at the expense of the taxpayers of the State of Massachusetts and the other States as well.

Mr. MITCHELL. In response to the gentleman from Massachusetts, the taxpayers of Massachusetts will not be financing the loans of the rural veterans of Georgia and of the remainder of this Nation. In fact, my friend, the gentleman from Massachusetts, should be advised that in the Congress and in the House at large, some 80 percent or over 80 percent of us represent what are considered to be rural districts insofar as this program is concerned. I am sure my good metropolitan friend would want the rural veteran who wore the uniform just as did the city veteran to receive exactly like treatment. That is all the rural veteran wants and that is what we want. Further, may I point out to the gentleman that apparently if none of the gentleman's district is eligible for direct loans, then private capital is making the money available under the guaranteed loan provision.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield.

Mrs. ROGERS of Massachusetts. Our veterans are not receiving their loans and that is why I would like an amendment to go into the bill which would guarantee the difference between the 4¾ percent, what the veterans now pay on the guaranteed loans, up to 5¼ percent, and the money would come out of the Treasury of the United States. I would like to have loans in Massachusetts and

in other urban and city areas and farm areas come under the direct loan plan of housing legislation. Years ago I tried to have all veterans' loans direct loans, but it did not happen.

Mr. MITCHELL. I know that the amendment referred to by the distinguished gentlewoman from Massachusetts is designed to speed up and increase this loan activity for all veterans wherever they may be.

Mrs. ROGERS of Massachusetts. Mr. Chairman, it is something of a farce to hold out the inducement of loans to veterans and not give them the houses.

Mr. MITCHELL. Mr. Chairman, I yield back the balance of my time.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, I think there are a few additional things that ought to be said about this proposed legislation. Many points have already been developed. Certainly I assume that everyone in this House wants to be sure that adequate provision is made for proper housing for the veterans of this country.

First let us look at the direct loan program. Earlier in the debate a great deal was said about the danger of this type of legislation. Constitutional questions were presented. I think they were presented exceedingly well. I think there is a great deal of merit to the things that these gentlemen had to say, but in the case here it seems to me that the argument comes too late. This loan program has been in effect since 1950. There are now approximately $900 million in the direct loans. There is, under existing legislation, another $150 million which will be available at the first of the next fiscal year, making well over $1 billion already used or provided for this program.

I say I admire the gentlemen who made these arguments with respect to the question of constitutionality and procedure here, but it does appear to me they are being made at a somewhat late date in this instance if it is felt, as I assume it is, that we must make adequate provision for veterans through this direct loan program. Let us see how much money is already available.

I have just said that beginning next July 1 there will be $150 million additional available. In addition to this there will be over $40 million which represents payments of principal upon existing loans. Therefore, if we do nothing to the existing law in this respect, there will be available approximately $200 million as of next July 1. If we enact this legislation carrying provision for $300 million, that $300 million would be added to the approximately $200 million of which I have just spoken, making a total available of about $500 million, or a half billion dollars.

I am informed that an amendment will be offered which would have the effect of removing the $300 million from this bill. It seems to me that those who feel that some legislation in this respect is necessary and desirable, as I do, must then ask themselves whether we should support an amendment to strike $300 million out of this bill and leave $200 million available, or to vote for the bill as it now exists including the $300 million, making a total of almost $500 million available for this program.

I repeat, it seems to me that is the question which must be in the minds of those who favor a continuation of this program. I think in that connection it is worth repeating that the figures indicate this program has had a loss of less than 1 percent. It is, in fact, eight-tenths of 1 percent, which has been many times recouped by the payment of interest on the loans herein.

Now, Mr. Chairman, turning to the consideration of the guaranteed loan program, that part of the program which is designed to help those in the more populous or metropolitan areas——

Mr. GROSS. Mr. Chairman, before the gentleman leaves that subject will he yield for a question?

Mr. ADAIR. I yield to the gentleman.

Mr. GROSS. What does the gentleman think about the total $500 million loan fund? Can the money be used wisely?

Mr. ADAIR. In that respect, as the gentleman knows, if the money is available the Veterans Administrator does not need to use it; the decision is up to him. Heretofore it has been the practice that the Administrator would withdraw from the Treasury about $50 million per quarter for this purpose. At any time the Administrator sees that he does not need the money, he, of course, can simply decline or fail to withdraw the money.

But to answer the question which the gentleman has put, it seems to me that for the immediate future $200 million is quite an adequate sum for our needs; however, I confess that this is a question which leaves students of the matter in a very great amount of doubt. We do have 45,000 applications on file for assistance under this program. It is speculative to try to determine what amount would be needed to take care of these worthy families.

Mr. QUIGLEY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. QUIGLEY. Assuming that the gentleman is correct that the $200 million would do the job, what harm is there in this bill's passing with the $500 million figure in it?

Mr. ADAIR. I would say to the gentleman that I did not say that $200 million would do the job.

Mr. QUIGLEY. But my question is based on the assumption that it would.

Mr. ADAIR. My own opinion on that point is that we are unable to tell. The gentleman, the chairman, and I think all members of the committee have, like myself, made a real effort to find the answer to the question, but we cannot know how much will be needed. There was question in the minds of some as to whether the full $300 million additional will be sufficient, but they reason that we should make available $500 million upon the assurance that the Administrator does not have to use it if he finds it is not necessary. It seems to me that is the best answer to the gentleman's question.

Mr. QUIGLEY. But is it not a fact that we do not know for certain whether the $200 million would do the job or whether even the $300 million would do it?

Mr. ADAIR. It is a fact, and neither do we know whether the $500 million will do it.

Mr. QUIGLEY. And the question that bothers me with all this uncertainty is why we are bleeeding and dying here over a figure which at best may be academic.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield.

Mr. GROSS. But the $300 million is an obligation upon the United States Treasury, is it not?

Mr. ADAIR. It is an obligation on the Treasury.

Mr. QUIGLEY. It is an obligation, but it does not have to be; in other words, the Administrator does not have to use any of it.

Mr. ADAIR. I think the Members understand that situation, that he does not have to use it.

Now, turning to the guaranteed loan portion of this bill: This bill does propose an increase in interest rates of one-half of 1 percent. There may be some who will ask why should we impose this additional burden upon the veterans? Why should we not leave the interest rate where it is? Is not this an unfair thing to do to the veterans?

Those questions I think have been answered by previous speakers who have pointed out that our experience is that the 4¾ percent simply does not produce the loans. I am interested, and the Members of this House are interested, in seeing to it that we do have loans for this purpose. We have been assured that the increased interest rate will produce loans, will relieve the situation in our metropolitan areas. If that is true, then the question is, Do we want a veteran to have a house even though he must pay slightly more interest? I think if the test is whether or not he gets the house, we would say to ourselves that most veterans would be willing to pay the slight increase in interest to provide themselves a home.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Florida.

Mr. HALEY. The gentleman is well aware of the fact that the 5.25 percent figure is not an absolute figure. It is more or less a flexible figure?

Mr. ADAIR. I am glad the gentleman brings that point out. This again, may be fixed at the option and at the discretion of the Administrator. This is not a mandatory figure; it is a ceiling. I thank the gentleman.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Ohio.

Mr. VANIK. In the gentleman's statement he pointed out the increase in the interest rate. That is, I presume, based upon the FHA experience?

Mr. ADAIR. Principally.

Mr. VANIK. Is it not true that the loans have not increased in some respects because of the Federal Reserve policies that came into play last year, that the Federal Reserve discount policy has more to do with the availability of mortgage money than the fluctuations that we might see in the interest rate?

Mr. ADAIR. That is a question upon which the Members would certainly differ. I know the view enunciated by the gentleman is held by some. Others hold a contrary view. My own thinking is that lending institutions can turn to other programs, such as FHA, and get a better rate of interest, which has been the principal reason that we have not had enough money available in many areas for guaranteed loans.

Mr. VANIK. In the committee hearings was there any discussion relative to the effect of the Federal Reserve discount policies as distinguished between the effect of the interest rate rise and the productivity of available money for loans?

Mr. ADAIR. My recollection of the hearings leads me to say there was very little, if any, discussion on that point. I do not recall any discussion upon it.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not very much better for the veteran to seek to borrow from the Veterans' Administration than it is from the FHA?

Mr. ADAIR. I think it is better for the veterans to have either a direct or a guaranteed loan. They are somewhat better off in either of those instances than to have an FHA loan. We have tried to give the veterans the benefit of these programs.

Mrs. ROGERS of Massachusetts. It is very hard. There are practically no loans in the urban areas, and they do not benefit from direct loans at the present time.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Ohio.

Mr. AYRES. Is it not true that we have found that the big advantage of the GI program is in the small downpayment and the small monthly payments?

Mr. ADAIR. I agree with the gentleman. I think the veterans are mostly concerned with those items, the small downpayment and the small monthly payments. In this way many are able to purchase homes who would not otherwise be able to do so.

Mr. Chairman, I feel that we do need legislation on this subject of veterans' housing at the present time.

Mr. TEAGUE of Texas. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SISK].

Mr. SISK. Mr. Chairman, at this time I wish to commend the distinguished chairman of the Committee on Veterans' Affairs and the members of that committee for their expeditious action in bringing this bill to the floor at this time. Certainly my previous experience with that very fine group over some 4 years has led me to understand their deep consideration and concern for the veterans, and particularly for adequate housing for our veterans across this Nation.

I would like to call your attention to the charge or, at any rate, the statement that has been made to the effect that the increase in interest rates will solve the situation and that there will no longer be any need for direct loan money. Now, the veterans loan program, that is, the guaranteed loan program, is 15 years old, I believe, going back to the initial act. The direct loan program is some 8 or 9 years old. And, in spite of the 15 years of its existence, we still have large areas of our country where only a small percentage of veterans have been able to secure home loans. The figure shows a great percentage of veterans without homes. For example, in my own State of California, almost half of the counties in that State are in that category. We take some 25 counties and check the percentage of veterans that have secured a loan of any kind, either insured or direct, we find them under 15 percent of the total veterans. In my own district I have one county which is considered to be an urban type of area where something over 30 percent of the veterans have acquired loans over the period of 15 years, and that same thing is true of many of our metropolitan counties. But, the facts are that in spite of what I understand to be true, that loans over a major part of this time were selling at or near par, these great rural areas were not able to secure loans, and the veterans in those areas, have been unable to secure homes. It would seem to me that that in itself would indicate that the rate of interest set by the VA or the Congress is not the answer to the percent, or whatever it may be, because be at 3 percent, 4 percent, 5 percent, 6 percent, or whatever it may be, because as I say, the history of the program over the major portion of the period of time of its existence indicates that the rate of interest generally was acceptable. I readily admit that within the past 2 years the rate has not been sufficient because of the fact that we have seen these great discounts which were necessary to get the money, to make it available. But, the point that I am making is that the interest rate will not solve and will not make available money for homes for this great mass of our veterans across the Nation in the rural areas.

I further would like to comment on one particular charge which was made a little bit ago that this represented some sort of a subsidy; particularly it represented a subsidy for the South. Well, certainly nothing in the factual history or background of this legislation or any other similar legislation represents any kind of a subsidy to any section of this country. In the first place, this type of a program is not a subsidy. Every record that we have regarding the VA loans, either insured or direct, represents an outstanding record of repayment, and the facts as have already been brought out here today indicate that actually the Government has made a profit on the direct loan program, so that any charge of subsidy for anyone, and particularly any section of our country, is completely in error.

Let us get on with the job and pass this bill just as the committee brought it to us. It is a good bill and is needed by our veterans.

Mr. TEAGUE of Texas. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, I am strongly in support of this legislation. I congratulate the committee on bringing it out. It is long overdue.

Anyone who lives in a rural area in this country knows that veterans outside the metropolitan centers have not received fair treatment under the GI home loan program. I am sure no one intended to discriminate against these veterans but discrimination has been the result.

In 14 of the 16 counties in my district in Missouri which are eligible for direct loans there were no GI loans whatsoever made in the last 6 months of 1958. In Greene County, there were two made, and in Douglas County one. What kind of a program is this?

Scarcely a week passes that I do not get a letter from same irate veteran—and I do not blame him for being irate—who has applied and qualified for a GI loan, yet he cannot get one, because there is no money.

Anyone in a rural area, especially in my section, who has gone to a bank or savings loan association recently trying to get a GI loan, is told to forget it. These money lending people are patriotic, they want to help the veterans, but they are in business to make money, just as everybody else in business, and they simply feel they cannot take on very many GI loans, or they will jeopardize their profits. And let us not kid ourselves about raising this interest rate to 5¼ percent.

In my area, this is not going to solve the problem, either, for this very simple reason: The going rate of interest on a 20-year home loan from a savings and loan association in my district right now is about 6 percent. If you are lucky you can get it for 5¾ percent. How many of these people are going to lend money for 30 years to a veteran or anybody else at 5¼ percent if they can get 6 percent? It is a matter of simple commonsense arithmetic.

What we must have in these areas is direct-loan money. I got a letter just yesterday from a very fine banker in my district who said that he was afraid of direct veterans housing loans originally, thought it would be unfair competition for private lending institutions, but after living with it for awhile, he feels that it is about the only way to handle the GI home loan program.

He says the private firms are not in a position to handle GI loans.

If the GI housing loan program is worth while, if the Government was helping veterans to get some kind of housing at some sort of a special interest rate and longer term repayment as delayed compensation for their service to their country, it is not fair for GI loans

to be readily available in the cities and not available at all in rural areas.

If the direct-loan program is not expanded, veterans in areas like southwest Missouri do not have a chance of getting a GI home loan this year. Our veterans will continue to read advertisements in the big city newspaper begging veterans to come in and take advantage of their GI loan qualifications. Our veterans will watch the big city boys exercise their GI benefits, but our veterans will be shut out.

I hate to see the Government in the lending business just as much as the next man. My philosophy is that money lending should be handled by private lending firms.

But if the Government has decided that veterans are entitled to special home loans, if private channels cannot afford to make such loans, then the Government has to fulfill its promise. Not because Government will do it better or even do it as well, but because no one else will do it at all.

Also, I intend to support the amendment that is going to be offered by the gentleman from California, if it involves what I think it will. The interest rate on the direct loan funds should not be 5¼ percent. It is not good to establish the precedent of Government profiteering on a Government promise to its veterans.

Direct loans to veterans are profitable to the Government. Uncle Sam has shown a profit of more than $40 million on direct loans already made. Losses have been less than $2 million total.

Unless there is some compelling reason that I am overlooking, I see no reason to make the direct loans so much more profitable by raising interest rates to 5¼ percent on money the Government gets for 3¾ percent.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have no further requests for time.

Mr. TEAGUE of Texas. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 1823 of title 38, United States Code, is amended by inserting immediately after the second sentence the following new sentence: "In addition to the sums authorized in this subsection, the Secretary of the Treasury shall also advance to the Administrator such additional sums, not in excess of $150,000,000, as the Administrator may request, and the sums so advanced shall be made available without regard to any limitation contained in this subsection with respect to the amount which may be advanced in any one quarter annual period."

SEC. 2. (a) Paragraph (1) of subsection (c) of section 1803 of title 38, United States Code, is amended by striking out ", but the rate of interest so prescribed by the Administrator shall not exceed at any time the rate of interest (exclusive of premium charges for insurance, and service charges if any), established by the Federal Housing Commissioner under section 203 (b) (5) of the National Housing Act, less one-half of 1 per centum per annum."

(b) Subsection (f) of section 1802 of title 38, United States Code, is amended by inserting immediately before the period at the end of the first sentence the following: ", or by any mortgagee designated and approved by any department, agency, or instrumentality of the United States as a certified agent, and which is acceptable to the Administrator".

SEC. 3. (a) Subchapter III of chapter 37 of title 38, United States Code, is amended by inserting immediately after section 1824 thereof the following new section:

"§ 1825. Deposit of downpayments in trust accounts

"(a) Where the Administrator has made a determination of reasonable value of housing units in a project involving five or more of such units which are proposed to be constructed or are newly constructed and previously unoccupied, and a veteran has made a deposit or downpayment on the purchase price of any such unit for the purpose of purchasing such unit with a loan guaranteed, insured, or made under this title, it shall be unlawful for the seller to fail to deposit such deposit or downpayment in a special trust account before the close of the next business day, in order to safeguard such deposit or downpayment from the claims of creditors of the seller. Where such deposit or downpayment has been deposited in a special trust account, it shall be unlawful for such deposit or downpayment to be disposed of in any manner except (1) being credited to the veteran purchaser at closing settlement, or (2) if the transaction is not consummated, being disposed of in accordance with the terms of the contract between the parties or returned to the veteran. Nothing in this section shall prevent the application of a deposit or downpayment to the cost of land or construction where a veteran purchaser has contracted for the construction of residential property which is to be financed with the assistance of a construction loan to be obtained under the provisions of this title.

"(b) Whoever violates subsection (a) of this section shall be fined not more than $5,000 or imprisoned not more than five years, or both."

(b) The analysis of chapter 37 of title 38, United States Code, is amended by adding at the foot thereof the following new item:

"1825. Deposit of downpayments in trust accounts."

SEC. 4. (a) Subsection (b) of section 1804 of title 38, United States Code, is amended by adding at the end thereof the following new sentence: "The Administrator may also refuse to appraise any dwelling or housing project owned, sponsored, or to be constructed by any person refused the benefits of participation under titles I, II, VI, VII, VIII, or IX of the National Housing Act pursuant to a determination of the Federal Housing Commissioner under section 512 of that Act."

(b) Subsection (d) of section 1804 of title 38, United States Code, is amended by adding at the end thereof the following new sentence: "The Administrator may also refuse either temporarily or permanently to guarantee or insure any loans made by a lender or holder refused the benefits of participation under titles I, II, VI, VII, VIII, or IX of the National Housing Act pursuant to a determination of the Federal Housing Commissioner under section 512 of that Act."

Mr. TEAGUE of Texas (during the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment on page 1, line 8, strike out "$150,000,000" and insert in lieu thereof "$300,000,000."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment on page 2, line 5, after "amended" insert "(1)."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment on page 2, line 11, immediately before the period insert the following: "; and (2) by striking out '4¾ per centum per annum' and inserting in lieu thereof '5¼ per centum per annum'."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment on page 2, line 14, strike out "(f)" and insert in lieu thereof "(d)."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment on page 3, line 9, after "account" strike out "before the close of the next business day."

The amendment was agreed to.

Mr. TEAGUE of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE of California: On page 1, strike out line 3 and all that follows down through line 3 on page 2, and renumber the following sections accordingly.

Mr. TEAGUE of California. Mr. Chairman, my amendment is a very simple one, but it is designed to accomplish a very important purpose. That purpose has been discussed very fully here this afternoon. I will not dwell on it at any great length. This amendment would remove the $300 million which is currently in the bill.

I would like to state I have a sincere and great respect for my namesake, Cousin OLIN TEAGUE of Texas, the chairman of the Veterans' Affairs Committee. Ordinarily, I follow his leadership in the Committee on Veterans' Affairs. This is one instance in which I cannot.

It seems to me we are not involved here in a matter of partisan politics. I am sure there are Members on both sides of the aisle who have the view that I hold, mainly, that this $300 million is simply not necessary in this bill and should be removed.

Furthermore, in my view this is not in any sense an antiveteran point of view. I am a veteran myself and this is my fourth year on the Veterans' Affairs Committee. After all, I should like to remind the Members that we will have on next July 1 almost $200 million available for this fund. We will be in session for many months between now and July 1. If the new realistic interest rate program on guaranteed loans does not work out, as most of us think it will, there will still be time then to come back and

appropriate the necessary funds for the direct program. I would also like to state I feel strongly that those of us who vote to remove the $300 million are not in any way casting reflections upon either the direct or guaranteed portion of the veterans loan program.

It is our hope it will be continued. It is simply a matter of judgment in which some members of our committee feel that the $300 million simply is not necessary and we do not need to start right off in this session by unbalancing the budget to that extent. After all, I should like to remind my fellow Members that veterans are also taxpayers. They have to pay taxes and they should be just as interested as we are, and I know they are, in a balanced budget and in fighting inflation.

I hope you will agree with me that this amendment should be carried.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of California. I yield.

Mr. HALLECK. As I listened to the debate today, it was suggested by the proponents of this measure, if I understood them correctly, that it might well come to pass in the future, with this increase in the interest rate, that it will serve to bring into play funds from other sources and will eliminate the use of any of this $300 million. That is offered as an argument as to why it is all right to put in the $300 million. But it seems to me the argument on the other side is stronger. In other words, as the gentleman well pointed out, if it does happen that the $300 million is not necessary, then why put $300 million in the bill now? I agree with the gentleman this program cannot be damaged one bit by cutting out the $300 million. Let us see what the experience will be under this increased interest rate. Then if, as the gentleman says, there is any need for additional money later on we can take care of that situation. But this country is looking to Congress to maintain some degree of fiscal responsibility. Why have it appear on the record that we have added $300 million to the President's budget, because at this juncture it is just exactly that.

May I say I support the gentleman's amendment. And if the amendment is not adopted, then I shall vote against the bill, and I trust my colleagues will do likewise.

Mr. TEAGUE of California. I thank the gentleman for his valuable support.

Mr. TEAGUE of Texas. Mr. Chairman, I rise in opposition to the amendment.

This amendment has been argued all afternoon. What it means is that the veterans in the rural areas will not be able to get a house this next year. The Veterans' Administration told us there are 45,000 veterans on the waiting list right now. I know that this interest increase will not take care of all these veterans. We should have some money in the direct loan fund.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. TEAGUE].

The question was taken; and on a division (demanded by Mr. AYRES) there were—ayes 55, noes 90.

Mr. HALLECK. Mr. Chairman, on this vote I demand tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. TEAGUE of California and Mr. TEAGUE of Texas.

The Committee again divided and the tellers reported that there were—ayes 83, noes 123.

So the amendment was rejected.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: On page 2, immediately below line 20, insert the following: "(c) Paragraph (1) of subsection (d) of section 1811 of title 38, United States Code, is amended by striking out 'the rate authorized for guaranteed home loans' and inserting in lieu thereof '4¾ per centum per annum'."

Mr. TABER. Mr. Chairman, a point of order. That language has already been amended by vote of the committee.

The CHAIRMAN. The Chair may say to the gentleman from New York that that section of the bill has not been amended.

Mr. TABER. It was amended when the committee amendment was adopted.

The CHAIRMAN. That is, of course, a different part of the bill than the committee amendment that was adopted.

Mr. TABER. This amendment is to lines 11, 12, and 13, on the face of the bill, and an amendment was inserted.

The CHAIRMAN. The Chair may say to the gentleman from New York that the amendment may be inconsistent with that language. The Chair does not rule on that. This amendment is in order, however.

Mr. ROOSEVELT. Mr. Chairman, this amendment simply points out that if private money at 5¼ percent does not come forth, and it becomes necessary then for the Treasury to authorize direct loans, these direct loans to the veterans shall remain at the interest rate of 4¾ percent. Under existing law, the Administrator would have the authority to increase the rate on direct loans to 5¼ percent, if he so wanted. My amendment would keep it at 4¾ percent.

The basic justice of my amendment is simply that where the Government must make loans to veterans because private industry has not come forward the Government should not profiteer on the veterans. It is admitted already that the present 4¾ percent is actually making money for the Treasury, and, therefore, this increased percentage is not necessary to keep the program profitable. My amendment would not add to the expense of the Government in any way whatsoever.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. There has been a good deal of talk here about the builders. If the builders do not come into the direct program, then the builders will not get more money. It seems to me only just to keep it at the 4¾ percent for the direct loans, as it is today. I do not know why that went into our bill, unless they want to punish the direct-loan people.

Mr. ROOSEVELT. I thank the distinguished gentlewoman. Of course, I agree with her.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from New York.

Mr. MULTER. I am in complete agreement with what the gentleman has said and also with what the gentlewoman from Massachusetts has said. If we increase the interest rate by this one-half of 1 percent on direct loans, it merely means that much additional profit on the program for the United States Government. No builder can get any part of it, no lending agency can get any part of it, no bank can get any part of it. It will mean that the veterans will have to pay the additional one-half percent which is that much more profit for the Government. I am sure we do not want the Government to make any additional profit on this program at the expense of the veterans.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Indiana.

Mr. ADAIR. Is it not true that if the amendment is adopted one group of veterans would be paying one-half percent more interest than another group?

Mr. ROOSEVELT. That is correct, but it would only be because of the fact that private funds were not forthcoming. I sincerely do regret that we have to charge that extra one-half percent interest in order to attract these private loans, but if they are not forthcoming then I think the important precept is to make sure we do not allow profiteering on Government funds advanced to veterans.

Mr. ADAIR. Mr. Chairman, will the gentleman yield further?

Mr. ROOSEVELT. I yield.

Mr. ADAIR. Does it not appeal to the gentleman that this is a serious objection? We have in these two programs through the years kept the interest rate the same. If we begin to discriminate in favor of one group, then, of course, all who can will try to resort to that type of loan, and those who cannot are thereby penalized.

Mr. ROOSEVELT. I would simply say to the gentleman that then it is up to the private bankers of America. If they want to make money available to the veterans, they have the opportunity in this bill, but if they fail and they come back and make the Treasury and the Government of the United States do it, then I say we must not profiteer on those veterans.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Ohio.

Mr. ASHLEY. I think it might be pointed out that if this charge of potential discrimination is valid, then we already have discrimination, as the interest rate has gone from 4 percent, as originally enacted, up to the present 4¾, and it will perhaps go up again.

Mr. ROOSEVELT. I think the gentleman's point is well taken. There are already several rates and there will be another rate if this bill is adopted; therefore it does not seem to me that this is any more discriminatory than it is now to increase the rate against those who are paying the lesser rate at the present time. I thank the gentleman for his contribution.

Mr. TEAGUE of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think there is no question but that there is merit to the amendment offered by the gentleman from California. We have had a difficult time with this housing bill. There has been a lot of give and take on both sides, and I hope that this bill will pass and become law. I would say to the gentleman from California that it is an important question, and that if he would introduce a bill to accomplish the same purpose, that I will give him a hearing before the committee as quickly as we get an opportunity. But, I hope he will not insist on his amendment to the bill today.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. TEAGUE of Texas. I yield to the gentleman from California.

Mr. ROOSEVELT. I will say to the gentleman that I would, of course, normally be delighted to do so, but with the heavy schedule I am afraid I will never get back into the arena, and in deference to the people who have asked me to come forward with this program, I think there would be objection.

Mr. TEAGUE of Texas. Mr. Chairman, I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. ROOSEVELT) there were—ayes 67, noes 129.

So the amendment was rejected.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR of Pennsylvania: On page 4, after line 23, insert:

"SEC. 5. Section 1823(a) of title 38, United States Code, is hereby amended by (1) striking from the second sentence thereof ', less that amount which has been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 1811(g) of this title,' and (2) inserting between the third and fourth sentences a new sentence to read as follows:

"Notwithstanding such allocation of direct loan funds as may be prescribed by the Administrator, amounts equivalent to the amounts received by the Administrator in any quarter annual period from the sale of loans pursuant to section 1811(g) shall in addition be allocated, during the quarter next succeeding such sale, to the respective regional offices where the loans were sold for the purpose of making additional loans under section 1811 of this title."

Mr. SAYLOR. Mr. Chairman, the purpose of this amendment is very simple. At the present time the Administrator of Veterans' Affairs allocates each regional office four times a year sums of money to be used for the direct-loan program. From time to time some of those mortgages are sold. The money that is received from the sale of those mortgages then goes back to the Veterans' Administration and is redistributed from the central office proportionately to all the district offices, not in the area where the mortgages were originally placed, only a small portion of it goes back into that area.

The purpose of this amendment is to see to it that if in any area you have people in the Veterans' Administration who have enough energy to get out and sell their mortgages they will have the money realized from the sale of their mortgages to reinvest with veterans' mortgages in the same area. That is the purpose of the amendment. It was rather technical to have it drafted, and I can say to the members of this committee that had the staff had the amendment ready it would have been adopted by the committee at its regular meeting.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the distinguished lady from Massachusetts.

Mrs. ROGERS of Massachusetts. I understand the Veterans' Administration would be very glad to have this amendment adopted.

Mr. SAYLOR. The Veterans' Administration would be very delighted to have this amendment adopted.

Mr. TEAGUE of Texas. I have no objection to the amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. MULTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MULTER, of New York: On page 2, after line 3, insert a new section, to read as follows:

SEC. 2. Strike out all of subdivision (a) of section 1811 and all of the first sentence of subdivision (b) of section 1811 and insert in lieu thereof the following:

"(a) Wherever the Administrator finds that private capital is not generally available in any area for the financing of loans guaranteed under section 1810 of this title, he may designate such area as a housing credit shortage area."

Mr. MULTER. Mr. Chairman, if the amendment offered by the gentleman from California [Mr. ROOSEVELT] had prevailed to limit the interest rate as sought in his amendment, I would then have offered another amendment so as to limit the interest rate on direct loans to the same interest rate payable on guaranteed loans. That would have prevented any increase of the interest rate on GI loans. Since a majority of this committee has determined by its last vote to increase the interest rate, I am not offering any other amendment in that respect.

This amendment, however, will broaden the coverage of the direct-loan program. I would like to call your attention to the fact that section 1811, entitled "Direct Loans to Veterans," presently provides that these direct loans are available only when guaranteed loans are not available. When there is no private financing or private capital available from lending institutions, then the direct-loan program comes into play, and then only in parts of the country, to wit—and I quote from the law—"rural areas or in small cities and towns not near large metropolitan areas." My amendment seeks to change that language so that it will read, "Whenever the Administrator finds that private capital is not generally available in any area for the financing of loans guaranteed under section 1810 of this title, he shall designate such area as a 'housing credit shortage area.'"

In other words, as long as there are guaranteed loans available to the veterans, they cannot get direct loans. But I say in my amendment and my amendment seeks to provide that no matter where a veteran may be, whether he is near a large metropolitan area or in a rural area or in a small city or town, if there are no guaranteed mortgages available to him and if no private capital is available, he should have the right to get a direct loan, provided that the Administrator finds that he is in a "housing credit shortage area." This will then put veterans across the country on the same basis, so that if the veteran cannot get a private loan he can get a direct loan. I urge that the law be so modified.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. BUDGE. If I understand the purpose of this legislation, as it came from the committee, it is to provide the direct loans in areas where historically we have found that private capital is not available. Is it the purpose of the gentleman's amendment to make this program apply 100 percent across the Nation so that we do not have any specific areas pinpointed?

Mr. MULTER. No, sir; that is not the purpose of my amendment at all. My amendment simply seeks to put the veterans across the country who cannot get private loans on the same basis. I assure you it will not apply in places like the city of New York. It will apply in other places. I think the gentleman from Ohio is asking me to yield so that he can indicate that it applies in his part of his State. My amendment simply gives the Administrator the right, first, to determine which are housing credit shortage areas and, secondly, if there is a veteran in that area who cannot get a private loan to permit him to apply for and get a direct loan.

Mr. BUDGE. If the gentleman will yield for a further question, if the Administrator should find that the metropolitan area of New York City was in need of financial services for this purpose, could he not under the gentleman's amendment, apply this legislation to the metropolitan area of your city?

Mr. MULTER. Theoretically, the answer, of course, is that he could, but if he did I am sure he would be fired by whoever his superior happened to be.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. VANIK. I agree, and I hope that the gentleman's amendment will be fa-

vorably considered by the House. There are cities throughout this country that fall without this category as defined in the law, where the banking practice in the community has precluded any GI loan. I think this provision ought to be in the law so that in such communities where banking practices preclude GI loans, a veteran may have the relief that this section affords. Would the sponsor of this amendment change the language from mandatory to permissive? Then that would leave it permissive with the administration to determine.

Mr. MULTER. That is the way the law is interpreted today. But I will not quibble about words. If you prefer the word "may" to "shall", I agree to the change. It is being interpreted today as permissive and not mandatory. There is no review of the Administrator's finding except the President has the power to discharge an administrator who does not properly perform his duties.

The CHAIRMAN. The time of the gentleman from New York [Mr. MULTER] has expired.

Mr. TEAGUE of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TEAGUE of Texas. It was suggested to the gentleman from New York that he change the word "shall" to "may."

Mr. MULTER. Mr. Chairman, I ask unanimous consent that my amendment at the desk be modified to change the word "shall" to "may."

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk again read the amendment as modified.

Mr. TEAGUE of Texas. Mr. Chairman, as I understand the amendment, it will not change the loan in any form. I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MULTER].

The amendment was agreed to.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I asked for this time not for the purpose of offering an amendment. During general debate I raised the same question about the serious situation that has arisen as to the defaults on these direct loans to veterans.

While general debate was going on I contacted the Veterans Administration and I have some data that I think should go into the RECORD at this point.

In my State of West Virginia, which has the largest percentage of unemployment of any State in the Union, the defaults are 9.64 percent of the total number of loans. The average for the Nation is 4.46 percent. In my State of West Virginia there has been a total of 4,237 loans made. Only 33 of those have been foreclosed, which is less than 1 percent. There were 22,064 guaranteed loans for homes, farms, and business. Here is what has happened. The home loans, foreclosed on 306 out of a total of 21,023. Farm loans, 46 foreclosed out of a total of 412. Business loans, 64 foreclosed out of a total of 629. I think particularly of the situation in those States—there are eight of them—that are losing population where the economy is really bad.

I am suggesting that it is serious enough that the chairman of the committee ought to inquire into the rate of defaults in the several States with the idea that the committee perhaps would want to consider legislation as the matter gets more serious.

Mr. TEAGUE of Texas. The committee will be glad to do that, I may say to the gentleman.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROGERS of Massachusetts: Page 2, line 13, immediately before the period, insert the following: "and (3) by adding at the end thereof a new sentence to read as follows: 'In every case in which a loan is guaranteed under section 1810 and the interest rate is more than 4¾ per centum per annum, the Administrator is authorized to pay out of appropriations directly to the veteran, during the period the property is owned and occupied by the veteran as his home, and at such intervals as he may prescribe by regulations, an amount representing the difference between the interest paid by the veteran on the loan at the rate actually charged, not exceeding the maximum rate chargeable hereunder at the time the loan was made, and the amount of interest that would have been paid had the rate been set at 4¾ per centum per annum.'"

Mrs. ROGERS of Massachusetts. Mr. Chairman, I am not going to press for the passage of my amendment because I think with the present temper of the Committee—and I do not mean this in any disagreeable way, but I think with the present feeling of the House it would not pass. I have faith that it will be passed in the Senate and that they also will take care of the direct loan provision under the same conditions. So I will wait, hoping that the Senate will pass it. I know that this is not an easy bill to evaluate but a confusing one.

The CHAIRMAN. Does the gentlewoman from Massachusetts withdraw her amendment?

Mrs. ROGERS of Massachusetts. I withdraw the amendment, Mr. Chairman.

The CHAIRMAN. Without objection the amendment is withdrawn.

There was no objection.

Mr. PHILBIN. Mr. Chairman, as one who has labored over a long period of time, even since before I became a Member of this great representative Chamber, for the cause of the veteran and his dependents in all its humane and patriotic ramifications, I am always eager to embrace the opportunity to support changes in basic laws which I deem to extend and perfect existing programs.

The pending bill is unquestionably intended to correct certain deficiencies, defects, and shortcomings which have developed in the veterans' housing program.

Forty-five thousand veterans are waiting for direct loans. Their applications have been pending for some time. But no funds are or have been available. This bill will correct this situation and provide more funds for direct loans. I hope it will mean the early end to piled-up applications of veterans waiting to purchase homes.

This measure also would increase the interest rate on the loans from 4¾ percent to 5¼ percent with the hope that higher interest rates will increase the supply of money available for veterans' home loans. I have distinct misgivings about this provision. It is definitely inflationary. It puts larger burdens on borrowing veterans. In the long run this would entail very substantial extra cost to the veterans.

It seems to me that some way could be found to keep veterans' loan interest rates at a reasonable level, and I hope the administration will study this important question and grapple with inflationary factors and interest charges.

The original GI bill was the charter of veterans' rights, entitlements, and benefits. It has worked well. It has been very helpful to millions of veterans and their families. Let us always do our best to preserve its essential principles and policies and work to improve and streamline them whenever the demands of change and progress require it.

Mr. ROBISON. Mr. Chairman, I intend to vote "No" on final passage of H.R. 2256 purely as a protest against what I feel is an unwarranted, and will prove to be an unnecessary, obligation of Federal funds that will have the effect, at least on paper, of throwing any hopes for the realization of a balanced budget out the window. I think it would be a sad commentary on the almost total disregard this Congress has for the principle of fiscal responsibility that we should so act on this, our first record vote of this session.

For the record, I wish to state that I am in full accord and sympathy with that portion of this bill that brings the interest rate allowable on veterans' home loans up to a much more realistic figure. As a former director of a Federal Savings and Loan Association, with 12 years of experience with this problem, I am convinced that such a change in allowable interest rates will bring forth an immediate sufficient supply of private lending moneys, and that this will have the effect of removing from the list of those veterans who are now waiting for direct loans all except those whose applications have been refused by lending institutions by reason of true geographic limitations.

Should, however, this prove to be an inaccurate forecast, there is ample time for this Congress to consider, by the proper method of appropriation instead of this back-door approach to the Treasury, the need for additional direct loan funds over and above the close to $200 million which now is, or will shortly be, made available for the continuance of this essential part of the veterans' home loan program.

As a veteran of World War II, with a G.I. mortgage now covering my own home, I would most certainly do nothing to curtail this program in any way, but I think we should all pause long enough to remember that veterans are also taxpayers and subject, as all our citizens are,

to the hidden tax implicit in the inflation that is bred and flourishes in continuous Federal deficit financing.

Mr. ULLMAN. Mr. Chairman, I think the Veterans' Affairs Committee is to be congratulated on the expeditious manner in which they have considered and approved H.R. 2256.

The additional $300 million authorized by this legislation is essential if the veterans' direct loan program is to function successfully. The 43,187 veterans on the direct loan waiting list as of November 1, 1958, provide sufficient testimony to the inadequacy of previous appropriations for this program. When we recall that many other interested veterans have not applied because of the frustratingly long waiting list, we get some inkling of the interest in, and need for, this program.

The direct loan program has done much to remedy the lack of home financing for veterans living in rural areas and in small towns and cities. Particularly in regions such as Oregon's Second Congressional District, which I represent, the program has made home ownership possible. Where the guaranteed home loan program has failed to achieve the goals set forth in the Servicemen's Readjustment Act, the direct loan program has proved successful. I think it is worthy of expansion and consequently I am completely in favor of this additional $300 million authorization.

Mr. Chairman, I am disappointed, however, that the Committee has considered it necessary to raise the interest rates on direct loans from 4¾ to 5¼ percent. In my opinion, this is an unjustified increase and one that is eminently unfair to those veterans covered by the program.

Mr. Chairman, a one-half of 1 percent increase in interest rates may initially seem insignificant. But when we translate that one-half percent into the additional money it will cost the average veteran, we soon find that it is indeed a substantial added burden. Assuming a 30-year loan, we find that a veteran who wishes to buy a $10,000 home will have to pay an extra $1,110 because of this one-half percent increase. In the case of a $12,000 home, this added payment jumps to $1,350. This data, plus the fact that many rural homes must be financed over a 40-year period with even higher additional payments, speaks for itself.

Mr. Chairman, I am going to support H.R. 2256 as I believe it is absolutely essential to authorize additional funds for the veterans' direct loan program. However, I believe it would be a much better bill with the adoption of the Roosevelt amendment which would maintain the present interest rate of 4¾ percent.

Mr. MACK of Washington. Mr. Chairman, I shall vote against the proposal in this bill to provide $300 million for loans to veterans of rural areas to buy homes.

It is not a bad bill but there are other things that veterans need more desperately than loans to buy homes in rural areas. Veterans are growing older and require more and better hospital and medical care. Also non-service disabled and unemployable veterans should have a pension increase because they have not had one in 5 years despite the fact that the cost of living has gone up for them as well as for everyone else.

If this $300 million is provided for Federal grants to buy homes it means that the budget will be further out of balance. The more the budget is out of balance the longer it will be before funds will be made available for modern VA hospitals and to provide the nonservice-connected disabled and unemployable veteran a deserved increase in his pension.

There is said to be 45,000 veteran requests on file for direct Federal home loans. The records of the Veterans Administration show that of these 45,000 veteran requests for direct loans for the purchase of homes only 521 are on file from the State of Washington.

As compared to the 521 war veterans in Washington State, out of the 306,000 veterans in our State who may obtain a home loan, if this bill is passed, thousands need better medical care and other thousands of veterans, due to the rise in living costs, need an increase in their pension.

First things should get first consideration. We ought to get the Federal budget in balance and then as a first step toward aiding veterans should take steps to provide the sick and ailing veteran with better medical care and better hospital facilities and to provide a more realistic pension system for veterans.

Providing better medical care and hospital care for the veterans and granting a pension increase to veterans will do more for vastly greater numbers of veterans than establishing a fund of $300 million, and putting the country that much further in debt, to provide home loans to the 521 Washington State veterans who are seeking direct loans to acquire homes.

Mr. VANIK. Mr. Chairman, I have no great enthusiasm for the provisions of H.R. 2256 which seek to raise the interest rate on GI loans up to 5¼ percent. In my judgment, the availability of mortgage money is controlled more by Federal Reserve discount policies which generally regulate the supply of credit than by an increase in the interest rates which simply bring inflated prices into the money market.

In my judgment the increased housing starts of the second half of 1958 were the proximate result of temporary relaxation of the tight money policies during the critical periods of the recession. There is little reason for attributing increased housing starts to higher interest rates.

Raising the cost of GI home-buying money is inflationary in every respect. It will simply drain off loan money presently being absorbed in the FHA loan market. The net result will be increased pressures to raise FHA interest rates. The GI loan interest rate is a base upon which all housing loan rates are established. As this base rate increases, all interest rates will be forced upward. The burden of these higher interest rates are a quiet but steady drain on the reserves of the home buyer.

The steady rise in the cost of borrowing money under the present administration constitutes one of the most inflationary forces in this generation. The home buyer is subjected to a double-barreled inflationary pressure. He is forced to buy a home at an inflated price—and he is then compelled to pay an inflated rate of interest for the life of his loan. The long-range consequence of this high interest folly is yet to be faced. The effects of Federal Reserve money manipulation should certainly be studied by this Congress in open and complete hearings.

The acceptance of an amendment in the Committee of the Whole to extend the direct loan program beyond rural areas to benefit veterans in cities where sufficient private funds are not available for GI loans makes this bill more palatable. In many communities the bankers have flatly refused to consider GI loans as a matter of arbitrary policy. The possibility of a designation of a city as a housing credit shortage area may cause such bankers to think twice before arbitrary denial of GI loans.

In the Cleveland area over 620,000 veterans have not taken advantage of the GI bill under the home loan guarantee program, principally because our local banking interests have refused to consider broad-scale GI loan proposals. The use of the GI loan privilege in the Cleveland area is well below national averages. Housing needs are just about as serious as can be found anywhere.

In the Cleveland area, including Cleveland and 38 counties, the following guaranteed loans have been made:

Year	Number	Amount
1954	11,018	$117,697,544
1955	16,726	188,846,492
1956	14,499	173,076,460
1957	7,638	100,320,996
1958	2,654	36,038,316

Direct loans have not been made in the Cleveland urban area—but in the 38 rural counties the following direct loans were made:

Year	Number	Amount
1954	273	$2,090,346
1955	461	3,610,736
1956	226	1,699,251
1957	523	4,213,972
1958	245	2,097,033

In our cities the adoption of the amendment permitting cities to apply for designation as "housing credit shortage areas" may make GI loans available to minority groups which now suffer a maximum need for home-loan borrowings. It is my hope that the administrator of this program will seriously consider the needs of these veterans who have been almost completely disregarded in the housing program to date.

While I vigorously protest the three-stage inflationary rise in interest rates which will be precipitated by this legislation, I believe that it is essential to the veteran and to the economy that there be a revitalization in the GI home build-

ing program. I hope that this measure will live up to promised expectations in that regard.

Mr. MONAGAN. Mr. Chairman, I shall vote for H.R. 2256. I did favor and support the amendment which would have eliminated direct loans. The record shows that this provision would have no practical application to Connecticut. In addition, I very strongly favor the provisions permitting an increase in interest rates because I feel that this increase will start bank funds growing out in the form of GI loans and that the direct loan provision will be rendered more or less academic. Finally, I know that in my section, existing lending institutions will adequately do the job of servicing these veterans applications and I see no need for governmental intervention in this field.

Mr. FLYNN. Mr. Chairman, citizens of Wisconsin have for many months been deeply concerned with the ever-increasing spiral in the cost of living. Inflation is becoming a major threat to the American economy. Inflation is brought about through ever-increasing prices of commodities and the resulting need for increased wages to permit working men and women to keep pace with the increased cost of living. This ceaseless price and wage increase has been a major cause of the high cost of living in America today.

We here in Congress have witnessed this year another cause of the inflationary spiral and in the months ahead it will become increasingly apparent to the people of the country that there are other factors contributing to the high cost of living besides higher wages and increased costs.

The Veterans' Administration was originally established as a means of enabling veterans of World War II and the Korean conflict to secure housing for themselves and their families at somewhat less than the full rate of interest. FHA financing was inaugurated to give all citizens assurance that they could provide housing for themselves and their families at a moderate cost. From the beginning, it has been understood that interest rates under FHA financing would be higher than interest rates under VA financing. We have, however, witnessed, especially in rural and urban areas, a virtual refusal of capital to enter into the VA program of financing. Banks, building and loan companies, and other financial institutions have and are refusing to make VA loans at the current interest rate of 4¾ percent. This rate is only one-half of 1 percent lower than the FHA interest rate and this rate has already been raised several times by previous Congresses.

Each time that the VA interest rate has been raised, the FHA has followed suit by increasing the interest rate on FHA loans. We have no reason to believe that the present VA interest rate increase will be met with any different response by officials of the Federal Housing Administration and I predict that the one-half of 1 percent increase in the VA interest rate will result in a similar increase in FHA loans. This will bring FHA interest rates to 5¾ percent. The criminal part of the situation, however, is that when the Federal agency interest rates are upped, this increase is accepted by private bankers as a license to increase private interest rates to private borrowers from our Nation's banks and I predict that the 5¾ percent interest on FHA loans will, during the summer and fall of 1959, result in private interest rates to private borrowers, across the board, of 6½ percent.

This interest rate is too high. It is inflationary. It is increasing the cost of living. The borrower has less money left when making the loan than he had before—just as the housewife has fewer groceries in her shopping basket for the money spent than she had before. There have been three increases in the past 3 years and undoubtedly 1960 will see further demands by the bankers to increase—first, the VA interest rate, then the FHA interest rate, then the private loan interest rate.

It is true the bankers made little or no appearance before Congress. They did not need to—for they had the American Legion and some other veterans' organizations, not including the VFW, and the National Association of Building Contractors to fight their battle for them.

I view this increase in the cost of using money with alarm. I view it as such because it has a direct effect upon inflation which besets our economy. I view it as such because the very people who are complaining loudest about the cost-wage inflationary spiral are the same people who championed for the fourth time the interest inflationary spiral.

I am for loans for the veterans at a moderate cost. I do not consider 5¼ percent interest a moderate cost to a veteran. This is especially true when the veteran is required to pay from 2 to 11 points for the privilege of getting the veteran's loan. We have failed in granting this increase to hold the line against inflation.

I, like many others who voted for this bill, did so because it represents the only way Congress provided of enabling veterans to get any loans at all, and because the bill carried a direct loan provision of $300 million. This provision will enable veterans in rural and urban areas to secure loans. The money market in these areas has dried up and without this direct loan provision, the Veterans' Housing Act is of no value to veterans who do not live in the large centers of population.

Mr. TEAGUE of Texas. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 2256) to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes, pursuant to House Resolution 154, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. TEAGUE of California. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TEAGUE of California. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. TEAGUE of California moves to recommit the bill to the Committee on Veterans Affairs with instructions to report the same back forthwith with the following amendment: Strike out all of section 1.

The SPEAKER. Without objection the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. HALLECK. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 123, nays 277, not voting 34, as follows:

[Roll No. 4]

YEAS—122

Adair	Devine	Mumma
Alger	Dooley	Nelsen
Allen	Dwyer	Norblad
Arends	Fenton	O'Brien, N.Y.
Auchincloss	Ford	Osmers
Avery	Frelinghuysen	Ostertag
Ayres	Glenn	Pelly
Baker	Griffin	Pillion
Barry	Gross	Pirnie
Bass, N.H.	Gubser	Poff
Bates	Halleck	Quie
Baumhart	Henderson	Ray
Becker	Hess	Reece, Tenn.
Belcher	Hiestand	Rees, Kans.
Bentley	Hoeven	Rhodes, Ariz.
Berry	Hoffman, Ill.	Riehlman
Betts	Hoffman, Mich.	Robison
Boland	Holt	St. George
Bolton	Horan	Schenck
Bosch	Hosmer	Scherer
Bow	Johansen	Schwengel
Broomfield	Jonas	Short
Brown, Ohio	Judd	Simpson, Ill.
Broyhill	Keith	Simpson, Pa.
Budge	Kilburn	Smith, Kans.
Byrnes, Wis.	Lafore	Springer
Cahill	Laird	Taber
Cederberg	Langen	Teague, Calif.
Chamberlain	Latta	Thomson, Wyo.
Chenoweth	Lindsay	Tollefson
Chiperfield	Lipscomb	Utt
Church	McCulloch	Van Pelt
Collier	McDonough	Wainwright
Conte	McIntire	Wallhauser
Cramer	Mack, Wash.	Weaver
Cunningham	Mailliard	Weis
Curtin	Mason	Westland
Curtis, Mass.	May	Wharton
Dague	Michel	Widnall
Derounian	Milliken	Wilson
Derwinski	Minshall	Younger

NAYS—277

Abbitt	Anderson, Mont.	Baldwin
Abernethy	Andrews	Barden
Addonizio	Anfuso	Baring
Albert	Ashley	Barr
Alexander	Ashmore	Bass, Tenn.
Alford	Aspinall	Beckworth
Andersen, Minn.	Bailey	Bennett, Fla.
		Bennett, Mich.

Blatnik
Blitch
Boggs
Bolling
Bonner
Bowles
Boykin
Boyle
Brademas
Bray
Breeding
Brewster
Brock
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Mo.
Burdick
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Canfield
Cannon
Casey
Celler
Clark
Coad
Coffin
Cohelan
Colmer
Cooley
Corbett
Daddario
Daniels
Davis, Ga.
Davis, Tenn.
Delaney
Dent
Denton
Diggs
Dingell
Dollinger
Dorn, N.Y.
Dorn, S.C.
Dowdy
Downing
Doyle
Duiski
Durham
Edmondson
Elliott
Everett
Evins
Fallon
Fascell
Feighan
Fino
Fisher
Flood
Flynn
Flynt
Foley
Forand
Forrester
Fountain
Frazier
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Gavin
George
Giaimo
Granahan
Grant
Gray
Green, Oreg.
Griffiths
Haley
Hall
Halpern
Hardy
Hargis
Harmon
Harris
Harrison
Hays
Healey
Hébert
Hechler
Hemphill
Herlong
Hogan
Holifield
Holland
Holtzman
Huddleston
Hull
Ikard
Irwin
Jarman
Jennings
Johnson, Calif.
Johnson, Colo.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kasem
Kastenmeier
Kearns
Kee
Kelly
Keogh
Kilday
Kilgore
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kowalski
Landrum
Lane
Lankford
Lesinski
Levering
Libonati
Loser
McCormack
McDowell
McFall
McGinley
McGovern
McMillan
Macdonald
Machrowicz
Mack, Ill.
Madden
Magnuson
Marshall
Matthews
Merrow
Metcalf
Meyer
Miller,
Clement W.
Miller,
George P.
Mills
Mitchell
Moeller
Monagan
Montoya
Moore
Moorhead
Morgan
Morris, N. Mex.
Morris, Okla.
Moss
Moulder
Multer
Murphy
Natcher
Nix
Norrell
O'Brien, Ill.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
O'Neill
Oliver
Patman
Perkins
Pfost
Philbin
Pilcher
Poage
Polk
Porter
Price
Prokop
Pucinski
Quigley
Rabaut
Rains
Reuss
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Roosevelt
Rostenkowski
Roush
Rutherford
Santangelo
Saund
Saylor
Scott
Selden
Shelley
Sheppard
Shipley
Sikes
Siler
Sisk
Slack
Smith, Iowa
Smith, Miss.
Smith, Va.
Spence
Staggers
Steed
Stratton
Stubblefield
Sullivan
Teague, Tex.
Teller
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Trimble
Tuck
Udall
Ullman
Vanik
Van Zandt
Vinson
Walter
Wampler
Watts
Wier
Williams
Willis
Winstead
Wolf
Wright
Yates
Young
Zablocki

NOT VOTING—34

Barrett
Buckley
Bush
Carnahan
Carter
Chelf
Cook
Curtis, Mo.
Dawson
Dixon
Donohue
Farbstein
Fogarty
Green, Pa.
Hagen
Jackson
Jensen
Lennon
McSween
Martin
Meader
Miller, N.Y.
Morrison
Murray
Passman
Powell
Preston
Reed
Smith, Calif.
Taylor
Whitener
Whitten
Withrow
Zelenko

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Smith of California for, with Mr. Preston against.

Mr. Reed for, with Mr. Green of Pennsylvania against.

Until further notice:

Mr. Carter with Mr. Martin.
Mr. Whitener with Mr. Taylor.
Mr. Farbstein with Mr. Bush.
Mr. Fogarty with Mr. Miller of New York.
Mr. Zelenko with Mr. Meader.
Mr. Whitten with Mr. Jackson.
Mr. Morrison with Mr. Jensen.
Mr. Barrett with Mr. Dixon.
Mr. Donohue with Mr. Curtis of Missouri.
Mr. Carnahan with Mr. Withrow.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HALEY. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 310, nays 89, not voting 35, as follows:

[Roll No. 5]

YEAS—310

Abbitt
Abernethy
Adair
Addonizio
Albert
Alexander
Alford
Andersen, Minn.
Anderson, Mont.
Andrews
Anfuso
Ashley
Ashmore
Aspinall
Bailey
Baker
Baldwin
Barden
Baring
Barr
Bass, Tenn.
Bates
Baumhart
Beckworth
Belcher
Bennett, Fla.
Bennett, Mich.
Bentley
Betts
Blatnik
Blitch
Boggs
Boland
Bolling
Bonner
Bowles
Boykin
Boyle
Brademas
Bray
Breeding
Brewster
Brock
Brooks, La.
Brooks, Tex.
Brown, Ga.
Brown, Mo.
Brown, Ohio
Broyhill
Burdick
Burke, Ky.
Burke, Mass.
Burleson
Byrne, Pa.
Cahill
Canfield
Cannon
Casey
Celler
Chenoweth
Clark
Coad
Coffin
Cohelan
Colmer
Cooley
Corbett
Curtin
Curtis, Mass.
Daddario
Dague
Daniels
Davis, Ga.
Davis, Tenn.
Delaney
Dent
Denton
Diggs
Dingell
Dollinger
Dorn, N.Y.
Dorn, S.C.
Dowdy
Downing
Doyle
Duiski
Durham
Dwyer
Edmondson
Elliott
Everett
Fallon
Fascell
Feighan
Fenton
Fino
Fisher
Flood
Flynn
Flynt
Foley
Forand
Forrester
Fountain
Frazier
Friedel
Fulton
Gallagher
Garmatz
Gary
Gathings
Gavin
George
Giaimo
Glenn
Granahan
Grant
Gray
Green, Oreg.
Griffiths
Gross
Gubser
Haley
Hall
Halpern
Hardy
Hargis
Harmon
Harris
Harrison
Hays
Healey
Hébert
Hechler
Hemphill
Herlong
Hogan
Holifield
Holland
Holtzman
Huddleston
Hull
Ikard
Irwin
Jarman
Jennings
Johnson, Calif.
Johnson, Colo.
Johnson, Md.
Johnson, Wis.
Jones, Ala.
Jones, Mo.
Karsten
Karth
Kasem
Kastenmeier
Kearns
Kee
Kelly
Keogh
Kilday
Kilgore
King, Calif.
King, Utah
Kirwan
Kitchin
Kluczynski
Knox
Kowalski
Landrum
Lane
Langen
Lankford
Latta
Lesinski
Levering
Libonati
Loser
McCormack
McCulloch
McDowell
McFall
McGinley
McGovern
McMillan
McSween
Machrowicz
Mack, Ill.
Madden
Magnuson
Mahon
Mailliard
Marshall
Matthews
Merrow
Metcalf
Meyer
Miller, Clement W.
Miller, George P.
Milliken
Mills
Mitchell
Moeller
Monagan
Montoya
Moore
Moorhead
Morgan
Morris, N. Mex.
Morris, Okla.
Moss
Moulder
Multer
Murphy
Natcher
Nix
Norrell
O'Brien, Ill.
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
O'Neill
Oliver
Patman
Perkins
Pfost
Philbin
Pilcher
Pirnie
Poage
Polk
Porter
Price
Prokop
Pucinski
Quie
Quigley
Rabaut
Rains
Reece, Tenn.
Reuss
Rhodes, Pa.
Riley
Rivers, Alaska
Rivers, S.C.
Roberts
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Mass.
Rogers, Tex.
Rooney
Roosevelt
Rostenkowski
Roush
Rutherford
Santangelo
Saund
Saylor
Schenck
Scott
Selden
Shelley
Sheppard
Shipley
Sikes
Siler
Sisk
Slack
Smith, Iowa
Smith, Miss.
Spence
Staggers
Steed
Stratton
Stubblefield
Sullivan
Teague, Tex.
Teller
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thornberry
Toll
Tollefson
Trimble
Tuck
Udall
Ullman
Vanik
Van Zandt
Vinson
Wallhauser
Walter
Wampler
Watts
Weaver
Westland
Widnall
Wier
Williams
Willis
Winstead
Wolf
Wright
Yates
Young
Zablocki

NAYS—89

Alger
Allen
Arends
Auchincloss
Avery
Ayres
Barry
Bass, N.H.
Becker
Berry
Bolton
Bosch
Bow
Broomfield
Budge
Byrnes, Wis.
Cederberg
Chamberlain
Chiperfield
Church
Collier
Conte
Cramer
Cunningham
Derounian
Derwinski
Devine
Dooley
Ford
Frelinghuysen
Griffin
Halleck
Henderson
Hess
Hiestand
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holt
Horan
Hosmer
Johansen
Jonas
Judd
Keith
Kilburn
Lafore
Laird
Lindsay
Lipscomb
McDonough
McIntire
Macdonald
Mack, Wash.
Mason
May
Michel
Minshall
Mumma
Nelsen
Norblad
Osmers
Ostertag
Pelly
Pillion
Poff
Ray
Rees, Kans.
Rhodes, Ariz.
Riehlman
Robison
St. George
Scherer
Schwengel
Short
Simpson, Ill.
Simpson, Pa.
Smith, Kans.
Springer
Taber
Teague, Calif.
Thomson, Wyo.
Utt
Van Pelt
Wainwright
Weis
Wharton
Wilson
Younger

NOT VOTING 35

Barrett
Buckley
Bush
Carnahan
Carter
Chelf
Cook
Curtis, Mo.
Dawson
Dixon
Donohue
Evins
Farbstein
Fogarty
Green, Pa.
Hagen
Jackson
Jensen
Lennon
Martin
Meader
Miller, N.Y.
Morrison
Murray
Passman
Powell
Preston
Reed
Smith, Calif.
Smith, Va.
Taylor
Whitener
Whitten
Withrow
Zelenko

So the bill was passed.

The Clerk announced the following pairs.

On this vote:

Mr. Preston for, with Mr. Smith of California against.

Mr. Buckley for, with Mr. Reed against.

Until further notice:

Mr. Carter with Mr. Bush.

Mr. Barrett with Mr. Martin.

Mr. Green of Pennsylvania with Mr. Miller of New York.

Mr. Whitener with Mr. Taylor.
Mr. Farbstein with Mr. Withrow.
Mr. Fogarty with Mr. Meader.
Mr. Zelenko with Mr. Curtis of Missouri.
Mr. Morrison with Mr. Jackson.
Mr. Donohue with Mr. Jensen.
Mr. Carnahan with Mr. Dixon.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days within which to extend their remarks in the body of the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AUTHORIZING CLERK TO CORRECT PARAGRAPH AND SECTION NUMBERS OF H.R. 2256

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that the Clerk be authorized in the engrossment of the bill to correct paragraphs and sections thereof because of the amendment offered by the gentleman from New York [Mr. MULTER].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENDING PROVISIONS OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT, PERSONNEL STRENGTHS OF THE ARMED FORCES, AND DEPENDENTS ASSISTANCE ACT OF 1950

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 153) providing for the consideration of H.R. 2260, a bill to extend until July 1, 1963, the induction provisions of the Universal Military Training and Service Act; the provisions of the act of August 3, 1950, suspending personnel strengths of the Armed Forces; and the Dependents Assistance Act of 1950, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2260) to extend until July 1, 1963, the induction provisions of the Universal Military Training and Service Act; the provisions of the act of August 3, 1950, suspending personnel strengths of the Armed Forces; and the Dependents Assistance Act of 1950. After general debate, which shall be confined to the bill, and shall continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Illinois [Mr. ALLEN] and I now yield myself such time as I may briefly consume.

Mr. Speaker, this is a resolution to extend the draft, as it is commonly known. The bill would provide briefly for the extension of this authority to induct our young men into the armed services for a period of 4 years. It would extend the so-called doctor's draft law from its present expiration date, July 1, 1959, to July 1, 1963, a period of 4 years. It extends the suspension on a strength limitation of the Armed Forces from the present termination date to 1963. It extends the Dependents Assistance Act, Briefly, that is what the bill does.

Now, in the hearing before the Committee on Rules there was no opposition expressed to that committee in the granting of a rule for the extension of the act itself, although there was some testimony to the effect that possibly it should be limited to a 2-year period.

I am one of those who will go along with this bill reluctantly. I say reluctantly because I regret the necessity for the continuation of the so-called draft; but as long as we have the situation that exists in the world today; that is, a bad neighbor on the other side for whom this country did so much when it had its back against the wall, we must have adequate defense for the possibility—and I use the word advisedly—of an attack from that potential enemy.

Frankly, I still subscribe to the theory that the Russians want neither war or peace but that they want to make us spend ourselves into bankruptcy and then take over in the ensuing chaos, a statement I have been making in the well of this House for the past 12 years. On the other hand, we cannot take the chance of not being prepared to prevent their provoking hostilities, because if we become too weak they would take advantage of that situation and would overrun us, if necessary.

Mr. Speaker, I repeat, I regret the necessity for an extension of this legislation which would draft our young men into service and interrupt the orderly continuity of their lives, but with the situation being what it is and this being the fairest method of approach to military service, I urge the adoption of this resolution and ask for the careful consideration of the bill itself.

Mr. Speaker, I reserve the remainder of my time.

Mr. ALLEN. Mr. Speaker, this rule makes in order consideration of H.R. 2260, a bill to extend until July 1, 1963, the Universal Military Training and Service Act. It is an open rule and provides for 5 hours of general debate. The Rules Committee provided for long debate because they realized this bill is extremely controversial.

Some believe the present law is discriminatory and inequitable; that it is inefficient and is administered extravagantly and wasteful.

Other conscientious people believe conscription is alien to the American tradition.

For these reasons an open rule is provided making the bill open to amendments.

While I am aware that some are opposed to this bill I am not aware of any one opposing the rule.

Mr. ALLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, there has been a good deal of talk this afternoon about the Federal deficit. There is another spending scheme that we will be called upon to take over, and it should be of interest to every Member of Congress.

About a month ago there was established in the United Nations a new agency called the Special Fund which hopes to have $2 billion to $5 billion to hand out annually. Named as managing director is one, Paul G. Hoffman, and he is peculiarly fitted for the job. He could not make a success of the Studebaker company so, in 1949, President Truman made him the directing genius of the foreign giveaway setup—the Economic Cooperation Administration, as it was then known.

What could be more fitting? Hoffman could not make a success of his own business so he was given the job of distributing billions of dollars to panhandlers all over the world.

Then came 1952, and this top-graded employee of the New Deal internationalists showed up as a modern Republican. Since then he has flitted in and out of the Eisenhower administration with the greatest of ease, as have others who were bosom pals of the New Dealers when they were riding high in the White House.

Now Hoffman has landed on his feet again, undoubtedly with White House approval, as managing director of the innocuous-sounding United Nations Special Fund. What does Hoffman want? As we said earlier—only $2 billion to $5 billion a year.

Where are these billions to be obtained? They are to be drawn, says Hoffman, from individual Government lending agencies such as the World Bank, American foreign aid, and private investment.

But the Chicago Tribune news service quotes Hoffman as saying: "We will take money wherever we can get it."

No one knowing the record will doubt that.

Already, funds from one specific source are assured. The U.N. General Assembly, when it set up the Special Fund, specified that 40 percent of the costs are to be defrayed by the United States and the rest by other contributing governments.

What other contributing governments? If experience with some other U.N. funds is any criterion, American

taxpayers will put up the cash and anything else contributed will be the air in the bag they have been left holding.

Incidentally, this is another example of how an aggregation of foreigners, plus some of our own internationalists, can sit down in New York or some far away place and vote what amounts to an indirect tax levy on the American people.

What is the purpose of this United Nations Special Fund? To aid "underdeveloped countries," of course, and it is reported that Hoffman is showing great interest in the development of the lower Mekong River Basin which stretches for 2,800 miles through Cambodia, Laos, Thailand, and Vietnam.

From South Bend, Ind., to the United Nations in New York, to the Mekong River in southeast Asia is quite a jump even for a more than ordinary do-gooder, but with a few stopovers in Washington, with the proper New Deal-modern Republican approach, and with the experience of spending a few billions of other people's money, it appears that the necessary agility can be developed.

We would like to put the Appropriations Committee on notice now that when the spending bills come rolling to the House floor we will be looking for further information concerning this new multi-billion-dollar special fund and the activities in connection therewith of Managing Director Paul G. Hoffman.

Mr. ALLEN. Mr. Speaker, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall vote for this rule. I remember one night a good many years ago when the draft bill came up for debate. I remember the extreme tenseness of the House, the feeling of opposition to the draft, but I voted for it and I remember that that bill passed by only one vote.

Sometime I would like to tell some of the Members of the arguments I heard before the bill came up. I never regretted that vote for one instant because we were viciously attacked by Japan just a few weeks afterward.

Today a little Boy Scout named Murphy from my district gave me one of the Scout pins that we see in the lapels of so many Members of the House and I was very proud.

That boy is 12 years old, one of the finest youngsters I have ever seen. He is learning to speak Russian in order to understand the Russian people so that we may be protected. He knows a good deal of Russian as it is. After talking with him I could not vote for anything but continuation of the draft, unpleasant as it may be. He is preparing every way he can. He sets a great example.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

TO AMEND SECTION 200 OF THE SOLDIERS' AND SAILORS' CIVIL RELIEF ACT OF 1940

Mr. VINSON. Mr. Speaker, I ask unanimous consent that H.R. 3313, to amend section 200 of the Soldiers' and Sailors' Civil Relief Act of 1940 to permit the establishment of certain facts by a declaration under penalty of perjury in lieu of an affidavit, which was referred to the Committee on Armed Services, be rereferred to the Committee on Veterans' Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

FIRE SAFETY IN THE SCHOOLS OF THE DISTRICT OF COLUMBIA

The SPEAKER. Under previous order of the House, the gentleman from New Jersey [Mr. AUCHINCLOSS] is recognized for 20 minutes.

Mr. AUCHINCLOSS. Mr. Speaker, under the law the Congress of the United States is responsible for the welfare and protection of the District of Columbia, and I have always considered it a great privilege to serve on the committee in Congress which has this responsibility under its jurisdiction. Accordingly, when the country was shocked by the tragic fire which occurred in Chicago on December 1, 1958, when some 90 schoolchildren were trapped and met their death in a devastating fire, I was reminded of my own responsibility as a member of the Committee on the District of Columbia and I decided to find out if the schools in the District were properly equipped and secured against any similar tragedy. Even though investigations of the cause of the Chicago fire revealed there were no violations of the law or regulations, nevertheless it was disclosed that that particular school building did not have the fire safety provisions required of new structures, and such a revelation gives one pause for thought. Schoolchildren are entitled to every protection possible no matter when their school building may have been built and it is the duty of the Congress as the responsible governing body of the District to see that they get it.

Therefore, under date of December 3, 1958, I addressed a letter to M. H. Sutton, Fire Chief of the District of Columbia, asking about the fire safety conditions in all the schools in the District—public, private, and parochial. A copy of my letter to the Chief is appended at the end of my remarks, marked "Exhibit A."

In reply to my letter Chief Sutton sent the Fire Marshal of the District, Raymond C. Roberts, to see me, and I had a most informative and frank discussion with him. As a result of our talk, Fire Marshal Roberts submitted a report to Chief Sutton, dated January 21, 1959, and the Chief sent a copy of it to me in a letter dated January 23, 1959. This report is printed at the close of my remarks, exhibit B.

I would like to point out some of the features of this report that should have the prompt attention of the District Committee.

The Fire Marshal advises:

> Enclosing of all vertical shafts such as stairways and elevator shafts and providing floor fire cutoffs with fire doors plus the installation of an automatic sprinkler system is the only way to hold to a minimum the loss of life and property from fire in the older non-fire-resistive constructed buildings.

This statement by an expert is a matter for close and thorough consideration by the District Committee which I am sure will be undertaken.

Under the title of "Fire Doors" the Fire Marshal reports that:

> Fire doors are required to be installed by the building code of the District of Columbia in every new school erected. New construction is not the problem confronting us today.

He reports further that—

> As of this year, with the already available funds, it is expected that every elementary school coming under the District of Columbia Board of Education will be equipped with interior enclosed stairways.

This, of course, is most reassuring, but he goes on to say:

> To the best of my knowledge there is no such plan or program to bring the private and parochial schools up to present code requirements.

This state of affairs should be corrected and there is no doubt that our committee will give it appropriate attention.

The Fire Marshal calls attention to an exception made in certain instances to the use of fire extinguishers as follows:

> Fire extinguishers are required to be installed in every school by the building code of the District of Columbia with the exception of buildings not more than two stories in height having enclosed stairs and having a gross floor area in the second story of not more than 3,000 square feet.

I am pleased to note the following statement in this report, however, but I wonder if the recommendation should not have the force and the authority of law back of it:

> In an effort to correct this, the Fire Chief will recommend to the Director, Department of Licenses and Inspections, District of Columbia, that the building code of the District of Columbia be amended by deleting the above referred to exception.
>
> To the best of our knowledge all schools with the exception of those schools used which do not require extinguishers because of the exception in the code, are provided with fire extinguishers, adequate in number of an approved type, and maintained properly.

In speaking of the local private fire alarm system, the Fire Marshal reports that:

> Private fire alarm systems (for evacuation purposes only) are required to be installed in every school by the building code of the District of Columbia with the exception of buildings not more than two stories in height having enclosed stairs and having a gross floor area in the second story of not more than 3,000 square feet.

It is good to have the assurance which follows that:

> To the best of our knowledge all schools with the exception of those schools used which do not require private fire alarm systems because of the exception in the code, are provided with local fire alarm systems in an operable condition.

The exception provided for in this rule should have the attention and study of the committee.

Emergency lighting, of course, is important and Fire Marshal Roberts reports in part as follows on this matter:

The requirements as to when they (light) shall be used as well as exceptions as to when it will not be necessary to have the lights burning are contained in the electrical code of the District of Columbia. It is my feeling that these exceptions to the code and indefinite requirements are unwarranted, and in an effort to correct this, the Fire Chief will recommend to the Director, Department of Licenses and Inspections, District of Columbia, that all reference to maintenance of emergency lights be deleted from the electrical code. Simultaneously a recommendation will be made to make the maintenance of emergency lighting a part of the police regulations thereby making it a responsibility of the Fire Department.

Why any exceptions should be made in emergency lighting should have the careful consideration of the committee.

Everyone knows that fire exit drills are most important and I have always thought they were a regular part of the school curriculum so I was not only surprised but somewhat startled to read this in the Fire Marshal's report:

Schools under the public school system in my opinion hold an adequate number of fire exit drills during the course of each school year, however, the occurrence of such drills during the first 3 months of school is a matter of concern. Private and parochial schools do not, in my opinion, hold an adequate number of fire exit drills during the course of each school year. Inquiry has developed the facts that fire exit drills are not held with the frequency deemed adequate. At the present time there are no regulations requiring fire exit drills.

Something must be done to correct this situation even if it is necessary to enact a law to bring this about; I am surprised to learn from the report that the executives of some schools do not consider this important.

In the event of a fire perhaps the most important factor to prevent panic and save life is the facility to summon the fire department; any delay in securing its aid may well be disastrous. The following excerpt from the Fire Marshal's report is most disturbing.

Facilities for calling the fire department are generally limited to the use of the telephone or by sounding an alarm through the use of a municipal fire alarm box. A municipal fire alarm box within a reasonable distance (300 feet) is not available at every school nor does every school have a telephone. The telephone alone should not be accepted as adequate for the transmission of an alarm of fire. A municipal fire alarm box connected directly with the fire department is the most reliable form of transmitting an alarm of fire.

As far as I can learn there are 83 school buildings that either have no telephone or are located further than 300 feet from any municipal fire alarm box. This is a most serious matter and should be corrected without delay. I am in favor of a law requiring that a fire alarm box be installed in every school building, hospital, nursing home, and place of assembly in the District. In that way as nearly as is humanly possible assistance is assured without delay, many injuries avoided and lives saved.

These are a few of the highlights of this excellent and informative report, and I hope my colleagues will read it and add their comments, criticisms, and suggestions for the benefit of the District Committee. I know I speak for the members of this committee when I say that they are as interested as I am in the welfare and protection of our children and of the sick in the District of Columbia. I am confident that the District Committee will go into all these matters with scrupulous care, and if legislation is indicated, will present it promptly to the House for its consideration.

EXHIBIT A

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., December 3, 1958.

Chief MILLARD H. SUTTON,
District of Columbia Fire Department,
Washington, D.C.

DEAR CHIEF SUTTON: In the light of the recent horrible fire disaster in Chicago it is natural that we should do everything possible to see that our own city is properly safeguarded. Therefore, as the ranking minority member of the Committee on the District of Columbia, I am writing to ask you as Fire Chief of the District of Columbia if provisions for safety against fire are fully carried out by all the schools in the District of Columbia, including public, parochial, and private schools.

Are all these schools equipped with adequate fire escapes, fire doors, fire extinguishers, fire alarms, etc. and do they have adequate fire drills? Are facilities also at hand to summon the fire department in case of emergency? In addition to that, I would request your opinion as to whether the fire safety laws covering all the schools in the District of Columbia are adequate and if not, in what respect should they be amended?

I am fully aware of your keen interest in this matter and of your extraordinarily fine and competent service as Fire Chief to the people of the District of Columbia and I feel sure that you would welcome any effort to improve our situation here so that a disaster such as has just occurred in Chicago would not occur.

Thanking you for your cooperation and with my warmest personal regards, I am,

Sincerely yours,
JAMES C. AUCHINCLOSS,
Member of Congress.

EXHIBIT B

GOVERNMENT OF THE
DISTRICT OF COLUMBIA,
FIRE DEPARTMENT,
Washington, D.C., January 23, 1959.

JAMES C. AUCHINCLOSS,
Member of Congress,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: Attached find reports from our Fire Marshal, which I hope will answer the questions in your letter of December 3, 1958.

I am sorry that my reply to you was delayed until this time.

Sincerely,
M. H. SUTTON,
Fire Chief.

FIRE PREVENTION DIVISION,
January 21, 1959.

Re fire safety in schools in the District of Columbia.

To FIRE CHIEF,
District of Columbia Fire Department:

Information of record indicates that the following list comprises the number and type of schools within the District of Columbia.

Public schools under the jurisdiction of the District of Columbia Board of Education:
Elementary (including Americanization and Health), 123.
Elementary annexes and demountables, 11.
Junior high schools, 23.
Senior high schools (including Veterans High), 10.
Vocational high schools, 5.
Teachers College, 1.

Schools under the jurisdiction of the Office of Education, Archdiocese of Washington, located within the District of Columbia:
Elementary, 32.
Secondary, 16.
Special schools, 4.
Universities, 2.
Colleges, 4.

Schools under the jurisdiction of private owners and operators:
Elementary (includes some parochial), 19.
Secondary and secondary technical, 30.
Colleges (includes U.S. Government—Gallaudet), 2.
Universities (includes some U.S. Government—Howard), 5.

There are various other adult educational institutions which are located in buildings used for other purposes such as office buildings. These occupancies are not listed due to the fact that the buildings in which these schools are located come under occupancy requirements of the major occupancy of the building and have a limitation on the number of students in keeping with available exit facilities.

There are 90 day-care (nursery schools) groups for children whose ages range anywhere from 2 to 6 years, and attendance ranges anywhere from 6 to 200 students. These day care groups are located in all types of occupancies such as private homes, churches, rooms in apartment buildings, etc. This particular type of school, or group as it is called, is under the direct supervision of the Department of Public Health, Bureau of Maternal and Child Health, Child Care Standards Section.

An inspection is made by the Fire Department at least once a year of every known day care group (nursery school) location, and any conditions found that are contrary to any law or regulation are ordered corrected or brought to the attention, in writing, of the department or agency responsible for having the conditions corrected.

In reply to the specific questions outlined in the letter from Congressman AUCHINCLOSS, I will attempt to answer these questions in the same order that they were presented:

1. Fire escapes.
2. Fire doors.
3. Fire extinguishers.
4. Fire alarms.
5. Emergency lighting.
6. Fire drills.
7. Facilities available to call the fire department.
8. The adequacy of fire safety laws for schools.
9. Any recommendations for amendments to laws.

FIRE ESCAPES

Outside fire escapes or interior fire stairways are required to be installed in or on every school by the building code of the District of Columbia. If the building was erected and used as a school prior to March 8, 1946, outside fire escapes were permitted. Since that date all school buildings erected or buildings converted to school use have interior fire stairways or exterior screened fire stairways.

The fact that a building has an outside fire escape is no assurance as to the safety of the occupants therein. The very presence of an outside fire escape indicates immediately that the building is deficient in safe egress facilities thereby necessitating the installation of an outside fire escape.

Outside fire escapes present many problems not generally known, such as not being lighted for use during the night time, subjected to all kinds of weather, snow and ice; not suited for use by young children, aged, infirm, or crippled persons.

Any fire in a room leading onto a fire escape may render the entire fire escape unusable due to fire coming out of a window below onto fire escape.

Movable drop ladder from last landing to ground is controlled by counterbalanced weights on cable passing over at least two pulleys. To operate, it is necessary for a person to offset the counterbalance and allow the ladder to go to the ground.

The installation of fire escapes is definitely not the answer to life safety in non-fire-resistive constructed buildings having inadequate safe egress facilities for a high life hazard occupancy.

Enclosing of all vertical shafts such as stairways and elevator shafts and providing floor fire cutoffs with fire doors plus the installation of an automatic sprinkler system is the only way to hold to a minimum the loss of life and property from fire in the older non-fire-resistive constructed buildings.

FIRE DOORS

Reference made to fire doors in this statement will be limited to fire doors on stairways because I feel that the most important problem with regards to doors is the presence of or lack of fire doors on stairways.

Fire doors are required to be installed by the building code of the District of Columbia in every new school erected. New construction is not the problem confronting us today.

The major problem is those buildings erected prior to the date of enactment of code requirements for enclosed stairways and installation of fire doors.

The District of Columbia Board of Education instituted a program in the public schools some 8 years ago to enclose stairways and install fire doors in all schools deficient in this respect and eliminate other known fire hazards.

This program has gone forward for the past 8 years in keeping with budget allowances and as of this year, with the already available funds, it is expected that every elementary school coming under the District of Columbia Board of Education will be equipped with interior enclosed stairways.

Budget requests will be made each succeeding year until every school under the jurisdiction of the District of Columbia Board of Education has been equipped with enclosed stairways and other known fire hazards eliminated.

To the best of my knowledge there is no such plan or program to bring the private and parochial schools up to present code requirements.

A building code with retroactive features applicable to certain existing buildings is the only method I know to bring these buildings up to an equivalent of the safety standards as the present code requires for new construction.

FIRE EXTINGUISHERS

Fire extinguishers are required to be installed in every school by the building code of the District of Columbia with the exception of buildings not more than two stories in height having enclosed stairs and having a gross floor area in the second story of not more than 3,000 square feet.

Due to the high life hazard involved in any assembly of persons inside of any building, irrespective of height, it is my feeling that the exception made in the building code of the District of Columbia should be deleted and no exception be made whatsoever.

In an effort to correct this, the Fire Chief will recommend to the Director, Department of Licenses and Inspections, D.C., that the building code of the District of Columbia be amended by deleting the above referred to exception.

To the best of our knowledge all schools with the exception of those schools used which do not require extinguishers because of the exception in the code, are provided with fire extinguishers, adequate in number, of an approved type and maintained properly.

PRIVATE (LOCAL) FIRE ALARM SYSTEM

Private fire alarm systems (for evacuation purposes only) are required to be installed in every school by the Building Code of the District of Columbia with the exception of buildings not more than two stories in height having enclosed stairs and having a gross floor area in the second story of not more than 3,000 square feet.

Due to the high life hazard involved in any assembly of persons inside of any building, irrespective of height, it is my feeling that the exception made in the building code of the District of Columbia should be deleted and no exceptions be made whatsoever.

In an effort to correct this, the Fire Chief will recommend to the Director, Department of Licenses and Inspections, D.C., that the building code of the District of Columbia be amended by deleting the above referred to exception.

To the best of our knowledge all schools with the exception of those schools used which do not require private fire alarm systems because of the exception in the code, are provided with local fire alarm systems in an operable condition.

EMERGENCY LIGHTING

The installation of facilities for emergency lighting is required in all schools by the Building Code of the District of Columbia and/or the Electrical Code of the District of Columbia, with the exception of buildings not more than two stories in height having enclosed stairs and having a gross floor area in the second story of not more than 3,000 square feet.

Due to the high life hazard involved in any assembly of persons inside of any building, irrespective of height, it is my feeling that the exception made in the Building Code of the District of Columbia should be deleted and no exceptions be made whatsoever.

In an effort to correct this, the fire chief will recommend to the Director, Department of Licenses and Inspections, District of Columbia, that the Building Code of the District of Columbia be amended by deleting the above referred to exception.

To the best of our knowledge all schools with the exception of those schools used which do not have the facilities due to the exceptions in the code are provided with emergency lighting or recommendations have been made to so equip.

The requirements as to when they (lights) shall be used as well as exceptions as to when it will not be necessary to have the lights burning are contained in the Electrical Code of the District of Columbia.

It is my feeling that these exceptions to the code and indefinite requirements are unwarranted, and in an effort to correct this, the Fire Chief will recommend to the Director, Department of Licenses and Inspections, District of Columbia, that all reference to maintenance of emergency lights be deleted from the electrical code. Simultaneously a recommendation will be made to make the maintenance of emergency lighting a part of the police regulations thereby making it a responsibility of the Fire Department.

FIRE EXIT DRILLS

Schools under the public school system in my opinion hold an adequate number of fire exit drills during the course of each school year; however, the occurrence of such drills during the first 3 months of school is a matter of concern.

Private and parochial schools do not, in my opinion, hold an adequate number of fire exit drills during the course of each school year.

Inquiry has developed the facts that fire exit drills are not held with the frequency deemed adequate. At the present time there are no regulations requiring fire exit drills.

In an effort to correct this deficiency, it is to be proposed by the Fire Chief to the District of Columbia Commissioners that a regulation be adopted making it mandatory that all public, private, and parochial schools, colleges and universities or similar places of learning hold fire exit drills according to a prescribed requirement.

The adoption of such a regulation will, in my opinion, greatly improve the fire exit drill problem in all schools within the District of Columbia.

AVAILABLE FACILITIES FOR CALLING THE FIRE DEPARTMENT

Facilities for calling the fire department are generally limited to the use of the telephone or by sounding an alarm through the use of a municipal fire alarm box.

A municipal fire alarm box within a reasonable distance (300 feet) is not available at every school nor does every school have a telephone. The telephone alone should not be accepted as adequate for the transmission of an alarm of fire. A municipal fire alarm box connected directly with the fire department is the most reliable form of transmitting an alarm of fire.

Direct connection with the fire department through the medium of a municipal fire alarm box or a remote control station connected to a master box is available at 111 school buildings.

A municipal fire alarm box is located within 300 feet of 143 school buildings.

The remainder of the schools are located farther than 300 feet from any municipal fire alarm box.

The National Board of Fire Underwriters in pamphlet No. 73, July 1958, article 240, section 2434, states: "Schools, hospitals, nursing homes, and places of public assembly should have a box at or near the entrance."

At or near would certainly mean within sight of the entrance. I concur with their recommendation and have in the past made numerous recommendations in the annual public school inspection reports, that every school building should be provided with a city fire alarm box to expedite notification of the fire department. There is no law or regulation requiring such an installation but the recommendation was made as additional reliable means of notification.

Every building wherein a local fire alarm system (evacuation alarm) is installed, a sign is required directly below the striking station stating whether or not the system is connected to the municipal fire alarm system; also stating the location of the nearest municipal fire alarm box and the telephone number of the fire department.

Where a municipal fire alarm box is located within 300 feet of the entrance and visible from the sidewalk in front of the school and the location of the fire alarm box is posted as required by regulation cited above, it should be accepted as adequate for existing schools.

Locations where the distance to a municipal fire alarm box exceeds 300 feet or is hidden from view from the sidewalk in front of the school by being around the corner should not be accepted as adequate. A survey should be made and corrective action taken so as to provide a municipal fire alarm box within 300 feet of the entrance of every school, hospital, home for the aged, and simi-

lar types of occupancies. This could be accomplished by moving existing municipal fire alarm boxes or installing new ones. This program, no doubt, would require considerable expenditure of funds for material and labor and should be made a project for the immediate future.

In general, I believe that fire safety regulations as contained in the various codes and regulations as now written and applied to new construction are adequate with a few exceptions, such as those items previously referred to, and corrective action is anticipated in these instances.

There is, however, one big problem that confronts all officials charged with maintaining adequate laws and regulations insofar as fire safety is concerned, and that is the inability to require existing buildings to comply with the features required by recently enacted codes or regulations. The retroactive application of present regulations to existing structures has always been defeated on the basis of it being unreasonable to require existing buildings to comply with new code requirements.

The absurdity of exempting existing structures from compliance with fire safety laws or regulations because they were adopted at a later date was never more tragically demonstrated than by the recent school fire in Chicago. The fact that this disaster just happened to occur in Chicago should not be taken lightly by responsible officials here or elsewhere. The same sort of potential probably exists in many other locations throughout the country.

It might be said that there were no violations of law or regulations in the particular building where the 93 lives were lost, but the presence or absence of any violations of law or regulations is no measure of life safety from fire in this type of building.

I am greatly concerned about the moral violations as well as the legal ones. Property owners must be made to realize their responsibility for fire safety by laws and regulations and not permitted to ignore hazardous conditions just because they're not covered in the law. Unless they are required by law or regulations to bring a building up to certain standards, owners will not willingly or by mere persuasion spend sums of money for safeguarding their buildings from fire.

Today millions of dollars are being spent for urban renewal projects, improvement of highways, safety programs in industry and government, all of which are designed in the interest of preserving or protecting lives of human beings from disease, crime or accidents. Yet known deficiencies of high life hazards from fire are allowed to continue in our schools, multifamily occupancies, convalescent homes, nursing homes, homes for the aged, orphan asylums and various other types of occupancies, all because of the failure to enact laws or regulation holding owners directly responsible for the safety of the occupants of any building under their control. Until such a law or regulation is enacted, the potentials will continue to exist, irrespective of the efforts on the part of enforcement authorities to convince owners that hazardous conditions exist and should be corrected.

The Department of Licenses and Inspections of the District of Columbia, which is charged with the administering of the Code of the District of Columbia, is at the present time preparing a revision of the Building Code of the District of Columbia, one section of which is proposed to apply retroactively to existing buildings. If and when this proposed section becomes effective, action can be instituted and existing deficiencies will in time be corrected.

It is anticipated that strong protests will be instituted against the enactment of the section of the building code dealing with the retroactive application of the code. Until this section of the code is enacted into an enforcible regulation, hazardous conditions insofar as existing buildings are concerned will remain uncorrected for lack of authority to require such corrective measures.

Accompanying this report are three recommendations to be forwarded to the District of Columbia Commissioners and two recommendations to the Director, Department of Licenses and Inspections for amendments to the Police Regulations of the District of Columbia and the Building Code of the District of Columbia.

Respectfully submitted,

RAYMOND C. ROBERTS,
Fire Marshal, District of Columbia.

RECOMMENDATIONS OF THE FIRE MARSHAL, FIRE PREVENTION DIVISION

January 21, 1959.

To FIRE CHIEF,
District of Columbia Fire Department.

Re proposed amendments to the Police Regulations of the District of Columbia.

It is recommended that the following proposed amendments be made the subject of a communication from you to the Commissioners of the District of Columbia, recommending that they be considered for adoption and inclusion in the Police Regulations of the District of Columbia.

FIRE EXIT DRILLS

Owners, operators, or persons in charge of all public, parochial, and private schools, colleges, universities, and similar places of learning within the District of Columbia shall see that fire exit drills are held in all school buildings.

(a) Fire exit drills shall be held at least six times between the opening of the school term in September and the 15th of December of each year, and at least one fire exit drill shall be held each month thereafter until school closes.

(b) Fire exit drills shall be held at least two (2) times during any special session such as night school, summer school, or similar assemblage that does not extend beyond a 2-month period (once each month when over 2 months).

(c) A written report of each fire exit drill held, showing date and time, shall be forwarded to the Fire Marshal of the District of Columbia.

EMERGENCY LIGHTING

Whenever emergency lighting is required to be installed by the Building Code of the District of Columbia and/or the Electrical Code of the District of Columbia and so provided, it shall be arranged, controlled, and maintained so as to be kept lighted at all times during the use or occupancy of such buildings.

Note: The aforesaid to go into the Police Regulations of the District of Columbia (later to go in the Fire Code) to replace sections 7007, 7007–1, 7007–2, 7007–3, of article 700, chapter 7, of the Electrical Code of the District of Columbia which were deleted.

FIRE SAFETY

Owners, operators, or persons in charge of any building shall be held responsible for the safety from fire of its occupants to the extent of circumstances within their control, such as the maintenance, proper functioning, and availability of all fire safety devices such as fire extinguishers, fire alarm systems, emergency lights, fire exitways, fire stairways, fire doors, and fire escapes as well as compliance with all fire safety regulations. Failure on the part of anyone responsible to comply with the above shall be cause sufficient for the Fire Marshal or his representative to take immediate action to assure compliance.

RAYMOND C. ROBERTS,
Fire Marshal, District of Columbia.

FIRE PREVENTION DIVISION,

January 21, 1959.

Re proposed amendment to the Building Code of the District of Columbia.

To FIRE CHIEF,
District of Columbia Fire Department.

It is recommended that the following proposed amendment be made the subject of a communication from you to the Director, Department of Licenses and Inspections, D.C., for consideration.

In view of the high life hazard that exists in all schools, irrespective of height or square foot area, it is recommended for your consideration that the Building Code of the District of Columbia be amended so as to require automatic sprinkler systems in all existing schools of non-fire-resistive construction, or schools erected prior to March 8, 1946, as well as all new schools of non-fire-resistive construction.

There must be some definite language prepared in order that retroactive application of any regulation will accomplish the intent to require all schools to be equipped with automatic sprinkler systems.

RAYMOND C. ROBERTS,
Fire Marshal, District of Columbia.

FIRE PREVENTION DIVISION,

January 21, 1959.

To FIRE CHIEF, *District of Columbia Fire Department.*

Re proposed amendments to the Building and Electrical Codes of the District of Columbia.

It is recommended that the following proposed amendments be made the subject of a communication from you to the Director, Department of Licenses and Inspection, District of Columbia, for consideration.

In view of the high life hazard that exists in all schools, irrespective of heights or square foot area, it is recommended that article 603–05, paragraph 5, of the Building Code of the District of Columbia and article 7006.4 of the Electrical Code of the District of Columbia be deleted.

These paragraphs deal with exceptions to the code which, in my opinion, should not be made.

It is recommended further that inasmuch as the Fire Prevention Division of the District of Columbia Fire Department is responsible for the maintenance of emergency lighting, sections 7007, 7007–1, 7007–2, 7007–3, of article 700, chapter 7, of the Electrical Code of the District of Columbia be deleted.

It has already been proposed to the Commissioners that the police regulations be amended by inserting a section to cover the maintenance of emergency lighting in order that it could be properly enforced by the Fire Prevention Division.

RAYMOND C. ROBERTS,
Fire Marshal, District of Columbia.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. AUCHINCLOSS. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I want to congratulate our friend on this very fine and constructive statement.

Mr. AUCHINCLOSS. I thank the gentleman very much.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain letters.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

FOURTEENTH ANNIVERSARY OF INDEPENDENCE OF CEYLON

The SPEAKER pro tempore (Mr. BONNER). Under previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 60 minutes.

Mr. POWELL. Mr. Speaker, today, February 4, is the 14th anniversary of the independence of Ceylon. When I attended the Asian-African Conference in Bandung, Indonesia, I promised that I would salute those countries in attendance upon the occasion of their anniversaries except for those that were controlled by the Communists. Many new emerging countries in Asia and Africa have come forward since the historic Bandung Conference and others are scheduled for freedom this year and next.

Ceylon and the United States are both fortunate in having as the Ambassador from Ceylon to Washington one of the most influential men of the Diplomatic Corps. His Excellency, the Ambassador R. S. S. Gunewardene is admired but, more than that, is respected by all of us in our Nation's Capital. So, I begin my salute to Ceylon by wishing the very best for His Excellency, the Ambassador, and his charming wife. I know that as long as His Excellency, the Ambassador, is here the Government of Ceylon will be most ably represented.

May I also take this opportunity to congratulate His Excellency, the Governor General, Sir Oliver Goonetilleke. I have read very carefully the speech from the throne at the ceremonial opening of the Third Parliament of Ceylon and I would just like to refer to the Governor General's statement that his Government was taking all steps necessary to maintain law and order. They would also take measures required to restore peace, good will, and confidence amongst the various sections of the people of the country.

Finally, may I congratulate the Prime Minister, the Honorable S. W. R. D. Bandaranaike. I personally met the Prime Minister during his visit to the United States and he impressed me as he did all of us with his humility and his brilliance. It has been my pleasure to read extracts from the statements by him concerning the foreign policy of Ceylon.

We of the United States Congress trust that the relationships between our country and Ceylon, and beyond that, southeast Asia, shall continue to improve with a view toward a world of increasing peace and expanding democracy.

FORTY-NINE YEARS OF SCOUTING

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, from February 7 through 13 the Nation will observe Boy Scout Week. This organization which was founded in America 49 years ago this month is deserving of the attention and gratitude of all people who are concerned with the development of worthwhile citizens of the future. I know of no group which has more conscientiously and consistently over the years devoted itself to the teaching of patriotism, courage, and self-reliance to the youth of our country than the Boy Scouts of America.

The current 4-year program of the Boy Scouts has as its theme "Onward for God and My Country," and emphasizes that Scouts should prepare themselves to be citizens of character. The adoption of this slogan and the attendant programs to develop it is a clear statement of the highest ideals of scouting, expressing as it does the boy's obligation to God in his everyday living and his understanding of the democratic processes of government and their values through living and practicing them. These are no empty sentiments voiced merely to impress the boy and his family. The ideals of the Boy Scouts are realistic and practical and are based on the premise that only by instilling in the boy the desire to serve his God, his Country, and his fellow man can we hope to develop men who will have the moral fiber to meet the challenge of the world of tomorrow. The development of our youth to be physically strong, mentally awake, and morally straight is not just a desirable thing, but it is essential if America is to fulfill its mission as the leader of the free world. For only in a Nation made strong by the high moral and spiritual character of its citizens can we hope to effectively combat the atheism and disregard for individual human dignity of the Soviet Union. The work being done by the Boy Scouts of America in preparing our youth to meet the ever-increasing demands of world leadership cannot be overestimated.

The time and effort being given by leaders of industry and agriculture in the Second Congressional District of Kentucky to the Boy Scouts is quite gratifying, and as a result of the vigor of the scouting movement we have very little juvenile delinquency in my section of Kentucky. When recognition and encouragement are accorded a boy for worthwhile achievements, the bid for attention through acts of violence is rejected. I feel certain that as the Boy Scouts of America increase in number in a given community the incidence of juvenile delinquency will decrease proportionately in that community.

Mr. Speaker, an editorial, which, I believe, ably expresses the influence of the Boy Scout movement on our youth and thereby on our communities, appeared in the January 26 issue of the Messenger of Madisonville, Ky. The editorial entitled "Boy Scouts Approach 49th Birthday," is as follows:

BOY SCOUTS APPROACH 49TH BIRTHDAY

The Boy Scout movement has reached ripe middle age, and in our community and in thousands of others all over the Nation preparations are being made to observe Boy Scout Week, which will be from February 7 to 13, inclusive.

This will mark the 49th anniversary of the Boy Scouts, but we hasten to remark that passage of time has increased scouting's vigor, rather than diminishing it. Scouting is looking forward to ever-greater achievements and to an ever-expanding influence.

Here it should be tossed in that in an era when juvenile delinquency is much in the news, the achievements of Scouts are all the more notable, and deserve all the more support of responsible citizens who realize that the vast majority of the Nation's youth are fine, upstanding young people, interested in decent things and eager to share the responsibilities as well as the privileges of citizenship. Interested in decent things and well aware that citizenship in this good country of ours carries with it responsibilities as well as privileges.

In nearly a half-century of existence, the Scout organization has touched the lives of more than 28,500,000 Americans. Today there are more than 4,780,000 boys and leaders playing the game of scouting. This works out to one of every four boys in the 8 to 16-year-old groups, and the hope—and intention, too—is that this proportion will be materially increased.

Dr. Arthur A. Schuck, chief Scout executive, puts it this way:

"Looking ahead for the next 5 years we must recognize that never has it been so important or imperative that the youth of our Nation be trained to high idealism, acquired through unselfish service, by self-reliance and cooperative effort."

It should be noted that the ideals and objectives of scouting have remained unchanged since the movement's birth. Changes have been made, however, in organization methods and in operating techniques in order to meet the developing needs of the time.

Leaders in the movement tell us that at the moment, if scouting and its fine influences are to be brought to more of the boys who want it, there must be more trained leaders and more facilities, including camps.

Meeting this challenge from a proven organization which has done an incalculable amount of good in our community, State, and Nation should be regarded as a pleasure and a privilege, rather than as just another routine demand for community time and money.

The birthday of scouting is not far ahead. Getting the jump on the occasion, and at the same time reminding people of its approach, we say:

Happy birthday, Boy Scouts. And many happy returns thereof.

AMENDMENT TO PROVIDE FOR 5-YEAR EXTENSION OF THE AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. QUIE] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. QUIE. Mr. Speaker, today I am introducing an amendment to the Agricultural Trade Development and Assistance Act of 1954 which would extend the operation of this valuable surplus disposal program for 5 years.

This act, also known as Public Law 480, performs a great service to our country. It is at the same time the instrument by which we bolster our economy here at home through businesslike distribution of our surpluses abroad—and the means by which we discharge our obligation to our neighbor nations of the free world as the provider of food.

I am urging a 5-year extension of this essential farm program because I believe

that the effectiveness of Public Law 480 is weakened if it lives by a virtual hour-by-hour existence, depending on frequent extensions by Congress.

The experience with the 85th Congress is a case in point. Last year the House of Representatives neglected to extend the program until the closing hours of the session—with the result that our long-range commitments were jeopardized. Foreign countries understandably did not know whether or not the United States would renew this act—and the negotiations suffered.

A clear-cut majority in both Houses has believed in the past that this act is of great value to our economy. I am sure that the overwhelming number of Members of Congress in this session believe the same thing. Then it is prudent and wise for us to extend this act for 5 years. Such an action would enhance the operation of the act and would have a good effect on the agricultural economy of our Nation—as well as our relations with countries we need to have on our side.

This amendment provides for continuation of the $1,500 million annual authorization for the program's operation—however it would allow the Department of Agriculture to obligate future years' authorizations in order to give a foreign government certainty of future delivery of our surplus commodities to satisfy their needs.

Mr. Speaker, for these reasons—and because Public Law 480 is directly related to our own economic self-interest—I urge consideration of this amendment.

DEFENSE CONTRACTS IN THE FLINT-LANSING AREA, MICHIGAN

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, I am all for the use of excellent metaphor in the press of the country. I am also convinced that some of the most telling characterizations in the prose of any language have been achieved by the comparison of individual human beings and groups of human beings to the purportedly lower bipeds—the animals. However, Mr. Speaker, these are only telling characterizations when they are suitable and accurate.

I refer specifically to the use of the words "hog" and "fat cats" with reference to the recipients of defense contracts in the Flint-Lansing area, which appeared in the Flint (Mich.) Journal on January 15 and the State Journal, of Lansing, Mich., on January 16, and carried by national wire service.

I also have no objection to the use of these unfortunate animal metaphors in somebody else's district, but when the odor of hogs and fat cats rubs off on the slim-pursed workers of the Sixth District of Michigan, I am going to employ some Airwick tactics to find out who is eating high on the hog, and where.

Because of general economic conditions last year in our district, unemployment reached a high of 24.3 percent in Flint in July and of 12.8 percent in Lansing in that same month. May I also point out that an announcement was made in Flint only last week that 2,250 additional Buick and Fisher Body plant workers would be laid off.

And, Mr. Speaker, let me also point out that during the period of the Korean war, July 1950 to June 1953, General Motors was first in the percentage of defense contracts. Today it is 17th. In the July 1950 to June 1953 period, General Motors had 6.8 percent of the total defense contracts awarded. Today it has 1.3 percent.

I can see no evidence here that defense contracts awarded to General Motors and its subsidiaries in our district have squeezed any other section of the country out of this source of employment, as has been alleged.

In fact, if there should be the suggested probe into the awarding of defense contracts, I believe the defense purchasing in the Sixth District of Michigan would come closer to its former 6.8 percent allotment.

I was disturbed by these allegations last week and wrote a letter to General Motors asking them for a statement on this situation. I am submitting for insertion in the RECORD my letter, their reply, and the two articles in the Lansing (Mich.) State Journal of January 16 and the Flint (Mich.) Journal of January 15 which gave rise to my concern:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 21, 1959.

Mr. JOHN F. GORDON,
President, General Motors Corp.,
Detroit, Mich.

DEAR MR. GORDON: Because of the many thousands of automobile workers throughout the Sixth Congressional District, which includes the cities of Flint and Lansing, I was quite disturbed about the enclosed newspaper clippings concerning General Motors' contracts with the Government.

I am sure the allegations which have been made that General Motors has received an unduly large proportion of defense contracts have been brought to your attention.

In the interest of the welfare of the many people who are employed directly in the automobile factories as well as the many businesses which are related to the automobile economy, I would appreciate your examining these news items and apprising me of the facts.

Thanking you for your courtesy, I am,
Sincerely,

CHARLES E. CHAMBERLAIN.

GENERAL MOTORS CORP.,
OFFICE OF THE PRESIDENT,
Detroit, Mich., January 29, 1959.

The Honorable CHARLES E. CHAMBERLAIN,
House of Representatives,
House Office Building,
Washington, D.C.

MY DEAR CONGRESSMAN: Thank you for your letter of January 21 and the newspaper clipping concerning allegations about defense contract awards to General Motors. I am glad to give you the facts which you request.

As to our position in defense production awards, the Department of Defense periodically publishes analyses of contract awards to the 100 largest defense contractors, showing the ranking of the contractor based on value of award, the value, and the percentage that value is of U.S. total awards.

Data regarding General Motors for the July 1950 to June 1958 period are shown in the following tabulation. It should be pointed out that the total dollar amounts of prime contract awards and the percent of these totals awarded to General Motors represent net value of new procurement actions minus cancellations, terminations and other credit transactions.

Period	Department of Defense prime contract awards (in millions)	Percent of total awarded to General Motors	General Motors position
July 1950 to June 1953	$98,229	6.8	1
July 1953 to December 1954	16,492	[1] (.4)	--------
January 1955 to June 1956	25,637	1.3	14
July 1956 to June 1957	18,954	1.4	12
July 1957 to June 1958	21,795	1.3	17

[1] Cancellations and terminations were in excess of new awards.

As shown in these reports, during the period of the Korean war when the country was urgently in need of great quantities of war materials (July 1950 through June 1953) General Motors ranked first in prime contract awards, having received 6.8 percent of total U.S. awards. However, during the first 18 months after the cease-fire in Korea (July 1953 through December 1954), General Motors was not included in the first 100 companies. In fact, as the tabulation shows, cancellations and terminations more than offset new awards to General Motors during this period.

Subsequently, during periods more representative of peacetime procurement programs, General Motors' position as a defense contractor has ranged between 12th and 17th, the latter being our position for the 12 months ended June 30, 1958, the latest Government fiscal year for which data are available.

You may also be interested in knowing that General Motors defense sales for the last 3 years, 1956 through 1958, have amounted to about 5 percent of our total sales. This is only about one-third as great as in the 3-year period 1951 through 1953 when deliveries of war materials were being made for the Korean war emergency.

It might be pointed out, too, that during the Korean emergency important General Motors defense production operations were located in Lansing and Flint. Today Lansing has no defense work at all, and the amount being done in Flint is minor.

I trust that the foregoing will give you the desired information.

Sincerely yours,

JOHN F. GORDON.

[From the Flint (Mich.) Journal, January 15, 1959]

HOOSIER WANTS PROBE OF GM ROLE IN DEFENSE BUYING

WASHINGTON.—An Indiana Congressman says he wants to find out why General Motors is able to hog the defense-buying market.

Representative RAY J. MADDEN, Indiana Democrat, said Wednesday the Defense Department is nothing more than a branch of General Motors as far as contracts are concerned.

MADDEN said he expected the House Armed Services Committee to delve into defense buying.

"The trouble is," said MADDEN, "the fat cats are getting fatter and smaller concerns like Studebaker in my district are being disregarded entirely."

MADDEN is a member of the House Rules Committee. Wednesday the committee approved a resolution continuing the Armed Service Committee's authority to investigate military-procurement policies. The resolution goes before the House today.

MADDEN said the Rules Committee was assured by Chairman CARL VINSON, Georgia Democrat, of the Armed Services Committee that defense purchasing would be investigated fully.

The Hoosier said GM's share of the military market increased sharply while Charles E. Wilson, former GM president, was Secretary of Defense.

Studebaker "still hasn't recovered from being squeezed out of the market," MADDEN said.

[From the Lansing (Mich.) State Journal, Jan. 16, 1959]

GM DEFENSE SHARE HIT—INDIANA LAWMAKER SAYS FIRM "HOGS" CONTRACTS; HINTS A PROBE

WASHINGTON, January 16.—An Indiana Congressman says he wants to find out why General Motors is able "to hog" the defense buying market.

Representative RAY J. MADDEN (Democrat, Indiana) said Wednesday the Defense Department "is nothing more than a branch of General Motors as far as contracts are concerned."

MADDEN said he expected the House Armed Services Committee to delve into defense buying.

"The trouble is," said MADDEN, "the fat cats are getting fatter and smaller concerns like Studebaker in my district are being disregarded entirely."

MADDEN is a member of the House Rules Committee. Wednesday the committee approved a resolution continuing the Armed Services Committee's authority to investigate military procurement policies. The resolution was to appear before the full House today.

MADDEN said the Rules Committee was assured by Chairman CARL VINSON (Democrat, Georgia), of the Armed Services Committee that defense purchasing would be investigated fully.

The Indianian said G.M.'s share of the military market increased sharply while Charles E. Wilson, former G.M. president, was Secretary of Defense.

Studebaker "still hasn't recovered from being squeezed out of the market," MADDEN said.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WHITENER (at the request of Mr. FOUNTAIN), on account of official business, through February 15, 1959.

Mr. TAYLOR (at the request of Mr. TABER), indefinitely, on account of illness.

Mr. ASPINALL, for February 5 and 6, 1959, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS, for 1 hour, on tomorrow.

Mr. LEVERING (at the request of Mr. VANIK), for 15 minutes, on Monday next.

Mr. LEVERING (at the request of Mr. ALBERT), for 15 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DOLLINGER and to include extraneous matter.

Mr. LANE and to include extraneous matter.

Mr. PELLY and to include certain tables and other extraneous matter.

Mrs. ROGERS of Massachusetts and to include an article about a little Boy Scout in her district.

Mr. CELLER.

Mr. PHILBIN and to include extraneous matter.

Mr. DENT.

Mr. LINDSAY and to include extraneous matter.

(At the request of Mr. ALBERT, and to include extraneous matter, the following:)

Mr. ANFUSO.

Mr. MCCORMACK.

Mr. KEOGH, notwithstanding the fact that the cost is estimated by the Public Printer to be $182.25.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 5. Concurrent resolution to print additional copies of a committee print entitled "Briefing on the Investment Act"; to the Committee on House Administration.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p.m.) the House adjourned until tomorrow, Thursday, February 5, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

505. A letter from the Secretary of Commerce, transmitting a report entitled "Progress Report on the Federal-Aid Highway Program," pursuant to the act approved August 27, 1958 (72 Stat. 921) (H. Doc. No. 74); to the Committee on Public Works and ordered to be printed with illustrations.

506. A letter from the Secretary of Defense, transmitting a copy of a report covering a violation of section 3679, Revised Statutes, and Department of Defense Directive 7200.1, "Administrative Control of Appropriations Within the Department of Defense," pursuant to section 3679(1)(2), Revised Statutes; to the Committee on Appropriations.

507. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend the Foreign Service Buildings Act of 1926"; to the Committee on Foreign Affairs.

508. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Washington National Airport for the fiscal years 1956 through 1958; to the Committee on Government Operations.

509. A letter from the Comptroller General of the United States, transmitting a report on the review of activities of the United States Army Engineer Supply Center (USAESC), Tokyo, Japan; to the Committee on Government Operations.

510. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C., secs. 869–869–3), to certain lands in Oregon, and for other purposes"; to the Committee on Interior and Insular Affairs.

511. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to amend the act of December 24, 1942 (56 Stat. 1086, 43 U.S.C., sec. 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey"; to the Committee on Interior and Insular Affairs.

512. A letter from the Assistant Secretary of the Interior, transmitting a copy of a secretarial order canceling and adjusting irrigation charges of certain non-Indian landowners on the Wind River Indian irrigation project, Wyoming, and a draft of proposed legislation entitled "A bill to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian owned lands under the Wind River Indian irrigation project, Wyoming, and for other purposes"; to the Committee on Interior and Insular Affairs.

513. A letter from the Attorney General, transmitting a three-point legislative program designed to strengthen the antitrust laws and their enforcement; to the Committee on the Judiciary.

514. A letter from the Assistant Secretary of the Navy transmitting a report setting forth each claim settled and paid by the Secretary of the Navy, arising from the crash of U.S. Navy F9F–4 jet aircraft, Bureau No. 125945, near Wold-Chamberlain Air Field, Minneapolis, Minn., on June 9, 1956, pursuant to Public Law 907, 84th Congress; to the Committee on the Judiciary.

515. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report on plans for works of improvement for the Lick Creek watershed, Tennessee, and Chiltipin-San Fernando Creeks and San Diego-Rosita Creeks watersheds, Texas, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005); to the Committee on Public Works.

516. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report on plans for works of improvement for the West Hatchie Creek watershed, Mississippi; Muddy Creek watershed, North Carolina; and Tewaukon watershed, North Dakota and South Dakota, pursuant to the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005); to the Committee on Agriculture.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 3995. A bill to amend the Internal Revenue Code of 1954 to provide that interest received by individuals upon U.S. savings bonds shall be excluded from gross income; to the Committee on Ways and Means.

H.R. 3996. A bill providing for the Surgeon General of the United States to establish a hospital in the State of New York especially

equipped for the treatment of persons addicted to the use of habit-forming drugs; to the Committee on Interstate and Foreign Commerce.

H.R. 3997. A bill to remove certain restrictions imposed on the political activities of officers and employees of the Federal and State governments; to the Committee on House Administration.

By Mr. BARING:

H.R. 3998. A bill to provide for the construction of sewer and water facilities for the Reno-Sparks Indian colony, Nevada, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3999. A bill to promote television reception to small communities and to rural and isolated areas by establishing a Community Television Bureau in the Federal Communications Commission and waiving the requirement for construction permits for VHF booster stations in operation on or before December 30, 1958, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BLATNIK:

H.R. 4000. A bill to amend title II of the Social Security Act to permit retirement by all persons in the United States at the age of 60 years with benefits that will assure full participation by elderly persons generally in prevailing national standards of living, to provide like benefits for disabled persons, and to provide benefits for certain female heads of families and for certain children; to provide for the establishment and operation of this system of social security by an equitable gross income tax; and for other purposes; to the Committee on Ways and Means.

By Mr. GUBSER:

H.R. 4001. A bill to amend title II of the Social Security Act to permit retirement by all persons in the United States at the age of 60 years with benefits that will assure full participation by elderly persons generally in prevailing national standards of living, to provide like benefits for disabled persons, and to provide benefits for certain female heads of families and for certain children; to provide for the establishment and operation of this system of social security by an equitable gross income tax; and for other purposes; to the Committee on Ways and Means.

By Mr. BLATNIK:

H.R. 4002. A bill to authorize the use of Great Lakes vessels on the oceans; to the Committee on Merchant Marine and Fisheries.

H.R. 4003. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

H.R. 4004. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BROYHILL:

H.R. 4005. A bill to regulate the practice of physical therapy by registered physical therapists in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BRAY:

H.R. 4006. A bill to amend the Social Security Act to provide that, for the purpose of old-age and survivors insurance benefits, retirement age shall be reduced from 65 to 60; to the Committee on Ways and Means.

By Mr. BREWSTER:

H.R. 4007. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

H.R. 4008. A bill to amend section 314(k) of title 38, United States Code, to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb; to the Committee on Veterans' Affairs.

H.R. 4009. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 4010. A bill to amend title II of the Social Security Act to provide that service actually performed by an individual in the employ of his son, daughter, spouse, or parent shall constitute covered employment for purposes of the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. CEDERBERG:

H.R. 4011. A bill to authorize the use of Great Lakes vessels on the oceans; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H.R. 4012. A bill to provide for the centennial celebration of the establishment of the land-grant colleges and State universities and the establishment of the Department of Agriculture, and for related purposes; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 4013. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. DULSKI:

H.R. 4014. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

H.R. 4015. A bill to amend title 23 of the United States Code, relating to highways, in order to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. FINO:

H.R. 4016. A bill to amend the Internal Revenue Code of 1954 to provide an additional $5,000 exemption from income tax for amounts received as retirement annuities or pensions; to the Committee on Ways and Means.

By Mr. FORAND:

H.R. 4017. A bill to amend the Federal Employees' Compensation Act with respect to employment preferences for disabled employees; to the Committee on Education and Labor.

H.R. 4018. A bill to provide for a national cemetery in the State of Rhode Island; to the Committee on Interior and Insular Affairs.

H.R. 4019. A bill to provide that the Secretary of the Interior shall develop and carry out an emergency program for the eradication of starfish in Long Island Sound and adjacent waters; to the Committee on Merchant Marine and Fisheries.

H.R. 4020. A bill to extend the unemployment compensation program to employers of one or more employees; to the Committee on Ways and Means.

By Mrs. GRANAHAN:

H.R. 4021. A bill to provide for a national cemetery in the vicinity of Philadelphia, Pa.; to the Committee on Interior and Insular Affairs.

By Mrs. GRIFFITHS:

H.R. 4022. A bill to amend chapter 137 of title 10 of the United States Code to provide for certain reports from contractors with the United States; to the Committee on Armed Services.

By Mr. HALPERN:

H.R. 4023. A bill providing for the Surgeon General of the United States to establish a hospital in the State of New York especially equipped for the treatment of persons addicted to the use of habit-forming drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. HEMPHILL:

H.R. 4024. A bill to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HIESTAND:

H.R. 4025. A bill to amend the Investment Company Act of 1940 to continue the eligibility of retirement associations to make volume purchases at a reduced sales load; to the Committee on Interstate and Foreign Commerce.

By Mr. JUDD:

H.R. 4026. A bill to amend the War Claims Act of 1948, so as to extend the benefits of such act to persons captured or interned by, or in hiding from, the Japanese Government in China during World War II; to the Committee on Interstate and Foreign Commerce.

By Mrs. KEE:

H.R. 4027. A bill to establish a program of economic relief for distressed areas through a system of loans and grants-in-aid; to the Committee on Banking and Currency.

By Mrs. KELLY:

H.R. 4028. A bill to provide for the rescission of the order of the Postmaster General curtailing delivery of mail and certain other postal services; to the Committee on Post Office and Civil Service.

By Mr. KING of California:

H.R. 4029. A bill to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm; to the Committee on Ways and Means.

H.R. 4030. A bill to provide that a foreign tax credit need not be adjusted where a difference between taxes accrued and taxes paid resulted from a difference in the rate of exchange and where the taxpayer was not permitted to convert the amount of the tax; to the Committee on Ways and Means.

By Mr. McFALL:

H.R. 4031. A bill to appropriate $1,500,000 to initiate construction on the New Hogan Dam on the Calaveras River in California, and $25,000 to institute a survey on the Diverting Canal-Mormon Slough levees below Hogan Dam; to the Committee on Appropriations.

By Mr. McGOVERN:

H.R. 4032. A bill to amend those provisions of the Public Health Service Act relating to construction of hospitals to include mental health clinics as one of the types of facilities for the construction of which grants may be made; to the Committee on Interstate and Foreign Commerce.

By Mr. McINTIRE:

H.R. 4033. A bill to assist the United States cotton textile industry in regaining its equitable share of the world market; to the Committee on Agriculture.

By Mr. MACDONALD.

H.R. 4034. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes, to the Committee on Interstate and Foreign Commerce.

By Mr. MACHROWICZ:

H.R. 4035. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. MONTOYA:

H.R. 4036. A bill to amend the Tariff Act of 1930 with respect to the dutiable status of wood moldings; to the Committee on Ways and Means.

By Mr. O'KONSKI:

H.R. 4037. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. OLIVER:

H.R. 4038. A bill to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of loyalty and allegiance; to the Committee on Education and Labor.

By Mr. O'NEILL:

H.R. 4039. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILBIN:

H.R. 4040. A bill to amend the Uniform Code of Military Justice; to the Committee on Armed Services.

By Mr. QUIE:

H.R. 4041. A bill to amend the Agricultural Trade Development and Assistance Act of 1954, to extend its operations for 5 years; to the Committee on Agriculture.

By Mr. REUSS:

H.R. 4042. A bill to amend the Internal Revenue Code of 1954 with respect to the time prescribed for depositing taxpayments in Government depositaries; to the Committee on Ways and Means.

By Mr. RHODES of Arizona:

H.R. 4043. A bill to provide a minimum initial program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. RUTHERFORD:

H.R. 4044. A bill to amend the National Housing Act with regard to insurance of accounts so as to provide uniform protection to all married savers in savings and loan associations; to the Committee on Banking and Currency.

By Mr. TAYLOR:

H.R. 4045. A bill to amend the Internal Revenue Code of 1954 to eliminate the provisions which presently restrict the deduction for medical expenses to those exceeding 3 percent of gross income, and for other purposes; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H.R. 4046. A bill to amend the act of August 21, 1935, to provide for a determination of whether certain sites, buildings, or other objects, such as the historic State, War, Navy Building, the San Francisco Mint, and the Morristown National Historical Park, are of national historical significance in order to successfully save those sites, buildings, and objects which are of great national value and which are now being destroyed or are being threatened with destruction by the Federal Government as well as by private interests; to the Committee on Interior and Insular Affairs.

By Mr. WAINWRIGHT:

H.R. 4047. A bill to amend section 801 of the Housing Act of 1954 to provide, in the case of certain residential housing loans, that a portion of each such loan must be withheld and set aside for a specified period in order to insure that the construction is in accordance with the plans and specifications; to the Committee on Banking and Currency.

By Mr. WAMPLER:

H.R. 4048. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. WILLIAMS:

H.R. 4049. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of Montana:

H.R. 4050. A bill to authorize the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force to make grants to certain educational institutions for the construction of military and naval science buildings, and for other purposes; to the Committee on Armed Services.

By Mr. BETTS:

H.R. 4051. A bill to amend section 1304 of the Internal Revenue Code of 1954 with respect to the tax treatment of payments made by the United States for patent infringement; to the Committee on Ways and Means.

By Mr. BOYLE:

H.R. 4052. A bill to amend title 35, United States Code, "Patents," to provide for extension of terms of patents; to the Committee on the Judiciary.

H.R. 4053. A bill to amend section 2501 of title 28, United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. CANNON:

H.R. 4054. A bill providing for the construction of a highway, and appurtenances thereto, traversing the Mississippi Valley; to the Committee on Public Works.

H.R. 4055. A bill to amend the Universal Military Training and Service Act to provide for the deferment from training and service thereunder of men residing on a farm with their families when their induction would seriously impair the successful operation of the farm; to the Committee on Armed Services.

H.R. 4056. A bill to amend the Universal Military Training and Service Act to provide for the discharge from the Armed Forces of men whose families reside on a farm and whose continued absence from home would seriously impair the successful operation of the farm; to the Committee on Armed Services.

H.R. 4057. A bill to promote economy in Government by reducing the rate at which individual income taxes are withheld at the source; to the Committee on Ways and Means.

H.R. 4058. A bill to authorize the payment of claims resulting from sonic blasts; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 4059. A bill to amend title 28 of the United States Code relating to actions for infringements of copyrights by the United States; to the Committee on the Judiciary.

H.R. 4060. A bill to eliminate all responsibility of the Government for fixing dates on which the period of limitation for filing suits against Miller Act payment bonds commences to run; to the Committee on the Judiciary.

By Mr. COAD:

H.R. 4061. A bill to make the evaluation of recreational benefits, and fish and wildlife conservation, resulting from any flood control, navigation, or reclamation project an integral part of project planning, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4062. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

H.R. 4063. A bill to extend rural mail delivery service; to the Committee on Post Office and Civil Service.

By Mr. COHELAN:

H.R. 4064. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 4065. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

By Mrs. GREEN of Oregon:

H.R. 4066. A bill to repeal section 1001(f) of the National Defense Education Act of 1958; to the Committee on Education and Labor.

By Mr. GREEN of Pennsylvania:

H.R. 4067. A bill to amend the Classification Act of 1949, as amended, to provide a formula for guaranteeing a minimum increase when an employee is promoted from one grade to another; to the Committee on Post Office and Civil Service.

By Mr. KILDAY:

H.R. 4068. A bill to amend title 10, United States Code, by repealing section 7475, which restricts the increasing of forces at naval activities prior to national elections; to the Committee on Armed Services.

By Mr. LANKFORD:

H.R. 4069. A bill to amend the Tariff Act of 1930 to place marine sextants on the free list; to the Committee on Ways and Means.

H.R. 4070. A bill to amend the act of May 29, 1930, so as to authorize additional funds for the acquisition of land for park purposes; to the Committee on Public Works.

By Mr. McMILLAN:

H.R. 4071. A bill to amend the District of Columbia Business Corporation Act; to the Committee on the District of Columbia.

H.R. 4072. A bill to amend the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, as amended; to the Committee on the District of Columbia.

H.R. 4073. A bill to amend the act entitled "An act to regulate the placing of children in family homes, and for other purposes," approved April 22, 1944, as amended, and for other purposes; to the Committee on the District of Columbia.

H.R. 4074. A bill to amend sections 522 and 545 of title 38, United States Code, to increase the income limitations applicable to the payment of pension for non-service-connected disability or death to $2,000 and $3,600; to the Committee on Veterans' Affairs.

H.R. 4075. A bill to provide that in determining income of the World War I veterans and their widows for the purpose of ascertaining eligibility for pensions, payments under title II of the Social Security Act shall not be taken into account; to the Committee on Veterans' Affairs.

By Mr. MOULDER:

H.R. 4076. A bill to amend the provisions of the Public Health Service Act which relate to grants for hospital construction to include institutions for the care and treatment of the mentally retarded; to the Committee on Interstate and Foreign Commerce.

By Mr. O'KONSKI:

H.R. 4077. A bill to provide supplementary benefits for recipients of public assistance under Social Security Act programs through the issuance to such recipients of certificates to be used in the acquisition of surplus agricultural food products; to the Committee on Ways and Means.

By Mr. OLIVER:

H.R. 4078. A bill to facilitate the distribution of surplus food products to needy families in the United States; to the Committee on Agriculture.

By Mr. PELLY:

H.R. 4079. A bill to provide money to States and to Hawaii for educational purposes only; to the Committee on Ways and Means.

By Mr. REES of Kansas:

H.R. 4080. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RIVERS of Alaska:

H.R. 4081. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon certain claims for basic and overtime compensation; to the Committee on the Judiciary.

H.R. 4082. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims for basic and overtime compensation of employees of the Alaska Road Commission (now the Bureau of Public Roads); to the Committee on the Judiciary.

H.R. 4083. A bill relating to the income tax treatment of cost-of-living allowances received by certain caretakers and clerks employed by the National Guard outside the continental United States, or in Alaska; to the Committee on Ways and Means.

H.R. 4084. A bill to confer jurisdiction upon the Court of Claims to determine the amounts due and owing and render judgment upon the claims of certain employees of the Alaska Railroad for overtime work performed; to the Committee on the Judiciary.

H.R. 4085. A bill to provide cost-of-living allowances to judicial employees stationed outside the continental United States or in Alaska; to the Committee on the Judiciary.

H.R. 4086. A bill to authorize the construction of a post office and courthouse in Juneau, Alaska, and for other purposes; to the Committee on Public Works.

H.R. 4087. A bill relating to income tax refunds for the taxable year 1949; to the Committee on Ways and Means.

H.R. 4088. A bill to permit payment in Alaska of certain cost-of-living allowances at rates in excess of 25 percent of the rate of basic compensation; to the Committee on Post Office and Civil Service.

By Mr. ROBERTS:

H.R. 4089. A bill to provide that the lock and dam on the Chattahoochee River south of Columbia, Ala., shall hereafter be known and designated as the George W. Andrews lock and dam; to the Committee on Public Works.

By Mr. SELDEN:

H.R. 4090. A bill to amend section 332 of title 10 of the United States Code to limit the use of the Armed Forces to enforce Federal laws or the orders of Federal courts; to the Committee on Armed Services.

H.R. 4091. A bill to amend title 10 of the United States Code to prohibit the calling of the National Guard into Federal service except in time of war or invasion or upon the request of a State; to the Committee on Armed Services.

H.R. 4092. A bill to make the evaluation of recreational benefits, and fish and wildlife conservation, resulting from any flood control, navigation, or reclamation project an integral part of project planning, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SIKES:

H.R. 4093. A bill to provide that the lock and dam on the Chattahoochee River south of Columbia, Ala., shall hereafter be known and designated as the George W. Andrews lock and dam; to the Committee on Public Works.

H.R. 4094. A bill to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 4095. A bill to check the growth of unemployment by providing for Federal assistance to States and local governments for the construction of needed public works and public improvements; to the Committee on Public Works.

H.R. 4096. A bill to establish a program of economic relief for distressed areas through a system of loans and grants-in-aid; to the Committee on Banking and Currency.

By Mr. TEAGUE of California:

H.R. 4097. A bill to make permanent the provisions of the Sugar Act of 1948; to the Committee on Agriculture.

By Mr. TELLER:

H.R. 4098. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H.R. 4099. A bill to amend section 4242 of the Internal Revenue Code of 1954 to exempt from the club dues tax certain charges made by nonprofit clubs for the use of facilities; to the Committee on Ways and Means.

H.R. 4100. A bill to grant an additional income tax exemption to a taxpayer supporting a dependent who is blind or otherwise permanently and totally disabled; to the Committee on Ways and Means.

H.R. 4101. A bill to amend the Internal Revenue Code of 1954 to exempt from income tax certain gifts made by employers to their employees on holidays or other special occasions; to the Committee on Ways and Means.

By Mr. VAN PELT:

H.R. 4102. A bill to amend the Public Health Service Act to protect the public from unsanitary milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON:

H.R. 4103. A bill to authorize the Department of Defense to indemnify its contractors against nuclear and other unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes; to the Committee on Armed Services.

By Mr. WAINWRIGHT:

H.R. 4104. A bill to amend title I of the National Housing Act to provide that no claim for loss on a loan insured thereunder shall be paid unless the work for which the loan was made was actually completed; to the Committee on Banking and Currency.

H.R. 4105. A bill to make it unlawful for a salesman of real estate to represent that a dwelling or other structure is guaranteed by the United States as to its quality or construction; to the Committee on Banking and Currency.

By Mr. WALTER:

H.R. 4106. A bill to prescribe the oath of office of justices and judges of the United States; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 4145. A bill to supplement the land-grant provisions of the Alaska Mental Health Enabling Act; to the Committee on Interior and Insular Affairs.

By Mr. DORN of South Carolina:

H.J. Res. 213. Joint resolution to authorize the manufacture and sale of a Civil War Centennial Medal; to the Committee on the Judiciary.

By Mr. FORAND:

H.J. Res. 214. Joint resolution proposing an amendment to the Constitution relating to eligibility to the office of President; to the Committee on the Judiciary.

By Mr. HEMPHILL:

H.J. Res. 215. Joint resolution providing for a study of the possibility and desirability of establishing a University of the Americas; to the Committee on Foreign Affairs.

By Mr. HOLLAND:

H.J. Res. 216. Joint resolution to prescribe the official version of "The Star-Spangled Banner"; to the Committee on the Judiciary.

By Mr. RHODES of Arizona:

H.J. Res. 217. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ROBISON:

H.J. Res. 218. Joint resolution to establish December 15 of every year as Bill of Rights Day; to the Committee on the Judiciary.

By Mr. STAGGERS:

H.J. Res. 219. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. TRIMBLE:

H.J. Res. 220. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. BARING:

H. Con. Res. 76. Concurrent resolution favoring the operation of VHF television booster or repeater stations under certain conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. McDOWELL:

H. Con. Res. 77. Concurrent resolution establishing a Joint Committee on Intelligence Matters; to the Committee on Rules.

By Mr. SAUND:

H. Con. Res. 78. Concurrent resolution establishing a Joint Committee on Intelligence Matters; to the Committee on Rules.

By Mr. BETTS:

H. Res. 155. Resolution creating a standing Committee on Small Business in the House of Representatives; to the Committee on Rules.

By Mr. COOLEY:

H. Res. 156. Resolution to provide funds for the expense of the studies and investigations authorized by House Resolution 93; to the Committee on House Administration.

By Mr. BROOKS of Louisiana:

H. Res. 157. Resolution authorizing the printing as a House document of the staff report entitled "The Next 10 Years in Space, 1959–69"; to the Committee on House Administration.

By Mr. FRIEDEL:

H. Res. 158. Resolution authorizing the employment of one additional laborer, Office of the Postmaster of the House of Representatives; to the Committee on House Administration.

H. Res. 159. Resolution fixing the basic compensation of the expert transcribers, office of the official committee reporter (stenographers), House of Representatives; to the Committee on House Administration.

By Mr. PATMAN:

H. Res. 160. Resolution providing for the payment of expenses of the select committee created by House Resolution 51; to the Committee on House Administration.

By Mr. SMITH of Virginia:

H. Res. 161. Resolution amending clause 2 (a) of rule XI and clause 4 of rule XXI of the Rules of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROYHILL (by request):

H.R. 4107. A bill for the relief of Letita Tremari; to the Committee on the Judiciary.

By Mr. COOLEY:

H.R. 4108. A bill for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C.,

successor to Continental Hosiery Co., of Henderson, N.C.; to the Committee on the Judiciary.

By Mr. DORN of South Carolina:

H.R. 4109. A bill to provide for the issuance of a license to practice chiropractic in the District of Columbia to Anderson Brown; to the Committee on the District of Columbia.

By Mr. DURHAM:

H.R. 4110. A bill to clarify the enlisted status of Grover C. McQueen, deceased; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 4111. A bill for the relief of Eva Marie Lesher; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H.R. 4112. A bill for the relief of Elizabeth Hovsepian; to the Committee on the Judiciary.

H.R. 4113. A bill for the relief of Chrysavgi Kontopoulos; to the Committee on the Judiciary.

By Mr. HAYS:

H.R. 4114. A bill for the relief of Maria Concetta Cozza; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 4115. A bill for the relief of Lew Kablak; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 4116. A bill for the relief of Clifford N. McLeod; to the Committee on the Judiciary.

By Mr. KASEM:

H.R. 4117. A bill for the relief of Thirza Skoff; to the Committee on the Judiciary.

H.R. 4118. A bill for the relief of Mrs. Amy B. Westwood; to the Committee on the Judiciary.

H.R. 4119. A bill for the relief of Mrs. Dorothy Yu Hwang; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 4120. A bill for the relief of Dr. Raymond A. Vonderlehr and certain other officers of the Public Health Service; to the Committee on the Judiciary.

H.R. 4121. A bill for the relief of certain members of the Armed Forces of the United States, or their survivors, who were captured and held as prisoners of war in the Korean hostilities; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 4122. A bill for the relief of James Philip Coyle; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H.R. 4123. A bill for the relief of Arratoon Manuel; to the Committee on the Judiciary.

H.R. 4124. A bill for the relief of Jan Libiszewski; to the Committee on the Judiciary.

H.R. 4125. A bill for the relief of Renata Falkiewicz; to the Committee on the Judiciary.

H.R. 4126. A bill for the relief of Milorad Tasic; to the Committee on the Judiciary.

H.R. 4127. A bill for the relief of the Pacific Customs Brokerage Co., of Detroit, Mich.; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H.R. 4128. A bill for the relief of Eduardo Rafael Vital; to the Committee on the Judiciary.

By Mr. MOULDER:

H.R. 4129. A bill for the relief of John Curry and J. L. Hieronymus; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 4130. A bill for the relief of Jennie Alpern and daughters Berthe F. and Bellina F. Alpern; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H.R. 4131. A bill for the relief of Miss Lillian Dunn (formerly Miss Lillian Oh); to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 4132. A bill for the relief of Ante Tonic (Tunic), his wife Elizabeth Tunic, and their two minor children, Ante Tunic, Jr., and Joseph Tunic; to the Committee on the Judiciary.

By Mr. RABAUT:

H.R. 4133. A bill for the relief of Fouad Mikhail Zada; his wife, Sabat Zada (nee Leon or Laoun); and their minor child, Michel; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 4134. A bill to confer jurisdiction upon the District Court for the territory of Alaska to hear, determine, and render judgment upon the claim, or claims, of Scotty James, of Sitka, Alaska; to the Committee on the Judiciary.

H.R. 4135. A bill to authorize the conveyance of certain lands in Alaska to Martha L. Babinec, as administratrix of the estate of Laurence Starns, deceased; to the Committee on Interior and Insular Affairs.

By Mr. ROGERS of Florida:

H.R. 4136. A bill for the relief of Katina Askouni; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI:

H.R. 4137. A bill for the relief of Tam Jam Yick; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 4138. A bill for the relief of Gianni Mender; to the Committee on the Judiciary.

H.R. 4139. A bill for the relief of Giuseppe Zappone; to the Committee on the Judiciary.

By Mr. TELLER:

H.R. 4140. A bill for the relief of Victoria Pei Chiung Tcheng; to the Committee on the Judiciary.

H.R. 4141. A bill for the relief of Laureano and Conception Medina; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 4142. A bill for the relief of Wintford Jesse Thompson; to the Committee on the Judiciary.

By Mr. WALLHAUSER:

H.R. 4143. A bill for the relief of Mrs. Betty Barad Strul and her minor daughter, Anna Strul; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 4144. A bill for the relief of Anthonie Blom; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

60. By Mr. CANFIELD: Resolution adopted at the 16th Annual Convention, Utility Co-Workers' Association, urging the amendment of the Labor Management Relations Act of 1947; to the Committee on Education and Labor.

61. Also, resolutions adopted at the 16th Annual Convention, Utility Co-Workers' Association (1) petitioning the Congress of the United States to enact legislation which would increase the exempted income under social security to $1,800 annually; (2) urging legislation to increase the exemption for children and dependents to the sum of $800 annually; (3) recommending that social security benefits be made available to employees who have reached 62 years of age; and (4) opposing the unfair practice of tying retirement benefits to social security payments; to the Committee on Ways and Means.

62. By the SPEAKER: Petition of executive director, the Council of State Governments, Chicago, Ill., petitioning consideration of their resolution relative to requesting statehood for Hawaii; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Tribute to Hon. Richard B. Russell, of Georgia

EXTENSION OF REMARKS

OF

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Wednesday, February 4, 1959

Mr. TALMADGE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of remarks on January 30, 1959, by the Honorable JAMES E. VAN ZANDT, Member of Congress from the 20th District of Pennsylvania, in presenting to the distinguished senior Senator from Georgia [Mr. RUSSELL] the annual Minute Man of the Year Award of the Reserve Officers Association of the United States.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, JANUARY 30, 1959, IN PRESENTING U.S. SENATOR RICHARD B. RUSSELL, OF GEORGIA, THE ANNUAL CITATION BY THE RESERVE OFFICERS ASSOCIATION AS MAN OF THE YEAR FOR 1959

It is a signal honor to have been selected to present the Reserve Officers' Association annual citation to the citizen who has contributed most to national security in these times.

The recipient of this year's award is a distinguished Member of the U.S. Senate, and since it is the habit in Congress to rely upon the Congressional Directory for background information, it is interesting to observe that the recipient of the award is recorded in the pages of the directory listing Senators as follows:

"RICHARD BREVARD RUSSELL, Democrat, of Winder, Ga."

This is the sole reference from a biographical standpoint to one of the most able and popular Members of the U.S. Senate.

Even though his biographical sketch is the personification of brevity, Senator RUSSELL'S official activities embrace chairman of the Senate Committee on the Armed Services, and membership on the powerful Senate Committee on Appropriations.

He is also a member of the congressional Joint Committee on Atomic Energy and, in addition, is serving as a member of the Board of Visitors to the Military Academy, the Board of Visitors to the Naval Academy, and the Board of Visitors to the Air Force Academy.

The resolution selecting Senator RICHARD B. RUSSELL for this annual citation describes him in a manner in keeping with his worthwhile contributions to our national defense. The resolution that accompanies the citation reads as follows:

"Reserve Officers Association of the United States annual citation to the citizen who

has contributed most to national security in these times: 1959, RICHARD BREVARD RUSSELL.

"An association resolution: To the Honorable RICHARD BREVARD RUSSELL, because throughout your career you have been—

"(a) Profoundly aware of the obligation of every citizen to service to his nation, and by continuing precept and example aided in keeping alive this vital tradition;

"(b) Broadly knowledgeable in history and motivations of peoples and nations of the world, you have exercised a genius for leadership critically contributing to this Nation's victories in wars;

"(c) Nobly motivated in your public service, you have shunned narow considerations, including partisanship, but rather have fixed your course and your influence toward highest standards of national interest;

"(d) Deeply dedicated to honor and duty, you have given of your strength and genius far beyond and above the call of both honor and duty.

"In the name of this Nation's first Minutemen, who gave our forefathers the inspiration and instinct to contest to the death for their liberty, this association proudly recognizes your service as a patriot, and its meaningful contribution to the national security shared by every citizen of the United States in these times.

"For the association—by the National Executive Committee, Washington, D.C., January 30, 1959.

"(Signed) Rear Adm. Leon J. Jacobi, USNR, National President, Detroit; and Col. John T. Carlton, USAR, Executive Director, Washington."

Senator RUSSELL—or DICK as you are known to your thousands of friends—it gives me great pleasure to present you with the Reserve Officers Association award of Man of the Year for 1959, and with it I extend my sincere congratulations.

Hon. Louis B. Heller

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1959

Mr. KEOGH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following remarks made at the induction ceremonies of our former colleague, Hon. Louis B. Heller, who was inducted as a justice of the city court of New York at the Central Courts Building, Brooklyn, on January 6, 1959. Hon. Nathan R. Sobel of the county court of Kings County presided at the ceremonies:

Judge SOBEL. May I invite the newly elected justice of the city court, the Honorable Louis B. Heller, to enter the courtroom.

(Judge Heller enters. Applause.)

Judge SOBEL. May I introduce Rabbi Baumol, Judge Heller's rabbi, who will deliver the invocation.

(Rabbi Baumol delivers invocation.)

Judge SOBEL. Judge Heller has requested that these proceedings be kept as informal as possible. We have had requests from many of his dear friends and associates in the courts, as well as the legislature and Congress, to speak. We have explained to them that we shall curtail the speechmaking and make their presence known so that they may briefly congratulate the newly elected justice.

Before calling on the speakers, I should like to introduce to you Mrs. Ruth Heller, the judge's charming wife, who has so understandingly cooperated with him in his work over the years.

(Presentation of flowers by the officers of the court.)

Judge SOBEL. I should like also to introduce his very lovely daughter, Marcia.

His son Bobby, who was present at the formal swearing-in last week, returned yesterday to Bucknell University, and the judge has just whispered in my ear that he is cramming, as we all used to do, for his final exams.

I should like to introduce for a bow his lifelong partner and associate in the practice of law, his devoted brother Harry, who has been by his side during many trying years.

There are so many of Louis Heller's old friends here, even his childhood and boyhood friends, that I must, without selecting any particular one or group, mention that included in the group, sitting in the audience, are 22 members of the class of June 1922, of Boys High School. This is a class which has great historical significance to Boys High because it was the only class in the history of this country, I think, which captured all of the State scholarships, all of the Cornell scholarships, and all of the Harvard scholarships, and, indeed, all of the other scholarships offered throughout the country, all in one class, in one school, and in one particular year.

We had a great many geniuses among them, geniuses in the medical profession who have proved themselves, in business, in the other professions, and, of course, least of all are the geniuses who ascended the bench. I see present one of them, Judge Keogh of the supreme court, and Judge DiGiovanna of the supreme court, also a member of the class, and, of course, Judge Starke and Judge Schor are present here, and a great many members of the legislature, and least of all, myself.

My friendship with Louis goes back even much before the time we attended high school. We knew each other when we attended elementary school.

The following addressed the meeting:

Francis Verilli, Esq., the president of the Brooklyn Bar Association.

Albert Gondelman, Esq., chairman of the city court committee of the Brooklyn Bar Association.

Judge Joseph A. Solovei, who presented a scroll on behalf of the Kings County Criminal Bar Association, which reads as follows:

"The Kings County Criminal Bar Association presents this plaque to Hon. Louis B. Heller, justice of the city court of the city of New York, for his distinguished services as a lawyer and judge, his warmhearted concern for his fellow man and counsel to the bench and bar."

Gilbert S. Rosenthal, Esq., president of the Association of Lawyers of the Criminal Courts of Manhattan, also presented a scroll, which reads as follows:

"The Association of Lawyers of the Criminal Courts of Manhattan extend to Judge Louis B. Heller the heartiest congratulations and best wishes on his appointment to a higher court. For many years Judge Heller served the city and State of New York with pride and distinction. His untiring efforts, wise counsel and vast experience have done much to further the cause of justice. We, who practice in the criminal courts, indeed regret to see him go but are happy that his new appointment reflects a job well done. May he continue his dedicated work for many years in the best of health."

Morris Himmelfarb, Esq., representing the Queens County Criminal Bar Association.

Judge Heller, as you know, has held many public offices. I know you recall that he served for more than 10 years on the executive committee of the Democratic Party of Kings County.

I should like to introduce for a bow at this time the Honorable Joseph T. Sharkey, majority leader of the city council and chairman of the executive committee of the Democratic Party of Kings County.

I should also like to note the presence of Judge Heller's former associates of this committee; the Honorable James V. Mangano, general clerk of the Supreme Court of Kings County, who had the distinction of opening the ceremonies on yesterday commemorating the dedication of the new supreme court building; Hon. John Cashmore, borough president of Brooklyn and former chairman of the Kings County Democratic organization; Hon. Jack Weinberg; Hon. Harry M. Mortimer; Hon. Ross J. DiLorenzo; Dr. Joshua H. Friedman; Hon. Frank A. Nolan, commissioner of borough works; Hon. Joseph B. Whitty, county clerk; Hon. Frank A. Cunningham, Jr., chief clerk of the appellate term; Hon. Harry Morr, deputy fire commissioner; Hon. James M. Power, commissioner of the board of elections; Hon. Albert M. Leavitt, chief clerk of the surrogates court, Kings County; Hon. Vincent P. Carney, former motor vehicle commissioner; Councilman Edward Vogel; Assemblyman Stanley Steingut; Hon. John A. Valente, deputy markets commissioner; and Hon. Alexander G. Hesterberg, tax commissioner—all State committeemen associated with Judge Heller in many of his activities.

I can see many co-leaders present, but I must be pardoned if I do not call out their names, and in lieu thereof I shall read the following telegram by Victoria Rapps, chairman of the co-leaders executive committee.

"On behalf of the Democratic Co-leaders of Kings County, I congratulate you and I wish for you and your family good health, and many happy years in judicial life."

I shall also read an excerpt from a message from a former associate of Judge Heller in the legislature, the Honorable Robert F. Wagner, mayor of the city of New York. He says:

"Regret exceedingly that official business makes it impossible for me to be with you on the occasion of your induction as a justice of the city court. I am pleased to join with all of your friends in congratulating you for you have done so much to help make our city a better place in which to live."

Present in spirit is the lifelong friend of Judge Heller, the president of the city council, Hon. Abe Stark. I shall read only part of his message.

"Your constructive record in Congress and on the bench naturally endow you for this new responsibility. I am confident that the city court will be enriched by your demonstrated talent in the realm of judicial affairs."

As you are all aware, the legislature has convened this morning for its first session of the year 1959. Present, however, are a great many members of the legislature who are taking early trains to Albany. They insisted on staying for these ceremonies. I regret that I am unable to call on all of them, but I should like to have the senior delegate from Brooklyn, the Honorable Bernard Austin, speak for the members of the assembly.

(Assemblyman Austin spoke briefly.)

Judge SOBEL. I should also like to have Senator William Rosenblatt speak for the members of the senate.

(Senator Rosenblatt spoke briefly.)

Judge SOBEL. The attorney general of the State of New York, the Honorable Louis Lefkowitz, is detained in Albany, and has sent the following message:

"It has been my privilege to be a friend of Louis Heller for many, many years. Blessed with innate wisdom and unexcelled integrity, Louis not only has gained an enviable record in public service but by his sincerity and consideration of others, he has earned the regard and love of all with

whom he has come into contact. I am confident that Louis Heller will add immeasurably to the city court's proud record of achievement."

As all of you know, Louis has served for several terms with great distinction in the House of Representatives. As you have no doubt read in the newspapers, the House is organizing this morning and since there is a controversial matter before it concerning the increase in the membership of the powerful House Rules Committee, many of his former colleagues who had planned to be here have been unable to attend.

I have too many messages to read, hence permit me to read excerpts from only a few and then mention the names of his colleagues, whose messages I hold in my hand.

From the Honorable SAM RAYBURN, Speaker of the House:

"I want to congratulate you as you begin a splendid career as city court justice and extend to you my kindest wishes for a long life of useful service to your people."

From Hon. JOHN W. MCCORMACK, Massachusetts, the majority leader:

"Dear Louis, I regret very much official business in Washington prevents my being with you and your many friends when you are sworn in. While I have missed you here I extend to you my hearty congratulations and very best wishes for every happiness and success in your new position and field of great responsibility."

From Hon. CARL ALBERT, Oklahoma, Democratic whip:

"It is really marvelous to know that such a good friend is getting along so well. We certainly miss you in Washington. Come to see us."

Now, from the Senate side, may I read the following excerpts:

From the Honorable JACOB K. JAVITS, senior Senator from New York:

"My warmest congratulations on this auspicious occasion. Your new appointment reflects the great pride and confidence of your colleagues and associates in your ability and the integrity of your actions. Please accept my every good wish for success."

From the Honorable KENNETH KEATING, newly elected and now junior Senator from New York:

"Warmest greetings as you begin your new duties as city court justice. I know you will bring dignity and judgment to your new post and I wish you every success and happiness in the years ahead."

From a very warm and dear friend of Lou's, the Honorable JOHN F. KENNEDY, Senator from Massachusetts:

"Warmest congratulations on the occasion of your taking over your new position as court justice. I am delighted that you have received this important judicial recognition and that you'll continue to serve the New York community with eminence. With every good wish."

From the Honorable MIKE MANSFIELD, Montana, majority whip of the Senate, and a member of the powerful Foreign Affairs Committee:

"Dear Louis, congratulations. I know that New York will be well repaid on the basis of your ability, integrity and understanding in the position you are assuming. On behalf of your many friends in both Houses, as well as my own, I wish to extend to you good luck and success in the years ahead. You have been a great public servant and your contributions to the public good will be your monument in life. With best personal wishes, I am, sincerely yours."

And this telegram is a must. It is from the Honorable STEPHEN M. YOUNG, who formerly served in the House with Louis, and last November upset all predictions by becoming the junior Senator from the great State of Ohio:

"Lou Heller is a truly great public servant and a real friend to any of us. As a former colleague of his in the Congress of the United States, I congratulate the people of New York on his induction as justice of your courts. I extend to him my sincere personal greetings and regards with the full knowledge that this is but a continuation of a great career in public service."

Other Members of the House of Representatives who served with Judge Heller and who sent messages are: Hon. JOHN J. ROONEY, Hon. ABE MULTER, Hon. ISIDORE DOLLINGER, Hon. JOHN B. BENNETT, Hon. HERBERT ZELENKO, Hon. OREN HARRIS, Hon. PETER W. RODINO, Jr., Hon. PAUL A. FINO, Hon. LESTER HOLTZMAN, and Hon. EUGENE KEOGH.

Only yesterday I received a telephone call from the dean of the Kings County delegation in the House. He is, of course, the Honorable EMANUEL CELLER, chairman of the Committee on the Judiciary. Congressman CELLER is a close and dear personal friend of Judge Heller and, indeed, of all of us. We, in Brooklyn, are particularly proud of our Congressman, because we feel he has made the greatest contribution to the welfare of the people of the United States in the many years he has served as chairman of that powerful committee. We particularly emphasize his magnificent achievement in the field of antitrust and antimonopoly legislation.

Congressman CELLER phoned in a warm message. He asked me to state that he has been made very happy, Judge Heller, because your ambitions are being realized. He is certain that you will bring to bear upon your work in the city court the fine qualities you exemplified in the Congress of the United States.

Seated at the bench next to Louis is the chief justice of the city court, the Honorable Peter A. Quinn, who has had a distinguished career in the legislature and in Congress, and who now graces one of the finest courts of our city. Both have been colleagues but now Peter is going to be Lou's chief, and a finer chief Lou knows he could never have. He will soon address you.

Present are almost all of the justices of the court of special sessions. They all desire to say a few words. However, the limitations of time make it impossible for us to complete these proceedings and yet hear from all of them.

Seated with us on the bench is the president-justice of the court of special sessions, the Honorable Irving Ben Cooper, a very dear friend of Lou's. And also our very dear friend, the Honorable Vincent Impellitteri, a member of the court and the former mayor of the city of New York. We want to express our appreciation to Justices Cannella, Galloway, Cawse, Gassman, Rossbach, Acquavella, Silver, Loscalzo, Byrne, Dunaif, Ringel, and Thompson, who traveled from the outlying boroughs to visit with Judge Heller this morning.

I should also like to note the presence of former Justice Louis I. Kaplan, now the commissioner of investigation of the city of New York.

Also present are his new colleagues of the city court of Kings County, Justices Sabbatino, Feidem, Wecht, and Low, as well as many of Judge Heller's new associates of this court from the other counties.

I also note the presence of many judges of the domestic relations court, including Judges Lorence, Marchisio, Kaplan, Ruisi, Ramsgate, and Pagnucco.

And from the municipal court, all friends of Lou's, Judges Alter, Williams, Berry, Rinaldi, Simon, Andreozzi, Johnson, Pearlman, and Damiani.

And from the magistrates court, I must salute Judges Chapman, Solomon, Potter, Maglio, Rader, Tolleris, Gray, Schanzer, Fagan, Serper, Ohringer, Malbin, Livoti, Wallach, Glowa, and Cullen.

I am acting as chairman on this occasion only by sufferance. We had expected that Chief Judge Conway's duties would permit him to attend and preside over these ceremonies. Unfortunately, this was not to be, but I have here a very warm telegram from the chief judge to the new justice. It reads:

"I send you every good wish for health and happiness in your further service to the people of our city as city court justice."

The District Attorney's Association is holding its annual convention in California, a much more pleasant, and I am sure, warmer place than Brooklyn is today. District Attorney Silver has sent his chief assistant, the Honorable Kenneth McCabe, who will address you later.

The Honorable Frank Hogan, who is also on vacation, has deputized one of his chief assistants, the Honorable Anthony Leibler, who will also address you.

Frank O'Connor, the district attorney of Queens County, phoned in a warm message just a few minutes ago.

Most of the justices of the supreme court from Kings County are with us. Mr. Justice Anthony DiGiovanni, the chairman of the board of justices, will speak on their behalf.

But I cannot permit this occasion to pass without asking Mr. Justice J. Vincent Keogh, a lifelong friend and classmate of both Judge Heller and myself, to stand up and take a bow.

I should like to have Mr. Justice Arthur Klein, of New York County, a colleague of Judge Heller in Congress, to stand up and take a bow.

It is also my privilege to introduce the Honorable Ferdinand Pecora, former justice of the supreme court of New York County. [Applause.] I know your applause would be even more resounding, if that were possible, if you knew that Judge Pecora is celebrating today his 77th birthday. You will soon hear from him.

I should also like to note the presence of the surrogate of Kings County, the Honorable Maxmillian Moss, who will speak, and also the Honorable Samuel DiFalco, surrogate of New York County, who asks leave to return to a motion calendar which was scheduled for early this morning. [Applause.]

Present also with us on this occasion is the Honorable Henry Ughetta, justice of the appellate division of the second department, who brings with him the greetings and good wishes of all of his associates in this department, and who, I am sure, will want to say a few words.

Similar messages have been sent by the Honorable George J. Beldock, a lifelong friend of Lou's, and now a justice of the appellate division of the supreme court. Also from the Honorable Leo F. Rayfiel, judge of the United States District Court, Eastern District of New York, who served in the legislature with our distinguished guest. And another from the Honorable David N. Edelstein, a judge of the United States District Court of the Southern District of New York. And I hold in my hand a very warm message from the lovable John MacCrate, a former justice of the appellate division.

This completes the list of public officials present here with us today within my immediate view. I am sure I have been unable to spot them all in this crowded courtroom, but I hope that those whom I haven't mentioned will forgive me.

Present also are many of Louis' very old friends from his childhood, boyhood, and schooldays. It is obviously impossible for me to mention all of them. I must, however, note the presence in the courtroom of one of his dearest friends and his guiding mentor through all the years of his public life. I should like the commissioner of jur-

ors from the eastern division of New York, the Honorable "Moish" Solomon, to take a bow.

Lou wishes me to state that he has received a very warm message from one whom he holds in very high esteem, but for the fact that he is out of the State he would have been here with us. I refer to Mr. Morris Forgash, president of the United States Freight Co.

And from some other friends, Jerry Wurf, regional director, State, County and Municipal Employees; the Honorable Charles R. Howell, commissioner of the department of banking and insurance of the State of New Jersey; and Arnold E. Feldman, attorney-adviser at the U.S. Military Academy, West Point, N.Y.

I should like to introduce also for a bow, some very, very dear friends of the new justice: First, the Honorable Meier Steinbrink, former justice of the supreme court; also Al Kevelson, Eddie Zeltner, of the Mirror; Harold Harris of the Journal; Geane Toomey of the Telegram-Sun; and Al Turk of the Journal-American.

I have hundred telegrams, letters, and messages in my hand that I cannot possibly wade through now, hence I will order that they may be made part of the official record and turned over to the judge.

As you know, we have used Judge Barshay's courtroom, which is the largest in this building, and Lou and I wish to thank him for his generosity. Unfortunately, he is home ill, otherwise he would have been present.

And, of course, I cannot forget my own colleagues who are present, Judges Marasco and Starkey.

And also from the court of general sessions, Lou's former colleague, Judge Culkin. Also Judges Geller and Schweitzer.

My next duty is to convey a message from Mrs. Heller. She has asked me to invite each and every one of you to participate in a collation in the courtroom of the new justice of the city court on the 10th floor at the conclusion of these proceedings. I hope eoch and every one of you will accept that most cordial invitation.

(The ceremonies were brought to an abrupt end by the sudden illness and death of Assemblyman Bernard Austin.)

German Embargo of American Coal

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 4, 1959

Mr. CELLER. Mr. Speaker, suddenly, on January 23, 1959, Germany unilaterally and in violation of her coal and steel treaty with other European nations, placed a tariff of $4.76 a ton on foreign coal. This practically was an embargo and was aimed at the United States, which normally ships over 16 million tons of coal per year to Germany. Not only was this action in violation of Germany's Coal and Steel Community treaty, but I suggest that it was in violation of another treaty, the General Agreement on Tariffs and Trade—GATT—of which the United States is a member, forbidding bilateral or group agreements by members of GATT without the unanimous consent of all nations concerned. So sudden was Germany's unilateral action that even our State Department, which had been negotiating with the Bonn government since last September, was taken by surprise. The other day when our Government made a last minute request for a 60-day delay in the German action, it was brushed aside and the rash decision of the German Government was rushed through the Bundestag for formal approval.

Where does this leave American mining and shipping interests? Many American miners will be forced out of work because this huge hike in German coal duties will make prohibitive the importation of American coal to Germany. The $4.76 per ton will raise the price of American coal far above Ruhr coal. This hike, as I noted, came like a bolt from the blue. No warning, no advance notice, and no way of cushioning the blow. American coal miners in Virginia, West Virginia, Pennsylvania, Ohio, Tennessee, and other States will be faced with continued idleness. Already West Virginia, which supplies more than 50 percent of the Nation's annual output of coal, has the highest percent of its labor force unemployed. Starvation and want stalk its hills and that situation will be exacerbated by the rigors of the cold winter. Based on 1957 figures, Germany's action involves a loss of 500,000 days' work to coal miners.

American shippers have contracts to purchase this coal as mined, and have in turn chartered ships for transportation and are under obligation to deliver coal to German importers. Germany's action will make these contracts virtually impossible of performance. These people are well on their way to suffering immeasurable damages. Charter fees run into the millions. Damages in other respects are inordinate. More than 30 million tons of U.S. coal still are on order. With a $4.76-a-ton tariff staring them in the face—a tariff which, by action of the Bonn government was made retroactive to January 1 of this year—many American exporters face bankruptcy. Thus coal in transit is affected.

The Bonn government seeks to justify this drastic action on the grounds that it is an economic move designed to rescue the Ruhr coal industry from its year-old doldrums. This is somewhat hard to believe when it is remembered that Germany was in real need of American coal in 1957 in order to maintain at that time its strong domestic economy. The facts indicate that her move is not based on economic need; rather it is political. Having fully recovered from World War II, Germany is once again becoming industrially aggressive and is seeking to change the whole distribution of coal in Europe. And being the dominant power of the nations which comprise the European Coal and Steel Community, she can force her arbitrary action upon her weaker neighbors. I seriously question the right of Germany to impose these drastic tariff duties. It is morally indefensible.

Be that as it may, in the absence of diplomatic negotiations, which appear at this time to be inadequate, what remedies do American producers and shippers have? Germany's action, though arbitrary, is not a case in law which could be classified as a "force majeure" or confiscation, so that businessmen who suffer, may recoup damages from the government. It may be that they could sue the individual German importers of coal; but this would take much time and involve insurmountable difficulties.

Meanwhile, what?

It seems anomalous at a time when the United States is responding to the requests to rescue West Germany, particularly as to the status of Berlin, that the Bonn government would so heedlessly injure American shippers and producers. It certainly does not make for pleasant or cordial relations between the United States and the West German Government. On the contrary, it shows a country willing to accept advantages and display no gratitude. Nay, more, it is symbolic of utter apathy on the part of West German rulers as to the interest of American citizens who are or will have to continue to ship coal to Germany.

I have been a friend to Germany, but this latest maneuver has tinctured that friendship.

It is incumbent on West Germany forthwith to come forward with some remedy, otherwise there will be agitation in and out of Congress to retaliate. Raising duties without rhyme or reason will bring in its trail ever-increasing American duties against German manufactured goods. The thrust will be given where it hurts Germany the most.

Urban Renewal Legislation

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 4, 1959

Mr. McCORMACK. Mr. Speaker, under permission to extend my remarks in the RECORD, I include a letter I received from Honorable John B. Hynes, mayor of the city of Boston, Mass., relating to urban renewal legislation, together with copy of my reply to him:

CITY OF BOSTON,
OFFICE OF THE MAYOR,
January 30, 1959.

Hon. JOHN W. McCORMACK,
House Office Building, Washington, D.C.

MY DEAR CONGRESSMAN: Urban renewal legislation is pending before the Senate Committee on Banking and Currency. Both of the mayors organizations, the U.S. Conference of Mayors, and the American Municipal Association, are heartily in favor of a bill which would provide for a 10-year urban renewal program with the Federal Government appropriating $600 million each year and the local communities providing the usual one-third or even a 20 percent share.

As you know, the administration bill is for $250 million a year for 3 years and $200 million for the following 3 years. This simply will not do the job that must be done. In addition, the requirement in the administration bill that cities share on a matching 50–50 basis will be the death knell to the urban renewal program, for cities simply cannot contribute that much to this most necessary program.

The U.S. Conference of Mayors, and through its president, Hon. Norris Poulson, mayor of Los Angeles, has placed its case before the committee on January 26. I am in accord with everything that Mayor Poulson said at that time because it reflects the unanimous opinion of the mayors throughout the country.

I will appreciate if you will keep your eye on this legislation and help wherever you can. I know that you are interested in the continuation of urban renewal on a sensible scale and in a sensible manner and I know also that you hardly need to be asked to help.

With best wishes, I am,

Respectfully,

JOHN HYNES, *Mayor.*

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 4, 1959.

Hon. JOHN B. HYNES,
City Hall, Boston, Mass.

DEAR JOHN: I am in receipt of your letter of January 30 and in reply will say that the President's recommendation in relation to urban renewal legislation is completely inadequate.

I am having your letter inserted in the CONGRESSIONAL RECORD.

With kindest regards,

Sincerely yours,

JOHN W. MCCORMACK.

National Defense Student Loan Program

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 4, 1959

Mr. LINDSAY. Mr. Speaker, I rise to comment upon a program which has significance for the young people of this Nation and for the strength of the Nation itself. I refer to the national defense student loan program authorized by Public Law 864, enacted by the 85th Congress in its closing days and signed into law by the President on September 2.

The national defense student loan program provides for the establishment, at institutions of higher education throughout the Nation, of loan funds from which needy students may borrow funds for the completion of their education at low interest rates and on generous repayment terms. Its objective is to encourage needy students to continue their educational pursuits, an objective contemplated in several features of this act. The Congress is authorized to appropriate $295 million for this purpose during the next 4 years. The assistance and encouragement that this program can and will offer to needy young people throughout the country is immense. It should do much to reduce the waste of talent which has resulted from the failure of able but needy students to continue with their educational plans.

President Eisenhower signed the National Defense Education Act into law on September 2, 1958. I have followed the progress that has been made by the Department of Health, Education, and Welfare in implementing this program. I believe that the Secretary of the Department of Health, Education, and Welfare, Dr. Arthur S. Flemming, and the U.S. Commissioner of Education, Dr. Lawrence G. Derthick, are to be complimented upon the prompt and sound manner in which they have undertaken the implementation of all programs authorized by the National Defense Education Act. This is a new era of departmental responsibility and they have measured up to the challenge. They are to be complimented upon the appointment of Dr. Homer D. Babbidge, Jr., to head the administration of those programs affecting American higher education. It has been my pleasure to work with Dr. Babbidge in various capacities over the years, and I am confident that he will lend able and imaginative leadership to the administration of these programs.

It is a particular source of pride to me that officials of the Department of Health, Education, and Welfare have selected to administer the national defense student loan program a resident of the State of New York, and a prominent official of the State university of New York, Mr. Peter P. Muirhead. Mr. Muirhead has for many years served as director of the New York State regents scholarship and examination program. He served as executive secretary of the New York Higher Education Assistant Corporation, which was responsible for the establishment of New York State's successful student loan program. Mr. Muirhead is a man of experience and wisdom, and in entrusting to him the responsibility for the administration of this program, the Department has insured that the program will be administered soundly and well. Mr. Muirhead's appointment to this post was made possible only through the cooperation of Dr. James S. Allen, Jr., commissioner of education for the State of New York. Dr. Allen's willingness to lend to the Department of Health, Education, and Welfare a key member of his own staff is a splendid example of effective Federal-State cooperation. It is an example of the constructive concept of partnership which has been stressed so much by the President and other administration leaders, as the key to effective progress in the field of education.

Mr. Speaker, the national defense student loan program authorized by the 85th Congress is a well-conceived program. It is secure in the hands of able educators and administrators. I am confident that it will do much for the young people of our Nation, and therefore for the Nation as a whole.

Mr. Speaker, I have one concern regarding the effective implementation of this program; and this has to do with the amounts of money available for this purpose. As I indicated earlier, the act authorizes the appropriation of sums up to $295 million during the next 4 years. For this, the first year of the loan program, a total of $47½ million is authorized. The respective Appropriations Committees of the House and the Senate, under pressure to act on an appropriations request during the closing hours of the 85th Congress, effected an interim, or stopgap, appropriation for this purpose of only $6 million. This was done with the clear understanding that the Appropriations Committees would reconsider at the earliest opportunity a supplemental request for this and other purposes. I trust and hope that this body will see to it that the additional funds in substantial quantity are made available at the earliest possible opportunity.

Let me suggest the importance of prompt action on a supplemental request for the purposes of the National Defense Education Act. Taking the student loan program by itself, let me indicate how inadequate a figure of $6 million is.

The most recent figures show that 92 institutions in the State of New York have applied for funds under the loan program, and these institutions represent more than 167,000 full-time students. The total amount requested by New York State schools is approximately $7 million. In my home city of New York alone, 28 institutions, representing more than 71,000 full-time students, have applied for Federal funds under this program. Under the State allotment formula embodied in this act, the State of New York would be entitled to only $623,442. If the initial stopgap appropriation of $6 million were not increased this sum would not begin to meet the needs of New York City institutions alone. This sum would not meet one-tenth of the current student loan needs of institutions of higher education in the State of New York. Failure to provide additional funds under this program, therefore, would work a hardship upon the young people of the State of New York and upon the institutions which they are attending. I urge, Mr. Speaker, that the leadership of this body give prompt and positive attention to this critical need.

I am confident that President Eisenhower will forward to the Congress a request for supplementary funds with which to implement the national defense student loan program. I know that Secretary Flemming and Commissioner Derthick are well aware of the urgent need for additional funds for this purpose. Certainly the colleges and universities of the Nation know how pitifully inadequate $6 million is for this purpose. The young people of the Nation and their parents have made perfectly clear how urgently they need this assistance. It now rests squarely upon this Congress to respond promptly and positively to a need identified and endorsed by the entire Nation.

Progress in High Fidelity

EXTENSION OF REMARKS
OF
HON. PHILIP J. PHILBIN
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 4, 1959

Mr. PHILBIN. Mr. Speaker, like other Members of the House, I have been gratified of late to observe the marked

progress which our Nation is making in the field of electronics. Components of the electronic industry are located in my own district, and I have had a special opportunity to observe the rapid changes and advances which are taking place in this great industry which so well serves the American people and our armed services. There are many facets to the marvels of electronic development which are currently transforming and vastly improving our communication systems, our sound reproduction media and automatic guidance and control systems and truly revolutionizing our industrial methods, weapon systems, and in fact, the reproduction instrumentalities that we use so frequently in our homes and in our daily lives.

I was very much impressed recently with the progress in the electronic field evidenced by demonstrations and exhibits presented as a prelude to the High Fidelity Festival being held in Washington this weak. The initial event of the program last Saturday night in which the Washington National Symphony Orchestra participated before a large audience was a most convincing testimony of the great advances made in recent years in the electronic reproduction of sound.

Some 2,500 music lovers thought they were hearing trumpeter Lloyd Geisler during the solo portion of Purcell's "Trumpet Voluntary." Actually, he was simply going through the motions of playing while the audience was listening to a recording he had made on tape earlier in the day. Reproducing this recording for the audience were high-fidelity amplifiers and speakers such as are found in many homes today for the faithful reproduction of recorded sound.

To complete the illusion, a second rendition of the Purcell composition was given. This time the orchestra on stage remained silent while trumpeter Geisler played to the accompaniment of a recording made by the National Symphony earlier.

This demonstration of the new great advances made in sound reproduction, which is called stereophonic sound, was the opening event of the 4-day International High Fidelity Music Festival, which begins this Thursday, February 5, at the Hotel Shoreham.

An exhibition area, comprising some 50 rooms, has been set aside at the Shoreham where more than 250 different items of high-fidelity equipment for the home will be shown, including phonograph records, amplifiers, speakers, radio tuners, tape recorders, turntables, and other music reproduction products.

This is not Washington's first high-fidelity music show. Last year's showing attracted some 16,000 visitors to the Shoreham. This year's music festival, however, marks the first time that a nationally known symphonic group participates actively in an exhibit of this kind.

Other cities such as Los Angeles, Chicago, and New York have very successful high fidelity shows, which attract thousands of visitors. This week's music festival in Washington, however, brings together our great National Symphony and the newest in sound reproducing equipment in an association which may be the start of a musical trend for other parts of the country.

I hope that some of my colleagues in the House will have the chance to visit the International High Fidelity Music Festival during this weekend at the Shoreham. An exciting experience is in store for them as it is for everyone who hears stereophonic sound for the first time. At the same time, they may gain firsthand knowledge of woofers, tweeters, crossover networks and other equipment dear to the heart of the high fidelity devotee.

I would be remiss if I do not bring to the attention of my colleagues three exhibitors from Massachusetts: the H. H. Scott Co. of Maynard, which is in my district; High Fidelity magazine of Great Barrington; and Acoustic Research of Cambridge.

The H. H. Scott exhibit should be of particular interest because the products of this company are well and favorably known throughout the electronics industry. Acoustic Research has developed a new speaker system, which has attracted wide interest and much favorable comment in music circles. High Fidelity magazine pioneered in its field and has grown in influence and scope in the world of high fidelity.

Permit me to close with one word of warning: Music will never sound the same, especially from a small radio or old record player, once a convincing demonstration of stereophonic sound is experienced firsthand. We are in truth living in a fabulous world and I am very proud that my district and State through the growing electronics industry are contributing so much toward this impressive progress.

Honored by Boy Scouts of America

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1959

Mrs. ROGERS of Massachusetts. Mr. Speaker, at noon today I was highly honored with the presentation of a badge from the Boy Scouts of America for the celebration of the 49th anniversary of the Boy Scouts of America during Boy Scout Week, February 7 through 13. It is with genuine pride and honor that I shall wear this badge of the Boy Scouts of America which carries with it so much meaning and significance in the finest character-building organization for boys in the entire world.

The Boy Scouts of America have made monumental contributions in the building of sound, dependable character in the future young men of our country. In this fine work of molding honorable character, the Boy Scouts are responsible for tomorrow's national leadership. Among the Boy Scouts in the Halls of the Capitol today and who will be here during Boy Scout Week, surely may be a future President of the United States and certainly those who will hold great positions of responsibility in the direction and affairs of our country in the years to come.

I was presented with this honorable badge of the Boy Scouts of America by a Boy Scout who not only excellently represented the Boy Scouts of America but also made an excellent presentation. Although young in years, Paul Murphy, Jr., who presented me with this honorable badge, is one who might inspire all of America to courage and fineness. Possessing an attractive personality, being very courteous and thoughtful, Paul is also extremely able. A student of the Russian language, already he is able to speak some of this very difficult language. In addition, he has many other accomplishments, but above all he has the courage to overcome all difficulties and burdens with which he may be faced. This is indeed a real test of character.

Following is the quoted text of the presentation speech of Paul Murphy, Jr.:

I am Cub Scout Paul Murphy, Jr. During Boy Scout Week, February 7 through 13, the Boy Scouts of America celebrate their 49th anniversary. I have the honor to represent the Boy Scouts of America in making this presentation to you, Mrs. ROGERS. We would like you to join in the 49th celebration of Boy Scout Week by wearing this badge during Boy Scout Week.

At this point, Paul Murphy pinned the Boy Scout badge on my jacket lapel.

In conclusion, I extend my thanks and sincere and genuine appreciation to Paul Murphy, Jr., and through him to the Boy Scouts of America. I assure them I shall be honored to wear this badge during Boy Scout Week in America, February 7 through 13.

History Repeats Itself

EXTENSION OF REMARKS

OF

HON. ISIDORE DOLLINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 4, 1959

Mr. DOLLINGER. Mr. Speaker, recently, a group of southern Senators proposed a constitutional amendment that would give States exclusive power to decide whether their school systems should be integrated. It specifies that nothing in the Constitution shall be construed to deny the States the right to determine for themselves the manner in which their public educational facilities shall be administered. The apparent purpose of this is to maintain segregated schools, to discriminate among students because of color. Such a plan is undemocratic and completely contrary to the recognized duty of our States and the Federal Government, to provide education for our youth on an equal basis, free from bias or discrimination.

The prevailing opinion is that the proposed amendment is given no chance of getting the two-thirds majorities needed for approval, but we must not lose sight of the fact that it is one more

attempt to allow discrimination and undemocratic practices to flourish.

Let us recall another time of internal crisis in our history. In 1861 the following amendment relating to slavery was proposed:

Article 13: No amendment shall be made to the Constitution which will authorize or give to Congress the power to abolish or interfere, within any State, with the domestic institutions thereof, including that of persons held to labor or service by the laws of said State.

This proposed amendment to the Constitution failed of ratification by the States.

The amendments discussed are analogous in that both would place certain fundamental human rights in jeopardy; each would curtail the powers of Congress to uphold and preserve the national ideal; each would make it possible for the States wishing to do so, to inflict indignities upon certain of their citizens—which would be abhorrent to the United States considered as a whole; both would reflect unfavorably upon the Nation in that their motives are undemocratic and a violation of rights guaranteed under our Constitution.

States rights are important, of course, but our Founding Fathers and our wise leaders who have followed in their footsteps have recognized the necessity of curbing a State or several States when undemocratic action by a few would undermine or belittle our Nation. Congress must have the authority to create and to uphold the law of the land in order to protect the rights of all our citizens, when problems of national import are at stake.

The will of the people prevailed in 1861 when they refused to accept an undemocratic amendment to the Constitution, as it will today, in this latest attempt to deny certain inalienable rights.

Address by Senator Lyndon B. Johnson

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 4, 1959

Mr. ANFUSO. Mr. Speaker, Tuesday evening, February 3, I was privileged to attend a dinner of the Veterans of Foreign Wars at which the distinguished majority leader of the Senate, the Honorable LYNDON B. JOHNSON, was presented with an award in recognition of his public service.

I think that the Veterans of Foreign Wars, ever mindful of the security of our country, could not have made a more appropriate and more deserving choice for this signal honor than Senator JOHNSON, who is also chairman of the Preparedness Investigating Subcommittee of the Senate Committee on Armed Services.

Senator JOHNSON'S record in Congress is well known to all of us. He is a man of deep convictions, courage, and vision. He is without question the most outstanding personality in Congress today and has filled the void of leadership existing in Washington, which leadership our Nation so sorely needs in these trying days in order to withstand the onslaught of Communist aggression. Senator JOHNSON did not hesitate to sponsor civil rights legislation such as he introduced recently, despite the criticism he knew he would have to face in his home State.

Mr. Speaker, in accepting the award from the Veterans of Foreign Wars, Senator JOHNSON delivered a most timely address dealing with the problems of national security as we face them today—an address which I believe every citizen will want to read. Under leave to extend my remarks in the RECORD, I wish to insert this address in order to bring it to the attention of all our colleagues and to the American people. It is as follows:

ADDRESS BY SENATE DEMOCRATIC LEADER LYNDON B. JOHNSON AT VETERANS OF FOREIGN WARS DINNER, WASHINGTON, D.C., FEBRUARY 3, 1959

FOR THE COMMON DEFENSE

Mr. Chairman, ladies and gentlemen, for this award—and for the honor of this occasion—I am most grateful to you. While your recognition is to my public service, this moment is one of deep personal meaning to me.

I accept this award in the sense of a representative of the million of Americans who have joined in a partnership to provide for the common defense.

This includes those who faced the enemy in combat.

This includes those who have produced the tools of preparedness.

THE THOUGHT OF PREPAREDNESS

This includes those who, like the Veterans of Foreign Wars, have banded together to keep alive the thought of preparedness in the hearts of our citizens.

The VFW is not just an organization founded upon memories of events which become nostalgic as we get farther from them. It is a vital force upon the American scene today.

For 22 years now—as a Member of the House and as a Member of the Senate—I have served in the Congress. Throughout that period I have served continuously on those committees charged with the most direct responsibility for our national security.

DECISION AND RESPONSIBILITY

National security—in these times—is complex. National strength is costly.

The burdens of decision and responsibility are trials.

But when these matters are approached in terms of individual human lives, the complexities become simple, the cost becomes cheap, and the trials cease to matter.

The question today has not changed since 1942.

Can free men ask their sons to defend freedom with less than the best of weapons or less than the maximum of willing support wherever the line of battle may fall?

For myself—and, I am sure, for you—I say that the answer is forthright and simple, "No."

NO AREA OF COMPROMISE

On this, there is no area of compromise. There is no alternative. There are choices. Either this is to be our standard and the purpose of our efforts, or it is not.

In terms of principle it is simple. It is not simple in terms of application. Twenty years ago—when we were beginning to mobilize for World War II—we used what weapons were needed to protect our freedom. Where we did not have those weapons on hand, we could afford to make substitutions. We handed our sons broom handles with signs attached to identify them as guns. We posted signs on old trucks and called them tanks. We simulated artillery with water pipes.

SUBSTITUTES FOR THE REAL THING

Those weapons that mattered so much to us in 1940 are basically obsolete, and even the broom handles are obsolete.

The demands of national security—and the change of our national position—no longer permit us the leisure of outfitting ourselves with substitutes for the real thing.

This is the first—and the greatest—single change in our concept of national security.

Time is no longer our friend. Time is no longer on our side.

Security is no longer a point at which we may hope to arrive 1 year, 2 years, or 10 years hence. Security—in the modern world—is a condition we must maintain each hour of each day.

This underscores another matter of great importance.

CHANGES IN MILITARY CONCEPTS

Twenty years ago—in our period of mobilization against the threat afforded by the Axis Powers—you will recall the profound changes we were forced to undergo in our military concepts. At the beginning of mobilization, armored divisions and mechanized divisions were unheard of. Paratroops and dive-bombing and landing craft were unknown concepts. The most romantic branch of our services was the horse cavalry.

VICTORIES—THE PRODUCT OF CHANGE

Our victories in World War II were the product of changes we were forced to make in our thinking after the war in Europe had begun.

Today—and for so long as the Nation shall endure—we do not have and will not have that same margin of time.

THE EDGE OF CAPABILITY

For more than a decade, peace has been maintained because—as men such as Winston Churchill have pointed out—we of the United States have held a continuing edge in capabilities. What we often overlook is that American science gave us the lead in the nuclear age. This lead—won by the invention and creativeness of our minds—served the world as the greatest single deterrent to aggression. The fact that we had unquestioned leadership in this realm made it unnecessary to use atomic energy in any military form.

THE TIME OF DANGER

This demonstrates the point that needs making now. Our greatest time of danger in the world is at times of transition.

When we come to a phase in which old concepts are obsolete and new concepts are not yet perfected, there is where the danger lies.

SECURITY FOR THE FUTURE

If American science had not been the leader in bringing free men to the atomic age, the cost of national security these past 15 years would have been prohibitive beyond our imagination. The parallel challenge of the opportunities of space is identical.

The weapons of the past are obsolete. The strategies of the past are obsolete. Along with this transition, we must fact another fact of change.

ONE GOAL FOR AMERICA

We are working now in the Senate on the job that is foremost for the Members of the legislative branch—getting the facts. We must have those facts to discharge our duties. It is my hope, though, that out of this can come the search for a new way and a

better way to bring together—rather than to keep apart—our joint pursuits of the same goal.

There is—and must be—only one goal for Americans: To provide our Nation with security and, through that strength, to be leaders for peace.

A TIME OF GREAT POTENTIAL

We have come to a time of great potential. Never has there been so great an opportunity for us as that opening now. If we move with vigor into the leadership of space, we shall turn those wild fields into the meadows of peace. The opportunity to achieve a creative peace is the opportunity before us now, and the challenge to our lives, our talents, our will. With this before us, let us so work that it shall never be said again that we did too little, too late.

Purchase of Foreign-Made Turbine Generators by the REA

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 4, 1959

Mr. DENT. Mr. Speaker, I was not surprised, although I must confess I was, like the rest of my home town, puzzled at the action of the REA in the purchase of foreign-made turbine generators.

This in the face of a chronic unemployment of about 4 million American workers.

This, too, in the face of the cry for more aid from this country from practically every nation on the face of the earth.

I have said before, and I now repeat it is time to review our position in world trade and aid.

It is time we look after our own interest with a little more pride and zeal. I repeat again the wise admonition of President Theodore Roosevelt when he said:

There is room for only one soul loyalty and that loyalty is to the American people.

I submit for the RECORD the wire of protest from Mayor A. B. Elias of the city of Jeannette and my protest to the REA:

JEANNETTE, PA., *February 3, 1959.*
Congressman JOHN H. DENT,
House Office Building, Washington, D.C.:

We in Jeanette are very much puzzled by last Friday's action of the REA in Washington. Contract for two large turbine generators for the Medina Electric Cooperative in Hondo, Tex., was awarded to Brown Boveri of Switzerland after the user had indicated our local Elliott Co. as the supplier. Loss of this business will seriously affect employment at the local plant which is already low, and our relief rolls, as you know, are already high.

A. B. ELIAS,
Mayor, City of Jeannette.

FEBRUARY 4, 1959.

Mr. DAVID HILL,
Administrator, REA, Washington, D.C.:

Pursuant to my telephone conversation, I herewith officially and vigorously protest the awarding turbine generator contract the Medina Electric Corp. to Switzerland. The Elliott Co. in Jeannette, Pa., seriously affected by this decision. Entire community considered serious labor surplus area and every man-hour payroll denied means that much more in local taxes, local loss of business, and local relief rolls. This matter goes deeper than a mere acquiring of machinery and seriously affects the economic and moral fiber of our way of life. Governments by their taxing powers are rapidly destroying the competitive quality of American manufacturers and the unrestrictive right grants competition for country to bid on American requirements, especially in nontaxpaying corporations and Government purchasing sets an example that can be and is in some quarters, destructive and devastating to our economic well-being. I request a delay in the granting of this contract and that the work be given to American working men and American plants.

Sincerely,

JOHN H. DENT,
Member of Congress.

Lithuanian Independence Day

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 4, 1959

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a part of my remarks in observance of the Lithuanian Independence Day at the Lithuanian Citizens Club in Lawrence, Mass., on Sunday, February 8, 1959.

The matter follows:

On Lithuanian Independence Day it is pleasant to note that Lithuania is as old as most of the other European nations, with a language, with a culture, and with political institutions that are definitely her own. In fact she was an independent state 900 years ago.

In spite of centuries of struggle to defend herself against envious neighbors, the Lithuanians have succeeded in preserving their language, which is proof of their national spirit and their pride.

It is a strange fact of history that when the savage Tartar tribes swept out of the Orient they easily conquered Russia but were defeated in battle by the Lithuanian princes.

Some of that cruel Tartar character has survived and still manifests itself in the rule by terror that is practiced by the Communists of today.

Even the famous author of Polish descent, Joseph Conrad, has said that in the second half of the 18th century there were two centers of progressive ideas on the Continent of Europe: one was France; the other, Poland and Lithuania. The educated classes of Poland and Lithuania were permeated with the humanitarian ideas of French and English literature. There was a Diet and an elective monarchy; the universities of Vilnius and Warsaw were important centers of culture. The liberal complexion of Polish and Lithuanian institutions was naturally distasteful to Russia, Prussia, and Austria, who decided to eliminate the outposts of liberal and democratic ideas by partitioning the Polish-Lithuanian commonwealth among themselves.

Lithuania's subjection to Russia lasted 120 years.

In all that long time, however, the spirit of the people never weakened. They never lost hope of regaining their freedom and independence.

The oppressive rule of the czars prevented economic and cultural development. The only way out for many was by emigration to the New World. Happily for us, there are now over a million Lithuanians in the United States.

The people in Lithuania know that you will speak for them in the free world, so that the free world will not forget its obligations toward those who live under the hated domination of the Communists.

Meanwhile, consoled and strengthened by their Catholic faith, Lithuanians in the homeland endure the Soviet tyranny. From their history they know that they can outlast Stalin and Khrushchev and others who, being mortal, must die. But faith is eternal.

Soviet troops and puppet officials seem to have the country under their control.

But there is a resistance movement that is doing its work in preparation for the day of liberation. The main purposes of this movement are: (1) To obstruct the attainment of all Bolshevik political aims; (2) to keep the local inhabitants informed of the true state of affairs; and (3) to document everything that has been done by the Soviets in Lithuania since 1944 and is still being done. And it can only be left to the free world to hope that the hour is not far distant when the authors of these outrages against humanity will be brought to account and made to pay the just penalty for their crimes.

And what about the Russian people who were the first slaves of communism? They are quiet because they know that the secret police are everywhere watching and listening. But the Russian people must be thinking of the day when they, too, can reach for freedom.

The Soviets would like everybody to forget Lithuanian Independence Day.

This is impossible.

Every year as February 16 approaches the Soviets squirm.

They hear of the proclamations issued by State Governors and mayors of the cities, giving official recognition to Republic of Lithuania Day.

United States Senators and Representatives pay tribute to Lithuania's splendid record of progress during her years of freedom, and to the admirable personal qualities of her sons and daughters in the New World.

This is not a tribute that is voiced on 1 day of each year and forgotten until the next anniversary rolls around.

It involves our own character and our own responsibilities as a democratic people.

For the principle at stake concerns the sanctity of human rights and of elementary justice and decency.

On Lithuanian Independence Day we serve notice on the Soviet Union that we shall never relax in our efforts until Lithuania becomes once again a free and equal member of the family of nations.

School Money Without Strings

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 4, 1959

Mr. PELLY. Mr. Speaker, during the past few years Federal grants-in-aid have developed rapidly until now, in a substantial degree, they help to support many major State government services. In Federal aid programs, the Congress has intended as much as possible to remove from such grants Federal direction, control, and interference, but it is obvious that through establishment of

Federal standards it is not possible to eliminate Federal bureaucratic dictation and intervention.

What has happened is that to meet enormous and ever-increasing expenditures the Federal Government has tapped the most lucrative sources of tax revenue, leaving State and municipal governments little other than real property taxes and sales excises from which to meet their needs unless these State and municipal governments duplicate Federal taxation including individual and corporation income taxes, admission taxes, beverage taxes, as well as tobacco, gift, luxury, transportation, and communication taxes, to name a few.

The Federal Government developed the grants-in-aid type of appropriations to provide incentives to State and local governments to meet local needs. In all fairness, Mr. Speaker, it should be pointed out that the purposes of these aid programs are certainly for the most part meritorious. Of course, it is neither economical nor efficient to withdraw huge sums from the taxpayers of each State and then have a portion of such funds trickle piecemeal back to the States. However, the real argument against Federal grants is of course the Federal strings and the compulsory requirements imposed by law and regulation of Federal administering bureaus.

In my State of Washington, like in many other States, the State legislature is presently struggling with the problem of obtaining funds to meet adequately the responsibilities of State government under our constitution, including the needs of education. The government has requested $135 million in new taxes for public services as well as for a deficiency appropriation of $25.5 million to cover overspending in public welfare and to help lower the current State deficit estimated at about $80 million.

The Governor in his budget chopped off about $12 million from the current State school fund estimate recommended to the legislature by our State superintendent of public instruction. The State school directors association had recommended $40 million above the Governor's figure.

For educational construction funds our State is planning to issue $30 million in bonds, but all the while we are told the State is running out of borrowing power.

The harrowed Governor in a dilemma has expressed an opinion that Federal aid to education is the answer.

I have opposed Federal aid to education, Mr. Speaker, but nevertheless I deemed it my responsibility to confer with our Washington State superintendent of public instruction, Lloyd Andrews, who is widely recognized as courageous politically and at the same time dedicated to the cause of public education and conversant with its financial needs.

Thus, I sent Mr. Andrews a copy of the Murray-Metcalf bill because it seemed to represent the type of legislation which will get the nod from the congressional committees having jurisdiction over education.

As I expected, Mr. Andrews wrote me opposing the bill and, may I add, I strongly share his criticism in that as presently written this bill sets forth limitations and definitions of the States' education programs, and places authority for administration in the Office of the U.S. Commissioner of Education. For example, section 4, subsection (b), spells out specifically that this money shall be used for school construction and teachers' salaries.

I agree with Washington State's superintendent of public instruction in his position as stated to me that the general operation and maintenance of our public schools must be treated as a whole, and not in this manner, or to quote Mr. Andrews' own words, "We would have to abdicate our local and State jurisdiction over educational process."

In the Murray-Metcalf bill, furthermore, as Mr. Andrews pointed out, section 5 by inference sets forth priorities for school buildings, removing from the State the latitude of determining its own needs. Also in section 6, the U.S. Commissioner determines the purposes for teachers' salaries.

Mr. Speaker, I share my State superintendent's concern of such encroachment on State and local responsibility by control of the Central Government But I likewise have a deep interest in education and recognize adequate money must be provided to our local school authorities to enable them to provide classrooms and decently paid teachers for our expanding school population.

Therefore, I am introducing a no-strings-attached alternative bill to pay back some of their own money to the respective States and Hawaii for educational purposes free from any Federal controls. My bill would authorize an appropriation equal to 2 percent of all Federal income taxes collected in each State and Hawaii for education in the common or public schools. That is all. No standards or specifications of any sort are stipulated. The purposes for which these funds would be spent would be entirely up to each State and its legislature providing it was for education.

In other words, if some of our local school districts' financial affairs are critical, and I am convinced such is the case, let us give the local and State authorities help but refrain from dictating how they must solve their problems.

Under my bill, the handling of funds will not be in any way, shape, or form through the Federal Department of Health, Education, and Welfare. The only Federal responsibility will be the calculation of amounts to be returned to each State and then the transfer of funds by check from the Secretary of the Treasury. The amount would be automatically geared to the national income for each year. There would be no bureaucratic power or expense involved.

The accompanying table of the approximate Federal income tax collections by State or Territory for fiscal 1957 shows the estimated amount of income taxes. Also shown is 2 percent of each amount, which gives an idea of how much each State could expect to receive.

Estimated Federal income tax collections, by State or Territory, fiscal year 1957

[In millions]

State or Territory	Estimated Federal income tax collections	Estimated yearly payment to each State or Territory
Alabama	$394	$7.9
Arizona	170	3.4
Arkansas	143	2.9
California	5,134	102.7
Colorado	697	13.9
Connecticut	1,079	21.6
Delaware	702	14
Florida	820	16.4
Georgia	602	12
Idaho	105	2.1
Illinois	5,081	101.6
Indiana	1,275	25.5
Iowa	465	9.3
Kansas	404	8
Kentucky	456	9.1
Louisiana	510	10.2
Maine	156	3.1
Maryland (plus District of Columbia)	1,368	27.3
Massachusetts	1,710	34.2
Michigan	4,104	82
Minnesota	939	18.8
Mississippi	129	2.6
Missouri	1,385	27.7
Montana	109	2.1
Nebraska	298	6.0
Nevada	77	1.5
New Hampshire	119	2.4
New Jersey	1,798	36
New Mexico	113	2.3
New York	11,985	239.7
North Carolina	671	13.4
North Dakota	62	1.2
Ohio	4,547	90.9
Oklahoma	514	10.3
Oregon	419	8.4
Pennsylvania	4,271	85.4
Rhode Island	259	5.2
South Carolina	219	4.4
South Dakota	59	1.2
Tennessee	476	9.5
Texas	2,016	40.3
Utah	150	3
Vermont	60	1.2
Virginia	695	13.9
Washington	728	14.6
West Virginia	274	5.5
Wisconsin	1,124	22.5
Wyoming	49	1
Alaska	29	.6
Hawaii	128	2.6
Puerto Rico	1	.02
Total	[1] 59,078	1,181.6

[1] The difference between this total of $59,078,000,000 and the total figure of $60,560,000,000 as reported by the Internal Revenue Service is due to: (1) A difference in the old-age, survivors, and disability insurance contributions' data estimated by the IRS for the entire United States, and the Department of Health, Education, and Welfare estimates thereof, which had to be used in compiling this report; and (2) other adjustments made by the IRS to its State data in deriving its total figures—1 such adjustment is a $797,000,000 adjustment for undistributed depositary receipts.

Sources: 1957 Annual Report of the Commissioner of Internal Revenue and Social Security Bulletin, March 1958.

As a matter of interest I am also showing the figures from the budget of the United States Government for fiscal 1960 to indicate other amounts allocated to education in the form of grants.

Selected Federal grants for education

Program	Appropriations	
	Fiscal 1958	Fiscal 1959
1. Vocational education	$33,750,000	$33,750,000
Permanent authorization	7,138,000	7,138,000
2. Land-grant colleges	2,502,000	2,502,000
Permanent authorization	2,550,000	2,550,000
3. Grants for library services	5,000,000	6,000,000
4. Federal-impacted areas assistance for—		
School construction	98,650,000	80,800,000
Maintenance and operation	127,000,000	130,000,000

Selected Federal grants for education—Con.

Program	Appropriations	
	Fiscal 1958	Fiscal 1959
5. Program and financing, Office of Education	$7,186,000	$8,786,000
6. President's Committee on Education Beyond the High School	50,000	(1)
7. National Defense Education Act of 1958		40,000,000
8. National school lunch program	99,872,340	[2]145,000,000
Total	383,698,340	426,526,000

[1] No longer operating.
[2] Estimated.

Finally, Mr. Speaker, let me urge consideration of a no-strings-attached type of bill instead of opening the door to a program that will only end with a Federal bureaucrat, so to speak, sitting on and dictating to, so to speak, every school board in America. Let us not take away the management of our schools from the parents and local communities and school boards.

Address by Hon. Herman E. Talmadge, of Georgia, Before the American Coalition of Patriotic Societies

EXTENSION OF REMARKS
OF
HON. HERMAN E. TALMADGE
OF GEORGIA
IN THE SENATE OF THE UNITED STATES
Wednesday, February 4, 1959

Mr. TALMADGE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of an address which I delivered on Tuesday, February 3, 1959, at the 29th annual convention luncheon of the American Coalition of Patriotic Societies, held at the Mayflower Hotel, in Washington, D.C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CONSTITUTION AND RESPONSIBLE GOVERNMENT

(Text of remarks of Hon. HERMAN E. TALMADGE, of Georgia, in addressing the 29th annual convention luncheon of the American Coalition of Patriotic Societies held in Washington, D.C.)

President Lory, distinguished guests and members of the American Coalition of Patriotic Societies, to have the privilege of sharing this significant occasion with you is a twofold pleasure for me.

Not only is it a great honor for which I am deeply and humbly grateful but, even more important, it affords me the desired opportunity to express to you and the societies you represent my profound gratitude for the assistance and support which you gave me, as a freshman Senator, in obtaining an unmistakable expression of public sentiment on the question of freedom of debate in the Senate.

The 364-page printed transcript of testimony, statements, and letters compiled by the special subcommittee of which I was chairman during the 85th Congress was the most comprehensive presentation of public sentiment on limitation of debate ever assembled. It was an impressive and convincing document which confirmed my long-held belief that the rank and file of the American public consider free debate in the Senate a vital safeguard of individual liberty in this country.

While I personally was opposed to any change in the Senate's rule governing cloture, I am pleased to report to you that the revisions made will not affect materially the right of any Senator to speak out in defense of the viewpoint of his State and people. Furthermore, I am convinced that the addition of a new provision recognizing for the first time in the rules of the Senate the body's constitutional continuity more than offsets the changes which were made.

Considered in balance, I believe those of us who adhere to the concept that the Senate is a continuing repository of State sovereignty on the national level won an impressive victory for constitutional government—a victory in which you of the American Coalition of Patriotic Societies can take particular pride for the invaluable role which you played in making it possible.

I want to thank each of you here today as representatives of your individual organizations for the magnificent way in which you acted to bolster our defense of constitutional fundamentals. And I especially want to express my gratitude to your alert and able executive secretary, Mrs. Leetch, for her indefatigable efforts in seeing that you and, through you, your organizations and citizens at the grassroots level throughout the Nation were fully informed about the ramifications of the issue. She is doing an outstanding job for you and the Nation.

It is most gratifying and encouraging to those of us in Congress who subscribe to the philosophy that responsible government is the product of strict adherence to the Constitution of the United States word for word as it is written to know that we are backed in our position by dedicated organizations with truly national memberships like the American Coalition. I wish this country had 100 more groups like yours to espouse the principles of the Declaration of Independence and the Constitution of the United States and I am confident that if we had them the affairs of our Nation, both foreign and domestic, would not be in their present sad state.

The Declaration of Independence was written to give expression to the principles which our forefathers learned from bitter experience were essential to the maintenance of liberty and the Constitution was drafted and ratified to perpetuate those principles for posterity.

Under them the United States was founded as a nation in which government at all levels would be the least government necessary to do for the people what the people could not do for themselves.

Under them the United States was founded as a nation which respected the rights and integrity of other nations and demanded that it be accorded the same respect.

Under them the United States was founded as a nation dedicated to faith in God and the right of the individual to achieve his highest destiny under God consistent with the right of every other individual to do the same.

So long as the United States adhered to those founding principles, it grew, prospered, and was respected throughout the world.

But in recent years the United States has departed from those founding principles and, as a result, its economy is deteriorating, the rights of its people are being circumscribed and it is losing the respect of the other nations of the world.

In foreign affairs we have taken the position that we are always right and everyone else is always wrong. We have undertaken to try to make the world over in our own image and in so doing have sought to substitute words for wisdom, dollars for deeds, and bluster for good faith.

In domestic affairs we have countenanced the development of the philosophy that an all-powerful Central Government is better qualified to manage the affairs of the people than are the people themselves. In so doing we have sanctioned an ever-encroaching Federal bureaucracy which is steering the Nation on the road to bankruptcy and totalitarianism.

In personal affairs we have built unto ourselves false gods of creature comforts and have become so preoccupied with an all consuming quest for security that we have forgotten the words of the Psalmist that "blessed is the nation whose God is the Lord."

Is it any wonder then that our enemies depict us throughout the world as a nation of neurotic, meddling busybodies who attempt to buy what we are unable to earn and to preach what we ourselves are unwilling to practice?

Is it any wonder then that we are burdened with a taxload which borders on confiscation and a national debt which has mortgaged future generations and that government by laws enacted by the elected representatives of the people has given way to government by executive decree, judicial edict, and Federal bayonet?

Is it any wonder then that we have become a Nation plagued by stomach ulcers and heart attacks in which personal debt and national crime have reached all-time records and the Golden Rule is something which is used only to print on advertising rulers?

The sum total of the experience of mankind is that the inevitable result of the failure to profit by the mistakes of the past is to repeat them in the future.

Distressing as it is to admit, we in the United States seem bent upon proving that we have learned nothing from the past of either our own or any other nation.

What other conclusion can be drawn from the plain facts that the policies which we are following at home and abroad are diametrically opposed to the principles upon which our country was founded and are parallel to the courses which have brought about the downfall of every other major world power in history?

The apologists for our present course of personal and political expediency seek to promote their ends through the coercion of conformity and the intimidation of labels. Their reply to criticism is to call the critic a reactionary or worse and to plead in the name of their brand of pseudo-progress that changing times and changing conditions have made our founding fundamentals obsolete.

They would have the American people believe that the Constitution of the United States is an accordion which can be contracted or expanded to play any tune which might be popular at any time rather than the music by which the instrument is supposed to be played.

The lessons of the past give the lie to those constitutional improvisers.

They choose either to forget or deliberately to ignore that the collapse of Roman law under the weight of a decadent bureaucracy heralded the conquest of Rome by the barbarians.

They choose either to forget or deliberately to ignore that the attempt of the British Empire to extend its control over the world reduced Britain to national bankruptcy, state socialism, and military impotence.

They choose either to forget or deliberately to ignore that every nation in the history of the world which has sought to control the destiny of the world at the expense of its own citizens has fallen from within or without.

It could happen to the United States unless we change our course.

It will happen to Soviet Russia unless that country changes its course.

The advocates of our present course maintain there is no alternative.

I emphatically reject that philosophy of fatalism.

There is an alternative to a foreign policy based upon the inevitability of world conflict.

There is an alternative to a domestic policy based upon the regimentation of people and resources.

There is an alternative to a personal philosophy based upon physical existence as an end unto itself.

That alternative is simply expressed in the development of an America so strong militarily, economically, and spiritually that any nation choosing to attack us invites not retaliation but annihilation.

And it is an alternative which can be realized only in a return to the principles of individual freedom, free-enterprise economy, and government on all levels which is the servant, not the master, of the people.

The cause of our present national dilemma is what Thomas Jefferson characterized as "more machinery of government than is necessary."

With the exception of the external menace of communism, all of the ills and problems of the United States can be summarized in the one phrase—too much government.

The American economy is suffering from too much government.

We have 48-cent dollars and face the prospect of 10-cent dollars as the result of ever-broadening governmental policies and programs which are bankrupting our Nation and mortgaging our future.

American prestige abroad is suffering from too much government.

We find ourselves despised and distrusted throughout most of the world as the result of our continued interference in the affairs of other nations through our various bureaucratic and paternalistic programs of spending and instruction.

The American people themselves are suffering from too much government.

The mushrooming Federal establishment, like quicksand claiming its victim, is steadily embracing more and more affairs traditionally and constitutionally regarded as local matters and as a result the individual citizen finds himself with less and less voice in the conduct of his local government and its institutions.

I cannot bring myself to believe that the majority of American people approve of the current philosophy that central governments must be all things to all men and do all things for all men.

To the contrary, the mail which I receive from all sections of the Nation indicates to me that the average citizen is gravely concerned about the present course of our Nation and the consequences of pursuing it to its ultimate conclusion.

It is my belief that the American people want to see the Federal budget balanced and the Nation's economy stabilized.

It is my belief that the American people want the United States to cease doing for people in other countries what it either is unable or unwilling to do for our own citizens here at home.

It is my belief that the American people want the Federal Government to confine its activities to those areas reserved to it by the Constitution and leave the management of all other affairs to local people on the local level.

It is my belief that the American people want above all else for the United States to be made militarily and economically secure and for themselves to be left alone to run their own affairs and enjoy the fruits of their own labors.

Our present course offers only one of three ultimate conclusions: conquest from without, collapse from within or development here in the United States of a totalitarian government as reprehensible as that which exists in the Soviet Union.

It is incomprehensible to me that free men and women living in a free society will choose to wait supinely for either of the first two consequences or to countenance passively the implementation of the latter.

I choose rather to believe with Thomas Jefferson that—

"The people may be misled or deceived for a time, but where the avenues of truth are open there men will learn to reject what is false and harmful. Where the people are well informed, they can be trusted with their own government; whenever things get so far wrong as to attract public notice they may be relied upon to set them to rights."

Throughout the Nation there is a growing awakening to the dangers inherent in our country's present policies and a swelling voice for a recognition of the lessons of the past through a return to the fundamentals of constitutional, republican government.

I feel with all my being that the American people already would have expressed themselves in favor of such a return to fundamentals had they had a clear-cut choice at the polls.

They certainly did not have it last November and frankness compels the observation that the overwhelming sweep of the Democratic Party was less an endorsement of its program than it was a repudiation of the Republican Party for its failure to act decisively to solve the Nation's problems.

Perhaps the saddest aspect of our present situation is that at this critical juncture in our national life, we of the United States have no one in a position of top executive responsibility to whom we can look for dynamic and imaginative leadership to thwart the spread of inflation and regimentation at home and to deal with the threat of communism abroad.

But I have unlimited faith in the desire and willingness of the American people to demand that their national house be set in order and I believe that that desire and willingness is not far from making itself felt.

In a constitutional republic such as ours, the masses may not be immediately articulate, but once given leaders and leadership they are swift in making their wishes felt and known.

A fact which must never be discounted is that the essence of our concept of constitutional government is, from the words of the Declaration of Independence, that our National Government derives its "just powers from the consent of the governed."

It is true that policies and programs can be initiated and sometimes even carried out without the "consent of the governed" but ultimately, as always has been the case in our national life, the will of the people has overwhelmed the efforts of those who sought to frustrate or circumvent it.

The most serious constitutional problem to confront our Nation since the War Between the States is the direct result of the failure of those in responsible positions of leadership in all three branches of the Federal Government to take into account the fact that governmental programs and policies to be implemented successfully must square with the "consent of the governed."

I refer to the present effort to force a new social order upon an entire region of our Nation by judicial constitutional amendment.

It is my firm conviction that the historians of the future in looking back upon the present time will record as one of the gravest and most costly mistakes of our national life the decision of the Supreme Court of the United States to usurp unto itself authority to make judicial questions out of matters of human relations which should be left to the orderly processes of evolution.

I say that, my friends, because, unless Congress acts soon and decisively to resolve that issue on a realistic, constitutional basis, the inevitable result will be the destruction of public education throughout the South. And, engaged as we are in a life-or-death struggle with the forces of world communism, the United States cannot under any circumstances afford to permit such a tragic consequence to rob it of the minds and talents of a great segment of its youth.

The answer is not to be found in the use of Federal bayonets, Federal control of education, or rearing a generation in ignorance.

My long and serious study of the question has convinced me that—feelings on the subject being as strong and as inflamed as they are on both sides—there is only one solution compatible with constitutional concepts to which all persons of all shades of opinion can subscribe.

That solution is to invoke our heritage of "consent of the governed" by amending the Constitution of the United States to give the people on the State and local level the right to determine for themselves the manner in which the issue will be solved in their localities.

It was with that in mind that I last week stood before the Senate and, with all the sincerity of my being, proposed a constitutional amendment which would read as follows:

"Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution, or system is administered by such State and subdivision."

The adoption of such an amendment would settle the question for all times and rid the Nation of a divisive issue which threatens to tear it asunder.

That is true because such a provision in our Constitution would leave the citizens of each State and locality free to make their own decisions in accordance with local conditions and prevailing attitudes as to how and when their schools would comply with the Supreme Court's school decision.

That is true because such a provision in our Constitution would prevent destruction of the public schools of the South and would end for all time any threat from any quarter of Federal control of education.

That is true because such a provision in our Constitution would assure uninterrupted instruction for all the children of this country regardless of their color or place of residence.

That is true because such a provision in our Constitution would permit either retention of the status quo or orderly change as dictated by the requirements of public opinion and make certain that whatever change might take place would be by the constructive process of evolution rather than the destructive process of revolution.

That is true because such a provision in our Constitution would create a basis for unity throughout the Nation at a time when it is vitally important that we present a united front before our enemies.

The public schools of the United States are local institutions which have been established and are operated and financed by local people on the local level and all persons willing to view the question dispassionately will admit that to fulfill their role they must be administered on the local level in accordance

with the wishes of the parents of the children attending them.

I do not believe there is any person who is genuinely concerned about the future of our Nation and the education of all its children who cannot and will not subscribe to the proposition of local control of schools.

And it is on that basis that I have appealed to all Americans—particularly to the parents of school-age children—to let their wishes on this subject be known to their Senators and Congressmen. It is an appeal which I reiterate here today and urge that you take it back with you to the citizens and organizations of your respective communities throughout the Nation.

I am convinced that if the public will express itself on this question the result will be to give the 86th Congress a mandate to afford the people of America an opportunity to amend the Constitution to assure for all time to come that control of the public schools shall forever remain in the hands of local people on the local level.

Our heritage as free Americans is that our Government's foundations rest upon the will of the people.

It is a heritage of which we are proud and which the entire world respects.

It is a heritage to which we must adhere if we are to succeed in passing it uncompromised to our children and their children after them.

It is a heritage which is to be put to an acid test in the issues now confronting our country.

Those of us who believe in responsible, constitutional government have our work cut out for us if we are to preserve that heritage.

With our faith in Almighty God and our feet firmly planted on the rock of the Constitution, I am supremely confident that we shall not fail.

I thank you.

SENATE

THURSDAY, FEBRUARY 5, 1959

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, who art righteous in all Thy ways and holy in all Thy works, whose kingdom is an everlasting kingdom, and whose dominion endureth throughout all generations, and yet who art nigh unto all them that call upon Thee in truth.

All that is highest and deepest in our own lives finds its source in the living fountain of Thine own Being—

For every virtue we possess
And every victory won,
And every thought of holiness
Are Thine alone.

Speak to our hearts when courage fails and men faint for fear and the love of many grows cold and there is distress among the nations upon the earth.

Keep us resolute and steadfast in the things that cannot be shaken. Restore our faith in the omnipotence of good; and may we see, beyond the seen and temporal, the things unseen and eternal.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, February 4, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 2256) to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

THE PRESIDENT'S CIVIL RIGHTS MESSAGE

Mr. JOHNSON of Texas. Mr. President, as a result of the courtesy of the President of the United States, I had an opportunity this morning to have delivered to me by his assistant, Mr. Harlow, the President's message on civil rights.

At this time I could not comment on the specific proposals. I believe it will be necessary to make a study of the bills that will follow. But there have been published in the newspapers some articles about this message and other messages, and the course of action the Congress may take. I believe the President's message is based upon the principle of conciliation and upon the stated objective of "building a better understanding."

Each of the President's proposals may not be a proper road to the objective. But that is something that can be determined by prudent men who are going to examine each bill in the light of reason.

A few weeks ago, Mr. President, I presented some suggestions on this subject, and they were incorporated in bills which were appropriately referred. At that time I said I hoped more would be forthcoming. Since then, we have had the suggestions of the Senator from Illinois [Mr. DOUGLAS] and some colleagues associated with him. Now we have the administration's recommendations that come from the Department of Justice and the Department of Health, Education, and Welfare. Perhaps other departments will be affected.

When we examine all these proposals together, the Congress may find that some are not practical but some that are very wise. It is our job to sort them out, to determine which course, in our judgment, will best serve the interest of unity in our country.

But, Mr. President, I believe the important thing is that there be an atmosphere of reason, an atmosphere in which all proposals can be considered and the issues decided upon their merits. I hope that will be the case. I believe it will be the case.

Mr. DIRKSEN. Mr. President, I am quite gratified by the not only temperate but reasoned statement made just now by the majority leader. I think he has put in proper focus the attitude of the President of the United States in this rather explosive field—and I believe we can say it is an explosive field, sometimes surcharged with a high degree of emotionalism.

But everyone knows that the President of the United States is a man of utmost good will who always has devoted himself to the moderate course. I think the dictionary says "moderation is the avoidance of both extremes"; and certainly that can be applied to the President of the United States. He makes the point that the rule of law must be supreme and that equality of the individual must be advanced.

So his whole hope, as it has been indicated in the conferences I have been privileged to attend, attests the fact that his is always the modest approach in the direction of great moral goals. And I am confident that in proportion as we do bring reason—sometimes referred to as "sweet reason"—to this rather challenging problem, we shall get the job done.

My distinguished friend has stated that Congress can be moderate, too; and that is absolutely true. As I look back over a long period of time, I believe that, somehow, with time, patience, forbearance, and the impact of the good, healing force that always has been manifest in both bodies of the Congress, we come to solid conclusions, and do so in a moderate and reasoned fashion.

So I am hopeful and, in fact, confident that out of this approach something constructive and fruitful will be achieved.

Mr. JOHNSON of Texas. Mr. President, I thank the distinguished minority leader. He has made the type of statement which I would expect to come from one who has followed so moderate, intelligent, and constructive a course

throughout so many years of public service.

Mr. DIRKSEN. I thank the Senator from Texas.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

PLANS FOR WORKS OF IMPROVEMENT IN STATES OF MISSISSIPPI, NORTH CAROLINA, NORTH DAKOTA, AND SOUTH DAKOTA

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement in the States of Mississippi, North Carolina, North Dakota, and South Dakota (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Secretary of Defense, reporting, pursuant to law, the overobligation of the appropriation for "Medical and dental care in nonnaval facilities" (with accompanying papers); to the Committee on Appropriations.

REPORT ON REAPPORTIONMENT OF AN APPROPRIATION

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, reporting, pursuant to law, that the administrative expense authorization of the Commodity Credit Corporation for the fiscal year 1959, had been apportioned on a basis of indicating the need for a supplemental estimate of administrative expense authorization because of increased pay costs; to the Committee on Appropriations.

REPORT ON BORROWING AUTHORITY

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law a report on borrowing authority, for the quarter ended September 30, 1958 (with an accompanying report); to the Committee on Banking and Currency.

AMENDMENT OF INTERNATIONAL ORGANIZATIONS IMMUNITIES ACT

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to amend the "International Organizations Immunities Act" extending certain privileges, exemptions, and immunities to international organizations and to officers and employees thereof (with an accompanying paper); to the Committee on Finance.

INVITATION TO CONGRESS TO PARTICIPATE IN A SECOND STRASBOURG CONFERENCE

A letter from the Assistant Secretary of State, transmitting a letter from the President of the Consultative Assembly of the Council of Europe, inviting the Congress to participate in a Second Strasbourg Conference in the fall of 1959, together with members of the Canadian Parliament and parliamentary representatives from the Council of Europe (with an accompanying paper); to the Committee on Foreign Relations.

AUDIT REPORT ON WASHINGTON NATIONAL AIRPORT

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Washington National Airport, Civil Aeronautics Administration, Department of Commerce (succeeded by Federal Aviation Agency), fiscal years 1956–58 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF AIRCRAFT ENGINE OVERHAUL PIPELINE IN DEPARTMENT OF THE NAVY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of the aircraft engine overhaul pipeline in the Department of the Navy, dated February 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF ACTIVITIES OF U.S. ARMY ENGINEER SUPPLY CENTER, TOKYO, JAPAN

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of activities of the U.S. Army Engineer Supply Center, Tokyo, Japan (with an accompanying report); to the Committee on Government Operations.

GRANTING TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered, granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

ADJUSTMENT OF IMMIGRATION STATUS OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in the case of certain aliens, relating to adjustment of their immigration status (with accompanying papers); to the Committee on the Judiciary.

COMMISSION ON EQUAL JOB OPPORTUNITY UNDER GOVERNMENT CONTRACTS

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to establish a Commission on Equal Job Opportunity Under Government Contracts (with an accompanying paper); to the Committee on Labor and Public Welfare.

SPECIAL PROFESSIONAL SERVICES NEEDED IN CARRYING OUT PUBLIC SCHOOL DESEGREGATION PROGRAMS

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to assist in meeting the costs of special professional services needed in carrying out public school desegregation programs, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

PLANS FOR WORKS OF IMPROVEMENT IN STATES OF TENNESSEE AND TEXAS

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, plans for works of improvement in the States of Tennessee and Texas (with accompanying papers); to the Committee on Public Works.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the General Assembly of the State of Georgia; to the Committee on the Judiciary:

"H.R. 99

"Resolution memorializing Congress to call a convention for the purpose of considering an amendment to the Constitution of the United States relative to the administration by the several States of their respective school systems, and for other purposes

"Whereas recent decisions of the Supreme Court of the United States have tended to withdraw from the sovereign States power to administer their respective school systems in a fashion never contemplated or intended for the ratifiers of the Constitution; and

"Whereas this unconscionable usurpation of power has caused much dissension, discord, and disagreement, not only among the several States in the Union, but among the races, and tends to destroy the very basis of the sovereignty of the several States; and

"Whereas the enforcement of the decisions of the Supreme Court has led to bloodshed and tends to endanger public education throughout the several States of the Union; and

"Whereas the statehood bill submitting Alaska to the Union provides that administrative control of the public schools shall be vested exclusively in such State; and

"Whereas the junior Senator of the State of Georgia, Hon. HERMAN E. TALMADGE, has proposed an amendment to the Federal Constitution to grant to the several States the same right to control its public school system as has been granted to Alaska, in which this body concurs unanimously; and

"Whereas it is desirable that such amendment not provide for a local option, as to political subdivisions less than the States: Now, therefore, be it

"Resolved by the General Assembly of Georgia, That the Congress of the United States be petitioned and is hereby petitioned to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

"ARTICLE

" 'SECTION 1. Administrative control of any public school, public educational institution, or public educational system, operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision, and nothing contained in this Constitution shall be construed to deny the residents thereof the right to determine for themselves the manner in which any school institution or system is administered by such State and subdivision.'; and be it further

"Resolved, That the Congress of the United States be and it hereby is requested to provide the mode of ratification that said amendment shall be valid to all intents and purposes as part of the Constitution of the United States when ratified by the legislatures of three-fourths of the several States; and be it further

"Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each Member of the Congress in the State of Georgia; and be it further

"Resolved, That a duly attested copy of this resolution be immediately transmitted to the Governor of every State of the Union, the president of the State senate of every State, and the speaker of the house of representatives of every State, for the express purpose of encouraging the several sovereign States to take similar action in their legislatures to encourage the adoption of the foregoing amendment to the United States Constitution."

A letter in the nature of a petition from the Manor Park Citizens' Association, Washington, D.C., favoring a reduction in the $77 billion Federal budget; to the Committee on Appropriations.

By Mr. CARROLL:

A joint resolution of the legislature of the State of Colorado; to the Committee on Interstate and Foreign Commerce:

"HOUSE JOINT MEMORIAL 1

"Memorializing the Congress of the United States to take such remedial action as deemed necessary to preclude the closing of low-power booster stations necessary for television reception in certain areas of the State of Colorado

"Whereas there are many communities and farm areas within the State of Colorado whose people depend upon low-power booster

stations as their only means of receiving television programs; and

"Whereas the rugged terrain of the Rocky Mountain region makes the use of ultra-high frequency translator stations impractical, if indeed not impossible, according to the opinions expressed by competent and qualified broadcast engineers, as well as by certain members of the Federal Communications Commission; and

"Whereas it is economically impossible for these communities and farm areas to support, construct, or operate any other form of duly authorized television services; and

"Whereas there is ample proof that low-power booster stations can be regulated so as to preclude interference with licensed television services or other services; and

"Whereas the Federal Communications Commission did summarily dismiss, without formal hearing, its own rulemaking proceedings relating to 'repeater' or 'booster' stations operating in the VHF television band of frequency assignments; and

"Whereas the Federal Communications Commission did on December 31, 1958, make formal announcement of its dismissal of petitions for reconsideration, including those filed by Gov. Stephen L. R. McNichols, of Colorado; the Honorable Edwin C. Johnson, former governor and U.S. Senator from Colorado; and the Honorable GORDON ALLOTT, U.S. Senator from Colorado—all of whom sought to procure reasonable rules which would permit the continued operation of said booster stations under the regulatory power of the Federal Government; and

"Whereas the Federal Communications Commission did also announce on December 31, 1958, that all booster stations would be given a period of 90 days in which to apply for conversion of ultra-high frequency translators or some other authorized television operation, and upon failure to do so would be ordered to cease operation: Now, therefore, be it

"Resolved by the House of Representatives of the 42d General Assembly of the State of Colorado, the Senate concurring herein, That this general assembly hereby memorializes the Congress of the United States for such remedial action within such 90-day period as the Congress deems fit through the exercise of its authority over the Federal Communications Commission to insure the continued operation of low-power booster stations, to the end that the people in the nonmetropolitan areas of the State of Colorado shall not be denied their basic right to equality of access to the informational, educational, inspirational, cultural, and entertainment service of the American system of free television broadcasting; and be it further

"Resolved, That a copy of this memorial be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Congressmen representing the State of Colorado in the Congress of the United States.

"CHARLES R. CONKLIN,
"Speaker of the House of Representatives.
"ROBERT S. EBERHARDT,
"Chief Clerk of the House of Representatives.

"ROBERT T. KNOWS,
"President of the Senate.
"LUCILE L. SHUSTER,
"Secretary of the Senate."

By Mr. HRUSKA:

A resolution of the Legislature of the State of Nebraska; to the Committee on Finance:

"LEGISLATIVE RESOLUTION 11

"Whereas since the enactment in 1919 of the first State gasoline tax, this levy has been historically and rightfully a State tax; and

"Whereas the gasoline tax has traditionally provided the major portion of the funds needed by the States to construct and maintain their highway system; and

"Whereas in 1932, the Federal Government also imposed an excise tax on gasoline, as a temporary, emergency, revenue-producing measure; and

"Whereas the expressed, and reaffirmed, intent of Congress to vacate this tax field has not been carried out; and

"Whereas instead, the original Federal excise on gasoline has been continued and increased by 200 percent; and

"Whereas the mounting Federal tax on this product threatens to preempt this legitimate tax source belonging by priority and equity to the States; and

"Whereas further increase in the Federal gasoline tax rate would lead to serious restriction upon the ability of the States to secure funds for needed highway improvements: Now, therefore, be it

"Resolved by the members of the Nebraska Legislature in 69th session assembled, That the 69th session of the Nebraska Legislature, does respectfully record its opposition to any further increase in the present Federal excise tax on gasoline; and be it further

"Resolved, That a copy of this resolution be transmitted by the clerk of the legislature to the Office of the President of the United States and to the Members of the House of Representatives and of the U.S. Senate from Nebraska, and to the chairman of the Ways and Means Committee of the House of Representatives and to the chairman of the Finance Committee of the U.S. Senate.

"DWIGHT W. BURNEY,
"President of the Legislature.
"HUGO F. SRB,
"Clerk of the Legislature."

RESOLUTION OF LEAGUE OF NORTH DAKOTA MUNICIPALITIES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the League of North Dakota Municipalities at Devils Lake, N. Dak., relating to construction grants to municipalities.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas Public Law 660 (sewage construction grant program) administered by the States through the U.S. Public Health Service has done much to promote and develop sewage treatment in North Dakota; and

Whereas due to limitations of $250,000 for any one grant, the larger communities are not receiving grants of 30 percent of the cost of the project, as specified in Public Law 660; and

Whereas funds presently allocated are insufficient to develop this program in most States: Now, therefore, be it

Resolved, That the League of North Dakota Municipalities in convention at Devils Lake urges the U.S. Congress to amend Public Law 660 to permit construction grants at a level of not less than $100 million a year and that the maximum grant to any one municipality be raised to $500,000; and be it further

Resolved, That the Secretary of the League of North Dakota Municipalities be instructed to transmit copies of this resolution to each Senator and Congressman from North Dakota, to the chairmen of the House and Senate Committees on Public Works, and to the Secretary of Health, Education, and Welfare.

DEVILS LAKE, *October 14, 1958.*

EXTENSION OF TIME FOR MAKING GRANTS UNDER FEDERAL AIRPORT ACT—REPORT OF A COMMITTEE

Mr. MONRONEY. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, with amendments, the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes, and I submit a report (No. 49) thereon. I ask unanimous consent that the report be printed, together with minority views.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOLDWATER:

S. 942. A bill to establish a Commission on Equal Job Opportunity Under Government Contracts; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. GOLDWATER when he introduced the above bill, which appear under a separate heading.)

By Mr. ENGLE (for himself, Mr. ALLOTT, Mr. ANDERSON, Mr. BIBLE, Mr. CANNON, Mr. CARROLL, Mr. CHAVEZ, Mr. KUCHEL, Mr. MCGEE, and Mr. MOSS):

S. 943. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. ENGLE when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 944. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Finance.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 945. A bill amending the Internal Revenue Code of 1954 to provide an additional exemption for income tax purposes to a taxpayer for each of his dependents who is blind; to the Committee on Finance.

By Mr. CASE of South Dakota:

S. 946. A bill to amend the Soil Bank Act and the Federal Crop Insurance Act in order to permit certain payments made under such acts to be made in grain with a 10-percent bonus, in lieu of cash, if the producer elects the payment in grain from stocks controlled by the Commodity Credit Corporation; to the Committee on Agriculture and Forestry.

By Mr. BUTLER:

S. 947. A bill for the relief of the estate of Verentes Bent, deceased; to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. DOUGLAS):

S. 948. A bill to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By O'MAHONEY:

S. 949. A bill for the incorporation of the Ladies of the Grand Army of the Republic; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself, Mr. KEFAUVER, Mr. LANGER, Mr. HUMPHREY, and Mr. MORSE):

S. 950. A bill to amend section 1(e) of title 17 of the United States Code with regard to the rendition of musical compositions on coin-operated machines; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 951. A bill to amend the Agricultural Act of 1949, as amended; to the Committee on Agriculture and Forestry.

By Mr. HUMPHREY:

S. 952. A bill to amend the Immigration and Nationality Act; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

WELCOME TO INTER-AMERICAN BAR ASSOCIATION

Mr. SMATHERS submitted the following concurrent resolution (S. Con. Res. 9), which was referred to the Committee on the Judiciary:

Whereas the Inter-American Bar Association will hold its 11th conference at Miami, Fla., during the month of April 1959; and

Whereas the purposes of the association, as stated in its constitution, are to establish and maintain relations between associations and organizations of lawyers, national and local, in the various countries of the Americas, to provide a forum for exchange of views, and to encourage cordial relations among the lawyers of the Western Hemisphere; and

Whereas the high character of this international association, its deliberations and its members can do much to encourage cordial relations among the countries of the Western Hemisphere: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States welcomes the Inter-American Bar Association to the United States, and wishes the association unparalleled success in its 11th conference; and be it further

Resolved, That a copy of this resolution be transmitted to the secretary general of the Inter-American Bar Association.

COMMISSION ON EQUAL JOB OPPORTUNITY UNDER GOVERNMENT CONTRACTS

Mr. GOLDWATER. Mr. President, today the President is sending to Congress his message on civil rights. A part of that program will entail hearings before the Committee on Labor and Public Welfare. As the ranking Republican member of that committee, I introduce and ask that it be referred to the Committee on Labor and Public Welfare, a bill to establish a Commission on Equal Job Opportunity Under Government Contracts.

To those who might think it strange that a States righter is introducing a bill of this type, let me point out this Commission would have to do only with Federal Government contracts, and would not impinge on the rights of the States.

I ask that the bill be printed and lie on the table until the close of business on Monday next so that my colleagues who care to may join me in the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and lie on the table, as requested by the Senator from Arizona.

The bill (S. 942) to establish a Commission on Equal Job Opportunity Under Government Contracts, introduced by Mr. GOLDWATER, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby created a Commission to be known as the "Commission on Equal Job Opportunity Under Government Contracts," hereinafter referred to as the Commission.

SEC. 2. (a) The Commission shall consist of fifteen members appointed by and serving at the pleasure of the President. The Chairman and Vice Chairman shall be designated by the President.

(b) Members of the Commission who are officers or employees of the United States shall serve the Commission without additional compensation. Members of the Commission who are not officers or employees of the United States shall each receive $50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other expenses incurred by them in the performance of such duties.

(c) Service of an individual as a member of the Commission shall not be considered to be service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

SEC. 3. (a) The Commission shall make investigations, studies, and surveys, and shall conduct such hearings, as may be necessary or appropriate in the discharge of its duties under this Act.

(b) To implement the policy of the United States Government to eliminate discrimination because of race, creed, color or national origin in the employment of persons in the performance of contracts or subcontracts to provide the Government with goods or services, the Commission shall make recommendations to the President and to Government contracting agencies with respect to the preparation, revision, execution, and enforcement of contract provisions relating to such nondiscrimination in employment.

(c) The Government agencies contracting for goods or services to be furnished the Government shall perform such duties as may be requested of them by the President to cooperate with the Commission.

(d) The Commission shall also encourage, by the development and distribution of pertinent information and by other appropriate means, the furtherance of educational programs by employer, labor, civic, educational, religious, and other nongovernmental groups in order to eliminate discrimination in employment.

(e) The Commission is authorized to establish and maintain cooperative relationships with agencies of State and local governments, as well as with nongovernmental bodies, to assist in achieving the purposes of this Act.

SEC. 4. The Commission may employ such personnel as may be required for the effective performance of its duties.

SEC. 5. The Commission shall render to the President annual reports for transmission to the Congress.

SEC. 6. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this Act.

PROGRAM OF WEATHER MODIFICATION TO INCREASE ANNUAL AVERAGE OF USABLE SUPPLY OF WATER IN COLORADO RIVER BASIN

Mr. ENGLE. Mr. President, on behalf of myself and Senators ALLOTT, ANDERSON, BIBLE, CANNON, CARROLL, CHAVEZ, KUCHEL, MCGEE, and MOSS, all from the Colorado River Basin States, I introduce, for appropriate reference, a bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes.

The proposal calls for a 10-year, $10 million weather modification program to increase in substantial degree the average annual usable supply of water from rainfall and snowfall in the Colorado Basin, which consists of portions of Wyoming, Colorado, Utah, New Mexico, Arizona, Nevada, and California. The program would be carried out by the Department of the Interior and the National Science Foundation which was given wide authority to conduct weather modification experiments in legislation enacted last year. It would include engineering and meteorological studies as well as investigations of physical methods and devices including, but not limited to, cloud seeding to increase precipitation and techniques to control snowpack storage and runoff.

We have reached the point where we should make some practical application of the scientific knowledge so far attained on this subject, in order to test techniques, improve on them, extend our knowledge and, above all, obtain some real dollars-and-cents benefit for the people. The Colorado Basin is the ideal area in which to conduct the program, because the southwestern corner of the United States is the most arid part of our country. The Colorado River flows from our highest snow-covered mountain ranges, through vast dry desert lands, to the sea.

If this program is carried into effect, it will benefit directly a region of tremendous agricultural and industrial importanee whose ultimate water requirements far exceed the existing total water supply in the basin.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 943) to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes, introduced by Mr. ENGLE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. CARROLL. Mr. President, I am happy to join my good friend, the Senator from California [Mr. ENGLE], in

sponsoring this bill that will bring the best of scientific research into the ever-pressing problem presented by our dwindling water supply. The Senator has been one of the great national leaders in the timely fight to develop and to conserve our natural resources.

I am firmly convinced that weather control by scientific means is not far away. I have had discussions with the noted Dr. Walter Orr Roberts, head of the high altitude weather observatory near Leadville, Colo. He also believes the control of weather can be brought about if we really go into effective basic scientific research. Other noted scientists have testified before congressional committees that the Soviet Union is doing intensive scientific research in the weather control field.

A sound scientific approach, such as proposed by this bill, would make it certain that this Nation must not lag behind in this important field.

Control of weather by scientific methods is now more than a theory, and this measure would enable the foremost scientists of the Nation to help solve problems that have long beset many arid regions of our Nation.

In the Colorado River Basin many millions of dollars have been spent in litigation and at times tempers have been on edge as the States wrangle over the precious water of the Colorado River. Approval of this bill would make it possible to do away with that bickering forever, as I feel scientific methods could provide enough water for all.

This would enable us to formulate a broad program of development in the Colorado River Basin States that should end our water problem for all time. But lack of water is not a problem for the West alone. There is hardly a region in the United States that is not confronted with water problems that the great scientific minds could help solve.

In our part of the West water is the lifeblood of our economy. Upon our precious water depends our existence. The constant demand for more water, the rivalry to obtain rights and bring about diversion at times threatens to render our own State of Colorado in twain. It causes an intense feeling that I would like to see ended for all time, and I believe this bill offers the start of the approach to a solution.

But, also, I feel this proposed legislation would aid the entire Nation. It will spur development of many kinds. It will provide additional employment, it will make huge recreation areas possible and it will be a boon to the economy of the Nation.

In the West, much of the new water contemplated by the bill, would be stored behind the Glen Canyon Dam and other units of the Colorado River project. It would permit the generation of electricity at an earlier date and start producing revenue to complete other dams and installations. It will allow the West to obtain its growth potential years ahead of the predictions made in the past.

The small amount to be spent could be one of the wisest investments this Nation could make. It is forward-looking legislation and by using wisdom and foresight we will move steadily ahead. By substituting science and scientific research for litigation and wishful thinking, we can meet head-on a great and pressing problem that will prove a blessing to our Nation.

VOLUNTARY PENSION PLANS FOR SELF-EMPLOYED INDIVIDUALS

Mr. KEFAUVER. Mr. President, I introduce, for appropriate reference, a bill to encourage the establishment of voluntary pension plans by self-employed individuals.

Being a tax bill, the House will, of course, have to act before the Senate; but the House did pass this measure in the second session of the last Congress, and it is my understanding and belief that it will do so again early in this session.

The measure which I introduce is identical to the one which passed the House last year, known as the Jenkins-Keogh bill, and to the bills H.R. 9 and H.R. 10 introduced in this session by Representatives KEOGH and SIMPSON.

Under existing law a company with an approved pension plan pays no income taxes on its contribution. These pension costs are an expense of doing business and are deductible. Neither does the employee pay any current income tax on this payment to the fund for his benefit. Hence retirement funds for employees are accumulated out of pretax dollars.

The situation with respect to the accumulation of retirement funds by the self-employed is entirely different. A self-employed person must pay his current tax on all income—his retirement funds must be accumulated out of after-tax dollars.

This is a discrimination which the bill would remedy by exempting from current income tax certan limited amounts paid as retirement deposits by a self-employed person for the benefit of himself.

The maximum amount exempt in any one year is fixed at $2,500 or 10 percent of net earnings, whichever is lesser. There is also a lifetime limit of 20 times the maximum annual deduction of $2,500.

The bill would apply to about 10 million self-employed people—3 million in agriculture, forestry, and fishing, 4 million small businessmen, and 3 million in the professions—doctors, lawyers, accountants, engineers, scientists, and so forth.

Certainly these people should not be penalized in their preparation for retirement because they work for themselves rather than for some corporation. On the contrary, they should be treated equally in this regard as an incentive to continue their individualistic work.

I must concede that even with the passage of this bill there would be some inequalities, for there are many employees not covered by employer pension plans who would continue in the same position as self-employed people are now in.

The problem of the pensionless employee must also be solved. If it continues to prove impossible for these employees to establish pension plans through collective bargaining, legislation of the kind introduced here for self-employed must be worked out.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 944) to encourage the establishment of voluntary pension plans by self-employed individuals, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on Finance.

LIBERALIZATION OF TARIFF LAWS FOR WORKS OF ART AND OTHER EXHIBITION MATERIAL

Mr. JAVITS. Mr. President, on behalf of myself and the Senator from Illinois [Mr. DOUGLAS], I introduce for appropriate reference a bill to amend the Tariff Act of 1930 liberalizing the definition of "works of art" which may be imported duty-free so as to include modern art forms; it would also ease restrictions on the importation of articles of educational or artistic value when they are meant for exhibition purposes and not for sale.

The proposed legislation has the support of the Museum of Modern Art, the Metropolitan Museum, the Museum of Primitive Art, all located in New York City, and other museums, institutes, and colleges.

For the world's most modern society the United States retains some of the most antiquated tariff regulations which tend sharply to reduce the number of abstracts, collages, lithographs, and primitive carvings imported for the enjoyment of the public. The existing laws impede the cultural development of our Nation and tend to expose us to ridicule in other advanced countries.

For example, in 1912, Pablo Picasso Georges Braque developed the collage, now a recognized fine arts medium which is frequently composed of unusual materials including paper, cloth, and even manufactured objects such as nails. However, today, 47 years later, the Customs Bureau, guided by the Tariff Act, still rules that because a collage is not made from traditional materials it does not qualify as an original work of art and thus must be subject to duty at 20 percent of its declared value.

To highlight the absurdity of this situation, an original Picasso or Matisse painting could be imported duty free but a collage by the same world famous artist on precisely the same subject valued by art experts as high as $20,000, as some are, is subject to a customs levy of $4,000.

Other outmoded restrictions limit the importation of nondutiable sculpture to imitation of natural objects, chiefly the human form in their true proportion of length, breadth, and thickness. The strict interpretation of this definition automatically bans the levy-free importation of many abstract sculptures considered classics.

If we do not take steps to grant official art standing to such sculptures, along with collages, lithographs and even primitive carvings, then we are living in a cultural desert even though

some of the most creative and productive talents in the art world were born, raised and trained in the United States.

The amendments the Senator from Illinois [Mr. DOUGLAS] and I are proposing would greatly increase the number and kind of original art objects imported into this country by U.S. art museums and dealers as well as art patrons who donate sizable collections to art institutions; in addition, they would encourage a much freer interchange of works of art between the United States and other countries. The loss of tariff revenues to the United States due to a more liberal interpretation of the tariff laws, deemed insignificant by authorities, would be more than compensated for by the increased cultural opportunities accruing to the United States.

The key amendment proposed would enlarge the definition in paragraph 1807 of the Tariff Act of 1930 to admit duty free original works of art done in oil, pen and ink, watercolors, and other traditional media and also that "in any other media, including applied paper and other materials, manufactured or otherwise, such as are used on collages," and original sculpture and statuary "constructed from any material or made in any form," not limited to conventional materials and representative forms.

Other amendments would remove import restrictions on certain printing processes such as lithographs under 20 years old, handwoven tapestries by modern artists, art objects from primitive societies made 50 years prior to the date of their entry, and "models of inventions and other improvements in the arts" used by architectural groups and others. Free entry would be granted for the sculptor's model and 10 replicas much in demand by museums and collectors.

Finally, payment of customs duties and the posting of bonds normally required could be waived on condition that the works of art were being imported not for sale but for exhibition purposes in the United States. These objects could also be transferred temporarily to a "commercial gallery or other premises for educational, scientific, agricultural, or cultural purposes or for the benefit of charitable organizations, and not for sale."

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 948) to liberalize the tariff laws for works of art and other exhibition material, and for other purposes, introduced by Mr. JAVITS (for himself and Mr. DOUGLAS), was received, read twice by its title, and referred to the Committee on Finance.

AMENDMENT OF IMMIGRATION AND NATIONALITY ACT

Mr. HUMPHREY. Mr. President, I introduce for appropriate reference a bill to amend the Immigration and Nationality Act of 1952. This bill is by no means an attempt to revise the law in its entirety. In drafting it, I have merely sought to correct some of the more glaring inequities in the present law. I hope a majority of the Senate can agree with these revisions. This bill is similar to other short immigration bills I have sponsored in prior Congresses, with certain revisions reflecting amendments as contained in Public Law 85–316, which mainly covered hardship cases.

I want to make it clear, Mr. President, that although I am offering this modest proposal it should not be assumed that other changes in the act are not needed. My position on the Immigration and Nationality Act of 1952 is well known. At the heart of that act lies the national origins quota system, which is designed to exclude certain races and nationalities. There can be no justification for legislation which is based upon the false theory of the inferiority of certain nationalities or races.

The national origins quota system should be abolished. There should be a unified quota system which would allocate visas without regard to national origin, race, creed, or color.

Such a move would place our immigration policy more in line with that as expressed by George Washington in 1783:

> The bosom of America is open to receive not only the opulent and respectable stranger, but the oppressed and persecuted of all nations and religions; whom we shall welcome to a participation of all our rights and privileges, if by decency and propriety of conduct they appear to merit the enjoyment.

While a sweeping revision of the Immigration and Nationality Act of 1952 is in order, in view of the obvious difficuties which are faced in obtaining such a revision, it is more advisable in my judgment that we make a concerted effort to at least eliminate some of the most blatant defects in the present act. That is what I am attempting to accomplish in the bill I am introducing today.

I should like now to make a brief summary of this bill's provisions:

First. Section 1 restores to professors eligibility for nonquota status—which they enjoyed prior to the McCarran Act—if a university requests their services. This proposed change is based on a feeling of confidence that our universities will select only well-qualified persons for employment on their teaching staffs. It, therefore, abolishes the unnecessary red-tape and delay involved in requiring universities to obtain clearance orders from the local employment service and then proving to the Immigration Service that the professor whose immigration is being sponsored is needed urgently in the United States. My amendment in no way changes the security requirements of our laws, as they concern all who wish to enter the United States.

Second. For more than 7 years I have been the sponsor of legislative proposals to ameliorate the harsh effects of the national-origins principle through quota pooling. I was, therefore, very greatly pleased when the President, in 1957, endorsed quota pooling in his special message on immigration. Quota pooling means simply that quota numbers made available to any given country, but not used by it, may be allocated to a country which needs them.

My own quota pooling proposal differed in some detail from that proposed by the administration. However, it is my feeling no useful purpose would be served by continuing to present two versions of the same idea to the Congress. For the sake of simplicity and to avoid confusion, I am, therefore, happy to incorporate the administration's quota pooling provision into my own bill as section 2.

Another of my proposals, adopted by the administration, is to repeal the provisions of present law under which some quotas are mortgaged for decades, in some cases even for centuries. This, too, is accomplished by section 2.

Third. Section 3 ends another of the racially discriminatory features of the present law. It abolished the racial ancestry blood test for persons "attributable by as much as one-half of their ancestry to a people or peoples indigenous to the Asia-Pacific triangle." Henceforth, all visa applicants would be classified only according to their place of birth.

Fourth. It has often been said that a man who tries to import a sack of beans into the United States and finds that it has been excluded, has the right of appeal, but a man who wants to bring his mother over and finds that she has been denied a visa, has no such right. Section 4 of my bill is designed to change that situation. It is designed to modify the anomaly of the present Immigration Act under which authority for the acts of the Immigration Service—which acts in many instances through the Board of Immigration Appeals—is concentrated in the hands of the Attorney General, while authority for the acts of the Consular Service is diffused among the numerous consuls, each of whom is the final arbiter in the visa application cases before him. Section 4 concentrates responsibility in a visa review board appointed by the Secretary of State, to which the sponsors of prospective immigrants may be allowed to appeal. This board would assure that visa regulations are enforced uniformly throughout the world and would also safeguard against irresponsible and capricious acts by individual consular officers.

Fifth. Section 5 deals with problems such as faced this country as a result of the courageous uprising of the Hungarian people against their Communist oppressors. It confirms the authority of the President to parole escapees into this country. It authorizes such action not only with regard to escapees from communism but also for persons escaping from racial, religious, or political oppression in countries within the general area of the Middle East.

Sixth. The concept of justice tempered with mercy is a part of our administration of law. It is deeply embedded in our religious traditions. It was in conformity with that concept that Congress long ago gave the Attorney General discretionary authority to suspend deportation in deserving cases. That authority was severely curtailed by the Immigration and Nationality Act of 1952, the Senate majority report on which states harshly and cruelly:

> Hardship or even unusual hardship to the alien or to his spouse, parent, or child is not sufficient to justify suspension of deportation.

Under section 6 of my bill the standards for suspension of deportation contained in the law in effect prior to the adoption of the McCarran Act are restored. As suspension of deportation will only be granted in the discretion of the Attorney General and only with the concurrence of Congress, I am certain that there is no danger of this humanitarian provision being abused.

Seventh. Sections 7 and 8 are purely procedural.

Mr. President, few will deny that immigration legislation is one of the most urgent items facing the Congress for action. Ever since I have been in the Senate, I have sponsored measures to alleviate the harshness of our immigration statutes.

The bill I introduce today is an attempt to provide a working basis for prompt action by the Judiciary Committee. It does not constitute a major revision; it does not go as far as many people, including myself, would desire. It does, however, deal with matters which simply should not be allowed to lag further. I hope that before this session is concluded, we shall at least have written into law the reforms which I have discussed in the Senate today.

I am pleased to announce that a companion bill is being offered in the House of Representatives by Representative THADDEUS MACHROWICZ.

I ask unanimous consent that this bill lie over on the desk through next week to permit the addition of names of cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk through next week for additional cosponsors.

The bill (S. 952) to amend the Immigration and Nationality Act, introduced by Mr. HUMPHREY, was received, read twice by title, and referred to the Committee on the Judiciary.

INCLUSION OF CERTAIN PROPERTY DAMAGE WITHIN FLOOD CONTROL ACTIVITIES OF FEDERAL GOVERNMENT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 2, 1959, the names of Mr. CLARK, Mr. PROXMIRE, and Mr. SCOTT were added as additional cosponsors of the bill (S. 859) declaring the inundation of property because of, or aggravated by, wind, waves, or tidal effects on the Great Lakes to be properly within the flood-control activities of the Federal Government, introduced by Mr. YOUNG of Ohio, on February 2, 1959.

REARRANGEMENT OF MINORITY MEMBERS OF JOINT COMMITTEE ON ATOMIC ENERGY

On motion of Mr. DIRKSEN, and by unanimous consent, it was

Ordered, That the names of the minority members on the part of the Senate of the Joint Committee on Atomic Energy be rearranged so that they will appear on the Joint Committee list in the following order, namely: BOURKE B. HICKENLOOPER, HENRY C. DWORSHAK, GEORGE D. AIKEN, and WALLACE F. BENNETT.

HAWAIIAN STATEHOOD—NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, by direction of the Committee on Interior and Insular Affairs I wish to announce that the Subcommittee on Territories will open hearings on Hawaiian statehood at 10 a.m., Wednesday, February 25, the hearings to continue all day and the ensuing day. By direction of the committee and by unanimous vote the testimony will be limited to new testimony not given heretofore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, notified the Senate that pursuant to the provisions of Public Law 301 of the 78th Congress, the Speaker had appointed Mr. ZELENKO, of New York, Mr. DOWNING, of Virginia, and Mr. RAY, of New York as members of the Board of Visitors to the U.S. Merchant Marine Academy, on the part of the House.

THE FOUR HORSEMEN RIDE AGAIN

Mr. GOLDWATER. Mr. President, today we are witness to the spectacle of the massive irresponsibility of those who believe that spending the funds we do not have will bring an unprecedented prosperity. This fiscal madness is engendered by the belief that if one goes in debt deep enough, he will be prosperous.

To the wild-riding spenders, spurring on their horses of inflation and debt, it does not matter that the value of the dollar tumbles still further and that those who can least afford it are hurt. Nothing matters but that the Federal Government is the "sugar daddy" who will take care of each and every man, woman, and child in the country, provided they know who their so-called benefactors are.

There was a time when the slogan "as sound as a dollar" meant something. There was a time, for instance, when, if one went to Canada, our neighbor Nation, he got $1.10 for every American dollar he spent there.

Well, Canada threw out their so-called "liberals." Today, if one buys anything in that country with an American dollar, he has to give $1.03-plus to buy a dollar's worth there. Today, we read of the uneasiness of some of our best financiers and investment specialists over the further devaluation of the dollar in the world markets.

I do not need to remind you, Mr. President, that under the big Government spending during the New Deal and Fair Deal administrations, the 100 cent purchasing power of the dollar in 1939 went down to 52 cents by 1953.

What did this mean to the so-called common man for whom these liberals' hearts bleed? It meant that the cost of food for families was almost twice what it had been. It meant that a young couple starting in housekeeping had to pay almost twice as much for their furniture. It meant that working clothes, clothes for children, and other necessary items cost almost twice as much. It meant that those who were living on fixed incomes—the retired, the elderly, the handicapped—had only half as much in dollar value with which to pay for their necessities.

Despite the efforts of the same massive irresponsibles, this Republican administration kept that galloping inflation down to only 4 cents in the last 6 years.

But the wild-riding spenders are riding high again. They ignore the fact that the President has submitted to Congress a budget of $77 billion—a high enough budget as it is—and delicately balanced to serve the needs of defense and all other Government expenditures.

They ignore the fact that all taxpayers are really under forced labor to the Federal Government alone for 3 or 4 months out of the year in order to pay not only for Government obligations, but also for the appalling sum of around $8 billion in interest alone on the Federal debt, a sum almost twice as much as all Federal expenditures in the early 1930's. Certainly, I know this is not the thirties, but there is no excuse for such fiscal madness as we are facing today.

We cannot, we dare not, ignore the danger signals. In the 6 years in which a Republican administration has been in office, we kept the budget in balance twice. The recession forced a deficit. We then raised the debt limit twice. Now we have the opportunity to balance the budget.

But, no; off we go to the wild blue yonder again. The President offered a housing bill tailored to our means. And what happens? Those who think we can spend our way out of debt have come in with a bill which immediately brings us further into debt. Then they have an airport bill which they say we must have. I am a pilot. No one is more conscious of the needs of air transportation than I am. But I can see no rhyme or reason in furnishing airports with plush terminal buildings any more than I can see furnishing every town with a railroad station.

Two nights ago a dreadful airplane accident occurred, and from early reports a part, if not a large part, of the blame is laid to the absence of a vital part of the instrument landing system, the glide path. It had not been installed yet. There are many not installed yet because there have not been funds. But the spenders want plush buildings, not safety.

I, along with other Republicans and some Democrats, can see only one way to stop inflation and to keep the dollar sound, and that is for the Federal Government to live within its means the same as we expect our families to live within their means.

We cannot stop Government waste, we cannot stop hair-brained ideas to be Santa Claus to everybody and everything, unless we have a balanced budget.

In our own lives, we buy what is important, but if there is not enough money for everything, we postpone what is not important at the moment. The Federal

Government must do the same thing if it is to prevent Americans from hauling a wheelbarrow full of dollars to the grocery store to buy a loaf of bread.

We can and should get a dollar's value for every dollar spent in defense.

Give aid to our friends for strengthening the free world, and forget about being the Daddy Warbucks to every little or big nation that threatens to turn to our enemies unless we keep pouring out our hard-earned dollars to them. This is a nation of workers. Every dollar is earned by some man or woman in this country. It is not the rich who pay all these bills. If we confiscated every fortune in this country we could not keep this Government running more than a few weeks. No; it is the wage and salary earner who pays the bills.

So I say it is time to call a halt.

Such massive irresponsibility will lead to only one thing—a further devaluation of the dollar, higher and higher taxes, and a debt limit that will go higher than the highest satellite.

Let those who will, follow these galloping and wild riding spenders. Let them become infected with this fiscal madness. But if there are enough of us left who can see the dead end of such programs, let us speak.

Let us now tell the American people that it is their load to bear.

Let the American people know that those noble steeds of debt and inflation on which these modern day Lochinvars ride so lightheartedly will only lead them—not to a castle of dreams—but to the dungeon of overwhelming debt which will leech their earnings, their savings, and their future away in a morass of failure.

The four horsemen of bankruptcy ride again—deficit, debt, inflation, and waste—spurred on by the disciples of massive irresponsibility, and if their mad gallop is not stopped, their devastation of our money and our future and the future of world peace will be complete.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks an article by Raymond Moley, entitled "Dollar War at Home," appearing in this week's Newsweek.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOLLAR WAR AT HOME

(By Raymond Moley)

Inflation, like vice, is "a monster of so frightful mien, as to be hated needs only to be seen." But "seen too oft, familiar with her face," many of us first endure and then embrace it. For under our present-day complex economic system, there does not appear the old naked conflict between debtors and creditors which characterized so many political conflicts in our history. The combatants now are a multitude of interests, and countless numbers of us have divided concerns.

A precise listing of those whose interests are imperiled by inflation has been made by Dr. Marcus Nadler, an able consulting economist. They are holders of life insurance policies; depositors in commercial and savings banks; owners of E, F, and G savings bonds; members of credit unions; postal savers; Federal civilian retirees, and State and local employees; the noninsured under private retirement plans; railroad retirees. In the Nadler summation there are 269 million individuals with these anti-inflationary interests, and their stake is many, many billions of dollars.

However, it must be noted that there are many duplications in this summary, since people may have several of these interests. There are also many who appear in a listing of those whose interests favor inflation.

THE PROINFLATIONISTS

Dr. Julius Hirsch, an American economic consultant who was Economic Secretary in the Weimar Republic during the great German inflation in the 1920's, has supplied me with a carefully considered classification of those in our society who have, whether they know it or not, interests on the side of inflation.

These are farm owners, and also those who are self-employed, hired hands, and others directly dependent upon agriculture; owners of real estate, notably mortgaged property; owners of other real goods and facilities (not dollars or dollar claims), especially owners of mining, manufacturing, transportation, and most service enterprises; most debtors whose interest in a shrinking dollar becomes greater according to the length of term embodied in the debt; personal debtors, including installment debtors; and members of labor unions with some assurance of escalating devices.

To these I would add the part of our vast Federal civilian bureaucracy which will profit by personal promotion and other opportunities in more and more government spending. Seventeen percent of all employed Americans work for government.

The sum total of the individuals involved in these interests rivals that of Dr. Nadler's total who should oppose inflation. And the dollars involved number considerably more.

But there is also vast duplication in these figures. For millions have divided interests. In great numbers pensioners, savers, and holders of life insurance policies own real estate or owe money in many forms. The manufacturer faces conflicting concerns between his inventory and his future needs to buy raw material. He also has the problem of competition and sales resistance to higher prices.

AFTER THE JOY RIDE

Dr. Hirsch also lists a large class which favors inflation for some nonmaterial concern—sympathy, habit, real or fancied desire to help others. He cites a mother living on a pension or insurance who has a son who is deep in debt.

I would add those millions who vote by habit for the party of their tradition although its candidates may favor inflationary spending. Also, those who believe in a candidate who says categorically that he is for the little people, the weak or needy or oppressed. Or who vote for the glib, personable politician who chooses to see nothing beyond the next election. Then there are the empty headed who relish the joy ride of inflation. And, finally, the speculators who believe themselves smart enough to ride the tide. Many are like the man falling from the top of the building who shouts to the friend halfway down: "This is great, while it lasts."

It will be quite useless for the President and his advisers to appeal only in behalf of the people on fixed incomes and others whose dollars will buy less and less. He must get over to everyone the dire end when hysteria supplants reason.

NATIONAL DEFENSE AND THE BUDGET

Mr. SYMINGTON. Mr. President, in this morning's Washington Post and Times Herald there was a column by the very able columnist Walter Lippmann, entitled "McElroy's Troubles."

I have great respect for Mr. Lippmann, and agree with the basic tenet of his column; namely, that we cannot afford to run the risk of possible unilateral disarmament in order to balance the Federal budget. But I cannot agree with his statement that the argument between the administration and myself is "whether the balance of power should be calculated in terms of intercontinental missiles or whether it shall be judged in terms of the whole complex of armaments and of the international political situation."

I do not believe that our intercontinental missile capability alone is the issue.

The basic differences between this administration and myself on this matter of national defense are two:

The United States is allowing its overall retaliatory capacity to deteriorate in the face of the known growing Communist strength.

This administration is not being candid in its presentation of this deterioration to the people.

As a most recent instance, at the time Secretary McElroy agreed that his previous statement to the effect we would have a squadron of intercontinental ballistic missiles by next July 1 was wrong, he corrected himself with the assertion that this country would have such a squadron by January 1960.

This latest correction is also incorrect.

Nothing like a complete squadron of ICBM's is scheduled for January 1960.

I have no desire to prolong this argument, but believe that any statements issued by the administration should be accurate.

Mr. President, I ask unanimous consent that Mr. Lippmann's column be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MCELROY'S TROUBLES

(By Walter Lippmann)

In the swirling controversy over the Eisenhower-McElroy budget the inquiring bystander must, I believe, accept the fact that the basic issue is not one which can be settled definitively. There is a race of armaments. But who is ahead now, and who will be ahead 2 years from now is not something that can be measured quantitatively, even if there existed perfect intelligence with exact and complete knowledge of the quantity and quality of all the weapons on both sides. What statesmen really have to estimate is what is likely to be the judgment of other statesmen about the existing balance of power. In making these judgments they have to listen to the calculations of the experts in various specialities. But they must be able to make the necessary discount in these expert calculations, remembering that they are essentially about war games and not about the whole reality.

For these calculations are invariably theoretical abstractions—what, for example, would happen if there were a war in which one side had X number of missiles and the other had X plus Y missiles?

At bottom the argument between the administration and Senator SYMINGTON is whether the balance of power should be calculated in terms of intercontinental missiles or whether it shall be judged in terms of the

whole complex of armaments and of the international political situation.

My point in all this is not to say that Mr. McElroy and the administration are right. I think they are very wrong. But I do not think they are deliberately misleading the country. What they have done is to argue their case so badly that they are losing the confidence of the public.

The fatal error lies in the decision of the President to make the paramount issue of the present time a Federal budget balanced at the existing level of taxes, along with a promise of a reduction of taxes before the next presidential election. We are approaching one of the great climaxes of the cold war and the President's decision about the paramountcy of the budget reflects a failure to understand the nature of the cold war.

It makes suspect all the military estimates in the budget. For it is no part of the law of the land, or of that moral law which the President frequently invokes, that the existing tax structure cannot be raised and should be lowered. To insist on such a dogma about taxes is to tell the people and the world that national defense is not the first but only the secondary consideration in this Government.

From this it follows inevitably that Secretary McElroy's assurances about our overall strength are quite unconvincing. For nobody is prepared to believe that by a wonderfully lucky coincidence the money needed for national defense is just the amount of money we can afford to spend if the budget is to be balanced without raising taxes.

This initial error about the budget has forced Mr. McElroy into making the disastrous announcement that the United States has withdrawn from the missiles race. He may well be right that with fewer missiles there will still be an overall balance of power. But it is not good for the Russians and it is bad for our allies to be allowed to think that the richest Nation on earth is unwilling to pay what it costs to stay in that part of the race of armaments which has the most horrible prospects. Secretary McElroy's announcement is a most lamentable way to prepare for the impending negotiations which Secretary Dulles is now dealing with in Europe.

What should be done about it? It should be said in no uncertain terms that defense has the first priority. If the President will not say it, perhaps Congress itself should say it by resolution. There should then be a substantial increase in the military appropriations, an increase sufficient to put us back into the missiles race. Then an increase of taxes should be voted in order to balance this larger budget.

I am aware that the extra money invested in making more of the existing missiles may be "wasted"—wasted in the sense that these missiles will soon be obsolete and good only for the junk pile. But the race of armaments is in the same sense inherently wasteful since the objective is to make weapons which will never be used and will soon be obsolete.

Nevertheless we are in a race of armaments. It would be a great day for mankind if it could be ended. But if the race is to be ended, this will be done only if and when we are able to reach general political settlements with the Communist powers. The race of armaments cannot be ended or suspended merely because we wish to balance the budget without raising taxes or because it would be good politics to reduce taxes before the next election.

Mr. SYMINGTON. Mr. President, one of the most revealing recent stories about what has actually been going on with respect to our national defense appeared last Sunday in the Washington Star, written by Miss Mary McGrory, entitled "Space Chief Out of Step But Voices No Sorrow."

An especially interesting quotation in this article is the following one from Director Roy W. Johnson, of the Advance Research Project Agency:

I can recall testifying before the Space Committee a year ago without being sworn in. I suspect it is to the good to take an oath, because under oath you search your own conscience as to what your most honest feelings are against the policy of your boss.

Mr. President, I congratulate Mr. Johnson for his candor and his courage.

Surely, as the Congress once again considers the adequacy of our defenses, no more revealing statement could be made.

Mr. President, I ask unanimous consent that the article by Miss McGrory be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sunday Star, Feb. 1, 1959]

SPACE CHIEF OUT OF STEP BUT VOICES NO SORROW

(By Mary McGrory)

The Pentagon official who left the ranks around the President's defense budget and confessed a need for more money to a Senate committee has no regrets, although he suspects he now stands very much alone.

Nonconformist Roy W. Johnson, Chief of the Advanced Research Projects Agency, said yesterday he intends to push his plea for $150 million more for the total space effort in the current fiscal year, despite a determined administration drive to keep all spending down.

Chairman LYNDON JOHNSON of the Senate Preparedness and Space Committees, which for 2 days heard other Pentagon leaders accept the budgets assigned them by the White House, praised Mr. Johnson for his honesty. He dryly termed most of the high-brass witnesses good soldiers.

IMPRESSED BY SENATOR

Actually, it was Senator JOHNSON who had a great deal to do with getting him to speak out, Mr. Johnson said in a telephone interview from his home in Stamford, Conn.:

"I got genuinely the feeling from Senator JOHNSON," said the Space Director, "that he is concerned."

The persuasive Texan had repeatedly pressed Mr. Johnson and his associates to speak frankly about our efforts in the space age, to say if we could do more and should do more.

At the end of a long afternoon, Mr. Johnson, a cheery, square-jawed, wavy-haired former General Electric Co. official, took a deep breath and admitted he was honestly concerned about our total space program and its adequacy at this point in time.

TESTIFIED UNDER OATH

How did it happen that Mr. Johnson, a lifelong Republican and a sincere believer in the Eisenhower efforts to balance the budget, flew in the face of Pentagon policy?

Partly it was because he was under oath.

"I can recall testifying before the Space Committee a year ago without being sworn in. I suspect it is to the good to take an oath, because under oath you search your conscience as to what your most honest feelings are against the policy of your boss."

Mr. Johnson said frankly he had no intention, when he went to the hearing Friday, of testifying as to his innermost thoughts about our space effort or the need for larger funds.

"I intended to evade the subject if I could because I didn't want to get involved in the controversy that I know will be the result. But the whole atmosphere of the hearing convinced me this position was impossible, particularly the insistence on the part of the Senators that we say exactly what we thought."

NO REFLECTIONS ON BOSS

Mr. Johnson hastily added he did not wish to cast any reflections on other witnesses or on his boss, Secretary of Defense McElroy, when he told of a 30 percent cut made in his original budget requests.

"I am very sure in my own mind that Secretary McElroy never intended for anyone to be untruthful on the witness stand. I don't think there is a real attempt here to gag anybody."

He hasn't seen Secretary McElroy since his Friday appearance, but he hopes to take up with him this week his request for $150 million supplemental funds to be distributed over the whole space program in the current fiscal years.

CONTRARY TO POLICY

Mr. Johnson points out that he had no correspondence with the Defense Secretary such as the memorandum signed by the Joint Chiefs of Staff in which they approved with reservations the military budget. He read the Stans letter (a communication from Budget Director Maurice H. Stans urging Pentagon officials to support the budget as written) but regarded it as information only.

"I don't know whether there is much chance of getting it," he said of his dramatic public request for more money. "All we can do is work within the Department of Defense. At the moment, it is contrary to policy.

"I don't know how we can get it unless there are other forces in existence that would add pressure to it—a growing sentiment in the country that the space effort ought to be pushed very vigorously in line with the dire danger we are in from the Russian threat."

Calling himself "no crusader, no man riding a white horse," Mr. Johnson expressed the hope that the whole problem should be thrashed out with the Congress, and a solution should come about from a clearing of the air. He will be glad to testify whenever he is asked.

"I suspect I stand alone right now."

But Mr. Johnson, who was appointed by Secretary McElroy, insists he has no regrets, would do it all over again.

He was converted by the Senate investigation of exactly where we stand.

"I think it started out to have some political overtones. But, honestly, when I got in there and heard the Senators, I was convinced that they are genuinely concerned. Even though it may have started out as a political matter, I think it isn't that any more."

Mr. SYMINGTON. Mr. President, it is becoming increasingly clear that the presentation of the Department of Defense budget requirements, as it is now handled, is a directed one, with matters of fiscal policy the dominant consideration.

In this connection, no better confirmation of the truth of that statement has been made than the editorial in Aviation Week of February 2, 1959, entitled "The Familiar Mixture."

Mr. President, I ask unanimous consent that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE FAMILIAR MIXTURE

The fiscal 1960 defense budget is the familiar mixture found in similar budgets of

the past 4 years. It is not adequate to meet the current and future defense requirements of this Nation nor adequate to regain or maintain a clear-cut margin of significant superiority in the technological race with the Soviet Union. Neither is it a drastic attempt to reduce our present defense posture by affecting large and critical economies through forced reductions or weapons production curtailment.

As usual, there is a somewhat pathetic attempt to substitute bold ringing phrases in the budget message for the vital dollars and priorities in the budget itself. For example, the budget cheerfully notes that more B–58 supersonic bombers will be purchased in fiscal 1960 than in 1959. This, of course, is true, but the actual figure is an increase of only 4 from the 36 B–58's programed for fiscal 1959 to 40 for the next fiscal year. This stretchout of the B–58 production program is typical of how fiscal policies can vitiate technical capability. By the time the B–58 begins to reach a true operational capability with Strategic Air Command under a less than four-a-month production program, it will be all too easy and perhaps logical to wash it out completely on the grounds of obsolescence. This has been the history of several promising weapon systems developed in good technical time but stretched to death by budget maneuvers.

Cancellation of the Regulus II Navy submarine-based supersonic missile is another good example of this false economy that looks neat and tidy on a balance sheet but actually cuts a vital portion of our atomic delivery capability. The Regulus II would have provided the Navy with an operational submarine-based atomic delivery capability in the immediate future. It has been canceled presumably because Polaris is just around the corner. Polaris is coming along well, but it is far from just around the corner. In the intervening years, the United States loses a type of operational capability for its strategic deterrent force that offers mobility and dispersal.

Another interesting point to note in passing is the way facts that are subject to vigorous official denials in previous years inevitably leak out in the budgets of following years. In early 1957 we wrote that the fiscal 1958 Air Force budget was a fraud because it promised to support a 128-wing structure when actually it was capable of handling only 120 wings at the time and would force a reduction below 110 wings within 2 years. This was vehemently denied by responsible officials including Mr. Donald Quarles, then Secretary of the Air Force and now Deputy Secretary of Defense. Tables published with the fiscal 1960 budget show the Air Force reduced to 102 wings.

The twisting of the fact that the first Atlas ICBM's will be delivered to Strategic Air Command before July into an impression that this Nation will have an operational ICBM capability of any significance during this year is another example of how official weasel wording and innuendo combine to lure the American public into a false sense of complacency. The total Atlas production program scheduled for Strategic Air Command is ridiculously small in terms of real deterrent force. The Titan ICBM is at least a year behind the Atlas in development and has yet to make its first successful test flight.

The decision to abandon all manned interceptors for air defense purposes contained in the fiscal 1960 budget is another policy that will rise to haunt its progenitors if a test of military strength comes during the next 5 years. Defensive missile capability, including both the Army Nike-Hercules and USAF Bomarc, is certainly improving over ranges under 300 miles. But both for reliability standards, which missiles are far from achieving, and the ranges at which an enemy attack must begin to be whittled away, only manned interceptors will be able to do the job. To completely abandon this capability for the future is a grave error.

The budget also tells us that procurement of the Thor and Jupiter IRBM will cease in 1960, leaving us with an operational capacity of five Thor squadrons and three Jupiter squadrons deployed in England, Italy, Alaska, and possibly Greece. This capability is sufficient to make the areas involved prime enemy targets but not sufficient to add a significant force to our overall strategic deterrent. In fact, the land-based IRBM program could well become a prime example of how vast sums of money can be hastily spent without achieving any significant new military capability.

Another bookkeeping trick designed to cloak the true state of affairs is the new budget account for research and development which lumps all development and testing facility and operational money in with the research and development funds to make a grandiose total of $3 billion. Probably less than 10 percent of this total is really being earmarked for basic research and state-of-the-art advances not tied to specific weapon system development. The research and development effort has actually been losing ground despite what looks like an increasing budget because the real research funds have remained almost constant in the face of a tremendously increasing requirement while the budget picture has been rosied by these accounting tricks.

Major bright spot in the budget is the emphasis finally being placed on space exploration with a total of $800 million allocated for this purpose for the National Aeronautics and Space Administration and the Defense Department's Advanced Research Projects Agency. Why this space exploration effort continues to be split by an artificial military-civil distinction is a question not yet satisfactorily explained. There is already the ferment of a bitter congressional debate over the fiscal 1960 defense budget. We doubt if anybody will seriously make much of a case for it being really adequate to meet the military problems of the future. Its defenders will probably rely on the twin fantasies that we really face no threat from the Soviet Union because their scientific, military, and economic advances are pure fiction and that we really "can't afford" what is necessary to insure our survival as a nation.

But mere debate over the size of the fiscal 1960 defense budget will not solve the basic problem facing this Nation. Nothing less than an aroused and dynamic official leadership willing to grasp the cha..enge of the future rather than simply preserve the aura of the past is necessary to alter our present course of apathetic drift into decline.

ROBERT HOTZ.

RETIREMENT OF DISTRICT HIGHWAY DIRECTOR J. N. ROBERTSON

Mr. CHAVEZ. Mr. President, Mr. Jack Robertson, of the city of Washington, has recently retired, after 42 years' service with the Highway Department of the city of Washington, D.C. Mr. Robertson not only contributed his efforts and intelligence to the welfare of proper highways in the city of Washington, but some 3 or 4 years ago he was president of the American Road Builders Association, and hence he contributed to the general program of highways throughout the country.

The Evening Star yesterday published an editorial with reference to the services of this gentleman, and this morning the Washington Post and Times Herald of this city also published an editorial in this regard. I ask unanimous consent, Mr. President, that the two editorials be printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Feb. 4, 1959]

ROBERTSON'S RETIREMENT

The Commissioners are facing a tremendously tough job in finding a successor for Jack Robertson as city Highway Director. "J. N." has been synonymous with Washington highways for so long that he seems to most of us to symbolize them.

The reason, of course, is that that's exactly the way Mr. Robertson feels himself. As he recalls, he never has wanted to do anything but build roads here from the time he was big enough to talk. A third-generation Washingtonian, he knows the city like the back of his hand and loves every bit of it. The District has reason to be proud of Mr. Robertson's accomplishments in the national field of highway legislation and administration. Locally, his contributions during 42 years in the Department are too numerous to single out. Just look out the window of your car the next time you drive; the chances are that Jack Robertson built—or rebuilt—the road you're on.

More than an exceptional public official, however, Mr. Robertson is a gentleman and a friend to thousands of Washingtonians who treasure the relationship. His mild temperament seldom gave way except in battles with planning and park officials over highway locations. When there were two sides to a question and one of them involved highways, however, Jack never faked any sympathy for the other side. His job was to build highways—and that's what he did.

It's no surprise that "J. N." and Mrs. Robertson intend to remain in Washington. Anything else would be unthinkable. Furthermore, our guess is that retirement isn't going to take him out of the picture. We'll look forward to hearing from him on the state of our highways for some time to come.

[From the Washington Post and Times Herald, Feb. 5, 1959]

"J. N." STEPS DOWN

The retirement of District Highway Director J. N. Robertson, on his doctor's advice, caps an unusually colorful and productive career in the service of the District government. For some 12 years, first as Deputy Director and later as Director, Mr. Robertson has had the challenging task of keeping the Capital City's highway arteries adequate for the needs of a swiftly growing Capital City. He leaves at a time when half a billion dollars' worth of projects are scheduled for early construction and when another like amount is being urgently recommended to cope with 1980 requirements. While urging public support for this program, Mr. Robertson also wisely insists upon greater attention to parking and transit requirements.

He can recall with some amusement the advice of friends, a year after he joined the Department in 1917, that he look around for another job since the District's street system was about completed. For 42 years he has seen many forecasts like that one overtaken by events. To the task of staying as closely abreast of needs as possible, he has brought great energy, administrative, and engineering skill and a talent for good public and congressional relations in a combination that will be difficult to replace.

PROPOSED TAXES ON GASOLINE

Mr. CARLSON. Mr. President, I should like to call to the attention of the Senate several resolutions adopted by the Kansas Oil Men's Association at its 44th annual convention in Wichita, January 11 to 13.

These resolutions deal with proposed taxes on gasoline and express their opposition to the increase.

The president of the Kansas Oil Men's Association is Dean Spencer, of Oakley, Kans., and the resolutions were presented to the convention by William B. Dalton, chairman of the resolutions committee.

I ask unanimous consent that these resolutions be made a part of these remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Reports from Washington, D.C., say Congress will be asked to raise the Federal gasoline tax 1½ to 2 cents per gallon, because the Highway Trust Fund is steadily approaching a deficit.

With the creation of the Highway Trust Fund which is nurtured solely by highway users, all automotive taxes were paid into this fund. It amounted to more than $3.6 billion for the fiscal year ending June 30, 1958.

Of this amount $2.1 billion was allocated to the Highway Trust Fund and the remaining $1.5 billion was channeled into the general fund of the U.S. Treasury and was used for other purposes than building the Federal highway system: Therefore, be it

Resolved, That the money taken into the general fund of the U.S. Treasury should be returned to the Highway Trust Fund and that no additional automotive or gasoline taxes be levied.

We believe the Federal highway program is of importance to the defense and economy of our Nation and recommend that it be kept on schedule and that any additional funds needed be taken from the general fund of the U.S. Treasury.

We urge the Congress of the United States to amend the present gasoline tax law by adding a provision whereby it would be possible for the victims of a gasoline loss by fire or other casualty to secure a refund of the Federal gasoline tax on such gasoline, so lost.

In case of such loss, the owner is put in the position of having paid the tax but is unable to resell the gasoline through no fault of his own.

We believe the 27½ percent depletion allowance is fully justified in drilling for oil on account of the great cost and risk in searching for oil and heartily recommend it be continued.

COMPTROLLER GENERAL'S AUDIT REPORT ON THE TENNESSEE VALLEY AUTHORITY

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared on the controversy between the Comptroller General and the Westinghouse Electric Corp.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART

The Comptroller General's audit report on the Tennessee Valley Authority, which was submitted to Congress on January 15, 1959, stated that TVA has run into serious problems with 14 turbogenerators bought from Westinghouse Electric Corp. According to a United Press-International News story, the report indicated the turbine generators failed to meet heat rates specified in the contract, and indicated that there had been mechanical difficulties in the turbines.

Shortly after the publication of the UPI story on the audit report, TVA issued a statement further explaining these difficulties, making it clear that the problems were much less serious than one would think from reading the initial news accounts. These reports disturbed me, and I have inquired into this matter. In the interest of fairness to all concerned, I want to state publicly what I have learned.

Several years ago, when TVA began to expand its steam generating facilities, it sought the most technologically advanced steam turbines obtainable. Westinghouse Electric Corp. got the contract to design and to build 14 turbogenerators for installation in TVA's Shawnee and Kingston generating stations. These machines were to utilize a combination of steam pressures and temperatures in the highest range yet attempted and on which there had been very little actual operating experience. The machines were to be of highly advanced design and would achieve great progress in reducing the cost of generating electricity.

After more than half of these turbine generators had been placed in operation, tests were performed in 1955 which showed that they did not meet the guaranteed efficiency of performance by about 2 percent. All of the machines have been performing for several years and performing well, but they have had to use slightly larger amounts of fuel than had been anticipated when the designs were conceived.

Westinghouse has undertaken the necessary steps to correct the efficiency rates, and is in the process of supplying new parts at its own expense for modifying all 14 of the TVA machines. When the modifications are complete, TVA will have 14 turbogenerators with efficiencies equal to or better than it could have obtained anywhere in the world.

The mechanical difficulties referred to in the Comptroller General's report involved the turbine spindles, but had nothing to do with the efficiency problem. The metallurgical application of these turbine spindles was, in the opinion of qualified engineers, the most advanced then known for such purpose.

After the 14 machines for TVA were completed, Westinghouse learned from experience with a similar machine sold to another utility customer, that with the terrific temperatures and speeds involved, the spindles might in time develop faults and resulting mechanical difficulties. These mechanical difficulties might not have been the contractual responsibility of Westinghouse, but in keeping with the high standards under which American manufacturers of steam turbine generating equipment operate, Westinghouse voluntarily brought this matter to TVA's attention, and is in the process of modifying or replacing all of the spindles on the 14 generators in question. Thus the mechanical difficulties referred to by the Comptroller General's report were recognized by Westinghouse in time to take corrective action although there was necessarily some inconvenience to TVA.

My reason for making this statement is merely to clarify what I consider to be an unfortunate reference to a matter which was being taken care of between TVA and Westinghouse Electric Corp.

While they attracted no attention in the press at that time, these matters were referred to in the Comptroller General's audit report on TVA a year ago.

These highly technical problems were fully reported and discussed in professional engineering circles more than a year ago. They are the kind of things which can happen as major strides in technological progress are achieved in any field. The business relationship between TVA and Westinghouse has been characterized fully by good faith and responsibility, and I think it is most unfortunate that the Comptroller General's report and the newspaper accounts of the report failed to relate all of the background which was necessary to convey an accurate public impression of this matter.

Mr. JOHNSON of Texas. Mr. President, has morning business been concluded?

The PRESIDING OFFICER. If there be no further morning business, morning business is concluded.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING ACT OF 1959

The Senate resumed the consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I am informed that the distinguished Senator from Indiana [Mr. CAPEHART] has two amendments on which he desires a record vote. One involves reducing the number of public housing units from 35,000 to 17,500, and the other involves urban renewal.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. In order that the record may be straight, let me say that there are definitely two amendments on which I desire a yea-and-nay vote. Perhaps there will be others.

Mr. JOHNSON of Texas. I am referring now to those two only.

Mr. CAPEHART. I am hopeful that the manager on the other side will accept perhaps three amendments, but there are definitely two on which I desire yea-and-nay votes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Indiana may send his two amendments to the desk, that they be reported, and that there be allotted 30 minutes of debate on each amendment, to be equally divided between the author of the amendment, the Senator from Indiana [Mr. CAPEHART], and the chairman of the subcommittee, the Senator from Alabama [Mr. SPARKMAN].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, may we have the first amendment stated?

The PRESIDING OFFICER. The Secretary will state the amendment.

The CHIEF CLERK. On page 124, lines 1 and 2, strike out "thirty-five thousand"

and insert in lieu thereof "seventeen thousand five hundred".

On page 124, line 7, before the word "additional", insert "or seventeen thousand five hundred, as the case may be,".

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we may have the yeas and nays ordered on the amendment now reported.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, for the benefit of all Senators I announce that at the conclusion of 30 minutes we shall have a vote on the pending amendment. Then the next amendment will be reported, under the unanimous-consent agreement entered into.

The Senator from Indiana will then be recognized, and we will have 30 minutes of debate on that amendment, to be equally divided. At that time I shall ask for the yeas and nays on that amendment. If the Senator from Indiana will support me, I am sure we will be able to move ahead with a vote on that amendment.

Mr. CAPEHART. I shall be glad to support the Senator from Texas.

The PRESIDING OFFICER. How much time does the Senator from Indiana allot to himself?

Mr. CAPEHART. I yield myself 10 minutes, to start with.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 10 minutes.

Mr. CAPEHART. Mr. President, the pending amendment would reduce the public housing starts in fiscal year 1960 to 17,500. The pending bill calls for 35,000 additional authorization, plus, I believe, restoration of approximately 10,000 units which were lost to the program and the extension of the balance of the 1956 act of approximately 30,000 units, or a total of about 75,000 units. The amendment would reduce the additional authorization to 17,500.

I would not offer the amendment if I thought for a moment it would interfere with the program and if it would hinder public housing. It will not do that. I am informed that there is available sufficient authorization to do all that we will be able to do during the next 10 months.

I come back to what I said repeatedly yesterday: Do we or do we not want to take each amendment and each bill as it comes before the Senate and apply this formula to it, namely, can we reduce expenditures under each bill and amendment without interfering or hurting the program, in order that we may have a balanced budget during the fiscal year 1960?

That is what the question amounts to. We can do it or not do it. Senators who vote against the amendment will be saying, in effect, that they do not care whether we have a balanced budget. I cannot go along with that idea. As a Senator said yesterday, he is interested in both a balanced budget and a balanced economy. No one is more interested in a balanced budget and in a balanced economy than I am, and I say here is an opportunity whereby we can have both.

The fact is that we could come close to getting both if we voted the amendment into the bill. If a bill is voted that will reduce expenditures, we may come close to getting a balanced economy. We must give some thought to the taxpayers of America. We must give some thought to the fact that some day we must pay off our national debt. We must give some thought to the necessity of some day reducing taxes. We must also give some thought to the contemplation that some day we must balance the budget. It seems to me that the housing bill is a good place to start, because, not referring to public housing, housing starts in the month of December were on the basis of 1,400,000 for the year, which will make it either the best year in history, or the second best year.

At the moment we have 115,000 public housing units, which are under contract but not yet completed. In all the history of the legislation we have constructed, over a period of 12 or 15 years, 444,173 units in which people are actually living. A little more than one-fourth of that number are under construction, and into which people will move in the future. In other words, the process of public housing is a slow process.

In that connection I should like to give the Senate examples from two of our largest cities. Let us take, for example, Philadelphia. In that city, under management—which means that people are living in the public housing units—there is a total of 10,151 units, with people living in them. That is the total number constructed in Philadelphia since the beginning of the program many years ago. As I have said, those are units in which people are living. The number of units under construction is 565. The number of units under reservation is 2,247. Units in ACC, I presume under contract, number 5,146. The total for Philadelphia is 7,342. That is a total number of 10,151 units which are occupied.

Why should we unbalance our budget and burden our taxpayers when it is not going to do any good particularly?

I am advised that the term "ACC" means credited, but not contracted for. There are so many new initials in use now that it is hard to keep up with them.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CLARK. What is the total number?

Mr. CAPEHART. Five thousand one hundred and forty-six. If so many housing units are needed in Philadelphia, why have not the city fathers taken advantage of the 5,146 units which have been authorized by Congress, and which could be built and could be handled? I am not criticizing the city fathers of Philadelphia. I know it takes time to do these things. It takes time on the part of city councils. It requires clearing the ground, and so forth.

That is my point. We can well reduce the number and eliminate some of the plans at the moment without in any way interfering with the program.

Chicago has under management—meaning that people have moved into the housing units during the last 14 years—17,027 units; units under construction, 995; units under reservation, 2,959; units as to which the city fathers have not as yet made up their minds, or have not been able to handle, but which Congress has authorized, 8,571—almost half as many units as have been built in Chicago.

I am not talking against the program; I am simply trying to inject a little good, common, horse sense into the program, and to ask why we should spend the taxpayers' money to authorize such programs when they are not needed. I repeat: If I thought such programs were needed, I would favor them.

There are under management—that is, projects in which people are living—444,000 units. The total authorized by Congress is 585,000.

The PRESIDING OFFICER. The 10 minutes of the Senator from Indiana has expired.

Mr. CAPEHART. Mr. President, I allot myself another 2 minutes. Does the unanimous-consent agreement provide for 30 minutes to a side?

Mr. JOHNSON of Texas. It is 30 minutes to be equally divided.

Mr. CAPEHART. I allot myself 2 more minutes.

Mr. President, a good argument can be made that thousands and thousands of public housing units are needed for underprivileged and low-income people in the United States. I could agree with that. But those units will not be built particularly as the result of this bill. Is it not better, then, to reduce the amounts provided for in S. 57?

I tried yesterday to eliminate the entire 35,000 provided in S. 57. I lost that vote. Now I am asking that the 35,000 be reduced to 17,500.

Are we or are we not interested in balancing the budget? Are we or are we not interested in a sound dollar? Are we or are we not interested in reducing expenditures, and particularly in doing all these things when to do so will not materially—I repeat: materially—interfere with the housing program?

We are not asking that public housing be eliminated. We are not saying that a year or 2 years from now we might not be justified in authorizing X number of units, perhaps 35,000; I do not know. I am not one who does not recognize the need to help the people in the big cities who must live in slums. I do not say that at all. But those people are taxpayers, too. They ought to be interested in balancing the budget, and they ought to be interested in a sound economy.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, I yield 10 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I have listened with great interest to the eloquent remarks of the distinguished Senator from Indiana. I shall do what I can to rebut them.

In my judgment, the pending amendment, if adopted, would not only hinder public housing—in this I find myself in disagreement with the Senator from Indiana—but it would come pretty close

to crippling the urban renewal program, because that program requires safe and sanitary shelter for all persons displaced by slum clearance. Without additional public housing units, safe and sanitary shelter cannot be obtained.

The Senator refers to a large number of housing starts last year. This is, indeed, an encouraging matter. But I venture the suggestion that not one of those private housing starts can be of any use at all to the low-income families for whom public housing is the only alternative to continuing to live in slums, in unsafe and insanitary dwellings. They can't afford the private housing.

The Senator from Indiana referred to the situation in my home city of Philadelphia and has noted that there are a great many public housing units in that city, with more under construction and more under reservation, and still more credited under contract.

I used to be the mayor of Philadelphia. I am familiar with this program. I do not hesitate to say that as a result of the urban renewal program, the Federal highway program, and the displacement of families by other governmental programs, the city of Philadelphia will need in the foreseeable future about twice as many units of public housing as are now under reservation or construction. This is because the Federal highway program and the urban renewal program are just getting under way. People have hardly begun to be displaced as a result of those programs.

Mr. CAPEHART. Mr. President, will the Senator yield on my time?

Mr. CLARK. I yield on the Senator's time, yes.

Mr. CAPEHART. Is it not true that Philadelphia has 5,146 units which can be allocated to that purpose at the moment, units which have already been authorized?

Mr. CLARK. They are in the process of being allocated right now.

Mr. CAPEHART. Yes; for the next 12 months.

Mr. CLARK. That number is not nearly enough. The authorization which would be made under the bill would not really reach the status of being under contract for a year or two, so that the impact of the proposed legislation on the 1960 budget is minimal, if it exists at all. I shall come to that in a minute.

The way these programs are operated, there is a long time between the authorization and the actual expenditure of any money. One reason for that, in my judgment, is unnecessary redtape. But much of it is due to necessary precautions, to make certain that the sites are properly selected and the housing is constructed in accordance with standards and specifications of decency and economy.

Getting back to Philadelphia, we will need about twice as many public housing units as are presently contemplated, as the urban renewal and highway programs get under way.

This is likewise true throughout the country. The testimony before the Committee on Banking and Currency was, in my opinion, clear that there is a need for approximately 250,000 additional units of public housing over and above the number presently authorized in the next 5 years to meet the needs of the urban renewal program, the highway program, and other governmental action, and those 10 million families who at present live in substandard dwellings throughout the country and who may not be affected by the other programs at all. So the need is there, and it is clear.

The testimony before the committee on behalf of the American Municipal Association, the United States Conference of Mayors, and the National Association of Housing and Redevelopment Officials indicated support for my bill, which is far more drastic than the bill which was reported by the committee. My bill would have freed for construction 190,000 additional units to be built as the demand developed. The modest proposal in the bill reported by the committee is for only 35,000 units, with a pickup of those not yet authorized.

We should face squarely the question of the budget. We should balance the budget. I am in accord with the Senator from Indiana in that regard. But the way to balance the budget is to provide the revenues necessary to make America strong at home and respected abroad; not by pennypinching measures which could have no other effect than to leave us in the condition of inferiority abroad, and with a second-class America to be handed on to our children and our grandchildren.

I thank the Senator from Alabama for having yielded me so much time. I hope the amendment of the Senator from Indiana will be rejected, as was its substantially similar predecessor last night.

Mr. SPARKMAN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Alabama has 8 minutes remaining; the Senator from Indiana has 1 minute remaining.

Mr. SPARKMAN. Last year the bill which was reported by the Senate committee provided 35,000 units to continue the program. In the compromise which was reached on the floor of the Senate, the number was reduced to 17,500.

This year, when I introduced the bill, I followed the Senate's compromise, and included the 17,500 figure. However, after hearing the testimony, the Senate Banking and Currency Committee voted to increase the number to 35,000.

Mr. President, I submit that, under the evidence which was given to our committee, it certainly would not be going too far or be at all out of line to provide for the 35,000 units.

I am not sure, but I do not believe any Member has placed in the RECORD the table which appears on page 38 of the report on the bill. That table shows the number of units and the standing of the whole program at the present time. Therefore, I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The status of authorization under the Housing Act of 1956 is as follows:

	Dwelling units
Number authorized by Housing Act of 1956 (as of Dec. 31, 1958)	70,000
1st-year program (Aug. 1, 1956–July 31, 1958):	
Number authorized	35,000
Number under contract	24,960
Number lost to program	10,040
2d-year program (July 1, 1957–June 30, 1959):	
Number authorized	35,000
Number under contract	4,991
(As of Dec. 31, 1958:) Number available until June 30, 1959	30,009
Pending applications:	
Reservation issued	34,327
Applications in process	17,666
Total in process	51,993

Mr. SPARKMAN. Mr. President, as the Senator from Indiana [Mr. CAPEHART] has said, some authorized units have not yet been constructed. However, the testimony given to our committee was that by June 30 of this year, every unit now authorized will have been placed under contract. That is the point for us to remember. It means that if we do not now provide for additional units after June 30 it will not be possible to place under contract any more units during the next 12 months, the next fiscal year.

Furthermore, we are now providing for a 2-year extension of the existing program. That does not mean that the entire 35,000 units have to be used up in one fiscal year; but it allows orderly planning and orderly allocation of those units.

Mr. President, as the Senator from Pennsylvania [Mr. CLARK] has so well pointed out, and as has been pointed out many times by other Members on this floor, under the law a community is required to show, to the satisfaction of the Commissioner of Urban Renewal, that adequate housing that is decent, safe, and sanitary will be made available for those who are forced out of areas involved in slum clearance. In other words, the community is charged with seeing to it that decent, safe, and sanitary housing is available for each of the families displaced from urban renewal areas.

It is true that a great number of them can be taken care of in private housing; in fact, we have established programs to meet that requirement insofar as that can be done. We set up the FHA section 221 program essentially for that purpose; and those who own property in a slum area, and who live there, ordinarily get for their property an amount of money sufficient to enable them to buy one of the section 221 houses. They are low-cost houses; the maximum amount that FHA can insure under this program is $10,000.

But we must remember that a high percentage, if I correctly recall the figures given to us, were unable to pay an economic rent. Well, Mr. President, I was about to say it was 22 percent. It may be higher than that, as given to us by the Housing and Home Finance Agency. I shall ask the Senator from Pennsylvania whether they said 22 percent of the families displaced from urban renewal areas were unable to pay an economic rent.

Mr. CLARK. It is my understanding that the percentage was larger than that.

Mr. SPARKMAN. That may very well be true. I am sorry I do not have the exact figure at my fingertips. I am told by Mr. Cash, the staff director, that approximately 50 percent would be eligible. Certainly a large percentage of them cannot obtain decent housing unless public housing units are available.

So it is almost essential that every city and every town which has an urban-renewal project have some—some, not necessarily a great amount—public housing.

By means of this bill, all we are trying to do is provide what we consider to be the minimum and the necessary amount to meet those requirements and to enable this program to be carried on in an orderly way, meeting only the minimum requirements.

Mr. President, I earnestly hope the amendment will be rejected.

Mr. CAPEHART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Indiana request unanimous consent that the time required for a quorum call not be charged to the time available to either side under the unanimous-consent agreement?

Mr. CAPEHART. I so request, Mr. President.

Mr. DIRKSEN. Mr. President, I join in that request.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

Aiken	Fulbright	Monroney
Allott	Goldwater	Morse
Anderson	Gore	Morton
Bartlett	Green	Moss
Bennett	Gruening	Mundt
Bible	Hart	Murray
Bush	Hartke	Muskie
Butler	Hayden	O'Mahoney
Byrd, Va.	Hennings	Pastore
Byrd, W. Va.	Hickenlooper	Prouty
Cannon	Hill	Proxmire
Capehart	Holland	Randolph
Carlson	Hruska	Robertson
Carroll	Humphrey	Russell
Case, N.J.	Jackson	Saltonstall
Case, S. Dak.	Javits	Schoeppel
Chavez	Johnson, Tex.	Scott
Church	Johnston, S.C.	Smathers
Clark	Jordan	Smith
Cooper	Keating	Sparkman
Cotton	Kefauver	Stennis
Curtis	Kennedy	Symington
Dirksen	Kerr	Talmadge
Dodd	Langer	Thurmond
Douglas	Lausche	Wiley
Dworshak	Long	Williams, N.J.
Eastland	Mansfield	Williams, Del.
Ellender	McCarthy	Yarborough
Engle	McClellan	Young, N. Dak.
Ervin	McGee	Young, Ohio
Frear	McNamara	

Mr. MANSFIELD. I announce that the Senator from Washington [Mr. MAGNUSON] is absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] is absent in his State to attend the funeral of a friend.

The Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Iowa [Mr. MARTIN] is detained on official business.

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment of the Senator from Indiana.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Indiana [Mr. CAPEHART] has 2 minutes remaining, and the Senator from Alabama [Mr. SPARKMAN] has 3 minutes remaining.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me 1 minute?

Mr. SPARKMAN. Mr. President, I yield 1 minute to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, two yea-and-nay votes have been ordered, one of which will be on the amendment now pending, which is imminent. The other vote will be approximately 30 minutes from now.

Very shortly I shall send to the desk an amendment for myself, for the Senator from Arkansas [Mr. FULBRIGHT], the chairman of the committee, and for the Senator from Alabama [Mr. SPARKMAN], which would eliminate $125 million from the bill for the so-called college housing guarantee fund, and which would reduce the $400 million amount presently in the bill for college housing to $300 million.

It is my understanding that the administration desires only $200 million for that item, and it is contemplated that perhaps an amendment to provide $200 million will be offered.

We will ask for the yeas and nays on the amendment offered for the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], and myself, and for any other Senators who may desire to join.

We think we ought to go as far as possible to meet the administration halfway. We ought to be reasonable. We all want to be prudent.

I want all Senators to be on notice that as soon as the Senate acts on the second amendment we shall seek recognition for the purpose of reducing, first, $125 million from the guarantee fund, and, second, for the purpose of reducing the $400 million to $300 million for the college housing fund.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield, if I have time.

Mr. CAPEHART. I have a printed amendment which has been on the desk a couple of days.

The PRESIDING OFFICER. The time of the Senator from Texas has expired. Is the Senator from Indiana using his own time?

Mr. JOHNSON of Texas. Mr. President, I yield the Senator 1 additional minute.

Mr. CAPEHART. The amendment I offered has been pending a couple of days. That amendment would reduce the provisions relating to the college housing fund by $200 million, and the guarantee fund. Does the Senator say he is willing to accept——

Mr. JOHNSON of Texas. No. We are not going to accept anything. We are going to reduce the amount in the bill from $400 million to $300 million if the majority agrees to do so. If the majority agrees with the Senator from Indiana, and he desires to reduce the amount $200 million, we can get a vote on that.

Mr. CAPEHART. As the manager on this side of the aisle, though I cannot speak for everybody, I would say that since the Senator is willing to take $125 million out, while I am asking for a reduction of $200 million, we would accept the compromise offered by the senator.

Mr. JOHNSON of Texas. Very well. We will proceed to that matter as soon as we dispose of these other two amendments. It is our purpose to offer an amendment striking $125 million for the guarantee fund, and reducing the college housing fund from $400 million to $300 million.

Mr. CAPEHART. That would be a difference of only $75 million between that which my amendment would provide for and that which the Senator is suggesting. If it is agreeable to my colleagues, we will be willing to accept that.

Mr. JOHNSON of Texas. I would surely hope that the Senator from Indiana would feel that way about it, because I think what we want to do is not create an issue but resolve issues. The distinguished Senator from Kentucky [Mr. COOPER] was very persuasive with me last evening when he urged me to give consideration to proposals to reduce the housing funds. I hope the Senator has followed our comments, because after adjournment last night, the Senator was urging that this course be followed.

Mr. COOPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator from Alabama has expired. The Senator from Indiana has 2 minutes remaining.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield me 1 minute?

Mr. DIRKSEN. A parliamentary inquiry, Mr. President.

Mr. JOHNSON of Texas. The time would have to come from the time of the Senator from Indiana, because I yielded the Senator my time. Does the Senator not have some time left?

Mr. CAPEHART. I have 2 minutes left. I should like to have at least a minute.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. CAPEHART. Will the Senator tell me what he would like to talk about?

The PRESIDING OFFICER. Does the Senator from Indiana yield?

Mr. COOPER. Mr. President, I asked the Senator from Texas to yield.

Mr. CAPEHART. The Senator from Texas has no time remaining.

Mr. JOHNSON of Texas. Mr. President, in view of the fact that I have yielded to my colleagues rather freely to discuss their position on our time, I ask unanimous consent that I may be permitted to yield my friend from Kentucky 1 minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and the Senator from Kentucky is recognized for 1 minute.

Mr. COOPER. Mr. President, last night, after the Senate reduced the veterans direct loan fund from $300 million to $150 million, it occurred to me that other reductions could be made in the bill, without doing damage to it. It is a fact—that the majority can do as it wishes with the bill. For that reason, I did go to the Senator from Texas—the majority leader—and I urged him that the greatest responsibility be exercised, and that further cuts could be made, considering the large amount in the Senate bill and the large difference between the administration and Senate bills. I told the Senator that I hoped he would take the initiative on the other side of the aisle to reduce the large sums presented by the Senate committee. I am glad the Senator from Texas has taken this action, and I commend him for his leadership.

Mr. JOHNSON of Texas. I am always delighted to follow the Senator's advice when he is being constructive, as I usually find him to be. I think this is the constructive course to follow. I hope by doing this we can get some housing, instead of an issue.

Mr. CAPEHART. Mr. President——

The PRESIDING OFFICER. The Senator from Indiana is recognized for 2 minutes.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. It was my understanding that prior to the call of the roll, the distinguished Senator from Alabama had 2 minutes remaining and the distinguished Senator from Indiana had 1 minute remaining.

The PRESIDING OFFICER. The time of the Senator from Alabama was used by the majority leader.

Mr. DIRKSEN. That was 15 minutes ago. I am wondering about some of these amplified minutes.

The PRESIDING OFFICER. In addition, the majority leader asked unanimous consent for 1 minute, the time not to be taken out of the time for either side.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that I be given 1 minute, after the Senator from Indiana concludes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. CAPEHART. Mr. President, we have entered into an agreement with the majority leader to a reduction of $125 million in college housing, although my proposed amendment, which was printed and is lying on the table, would reduce it $200 million. This is certainly a step in the right direction.

We now have an opportunity, with respect to the amendment now under consideration, to cut the public housing units from 35,000 to 17,500, without interfering one iota with the public housing program in an effort to balance the 1960 budget. That is the reason why Senators should vote for the amendment. I urge every Senator to vote for the amendment.

We are reducing by $125 million the college housing, and also the guarantee fund. We are beginning to make some progress, and I thank my colleagues for assisting us in making that progress.

Mr. KEATING rose.

Mr. CAPEHART. I yield to the Senator from New York for a question.

Mr. KEATING. I should like to ask the Senator from Indiana whether a reduction in the public housing provision will in any way affect urban renewal.

Mr. CAPEHART. In my best judgment it will not. I do not see how it could.

Mr. JOHNSON of Texas. Will the Senator yield? It would reduce the authorization for public housing units from 35,000 to 17,500, would it not?

Mr. CAPEHART. That is correct.

Mr. JOHNSON of Texas. In other words, it would cut the authorization in two.

Mr. CAPEHART. It would cut the 35,000 to 17,500.

Mr. JOHNSON of Texas. That would be half.

Mr. CAPEHART. We do not think the 17,500 units are needed, but in order to affect a compromise we are willing to go along.

Mr. JOHNSON of Texas. Anyone who does want public housing would be interested.

Mr. CAPEHART. That is correct.

Mr. KEATING. My question was whether that would affect urban renewal.

The PRESIDING OFFICER. All time for debate has expired.

The Senator from Illinois asked and was granted unanimous consent to address the Senate for 1 minute.

Mr. DIRKSEN. Mr. President, I only wish to put before the Senate what I think are uncontroverted figures.

There are presently 444,000 occupied public housing units. There are 30,000 units presently under construction. There are another 81,000 which are authorized, on which work is not under way. This means that we have plenty of authority, and nobody has demonstrated the need for the additional authority involved in this request for 35,000 units.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I have only 1 minute.

I hope, therefore, that the amendment offered by the Senator from Indiana, which proposes to reduce the 35,000 units to 17,500 units, will prevail, because those are ample for all purposes.

I now yield to the Senator from Pennsylvania, if I have time.

Mr. CLARK. I think the Senator is incorrect.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. CLARK. Mr. President, I ask unanimous consent to speak for 1 minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. CLARK. I am afraid the Senator—inadvertently, of course—gave the Senate an erroneous impression when he referred to a large number of public housing units which were not under construction. All the units authorized for this year have been allocated. The sites have been selected. Most of the units will be under contract by July 1 of this year. There is a need, established by the testimony, for 250,000 additional units of public housing in the next 4 or 5 years.

I listened to what my good friend from New York said a minute or two ago. I reply to his question: If we do not get this authorization we will run into grave danger for the urban renewal program, and it will slow down and in some localities come to a halt.

Mr. DIRKSEN. That does not rebut the figures of the Senator from Illinois. The record is exactly as I stated it, and as it was presented to the committee.

Mr. CLARK. The record will speak for itself.

Mr. DIRKSEN. Certainly.

The PRESIDING OFFICER. The time for debate has expired.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Am I correct in understanding that the question is on agreeing to the Capehart amendment to strike 35,000 public housing units from the bill and insert in lieu thereof 17,500?

The PRESIDING OFFICER. The Senator is correct.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Washington [Mr. MAGNUSON] is absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senator from Washington [Mr. MAGNUSON] would vote "nay."

On this vote, the Senator from Oregon [Mr. NEUBERGER] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Oregon would vote "nay" and the Senator from New Hampshire would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] is absent in the State to attend the funeral of a friend.

The Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Iowa [Mr. MARTIN] is detained on official business.

The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 39, nays 53, as follows:

YEAS—39

Aiken	Dirksen	Morton
Allott	Dworshak	Mundt
Anderson	Eastland	Prouty
Bennett	Ellender	Robertson
Bush	Ervin	Russell
Butler	Fulbright	Saltonstall
Byrd, Va.	Goldwater	Schoeppel
Capehart	Hickenlooper	Smathers
Carlson	Holland	Stennis
Case, S. Dak.	Hruska	Talmadge
Cooper	Keating	Thurmond
Cotton	Lausche	Williams, Del.
Curtis	McClellan	Young, N. Dak.

NAYS—53

Bartlett	Hayden	Monroney
Bible	Hennings	Morse
Byrd, W. Va.	Hill	Moss
Cannon	Humphrey	Murray
Carroll	Jackson	Muskie
Case, N.J.	Javits	O'Mahoney
Chavez	Johnson, Tex.	Pastore
Church	Johnston, S.C.	Proxmire
Clark	Jordan	Randolph
Dodd	Kefauver	Scott
Douglas	Kennedy	Smith
Engle	Kerr	Sparkman
Frear	Langer	Symington
Gore	Long	Wiley
Green	Mansfield	Williams, N.J.
Gruening	McCarthy	Yarborough
Hart	McGee	Young, Ohio
Hartke	McNamara	

NOT VOTING—6

Beall	Kuchel	Martin
Bridges	Magnuson	Neuberger

So Mr. CAPEHART's amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. As I understand, under the unanimous-consent agreement, 30 minutes of debate will be allowed on the next amendment to be offered by the distinguished Senator from Indiana [Mr. CAPEHART]. I am informed that the Senator from Indiana does not expect to use all of his time, and that the Senator from Alabama [Mr. SPARKMAN] will not use all of his time. Therefore, I hope all Members of the Senate will be on notice that we may have a yea-and-nay vote very shortly. I ask that the yeas and nays be ordered on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out section 305 and insert the following:

SEC. 305. (a) Section 103(a) of the Housing Act of 1949 is amended by striking out the second sentence and inserting in lieu thereof the following: "The aggregate of capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed the total amount obtained by adding together the amounts for each such project determined by multiplying its net project cost by the applicable percentage. Such percentage, which shall apply to each project receiving initial Federal recognition during the period specified, shall be 66⅔ per centum for the period prior to July 1, 1960; 60 per centum for the period between July 1, 1960, and June 30, 1961, inclusive; 55 per centum for the period between July 1, 1961, and June 30, 1962, inclusive; and 50 per centum for any time thereafter: *Provided*, That the percentage for any project for which no planning advance or grant is received and retained by the local public agency and which the Administrator, at the request of such agency, may approve on a three-fourths capital grant basis shall be 75 per centum, or such lesser percentage as the Administrator determines to be generally consistent with the percentage of net project costs hereunder applicable at the time to projects not so approved."

(b) The first sentence of section 103(b) of such act is amended by striking out all before the proviso and inserting in lieu thereof the following: "The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants with respect to projects assisted under this title aggregating not to exceed $1,450,000,000, which limit shall be increased by $250,000,000 on July 1 in each of the years 1959, 1960, and 1961 and by $200,000,000 on July 1 in each of the years 1962, 1963, and 1964:".

(c) Section 104 of such Act is amended to read as follows:

"SEC. 104. Every contract for capital grants under this title shall require local grants-in-aid in connection with the projects involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to the difference between the aggregate net project costs involved and the sum described in the second sentence of section 103(a)."

(d) The proviso in the first sentence of section 110(e) of such Act is hereby amended by striking out "second sentence" and inserting in lieu thereof "third sentence".

Mr. CAPEHART. Mr. President, in order that we may accommodate all Senators and that they may understand just what we are talking about, I wish to say that we have been debating the subject of housing almost continually for the last 2 days, and I shall take only a minute to state it again. No one is trying to hinder any of the housing programs. We are not trying to eliminate any of the programs. All we are trying to do is take out of the bill X amount of money in order that we may balance the 1960 budget without in any way hindering or interfering with any of these programs. It is as simple as that.

I again wish to say, as a Senator, as a citizen, and as a taxpayer, that we ought to apply the same formula to every piece of proposed legislation that comes before us; namely, whether some money in every bill that comes before us cannot be eliminated without interfering with our programs, in order that we may make an effort to balance the budget.

The pending amendment would reduce the urban renewal authorization to $1,450 million. It is another opportunity for us to prove whether we want to reduce expenditures without hurting the program. It is not possible to go any faster. This is a 6-year program. If we find, 2 years from now, that our financial condition is better, that there are fewer calls upon us for national defense, that we are balancing the budget, and that our income is greater, we can at that time appropriate or authorize more money to go forward with what should be done.

That is all I will say on this subject. I have been discussing this housing legislation and various amendment now for a couple of days. The same principle applies to all of them. I am grateful to the distinguished majority leader for his compromise yesterday in reducing the $300 million to $150 million. At the moment we have an agreement that we will reduce the college housing program by $125 million, and eliminate another item. I am grateful for that. I wish the majority leader would compromise on these other matters. I hope Senators will go along with us. We can do it in all good conscience without hurting the program.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. BUSH. Yesterday the Senator accepted a modification on a similar amendment, to the effect that the $250 million for the first year should become the figure for the last 3 years. In other words, the modification is to change the item of $200 million in the Senator's amendment to $250 million, so as to make it a uniform figure.

Mr. CAPEHART. I ask unanimous consent that I may modify the amendment accordingly.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, have not the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. JOHNSON of Texas. May we find out what the purpose of the modification is?

The PRESIDING OFFICER. The Chair asked if there was objection to the unanimous-consent request. The Chair now recognizes the Senator from Texas.

Mr. JOHNSON of Texas. Reserving the right to object, I wish to hear what the modification is and what the purpose is. Perhaps I will not object.

Mr. BUSH. The modification is a very simple one. It moves in the direction of the Sparkman bill, not away from it. The amendment in question provides for $250 million a year for 3 years and $200 million a year for the next 3 years. The modification would provide $250 million each year for 6 years.

Mr. JOHNSON of Texas. I have no objection.

Mr. CAPEHART. Mr. President, I ask unanimous consent to modify my amendment so as to provide $250 million each year for 6 years.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Indiana is so modified.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. Does the Senator's amendment as modified carry also the provision in the administration's recommendation to reduce Federal participation and increase State participation?

Mr. CAPEHART. That remains the same as it was in my original amendment.

Mr. SPARKMAN. Does the Senator mean that it does?

Mr. CAPEHART. All I am agreeing to in my modification is to make the amount $250 million a year for 6 years.

Mr. SPARKMAN. The Senator, I am afraid, did not correctly understand my question. I ask if his amendment to modify includes the administration proposal to decrease Federal participation and increase local participation.

Mr. CAPEHART. Yes; it does.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very pertinent article entitled "Glaring Spending Differences," written by Peter Edson, and published in the Washington Daily News of February 5, 1959. Mr. Edson points out in his article the glaring differences in spending between the two major political parties. I think in light of the votes taken yesterday as well as those being taken today in the Senate, in line with trying to balance the budget, the article is most appropriate and timely.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GLARING SPENDING DIFFERENCES

(By Peter Edson)

That old gag about it being impossible to tell the difference between Republicans and Democrats is no good any more.

The principal difference is in ideas about the amount of money the Federal Government should spend, and whether the budget shall be kept in balance or operated at a deficit.

In three fields alone—Federal aid to education, airport construction, and housing—Democrats now propose spending $1.5 billion more than the Republican administration proposes for the next fiscal year. Over the full 6 or 7 years of the conflicting programs, the Democrats would spend $13 billion more.

In campaign speeches at Pittsburgh and Charleston last October 27, President Eisenhower identified the Democrats as "the spendthrift league" and accused them of "urging a raid on the taxpayers' dollars."

The charge was resentfully denied by Democratic orators. But from the way things are shaping up in the new session of Congress, the President's charge seems justified.

Take housing. The administration called for a $1.660 billion program, spread over 6 years. Senator JOHN SPARKMAN, Democrat, of Alabama, introduced a bill which would cost $2.965 billion, spread over 7 years.

For the fiscal year 1960, the Democrats' bill would cost $356 million more. Of this, $300 million would be for direct loans to veterans, on which the administration made no proposal.

The bill as passed by the Senate will still have to clear the House and a Senate-House conference committee to compromise differences. President Eisenhower will give no hint on whether he will sign or veto a bill that goes so far beyond his recommendations. But this will bring to a head the question of whether the Government will unbalance its budget and embark on deficit financing.

Take aid to airports. The administration program calls for $200 million spread over 4 years. The bill introduced by Senator A. S. MONRONEY, Democrat, of Oklahoma, calls for $575 million spread over 5 years.

Take Federal aids to education. The administration called for nothing beyond last year's National Defense Education Act. But Senator JAMES E. MURRAY, Democrat, of Montana, has introduced a bill for school construction and other benefits which would cost $1.1 billion the first year and increase by that amount or more to $4.7 billion the 4th year. The total cost would be $11.3 billion.

In the field of Government lending programs, the administration proposed $55 million for depressed areas suffering from chronic high unemployment. Senator PAUL DOUGLAS, Democrat, of Illinois, topped this with a $375 million program. President Eisenhower vetoed a similar bill last year.

All the foregoing illustrate differences in approach to spending bills. In addition, there are wide differences in Republican administration and Democratic congressional bills on labor legislation, civil rights, social security, atomic energy power development, space exploration, missile development, and foreign policy.

Mr. CAPEHART. Mr. President, I call attention to one other matter. I wish every Senator would pay close attention to this. Many statements have been made to the effect that more authorization is needed for public housing. Let me read a statement by the Director of Public Housing:

> We lost 10,000 units out of our last year's authorization because they were not requested by the local authorities and by reason of the fact that the housing bill was not enacted last year.

Mr. President, 10,000 units were lost last year because cities throughout the United States did not even request them. So we are authorizing more public housing and urban renewal than the people throughout the country can use. I can well understand that. This is not a criticism, because time is needed to do all these things. If we can do what I am proposing, and not hinder those programs, but still balance the budget, we ought to do it.

I say again that Congress is responsible, 100 percent, for unbalanced budgets, for deficits, and for national debts. It is not the President of the United States who is responsible. Congress alone authorizes the money and makes the appropriations. I do not ever again want to hear the complaint that the President of the United States or the administration, whether it be a Democratic or a Republican administration, is spending too much money and has unbalanced the budget, when Congress, and Congress alone, is responsible, not the President.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LONG. Can the Senator point out wherein Congress has ever voted more money for the foreign aid program than the President has requested? My impression is that it was pressure emanating from the White House which was responsible for the large foreign aid programs.

Mr. CAPEHART. That does not change my statement. My statement is that Congress, and Congress alone, is responsible for authorizations and appropriations. If Congress appropriates more money than is received in taxes by the Federal Government, then Congress is responsible for the deficits, because Congress sets the tax rates and appropriates the money.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. CAPEHART. I yield.

Mr. LONG. Will the Senate tell me wherein Congress is responsible for the increases in interest rates which have added an extra $2 billion a year to financing the national debt?

Mr. CAPEHART. Yes. Congress is responsible for that, because there would not be a national debt if Congress had not appropriated the money. The able Senator from Louisiana knows that.

Mr. LONG. The debt would not be so large if there had not been a war. But what about all the increases in interest rates since then?

Mr. CAPEHART. The Senator cannot deny that Congress, and Congress alone, appropriates the money. The President would not have one cent to spend if it were not appropriated by Congress.

Mr. LONG. Some of us who are opposed to appropriating outlandish sums for foreign aid would like to reduce the amount spent on the foreign aid program. We are against the tremendous increases in interest rates on the national debt. Some of us want to economize at different points. We do not see what the country is getting in return for all the increases in interest rates and the expenditure of money for foreign aid.

Mr. CAPEHART. The Senator from Louisiana is talking about foreign aid when the matter before the Senate is housing and urban renewal.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. We are operating under a unanimous consent agreement. I shall be happy to yield further to Senators on their own time.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a comment on this subject?

Mr. CAPEHART. Very well; I yield.

Mr. CASE of South Dakota. Is it not true that high interest rates are a reflection of an inflationary period and deficit spending?

Mr. CAPEHART. The bulk of it is due to the $280 billion debt; also, interest rates have gone up.

Mr. CASE of South Dakota. And they will continue to go up with deficit spending.

Mr. CAPEHART. But Congress has the authority, if it wants to use it, to set the interest rates.

Mr. JOHNSON of Texas. Mr. President, does the Senator decline to yield to Senators on this side of the aisle?

Mr. CAPEHART. No; I am happy to yield to the Senator from Texas. I am ready to vote.

Mr. JOHNSON of Texas. I do not think any party has a monopoly on spending or saving or balancing the budget. I think most of this talk about these things is pure bunk.

I remind Senators that the Senate in the 85th Congress, by almost unanimous votes of both parties—by almost unanimous votes, if not unanimous, in each instance—voted to reduce the administration's—I could say the President's, but I do not want to get personal—the administration's appropriation requests, by a total of $5,600 million.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from the clerk of the Senate Appropriations Committee, showing that the administration's requests for appropriations during the 85th Congress were reduced by Congress a total of $5,600 million, notwithstanding the fact that we gave the President $1 billion more than he requested in the field of defense.

Mr. President, it is also my impression—and I do not pass upon the merits or the justification of the request; Congress in due time will do that—that this administration, which speaks through television and the newspapers about spending, is asking Congress this year to appropriate $825 million more for foreign aid than Congress appropriated last year. I did not say $825,000, Mr. President, but $825 million. That is, in my language, a very substantial increase in spending in that field.

I do not question the motives or the integrity of anyone; I shall not even speak about the judgment as between parties. I have placed in the RECORD, however, the fact that Congress, with Republicans and Democrats voting alike, voted to reduce the administration's requests $5,600 million; and there were yea-and-nay votes on practically every appropriation bill in the 1st session of the 85th Congress, when Secretary of the Treasury Humphrey warned us that if we did not cut expenses we would have a depression that would curl our hair.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. In just a moment. I understand that this is irritating to those who like to talk about other people's spending, but I want Senators to understand and realize that while there is talk about saving $20 million, $30 million, or $40 million, on programs to put a roof over someone's head, nevertheless those who criticize that are asking Congress to send abroad $825 million more than was sent last year.

If Senators do not know it, they should read the budget. I think the Congress will consider this with great care.

Mr. CAPEHART. Mr. President, I refuse to yield further.

Mr. JOHNSON of Texas. Mr. President, if it has got too hot to take, I yield the floor. [Laughter.]

Mr. BUSH. Mr. President, reserving the right to object——

Mr. CAPEHART. To what?

Mr. BUSH. The Senator from Texas made a unanimous-consent request.

Mr. CAPEHART. Mr. President, I do not yield for that purpose, either. [Laughter.]

Mr. President, it is not too hot for me to take. I am only taking into account the fact that we have a unanimous-consent agreement.

The best speech I have heard on the floor of the Senate to prove my point that the Congress controls the budget and the appropriations was the one made just now by the able Senator from Texas.

Mr. JOHNSON of Texas. I thank the Senator from Indiana.

Mr. CAPEHART. Because he said the 85th Congress reduced them by, I believe, $5 billion, and that other Congresses had reduced them; and he said even the President had asked for more money—asked it of whom? Asked it of the Congress, Mr. President.

Therefore, the Senator from Texas has proved my point that the Congress has the right to reduce expenditures, and also has the right to increase them. The responsibility is 100 percent ours.

At no time during my remarks, either yesterday or today, have I said a word about either Democrats or Republicans. I have only been talking about the fact that it is the responsibility of the Congress—composed of both Democrats and Republicans—to balance the budget; and that the Congress, and only the Congress, has the authority to appropriate money. The RECORD will prove that I played no politics with that matter; I was appealing to all Senators, on both sides of the aisle.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Indiana yield to me, to permit me to commend him?

Mr. CAPEHART. I ask the Senator from Texas to wait just a minute, please.

Mr. President, I was appealing to both sides; and I am grateful to the Senator from Texas for proving my point, because he did prove my point. He proved that the 85th Congress had the courage to reduce the expenditures; and I congratulate him for defending me and protecting me, because he has proved my point 100 percent, namely, that only the Congress can appropriate money, and only the Congress can reduce appropriations. That is all I am trying to do.

Mr. JOHNSON of Texas. Mr. President, let me congratulate the Senator from Indiana.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The time available to the Senator from Indiana has expired.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. SPARKMAN. I do not yield just now from the time available to me.

Mr. JOHNSON of Texas. Mr. President, I withdraw my request, if some Senators do not want the letter published at this point in the RECORD. Instead, I shall circulate the letter in private. I ask unanimous consent to have the letter printed at this point in the RECORD. But if the printing of the letter in the RECORD will not be pleasing to some of my colleagues, I withdraw my request.

Mr. BUSH. Mr. President——

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. SPARKMAN. Mr. President, I have been promising to yield to the Senator from Louisiana [Mr. ELLENDER], who already has been delayed in keeping a luncheon engagement. So at this time I yield 4 minutes to the senior Senator from Louisiana [Mr. ELLENDER].

THE ANNUAL MARDI GRAS BALL OF THE LOUISIANA STATE SOCIETY

Mr. ELLENDER. Mr. President, following the rather tense situation which developed during the last few minutes, I shall refer now to something more pleasant.

Tomorrow evening, in the grand ballroom of the Sheraton-Park Hotel, the Louisiana State Society will stage its annual Mardi Gras ball. It is my privilege to serve this year as general chairman of the ball, which honors the men and women who produce, pack, and market golden Louisiana yams.

During the past few hours, quite a few prominent Louisianians have arrived in Washington for this occasion. I am particularly pleased that this year, as in years past, we are joined here in Washington by a bevy of lovely young ladies who are representing the major Louisiana fairs and festivals.

In this regard, Mr. President, it strikes me that the annual Mardi Gras ball here in Washington does more than merely provide an opportunity for Louisianians away from home to participate in a traditional Mardi Gras celebration. It does more than offer an opportunity for us to honor an outstanding Louisiana product. In all truth, Mr. President, the basic resource of any free society is its youth; our young people are the leaders of tomorrow. They are the ones to whom will fall the task, just a few years hence, of preserving and furthering the freedoms which our forefathers struggled to establish, and which we today struggle to maintain.

Therefore, not only as a salute to my State and to its products, but as a salute to the greatest single resource which

any State can have—its youth—I wish to inform the Senate that the following young ladies, representatives of all Louisiana, are today the guests of our Louisiana congressional delegation and the Louisiana State Society:

NAME OF QUEEN AND HOME TOWN—FESTIVAL AND CITY HELD

Miss Gloria Allen, Leesville, La.; Holiday in Dixie Festival, Shreveport, La.

Miss Linda Lou Allen, Springhill, La.; Peach Festival, Ruston, La.

Miss Sally Bisso, New Orleans, La.; New Orleans Spirit of Mardi Gras, New Orleans, La.

Miss Catherine Bush, Bogalusa, La.; American Legion Festival, Bogalusa, La.

Miss Carolyn Ann Cherry, Franklin, La.; International Rice Festival, Crowley, La.

Miss Ann Giordano, Morgan City, La.; Shrimp Festival, Morgan City, La.

Miss Judy Haydel, Houma, La.; Fur Festival, Cameron, La.

Miss Barbara Jean Hayden, Kentwood, La.; Florida Parishes Festival, Kentwood, La.

Miss Sandra Hayes, Lafayette, La.; Louisiana Gulf Coast Oil Festival, Lafayette, La.

Miss Charlotte Hayman, Bogalusa, La.; Rose Festival, Bogalusa, La.

Miss Patricia Ann Healy, Covington, La.; Tung Blossom Festival, Covington, La.

Miss Lillian Hewell, New Iberia, La.; Delcambre Fishing Industry Festival, Delcambre, La.

Miss Jo Ann Hyde, Robert, La.; Louisiana Market Poultry Show, Alexandria, La.

Miss Joan LaBorde, Marksville, La.; Louisiana Livestock and Pasture Festival, Marksville, La.

Miss Marcy Lancaster, New Roads, La.; Louisiana Sugar Cane Festival, New Iberia, La.

Miss Raedonna Lantz, Egan, La.; Louisiana Farm Bureau Federation, Festival, Baton Rouge, La.

Miss Pauline Lasserre, Lafayette, La.; Southwest Louisiana Mardi Gras, Lafayette, La.

Miss Phylis LeBlanc, Delcambre, La.; Future Farmers of America, Baton Rouge, La.

Miss Sandra Lynn Lemoine, Ville Platte, La.; Cotton Festival, Ville Platte, La.

Miss Gladys Mestayer, New Iberia, La.; Louisiana Dairy Festival, Abbeville, La.

Miss Tommie Jean Rayburn, Bogalusa, La.; Louisiana Paper Festival, Bogalusa, La.

Miss Linda Marie Sullivan, Buras, La.; Louisiana Orange Festival, Buras, La.

Miss Sallye Ann Sumlin, Delhi, La.; North Louisiana Delta Festival, Bastrop, La.

Miss Camille Woodall, Oakdale, La.; Forest Festival, Winnfield, La.

LADIES OF THE COURT

Miss Mary Ann Basnight, Silver Spring, Md.

Miss Elizabeth Beyt, St. Martinsville, La.

Miss Corinne Boggs, New Orleans, La.

Miss Nina Claire Breaux, Carencro, La.

Miss Judith Rebecca Fletcher, Alexandria, La.

Miss Sandra Lynn Girouard, Kaplan, La.

Miss Tony Landry, New Iberia, La.

Miss Susan Virginia Phillips, Lafayette, La.

Miss Lynn Prescott, Bethesda, Md.

Miss May Del Tinsley, Point a La Hache, La.

Miss Elizabeth Coit, Newellton, La., champion yam cook of Louisiana.

In addition, Mr. President, I wish to pay particular tribute to a group of men and women who have worked tirelessly to assure the success of this year's Mardi Gras ball. They have been at my right hand during the many weeks the arrangements for this event have required.

First, Dr. Julian C. Miller, of Louisiana State University, the king of the Mardi Gras ball, and a man well known here in Washington. Dr. Miller's tireless research has made Louisiana yams one of my State's leading agricultural products.

Next, Miss Linda Guidry, of Opelousas, La., the queen of this year's ball. She was selected by the Louisiana yam industry; and, in order to reign over the Mardi Gras ball in Washington, she will lay aside her crown as Opelousas Yam Queen for Friday night only.

In this regard, Mr. President, another Louisiana beauty, Miss Arlene Howell, of Bossier City, recently named Miss United States in the Miss Universe contest, will join us at the ball tomorrow night, to replace, for that night only, Miss Guidry, as representative of the Louisiana Yambilee.

Finally, but by no means least, the members of the king's committee, who are representative of the vigorous leadership which characterizes today's growing Louisiana; are the following: Mr. R. J. Castille, of Lafayette, La., chairman; Mr. J. J. Arceneaux, of Opelousas, La.; Mr. A. D. Miller, of Lafayette, La.; Dr. G. A. Ackal, of New Iberia, La.; Mr. A. A. Gonsoulin, of Sunset, La.; Mr. and Mrs. H. M. Knox, of Lafayette, La.; Mr. Robert Pettit, of Lafayette, La.

Unfortunately, Mr. President, time does not permit me to list the names of each and every other representative of my State now in Washington. However, as the senior Senator from Louisiana, as chairman of the 1959 Louisiana State Society Mardi Gras ball, it is my personal privilege to extend to these distinguished citizens of my State, greetings, and to assure them that all of us, in the Congress, and all those in private business and Government employment in the Washington area, bid them welcome to the Nation's Capital.

HOUSING ACT OF 1959

The Senate resumed the consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

Mr. BUSH. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. SPARKMAN. First, I should like to ask how much time I have remaining.

The PRESIDING OFFICER. The Senator from Alabama has 10 minutes remaining.

Mr. BUSH. Mr. President, I ask for only 1 minute.

Mr. SPARKMAN. Very well; I yield to my able friend, who is a member of the committee, 1 minute.

Mr. BUSH. I thank the Senator from Alabama.

Mr. President, I simply wish to refer to what the majority leader said a few minutes ago. He spoke of an insertion which he intended to make in the RECORD; he said it was in regard to how the 85th Congress cut back by approximately $5 billion the appropriation requests of the administration.

I rise to ask whether those are net reductions of what has been requested by the administration, or whether they are simply cuts. I also ask what additions the Congress itself made. In other words, if the RECORD is to contain insertions to show what were the reductions in expenditures, it should also contain insertions to show what additions in expenditures have been made by the Congress.

I have noticed such a statement by the majority leader before. To me, it is not a complete statement, and does not give the correct impression. So I ask him to state whether the decrease to which he referred in the expenditures voted by the 85th Congress is a net decrease or not.

The PRESIDING OFFICER. Does the Senator from Alabama yield further; and if so, to whom?

Mr. SPARKMAN. Mr. President, if the majority leader wishes to have me yield time to him, I now do so.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Connecticut has concluded his statement, I ask the Senator from Alabama to yield for just a moment to me.

Mr. SPARKMAN. I yield.

Mr. JOHNSON of Texas. Mr. President, I want Senators to notice what has happened here. The Republicans have used all the time available to them; and now, after all the time available to them has been consumed by them, they request us to yield time to them. We are perfectly willing to yield to them from the time available to us, and we hope they will remember our courtesy.

Mr. President, what the Senator from Connecticut has said reminds me of Bob Taylor's goat, down in Tennessee. The animals held a convention, and wanted to signal their approval of a matter by raising their tails. But the opossum rose and objected; he said he had a very scaly tail which would not look very good if raised in public, whereas, he said, the fox had a beautiful tail which, when raised in public, would be admired by everyone. So the opossum said, "I do not think I would cause pleasure by raising my tail in public. And, besides, Mr. Billy Goat, over there, has done voted." [Laughter.]

Now the Senator from Connecticut has described a letter which he has not seen; he has informed the Senate of the contents of the letter, although he does not know what the letter contains.

I do not wish to detain the Senate further, now that it is about ready to vote on the pending amendment.

The letter is on its way to the Chamber. If I am able to obtain additional time—which I anticipate I shall be able to do later in the afternoon—I shall provide the Senator with a copy of the letter, which comes from the staff of the Appropriations Committee; and I shall furnish him with a tabulation of the votes in which he and all other Members of the Senate participated, and in which I think all of them will take great pride; they are the votes which reflect the total reductions of $5,600 million in Presidential appropriation requests.

I shall also furnish a copy of the President's budget requests this year.

I believe I am correct in repeating now what I repeated at the White House, in a conference of the leadership, earlier in the year, namely, that this administration is asking this Congress for $825 million more in the field of foreign aid than the last Congress gave the administration; and I emphasize the word "more," so that those who wish to do so can judge who the real spenders are.

I furthermore make this prediction. If we continue trying to brand one party as the party of spenders, and the other party as the party of savers; if we continue trying to brand one party as the party of socialism, and the other party as the party of free enterprise; if we continue to deal in labels instead of reason, I think the people may get a balanced budget, all right. There is going to be so much propaganda that by the time we get through the last appropriation bill, Congress may balance it in that last bill.

Mr. President, we have differences of opinion. Some of us want to put a few roofs over people's heads. Some want to build reclamation projects abroad. I have not checked it, but someone told me the other day an Interior official or authority on Interior matters said we spent more on reclamation projects abroad last year than we did on reclamation projects at home.

As the Senator from Louisiana has consistently pointed out—and I have not always agreed with him—this Congress has made substantial reductions in foreign aid and reductions in other items. I remember the cry that went up, when we took away one of these programs that we thought was wasting money, and sought to cut it down.

Mr. CAPEHART. Mr. President——

Mr. JOHNSON of Texas. The Senator from Illinois knows to whom I refer—Mr. Arthur Larsen. We were willing to give him as much money as his agency had had the previous year——

Mr. CAPEHART. Mr. President, how much time does the Senator have?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Indiana?

Mr. JOHNSON of Texas. No. I will yield in a moment, but the Senator would not yield to me. I want to get some information before this body. I refer to the appropriation for the USIA. He did not know what the Administrator was spending it for or where he was spending it. We asked him to ascertain the facts and tell us in 2 or 3 days.

Former Senator Knowland and the Senator from Illinois were members of the committee. I think the Senator from Massachusetts was a member. I think we all agreed that the Agency made a very poor case, and we cut its request. We had a vote on the floor. I think there were 20 votes in favor of the Agency's request.

Mr. President, some Senators are going to want more appropriated for reclamation projects. Some are going to want more for foreign aid. Can we not differ without questioning each other's integrity or labeling one party as the party of spenders and the other party as the party of savers? Let us reason among ourselves and go over requests with a fine-tooth comb.

I want to save every little penny I can save. It does not mean I am a spender because I want to vote for a housing bill and because I voted to restore $800 million for foreign aid last year. I may support foreign aid this year. Our President asked me to try to restore $800 million. I did not go on television and say, "He is a spender. Beware of him." I said, "Mr. President, I have grave doubts about the wisdom of the request, but I am going to resolve the doubts in your favor, because if anyone has had experience in this matter, you have had. I think you have had more experience in this field than I."

My vote was the deciding vote on restoring several hundred million dollars to the appropriation for foreign aid. Last year we got several hundred milllion dollars. We could not get all we wanted. Senator Knowland and I defended the administration against amendments which would have further cut the amount in the bill. Who were the spenders and who were the savers then?

No one has a monopoly on patriotism or thrift. We are all good Americans. We do not want to have one party labeled as the party of spenders, or the party of treason, or the party of Socialists, because the people will not take that kind of stuff. They showed it when they did not permit anyone to run against Eugene Debs. They knew he was gone.

In the last election the majority party did not lose one single seat in this body. For one of the first times in the history of the Republic, the majority party picked up 15 new Senate seats, and a few Republicans won by a hair's breadth.

The Senator from Alabama has handed me an article showing results of a Gallup Poll, which some persons have been quoting quite loosely. The poll shows that in the 1958 election 56 percent of the people voted for the Democrats and 43 percent for the Republicans.

Since then the Republicans have been climbing. The people have been reading some of the Republican speeches.

The Democratic trend today is 58 percent to 42 percent——

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I will finish this sentence, and then conclude.

I am going to work as diligently as I can, as leader of the majority, as a member of the Appropriations Committee, to get the budget in balance.

I know two ways to balance the budget. One is to sit in a rocking chair and quit working, to sit and chew and go on retirement and to be paid unemployment compensation benefits and do nothing. The other way is to get up before daylight, work until after dark, do more, and build more, for the country. I am for the latter way.

But I am going to screen these appropriation bills. I do not think we have to be lectured on spending. When this Congress shall have finished its work this year, I predict it will be found that we increased some of the recommendations of the President, and cut some of the recommendations of the President. This is not going to be a "me too" Congress—at least on this side of the Capitol. I hope it will not be on either side.

When it is all over, I hope we shall have a sound fiscal policy and a balanced budget. I think we can have one if we quit assuming that only one party is the patriotic one and the other party is made up of spendthrifts and spenders.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. What is the status of the time remaining to either side?

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to proceed for—I was going to say a moment. I am not going to say one of the majority leader's "moments," which I think was about 15 minutes long, but I shall be content with 5 minutes.

Mr. SPARKMAN. Mr. President, reserving the right to object, I must object unless this side is granted the same amount of time as the other side.

Mr. JOHNSON of Texas. I spoke in the time which was allotted.

Mr. SPARKMAN. I shall object unless the request is modified to give our side the same amount of time.

Mr. JOHNSON of Texas. We do not need all that time.

Mr. President, I ask unanimous consent to have 8 additional minutes, the minority leader to have 5 minutes and the majority leader to have 3 minutes.

Mr. SPARKMAN. Reserving the right to object, a couple of Senators have asked me for time to speak. I have been unable to give it to them. I insist on being granted the same amount of time.

Mr. JOHNSON of Texas. Very well. We shall yield it back.

Mr. CAPEHART. Mr. President——

Mr. JOHNSON of Texas. Mr. President, a point of order. Let us have the unanimous-consent request acted on.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. SPARKMAN. Mr. President, a parliamentary inquiry. What is the request?

The PRESIDING OFFICER. The question before the Senate is the request of the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I modify my request to provide for 5 minutes on each side.

The PRESIDING OFFICER. The request has been modified to provide for 5 minutes to either side.

Mr. LONG. Mr. President, reserving the right to object, how much time remains?

Mr. JOHNSON of Texas. There is no time on the amendment.

Mr. President, may we have the request acted upon?

The PRESIDING OFFICER. The question is on agreeing to the unanimous-consent request proposed by the Senator from Texas. Is there objection? The Chair hears none, and it is so ordered.

The Chair recognizes the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I yield 30 seconds to the Senator from Indiana. [Laughter.]

The PRESIDING OFFICER. The Senator from Indiana is recognized for 30 seconds.

Mr. CAPEHART. In all friendliness, since the majority leader made so much to-do about the fact that he would not yield, I will ask the question: Was the long speech the Senator made not on my time rather than on his own time? [Laughter.]

I am not complaining about that.

I want to say another thing. I think the majority leader has proved conclusively, without a question of doubt, that the Congress of the United States controls appropriations and ought to control them. I hope from this time on we shall control appropriations even more than we have in the past.

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIRKSEN. Mr. President, I address an observation to the majority leader.

Mr. JOHNSON of Texas. I am listening.

Mr. DIRKSEN. I should like to have the majority leader reinstitute his request now to have printed in the RECORD the letter that he discussed, which was one coming from the Committee on Appropriations.

Mr. JOHNSON of Texas. Will the Senator do that on his own time and in his own manner?

Mr. DIRKSEN. Did the Senator from Texas withdraw the request?

Mr. JOHNSON of Texas. I withdrew it. I have 5 minutes which I plan to use discussing that matter and others.

Mr. DIRKSEN. Mr. President, I trust that request will be renewed, and I hope there will be no objection from this side of the aisle, because I want the whole story to be told.

One of the most delightful qualities about the majority leader is——

Mr. COTTON. Mr. President, may we have order, so that we can hear the Senator?

The PRESIDING OFFICER. The Senate will be in order. The Senator from Illinois will suspend until the Senate is in order. All persons desiring to confer will retire to the cloakrooms.

The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, one of the most delightful qualities about the majority leader is that he can often persist in error. I think the whole record ought to be made, because I have seen this allegation about how much the majority cut, ostensibly with Republican aid, in the 85th Congress. I am afraid, however, as it has been presented from time to time it does not tell the whole story. What we want to know is: What is the picture with respect to all spending? We will not get that story entirely from the Appropriations Committee.

I observe my distinguished friend, the junior Senator from Virginia [Mr. ROBERTSON], is present in the Chamber. How eloquently he waxed on occasion about bypassing the Appropriations Committee and getting money out of the Federal Treasury by other methods and devices.

In connection with my remarks, Mr. President, I had expected to have printed as a part of my remarks a statement from the Bureau of the Budget, indicating what happened with respect to all spending, with respect to all of the President's requests, to show the ultimate result after the vetoes and Republican opposition had a chance to be registered. However, I do not have the statement at hand now, and shall have it inserted at some future time.

Then we shall see whether there was a cut or whether there was an increase. Then we shall determine also whether this applied to 2 years instead of 1. I am willing to stand on the record any time.

I think sometimes of the fellow who saw an automobile accident out home, when he was put on the stand to testify. Counsel said, "Did you see the accident?" He said, "Yes, sir." Counsel asked, "How far were you away when the accident happened?" He said, "Twenty-two feet nine and three-quarter inches." Counsel looked at the court and looked at the jury and said, "Well, Smartie, tell the court and jury, how do you know it was twenty-two feet nine and three-quarter inches?" He said, "When it happened, I took out a tape measure and measured from where I stood to the point of impact, because I knew some lawyer was going to ask me that question."

The question has been asked, and we are going to get all the facts, including the facts with respect to bypassing of the Appropriations Committee. When that matter is resolved I think it will set up an entirely different story. I am willing to let the Government record speak eloquently in cold figures on that point.

I have nothing more to say, Mr. President.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I do not want a partial record to be made; I want the full record to be made.

Mr. President, I asked permission to have the letter printed in the RECORD a few moments ago. Under a reservation of objection, I withdrew my request. I want to now read the letter into the RECORD.

The letter is dated October 2, 1958. The letter is addressed to Hon. LYNDON B. JOHNSON, Democratic leader, U.S. Senate, Washington, D.C., and is signed by Everard Smith, clerk, Senate Appropriations Committee.

I believe the Senator from Massachusetts [Mr. SALTONSTALL] has probably confirmed this in the last few moments, perhaps with the Committee on Appropriations. If I am in error I hope the Senator will say so. Anyway, the letter reads as follows:

DEAR SENATOR JOHNSON: The two tables attached, appearing in the Daily Digest of September 12, 1958, represent the total appropriations—

That is what we are requested to make. We do not make expenditures; we make appropriations; and the administrative officials accumulate them and accumulate them, carry them over and carry them over, and accumulate them and accumulate them. They are asking for appropriations.

I read further from the letter—

represent the total appropriations made during the first and second sessions of the 85th Congress.

It will be noted that the total estimates—

That is, budget estimates—

considered during the 1st session of the 85th Congress—

That is, every kind of estimate which is submitted—

amounted to $64,638,110,610.

That is what was requested, roughly $64.6 billion. I hope Senators will keep that in mind. That is the request that came to us.

Senators can run themselves down if they wish to. Senators can brand themselves as spenders if they wish to, but I am going to defend them, because Senators voted to reduce those requests from $64 billion to $59,589,731,631, a reduction—capitalize—emphasize—

a reduction in the budget estimates by the Congress—

Not by the Democrats but all the Congress, although the Democrats were in control of the Congress—

of $5,058,378,979—

In the first session.

The former Senator from California, Mr. Knowland, and I had an agreement that we would call the roll to see if any Senator wanted to reduce or wanted to add. We wanted to reduce these requests. We did that.

I believe I am correct, though I am speaking from memory, when I say we called the roll on every appropriation bill and in each instance it was either unanimous or there were less than five votes against us.

I read further from the letter:

> The total estimates considered during the 2d session of the 85th Congress amounted to $73,272,659,573 and the appropriations to $72,653,476,248, or a reduction in the budget estimates by the Congress—

All of us—

> of $619,183,325.
>
> The figures in the tables are exclusive of permanent appropriations estimated at $8,346 million for the fiscal year 1958 and $8,334 million for the fiscal year 1959.
>
> Sincerely yours,
>
> EVERARD SMITH,
>
> *Clerk, Senate Appropriations Committee.*

Those last two figures include automatic expenditures, such as interest on the public debt and the return of taxes and matters like that, largely handled in the Treasury Department.

Mr. President, I want to make a final point. I do not claim that is a record made by the Democrats. I claim that is a record made by this institution of which I am so proud, the Senate of the United States.

I simply ask people to reserve judgment on what we are going to do this year. Before we are branded as spenders, give us a chance. I ask people to reserve comment, because I am afraid they are going to oversell some of their people to the point where they will have to come back to ask us to restore some of the cuts which may be made.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. If the Senate will give me more time I will yield. My time has expired.

Mr. SALTONSTALL. The Senator referred to me.

Mr. JOHNSON of Texas. I have no more time.

Mr. President, I ask unanimous consent that I be granted 1 additional minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The figures were given to me, as the Senator said. They are substantially the figures given by the Senator from Texas. I should like to add one point, in the interest of accuracy. I know the Senator wants to be absolutely accurate.

Mr. JOHNSON of Texas. Is the letter accurate, as I read it?

Mr. SALTONSTALL. I do not have the letter. There is just one additional amount. As I understand, those figures do not include, when we consider all Federal expenditures, programs financed by borrowing authority.

Mr. JOHNSON of Texas. That is correct. I stated that, and pointed it out, and referred to interest on the public debt and other matters.

What I wish to point out in the 30 seconds I may have left is that the Congress—all of us—ought to be proud of our record. We reduced the President's request by $5,600,000,000, notwithstanding the fact that we gave him $1 billion more than he asked for defense. We may not be able to do that well this year; but give us a chance. By custom, appropriation bills originate in the other body.

I understand, from reading the newspapers, that some of the items will be trimmed pretty effectively. Some of my friends may be put in an embarrassing position and we may be asked to restore some of this money before we are through. So I ask them not to be too much occupied with putting labels on us. There are prudent Members on both sides of the aisle; and we are going to save every dime we can, consistent with good national policy.

Mr. RANDOLPH. Mr. President——

Mr. DIRKSEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from West Virginia?

Mr. DIRKSEN. First I must find out how much time I have.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. DIRKSEN. I ask unanimous consent to add 1 minute, so as to equalize the time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I yielded time to the Senator from Massachusetts.

Mr. DIRKSEN. Very well. I ask that the majority leader be granted an additional minute. I have 2 minutes.

The PRESIDING OFFICER. The Senator from Illinois asks unanimous consent that he be recognized for 2 minutes. Is there objection?

Mr. DIRKSEN. No. I have 1 minute in my own right. I ask for an additional minute.

The PRESIDING OFFICER. Without objection, the Senator is granted an additional minute.

Mr. DIRKSEN. According to the clock, I now have 120 seconds. I yield 60 seconds to the distinguished Senator from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. President, I do not think I shall require 60 seconds.

The total figures given by the Senator from Texas [Mr. JOHNSON] are substantially correct, in comparison with the recapitulation of estimates and appropriations for the 1st and 2d sessions of the 85th Congress. I have the tables before me. I think the tables as a whole would be of interest to the Senate. I therefore ask unanimous consent that the two tables shown in the compilation of appropriations for the 1st and 2d sessions of the 85th Congress be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, I have no objection to the insertion of the tables in the RECORD. The Senator from South Dakota says that the letter from the clerk of the Appropriations Committee is substantially correct. Does that mean it is correct, or is there an error?

Mr. CASE of South Dakota. There is a little variation from the figures shown in the tables.

Mr. JOHNSON of Texas. Which is correct—the Senator's tables or the clerk of the Appropriations Committee?

Mr. CASE of South Dakota. I think the tables are undoubtedly correct. They are contained in bound volumes——

Mr. JOHNSON of Texas. The mere fact that they are bound does not make them any more correct.

Mr. CASE of South Dakota. No; but the figures are shown in detail, bill by bill.

Mr. JOHNSON of Texas. Does the Senator question the totals as given by the staff of the Appropriations Committee?

Mr. CASE of South Dakota. The reason I should like to have the itemization made a part of the RECORD is that it would make clear just where the increases and reductions were made.

Much was made during the 85th Congress, and much is made in this Congress, of the defense picture.

Of the $5 billion by which the first session of the 85th Congress reduced the President's requests, $2,368 million represented a reduction in the request of the President for the Department of Defense. The country has heard much about the failure of the Eisenhower administration to provide adequately for defense.

Mr. JOHNSON of Texas. Mr. President, I wish to make it clear, and I defy any Senator to deny it—that the President did not use all the appropriations we made for defense. Some of the money is impounded. Let us not try to pull the wool over the eyes of intelligent people. I do not pass judgment on the President's decision to impound certain funds and refusing to spend them; but that is a fact, and no Senator can deny it.

The PRESIDING OFFICER. All time has expired.

Mr. CASE of South Dakota. Mr. President, what about my unanimous-consent request, which I made in my own time, to have placed in the RECORD certain tables prepared under the direction of the Committee on Appropriations, as required by law?

The PRESIDING OFFICER. Without objection, the tables may be printed in the RECORD.

The tables are as follows:

VIIIa.—*Recapitulation of itemized estimates and appropriations, 85th Cong., 1st sess.*

	Regular budget estimates, fiscal year 1958	Supplemental estimates, fiscal year 1958 and prior years		Total budget estimates	Total appropriations, 85th Cong., 1st sess.	Increase (+) or decrease (−), appropriations compared with estimates
		Increases	Decreases			
REGULAR ANNUAL ACTS						
Department of Agriculture	$4,219,446,617		$254,000,000	$3,965,446,617	$3,666,543,757	−$298,902,860
Atomic Energy Commission	2,377,000,000	$114,625,000		2,491,625,000	2,323,632,500	−167,992,500
Department of Commerce and related agencies	880,983,000	25,500,000	34,970,000	871,513,000	597,790,225	−273,722,775
Department of Commerce	803,790,000	25,500,000	25,500,000	803,790,000	536,607,225	−267,182,775
Canal Zone	17,648,000			17,648,000	16,765,600	−882,400
Independent agencies	59,545,000		9,470,000	50,075,000	44,417,400	−5,657,600
Department of Defense	36,128,000,000			36,128,000,000	33,759,850,000	−2,368,150,000
Office of the Secretary of Defense	17,175,000			17,175,000	16,350,000	−825,000
Interservice activities	687,825,000			687,825,000	682,375,000	−5,450,000
Department of the Army	8,465,000,000			8,465,000,000	7,264,550,000	−1,200,450,000
Department of the Navy	10,487,000,000			10,487,000,000	9,866,355,000	−620,645,000
Department of the Air Force	16,471,000,000			16,471,000,000	15,930,220,000	−540,780,000
District of Columbia	25,504,450			25,504,450	22,504,450	−3,000,000
General Government matters	20,921,870			20,921,870	16,010,370	−4,911,500
Independent offices	5,923,195,000			5,923,195,000	5,373,877,800	−549,317,200
Department of the Interior and related agencies	515,189,700			515,189,700	456,189,600	−59,000,100
Department of the Interior	373,460,000			373,460,000	326,015,900	−47,444,100
Related agencies	14,851,700			14,851,700	10,433,700	−4,418,000
Virgin Islands Corporation	692,000			692,000	524,000	−168,000
Forest Service	126,186,000			126,186,000	119,216,000	−6,970,000
Departments of Labor, and Health, Education, and Welfare	2,981,277,581			2,981,277,581	2,871,182,781	−110,094,800
Department of Labor	384,678,000			384,678,000	353,817,600	−30,860,400
Department of Health, Education, and Welfare	2,582,114,581			2,582,114,581	2,503,130,381	−78,984,200
Related agencies	14,485,000			14,485,000	14,234,800	−250,200
Legislative branch	103,628,858	4,650,185	7,600	108,271,443	104,844,660	−3,426,783
Mutual security		3,386,860,000		3,386,860,000	2,768,760,000	−618,100,000
Public works	895,446,000		18,993,000	876,453,000	858,094,323	−18,358,677
Department of the Interior	243,206,000		5,658,000	237,548,000	215,061,223	−22,486,777
Civil functions, Army	652,240,000		13,335,000	638,905,000	643,033,100	+4,128,100
Departments of State, Justice, Judiciary, and related agencies	667,142,972	81,830	1,575,000	665,649,802	562,891,293	−102,758,509
Department of State	227,714,552			227,714,552	189,024,243	−38,690,309
Department of Justice	234,655,000		75,000	234,580,000	226,705,000	−7,875,000
The Judiciary	40,773,420	81,830		40,855,250	38,562,050	−2,293,200
U.S. Information Agency	144,000,000			144,000,000	96,200,000	−47,800,000
Funds appropriated to the President	20,000,000		1,500,000	18,500,000	12,400,000	−6,100,000
Treasury and Post Office Departments	3,965,291,000			3,965,291,000	3,884,927,000	−80,364,000
Treasury Department	713,831,000			713,831,000	691,467,000	−22,364,000
Post Office Department	3,250,000,000			3,250,000,000	3,192,000,000	−58,000,000
Tax Court of the United States	1,460,000			1,460,000	1,460,000	
District of Columbia (out of District revenues)	(206,843,100)	(2,661,700)		(209,504,800)	(195,676,480)	(−13,828,320)
Total, regular annual acts	58,703,027,048	3,531,717,015	309,545,600	61,925,198,463	57,267,098,759	−4,658,099,704
DEFICIENCY AND SUPPLEMENTAL ACTS						
Second Urgent Deficiency, 1957		55,945,000		55,945,000	49,861,000	−6,084,000
Additional appropriations, 1957		327,000,000		327,000,000	320,090,000	−6,910,000
Third Supplemental, 1957		206,699,320		206,699,320	85,669,925	−121,029,395
Post Office Department Supplemental, 1958		149,500,000		149,500,000	133,000,000	−16,500,000
Supplemental, 1958	92,857,000	1,880,910,827		1,973,767,827	1,734,011,947	−239,755,880
Total, deficiency and supplemental acts	92,857,000	2,620,055,147		2,712,912,147	2,322,632,872	−390,279,275
MISCELLANEOUS ACTS						
Miscellaneous public acts					394,900	+394,900
Miscellaneous private acts					525,295	+525,295
Total, miscellaneous acts					920,195	+920,195
Total, regular annual, deficiency, supplemental, and miscellaneous appropriation acts	58,795,884,048	6,151,772,162	309,545,600	64,638,110,610	59,590,651,826	−5,047,458,784
PERMANENT ANNUAL APPROPRIATIONS						
(General and special accounts)						
Interest on the public debt	7,300,000,000	500,000,000		7,800,000,000	7,800,000,000	
Refund of taxes	4,370,994,000			4,370,994,000	4,370,994,000	
Sinking fund and other debt retirement funds	623,867,772			623,867,772	623,867,772	
All other permanent and indefinite (general and special accounts)	674,444,730	1,000,000		675,444,730	679,444,730	+4,000,000
Total, permanent and indefinite (general and special accounts)	12,969,306,502	501,000,000		13,470,306,502	13,474,306,502	+4,000,000
Grand total, regular, annual, deficiency, supplemental and miscellaneous acts and permanent appropriations	71,765,190,550	6,652,772,162	309,545,600	78,108,417,112	73,064,958,328	−5,043,458,784

VIIIa.—*Recapitulation of itemized estimates and appropriations, 85th Cong., 2d sess.*

	Regular budget estimates, fiscal year 1959	Supplemental estimates, fiscal year 1959 and prior years		Total budget estimates	Total appropriations, 85th Cong., 2d sess.	Increase (+) or decrease (−), appropriations compared with estimates
		Increases	Decreases			
REGULAR ANNUAL ACTS						
Department of Agriculture	$3,306,108,539	$14,780,000		$3,320,888,539	$3,191,875,539	−$129,013,000
Department of Commerce and related agencies	983,406,000		$685,000	982,721,000	971,214,000	−11,507,000
Department of Commerce	858,099,000			858,099,000	851,754,000	−6,345,000
Canal Zone	41,647,000			41,647,000	39,350,000	−2,297,000
Independent agencies	83,660,000		685,000	82,975,000	80,100,000	−2,865,000
Department of Defense	36,741,200,000	2,053,447,000	7,677,000	38,786,970,000	39,602,827,000	+815,857,000
Office of the Secretary of Defense	356,400,000	180,000,000		536,400,000	536,017,000	−383,000
Interservice activities	734,000,000	40,000,000		774,000,000	836,900,000	+62,900,000
Department of the Army	8,510,000,000	447,235,000	3,700,000	8,953,535,000	8,992,859,000	+39,324,000
Department of the Navy	10,261,400,000	612,758,000	3,977,000	10,870,181,000	11,359,427,000	+489,246,000
Department of the Air Force	16,879,400,000	773,454,000		17,652,854,000	17,877,624,000	+224,770,000
District of Columbia	27,229,000	431,600		27,660,600	22,860,600	−4,800,000
General Government matters	15,814,870	200,000		16,014,870	15,679,870	−335,000
Independent offices	5,922,343,500	248,927,000		6,171,270,500	6,090,156,900	−81,113,600
Department of the Interior and related agencies	414,484,600			414,484,600	459,675,950	+45,191,350
Department of the Interior	287,543,900			287,543,900	320,454,250	+32,910,350
Related agencies	10,681,700			10,681,700	9,536,700	−1,145,000
Virgin Islands Corporation	130,000			130,000	130,000	
Forest Service	116,129,000			116,129,000	129,555,000	+13,426,000
Departments of Labor, and Health, Education, and Welfare	2,927,537,181	47,900,000		2,975,437,181	3,142,606,981	+167,169,800
Department of Labor	408,032,600			408,032,600	388,741,700	−19,290,900
Department of Health, Education, and Welfare	2,504,524,581	47,900,000		2,552,424,581	2,735,815,281	+183,390,700
Related agencies	14,980,000			14,980,000	18,050,000	+3,070,000
Legislative branch	121,138,954	2,707,715		123,846,669	123,297,387	−549,282
Military construction		1,730,653,000		1,730,653,000	1,353,850,000	−376,803,000
Interservice activities		20,000,000		20,000,000	20,000,000	
Department of the Army		340,900,000		340,900,000	236,250,000	−104,650,000
Department of the Navy		368,253,000		368,253,000	303,000,000	−65,253,000
Department of the Air Force		1,001,500,000		1,001,500,000	794,600,000	−206,900,000
Mutual security		3,950,092,500		3,950,092,500	3,298,092,500	−652,000,000
Public works	879,943,000	197,413,000		1,077,356,000	1,118,128,835	+40,772,835
Civil functions, Army	632,935,000	126,590,000		759,525,000	813,887,500	+54,362,500
Department of the Interior	230,158,000	70,823,000		300,981,000	287,391,335	−13,589,665
Tennessee Valley Authority	16,850,000			16,850,000	16,850,000	
Departments of State, Justice, Judiciary, and related agencies	589,215,011	70,000		589,285,011	577,904,113	−11,380,898
Department of State	199,990,151			199,990,151	197,103,353	−2,886,798
Department of Justice	230,190,000			230,190,000	230,317,000	+127,000
The Judiciary	41,402,860	70,000		41,472,860	40,823,260	−649,600
United States Information Agency	110,032,000			110,032,000	103,250,000	−6,782,000
Funds appropriated to the President	7,600,000			7,600,000	6,410,500	−1,189,500
Treasury—Post Office Departments	4,121,969,000			4,121,969,000	4,108,108,000	−13,861,000
Treasury Department	699,367,000			699,367,000	704,627,000	+5,260,000
Post Office Department	3,421,121,000			3,421,121,000	3,402,000,000	−19,121,000
Tax Court of the United States	1,481,000			1,481,000	1,481,000	
District of Columbia (out of District revenues)	(213,887,000)	(1,315,500)	(49,000)	(215,153,500)	(204,033,460)	(−11,120,040)
Total, regular annual acts	56,050,389,655	8,246,621,815	8,362,000	64,288,649,470	64,076,277,675	−212,371,795
DEFICIENCY AND SUPPLEMENTAL ACTS						
Supplemental Defense, 1958		1,260,000,000		1,260,000,000	1,260,000,000	
Department of Labor Supplemental, 1958		43,400,000		43,400,000	43,400,000	
Second Supplemental, 1958		2,874,144,080		2,874,144,080	2,861,008,793	−13,135,287
Urgent Deficiency, 1958		34,811,802		34,811,802	29,784,302	−5,027,500
Additional Supplemental Appropriations, 1958		690,700,000		690,700,000	685,700,000	−5,000,000
Supplemental, 1959	2,297,150,000	1,784,004,221		4,081,154,221	3,697,305,478	−383,848,743
Total, deficiency and supplemental acts	2,297,150,000	6,687,060,103		8,984,210,103	8,577,198,573	−407,011,530
Total, regular annual, deficiency, and supplemental acts	58,347,539,655	14,933,681,918	8,362,000	73,272,859,573	72,653,476,248	−619,383,325
MISCELLANEOUS ACTS						
Miscellaneous public acts					430,679	+430,679
Miscellaneous private acts					1,108,673	+1,108,673
Total, miscellaneous acts					1,539,352	+1,539,352
Total, regular annual, deficiency, supplemental, and miscellaneous appropriation acts	58,347,539,655	14,933,681,918	8,362,000	73,272,859,573	72,655,015,600	−617,843,973
PERMANENT ANNUAL APPROPRIATION (General and special accounts)						
Interest on the public debt	7,800,000,000			7,800,000,000	7,800,000,000	
All other permanent and indefinite (general and special accounts)	664,201,426			664,201,426	664,802,676	+601,250
Total, permanent and indefinite (general and special accounts) [1]	8,464,201,426			8,464,201,426	8,464,802,676	+601,250
Grand total, regular, annual, deficiency, supplemental, and miscellaneous acts and permanent appropriations	66,811,741,081	14,933,681,918	8,362,000	81,737,060,999	81,119,818,276	−617,242,723

[1] Excludes permanent appropriations for refund of taxes and sinking fund and other debt retirement funds.

Mr. SPARKMAN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. As I understood the request of the Senator from Illinois, as modified, it was that each side have an additional minute. The Senator from Texas has not used his minute. He was speaking a moment ago on a reservation of objection.

The PRESIDING OFFICER. The Senator from Illinois [Mr. DIRKSEN] asked for 1 additional minute, which request was agreed to.

Mr. SPARKMAN. I ask the Senator from Illinois if he did not modify his request so as to request 1 minute additional for each side.

Mr. DIRKSEN. I did; and nothing happened to it.

Mr. SPARKMAN. The request was put.

Mr. JOHNSON of Texas. That is correct; and I reserved the right to object, and spoke on the subject of the tables submitted by the Senator from South Dakota.

The PRESIDING OFFICER. The Chair understood the unanimous-consent request of the Senator from Illinois to be for 2 additional minutes. The Senator from Illinois stated that he had 1 minute remaining, and that he desired only 1 additional minute. The Chair put the request, which was agreed to. The Senator has 1 minute remaining. The Senate gave consent to grant an additional minute. The Senator used the additional minute which the Senate granted.

Mr. DIRKSEN. Mr. President, I think the Chair is in error. First of all, I yielded 1 minute to the distinguished Senator from South Dakota [Mr. CASE].

Mr. JOHNSON of Texas. Mr. President——

Mr. DIRKSEN. I have 1 minute left. I ask unanimous consent that the majority leader may have an additional minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, I understand I have 1 minute.

The PRESIDING OFFICER. The Senator from Illinois has 1 minute.

Mr. DIRKSEN. A very distinguished member of another legislative body—and I must be careful not to transgress the rules—referred to the 1960 budget as a spenders' budget. He is a member of the Democratic Party.

A very distinguished legislator of another body—and incidentally, he comes from the greatest unfrozen State in the Union, the great State of Texas—stated that the GOP budget is a "booby trap." I believe our distinguished majority leader referred to it as a propaganda budget. Adjectives are not going to change it.

I stand on the observations I made. We want to see what the whole picture is, not merely what comes in the form of a letter from the Appropriations Committee. I will stand on that observation too, any time, anywhere.

I did not hear whether my request was granted to include in my remarks certain figures to be obtained from the Budget Bureau with respect to the whole picture.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. I thank the Chair.

I now yield to the distinguished majority leader.

Mr. JOHNSON of Texas. Mr. President, with respect to the table which the Senator requested to have printed in the RECORD, has that request been acted upon? I assume it has.

The PRESIDING OFFICER. The assumption is correct.

Mr. JOHNSON of Texas. Mr. President, I shall take 10 seconds to say that I know of nothing I can do to control expenditures except to reduce appropriations. The President determines what is to be spent and what is to be impounded. However, we did reduce appropriations, and that is a record of which all of us should be proud.

Mr. RANDOLPH. Mr. President, will the distinguished majority leader yield?

Mr. JOHNSON of Texas. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mark Twain once said, in a New Year's resolution, "I am going to live within my income this year, even if I have to borrow money to do it." [Laughter.]

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Has all time been used on the amendment?

The PRESIDING OFFICER. All time has expired.

Mr. JOHNSON of Texas. May the amendment be stated?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out section 305 and insert the following:

SEC. 305. (a) Section 103(a) of the Housing Act of 1949 is amended by striking out the second sentence and inserting in lieu thereof the following: "The aggregate of capital grants with respect to all the projects of a local public agency on which contracts for capital grants have been made under this title shall not exceed the total amount obtained by adding together the amounts for each such project determined by multiplying its net project cost by the applicable percentage. Such percentage, which shall apply to each project receiving initial Federal recognition during the period specified, shall be 66⅔ per centum for the period prior to July 1, 1960; 60 per centum for the period between July 1, 1960, and June 30, 1961, inclusive; 55 per centum for the period between July 1, 1961, and June 30, 1962, inclusive; and 50 per centum for any time thereafter: *Provided*, That the percentage for any project for which no planning advance or grant is received and retained by the local public agency and which the Administrator, at the request of such agency, may approve on a three-fourths capital grant basis shall be 75 per centum, or such lesser percentage as the Administrator determines to be generally consistent with the percentage of net project costs hereunder applicable at the time to projects not so approved."

(b) The first sentence of section 103(b) of such Act is amended by striking out all before the proviso and inserting in lieu thereof the following: "The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants with respect to projects assisted under this title aggregating not to exceed $1,650 million, which limit shall be increased by $250 million on July 1 in each of the years 1959, 1960, 1961, 1962, 1963, and 1964:".

(c) Section 104 of such Act is amended to read as follows:

"SEC. 104. Every contract for capital grants under this title shall require local grants-in-aid in connection with the projects involved which, together with the local grants-in-aid to be provided in connection with all other projects of the local public agency on which contracts for capital grants have theretofore been made, will be at least equal to the difference between the aggregate net project costs involved and the sum described in the second sentence of section 103(a)."

(d) The proviso in the first sentence of section 110(e) of such Act is hereby amended by striking out "second sentence" and inserting in lieu thereof "third sentence".

The PRESIDING OFFICER. All time for debate has expired. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. BIBLE] and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

On this vote, the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Arizona would vote "yea."

On this vote, the Senator from Oregon [Mr. NEUBERGER] is paired with the Senator from New Hampshire [Mr. BRIDGES]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from New Hampshire would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] is absent in the State to attend the funeral of a friend.

The Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Iowa [Mr. MARTIN] and the Senator from Arizona [Mr. GOLDWATER] are detained on official business.

The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Oregon would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Nevada [Mr. BIBLE]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Nevada would vote "nay."

The result was announced—yeas 34, nays 58, as follows:

YEAS—34

Allott	Capehart	Curtis
Bennett	Carlson	Dirksen
Bush	Case, S. Dak.	Dworshak
Butler	Cooper	Eastland
Byrd, Va.	Cotton	Ervin

Frear	Morton	Stennis
Hickenlooper	Mundt	Talmadge
Holland	Prouty	Thurmond
Hruska	Robertson	Williams, Del.
Jordan	Russell	Young, N. Dak.
Lausche	Schoeppel	
McClellan	Smathers	

NAYS—56

Aiken	Hartke	McNamara
Anderson	Hayden	Monroney
Bartlett	Hennings	Morse
Byrd, W. Va.	Hill	Moss
Cannon	Humphrey	Muskie
Carroll	Jackson	O'Mahoney
Case, N.J.	Javits	Pastore
Chavez	Johnson, Tex.	Proxmire
Church	Johnston, S.C.	Randolph
Clark	Keating	Saltonstall
Dodd	Kefauver	Scott
Douglas	Kennedy	Smith
Ellender	Kerr	Sparkman
Engle	Langer	Symington
Fulbright	Long	Wiley
Gore	Magnuson	Williams, N.J.
Green	Mansfield	Yarborough
Gruening	McCarthy	Young, Ohio
Hart	McGee	

NOT VOTING—8

Beall	Goldwater	Murray
Bible	Kuchel	Neuberger
Bridges	Martin	

So Mr. CAPEHART'S amendment, as modified, was rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, the Senator from Oregon [Mr. MORSE] has at the desk an amendment, which has been printed several days, which would strike from the bill the $125 million guarantee of college housing funds. The bill also contains an authorization for $100 million for college housing.

I send to the desk an amendment which would reduce the $400 million to $300 million and would eliminate the $125 million guarantee fund. The amendment is intended to be proposed by the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], the Senator from Oregon [Mr. MORSE], the Senator from Indiana [Mr. CAPEHART], and myself.

I ask that the amendment not be read, but that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, the amendment will be printed.

The amendment is as follows:

On page 130, line 19, strike out "$1,325,000,000" and insert in lieu thereof "$1,225,000,000".

On page 130, line 21, strike out "$150,000,000" and insert in lieu thereof "$137,500,000".

On page 130, line 24, strike out "$75,000,000" and insert in lieu thereof "$62,500,000".

Strike out the matter that appears beginning on line 9, page 132, through line 10, page 135.

On page 137, strike out lines 7 and 8.

On page 137, line 9, strike out "(9)" and insert in lieu thereof "(8)".

On page 138, line 6, after the semicolon, insert "and".

On page 138, line 7, strike out "(10)" and insert in lieu thereof "(9)".

On page 138, strike out lines 10 through 13.

Mr. JOHNSON of Texas. Mr. President, the amendment strikes from the bill the $125 million college guarantee fund, as the Morse amendment does, and reduces the college housing fund from $400 million to $300 million.

It is proposed to discuss the amendment in detail later.

Mr. President, I ask unanimous consent that the Senator from Ohio, who has waited a long time this morning, be recognized for 5 minutes to address the Senate on a very important matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESTRUCTION OF AMERICAN TRANSPORT PLANE IN SOVIET RUSSIA

Mr. LAUSCHE. Mr. President, at 1 o'clock p.m. today, the State Department issued a release throwing some light upon the circumstances which attended the finding of an American transport plane on the territory of Soviet Russia. Seventeen American boys were in that plane, which was destroyed on Russian territory last September 2.

Inquiry was made about the circumstances which brought that plane down. No satisfactory answer was given by the Soviet Government.

Six bodies were alleged to have been found. Those six bodies were turned over to the U.S. Government. The other 11 have remained unaccounted for.

Our State Department alleged that the plane had been shot down. The Soviet Government denied the allegation. About 2 weeks ago, Mikoyan attended a luncheon sponsored by the Committee on Foreign Relations. It was a courtesy luncheon. I asked Mikoyan at that meeting to explain the mystery surrounding the situation and to describe what had happened on the part of the Soviets. I asked Mikoyan where the other 11 men were.

Mikoyan said, "There is no mystery. Your plane was found upon our territory. There were six boys in it. And we turned those boys over."

I said to him, "Where are the other 11?"

His answer to me was, "You have no faith in us."

I then said to him, "It is not a matter of faith."

He answered, "Hereafter, if your Government will tell us when your planes will be over our territory, how many persons are in the planes, and what the mission is, such a thing will not happen."

I was jarred by what he said, jarred to the point where I did not think quickly enough to ask another question. I should have asked him, "What relationship was there between the finding of the missing plane on your territory and our failure to tell you that the plane would be over Soviet territory?"

That was the end of that conversation.

Mr. President, some very shocking information has been disclosed today. Our Government asked the Ambassador of the Soviets to listen to a transcribed tape showing the conversations between the Russian pilots who were chasing the American plane, and who finally shot it down. The Russian Ambassador said he would not want to interpret the recording on the tape.

Well, that recording is now available, and I shall read some of what it says. Two Russian planes were in the air, and the two Russian pilots were talking to each other. I shall read now a translation of part of the transcript of the tape-recorded radio conversation between those Soviet fighter pilots who participated in the attack on our C–130 plane on September 2, 1958:

I am at maximum speed
Roger.
What is yours?
Three thousand.
I read you excellently.
Five hundred and eighty-three, I read excellently.
I read 18 excellently.
Understood altitude 100.
Understood.
In the northwest, about seven balls here.
Very poor, almost none.

Then the talk goes on.

Finally there is the following:

I am climbing, I am 201, I am climbing.
Roger.
Roger * * * 582.
I am looking.
To the south there is, 2–3 balls.
Five hundred and eighty-two, I see the target, to the right.
I see the target, a large one.
Its altitude is 100, as you said.
I am 201, I see the target, attack!
I am 201, I am attacking the target.
You are understood.
I am attacking the target.
Stand by.
The target is a large one.
Roger.
Attack, attack, 218 attack.
Stand by.
Five hundred and eighty-two * * *
The target is a transport, four-engined.
Roger.
Roger.
Two hundred and one, I am attacking the target.
Target speed is 300. I am going along with it. It is turning toward the fence.
The target is burning.
There's a hit.
The target is burning, 582.
The target is banking.
It is going toward the fence.
Open fire.
Two hundred and eighteen, are you attacking?
Yes, yes.
The target is burning.
The tail assembly is falling off the target.
Eighty-two, do you see me? I am in front of the target.
Look.
Oh?
Look at him, he will not get away, he is already falling.
Yes, he is falling; I will finish him off, boys, I will finish him off on the run.
The target has lost control, it is going down.
Now the target will fall * * *
Eighty-two, a little to the right.
The target has turned over * * *
The target is falling * * *
Eighty-two. I see, I am watching the target, I see.
Aha, you see, it is falling.
Yes * * * form up, go home.
After my third pass, the target started burning.

Mr. President, when it is argued, "Take the word of the Soviets and believe that they are moving in a conciliatory way toward the achievement of peace," I say

to my colleagues, "Be a bit doubtful about it."

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The time yielded to the Senator from Ohio has expired.

HOUSING ACT OF 1959

The Senate resumed the consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the name of the distinguished minority leader [Mr. DIRKSEN] be added to the amendment at the desk, as a cosponsor; it is the amendment which reduces by a total of $225 billion the amount of the bill. I also ask unanimous consent that the name of the distinguished Senator from Kentucky [Mr. COOPER], who yesterday and last evening urged this course upon us, also be included as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by the author of the $125 million amendment, the guaranteed housing amendment, the Senator from Oregon [Mr. MORSE], which he prepared in support of his amendment, which is included in the pending amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

Mr. President, last night I introduced an amendment, No. 2-4-59—B. The amendment strikes from the committee bill the section guaranteeing loans from private lenders for academic facilities.

I am proud to have been a cosponsor of S. 3713 introduced in the 85th Congress by the Senator from Pennsylvania [Mr. CLARK] authorizing direct loans to educational institutions for academic facilities, as well as housing. It will be recalled that, due largely to the energetic work of the Senator from Pennsylvania, much of that bill was incorporated into the housing bill passed by the Senate late in the last session. I was very pleased at the time that the Senate took that action.

Now, in the pending bill, part of the loan funds for that program are again included. The Administrator of the Housing Act of 1950 is authorized in the bill to make direct loans to educational institutions for the construction of new, or the rehabilitation of existing, classrooms, laboratories, and related academic facilities. One hundred and twenty-five million dollars is made available for these direct loans; the rate of interest is the same as that for college housing loans, which is currently 2⅞ percent.

Let me say that in my opinion the only improvements that might be made on that provision would be to make the funds available as grants, rather than loans and increase the amount. But lending money at low interest rates to our institutions of higher education for badly needed classroom facilities is the next best thing. It is an excellent investment.

Our experience with the college housing loan program has been so successful that Congress should have no hesitation in expanding it to other facilities. I know the institutions are somewhat reluctant to press a loan program for classrooms and libraries because they have no revenue from such facilities to pledge against the loan, as they do in the case of dormitories.

But I do not have any fears on that count. Our colleges and universities pay thir debts. The Government has gotten back its money from the college housing program. The statement was made in the hearings that there has not been a single default in the housing loan program.

I know of no reason to doubt that this superb record would also extend to loans for other academic construction.

Having expressed my support for expanding the direct loan program to include academic facilities, let me now turn to the guarantee section.

The administration has responded to the urgent need for classrooms in our colleges and universities in typical fashion; it has said: "Go to lending institutions and pay the rate of interest they fix, and the Government will guarantee the loan."

I submit that reply is only an evasion; it does nothing at all to help the institutions. Their records are such that if they can find a private lender at all, they will repay the loan. The interest rate will be higher, of course, and private loan money for classroom facilities may be hard to find, but if they are able to swing such a loan, the Federal guarantee won't mean a thing. It appears to me that the administration is offering a form and no substance, and I see no reason to retain it in the bill.

I call the attention of my colleagues to the statement of Hurst R. Anderson, president of American University. Dr. Anderson appeared on behalf of the American Council on Education which represents 139 educational organizations and 1,032 institutions. Dr. Anderson states that his presentation also has the approval of the American Association of Land-Grant Colleges and State Universities, the Association of American Colleges, and the Association for Higher Education of the National Education Association.

He says on page 474 of the printed hearings:

"The proposed $100 million authorization to guarantee the taxable obligations of private institutions is merely an idle gesture. Since there has never been a default by a college or university on a housing loan from any source in the entire history of American higher education, a Federal guarantee is known to be unnecessary, and would have, so far as we can determine, no effect toward lowering the interest charged by private lenders.

"The only justification for this authorization is that it would tend to reduce the risk, and since there isn't any real risk, we cannot see how it could be reduced by the authorization of this $100 million item."

Although the amount now in the bill differs somewhat from the figure upon which Dr. Anderson was testifying, his conclusions are still applicable.

I say to those in the administration whose concern for the budget is solely for its total cost and not for its value, here is a way to cut $125 million from the total authorization in this housing bill. It is only a paper reduction, of course, but it was only a paper increase, too. The provision would not help the institutions; it does not make money available to them. It only lists a figure of $125 million in private loans it will guarantee; it is not $125 million which the taxpayers would be putting up. There is nothing in the hearings in support of it; it is only mentioned as being an idle gesture by the very people affected by it.

Let us rid this bill of figures that are only used by the administration to support its cry of excessive spending on the part of the Democratic Congress. We have heard a lot here about the need for economy and cutting down the total of this housing bill. So let us stick to meaningful provisions. The housing needs of the American people, and the financial needs of our educational facilities are serious, and deserve to be met with legislation that will help alleviate them. The section I seek to strike from the bill does not meet that test. It only serves to inflate the total. Therefore, I move the adoption of my amendment.

Mr. JOHNSON of Texas. Mr. President, I understand there is no desire to have the yeas and nays taken on the question of agreeing to this amendment; and I understand that the amendment is acceptable.

If we can now vote on the amendment, we then can call up another amendment; and then some of us can go to lunch.

Mr. LONG. I did not hear the request.

Mr. JOHNSON of Texas. I have asked that we be allowed to vote on the amendment which calls for a reduction to the extent of a total of $225 million, and then we can call up another amendment.

Mr. LONG. The distinguished Senator is not proposing that some of us be prevented from speaking on the amendment, is he?

Mr. JOHNSON of Texas. Oh, no.

Mr. DIRKSEN. Mr. President, some time is still available to this side; and before the vote is taken, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 minute.

Mr. DIRKSEN. Mr. President, no request has been made for a yea-and-nay vote on the amendment.

At this time I wish to make my own position clear: This amendment goes in the proper direction, but in my judgment it does not go far enough.

However, when one is offered half a loaf, although he is looking for a full loaf, obviously he will not turn down half a loaf of bread. Nevertheless, the amendment will not make any change in my determination to vote against the bill basically, as it now stands.

I do commend the majority leader for undertaking to improve the bill. It has been improved very materially by the amendment adopted on yesterday—I refer to the amendment on direct loans; and it is about to be improved further by the pending amendment. But I still insist that it does not go far enough.

So, Mr. President, although I am glad to cosponsor the amendment because it is beneficial up to a limited point, I still reserve the right to vote against the bill.

Mr. JOHNSON of Texas. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. JOHNSON of Texas. Mr. President, in order that the record may be clear regarding the impact of this housing bill, as amended by the committee, and as amended by the Senate, I call attention to the administration's estimate of budget expenditures for the fiscal year 1960, under Senate bill 57, as amended, and under the administration's proposal. These figures show that

Senate bill 57 will call for expenditures amounting to $135,700,000 more than the administration's proposals. One hundred million of this increase is for direct home loans to veterans in small towns and rural areas. That money may not be used. So I wish to make this point: If the bill in its present form is passed, following adoption of the amendment which now is at the desk, the bill will contain, for next year's budget, $135 million more authorizations than those contained in the administration's bill. Of those $135 million, $100 million is for direct loans to veterans, which the administration says they will not need, anyway, because the higher interest rate will make it unnecessary. If that contention is correct, and if we do not need to use the $100 million, then there will be a difference of $35 million between the two.

Mr. President, when we can get the spenders and the savers that close together, with a difference of only $35 million between their positions, in the case of one of the most important domestic measures the Congress ever will handle, I think we have done a reasonably good job.

Mr. CAPEHART. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. My figures show a difference of $140 million; but I shall not argue about that.

Mr. JOHNSON of Texas. It is $140,300,000, under Senate bill 57; and the administration has $4,600,000 to be subtracted from it; and that leaves $135,700,000.

Mr. President, I ask unanimous consent to have the official figures printed at this point in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Budget expenditures for 1960 fiscal year (after college housing and direct-loan amendments)

[In millions]

	Administration	S. 57
Grants:		
Urban renewal grants		
Public housing		
Relocation payments		3.2
Urban planning (701)	1.0	1.1
Scholarships grants		.5
Defense hospital grants		2.5
Loans:		
Urban renewal planning	3.6	7.0
Public housing planning		21.0
College housing:		
Dormitories		
Classrooms		5.0
VA direct loans		100.0
Total	4.6	140.3

Mr. CAPEHART. Mr. President, I wish to substantiate what the able majority leader has just now stated: If the bill, as it has been amended up to this point, is passed, and if no further additions are made to it, and if the $150 million is loaned to veterans, the difference between what the Senate will have passed and what the administration originally requested will be $135 million. If the $150 million is not used in direct loans, and it may not be used, and let us hope it will not be necessary to use it, it would make a difference of only $35 million to $40 million.

Mr. JOHNSON of Texas. If the $150 million is not used, the difference would be $35.7 million.

Mr. CAPEHART. In all fairness I think we ought to say that for the benefit of the President, the benefit of the press, and the benefit of the record.

Mr. JOHNSON of Texas. We cannot arrive at a difference to the dollar between the proposals of each other, when we take a bill of this scope and magnitude and consider it thoroughly, as the chairman of the subcommittee [Mr. SPARKMAN] and as the ranking minority member [Mr. CAPEHART] and as the chairman of the full committee [Mr. FULBRIGHT] did, and bring the bill to the floor and adopt amendments, as we have, in a give-and-take attitude, an attitude of reasonableness and of meeting each other halfway.

Many times I have resolved my doubts in favor of the administration that resulted in considerably more expense than $35 million. We may have to do it later on in the year.

I hope the amendment will be adopted, as the Senator from Indiana has so well said—and I think he has said many things well. We have found ourselves so much in agreement that I hope we can pass the bill before disagreement develops. But if the bill is passed we shall have a bill which, in the language of the Senator from South Dakota [Mr. CASE], is substantially the same as the administration's recommendations.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes.

Mr. DIRKSEN. I think we are dealing with assumptions when we make money available and then say it will not be spent. Secondly, there is no emphasis on the fact that the bill goes beyond 1960——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield at that point?

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. I am not making that assumption. I think we need direct loans for veterans. I am not going to vote against veterans in the rural areas. I think, however, that the administration has contended—and I ask the chairman of the subcommittee to correct me if I am not correct—that with the increase in interest rates provided, it will not be necessary to use the money. That is the administration's and our President's contention. Is that correct?

Mr. SPARKMAN. That was the argument against the $150 million.

Mr. JOHNSON of Texas. I am not going to assume that will happen. I think there has to be a fund available to show that if veterans are made to pay through the nose, the Government will lend them the money. The administration assumes it will not be necessary to use the money. It is the assumption of the administration of the Senator from Illinois, not ours. If the assumption is correct, there will be a difference of only $35 million.

Mr. DIRKSEN. That is not the whole story, if the majority will allow me to proceed. I still contend it is an assumption, because what has been sought has been an opportunity to make the processing and procedural facilities available so the loans can be handled virtually on an FHA basis, and so the credit can go into remote and inaccessible areas.

Secondly, there has been no emphasis of the fact that this program will continue for a course of years. We are authorizing money for future years. That becomes a consideration for the administration.

Finally, it is said we get together within $35 or $40 million——

Mr. JOHNSON of Texas. For next year. I want to make it abundantly clear that I am talking about the next year's budget. I grant that over the years much more is involved. I do not want to mislead the Senator.

Mr. DIRKSEN. Yes; but $35 million is $35 million; and $40 million is $40 million. Even though we have gotten into the habit of dealing with billions, it is still a lot of money, which has to come from the taxpayer. It still constitutes a hole in the budget, which was submitted in the hope that its main lines could be observed, so when the record was finally closed there would be a balanced budget.

I close on this one note. I think sometimes of the story of the young lady who said to a very attractive young man, "I will marry you if you save $1,000." But all her associates were getting married, and she was getting eager. One day she said, "How much did you save?" He said, "$35." She said, "That's enough." [Laughter.]

What is provided may be enough, but in my book it is not enough. While others may disagree, that represents my viewpoint. I must assume my statement is correct, because I think it is consonant with the administration's viewpoint.

Mr. JOHNSON of Texas. I commend the Senator from Indiana for his contributions. I make no prediction about what the outcome will be as to action on the pending bill, but I remind the Senator from Indiana of the somewhat inconsistent positions in which some persons may find themselves. The administration wanted to take the lid off FHA. It wanted the sky to be the limit. The administration said, "Let us have no limit."

We have retained the ceiling on FHA. We have said that Congress must act again when the Government has used up the present authority. We have said authorizations must be obtained from Congress.

Some have been talking about getting every pound of flesh. The administration wanted to take the ceiling off so there would be no limitation. I want the record to show that. So far as I am concerned, I am going to take the responsibility to provide moneys for veterans' housing if moneylenders will not lend veterans money in this era of high interest rates, when municipal bonds which are tax exempt are selling so they give a return of 4 percent, which gives some people the equivalent of 10, or 12, or 15 percent return; when almost one-tenth of our budget goes to the

moneylenders as interest on the debt. I want to point out that the request for FHA which came from this administration had no limit at all—the sky was the limit on FHA.

If it is irresponsibility to provide these funds when we are going to put above our door a welcome sign to the moneylender to lend money to provide a roof over the heads of the veterans who carried Old Glory to the four corners of the globe and brought it back without a stain; and when we are going to let the moneylenders charge 5¼ percent interest, in an effort to induce them to provide roofs over the heads of the men who fought for the moneylenders; then there is a simple answer—if the moneylenders lend them the money, we will not touch these funds.

The administration says it is sure they will lend them the money. I do not know that the administration can speak for the moneylenders. If the money is not loaned, it will not be used. If it is not, I am willing to take the responsibility for saying, "We are going to take some money and lend it to veterans in rural areas where they have a difficult housing problem."

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CAPEHART. I want to get the record straight.

Mr. JOHNSON of Texas. I hope the record is straight, and if not, that the Senator will correct it.

Mr. CAPEHART. The majority leader said the lid was being taken off. I am sure he meant that applies only to FHA regular mortgages on homes where the Government——

Mr. JOHNSON of Texas. Will the record not show that I said that?

Mr. CAPEHART. I am not sure.

Mr. JOHNSON of Texas. I will stand on the record. I think I said it.

Mr. CAPEHART. It was on insured mortgages, where a fee of one-half of 1 percent is paid, and the FHA now has a reserve fund of about $800 million.

Those are the kinds of mortgages, of course, which will never cost the U.S. Treasury a nickel unless the people default upon them. If there is a default, the property is taken over for resale. Up to this time, I think the record shows the Government has made money on that operation. And I know that is exactly what the able Senator believes.

Mr. JOHNSON of Texas. I think it has. It is a good program. However, this is a contingent liability. We prudent fellows have to keep in mind all contingent liabilities. If we should have a depression, and if things should go into a tailspin, we could wind up with a headache. But that has not been true yet. I think this is a good program.

I still want the record to show that it was the Congress which insisted on a limitation and a recheck by other Congresses when this amount is used up, and this administration said, "the sky is the limit so far as the FHA is concerned." I want the people of the country to understand that.

I hope we can act on this amendment and can reduce this amount. I believe the Senator from Indiana has publicly stated he does not think the fund for direct loans to veterans will have to be used if we raise the interest rate.

Mr. CAPEHART. I do not think it will be used, because we do have some money in that fund. It is a revolving fund.

Mr. JOHNSON of Texas. We think it might be used, if we put it there. That is the difference. If the Senator from Indiana is prophetic, as he could be, then there would be only a $35 million difference.

Mr. DIRKSEN. Mr. President, will the Senator yield for a very brief observation?

Mr. JOHNSON of Texas. I yield to my delightful friend from Illinois.

Mr. DIRKSEN. The majority leader is correct. The Senator did emphasize the fact that he was talking about FHA loans. To make it abundantly clear to the 38,000 people who receive the CONGRESSIONAL RECORD, that is private money. With respect to private money one talks about interest rates in order to coax the money out.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. Private money.

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. Guaranteed by Uncle Sam.

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. That does make a difference.

Mr. DIRKSEN. It is private money, Mr. President. When one talks about interest rates it makes me think about the very eloquent observations made by the majority leader when the session started, when he talked about this dynamic country. Money is dynamic. It is the accumulation of thrift. That is the way one gets capital. Money becomes a commodity in the market and it keeps abreast of whatever the economy calls for.

If one talks about putting on ceilings, then one reverts to a static economy. Whether there is a lid on it or not does not make much difference so long as the money is poured into useful and constructive channels.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. Does the Senator realize we have been forced to put a lid on interest rates?

Mr. DIRKSEN. Definitely so.

Mr. JOHNSON of Texas. Surely. Mr. President, we are approaching that ceiling, I will say. Some of our Government securities are selling at pretty high prices now.

Mr. SPARKMAN. The veterans' rates are 4¾ percent.

Mr. JOHNSON of Texas. I am talking about borrowing. The Secretary of the Treasury is limited to 4¼ percent, and we are now just about to the limit. Some securities are bringing about 4 percent.

I caution our friends that in this day of high interest rates we already are at 4 percent, and the lid is on at 4¼ percent. I do not know whether we are going to have that lid lifted very easily.

Mr. DIRKSEN. Mr. President, will the majority leader yield further?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. I remember vividly the discussion on this floor last year when the ceilings on interest rates were contrived and contemplated on the floor. The walls of Rome almost shook and fell with the oratory in the Senate Chamber, but the Democrat Party is presenting the increase in interest rates. The walls of Rome have not fallen yet. The housing starts reached a yearly rate of 1.4 million.

I do not think there is need to prolong the discussion further. I think the administration's record is quite good on this point.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I thank my able friend from Illinois for his contribution.

I now yield to the distinguished chairman of the subcommittee, who is responsible for the construction of more houses than any man in this Chamber I know of. I commend the Senator for the valiant efforts he has made through the years to bring housing to all the people.

Mr. SPARKMAN. Mr. President, I appreciate the majority leader's yielding to me, and I also appreciate his kind remarks.

Mr. President, I am hopeful the Senator from Illinois, who just stepped out of the Chamber, will return.

Mr. JOHNSON of Texas. Mr. President, may we have a vote on the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas on behalf of himself and other Senators.

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I thank my friend.

Mr. SPARKMAN and Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I asked the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN] to come back to the Chamber for just a moment, and I shall not detain him long.

On Wednesday there was a brief colloquy between the distinguished Senator from Illinois and me with reference to the revolving fund of the veterans' direct loan program. The Senator at that time said he wished that I would document the case. I will do that by referring to the CONGRESSIONAL RECORD for April 9, 1951. At that time there was under discussion the proposition of extending the direct loan program which had been written into the law the year before. We included in the program for the first time the revolving principle. The Senator from Illinois at that time said:

I think the amendment establishes a good principle which will be useful in other days.

Some years ago I introduced a bill—and I trust I shall find time to reintroduce it—to compel nearly every lending agency of the Government to make the paper it holds available to anyone who wishes to buy it if he will buy it on terms of par, meaning the unpaid balance plus the accrued interest. Had we had that kind of provision years ago, the Rural Electrification Administration, the Farm Security Administration, and the RFC could have sold whatever paper they had and could have accumulated a revolving fund. Thus, not so much lending power by way of appropriations out of the Federal Treasury would have had to be provided.

If there are servicing institutions that are willing to buy such paper at par, it should be offered for sale at stated periods.

So, Mr. President, I subscribe to the general principle which has been announced here, and I hope we can carry it through.

That is the program which set this up on a revolving basis, and which has continued on through the years and will continue on through other years. I remember quite well I welcomed the endorsement of the program at that time by the Senator from Illinois. I remembered it quite clearly when I referred to it on Wednesday. I am glad to recall it to the Senator's recollection.

Mr. DIRKSEN. Does the Senator from Alabama have the floor?

Mr. SPARKMAN. Yes. I wish to make a few more remarks.

Mr. DIRKSEN. Will the Senator from Alabama yield to me?

Mr. SPARKMAN. I yield to the Senator from Illinois.

Mr. DIRKSEN. I can readily appreciate that sometimes the RECORD can rise to haunt one, but I am afraid that the RECORD which my good friend cites today deals with an entirely different matter.

I have a vivid recollection of a proposal which I introduced in the House to compel every Government agency to sell the mortgages in its portfolio. In those early days that included the Home Owners Loan Corporation, the Farmers Home Administration, and other agencies. The object was to compel the agencies to sell the mortgages in their portfolios in order that private buyers who wanted to buy them could do so, and bail the Government out of its indebted position.

That is quite a different thing from what is involved at the present time with respect to direct loans, only because the facilities heretofore were not available. Now it is proposed to continue down the road and make the Treasury a bank for direct lending. That is quite a different thing.

Mr. SPARKMAN. If I may refresh the Senator's recollection, this is what I said on Wednesday:

I wish to remind the distinguished Senator from Illinois that when this question came up for extension—I believe it was in 1952 or 1953, but I do not remember just when the Senator from Illinois came to the Senate, and perhaps he will enlighten me on that point; but it was the first extension after that time—the Senate incorporated the revolving-fund provision with the annual contribution method provision; and I remember quite well that the Senator from Illinois took the floor and had some good words to say about the program and about this revolving feature. He was most helpful in getting that extension through in the form in which it has operated.

Mr. DIRKSEN. Mr. President, just let the Senator from Alabama document the RECORD, instead of guessing.

My only purpose is not to criticize the Senator from Illinois, but to do what he asked me to do, namely, document the record. I remembered the record quite clearly. I certainly am not critical of what the Senator said then, or what he says now with reference to the revolving fund.

The revolving fund for the VA direct loan program was established in 1951. The program has come down through the years under the revolving fund, with the automatic appropriation which comes to it each year. The direct loan program is a good program.

Mr. DIRKSEN. I believe the distinguished Senator from Alabama got hold of the wrong record, because it has no bearing on the point before us.

Mr. SPARKMAN. I wish the Senator from Illinois would read what I said on Wednesday when I referred to the fact that he approved the revolving fund. The Senator from Illinois told me to document the record. Here is the record. On April 9, 1951, the amendment which was under consideration was the revolving fund, and the extension of the program, which the Senator from Illinois approved.

Mr. DIRKSEN. The point at issue in the remarks of the Senator from Illinois 8 years ago was in connection with an entirely different subject.

Mr. SPARKMAN. The direct loan program which the Senator is criticizing is still operating under the revolving fund, which the Senator from Illinois approved back in 1951. I repeat, it is a good program.

Mr. President, I should like to say one word with reference to the amendment on college housing on which action was just taken, because I think it is important for us to keep certain things in mind.

The reduction in the college housing provision is from $400 million to $300 million. It has been indicated that that leaves us still in excess of the administration's proposal.

Mr. President, we do not know whether it does or not, because it happens to be one of the programs with respect to which the administration has not yet given us its full proposal. The administration proposes, for the remainder of the fiscal year 1959, $200 milion, and proposes to come forward later with an additional request. We do not know whether that request will be $200 million more, the same as was proposed in 1959, or what it may be.

With respect to the $125 million loan guarantee program, that was not my proposal. It came from the administration. The program was proposed by the administration last year. It is true that the administration did suggest the program this year, mainly because the agency has not brought forward its entire college housing program for this year. But that was the recommendation which was made to us last year. I do not remember what the figure was. I am inclined to think the administration proposed an appropriation of $250 million. Our committee cut that figure in half, and recommended $125 million. Now, on the floor of the Senate, we have eliminated the $125 million. I think it is well to keep the record clear as to where the various proposals come from, and what they amount to in dollar amounts.

Mr. PASTORE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Rhode Island will be stated.

The LEGISLATIVE CLERK. On page 156, between lines 11 and 12, it is proposed to insert a new subsection, as follows:

(d) Section 406(c) of the Housing Act of 1956 is amended by striking out "3 years" in the first proviso and inserting in lieu thereof "5 years."

Mr. PASTORE. Mr. President, I understand that this amendment is acceptable to the distinguished chairman of the subcommittee. I believe it is noncontroversial and is acceptable to all. The purpose of the amendment is to extend for 2 years the time in which military personnel and civilian employees of the Navy may continue to occupy war housing project RI 5-3, formerly RI-37013, also known as the Tonomy Hill project, which is presently owned by the Housing Authority of Newport, R.I.

The Lanham Act, as amended, provided that all war housing projects constructed pursuant to that act should be disposed of as expeditiously as possible when the need for such projects terminated. The act further provided that these projects would be conveyed to local housing authorities for use as low-rent public housing.

In attempting to abide by the provisions of the Lanham Act, the Administrator of the HHFA in early 1956, commenced arrangements to convey the Tonomy Hill project to the Newport Housing Authority. The Department of the Navy, however, objected to such conveyance because 360 units of the project were occupied by naval personnel who would have been forced to vacate the project if it were conveyed for low-rent purposes.

In order to avoid working a hardship on the nava. personnel then occupying the project since other rental housing in Newport was in extremely short supply, the Housing Act of 1956 provided the Administrator with authority to convey the project to the local public agency for low-rent purposes, except the act further provided the Newport Housing Authority with the authority to reserve 360 units of the project for a 3-year period to house military personnel, regardless of their income.

The 3-year period provided in the Housing Act of 1956 will terminate on December 31, 1959.

I am advised that the military personnel and civilian employees of the Navy now occupying this project still require such quarters, and unless the date for occupancy is extended, these personnel will be evicted. I am further informed

that rental housing in Newport is still in short supply.

My amendment, therefore, would extend the time of occupancy of the 360 units by military personnel and civilian employees of the Navy for a period of 2 years.

It is my understanding that neither the Department of Defense nor the Housing and Home Finance Agency object to this extension. In addition, the extension has been requested by the Newport Housing Authority.

I have before me a telegram which I have received from William J. Donovan, executive secretary of the Housing Authority of the City of Newport, R.I. I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEWPORT, R.I., *February 4, 1959.*

Senator JOHN O. PASTORE,
Senate Office Building,
Washington, D.C.:

Section 406(c) of the Housing Act of 1956 provided for the transfer of housing project No. RI-37013 to our authority and also for the transfer of two projects to the Philadelphia, Pa., authority. This section provided for priority for military personnel for 3 years with respect to a specified number of dwelling units. Section 705 of the housing bill reported by the Committee on Banking and Currency and being considered by the Senate today provides for the extension of preference for military personnel for an additional 3 years insofar as the Philadelphia projects are concerned. Would you be kind enough to attempt to amend section 705 to provide for an extension of the preference for 3 years insofar as the Newport project is concerned. Admiral Cormmelon, base commander in Newport, and we are in agreement that this amendment is desirable.

With our best regards.

WM. J. DONOVAN,
Executive Secretary, the Housing Authority of the City of Newport, R.I.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SPARKMAN. As I understand, the amendment would operate only with respect to one project.

Mr. PASTORE. It would operate with respect to only one project, concerning which an exemption was made at the time it was conveyed to the Housing Authority of Newport, R. I.

Mr. SPARKMAN. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. On page 117, between lines 19 and 20, it is proposed to insert the following:

(b) Such Act is further amended by inserting after the second sentence thereof a new sentence as follows: "The Administration is further authorized to make grants to State planning agencies for statewide comprehensive planning work including research and coordination activity directly related to urban needs."

On page 117, line 20, strike out "(b)" and insert in lieu thereof "(c)".

On page 117, between lines 21 and 22, insert a new subsection as follows:

(d) Such section is further amended by inserting "(a)" immediately following "Sec. 701", and by adding at the end thereof the following:

"(b) As used in this section the term 'comprehensive planning' means—

"(1) long range physical planning for all public facilities by the planning agency analyzing functional needs over a 20- to 30-year period based upon general planning data and future land use patterns integrated into an overall and composite plan;

"(2) long range fiscal planning by the planning agency and governmental fiscal authorities analyzing long range fiscal requirements, and preparing a fiscal program to meet the development costs;

"(3) capital improvement programing by the planning agency and governmental fiscal authorities to achieve a scheduling of improvement projects that comprise the first 5 to 6 years of the long range physical and fiscal plans based on a determination of relative urgencies;

"(4) integration and coordination of all functional plans of the interested governmental departments or subdivisions by the planning agency;

"(5) coordination of intergovernmental planned activities by the planning agency to achieve a reconciliation of planning activities among adjacent States, political subdivisions thereof, and authorized planning agencies; and

"(6) preparation of regulatory and administrative measures and programs in support of the foregoing. No grants made under this section shall be used to defray the costs of administration or enforcement of such measures or programs."

Mr. SALTONSTALL. Mr. President, I have discussed the amendment with the Senator from Alabama [Mr. SPARKMAN] and the Senator from Indiana [Mr. CAPEHART], and they have agreed to take it to conference.

Mr. SPARKMAN. Mr. President, the committee discussed the general subject of the amendment to a certain extent. I am not certain just what the net effect of the amendment might be; however, insofar as I am concerned, I will be happy to take it to conference.

Mr. SALTONSTALL. I thank the Senator from Alabama.

I ask unanimous consent, in order not to consume an undue amount of time, to have printed in the RECORD at this point as a part of my remarks a brief explanation of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SALTONSTALL IN EXPLANATION OF PROPOSED AMENDMENT

Section 701 of the Housing Act of 1954 as amended now contains authority for the Housing Administrator to make planning grants to State planning agencies to provide assistance for planning work to be done by small communities lacking adequate planning resources. It also provides authority for planning grants in metropolitan and regional areas, cities, and towns, and counties which have suffered damage due to various catastrophic acts of God, and areas threatened with urbanization due to the impact of Federal installations.

The section contains no authority for planning grants for statewide planning work. Furthermore, the section does not in any way advert to the desirability of the planning now provided for or any statewide planning to be coordinated with planning in adjacent States or political subdivisions thereof.

The proposed amendment to section 701 would make it possible for the Administrator to make planning grants to State planning agencies in support of comprehensive planning work and would define the term "comprehensive planning."

The purpose of the amendment is to stimulate the States to make statewide plans and to coordinate such plans and the plans of political subdivisions of the States with each other and with the planning of adjacent States and political subdivisions of such adjacent States. The amendment is premised on the belief that the needs of particular cities and towns and regions within a State can most efficiently and effectively be met if they are considered as part of the larger and related needs of the State. It also recognizes that there is frequently a relationship between such needs and those of adjacent areas outside the State.

If the comprehensive planning contemplated by the amendment is carried out it seems reasonable to expect that all such needs will be better provided for in programs which may be developed to meet them. An obvious example may be seen in the case of Washington, D.C., whose planning should certainly be coordinated with that of adjacent States.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts to the committee amendment.

The amendment to the amendment was agreed to.

Mr. CLARK. Mr. President, the pending bill brings the 86th Congress face to face, for the first time, with the central issue in our public life. That central issue is whether we in the Congress, and the President too, will face up to the critical problems confronting our Nation and master them by bold action, or whether, through timidity and because of a reverence for obsolete pennypinching economic theory—a sort of fiscal folklore about the budget—we are going to pretend these problems do not exist or fail to deal with them.

Every Member of the Senate knows what these problems are. They are recognized, identified, admitted; but we have not yet faced up to mastering them.

One of these critical problems is housing for the American people. Our national goal was stated some 10 years ago in the Housing Act of 1949: "A decent home in a suitable living environment for every American family." We have made some progress towards that goal in the last 10 years, but not much. Estimates vary, but it is a fair statement that 10 million American families are presently living in homes which are either unsafe, unsanitary, or both. These are our slums—a national disgrace. Many of these slums are in rural areas, but a large majority of them are in the cities of America.

But we have other housing problems besides the slums. America's population is growing at an explosive rate.

New families are being formed daily. Old housing is steadily becoming uninhabitable or is being burned or is torn down. We would have a housing problem in America even if we had no slums.

Experts are in agreement that we need 2 million new housing units each year for the foreseeable future if we are to attain, within the lifetime of any of us in this Chamber, the goal set forth in the Housing Act of 1949: A decent home for every American family.

This bill takes a few short strides forward towards meeting that goal. It is a good bill and I shall support it on final passage; but it is not as good as it ought to be, and I hope the Senate will improve it as we move forward in the debate.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Wisconsin.

Mr. PROXMIRE. I ask the Senator from Pennsylvania to tell the Senate who the authors of the Housing Act of 1949 were.

Mr. CLARK. Senator Wagner, Senator Taft, and Senator Ellender.

Mr. PROXMIRE. In the Senator's judgment, does the present bill, S. 57, carry out the objectives of the Housing Act of 1949?

Mr. CLARK. I would rather put it this way. It takes a few short strides in that direction. However, to my way of thinking it is inadequate. I have a feeling that perhaps the late distinguished Senator from Ohio, who is no longer with us, and who was one of the original authors of the bill, would find himself in agreement with me in my statement if he were here today.

Mr. PROXMIRE. It is interesting to me that the great Senator from Ohio, who was recognized widely as an outstanding conservative statesman——

Mr. CLARK. Not that our present Senators from Ohio are not also great and distinguished.

Mr. PROXMIRE. They are indeed.

Mr. CLARK. And one of them is also conservative.

Mr. PROXMIRE. Exactly. It is interesting to me that Senator Taft, who was recognized widely as Mr. Republican and as a conservative Republican, set forth the goal which has been only partly achieved, and the principle of which is only partly lived up to by the bill under consideration, and which is being attacked—it is almost inconceivable—by present day conservatives as radical and extravagant spending. It seems to me that this is an excellent example of reaction and moving backward; I do not like to use the term in a derogatory sense.

Mr. CLARK. It is an indication of political lag. I firmly believe that we politicians have lagged behind the American people in their desire to move forward in this regard. I thank my friend for his participation in the debate.

The tools utilized by this measure to help build more homes for Americans are:

First. Government guarantees of mortgages to enable speculative builders to construct and sell homes to middle- and upper-class Americans. Incident to this program are the operations of the Federal National Mortgage Association which helps provide a market for these guaranteed FHA and VA mortgages. These privately constructed housing developments, aided by Government guarantees, are being built largely in the suburbs and, to a lesser extent, in rural areas. The regular FHA program has only a minor impact in our core cities, so far as new housing is concerned.

Second. A comprehensive program for renewing and rehabilitating our cities. The objective of this urban renewal program is to clear the slums and replace them with sound wealth-producing housing built in a decent environment, adequately equipped with utilities, parks, and playgrounds. An important part of this program is the rehabilitation and renewal of existing structures which are on their way to becoming unsafe or unsanitary, and which can be saved as decent housing by the expenditure of a little private money.

Third. A program of public housing intended to provide safe and sanitary shelter for low-income families unable to afford decent private housing on either a rental or homeownership basis. Progress of the urban renewal slum clearance program has accelerated the need for public housing. So has the urban highway program. So has other governmental action which requires the relocation of low-income families. Since the urban renewal law prohibits slum clearance until families to be displaced can be rehoused in safe and sanitary shelter, failure to provide enough public housing units can kill the urban redevelopment program.

There is a clearly indicated need for additional rental and homeownership housing for moderate income families—those whose incomes are too high to make them eligible for public housing and too low to permit them to buy or rent private homes which are safe and sanitary. Extensive hearings conducted by the Housing Subcommittee of the Banking and Currency Committee during the last few years established these facts beyond any reasonable doubt. Yet the bill makes no adequate provision for meeting these needs.

Even in the relatively narrow field of relocating middle-income families displaced by governmental action, existing programs under section 221 of the present housing law have been of little value in that wide area east of the Mississippi and north of the Ohio and Mason-Dixon line, where most American families live.

Fourth. Decent shelter for the elderly. This bill does provide the first substantial program of housing for elderly persons. I hope it will work.

Fifth. Important provisions relating to college housing and classroom facilities, armed services housing, and various miscellaneous matters, with none of which I shall deal in this speech.

To meet the needs of these various groupings of American families and individuals the bill makes the following provisions:

First. An additional $10 billion of FHA mortgage insurance is authorized for the current fiscal year and for fiscal 1960. This additional insurance will permit private builders to continue to construct and sell housing for those American families whose annual income, in most urban localities, is $6,000 and over, and afford a new house built with an FHA guarantee. It is important to emphasize that, on the basis of all past experience, this insurance program will never cost the Federal Treasury one red cent. Even in the depths of the depression of the thirties the Home Owners Loan Corporation, a far more ambitious program in terms of the extent of Federal aid, was able to operate at a profit to the Treasury. So those who are concerned about the possibility of Federal expenditures in excess of budget requests need take no fear from this FHA program. In point of fact, the administration wanted to take the ceiling off entirely. There are no budgetary implications in this program.

I think that is worth a little emphasis. The administration is willing to take the roof right off FHA guarantees, the program used to build housing for upper-income families, and used to create new suburbs, but the administration is as pennypinching as old Scrooge in the Christmas carol when it comes to making any money available for public housing or for urban redevelopment.

The Senate has just approved, by a bipartisan agreement, an authorization of $150 million for direct loans for veterans' housing. This is necessary to enable those veterans who live in rural areas, removed from the normal channels of banking credit, to acquire homes on the same reasonable credit basis which is available for their colleagues in suburban areas. While this program does call for a temporary outlay of cash by the Treasury, past experience indicates that the loans are sound and will be repaid in due course with interest. I suggest that those who protest new Federal expenditures should distinguish between outright expenditures and loans which are repayable with interest—just as every businessman or every housewife or every well-run city, so distinguishes. In other words, they should relax and support this program. In the end, it will cost the Government nothing. It increases the capital wealth of America and, in so doing, brings additional revenue to the Federal Treasury through the income taxes on those who build and sell and finance the housing.

Second. In the field of urban renewal the bill calls for the authorization of what are designated as grant reservations of $350 million a year for 6 years, with an authorization to the President to increase this sum in any one year to $500 million by borrowing from the authorization for future years if he finds it necessary to carry out the objectives of the program. Thus a 6-year program might conceivably be telescoped into a little more than 4 years.

I suggest, however, that it is pretty unrealistic to think that the President would ever exercise the right which is given to him under the bill, since he has made it clear that he is not in sympathy with even the minimum rate of progress in slum clearance called for by the bill.

I am happy that the Senate has rejected, by a fine majority, the effort to substitute the President's totally inadequate program of urban renewal for the program in the bill reported by the Committee on Banking and Currency.

Let me again suggest to my colleagues that they should not take fright at the magnitude of these figures. It is anywhere from 3 to 5 years after a grant reservation is made before the Treasury is called upon for a single dollar of Federal money. Thus, this urban renewal program can have no conceivable effect on the budget for fiscal 1960 or 1961; and its effect on the 1962 budget will be minimal. In fact, cash expenditures in fiscal 1960 for the entire urban redevelopment program authorized since 1949, a program whose grant reservations total $1,350 million, is only $104 million. This is a dramatic example of the wide gap stretching over a long period of years between a grant authorization and the expenditure of Federal funds.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I congratulate the Senator from Pennsylvania on emphasizing this point. It seems to me that in the debate so far, since the housing bill was reported to the Senate, the entire emphasis in opposition to it here in the Senate has been on its effect on the budget. This emphasis has come directly from the White House. It has come through the President's spokesmen in the Senate, both minority leader and the ranking Republican on the Committee on Banking and Currency. They have emphasized, over and over again, a balanced budget, and they have tested every provision in the bill on the basis of its effect on the budget.

I think it is very important that the Senator from Pennsylvania has made it crystal clear that the urban renewal provisions in the bill, urban renewal provisions which I am encouraged to hope the Senator from Pennsylvania will offer in his amendment, will in no way affect the 1960 budget or the 1961 budget.

Mr. CLARK. I think the Senator from Wisconsin is quite correct. I am glad he has emphasized that point again. I hope we can finally get it across to the American people. I am hopeful that our good friends of the press will stop talking about the budget implications of a $2,100 million give-away program, because—and I am sure the Senator from Wisconsin is correct—I think most of the American people today who follow these matters only in the newspapers believe that we on this side of the aisle are preparing to spend $2,100 million in the 1960 budget in excess of what the President has asked for. That is so untrue that it is laughable.

Mr. PROXMIRE. I should simply like to add one point, which I think it should be emphasized throughout the discussion, particularly when we debate the Senator's amendment. The urban renewal money, far from constituting simply a threat to the Federal budget, will, it seems to me, and in the judgment of any competent, fair-minded economist, very likely constitute only a very small loss to the Federal budget, conceivably no loss at all.

Mr. CLARK. In the long run.

Mr. PROXMIRE. In the long run, or even in the fairly short run; because as the money is actually appropriated and spent, there is in very short order an addition of 5 times to 10 times, or even 15 times, as much private money which is also spent in construction.

Mr. CLARK. The Senator is correct. I shall speak about that later in my speech.

Mr. PROXMIRE. The money constitutes income which economists tell us means that for every $5 or $6 of income, $1 of Federal tax revenue will be received.

This all adds up to the fact that urban renewal money is a marvelous investment in every sense of the word. It comes back to the Federal Treasury. It does not constitute irresponsible spending.

Mr. CLARK. I thank the Senator for his very clear explanation of that point.

In point of fact, the sums provided for urban renewal in the pending bill are grossly inadequate. Unless they are increased, it is inevitable, in my judgment, that the program of slum clearance in the cities of America which is just getting under way will receive a crippling, if not a fatal, blow.

I turn to the minority views in the committee report to document this statement.

Although the minority views were signed by only four members of the committee, two other distinguished Senators joined with us in supporting the amendment, which I shall offer later, to increase the urban-renewal grant. So the actual vote in the committee on the amendment which I shall propose, was 9 to 6.

The minority views describe in some detail what happened last year when the Urban Renewal Administration found itself with insufficient funds and was forced to institute what is called rationing of the limited authorization it had available.

The rationing program was ordered into effect on September 8, 1958, a day which is referred to by the mayors and other city officials as "black Tuesday."

Wherever a city had on file an application for a really bold and adequate project to reconstruct a blighted area or a slum, that city was told in effect: "Your project is too big. We do not have the money. Take it back and scale it down, or else we will simply put it on the shelf until Congress makes more funds available."

Thus, the plans which have been put together by the united effort of civic leaders and city officials—encouraged by the promise of Federal help contained in the housing acts, beginning with the Housing Act of 1949—must either be scrapped or mangled or indefinitely postponed. The tempo of the program is lost; the enthusiasm and the hope that had been kindled are dimmed.

The effect on individual cities is set forth beginning on page 82 of the hearings. This table only shows, however, the communities which had applications already on file; it does not show the cities which have yet to enter the program. Many of those will undoubtedly be precluded from early participation unless the amounts in the committee bill are raised.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the table which begins on page 82 of the committee report. The table is entitled, "Title I, Capital Grant Contract Authorization—Approval Actions September 8–December 31, 1958, for Localities With Applications Pending September 5, 1958."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Title I capital-grant contract authorization—Approval actions, Sept. 8–Dec. 31, 1958, for localities with applications pending Sept. 5, 1958

State and locality	Applications pending Sept. 5, 1958 [1]	Formula limit	Approval actions Sept. 8–Dec. 31, 1958 [2]
Total	$381,877,421		$160,000,220
Alabama:			
Birmingham	$3,633,000	$1,737,172	$1,711,000
Cullman	150,000	[3] 443,424	100,000
Fairfield	370,167	[3] 532,479	370,167
Florence	2,066,000	[3] 726,816	66,000
Alaska:			
Fairbanks	1,260,000	[3] 407,676	305,000
Juneau	1,300,000	[3] 407,676	407,500
Arizona: Phoenix	560,730	[4] 1,415,306	
Arkansas:			
Junction City	253,000	[3] 317,991	
Little Rock	6,189,626	[4] 1,361,576	1,361,576
Stamps	402,000	[3] 353,919	
California:			
Azusa	1,178,204	[3] 496,911	
Broderick	1,022,476	[3] 496,911	432,208
Fresno	1,470,000	[4] 1,253,216	1,253,216
Monterey	981,892	[3] 585,696	585,696
Rio Vista	133,072	[3] 335,964	133,072
Sanger	93,546	[3] 407,676	
San Jose	2,545,275	[4] 1,285,850	1,282,666
Santa Clara	2,037,893	[3] 514,704	503,040
Santa Cruz	239,968	[3] 691,644	
Santa Monica	2,915,300	[4] 1,032,896	982,000
Stockton	5,628,673	[4] 1,021,754	1,021,750
Sunnyvale	1,225,626	[3] 479,100	479,100
Vacaville	311,111	[3] 353,919	
Woodland	1,034,239	[3] 461,271	460,504
Colorado:			
Denver	923,744	2,076,832	[5] 1,148,149
Connecticut:			
Ansonia	1,303,000	[3] 638,751	638,751
Beacon Falls	87,092	[3] 335,964	
Bridgeport	8,803,275	[4] 1,956,314	850,775
Danbury	447,458	[3] 691,644	
New Haven	841,487	[4] 2,006,624	837,901
Norwalk	5,153,552	[3] 1,160,391	1,160,000
Windsor	644,632	[6] 514,704	
District of Columbia:			
Washington	27,214,692	2,982,388	[6] 26,490,900
Georgia:			
Americus	440,000	[3] 496,911	287,000
Cordele	100,000	[3] 461,271	100,000
Dublin	285,332	[3] 479,100	285,332
Lawrenceville	144,900	[3] 353,919	144,900
Manchester	200,000	[3] 371,856	200,000
Moultrie	182,000	[3] 514,704	161,333
Nashville	192,000	[3] 353,919	96,000
Illinois:			
Alton	120,000	[3] 884,199	
Bloomington	172,000	[3] 901,596	172,000
Chicago	16,959,994	10,963,000	8,797,655
Peoria	3,000,000	[4] 1,468,736	1,468,736
Rock Island	693,463	[3] 1,160,391	693,500
Springfield	369,153	[4] 1,143,656	64,163
Indiana:			
La Porte	539,014	[3] 621,084	473,500
Mishawaka	2,085,638	[3] 884,199	158,302
South Bend	1,774,000	[4] 1,511,264	1,428,200
Iowa: Waterloo	4,607,667	[4] 954,650	940,179
Maine: Portland	419,871	[4] 1,099,496	331,190
Maryland: Baltimore	6,124,259	3,092,500	3,092,500
Massachusetts:			
Boston	678,176	2,981,197	
Cambridge	4,800,000	[4] 1,564,154	1,457,689
Chelsea	233,811	[3] 988,311	
Fitchburg	1,414,577	[3] 1,057,359	
Lowell	2,356,000	[4] 1,307,546	1,253,956
Worcester	3,166,667	[4] 2,388,746	2,250,000

See footnotes at end of table.

Title I capital-grant contract authorization—Approval actions, Sept. 8–Dec. 31, 1958, for localities with applications pending Sept. 5, 1958—Continued

State and locality	Applications pending Sept. 5, 1958 [1]	Formula limit	Approval actions Sept. 8–Dec. 31, 1958 [2]
Michigan:			
Detroit	$10,282,555	$5,650,000	$3,800,000
Grand Rapids	717,084	[4] 2,136,026	670,714
Highland Park	3,365,429	[3] 1,108,956	694,564
Muskegon	493,122	[3] 1,143,264	
Port Huron	50,566	[3] 936,336	24,004
St. Clair Shores	437,945	[3] 656,460	438,000
Wayne	172,077	[3] 461,271	188,188
Ypsilanti	1,114,560	[3] 621,084	
Minnesota:			
Duluth	384,000	[4] 1,393,850	384,000
Minneapolis	1,685,950	2,414,548	1,685,950
St. Paul	774,356	1,675,837	
Missouri:			
St. Louis	34,124,406	3,038,653	2,740,137
Webster Groves	687,134	[3] 709,239	687,134
Nevada:			
Las Vegas	1,418,800	[3] 744,375	577,600
Reno	1,069,896	[3] 866,784	
New Hampshire:			
Portsmouth	34,866	[3] 638,751	21,237
New Jersey:			
Atlantic City	1,731,793	[4] 920,936	920,936
East Orange	359,577	[4] 1,110,554	359,577
Hackensack	152,198	[3] 814,431	110,343
Jersey City	1,062,687	1,625,797	890,166
Metuchen	220,825	[3] 479,100	197,491
Newark	535,000	2,155,837	535,000
North Plainfield	1,125,310	[3] 532,479	523,310
Orange	4,409,390	[3] 971,004	
Passaic	582,000	[4] 875,816	582,000
Perth Amboy	134,755	[3] 1,022,871	134,754
Princeton	2,445	[3] 514,704	[5] 128,295
Trenton	7,340,740	[4] 1,637,696	[7] 2,346,000
Union City	416,412	[4] 853,184	37,497
Wayne Township	1,119,000	[3] 514,704	434,813
New York:			
Binghamton	366,894	[4] 1,132,634	
Buffalo	18,216,000	2,570,800	2,570,800
Hastings on Hudson	953,334	[3] 443,424	440,000
Middletown	563,756	[3] 709,239	
New York	2,169,842	15,443,600	[8] 11,942,312
Niagara Falls	475,000	[4] 1,242,314	475,000
Nyack	700,000	[3] 407,676	400,000
Peekskill	1,865,000	[3] 621,084	620,000
White Plains	5,500,000	[3] 1,057,359	
Yonkers	280,546	[4] 1,895,546	115,294
North Carolina:			
Charlotte	1,000,000	[4] 1,700,264	1,000,000
Fayetteville	587,332	[3] 918,975	270,000
Raleigh	1,000,000	[4] 965,864	965,864
Ohio:			
Cincinnati	9,419,500	2,361,952	1,581,900
Cleveland	4,379,162	3,078,325	3,078,325
Dayton	4,500,000	[4] 2,770,784	2,762,000
Oregon:			
Eugene	1,711,680	[3] 936,336	922,740
Portland	751,732	1,924,372	[5] 982,269
Springfield	106,285	[3] 496,911	
Pennsylvania:			
Allentown	1,577,232	[4] 1,415,306	1,386,400
Connellsville	236,896	[3] 532,479	[9] 258,166
Farrell	295,400	[3] 550,236	252,333
Harrisburg	3,890,070	[4] 1,231,400	1,217,681
Lancaster	3,747,306	[4] 943,424	943,424
McKeesport	6,380,000	[3] 807,776	
Oil City	68,986	[3] 656,400	57,785
Philadelphia	30,297,867	6,316,000	5,348,715
Pittsburgh	16,364,523	2,787,013	2,687,321
Pittston	961,330	[3] 567,975	567,970
Reading	2,107,170	[4] 1,436,714	1,294,366
Scranton	904,020	[4] 1,616,744	914,871
Susquehanna Township	2,065,900	[3] 496,911	400,000
Swatara Township	1,103,280	[3] 461,271	427,066
York	613,377	[4] 898,400	592,949
Rhode Island:			
Providence	4,198,190	[4] 2,815,994	
South Carolina:			
Spartanburg	280,000	[3] 953,679	280,000
Tennessee:			
Clarksville	717,483	[3] 585,696	520,306
Dyersburg	3,455,070	[3] 496,911	[10] 534,000
Franklin	86,502	[3] 289,775	[5] 106,105
Gallatin	333,332	[3] 389,775	
Morristown	268,050	[3] 532,479	268,048
Waverly	16,384	[3] 335,964	[11] 96,000
Texas:			
Crystal City	567,000	[3] 425,559	422,196
Los Fresnos	348,732	[3] 317,991	
Mercedes	474,641	[3] 479,100	445,478
San Antonio	3,685,021	2,048,608	1,997,135
Waco	3,926,643	[4] 1,176,650	1,164,480
Wink	863,184	[3] 335,964	335,793
Vermont: Burlington	600,000	[3] 884,199	600,000

See footnotes at end of table.

Title I capital-grant contract authorization—Approval actions, Sept. 8–Dec. 31, 1958, for localities with applications pending Sept. 5, 1958—Continued

State and locality	Applications pending Sept. 5, 1958 [1]	Formula limit	Approval actions Sept. 8–Dec. 31, 1958 [2]
Virginia:			
Charlottesville	$1,056,000	[3] $761,916	$761,916
South Norfolk	564,228	[3] 479,100	479,100
Washington:			
Tacoma	1,057,500	[4] 1,803,584	1,057,500
Vancouver	1,140,000	[3] 1,040,124	1,040,124
West Virginia:			
Wheeling	310,817	[4] 887,114	[6] 575,371
Wisconsin:			
Milwaukee	16,849,530	2,704,693	[12] 13,400,000
Puerto Rico	6,434,664	4,619,000	[13] 5,891,300

[1] Amounts shown under "Applications pending" include all applications (both for new projects and for increases in existing projects) pending on Sept. 5. For many cities, more than 1 application was pending on Sept. 5.

[2] Amounts shown under "Approval actions" include all amounts approved for the cities with applications pending on Sept. 5. Excluded are amounts approved after Sept. 5 for cities with no applications pending on Sept. 5.

[3] Limit for 3 years.

[4] Limit for 2 years.

[5] Represents amounts approved as increases in existing project(s), including amounts approved under applications received after Sept. 5.

[6] Reflects transfer of reservations made prior to fiscal year 1959 between projects, as agreed in fiscal year 1958.

[7] Reflects (a) transfer of reservation of $709,022 made prior to fiscal year 1959 to general neighborhood renewal planning operation approved for the same area, plus (b) increase of $1,636,978 in the reservation, subject to formula limit.

[8] New York City had been subject to a limitation of not to exceed 10 percent of available authorization for 1959 prior to beginning of fiscal year and was therefore entitled to have applications up to this amount considered.

[9] Represents revision in amount of reservation requested originally in survey and planning application pending on Sept. 5.

[10] Reflects transfer of reservation made prior to fiscal year 1959 for existing general neighborhood renewal planning operation to urban renewal project approved for planning in the neighborhood area.

[11] Reflects actual amount of reservation requested in application pending on Sept. 5. Amount of $16,384 shown under "Applications pending" reflects a reporting error.

[12] Reflects transfer of reservation made prior to fiscal year 1959 for existing urban renewal project to general neighborhood renewal planning operation approved for the same area.

[13] Reflects (a) transfer of reservations made prior to fiscal year 1959 in amount of $1,304,000 between projects, as agreed in fiscal year 1958, plus (b) new reservations approved in the amount of $4,587,300 subject to formula limit.

Source: Housing and Home Finance Agency, Urban Renewal Administration.

Mr. PROXMIRE. Mr. President, at this point, will the Senator from Pennsylvania yield to me?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Pennsylvania yield to the Senator from Wisconsin?

Mr. CLARK. I am happy to yield to my friend from Wisconsin.

Mr. PROXMIRE. I think this point in the Senator's speech should be a critical one to all other Senators. I know that in my State of Wisconsin, La Crosse, which is just beginning an urban renewal program, is likely to be very seriously handicapped—in fact, it probably will not be able to have an urban renewal program for a number of years—unless the present committee bill is improved. La Crosse is a typical American city, with a population of 50,000; and I am sure a great majority of Senators have similar situations in their own States.

If this housing bill is to have any effect on urban renewal, I think the provisions the Senator from Pennsylvania is advocating must be adopted. It is true that these provisions will also help the larger cities. Of course the larger cities have established programs under way. I believe it is the smaller cities throughout the country that will be most seriously handicapped unless the committee bill is amended in the way the Senator from Pennsylvania has proposed.

Mr. CLARK. Mr. President, the Senator from Wisconsin is quite correct. I should like to amplify what he has said by pointing out that presently 384 cities in the Nation, in 41 States, the District of Columbia, Hawaii, and Puerto Rico, are engaged in urban-renewal projects. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a list of those cities. The list, prepared by the Urban Renewal Administration, shows the extent of their participation in urban renewal.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Urban renewal programs—Capital-grant reservations and contracts [1] as of Dec. 31, 1958

Total amount of capital grant reservations and contracts	$1,326,238,759
Urban renewal projects:	
Total amount	1,324,173,054
States and territories	43
Locations	384
Projects	[2] 641
Demonstration projects: Total amount	2,065,705

[1] Includes urban renewal projects, general neighborhood renewal planning projects, and demonstration projects.

[2] Excludes projects without capital grant reservations.

State and city	Number of projects	Amount
Alabama, total	29	$14,593,916
Auburn	1	12,111
Bessemer	1	1,066,666
Birmingham	3	4,630,157
Cullman	2	281,779
Decatur	2	481,312
Demopolis	2	189,874
Dothan	1	652,576
Elba	1	141,729
Eufaula	1	226,112
Fairfield	1	370,167
Florence	2	297,856
Gadsden	2	1,100,963
Huntsville	3	1,512,298
Linden	1	16,449
Mobile	1	1,016,765
Montgomery	2	2,086,358
Phenix City	1	173,035
Sheffield	1	197,554
Tuscumbia	1	140,155
Alaska, total	6	3,937,436
Anchorage	2	1,049,763
Fairbanks	2	1,163,889
Juneau	1	407,500
Ketchikan	1	1,316,284
Arizona, total	4	5,026,950
Flagstaff	1	293,127
Phoenix	2	2,292,823
Tucson	1	2,441,000
Arkansas, total	7	4,520,679
Little Rock	6	4,454,631
Texarkana	1	66,048
California, total	38	71,900,959
Berkeley	1	28,864
Broderick	1	432,208
Calexico	1	317,409
Fresno	2	3,577,795
Los Angeles	2	20,609,461
Marin County	1	520,086
Mendota	1	403,600
Merced	1	621,587
Monterey	1	585,696
Oakland	3	3,255,115
Richmond	4	5,128,450

State and city	Number of projects	Amount
California—Con.		
Rio Vista	1	$133,072
Sacramento	3	9,050,004
San Bernardino	1	1,303,425
San Francisco	3	14,327,260
San Jose	1	1,282,666
San Pablo	1	242,000
Santa Clara	1	503,040
Santa Cruz	2	2,274,657
Santa Monica	1	982,000
Seaside	1	623,000
Stockton	2	2,519,960
Sunnyvale	1	479,100
Vallejo	1	2,150,000
Woodland	1	460,504
Colorado, total	4	4,051,429
Denver	3	2,411,763
Pueblo	1	1,639,666
Connecticut, total	35	62,883,953
Ansonia	2	2,832,083
Beacon Falls	1	135,067
Bridgeport	1	850,775
Danbury	1	3,600,000
East Granby	1	141,332
Farmington	2	24,927
Hartford	3	5,129,436
Killingly	1	134,653
Meriden	1	1,240,000
Middletown	1	1,883,653
Naugatuck	3	2,228,927
New Britain	1	1,456,666
New Haven	5	32,876,511
Norwalk	2	3,516,241
Norwich	1	281,600
Putnam	1	2,621,398
Seymour	2	579,775
Stamford	1	366,643
Torrington	1	1,558,555
Washington	1	243,145
Waterbury	2	1,027,116
Windsor	1	155,450
Delaware, total	1	2,000,719
Wilmington	1	2,000,719
District of Columbia, total	9	65,674,797
Washington	9	65,674,797
Georgia, total	31	28,690,728
Americus	1	287,000
Atlanta	5	14,794,277
Augusta	1	1,197,963
Bainbridge	2	248,372
Cartersville	1	228,000
Columbus	1	1,781,023
Cordele	1	100,000
Douglas	3	524,259
Dublin	1	285,332
East Point	1	1,310,000
Lawrenceville	2	280,164
Lithonia	1	102,872
Macon	1	730,667
Manchester	1	200,000
Marietta	1	1,025,825
Moultrie	2	368,258
Nashville	1	96,000
Savannah	3	4,478,294
Valdosta	1	539,204
Waynesboro	1	113,218
Hawaii, total	3	9,608,522
Honolulu	3	9,608,522
Illinois, total	40	103,312,403
Bloomington	1	172,000
Cairo	1	5,000
Chicago	28	92,732,580
Chicago Heights	1	1,944,668
East St. Louis	1	1,918,656
Galesburg	2	146,921
Maywood	1	1,809,000
North Chicago	1	938,000
Peoria	1	1,468,736
Robbins	1	1,127,179
Rock Island	1	693,500
Springfield	1	356,163
Indiana, total	7	21,794,902
East Chicago	2	16,652,959
Evansville	1	1,061,941
Gary	1	2,020,000
La Porte	1	473,500
Mishawaka	1	158,302
South Bend	1	1,428,200
Iowa, total	2	7,177,179
Des Moines	1	6,237,000
Waterloo	1	940,179
Kansas, total	6	$14,650,487
Atchison	1	1,150,000
Kansas City	3	4,507,906
Topeka	1	7,489,235
Wichita	1	1,503,346
Kentucky, total	7	4,904,483
Frankfort	1	1,018,372
Hazard	1	133,592
Louisville	1	1,372,291
Newport	2	2,021,592
Paris	1	128,903
Prestonburg	1	229,733
Louisiana, total	1	2,086
New Orleans	1	2,086
Maine, total	3	1,930,369
Portland	3	1,930,369
Maryland, total	12	26,362,042
Baltimore	12	26,362,042
Massachusetts, total	29	45,668,215
Boston	4	12,884,859
Brookline	1	1,747,706
Cambridge	4	6,928,473
Chelsea	2	1,693,334
Fall River	1	1,265,243
Gloucester	1	632,979
Lawrence	1	2,017,111
Lowell	2	1,687,296
Lynn	4	5,193,185
Medford	1	265,199
North Adams	1	1,510,920
Revere	1	232,839
Somerville	1	1,023,164
Springfield	1	3,193,000
Wilmington	1	400,000
Worcester	3	4,992,907
Michigan, total	26	62,877,587
Ann Arbor	1	911,747
Battle Creek	1	2,726,417
Detroit	11	6,877,655
Grand Rapids	1	670,714
Highland Park	1	694,564
Inkster	1	1,422,000
Jackson	1	1,707,500
Kalamazoo	1	1,636,119
Mount Clemens	1	3,573,621
Muskegon	1	3,423,481
Pontiac	1	1,705,000
Port Huron	1	931,098
Royal Oak	1	1,361,078
Saginaw	1	2,800,000
St. Clair Shores	1	438,000
Wayne	1	1,998,593
Minnesota, total	8	22,374,730
Duluth	2	492,600
Minneapolis	3	17,407,656
St. Paul	3	4,474,474
Mississippi, total	1	510,000
Tupelo	1	510,000
Missouri, total	14	44,476,439
Columbia	1	1,666,571
Kansas City	4	7,424,499
Kinloch	1	580,166
St. Charles	1	71,704
St. Louis	4	31,303,868
St. Louis County	2	2,742,497
Webster Groves	1	687,134
Nevada, total	2	1,989,600
Las Vegas	1	577,600
Reno	1	1,412,000
New Hampshire, total	6	2,429,222
Manchester	3	1,087,513
Nashua	1	325,173
Portsmouth	2	1,016,536
New Jersey, total	46	68,839,329
Asbury Park	1	2,362,263
Atlantic City	1	1,513,586
Camden	1	1,453,526
East Orange	1	359,577
Edison	1	710,000
Elizabeth	2	1,480,006
Franklin Township	1	556,000
Hackensack	1	643,540
Hoboken	2	2,111,801
New Jersey—Con.		
Jersey City	5	$11,047,449
Long Branch	3	816,027
Metuchen	1	197,491
Morristown	1	799,372
Newark	6	20,956,968
New Brunswick	3	3,719,179
North Plainfield	1	523,310
Orange	1	1,242,889
Passaic	2	1,470,866
Paterson	2	6,821,009
Perth Amboy	3	3,402,687
Phillipsburg	1	571,076
Plainfield	1	153,285
Princeton	1	463,210
Trenton	2	4,288,142
Union City	1	741,257
Wayne Township	1	434,813
New Mexico total	1	358,047
Las Cruces	1	358,047
New York, total	60	207,711,624
Albany	2	4,213,670
Binghamton	1	1,416,359
Buffalo	2	12,455,408
Catskill	1	85,000
Glen Cove	1	375,000
Greenburgh	1	1,825,000
Hastings on Hudson	1	440,000
Huntington	1	560,849
Ithaca	1	233,000
Long Beach	1	2,709,666
Middletown	1	739,756
Newburgh	1	1,167,000
New Rochelle	1	5,044,025
New York	26	153,457,947
New York State at large	3	288,644
Niagara Falls	1	475,000
North Tarrytown	1	433,033
Nyack	1	400,000
Peekskill	1	620,000
Port Chester	1	346,234
Poughkeepsie	1	232,297
Rochester	1	3,718,729
Rockville Center	1	973,506
Rome	1	687,794
Schenectady	2	2,409,270
Syracuse	2	9,386,960
Tarrytown	1	166,800
Utica	1	1,232,458
Yonkers	1	1,618,219
North Carolina, total	5	5,140,864
Charlotte	1	1,000,000
Fayetteville	1	270,000
Greensboro	1	1,030,000
Raleigh	1	965,864
Winston-Salem	1	1,875,000
North Dakota, total	1	1,026,209
Fargo	1	1,026,209
Ohio, total	16	67,124,303
Cincinnati	3	26,459,915
Cleveland	5	14,738,684
Columbus	3	10,314,908
Dayton	2	11,603,820
Hamilton	1	946,827
Toledo	1	1,535,886
Youngstown	1	1,524,263
Oregon, total	4	4,874,505
Eugene	1	922,740
Florence	1	211,260
Portland	1	3,097,688
Springfield	1	642,817
Pennsylvania	66	140,852,032
Allentown	1	1,386,400
Beaver Falls	1	359,646
Bethlehem	1	1,400,000
Braddock	1	2,050,559
Brownsville	1	353,680
Carbondale	1	983,000
Chambersburg	1	470,000
Chester	2	1,387,185
Clairton	1	272,412
Connellsville	1	258,166
Darby	2	1,367,237
Duquesne	1	4,160,657
Easton	2	2,036,311
Erie	1	2,728,178
Farrell	1	252,333
Harrisburg	2	5,621,264
Johnstown	1	1,131,406
Lancaster	1	943,424
McKeesport	1	1,165,484
McKees Rocks	1	1,828,684
Meadville	1	826,000
Monessen	1	1,293,333
Nanticoke	1	1,020,000

State and city	Number of projects	Amount
Pennsylvania—Con.		
New Kensington	1	$1,735,013
Oil City	1	462,929
Philadelphia	16	62,560,822
Pittsburgh	4	25,826,088
Pittston	1	567,970
Rankin	1	2,578,052
Reading	3	1,520,130
Scranton	3	8,132,622
Sharon	2	788,637
Susquehanna Township	1	400,000
Swatara Township	1	427,066
Uniontown	2	837,972
York	2	1,202,372
Windber	1	517,000
Puerto Rico, total	53	29,111,583
Aguada	1	374,500
Aguadella	1	429,000
Aibonito	1	94,976
Anasco	1	160,700
Arecibo	2	2,183,700
Arroyo	1	127,960
Bayamon	3	1,093,400
Cabo Rojo	1	113,300
Caguas	2	1,889,390
Carolina	1	307,100
Catano	1	650,000
Cayey	2	1,241,100
Cidra	1	364,300
Fajardo	1	656,000
Guayama	1	774,100
Guayanilla	1	374,500
Guaynabo	1	122,000
Humacao	2	789,100
Juana Diaz	1	351,700
Juncos	1	497,600
Loiza	1	121,000
Mayaguez	3	3,511,123
Moca	1	129,100
Naguabo	1	150,900
Patillas	1	314,600
Ponce	5	1,704,277
Quebradillas	1	439,700
Rio Piedras	1	1,021,700
Sabana Grande	1	184,300
San German	1	893,300
San Juan	5	6,901,967
San Sebastian	1	517,800
Toe Baja	1	96,700
Utuado	1	88,800
Vega Alta	1	127,360
Vega Baja	1	188,100
Yabucoa	1	146,550
Rhode Island, total	8	12,909,270
Providence	8	12,909,270
South Carolina, total	1	280,000
Spartanburg	1	280,000
Tennessee, total	29	65,016,619
Athens	1	238,267
Chattanooga	1	10,628,869
Clarksville	2	2,300,608
Cookeville	1	435,000
Dyersburg	2	548,914
Franklin	1	366,105
Gallatin	1	221,815
Johnson City	1	958,218
Knoxville	1	2,626,987
Lebanon	1	539,269
Memphis	4	21,646,672
Morristown	1	268,048
Murfreesboro	2	754,401
Nashville	2	19,010,609
Shelbyville	1	3,136,704
Springfield	1	470,000
Tullahoma	1	113,606
Union City	3	609,093
Waverly	2	143,374
Texas, total	23	24,279,445
Abilene	1	2,117,907
Austin	1	395,750
Corpus Christi	1	2,718,600
Crystal City	1	423,196
Edcouch	1	212,666
Edinburgh	1	324,000
Fort Worth	1	1,230,600
Garland	1	231,958
Grand Prairie	1	1,594,544
Harlinger	1	317,072
Laredo	1	1,911,643
Lubbock	2	3,687,095
Marshall	1	110,030
Mercedes	1	1,121,313
Mission	1	690,612
Orange	1	1,120,556
Paris	1	517,528
Port Arthur	1	1,479,267
Port Isabel	1	577,700
Texas—Con.		
San Antonio	1	$1,997,135
Waco	1	1,164,480
Wink	1	335,793
Vermont, total	1	600,000
Burlington	1	600,000
Virginia, total	14	38,770,950
Charlottesville	1	761,916
Danville	2	3,621,516
Harrisonburg	1	861,099
Newport News	1	1,570,986
Norfolk	4	25,799,865
Portsmouth	1	1,110,684
Richmond	1	1,657,668
Roanoke	1	2,066,659
South Norfolk	2	1,320,557
Washington, total	2	2,097,624
Tacoma	1	1,057,500
Vancouver	1	1,040,124
West Virginia, total	2	3,842,455
Fairmont	1	2,747,484
Wheeling	1	1,094,971
Wisconsin, total	5	20,054,069
Madison	2	2,088,957
Milwaukee	3	17,965,112

Mr. CLARK. Mr. President, among those 384 cities are 37 in the Commonwealth of Pennsylvania. I would hazard the guess that another 25 cities in Pennsylvania alone now are making plans to request urban-renewal grants, although they have not yet reached the point of making application for grant reservations; and I am sure that what is true of Pennsylvania is true generally throughout the country.

During the hearings, we asked Commissioner Steiner, of the Urban Renewal Administration, how much money would be needed to keep pace with the plans the cities have put forward. His answer was that applications have been coming in at the rate of $40 million a month, after those which were rejected or withdrawn have been deducted, and that the rate has been rising. Thus, the annual rate is around $500 million a year, and is going up. On page 80 of the report is a tabulation showing that, taking into account the backlog, the need between now and June 30, 1960, is around $1.1 billion. That is why I have been advocating an authorization of $600 million a year. Joined by several of my colleagues, I shall, at the appropriate time, offer an amendment to raise the authorization.

Mr. President, later, when I call up my amendment, I shall return to the subject of urban renewal.

My fourth point is that the bill authorizes carrying over into the fiscal year 1960 the existing unused authorization for public-housing units—which probably will amount to about 16,000—and authorizes the construction of an additional 35,000 units, or a total of 51,000.

Mr. President, last night and this morning I was reassured, indeed, when efforts of the administration to kill the public-housing program were rejected by a majority of the Members of this body. I am confident that if those efforts had succeeded, we would have struck another crippling blow at the urban renewal-slum clearance program.

While this authorization will probably be adequate for the fiscal year 1960, personally I would have preferred a long-range program which would have turned loose the remaining unused authorization of about 190,000 units, as contained in the Taft-Ellender-Wagner Housing Act of 1949. In this way, we could have given assurance to American cities that they could unquestionably provide, in the years ahead, not only for the families of low incomes who must be relocated by reason of governmental action, but also for the many thousands of low-income families now living in slums for which renewal programs are not as yet even on the drawing boards.

The bill also makes some administrative changes intended to decentralize administration of the public-housing program. These provisions are not only salutary, they are essential to the revitalization of the public-housing program across the country. Redtape, bureaucracy, and unsympathetic centralized control over the public housing administration in Washington have tied the hands of dedicated local leadership in their efforts to take care of unfortunate families now living in unsafe and unsanitary housing.

This bill does not contain all of the provisions for decentralization which were approved by the Senate last year, and were introduced in the original version of Senate bill 57, as well as in my own bill, S. 193. However, this bill makes a beginning. I am content with the committee bill as a compromise at this point, although I believe that the Senate should keep a continuous watch upon the operation of the program so as to see whether other measures, to prevent this program from being strangled by redtape, will need to be taken in the future.

Mr. President, in that connection I should like to call attention to a letter which begins on page 34 of the committee report. The letter is addressed to the Senator from Alabama [Mr. SPARKMAN]; and it comes from the Public Housing Commissioner, Mr. Charles E. Slusser. I ask unanimous consent that the letter be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PUBLIC HOUSING ADMINISTRATION,
HOUSING AND HOME FINANCE AGENCY,
Washington, D.C., January 28, 1959.

Hon. JOHN J. SPARKMAN,
U.S. Senate, Washington, D.C.

DEAR SENATOR SPARKMAN: Please accept my regrets that illness prevented me from meeting with you Tuesday morning, January 27, and accept my thanks for the courtesies you extend to my representatives.

The modification of present Federal practice with respect to fiscal auditing, and budgetary review and approval desired by local housing authorities can best be accomplished, in my judgment, administratively under a new policy mandate established by the Congress. This procedure would have advantage both to the Federal and local interest in the administration of the low-rent housing program.

With respect to fiscal audits, the provision which now precludes a local housing authority from securing an independent audit from a qualified public accountant is contained not in the statute but in section 311b of the standard form of annual contributions contract between the Public Housing Administration and local housing authorities. This section can be waived so as to permit a local housing authority should it so desire to obtain its own audit and treat the cost thereof as an eligible operating expense. By retaining administrative flexibility, we could satisfy the desires of local housing authorities and at the same time not interfere with the staffing and programing of PHA fiscal audits as would result were each local housing authority in a position to elect shortly before the beginning of each fiscal year to have a private or PHA fiscal audit. With administrative flexibility, the amount of advance notice required of local housing authorities could be varied from time to time so that the joint objective of local option and an orderly PHA audit program could be achieved.

With respect to budgetary review and approval, this, also, is a requirement of the annual contributions contract and not a specific provision of the law. Last year PHA adopted a completely modified and improved budget system. Many local housing authorities have expressed their satisfaction with it and we have been commended for its installation. Indeed, when I met with committees of local housing authority commissioners throughout the country during 1958, I discussed with them the desirability of PHA's relinquishing the approval of local housing authority operating budgets.

There were differing viewpoints. Some commissioners felt that properly they should have and would welcome full responsibility and authority over their operating budgets. Others, however, felt that they needed and welcomed PHA's review and comments.

Again, these viewpoints can be reconciled administratively. Local housing authorities could file their budgets with PHA. This is required so that PHA can prepare intelligent forecasts of annual contributions requirements. The PHA staff could then review and furnish the local housing authority commissioners with comments and suggestions on the local housing authority's operating plans and costs. The local housing authority commissioners would then be in a position to consider the proposals of their own staff, the PHA comments and make their own decision. This would provide both local independence and discretion and Federal advice and assistance.

To my mind, this administrative practice would be preferable to legislative changes in the statute, coupled with a directive to change all existing annual contributions contracts to incorporate them, for one very cogent reason. This procedure is experimental. If instituted by precise legislative requirements and contract modification, should the Congress subsequently become dissatisfied with the results, it would be unable to restore the status quo since local housing authorities would be protected by contract even against the power of the Congress. On the other hand, should this innovation in Federal practice be instituted administratively under congressional mandate, coupled with the requirement to report the results back to the Congress after an experimental period, say of 2 years' duration, there would be no contractual barrier to the Congress exercising its judgment and authority as it deems best suited to the public interest.

Further, by following the administrative route, should any particular situation arise which calls for prompt action in the interest of the low-rent housing program, these waivers could be withdrawn in the specific situation. It is unlikely that such a situation would occur but freedom to move might be essential under what are now unforeseeable circumstances.

To effectuate this arrangement, we would suggest the inclusion in legislation of language in the U.S. Housing Act directing the Public Housing Commissioner to vest the power in local housing authority commissioners to exercise their judgment with respect to the operations of the low-rent housing program to the maximum extent compatible with the accomplishment of the objectives and provisions of the statute. This legislative change, coupled with a statement in the committee report setting forth the above-outlined administrative modifications in PHA procedure and practice, would assure the institution of the changes and give the Congress an opportunity to evaluate the results.

Should these suggestions commend themselves to you, we should be happy to meet with your staff to work out the technical details involved.

Sincerely yours,

CHARLES E. SLUSSER,
Commissioner.

Mr. CLARK. Mr. President, the language in the committee report points out very clearly, as does the statement of public housing policy which appears in title IV of the pending bill, that it should be the policy of the Public Housing Administration to decentralize, insofar as possible, all of its activities in relation to the local public-housing authorities.

I hope that we are now making some legislative history which will indicate the clear legislative intent of the Senate—that the administration should cut red-tape and stop interfering with the local authorities. It should stop telling them, for example, where to put Coca-Cola machines—as it did last year—and stop telling them what pail and what mop to buy—which happened last year—and stop telling them to remove trees, and then be unable to tell the local authority which trees to remove—which occurred last year. I hope we are making it plain that we want the local authorities given the maximum control over their own affairs, and that the policy of the Senate is decentralization, the maximum amount of local control, and the minimum amount of interference by the Central Government in Washington.

Mr. PROXMIRE. Mr. President, will the Senator from Pennsylvania yield further to me?

Mr. CLARK. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Is it the understanding of the Senator from Pennsylvania that the letter received by the chairman of the Housing Subcommittee of the Banking and Currency Committee from Commissioner Slusser—I refer to the letter which appears in the committee report on pages 34 to 36—constitutes a substitution for the enactment into law of the decentralization provisions for which the Senator from Pennsylvania himself is pleading? In other words, the letter in the committee report is intended to take the place of a statutory enactment. I say that because, as discussed in the deliberations of the Banking and Currency Committee, that was my clear understanding.

Mr. CLARK. It was my understanding also. I may say to my friend from Wisconsin that the more I read the letter, the more I am confused by the gobbledegook contained therein. If I can read between the lines in an attempt to interpret what was the thought of the writer of the letter, I am not at all sure it constitutes a commitment to carry out this decentralization policy, at least so far as audits are concerned.

Mr. PROXMIRE. Was there any doubt on the part of any member of the committee, on the majority or on the minority side, that the intention, the purpose, the objective of the letter was to provide for the kind of decentralization the Senator from Pennsylvania has been talking about?

Mr. CLARK. I think my friend is correct. In that connection, I call his attention to the specific provision in section 401 of title IV, the low-rent housing section of the present bill, which reads as follows:

> It is the policy to vest in the local public agencies the maximum amount of responsibility in the administration of the low-rent program with due consideration to accomplishing the objectives of this Act while effecting economies.

I think what the Senate means by that is: "Keep your hands off the local public authorities unless and until you have reason to believe that they are not properly performing their public duties."

The need for such decentralization has been developed by witness after witness in hearings before the committee. The local housing officials are leading citizens in their communities. They are serving without pay, as dedicated public servants. They are giving their time and efforts to make the public housing programs in their own communities work. I think it is an affront to their intelligence and integrity to have bureaucrats from Washington tell them, "Do this. Do that. Don't do this. Don't do that." Local authorities have been harassed to such an extent that in many places it has slowed down the public housing program in the last few years more than has any other thing.

Mr. PROXMIRE. Is it not interesting that for 20 long years the Republicans complained about bureaucracy and the dead hand of the bureaucrat?

Mr. CLARK. That is correct.

Mr. PROXMIRE. It was that issue more than any other that permitted them to triumph in the 1952 elections. It was a good and an honest issue. It is an issue which the American people will recognize whether the Democratic Party or the Republican Party is in control of the Government. I think one of the evils of big government has been excessive and unnecessary control from Washington. The issue is clear. Democrats and Republicans both agreed it was essential that the Public Housing Administration decentralize to the greatest possible extent.

Mr. CLARK. I think the Senator is correct. I will recall to his mind it was

stated in the hearings that the Public Housing Administration has 1,600 employees. I suppose in order to give them something to do, they have to be sent to harass local public housing authorities. I would hope when we come here next year, as an indication of the decentralization program which the act calls for, there might be at least a 25 percent cut in the payroll of the Public Housing Administration.

I turn now to my fifth point. The provisions of the bill which establish a new program of housing for the elderly have been fully outlined by the able Senator from Alabama. I will not expand on what he has said, except to say that this new program meets a need that has been critically felt for a long time. I think it deserves everyone's support.

I return to my initial theme. This bill requires the United States Senate to face up to a critical program confronting America. There are alarming signs of softness in our country—signs which no one has read more clearly than the distinguished Senator from Arkansas, the Chairman of our Banking and Currency Committee [Mr. FULBRIGHT] in a series of brilliant speeches he made on this floor last summer. He referred to the self-indulgence, the emphasis on luxury, the juvenile and adult delinquency, the lack of self-discipline, the tendency to sweep hard facts under the rug, the unwillingness to ask the people for any sort of sacrifice, and, finally, the lack of national leadership, as dangers of our time. Too many people want to buy Cadillacs and Coca-Cola; too few people are determined to see that there is decent shelter for our children and their parents.

Yet I believe that the election returns of last November indicate a profound public discontent with this condition. I believe the people elected candidates who will look to the future and not to the past, who promise action rather than inertia. I believe further that most of the men who won in that election and their colleagues in this Senate are prepared to meet that mandate to move forward. This was a mandate to political leaders to master our problems, to take control of our destiny, not to continue to drift and to fumble.

Now what obstacles do the timid place in our way? It is the old, old song: "We can't afford it—we must cut costs and balance the budget."

Let me state at the outset my own strong belief that the Federal budget should be balanced for fiscal 1960, but I do not want to balance the budget at the cost of inferiority abroad and mediocrity at home. Nor do I believe that expenditures to meet our needs must necessarily result in an unbalanced budget. I have no doubt that, when faced with the clear and unavoidable issue of providing more Federal revenues or living in a second-class America, the people of this Nation will support the Members of this body, if we have the political guts to provide the additional revenue.

In that connection, Mr. President, there appeared in this morning's paper three extremely interesting examples of what I have in mind. I particularly call this point to the attention of my friends on the opposite side of the aisle—now entirely barren except for the presence of the distinguished Senator from Indiana [Mr. CAPEHART]. I call to their attention, when they read the RECORD tomorrow, an editorial in the Washington Post and Times Herald of this morning, entitled "Rockefeller's Millions." I read the first sentence, which is as follows:

> Governor Rockefeller's recommendations for a $277-million increase in New York State taxes are fiscally responsible and may be good politics as well.

I ask unanimous consent that the editorial may appear in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ROCKEFELLER'S MILLIONS

Governor Rockefeller's recommendations for a $277 million increase in New York State taxes are fiscally responsible and may be good politics as well. The Governor's willingness to meet most of the expanding demands on the New York budget with a tax increase indicates that he has a good deal of political courage. Such a forthright approach to New York's revenue problems ought to offset whatever political deficits may accrue to a Governor whose first major decision is to ask the legislature to raise the taxes paid by almost every voter in the State.

The additional revenue will be used to help balance New York's first $2 billion budget. By paying more State income, cigarette, gasoline, and estate taxes New York residents will provide for the financing of more school and highway construction and the expansion of many State services. There are no new spending plans of any consequence in the Rockefeller budget. Many of the increases in expenditures for such existing programs as State aid to education and highway construction are mandatory.

Mr. Rockefeller's approach to New York's finances is surely more realistic than the pinch-penny attitude taken by Governor Tawes in Maryland where he balanced a $448 million budget without a tax increase but at the expense of many essential State services. We think that most Americans are prepared to pay for adequate government services, even if this means higher taxes. Mr. Rockefeller's call for tax increases probably has not diminished the value of his presidential stock by one dime.

Mr. CLARK. I suggest to my good friend from Indiana, in the most friendly possible way, that perhaps he would be willing on some occasion in the near future to go to the White House and suggest to his friend there that the great Republican Governor of New York has shown the way toward fiscal responsibility and budget balancing, in a way which perhaps could well be emulated at the other end of Pennsylvania Avenue.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CLARK. I am always happy to yield to my friend from Indiana.

Mr. CAPEHART. My position is and has been for a couple of days—and I have made myself clear many, many times—that the responsibility for appropriations and expenditures is entirely, 100 percent, the responsibility of the Congress. The President does not have a single nickel to spend except the money which is appropriated by the Congress.

Mr. CLARK. My friend would agree, would he not, that the Congress is always very much influenced by the recommendations the President makes, which is proper?

Mr. CAPEHART. I agree with that, and I do not think it should be the case. I think that is what got us into much of our trouble when, back during the Roosevelt and Truman days particularly, the Congress was a "me, too" Congress and did everything those two gentlemen asked to have done.

Mr. CLARK. I hope my friend will agree with me that we do not want the 86th Congress to be a "me, too" Congress.

Mr. CAPEHART. That is my position exactly. The fiscal policy is our responsibility and not the responsibility of the President. We ought to consider his budget and we ought to consider the facts which he submits, and then we ought to use our own good judgment. We ought to accept the responsibility 100 percent, because it is ours.

Mr. CLARK. I have no quarrel with the Senator at all. The Senator and I are in accord on that point. I think this is our responsibility.

I will say to my good friend from Indiana that in my humble judgment the President of the United States made a serious mistake in the national interest when he fixed the budget at $77 billion. I do not think that is a realistic figure.

Mr. CAPEHART. That may well be true. The law requires the President to fix some figure. He fixed the budget at $77 billion. It is up to the Congress, to the House and to the Senate, to decide what the budget ought to be, and Congress should decide it. Congress is responsible to the people, and responsible only to the people.

Mr. CLARK. I hope my good friend from Indiana will also agree with me that when—as I think in all likelihood we will—we exceed the $77 billion, it will also be the responsibility of the Congress to find revenues to balance the budget.

Mr. CAPEHART. I agree with the Senator 100 percent on that.

Mr. CLARK. I think that is a question of "political guts" and we might as well face up to it.

Mr. CAPEHART. I am not one who subscribes to the idea that every bill should be cut. I think with reference to the particular bill under consideration we could take some money from it, and we have done so. Perhaps we could take more, but we have not. It does not necessarily follow, though, that the next bill which comes up for consideration

should be cut. Good common horsesense might dictate to us there should be an increase.

I do not say that every bill which we consider requires a cut of expenditures. We should not necessarily follow every suggestion to cut. At times it might be good common horsesense to increase expenditures, if the facts indicate that is the proper thing to do. However, wherever we can we should cut expenditures if we are not interfering with the end results or hurting the project. I think in those cases we ought to cut expenditures.

There perhaps will be times when it will be good business and good sense to provide an increase in expenditures. I do not say we should always make cuts, any more than we should provide increases. I say that we ought to take the responsibility, because it is ours. Only we can do anything about the matter.

Mr. CLARK. I think the Senator is correct.

Mr. CAPEHART. The President cannot do anything about it. There are only 98 Senators and 436 Members of the House of Representatives who have the responsibility.

Mr. CLARK. I think the Senator is correct, but I will point out that the President got us off to a very bad start by proposing an inadequate budget. I look forward to the day when my good friend from Indiana will join me in sponsoring the Capehart-Clark "Let's close the tax loopholes" bill.

Mr. President, the second item in this morning's paper bearing on this subject was Mr. Walter Lippmann's column. I ask unanimous consent that excerpts from the column published this morning be printed in the RECORD at this point in my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The fatal error lies in the decision of the President to make the paramount issue of the present time a Federal budget balanced at the existing level of taxes, along with a promise of a reduction of taxes before the next presidential election. We are approaching one of the great climaxes of the cold war and the President's decision about the paramountcy of the budget reflects a failure to understand the nature of the cold war.

It makes suspect all the military estimates in the budget. For it is no part of the law of the land, or of that moral law which the President frequently invokes, that the existing tax structure cannot be raised and should be lowered. To insist on such a dogma about taxes is to tell the people and the world that national defense is not the first but only the secondary consideration in this government.

What should be done about it? It should be said in no uncertain terms that defense has the first priority. If the President will not say it, perhaps Congress itself should say it by resolution. There should then be a substantial increase in the military appropriations, an increase sufficient to put us back into the missiles race. Then an increase of taxes should be voted in order to balance this larger budget.

I am aware that the extra money invested in making more of the existing missiles may be "wasted"—wasted in the sense that these missiles will soon be obsolete and good only for the junk pile. But the race of armaments is in the same sense inherently wasteful since the objective is to make weapons which will never be used and will soon be obsolete.

Nevertheless we are in a race of armaments. It would be a great day for mankind if it could be ended. But if the race is to be ended, this will be done only if and when we are able to reach general political settlements with the Communist powers. The race of armaments cannot be ended or suspended merely because we wish to balance the budget without raising taxes or because it would be good politics to reduce taxes before the next election.

Mr. CLARK. Mr. President, the point which Mr. Lippmann makes is the one which I have been making:

The fatal error lies in the decision of the President to make the paramount issue of the present time a Federal budget balanced at the existing level of taxes, along with a promise of a reduction of taxes before the next presidential election. We are approaching one of the great climaxes of the cold war, and the President's decision about the paramountcy of the budget reflects a failure to understand the nature of the cold war.

Also, Mr. President, this decision makes it difficult to deal with the needs of our domestic economy—the need to refurbish the public sector of the economy, to go forward with programs of housing, education, water resources, and the like. Every individual who gives these matters even the most casual study will have to conclude we cannot do what is needed at a budget level of $77 billion. I will be the first to join with any other Member of this body to cut out unnecessary waste, but I simply do not think this can be done.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am glad to yield to my friend from Wisconsin.

Mr. PROXMIRE. Is there not another way in which we can help balance the budget? Would it not be possible for our Federal Government to follow policies to encourage growth?

Of course I recognize an urban renewal program adopted by the present Congress could not help balance the budget for at least 3 or 4, or possibly 5 or 6 years. Nevertheless, is it not true that if we are going to be able to balance the budget at reasonable rates of taxation in the future and if we are going to be able to provide for the defense which is so necessary at this time, it is essential that our Federal Government adopt policies which provide for long-term growth?

Mr. CLARK. The Senater is eminently correct. If the Senator will permit me to continue for a moment, I think one of the great blots on the record of the Eisenhower administration is that during the 6-year term of office of the administration the rate of growth has slowed down to a very slow walk—I believe only 1 or 2 percent each year—whereas before the present administration took over the growth rate was approximately 3 percent. I think we all believe the growth rate could be brought up to 5 percent. We are faced with the stark reality that the Russian growth in gross national product is at a rate of 10 percent.

Mr. PROXMIRE. The Senator is exactly correct. There has been a great deal of talk in the Senate and by many commentators as to the dangerous difference between the Russian economic growth and the American economic growth, but there has been very little talk about precisely and exactly what the Federal Government can do to encourage growth.

I should like to suggest that the Federal Government should develop the capital assets and growth assets of this country by encouraging construction of dams, power sites, rivers and harbors improvements, and research particularly in agriculture; but, so far as our cities are concerned, and particularly so far as the section of the country from which the Senator from Pennsylvania and the Senator from Wisconsin come is concerned, the obvious and perhaps the preeminent way in which the Federal Government today can promote growth is through the adoption of an urban renewal program which will enable the cities to rebuild their blighted and slum areas.

Mr. CLARK. The Senator is entirely correct.

Mr. PROXMIRE. It is not true that the amendment of the Senator from Pennsylvania is likely to be one of the key amendments—perhaps the key amendment—to be considered in the present Congress for a determination of whether Members truly believe the Federal Government should take leadership in providing for long-term economic growth, so far as the great metropolitan centers of our country are concerned, in which centers 65 percent of our people live?

Mr. CLARK. I think the Senator is absolutely correct, and I think the question which confronts us with regard to the bill presently under consideration is whether we are going to finish what was started by former Senator Taft, former Senator Wagner, and the Senator from Louisiana (Mr. ELLENDER), or whether we are going to quit halfway down the road and accept a course whereby we permit our blighted areas to continue to grow faster than we are able to weed out slums and blight.

That is the issue, as I see it, between the provision for urban renewal in the pending measure and the provision in the amendment which I shall shortly offer.

Mr. President, at his press conference yesterday, President Eisenhower had some things to say in defense of his $77 billion budget and his reluctance to ask for any increased revenues, beyond a nominal amount. I think it is well worth while, in the context of the President's press conference, to recall what several of the leading economists of this country said when they testified before

the Joint Economic Committee last Friday. Five of the six distinguished economists who appeared before the committee were in accord that taxes should be raised right away and that to do so would be salutary.

One of them, Herbert Stein, of the Committee for Economic Development, began his testimony with these words: "What this country needs is a general tax increase."

Paul A. Samuelson, who has written a definitive textbook on economics used in our schools and colleges, said: "Instead of pressing for massive tax reductions at this time, Congressmen and Cabinet officers should be alert to the possibility that it could become desirable in the year ahead to begin to worry about raising tax rates in the interest of overall stability."

For myself, I do not believe a general tax increase is necessary. Certainly the minor budgetary implications of this bill could be met with additional revenues by closing any one or more of half a dozen tax loopholes, the inequity of which comes close to being a national disgrace.

In that connection, I invite the attention of Members of this body to a memorandum which appears on page 285 of the hearings before the Committee on Banking and Currency. The memorandum is entitled, "A Tax Program for 1958." It was prepared by economists of the American Federation of Labor and the Congress of Industrial Organizations. While I do not vouch for the accuracy of their figures, I will say that the men who work in the economic section of that great labor organization are qualified economists, well trained, and generally know what they are doing.

I should like to quote their recommendations for recapturing needed revenue by eliminating loopholes and tax escape clauses in the Federal income tax laws. They say:

A total of $9.1 billion in revenue could be raised by the following measures (the approximate amount of revenue to be recaptured is shown in parentheses after each item):

I ask unanimous consent that the entire memorandum, of which paragraph 3 deals with tax loopholes, be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

A TAX PROGRAM FOR 1958

1. Tax relief for low and moderate income families.—This is a basic need at the present time. While there are several ways of achieving this result, perhaps the simplest and most preferable would be, as a first step, to raise personal individual exemptions from $600 to $700.

2. Eliminate the requirement that workers pay income taxes on their contributions to Government retirement funds.—One very special tax problem of workers is the fact that the present law forces them to pay income taxes on income which is actually used to contribute to various Government retirement systems (old age and survivors insurance, civil service, and railroad retirement). This inequity should be eliminated by excluding these contributions from income for income tax purposes and from wages for withholding purposes. However, there should be an upper limit of $500 placed on the amount of contributions that could be thus excluded from income.

3. Recapture needed revenue by eliminating loopholes and tax escape clauses in the Federal income tax.—A total of $9.1 billion in revenue could be raised by the following measure (the approximate amount of revenue to be recaptured is shown in parenthesis after each item):

(a) Repeal the special tax relief granted to dividend income by the Revenue Act of 1954 ($400 million).

(b) Require withholding taxes on the payment of dividends and interest ($300 million).

(c) Repeal excessive depletion allowances and remove from such tax privileges many of the metals and minerals now covered ($1,300 million).

(d) Tighten the capital gains tax structure by lengthening the holding period of long-range gains and increasing considerably the 25 percent tax rate. Remove from capital gains treatment the many types of income not originally included ($1,000 million).

(e) Repeal the new depreciation provision of the 1954 Revenue Act ($1,300 million).

(f) Eliminate the advantage given upper income married couples and heads of households by the income-splitting provision ($3,500 million).

(g) Eliminate the family partnership provisions which are designed to reduce individual income taxes ($100 million).

(h) Eliminate stock option privileges designed to circumvent payment of taxes ($100 million).

(i) Repeal the tax-exempt status of State and local bonds ($100 million).

(j) Eliminate the carry-back, carry-forward provision of the corporate income tax which grants special tax windfalls to purchasers of corporations with heavy losses ($100 million).

(k) Make the estate and gift taxes a more effective source of revenue by eliminating life estate provisions and by combining estate and gift tax exemptions as well as reducing the total level of exemptions ($1,000 million).

4. Ease the tax burden on small corporations.—This can be done by changing the two component rates of the corporate tax structure. Rather than a 30 percent normal rate and a 22-percent rate on all income above $25,000, the normal rate could be lowered to 25 percent while at the same time correspondingly raising the surtax rate. The total rate would remain the same, but some measure of relief would be granted to small corporations.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my good friend from Tennessee.

Mr. GORE. One of the items of tax favoritism is the foreign tax credit. I do not know whether that is referred to in the statement to which the Senator has alluded.

Mr. CLARK. No; that is not referred to in the memorandum, but I think it is an additional factor which should be given careful consideration by the Senate. It affects largely the oil companies, does it not?

Mr. GORE. It affects the oil companies, but it also affects all businesses which are American-owned, but which do business abroad. Under this provision there are a number of American concerns with very large profits, which pay virtually no taxes to the U.S. Government.

Mr. CLARK. The Senator, as an eminent member of the Finance Committee, is well aware of that fact. I hope his committee will bring the facts forward during the course of the current session.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. CLARK. I am happy to yield.

Mr. GORE. With that brief reference to sources of additional revenue, I invite the attention of the able Senator to a way by which vast savings could be made.

In 1945, the year when World War II closed, the U.S. Government had a public debt of $258 billion. The interest paid on the public debt for that year was $3,621 million. President Eisenhower estimates in his budget that in 1960 we shall have a national debt of $283 billion and he requests $8,100 million to pay the interest on that debt.

Mr. CLARK. Will my friend explain to us how that increase occurred during the Eisenhower administration?

Mr. GORE. It has occurred by reason of a deliberate policy of our Government to raise interest rates, to increase the income from interest, not only on governmental obligations, but also on private debt.

Mr. CLARK. Does the Senator see any justification for that policy?

Mr. GORE. I would not say that I see no justification. On balance, I say it is very unjustified. I would have to define the word "justification." I see vast benefits accruing to certain people from this policy.

Mr. CLARK. I am talking about the national interest, not individual interest.

Mr. GORE. The national interest is adversely served by this policy.

Mr. CLARK. What does my friend think about the defense of our friends on the other side of the aisle, that high interest rates are necessary to prevent inflation?

Mr. GORE. One of the most inflationary elements in our national economy is the trend toward higher and higher interest rates. One of the principal costs of doing business is interest on borrowed money. How can we avoid price increases when the cost of doing business is continually increased by an inflationary interest spiral?

Mr. CLARK. I thank my friend.

Mr. GORE. Here is a difference between $3,621 million interest on public debt in 1945 and $8,100 million estimated for 1960. A realistic monetary policy on the part of our Government designed to serve the public interest, would save vastly more money for the American taxpayer every year than the annual cost of the pending bill.

Mr. CLARK. There is no question about that. I invite the attention of my friend, as I have done on previous occasions, to the fact that the United States is the only government in the world whose central government does not control its banking system through a central bank which is subject to the jurisdiction of the government, and not to that of an independent board of bankers.

Mr. CAPEHART. Mr. President, will the Senator from Pennsylvania yield to me in order that I may propound a question to the Senator from Tennessee?

Mr. CLARK. I am glad to yield.

Mr. CAPEHART. The question I should like to ask the able Senator from Tennessee is this: What rate does he think the Government should pay at the moment on its bonds and borrowings?

Mr. GORE. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I am happy to yield.

Mr. GORE. If the Senator from Indiana is making reference—as I presume he is—to the pending bill——

Mr. CAPEHART. I am making reference to the fact that the Senator from Tennessee said the public debt was $258 billion in 1945, and is estimated to be $283 billion for 1960. The Senator used some figures showing that the interest rate in 1949 was costing about $4 billion a year, whereas it is now costing $8 billion.

My question is, Where would the Senator set the interest rate on Government bonds? Would he increase it to any extent over the rate which prevailed in 1945? Where would he place it?

Mr. GORE. In the first place, the junior Senator from Tennessee is not the Secretary of the Treasury; nor is he a member of the Federal Reserve Board.

I would not be able to answer the able Senator from Indiana in an offhand manner as to the exact interest rate which Government obligations should now bear.

Mr. CAPEHART. Does the Senator believe that it should have been increased at all?

Mr. GORE. I would have to think about that.

Mr. CAPEHART. The Senator also made the statement and left the inference that this was a policy which was deliberately brought about by the administration.

Mr. GORE. Does the Senator not believe that?

Mr. CAPEHART. I never heard anything which, in my opinion, was as nonfactual as that statement.

Mr. GORE. Does the Senator believe it to be an accident? Does the Senator think it is an accident that in the past 12 months we have had a drastic reduction in the interest rate on Government bills, and that, later during the same period, we have had a most drastic increase in the interest rate on these bills? Does the Senator believe that it just happened that way, without plan or action by anyone?

Mr. CAPEHART. The Senator does not understand how these matters are handled. The Government sells these bonds——

Mr. GORE. As I understand, the Senator says that it is not by design, that it is not by plan, but that it just happened to be so. How does the Senator understand it happened?

Mr. CAPEHART. The Senator's inference was that there was some sinister motive behind it. I say to the Senator that that is the most nonfactual statement that I have ever heard made on the floor of the Senate. It is not sinister. The Government is paying the going rate of interest on its bonds. The Senator, in my opinion, is merely trying to appeal to the emotions of the people.

There is one other question I should like to ask. The Senator said that someone is getting this interest. I should like to ask, who owns the bonds of the U.S. Government?

Mr. GORE. Before I answer the second question, I should like to inform the able Senator that I did not use the word "sinister."

Mr. CAPEHART. No; I used it.

Mr. GORE. Yes; the Senator used it.

Mr. CAPEHART. That was the Senator's inference.

Mr. GORE. But the Senator attributed it to me. The Senator has made statements which I will not characterize as the most nonfactual statements I have ever heard. However, I must characterize them as quite naive.

Now let the Senator ask his further question.

Mr. CAPEHART. My point was that the Senator was trying to leave the impression that there was something wrong with the fact that the interest rates had gone up.

Mr. GORE. I was not merely trying to leave the impression. I say it is wrong. It is a deliberate policy to raise the interest rates.

Mr. CAPEHART. Why does the Senator object to my using the word "sinister"? He says it is deliberate. That means it was planned, and that there was collusion.

Mr. GORE. Does the Senator say it was not planned?

Mr. CAPEHART. I say it 100 percent.

Mr. GORE. Then I see no point in arguing the question with the Senator.

Mr. CAPEHART. No one knows the truth of my statement better than the Senator. If he does not know it, then he absolutely does not understand how the U.S. Government sells its bonds and arrives at the interest rate. That is done in the open market. The Government pays no more and no less than the going rate. In every instance, the Government tries to sell its bonds at a rate of interest as low as it possibly can. For anyone to say that that is not true means that the person saying it does not understand how the matter is handled. It is an unfortunate situation that we should permit to go into the RECORD an accusation against such a gentleman as the Secretary of the Treasury at the present time and the gentleman running the Federal Reserve and other financial institutions in our country, that they are deliberately doing things to raise interest rates on Government bonds. It is a very unfortunate statement.

Mr. GORE. I find it quite difficult to believe that I am hearing what I am hearing. How could it be that without purpose, without plan, without deliberate action, in June of 1958, when the country was suffering a recession, the interest rate on Government bills was reduced to less than 1 percent, 0.881 percent; but that in December of the same year it was increased to 2.8 percent. That is more than a 200-percent increase in 6 months. Yet the senior Senator from Indiana says that this just happened, without purpose, without plan, and without action on the part of the Government of the United States. I wonder if the Senator could explain how it did happen.

Mr. CAPEHART. It happened in the same way that all prices in the United States go up and go down, and for the same reason that commodity prices go up. Three months ago I sold hogs on my farm at 22½ cents. I sold hogs last week at approximately 16 cents. That is a reduction of about 30 percent. I believe it was for the same reason that the Senator's salary has been increased during the last 10 years from $10,000 to $22,500 a year. The people who buy the bonds are the American people, and they pay for their bonds out of their savings. They are entitled to an increase in interest rates on their savings, because everything they buy—their food, clothing, automobiles, furniture—has gone up and up.

To say that the man with $10,000 who is willing to put the money into Government bonds should not have more interest paid to him than he received 10 years ago, when money—and possibly it is more than 10 years ago—was worth twice as much, is not being very realistic. The interest rate on bonds goes up and down with the market. The interest rate goes up with the cost of living. That is only fair, if we are to be honest with the people who save their money and have it available with which to buy Government bonds.

If the Senator wishes to take the position that the Government should freeze the interest rate, that is another matter. The Government could do it. The Government could freeze the interest rate. It could freeze wages and it could freeze prices. It could freeze all the other things. However, it is not right to say that the people who handle our financial affairs—the Secretary of the Treasury, and the other people who handle our financial affairs—would deliberately do things which would increase the interest rate. I do not believe there is any truth in that statement. They may use poor judgment, although I do not know about that. I do not believe they use poor judgment. However, when the Senator says that they knew what they were doing and that there was collusion, and that it was a deliberate action to increase the interest rate on Government bonds, I do not believe it.

Mr. GORE. I thank the senior Senator from Pennsylvania for yielding to me. The senior Senator from Indiana has just stated his knowledge and his understanding of this problem, and I am willing to have the RECORD stand as it is.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Wisconsin.

Mr. PROXMIRE. I merely wish to say to my good friend from Indiana that if the Governors of the Federal Reserve Board have not planned what has been

happening to the interest rate ever since 1951, when the accord was reached, it seems to me that they should be prosecuted for taking their salaries under false pretenses.

This is their whole function, namely, to manage our monetary system. That has been my understanding. If that is not true, I will be delighted to have the Senator from Indiana disabuse my mind. The head of the Federal Reserve Board, Mr. Martin, made a series of speeches justifying their policy of raising interest rates some times and lowering them at other times, saying that it is our only useful weapon against inflation. That statement has been reported over and over again in financial publications. I would be delighted if the Senator from Indiana could tell me what the function of the Federal Reserve Board is if it is not to manage our monetary system.

Mr. GORE. Perhaps it is merely to record accidents that occur.

Mr. PROXMIRE. I thank the Senator.

Mr. CLARK. Mr. President, from this edifying discussion of high finance, I return to the prosaic discussion of expense accounts. This is an additional item of potential Federal revenue which I am confident, with proper attention by the Director of Internal Revenue, if we were to give him enough help, and if we made a very modest change in the existing law, would result in hundreds of millions of dollars, if not in excess of a billion dollars, of additional revenue. It might be revenue from the yacht builders. It might be from the distillers. It might make trouble in the Stork Club. It might be that one or two musical comedies in New York would close a little sooner than they otherwise would. But there would be an increase in the rate of tax collections. I hope that this loophole, which is not one of those mentioned in the list inserted in the RECORD a short time ago, will be fully explored.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. GORE. That is a loophole, not written into the law, but arising from lax administration of the law.

Mr. CLARK. The Senator is absolutely correct. If the Eisenhower administration would merely enforce the law, this additional large sum of money could be picked up without hurting anyone, with the exception of, possibly—and I say this in lighter vein, with all due respect to the Senator from Indiana—a few contributors to the Republican Party.

Let me say a word about some of the folklore which surrounds the subject of public spending. Perhaps on no other topic in our time has there been spoken so much nonsense.

The timid, who fear additional public spending, are the victims of five main fallacies.

The first fallacy is that private spending is inherently good and that public spending is inherently bad. This is nonsense.

It is thought that when a man buys a Cadillac there is something morally just and right about it; but that when a city builds a school, that is something which should be looked at with some concern, because it is public rather than private spending.

The second fallacy is that the Federal Government is crushing our people and endangering the economy with a growing burden of taxes, expenditures, and debt, and that this threatens the health of our free enterprise system. This, too, is nonsense. The fact is that in relation to our gross national product these burdens have been growing lighter—not heavier.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a table, based on data from the economic report of the President of January 1959, showing the relation of Federal debt to gross national product during the years 1945 to 1957, inclusive.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Relation of Federal debt to gross national product, 1945–57

Calendar year	Total gross national product	Gross public debt and guaranteed issues at end of period [1]	Ratio of debt to GNP
	Billions	*Billions*	*Percent*
1945	$213.6	$278.7	130
1946	210.7	259.5	123
1947	234.3	257.0	110
1948	259.4	252.9	97
1949	258.1	257.2	100
1950	284.6	256.7	90
1951	329.0	259.5	79
1952	347.0	267.4	77
1953	365.4	275.2	75
1954	363.1	278.8	77
1955	397.5	280.8	71
1956	419.2	276.7	66
1957	440.3	275.0	62
1958 (preliminary)	436.7	283.0	65

[1] A small portion of the amounts shown in this column are not subject to the debt limit.

Source of data: Economic Report of the President, January 1959.

Mr. CLARK. Mr. President, Senators will see, from this table, that in 1945 the gross national product was $213.6 billion; that the gross national debt was $278.7 billion; and in that year our national debt was 130 percent of the gross national product.

In 1958, the preliminary figures show that the gross national product was $436.7 billion; that the gross national debt was $283 billion, and that the ratio of the debt to the gross national product had decreased from 130 percent to only 65 percent.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. Those are very interesting figures. Was the first year 1935?

Mr. CLARK. No; 1945.

Mr. PROXMIRE. And the last year was what?

Mr. CLARK. The last year was 1958.

Mr. PROXMIRE. So this has taken place in only 13 years?

Mr. CLARK. The Senator is correct. In other words, the expansion of the gross national product has been continuous, whereas the increase in the national debt has been relatively slight.

Mr. President, I ask unanimous consent that a second table prepared from data in the same Economic Report of President Eisenhower, of January 1959, entitled "Trend in Governmental Revenues in Relation to Gross National Product," may be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Trend in governmental revenues in relation to gross national product

[Dollars in billions]

Fiscal year	Gross national product	Federal budget receipts	Percentage of gross national product	State and local revenues	Percentage of gross national product
1946	$211.4	$39.8	18.8	$11.5	5.4
1948	224.8	41.5	17.0	15.4	6.3
1950	271.2	36.5	13.5	18.4	6.8
1952	336.8	61.4	18.2	22.6	6.7
1953	354.3	64.8	18.3	24.4	6.9
1954	362.2	64.7	17.9	26.0	7.2
1955	376.5	60.4	16.0	27.9	7.4
1956	403.2	68.2	16.9	31.3	7.8
1957	432.1	71.0	16.4	34.5	8.0
1958	434.8	69.1	15.9	(1)	(1)

[1] Not available.

Source of data: Economic Report of the President, January 1959.

Mr. CLARK. Mr. President, we find from that table that in 1946 the Federal Government took in revenues 18.8 percent of the gross national product, whereas in 1958 Federal revenues had sunk to 15.9 percent of a much larger gross national product.

So, in effect, the Federal Government was tapping the operating wealth of America, the receipts of America, the gross national product, to the tune of almost 3 percent less last year than was the case in 1946.

In considering this bill, and the ability of the States and local governments to meet their needs for good housing, for slum clearance, and for urban redevelopment, it is quite significant to note that from 1946 through 1957 State and local revenues had tripled, rising from $11.5 billion to $34.5 billion, and that the percentage of the gross national product taken by State and local governments had risen from 5.4 percent to 8 percent.

This increase emphatically indicates the enormous additional load placed on the cities and States during the years since World War II.

This table, I believe, contains convincing evidence that the States and localities are bearing more than their fair share of the load, and the Federal Government is perhaps not bearing anything like enough.

Mr. President, I ask unanimous consent that a third table prepared from data in the Economic Report of the President of January 1959, which shows the declining Federal share in the total tax burden, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The declining Federal share in the total tax burden

Fiscal year	State and local revenues [1]	Federal budget receipts	Total	Federal share
	Millions	*Millions*	*Millions*	*Percent*
1946	$11,502	$39,771	$51,273	77
1948	15,390	41,488	56,878	73
1950	18,425	36,495	54,920	66
1952	22,615	61,391	84,006	73
1953	24,436	64,825	89,261	73
1954	26,047	64,655	90,702	71
1955	27,942	60,390	88,332	68
1956	31,332	68,165	99,497	69
1957	[2] 34,472	71,029	105,501	67

[1] Total revenue less revenue received from Federal Government, and less receipts from publicly owned utilities, liquor stores and insurance-trust activities.
[2] Preliminary.

Source of data: Economic Report of the President, January 1959.

Mr. CLARK. Mr. President, I point out that in 1946 the Federal share of the total tax take was 77 percent, whereas in 1957 the Federal share of the total tax take had decreased to 67 percent. I believe those figures further demonstrate that it is a fallacy to say that the Federal Government is crushing our people and endangering the economy, and that the States and localities are not bearing their fair share of the total load necessary to keep America strong at home.

The third fallacy is the notion that Federal spending is inflationary. Government spending is no more inflationary than private spending, provided the Government balances its budget. But even additional deficit spending is inflationary only when the demand for goods and services exceeds supply—a condition which clearly does not exist today with our production at only 75 percent of capacity or less, and unemployment still at intolerable levels—11 percent of the total labor force in my State.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. LONG. Did it ever occur to the Senator that there is really no pressure on and no shortage of goods and services? They are all available, mostly at reasonable prices. But what is really keeping inflation going is that certain industries are organized in such fashion that the leaders of those industries can simply raise prices whether their action is justified or not.

Mr. CLARK. The Senator is referring, I assume, to the well-known wage-price spiral in the so-called administered price industries. That is, I agree, certainly one of the most significant factors that contribute to inflation.

Mr. LONG. Certainly in the major industries, the ones which have led the way in the trend to inflation, there is not the price competition which should be a part of the American competitive system.

Mr. CLARK. I agree with the Senator from Louisiana.

Mr. LONG. That, in my judgment, is what is causing inflation. To raise interest rates on veterans housing or to raise interest rates on the public debt on the theory that inflation will be stopped is simply adding fuel to the fire, if we ignore the real cause of inflation.

Mr. CLARK. I think the Senator has made an excellent point.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. I support enthusiastically the point made by the Senator from Lousiana. An excellent study by Gardner Means documents this subject beautifully. It shows that in industries which are administered, in which there is tremendous power, coupled with strong unions, prices have increased rapidly since 1953.

In industries which are not so situated, particularly the processors of farm products and the manufactures of textiles, prices have fallen. It is clear that this is not the usual kind of monetary inflation, with an excess of demand chasing a scarcity of goods, because if that occurs, we shall be confronted with what confronted us from 1944 to 1953—namely, all prices rising.

But that has not been had at all. Instead, there has been a selective inflation, a kind which cannot be dealt with at all by controlling monetary inflation. That is a point we must remember.

Mr. CLARK. I thank my friend.

Mr. President, the fourth fallacy is that all Federal expenditures called for by the budget are alike. There is a tendency to see no difference between a loan, which is sure to be repaid with interest, and an expenditure for personal services or the purchase of supplies and materials, which comes back only in part to the Government, through the income tax. I am confident that the intelligent people who comprise this body will distinguish, for purposes of public discussion, between operating expenses, loans which create account receivable, and investments made in national wealth. Every cent called for by this particular bill will, in the long run, either be repaid with interest or will create taxable wealth far in excess of the Federal investment.

Mr. PROXMIRE. Mr. President, at this point will the Senator from Pennsylvania yield again to me?

Mr. CLARK. I yield.

Mr. PROXMIRE. I hesitate to interrupt the Senator from Pennsylvania, because he is making an excellent speech. But this point cannot be stressed too often: It is extremely important to differentiate between spending as a result of grants, which are not returned, and spending on the basis of loans.

Furthermore, the Bureau of Internal Revenue does not operate in this way. If we try to tell the Bureau of Internal Revenue that our loans are expenditures, and that we would like to subtract them from our income, for tax purposes, consider how far we would get. Obviously we would not get very far at all.

So I believe we should stress the point the Senator from Pennsylvania is making—namely, that we need an effective budget, because it must be made very clear to the American people that this bill simply calls for investments—not spending—by their Government.

Mr. CLARK. Certainly the Senator from Wisconsin is correct. Again I point out that there is not one well-run city in the Nation that does not differentiate between its capital budget and its operating budget; and I do not know of any well-run business that does not do so, as well. So far as I know, the only governmental unit in the world that does not make that distinction is the Government of the United States; and I believe it is time it did make that distinction.

I believe that it was stated on the floor of the Senate, the other day, that in the magazine U.S. News & World Report there has appeared an article which indicates that if the Federal budget were redrawn, so as to separate loans, on the one hand, from operating expenses, on the other, not only would the budget be balanced, but a substantial surplus would actually be shown.

Indeed, the testimony taken by the committee establishes that every dollar of Federal expenditure under the urban-renewal program generates from $3 to $15 of additional private expenditure which, in its turn, creates taxable income for the Federal Government.

Mayor Dilworth of Philadelphia testified that, in his city, $10 of private expenditure for each dollar of governmental expenditure in the urban-renewal program could be clearly established. Thus does tax money expended in the public sector of the economy reproduce itself many times over in additional private tax-generating payments.

Mr. PROXMIRE. Mr. President, will the Senator from Pennsylvania yield at this point?

Mr. CLARK. I am happy to yield.

Mr. PROXMIRE. I wonder whether the Senator from Pennsylvania, who, when he was the mayor of Philadelphia, had so much experience in connection with this matter, will describe the tax situation in the case of such cleared lands.

Mr. CLARK. Of course, in Philadelphia, applications for urban-renewal funds will be made for two purposes: First, to replace quite a number of unsightly dwellings and slums; second, to renew a number of very historic old houses which were built shortly after William Penn first founded Philadelphia.

In the case of one of those old houses, the land around it has already been cleared. The shell of the house still stands, and has been bought by Mayor Dilworth himself; and he has spent in the neighborhood of $100,000 of his own money to fix it up. This is a good example of how private spending goes into the economy through an urban-renewal program.

The same is true of other private developments. For instance, our merchants and our good citizens of Philadelphia have pledged themselves to spend $250 million of private funds for the rehabilitation of the central or core area of our city, including the creation of a brandnew residential area in what used

to be called the Old Philadelphia district, where William Penn and the other early settlers lived.

Mr. PROXMIRE. And this $250 million will go to the other side of the budget, will it not?

Mr. CLARK. Of course; it will go to builders, lumber dealers, and so forth; and, therefore, much of it will be returned to the Federal Government in the form of taxes as a result of the creation of wealth where nothing but blight existed before.

Mr. PROXMIRE. So this is an unusual kind of Federal grant, inasmuch as each dollar of Federal grant also generates from $3 to $15 of private funds; and those amounts in the aggregate are taxed. The economists tell me that for every $5 of income, the Federal Government obtains $1 of revenue. So, in that sense, this program comes very close—although perhaps it does not balance completely—to being self-liquidating.

Mr. CLARK. The Senator from Wisconsin is correct; and, of course, he has mentioned the enormous increase which has occurred in the local tax base, which comes from the same investment.

The fifth fallacy is the notion that if the Federal Government pushes its functions back to the States and cities, that will constitute sound finance and, indeed, economy. It is hard to see how economy will result at all if the functions are performed. In that event, the question is simply which taxing system is used and which level of government carries out the administration. In urban renewal, administration is decentralized and Federal controls are not oppressive; and this bill includes provisions which give municipalities even greater flexibility. But we have retained the Federal share of the cost at two-thirds. To lower the Federal share—as the administration desires—would only shift the burden from the Federal tax system, which is more equitable, to the property and sales taxes imposed by the States and municipalities; which are regressive. That the Federal tax structure is superior is hardly open for serious discussion. The Federal tax burden falls evenly across the land. Taxpayers cannot ordinarily threaten to flee the Nation, as they can flee a city or a State. Where the choice exists, there are many good reasons to use the Federal system in preference to those of the States and localities.

But even if this were not true, it is folly to expect State and local governments to pick up any significant part of the tab which the Federal Government rejects. Two days ago, in the Senate, the eminent and respected senior Senator from Montana, Mr. MURRAY, whom I am happy to see in the Chamber at this time, demolished that particular fallacy. He said:

> The administration does not seem concerned over the difficulty State and local governments have in meeting even present obligations—difficulties which in many cases are greater than those faced by the Federal Government. Nor does the administration seem concerned about some of the real problems in this country which must be met by government—Federal, State, or local.

Senator MURRAY, in quoting from the January, 1959, issue of the Monthly Review, published by the Federal Reserve Bank of Atlanta, cited some disturbing figures about the increase in State and local indebtedness. The outstanding debt of all State and local governments in the United States will amount to approximately $55 billion at the end of the fiscal year 1959. This figure is 3.5 times the amount in 1945. $26 billion of the $38 billion rise in total debt during this period has been in the debt of local government. Despite this fact, the rise in State debt has been more rapid. At the end of 1945, obligations of State governments accounted for 15 percent of the combined State and local debt. By the end of fiscal 1958, State debt had risen to 27 percent of the total.

Quoting from the January, 1959, issue of the Monthly Review published by the Federal Reserve Bank of St. Louis, Senator MURRAY stated:

> It has become part of the folklore of the country that we have a tremendous Federal debt and that it has been continuously growing. The facts are that it has not grown on balance for over a decade, that relative to the growth in the rest of our financial structure the national debt has declined to only half the size reached at the end of World War II, and that it is at its most manageable size in nearly 2 decades.

Mr. PROXMIRE. Mr. President, will the Senator yield for one quick point?

Mr. CLARK. Yes.

Mr. PROXMIRE. Is it not true that the debt is even less burdensome, if we also allow for the lesser value of the dollar and for the per capita consequences, that is, the fact that this is now a much larger country, and many more people have been added to the population in the period the Senator is discussing, and the fact that the value of the dollar has diminished in value?

Mr. CLARK. I may point out that we are talking of gross national product also in terms of a devalued dollar, so the other side of the equation comes into play.

Mr. PROXMIRE. I am glad the Senator has corrected me; but I am referring to the debt in per capita terms, which is so often forgotten in these discussions.

Mr. CLARK. That is correct. The Senator will recall that I asked the Federal Reserve Board to furnish me figures with regard to the per capita increase in the gross national product. I had hoped to put those figures into the RECORD today.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a table prepared from data in the Economic Report of the President of January 1959, entitled "Increase In State and Local Indebtedness Since World War II."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Increase in State and local indebtedness since World War II

State and local debt

Year (as of June 30):	Billions of dollars
1946	13.6
1948	16.2
1950	20.7
1952	25.8
1953	28.6
1954	33.4
1955	38.4
1956	42.7
1957	46.7
1958 (prelim.)	50.9

Source of data: Economic Report of the President, January 1959.

Mr. CLARK. I call to the attention of my colleagues the fact that as of the fiscal year 1946, State and local indebtedness amounted to $13.6 billion, whereas the preliminary figures for fiscal 1958 show that the debt has increased to $50.9 billion.

Finally, Mr. President, let me say a word about the condition of our American cities, in which a majority of all Americans now live. They are oppressed with the failure to meet the critical problems of sprawling metropolitan areas; their traffic and transportation problems are becoming so serious that strangulation of their economic growth is already under way. Their shelter and housing problem is critical. The financial resources of these local governments and of the States in which they are located are incapable of dealing successfully with these problems without the massive aid of the Federal Government. What we need is more, not less, support for the urban areas of America. The great domestic problems in the second half of the 20th century are urban problems. We are no longer a predominantly rural society.

This bill, if properly amended on the floor, will go far toward enabling the Federal Government to measure up to its responsibilities toward those citizens and local governments which are in drastic need of help.

I turn now to my amendments to the pending bill. I should like to speak briefly first to my amendment identified as 2–3–59—E, which I ask to have printed in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the end of the bill to insert a new title as follows:

"TITLE VIII—RELOCATION HOUSING FOR DISPLACED FAMILIES OR PERSONS

"SEC. 801. (a) The purpose of this title is to assist private nonprofit corporations to provide relocation housing and related facilities for displaced families, or persons, of low or moderate income.

"(b) In order to carry out the purpose of this title, the Administrator may make loans to any corporation (as defined in section 804(2)) for the provision of rental housing and related facilities for displaced families, or persons, of low or moderate income, except that (1) no such loan shall be made unless the corporation shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (2) no such loan shall be made unless the Administrator finds that the construction will be undertaken in an economical manner, and

that it will not be of elaborate or extravagant design or materials.

"(c) A loan to a corporation under this title may be in an amount not exceeding 98 per centum of the total development cost (as defined in section 804(3)), as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest at a rate determined by him which shall be not more than the higher of (1) 2¾ per centum per annum, or (2) the total of one-quarter of 1 per centum per annum added to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in subsection (e).

"(d) To obtain funds for loans under this title, the Administrator may issue notes and obligations for purchase by the Secretary of the Treasury in an amount not to exceed $250,000,000 outstanding at any one time.

"(e) Notes or other obligations issued by the Administrator under this title shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Administrator, with the approval of the Secretary of the Treasury. Such notes or other obligations issued to obtain funds for loans under this title shall bear interest at a rate determined by the Secretary of the Treasury which shall be not more than the higher of (1) 2½ per centum per annum, or (2) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance of such notes or other obligations by the Administrator and adjusted to the nearest one-eighth of 1 per centum. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Administrator issued under this title, and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

"SEC. 802. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this title the Administrator shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

"(b) The Administrator is authorized and directed to insure priority of occupancy to displaced persons or families in housing constructed with a loan under this title.

"SEC. 803. (a) Housing constructed with a loan made under this title shall not be used for transient or hotel purposes while such loan is outstanding.

"(b) As used in subsection (a), the term 'transient or hotel purposes' shall have such meaning as may be prescribed by the Administrator, but rental for any period less than thirty days shall in any event constitute use for such purposes. The provisions of subsections (f) through (j) of section 513 of the National Housing Act (as added by section 132 of the Housing Act of 1954) shall apply in the case of violations of subsection (a) as though the housing described in such subsection were multifamily housing (as defined in section 513(e)(2) of the National Housing Act) with respect to which a mortgage is insured under such Act, except that for purposes of this section the Administrator shall perform the functions vested in the Commissioner by such section 513.

"SEC. 804. As used in this title—

"(1) The term 'housing' means (A) new structures suitable for dwelling use by displaced families or persons, and (B) dwelling facilities provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families and persons.

"(2) The term 'corporation' means any incorporated private institution or foundation no part of the net earnings of which inures to the benefit of any private shareholder, contributor or individual, if such institution or foundation is approved by the Administrator as to financial responsibility.

"(3) The term 'development cost' means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement.

"(4) The term 'displaced families or persons' means families or persons who are to be displaced by construction, development, redevelopment, or renewal activity undertaken by any public body, or by the action of a public body or court, either through the enforcement of housing standards or through the demolition, closing, or improvement of dwellings, or who were so displaced within three years prior to making application for admission to dwellings provided pursuant to this title. The Administrator shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to, and occupancy of, housing constructed with assistance under this title.

"(5) The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Territories and possessions of the United States.

"(6) The term 'Administrator' means the Housing and Home Finance Administrator.

"(7) The term 'construction' means erection of new structures, or rehabilitation, alteration, conversion, or improvement of existing structures.

"(8) The term 'family or person of low or moderate income' means any family, or person, whose net income is insufficient to enable such family or person to obtain, without the assistance of this title, decent, safe, and sanitary housing accommodations in the locality at rentals within the ability of such family or person to pay."

Mr. CLARK. Mr. President, this amendment calls for a loan program of $250 million to be used for the purpose of mortgages up to 50 years in duration, with an interest rate around 3 percent, covering up to 98 percent of the cost of the development for the purpose of constructing relocation housing to take up a part of the load which will be coming on us as a result of urban redevelopment, slum clearance, the highway program, and other governmental action.

It was made abundantly clear during the hearings before the committee that the present sections of the housing law, namely, 221 and, to a lesser extent, 220, are just not working in terms of providing relocation housing for families displaced by redevelopment programs in the area east of the Mississippi and north of the Ohio River and the Mason-Dixon line.

I regret to say we shall find ourselves in a situation where the public housing law will not be adequate to take care of all these displaced families. Quite a number of them have incomes in the range of $4,500, $5,000, and $6,000 a year, and will be ineligible for public housing, but they will not be able to find safe and sanitary housing in the private market.

This program, if adopted by the Senate, will meet that problem, at least to the extent of $250 million, and would give us a pilot project for determining to what extent provision of middle-income housing would be of benefit to the country at large.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from New York.

Mr. JAVITS. I should like to endorse as a personal finding the statement being made by the Senator from Pennsylvania. In my own State of New York, and particularly in the city of New York, there probably is a greater amount of urban renewal and other forms of redevelopment work taking place than in any other section of the country. The city is losing population, because people who are uprooted as a result of such redevelopment work, and who are middle-income people, find it cheaper to get a house in the country, which may be much more inconvenient in terms of their business or social life, but who are nevertheless compelled to do so by the economics of the situation.

This results in the city, which has provided tremendous utilities and other assets for its citizens, losing a population of, generally speaking, a highly desirable kind. I do not think that is in the interest of the United States. I deeply believe the kind of approach which has been suggested by the Senator from Pennsylvania is essential to meet that problem.

In New York we have authorized $150 million in loans by a State agency for just such a purpose, under the so-called Mitchell-Lama program. I believe it is an intelligent approach. We talked about balanced housing standards. Certainly, this is a way to obtain one.

I also point out that where it is money which represents the difference between the capability for extending housing to middle income families or not—and that is what it is; it is low interest money which makes it possible, nothing else—there we come into the Lincolnian concept of government. Lincoln said the Government should not do anything which the people could do for themselves better than the Government could; but if the people could not do it better for themselves, indeed could not do it for themselves at all, then the Government should do it. It seems to me this is the very area in which that concept fits.

Any doctrinaire idea that we should not make direct loans goes out the window, because we make them to the REA's we make them to farmers, we make them to many, many other segments of the population; but when it comes to the city dwellers, who pay most of the taxes, and who are 100 million strong, we suddenly get doctrinaire and full of principle and say, "No, not for them, not even a few million dollars"—compared to the hundreds of millions of

dollars which have gone in the other directions which I have named.

It is also important to point out that we are going to authorize some direct-loan money for veterans, under the provisions of the bill, and I thoroughly agree with that. We are probably going to authorize some direct-loan money for colleges, which is also needed.

I deeply believe the suggestions made in the amendment of the Senator from Pennsylvania are eminently sound.

I am not kidding myself, nor is the Senator from Pennsylvania. We may not get anywhere with this in the bill presently under consideration, but as sure as fate if we are going to continue to try to remake the face of America in terms of housing we must have, between public housing and housing which is largely attributable to Government guarantees of mortgages, this kind of program. Otherwise we will be disenfranchising in housing terms a material and very large section of the population.

I know the Senator from Pennsylvania and I will continue our effort along this line, because it is eminently needed and eminently correct. I congratulate the Senator for his initiative on this particular fight and the amendment.

Mr. CLARK. I thank my friend from New York for his support and for his kind comments. As the Senator said a moment ago, he and I are not kidding ourselves about the fate of the amendment.

This amendment was supported by a number of the mayors and other witnesses before our committee who live every day with the problems of urban housing.

I queried the representatives of the home builders, when they came before our committee. I asked them how they would like to build some houses under such a section, and they said—and I believe I quote them correctly—"It seems too good to be true." They were enthusiastically in favor of the proposal.

I point out again that the amount involved is relatively minor in comparison with the total Federal budget. It would create wealth and would destroy blight, and it would be sound fiscal policy to thus create wealth and help take care of the people who need to be relocated.

Mr. President, the matter was brought to a record vote in the committee. I am happy to say my good friend from New York [Mr. JAVITS] supported our position; as did the distinguished Senator from Wisconsin [Mr. PROXMIRE], who has been so active in the debate this afternoon; as did our good friend, the Senator from Illinois [Mr. DOUGLAS]; and myself; and the junior Senator from New Jersey [Mr. WILLIAMS].

However, there were twice as many members of the committee who disagreed with us. Since I am confident we could not prevail on a yea-and-nay vote, or on a voice vote, and since I do not wish unduly to detain the Senate in this regard, Mr. President, I now withdraw the amendment.

The PRESIDING OFFICER. The Senator has a right to withdraw his amendment.

Mr. CLARK. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out section 305 of the bill and insert in lieu thereof the following:

SEC. 305. The first sentence of section 103(b) of the Housing Act of 1949 is amended to read as follows: "The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, and to make grants pursuant to subsection (c) of this section, aggregating not to exceed $1,350,000,000, which limit shall be increased by $600,000,000 on the date of the enactment of the Housing Act of 1959 and on July 1 in each of the years 1959 to 1967, both inclusive: *Provided*, That such limit and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $150,000,000 if such action is necessary to meet the needs of pending bona fide applications on file with the Administrator: *Provided further*, That the amount of capital grants contracted for under this title prior to July 1, 1968, shall not exceed an aggregate of $7,350,000,000."

Mr. CLARK. Mr. President, the amendment would increase the urban renewal grant authorization program, which is now without money, in the amount of $600 million a year for a period of 10 years. This is the amount which in my judgment, and in the judgment of our municipal officials, is essential to keep the urban renewal program going at full blast now that it has gotten off the ground. I have no doubt every cent would be utilized for the creation of wealth.

We must again be sure we understand that from 3 to 5 years elapse after the grant authorization is issued before any Federal money is spent, and that probably 17 years would pass before the last Federal money would be spent under this authorization. This amendment would have no impact whatever on the current budget, on the 1960 budget, or on the 1961 budget.

The amendment was supported in the hearings before the Committee on Banking and Currency by the American Municipal Association and the U.S. Conference of Mayors, which together represent over 13,000 local governments throughout the United States. The testimony of the representatives of those two organizations I thought was effective and convincing.

The provision was also supported by the National Association of Housing and Redevelopment Officials, the National Housing Conference, the American Institute of Planners, the AFL–CIO, and others.

In order that the record may be complete, Mr. President, I ask unanimous consent to have printed in the RECORD a portion of the resolution on urban renewal of the American Municipal Association, presented to our committee by Mayor Celebrezze, of Cleveland, on behalf of the association.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

URBAN RENEWAL

Spreading slums and blight threaten to engulf American cities bringing misery to tens of millions of our fellow citizens and perilling our municipal governments with bankruptcy. Local and State governments do not have the resources to finance unaided the massive urban renewal program which is required if this shame of American cities is to be destroyed. Large scale and continuing Federal assistance is urgently required unless and until such time as the Federal Government restores to the States and to local governments the resources and taxing power which would eliminate the need for Federal assistance.

Urban renewal is an essential device for preserving the economic health of our urban communities. Not only do 65 percent of the American people live in cities, more than 75 percent of Federal revenues from all sources come from cities. If cities are to continue through their manufacturing and commercial activities to contribute so much to the wealth and prosperity of our Nation they must be given the help they need to root out their industrial and commercial, as well as their residential, slums, and blighted areas.

The establishment of an adequate Federal program of urban renewal is the top priority of the 1959 national legislative program.

We protest the establishment of a rationing formula which puts all municipalities on a starvation diet for new capital grant reservations and we urge the Congress to write into law a requirement that capital grant reservations are to be made available to municipalities on the basis of applications made and indicated willingness to put up the local one-third share of net project cost.

We object vigorously to the administrative orders issued by the Urban Renewal Administration which destroy the concept of local plans locally arrived at and which require the cutting back of project plans in the interest of economy to the point that they offer no assurance that blight will in fact be eliminated. We urge the Congress to state emphatically that the responsibility for devising workable urban renewal projects is a local responsibility not to be hamstrung by Federal administrative regulations.

We recommend that the Congress amend the Housing Act of 1949 (as amended) as follows (1958):

Recognize the long-term needs of urban renewal and authorize a 10-year program with an annual authorization of additional capital grant reservation funds of $600 million a year with a provision for acceleration of up to $150 million if local demand requires a larger authorization in any given year (1958).

Mr. CLARK. Mr. President, I asked Mayor Celebrezze a question, as follows:

Mayor Celebrezze, what evidence do you and your colleagues have that you could use $600 million a year for 10 years?

Mayor Celebrezze replied:

One, of course, Senator CLARK, is the findings of the American Municipal Association in its survey and questionnaires which were sent out to each of the mayors of the communities as to what their needs would be. Based on that, we feel we need a $600 million program.

No. 2 is that the program as it is now constituted is one where we are losing instead of gaining ground, and not going fast enough.

I then asked the question:

Are you losing ground in Cleveland?

And Mayor Celebrezze replied:

We certainly are. We have 35,000 substandard living quarters in the city of Cleveland and at the rate we are going now we are losing ground, because of various reasons.

We have a new influx of people into our area who need low-cost housing. We are hit, as other major cities are hit, by major freeway improvements. We have one stretch of road in Cleveland, the Lakeland Freeway, which will run 3½ miles, and you have to tear down 800 two-family homes in good shape. Where do those people go?

I continued:

I am asking you, Where can you put them?

And Mayor Celebrezze said:

We do not have any place to put them unless we clear out some of the slum area and put in decent living quarters.

I turn now, Mr. President, to the testimony of a distinguished Republican mayor from the other side of the United States, Mayor Norris Poulson, of Los Angeles, the president of the United States Conference of Mayors.

Mr. President, I was happy indeed to welcome Mayor Poulson into the ranks of those interested in more urban renewal. I recall very well that before Mayor Poulson was elected in Los Angeles, while he was a member of the other body, he and I engaged in a debate before the American Municipal Association in the city of New Orleans, in which I supported public housing and urban renewal and he opposed it. But the mayor of Los Angeles, being a highly intelligent gentleman of great integrity, when he was elected chief executive of his city and saw the conditions, reversed his position and has now come over to our side.

Mr. President, I can assure Senators there is no more able advocate than a recent convert. Mayor Poulson said to the committee:

The survey which will be presented to you later in this week demonstrates the need for legislation authorizing a comprehensive long-term program with increased annual Federal participation. The record demonstrates that a program of Federal grants of $600 million annually for conservation, rehabilitation, and redevelopment could be prudently employed by local governments. We recommend that the committee and the Senate give such a program their approval. Experience over the past several years also has demonstrated the difficulties of 1- and 2-year authorizations. The very nature of urban renewal requires considerable time for community acceptance, planning and redevelopment. The program should be authorized for 10 years in advance. This would permit sound planning and intelligent local budgeting without the pressure to move ahead or lose the funds.

We urge that the ability of the local governments to intelligently and judiciously utilize the funds be the determining factor as to the amount to be made available. In this way constant progress can be made and attempts at administrative rationing would be unjustified. Experience since September 1958, when the Federal agency imposed a rationing formula in an attempt to make do with a very limited supply of funds, demonstrates that such arbitrary attempts to spread a small amount of money over the whole Nation does not promote sound urban renewal projects. Congress should make adequate funds available and bar administrative rationing.

At a later point, Mayor Poulson said:

Slum clearance and urban renewal are of great importance to the morale, loyalty, and prosperity necessary to support national efforts in times of crisis. To ignore or seriously cut down these activities would be like putting a golden roof on a house when the foundation has been attacked by termites.

I turn finally to the statement which appears on page 582 of the record, from the National Association of Housing and Redevelopment officials. This is the program resolution adopted at the annual business meeting of that fine organization on October 15, 1958. I quote from that statement:

Urban renewal: The program is again faced with a critical capital grant shortage. For the third time in less than 2 years, the amount of available capital grant authority, the lifeblood of the program, is only a fraction of what is needed by communities in order that they may schedule and undertake essential long-range renewal activities.

It is ironic that the continued existence of the urban-renewal program is threatened at a time when the Congress, the administration, and political, business, labor, and civic leaders throughout the Nation recognize the need for an urban-renewal program on a continuing basis. It is essential that our communities be assured of continuing availability of capital-grant authority at a level sufficient to meet their needs.

At a later point:

In order to meet these objectives, NAHRO advocates: (1) an increase in Federal capital grant obligational authority under title I of the Housing Act of 1949 in the amount of $600 million each year for the next 10 years; (2) an increase in the Federal share of net project cost for renewal projects from two-thirds to 80 percent.

Again, I am under no illusions as to the possibility of any such program being approved by the Senate this year. We need it. We ought to have it. It will be a great misfortune to our citizens and communities if we do not get it. However, I am enough of a realist to know that this program has no chance of success in the current almost obsessive preoccupation of the public generally with folklore about the state of the Federal budget.

This program would not affect the President's budget, but we cannot make the public believe it. It would not result in Federal expenditures for years, but we cannot make the public believe it.

So, because I am a realist in this regard, I now withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Pennsylvania is withdrawn.

Mr. CLARK. I now offer the amendment which I send to the desk and ask to have stated. It is designated "2–3–59—B."

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania to the committee amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out section 305 in the committee amendment and insert in lieu thereof the following:

SEC. 305. The first sentence of section 103(b) of the Housing Act of 1949 is amended to read as follows: "The Administrator, on and after July 1, 1949, may, with the approval of the President, contract to make capital grants, with respect to projects assisted under this title, and to make grants pursuant to subsection (c) of this section, aggregating not to exceed $1,350,000,000, which limit shall be increased by $450,000,000 on the date of enactment of the Housing Act of 1959 and on July 1 in each of the years 1959 to 1961, both inclusive: *Provided*, That such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $150,000,000 if such action is necessary to meet the needs of pending bona fide applications on file with the Administrator: *Provided further*, That the amount of capital grants contracted for under this title prior to July 1, 1962, shall not exceed an aggregate of $3,150,000,000."

Mr. CLARK. At a later time this afternoon, after a quorum call, I shall speak on this amendment. I hope it can be brought to a vote later today.

For the moment, I yield the floor.

THE PRESIDENT'S MESSAGE ON CIVIL RIGHTS

Mr. MANSFIELD. Mr. President, I should like to commend the President for submitting, today, a legislative message on civil rights. In this fashion he joins the distinguished majority leader [Mr. JOHNSON] who introduced a bill on civil rights some weeks ago. He also joins the able and determined Senator from Illinois [Mr. DOUGLAS] and other distinguished Members of the Senate who introduced legislation on this matter on January 29.

I have read the President's message on civil rights. At first glance, it appears to contain many provisions which are substantially the same as those to be found in the Johnson bill and in the Douglas bill.

The first provision of the President's proposal, for example, is modeled after title V of the Douglas bill. The second is derived from title IV of the Johnson bill. The third, too, derives from the Johnson bill, title III. The fourth is adapted from title IV of the Douglas bill.

The fifth and sixth provisions of the President's bill have no direct parallels in either the Johnson or the Douglas bills. But both are peripheral to the problem of civil rights as it confronts us in this session. The fifth provision, for example, is designed to take care of those children of military personnel who do not live on military reservations or other Federal property and, hence, in some areas may find their education temporarily interfered with because of difficulties in desegregation. I do not know how many children may be affected but it seems to me that even if there were but a handful, this provision is eminently desirable. I do not understand, therefore, why the President has asked for only temporary authorization. It seems to me such provision is essential as long as those children may require these special arrangements.

I am also at a loss to understand the need for the sixth provision of the President's proposal. The President already has the power to prevent nondiscrimination in unemployment under Government contracts. I presume and I hope that he has been exercising this power. Why he needs congressional sanction for something which he presumably is already doing, why he wants to substitute a statutory commission for an executive committee which is already functioning, I do not fathom. I hope that he has sounder reasons for this step than are apparent in his message. I can only assume that he has such reasons since I am sure that he would not want to throw into the political arena, once again, an aspect of the civil rights problem which to all intents and purposes has already been settled in a satisfactory fashion. To do that would hardly be in keeping with the general admonition which he has directed to us at the beginning of his statement when he says:

> The United States has a vital stake in striving wisely to achieve the goal of full equality under law for all people. On several occasions I have stated that progress toward this goal depends not on laws alone but on building a better understanding.

One might add to that admonition, that least of all does progress depend on a political doing over of what has already been done.

In any event, Mr. President, I welcome the President's supplement to the preliminary legislative work of the Senate on civil rights for this session. It will receive the same careful consideration as the Johnson bill and the Douglas bill by the democratic majority in the Senate.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I am very glad that our distinguished colleague and my friend finds that the President has been constructive in his proposal. I believe so, too. Although I think it should go further than it goes, I agree that it is a very constructive move.

I should like to ask the Senator whether he expects that a civil rights bill upon which we can act will be before us, in view of the traditional fact that it has been impossible to get one from the Judiciary Committee; also in view of the fact that when the bill did come up in 1957, it was motioned up under a very interesting set of circumstances, which may not be repeated. May we, therefore, know whether we have any expectation of having any civil rights bill before us upon which we can vote?

Mr. MANSFIELD. I can only speak personally, as the Senator from New York is aware, but it is my belief that we will have a civil rights bill before us at this session.

Mr. JAVITS. I thank my colleague for that very encouraging news. It is the most encouraging news we have had, including the three bills.

Mr. MANSFIELD. I am delighted that the President, in his wisdom, saw fit to include the most pertinent and best parts of both the Johnson and Douglas bills in the proposal he has placed before us today.

Mr. JAVITS. I hope, too, if I may say so, that Congress will see fit to take some parts of what some of the rest of us will offer.

Mr. MANSFIELD. I am sure they will all be considered.

HOUSING ACT OF 1959

The Senate resumed the consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

Mr. McNAMARA. Mr. President, the omnibus housing bill before the Senate is, in my estimation, a modest approach to some pressing needs. It is, in fact, too modest, since it does barely more than scratch the surface of the problems.

At a time when the need for low-rent public housing is as great as ever, this bill would authorize but 35,000 additional units.

At a time when our cities are crying out for assistance in getting a new lease on life through urban renewal programs only $350 million a year is provided.

I do not mean to deprecate the housing bill now before us. It is in most respects a good bill as far as it goes.

Yet, modest as this bill is, the administration seeks to kill it on the grounds that it would do violence to the President's fictitiously balanced budget.

The administration raises the cry that it will seek to hold the line.

Well, I always thought the team that "held the line" was on the defensive, a strange situation for America to be in. But that apparently is the administration's position: on the defensive against progress and growth.

Such an attitude displays a startling lack of confidence in America's ability to meet the challenges of the 20th and 21st centuries.

In the past few months the boundaries of our United States grew to include the 49th State of Alaska. We are hopeful that this geographic growth will continue this year with the addition of Hawaii as the 50th State.

Our country, also, is experiencing a dramatic growth in population. In the past year America grew by nearly 3 million persons, and an even larger advance is expected in 1959.

These are convincing signs that America is a growing, living nation, a nation which anticipates that its tomorrows will be even greater than its yesterdays.

This has been the spirit of America from the day the first settlers set foot upon our shores.

The spirit of growth and greatness guided our pioneers as they carved a bigger America out of the wilderness.

They settled the West when the West meant Pennsylvania, Ohio, and Michigan. But they kept going until they reached the Pacific, and even today America may well reach into the Pacific for its 50th State.

Yes, growth has been the tradition and the spirit of America.

Today, as we try to adjust to the heavy responsibilities of world leadership, as we reach out tentatively for the moon and the stars, as the atom and other fascinating technological advances hold out wonderful promises of things to come, we understand that America's growth must not halt.

But as we gaze with anticipation on these things, it comes as a great shock that something is wrong, very wrong, with this picture.

Simply stated, it is this: America's economic growth not only is falling miserably short of the needs of tomorrow's world, it is even failing to keep pace with today's.

The economic progress of our country is of paramount concern, as should be obvious to anyone.

It is of vital importance, of course, to our citizens who, after all, are the strength of America.

Economic progress, to them, means an increasing standard of living, employment opportunities, goods and services at reasonable cost, and finer educational facilities for their children.

In short, it means the promise that with hard work tomorrow can be better than today, and a reasonable assurance that the latter years of one's life can be lived with dignity and security.

In terms of America's relations with the rest of the world, economic growth also is a vital thing.

It is difficult to expect other nations to look to us as an example of a way of life that brings economic progress to the people when, in fact, we are barely stumbling forward.

How can we inspire other nations to look with favor on our system when indications are that the Soviet Union is outstripping us in economic as well as military progress?

The failure to recognize the urgent need for swift and continuing economic progress probably is the worst feature of the current administration's domestic policy.

It is nowhere more evident than in the President's proposed budget, a budget that is a mighty monument to the status quo.

In today's world there can be no such thing as the status quo.

We must move either forward or backward. No other nation is going to wait for us to rationalize with us that we can get something called progress at cut-rate prices.

At the present time administration spokesmen are waving around fancy graphs and business indicators to illustrate how well the United States has come out of the 1958 recession.

I find this especially interesting in view of the fact that a year ago, and on through the campaign of November 1958, the administration refused to acknowledge there was a recession.

Just a year ago I rose on this Senate floor to call attention to the then-blossoming recession and to urge that swift and forthright steps be taken to head it off.

At that time, more than 3½ million Americans were unemployed, and their ranks were swelling rapidly.

As my colleagues may recall, I called specific attention to the Employment Act of 1946 which states in part:

> It is the continuing policy and responsibility of the Federal Government to use all practicable means * * * to coordinate and utilize all its plans, functions and resources for the purpose of creating and maintaining * * * conditions under which there will be afforded useful employment opportunities * * * for those able, willing and seeking to work, and to promote maximum employment, production and purchasing power.

It was my thought then, and it still is, that the Employment Act of 1946 was on the statute books to be implemented and utilized.

I suggested 11 steps which I believed the administration and the Congress should take to head off the recession that, in February 1958, was growing by leaps and bounds.

While Congress did come to grips with the recession through the adoption of such legislation as social security improvements, emergency unemployment compensation, and aid to small business, the administration, regretfully, sat on its hands.

Or even worse, it actively fought other measures, such as the area redevelopment bill, the community facilities bill, and a really meaningful unemployment insurance measure.

Today, a year later when the recession is held up as only a slightly disturbing dream which has since disappeared, there are still well over 4 million persons unemployed, and about 1 million others in part-time employment.

And there are no prospects, in the immediate future at least, that this figure will grow smaller.

It may well become larger, and a highly disturbing part of it is that a good many thousands of the unemployed persons have had their jobs abolished through automation and other devices.

The problem facing America is not just how to put an end to the 1958 recession.

The problem, indeed the challenge, facing America is how to prevent recessions from occurring in the future, how to bring about continued growth in our national prosperity.

The actual growth of America's prosperity in recent years, as measured by the gross national product, is a very disturbing matter.

The President plans to carry his battle for his so-called balanced budget to the people, hoping to enlist their aid in preserving the status quo.

But while he is doing that, I hope he explains to our citizens just why it is that the rate of economic growth of America has slipped badly under his fiscal policies.

I think that is the kind of information the people should have, if he can provide it.

Mr. LONG. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. LONG. Is the Senator aware of the fact that the rate of our economic growth in the last year was really about the same as the increase in population?

Mr. McNAMARA. That is correct.

Mr. LONG. Actually, when the administration speaks of a growing or an expanding economy, it is something like a squirrel running on a treadmill. We are producing just enough food and just enough other goods to keep up with the increase in population. The net effect is a standstill.

Mr. McNAMARA. I certainly agree with the Senator.

Mr. LONG. We are standing still in effect, running in the same place. We are running, but we are not getting anywhere.

Mr. McNAMARA. The Senator is correct. That is the point I am developing.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. McNAMARA. I yield.

Mr. CAPEHART. Is it not true that production in the United States at the moment has created surpluses? Have we not tremendous farm surpluses and surpluses of almost all other conceivable articles? The automobile factories in the Senator's own hometown are capable of producing more automobiles than can be sold.

Does the Senator know of any shortage of production in the United States, production of things which the people need or want, but cannot buy because they are not made or because too few are available?

Mr. McNAMARA. I know of no such instances. I think the charge that we must slow down our economy so that we will not have inflation is totally repudiated by what the Senator has just said.

Mr. LONG. The reason the people do not buy is that they do not have the money; and the administration is trying to guarantee that they will not have the money.

Mr. McNAMARA. I certainly agree with the Senator from Louisiana.

During the years 1947 to 1953, the economic growth of this country, even reflecting current prices, averaged 5 percent a year.

But, since the end of the Korean war to the present, the annual economic growth has averaged well under 2 percent.

I submit that these figures tell more eloquently than anything else just what has been happening to America's economy and provide a very somber warning for the future.

During the very years when the population had grown an astounding 15 million, when vast new technological advances came into being, the economic progress of our country dropped drastically.

The economy, in the most simple terms, is being strangled.

It is being choked to death by men of little vision and confidence, men devoid of ideas and of the understanding that America must grow to survive.

The economy is being strangled by those who seem to think that prosperity is a selective sort of thing, like nobility, to which not simply everyone can aspire.

Helping to choke America's economic growth is something called the tight-money policy which is offered in the guise of a weapon against inflation, but which has the main effect of raising interest rates to the general public.

This policy hurts no one except the bulk of the public. During last year's recession while millions were unemployed, cash dividends of corporations were less than 1 percent below the record high total of 1957.

During the height of the recession the tight-money choker seemed to be slackened a bit, presumably to give a dying economy a little air.

But hardly had there been one sign of recovery than it was tightened up again.

While the President is trying to explain to the public why the annual economic growth has averaged less than 2 percent, I wish he also would explain about his administration's love of high interest rates.

The Treasury Department now, for example, is paying 4 percent interest on bonds due in 1980, the highest interest rate the Government has paid since the 1920's.

Out of the President's proposed $77 billion budget, more than 10 percent, or better than $8 billion, would be paid in interest on the national debt.

This $8 billion would go to those who become fat off the administration's tight-money policy, yet who produce nothing for the economy and perform no service of any consequence.

Perhaps the President could also explain why it is that his policies have not only held back the Nation's necessary economic growth, but at the same time somehow costing the public more for this dubious privilege.

I refer to this increase in the interest charges and to the fact that to really balance his proposed budget would mean an increase in the gasoline tax and the cost of mailing a letter.

Further, we are struck by the curious situation where the cost of living has been steadily climbing since 1953 and reached a record high in the middle of the worst postwar recession.

In his economic report, the President attempted to place the blame on the working people, who won deserved wage increases, rather than on unreasonable price increases.

In his next press conference, however, he backed off a bit from this unsupported position.

In any event, these are the kinds of questions the people are asking, and the administration should answer them truthfully before there is any defense of an undernourished economic program.

It is said that the President and his administration are concerned, and considerably surprised, because the plea for economy seems to have fallen on deaf ears with the public.

I think there is nothing surprising about this. In fact, I consider it a tribute to the high level of intelligence of the public in seeing the many deficiencies of the proposed budget.

The idea that a national budget can be brought into a semblance of paper balance is no comfort to more than 4 million persons who are unemployed.

The idea of producing balance at the price of paying more for a gallon of

gasoline or mailing a letter simply makes no sense to the general public.

There is an interesting dissection of this budget that holds that about 76 cents of each tax dollar goes primarily to pay for past or future wars; that is, for defense, interest, and veterans' benefits.

This leaves only 24 cents for other purposes, and of this about one-third is for the farm program, a tremendously expensive operation which the administration somehow has succeeded in making unworkable.

It is difficult to understand why, with the expenditure of about $8 billion to conduct the national farm policy, we do not have the best, most efficient farming system in existence.

Perhaps that is another question the President can explain when he takes his budget problems to the public.

What I have tried to outline in these remarks is why the Congress, more than ever, must bear the burden of providing for the Nation's economic growth, why we must pass such measures as the housing bill.

It has been demonstrated over and over again that the administration feels little compulsion to insure the economic advancement of the United States.

(At this point Mr. MCNAMARA yielded to Mr. SPARKMAN for a unanimous-consent request. Mr. SPARKMAN'S remarks appear at the end of Mr. MCNAMARA'S speech.)

Mr. MCNAMARA. Mr. President, the main goal seems to have been to stubbornly fight off any new idea that might somehow germinate in progress for America.

In this, at least, the current administration can be said to be extremely successful.

But, I am of an optimistic sort.

I have confidence that despite the obstacles placed in our way, despite the uninspired and unimaginative conduct of the executive branch, we as a Congress can still lead our country to greatness.

A year ago when I attempted to raise an alarm over the pending recession, I listed 11 points that I believe the Congress should follow to attack the recession and to prevent another.

Many of these points remain today, not completely fulfilled, but still as necessary as ever.

These goals are not just antirecession measures. They must be looked upon, instead, as the means to restore the annual economic growth, growth that America must have if we are to continue to lead the world.

I maintain today, as I did a year ago, that despite the increasing cost of defense and general government, the lower and middle income groups are entitled to a downward tax revision.

The resulting loss of tax income could be compensated for, I am convinced, by a forthright move to close the many tax loopholes in the present law, such as the oil and gas depletion allowance and the insurance company windfalls.

Last year the Congress took significant strides toward assisting the Nation's independent businessmen through some tax relief and the Small Business Investment Act.

But further attention is needed to halt the alarming increase in independent business failures, which rose to 55.9 per 10,000 in 1958.

Mr. LONG. Mr. President, will the Senator from Michigan yield to me?

Mr. MCNAMARA. I am happy to yield to my colleague from Louisana.

Mr. LONG. I should like to direct the attention of the Senator from Michigan to information which I believe will shortly be forthcoming; I refer to information on the operation of American oil companies in the Near East. I believe it will be found that that information will be similar to that about American oil companies doing business in Venezuela and other foreign countries, and bringing their oil into the United States. I think it would be found that that is where the big profits are made.

I believe it will also be found that to reduce the depletion allowance will not aid in this connection but, rather, that attention will have to be directed to the foreign tax credit, which has been manipulated by such companies in such a way that companies with a depletion allowance of 27½ percent have been able to avoid hundreds of millions of dollars of taxes, because of the peculiar way they have been able to take full advantage of the so-called foreign tax credit.

Mr. MCNAMARA. I wish to say to my friend, the Senator from Louisiana, that I am perfectly familiar with the fact that this problem is a very complex one; and I shall be glad to listen with as open a mind as possible to the arguments which he will advance at the time when that problem is brought before us.

Mr. President, the need for classrooms has not diminished. In fact, in view of the population growth and the rate at which old schools are becoming obsolescent, the need is even greater.

Bills to provide Federal assistance to the States for school construction are now before our Labor and Public Welfare Committee, which began hearings this week.

One of these bills is my own; I refer to Senate bill 8, which would provide $2 billion in Federal funds, over a 2-year period, to help the States build classrooms. This year, let us hope, the administration will stop fighting this vitally necessary program, and will lend its support to enactment. We need only point out that America's future cannot be measured in economic progress alone. It also must be measured in terms of the ability to educate our children.

Last year, we passed the area redevelopment bill, only to have it meet with a Presidential veto. That bill, in the form of Senate bill 722, is with us again; and I expect that this time it will become law—over a veto if necessary.

The housing and airport programs upon which the Congress will shortly act are of great necessity in stimulating a lagging economy while at the same time providing lasting benefits.

The temporary unemployment compensation bill of last year, while serving its emergency role of assisting the jobless who had exhausted regular benefits, had the net result of putting our sorely pressed States deeper in a financial hole. It is incumbent upon this Congress, I believe, to establish long-needed Federal standards of unemployment insurance.

Another much-needed step, in view of both immediate and long-range benefits, is the extension of the minimum wage provisions and an increase of the wage itself. A hike in the hourly minimum wage to $1.25 an hour is urgently needed, as is the extension of Fair Labor Standards Act protection to millions of our citizens.

Our communities are crying out for assistance to clear slums, to build sewers and water systems.

These are not isolated matters. These have become national problems. They call for enactment of a greatly expanded urban renewal program and of a community facilities bill with a low-interest-rate loan program.

There are other areas where action is needed, if not actually overdue. However, these would require action by the administration; and it is doubtful that anything progressive can be anticipated. I refer specifically to the fiscal policy of the Nation, which seems to be set by the Budget Bureau and the Federal Reserve Board, using the occupant of the White House only as a mouthpiece.

The system of placement of defense contracts should be given a long-overdue revision, in view of the tremendous amounts that are spent in this field each year. With more than half our national budget earmarked for defense, it is incumbent upon the Government to exercise something more than cursory control over the spending of these billions.

I have mentioned here, very briefly, several areas where I feel action is desperately needed. What I have mentioned is not some irresponsible spending program, as the administration would like the public to believe. It is, instead, a minimum program that our country must, I believe, follow if it is to survive as something more than a second-rate country economically.

Many of these programs do cost dollars. But these are dollars, that, cast upon the economy, will return to us manyfold, in terms of a greater prosperity for everyone.

If we want our country to continue annual economic progress of less than 2 percent, while Russia exceeds 7 or 8 percent, we can continue on the present course.

If we want to ignore the principles and intent of the Employment Act of 1946, and have several million persons more or less permanently unemployed, we can take no action.

But if America wants to meet the future confidently and squarely, armed and forewarned of its obligations, then it will proceed to take action.

I am confident that this is the course we will take.

I thank the Senate.

During the delivery of Mr. MCNAMARA'S speech,

Mr. SPARKMAN. Mr. President, will the Senator from Michigan yield so that

I may propose a unanimous-consent request?

Mr. McNAMARA. I am happy to yield with the understanding that the interruption will appear at the end of my remarks, and that I will not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that following the remarks of the distinguished Senator from South Carolina [Mr. THURMOND], who, I understand, will speak after the Senator from Michigan has concluded, further debate on the pending amendment be limited to 30 minutes for the proponents of the amendment and 30 minutes for the majority leader or any Senator designated by him.

Mr. JAVITS. Mr. President, I had intended to speak. I am on the list following the Senator from Michigan, but I prefer to speak to the amendment. I should like to have a maximum of 5 minutes in which to speak in support of the Clark amendment.

Mr. SPARKMAN. That is agreeable.

Mr. JAVITS. I thank the Senator from Alabama.

Mr. DIRKSEN. Does the Senator's proposal relate to the amendment now pending at the desk?

Mr. SPARKMAN. Yes.

Mr. DIRKSEN. Thirty minutes on each side is agreeable.

Mr. SPARKMAN. I thank the Senator from Michigan for yielding.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

The Chair hears none; and it is so ordered.

Mr. THURMOND. Mr. President, I am opposed to the public housing and urban renewal provisions of this bill.

I am informed that by the end of fiscal year 1960, more than 475,000 federally aided public housing units will be occupied by more than 2 million people; and, in addition, 110,000 units which now are authorized will be under contract, but not occupied.

It is estimated by the public housing authority that there is an annual turnover of 30 percent of the tenants in public housing. This means, Mr. President, that, from units built and to be built without any additional legislation, there will be available approximately 180,000 units for occupancy by new tenants annually.

A study of this bill, which I admit is somewhat difficult under the circumstances under which we consider it today, will reveal that no longer is it the purpose of this program to provide low-rent housing for persons who cannot afford adequate housing built with funds from private sources. The original purpose of the bill has long since lapsed into oblivion. I am informed that the Public Housing Administration authorizes the construction of units at a maximum cost of up to $17,000 a unit. Although income requirements for tenancy in public housing have been most loosely administered in the past, this bill abolishes all pretense at providing housing solely for low-income tenants. It repeals the requirement for eviction of overincome tenants. It gives the housing authorities complete discretion in setting rents and income.

Mr. President, the continued extensions and degenerations of the public housing activities of the U.S. Government cause me to wonder whether we are adhering in principle to article VI of the Constitution of the Union of Soviet Socialist Republics, which reads as follows:

ART. 6. The land, its mineral wealth, waters, forests, mills, factories, mines, rail, water and air transport, banks, communications, large state-organized agricultural enterprises (state farms, machine and tractor stations and the like), as well as municipal enterprises and the bulk of the dwelling houses in the cities and industrial localities, are state property, that is, belong to the whole people.

I just read a quotation from article 6 of the Communist Constitution.

Mr. President, our humanitarian instinct comprises one of our strongest national traits. I am motivated by as strong a humanitarian instinct as anyone in our country. I have real concern for those who are in dire economic circumstances and without decent and suitable living quarters. However, it is our very humanitarianism, admirable and worthy though it be, on which the complacency of the American people is founded. By using a subtle, sometimes even subliminal approach, our enemies have enlisted our unthinking support of causes apparently for the promotion of human rights, but which, when carefully examined, reveal an underlying advancement of collectivism, which is the gravest threat to our country today. We find ourselves even more vulnerable to plans for promoting the economic welfare of all, or a particular portion, of our people, at the instance of government. We are inclined to direct our exclusive attention to the purportedly noble purpose of the plan, but to ignore the threatened jeopardy to our individual liberty and the impracticality of utilizing the tool of government, in lieu of personal and private initiative.

No program, no decision, no action, proposed to be undertaken by the Federal Government, should be free from the most careful scrutiny and logical judgment of each and every American citizen. Individual liberty and practicality must be weighed against not only the purported material benefit, but also against the practically probable benefits. Nothing should be accepted at face value, for only by laying aside emotional impulses and submitting each matter to a logical and objective analysis, can we avoid the pitfalls of collectivism.

After careful personal analysis of the public housing provisions of S. 57, I can only see in this proposal a further involvement of our Government into private enterprise activities, an increased national debt, and another smashing victory for the insidious forces of socialism. In fact, Mr. President, the public housing program further proves the point that socialism is an inefficient and impractical philosophy. I can see no excuse for its continuation.

Private enterprise has also been tested in this country. Unlike socialism, however, it has proved itself by giving to our country a standard of living which, at its lowest ebb, is far superior to any other known to the world. Private enterprise can do and is doing the housing job at no cost to the taxpayer. I do not believe that the Government should be in the housing business or any other business unless two conditions are fully met. First, the project must be something that is vitally needed. As I have pointed out, almost 600,000 units will be in existence without any further legislation on the subject, and this will accommodate approximately 180,000 family units annually. The second condition for the Government to get into business is that private enterprise is not willing to do the job. In this instance private enterprise is doing the job. We are undergoing at present a private housing boom. There is no slack in the building program. One but needs to examine the classified ads under real estate in any newspaper to see that, not only new housing is available, but that there is also a surplus of adequate existing housing available at low cost.

The question of cost to the taxpayer is also extremely pertinent on this issue. There is involved in this bill a revival of about 10,000 units for which authority expired in June of 1958, an extension of the 35,000 units authorized for the current fiscal year until June of 1961, and an additional increment of 35,000 new units which will be open until July 1, 1963. This is an unjustifiable splurge on an unworkable program. The cost of the subsidies for these units will be astronomical. It is an insult to the already overburdened American taxpayer, and adds further to the debt obligations which his children will bear for years to come.

Now, Mr. President, as to urban renewal, there are so many bad features of this program that they almost defy enumeration. It is unconscionable in its entirety. There are several features, however, which are even more objectionable than the usual undesirables included in this program. For instance, this bill would repeal the existing $1 billion ceiling on borrowings from the Treasury and would substitute no ceiling whatsoever. It raises from 10 to 20 percent of the total capital grants that may be used for nonresidential developments. It increases the Federal proportion by diminishing the local share through application against the one-third local share of public works completed as much as 5 years prior to the authorization of the contract by the Housing Administrator.

Considering the fact that $1,350 million is already authorized for urban renewal grants, the authorization of $2,100 million additional in new grants reflects, to say the least, a total unconcern for the financial condition of the United States Government and its citizen taxpayers.

Mr. President, I intend to vote against this bill; it should be defeated.

PROPOSED CIVIL RIGHTS LEGISLATION—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 75)

The PRESIDING OFFICER (Mr. MUSKIE in the chair) laid before the Senate the following message from the President of the United States, which was referred to the Committee on the Judiciary:

To the Congress of the United States:

Two principles basic to our system of government are that the rule of law is supreme, and that every individual regardless of his race, religion, or national origin is entitled to the equal protection of the laws. We must continue to seek every practicable means for reinforcing these principles and making them a reality for all.

The United States has a vital stake in striving wisely to achieve the goal of full equality under law for all people. On several occasions I have stated that progress toward this goal depends not on laws alone but on building a better understanding. It is thus important to remember that any further legislation in this field must be clearly designed to continue the substantial progress that has taken place in the past few years. The recommendations for legislation which I am making have been weighed and formulated with this in mind.

First. I recommend legislation to strengthen the law dealing with obstructions of justice so as to provide expressly that the use of force or threats of force to obstruct court orders in school desegregation cases shall be a Federal offense.

There have been instances where extremists have attempted by mob violence and other concerted threats of violence to obstruct the accomplishment of the objectives in school decrees. There is a serious question whether the present obstruction of justice statute reaches such acts of obstruction which occur after the completion of the court proceedings. Nor is the contempt power a satisfactory enforcement weapon to deal with persons who seek to obstruct court decrees by such means.

The legislation that I am recommending would correct a deficiency in the present law and would be a valuable enforcement power on which the Government could rely to deter mob violence and such other acts of violence or threats which seek to obstruct court decrees in desegregation cases.

Second. I recommend legislation to confer additional investigative authority on the FBI in the case of crimes involving the destruction or attempted destruction of schools or churches, by making flight from one State to another to avoid detention or prosecution for such a crime a Federal offense.

All decent, self-respecting persons deplore the recent incidents of bombings of schools and places of worship. While State authorities have been diligent in their execution of local laws dealing with these crimes, a basis for supplementary action by the Federal Government is needed.

Such recommendation when enacted would make it clear that the FBI has full authority to assist in investigations of crimes involving bombings of schools and churches. At the same time, the legislation would preserve the primary responsibility for law enforcement in local law enforcement agencies for crimes committed against local property.

Third. I recommend legislation to give the Attorney General power to inspect Federal election records, and to require that such records be preserved for a reasonable period of time so as to permit such inspection.

The right to vote, the keystone of democratic self-government, must be available to all qualified citizens without discrimination. Until the enactment of the Civil Rights Act of 1957, the Government could protect this right only through criminal prosecutions instituted after the right had been infringed. The 1957 act attempted to remedy this deficiency by authorizing the Attorney General to institute civil proceedings to prevent such infringements before they occurred.

A serious obstacle has developed which minimizes the effectiveness of this legislation. Access to registration records is essential to determine whether the denial of the franchise was in furtherance of a pattern of racial discrimination. But during preliminary investigations of complaints the Department of Justice, unlike the Civil Rights Commission, has no authority to require the production of election records in a civil proceeding. State or local authorities, in some instances, have refused to permit the inspection of their election records in the course of investigations. Supplemental legislation, therefore, is needed.

Fourth. I recommend legislation to provide a temporary program of financial and technical aid to State and local agencies to assist them in making the necessary adjustments required by school desegregation decisions.

The Department of Health, Education, and Welfare should be authorized to assist and cooperate with those States which have previously required or permitted racially segregated public schools, and which must now develop programs of desegregation. Such assistance should consist of sharing the burdens of transition through grants-in-aid to help meet additional costs directly occasioned by desegregation programs, and also of making technical information and assistance available to State and local educational agencies in preparing and implementing desegregation programs.

I also recommend that the Commissioner of Education be specifically authorized, at the request of the State or local agencies, to provide technical assistance in the development of desegregation programs and to initiate or participate in conferences called to help resolve educational problems arising as a result of efforts to desegregate.

Fifth. I recommend legislation to authorize, on a temporary basis, provision for the education of children of members of the Armed Forces when State-administered public schools have been closed because of desegregation decisions or orders.

The Federal Government has a particular responsibility for the children of military personnel in federally affected areas, since armed services personnel are located there under military orders rather than of their own free choice. Under the present law, the Commissioner of Education may provide for the education of children of military personnel only in the case of those who live on military reservations or other Federal property. The legislation I am recommending would remove this limitation.

Sixth. I recommend that Congress give consideration to the establishing of a statutory Commission on Equal Job Opportunity Under Government Contracts.

Nondiscrimination in employment under Government contracts is required by Executive orders. Through education, mediation, and persuasion, the existing Committee on Government Contracts has sought to give effect not only to this contractual obligation, but to the policy of equal job opportunities generally. While the program has been widely accepted by Government agencies, employers, and unions, and significant progress has been made, full implementation of the policy would be materially advanced by the creation of a statutory Commission.

Seventh. I recommend legislation to extend the life of the Civil Rights Commission for an additional 2 years. While the Commission should make an interim report this year within the time originally fixed by law for the making of its final report, because of the delay in getting the Commission appointed and staffed, an additional 2 years should be provided for the completion of its task and the making of its final report.

I urge the prompt consideration of these seven proposals.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 5, 1959.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the concurrent resolution (S. Con. Res. 2) continuing the Joint Committee on Washington Metropolitan Problems.

The message informed the Senate that, pursuant to the provisions of section 194, title 4, United States Code, the Speaker had appointed the following Members on the part of the House to serve as members of the Board of Visitors to the U.S. Coast Guard Academy: Mr. GEORGE P. MILLER of California; Mr. LENNON, of North Carolina; and Mr. MAILLIARD, of California.

HOUSING ACT OF 1959

The Senate resumed the consideration of the bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Chair announces that under the order previously approved debate on the pending amendment will be limited to 30 minutes under the control of the author of the amendment and 30 minutes under the control of the majority leader.

Mr. JOHNSON of Texas. Mr. President, I understand the Senator desires a yea and nay vote. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, I should like to use 1 minute of the time given to our side to yield to the Senator from North Dakota, so that he may offer an amendment.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 1 minute.

Mr. YOUNG of North Dakota. Mr. President, I call up my amendment 2–4–59—C.

The PRESIDING OFFICER. There is an amendment pending.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that notwithstanding the fact that another amendment is pending, the amendment of the Senator from North Dakota may be considered. I think we can dispose of it within 1 minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and it is so ordered. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to redesignate subsections (b), (c), and (d) of section 701 of the bill as subsections (c), (d), and (e), respectively, and insert after subsection (a) of such section a new subsection as follows:

(b) Clause (2) of section 302(b) of such Act is amended by inserting before the semicolon at the end of such clause a comma and the following: "except that a mortgage may be purchased by the Association if it is offered by a bank which is a wholly owned State instrumentality".

Mr. CAPEHART. Mr. President, we have no objection on this side to the amendment.

Mr. SPARKMAN. We have no objection, Mr. President. I have explained to the Senator from North Dakota that we will take the amendment to conference. In the meantime we will examine it a little more closely. I think it is a good provision. As I understand the situation, the amendment relates to a wholly State-owned bank in North Dakota which is able, willing, and desirous of making money available for the building of an old folks' home or a nursing home.

Mr. YOUNG of North Dakota. The Senator is correct. This is practically the only bank in the State which is interested in and capable of handling the matter. I think North Dakota is the only State with a wholly owned State bank.

Mr. SPARKMAN. I understand that to be true. We have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Pennsylvania.

The Senator from Pennsylvania has 30 minutes remaining, and the majority leader has 29 minutes remaining.

Mr. CLARK. Mr. President, I yield 5 minutes to the Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I support the amendment proposed by the Senator from Pennsylvania. I had the honor to support the amendment in the committee and I wish to support it on the floor.

Mr. President, this is a very serious matter involving a very large responsibility in terms of the economy of the United States. I hope very much it will be considered as seriously as some of the rest of us consider proposed irrigation legislation, proposed public dams, and farm problems, which are of very great interest to other sections of the country.

Mr. President, it is not recognized widely enough that today there are 100 million people living in United States cities—100 million people—and that the farm population has diminished in the last two decades by about 50 percent.

Mr. President, urban renewal is absolutely indispensable to the cities. If there is nothing else I say today, let that be clear: Urban renewal is absolutely indispensable to the cities.

This is true not only of large cities, but of small cities as well. It is the fact that because we failed to pass a housing bill last year, and we had only $154 million available for the urban renewal program, out of the Budget Bureau's funds and the President's funds, we have had a real national emergency, holding up the entire urban renewal program, with rationing imposed on cities, restraining them from going forward with the programs which were in effect, and restraining them from proposing new programs.

The $450 million annually provided by the Clark amendment for the next 4 years would give us a smaller authorization, even, than that in the bill of the Senator from Alabama [Mr. SPARKMAN]. However, it would have the advantage of giving it to us when we need it in the big cities. It must be compared with the budget request for $4,500 million for farm price supports, which directly benefit 11 percent of our population living on the farms, as contrasted with this request, which does not mean any money out of our pockets, essentially, considering the values it creates, and considering the fact that it is for the benefit of the majority of the American people who live in the cities.

I again emphasize that this is not strictly a big city operation. One-third of all the projects now under way are located in cities with populations of less than 25,000. It is these relative newcomers to the program which were the hardest hit by failure to authorize new grant funds for urban renewal during the last session.

Applications are now beginning to flow in, and unless we abolish the rationing system which has been established, which blocks the money and does not allow it to be used, because it is assumed that every city will ask for its allocation, when some cities do not, the result will be denials to other cities which have already used up their allocations, and find that they are far short of what is needed for established urban renewal projects.

In the case of Buffalo, N.Y., applications for a total of $18,200,000 were filed, in reliance on established policies, but the rationing formula, attributable to the fact that Congress had not authorized the necessary funds, limited that city to $2½ million, forcing the shelving of one project and cutting another by two-thirds.

The Banking and Currency Committee has declared itself against this rationing program, and has said that the best interests of the urban renewal program will be served by returning to the practice of issuing capital grant reservations on a first-come-first-served basis. There would be no danger of the continuation of this unfair and thwarting rationing policy if Congress were to authorize sufficient urban renewal funds at this time.

I am convinced that we must have the $450 million provision which the Senator from Pennsylvania [Mr. CLARK] has proposed. This is the essence of all the evidence on this subject, from the cities, from the American Municipal Association, from mayors, and from everyone else who is really in a position to know.

I believe this final point must be made very clear: It is not often that the people of the big cities of the United States and of the small cities come to the Congress for help which is directly for their benefit, in terms of the living conditions in their own home communities. Anyone who has surveyed large and small American cities must agree that the faces of our great cities are being changed by urban renewal programs. This is the most revolutionary change which has come about on the faces of American cities.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. CLARK. Mr. President, I yield 1 minute additional to the Senator from New York.

Mr. JAVITS. I thank my colleague.

It should be our privilege to help the great cities to forward this work further. Let us take an example in my own State. If we authorize the program in the Clark

amendment, New York will receive $225 million in new moneys for urban renewal, through the middle of 1963. That would enable us to add to the $225 million $105 million of our own. However, the total end result, in terms of production of wealth and increased assets to the taxpayers is estimated to be not less than 10 times that amount. In other words, in terms of added values, not only in living and well being, but in added tangible values, the amount would be $3 billion.

I cannot think of a program which should appeal more to the conscience of the Congress than this one.

Finally, on the subject of inflation, this program makes our country richer. It is not what we owe; it is what we have against what we owe that counts in terms of the inflationary situation.

I hope very much that some recognition can be given to the problems of our American cities when we are recognizing everyone else's problems all the time—the problems on the farm and in rural areas. We are spending great sums of money on those programs.

I hope the pending amendment will be voted favorably.

Mr. CLARK. Mr. President, I yield 5 minutes to the junior Senator from Wisconsin [Mr. PROXMIRE].

Mr. PROXMIRE. Mr. President, the Clark amendment is a moderate compromise. The proposal in the bill is totally inadequate. It is inadequate because it provides that for the next 6 years the Federal Government will maintain the same level of urban renewal that it has maintained in the past. The Clark amendment would modestly increase urban renewal appropriations already authorized by the Federal Government. I say it is moderate not merely on the basis of my own judgment, but on the basis of the judgment of a number of very prominent Americans.

I hold in my hand a report entitled "The Challenge to America: Its Economic and Social Aspects," being the Rockefeller Report on the U.S. economy. This group was headed by the present Governor of New York, Nelson Rockefeller. It included among its distinguished members Arthur F. Burns, former Economic Adviser to President Eisenhower; Gen. Lucius D. Clay, chairman of the board of the Continental Can Co., Inc.; John Cowles, president of the Minneapolis Star and Tribune; Devereux C. Josephs, chairman of the board of the New York Life Insurance Co.; Henry R. Luce, editor in chief of Time, Life, and Fortune magazines, and a number of other prominent, outstanding, and distinguished Americans. In their judgment, we should go far faster in urban renewal even than the Senator from Pennsylvania is proposing today.

If we are accused of being spenders because we advocate the Clark program, I tremble to think what adjectives would be applied to Henry Luce, John Cowles, Nelson Rockefeller, and the other gentlemen who were responsible for a report which advocates from 4 to 10 times as much as does Clark as I shall show. I now quote from page 69 of the Rockefeller report:

> Such a program would provide funds to meet needs in the water supply field and to increase Government expenditures for urban renewal from about $700 million last year to $4 billion in 1967.

These urban renewal funds are both local and Federal. They have been divided, in total effect, about 50–50 which would mean an increase from $350 million to $2 billion. The Rockefeller group therefore is proposing, and get this, an increase in urban renewal funds of the Federal Government from $350 million, not to the $450 million proposed by the Senator from Pennsylvania, but $2 billion. That is what they say is the minimum increase we should have by 1967.

I challenge any Senator to show how we could possibly get the $2 billion of Federal contributions by 1967, if we were to follow the proposal in the bill. We shall even fall short and far short if we follow the conservative, modest amendment proposed by the Senator from Pennsylvania. The recommendations of the Rockefeller report show that these prominent Americans felt that urban renewal is so important to this country that there should be recommended an increase in urban renewal far sharper than any other increase of Federal investments or expenditures. The Rockefeller group recommends an increase from 4 to 10 times the present level of urban renewal.

That is on page 68 of the report. They point out that if the economy of our country is to grow and expand, it is essential that the Federal Government support the economic growth by providing needed urban redevelopment. As a matter of fact, here is one of the very rare opportunities that we in the Senate will have to vote to promote economic growth in this Nation. This is why the vote on the Clark amendment is a very crucial vote.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The time of the Senator has expired.

Mr. CLARK. Mr. President, I yield 3 minutes to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, the cities of this country, when they come to a legislative body, always operate under a disadvantage; namely, that their representation in the legislative body is not as great as their proportion of population. That is true virtually of every State legislature in the country, and it is true of the Senate of the United States.

Nevertheless, those who know our cities are aware of the fact that not only are the cities rotting away at the center, but that many of the middle-aged neighborhoods are rotting away at the same time. If the cities are to be saved, we shall have to have a series of major surgical operations. The urban renewal principle provides a means whereby this can be done. The Clark proposal is more satisfactory than the committee bill in that it not only provides $450 million a year, instead of $350 million a year, but it also provides for an automatic escalator up to $600 million a year if the volume of the bona fide city applications justifies it. I do not believe we can depend on any power the President has to increase the figure about $350 million in any year, because he has shown again and again that he does not intend to use any discretionary power which he may have.

In brief, Mr. President, the Clark amendment only authorizes $1,800 million in 4 years, as compared to $2,100 million in 6 years, as authorized by the committee bill. The total obligations which we are committing ourselves to now will be less, even though the annual rate of expenditure will be greater.

The population of our country is moving cityward, and the cities are in great financial difficulties. Their expenses are increasing. Their revenues are not keeping pace. They are ready to meet their one-third of the costs, but they do need financial aid from the Federal Government, to which their citizens contribute in abundant measure through the taxes which they pay.

I hope very much that the Clark amendment will be adopted.

Mr. SPARKMAN. Mr. President, I shall take no more than a minute to call to the attention of all Senators an editorial which appears in today's Washington Post entitled "What Is a Local Need?"

I shall not take time to read it, but it is a comment upon the President's news conference of yesterday, when he took some exception to the airport bill and to the housing bill.

The editorial very wisely points out that we have been working on a very reasonable housing bill, and that certainly it ought to be considered in the light of its need in the country, rather than to be dismissed in the manner in which the President dismissed it.

I ask unanimous consent that the editorial may be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT'S A LOCAL NEED?

The President's broken-record sermonizing against housing and other legislation that might increase spending next year by perhaps one-sixth to one-third of 1 percent is really outrageous. It is intellectually fuzzy to suggest, as Mr. Eisenhower and other Republican leaders are suggesting, that these measures are the first test of a balanced budget policy. There are a dozen largely uncontrollable variables in the President's budget which are far more likely to unbalance it—and by far more. The greater cause for outrage, however, is the seemingly grand unconcern in high places with the substance of this vital legislation.

The Senate housing bill, for example, was not put forward to unbalance the budget. It was developed as a really quite conservative and cautious response to the far greater needs of the American people for decent housing and livable cities. The airport bill, also attacked by the President on extremely tenuous and narrow grounds, was designed to meet similar urgent needs—including the safety that more airports would provide.

Let the localities pay for local benefits, the President blithely replies. Well, they haven't the taxing power. But even so, has not the Federal Government for a century and three quarters been providing for collections of local needs that add up to a na-

tional interest? Would the President tax Montgomery County alone for the Nike-Hercules base north of Rockville? It serves a local need—by Mr. Eisenhower's strained definition.

Although the President's suggestion that higher spending programs should include higher taxes leaves out of account the prospect of a continuing substantial slack in the economy, it does have some long-term merit. But he ought to be made consistent. If his first concern is with a balanced budget, and if he will not directly challenge the need for bigger housing and airport programs (however financed), Mr. Eisenhower himself is obliged to consider making tax increase proposals. Yet Budget Director Stans has said that the 1960 budget was prepared without any thought of raising taxes—whatever the demonstrable needs of the Nation. If the Republicans mean to talk like this steadily until the 1960 elections it is going to get awfully tiresome. They ought to get down to cases.

Mr. CLARK. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, with the time required for the quorum call not being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Pennsylvania has 16 minutes remaining.

Mr. CLARK. I yield myself 3 minutes.

The purpose of the pending amendment is to increase the urban renewal authorization on an annual basis from $350 million to $450 million, and to decrease the total urban renewal authorization from the $2.1 billion in the committee bill to $1.8 billion, or a decrease of $300 million.

The amendment would permit the amount of grant authorizations in any one year to be increased by $150 million whenever there should be bona fide applications for grant reservations pending with the Urban Renewal Administration in excess of the $450 million.

The net result of this proposal is to call for a grant authorization at the rate of $450 million for 4 years, or a total of $1,800 million. But if there were enough bona fide applications pending, the rate could go up to $600 million a year; and, accordingly, the entire grant authorization could be spent in 3 years, instead of 4. This must be contrasted with the provisions in the Sparkman bill, which call for $350 million a year for 6 years, or a total of $2,100 million, which is $300 million more than is provided in my amendment.

The proposal of the Senator from Alabama also calls for acceleration at the rate of $150 million a year, but only at the discretion of the President. I think we all know that the President is not prepared to grant that additional authorization; indeed, he is opposed to the level at which the urban renewal program is fixed in the bill which the distinguished Senator from Alabama is guiding through the Senate.

The importance of this is that under the Sparkman bill there will be a definite lack of adequate authorization authority by the end of the fiscal year 1960.

In the minority views, on page 80 of the committee report, is a table from which Senators can see that with the present backlog and with new applications being made at the rate of $40 million a month, there will be at the end of the fiscal year 1960 applications for grant reservations totaling $1,124 million; whereas, the Sparkman bill would provide authorizations for only $700 million.

So the question is clearly posed to the Senate: Do we want to have rationing of urban renewal, or do we want to finish the job as it was started by Senators Wagner, Ellender, and Taft? That is the clear, simple issue before the Senate at this time.

That is all I wish to say for the present. Does the Senator from Alabama desire time? If he does not, I am prepared to yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, I am prepared to yield back the remainder of the time on this side.

Mr. CLARK. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). All remaining time has been yielded back.

The question is on agreeing to the amendment, "2–3–59—B", of the Senator from Pennsylvania. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senator from Montana [Mr. MURRAY] and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Alaska would vote "yea."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Oregon would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] is absent; he is in his State to attend the funeral of a friend.

The Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Oregon would vote "yea."

The result was announced—yeas 33, nays 56, as follows:

YEAS—33

Bartlett	Hartke	McGee
Byrd, W. Va.	Hennings	McNamara
Carroll	Humphrey	Monroney
Church	Jackson	Morse
Clark	Javits	Pastore
Dodd	Kefauver	Proxmire
Douglas	Kennedy	Randolph
Engle	Long	Symington
Gore	Magnuson	Williams, N.J.
Green	Mansfield	Yarborough
Hart	McCarthy	Young, Ohio

NAYS—56

Aiken	Ellender	Morton
Allott	Ervin	Moss
Bennett	Frear	Mundt
Bible	Fulbright	Prouty
Bush	Goldwater	Robertson
Butler	Hayden	Russell
Byrd, Va.	Hickenlooper	Saltonstall
Cannon	Hill	Schoeppel
Capehart	Holland	Scott
Carlson	Hruska	Smathers
Case, N.J.	Johnson, Tex.	Smith
Case, S. Dak.	Johnston, S.C.	Sparkman
Chavez	Jordan	Stennis
Cooper	Keating	Talmadge
Cotton	Kerr	Thurmond
Curtis	Langer	Wiley
Dirksen	Lausche	Williams, Del.
Dworshak	Martin	Young, N. Dak.
Eastland	McClellan	

NOT VOTING—9

Anderson	Gruening	Muskie
Beall	Kuchel	Neuberger
Bridges	Murray	O'Mahoney

So Mr. CLARK's amendment to the amendment was rejected.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Senator from Pennsylvania.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. CLARK. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Monroney-Gore amendment is offered, there be allotted an hour on each side, 1 hour to be controlled by the proponents of the amendment and 1 hour by the opponents.

The PRESIDING OFFICER. Is there objection to the Senator's request?

Mr. MONRONEY. Mr. President, that agreement includes the amendment at the desk, 2–4–59—C. I am not sure whether the Senator from Tennessee may have another amendment. I have no objection to the proposed agreement.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

Mr. JOHNSON of Texas. I thank my friend the Senator from Pennsylvania for yielding to me.

Mr. CLARK. Mr. President, I call up my amendment identified as "2–3–59—C," and ask that it be read by the clerk.

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all that follows "1963;" in section 305 of the bill and insert in lieu

thereof the following: "except that such limit, and any such authorized increase therein, may be increased, at any time or times, by additional amounts aggregating not more than $150 million if such action is necessary to meet the needs of pending bona fide applications on file with the Administrator: *Provided,* That the amount of capital grants contracted for under this title prior to July 1, 1964, shall not exceed an aggregate of $3,450,000,000."

Mr. CLARK. Mr. President, I desire to modify my amendment by changing the word "may" in the fourth line thereof to the word "shall."

The PRESIDING OFFICER. The Senator has a right to modify his amendment. It is so modified.

Mr. CLARK. Mr. President, I hope I may have the attention of the distinguished Senator from Alabama [Mr. SPARKMAN].

The purpose of this amendment is to provide an automatic escalator clause in the proposal for urban renewal which presently appears in the bill.

At the present time the provision is for $350 million a year for 6 years, but that amount can be increased, at the discretion of the President, to $500 million in any one year by borrowing from an authorization for a subsequent year.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. SPARKMAN. The amendment does not change the amount in any sense whatsoever. It somewhat changes the formula by which the escalator clause will operate. I am perfectly willing to accept the amendment.

Mr. CLARK. I thank the Senator for accepting the amendment. I see the Senator from Indiana [Mr. CAPEHART] is nodding his head. Therefore, I think a further explanation is unnecessary. I ask for a vote, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania to the committee amendment.

So Mr. CLARK's amendment to the amendment, as modified, was agreed to.

Mr. MONRONEY. Mr. President, for myself, Mr. HUMPHREY, Mr. MCNAMARA, Mr. HART, Mr. GORE, Mr. YARBOROUGH, Mr. KERR, Mr. JOHNSTON of South Carolina, Mr. JACKSON, Mr. MAGNUSON, Mr. CARROLL, Mr. ANDERSON, Mr. MCGEE, Mr. LONG, Mr. THURMOND, Mr. GRUENING, Mr. BARTLETT, Mr. MORSE, Mr. KEFAUVER, and Mr. LANGER, I call up my amendment "2–4–59—A," with a further amendment which I send to the desk, and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

Mr. GORE. Mr. President, may we have order? A point of order, Mr. President——

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. I make the point of order that the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 74, beginning with line 23, it is proposed to strike out all through line 4 on page 75.

On page 152, strike out lines 3 through 12.

On page 152, line 13, strike out "(c)" and insert in lieu thereof "(b)."

On page 153, line 4, strike out "(d)" and insert in lieu thereof "(c)."

Mr. MONRONEY. Mr. President, this is a very simple amendment. First, it would freeze the interest rates at 4¾ percent on GI housing loans instead of permitting them to rise one-half of 1 percent to 5¼ percent, as proposed in the committee bill. Secondly, it would freeze the present rate at 4½ percent on Capehart housing, instead of permitting the rate to rise to 5 percent or to 5½ percent at the discretion of the Commissioner.

Mr. President, the amendment and the fiscal policy which it involves, far transcend anything contained in the housing bill. I think if we adopt the committee bill, we will be permitting a policy of continuing the upward spiral of interest charges fixed by the Congress, help speed ourselves toward a fiscal debacle.

I say that with all possible sincerity. The proposal which is made in the committee bill will have repercussions with respect to the difficult problem faced today by the Secretary of the Treasury in the selling of Government bonds. If the committee proposal is adopted, before the present session is completed, this year, the Secretary of the Treasury will be asking this Congress to break the statutory ceiling on interest charges on the public debt, which today stands at 4¼ percent. I know whereof I speak. I know the worry which the Secretary has with respect to the increasing difficulty of finding purchasers for Government securities which are being put on the market.

It is very well to say: "We have to have GI housing, therefore, we are going to again increase the ceiling which was raised one-fourth of 1 percent less than 10 months ago." Now we are asked to double that increase, by raising the rate another one-half of 1 percent only 10 months later. We shall then have raised the GI interest rate by three-fourths of 1 percent within a year.

These are federally insured mortgages. Certainly when the Congress legislates an upward spiral of interest costs it cannot be isolated and it will not be isolated from the impact this action will have on the cost of handling the Federal debt. The sitdown strike which is existing in the financing of Government securities does not just apply to mortgages on GI housing, but applies to every element of Federal financing. Under the tight money and the high interest rate policy of this administration, the bidding gets higher and higher.

Let us look at the record. Only last week the Secretary of the Treasury had to refinance more than a billion dollars' worth of long-term bonds on which the Government had been paying 2 percent interest. How did the Secretary manage to refinance those bonds? He refinanced with 2-year issues at 4-percent interest. The interest cost doubled in this refinancing operation.

If we follow the history of what the Treasury is being asked to pay for 90-day notes, we observe that the stranglehold on the financial structure by the men who have power in this administration is creating inflationary pressures beyond anything Congress would create in handling the budget of the President. How else can we explain the estimated $495 million increase, for the interest cost in this year's budget? That is a half billion dollars going out the window. As Cal Coolidge used to say, interest is "the rent for the money." It does not buy any aircraft. It does not buy any missiles. It does not buy any dams. It does not buy any highways or airports. This is price support for the bankers, which has been the policy of this administration ever since it took office. That policy has never let up 1 minute, in the drive for higher and higher interest rates, seeking more and more rent on the money.

It is now 10 months, almost to the day, since the Congress raised the GI interest rate by one-fourth of 1 percent. Then we were promised by every Republican speaker that such action was going to release a flood of money greatly needed to facilitate the sale of GI home mortgages in the open market. We were told it would do away with discount rates and would bring about private ownership of these mortgages, instead of channeling them into FNMA or other Government institutions.

The ink was hardly dry on the one-quarter of 1 percent interest hike 10 months ago before discounting started again. The discounting has been going on ever since. I venture to say that the ink will hardly be dry on the proposed increase, if agreed to, before we will find the money changers discounting again, thus absorbing more and more of the money which the GI will pay for his house. This will raise the interest costs from what they were before the last interest rate hike by an average of more than $6.10 a month in the rent, over a period of 30 years. It will raise the ultimate cost of ownership over the 30-year term of the mortgage, with the interest rate increase of one-quarter of 1 percent last year and one-half of 1 percent as proposed for this year, for a little $13,000 GI house by a total of $2,190.

This is no time to be raising prices on home ownership, or to force the GI's, whom we purport to help, to pay more and more interest. Under the guise of trying to help the GI's, the Government charges them—because we have a fund to make direct loans in areas where financing is not available, as the Senator from Tennessee (Mr. GORE) said last night—the highest interest rate ever charged an individual during the past 20 years by his Government.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to my distinguished colleague.

Mr. GORE. Is not the effect of the interest rate provisions of the pending bill to inflate the cost of a house?

Mr. MONRONEY. Indeed it is. It increases the cost of ownership, or rent, or service on the debt, by more than $6.09 a month.

Mr. GORE. Does not the Senator find it an unusual performance for the great Government of the great United States of America to enact a law providing a Government guarantee for a mortgage on a home, yet finding itself either unable or unwilling to support that federally guaranteed mortgage at the face value thereof?

Mr. MONRONEY. I think it is disgraceful to allow those who have a corner on the money market to obtain almost as much interest today for a Government-insured mortgage as they used to get for mortgages without Government insurance. We partially vitiate the FHA and GI programs when we find the rate on Government-insured home mortgage loans kicking up around the 6 percent level.

The last section of my amendment deals with the provision which would increase the interest rate on Capehart housing, which today is 4¼ percent. The ceiling on such financing is 4½ percent, by legislative mandate. The proposal before us would increase it to 5 percent, with discretion to go to 5½ percent.

Capehart housing, which is military housing, is financed in its entirety, from the construction to complete payout, by Uncle Sam. This is the loan Uncle Sam gets for the houses built on military bases, which are supposed to pay out in 25 years at $90 a month. The renter is Uncle Sam, and the Congress pledges that money will be made available to the Department of Defense to pay the interest and principal on such loans.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. GORE. The Government of the United States is making nuclear fuel available to private power companies for the development of atomic power at loans bearing 4 percent interest. It is lending money to shipbuilders at 3½ percent. What justification does the Senator find for raising the interest rate on veterans' loans to 5¼ percent, particularly when that has the far-reaching effect, to which the Senator has already referred, upon the interest cost of the national debt?

Mr. MONRONEY. I quite agree that we are demanding of the veterans more interest than we demand from purchasers of farms and other things which the Government finances. Certainly we are not giving the veterans anything. Those who think we are have not looked at the figures. A veteran can borrow from the VA, under the proposed increase, at 5¼ percent, or he can go to the FHA, which conducts a companion operation, and borrow for 5¼ percent, as of today. Historically there has always been a difference, by statute requiring that GI rates had to be one-half of 1 percent lower than FHA rates. This bill would wipe out that statutory difference. Are we giving the veteran anything? Today we are lending money to the nonveteran, or to anyone else, at the same 5¼ percent of FHA rate. That is the same rate which is proposed in the bill for loans to veterans.

As interest rates reach outer space, it is having the effect of giving priority to private investment rather than the financing of the $280 billion debt, which must be rolled over in huge amounts almost every other month by the Treasury.

When we again start interest rates up, the man who has money to invest on a long-term basis will wait for the next raise, and an increase of one-fourth of 1 percent or one-half of 1 percent will accomplish that result.

When the bill was before us 10 months ago my very dear friend the Senator from Utah [Mr. BENNETT] said on the floor:

> By raising the interest rate one-half of 1 percent, a flood of money was brought to bear on the veterans' housing problem. A similar realistic facing of the interest problem of 1958 could bring about the same kind of result.

Where is the flood? It went down to a small trickle in about 3 months after the passage of that act.

My dear friend the Senator from Connecticut [Mr. BUSH] said on that occasion:

> What we are seeking to do in the bill is to provide the veterans, as the American Legion so urgently requests, with the same possibility of attracting money as is afforded other citizens, and at a differential of one-half of 1 percent * * *. The committee bill would establish a ceiling, not a floor.

Ten months ago there was the promise of great results. Throughout the debate we were told, "Give them this added money and we will be able to release a flood of private investments that will meet the need for GI housing."

The Senator from Pennsylvania [Mr. CLARK] pointed out that the mortgage rate decline was being delayed by a relatively small number of mortgage lenders, who can hold up the rate long after the general money market has loosened.

I took occasion to point out that there was no wisdom in throwing a baby off the sleigh to the wolves, because every time we throw a baby off the sleigh the wolves will follow the sleigh for another baby. We threw one baby out, in the form of an additional one-fourth of 1 percent interest. The wolves are back looking for twins, one-half of 1 percent interest.

The Capehart mortgages are as good as a Government bond. Why should they bring 5 or 5½ percent interest, which is the proposed ceiling in the bill? What effect would breaking the ceiling have? It seems to me that when we increase the rate we are bound to increase the cost to the Government borrowing generally.

I took occasion to check the Capehart financing. We have outstanding, under construction today, $1,139 million worth of housing, and the Federal National Mortgage Association has commitments for $424 million of this money; $660 million is in private commitments. Using that as a gage, if we raise the interest rate on Capehart housing, by three-fourths of 1 percent, it would mean that in 30 years it will cost us $196,375,000. That is one example.

FNMA has a considerable portfolio of Government insured mortgages, a total of $3,244 million. A substantial proportion of them represent Capehart housing, at 4 percent. If we raise the rate to 5 percent on Capehart housing, we shall lose many millions of dollars in the resale value of these older issues.

Something will have to be done to keep from breaking the private contractors. I have talked to some of them, and they are very much concerned. They are relying on private financing for $660 million, and they have standby commitments on 4¼ percent mortgages. If we raise the rate to 5 percent, what will it do to those people? They are under firm contracts. The result will be that their 4¼-percent mortgages will be worth 95 instead of 100 percent on the market. Therefore they will have to further discount the bonds.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the Senator from Tennessee, the cosponsor of the amendment.

Mr. GORE. Was not one of the principal purposes for which the Federal National Mortgage Association was created the support of Government-guaranteed and Government-insured home mortgages at par?

Mr. MONRONEY. It was; and it worked very well throughout the war years and throughout the postwar years under Democratic administrations. Then it was organized into a cooperative under a half private, half public operation.

Instead of supporting the mortgages at par, as was done under Democratic administrations, FNMA has since become the leading discount house in the country. The argument is, "We must reflect the discounts in the various States." Many builders have told me that the discounts are actually fixed by FNMA. They find out what the discounts are locally, and they join together and buy at the discounted rate, giving encouragement to the discounting of the home mortgages which the agency was originally founded to support.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. MONRONEY. I yield.

Mr. GORE. The able Senator from Oklahoma was formerly a Member of the House of Representatives. It was my pleasure to serve with him as a member of the Banking and Currency Committee of that body. In that position he and I cooperated in the writing of housing legislation.

Therefore it is with some experience that he and I speak in this field. The Senator has served on the Banking and Currency Committee of the Senate. He has just now said that FNMA operated successfully in supporting federally guaranteed home mortgages for a number of years.

Mr. MONRONEY. At par.

Mr. GORE. At par. I ask him whether it did not operate profitably to the Government as well as successfully to the homeowner.

Mr. MONRONEY. It operated at a very substantial profit. When a sitdown strike would occur among insurance companies and the New York banks, who control the money market, FNMA would buy those mortgages. When it was found that the Government was ready and willing to buy Government-insured mortgages at par, that would again start the flow of private money. The private sources would turn the faucet on. The Republican Members of the Senate forced through the one-fourth of 1 percent increase in the interest rate last year. The motivation of the proposed increase is again coming from the same side of the aisle. It will again benefit the men who can turn the money on or off. They are the men in the big money marts. Those operations will add fuel to inflation. The money manipulators would wreak havoc in our finances, at the expense of the public, so great is their greed for higher interest rates.

Mr. GORE. What the Senator proposes in his amendment is to retain the present interest rates. If his amendment is adopted, I shall then propose an amendment which will direct the Federal National Mortgage Association to do what it was created to do and to do what it did successfully and profitably for 14 years under three administrations; namely, support the price of Government-guaranteed and Government-insured home mortgages at par.

Mr. MONRONEY. I am glad to hear the distinguished Senator say that. We have discussed the subject. It can be seen that every time the interest rate jumps, the cost of housing goes up.

Mr. GORE. Does the Senator agree that an inflationary spiral in interest rates is a major contributing cause to higher prices and thus a contributing cause to inflation itself?

Mr. MONRONEY. It certainly is, because the effect of the interest rates today bears on every part of the economy. If we raise the interest rate on housing, as the committee bill proposes to do, it will be followed by an increase in the cost of automobile financing and financing of appliances. It enters into the cost-of-living index by raising the purchase price, not just by the amount of the increase on the home mortgage—because that is prime credit—but a one-half of 1 percent rate can become a 2 percent interest rate in carrying charges on automobiles or 3 percent on washing machines. The cost of mortgages, the cost of the things the public buys, the cost of farm financing, and the cost of financing little businesses are all set in the same money market that the bill helps, and all of it takes its cue from the financing that is done by the Government.

I dread to face the people who brought about the election of overwhelming majorities of Democrats in the Senate and in the House when they find that the first bill which passed Congress was a bill designed to raise the interest rates on the things that they must buy.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. MONRONEY. I am glad to yield to the Senator from Texas.

Mr. YARBOROUGH. A moment ago the distinguished Senator spoke about the drive for higher interest rates coming from the other side of the aisle, from the Republicans. I campaigned in a number of States last fall, as did the distinguished Senator from Tennessee. I found that one of the great causes of dissatisfaction on the part of the American people with the Republican administration was the high interest rate constantly kiting up and up.

I ask the distinguished Senator from Oklahoma, who is so ably presenting his argument, not for the Democratic Party, not for himself, not even for the Senate, but for the American people, if he does not think the tremendous Democratic vote last fall was a mandate to hold the line on interest rates and not to hike them another round.

Mr. MONRONEY. I am as certain of that as I am of anything I have ever believed. I am certain that the inclusion of a mandatory increase in interest rates in the first bill we pass will set a sorry pattern of achievement for a Democratic Senate, a Senate whose slight Democratic majority has been increased to almost a two-thirds majority. I think we have a mandate from the public. I do not think the mandate is to enrich the bankers of Wall Street or those who lend the people's money, who operate the big insurance companies, and who hold back and reserve their funds until the Government, on its knees, or Congress, by its lack of wisdom, goes through the stratosphere on interest rates for GI housing and on Capehart paper.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. GORE. Before we leave the question of the inflationary effect of high interest rates, I wish to remind the Senator that we have either heard or read some sermonettes about how labor should be restrained, how labor should not ask for higher wages, and how higher wages have contributed to higher prices. How, I ask the Senator, will labor be discouraged from asking for higher wages, when by reason of higher interest rates houses will cost more, automobiles will cost more, and washing machines will cost more? How will labor be discouraged from making these demands when the general cost of living, the cost of going, the cost of doing, is increased?

Mr. MONRONEY. The Senator is exactly correct. The imposition of increased interest rates will result in giving less and less for a price which is more and more.

Mr. GORE. As a small businessman in private life, I can testify that the cost of borrowing money reflects itself in a higher price for the commodity my business sells. Every other businessman can so testify.

Mr. MONRONEY. The Senator is absolutely correct.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. CAPEHART. I do not wish to get into a debate or argument on the subject, but I think this is a good point at which to place certain facts in the RECORD.

The present law permits the interest rate for Capehart military housing to go up to 4½ percent. It permits the Administrator to raise that rate to 4½ percent. However he has set it at 4¼ percent. Therefore, he has never charged the maximum which Congress said he could charge.

For FHA housing—that is the big housing, the kind of houses which the wage earner of America buys—there has been a law for many years which permits the Administrator to charge as much as 6 percent interest, but until now he has raised it only as high as 5½ percent.

Under the Veterans' Act, the Administrator is permitted to charge up to 4¾ percent. But the rate has gone up only to 4½ percent, as I understand.

What we are talking about concerning so-called interest rates in the bill is not an increase in interest rates. We simply set for the Administrator a ceiling or a top beyond which he may not go. There is not a single section in the bill under which the Administrator has yet charged the highest interest rate the law permits.

I call attention to the mortgages for veterans, handled by the Veterans' Administration. Those matters are considered in the House by the Committee on Veterans' Affairs, which is headed by Representative TEAGUE, of Texas.

Mr. MONRONEY. Will the Senator be so good as to yield himself time?

Mr. CAPEHART. I shall be very happy to speak on my own time.

Mr. MONRONEY. I thank the Senator.

Mr. CAPEHART. Representative OLIN TEAGUE is chairman of the House Committee on Veterans' Affairs. That committee handles veterans' housing legislation in the House, and in a House bill has permitted the Administrator to increase the interest rate to 5¼ percent.

The House, which I am certain is not dominated by those mean Republicans the Senator from Oklahoma has been talking about, voted yesterday, 366 to 86, to permit the Administrator of Veterans' Affairs to raise the interest rate on veterans' housing to 5¼ percent.

If that is all wrong, do not blame us Republicans; blame it on the Democratic control of the House. I think they did the right thing. If I had been a Member of the House, I would have voted for it. I shall vote for it here.

This does not mean that if we pass the bill, the Administrator will raise the interest rate to that point at the moment, because he has never yet done so. Similarly, the Federal Housing Administration has never raised its rate to 6 percent, although ever since the law went into effect, the FHA has been permitted to go to 6 percent.

Mr. MONRONEY. Did I correctly understand the Senator to say that the Administrator of Veterans' Affairs has not used the full authority we voted him last year—10 months ago?

Mr. CAPEHART. No. I am quite certain of that. Has he raised the rate to 4¾ percent?

Mr. MONRONEY. Yes; he has set it at 4¾ percent. We do not touch the FHA rate. The FHA has always had a statutory 6 percent ceiling.

Mr. CAPEHART. Their rate now is 5½ percent; is it not?

Mr. MONRONEY. It is 5¼ percent.

Mr. CAPEHART. The Capehart military housing rate is 4½ percent, but it has not gone beyond 4¼ percent. It could go up another 1¼ percent.

What the Committee on Banking and Currency endeavored to do with respect to the raising of the ceiling on interest rates was to make them all the same, on the premise that a wage earner, who may or may not have been in the service, is entitled to the same sort of treatment as one who was in the service, or vice versa. The Senator should understand that a veteran gets a great advantage because he can buy a house without any downpayment, whereas the wage earner cannot buy a house without a downpayment.

Mr. MONRONEY. The wage earner pays 5 percent.

Mr. CAPEHART. He pays anywhere from 5 to 10 percent.

Mr. MONRONEY. So we are not giving the veteran very much; are we?

Mr. CAPEHART. The veteran gets the benefit of not paying a service charge of one-half of 1 percent. We are merely endeavoring to treat everyone as nearly alike as we possibly can. We still want to give the veteran the advantage of no downpayment and of not paying the one-half of 1 percent service charge.

The bill passed by the House, sponsored by the Senator's Democratic colleague, Representative TEAGUE, chairman of the Committee on Veterans' Affairs, was passed yesterday by a vote of 366 to 86, purely on the basis that it might be necessary to increase the interest rate on veterans' mortgages, in order to enable veterans to get housing, in order to sell mortgages.

If the Administrator of Veterans' Affairs does not need to increase the rate to 5¼ percent, I am certain he will not do so, because the record of the Administrators of Veterans' Affairs, and of the Federal Housing Administration over the years, under both Democratic and Republican Presidents, is that they have never gone up to the ceilings, generally speaking. At least, the Administrator of the FHA has never done so.

Those are the facts. Perhaps Representative TEAGUE made a mistake. Perhaps his Committee on Veterans' Affairs, which handles veterans' matters exclusively, was wrong. Perhaps the House itself was wrong yesterday in passing the bill by a vote of 366 to 86. Perhaps the Senate Committee on Banking and Currency, which voted unanimously to do what is now proposed, was wrong. But certainly we are trying to treat all people alike. We are trying to make it possible for mortgages to move; to make it possible to build homes and sell them; to maintain employment; and still to give veterans an advantage. That is the only reason for what we have done. There is no other reason. It has nothing to do with the general increase in interest rates or interest on bonds. That is another matter, and it was not considered by the Senate Committee on Banking and Currency. I feel certain that it was not considered by the House Committee on Veterans' Affairs.

I am simply trying to be factual; I am trying to state the facts, and trying to straighten out the record.

The Senator from Oklahoma is trying to leave the impression that the Veterans' Administrator will immediately increase the rate to 5¼ percent.

Mr. MONRONEY. He did increase the VA rate immediately following the last rise; he did not wait long. And now he is ready to make another increase in the VA rate.

Mr. CAPEHART. The Senator from Oklahoma assumes that he will do so as a result of this bill.

Mr. MONRONEY. He did that in the past. As a result of this bill, I expect the VA rate to rise; and when that happens, I expect the FHA rate to rise to one-half of 1 percent higher than the VA rate, because there has been a historic differential of one-half of 1 percent between the two rates. If the GI or VA rate is increased to 4¾ percent, I expect that the FHA rate will be increased to 5¼ percent, in order to preserve the historic differential.

Mr. CAPEHART. But the increase in the veterans' interest rate was not a Republican measure; it was passed by the House of Representatives, after it had been reported to the House by a committee headed by Representative TEAGUE, of Texas. If that was wrong, then the Democratic-controlled House made a mistake.

I do not like to have the Senator from Oklahoma state for the RECORD that this is a Republican measure. Such a statement should not be made, because the Senate Banking and Currency Committee is composed of 10 Democratic members and 5 Republican members, and they voted unanimously in favor of this provision.

In the House, I believe the Republicans have 160 Members; and 366 Members of the House voted to do that. Perhaps they did not know what they were doing; perhaps they made a mistake. But if they made a mistake, that is no reason why the Senate should make a mistake.

Mr. MONRONEY. And if the House did make a mistake, that is all the more reason why the Senate should not also make a mistake.

Mr. CAPEHART. Furthermore, the committee which handled this matter in the House of Representatives devotes its attention exclusively to veterans' affairs and, as a result, is close to the veterans.

There is now pending in the Senate a resolution for the establishment of a Veterans' Affairs Committee of the Senate. I favor the establishment of such a Senate committee, because I think such a committee can better handle such matters.

But in this instance a House committee which deals only with veterans' affairs, and which should have known what it was doing, reported the increase to the floor of the House; and then the House of Representatives voted for it by a vote of 366 to 86. So let us keep the record straight.

Perhaps it is not a good thing. I think it is. The Senator from Oklahoma is entitled to be opposed to it, if he wishes to be. But he should not be opposed to it on the basis that it has not been properly considered and that it is a Republican measure. Actually, it is not a Republican measure, and it was properly considered.

I am only making a sincere effort to make sure that a veteran, without making a downpayment, without paying a service charge of one-half of 1 percent, which the ordinary wage earner does have to pay, will be able to buy a home and will be able to have the mortgage on his home purchased by someone. If a veteran who wishes to purchase a home cannot sell a mortgage on his home, he cannot buy a home.

Mr. MONRONEY. Mr. President, at this point will the Senator from Indiana yield for a question?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from Indiana yield to the Senator from Oklahoma?

Mr. CAPEHART. I yield.

Mr. MONRONEY. Was the 5¼ percent contained in the Sparkman bill; and was the 5½-percent rate on Capehart housing contained in the Sparkman bill or in the Capehart bill?

Mr. CAPEHART. It was in the Sparkman bill.

Mr. MONRONEY. Is the Senator from Indiana certain of that? Let me ask whether the chairman of the committee is in the Chamber at this time. I cannot find such a provision in the Sparkman bill, but I found it in the Capehart bill.

Mr. CAPEHART. My memory on that point is not good; but I know that the committee—5 of us Republicans, and 10 Democrats—voted to put it in. My memory on that point is not good, and I do not know. But I know we considered it, and I know the vote was unanimous.

I also know that this committee accepted the increase in the ceiling in the case of veterans' housing only because the House had passed that measure and because the committee on that side of the Capitol asked the Senate to do likewise. That was the only reason why we did it.

Will the Senator from Oklahoma permit me to state, in my own time, that in the case of section 203, which deals with the sales of houses, we permitted the ceiling to rise to 6 percent, as it was in the case of FHA houses. Some $30 billion worth are outstanding.

In the case of rental housing, we permitted the rate to rise to a ceiling of 5½ percent; in the case of cooperative housing, we permitted the ceiling to rise to 6 percent; in the case of nursing homes, we permitted the ceiling to rise to 5½ percent; in the case of housing in renewal areas, we permitted the ceiling to rise to 6 percent; in the case of relocation rental houses, we permitted the ceiling to rise to 6 percent; in the case of military housing, we permitted the ceiling to rise to 5½ percent; and in the case of VA housing, we permitted the

ceiling to rise to 5¼ percent, all in an effort to sell the bonds, because here are the facts, regardless of whether Senators like them or do not like them, regardless of whether the situation should be this way or should not be, regardless of whether it is wrong or whether it is right: The veterans' housing mortgages and many of the other mortgages were being sold at a discount, in order to equalize the rate or so that they would secure the same interest rate as that for the straight FHA housing. In other words, the mortgages were being discounted at 96 percent, 94 percent, 92 percent, or 90 percent, so that the income to the purchasers of such mortgages would be the same as in the case of what we call standard FHA mortgages for which the rate is, of course, 90 percent of the rate for an FHA loan.

Mr. MONRONEY. Mr. President, at this point will the Senator from Indiana yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Indiana yield to the Senator from Oklahoma?

Mr. CAPEHART. I yield.

Mr. MONRONEY. For how many months after we pass this new interest rate increase bill does the Senator from Indiana expect these mortgages not to be discounted?

Mr. CAPEHART. I cannot answer that question.

Mr. MONRONEY. The last time the rate was increased, the discounting began 3 months afterward.

Mr. CAPEHART. Of course, I cannot answer that question, and neither can anyone else.

I am simply explaining what happened in the House of Representatives, and what happened in that committee, and why our committee voted for this: It was to try to make all Government-guaranteed, Government-sponsored mortgages carry the same interest rate, so there would not be any advantage or any disadvantage in the case of any of them, and in order to give the Administrator a ceiling to which he could raise the rate. Once that ceiling is established, the Administrator will be able to raise the rate as high as the ceiling; and, according to the market conditions, he will be able to raise the rate or to lower the rate.

Under the FHA, the rates have been raised or lowered, due to market conditions; but at no time have they ever been as high as 6 percent; at least, I believe that is a correct statement.

Mr. MONRONEY. Mr. President, how much time remains under my control?

The PRESIDING OFFICER. The Chair is advised that the Senator from Indiana has used 12 minutes, and that the Senator from Oklahoma has 26 minutes remaining.

Mr. MONRONEY. Mr. President, it would be a very fine thing if only for once, when the authorities are leveling off the interest rates, the high rate might go down, instead of the low rate going up. But I have not seen that happen for a long, long time.

I have had a check made by the staff, and the staff finds that this increase in rates was not included in the Sparkman bill, but it was in the Capehart bill, which originated with the Republicans; and I have great suspicion that it got into the bill by means of the so-called overwhelming vote because the feeling in the committee was that the housing bill would be vetoed if it was not sugared up enough to please the occupant of the White House, who happens to believe in higher interest rates.

Mr. MORSE. Mr. President, will the Senator from Oklahoma yield to me?

Mr. MONRONEY. I yield.

Mr. MORSE. I shall be brief, but I wish to make a comment, for the record, in support of the position taken by the Senator from Oklahoma.

As he knows, I supported him in opposition to increases in the interest rates; that was my position the last time we had a fight on the floor of the Senate over proposals to increase the interest rates.

At this time I should like to ask several questions.

Is it the opinion of the Senator from Oklahoma that the American people made rather clear to us, in district after district, during the last campaign, that they were concerned about high interest rates?

Mr. MONRONEY. Yes; I thought that was one of the major issues in the campaign.

Mr. MORSE. Is the Senator from Oklahoma aware—as I am—that a good many Democratic candidates for election to both the Senate and the House of Representatives campaigned against high interest rates, and pledged that they would try to do something to protect the American people from being further exploited by the financial interests of the country, by constantly pushing up interest rates?

Mr. MONRONEY. Yes; that was one of the keystones of the campaign.

Mr. MORSE. Does the Senator from Oklahoma agree with me that one of the causes of the inflationary threat is the increase in the cost of money to borrowers?

Mr. MONRONEY. Yes; I would say that this is the major part of the Eisenhower inflation. As I pointed out earlier, this year the increase in the cost of carrying the public debt—or, as Cal Coolidge used to call it, the rent on the money—is half a billion dollars greater than it was last year; in fact, in the budget, the item for interest on the public debt is second in size only to the budget items for defense expenditures.

Mr. MORSE. Of course Oregon is, generally speaking, a one-industry State; that industry is lumber. Therefore, the effect of interest rates on housing construction is of vital concern to all the people of Oregon, in all economic groups. Does the Senator from Oklahome share my point of view that one of the reasons—although of course there were others—for the great slump in the home construction industry and the construction industry generally during the recession—which is far from over, as yet—was the problem of the increased cost of money, which discouraged people from building homes?

Mr. MONRONEY. Indeed I agree, plus the fact that the cost of raw materials—such as lumber, masonry, brick, or interior woodwork—has risen as the cycle of interest rates has risen. Today the interest rate is a very important part of all business costs.

Mr. MORSE. Assuming for a moment that a part of our problem is the increase in the cost of money, to the point that many veterans are discouraged from building homes or from buying homes, does the Senator from Oklahoma believe that when we have that kind of evil situation existing in a democracy, it then becomes the duty of the Government to step in and to offer remedies which will eliminate that evil, such as, for example, by making available Federal funds at reasonable interest rates, which will have the effect of driving the money changers out of the temples of Government?

Mr. MONRONEY. I do, indeed.

Mr. MORSE. I will say to the Senator from Oklahoma that I am glad that no one will ever read in my voting record in the Senate of the United States tonight that I voted to impose what I think is an unconscionable interest rate proposal on the veterans of America.

Mr. MONRONEY. I thank my distinguished colleague. I am sure he will agree with me that when we talk about fixing ceilings, they mean nothing, as the distinguished Senator from Indiana has said. We have seen how the interest rate was increased for GI's last year, and how quickly the same old practice of discounting paper was resumed. It is so unnecessary.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield.

Mr. GORE. Lest a new Member of the Senate may think the course suggested by the junior Senator from Oklahoma and the junior Senator from Tennessee is new and untried, let me point out that the Federal National Mortgage Association now has unused authority to purchase Government-guaranteed and Government-insured home mortgages in the amount of $1,400 million. I should like to point out further that its total authority in that regard is $2,800 million, of which amount it has used approximately one-half. I propose that this agency use this authority to support Government-guaranteed and insured mortgages on American homes at par value.

Mr. MONRONEY. I quite agree with my distinguished colleague. If the agency would stop operating merely to show a profit, if it would try to operate to serve the purpose for which it was established—namely, to support Government mortgages at par—we would not be called upon for all these increases, which cost hundreds upon hundreds of millions of dollars, or billions of dollars,

before we get through with the interest charge. Yet the agency made last year—and it is very proud of it—$8,500 million. For the first 5 months of the fiscal year 1959, the agency has made $4,385 million.

I am in favor of private business making a profit, but I think the first duty of a Government agency is to do the job it was set up to do, and in this case it was to try to prevent inflationary charges of interest rates, by knocking down discount rates or by preventing spiraling rates of interest.

Mr. President, I reserve the remainder of my time.

Mr. BUSH. Mr. President, will the Senator yield me 10 minutes?

Mr. DIRKSEN. Mr. President, in the absence of other Senators who wish to speak in opposition, I am glad to do so. I yield the distinguished Senator from Connecticut 10 minutes.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 10 minutes.

Mr. BUSH. Mr. President, I shall not speak long on this subject. It seems as though every time the question of interest rates comes before the Senate a great deal of misinformation is handed out and a great deal of misunderstanding is reflected in the remarks of various Senators.

I was impressed with the extreme statements made by the Senator from Oklahoma this evening, and I may say I was very unfavorably impressed by some of the conclusions which he drew respecting the matter under discussion—namely, the rising interest rates on veterans' loans.

The Senator from Oklahoma seemed to suggest there was some sort of collusion between the Committee on Banking and Currency and the evil bankers of Wall Street. I wonder if he thinks that collusion extends so far that the House of Representatives is also in league with the terrible Wall Street bankers, because the House of Representatives adopted the very proposal on which the Senate is asked to vote in this bill, namely, to increase the interest rate ceiling to 5¼ percent.

I remind my friend from Oklahoma and other Senators who are so favorable to his views that the Wall Street bankers are not interested in this proposal as Wall Street bankers, nor will they benefit from this proposal. The people who will benefit are the small savers of the United States, the people who own savings accounts, the people who have an interest in pension funds, the people who own life insurance policies and who have credits in savings and loan associations. Those are the funds which are loaned for mortgages. It is not the demand deposits of the commercial banks which are loaned. So the assertion that the proposal is a bankers' paradise is without foundation, in my judgment.

The allegations are unfair to the Banking and Currency Committee, which unanimously voted to report the bill to the Senate. There was no opposition to it. There was some discussion about it, but, in the final analysis, there was no opposition. I suggest, in all reason, that there is no basis for the suggestion that the proposal resulted from pressure from Wall Street or any other street, as the Senator from Oklahoma has indicated in his previous remarks.

Another assertion which keeps coming up when matters of this kind are discussed is the so-called tight money policy or high interest policy of this administration. I have repeatedly said on the floor of the Senate, and I say it again tonight, that there is no such policy. This administration has no tight money policy, and never has had. It has no high interest rate policy. But it has one policy which is very important to the American people regarding money, and that is a sound money policy. It has bent every effort to keep the money of this country on a sound basis. That is one of the issues involved in the proposal before the Senate.

My good friend from Oklahoma speaks of the inflationary force of the higher interest rates provided for in the bill. Actually, it is not an inflationary force at all. I submit that the history of Government finance in this country will show that it is artificially depressed interest rates which are inflationary and which have an inflationary effect, and not a policy which allows interest rates to move up and down as the law of supply and demand indicates.

So I dispute absolutely what my friend from Oklahoma asserts are the inflationary aspects of the bill. I submit the situation is exactly the opposite. The bill does not make for inflation. It makes for stability. It makes for a free market. It implements the sound money policy of this administration. I am pleased that the Banking and Currency Committee was wise enough to endorse the policy of the administration in submitting the 5¼ percent interest rate ceiling which is provided for in the Sparkman bill.

My good friend has mentioned, too, the Federal National Mortgage Association operation and said that FNMA was doing what it was created to do. I took issue with that statement yesterday, and I do it again, on the basis that FNMA was originally created to provide some stability to the mortgage market and to provide a secondary market for mortgages.

I submit that FNMA has gone far beyond the original conception of the organization. It is becoming an investment banker dealing in mortgages. I put in the RECORD yesterday—it is available at page 1755—a statement which shows that FNMA at the present time owns approximately $5,400 million of mortgages.

It is said that FNMA makes money for the taxpayers. I submitted yesterday a statement—it may be found in the RECORD at page 1755—which shows the net income it makes during the year. If one computes the total return on the $5,400 million of mortgages which were in the portfolio of FNMA at the end of 1958, he will see that the return on that amount was something on the order of two-thirds of 1 percent.

I submit, that is not very good business. I do not think that would attract the savings of any Senators or of any of their constituents.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BUSH. I am not one who is delighted with the way FNMA has proceeded, nor do I feel it is a particularly good idea for this Government to keep on plowing mortgages into the Federal Treasury, which is what the FNMA operation really does. I have no right to object to the holding of a view in this regard, but I take issue with the view that the FNMA operation is in its present form a sound one. I think it ought to be very substantially reduced. This is one of the reasons why I favor the Sparkman bill and the raising of the GI interest rate ceiling to 5¼ percent, so that we will attract money from the money market into these mortgages and will not further burden the Federal Treasury, which could be burdened under the provisions of the bill up to $150 million. This action would of course invade the budget by that much, if it were done in a budget year.

I am glad to yield to the Senator from Tennessee.

Mr. GORE. The able Senator has very frankly stated his views. That is characteristic of the distinguished Senator. Although the Senator thinks it is unsound, or at least a questionable policy, for an agency of the Government to provide a secondary market for Government-guaranteed mortgages, I think that such an activity on the part of the Government is absolutely essential to a Government guarantee of home loan mortgages.

The able Senator has said that the portfolio held by the Federal National Mortgage Association in 1958 showed a return of something less than 1 percent; is that correct?

Mr. BUSH. The Senator is correct.

Mr. GORE. I ask the Senator, was that a net return?

Mr. BUSH. Yes. That is based on a net income. It is called "net income during the year."

Mr. GORE. Then the able Senator confirms the fact that the agency, which now has in its secondary market portfolio approximately $1.4 billion of mortgages acquired since 1954, held in 1958 a total of between $4 billion and $5 billion of mortgages of all types, on which it realized a net profit.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. GORE. The Senator yielded to me.

Mr. BUSH. I have the floor, but I should like to respond to the Senator.

In the testimony before our committee I asked Mr. Baughman, who was the head of the FNMA organization, what the holdings of FNMA were at the most recent time. He told me the holdings were upwards of $5 billion.

The Senator mentioned a figure of $1½ billion, approximately, but the total holdings of FNMA at the present time are more than $5 billion. At the end of 1958 the holdings are as shown in

the RECORD on page 1755. The statement of the FNMA organization shows the total. That is the statement of FNMA.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the Senator, but I should like to have the Senator satisfy his mind that I am not dreaming up these figures. The information is in the RECORD, from the statement of the FNMA.

Mr. GORE. I understand. The Senator is referring to the total holdings, which include the holdings other than those in the particular category about which both the Senator from Connecticut and the junior Senator from Tennessee were speaking.

Mr. BUSH. I am speaking of the total holdings.

Mr. GORE. So the Senator is referring to total holdings, including military housing, section 202, farm programs, management-type cooperatives, and so on. If the Senator is referring to the total holdings then the appropriate figure is the one to which the Senator has referred.

Mr. BUSH. That is correct. I thank the Senator for that agreement.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. BUSH. Mr. President, I have no wish to prolong the discussion. I hope Senators will see the favorable aspects of the bill and that they will support the unanimous recommendation of the Committee on Banking and Currency by raising the permissive interest rate, so that the burden of financing these mortgages may be taken from the Treasury of the United States and the money may be provided in the long-term money market and the mortgage market of the people of the United States, the savers of the United States.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. BUSH. Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, I yield such time as he may desire to the distinguished senior Senator from Virginia [Mr. BYRD].

Mr. BYRD of Virginia. Mr. President, I shall vote against this bill, because I regard it as bad legislation.

It was a bad bill as it was introduced. It was a bad bill as it was reported by the committee. And amendments from the floor have not improved it.

I make this statement after my own analysis of the bill as it was reported from the committee.

In the first place, it is expensive in terms of budgetary expenditures, in terms of authority to expend from public debt receipts, and in terms of commiting public credit.

As the bill was reported from the committee, it provided authorizations for budgetary expenditures totaling $3,102 million—$2,277 million out of direct appropriations, and $825 million from authorizations to expend from public debt receipts. In addition, it authorizes further commitment of public credit in terms of Federal insurance and guarantee of private mortgages, and so forth, totaling $10,125 million. The grand total would be $13,227,025,000 in Federal money and public credit.

These amounts are available by years as follows:

For the current fiscal year 1959 the bill would authorize an additional $358 million in contract and other authority to appropriate, $825 million in authority to spend out of public debt receipts, and $5,125 million in additional public credit in terms of authority to insure and guarantee private mortgages—total $6,308 million.

For fiscal year 1960 the bill would authorize $358 million in contract and other authority to appropriate, and $5 billion in additional public credit in terms of authority to insure and guarantee private mortgages—total $5,358 million.

For fiscal year 1961 the bill would authorize $351 million in contract and other authority to appropriate.

For fiscal year 1962 the bill would authorize $351 million in contract and other authority to appropriate.

For fiscal year 1963 the bill would authorize $350 million in contract authority and other authority to appropriate.

For fiscal year 1964 the bill would authorize $350 million in contract authority and other authority to appropriate.

In addition, the bill provides:

First. One hundred and sixty million dollars in contract and appropriation authority without specific fiscal year limitation; and

Second. Authority to spend from public debt receipts for the urban renewal program in unlimited amounts for an indefinite period, subject only to the discretion of the President.

In addition to the excessive costs incident to this legislation, the bill would loosen up virtually all of the numerous Federal housing programs.

I ask unanimous consent to have my analysis of the bill printed in the RECORD as a part of my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SUMMARY OF PROVISIONS IN SENATE BILL 57 AS REPORTED

This omnibus housing bill of 1959 (S. 57) as reported by the Senate Banking and Currency Committee, would authorize an additional $13.2 billion in Federal funds and public credit to loosen, liberalize, and finance the whole repertoire of Federal housing programs.

These Federal housing programs include FHA (Federal Housing Administration), college housing loans and guarantees, Fannie Mae (FNMA—Federal National Mortgage Association), farm housing, veterans' housing, city planning scholarships, and community facilities.

FHA

This bill would provide for the continuation of the FHA insurance program for another year through fiscal year 1960 with new and accelerated insuring authority of $10 billion—an additional $5 billion for fiscal year 1959 and $5 billion for fiscal year 1960.

(This proposed $5 billion for fiscal year 1959, together with the $4 billion enacted in the last session of Congress, would make a total of $9 billion in new insuring authority available during the current fiscal year 1959.)

With this acceleration, the bill would liberalize all aspects of the FHA insurance program, including coverage, insurable amounts, equity requirements, and cost limits.

Provisions of this bill would permit FHA mortgage insurance to cover commercial and community facilities (which the Commissioner deems "adequate to serve the occupants") constructed in connection with regular rental, cooperative, relocation, and the new elderly persons' housing programs.

The bill relieves banks of the full costs of foreclosure, etc., and requires FHA to pay them. In addition, the bill gives FHA authority to act to avoid foreclosure on certain mortgages (one- to four-family dwellings), by postponing foreclosure or by direct purchase prior to foreclosure. This, in effect, provides a moratorium, under certain conditions, on bad mortgages.

Almost universally throughout the FHA program, the bill would raise the level of unit cost limitations by 10 percent or more.

Some of the FHA programs, such as military housing, cooperative housing, and urban renewal relocation housing, are freely conceded to include economically unsound projects. The bill would greatly increase the so-called incentives for sponsors in these programs, as well as loosen and broaden their benefits and objectives.

Among other added incentives, the "replacement cost" basis for computing some insurable mortgages would be liberalized to cover up to 100 percent of "out-of-pocket" costs to the builder whatever these may be.

The bill's expressed objectives in this respect are to reduce the builder's equity in his own project, assure his profit and insure him against risk. At the same time, the bill would make it easy for fraudulent operators to evade the FHA "blacklist."

The bill would broaden relocation and other housing programs in urban renewal areas to include housing for individuals and single persons—roominghouses and hotel-dormitory type projects.

The military housing program would be revised to permit the Secretary of Defense to pay FHA mortgage insurance premiums for servicemen.

The bill would create a whole new loosely drawn 100 percent mortgage insurance program for so-called "housing for elderly persons." The program would include both dwelling units and nursing home facilities, as well as commercial and special facilities "adequate to serve the occupants."

This program is given a big fanfare in the bill as a housing program for elderly persons, but the actual language does not restrict occupancy to elderly persons. In fact, there is no limitation on rental rates or tenant income, and there is no restriction against luxury-type units. In this program the bill would waive all standards for economic soundness.

URBAN RENEWAL

The bill would extend and expand the urban renewal program and authorize $2,250 million in capital grants at the rate of $350 million a year for 6 years.

One of the urban renewal program objectives according to the bill would be to stimulate plans and projects on a statewide basis, and the bill directs the Administrator to encourage such projects.

The bill would set up a brandnew, unlimited, program of loose loans to local public agencies. These Federal funds, to be expended from public debt receipts, would be given to local public agencies for purchase of land and demolition of structures in a

proposed general slum clearance area, before plans are formulated and costs are estimated. The lid is taken off of the $1 billion limitation on Federal funds available for urban renewal loans and left only to the discretion of the President. This is really a blue-sky provision for the space age.

The bill would set up another brandnew program of housing giveaways called community renewal grants to localities. The Federal funds would be spent for local long-range renewal planning, identification of potential slum areas, preparation of project plans and cost estimates, etc.

In addition, the bill would broaden renewal areas to include environs for special FHA mortgage and relocation subsidies. But the bill does not define environs.

The program originally contemplated that the localities bear one-third of the cost of their urban renewal projects. This bill would further lessen the contribution of the localities by allowing them credit for several new categories of noncash grants. Credit would be allowed for public utilities, improvements, etc., financed from revenue bonds. Credit would also be allowed to localities where educational institutions construct buildings or other improvements in or near the renewal area.

The $2,250 million in new urban renewal grant money authorized in this bill would be in addition to the $1,350 million already authorized for this purpose. Along with this $3.6 billion in money for grants there is also the unlimited authority to spend from the public debt for urban renewal loans.

In addition to all the direct Federal funds and credit available to the urban renewal program, this bill would amend the National Bank Act to allow private banking institutions to purchase local agency long-term, urban renewal bonds, which would be indirectly secured by the Federal Government. Under these provisions the Federal Government would, in effect, underwrite directly and indirectly the total loss of any project.

This bill would authorize appropriations of an additional $10 million (for a total of $20 million) for direct grants to assist urban planning in small communities.

FHA

With respect to public housing the bill would institute broad revisions of the program's aims and policies.

It is clear from the bill that public housing would be made an adjunct to urban renewal. PHA in the future would provide social and recreational guidance as well as low-rent housing to its tenants.

The bill would limit Federal control and enlarge the power of the autonomous local authorities through whom the Federal funds are spent.

In more detail, the new public housing policy objectives under the bill would include:

1. Development of low-rent housing in urban renewal areas.

2. Extend PHA program to include acquisition and rehabilitation of old houses, etc.

3. Vesting authority for determining tenant qualifications and rental rates in the local agencies, without PHA approval.

4. Allowing overincome tenants to continue occupancy of low-rent public housing units.

EDUCATIONAL HOUSING

The bill then would extend, expand, and revise the program for loans to educational institutions for so-called college housing. Federal funds in this program would be no longer limited to college housing. This bill would make them available also for construction and rehabilitation of classroom facilities, including buildings and equipment.

The present program is authorized to spend out of the public debt up to $925 million for college dormitory loans. This bill would increase the dormitory loan fund by $400 million to a total of $1,325 million. In addition, this bill would authorize expenditure of $125 million more for construction and rehabilitation of classroom facilities. These funds would be available for direct Federal long-term loans of up to 50 years at low-interest rates.

In addition to the $125 million direct loan fund under this new classroom facility program, the bill would authorize the HHFA Administrator to fully guarantee up to $125 million in long-term private borrowings by educational institutions for this purpose.

MILITARY HOUSING

It has been contended that the military housing program has been slow getting started, and for this reason the bill would extend the program for another year, liberalize it, increase the limitation on unit costs, etc.

The bill would create a new program of FHA mortgage insurance for housing in defense impacted areas with the broadest incentives, including waiver of all requirements for economic soundness.

In this program as in all others, the bill would allow inclusion of commercial and community facilities in mortgage amounts.

MISCELLANEOUS

In its more or less miscellaneous provisions, the bill would:

1. Increase FNMA special assistance activities in connection with housing in urban renewal areas by raising the individual mortgage ceilings to the maximum established by FHA.

2. Extend for 1 year FNMA authority to purchase at par mortgages under special assistance functions.

3. Authorize long range farm housing research at an expenditure rate of $75,000 a year for 3 years, with additional authorization for the current year.

4. "Express desire" that study and research be undertaken on subject of housing for migratory workers, and direct a new survey into status of public works planning.

5. Give the Veterans Administration another $300 million in authority to spend from public debt receipts for direct loans to veterans for housing. This brings the total program for direct housing loans to veterans to $1,383 million. This is in addition to unlimited authority to guarantee veterans' housing mortgages.

6. Consolidate Lanham Act with other low-rent projects.

7. Extend voluntary home mortgage credit program for 2 years through 1961.

8. Establish a brand-new 3 year program of grants for scholarships and fellowships to train "professional city planners."

9. Revive and extend the defunct Defense Housing and Community Facilities and Services Act, to provide Federal loans and grants for hospital construction.

THE MONEY

Analysis shows clearly that the bill is primarily for sponsors, builders, and lenders. Home buyers and tenants are necessary incidentals.

This has been a characteristic of housing legislation since World War II when the Federal Government began both direct and indirect subsidy of the housing industry in all of its principal facets by billions of dollars.

Public credit and Federal money authorized under this bill alone would total $13.2 billion; $10.1 billion in authority to guarantee and insure mortgages, $2.3 billion in contract authority and other authority to appropriate, and $825 million in authority to expend from public debt receipts.

In addition to this, the bill makes available an unlimited amount to be spent from public debt receipts subject only to the "discretion of the President."

TABLE I.—*Federal credit and money available for housing and related programs under S. 57, Housing Act of 1959, as reported by Senate Committee on Banking and Currency*

	Authority to insure and guarantee	Authority to expend from public debt receipts	Contract authority and other authority to appropriate	Total	Remarks
Federal Housing Administration: Authority to insure mortgages:					
Fiscal year 1959	$5,000,000,000			$5,000,000,000	1-year extension of insuring authority. New 1959 insuring authority would be in addition to $4,000,000,000 already authorized for the year.
Fiscal year 1960	5,000,000,000			5,000,000,000	
Total	10,000,000,000			10,000,000,000	
Urban Renewal:					
Authority to enter into contracts with local public agencies:					
Capital grants:					
Fiscal year 1959			$350,000,000	350,000,000	Authority to enter into contracts with local agencies which will require appropriations in subsequent years. Sets up new "Community Renewals" program including planning grants and identification of potential slum areas.
Fiscal year 1960			350,000,000	350,000,000	
Fiscal year 1961			350,000,000	350,000,000	
Fiscal year 1962			350,000,000	350,000,000	
Fiscal year 1963			350,000,000	350,000,000	
Fiscal year 1964			350,000,000	350,000,000	
Additional, in any one fiscal year			150,000,000	150,000,000	
Subtotal, capital grants			2,250,000,000	2,250,000,000	

TABLE I.—*Federal credit and money available for housing and related programs under S. 57, Housing Act of 1959, as reported by Senate Committee on Banking and Currency*—Continued

	Authority to insure and guarantee	Authority to expend from public debt receipts	Contract authority and other authority to appropriate	Total	Remarks
Urban Renewal—Continued					
Loans to local public agencies for advance land acquisition and demolition.					Bill would authorize the President, at his discretion, to exceed the existing authority to expend from public debt receipts of $1,000,000,000.
Urban planning grants for small communities (appropriation).			$10,000,000	$10,000,000	Additional authority to appropriate for planning grants to cities of 50,000 population or less and adjacent communities.
Subtotal, urban renewal			2,260,000,000	2,260,000,000	
College housing:					
Loans for college housing		$400,000,000		400,000,000	Expansion of existing program.
Loans for construction and rehabilitation of educational facilities, etc.:					
Loan guarantee program	$125,000,000			125,000,000	New program for both guaranteed and direct loans to colleges for construction and rehabilitation of classrooms, laboratories, and related facilities, including initial machinery, equipment and utilities.
Direct loan program		125,000,000		125,000,000	
Subtotal, college housing	125,000,000	525,000,000		650,000,000	
Farm housing research:					
Fiscal year 1959			300,000	300,000	
Fiscal year 1960			75,000	75,000	
Fiscal year 1961			75,000	75,000	
Fiscal year 1962			75,000	75,000	
Subtotal, farm housing research			525,000	525,000	
Veterans' Administration: Direct loans to veterans		300,000,000		300,000,000	Available without fiscal year limitation to cover backlogs.
City planning scholarships and fellowships:					
Fiscal year 1960			500,000	500,000	
Fiscal year 1961			500,000	500,000	New program.
Fiscal year 1962			500,000	500,000	
Subtotal			1,500,000	1,500,000	
Defense Housing and Community Facilities and Services Act: Hospital construction:					
Fiscal year 1959			7,500,000	7,500,000	Bill would ervive and extend loan and grant program.
Fiscal year 1960			7,500,000	7,500,000	
Subtotal			15,000,000	15,000,000	
Total, Housing Act of 1959 (S. 57)	10,125,000,000	825,000,000	2,277,025,000	13,227,025,000	

As of the end of the last fiscal year, on June 30, 1958, existing authorizations for public credit and Federal money in housing totaled $47.4 billion. To this will be added all additional authority becoming effective since last June 30, including that granted in this bill.

More than $93 billion in public credit and Federal funds was used through Federal housing and related programs between 1933 and June 30, 1958. This figure represents total use of Federal authority to spend, insure, guarantee, etc., in all Federal housing and related programs, existing and expired. It is a cumulative gross total of loans and grants, mortgages purchased, loans insured, etc. It excludes repayments.

TABLE II.—*Summary of public credit and money (gross) used under Federal housing and related programs, 1933 to June 30, 1958*

[In thousands of dollars]

Program	Authority to make loans, grants, purchase mortgages, and insure loans		Authority to expend from public debt receipts			Appropriations		Administrative expenses [1]	Reserves from earnings	Payments to U.S. Treasury (interest, dividends, and capital)
	Total current authority	Cumulated gross total authority used	Total current authority	Gross amount borrowed	Owed to Treasury	Total	Unexpended balance			
Housing and Home Finance Agency:										
Authority to make loans, grants, and purchase mortgages:										
Office of the Administrator:										
College housing loans	[2] 925,000	380,672	925,000	409,245	388,857			4,477		[3] 15,397
Public facility loans	100,000	11,285	100,000	13,700	13,700			793		[3] 197
Slum clearance and urban renewal:										
Loans	[2] 1,000,000	171,112	1,000,000	87,000	73,000					[3] 3,533
Capital grants	1,350,000	139,922				(157,000)	25,647	22,198		
Urban planning grants	10,000	3,678				(5,575)				
Public works planning	34,000	4,732				(17,000)	13,317	860		
Housing studies	1,500									
Federal National Mortgage Association:										
Secondary market operations (trust fund)	1,896,010	1,765,414	2,315,000	1,862,498				5,831		[3] 12,045
Special assistance functions	2,650,000	169,273	2,639,529	164,159	153,751			658		[3] 2,819
Management and liquidating functions [4]	2,195,633	3,006,915	2,332,910	5,215,590	1,348,291			23,354	109,411	[3] [5] 339,318
Public Housing Administration:										
Administrative expenses						77,499	1,119			
Annual contributions	336,000	498,464				(511,572)		119,422		
Loan authorizations	[2] 1,500,000	4,788,370	1,500,000	5,117,074	35,000					[3] [5] 96,989
Total authority to make loans, grants, and purchase mortgages	11,998,143	10,939,837	10,812,439	12,869,266	2,012,599	77,499	40,083	177,593	109,411	470,298

See footnotes at end of table.

TABLE II.—*Summary of public credit and money (gross) used under Federal housing and related programs, 1933 to June 30, 1958*—Con.

[In thousands of dollars]

Program	Authority to make loans, grants, purchase mortgages, and insure loans		Authority to expend from public debt receipts			Appropriations		Administrative expenses [1]	Reserves from earnings	Payments to U.S. Treasury (interest, dividends, and capital)
	Total current authority	Cumulated gross total authority used	Total current authority	Gross amount borrowed	Owed to Treasury	Total	Unexpended balance			
Housing and Home Finance Agency—Continued										
Authority to insure loans:										
Federal Housing Administration:										
Title I:										
Insurance program, sec. 2 (home improvement)	1,750,000	11,011,659	----------	----------	----------	46,577	----------	34,029	67,616	[6] 8,333
Housing insurance program, sec. 8		204,260	----------	----------	----------	----------	----------		4,197	----------
Title II:										
Mutual mortgage insurance program, sec. 203		27,422,540	----------	----------	----------	41,994	----------		406,091	[6] 59,054
Housing insurance program, sec. 207–210 (rental)		537,295	----------	----------	----------	4,170	----------		9,831	[3] [6] 5,557
Housing insurance program, sec. 213 (cooperative)		736,031	----------	----------	----------		----------			
Rehabilitation and neighborhood conversion, sec. 220		91,574	----------	----------	----------	----------	----------		955	----------
Relocation housing, sec. 221		24,334	----------	----------	----------	----------	----------		823	----------
Servicemen's mortgage insurance program, sec. 222		476,809	----------	----------	----------	----------	----------		3,980	----------
Open-end mortgages, sec. 225	32,083,994	96	----------	----------	----------	----------	----------	338,215	----------	----------
Title VI (war housing):										
Sec. 603 (1- to 4- family)		3,645,217	----------	----------	----------	5,000	----------		150,842	[3] [6] 6,390
Sec. 608 (multiple rental)		3,440,017	----------	----------	----------		----------			
Sec. 609		5,316	----------	----------	----------		----------			
Secs. 610 and 611		37,014	----------	----------	----------		----------			
Title VII (housing investment insurance program)		----------	----------	----------	----------	1,000	----------		890	[3] [6] 1,103
Title VIII (military housing):										
Sec. 803		1,394,412	----------	----------	----------	5,000	----------		10,161	[3] [6] 5,441
Sec. 809		15,774	----------	----------	----------	----------	----------			
Title IX (defense housing):										
Sec. 903		517,270	----------	----------	----------	----------	----------		----------	----------
Sec. 908		63,427	----------	----------	----------	----------	----------		----------	----------
Total, authority to insure loans	33,833,994	49,623,046	----------	----------	----------	103,741	----------	372,248	655,386	85,883
Other:										
Office of the Administrator:										
Revolving fund for liquidating programs:										
Lanham public works	----------	----------	----------	----------	----------	65,807	----------			
Defense community facility:										
Loans	----------	3,233	----------	----------	----------	(14,245)	----------			
Grants	----------	11,012	----------	----------	----------	6,380	----------			
Advance planning, non-Federal public works	----------	----------	----------	----------	----------	93,607	----------			
Alaska housing program	----------	17,753	----------	----------	----------	17,753	----------	131,718	----------	[3] [6] 704,647
						1,247				
Loans for prefabricated housing	----------	52,444	----------	36,170	----------	----------	----------			
Public Housing Administration:										
Public war housing	----------	----------	----------	----------	----------	[7] 1,654,978	----------			
Subsistence homesteads, etc	----------	----------	----------	----------	----------	[7] 62,454	----------			
Veterans reuse housing	----------	----------	----------	----------	----------	[7] 442,625	----------			
Homes conversion program	----------	----------	----------	----------	----------	[7] 90,109	----------			
Total, other	----------	84,442	----------	36,170	----------	2,417,207	----------	131,718	----------	704,647
Total, Housing and Home Finance Agency	45,832,137	60,647,324	10,812,439	12,905,436	2,012,599	2,598,447	40,083	681,559	764,797	1,260,828
Federal Home Loan Bank Board:										
Federal home loan banks	([8])	([8])	1,000,000	----------	----------	----------	----------	----------	----------	[3] [6] 150,917
Federal Savings and Loan Insurance Corporation	([9])	----------	750,000	----------	----------	----------	----------	9,528	265,207	[3] [6] 123,415
Home Owners Loan Corporation	----------	3,498,903	----------	3,279,669	----------	----------	----------	272,792	----------	[6] 200,000
Total, Federal Home Loan Bank Board	----------	3,498,903	1,750,000	3,279,669	----------	----------	----------	282,320	265,207	474,332
Veterans' Administration:										
Guaranteed loans	([10])	23,927,997	----------	----------	----------	859,713	----------	157,000	----------	[6] 105,171
Direct loans	966,485	880,307	783,056	783,056	780,078		----------		38,408	[3] [6] 58,689
Total, Veterans' Administration	966,485	24,808,304	783,056	783,056	780,078	859,713	----------	157,000	38,408	163,860
Department of Agriculture:										
Farmers Home Administration:										
Farm ownership loans:										
Direct	[11] 50,000	525,606	50,000	556,446	([12])	30,000	----------	([12])	----------	([12])
Insured	[13] 125,000	200,069						([12])	----------	----------
Farm housing loans	450,000	154,906	450,000	152,174	([13])	1,350	----------	([12])	----------	----------
Farm housing grants	----------	364	----------	----------	----------	1,050	----------	([12])	----------	----------
Contributions	----------	138	----------	----------	----------	----------	----------	----------	----------	----------
Total Department of Agriculture	625,000	881,083	500,000	708,620	----------	32,400	----------	----------	----------	----------
Grand total	47,423,622	[14] 89,835,614	13,845,495	17,676,781	2,792,677	3,490,560	40,083	1,120,879	1,068,412	1,899,020

[1] Includes expenditures from appropriated and agency funds.
[2] Lending authority limited by corporate resources, including authority to expend from public-debt receipts (col. 3). Generally, authority is equal to authority to expend from public-debt receipts.
[3] Interest.
[4] Cumulative since transfer to HHFA; records while under RFC not available.
[5] Dividends.
[6] Capital.
[7] Represents allocations or reallocations to PHA and predecessors on basis of best information available.
[8] Figures excluded; Federal home loan banks now privately owned.
[9] No monetary limitation; loans to prevent default of insured institutions.
[10] Unlimited, except by maximum to which individual loans may be guaranteed.
[11] Amount authorized by Congress for fiscal year 1958. Authority is granted annually.
[12] Not available.
[13] Annual limitation.
[14] Cumulative gross total of loans and grants, mortgages purchased, and loans insured. Excludes repayments.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Utah [Mr. BENNETT].

Mr. BENNETT. Mr. President, the point of view with respect to interest rates on veterans' loans which has been expressed by my colleague from Oklahoma is one which has quite a few adherents in the Senate, and for many years it represented a majority opinion in the Committee on Banking and Currency. I am happy to say that this year the members of the committee realized that the program was effectively stifling the VA loan program. While there was a stifling of loans directly to veterans, the realism with which we freed the interest rates on FHA loans earlier has resulted in the largest number of housing starts in the past year, with I think two exceptions, in our history. There is plenty of money in the private money market for the building of homes, both with and without Government guarantee, at a realistic interest rate. The committee this time, in my opinion, has made it possible for the veterans to again secure private money for the building of homes.

I was impressed by the concern of the Senator from Oklahoma that we would be faced by a fiscal debacle; and that if the comparatively few loans were made at rates as high as 5¼ percent, they would be a lever to pry up the whole level of rates on Government loans to the point where it would produce an almost insurmountable obstacle for the financing of our Federal debt.

The fact that FHA has been able to secure billions of dollars in mortgage money at the realistic rate to which the VA loans are now raised, would indicate—and this has been going on for a year or so—that our friend is probably a little overconcerned about the effect on the fiscal program.

Actually the thing that is facing the whole mortgage market, and the whole problem of borrowing money at fixed interest, is the inflation that has gotten into the stock market. I heard one of America's leading stockbrokers make the comment the other day that he was dealing in secondhand securities. That is an interesting comment. Under present circumstances and in the present financial situation, it is almost impossible to get money for equity financing. It is becoming equally difficult to get people to lend money on fixed income obligations. The result is that the interest rates are being forced up, because there is a shortage of money in the market for mortgages and other fixed income obligations.

There is no sitdown strike on the part of bankers. There is a reluctance of American investors, American savers, institutional investors, and others to take their money away from the inflationary prospects created in the stock-market.

Over the past few years the committee has bewailed the fact that somehow veterans could not get any money for loans to build homes.

Instead of trying to keep the interest rates on VA loans substantially below those of FHA, since there is a Government guarantee behind both loans. I believe the Senate would be well advised to follow the lead of the committee and approve the proposed change in the interest rate. It is a change which would make these loans again attractive to the investors and make it possible for our veterans to get money through the Veterans' Administration system. I am sure that most of them in the past few years have not gone without mortgage money for their homes. They have turned, instead, to the FHA program, which was on a more realistic basis. I am happy to know that this new veterans' program will operate on a parallel and equally satisfactory basis.

Mr. MONRONEY. Mr. President, I cannot dissociate the impact of a legislated interest rate increase throughout the whole structure of the Federal housing program from the borrowing that the Secretary of the Treasury will have to go through in the next year. The bill would help the moneylenders, the mortgage bankers, and a few who want to build a few more GI houses the easy way, and whose attitude is that they do not care, even if it would raise the interest cost to 6½ percent.

That does not seem very important to them, but it is very important from the standpoint of the inflationary impact. The fact is that these mortgages, when we put a premium on it, as we are doing by congressional action, absorbs the money that would be going into Government bonds. Of course we have seen the rate double and treble and quadruple on short-term issues. The spiral goes on and on, in the eager desire to make the wages of money so much higher than the wages of people. That is what the issue is today. Senators who wish to vote for that spiral will have to take the responsibility, but they will also eventually have to vote to break the ceiling on the interest the Government can pay, perhaps before Congress adjourns.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. PROXMIRE. In the first place, I could not agree more with the objectives and principles voiced by the Senator from Oklahoma.

Of course he is right. There is no question in my mind that he is right in saying that the interest rates are too high, and that this is a hard money administration.

This is a very difficult question for me to decide, particularly because the testimony before our Banking and Currency Committee was overwhelming that unless the artificial 4¾ rate is increased to 5¼ percent, no veterans' housing will be built. We are told that unless we do it, we will not help the veteran; we will not help the builder, and the building industry is a small business industry; we will not help the unemployed construction worker who needs a job building homes.

I should like to ask the distinguished Senator from Oklahoma, whether he can in any way resolve this impasse. I would be happy to support him in his amendment if we could get the interest rate down or if we can provide a market for veteran mortgages in any other way so as to make it possible for veterans to build their homes. If we could do that, he would have my vote on his amendment. If I cannot be convinced that it can be done, I shall have to vote against his amendment.

Mr. MONRONEY. If the Government would accept, under this administration, the responsibility which the Government accepted under President Truman and President Roosevelt, and, through FNMA support the Government-insured mortgages at par, we would have an adequate amount of building, and we would get away from the inflationary spiral. All we have to do is give FNMA more money and give it the direction to support the mortgages at par. If we do that, we will get the private money out in a short time. It cost the Government nothing during the entire operation previously, and a profit was made by the Government under Democratic administrations. Shortly after the Republicans came into office they wanted to reorganize the whole program, and they turned it into another organization. It became a semiprivate operation. Instead of supporting the bonds, FNMA fixed uniform discount rates.

Mr. PROXMIRE. I realize the difficulties involved. However, is there anything in the Senator's amendment which would make it possible for FNMA to do it, or make it mandatory on the part of FNMA to do it, in view of the administration's attitude?

Mr. MONRONEY. My amendment does not include such a provision, but I understand that the distinguished Senator from Tennessee (Mr. GORE) has an amendment which would do it. If my amendment prevails, he intends to offer such an amendment.

Mr. GORE. Instead, I plan to offer it as an amendment to the amendment of the distinguished Senator from Oklahoma. I propose to do it immediately after I obtain recognition.

Mr. MONRONEY. I am happy to yield for that purpose.

Mr. GORE. I should like to get the floor in my own right.

Mr. MONRONEY. I should like to yield some time to my distinguished senior colleague, if I may. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 11 minutes remaining; 24 minutes remain on the other side.

Mr. BENNETT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Utah will state it.

Mr. BENNETT. Did the time limitation agreement include amendments to the Monroney amendment, or would the amendment of the Senator from Tennessee be outside that time limitation agreement?

The PRESIDING OFFICER. The agreement is silent on amendments to an amendment. The Chair assumes that the answer is that the time limitation does not apply to the amendment.

Mr. MONRONEY. I yield 8 minutes to my distinguished senior colleague.

Mr. KERR. Mr. President, any consideration of the amendment makes it

necessary for us to look at the basic facts with reference to interest rates and inflation, as well as the contribution which the Government and its operation makes either to inflation or to the rate of interest required to be paid in the money market for loans. The present budget, which came to Congress the other day, calls for nearly $8,100 million for interest on the public debt in the fiscal year 1960.

That is between $2 billion and $2,200,-million more than was the interest on the public debt in fiscal 1952, the last full fiscal year of the previous administration. That means that the interest on the public debt has risen in excess of two-thirds of 1 percent of the total outstanding Government debt, in spite of the fact that a very large percentage of it still draws 2½ percent, the rate which was fixed prior to the inauguration of the Eisenhower administration. Interest rates are a full 1½ percent higher on Government financing today than they were when Mr. Eisenhower took office. That means that the interest required to be paid on private borrowing is 1½ percent higher, or more.

Since there is a total of in excess of $800 billion of public and private debt, that means that the borrowers of the country, including the Government, are now paying a penalty of at least $12 billion a year in excess interest, over and above what the going rate was in fiscal 1952, with reference to the debt, public and private, outstanding at that time.

Is there a Senator who can point to any other inflation contribution greater than the impact of that penalty of $12 billion a year in interest now being paid by the American people on public and private debts by reason of the fiscal policies and monetary control policies of this administration? The horror of horrors is that if present policies continue, that penalty will be fixed on the debt structure of the country when this administration goes out of power, and the American people will continue to pay that excess interest penalty for a generation.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. JOHNSTON of South Carolina. I wish to verify the statement which the Senator from Oklahoma has made concerning the interest rate for individuals going up 1½ percent. In 1952 I was able to borrow from a bank in South Carolina at the rate of 3 percent. The bank said that that was the rate it was necessary to charge me in order to cover its costs.

The administration had not been in office, in 1953, much more than 9 months when I again went to the bank. At that time I was asked to pay 3½ percent, in order to cover the costs. One year later I went to the same bank to borrow again. At that time I was told that because the bank itself had to pay increased interest charges, I would have to pay 4 percent. Later the rate was increased from 4 percent to 4½ percent. On each occasion I was borrowing approximately the same amount for personal uses—$6,000, $8,000, or $10,000.

But in about March or April of last year the bank reduced its interest rate. It was election year. I went to the bank and said that since the interest rate had been raised on several occasions in previous years, they should then reduce it for me. The record will show that the bank did reduce the rate a half percent last year.

This is an example of how interest rates affect the individuals of the Nation when they seek to borrow small sums from their banks. In my own case, the amount was small. I needed $5,000 or $6,000 at that time. I can bear that statement out with proof. I shall be glad to show the notes to any Senator who wants to see them.

I predict that some time next year, just before the election, interest rates will be reduced a little. But if we adopt these additional rates, they will stay up.

Mr. KERR. I thank the Senator from South Carolina. I have one more observation to make.

Interest rates will be made either by Congress or by an agency to which Congress has delegated the power to fix the interest rates. Should Senators shy away from the duty of fixing interest rates, when if they fail to do so those interest rates will be fixed by the Federal Reserve System, which is a creature of Congress? There is not a Senator who does not know that the Federal Reserve System fixes the interest rates.

The PRESIDING OFFICER. The 8 minutes yielded to the Senator from Oklahoma have expired.

Mr. MONRONEY. I yield 3 additional minutes to the senior Senator from Oklahoma.

Mr. KERR. Are we so timid, are we so scared of the power of members of an agency which is our creature, that we are afraid even to talk to them or to establish a policy by legislation which will govern them in the use of the powers which have been delegated to them by Congress?

If we increase the interest rate limit, as is proposed by the original bill, from 4¾ to 5¼ percent, it will mean that we shall have approved the fiscal control policies and monetary control policies of this administration through the Federal Reserve System, which has brought about the increases in interest rates now in existence. It will give that agency further evidence and indication that its actions have had our approval, and that we are either too timid or too cowardly to say to it, "The time has come to stop this mad and reckless increase in interest rates which affects the whole debt structure of the country."

I think Congress should recognize that either it will fix the interest rates or will decline or fail to exercise its prerogative to meet this responsibility, with the result that its creature, the Federal Reserve Board, will fix them.

Therefore, I urge support of the amendment of the distinguished junior Senator from Oklahoma.

Mr. GORE. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the amendment offered by the junior Senator from Oklahoma it is proposed to add the following:

On page 148, between lines 14 and 15, insert the following:

"(b) (1) Section 303 of such Act is amended by striking out '$115,000,000' in subsections (d) and (e) and inserting in lieu thereof '$215,000,000'.

"(2) Section 304(c) of such Act is amended by striking out '$2250,000,000' and inserting in lieu thereof '$3,250,000,000'.

"(c) Section 304(a) of such Act is amended by striking out all that follows the first sentence and inserting in lieu thereof the following: 'Notwithstanding any other provision of this title, the price to be paid by the Association for mortgages purchased in its secondary market operations under this section shall be not less than the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items, and no charges or fees for its services under this section shall be imposed by the Association.'"

On page 148, line 15, strike out "(b) (1)" and insert in lieu thereof "(d) (1)".

On page 149, line 6, strike out "(c)" and insert in lieu thereof "(e)".

On page 149, line 9, strike out "(d)" and insert in lieu thereof "(f)".

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Tennessee yield for that purpose?

Mr. GORE. I yield without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

Mr. GORE. Mr. President, the amendment I have offered directs the Federal National Mortgage Association to support—by purchase, if necessary—home loan mortgages guaranteed or insured by the U.S. Government. That would not be a new endeavor for this governmental organization. Indeed, the Federal National Mortgage Association now has authorization to do exactly that, by the purchase of home loan mortgages guaranteed or insured by the Government, to the extent of $2,800 million. So what I am proposing is not an innovation; it is not an idea extracted from a foreign ideology. The amendment proposes that the Federal National Mortgage Association exercise the authority it now has, and use the funds now available to it for the same purpose for which it already has used approximately one-half of its authorization. Of the $2,-800 million authorization now available to the Federal National Mortgage Association for the purchase of Government-insured and Government-guaranteed home mortgages, it has used approximately one-half, or $1,400 million, which means that it has remaining, yet unused, an authorization of $1,400 million.

The amendment I have proposed directs it to support, at par, loans on American homes guaranteed or insured by the U.S. Government.

In addition to directing it to do so by using authorizations which the Congress already has provided, my amendment would strike out "$115,000,000", and would insert in lieu thereof "$215,000,000".

How would that part of the amendment operate? The amendment I have proposed would authorize the U.S. Treasury to purchase an additional $100 million worth of preferred stock of the Federal National Mortgage Association.

Under its charter and under the law, when the Treasury of the United States purchases one dollar's worth of preferred stock, the Federal National Mortgage Asssociation has authority to sell its debentures to the public or to the Treasury in the amount of $10. So, by authorizing the Treasury to purchase $100 million worth of stock—not to expend $100 million, but to buy stock in this organization, which has earned a profit throughout its existence—we would increase the borrowing authority of this governmental organization to $2,500 million, and we would direct that it use these funds and such other authority as it may have to support, at par, through secondary market operations, mortgages on American homes that are guaranteed or insured by the United States Government.

Mr. President, why does the Government of the United States insure a mortgage on an American home? We have undertaken to have the Government do so in order to broaden home ownership. What institution is more basic to our way of life than home ownership? What will contribute more to the stability of our way of life than to make it possible for young husbands and wives to build or to buy decent homes in which to rear their children? Ah, Mr. President, what better security is there than a mortgage on an American home, signed by the father and the mother, the husband and the wife, and then guaranteed by the Government of the United States?

I say to you, Mr. President, that if it is wise for the United States Government to guarantee the soundness of a loan on an American home, then it is obligatory upon us to make that guarantee effective. Is not ours a Government of dignity and integrity? Why would we go through a pusillanimous operation of guaranteeing a mortgage on an American home, and then sit idly by and see it subjected to discounts under the table?

Mr. President, I am willing to support a home ownership program which will make available to American men and women who wish to build homes or to buy homes credit at reasonable rates of interest. In fact, not only am I willing to do so, but I propose to direct that the Government provide a market for these mortgages, at par.

Lest someone think this a radical proposal, let me point out that it comes, not from a distant land, but from successful experiences in three administrations of the United States Government—namely, the administration under the late President Roosevelt, the administration of former President Truman, and for the first 2 years of the administration of President Eisenhower.

Yet, Mr. President, the first bill to be considered by this new Congress, a Democratic Congress, is a measure, not to instill life into a successful Democratic program, but a bill which would constitute an endorsement of the tight-money policy, against which every Member on this side of the aisle who campaigned in the last November election, or at least almost every one of them, inveighed.

The senior Senator from Oklahoma has just made some provocative remarks about the burdens which the tight money policy of the government has brought upon the people; but half the story will not have been told, unless the Congress of the United States asserts the constitutional power and prerogative which belongs to it, and which can be exercised only by it or through its delegation.

I should like to supplement the able statement of the distinguished Senator from Oklahoma by citing one or two other instances. In the President's budget for the fiscal year 1960 the interest charges for carrying the public debt amount to 70 percent more than did the interest charges in 1946, when there was a debt of comparable proportions.

Let me cite another statistic. In 1945, when our national debt was $258 billion, the interest paid on the debt was $3,621 million. Let me repeat: $3,621 million.

The President requests that the Congress appropriate for next year $8,100 million to pay interest on the public debt. More than 10 cents out of every Federal tax dollar next year will go to pay interest on the public debt.

As the Senator from Oklahoma pointed out, if this unwise and unsound policy is pursued, unchecked and unhindered by the Congress of the United States, as the outstanding obligations mature and are refunded at higher rates, the burden which the American taxpayers must bear will go upward; and upward, by ever and ever larger amounts, must go the taxes they pay.

Why do I refer to the public debt of the United States in a discussion of the pending issue? I do so because this high interest program is part and parcel of the monetary and fiscal policies of our Government, which must be checked, which must be resisted, if we are to avoid the catastrophic consequences to which I have referred.

Mr. President, it will be recalled that 1 year ago the United States Senate was very much disturbed about unemployment and about the recession. Do Senators realize that 1 year ago, when we were so disturbed by unemployment in America, 5 percent of our working population was unemployed? I take it they do. Let me invite their attention to the fact that 6 percent of our working population is now totally unemployed, and some millions more are partially unemployed. Moreover, I call attention to the fact that 1 year ago the tight money policy had forced down Government bonds to $12 or $13 below par. During the current week, bonds of the U.S. Government have sold at $15 below par. Yesterday bonds of the United States were quoted at 85.12——

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Oklahoma.

Mr. MONRONEY. The distinguished Senator is referring to the fact that the bond market of the U.S. Government is going lower and lower. Does he not believe that if the Senate announces it is in favor of an inflationary increase, and ratifies it by voting to allow interest rates on Capehart housing to go to 5½ percent, we shall force the market on Government bonds still lower?

Mr. GORE. In reply to the able Senator, I should like first to call attention to the fact that as the U.S. Senate became more and more concerned with the dangers of recession and the consequences of the tight-money, high-interest rate policy 1 year ago, one Senator after another took the floor of the Senate and cried out against it. Partly as a result of that, and I believe partly out of concern over the danger of a recession, the Government of the United States reversed its policy, and for the following few months the interest rates of the U.S. Government underwent the most drastic reduction in the history of our country. But once the Congress had adjourned, the field was reversed, and the interest rate on Government obligations was deliberately pushed higher for the past 5 months at the most rapid rate in the entire history of the U.S. Government.

I should like to point out that from a low on U.S. bills—that is short-term paper—of less than 1 percent in June—0.881—the interest rate increased to 2.814 in December.

I should like to remind the Senator from Oklahoma that interest on prime commercial paper followed a similar course. From a low in July of 1.50, it followed the course set by the Government and rose to 3.33 in December.

Municipal bonds—bonds which the counties, the States, and the cities must sell to build schools and hospitals and to provide matching funds for the highway program—have suffered by this policy until one State legislature after another is now finding it necessary either to have new bond issues or to levy additional taxes in order to meet the additional obligations brought about as a result of the policies of the administration.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. GORE. I had not quite finished my reply to the distinguished Senator from Oklahoma. When I complete my reply I shall yield to the Senator from Ohio.

So, to answer specifically the question of the Senator from Oklahoma, my answer is in the affirmative. If this Congress embraces and endorses the tight money policy, which is tighter now than it was a year ago, and if it endorses the high interest rate, which is higher

now than it was a year ago, the influence of its action will be felt.

I daresay the Secretary of the Treasury might soon be before the Congress asking that the statutory limit on interest on Government bonds, which is now 4¼ percent, be increased. But I serve notice now, that if that occurs the battleline will be drawn and the trenches will be dug deep. Somewhere, somehow, someplace this ravage of the earnings of the American people who must borrow in order to live and build, must stop. A determined fight will be made to stop this process.

Mr. KERR. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KERR. Is it not entirely possible that if the Congress should raise the interest rate which it will guarantee on an evidence of indebtedness issued by an agency of the Government to the point of 5¼ or 5½ percent, we might contribute toward what might become the necessity for the Secretary of the Treasury to ask to have the limit of 4¼ percent, which is now in effect with reference to Government bonds, increased so that Government bonds would be competitive with other bonds which might be authorized by the act, guaranteed by the Federal Government, which would bear from 5¼ to 5½ percent interest?

Mr. GORE. The question of the able senior Senator from Oklahoma, first, illustrates his own keen awareness and understanding of the problem and, second, dramatizes the consequences of the action which I fear the U.S. Senate is about to take.

This is a strange performance. Like other Senators, I had the privilege and honor of going to the American people during the campaign last fall. Never once did I make a speech or hear a candidate on the Democratic ticket make a speech in the course of the campaign in which the Republican administration and Republican Party were not taken to task for the tight money and high interest rate policy which had brought on a recession, had brought on unemployment, and had stymied the housing program. Not only before the election was reference made to this subject, but our distinguished and able majority leader, whom I regard as one of the most able parliamentarians and political leaders who have graced and honored this Chamber and whose services this body has enjoyed during its history, referred to the issue on November 7, 1958, in a speech at Big Springs, Tex. I wish to quote one sentence from the speech:

> We need to face up to the high interest rates which are slowing the needed growth of our economy.

Mr. President, now is the time to face up to the problem. This is the first bill in connection with which the issue is presented, yet it is proposed to increase to 5¼ percent the interest rate on direct loans to veterans.

Our Government, with the approval of the Congress, makes loans to shipbuilders at 3½ percent; to private power companies at 4 percent, for the acquisition of nuclear fuel; and to REA cooperatives at 2 percent. Despite that, it is now proposed to charge a veteran, who has served his country in uniform, 5¼ percent interest on a mortgage on his home. Not only is that proposed, but, as the junior Senator from Oklahoma has said, other interest rate increases are proposed.

Mr. President, the Congress should face up to the one big issue in this session, which is the monetary and fiscal policy of our Government. I think we should start facing up to it wherever we see it and wherever we meet it. The Constitution of the United States places that responsibility upon the Congress. Congress must either exercise the responsibility or delegate it.

Mr. President, I now yield to the senior Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. I should like to ask a question for information. The Senator from Tennessee stated that Government bonds sold last week at 84. Does the Senator know the rate of interest those bonds bear?

Mr. GORE. I was referring to the 2½ percent victory bonds which many people bought in response to patriotic urging.

Mr. LAUSCHE. Will the Senator yield so that I may make a brief statement?

Mr. GORE. I yield.

Mr. LAUSCHE. I was on the bench as a judge in the 1930's. I sat in the room where the foreclosures came through; foreclosures on chattel mortgages, on sales contracts, and on land mortgages. There was nothing more painful for me to do as a judge than to calculate the huge deficiency in interest, add it to the defaulted principal, and order the property sold. Too frequently did I see before me debtors begging for help. I knew those debtors bought under circumstances under which they should not have bought. I knew they paid discounts. I vowed to myself—I would then have done it if it had not been for my oath—to hit that interest charge. Interest went up to 8 percent in some instances.

I have sympathy for the proposition argued by the Senator from Oklahoma—that is, that the moneylenders will take as much interest as the traffic will bear, and some day we may have to put a lower limitation upon the interest rate charged to private borrowers, exactly as we have put a limitation on the interest rate which may be charged to the Federal Government.

I thank the Senator very much for yielding to me.

Mr. GORE. I thank the Senator for his able contribution. In reply I invite attention to the fact that the last bond issued by the U.S. Government was issued with an interest rate of 4 percent, but today that bond is selling in New York at 98. This illustrates the point made by the senior Senator from Oklahoma.

Further, I remind the senior Senator from Ohio that in 1952 income from interest in the United States amounted to 2.43 percent of the total national income. The last figure I have is for the second quarter of 1958. In the second quarter of 1958 income from interest had jumped to 3.72 percent of the entire national income of all the people and corporations of the United States. These figures show how the present policies are bringing about a redistribution and a reconcentration of the income, economic opportunities, and benefits of the people of the United States.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Oklahoma.

Mr. MONRONEY. The distinguished Senator mentioned loans the Federal Government made to shipowners, I believe at 3½ percent, and to other loans. The Senator is also aware of the fact that we have made countless loans at 2 percent to former enemies of ours in the foreign field.

Do we not stand in a rather poor position when we make loans at low interest rates for all other purposes and then, when the veteran comes before us for a GI housing program, say to him, "We are helping the veterans by raising the interest rates"? How are we helping the veteran? We are raising the interest on his GI home to exactly the same level anyone will pay under the FHA program. Why have a GI program?

Mr. GORE. Where is the veteran's preference?

Mr. MONRONEY. There is no veteran's preference when the man who stayed home, or anyone else, can take advantage of the same program. Children who were born during the war can borrow at exactly the same rate. Let us change the name of the GI housing program and call it something like a "hypo" housing program, because that is what we are trying to do. The advertising agencies know that is a familiar term. When one wants to "hypo" sales one employs a few special gadgets or gimmicks. We are going to see this program "hypoed." There was a jump from 4½ percent to 4¾ percent only 10 months ago. That action was supposed to release a flood of money. We were told we would never have to worry any more about discounts, yet within 3 months from the date of the increase the mortgages were still being knocked down below par.

Mr. GORE. I thank the Senator. First let me say that in addition to lending money to shipbuilders at 3½ percent, we provide direct subsidies for part of the cost of construction. I point out that the amendment which I have offered applies not only to veteran's home loan mortgages, but also to U.S. Government-insured home loan mortgages.

Lest someone should think that this is an expenditure, that this is pouring money down a rathole, I point out that what I propose is that the Treasury buy $100 million of preferred stock in this partially owned Government agency, which has earned a net profit during its entire operation, and that its investments be made in mortgages on American homes, which mortgages the Government of the United States has guaranteed or insured in the first place.

How does the program operate? Under the law, when the Treasury invests

$1 in stock, the Association is permitted to borrow $10. The additional $100 million of capitalization authorized by my amendment will enable this agency to borrow $1 billion from the public or from the Treasury. That is to be added to the $1,400 million authorization which FNMA already has for this purpose, and which has been approved by Congress, following a practice tried and true and tested.

Mr. MONRONEY rose.

Mr. GORE. I now yield to the Senator from Oklahoma.

Mr. MONRONEY. I am very much interested in the Senator's amendment, which is offered as an amendment to my amendment. I would certainly be against his amendment if it were not for the fact that my amendment freezes the interest rates where they are. I am sure that is the way the distinguished junior Senator from Tennessee feels, namely, that we are not going to support the FNMA operations, as he insists in his amendment, if we are going to go through the stratosphere by increasing the ceiling rates on GI loans or Capehart housing.

Mr. GORE. I agree. I have talked with members of the Committee on Banking and Currency, for whom I have the highest regard, and I understand from them that they supported an increase in interest rates because they thought that without such an increase the veterans could not obtain a loan to build or buy homes.

My amendment, which, I understand, the distinguished junior Senator from Oklahoma is willing to accept, provides that FNMA, created for the very purpose of supporting mortgages guaranteed or insured by the U.S. Government on American homes, will be directed to provide a secondary market at par, thereby making loans available. That is the understanding of the Senator, I believe.

Mr. MONRONEY. That is correct. That would apply to mortgages issued after the passage of this act.

Mr. GORE. Therefore the basis on which some members of the Committee on Banking and Currency were ready to support this interest provision would not exist with the adoption of the proposed amendment.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. As I understand the Senator's proposal, it requires only the investment of $100 million of Treasury money in stock of the Federal National Mortgage Association. Is that correct?

Mr. GORE. That is correct.

Mr. MONRONEY. The Federal National Mortgage Association has in its portfolio about $3½ billion of first mortgage bonds on American homes, which are Government insured. Is that correct?

Mr. GORE. I believe that to be correct.

Mr. MONRONEY. So this is to be an investment of $100 million additional in the portfolio of the $3½ billion worth of first mortages on American homes.

Mr. GORE. On the question whether or not this is a new operation, the distinguished senior Senator from Connecticut referred earlier in the debate to the fact that in 1958 this Government organization had in its portfolio between $4 billion and $5 billion worth of mortgages and that it realized a net profit on that portfolio.

Mr. MONRONEY. Inasmuch as we are considering the amendment of the Senator from Tennessee, which would provide for the investment of nearly a hundred million dollars in this type of financial operation, is there any difference whatever, except perhaps that the securities held by FNMA will be better, because they will be Government insured, between the reserves FNMA will have and the reserves of the New York Life Insurance Co., the Massachusetts Mutual Life Insurance Co., or the Northwestern Life Insurance Co., or other life insurance companies, which stand behind the life insurance policies of the people of this country?

Mr. GORE. I can think of no better investment than mortgages on American homes guaranteed by the Government of the United States. Yet we permit them to be discounted. A Democratic Congress with a new mandate from the people, proposes to make it worse.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KEFAUVER. I congratulate my colleague on bringing this issue before the Senate at this time and upon the very splendid exposition he has made on the question of why we should not raise the GI interest rate and why we should not further embark on a tight money policy.

We hear many people say that the reason the GI rate must be raised is that at par the veterans must discount their mortgages, and therefore it is necessary to raise the interest rate so as to stop the discounting.

Mr. GORE. If we provide a market for those mortgages, that will not be necessary.

Mr. KEFAUVER. I was about to say that the Senator has proposed a method whereby there will be a market at par. That is what the Government ought to do.

Mr. GORE. If the Government is unwilling to support the mortgages at par, why does it guarantee them in the first place? Of what value is the guaranty if it is not good for 100 cents on the dollar?

Mr. KEFAUVER. The Senator is exactly correct. I wish to point out to the Senator also that it is well for us to look at the tight-money policy right now in a general sense. We know that the tight-money policy which was embarked upon at one time actually contributed toward the creation of the depression.

Mr. GORE. Yes.

Mr. KEFAUVER. It was embarked upon for the purpose of drying up purchasing power. As the senior Senator from Oklahoma has pointed out, there were no goods in short supply. The hard-money policy will work only when there is bidding for short-supply merchandise, but that was not the situation at that time.

That is not the situation now. Some of our plants have been operating at 50 or 60 percent of capacity. We have 4 million unemployed. Therefore we have the facilities and the means of making more than the American people want to buy. Therefore the hard money will not thwart the inflation or stop the inflationary trends, but will, instead, contribute toward them. That is the finding of everyone who has studied the problem seriously. Anyone who thinks we must have high interest rates to further enrich the Nation's bankers in order to stop inflation is on the wrong track. The hard-money policy has discouraged small business and homebuilding and has prevented small-business people from having opportunities, and is actually encouraging inflation.

I am glad that the Senator from Oklahoma will accept my colleague's amendment. I hope we can face up to the issue immediately, at the beginning of this Congress.

Mr. GORE. I thank my colleague.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CARROLL. I wonder if I may also have the attention of the distinguished junior Senator from Oklahoma on this question. It is a very involved question.

First I wish to commend both the junior Senator from Oklahoma and the junior Senator from Tennessee for a very clear exposition of a very involved and intricate subject.

This question arises in my mind. Let us assume that there is a home purchaser in Pueblo, Colo., who wishes to buy a house for, in round figures, let us say—$10,000. He enters into a contract with a builder. The builder or contractor needs construction money. The contractor goes into the money market in order to get the $10,000. Would he not at present have to accept a discount on the loan of about 8 points?

Mr. MONRONEY. If he were getting a construction loan.

Mr. CARROLL. A construction loan.

Mr. MONRONEY. He probably would. When the house was finished, a permanent mortgage would be placed on the house at a value of $10,000, if that was what the appraisal was.

Mr. CARROLL. Let us assume the contractor got a $10,000 construction loan. He would really get $9,200, would he not?

Mr. MONRONEY. That is correct.

Mr. CARROLL. So he would have an $800 loss. Let us assume that the amendment as modified by the junior Senator from Tennessee were agreed to. What would happen? Under the Gore "Fanny Mae" amendment, would there be a windfall to those who now hold discounted notes?

Mr. MONRONEY. No, definitely. The junior Senator from Tennessee has a perfecting amendment which prevents any purchasing at par by FNMA of securities issued before the passage of the bill.

Mr. CARROLL. Let me pursue this a little further, because I am in hearty accord with the arguments made by the junior Senator from Oklahoma and the junior Senator from Tennessee. Would it not be possible to perfect the Gore amendment and limit its effect specifically to new construction, so that there would be no such windfall to those who might in the future acquire discounted mortgages? This is what I propose.

Mr. MONRONEY. That is what the Senator from Tennessee intends to do.

Mr. GORE. That is fully the intent; but since the question has been raised, I wish to modify my amendment to make it unmistakably clear. After "mortgages," on the line in the center of the page, I propose to insert: "which are executed after the effective date of the Housing Act of 1959 and are".

Mr. CARROLL. That will make it unmistakably clear, if there is any question about it, so that those who read the RECORD will know that it is the intent of the Senate, if these amendments are adopted, that we do not intend to give a windfall to the present holders of discounted secondary market mortgages.

Mr. GORE. Does not the Senator think this modification makes that intent plain?

Mr. CARROLL. I think the amendment of the junior Senator from Tennessee now clarifies that point. It expresses our intent, and makes clear to FNMA and the mortgageholders what limits we are imposing with this amendment.

If I may presume for a moment more on the time of the able Senators who have introduced the amendment as modified, I wish to call attention to a very significant article which was published in today's Wall Street Journal. The title is: "Commercial Paper Dealers Reduce Rate by ⅛ Point."

On the very day when the Senate is debating this important interest-rate question, we find that commercial paper dealers are marking down, by one-eighth of a point, their rates on unsecured promissory notes sold in the open market.

The Congress is now called upon to increase interest rates on Government insured veterans' housing precisely at the time when Government short-term bills are being sold at a current low average yield to investors. I read this paragraph from the Wall Street Journal article:

> The U.S. Treasury sold an issue of 91-day bills last Monday at an average yield to investors of 2.721 percent, the lowest since early January and down from the 2.975 percent a week earlier.

Mr. President, I ask unanimous consent that the entire article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Feb. 5, 1959]

COMMERCIAL PAPER DEALERS REDUCE RATE BY ONE-EIGHTH POINT—CUT CANCELS INCREASE MADE ON JANUARY 21; NEW RATES RANGE FROM 3¼ TO 3¾ PERCENT—TREASURY YIELD DROP CITED

NEW YORK.—Commercial paper dealers marked down by one-eighth point the rates on unsecured promissory notes sold in the open market.

The reduction erases a one-eighth point increase made by the dealers on January 21 and puts the rates back to the level set last December 31.

Dealers said the cut reflects recent declines in the yields on U.S. Treasury bills which compete with commercial paper for short-term investment funds. Also, the supply of commercial paper has been on the low side, and the lower rates might attract more borrowers to raise short-term funds with commercial paper, dealers said.

Meanwhile, the rates on commercial paper placed directly with investors by major sales finance concerns remains unchanged at 2¾ percent to 3¼ percent for paper maturing in 1 to 9 months. Two large sales finance firms had increased their rates by one-eighth point late last month but canceled the increase earlier this week. Other major finance companies had not raised their rates.

The new rates on 4- to 6-month paper sold in the open market by dealers range from 3¼ percent on the notes of leading industrial concerns to 3¾ percent on those of less well-known firms and smaller sales finance companies.

The U.S. Treasury sold an issue of 91-day bills last Monday at an average yield to investors of 2.721 percent—the lowest since early January and down from the 2.975 percent a week earlier. A companion issue of 26-week bills drew a 3.107 percent rate last Monday, down from 3.337 percent the previous week.

Commercial paper is the money-market term for two types of short-term borrowings of companies, mostly for seasonal needs. One type is the so-called open-market paper sold by dealers for industrial names and smaller finance companies, normally to banks outside New York City. The other type consists of the I O U's issued by large sales finance companies which they place directly with investors, often other corporations.

Mr. CARROLL. Mr. President, this is a very important point. If the Senate now establishes a high rate of interest in VA housing, in face of what is happening today in the commercial paper market, we shall be acting as a magnet to draw up the rates of interest throughout the economy at the very time when we are trying to fight the fires of inflation.

Mr. MONRONEY. Does not the Senator from Colorado think that this is a sort of price-support program for the barefoot boys of Wall Street?

Mr. CARROLL. I had not thought of it in those terms, but it is a very colorful way to express what this body may do.

I am heartily in accord with the comments of the junior Senator from Oklahoma and the junior Senator from Tennessee. If we miss this opportunity to hold down interest rates, we shall again feed the fires of inflation. As we well know, high interest rates are building up the public debt. The service on the public debt now amounts to $8 billion or 10 percent of the Federal budget.

Here is an opportunity for us to act wisely and hold down increases in interest rates on the Federal debt.

I thank the junior Senator from Tennessee for modifying the amendment which he has offered to shut off a possible windfall to those who now hold discounted mortgages.

Mr. GORE. I thank the junior Senator from Colorado.

Mr. President, what do we offer to the American people? Tighter money? Higher interest rates? More inflation in the cost of homes? That is not the issue upon which we won the endorsement of the American people. The American people expect more and better of us.

This is the first issue, and the most important issue, to face the United States and Congress in 1959 or 1960. I am not referring simply to the mortgages on veterans' homes; I am speaking of the fiscal and monetary policy of the U.S. Government, which is deliberately, by design and plan, reconcentrating the income, the wealth, and the economic opportunities in the United States.

I am willing to face up to the issue whenever I see it. This is the first time is has come. Let us face it now.

Mr. McNAMARA. Mr. President, a strong argument for increasing the interest rate for VA mortgages is made in the report on S. 57, the omnibus housing bill.

The trouble is, however, that it is a strong argument in favor of the bankers' position, and not the position of the veterans for whom this program was established.

We are asked now to increase the rate from the present 4¾ to a new high of 5¼ percent, an increase of a full half of 1 percent.

Also, the bill would strike out another important protection, the provision which requires that the VA rate be at least one-half of 1 percent below the FHA rate.

This program began with an interest rate of 4 percent. Then the rate rose to 4½ percent, then just last year Congress raised the rate again to the present level of 4¾ percent.

Senators will recall the 47 to 47 vote when this matter was before the Senate last March. The Vice President helped to decide the issue in favor of higher interest payments for the veterans by failing to break the tie. Year after year the interest rate has gone up; and year after year the bankers have blackjacked Congress into increasing the rate to veterans through the simple device of withholding funds from the program.

Now the bankers are back again. Again their argument is that a higher rate is necessary because the current 4¾-percent rate is not "attractive" to investors, and that it should be brought nearer to the level of the FHA rate and the conventional market rate.

I agree that the current rate is not attractive to investors. The only rate that seems to be attractive is the highest one the market can bear. That is the goal here, I am sure.

The goal of the administration and its high-interest friends seems to be to keep raising the VA rate until it is at a par with the market level, and then to do away with the statutory ceiling altogether.

Then the investors can have the security of a Federal guarantee of the loan, as well as the profits of the current market interest rate.

That is where this veterans' loan program is heading if Congress keeps accepting these rate increases.

I think this procedure does a disservice to the veteran who wants a home on a reasonable mortgage and to the entire economy, because raising the VA rate puts a sort of stamp of approval on the administration's discriminatory money policies.

I think Congress is going about this problem backward. Instead of knuckling under to the demands of the administration and its banker friends, we should be taking the opposite course. We should be exercising our powers in the field of fiscal policy to counteract the tight-money policy of the administration.

Instead of permitting the administration to force a rise in the VA interest rate to the level of FHA or conventional mortgages, we should require that those rates be lowered to the VA level.

I think Congress could, if it wished to exercise the responsibility, fix a statutory limit on interest rates generally. Perhaps we will come to that soon.

I submit that Congress must call a halt to this economic blackmail. The place to start is the rejection of the proposed increase in the VA interest rate.

Mr. CAPEHART. Mr. President, I thank God that I live in a country and under a system of government where the prices of commodities can go up and down; where interest rates can go up and down; where the prices of bonds can go up and down; where wages can go up and down; where a man can quit his job and get another one; where a man can buy what he wishes or decline to buy. I thank God that I live under a free enterprise system, under the kind of government we have.

Senators can solve the problems which have been complained about by adopting the kind of government which exists in other countries. These problems can be solved by having price control, wage control, rent control, interest control. We can adopt the same kind of government as exists in other places.

Senators have been talking about the veterans, and have been saying that we should not increase these interest rates, and so forth. Senators have been talking about the very thing the veterans fought for and died for—namely, the American system of government, the private enterprise system of government.

Mr. President, Senators can vote to solve these problems. Of course, Senators can vote for the adoption of a system of government in which the government will buy all the mortgages, will own all the homes, will own all the factories, will dictate to every man and woman what he shall buy and what he shall not buy, and at what prices. Senators can vote for all that if they wish to do so; that is their privilege. That is really what some Senators have been talking about tonight. Perhaps they may not really have been talking about such things; they may have been directing their remarks to the amendment which I submitted, and which I now hold in my hand. But most of the colloquy was on the basis that our Government should control and control and control.

Mr. President, I do not care whether this amendment is voted for by all Senators or is not. But if the Government can control interest rates, it can control wages and prices. I ask my colleagues, in all sincerity, Why should that be done? Do they want the Government to control the savings of the wage earners?

Where is the able Senator from Michigan [Mr. McNAMARA], who once represented some of the unions, and once was the great president of a union? Does he want to have the Government control the wages of those workers? Is he more interested in what he was talking about here tonight than he is in the wage earner who is paid $1.50 or $2 an hour or less?

The question before us is very, very simple: Do we, or do we not, want a system of government in which prices go up and down, wages go up and down, discounts go up and down, a system under which a man can quit his job and can get another one? Do Senators want to maintain the kind of government our Nation has had for 170 years—a system of government under which discounts have gone up during that time and interest rates have risen during that time? Or do Senators want a system of government under which the Government will impose controls?

Mr. President, I see virtue in what Senators have been talking about; and I wish the people of our country could enjoy low interest rates, high wages, and low prices. I wish our people could enjoy all of them. But that cannot happen under the American private enterprise system of government, the American free system of government.

So Senators must decide whether they wish to maintain the American system of government in all its phases or whether they want a controlled economy, whether they want a dictator, whether they want to adopt the kind of government that exists today in Russia. The government which now exists in Russia controls everything in that country. Our Government cannot control part of our economy without controlling all of it. That is why I am so certain on this issue.

I know the Senators who tonight have been advocating such things, and I cannot believe they have been sincere in all the statements they have made tonight because I am sure they are great Americans, and I know that all of them are veterans, and I know all of them are taxpayers, and I know that all of them are patriotic. So I do not believe they are sincere in advocating what they have advocated here tonight, because our country cannot be half free and half controlled. Why should Senators vote to discourage a wage earner from saving money, from investing it in bonds or stocks or in other ways, and from obtaining an equitable income from it—a parity income, an income comparable to the wages paid in the United States and the prices which everyone else in our country pays?

Why do Senators say such things? Why do Senators wish to give comfort to Mr. Khrushchev and the communistic or socialistic system of such controls, which have been advocated from time to time?

Let us be free. Let us vote to defend and protect our American system of government. Let us not vote to break it down piece by piece. Let us not vote to cut off the dog's tail piece by piece. However, that is what would be done under the policies some Senators have advocated and under similar policies.

Oh, Mr. President, perhaps their proposal is an innocent-looking one; but I point out that such Senators have advocated that the Government put up $100 million, and permit the Federal National Mortgage Association, a corporation totally owned by the Government, to purchase $100 million worth of such mortgages. I would not object to it, perhaps, if that were the only way the problem could be handled. But it is not necessary to proceed in that way.

However, even if it were necessary, why should we vote to break down our great American system of government? Why should we vote to break down the great system of government which has served our country so well for 170 years?

Mr. President, what do such Senators mean when on this floor they argue that they want to arm our country against a government which is 100 percent directly opposed to ours? What do Senators who have made some of the proposals we have heard tonight mean when they say they oppose such a system of government? What are such Senators thinking about? What is in their minds?

Mr. KERR. Mr. President, will the Senator from Indiana yield to me?

The PRESIDING OFFICER (Mr. McGEE in the chair). Does the Senator from Indiana yield to the Senator from Oklahoma?

Mr. CAPEHART. Mr. President, I shall yield the floor in a moment; and then the Senator from Oklahoma can speak, if he wishes to do so.

Mr. KERR. Well, Mr. President, how can the Senator——

Mr. CAPEHART. Mr. President, I am not going to yield to the able Senator from Oklahoma, because I know about what he would say. [Laughter.]

Mr. KERR. Mr. President, I rise to a point of personal privilege. [Laughter.]

Mr. CAPEHART. I know——

Mr. KERR. Mr. President, if the man is psychic, I want to leave this Chamber. [Laughter.]

Mr. CAPEHART. Mr. President, I know that the able Senator from Oklahoma has been one of the great beneficiaries of the American private enterprise system—perhaps to a greater extent than has any other Member of the Senate. I know he is defended and protected by the 27½ percent depletion allowance for the oil business, in which he is engaged. I am 100 percent in favor of that, and I will vote to defend it and protect it, because I believe in it. I know he has made a great deal of money in the oil business, under our private enterprise system; and I am for him, and I hope he makes more money, because that is the private enterprise system. I am going to fight for the private enterprise system, because it is di-

rectly opposed to the communistic or the socialistic system.

Mr. President, I am not confining my remarks to the pending amendment. I am addressing myself to the inferences to be drawn from some of the speeches which have been made here tonight. References have been made to "the money changers" and to "taking advantage of the American people," and so forth. I admit that some of that exists; there is no question about it. I know our people are not perfect. I know I make mistakes, and I know that all other Members of the Senate make mistakes. But I am talking about the general principle of the American system of government. I oppose burning down a church or a house in order to get rid of the mice that may be in it. But that is about what some Senators have advocated here tonight; in effect, they have advocated going against the American system of government.

Senators can talk, if they wish, about a mandate from the American people at the last election; but I do not think the people mandated the Congress to liquidate the American system of government. I do not think they mandated the Congress to liquidate the private enterprise system. I do not think they mandated the Congress to set interest rates and to have the Federal Government buy billions of dollars' worth of mortgages. I do not think the people mandated any such things; I am sure they did not.

Of course Senators can say what they please. But I say to my colleagues that I am not speaking about the pending amendment; instead, I am speaking against the inferences that can be drawn from statements of the sort to which I have referred in the last few minutes—inferences which will give comfort to our enemy. That is the trouble with such statements.

Mr. President, I know from personal experience that statements made on the floor of the Senate are repeated to the people of the Government which is our enemy. I do not doubt that that Government will repeat to its people some of the statements which have been made today in this Chamber, and will tell its people that Members of the U.S. Senate have talked about "the money changers" and have said that the people of the United States are mistreated.

So I ask Senators please to wake up, because if they do not, one of these days it will be too late.

Let us do what we should to change our laws in such ways as to correct inequities and protect and defend ourselves. But let us not make statements from which our enemy can obtain comfort, statements which will enable that Government to say to its people, "Haven't we been telling you that the capitalistic system is no good? Now we have the proof, because in the U.S. Senate, Senators are saying that the Government of the United States is taking advantage of the American veterans."

Mr. President, some may say that what I am saying now is a little harsh. On the other hand, certainly some of the things that some Senators have said today about me and about the people in whom I believe and about the party in which I believe have been rather rough, too. However, I know that those Senators do not mean such things.

Mr. President, I say to those Senators that they are making a mistake, and they should stop it.

After all, we are faced with a great threat, in the form of communism or socialism, or whatever one may care to call it—a system of government which threatens us, both militarily and economically. Then why do Senators give comfort to our enemy, by means of their statements on the floor of the Senate? Why do they make it possible for our enemy to broadcast to its people that U.S. Senators have talked about the money changers and about the evils of the private enterprise system, and about taking advantage of Americans? Why do Senators make such statements?

Certainly we can vote to correct the mistakes which are made in this country, and to correct any inequities which have developed. But certainly they can be corrected without having Senators indulge in personalities and accusations such as the ones I have listened to today on the floor of the Senate.

Mr. President, Senators should stop making such statements; Senators should stop giving comfort to our enemy.

Let all of us stand foursquare behind the American system of government, or the private enterprise system, which it really is.

Yes; let us correct it. Let us do what we should to correct it. But let us stand by it and let us praise it. Let us praise the millions of Americans who have saved enough money to buy insurance policies, who have invested their money in insurance companies, who are now buying mortgages so that GI's and other wage earners can buy homes. Let us have a little praise for the American people who saved their money, because all the bank deposits are represented by the deposits of millions of Americans—wage earners, GI's, and all the rest of them.

Let us have a little praise for our companies, which are represented by millions and millions of stockholders who are common folks, who are wage earners, who are GI's, who are widows, who are widowers, who are schoolteachers on annuities, who are living off their interest. Without the money of the people who buy the mortgages we are talking about tonight, there would be one thing this Congress would be doing now. If it were not for the millions and millions of American people who saved money to buy mortgages, and if they did not have the money, the Congress would be faced tonight with the problem of furnishing Government money to buy those mortgages.

So let us give these people a fair return on their savings, because their costs have gone up, their grocery bills have gone up, everything they buy has gone up. Even Senators today are getting $22,500 a year. When I came to the Senate 15 years ago the salary of Senators was $10,000. Why is not one who saved $10,000 from hard work—and most of the money comes from that kind of people—entitled to an increase in interest rates over what he was getting 10, or 15, or 20 years ago?

Let us cut out the chaff and get down to the wheat. Let us use commonsense. Let us defend this great system of ours. Let us correct the inequities. But let us not destroy our system. Let us not, on the floor of the U.S. Senate, say things our enemies can use against us and quote to the people of China and other peoples throughout the world to whom we would like to sell our idea of government. Let us not put into their mouths words that they can quote to the people of China, Malaya, and backward countries, that the private enterprise system, the American system, the capitalistic system is no good because certain high officials in that system said it was not good. Let us not do it. Believe me, I feel that way about it. I am begging Senators to be careful, because we are up against it, so far as an enemy is concerned, both economically and militarily.

Mr. CARROLL. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. CARROLL. I was touched by the speech of the Senator from Indiana, but it has nothing to do with the issue presented by the Senator from Oklahoma and the Senator from Tennessee. I quote from an article from a Washington Republican "socialistic" newspaper, the Evening Star, of January 26, 1959. The article is entitled "Your Money's Worth—$8 Billion a Year for Interest."

The article reads:

> Ten cents of every dollar in Federal taxes in the next fiscal year will go for interest on Treasury securities. * * *
>
> Today the national debt is around $282.7 billion, not much higher than at the close of World War II. But the yearly payment by the Treasury to security holders is over $8 billion—an upsurge of more than 70 percent.

This, I think, is where the Democrats and the Republicans can have an honest difference of opinion, and we are willing to go to the country on this issue.

I am still quoting from the article:

> It's a tale that cries out for explaining, for while there will be congressional debates on spending for farm supports, veterans' benefits, housing, foreign aid, etc., there will be little nose about this far bigger chunk of spending.
>
> And the reason is that Congress can't do a thing about this expense. Once the Treasury has pledged to pay a specified rate to a buyer of its obligations, it must pay that rate for the life of the obligation.

The article then goes on to discuss the President's message and his estimate of $8.1 billion for debt interest alone in the fiscal year of 1960.

This is a very good point for all of us to think about. We can go home and talk to our people about this issue.

I quote further from the article:

> What has been happening? A key point is that it has not been an accidental swelling in spending. Rather, it has been the result of deliberate policies.

We do not have to talk about Malaya, China, and the Soviet Union. We do not

have to talk about what may happen in other countries.

I resume reading from the article:

First, the Federal Reserve System has been encouraging rising interest rates across the board through most of this decade. In simplest words, the theory has been: Higher costs of borrowing money will restrict speculative activities by curbing marginal borrowing, and this will help restrain price rises.

Let us not talk about the Democratic Party and charges of socialism. This policy was supported by Republicans through the last decade, in my own experience. Let me tell Senators what that policy is. I am quoting from the article:

Second, under President Eisenhower the heads of the Treasury—

After having the Federal Reserve System set the policy—

Under President Eisenhower—

A Republican President, although he is denied by some—

the heads of the Treasury have not fought the higher borrowing costs—as did the Treasury chiefs under President Roosevelt and President Truman. In simplest words, the position of the Treasury in this era has been—

This is very important and this is the issue we will carry to the country—

The Treasury should not get special protection against a general rise in borrowing costs. The Treasury is just another borrower competing for available funds, and it should compete as others do—meaning the Treasury must pay the price (the interest rate) demanded by lenders for cash.

The result of these policies has been that as the Treasury has borrowed new cash in recent years and replaced maturing I O U's with new ones, it has paid higher and higher rates.

This is one of the most important issues before the American people today.

Mr. President, I ask unanimous consent to have the article by Sylvia Porter, from which I have been reading, printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Jan. 26, 1959]

EIGHT BILLION A YEAR FOR INTEREST

(By Sylvia Porter)

Ten cents for every dollar in Federal taxes in the next fiscal year will go for interest on Treasury securities.

This slice of the budget is second only to that taken by the catchall "major national security." It dwarfs the 7 cents of every dollar going for all veterans' services and benefits, tops the 6 cents of every dollar going for all farm programs.

Of the billions pouring into the Treasury in the year starting in mid-1959, more than $8 billion will be automatically set aside for public debt interest.

This total represents a new peak in the cost of carrying the debt, compares with an annual interest load of $1 billion as recently as 1940.

Today the national debt is around $282.7 billion, not much higher than at the close of World War II. But the yearly payment by the Treasury to security holders is over $8 billion—an upsurge of more than 70 percent.

It's a tale that cries out for explaining; for, while there will be congressional debates on spending for farm supports, veterans' benefits, housing, foreign aid, etc., there will be little noise about this far bigger chunk of spending.

And the reason is that Congress can't do a thing about this expense. Once the Treasury has pledged to pay a specified rate to a buyer of its obligations, it must pay that rate for the life of the obligation. When the President, in his budget message, estimated $8.1 billion for debt interest alone in the 1959–60 fiscal year, he wasn't exaggerating one bit.

What has been happening? A key point is that it has not been an "accidental" swelling in spending. Rather, it has been the result of deliberate policies.

First, the Federal Reserve System has been encouraging rising interest rates across the board through most of the decade. In simplest words, the theory has been: "Higher costs of borrowing money will restrict speculative activities by curbing marginal borrowing, and this will help restrain price rises. When business is swinging upward, the costs of borrowing money should properly go up, too. Only when business is declining should we expect lower borrowing costs."

Second, under President Eisenhower, the heads of the Treasury have not fought the higher borrowing costs—as did the Treasury chiefs under President Roosevelt and President Truman. In simplest words, the position of the Treasury in this era has been: "The Treasury should not get special protection against a general rise in borrowing costs. The Treasury is just another borrower competing for available funds, and it should compete as others do—meaning the Treasury must pay the price (the interest rate) demanded by lenders for cash."

The result of these policies has been that, as the Treasury has borrowed new cash in recent years and replaced maturing I O U's with new ones, it has paid higher and higher rates.

In World War II the going interest rate on long-term Treasury bonds was 2½ percent a year. Today the going rate on similar bonds is over 4 percent a year—the Treasury can't get much cash even at that rate.

Sure, the United States can "afford" today's debt and interest load—but that doesn't make $8 billion a year in interest alone any less staggering.

Mr. CARROLL. Mr. President, this is the central issue developed by the junior Senator from Oklahoma and the junior Senator from Tennessee, as I see it. A few moments ago I read from an article in the Wall Street Journal that commercial rates on short-term paper are falling. The Senate is now about to pass a bill permitting higher interest rates which will act as a magnet to draw up interest rates on the money the U.S. Treasury must borrow.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CARROLL. Yes.

Mr. CAPEHART. Congress is not increasing the rates. Congress is increasing the ceiling under which the Administrator, in his judgment, in the months or years to come, may increase the rates. The law from the very beginning of FHA permitted a ceiling of 6 percent on the great bulk of mortgages. At no time has the Administrator of FHA, either under the Democrats or under the Republicans, increased the interest rate to 6 percent. At the moment it is 5½ percent. Congress is not increasing the rate. It is simply increasing the ceiling to which the Administrator can go, if he wishes to go and thinks it is necessary.

Mr. CARROLL. I know that.

Mr. CAPEHART. The Senator tried to leave the impression that Congress was setting the rate. Congress is not setting the rate. It is setting the maximum ceiling to which the Administrator may go.

Mr. CARROLL. The Senator from Indiana knows that if Congress sets the standard, the agency will conform to the standard. We had this question before us last year.

Mr. CAPEHART. Will the Senator yield further?

Mr. CARROLL. I want to answer the Senator for just a moment. There was debate on this question last year. We increased the interest rate ceiling and within a short time the actual rate was raised to the new ceiling. I ask the junior Senator from Oklahoma if I am correct about this. I think we wanted to set the interest rate at 4½ percent. The other side did not agree with us. It wanted 4¾ percent. Today we are willing to go up one-quarter of a percent from our 4½ percent of last year and hold the rate at 4¾ percent. But now the standard is not high enough. Now the other side is requesting 5¼ percent. That is the issue before this body. The issue will be carried to the country. The point I wish to make is this——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CARROLL. May I finish? I shall be through in just a moment.

Some have said that the difficulty is that the home builders must get money, and that there is a tight money market. It is said that venture money will not move into the home building market, and we cannot get the money at less than 5¼ percent.

However, the junior Senator from Oklahoma has put his finger on a very important point. When we set the standard at 5¼ percent, that acts as a magnet and it will draw up the interest on Government bonds. That is the one great danger we ought to be thinking about.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CARROLL. I yield to the majority leader.

Mr. JOHNSON of Texas. Several Senators are absent from the Chamber. It is a reasonably late hour. I have talked with the proponents of the amendment and to the members of the subcommittee, and I wonder if the Senator could give me an estimate as to how much longer he desires to speak.

Mr. CARROLL. I will say to the majority leader that one of the reasons I had to respond to the Senator from Indiana is that I did not want the Senator to leave the impression that we were trying to create a great scare.

Mr. JOHNSON of Texas. What I am attempting to do now is to get some estimate as to how long it will be before we can conclude this evening. I hope the Senator can give me some idea as to how long he will take. The junior Senator from Texas [Mr. YARBOROUGH] wants to address the Senate for 10 minutes. The Senator from Alabama [Mr. SPARKMAN] would like to have 5 minutes.

If the Senator from Colorado can give me an indication of how long he would

like to speak, I should like to reach unanimous consent on a time to have a vote. The Senator from Oregon [Mr. MORSE] and other Senators are attending a meeting and would like to be present for the vote. We would like to notify them as much in advance as we can.

Mr. CARROLL. I will say to the majority leader that I believe the record is so clear with respect to the actions of both the Roosevelt administration and the Truman administration with reference to stabilizing the interest on the public debt and the fact that we have not been leading the Nation down to ruin and socialism, that the junior Senator from Colorado now yields the floor.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the junior Senator from Texas [Mr. YARBOROUGH] may be recognized for not to exceed 10 minutes; that the Senator from Alabama [Mr. SPARKMAN] may be recognized for not to exceed 5 minutes——

Mr. DIRKSEN. I should like to have 1 minute.

Mr. SPARKMAN. I should like to have not to exceed 10 minutes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the junior Senator from Texas [Mr. YARBOROUGH] may be recognized for not to exceed 10 minutes; that the Senator from Alabama [Mr. SPARKMAN] may be recognized for not to exceed 10 minutes; and that the Senator from Illinois [Mr. DIRKSEN] may be recognized for not to exceed 2 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. BUSH. Mr. President, reserving the right to object——

Mr. JOHNSON of Texas. Mr. President, does the Senator from Connecticut desire some time?

Mr. BUSH. Yes. I should like to reserve not to exceed 5 minutes.

Mr. JOHNSON of Texas. Mr. President, I further ask unanimous consent that the Senator from Connecticut be recognized for not to exceed 5 minutes. I hope we can get a vote on the amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. CAPEHART. Mr. President, reserving the right to object, I should like to reserve 5 minutes for myself. I may not use the time, but I should like to reserve it.

Mr. JOHNSON of Texas. I hope the Senator has said all he intends to say on the matter.

Mr. CAPEHART. I have, unless it is necessary for me to answer some remark.

Mr. JOHNSON of Texas. Mr. President, I modify my request to include the request that the Senator from Indiana be recognized for not to exceed 5 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I now ask the attachés of the Senate on each side of the aisle to please notify all absent Senators that we have not to exceed 35 minutes before we come to a vote. I ask attachés to ask Senators to return to the Chamber. We expect to have a vote on this question this evening. I should like to have final action on the measure this evening, and I should like to request the yeas and nays, if they have not been ordered.

The PRESIDING OFFICER. Is the Senator requesting the yeas and nays on the Gore amendment?

Mr. MONRONEY. Mr. President, it is the Monroney amendment.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. MONRONEY. Mr. President, before the decision is announced I accept the Gore amendment as an amendment to my amendment.

The PRESIDING OFFICER. The yeas and nays are ordered on the Monroney amendment, as modified.

Mr. JOHNSON of Texas. Mr. President, I cannot tell Senators exactly how long it will be before the vote is taken. There are 35 minutes of possible debate. If all Senators use all time we will vote at 10:05. If any Senator is very prudent and wants to take no chance he should be here about 5 minutes before 10 o'clock.

Mr. President, I ask for the yeas and nays on final passage of the bill.

The yeas and nays have been ordered on the amendment, have they not?

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

Mr. JOHNSON of Texas. I asked for the yeas and nays on the Monroney amendment, which is the pending business.

The PRESIDING OFFICER. The yeas and nays were ordered on the amendment.

Mr. JOHNSON of Texas. I thought the yeas and nays had been ordered. May we have the yeas and nays on the passage of the bill?

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, may we have an agreement, on passage of the bill, that debate will not exced 15 minutes for each side? I ask unanimous consent that debate be limited to not exceed 15 minutes for each side. We can yield the time back if we do not use it.

Mr. BUSH. Mr President, will the Senator state his request again?

Mr. JOHNSON of Texas. I ask unanimous consent that there be 15 minutes of debate, pro and con, on the passage of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. YARBOROUGH. Mr. President——

The PRESIDING OFFICER. The junior Senator from Texas is recognized.

Mr. YARBOROUGH. Mr. President, we have heard a good bit of discussion about the cost of the high interest rates proposed in the Republican amendment which was placed in the bill.

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. YARBOROUGH. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that after the vote is taken on the Monroney-Gore amendment and after the time is consumed on the bill that the Senate then proceed to vote on passage of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. JOHNSON of Texas. I want to make it clear that we will not have any other intervening amendments offered.

Mr. SPARKMAN. Mr. President, I should like to inform the majority leader that there are some amendments which will not require any time, but there are some amendments more or less technical in nature and some more or less minor things we have been holding back. It will take a few minutes to get action on those.

Mr. JOHNSON of Texas. Mr. President, that is agreeable, so long as we do not use time. The items can be considered and can be accepted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. YARBOROUGH. Mr. President——

The PRESIDING OFFICER. The junior Senator from Texas.

Mr. YARBOROUGH. Mr. President, we have had a great deal of discussion about the high cost of interest rates. Let us stop and consider for a moment what the higher interest rates cost in terms of actual services to the people, in the way of the goods they use, the houses in which they live, or the equipment which might be used by them.

I heard testimony given today by a qualified economist before a Senate committee on what a higher interest rate actually means in terms of school construction. In traveling over my home State last fall, I was told many times, "We voted bonds for a new schoolhouse—we voted bonds for a new jail—we voted bonds for a new city hall—we voted bonds for a new library building—or for some other public building—but before we could get the plans drawn and approved there was a change in the interest rates and we could not build the building we planned because of the increased interest rates."

Sometimes an increase of one-half of 1 percent denies a community the benefit of another building, another schoolhouse, another courthouse, or another public library.

I should like to give the actual figures for one school district in the State of Minnesota, which was discussed today by an economist from the department of economics of the University of Minnesota, who testified before a Senate committee. He cited the case of a school district where a bond issue was voted last year for the building of a new 25-room school building. Before the bonds could be marketed and before the architect's plans could be approved, the interest rates went up 1 percent. With

the same capital amount of bonds to be marketed, the architect had to redraw the plans. What was the effect on those plans? It was necessary to cut five rooms from the school building. That is an actual case. It was necessary to build a 20-room schoolhouse instead of a 25-room schoolhouse because of a 1 percent increase in interest rate. That is what the Republican high interest rate means. That is one reason why we are 140,000 school rooms short in the United States of America this year. That is why there are so many seats on this side of the aisle this year and so few on the Republican side.

However, I want to warn my Democratic colleagues in the Senate, that the Democratic Party made a pledge to the American people that it would fight these high interest rates and this hard-money policy, yet the first bill we have to consider, which comes from the committee, would "kite" the interest rate on Government-guaranteed loans.

As the junior Senator from Tennessee so aptly pointed out, there is no better security in the world than the security which has the endorsement of an American family, of a husband and wife signing their personal pledge that they will pay the note, guaranteed by a mortgage on a piece of real estate, which is their home, and then guaranteed by all the resources and might and power of the American Government.

Governments fail at times, but private property remains. Sometimes property is lost, but a man carries out his obligations.

This is the type of gilt-edged security which is better than anything else. This is the pledge of an honorable man to pay for his home, secured by the real estate, and guaranteed by the Government of the United States.

The committee has reported a bill which says that despite the pledge of payment by the Government of the United States, the pledge of payment by the family, and the security of the mortgaged home, we are going to permit the interest rate to be "kited" another half percent. It ignores the fact that the rate was raised last year.

Mr. President, I should like to point out that the bill as originally introduced did not have that provision in it. I am a coauthor, but it did not have this interest rate increase as it was originally introduced. As amended in the committee, this bill raises interest rates one-half of 1 percent, not only for veterans' loans but for all loans under the bill.

We have given an example as to what happens to the number of rooms that must be cut out with respect to construction of a schoolhouse if the interest rate is raised just 1 percent. The raising of the interest rate 1 percent for a bond issue, with respect to a 25-room schoolhouse, cut off 5 rooms from the school. That has happened all over this country. We would not have such a shortage of housing, such a shortage of public buildings, or such a shortage of schools, if it were not for the monumental increase in the interest rate which has occurred in the past 6 or 7 years.

How much has it gone up?

Mr. LONG. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield to the distinguished Senator from Louisiana.

Mr. LONG. I suspect, if the Senator will look into the situation with respect to the 5¼ percent interest rate, that on a 25 or 30-year mortgage the owner will wind up paying more for the interest than for the house itself.

Mr. YARBOROUGH. Yes; that often happens. Furthermore the house usually has one room less in it. It therefore becomes necessary to crowd the children into fewer rooms. That is one factor that has been overlooked, Mr. President. We talk about the increment that goes to the moneylenders. How about looking into what it is costing the people? It is costing the people a great deal more. It results in cheaper houses, in inadequate houses, in a smaller number of rooms in a home, in an inadequate number of school rooms, in smaller libraries, in smaller fire stations, in smaller public buildings of all types. The buyer not only pays more, he gets less. The size of his house is reduced; its space taken up by bigger interest rates.. For every one-half percent increase in interest rates, there are fewer square feet in the home, cheaper and fewer home appliances, and fewer cubic feet of breathing space for the family.

Our gross national product in 1957 was $440 billion. Our total debt in this country, public and private, has been estimated at three-quarters of a trillion dollars, or $750 billion. Of that $750 billion, at the end of 1958, $56 billion was represented by State and local indebtedness. In other words State and local government indebtedness is up to $56 billion. The U.S. Government indebtedness is about $280 billion. The private indebtedness is about $415 billion. Altogether the combined public and private debt of this country is about $750 billion.

When we raise the interest rate even by one-half of 1 percent on Government guaranteed loans, we might as well recognize that the interest rate will go up by at least 1 percent on loans that are not guaranteed by the U.S. Government.

What will it cost? What will be the result so far as the cost of an interest rate increase on the $750 billion public and private debt in this county is concerned? At 1 percent, it will cost $7½ billion per year in increased interest rates. At 2 percent increase the additional interest rate cost is $15 billion per year on our total debt.

Mr. President, we might well ask what has been happening in the last 6 years. During the last 6 years the interest rates on high-grade municipal bonds, of the bigger cities, that is, have gone up. I take my information from Standard and Poor's Index of Municipal Bonds. These are high-grade municipal bonds. These are not the bonds of the smaller cities, or smaller school districts. These are the high-grade municipal bonds. These are the gilt-edge bonds. They have gone up from 2 percent to 3.84 percent. That is what has happened in about 6½ years. That is nearly double, Mr. President. The smaller cities and towns and the little school districts are the ones that are paying through the nose at much higher rates. I am talking about the gilt-edge municipal securities now, when I say their interest rate has gone up from 2 percent to 3.84 percent in the last 6 years.

In the field of U.S. Government bonds, from which the income is taxable, in 1954 the average interest rate was 2.53 percent. Now it is 3.80 percent, which is an increase of nearly 1½ percent, in less than 5 years. That interest rate on U.S. Government bonds has been going up fast. Of course the private debt interest rate has gone up even faster.

We have heard Senators across the aisle argue that we have a budget to consider, and that we must balance the budget. One would think, to hear that kind of talk, that it was a golden calf that was being raised up. The Republican budget has about as much governmental sanctity as the golden calf had of religious validity. What will happen to the budget in this spiral of interest rates?

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. YARBOROUGH. I ask unanimous consent that I may extend my time by 1½ minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator is recognized.

Mr. YARBOROUGH. The Secretary of the Treasury, according to press reports, must refinance about $80 billion of our $280 billion public debt this year. An authorized increase in interest rates in this bill is an invitation to the moneylenders to hold the Treasury's feet to the fire. "The Government has already guaranteed a half percent more," they will say, "and we can get a half percent on the bonds." If the rate goes up, on $80 billion, a half of 1 percent is $400 million a year. In 10 years it is $4 billion more in interest that would have to be paid out of the taxpayers' pockets at prevailing rates.

That is of great concern to the American people. It has been said that those protecting the veterans want to raise these rates. I have the honor—and I am proud of it—and am grateful to this Senate for that honor to serve now as chairman of the Veterans' Subcommittee of the Senate. I say that an increase in interest rates on their homes is not what will protect the veterans of the United States. We will not protect them by kiting up the interest rate. If we want to protect the veterans, this is not the way to do it. Incidentally, the provisions for the veterans is only a small part of the bill. This is a National Housing Act. It provides for veterans' housing and for college dormitory housing and for public housing, and for virtually all kinds of housing. Kiting the interest rate will cripple the colleges by raising the cost of building their dormitories, and raising the rent they charge students, with the result that they will not be able to handle the population explosion which took place after World War II. Colleges will not be able to handle the students who will be crowding them. The result will be that there will be fewer dormitory rooms and class-

rooms in the colleges for college students to go into.

We have heard the talk from the other side of the aisle that we should let the interest rate work up and down. This bill would work it up, not down. There is no play up and down in it. It is all up, no down.

The PRESIDING OFFICER. The extended time of the Senator has again expired.

Mr. YARBOROUGH. I am going to carry out my pledge and obligation to the American people and vote to keep interest rates down.

Mr. SPARKMAN. Mr. President, I have listened to all the debate on this question. I have listened to it with a great deal of interest and a great deal of agreement. I believe that the membership of the Committee on Banking and Currency voted unanimously in favor of the interest increase.

Certainly, no member of the committee on our side of the aisle wanted to increase the rate. We have fought against it year after year. It was last year that we finally agreed to a rise in the interest rate from 4½ percent to 4¾ percent, and tied it to the going FHA rate on section 203(b) mortgages, with one-half of 1 percent in between. We wrote that provision into law; that the VA interest rate should never be higher than a half percent below such FHA rate.

It became apparent, however, watching the VA starts and applications and appraisal requests which came in, that the program had simply become stymied. All the testimony before us dealing with the subject was to the effect that the only way we could get the VA program going was to loosen the interest rate.

We did not set the rate at 5¼ percent. We set the ceiling at 5¼ percent. It may very well be that the interest rate will go to 5¼ percent. I do not know. That is up to the Administrator of the Veterans' Administration. I realize that the interest rates were much lower back during the Roosevelt administration and during the Truman administration. I wish we still had low interest rates. However, as a matter of reality, we do not have them. Back in Roosevelt and Truman administrations we had bond purchases by the Federal Reserve Board, which stabilized the market. That practice was terminated even before the Truman administration went out of office. We have not had that operation since that time. Interest rates, whether we like it or not, have gone up.

I have not liked the increases any better than any other Senators. I have taken my place on the Senate floor and have spoken against these increases. I made one of the first speeches, back in the early part of 1953, against rising interest rates, and I pointed out then what the effect would be.

However, we are not living in the Roosevelt administration. We are not living in the Truman administration. We are living in the Eisenhower administration, and interest rates are higher. The question is do we want housing? I realize that if we pump money into the Federal National Mortgage Association, we can buy mortgages, and in that way we can get money. However, we had a great fight yesterday on direct home loans to veterans living in rural areas.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield to the distinguished chairman of the committee.

Mr. FULBRIGHT. Would not the proposal here discussed and offered by the Senator from Oklahoma be equivalent to the direct loan program which yesterday we voted to cut in half by almost a unanimous vote?

Mr. SPARKMAN. It is the same thing.

Mr. FULBRIGHT. It has the same effect.

Mr. SPARKMAN. Yes.

Mr. FULBRIGHT. The Senate by a large majority—I do not recall exactly what the vote was—voted against it. Would not the adoption of the pending amendment be inconsistent with the action of yesterday?

Mr. SPARKMAN. It would be.

Mr. FULBRIGHT. I agree completely on what is involved. All of us, of course, deplore the fact that interest rates have gone up. We deplore inflation. The price of automobiles has gone up, as has the price of everything, and so has the interest rate. To pick out one item and think we can correct it by this means is wholly a false way to approach the matter.

Mr. SPARKMAN. The Senator is absolutely correct. By the way, in keeping with the suggestion he made about this being a direct loan program, the Gore amendment is now a part of the Monroney amendment. This is what it does. First of all, in order to operate, the amendment will require $165 million to be put up by the Treasury, and that is an expenditure. In other words, the added impact on the budget immediately is $165 million. When that is done, the Federal National Mortgage Association can turn around and reactivate its program to the extent of approximately $2 billion, with which to buy mortgages at par.

I should like to follow that thinking a little further. In 1954, Congress changed the Federal National Mortgage Association from the kind of organization the Senator from Tennessee has described to what was planned eventually to be a private corporation, and to use its services just like farm credit operations and Home Loan Bank Board operations and many other operations of that kind.

Mr. FULBRIGHT. There is the Production Credit Association.

Mr. SPARKMAN. Yes; the Production Credit Association; and also the Farm Credit Administration. Since that time, $37 million worth of stock has been bought by private individuals. There are 37,000 shares held by 4,064 stockholders.

Do Senators realize what they are doing now? We will be wiping out these stockholders completely. We will be taking away $37 million which has been subscribed by private stockholders, and we will wipe the stockholders out of existence. We will be wiping out a private corporation and turning it into a Government operation, which not only is required to buy mortgages at par, but also cannot even make a service charge for its operation. So again Congress will have to appropriate money in order to operate the association.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. FULBRIGHT. In order to be fair about it, if the Monroney amendment should be agreed to, it ought also to appropriate money to reimburse the owners of the $37 million worth of stock which those persons, in reliance upon the law, bought in this corporation, should it not?

Mr. SPARKMAN. It is the only right, fair thing to do.

Mr. FULBRIGHT. Otherwise, the Government would be taking money without due process of law.

Mr. SPARKMAN. Yes; we would be taking it away without due process of law.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. MANSFIELD. Did I correctly understand the Senator to state that all the Democratic members of the committee agreed to this proposal?

Mr. SPARKMAN. Democratic and Republican members alike.

Mr. MANSFIELD. All the members of the committee?

Mr. SPARKMAN. The vote was unanimous. Some of us did not want to do it, but we simply said—and the Senator from Pennsylvania will remember this—that it was the only way in which we would get housing.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. I think I shared the reluctance of the Senator from Alabama in voting as I did. But it seemed to me perfectly clear that the only alternative was to pump a lot of money into FNMA. That would have caused all the penny-pinching budget balancers to raise their voices all over again and would have enabled them to clamor about how we wild-eyed spenders wanted an unbalanced budget.

We were carrying a heavy enough load with the bill as reported by the committee, so with reluctance the Senator from Alabama and I felt that we were not prepared to pour a lot of money into FNMA because we did not want to kill the housing program.

Mr. SPARKMAN. The Senator from Pennsylvania is exactly correct. We were trying to report a bill which would become law, in the first place, and would produce housing.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. JOHNSON of Texas. I am against high interest rates as much as is any other Member of this body. I am ready and willing to agree to do everything within the power of Congress to make available to the Government money at as low an interest rate as it is possible to obtain.

I do not question the good faith or integrity or ability of any who may disagree with me, but I wish to commend the Senator from Alabama [Mr. SPARKMAN] for the sense of responsibility he has demonstrated to the Senate and the Nation. I commend his committee and every member of it, headed by the Senator from Arkansas [Mr. FULBRIGHT], because I think the choice is this simple. We can have either speeches about houses, or we can have houses.

The Senator knows, and I know, that it is very popular to be against high interest rates. I am against them.

I do not wish to chastise or criticize anyone who may want to make a record. But the record I want to make and the record I want the Senate and Congress to make, is a responsible record of which we can be proud. We can be proud of it if we let the free enterprise system operate to build some houses.

I am willing to begin tomorrow morning to do everything within my power to use the credit of the U.S. Government to bring down the price of money; but I will not do it on this bill because such action will not provide any housing for veterans.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. JOHNSON of Texas. I thank the Senator from Alabama for yielding to me.

Mr. SPARKMAN. Mr. President, I ask for 2 additional minutes.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, I object at this time. The Senator from Alabama has the floor. I shall not object when the Senator from Alabama has completed his remarks.

Mr. JAVITS. I intended to fit my remarks in with what the Senator from Alabama has said.

Mr. LONG. I withdraw my objection.

Mr. JAVITS. I, too, voted in committee, and it was a different vote from the one I cast last year on the very same question. I should like to state the reason I did so in fairness to myself and the committee, especially the Senator from Pennsylvania [Mr. CLARK], who worried about this problem as much as I did.

I felt that such action would be a discrimination against the veteran. We would be cutting out around him and preventing him from having access to the money market, to which he was entitled to have access. There simply is not enough money around for this purpose to supply him with the direct loan, which is all this amounts to, in order to give the veteran who wants it a real opportunity to get a home under the VA bill. The market under the VA bill had dried up. Yet if we put up more dollars, which was what was wanted in order to go forward, that money would be used up, and the source would dry up again.

I do not know whether this proposal will work. But we can give it a trial.

When we come to some broad-scale proposal on interest rates, even if it is 4½ percent, I will pledge my vote now against a raise; but in this particular detail we would be discriminating against a particular group of people. That, I think, is not fair.

Mr. SPARKMAN. I think the Senator from New York is correct. I have the same doubt. I shall do all I can to help pull down interest rates, but not at the expense of veterans who are entitled to homes. That is what the adoption of this kind of program would do.

First, I am confident it would never be signed into law. I have no way of knowing that, but I believe that to be true.

We have heard a good deal about what is good for the veterans. The House Committee on Veterans' Affairs reported a bill which was passed yesterday by a vote of almost three to one, which provided for increased interest rates. The House opposed such a proposal repeatedly in the past. But it was up against the reality of the situation this time.

The two largest veterans organizations in the country, the Veterans of Foreign Wars and the American Legion, have both urged Congress to adopt flexible interest rates, which we have done. I do not think those organizations yield to anyone in their interest in the welfare of the veterans.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DIRKSEN. I can probably use up my 2 minutes now. I received a telegram, copies of which were undoubtedly sent to many Senators.

Mr. SPARKMAN. Is the Senator speaking on his own time?

Mr. DIRKSEN. Yes.

The American Legion respectfully requests your support of legislation to raise the interest ceiling on GI loans to 5¼ percent.

The Veterans of Foreign Wars have concurred in that request. The Veterans of Foreign Wars, through their legislative committee, speaks for a million veterans. I believe the American Legion speaks for 2 million veterans.

So with all respect to our very genial friends who have been talking about the moneychangers in the temple, who should be chastised with whips and scorpions, Wall Street bloated bankers, and everything else, here are the moneychanges in the Veterans of Foreign Wars and in the American Legion who respectfully importune Congress now to raise the interest rate.

Mr. SPARKMAN. I appreciate the comments of the Senator from Illinois.

I conclude with this statement. I think it represents the feeling of every Senator on the committee. It was distasteful to us, but we felt it was necessary to act as we did if we were to provide housing. That is what we are trying to do. We are trying to produce housing for American families. We are not disturbing the FHA rate or the general rate. We are changing some of the rental property rates, where that was necessary, in order to get the programs off the ground, without seeking to change it in the veterans' program. We are making it more or less uniform throughout the entire housing program for one purpose, and one purpose only, namely, to produce decent homes for American families.

Mr. DIRKSEN. Mr. President, in the absence of any other Senator who might yield time, I yield 5 minutes to the Senator from Connecticut.

Mr. BUSH. Mr. President, I wish to say a few words before the vote. I have listened very carefully all evening to what appears to be a very well organized attack upon this administration, on the basis that it is responsible for high interest rates, and that high interest rates are a policy of the Eisenhower administration.

I have repeatedly denied that that was the case, not this year, but last year and the year before. I challenge anyone to read the RECORD of tonight and get from that RECORD any evidence or any proof of any kind that this administration has a high interest rate policy, or that it is responsible for higher interest rates than prevailed before the Eisenhower administration came into power 6 years ago. I say there has not been one item of proof placed in the RECORD that the responsibility for the high interest rates, as they are called, can be traced to the policies of the Eisenhower administration.

It has been stated in the debate that the Federal Reserve Board has some authority in the matter of credit; that it is able to influence credit through monetary controls which it has. I challenge the opposition to introduce a bill which will curb the power of the Federal Reserve Board. I challenged them last year to do this. The challenge was ignored. If they wish to come to grips with the question of interest rates, and if they are sincere in their attacks in respect of this matter, they should come to grips with the problem where it can be gripped, namely, in the powers of the Federal Reserve Board. They know it, but I do not believe they will dare come before Congress with proposed legislation which will curb the powers of the Federal Reserve Board.

Mr. CLARK. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. Mr. President, they know it; and I do not believe they will dare propose legislation which would curb the powers of the Federal Reserve Board.

Mr. CLARK. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. Mr. President, I will not yield; I have only a few moments in which to speak. I have listened to the debate for a long time, and I do not intend to yield at present.

It has been said—and correctly—that the Federal Reserve Board is a creature of the Congress, not a creature of the executive branch of the Government. The Federal Reserve Board reports to the Congress; and the Congress is the place in which they should come to grips with the situation, if they really mean what they say about high interest rates.

Mr. President, I am very tired of hearing interest rates made a political football; but I have been hearing it for the past few years. If they really mean what they have said, if they really mean to

come to grips with it, let them vote to proceed in a way by which that can be done.

Mr. President, I am grateful to the Senator from Alabama for the statement he made a moment ago. I am in support of that statement. I stand with him in opposition to the amendment; and I hope the Senate will vote to reject the amendment.

Mr. SPARKMAN. Mr. President, has all available time been used?

The PRESIDING OFFICER. The Senator from Indiana has reserved 5 minutes.

Mr. SPARKMAN. I suggest the absence of a quorum.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Ohio will state it.

Mr. LAUSCHE. Has the amendment of the Senator from Tennessee been merged with the amendment of the Senator from Oklahoma, so that they now constitute only one amendment?

The PRESIDING OFFICER. That is correct.

Mr. LAUSCHE. Those two amendments do not now stand separately before us, do they?

The PRESIDING OFFICER. They do not.

Mr. SPARKMAN. Mr. President, I withdraw my suggestion of the absence of a quorum.

Mr. MONRONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. MONRONEY. Can the two amendments, which now have been merged into one, be stated at this time, for the information of the Senate? My amendment freezes the interest rates on GI housing and Capehart housing mortgages. The amendment submitted by the Senator from Tennessee [Mr. GORE] provides for Federal National Mortgage Association support, at par, for mortgages issued in the future. I think both amendments should now be stated.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the Monroney amendment as modified by the Gore amendment.

The Senator from Oklahoma has asked that the amendment, as modified, be read.

Mr. MONRONEY. Mr. President, inasmuch as the reading of the amendment would be purely technical, I withdraw my request that it be read.

The PRESIDING OFFICER. Very well.

The question is on agreeing to the modified amendment offered by the Senator from Oklahoma to the committee amendment. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CLARK (when his name was called). On this vote, I have a pair with the junior Senator from Maine [Mr. MUSKIE], who is unavoidably absent. If the junior Senator from Maine [Mr. MUSKIE] were present and voting, he would vote "yea." If I were at liberty to vote, I vote "nay." Accordingly, I withhold my vote.

The rollcall was resumed and concluded.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senator from Wyoming [Mr. O'MAHONEY] would vote "yea."

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Louisiana [Mr. ELLENDER]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Louisiana would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Minnesota would vote "yea."

On this vote, the Senator from Oregon [Mr. NEUBERGER] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from Arizona would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] is absent because of illness.

The Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Arizona [Mr. GOLDWATER] and the Senator from Wisconsin [Mr. WILEY] are detained on official business.

The Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from Arizona would vote "nay," and the Senator from Oregon would vote "yea."

The result was announced—yeas 27, nays 58, as follows:

YEAS—27

Bartlett	Johnston, S.C.	Monroney
Byrd, W. Va.	Kefauver	Morse
Cannon	Kennedy	Pastore
Carroll	Kerr	Proxmire
Gore	Langer	Randolph
Gruening	Long	Russell
Hart	Magnuson	Smith
Humphrey	McGee	Symington
Jackson	McNamara	Yarborough

NAYS—58

Aiken	Bridges	Capehart
Allott	Bush	Carlson
Bennett	Butler	Case, N.J.
Bible	Byrd, Va.	Case, S. Dak.
Church	Hennings	Prouty
Cooper	Hickenlooper	Robertson
Cotton	Hill	Saltonstall
Curtis	Holland	Schoeppel
Dirksen	Hruska	Scott
Dodd	Javits	Smathers
Douglas	Johnson, Tex.	Sparkman
Dworshak	Jordan	Stennis
Eastland	Keating	Talmadge
Engle	Lausche	Thurmond
Ervin	Mansfield	Williams, N.J.
Frear	Martin	Williams, Del.
Fulbright	McClellan	Young, N. Dak.
Green	Morton	Young, Ohio
Hartke	Moss	
Hayden	Mundt	

NOT VOTING—13

Anderson	Goldwater	Neuberger
Beall	Kuchel	O'Mahoney
Chavez	McCarthy	Wiley
Clark	Murray	
Ellender	Muskie	

So Mr. MONRONEY's modified amendment to the committee amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the modified Monroney amendment to the committee amendment was rejected be reconsidered.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. MONRONEY. Mr. President, I should like to address a question to the chairman of the housing subcommittee. The information I have——

Mr. JOHNSON of Texas. Mr. President, I yield the Senator from Oklahoma 2 minutes on the bill.

Mr. MONRONEY. I have information that contractors are doing work on $1,139 million worth of projects for Capehart housing for the military. This work is under construction loan, and will not be put under final insured mortgage until the buildings are completed and insured mortgages can be issued.

Of those contracts, $660 million are privately financed. Unless some retroactivity is provided on projects on which final insurance has not been issued, those contractors face bankruptcy because they must discount 4¼ percent mortgages to sell them in competition with mortgages with higher rates.

I should like to know what the position of the chairman of the subcommittee is, since authorization has been given for increasing Capehart housing loans from 4¼ to 5 percent. Will there be retroactivity to see that the contractors now building the projects can finance their loans, when final mortgages are issued, at the going rate?

Mr. SPARKMAN. That subject is covered on page 6 of the report. Of course, we have no way of knowing whether the interest rate will be increased, and if so, to what extent; but in the report the Commissioner is given responsibility for working out an arrangement.

Mr. MONRONEY. Is the authority given to the Commissioner to prevent contractors who are engaged in $660 million worth of work from going bankrupt?

Mr. SPARKMAN. I suggest that the Senator read the second paragraph, commencing on page 6 of the report, in which it is stated that it is the responsibility of the FHA Commissioner to make certain that all who may be affected by a change in interest rates are fairly treated.

Mr. MONRONEY. Perhaps that would mean those contractors could obtain financing, not at 4¼ percent, but at the higher level if so set by the Commissioner.

Mr. SPARKMAN. I do not want to say anything at this time with reference to the details of how those arrangements will be worked out, because I am frank to say I do not know. We must remember that, as conditions are today, even though there is in effect a 4¼ percent rate, actually there are discounts which amount to 4 or 5 points. That in effect means——

Mr. MONRONEY. The distinguished Senator knows that 2 months after the rates for Capehart housing had been increased, there was notice that the new interest rates would be effective. There was insurance against bankruptcy by reason of a statement that there will be 95 instead of 100 percent sales of those mortgages when completed.

Mr. SPARKMAN. I will say to the Senator from Oklahoma that before the bill comes out of conference, between the two committees we shall do our best to get from the FHA Commissioner an outline of the plan he intends to put into effect. We shall do our best to see it is fair and equitable.

Mr. GORE. Mr. President, will the Senator yield some time to me?

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Tennessee.

Mr. GORE. I thank the Senator.

First, I thank this body for the courteous attention it gave to the Senator from Tennessee. Second, I should like to address a question to the distinguished chairman of the subcommittee.

Information has come to me that a number of lenders have incorporated in their instruments of mortgage a provision conditioned upon the future action of Congress; namely, that if the Congress should increase the interest rate in the future, the mortgages thus signed would carry into the future and require a higher interest rate. I have received calls from my own State, and information with respect to other States.

I should like to inquire if the bill contains any provision which would validate or invalidate such an undertaking.

Mr. SPARKMAN. I know of no particular case, but I understand that there are some pending contracts which carry that provision. However, not a single executed contract carries such a provision.

Mr. JOHNSON of Texas. Mr. President, I understand there are some technical amendments which the chairman of the subcommittee wishes to offer and which are acceptable to the minority. I ask that they be called up.

Mr. SPARKMAN. Mr. President, I send to the desk an amendment which I ask to have read.

Mr. GORE. Mr. President, may I have an additional one-half minute?

Mr. JOHNSON of Texas. I yield one-half minute to the Senator from Tennessee.

Mr. GORE. What would be the intention of the chairman of the subcommittee if such an undertaking had been entered into and such a loan had been approved?

Mr. SPARKMAN. I am not certain that the FHA Commissioner would have approved such a contract; but if such a contract had been entered into and had been approved, Congress could do nothing about it. Congress could not upset a contract. However, I am of the opinion—and I say to the Senator that we shall certainly check on this—that the FHA Commissioner would not have approved a contract with such a provision in it. I shall check on it.

Mr. GORE. Will the Senator check it before the bill goes to conference?

Mr. SPARKMAN. Yes. I said we shall check on it.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama [Mr. SPARKMAN] to the committee amendment will be stated by the clerk.

The LEGISLATIVE CLERK. It is proposed, on page 99, in line 18, in the committee amendment after the word "homes", to insert a colon and "*Provided*, That in a case where certification of need has been denied by such State agency, the Commissioner may, upon application of the mortgagor, take such action as he deems appropriate."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama.

The amendment to the amendment was agreed to.

Mr. SPARKMAN. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 140, line 10, in the committee amendment, after the word "than", it is proposed to strike out "three" and insert "five."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment to the amendment was agreed to.

Mr. SPARKMAN. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 70, line 21, in the committee amendment, it is proposed to strike out "$88,000" and insert in lieu thereof "$8,000."

On page 99, line 9, it is proposed to strike out "The" and insert in lieu thereof "In carrying out the provisions of this section with respect to the insurance of mortgages on properties or projects designed for use as nursing homes, the."

On page 99, line 18, after "No" it is proposed to insert "such".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment to the amendment was agreed to.

Mr. SPARKMAN. Mr. President, I offer an amendment which I ask to have stated.

The LEGISLATIVE CLERK. On page 118, line 21, in the committee amendment after the word "persons", it is proposed to strike out the comma and "and, where a local public housing agency has determined that the acquisition and repair, rehabilitation or remodeling of existing dwellings by the local public agency for use as a low-rent housing project is in the public interest of the community, to provide that the powers, functions, and duties vested by law in the Public Housing Commissioner and the Housing and Home Finance Administrator shall be employed in such manner as will encourage and facilitate the undertaking and carrying out of such project by such local public housing agency."

On page 123, line 3, it is proposed to strike out Sec. 404, as follows:

SEC. 404. Section 7 of the United States Housing Act of 1937, as amended, is hereby amended by adding at the end thereof the following new subsection:

"(c) Where a local public housing agency has determined and certified to the Public Housing Commissioner and to the Housing and Home Finance Administrator that the acquisition and repair, rehabilitation or remodeling of existing dwellings by the local public agency for use as low-rent housing the Commissioner and the Administrator shall employ the powers, functions, and duties vested in them by this or any other Act in such manner as shall facilitate and encourage the undertaking and carrying out of such a low-rent housing project by such local public housing agency, and the annual report referred to in subsection (b) of this section shall include information on the number of such cases and the manner in which such functions, powers and duties were so employed and exercised in such cases."

It is proposed to correct section numbers thereafter.

Mr. CLARK. Mr. President, I ask the distinguished Senator from Alabama whether the amendment in effect would strike out section 404 of the bill.

Mr. SPARKMAN. The Senator is correct.

Mr. CLARK. Mr. President, I ask unanimous consent to address the Senate for 2 minutes.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, section 404, which the amendment seeks to strike out, has to do with the acquisition of existing housing for public housing projects. That section, I have been told by my good friend from Alabama, was inadvertently left in the bill when it was before the committee. I am informed that had the Senator known the section was in the bill he would have moved to strike it out in the committee, and I suspect he would have had the necessary votes to do so. I therefore do not intend at this late date to take advantage of my good friend by objecting to the deletion of an extremely salutary provision. My reason for not doing so, in addition to my feeling of warm affection for the Senator from Alabama, is that in my opinion under existing law presently existing housing can be acquired for public-housing sites. In that

connection I invite the attention of the Senate to section 9 of the Housing Act of 1937, which reads in part as follows:

The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent-housing or slum-clearance projects by such agencies.

Section 2, subsection (5) of the Housing Act of 1937 provides in part that—

The term "development" means any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a low-rent-housing or slum-clearance project—

And includes in the definition of "construction activity" the "reconstruction, remodeling, or repair of existing buildings." Since this provision is clear in existing law, I have no objection to the amendment offered by the Senator from Alabama to delete the section.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

The amendment to the amendment was agreed to.

Mr. SPARKMAN. Mr President I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 70, line 20, in the committee amendment, it is proposed to insert "(1)" immediately following "(c)."

On Page 70, between lines 21 and 22, it is proposed to insert the following:

(2) Section 203(b)(5) of such Act is amended by inserting before the period a colon and the following: "*Provided*, That no service charge shall be allowed in the case of any mortgage which is insured under this Act after the date of enactment of the Housing Act of 1959."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN].

The amendment to the amendment was agreed to.

Mr. HART. Mr. President——

Mr. SPARKMAN. Mr. President, the Senator from Michigan has an amendment to offer.

The PRESIDING OFFICER. Is it a technical amendment?

Mr. SPARKMAN. It is not, but it is an amendment we have agreed to take to conference.

Mr. HART. Mr. President, I offer an amendment for myself and the senior Senator from Michigan [Mr. MCNAMARA] identified as 2–4–59—D.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. It is proposed to strike out section 320(a) of the committee amendment and insert in lieu thereof the following:

SEC. 320. (a) Section 701 of the Housing Act of 1954 is amended by striking out the first sentence and inserting in lieu thereof the following: "To facilitate urban planning for smaller communities lacking adequate planning resources, the Administrator is authorized to make planning grants to State planning agencies, or in the absence of any such planning agency in any State to an agency or instrumentality of government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the intent of this section, for the provision of planning assistance (including surveys, land use studies, urban renewal plans, technical services, and other planning work, but excluding plans for specific public works) to (1) cities, other municipalities, and counties having a population of less than fifty thousand according to the latest decennial census, and (2) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than fifty thousand according to the latest decennial census and having common or related urban planning problems resulting from rapid urbanization."

Mr. HART. Mr. President, the amendment is designed to take care of the smaller cities, cities of 50,000 or less, in the States which at the present time do not have State planning agencies, in order that they may participate in urban planning funds. The amendment would authorize the Governor of a State to designate an existing State agency, provided that State agency is acceptable to the Administrator of the Federal fund.

There is no money complication, nor are there any interest rates involved, I will explain for the benefit of the Senator from Indiana.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan.

The amendment to the amendment was agreed to.

Mr. CAPEHART. Mr. President, the record on Senate bill 57 is complete and it is very clear.

At this point, the bill is not in many respects satisfactory to me. Neither does it jibe with the recommendations which I have spread on the record.

But, much as I disagree with some of the provisions, I am happy that the bill has been somewhat improved through discussions in the Committee on Banking and Currency and on the Senate floor.

There are many good things in the bill. There are some features with which I simply cannot agree because I am one who believes that a major obligation of every Member of this body to the American people is to make every practical move within his power to maintain a balanced budget without hampering any of the really vital functions of the Government.

One of these functions, of course, is our housing program.

Frankly, I am not happy with the bill as it now stands. I am, on the other hand, convinced that when the House of Representatives has completed its action and the respective bills of the two Houses are considered in conference, the budget-balancing philosophy of this administration and of the American people will have prevailed.

For this reason, Mr. President, I am going to vote for Senate bill 57. In doing so, I wish the RECORD to show that I reserve the definite right to vote against the housing bill in its final form if it does not follow a sound fiscal policy and still assure the continuation of a housing program to meet the needs of the American people. That kind of bill is possible, as I have pointed out to Senators throughout this debate.

Mr. JOHNSON of Texas. Mr. President, have all the technical amendments been agreed to?

The PRESIDING OFFICER. They have.

Mr. JOHNSON of Texas. I yield 2 minutes to the distinguished Senator from Illinois.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. HOLLAND. Mr. President, I did not understand whether the Senate took action on the amendment offered by the Senator from Michigan.

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan was agreed to.

The question is on the engrossment and third reading of the bill. There is a limitation of debate of 15 minutes on each side.

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from Illinois.

Mr. DIRKSEN. First, Mr. President, I announce to my colleagues on this side of the aisle that the meeting contemplated for 9:30 tomorrow morning will be held at 10:30 instead, because the hour is pretty late.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I am glad that the discussion of the bill went forward in the utmost of good spirit. It was a spirited debate at times, but there was gracious forbearance on both sides of the aisle.

I reassert the premise I stated on the first day of the discussion. I intend to vote against the bill. I believe that an administration which maintains a housing agency with nearly 11,000 people and gathers all the experience, background, and wisdom of that group to prepare a balanced, integrated bill, should have the measure adopted, and that the measure should not be departed from unless everything is pretty carefully considered. I think the administration bill was a good one. It failed in the vote on the substitute, and so I cannot accept the present bill.

It has been contended that we will make only a little hole in the budget dike, but one little hole will beget another. So it becomes an open invitation, once it is done, to exceed the budget estimates in other respects, and I do not care to go down that road.

I think the bill is adequate. Points have been made on the floor from time to time that it is an inadequate measure for the problems and the challenges which are presently before us. As I think about it, I think about the old

cowpoke who went into Nieman Marcus' store in Dallas, Tex. He looked around at all the fancy gadgetry. When the saleslady came up, she said, "Is there something I can show you?" He was rather shy and timid, but he said, "Lady, I ain't never seen so many things that I could do without."

I think the time has come for this country to do without a few things in the interest of a balanced budget, in order to keep these inflationary fevers dampened down. For that reason, I intend to vote against the bill. That is all I have to say, Mr. President.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time on condition that the minority do likewise.

Mr. DIRKSEN. Mr. President, our time is yielded back.

The PRESIDING OFFICER. All time has been yielded from both sides.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Montana [Mr. MURRAY], the Senator from Maine [Mr. MUSKIE], the Senator from Oregon [Mr. NEUBERGER] and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] is absent because of illness.

The Senator from California [Mr. KUCHEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is detained on official business.

The result was announced—yeas 60, nays 28, as follows:

YEAS—60

Aiken	Hart	McCarthy
Allott	Hartke	McGee
Bartlett	Hayden	McNamara
Bible	Hennings	Monroney
Byrd, W. Va.	Hill	Morse
Cannon	Humphrey	Morton
Capehart	Jackson	Moss
Carroll	Javits	Pastore
Case, N.J.	Johnson, Tex.	Prouty
Church	Johnston, S.C.	Proxmire
Clark	Jordan	Randolph
Cooper	Keating	Scott
Dodd	Kefauver	Smathers
Douglas	Kennedy	Smith
Engle	Kerr	Sparkman
Frear	Langer	Symington
Fulbright	Lausche	Williams, N.J.
Gore	Long	Yarborough
Green	Magnuson	Young, N. Dak.
Gruening	Mansfield	Young, Ohio

NAYS—28

Bennett	Dworshak	Robertson
Bridges	Eastland	Russell
Bush	Ervin	Saltonstall
Butler	Goldwater	Schoeppel
Byrd, Va.	Hickenlooper	Stennis
Carlson	Holland	Talmadge
Case, S. Dak.	Hruska	Thurmond
Cotton	Martin	Williams, Del.
Curtis	McClellan	
Dirksen	Mundt	

NOT VOTING—10

Anderson	Kuchel	O'Mahoney
Beall	Murray	Wiley
Chavez	Muskie	
Ellender	Neuberger	

So the bill (S. 57) was passed.

Mr. SPARKMAN. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized and directed to make all necessary clerical and technical changes, including changes in section numbers and cross-references in the engrossed bill (S. 57) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the bill, as passed by the Senate, be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL AIRPORT ACT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 46, Senate bill 1.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. The bill (S. 1), to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to, and the Senate proceeded to consider the bill.

HOUSE BILL ORDERED TO LIE ON THE TABLE

The bill (H.R. 2256) to amend chapter 37 of title 38, United States Code, to provide additional funds for direct loans; to remove certain requirements with respect to the rate of interest on guaranteed loans; and for other purposes, was read twice by its title and ordered to lie on the table.

ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn until 11 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I wish to express my gratitude to the Senator from Alabama [Mr. SPARKMAN], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Indiana [Mr. CAPEHART], and the other members of the committee who worked so diligently and so long and so effectively to pass an effective housing bill in the Senate. I realize that many doubts had to be resolved. I realize that judgments did not always agree. However, as the result of many hours put in by this very able committee, we have tonight, by a more than 2 to 1 vote, passed a bill in the Senate which does not dot every "i" or cross every "t" or completely embrace each word of the President's plans as submitted by the Housing Commissioner.

However, if the administration's estimate is correct and if its prophesies are true, and if its statements are accurate, the budget for the next fiscal year will come within $35 million, under the administration's bill, of what this bill provides.

The bill must go to conference. I do not know what will come out of conference. I know some people would like to have everything their own way. I am one of them. However, legislation is a matter of give and take. We have made some concessions. We have adjusted our views. I am hopeful that in conference the House and Senate can reason together and come out with a bill which will be good for the country. I hope it it will be satisfactory to the administration.

It does not take much reasoning, it does not take much time, it does not take much effort to be against something. It takes a great deal of time and a great deal of effort and a great deal of work to produce something constructive. Whether we will be able to do that and get agreement with the Executive, no one knows.

However, we have done our best in the Senate, and the vote just cast in behalf of the bill shows that a substantial majority of the Members of the Senate believe it is the best bill that could be obtained. I believe that if the other body and the coequal branch of government spend as much time in attempting to meet our views as we have spent trying to meet theirs, we will ultimately have a bill which will benefit the Nation and which will build us some much needed housing.

I thank the Senators for their efforts, and express the hope that we may be able to conclude action on the airport bill tomorrow and then go over until next week. If we complete action on the airport bill tomorrow, we will take up some resolutions on the calendar which I anticipate will be noncontroversial. Then we will go over until next week. Then we do not expect to have any rollcalls before Monday, week. We will do our best to protect each Member in that regard. I wish to call attention to the fact that we will have a joint session on Lincoln's Birthday, so that all Senators may be on record.

Mr. FULBRIGHT. Mr. President, I wish to associate myself with the remarks of the Senator from Texas about the Senator from Alabama [Mr. SPARKMAN]. This is probably the last bill that will come out of the Committee on Banking and Currency while I am chairman of it. I wish again to express my appreciation for the fine job the Senator from Alabama has done in holding hearings on the bill and in guiding it through the Senate. There is no man in the Senate who knows as much about housing as does the Senator from Alabama. I agree with the Senator from Texas, the majority leader, in his remarks about the character of the bill. I think it is a good bill. I think the Senate is to be congratulated on it.

I also wish to express my appreciation to the majority leader for his assistance in getting the bill under way and in obtaining the cooperation of all the members of the committee and the Members of the Senate.

I think he has done excellent work and constructive work in having a bill passed so early in the session to meet the very dire needs which have arisen in various fields of housing.

Mr. SPARKMAN. Mr. President, first, I thank the Senator from Texas and the Senator from Arkansas for the very kind remarks they have made. It is most unusual to have a bill of this importance passed so early, not only in a new session, but in a new Congress. I cannot help feeling that every Senator is pleased that we have passed the bill so early. I am confident that had we waited until April or May, as has been the case in the past, we could not have passed a better bill than this.

I am confident that the bill will produce housing. I say to the majority leader, in keeping with what he said, that a careful examination of the bill will reveal that practically everything the administration asked for is in the bill. It may not be exactly as the administration asked for it in every case, but in substance what was asked for is in the bill.

The bill represents much more than most persons realize. It represents the cooperative effort of the legislative branch, so far as the Senate is concerned, and of the Housing and Home Finance Agency and its component bodies. It is a good measure. It will produce housing.

Mr. JOHNSON of Texas. I appreciate what the Senator from Alabama has said. I repeat: I am proud of the Senate; I am proud of the substantial majority of the Senate which was willing to go as far as it did in an attempt to meet the Executive more than halfway. I express the hope that he may be as considerate of our viewpoint as we have been of his.

Mr. DIRKSEN. Mr. President, I can compliment the distinguished Senator from Alabama. I know the complexities of the bill. I served on the Committee on Banking and Currency years ago. So I salute him for a job well done.

I do not quite share the optimism of the majority leader. As an example, by a voice vote, the Senate adopted an amendment submitted by the distinguished Senator from Pennsylvania [Mr. CLARK]. In going back and examining the text of the amendment, I discovered that an extra $150 million was made available if there were bona fide applications for so-called urban renewal. In the text of the bill itself as it came to the Senate there was at least some brake upon that item, because the bill required the determination of the Administrator and the approval of the President.

I think those safeguards were taken out of the language, if I have read the amendment correctly; so the only determinant for the $150 million is whether or not bona fide applications are pending. If that becomes the criterion—and the word "may" was stricken, and the word "shall" was introduced—and if it became necessary to do so, the bill will be very substantially out of line with the budget estimates.

I am not insensible of the complexities which are involved in this matter; but this action reinforces the statement I made earlier in the day that we are trifling with a contemplated budget balance. That is one road on which I do not want to venture, in view of the delicate situation which confronts the country at this time.

FARM FOLLY

Mr. SCOTT. Mr. President, Secretary of Agriculture Benson recently quoted some alarming figures on farm surpluses. He pointed out that by next July we will have more than $9 billion of surplus farm commodities in Government inventory and under loan. The cost of storage and interest on these Government stocks will be a fantastic $1 billion a year.

This certainly dramatizes the need to abandon outdated and ineffective price support and acreage control programs. Continuing these programs would only perpetuate the double taxation of the American consumer. The consumer pays in taxes for the purchase and storage of these commodities and then he pays again in the excessively high prices for these commodities in grocery stores and supermarkets.

These antiquated programs might be defensible if they were truly of assistance to farmers—all farmers. But farmers in my own State of Pennsylvania, for instance, find that rigid supports serve only to drive up the price of grain and feed for their cattle and poultry.

The program which this administration has consistently recommended has never been given a real chance to prove itself. It is for this reason that such emergency programs as the Soil Bank and special surplus disposal operations have been instituted.

It is my earnest hope that we can produce a body of agricultural legislation at this session which will eliminate the shackles on the farmer's efficiency and help him to help himself.

Mr. President, the Pittsburgh Post-Gazette on February 2, 1959, published an excellent, hard-hitting editorial entitled "Farm Folly." I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM FOLLY

Uncle Sam will spend nearly $5½ billion in the year which ends next June 30 on programs to stabilize farm prices and farm income. That's a record high.

Uncle Sam will have by that date more than $9 billion tied up in surplus crops. That's a record high.

Uncle Sam will soon be spending more than $1 billion a year just to store and handle his crop surpluses. That's a record high.

Uncle Sam's farm policies have failed, are failing, and will, in the absence of drastic changes, continue to fail in serving the interests of Americans generally.

Present systems of Government price supports, being little related to the real market, encourage farmers to overproduce certain basic crops, like wheat and cotton. At the same time, modern technology makes it ever easier for farmers to produce more abundantly: almost 50 years ago, a man put in 106 hours of work to produce 100 bushels of wheat; today he puts in only 22 hours.

The farm problem—the problem of assuring farmers a fair and stable income, but of doing so without higher and higher cost to all the taxpayers—has many complexities and calls for many related answers. But one of them—not the only one—must surely be to link more realistically than now the production of basic crops to the needs of the market. That has been an aim of the Eisenhower administration and particularly of its Secretary of Agriculture, Mr. Benson.

That aim is implicit in much of the new proposals that the President and Mr. Benson have sent to Congress. They want, among other things, to scrap the present formula which in a way gears price supports to conditions of 1910–14. They want to gear price supports to average conditions over a period of 3 years prior to a current year, as has been recently adopted for corn. This would be accompanied by an end to such other controls as telling a farmer how many acres he can plant at most. If, however, Congress prefers to retain the old formula, then they ask that they be allowed to vary the level of supports to far lower, if need be, than the present floor of 75 percent of so-called parity.

There are mandatory price supports now for 12 of the 250 different kinds of U.S. farm products. Of that 12, 3—wheat, corn, and cotton—"account," in the President's words, "for about 85 percent of the Federal inventory of price-supported commodities though they only produce about 20 percent of the total cash farm income." Moreover, he points out, 90 percent of the Government outlays for price supports on wheat go to half the farms—the largest ones—that produce wheat.

If the general public were but one-tenth as interested in this topic as the larger wheat farmers, the President's new farm proposals would fare much better than they seem likely to in this Congress.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. HART in the chair). The Chair, upon request of the Vice President, announces

the following appointments by him to fill existing vacancies:

Mr. CAPEHART, to be a member of the Lincoln Sesquicentennial Commission.

Mr. DIRKSEN and Mr. KEATING, to be members of the Joint Committee on Immigration and Nationality Policy.

Mr. CAPEHART, to be a member of the United States Territorial Expansion Memorial Commission.

Mr. FULBRIGHT, to be a member of the Board of Regents of the Smithsonian Institution.

Mr. CASE of South Dakota, to be a member of the National Forest Reservation Commission.

Mr. JAVITS, to be a member of the Franklin Delano Roosevelt Memorial Commission.

Mr. HRUSKA, to be a member of the Migratory Bird Conservation Commission.

Mr. WILLIAMS of Delaware, to be a member of the Joint Committee on Reduction of Nonessential Federal Expenditures.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

Herbert Frank York, of California, to be Director of Defense Research Engineering.

Mr. CANNON. Mr. President, as in executive session, from the Committee on Armed Services I report favorably approximately 15,105 nominations for temporary and permanent appointment and promotion in the Navy, Marine Corps, and Air Force. Since these names have already appeared in the CONGRESSIONAL RECORD, to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations ordered to lie on the desk are as follows:

Col. Archie Higdon, for appointment as permanent professor of the U.S. Air Force Academy;

James P. Henry, and sundry other persons, for appointment in the Regular Air Force;

George A. Bennett, and sundry other officers, for promotion in the Regular Air Force; and

Francis L. Churchville, and sundry other officers, for permanent appointment in the Marine Corps; and

Henry W. Horst, and sundry other officers, for temporary appointment in the Marine Corps.

Mr. CANNON. Mr. President, I also report favorably the nominations of 22 major generals and 20 brigadier generals in the Air Force and 8 major generals and 16 brigadier generals in the Army, as well as 820 Army nominations in the grade of lieutenant colonel and below. I also report the nominations of 34 rear admirals in the Navy and 1 brigadier general in the Marine Corps. Included on this list are the names of Rear Adm. Rawson Bennett to continue as Chief of Naval Research for 2 years and of Rear Adm. B. W. Hogan to continue as Chief of Bureau of Medicine and Surgery for 2 years. I ask that these nominations be printed on the Executive Calendar.

The PRESIDING OFFICER. The nominations will be placed on the Executive Calendar.

The nominations placed on the Executive Calendar are as follows:

Brig. Gen. Marshall Stubbs, U.S. Army, for appointment as Chief Chemical Officer, U.S. Army, as major general in the Regular Army of the United States and as major general in the Army of the United States;

Maj. Gen. John Frederick Bohlender, Army of the United States (brigadier general, Medical Corps, U.S. Army), and sundry other officers, for appointment in the Regular Army of the United States;

Maj. Gen. Kenneth B. Hobson (brigadier general, Regular Air Force), U.S. Air Force, and sundry other officers, for appointment in the Regular Air Force;

Rear Adm. Rawson Bennett II, U.S. Navy, to be Chief of Naval Research in the Department of the Navy for a term of 2 years with the rank of rear admiral;

Rear Adm. Bartholomew W. Hogan, Medical Corps, U.S. Navy, to be Chief of the Bureau of Medicine and Surgery in the Department of the Navy; and

Charles B. Martell, and sundry other officers of the Navy, for permanent promotion to the grade of rear admiral.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER (for himself, Mr. YOUNG of North Dakota, Mr. MAGNUSON, Mr. MANSFIELD, Mr. KEFAUVER, Mr. CHAVEZ, Mr. MUNDT, Mr. CHURCH, Mr. JACKSON, Mr. MURRAY, Mr. BIBLE, Mr. KERR, Mr. HUMPHREY, Mr. ANDERSON, and Mr. MCGEE):

S. 953. A bill to provide economic assistance to the American Indians; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. LANGER when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 954. A bill to authorize the Attorney General to permit certain alien crewmen to remain in the United States in excess of the 29-day period provided for under the Immigration and Nationality Act; to the Committee on the Judiciary.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN (for himself, Mr. KEATING, Mr. SALTONSTALL, and Mr. JAVITS):

S. 955. A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of court orders;

S. 956. A bill to amend chapter 49 of title 18, United States Code, to punish flight to avoid prosecution for unlawful destruction of educational or religious structures; and

S. 957. A bill to provide for the retention and preservation of Federal election records and to authorize the Attorney General to compel the production of such records; to the Committee on the Judiciary.

S. 958. A bill to assist in meeting the costs of special professional services needed in carrying out public school desegregation programs, and for other purposes; and

S. 959. A bill to amend Public Laws 815 and 874, 81st Congress, to provide for the education of children of members of the Armed Forces in communities in which the public schools are closed; to the Committee on Labor and Public Welfare.

S. 960. A bill to amend the Civil Rights Act of 1957 to afford the Civil Rights Commission an additional 2 years within which to submit its final report, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above bills, which appear under a separate heading.)

ECONOMIC ASSISTANCE TO AMERICAN INDIANS

Mr. LANGER. Mr. President, as you know, for years I and many of my colleagues have been fighting for the betterment of the Indian people. We have introduced much legislation, some of which has passed and on some of which Congress has not yet taken affirmative action. One bill in which I have been most interested is a bill, S. 809 of the 85th Congress, which was cosponsored by 20 Senators, but which did not get out of the Senate Interior Committee. This bill is designed to have the Congress appropriate $20 million for the purpose of making loans or grants to Indian tribes so that they may encourage industry to operate a plant on or near their Indian reservations so that it may create jobs for the Indian people, and enable them to be gainfully employed all the year round and earn sufficient pay to take care of their families with the dignity that the average American family does.

Mr. President, there has been brought to my attention an essay written by Miss Mary Ann Chaconas, a student at Western High School, Washington, D.C., which won a nationwide contest, and is being published by the National Essay Association of Los Angeles, Calif., in the Annual Anthology of High School Essays. This essay is as follows:

WHO IS THE SAVAGE?

Movies of the Old West picture Indians as savages. In these films they go on merciless raids and provoke bloody massacres. Very few tell the truth.

Although they were friendly to the first white men, the Indians were later treated badly. They taught the white men how to plant corn and traded with them. However, the expanding population drove the Indians westward. At first they seldom fought, but when the little land they had left was invaded, and when their chief source of life, the buffalo, was killed for fun, they began to fight fiercely. They were excellent warriors but they fought back too late. As the Indians were defeated or signed treaties, white men gave them the pleasure of living on crowded reservations, usually consisting of poor land.

Who was the real savage?

Mr. President, on behalf of myself and a number of other Senators, I introduce, for appropriate reference, a bill to provide economic assistance to the American Indians.

Mr. President, this year, Congress will appropriate billions of dollars to take care of people outside of the United States of America. It is incumbent upon Congress, therefore, to appropriate $20 million to service properly the needs of the American Indians living on reservations throughout the United States. It is a fitting commentary that year after year we are failing to appropriate sufficient sums to care for these

native Americans as to their health, education, social welfare, employment, relocation, loans for housing, and chances to earn a decent income.

The U.S. Senate Subcommittee To Investigate Juvenile Delinquency has held hearings in four areas in North Dakota on or near the Standing Rock Indian Reservation, Fort Berthold Reservation, Turtle Mountain Reservation, and Fort Totten Indian Reservation. Hearings were also held in Phoenix, Ariz., and Palm Springs, Calif., which covered Indian reservations in New Mexico, Arizona, California, and parts of Colorado, Utah, and Nevada. Further hearings were held in Montana, affecting Indian tribes in Montana, Wyoming, and Idaho. Proposed hearings in Washington, Oregon, and Oklahoma had to be postponed. Hearings before the Senate Indian Affairs Subcommittee and conferences held by Glenn Emmons, Commissioner of Indian Affairs, also revealed much evidence of conditions on Indian reservations. During the course of these hearings, much evidence was received in the form of testimony, charts, schedules, and statistics pointing to the great needs and problems of the Indian people. A detailed report was submitted to the Congress on the findings and recommendations as a result of these hearings and other material gathered by the staff through research.

However, it is necessary to report briefly on health, education, welfare, relocation, law and order, poor living conditions, low incomes, and the need for employment which make it mandatory that this bill for $20 million to aid the economy of the Indians be seriously considered by the Congress of the United States.

HEALTH

In the field of health, we find that the Indians in practically every part of the country are suffering from chronic and contagious illnesses. Statistics show that the tuberculosis rate of the Indians is 121.1 per 100,000 as compared with 22.5 per 100,000 of the total population of the United States. The pneumonia and influenza death rate among Indians is 114.9 per 100,000 as compared with 31.3 per 100,000 of the total population. Further, it should be noted that there were 91.7 deaths of Indians under 1 year of age per 1,000 births, as compared with a rate of 31.5 per 1,000 live births of non-Indians. A survey of the Papago and Navaho Indians shows that the infant mortality rate in those 2 reservations was approximately 50 percent. The life expectancy of the American Indian is 17 years as compared with the national average of 69 years.

Among the greatest needs to improve the health conditions of the American Indian, naturally, are more money, hygienic facilities, and clinics. Dr. Shaw, of the Health Branch of the Bureau of Indian Affairs, has stated that in a recent program inaugurated in the State of Washington, astounding improvement was shown in the health of the Indians in that State. With comparable funds, amazing improvements can likewise be realized in the 25 remaining States which contain Indian reservations.

EDUCATION

Despite the fact that we in this country take great pride in our public school educational system, it is unbelieveable that on the Navaho Reservation in the 1952–53 school year, out of 28,000 children between the ages of 6 and 16, less than 6,000 attended school. With the passage of the Navaho-Hopi Rehabilitation Act, there are now 22,751 children between the ages of 6 and 18 in school, and the remaining number who are not in school are expected to enroll within the next year or so.

This is one perfect example of the achievement of remarkable results after Congress has acted to remedy a crying need, as it has done in its rehabilitation program for the Navaho and Hopi Tribes. Testimony taken on the Papago Reservation shows that 60 percent of the Papago Indians do not speak English. Statistics such as these are reflected on Indian reservations throughout the country.

WELFARE

One of the greatest needs on the Indian reservations is for expert community counselors and qualified welfare workers. Many State welfare departments are attempting to give service on reservations, but meager funds for this purpose result in a service which, where existent, is on a "too little and too late" basis. Special Federal appropriations for the development of additional child-welfare services in Indian reservations would, in the long run, save the still larger sums which will be required to pay the costs which will be involved in caring for neglected youngsters grown into adult liabilities of the community.

The Indian Bureau has pointed out that the child-welfare workers, in many instances, are unable to do any counseling whatsoever because of the limited staff, and the main duties performed are only the processing of applications for welfare.

RELOCATION

Much has been said of the advantages of the relocation of the American Indians from the overcrowded reservations to areas where they can obtain year-around employment and better housing. However, the program is grossly inadequate and the services rendered to the relocated families are ineffective because of the very small appropriation for such purposes. It is a known fact that since the relocation program has started there has been in the past years on the various Indian reservations so great an increase in the birthrate that the relocation program does not noticeably reduce the number remaining on the reservations.

Another great need in the relocation program is to assure the Indians who are relocated that they will receive the services which are provided for them on the reservation until they are able to adjust themselves to their new environment. This would greatly reduce the number—30 percent—who return to the reservations because of the lack of these services outside the reservations.

LAW AND ORDER

One of the biggest problems on the Indian reservation is that of effective law and order. In a recent congressional report on Indian affairs a very pertinent observation was made on law and order which gives a clear picture of the situation on any Indian reservation. The need for adequate law and protection is urgent. Although the tribes are making a commendable effort to cope with the situation, much still remains to be done. The existing conditions contribute to lawlessness, a breakdown of morals and morale, and an increase in delinquency, which becomes a great burden upon the people.

In 1951 the Indian Bureau requested of Congress and the Budget Bureau an appropriation of $1,400,000 for its law-and-order program. It was cut down to approximately $350,000. Imagine a law-enforcement program being cut down to approximately one-fourth of what it asks for. Imagine Washington, D.C., having a police force reduced by 75 percent in the face of increased need for protection. What could we expect here? Testimony from police officer, Pat Nelson, on the Navaho Indian Reservation revealed that the reservation needs 38 additional police officers, plus 20 additional vehicles to transport them over the 25,000 square miles they are supposed to cover.

In North Dakota we found the same crying need for law-enforcement services. In a hearing before the subcommittee it was testified that one officer takes care of all Indian reservations in Montana and a part of Wyoming. The testimony also divulged that because of the insufficient funds for personnel and facilities, only the more serious offenses can be dealt with.

POOR LIVING CONDITIONS AND LOW INCOMES

Testimony adduced before the Juvenile Delinquency Subcommittee in North Dakota, Arizona, California, and Montana pointed to the primitive living conditions under which the Indians live. Imagine a mother, father, and 13 chilren living in a one-room cottage with no flooring, no utilities, no water, and no sanitation.

It took only a little money appropriated by Congress in 1954 for the Ute Mountain and Southern Ute Tribes to make it possible for the Utes, in the southwestern corner of Colorado, to construct model three-bedroom bungalows for all the families. These homes are comparable to the fine homes that the average American workingman lives in. This is another indication of what an adequate appropriation from Congress can do for the betterment of the living condition of the American Indians.

LIVING CONDITIONS

The low-income level of the Indians is reflected in statistics which show that some Indian families receive an annual income, from all sources, of as low as $400 a family a year. Families receiving $1,200 or more are in the minority. In comparable areas the non-Indian family's income is usually $2,500 or more a year.

Certain Indian reservations have been fortunate, through Government and private activities, to be located near industries which afford year-round jobs for the Indian people. An extension of such a program is greatly needed to raise the

income level of the average Indian family.

At a meeting called jointly by the junior Senator from North Dakota [Mr. YOUNG] and myself on January 7, 1957, in my office, Senators and Members of the House of Representatives from 11 States met with representatives of the Department of Defense, Office of Defense Mobilization, Department of Interior, Department of Commerce, and two Senate subcommittees. There were two primary subjects of discussion: First, a plan to bring more industrial plants to or near the various Indian reservations in the United States; and second, to urge the continuing operation of the Turtle Mountain ordnance plant at Rolla, N. Dak., which hires almost exclusively Indian skilled labor in the production of jewel bearings for defense and other purposes.

After fully discussing both of these issues for almost 3 hours, in summary these points were reached: First, the Indian people have proven themselves as capable and industrious, and have an excellent record of average daily attendance on the job. It was pointed out that at the Rolla jewel-bearing plant in North Dakota, the turnover of employees was only 3 percent, whereas in a similar plant in Massachusetts, employing non-Indian labor, the turnover of employees was 100 percent; second, the Indian people, contrary to some public belief, have adapted themselves to a special type of skilled labor; third, industrial plants have now been established on or near Indian reservations in Rolla, N. Dak.; Gallup, N. Mex.; Flagstaff, Ariz.; Cherokee, N.C.; Lame Deer, Mont.; Casa Grande, Ariz.; and Zuni, N. Mex. There are also under consideration plants in Oklahoma and Wyoming, and in the area in close proximity to the borders of Washington, Oregon, and Idaho on the McNary site; fourth, it was pointed out that many Indian reservations have the facilities for industrial power availability of water, including the use of power, transportation, available sites for expansion, and a stable source of labor supply; fifth, the Indian leaders on all Indian reservations have expressed the desire for industrial plants to be brought onto or near the Indian reservations to stabilize the economy of the Indian people. This not only will provide salaries for workers, but will aid other factors in the stabilizing of the economy of these communities. At the same time it will permit Indians to obtain jobs near their reservations and near their families and cultures, rather than force them to go to large cities away from their families and traditions. This is especially significant, since the relocation program cannot possibly absorb enough Indians to stabilize the economy of the Indian people living on the Indian reservations; and, sixth, the Indian people through their leaders have expressed the desire to provide for themselves and their children by obtaining stable and gainful employment, so that they may become self-sustaining, and not have to depend, any more than is necessary, on the services accorded by the Federal and State Governments. Not only will they be more self-sustaining economically, but it will further establish in them the strong family and community pride that has always been a part of the Indian people.

Summarizing the views on the reasons for continuing the Rolla plant, other than those expressed above, it was pointed out: First, that more than 50 million jewel bearings are needed to accommodate the defense needs of this country; second, that only approximately 3,600,000 jewel bearings are in storage at this time; third, that the Rolla plant is the only available source of jewel bearings in this country; fourth, that Russia produces more than 200 million jewel bearings each year, and is not dependent upon outside sources for jewel bearings; fifth, that Switzerland, which is, and has been, a source of supply of jewel bearings to the United States, in the event of war may be stopped in some fashion by Russia from either the production or the distribution of jewel bearings for the use of the United States; sixth, that without question jewel bearings are an essential ingredient of almost all phases of our defense activities, whether in the production of missiles, equipment, or transportation facilities; and, seventh, that the differential in cost and the quantity of production has reached the point where it is feasible to continue production at Rolla.

Mr. President, the passage of this bill will be one of the most significant steps taken by Congress to date in the administration of Indian affairs. The signatures of the distinguished Senators cosponsoring the bill are evidence of its importance to the welfare of our Indian citizens.

I ask unanimous consent that the text of the bill, together with the names of its sponsors, be printed at this point in the RECORD as a part of my remarks, and that the bill lie on the table for 4 days so that other Senators may cosponsor it if they so desire.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD and will lie on the desk for 4 days.

The bill (S. 953) to provide economic assistance to the American Indians, introduced by Mr. LANGER (for himself, Mr. YOUNG of North Dakota, Mr. MAGNUSON, Mr. MANSFIELD, Mr. KEFAUVER, Mr. CHAVEZ, Mr. MUNDT, Mr. CHURCH, Mr. JACKSON, Mr. MURRAY, Mr. BIBLE, Mr. KERR, Mr. HUMPHREY, Mr. ANDERSON, and Mr. MCGEE), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to provide programs of assistance to the American Indian tribes and their members in the establishment upon Indian reservations of industries and other activities which will provide employment and otherwise improve the economic status of such Indians, and to provide programs for encouraging the establishment by private enterprise of industries and other activities on or near Indian reservations which will provide employment and otherwise improve the economic status of the Indians residing upon such reservation.

SEC. 2. (a) The Secretary of the Interior (hereinafter referred to as "the Secretary") is authorized to formulate and carry out programs designed to carry out the purposes of this Act. In carrying out such programs the Secretary is authorized—

(1) to make loans or grants to Indian tribes for the establishment of tribal enterprises or activities designed to carry out the purposes of this Act;

(2) to make or guarantee loans to individual Indians for the establishment by such individual Indians of enterprises or activities which, in the opinion of the Secretary, will aid in carrying out the purposes of this Act;

(3) to make or guarantee loans to non-Indians for the establishment or expansion of enterprises or activities which, in the opinion of the Secretary, will aid in carrying out the purposes of this Act;

(4) to furnish to Indian tribes or to individual Indians technical information and assistance necessary to enable them to establish and operate enterprises and activities designed to carry out the purposes of this Act.

(b) Loans and grants under this act shall be made upon such reasonable terms and conditions as the Congress shall approve upon recommendation by the Secretary including, in the case of loans to non-Indians, such assurances as may be necessary to guarantee preferred employment will be given to Indians in the operation of enterprises and activities established or expanded through loans made under this Act.

SEC. 3. The Secretary shall transmit to the Congress during the month of January in each year a complete report of his activities under this Act during the preceding calendar year.

SEC. 4. There is hereby authorized to be appropriated the sum of $20,000,000 to be available until expended for carrying out the provisions of this Act.

PERMISSION FOR CERTAIN ALIEN CREWMEN TO REMAIN IN THE UNITED STATES IN EXCESS OF 29 DAYS

Mr. BUTLER. Mr. President, I introduce, for appropriate reference, a bill to amend the Immigration and Nationality Act, permitting foreign shipowners to retain a minimum number of crew members aboard their vessels laid up in American ports.

Under present law, foreign crews may not remain in the United States more than 29 days; consequently, foreign owners who desire to keep certain essential members of their crews aboard at all times are disinclined to use American ports for periods of layup and repair. Therefore, American shipyards are being deprived of substantial revenue which would otherwise flow to them as a result of necessary repairs and upkeep of foreign flag vessels laid up in U.S. ports. This proposed legislation would have a salutary effect upon private shipyards throughout our Nation. As an example, the port of Baltimore is ideal for the layup of ships because of its natural protection from severe weather. Our ship-repair facilities are excellent and have an international reputation. Furthermore, a number of foreign shipowners have expressed a strong desire to take advantage of these ship-repair facilities but for the present U.S. laws prohibiting the retention of essential crew members on board their ships in excess of 29 days.

Enactment of this proposal would benefit all American ports. Furthermore, it would have no adverse effect upon the enforcement of our immigration and customs laws. When one considers that every time a ship is idle for any appreciable period, it requires from $75,000 to $200,000 in ship repairs and maintenance to return it to active service, a technicality of our immigration laws should not deprive our American ship-repair yards and, more generally, the economies of our American ports of this additional income.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 954) to authorize the Attorney General to permit certain alien crewmen to remain in the United States in excess of the 29-day period provided for under the Immigration and Nationality Act; to the Committee on the Judiciary.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

PROPOSED CIVIL RIGHTS LEGISLATION

Mr. DIRKSEN. Mr. President, the President's message on civil rights was presented to the Senate today. In pursuance of the objectives set out by the President, on behalf of myself, the junior Senator from New York [Mr. KEATING], the Senator from Massachusetts [Mr. SALTONSTALL], and the senior Senator from New York [Mr. JAVITS], I introduce, for appropriate reference, 6 of the 7 bills to implement 6 of the points made in the message. The other bill was introduced earlier today by the Senator from Arizona [Mr. GOLDWATER].

I should like to have the bills lie on the desk for an indefinite period, inasmuch as many Members of the Senate will be away next week. I prefer to submit the bills and leave them open for signature, for whoever may wish to affix his name.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LANGER. As the ranking Republican member of the Subcommittee on Constitutional Rights of the Committee on the Judiciary, I inform my distinguished friend that the Subcommittee on Constitutional Rights has stated it would not have hearings until 6 weeks after bills were submitted to the committee.

Mr. DIRKSEN. Yes.

Mr. LANGER. Therefore, since the Senator has mentioned an indefinite period, I state that the longer the bills are on the desk the longer will be the delay in having a hearing.

Mr. DIRKSEN. Mr. President, I wish to say to my friend from North Dakota, it is assumed we may finish the so-called Federal-aid airport bill tomorrow. Then comes Lincoln Week, and a good many Members will be away. Whether the Members will have an opportunity to subscribe to the bills remains to be seen. Not much could be accomplished next week. When I referred to an indefinite period, I certainly did not intend to go beyond next week.

Mr. LANGER. I simply wanted to have the Senator understand.

Mr. DIRKSEN. I understand. There is no disposition on my part to delay. I am simply taking into consideration the reality of the situation which confronts us.

The PRESIDING OFFICER. In order that Senators may understand, is it correct to state the Senator is asking that the bills lie on the desk 1 week?

Mr. DIRKSEN. Mr. President, to make it definite, I ask unanimous consent that the bills lie on the desk for 1 week, in the interest of certainty.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills will lie on the desk 1 week.

The bills, introduced by Mr. DIRKSEN (for himself, Mr. KEATING, Mr. SALTONSTALL, and Mr. JAVITS), were received, read twice by their titles, and referred as indicated:

To the Committee on the Judiciary:

S. 955. A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of court orders;

S. 956. A bill to amend chapter 49 of title 18, United States Code, to punish flight to avoid prosecution for unlawful destruction of educational or religious structures;

S. 957. A bill to provide for the retention and preservation of Federal election records and to authorize the Attorney General to compel the production of such records; and

S. 960. A bill to amend the Civil Rights Act of 1957 to afford the Civil Rights Commission an additional 2 years within which to submit its final report, and for other purposes.

To the Committee on Labor and Public Welfare:

S. 958. A bill to assist in meeting the costs of special professional services needed in carrying out public school desegregation programs, and for other purposes; and

S. 959. A bill to amend Public Laws 815 and 874, 81st Congress, to provide for the education of children of members of the Armed Forces in communities in which the public schools are closed.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the bills just introduced by me may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bills are as follows:

S. 955

A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of court orders

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 73 of title 18, United States Code, is amended by adding at the end thereof a new section as follows:

§ 1509. Obstruction of certain court orders.

"Whoever corruptly, or by threats or force, or by any threatening letter or communication, willfully prevents, obstructs, impedes or interferes with or willfully endeavors to prevent, obstruct, impede or interfere with the due exercise of rights or the performance of duties under any order, judgment, or decree of a court of the United States which (1) directs that any person or class of persons shall be admitted to any school, or (2) directs that any person or class of persons shall not be denied admission to any school because of race or color, or (3) approves any plan of any State or local agency the effect of which is or will be to permit any person or class of persons to be admitted to any school, shall be fined not more than $10,000 or imprisoned not more than two years, or both.

"No injunctive or other civil relief against the conduct made criminal by this section shall be denied on the ground that such conduct is a crime.

"This section shall not apply to an act of a student, officer or employee of a school if such act is done pursuant to the direction of, or is subject to disciplinary action by, an officer of such school."

SEC. 2. The analysis of chapter 73 of such title is amended by adding at the end thereof the following:

"1509. Obstruction of certain court orders."

S. 956

A bill to amend chapter 49 of title 18, United States Code, to punish flight to avoid prosecution for unlawful destruction of educational or religious stuctures

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 49 of title 18, United States Code, is amended by adding at the end thereof a new section as follows:

§ 1074. Flight to avoid prosecution for destruction of educational or religious structures.

Whoever moves or travels in interstate or foreign commerce with intent either (1) to avoid prosecution, or custody, or confinement after conviction, under the laws of the place from which he flees, for willfully damaging or destroying or attempting to damage or destroy by fire or explosive any building, structure, facility, or vehicle, if such building, structure, facility, or vehicle is used primarily for religious purposes or for the purposes of public or private primary, secondary, or higher education, or (2) to avoid giving testimony in any criminal proceeding relating to any such offense—shall be fined not more than $5,000 or imprisoned not more than five years, or both.

Violations of this section may be prosecuted in the Federal judicial district in which the original crime was alleged to have been committed or in which the person was held in custody or confinement or in the Federal judicial district in which the person is apprehended.

SEC. 2. The analysis of chapter 49 of such title is amended by adding thereto the following:

"1074. Flight to avoid prosecution for destruction of educational or religious structures."

S. 957

A bill to provide for the retention and preservation of Federal election records and to authorize the Attorney General to compel the production of such records

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That every officer of election shall retain and preserve, for a period of three years from the date of any general, special, or primary election at which candidates for the office of President, Vice President, presidential elector, Member of the Senate or Member of the House of Representatives are voted for, all records and papers which come into his possession relating to any application, registration, payment of poll tax or other Act requisite to voting in such election, except that, when required by law, such records and papers may be delivered to another officer of election and except that if a State designates a custodian to retain and preserve these records and papers at a specified place, then such records

and papers may be deposited with such custodian, and the duty to retain and preserve any record or paper so deposited shall devolve upon such custodian. Any officer of election or custodian who willfully fails to comply with this section shall be fined not more than $1,000 or imprisoned not more than one year, or both.

SEC. 2. Any person, whether or not an officer of election or custodian, who willfully steals, destroys, conceals, mutilates or alters any record or paper required by section 1 to be retained and preserved shall be fined not more than $5,000 or imprisoned not more than five years, or both.

SEC. 3. Any record or paper required by section 1 to be retained and preserved shall, upon demand in writing by the Attorney General or his representative directed to the person having custody, possession, or control of such record or paper, be made available for inspection, reproduction, and copying by the Attorney General or his representative.

SEC. 4. Any record or paper demanded pursuant to section 3 shall be produced for inspection, reproduction, and copying at the principal office of the person upon whom such demand is made or at an office of the United States attorney in the district in which such records or papers are located.

SEC. 5. Unless otherwise ordered by a court of the United States, neither the Attorney General nor any employee of the Department of Justice, nor any other representative of the Attorney General, shall disclose any record or paper produced pursuant to this Act, or any reproduction or copy, except as is necessary in the performance of his official duties, including presentation of any case or proceeding before any court or grand jury.

SEC. 6. The United States district court for the district in which a demand is made pursuant to section 3, or in which a record or paper so demanded is located, shall have jurisdiction by appropriate process to compel the production of such record or paper.

SEC. 7. As used in this Act, the term "officer of election" means any person who, under color of any Federal, State or local law, statute, ordinance, regulation, authority, custom or usage, performs or is authorized to perform any function, duty or task in connection with any application, registration, payment of poll tax or other act requisite to voting in any general, special or primary election at which candidates for the office of President, Vice President, presidential elector, Member of the Senate or Member of the House of Representatives are voted for.

S. 958

A bill to assist in meeting the costs of special professional services needed in carrying out public school desegregation programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress recognizes that (1) prior to May 17, 1954, the Constitution of the United States had been interpreted as permitting public schools to be segregated on racial grounds provided such schools afforded equal educational opportunities; (2) on May 17, 1954, the Supreme Court of the United States ruled that under the fourteenth amendment to the Constitution segregated education is inherently unequal; (3) the Constitution as interpreted by the Supreme Court of the United States is the supreme law of the land; (4) State and local governments and agencies which had relied upon the separate-but-equal doctrine are now obligated to take steps toward the elimination of segregation in their public schools; and (5) many of these governments and agencies are faced with serious financial and educational problems in making the necessary adjustments in their existing school systems.

(b) It is therefore the intent of Congress and the purpose of this Act to assist State and local governments and agencies in carrying out their constitutional obligations by sharing certain of the additional expenditures directly occasioned by desegregation programs and by providing information and technical assistance in connection therewith.

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. (a) For the purpose of assisting State and local educational agencies which, on May 17, 1954, maintained segregated public schools to effectuate desegregation in such schools in a manner consistent with pertinent Federal court decisions, there are hereby authorized to be appropriated for each fiscal year such sums as the Congress may determine.

(b) Appropriations under this section shall be available for grants to help finance:

(1) costs incurred by local educational agencies in the provision of supervisory or administrative services, pupil-placement, school-social-worker, or visiting-teacher services, and other special, nonteaching, professional services, the need for which is occasioned by the desegregation of their public schools, and

(2) costs incurred by State agencies in developing and carrying out State policies and programs for desegregation in public schools, including technical assistance to local educational agencies in connection therewith.

ALLOTMENTS AND PAYMENTS TO STATES

SEC. 3. (a) The Commissioner of Education (hereinafter called the "Commissioner") shall for each fiscal year allot to each State, from the sums appropriated pursuant to section 2 for such year, an amount which bears the same ratio to such sums (or to such larger sum as may be specified in the Act making the appropriation) as the number of students who attended segregated public schools in such State during the school year 1953–1954, bears to the number of students who attended such schools during such year in all the States. The number of students who attended segregated public schools in each State during the school year 1953–54 shall be estimated by the Commissioner on the basis of the best available data on the average daily attendance of local educational agencies during such school year.

(b) From a State's allotment under subsection (a) for a fiscal year, the Commissioner shall, except as otherwise provided in section 5, pay to such State an amount equal to one-half of the expenditures of local educational agencies in carrying out the purposes specified in section 2(b)(1) under applications approved by the State agency (designated as provided in section 4(a)(1)) pursuant to the State plan approved under section 4, and one-half of the expenditures of such State agency in carrying out the purposes specified in section 2(b)(2) under such plan, including its expenditures in administering the State plan. Payments under this section (and section 5) shall be made from time to time by the Commissioner on the basis of estimates of amounts to be expended in a quarter or other period or periods determined by him, with necessary adjustments on account of any overpayment or underpayment for any prior period or periods.

STATE PLANS

SEC. 4. (a) A State plan shall be approved by the Commissioner for purposes of this Act if such plan—

(1) designates the State educational agency to administer or supervise the administration of the plan, or designates another single agency of the State for such purpose and in such case provides methods for effective coordination between such agency and the State educational agency;

(2) sets forth the methods and criteria for approving applications of local educational agencies for funds under this Act, and describes the activities to be carried on by the State agency with the aid of funds under this Act;

(3) provides such accounting, budgeting, and other fiscal methods and procedures as are necessary for the proper and efficient administration of the State plan;

(4) provides that the State agency will make such reports to the Commissioner, in such form and containing such information, as are reasonably necessary to enable the Commissioner to assure expenditure of grants under this Act solely for the purposes for which made and otherwise to perform his functions under this Act.

(b) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency administering or supervising administration of the State plan approved under subsection (a), finds that—

(1) the State plan has been so changed that it no longer complies with any of the requirements of subsection (a), or

(2) in the administration of the plan there is a failure to comply substantially with any such requirement, the Commissioner shall notify such State agency that no further payments will be made to the State under this Act (or, in his discretion, that further payments to the State will be limited to parts of or programs under the plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, the Commissioner shall make no further payments to such State under this Act (or shall limit payments to parts of or programs under the State plan not affected by such failure).

LOCAL AGENCY APPLICATIONS

SEC. 5. If the Commissioner determines, with respect to any State for which an allotment has been made under section 3(a) for any fiscal year, that such State will not for such year submit and have approved a State plan under section 4, and either (a) that such State has consented to the making of applications by local educational agencies pursuant to this section, or (b) that such State has indicated that it assumes no responsibility with respect to the desegregation of public schools, the Commissioner shall, notwithstanding the provisions of section 3(b), pay to local educational agencies, with applications approved by him under this section, one-half of the expenditures of such agencies during such year in carrying out the purposes of section 2(b)(1), but such payments may not exceed, in the aggregate, the State's allotment for such year. The Commissioner shall by regulation prescribe criteria and procedures, for approval and withdrawal of approval of applications under this section, which will, in his judgment, best effectuate the purposes of this Act.

DEFINITIONS

SEC. 6. For purposes of this Act—

(1) The term "public school" means a public school which provides elementary or secondary education, as determined under State law, but does not include a school of any agency of the United States.

(2) The term "segregated public school" means a public school to which students on May 17, 1954, could not, under the constitution or laws of the State in which such schools are located or under ordinances or rulings of the appropriate local educational agency pursuant to such constitution or laws, be admitted without regard to race or color.

(3) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(4) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a city, county, township, school district, or political subdivision in a State; and includes any State agency which directly operates and maintains public schools.

FEDERAL ADMINISTRATION

SEC. 7. (a) The Commissioner shall collect and disseminate such information on the progress of desegregation in the public schools in the several States as may be useful to education and other public officials, agencies, and organizations in effecting desegregation in such schools.

(b) The Commissioner shall, upon request, provide information and technical assistance to State or local officials, which will aid them in developing plans and programs for effecting desegregation in public schools, and, upon request of such officials, shall initiate or participate in conferences dealing with the educational aspects of problems arising in connection with efforts to comply with applicable court desegregation decisions or decrees.

(c) The Commissioner may delegate to any officer or employee of the Office of Education any of his powers and duties under this Act, except the promulgation of regulations.

(d) No appropriations may be made pursuant to section 2 for any fiscal year ending after June 30, 1961. Prior to the close of January 1961, the Secretary of Health, Education, and Welfare shall submit to the Congress a full report of the administration of this Act, together with his recommendations as to whether it should be extended and as to any modification of its provisions he deems appropriate.

(e) There are hereby authorized to be appropriated such sums as may be necessary to administer the provisions of this Act.

S. 959

A bill to amend Public Laws 815 and 874, 81st Congress, to provide for the education of children of members of the Arfned Forces in communities in which the public schools are closed

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (a) of section 6 of the Act of September 30, 1950 (Public Law 874, 81st Congress), relating to arrangements for the provision of free public education for children residing on Federal property where local educational agencies are unable to provide such education, is amended by inserting after the first sentence the following new sentence: "Such arrangements to provide free public education may also be made for children of members of the Armed Forces on active duty, if the schools in which free public education is usually provided for such children are made unavailable to them as a result of official action by State or local governmental authority and it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children."

(b) (1) The first sentence of subsection (d) of such section 6 is amended by adding before the period at the end thereof: "or, in the case of children to whom the second sentence of subsection (a) applies, with the head of any Federal department or agency having jurisdiction over the parents of some or all of such children."

(2) The second sentence of such subsection (d) is amended by striking out "Arrangements" and inserting in lieu thereof "Except where the Commissioner makes arrangements pursuant to the second sentence of subsection (a), arrangements".

SEC. 2. (a) Section 6(b)(1) of the Act of September 23, 1950 (Public Law 815, 81st Cong.), relating to applications for school construction projects with respect to which Federal aid is requested, is amended by striking out "and" at the end of clause (F), by striking out the period at the end of clause (G) and inserting in lieu thereof "; and", and by adding after clause (G) the following new clause:

"(H) assurance that such agency will make the school facilities included in any such project, the application for which is approved after enactment of this clause, available to the Commissioner pursuant to section 10(b)."

(b) Section 10 of such Act, relating to arrangements for facilities for the provision of free public education for children residing on Federal property where local educational agencies are unable to provide such education, is amended by inserting after the first sentence the following new sentence: "Such arrangements may also be made to provide, on a temporary basis, minimum school facilities for children of members of the Armed Forces on active duty, if the schools in which free public education is usually provided for such children are made unavailable to them as a result of official action by State or local governmental authority and it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children."

(c) Section 10 of such Act is further amended by inserting "(a)" after "SEC. 10." and by adding at the end thereof the following new subsection:

"(b) Whenever the Commissioner determines that—

"(1) any school facilities with respect to which payments were made under section 7 of this Act pursuant to an application approved under section 6 after the enactment of this subsection are not being used by a local educational agency for the provision of free public education, and

"(2) such facilities are needed in the provision of minimum facilities under subsection (a),

he shall notify such agency of such determination and shall thereupon be entitled to possession of such facilities for purposes of subsection (a), on such terms and conditions as may be prescribed in regulations of the Commissioner. Such regulations shall include provision for payment of rental in an amount which bears the same relationship to what, in the judgment of the Commissioner, is a reasonable rental for such facilities as the non-Federal share of the cost of construction of such facilities bore to the total cost of construction thereof (including the cost of land and off-site improvements), adjusted to take into consideration the depreciation in the value of the facilities and such other factors as the Commissioner deems relevant. Upon application by the local educational agency for the school district in which such facilities are situated and determination by the Commissioner that such agency is able and willing to provide suitable free public education for the children in the school district of such agency to whom section 10 is applicable or upon determination by the Commissioner that such facilities are no longer needed for purposes of subsection (a), possession of the facilities shall be returned to such agency. Such return shall be effected at such time as, in the judgment of the Commissioner, will be in the best interest of the children who are receiving free public education in such facilities, and in the light of the objectives of this Act and the commitments made to personnel employed in connection with operation of such facilities pursuant to arrangements made by the Commissioner."

S. 960

A bill to amend the Civil Rights Act of 1957 to afford the Civil Rights Commission an additional two years within which to submit its final report, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 104(b) of the Civil Rights Act of 1957 (71 Stat. 635; 42 U.S.C. Supp. V 1975c(b)) is amended to read as follows:

"(b) The Commission shall submit an interim report to the President and to the Congress not later than September 1, 1959, and at such other times as either the Commission or the President shall deem desirable. It shall submit to the President and to the Congress a final and comprehensive report of its activities, findings, and recommendations not later than four years from the date of enactment of this Act."

DISAPPROVAL OF ITEMS IN GENERAL APPROPRIATION BILLS—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. KEATING. Mr. President, on February 3, 1959, I introduced the joint resolution (S.J. Res. 44) proposing an amendment to the Constitution of the United States relative to disapproval of items in general appropriation bills. I ask unanimous consent that the name of the Senator from Nebraska [Mr. CURTIS] may be added as a cosponsor of the joint resolution when it is next printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 10 o'clock and 52 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Friday, February 6, 1959, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate February 5, 1959:

(*Indicates ad interim appointment issued.)

Having designated, under the provisions of title 10, United States Code, section 5231, the following-named officer for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of admiral while so serving:

Vice Adm. Robert L. Dennison, U.S. Navy.

Having designated, under the provisions of title 10, United States Code, section 5231,

the following-named officers for commands and other duties determined by the President to be within the contemplation of said section, I nominate them for appointment to the grade of vice admiral while so serving:

*Vice Adm. George C. Towner, U.S. Navy.
*Vice Adm. Hyman G. Rickover, U.S. Navy.
Rear Adm. William R. Smedberg III, U.S. Navy.

Adm. James L. Holloway, Jr., U.S. Navy, for appointment to the grade of admiral on the retired list pursuant to title 10, United States Code, section 5233.

Adm. Byron H. Hanlon, U.S. Navy, retired, for appointment to the grade of vice admiral on the retired list pursuant to title 10, United States Code, section 5233.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 5, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Jeremiah 33: 2–3: *Thus saith the Lord, call unto Me and I will answer thee and show thee great and mighty things which thou knowest not.*

Almighty God, who art the inspiration of our loftiest aspirations, may we determine to bring them to fulfillment and fruition.

Grant that the ideals and principles of the lowly Man of Galilee may have the place of preeminence in all our national and international affairs.

Enlarge our faith; guide us by Thy divine counsel; give us those desires which Thou dost delight to satisfy; establish within us those loyalties and integrities which cannot be shaken.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

The SPEAKER laid before the House the following communication:

HOUSE OF REPRESENTATIVES, U.S.,
COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Washington, D.C., January 31, 1959.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
U.S. Capitol Building,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Public Law 301 of the 78th Congress, I have appointed the following members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the U.S. Merchant Marine Academy in 1959: Hon. HERBERT ZELENKO, New York; Hon. THOMAS N. DOWNING, Virginia; Hon. JOHN H. RAY, New York.

As chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

HERBERT C. BONNER,
Chairman.

CIVIL RIGHTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 75)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on the Judiciary, and ordered to be printed:

To the Congress of the United States:

Two principles basic to our system of government are that the rule of law is supreme, and that every individual regardless of his race, religion, or national origin is entitled to the equal protection of the laws. We must continue to seek every practicable means for reinforcing these principles and making them a reality for all.

The United States has a vital stake in striving wisely to achieve the goal of full equality under law for all people. On several occasions I have stated that progress toward this goal depends not on laws alone but on building a better understanding. It is thus important to remember that any further legislation in this field must be clearly designed to continue the substantial progress that has taken place in the past few years. The recommendations for legislation which I am making have been weighed and formulated with this in mind.

First. I recommend legislation to strengthen the law dealing with obstructions of justice so as to provide expressly that the use of force or threats of force to obstruct court orders in school desegregation cases shall be a Federal offense.

There have been instances where extremists have attempted by mob violence and other concerted threats of violence to obstruct the accomplishment of the objectives in school decrees. There is a serious question whether the present obstruction-of-justice statute reaches such acts of obstruction which occur after the completion of the court proceedings. Nor is the contempt power a satisfactory enforcement weapon to deal with persons who seek to obstruct court decrees by such means.

The legislation that I am recommending would correct a deficiency in the present law and would be a valuable enforcement power on which the Government could rely to deter mob violence and such other acts of violence or threats which seek to obstruct court decrees in desegregation cases.

Second. I recommend legislation to confer additional investigative authority on the FBI in the case of crimes involving the destruction or attempted destruction of schools or churches, by making flight from one State to another to avoid detention or prosecution for such a crime a Federal offense.

All decent, self-respecting persons deplore the recent incidents of bombings of schools and places of worship. While State authorities have been diligent in their execution of local laws dealing with these crimes, a basis for supplementary action by the Federal Government is needed.

Such recommendation when enacted would make it clear that the FBI has full authority to assist in investigations of crimes involving bombings of schools and churches. At the same time, the legislation would preserve the primary responsibility for law enforcement in local law enforcement agencies for crimes committed against local property.

Third. I recommend legislation to give the Attorney General power to inspect Federal election records, and to require that such records be preserved for a reasonable period of time so as to permit such inspection.

The right to vote, the keystone of democratic self-government, must be available to all qualified citizens without discrimination. Until the enactment of the Civil Rights Act of 1957, the Government could protect this right only through criminal prosecutions instituted after the right had been infringed. The 1957 act attempted to remedy this deficiency by authorizing the Attorney General to institute civil proceedings to prevent such infringements before they occurred.

A serious obstacle has developed which minimizes the effectiveness of this legislation. Access to registration records is essential to determine whether the denial of the franchise was in furtherance of a pattern of racial discrimination. But during preliminary investigations of complaints the Department of Justice, unlike the Civil Rights Commission, has no authority to require the production of election records in a civil proceeding. State or local authorities, in some instances, have refused to permit the inspection of their election records in the course of investigations. Supplemental legislation, therefore, is needed.

Fourth. I recommend legislation to provide a temporary program of financial and technical aid to State and local agencies to assist them in making the necessary adjustments required by school desegregation decisions.

The Department of Health, Education, and Welfare should be authorized to assist and cooperate with those States which have previously required or permitted racially segregated public schools, and which must now develop programs of desegregation. Such assistance should consist of sharing the burdens of transition through grants-in-aid to help meet additional costs directly occasioned by desegregation programs, and also of making technical information and assistance available to State and local educational agencies in preparing and implementing desegregation programs.

I also recommend that the Commissioner of Education be specifically authorized, at the request of the State or local agencies, to provide technical assistance in the development of desegregation programs and to initiate or participate in conferences called to help resolve educational problems arising as a result of efforts to desegregate.

Fifth. I recommend legislation to authorize, on a temporary basis, provision for the education of children of members of the Armed Forces when State-administered public schools have been closed

because of desegregation decisions or orders.

The Federal Government has a particular responsibility for the children of military personnel in federally affected areas, since armed services personnel are located there under military orders rather than of their own free choice. Under the present law, the Commissioner of Education may provide for the education of children of military personnel only in the case of those who live on military reservations or other Federal property. The legislation I am recommending would remove this limitation.

Sixth. I recommend that Congress give consideration to the establishing of a statutory Commission on Equal Job Opportunity Under Government Contracts.

Nondiscrimination in employment under Government contracts is required by Executive orders. Through education, mediation, and persuasion, the existing Committee on Government Contracts has sought to give effect not only to this contractual obligation, but to the policy of equal job opportunities generally. While the program has been widely accepted by Government agencies, employers and unions, and significant progress has been made, full implementation of the policy would be materially advanced by the creation of a statutory Commission.

Seventh. I recommend legislation to extend the life of the Civil Rights Commission for an additional 2 years. While the Commission should make an interim report this year within the time originally fixed by law for the making of its final report, because of the delay in getting the Commission appointed and staffed, an additional 2 years should be provided for the completion of its task and the making of its final report.

I urge the prompt consideration of these seven proposals.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 5, 1959.*

STATUTORY RIGHTS OF INDIVIDUALS

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. McCULLOCH. Mr. Speaker, the President has sent to the Congress, today, an important message on constitutional and statutory rights of individuals, and the rule of law, under our system of government.

It is a temperate message. It is a moderate message. It is a message of the golden mean.

It would be repetitious for me to discuss the seven specific recommendations of the President, so soon after the reading of the message, but I do commend its careful reading and deep study to every citizen who is interested in solving one of the difficult problems of our time.

STATE COMPACT REGARDING UNIFORM TAX TREATMENT OF NONRESIDENTS

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, I am today introducing a bill on behalf of myself and my Democratic colleagues granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents.

An interstate compact can obtain substantial relief and is much more likely to obtain congressional support than a constitutional amendment. To begin with, the compact bill we are offering requires only a simple majority in both Houses of Congress. In giving its approval, Congress is merely authorizing the States to work out reciprocal tax agreements regarding nonresidents. When those agreements have been made, the States will be further required to submit their compacts to Congress for ultimate approval.

If the States can work out amicable agreements there will be no difficulty in obtaining final congressional approval. Under the measure we are sponsoring, consent is not limited to the States engaged in tax controversy with New Jersey but is available to all of the States. Such States, for example, as North and South Dakota, Maryland, and Virginia, are presently having nonresident tax difficulties and under our legislation will be authorized to enter into separate agreements.

We hope that Pennsylvania and the city of Philadelphia in particular will follow the lead of the State of New York and ameliorate the unfair wage tax it presently levies on New Jersey residents who work there.

LEAVE OF ABSENCE

Mr. CELLER. Mr. Speaker, I ask unanimous consent that leave of absence be granted to the following Members of the House: Messrs. MEADER, MILLER of New York, and CHELF. They will be absent on official business through February 17.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THURSDAY, FEBRUARY 12, HOUSE MEETS AT 10:30 A.M.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Thursday next when there will be a joint meeting in connection with the 150th anniversary of the birth of President Abraham Lincoln, the House meet at 10:30 o'clock a.m.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORITY TO DECLARE A RECESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Thursday next the Speaker may declare a recess at any time during that day.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENDING UNIVERSAL MILITARY TRAINING ACT

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2260) to extend until July 1, 1963, the induction provisions of the Universal Military Training and Service Act; the provisions of the act of August 3, 1950, suspending personnel strengths of the Armed Forces; and the Dependents Assistance Act of 1950.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2260 with the gentleman from California [Mr. SISK] in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself 30 minutes.

Mr. VINSON. Mr. Chairman, the bill before the House today, the bill to extend the draft, is one of the most important bills that will be considered by the 86th Congress during this session.

It is a Department of Defense bill.

It is a bill that involves the security of our Nation.

As far as I am concerned, we have no choice but to pass this bill.

Now the bill does four things:

First, it extends the authority to induct individuals for a period of 24 months into the Armed Forces from the present termination date of July 1, 1959 to July 1, 1963, a period of 4 years.

Secondly, it extends the so-called doctor's draft law from the present termination date of July 1, 1959 to July 1, 1963, a period of 4 years.

Third, it extends the suspension on strength limitations of the various armed services from July 1, 1959 to July 1, 1963, a period of 4 years.

Fourth, it extends the Dependents Assistance Act from July 1, 1959 to July 1, 1963, a period 4 years. This is the law under which enlisted personnel with dependents receive increased allowances.

Now, I am going to go into detail on all of these laws, but I would like to take them in order.

First, the extension of the draft.

Mr. Chairman, no one in the Congress, I am sure, would favor a draft bill unless it were absolutely necessary. But we all know that we face a serious challenge to our national security. We have got to maintain an armed force in excess of 2½ million men for the foreseeable future. And in order to maintain this

force, we have got to have some form of compulsion on the statute books.

Mr. Chairman, we are a peace-loving nation. We are not a nation made up of military-minded people.

As a result, there is a limit to the number of individuals who will volunteer for military service, if all forms of compulsion are removed.

No one likes to vote for a draft law, but we must all measure up to the responsibility imposed upon us by the Constitution and by the American people.

We have no choice but to vote for this bill, in order to maintain our Armed Forces at the strength deemed necessary to assure our continued existence as a free nation.

Now let me tell you something about the history of the draft.

We passed the draft law in 1940 before the outbreak of World War II. That act finally expired, after several extensions, in March of 1947. At that time the Armed Forces were at a strength of approximately 1,380,000.

But the services were having difficulty in maintaining that strength.

In 1948 it became apparent to President Truman that a reenactment of the Selective Service Act of 1940 would be necessary in order to maintain the strength figures that had been suggested.

At that time the Air Force was short some 25,000 recruits, and the Army was 129,000 below its authorized strength of 669,000.

At the same time the President and the Congress decided that because of world conditions we would have to expand our forces to approximately 2 million.

Now remember this was just before Korea. In other words, we were having trouble maintaining a force of 1,380,000 by voluntary methods and we knew we would need a draft law if we attempted to expand to a force structure of 2 million people.

Today we know that the defense of the country requires a minimum force of 2,525,000 men.

Mr. Chairman, if we were not able to maintain a strength of 1,380,000 in 1948 on a purely voluntary basis; if it took a draft law in 1948 to attempt to reach a larger force structure of 2 million men, it must be perfectly obvious that we cannot attain a force structure of 2½ million on a purely voluntary basis today.

Now since 1948 we have passed many laws to improve the attractiveness of a service career. Our reenlistment rates have increased; our officer retention rates have improved; and the money that has been spent on increased pay and benefits for the armed services has undoubtedly increased the efficiency and stability of our Armed Forces.

But we are still a long way from a purely voluntary force. We still have to fill the gap between the recruit and the trained specialist. Our trained specialists are reenlisting at a better rate. But before these men become specialists they have already spent several years in the Armed Forces.

I mention all of this because I am convinced, as is the Committee on Armed Services, that the only way we can maintain a force structure of 2½ million men in our armed services is to continue the draft law on the books for another 4 years.

Now, let me refresh your memories on how the draft law operates.

Every young man upon attaining the age of 18 must register with his local draft board. He remains liable for induction up to age 26, and if he is deferred for any reason that liability is extended to age 35. Now the committee inserted this extended liability provision in the law in 1951 deliberately. The idea came from the Committee on Armed Services, and not from the Department of Defense. We put this in the law so that men who obtained deferments in essential industry would not do so to escape the draft. These men remain liable up to age 35 and it has had a very salutary effect upon those who might otherwise have sought to obtain deferments merely to escape their military obligation. And, of even greater importance, it stabilized the college deferment program by assuring local boards that college deferments would not open an escape route for some registrants.

Now there are 4,012 local draft boards throughout the United States and its possessions. There are also 93 appeal boards with extra panels.

And I would like at this time to pay a high tribute to those loyal citizens who serve on the local boards and appeal boards. There are over 38,000 American citizens representing about 90 percent of all selective service personnel who work without pay. As a matter of fact, the Selective Service System only employs about 6,000 full-time and part-time civilians. The entire appropriation for the Selective Service System is only $27,500,000 annually.

These local boards have the job of registering and classifying these young men.

It is not an easy job, and it is made more complicated, of course, by regulations which change from time to time as conditions change.

These boards must decide who will be drafted and who will be deferred.

We very deliberately placed this responsibility in the hands of the local boards and not in the hands of officials here in Washington. The Congress felt, quite properly, that local boards, who are familiar with local conditions, should make the determination as to who of their neighbors must be drafted.

This is a tremendous job. There are over 20 million registrants in the Selective Service System. Of course, these are the total registrants since 1948. Many of them have already served in the Armed Forces, or many of them are now serving in the Armed Forces, but it is quite a job keeping track of all of these individuals. I think the Selective Service System does a magnificent job and is to be congratulated for the fair and impartial manner in which the System operates.

Now the law, as you know, provides for deferments and it also provides for some limited exemptions. It also provides that no one can be inducted under the age of 19 if there is someone in that local board area who is available and is over the age of 19.

General LeMay, in referring to the effect that the draft law has on voluntary enlistments in the Air Force, said:

> The very fact of its existence causes many men, in preference to being drafted, to enlist in the Regular Air Force, the Air Force Reserve, the Air National Guard, or to enter the Air Force Reserve officer training program.

General LeMay also stated that he appeared before the committee to express the unqualified support of the Department of the Air Force for the bill to extend the draft.

The Commandant of the Marine Corps, General Pate, said:

> Although the Marine Corps is a volunteer organization, extension of the induction provisions of the Universal Military Training and Service Act is essential to its manpower program.

Vice Admiral Russell, of the Navy, testified:

> During the brief period in 1947 and 1948 when there was no draft act in effect there was a very serious drop in the average quality of volunteer enlistees in the Navy, although this was a relatively low input period. I am convinced that without the influence of the induction authority of the Universal Military Training and Service Act, there would be a definite reduction in the quality of our volunteers.

The Navy, the Marine Corps, and the Air Force all testified that without the draft law they could not obtain the volunteers that are necessary to maintain the strengths and quality of their respective services.

In the next fiscal year, the Navy will attempt to maintain a budgeted strength of 630,000; the Air Force will attempt to maintain a budgeted strength of 845,000; and the Marine Corps will attempt to maintain a budgeted strength of 175,000. We know that they cannot maintain these strengths without the draft law.

The Army will attempt to maintain a strength of 870,000 and they know that they cannot come anywhere near this figure without using inductees.

These are the budgeted strengths for fiscal 1960. This contemplates a force structure in excess of 2,500,000 men. And the only way that it can be attained and maintained at this minimum strength is through the enactment of this proposed legislation.

Now, Mr. Chairman, we had a fine hearing on this bill.

I would like now to discuss some of the points that were raised during these weeks' hearings which I am sure are in the minds of many Members.

The first point is why we need a 4-year extension of the induction authority. The question has been raised "why not a 2-year extension, or a 1-year extension, or a 3-year extension? Why do we need a 4-year extension?"

There are many answers to this problem. First of all, if precedent has any significance, I should mention that in 1951 we extended the draft law for a 4-year period to 1955, and in 1955 we extended the draft law for a 4-year period until 1959. The same arguments that

existed in 1955 are even more significant today.

We are no closer to a peaceful settlement of world conditions in 1959 than we were in 1955. So if the Congress was justified in its action in 1955, it is even more justified in extending the draft law for a 4-year period in 1959. But let us look beyond that.

What does the 4-year draft extension do?

First. Well, it indicates to the free world and any would-be aggressor, our determined effort to maintain a strong national defense system.

Second. We make clear to the world, and to the American people, the extent to which we assume our responsibility among the free nations of the world.

And of equal importance, the youth of America is not deluded into expecting an early end to the draft. Thus, they will not be seeking temporary deferments with the hope that the draft will expire before their turn is reached. They will be able to plan with more certainty for their schooling. They will have a greater opportunity to choose a time to serve voluntarily.

Third. It permits more orderly administration procedures in all of the services—personnel planning can be made on a 4-year basis. This is of significance in procurement programs, training programs, and even in the maintenance and operation of training bases.

In that connection, let me quote a statement made by General Taylor, Chief of Staff of the Army, in connection with the necessity for a 4-year draft extension.

General Taylor said:

> As I look at the future and consider the manpower requirements of our country, I can't see anything in the international situation that suggests a reduced requirement for manpower below that essentially which we have now.
>
> Furthermore, these studies of our ability to support our Armed Forces by enlistment alone, suggest that about a million and a half men is the maximum. It is inconceivable to me that we could defend our security with any force like a million and a half men in the foreseeable future.
>
> I make the other point, that for stability of our military planning, of our military program, we must be able to project ourselves at least 4 years into the future. A shorter period of time from the point of view of the Joint Chiefs of Staff, for example, is virtually meaningless. We must have this stability in our planning, which is based in this case upon knowing about what manpower we can count upon.
>
> Finally, I would just say that in the present international climate any reduction of the time of our draft extension would suggest, I am afraid, to our allies, that perhaps we don't think the situation is particularly serious, and I think it would have serious adverse psychological impacts abroad as well as at home.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. GROSS. I wonder if General Tayor is equally concerned about the psychology of the people of the United States of America when they learn that the British may abolish their draft altogether in 1960?

Mr. VINSON. There is no evidence in the record. England has a draft for 24 months. Some 15 or 16 NATO countries have drafts for varying periods of time.

Mr. GROSS. There is nothing in the record to show that. Let me read from your own hearings. This is referring to the British:

> Current policy contemplates terminating conscription in 1960.

Mr. VINSON. The record shows that in England today the draft is 24 months. That is exactly what the record shows.

Mr. GROSS. Will the gentleman yield further?

Mr. VINSON. I yield.

Mr. GROSS. What difference does it make what it is today if they are going to abolish it?

Mr. VINSON. There is no statement issued by the British Government. There have been statements in the press, but there is no definite policy. Whether or not England does abandon it, our position in the world today demands that America keep it.

Mr. GROSS. I am interested in the people of this country. I am not interested in extending the draft to please some foreign country.

Mr. VINSON. We are not extending the draft to please some foreign people. We are extending the draft for the reason that our minimum force structure requires 2,500,000 men. We cannot obtain that number without the draft law, and we are extending it a reasonable length of time so that there can be orderly planning, orderly handling of the manpower, which will all reflect in economy in managing the whole Department of Defense.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Texas.

Mr. KILDAY. In connection with the statement by the gentleman from Iowa [Mr. GROSS], about Great Britain, I will ask him if he is reading from the hearings, and if he read, "The current policy contemplates termination of conscription in 1960. However, it is understood the British Government has also said some form of conscription would be necessary if voluntary recruitments fail." Has the gentleman read that?

Mr. GROSS. Can the gentleman tell me how you can terminate conscription and still have it?

Mr. KILDAY. I wanted to point out the full statement in the record, that there is a commitment from the British Government that should their reenlistment continue, it would not be necessary.

Mr. GROSS. I would like to ask the gentleman if this is some more British doubletalk.

Mr. KILDAY. I am not able to interpret that.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that if the British do abolish their draft it is all the more important for us to keep strong?

Mr. VINSON. The gentlewoman from Massachusetts hits the nail exactly on the head.

Mr. GROSS. Apparently there are those who believe we should continue to fight the battles for the British. Sure.

Mr. VINSON. Mr. Chairman, the next question to which I wish to address myself is the time of extension. This will be debated when our distinguished new colleague, the gentleman from Iowa [Mr. WOLF] offers an amendment. He has advised me he proposes this afternoon to offer an amendment to cut the length of time to 2 years. We will have more to say on that.

From the historical standpoint, we extended the draft in 1951 to 1955; and in 1955 we extended it to 1959. The history of the extension of the draft has been mainly along the line of a 4-year extension. This makes for far better administration. The 38,000 men throughout the country who compose the draft boards, and these boys who are getting deferments—the whole machinery—will have a better climate within which to operate than they would if we merely extend it for 2 years.

Mr. MEYER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. With pleasure.

Mr. MEYER. The gentleman spoke of history; how about more than 150 years of history as compared with just the past few years of history?

Mr. VINSON. I can only go back in recent history; I cannot go back 150 years. Let me say, however, that the history of the draft in the United States from 1917, which was the first time the draft was resorted to since Civil War days, has been one of extensions for 4-year periods.

Mr. MEYER. I thank the gentleman.

Mr. VINSON. Mr. Chairman, the simple fact is this: In spite of the reductions in our Armed Forces, which will be the subject of future debate on this floor, I am sure, I have seen no evidence submitted by anyone that indicates that our international commitments have lessened, or will lessen in the years ahead.

We know that the cold war will continue. We know that there will probably be future Lebanons, and future Formosas. And it just is not fair to hold out a hope for the elimination of the draft over the next 4 years.

But if our voluntary enlistment rates by some miracle do reach a point where we no longer need the draft law, then the Congress will be here to terminate the induction authority, if that becomes necessary.

Now do not think for a moment that the Army is the only service that needs a draft law. The draft law is just as important and probably more so to the Navy, the Marine Corps, and the Air Force. And do not think for a moment that the Army itself would not like to terminate the draft if they could. The Army would like to be a purely voluntary force and not have the constant problem of retraining personnel facing them all the time.

The Army would prefer volunteers. But when they cannot get all volunteers

they have to get some inductees. But those inductees make good soldiers. And they do give the Army something which is irreplaceable in a national defense system—a variety of skills. They only get these people for 2 years, but then they have a reserve obligation for a short period thereafter. The Army gets college graduates as well as high school graduates; they get physicists, chemists, engineers, just as they get young graduates from high schools.

They get a cross section of America through the draft law which enhances our national security.

Now, Mr. Chairman, I would like to turn to the question of the draft age.

Today men are liable for induction between the ages of 18½ and 26, and those who have been deferred remain liable up to age 35.

The average age of involuntary induction today is 22½ years and this will increase to about 23 years during the next 4 years.

Now immediately some will say that we should be drafting younger men.

First of all, let me tell you that 50 percent of the inductees who enter the Army today do so on a voluntary basis. They can volunteer for induction at the age of 17 with their parents' consent, and at 18 without parental consent. Many thousands of young men enter the service in this manner.

These men volunteer for induction for a 2-year period either before or after they have completed their formal education. They choose the time when they want to fulfill their military obligation.

Others wait until they complete their education before entering the service and some of these are involuntarily inducted. Obviously, these men are going to be older since they have gone to college.

Some of these may be approaching the age of 26. Some of them are in their 25th or 24th year. But all of these young men have had an opportunity to volunteer for induction.

They have all had an opportunity to volunteer for the other services for a longer time if they so desired.

If we lower the draft age, by law, from 26 to a lower age, we may seriously disrupt college deferment programs, and it is possible, depending upon the future size of the Armed Forces, that we may have to induct fathers.

Today we do not induct fathers. I think we all agree that this is a good policy. The impact upon the community is much greater when a father is inducted than when a nonfather is inducted. By inducting nonfathers we lessen hardship throughout the Nation.

If we lower the draft age by law, then local boards, in an effort to keep men from escaping all military service, will certainly cease to be liberal with their present deferment policies. Now I mention this because there has been a great deal of discussion about the draft age.

I think I should tell you that the law itself permits the President, when he sees fit, to draft by age group or age groups.

In other words, the President could decide tomorrow to induct only those who are in the 21st- or 22d-year age group. Or he could induct those who are in the 19-year age group.

But here we are dealing with statistics and the so-called manpower pool.

I think you will be interested to know that on November 30, 1958, of all those who were then 26 years of age and who were registrants under the draft law, 9 out of 10 qualified registrants had fulfilled their military obligation or were in the process of fulfilling their military obligation. Now, of course, those are qualified registrants.

Of the total registrants on November 30, 1958, who were 26 years of age, including those not qualified, 7 out of 10 had fulfilled their military obligation, or were in the process of fulfilling their military obligation.

This is very significant to keep in mind. You have heard a lot of talk about the chances of being drafted are about 1 in 10.

That does not tell the story. We take in approximately 500,000 men a year into our armed services. They go in as voluntary recruits, as inductees, or as 6 months' trainees. And it is perfectly obvious that the total number of individuals inducted only represents about 20 percent of the total number of men entering our armed services.

But do not overlook the fact that all these come out of the same and only manpower pool.

Now the reason why we have more registrants than qualified registrants is also obvious.

Under existing physical and mental standards, which were raised last year by an act of Congress, 33 percent of all registrants are classified as 4–F.

That is, 33 percent of all registrants are physically, mentally, or morally disqualified for service in our Armed Forces.

To this must be added those who are deferred for hardship reasons because they are supporting families or for other hardship reasons. Then there is a small group of individuals who are deferred because their work involves national security.

But I repeat, on November 30, 1958, 9 out of 10 of the qualified registrants under the Universal Military Training and Service Act had completed their military obligation or were in the process of completing their military obligation.

Last year, as I mentioned, we gave the President the authority to increase the mental and physical standards for induction into the Armed Forces. This has greatly improved the efficiency of the Army and as a result, three out of five Army disciplinary barracks have been closed.

Certainly, this action on the part of the Congress increased the 4–F deferment rate, but on the other hand, it drastically reduced the number of men who were confined to disciplinary barracks in the Army or who were discharged after short periods of time because they were found unqualified for military service.

After all, we are concerned about the security of this country and we are concerned about the quality of the men in whom we place this great responsibility. Those men must be physically and mentally qualified to perform their duties. That is the reason we gave the President the authority to raise the physical and mental standards last year.

Now, the second objective of the bill is the extension of the so-called doctor's draft law.

Now, just what is the doctor's draft law?

Well, as you know, we defer students to go to college.

Medical and dental students require longer deferments because their training takes a longer period of time.

As I previously stated, the law says that anybody deferred for any reason remains liable up to age 35.

Now, these doctors and dentists who have been deferred to complete medical or dental school incur a draft liability up to age 35.

The law also gives the President the authority to make special calls from among those who are in medical or dental categories.

As a result, these people are liable for induction, but actually they aren't being inducted because we give them an opportunity to apply for a Reserve commission and then they are ordered to active duty for 24 months.

They come on active duty as Reserve captains in the Army and the Air Force, or as lieutenants in the Navy, and they also qualify for special pay.

Now, how many of these doctors do we have on active duty?

As of November 30, 1958, the Army had 1,629 Regular officers who were physicians, and 2,198 physicians who were Reserve officers. Of these 2,198 Reserve officer physicians, 1,579 entered the Army as a result of the doctor's draft law. They weren't drafted, but they entered as Reserve officers because of the doctor's draft law.

In the Navy, as of November 30, 1958, there were 1,626 Regular officer physicians and 1,672 Reserve officer physicians. Of this number, 1,186 Reserve officer physicians entered on active duty as a result of the doctors' draft law.

In the Air Force, there were 1,144 Regular officer physicians and 2,274 Reserve officer physicians. Of these 2,274 Reserve officer physicians, 1,700 entered the Air Force as a result of the doctors' draft law.

The average annual rate of physicians on active duty to total personnel is 3.4 physicians per thousand troop strength. This strength figure varies throughout the year, but the overall average is 3.4.

All told, as of November 30, 1958, there were 10,543 physicians on active duty in the Armed Forces.

Now let us look at the dentists for a moment.

In the Army there were 529 Regular dental officers, and 1,250 Reserve dental officers. Of these 1,250 Reserve dental officers, 1,012 entered on active duty as a result of the doctors' draft law.

In the Air Force there were 441 Regular dental officers and 1,336 Reserve dental officers and of these 1,336 Reserve dental officers, 996 entered on active duty as a result of the doctors' draft law. The average strength of dentists is two per thousand troop strength.

In the Navy there were 1,012 Regular dental officers, and 587 Reserve dental officers. Of these 587 Reserve dental officers, 513 entered on active duty as a result of the doctors' draft law.

All told, there were 5,155 dentists on active duty on November 30, 1958.

I believe it is important to note that all of the Reserve officers on active duty as a result of the doctors draft law entered on active duty prior to age 35. In addition, all of these doctors were at one time deferred to complete their education.

I think from these figures it is perfectly obvious that we would not be able to provide adequate medical and dental care for members of our Armed Forces if we did not have the doctors draft law in operation.

Now, the mothers and fathers of this Nation have a right to expect that their sons, when called into the military service, will receive the finest medical and dental treatment possible. And this is also true of the wives and children of these men who are serving our country. If we did not have the doctors draft law, we just would not be able to furnish this medical care.

Now let me discuss the third objective of the bill—the suspension of strength limitations.

Permanent law imposes a strength limitation on the size of the Army of 837,000 persons. And yet the budgeted strength for fiscal 1960 is 870,000. Permanent law imposes a maximum limitation on the size of the Air Force of 502,000, but the budgeted strength for fiscal 1960 is 845,000.

Now these limitations on the size of the Army and the Air Force, together with a lesser limitation on the size of the Navy, have been suspended by separate law until July 1, 1959. Thus, the third objective of the proposed legislation is to extend this suspension to July 1, 1963.

I think you could see what would happen if we did not extend this provision of law. The Air Force would drop from 845,000 to 502,000—a loss of 343,000 men; the Army strength would drop from 870,000 to 837,000, a loss of 33,000 men; and the Navy would lose about 4,000 regular Navy enlisted personnel.

Finally, Mr. Chairman, I want to discuss the fourth objective of the proposed legislation—the extension of the Dependents Assistance Act—the law under which enlisted personnel draw increased allowances because of their dependents.

Under this law, enlisted personnel draw allowances ranging from $51.30 per month to $96.90 per month, depending upon their grade and the number of their dependents. This law is scheduled to expire on July 1, 1959, and if it is not extended, thousands and thousands of enlisted personnel would suffer pay cuts ranging from 25 percent to 50 percent of their pay.

Now, Mr. Chairman, I have discussed with the membership the four objectives of the proposed legislation.

First. The extension of the regular draft law for 4 years.

Second. The extension of the doctors draft law for 4 years.

Third. The extension of the suspension on the limitation on the size of the Armed Forces for 4 years.

Fourth. The extension of the Dependents Assistance Act for 4 years.

These laws are all vital for our national security.

Each and everyone of them is an indispensable part of our defense program.

We, in the Congress, have the responsibility for raising and supporting armies and maintaining a navy. That responsibility is imposed by the Constitution of the United States. Enacting this bill represents the fulfillment of this responsibility.

Mr. Chairman, enacting this bill is also America's answer to the challenge of any would-be aggressor.

This is our reply to those who might think we are beginning to weaken internally.

This is our reply to those who feel that the American people will not face up to reality.

This, Mr. Chairman, is America's promise to the world that we will remain strong and that the young men of our Nation will continue to be trained and ready for a day, which we hope will never come.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The distinguished gentleman from Georgia, who is one of the great Americans of all time—and I say that not flatteringly but in the most complimentary and sincere manner—has made a speech which certainly commands the attention of all of us, particularly those of us charged with responsibility as we are as Members of the Congress. The gentleman particularly referred to the fact that the main fight here might be on reducing the time to 2 years. If that amendment were adopted it would be construed abroad as a sign of weakness on our part. I hope the bill will not be amended in that fashion. I respect those who believe in that. Of course, they believe in the strength of America just as much as we do, and my remarks are not to be construed either directly or indirectly as any reflection upon those who think that way. However, if we are going to err we better err on the side of strength rather than on the side of a weakness.

When Mr. Mikoyan was over here he felt that with a Republican President and a Democratic Congress there would be a division, but he failed to recognize constitutional government and, over and above it all, we are Americans.

Mr. VINSON. I thank the gentleman from Massachusetts for his contribution. He is absolutely right. If it were flashed out to the world today that the House of Representatives had reduced the draft down to 2 years, in every chancery in the world it would be said that America has changed her policies, no longer is she going to be strong, no longer is she going to be the leading nation of the world for the free people and to maintain our liberties and our American way of life. We must not let this matter be eroded here by 2 years or any other period of time less than 4 years. It is absolutely essential for orderly administration to have the 4-year term.

Mr. ARENDS. Mr. Chairman, I yield myself 10 minutes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Iowa.

Mr. GROSS. Is this a draft bill governing American forces or is it a draft bill to please foreigners? I would like to get that straightened out.

Mr. ARENDS. It is a draft bill governing only Americans, but we cannot get away from the fact that we are the No. 1 nation of the world today and what we here do reflects itself upon all the other nations of the world.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The leadership of every country in the world is charged with the primary duty of doing those things, particularly in a crisis, that are for the national interest of that country, whether it be the United States, little Liberia or any other country. Without regard to what any other country might do, we are charged with taking a course of action that is in the national interest of our own country. I think this bill is decidedly in the national interest of our country. We are charged with our job here in America.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, I might suggest to the gentleman that if these countries are so interested in maintaining military forces, they first extend the obligated service of their own draftees. Very few have the obligated service that is required of conscripts in this country.

Mr. ARENDS. Mr. Chairman, there is little that I can add to the detailed explanation that has just been presented by the distinguished gentleman from Georgia, CARL VINSON.

He has given you a complete and thorough explanation of the need for this legislation and has fully justified every aspect of the bill.

I might add, parenthetically, that the Congress of the United States and the American people are fortunate indeed to have a man of Mr. VINSON's outstanding ability serving in the Congress of the United States and occupying the very responsible position that he does as Chairman of the Committee on Armed Services. Mr. VINSON is one of the few Members of Congress who was in this room when the Draft Act was passed in 1917.

As the distinguished chairman has stated, no one likes to vote for a draft law, but nevertheless we all have a responsibility and that responsibility must be met regardless of our personal desires and wishes.

We all devoutly hope for peace, but I know and you know, that peace today is not based upon hopes for mutual understanding and good will, but is based upon our ability to defeat, by force of arms, any would-be aggressor.

As much as we may hope and pray for peaceful solutions to all international

problems, we all know that those problems will not be solved in the immediate future by embarking on a course of military weakness. In other words, much as we might desire, this whole matter will not just go away.

The proposed legislation, H.R. 2260, is the basic law under which we maintain the strength of our Armed Forces. It is an indispensable part of our manpower personnel program. Without it we know we cannot maintain the strengths necessary for our security. If we were not drafting a single man, this law would still be necessary as a stimulant for voluntary enlistments.

In many ways, the draft law is a tribute to the Christian principles of our people. We do not want war and our national heritage is based upon the principles of the freedom of man. Our young men are not military minded. As a result they do not volunteer in large numbers to become a part of a military system.

But they do recognize their obligation to the Nation and the necessity for maintaining our military strengths. So long as there is a draft law on the statute books, these young men will fulfill their obligation willing, and conscientiously. But remove this law from the statute books, and we will give these young men a false impression of the gravity of the world situation.

The distinguished chairman from Georgia has discussed with the membership why we must extend this law for 4 years. He has discussed with you the induction age and many other subjects that were thoroughly studied during the hearings.

As a result, the Committee on Armed Services recommends to the membership of this House the enactment of the proposed legislation with one technical amendment.

We might just as well face the facts of life and not attempt to delude the American people into a false sense of complacency with regard to the length of time that this law must remain in operation.

A 4-year extension of this law is necessary not only because of its effect upon the free nations of the world; not only because of its effect upon the career planning of our young men; not only because it enhances personnel planning in the Department of Defense; not only because it enhances procurement programs; but most important of all, because it demonstrates to the Soviet Union that we intend to remain strong in every military aspect.

Now Mr. Chairman, because the distinguished gentleman from Georgia has explained the functions of the draft law so well, I thought I would spend just a few moments to discuss with the membership the Doctors Draft Law.

Under the Universal Military Training and Service Act, authority is provided for the Secretary of Defense to issue separate calls for men qualified as physicians and dentists. H.R. 2260, as amended, will extend this authority until July 1, 1963.

There is no question about the need to provide proper medical care for members of the Armed Forces and their dependents.

The simple facts are that too few physicians and dentists choose a career in the Armed Forces to provide the minimum numbers of these specialists required for our 2½-million-man force, and their dependents scattered about the world.

In recent years, more physicians and dentists have entered the Regular services. The Armed Forces estimate that by June 30, 1959, about 50 percent of all physicians and about 40 percent of all dentists serving on active duty, will be career officers. But these are far too few. The services must rely for the balance of their needs on men required to perform 24 months of active duty under the draft law. Without compulsion, the services would be unable to attract even half the number of physicians and dentists they require.

Under present legislation, and under the proposed extension, the President has authority to order physicians and dentists from the Reserve to active duty for a period of 2 years. So long as enough of these specialists apply and are commissioned in the Reserve, the authority to order them for induction need not be used. But the authority to induct them is vital to induce them to apply for Reserve commissions. Then, when needed, physicans and dentists can be called to serve on active duty.

This authority to induct doctors has kept the services supplied with vitally needed medical and dental personnel.

The effect of the law has been to induce draft-liable physicians and dentists to seek Reserve commissions and enter on active duty as needed. As an added inducement, extra pay of $100 per month is provided for those physicians and dentists.

When we began to mobilize for the Korean war, the need for physicians and dentists was obvious. The first doctor draft law imposed the liability for service on physicians and dentists up to the age of 51. Priorities of liability were established based on the amount of prior service and whether a man had been deferred to study for these professions, or had received help from the Government to obtain schooling through service-sponsored World War II specialist training programs.

Those first to be called were physicians and dentists who had been deferred or had received their professional education at Government expense, and had served less than 90 days in the armed services. Priority II included those physicians and dentists who had been deferred or received help and who had served less than 21 months. Priority III were those without service after 1940; and priority IV were those with service who had not reached their 51st birthday, and were not in priorities I or II.

A nationwide system of advisory committees was created to advise local boards on community needs for physicians and dentists. This was necessary to provide for civilian needs, while meeting military requirements.

This effective and equitable way of supplying physicians and dentists and allied specialists to the armed services was extended for 2 more years in 1953.

There were some changes in the types of prior service recognized as affecting liability under the act, and some modification of the length of service required, also based on the amount of prior service. In general, the obligations on physicians and dentists were lightened by the 1953 amendments.

In 1954, provision was made for the utilization of these professional men in an enlisted status in cases where they either could not or would not serve as officers. Only 65 were inducted out of 12,000 requisitioned by the Department of Defense up to June 30, 1954.

In 1955, the authority to draft physicians and dentists was extended for 2 more years to July 1, 1957, but the upper age of liability was reduced to 46.

Then in 1957, the special priorities and age provisions of the former doctor draft legislation were dropped. Under the 1957 amendments to the Universal Military Training and Service Act, physicians, dentists, and allied specialists were made liable under the act as regular registrants and on the same terms as other registrants are liable, with two exceptions. Those exceptions are:

First. That the Department of Defense retained authority to issue separate calls for physicians and dentists.

Second. The President retained the authority to order medical and dental Reserve officers to active duty for 24 months without their consent.

Physicians and dentists are subject to the same ages of liability as are other registrants. And, like other registrants, deferments before age 26 for study, for occupational and other reasons, extend liability to age 35.

By virtue of this extension of liability provision of the act, practically all physicians and dentists acquire liability to age 35.

It is practically impossible for a man to complete his medical or dental study and training without a deferment. In the normal course of events a man is reached for induction before his 23d birthday. If he is not to be inducted, he must be deferred.

More than 12,000 physicians and 5,000 dentists have been requisitioned by the armed services. Only 83 have been inducted. In addition, more than 3,600 physicians are at present receiving additional training under the Armed Forces Reserve medical officer commissioning and residency consideration plan. The program is designed to give the services physicians with training in special fields. Early in 1955, the Director of Selective Service and the Department of Defense agreed to the program whereby a limited number of registrants who became Reserve officers are permitted to complete residency training before being called to active duty.

The Director of Selective Service recommends deferment of men selected by the Department of Defense for training under this program. It is a source of physicians with training in specialized fields and accounts for a large portion of the physicians required for active duty tours.

This program is being continued.

As mentioned above, while thousands of physicians and dentists have entered the Armed Forces under the stimulus of the doctor draft and the Universal Military Training and Service Act, only 83 have actually been inducted. This is a tribute to the success of the entire program.

Under H.R. 2260, as under present law, no doctor will be inducted if he applies for a Reserve commission and is rejected solely on the grounds of physical disqualification.

Such doctors who are members of Reserve components, and who are under 35, and have not performed at least 12 months of active duty, may be ordered to active duty for not more than 24 months.

Physicians or dentists who serve on active duty for 12 months or more as reservists shall upon release or within 6 months have an opportunity to resign the commission, unless they are otherwise obligated.

A physician or dentist qualified for a Reserve commission has a right to volunteer for active duty for 24 months so long as his service is needed.

Provision is made for appointment or promotion to a rank commensurate with experience and qualifications. Most doctors enter on active duty as captains in the Army and Air Force, or as lieutenants in the Navy.

The Armed Forces have not found it necessary to requisition physicians or dentists since February 1957. However, it is significant that with July 1, 1959, the expiration date of the doctor draft approaching, a decline has occurred in the numbers applying through the residency program or otherwise for Reserve commissions. There was some indication late last year than an induction call might have to be issued. In anticipation, the local boards had to order physicians for physical examination in order to be prepared to meet a possible call. But the ordering of physical examinations was enough. It prompted a renewal of applications for commissions and residency training sufficient to insure a continual supply of physicians at least until July 1, 1959.

This one recent example of how the doctor draft works is alone proof of its essentiality. And it is a strong argument, too, for a 4-year extension. No matter how obvious the need may be to continue the doctor draft, the very fact of its approaching expiration date has misled some doctors and dentists into a false belief that they will not be needed.

A survey conducted by the Council on National Defense of the American Medical Association covering the period January 1, 1956, to December 31, 1956, the latest available figures, indicates that more than 77 percent of physicians who had served on active duty and were separated from active duty during this period were satisfied with their assignments insofar as they pertained to their training and experience.

And as a final tribute to the administration of this essential law, I would like to mention that no physicians or dentists were inducted in fiscal 1958, and none have been inducted to date in fiscal 1959.

The law, in my opinion, is working satisfactorily and should be extended.

It is the only method by which we can assure the men in our services, and their families, as well as the mothers and fathers of young men being inducted, that adequate medical and dental care will be available for these people.

Mr. Chairman, I strongly urge the enactment of the proposed legislation as essential to the welfare and security of our Nation. We must extend the draft; we have no choice.

It interrupts medical and dental manpower planning and programs. A 4-year extension will leave no doubt in the minds of our young professional men that for most of them their careers must include 2 years in the armed services.

Now, before I conclude, Mr. Chairman, I would like to tell you what our replacement requirements for physicians in the Military Establishment will be over the next 4 years.

In fiscal 1960, we will need 1,950.
In fiscal 1961, we will need 1,400.
In fiscal 1962, we will need 1,900.
In fiscal 1963, we will need 1,375.

In that connection, I want to compliment the Department of Defense for the manner in which it has kept the ratio of physicians to troop strengths at a reasonable level.

In 1947, there was 6.6 physicians per thousand troop strength.

In 1948, there was 5.4 per thousand troop strength.

Since that time, the Department of Defense has made strenuous efforts to reduce this ratio, which is now 3.4 per thousand troop strength.

Not long ago there was some opposition on the part of the physicians to the fact that too much time was spent in nonprofessional duties which interfered with the practice of medicine.

This objection has now been overcome and it is interesting to note that only 2 percent of our physicians on active duty are engaged in staff or administrative duties, 11 percent are engaged in research, training overhead, in a travel status, or ill; 87 percent of all physicians on active duty are engaged in professional medical care.

Mrs. ROGERS of Massachusetts. Mr. Chairman, if the gentleman will yield, I, too, would like to commend the chairman of the Armed Services Committee, the gentleman from Georgia [Mr. VINSON], and also our ranking minority member, the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. I thank the gentlewoman.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from New York.

Mr. HOLTZMAN. I have heard the conclusion uttered twice that a 2-year extension might reflect our weakness throughout the world. Has the gentleman given any thought to the fact that extending the law for 2 years with a provision for review might, on the contrary, reflect confidence in our strength and security rather than weakness, and might also result in lessening the tensions created by the cold war?

Mr. ARENDS. I feel we have done exactly that in the action taken by our committee. From time to time we review this question. I have no quarrel with what the gentleman is thinking about. But in view of the danger presently facing us, and from the standpoint of planning in the Department of Defense for our manpower needs, I think we are best off in another extension for 4 years, as is provided in the bill before us.

Let me simply mention this in passing, that in the matter of procurement of doctors and dentists we have brought about more efficiency in the services, where today we find the need for doctors and dentists has been brought down to 3.4 per thousand troops. In other words, more efficiency is being gained today in the medical activities of the doctors and dentists in service than ever before.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield.

Mr. GROSS. I am still not satisfied with the answer I have received with respect to satisfying foreigners. Were any representatives of foreign governments before the committee?

Mr. ARENDS. No; they were not.

Mr. GROSS. Are they going to be satisfied with 4 years?

Mr. ARENDS. Well, let us satisfy ourselves.

Mr. GROSS. I just thought maybe we could extend it for 8 or 10 years and then the lights would not go out in the chancelleries of foreign governments.

Mr. ARENDS. Let me say to my friend from Iowa that I tried to pinpoint that a moment ago—that we are not thinking in terms of compulsory military training solely for the people of this country, but at the present time due to the situation we face in a troubled and disturbed world, and the fact that we are spending untold billions of dollars, which every Member of this House will vote for, then why put a weak link in this whole chain which might weaken the defense of this country.

Mr. VINSON. Mr. Chairman, I yield 20 minutes to the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, may I say I feel very strongly about my position on the 2-year extension as opposed to the 4-year extension.

Mr. Chairman, at this time I would like publicly to thank the distinguished gentleman from Georgia [Mr. VINSON] for his many courtesies and kindnesses to me during the last few days. I would also like to call to the attention of my colleagues the inscription engraved in the walls of this Chamber above the Speaker's rostrum. If you will read these words of Daniel Webster and keep them in mind, I would like to read my statement.

I want to make it clear as I begin that I do not question whether at this time we need the draft. Rather, I agree that right now we need the draft because we have no prepared alternatives to offer in

its place. But I do not accept the theory that we will never have an alternative to the draft. It is my firm belief that if we work diligently at this problem, before the end of this 2-year period we will have arrived at a solution in which we can maintain the needed rate of enlistment without the necessity of peacetime military conscription. Furthermore, my position is based on the necessity of strengthening our national military posture, because I do not believe that we are getting the kind of men necessary to run the military equipment we are spending billions to get.

Hence, any arguments I make must be considered within this frame of reference: Do our military manpower policies give us greater security or not? The administration's position on the question of an automatic 4-year extension of the draft has been put well by Assistant Secretary of Defense for Manpower, Personnel, and Reserve Finucane, who stated on page 35 of the committee hearings to the question presented by a member of the Armed Services Committee, and I quote: "Why not a longer period of time or a lesser period of time?" To this, Secretary Finucane said, and I quote: "I think your question is a good one, sir, historically the draft has in the wisdom of Congress been extended for 4 years and we would like simply for conformity's sake to carry on with the habits of the past."

Mr. Chairman, the administration's position forces every Member of this Congress to ask himself another question: Is conforming to the habits of the past going to give us adequate national security in the space age? I submit to you, gentlemen, that this is exactly what an automatic 4-year extension does. Why should we have a 4-year extension? Do we fear to face up to fundamental weaknesses in our present military system? We must ask ourselves if in the space age when the Soviet Bear is grinning and laughing at our faltering and futile gestures we are content for conformity's sake to carry on with the habits of the past. Are we so tired as as a people, are we so timid as legislators that we are willing to drift with the errors, inequities and false security given to us by our Selective Service System? I do not think the American people want to drift. I am sure that they want not the questionable habits of the past—not conformity—but deliberation and decisive action. It is within this context that we must ask ourselves what we are going to do about the draft extension.

Before I go on, let me reiterate that at this time I am for a 2-year extension of the draft. If a 2-year extension is voted down—I will vote for a 4-year extension rather than none at all, but with a heavy heart. I am voting for an extension not because I believe that the draft is a panacea but because we do not have any effective alternatives ready to use in place of the draft. It is my feeling that this is because we have been taking too lightly our obligation of reviewing in a comprehensive fashion the function and consequences of our military manpower policies. The extension of the draft for a full 4 years is an easy way out. It is a way whereby Congress is able to pass off its solemn obligation for another 4 years to consider the problems of the draft. If, on the other hand, the draft is only renewed for 2 years, Congress is obligated to consider the problem of the selective service within the next 2 years. A joint committee or a committee of the Armed Services Committee is obligated to return to this Congress with a report that will either give us alternatives or change the existing system. Gentlemen, the 4-year draft, I fear, is a continuation of the policy of having quantity with the illusion of protection rather than quality with the reality of security; it is a continuation of a drifting, shifting somnambulance which America can no longer afford.

Let me point out some of the serious and complex problems which our selective service and Reserve policies have either caused or not resolved. At the present time the Federal Government spends as much as $14,000 for the training of each draftee. Only 3 out of every 100 draftees reenlist after their 2-year term ends. The present high turnover of military personnel who are drafted constitute a great waste of the taxpayers' money, adds to our mounting cost of national defense and exerts an inflationary pressure on our national economy. More important, just as these men become trained and may be of some use to the armed services they leave after their 2-year training period. Liddell Hart, the British strategist and military historian has pointed out that the cost of training conscripts and other costs caused by the rapid turnover of short-term soldiers are not exceeded by gains in military power and military security. He states:

> Conscripts cannot be trained in 18 months or 2 years to the high grade of skill required for modern warfare, for by the time they are trained to even an employment level so little of their period of service remains that their employment is bad economy.

We are all aware of the fact that present military strategy demands not masses of men who are ill trained, but manageable groups of men well trained in the tactics of modern warfare, the techniques of tactical nuclear warfare, the use of newly developed complex weapons and weapon systems. We do not have this when we have a large pool of men in the armed services who are biding their time until they leave the services. It should also be pointed out that it is not only the draftee who spends his time doing tasks that could be performed by civilians. Let me state in passing that this system is being used by the Air Force. They have been able to replace 43,000 airmen with 31,000 civilians in one noncombat area. The Regulars also become involved in this syndrome of wasteful activity. A large proportion of them become absorbed in the training machine for conscripts, and in caretaker jobs at home and overseas. Do any of us here honestly believe that the 6-month active duty training program or the Air Force 10-week training program or even the 2-year military conscription program gives an enlisted man enough opportunity and training in the use of nuclear weapons so that he would be combat ready in even a limited war with these weapons?

We all recognize that during other great national emergencies democratic standards and ideals have had to be protected through the use of military conscription. This was accepted by our citizens during the Second World War because of the immediate necessity for mass armies and because conscription was universally applied. But now there is serious question as to the need for mass armies and further, under the present Selective Service System, more than one-half of the men in the eligible age group have by a combination of circumstances and means, including deferment, been excused from any form of military service. A large part of the burden of conscription has fallen unfairly upon youths who for economic reasons are unable to obtain draft deferment. These men cannot afford to attend college or must postpone marriage and the raising of a family.

According to John Graham, in a study prepared for the Fund for the Republic, there are as many as 60 ways for a young man to fulfill his military obligation without actually serving time in the draft. For example, in early 1957, the pool of draft-age men was about 5 million, of whom 2.3 million were fathers who consequently are indefinitely deferred under draft regulations. Conscientious objectors are deferred; many professional athletes will disqualify because of so-called physical handicaps; college students are deferred; scientists for the most part are deferred. By Executive order set forth in January 1956, men past 26 years of age are dropped to the bottom of the draft list. This has the effect of releasing these men from their military obligation. I am not arguing that these men should not be deferred. However, it is clear that the so-called universality of the system is nonexistent. Married students in college often have children to avoid going into the draft. Those who are unable to avoid the draft because of economic or social circumstances are the ones who must enter the Army at pay rates much lower than those prevailing in civilian life, thereby adding to their low economic status. Prof. John Galbraith, of Harvard, has asserted that "the draft survives principally as a device by which we use compulsion to get young men to serve at less than the market rate of pay. We shift the cost of military service from the well-to-do taxpayer who benefits by lower taxes to the impecunious young draftee." We are willing to have quantity with the illusion of protection rather than quality with the reality of security. As. Mr. Cordiner has pointed out in his now famous report:

> The modern military manpower problem reduced to its simplest terms is one of quality rather than quantity. It is not merely a matter of the total number of people on hand but is much more a matter of the competence, skill, and experience of these

people. The military services are not able at present and under present circumstances to keep and challenge and develop the kinds of people needed for the period of time necessary for those people to make an effective contribution to the operation of the force.

As Gen. Harold Maddux, who directs the Defense Department's manpower requirements, said in May 1958:

We need dramatic changes in pay and attitudes to upgrade a military career in the eyes of the Nation. We can't get that change with huge numbers of men compelled to serve against their will.

We should not forget the harmful social costs which result from a draft which is universal in name but not in its functions. The draft is affecting adversely the lives of millions of young men and women who are facing the choice of further education, jobs, and marriage. John Graham has pointed out:

Uncertainties about the draft make it impossible for young men to plan ahead and as a result discourage them from getting the advanced training in the sciences or the professions which the country is needing increasingly.

The feeling of loss, insecurity, and uselessness is compounded for thousands and thousands of young men who are already caught up with the bewildering and perplexing problems of adolescence and young adulthood.

In brief then, we are able to see military, economic, and political reasons for extending the draft for only 2 years until that time when we will have more effective alternatives than the draft system.

If I may in my remaining few minutes, I would like to answer certain important questions which may be asked of me. Some of you may ask, if we extend the draft for 2 years only there will be men who will not enlist in the service or the Reserve programs, whereas if we extend the draft for 4 years these men will take seriously our intentions of continuing the draft. To this I answer: The armed services may always draft more men during this 2-year period if enlistments are falling behind. Furthermore, at the end of the 2-year period we hope that effective alternatives to the present system will exist so that those who do not have the ability or the will to serve will not have to serve. If, on the other hand, it appears after careful study that there are no other alternatives, Congress may continue the draft for another 4 years, and I shall certainly support this.

It is clear that the Armed Services Committee and the Rules Committee acted with great speed to bring before this Congress a bill for a blanket extension. If the study suggests that a draft is the only answer to our military manpower problems, the Armed Services Committee and the Rules Committee will not be derelict in asking for an extension. Some of you may suggest that the administration needs a 4-year extension in order to be able to plan rationally its manpower program. To this I would like to answer in Assistant Secretary of Defense for Manpower, Mr. Finucane's, terms:

Historically the draft has in the wisdom of Congress been extended for 4 years, and we would like simply for conformity's sake to carry on with the habits of the past.

From this statement it is clear that planning does not demand 4 years. Only conformity demands 4 years.

Some of you ask that the Cordiner report does many of the things that I suggest but we still need the draft. I suggest that the Cordiner report deals only with reenlistment not in attracting men into the services on the lowest level. Increases were percentagewise, which means that privates were only given $3 a month increase but generals were given as much as $70 a month increases.

Some of you may ask: Is not the draft needed to secure the services of the necessary unskilled manpower? Sufficient pay would attract such unskilled men as must be in uniform. It is foolish to waste skilled men by drafting them to do unskilled work. By rejecting those men in category IV, we are left with a body of men with a higher level of skill to do this unskilled work. It is a source of discontent to those skilled men who are drafted and assigned to tasks which do not utilize their capabilities. This is also a waste of the trained men who could be useful to the community in other activity or who might volunteer for more highly skilled work for a sustained period of time if offered better pay by the services. Impressed labor has not always turned out to be cheapest in the long run.

You may also ask: We tried in 1948 to get 2 million men on a voluntary basis and could not—how can we now hope to get 2½ million voluntarily? At that time, there were no programs of incentives to attract and retain manpower. Even so, reenlistments were 65 percent then—presumably because the choice of entering the service in the first place was purely voluntary, and not motivated at least in part by desire to avoid the draft, as now it is—and are only 8 percent now. The drop is presumably due to the fact that many enlist to avoid the draft, and are therefore anxious to serve as briefly as possible. So the draft has actually been accompanied by a decrease in the reenlistment rate. This adds to the amount of training which is wasted on men who leave the service before they have served long enough to justify the amounts spent to train them.

Let us accept the draft as necessary at this time, but I think it is of paramount importance to know what the draft is and what its weaknesses are. I believe that there is enough weakness to show that the draft should be continued for only 2 years while some committee of Congress studies the military system and its manpower procurement policies. This is the only way we will discharge our obligation to ourselves and the American people—this is the only way that we may feel secure in the space age.

Mr. KILDAY. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Texas.

Mr. KILDAY. I would like to have the gentleman repeat the percentage of enlistments that he just mentioned. I believe he said something in the neighborhood of 8 percent.

Mr. WOLF. In the services other than the Army, the reenlistment rate in 1957 was about 8 percent; approximately.

Mr. KILDAY. In 1957, in the services other than the Army?

Mr. WOLF. According to the figures I was given by the Library of Congress.

Mr. KILDAY. May I ask the gentleman the source of the figure?

Mr. WOLF. The Library of Congress.

Mr. KILDAY. Has the gentleman consulted the hearings as to what percentage is given?

Mr. WOLF. I did, and I was surprised that there was quite a difference, and I hope somebody will clear this difference up for my benefit.

Mr. KILDAY. So you are citing the figures that you received from the Library of Congress?

Mr. WOLF. And the figures from the Library of Congress were based on military figures that they received from the military department.

Mr. KILDAY. Of course, on page 38 of the hearings will be found the various percentages by services and by the Department of Defense as a whole for 1957, 1958, and 4 months of 1959.

Mr. WOLF. There seems to be some dispute about those figures. I think there is room for reasonable dispute.

Mr. KILDAY. As to the figures of the Department of Defense, the gentleman feels that there is room for doubting these figures that were given to the committee?

Mr. WOLF. I think that is correct. However, I shall be happy to recheck the figures and discuss it further later today.

Mr. KILDAY. That is all.

Mr. GAVIN. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I want to call to the attention of the gentleman from Iowa who preceded me that those who advocate a 2-year extension of the draft rather than a 4-year extension seem to indicate that the Congress would be helpless to stop inductions in less than 4 years if we grant a 4-year extension of the draft.

Quite the contrary is true. We can stop inductions at any time sooner than 4 years that the Congress desires—either by repeal of the authority to draft or denial of funds to pay draftees.

But, the best military judgment available in America today has informed the House Committee on Armed Services, which is headed by the very distinguished gentleman from Georgia [Mr. VINSON], that we have a military requirement to extend the draft for 4 years. In the first instance, this is for the defense of America, and I, for one, shall accept the judgment of our military leaders, whose devotion to our Nation is no less than our own. And I shall accept the judgment of our distinguished and able chairman [Mr. VINSON], whose years of experience eminently qualify him to make such a recommendation as he has made to us here today—that this legislation be extended for a period of 4 years.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred

and three Members are present, a quorum.

Mr. VINSON. Mr. Chairman, I yield 10 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I have listened with interest to the discussion by the distinguished chairman of the Committee on Armed Services. I heard him say in the course of his remarks that there could be no argument against the logic which his testimony before this House contained. It was essentially the same testimony with which he opened the hearings and essentially the same testimony which we find in the report.

I learned years ago, Mr. Chairman, that one should rarely quarrel with the logic of one's adversary. Usually the gentleman is learned and his logic is impeccable, and I do not quarrel with the logic. I found instead that typically if one wishes to make a case, one must first examine the premises upon which the argument proceeds. So if I may use my time today to do so, I should like to examine the premises upon which this controversy, in my opinion, appears to be based, I think our arguments will be found to lie at the heart of the premises upon which the two cases, for a 4-year extension and against it, rest.

We can agree, certainly, on the first premise, that we all share an obligation, having taken the oath of office, to provide for the common defense. I am glad that it has been granted here in advance, that this will not be an issue in this debate, that we can agree with that first premise.

We have been given the premise that the draft is the way by which we will secure the strength of the United States and preserve, apparently, the United Nations as well. It is evident from the argument which is made by my distinguished colleague from Iowa that there are those who would argue that the draft is not the way by which we can best secure that strength, for many reasons which he cited.

Mr. Chairman, I should like to read parts of a carbon copy I have received of a letter addressed to the distinguished chairman of the Committee on Armed Services from one William Robert Miller. He says that he was mustered out as a disabled veteran in 1947, after serving with the Far Eastern Air Force in the Philippines. Also, he says, the tradition of volunteering in his family goes back at least to the Civil War and probably to the Revolutionary War.

Then he says:

I am convinced that conscription results in a waste of manpower and money. I am not an expert and have conducted no surveys, but I believe from my experience that from a thoroughly military standpoint alone it could be shown that it is extremely wasteful to build a nation's defenses around men whose first and paramount thought about military service is how to get out of it.

If a man is induced to do a job, he'll work well at it. But we all know how costly forced labor is, and all the patriotic appeals in the world will not put forced labor on a par with the work of freemen. During World War II this fact was borne out in my own experience time and again in the griping and goldbricking and general malingering of the draftees I saw. I doubt that "goofing off" would be a feature of a regular army of volunteers.

And how is it with officers who have to assign men to various jobs? When they are dealing with draftees, it doesn't seem to make much difference whether the right man goes into the right place. In my time, it seemed to be "standard operational procedure" to put a man in the place where he least wanted to go and was least qualified to be. It is a wonder to me that the United States won the war.

I can say, having worked here in the Executive Office of the President at the time, that sometimes I wondered myself.

To cite only one example from my own case, I was interested in and qualified for radio training, but I was sent to airplane and engine mechanics school and given 6 months of training which turned out to be utterly useless. Anyone on the flight line would have had to be out of his mind to assign me to work on an airplane as a mechanic.

When I failed one course in A and E school, my CO called me in and threatened to send me overseas as a rifleman in an airdrome security outfit. I agreed readily, because I wanted to get overseas. But he was only bluffing, and I was sent back to school and pushed through with barely passing grades.

As I have said, this is only one episode among many. I don't believe these things would be possible if the Army were forced to plan carefully and use its manpower efficiently, the way a civilian employer has to do. And if the Army (and the other service branches, too) had to attract men, they would get the right kind of men.

It would be an improvement if this were done on any terms, but it would probably also turn out to be cheaper to maintain a smaller contingent of well-paid, well-trained men with the kind of morale that can be developed only among volunteers, than it is to subsidize the monumental goldbricking society which an army of draftees inevitably tends to be. A lot of people think the draft is regrettable but necessary. I think it is basically un-American, and the facts would show that you can't defend liberty with an army that is not a product of the American way of free choice. If it could be done, that might be regrettable.

Well, this comment by my friend, Mr. Miller, simply dramatizes the point I would like to make. There is a sharp difference among us as to how to secure that strength. Certainly, if young men are not motivated adequately now, they will not be adequately motivated simply by the fact that you are changing the date of that law to 1963 from 1959. Better pay for recruits, a better program to hold reservists, wider use of civilians for support type of activity for transportation, housing and food, as well as wider use of local support overseas—this is the kind of thing that might make for more efficient use of manpower and might get greater strength with smaller numbers.

Then, also there is a difference among us as to the question of the assumption that you cannot secure an adequate force, regardless of the exact numbers thereof, without the draft. The distinguished chairman cites the experience in 1948 and in the report and in his opening remarks quoted from President Truman's message. I will call the attention of the House to the fact that in the year 1948, in March of 1948 when these observations were made, we were before the Czechoslovakian coup d'etat—we were speaking before the experience of the Berlin blockade and the Korean incident. The cold war, frankly, was not yet really on.

Yet, it seems to me it is a mistake to assume that the events of the past decade will have no influence on the opinions of young men and young women in this country. It is a similar mistake to assume that it has not any influence on our own opinion. Having lived through the war experience, we had such an attitude before 1948. You will recall that the President's military budget for 1947, with congressional support, was a $15 billion budget and not a $45 billion or $46 billion budget as now. The assumption, therefore, that the 1948 experience is necessarily definitive for today, it seems to me, ignores a great deal of history that has taken place in the interim. It also ignores the change in the size of the labor force between that time and today. We were then getting the depression babies coming of age. We are now getting the war babies coming of age, and there is a larger manpower pool.

But, my fundamental concern turns to the philosophy and psychology of our entire situation. As Americans, it seems to me we have a far more profound obligation than to worry about whether or not the military can change its personnel policies and get enough men—or must we give them this to secure draftees. Our fundamental concern must be—which way to peace? How shall America best be assured that the awesome weapons of mutual destruction which we have created need never be used? I, for one, should like to think that our energies would be devoted to following those paths which would demonstrate to the world that we do not seek another war—and that we do not seek any war but one war: the war that we should be seeking is the war against man's ancient enemies—disease, hunger, misery, and poverty. This is the only war in which all mankind can be victorious.

It seems to me we should be giving our attention, Mr. Chairman, to making the appeal to the young people and to the citizens everywhere, both at home and abroad, to devote the larger part of our energies, not to training men to man missiles of mass destruction, but rather to training young men as technical missionaries with slide rules, with medical kits, to fight communism on a positive basis and not to use guns and flame throwers to fight communism, but to go out into the world as missionaries of peace.

It seems to me that the younger generation today, as ever, are imaginative. They will respond creatively to a constructive alternative, but they are now depressed by the thought that the only hope for us is that we shall have a larger number of intercontinental ballistic missiles with which to rain down death and destruction upon the women and children and soldiers throughout the world.

It seems to me that we must examine very closely the basic proposition by which we are to be governed. For too long this Nation has been governed by

its fears. I believe we all share the view that we are not really likely to face a new world war. We all know that no such war could be won. The only question would be, Shall the destruction of both our Nation and our enemies be consummated in 3 days or in 30 days? That essentially is the difference.

I think we should ask the military force to live without the draft. If we must have it, this Congress can be called into session and pass an extension of the draft in a very short time. But think of the psychological effect both at home and abroad, if we would turn our face toward peace, if we would devote our energies to that course of action which will build a more peaceful world. We must learn to live together or we shall surely die together.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. JOHNSON] has expired.

Mr. VINSON. Mr. Chairman, I yield 10 minutes to the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, the continuance of military conscription at this time is neither necessary nor desirable.

I have studied this issue thoroughly, and years of study and reflection have added to my conviction. As a result of my speaking publicly against this measure, I received letters from many people scattered across this land. Almost all of them urge me to speak for them in this House, and I believe that they represent the thinking of millions of Americans.

I have, in a few weeks, learned to love this citadel of liberty, but even more I love my country and its cherished traditions. I respect the leaders of this body and sincerely believe that my colleagues advocate what they consider right and proper. My love for my country and my convictions as to its best interests force me to differ with some of them on this issue. I know that they will respect my right to speak the truth as I see it, with all the force and directness available to me just as I will respect their rights.

I wish that I did not have to conclude that a cancerous militarism is growing in this country. It poses a threat to most of our institutions and creates an unevaluated inner peril. If this House continues to permit military leaders and their spokesmen to usurp the powers and duties of Congress, then Patrick Henry spoke in vain. All of us honor the officers and men who lead or maintain our defenses, but we should not permit them to unduly interfere in the formation of national policy or legislation. Washington recognized the danger, and Jefferson advocated a free civilian government. If we allow a modern Praetorian Guard to incubate as a menace to a modern Rome, we will have chosen Sparta at its worst in preference to Athens at its best. Must we imitate Germany because Russia has become a neighbor and competitor? Must we burn our house because we hear a wolf howl at our door? The answer is a ringing, everlasting no.

This great land of ours can find a positive way to peace. We can maintain an adequate military defense without crucifying our traditions and ideals on a double-edged sword. Make no mistake, the military state is such a sword. It may protect us from invasion, but it can lead to self-destruction or to dangerous adventuring. We have the moral force and the spiritual resources to forge an international system of law and order. We have the people and the economic strength to lead the world to justice and understanding. The way to positive solutions may be difficult, but who wants the easy path that leads to nowhere or to worse? I have no time or use for appeasement, but as long as I have access to this floor, I will fight for reason and for truth. I will not admit that the spirit of the men who followed William Penn to these shores is dead.

Why should we speed this bill to the Senate? I appeal to your sense of responsibility. We are no rubber stamp. Why should we relegate debate to the Senate? If this is the most important bill coming before the Armed Services Committee, then I say that this House should combine duty and pride so as to be of service to the public in thoroughly evaluating it. What is the reason for rushing it through? Why were we not furnished the record of the hearings in time to weigh the pros and cons? Why should this House and the American people not be granted adequate time to fully consider and deliberate? Are we children for whom father knows best? The generals have spoken—let the American people have a chance to raise their voices, too. Perhaps I am living in a never, never land in which the voiceless masses of free Americans defer to a few admirals. I doubt it. I hope that I am not, because I do not know how such a country could be defended.

Here are 10 of the many reasons for not extending the draft:

First. We can have better defense with volunteer, career professional forces. The need is for quality rather than for quantity.

Second. Well-paid forces provide better defense at less expense under such conditions.

Third. We have no right to conscript labor at substandard rates nor to maintain a system riddled with inequities.

Fourth. The Pentagon itself knows that the system is wrong.

Fifth. The Pentagon and others push this bill only because they are afraid to try to change it. They will not make the effort unless forced to do so, and they fear discussion, because they know that the entire issue is explosive and riddled with legitimate grounds for objections.

Sixth. It interferes with the proper development of our youthful manpower.

Seventh. It weakens the total strength of our country which must include science, industry, agriculture, and other fields, as well as the military.

Eighth. It is wasteful in every way.

Ninth. It lulls us into a false sense of security and hinders the mobilizing of moral and spiritual forces while inculcating militaristic doctrine.

Tenth. It violates our traditions and conflicts with much of our moral and religious thinking. This does not contribute to our international standing or to peaceful solutions of world problems.

A full case against conscription cannot be developed in a few minutes when the issue merits many hours of study. However, I can alert you to the dangers of passing such a bill—particularly under forced pressure. This calls dramatic attention to the even greater dangers in militarism that threaten our way of life.

This is much more than the voting on an Army draft bill. American democracy is on trial. It may be later than we think in the cycles of history. I hope that this is not so, but shadows of handwriting appear upon the wall. This means that we may face in militarism an inner danger almost as great as the external dangers. We might destroy ourselves while trying to protect ourselves.

In closing, I would like to call your attention to words from the constitution of Vermont which call for frequent recurrence to fundamental principles in order to preserve the blessing of liberty and keep government free. This I urge you to consider.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. MEYER. I yield to the gentlewoman from Oregon.

Mrs. GREEN of Oregon. Can the gentleman tell me what the position of the A.F. of L. and CIO is in regard to the 4-year extension?

Mr. MEYER. As I understand it, they would prefer the 2 years with a study commission.

Mrs. GREEN of Oregon. Could a study really be made during the 2 years so that at the end of that time we could come up with a better program with a more efficient use of manpower and a wiser expenditure of the tax dollars?

Mr. MEYER. Yes.

Mrs. GREEN of Oregon. Does the gentleman know what the position of the national chamber of commerce is?

Mr. MEYER. They are for the 2 years.

Mrs. GREEN of Oregon. They are also in favor of only a 2-year extension of the draft and recommend that a study be made of the many criticisms that have been leveled against the drafts it operates today?

Mr. MEYER. That is right, as I understand it.

Mr. ARENDS. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, good and adequate reasons for extending the induction authority to July 1, 1963, have been presented. The Nation needs the draft to insure that we keep the Armed Forces at the minimum strength.

But there are some other considerations involved. It seems to me important to recognize other reasons for extending the draft.

It has been made perfectly plain that the recruiting efforts of all the armed services are successful only to the extent that the draft boards provide the recruiters with a strong prospect.

Every boy, by the time he is 17, knows that he will register with his local board at 18. He knows that he will probably be called into service. In many cases,

UNIVERSITY OF MICHIGAN LIBRARIES

this is all the incentive he needs to enlist.

For boys 18 and older, the local board has every name and address. If this fact does not make the man ready to enlist, there is further processing which will bring him closer to service. Eventually he is classified. If he is in I–A, he can be pretty sure that except for failure to pass the physical, mental, or moral tests, he is going to go. He may delay it with a deferment for a time, but his call is pretty certain. These men are already more than half sold as enlistees. Then, when he has been examined by the armed services and found acceptable for induction, he has his last chance to make a choice—either enlist, or wait to be drafted.

No one will deny that the recruiting services rely heavily on this processing—and on the virtual certainty of eventual service by every qualified man—to produce enlistees. This is as it should be. It is certainly in keeping with American principles to provide every opportunity and the maximum time for a citizen to voluntarily perform a fundamental duty of citizenship. For those to whom the opportunity to choose is not important, the Selective Service System provides an extremely fair and considerate method of determining when a citizen shall perform his military duty.

It is interesting to note that hundreds of local board clerks have been honored with citations and certificates by the recruiting services. The recruiters in the field know and value the aid these clerks give them; the help they receive by the fact that the Selective Service System exists and is operational.

None of this is intended to reflect on the recruiting services. They do a fine job. But it emphasizes the vital role Selective Service plays in the manpower procurement process. No man is forced to decide when and how to fill the obligation to help defend his country. On the other hand, time and ways for everyone to make his own choice are provided.

And if every qualified man exercised that choice, there would still be no reason to assume that the draft was no longer needed. In such an event, there would be no necessity to induct men. But there would still be the need to be prepared to induct men. There would remain the need to keep compulsion in the background to induce men to make their own choice of time and place to serve.

It should be remembered also, that it isn't enough to have 500,000 men volunteer to meet the needs of the armed services for 500,000 men. Let us assume that the existence of the draft induced these half million men to volunteer. Would they volunteer in the proper proportions for the different branches of the Armed Forces? Would they volunteer in the proper proportion for the particular types of duty offered by any one armed service?

There is a tendency to misread the meaning of fluctuating draft calls. Whether a call for one month is higher or lower than the previous month has little if any bearing on the need for the draft. Nor does the trend toward smaller calls, or toward larger calls, really affect the fundamental requirement that the Nation stand ready to enforce, insofar as is necessary, the obligation of each citizen to help defend the Nation.

The role that the Selective Service System plays in our total defense structure is obscured, also, by overemphasizing the actual numbers inducted, or the effect of the draft in stimulating enlistments. We have developed in this country a unique, proven, and highly accepted method of bringing men into the service. I refer specifically to the local board system. These boards are composed of leading members of their community. They know the area and the people with whom they deal. They are required to be civilians. They exercise, subject to appeal, sole authority to classify and select men for service. Practically every community has its own board, and in larger cities, there are many boards but with jurisdiction based on geographical neighborhoods and population density.

In its area, the local board has an unequaled accumulation of data on manpower from age 18 to 35. It is not difficult to visualize the value of this grassroots organization, and the information it possesses, in the event of a nuclear attack. The distinct portions of the Selective Service System, including separate local boards, are capable of operating in isolation should the need arise. They are able to furnish manpower data to any authorized emergency user. And the boards have taken measures to preserve duplicate vital records in vulnerable areas. There would be retained in the event of such a disaster, a local capacity to guide manpower utilization for survival.

The local boards have a real influence on manpower utilization in other ways, too. Everyone is aware of the necessity for the fullest use of technical manpower, and the need to increase the supply of that manpower and to improve its use. By deferring students, by deferring men engaged in teaching, science, engineering, research, and other pursuits vital to the national interest, selective service has helped tremendously to ease our shortages and influence the proper use of skilled men in civilian life. Men are deferred to prepare for these callings, and are deferred to follow them. The prospects of deferment serve to hold men in those fields when better pay might otherwise lure them into more lucrative but less vital activities, from the standpoint of national strength.

Thousands of college students were deferred during the Korean war. It is fair to say, that had there not been those deferments, many of them granted under a nationwide testing program established by the System, this country would now have 50,000 to 60,000 fewer skilled engineers, scientists, and researchers than it has today.

The Korean war also is an excellent illustration of the value of a draft system in being. The Selective Service System was reestablished in June 1948. A few thousand men were inducted. Enlistments climbed spectacularly. But our forces were subsequently reduced so that for a period of nearly 18 months draft-stimulated enlistments met the needs of the reduced Armed Forces for men.

A skeleton of the Selective Service System was preserved. It was badly hampered by a reduced budget and a long period of inactivity. But the boards existed, and although consolidated wherever possible, each had some clerical help.

Despite this rundown state of the System, when the Korean war broke out we were able to deliver men within 60 days—about as fast as it is possible to do so. If the System had been disbanded, the period would have been more like several months—a timelag which in Korea might have meant disaster.

There is more at stake than putting men into the Active and Reserve Forces in peacetime. Those are the prime objectives—part of the end product. They certainly make extension mandatory. But in extending this authority to induct 4 more years, we are preserving what very well may be the indispensable foundation to our capacity to strengthen our Nation and retain our capacity to survive.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. I commend the gentleman on his statement and associate myself with his remarks. I have attended the hearings with respect to this legislation and I am satisfied in my mind that there is absolutely no alternative to extending the draft 4 years, as provided by this bill.

Mr. GAVIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAVIN. Mr. Chairman, I believe that some other points should be made in the interest of a fuller understanding of all that is involved in our draft system. The need for extension of the induction authority to maintain the active forces is recognized.

It may not have been made so clear that the strength and stability of the Reserve and National Guard, air and ground, also depend on the draft.

The effect of the draft on the Guard and Reserves is much the same as it is on enlistments into the Active Forces. Men enter the Guard and Reserves in many cases because by doing so they are deferred from induction. And the man who enters a Guard or Reserve unit has every reason to remain there and to be an effective member. If he drops satisfactory training, he loses his deferment, as a minimum penalty, and then is subject in his turn to induction. In the case of some enlistments into the Reserves or National Guard, a man who fails to continue to participate satisfactorily is subject to a penalty induction out of turn and regardless of other grounds for deferment that may exist.

It should be understood that the local boards make no decisions in these latter cases. If the Guard or Reserve unit certifies a man as subject to the penalty in-

duction provisions, then the Selective Service System simply complies with the certification. Although few men have been inducted in this way, the existence of this penalty does help to keep men in good standing in the Reserve and Guard units.

The success of the 6-month training program is by now well known. Its success is due, it may be said almost entirely due, to the fact that participation in it provides deferment from induction. Not only have the Guard and Reserves attained strength goals, but of equal importance, the state of training of these vital support forces has reached a high level. No longer must there be a constant repetition of basic training. The initial 6 months of active duty for training, and the reduction of turnover in Reserve and Guard units allow training to progress. Turnover is reduced because men remain in and participate satisfactorily in lieu of being inducted for 2 years of active duty.

Now the Reserve I have been speaking about is the Ready Reserve.

But the same considerations apply to the other elements of the Reserve components. And those elements are important to our defense posture. They represent the reservoir of men with more or less training, some still obligated to train, others volunteer reservists. They include a large number of individuals with rare and valuable skills the services would need in a mobilization. They include men who have had some military training or service.

So long as the future remains uncertain every man-day of military training in the population is valuable. And when less than all the population has training in the elements of physical survival, it is important that society make the best use of those who do have it. Therefore, these reservists—inactive as they may be—are a part of our strength. They may well be a key part of it.

The members of these second- and third-line Reserves who are not veterans are likewise not being inducted so long as they are satisfactorily members of those Reserve components. They are doing something. They are not and should not be inducted while there are men making no contribution, who are qualified and available, to man the Active Forces.

Part of this second line of reservists—the Standby Reserve—is subject to recall to active duty in time of war or national emergency declared by Congress. But in 1955, Congress provided that such men could then be recalled only after they were determined by the Director of Selective Service to be available.

There is good reason for that provision of the law, as perhaps all of us recall. In the rush to meet the challenge posed by the Korean war, the recall of reservists to active duty often resulted in hardships and inequities to individuals; penalized families and civilian activities, and not always served the purposes of the Armed Forces effectively.

It was to prevent that kind of indiscriminate recall of reservists that Congress directed the Selective Service System to evaluate each reservist to determine where he should serve. The local boards now maintain a constant processing of the records of these men. They number at present 1,500,000 and the number is growing still. A decision must be reached in every case whether the reservist shoud be available for recall, or whether in the national interest he should be left in a vital civilian job or to care for dependents. The names of those available for recall are reported to the Armed Forces.

It will be apparent that this is not a job to be done once. The man available today may be in vital research tomorrow, and vice versa. In order for the list of available reservists to have any meaning, it must be as current as it is possible to keep it. So the local boards constantly must cull through these reservists to insure a better utilization of this segment of our trained and partially trained manpower in the event of need.

We must continue to manage our potential military manpower, especially that part of it which has had some training against the day when the skills they have learned in survival may be needed.

The Selective Service System is the only agency in existence with the experience and the organization to carry out that kind of a job. And it is a job which must inevitably grow, until that time which we all fervently seek arrives—when we need not maintain a potent military organization in being; and when we need not view as urgent the necessity to train our citizens to survive in nuclear war. But that day is not foreseeable. Until it is here, we cannot risk the Nation's existence by failing to take every possible step to remain strong.

Mr. VINSON. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, if anyone was elected to Congress under an illusion that there would not be difficult decisions to be made here or distasteful choices to be made, I feel that it is good that he is disillusioned so early in the session. This is a question which none of us approach with any great joy. Those who have dealt with this question from the beginning, in 1940, do so without any feeling of satisfaction that this must be done. However, we have found in the past, and the hearings now sustain the fact, that it is necessary that a continuance of the power to induct be made at this time.

I have no quarrel with anyone, whether in this Chamber or not, who is conscientiously opposed to military service or anything of that kind. While I disagree with his conclusion, I respect the fact that he has that conclusion, that it is his belief, and I would be among those first to defend his right to so believe, and do so with absolute respect for the opinion which he holds.

The situation is this: This is not a military nation. Very few of the American people have any desire to pursue a military career. So we have found over the years, and we have found since 1940, that in order to maintain an adequate military force we must attract and hold practically all of those Americans who have a desire to pursue a military career and who at the same time possess the aptitude for a military career.

We have found in the past as we know now that we cannot maintain what is now regarded as the minimum force necessary without compulsion with respect to the entrance of young men into the service. Now in what situation is the Congress on this subject? Last year when the appropriation bill for the Department of Defense was here, this Congress appropriated funds for 30 000 more members of the Army than had been requested by the President and the Department of Defense. Additional sums for the regular components of the Army and Marine Corps were provided and we expressed the sense of the Congress that those were the minimum numbers required for the safety of the United States during fiscal year 1959. We provided a figure and the funds necessary to pay the reserve components in excess of the number requested by the President and the administration. In that instance we went even further. We used language which on its face is mandatory—that the reserve components shall be maintained at the higher figure. That was the attitude of this Congress, about the middle of last year when the appropriation bill came here. So that we are positively on record for maintaining that type of force.

During the hearings and here on the floor, there has been some mention made of the question of pay and forced labor in order to get men for less than the current pay. Mention was made of the Cordiner report. As the chairman of the subcommittee which considered that report and wrote the pay bill, I regard myself as being one of the very few people in the United States outside of the Cordiner Committee itself who ever read the complete Cordiner Committee report. We considered that report and the minimums suggested by the Cordiner report is what we adopted. Complaint is made as to the disparity between the increases in the top ratings. There we cut down very materially on what the Cordiner Committee had recommended. But any idea that a recruit or private in the service is secured at a reduced wage is a complete fallacy. I know of nothing which is used by the Government of the United States which costs more than the private soldier. True, he enters at $78 per month. I would like to know where there is another young man in the age bracket who has room and board, clothes, medical and dental care and everything else that goes into making a living and yet has $78 or $87 or $90 a month left after he has paid off these charges against him. The only thing in the world that that man has to buy when he is in the service is his toothpaste, shaving cream, blades and his laundry and haircuts. That is all in the world that he is required to pay out of the money that he gets. In addition to that, his dependents are taken care of under the Dependents Assistance Act which is continued by the provisions of this bill. His dependents have the right to medical care either in Government hospitals or in private hospitals with the Government picking up the check for everything

UNIVERSITY OF MICHIGAN LIBRARIES

except the first $25 in private hospitals. Whenever anyone attempts to bring forth any question that these young men are acquired at a cut rate for labor or that he is not costing you lots of money, I hope proper reflection will be made and that these other items will be taken into consideration in that regard.

Mention has been made as to General Maddux who worked with our committee on the pay question and again with reference to the Cordiner Committee report. Of course, what those gentlemen were talking about were the highly skilled and trained technicians. They were urging a pay scale for proficiency in a speciality, a type of pay which was being brought back for the first time in a very long time. Back about 1940 or 1942 we had specialist pay where a man could be a private, but in addition to that pay he would also draw specialist pay as a saddlemaker, a horse shoer, a musician, and things of that kind. But this was a new departure for proficiency. The Congress established a proficiency pay system. It does not apply only to technicians, of course, because all of these people in the military service are auxiliary to the fighting men. Their responsibility in the service is to keep that fighter on the front, in the planes, in the submarines, and on the carriers. Everything else is auxiliary to keeping that man on the front. The highest efficiency you could have would be that required in combat. There have been many types of figures and percentages used here. I would not attempt to go into all of them, because frankly I do not remember all the things that go into them. But if you will turn to page 38 of the hearings—and I assure you that these figures are reliable—you will find the figures that come from official sources.

While I do not always like the attitude of the executive departments toward the Congress, I will have to say that in a period of 20 years here I have not known them to give us deliberately false statistics on a matter of this kind. These are reliable figures and can be accepted exactly as you find them in this report. It is very revealing, because it is divided as to all regulars. First, term regulars and then career regulars. Let's look at the career regular, the fellow who reenlists for his second term. Where are we with him? In the entire Department of Defense during the first 4 months of fiscal 1959 we were reenlisting 87.9 percent of them. In the Army it was 86.2 percent; in the Navy 90.4 percent; the Marine Corps, 76.8 percent; the Air Force, 91 percent. Those are the people who are military career minded and oriented. These are the people from whom you will be able at all times and under all circumstances to draw your military force, provided you pay them adequately and give them the other benefits which must go with a military career. We are attracting 87.9 percent of the whole, but that leaves us approximately 250,000 people who at all times are serving as inductees in the Army. The idea that because the Air Force, the Navy, and the Marines are so attractive that they do not have to induct men can hardly be sustained. I do not believe you could say a boy chose the Marine Corps because he would not have an opportunity to fight. He wants to choose his own branch. The same is true of the Navy and of the Air Force. But what do we find among inductees? These boys have been reenlisting at a rate of 2.7 percent in 1955; 4 percent in 1958; and 5 percent at present. So we are consistently improving. But, from those who are not career minded or career motivated, we must supplement the number on active duty by the compulsion of the draft and the induction of individuals. Of course, complaint has been made in the hearings before the committee that it is discriminatory; that it is not universal. The law says it is "the Universal Training and Service Act." I would be the last to contend that this is not discriminatory to a degree, and perhaps to a substantial degree, but it is always going to be discriminatory until such time as the Congress of the United States, sustained by the American people, is willing to go into an all-out universal training program in the United States. When you do that, then there will be no discrimination, and the burden will fall equally on all.

I have bloodied my head many times in trying to pass a universal training act. Thus far the people are not going to sustain it, as reflected by the Members of Congress. As long as you do not have that program there is going to be an element of discrimination.

I agree thoroughly with those who say that the proper way to maintain peace is to follow the dictates of religion and charity. I do not believe there are many people in the United States you are going to have to convince that that is the proper way to do it. My trouble has always been that we have made no headway with the Russians in getting them to sincerely agree to that, believe in it and agree to follow it. Until such time as they do I think the vast majority of us must confess the fact that we must maintain the adequate military force which is provided in present law.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I have no quarrel with what the gentleman says about the number of men needed in the armed services and I am not one of those who think that you can have a few men and get by just because you have a lot of new weapons; nor do I believe that the country that uses equipment that costs the most will necessarily win the war. Many of us remember that in the early days of World War II there were those who said that whoever had the most poison gas would win the war in a few days and that there was no need for a large ground force. We carried those gas masks all during World War II and never did use them. Each side was afraid to use the gas for the fear the other side would retaliate. What has happened in the past will probably happen again. What has actually happened in the past is that the nation that had the greatest number of ground forces could cover the ground while they were being delivered supplies by sea and being protected by the air and that is what won the war. I assume that the same thing may happen again.

I listened to the gentleman's reference to the figures in his report on page 38. I am interested also in the figures on page 32 which show a very low percentage of reservists. I think we are all aware of the tremendous assets of the Reserves, and those of us who were first baptized into what you might call the mores of the military in the early days of World War II know the extremely important part that the Reserves played. As a matter of fact, everywhere we looked the Reserves were doing the work, and so many of what one might call the West Point professional goldbrick golfers took almost a year to get the rust out of their joints. That is just about the situation that existed at that time. The Reserves are a terrific militant force, and they earn incomes and on an average pay more than enough income taxes to more than pay for their own cost of training, and in that way they sustain themselves.

My question to the gentleman from Texas is, Why is it that we do not have more Reserves and especially Ready Reserves instead of having to turn to these 2-year inductees?

Mr. KILDAY. There are a number of questions involved in the gentleman's one question. For a very long period of time the inductee going out of the service was not required to perform Active Reserve service. There was a hiatus in the law under which there was no power in the Military Department to assign the man with a Reserve obligation to a Reserve unit. That situation is being corrected now where we take men in for a 6-month training period and they then go into the Reserves or the National Guard. And the 2-year inductee has a Reserve obligation which must be discharged in a Reserve component unit. So the Reserves are going to be built up more in the future.

Of course, the number that you can retain in pay status is going to depend upon the amount of money appropriated by Congress for that purpose.

Mr. SMITH of Iowa. Is the military department willing to cooperate in maintaining a large Ready Reserve force to take the place of some of these inductees? Or is there something that could be done other than merely extending the same law for another 4 years?

Mr. KILDAY. I mentioned as part of the Reserve problem a minute ago that Congress requires the maintenance of a larger Reserve force than was requested by the President and the Department of Defense. That will remain the law until June 30, 1959, unless a similar provision or the identical provision is placed in the appropriations for 1960. That floor will not be under the Reserve components after July 1, 1959; and it is the intention of the Department of Defense to go ahead with that reduction. That is contrary to what Congress feels as expressed in the appropriation bill; and the mandatory language used in that bill.

Mr. SMITH of Iowa. Then is it fair to state, may I ask the gentleman: Those of us who feel that there should be more

Ready Reserves to take the place of some of these 2-year inductees, the thing to do is when the appropriations come up to be working at that time for a larger appropriation?

Mr. KILDAY. That is about what you are going to have to decide, if you are going to decide to use ready reservists, completely in lieu of men on active duty, but your active duty force is going to have to always and inevitably be your first line of defense. Reserve components come afterward.

Our Ready Reserve is quite considerable, 2,443,047 as of November 30, 1958. This is as of November 30, 1958. In the National Guard it is 434,274, the Army Reserve 998,477, Naval Reserve 543,588, Marine Corps 216,161, Air National Guard 70,377, Air Force Reserve 182,107. In addition to that you have the Standby Reserve, a total of over a million and a half. Then you have, of course, the retired Reserves which I do not believe should be taken into this calculation, although it is continued in the Army National Guard figure.

Mr. SMITH of Iowa. It is my understanding that there are a number of 2-year inductees that were taking basic training. They told me that after the basic training, they were shifted to some camp, and mostly for the balance of the 2 years they looked at the side of barracks and learned how to goldbrick. Why are the boys not sent home so that they, while keeping abreast of the changes during the weekly training periods, can get a job, support themselves, and pursue their civil status?

Mr. KILDAY. I do not know how it is operating in Iowa, how these boys were handled while they are in for 2 years. The fellows from Texas I see do a pretty fair 2 years of service and they carry out their Reserve obligations after they return from 6 months or 2 years of service. That is my experience with that. I think there is one thing involved in the gentleman's thinking that perhaps should be mentioned and that is the attitude of the administration at this time. They think it is safe to reduce our Reserve component strength at the same time they are reducing the Regular component strength. That is a proposition with which I personally do not agree, and I do not believe a majority of the Committee on Armed Services agrees to that. It is quite evident that the majority of both Houses of Congress do not agree to that. That was because of language placed in the appropriation bill last year. But that is the stated policy of the administration at this time, that they will reduce the Reserve components while reducing the Regular components. That is contrary to the things that this committee has said here and that we have sold to the Congress over a period of years.

Mr. SMITH of Iowa. One last question. We have long since given up hope of getting anything with our leadership in the White House. The point is if they will not take the leadership on this, is there anything that the Congress can do?

Mr. KILDAY. I am not going to blast the White House today because we are on the same side. We are doing all right as of today. We will take that up when we get to another subject.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman is aware that the Reserve officers met here only very recently, in the past 6 months. I have never had so many complaints from Reserve officer organizations or from Reserve officers complaining of the lack of programs. What has happened to our Reserve program? Do we actually have a Reserve, except on paper?

Mr. KILDAY. I think we have the best Reserve components now that we have had within my experience. We certainly have a very fine National Guard with six divisions anticipated to be ready for very prompt service.

Mr. GROSS. I am speaking of the Reserves.

Mr. KILDAY. I was coming to that. We have the Reserve organizations. Some of them are excellent. The Air Force Reserve I am acquainted with is fine. They have their planes that they fly regularly. A good many of them are troop carriers. They are ready to take off at any time.

Mr. GROSS. The Air Force Reserves is one of the Reserve organizations in my district that is complaining the most that they do not have proper training courses.

Mr. KILDAY. I do not know what has happened in Iowa. The gentleman complains about his State. If that is the experience in Iowa I do not believe it is in accordance with the majority of the experience in the United States.

Mr. MEYER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Vermont.

Mr. MEYER. Did I understand the gentleman to say that in some measure he believes the privates in our Armed Forces could not earn more elsewhere, and they are getting all they are worth? It is my understanding that many of these young men could make much more than that. I would like to say that farming is generally considered a low-paid occupation, and I know of young men that would compare with privates that make as much as $40 a week and their room and board to help on farms.

Mr. KILDAY. These young men also receive medical care and 30 days leave and medical care for their families?

Mr. MEYER. No; I did not say that. Did I understand the gentleman to say that privates were only getting what they were worth?

Mr. KILDAY. No; but I will say to the gentleman, if he had been here as long as I have, he would not let anybody run him into a hole like that. What I was saying here was—and I mean it absolutely—that when you start talking about substandard pay and forced labor for far less than the going wage, you must take into consideration that $78 is the least that anybody in the military service gets, and that in addition to that he gets everything that goes into his living except his toilet articles, his haircuts, and his laundry, and that must be taken into consideration along with all of these other benefits.

Mr. MEYER. I understand that.

Mr. KILDAY. As to what a boy can do in the service, I will go further than that. I know of nothing that the average high school boy can do in the United States—I am not talking about the man going to college; I am not talking about the man going into a family business or who has a lot of investments to see him through the rest of his life; I am talking about the young man out of high school. Usually he is going to work in a bank or in a business or a factory or anywhere else. But, there is nothing in the world that he can do that will guarantee him the future that enlisting as a recruit in any of the military services will guarantee him, and guarantee him the right to retire after 20 years of service, when he is only about 38 if he goes in directly out of high school, at one-half of his pay, and if he behaves himself and works hard in the military service, as he would have to do in any private employment, he will have advanced to a position in the military establishment where he will be well and adequately taken care of after 20 years and his dependents taken care of thereafter; and if he goes for 30 years, when he is only 48 years of age, he will come out with 75 percent of his base pay. And if he has worked the way it is anticipated and hoped that he will, he will go out with a trade, as a trained worker; and he still has quite a little time to work before he starts drawing his social security. And, among the benefits I failed to mention awhile ago is that now these military people are also full participants in the social security program in addition to all of their privileges and benefits as to retirement and what-not in the military services. They were granted both, without a deduction of their retired pay. They are the only public employees in the United States who have the full privilege of noncontributory retired pay and of social security, too.

Mr. PORTER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Oregon.

Mr. PORTER. If the program is so attractive, then why has it not been sold, in which case there would be enough volunteers?

Mr. KILDAY. One reason is that too many men in this House get up every day and say there is nothing available for the military serviceman. That is one of the reasons. And, another reason is that there are some people in high places in the Military Establishment who, as soon as we pass one benefit, start seeking another benefit.

Mr. PORTER. I do not understand the gentleman. Does he mean that if we changed our statements here they would not try to get more benefits?

Mr. KILDAY. I know the gentleman is attempting to run me into another hole.

Mr. PORTER. I hope not.

Mr. KILDAY. I have told the gentleman where I stand on it, and that is

UNIVERSITY OF VIRGINIA LIBRARIES

the situation as it exists. Is the gentleman going to vote to extend the draft?

Mr. PORTER. I doubt it.

Will the gentleman yield for a further question?

Mr. KILDAY. Yes.

Mr. PORTER. I do really want to understand the gentleman's point about what this House should do differently so that volunteers would fill our ranks instead of conscripts. I would appreciate the gentleman's answering the question directly.

Mr. KILDAY. I will attempt to answer the gentleman directly.

What the gentleman was asking me was one of those old "Have you quit beating your wife" questions. If the gentleman takes the position, if it is so attractive why do not more people enlist, I answered him that one reason, and I assure the gentleman it is a very substantial reason, is because some people in the Congress of the United States, who are not conversant with the benefits made available to members of the Military Establishment, continue to make speeches to the effect that we pay them practically nothing, that we use the draft to secure forced labor, and things of that kind. That goes out to the young men of the country. They do not know any more about the facts than the gentlemen who make those statements, so they believe it.

Mr. PORTER. I have never heard such a speech in the brief time I have been a Member of this House.

Mr. KILDAY. Has the gentleman listened to himself on occasion?

Mr. PORTER. I have never made such a statement. If the gentleman would point it out to me, I would be glad to have him do so.

Mr. KILDAY. I yield no further to the gentleman.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I want to compliment the gentleman on his stand because, of course, we have the draft for the protection of our country. Also, we ought to remember that the majority of servicemen are not drafted, they are volunteers. They might have the feeling they might be, but at least they go into the service voluntarily. I think it ought to be a career service, and I agree with the gentleman on that. Many people like the service. Those in the Reserves think it is a fine group and one of the greatest organizations we could ever belong to.

Mr. KILDAY. On the face of the figures I used before, of the 900,000 we had in the Regular Army up to the beginning of fiscal 1959 only 250,000 were draftees, so 650,000 were volunteers. But the others are not military career men.

Mr. ARENDS. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES. Mr. Chairman, I rise to support the bill reported from the committee. I recognize very well, after the brilliant exposition by the gentleman from Georgia [Mr. VINSON], precise and yet comprehensive, that there is little that could be said that would not be redundant, but I do believe we should emphasize some of the things which he called to our attention.

Constantly interwoven into the fabric of our people, from the inception of the country even until today, is the abundantly clear picture that our people are not military minded. Many escaped from the Continent in the hope of being free of the militarism of Europe.

While there is a justifiable pride in the uniforms of the armed services and a willingness to serve when the threat to our security appears imminent, yet in the normal course of events, Americans are predominantly civilians at heart. It is good that this is so. Still in a cold war which presents dangers that are real, if not imminent, the military posture of defense cannot be attained without a draft at the force levels considered necessary to our security.

In an ardent and natural desire to eliminate the draft, it has been suggested that a more attractive service could be composed of entirely professional men and women. For many years, the Armed Services Committee has dedicated itself to improving the services as a career and much beneficial legislation toward that end has been enacted.

Family housing has been augmented to a great degree, commissaries and post exchanges have been improved, reenlistment bonuses have been increased, incentive pay has been added, survivors' benefits have been enlarged, retired pay will soon cost a billion dollars a year, and the Contingency Option Act permits servicemen to leave annuities for their families in the event of death after retirement. There are other meritorious programs and all have had a considerable effect upon those who would consider the service as a career. However, the gap between those who would serve voluntarily and the number required by the Department of Defense is still a wide one. While estimates vary, a reasonable judgment would reflect a shortage of approximately a million men if the draft was to be terminated.

While the draft has been universal in its title, it never has been in fact. While universality implies a degree of fairness that a selective service program does not suggest, it is not realistic and creates more problems and inefficiencies than the program currently in effect. Last year, the Congress established new ground rules and tightened the standards for inductees. Since that time, the services have increased in efficiency, added to their combat effectiveness, and in the case of the Army, three out of its five detention barracks have been closed.

Under present procedures today, 7 out of 10 of the young men reaching the age of 26 have entered the service and 9 out of the qualified men have been called to active duty.

While it would be appealing to most of us to extend the draft for a period of less than 4 years, I would suggest that there is nothing on the horizon which encourages us toward the belief that the dangers and tensions are liable to be lessened during that period. Nevertheless, it is incumbent upon our committee to review this matter constantly and take any action in the interim that circumstances dictate.

The last two extensions of the draft have been for a similar period. Let us face the facts grimly and tell the world that we shall remain strong until there is better assurance that we can live in a peaceful and honorable world without the need of military strength to assure that great goal which we all seek.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, it would certainly be superfluous for me to add anything to what has been said on this bill. The bill has been eloquently, clearly, and intelligently discussed by the chairman of our committee, by the ranking member, and by the gentleman from Texas [Mr. KILDAY], and others. These people have labored long in this field—far longer than I have. They have forgotten more about it than I will ever know. But I would like to say something on this very subject. All those who came before us from the Department of Defense testified in favor of this piece of legislation. There were no ifs ands, or buts. They told us very frankly that we needed the extension—the 4-year extension—of the draft for the safeguarding of our country, first, and also for the preservation of freedom in the world.

Now, Mr. Chairman, it seems to me we must remember one thing in these days, and that is that military science is the field of experts. It is abundantly clear to me from what I have heard on this floor today that many people speak about these things more with their hearts than with their heads. While this has been an extremely laudable thing, and we are all trying for the same goal, it is not a valuable contribution. We have to listen to experts in defense. We have to listen to our leaders, military, naval, Air Force, members of the Joint Chiefs of Staff, and others who have this problem in their life every day, men who know what we are up against. It is impossible for everyone in the United States to understand the formidable adversary that we have and what it may mean to our country. For this reason, Mr. Chairman, I hope this House will heed the warnings of those people, who want peace just as much as anybody wants peace, and finally, Mr. Chairman, to paraphrase an old expression, only the strong deserve peace. We cannot be strong without the passage of this draft act. Many of us deplore it. I deplore it. It was my hope that the age be lowered. I do not like to see our young men kept on the string so long, until the age of 35. But I bow to the knowledge of those who have studied this question and who also want our young men to have all the freedom that they can possibly have for a brilliant and prosperous future. But how can they have that brilliant and prosperous future unless they and we keep our country strong, even if it is at some sacrifice. I believe that our people, by and large, want us to keep this country strong, so that we can insure a lasting and just peace.

Mr. MEYER. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. MEYER. I would like to say that perhaps the testimony of some of the

personnel of our Armed Forces has not been heard. In personal conversation with one of our highest ranking generals, he said he did not favor the draft.

I have a letter, dated Washington, Kans., January 13, which refers back quite a few years to Adm. Hillen Koetter and, if you will bear with me, it says:

> If he would have spoken out publicly he would have gotten the ax one way or the other.

Mrs. ST. GEORGE. May I say to the gentleman that, after all, I can only quote the testimony in the hearings. If people write letters in which they say "if they had spoken out publicly," I cannot know what is in the back of their minds. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentlewoman from New York [Mrs. ST. GEORGE] has expired.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, the gentleman from Texas [Mr. KILDAY] opened his remarks by saying that if anyone was elected to the House of Representatives under the illusion that all he was going to have was a happy time and not have to look forward to the day when he had to vote on unpleasant things, now is the time he would find one of the unpleasant things facing him and facing all of us. I want to agree with all that has been said by the chairman of this committee, the gentleman from Georgia [Mr. VINSON]. In my time on that committee I have developed not only a great respect for him, but a great admiration for the time and the knowledge, the capability with which he handles all problems that come before the Committee on Armed Services. I pay my compliment to the gentleman from Texas [Mr. KILDAY] for his knowledge and his ability and for the presentation he has made before us.

I just want to say, of course, there are opponents to drafting our men into the service, but most of us have served in the military in one war or another and served on the battlefields of the wars.

Our sons, too, have served in the military service and served in the wars of this country, particularly in World War II and in Korea.

Today there is no doubt in the mind of anyone that with the cold war so prevalent that we must maintain our forces at a strength that will be the greatest deterrent to any potential aggressor. But one thing comes to mind and is very clear today, and that is why I take the floor.

You know when the war was on, and particularly World War II, I remember how everyone bowed to our military leaders in the field, and on every proposition that would come before Congress how readily they adhered to and how willingly listened to the advice given to us by our military men. We felt they were leaders of great experience and that when our sons went into battle they would go under competent leaders. So we followed their advice very willingly because the bands were playing, flags were flying, and the guns were rumbling in our ears; so we listened to them. But is it not strange that when the fighting stopped we did not hear the bands any longer or the rumbling of the guns and we begin to tell our military leaders how they should run their affairs.

I do not subscribe to that. Surely they can make mistakes in judgment. So do we here in this House.

But just think of it. In the hearings we have had before our committee the top civilian minds on defense, the top military minds on defense, testified not merely as to the need of the continuance of the draft but also the fact that we need it for necessary planning for a period of 4 years. All of us listened day after day to the testimony, and I assure you that with the questioning that took place I could not even remotely doubt the sincerity of these people who believe in the program for this and other reasons which the military stated.

And I say to you that this is a very unpleasant task for me to vote again that my neighbor's son must be drafted into the military service. But I also recognize that I have a responsibility assumed when the Speaker administered the oath of office to me every 2 years, a responsibility to my Nation. I shall maintain that responsibility, and I am sure the great majority of the Members of this House will assume their full responsibility today and enact this legislation as presented by the great chairman of the House Committee on Armed Services.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am still unable to understand what is sacred about the figure 4, that is 4 years, why this act must be extended for 4 years. I have read the hearings and I find no logical argument for continuing the Selective Service Act for 4 years.

In my opinion, the situation we have here today is healthy in that the Armed Services Committee should come to Congress on this subject at least every 2 years. I would prefer a 1-year extension, but I am willing to compromise on 2 years. I cannot support 4 years.

In reading the hearings, on page 38, I find a statement by the distinguished gentleman from Virginia [Mr. HARDY], a member of the Armed Service Committee. The gentleman from Virginia [Mr. HARDY] stated:

> The thing that I am going to be particularly interested in understanding as we proceed with this bill is, No. 1, we are increasing the enlistment rate, and No. 2, we have stepped up the voluntary enlistments, and No. 3, we are reducing the size of the Reserves, we are reducing the size of the active forces, and still we talk about having to continue with the draft program.
>
> Now, if we have to continue with the draft act in order to get people to voluntarily enlist, maybe that is a necessary evil. But it is a little difficult to understand why we need to continue the draft act for 4 years in the light of improvements in enlistments and reenlistments, and all of the other incentives that have been created, coupled with the fact that we are having a reduced regular service and a reduction in the Reserves—and where in the world are we going to put all these boys that are coming in under the 6-month program if we are going to continue to reduce our Reserve forces.

I read that statement by the gentleman from Virginia and then I read quite carefully the rest of the hearings, but I find no answers to the questions he raised. Perhaps there is someone on the committee who would be willing to provide some of the answers today.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am pleased to yield to my friend from Virginia, who is one of the most diligent and hard working Members of Congress.

Mr. HARDY. I am not going to try to answer the questions which I raised myself, but I do want to say to the gentleman that one of the purposes I had in mind in raising that question was that I am considerably disturbed by the attitude of the Department of Defense in reducing our standing forces below that which the Congress indicated they ought to maintain. That was the purpose I was trying to develop at that point.

Mr. GROSS. The gentleman raised other good questions. He will agree with me, I am sure, he did not get answers to some of his questions.

Mr. HARDY. I will have to agree with that. The Pentagon frequently does not give all of the answers it should.

Mr. GROSS. On page 36 of the hearings, and I would like to reiterate and reemphasize this, we have the testimony of Assistant Secretary Finucane in which he stated:

> So it seems to me that 4 years has become established by custom.

What are we asked to do today, extend conscription of American boys for 4 years to satisfy custom or are we extending the Draft Act because it is necessary?

Then I turn to page 47 and refer to the testimony in part of General Taylor:

> Finally, I would just say that in the present international climate any reduction of the time of our draft extension would suggest, I am afraid, to our allies, that perhaps we don't think the situation is particularly serious, and I think it would have serious adverse psychological impacts abroad as well as at home.

Are we being called upon to extend the Draft Act for 4 years to please foreign governments, or are we extending it for 4 years because it is necessary?

I call attention again to the table to be found in the hearings on page 50 and refer to the periods of obligated service in foreign countries and the fact that the British are contemplating eliminating their conscription program altogether in 1960.

Mr. Chairman, I am opposed to a 4-year extension. I hope the amendment to extend it for 2 years will be adopted, and I would prefer to support an amendment for 1 year.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. KOWALSKI].

Mr. KOWALSKI. Mr. Chairman, in our present circumstances, we have no alternative but to extend the military draft. The question that is being debated on the floor today and in your

UNIVERSITY OF MICHIGAN LIBRARIES

minds is whether we should extend the draft for 2 years or for 4 years. The more fundamental problem that we in Congress must determine in the near future is the question whether there may be a better, more effective and more efficient way of raising an army and recruiting our military forces than by means of the draft.

Can we, for example, set up such incentives that a volunteer system would provide all the men needed? Or can we depend on a standby draft or some other method yet to be determined? There are many in the services today who prefer the volunteer system.

The Commandant of the Marine Corps has proudly announced that his is a volunteer force. General LeMay, in his testimony before the Armed Services Committee, specifically, in answer to my question whether the strength of the Air Force would be affected if the draft were extended for only 1 year, replied that the strength of the Air Force would not be affected. This is significant testimony.

As some of you may know, I have recently retired from the Army after 33 years of active service. In the light of my experience, I have no hesitation in telling you that there are thousands of American soldiers performing duties completely unrelated to our security effort and contributing nothing to our capability to defend this Nation. Hundreds of men are serving as houseboys, cooks, laundry boys, maids and servants for our senior officers. Other hundreds are being used in jobs of limited military value. In the Pentagon, there are sergeants, on whose training we have spent thousands of dollars, being used as mess boys and waiters. There are a large number of senior noncommissioned officers in the Pentagon who have not worn a uniform of their service for years, but are dressed instead in the neat black suits of chaffeurs.

Very bluntly, Mr. Chairman, I do not want my son or the sons of my constituents to be drafted to serve as a laundry boy or waiter for anyone in the military services.

I am convinced that Congress has the obligation to take a hard, critical look at the utilization of enlisted men in the military services. I believe that after this hard look is taken, this Congress can literally shake out one or two divisions of troops in the Army. I think we can eliminate hundreds of jobs now being performed by enlisted men or convert many of these military billets to civilian jobs.

I am pleased that our distinguished chairman of the Armed Services Committee has established a special subcommittee to study the utilization of military manpower. I am convinced that this subcommittee will come up with recommendations for better utilization of enlisted men in the military services. I am hopeful that this subcommittee will recommend to Congress a more effective and more efficient method than the draft for recruiting the men we need to defend our Nation.

I feel that our main concern at this point is not whether the draft should be extended for 2 years or for 4 years, we know it must be extended. Our real concern, I believe, is whether or not some alternative system, other than the draft, may not be better for the armed services and better for the country.

It is my hope that from the study to be started soon by the special subcommittee of the Armed Services Committee, there will come recommendations for a better method of recruitment than the military draft. And it is my hope that the Congress will accept the findings of the special subcommittee.

The fact that this study of our military manpower system is being made by this special subcommittee should alert our military leaders to the fact that they cannot lean indefinitely on the crutch of the draft to maintain the necessary manpower level.

Mr. Chairman, I believe that the study being initiated by the special subcommittee can make a tremendously important contribution to our national defense program. It is my hope that from this study there will result a better use of men in the services and a recruitment program that will give us adequate defense forces under a system based on our American principle of equal and fair treatment for all.

Mr. VINSON. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, in recent weeks I have received a lot of mail from my constituents and from national religious leaders and others in opposition to the extension of the Draft Act.

Many questions have been raised as to whether better ways are possible in providing for our national defense and security.

Therefore, Mr. Chairman, I feel that there is considerable merit to the proposal for a 2-year extension and the selection of a committee to make a thorough study of our Selective Service System.

In the minds of many of our citizens is a belief that under the present draft law there is tremendous waste, not only of money, but of talented youth, who may give more valuable service in our national defense than by serving in the Armed Forces.

Serious thought needs to be given to suggestions to increase military pay and inducements to bring an adequate number of volunteers into our Armed Forces.

These are only a few of the reasons, Mr. Chairman, why I expect to support the amendment which will be offered for a 2-year extension.

I have profound respect for this committee and its distinguished chairman. I believe that we have little choice but to extend the draft law. But I sincerely believe that these most challenging and dangerous times call for a more thorough study of this crucial issue.

We in the Congress have an obligation to give full and serious deliberation to the effect of this program on the lives of the Nation's young men subject to its provisions.

In the present operation of the military conscription law less than half the young men of draft age actually enter the Armed Forces. There is much waste of manpower and talent. This and other inefficiencies associated with the present system need to be carefully reviewed.

According to the report of the Cordiner Committee, partially implemented by the last Congress, the solution to the personnel problem in the Armed Forces today "is not to draft more men to stand and look helplessly at the machinery, but to give the man already in the Armed Forces the incentives to stay long and try hard enough to take on higher responsibilities."

One of the basic reasons given for supporting the Career Incentive Pay Act last year was that it could eventually eliminate further need for conscription. Controls have always been repulsive in our free society. We accept them only when we must in the national interest.

But now dynamic changes are taking place in military concepts and strategy. Reason, good sense, and sound judgment call for a most careful and thorough study of the whole question.

A logical approach to this problem is to renew the draft law for 2 years, and to establish a special commission to study all of the aspects of the military manpower problem.

This, Mr. Chairman, is the way to a stronger Nation, not only in a military way, but morally and economically, and in winning the respect of the free world.

Mr. VINSON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, it is always a difficult decision to oppose the distinguished and experienced gentleman from Georgia [Mr. VINSON]. The Navy and the Defense Departments have benefited from his guidance for many years. So it is with profound reluctance that I find myself in agreement with the powerful argument of my colleague from Iowa [Mr. WOLF]. The inadequacies, the extravagant waste and cost, the favoritism and discrimination in favor of those able to go to college, the strain put upon those seeking jobs but subject to the draft, the proven inability of those drafted to see any desirable future in the Armed Forces, the many claims of poor training even while in service, all these and more point to loud warning signals. Granting it would be unwise to drop the draft until a satisfactory system of providing military manpower is found, I see no justification for extending it for more than 2 years. In that time a strenuous effort to find a better way could be undertaken. Extension for 4 years merely means the soul-searching examination will be postponed and the standpatters would be further encouraged. The needs of our national defense are such that it seems a strange argument that we should extend for 4 years an admittedly weak program. We need and must have only the best. This bill postpones the best until it may be too late. The argument that a 2-year extension would be a sign of weakness is not convincing if in the meantime we were making strenuous efforts to get a really sound system in operation. And if the Defense Department can only operate if it has a 4-year authority, it shows how inflexible and therefore in-

efficient is that Department. I shall vote for a 2-year extension; if that fails I shall vote for the bill but with the hope that the Armed Services Committee will press for a better system of attaining our military manpower and present it to the House within a year.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I rise in support of H.R. 2260, both as a very junior member of the Committee on Armed Services and also as one who has been connected for the past 16 years with the Reserve Forces of our armed services.

Mr. Chairman, as we debate this bill we are at present in the midst of a great debate that has gone on in the newspapers and also at the other end of the Capitol on the subject of whether we are today doing enough to build up the Armed Forces and the national defense of the Nation, specifically with regard to missiles, and whether we are doing enough to stay ahead of the Soviet Union in this regard. In fact, as part of this examination, we of the Armed Services Committee have been having the advantage of testimony by the Secretary of Defense on this subject and have been examining him at length. I for one am not sure whether we are doing all that we should be doing. I am not sure whether we are perhaps not incurring too great a risk in the decisions we have made, too great a risk in the great struggle that is going on between the free world and the Soviet Union.

It could well be that as a result of our deliberations the Congress will decide more money should be spent in this area and that greater emphasis should be called for to provide for the necessary defense. How may we, if we are likely to call for a greater expenditure of money to provide for the national defense, expect to get by in providing for that defense with anything less in terms of personal effort, anything less in terms of personal sacrifice? There is no easy way, it seems to me, to peace or strength or freedom.

We hear a great deal about push-button warfare, but no one has yet come forward with any scheme that would eliminate the human individual, no immaculate way to provide for military strength. Some of the great nations in the world's history are no longer great, chiefly the Roman Empire, because they felt that there was some soft or easy or convenient way of remaining strong, and because they were unwilling to make what sacrifices might be needed and to do some of the hard and unpleasant jobs that were required to maintain their strength.

Let us today, Mr. Chairman, not follow down that same easy, tempting, but disastrous path. Let us not call for more billions for the construction of missiles and then give ourselves or the American people the misleading impression that security can be found without effort and hard work on the part of our citizens universally.

I think that there has been an impression given that perhaps service in uniform is something that ought to be avoided. The truth has sometimes been lost sight of that military service ought to be something regarded as a part of citizenship, something that is an opportunity to take part in a greater and a different way in the necessary operations of a free government.

I think sometimes we have been inclined to stress too much the rights of democratic citizens, Mr. Chairman, without recognizing that there is a corresponding responsibility and obligation. I doubt if we could raise the funds that may be necessary to meet the increased effort in missiles and other forms of advanced technology simply through voluntary contributions by the citizens of our Nation. We have taxes and yet, Mr. Chairman, no one has suggested in this House that because we have compulsory taxes, democracy is going out the window. I think we, as a nation, should recognize there is a great deal to be said for the citizen soldier serving as a part of his citizenship and that it is not necessarily the right way to expect that we can build our strength purely on paid professional mercenaries.

I had the privilege, Mr. Chairman, of sitting in the gallery of this Chamber in August 1941 when this measure was up for its original extension and when the extension, as the distinguished gentlewoman from Massachusetts [Mrs. ROGERS] remarked yesterday, carried by a single vote. Nobody will, perhaps, know to what extent that vote may have persuaded the Japanese military war lords to press their surprise attack on our country which materialized some 3 months later, an attack that even then was in the planning stage. Let us join together, Mr. Chairman, in supporting the legislation as it has come from the committee so that when the vote is taken our enemies and also the people of the United States themselves will know that the American people today, no less than in the day when George Washington was at Valley Forge, are not summer soldiers or sunshine patriots, but that we still stand ready and determined to do everything that is necessary to keep us strong and to keep us free.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. WAMPLER].

Mr. WAMPLER. Mr. Chairman and fellow colleagues, I speak to you at a time when things so preciously dear to us are endangered in the world today. The defense and security of America requires support in a department that could determine our very existence in the days that lie ahead. I refer, fellow Members, to the extension of the Selective Service Act for 4 more years. As a member of the Committee on Armed Services, I have had the privilege of listening to the recommendations of our top leaders who are charged with guiding our military forces. Their comments were of a serious nature and displayed a great concern with our military end-strength and manner of providing adequate manpower which will meet the military needs of this great country. To me, such a decision is of great importance since it affects the lives of thousands of young men aspiring to mold their careers as they so choose. As a former football coach, my entire life has been devoted to guiding and counseling thousands of young men in all phases of life. As a commanding officer of a Reserve unit, I have had the privilege of channeling thousands of young bluejackets into the U.S. Navy. In all my observations, I have found the Military Establishments at a loss when it comes to procuring the number of personnel necessary to perform their assigned tasks, which are so vitally necessary. Possibly, this is due primarily to your responsibility and my responsibility and to all of the military laymen in the United States of America. I say we possibly have not encouraged our youngsters to go into the military as we do in other fields of endeavor. Therefore, it is my privilege to recommend that we endorse this bill and have the Committee on Armed Services review it every year, and then when we find that it has served its purpose to discontinue it.

Mr. VINSON. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise to express misgivings about this bill; misgivings which I know some of my colleagues share. I know that we agree with the gentleman from New York [Mr. STRATTON] that we want to show the world, and of course this Nation, that we as a Congress are ready and determined to keep ourselves strong and free. There is no question about that. I do not have any illusions about what will be done today. This bill will pass by a big vote.

I am a member of the Reserves, and have been for many years. I served, as many of you did, in World War II. Like many of you, I have boys who will soon be eligible to be drafted. I am certainly against the 4-year extension. The 2-year extension brings it before us again in 2 years, to make another hard decision to draft boys. That is a hard decision that we ought to face at least every 2 years. I hope it will be only a 2-year extension.

I also have misgivings about the time that was given for public discussion of the draft law this year. I have great respect for the chairman of this committee and for the committee. Perhaps if I had served on the committee and sat there and listened to the testimony these misgivings would not be in my mind. But they are there, and I want to express them. It is interesting to note that four freshmen Congressmen have been expressing their misgivings. They have been almost alone on the floor today in expressing their misgivings. It may be that they need more experience, too. Perhaps they do not realize what is involved. Of course everybody admits that this law has many unfair aspects. We pay doctors and dentists more. They are making sacrifices. Other people are also making sacrifices, doing jobs at less than the market price. The draft is far from universal. It favors boys who can go to school, boys who can afford to get married, boys who can go abroad. But that is not the point. The point is, Is the national security dependent upon the extension of this law? I cannot believe

UNIVERSITY OF MICHIGAN LIBRARIES

that forcing boys to serve for 2 years is fundamental to our national security. Is this the best use of our defense dollar? What are the feasible alternatives? How can you vote not to have the draft? What would happen if we did not vote to extend the draft? I am sure that the Armed Services Committee would very quickly make arrangements, and that the Defense Department would be up here with testimony on a number of feasible alternatives on what we could do to have a force made up of volunteers, volunteers even as people who work in our civil service are volunteers. What would we do if we arranged to do away with the draft? The gentleman from Connecticut said that this program should have a hard, critical look. I agree. I hope that a subcommittee will give it this look. I have heard that the subcommittee has many newly elected members on it. I also hope there would be a hard, critical look given by some civilian organizations, made up of persons who are informed and concerned; people who want to see a better method of achieving our military security than by an unfair peacetime conscription.

I intend to cast a vote against this bill because I am not convinced that peacetime conscription is necessary to keep America strong and free. I am convinced that there are more feasible alternatives.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. PORTER] has expired.

Mr. VINSON. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. DOYLE], which will close the debate on this side.

Mr. DOYLE. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include pertinent material.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Chairman, I think that many of my colleagues have learned during these 12 years that I have been here in Congress that it is not easy for me, because of my beliefs and background, to support a 4-year extension, nor to favor a draft. In view of the very brilliant debate, both for and against the bill, which has already occurred I would not speak if I did not feel a sense of duty to do so. But there are a few thoughts that I wish to express that have not been mentioned quite enough, in my humble opinion. Also a few points that not even yet, been pointed up to position.

Therefore, I will take this brief time to give you, extemporaneously, my viewpoint. As you know, I am a member of the Armed Services Committee. I sat in committee during the presentation of this problem to the committee during a week of hearings. Let me say again, I have not felt comfortable to conclude to vote three times previously for the draft. But due consideration of our Nation's survival forced me to. And may I say to you Members who are opposing this on manifestly sincere beliefs in religious principles—I recognize that two or three of you have emphasized that and I think that a couple of Members have sort of implied, although they did not do it in any mean attitude or of disrespect, but they did imply a sort of feeling that maybe members of the Armed Services Committee which submitted this bill for some reason or other, were being bossed or controlled by military thinking and wishes or dictates. May I assure you that the 37 members of the Armed Services Committee are not less dedicated; are not less free of outside control; are not less free of prejudice or bias than are other Members of this House who are not on that committee. And may I also say to you frankly, that I have found that members of the Armed Services Committee are a group of patriotically dedicated men anxious for world peace just as much as any men in this House. I know some pray for peace with humility and faith. So I speak conclusively myself, as one of those men just as anxious for world peace and just as dedicated to a proposition that, pray God, there shall never be another war. But, Mr. Chairman, may I say to you that having traveled in Europe, in the Black Sea area, and in the Mediterranean area this last summer as I did, having the benefit of being briefed by military personnel at the top level in England, France, and Germany, in Switzerland, in Italy, in Greece, and in Turkey, and in the Mediterranean and Black Sea areas, I came home convinced, even though I did not want to be, that I could not again fail to vote for the extension of the draft if the military declared it again a necessity for our survival. I hoped it would not be for more than 2 years, at most. That was my humble judgment. But I came from that experience last summer in my studies for the Armed Services Committee overseas and the experience before the committee hearings all last week constrains me to now say to you, that I shall vote for the 4-year term. Whenever I find another man disagreeing with me, I thank God I live in a nation which does not let us force him to agree with me.

The word "survival" has not been used in this debate yet today; it has not been mentioned by a single soul. Yet, if I did not believe that we are in a fight in which our very survival is at stake as a free nation, I would not vote for any draft. But that is the sort of world we continue to be in today. We will be for some time, I fear, you cannot gainsay. I know of no evidence and do not believe you do, from any sincere religious body or any other group, that constrains me to believe that we are not in a cold war, which could become a hot war. Our potential enemy leaves us no choice but to continue to be militarily strong enough to defend ourselves.

And we are close to a hot war. I was in a certain part of this difficult world this summer in my official work, where I saw submarine nets stretched across a very, very narrow opening between two great bodies of water; at each end of those indicative and warning nets was a warship of the Turkish nation, a faithful ally and friend, ready to draw closed those submarine nets on a moment's notice. It made me realize how difficult a problem our military and Executive has. If that is not getting about as close to a hot war as any patriotic American wants to get I do not know what is hot. We must not lose the existing cold war. If we do, our very survival is at issue, instantly.

Let me just mention two or three more points that have been referred to by others. The committee hearings have been referred to, at page 35. Under Secretary of the Army Finucane has been quoted, but quoted only in part. The part of the statement that was read is as follows:

> I think your question is an excellent one, sir. Historically, the draft law has, in the wisdom of Congress, been extended for 4 years, and we would like simply for conformity sake to carry on with the habits of the past.

That statement has been quoted by three of those who are opposed to this bill and has been relied upon with major relevancy to support their opposition to this bill.

But let me read you the balance on that page, by the Secretary, which none of them read to you:

> Actually the Congress can indeed change the law any time it wants to. The Congress is always available in the national interest, and it seems to me that 4 years is a reasonable time.

That is the part of the statement which the three gentlemen should also have read for the information of the House. I believe it would have given us more of the real picture.

One further point which I feel it is appropriate to bring to you here. I am also a member of the Committee on Un-American Activities of the House and have been for several terms. There is no committee in this great body which comes more intimately in touch with the problem of national defense from the angle of subversive cold war than does your Committee on Un-American Activities of the House. May I say I know of no evidence, either in book, pamphlet, or newspaper form nor have I heard any offered here, that indicates to me the conspiracy which was initiated by Lenin and Stalin and continued by Khrushchev has stopped. That conspiracy is dedicated to conquest of the free world. The Soviet has not changed this decision. In fact, it has not abated. With all due respect to the great religious bodies, one of which I am a member of, and proud of it, one of the great mistakes some of those great religious bodies make is that sometimes they are anticipating, through their hopes and through their earnest prayers, that the world now is ready for us to expect world peace from the Soviets. I grant that world peace is the natural hope of all thinking persons, true, but there never can be a safe approach by us to a bona fide world peace with only one party, and that our Nation, wanting world peace. And the Soviets are not asking for world peace except on their terms. They demand we negotiate on their terms.

I learned of enough actual instances in the last 12 months which, I believe, ought to convince any reasonable man that

the Soviets are deliberately trying to set up incidents which will make it impossible for a just and fair world peace, except on their terms. Just the other day the Soviets gave notice they would demand to retain the right of veto to any agreement on disarmaments. What does that mean if it does not mean that they want to continue the upper hand and power in all negotiations? Peace will only come between nations dedicated to it and controlled by utmost good faith at all times.

I feel I cannot now do less than to remind you, that the reason we need this 4-year extension, in my judgment, or one of the reasons, is that we are in a cold war which is ever present and you know it. Why, then, take a chance of weakening the military strength which we all know is not only necessary as a deterrent, but it is our survival that is involved. That is why I am for this extension. It is our survival that is involved, and we cannot survive if we cannot deter; and we cannot survive if we cannot win a world peace founded on mutual good faith. Winning means not only for our own sake, may I say, not only for our own sake, but we must recognize that we are the leaders in the free world community. We cannot safely change that relationship to our allies.

I saw on my trip some conditions which shocked me when I realized, for instance, that over there thousands of our American boys are on guard 24 hours a day. They are on guard for us here today. I saw them, I was with them. They are on the alert for all free peoples. What are they on the alert for? Do you think it is unnecessary? Do you think it is unsound for the American Air Force and Navy to be on the alert over there for 24 hours a day? I was with the Sixth Fleet for several days, and they were on the alert 24 hours a day also. We must not weaken their support—not one iota.

I say to you, Mr. Chairman, that a special subcommittee of our committee has already been appointed in connection with this study and that subcommittee will bring in a report before many months. Certainly that report should come in before a year.

I believe my Nation's security and the security of the free world dictates to us to vote for this bill as reported by the Committee on Armed Services. Our survival is at stake.

Mr. VINSON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, the gentleman from California a minute ago spoke of the special subcommittee investigating the manpower needs of this country. Could we have some idea as to when the chairman envisions a report from this committee?

Mr. VINSON. I will state to the gentleman and for the benefit of the House that after consultation with various Members and particularly with some of our new colleagues on the Committee on Armed Services the other day, I was authorized to name a subcommittee, and this was the jurisdiction:

Said subcommittee shall have jurisdiction to make inquiry of all phases of defense manpower utilization, including but not limited to, military and civilian personnel, tables of organization, the utilization of technically trained personnel in technical positions, the extent to which military personnel are assigned to civilian-type duties, the utilization of military personnel to provide personal services to other military personnel, a determination as to whether additional combat organizations may be created by more efficient utilization and without increasing the total strength of the military forces, and such other matters as may be pertinent to any of the foregoing;

That the subcommittee shall meet at such times as may be designated by the chairman thereof.

Now, it was our objective to confer authority upon this subcommittee to take into consideration the whole manpower subject matter. So, I designated the distinguished member of our committee who is also a member of the Democratic caucus, the gentleman from Illinois, Mr. MELVIN PRICE, as chairman; Mr. LEROY H. ANDERSON, Mr. DANIEL B. BREWSTER, Mr. FRANK KOWALSKI, Mr. FRED WAMPLER, Mr. SAMUEL S. STRATTON, Mr. JEFFERY COHELAN, and for the minority our distinguished friend from Pennsylvania, Mr. GAVIN, Mr. O'KONSKI, Mr. GUBSER, and Mr. BECKER. These gentlemen will make this inquiry that you make reference to.

Mr. PUCINSKI. Mr. Chairman, I will certainly yield to your better judgment and support this legislation, but I am hopeful that this special committee is going to come out with a report and recommendation as quickly as posible, and if there is a better way of obtaining the young men that our Armed Forces need; better than the way we are prescribing today, I certainly hope they will bring it up.

Mr. VINSON. I thank the gentleman.

Mr. PUCINSKI. I am voting for this legislation with a heavy heart and with great misgivings. I just completed, before I came to the Congress, a very intensive survey in Chicago on teen-age gangs and juvenile delinquency, and I find that the draft has a very important effect on the present development of our young people. Every youngster in my city between the ages of 18 and 26 has to register for the draft. This means that hundreds of thousands of youngsters are forced to live in a shadow of constant doubt as to their future when actually only a few thousands are ultimately drafted. This uncertainty that these young people are constantly faced with makes it virtually impossible for them to plan their future in an orderly manner. The most tragic aspect of this situation is that many young men who graduate from high school and who do not, or cannot because of economic reasons, go to college find it impossible to get decent employment because the first thing they are asked by a potential employer is what is his draft status. The moment a youngster admits that he is eligible for the draft he is either given the lowest type of employment or, as is the case in many instances, flatly denied employment. This tragic condition cannot be permitted to continue and we must provide some program for those youngsters who are under the shadow of the draft, but are never called, to be permitted to adjust their lives in an orderly manner. I could not begin to tell you the hardships that this situation is causing to thousands of youngsters who are not seeking a way to shirk responsibility but, who, because of the cumbersome mechanics of the draft, are involuntarily plunged into this pool of teen-age idleness. So I am really hopeful that this committee will come up with some recommendations very quickly.

Mr. VINSON. I feel confident, I will say to my friend from Illinois, that some worthwhile accomplishments will be the result of this investigation by this committee, because it is staffed with very able, qualified men.

Mr. PUCINSKI. How long will it take?

Mr. VINSON. I am hoping they will finish their work—I cannot name any time—between now and midsummer. They should be able to finish their work in that time.

Mr. Chairman, there is no further request for time on this side.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17(c) of the Universal Military Training and Service Act, as amended (50 App. U.S.C. 467(c)), is amended by striking out the words "July 1, 1959" and inserting the words "July 1, 1963" in place thereof.

Mr. WINSTEAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WINSTEAD: On page 1, line 6, immediately before the period insert the following: ", and by adding at the end thereof the following proviso: '*Provided,* That no person inducted under the provisions of this Act shall be compelled to bear arms against any citizen or citizens of the United States except in case of war or national emergency hereafter declared by the Congress'."

Mr. WINSTEAD. Mr. Chairman, this is a very simple amendment. The argument for this whole act is to be prepared to fight a foreign enemy or to prevent a global war. It is very limited, as we all know, as to the number of people that will be inducted under the provisions of this act. All this amendment does is simply this, in simple language. It says that no young man inducted under the provisions of this act shall be sent into a community on a limited, local disturbance, unless we have a war or a national emergency hereafter declared by the Congress.

We give conscientious objectors the right to refuse any service whatsoever. I should like to point out to you that the provisions of this bill do one thing. Suppose you have a labor disturbance in any State of this Union. Suppose you are in a mining area, and on this limited basis we draft the son of a miner. We bring him into the service on the premise that it is to protect this country against a foreign foe. Let us assume further that a strike should develop and get out of hand, and that Federal troops should be sent into that community. I do not

UNIVERSITY OF MICHIGAN LIBRARIES

believe a Member of this House would consider it to be right that a local boy be ordered into his home community to bear arms against his own people. I submit to you that is the only purpose of this amendment: That we give the same consideration to those we induct as you would give to conscientious objectors who refused any service whatsoever.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. WINSTEAD. I yield to the gentleman from New York.

Mr. BECKER. May I ask the gentleman how his amendment to this proposed legislation squares up with the Formosa resolution passed by the Congress and the Middle East resolution that was passed by the Congress, both almost unanimously? How does his amendment square up with those two resolutions?

Mr. WINSTEAD. It does not affect those two at all. This deals solely with local situations.

Mr. BECKER. Those principles deal with local situations.

Mr. WINSTEAD. But this deals with local situations within our own borders, dealing with our own people, not with foreign matters. Keep this in mind: that this amendment does not bar anyone from going unless it is against his honest convictions. A person inducted under selective service, certainly should not be sent into his home area against his own people or against his own conscientious beliefs.

I hope that the membership of this body will pass judgment on this amendment exclusively on its own merits, and without regard for political or other alien considerations. If it can be considered objectively and in the light of fairness, I am confident that it will be adopted unanimously. Surely no Member of this House would vote to deprive a patriotic American soldier, willing to fight in defense of this great Nation, the privilege of being relieved from the duty of having to bear arms against his father, his brother, his family, and his friends. I do not believe there is a Member in this House who will turn down this provision if it is understood what I am sincerely and honestly trying to do with this amendment. I think it is fair.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. WINSTEAD. I yield to the gentleman from New York.

Mr. HOLTZMAN. Would this amendment have prevented President Eisenhower from sending in the guard in Arkansas?

Mr. WINSTEAD. This does not affect the guard whatsoever. This would not have prevented President Eisenhower from sending the First Airborne Division into Little Rock. But it would have given to the son of a man in Little Rock, Ark., the right to say, "Don't send me back home to point guns and bayonets at my own people." Who wants to deny that individual that privilege? It is merely a concession to right and decency. If you want to ease tension in this country and if you want to allay strife rather than promote it, you will give serious consideration to this amendment on its merits and on the basis on which it has been submitted to you.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. WINSTEAD. I yield.

Mr. BAILEY. The gentleman from Mississippi has mentioned the coal mining region. Let me remind the gentleman that in 1921 the Army was sent into West Virginia to quell an armed march of miners. They arrested the leader of the miners. Instead of following the constitutional provision that a man should be given a speedy trial in the district in which the crime was committed, they took him across to Charleston, W. Va., and tried the leaders of the miners' march in the same courtroom where they convicted John Brown of treason; and they convicted one of the mine leaders of treason. Among the miners they tried was a minister of the gospel, and he got a stiff sentence. He was not tried before a jury of his peers, but before a three-judge Federal court setup.

Mr. WINSTEAD. I thank the gentleman from West Virginia. Will the gentleman not agree with me that the son of one of those miners should not be sent into his home and local community against his own people? My friends, that is all that this amendment does. I hope you will vote for this amendment.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes, and that the gentleman from Texas [Mr. KILDAY] be recognized for the Committee on Armed Services.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KILDAY. Mr. Chairman, frequently we hear complaints about the executive or the judicial branch of the Government infringing on the legislative powers of the Congress. I have agreed on many of those complaints, but I do not see how you can very well claim that other branches should not infringe upon the congressional powers and, yet, be willing lightly to infringe upon the executive powers. Nothing can be clearer than that the Congress has the power to raise and support armies and to provide a Navy. Nor can anything be clearer than once raised, they pass under the control of the President as Commander in Chief for deployment orders here, there, and everywhere.

In addition to that, the language of this amendment is such that no one could ever understand what could happen under it. Let us consider, for instance, a man who serves, say, for 2 years and still has his Reserve obligation and goes into the National Guard of his State to serve. Of course, the Governor has command of his National Guard for the purpose of putting down civil commotion. Where will that man be under the provisions of this amendment? Because he has been inducted, you understand for a 2-year period, and then in turn, because of the additional Reserve obligation, goes into the National Guard of his State for the purpose of discharging that obligation.

This amendment reads: "That no person inducted under the provisions of this act shall be compelled to bear arms against any citizen or citizens of the United States."

In addition to that, where would you be in the event of insurrection in the United States—by American citizens? But insurrection nevertheless—with provisions in our statutes for the President, and he has the right and, of course, he has the constitutional obligation to put down insurrection. There are statutes defining the manner in which he may do it—with the Regular Army or with the National Guard. So where would these people be? You would be demobilizing the very people who would be in a position to put down insurrection.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. WINSTEAD. The gentleman spoke of the National Guardsman when he comes to the National Guard. I do not know how it is in all the States of the Union, but the Adjutant General of my State says that he never, when they are called out for any disturbance within the State, sends a local boy into his own home or local community. I do not believe the President of the United States should do so either.

Mr. KILDAY. Mr. Chairman, I regret that I cannot yield further to the gentleman. I only have 5 minutes, and the gentleman had his 5 minutes.

Mr. Chairman, the point is that under the language of the gentleman's amendment, it is provided that no person inducted hereunder shall be assigned to this type of duty, and the man who is inducted and then enters the National Guard is a man who has been inducted. He is serving a compulsory tour in the National Guard, under an act of Congress, to discharge his Reserve obligation. So that you are setting up here a matter of proscribing the powers of the President as Commander in Chief of the Army, and of the Governor as commander of the State militia. You leave them powerless in the event of a civil disturbance or insurrection in the United States. This is not something to take lightly. I do not agree with all that was done at Little Rock. Some of the implications are greater than have ever been brought out, but this is no time to tie the hands of the President on the question of an insurrection.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. WINSTEAD. Furthermore, you know that every man who serves a 2-year tenure of duty does not go into the National Guard unless he volunteers and is accepted. He is not forced under any induction procedure to serve in the National Guard.

Mr. KILDAY. But once he makes that election he is obligated to serve. He is a man who was inducted.

Mr. WINSTEAD. Do you believe for a minute that any National Guardsman would be involved as you discuss this?

What I am trying to do is to give a man who has a conscientious conviction——

Mr. KILDAY. I do not know how you are going to have a military organization with men deciding that they have conscientious objections. If you are going to have a military organization of any kind, whether National Guard or Reserves, or what not, the first thing he is going to have to do is to take orders.

Mr. FLYNT. Mr. Chairman, I support the amendment offered by the gentleman from Mississippi [Mr. WINSTEAD] because it is in keeping not only with the stated purpose of the Selective Service and Training Act but is also in keeping with the safeguards of national security. The purpose of this amendment, as stated by its author, is to insure that the Armed Forces of the United States will be used in the defense of this country and in defense of our national security and to specifically insure that persons inducted under the provisions of this act will not under any circumstances be called upon to bear arms against American citizens.

One of the most tragic incidents in the history of our Nation was the use of elements of the 101st Airborne Division to patrol the classrooms, corridors, and grounds of Central High School in Little Rock, Ark., and to draw bayonets and other weapons against unoffending high school boys and girls. There can be no relation, real or imagined, between our national security and the use of armed force and Army troops against teen-age students.

The statements made by the gentleman from Texas [Mr. KILDAY] that this amendment if adopted would preclude the Governor of a State from using National Guard units to quell domestic disorders, riots, or actions which cannot be quelled by police units are not quite accurate. The gentleman knows that neither enlisted men nor officers of the National Guard of any of the States are inducted into the National Guard under the provisions of this act. The filling of vacancies in all ranks of the National Guard is by voluntary enlistment, and there is no provision in Federal or State law for induction into National Guard units under the law which presently prevails.

It is a well-known fact that many chief executives of various States abide by a firm rule not to call out National Guard units for domestic duty, riot, or otherwise, in the locality in which such National Guard unit is normally and regularly stationed. This is a good rule and one which is almost universally followed. The same principle which is embodied in this rule exists in the amendment offered by the gentleman from Mississippi.

This amendment would place emphasis where emphasis should be placed, and that is on the security and defense of the United States of America, and it would clearly provide that any person inducted under provisions of this act shall not be compelled to bear arms against any American citizen except in time of war or in time of an emergency hereinafter specifically declared by the Congress of the United States.

The CHAIRMAN. The time of the gentleman from Texas [Mr. KILDAY] has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Mississippi [Mr. WINSTEAD].

The question was taken; and on a division (demanded by Mr. WINSTEAD), there were—ayes 42, noes 135.

So the amendment was rejected.

Mr. WOLF. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLF: On page 1, line 6, delete the word "July 1, 1963" and insert in lieu thereof "July 1, 1961".

Mr. WOLF. Mr. Chairman, I have three other exactly similar amendments. I ask that all four amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Page 2, line 2, delete "1963" and insert in lieu thereof "1961".

Page 2, line 6, delete "July 1, 1963" and insert in lieu thereof "July 1, 1961".

Page 2, line 10, delete "1, 1963" and insert in lieu thereof "1, 1961."

Mr. WOLF. Mr. Chairman, as I stand before you in support of my amendment I have standing with me in this position the Chamber of Commerce of the United States, the AFL–CIO, important church groups, and some very distinguished Americans many of whom are sitting with me here today in this Chamber.

Again, as I see it, the question is whether it is better to extend this act for 4 years or to extend it for 2 years, review and renew if need be at that time. Or should Congress just casually stand by and give?

The gentleman from Texas [Mr. KILDAY] referred to page 38. I would like to acknowledge to the gentleman from Texas, that I too referred to that page. I think it proves my case for 2 years. I was in error slightly in some of my figures, sir, but the statistics shown here I think bear out my contention. And without belaboring everyone who has studied this and reached a different opinion I am going to repeat the statement that each year since they began to create more fringe benefits the percentage of reenlistments has improved. So I think this fact makes a case for my stand on improving the incentives for reenlistment.

I would like to point out something else in the testimony, and may I say to the Members I think it is very much worth their consideration, a little exchange between one of the members of the committee and Gen. Curtis LeMay of the Air Force. I think this testimony is worthy of your serious consideration. A member of the committee asked this question:

With regard to your observation about how soon you felt the effective end of a nuclear war would come—2 or 3 days—it is not your opinion that the war would actually end within 2 or 3 days?

And General LeMay answered:

I said the decisive phase. There may be some fighting, mopping up and things of that sort. But the decision will have been rendered by that time.

If the serious phase of a future war may last only a few days, cannot Congress afford to take a look every 2 years at this matter of extending the draft?

The gentleman from California [Mr. DOYLE] quoted much of Mr. Finucane's testimony. I would like to read what he quoted again. He said:

I think your question is an excellent one, sir. Historically, the draft law has, in the wisdom of Congress, been extended for 4 years, and we would like simply for conformity sake to carry on with the habits of the past.

Actually, the Congress can, indeed, change the law any time it wants. The Congress is always available in the national interest. And it seems to me that 4 years is a reasonable time. If the Congress desired to change the law 2 years from now or 1 year from now, or at any time, it would be, of course, perfectly within its rights and prerogatives.

I think Mr. Finucane makes my case eloquently well. Congress has the power to extend the draft for any length of time.

So, why not let us vote for 2 years for the draft and then review it, and, if we need to, vote it again.

I am happy, too, that the Armed Services Committee has in its wisdom appointed this study committee. I think it is a step in the right direction. I am happy that it has done so and I hope that this study committee, as has been suggested, will report back in a year, and then in 2 years we can make our decision again regarding the draft.

Mr. Chairman, I am happy to say I have considerable support for the 2-year extension here on the floor.

If there are no questions, I yield back the balance of my time.

Mr. VINSON. Mr. Chairman, I ask unanimous consent that all debate on the amendments offered by the gentleman from Iowa [Mr. WOLF] and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I did not stand for the purpose of asking for time. It was my intention to vote for at least one part of the amendments if we could get a separate vote, but I understand they have been offered en bloc.

The CHAIRMAN. The amendments were offered en bloc.

Mr. BAILEY. Mr. Chairman, I did not ask for time.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, as I listened to the debate over extension of the Selective Service and reviewed the material that has come to my desk, and read the letters, and

UNIVERSITY OF MICHIGAN LIBRARIES

they have all been on one side—in opposition—I find the following arguments being used in opposition and I would like briefly to summarize the matter as I have seen it:

First. The present draft does not pay the recruit an adequate wage. It demands his compulsory contribution without adequate compensation; yet it results in a very expensive and very wasteful use of manpower;

Second. The draft has not in fact been universal and has operated unfairly in its demands upon the young generation;

Third. It is not related to the needs of modern warfare, which calls for more highly trained technicians than even a 2-year, much less a 6-month, program can achieve;

Fourth. As a result it creates an illusion of strength through numbers rather than the reality of strength through skills, morale, and organization;

Fifth. It is a continued invasion of the rights of privacy of American citizens. It is alien to our historical tradition; indeed, many of America's settlers were people who came here to escape the militarization of European countries;

Sixth. It interrupts the educational program and planning for a career, or marriage and family, of the younger generation, and thus ultimately weakens the real security and strength of our Nation;

Seventh. Perpetuation of the draft endorses the present negative and unimaginative military and foreign policy of the administration. It admits failure to believe that we can move toward reconciliation of international differences and learn how to live together. It assumes we must concentrate on coextinction rather than coexistence;

Eighth. It extends the military influence on American life contrary to our constitutional intent to maintain civil dominance over the military;

Ninth. The program was originally defended as a means for buying time. The theory originally was that we would use this time to develop peaceful alternatives.

Time is running out; extension of the draft may be a desperate gamble, causing us to forget that "time is running against us," as General Bradley said, "with the speed of a sputnik."

Tenth. The consequence of all these factors is that our society offers a poor motivation for young men to accept military service without compulsion, or, at least, so argue those favoring extension of the draft. However, a voluntary military establishment whose basic cadre included those making an extended stay, if not a career of military service, would provide us with the kind of personnel that modern methods of defense require. Such volunteers would have better motivation and would do a better job. They could be secured by a change in manpower personnel practices such as the following: (a) Better pay for recruits; (b) a better program to hold reservists; (c) greater use of civilians for support-type activities of transportation, housing, food, and so forth; (d) more widespread use of local support, including nationals at overseas bases for the nonmilitary activities. This type of program would at the same time serve to reduce our total manpower requirements and make the activities of those who served more significant and meaningful.

Eleventh. It is time that the Nation challenge its youth not merely to learn how to launch an intercontinental ballistic missile that will mean the end of civilization, but instead challenge its youth to enlist for peace, to volunteer for peace-building activity the world around. The Nation ought to be planning to wage war on man's ancient enemies, which are disease, hunger, misery, and poverty. For this is the only war in which all mankind can be victorious.

For all of these reasons I must oppose the present 4-year extension of the draft.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, with the greatest reluctance, I shall vote for the extension of the draft.

I recognize the unpleasant practicalities of the situation. I seriously question whether the manpower necessary to meet and maintain our defense commitments can otherwise be assured.

It is one thing to wish devoutly that it were otherwise—to wish that those commitments were not necessary or, being necessary, that they could be met on a strictly voluntary basis. It is quite another to default on the commitments.

To say that I do not concur in all of those commitments does not alter the fact that once made by due process of legislative and executive decision they must be fulfilled.

I oppose with all my vigor any suggestion or proposal that the draft be used for purposes of enforcing an alleged obligation of service other than of a strictly military nature. I want no part of such a totalitarian program.

I do believe that the extension ought to be limited to 2 years to correspond to the life and tenure of the Congress. If the constitutional purpose of a biennial election of the entire House and one-third of the Members of the other body is to be served, legislation of this character, in my judgment, should be subject to mandatory review by the next Congress. I do not believe that this Congress should usurp the responsibility of the succeeding Congress.

But here again, the hard practicalities of the situation require that I accept, however reluctantly, the verdict of the majority.

On one count I am particularly disturbed and distressed. The fact that the legislation here proposed to be reenacted commits American servicemen by compulsion to duty in foreign lands where their constitutional safeguards are abrogated under the status-of-forces agreements is to me totally repugnant. Yet the responsibility for this situation lies basically in the failure of Congress to address itself specifically and forthrightly to that problem. I cannot permit one wrong to be compounded by a second wrong on the fatuous theory that a right is thereby accomplished.

With these profound and disturbing reservations, I shall again, as I did 4 years ago, vote for the extension of the draft.

Mr. DURHAM. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. DURHAM. Mr. Chairman, failure to extend the draft will have a serious impact on the Reserves. I propose to discuss its impact in three broad areas:

First, the effects on maintenance of adequate strength;

Second, the effects on maintenance of adequate quality; and

Third, the effects on maintenance of proper training participation.

Failure to extend the draft will result in serious strength deficiencies for both officer and enlisted programs in all the services. College-orientated officer procurement programs, such as ROTC, the Naval Reserve officer candidate program and the Marine Corps platoon leaders class are principal sources of officers for both the Active and Reserve Forces.

It is quite obvious that many young men join these programs in lieu of being inducted. Following completion of active duty, these officers fulfill the balance of their military obligation in the Reserve. In the case of the Army ROTC, many officers take 6 months' active duty for training after commissioning, and fulfill the remainder of their obligation in the Reserve.

In addition to the serious effects on Reserve officer strength, there would also be a damaging effect on Reserve strength in enlisted ranks. Six-month-active-duty-for-training programs, with the balance of the obligation fulfilled in the Reserve, are an important source of enlisted Reserves. An additional direct Reserve enlistment program for 6 years requires 2 years of active duty with the balance in the Reserve. There is no doubt that entrants into all of these programs are draft inspired. Finally, in the case of the Army, the inductee is the principal source of full trained manpower in the Reserve after completion of his 2-year term of active duty.

The Army has estimated that without the draft authority, there would be a deficit of 103,000 within the units for the Army Reserve by the end of fiscal year 1963. This deficit is from an overall requirement of 247,000 and would, therefore, represent a deficiency of 45 percent. Of even greater significance is the estimated deficiency in strength within the enlisted reinforcement pool of the Army Reserve. Without the draft, it is estimated that there would be a deficit of 653,000 by the end of fiscal year 1963 to meet a total requirement of 895,000 in the reinforcement pool. Although estimates have not been made for the other services, they too would have serious strength deficiences for both units and reinforcements.

Not only would the loss of draft authority jeopardize total Reserve strength, but there would be a loss in quality.

With the resulting reduction in applicants for the Reserve officer programs, selectivity and quality would suffer. In the case of enlisted programs, it is probable that the services would have to abandon the requirement of a short period of initial active duty for training in the case of nonprior enlistees into the Reserve. This would mean that the Reserves would have to revert to conducting recruit training in the armories which would make it impossible for the Reserves to meet the readiness goals required by modern concepts. Furthermore, with the depletion of enlisted personnel who enter the Reserve after 2 years of active duty, the quality of Reserves would be further compromised. Such individuals form the hard core of leadership and technical skills in the Reserve.

A final effect can be anticipated in training participation. Not only does the draft authority provide stimulus for entrance into programs which require 6 months' active duty for training, but it also insures participation in Reserve training of the individuals concerned after they have completed this initial period of active duty for training. Under the law, persons in these programs who do not participate satisfactorily in Reserve training are reported to selective service for priority induction; 2,879 such individuals were reported for priority induction in fiscal year 1958.

In summary, failure to extend the draft authority will have a damaging effect on the Reserves in respect to the maintenance of adequate strengths, quality, and training participation. It will, therefore, tend to seriously impair mobilization readiness.

Mr. THOMPSON of New Jersey. Mr. Chairman, I would like to say a few words on behalf of the amendment offered by my colleague from Iowa. I think the record will show conclusively that I have been a consistent advocate of a strong and balanced Military Establishment. My position is unchanged. It is, in fact, because of this very concern for the defense of the Nation that I have developed serious doubts about the quality of our present draft system. I will vote for the Wolf amendment because I believe it is necessary to extend the present system until a better one can be devised; but I believe it is important that we use those 2 years to reformulate our thinking and policies on this important matter.

One would expect that the administration, charged with the responsibility of maintaining strong and efficient Armed Forces, would come up with some new ideas in this field, but the administration is following its usual policy of drifting along with events rather than leading them. It is therefore necessary that Congress serve notice that this extension is temporary—for 2 years—and that this time will be used by Congress to formulate new policies and concepts.

There are many specific complaints, but in general terms the fundamental questions which are being raised about the present draft system are the following:

First. Is it the best method of supplying the necessary manpower for our Armed Forces or are there alternatives which would better serve this function?

Second. Does it produce an adequate Reserve Force or does it generate an enormous, expensive, and inefficient Reserve program?

Third. Is it unnecessarily costly?

Fourth. Is it fair to the Nation's youth, or is it unnecessarily arbitrary, discriminatory, and conducive to legal but demeaning draft dodging?

Each of these general questions involves a host of specific ones.

Mr. Chairman, I do not profess to have the answers to these questions, but there is a growing feeling in Congress and in the Nation that the answers are distinctly not flattering to our present draft system. They need and deserve serious investigation by Congress, and, meanwhile, I see no reason for extending this dubious system for more than 2 years.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. KILDAY].

Mr. VINSON. Mr. Chairman, I ask unanimous consent that the time allotted me be yielded to the gentleman from Texas [Mr. KILDAY].

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to say, as a former majority leader, that it has been my responsibility to take the lead in the extension of the Draft Act heretofore, and that I have done. I am supporting the measure here today, and I trust this amendment will be defeated. The fact that we extend the authority for 4 years does not mean that it is not constantly within the province of the Congress of the United States to make any change that might seem to be indicated at any given time.

Mr. KILDAY. I thank the gentleman. Of course, what the gentleman from Indiana says is perfectly true. Funds must be appropriated every year to cover the number of men who are to be in the military service, and by the simple matter of failing to appropriate funds to maintain the larger force you can automatically terminate it each year.

Mr. Chairman, I would propound this question. Is there any Member of this floor who can seriously and conscientiously say to himself that he knows of anything in the present difficult situation that would lead him to believe or even suspect that our international situation will have eased by 1961? Is there anything in the present world situation that could cause us to believe that? Now, it is true that the Congress at one time had that sincere hope. In 1940 we passed the original Training and Service Act, and it was effective for a period of 5 years. In May 1945, with victory coming in Europe and anticipated in Japan, we extended it for 1 year. Then we extended it for 1½ months. That, of course, was to get over the period during which we were working on it. Then when we did finish working on it we extended it for only 9 months. Then we were so optimistic about the world situation that we permitted it to die in 1947.

But in 1948, we found it necessary to reenact it to revive the draft, and we did it for a period of 2 years. Then we had a 15-day extension at the end of those 2 years, to have a new conference on the bill. When we had completed that, we extended it for 1 year. But by 1951 Korea had come on and it was so evident to all that you did not have the prospect, in the immediate future, of any improvement in the world condition that Congress extended it for a period of 4 years. When that 4 years expired in 1955 it was extended for a period of 4 years, and will expire in 1959.

So our experience has shown that we are in a cold-war period, apparently of indefinite duration. Should we send out word that the Congress of the United States has refused to extend inductions under the draft for a period in excess of 2 years? Would you not be going right in accordance with what Mikoyan said when he returned to Moscow in attempting to drive a wedge between the American people and the American Government, that the American people now, as reflected by the Congress of the United States, had refused to extend the draft for 4 years, as had been done in two previous instances, but had determined to terminate it at an earlier date? Would we not be saying to those nations whose cooperation we expect that we have now become weary and that for a period of only 2 years will we make an effort to maintain the military force deemed adequate?

But the most important thing about reducing this to 2 years, and the thing that would be most unfortunate, would be to hold out to the young man who is subject to induction under the law that in a matter of 2 years the danger of his induction will have subsided, that it will no longer exist, because the Congress has said that only for a period of 2 more years is there danger of his being inducted. You lull him into a sense of false security, that it is only a matter of 2 years. I do not believe I have heard anyone here state that he believes seriously and conscientiously thinks that in 1961 there will be any better opportunity to terminate it than now.

If there is an extension of a period of 2 years only, what will happen to your voluntary enlistments? Of course we hear the great boasts of the Navy, the Air Force, and the Marine Corps that they are made up of volunteers only, but experience has shown that without the compulsion on entering the military service those who now rely on volunteering would have a very, very difficult time in securing their volunteer force. I do not recall one word from any of those services before our committee that they could maintain a voluntary force of the present size if it were not for the compulsion which exists because of this induction.

UNIVERSITY OF MICHIGAN LIBRARIES

Should you reduce this to a period of 2 years you will be upsetting what the program must be. It must continue further than 1961. You are leading the Russians to believe we have wearied. You are leading those who cooperate with us to draw the same conclusion. You are attempting to disillusion the young men of the United States, to whom you would hold out here a false hope that they were not going to be subject to the draft after a period of 2 years.

Mr. IRWIN. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Connecticut.

Mr. IRWIN. Will what the gentleman says suggest you are holding out a false hope 4 years from now?

Mr. KILDAY. No; I do not think so. I take the position that this is probably an indefinite period of time. I am very sorry to say that but I really believe that it is. The side is going to win the cold war which has the stamina to remain strong throughout. When you are dealing with things of this kind, once you become weak that is when they are going to pounce on you. For two consecutive times the extension has been for a period of 4 years. Ever since we got rid of the fool's paradise in which we were living when we permitted our Armed Forces at the end of World War II to disintegrate it has been the policy to extend it for a period of 4 years.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Iowa [Mr. WOLF].

The amendments were rejected.

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as this debate now comes to a close on this most important bill, I would like most sincerely and respectfully to say to all my colleagues that while some may have differences of opinion as to what might have been, or should be embodied in this bill, and that while the bill may not be as each of us desire in its entirety, I am sure it will have your approval. I know each and every one of you to be a loyal, sincere American. You want to do what is best for the country. I sincerely hope this afternoon that when the final rollcall is had on this bill that we can come up with practically a unanimous vote. Why do I so earnestly hope for such a result? Because today every free nation in the world is watching what we do on this vitally important defense measure. Our final decision on the passage of this bill will have a great impact on the free peoples of every nation throughout the world. An affirmative, strong vote here today strengthens the will of the peoples of our allies who want to continue to be free and the will of those who are striving for freedom. On this defense measure the military leaders of this country and the leaders in the House of Representatives on both sides of the aisle are in agreement. I emphasize we are acting upon a measure on which there is unanimous agreement on the part of our military leaders. We are also acting with unity, with complete agreement on both sides of the political aisle. We are acting on a measure reported by the Committee on Armed Services which year after year so diligently studies these matters, and has the responsibility of knowing our defense needs.

So by overwhelmingly passing this bill we are sending word to the people of the world that we stand together as a united people to maintain a strong military posture. We reassure the free people of the world that there is hope. By our action here today we say to any possible aggressor nation that we have, and are determined to have now and in the future, the military strength to deter any aggression. Four years ago on February 8, 1955, to be exact, we had this same matter before us. On the rollcall vote we had 394 in favor of the 4-year extension of the draft and only 4 against. I hope we will be as emphatic on this vote today.

Secretary of State Dulles is presently overseas to deal with the troublesome problem with respect to the city of Berlin. When the news of the favorable action of the Congress on this bill reaches him, he will have definite evidence to reassure all the free nations of the world of our determination to cooperate for the survival of the free peoples of the world. I hope we have a decisive vote for this measure. Our national security, our ability to defend ourselves—freedom itself is at stake.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened to the remarks of the gentleman from Illinois and I hope that if Secretary of State Dulles boasts while he is in Europe about how Congress has extended conscription in this country for 4 years, that he in all fairness calls upon foreign governments to stop reducing the obligated service of their conscripts.

The gentleman from Texas [Mr. KILDAY] spoke of the renewal of the draft just before the war in Korea. Yes, conscription was renewed at that time and, exclusive of South Koreans, Americans did 95 percent of the fighting and dying and all the financing of that war.

Where were those so-called allies in the United Nations when that brutal war was being fought? Not a single other country provided more than a comparative handful of combat troops. Are these free world friends really interested in stopping Communist aggression?

Time after time today it has been stated on the floor of the House that conscription of American boys must be continued in order to make some kind of an impression on foreigners. It is time, it seems to me, that they made some impression upon us other than to take everything that is not nailed down.

Mr. Chairman, I have supported extensions of the draft in the past and would support an extension of 2 years today. What is wrong with Congress having the opportunity to review this legislation every 2 years, dealing as it does with the lives and fortunes of thousands of our young men?

I cannot support a 4-year extension.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, of course, it is all right to vest authority in those charged with our national defense, but it might be well to put some restrictions on that authority. That statement is made because many of us have a distinct recollection of the time when General Hershey, as he is now, was charged with the enforcement of the law. The Congress, by an almost unanimous vote, wrote into the resolution certain exemptions with reference to agricultural workers. General Hershey paid no attention to that exemption. Take a look at the CONGRESSIONAL RECORD, volume 91, part 1, page 831; volume 91, part 2, page 1503; volume 91, part 11, page A2098; and volume 91, part 8, page 9914, which should be sufficient to show the then situation. If you will look back you will find that the district now represented by Mr. MEADER, the district then represented by Mr. Michener called the attention of the House to the fact that General Hershey and his subordinates charged with the interpretation of that law or the application of it, went into the State of Michigan and directed the draft boards in Michigan to disregard the amendment. It is all right. We may need this kind of legislation, but if we are going to let individual officers in the Armed Services follow the course of the Supreme Court and substitute their ideas as to what the Congress meant when it wrote the legislation in place of what we said or wrote there is nothing I can do about it. Give some a little authority they follow their own thinking.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. Section 1 of the Act of August 3, 1950, chapter 537, as amended (71 Stat. 208), is amended by striking out the words "July 1, 1959" and inserting the words "July 1, 1963" in place thereof.

SEC. 3. Section 16 of the Dependents Assistance Act of 1950, as amended (50 App. U.S.C. 2216), is amended by striking out the words "July 1, 1959" and inserting the words "July 1, 1963" in place thereof.

SEC. 4. Section 9 of the Act of June 27, 1957, Public Law 85-62 (71 Stat. 208), is repealed.

With the following committee amendment:

Page 2, line 8, strike out the "repealed" and insert "amended by striking out the words 'July 1, 1959' and inserting the words 'July 1, 1963' in place thereof."

The committee amendment was agreed to.

Mr. PHILBIN. Mr. Chairman, I regret that adequate consideration was not accorded in the hearings to voluntary alternatives to the draft or even to programs to insure improved training and utilization of military manpower required by the problems of the space age.

I respectfully submit that these training and utilization problems should have been considered and settled by the Congress before the extension of the draft. Certainly our committee should have been briefed by the Secretary of Defense and departmental experts before the draft bill was considered.

Thus, the proposal is in a sense a sort of legislative and parliamentary weightlessness—the labored application of 19th

century, Prussianized, military techniques to the incredibly complex, technical and scientific problems of the nuclear, space age.

It is clear to most thinking people, I believe, that ordinary draftees are not performing, and cannot adequately perform, the extremely technical tasks of the Armed Forces in this missile age. Highly trained personnel are required today. They must not only undergo long, intensive training and practice and be of a high order of intelligence, but they must be willing to make the services their career. They must be a scientifically and technically trained professional force—able to master the intricate techniques that have become absolutely essential to our defense setup.

We need more highly trained technologists at Cape Canaveral and similar bases and in all related advanced defense work. While men will be necessary in the mass for conventional defense operations, the primary need today is for highly trained specialists, and I do not believe these men can be secured in sufficient numbers and quality under the draft as it is currently operated.

We all recognize the fact that only the Army needs or employs the draft today, that the draft is disrupting the lives and education of all young men, that it works grave inequities on many, that in peacetime it is inconsistent with our free institutions, that it is not producing the kind of permanent career, professionalized specialists we need in the space age.

I agree that, to an extent not precisely evaluated and perhaps overemphasized, the draft may stimulate enlistment in the Navy, Air Force and Marines. But there is no evidence that it stimulates reenlistment; the opposite is the case, it does not.

But the fact remains that we have not adequately explored the enlistment-producing alternatives of radically revising our manpower procurement and training methods, stepping up the incentives by appropriate pay readjustments and driving ahead with a broad, bold campaign in the schools, colleges, laboratories, factories, on the farms and byways of the Nation to attract more capable, ambitious young men into career opportunities in the armed services and to train them as they should be trained these days.

We might also carefully explore the possibilities of inaugurating training programs that would not involve taking young men away from their schools, their jobs, and their families—local area and community programs that would embrace intensive training in related military fields wtih special emphasis upon scientific and technological requirements that would appropriately meet our need for well trained specialists and their proper assignment and utilization.

I cannot understand why Congress should extend the draft until these vital questions have been most carefully studied and discussed. Certainly to extend it for 4 years would be unsound and unrealistic.

Nor can I in any event understand why this Congress should be asked to extend this system with all its admitted infirmities for another long, 4-year period without first making some effort to correct the plain, palpable shortcomings, weaknesses and inadequacies which we all know exist in the draft system.

For a long time to come we will need sizable and substantial conventional forces and weaponry. The foot soldier with his small arms and rifle still has, and will have, an important place in our defense, civil defense and domestic, and oversea forces.

But it is a great mistake, it could be a fatal mistake, to try to train our Armed Forces in conventional systems alone, as is being done to such a large extent with draftees at present.

The Army, Navy, Air Force, Marine Corps, Coast Guard, various Reserves and the National Guard comprise our ready, or nearly ready, manpower force. We must have them in sufficient numbers. I urge that they should be organized and trained along modern lines, following modern concepts.

National conscription and the draft based on compulsion and sheer mass strength, while suitable in 19th-century warfare, cannot be adequate or effective in peacetime defense in this day and age.

If we are to survive in the tough, competitive race in which we are engaged, we must not only select our best, and give them proper incentives to serve, but we must give them the advanced, technological training and education without which no war or military operation can be efficiently and successfully conducted today.

Drafted young men forced to serve for 6 months or 2 years and then returned to their homes, while the fast-moving, military-scientific parade leaves them far behind, cannot hope to meet the manpower requirements of this day and age.

I cannot subscribe to, nor do I approve of, the kind of logic and consistency of military policy which cuts the size of the Army, the Reserves, the National Guard, and other components, as has been done, and then seeks to justify the draft of additional young men from civilian life.

Nor can I reconcile the draft with the fact that such a small percentage of trained draftees reenlists in the service at the end of their tour of duty.

It is dismaying, too, to note the failure of the services to build up the numerical strength and training programs of the Reserves.

In addition, the apparent unwillingness of the military to recognize the importance and value, not only to the Nation, but to the States and local communities, of the National Guard is little short of astonishing. Failure to be guided by clear congressional mandate in these matters is most regrettable as well as inconsistent with the Constitution.

The American people want a strong, well-trained National Guard, and Congress must insist upon keeping up the strength of this great military organization. Likewise, Congress must keep up the strength of the Reserves.

I am not one of those who engage in unreasoning criticism of military leaders. To the contrary, I may say that I most highly appraise these men. I know of no group better qualified in their fields, more patriotic, more effectively devoted to their tasks, more sincerely dedicated than our military leaders.

However that may be, and as proud and grateful as we all are for their devotion and ability, the military was not intended by the Constitution to dominate this Government. It is the duty and function of Congress to provide for the common defense. We cannot escape, nor should we delegate, that responsibility.

The Nation is not at war, and we hope it will not be at war. We are not in a state of limited or unlimited national emergency. We are facing a great challenge to our free system which we must face with strongest determination to maintain an adequate defense and all-powerful striking force. Congress must unhesitatingly and expeditiously enact all legislation to that end.

But we cannot and should not in any circumstances legislate from a posture of hysteria, timidity, or uncertainty. It is not necessary to reshape or disrupt our social, educational and economic systems in order to set up an efficient, adequate national defense with well-trained personnel.

What we do here today will have great influence and bearing on our future strength and orientation. It will determine whether we have that awareness that will prompt us speedily and efficiently to adapt our military programs to the urgencies and inescapable demands of the space age, or whether in moments of complaisance and inertia, or mere stubborn adherence to 19th century concepts, we will continue to string along with programs that would be essentially better fitted to the philosophy and methods of Maginot line techniques than to the urgent, inexorable demands of the space century.

The very great American, the chairman of our esteemed Armed Services Committee, has the outstanding ability, patriotism, broad experience, able leadership, and dedicated zeal to cope with all these crucial problems.

While I respectfully differ with him and other Members on certain aspects of our manpower program, I am confident and hopeful that in this Congress we can, if we will, draw on our imaginativeness, knowledge, and boldness to attack space-age problems with space-age methods and space-age thinking and action.

Since I believe this is the best course for the Nation, I will adhere to it by voice and vote as long as I may be honored and privileged to be a Member of this greatest of all deliberative, democratic, representative bodies.

Mr. Chairman, let us courageously tackle the manpower and other problems of our military and defense system by looking forward and not backward. In war, we would immediately need the draft, so let us keep the selective system in full, standby efficiency to be ready for any eventuality.

But, in peacetime, and generally as a means of selecting and training young

UNIVERSITY OF MICHIGAN LIBRARIES

Americans for military service, it is a method completely outmoded. We should retain it only long enough to adopt a more realistic system.

Let us speedily adapt our defense and our Nation to the great new age in which we live. Let us make sure that our strength, military, economic and spiritual, is great and powerful in the realm of national defense and well-being.

Mr. RIVERS of South Carolina. Mr. Chairman, yesterday, the distinguished gentleman from Mississippi [Mr. COLMER], when he discussed the rule on this bill, stated that he was in favor of the legislation, but reluctantly.

I think he summarized in one sentence the feelings that all of us have with regard to the draft law. No one likes to vote for a draft law—just as no one likes to vote for a tax bill.

But when the security of the Nation is threatened as it has been, is now, and apparently evermore shall be, then we have no alternative but to meet our obligation to keep this Nation militarily strong.

The bill before the House today is a manpower bill, a bill dealing with the most precious item that the Nation possesses—manpower. By enacting this bill we indicate to the entire world our determination to remain strong. And I sincerely hope that we will not weaken this bill or attempt to sugar-coat it in any way by reducing the extension period from 4 years to 2 years. We extended the draft period for 4 years in 1955 because world conditicns were grave at that time. Certainly no one is so naive as to believe that world conditions have improved since that time.

We have passed laws to make a service career more attractive, but we know that there just are not enough volunteers in the Nation to meet our active duty military manpower requirements which exceed 2½ million men.

As much as we may personally hope for the end of the draft, let us not create false hopes or complacency in the American people by weakening this demonstration of a determined effort on our part to remain strong.

The world watches us today as we consider this extremely important measure. Whatever action we take will be noted not only in American newspapers, but within the walls of the Kremlin. They are looking for weakness—any sign of weakness. Let us not give them such a sign today.

Mr. ULLMAN. Mr. Chairman, I do not believe that we should abolish the draft at this time. A critical manpower need exists and for the present at least, the draft is essential to the meeting of that real need. However, as with any continuing program, I believe it incumbent upon Congress to periodically reexamine the existing situation. A 2-year extension would insure a continuous supply of manpower for the immediate future and at the same time would allow time for a proper study of the problem to pave the way for a more workable and equitable program better designed to meet the future defense needs of our country.

I remain unconvinced that a blanket 4-year draft extension is essential. We have been told it has been done that way in the past with the implication that it consequently should be done that way in the future. I disagree. No arguments have been advanced on behalf of the 4-year draft that cannot be equally well met by a 2-year draft.

Confident that this shorter extension, coupled with a study commission, will maintain our defense needs, I voted for the amendment for a 2-year extension, but will support final passage because of my conviction that some extension is necessary at this time.

Mr. SMITH of Iowa. Mr. Chairman, as we are called upon to vote upon H.R. 2260, which will extend the draft for 4 more years, I find myself in the position of being dissatisfied with the operation of the draft in some respects and at the same time reluctantly concluding that voting against the bill is not the way to correct the matters to which I object. I have read the testimony before the committee word for word and all of the reports. I have very seriously considered voting against this bill and for that reason spent about 14 hours carefully reading every piece of material and chart available. The statistical matter confirms conversations and communications which I have had from persons in the district I represent, to the effect that the military has been reducing the number of Ready Reserves and in some instances refusing to take men into the Ready Reserves when at the same time they are drafting new men into service who do not want to leave their civilian pursuits. It seems inexcusable to me that someone who wants to serve and be a minuteman, is refused the opportunity to do so; at the same time someone else is refused the opportunity to stay out of the service. Another thing that I dislike is not having a program for selectees where they can take about 3 months of intensive training and return under a Reserve obligation to become a part of the Ready Reserve. Many of these boys have an extreme hardship when taken away for a 2-year period, but almost all of them could be away for a 3-month period and then come home and remain in the Ready Reserve without nearly so much sacrifice. The other reason I feel so strongly about this is that many of these young men that were drafted for a 2-year period have told me that only the first 3 months of their tour of duty was spent learning how to be a soldier. Too many of these who are inducted spend most of their 2-year period either doing nothing, or cooking, chauffeuring, or doing something unrelated to the defense of our country. I object to inducting young men for these kinds of jobs. There are civilians who would like to have a job cooking in Army camps and my experience has been that no matter how much experience young men have at cooking with military recipes, the food still is no better.

I am very much impressed, however, with the figure shown in the report which indicates that of the men who reach 26 years of age and therefore have graduated from the 8-year period during which they were liable under the Selective Service Act for military obligation, over 70 percent received military training of some kind and that 286,000 were inductees, 467,000 were volunteers, and 17,000 had entered the Reserves or National Guard. It is very clear to me from these figures that even if the military would keep everyone who wants to stay in the Ready Reserves and even if it did not waste men, it still would be unable to maintain the forces that the experts conclude we need. I was also informed upon questioning the gentlemen from Texas [Mr. KILDAY], a long-time member of the Armed Services Committee and regarded as an expert on personnel matters on the committee, that I am not alone in feeling that the Military Establishment has not done the best job that it could in all of these matters; however, it has been brought to my attention that when the appropriations for the military are brought before the Congress there is some opportunity to review these matters and Congress can make some qualifications in expenditures in the fields which may help in the situation. It is a very bad situation when we try to administer as well as legislate, but it is also recognized as a fact by many of us that too many of the military are not as imbued with the necessity of avoiding waste in the military as most of us are and if the administration is unwilling to do anything about it then there is no choice but for the Congress to do everything it can. I am voting for the 4-year extension of the draft but I am also going to go to work to do what I can to help reduce the number of selectees that are inducted to take the place of other young men who are refused the opportunity to be a member of the Ready Reserves. We must do this even if it requires placing qualifications on the appropriations for the military.

It seems to me that we must vote for an extension of the Military Training and Service Act today and then continue to do all that we can to alleviate the necessities for using it to the extent that it has been used in the past.

The CHAIRMAN. Under the rule, the Committee will now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SIKES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2260) to extend until July 1, 1963, the induction provisions of the Universal Military Training and Service Act; the provisions of the act of August 3, 1950, suspending personnel strengths of the Armed Forces; and the Dependents Assistance Act of 1950; pursuant to House Resolution 153, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, I have a motion to recommit, which is at the desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MASON. I am, Mr. Speaker.

The SPEAKER. The Clerk will read the motion to recommit.

The Clerk read as follows:

Mr. MASON moves to recommit the bill H.R. 2260 to the Committee on the Armed Services.

Mr. VINSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 381, nays 20, answering "present" 1, not voting 32, as follows:

[Roll No. 6]

YEAS—381

Abbitt	Byrne, Pa.	Friedel
Abernethy	Byrnes, Wis	Fulton
Adair	Cahill	Gallagher
Addonizio	Canfield	Garmatz
Albert	Cannon	Gary
Alexander	Casey	Gathings
Alford	Cederberg	Gavin
Alger	Celler	George
Allen	Chamberlain	Giaimo
Anderson, Mont.	Chenoweth	Glenn
	Chiperfield	Granahan
Andrews	Church	Grant
Anfuso	Clark	Gray
Arends	Coad	Griffin
Ashley	Coffin	Griffiths
Ashmore	Cohelan	Gubser
Auchincloss	Collier	Haley
Avery	Colmer	Hall
Ayres	Conte	Halleck
Bailey	Cook	Halpern
Baker	Cooley	Hardy
Baldwin	Corbett	Harris
Barden	Cramer	Harrison
Baring	Cunningham	Hays
Barr	Curtin	Healey
Barrett	Curtis, Mass.	Hébert
Barry	Daddario	Hechler
Bass, Tenn.	Dague	Hemphill
Bates	Daniels	Henderson
Baumhart	Davis, Ga.	Herlong
Becker	Delaney	Hess
Beckworth	Dent	Hiestand
Belcher	Denton	Hoeven
Bennett, Fla.	Derounian	Hoffman, Ill.
Bennett, Mich.	Derwinski	Hogan
Bentley	Devine	Holifield
Berry	Diggs	Holland
Betts	Dingell	Holt
Blatnik	Dixon	Holtzman
Blitch	Dollinger	Horan
Boggs	Dooley	Hosmer
Boland	Dorn, N.Y.	Huddleston
Bolling	Dowdy	Hull
Bolton	Downing	Ikard
Bonner	Doyle	Irwin
Bosch	Dulski	Jackson
Bow	Durham	Jarman
Bowles	Dwyer	Jennings
Boykin	Edmondson	Jensen
Boyle	Elliott	Johansen
Brademas	Everett	Johnson, Calif.
Bray	Fallon	Johnson, Md.
Breeding	Fascell	Johnson, Wis.
Brewster	Feighan	Jonas
Brock	Fenton	Jones, Ala.
Brooks, La.	Fino	Jones, Mo.
Brooks, Tex.	Fisher	Judd
Broomfield	Flood	Karsten
Brown, Ga.	Flynn	Karth
Brown, Mo.	Flynt	Kasem
Brown, Ohio	Foley	Kearns
Broyhill	Forand	Kee
Budge	Ford	Keith
Burdick	Forrester	Kelly
Burke, Ky.	Fountain	Keogh
Burke, Mass.	Frazier	Kilburn
Burleson	Frelinghuysen	Kilday
Kilgore	Mumma	Scherer
King, Calif.	Murphy	Schwengel
King, Utah	Natcher	Scott
Kirwan	Nelsen	Selden
Kitchin	Nix	Shelley
Kluczynski	Norblad	Sheppard
Knox	Norrell	Short
Kowalski	O'Brien, Ill.	Sikes
Lafore	O'Brien, N.Y.	Simpson, Ill.
Laird	O'Hara, Ill.	Simpson, Pa.
Landrum	O'Hara, Mich.	Sisk
Langen	O'Konski	Slack
Lankford	O'Neill	Smith, Calif.
Latta	Oliver	Smith, Iowa
Lennon	Osmers	Smith, Miss.
Lesinski	Ostertag	Smith, Va.
Levering	Patman	Springer
Libonati	Pelly	Staggers
Lindsay	Perkins	Steed
Lipscomb	Pfost	Stratton
Loser	Pilcher	Stubblefield
McCormack	Pillion	Sullivan
McCulloch	Pirnie	Taber
McDonough	Poage	Teague, Calif.
McDowell	Poff	Teller
McFall	Polk	Thomas
McGinley	Preston	Thompson, La.
McGovern	Price	Thompson, N.J.
McIntire	Prokop	Thompson, Tex.
McMillan	Pucinski	Thomson, Wyo.
McSween	Quie	Thornberry
Macdonald	Quigley	Toll
Machrowicz	Rabaut	Tollefson
Mack, Ill.	Rains	Trimble
Mack, Wash.	Ray	Tuck
Madden	Reece, Tenn.	Udall
Magnuson	Rees, Kans.	Ullman
Mahon	Reuss	Utt
Mailliard	Rhodes, Ariz.	Vanik
Matthews	Rhodes, Pa.	Van Pelt
May	Riehlman	Van Zandt
Merrow	Riley	Vinson
Metcalf	Rivers, Alaska	Wainwright
Michel	Rivers, S.C.	Wallhauser
Miller, Clement W.	Roberts	Walter
	Robison	Wampler
Miller, George P.	Rodino	Watts
	Rogers, Colo.	Weaver
Mills	Rogers, Fla.	Weis
Minshall	Rogers, Mass.	Westland
Mitchell	Rogers, Tex.	Wharton
Moeller	Rooney	Whitten
Monagan	Roosevelt	Widnall
Montoya	Rostenkowski	Willis
Moore	Roush	Wilson
Moorhead	Rutherford	Wolf
Morris, N. Mex.	St. George	Wright
Morris, Okla.	Santangelo	Yates
Morrison	Saund	Young
Moss	Saylor	Younger
Multer	Schenck	Zablocki

NAYS—20

Carter	Lane	Shipley
Dorn, S.C.	Marshall	Siler
Green, Oreg.	Mason	Smith, Kans.
Gross	Meyer	Wier
Harmon	Moulder	Williams
Hoffman, Mich.	Philbin	Winstead
Kastenmeier	Porter	

ANSWERING "PRESENT"—1

Johnson, Colo.

NOT VOTING—32

Andersen, Minn.	Donohue	Morgan
	Evins	Murray
Aspinall	Farbstein	Passman
Bass, N.H.	Fogarty	Powell
Buckley	Green, Pa.	Reed
Bush	Hagen	Spence
Carnahan	Hargis	Taylor
Chelf	Martin	Teague, Tex.
Curtis, Mo.	Meader	Whitener
Davis, Tenn.	Miller, N.Y.	Withrow
Dawson	Milliken	Zelenko

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Powell against.

Mr. Aspinall for, with Mr. Johnson of Colorado against.

Until further notice:

Mr. Passman with Mr. Martin.

Mr. Teague of Texas with Mr. Meader.

Mr. Carnahan with Mr. Bass of New Hampshire.

Mr. Donohue with Mr. Taylor.

Mr. Evins with Mr. Milliken.

Mr. Farbstein with Mr. Miller of New York.

Mr. Green of Pennsylvania with Mr. Andersen of Minnesota.

Mr. Morgan with Mr. Bush.

Mr. Whitener with Mr. Curtis of Missouri.

Mr. Zelenko with Mr. Withrow.

Mr. Fogarty with Mr. Reed.

Mr. JOHNSON of Colorado. Mr. Speaker, I have a live pair with the gentleman from Colorado [Mr. ASPINALL]. If he were present, he would vote "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. VINSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

JOINT COMMITTEE ON WASHINGTON METROPOLITAN PROBLEMS

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (S. Con. Res. 2) continuing the Joint Committee on Washington Problems.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on Washington Metropolitan Problems created by H. Con. Res. 172, agreed to August 29, 1957, is hereby continued through September 30, 1959.

SEC. 2. The joint committee is hereby authorized to make expenditures from February 1, 1959, through September 30, 1959, which shall not exceed $30,000, to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

BOARD OF VISITORS TO THE U.S. COAST GUARD ACADEMY

The SPEAKER laid before the House the following communication, which was read by the Clerk:

HOUSE OF REPRESENTATIVES, U.S.,
COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Washington, D.C., January 31, 1959.

Hon. SAM RAYBURN,
Speaker of the House of Representatives,
U.S. Capitol Building,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to section 194 of title 14 of the United States Code, I have appointed the following members of the Committee on Merchant Marine and Fisheries to serve as members of the Board of Visitors to the United States Coast Guard Academy for the year 1959: Hon. GEORGE P. MILLER,

UNIVERSITY OF MICHIGAN LIBRARIES

California; Hon. ALTON LENNON, North Carolina; and Hon. WILLIAM S. MAILLIARD, California.

As chairman of the Committee on Merchant Marine and Fisheries, I am authorized to serve as an ex officio member of the Board.

Sincerely,

HERBERT C. BONNER,
Chairman.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have asked for this time in order to inquire of the majority leader as to the legislative program for next week. I think I might follow that request for information by suggesting that, of course, next week is Lincoln's birthday which is a matter of tremendous interest to many people on my side of the aisle. In addition, we are going to have a joint session here on Thursday which, I hope, will be attended by as many Members as can be here. With that statement, I would like the gentleman from Massachusetts to tell us what we may expect in the way of a legislative program next week.

Mr. McCORMACK. Recognizing that situation and also recognizing the fact that our Republican friends have special callings or responsibilities next week, I am happy to announce that there will be no business scheduled for next week.

Mr. HALLECK. I thank the gentleman. In other words, we will meet on Monday and go over to Thursday and then go over to the following Monday?

Mr. McCORMACK. We will meet on Monday, but do not hold me on the matter of going over to Thursday, although I expect that will be the situation. I do not want to be committed to that at this time. In the event that some Members have special orders on Wednesday, we would not want to deprive them of that. But that can be worked out on Monday. But, in any event, there will be no business scheduled and Members can govern themselves accordingly.

Except, of course, there is this one reservation—I know of nothing right now, but if anything goes through by unanimous consent they will only be minor matters which will be carefully screened. The Members know that anything that is passed by unanimous consent will be carefully screened by the leadership on both sides and by the ranking member of the committee affected.

Mr. HALLECK. I thank the majority leader for his consideration and cooperation.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mrs. ROGERS of Massachusetts. Will the gentleman tell me what is coming up 1 week from Monday? Has he any program for 1 week from Monday?

Mr. McCORMACK. I would say nothing 1 week from Monday. When I make a promise I keep it.

Mrs. ROGERS of Massachusetts. That is true, I know.

Mr. McCORMACK. I do not want to make a promise, but I think the membership may reasonably govern themselves, that there will be nothing coming up a week from Monday. I do not want to be definitely committed to that, but I think the Members can act accordingly.

Mrs. ROGERS of Massachusetts. The gentleman's word is his bond.

Mr. McCORMACK. I thank the gentlewoman.

IMMIGRATION OF EDUCATIONAL EXCHANGE PERSONNEL

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, this appears to be an appropriate time to explain to the House the policy of the Subcommittee on Immigration and Nationality of the Committee on the Judiciary in immigration cases involving aliens who entered this country under the international educational exchange program or—subsequent to entry—acquired the status of exchange students, exchange trainees, exchange professors, and so forth.

In my opinion, the exchange program is one of the finest manifestations of international cooperation and one of the most useful mutual assistance programs in which this country is engaged. It is an exchange of brainpower, if I may say so, exchange of experience in the technical know-how and in intellectual achievement, implementing most appropriately the military and economic mutual assistance undertakings.

The legal basis for the program is section 201 of the act of January 27, 1948, known as the Smith-Mundt Act, amended by section 402(f) of the Immigration and Nationality Act, the Walter-McCarran Act.

The law authorizes the Secretary of State to provide for interchanges on a reciprocal basis between the United States and other countries of students, trainees, teachers, guest instructors, professors and leaders in fields of specialized knowledge or skill. It further authorizes the Secretary of State to provide for orientation courses and other appropriate services for exchange personnel coming here from other countries and for Americans, or residents of this country, going abroad under the program. The law states further that the Secretary of State shall terminate or limit the educational exchange program with respect to a country which fails or refuses to cooperate in the program on the basis of reciprocity.

Conversely, the participating countries retain the right to terminate or modify the terms of their cooperation with the United States if we do not fulfill the requirements of reciprocal service.

Exchange personnel selected for the purposes of the program are admitted to the United States as nonimmigrants, pursuant to section 101(a)(15) of the Immigration and Nationality Act. For the purpose of easy identification of the terms of their admission, it has been administratively decided to mark their nonimmigrant visas with the symbol "EX."

Mr. Speaker, the international educational exchange program was not very long in operation when an increasing number of exchange personnel—most of them persons with impressive educational background and professional skills in many fields of human endeavor—have undertaken attempts to remain in the United States permanently. Their reluctance to depart from this country in accordance with the terms of their admission and their desire to settle in the United States were obviously prompted or stimulated by the fact that many American institutions of learning, hospitals, industrial corporations, laboratories, and so forth, became attracted to the highly skilled individuals and offered them permanent employment. Quite obviously, the opportunities offered by the prospective employers in the United States appeared much more interesting to the foreign physician, engineer, surgeon, mathematician, nurse, and so forth, as the salaries or other forms of remuneration looked more attractive than what she or he could expect in their own land. Also, some of the EX visitors developed family ties in this country through marriage to U.S. citizens, or to lawfully residing aliens, and not infrequently an exchange student would marry another exchange student whom he met in this country. The birth of children to these couples is similarly a not infrequent event.

Soon, private legislation appeared in the hoppers of the House and the Senate, seeking adjustment of immigrant status in cases of EX visitors where such adjustments were not feasible under administrative procedures.

The number of exchange visitors applying for permanent residence in the United States has markedly increased as the years went by, causing considerable concern first to the foreign governments who sent to the United States for education and training the cream of the crop of their youth, and then to our own Department of State where it was soon realized that to retain the exchange trainees in the United States after the completion of their education, would, of course, have the effect of nullifying the exchange program.

Consequently, in 1955, the Department of State recommended the enactment of a bill which would make it impossible for the exchange alien to remain in the United States without first departing from this country for a certain period of time and spending that

time in his own country. Thus, before returning here, the trainee would be forced to give his own country and his own countrymen the benefit of the knowledge and experience which he acquired in this country.

In supporting this legislation, the Department of State stressed that the EX visitors who fail to return home negate the objectives of the exchange program in which the United States has invested a great deal of money and effort. The Department of State pointed out at that time that as many as 16 foreign countries indicated their intention to withdraw from the program if the United States continued to keep the best of the trainees for its own use, thus depriving the respective countries of their services and voiding all private and public efforts invested in the building up of that priceless capital which human brain and know-how represents in the modern world.

The bill recommended by the Department of State was introduced by the gentleman from Minnesota [Mr. JUDD] and referred to the Committee on Foreign Affairs. It passed the House and the Senate and became Public Law 555 of the 84th Congress—the act of June 4, 1956. Briefly, it provides that a person admitted to the United States under the international exchange program is not eligible to obtain the status of an immigrant admitted for permanent residence until it is established that such person has resided and been continuously physically present in a cooperating country or countries for an aggregate period of at least 2 years following departure from the United States. The law provides for the granting of waivers from this obligatory 2 years' residence abroad, but such waivers may be granted by the Attorney General only upon the request of an interested agency of the United States Government and the recommendations of the Secretary of State if it is found that the granting of such waiver is in the public interest. This provision of the law has been somewhat extended through administrative interpretation so that on rather rare occasions waivers are granted in order to avoid extreme hardship which might be caused by the EX visitor's enforced departure from this country.

Both before and after the enactment of the act of June 4, 1956, the Committee on the Judiciary has not looked with favor upon private relief legislation affecting EX visitors. Its detrimental effect on the international educational exchange program was, of course, quite obvious to us. However, when in a particular case a very strong showing of equities was made to the committee, a Senate bill admitting an EX visitor for permanent residence passed the Senate and the House. On June 3, 1955, the President returned the bill, refusing to approve it and sending a veto message containing this paragraph:

> All of the exchange programs are founded upon good faith. We can maintain them as effective instruments for promoting international understanding and good will only if we insist that the participants honor their commitments to observe the conditions of the exchange in the same way that they expect the United States to honor its obligations to them. On the one hand, exchange aliens must return to the country from which they came. On the other hand, the United States must not permit either immediate reentry or other evasion of the return rule. Otherwise, the countries from which our exchange visitors come will realize little or no benefit from the training and experience received in the United States, and we shall fail to promote good will toward and better understanding of our way of life.

Soon after this veto message was received, three Senators served notice that in an effort to protect the international educational exchange program, they intend to object on the floor of the Senate to every private bill under which an EX visitor would obtain permanent residence in the United States.

Mr. Speaker, the subcommittee of the Committee on the Judiciary which has jurisdiction over immigration legislation shares the views expressed by the President as well as the sentiments voiced in the Senate. My colleagues have authorized me to state that it remains our policy not to act favorably on private legislation of this type. I believe that it is my duty to inform my colleagues in the House that under this policy, private legislation affecting the immigrant status of exchange personnel will not be favorably reported to the parent committee. Consequently, the introduction of such legislation would seem not to serve a useful purpose.

Mr. Speaker, we have to bear in mind that all that existing statutes require is that the EX visitor spend not more than 2 years, in his own country preferably, or in another cooperating country, and that he thus comply with a simple moral obligation to have his countrymen benefit from the experience and education he acquired in the United States. Is not this a truly minimum requirement? And I am sure that compliance with this most sensible injunction could not possibly cause undue hardship to anyone.

It is important to bear in mind that the various American institutions, firms, corporations, and even individuals who desire to secure the services of the skilled alien for themselves, would not be deprived of this benefit for more than approximately 2 years. The enactment of the so-called Walter-McCarran Act, with its section 203(a), under which first preference is granted to highly skilled individuals whose services are needed in the United States, made the admission of the highly skilled alien much easier than was the case under the law previously in effect. In order to facilitate the return of the EX visitor upon his compliance with the 2 years' foreign residence requirements, any American institution of learning, a hospital, a laboratory, even a private firm or an individual, could file with the nearest office of the Immigration and Naturalization Service an application Form I–129, under which such alien, and the members of his immediate family, are granted first preference status under the immigration quota to which they are chargeable. There is every reason to believe that such first preference immigrant visas will be available for the alien so classified and for his spouse and children, if any, by the time he is eligible to return to the United States for permanent residence. Upon making an entry for permanent residence, he will be eligible for naturalization after complying with the other requirements of title III of the Immigration and Nationality Act.

Mr. Speaker, I feel that I have to add to this explanation one note of warning to the EX visitors. I am informed by the Departments of State and Justice that a considerable number of EX visitors file applications for a waiver of the 2 years' foreign residence requirements of Public Law 555 of the 84th Congress not only on the ground that their services are needed in the United States but on the ground that they married United States citizens and on many occasions had even a child, or children, born in the United States.

As I said before, very few administrative waivers are granted and here again the Committee on the Judiciary agrees with the policy of the Department of State refusing to recognize that hardship would ensue in the event that the American spouse, with or without children, would have to spend 2 years abroad or that there will be a relatively short period of separation involved. The warning I wish to give to all concerned is that under existing regulations, the filing of an application for a waiver under Public Law 555 of the 84th Congress automatically terminates the applicant's exchange visitor's status in this country, inasmuch as he obviously states his intention to remain in the United States permanently and therefore cannot be regarded any more as a bona fide EX visitor. It is most important therefore that a great deal of thought be given by everyone before such application is filed.

I hope that my colleagues in the House will readily recognize and share our motives in dealing with the exchange personnel's immigration problems. We simply refuse to contribute to the breakdown of a most useful program which would continue to bring us important moral and material profits only if our investment in it is well protected.

ABUSE OF THE PASSPORT PRIVILEGE

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, I call to the attention of the House an attack on the United States made by an American Communist at the 21st Russian Communist Party Congress.

On February 2, James Jackson, secretary of the Communist Party of the United States, told the Soviet Congress:

> If President Eisenhower could also say, as Nikita Khrushchev did in his report, that in the United States there is not a single political prisoner, then many leaders of the Communist and workers movement of the United States would be able to be present here and to greet the delegates of the Congress.

Mr. Speaker, no one stands more strongly for free speech than I do. I

UNIVERSITY OF MICHIGAN LIBRARIES

think our system is so strong that it can withstand any oral brickbats thrown at it. I believe our diplomacy is effective enough so that we can take in our stride spoken criticism of our foreign policy by American Communists who travel abroad.

But I point out to the House that this American, Jackson, addressed a Soviet body—the Soviet Communist Party Congress—that supposedly sets Soviet Communist Party, and hence Soviet Government, policies. In 1933 the Soviet Government was recognized on the basis of formal agreement by its Foreign Minister that there would be no Moscow directed, or assisted, Communist activity in the United States.

Yet here is an American Communist—James Jackson—who has the insolence publicly to report in Moscow that the American Communist Party "takes part in the daily fight to improve workers."

How did this American speaker to the Soviet Party Congress get to Moscow? James Jackson traveled on a valid United States passport. He was thus entitled to the aid of American officials overseas and to good treatment by foreign governments. Our Secretary of State was unable, as the result of two Supreme Court decisions handed down last June, to deny a passport to Jackson and consequently to keep him from wrapping himself in the protection of the American flag.

Does any Member of this House favor giving a passport to a man so that he can attack the United States before a foreign policymaking body? Does any Member of the Congress favor letting American Communists travel abroad who serve the Soviet Union as espionage agents, couriers, or saboteurs?

Civil liberties are not involved here. Neither are the rights of ordinary American citizens who hold and expound unorthodox beliefs. Subversion is involved. Our officials are compelled today to give passports not only to the Jacksons but to Americans who have acted as Communist couriers and to Americans who have played a part in the theft of our secrets.

No other government does this. We properly do things in the field of human liberty that most other governments do not. But not things that are plainly idiotic. No responsible government assists those who would destroy it, particularly a government with a democratic and equitable system which protects human liberties under a system of law.

James Jackson did not tell the Soviet meeting how many American Communists have seized upon the legal protection of the fifth amendment. He did not say that anyone who is in jail in the United States is there by due legal process. He did not say that many Communists are at liberty because of this process. That would not serve the Soviet purpose.

In addition to Jackson, other persons with known records of Communist affiliations have received passports since last June when the Supreme Court of the United States held that the Secretary of State, under existing law, has no authority to deny passports to members of the Communist Party. Also, I have been informed that a deluge of people with records of Communist affiliations have applied for passports since the Supreme Court's decisions of June last and that applications are still flowing in.

The President of the United States made it clear in a special message to Congress last July that quick action is necessary to protect us from this danger. The following month, the House of Representatives adopted, without a dissenting vote, a measure that would give the Secretary of State, subject to administrative and judicial review, the necessary authority to deny passports to members of the Communist Party. Due to the last minute adjournment rush, this legislation was not considered by the United States Senate.

I have introduced a measure (H.R. 55) dealing with this matter, which is identical to the bill that was passed by the House of Representatives last August. I trust that early action will be taken on this legislation in both the House and the Senate in order to close a serious breach in our defenses.

SOCIAL SECURITY AT AGE 60

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, I am speaking to you today in support of my bill, H.R. 1955, to make full social security insurance benefits available to men and women at age 60.

In doing so, I am urging Congress to take a hard and realistic look at our social-security legislation, and to determine whether it has not perhaps become obsolete in view of today's needs.

This is not a bill to condemn our older citizens to statutory senility at age 60. It is a bill to enable them to look toward their later years with some degree of confidence, to take some of the terrible anxiety out of the aging process.

The fact is that many workers are being forced into retirement, usually against their will, long before they reach age 65. The present social security age requirement makes no allowance for this problem. Social-security insurance beneficiaries must wait until they are 65 to receive payments, even though they have actually had to retire several years before. I say they "had to retire" advisedly, because this is what has happened in most cases. Statistics will bear me out on this. The Social Security Administration made a survey in 1951, which resulted in this important finding: Only about 5 percent of the beneficiaries retired voluntarily while in good health to enjoy their leisure. The rest had lost or quit their jobs for reasons largely beyond their control. More than half the retired workers receiving old-age insurance benefits quit their jobs, but the overwhelming majority of these did so because of poor health. Persons who quit for health reasons, added to those who were forced to retire because they had lost their jobs, brought to more than four-fifths the proportion of beneficiaries who had been forced into retirement.

Consider the plight of the older worker who finds himself on today's job market. There is a lot of pious talk, in government and outside, about how much these people can still contribute to our productivity. This is unquestionably true. Many of our people at age 60 are completely free of the infirmities of age and illness, and most others are still capable of performing some useful work. But try to convince the employer of this. The Federal Government is trying to make some headway in behalf of the older jobseeker, an effort I heartily endorse. There is no question, however, that increasing age is still accompanied by an insurmountable barrier of discrimination. Many employers simply refuse to hire men and women who are approaching old age, or even those who are in their active middle years.

Let us look at some statistics, released by the Department of Labor in 1956 after a seven-area survey of the older worker in the labor market. This report showed that while workers 45 years of age and over comprised 40 percent of the jobseekers in the seven areas, they obtained only 22 percent of the jobs filled by employers during the year under study. Both men and women encountered similar difficulties. Men of 45 or older, representing more than two-fifths of all male jobseekers, received less than one-fourth of all the jobs filled by men. Women in the same age group comprised one-third of the female unemployed, and received only about one-sixth of the openings given to women.

This discrimination can come as no surprise to anyone. It is only necessary to glance through the classified ads of any of our newspapers, to find that age restrictions are listed openly by many employers.

Even when facing job discrimination, many older workers continue somehow to earn a decent living. The average age at which men actually leave their jobs and apply for benefits is over 68, although social security benefits can be collected at age 65. The people we need to think about now are those who, because of advancing years, are not able to find work at all, or who can find only part-time, temporary, or low-paying work which does not assure them of even a subsistence income. These people can and will continue to work whenever possible. But when part-time employment fails to bring in enough, or bad times lead to unemployment, or infirmity destroys their earning power, they should be able to look somewhere for assistance.

There is no need to make them charity cases—an expensive, demoralizing, unimaginative, and totally unsatisfactory solution to the problem. Certainly most of our older workers, who have known the dignity that comes with being self-supporting, do not care to be thrust suddenly into a position of complete dependence on outside support. It makes much more sense to allow them to draw upon their share of social security insurance benefits, to which they have contributed, at a time when they need them.

We are becoming increasingly aware of the need to solve some of our most pressing social problems. We are taking steps to provide inexpensive housing for those who need it, as well as adequate medical care. But for a large group of people who are under age 65, and who are facing compulsory retirement, we are doing very little, indeed. It is fine to tell them that they can look forward to some degree of security when they reach the magical age of 65. It seems to me, however, that this promise is worth very little when the years before must be ones of destitution and privation.

If we sincerely hope to solve some of our society's greatest ills, we cannot afford to approach them haphazardly. A patchwork job, which fails to provide for great areas of need, must be corrected. There is no question in my own mind that a measure lowering the retirement age to 60 would be a major step in developing a sensible and comprehensive social security program.

What I am urging is not new to you. Many others, including myself, have previously endorsed legislation along these very same lines. But no positive steps have been taken, and the suffering of our older citizens has continued to mount. I think time is running out. Generous thoughts must give way to action. There may have been a time when we could afford to procrastinate, but in view of the rapidly expanding number of older people in our country, this is no longer possible. What we have today is an aging, largely urban population, struggling to survive the dislocations and complexities resulting from a growing, expanding economy. If we are to save our older men and women from disease and despair, we must help them in this struggle. And we must help them now.

ONE HUNDREDTH ANNIVERSARY OF THE FOUNDING OF LANSING, MICH.

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, in 1959, the city of Lansing, Mich., commemorates its 100th anniversary.

In a young country like the United States, a 100th anniversary is an important milestone in the history of any city.

But the centennial of a capital city of one of America's greatest industrial States has particular significance. It is a reminder of how the industry of our country has in such a short time brought the United States into world leadership.

It is a time not only for the city to be proud, but for the State and the country to be proud. It is even a time for them all to boast and brag a little of what Lansing's accomplishments mean in the State, National, and world picture.

We are highlighting these achievements in Michigan's capital with a 4-month centennial celebration beginning with the dedication ceremonies on February 16, and I would be delighted to have any of my colleagues attend these programs as my guest.

Climaxing the events to be staged in conjunction with the centennial program during the month of May will be a century of music, a history of transportation parade, and a transportation and industrial show, and in June an outdoor historical spectacular. Before these highlighted events will be others equally as significant, including a centennial fashion show, tree planting, ball, antique show, and many other special events.

The Post Office Department has given a special cancellation to the city of Lansing to be used during the centennial. As the Congressman who proudly represents the Sixth District of Michigan which includes the city of Lansing, I am introducing a bill to provide for the issuance of a special postage stamp to commemorate the city's 100th anniversary.

I trust that my colleagues will support this legislation, and that the members of the Post Office and Civil Service Committee will give it their early and favorable consideration.

SOVIET MILITARY AUTHORITIES IN GERMANY

Mr. CONTE. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Speaker, for 2 days earlier this week the Soviet military authorities in Germany, in a flagrant violation of all legal or moral rights, held up a U.S. Army convoy at Marienborn checkpoint inside East Germany.

This convoy, on its way from free Berlin to West Germany, was traveling on the Autobahn to which our military vehicles are supposed to have free access. The convoy was delayed because the Soviets insisted on the right to inspect the cargo, a right they have never had.

It is clear to all of us, Mr. Speaker, that this was another effort of the Communists to throw the Western World off its guard and to weaken our position in any forthcoming talks on the Berlin and German situations.

We in the West are becoming accustomed to the tactics of threat and blackmail which the Bolshevists have always used to accomplish their ends. We know that we must withstand such pressures with iron nerves and unflinching determination.

Our diplomats and top military leaders, well experienced in dealing with Communist threats and pressures, know how to react to such situations. But I would like to draw the attention of the House today to the one individual in this week's crisis who had to bear, most directly, the tremendous Communist pressure.

That individual was Cpl. Richard C. Masiero, of West Stockbridge, Mass., one of my constituents. As the man in charge of the covoy held at Marienborn, Corporal Masiero had a tremendous responsibility. He was under the strictest orders to show the Soviet officials the manifest orders, but not to let them inspect the cargo. He had to see to it that these orders were scrupulously carried out. He had to be polite but firm with the Red army officials, taking care not to make any chance remarks which might cause a serious incident. It is clear that Corporal Masiero, as he and his men waited for many long hours before their release, was in an extremely delicate position, a position requiring the utmost in courage, patience and careful behavior.

Corporal Masiero discharged his responsibilities in the very finest manner, bringing credit on himself, his family and the U.S. Army. I am personally acquainted with this young man, and I had the greatest confidence that he would successfully handle himself in that precarious situation.

We are all tremendously relieved, Mr. Speaker, that this convoy has been released. But I think that all of us must look with the utmost concern on what is happening in Germany. The present interference with American convoys recalls the same tactics, employed by the Soviets before they imposed the blockade in 1948.

In the months ahead our country and the other Western allies are going to be subjected to tremendous pressure to relinquish our rights of free access to Berlin. The Soviets, through tactics of alternating threat and cajolery, will try to make us abandon our position in free Berlin. We will be threatened with atomic war if we resist, and offered the sugar pill of a U.N.-supervised free city of West Berlin if we acquiesce.

The purpose of these Soviet maneuvers is clear. Once the Western allies have been ousted from Berlin, the Soviets will be in a position to take over that city and incorporate it in their puppet state of East Germany. If they succeed in this venture, the 2,200,000 inhabitants of West Berlin will lose their freedom and be consigned to Communist tyranny. The firm anti-Communist stand of West Germany will be weakened, and the entire North Atlantic Treaty Organization will be undermined—perhaps fatally. The Communists will have won a decisive victory in the cold war.

Mr. Speaker, I have the feeling that our entire Nation is facing this impending crisis with little appreciation of the trying times which lie ahead. Our national mettle may be tried to the utmost.

What we must hope for in the months ahead is that all of us will demonstrate the same courage, calmness, and resolve so well demonstrated by Corporal Masiero and his men at the isolated checkpoint in East Germany earlier this week.

BRILLIANT AND COLORFUL LOUISIANA MARDI GRAS BALL IN WASHINGTON

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman

UNIVERSITY OF MICHIGAN LIBRARIES

from Louisiana [Mr. WILLIS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WILLIS. Mr. Speaker, it is Mardi Gras time again in Louisiana and also in Washington where the annual Mardi Gras Ball presented by the Louisiana State Society here will be staged tomorrow, Friday night, February 6, at the Sheraton Park Hotel.

This brilliant and colorful event is enjoyed by hundreds of persons each year, including many visitors from Louisiana. Honoring the State's sweetpotato industry, the 1959 ball will be the occasion for a pageant in which the king, queen, festival queens, maids, and escorts will form the royal court. The king will be Dr. Julian C. Miller, head of the Louisiana State University Horticulture Research Department and specialist in the development of the famed Louisiana yam as this delicious sweetpotato is popularly known. The queen will be Miss Linda Guidry, of Opelousas, who is also the 1958 queen of the Yambilee held each year in that city. She will be presented by Hon. LYNDON JOHNSON, majority leader of the U.S. Senate.

The festival queens to be presented during the ball, their home addresses, and the festivals over which they reign, are:

Miss Gloria Allen, Leesville, Holiday in Dixie Festival, Shreveport.

Miss Linda Lou Allen, Springhill, Peach Festival, Ruston.

Miss Sally Bisso, New Orleans, New Orleans Spirit of Mardi Gras, New Orleans.

Miss Catherine Bush, Bogalusa, American Legion Festival, Bogalusa.

Miss Carolyn Ann Cherry, Franklin, International Rice Festival, Crowley.

Miss Ann Giordano, Morgan City, Shrimp Festival, Morgan City.

Miss Linda Guidry, Opelousas, Yambilee, Opelousas.

Miss Judy Haydel, Houma, Fur Festival, Cameron.

Miss Barbara Jean Hayden, Kentwood, Florida Parishes Festival, Kentwood.

Miss Sanda Hayes, Lafayette, Louisiana Gulf Coast Oil Festival, Lafayette.

Miss Charlotte Hayman, Bogalusa, Rose Festival, Bogalusa.

Miss Patricia Ann Healy, Covington, Tung Blossom Festival, Covington.

Miss Lillian Hewell, New Iberia, Delcambre Fishing Industry Festival, Delcambre.

Miss Jo Ann Hyde, Robert, Louisiana Market Poultry Show, Alexandria.

Miss Joan LaBorde, Marksville, Louisiana Livestock and Pasture Festival, Marksville.

Miss Marcy Lancaster, New Roads, Louisiana Sugar Cane Festival, New Iberia.

Miss Raedonna Lantz, Egan, Louisiana Farm Bureau Federation Festival, Baton Rouge.

Miss Pauline Lasserre, Lafayette, Southwest Louisiana Mardi Gras, Lafayette.

Miss Phylis LeBlanc, Delcambre, Future Farmers of America, Baton Rouge.

Miss Sanda Lynn Lemoine, Ville Platte, Cotton Festival, Ville Platte.

Miss Gladys Mestayer, New Iberia, Louisiana Dairy Festival, Abbeville.

Miss Tommie Jean Rayburn, Bogalusa, Louisiana Paper Festival, Bogalusa.

Miss Linda Marie Sullivan, Buras, Louisiana Orange Festival.

Miss Sallye Ann Sumlin, Delhi, North Louisiana Delta Festival, Bastrop.

Miss Camille Woodall, Oakdale, Forest Festival, Winnfield.

The maids, or ladies of the court, are Miss Mary Ann Basnight, Silver Spring, Md.; Miss Elizabeth Beyt, St. Martinville, La.; Miss Corinne Boggs, New Orleans; Miss Nina Claire Breaux, Carencro, La.; Miss Judith Rebecca Fletcher, Alexandria, La.; Miss Sandra Lynn Girouard, Kaplan, La.; Miss Tony Landry, New Iberia, La.; Miss Susan Virginia Phillips, Lafayette, La.; Miss Lynn Prescott, Bethesda, Md.; and Miss May Del Tinsley, Point a la Hache, La.

Also to be presented will be Miss U.S.A., Miss Arlene Howell, of Bossier, City, La., appearing through courtesy of Warner Bros. Pictures; and Miss Elizabeth Coit, of Newellton, champion yam cook of Louisiana.

Louisiana's senior Senator ALLEN J. ELLENDER is chairman of this year's Mardi Gras Ball, with President Felix M. (Dan) Broussard, of the Louisiana State Society, in general charge of arrangements, and United States Senator RUSSELL B. LONG, of Louisiana, directing the Krewe of approximately 75 costumed and masked funmakers who contribute much to the merriment and gayety of the event.

Members of the king's committee, from Louisiana, are R. J. Castille, Lafayette, chairman; J. J. Arceneaux, Opelousas; A. D. Miller, Lafayette; State Senator G. A. Ackal, New Iberia; A. A. Gonsoulin, Sunset; Mr. and Mrs. Milton Knox, Lafayette; and Robert Pettit, Lafayette.

Prominent Louisianians who will escort the ladies of the court include Lt. Gov. Lether Frazer, Warren Rabb, Ham Richardson, Paul Wooton, Bobby Baker, Dr. G. A. Ackal, J. J. Arceneaux, A. D. Miller, George Pettit, and Milton Knox. Coach Paul Deitzel, of Louisiana State University, will escort Miss Howell, and Billy Cannon will be the escort of Miss Coit.

Several young men from Louisiana attending school in Washington or assigned to the military service in this area will be among the escorts of the festival queens.

Among the many visitors to Washington to attend the Mardi Gras Ball from my congressional district, are Mr. Branan Beyt, king of the Louisiana Sugar Festival, and Mrs. Beyt; Mr. and Mrs. George Mestayer, New Iberia, parents of the queen of the Louisiana Dairy Festival; Dr. G. A. Ackal, State senator, New Iberia; Mr. and Mrs. Milton Knox, Mr. and Mrs. Jack Hayes, and Jack Francisco, all of Lafayette; Mayor Roy Theriot, of Abbeville; Benny Blakeman, clerk of court, of St. Mary Parish, and Jimmie Willis, of St. Martinville.

Other events, in connection with the Mardi Gras observance, were the king's reception at the Sheraton Park, a dinner and program in the blue room of the Shoreham Hotel, and a luncheon in the former U.S. Supreme Court quarters in the Capitol.

DISASTROUS AIRPLANE CRASH

Mr. LINDSAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LINDSAY. Mr. Speaker, I have just finished sending notes of sympathy to the families of three of my constituents who lost their lives in the disastrous crash day before yesterday of an American Airlines plane at the LaGuardia Airport. The names of the victims are: Edward N. Benjamin, 1155 Park Avenue, John A Hermann, 955 Park Avenue, and Peter Kefalas, 215 West 34th Street—all of New York City.

The tragedy and heartbreak of this event are unspeakable. One of those killed was Edward N. Benjamin, known to me chiefly by reputation as a young lawyer, a member of a leading law firm, and a promising leader of the community. To his widow and his children, and to the families of John Hermann and Peter Kefalas, go the sympathy of the entire community.

The rest of the country has suffered indescribable losses in the same manner.

I am aware and appreciative of the record of American Airlines for safety. Nevertheless, I deem it the responsibility of the Congress to see to it that the examination of the crash, the circumstances, and the reasons are fully and publicly explored.

INTER-AMERICAN RELATIONSHIPS

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 30 minutes.

Mr. SIKES. Mr. Speaker, we are living in a period of history when economic vision is needed as never before. The age-old concept of national self-sufficiency is out-of-date. Our modern needs are so all-comprehensive that we must have close ties with the countries in the whole world, especially countries in our own hemisphere. Our progress and safety in the Western World can only be found in genuine partnership by combining our resources and sharing them for better living in many fields.

One outstanding feature of our Western Hemisphere relations concerns the enlightened longrun self-interest which our countries have usually demonstrated in their international relationships. Never before have we in the Western Hemisphere had such a growing opportunity for consolidating our hemispheric solidarity by applying a greater concept of interdependence to our economic relationships.

Mr. Speaker, on August 20, 1958, I expressed my full support for an Inter-American Bank before this great body. At that time I was concerned over the apparent lack of active support being

shown by the United States for this institution. However, I am glad to say that today the establishment of an Inter-American Bank is more than an idea without concrete proposals.

Since the mid-thirties there have been demands for an institution of this kind which would assist in promoting the economic development and the economic cooperation of the Latin American countries. The Latin American countries are our next door neighbors, and I feel they are ready to accept their responsibility in a cooperative effort for solidarity of purpose among the Americas.

In the past the United States has refused financial support for the proposal. Recently, the policy of nonsupport has changed and we now find that the United States is presently engaged in negotiations with our Latin American neighbors looking toward the establishment of such an institution which would, in the words of the President, "facilitate the flow of public and private capital for economic development projects in this hemisphere and would supplement existing lending arrangements." Inasmuch as these negotiations are now in progress I would not like to prejudice the position of the U.S. negotiators or inhibit our Latin American friends from putting forth specific proposals of their own by making detailed proposals of my own. I do feel, however, that it is both timely and appropriate for me to point out certain aspects of such an institution which I hope will be fully explored in the creation of the proposed bank. I also feel that the American people must be kept aware of developments along these lines and that they be assured the new lending institution will not be just another segment of the foreign-aid program, but that it will be founded on Democratic principles with all of the Latin American countries making appreciable contributions to its capital and that they take an important role in the management of its operations. In the study I have made of the proposal and our policies, I am glad to say that I see a great future for the Inter-American Bank. This contemplates a future not dependent upon the sacrifices of the people of the United States, but a future based on sound principles of business principles through the cooperative efforts of the peoples of the Americas.

During the negotiations which are currently under way, it is my hope that all delegates will bear in mind that the paramount purpose of an inter-American Bank should be to support the economic development of Latin America. There are existing institutions which have, of course, contributed importantly to this function. The International Bank for Reconstruction and Development has assisted Latin America as one part of its total task of assisting the reconstruction and development of countries all over the world. On the national scale the Export-Import Bank has directed much activity toward facilitating investment in Latin America where that investment is directly associated with the export of U.S. goods and services.

The desirability of the new institution in the eyes of our neighbors is that it will concentrate specifically on the problems of Latin America. While the stage of economic development in Latin America varies substantially from country to country, the development problems of the area have many features in common. All the nations in Latin America have passed the earliest stages of industrialization; some of them have attained a high degree of industrialization, though usually in a relatively limited range of goods.

The Latin American countries are unique among the less developed countries of the world. They have a common heritage and have shown a real desire for mutual cooperation in achieving further economic progress. The proposed bank must be built upon this acceptance of the principles of mutual cooperation. With all the member countries' contribution to the capital of the institution and sharing the responsibilities as lender and borrower, I am confident a new sense of continental and hemispheric solidarity will be stimulated.

I believe the new insitution must be differentiated from existing institutions as well in the sense that the provision of technical advice and assistance must play a more important role in the operations of the new bank. As you will recall Dr. Milton Eisenhower and many others have suggested that investment in certain countries of Latin America has lagged because investment proposals presented to existing institutions have shown inadequate preparation. The proposals lacked studies and analyses required to reach a sound judgment relative to the feasibility of the proposed operation. I am referring to the type of study which examines the availability and the cost of raw materials to be used in a given process and the availability and source of necessary power—the type of study which contains an analysis of the potential market and includes forecasts of probable costs and selling prices. Studies of this nature were frequently not available simply because skilled personnel were not readily accessible to the potential borrower. This is an area in which I hope the proposed Inter-American Bank will make a substantial contribution. Such technical assistance will open many opportunities for sound investments which will not only return a profit to the bank or to the private investor undertaking the project, but will contribute in an important way to broadening the base for further industrial and agricultural growth in many areas of Central and South America.

It should be clearly understood by all concerned that the new institution is not intended to supplant any existing lending agency in this field. However, the new institution must seek the full cooperation of these agencies in performing its functions. Perhaps even more important, it should seek to stimulate the flow of private investment capital into Latin America. Latin America enjoys an extremely favorably position from the standpoint of the American private investor. Thirty percent of the total U.S. private investment throughout the world is located in Latin America, and in 1957 alone the value of these investments increased by $1,658 millions.

The new institution will have a vast opportunity to stimulate private capital flow into the Latin American countries. In its early years of operation it should by identifying and removing certain bottlenecks open up profitable opportunities for the employment of private capital. It should also assist in the preparation of sound investment projects and perhaps add its guarantee to sound projects in order to give the private investor greater assurance that his capital will be wisely used.

In considering the many functions of the proposed new bank, consideration should be given to those countries which do not appear to have the capacity to repay foreign loans in a fully convertible currency. I believe, however, those countries might acquire that capacity in the future if they are given access to capital resources and apply them wisely. For this reason, I would favor combining in this institution the power of making loans which would be repayable in the currency of the borrower—referred to as soft loans. Soft loans should be a subordinate part of the total operations of the bank and must necessarily be handled in a manner to prevent any impairment of the value of the institution's assets. Funds for this operation should be kept separate from resources available for hard loan operations with all countries participating contributing to the resources for both operations. With such participation, the institution will be truly inter-American.

There have been many differing views about how large this institution should be. To me, the size of the institution is secondary. The important thing is to establish the institution and put into operation an effective organization for inter-American cooperation. We have witnessed in the past a weakening of relationships with Latin American countries. The proposed Inter-American Bank can be a contributing force to restoring close contact and cooperation among and with our neighbors.

I wish to draw attention to another Latin American problem that has been somewhat overlooked—namely a rise of productivity commensurate with population growth. The population of Latin America today is approximately equal to that of the United States. Her annual increase of 2.5 percent will give her a population well in excess of that of the United States by the year 2000. The needs of this phenomenally growing population is not being met currently by its own production and certainly the needs of the population by the year 2000 will not be met unless its rate of productivity is stepped up. We have noted what remarkable results have been obtained from our investments, but the sad fact remains that even if our investment were to be doubled, the increase in productivity will not be commensurate with the growth of the population nor able to supply their basic needs for consumer goods. If our investments are to achieve the purpose envisioned for them, we must provide the growing Latin American population with a rising per capita real product.

The establishment of the Inter-American Bank which I have consistently

UNIVERSITY OF MICHIGAN LIBRARIES

supported and the increased private investments which can be expected, together with the present assistance programs and institutions will add great momentum to the economic development of the Latin American countries. If this institution is to be a success, it must seek to inspire the confidence of the private investment community in the United States and in other capital countries. It must also inspire the confidence and cooperation of existing institutions working in the same field. And, it must never overlook the fact that it was established for the purpose of promoting inter-American development and cooperation.

Mr. Speaker, I am most encouraged with the progress made toward establishing the Inter-American Bank since my statement in August of last year. While much work remains to be done, I feel we are now approaching the time when such an institution will be a reality. I hope my distinguished colleagues will join with me in urging the early approval of this important institution—important to the economical development of our neighbors, and important to the mutual understanding and cooperation of all the countries of the Americas.

BUDGET BALANCERS VERSUS BUDGET BUSTERS

The SPEAKER. Under previous order of the House, the gentleman from Washington [Mr. MACK] is recognized for 15 minutes.

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include certain tables prepared by the Library of Congress and myself.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, President Eisenhower has proposed a $77 billion balanced budget for the coming year.

I note in the newspapers that some of the President's balanced budget opposition calls this $77 billion balanced budget unrealistic, inadequate, and unattainable. Some budget busters even have denounced it as a pennypinching and a cheapskate budget.

How times have changed. When President Woodrow Wilson proposed the Nation's first billion dollar peacetime budget his was called an extravagant and a spendthrift budget. Now, 40 years later, when President Dwight Eisenhower submits a $77 billion balanced budget it is called a pennypinching and a cheapskate budget.

Unfortunately, too many political spenders in recent years have come to consider a billion or a few billion dollars as a mere bagatelle, as small change and as chicken feed. Seemingly, spenders sometimes forget that every dollar expended by the Federal Government must be raised by taxes and that every one of those tax dollars must be earned by sweat and toil in factories and on farms, in mines and forests, and in offices, warehouses, stores, and workshops. Tax dollars do not grow on trees.

How much is a billion dollars? How much is $77 billion?

A billion dollars is a sum so enormous and gigantic that it is beyond the comprehension and understanding of any man—even an Einstein. Perhaps the average man can better evaluate how much a billion dollars or $77 billions really are by reducing the figures to a per capita basis.

To properly appreciate the magnitude of present-day Federal spending, the average citizen should ask himself "How much is a $77 billion budget going to cost me and cost my family?"

The latest Federal census estimates place the population of the United States at about 176 million. A billion dollars divided among that many people, therefore, represents $5.75 for every man, woman, and child in the Nation. President Eisenhower's balanced budget of $77 billions is 77 times $5.75 or $442 per capita or about $1,768 for every average American family of four persons.

I asked the research department of the Library of Congress how much the President's $77 billion budget amounts to per capita. The Library replied, $442.49 which, I think, because of its source, can be taken as near an official and reliable figure of the budget's per capita cost as is obtainable.

For the Federal Government to collect in taxes just enough to keep the $77 billion budget in balance means an average cost per capita of $442. To provide its share of that tax money the people of a town of 1,000 must dig up next year $442,000 in Federal taxes. The people of a city of 10,000 must make an annual contribution in Federal taxes of $4,420,000, and those of a city of 25,000 population must supply $11,050,000 a year in Federal taxes or almost $1 million a month just to keep the budget balanced.

To call the $77 billion balanced budget a cheapskate or a pennypinching budget is to call the average family whose share of the cost of that $77 billion budget is $1,768 a year a cheapskate family. I do not believe the citizen is going to like that label pinned on him. Mr. Average Citizen, I think, is going to reply that $77 billion is a big enough budget for next year and that Congress ought to find a way to live within it. The average citizen, I am sure, feels that the $77 billion spending proposed by the President should be the maximum for the coming year.

No individual and no business man can continually year after year spend more than his income without ultimately encountering financial disaster. The same principal applies to government.

WHAT EACH STATE MUST PAY

I asked the Library of Congress to inform me how much the citizens of each State must pay, on a per capita basis, to provide the taxes to pay for the $77 billion of spending contemplated by the President's budget.

The Library statistics reveal that of the 49 States that 27 must contribute in Federal taxes next year more than $1 billion each.

New York State's share of the $77 billion budget will be more than $7 billion and California's share more than $6 billion.

The share of the 2,767,900 people of my own State of Washington of the $77 billion just to keep the proposed budget in balance will be $1,225,255,000.

The following table prepared for me by the Library of Congress, shows the cost in taxes of the $77 billion budget to each of the 49 States.

I am inserting in the RECORD the amount of money which will be required from each State in order to balance this budget. It is interesting to note that 28 of the States will have to contribute just to get the budget balanced more than a billion dollars each in taxes: New York State $7 billion; California, more than $6 billion, and my own State of Washington in excess of $1 billion.

I am also inserting in the RECORD the figures showing the cost to each of the 9 counties in my congressional district, the cost for the 332,000 people of the balanced budget which will be $147 million.

I am also inserting the names of the cities and towns in my district and the per capita share of that $77 billion.

Then I will further in my statement enumerate the hidden taxes that are being collected from the people in order to balance the budget.

When the individuals consider that it means $442 for every man, woman, and child in the United States, when they consider the cost to their towns of this budget, I think they will say that they want the budget balanced rather than the budget busted.

[From the Library of Congress Economics Division, Jan. 21, 1959]

Distribution of the 1960 Federal budget among the various States

[In thousands]

Alabama	$1,420,835
Arizona	504,439
Arkansas	781,438
California	6,343,979
Colorado	757,101
Connecticut	1,024,807
Delaware	200,891
District of Columbia	365,054
Florida	1,965,541
Georgia	1,689,428
Idaho	292,929
Illinois	4,375,784
Indiana	2,027,048
Iowa	1,248,708
Kansas	936,309
Kentucky	1,362,869
Louisiana	1,376,144
Maine	421,251
Maryland	1,308,000
Massachusetts	2,151,387
Michigan	3,480,626
Minnesota	1,493,404
Mississippi	967,283
Missouri	1,889,875
Montana	304,433
Nebraska	644,708
Nevada	118,145
New Hampshire	258,414
New Jersey	2,543,875
New Mexico	372,577
New York	7,181,171
North Carolina	2,012,888
North Dakota	287,619
Ohio	4,135,069
Oklahoma	1,011,090
Oregon	784,535

Distribution of the 1960 Federal budget among the various States—Continued

[In thousands]

Pennsylvania	$4,912,082
Rhode Island	387,179
South Carolina	1,063,746
South Dakota	309,301
Tennessee	1,534,998
Texas	4,149,229
Utah	382,754
Vermont	164,607
Virginia	1,741,198
Washington	1,225,255
West Virginia	871,263
Wisconsin	1,742,526
Wyoming	141,597
Alaska	93,365
Hawaii	271,246
Total	77,030,000

(NOTE.—Computed by applying the per capita share of the total budget of $442.49 to the population of the respective States and Territories. Estimated total population on July 1, 1958, excluding Armed Forces overseas, was used in computing the distribution among 48 of the States. Civilian population data for the same date was used in determining Alaska's and Hawaii's share.)

(Sources: "The Budget of the U.S. Government." Fiscal year 1960. Washington, U.S. Government Printing Office, 1959. U.S. Department of Commerce, Bureau of the Census. "Current Population Reports," Series P-25, No. 189, November 13, 1958.)

WHAT CITIES WILL PAY

The average tax load next year of the average citizen to keep the $77 billion budget in balance will be $442.49. On that basis the tax burden on the people of the principal cities of the State of Washington will be:

Seattle, population 575,000, $254,437,000.

Spokane, population 188,500, $83,411,000.

Tacoma, population 157,500, $69,693,000.

SMALLER CITIES

The tax load on the 332,000 residents of my Third Washington Congressional District, which has nine counties, will be $146,900,000 just to keep the $77 billion budget in balance.

The following table shows the population of each of the counties and cities in my district and the approximate share of the budget in taxes that on the average will have to be paid by the people of each of these counties and towns just to keep the Federal $77 billion budget in balance.

	Population	Share of budget
Clark County	83,200	$36,816,000
Camas	5,391	2,385,500
Battle Ground	955	420,000
Vancouver	40,500	17,921,000
Washougal	2,820	1,247,500
Cowlitz County	59,200	26,196,000
Castle Rock	1,350	597,000
Kalama	1,079	477,000
Kelso	8,900	3,938,000
Longview	23,300	10,310,000
Woodland	1,340	592,000
Grays Harbor County	56,700	25,089,500
Aberdeen	20,250	8,960,500
Cosmopolis	1,310	579,000
Elma	1,865	825,000
Hoquiam	11,200	4,956,000
McCleary	1,113	492,500
Montesano	2,603	1,151,000
Westport	1,075	475,500
Lewis County	43,600	19,293,000
Centralia	8,781	3,885,500
Chehalis	5,675	2,511,000
Morton	1,225	590,500
Winlock	975	431,000
Mason County	15,600	$6,903,000
Shelton	5,650	2,500,000
Pacific County	16,100	7,124,000
Ilwaco	585	258,500
Long Beach	710	314,000
Raymond	4,000	1,777,000
South Bend	1,825	807,500
Skamania County	5,300	2,345,000
North Bonneville	675	299,130
Stevenson	753	333,000
Thurston County	48,400	21,417,000
Olympia	17,500	7,743,500
Tenino	870	384,500
Tumwater	3,667	1,622,500
Yelm	460	203,500
Wahkiakum County	3,900	1,725,500
Cathlamet	622	275,000

SOME FEDERAL TAXES NOT IN BUDGET

The $77 billion in the President's balanced budget, which amounts to $442.49 per capita for the Nation's 176 million inhabitants, does not include all the Federal taxes the citizen will be required to pay to keep tax income equal to Federal spending.

The 3-cents-a-gallon tax the citizen pays on gasoline and the 15 cents a pound he pays on tires are items not included in the anticipated income required to balance the budget. The gasoline and tire tax revenue goes into a special trust fund. This fund finances the Nation's highway program.

Nor are social security withholding taxes, paid in part by employees and in part by employers, included in the anticipated revenue required to finance the $77 billion budget. These social security taxes also go into a special trust fund from which social security benefits are paid.

MOST TAXES ARE HIDDEN

Few citizens realize the amount of Federal tax they pay. Many of the largest sources of revenue are in hidden taxes.

The Federal tax on cigarettes is 8 cents a package. The smoker who consumes one package of cigarettes a day in a year pays $29.20 for the privilege of smoking. If his wife also smokes a package a day, the man and wife in a year pay $58.20 in hidden taxes on cigarettes. The smoker does not realize the cost in taxes of smoking because he does not see this tax.

The manufacturer of cigarettes writes the checks to the Federal Government to pay this tax, but the manufacturer collects every cent of that tax from the cigarette smoker at 8 cents a package every time a package of cigarettes is purchased. Federal revenues from the cigarette tax last year totaled $1,668,208,000.

Large corporations are said to pay 52 percent of their profits to the Federal Government in corporation income taxes. But, just as the tobacco manufacturer pays no cigarette tax but merely collects it from the consumer and passes this tax money over to the Federal Government so most corporations merely add corporation income taxes to the price of the goods they sell. The consumers, not the corporation, therefore, pay the corporate income taxes. Most corporations do not pay income taxes. They merely collect these taxes as the cigarette manufacturer does the excise tax on cigarettes, and pass the taxes so collected over to the Federal Government. The corporation income taxes consumers paid, last year, hidden in the purchase price of goods they purchased amount to $20,533,316,000.

Also, all excise taxes on jewelry, cosmetics, automobiles, furs and other items are paid not by the manufacturer, but by the consumer with the producer merely acting as the Government's agent in collecting these taxes.

INFLATION TAXES CONSUMERS

One of the heaviest of unseen taxes that the average citizen pays but seldom analyzes or sees are the taxes caused by inflation—the rising cost of living. This in reality is a capital levy tax that confiscates the reserves the average citizen has laid aside for old age or a rainy day in his bank deposits, his savings and loan accounts, in his insurance policy or in the money he has invested in bonds, government or private.

As an example, let us consider the unseen tax that inflation has levied on those who invested billions of their savings in Government bonds.

A citizen in 1939 invested $75 in a Government bond. In 1949 he could receive $100 for this bond. If he kept his $100 in that bond for another 10 years it would bring him by 1959 in interest and principal a total of $133, less of course his income tax on the $58 in interest he received for the 20 years investment. Seems as if the bond buyer did pretty well on his investment by obtaining $133 for his $75 investment. But did he?

In 1939 a 1-pound loaf of white bread was 8 cents and his $75 that went into a bond would have bought him 937 loaves of bread. Now, however, in 1959 the same loaf of white bread is 19 cents. The $133 he receives for his bond will purchase only 700 loaves of bread. Inflation has robbed Mr. Average Citizen bond buyer of 237 loaves of bread.

In 1939 milk was 12 cents a quart. In that year a $75 U.S. bond would purchase 625 quarts of milk. In 1959 milk is 29 cents a quart and the $133 the average citizen obtains for this $75 investment in a Government bond buys only 459 quarts of milk or 166 less than the $75 would have purchased in 1939.

Leg of lamb was 28 cents a pound in 1939 and is 77 cents a pound today. The $75 invested in a Government bond in 1939 would have purchased 270 pounds of leg of lamb, but at the present-day price of 77 cents the $133 that Mr. Average Citizen now can obtain for his $75 bond is only 173 pounds. The hidden taxes of inflation have taken 97 pounds of meat from his table.

Coffee in 1939 was 22 cents a pound and in 1959 is 70 cents. The $75 invested in a bond in 1939 would have purchased 341 pounds of coffee. Today, the $133 obtained for that bond will buy only 190 pounds of coffee.

If the budget is not balanced the people face either more taxes or more deficits, neither of which are pleasant to contemplate. An unbalanced budget means a bigger and bigger national debt,

UNIVERSITY OF MICHIGAN LIBRARIES

and the bigger that debt the more inflation there will be to rob the savers of the purchasing power of their savings.

The only way to halt inflation is to balance the budget and give assurance the budget will stay balanced. Balancing the budget is the responsibility of Congress for "Congress controls the purse strings."

Most citizens will prefer to join the President and be a budget balancer rather than a budget buster.

SOME AMERICAN GOALS FOR MIDDLE EUROPE THAT ARE IN TUNE WITH OUR TRADITIONS

The SPEAKER. Under the previous order of the House the gentleman from Wisconsin [Mr. REUSS] is recognized for 60 minutes.

Mr. REUSS. Mr. Speaker, Secretary of State Dulles is off to Western Europe, reportedly to see whether we and our Western allies cannot react to the ticking time-bomb of Berlin with some fresh insights and new ideas for a settlement of the problems of Berlin, Germany and, indeed, middle Europe. Many of us on this side of the aisle, who for some time have been calling for bold new approaches in our foreign policy, will welcome any attempt to open the windows and let in fresh air. We want Mr. Dulles to know that if he will get on with the job of ventilation, he can look for much support from the loyal opposition.

It is timely and necessary that the West develop a policy for middle Europe. The Russian military occupation of Eastern Europe is cruel to the human beings who are tyrannized and dangerous to the world. And, to look out from Russian eyes, it was from middle Europe that twice in this century came appalling wars of the world.

Neither side has been particularly willing to consider the position of the other. For all that appears, Western policy is that Russian troops should withdraw back to Russia, whereupon a reunited Germany and a set of liberated captive states should be free to arm to the teeth, to ally themselves militarily with the West, and to glare at Russia with all the hostility of other days.

Russia's policy, on the other hand, has been to bring under its domination, and under communism, lands as far to the west as possible, stopping only where the danger of atomic war appears imminent.

Most recently, on November 27, 1958, came the Russian ultimatum that in May it will assign its authority over East Berlin to the East German government. Coupled with this is the implied threat that the Russians will support with force of arms an East German attempt to swallow West Berlin by cutting off western access to it.

Oh, there have been occasional departures, mostly verbal, from these frozen positions. Bulganin, after the Budapest massacre of 1956, talked about mutual troop withdrawals; Rapacki, of Poland, recently threw out a proposal for a nuclear free zone, accompanied by some reductions in conventional troops; Khrushchev told the 21st Soviet Communist Party Conference last week that he would be willing to withdraw Russian troops from a long list of countries, including Hungary, in a Central European disengagement. And on our side, we had Anthony Eden's plan for a demilitarized zone in middle Europe at Geneva in 1955; Harold Macmillan's recent proposal for a NATO vacuum in the east half of a reunited Germany; and just the other day Secretary Dulles' talk about the need to give thought to Russia's legitimate security interests, and the idea that free elections in a reunited Germany could come somewhat later than as a first step in a middle European settlement.

These little wisps of air are not enough. The Russian people may not know or care where their leaders are taking them, but the American people have a long and respectable tradition of liking to know where they are going in the world. They like their Presidents to sketch out the broad goals at which our foreign policy is aiming, and they like their Congressmen to debate these goals.

It is for this reason, Mr. Speaker, that I suggest today, as I have in this place many times before, that there are certain elements in the American tradition from which we can evolve broad goals for American policy in Middle Europe. For the last century at least, the United States has pursued a policy of peace. Its wars have been wars of national survival, or at least to help free others from foreign tyranny. With some lamentable exceptions, we have stood for human rights and free institutions abroad as well as at home. We have been happily tending to submerge excessive nationalism and to look more toward international cooperation. Above all, and particularly since the splitting of the atom, we have come to recognize that it is part of America's destiny to do what we can to prevent the world from going up in smoke.

The man on the street, Mr. Speaker—yes; and the mother in her kitchen, the student in school, the worker in the factory, the businessman in his office, the farmer in his field—feels in his bones these elements of the American tradition. It should be the task of our leadership to apply these underlying principles to the problem of Middle Europe in such a way as to evolve a set of goals for the American people to mull over.

Consistent with our immediate position of preventing the seizure of West Berlin by the Communists, and of maintaining the NATO alliance, are not the following some reasonable goals of a policy for Middle Europe?

MILITARY

A start toward world disarmament could be made by a partial disarmament in the dangerous area of Middle Europe. This would involve:

First. A troop withdrawal on Russia's side as far as possible, hopefully to her historic borders; on the West's side, by British, French, and U.S. troops from their present positions, probably out of Western Germany, but in any event, only so far as not to place our side at a disadvantage in the light of the Russian withdrawal.

Second. Self-imposed arms limitations by the Middle European states, including a reunited Germany, that emerge when foreign troops are withdrawn. Such limitations would permit forces sufficient for internal policing, and to prevent being a pushover for outside aggression, but would not be attuned for aggressive war. Atomic, biological, and chemical weapons, and missiles, would be eligible for the Middle European prohibited list, as a first step toward wider disarmament. International ground and air inspections, preferably under the United Nations, would be required.

Third. Guarantees from NATO and the Soviet Union, respectively, to resist aggression against, from, or between the countries of Middle Europe.

POLITICAL

The only way in which East and West Germany can become fully reunited, in the ultimate, is by free elections, perhaps supervised initially by the United Nations. But such free elections need not be the first chronological step in a Middle European settlement; before that, for example, a freeing up of exchanges of persons and goods between East and West Germany could take place. While it is probably not realistic to think about internationally guaranteed free elections for the countries of Middle Europe other than a reunited Germany, the removal of Russian soldiery would be a great step forward toward respect for the rights of man and of the citizen.

ECONOMIC

Just as the history of Middle Europe was marred in the period between World War I and World War II by excessive militarism and political totalitarianism, so it was by economic nationalism. A settlement, therefore, should have as its goal the same kind of political federation and economic integration which this country has wisely espoused in Western Europe in the last decade. This deemphasis of nationalism could be the best way of achieving settlements for such knotty territorial problems as the trans-Oder Neisse question. For example, the German claim on these territories might well be relinquished if the attributes of Polish nationalism were removed from the area by arrangements for economic, cultural, and political internationalism.

What would be the advantages to the West of such a military, political and economic settlement for Middle Europe? First and foremost, 80 millions of human beings now under the shadow of the Red army would be freed. Secondly, an area essential to whatever plans of world domination the Kremlin may have would be removed from its control. Thirdly, by placing several hundred miles between Russian and NATO troops, such a settlement would considerably reduce the daily threat of war. I do not suggest that such a settlement would deserve the name of "disengagement," because the main antagonisms between Communist Russia and the West would still remain and need to be dealt with. But each point of hostile contact that can be removed, as in the Austrian peace treaty or the Lacey-

Zaroubin agreement for cultural exchange, seems to me a net gain.

If these are the advantages of a settlement, what are some of the alleged disadvantages of the settlement? And are the disadvantages real?

First. "It would mean the end of NATO." The short answer is that it would mean nothing of the kind. NATO's strategic retaliatory power would be unimpaired. To the extent that it is deemed necessary, American ground forces could continue in Europe. There is surely lodgment for our five divisions in Europe other than in the precise positions they now occupy. Under a genuine settlement, membership in NATO by Germany, reunited but willing to accept arms limitations internationally imposed, would not be a vital matter.

Second. "A reunited Germany is too power-conscious to be successfully neutralized, like Switzerland, Austria, or even Sweden." This confuses arms limitations for a reunited Germany with across-the-board political, cultural, economic, or social neutralization, none of which is desirable or even possible. Let a reunited Germany involve herself in peaceful relationships with the West even more fully than has the present West Germany. This includes the Coal-Steel Community, the Council of Europe, Euratom, the Common Market, and organs of integration as yet undreamed of. At the same time, let Germany look toward the East for a similar set of intimate nonmilitary relationships. And, best of all, let a reunited and partially demilitarized Germany taste what William James called "the moral equivalent of war" by taking the lead in peaceful international aid for the emerging peoples of Asia, Africa, the Middle East, and Latin America.

Third: "Germany, without Western troops stationed on her soil, might turn to Russia." This evokes memories of the Rapallo Agreement after World War I in which Germany reached out toward the East, and of the Molotov-Ribbentrop Pact, under which Russia and Germany in 1939 agreed to carve up Poland. If Germany wants to orient herself toward Russia, there is nothing to stop her from doing so under the present circumstances. In the long run, the best guarantee against German defection from the West is for free institutions to flourish in Germany, divided or reunited.

Fourth. "German membership in NATO, and involvement with Western troops, is a guarantee against the rebirth of German aggressiveness." A line of argument similar to this was made by President Eisenhower at a recent press conference. If German aggressiveness is a danger to be considered, I suggest that a reunited Germany, without atomic weapons and with limitations on other arms, is a safer bet than a Germany armed with atomic weapons, missiles, and whatever else may be in store for a rearmed Western Germany.

Fifth. "The Russians might break their promise and fail to withdraw their troops." Indeed, so they might. But if they did, the West could cease its troop withdrawal then and there.

Sixth. "The Russians, after completing their withdrawal, might choose to reenter middle Europe." Russia is only going to withdraw her troops from the present captive states if she is prepared to sit still for a change in government in those states, so long as it is not a change to a government which can become militarily hostile to Russia. If, then, Russia withdraws her troops, it seems absurd that she would be doing so with the idea of shortly sending them to fight their way back. In any event, to advance the possibility of Russian reentry into middle Europe as reason for not making efforts to get her to withdraw her troops in the first place is to acquiesce in a perpetual Russian occupation.

Seventh. "The Russians, freed of middle Europe, might turn their attentions to Asia, Africa, and the Middle East." In fact, they are turning their attention to underdeveloped areas now, with considerable embarrassment to this country. If the great struggle to be won in Asia, Africa, and the Middle East is—as I believe it to be—one of lifting up the living standards and the hopes of emerging peoples, the West should not be disturbed by the prospect of Russia's bearing part of this burden. Indeed, American taxpayers should be quite pleased by it.

So I submit that the disadvantages of these proposals for a middle European settlement are either chimerical, or are outweighed by their advantages.

The next question is: What can we do about it? Here I must admit that some unfreezing needs to occur on both sides.

On the side of the West, none of the four Governments of the United States, Great Britain, France, or West Germany have been willing to espouse the general ideas inherent in these proposals. Except for a few Republicans like former Senator FLANDERS, of Vermont, their proponents have been largely Democrats—Senator FULBRIGHT, Senator HUMPHREY, some of us in this body. In Great Britain, except for an occasional Tory like Lord St. Oswald, the proponents have been largely members of the Labor Party—Hugh Gaitskell, Harold Wilson, Dennis Healey. In West Germany, except for a few members of the Christian Democratic Union, the proponents have been largely of the Social Democratic Party—Berlin's Mayor Willy Brandt Fritz Erler, and others. The present official French position tends to follow the official German position.

On the side of Russia, her official position has never been openly tested. To the extent that Russia is hell-bent on world conquest, and having the countries of Middle Europe to loot, of course, she will not be interested in a genuine settlement. But a sensible and patriotic Russian, free of megalomaniac fantasies, should be able to see in the proposal much of true advantage to his country. It would reduce the threat of atomic war; it would remove Russia from a precarious position in her satellites; it would provide real assurance against heavily armed and hostile neighboring states; it could open up great new trading areas; and it could allow the diversion to peaceful purposes of resources now used for the military.

I can think of no better way to bring into power in Russia a sensible and patriotic Russian than for the West to place before the bar of world opinion goals like those I have advanced. If Russia rejects them, let her tell the world why.

Mr. Speaker, I have often, in the past, applied to Mr. Dulles' travels the wartime canon: Is this trip really necessary? Here is assuredly one that is.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. JOHNSON of Colorado. The gentleman will recall that the present administration has frequently said that it must seize the initiative. Can the gentleman recall when the administration has reflected this kind of initiative in recent months or recent years?

Mr. REUSS. Certainly not in recent years. I recall an exciting and inspiring speech made by President Eisenhower back in April 1953, in the fourth month of his office, in which he held out hope to the people of the world, hope for peace and hope for peaceful development, and there was a tremendous response to that.

I have been disappointed, as many others have, that recently there has not been this willingness to seize the wonderful possibilities for leadership that have been thrust upon us for constructive and forward-looking purposes. However, I am optimistic by nature, and I am very hopeful that as a result of the current trip of Mr. Dulles and as a result of the negotiations which must come in its wake, there will be evolved a foreign policy for the West, thoroughly agreed in by the governments and the people of Western Germany and Great Britain and France and this country, and our other good friends and allies of the West, so that we can stand for something in Western Europe and Middle Europe and Eastern Europe which is in accord with the principles of justice. If we do that, I think we will be in a splendid moral position.

I think the unhappy necessity which many of us were faced with today in voting on an extension of the draft, and I have just gotten through voting in favor of it myself, though reluctantly, may one day disappear if we will evolve programs which, while they prepare us for the worst, also hold out some hope of better things.

So I say to the gentleman that our record in recent years has been not one of imagination, not of creativity. I know that I speak for the gentleman as well as for myself when I express the hope that these things, too, will pass and that there will come an American position in which Americans of all creeds and classes and races and political parties can join.

Mr. JOHNSON of Colorado. I think it is very valuable that a Member of this House should be proposing and espousing such constructive alternatives. I, too, have listened to the very fine speeches the administration has made during the 6 years it has been charged with carrying out its foreign policies, but I agree with the gentleman when I

UNIVERSITY OF MICHIGAN LIBRARIES

recall a phrase which my mother used to use. She said, "What you do speaks so loudly I cannot hear what you say."

What has depressed me and what has caused some of my friends this afternoon to feel so critical of the administration with respect to its military policy is that it frequently seems so devoid of a constructive and creative foreign policy. I trust the words which the gentleman from Wisconsin has spoken will be noted favorably and will help to influence the administration in a constructive way. Certainly if there is to be a realization of the hopes which were first set forth in the Atlantic Charter to reduce the crushing burden of arms it must come first of all by the relief of tensions which have made necessary the extension of the draft which was voted here this afternoon. I hope that in the months ahead if not in the years ahead, but in the months ahead, we shall see further evidences of this kind of creative policy on the part of the administration, not merely on the part of this House.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. HALLECK. I have listened with considerable interest to what the gentleman has said. Of course, there are many problems confronting the country. I just listened to the gentleman's observations concerning the foreign policy of this country over the last 6 years. I had not intended to say anything. The time is late and there are very few Members here. But I cannot refrain from saying that when President Eisenhower took over the Presidency of this country and his administration came to power we were at war. That war has been ended. There have been no new wars since that time in spite of the fact that there were many opportunities for this country to get into war. In those 6 years the defensive strength of this country has been built up stronger than it has ever been before. We have brought a war to an end and we have kept it with honor. What better test of a foreign policy can there be? I just wanted the record to show that at this point.

Mr. REUSS. I thank the gentleman. I wish he could have refrained from saying that because the effort on this side was to try to be constructive and to try to show that new ideas and new leads by the Republican administration and by the Secretary of State would get support from this side, and, as the gentleman knows, I am ready to support those whenever they are forthcoming.

Mr. HALLECK. I appreciate that but will not the gentleman agree with me that the remarks just made when he yielded to his colleagues heretofore were certainly critical of the administration and its foreign policy and its defensive posture?

Mr. REUSS. Well, I do not know that it is profitable to agree or to disagree. I recall saying a moment ago that the President in 1953 threw out some creative and constructive new ideas in foreign policy which I thought had had a great effect throughout the world to enhance the position of the United States. I regret that there has not been more of them. If that is criticism I know that the gentleman will, and has, made the most of it.

THE SOCIAL SECURITY EARNINGS LIMITATION

The SPEAKER pro tempore (Mr. STEED). Under previous order of the House, the gentleman from Ohio [Mr. LEVERING], is recognized for 15 minutes.

Mr. LEVERING. Mr. Speaker, I have today put into the House hopper a bill to amend title II of the Social Security Act to remove the existing limitation upon the amount of outside income which an individual may earn while receiving benefits under the act.

During my campaign for election to Congress, I promised my constituents that, if elected, I would introduce such legislation and would do everything in my poor power to see that the social security law is changed. I found this to be a popular issue, Mr. Speaker, because many, many individuals in my district are wage and salary earners, as well as farmers, and they feel keenly that they should not be penalized, upon reaching retirement age, by having to make reports upon what little outside earnings they may garner by part-time work.

This is an important bill not only to hundreds of thousands of persons who already are retired and are enmeshed in social security redtape because they must supplement their social security receipts by working at other jobs, but it will be important in the future to millions who are yet to retire.

Senator J. W. FULBRIGHT, Democrat, of Arkansas, the new distinguished chairman of the Senate Committee on Foreign Relations, who recently introduced a bill similar to mine, declared:

> It is my view that this limitation is unrealistic and absurd and should be removed by Congress.

I share that view exactly.

As we know, the retirement eligibility age for women who are covered by social security is 62, if they so choose, and for men the retirement age is 65. Under the law as it now stands, if a person earns more than $100 in any one month, he is penalized to the extent that he must pay back the money that social security brought to him in that month.

Notice that I used the word "earn." It is a glaring weakness in the law, and in my judgment a great injustice, that a person may collect in dividends an unlimited amount each month, or each year, and still collect his social security. In other words, if a person is a millionaire, and does not need social security, he is virtually forced to take it and is not penalized in any way because of any fictitious or involved earning limitation. The same is true if the person owns a business from which he might take unlimited profits. Yet, this same man could get his full social security payments each month and not have to go through the rigamarole of making a report of it to the social security office.

This provision of the law must cost millions of dollars a year, altogether, merely to administer, for clerical assistants, paid by Uncle Sam, must answer questions from hundreds of thousands of persons a year who may be affected by this obscure regulation. I know that it is about as discriminatory a law against the people of moderate means as you could imagine, for the only people who are affected by it are people who—forced by need—must supplement their meager social security allowance by working extra, either part time or full time.

There are some who say that we should not remove the limitation entirely, but that the limitation should be $2,000 a year, or $3,000 a year, or some other specific sum. Yet, these same advocates would put no ceiling at all on the earnings which a man may receive from his investments, or from a business he might own, to prevent him from getting his full share of social security payments. If there is to be no limitation for this or that group in the society, Mr. Speaker, I would like to know how, in all justice and fairness, we can put a limitation on any group, or individual, in relation to the money he is to be paid by social security? In simple equity and justice, I cannot see the point of those who merely want to raise the limitation. My legislation, if enacted, would remove this sore spot from the social security law once and for all.

It is verifiable, Mr. Speaker, that while some poor woman over the retirement age is being penalized because she earned slightly more than the limit as a scrubwoman in Chicago, or some other city, the widows of millionaires, living in Palm Beach or elsewhere, collecting stock dividends running into the thousands of dollars a month—or week—are eligible to receive, and do receive, their full social security payments. The contradiction of this—and similar examples—should spur us into action to do away with this discriminatory and unfair earnings limitation at the earliest possible moment.

Why should there be any limits on the earnings of an elderly person who is collecting his social-security payments and yet still wants to make a contribution to this society? I can understand why, 20 and 30 years ago, when full employment was not a set objective of the Federal Government, men and women might have been encouraged to retire. But today, at a time when this Nation needs the production—the goods and services—of everyone, and when it is our declared national policy to keep employment at a maximum, there is something anomalous—yes; ridiculous—about putting a ceiling on the earnings of workers collecting social security, while not putting any restraints whatsoever on millionaires, and those who are rich but may not be millionaires, and how much they can collect from rentals, dividends, interest, or otherwise.

I am not, you understand, objecting to the fact that there is no limit to what a rich man—off his savings—can earn and remain eligible to receive his social-security payments. This is his right. But I object strenuously, in the name of every elderly person who has been penalized by this provision of the social-security law, or those who may be penalized in the future, against retaining this part of the law on the statute books.

It is not good morals. It is not good economics. And it is not good sense, as I deeply believe that anyone who will think it through will agree.

USE OF ALCOHOL IN MOTOR FUELS

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Iowa [Mr. JENSEN] is recognized for 20 minutes.

Mr. JENSEN. Mr. Speaker, I have today introduced a grain alcohol bill, just as I did during the last two sessions of Congress, which provides that all motor fuel shall after 18 months from date of passage, contain 5 percent alcohol made from surplus farm commodities.

Senator KARL MUNDT, of South Dakota, has done likewise, and I am informed that other Congressmen will during this session introduce companion bills, because they, like a great majority of our farmers and other citizens, have now come to the full realization that there is no other way that can be devised to reduce our tremendous, costly, price-depressing farm surpluses, or at least without putting our farmers in a Federal straitjacket.

The present farm program which has been altered and realtered year after year has long ago proven its ineffectiveness in reducing surpluses, so detrimental to a prosperous agriculture over the long pull. It has piled surplus upon surplus to the tune of over $8 billion at the present time, which might be tolerated if good results were in sight.

It has been of little benefit to the family sized farmer, and has reflected to the detriment of many small town merchants irrespective of the millions poured into most every county to pay the farmers for not raising certain crops, forcing millions of farmers to fertilize to the hilt in order to raise enough cash crops on their reduced acres to pay for ever higher and higher manufactured goods, operating costs and higher and higher taxes, and while grain prices were being forced down and down.

Oh, yes; livestock prices have during the past 2 years been pretty good, but I ask what will happen when meat production catches up with consumption, and that time is almost here?

Now let us take a look back for the purpose of seeing why we have had this farm problem with us these many years.

Before the advent of the iron horse, trucks, tractors, autos, and many other modern gasoline burning devices, our flesh and bone horses and mules ate the production of over 43 million acres of our land. Please compare that amount of acres with the acres we have been trying by law to take out of production with a farm program, most of which is still in effect today. There is one effective solution, and only one solution to the farm program which will stabilize our farm income on a higher level, and in turn our national economy, and that is by making law the bill we have introduced.

Please remember always that our farmers buy on an average over twice as many dollars' worth of manufactured goods—costly trucks, tractors, farm machinery, lumber, posts, wire, and so forth—when his dollar is worth 100 cents at the counter, year after year, than does the average other Americans. So, it is plain to see that labor and business benefit proportionately over the years according to the ability of our farmers to buy.

Following is the full text of our bill:

A bill to amend title II of the Agricultural Act of 1956 so as to provide for the utilization of surplus agricultural products through the use in motor fuels of alcohol manufactured from agricultural products grown on farms in the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Agricultural Act of 1956 (relating to disposal of surplus agricultural products) is amended by inserting at the end thereof a new section as follows:

"USE IN MOTOR FUELS OF ALCOHOL MANUFACTURED FROM AGRICULTURAL PRODUCTS

"SEC. 213. (a) As used in this section—

"(1) The term 'agricultural product' means any agricultural product grown on farms within the United States.

"(2) The term 'motor fuel' means any petroleum product (including gasoline, kerosene, naphtha, benzine, and crude oil) which (A) has a specific gravity of thirty-six degrees or above, Baumé scale, and (B) is suitable for use as fuel in an internal-combustion engine.

"(3) The term 'United States' means the various States of the United States, the Territory of Hawaii, and the District of Columbia.

"(b)(1) Beginning six months after the effective date of this section, it shall be unlawful for any person to sell motor fuel in interstate or foreign commerce unless at least 2 per centum, by volume, of such motor fuel is alcohol manufactured from agricultural products.

"(2) Beginning eighteen months after the effective date of this section, it shall be unlawful for any person to sell motor fuel in interstate or foreign commerce unless at least 5 per centum, by volume, of such motor fuel is alcohol manufactured from agricultural products.

"(3) Any person violating the provisions of paragraph (1) or (2) of this subsection shall, upon conviction thereof, be fined not more than $1,000 or imprisoned for not more than one year, or both. Each sale of motor fuel in violation of paragraph (1) or (2) of this subsection shall constitute a separate offense.

"(c) Subsection (b) of this section shall not apply to sales of motor fuel during any period prescribed in a proclamation by the President declaring that, for purposes of this section, agricultural products from which alcohol is produced are not in surplus.

"(d) This section shall take effect on the first day of the first month which begins more than ten days after the date of its enactment."

Now let us see what the effect of this bill would be if made law. I shall be as brief, positive and as accurate as I possibly can by using facts and figures obtained from interested Federal agencies and from other responsible sources.

A 5-percent alcohol mix in all motor fuel would consume annually at the present rate of motor-fuel consumption over 700 million bushels of grain.

The feed value of the mash after alcohol has been extracted is about 40 percent of the original grain, hence our grain surpluses would be reduced over 400 million bushels annually after sufficient plants get into operation, which is estimated to take a period of 18 months.

The Commodity Credit Corporation has now about 2 billion bushels of corn and wheat in storage. We are told that we should have about 400 million bushels of wheat and 400 million bushels of corn in our ever-normal granary at all times to insure a plentiful supply in case of a severe reduced production caused by drought, and to use in the event of any national emergency. Hence we now have about 1,200 million bushels of these grains in surplus supply, which is costing hundreds of millions of dollars to store annually in addition to the first cost, and which is depressing all grain prices; and will in due time bring all livestock prices down in line with grain prices, because the law of supply and demand will always operate to a very marked degree regardless of any artificial controls or laws enacted by the Congress of the United States so long as our free enterprise system is permitted to operate.

If the time should ever come when supply and demand is stopped from operating, our American liberties under the free, private enterprise system, will be no more, for then some form of dictatorship will be our lot. And let us never forget that farming is yet the greatest of all free private enterprises in our land.

Under the provisions of our bill it is plain for all to see, who want to see, that its enactment into law would immediately begin to stabilize farm income on a higher level, reduce the price-depressing, costly surpluses to nil in a few years, and yet keep our grain surpluses on a safe, ever-normal granary level.

During World War II a number of grain alcohol distilling plants were built by the Government to produce artificial rubber and other materials for our military needs, but immediately after that war ended these plants were shut down, or disposed of, and during that time we learned that commercial alcohol could be produced economically. We learned that from a bushel of low-grade soft wheat 2½ gallons of alcohol could be processed, and that today, from a bushel of low-grade corn, costing the processor $1.25 per bushel, grain alcohol, or agrol as it is called, can be manufactured for 45 cents per gallon after selling the residue for stock feed. Alcohol from wheat would cost a little more per gallon, because of the first cost being a little more.

Now I am quite sure the processor could make a good profit by selling his agrol to the retail dealers for 65 cents per gallon, and I am also quite sure the retail dealers would be glad to sell it for 80 cents per gallon.

A 5 percent agrol mix would mean one-twentieth part of such motor fuel, and one-twentieth of 80 cents is 4 cents. And we know by experience that regular gasoline mixed with alcohol gives you equal or more miles per gallon than does straight high grade gasoline, which costs from 3 to 5 cents more than regular gasoline. Every racing car, every racing speed boat, and every jet plane uses an alcohol mix in their motor fuel now. Many nations have laws requiring that all motor fuel contain alcohol made from

UNIVERSITY OF CALIFORNIA LIBRARIES

farm crops. Few did so, however, to reduce crop surpluses, but because of the high cost of gasoline there, primarily due to a shortage of gasoline. Brazil is an exception. A number of years ago Brazil had a great oversupply of sugar, hence sugar prices, one of their main crops, was causing a greatly distressed agricultural and in turn a depressed national economy; what did they do? They passed a federal law which provided that all motor fuel must contain at least a 10-percent mix of alcohol made from their surplus supply of sugar, and it had the immediate effect of not only making their farmers much more prosperous, but also it had the overall effect of helping to stabilize their entire economy. And that is how unrest in Brazil was brought to nil and is yet thus.

Now you may ask, What are we waiting for?—and justly so. Here is the answer in a few words. I will go back to 1935 when six Members of the House and Senate introduced identical bills as Senator MUNDT's and mine, with the exception that their bills provided for a 10-percent agrol mix in all motor fuel. But lo and behold, then, as now, a number of the large oil and gas producers of our Nation, because of selfish reasons, brought concerted pressures on Members of Congress from oil-producing States, who even at that early date were powerful enough in the Halls of Congress to not let such a bill out of committee, and to this day such a bill has not been voted out of committee; and hence to the floor of either House for a vote by the representatives of the people. For example, during the last session of Congress I asked one of the top members of the House Agriculture Committee in charge of such bills, who is from the State of Texas, if Senator MUNDT and I could be heard on our bill before his committee. He said "Sure," but he boldly told me to my face that he would have to oppose the bill because a lot of oil is produced in his State. Those were his exact words. My question was, How long will those people keep their heads in the sand? Then in 1958, to add insult to injury, the two chemists, or so-called mineral engineers, who were loaned to the President's Commission by their employers of huge oil-producing interests, to look into and recommend new industrial uses for farm products, wrote in the Commission's report to Congress, in short, that a 5-percent agrol mix in motor fuel would operate to the detriment of motor fuel; which is pure hogwash. And that a 10-percent mix would consume annually about 2 billion bushels of grain, which was more than we would be justified in using for that purpose.

Now I ask, How long will Congress and the American people take this kind of business from selfish interests, who should know that we are all in the same boat with our farmers in any economic storm, and that finally all will suffer or gain almost equally, one with the other? Time is rapidly running out for us to save ourselves from the same fate that has befallen every nation of this world that refused to heed the danger signals ahead.

Should our bill become law you would soon see agrol distilling plants spring up in many, many sections of our country, especially in the breadbasket of America, financed by private investors, and by farm-owned corporations, giving employment to thousands upon thousands of folks who are now seeking employment. Especially would such plants be a godsend to many of our farmers and their sons who have time in the off seasons from fieldwork to take employment close to home, and who want to stay on their family-sized farms.

In conclusion we invite every Member of Congress who is interested in stabilizing our farm economy on a higher level, and in turn our national economy, to introduce and support a like bill as Senator MUNDT and I have introduced, and which I have just explained in some detail. We hope that thoughtful people everywhere will think seriously and, after doing so, will come to the aid of their country by letting their U.S. Representatives and Senators know exactly their position on this important, proposed legislation.

GERMAN COAL EMBARGO

Mr. DOWNING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. DOWNING. Mr. Speaker, the Bonn Government proposes to admit a certain tonnage of American-produced coal free of tariff after February 16 of this year. When the free quota is exhausted, West Germany has served notice that a tariff of $4.76 per ton of American coal will be charged.

I have protested the unfairness of this situation to our Secretary of State and in the press. This is not a one-man crusade. Other Members of this House have lodged like protests. Protests have come from union leaders, mine operators, railroad presidents, men in charge of dock facilities, and from shipowners.

If the German market should be closed to American coal—and it would be if the Bonn Government persists in its unfortunate course—thousands of Americans would be thrown out of work.

It is my hope and prayer that the Bonn Government will understand our plight and reverse itself. It can—with honor.

In the event that West Germany stands firm, it should be wise to prepare counteraction. This country has been flooded with imports of small German cars. These automobiles seriously compete with, and impede the sales of, American cars.

Mr. Speaker, after much thought on this subject, I suggest that the proper committee of this House study the possibility of legislation which would raise the existing tariff on German-made automobiles.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FARBSTEIN (at the request of Mr. MULTER), for Thursday, February 5, 1959, on account of illness.

Mr. TEAGUE of Texas (at the request of Mr. KILDAY), through February 15, on account of official business.

Mr. MILLIKEN (at the request of Mr. HALLECK), for Thursday, February 5, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. SIKES, for 30 minutes, on next Thursday.

Mr. JENSEN, for 20 minutes, today.

Mr. REECE, of Tennessee, for 20 minutes, on Monday next.

Mr. SIKES, on Wednesday next, for 15 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. KEE.

Mr. UDALL and to include extraneous matter.

Mr. PELLY.

Mr. BOSCH.

Mr. DENT in two instances and to include extraneous matter.

Mr. VAN ZANDT in two instances and to include extraneous matter.

Mr. GEORGE P. MILLER and include extraneous matter.

Mr. BOWLES (at the request of Mr. McCORMACK) and include extraneous matter.

Mr. ROUSH (at the request of Mr. McCORMACK).

Mr. BLATNIK (at the request of Mr. McCORMACK) and include extraneous matter.

Mr. ROOSEVELT (at the request of Mr. LEVERING) and to include extraneous matter.

ADJOURNMENT

Mr. LEVERING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 13 minutes p.m.) the House, pursuant to its previous order, adjourned until Monday, February 9, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

517. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, relative to reporting that the administrative expense authorization of the Commodity Credit Corporation for the fiscal year 1959, had been apportioned on a basis indicating a need for a supplemental estimate of administrative expense authorization because of increased pay costs, pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 665); to the Committee on Appropriations.

518. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting a report entitled "Report on Borrowing Authority" for the quarter ending September 30, 1958,

pursuant to the Defense Production Act as amended; to the Committee on Banking and Currency.

519. A letter from the Comptroller General of the United States, transmitting a report on the review of the aircraft engine overhaul pipeline in the Department of the Navy; to the Committee on Government Operations.

520. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to establish a Commission on Equal Job Opportunity Under Government Contracts"; to the Committee on the Judiciary.

521. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered under the authority contained in section 13(b) of the act as well as a list of the persons involved, pursuant to section 13(c) of the act of September 11, 1957; to the Committee on the Judiciary.

522. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212(d)(3) was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

523. A letter from the Secretary of Health, Education, and Welfare, transmitting legislative proposals pertaining to the message of the President on civil rights, dated February 5, 1959; to the Committee on Education and Labor.

524. A letter from the Attorney General, transmitting legislative proposals pertaining to the message of the President on civil rights, dated February 5, 1959; to the Committee on the Judiciary.

525. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "a bill to amend the International Organizations Immunities Act, Public Law 291, 79th Congress"; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H.R. 4146. A bill to amend chapter 71 of title 38, United States Code, to permit judicial review of decisions of the Board of Veterans' Appeals in compensation and pension claims; to the Committee on Veterans' Affairs.

By Mr. BROCK:

H.R. 4147. A bill to establish the Rural Electrification Administration as an independent agency, and for other purposes; to the Committee on Agriculture.

By Mr. BROOKS of Louisiana:

H.R. 4148. A bill to authorize the National Aeronautics and Space Administration to indemnify its contractors against nuclear and other unusually hazardous risks, to limit the liability of contractors so indemnified, and for other purposes; to the Committee on Science and Astronautics.

By Mr. CELLER:

H.R. 4149. A bill to amend the Bankruptcy Act to authorize courts of bankruptcy to determine the dischargeability or nondischargeability of provable debts; to the Committee on the Judiciary.

H.R. 4150. A bill to amend the Bankruptcy Act to authorize courts of bankruptcy to determine the dischargeability or nondischargeability of provable debts; to the Committee on the Judiciary.

H.R. 4151. A bill to authorize the Judicial Conference of the United States to promulgate minimum standards of qualifications for probation officers; to the Committee on the Judiciary.

H.R. 4152. A bill to amend the Clayton Act by prohibiting the acquisition of assets of other banks by banks, banking associations, or trust companies when the effect may be substantially to lessen competition, or to tend to create monopoly; to the Committee on the Judiciary.

H.R. 4153. A bill to amend section 2412(b), title 28, United States Code, with respect to the taxation of costs; to the Committee on the Judiciary.

H.R. 4154. A bill to amend section 3238 of title 18, United States Code; to the Committee on the Judiciary.

H.R. 4155. A bill to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks where the effect may be substantially to lessen competition, or tend to create a monopoly; to the Committee on Banking and Currency.

H.R. 4156. A bill relating to the transcribing of the stenographic record of pleas and proceedings in connection with the imposition of sentence in criminal cases; to the Committee on the Judiciary.

H.R. 4157. A bill to increase the fees of jury commissioners in the U.S. district courts; to the Committee on the Judiciary.

By Mr. CELLER (by request):

H.R. 4158. A bill to amend sections 1(29a), 64a(5), 67b, and 67c of the Bankruptcy Act, and for other purposes; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 4159. A bill to provide for the issuance of a special postage stamp to commemorate the centennial anniversary of the founding of the city of Lansing, Mich.; to the Committee on Post Office and Civil Service.

By Mrs. CHURCH:

H.R. 4160. A bill to provide for the conveyance of certain lands known as the Des Plaines Public Hunting and Refuge Area to the State of Illinois; to the Committee on Armed Services.

By Mr. CLARK:

H.R. 4161. A bill to amend sections 6301 and 7701 of the Internal Revenue Code of 1954 to authorize the Secretary of the Treasury to enter into agreements with the several States under which the States will act as agents of the United States for the collection of taxes upon gasoline, diesel and other fuel, and lubricating oil; to the Committee on Ways and Means.

H.R. 4162. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COLLIER:

H.R. 4163. A bill to insure effective regulation of D.C. Transit System, Inc., and fair and equal competition between D.C. Transit System, Inc., and its competitors; to the Committee on Interstate and Foreign Commerce.

By Mr. DULSKI:

H.R. 4164. A bill to amend the Civil Service Retirement Act to provide that any portion of the annuity of a civil service retiree accrued to the date of his death be paid to his designated beneficiary or to his estate; to the Committee on Post Office and Civil Service.

By Mr. FINO:

H.R. 4165. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for income tax purposes of commutation fares paid by an individual in traveling to and from work; to the Committee on Ways and Means.

By Mr. HALEY:

H.R. 4166. A bill to provide for national cemeteries in the county of De Soto, Fla.; to the Committee on Interior and Insular Affairs.

By Mr. HEMPHILL:

H.R. 4167. A bill to provide for the increased use of agricultural products for industrial purposes; to the Committee on Agriculture.

By Mr. JENSEN:

H.R. 4168. A bill to amend title II of the Agricultural Act of 1956 so as to provide for the utilization of surplus agricultural products through the use in motor fuels of alcohol manufactured from agricultural products grown on farms in the United States; to the Committee on Agriculture.

By Mr. KEARNS:

H.R. 4169. A bill to establish a Commission on Equal Job Opportunity Under Government Contracts; to the Committee on the Judiciary.

By Mr. MACK of Illinois:

H.R. 4170. A bill to amend the Davis-Bacon Act to make it applicable to certain contracts under which a building is to be constructed or altered and leased to the United States; to the Committee on Education and Labor.

By Mr. MICHEL:

H.R. 4171. A bill to amend section 3 of the Small Business Act with respect to the definition of "small business concern"; to the Committee on Banking and Currency.

By Mr. MOORE:

H.R. 4172. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

By Mr. MORRIS of New Mexico:

H.R. 4173. A bill directing the Secretary of the Interior to convey certain property in the State of New Mexico to the pueblo of Santo Domingo; to the Committee on Interior and Insular Affairs.

By Mr. RODINO:

H.R. 4174. A bill granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H.R. 4175. A bill granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents; to the Committee on the Judiciary.

By Mr. ADDONIZIO:

H.R. 4176. A bill granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents; to the Committee on the Judiciary.

By Mr. BARRY:

H.R. 4177. A bill to amend title 23 of the United States Code, relating to highways, in order to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. BATES:

H.R. 4178. A bill to amend the Internal Revenue Code of 1954 so as to permit railroad corporations to take full advantage of tax relief measures enacted or granted by the States and their political subdivisions; to the Committee on Ways and Means.

By Mr. BOSCH:

H.R. 4179. A bill to amend section 601(a) of the Federal Aviation Act of 1958 to require the Administrator of the Federal Aviation Agency to issue certain regulations concerning air traffic at La Guardia and New York International (Idlewild) Airports in the State of New York, and Newark Airport in the State of New Jersey; to the Committee on Interstate and Foreign Commerce.

H.R. 4180. A bill to amend section 902(a) of the Federal Aviation Act of 1958, so that the penalties provided therein will apply to violations of civil aeronautics safety regulations; to the Committee on Interstate and Foreign Commerce.

UNIVERSITY OF MICHIGAN LIBRARIES

H.R. 4181. A bill to amend section 32 of the Trading With the Enemy Act, as amended, so as to permit the return under such section of property which an alien acquired by gift, devise, bequest, or inheritance from an American citizen; to the Committee on Interstate and Foreign Commerce.

By Mr. BOWLES:

H.R. 4182. A bill to provide an appropriation of $6,565,000 for the construction of certain facilities at the U.S. Coast Guard Academy; to the Committee on Appropriations.

By Mr. BURNS of Hawaii:

H.R. 4183. A bill to provide for the admission of the State of Hawaii into the Union; to the Committee on Interior and Insular Affairs.

By Mr. CAHILL:

H.R. 4184. A bill to provide for the construction of a new Veterans' Administration hospital in southern New Jersey; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H.R. 4185. A bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States; to the Committee on the Judiciary.

H.R. 4186. A bill to amend section 3731 of title 18 of the United States Code relating to appeals by the United States; to the Committee on the Judiciary.

By Mr. CLARK:

H.R. 4187. A bill to amend the Internal Revenue Code of 1954 to permit the States to make refunds of the Federal tax on gasoline in cases where such gasoline is used on a farm for farming purposes; to the Committee on Ways and Means.

By Mr. CRAMER:

H.R. 4188. A bill declaring October 12 to be a legal holiday, to be known as Columbus Day; to the Committee on the Judiciary.

By Mr. DANIELS:

H.R. 4189. A bill granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 4190. A bill to provide for the establishment of a commission to conduct a national referendum on the question of Federal lotteries, and for other purposes; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 4191. A bill relating to the observance of holidays occurring on Saturdays; to the Committee on the Judiciary.

H.R. 4192. A bill to prohibit the examination in District of Columbia courts of any minister of religion in connection with communications made by or to him in his professional capacity, without the consent of the parties to such communications; to the Committee on the District of Columbia.

By Mr. GALLAGHER:

H.R. 4193. A bill granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents; to the Committee on the Judiciary.

By Mr. HALEY:

H.R. 4194. A bill to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances; to the Committee on Interstate and Foreign Commerce.

By Mr. HIESTAND:

H.R. 4195. A bill to amend title II of the Social Security Act to increase from $1,200 to $2,400 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HOGAN:

H.R. 4196. A bill to amend the Internal Revenue Code of 1954 to provide that interest on series E U.S. savings bonds shall be excluded from gross income; to the Committee on Ways and Means.

By Mr. HOLT:

H.R. 4197. A bill to repeal the caberet tax; to the Committee on Ways and Means.

H.R. 4198. A bill providing further safeguards against improper practices in labor organizations and in labor-management relations; requiring disclosure of certain financial transactions and administrative practices of labor organizations and their officers and agents and reports of direct and indirect dealings between them and employers which may conflict with obligations as employee representatives; reinforcing rights of members of labor organizations with respect to funds and property, the election and removal of officers, and the exercise by other labor organizations of supervisory control, of such organizations; providing penalties for certain criminal acts; and for other purposes; to the Committee on Education and Labor.

H.R. 4199. A bill to provide for a national wreath; to the Committee on House Administration.

By Mr. HOSMER:

H.R. 4200. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. THOMSON of Wyoming:

H.R. 4201. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ASPINALL:

H.R. 4202. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RHODES of Arizona:

H.R. 4203. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H.R. 4204. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROGERS of Colorado:

H.R. 4205. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of California:

H.R. 4206. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado:

H.R. 4207. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROOSEVELT:

H.R. 4208. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McDONOUGH:

H.R. 4209. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WILSON:

H.R. 4210. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KARTH:

H.R. 4211. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. LEVERING:

H.R. 4212. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. MAILLIARD:

H.R. 4213. A bill to amend title V of the Merchant Marine Act, 1936 to provide an additional defense allowance to aid in the construction of superliner passenger vessels; to the Committee on Merchant Marine and Fisheries.

By Mrs. MAY:

H.R. 4214. A bill to amend the provisions of the Columbia Basin Project Act relating to the sale of farm units; to the Committee on Interior and Insular Affairs.

By Mr. CLEMENT W. MILLER:

H.R. 4215. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. MILLS:

H.R. 4216. A bill to amend title 38, United States Code, to provide vocational rehabilitation, education and training, and loan guarantee benefits for veterans of service after January 31, 1955; to the Committee on Veterans' Affairs.

By Mr. MINSHALL:

H.R. 4217. A bill to amend the Internal Revenue Code of 1954 to provide for capital loss carrybacks; to the Committee on Ways and Means.

H.R. 4218. A bill providing further safeguards against improper practices in labor organizations and in labor-management relations; requiring disclosure of certain financial transactions and administrative prac-

tices of labor organizations and their officers and agents and reports of direct and indirect dealings between them and employers which may conflict with obligations as employee representatives; reinforcing rights of members of labor organizations with respect to funds and property, the election and removal of officers, and the exercise by other labor organizations of supervisory control of such organizations; providing penalties for certain criminal acts; and for other purposes; to the Committee on Education and Labor.

By Mr. MORGAN:

H.R. 4219. A bill to provide for a study by the Secretary of the Interior of strip-mining operations in the United States and for a report to Congress of the results of such study, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MULTER:

H.R. 4220. A bill to amend the National Defense Education Act of 1958 to provide for a college scholarship program; to the Committee on Education and Labor.

By Mr. O'BRIEN of New York:

H.R. 4221. A bill to provide for the admission of the State of Hawaii into the Union; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS:

H.R. 4222. A bill to amend title 38, United States Code, to provide that the vocational rehabilitation program for disabled veterans shall apply to all veterans disabled after June 26, 1950, and to provide that veterans may accrue educational benefits under the Korean conflict veterans' educational program until individuals may no longer be inducted for training and service into the Armed Forces; to the Committee on Veterans' Affairs.

H.R. 4223. A bill to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; to the Committee on Education and Labor.

H.R. 4224. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. REES of Kansas:

H.R. 4225. A bill to amend the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. RILEY:

H.R. 4226. A bill to eliminate claims of immunity from State and local taxes based on contracts with the United States or its agencies or instrumentalities; to the Committee on Ways and Means.

By Mr. SAYLOR:

H.R. 4227. A bill to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machine guns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm; to the Committee on Ways and Means.

H.R. 4228. A bill to provide for the admission of the State of Hawaii into the Union; to the Committee on Interior and Insular Affairs.

H.R. 4229. A bill to provide for a study by the Secretary of the Interior of strip-mining operations in the United States and for a report to Congress of the results of such study, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SISK:

H.R. 4230. A bill to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers, sailors, and airmen of the United States; to the Committee on Veterans' Affairs.

By Mr. SLACK:

H.R. 4231. A bill to authorize the Secretary of Agriculture to acquire additional food commodities for distribution to needy persons; to the Committee on Agriculture.

By Mr. CAHILL:

H.J. Res. 221. Joint resolution proposing an amendment to the Constitution prohibiting a State from taxing certain income of a nonresident; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.J. Res. 222. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H.J. Res. 223. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SIKES:

H.J. Res. 224. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. TOLL:

H.J. Res. 225. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. SISK:

H.J. Res. 226. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. BOSCH:

H. Res. 162. Resolution creating a Select Committee To Conduct an Investigation and Study of the Powers and Functions of Agencies Over the Operation of Aircraft; to the Committee on Rules.

By Mr. HOLIFIELD:

H. Res. 163. Resolution to amend rule X and rule XI of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLARK:

H.R. 4232. A bill for the relief of Anton Sankovich; to the Committee on the Judiciary.

By Mrs. DWYER:

H.R. 4233. A bill for the relief of Edward Gruszka; to the Committee on the Judiciary.

By Mr. FORAND:

H.R. 4234. A bill for the relief of Piero Balestri; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 4235. A bill for the relief of Riki Levi; to the Committee on the Judiciary.

By Mr. HENDERSON:

H.R. 4236. A bill for the relief of Woo Bow Land; to the Committee on the Judiciary.

By Mr. HOLT (by request):

H.R. 4237. A bill for the relief of Mrs. Zara Schreiber; to the Committee on the Judiciary.

By Mr. MORRIS of New Mexico:

H.R. 4238. A bill for the relief of Vasilos (Bill) Miliotis; to the Committee on the Judiciary.

By Mr. RIVERS of South Carolina:

H.R. 4239. A bill for the relief of Caterina Urbani; to the Committee on the Judiciary.

By Mr. TABER:

H.R. 4240. A bill for the relief of Domenico Messina; to the Committee on the Judiciary.

By Mr. TELLER:

H.R. 4241. A bill for the relief of Newton Young; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 4242. A bill for the relief of certain aliens; to the Committee on the Judiciary.

H.R. 4243. A bill for the relief of Theodore Orel; to the Committee on the Judiciary.

By Mr. WALTER (by request):

H.R. 4244. A bill for the relief of Czeslawa Stempniak; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

63. By the SPEAKER: Petition of Opal Tanner White and sundry other citizens of the United States, requesting impeachment of the Justices of the Supreme Court of the United States; to the Committee on the Judiciary.

64. Also, petition of Bernardo Villas and others, Bolo Battalion in the Field Day, Dumaguete City, Philippines, submitting a complete list of petitioner claimants, called Bolo Battalion in the Field Day; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Floods Again Plague Indiana

EXTENSION OF REMARKS
OF
HON. J. EDWARD ROUSH
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 5, 1959

Mr. ROUSH. Mr. Speaker, I represent an area of the great State of Indiana which abounds in rich farmland, in great industrial potential, and people who are reasonable and proud. We do not make unreasonable demands upon our Government and whenever possible prefer handling our own problems. However, when we are in a position where the magnitude of our problem reaches beyond our own resources and abilities we do not hesitate to seek the help which only our Federal Government can give. We have such a problem now. Indiana has been plagued with floods for many years. Floods which have cost our people millions of dollars in flood damage. Floods which have swept away some of our richest farmland, floods which have destroyed property, floods which disturbed the economy and well-being of our people.

Last year our President signed into law a bill authorizing the construction of three reservoirs in the upper Wabash River Valley. This authorizing legislation was wise. It was not a hit-and-miss thing. It was an acceptance of the

UNIVERSITY OF MICHIGAN LIBRARIES

recommendations of agencies of authority who had spent years studying our problem. "At last," we thought, "we have made progress. We now have relief for our problem." Not so. Although recognition was readily given to the fact that we have a need in Indiana for flood control, this need was ignored when it came to supplying necessary funds for the final planning of these projects. The Presidents' budget ignored our request for $50,000 for the planning of the Salamonie River Reservoir and $150,000 for the Mississinewa River project.

Mr. Speaker, Indiana should not be denied the protection the construction of these projects will afford to the lives, property, and well-being of our people. At this very moment floods are sweeping away our topsoil, destroying our property, and endangering the lives of our citizens.

It is difficult for us Hoosiers to understand why we have been deprived of funds which would alleviate one of our most pressing problems.

H.R. 1012, Liberalizing the Railroad Retirement and Railroad Unemployment Insurance Acts, Should Be Approved Immediately

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 5, 1959

Mr. VAN ZANDT. Mr. Speaker, yesterday I appeared before the House Committee on Interstate and Foreign Commerce in support of proposed amendments to the Railroad Retirement and Railroad Unemployment Insurance Acts, including my own bills, H.R. 1370 and H.R. 1373.

My statement follows:

STATEMENT OF REPRESENTATIVE JAMES E. VAN ZANDT, 20TH DISTRICT OF PENNSYLVANIA, BEFORE THE HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE, FEBRUARY 3, 1959, IN SUPPORT OF AMENDMENTS TO THE RAILROAD RETIREMENT AND RAILROAD UNEMPLOYMENT INSURANCE ACTS

Mr Chairman, I deeply appreciate the opportunity to appear before you and the members of this committee in support of bills I have introduced to amend the Railroad Retirement and the Railroad Unemployment Insurance Acts.

The legislation has been introduced by me in previous Congresses and has the support of many individuals and groups among the railroad population of my congressional district in Pennsylvania and of the Nation.

The bills are as follows: H.R. 970 provides retirement on full annuity at age 60 or after serving 30 years, and further provides that such annuity shall be not less than one-half of the individual's average monthly compensation for the 5 years of highest earnings, and so forth.

H.R. 971 provides that an annuitant be permitted to continue to perform compensated service for the outside employer by whom he was last employed before his annuity began to accrue. H.R. 971 covers the situation where an employee about to retire is required to resign a clerical position with a church, civic, fraternal, or social organization.

H.R. 972 repeals the prohibition against the payment of both earned social security benefits and spouse benefits under the Railroad Retirement Act. At the present time a spouse entitled to earned social security benefits is penalized by deductions from the amount payable as spouse benefits under the Railroad Retirement Act.

H.R. 1374 is a bill to provide a 20-percent increase in all widows' annuities. In this connection, the 1956 amendments to the Railroad Retirement Act granting an increase of approximately 10 percent did not include all persons receiving retirement benefits, with the result many widows were denied the increase.

Mr. Chairman, H.R. 1370 and H.R. 1373 represent my version of the Harris bill, H.R. 1012, with H.R. 1370 providing for an across-the-board increase of 10 percent in railroad retirement benefits and H.R. 1373 amending the Railroad Unemployment Insurance Act by providing an increase from 130 to 195 the maximum number of days of unemployment within a year for which unemployment benefits may be paid. The bill also liberalizes other provisions of the Railroad Unemployment Insurance Act and is identical to those provisions of the Harris bill, H.R. 1012, that affect the Railroad Unemployment Insurance Act.

I want to go on record at this point of expressing my support of H.R. 1012 because I think it is a step in the right direction in recognizing the urgent need for amending the Railroad Retirement and Railroad Unemployment Insurance Acts. I should like to comment on H.R. 1012 and mention briefly some of its principal provisions.

In amending the Railroad Retirement Act, H.R. 1012 will provide:

1. A 10-percent increase of all monthly benefits effective January 1, 1958.

2. Female employees with less than 30 years of service or the spouse of a retired employee will be able to obtain retirement benefits at age 62 on a reduced annuity. This option is already in effect under the social security system.

3. Maximum creditable compensation for determining benefits and earnings subject to taxation would be increased from $350 to $400 a month for the purpose of broadening the tax base to secure the additional revenue needed to pay the cost of the proposed amendments and to liquidate almost entirely the present actuarial deficit in the railroad retirement fund of $213 million.

4. With the taxable base of earnings broadened to $400 a month or $4,800 annually, the tax rate on employers and employees will increase January 1, 1959, from 6¼ to 6¾ percent. On January 1, 1962, the tax will increase to 7¼ percent each.

In the field of railroad unemployment insurance benefits, H.R. 1012 would provide:

1. An increase in daily benefit rates of 50 cents to $1.70 a day higher than present rates.

2. A new schedule of rates ranging from a minimum daily benefit of $4.50 for annual compensation of $500 to $699.99 to a maximum benefit rate of $10.20 for annual compensation of $4,000 or more.

3. Unemployment benefit periods would be extended for employees with 10 or more years' service by 65 to 130 days, depending upon length of service beyond the 130-day maximum provided in the present law.

4. To finance the cost of additional benefits and to take care of the current deficiency, the tax base after 1958 would be increased from $350 to $400 and the tax rate would be increased so that it would range from a minimum of 1½ percent to a maximum of 3½ percent contingent upon the balance in the railroad unemployment insurance account. Minimum annual earnings needed to qualify for benefits would be increased from the present $400 to $500.

Mr. Chairman, as we all know, the 2d session of the 85th Congress increased social security benefits 7 percent effective January 1, 1959. In addition, for those unemployed whose insurance benefits terminated during 1958, an extension of 13 weeks was granted them.

Therefore, should H.R. 1012 become a law, the 10-percent increase in railroad retirement benefits provided for would become effective January 1, 1959, and for those unemployed railroaders whose unemployment insurance benefits terminated in June 1958, they would be eligible for benefits from 65 to 130 additional days, dependent upon length of service.

The bill actually gives to retired and unemployed railroaders the same treatment accorded persons retired under the Social Security Act or unemployed under the State unemployment compensation laws.

Mr. Chairman, I should like to dwell briefly on the situation facing retired and unemployed railroaders in my congressional district.

First, from a population standpoint I represent one of the largest railroad districts in the Nation. Therefore, I know the full impact of the cost of living on retired railroaders as well as the hardships of unemployment that exist in the railroad industry.

As an example of unemployment conditions in the railroad industry and the urgent need of extending the benefits period for railroad unemployment insurance benefits, I wish to call attention to the fact that in the 3 counties comprising my congressional district a total of 2,101 employees have already exhausted their eligibility for railroad unemployment insurance benefits.

At the present time 1,048 employees are receiving unemployment insurance benefits, and, of this number, 861 will exhaust their right before the new benefit year begins on July 1, 1959. At that time it is estimated by the Railroad Retirement Board that a total of 1,681 employees in my congressional district will be unable to qualify for railroad unemployment insurance benefits in the new benefit year because they did not earn sufficient wages during the calendar year 1958 to qualify for such benefits.

Mr. Chairman, in reviewing my efforts during my congressional career to give adequate service to constituents affected by the Railroad Retirement and Railroad Unemployment Insurance Act, I have been greatly aided by the members and employees of the Railroad Retirement Board not only at the Chicago headquarters but also at district and regional offices in Altoona, Pa., and Cleveland, Ohio, as well as the liaison representative assigned to the Washington office of the Railroad Retirement Board.

In December of last year I visited the headquarters office of the Railroad Retirement Board in Chicago to discuss with the chief executive officer cases of my constituents that came under the provisions of the Railroad Retirement and Railroad Unemployment Insurance Acts, and also to obtain an evaluation of the actuarial condition of the railroad retirement fund and the effect on the fund of legislation that has been suggested to me for introduction in this Congress.

While in Chicago, I also met with members of the Board and some of the staff. I was not only impressed by the way the information I requested was readily made available to me, but I was also impressed by the keen sense of interest and responsibility those Government employees had in administering the provisions of both acts and their consciousness of the existing inflationary trend.

The Board is also well aware of the economic changes that are going on in the railroad industry and of the possible effect of

such changes on operations of the Railroad Retirement Board. With this in mind, they are continually reviewing operations to keep expenses at a productive minimum.

I learned that even before the request of the Bureau of the Budget was received requesting that a 2 percent reduction be made in personnel expenditures for 1959, steps had been taken to hold employment levels well below budget limitations so that there was no problem in adhering to the request.

It was pointed out to me that although the retirement load of the Board has increased greatly since the inception of that program in 1937 and will continue to increase for some years in the future, every effort is being made to find new ways of performing necessary services to prevent an increase in the present employment levels of the Board and if possible to reduce the level of employment.

This is already reflected by the fact that there were 87 fewer persons employed on January 1, 1959 as compared with January 1, 1958, even though the work volume was substantially increased.

It is a pleasure to conclude my testimony by paying this well-deserved tribute to the members and employees of the Railroad Retirement Board for the efficient manner in which the administration of the Railroad Retirement and Railroad Unemployment Insurance Acts is accomplished and at a minimum of expense .

Such economy of operation is appreciated as efforts are made to find means of wiping out the deficiencies in both the retirement and unemployment compensation funds and to finance the cost of the much-needed amendments to existing laws contained in H.R. 1012.

Mr. Chairman, H.R. 1012 is needed and needed badly. It is the fervent wish of my constituents who will benefit from its enactment that it will become a law at the earliest possible date.

As I stated previously, the Harris bill, H.R. 1012, contains in one package the provisions of my bills, H.R. 1370 and H.R. 1373, and I sincerely hope the legislation will be enacted as quickly as possible and that at a later date the committee will consider the other bills I have introduced to amend the Railroad Retirement Act.

Problems Confronting the Hand-Blown Glassware Industry

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 5, 1959

Mr. DENT. Mr. Speaker, in view of the fact that my district is vitally interested in the successful and prosperous continuance of the flint glassworkers to maintain their employment, I deem it important that the following analysis of the escape clause provisions be inserted in the RECORD.

Most of this material appeared in a comprehensive statement delivered by O. R. Strackbein before the U.S. Tariff Commission for the American Flint Glass Workers' Union, January 27, 1959.

The American Flint Glass Workers' Union in whose behalf I appear before this Commission speaks for a majority of the employees engaged in the manufacture of hand-blown glassware in this country.

This union has not itself filed an application under section 7 of the Trade Agreements Extension Act of 1951 as amended, but wishes to go on record in support of the application filed by the handmade table and decorative ware division (division H) of the American Glassware Association.

The welfare of the industry that employs the members of the American Flint Glass Workers Union is of vital concern to these members. Injury to the industry from imports means injury to our membership. In fact, the workers are usually in the first line of defense wherever imports strike the market in competition with the goods that are manufactured in this country.

One of the first steps that the manufacturer takes when imports seriously interfere with the sale of his products, reducing either the margin of profit or sales volume, or both, is to curtail employment. This he does in one of several ways, or a combination of them.

He may lay off a part of his work force; he may reduce the number of hours of work per day; or he may go on a short workweek. His purpose will be to avoid adding more output to his stock when the goods are slow moving and high priced, hoping thus to adjust his inventory to the downtrend of his sales. In order to do this he must reduce the flow of goods from the factory; and the only normal way of doing this is to curtail man-hours of production.

The worker thus becomes a buffer between the manufacturer and rising imports. Whether the manufacturer succeeds in stopping the import tide by the measures he takes toward retrenchment depends on the character of the import competition. Should the foreign manufacturers of sources of the imports be well equipped for long-term competition on an upward trend, the efforts to make an inventory adjustment would be of little avail.

In that event, any successive temporary expedients resorted to by the domestic manufacturers would be utterly inadequate. The failure of such efforts to adjust stocks to a lower level of demand by reduction of man-hours of work would then call for a permanent readjustment. Of course, imports might continue to rise in spite of more drastic new steps and it might be necessary to repeat them. In the end the situation would become chronic and some manufacturers would become desperate. Here and there a close-down would occur, possibly with the hope of reopening when the outlook might turn for the better.

The hand-blown glassware industry has experienced many difficulties of this character; and the outlook continues to be discouraging. Not only have imports continued to increase in the past 10 years but the trend of the domestic industry is downward in terms of the share of the market supplied by it.

A declining share of the market is important among the criteria of injury found in the escape clause. Indeed, a relative decline in a domestic producer's share of the market removes all doubt about the whereabouts of the competitive advantage. It means simply that the domestic industry is on the run.

Now, it is assumed altogether too often that inability to hold its own competitively with imports marks a domestic industry as inefficient. This assumption lacks even the virtue of fairness. It is like blaming a horse that carries a heavy handicap for not winning a race. American producers carry burdens far greater than foreign manufacturers. Most of this comes from the higher wages that set off our economy and standard of living from those of other countries. Should our wages be reduced to the level of those prevailing in other countries our producers, we may be sure, would have no difficulty competing. They need then be no more efficient than they are now in order to compete. Indeed, with still lower wages, they could come into a position to drive the imports from the market. But we would lose our high standard of living in the process.

Numerous economists, imbued with much beside practical experience, persist in saying that our higher wages are offset by our higher productivity. In repeating this fallacy, they exhibit a stubbornness that might be put to better uses in the land of make-believe. The very facts of daylight belie what these economists say. They refuse to credit the words of those who have daily experience in the marketplace. Imported goods are constantly underselling those of our own manufacture. The proof of the pudding is in the eating.

Why should this process of underselling be in any way surprising? Since the last war, billions of dollars worth of modern machinery and equipment has gone overseas from this country and has been installed in many hundreds of factories. Also more than 8,000 productivity teams from abroad have come to this country to study our production methods.

Beyond this it should be clear now, notwithstanding the peculiar notions of the academic economists, that the American industrial system has no corner on the technological arts nor on science, nor therefore on high productivity. Other countries are capable of developing and installing modern machinery on their own and are doing so.

From these considerations and others it follows that the indictment of inefficiency will not lie against American industry merely on evidence of inability to compete with imports, nor on the mere word of unseasoned economists.

In the case of hand-blown glassware the direct labor cost is high. Because there is little or no mechanization in this branch of the glass industry in this country, and lacking also in other countries, we witness virtual barehanded competition between labor here and abroad, with not much cushion between them. It would be expected that the domestic industry would find great difficulty in competing with imports, and the facts support the expectation.

It should have been obvious that no tariff reductions should have been made

UNIVERSITY OF MICHIGAN LIBRARIES

in the first instance; but they were made nevertheless.

The evidence of serious injury is to be found in the trend of imports compared with the trend in domestic production. Imports have come to equal and then to pass domestic production. This is shown by statistics that will be furnished to the Commission by the industry and may be verified by investigations of its own by the Tariff Commission.

The American Flint Glass Workers Union has ascertained from its records in 10 unionized companies manufacturing hand-blown glassware that employment of skilled workers was 979 in April 1949 compared with 667 in April 1958. Miscellaneous workers declined during the same period from 2,526 to 1,625. The respective totals are 3,505 in April 1949 and 2,292 in April 1958. This represents a decline of 35 percent in employment in 10 years in these plants. Imports, on the other hand, increased threefold or more.

To the union this has the appearance of serious injury. To the industry it spells desperation, and the industry will submit other compelling evidence of serious injury.

Since the sole function of the Tariff Commission in an escape-clause action is a finding on injury and recommendation of a remedy, it will be in order to inquire how far this carries us.

In 1943 an escape clause was indeed inserted into a trade agreement for the correction of any injury that might develop; and such a clause was placed in all subsequent agreements. In 1947 the clause was given greater recognition in the form of an Executive order. In 1951 a statutory escape clause came from congressional action. It says simply that—

> No reduction in any rate of duty * * * or other concession * * * shall be permitted to continue in effect when the product on which the concession has been granted is, as a result * * * of the duty or other customs treatment reflecting such concession being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

The President himself has said:

> The President has the responsibility of considering, not only the question of injury to a domestic industry * * * but also the other fundamental questions bearing on the security and well-being of 165 million Americans. The President's final judgment in each case must represent the best composite evaluation he can make of these questions.

This statement may be found in the Bicycle case decided August 18, 1955. He listed five issues that must be decided in an escape-clause case and limited the Tariff Commission's function to the question of "injury and relief to a domestic industry."

The four issues falling in the President's sole jurisdiction and free of any testimony that might be given in public hearings were asserted by the President to be, first, our national security interest in the economic strength of valued allies in the world; second, building export markets for products of our farms, factories, and mines; third, compensation to other countries for withdrawal of concessions; and, fourth, protection of the American consumer against unnecessary and unjustified price increases.

Mr. Speaker, the wide open prairies of the West could hardly offer wider avenues for circumvention of what should be due process of law than the practice thus followed by the President in the administration of the escape clause. This, let me emphasize, is no fault of the Tariff Commission itself.

How have the four factors other than injury intruded themselves upon the scene? By what justification? The escape clause is in the nature of a reservation that permits withdrawal or modification of a concession if a certain contingency develops in fact, namely actual or threatened serious injury. That is what Congress has provided in its wording of the escape clause, quoted above. The only remaining question should be one of fact; and the finding of such fact is the function of the Tariff Commission. The law contains not one word that calls upon the President to gather an unknown volume of additional evidence outside the hearing process and with it to swamp the Tariff Commission's recommendation at will and without compunction.

Unless the Tariff Commission's recommendations should call for a duty higher in its protective effect than that from which it was reduced in a trade agreement, or a proposal for a quota that would rob the country extending a reciprocal concession, as a quid pro quo, of its bargain, such recommendation should be proclaimed without question by the President. He should regard it as representing the invocation of a reservation in keeping with the widely proclaimed policy of avoiding or preventing serious injury to industry. Only if judicial review disclosed improper procedures or insufficient evidence or similar failures of the Commission, should its findings be set aside. The President should stand by his own appointed Commission. The propriety of its findings and the adequacy of its procedures should be left to the judiciary.

Mr. Speaker, under the publicly avowed policies, many times repeated, as documented in the review offered for the record, stating in effect that the trade agreements program is not to injure our industries and that a sure remedy is at hand if injury nevertheless takes place, there is no place for supplemental evidence and trumped-up issues beyond the evidence taken at hearings before this Commission on the question of injury.

It would be difficult indeed to find any support in law or elsewhere for the practice of treating delegated power as authority to skirt not only the law itself but other elements of due process. Yet this is precisely what has been done by the executive branch of the Government in its disposal of Tariff Commission recommendations under the escape clause.

Mr. Speaker, that abominable practice should cease; and the findings of the Commission in the question of injury from imports should be the last word.

An Appropriation for the U.S. Coast Guard Academy

EXTENSION OF REMARKS
OF
HON. CHESTER W. BOWLES
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 5, 1959

Mr. BOWLES. Mr. Speaker, I have today introduced an appropriation bill of $6,565,000 to replace wornout and obsolescent facilities at the U.S. Coast Guard Academy in New London, Conn.

The bill provides money necessary to carry out the recommendations of the Board of Visitors to the U.S. Coast Guard Academy, which were contained in a report to Congress on May 2, 1958.

In its report, the board expressed its concern over the "continued existence and use of World War II wooden buildings for various activities of the Coast Guard Academy."

The board reported that immediate replacement of the outmoded structures would result in long-range savings by removing excessive maintenance costs and would eliminate hazardous occupancy.

Mr. Speaker, I think none of us needs to be reminded of the valuable and courageous contribution of the Coast Guard in times of war. They were in the thick of battle as an integral part of the Navy, sailing the same seas and running the same risks.

Nor have they been any less active in times of peace. In addition to patrolling our shores, they perform valuable rescue work, they keep open the sea lanes of the North Atlantic, and they are making water travel safe for surging motor- and pleasure-boat activities.

Yet if we do not provide sufficient funds, we will be striking at the very heart of the service—the Coast Guard Academy. This is where the new officers are trained; this is where the young service minds are shaped. We must not allow their welfare and training opportunities to deteriorate.

It is my sincere belief that as long as the United States recognizes the need for a Coast Guard, it has the obligation to maintain the service in a state of preparedness equal to the efforts made in behalf of the other armed services.

Mr. Speaker, the Coast Guard Academy is only 19 miles from my home and I know it well. It is under excellent management and it has close and most cordial relations with the New London community.

I might add that the New London Chamber of Commerce recently made a special study of conditions at the Academy and concurred in the recommendations made by the Board of Visitors.

Undoubtedly many Members of the House recall that last year a sum of $2 million was appropriated to replace the wooden cadet barracks. All friends of the Academy were gratified by this step forward. But, as the report indicates, much still remains to be done.

Therefore I have introduced a bill based on the report which would provide money for:

First. New barracks, new classroom and administration buildings for the officer indoctrination and candidate schools.

Second. Additional cadet classroom space to accommodate the increased enrollments.

Third. An auditorium for the Academy to replace the present wooden structure which the board called a fire hazard and too small for corps purposes.

Fourth. Major repairs to the Academy docks and causeway that have badly deteriorated.

Fifth. The construction and improvement of other Academy structures that are presently inadequate, outmoded, and hazardous.

The cost of these improvements are based on estimates prepared by the Coast Guard Academy. I would like to point out here that the sum of $6,565,000 does not include an estimate for the construction of officer candidate school facilities. I have specifically stated in the bill that part of the money be used for that purpose because the operation of the school is an integral part of the Academy.

The money will have to come out of other projects, upon which the estimate was based. So even this sum of $6,565,000 may not be fully adequate to meet the entire need. Yet this is the very least we can do.

Mr. Speaker, since this sum was not included in the Treasury's budget for the fiscal year 1960, despite my pleas and those of others, I have introduced this bill in the earnest hope that the Appropriations Committee will take these pressing needs into consideration.

Although I realize that separate appropriation items are almost never reported to the floor of the House, I will be deeply grateful if this bill alerts the committee to what I believe to be a most urgent situation before it reports out the final Treasury appropriation bill now under consideration.

Westside Jewish Community Center, of Los Angeles, Offers Lesson in Community Living

EXTENSION OF REMARKS

OF

HON. JAMES ROOSEVELT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1959

Mr. ROOSEVELT. Mr. Speaker, 5 years in the history of mankind is a brief span. But when 5 years span the lives of thousands of persons, each and every year becomes more important and valuable than the mere number of days they indicate.

I make this above observation because there is an organization in Los Angeles, Calif.—and I am more than pleased that the activities of this group take place in my district—which gives factual proof to this contention. The organization to which I refer is the Westside Jewish Community Center which, during its first 5 years of existence, has offered service and brought happiness to thousands of persons.

The record of the Westside Jewish Community Center is already an impressive one, and presages for the future the enriching of many more lives.

Mr. Speaker, I offer some facts and figures about the humanitarian undertakings of this organization, behind each of which is a human being, young or old.

Built at a cost of $2 million, the Westside Jewish Community Center opened its doors on March 1, 1954, and now celebrating its fifth anniversary, the center pridefully points out that it serves almost 7,000 members each year. The aggregate attendance has been approximately 2½ million, a figure equal to the estimated population of the city of Los Angeles.

The center serves as a threshold to community life for many newcomers to Los Angeles, particularly young adults and is open to all members of the community. Inability to pay is no bar to membership, as budget plans are possible and several scholarship funds are available.

The significance of this undertaking is focused on the fact that persons of all ages are able to get together to learn from each other and to find a spirit of camaraderie in a highly populated, broadly spread community.

Through the activities offered—in the fields of athletics, art, dancing, swimming, crafts, music, to mention a few—adults are afforded the opportunity to develop both professional and social skills. More than 700 children have learned to grow up in a new and ever-changing world through the guidance of a skilled nursery school; over 2,000 children have experienced the opportunity to go to camp sponsored by the center.

The community spirit of the Westside Jewish Community Center has been further demonstrated by its action of opening its facilities for meetings and events to other community groups including, among others, Community Chest, Girl Scouts, and Red Cross.

I am sure that there are many others who join me in congratulating the center on its fifth anniversary and in wishing it all success in the years to come.

Next Question, Please

EXTENSION OF REMARKS

OF

HON. STEWART L. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1959

Mr. UDALL. Mr. Speaker, I know from conversations with a number of my colleagues on our side of the aisle that they have had numerous questions in their minds regarding President Eisenhower's true position on the matter of public revenues and Federal programs. To inform their innocence, or rather, as I was saying, to straighten out certain things in their minds, I present the following excerpt from the President's press conference yesterday before he left to shoot quail in Georgia:

Question. Peter Lisagor, Chicago Daily News: Mr. President, you said that you did not think the American people wanted higher taxes. You also said that you thought localities ought to do some of the things.

The PRESIDENT. Yes.

Question. Lisagor: Such as the airport. Governor Rockefeller, of New York, has found it necessary to move to get more taxes for what he regards as desirable programs.

Do you think the American people would be willing to accept tax increases from the State, rather than from the Federal Government? Do you think this is a better approach?

The PRESIDENT. Well, I do not know, because I don't know the rate of that taxation for these several States. This is what I was talking about.

The Federal rate of taxation and what I see as the American reluctance to accept higher rates, unless they can see that there is a clear emergency demanding now current action for which they can be persuaded to make the sacrifice, and I believe they will, if you have got an emergency thing. But now, let's remember we are planning for 20 years, 30 years, 40 years. We have got to live with this thing.

And as we know, as the population grows, we get more revenues, but we also get in some of these things very much higher costs. So let us not—when we remember that our taxes run from down to—we have got a $600 exemption, and we run up to 92 percent, I believe it is, in the very top ones—I think that income taxes, which are the things that the Federal Government mainly lives on, that they are getting about as high as you can keep them on the indefinite basis.

Now, I believe you can, for emergency, tough problems, I think you can do more than that.

Question. Sterling F. Green, Associated Press: Thank you, Mr. President.

(Whereupon, at 10:29 a.m., the press conference was concluded.)

Coal by Wire

EXTENSION OF REMARKS

OF

HON. ELIZABETH KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1959

Mrs. KEE. Mr. Speaker, 5 years ago a group of businessmen and union officials, all of them confident of the potential of electric heating, met in my office. Among those who took part were representatives of Appalachian Electric Power Co., National Coal Association, United Mine Workers of America, and electrical equipment manufacturers.

My interest in the expansion of electric utilities service is obvious enough. Mr. Speaker, West Virginia is the Nation's greatest coal-producing State, and from the Fifth Congressional District comes

UNIVERSITY OF MICHIGAN LIBRARIES

almost 30 percent of West Virginia's total coal output. The coal industry, directly or indirectly, is responsible for most of the subsistence of the residents of our district. When the miner receives a pay check, a widespread chain reaction takes place. The grocer gets a good portion of what the miner earns. The landlord from whom he rents or the bank with which he has his mortgage comes in for a regular percentage. The miscellany of other recipients includes the barber, the clothier, gasoline station, service utilities, and our churches. Needless to say, our Federal, State, and local governments come in for important shares of every dollar that the miner earns.

Our railroad industry receives much of its revenue from coal traffic. Without that traffic, both operational and maintenance employees are without work.

Supplying coal mines is a big business in southern West Virginia. Timber, steel products, electrical equipment, petroleum products, and many other items are used in heavy quantity by our mines.

Appalachian Electric Power Co. is itself an essential source of employment for many of our people, both in its offices and on its field staffs. What is more, the West Virginia generating stations of Appalachian Electric consume more than 3½ million tons of coal annually. As electric heating grows in popularity, this order will increase substantially. The Appalachian Co. has been in the vanguard of the coal-by-wire effort. Through its advertisements and other promotional activities, it has helped to make West Virginians more conscious of the economic value of the electric heating program.

Now, Mr. Speaker, I do not want anyone to lose sight of the fact that, although the market has declined seriously since the end of World War II, the use of coal in home furnaces is still very important to the industry. Nationwide, some 12 million residential units are kept warm by coal heat. The development of convenient stokers and ash-hauling equipment makes coal all the more attractive domestically, particularly because of its price stability in recent years. We are not suggesting conversions from coal furnaces. We do believe it to the benefit of builders and the public in general to call attention to the advantages of heating by electricity. For this reason, I am always happy when a publication devotes space to the growing popularity of electric heating.

Coal Age, a McGraw-Hill publication whose editor, Iven Given, is a native of Sutton, W. Va., and who is probably one of the best informed authorities on the mining industry, featured an article on electric heating in its January issue. Written by W. A. Raleigh, Jr., associate editor, this comprehensive review of the many facets of electric heat not only captures the imagination of investors, architects, and builders, but also offers an interesting study for anyone who is thinking of buying a new home now or in the future. I commend it to the attention of all who may read these remarks.

Mr. Speaker, I should also like to say that an excellent series of articles on "Coal by Wire" has appeared over the past few months in the United Mine Workers of America Journal. This effort has resulted in an availability of printed material that will enable any interested home purchaser or homebuilder to make his own choice of heating equipment based upon installation costs and present and future fuel crisis and supply.

From time to time Mr. Speaker, I hope to refer to these informative articles so that a digest of their contents may become an official part of the CONGRESSIONAL RECORD.

The Unlocked Back Door of the Federal Treasury

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 5, 1959

Mr. PELLY. Mr. Speaker, the first budget-buster bill is on its way, and the boobytrap to catch those of us who are trying to hold the line on Federal taxes as well as spending has passed the House. I was 1 of the 89 to vote against this bill. I am referring to H.R. 2256, the bill which provided $300 million for direct Government loans to veterans.

Let me make it clear, as was pointed out when the House was debating this bill, there is presently available $192 million for these direct loans, but with the realistic interest rates in the new bill I doubt if there will be a demand for funds. Private capital will meet the need and that is the way it should be.

Furthermore, as my colleagues are well aware, this $300 million was not in the budget. That is why I, for one, did not deviate from my firm determination to support holding the line on spending.

Mr. Speaker, the debate on H.R. 2256 and this $300 million unbudgeted item brought out some other facts which needed airing. In the discussions from both sides of the aisle, there was strong criticism of what has been going on and what is one of the major causes of Federal deficits. In other words, all of a sudden out in the open comes the admission of a means of back-door approach to the Treasury, which has been used to open wide the spending floodgates and to bypass the constitutional requirement of congressional review and the prohibition that no money shall be withdrawn from the Treasury of the United States, except by appropriation pursuant to law.

It was pointed out that by authorization bills, which state the administrator of an agency in question may issue notes, it has been possible to get money direct from the Secretary of the Treasury who is required to cash these notes. Thus, the need as to the spending of such funds has not been studied or approved by the House or Senate.

Furthermore, the Constitution specifically provides that all revenue measures must originate in the House of Representatives, yet, as was brought out in the debate on veterans housing, 16 bills calling for $9 billion of expenditures last year came to the floor of the House with that provision in them and 12 of these bills originated in the other body.

Mr. Speaker, the chairman of the Rules Committee has introduced a resolution which, as I understand, would require conformity with the Constitution covering appropriations. I hope it will come to the floor and if so I will support it. It is the only way to hold the line on spending.

Meanwhile, I want to emphasize that the $300 million for direct loans to veterans, which I voted against, was an example of the back door Treasury type of legislation and in large measure is the way deficit spending has been flourishing.

I do not desire to inject politics today in this statement, but for myself I must ask to be counted in disagreement with those of the opposition leadership who seek to excuse this back door approach on the grounds that without it much progressive legislation, as it is called, would not be enacted. If legislation cannot stand up under constitutional legislative process and review within the framework of constitutional procedure and congressional approval, either the Constitution should be amended or the measures not enacted into law.

The salvation of our country to my way of thinking, as recognized by the Founding Fathers, lies in control by the representatives of the people of the right to appropriate money. If we abrogate the provision that no funds shall be withdrawn from the Treasury except by lawful appropriation by the Congress, there will be little hope of checking inflation and maintaining fiscal responsibility.

Finally, let me say, as I have said so many times in the past, let us redouble our efforts to curb unneeded spending and remember that the money we handle belongs to the taxpayers and the debt we incur is their obligation and liability; not ours alone.

Creating an ever-expanding national debt to be loaded upon our children I cannot view with equanimity. Especially so in a time of comparative prosperity and highest earnings and wages in history. I cannot join the spenders and charge off deficits to "balanced human budgets"—except in times of economic crisis.

My conscience cries out that presently, as we spend more, we should tax more, and I am against both of these. They are not necessary. So I urge locking the back door of the Federal Treasury and restoring control to Congress.

Mr. Speaker, in answer to Thomas Jefferson, if a choice is necessary, I will support economy and liberty as against profusion and servitude, especially, as it may be in the latter case, it would be visiting our sins upon the third and fourth generation.

Airline Accidents

EXTENSION OF REMARKS
OF
HON. ALBERT H. BOSCH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 5, 1959

Mr. BOSCH. Mr. Speaker, another accident in the vicinity of La Guardia Airport. How long must we wait to get corrective legislative action? This plane could just as well have fallen in the congested areas of Queens County, resulting in untold suffering and devastation, not only to those traveling in the plane but also to those on the ground.

Previous hearings indicate that about 90 percent of plane accidents are the result of bad-weather flying. The present regulations are too liberal—they need strengthening. It is our obligation to take this matter under advisement and to provide such action.

The crash of the American Airliner in the East River on February 3 is but one of many accidents which have occurred in the New York area in recent years during inclement weather. To cite a few, in April 1952 five persons were killed and four houses were destroyed when a plane crashed in Jamaica, Queens County, after it missed its landing at Idlewild Airport; in October 1953 two persons were killed and others injured when a plane crashed while taking off in fog at La Guardia Airport; on December 18, 1954, an Italian DC–6–B airliner roared low over homes and densely populated areas in the vicinity of Idlewild Airport, not once but three times, and finally, on a fourth approach ripped into a Jamaica Bay pier, burst into flames, and sank in the water, killing 26 persons.

To elaborate on this crash in December 1954, the airliner left Boston in bad weather for Idlewild where the weather was rapidly closing in; when the plane arrived at New York the ceiling was just about 200 feet—the minimum ceiling, under present regulations, for landing; the pilot had to drop below this minimum in order to establish visual contact with the ground—one point we must bear in mind is that before a pilot can effectively land upon any landing strip, whether guided by instruments or not, he must establish visual contact with the ground.

Now, this most recent crash in New York reveals that the ceiling was 400 feet at the time of the crash. In a report titled "Sensory Illusions of Pilots," published several years ago by the Flight Safety Foundation, Chief Pilot P. P. Cocquyt of Belgium's Sabena Airline, said that an overwater approach robs a pilot of landmarks by which to judge altitude visually. He often believes he is higher than he actually is and the illusion will cause him to descend toward the runway lights at a steeper angle than is warranted. I think it is safe to assume that the pilot of this plane, acknowledged by the company to be "one of the finest pilots American Airlines has ever had," lost his depth perception.

Mr. Speaker, I have cited these cases to point up the need for legislation to establish by law safety regulations to stop these bad weather accidents.

As my colleagues know, I have in the past two Congresses introduced legislation to raise, by law, the minimum visibility requirements for takeoffs and landings at the airports in the New York area. I have again introduced this legislation, which I feel would do much to avoid some of the catastrophes which have happened in the past and which I have outlined above. These bills are H.R. 4179 and H.R. 4180 which have been referred to the Committee on Interstate and Foreign Commerce. In addition, I have introduced House Resolution 162 to create a select committee to conduct an investigation and study of the powers and functions of agencies over the operation of aircraft which was referred to the Committee on Rules.

Mr. Speaker, time for talking has passed; it is time for action. I urge my colleagues to join me in urging these committees to act speedily on my bills. It is my firm conviction that they merit enactment.

Medal of Valor Awarded to Oakland Policeman Robert Ross

EXTENSION OF REMARKS
OF
HON. GEORGE P. MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 5, 1959

Mr. GEORGE P. MILLER. Mr. Speaker, the East Bay Police and Fire Post, Veterans of Foreign Wars, has awarded the Medal of Valor to Oakland policeman, Robert Ross, 32, 14317 Bradley Street, San Leandro, Calif., for the performance of duties above and beyond the call of his official duty.

Last March Patrolman Ross went inside a tanker that was moored at the foot of Oakland's embarcadero to rescue three men who were inside the tanker, overcome by leaking gas fumes.

The citation given Ross reads in part:

A man's quick thinking and immediate action saved the lives of three workmen.

Ross and Charlie Kitchen, 30, a shipyard worker also from San Leandro, lowered themselves 40 feet into the tank of an oil barge where the three men were overcome by fumes. They secured lines about the men and a crane pulled them to safety as Ross and Kitchen guided the cables.

Ross is married and has two children, Karen, 9, and Robert, 6.

Judge Homer Buckley, Oakland municipal court, presented the medal and citation at a meeting held in the Veterans Memorial Building.

The Medal of Valor is given annually to an outstanding East Bay fireman and policeman. This year the medal was given only to Ross, since no firemen were nominated by the judging committee for the honor.

Legislation To Create a Coal Research and Development Commission Will Prove a Boon to the Nation's Coal Industry and Should Receive Favorable Consideration by the 86th Congress

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 5, 1959

Mr. VAN ZANDT. Mr. Speaker, on January 7 I introduced H.R. 1179 which would create a Coal Research and Development Commission as an independent agency. A number of other Members of this House on both sides of the aisle have introduced like proposals. It is our hope that this legislation can be acted upon expeditiously and that the coal research body can be put into operation soon.

This legislation is identical to bills which were introduced in the 85th Congress. In the Senate the bill was passed and sent to the House. In this body the legislation was approved by the House Interior and Insular Affairs Committee, but was caught in the rush of legislation during the final days of the session.

The creation of the independent Coal Research and Development Commission is the only type of coal research legislation which has met with the approval of both management and labor in the coal industry. When a subcommittee of the House Interior Committee, of which the present chairman of the committee was a member, hearings were held on this type of research agency. In addition to witnesses representing the coal operators and the United Mine Workers of America, the committee heard advocates for the legislation from the railroads, the mine machinery suppliers, industrial consumers, Governors and other officials of coal-producing States, and representatives of coal communities. All were in agreement that the type of research agency as proposed in this legislation would be a boon to the coal industry.

As a member of the Joint Atomic Energy Committee, I have personal knowledge of the vast sums of money which have been and are now being spent on the experimentation of an atomic reactor designed to produce commercial power. Certainly if we can afford to spend such astronomical sums on a source of energy which is now in the experimental stage, we can well devote a small percentage of that amount to further research developments of a fuel that has been the principal source of our economic power in every emergency that this country has faced.

I sincerely hope that for the benefit of the thousands of unemployed mine workers and railroad workers in my district that we can have early committee action on the various legislative proposals to establish the much-needed and essential Coal Research and Development Commission.

UNIVERSITY OF MICHIGAN LIBRARIES

Coal Problems

EXTENSION OF REMARKS

OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1959

Mr. DENT. Mr. Speaker, in order to clear up any misunderstanding on my proposal for the creation of a Coal Research Commission, I submit the following analysis and argument.

COAL PROBLEMS

The serious condition of the coal industry can be directly traced to the following sources:

First. Importation of fuel oil.

Second. The subsidization of other power sources.

Third. The favored position given to competitive domestic fuels taxwise by existing laws.

Fourth. The high cost of transportation of coal which, in some instances, is higher than the production costs.

Fifth. Our foreign trade and air policies which are responsible for a reduction of American production which in turn reduces the use and need of fuel.

The Canadian Government has long ago realized this and has had in operation at least two major operations for the benefit of the coal industry.

First. They subsidize coal by paying a subvention on coal transportation to enable the producer to meet competition with other domestic fuels as well as American imports.

Second. They maintain a complete unit for research into the uses, production and marketing of coal through a coal research commission.

Even this last operation has been denied our coal industry.

We have research and study commissions on many subjects and yet, we refuse as a body to pass the necessary enabling legislation to create a study commission for coal.

Why? Simply because other fuel sources oppose the coal industry. In passing, it might be interesting to note that more payroll dollars are paid out by the coal industry per B.t.u. of heat energy than any other source of fuel.

For years the membership of the House of Representatives coming from the coal mining areas have been attempting to pass legislation to create a Coal Research Commission.

It has always been defeated by arguments based upon economy. Nothing could be farther from the truth than the statement that "we can't afford a study commission for coal."

In the face of the declining fuel market for coal, the subsidization by the Government of TVA atomic powerplants, and other fuel sources makes it imperative for coal to find new uses and new markets.

One such outlet is fast disappearing. That outlet was called the foreign shipments market.

Recently, the following stories appeared in the public press:

Bonn puts embargo on imports of coal.

Six nation trade agreement group to put limitations on coal imports. Study plan to subsidize this domestic coal to compete with American imports.

Recently, West Germany put a tariff on coal of $4.79 a ton.

The above-captioned stories tell a very sad story. While we are opening our tariff doors wider and wider for foreign made goods, our so-called friends are clamping down on our products just as quickly as they become self-sufficient.

There is a growing suspicion too, that some of our own foreign aid money will be used to subsidize our competitors.

This, of course, would not be a new phase in our international policies. It has been going on for some time in other fields of American production.

The history of coal is the history of steel and the history of steel is the history of our phenomenal growth as a producing, successful nation.

There are still untapped reserves sufficient to provide fuel needs for many, many years.

However, in the face of present and future threats to this industry from other fuel sources, it becomes our duty to help this industry and the thousands of families and hundreds of communities that depend upon coal for their welfare and in some cases, their very existence.

There can be no valid argument to offset the arguments so far advanced. I expect to present a new bill which will make the Commission self-sustaining.

I would increase the coal depreciation allowance from 5 to 15 percent—oil and gas enjoy a 27-percent allowance—and take a certain per tonnage assessment against all coal mined to carry out the work of the Study and Research Commission.

It is estimated that we have coal reserves beyond our needs for the foreseeable future.

Coal is one of the world's most versatile minerals. Its uses are limitless. The need now is for the proper study of its many byproducts with the goal in mind of preserving both the industry and the jobs of its employees.

The stubborn, and sometimes blind, opposition to the Commission fails to recognize that our neighbor Canada has such a commission and has for years been giving its coal industry government subsidies in both government-financed research and direct transportation subsidies.

King Coal is not dead, he is just slumbering. He still has the power and the resources to keep alive the fires in the continuing and eternal struggle for the welfare of all the people.

To those of us whose roots are deep down in the bowels of Mother Earth, nurtured by hard times, near starvation, strikes, coal and iron police and meager fare of the old company store, the depreciation of our coal economy strikes us as a real catastrophe.

The sickness of the coal industry is contagious. No one dare really measure the loss sustained by our whole economy when a coal mine shuts down. It is not money alone, it is all of the other values that somehow have become a part of our way of life.

This Congress cannot, in good conscience, refuse again to pass this legislation.

Mr. Speaker, I again appeal to the good will and sound judgment of this House to support my bill for the creation of a Coal Research Commission.

Increasing imports of crude and residual oils are having a greater impact on the bituminous coal industry than ever before. Please consider these facts.

The administration's voluntary import control program, even under the broader trade agreements statute enacted in 1958, is not effective in restricting the imports of crude oil and products. Imports of residual oil have not been included in the voluntary control plan.

Residual imports in 1958 were approximately at the 1957 level. Coal production in 1958 was 20 percent below the previous year. Residual imports for the week ending January 9, 1959, averaged 867,200 barrels daily—456,300 barrels daily above the comparable week in 1958. This is the highest level in history. Coal production for the same week was 645,000 tons below the comparable week in 1958.

Total residual imports to January 9 were 7,342,800 barrels, greater by more than 2 million barrels than for the same period in 1958. Total coal production to January 10 was 9,922,000 tons, less by 2,584,000 tons than for the same period last year.

Imported residual prices along the eastern seaboard, the area of greatest impact in coal's markets, have been reduced from $2.57 in August 1958, to $2.37 in January 1959. Thousands of tons of coal's markets have been absorbed as a result of the increased residual imports and reductions in price. Economic conditions in coal-producing areas are deplorable. Unemployment is on the increase, and the number of public assistance recipients is increasing.

Significant facts regarding the proposal for the establishment of a coal research independent agency:

First. In practically all instances where Government-sponsored research programs are in operation, administration and control of such agencies are in the hands of independent agencies, for instance: National Science Foundation, National Advisory Committee for Aeronautics, Atomic Energy Commission.

Recently the Department of Defense, within its own organization, has set up a separate and distinct agency for research operations rather than assign control of these activities to the various established Government divisions.

Second. An important research program, such as anticipated, to benefit the coal industry would require high-type administrative personnel. This is obtained in independent agencies, whereas the same option is not available under established agencies. For instance, the chain of command in an existing Government agency would be along the lines of the following: First, secretary of the department; second, under secretary of the

department; third, assistant secretary in charge of the particular area; fourth, director of the bureau within which such operations might fall; fifth, assistant director of the bureau; sixth, chief of the division; and, seventh, head of a research program.

In other words, in the average governmental department a coal research program would necessarily fall to an individual in the seventh administrative level.

Third. Traditionally, in moving projects through Government agencies interdepartmental delays tend to hamper expeditious movement. Likewise, most Government agencies are inclined to protect their own "empires" from possible invasion by other Government departments.

Fourth. There has existed for quite some time a natural inhibition on the part of private industry to turn over to an established Government agency information that might result in impediments to such industry competitively. This is particularly true where several competitive industries find their direction under the head of the same department or bureau. In these cases, industries are reticent about giving information and details of activities for fear that it might find its way into the hands of competitors in its own field.

Fifth. The coal industry's desire for a coal research program is for one that would be all comprehensive, and all inclusive. It should not, therefore, be limited to the field of technical research in which most of the existing coal research done by Government has been confined. In addition to the technical aspects of research, the coal industry's suggested program would cover such other areas as market and distribution, transportation, utilization, etc. In Government, in order to find experience and the qualification to evaluate projects in such fields, it would be necessary to refer to several separate existing departments of the Government. This would require a very involved job of coordinating as well as directing.

Sixth. As evidenced by the experience of Government itself in placing research under individual agencies, the problem of administering a research program requires individual and special attention. It is not something that can be operated successfully as an adjunct administrative task involving other operations of a Government department.

Significant quotations pertaining to the coal industry's suggestion for a coal research project:

House Report 1263, August 27, 1957, "Findings and Recommendations of the Special Subcommittee on Coal Research," in the conclusions of that report on page 29, made the following comments concerning a coal research project:

A short-range, federally supported coal research and development program such as that referred to in the preceding paragraph, if it is to be conducted expeditiously and effectively and achieve the maximum end results, should utilize the research facilities and personnel of industry associations, universities, and other nonprofit organizations, of private consulting firms and of the Department of the Interior and other Federal agencies, to the extent it is practical to do so, and should be administered by an independent Federal agency which must not be shackled and inhibited by such traditional approaches and restrictive policies as control research activities in the Department of the Interior.

As between the work on coal research in existing Government agencies and the suggestion which has been made by the coal industry for an independent agency, this same report, on page 91, makes the following comment:

And the Bureau of Mines, as a matter of policy, does not concentrate its coal research activities on efforts to solve the short-range problems of the industry. Most of the Bureau's work on coal, which now amounts to about $5 million annually, is in the area of long-range research and is of such nature that it appears unlikely the average coal producer will be benefited by it.

With reference to the unanimity of the recommendation for a coal research agency established as an independent agency of the Federal Government, the above quoted report has the following to say:

The Bureau of Mines does not look with favor upon an expanded coal research program along the general lines suggested by the National Coal Association and as suggested by practically every witness appearing before the subcommittee on behalf of the coal producers, mine workers, State organizations, community officials, civic groups, and coal-carrying railroads.

In addition to the congressional comments, the Western State Governors' Mineral Policies Conference on November 7, 1955, advocated an approach similar to that recommended by the coal industry in the following comment from their conference report:

1. Establish at Federal level, and at State level where desirable, permanent minerals research advisory boards. These boards should consider and recommend initiation of research programs, which, in their opinion, are particularly needed.

Excerpt from statement of policy of National Coal Association, page 12:

RESEARCH

Scientific research has made an immeasurable contribution to the economic growth which has made the United States preeminent among the nations of the world. Research should be broadened and intensified to assure further expansion of the Nation's economy and the maintenance of the U.S. leadership. Private industry should continue to play a substantial role in research and make every feasible contribution to the Nation's continued progress. The ultimate in research is beyond the economic capability of some segments of the economy. In furtherance of the national interest and the public welfare, it is incumbent upon the Federal Government to encourage and participate actively in appropriate research in the field of energy resources. An independent Federal agency composed of representatives of industry and Government should be established to aid in developing, coordinating, supervising, and financing an appropriate research program for the extraction, utilization, and consumption of bituminous coal. The program should rely upon existing research facilities to the greatest feasible extent, giving impetus and direction to present research efforts.

The Townsend Plan Bill

EXTENSION OF REMARKS
OF

HON. JOHN A. BLATNIK

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 5, 1959

Mr. BLATNIK. Mr. Speaker, for many years legislation embodying the principles of the Townsend plan "pay-as-you-go social security for all" has been before Congress. In the 85th Congress I joined with Representative BURDICK, of North Dakota in sponsoring the Townsend plan bill.

I have introduced H.R. 4000, which is identical with the Townsend plan bill I sponsored in the 85th Congress, and which differs from other bills embodying the Townsend plan, in former years, only in terms of legislative form and in respect to technical construction. It does not differ in respect to any basic principle, objective, or standard. The gentleman from California [Mr. GUBSER] has introduced a companion measure, H.R. 4001.

The 1959 Townsend plan bill is specially drafted as an amendment to the Social Security Act, repealing or suspending, as the applicable case may be, the various provisions of Old Age, Survivors, and Federal Disability Insurance and instituting in place thereof the Townsend Plan program under title II of the act.

Under this bill, a smooth transition from the present system of old-age, survivors, and disability insurance is provided for. No persons entitled to or receiving benefits under the present system will lose a penny of those benefits—because benefits under the 1959 Townsend plan bill will overlap those of the present system until all benefits under the present system are totally absorbed by the benefits under this bill. To the extent that some benefits paid under the present system exceed those initially provided for under my bill, the difference will be paid from the reserve funds of the old-age, survivors, and disability system.

Within 2 years, after the effective date of this Townsend plan program, it will have totally absorbed all benefit obligations of the present system.

This smooth, equitable transition is provided for by these provisions: Six months after its enactment the gross income—gross receipts—tax, upon which H.R. 4000 is based, will go into effect at the rate of 1 percent for a period of 6 months. Then, it will be advanced by one-fourth of 1 percent for each succeeding calendar quarter until it reaches the full tax rate of 2 percent. It will reach this rate of 2 percent as of the 16th month after its effective date.

The initial benefits financed under the 1 percent tax rate will be approximately equal to the average primary benefit paid under the present system—so that, right from the start, present benefits up to the amount of average primary benefits will be absorbed by the Townsend plan program. Then, as the tax rate

UNIVERSITY OF MICHIGAN LIBRARIES

advances quarter by quarter, benefits will proportionately advance to a level estimated at between $130 and $150 per month.

Thus, virtually every possible benefit-liability of the present system, under title II, will be smoothly absorbed by the Townsend Plan program. If there prove to be some few beneficiaries entitled under the present system, who do not qualify for some unforeseeable technical reasons under the Townsend plan program—they are certainly provided for many times over by the approximately $23 billion reserve funds of the present system. Under my bill, nobody will lose any benefit—and in a short time all will receive better benefits than the present system will afford them. At the same time, once full benefits have been achieved under my bill, we will no longer have people trying to live on benefits capable of affording them nothing better than severe poverty. My bill will really solve the social security problem.

The problem of providing for equitable and smooth transition from the present program has been one of the foremost obstacles in Congress to adoption of the Townsend plan. This bill completely removes this obstacle.

The 1959 Townsend plan bill specifically defines its objectives. It provides that each year the Department of Commerce, under its Census Bureau work of annually surveying the distribution of money income in the U.S. population, will report to Congress, specifically, what rate of the gross income tax would have been necessary during the preceding year, under the program, in order for the overall income of the aged population to have compared favorably with that of the younger, adult population. This feature is designed to create a situation whereunder the Congress—and everybody else—will henceforth know, as a matter of clear record, exactly what the relative position of the aged is economically.

This feature is designed to provide each year a defined basis on which everybody can henceforth deal with the primary problem of just how much pensions should justly be in the light of authentic facts. Up to now, this question of exactly how much pensions really ought to be has not been officially dealt with. The Townsend program is fundamentally predicated upon exactly that study and approach to the whole problem. My bill provides, in the Social Security Act, the legal requirement that this question be authentically reported on each year, to Congress by the Department of Commerce.

Now, there has always been a long list of arguments—in principle, academic arguments—about the workability of the gross income tax on which the Townsend plan is based. This bill provides, in its definition of gross income, the conclusive end to this whole field of confusion due to these purely theoretical and academic arguments, as well as an end to the waste of time and effort in dealing with such unrealistic claims and counterclaims, in a very simple way. Since 1933, a genuine gross income tax has been operating with unchallenged efficiency and practicality in the State of Indiana. Correcting jurisdictional references, the precise text of the definition of gross income contained in the Indiana State gross income tax act of 1933, as amended up to, and including, 1953, is incorporated in the 1959 Townsend plan bill.

It is specifically to be noted that this does not constitute any change in principle or departure in policy by the Townsend organization. The tax proposed in the Townsend bill has traditionally been exactly what is now proposed. However, there have always been those, in and out of Congress, who insisted persistently that the Indiana tax really was not the same, was in reality quite different from the Townsend proposal. This specious argument stands abolished since the 1959 Townsend plan bill contains precisely the same definition of gross income as the Indiana law.

The 1959 Townsend bill provides for old-age retirement at the age of 60 years; for full benefits to persons disabled between ages 18 through 59; for full benefits for female heads of family groups with one or more dependent, minor children; and for proportionate benefits of one-third of the full benefit rate for such dependent children under 18. This last is new coverage.

H.R. 4000 does not require complete and outright, all-or-nothing retirement by beneficiaries, but encourages their participation in the Nation's productivity. At the same time, it provides a deterrent sufficient to prevent pensioners from selling their services so cheaply as to constitute unfair competition with other work-seekers. The provision is that above the amount of $75 per month, adult beneficiaries would lose $1 of their benefit for each full $2 earned in employment or self-employment. For the secondary beneficiaries, the children, they, too, would lose $1 for each full $2 per month earned in excess of $50 in employment or self-employment.

When accorded serious study, the above provisions will be seen—not only as providing reasonable inducement to beneficiaries to supplement their benefits by appropriate participation in the labor force without risking frustrating reductions in their benefits—but, also, as aiding greatly in enabling workers to "ease" into retirement over a period of time and in the rehabilitation of the disabled and "easing" them back into full occupation over a period of time.

The 1958 Townsend bill requires that any person over 18 years of age must have resided in the United States for a total of not less than 10 years in order to qualify for benefits. The reasons for this provision are manifold; but, suffice it to say that very rare would be the citizen of the United States who would not have satisfied this requirement before his childhood was over. At the same time, this requirement, imposed on our own citizens, will abridge the difficulties involved in treaties we have with various nations reciprocally agreeing that we treat each others' nationals exactly as we treat our own citizens; and it will conclusively bar persons from becoming simply retirement emigrees to the United States, since all will have to have been here long enough to support the system quite substantially before becoming eligible to draw its benefits.

The bill exempts persons under 18 from this residence requirement even if the adults upon whom they depend may be barred by this residence requirement.

THE NEED FOR TOWNSEND PLAN LEGISLATION

The need for this type of legislation is embodied, first, in the fact that we have a Social Security Act, in the first place. This means that in 1935 Congress recognized the social security problem to such a degree that the act was adopted. This realization extended to the level of the problem being recognized as, in principle at least, a national, not a local or regional problem—a problem requiring Federal legislative action. This legislative action, itself, certified the ruling conviction that privately the problem could not be handled. Legislating the entirely Federal program embodied in old-age and survivors insurance recognized that the problem was beyond the capabilities of local and even of State governmental scope. The subsequent actions by Congress after 1935—up to and including 1958—certify unanswerably that this conviction as to the solid, national nature of the problem has continuously solidified and strengthened.

When it is all summed up, the truth is this: We have a social security problem simply because the great majority of Americans reach old age only to find themselves lacking the financial ability to command income and living standards reasonably comparable to the general standards of living prevailing around them. The present system of old-age, survivors, and disability insurance has done good as far as it has gone, or could go. However, in recent years it has become clearly evident that the present system is not altering the above stated reason for our having a social security program, in the first place. All we have done has been to prevent the originally deplorable economic position of our aged from becoming still worse. Since the end of World War II, we have not bettered the comparative economic position of our senior citizens. As a group, their income share has remained unchanged while their comparative numbers have increased over three times as rapidly as any other part of our adult population. In fact, in the overall, despite all our efforts under the present system, the comparative income position of our elderly people remains a continually declining one. I repeat, the present program is good—as far as it goes—but, far from solving the social security problem, it continues actually failing to prevent the problem from getting slowly worse.

The bill I have introduced today is squarely based on the belief that Americans desire and should by all means enjoy economic sufficiency and independence as the final result of life. Obviously, if they are ever going to achieve this result, we have no alternative than an entirely new approach to the problem. That new approach is the substance of the bill I have introduced.

Let us look at the facts about the economic position of our elderly people. In February 1954, the Social Security Bulletin carried an article by Jacob Fisher of the Social Security Administration's Division of Research and Statistics, namely, "Postwar Changes in the Income Position of the Aged." This report shows the population aged 65 and over increased 17 percent from 1947 through 1952—while the total population aged 14 and over increased only 5 percent—but their share of total personal income increased from 7 percent in 1947 to only 8 percent in 1952.

Analysis of Census Bureau data shows the share of the elderly to have been 7.3 percent in 1953, 7.7 percent in 1954, 7.9 percent in 1955, 7.6 percent in 1956, and 7.4 percent in 1957. By 1957, the aged population increased 36.9 percent over the 1947 number, while the total population 14 and over, including the aged, increased only 11.5 percent. Thus, the comparative income position of the average aged person declined, seriously, from the admittedly unjust levels of 1947 to an even more inferior level in 1956.

The increase of the aged as a part of our total population continues unabated, while their total share of income remains unchanging. This has taken place despite congressional action in 1950 increasing OASI benefits by 70 percent and in spite of congressional actions each 2 years ever since. It has taken place despite the dramatic increase in private pension systems and the liberalization of just about every existing public and private retirement system, as well.

Since the end of World War II, OASI has not only failed to solve the social security problem; but, it has even failed to prevent it from getting worse.

Furthermore, a 1955 report from the Social Security Administration warns that to establish even so modest a minimum OASI benefit as $75 a month would entail payroll tax rates so high as to endanger public support and acceptance of its contributory principle. This conclusion has repeatedly been urged by this same authority in the discussion of benefit increases ever since.

The facts clearly place before us the unavoidable conclusion that we do not yet have anything resembling a Federal social security program capable of affording the American people the kind of social security they richly deserve. It is in the light of these facts that I have introduced today H.R. 4000 which is designed specifically to provide such a completely desirable social security program under title II of the Social Security Act.

Our ever-increasing ability to produce goods and services dictates that we must keep buying power amongst our population abreast of our ability to produce or suffer again and again the losses in wealth and human welfare so recently experienced because of business recession. It has become more than clear to me that unless we stop destruction of the average American's buying power upon his reaching old age, we can never do this. It is what OASI has clearly failed to do. It is exactly what H.R. 4000, the Townsend plan, will do.

Added to what we authentically know the American people can do privately for their retirement, Townsend plan benefits will end poverty and dependence in old age, establish the aged, as a group, on reasonable income parity with the rest of our adult population—thus amplifying buying power, the only way prosperously to absorb surpluses.

Therefore, the Townsend plan should be adopted immediately, in place of the present system of old-age and survivors and disability insurance.

HOW THE 1959 TOWNSEND PLAN BILL WILL WORK

On the first day of the sixth month beginning after the enactment of this bill, the program will go into effect. For the purposes of simplicity, let us assume that the effective date is January 1.

Then, as of January 1, the tax proposed in this bill will go into effect and the present payroll tax supporting old-age and survivors insurance and Federal disability insurance would cease. For the 6-month period—January through June—the gross income tax will operate at the rate of 1 percent. For the 7th, 8th, and 9th months, the rate will be 1¼ percent; for the 10th, 11th, and 12th months 1½ percent; for the 13th, 14th, and 15th months 1¾ percent; and for the 16th and all succeeding months 2 percent.

Meanwhile, beginning with the seventh month—July—the revenue collected from the first month—January—less, specifically, administrative costs, will be distributed as benefits to the qualified beneficiaries. The amount of benefits will be determined simply by dividing the available revenue—after administrative costs—by the number of primary beneficiaries plus the number of primary beneficiaries represented by the secondary beneficiaries—with each primary beneficiary receiving the resulting sum and each secondary beneficiary receiving his appropriate fraction thereof.

As of the first of the eighth month the revenue from the second month would be so distributed; and, thereafter, as of the first of every month the revenue collected from the sixth preceding month would be so distributed as benefits.

Thus, as the tax rate matures and as beneficiaries qualify, the program will ease into full effect in between 1½ and 2 years of its effective date.

Statistical studies show that as of the 7th through the 12th month, the first benefits under this program would amount to between $60 and $70 per month. Then, based on the advancing tax rate described above, benefits would progressively increase to averages of twice that amount.

H.R. 4000 provides that benefits under old-age and survivors and disability insurance will continue to be paid to whatever extent they might be greater than benefits provided by the Townsend plan, and to whatever extent OASDI benefits so continue to be paid they shall be paid out of the OASDI reserve funds.

However, since the average benefit to retired workers under OASDI is less than $70 a month—and since dependents' and survivors' benefits are but fractions of the workers' primary benefits—it is obvious that the greater part of present beneficiaries will almost immediately be absorbed under the Townsend plan. As this new program matures, under the full 2-percent rate of the gross income tax, there can be no doubt whatsoever that all benefits under the present program would be absorbed.

Nobody can seriously doubt that the $23 billion reserves of the present system are far more than adequate to finance the benefit load incumbent upon them under this bill during this period of transition to this new program.

Let me repeat, at no time will any beneficiary of the present system ever lose 1 penny of any benefit because of the adoption of H.R. 4000; and all will end up incomparably better off than they will ever be under the present system.

The benefit-coverage provided by H.R. 4000 certainly takes account of all who can possibly qualify under the present programs under title II of the Social Security Act; and it takes under its coverage those few elements still excluded under the present programs. It is, indeed, very hard to imagine persons who will be able to qualify under present programs who will not qualify under the Townsend plan. Whatever possible cases there may be are obviously so few and infrequent that they will not constitute anything of such magnitude as to be classed as a problem.

The Townsend program, once operating under the full support of the 2-percent rate of the gross income tax—as indicated by statistics on the population, the distribution of income, and the volume of business in the United States—will provide primary benefits of $130 to $150 a month. This level of benefits, under the coverage provided for in the Townsend bill, will involve a revenue of at least $2.5 billion a month. The immediate question becomes this: How can so large a number of beneficiaries at these benefit-levels be justified? In other words, the immediate question to be settled is that raised by those who are forever denouncing anything that is going to cost money. Obviously, this is a program the financial features of which really raise their dander. However, the answer is not difficult to set forth.

The first fact is a simple one: As of 1956, the group aged 65 and over lacked by just about one-half an equal share of income as compared with younger adults—aged 25 through 64. They endured this lack—about 20 percent of them having no income whatsoever from any source—despite all the programs presently in force under the social security system as it is, despite all other public and private programs, despite the expanded rates of savings and investment that recent times of unprecedented prosperity have afforded.

The answer is that less than the Townsend plan will not fill the gap, will not eliminate the economic inferiority of the aged. Less will not secure the future of the younger people from the fate of economic deterioration when they reach old age and so forth.

UNIVERSITY OF MICHIGAN LIBRARIES

So, it comes down simply to this: Is the solution of the social security problem a beneficial thing to our society or not? If it is a beneficial thing to do, then it is worth the price. The Townsend program is simply the only one ever designed and put forth actually to eliminate, fully solve this problem. If the problem is ever to be solved in any other way than through the Townsend plan, it will have to be by providing the same standard of benefits for the same number and classes of people as are provided for under the 1959 Townsend plan bill. That is all there is to it, in reality. Either the problem is a valid one and should be solved, or it should not.

To those who say the financial magnitude of the problem has been overestimated, I say that economic sufficiency and independence should be the final reward in life for the people of the United States; that this requires two things: First, that retired people, retired in this context of social security benefits, be not subjected to an income level that involves poverty, insufficiency in terms of the actual, general standards of the times; and, second, that as an overall group retired people should enjoy an up-to-date share in income and living standards as compared to those enjoyed by younger adult people. Less than this constitutes inferiority, lack of freedom and independence, curtailment of the ability to participate fully in the social, economic life of the day—injustice, in short. The Townsend plan is calculated on the basis of those convictions and standards.

Now, if somebody feels, in their own view, that less than this is really an answer, let them state how much they believe should be the share of the aged. On this basis the whole matter can be settled; but, the burden of proof is theirs. The Townsend bill alone is based upon the square question: How much should an old-age pension be? The Townsend bill provides the ways and means of providing that pension—whatever it should be.

Since it is self-evident that whatever the final decision of Congress turns out to be as to what an old-age pension ought to provide for, there still remains the unassailable truth—"It will require just as much money to be raised for just as many people under any other plan as under the Townsend plan." Therefore, the whole question reverts back to the primary one: Is the genuine solution of the social security problem desirable or not?

To those who feel that it is desirable, we present the Townsend plan, embodying the defined ways and means of solving it. To those who do not wish its solution we say: "It is time you frankly said so." This is the essence of H.R. 4000, the Townsend bill.

SENATE

FRIDAY, FEBRUARY 6, 1959

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, in the hush of this hallowed moment, may all earth's strident voices be stilled, that Thine alone may be heard ere clamoring duties lead us back to the demanding, crowded way.

Save us from the pride of self-will, from enfeebling errors of judgment, from the blindness of prejudice, from vagueness of purpose, from the discouragement of temporary failure, and from lacking a compelling sense of urgency in these days of destiny.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 5, 1959, was dispensed with.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of nominations was submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Jack W. Kinney, Jr., and sundry other persons, for permanent appointment in the Coast and Geodetic Survey.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar will be stated.

DEPARTMENT OF AGRICULTURE AND BOARD OF DIRECTORS, COMMODITY CREDIT CORPORATION

The Chief Clerk read the nomination of Clarence Ludlow Miller, of Kentucky, to be Assistant Secretary of Agriculture and to be also a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of Herbert Frank York, of California, to be Director of Defense Research Engineering.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Army be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Army will be considered en bloc; and, without objection, they are confirmed.

THE NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations in the Navy be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Navy will be considered en bloc; and, without objection, they are confirmed.

THE MARINE CORPS

The Chief Clerk read the nomination of Edward A. Montgomery to be brigadier general in the Marine Corps.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE REGULAR AIR FORCE

The Chief Clerk proceeded to read sundry nominations in the Regular Air Force.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations in the Regular Air Force will be considered en bloc; and, without objection, they are confirmed.

NOMINATIONS FAVORABLY REPORTED AND PLACED ON THE VICE PRESIDENT'S DESK

The Chief Clerk proceeded to read sundry nominations in the Air Force, the Navy, and the Marine Corps, which had been favorably reported, and had been placed on the Vice President's desk, without being printed in the Executive Calendar.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 2260) to extend until July 1, 1963, the induction provisions of the Universal Military Training and Service Act; the provisions of the act of August 3, 1950, suspending personnel strengths of the Armed Forces; and the Dependents Assistance Act of 1950, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 2260) to extend until July 1, 1963, the induction provisions of the Universal Military Training and Service Act; the provisions of the act of August 3, 1950, suspending personnel strengths of the Armed Forces; and the Dependents Assistance Act of 1950, was read twice by its title, and referred to the Committee on Armed Services.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON FEDERAL CONTRIBUTIONS PROGRAM

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on the Federal contributions program, for the quarter ended December 31, 1958 (with an accompanying report); to the Committee on Armed Services.

PROPOSED AREA ASSISTANCE ACT OF 1959

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes (with an accompanying paper); to the Committee on Banking and Currency.

DRAFTS OF PROPOSED LEGISLATION

A letter from the Attorney General, transmitting four drafts of proposed legislation, as follows:

A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of court orders;

A bill to amend chapter 49 of title 18, United States Code, to punish flight to avoid prosecution for unlawful destruction of educational or religious structures;

A bill to provide for the retention and preservation of Federal election records and to authorize the Attorney General to compel the production of such records; and

A bill to amend the Civil Rights Act of 1957 to afford the Civil Rights Commission an additional 2 years within which to submit its final report, and for other purposes (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were presented and referred as indicated:

RESOLUTION OF NORTH DAKOTA HOUSE OF REPRESENTATIVES

Mr. YOUNG of North Dakota. Mr. President, on behalf of my colleague from North Dakota [Mr. LANGER] and myself, I ask unanimous consent to have printed in the body of the RECORD House Resolution No. 5 adopted by the House of Representatives of the Legislature of North Dakota. The resolution opposes any increase in the Federal tax on motor fuel, I wholeheartedly concur in the resolution.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 5

A resolution memorializing the Congress to refrain from enacting any further increases in motor fuel taxes

Whereas certain measures are presently pending before the Congress to increase Federal taxes upon motor fuel by 1½ cents per gallon; and

Whereas motor fuel taxes have until recent years been a type of tax reserved for the States but in recent sessions of the Congress have been to a large extent preempted for Federal revenue purposes, thereby handicapping the financial operations of the States; and

Whereas present high motor fuel taxes place a substantial burden upon the operators of motor vehicles; and

Whereas automobiles and motortrucks have become an essential part of our economy and our way of life and the motor fuel used in such vehicles cannot under any circumstances be considered a luxury item deserving of high rates of taxation; and

Whereas the high motor fuel taxes upon a necessity of life results in the taxation of those citizens who can least afford to pay in the same manner as those of unlimited financial means through increased costs of transportation and the resulting higher prices of goods: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota, That the Congress is urgently requested to refrain from further increasing the taxation of motor fuel; and be it further

Resolved, That copies of this resolution be forwarded by the chief clerk of the house of representatives to the President of the United States, the Vice President, the Speaker of the House of Representatives, and each member of the North Dakota congressional delegation.

HJALMAR C. NYGAARD,
Speaker of the House.
GERALD L. STAIR,
Chief Clerk of the House.

The PRESIDENT pro tempore laid before the Senate a resolution of the House of Representatives of the State of North Dakota, identical with the foregoing, which was referred to the Committee on Finance.

RESOLUTION OF RHODE ISLAND GENERAL ASSEMBLY

Mr. PASTORE. Mr. President, on behalf of myself and my colleague, the senior Senator from Rhode Island [Mr. GREEN], I present for appropriate reference, and ask to have printed in the RECORD, a resolution adopted by the General Assembly of the State of Rhode Island, as follows:

Resolution memorializing the President of the United States, the Secretary of State of the United States, and the Congress of the United States to enact and maintain tariff rates on textiles, lace, jewelry, and rubber goods imports.

There being no objection, the resolution was referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES, THE SECRETARY OF STATE OF THE UNITED STATES, AND THE CONGRESS OF THE UNITED STATES TO ENACT AND MAINTAIN TARIFF RATES ON TEXTILES, LACE, JEWELRY, AND RUBBER GOODS IMPORTS

Whereas the General Assembly of the State of Rhode Island has respectfully called to the attention of the President of the United States, the Secretary of State of the United States, and the Congress of the United States that textiles, lace, jewelry, and rubber goods manufacturing are major industries in the State of Rhode Island, employing over 54 percent of Rhode Island's manufacturing workers; and

Whereas manufacturing is the foundation of Rhode Island's economy whereby one-half of the entire State's population is directly or indirectly dependent upon such industries; and

Whereas in all of these industries labor and labor costs are vital factors representing about 60 percent of the value of the manufactured product; and

Whereas such products can be and are manufactured today in many parts of the world, often with the aid of American equipment; and

Whereas the consequent threat of price competition from low-wage countries abroad is very real; and

Whereas such large wage rate differentials place American manufacturers at a decided competitive disadvantage, resulting in the loss of hundreds of millions of dollars in manufacturing investments and the unemployment of thousands of Rhode Island industrial workers upon the closing of the mills and factories of this State: Now, therefore, be it

Resolved, That the President of the United States insist on increasing and maintaining proper tariffs on the imports of textiles, lace, jewelry, and rubber goods; and be it further

Resolved, That the Secretary of State of the United States enter into no agreements and make no concessions to any foreign nation which would affect adversely the manufacture and sale of textiles, lace, jewelry, and rubber goods products in the United States; and be it further

Resolved, That the Congress of the United States and more particularly the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives take every legislative precaution in enacting legislation to assure the creation and maintenance of proper tariff rates on textiles, lace, jewelry and rubber goods imports; and be it further

Resolved, That duly certified copies of this resolution be transmitted forthwith by the Secretary of State to the President of the United States, the Secretary of State of the United States, to the Tariff Commission of

the United States, to the chairman of the Senate Committee on Finance, and to the chairman of the Committee on Ways and Means of the House of Representatives, and to the Senators and Representatives from the State of Rhode Island in the Congress of the United States, earnestly urging that each use his best efforts to bring about the enactment and maintenance of proper tariff rates on textiles, lace, jewelry, and rubber goods imports, to the end that the manufacture and sale of such goods in the United States are not jeopardized.

PROPOSED CURTAILMENT OF PASSENGER SERVICE BY LEHIGH VALLEY RAILROAD—RESOLUTION

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the mayor and Council of the Borough of South Plainfield, N.J., concerning the possible discontinuance or major curtailment of passenger service by the Lehigh Valley Railroad.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the Lehigh Valley Railroad did give notice of its intention to discontinue all main line passenger trains on and after January 12, 1959; and

Whereas the Interstate Commerce Commission has enjoined the Lehigh Valley Railroad from enforcing its intention until May 12, 1959; and

Whereas the mayor and Council of the Borough of South Plainfield recognize that if the Lehigh Valley Railroad is permitted to discontinue all passenger service great numbers of the citizens of the Borough of South Plainfield and of surrounding communities who presently utilize the commuter services rendered by the said railroad would be seriously injured in their economic and social lives; and

Whereas it is publicly recognized that the continuance of the Lehigh Valley passenger service is essential to public necessity and convenience: Now, therefore, be it

Resolved, That this resolution be served upon the Interstate Commerce Commission as notice of the opposition of the mayor and Council of the Borough of South Plainfield as well as the citizens thereof against the discontinuance or major curtailment of Lehigh Valley passenger service to this community; and be it further

Resolved, That certified copies of this resolution be sent to Gov. Robert B. Meyner, U.S. Senators Case and Williams, Congressman Frelinghuysen, Senator Lynch, Assemblyman Kurtz, and to the Lehigh Valley Railroad.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare, with amendments:

S. 79. A bill to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances (Rept. No. 50).

EXTENSION OF BEST WISHES TO AMERICAN DENTAL ASSOCIATION—REPORT OF A COMMITTEE—ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTION

Mr. HILL. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, without amendment, the concurrent resolution (S. Con. Res. 7) extending best wishes of Congress to the American Dental Association on the centennial of its founding, and I submit a report (No. 51) thereon. I ask unanimous consent that in future printings of the concurrent resolution, the names of Senators CLARK, GOLDWATER, HRUSKA, and YARBOROUGH be added to the list of cosponsors.

The PRESIDING OFFICER (Mr. DODD in the chair). The report will be received, and the concurrent resolution will be placed on the calendar; and, without objection, the names of the additional cosponsors will be added, as requested by the Senator from Alabama.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of Texas:

S. 961. A bill fixing the representation of the majority and minority membership of the Joint Economic Committee; considered and passed.

S. 962. A bill authorizing the improvement of the channel to Port Mansfield, Tex., in the interest of navigation and other purposes; to the Committee on Public Works.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above bills, which appear under separate headings.)

By Mr. BIBLE (by request):

S. 963. A bill to amend the Code of Law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes; and

S. 964. A bill to amend the Code of Law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes; to the Committee on the District of Columbia.

(See the remarks of Mr. BIBLE when he introduced the above bills, which appear under a separate heading.)

By Mr. KEATING:

S. 965. A bill to provide that clergymen and news reporters shall not be required to disclose confidential communications in Federal courts or before committees of Congress, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA (for himself and Mr. HART):

S. 966. A bill to authorize the conveyance of certain surplus land in the Old Mackinac Point Light Station, Mackinaw City, Mich., to the Mackinac Island State Park Commission, an agency of the State of Michigan, and for other purposes; to the Committee on Government Operations.

By Mr. MAGNUSON:

S. 967. A bill for the relief of Lea Levy; and

S. 968. A bill for the relief of Arctic Maid Fisheries, Inc.; to the Committee on the Judiciary.

S. 969. A bill to provide that persons discharged from the Armed Forces who are proffered discharges other than honorable may reject such discharges and receive a court-martial, or if not court-martialed, shall be given honorable discharges; to the Committee on Armed Services.

S. 970. A bill to provide that the statute of limitations on refunds of overpayments of income taxes shall not apply to overpayments by Indians arising from the erroneous inclusion in gross income of certain income not subject to Federal income tax; to the Committee on Finance.

S. 971. A bill to amend the act of August 27, 1954 (68 Stat. 883) relating to the rights of vessels of the United States on the high seas and in the territorial waters of foreign countries; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 972. A bill to amend section 2 (b) of the Columbia Basin Project Act, as amended; to the Committee on Interior and Insular Affairs.

By Mr. BARTLETT (for himself and Mr. GRUENING):

S. 973. A bill to permit officers and employees of the Federal Government stationed in Alaska to accumulate a maximum of 45 days a year annual leave; to the Committee on Post Office and Civil Service.

By Mr. McCARTHY:

S. 974. A bill for the relief of Lee Kuhn Wui; to the Committee on the Judiciary.

S. 975. A bill to amend the Postal Field Service Compensation Act of 1955 to provide a 10-percent differential for Sunday work; to the Committee on Post Office and Civil Service.

By Mr. BUTLER (for Mr. BEALL):

S. 976. A bill to require the expenditure of 60 percent of the funds expended for military aircraft and missile repair and overhaul with private industry and for other purposes; to the Committee on Armed Services.

S. 977. A bill for the relief of Nasubit Mildred Milkie; and

S. 978. A bill for the relief of Avila R. Brissette; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 979. A bill to amend the Internal Revenue Code of 1954 so as to provide further incentive for assistance to small business concerns by small business investment companies operating under the Small Business Investment Act of 1958; to the Committee on Finance.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. HICKENLOOPER (for himself and Mr. MARTIN):

S. 980. A bill to provide for the appointment of a district judge for the northern and southern districts of Iowa; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 981. A bill for the relief of T. W. Holt & Co.; to the Committee on the Judiciary.

By Mr. WILEY:

S. 982. A bill to increase and extend the special milk program for children; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. McCARTHY:

S. 983. A bill to extend certain rights, benefits, and privileges granted to veterans of service in the Armed Forces of the United States to certain citizens of the United States who served in the active military or naval service of any government allied with the United States during World War I, and to

their dependents; to the Committee on Finance.

By Mr. TALMADGE:

S. 984. A bill to amend the Poultry Products Inspection Act in order to provide grading inspection in certain cases, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. JAVITS (for himself and Mr. DIRKSEN):

S. 985. A bill to make Abraham Lincoln's birthday a holiday in the District of Columbia for the purpose of certain laws relating to negotiable instruments, and laws relating to the payment of additional compensation for holiday work by members of the Metropolitan Police Force and the Fire Department of the District of Columbia; to the Committee on the District of Columbia.

S. 986. A bill making the birthday of Abraham Lincoln a legal holiday; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above bills, which appear under a separate heading.)

By Mr. MORSE (by request):

S. 987. A bill to amend the Railroad Retirement Act of 1937, the Railroad Unemployment Insurance Act, the Internal Revenue Code, the Social Security Act, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself, Mr. MCCARTHY, Mr. PROXMIRE, and Mr. WILEY):

S. 988. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 989. A bill to require the expenditure of 75 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship-repair yards, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. MCNAMARA:

S. 990. A bill to authorize the use of Great Lakes vessels on the oceans; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIAMS of New Jersey:

S. 991. A bill granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents; to the Committee on the Judiciary.

(See the remarks of Mr. WILLIAMS of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. ANDERSON (for himself, Mr. MURRAY, Mr. CHAVEZ, Mr. ALLOTT, Mr. BENNETT, Mr. O'MAHONEY, Mr. YOUNG of North Dakota, Mr. MANSFIELD, Mr. CASE of South Dakota, Mr. JACKSON, Mr. MUNDT, Mr. MAGNUSON, Mr. BIBLE, Mr. CARROLL, Mr. MCGEE, Mr. BARTLETT, Mr. KUCHEL, and Mr. MOSS):

S. 992. A bill to authorize public land States to select certain public lands in exchange for land taken by the United States for military and other uses, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOUGLAS:

S. 993. A bill for the relief of Christos G. Diavatinos; to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 994. A bill to authorize the Secretary of the Interior to construct, operate and maintain the Spokane Valley project, Washington and Idaho, under Federal reclamation laws: to the Committee on Interior and Insular Affairs.

By Mr. MAGNUSON (for himself, Mr. CARROLL, Mr. CHAVEZ, Mr. CHURCH, Mr. COOPER, Mr. JACKSON, Mr. HART, Mr. KEFAUVER, Mr. LANGER, Mr. MCGEE, Mr. MCCARTHY, Mr. MCNAMARA, Mr. MORSE, Mr. MOSS, Mr. MURRAY, Mr. NEUBERGER, Mr. PROXMIRE, Mr. YOUNG of North Dakota, and Mr. HENNINGS):

S. 995. A bill to amend the Interstate Commerce Act so as to provide for the protection of railroad employees by regulating the use of track motorcars, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (for himself, Mr. CARROLL, Mr. CHAVEZ, Mr. CHURCH, Mr. COOPER, Mr. JACKSON, Mr. HART, Mr. KEFAUVER, Mr. LANGER, Mr. MCGEE, Mr. MCCARTHY, Mr. MCNAMARA, Mr. MORSE, Mr. MOSS, Mr. MURRAY, Mr. NEUBERGER, Mr. PROXMIRE, Mr. YARBOROUGH, Mr. YOUNG of North Dakota, and Mr. HENNINGS):

S. 996. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbeds, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MAGNUSON (by request):

S.J. Res. 47. Joint resolution providing that certain communication activities at the Ninth Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; to the Committee on Interstate and Foreign Commerce.

MEMBERSHIP OF THE JOINT ECONOMIC COMMITTEE

Mr. JOHNSON of Texas. Mr. President, I introduce a bill for which I request immediate consideration.

The purpose of the bill is to amend section 5 of the Unemployment Act of 1946 with respect to the membership of the Joint Economic Committee.

The act as now written provides for a committee of 14 members, 7 to be appointed from each House. It also requires that the party representation on the committee shall, as nearly as may be feasible, reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

Under the present membership ratios between the two parties now existing in both the House and the Senate, it is not possible to allot the assignments between the two parties so as to reflect the true situation. In order to correct the situation and make it possible to carry out the true intent of the act, I am proposing in this bill to increase the committee membership to 16, with each House to appoint 8 members.

The majority party in each House will be entitled to five members on the committee, and the minority party in each House will be entitled to three members. Such a division will fairly accurately reflect the present membership of the Congress.

The PRESIDING OFFICER. The bill will be read, for the information of the Senate.

The bill (S. 961) fixing the representation of the majority and minority membership of the Joint Economic Committee, was read the first time by its title and the second time, at length, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(a) of the Employment Act of 1946, as amended (60 Stat. 23, Public Law 304, 79th Congress) is amended to read as follows: "(a) There is established a Joint Economic Committee, to be composed of eight Members of the Senate, to be appointed by the President of the Senate, and eight Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. In each case, the majority party shall be represented by five members and the minority party shall be represented by three members."

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill?

Mr. DIRKSEN. Mr. President, I rise only to note for the RECORD that the majority leader and I have discussed this matter, and the bill is quite in conformity with the intent of the existing law. When the Joint Economic Committee was created, provision was made that, insofar as feasible, the membership of the committee should conform to the party ratios in the Senate and the House. Certainly this bill carries out what was intended in the first instance. So there is no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 961) was considered, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. DIRKSEN. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

IMPROVEMENT OF GULF INTRACOASTAL WATERWAY, PORT MANSFIELD, TEX.

Mr. JOHNSON of Texas. Mr. President, I introduce, for appropriate reference, a bill to authorize the improvement of the Gulf Intracoastal Waterway at Port Mansfield, Tex.

The bill provides that the improvement be undertaken as recommended by the Chief of the Army Corps of Engineers. Yesterday my good friend, the Senator from New Mexico [Mr. CHAVEZ], requested that the Chief of Engineers' recommendations be printed as Senate

UNIVERSITY OF MICHIGAN LIBRARIES

Document No. 11. The bill I am introducing grows directly out of those recommendations.

The history of the channel at Port Mansfield is one of local effort that was thwarted by a natural disaster.

Between 1950 and 1957, the people of Port Mansfield spent $2,800,000 on enlarging the harbor and clearing a 9½-mile channel to the gulf. That was done by a navigation district that had only $12 million in taxable valuations.

In October 1957 several storms hit the area. The jetties in the harbor settled more than had been estimated, the harbor shoaled up, and ships were unable to navigate through the pass.

Willacy County Navigation District does not have the means to remedy the damage done by the 1957 storms, and there is a great and growing need that work be done, and done soon, to clear the channel.

The Corps of Engineers has submitted a plan to construct and maintain a dependable entrance channel 14 feet deep and 125 feet wide from the Gulf Intracoastal Waterway to a turning basin at Port Mansfield. In addition, the corps plan calls for a turning basin, a shrimp basin, and a small craft basin at Port Mansfield. The plan has the complete approval of the State of Texas.

Development of the Port Mansfield area will mean additional revenue for the Federal and State Governments. In addition, the channel from Port Mansfield to the gulf is badly needed as a harbor of refuge—the only opening in the barrier island for 130 miles from Corpus Christi to Port Isabel. It will serve the fishing and shrimping fleets, and will provide access to the tideland oil shelf for boats and rigs.

The estimated cost of the project is $3,431,000 for construction, and $165,000 for annual maintenance.

The project is imminently justified, Mr. President. It has the approval of the State of Texas, the Corps of Engineers, and the Bureau of the Budget. The people of Willacy County have done their utmost to provide this channel for the area; and, in my judgment, we can do no less than help them bring it to completion.

I may add, Mr. President, that a similar bill has been introduced in the House of Representatives by my friend, Representative JOE KILGORE, of Texas.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 962) authorizing the improvement of the Channel to Port Mansfield, Tex., in the interest of navigation and other purposes, introduced by Mr. JOHNSON of Texas, was received, read twice by its title, and referred to the Committee on Public Works.

MODIFICATION OF PROVISIONS OF LAW RELATING TO ATTACHMENT AND GARNISHMENT OF SALARIES IN THE DISTRICT OF COLUMBIA

Mr. BIBLE. Mr. President, at the request of the Bar Association of the District of Columbia, I introduce, for appropriate reference, a bill to amend the Code of Law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes.

A change in the garnishment statutes of the District of Columbia is sorely needed. In the latter days of the 85th Congress, the Senate passed a bill somewhat similar to this one. I sincerely hope that legislation which will correct the present inequities in existing laws will be enacted during the 1st session of the 86th Congress.

This bill is designed to attach wages in staggered amounts. In other words, those who can least afford it would be affected the least by an attachment. The percentages to be used in the event of an attachment are as follows: 10 percent of wages up to $200 per month, 20 percent of that amount over $200 and up to $500 a month, and 50 percent of the wages liable to attachment above the $500 a month figure. There are also included in this proposal certain limitations, to wit: only one attachment upon the wages of a judgment debtor shall be satisfied at one time; and when more than one attachment is issued upon the wages of the same judgment debtor, and is served upon the same employer-garnishee, the attachment first delivered to the marshal shall have priority; nonresident protection; protection for a family who might be receiving support by reason of a court order; and certain periodic accounting requirements, to prevent fraud.

In addition to the bill I am introducing at the request of the District of Columbia Bar Association, I am also introducing, for appropriate reference, a garnishment bill identical to the one that passed the Senate in the 85th Congress, in order that the Committee on the District of Columbia may have the benefit, during its deliberations, of all and any proposals on this subject. It is my understanding that the judiciary of the city is also interested in this bill.

This measure provides a $50-a-week exemption for a debtor, in the event his wages are attached. It also contains most of the provisions in the bar association proposal. There is another important difference, in that under this bill a creditor must file an accounting of the debt after it is satisfied, whereas the bar association proposal calls for a final receipt in garnishment cases. Both bills contain similar sections to protect nonresidents and families which depend wholly or in part on a support order issuing from a District of Columbia court.

I am sure that by the enactment of new legislation in this field we shall correct many of the abuses presently existing and shall cause, as a secondary result, the workload of the local courts to be substantially reduced.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. BIBLE, by request, were received, read twice by their titles, and referred to the Committee on the District of Columbia, as follows:

S. 963. A bill to amend the Code of Law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes; and

S. 964. A bill to amend the Code of Law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes.

DISCLOSURE OF CONFIDENTIAL COMMUNICATIONS BY CLERGYMEN AND NEWS REPORTERS

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to provide that clergymen and news reporters shall not be required to disclose confidential communications in Federal courts or before committees of Congress, and for other purposes.

Mr. President, in order that other Senators may have an opportunity to join me in sponsoring the bill, I ask unanimous consent that it lie on the table for 10 days.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from New York.

Mr. KEATING. Mr. President, I also ask unanimous consent that the bill be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 965) to provide that clergymen and news reporters shall not be required to disclose confidential communications in Federal courts or before committees of Congress, and for other purposes, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 119 of title 28, United States Code, is amended by inserting immediately following section 1825 of such chapter a new section to be designated section 1826 and to read as follows:

"1826. Privilege of clergymen and news reporters.

"(1) A clergyman, or other minister of any religion, shall not be allowed in any court of the United States to disclose a confession made to him, in his professional character, in the course of discipline, enjoined by the rules or practice of the religious body to which he belongs.

"(2) A person engaged or employed in the work of gathering, compiling, editing, publishing, disseminating, broadcasting, or televising news shall not be required in any court of the United States to disclose the source of information procured by him for such publication, broadcasting, or televising unless such disclosure is necessary in the interest of national security."

(b) The analysis of chapter 119 of title 28, United States Code, immediately preceding section 1821 thereof is amended by adding at the end of such analysis the following new item:

"1826. Privilege of clergymen and news reporters."

SEC. 2. Section 102 of the Revised Statutes of the United States, as amended (2 U.S.C., sec. 192) is amended by striking out the period at the end of the section and adding the following: "; *Provided, however,* That any

privilege from testifying accorded by any act of Congress or the principles of the common law, shall be applicable to any such inquiry."

AMENDMENT OF SMALL BUSINESS INVESTMENT ACT

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, a bill to amend the tax provisions of the Small Business Investment Act of 1958.

As most of my colleagues know, the passage of the act was hailed enthusiastically throughout the small business community, and there was an immediate surge of interest directed at forming small business investment companies.

A closer scrutiny of the act, however, instilled some doubts in the minds of many of those who we had hoped would help support these sources of long-term credit and equity capital. In large part, I feel that these fears are not necessary, but attempts to clarify certain tax questions with the Internal Revenue Service have not brought results. Therefore, sections of this bill do no more than spell out the congressional intent.

I wish to express my appreciation to the National Association of Small Business Investment Companies for its recommendations regarding this legislation. The advice of the members of that organization has been most helpful. As a part of my remarks, Mr. President, I request unanimous consent to have printed in the RECORD a letter addressed to me by the president of the National Association of Small Business Investment Companies, together with a sectional analysis, prepared by me, of the three sections of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter and sectional analysis will be printed in the RECORD.

The bill (S. 979) to amend the Internal Revenue Code of 1954 so as to provide further incentive for assistance to small business concerns by small business investment companies operating under the Small Business Investment Act of 1958 introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Finance.

The letter and sectional analysis presented by Mr. SPARKMAN are as follows:

NATIONAL ASSOCIATION OF SMALL BUSINESS INVESTMENT COMPANIES,
Washington, D.C., January 9, 1959.

Hon. JOHN SPARKMAN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR SPARKMAN: Our association is gravely concerned over the future of the Small Business Investment Act of 1958. It appears that much of the early interest in the act has been dampened by the realization that serious tax pitfalls await investors in the new companies.

First and foremost among the objectionable tax features of the new program is the impact of the personal holding company surtax on investors in small business investment companies. It is clear that except in unusual circumstances, the surtax imposed by section 541 of the Internal Revenue Code will apply to these companies, and many of the investors who originally announced plans to organize under the new act have either abandoned their plans or are delaying them in the hope that this particular problem can be resolved.

As you know, section 542(c) of the Internal Revenue Code specifically exempts certain banks and other types of lending institutions from the personal holding company provisions of the code. It is our feeling that small business investment companies should likewise be exempt from the very harsh penalties imposed on personal holding companies.

Persons interested in organizing small business investment companies are also concerned about the possible imposition of the surtax on accumulated earnings and profits under section 531 of the Internal Revenue Code. It is our position that this section should not apply to small business investment companies so long as they keep their funds invested, but effort to obtain assurances on this question from the Internal Revenue Service have proven unavailing to date. Potential investors are unwilling to proceed with their plans to organize companies until the threat of the section 531 surtax is removed. We believe that it should be removed by means of legislation that would unequivocally exempt these companies from the imposition of the accumulations surtax where they keep their funds invested.

A third feature of the act which disturbs us is the fact that all of the tax benefits are related to the convertible debentures. Such securities can be issued only by corporations. It is therefore clear to us that the great majority of companies being organized under the act will be concentrating their investments in convertible debentures because of the tax benefits. It appears inevitable that unincorporated businesses, which are generally conceded to constitute 85 percent of all small business entities, will find themselves much less attractive to small business investment companies as borrowers than will corporations capable of offering equity securities. We are of course desirous of seeing all small businesses benefit under the new act, and we believe this could be accomplished by legislation which would extend to the small business investment companies tax benefits on straight loans comparable to those now provided on the convertible debentures. We have in mind legislation which would give a small business investment company an income tax deduction on 15 percent of its interest income, thus balancing the 15-point advantage on dividend income which small business investment companies now enjoy over conventional corporations.

Our association feels that the Small Business Investment Act of 1958 holds great promise for both investors in the new companies and for small business generally. We are concerned, however, lest the problems which I have outlined above should destroy the promise even before the act has had a chance to prove itself. We therefore appeal to you in your capacity as chairman of the Senate Select Committee on Small Business and as one of the chief architects of the new act to introduce legislation in the 86th Congress to cure these problems. I am certain I speak for the vast majority of all responsible individuals interested in the new program in saying that your support of our proposals will earn you the grateful thanks of those interested in the Small Business Investment Act of 1958.

Sincerely yours,

THOMAS GRANT, JR.,
President.

SMALL BUSINESS INVESTMENT ACT OF 1958—SECTIONAL ANALYSIS OF PROPOSED AMENDMENTS TO INTERNAL REVENUE CODE OF 1954

PERSONAL HOLDING COMPANY SURTAX

Problem

Section 541 of the 1954 Internal Revenue Code imposes a surtax of 75 percent on the first $2,000 of undistributed personal holding company income, and 85 percent on the undistributed personal holding company income in excess of $2,000.

It is clear that as the law now stands, companies organized under the Small Business Investment Act of 1958 will be subject to the personal holding company surtax unless the stock in these companies can be distributed so widely as to escape the test imposing the surtax where more than 50 percent of the stock is held by or for five or fewer individuals. Small business investment companies are authorized to have only four types of income, namely dividends, interest, gains from the sale of securities, and fees for managerial and counseling services. The first three categories are clearly personal holding company income and the fees could be, so that except in unusual circumstances, every SBIC will meet the 80 percent test under section 541.

The act was intended to encourage the investment of risk capital, and normally this type of investment is most appealing to high-bracket income-tax payers. But this type of individual is particularly wary of any arrangement that could subject him to the personal holding company surtax. High-bracket taxpayers most interested in the new program want control of their company and the opportunity to direct its affairs. These objectives cannot be attained without running the risk of the personal holding company surtax.

Under section 542(c), banks and certain finance companies are specifically excluded from the category of personal holding company. Bearing in mind the purposes of the Small Business Investment Act of 1958 and the nature of the operations of the companies to be formed under the act, it is submitted that the new companies should be entitled to the same treatment as banks and lending institutions under section 542(c) of the code.

Proposed solution

Amend section 542(c) of the 1954 code to add the following at the end thereof:

"(11) Small business investment companies organized and licensed by the Small Business Administration under the Small Business Investment Act of 1958."

LONG-TERM LOANS

Problem

Those investors who have expressed interest in the Small Business Investment Act of 1958 have made it clear that they are attracted by the tax provisions of the Technical Amendment Act of 1958 relating to companies organized under the Small Business Investment Act of 1958. All of those tax benefits are related to the stock acquired by the small business investment companies through conversion of convertible debentures. Only a corporation may issue convertible debentures, and the final SBA regulations under the act specifically prohibit a small business investment company from acquiring an equity interest in an unincorporated business.

Under these circumstances it is clear that there is a built-in bias in favor of corporations seeking funds from the new small business investment companies. There are some 4.3 million small businesses in this country, but only 600,000 active corporations, both large and small. Thus, it must be assumed that at least 85 percent of the small businesses in this country are unincorporated. Query: With SBA holding small business investment companies to legal interest rates on straight loans, what inducement is there for a small business investment company to make a long-term loan to a company which presumably is more risky than normal?

Except for the pro bono publico type of company, it is clear that the vast majority of small business investment companies are going to be concentrating their investments in convertible debentures of small corporations. Such investments will give the small

UNIVERSITY OF MICHIGAN LIBRARIES

business investment company tax-free dividends on conversion into stock and ordinary losses, should they be incurred by the small business investment company on stock acquired through conversion.

The amendment of section 243 of the 1954 code granting small business investment companies a 100 percent dividends-received deduction actually gives them a 15-point advantage over conventional corporations which already receive an 85 percent dividends-received deduction. It is submitted that in order to counterbalance this built-in bias in favor of corporate borrowers, some provision be made for a tax deduction on a portion of the interest received by a small business investment company on long-term loans. For example, 15 percent of the interest received by a small business investment company on long-term loans could be tax exempt, thus counterbalancing the 15-point advantage which will be enjoyed by small business investment companies on dividends received on stock acquired through the conversion of convertible debentures. It would be reasonable to expect that such an advantage would encourage small business investment companies to make long-term loans to the more than 85 percent of small businesses which are unincorporated.

Proposed solution

Add a new section 249 to subtitle A, chapter 1B, part VIII, Internal Revenue Code of 1954, to read as follows:

"SEC. 249. Deduction for a portion of interest received by small business investment companies.

"(a) Amount of deduction.—In the case of a small business investment company operating under the Small Business Investment Act of 1958, there shall be allowed as a deduction an amount equal to 15 percent of the interest received on long-term loans made pursuant to section 305 of the Small Business Investment Act of 1958."

ACCUMULATING EARNINGS TAX

Problem

Many potential investors in small business investment companies have been concerned about the possible imposition of the accumulated earnings tax under section 531 of the 1954 Internal Revenue Code.

It is submitted that this tax should not apply to small business investment companies so long as their accumulated earnings are reinvested in long-term loans or equity investments as provided under the Small Business Investment Act of 1958. Efforts to obtain assurances from the Internal Revenue Service that section 531 will not apply where earnings are reinvested have been unavailing to date.

While this problem should not be acute for small business investment companies, at least during the early years of their operations, potential investors want to know now whether the companies will ever be subject to the section 531 tax, and it is submitted that they are entitled to know. In light of the reluctance of the Internal Revenue Service to commit itself on this question, it appears that legislation is in order.

Proposed solution

Amend section 532(b) of the 1954 Internal Revenue Code by adding at the end thereof the following new subsection:

"(4) A small business investment company organized and licensed by the Small Business Administration under the Small Business Investment Act of 1958, provided 90 percent of its accumulated earnings and profits are invested as authorized by said act."

EXPANSION OF SPECIAL SCHOOL MILK PROGRAM

Mr. WILEY. Mr. President, I introduce for appropriate reference a bill to expand the special school milk program.

The proposed legislation, establishing the special milk program on a permanent basis, would provide that for years following fiscal 1959, $85 million, instead of the present $75 million, would be provided for the special milk program.

Over the years the school milk program has tremendously improved the health of our schoolchildren, as well as added supplemental nourishment to the diets of those in nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children.

The record in our Nation's schools is particularly impressive. In fiscal year 1958, for example, over 4,385 schools and child-care institutions in Wisconsin served more than 74.5 million half pints of milk. Nationally, 76,478 such institutions served more than 1.9 billion half pints of milk.

According to reports, the program for fiscal year 1958 is running ahead of the previous year.

In addition to this splendid record of improving the health of the Nation's boys and girls, this program has provided an excellent outlet for surplus milk in a great many communities.

I respectfully urge our colleagues on the Agriculture Committee to consider this as soon as possible, so that favorable consideration can be given by the Congress at an early date.

I request unanimous consent to have the bill printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 982) to increase and extend the special milk program for children, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed $75,000,000, and for each fiscal year thereafter not to exceed $85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high-school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

DESIGNATION OF LINCOLN'S BIRTHDAY AS A LEGAL HOLIDAY

Mr. JAVITS. Mr. President, I introduce for myself and the junior Senator from Illinois [Mr. DIRKSEN] two bills to establish Lincoln's birthday as a legal holiday in the District of Columbia and in Federal offices throughout the Nation. I ask unanimous consent that the bills may lie on the table until February 12, in order that additional Senators might join in their sponsorship.

The United States is this year commemorating the sesquicentennial of Lincoln's birth in 1809, in accordance with legislation enacted by Congress. It was truly stated of our great Civil War President, on his passing, that "Lincoln is now for the ages." It is in this spirit that we should now annually mark his birth date and rededicate ourselves to the principles for which he stood.

Now, almost a century after Lincoln's death, the wounds and sectional schisms of the Civil War have largely healed; Lincoln belongs to the entire Nation, to the entire American people, and should be so honored. His rise to national leadership from humble beginnings has come to symbolize the American dream.

His warmth of spirit, his deep concern for his fellow man, his gentle humor, and the high principles for which he labored and died have served equally to inspire the peoples of the world as it has done our own people. Lincoln, the 16th President, is the hero of all the free peoples; a beloved symbol internationally of the American spirit of equality and fair play. Lincoln's memory should have this further recognition in his native land.

Lincoln's devotion to liberty for the individual and to obtaining for him political equality and equality of opportunity are well known. His efforts at conciliation with the South, his plans to bring the blessings of liberty and its enjoyment to all Americans, and his plans to reunite the American people were unhappily cut short by an assassin's bullet.

President Lincoln bespoke the spirit which moves many of us today when he stated in his second inaugural address:

> With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive to finish the work we are in.

He was a man whose principles called for the support of measured progress in the field of freedom for the individual with which he is most closely identified by history. It is our fervent hope that this measured progress may continue in the same spirit which he—and many of his southern countrymen such as Gen. Robert E. Lee—would have had it continue.

While Congress does not establish national holidays, it is empowered to legislate in this regard for the District of Columbia and for Federal offices. The nine holidays already established by the Congress are New Year's Day, Inauguration Day (every 4 years), George Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, and Christmas Day.

I hope that enactment by Congress of the proposed legislation will set the example for the 18 States which do not observe February 12 as a legal holiday.

The bills are cosponsored by the distinguished junior Senator from Illinois [Mr. DIRKSEN], in whose State Lincoln made his home, and from which he came to the Presidency of the United States.

By establishing Lincoln's birthday as a legal holiday Congress would to the limit of its powers be setting an example to the States which have not so honored Lincoln.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills will lie on the desk, as requested by the Senator from New York.

The bills, introduced by Mr. JAVITS (for himself and Mr. DIRKSEN), were received, read twice by their titles, and referred as indicated:

To the Committee on the District of Columbia:

S. 985. A bill to make Abraham Lincoln's birthday a holiday in the District of Columbia for the purpose of certain laws relating to negotiable instruments, and laws relating to the payment of additional compensation for holiday work by members of the Metropolitan Police Force and the Fire Department of the District of Columbia.

To the Committee on the Judiciary:

S. 986. A bill making the birthday of Abraham Lincoln a legal holiday.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937 AND RELATED ACTS

Mr. MORSE. Mr. President, last year I introduced Senate bill 1313, a railroad retirement and unemployment insurance bill. The bill passed the Senate, but failed to come to a vote in the House in the closing days of the last session of Congress, because of a parliamentary procedural difficulty.

This year I reintroduced the bill, which is now before the Senate Committee on Labor and Public Welfare. I refer to Senate bill 226.

Last year I also introduced, by request, on behalf of the Association of American Railroads, a bill proposed by the railroad carriers, which was considered by the Committee on Labor and Public Welfare. I have the honor of being chairman of the Subcommittee on Railroad Retirement.

This morning Mr. Daniel Loomis, the very able president of the Association of American Railroads, asked me if I would again, by request, introduce the bill proposed by the Association of American Railroads, to be accompanied by a statement in explanation of the bill submitted by Mr. Loomis as president of the Association of American Railroads.

As chairman of the Railroad Retirement Subcommittee of the Committee on Labor and Public Welfare, I am delighted to introduce this bill at the request of the association, and I assure the association that its introduction is no pro forma matter with me.

I send the bill to the desk and ask that it be appropriately referred and printed in the RECORD at this point as a part of my remarks, together with the statement of explanation submitted by Mr. Loomis.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, together with the explanatory statement, will be printed in the RECORD.

The bill (S. 987), to amend the Railroad Retirement Act of 1937, the Railroad Unemployment Insurance Act, the Internal Revenue Code, the Social Security Act, and for other purposes, introduced by Mr. MORSE, by request, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PART I—AMENDMENTS TO THE RAILROAD RETIREMENT ACT OF 1937

SECTION 1. (a) Section 3(a) of the Railroad Retirement Act of 1937 is amended (1) by striking out "3.04", "2.28", and "1.52" and inserting in lieu thereof "3.19", "2.39", and "1.60", respectively; and (2) by striking out "$200" and inserting in lieu thereof "$250".

(b) Section 3(c) of such Act is amended by inserting after "or in excess of $350 for any month after June 30, 1954," the following: "and before July 1, 1959, or in excess of $400 for any month after June 30, 1959,".

(c) Section 3(e) of such Act is amended by striking out "$4.55" and "$75.90" and inserting in lieu thereof "$4.78" and "$79.70," respectively.

SEC. 2. (a) Section 5(f)(2) of the Railroad Retirement Act of 1937 is amended by striking out "and 7 per centum of his or her compensation after December 31, 1946 (exclusive in both cases of compensation in excess of $300 for any month before July 1, 1954, and in the latter case in excess of $350 for any month after June 30, 1954)," and by inserting in lieu thereof the following: "plus 7 per centum of his or her compensation paid after December 31, 1946, and before July 1, 1959, plus 7½ per centum of his or her compensation paid after June 30, 1959 (exclusive of compensation in excess of $300 for any month before July 1, 1954, and in excess of $350 for any month after June 30, 1954, and before July 1, 1959, and in excess of $400 for any month after June 30, 1959),".

(b) Section 5(h) of such Act is amended by striking out "$33", "$176", and "$15.40" wherever they appear and inserting in lieu thereof "$34.65", "$184.80", and "$16.17", respectively.

(c) Clause (A)(i) of section 5(1)(9) of such Act is amended by striking out the word "and" appearing after "July 1, 1954," and by inserting after "June 30, 1954," the following: "and before July 1, 1959, and any excess over $400 for any calendar month after June 30, 1959,".

(d) Clause (A)(ii) of section 5(1)(9) of such Act is amended (1) by inserting "and before 1960" after "1954" where it first appears; (2) by inserting after "$4,200" where it first appears the following: ", or for any calendar year after 1959 is less than $4,800,"; (3) by striking out "$350" and inserting in lieu thereof "$400"; and (4) by striking out "and $4,200 for years after 1954, by" and inserting in lieu thereof the following: ", $4,200 for years after 1954 and before 1960, and $4,800 for years after 1959, by".

(e) Section 5(1)(10) of such Act is amended by striking out "44", "11", "$350", "$15.40", "$36.66", "$27.50", and "$14.66" wherever they appear and inserting in lieu thereof "46", "11.6", "$400", "$16.17", "$38.49", "$28.88", and "$15.39", respectively.

SEC. 3. All pensions under section 6 of the Railroad Retirement Act of 1937, all joint and survivor annuities and survivor annuities deriving from joint and survivor annuities under that Act awarded before July 1, 1959, and all annuities under the Railroad Retirement Act of 1935, are increased by 5 per centum.

SEC. 4. (a) The amendments made by subsections (a) and (c) of section 1, and by subsection (b) of section 2 shall be effective only with respect to annuities (not including annuities to which section 3 applies) accruing for months after June 1959. The amendment made by subsection (a) of section 2 shall be effective only with respect to lump-sum payments (under section 5(f)(2) of the Railroad Retirement Act of 1937) in the case of deaths occurring after June 1959. The amendments made by subsection (e) of section 2 shall be effective only with respect to annuities accruing for months after June 1959 and lump-sum payments (under section 5(f)(1) of the Railroad Retirement Act of 1937) in the case of deaths occurring after June 1959. Section 3 shall be effective only with respect to pensions due in calendar months after July 1959 and annuities accruing for months after June 1959.

(b) All recertifications required by reason of the amendments made by this part shall be made by the Railroad Retirement Board without application therefor.

PART II—AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 201. (a) Section 3201 of the Railroad Retirement Tax Act is amended by striking out "6¼", "December 1, 1954", and "$350" and inserting in lieu thereof "6¾", "June 30, 1959", and "$400", respectively.

(b) Section 3202(a) of the Railroad Retirement Tax Act is amended (1) by striking out "after December 31, 1954" wherever it appears and inserting in lieu thereof "after June 30, 1959"; (2) by striking out "$350" wherever it appears and inserting in lieu thereof "$400"; (3) by striking out "after 1954" and inserting in lieu thereof "after June 1959".

(c) Section 3211 of the Railroad Retirement Tax Act is amended by striking out "12½", "December 31, 1954", and "$350" and inserting in lieu thereof "13½", "June 30, 1959", and "$400", respectively.

(d) Section 3221 of the Railroad Retirement Tax Act is amended (1) by striking out "6¼ percent" and inserting in lieu thereof "6¾ percent"; (2) by striking out "after December 31, 1954" wherever it appears and inserting in lieu thereof "after June 30, 1959"; (3) by striking out "$350" wherever it appears and inserting in lieu thereof "$400"; (4) by striking out "after 1954" and inserting in lieu thereof "after June 1959".

SEC. 202. The Internal Revenue Code of 1954 is amended by adding the following new chapter after chapter 22:

"CHAPTER 22(A)—RAILROAD SICKNESS BENEFIT TAX ACT

"Subchapter.
"A. Tax on employees.
"B. General provisions.

"SUBCHAPTER A—TAX ON EMPLOYEES

"Sec.
"3251. Rate of tax
"3252. Deduction of tax from compensation

"SEC. 3251. Rate of tax

"In addition to other taxes, there is hereby imposed on the income of every employee a tax equal to ½ percent of so much of the compensation paid to such employee after June 30, 1959, for services rendered by him after such date as is not in excess of $350 for any calendar month.

"SEC. 3252. Deduction of tax from compensation

"(a) REQUIREMENT.—The tax imposed by section 3251 shall be collected by the employer of the taxpayer by deducting the amount of the tax from the compensation of the employee as and when paid. If an employee is paid compensation after June 30, 1959, by more than one employer for services rendered during any calendar month after June 30, 1959, and the aggregate of such compensation is in excess of $350, the tax to be deducted by each employer from the compensation paid by him to the employee with respect to such month shall be that proportion of the tax with respect to such compensation paid by all such employers which the compensation paid by him after June 30, 1959, to the employee for services rendered during such month bears to the total compensation paid by all such employers after June 30, 1959, to such employee for services rendered during such month.

"(b) INDEMNIFICATION OF EMPLOYER.—Every employer required under subsection

UNIVERSITY OF MICHIGAN LIBRARIES

(a) to deduct the tax shall be made liable for the payment of such tax and shall not be liable to any person for the amount of any such payment.

"SUBCHAPTER B—GENERAL PROVISIONS

"SEC. 3272. For purposes of this chapter the provisions of subchapter D of chapter 22, other than section 3233 shall be applicable, except that the term "employee" shall not include an employee of a local lodge or division of a railway labor organization and the term "employer" shall not include such local lodge or division.

"Short title

"SEC. 3282. This chapter may be cited as the Railroad Sickness Benefit Tax Act."

Technical amendments

SEC. 203. Sections 3231 (a), (b), (c), (d), (e), (f), and (g) of the Internal Revenue Code of 1954 are each amended by inserting "and chapter 22(a)" after "purposes of this chapter";

Section 3232 of the Internal Revenue Code of 1954 is amended by inserting "and chapter 22(a)" after "provisions of this chapter";

Section 3502 of such code is amended by inserting "and by section 3251 of chapter 22(a)" after "chapter 22";

Section 3503 of such code is amended by inserting "or 22(a)" after "22";

Section 6305 of such code is amended by inserting "3251," after "3221,";

Section 6413(a) and 6413(b) of such code are amended by inserting "3251," after "3221,".

SEC. 204. The amendments made by sections 201 and 202 shall apply only with respect to compensation paid after June 30, 1959, for services rendered after such date.

PART III—AMENDMENTS TO THE RAILROAD UNEMPLOYMENT INSURANCE ACT

Definitions of base year and benefit year

SEC. 301. Section 1(m) of the Railroad Unemployment Insurance Act is amended to read as follows:

"(m) The term 'benefit year' with respect to any individual means the period of three hundred and sixty-five consecutive days beginning with the first day of the first registration period after June 30, 1959, with respect to which the individual first files a valid claim for benefits, and thereafter the period of three hundred and sixty-five days beginning with the first day of the first registration period with respect to which the individual next files a valid claim for benefits after the termination of his last preceding benefit year. Any claim for benefits made in accordance with section 5(a) shall be deemed to be a 'valid claim' for the purposes of this subsection if the individual is with respect to his base period a 'qualified employee' as defined in section 3 with respect to his base year."

Section 1(n) of such Act is amended to read as follows:

"(n) The term 'base year' means the twelve completed calendar months immediately preceding the first day of the individual's benefit year."

Definition of "qualified employee"

SEC. 302. Section 3 of the Railroad Unemployment Insurance Act is amended to read as follows:

"SEC. 3. An individual shall be a 'qualified employee' if the Board finds that his compensation with respect to his base year will have been not less than an amount equal to the product of eighty-seven and his daily wage computed pursuant to section 2(a), and that during his base year more than five calendar months will have been months of service used in computing his years of service for purposes of the Railroad Retirement Act of 1937, and more than one of such months of service shall have been in the last half of such base year.

"No individual who, since earning substantial compensation has received one hundred and thirty daily unemployment benefits, or exhausted his unemployment benefit rights, shall be a 'qualified employee' with respect to further unemployment benefits until he has again earned substantial compensation, and no individual who, since earning substantial compensation has received one hundred and thirty daily sickness benefits or exhausted his sickness benefit rights, shall be a qualified employee with respect to further sickness benefits until he has again earned substantial compensation. As used in the preceding sentence, 'substantial compensation' means compensation in an amount not less than the product of twenty and the amount of the individual's last daily benefit."

Waiting period

SEC. 303. Clauses (i) and (ii) of section 2(a) of the Railroad Unemployment Insurance Act are each amended by striking out "seven" and inserting "nine" in lieu thereof, and by inserting after the phrase "the same benefit year," the following: "if in such registration period or in the fourteen days immediately prior thereto he had not less than seven days of unemployment".

Benefit computation and limitations

SEC. 304. Section 2(a) of the Railroad Unemployment Insurance Act is amended by striking out the second sentence thereof, including the schedule, and inserting in lieu thereof the following: "The daily benefit rate of any qualified employee shall be an amount equal to 60 per centum of the daily rate of compensation after withholding taxes, for the employee's last employment in which he engaged for an employer in the base year, but not to exceed $3.50 and if such daily benefit rate so computed is less than $8.50 and is not an even multiple of ten cents it shall be increased to the next highest multiple of ten cents. For purposes of the preceding sentence, an employee's daily rate of compensation after withholding taxes shall be, as determined by the Board, such employee's daily rate after reduction by the amount equal to the sum of—

"(1) the amount equal to the same percentage of such daily pay rate as shall be imposed by sections 3201 and 3251 of the Internal Revenue Code on compensation at the time of such last employment, and

"(2) the amount equal to one-fifth the amount which shall be required to be withheld at the time of such last employment by section 3402(c) of such Code on a weekly pay period basis, on wages paid in a weekly pay period in an amount equal to the product of five and such daily rate."

Disqualifying conditions

SEC. 305. Section 4(a–1)(ii) of the Railroad Unemployment Insurance Act is amended by adding after "Social Security Act, or" the following: "except on days he is involuntarily unemployed due to lack of work, he meets the qualifying work and the age or disability requirements for full annuity payments, pensions or benefits under one or both of such Acts and upon applying therefor could receive them, and any day in any period with respect to which the Board finds that he is receiving or will have received". Such section is further amended by striking out the colon preceding the words *"Provided further"* and striking out the remainder of this section after the colon and preceding the semicolon at the end thereof.

Sections 4(a–2)(i) and 4(a–2(ii) are each amended by striking out "thirty" and by adding before the semicolon at the end thereof: "and ending with the fourth calendar week with respect to each of which the Board finds he shall have earned compensation of not less than $25."

Section 4 (a–2)(iii) of such Act is amended by striking out ", and the Board finds that such strike was commenced in violation of the provisions of the Railway Labor Act or in violation of the established rules and practices of a bona fide labor organization of which he was a member".

Section 4(a–2)(iv) of such Act is renumbered section 4(a–2)(vi) and after section 4(a–2)(iii) the following is inserted:

"(iv) any of the days beginning with the day with respect to which the Board finds that he was discharged or suspended for misconduct connected with his work and ending with the fourth calendar week with respect to each of which the Board finds he shall have earned compensation of not less than $25.

"(v) any of the days which the Board finds is in a maternity period of the employee."

After section 4(a–2) of such Act the following is added:

"(a–3) there shall not be considered a day of sickness with respect to any employee—

"(i) any day which is a Sunday or which the Board finds is generally observed as a holiday in the locality in which he registered for such day, unless such day was immediately preceded by a day of unemployment or sickness and immediately followed by a day of unemployment or sickness or was the last day in a registration period and was immediately preceded by a day of unemployment or sickness: *Provided,* That if two or more consecutive days are a Sunday and one or more holidays, then with respect to any employee neither shall be considered as days of sickness unless they were immediately preceded by a day of unemployment or sickness and immediately followed by a day of unemployment or sickness, or the last of such days was the last day of a registration period and such days were immediately preceded by a day of unemployment or sickness.

"(ii) any day which is disregarded as a day of unemployment of the employee as determined by the Board pursuant to sections 4(a–2)(i) through (vi).

"(iii) any day which is in a maternity period unless the Board finds that sickness on such day is unrelated to the normal consequences of pregnancy or childbirth.

"(iv) any of the days which the Board finds to have occurred more than ninety days after the last day with respect to which the individual will have earned compensation, excluding from such ninety days any period beginning before the expiration thereof with respect to which the Board finds he was unemployed due to a stoppage of work described in section 4(a–1)(iii) and excluding any registration period which begins, or any continuous registration periods the first of which begins before the expiration of such ninety days. For purposes of the preceding sentence a 'registration period' shall be deemed continuous with the preceding registration period if established within ten days after the last day of such preceding period."

Definition of day of sickness

SEC. 306. Section 1(k)(2) of the Railroad Unemployment Insurance Act is amended by inserting "but would otherwise be available for work" after the phrase "he is not able to work".

Discontinuing maternity benefits

SEC. 307. Section 1(k) of the Railroad Unemployment Insurance Act is amended by deleting from the first sentence thereof "or which is included in a maternity period".

Section 1(l)(1) of such Act is amended by deleting ", and the term 'statement of maternity sickness' means a statement with respect to a maternity period of a female employee, in each case".

Section 2(a) of such Act is amended by striking out ", and (iii) for each day of sickness in a maternity period" in the first sentence thereof, and by striking out the fourth, fifth, and sixth sentences thereof.

Section 2(c) of such Act is amended by deleting both before the proviso and follow-

ing the proviso, the identical phrases ", other than days of sickness in a maternity period," and by deleting "; and the total amount of benefits which may be paid to an employee for days of sickness in a maternity period shall in no case exceed the employee's compensation in the base year on the basis of which the employee was determined to be qualified for benefits in such maternity period".

Section 12(i) of such Act is amended by deleting from the seventh sentence thereof "and, in the case of maternity sickness, the expected date of birth and the actual date of birth of the child".

Section 12(n) of such Act is amended by deleting "or maternity" in each place such words occur and by deleting from the fourth sentence "or as to the expected date of birth of a female employee's child, or the birth of such child".

Amendments establishing the Railroad Sickness Insurance Account

SEC. 308. The heading of section 10 of the Railroad Unemployment Insurance Act is amended by adding "and Railroad Sickness Insurance Account".

Section 10(a) of such Act, effective July 1, 1959, is redesignated "Sec. 10(a–1) and is amended (1) by inserting after "total compensation" in clause (i) "paid with respect to calendar months through June 1959, and is in excess of 0.7 per centum of such compensation thereafter"; (2) by inserting "unemployment" before "benefits" in clause (v); (3) by inserting "with respect to unemployment benefits" before "pursuant" in clause (viii); (4) by inserting "unemployment" before "benefits", "all" before "refunds", and "and reimbursable transfers" after "refunds" in the last sentence thereof; and (5) by adding another section, as follows:

"SEC. 10(a–2)(1). The Secretary of the Treasury shall maintain in the unemployment trust fund established pursuant to section 904 of the Social Security Act an account to be known as the Railroad Sickness Insurance Account. This account shall consist of (i) such part of contributions collected pursuant to section 8 of this Act as is equal to 0.5 per centum of the total compensation with respect to months after June 1959 on which such contributions are based; (ii) all taxes collected pursuant to chapter 22(a) of the Internal Revenue Code of 1954, together with all interest and penalties collected pursuant to such provisions; (iii) all amounts creditable with respect to sickness pursuant to section 2(f), section 12(g), or section 12(o) of this Act; and (iv) all additional amounts appropriated to the Railroad Sickness Insurance Account in accordance with any provision of this Act or with any provision of law now or hereafter adopted. Notwithstanding any other provision of law, all moneys credited to this account shall be mingled and undivided, and are hereby permanently appropriated to the Board to be continuously available to the Board without further appropriation for the payment of sickness benefits or reimbursements under this Act, and no part thereof shall lapse at any time, or be carried to the surplus fund or any other fund: *Provided*, That the Secretary of the Treasury is directed to pay from the account into the Treasury the amount estimated by him, with respect to collections under chapter 22(a) of the Internal Revenue Code of 1954, as amended, as taxes which are subject to refund under section 6413 of such code.

"(2) There is hereby appropriated to the Railroad Sickness Insurance Account, for the fiscal year ending June 30, 1960, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, an amount equal to 100 per centum of the taxes collected under chapter 22(a) of the Internal Revenue Code of 1954, as amended.

"(3) The Board shall, from time to time, certify to the Secretary of the Treasury amounts to be transferred between the railroad unemployment insurance account and the railroad sickness insurance account, and the Secretary shall transfer the amounts so certified. The Board shall certify for such transfer to the railroad sickness insurance account, from time to time, amounts equal to the part of contributions referred to in clause (i) of the second sentence of section 10(a–2)(1), and shall likewise certify for transfer such additional amounts as may be needed to pay sickness benefits: *Provided*, That such additional amounts shall be on a reimbursable basis, and shall be repaid the railroad unemployment insurance account with interest determined equitable by the Board, by subsequent transfers from the railroad sickness insurance account certified by the Board when in its judgment funds of the railroad sickness insurance account make such transfer feasible."

Section 10(b) of such Act, effective July 1, 1959, is amended (1) by inserting before "account" in the first sentence thereof "railroad unemployment insurance account and the railroad sickness insurance", (2) by inserting in the first sentence thereof a comma after "benefits", by striking the word "and", and by adding after "refunds" the words "and reimbursable transfers", and (3) by inserting "appropriate" before "account" in the third sentence thereof.

Section 10(c) of such Act, effective July 1, 1959, is amended by inserting "railroad unemployment insurance account and of the railroad sickness insurance" before "account".

Section 2(f) of such Act, effective July 1, 1959, is amended—

(1) by inserting after "special fund" in the next to the last sentence thereof "other than amounts payable hereunder into the railroad sickness insurance account";

(2) by inserting in such sentence before "account" "railroad unemployment insurance"; and

(3) by inserting in such sentence after "account," "and such other amounts shall be credited to the railroad sickness insurance account".

Amendments to the Railroad Unemployment Administration Fund provisions

SEC. 309. Effective July 1, 1959, the heading to section 11 of the Railroad Unemployment Insurance Act is amended to read: "Railroad Unemployment Insurance and Sickness Insurance Administration Fund" and subsection (a) of such section is amended by inserting "and sickness insurance" after "unemployment insurance" in each place where it appears.

Effective July 1, 1959, section 1(q) of the Railroad Unemployment Insurance Act is amended by inserting "and sickness insurance" after "unemployment insurance".

Miscellaneous provisions

SEC. 310. Effective July 1, 1959, section 1(p) of the Railroad Unemployment Insurance Act is amended by adding after the word "means" the following: ", except when used in the phrase 'railroad sickness insurance account,'".

SEC. 311. Effective July 1, 1959, section 8(a) of the Railroad Unemployment Insurance Act is amended by adding at the end thereof "In determining such balance there shall be deemed to be a part thereof (1) all unrepaid balances of amounts transferred from the railroad unemployment insurance account to the railroad sickness insurance account, except that in no event shall the amount so deemed to be a part of such balance exceed the actual amount in the railroad sickness insurance account on September 30 of such year, and (2) that proportion of the balance to the credit of the railroad sickness insurance account as of September 30 of such year as consists of amounts contributed by employers under this section and placed in such account under section 10(a–2)(1) of this Act."

SEC. 312. Effective July 1, 1959, section 8(f) of the Railroad Unemployment Insurance Act is amended (1) by inserting after the word "Act" the words "with respect to compensation for services rendered after June 30, 1959," (2) by inserting after the word "fund" a comma and the words "such part thereof as equals 0.5 per centum of such total compensation to be deposited to the credit of the railroad sickness insurance account" and (3) by inserting "account" the words "railroad unemployment insurance."

SEC. 313. Effective July 1, 1959, section 12(g) of the Railroad Unemployment Insurance Act is amended by striking the language following the semicolon in the last sentence and by inserting the following: "such reimbursements for unemployment benefits shall be paid from the railroad unemployment insurance account and such reimbursements for sickness or maternity benefits shall be paid from the railroad sickness insurance account, and all such reimbursements are included within the meaning of the word 'benefits' as used in this Act."

SEC. 314. The amendments made by this part shall become effective with respect to all benefits paid in benefit years beginning after June 30, 1959, except that (a) maternity benefits in a maternity period established before and extending beyond such date shall be paid pursuant to the law as in effect prior to the amendments made by this Act and (b) the calendar year 1958 shall be the base year for a benefit year beginning July 1, 1959, of any individual who thereby but not otherwise would be a qualified employee. The effective date of other provisions of this part except as otherwise specifically provided shall be the date of enactment of this Act.

PART IV—AMENDMENTS TO THE SOCIAL SECURITY ACT

SEC. 401. The Social Security Act, effective July 1, 1959, is amended as follows:

(1) Section 904(a) is amended by inserting "or to the credit of the railroad sickness insurance account" after "unemployment insurance account";

(2) Section 904(e) is amended by inserting "and the railroad sickness insurance account" after "unemployment insurance account."

(3) Section 904(f) is amended by striking out all the last sentence after "certify" and inserting in lieu thereof "for payment from the railroad unemployment insurance account or for payment from the railroad sickness insurance account not exceeding the amount standing to such account at the time of such payment."

The statement presented by Mr. MORSE, in behalf of Mr. LOOMIS, president of the Association of American Railroads, is as follows:

PROPOSALS TO ALTER THE RAILROAD RETIREMENT AND UNEMPLOYMENT INSURANCE SYSTEMS

The standard railway labor organizations again are sponsoring legislation which would make sweeping changes in the railroad retirement and unemployment insurance systems. The important bills, which are identical, are S. 226, by Senator MORSE, of Oregon, and H.R. 1012, by Congressman HARRIS, of Arkansas. The bills are substantially the same as S. 1313 in the form in which it passed the Senate on August 22, 1958, as an amendment to H.R. 12728, a bill amending the Longshoremen's and Harbor Workers' Compensation Act. H.R. 12728 (and its amendment, S. 1313) did not reach the floor of the House of Representatives prior to adjournment of the 85th Congress.

Hearings have been set before the House Committee on Interstate and Foreign Commerce on H.R. 1012 and before the Morse

UNIVERSITY OF MICHIGAN LIBRARIES

subcommittee of the Senate Labor Committee.

S. 226 and H.R. 1012 would provide substantial increases in the benefits paid under both the retirement and unemployment systems and also greatly increase the taxes paid to support those systems. Briefly, some of the important features are: All annuities under the retirement system would be increased by 10 percent and benefits under the unemployment system from 8 percent to 25 percent with a general advance of 20 percent. The period of time over which a railroad worker could receive unemployment benefits would be extended for as long as 26 weeks beyond the period provided for at the present time. The bills would increase the tax rate paid by employers and employees each from the present 6¼ percent to 6¾ percent on January 1, 1959. In addition, the retirement tax rate would go to 7½ percent on January 1, 1962, and in a number of steps would eventually reach 9 percent on January 1, 1969. The unemployment insurance tax rate which is now 3 percent would be increased to 3½ percent. Both the new retirement tax rate and the unemployment tax rate would be applied to $400 a month of employee earnings rather than $350 of such earnings, the present tax base. These retirement and unemployment tax changes would impose on the railroads immediate payroll tax increases of $102 million per year, and when the future changes have taken place the additional annual taxes will total $228 million.

In the past year Congress has manifested real concern over what has been called the deteriorating condition of the railroad industry. Enactment of the Transportation Act of 1953 was an important step in the direction of curing some of the railroad problems. Congress obviously was aware that even though that act became the law, many difficulties still confront the railroad industry. This is evidenced by the adoption of Senate Resolution 303, providing for a comprehensive study of transportation policy and related problems. Obviously the railroads are in no position to absorb unwarranted costs. While no dollar amount can be placed on the recently enacted legislation, it is certain that its benefits, insofar as the immediate future is concerned, will be more than nullified by the increased taxes imposed by H.R. 1012 or S. 226.

In the hearings on H.R. 1012 and S. 226 the railroads will offer a proposal which would make a number of changes in both the retirement and unemployment insurance systems. It will be the railroads' position that they are ready to accept some liberalization in benefits paid under the retirement system together with certain retirement tax increases, provided favorable consideration is given to amending the Railroad Unemployment Insurance Act to remove certain of the deficiencies and inequities which exist under present law. The railroads' proposal will be that the Railroad Retirement Act be amended so as to provide a 5-percent increase in benefits. Such an increase would provide, in dollar amounts paid to beneficiaries, a larger increase than the 7-percent increase in benefits which the 85th Congress provided for workers covered by the general social-security system. This would be true either with respect to the maximum annuities available under the Railroad Retirement Act and the Social Security Act or with respect to the average annuities awarded under those two acts.

In 1956 Congress passed, and the President signed, a bill granting a 10-percent increase in railroad-retirement benefits. The 10-percent increase in benefits was sought by the standard railway-labor organizations. The 5-percent increase now proposed by the railroads would be 5 percent on top of that 10-percent increase. While the 1956 legislation provided no tax increase to pay the costs of the 10-percent increase in benefits, the President signed the bill with the understanding that provision would be made in the future to pay those increased costs. In the 1957 hearings on retirement and unemployment legislation the railroads stated that they were ready to assume their share of the cost of that 10-percent benefit increase. The railroads' proposal accordingly provides an increase in retirement taxes which would pay for that 10-percent increase and, in addition, would pay for a substantial part of the additional 5-percent increase in benefits. This would be done by increasing the retirement tax rate from 6¼ to 6¾ percent with employers and employees each paying that rate. Further, that new tax rate would be applied to $400 a month of employee earnings rather than to $350 a month, the present tax base. The increase to $400 in the tax base would be in line with the 1958 amendments to the Social Security Act. Increased retirement taxes under the railroads' proposal would amount to slightly less than $120 million a year. The increased tax burden on the carriers is one which the industry would be hard pressed to bear. However, it stands ready to assume that burden providing that Congress will revise the railroad unemployment-insurance system to cure a number of substantial defects in that system.

The railroads' proposal contains the following suggestions for change in the unemployment and sickness insurance system:

Base year and benefit year: Under present law, in the calculation of unemployment and sickness benefits the base year is the calendar year and the benefit year is the succeeding fiscal year. Thus, an employee with work in 2 consecutive calendar years can draw 6 months' benefits in 1 fiscal year and another 6 months' benefits in the succeeding fiscal year, or 1 year's benefits for a single period of unemployment. The bill would make the base year the 12 months immediately preceding the month in which benefits are first payable.

"Qualified employees": Under present law, all an employee needs to do to qualify for benefits is to earn $400 in his base year. The bill would require him to earn at least 87 times his daily rate of pay—the equivalent to working at least one-third of the year. He would also have to earn wages in each of 6 months, at least 2 of which would have to be in the second half of the base year.

Waiting period: While State laws pay no benefits for the first week of unemployment, the railroad system pays 2 days of the first week. The bill would conform the railroad system to the State system waiting period.

Benefit computation and limitations: Under the present law, daily benefit rates run from $3.50 to $8.50, depending upon the compensation earned in the base year. The schedule is largely a dead letter as present law provides that a man should be paid one-half his last daily rate of pay (but not to exceed $8.50) if this is higher than the benefit under the schedule. The bill would wipe out the schedule and would have everyone draw benefits equal to 60 percent of his pay after tax withholdings. The worker with dependents would therefore draw greater benefits than the single worker even though their basic railroad pay was the same.

Existing law permits the railroad worker to draw both unemployment and sickness benefits equal to compensation earned in his base year. The bill, in line with many State statutes, would limit unemployment benefits to one-third of such compensation and would similarly limit sickness benefits.

Disqualifying conditions: Under present law, strikers and those fired for cause can collect benefits immediately after leaving work. Those who voluntarily quit and those who refuse to accept jobs are disqualified for 30 days. The bill would disqualify all of these classes. However, strikers could collect benefits at the termination of the strike if there was lack of work. The other classes would have to go back to work and work for at least 4 weeks before qualifying for benefits for subsequent unemployment.

Women now receive benefits during the maternity period. Under the bill, no maternity benefits would be paid, no unemployment benefits would be paid during the maternity period and sickness benefits would be paid only if the sickness was not related to maternity.

Under present law, a person disqualified from receiving unemployment benefits can still collect sickness benefits during that period. Under the bill, no sickness benefits would be paid under those circumstances.

Under present law, persons who have not been employed in railroad work for a long period of time (as much as more than a year) on becoming sick can collect sickness benefits. Under the bill a person who goes more than 90 days after his last railroad work without claiming sickness benefits would be disqualified from thereafter receiving them.

Day of sickness: Under existing law a person must be available for work to qualify for unemployment benefits, but he may draw sick benefits even if he is not available for work. The bill would make sickness benefits payable only to employees who would have been available except for sickness.

Employer-employee financing of sickness benefits: Sickness benefits are part of the unemployment sickness benefit program and are paid for entirely by the railroads. Only four States have sickness insurance systems and their benefits are paid for primarily by the employees. The bill would establish a special fund to finance the payment of sickness benefits for railroad employees and it would impose a one-half of 1 percent payroll tax on employees, which with an equal amount of taxes from the employers, would be paid into this special fund and used solely to finance the sickness program. The one-half of 1 percent payroll tax on the employers would come from the tax paid presently for unemployment and sickness purposes.

Taxes: While the railroads' proposal would change the taxable base under the retirement system from $350 to $400, there is no occasion to change the present base of $350 under the railroad unemployment insurance system. The State unemployment systems with few exceptions provide for a taxable base of $250 a month and only in Alaska is the tax base as high as the present railroad tax base. There is also no occasion to change the tax rate—now at a maximum of 3 percent.

Mr. MORSE. I wish the record to show that this bill offered by the Association of American Railroads, will receive thorough hearing and consideration by my subcommittee; and I serve notice now on all parties to the hearing, including the railroad brotherhoods, that we shall expect the witnesses coming before my subcommittee to be prepared to be cross-examined, not only on my bill, Senate bill 226, but also the carriers' bill.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT, RELATING TO PROTECTION AGAINST UNSANITARY MILK AND MILK PRODUCTS

Mr. HUMPHREY. Mr. President, on behalf of myself and Senators McCARTHY, PROXMIRE, and WILEY, I introduce, for appropriate reference, a bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce.

This bill represents a complete revision of S. 2727 and H.R. 7794, both in-

troduced in 1957. Briefly, those bills involved the following:

First. Provided that, after a specified period of time, 1 year from date of enactment of the bill, all fluid milk and fluid milk products moving in interstate commerce must meet the requirements of the current milk ordinance and code recommended by the U.S. Public Health Service.

Second. Wrote into law the relevant provisions of the current United States Code.

Third. Provided that, after the effective date of the act, no milk meeting the requirements of the U.S. Public Health Service Code could be excluded from any State or municipality by virtue of sanitation regulations, practices, and the like different from those specified in the United States Code.

Fourth. Defined interstate commerce as commerce between the States and commerce which affects such commerce.

Hearings were held on H.R. 7794 before the Science and Education Subcommittee of the House Committee on Interstate and Foreign Commerce in April 1958. There was considerable opposition to the bill:

First. On the part of local and State sanitation officials who thought that the bill would strip them of their authority and responsibilities in respect to quality control of milk supplies coming into their jurisdictions.

Second. Fluid milk cooperative associations who argued that their milk was better than U.S. Public Health Service milk.

Third. Alleged high costs of administration of the law if enacted.

After the hearings, the Association of State and Territorial Health Officers and the conference of State sanitary engineers reviewed the entire situation in respect to this matter, and as a result a report was adopted at the annual convention of the Association of State and Territorial Health Officers held in Washington, D.C., October 24 to 28, 1958, which set forth the recommendations of this association as to the principles it recommends in respect to Federal milk sanitation legislation.

The bill which we are introducing today has been drafted, taking into full account the recommendations of the Association of State and Territorial Health Officers and the criticisms that were voiced at the hearings.

Unlike the previous bill, S. 2727, the current bill does not require that all fluid milk and fluid milk products shipped in interstate commerce, or which affects such interstate commerce, must meet the requirements of the U.S. Public Health Service recommended milk ordinance and code. If States and municipalities desire to accept milk for consumption as fluid milk and fluid milk products which has not been qualified under the United States Code, they are at liberty to do so.

However, the bill provides that, as a matter of principle, while recognizing that the primary responsibility for sanitary control of fluid milk rests with the State and local governments, no State or local government has the right to obstruct the free movement in interstate commerce of milk and milk products of high sanitary quality by use of unnecessary sanitary requirements or other health measures.

Thus, the bill provides that no local or State government can prohibit or limit the entry of milk which does meet United States Code requirements into the markets over which they have jurisdiction.

The bill provides methods of administration through State plans, development of standard methods of inspection and the like by the Surgeon General of the United States, and permits local and State health authorities to exercise the same authority over sanitation of United States Code milk after it arrives in the market as it exercises over intrastate milk. Thus, if a local ordinance requires milk to be pasteurized, for example, before distribution to the consumer, milk shipped interstate under the code would be required to be pasteurized also before distribution. These are safeguards to sanitation of milk through to the consumer that are properly vested in local and State governments.

The bill also provides administrative and enforcement provisions, permits research in health problems by the Surgeon General, sets forth the manner of listing plants which meet the requirements of the United States Code, provides the manner in which plants may be removed from the approved shipping list published by the Surgeon General, and the like.

We believe that this bill fully meets the principles recommended by the Association of State and Territorial Health Officers as to Federal milk sanitation legislation and will eliminate the widely prevalent use of sanitation regulations as economic barriers to the flow of high quality milk and milk products in interstate commerce.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 988) to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce, introduced by Mr. HUMPHREY (for himself, Mr. MCCARTHY, Mr. PROXMIRE, and Mr. WILEY), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. PROXMIRE. Mr. President, I am very happy to cosponsor again this year the bill introduced by the senior Senator from Minnesota [Mr. HUMPHREY] to provide for the establishment of a national milk sanitation code.

A very similar bill was before the last Congress. The bill by Senator HUMPHREY, which I cosponsored, was identical to a companion bill in the House of Representatives by Congressman LESTER JOHNSON, a member of the Committee on Agriculture of that House and an outstanding representative of dairy farmers.

This bill provides that any milk which meets the requirements of a Federal milk sanitation code cannot be excluded from any State or from any fluid milk market in the United States. State or local health authorities, under this bill, will still inspect out-of-State supplies of milk which are not qualified under the U.S. milk sanitation code, if they so desire. But they cannot disqualify and prevent the entry of milk which does meet the requirements of this code.

Mr. President, this bill does not take away from local and State authorities the right to establish and maintain standards to govern the quality of milk produced and consumed in local markets. This was one of the chief objections to the bill in its previous form. That objection has been removed.

But certainly, Mr. President, it is none too early to establish a uniform standard of sanitation and handling practices to protect the public health against the uncertainty arising from multifold rules and regulations which now apply to the interstate movement of milk. This bill will establish such a standard. It will provide an important safeguard to consumers.

There is no more truly universal food than fluid milk. Practically every person in the United States consumes milk. Milk is produced in every State in the Union. When we drink milk—whether from Wisconsin, Florida, California, or Colorado—we should be assured that it is of a dependable and uniform minimum quality. This bill will give consumers this assurance.

Enactment of this bill will also lift the real and the psychological barriers that have been raised against the free movement of milk from areas of surplus production—including Wisconsin, Minnesota, and other great dairy States—to the areas of shortage in the large population centers. It will enable consumers who live far from America's dairyland—my own State of Wisconsin—to be absolutely confident of the quality of milk purchased from Wisconsin sources, as well as others outside of the State in which it is consumed.

This bill will help to expand the total market for milk, as well as to enable Wisconsin producers to have access to markets outside of our State if they can meet the national milk sanitation standards. By eliminating duplication and confusion in the standards applied to milk in interstate commerce, it will encourage greater economy in the handling and marketing of milk, to the benefit of producers and consumers alike.

Mr. President, dairy producers in Wisconsin strongly favor this bill. They are confident that they can meet the sanitation standards which will be established by the Public Health Service under provisions of this bill. I have a letter from State Senator Lynn E. Stalbaum, secretary-treasurer of the Racine Milk Producers Cooperative Association of Racine, Wis., which reads as follows:

FEBRUARY 2, 1959.

Senator WILLIAM PROXMIRE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: Enclosed is a copy of a resolution adopted at our annual meeting last month regarding uniform milk inspection. We have heard that legislation of the type we support will be considered by this session of Congress.

UNIVERSITY OF MICHIGAN LIBRARIES

It is hoped that you will keep the views of our members in mind when this matter is before you.

Sincerely yours,

LYNN E. STALBAUM,
Secretary-Treasurer.

The resolution referred to by State Senator Stalbaum is as follows:

RESOLUTION ADOPTED AT THE ANNUAL MEETING OF THE RACINE MILK PRODUCERS COOPERATIVE ASSOCIATION, JANUARY 12, 1959

One of the great restrictions on the movement of Wisconsin milk is the difference in health inspection on various markets. Many are designed to limit the area from which milk can be obtained. Others cause a considerable duplication of inspection for the producer and the handler.

We favor a uniform system of milk inspection. We support all legislation which would create uniform inspection based on U.S. Public Health standards, and which would limit local health regulations to these standards.

Mr. WILEY. Mr. President, I am pleased to join as a cosponsor of the legislation for establishing uniform milk sanitation standards.

We, in Wisconsin—the largest milk producing State in the Nation—have long felt that there have been barriers to the transportation of our high quality milk into other consuming areas; and that these barriers, to a degree, have been created by the wide variety of sanitation standards that exist throughout the country.

I am, therefore, hopeful that the adoption of more uniform standards would enable more consumers in the Nation to have access to our high-grade Wisconsin milk.

We recognize, of course, that there may be need for further improvements in the bill. I am hopeful, however, that our colleagues in the Agriculture Committee will find it possible to give this much-needed measure early consideration.

I am pleased to point out that the objectives of the bill have the endorsement of a number of fine farm groups, and other authoritative organizations in the field of agriculture, including the Wisconsin Association of Cooperatives, Wisconsin Council of Agricultural Cooperatives, the Farmers Union, the Farm Bureau, the Wisconsin Agriculturist and Farmer, Hoard's Dairyman, and the Racine Milk Producers Cooperative Association.

I request unanimous consent to have messages from these authorities, as well as an editorial from the Wisconsin Agriculturist and Farmer, entitled "Let's Break Down the Barriers Against Wisconsin Milk" printed at this point in the RECORD:

There being no objection, the messages and editorial were ordered to be printed in the RECORD, as follows:

RACINE, WIS., *February 4, 1959.*

Senator ALEXANDER WILEY,
U.S. Senate,
Senate Office Building,
Washington, D.C.:

Wisconsin Agriculturist favors Johnson bill to allow free movement of milk in interstate commerce. We are sure Wisconsin milk can meet highest health standards. Especially favor part of bill stating that milk which meets requirements cannot be excluded from any milk market. Health barriers especially in Southern States have hindered disposing of Wisconsin milk. Elimination of these can mean higher milk prices and greater farm income for dairyman. Would appreciate your support of this bill. Believe our thinking is also that of Wisconsin College of Agriculture.

DOUGLAS SORENSON,
Managing Editor, Wisconsin Agriculturist and Farmer.

FORT ATKINSON, WIS., *February 5, 1959.*

Senator ALEXANDER WILEY,
Senate Office Building:

Reply your wire on H.R. 3840. We do not have bill. Press reports indicate it is good bill for Wisconsin dairymen, eastern and southern farmers will object; facilitates interstate trade. We do not foresee major economic gains for Wisconsin dairymen now, however this point oversold by creamery proponents. Refer our issue May 25, 1958, providing transportation costs are greatest hurdle. State milk order prices are high, but if health barriers wiped out these dairymen will simply scale down their class 1 prices to make certain that they retain their markets. No gain on Midwest but bill's greatest benefit may come when sterile concentrated milk is perfected; prospects for Midwest gain then very good.

HOARD'S DAIRYMAN,
W. D. HOARD.

MADISON, WIS., *February 4, 1959.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Fully support uniform milk sanitation standards proposed by Congressman JOHNSON.

WISCONSIN ASSOCIATION OF COOPERATIVES.
J. K. KYLES.

CHIPPEWA FALLS, WIS., *February 4, 1959.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

We have endorsed the general principles of bill H.R. 3840 as the only method of preventing State and municipal health authorities from discriminating against our out-of-State shipment of milk. Suggest you give H.R. 3840 your full support.

WISCONSIN FARMERS UNION,
GILBERT C. RHODE, *President.*

RESOLUTION ADOPTED AT THE ANNUAL MEETING OF THE RACINE MILK PRODUCERS COOPERATIVE ASSOCIATION, JANUARY 12, 1959

One of the great restrictions on the movement of Wisconsin milk is the difference in health inspection on various markets. Many are designed to limit the area from which milk can be obtained. Others cause a considerable duplication of inspection for the producer and the handler.

We favor a uniform system of milk inspection. We support all legislation which would create uniform inspection based on U.S. Public Health standards, and which would limit local health regulations to these standards.

[From the Wisconsin Agriculturist and Farmer, Jan. 17, 1959]

LET'S BREAK DOWN THE BARRIERS AGAINST WISCONSIN MILK

Wisconsin milk constantly runs into health regulation barriers that many States have built around themselves.

Masquerading under the guise of sanitation and health, these regulations are designed to limit the amount of milk available and so maintain a high price to local dairy producers.

We would like to see uniform regulations across the country. Wisconsin dairymen and their leaders have long fought against regulation barriers that keep Wisconsin milk out, even in areas where milk consumption is low.

They have urged Congress to pass legislation which would set nationwide standards for quality milk. Inspection regulations in Wisconsin then would be the same as those in any other State. Wisconsin inspections—having Federal sanction—would qualify across the Nation.

Few people would argue against the sanity of such a program. But getting a law through Congress is quite another matter.

Wisconsin and Minnesota—being milk exporters—are the States that are most interested in getting such a law. But the States working for such a law are few compared to those that enjoy their own little monopolies to keep up the price to local producers.

Senators and Representatives from States that have erected health regulation barriers are not about to see them swept away by Federal action. And so bills that would bring nationwide uniform health inspection laws are sidetracked year after year.

Wisconsin has made real progress in working out reciprocal inspection with neighboring States. Under these arrangements Wisconsin inspections are accepted by these States. This has relieved many producers from duplicate inspection.

As yet we do not have a reciprocal inspection agreement with Michigan. The matter is under consideration. And it looks quite hopeful that the Michigan folks will go along with such an agreement.

We can hope to extend reciprocal inspection to other States. But nationwide reciprocal inspection under uniform regulations—though badly needed—looks pretty far off at present.

It will not come as long as Southern and Eastern States insist on using health regulations as barriers to outside milk.

EXPENDITURE OF CERTAIN SHIP REPAIR FUNDS IN PRIVATE SHIPYARDS

Mr. BUTLER. Mr. President, I introduce for appropriate reference a bill which seeks to reduce to minimal proportions Government competition with private industry in the field of ship repairs and in so doing to carry out a recommendation of the Hoover Commission. This bill is identical to Senate bill 3426 which I introduced in the last session.

I ask unanimous consent to have printed in the RECORD the text of the bill, together with a memorandum prepared by me, and pertinent correspondence relating to this subject matter.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, memorandum, and correspondence will be printed in the RECORD.

The bill (S. 989) to require the expenditure of 75 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship-repair yards, and for other purposes, introduced by Mr. BUTLER, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, not less than 75 per centum of the funds hereafter obligated for expenditure by the Department of the Navy during any fiscal year for

the conversion, alteration, and repair of naval vessels, other than such conversion, alteration, and repair not ordinarily conducted in shipyards, shall be obligated for expenditure with private ship repair yards.

SEC. 2. There is hereby established a temporary commission to be known as the National Commission on Shipbuilding (hereinafter referred to as the "Commission"), which shall be composed of nine members to be appointed by the President. Each member shall be appointed from private life and shall have had no connection with the United States Navy or with the private shipbuilding and repair industry.

SEC. 3. It shall be the duty of the Commission to make a thorough study and investigation of the effect on the private shipbuilding and repair industry of the construction and repair of naval vessels in Government shipyards. The Commission shall complete its study and investigation and make a report of its findings and recommendations to the President and the Congress not later than one year after the date of approval of this Act. Upon the submission of such report the Commission shall cease to exist.

SEC. 4. Each member of the Commission shall receive $50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by him in the performance of such duties.

SEC. 5. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places as the Commission or such subcommittee or member may deem advisable.

(b) The Commission may secure directly from any executive department or agency of the Federal Government information, suggestions, estimates, and statistics for the purposes of this Act; and each such Department or Agency may furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the chairman or vice chairman.

SEC. 6. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

(b) The Commission may procure, without regard to the civil service laws and the Classification Act of 1949, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the Act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

SEC. 7. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this Act.

The memorandum and correspondence presented by Mr. BUTLER are as follows:

MEMORANDUM BY SENATOR BUTLER

The letter from Captain McCain pertaining to S. 3426 of the 85th Congress reflects the general philosophy of most, but not all, naval officers and civilian executives; that is, that naval repairs, in peacetime, should be primarily accomplished by the naval shipyards to prepare them for their wartime missions. This objective, of course, requires the maintenance of a high level of employment in all the naval shipyards. The Navy usualy attempts to justify that philosophy by statements to the effect that private ship repair yards do not have competent personnel having the specialized skills in ordnance, electronics, and other specialized installations on combat vesesls. This contention, which is of long standing, ignores the fact that many of the combat ships to be repaired were originally constructed in private shipyards, which now are adjudged incompetent to repair their own creations.

Unfortunately, letters of the character of this letter, which comment on proposed legislation, are not always factual, perhaps by inadvertence on the part of both the preparer and the signer.

The shipbuilding industry, as such, has not complained about the assignment of new construction by the Navy to private shipyards. On the contrary, it has repeatedly expressed its appreciation to the Navy for the allocation of substantial new construction work, both auxiliary and combat ships, to private shipyards.

It is quite true that the ship repairing portion of the industry, which consists both of shipbuilding yards having repair facilities and ship repair yards devoted exclusively to that type of work, has received substantial naval repair work, particularly on auxiliaries, but to a limited extent on combat vessels, together with some conversions. The industry is duly appreciative of the work it has received. However, it feels that it could receive substantially more work of this type without the dire results to the naval shipyards predicted in Captain McCain's letter.

Present employment ceilings in the several naval shipyards are maintained at an unduly high level. Thus it is inevitable that work will be assigned to those same naval shipyards in sufficient volume to provide work for those employed there so as to justify their employment. This procedure creates the old problem of the chicken and the egg, although in this case the employment seems to come first and then the workload, but it could be that the potential workload envisioned or planned determines the employment ceiling. In any event, the result is the same, too much employment in naval shipyards and too little in private ship repair yards.

This opinion is reinforced by statistics on relative employment in the naval shipyards and private ship repair yards, prewar and postwar. The prewar pattern disappeared with the war and was never reestablished after the war. The private ship repair yards were forced by economic conditions after the war to cut back heavily in employment. The same pressure did not apply to the naval shipyards which did not cut back nearly to the extent that the private yards were forced to cut back. Thus, on a purely relative basis, the postwar employment in the naval shipyards is proportionately much higher than that in the private shipyards. And, the prewar ratio has accordingly been relegated by the Navy to a thing of the past.

Captain McCain states that, as of January 1, 1958, about 59 percent of the $3,700 million naval ship construction and conversion program was being accomplished in private yards. The Shipbuilders Council of America is unable to check this figure. Published reports, obtained from member yards in the council as of January 1, 1958, show less than half that dollar volume of naval construction under way in such private yards, even allowing generously for small craft construction which would not be included. The amount of naval new construction in private yards is unquestionably substantial.

Captain McCain also states that, during the fiscal years 1954 through 1957, private yards received a yearly average of $100 million of naval repair work. That figure would have more significance if it were also stated as a percentage of total naval repair work. Actually it does not agree with the records of the shipbuilders council which show a yearly average of naval repair work for 1954 through 1957 of slightly under $56 million. For the year 1957 the records of the council show slightly under $37 million, based on returns obtained directly from 54 yards. Some smaller yards might account for some additional naval repair work, but it would not be in any substantial amount.

Incidentally the dollar volume of naval repair work in private yards in 1957 is less than 60 percent of the similar volume for 1956 and by far the lowest of any year since the advent of the Korean war in 1951, which had the effect of greatly increasing the naval repair load in private yards for the duration of that war. However, it must be realized that a specific dollar volume of naval repair work in 1957 could purchase not more than one-half of the volume of repairs that could have been purchased with the same dollar volume 10 years earlier, on account of increased costs plus inflation, which decrease purchasing power. For that reason, a direct comparison of dollar volumes in different years is misleading and it must be realized that the actual dollar volume in 1957 is relatively a greatly inflated one.

It is noted that the chief mission of the naval shipyards is the overhaul and repair of combatant ships, and that the superb material readiness of the fleet, in wartime and peacetime, would not have been possible without the unique support provided by naval shipyards. Without attempting to detract in any way from the very proper function of the naval shipyards, which has been well performed, it might be mentioned that the private ship repair yards had no small part in that same operation and even now are considered by the Navy to be a vital element in their mobilization potential.

Captain McCain states that S. 3426 would dissipate the capabilities of this naval shipyard complex which is strategically dispersed through our coastal areas to provide comprehensive logistics support. This conclusion of Captain McCain's does not necessarily follow. First, it might be pointed out that the private ship repair yards likewise are strategically dispersed throughout our coastal areas and also are competent to provide comprehensive logistics support. Second, an increased allocation of naval repair work to private ship repair yards and the decreased employment in the naval ship repair yards which that would entail (compensated for, of course, by increased employment in the private ship repair yards) would not dissipate the capabilities of the naval shipyard complex. It might even enhance them by permitting better organization of specialized skills and the elimination of much employment of lower caliber.

Whether 75 percent of naval repair work to private ship repair yards is a proper allocation or not I do not know, as I do not know what the present allocation is on a percentage basis. But some increase in allocation certainly could be effected without the closing of several naval shipyards and drastic curtailment in the operations of others.

For example, take a hypothetical naval shipyard with a present employment ceiling of 10,000 men. That yard could be maintained in a well organized condition with a ceiling of 7,500 men or even 5,000 men or less without dissipating the capabilities of that same naval shipyard, and it would be entirely capable of rapid expansion, as and if required, in the event of national emergency or war. The special skills still would be available, as well as the diverse inventory for large combatant ships.

The private ship repair yards successfully contend with the problem of expansion as and when required constantly. Why cannot the naval shipyards? It certainly would tend toward more efficient and more economic operation in the naval shipyards.

Captain McCain's philosophy that in wartime naval shipyards are engaged chiefly in repairing battle-damaged ships is indeed interesting. I take no exception to that statement, but I do take exception to its corollary "while private yards specialize in the mass production of new ships." It ignores completely the distinction between

UNIVERSITY OF MICHIGAN LIBRARIES

private shipbuilding yards and private ship repair yards. Ship repair yards continue to be ship repair yards in wartime, and they also repair battle-damaged ships. At least they did in World War II, and before that in World War I. Private shipbuilding yards by the same token continue to be shipbuilding yards in wartime, building as many ships as possible, not on a mass production basis, as there is no such thing in respect to seagoing ships, but rather on a multiple ship basis. In addition, many so-called emergency yards are created which build large numbers of duplicate ships, also on a multiple ship basis. Mass production, as that term is used in industry in this country, applies to a very large number of identical products for sale to the general public, produced in a manufacturing plant on a production line setup. That process is not and cannot be applied to seagoing ships. At least it never has been as yet successfully so applied.

It is just as necessary, from the naval and mobilization point of view, to prepare privately owned ship-repair yards for their wartime mission as it is to prepare the naval shipyards for that same mission. It is obvious that, if the privately owned ship-repair yards are to accomplish that wartime mission successfully, they must receive work in peacetime of such character as to enable them to perform properly their wartime mission. The allocation of a greater volume of repair work, particularly on combat vessels, will not necessarily destroy the flexibility which Captain McCain says is necessary, and it certainly will not promote the economic well-being of the private ship-repair industry at the expense of the national security. On the contrary, if applied with discretion, it will promote both the private ship-repair industry and the naval shipyards, and thus the national security.

Whether or not 75 percent or some other percentage of naval repair work be allocated to private ship-repair yards, the Navy could, if it would, allocate a substantially higher percentage of naval repair work to private ship-repair yards than it now does, whatever that percentage, presently unknown, may turn out to be, without causing the closing of several naval shipyards and drastic curtailment in the operations of others.

To predict such closing and curtailment of operations and the consequent impairment of the Navy's ability to provide logistics support to the operating forces and to maintain them in an optimum condition of readiness, as a result of allocating some greater amount of naval repair work to private ship-repair yards is to ignore the facts and realities of the situation.

Actually it will take a positive policy on the part of the Navy to allocate more naval work to private ship-repair yards, rather than the present negative policy that it can't be done for fear of dire results, as well as fear of the alleged incompetency of the private ship-repair yards. Actually also, the present employment ceilings and workloads in the naval shipyards are as much the result of pressures, political and otherwise, as they are the result of concern for the national security. Any time any reduction in naval shipyard personnel ceilings is attempted, that political pressure makes itself immediately and forcibly felt. Furthermore history shows that Government establishments tend to expand rather than contract, for such is human nature.

Captain McCain comments to the effect that any national commission such as contemplated by the bill could not be expected to formulate recommendations within the short space of 1 year that would be of any practical benefit. If that is the case, it would be simple to extend the period to 2 years. As to prejudging of the matter prior to any report and finding by the Commission, in the establishment of an arbitrary 75:25 ratio, let the Navy advise what the present percentage is, let the bill be amended to provide a reasonable interim increase, and then let the Commission determine whether a permanent increase greater in amount than the interim increase is reasonable and in the national interest, both economically wise and security wise.

Some reference is made by Captain McCain to the present policy as having been established by tradition.

It is tradition which must be overcome, and a policy must be determined not on tradition but on the realities of the mobilization base. The Navy's policy on the mobilization base is not consistent with the Navy's policy on the operation of naval shipyards at the expense of the private ship-repair industry. Likewise, the Navy's policy on the high-level operation of naval shipyards is not consistent with the findings and recommendations of the Hoover Commission in respect to competition with private industry.

On a collateral point, involving repairs to 43 naval vessels to be transferred from the reserve fleet to friendly nations, President Eisenhower, in a letter of July 14, assured me that he subscribes to the sound proposition that Government must not compete unfairly with private industry. He states that in recent years the relative growth of private shipbuilding yards has been greater than that of the Navy shipbuilding yards, which is a direct result of application by the administration of the principle in question.

Here again, in the information which has been furnished to the President, is the confusion that is evident in Captain McCain's letter—a failure to differentiate between shipbuilding yards and ship-repair yards. It is the latter which would be involved with respect to the 43 naval vessels in question.

Furthermore, why should there be any growth of Navy shipbuilding yards? That is exactly what the private ship repair industry takes exception to; in fact the industry's efforts made over the years have been directed to curtailment of the present size of the naval shipyards, at least in respect to the employment of personnel and the volume of repair work allocated to such yards.

The President also says he must agree with the Navy that their yards are technically better qualified and more experienced in conversion and repair of combatant ships. The President cannot know this of his own knowledge. He perforce has accepted the Navy's statement to that effect. Private industry does not concede that the naval shipyards are technically better qualified in conversion and repair of combatant ships. The technical qualifications of many of the private yards are of a very high order. If they were not, it must be obvious that the Navy would not allocate to such yards a substantial part of its construction program for new combatant ships. If the naval shipyards are more experienced in conversion and repair of combatant ships, as his letter states, it must be due to the fact that the Navy more or less monopolizes that type of work for its naval shipyards, which it has the power to do. How then can the private ship repair yards be expected to become experienced in the absence of the type of work which they will be called upon to perform in the event of war? What then becomes of the mobilization base upon which the Navy says it will have to rely under war conditions?

AUGUST 6, 1958.

The Honorable RICHARD B. RUSSELL,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D. C.

DEAR DICK: It is my understanding that the Department of the Navy, in coordination with the Department of Defense, has submitted to the Committee on Armed Services an unfavorable report on my bill, S. 3426.

If the Navy's philosophy, as expressed in Captain McCain's letter of July 8 to you as chairman, were sound then all of the military services should immediately expand their manufacturing and maintenance activities far beyond their present scope. The verbosity of the captain's arguments, and his misleading figures, brings me to the conclusion that this entire matter is deserving of the committee's immediate attention and consideration. The alacrity with which Government bureaus can recite reasons, no matter how tenuous, for inflated expenditures must be a matter of deep concern to you and the members of your committee, as it is to me.

In my considered opinion, the Navy could maintain its yards in an essential state of readiness and maintain such specialized skills and inventories as private industry is unwilling to maintain (if any) with one-fifth its present working force in all of the naval shipyards.

In my letter of March 12, you will recall that I made this statement: "Yet, extensive search of material in the Library of Congress, Government documents, periodicals and other literature, including the files of the Department of the Navy, has failed to show any evidence that there has ever been rendered a unified and systematic account of naval shipyards with respect to their general activities in maintenance and repair. A few facts may be gleaned from naval appropriation hearings. Congressional reports on appropriations sometimes include brief comments on the needs and problems of the Bureau of Ships, which administers the naval shipyards, but do not treat the repair functions of naval shipyards."

On the basis of Captain McCain, I am obliged to conclude that the Department of Navy seeks to preserve the veil of secrecy which has always surrounded the repair functions of naval shipyards. I hope that the Committee on Armed Services will not accept the Navy's self-serving arguments at face value and that it will immediately undertake a series of hearings on S. 3426 for the purpose of lifting this zealously and jealously guarded veil of secrecy.

Once again, may I emphasize that my proposal is not intended to eliminate Government ship repair facilities. Obviously, the yards operated by the Department of the Navy must conserve a nucleus of skilled employees which is capable of expansion in times of emergency. But, I steadfastly believe that such facilities need not be maintained on an elaborate and massive scale when private yards are fully able to handle this type of business at less cost to the Government.

I regard this matter of such importance that I respectfully request that it be considered by the Committee on Armed Services prior to adjournment.

With warm personal regards always, I am,

Sincerely,

JOHN MARSHALL BUTLER,
U.S. Senator.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D.C., July 8, 1958.

Hon. RICHARD B. RUSSELL,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: Your request for comments on S. 3426, a bill "to require the expenditure of 75 percent of the funds expended for the conversion, alteration, and repair of naval vessels to be expended with private ship repair yards, and for other purposes," has been assigned to this Department by the Secretary of Defense for the preparation of a report thereon expressing the views of the Department of Defense.

S. 3426 would provide that 75 percent of appropriations each fiscal year for the conversion, alteration, and repair of naval ves-

sels, other than such work not ordinarily conducted in shipyards, shall be obligated for expenditure with private ship repair yards. Secondly, the bill would establish a temporary commission of laymen to conduct a thorough and comprehensive investigation, study, and report to the President in not more than 1 year, of the effect upon the private shipbuilding industry of the construction and repair of naval vessels in Government shipyards.

S. 3426 is similar to H.R. 32 and H.R. 3767 of the 1st session, 85th Congress.

The Navy has responded to the need of private yards for additional work by making large-scale assignments of overhaul and repair work, as well as new construction and conversion, to the industry. By its bold and vigorous policy, the Navy has been largely instrumental in preserving the valuable mobilization potential of this industry. In recent years private yards throughout the country have received a larger dollar volume of naval repair work, as well as construction and conversion, than ever before in peacetime. During fiscal years 1954 through 1957, private yards received a yearly average of over $100 million of Navy repair work. Also, as of January 1, 1958, about 59 percent of the $3,700 million naval ship construction and conversion program was being accomplished in private yards.

The chief mission of the naval shipyards is the overhaul and repair of combatant ships. The American tradition of victory at sea is due, in large measure, to the superb material readiness of the fleet in wartime and peacetime, and this in turn, would not have been possible without the unique support provided by naval shipyards, many of which were established early in the 19th century. S. 3426 would dissipate the capabilities of this naval shipyard complex which is strategically dispersed throughout our coastal areas to provide comprehensive logistics support.

The naval shipyards, because of their organization and operation under direct Navy control are immediately responsive to fleet requirements. In wartime especially, this is of paramount importance. Such yards are not subject to strikes and jurisdictional disputes, over which the Navy has little control and which result in loss of timely deliveries. They maintain specialized skills and a diverse inventory of Navy equipment for large combatant ships, particularly ordnance and electronics, which many private yards find it uneconomical to maintain on account of workload fluctuations caused by the uncertainties of competition. In wartime, naval shipyards are engaged chiefly in repairing battle-damaged ships, while private yards specialize in the mass production of new ships. In peacetime therefore, the major part of new construction is generally awarded to private yards and the major part of Navy repair work is undertaken in naval shipyards, in order to prepare both types of yards for their wartime missions.

The distribution of construction conversion and repair work between naval shipyards and private yards must be governed by a very flexible policy, subject to revision to meet changing operational and logistics requirements. Subject bill would destroy this flexibility. It would promote the economic well-being of the private ship repair industry but at considerable sacrifice of national security. The 75 percent requirement would cause the closing of several naval shipyards and drastic curtailment in the operations of others, thus seriously impairing the Navy's ability to provide logistics support to the operating forces and to maintain them in an optimum condition of readiness. These responsibilities require that the Navy retain effective authority to control the overhaul and repair, as well as the operation, of its fighting ships. Such authority is well established by tradition and by existing law.

The subject bill would establish a National Commission on Shipbuilding to be composed of members having no connection with the U.S. Navy or with the private shipbuilding and repair industry. A commission so constituted could not be expected to formulate any recommendations within the short space of 1 year which would be of any practicable benefit. Further, the bill in the establishment of an arbitrary 75:25 ratio appears to indicate a prejudging of the matter prior to any report and finding by the Commission.

In view of the foregoing, the Department of the Navy, on behalf of the Department of Defense, opposes the enactment of S. 3426.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Department of the Navy has been advised by the Bureau of the Budget that there is no objection to the submission of this report on S. 3426 to the Congress.

Sincerely yours,

JOHN S. MCCAIN, Jr.,
Captain, U.S. Navy, Chief of Legislative Liaison
(For the Secretary of the Navy).

MARCH 12, 1958.

The Honorable RICHARD B. RUSSELL,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR DICK: S. 3426, which I introduced on March 10, 1958, has been referred to your committee, and I am therefore taking the liberty of writing you to express the earnest hope that this measure will be scheduled for immediate attention and favorable action. This proposal relates to the conversion to, and repairs of, naval vessels.

Through the enactment of this legislation, Government competition with private enterprise in terms of a vital aspect of our national economy would be curbed. This objective has been recommended by the Hoover Commission, and I believe that little testimony will be needed to demonstrate that, in this instance, a considerable saving in Government expenditures, and an overall improvement in efficiency, can thus be effected.

At the outset, I should like to emphasize that my proposal is not intended to eliminate Government ship repair facilities. Obviously, the yards operated by the Department of the Navy must conserve a nucleus of skilled employees which is capable of expansion in times of emergency. But, I steadfastly believe that such facilities need not be maintained on an elaborate and massive scale when private yards are fully able to handle this type of business.

It is my understanding that overhauls are made every 18 months for some types of naval vessels, every 26 months for others, and more frequently for still others. Records of the House Committee on Appropriations, 85th Congress, 1st session, concerning Department of the Navy Appropriations for 1958, reveal that all the hull, electronics, ordnance, machinery, and other type gear are repaired, reconditioned, or replaced, and more up-to-date equipment is installed in these overhauls. Navy officials in the past have stated the expectation that every ship will be repaired at least once a year, in addition to its regularly scheduled overhaul.

The average age of ships in the fleet, I am informed, is almost 11 years, and is increasing about seven-tenths of a year per annum for the whole fleet. This factor results in increased maintenance requirements.

Yet, extensive search of material in the Library of Congress, Government documents, periodicals and other literature, including the files of the Department of the Navy, has failed to show any evidence that there has ever been rendered a unified and systematic account of naval shipyards with respect to their general activities in maintenance and repair. A few facts may be gleaned from naval appropriation hearings. Congressional reports on appropriations sometimes include brief comments on the needs and problems of the Bureau of Ships, which administers the naval shipyards, but do not treat the repair functions of naval shipyards.

The Public Affairs Information Service Index, the Reader's Guide, the International Index to Periodicals, and the Air University Periodical Index list no articles relevant to the subject. The semiannual reports of the Secretary of Defense give little mention of the matter.

Catalog listings of the books at the Library of Congress and periodical material compiled by the Legislative Reference Service include little, if any, comment that is germane. The Bureau of Ships has stated that the topic has not been the subject of written studies.

The Bureau of Naval Personnel Information Bulletin, All Hands, describes the Portsmouth and Boston yards as "industrial giants" and relates that the Norfolk Naval Yard is typical of the other 10. The Norfolk yard, for example, covers 811 acres, has 30 miles of paved streets, 426 buildings, 44 miles of railroad track, 9 locomotives, 254 cars, 350 cranes and derricks, 2 shipbuilding ways, 7 drydocks, and is capable of drydocking and rendering complete service to the world's largest ships.

Comparative prewar and postwar employment levels in Government owned and privately owned shipyards, according to the Hoover Commission, reveal that from 1930 to 1940 the Government employed 36 percent of all U.S. shipyard workers, and 44 percent during the bleak shipbuilding decline of 1947–50. In October 1954, 51 percent (or 105,900 persons) of all shipyard workers throughout the entire Nation were on navy yard payrolls.

Statistics available to me indicate that the total civilian employees (estimated) in 7 shipyards operated in the continental United States by the Navy as of June 30, 1956, were 62,700. Correspondingly, as of the same date, there were employed in 17 private major shipyards contributing to the Maritime Administration mobilization base 11,253 persons, and the total employment in all private ship repair firms holding Maritime Administration master repair contracts was 35,606.

One of the reasons for the intensive operation of Government yards is traceable to the Vinson-Trammell Act of 1934 which, in part, provides that "* * * the first and each succeeding alternative vessel * * *" of each type of ship specified and their replacement shall be built by the Government. The Subcommittee on Business Enterprises of the Hoover Commission found that the situation this 1934 act was designed to remedy has been reversed to the detriment of privately owned yards. In the words of the Commission report: "* * * the subcommittee considered that the Navy's operation of all of these 10 shipyards represents a destructive intrusion into the private shipbuilding industry of this country."

To foster free enterprise has long been the national policy. It is, therefore, not illogical to expect that the unfair and nonessential competition of Government in the shipbuilding and ship-repair industries will soon be eliminated. Unquestionably, the national security dictates that the Government must engage in a certain amount of shipbuilding and ship-repair activity, but the extent to which this pursuit is maintained should be a matter of great concern to the Congress and all citizens interested in the economical management of the Government.

Favorable and prompt consideration of S. 3426 by the Committee on Armed Services will therefore be greatly appreciated.

With warm personal regards always, I am,

Sincerely,

JOHN MARSHALL BUTLER,
U.S. Senator.

UNIVERSITY OF MICHIGAN LIBRARIES

COMPACTS BETWEEN THE STATES TO PROVIDE FOR UNIFORM TAX TREATMENT OF NONRESIDENTS

Mr. WILLIAMS of New Jersey. Mr. President, I introduce, for appropriate reference, a bill granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents. For years New Jersey commuters have complained about the income taxes they have had to pay if they work in New York or in Philadelphia. Their cry of "taxation without representation," repeated year after year, seems to have yielded results, in New York State, at least. Recent declarations before and after the November election had indicated a willingness to talk over inequities in allowable deductions and other difficulties faced by nonresidents.

Now that we are approaching a new climate of cooperation, the time for more formal action, as proposed in the new bill, has come.

A constitutional amendment is a fine-sounding proposal for ultimate solution of the nonresident taxation problem. But it is long range and susceptible to all the ills that kill off constitutional amendments. I find it difficult to believe that the 31 States which now tax nonresidents will suddenly decide that they will abolish the taxes. We can keep this plan as a distant goal, but we must also do what we can in 1959 to ease unfair burdens on persons who live in one State and work in another. This problem is not unique to New Jersey. I believe and hope the new proposal will win widespread support.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 991) granting the consent of Congress to the several States to enter into compacts providing for the uniform tax treatment of nonresidents, introduced by Mr. WILLIAMS of New Jersey, was received, read twice by its title, and referred to the Committee on the Judiciary.

PROGRAM OF WEATHER MODIFICATION

Mr. BIBLE. Mr. President, I am pleased to be one of the sponsors of the bill (S. 943) to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes, introduced on yesterday by the distinguished Senator from California [Mr. ENGLE], for himself and other Senators, the results of which may be far reaching to a section of our Nation where increased water supply is a vital necessity.

Weather modification, popularly known as cloud seeding, is relatively new, although its feasibility has been generally recognized by responsible scientists. While a member of the Interstate and Foreign Commerce Committee, I had the opportunity of presiding at hearings on weather modification. Testimony during these hearings, for example, indicated that the streamflow of many of the rivers in the Sierra Nevada region in California and in Nevada had been increased some 9 percent as a result of a cloud seeding program on the western slopes of the high Sierras.

I was privileged to be a cosponsor of a bill introduced in the last session which provided for research and evaluation in the field of weather modification. That bill delegated to the National Science Foundation the responsibility for operating the program.

Mr. President, at the outset of the current session of Congress our able majority leader outlined a legislative program which, among other things, called for a program to step up the supply and conservation of water for the West.

The bill which was introduced on yesterday by the distinguished junior Senator from California [Mr. ENGLE] is designed to assist in carrying out that legislative mandate by providing the necessary tools to increase the annual water supply in the great Colorado River drainage basin.

This measure will work no miracles, Mr. President, but it does represent another positive step on the part of those who are constantly working to bring arid wastelands into full productivity for the betterment of people in the Nation's fastest growing section—the Far West.

Mr. JOHNSON of Texas. I want to congratulate the very able senior Senator from Nevada for the very eloquent and able statement he has made, and to assure him of my continued and complete cooperation in all of his endeavors, and of those associated with him, in connection with this problem, which is very important not only to the entire Nation, but specifically to the great western part of our country.

Mr. BIBLE. I certainly appreciate the sentiments of the majority leader. This problem is not completely regional; the problem of weather modification is of nationwide import. I hope we can move forward in this field.

USE OF COMMODITY CREDIT CORPORATION GRAINS FOR SOIL BANK PAYMENTS

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that a statement I have prepared on Senate bill 946, which I introduced yesterday, a bill to provide for the use of Commodity Credit Corporation grains for soil bank payments, be printed in the RECORD as a statement in the section of the RECORD devoted to the morning hour.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CASE OF SOUTH DAKOTA

S. 946, TO USE CCC GRAINS FOR SOIL BANK PAYMENTS

The stumbling block to improvement of the farm problem is the presence of the big carryover of grain in the stocks of the Commodity Credit Corporation.

In dollars, we are told, these stocks amount to over $9 billion. Set aside, stored, or however they are described, they hang over the market. Not only do they mount year by year but also the cost of storing them mounts as well.

The carrying charges this year will cost nearly $1 billion. That is 11 percent of their value.

While these stocks are assets of the Commodity Credit Corporation, yet what has been paid for them is commonly treated as a part of the cost for the so-called farm program. Certainly the carrying charges, the 11 percent annual storage costs, inspection fees and spoilage losses are all a part of the cost of the annual farm program.

Therefore, it seems axiomatic that the first and most necessary step in improvement of the farm picture is to get rid of these overhanging surpluses with their price-depressing effects. They are at the root of the farm problem.

The carryover should be reduced to normal needs with a reasonable reserve. Any plan to work must carry with it protection against mere replacement of existing stocks with a new crop.

On yesterday I introduced a bill (S. 946) which meets these natural tests.

This bill proposes that these stored grain stocks be made available to pay the costs of renting land for the soil bank. Those farmers who take soil-bank payments in the form of stored commodities rather than cash would receive a bonus of at least 10 percent.

That 10 percent bonus would be less than the annual storage, inspection, and spoilage costs. And this bill's provisions would require no additional manpower nor taxes.

A condition of the bonus would be that the grain could not be reoffered for price-support loan. It could be fed or sold on the open market for consumption or export.

Productive land would be taken out of production in an amount equal to that required for normal yield of the commodity received.

Grain offered under the price-support program has reached such proportions that we now have in storage approximately 2 years supply of normal consumption.

The Congress appropriated $375 million to accept land in the conservation reserve program of the soil bank. The program has been so well received that the entire amount has been obligated and land that cannot be accepted would far exceed the $450 million authorized in the Soil Bank Act.

My bill would make it possible for many additional farmers to get into the land retirement program and yet, at the same time, keep an equivalent amount of grain in the channels of trade or use.

Farmers would, in effect, be insured for that crop season against the hazards of drought, insects, and storms. In addition, they would not have the expenses of operating costs, depreciation of machinery, repairs and labor.

These should be attractive.

Taxpayers in general would be spared the cost of financing storage of constantly mounting surpluses and much of the soil bank program.

The grain payment program would have an automatic cutoff when surpluses were reduced to normal levels.

I should like to call your attention to another facet of this unbearable farm surplus situation. This is the cost of exporting portions of our huge surplus.

Last year 100,000 tons of grain were given to foreign countries as an outright gift under title 2 of Public Law 480.

Exports of wheat under the International Wheat Agreement carry a subsidy of 55 cents to 65 cents a bushel.

And it is impossible to determine what discount the Federal Government is taking when grain is sold abroad for foreign currencies under Public Law 480.

The Commodity Credit Corporation incurs a mammoth loss in spoilage and reduced marketability of high-moisture-content grain offered for storage. This is particularly true in grades four and five corn.

Instead of continuing to take these huge losses, why not put our surpluses to work for us?

Why not let our surpluses work to solve our own farm problem, restore the independence of our farmers and correct our domestic markets?

I believe the bill I have offered provides the opportunity to put the farmer back on his feet as his own boss. As surpluses would decline, markets would improve and the need for Government regulation would diminish.

Once surpluses were reduced to normal levels under this program, the Congress could take a realistic look at the farm situation. As things stand now, we are merely shutting our eyes to the real problem—that of surplus disposal.

It is my hope and expectation that, upon reduction of these surpluses to normal levels, the Government would never again find it necessary to become so deeply involved in the farmer's business as it is now.

I would like to point out that this bill, S. 946, also provides for Federal crop insurance payments in the form of grain with a 10-percent bonus rather than in cash.

A farmer who was hailed out, for example, could collect his insurance payment from a Government bin in the grain of his choice. And he would receive a bonus of at least 10 percent to encourage him to do so.

Unlike the soil bank portion of this bill, however, the farmer could reoffer his grain for price-support loan if it was the same type of grain as that lost by hail. In other words, if a farmer loses his corn crop in a hailstorm, he can take his payment in corn with the bonus, then reoffer it for price support.

Since crop insurance payments rarely, if ever, cover the full amount of a farmer's loss, this proposition should gain wide acceptance among farmers. And the Government would not lose anything on the deal, as compared with giving price support to that farmer's full crop.

Perhaps some Members will have reservations about the effect of this surplus grain payment program on livestock prices. I feel that this program could have no adverse effect. In fact, it should help if it affects them at all.

I am tired of hearing the timeworn statement, "Something has to be done about those surpluses," whenever the farm situation is discussed.

Here at last is that something in what I believe is a realistic and workable approach. I hope it will receive the careful scrutiny of all who are concerned with the farmer's plight.

MEMBERS OF BOARD OF VISITORS TO COAST GUARD AND MERCHANT MARINE ACADEMIES

Mr. MAGNUSON. Mr. President, I wish to announce that, as chairman of the Committee on Interstate and Foreign Commerce, I have appointed the Senator from Alaska [Mr. BARTLETT] and the Senator from Kentucky [Mr. MORTON] as members of the Board of Visitors to the U.S. Coast Guard Academy, which is in the State of the distinguished Senator from Connecticut [Mr. DODD], who is the present occupant of the chair.

I have also appointed to the Board of Visitors to the U.S. Merchant Marine Academy the Senator from California [Mr. ENGLE] and the Senator from Pennsylvania [Mr. SCOTT].

Under the law the chairman of the said committee is an ex officio member of the board.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. YARBOROUGH:

"Report to the People," written and distributed by Representative J. T. RUTHERFORD, of Texas.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DODD in the chair). Without objection, it is so ordered.

SMALL MONTANA CITY DISCOVERS ITSELF

Mr. MANSFIELD. Mr. President, in recent years many of our small towns and cities have had to struggle to exist; in fact, many of them are slowly disintegrating. The small communities of this country have provided the backbone for our economy for many years; but today they are finding it difficult to compete with the lure of the big cities. Mechanization in modes of travel and everyday living has made people less dependent on the small towns and cities.

Throughout the country these smaller communities have been making numerous attempts to attract new industries, in the hope that they can establish sound payrolls which would stabilize their economy.

The city of Columbus, Mont., recognized the need for such action; and the local Kiwanis Club, in cooperation with the local people, has worked hard in exploring all possibilities of getting a small industry for Columbus. They have succeeded in obtaining a wooden beam manufacturing industry, which now is in operation. In addition, there are prospects of other new industries for the city.

Columbus, Mont., is to be highly congratulated on its initiative. It has set an example for others to follow.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks in the CONGRESSIONAL RECORD an article entitled "Columbus Discovers Itself," written by Lafayette Smith and published in the December–January issue of the Kiwanis magazine.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COLUMBUS DISCOVERS ITSELF

(Columbus, Mont., had to fight for its life. And its Kiwanis Club started the battle.)

(By Lafayette Smith)

The town of Columbus, Mont., isn't considered large even by Montana standards. Its population barely exceeded 1,000 when the 1950 census was taken, and most of the residents seemed to feel that it had slipped since then. With the trend in agriculture going toward larger farms and fewer farmers, there didn't seem to be as much room for the little farmer any more—and Columbus was mainly a town of little farmers.

As Columbus was a small town, so was its Kiwanis Club, averaging between 20 to 25 members. For its size though, the club was active. It conducted a countrywide 4–H Club fair and livestock sale every year. It also entertained the townspeople with a minstrel show, thus collecting some money, and built a park in the center of town, planting grass and providing benches. "If we didn't have faith in the town's future," claims Club President William B. Witt, "we never would have built that park."

That faith got its first practical expression one noon during the fall of 1956. Gene Davey, who sold and fixed automobiles and was the Kiwanis president too, showed up at the Liberty Cafe, where the club met every Tuesday, with clipping in hand. The clipping noted that the old building down by the railroad tracks was for sale.

The building, measuring 200 feet long and 115 feet wide, had been built during the war by the U.S. Government and was used as a service station for trucks coming out of the Beartooth Mountains 35 miles to the south, laden with chromite ore. After the war the Bureau of Reclamation used it for some time as a warehouse, but now it stood empty.

Following the Kiwanis meeting, 10 members stayed late to talk about the building. "Why don't we buy it, and use it as a lure to bring a new industry to our town?" said Gene Davey. The idea was discussed, accepted, and soon eight Kiwanians were pulling checkbooks out of their pockets, and two others were running home to get theirs. Within a few hours $10,000 had been pledged. Thus was Columbus Enterprises, Inc., formed—by men who were pledged to the preservation of their home town.

Bob Johnson, editor and publisher of the town's only newspaper, the Columbus News, journeyed to Seattle, Wash., to make a bid on the building. Gene Davey soon received a wire: "Purchased building for $26,000. Find us an industry."

Finding an industry, now that they had acquired a site for one, proved to be no easy task. Columbus Enterprises advertised in the Wall Street Journal and Business Week. A variety of answers soon flooded Gene Davey's desk. One man wanted to use the building as a cattle feed lot, but he did not intend to employ anyone. His offer was respectfully declined. A company manufacturing trailers and buses applied. "No prospects for future growth," decided the Kiwanians. Several obliging contractors offered to dismantle the building. They were politely thanked.

Then, as chance might have it, Gene Davey and Bob Johnson heard of two men named Ralph Heiken and Thelmar Mosdal, who during the lax winter season were building barn beams in a small corrugated steel shed in nearby Broadview, only 55 miles from Columbus. They needed more room. Soon they were invited to come to Columbus.

Also invited to come to Columbus was another Montana citizen named Ken Davenport. Ken had graduated from Montana

UNIVERSITY OF MONTANA LIBRARIES

State College of Engineering in 1950, had spent an inevitable 2 years in the service, then had sold Fords in Big Timber, Mont. Ken, however, wasn't quite certain that he wanted a Ford in his future, so when several of his friends in Columbus told him that a new industry was starting he offered his services. Another Montanan, Russell Wolfe, was hired as a sales expert, and these two, along with Mosdal and Heiken, left for the west coast to observe and report on the beam-manufacturing industry. They were particularly concerned with the prospects of glue lamination in beam construction.

"Today, 60-foot trees are a rarity," they reported on their return. "Within a dozen years or so, 30-foot trees will be just as rare. Yet with modern construction demands, structural beams of over 100 feet are needed, especially in the construction of modern schools, churches, and auditoriums."

With this favorable report, the construction of laminated wooden beams in Columbus began and the organization was officially titled Timberweld, Inc., with Ken Davenport president and sales manager; Wolfe, secretary treasurer; and Heiken and Gene Davey, vice presidents. The 15 members of Columbus Enterprises purchased $50,000 worth of stock, while approximately 75 other Columbus citizens accounted for $50,000 more. Very shortly that stock began to pay dividends, and has been doing so ever since.

Ken Davenport explains his company's success this way: "In Montana, it is very difficult to find types of industry that can be carried on economically for manufacturing and shipment of material to other points in the United States. There are many reasons for this: Freight, the availability of raw materials, and concentration of markets. However, in the case of glu-lam material, we have found that it can be manufactured and shipped to virtually 75 percent of the United States on a very competitive basis with other glu-lam fabricators in other parts of the country. Presently we've shipped glue-laminated material for schools, churches, and industrial buildings to New York, Pennsylvania, Michigan, Minnesota, North and South Dakota, Wyoming, Colorado, and other Midwestern States. Our intended volume for the year of 1958 has been doubled over our sales for 1957." With the country in the midst of a recession, these were encouraging words.

The increase in Timberweld's sales for 1958 was first reflected in the increase in manpower in their plant—later, in the pockets of Columbus citizens. At present, 30 men and women are employed by the company with an annual payroll of more than $100,000. According to estimates made by the State planning board, for every additional four persons brought to a town, it takes one more person (such as a grocer, druggist, dentist, etc.) to service him. Conversely, when a town loses four residents through migration to another area, one of its shopowners might as well close up.

Kiwanis President William B. Witt has commented on this situation: "Already we notice a lot of new faces on the streets. Timberweld's payroll has stabilized the real estate market for one thing. Before, there wasn't enough demand for living quarters, and prices were dropping. Now prices are remaining where they should be."

Shortly after Timberweld received its start in Columbus, Kiwanians and the townspeople in general began passing the word to their friends and business acquaintances that the welcome mat was out to new industry. In July of 1957, Sherman Lang, an engineer for Mouat Industries, a chemical producing firm, appeared in Columbus to have a look at this town he had heard so much about. His company was leased 5 acres of land at tax cost, and within a few months a pilot plant to process chrome had been established under his supervision. Eight men began carrying on daily experiments to determine whether or not to establish a larger factory. Should that occur, it would perhaps mean a payroll of 300 employees.

The fame of Columbus spread even further. The Montana State Planning Board in Helena issued a pamphlet called simply "The Columbus Success Story." It was subtitled "Community Action for Economic Development Pays Dividends." This pamphlet was distributed throughout the United States.

As for the town's future, Bob Johnson is glad to talk about it: "Mouat Industries have been successful in producing their basic product (sodium chromate), and are enthusiastic about their future in this field. While no other industries have moved into Columbus to date, there have been several inquiries. The American Chrome Co. south of Columbus has received a go-ahead on construction of a pilot smelter to test the feasibility of producing ferrochrome on a competitive basis with foreign ores. If successful, and they are reasonably confident that they will be, Columbus may become the railhead for movement of this ore to the steel mills."

At a recent meeting of the city council, three Kiwanians moved that a strip of land 1 mile long by 300 feet wide along the railroad tracks be set aside for potential industries. Their motion was unanimously carried. Columbus, as usual, was looking ahead.

SECRETARY OF INTERIOR SEATON EYES HAWAII'S STAR

Mr. MANSFIELD. Mr. President, in the January 23, 1959, issue of the Christian Science Monitor there appeared a capital interview conducted by Courtney Sheldon with Secretary of the Interior Fred A. Seaton. In my opinion, Mr. Seaton is one of the outstanding Cabinet members of the present administration. The interview presents in a forthright manner Secretary Seaton's views in favor of the admission of Hawaii as our 50th State. I go along entirely with what the Secretary of Interior had to say, and I congratulate him for his statement on the long-overdue admission of Hawaii as a State of the Union. I ask unanimous consent that the article be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEATON EYES HAWAII'S STAR

(By Courtney Sheldon)

WASHINGTON.—The Eisenhower administration's politically versatile Secretary of Interior Fred A. Seaton, has Hawaiian statehood at the top of his Department's project list this year. This is the outlook as he sees it:

"On the basis of my latest figures * * * we have a majority of the Senate (the traditional stumbling block) that has indicated its intent to sponsor the (Hawaiian statehood) bill.

"The record that the union (the International Longshoremen's and Warehousemen's) can tie up the Hawaii economy must be admitted, but there are other unions (in the States) that have successfully demonstrated that they can tie up very important segments of the economy of the United States.

"The question of whether some Hawaiians have oriental blood seems to me to be of absolutely no importance in the situation, except as it affects our relation (presumably favorable) with other nations in the Far East."

The man who heads the Department responsible for governing the Territories of the United States gave this complete and reason-filled rundown on the Hawaii picture in an interview with this correspondent:

"Do you expect, Mr. Secretary, that there will be a 50th star for Hawaii in our flag by this time next year."

"Yes, I do. I think that we have every chance of adding a 50th star in the flag."

"Do you anticipate a close vote in the Senate (the traditional stumbling block) either in committee or on the floor?"

"I do not anticipate a close vote either in the committee or on the floor. I am particularly certain about the floor part of it because of the information I have as to the number of Senators, Republican and Democrat, who have agreed at least informally to go together and jointly introduce the bill for Hawaiian statehood. On the basis of my latest figures and there will be more additions to them, I am sure, we have a majority of the Senate that has indicated its intent to sponsor the bill."

"What do you feel is the strongest argument for the admission of Hawaii now?"

"I think you can sum that up in one phrase. It is that simple justice demands it. It would be unconscionable to me to have the Congress of the United States deny statehood for Hawaii, particularly after the Congress in the past session granted statehood for Alaska.

"Now the Hawaiians have long since demonstrated their ability to carry on their own affairs in an orderly fashion. Hawaii is on a sound, stable, financial basis. The population is greater than six of the present States of the Union—Alaska, Nevada, Wyoming, Vermont, Delaware, and New Hampshire, And the Internal Revenue collections of Hawaii total more than the Internal Revenue collections in 10 of the present States of the Union—New Hampshire, Vermont, North Dakota, South Dakota, Montana, Idaho, Wyoming, New Mexico, Nevada, and Alaska.

"Furthermore, it has been understood down through the years, even from the time when we took over the Hawaiian Islands, that eventually they would be granted statehood. And as long as 8 years ago, the Hawaiians adopted what would be their State constitution if they had the privilege of statehood.

"The Hawaiians have all the obligations of statehood. They have all the military service obligations that the residents of the 49 States have. They pay all the Federal taxes that the residents of the 49 States pay. The one thing they don't have is the right of suffrage. And I repeat it would just be unconscionable for me if the Congress were to deny the Hawaiians full-fledged American citizenship."

"How much stock do you place in the long-standing charge of opponents of Hawaiian statehood that the International Longshoremen's and Warehousemen's Union, which has thoroughly organized dock and plantation workers in Hawaii and has been charged with having Communist leadership, is in a position to tie up the Hawaiian economy and dictate political decisions?"

"I think the record that the union can tie up the Hawaiian economy must be admitted. It has done that in rather recent years. Now there are other unions that have successfully demonstrated that they can tie up very important segments of the economy of the United States if they so choose. And one union in particular threatened to organize all the policemen recently. So I don't think that that is a valid argument against statehood. It might be a regrettable fact, depending upon your point of view. But it certainly does not vitiate the cause of statehood.

"Now so far as any union in Hawaii being able to dictate the political personalities to

be elected in the case of statehood, or to dictate what those personalities might do were they elected, I think the record is quite clear that no union has been successful in doing that in Hawaii. Some of the candidates endorsed by the union to which you refer were victorious in the last elections in Hawaii, but by and large the union was not successful in electing candidates which it publicly had endorsed."

"Well, do you feel that if Hawaii becomes a State it will be in any better position to stave off such a Communist threat?"

"I don't see how you can make the argument that statehood could make it more difficult for Hawaiians to control their affairs. That certainly is a specious argument."

"Do you anticipate as much support as ever from Republicans for Hawaiian statehood now that the trend in the last three elections in Hawaii has been more toward the Democrats?"

"Oh, yes; I certainly do. This is a moral question rather than a political question. I said repeatedly while we were fighting for Alaska and Hawaiian statehood in the last session of the Congress that I couldn't find anything in the Constitution of the United States that gave preference to one political party over the other."

"Southern Democrats have frequently argued for a Commonwealth status for Hawaii instead of statehood. It is presumed that they are afraid that Hawaiians will join forces trying to break filibusters on civil rights. How do you look at this?"

"Well, the latter is an assumption that some people have made. There are some people in the Congress, not alone southerners, who argued for a Commonwealth status for Alaska. Now those same people, I think, will argue for a Commonwealth status for Hawaii. I think that is entirely beside the point. I don't question their sincerity.

"In the first place, the Commonwealth in the system of American Government is neither fish nor fowl nor good red meat. And I am sure the Hawaiians would never be satisfied with any such proposed solution; it still deprives Hawaiians of their right of suffrage, certainly so far as national representation is concerned. The only parallel you have to it is the case of Puerto Rico, and in the case of Puerto Rico the Puerto Ricans themselves asked for Commonwealth status."

"It has been estimated that some 82 percent of the Hawaiian population is native-born, but about 70 percent of it is of Asian ancestry (Japanese, Chinese, Korean, and Filipino). This makes it likely that in time United States Senators and Representatives will be drawn from this group. Would there be any significant consequences from such an event in your opinion?"

"Well, in the first place these Hawaiians have demonstrated their loyalty. There wasn't a single case even of suspected espionage both before and after Pearl Harbor clear through the conclusion of the war.

"Now the question of whether some Hawaiians have oriental blood seems to me to be of absolutely no importance in the situation except as it affects our relations with other nations in the Far East. It might be that eventually a Senator would be elected who would be of mixed blood, say of Chinese, Japanese, Korean and American—whatever American blood is—and I think that would be all to the good so long as the individual properly represented the best interests of the people of Hawaii. And I certainly think he would."

"Finally, Mr. Secretary, now that the concept of the United States as a fixed land mass with relatively stable frontiers has been once more shattered by Alaska and likely will be by Hawaii, do you feel that the United States has expanded territorially as much as it will?"

"Yes, I think so, certainly in the foreseeable future. I myself know of no other Territories of the United States which are petitioning for admission to statehood. I would suspect it would be a long, long time in the future before the question of statehood for any other land mass which is presently associated with the United States, either as a Territory, or possession, would ever be raised."

THE COST TO CITIZENS PERSONALLY OF THE MAJOR FUNCTIONS OF FEDERAL GOVERNMENT

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD a table and an explanation for the use of it, which will allow everyone to figure just what amount he is paying to support the major functions of his Federal Government.

This is the period of the year when all of us are struggling so hard to perform the annual chore of computing our income tax for the Federal Government. At this particular time it would seem to me a matter of great interest to taxpayers to realize just what dollars-and-cents figure out of their return goes to the support of these functions.

The table which I am submitting is simple to use, and will give the exact figure attributable to each item. Aside from this matter of interest, there is also in the table information as to what the major functions of Government comprise, and the percentage of each hundred dollars of revenue allotted to the function.

There being no objection, the table and explanation were ordered to be printed in the RECORD, as follows:

In order that you may know how your income tax dollars are being spent, an outline of the U.S. budget for the fiscal year 1960 is shown here.

Column A shows the cost of each major item of the Federal budget.

Column B shows what part of each $100 of your tax is used for each of these major groups of budget items.

If you will multiply the figure in column B by the amount of your tax in hundreds of dollars (for example, if your tax is $525, multiply by 5.25) you will find how much you will pay in 1959 to maintain each activity listed.

The U.S. budget for fiscal 1960

	Amount (Col. A)	Your share in dollars and cents for each $100 of individual income tax you pay (Col. B)	Insert in this column the amount of your income tax in hundreds times the figures in col. B [1] (Col. C)
Defense, including purchase of aircraft, missiles, ships, and other military equipment; costs of Regular, Reserve, and retired military personnel; operation and maintenance of military equipment and facilities; research, development, test, and evaluation of military equipment; military construction; military assistance to our allies; development of atomic energy; stockpiling for defense production	$45,805,000,000	$59.50	
Debt repayment and interest	8,096,000,000	10.50	
Agriculture, including farm price supports and related programs, soil bank, watershed protection, etc.; rural electrification and rural telephone loans; research and other agricultural services; financing farm ownership and operation	5,996,000,000	7.80	
Veterans' services and benefits	5,088,000,000	6.60	
Labor and welfare, including payments to States to aid needy persons; support of National Institutes of Health, hospital construction, etc.; promotion of education; grants to States for administration of State employment service and unemployment insurance offices; other welfare services such as school lunch, vocational rehabilitation, etc.; maintenance of libraries and museums; maintenance of penal institutions	4,129,000,000	5.40	
Commerce and housing, including aviation and space flight; modernizing Coast Guard facilities and operating and construction subsidies for merchant ships; assistance to local housing and community development; aids to small business; postal service cost not met by postal revenues; civil defense and disaster aids; Civil Aeronautics Board; Interstate Commerce Commission; Federal Communications Commission, and Federal Trade Commission	2,243,000,000	2.90	
International affairs and finance, including assistance in form of food, textiles, and other consumer goods, machinery, and raw materials; assistance in form of loans; assistance in form of technical training; Voice of America, libraries in foreign countries, and other U.S. informational activities overseas; loans to underdeveloped countries through Export-Import Bank, International Bank for Reconstruction and Development, and International Monetary Fund; Department of State and the foreign service	2,129,000,000	2.80	
Natural resources, including river basin development and power; forests, public domain, and Indian lands; national parks; better utilization of mineral resources; conservation of fish and wildlife resources; general resources conservation surveys	1,710,000,000	2.20	
General government, including financial management (Treasury Department and General Accounting Office); property and records management (General Services Administration); FBI, alien-control, and related programs; central personnel costs (Civil Service Commission); legislative and judicial functions; District of Columbia, Territories, and possessions; Weather Bureau and other	1,734,000,000	2.20	
Contingencies	100,000,000	.10	
Grand total	77,030,000,000	100.00	

[1] For example, if your tax is $1,500, your share of 1960 defense cost would be 15 times $59.50 or $892.50.

UNIVERSITY OF MICHIGAN LIBRARIES

NOTICE OF ADDRESS BY SENATOR ELLENDER ON HIS VISIT TO SOUTH AND CENTRAL AMERICA

Mr. ELLENDER. Mr. President, I wish to give notice to the Senate that on next Monday, February 9, immediately after the transaction of the routine morning business, I shall make a report on my recent visit to the countries of South and Central America. I hope that as many Senators as can do so will be present at that time.

SECOND CONFERENCE OF GOVERNORS ON CIVIL RIGHTS

Mr. HART. Mr. President, I ask unanimous consent to have printed in the RECORD the opening address by Gov. G. Mennen Williams, of Michigan, at the second conference of Governors on civil rights, at Detroit, Mich., on January 31, 1959, together with the statement adopted at the conference.

This conference, the second of its nature, represented 18 States. The Governor of Minnesota, Hon. Orville L. Freeman, was named the new chairman of the conference, the new vice chairman being the Governor of Illinois, Hon. William G. Stratton.

There being no objection, the address and statement were ordered to be printed in the RECORD, as follows:

OPENING ADDRESS BY GOV. G. MENNEN WILLIAMS AT THE SECOND CONFERENCE OF GOVERNORS ON CIVIL RIGHTS, DETROIT, MICH., JANUARY 31, 1959

On behalf of the people of Michigan and the Governors' committee on civil rights, I welcome you to Michigan and to the second conference of Governors on civil rights.

If you will permit me, I would like to take a few moments, as we open this conference, to review something of the history of these Governors' meetings and to comment on the scope of our deliberations in the sessions today.

A little over a year ago, Gov. Averell Harriman and I invited the Governors of the 12 States with enforcible fair employment practices laws and operating State commissions to meet together for the purpose of reviewing our individual State experience. We also wanted to assess the progress that had been made in these States and to see if we could not strengthen interstate cooperation in the civil rights field.

We met in New York City on the occasion of the 10th anniversary of the report of President Truman's Committee on Civil Rights—a report that was to have a great and lasting impact on our national life.

Twelve States were present at that historic meeting. The joint statement that issued from that meeting has been widely circulated. But more important, we determined to establish an informal continuing committee of Governors. Gov. Robert Holmes, then Governor of Oregon, served with me during this past year as secretary—and let me now pay him my deepest respects for his counsel and assistance. We also established an interim subcommittee, at the staff or commission level, which has been chaired during this past year by John Field, executive director of our Michigan Fair Employment Practices Commission. This whole subcommittee has worked with dedication and devotion and has done an outstanding job. They have met four times—in Colorado, New York, Michigan, and Pennsylvania—and have kept abreast of the problems, progress, and new ideas engendered in each State. By this continuing process we have supported and strengthened each other in promoting full civil rights for our citizens.

During the past year a great deal of unheralded and unpublicized work has been undertaken to advance the status of civil rights in our States and in the Nation. Let me list a few of these activities for you.

A second report has been prepared by the continuing committee and is available here. It deals with our collective experience with State antidiscrimination regulation in the fields of housing, education, and public accommodations. This is a companion report of last year's report on employment. It will have great value in the State legislative sessions now under way—with many of the Governors present asking for new and broader legislation.

In addition, several drafts and working papers have been prepared and discussed in the area of uniform or model legislation. And while no recommendations have yet been formulated, much valuable experience has been drawn together and is available for other States to study.

We have made available specific consultative assistance on legislation to two States that are considering FEPC laws this year.

Related to this, the committee recognized that a growing number of States were developing an interest in broader State civil rights laws—based upon the tested procedures of conciliation and adjustment used by our commissions with enforcement powers. There was need to bring into our discussions the experience of those States having other types of laws and advisory commissions. We, therefore, decided to broaden the invitation to this second conference to include all those States having any form of publicly financed civil rights or human relations programs. We are happy that these States have responded so cordially to our invitation.

Again, at the working level, a series of proposals designed to strengthen interstate cooperation and action on such vital problems as research, complaint action involving interstate commerce, nonregulatory activities, and migrant labor and population movement are currently being circulated and discussed.

Finally, during the past year, the committee has enlarged its interest to include the vital area of Federal-State relations. At last year's conference, suggestions for action were made to the President's Committee on Government Contracts and our Governors' committee offered its full cooperation. Then, as now, we are concerned about discrimination in interstate transportation, particularly in the employment of pilots and stewardesses by the Nation's leading airlines. As you know the laws of our separate States may not be adequate to handle this, nor is there direct Federal legislation in this area. The fact that two or three carriers have made gestures in the right direction, has not diminished our concern. We look forward with great interest to the meeting now scheduled for February 18 in Washington between representatives of the President's Committee and representatives of most of our State commissions.

In addition, during the past year, at least two informal conferences have been held with the executive director and executive secretary of the U.S. Commission on Civil Rights. These meetings were suggested by the Governors' Committee for the purpose of providing what assistance we could and of appraising progress. While we are encouraged by recent Commission actions in connection with voting rights—and while we will continue to provide the Commission with every possible assistance and cooperation, perhaps it might be pointed out this Commission and the civil rights section of the Attorney General's Office have available to them more funds than all of our States combined. Of necessity, it is in this context that their efforts will be measured by many.

We are fortunate that Dr. John Hannah will be meeting with us at our luncheon session today to report further on their progress.

As we conclude this first year and as we begin this second Governors' conference on civil rights, we have laid out an agenda before us that will embrace both States' responsibilities and the urgent question of Federal-State relationships as they affect and contribute to a national policy on civil rights.

This is not a problem of North or South. As we look at the question of desegregation in our public schools, we all have, I am sure, sympathy and understanding for problems growing out of changing times and economic dislocations. Racial crisis and discrimination are not new to Michigan—or any of our States—nor are we sufficiently free from them now.

What our States have tried to do—individually and jointly—is build a body of law and commonsense methods that will help us solve some of these problems.

We want to share this experience with each other and other States. It is clear from our experience that where fair employment practices laws and conciliation procedures have been tried they have worked and they have been supported by our citizens. These procedures are now being applied to other aspects of civil rights as well.

Ours has not been a partisan approach. Democrats and Republicans joined together in our States to build this great body of law, procedure, and public opinion. We should continue to think, act, and lead together if we are to make the best further progress.

Naturally, most of our discussion will revolve around our State programs and procedures. These I have pretty well run over already—they involve discrimination in jobs, housing, public accommodations, and education. In the area of national legislation, however, we may well wish to discuss and consider the benefit of certain civil rights proposals that have already been made.

First, the proposal which I understand has already been supported by 15 Senators of both parties to restore part III of the 1957 Federal Civil Rights Act. That is the part, you will recall, which gives the Federal Government broader powers in initiating court action.

Second, the various proposals for conciliation machinery with or without enforcement powers. Senator JOHNSON has suggested a national community relations service but has not included enforcement. As you know, the Governors' committee last year recommended a Federal FEPC. Perhaps we will want to discuss giving enforcement powers to a new Federal Commission in both voting and employment which could be established when the present Commission expires in September.

Third, we may wish to discuss Federal assistance to States and local communities who have formulated plans for desegregating their public schools, along the lines of the Douglas bill. The Douglas bill would provide funds for additional teachers, retraining programs, consultation services and, where needed, additional classrooms and facilities. Everything possible must be done to overcome the backlog of neglect and make it possible for local communities to face this problem without apprehension, knowing they will get help.

Finally, we may wish to consider Senator KENNEDY'S antibombing legislation and other measures which have been proposed to curb violence and intimidation.

My own recommendations are both simple and undramatic. As I see it, we need both State and national, bipartisan race relations policies which will utilize all the resources of conciliation and education in support of law.

Let me repeat that—we must urgently bring to bear all the resources of conciliation and education in support of law.

We have had momentous and inspiring court decisions protecting and guaranteeing

human rights. We have seen the development of a solid and growing body of civil rights law at the State level. There are now 25 States with some form of antidiscrimination law, embracing two-thirds of our population. We have even seen a beginning made at the Federal level and we have every expectation that more legislative progress will be made this year.

But beyond this: We need a synthesizing national policy. Law is necessary. But it is not enough. We must build confidence in and a commitment to the ideals and morality that our law expresses. Let us restore to America the vitality of human dignity and the dynamism of mutual respect. This will unloose the confined and hidden resources that can build a richer and better life in America. This will open the gates to human understanding and brotherhood all around the world. It will bring nearer the day of a just and lasting peace.

This, ladies and gentlemen, is the challenge to which this conference can respond with real leadership.

STATEMENT ADOPTED AT SECOND CONFERENCE OF GOVERNORS ON CIVIL RIGHTS HELD AT DETROIT, MICH., JANUARY 31, 1959

The second conference of Governors on civil rights emphasizes the fact that more than two-thirds of this Nation's population now have the protection of statutory civil-rights safeguards through their State governments. The manifestations of discrimination which mar the unity of our Nation in its effort to assure equal rights to all are regrettable but fortunately are not general in our society.

Our conference finds that special programs to fight this inequity are now in effect in 25 States, and is encouraged to observe that progress is being made in other States.

California, Illinois, and Ohio, all huge, industrial States newly represented at this conference, are now supporting new FEPC legislation. Six additional States—Connecticut, Michigan, Minnesota, Pennsylvania, Rhode Island, and Washington are considering new or strengthened legislation to curb discrimination in housing.

We are encouraged by this positive and affirmative experience reported by the 18 States represented at this conference. We affirm our acceptance of public responsibility to protect the civil rights of our citizens in matters of employment, public accommodation, housing, and education regardless of race, religion, or ancestry.

To do this we believe, first, that our States, individually and jointly, need to strengthen the body of law and procedure that has enabled them to make such progress as they have. The processes of conciliation and education, when backed by enforcement powers, have broken the bonds of fear and ignorance. They are a light for the whole Nation to follow. We support this proven principle of conciliation and education procedures, backed by reasonable civil enforcement, and look forward to their extension.

The conference considers the problem of civil rights a mutual problem of the States and Federal Government. Progress on this front, it is recognized, rests ultimately on understanding, tolerance, and democratic acceptance. Our experience demonstrates that a framework of law is necessary to bring about this understanding.

If we are to live up to the American ideal of equal opportunity, we must work at both State and Federal levels to build this workable framework.

At the Federal level, we call upon the executive branch and the Congress to match the commitment of these States. We call upon the Chief Executive to use his prestige and power to give guidance and leadership that will help create a positive climate of public opinion. We call upon the Congress to enact and extend vitally needed Federal legislation. We are heartened by the vigor and leadership of our courts in redefining and reasserting our moral concern with the issues of human rights. But we can no longer leave to the courts alone the responsibility for effecting and achieving the civil and human rights of all our people. We call for strict Executive enforcement of existing laws and Executive orders. We pledge compliance ourselves and call upon all States to do likewise.

We specifically call upon Congress to authorize broader Federal action with regard to voting rights, to facilitate the orderly desegregation of schools, to curb violence and intimidation and to enact Federal fair employment practices legislation. Finally, we endorse the creation of an effective Federal service on community relations problems.

Finally, we pledge and call upon all America to reemphasize our heritage of morality and brotherhood to the end that all men may live in dignity, peace, and security.

MEMBERS OF STATE DELEGATIONS TO THE SECOND CONFERENCE OF GOVERNORS ON CIVIL RIGHTS

California: Senator Frank Farr.

Connecticut: Thomas Henry, Supervisor of Enforcement and Conciliation, Commission on Civil Rights.

Illinois: Gov. and Mrs. William Stratton; Johnson Kanady, press aid.

Indiana: Gov. Harold Handley.

Iowa: Prof. Don Boles, chairman, Governor's Commission on Human Relations.

Kansas: Roy Shapiro, State comptroller.

Kentucky: Hal Thurmond, chairman, Kentucky Committee on Civil Rights; John Blane, Jr., subcommittee on equal job opportunities.

Massachusetts: Gov. and Mrs. Foster Furcolo; Margaret O'Donnell, administrative assistant to Governor; Elwood McKenney, executive secretary, executive council; Alvan Benjamin, press secretary; and Judge J. John Fox.

Michigan: Gov. and Mrs. G. Mennen Williams; John G. Feild, chairman, interim subcommittee; Charles Brown, administrative assistant; and Senator Basil Brown.

Minnesota: Gov. and Mrs. Orville Freeman; Mr. (and Mrs.) Thomas Hughes, secretary to Governor; Wilfred C. Leland, Jr., Executive Director, FEPC; Clifford C. Rucker, evecutive director, Governor's Human Rights Commission; and Judge Howard Bennett.

Missouri: Father Trafford Maher, S.J., chairman, Missouri Commission on Human Rights.

New Jersey: Gov. and Mrs. Robert Meyner; John P. Milligan, assistant commissioner of education.

New York: Elmer Carter, chairman, State commission against discrimination.

Ohio: Lt. Gov. and Mrs. John Donahey; Senator Frank King; Frank Baldau, executive director, Cleveland Community Relations Board; Chester Gray, State supervisor, minority groups service, bureau of unemployment compensation.

Pennsylvania: William Batt, secretary of labor and industry; Andrew Bradley, secretary of property and supply; and Elliott Shirk, Executive Director, FEPC.

Rhode Island: Senator C. George DeStefano, deputy Republican leader of senate; Representative John H. Chafee, Republican leader of the house.

Washington: Mr. Sidney Gerber, chairman, State board against discrimination.

Wisconsin: Lt. Gov. and Mrs. Phileo Nash; Mrs. Rebecca Barton, executive director, Governor's Commission on Human Rights.

OPPOSITION TO TRANSFER OF TELEVISION CHANNEL 12 FROM DELAWARE

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement prepared by me in opposition to the proposal that TV channel 12 be transferred from the State of Delaware. This statement is also being called to the attention of both the Senate Committee on Interstate and Foreign Commerce and the Federal Communications Commission.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WILLIAMS OF DELAWARE

In recent weeks there has been a noticeable increase in the intensity of the campaign which has as its objective the transfer of the assignment of television channel 12 from commercial use in Wilmington, Del., to educational, noncommercial use in Philadelphia, Pa.

This effort to move the assignment of this television channel to Philadelphia from Wilmington is not new. It has a history which dates back to February 1955, and includes some rather unfortunate examples of misplaced trust, a warped interpretation of written pledges made to the Federal Communications Commission, and an outright disregard of the rights and desires of the people of Delaware by both the Commission and prior operators.

Now there is a new effort being made by people outside the State of Delaware to have this allocation transferred. This new effort, pleasantly, has the virtue of being honest and open. It is not cloaked in subterfuge; it does not purport to be something it is not; its purpose is clearly stated. And that is a refreshing change.

By way of brief background, let me say that the State of Delaware does not now have any local television service. There is no television station operating within the limits of our State. However, back in April 1952, when the FCC withdrew its celebrated freeze on the construction of new television stations and announced its national overall allocations plans for both ultrahigh frequency assignments and very high frequency assignments, as well as its plan for the assignment of commercial and educational uses of those channels, Delaware was given one VHF channel, assigned to Wilmington. There were also three UHF channels assigned to the State; two in Wilmington, channels 59 and 83 (the former for noncommercial, educational use only), and one in Dover, channel 40, for commercial use. The VHF channel assigned to Wilmington was and remains channel 12.

Until September of last year, channel 12 had been in use by commercial operators, but by that time the amount and quality of service directed toward the State of Delaware had diminished almost to the vanishing point. The station had moved its transmitter over to New Jersey, in order to better serve Philadelphia (which purpose was vigorously denied at the time) and its main and only studios (the FCC continued to attempt to perpetrate the illusion that they were only auxiliary studios) were located in the heart of downtown Philadelphia. Yet, in the blinded eyes of the FCC, this was still a Delaware station, operating in and for the public interest of the people of Wilmington and Delaware even though there was not so much as a camera, a microphone, or a vacuum tube owned by the station physically located in Delaware.

The manner in which the FCC has consistently sat by while Delaware's only VHF television facility was being moved, piece by piece, to Philadelphia, is positively fascinating. Each time another move was announced by the station or discovered by interested parties, protests to the FCC were dispatched from my office and the offices of

UNIVERSITY OF MICHIGAN LIBRARIES

other members of the Delaware congressional delegation. But each time, the Commission would don its blinders, dutifully listen to the protests, then decide that another move would be in the public interest, convenience, and necessity of the area to be served which all along we were led to believe meant Delaware.

As an example of the manner in which the citizens of Delaware have had their needs and desires ignored both by the operators of the former station and by the Commission in its decisions affecting this station, I quote this incredible story:

When WDEL–TV, which was then operating on channel 12, was sold to Paul F. Harron early in 1955, there were many protests lodged with the FCC. It was feared then that Mr. Harron was purchasing the station only so that he could move it to Philadelphia and transform it into a Philadelphia station. In order to remove or lessen these fears, the Commission made a stipulation to the sale to Mr. Harron in these words:

"This grant has been made with the explicit understanding of the Commission that the verified expression of your intentions concerning your operation of WDEL–TV and your recognition of the station's responsibility to the city of Wilmington contained in your amended letter dated February 24 (1955) fully encompasses an intention to not only maintain the station at its present location both with respect to transmitter site and main studio facilities but also with respect to all other facets of operations and service, including programing consonate with, if not subservient to, the public interests of the principal city to be served; namely, Wilmington; with secondary consideration in this respect being given to the local interests of any other segment of the station's coverage area."

That seems to me to be an extremely clear and explicit statement of intention on the part of the Commission and leaves absolutely no room for doubt in the minds of anyone, regardless of how they may wish to add a new interpretation to it. I doubt that a statement of intention and understanding could be written any more clearly.

Yet approximately 2 years later, when Mr. Harron finally did what everybody expected him to do in the first place—namely, apply for permission to move the transmitter out of Delaware—the Commission adopted an attitude that I felt at the time was truly incredible. I am still unable to reconcile it with its action as stated above.

Naturally, they granted the request of Mr. Harron to move the transmitter. And when called upon to explain how such an action is in accord with their previous stipulation as outlined above, Mr. George C. McConnaughey, then chairman of the Federal Communications Commission, came forth with this priceless example of absurd inconsistency: "I would like to point out that the Commission was fully aware of these representations. After careful consideration of all of the factors involved the Commission reached the conclusion that a grant would serve the public interest, convenience and necessity. In reaching this conclusion, we were convinced that on the basis of the showing made by WPFH (formerly WDEL-TV) the interests of Wilmington would not be adversely affected by the proposed move."

So there we have a written statement by the Commission to Mr. Harron in 1955, which the people of Delaware somewhat reluctantly accepted at face value, being torn to shreds and thrown back in their faces.

By this time, Mr. Harron had succeeded in opening new studios in Philadelphia, while all the time proclaiming that they were only "auxiliary" studios. First most, later all, of the live programing was transferred from Wilmington. Under a later owner, the Storer Broadcasting Co., the Wilmington studios were closed down and only a skeleton office staff was left to serve the "public interest, convenience, and necessity" of Delawareans. Each Saturday, live programing would originate in Wilmington from a rented hotel room with remote equipment. Yet we were still being exhorted to understand that we still had a bona fide Wilmington television station.

In September 1958, to the regret of no one in Delaware, the television station (since renamed WVUE) ceased operations. On December 22, 1958, Storer's authorization for use of the channel was deleted by the Federal Communications Commission. Delaware was, at last, officially, even in the eyes of the Commission, now without local television service.

When it became known that Storer was about to throw in the sponge on its channel 12 operations, the scramble began to acquire the facility for other uses. On September 12, 1958, the Joint Council on Educational Television petitioned the FCC to amend the Commission's rules so as to reserve channel 12 at Wilmington for noncommercial educational use rather than for commercial use. Shortly thereafter, a local Delaware broadcaster applied to the Commission for permission to operate the facility commercially, and early this year, on January 6, 1959, still another petition was filed with the FCC for the use of the channel. The latter one came from the Neptune Broadcasting Corp., which wants to shift channel 12 all the way to Atlantic City, N.J. All three petitions are now being considered by the FCC.

But as I said earlier, the campaign to have this channel transformed into a noncommercial educational station centered in Philadelphia is now in full swing. Educational interests in Philadelphia and southern New Jersey have decided that Wilmington's commercial channel could be put to better advantage by having the Commission declare it reserved for educational purposes, despite its original allocation of this channel for commercial uses. It is proposed that this educational television venture be made and sponsored jointly by Pennsylvania, New Jersey, and Delaware.

A few days ago the Senators from Pennsylvania and the senior Senator from New Jersey sponsored a bill that intends to insure that channel 12 will be redesignated for noncommercial educational uses only. The Joint Council on Educational Television, from its headquarters at 1785 Massachusetts Avenue NW., Washington 6, D.C., is in the forefront of this effort, yet its petition to the FCC was presented, I understand, prior to any contact, authorization, or agreement with educational interests in Delaware. The Educational Television Council, 1919 Packard Building, Philadelphia 2, Pa., is also plugging hard for this reassignment.

It seems, then, that quite a few people outside of Delaware are greatly interested in obtaining that which has been allocated to Delaware and that which should remain in Delaware. Our endorsement of this move has been solicited, to be sure, and it has been suggested that the educational nature of the station would be such that Delaware interests would be served. I hope we can be forgiven if we look at this proposal of protection of Delaware interests with just a little skepticism, however, in light of past experience.

Just last week, Gov. David L. Lawrence, of Pennsylvania, was in contact with Gov. J. Caleb Boggs, of Delaware, concerning the use of channel 12 for educational purposes in the tristate area. Governor Boggs replied to Governor Lawrence on January 30, 1959, and provided me with a copy of his reply. I have the permission of Governor Boggs to quote his letter here, and ask unanimous consent that it be included as a portion of my remarks at this point.

(See insertion A.)

In the past several days I have received numerous communications from various chambers of commerce and individual citizens in Delaware protesting any such reassignment of this channel. Each one of these telegrams and letters and petitions will be forwarded to the Commission in order that they may know firsthand the views held by Delaware citizens.

My own position on this matter is quite clear. I am unalterably opposed to the transfer of this facility outside the State of Delaware for the primary use of non-Delaware interests. We have only one VHF television station assigned to our State. Every State has at least one. It should not seem the least bit unreasonable for us to want to keep that one channel. I have absolutely no interest in who finally operates a television station on this channel, just so long as it is operated in Delaware with programs that will have an appeal to and an interest for Delawareans.

I have recently filed a vigorous protest with Mr. John C. Doerfer, Chairman of the Federal Communications Commission, against the reassignment of channel 12 outside the State of Delaware. The people of Delaware have been given the runaround on this matter long enough. They have received phony promises of good local service; they have received assurance after assurance from the FCC that their interests are being cared for, when in reality they have been blatantly ignored; they are now being led to believe that outside operations would really be in their best interest. They can be forgiven for not placing too much faith in new promises.

Pennsylvania now has about 10 VHF channels allocated to it. Delaware has but one. If Pennsylvania, in concert with New Jersey, Delaware, or anyone else, wishes to make use of one of their channels for educational purposes, I would surely have no objection. But I do strongly object to any suggestion that they be given our one channel for any purpose.

I have emphasized to the Commission that I would not interfere with their decision as to who should get this channel within Delaware. That is their responsibility. But I do insist that the channel be reserved and assigned only to some applicant who specifically agrees to establish its facilities within our State. Had the Commission adhered to this policy in the past instead of toying with the idea of inching the facilities toward a larger metropolitan area, I am confident we would still have television service in Delaware.

INSERTION A

JANUARY 30, 1959.

Hon. DAVID L. LAWRENCE,
Governor of Pennsylvania,
Harrisburg, Pa.

MY DEAR GOVERNOR LAWRENCE: It was a great pleasure to receive your telephone call in regard to Wilmington, Del., TV channel 12, and its possible use as an educational TV facility rather than for commercial purposes.

Some of our educators and other citizens in Delaware are proponents of this thought. I have met with leaders of business, labor, and educators, along with representatives of the proponents' committee. After a rather full discussion and consideration of the tri-state proposal we have reached the conclusion at this time not to participate.

There were many reasons entering into this decision, but more important among those reasons are the following: First, under the plan Delaware would not receive statewide coverage from this channel, and it would not be right to enter into an educational program that would not provide equally for the citizens throughout the State. Second, the State of Delaware is trying hard to meet essential foundation educational requirements both for public school, higher education, and adult education, as well as education for exceptional children,

and it is believed that we must strengthen this foundation effort more fully before we undertake an educational project of an enlarging nature. Third, the financial condition of our State at this time is such as to cause us to use unusual caution in taking any steps, directly or indirectly, that might lead to further expense and even weaken the essential services which we are endeavoring to carry on at the present time. Fourth, it was also pointed out that if channel 12 goes into commercial operation there is requirement for so much public service which must be provided and that the commercial operator would welcome educational programs on this public service time and, even further, for nominal costs provide other time upon request as may be worked out by the appropriate educational authority with the commercial operator. Fifth, channel 12 is the only TV station in Delaware. Public opinion, by and large, in this State wishes to retain it as a Delaware channel, with the hope that a commercial operator may not only operate it successfully commercially but that it would beam its public service activities to the Delaware social, cultural, educational, political, and community interests of the people of this State. In other words, there is a large public opinion which believes that this station should service Delaware activities and interests, as well as the commercial aspect.

I greatly appreciate your interest and can readily understand and fully sympathize with the interest of Mayor Dilworth and the Philadelphia community. However, at this time, based upon the discussions and considerations which I have given to the proposal, I must advise you officially, on behalf of the State of Delaware, that we will not participate in the tristate proposal.

Thank you again, and with best wishes and highest personal regards,

Sincerely yours,

J. CALEB BOGGS,
Governor.

TRIBUTE TO MR. AND MRS. ANTHONY BASILICATO FOR THEIR AID TO NEW HAVEN AREA BOY SCOUT GROUPS FOR HANDICAPPED BOYS

Mr. BUSH. Mr. President, on February 8 we will celebrate the 49th anniversary of the Boy Scout movement in the United States. I believe that it would be appropriate to cite an individual case which represents a unique and significant type of Boy Scout activity. Despite the different approach, it is in full accord with the objectives and ideals of this great organization.

All too often, only those who participate in humanitarianism on a grandiose scale are given recognition for their contribution to mankind. My intention is to give an example of how great dedication, great generosity, and great love for one's fellow man, manifested on a relatively small scale, can contain within it a most important potential in terms of its inspiration to others.

In 1954, through the efforts of two dedicated people in North Haven, Conn., a Boy Scout unit was started for handicapped boys. Through the efforts of Mr. and Mrs. Anthony Basilicato, boys with all types of physical disability were given an opportunity to share in the activities of the Boy Scout movement. In the group were mentally retarded, crippled, and blind youngsters. Under the direction of Mr. and Mrs. Basilicato, these boys gained the satisfaction of productive activity which boys of sounder bodies obtain quite naturally.

The succcess of the initial group was so inspiring that more and more handicapped youngsters sought similar activity. Mr. and Mrs. Basilicato found the community in complete sympathy with the objectives of their program. In large measure, credit for public recognition of their work can be attributed to the keen interest of Mr. Charles T. McQueeney, managing editor of the New Haven Register, and Mr. John Day, Jackson, publisher of the same paper. Through the full cooperation of these gentlemen, the activities of the Scout units for handicapped boys received generous coverage, both from a news standpoint and editorially, thereby serving to inspire the entire community of Greater New Haven.

From a humble beginning in 1954, there are now five such Boy Scout units in the New Haven area, namely, Pack, Troop, Post, Ship, and Squadron No. 3. All of these have been chartered by the Quinnipiac Council of the Boy Scouts of America. These units have been sustained in their activity primarily through the energy and devotion of Mr. and Mrs. Basilicato.

The objective of better rehabilitation for disabled youngsters has, indeed, taken a giant step forward through the efforts of Mr. and Mrs. Anthony Basilicato.

I ask unanimous consent that an editorial describing this humanitarian work, as published in the New Haven Register of July 31, 1957, be printed in the RECORD following these remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OUR SALUTE FOR JULY: TO THE BASILICATOS

Giving normal satisfactions to young people who face abnormal problems is one of the most difficult of undertakings. And that is what makes the work of Anthony Basilicato and his wife, Mary, of North Haven, so impressive. Together they have launched—and sustained primarily through their own energy and devotion—Boy Scout Post, Pack, Troop, and Ship 3, which is the New Haven area's only organization for handicapped Boy Scouts.

The measure of their problem is the fact that they are in no sense professionals. They are not trained people in terms of medicine, of psychology, or of sociology. And the young people with whom they work represent the full gamut of youthful handicaps—from deafness and bad vision to crippling disease or disfiguring injury.

The measure of their purpose is to be found in the fact that they and their grown children have made almost a family project out of this Boy Scout activity—though their dedication has also attracted a widening source of outside support for the unit, particularly from the New Haven area motion picture industry and related groups.

The measure of their accomplishment lies in the fact that scores of handicapped New Haven youngsters are now annually working their way upward through the Boy Scout achievement ranks, passing the tests that every Scout must pass, mastering through special effort—and with special encouragement—the skills that every Scout must master, besting their handicaps to meet official requirements that they might never have dared to face on their own, finding companionship and understanding and new confidence in the organization that they share.

At Camp Grasso in North Haven, on land which he owns, Anthony Basilicato has provided a special woodland tract where the handicapped Scouts may camp outdoors and meet new challenges from nature. In the winter he and his wife, and their friends and helpers, organize car pools and make special arrangements to keep attendance going among youngsters who often require unusual attention in getting to a meeting. At the moment Boy Scout Post, Pack, Troop, and Ship 3 has a field headquarters set up in front of the New Haven post office, where its members ignore their own problems as they work to gather funds for the underprivileged children who benefit through the Register fresh air fund.

The work of this special Boy Scout troop is, in itself, an inspiring record for all New Haven. The contribution of Anthony and Mary Basilicato to this work is beyond reckoning, because their guidance, their faith, and their energy are all given selflessly. We can salute them with pride as a community—and with humility as individuals.

POTATOES VERSUS RICE

Mrs. SMITH of Maine. Mr. President, being a native of Maine, I have always been an outspoken advocate of the potato. It is the greatest vegetable nature ever gave to mankind. Rarely do I have an evening meal without a good baked potato.

Perhaps because the potato is such a superior vegetable and sits at the top as king of the vegetables, it has become the target of other vegetables that seek to take its place at the top. So other vegetables try to knock the potato down.

Sometimes other vegetables in their desperation to attack the potato disregard the truth. Yet, there are two very applicable old sayings—first, that the truth will out eventually, and second, every knock is a boost. There is another saying not quite so old but just as appropriate—that imitation is the highest form of flattery.

These are some thoughts I would convey to Members of this august body in asking them to read carefully the letter of Mr. Alan T. Rains, executive vice president of the United Fresh Fruit and Vegetable Association, to the Federal Trade Association. It is a masterpiece on the real truth about the potato and another food that seeks to knock off the potato. There is nothing so interesting as the truth. It can be far more fascinating than fiction. My colleagues will certainly find that to be the case when they read Mr. Rains' letter, which I now ask unanimous consent to have printed in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED FRESH FRUIT
& VEGETABLE ASSOCIATION,
Washington, D.C., January 27, 1959.

Re advertising for Uncle Ben's Quick Rice.

MR. CHARLES J. CONNOLLY,
Project Attorney, Bureau of Investigation, Federal Trade Commission, Washington, D.C.

DEAR MR. CONNOLLY: In connection with our protests against the offensive advertising, derogatory of potatoes, done on behalf of Uncle Ben's Quick Rice, it was agreed by our representative at the conference with you and other FTC officials on January 19 that we would submit a technical statement on the key points involved in this advertising.

UNIVERSITY OF MICHIGAN LIBRARIES

This statement, in which we declare we are quoting correctly and in proper context all authorities to whom we refer, is as follows:

1. The offending statements, as recorded by FTC from television commercials of the advertiser are: "Satisfy your family hunger for potato, yet slash calories off your meals with Uncle Ben's—the golden rice discovery that satisfies potato hunger yet is up to 20 percent less fattening than even baked potato. As a dietitian * * * I recommend Uncle Ben's rice instead of even this baked potato for all my many reducing diets. It has 110 calories. But the same size serving of Uncle Ben's has only 88 actually 20 percent less calories. Uncle Ben's is 20 percent less fattening, yet satisfies like baked potato. It's golden rice so you know it's less fattening, more healthful with twice the natural B vitamins of ordinary rice. And it's foolproof to cook. Turns out white and fluffy every time, even if you've never cooked rice before. * * * So satisfy your family's hunger for potato yet slash calories off your meals with Uncle Ben's golden rice. Satisfies potato hunger yet is 20 percent less fattening."

2. In the commercial, a hand appears, X-ing out the picture of a potato, thereby indicating it is of no importance, and leaving the rice.

3. We expect to prove (a) that in fact, weight for weight, potatoes boiled or baked contain fewer calories than cooked rice, whether Uncle Ben's or any other kind; (b) that in fact rice is not generally recommended for a reducing diet but the contrary is the case; (c) that rice is not a complete substitute for potatoes in the diet because potatoes contain nutrients, including ascorbic acid, not found in rice; (d) that potatoes have value as an alkaline food; (e) that potatoes have value as a supplier of bulk for good digestion, something not true of a highly processed cereal; and (f) that potatoes are nutritionally of great importance to the U.S. population.

4. It should be understood at the outset that we do not discount the nutritive value of rice, including converted rice. Neither do we take any position that people should not eat rice but instead should eat something else. Our statements are directed to the advertising which attacks potatoes and seeks to persuade people not to eat them.

5. Weight for weight, potatoes boiled or baked contain fewer calories than cooked converted rice. USDA Handbook 8, Composition of Foods, a standard set of tables, shows at pages 41 and 42 that the caloric value of 100 grams of cooked converted rice is 116 and of 100 grams of baked potato is 98. The disparity is still more striking in the case of boiled potato (peeled or unpeeled) of which 100 grams is stated to have caloric value of 83. The same book gives the caloric value of cooked white rice as 119.

While the official statement of USDA would seem sufficient to settle the matter of relative caloric content, we have checked other standard tables. Bridges Food and Beverage Analyses, page 121, gives caloric value of boiled rice as 110. Food tables in a Canadian book, Basic Nutrition, by McHenry, give the caloric value of baked potato, 99 grams, as 97 and of converted cooked rice, 100 grams, as 120.

This seems plain enough, but the question was raised in your letter of December 24 whether the caloric content mentioned in the TV ad, potatoes versus rice, might be based on volume or per serving. The rice advertiser does not state on what basis he is making a comparison. However, the standard tables ordinarily compare nutrients in food on a weight basis, the state of the food being the same; that is, both raw, both cooked, etc. The advertiser, in this case, may understandably prefer to be vague, but he certainly leaves the impression he is talking about fairly comparable amounts of both. He says: "the same size serving of Uncle Ben's has only 88, actually 20-percent less calories."

Let's assume the words "same size serving" mean "same volume." Agriculture Handbook No. 8 at page 135 states that a cup of converted cooked rice has 204 calories. Looking for a comparable cup of potatoes, we find that the handbook shows at page 133 that 1 cup of diced boiled potato has 105 calories or not much more than half as much as the rice. A cup of diced potatoes that have been steamed or pressure cooked also has 105 calories.

So Uncle Ben's is still wrong. Either by weight or by volume, cooked potatoes have less calories than converted cooked rice. We hope the suggestion will not be made that the advertiser means just any size serving of potatoes he may have in mind against any size serving of rice he wants to name.

In that case, of course, any figure the advertiser likes, such as 20 percent less calories or 40 percent less or anything else can be used, since the advertiser could put enough potatoes in a portion to have exactly 20 or 40 percent more calories than a portion of rice selected to fit the figure. However, this is not a matter of scientific comparison but merely arithmetical sleight-of-hand. We feel sure the Commission will not permit the untrue statements of the Uncle Ben's rice people to get by on such a basis of figure juggling. The official data of USDA we have cited seems to provide a reasonable comparison.

However, the advertiser may contend he is talking about baked potato and we cite a cup of boiled or steamed potato. We admit that boiled potato has somewhat more water in it than baked, so the figures can be adjusted slightly. Handbook 8 shows the ratio of calories in baked to boiled is as 98 to 83. Therefore if the cup of potatoes were of baked potatoes, the ratio would be 105 is to X as 83 is to 98. Solving, we get 124. This figure of 124 calories for a cup of baked potatoes is still much smaller than the figure for a cup of converted rice.

6. Rice is not generally recommended for a reducing diet, but the contrary is the case. The Uncle Ben's Quick Rice advertising about which we complain lays stress on the alleged less-fattening quality of this rice and has somebody purporting to be a dietitian saying: "I recommend Uncle Ben's rice instead of even this baked potato for all my many reducing diets." In the first place, it might be mentioned that a dietitian—even if real rather than imaginary—is hardly considered to be an authority on problems of obesity and weight reduction. True authority would be a scientist with a doctorate in nutrition; or a physician who makes something of a specialty of nutrition, which is a complicated field of its own.

Treatment of obesity is occupying a great deal of attention by medical men and research scientists. They all agree on one point: that increase in the fat content of the body (as opposed to water or other content) is due to an excess of calories over expenditure of energy, that is, overindulgence in food. For example, Dr. Norman Jolliffe, of New York City, a well-known authority, says: "Obesity is invariably caused by a greater intake of calories in food than expenditure of calories as energy." (Reference: Proceedings—National Food and Nutrition Institute, December 1952, USDA Handbook 56, p. 75.) Most medical thinking is similar, though there are exceptions.

Thus, advocating the eating of a high calorie food like rice as a means of reducing and in the absence of the various related information necessary in framing any kind of a reducing diet, is medical nonsense. We do not say that rice and other cereals should not be eaten as part of a suitably determined reducing diet, but the mere recommendation of rice as a weight-reducing agent makes no sense to a real nutritionist.

On the contrary, real authorities, rather than one dreamed up by an advertising copywriter, stress the need for low-carbohydrate foods, especially low-carbohydrate vegetables, in reducing diets, though they do allow some potatoes. Thus, Dr. George L. Thorpe, writing on "Treating Overweight Patients," Journal of American Medical Association, November 16, 1957, page 1361, states: "Evidence from widely different sources, when examined in light of recent metabolism studies, seems to justify the use of high-protein, high-fat, low-carbohydrate diets for successful loss of excess weight." He states that "cereal grains are concentrated forms of food, readily assimilated by the body, containing small residue of bulk, and so may be eaten in quantities far in excess of the calorie needs without sensation of fullness." Yet Dr. Thorpe (as an exception to his low-carbohydrate rule) does advocate the use of potatoes, for he says: "For maintenance of weight in patients who have completed weight-loss programs, we use a simple rule to direct their eating. They are allowed meat with fat, vegetables, fruit without juices, and no added salt, but other seasonings to taste. They are instructed to eat their meat and fat first, using a salad seasoned to taste for variety; to follow with vegetables, including potatoes; and to complete their meal with fruit for dessert." Continuing, he says: "To illustrate the use of this rule, for dinner this evening order a rare steak, baked potato, chef's salad with Roquefort dressing, spinach, cauliflower or stringbeans, and black coffee. Eat the meat with the salad; follow with vegetables and potatoes to satisfaction; ignore the rolls and fancy dessert; drink water, black coffee, or plain tea." Dr. Thorpe, as chairman of the section on general practice at the 106th annual meeting of AMA, made these statements in his chairman's address.

Let's see what another real authority, as compared with the adman's imaginary "dietitian," has to say about weight reduction. Dr. Michael G. Wohl, in "Modern Nutrition in Health and Disease," page 775, says: "Obesity is of multiple etiology. The principal general cause of the condition, however, is imbalance between energy intake and energy output, the several factors producing this metabolic disorder resulting in a positive energy balance." He advocates (on p. 777) a well-balanced diet "high in protein, low in carbohydrate, and moderate in fat. The carbohydrate should be taken chiefly in the form of bulky fruit and vegetables of low-carbohydrate content." Dr. Wohl permits use of some cereals in his diet and also some potatoes, baked or boiled. Here, however, any cereal content is part of a total plan, and there is no suggestion that eating rice, or any other cereal, is in itself weight reducing, or, as the ad says, "less fattening."

Examples could be multiplied, indefinitely, but we shall give only one more. A diet known as the Michigan State reducing diet was developed by Dr. Margaret A. Ohlson at Michigan State College. This diet permits use of potatoes, but does not mention rice or other cereals. The diet was republished by University of Idaho Extension Service in January 1955.

We are reminded at this point of the statement of a noted authority on nutrition, Dr. Ancel Keys, of University of Minnesota, who in a forthcoming book, "Eat Well and Stay Well," page 42, will say: "Our modern diets may overly reflect the commercial interests of food processors whose advertising copywriters are sometimes more persuasive than accurate."

7. Rice is not a complete substitute for potatoes in the diet. The implication of the advertising by the Uncle Ben's rice people is that potatoes can and should be eliminated from the diet and rice substituted. The "dietitian" in the advertising recommends rice instead of potatoes; and a hand marks

a big black X through the picture of a baked potato. The offending TV advertisement, therefore, in effect, asserts that rice can fully make up for any lack of potatoes.

This is untrue, as will be seen by a comparison of the nutrients in 100 grams of baked potato and 100 grams of converted cooked rice. This comparison, with all figures taken from USDA's "Agriculture Handbook No. 8," pages 41 and 42, is as follows:

Item 562, rice, converted, cooked (values calculated from a recipe) 100 grams edible portion, water 71.5 percent, food energy 116 calories, protein 2.4 grams, fat 0.1 gram, total carbohydrate 25.4 grams, fiber 0.1 gram, ash 0.6 gram, calcium 8 milligrams, phosphorus 43 milligrams, iron 0.3 milligram, vitamin A none, thiamine 0.05 milligram, riboflavin 0.01 milligram, niacin 1.1 milligram and ascorbic acid none.

Item 529, potatoes, cooked, baked, 100 grams edible portion, water 73.8 percent, food energy 98 calories, protein 2.4 grams, fat 0.1 gram, total carbohydrates 22.5 grams, fiber 0.5 gram, ash 1.2 grams, calcium 13 milligrams, phosphorus 66 milligrams, iron 0.8 milligram, vitamin A 20 I.U., thiamine 0.11 milligram, riboflavin 0.05 milligram, niacin 1.4 milligrams, and ascorbic acid 17 milligrams.

A glance at the figures shows large differences in the nutrient content of baked potato and converted rice. It is observed at once that the potato has considerable ascorbic acid and a little vitamin A, the rice none; that the potato has more ash and more fiber, that the potato has much more phosphorus, iron, and calcium than the rice, also more thiamine and riboflavin and slightly more niacin.

Perhaps it will be contended that Uncle Ben's Quick Rice does not have the same nutrient content as carried in Handbook 8. Be that as it may, it still has no ascorbic acid unles it is added, nor has it any vitamin A unless added, because these substances characteristically are not found in rice. The rice therefore is not a complete substitute for potatoes, on this account alone.

But there is also another distinction, that makes it impossible, nutritionally, to substitute one for the other. This is the fact that the potato is an alkaline, that is base-forming, food while rice is an acid-forming food. (For discussion see sec. 8.)

Potatoes also contain pectins. The nutritional significance of these substances is uncertain, but again the presence of pectins in potatoes may present another element of difference that is not to be overlooked. The statement is made at page 39, Agriculture Handbook No. 74, USDA, "Energy Value of Foods" that "also present (in potatoes) are lignin, cellulose, pentosans, pectins, and other hemicelluloses * * *." We do not have on hand data on pectin content of rice. Scientific studies of the role of pectins are continuing.

8. Potatoes have value as an alkaline food whereas rice is an acid food. Sherman, in "Essentials of Nutrition," page 118, states the approximate potential reserve alkalinity in cubic centimeters of normal alkali of 100 grams of the potato as 9. On the other hand, he states the approximate potential acidity in cubic centimeters of normal acid of 100 grams of rice as 9. Regardless of what significance may be attached to the base-forming and acid-forming character of foods, the fact remains that a difference exists, again making it incorrect to suggest in advertising that rice is a complete substitute for potatoes or vice versa.

9. Potatoes have value as a supplier of bulk for good digestion. Hosoi, Alvares, and Mann in Archives of Internal Medicine 41: 112, 1928, as quoted in "The Potato: Its Nutritive Values," page 12, Idaho State Department of Agriculture, searched for food combinations that caused high bulk or low bulk in the intestines. Foods causing the largest residues were found to be fruits, potatoes, bread, lard, butter, swiss cheese, soft-boiled eggs, raw egg albumin, milk, and lactose. The largest dry residues were produced by raw-egg albumin, potato, banana, lactose, apple, and broth. Raw bananas, prunes, and baked potatoes gave rise to bulk larger than the original meal.

Von Noorden and Salomon in "Handbuch der Ernahrungslehre," Berlin, 1920, also as quoted in "The Potato: Its Nutritive Values," page 12, report that in Germany potatoes are used for laxative purposes. It was found that the attributes of potatoes were good for reducing or eliminating the effects of constipation and putrefaction.

As pointed out on page 13 of the booklet quoted, "The most likely constituent present in foods possessing the above described laxative ability is the colloidal material pectin. It is known to be digested with difficulty, if at all, and would therefore be present in the intestine to exert its water-holding and bulk producing effects. Fitch (Dietotherapy: vol. II, "Nutrition and Diet in Health," p. 35) states that 4 percent of the dry weight of the potato is composed of pectic bodies."

While the Fitch estimate of percentage of pectic bodies in a potato has been found high, the presence of pectin in potatoes has repeatedly been confirmed as in the study reported by Potter and McComb, "Carbohydrate Composition of Potatoes—Pectin Content" (American Potato Journal, vol. 34, 1957, pp. 342–346).

10. Potatoes are of great nutritional importance in the world and in the United States. White potatoes are the largest and most valuable vegetable crop in the world. World production of this vegetable exceeds that of any other table food plant, including any cereal. Encyclopedia Britannica (as quoted in Information Please Almanac of 1959, p. 259) gives world production of potatoes in 1957 as 281,976,000 metric tons, rice as 172,100,000 metric tons. In the United States potato production is outstripped by wheat, corn, and oats, but far more potatoes are used for human food than either corn or oats. Per capita consumption of potatoes in the United States (retail weight basis) was 96.7 pounds in 1958, according to preliminary figures of the U.S. Department of Agriculture.

Contrary to the view that potatoes are merely starch and water (an idea expressed by an FTC official) potatoes are an important source of nutrients other than carbohydrates. In 1956, potatoes supplied 17.6 percent of the U.S. total of ascorbic acid (vitamin C). (Data calculated from Agriculture Handbook No. 62, supplement for 1956.) This figure is on the basis of average contribution of 17 milligrams per 100 grams edible portion of fresh uncooked potato, a figure suitable as a generality though it is recognized ascorbic acid content of potatoes varies widely, much above and below this figure.

Potatoes come near being a complete though low protein food. The main lack is fat. "It was reported 25 years ago," said C. F. Woodward and E. A. Talley of USDA Agricultural Research Administration in American Potato Journal of September 1953, pages 205–12, "that human adults were kept in nitrogen balance (that is, having enough proteins of all kinds) and in good health for as long as 5 months when fed diets consisting solely of potatoes and a small amount of fat." (See Kon and Klein, the Value of Whole Potato in Human Nutrition, Journal of Biochemistry, 1928, 22: 258–260.)

USDA points out in Energy Value of Foods, Agriculture Handbook No. 74, page 37, that while potatoes contain little protein yet "several observers have pointed out that subjects have remained in generally good physical condition for long periods on diets in which potatoes are practically the sole source of protein."

The following statement on composition of the potato is from Albritton's Standard Values in Nutrition and Metabolism prepared under the direction of the National Research Council and should put to rest the starch and water notion mentioned above: Per 100 grams of edible portion of fresh uncooked vegetable, the potato provides 83 calories of energy; it is 78 percent water; provides protein 2 grams, fat 0.1 gram, total carbohydrates 19.1 grams average with range of 18.7 to 20.8 grams, crude fiber 0.4 gram, ash 1 gram, calcium 11 milligrams average with range of 8 to 14 milligrams, chlorine 38 to 79 milligrams, cobalt 0.006 milligram, copper 0.14 to 0.17 miligram, iodine 0.004 to 0.009 milligram, iron 0.7 milligram, magnesium 24 to 27 milligrams, manganese 0.10 milligram, phosphorus 56 milligrams average with range of 40 to 60 milligrams, potassium 410 to 568 milligrams, sodium 0.8 milligram, sulfur 34 to 35 milligrams, zinc 0.02 to 0.04 milligram, vitamin A as beta-carotene 0.01 milligram (same as 17 International Units of A), ascorbic acid 17 milligrams (as a year around average) and range of 4 to 28 milligrams, niacin 1.2 milligrams average with range of 0.1 to 1.2 milligrams, riboflavin 0.04 milligram average with range of 0.03 to 0.12 milligram, thiamine 0.11 milligram average with range of 0.05 to 0.17 milligram.

The protein of potatoes contains 16 of the 18 amino acides customarily listed and includes all of the essential amino acids, that is, those which cannot be manufactured in the body. (See Amino Acid Content of Foods, Home Economics Research Report No. 4, USDA, Dec. 1957, p. 63.)

Because of its importance in the diet, the potato has been much studied by nutrition scientists. A good deal of research has been done on the ability of the body to utilize potato nutrients. A recent U.S. Department of Agriculture report (Energy Value of Foods, Agriculture Handbook No. 74, published in 1955) states that in six studies, the digestibility of total carbohydrates of potatoes ranged from 92 percent to more than 99 percent. Proteins of potatoes were found to be 74 percent digestible on the average, though this figure was considered low and tentative. It was pointed out in the report that "for 9 months one subject (deriving virtually all his protein from potato) maintained a schedule of varying activity including 3 months of hard labor, without any apparent ill effects, according to four examining physicians." The iron in the potato is 93 to 100 percent available, according to the Idaho Department of Agriculture, citing work by Peterson and Elvehjem. Further, it has been found that the vitamin thiamine in potatoes is more effective in the human body than when pure thiamine is furnished or when brown rice or lamb is eaten. (References: U.S. Agriculture Handbook No. 74; The Potato—Its Nutritive Values, Idaho Department of Agriculture, Review of the Nitrogenous Constituents of the Potato, Woodward and Talley in American Potato Journal, September 1953; Physiological Availability of Thiamine from Potatoes and from Brown Rice, Warnick and others, Journal of Nutrition, May 1956.)

The potato protein has been found in many studies to be of high biological value. For example, dried potato protein fed to pigs in Germany proved equal to meat and bone meal. The potato preparation had 76.9 percent crude protein. Tests showed that the biological value of the potato protein relative to egg protein was 81.1 percent and relative to milk protein was 83.2 percent. (Reference: Quantitative Estimation of Amino Acids in Foodstuffs—Potato Protein, paper by Kastell in Michrochimica Acta, 1957, 689–98, Vienna, Austria.)

Starch, the principal dry component of the potato, is readily hydrolyzed in the digestive tract. A study at the University of Freiberg, Switzerland, showed that potato starch was hydrolized more rapidly and completely than any of the cereal starches, that is, wheat,

UNIVERSITY OF WYOMING LIBRARIES

corn, rice, barley, rye, and oats. The hydrolyzing tests were made with enzyme amylase. (Reference: Comparative Studies on Enzymic Hydrolysis of Different Starches, Annales Paediatrici, 1953, 181, 1–16, published at Basle, Switzerland.) With meals containing potatoes, as much as 75 percent of the starch may be converted into maltose by salivary amylase within from 15 to 30 minutes. Maltose is a simpler product than starch and is readily converted by an enzyme maltase to glucose which can be used by the body in combination with various other chemicals. (Reference: Physiology of Gastro-Intestinal Tract, Bollman and Wollaeger, in Modern Nutrition in Health and Disease, p. 45.)

To put all the figures about composition of the potato in perspective, 100 grams of baked potato is about one medium peeled potato 2½ inches in diameter; while a boiled potato of that size (peeled before cooking) is about 126 grams.

Summing up general views of the nutritional value of potatoes and its place in the diet, the following quotations from authorities that will immediately be recognized as such are offered:

Maynard and Nelson in Handbook of Nutrition, American Medical Association, 1951, page 628: "Potatoes are primarily an energy food, consisting largely of starch. Approximately 10 percent of the total calories are in the form of protein of good biologic value. The potato is low in fiber and according to various investigators, it is highly digestible (92 to 99 percent). It is a significant source of iron, in that one medium-sized potato may provide as much as one-tenth of the daily requirement. As harvested, potatoes contain 12 to 35 mg. of ascorbic acid per hundred grams and thus provide a substantial amount of this vitamin. * * * The thiamine content of the potato ranges from 95 to 165 micrograms per hundred grams, which would mean from 8 to 14 percent of the adult daily requirement in a 150 gram serving (approximately the average daily consumption) if it were not for cooking losses. The potato does not supply a significant amount of riboflavin."

Sherman and Lanford in Essentials of Nutrition, page 324, state: "Potatoes and sweetpotatoes are not such 'one-sided' foods as most people probably suppose them to be. In the average of the presumably representative American family dietaries * * * it may be seen that an investment of 3 percent of the food money in this food group brought a return of 5 percent of the calories, 3 percent of the protein, 2 of calcium, 7 of the iron, 6 of the vitamin A value, 8 of the thiamine, 4 of the riboflavin and 13 percent of the vitamin C. Thus the investment in this food group brought a return which was not only large in proportion to its cost but also fairly well distributed over the different main factors in the nutritive value of the diet."

(NOTE.—Since far more white potatoes are eaten than sweetpotatoes, this refers principally to the contributions of white potatoes, except for vitamin A.)

Jensen, Man's Foods, page 58: "We have not the space here to dwell on the potato, but the common potato has exerted an influence on nutrition and history ranking in importance with corn. Old World food economies were changed drastically when the potato caught on as a staple food. The potato was considered a lowly food by Europeans, but it was rich in energy, vitamins and minerals, as the robust Irish, Scandinavians and German folk proved."

Massachusetts Agricultural Experiment Station, Bulletin 390: "Potatoes should enjoy an important place in the diet because they are good sources of vitamins B_1 and C and of iron. Furthermore, they can be considered a very economical source of these nutrients and of energy. Nutritionists are in general agreement that many American diets are low in some important nutrients including those of which potatoes are good sources. For this reason, the general use of potatoes is to be recommended particularly because of their low cost."

11. In conclusion: It would appear from the data here presented that some of the statements on the Uncle Ben's Quick Rice TV commercial have evolved from an advertising copywriter's imagination and have no basis in fact. We ask, therefore, that the Commission take action to force elimination of all reference to potatoes in the rice advertising unless the references are made to square with the nutritional facts.

Respectfully,

ALAN T. RAINS,
Executive Vice President.

AMENDMENT OF FEDERAL AIRPORT ACT

The Senate resumed the consideration of the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I send an amendment to the desk. It is intended to be proposed by Senators MAGNUSON, MONRONEY, SMATHERS, BARTLETT, ENGLE, PASTORE, and by myself. Before the amendment is reported, I wish to state that it will not affect the funds to be spent in the next fiscal year. The purpose of the amendment is to reduce the total amount of the funds authorized by the bill from $565 million to $465 million, by making it a 4-year program instead of a 5-year program. Between now and the time the authorization expires, if the amendment shall be adopted, the committee will have an opportunity to make another survey and a thorough study to determine whether the funds authorized are adequate, or whether they need to be increased or decreased.

The amendment does not save any money in the expenditures contemplated to be authorized for the first 4 years, but it does provide a cutoff date of 4 years instead of 5 years, and it provides $95 million a year for domestic allocations, and $5 million for Alaska, Hawaii, Puerto Rico, and the Virgin Islands.

The bill as introduced and reported provides a 5-year program. The amendment makes it a 4-year program. It would authorize only $465 million, instead of $565 million. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 7, after the words "June 30, 1962", it is proposed to insert the word "and"; and on lines 7 and 8 it is proposed to delete the words "and June 30, 1964."

On page 2, line 24, it is proposed to insert, after the words "June 30, 1962", the word "and"; and on lines 24 and 25, to delete the words "and June 30, 1964."

Mr. JOHNSON of Texas. Mr. President, I wish to repeat, for the benefit of some Senators who did not hear me, that the amendment does not propose to effect any reduction in the amount to be authorized for the next 4 years, but that it makes the program a 4-year program, instead of a 5-year program.

If the amendment shall be agreed to, and the bill as amended shall be passed without any further amendments, we will authorize a total of $465 million, instead of $565 million.

We hope that sometime during the next 4 years we will be able to review what has taken place and make further studies. We will then be able to take advantage of any further developments which may occur, and then determine whether we wish to increase the program or decrease it, or leave it at about the same level.

The adoption of the amendment would not affect the budget for the next year. It would not affect the expenditures for any of the first 4 years, but it would confine the authorization to 4 years, instead of 5 years, thereby reducing the amount proposed to be authorized from $565 million to $465 million.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. COTTON. I wish to be certain that I understand exactly what the distinguished majority leader has said. As I understand, his amendment would not affect the budget, because it would not affect the budget any more or less than the present committee bill would affect it. Is that what the Senator has said?

Mr. JOHNSON of Texas. The Senator is correct.

Mr. COTTON. In other words, under the majority leader's amendment, there still would be $165 million immediately available for fiscal 1960. Is that correct?

Mr. JOHNSON of Texas. There would be $100 million, and $65 million in discretionary funds, which the President may or may not use, as proposed in the bill. The Senator from New Hampshire is correct in his interpretation of my amendment. I do not wish to leave the impression that the amendment would in any way affect the amount proposed to be spent in any of the 4 years.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. SCHOEPPEL. Has the amendment been printed?

Mr. JOHNSON of Texas. No; it has not been printed. Under it we would simply have a 4-year program, instead of a 5-year program. The amendment leaves the amount per annum the same, and the $65 million in discretionary funds is left the same. I understand that the chairman of the committee and the chairman of the subcommittee are willing to accept the amendment. They are the coauthors of it. If we could have the amendment adopted, we could proceed further with the consideration of the bill.

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that the committee amendments

should be considered first. Without objection, the Senate may first consider the amendment offered by the Senator from Texas on behalf of himself and other Senators. Is there objection?

Mr. COTTON. Mr. President, I reserve my right to object. I should like to ask one question. So far as I am concerned I have no objection to the amendment being added to the bill, but would the acceptance of the amendment in any way preclude the offering of a substitute for the whole bill?

Mr. JOHNSON of Texas. No; it would not.

The PRESIDING OFFICER. It would not.

Mr. COTTON. I thank the Senator.

Mr. JOHNSON of Texas. If it did, I would not offer it.

Mr. COTTON. I am sure the Senator would not.

Mr. JOHNSON of Texas. I understand from the leadership on the Senator's side of the aisle that there are a number of amendments to be offered. I am sure they will be offered. Then we can agree on a time limitation for their consideration which will be satisfactory to all Members of the Senate.

Mr. COTTON. The amendment does not preclude the cutting of any specific figure in the bill. Is that correct?

Mr. JOHNSON of Texas. No; it merely reduces the 5 years to 4 years.

Mr. MAGNUSON. I merely wish to say that if we had had the time to do it, we probably would have submitted the amendment as a committee amendment. However, time precluded us from doing it. The majority leader and the distinguished chairman of the subcommittee and I have discussed the matter. What the majority leader has said represents our understanding. The amendment merely reduces the time from 5 years to 4 years. It has no effect on the remaining provisions of the bill.

Mr. JOHNSON of Texas. But it also reduces the amount to be authorized from $565 million to $465 million.

Mr. MAGNUSON. By virtue of limiting the time.

Mr. JOHNSON of Texas. That is correct.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. Just to pinpoint the record, what we are in effect asked to do by unanimous consent is to modify the committee bill so far as the time is concerned.

Mr. JOHNSON of Texas. That is correct; and insofar as the amount proposed to be authorized is concerned.

That pinpoints the matter by taking $100 million out of the amount proposed to be authorized.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The first committee amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 2, line 16, after the word "in", it is proposed to strike out "the Territories of."

Mr. MONRONEY. Mr. President, the series of committee amendments being offered were adopted by the subcommittee and approved by the full Committee on Interstate and Foreign Commerce to bring the bill as nearly in line with the proposals of the administration as it was possible to do, in the minds of the members of the subcommittee. Most of these amendments are technical in nature. They deal with proposals made by the administration and by the Federal Aviation Administrator. After studying the testimony, we felt that the proposals were good and that their adoption would improve the bill.

For that reason, I support, and I believe Senators on both sides of the aisle support, the committee amendments now in the bill. I ask the distinguished Republican members of the committee who are on the floor, the Senator from Kansas [Mr. SCHOEPPEL] and the Senator from New Hampshire [Mr. COTTON], if that is not the case.

Mr. COTTON. Will the Senator please refresh my mind as to the amendments?

Mr. MONRONEY. The committee amendments were, first, to strike out $75 million as the amount of the discretionary funds and to substitute in lieu thereof $65 million, because we found that $10 million or $11 million will have been carried over of funds authorized under the present law.

Another amendment provides for the immediate availability of the discretionary fund of $65 million, which the bill proposes. Of course, the amount of $65 million may be subject to further amendment on the floor.

Mr. COTTON. The Senator means, does he not, that the funds will be available in fiscal 1959, and that it would not be necessary to wait until the beginning of fiscal 1960?

Mr. MONRONEY. That is correct. There is work necessary to be done immediately on certain airports for which funds are not available.

Another amendment concerns the redistribution of funds. This was included in the bill by the committee at the suggestion of the Federal Aviation Administrator, so that instead of freezing State-allocated funds for a period of 4 years, when they are not used by the States, they will revert to the discretionary fund of the administrator at the end of 2 years.

Mr. COTTON. That amendment, too, we have agreed to.

Mr. MONRONEY. Another committee amendment was not one which was suggested by the Federal Aviation Administration. It deals with interstate compacts made necessary when certain States wish to build or operate airports serving cities and towns which may lie within the boundaries of other States.

Mr. COTTON. If the Senator from Oklahoma expects to have that amendment agreed to, I think, in justice to the junior Senator from New Hampshire, he should make it perfectly clear that the people of New Hampshire suggested the amendment.

Mr. MONRONEY. Mr. President, this is the so-called Cotton amendment. I think it is a very fine amendment. The committee was very happy to include it. I think it will be useful to all States.

Another amendment is merely a technical amendment, dealing with Alaska, and bringing Alaska within the general definitions of the act.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that in connection with the consideration of the bill now under consideration, Mr. Gordon Bennett, of the Federal Aviation Commission, be accorded the privilege of the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MONRONEY. Mr. President, I move that the committee amendments which I have just explained be considered en bloc.

The PRESIDING OFFICER. Is there objection to the consideration of the committee amendments en bloc?

Mr. SCHOEPPEL. I have no objection.

The PRESIDING OFFICER. The Chair hears no objection, and it is so ordered.

The committee amendments considered en bloc are as follows:

On page 2, line 16, after the word "in", to strike out "the Territories of"; on page 3, line 5, after the word "in", to strike out "the Territory of"; in line 8, after the word "Islands", to strike out "Wherever this Act refers to Alaska as a Territory it shall be deemed to refer to the State of Alaska, and the words 'State' and 'States', as used in this Act, shall not be construed as including the State of Alaska."; in line 18, after the word "of", to strike out "$75,000,000" and insert "$65,000,000"; in line 22, after the word "obligation", to strike out "beginning July 1, 1952," and insert "upon the enactment of this subsection"; on page 5, line 6, after the word "Aviation", to strike out "Agency." " and insert "Agency."; after line 15, to insert a new section, as follows:

"SEC. 8. Section 6(c) of the Federal Airport Act, as amended (49 U.S.C. 1105(c)), is further amended to read as follows:

" 'REDISTRIBUTION OF FUNDS

" '(c) Any amount apportioned for projects in a State pursuant to subsection (a) of this section which has not been obligated by grant agreement at the expiration of the fiscal year immediately following the fiscal year for which it was first authorized to be obligated shall be added to the discretionary fund established by subsection (b) of this section.' "

On page 6, after line 2, to insert a new section, as follows:

"SEC. 9. The Federal Airport Act, as amended, is further amended by adding a new section to read as follows:

" 'INTERSTATE COMPACTS

" 'SEC. 21. The consent of Congress is hereby given to each of the several States to enter into any agreement or compact, not in conflict with any law of the United States, with any other State or States for the purpose of developing or operating airport facilities. The right to alter, amend, or repeal this section is expressly reserved.' "

UNIVERSITY OF MICHIGAN LIBRARIES

After line 11, to insert a new section, as follows:

"SEC. 10. Section 2(a)(12) of the Federal Airport Act, as amended (49 U.S.C. 1101(a)(12)), is further amended to read as follows:

"'(12) "State" means a State of the United States at the time of the enactment of this act, or the District of Columbia.'"

And, after line 16, to insert a new section, as follows:

"SEC. 11. Section 7 and section 10(c) of the Federal Airport Act, as amended (49 U.S.C. 1106 and 1109(c)), are further amended by striking out 'the Territory of Alaska' wherever the phrase appears in said sections and by inserting in lieu thereof 'Alaska'."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(a) of the Federal Airport Act, as amended (49 U.S.C. 1104(a)), is further amended to read as follows:

"(a) For the purpose of carrying out this Act with respect to projects in the several States, there is authorized to be obligated by the execution of grant agreements pursuant to section 12 of this Act the sum of $40,000,000 for the fiscal year ending June 30, 1956, and the sum of $60,000,000 for each of the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959, and the sum of $95,000,000 for each of the fiscal years ending June 30, 1960, June 30, 1961, June 30, 1962, June 30, 1963, and June 30, 1964. Each such authorized amount shall become available for obligation beginning July 1 of the fiscal year for which it is authorized, and shall continue to be so available until so obligated."

SEC. 2. Section 5(b) of the Federal Airport Act, as amended (49 U.S.S. 1104(b)), is further amended to read as follows:

"(b) For the purpose of carrying out this Act with respect to projects in Alaska and Hawaii, and in Puerto Rico and the Virgin Islands, there is hereby authorized to be obligated by the execution of grant agreements pursuant to section 12 of this Act the sum of $2,500,000 for the fiscal year ending June 30, 1956, and the sum of $3,000,000 for each of the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959, and the sum of $5,000,000 for each of the fiscal years ending June 30, 1960, June 30, 1961, June 30, 1962, June 30, 1963, and June 30, 1964. Each such authorized amount shall become available for obligation beginning July 1 of the fiscal year for which it is authorized, and shall continue to be so available until so obligated. Of each of the amounts authorized by this subsection, 45 per centum shall be available for projects in Alaska, 25 per centum for projects in the Territory of Hawaii, 20 per centum for projects in Puerto Rico, and 10 per centum for projects in the Virgin Islands.

SEC. 3. Section 5 of the Federal Airport Act, as amended (49 U.S.S. 1104), is further amended by adding the following new subsection:

"DISCRETIONARY FUND

"(e) In addition to the sums authorized in subsections (a) and (b), the Administrator is authorized to obligate in his discretion the sum of $65,000,000 which shall be available to pay the United States share of costs of any approved project, and shall be administrated as a separate fund without regard to the provisions of section 6 of this Act. This sum shall become available for obligation upon the enactment of this subsection and shall continue to be available until so obligated."

SEC. 4. Section 5(c) of the Federal Airport Act, as amended (49 U.S.C. 1104(c)), is further amended by striking out "and (b)" and inserting immediately after the words "subsections (a)" a comma, and "(b) and (e) of this section."

SEC. 5. Section 13 of the Federal Airport Act (49 U.S.C. 1112), is amended by inserting "(a)" after "SEC. 13." and by adding a subsection to read as follows:

"COSTS NOT ALLOWED

"(b) With respect to amounts obligated after June 30, 1959, the cost of acquisition or construction of that part of a project intended for use as a passenger automobile parking facility, and the cost of construction of those parts of passenger or freight terminal buildings and other airport administrative buildings intended for use as bars, cocktail lounges, night clubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms or such other use which, in the opinion of the Administrator, is not essential to the welfare and safety of those persons using airports for public aviation purposes, shall not be an allowable project cost under this Act."

SEC. 6. Section 2(a)(3) of the Federal Airport Act, as amended (49 U.S.C. 1101(a)(3)), is further amended by striking out "and" before "(B)" and by inserting before the semicolon following "airport hazards" a comma and the following: "and (C) the periodic seal coating of flexible airport pavements and the filing of joints in rigid airport pavements at airports at which air traffic is not sufficient to meet the criteria of the Administrator for the location of an airport traffic control tower operated by the Federal Aviation Agency."

SEC. 7. Section 4 of the Federal Airport Act, as amended (48 U.S.C. 1103), is further amended by inserting "(a)" after "SEC. 4." and by adding a subsection to read as follows:

"ANNOUNCEMENT OF PLANS

"(b) It shall be the duty of the Administrator to make public by January 1 of each year the proposed program of airport development intended to be undertaken during the fiscal year next ensuing."

SEC. 8. Section 6(c) of the Federal Airport Act, as amended (49 U.S.C. 1105(c)), is further amended to read as follows:

"REDISTRIBUTION OF FUNDS

"(c) Any amount apportioned for projects in a State pursuant to subsection (a) of this section which has not been obligated by grant agreement at the expiration of the fiscal year immediately following the fiscal year for which it was first authorized to be obligated shall be added to the discretionary fund established by subsection (b) of this section."

SEC. 9. The Federal Airport Act, as amended, is further amended by adding a new section to read as follows:

"INTERSTATE COMPACTS

"SEC. 21. The consent of Congress is hereby given to each of the several States to enter into any agreement or compact, not in conflict with any law of the United States, with any other State or States for the purpose of developing or operating airport facilities. The right to alter, amend, or repeal this section is expressly reserved."

SEC. 10. Section 2(a)(12) of the Federal Airport Act, as amended (49 U.S.C. 1101(a)(12)), is further amended to read as follows:

"(12) 'State' means a State of the United States at the time of the enactment of this Act, or the District of Columbia."

SEC. 11. Section 7 and section 10(c) of the Federal Airport Act, as amended (49 U.S.C. 1106 and 1109(c)), are further amended by striking out "the Territory of Alaska" wherever the phrase appears in said sections and by inserting in lieu thereof "Alaska".

Mr. MONRONEY. Mr. President, the Committee on Interstate and Foreign Commerce, of which the distinguished senior Senator from Washington [Mr. MAGNUSON] is the chairman, asks the consideration by the Senate of the bill S. 1, which, as amended by the distinguished majority leader with the approval of the distinguished minority leader and other Senators on the minority side, now provides a 5-year, $100-million-a-year extension of the Federal-aid-to-airport grant authorization program and a $65 million emergency fund to help the Nation advance into the jet age. We recommend the passage of the bill.

A careful study over a long period of time resulted in the bill which the Senate is considering today. My subcommittee held 4 days of hearings in April 1958, on the airport situation; and after the full committee reported S. 3502, an almost identical bill, in the 85th Congress, the Senate in its wisdom passed the bill without a single vote being cast against it. After a few changes, the House passed the bill.

The President, who witheld his signature—thus, for all practical purposes, effecting a pocket veto—explained that he was convinced "that the time has come for the Federal Government to begin an orderly withdrawal from the airport grant program."

S. 1 is realistic. It was studied carefully both before and after the President's veto of last September. It represents a policy of continued support for the national airport system, rather than one of withdrawal. That is the principal issue which is before the Senate today.

I know of no member of the committee, whether a Democrat or a Republican, who went along with the administration's prime objective, namely, to withdraw completely, after a declining advance of funds, and to turn over the entire, total responsibility for the Federal airport system to the local municipalities and the States.

Some 30 or 40 witnesses testified, and only 1, the Federal Aviation Administrator, speaking for the administration, testified in favor of a withdrawal program. Rather, the testimony is quite voluminous on the part of witnesses who testified in support of the principle of Federal aid to airports on a 50–50 matching basis.

This was not true only of the mayors, of the airport operators, and of the airlines. It was true also of the Airline Pilots Association, the Aircraft Owners and Pilots Association, and the National Business Aircraft Association. It was true of all the other witnesses, including those representing labor and various civic groups.

The principal issue in the bill is whether the Federal Government will follow the demand of the administration by withdrawing Federal airport support over a period of a few years, and hand to the cities and towns a do-it-yourself kit to meet the ever-growing problems and the ever-growing traffic of the aviation industry.

Contrary to some misleading information which has been reported, the bill is not full of frills and never has been. It specifically excludes funds for bars, cocktail lounges, parking lots, shopping centers, game rooms, and the like, and gives to the administrator the decision as

to whether proposed airport facilities are necessary to the safety and welfare of passengers.

There has been a deliberate attempt on the part of some persons, which apparently has emanated directly from the White House, to give the impression that the bill, because it allows the use of Federal funds in the construction of terminal buildings, will really open the back door to the construction of monumental terminal buildings with all their extraneous conveniences, to be built partly at Federal expense.

Not only it that inaccurate; it also goes directly against the specific provisions of the bill. I may say that, under the provisions of Senate bill 1, if there are constructed any facilities that are not appropriately connected with the convenience, safety, health, or accommodation of passengers in the terminal buildings, facilities other than those non-revenue-producing services which must be provided in any airport, then the administrator will have the right to exclude those facilities from the list of those for which Federal matching funds might be obtained, and it will be his duty to see that they are so excluded.

So my colleagues need have no fear that through this bill they will be buying a pig in a poke, or that they will be opening up any avenue supporting frills, fancy banquet halls, or facilities of that nature, which might be built in these terminals.

The bill is endorsed not only by all the aviation groups in the country, but also by organized labor, independent business groups, and by nonpartisan community organizations on town, city, and State levels. The Air Force Association approves the bill. It is a vast organization composed of those who have served in the Armed Forces of our country, in the Air Force. They endorse the provisions of the bill. As you can see, Mr. President, from the hearings, they expressed their strong feeling that the construction of these civil airports will have a definite, important contribution to make to our military stature, as well.

The Civil Aeronautics Board, an arm of the Congress, and partly an arm of the executive branch of the Government, told us that the advent of the jet and other high speed aircraft brings with it the need for an expanded airport program, and urged the enactment of legislation along the lines of Senate bill 1 or other appropriate legislation. The only criticism of the bill came from the official spokesmen of the administration.

Last session, the Senate and the House moved forward courageously to provide an administrative framework for safety in the skies; today—a year late—we must reenact a program approved in this Chamber last session without a dissenting vote, which will contribute to air safety on the ground from which planes must take off and to which they must return. It will profit us nothing to spend on gearing up our skyways and to stint on the ground facilities to accommodate our booming air traffic, to expedite air travel, and to insure the welfare and safety of air passengers.

Today, I am asking the Senate to vote to have the Federal Government share 50–50 with local communities, at an increased pace, the costs of preparing the Nation for an air age which offers infinite possibilities for the Nation's economy, its defense, and for all its people.

Let us, in the great American tradition, cease to regret our yesterdays; let us be Americans, and tool up for tomorrow.

Mr. President, this bill is of considerable importance as an emergency measure. The States and the municipalities had nothing whatsoever to do with the development of high speed, high performance aircraft; but today such aircraft are rapidly becoming a part of our great transportation system. Part of that is the outgrowth of development work done by the military. If the Federal Government does not participate in this program, then there will be grave defects in our national airport system, which was already stretched to the very limits in handling the traffic which was in the air 3 years ago, and still is being stretched to the limit in order to accommodate the ever-increasing numbers of planes of that type. But today we have more new planes, and there is a great demand for lengthened runways, for parallel runways in hub airports, and for similar improvements. The only way more traffic can be squeezed into these facilities, many of which were constructed 30 or 35 years ago to accommodate the old DC–3's, is to construct the modern facilities which will be made possible by this measure. This is why I so strongly feel that there is a Federal responsibility in connection with this matter.

A program adopted about 1912 provided for joint responsibility, on a 50–50 matching basis between the Federal Government and the various States, for the construction of the Federal highway system. That program was an important contribution to the growth of our country and its communications and its transportation system; and that program has been carried out by the Government since 1912. A few years ago it was improved, when we added the superhighway system. Let me point out that I voted for that bill. That program of highway construction will, when completed, have cost us approximately $38 billion. But I call attention to the fact that today the Government, in connection with construction of the interstate highway system, is matching States appropriations on the basis of a 90 percent Federal contribution and 10 percent State contribution.

Mr. President, in the case of this airport bill, we are not asking for $38 billion. We are not asking for matching funds on the basis of a 90-percent Federal contribution and a 10-percent State contribution. Instead, by means of this bill, we are asking for an amount equal to 1½ percent, or even less than that, of the $38 billion being spent under the highway program. We are asking that this amount be made available for the airport program, but not on the basis of a 90-percent contribution by the Federal Government and a 10-percent contribution by the States. Instead, we ask that the matching formula remain on the basis of a 50–50 contribution.

Mr. President, today, aviation is carrying more traffic between distant points, on long hauls, than are all the railroads of our country. The airlines are reaching out to serve the small centers to which railroad service has been discontinued. From our major airports, American-flag aircraft takeoff to the four corners of the world. Can we say that the facilities at such airports are matters of purely local responsibility, when, at most of the airports, almost 90 percent of the passengers—by actual count—are traveling in interstate commerce? Yet, Mr. President, those who favor a complete withdrawal of Federal support from this program would say that an airport is solely the responsibility of, say, Cincinnati, Ohio, or Williamsport, Pa., or Tulsa, Okla. Mr. President, I believe that the Congress must accept partial responsibility for this program; and that is what Senate bill 1 provides.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield to my distinguished colleague, the ranking Democratic member on the Committee on Interstate and Foreign Commerce.

Mr. PASTORE. First of all, I should like to commend my distinguished colleague on the Interstate and Foreign Commerce Committee for his devotion and industry in reporting the bill in the fashion he has. Since the very tragic accident in the East River in New York this past week, the American people have become especially conscious of the safety of our airports, both in takeoff and in landing. I should like to ask if this bill will provide in any way for safety equipment to avoid such accidents or make them less likely in the future.

Mr. MONRONEY. The bill will, but may I say that any airline pilot, or anyone who flies consistently, will confirm the statement that 70 to 80 percent of accidents to aircraft occur within the vicinity of a landing field. The critical point in flying is in takeoff and landing.

The pending bill amends and extends the act, providing funds for runway lights, approach lights, and equipment of that kind, when the funds are matched on at least a 50–50 basis by local sources.

This morning, on the Dave Garroway program, the vice president of the airline pilots' organization was interviewed and asked about the tragic wreck which occurred off Rikers Island, near La Guardia Airport, a few days ago, an accident which cost the lives of so many. He analyzed what he thought were the difficulties and the problems involved. Of course, he reserved his final opinion as to what caused the accident.

When he was asked what he thought could be done to prevent that kind of accident from ever happening again, he said, "Write your Representatives and Senators in Congress and ask them to pass the Federal aid to airports bill now pending in the Senate and the House." It was a pilot who said that and, of course, the airline pilots testified at our hearings to that effect.

UNIVERSITY OF MICHIGAN LIBRARIES

I do not know what problems the pilot approaching La Guardia Airport had confronting him at the time of the tragic accident. He was approaching under sleet, ice, and rainy conditions. He broke out of an overcast at 400 feet. He had less than a minute to line up the airplane with the runway. He was coming in on the dark side of runway 22. That means the lighting on the other side of the field was not available to him, because the Federal Aviation Administrator has not been able to get the Defense Department to agree to allow approach lights to be put in the channel approaching that runway. If such lights had been in operation, the pilot would have had perfect lighting conditions, with a beacon finger pointing him to a safe landing.

It must be remembered that the pilot had to cope with conditions which included sleet and a 400-foot overcast, a plane flying at 300 miles an hour, slowing to a speed of 100 miles an hour for landing, and having to touch down on a runway length of 4,900 feet. Under conditions of that kind, a pilot is bound to be under nervous tension. There is a great difference between conditions when a pilot knows he is landing on a field of adequate length and conditions when he knows that every single movement of his plane coming to the touchdown on the runway must be timed to the split second and to the exact yardage, or he will overrun his field.

It is obvious that the fact of airplanes requiring longer runways must be recognized by Federal law, and there must be a Federal responsibility for providing longer runways. The cities are required to build airports according to the Federal Aviation Administrator's instructions. They are not masters of runway lengths. The Federal Aviation Administrator is the master. But the city has to put up 50 percent of the money, or more, to provide for that kind of safety.

It seems to me we would be in a very peculiar situation if we allowed a Federal agency to require an airport to increase the length of its runways and then said, "Here is a do-it-yourself kit, the Federal Government has no further responsibility."

Mr. PASTORE. Did I correctly understand the Senator to say the pilots' association has endorsed the bill?

Mr. MONRONEY. It has not only endorsed it, but pilots testified quite pointedly on the very matter we are discussing at this time, the need for approach lights. There was included in last year's report on the airport bill a recommendation which we felt would have the effect of directing the Federal agency to make the necessary expenditures whenever there was found to be any reluctance or unusual local delay in acquiring easements or other rights for the construction of approach lights. We thought the agency should itself acquire these rights and charge the cost to the airport. We tried to break that bottleneck.

Mr. President, since it is so important, I ask unanimous consent that the part of the report on last year's bill, S. 3502, recommending the immediate acquisition of high intensity lighting facilities which make aircraft approaches so much safer, be included in the RECORD at this point. I also ask that when other additions to the report on S. 1 are completed, that this material be included as a section of the report. It was inadvertently left out of the report.

Mr. COTTON. Mr. President, of course we want to have that information in the RECORD at this point, and I wish to commend most highly the distinguished Senator from Oklahoma for his work in this field. However, in order that the RECORD may be clear, and before agreeing to the insertion of the information, in view of what has been said in the colloquy which has taken place on the floor, I should like to ask the Senator from Oklahoma—and I know he will correct me if he has contrary authentic information—if the information from the Federal Aviation Agency states that at the LaGuardia Airport, where the most unfortunate and lamentable accident recently happened, the extended lighting facilities, which the Senator from Oklahoma has just described so well and so accurately, have been on order, have been ready to be provided out of appropriations which have nothing to do with aid to airports, but out of appropriations for general navigation aids. The only reason why the lights were not operating on the night the accident took place is that New York City has not been able to arrange permission for and get authority to extend the lights into the channel because of possible interference with navigation. It was that technical matter which was holding up installation. If that statement is incorrect, I want to know it.

I also wish to know if the Senator intended to indicate that the presence or absence of money in the aid-to-airport program had any bearing on the accident which took place in New York. It is my understanding that matter emphasizes something else very definitely. It emphasizes the responsibility of the Federal Government to pour money into such aids, if necessary, and let nothing interfere with navigational aids, which is another field, and involves another appropriation, and which we all ardently support to the fullest extent.

Before inserting the material in the RECORD, will the Senator indicate his understanding on the question?

Mr. MONRONEY. Yes. I tried to explain that. We are in agreement as to the difficulty of installing approach lights at La Guardia. The difficulty lies in clearing the right-of-way for the lights to rest in the channel of the river. I mentioned that the Defense Department is one of the agencies holding up the installation of navigational lights in the channel. I should like to point out that these lights are important.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. MAGNUSON. Of course, the real difficulty, with which the bill is concerned, is the matter of the entire efficiency of the airport, including the length of the runway and the lights. The real trouble in that instance was that when the airport was built the City of New York Port Authority did not have enough money, or did not think it had enough money, to make the runway adequate.

Mr. MONRONEY. The Senator is correct. However, there are two 4,900-foot runways. Those runways are absolutely inadequate for anything other than the DC–3's or DC–4's.

Mr. MAGNUSON. It is like having a 1920 garage for modern cars.

Mr. MONRONEY. There has been a great deal of trouble on hot days in getting the DC–6's off the ground at La Guardia. Flights have been canceled when the temperature was high because it was not possible to get the DC–6's off the runway.

Mr. President, one of the greatest hazards to any airline, as any airline pilot or private pilot will be glad to state, is bringing the plane down on a runway which is too short to take care of the plane. When planes come in through fog, sleet, and darkness, to land on a 4,900-foot runway, whether it be at La Guardia, or Manchester, N.H., or any other place, it is dangerous, and the pilot is going to be very nervous. The chances for error are multiplied manyfold as the runway shrinks, due to lack of visibility. All of this increases the margin for error.

Mr. COTTON. Mr. President, I am sure we all agree on objectives, and that the Senator recalls our discussion in both the subcommittee and the full committee, and that the Senator agrees it is vitally necessary that the runways of this country be of sufficient length to insure safety. It will be the purpose of the Senate and of the Congress, as well as of the present administration, to see to it that aid is furnished to provide safety. The only question is the extent of the aid to be provided in the bill.

Before agreeing that the Senator may insert in the RECORD the item to which he has referred, I should like to make a comment. It has been specifically reported that the recent unfortunate accident was caused by the lack of a particular lighting facility. The Senator from Oklahoma himself has given information on that point to the Senate very clearly, yet it has not been indicated that there has been any denial of an extension of the length of the runway. There should not be an effort to write into the RECORD early in the debate some highly prejudicial information from a perfectly sincere pilot who said, in effect, "Write your Congressman to indicate that something the Congress has refused to do, or is taking time to consider doing, should be done."

With regard to the particular accident under discussion, I think that is an appeal to the emotions, rather than an appeal to reason, and it should not be permitted.

I have no objection to the insertion.

Mr. SCHOEPPEL and Mr. MAGNUSON addressed the Chair.

Mr. MONRONEY. If the Senators do not mind, I should like to answer my distinguished friend.

Certainly I had no intention to indicate there was one single reason for the accident. I did not intend to do that, because I do not know all the facts. What I said was that the lack of a high intensity approach lighting system was

one of the factors involved, and in the case of that type of item the Federal Government does pay for the entire cost of purchase, and the installation.

There is another thought I should like to put into the RECORD, because it bears on the recent accident, and the making of any runway safer. The only contribution which is requested from local authorities in this regard is for purchase of the land or property interest therein. The committee was particularly impressed with hearing testimony as to the essentiality of a uniform pattern of approach lights and the installation of such lights at the earliest possible time. It was urgently suggested that local authorities make every effort to cooperate with the Federal Agency in having the lights installed. In those instances in which the air safety required the installation by local authorities, when the local authorities did not cooperate in making a proper lighting system available, the Civil Aeronautics Administration, it was felt, would be justified in acquiring such necessary land and insisting that the cost thereof be applied against future allocations for airport development at that particular airport. In other words, the committee suggested to the local authorities, on the question of approach lighting, that you do it, or we will.

There are many airports, such as Chicago Midway, where the approach lighting is a matter of beer-joint signs and other neon lights, such as those running up and down Cicero Avenue, instead of beacons alined in a scientific and uniform pattern. If a pilot has to adjust his landing at every airport to a different style and a different type of approach lighting, we will have many more accidents.

Certainly that was a contributing factor in the accident at New York a few days ago. The inadequacy of approach lighting must have been a contributing factor.

The length of the runway is always an important factor, no matter what the weather. The worse the weather, the greater is the danger factor. The higher the performance of the aircraft, the higher the danger factor.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. MAGNUSON. The able Senator in his speech has constantly referred to the cities making application. I should like to have the RECORD show that the bill also provides that a county or a port authority may make application. In many cases these items for the big airports are handled by them. It is clear in the bill that the application may come from any duly constituted local division of government.

Mr. MONRONEY. The Senator is correct. I should like to point out that that is a very important part of the bill.

Mr. MAGNUSON. A State may also apply. In some places there are State authorities.

Mr. MONRONEY. The Senator is correct.

Mr. MAGNUSON. In some places the counties have control.

Mr. MONRONEY. We also put in the provision regarding interstate compacts. We think the idea of regional airports should be encouraged. On page 27 of the report it is stated:

ENCOURAGING REGIONAL AIRPORTS

The committee has noted with satisfaction various examples of airport development on an intercounty or regional basis whereby one field is used to serve the aviation needs of several communities. As examples of such cooperative planning, Mr. Coffee, of the National Association of County Officials, cited the Mercer County (N.J.) Airport which serves 13 municipalities, and the nearby Allentown-Bethlehem-Easton Airport in Pennsylvania.

It should be more than obvious that regional airport requirements can most often be met more efficiently and economically through 1 large, modern field than by having 3 or 4 or 10 smaller, rundown terminals serving separate municipalities, each with a relatively small tax base upon which to rely. In many instances, this combining of resources has made it possible for small communities to obtain local feeder-transport service where, separately, they would have been completely unable to support a field which would accommodate passenger transport aircraft. We believe that more should be done to encourage such cooperative efforts, and that the Agency should take positive action toward stimulating local officials to adopt this type of forward-looking planning. For example, Agency representatives might be sent to address local civic and business groups on the desirability of regional airport planning and to assist, when appropriate, in the development of such plans.

Mr. MAGNUSON. I should like to ask the Senator one more question. I have been reading, as all Senators have, that the bill presently under consideration is one of the so-called money spending bills. It does cost money to build airports, and in some cases the Federal responsibility is greater than in other cases. I think we have arrived at a fair and equitable solution, or at least an equitable goal for Federal responsibility.

The bill is also going to save us a little money, is it not? Would not the enactment of the bill save us money in case of a national emergency or in case of a need for national defense? The big, modern, efficient airports around the country are an asset. If we did not have them we would have to spend perhaps twice as much as the bill provides simply to take care of the military aircraft, and commercial aircraft on military missions.

Mr. MONRONEY. The Senator is absolutely correct. It would be absolutely impossible to supply our forces overseas unless we had the major airports, both interior and coastal, to serve as jumping-off places.

Mr. MAGNUSON. If the airports are not efficient we will be faced with demands for greater appropriations for the big jets.

Mr. MONRONEY. Many of our airports would not be usable.

Mr. MAGNUSON. And for the B–52's someplace else. There has to be a provision of airports.

Mr. MONRONEY. As a matter of fact, 257 of our principal airports are today used by military aircraft, and these aircraft use them to a substantial degree.

I also point out, in connection with the Federal investment in these facilities, that while all other aircraft pay a landing fee, the Federal Government, unless it is a constant user of the service, enjoys free landing privileges.

During World War II there were even more than 257 civilian airports that were practically completely taken over by the military for training operations. It would be impossible to expect an obsolete airport system to be at all useful with the present type of military aircraft.

Mr. MAGNUSON. Let me make one further observation. The more efficient the airport is in every respect, including landing and unloading—and we hope this bill will provide such facilities—the better it can handle any commodity it is designed to handle.

We hear a great deal about the Post Office deficit. I made a quick calculation. It seems to me that we could save $10 or $15 million a year by making airports efficient to handle 70 percent of our mail, whereas now many of them are anything but efficient because of local restrictions.

I think the Post Office Department might save even more. The day is not far distant when 98 percent of the mail will be transported by truck or air, for good and sufficient reasons. Improvement of existing airports would save the Post Office Department a great deal of money and enable it to handle the mail more efficiently. The terminal facilities at most airports are so inefficient that different buildings must be used, and the mail must be handled three or four times. I believe that improvement of such facilities would save a great deal of money.

Mr. MONRONEY. The Senator is absolutely correct. I am glad he mentioned that point. Terminal facilities at some airports are so inadequate that the mail must be taken to town, a distance of 5 or 10 miles, to the central post office, to be resorted and redispatched and sent back to the airport to be transported by air. The Senator has touched upon a very important point; namely, that of speeding up the mail and saving money. Adequate facilities are not available at most of our airports, because the terminals are so crowded.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. MONRONEY. I am happy to yield to the ranking minority member of the committee, who has been so much interested in aviation, and in drafting a bill to be brought to the floor of the Senate.

Mr. SCHOEPPEL. Coming to the question before the Senate, the request of the distinguished Senator from Oklahoma, he has done a magnificent job. Reserving the right to object—and I shall not object—I should like to make some observations and ask a few questions.

I appreciate what has been said by the Senator from New Hampshire [Mr. CORTON], the ranking minority member of the subcommittee, and what he has brought out with respect to the unfortunate accident at New York.

The Senator has mentioned a television program this morning, wherein a very distinguished—and I am sure sincere—representative of the Pilots' Association made some reference to getting

UNIVERSITY OF NORTH CAROLINA LIBRARIES

in contact with Senators and Representatives on this subject. Unfortunately I did not have the privilege of listening to that program. Another assignment this morning prevented me from doing so.

Let me ask the distinguished Senator if, in that program, it was brought out that, according to the press reports—and I know not whether they are correct or not—one of the survivors made a statement—and I do not know whether that is reported correctly or not; I am assuming it was—in which he pointed out that difficulty was experienced with the altimeter installed in that type of plane.

In that program reference was also made to pilot failures in estimating distances when coming in for a landing over water. I wonder if that was pointed out.

I know that the agency investigating this accident will be efficient and thorough. We ought to have the minutest details, because lives were lost. I rather suspect that when we get the full facts we may find that certain changes will have to be made in this type of aircraft, to enable experienced pilots better to calculate and adjust their positions within a fraction of a minute or a few seconds, to meet an emergency situation.

Mr. MONRONEY. I agree. I refuse to speculate on the cause. When I stood here with the fine support of the distinguished ranking Republican on the committee, to urge the creation of the Federal Aviation Agency, we talked about the subject of money for experimentation to enable us to achieve positive air control for zero-zero landings, which would be almost automatic. However, that is for the future. Today we must make do with what we have in the way of navigational aids. Unfortunately all such aids were not available for the approach landing in the case referred to. The altimeter might have been wrong. But if the lighting system had been in operation the pilot might have gotten in.

Finally, when we sum it all up—the little black box, radar, radio beacons, and so forth—the ultimate object of a pilot is to get the three wheels down on terra firma. Airports must be extended. Everything we are spending is designed to bring the plane into a safe land harbor.

Mr. SCHOEPPEL. Mr. President, will the Senator further yield?

Mr. MONRONEY. I yield.

Mr. SCHOEPPEL. I thoroughly agree with the Senator, but I would not want to leave the RECORD open to the interpretation by millions of people who might have been listening, that the Congress or the Federal Aviation Agency was remiss in fulfilling some responsibility that could have prevented the accident. It has been brought out here that every safeguard has been urged, and every application has been considered from the safety standpoint, all to the end of making travel by air safer, more practical, and more expeditious.

Mr. MONRONEY. I did not have the good fortune to hear the program to which the Senator refers, because as the Senator knows, we were quite busy in the Senate until a late hour last night, and I do not get up very early after a late session of the Senate. Those who saw the program tell me that neither the Congress nor the Federal Agency was blamed, but that it was emphasized that greater safety should be provided in the future by more adequate landing fields and airports than we have today.

Mr. SCHOEPPEL. Mr. President, will the Senator further yield?

Mr. MONRONEY. I yield.

Mr. SCHOEPPEL. I could not agree more thoroughly with the Senator. I would not have interrupted him had I not thought some of these points should be emphasized and kept in proper perspective.

I have no objection to the insertion in the RECORD of the material presented by the Senator from Oklahoma.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

[Excerpt from Rept. No. 1556, 85th Cong., 2d sess.]

UNIFORM APPROACH LIGHT SYSTEM

During the course of the hearings, the attention of the committee was invited to the desirability of achieving a uniform approach light system, comparable to that in operation at the Newark Airport, at all principal airports throughout the country. These lights are located off the ends of runways, and while not directly connected with airport projects covered by the Airport Act, nevertheless constitute an important safety factor which should be adopted in as many locations as feasible. Following the hearings the committee was informally advised that under present circumstances the Civil Aeronautics Administration pays for the full cost of equipment utilized in the approach light system. This Federal agency also pays for necessary construction as well as for site preparation. The only contribution requested of local authorities is either the land or a property interest therein. Because the committee was particularly impressed with testimony as to the essentiality of a uniform pattern of approach lights and their installation at the earliest possible time, it is urgently suggested that local authorities make every effort to cooperate with the Federal agency in having them installed. In instances where air safety requires their installation, but where local authorities do not cooperate in making the land available, the Civil Aeronautics Administration would be justified in acquiring such land and withholding the cost thereof from future allocations for airport development at such airport.

Mr. MONRONEY. The pilots are the ones facing all these problems in the air. Capt. J. D. Smith, of the Airline Pilots Association, who is an expert on aviation safety, appeared before our committee. He had previously testified. In the hearings last year, he called attention to the need for better approach-landing facilities. He said:

No one disputes the fact that our present airports * * * still are incapable of meeting even our present needs efficiently and safely * * *.

Three years ago we gave a paper in Boston which, in effect, said that, operationally speaking, we do not have a good airport in the United States.

In summation, we urge that the modernization of our airports be elevated to its proper position with respect to the total aviation facilities problem. In view of the time required to develop plans and efficiently improve our airports, it is believed that the urgency of this matter cannot be overstated. Consequently, we urge immediate favorable consideration of the legislation proposed.

Captain Smith's statement is found on pages 321 to 325 of the hearings.

Mr. COTTON. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I yield.

Mr. COTTON. I listened to the very able and interesting evidence of Captain Smith. I have been impressed in the past few minutes—as I am always impressed—by the grasp which the able chairman of the subcommittee has of this subject.

None of us wishes to speculate. It has been clearly demonstrated in the past few minutes that the importance of navigational safeguards, including runways and other facilities, cannot be overemphasized. As the Senator from Oklahoma has said, the object is to get the three wheels down on an adequate runway.

Mr. MONRONEY. And be able to walk away from the airplane.

Mr. COTTON. Yes. Captain Smith said that we should use the proposed appropriation for navigational safeguards, runways, and so forth, and that the last use should be for terminals. If we had had a marble palace as a terminal building in New York, it would not have prevented the unfortunate accident which occurred there recently. The Senator has very ably brought out that point. We wish to make sure not only that enough dollars are provided, but that they are directed to the vital program of safety first.

I know the Senator agrees with that.

Mr. MONRONEY. I agree with that. That is why we have $65 million in discretionary funds in the bill for the use of the Federal Aviation Administrator when a project cannot be covered by money specifically allocated to the State. In that case he would have discretionary power to spend the money wherever it was most needed. That is all in the way of advancing a safety program. We do not want to wait for another year to do this. We want to have funds available with which to eliminate deathtraps.

I should like to ask unanimous consent that there may be printed at this point in the RECORD certain excerpts and tables from the report accompanying S. 1. I do this in order to conserve the time of the Senate. I commend the information to the reading of all Senators, because it is very carefully documented with statistical data as to each State.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The Federal Airport Act, which authorizes the obligation of $63 million annually on a matching fund basis expires at the close of the present fiscal year, June 30, 1959.

The purpose of the bill is (1) to extend the act through fiscal year 1964 at an increased level of $100 million annually; (2) to provide a separate, special fund of $65 million for immediate discretionary allocation on a matching fund basis, effective on the

enactment of this bill; (3) to eliminate parking lots, restaurants, bars, cocktail lounges, and other concession areas in terminal buildings from eligibility for Federal matching funds under the provisions of the act; (4) to provide Federal assistance on a matching fund basis to certain small airports for the sealing and filling of joints on runway pavements; (5) to require publication by January 1 each year of the proposed program of airport development for the next fiscal year; (6) to provide for the advance consent of the Congress to compacts between the States for the purpose of developing and operating airport facilities; (7) to provide that Federal funds allocated to a State under the apportionment formula which are unused for 2 fiscal years shall become available for discretionary allocation by the Administrator.

ADMINISTRATIVE JURISDICTION

When the Federal Airport Act was originally enacted and approved in 1946 (Public Law 377, 79th Cong., 60 Stat. 170), its administration was entrusted to the Secretary of Commerce. Its stated purpose was "to bring about, in conformity with the national airport plan prepared and from time to time revised as provided in this act, the establishment of a nation-wide system of public airports adequate to meet the present and future needs of civil aeronautics."

In 1958, under the provisions of the Federal Aviation Act of 1958, the Congress transferred the duties and functions of the Secretary of Commerce as to the administration of the Federal Airport Act to the Administrator of the newly created Federal Aviation Agency which came into being on January 1, 1959. Accordingly, Federal responsibility for airport development will be discharged by the Administrator of the Federal Aviation Agency.

COMMITTEE ACTION

The Aviation Subcommittee conducted hearings on the bill together with the administration's bill (S. 674) on January 22, 23, and 26. The committee received testimony from—

Senator JOHN SPARKMAN, of Alabama.

Senator RALPH YARBOROUGH, of Texas.

Senator JENNINGS RANDOLPH, of West Virginia.

Senator E. L. BARTLETT, of Alaska.

Senator ROBERT C. BYRD of West Virginia.

Senator ERNEST GRUENING, of Alaska.

Congressman KEN HECHLER, of West Virginia.

Hon. Elwood R. Quesada, Administrator, Federal Aviation Agency.

Hon. James T. Pyle, Deputy Administrator, Federal Aviation Agency.

Mayor Joseph E. Dillon of St. Paul, Minn., chairman of the Airport Legislative Committee of the U.S. Conference of Mayors.

Mayor William B. Hartsfield of Atlanta, Ga., member of the executive committee of the U.S. Conference of Mayors, and chairman of the airport committee of the American Municipal Association, representing both organizations.

Mayor James L. Maxwell of Tulsa, Okla.

Mayor Norris Poulson, of Los Angeles, Calif., president of the U.S. Conference of Mayors.

Mr. Joseph P. Adams, executive director and general counsel, Association of Local and Territorial Airlines.

Mr. Lester C. Andrews, assistant director, Michigan Department of Aeronautics.

Mr. Don Belding, president, Board of Airport Commissioners of Los Angeles.

Mr. Thomas E. Burnard, executive vice president, Airport Operators Council.

Mr. George A. Carter, president, Airport Division, American Roadbuilders Association.

Mr. Richard J. Coffee, representing the National Association of County Officials.

Mr. George DeMent, vice president of the Airport Operators Council and director of public works, city of Chicago.

Mr. Charles W. Duke, director, aviation board, city of New Orleans.

Mr. J. Donald Durand, assistant general counsel, Airport Transport Association.

Mr. Thomas K. Jordan, vice president, Airport Division, American Roadbuilders Association, and director, Wisconsin State Aeronautics Commission.

Mr. Henry P. Julliard, deputy director of airports, Louisville, Ky.

Mr. William K. Lawton, executive director, National Business Aircraft Association.

Mr. A. B. McMullen, executive director, National Association of State Aviation Officials.

Mr. Charles A. Parker, executive director, National Aviation Trades Association.

Mr. Remington Rogers, general counsel, Airport Authority, Tulsa, Okla.

Capt. J. D. Smith, representing the Airline Pilots Association.

Mr. Morey L. Sear, special counsel, aviation board, city of New Orleans.

Mr. Cyril C. Thompson, representing the Aircraft Owners & Pilots Association.

All of these witnesses, except E. R. Quesada, Administrator of the Federal Aviation Agency, endorsed the bill and urged its enactment.

Additional statements and communications in support of the bill were filed by—

Senator WILLIAM LANGER, of North Dakota.

Senator HUBERT H. HUMPHREY, of Minnesota.

Senator RICHARD L. NEUBERGER, of Oregon.

Senator J. W. FULBRIGHT, of Arkansas.

Senator MIKE MANSFIELD, of Montana.

Congressman CLEVELAND M. BAILEY, of West Virginia.

Congressman JOHN M. SLACK, Jr., of West Virginia.

Mr. George D. Riley, representing the American Federation of Labor and Congress of Industrial Organizations.

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill extends the authority to obligate Federal funds for airport projects in the continental United States for 5 additional years (fiscal years 1960 through 1964), in the amount of $95 million annually.

Section 2 of the bill extends the authority to obligate Federal funds for airport projects in the State of Alaska, and in Hawaii, Puerto Rico, and the Virgin Islands for 5 additional years (fiscal years 1960 through 1964), in the amount of $5 million annually.

Section 3 of the bill authorizes discretionary obligation of an additional $65 million, with the authority effective upon enactment of the bill and continuing until this amount is obligated. These discretionary funds are not required to be apportioned among the States in any specific ratio.

Section 4 of the bill makes a technical amendment to the act to authorize appropriations for the obligation authority granted in section 3.

Section 5 of the bill prohibits grant of Federal funds for acquisition or construction of any part of an airport project intended for use as a parking lot, bar, hotel, or similar concession. It also permits the Administrator, in his discretion, to refuse Federal funds for any item which is not essential to the welfare and safety of the traveling public.

Section 6 of the bill permits grants of Federal funds, on a matching basis, for the periodic seal-coating or filling of joints in airport pavements at small airports which do not generate sufficient traffic to warrant installation of a traffic control tower.

Section 7 of the bill requires that the Administrator publish by January 1 the proposed airport program for the forthcoming fiscal year.

Section 8 of the bill provides that funds allocated to a State which are not used within 2 fiscal years shall be added to the Administrator's discretionary funds.

Section 9 of the bill gives the advance consent of Congress to agreements between States for the development and operation of airport facilities.

Sections 10 and 11 of the bill make certain technical amendments in the act to permit the State of Alaska to participate in the airport program on the same basis as it did prior to statehood, thus permitting a Federal contribution of up to 75 percent of the cost of a project.

ACTION IN THE 85TH CONGRESS

During the 2d session of the 85th Congress in May 1958, this committee recommended the enactment of a similar bill, S. 3502, which proposed to continue the Federal Airport Act at an increased level of $100 million through fiscal year 1963 (S. Rept. 1556, 85th Cong., 2d sess.). That bill also provided for a special fund of $75 million for discretionary allocation in fiscal year 1959. The only opposition to it was expressed by the Under Secretary of Commerce for Transportation. On May 14, 1958, the Senate approved the bill, S. 3502, without a dissenting vote. After further hearings were conducted by the House Committee on Interstate and Foreign Commerce, some changes were made in the bill by the House in which the Senate concurred and it was forwarded to the President for approval in the closing days of the 85th Congress.

The President withheld approval of S. 3502 and on September 2, 1958, issued a memorandum of disapproval in which he stated in pertinent part:

"Now, however, I am convinced that the time has come for the Federal Government to begin an orderly withdrawal from the airport grant program * * * I recognize that there will doubtless be a transitional period during which the Federal Government will be required to provide aid to urgent airport projects which are essential to an adequate national aviation facilities system and which cannot be completed in any other way. * * * At the next session of the Congress the administration will recommend a transitional program to provide aid for the construction of urgent airport projects that are essential to an adequate national aviation facilities system."

In his budget message for 1960, delivered to the Congress on January 19, 1959, the President disclosed the broad outline of the proposed program for orderly withdrawal as one which would provide $65 million of new obligation authority in fiscal year 1960 with declining amounts of $55 million, $45 million, and $35 million in each of the following 3 fiscal years.

On January 21, 1959, a draft bill to accomplish the administration's proposal was forwarded to the committee and was made part of the record of the hearings. It was introduced by request on January 23 as S. 674.

Except for Mr. E. R. Quesada, Administrator of the Federal Aviation Agency, no witness appeared before the committee in support of S. 674. Two communications endorsing it in general terms were received by the committee following the close of the hearings from the Association of American Railroads and the American Farm Bureau and appear in the record of the hearings.

BACKGROUND OF THE FEDERAL AIRPORT ACT

As noted, the Federal Airport Act was first enacted in 1946 for the purpose of assisting in the development and establishment of a nationwide system of airports adequate to meet the present and future needs of civil aeronautics. A national plan for the development of public airports in the United States, its Territories and possessions, was directed to be prepared annually.

Federal funds in a total amount of $520 million were authorized to be granted to

UNIVERSITY OF MICHIGAN LIBRARIES

State and local authorities for the development of public airports over a period of 7 fiscal years beginning with the fiscal year ending June 30, 1947. The apportionment formula, based on population and area, which had been used in the administration of the Federal highway program was adapted to the airport program. Seventy-five percent of the Federal funds appropriated under the provisions of the Federal Airport Act was allocated to the States by this formula. The remaining 25 percent was authorized to be allocated on a discretionary basis without regard to State boundaries. The original act provided that the amount to be authorized, or appropriated, in any single fiscal year could not exceed the sum of $100 million.

The authorization under the original act expired June 30, 1953. Because of the time required for the development of sound airport projects by State and local authorities, the act was amended in 1950 so as to extend the period of availability of authorized funds to June 30, 1958 (64 Stat. 1071).

While the program was initiated for the first full fiscal year of 1947 with an appropriation of $45 million, annual appropriations thereafter declined until fiscal year 1954 when no funds whatever were appropriated. It appears that early in 1953 the Secretary of Commerce decided that no further funds should be requested for the program until a complete study had been concluded in order to determine whether there was a definite need for continuing Federal assistance in the development of a nationwide system of public airports. The Secretary appointed a study group which late in 1953 recommended that the Federal Government should continue its participation in the development of public airports to serve civil aviation (S. Doc. No. 95, 83d Cong., 2d sess.). As a result, the airport program was renewed by an appropriation of $22 million in the Supplemental Appropriations Act of 1955 (Public Law 63, 83d Cong.).

This completely unsatisfactory record of annual appropriations, which kept local authorities in a state of uncertainty from one year to another as to the intention of the Federal Government, led the Congress to amend the basic act in 1955 so as to authorize a definite amount of $63 million for obligation in each of the fiscal years 1956, 1957, 1958, and 1959 and to remain available until expended (Public Law 211, 84th Cong.).

It is important to observe that appropriations to date have not equaled the $520 million goal established by the original act in 1946. In fact, if the program were to terminate at the close of fiscal year 1959, the total amount obligated, or remaining to be obligated, would fall short of the 1946 goal by some $54 million. The funds made available for obligation and actually obligated from fiscal year 1947 through 1959, inclusive, under existing law, are set forth in the following chart:

Net project funds available for obligation, grant agreements, and cash expenditures, by fiscal years, 1947–59

	Public Law 79-377 (1946)		Public Law 84-211 (1955)		Total net project funds available	Total grant agreements	Total cash expenditures
	Net project funds available	Grant agreements	Net project funds available	Grant agreements			
1947	$42,750,000	$3,041,906			$42,750,000	$3,041,906	
1948	30,662,500	25,490,758			30,662,500	25,490,758	$5,148,889
1949	36,817,172	49,908,900			36,817,172	49,908,900	30,390,990
1950	36,500,000	44,049,461			36,500,000	44,049,461	33,182,519
1951	21,200,000	39,703,042			21,200,000	39,703,042	30,388,415
1952	15,850,000	19,538,231			15,850,000	19,538,231	32,808,068
1953	9,710,029	11,007,077			9,710,029	11,007,077	26,990,836
1954		−855,556				−855,556	17,481,945
1955	20,750,000	19,698,475			20,750,000	19,698,475	8,353,021
1956	20,571,525	8,588,383	$42,500,000	$9,205,897	63,071,525	17,794,280	16,515,871
1957		7,649,910	63,000,000	37,120,915	63,000,000	45,159,365	20,838,342
1958	[1] −587,387	6,403,252	63,000,000	63,904,343	62,412,613	70,307,595	42,870,387
1959			63,000,000	[2]63,000,000	63,000,000	[2]63,000,000	[2]49,877,000
Total	234,223,839	234,223,839	231,500,000	173,619,695	465,723,839	407,843,534	314,846,283
Total grant agreements					407,843,534		
Available for obligation July 1, 1960					57,880,305		

[1] Unused appropriation which reverted to Treasury.
[2] Estimated.

Source: Federal Aviation Agency.

It will also be seen from the foregoing table that the total of grant agreements under the program is more than the actual expenditures of the Federal Government to date, which total only $314.8 million from the beginning of the program through fiscal year 1959.

NEED FOR EXTENSION OF THE ACT

The need and desirability of continuing a program of Federal assistance to State and local authorities, on a matching fund basis, for the development of an adequate system of public airports is almost self-evident. Air transportation has become a principal means of interstate commerce for persons, freight, and mail, carrying more passengers than railroads and transatlantic steamships. Since the enactment of the Federal Airport Act in 1946 there has been an explosive growth of air commerce of all kinds which already overtaxes airport facilities, not only because of increased numbers of active aircraft but also because of their speed, weight, design, and capacity.

Since 1946 the total number of civil aircraft has increased from 10,000 to 67,153. Since 1946 the number of airborne passengers has quadrupled from 12 million to approximately 50 million.

Significantly, the greatest growth in civil aviation has been in general aviation, which excludes commercial air carriers. Thousands of business organizations and individuals have come to depend on air travel. Today business enterprises own and operate more than 26,000 aircraft, which now range from single-engine aircraft to DC-3's, turbo-prop Viscounts and F-27's, and which will soon be supplemented by jet aircraft. The National Business Aircraft Association, representing the business aircraft fleet, emphasized that "the business community of the United States is directly affected by the existence of a sound airport development and modernization program" and unhesitatingly stated to this committee that "we urge that Senate bill 1 be given favorable consideration • • • within the earliest possible time."

Today the general aviation fleet—including these business aircraft—exceeds 65,000 aircraft and, according to a forecast made by the Civil Aeronautics Administration, will grow to 89,000 by 1965, and to 107,000 by 1970.

The same forecast indicates that airborne passengers carried by our commercial air fleets will increase to 66 million by 1960, 93 million by 1965, and 118 million by 1970.

Airfreight quadrupled in volume during the period from 1946 to 1957. The CAA predicted that aircargo traffic will increase to 600 million ton-miles by 1960, and to 1.6 billion tor-miles by 1970. It is quite obvious from this forecast that airfreight is still in its infancy.

Such an increased volume of airline and general aviation traffic necessarily results in a tremendous increase of arrivals and departures at airports through which will flow more and more of this Nation's interstate travel and commerce. Obviously, therefore, airport capacity must be kept in balance with the phenomenal growth in the use of our Federal airways.

The importance and essentiality of adequate airport facilities has been emphasized, in the past, by several special Presidential study groups. For example, in June 1955 the President's Commission on Intergovernmental Relations made a monumental report, one section of which dealt exclusively with airports. This Commission recommended that the Federal-aid airport program be continued because of considerations of both interstate commerce and national defense, which require the active and continuing participation of the National Government in airport development. That Commission stated in pertinent part:

"Termination of the Federal-aid program in favor of a system relying entirely upon State and local financing would not be in the national interest or in the interest of most State and local governments. A collection of individual State programs would not guarantee the maintenance of a national system of adequate public airports dovetailed to the needs of interstate commerce and national defense. Furthermore, the device of Federal grants-in-aid facilitates central control of airport design, thus contributing to the safety of civil aviation. In addition, the National Government enjoys free landing rights for military aircraft on airports federally assisted. Occasionally this arrangement makes it unnecessary to build additional military airfields."

Again, in 1957, in a special report to the President on aviation facilities planning, Mr. Edward P. Curtis stated:

"Airports are an integral part of the system of aviation facilities. However, unlike other elements of the system, airports are designed, built, financed, and operated by local authorities. The increase in overall traffic will require a modernization of airports and an increase in their numbers. This imposes the necessity for coordinated national and local effort to insure that airports do not become a neglected element of the system, and thus be a future bottleneck."

As was stated last year, the committee is convinced that the capital investment required to bring airport facilities up to the present and future air transportation needs of this Nation is far beyond the financial capacity and capabilities of local communities without continued effective assistance and encouragement from the Federal Government.

The principal source of funds for airport construction by State and local authorities is from bond issues, which in turn depend upon the taxing authority of the local governments. Many of these governments are extended to the limit of their resources. In most instances, these issues are general obligation bonds and the revenues derived from the airport are sufficient only to pay

operating costs and debt service. In some situations, such as that of the city of Tulsa, bond issues have been authorized by the local voters in reliance upon continuing support and assistance from the Federal Government under the provisions of the Federal Airport Act.

Airports are not wholly local assets but are also national assets, serving as vital and necessary links in the interstate flow of goods and passengers, in our foreign trade, in the discharge of the Federal responsibility for the carriage of mail, and as active or standby facilities for military use. As stated to the committee by the Honorable Joseph E. Dillon, mayor of St. Paul, speaking on behalf of the U.S. Conference of Mayors:

"As mayors, we in the conference are well aware that the problem of airports is a national problem. I do not say this to shirk local responsibility. On the contrary, we accept the local responsibility and are here today to urge the Congress to accept the national responsibility. We support the continuing of the Federal-aid airport program on a 50–50 matching basis."

The necessity of an integrated system of adequate public airports for Federal purposes was succinctly stated as long ago as 1952 by General Doolittle in a special report to the President:

"No airport exists by itself, and the usefulness of each depends upon the quality of its neighbor. Fundamental to U.S. air transportation is a well-integrated system of airports which provide adequate facilities both at origination and destination points."

Use of airports by all types of traffic

The committee notes that there is an opinion expressed in some quarters that civil airports are maintained solely for the benefit of our commercial aviation fleet.

A recent official publication of the Civil Aeronautics Administration completely discredits such an erroneous notion. This report indicates that at the 196 civil airports in the United States at which CAA traffic control towers are located, the following record of aircraft operations (or airport use) is found:

	Number of operations	Percent of total operations
Commercial airlines	6,902,160	27.7
General aviation	12,748,541	51.2
Military	5,235,338	21.1
Total	24,886,039	100.0

Source: CAA publication Federal Airway Air Traffic Activity, Fiscal Year 1958.

While it is reasonable to assume that commercial aviation generates most of the passenger arrivals and departures at many airports, such is not necessarily true in every case.

Speaking for an organization representing approximately 75,000 private pilots, Mr. Cyril C. Thompson of the Aircraft Owners and Pilots Association submitted the following impressive testimony to the committee:

"The Government does not know today whether the general aviation aircraft fleet (private, business, and air taxi) exceeded the scheduled airline fleet in the number of people transported in the United States during the past year. The Department of Commerce did not undertake the gathering of statistics on this important subject when CAA was in that Department. The tabulation below is an estimate comparing airline and general aviation activity at six cities in the 100,000–200,000 population class. The estimate is based on a few sampling surveys. The figures tend to indicate that general aviation's traffic volume today may be the highest of any element in the Nation's air transportation picture."

Comparison of airline and general aviation activity at 6 cities in 100,000 to 200,000 population class

City or community	Population	Air carrier		General aviation	
		Aircraft operations	Passengers in and out	Aircraft operations	People in and out (estimate)
El Paso, Tex	130,485	26,882	374,176	135,279	310,723
Grand Rapids, Mich	176,515	20,269	187,198	46,675	121,333
Sacramento, Calif	137,572	21,810	256,808	90,113	227,045
Mobile, Ala	129,009	27,020	170,894	59,886	128,164
South Bend, Ind	115,911	24,236	124,472	64,830	175,297
Chattanooga, Tenn	131,041	36,849	174,256	70,985	161,747
Peoria, Ill	111,856	15,681	91,710	38,743	101,154

(These figures show that general aviation aircraft operations far outnumber airline operations at each airport and that total people carried is substantial, sometimes exceeding the number of passengers carried in and out by the scheduled air carriers. The general aviation passenger figures are estimates based on sampling surveys. The Federal Government has never provided data from all airports covering an actual count of general aviation operations or people carried in and out. There is urgent need for official statistics.)

DEFENSE AND POSTAL CONSIDERATIONS

Airports cannot be considered solely as vital links in our commercial transportation system.

Airports occupy an important and intimate relationship to the exclusive Federal responsibility for the defense of the United States and the conduct and maintenance of our national postal system.

During World War II, 429 civil airports had been turned over to the Army and Navy by the end of the first quarter of 1945. According to testimony given the committee, a survey made as of June 30, 1957, indicated there were 237 civil airports that were being used jointly by civil and military aircraft. Thus, in addition to the emergency value of civil airports there is day-to-day utilization of them by components of our Military Establishment. In this regard, the committee was impressed by the fact that the Air Force Association during its 12th annual national convention, in September 1958 adopted the following resolution:

"FEDERAL AID TO AIRPORTS

"Whereas the Federal aid airport program expires June 30, 1959; and

"Whereas a continued program for the modernization and expansion of the civil airport system of this country is essential to keep pace with developments in the design and operation of aircraft, the increased volume of air traffic, and planned improvements in air navigation facilities and airways traffic control; and

"Whereas a long-range, well-planned airport development program, like the highway program, contributes both directly and indirectly to the communication and transportation facilities of the Nation, the economic and cultural welfare, and the national defense; and

"Whereas the Federal aid airport program as authorized by Congress benefits the Nation as a whole and is not limited to any particular community or State, or to any type or class of public airport, thereby benefiting all types of aircraft operators or users, and all citizens of the United States; and

"Whereas the optimum utility of all aircraft and the benefits all citizens of the United States derive from air transportation are directly dependent on the number of communities having adequate airport facilities: Therefore

"*Resolved*, That this association respectfully requests and urges the President and the Congress of the United States: (1) To enact legislation extending the Federal aid airport program to at least June 30, 1963, and (2) to authorize the expenditure of at least $100 million during each year of the program to efficiently and effectively carry forward this important development."

Moreover, it is important to observe that section 11(4) of the Federal Airport Act requires as a condition precedent that local sponsors guarantee in writing that "all the facilities of the airport developed with Federal aid and all those usable for the landing and takeoff of aircraft will be available to the United States for use by military and naval aircraft in common with other aircraft at all times without charge, except, if the use by military and naval aircraft shall be substantial, a reasonable share proportional to such use, of the cost of operating and maintaining the facilities so used (49 U.S.C. 1110(4))."

Our system of Federal airways has been called "postroads of the sky." Airways may be established only by the Federal Government. Complete authority and jurisdiction over them has been given to the Administrator of the Federal Aviation Agency, in whom is reposed plenary authority for the allocation of and use of our airspace. But these "postroads of the sky" must begin and end at an airport—an airport through which is being channeled a tremendously increasing volume of our mail.

The most outstanding example of the essentiality of airports to our postal service is found in the case of Alaska where almost all mail of every kind is transported by air. Moreover, the committee would call attention to the fact that the Postmaster General in a speech delivered to the United States Chamber of Commerce in Washington, D.C., on April 29, 1957, stated:

Basically, the Post Office can no longer rely, to the extent that it once could, on the railroads of the country for carrying the mails between post offices. Today there are only 2,600 mail carrying trains in contrast to more than 10,000 a quarter of a century ago. Today 70 percent of our post offices cannot be reached directly by train connections.

Consequently, the Post Office is increasingly depending upon airlines and trucks to speed the delivery of the mails.

Pertinent to both the Federal responsibility for our national defense and our postal system, is the fact that the civil agencies of the Federal Government which perform the function of air traffic control, weather reporting and air navigation assistance occupy quarters at local airports on a rent-free basis. These agencies are performing functions which are directly related not only to air commerce but also to our defense and postal needs. Again, section 11(5) of the Federal Airport Act specifically provides, as a condition precedent to the investment of even a dollar of Federal funds, that "the airport operator or owner will furnish to any civil agency of the Government without charge (except for light, heat, janitor service, and similar facilities and services at the reasonable cost thereof), such space in airport buildings as may be reasonably adequate for use in connection with any air traffic control activities, or weather-reporting activities and communications activities related to air traffic control, which such agency may deem it necessary to establish and maintain at the airport (49 U.S.C. 1110(5))."

UNIVERSITY OF ALABAMA LIBRARIES

In connection with this latter provision, the committee received information from the Federal Aviation Agency that at the present time the Federal Government is occupying rent free approximately 800,000 square feet of space in airport buildings at various public airports throughout the country.

Thus it is perfectly clear that the Federal matching dollar is neither wasted nor gratuitiously bestowed upon local airport operators, but rather represents part of a wise and needed Federal investment in assets which are of inestimable value to our Federal Government.

NEED FOR AN INCREASED LEVEL OF FEDERAL AID

Not only was the need for a continuation of Federal aid for airport development fully documented by the testimony in the hearings, but it is apparent that Federal aid must be provided at an increased level of funds.

During the course of the hearings, E. R. Quesada, Administrator of the Federal Aviation Agency, advised the committee that the FAA has just completed a comprehensive survey of the airport development required during the 4 calendar years beginning with the year 1959, in connection with its annual revision of the national airport plan. At the request of the committee a summary of this study was provided by the Agency in advance of publication of the revised national airport plan in order that it might be available during consideration of the pending bill relating to Federal aid to airports.

This represents the first such study by the Agency's airport experts to be available to the Congress. It shows an estimated cost of airport development required in this period of $1,290,458,000. The complete survey starts in the committee hearings at page 196. A summary of this survey showing the total amounts required, by States and by type of work, follows:

Summary of required airport development, total calendar years 1959–62

[In thousands]

State	Air commerce airports								General aviation airports					Grand total air commerce and general aviation airports
	Site preparation	Land	Buildings	Control towers	Airport lighting	Paving	Miscellaneous	Total	Land	Building area development	Control towers	Landing area development	Total	
Alabama	$2,714	$3,016	$2,455	0	$375	$8,161	$848	$17,569	$360	$717	0	$3,417	$4,494	$22,063
Arizona	1,213	2,464	5,687	$350	403	4,633	2,465	17,215	692	760	0	3,687	5,139	22,354
Arkansas	109	361	135	50	101	1,024	127	1,907	708	294	0	2,606	3,608	5,515
California	22,835	31,789	65,396	2,325	1,975	27,955	6,722	158,997	23,162	4,723	$600	13,512	41,997	200,994
Colorado	11,365	95	1,875	200	743	9,972	1,932	26,182	1,016	283	0	2,827	4,126	30,308
Connecticut	1,066	675	1,820	100	323	2,210	534	6,728	730	900	0	3,270	4,900	11,628
Delaware	250	420	40	0	150	1,226	75	2,161	40	62	0	730	832	2,993
District of Columbia	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	547	3,543	2,900	175	570	6,978	827	15,540	616	61	0	1,506	2,183	17,723
Georgia	2,810	4,431	6,250	0	622	4,915	797	19,825	430	405	0	1,921	2,756	22,581
Idaho	97	438	545	100	424	2,935	327	4,866	91	318	0	679	1,088	5,954
Illinois	4,200	6,049	33,230	300	844	24,155	9,091	77,779	10,767	442	0	3,827	15,036	92,815
Indiana	375	550	560	0	99	1,847	325	3,756	1,992	205	0	4,398	6,595	10,351
Iowa	381	151	276	100	99	3,626	222	4,855	724	330	0	3,399	4,453	9,308
Kansas	374	159	170	0	303	6,187	86	7,279	630	320	0	4,366	5,316	12,595
Kentucky	3,992	930	1,853	0	774	9,226	882	17,657	1,554	148	0	4,426	6,128	23,785
Louisiana	3,809	2,761	610	0	234	11,570	1,475	20,459	935	1,185	0	12,550	14,670	35,129
Maine	1,521	390	1,440	0	272	3,249	587	7,459	325	145	0	1,888	2,358	9,817
Maryland	2,833	2,495	8,430	0	498	7,842	308	22,406	1,137	629	0	5,064	6,830	29,236
Massachusetts	9,701	4,080	3,935	100	1,342	5,386	7,622	32,166	1,230	1,950	0	7,140	10,320	42,486
Michigan	4,055	4,290	6,570	100	772	6,452	610	22,849	606	163	0	2,521	3,290	26,139
Minnesota	1,160	433	2,855	300	696	11,770	1,250	18,464	1,476	218	200	2,931	4,825	23,289
Mississippi	2,699	78	1,140	100	305	8,079	1,044	13,445	890	1,960	30	3,083	5,963	19,408
Missouri	2,269	2,049	5,000	400	409	8,732	827	19,686	1,551	430	0	4,163	6,144	25,830
Montana	381	124	745	180	439	5,804	699	8,372	142	168	0	1,206	1,516	9,888
Nebraska	810	1,682	3,186	60	332	7,957	292	13,719	681	65	0	1,294	2,040	15,759
Nevada	470	475	2,435	0	110	1,830	655	5,975	10	30	0	150	190	6,165
New Hampshire	884	102	725	0	145	1,130	98	3,084	333	176	0	1,448	1,957	5,041
New Jersey	9,678	1,213	925	0	2,391	4,155	3,159	21,521	1,627	953	0	2,451	5,031	26,552
New Mexico	572	534	2,010	142	414	7,848	516	12,036	190	245	0	1,841	2,276	14,312
New York	20,680	2,321	10,685	100	10,223	27,363	18,780	90,152	1,905	747	0	9,722	12,374	102,526
North Carolina	1,822	1,915	645	0	317	4,120	500	9,319	945	590	0	2,185	3,720	13,039
North Dakota	270	221	602	0	61	2,091	135	3,380	284	154	0	1,648	2,086	5,466
Ohio	2,921	4,714	2,244	0	1,100	13,212	2,778	26,969	3,353	426	0	4,737	8,516	35,485
Oklahoma	470	4,093	2,230	0	191	9,245	541	16,680	1,382	795	0	3,077	5,254	21,934
Oregon	1,472	688	635	0	842	4,071	827	8,535	285	146	0	693	1,124	9,659
Pennsylvania	22,292	3,630	17,207	250	2,050	17,152	3,570	66,151	4,799	650	0	9,164	14,613	80,764
Rhode Island	960	1,090	290	250	125	788	325	3,828	30	125	0	505	660	4,488
South Carolina	1,720	740	1,610	0	80	1,990	215	6,355	514	420	0	1,855	2,789	9,144
South Dakota	368	198	600	0	276	4,092	182	5,716	262	40	0	917	1,219	6,935
Tennessee	250	565	5,810	0	365	4,855	815	12,660	850	455	0	5,145	6,450	19,110
Texas	5,764	6,226	3,920	300	497	12,388	1,280	30,375	2,887	862	70	8,369	12,188	42,563
Utah	220	125	4,040	0	209	2,230	124	6,978	74	113	0	861	1,048	8,026
Vermont	725	101	200	0	79	1,150	28	2,283	22	359	0	1,605	2,386	4,669
Virginia	970	287	500	0	355	2,325	230	4,667	1,495	1,455	0	8,569	11,519	16,186
Washington	2,045	1,429	4,092	200	342	5,149	2,467	15,724	732	100	50	1,489	2,371	18,095
West Virginia	2,508	500	435	0	263	3,193	12	6,911	645	465	0	2,840	3,950	10,861
Wisconsin	1,045	695	5,310	100	430	7,870	1,180	16,630	3,271	904	0	2,327	6,502	23,132
Wyoming	504	169	390	0	387	2,429	126	3,996	60	50	0	1,338	1,448	5,444
U.S. total	160,176	104,794	224,643	6,282	34,356	332,588	78,427	941,266	78,840	27,141	950	169,347	276,278	1,217,544
Alaska	19,749	369	1,090	0	1,599	12,273	768	35,848	4	60	0	1,263	1,327	37,175
Hawaii	3,608	561	6,292	0	1,197	6,081	1,220	18,959	233	179	0	550	962	19,921
Puerto Rico	750	210	3,740	0	78	4,202	260	9,240	8	0	75	790	873	10,113
Virgin Islands	4,000	100	300	0	30	960	315	5,705	0	0	0	0	0	5,705
Territories total	28,107	1,240	11,422	0	2,904	23,516	2,563	69,752	245	239	75	2,603	3,162	72,914
Grand total	188,283	106,034	236,065	6,282	37,260	356,104	80,990	1,011,018	79,085	27,380	1,025	171,950	279,440	1,290,458

Cost of major items of airport development (calendar years 1959–62)

[In thousands]

Calendar year	Air commerce airports								General aviation airports					Grand total, air commerce and general aviation airports
	Site preparation	Land	Buildings	Control towers	Lighting	Paving	Miscellaneous	Total	Land	Building area development	Control towers	Landing area development	Total	
1959	$38,449	$36,771	$70,900	$2,617	$5,447	$74,706	$29,447	$258,337	$31,704	$2,010	$220	$28,346	$62,280	$320,617
1960	80,832	37,693	51,386	1,305	9,360	115,124	23,345	319,045	24,641	6,674	400	64,822	96,537	415,582
1961	46,022	15,713	56,268	1,200	14,528	90,040	11,926	235,697	7,229	8,507	30	48,969	64,735	300,432
1962	22,980	15,857	57,511	1,160	7,925	76,234	16,272	197,939	15,511	10,189	375	29,813	55,888	253,827
Total	188,283	106,034	236,065	6,282	37,260	356,104	80,990	1,011,018	79,085	27,380	1,025	171,950	279,440	1,290,458
Percentages	18.6	10.5	23.4	0.6	3.7	35.2	8.0	100.0	28.3	9.8	0.4	61.5	100.0	
Grand total percentages								78.3					21.7	100.0

Number of airports	
Air commerce airports:	
Turbojet	94
Other	836
Heliports [1]	106
Total	1,036
General aviation airports:	
Airports	2,190
Seaplane facilities	32
Total	2,222
Grand total	3,258

[1] Cost not included in tabulation.

Source: 1959 Revision of National Airport Plan, Jan. 26, 1959.

It should be noted that the total estimate of needs by the Federal Aviation Agency is in substantial conformity with a recent national airport survey conducted by the National Association of State and County Officials, the Airport Operators Council, and the American Association of Airport Executives. This survey discloses the following important information.

During the 4 fiscal years, July 1, 1958, to June 30, 1962, airport development projects are planned at 1,138 locations in the 49 States and the Territories and possessions at a total estimated cost of approximately $1,066 million. The survey discloses that funds available and anticipated from local and State sources will amount to approximately $589,666,000, leaving some $477 million in additional funds needed. According to officials who conducted the survey these figures are conservative because out of the 2,874 airports questioned, only 1,255, or 43 percent, responded. This survey is shown in the following table.

Last year the committee requested and received from the Civil Aeronautics Administration of the Department of Commerce certain statistical information on local sponsors' requests for Federal matching funds for fiscal year 1959 and the disposition of such requests by the Agency. Since the act was not extended last year no requests for fiscal year 1960 have been received by the Agency, and the information on the requests for

National airport survey, 4-year period (July 1, 1958, to June 30, 1962) jointly conducted by National Association of State Aviation Officials, Airport Operators Council, American Association of Airport Executives

	Publicly owned airports	Airports reporting projects planned	Cost of projects planned	Funds available and anticipated from local and State sources	Additional funds needed
States:					
Alabama	45	16	$16,260,000	$8,130,000	$8,130,000
Arizona	34	11	11,087,825	6,469,705	4,618,120
Arkansas	36	10	1,688,016	1,055,000	633,016
California	234	43	128,596,386	101,903,433	26,692,953
Colorado	56	18	24,175,010	11,525,522	12,649,488
Connecticut	8	9	11,861,000	6,658,760	5,202,240
Delaware	3	0			
Florida	100	12	11,800,000	9,386,500	2,413,500
Georgia	63	13	21,576,814	11,291,754	10,285,060
Idaho	98	19	3,133,260	516,540	2,616,720
Illinois	50	87	82,225,000	61,229,500	20,995,500
Indiana	37	39	14,367,050	7,765,450	6,601,600
Iowa	61	49	8,254,072	4,594,151	3,659,921
Kansas	110	8	326,290	148,815	177,475
Kentucky	23	37	19,882,500	9,982,250	9,900,250
Louisiana	42	11	16,442,413	12,171,040	4,271,373
Maine	28	14	3,585,500	1,764,128	1,821,372
Maryland	12	5	13,598,500	1,674,250	11,924,250
Massachusetts	23	38	26,884,500	5,691,000	21,113,500
Michigan	128	125	64,182,735	34,721,385	29,461,350
Minnesota	97	19	29,502,600	16,937,950	12,564,650
Mississippi	35	19	4,575,500	3,894,500	681,000
Missouri	49	19	13,334,925	5,562,850	7,772,075
Montana	103	24	5,022,008	2,011,429	3,010,579
Nebraska	79	13	6,082,875	2,656,243	3,426,632
Nevada	51	8	5,767,000	3,160,666	2,606,934
New Hampshire	13	9	1,890,670	945,335	945,335
New Jersey	13	4	28,725,000	13,697,500	15,027,500
New Mexico	47	17	16,506,160	7,830,230	8,675,930
New York	49	26	135,378,888	67,267,800	68,111,088
States—Continued					
North Carolina	36	8	$12,033,000	$4,825,000	$7,208,000
North Dakota	68	12	1,722,000	885,400	836,600
Ohio	47	20	40,769,710	13,550,240	27,219,470
Oklahoma	75	17	25,183,805	14,561,567	10,622,288
Oregon	54	15	7,552,694	4,844,180	2,708,514
Pennsylvania	49	29	91,284,399	45,632,826	45,651,573
Rhode Island	4	4	3,028,250	1,514,125	1,514,125
South Carolina	34	20	5,166,000	2,770,000	2,396,000
South Dakota	55	28	1,649,400	775,218	874,182
Tennessee	43	41	28,102,400	19,035,550	9,066,850
Texas	181	35	28,342,474	15,496,329	12,846,145
Utah	47	17	8,750,657	4,540,135	4,210,522
Vermont	11	11	2,274,750	1,137,375	1,137,375
Virginia	31	22	8,753,592	3,719,450	5,034,142
Washington	89	17	8,101,965	4,604,880	3,497,085
West Virginia	27	9	8,028,000	4,064,300	4,863,700
Wisconsin	63	29	15,214,500	7,744,950	7,469,550
Wyoming	37	23	2,236,568	1,207,942	1,028,626
Total States	2,678	1,079	1,025,726,661	571,552,503	454,174,158
Territories:					
Alaska	178	51	15,903,500	1,838,850	14,064,650
Hawaii	14	5	21,231,500	14,060,000	7,231,500
Puerto Rico	4	3	4,084,000	2,269,000	1,815,000
Total Territories	196	59	41,219,000	18,107,850	23,111,150
U.S. total	2,874	1,138	1,066,945,661	589,660,353	477,285,308

fiscal year 1959 is therefore the most current now available by which to assess local estimates of airport needs. For fiscal year 1959, $192 million of Federal funds was requested for projects in the various States and Territories. After allocation of the available authorization of $63 million, a balance of $129 million of local requests remained unsatisfied.

A summary of local sponsors' requests for fiscal year 1959, submitted last year by the Civil Aeronautics Administration, is as follows:

Federal-aid airport program—State summary of sponsors, requests for Federal aid, fiscal year 1959

State	Federal funds requested, fiscal year 1959	Federal funds allocated, fiscal year 1959	Amount of unallocated fiscal year 1959 requests
Alabama	$6,677,118	$1,177,136	$5,499,982
Arizona	3,061,323	1,127,453	1,933,870
Arkansas	323,317	253,317	70,000
California	18,903,688	6,178,388	12,725,300
Colorado	5,655,468	623,884	5,031,584
Connecticut	1,696,615	408,000	1,288,615
Delaware	100,000	100,000	0
District of Columbia	0	0	0
Florida	10,618,770	2,543,700	8,075,070
Georgia	4,560,550	1,285,650	3,274,900
Idaho	200,962	178,678	22,284
Illinois	7,841,790	3,586,465	4,255,325
Indiana	3,886,188	966,113	2,920,075

Federal-aid airport program—State summary of sponsors, requests for Federal aid, fiscal year 1959—Continued

State	Federal funds requested, fiscal year 1959	Federal funds allocated, fiscal year 1959	Amount of unallocated fiscal year 1959 requests
Iowa	$189,100	$160,500	$28,600
Kansas	160,594	137,494	23,100
Kentucky	2,908,350	1,290,220	1,618,130
Louisiana	5,204,369	1,737,704	3,466,665
Maine	226,912	145,827	81,085
Maryland	3,235,812	527,050	2,708,762
Massachusetts	4,732,465	1,710,357	3,022,108
Michigan	5,012,000	2,550,500	2,461,500
Minnesota	3,071,500	1,898,100	1,173,400
Mississippi	3,085,650	744,750	2,340,900
Missouri	3,324,100	1,708,300	1,615,800
Montana	276,987	206,214	70,773
Nebraska	1,752,500	600,000	1,152,500
Nevada	854,250	677,875	176,875
New Hampshire	835,960	464,560	371,400
New Jersey	2,770,000	938,000	1,832,000
New Mexico	1,685,553	1,086,545	599,008
New York	24,334,632	4,240,120	20,094,512
North Carolina	2,325,353	994,433	1,330,920
North Dakota	132,640	125,140	7,500
Ohio	7,674,612	2,865,550	4,809,062
Oklahoma	10,252,995	1,813,500	8,439,495
Oregon	1,864,708	1,018,552	846,156
Pennsylvania	13,241,962	3,902,783	9,339,179
Rhode Island	250,000	150,000	100,000
South Carolina	558,800	173,500	385,300
South Dakota	48,623	19,723	28,900
Tennessee	6,003,648	1,516,000	4,487,648
Texas	7,051,553	3,573,463	3,478,090
Utah	993,982	577,912	416,070
Vermont	158,875	150,000	8,875
Virginia	1,590,350	959,900	630,450

Federal-aid airport program—State summary of sponsors, requests for Federal aid, fiscal year 1959—Continued

State	Federal funds requested, fiscal year 1959	Federal funds allocated, fiscal year 1959	Amount of unallocated fiscal year 1959 requests
Washington	$3,862,970	$641,682	$3,221,288
West Virginia	1,188,834	567,000	621,834
Wisconsin	2,460,000	1,645,600	813,400
Wyoming	246,626	168,997	77,629
U.S. total	187,093,054	60,116,135	126,976,919
Alaska	1,350,000	1,350,000	0
Hawaii	2,875,000	750,000	2,125,000
Puerto Rico	950,000	950,000	0
Virgin Islands	0	0	0
Territorial total	5,175,000	3,050,000	2,125,000
Grand total	192,268,054	63,166,135	129,101,919

Availability of local matching funds

There can be no doubt that communities will make an effort, in view of pressing airport needs, to match with local funds an increased level of Federal aid to airports. The following table, which was furnished last year by the Civil Aeronautics Administration indicates that for the fiscal year 1959 local sponsors had earmarked some $293,404,000 for airport improvement.

UNIVERSITY OF ALABAMA LIBRARIES

Summary of source of sponsors funds—Sponsors requests for fiscal year 1959

State	Revenue bonds			Funds on hand		Funds authorized or anticipated		All other sources	Total
	Sold funds on hand	Authorized not sold	Anticipated bond issue	Local	State	Local	State		
Alabama	0	$6,321,745	0	$437,047	$11,250	$226,020	$156,250	0	$7,152,312
Arizona	0	1,583,000	0	45,940	0	628,254	0	0	2,257,194
Arkansas	0	164,500	$25,000	4,000	0	129,500	0	$14,000	337,000
California	$6,285,468	20,589,400	2,072,798	3,922,784	0	3,516,905	48,150	142,000	36,577,505
Colorado	0	0	9,689,171	44,052	0	177,970	0	400,000	10,311,193
Connecticut	0	350,000	875,550	204,000	47,000	12,500	208,500	0	1,697,550
Delaware	0	0	0	50,000	0	50,000	0	0	100,000
District of Columbia	0	0	0	0	0	0	0	0	0
Florida	9,531	2,330,000	7,999,625	241,200	0	3,075,469	0	8,631,000	22,286,825
Georgia	32,000	9,000,000	0	44,240	0	489,050	0	0	9,565,290
Idaho	0	0	0	0	0	169,077	0	0	169,077
Illinois	0	4,008,700	11,482,375	356,100	891,300	1,039,491	69,500	563,000	18,410,466
Indiana	0	910,000	1,910,000	356,723	0	1,701,025	0	111,700	4,989,448
Iowa	0	28,500	0	163,100	0	65,600	0	0	257,200
Kansas	68,616	0	22,000	51,000	0	15,000	0	18,000	174,616
Kentucky	0	1,400,000	0	1,885,973	0	413,425	55,675	45,000	3,800,073
Louisiana	1,056,687	125,000	3,750,000	200,000	0	1,062,129	0	0	6,193,816
Maine	0	0	0	6,000	15,000	101,457	94,956	0	217,413
Maryland	35,000	0	0	456,463	0	2,644,250	0	0	3,135,713
Massachusetts	5,040,000	0	1,555,750	20,500	0	495,975	1,955,249	0	9,067,474
Michigan	0	605,000	0	1,105,750	27,000	2,829,000	1,216,000	0	5,782,750
Minnesota	0	8,050,000	132,000	262,812	0	223,363	1,367,304	7,000	10,042,479
Mississippi	0	164,000	3,046,500	23,000	0	180,650	0	0	3,414,150
Missouri	0	1,823,000	0	27,000	0	1,802,100	0	0	3,652,100
Montana	0	0	0	148,000	0	238,000	9,000	0	395,000
Nebraska	0	0	1,735,000	17,500	0	0	0	0	1,752,500
Nevada	0	1,500,000	0	0	0	600,000	0	0	2,100,000
New Hampshire	2,500	0	397,625	2,500	0	401,210	0	0	803,835
New Jersey	0	2,220,000	0	100,000	0	400,000	0	0	2,720,000
New Mexico	58,000	0	738,000	40,000	0	515,922	0	0	1,351,922
New York	0	20,213,000	2,726,562	830,125	0	1,249,620	0	0	25,019,307
North Carolina	1,100,000	135,000	35,000	238,142	0	1,003,313	0	0	2,511,455
North Dakota	0	0	0	72,000	0	159,500	0	0	231,500
Ohio	2,551,900	0	5,696,277	225,387	0	819,000	0	2,274,740	11,567,304
Oklahoma	16,000	7,647,000	4,465,000	54,000	0	130,365	0	0	12,312,365
Oregon	115,867	500,000	50,000	1,096,640	0	165,363	0	18,396	1,946,266
Pennsylvania	20,000	6,615,000	4,403,267	193,991	39,991	6,797,757	2,690,155	313,500	21,073,661
Rhode Island	0	0	0	0	0	250,000	0	0	250,000
South Carolina	0	35,500	0	75,000	0	107,000	343,300	0	560,800
South Dakota	0	0	0	0	0	15,500	22,400	8,000	45,900
Tennessee	20,000	1,846,500	1,969,065	332,600	85,625	844,750	1,044,750	186,083	6,329,373
Texas	2,448,340	4,776,000	2,795,000	910,950	0	319,487	0	680,450	11,930,227
Utah	0	0	0	760,132	104,548	79,000	35,000	0	978,680
Vermont	0	0	20,250	0	0	80,000	135,250	0	235,500
Virginia	0	0	390,000	702,500	0	746,600	62,000	0	1,901,100
Washington	126,874	700,000	4,373,472	316,817	0	345,000	0	105,000	5,967,163
West Virginia	0	0	150,000	491,130	0	1,049,724	0	0	1,690,854
Wisconsin	0	0	0	595,550	307,650	396,800	0	0	1,300,000
Wyoming	0	0	66,974	75,443	34,704	40,577	20,452	0	238,150
U.S. total	18,986,783	103,640,845	72,572,261	17,186,091	1,564,068	37,802,698	9,533,891	13,517,869	274,804,506
Alaska	0	0	0	0	0	0	0	1,350,000	1,350,000
Hawaii	0	0	14,000,000	0	0	0	0	0	14,000,000
Puerto Rico	0	0	0	250,000	0	3,000,000	0	0	3,250,000
Virgin Islands	0	0	0	0	0	0	0	0	0
Territorial total	0	0	14,000,000	250,000	0	3,000,000	0	1,350,000	18,600,000
Grand total	18,986,783	103,640,845	86,572,261	17,436,091	1,564,068	40,802,698	9,533,891	14,867,869	293,404,506

NOTE.—As of Mar. 14, 1958.

Funds available under S. 1

It should be noted that even the increased amounts of Federal grants authorized in the bill would not provide, even over the 5-year period, 50 percent of the estimated airport development needs over a 4-year period.

A following comparative analysis, prepared by the committee, shows the total needs for each State and Territory, as estimated by the Federal Aviation Agency, and the amounts available under the bill.

Federal Aviation Agency survey of national airport needs [1]

	Air commerce airports	General aviation airports	Total needs	Available under S. 1 [2]		Air commerce airports	General aviation airports	Total needs	Available under S. 1 [2]
Alabama	$17,569,000	$4,494,000	$22,063,000	$6,619,755	Mississippi	$13,445,000	$5,963,000	$19,408,000	$5,352,090
Arizona	17,215,000	5,139,000	22,354,000	7,438,055	Missouri	19,686,000	6,144,000	25,830,000	8,682,060
Arkansas	1,907,000	3,608,000	5,515,000	5,311,590	Montana	8,372,000	1,516,000	9,888,000	9,161,965
California	158,997,000	41,997,000	200,994,000	21,644,950	Nebraska	13,719,000	2,040,000	15,759,000	6,008,850
Colorado	26,182,000	4,126,000	30,308,000	7,562,545	Nevada	5,975,000	190,000	6,165,000	6,547,475
Connecticut	6,728,000	4,900,000	11,628,000	2,693,695	New Hampshire	3,084,000	1,957,000	5,041,000	1,165,460
Delaware	2,161,000	832,000	2,993,000	514,430	New Jersey	21,521,000	5,031,000	26,552,000	6,188,195
District of Columbia				952,150	New Mexico	12,036,000	2,276,000	14,312,000	7,803,390
Florida	15,540,000	2,183,000	17,723,000	6,743,865	New York	90,152,000	12,374,000	102,526,000	20,632,675
Georgia	19,825,000	2,756,000	22,581,000	7,460,815	North Carolina	9,319,000	3,720,000	13,039,000	7,833,210
Idaho	4,866,000	1,088,000	5,954,000	5,501,970	North Dakota	3,380,000	2,086,000	5,466,000	4,797,065
Illinois	77,779,000	15,036,000	92,815,000	13,629,735	Ohio	26,969,000	8,516,000	35,485,000	11,962,885
Indiana	3,756,000	6,595,000	10,351,000	6,750,845	Oklahoma	16,680,000	5,254,000	21,934,000	6,661,570
Iowa	4,855,000	4,453,000	9,308,000	6,335,920	Oregon	8,535,000	1,124,000	9,659,000	7,379,340
Kansas	7,279,000	5,316,000	12,595,000	6,984,585	Pennsylvania	66,151,000	14,613,000	80,764,000	15,058,530
Kentucky	17,657,000	6,128,000	23,785,000	5,804,290	Rhode Island	3,288,000	660,000	4,188,000	1,006,660
Louisiana	20,450,000	14,670,000	35,129,000	6,021,410	South Carolina	6,355,000	2,789,000	9,144,000	4,296,555
Maine	7,459,000	2,358,000	9,817,000	3,053,995	South Dakota	5,716,000	1,219,000	6,935,000	5,203,280
Maryland	22,406,000	6,830,000	29,236,000	3,477,105	Tennessee	12,660,000	6,450,000	19,119,000	6,320,700
Massachusetts	32,166,000	10,320,000	42,486,000	6,074,310	Texas	30,375,000	12,188,000	42,563,000	24,492,400
Michigan	22,849,000	3,290,000	26,139,000	13,098,870	Utah	6,978,000	1,048,000	8,026,000	5,698,605
Minnesota	18,464,000	4,825,000	23,289,000	8,488,135	Vermont	2,283,000	2,386,000	4,669,000	999,210

[1] FAA survey of airport development required in 4 calendar years, 1959–62.

[2] Annual obligation authority of $100,000,000 for next 5 fiscal years, plus 1-time authority of $75,000,000.

Federal Aviation Agency survey of national airport needs [1]—Continued

	Air commerce airports	General aviation airports	Total needs	Available under S. 1 [2]
Virginia	$4,667,000	$11,519,000	$16,186,000	$6,357,285
Washington	15,724,000	2,371,000	18,095,000	6,872,225
West Virginia	6,911,000	3,950,000	10,861,000	3,761,460
Wisconsin	16,630,000	6,502,000	23,132,000	7,868,425
Wyoming	3,996,000	1,448,000	5,444,000	5,975,415
Subtotal	941,266,000	276,278,000	1,217,544,000	356,250,000
Alaska	35,848,000	1,327,000	37,175,000	11,250,000
Hawaii	$18,959,000	$962,000	$19,921,000	$6,250,000
Puerto Rico	9,240,000	873,000	10,113,000	5,000,000
Virgin Islands	5,705,000		5,705,000	2,500,000
Subtotal	69,752,000	3,162,000	72,914,000	25,000,000
Discretionary funds				183,750,000
Total	1,011,018,000	279,440,000	1,290,458,000	565,000,000

Source: Federal Aviation Agency.

The committee is advised that the Federal Aviation Agency survey includes only projects at civil airports which would be eligible for Federal matching funds, under present law, and that the amounts shown are in addition to funds already programed under the Federal Airport Act.

The amounts available annually for each State under S. 1 are shown by the following table prepared by the Federal Aviation Agency:

Federal-aid airport program as proposed under S. 1—Annual distribution of $100 million authorization for fiscal years 1960, 1961, 1962, 1963, and 1964

	Apportionment [1]
Alabama	$1,323,951
Arizona	1,487,611
Arkansas	1,062,318
California	4,328,990
Colorado	1,512,509
Connecticut	538,739
Delaware	102,886
District of Columbia	190,430
Florida	1,348,773
Georgia	1,492,163
Idaho	1,100,394
Illinois	2,725,947
Indiana	1,350,169
Iowa	1,267,184
Kansas	1,396,917
Kentucky	1,160,858
Louisiana	1,204,282
Maine	610,799
Maryland	695,421
Massachusetts	1,214,862
Michigan	2,619,774
Minnesota	1,697,627
Mississippi	1,070,418
Missouri	1,736,412
Montana	1,832,393
Nebraska	1,201,770
Nevada	1,309,495
New Hampshire	233,092
New Jersey	1,237,639
New Mexico	1,560,678
New York	4,126,535
North Carolina	1,566,642
North Dakota	959,413
Ohio	2,392,577
Oklahoma	1,332,314
Oregon	1,475,868
Pennsylvania	3,011,706
Rhode Island	201,332
South Carolina	859,311
South Dakota	1,040,656
Tennessee	1,264,140
Texas	4,898,480
Utah	1,139,721
Vermont	199,842
Virginia	1,271,457
Washington	1,374,445
West Virginia	752,292
Wisconsin	1,573,685
Wyoming	1,195,083
Total State apportionment	71,250,000

[1] 75 percent of authorization is apportioned for projects in each State on an area-population formula; 25 percent is discretionary, and may be allocated without regard to State boundaries.

Federal-aid airport program as proposed under S. 1—Annual distribution of $100 million authorized for fiscal years 1960, 1961, 1962, 1963, and 1964—Continued

	Apportionment [1]
Discretionary funds [1]	$23,750,000
Total funds for continental United States	95,000,000
Territory:	
Alaska	2,250,000
Hawaii	1,250,000
Puerto Rico	1,000,000
Virgin Islands	500,000
Total Territory	5,000,000
Grand total	100,000,000

SPECIAL DISCRETIONARY FUND

Section 3 of the bill authorizes the Administrator, in his discretion, to obligate $65 million, without reference to the State apportionment formula. This fund is in addition to the annual obligation authority provided in the bill and will remain available for use until expended.

The hearings conducted by the committee on this bill and on S. 3502 of the 85th Congress disclosed an immediate critical need, particularly in hub airports, for Federal assistance to provide facilities to handle the rapidly mounting volumes of air traffic, including the new jet aircraft which are already being introduced into our commercial airline fleets. The purpose of the fund is to assist in meeting that special need. It is for this reason that the bill permits the Administrator to utilize the fund without regard to the limitations of the State apportionment formula. As was stated by the committee last year:

"While it is expected that the introduction of jet service will be handled on a gradual phase-in process so that piston aircraft will remain the most usual type of plane for some years to come, nevertheless, the revolutionary changes in airline service resulting from the use of the jet aircraft will dramatically affect airport facilities throughout the country. These new jet aircraft are big, heavy, and fast, and will carry as many as 180 passengers at speeds averaging 550 miles per hour. Their weight, speed, and size require longer and stronger runways, wider taxiways, and numerous special facilities for servicing at ramps and terminal buildings on those airports where they will be in use. The length and type of runway at any particular airport will depend upon a number of factors, but primarily, the distance to the next point of destination and the takeoff weight of payload. Some important facts along this line were highlighted for the benefit of the committee during a symposium conducted on the operation of the jet plane in January 1958 and the document containing the report of this symposium, being issued as a committee print, is strongly recommended to the attention of all Members of the Senate. In addition to this informative résumé, the committee has noted the recent "Progress Report on Jet Aviation Planning" issued by the Department of Commerce which itemizes some of the more significant changes which must be accomplished in airport planning and operation for the proper accommodation of jet airliners. The report in full has been incorporated in the committee print on the jet symposium.

"In view of the committee, local communities cannot cope with the tremendous costs entailed by this revolutionary change in the mode of air transportation without the effective assistance of our National Government."

Additionally, the reequipment and modernization program of our local service and Territorial airlines which has been consistently encouraged by the Congress will have an immediate impact upon all of the smaller cities and towns in the United States which they serve. Their representative, Col. Joseph P. Adams, a former member of the Civil Aeronautics Board, emphasized to the committee that "the replacement of the DC-3 will in every case result in the use of larger aircraft requiring longer runways and more adequate airport facilities than are presently available in the majority of the smaller communities of the United States. To the extent that the new larger equipment will provide more efficient operations, the Federal subsidy to the air carriers will be reduced. This potential reduction is in the approximate amount of $40 million a year."

It is the intention of your committee that allocations from this special fund should not be subject to the present administratively imposed limitation of $1 million per year for any airport development project. A wise and equitable use of such fund will not only assist major hub airports to provide facilities to accommodate the larger jet planes but will also permit the conservation of the annual authorizaiton of $100 million for disposition to needed projects in the less populated areas of the United States where feeder airlines and general aviation aircraft constitute an important element of the local economy.

Reference to the statistical information furnished to the committee last year by the CAA and printed in the forepart of this report indicates that local funds are available to match the Federal dollars made available by the special emergency fund. Moreover, as we have noted, the official survey recently concluded by the FAA corroborates the need for a fund in the amount of the $65 million provided.

TERMINAL FACILITIES

Airports cannot serve our interstate and foreign commerce needs without adequate terminal facilities. The committee has consistently been of the opinion that terminal buildings, in order to accomplish this purpose, need only be functional and not monumental. The higher priority of need naturally is in ground facilities such as runways, lighting, clear zones, taxiways, etc., which bear a direct relationship to the safety of our interstate air traffic.

It is for this broad reason that section 5 of S. 1 spells out with particularity certain types of terminal facilities which would be ineligible for consideration for Federal matching funds. These include the cost of

UNIVERSITY OF MICHIGAN LIBRARIES

acquisition or construction of a passenger automobile parking facility, bars, cocktail lounges, nightclubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms. In addition to these specifically proscribed facilities, the Administrator of the FAA is given the discretionary power to reject as an "allowable project cost" for the investment of Federal funds any other part of an airport terminal facility which he believes is not essential to the welfare and safety of those persons using the airport for public aviation purposes.

The administration bill, S. 674, would permit the use of Federal funds only for the construction of terminal facilities to be used to house air traffic control, weather reporting, and communications activities. Such quarters, as we have noted, are now occupied and will continue to be occupied rent free by the Federal agencies which are performing these functions.

It is the considered view of the majority of this committee that terminal buildings, as such, ought not to be declared ineligible for Federal matching funds, not only because of the universal recognition of the necessity for housing vital Federal functions at local public airports but also because of basic requirements of public health and safety which require the maintenance of appropriate facilities to accommodate our interstate and foreign traffic. These may be spartan or elaborate. In any event, the Administrator would be empowered to make the appropriate determination as to the eligibility of them for Federal assistance. If local communities desire to provide accommodations such as those specified in section 5 of S. 1, they will be entirely free to do so at their own expense. With reference to parking lots, the committee has observed a growing tendency to utilize these facilities for the production of airport revenue although we realize that at some small airports they are provided without charge. In any event, since it is perfectly possible for parking lots to be operated at a profit, there should be no necessity for recourse to the Federal Government for Federal assistance either in the acquisition of land for them or for their construction.

SEAL COATING

Section 6 of S. 1 includes the provision incorporated into last year's bill making runway seal coating and the filling of rigid pavement joints at smaller airports eligible for Federal matching assistance. The need for this type of assistance was outlined as follows in the committee's report on S. 3502:

"During recent years the Civil Aeronautics Agency has regarded seal coating of flexible airport pavements and the filling of joints in rigid airport pavements as 'maintenance' as distinguished from 'development' and hence an item to be wholly financed by the local operator. This has led to a number of hardships in the case of public airports operating under local sponsorship which do not have sufficient operating income to keep runways in proper condition without assistance from the Federal Government. While resealing and refilling of joints are items of repair work which may be more costly than other types of maintenance work normally required for airports, it is not an item for which frequent and regular provision is generally necessary. Unless runways are resurfaced periodically, deterioration may result to such an extent that reconstruction becomes necessary. Many small communities are required to maintain airports with runways of substantial length so as to accommodate the type of aircraft used in the airport and the cost of seal coating of airport pavements and the filling of joints would require an expenditure of sums in excess of the financial capability of the community. The cost of providing matching funds to encourage the maintenance of such airports would be a relatively small item in the overall Federal airport program and would serve to keep in operating condition a number of airport facilities constituting a valuable adjunct to our national system of airports."

Testimony at the present hearings indicates that this provision for seal coating is more than ever required if we are to preserve our national investment in the fields to which it would apply. As in last year's bill, S. 3502, only airports at which air traffic is not sufficient to justify an FAA control tower would be eligible for such assistance.

ADVANCE PUBLICATION OF ANNUAL AIRPORT PROGRAM

The present bill also incorporates the requirement that the Agency shall publish by January 1 of each year the proposed program of airport development intended to be undertaken during the following fiscal year. As noted in the committee's report on S. 3502, this advance publication, by giving reasonable notice of the amount of Federal funds on which they may rely, will be of great aid to project sponsors whose planning requirements are stringent even after allocations are made.

In this connection, as another aid to more efficient planning, the committee again wishes to note the extreme desirability of making tentative advance allocations to specific projects wherever possible.

The act was amended in 1955 to provide that annual amounts of $60 million would be allocated for projects in the continental United States and $3 million for projects in the Territories and possessions. The original requirement as to the apportionment of 75 percent of the funds among the States on an area and population basis was left undisturbed.

The chief purpose of the 1955 amendment was to enable local communities to prepare long-range plans for airport construction with some assurance that the local funds, chiefly obtained by bond issuance, would be matched by available Federal funds.

The Committee on Interstate and Foreign Commerce which recommended the 1955 amendment for favorable consideration, specifically expressed the view that the act, as revised, would "permit the Department of Commerce to program projects in advance of the fiscal year during which the authorized funds are to be available for obligation. In other words, it would be possible a year or two before a proposed project is to be undertaken to make an allocation of Federal funds for that project in a specified amount which would eliminate any question as to the availability of Federal funds for the project" (S. Rept. No. 636, 84th Cong., 1st sess., p. 7).

The committee stated that it was influenced in making such recommendation by the record of successful administration of the Federal highway program which had long been operating on a contract authority basis similar to that which it intended for the Federal aid airport program. During the course of both the present hearings and those of the 84th Congress, the committee was advised that advance allocations of specific funds for future project work had not been made except in isolated instances. In this respect, the record of the Federal airport program is disappointing.

The committee recognizes that the provisions of section 5 of the Federal Airport Act do not permit the obligation, by a grant agreement, of any part of funds authorized for a particular fiscal year until July 1 of such fiscal year. However, existing law permits the Secretary to make tentative advance allocations in proper cases so as to carry out the intent of the 1955 amendment. Thus, funds can be earmarked for worthwhile projects in advance of the fiscal year when they are authorized to be obligated. A greater employment of such policy would contribute to the stability of the program by lending needed assurance of continued Federal aid for the completion of major airport projects, which cannot be accomplished in 1 fiscal year. The committee wishes to state, however, that it does not recommend that all future funds be allocated in advance but rather that sufficient funds be retained to meet all reasonably anticipated contingencies.

SPECIAL COMMENTS

Encouraging regional airports

The committee has noted with satisfaction various examples of airport development on an intercounty or regional basis whereby one field is used to serve the aviation needs of several communities. As examples of such cooperative planning, Mr. Coffee of the National Association of County Officials cited the Mercer County (N.J.) Airport which serves 13 municipalities, and the nearby Allentown-Bethlehem-Easton Airport in Pennsylvania.

It should be more than obvious that regional airport requirements can most often be met more efficiently and economically through one large, modern field than by having 3 or 4 or 10 smaller, rundown terminals serving separate municipalities, each with a relatively small tax base upon which to rely. In many instances, this combining of resources has made it possible for small communities to obtain local feeder-transport service where, separately, they would have been completely unable to support a field which would accommodate passenger transport aircraft. We believe that more should be done to encourage such cooperative efforts, and that the Agency should take positive action toward stimulating local officials to adopt this type of forward-looking planning. For example, Agency representatives might be sent to address local civic and business groups on the desirability of regional airport planning and to assist, when appropriate, in the development of such plans.

Tailoring aircraft designed to existing airport facilities

The jet-age revolution in aircraft design and characteristics has brought with it the now vital problem of assuring that airport facilities and aircraft requirements are kept realistically in balance. Mr. Edward P. Curtis, former aviation assistant to the President, summed up the problem well in January 1957 when he stated:

"There has been a decided tendency in the past to design and build maximum performance aircraft on the assumption that somehow airports will be built to accommodate them. Instead of demanding more and more concrete the designers must make maximum use of the technique like boundary layer and jet-flap control to improve the takeoff and landing characteristics of our future airplanes."

The committee agrees that with the spiraling cost of lengthening runways and obtaining the extra land and clear zones required, it is time that aircraft be designed to fit the airport system and not vice versa. We strongly urge the Federal Aviation Agency to step up its efforts with aircraft manufacturers as well as their customers—including the military—to achieve this objective. If necessary this should be done by using the Agency's power, under section 603 of the Federal Aviation Act, to refuse certification to aircraft types which will clearly require runway and other facilities substantially greater than those in existence or being planned.

Moreover, during the course of hearings and study, many members of the committee properly observed that costly airport ex-

penditures required to accommodate ground facilities to changing aircraft designs cannot be carried on with Federal assistance ad infinitum. If aircraft designs now on the drawing boards of the aircraft industry require the abandonment of metropolitan sites, or expansion of airport facilities beyond the bounds of reason, then it is the view of many members that such expenses would have to be financed by the local communities, the carriers using the equipment, or the aircraft industry itself.

COMMITTEE AMENDMENTS

Reduction of special discretionary fund

On page 3, line 19, strike "$75,000,000" and substitute in lieu thereof "$65,000,000."

The committee has made a reduction of $10 million in the amount of special discretionary funds which the bill would make available to the Administrator. Representatives of the Federal Aviation Agency informed the committee that $10 or $11 million in uncommitted funds will remain at the end of the current fiscal year from obligation authority under the present act. Although some of this money is now earmarked for use in the various States, none of it has been programed for specific projects and is therefore available for use in meeting the estimated $1,290 million of future airport needs contained in the Agency survey discussed above. In view of this carryover we believe it is reasonable to deduct an equal amount from the $75 million special discretionary fund originally proposed in S. 1.

Immediate availability of discretionary fund

On page 3, line 19, strike out the phrase "beginning July 1, 1959," and insert in lieu thereof "upon the date of enactment of this subsection."

The purpose of this amendment is to allow the Administrator to make immediate use of the $65 million special discretionary fund. As stated above, this fund has been included primarily to meet the critical need for providing jet-age facilities at larger airports. For this reason the committee believes that the availability of such moneys should not be delayed any longer than necessary. This view finds support in the administration's bill, S. 674, which also provides for the immediate availability of discretionary funds.

Redistribution of funds

Four new sections have been added to S. 1 by the committee. The first of these, section 8, would amend section 6(c) of the act by requiring that any funds allocated to a State which remain unobligated at the end of 2 fiscal years shall be added to the Administrator's discretionary fund.

Under current law, such unobligated moneys are subject to redistribution at the end of 2 fiscal years according to the initial allocation formula, i.e., 75 percent is divided among the States with 25 percent going into the discretionary fund, and the same redistribution is made at the end of each succeeding fiscal year. The practical result of this procedure has been to keep substantial amounts of money indefinitely bottled up in allocations to States whose actual use of Federal funds remains at a consistently lower level.

The committee amendment would assure a more judicious and efficient use of airport aid money by allowing all State-allocated funds which remain unused after 2 years to be employed wherever most needed. Such a change in allocation procedure is also recommended by the administration and a provision to the same effect as this amendment is contained in the administration-sponsored bill.

Interstate compacts

The second new section, section 9, has been added to facilitate interstate airport development planning. Article I, section 10, part 3, of the Constitution requires that all compacts between the various States receive the consent of Congress. Section 9, adding a new section 21 to the act, would operate to give advance consent to any State plan for developing or operating airport facilities thus obviating the delay and uncertainty involved in seeking separate approval for each such pact. Precedents for this type of advanced authorization exist in the case of Interstate Forest and Water Supply Agreements (16 U.S.C. 552), in the field of crime prevention (4 U.S.C. 111), and for highway safety pacts (Public Law 85–684).

Treatment of Alaska

The intent of the present bill is that Alaska should continue to participate in the Federal airport program in the same manner as it has in the past, by receiving a specific percentage of the separate funds made available for noncontiguous areas under section 5(b) of the act and with a maximum Federal contribution of 75 percent. Sections 10 and 11 of the bill make technical amendments to more clearly express this intent. In addition, the committee deletes those parts of section 2 of the bill (redrafting sec. 5(b) of the act) in which the same purpose was originally sought to be accomplished in another manner.

Continuation of the present formula was recommended to the committee by both Senators from Alaska. While it results in a smaller total allocation of Federal funds than would be available under the State allocation formula, it insures the maximum airport development with the very limited amount of funds which Alaska will have available for such purposes during the period covered by this bill.

The continuation of a program of special treatment for Alaska is justified by consideration of the uniquely vital role which aviation plays in that State. Practically speaking, aviation is the only means of passenger transport to and from Alaska and within the State—except for the Anchorage-Fairbanks railroad line and a highway system still in its infancy—it is the only form of transport. Furthermore, from a military standpoint, it is of obvious importance that we make a maximum effort toward maintaining and improving landing fields, civil as well as military, in this area closest to the Soviet Union. The importance of aviation to the postal needs of Alaska has already been noted and, as a final justification for the philosophy of higher Federal participation in Alaskan airport development, it is to be remembered that over 99 percent of land ownership in that State is in the Federal Government.

Technical amendment

On page 5, line 2, a typographical error is corrected by reversing the order of the period and quotation mark.

INDIVIDUAL VIEWS OF SENATOR ENGLE

I wish to emphasize my complete disagreement with the ultimate objective of the administration's bill, S. 674, which would provide for the eventual withdrawal from the Federal aid-to-airport program within the next few years. This would be done through the device of a declining authorization program and eventually its complete abandonment.

Both the President and his official spokesman, General Quesada, have made it plain that it is the official policy of the administration to leave this responsibility completely to the States, counties, and cities. In support of this policy it has been stated that civil airports should be regarded as primarily a wholly local asset.

In my opinion, an adequate national system of civil airports is as much a Federal responsibility as a national highway system for which we have provided many billions of dollars, much of it on a 90–10 matching basis.

The Federal Government should no more abandon the Federal aid-to-airport program than it should abandon the Federal road program or Federal assistance in the maritime transportation field. In my view, airports are an essential part of the national transportation system, just as much as the highways and the waterways. Moreover, the maintenance of an adequate system of airports will grow more important rather than less important as time goes on. If Congress must make a choice between cutting back on Federal assistance to any element of our national transportation system—which I do not advocate at all—I would rank airports as the last element to be reduced or eliminated. I cannot subscribe to the philosophy contained in the administration's bill, S. 674, that the Federal Government, at the end of its proposed reduced program should pull out and leave the airports of the country as an undue burden upon State and local communities.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. MONRONEY. I am very happy to yield to my distinguished colleague. All of us regret very deeply that he has chosen to become a member of the Committee on Appropriations. I may say that the Appropriations Committee's gain certainly is the Aviation Subcommittee's loss.

Mr. BIBLE. I thank the Senator for his kind sentiments. It is with deep regret that I leave the Aviation Subcommittee.

We are in the habit of conferring political titles. I believe he wears his title in very good fashion. He wears the title of "Mr. Aviation" very gracefully and very deservedly.

Mr. MONRONEY. Not deservedly, but I appreciate the Senator's great compliment.

Mr. BIBLE. I should like to ask the Senator a question concerning a point I do not believe the Senator has touched in his statement. It seems to me that it is of great importance, because this problem largely goes to the extent of the amount of money involved in the bill. Is it not correct to say that a survey has been made as to the airport development needs in this country over a period of 4 or 5 years?

Mr. MONRONEY. Yes. When General Quesada, the Federal Aviation Administrator, testified in recommending the administration program, the withdrawal program—$65 million the first year, $55 million the second, $45 million the third, and $35 million the fourth, with a 50-percent discretionary fund and a 50-percent State fund—we asked the general on what basis he had arrived at these magic figures. He said they were based on the Federal Aviation Agency's own survey. Naturally, we wanted to see the figures.

We had before us the survey of the Airport Operators Council, the American Municipal League, and others, and we had arrived at a figure of about $1,026 million, if my memory serves me correctly, as the total amount required for airport development in this country

UNIVERSITY OF MICHIGAN LIBRARIES

during the next 5 years. We asked General Quesada what his figures showed, because we were ready to adjust the bill with any survey that his Agency had made. We presumed his survey would be much lower, because the figure of proposed authorizations offered by the administration was much lower. Therefore, we asked him to supply the figures to us. We asked him when we could have the figures. He said that he would be able to supply them by March 1. We told him that we hoped to pass the bill before March 1. We said that if he had the figures we were entitled to have them, too. We said we did not care for the writeup; we just wanted the bare bones of the statistics.

We were considerably surprised when the figures were furnished. They showed that the airport requirements for the next 4 calendar years were $1,290,458,000. That was the Agency's figure. That is practically $1,300 million.

Mr. BIBLE. I understand this survey was made by the present administration. Is that correct?

Mr. MONRONEY. The figures were furnished by General Quesada, the head of the Federal Aviation Administration. It was made on the basis of a careful survey of what the requirements were to bring our airports up to present-day standards.

Mr. BIBLE. I assume the estimate is a little in excess of $300 million a year for 4 years.

Mr. MONRONEY. That is correct.

Mr. BIBLE. I wonder whether there are not other measuring sticks which can be used as to the need involved. It occurs to me it might be interesting to know what the requests from the various airport sponsors were in fiscal 1958 or fiscal 1959. Perhaps the Senator has already touched on that point.

Mr. MONRONEY. The Senator will find that the figures furnished last year by CAA—which is now the FAA—show that the city and county and municipal authorities requested a total of $192,268,000 last year. That amount they were ready to match at 50 percent in matching funds. They were asking for a matching allocation of $192 million. Under the present act only $63 million could be allocated. That leaves $129 million in unsatisfied and unmatched requests for this year alone.

If we multiply that figure by 5, we get $1 billion in prospective construction for the next 5 years. This is another test, and these are not our figures, it must be remembered. They are taken right from the record of the committee. That was almost a year ago, when S. 3052, the predecessor of S. 1, was passed without a dissenting vote in the Senate.

We can see, therefore, that the $63 million left unfilled the requests of the cities, ready and willing and able to match funds of $129 million. Therefore, the President's approach of $65 million, $55 million, $45 million, $35 million, and then nothing is like sending a baby to do a man's job in the construction field.

Mr. BIBLE. I thank the Senator from Oklahoma. It occurs to me that whichever measuring stick we use, the amount in the bill is, if anything, inadequate.

Mr. MONRONEY. It is quite inadequate.

Mr. BIBLE. It seems to be inadequate to take care of the air age in which we live.

Mr. MONRONEY. It is inadequate, but it is far more realistic in connection with our attempt to meet the airport needs we have than any other proposal that has been made. Certainly it is more realistic than the administration's withdrawal program of 65 down to 35, or the proposal which the Republicans will offer later, to continue the 4-year-old airport program for another 4 years. A great many things have happened in the past 4 years to show that airport construction needs are continually increasing and do not remain fixed. The administration program is wholly inadequate.

Perhaps we cannot provide for the erection of some of the facilities it might be well to have constructed, but at least we can get the essentials crowded into the funds we do provide in the bill which, as amended today, will authorize $465 million to meet the needs shown in the Federal Aviation Agency's own survey, which shows that there will be a $1,300 million requirement.

Mr. BIBLE. Does the Senator from Oklahoma have any reason to believe that the administration's own Agency would come up with a figure which is grossly in error or inadequate?

Mr. MONRONEY. We cannot relate the administration's figures to anything. Their figures—which we had not seen—relate more to our bill than they relate to their own bill. If we are to appropriate money, we must relate the appropriation to something. Our figures, as the Senator has so ably brought out, relate, first, to the Federal Aviation Agency's own survey and, second, to the survey conducted by the Airport Operators Council and municipal authorities.

I do not know what better triangularization we can have to find out where we are than to take these three bearings, which are all important and meet the sum as best we can.

Mr. BIBLE. Is it not reasonable to assume that if the administration, through its own Agency, has a survey made and decides upon a figure of $1,300 million for 4 years, that figure should be essentially the figure which is carried in the aviation bill?

Mr. MONRONEY. We have tried to do that as nearly as we were able. It is a presumption. It is give and take. It may not be necessary to build some of the facilities in the next 3 or 4 years. It might be possible to postpone some of the work. That was why we cut out $100 million from the bill for the fifth year. It was done at the request of the leadership, and in the hope of avoiding a veto. We can reserve that sum, and at the end of 3½ years, if the need still exists, be it more or less, we can come before the Senate with another airport program to meet the needs which a survey at that time will show.

The present FAA survey covers 4 years, and the bill runs for 4 years.

Mr. BIBLE. It is certainly true that S. 1 comes closer to meeting the needs indicated in the administration's survey than does the proposal in the minority views.

Mr. MONRONEY. Indeed it does. Furthermore, by taking a realistic approach to this matter, the small airports of the country will be benefited. They have never been a chief concern of the aviation agencies. They have always been considered as the low man on the totem pole. Now they will have the opportunity to join up and be included in the bill.

A vast amount of work is required to be done to lengthen runways at the hub airports. It can be done only at a cost of $1,000 a foot. That is the cost of constructing a present-day runway. Every time a runway is lengthened 1 foot, the cost is $1,000. If we do not provide funds in the bill for this work, 5 more years will pass, and the small communities which could acquire air transportation or air taxi service will not have the opportunity to benefit from these developments. The same is true of the flying farmers. We must also consider the growth of general aviation, including the use of business planes by traveling men to cover their territories.

This is the field which S. 1 will cover with the amounts provided in it. But under the administration bill, and under the suggestions made by the Republicans in the committee, the program would not be expanded, and the money allotted would not be sufficient to provide for these needs.

Mr. BIBLE. I thank the Senator from Oklahoma.

Mr. MONRONEY. I thank the Senator from Nevada for his very excellent comments.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MONRONEY. I am glad to yield to the Senator from California.

Mr. ENGLE. The Senator has very clearly indicated that the figures used in the bill are realistic in the light of the needs. We shall perhaps be told in the debate on the bill that we should not have a bill which includes the amount of money called for, because it will unbalance the President's budget; in other words, whatever the need—and conceding that the figures are correct—the priority of balancing the budget is higher than the priority of building airports. That is basically the question we shall have to decide. The question is whether the amount called for will put the budget out of balance to some extent.

I ask the Senator from Oklahoma to comment on that very point, with reference to the priority and the importance of the airport program as related to the question whether the budget ought to be kept in balance.

Mr. MONRONEY. In the first place, the President's proposal for the coming fiscal year was for an authorization of

$65 million. Our proposal for the fiscal year is $100 million. So we would be authorizing contracts at a level of $35 million more than the President has suggested.

If we reduce that to outgo during the next year, probably we shall never be able to tell the difference, because we have been operating on a $63 million year allocation. The new work which would be supported under S. 1 still has to be planned. The new projects must be designed. They must be actually built before any money will go out of the Treasury. My guess is that there would probably be no difference in total outgo from the Treasury during this coming fiscal year under our bill, under the President's bill, or under the proposal of the Republican members of the committee, who will propose $63 million a year and a 4-year program, making our program cost $37 million more than theirs.

Eventually, the amount we propose will increase Treasury expenditures, because contract obligation authority is what we are granting. This will eventually be met by later appropriations.

So over the next 5 or 6 years we will average, for sure, some $35 million a year more than what would be spent under the President's program or under the program proposed by the Republican members of the committee. We have proposed a $65 million discretionary fund. Whether all of it is used or not will be up to the President's own representative who runs the Aviation Agency. If he does not find the need for it, he does not have to spend a nickel of it. So if he wants to spread $65 million, in special discretionary funds, over the 4 years, he can do so. If he wishes, he can spend at the rate of $16 million a year to meet emergency needs.

But what Congress is providing, and which will go mostly into State allocation, is an increase of at least $35 million a year over the other programs. That is not going to break the United States. If aviation is a vital means of transportation, I say to my distinguished colleague from Alaska—and it is the only transportation he has in Alaska, and it is becoming more important to every other State—if this is a vital means of transportation in our world, an amount equal to only 1½ percent of what we are spending on the interstate highway system on a 90-percent Federal–10-percent State grant, is not out of line. I think we cannot starve this means of transportation. Anything less than what is provided in the bill would result in starvation, instead of an opportunity for the municipalities and States to build their facilities.

Mr. ENGLE. It boils down, does it not, to the question of the kind of priority which should be given this program; that is, whether over the long haul this program is so important as to warrant $35 million in extra money.

Is it not true that somewhere in the budget is a request for three fine plush jet transport airplanes for VIP use?

Mr. MONRONEY. The Senator is correct.

Mr. ENGLE. Does the Senator know what those planes will cost?

Mr. MONRONEY. Yes; they will cost in the neighborhood of $5 million apiece, or a total of approximately $15 million. There are also 10 more jets—major jets—plus about 33 minor jets, which have a strange configuration as they have been adapted to the use of major generals or officers of higher rank, all totaling $77 million. They are the rather plush type of noncritical or noncombat aircraft. They were included in this year's budget.

So if we can spend $77 million for VIP planes in addition to three for the President, Secretary Dulles, and whoever else the other one is for—one is in reserve, I suppose, in case someone else wants to go somewhere in a hurry—I think we can then afford to spend the amount we are seeking in this bill, because each of the special VIP jet planes will cost about $5 million, or a total of $15 million, together with the $77 million which I have spoken about.

This amount would pay over 3 or 4 years for the additional regular costs which we recommend in the bill.

I think it is necessary to put these matters in perspective. We do not have to buy every turkey which the administration wants us to buy, whether it be for defense or anything else.

As an example, work is under way to build a costly airport for Washington. It will be built at Chantilly. I am for it. It is necessary to have a second airport for Washington, just as many other metropolitan cities are finding it necessary to have second airports. The airport at Chantilly will cost $75 million or $80 million. But the District of Columbia will not contribute one nickel toward its construction; it will be built completely with Federal money.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. MONRONEY. I am delighted to yield to the Senator from Alaska, who has done so much to point up the bill and show the need for it, not only as it affects his home State but also the other States similarly situated.

Mr. BARTLETT. I am wondering what the responsibility of the Administrator of the Federal Aviation Agency is with respect to the allocation of funds. My question goes to the proposition of terminal facilities, which I happen to believe are a very essential part of any airport development program.

Let us assume a municipality, as a part of a plan, gives cost estimates for a terminal building which the Administrator thinks is too elaborate and is twice as costly, let us say, as the one which the Agency had planned. Does he have to accept the municipality's estimates as a part of the whole plan or can he send the plan back for reexamination and resubmission?

Mr. MONRONEY. On page 4 of the bill, line 8, is the provision "costs not allowed." That provision specifically rules out "the cost of construction of those parts of passenger or freight terminal buildings and other airport administrative buildings intended for use as bars, cocktail lounges, night clubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms or such other use which, in the opinion of the Administrator"—this is the language of President Eisenhower's representative; it is not ours—is not essential to the welfare and safety of those persons using airports for public aviation purposes.

I do not know how one could be more specific about the matter. As a matter of fact, when the plans come to him, all he will have to do will be to blue-pencil any items which he does not think are essential to the use of the traveling public.

Mr. BARTLETT. He has absolute authority, does he not?

Mr. MONRONEY. Yes; he does. In fact, he has so much authority and control that sometimes I am afraid he might go overboard and might unduly enlarge baggage facilities, waiting room space, and so forth.

Certainly this measure is drawn so tightly that I do not know how we could be more specific in stating to a Federal administrator that no frills are to be allowed support with Federal matching money. Of course, the airports can build movie theaters or other facilities of a frill nature, but they cannot do so with Federal funds.

Mr. BARTLETT. The bill specifically precludes the use of Federal funds for such purposes, does it not?

Mr. MONRONEY. Yes. In fact, in the bill we have stated certain examples of items to be excluded; and then we say generally "or such other facilities as are not essential."

Mr. BARTLETT. Let me ask the Senator from Oklahoma whether the figures which appear on page 22 of the report—I refer to the figures in regard to the need and availability of funds under Senate bill 1—are the best judgment of the Federal Aviation Agency as to the actual needs of the several States?

Mr. MONRONEY. Yes. I must say that Senate bill 1 as reported provides for a 5-year program, and the listing in the bill is based on that 5-year program. The amount of new authorizations under this bill will be $100 million less than the authorizations which were made in last year's bill. So it will be necessary to make a reduction of 20 percent in those figures.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a revision of the table appearing on page 22 of the report, so as to show the total amounts available under Senate bill 1, after adoption of the committee amendment reducing the extension of the program to 4 years and reducing the total obligation authority to $465 million.

There being no objection, the revision of the table was ordered to be printed in the RECORD.

UNIVERSITY OF MICHIGAN LIBRARIES

Federal Aviation Agency survey of national airport needs [1]

	Air commerce airports	General aviation airports	Total needs	Available under S. 1 [2]		Air commerce airports	General aviation airports	Total needs	Available under S. 1 [2]
Alabama	$17,569,000	$4,494,000	$22,063,000	$5,295,804	North Carolina	$9,319,000	$3,720,000	$13,039,000	$6,266,568
Arizona	17,215,000	5,139,000	22,354,000	5,950,444	North Dakota	3,380,000	2,086,000	5,466,000	3,837,652
Arkansas	1,907,000	3,608,000	5,515,000	4,249,272	Ohio	26,969,000	8,516,000	35,485,000	9,570,308
California	158,997,000	41,997,000	200,994,000	17,315,960	Oklahoma	16,680,000	5,254,000	21,934,000	5,329,256
Colorado	26,182,000	4,126,000	30,308,000	6,050,036	Oregon	8,535,000	1,124,000	9,659,000	5,903,472
Connecticut	6,728,000	4,900,000	11,628,000	2,154,956	Pennsylvania	66,151,000	14,613,000	80,764,000	12,046,824
Delaware	2,161,000	832,000	2,993,000	411,544	Rhode Island	3,828,000	660,000	4,488,000	805,328
District of Columbia				761,720	South Carolina	6,355,000	2,789,000	9,144,000	3,437,244
Florida	15,540,000	2,183,000	17,723,000	5,395,092	South Dakota	5,716,000	1,219,000	6,935,000	4,162,624
Georgia	19,825,000	2,756,000	22,581,000	5,968,652	Tennessee	12,660,000	6,450,000	19,110,000	5,056,560
Idaho	4,866,000	1,088,000	5,954,000	4,401,576	Texas	30,375,000	12,188,000	42,563,000	19,593,920
Illinois	77,779,000	15,036,000	92,815,000	10,903,788	Utah	6,978,000	1,048,000	8,026,000	4,558,884
Indiana	3,756,000	6,595,000	10,351,000	5,400,676	Vermont	2,283,000	2,386,000	4,669,000	799,368
Iowa	4,855,000	4,453,000	9,308,000	5,068,736	Virginia	4,667,000	11,519,000	16,186,000	5,085,828
Kansas	7,279,000	5,316,000	12,595,000	5,587,668	Washington	15,724,000	2,371,000	18,095,000	5,497,780
Kentucky	17,657,000	6,128,000	23,785,000	4,643,432	West Virginia	6,911,000	3,950,000	10,861,000	3,009,168
Louisiana	20,459,000	14,670,000	35,129,000	4,817,128	Wisconsin	16,630,000	6,502,000	23,132,000	6,294,740
Maine	7,459,000	2,358,000	9,817,000	2,443,196	Wyoming	3,996,000	1,448,000	5,444,000	4,780,332
Maryland	22,496,000	6,830,000	29,236,000	2,781,684	Subtotal	941,266,000	276,278,000	1,217,544,000	285,000,000
Massachusetts	32,166,000	10,320,000	42,486,000	4,859,448					
Michigan	22,849,000	3,290,000	26,139,000	10,479,096	Alaska	35,848,000	1,327,000	37,175,000	9,000,000
Minnesota	18,464,000	4,825,000	23,289,000	6,790,508	Hawaii	18,959,000	962,000	19,921,000	5,000,000
Mississippi	13,445,000	5,963,000	19,408,000	4,281,672	Puerto Rico	9,240,000	873,000	10,113,000	4,000,000
Missouri	19,686,000	6,144,000	25,830,000	6,945,648	Virgin Islands	5,705,000		5,705,000	2,000,000
Montana	8,372,000	1,516,000	9,888,000	7,329,572	Subtotal	69,752,000	3,162,000	72,914,000	20,000,000
Nebraska	13,719,000	2,040,000	15,759,000	4,807,080	Discretionary funds				160,000,000
Nevada	5,975,000	190,000	6,165,000	5,237,980					
New Hampshire	3,084,000	1,957,000	5,041,000	932,368	Total	1,011,018,000	279,440,000	1,290,458,000	465,000,000
New Jersey	21,521,000	5,031,000	26,552,000	4,950,556					
New Mexico	12,036,000	2,276,000	14,312,000	6,242,712					
New York	90,152,000	12,374,000	102,526,000	16,506,140					

[1] FAA survey of airport development required in 4 calendar years, 1959–62.
[2] Annual obligation authority of $100,000,000 for next 5 fiscal years, plus 1-time authority of $75,000,000.

Source: Federal Aviation Agency.

Mr. BARTLETT. Even so, Mr. President, I would ask the distinguished Senator from Oklahoma whether there is not a wide gap between the availability of funds under Senate bill 1, as reported, and the actual needs. For example, I note that California has needs almost nine times as great as those which would be satisfied by Senate bill 1—the total need there being $200 million.

Mr. MONRONEY. That is correct; California has needs which the Federal Government is not expected to match.

The Senator from Alaska heard the testimony of representatives of the Los Angeles Airport, which has spent approximately 70 percent of its own money in new construction; and he heard similar testimony. But under this program the allocations to California are to be made directly on the formula basis.

Under the discretionary provisions, if there are needs which must be met and cannot be met with State-allocated funds, the Administrator has authority, as well, to use money from the discretionary funds.

Mr. BARTLETT. In any case, is it not true that even if all the money authorized under Senate bill 1 were appropriated and spent, the needs would not be met, because this program is expanding so rapidly?

Mr. MONRONEY. That is entirely correct. We have trimmed this program all we could, but still we shall have to have annual contract obligation authority of approximately $35 million per year more than the amounts the President requested.

I believe sincerely, from the bottom of my heart, that we can eliminate the fat, the waste, and so forth, from the budget far better by reducing authorizations and funds for items of an expandable nature, rather than by reducing authorization and funds for the very long range capital investment program which is required for our Federal airport system.

I like to think of the matter from the standpoint that every dollar the Federal Government provides will be matched equally by the States or the cities. This program is one of the best, because it will be of national benefit; and the cities will join the Federal Government in the program. Furthermore, all programs relating directly to interstate commerce or communications or foreign transportation have always been dealt with on a 50–50 matching basis; and we believe that, on that basis, this program is "a whale of a good buy."

Mr. BARTLETT. Mr. President, I thank the distinguished Senator from Oklahoma for his clear exposition; and I believe the Nation should be grateful to him for his contribution in this most vital field.

Mr. MONRONEY. I thank the Senator from Alaska.

Mr. DODD. Mr. President, will the Senator from Oklahoma yield to me?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Oklahoma yield to the Senator from Connecticut?

Mr. MONRONEY. I yield.

Mr. DODD. I have a question which arises from section 5 of the bill, concerning which the Senator from Alaska has just now made inquiry. It is comforting to everyone, I believe, to know that bars, cocktail lounges, theaters, and so forth, are not eligible for construction, under this measure. However, I notice that in section 5 of the bill there is language which refers to passenger or freight terminal buildings and other airport administrative buildings.

Mr. MONRONEY. Yes.

Mr. DODD. That is confusing to me, and I think it might be confusing to those who will administer the act. I wonder whether it might better be clarified, at least with respect to the legislative intent, if not by an actual legislative amendment. As I understand, one aspect of this great growth is in the area of air freight.

Mr. MONRONEY. Yes.

Mr. DODD. I expect that considerable demand will be made for the construction of air freight handling facilities. It seems to me reasonable to assume that if there is such growth in the air transportation industry, private capital will be available for the purpose of setting up such facilities—in other words, to build the buildings, and perhaps to operate them. I wonder whether it might be better to spell out—as I have said, either by expressing our legislative intent or by means of a carefully drawn amendment—that before the Administrator of these funds makes a grant, he should have from the State or municipal or county authority a certification that no private risk capital is available for this purpose.

Mr. MONRONEY. He could write his own regulations to that effect and still be perfectly within the borders of the bill. I would say to my distinguished colleague that if the municipalities, who today are pressed so greatly by the demands for schools, roads, and sewer systems, could find anyone who would save them the 50 percent matching money which this bill requires, or more, they would be happy to proceed in that way, rather than to use their own funds.

Mr. DODD. I think the Senator from Oklahoma is correct about that. But I believe both of us recognize that some people who get into public office are inclined to extend their own bureaucratic empires—I have had that experience, and I am sure the Senator from Oklahoma has had it—some of these people are reluctant to turn over to private venture things of this kind.

So this would seem to be a perfect place for us to apply the private-enterprise doctrine about which we speak so often—particularly in the case of the air-freight terminals. In the years which lie ahead, and as a result of the growth of this great industry, facilities of other types will be required. So I believe it would be well for us to provide that wherever any local, State, or county authority can obtain private capital with which to do this job, it must use private capital instead of Federal funds.

Mr. MONRONEY. That is done now. For example, at Idlewild Airport, practically no Federal funds are being used for terminal buildings; the terminals are being built completely by the overseas airlines. I believe it will be found that most of the large terminal buildings at the Pittsburgh Airport were built by private funds, or at least were rented by private industry. Certainly most of the city funds have to be obtained by bond issues; and, in that connection, the public has to know what it is voting on.

Mr. DODD. Yes.

Mr. MONRONEY. And I should say that such a bond issue would be in severe jeopardy if the city officials tried to do, at city expense, something which could be done without the cost of $1 to the taxpayers.

I believe the history of the legislation will show that, because of a shortage of funds, the terminal buildings and other such facilities at an airport are usually the last thing that the Aviation Administrator, and usually the airport, get around to building. Today, in a number of places—St. Louis, for example—it will be found that all the freight facilities are privately owned. The same is true of other places.

Mr. DODD. Would it do violence to the bill or would the Senator find it burdensome if a simple amendment were drafted requiring the Federal Aviation Administrator to receive a certification to the effect that private funds are not available before he can approve an application for the allocation of Federal funds for the construction of a freight terminal or other such facilities?

Mr. MONRONEY. I should like to study such an amendment. The program has been working well. I do not think any freight terminal buildings have been constructed in the years in which Federal grants have been allowed. I think some have been built by private industry. We get involved with the requirement that certain land would have to be condemned near an airport or adjacent to it. The question would arise whether land could be condemned for that purpose. Some legal problems might arise.

Mr. DODD. It would not seem to me to raise that question. Let us assume a set of facts. Let us assume that in Baltimore it is found prudent and necessary to have a freight terminal constructed on the present airport grounds.

The proper agency in Baltimore or Maryland applies to the Federal Aviation Administrator, let us say, for $5,000 to put up such a building. All I am suggesting is that before the application can be approved, it must be certified to the Federal Aviation Administrator that no private risk capital is available for putting up that structure.

Mr. MONRONEY. Offhand, I see no objection to such a provision; but certainly, before I say I would accept the amendment, I should like to ascertain the contingencies which may be involved. What actually happens in practice is that a hand-me-down terminal usually becomes a freight terminal, or that a hangar which the Military Establishment has given up becomes a freight terminal.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. LAUSCHE. Why should not the airlines build their own warehouses?

Mr. DODD. That is what I am thinking about, of course.

Mr. MONRONEY. It has not been done so far. However, if six airlines are serving one city and each airline carries cargo, I certainly would like to see, not six terminals built for freight on a crowded airport, but one good one.

Mr. DODD. I think that could be worked out, but the trucking industry provides its own freight-handling facilities. The rails do. Why should the taxpayers be called upon to put facilities up for freight handlers in the airline industry?

Apropos of the requirement of a certification, this is what we have done with respect to small business loans and other types of Federal financing where loans or grants have been made. It is required that a certification such as I have suggested in this instance be made to the proper and competent Federal authority. I think it would tighten up the law, if the Senator will permit me to say so. It may be I am seeing things that do not exist or will not come into being, but why take a chance? Why not be sure? Why not write and accept a simple amendment to see that it does not happen?

Mr. MONRONEY. Would the Senator be good enough to draft and put the amendment in writing, so we can ascertain whether there is any way in which it might interfere with carrying out the program? I wish, just as the Senator from Connecticut does, to conserve every nickel of Federal funds where any work can be financed by private industry. In fact, we glory in the terminal buildings which have been constructed with private funds. The Agency is glad to relieve itself not only of the capital investment required, but of the maintenance and care of those facilities.

Mr. President, my colleague from West Virginia has been waiting for quite a while. He has a contribution to make. I should like to yield to the Senator from West Virginia, who is an aviation authority, and who has been interested in aviation matters all his life.

Mr. RANDOLPH. Mr. President, my colleague from Oklahoma is very gracious. I am not an expert. I would want to be classified as a student. The development of air transportation is in the process of transition, as are, in fact, all media of transportation. It is a stimulating subject.

The approach made by the subcommittee, of which the Senator from Oklahoma is chairman, is one of encouragement in this vitally important challenge to our courage and vision. I call attention to the inquiry and the observation which was made by the esteemed Senator from New Hampshire [Mr. COTTON]. He indicated in reference to certain moneys there perhaps was a departure in this proposal respecting discretionary funds. Was that the opinion which the Senator from Oklahoma gathered from the remarks by the Senator from New Hampshire?

Mr. MONRONEY. There was an indication that the proposal provided more in the way of discretionary funds as a result of the blanket $65 million to be made available over the 4-year period. Such a provision has never been carried in the bill before, but the need for discretionary funds was clearly pointed out by the Federal Aviation Administrator, who asked that 50 percent of the funds available under the regular program be made discretionary.

Mr. RANDOLPH. It is important for us to realize that we are in this period of transition, I repeat, and certain amounts of money are necessary to be used in a discretionary manner. I commend the chairman of the Subcommittee on Aviation and all the members of it, including those individuals who present a positive approach to this problem. There is the fact of change. In that connection, I should like to thank the Senator from Oklahoma and the members of his subcommittee who gave me the opportunity of testifying for approximately 1 hour and 30 minutes on January 23 on this legislation.

Mr. MONRONEY. May I say to the distinguished Senator that his testimony was most helpful, and revealed a vast wealth of information, and was certainly considered to be one of the highlights of the hearings.

Mr. RANDOLPH. I thank the Senator. There should be no desire to detain the Senate, because I believe Senators are ready to vote on this proposal. I believe it is a measure which is thoroughly understood by Senators.

During the testimony which I was privileged to give before the Senator from Oklahoma and my colleagues on the subcommittee I said:

> I have indicated that I believe that the program of the administration—

That is the Federal administration—

> at the present time fails to meet fully the needs which I feel are apparent.

Then, in further reference to S. 1, I made this further comment:

> I only repeat that I believe that the approach is inadequate, and that Senate bill 1 more nearly meets the immediate needs in this matter.

So I join in the colloquy today with those who have indicated that there is an inadequacy of funds presented in Senate bill 1; but I also believe it would be the part of good judgment for this body

UNIVERSITY OF MICHIGAN LIBRARIES

to pass the measure essentially as it is presented in the Senate today—in the hope that the bill may become law.

I have kept in mind, of course, the modifications which have been made by the Senator from Oklahoma and by his colleagues, in an effort to present a bill which, if passed in essentially the same form by the House of Representatives as passed by this body, will go to the President as a bill which the President will not veto. I want to believe that the President of the United States will not veto legislation of this scope, which embodies essentially, money-wise and also procedural-wise, the important provisions of the pending measure.

I thank the Senator very much.

Mr. MONRONEY. I am going to yield the floor.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MONRONEY. First, Mr. President, I shall yield to my distinguished friend, the Senator from Ohio.

Mr. LAUSCHE. I thank the Senator from Oklahoma.

If there is wisdom in the suggestion of the Senator from Connecticut [Mr. DODD], that the Government ought not build warehouses for the commercial airlines, does it not also follow that the Government ought not help build the terminal facilities for the commercial airlines?

Mr. MONRONEY. My understanding is that the suggestion made by the Senator was not with regard to whether the Government should do so at all, but whether it should do so if private financing were ready, willing, and able to do the job. I think I interpret the question correctly in that statement. Certainly, with regard to terminal facilities, if there is anyone who will build the terminals, the first thing the airport commission likes to say is, "You go ahead and build them."

Mr. LAUSCHE. It would seem to me that there is not a single justification which can be marshaled toward a decision that the taxpayers of this country ought to in any way contribute to the building either of terminals or of warehouses. That is a private business, and the terminals and warehouses ought to be built by the commercial airlines. I should like to hear the Senator's views in that regard.

Mr. MONRONEY. I am told there will be an amendment offered directly on that point. I think it would be more appropriate to discuss the matter at that time.

Mr. LAUSCHE. Is it not the position of the President that the taxpayer has thus far sufficiently subsidized the commercial airlines, that the taxpayer ought to be relieved of the burden, and that the burden should be placed on the commercial airlines?

Mr. MONRONEY. The distinguished Senator has consistently gotten himself mixed up on the traffic figures which have been presented time and again in the committee hearings, and in the full committee.

The traffic figures for 196 civil airports of the United States, at which we have air traffic control towers, show that the traffic volume of the commercial airlines, as a percent of operations, is 27.7 percent, totaling 6,902,160 operations. That refers to landings or takeoffs.

The general aviation—which includes the private flyers, the taxpayers of the community, the people who live in the State, the people who come through with small aircraft—is 51.2 percent of the total of operations, or 12,748,541 as a number of operations.

The military, who enjoy free use in almost every instance of these airports, which are control tower airports, have a use of 21.1 percent, or 5,235,338 landing and takeoff operations.

Therefore, considering all the operations, the commercial airlines use 27.9 percent, the military uses 21.1 percent, and general aviation, which is usually noncommercial of any kind, operates more than half of the landings and takeoffs.

Mr. LAUSCHE. The Senator has not answered my question. My question is, Is it not the position of the President that the taxpayers have already gone beyond the point they should go in subsidizing the commercial airlines, and should there not be a gradual withdrawal, with the burden placed on the commercial airlines?

Mr. MONRONEY. I have never heard the President recommend any withdrawal of subsidies to the airlines. The Senator well knows that practically the only airline subsidies which are being paid today are some approximately $40 million which go to the little feeder airlines, which are supplying the cities and communities which do not have any railroad passenger service. That is the extent of it, except for one or two operations overseas in certain areas where the carrying of the American flag in foreign air transportation is important enough to our foreign commerce and prestige to justify a subsidy.

There is not a trunkline today which is getting Federal subsidies. Northeast Airlines, the last one, was cut off yesterday by the Civil Aeronautics Board as no longer needing or requiring any subsidy.

The business which the Senator's friends talk to him about, and almost the only airline business enjoying a subsidy, are those little feeder airlines which are serving places where the railroads have discontinued any type of passenger service, in order to save some money; places where there is no railroad mail service or anything else. Remember that local feeder operation is all a part of the mail service.

Mr. LAUSCHE. Let us return to the question again. Did the President not begin with a recommendation of a certain amount for 1960 and a reduction of it in 1961?

Mr. MONRONEY. I thought the Senator was talking about airline subsidies. Now the Senator is talking about Federal aid to airports. That is fine. We can talk about that. That is not a subsidy.

Mr. LAUSCHE. We are now engaging in a bit of narrow semantics. Whether it is a subsidy, directly or indirectly, the President wants to get the taxpayer out of putting up all this money for the building of these facilities.

Mr. MONRONEY. Does the Senator mean the Federal taxpayer is putting up all the money?

Mr. LAUSCHE. The taxpayer is putting up 50 percent of the money.

Mr. MONRONEY. And the city puts up the other half.

Mr. LAUSCHE. Fifty percent.

Mr. MONRONEY. That is correct.

Mr. LAUSCHE. The President thinks there ought to be a retreat from that position on the part of the general taxpayers of the country; is that not correct?

Mr. MONRONEY. The distinguished Senator from Ohio has served with a great record of distinction in the State of Ohio. The Senator was reelected and reelected as Governor, and he administered the State well and with great efficiency. He wrote a record which I know will stand for a long time.

Can the Senator name for me the cities in the State of Ohio, within his intimate knowledge, which from now on can put up 100 percent of the money for the airport needs and aviation needs of the great State the Senator has the honor to represent?

Mr. LAUSCHE. I am glad the Senator asked me that question. That is the very point I want to make. Neither the cities nor the Federal Government ought to be putting up the money which they are putting up. More of the money should be put up by the commercial airlines, who are enjoying the benefits of all these facilities.

Mr. MONRONEY. Then the Senator would want the $38 billion highway system, I presume, to be paid for on a toll road basis. The Congress had that suggestion before it. Some people think that would be a better procedure. I do not think so.

The taxpayers of the United States, the users of the highways, are paying the gasoline tax.

Incidentally, aviation is contributing about $50 million into the highway fund every year, from the fuel taxes it pays, and it is very seldom that a DC–6 will use a superhighway.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. MONRONEY. I should like to conclude the discussion with the Senator from Ohio.

Mr. LAUSCHE. The Senator from Oklahoma has already told me the answer to the question.

Mr. MONRONEY. And the Senator has told me the answer, also.

Mr. LAUSCHE. No.

Mr. MONRONEY. Which I think is important. The Senator does not know of a single community in Ohio, if I understood him correctly, which could put up 100 percent of the necessary money for the facilities shown by the report of the FAA to be needed for the State of Ohio. If the Senator can tell me, I should love to know the names of the cities.

Mr. LAUSCHE. I would venture to say that there is no State and almost no community which is not in a better financial condition, when finances are ap-

proached soundly, to do this job than the Federal Government.

The Federal Government is at the point where it cannot sell its bonds. The Government is begging people to buy bonds, but people say, "We would rather buy stocks than bonds. We would rather buy land than bonds." Despite this, we are building up a debt, and increasing the sale of bonds, when we know the public is loathe to buy the bonds.

Mr. MONRONEY. The Senator is now telling us that Ohio, which is listed in the Federal aviation survey for required work, is more capable of doing the work than the Federal Government, and should be given the word to build the $35,485,000 worth of airport required work which the Federal Administrator says should be done.

Mr. LAUSCHE. Unless I answered that question "yes" I would be lying. The State of Ohio is in a far better fiscal position than is the Federal Government.

Mr. MONRONEY. Then the Senator would be glad to have Federal aid to Ohio, which will amount to $11,292,000, withdrawn, in order that Ohio may do its own airport work. Is that correct?

Mr. LAUSCHE. In the long run, the Nation would be better off and Ohio would be better off if the Federal Government got out of the business.

Mr. MONRONEY. Ohio is a part of the Union. If the Senator wishes to amend the bill so as to omit Ohio's share of $11,292,000, I shall be perfectly willing to accept such an amendment, or a similar amendment from any other Senator.

Mr. LAUSCHE. I will not be swayed in my judgment merely because I am told that Ohio will receive $11,292,000. That "sop" cannot be thrown to me for the purpose of changing my judgment.

Mr. MONRONEY. I know what the Senator's judgment is. He voted against the bill in committee. He voted against it last year, in committee. I am not trying to change the Senator's mind. I am too well aware of his position. I respect his right to hold that position. However, the Federal Aviation Administrator has found certain needs to exist in every State; and unless we are satisfied that the cities and towns can build these facilities to the extent of 100 percent, we ought not to say that there will be no program.

Mr. RANDOLPH. Mr. President, will the Senator from Oklahoma yield to me for an observation?

Mr. MONRONEY. I yield.

Mr. RANDOLPH. Reference has been made to the commercial airlines, in connection with the use of the airports of the country. The able Senator from Ohio is not uninformed on this subject. However, many people have the mistaken idea that the air transport carriers operate their planes into an airport for the landing and take off without the payment of a fee. The airlines pay landing fees in Cleveland, Cincinnati, and the other municipal airports which are serving the very great State of Ohio and its growing population.

I feel, for purposes of the record, that we should set down the fact that landing fees are paid to the operators of the airports, and the operators of the commercial airports, in every degree—with the exception of the Washington National Airport—operate under the jurisdiction of either a State, an authority or the municipality.

Mr. LAUSCHE. I understand that. I went through that experience while I was mayor of Cleveland. I had the most difficult time getting even a semblance of a return by way of payment for the services which we rendered. I know that the city of Dayton is in need of aid. About 5 years ago it made a 25-year lease with TWA on a rate of return that is wholly inadequate to build new runways to accommodate the larger planes.

If the commercial airlines were to build their own warehouses and their own terminals, they would have to pay taxes on such buildings. They would have to maintain them; and they would be placed in a position of near equality of competition with other carriers. They are spared all that; and that is what I complain about.

Mr. MCNAMARA. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter from Mr. James D. Ramsey, Director of the Michigan Department of Aeronautics, which points out, among other things, that the FAA figures indicate that Michigan has need of $26 million for improvements during the forthcoming 4-year period. The study indicates that there is actually a need for $64 million in improvements. I thought that information would be helpful at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MICHIGAN DEPARTMENT OF AERONAUTICS,
Lansing, Mich., February 3, 1959.

Subject: Federal airport program.

Hon. PAT MCNAMARA,
Michigan Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCNAMARA: Thank you very much for sending me a copy of the testimony offered by General Quesada on S. 1.

I have read this statement with interest and find it difficult to agree with certain statements contained therein. In the first place, General Quesada proposes a $200 million program over the next 4 years and represents it as being sufficient to meet the needs. Yet, the survey conducted by his own agency indicates that the national needs over the same period amount to $1,020 million. This would seem to indicate a $500 million Federal program.

In addition, the figures quoted in the Federal Aviation Agency's study for the State of Michigan do not coincide with the results of our own study. The FAA figures indicate that Michigan has a need of $26 million for improvements during the forthcoming 4 year period, and our study indicates that there is a need for $64 million in improvements.

Secondly, General Quesada recommended that the discretionary fund for the administration of the program be increased from the present 25 percent to 50 percent. This, I would find to be quite objectionable. It is extremely difficult today to cover all segments of aviation in our programs under the 25 percent discretionary feature and it would be multiplied many times if this was increased to 50 percent. If some compromise had to be made on this measure, I feel that the unused State apportionment funds, as they expire, might all accrue to the discretionary fund.

There are a number of other points I could take issue with, however, I think these cover the main items.

Thank you sincerely for sending me a copy of this bill and again, may I express my appreciation to you for your interest and help on our problems.

Sincerely,

JAMES D. RAMSEY,
Director.

DENUNCIATION OF SENATOR HUMPHREY BY PREMIER KHRUSHCHEV

Mr. HUMPHREY. Mr. President, the news wire services today report a speech delivered in Moscow at the 21st Communist Party Congress by the chairman of the Council of Ministers of the Soviet Union, Premier Nikita Khrushchev, in which he bitterly denounces me and the reports I have made as the result of my visit to the Soviet Union and my interview with the Premier.

I say most respectfully that it is not my desire to engage in debates with a chief of state of another nation. Members of Congress are not privileged to conduct diplomacy—nor should they be. I believe it is fitting and proper, and in good taste, to allow these highly sensitive subjects to be handled by those responsible for American foreign policy.

My interest, as a citizen and as a Senator, has always been and still is to explore ways of lessening tensions and not creating more.

In fairness to myself, I feel compelled to set the record straight in response to Mr. Khrushchev's most recent outburst. Everything I have said about our conversations has been reported by me in good faith for the sake of seeking better relationships and a better understanding of the Soviet Union, of its laws, and of the problems that beset us.

My reports to the public have been factual and objective, and are supported by extensive notes taken in Mr. Khrushchev's presence, with his concurrence.

This outburst of controlled hysteria from the Soviet leader indicates a high degree of insecurity in the relationships between Soviet Russia and the Communist Chinese. I digress to point out that Khrushchev's remarks centered around the report I made concerning conversations about the Chinese Communists. I am surprised that he would go to such trouble and to such a high pitch of vituperation.

Methinks Premier Khrushchev doth protest too much—to wax Shakespearean for a moment. He is obviously under tremendous pressure from within his own party and from the Chinese Communist leaders to disavow the statements he made to me respecting Soviet economic policy and relationship between the Soviet leaders and the Chinese Communist leaders.

Premier Khrushchev knows full well that when I asked him about Communist China, I made it perfectly clear that I was not attempting to inquire about Soviet-Chinese military or political relationships. I made but one inquiry about China. It was about the Chinese communes. This inquiry was made of Mr.

UNIVERSITY OF MICHIGAN LIBRARIES

Khrushchev as it was of the Soviet Minister of Agriculture, whom I also interviewed. Mr. Khrushchev's reply to me has been accurately reported, just as I pointed out that Mr. Khrushchev said that the People's Republic of China was his "good ally."

With equal candor he told me that the communes had been tried in Russia and had failed, primarily because of the lack of incentive for production. This conversation is reported accurately and in detail in the Life magazine article. If this causes Mr. Khrushchev to denounce me, then indeed I must have touched a very sensitive political nerve.

Mr. Khrushchev knew, when I talked to him, of my vigorous opposition to communism and to many of the Soviet's policies. Indeed he referred to this in his speech before the 21st Communist Party Congress. Likewise I knew of his opposition to democratic capitalism and our military and foreign policies. There was no misunderstanding about our respective points of view. Nevertheless, we had a frank and candid talk, which I thought was helpful.

Mr. Khrushchev did suggest that I convey his remarks about the Berlin crisis to President Eisenhower, and Khrushchev's willingness to guarantee free access to West Berlin. That is the identical statement that was made to the German Ambassador in Moscow only yesterday. That same thing was said on December 1, in our conversation.

Mr. LAUSCHE. Mr. President, will the Senator repeat that last statement?

Mr. HUMPHREY. Mr. Khrushchev suggested that I convey his remarks about the Berlin crisis to President Eisenhower, and Khrushchev's willingness to guarantee free access to West Berlin. I said that he made the same statement to the West German Ambassador in Moscow yesterday. The words he used in his statement to the German Ambassador are almost identical with the words he used in our conversation on December 1. Mr. Khrushchev did tell me of a recent Soviet nuclear explosion, which I reported to our Government, and he did say to me, "I will let you in on a secret," when he discussed one of the Soviet rockets, with a 14,000 kilometer range.

What Premier Khrushchev is concerned about is not what I have said, but about the growing pressure from the Tito Yugoslav Communists who have shattered the solidarity of the Communist bloc. This is what he refers to at length in his speech when he calls them the revisionists.

It is rather significant that Mr. Khrushchev's now adverse reaction was not made known when my remarks were first publicized; rather, his denials are only now coming forth, in the midst of the Communist Party's policy meeting, after the Soviet First Minister has been criticized by some of his satellites.

Mr. Khrushchev appears particularly sensitive, and understandably so, to having some of his remarks about Red Chinese communes publicized. I repeat, that was the only conversation between us about China. Yet it might be well to remind him that his First Deputy, Mr. Mikoyan, made similar comments while he was in this country, reaffirming what Mr. Khrushchev had told me.

My only suggestion is that Mr. Khrushchev recall one point in our conversation on which we did agree—and I conclude on this note—that the cause of peace would be better served if we quit name calling and concentrated instead on ways in which we might better work together for a just and lasting peace.

AMENDMENT OF FEDERAL AIRPORT ACT

The Senate resumed the consideration of the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes.

Mr. CASE of New Jersey. Mr. President, my home in Rahway, N.J., is close to Newark Airport and the city of Elizabeth, which experienced the most frightful series of tragic coincidences in aviation history. The memory of three major plane crashes in the city within a matter of weeks is still fresh in my mind; it is a potent reminder of my responsibility to help assure the adequacy of navigational and landing systems at our airports.

Beyond any shadow of a doubt, the Federal Government has the overriding responsibilty for providing air safety.

Yesterday morning the Federal Aviation Agency advised my office that tragedies such as have just occurred at La Guardia would not be affected in any way by the amount of funds made available under S. 1, the airport bill reported by the Committee on Interstate and Foreign Commerce, or the Republican proposals which are being offered instead. The funds provided by S. 1 or the Republican alternate would go toward the construction of physical plant at airports throughout the country.

The adequacy of electronic navigation and landing systems may be involved at La Guardia. This is a vital safety question and should be thoroughly aired.

But such systems are provided by separate legislation recommended by the President, which is in no way related to the purposes of the Airport Act we are being asked to extend today.

This year the President is requesting almost $500 million for air safety programs—navigational aids and the like—apart from the pending airport bill. Next year the President will request more than $500 million for such air safety measures.

Federal funds, Mr. President, should insure safe and efficient transit for air passengers and cargo. It is wholly appropriate that the Federal Government's share of this airport-aid program should include those beyond-the-gate facilities such as runways, taxiways, aprons, tower facilities, and all the rest.

But in these days of unbalanced and near-balanced budgets—when demands on the Federal budget must meet criteria of priority—terminals and restaurants should be supported by the States and the communities they serve and make prosperous.

My Republican colleagues and I on the Committee on Interstate and Foreign Commerce support an alternate measure to S. 1, which is the $575 million proproposal of the Senator from Oklahoma [Mr. MONRONEY]. We would provide $63 million—the same figure available in the current fiscal year—for each of 4 years. According to the best available estimates, our program would meet the Federal share of the funds required to promote air safety "beyond the gate," on the usual matching basis with each State. It would assure continuity of Federal programs and would fully recognize the principle of Federal primacy in this safety field.

Mr. President, in an economy where the threat of inflation is a constant source of concern, the Congress is faced with difficulty budgetary decisions this year. I believe we should make savings wherever we can possibly do so.

It seems to me S. 1 is the right place to start. Restaurants and restrooms cannot compete with Federal requirements for defense, for education, for decent housing for our people, and for many programs where there is little alternative to Federal contributions.

S. 1 does not do everything it says it would. The Republican alternate, in the long run, may provide greater flexibility for airport development, whether for conventional or for jet aircraft. We are still far from having definitive answers to such questions as the best location of jet airports.

The Democrats' special $65 million fund to gear up big-city airports for the jet age would tend to freeze jet-airport development in these areas exclusively. With only a few jet transports now in operation, who can say whether local citizen-acceptance, safety, and other factors will tie, forever, jet airports to present big-city locations?

To freeze large-scale allocations to city areas alone may be wasting money on a grand and unplanned scale. Many questions have been raised as to the desirability of locating jet airports away from cities, and they deserve serious consideration.

All in all, Mr. President, there are convincing reasons why the Republican proposals should be adopted, rather than S. 1 as reported by our committee.

Mr. SCHOEPPEL. Mr. President, I realize that the Federal airport bill is a very important legislative proposal. It has been very carefully considered, it has been checked into in detail, and a great deal of work and effort has gone into it. The entire subject is of vital importance to our Nation, particularly to our transportation picture.

At the outset I wish to say that there are those who earnestly disagree with the administration's position and with those of us on the minority side and others who are interested in this subject.

Personally, I feel that the bill before the Senate involves more money than the facts and circumstances and the history of the need justify. Hence the approach of giving consideration to our

substitute, which would extend the law under which the Government is presently operating.

There may be differences of opinion as to amount and need. I know that from the beginning of this session we have been going along somewhat under forced draft, and that we are perhaps not able to give full consideration to certain phases of a subject because of the haste in which we are approaching it.

Yesterday the Senate approved one of the biggest omnibus housing programs in history. Today we are debating the airport bill, which carries almost twice the amount of money which we believe is justifiably needed.

The term "inflation" is tricky. It always sounds like something that happens to someone else. But inflation is just another way of referring to ever-increasing prices—prices everyone of us in the United States will have to pay.

There was inflation in the housing bill, and there is inflation in the airport bill today. Both these bills call for spending beyond foreseeable revenues. Both will contribute their share to cheapening the American dollar.

Mr. CLARK. Mr. President, will the Senator yield, or does he prefer to complete his address before yielding?

Mr. SCHOEPPEL. If possible, I should like to complete my statement.

Mr. CLARK. I shall be happy to defer my questioning until then.

Mr. SCHOEPPEL. My prime objection to S. 1 is that it hears the cry for help from the Nation's airports through an amplifying device, and the response is as if the multiplied cry measures the true distress in those areas. Admittedly, there is a figure floating around which indicates that the Nation's airports have a combined need for $1,290 million.

The distinguished Senator from Oklahoma [Mr. MONRONEY], the chairman of the Subcommittee on Aviation, indicated how that figure was arrived at. I think it is probably factually correct, so far as I know.

Consider with me, though, the source of that raw figure and its tremendous capacity for overstatement and inbuilt error.

In assembling data for a study of airport needs, the Federal Aviation Agency collected estimates of needs at 3,000 airports in the United States and its Territories. The local airport people in each instance submitted their estimates of what it would cost to improve their own airports in the ways in which they would like to see them improved during the next 4 years.

At some locations, mainly the larger airports, the plans were well prepared and contained defensible estimates of dollar costs.

At other locations, however, the plans were somewhat like utopian or fantastic dreams, calling for facilities and accommodations unlikely to be required in this century.

All of these estimates of costs were funneled into the Federal Aviation Agency through its field offices, which were much too busy, in the short time available, to analyze the cost estimates or appraise the suitability of many of the plans. They had no time to check the readiness of the local communities to put up their matching shares, or the responsibilities which the local authorities would be required to meet with the Federal Government granting these funds.

The plans included everything—acquisition of lands and easements, grading and draining of sites, construction of buildings, control towers, lighting systems, runways, taxiways, and aprons.

The combined cost estimate on this 4-year total of unanalyzed needs came to $1,290 million.

The proponents of S. 1, recognizing that, in the past, Federal aid to airports has been granted on a matching basis—and, I think, fairly, as the Senator from Oklahoma pointed out—took roughly half of the big figure as constituting the rock bottom need for Federal funds. Thus we arrive at the so-called justification for a program calling for the spending, according to the revised figure, of $465 million over 4 years.

I am very much pleased that the Senator from Oklahoma and those who concurred with him in sponsoring S. 1 saw fit this morning, as the distinguished majority leader pointed out, to ask that the bill be amended so as to cover 4 years instead of 5. That is a saving of $100 million as compared with the original estimate of $565 million for a period of 5 years.

There are some other improvements in the bill which I think are very helpful.

I do not propose that we shake the raw airport needs figure down merely in the hope of achieving a lower estimate of total cost. I am sincere when I make that statement.

I do suggest that the years of experience in working with the various Federal airport acts give us—and should give us—a sound means of appraising the relation which will finally exist between what I think are the original inflated estimates and the hard cash which finally will be laid out.

Experience tells us that initially, for example, not all of the airports which voice needs for money will apply for Federal matching funds. The reasons for this are numerous, but there is a solid core of experience to justify saying that not more than one-fifth of the 3,000 airports listed in the 1960 national airport plan will come forward with their own matching funds and ask for a firm grant-in-aid.

No doubt many of the airports that do not follow their reports of needs with claims for grants-in-aid can be found in the 18 States which have not yet used the Federal airport funds available to them under the area-and-population apportionment formula.

Mr. President, at the conclusion of my remarks I plan to offer a statement with reference to what I have just said about the 18 States. I shall offer an exhibit entitled "Federal Aid Airport Program; States Having Unused State Apportionment Balances for the Fiscal Years 1956 to the Present Time in 1959."

If the experience of the Federal Aviation Agency and its predecessor, the Civil Aeronautics Authority, can be taken as a guide, the combined estimates of need reported from those same 18 States are inflated by 100 percent.

Mr. President, at this point I wish to say that I shall also offer for the RECORD a list of the 14 States which are not using all the funds allocated to them. The list shows how much they are requesting for the calendar year 1960. So the list bears exactly on the point I am now making.

Thus, we can cut in half the needs reported from airports in these 18 States, and thus we can diminish by about $100 million the total stated needs, and we can diminish by $50 million the required Federal participation.

Again, the experience of the agencies shows that there is about a 20 percent washout of the needs reported by middle-sized airports—ones not located in the 18 States just mentioned, and not included among the 100 largest airports of the Nation. If we take account of this 20 percent overstatement of need, we can again diminish by about $100 million the total stated need, and we can diminish by another $50 million the required Federal participation.

Thus far, we have shaved $100 million off the required Federal participation, and this without touching the big airports in the great metropolitan air-commerce centers. Such airports account for a huge part of the stated need for airport development. That point has been touched on already, and probably it will be touched on further by Senators who will speak after I conclude my remarks.

But the big metropolitan airports are also moneymakers. Passenger traffic through them is so heavy that huge sums are obtained simply from renting advertising space on the corridor and waiting-room walls. In the big airports, all of us have seen industrial displays and fine arrays of smart shops which do a thriving business. I do not want anyone to gain the impression that I am opposed to that. I think that is the mark of genius of good businessmen and business groups who take advantage of the opportunity to put their best foot forward in an effort to attract the attention of the people who use the airports, and who, as time passes, are using them increasingly.

Because a good airport is good business, the metropolitan centers have not waited for Federal handouts to complete their own airports. That is very commendable. Many of them have gone ahead, with their own funds, and have built as they chose.

The city of Toledo, Ohio, for example, built its express airport without a nickel of Federal funds. I note in the Chamber at this time the distinguished senior Senator from Ohio [Mr. LAUSCHE], who is very much interested in this airport bill, and who has contributed much to it. I am sure he will corroborate what I have stated, particularly in the case of the great airports of the large cities of his State.

Many other cities have accepted some Federal assistance; but, historically, the big metropolitan areas have paid 75 percent of their airport costs.

They can do even better, if put to the task, because today commercial aviation

UNIVERSITY OF MICHIGAN LIBRARIES

is an impressively big industry. The attractive new services it offers are pulling more and more passengers to the airports, where they contribute, directly or indirectly, to paying the capital and operating costs.

Thus, it is that increased passenger and cargo volume, which gives rise to the need for airport improvements, is every day more important as the source of revenues to pay the cost of such improvements.

In recognition of all this, the Federal aviation agency and its predecessor have by administrative rule declined to pay more than $1 million a year on any single airport project. Nevertheless, the big metropolitan areas have found it worth their while to spend millions of their own funds to have good airports. In my opinion, that is as it should be, for they are the ones who profit most from, and obtain the greatest benefit from, the expansion of their airport facilities and their utilization as increased traffic passes through them. They will continue to do so. Thus, we can, with clear conscience, write off 75 percent of the expressed needs of the Nation's 100 largest airports.

In the 1960 national airport plan, their total stated need is about $390 million for runways, land, lights, control towers, and so forth, not counting their requirements in the way of terminals and administration buildings.

Here, at one stroke, we reduce by $292½ million the total stated airport need, and we reduce by about $146 million the required Federal participation.

If, in addition, we call on the 100 largest airports to do as they have done in the past—namely, to pay 75 percent of the cost of their own terminals and administration buildings—we can lop off another $62 million.

Admittedly, my figures are rough; but they are at least rooted in the experience of the Federal Aviation Agency and the Civil Aeronautics Administration.

When totaled, they show that there is too much fat in the stated national airport needs, and an overstatement, to the tune of from $300 million to $315 million, of the required Federal participation.

It would be possible, of course, Mr. President, to produce a clean-cut set of figures, and to declare them to be the last statistical word on our national airport needs.

I do not want to be guilty of that, because the more I examine the figures on airport needs, the more I am convinced that they are a happy compound of guess, hopeful expectation, and calculation, capable of serving well our purpose, if only we remember to use commonsense in dealing with them.

The best commonsense approach is to follow a program that has already proved itself by working well. The present Federal Airport Act is, in my judgment, such a program.

It has provided, I say candidly to my colleagues, enough money to keep our airports reasonably abreast of current needs. It is true that the advent of jets will require peak obligational authority in fiscal 1960–61. That information comes by way of the experience and the testimony of General Quesada and his associates, who studied this matter carefully and closely. But ample funds to meet the peak needs are provided under the amendment I shall submit.

Mr. President, we who have signed the minority views believe that the needs of aviation and the needs of the country will best be served by extending the present Federal Airport Act for 4 years, at an annual level of $63 million.

Accordingly, I submit, and send to the desk, an amendment in the nature of a substitute for Senate bill 1, and ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The amendment in the nature of a substitute, submitted by Mr. SCHOEPPEL, on behalf of himself, Mr. COTTON, and Mr. MORTON, was read, as follows:

Strike out all after the enacting clause, and insert in lieu thereof the following:

"That the first sentences of sections 5(a) and 5(b) of the Federal Airport Act (49 U.S.C. 1104(a)) are amended by striking out 'for each of the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959' and inserting in lieu thereof 'for each of the following fiscal years through the fiscal year ending June 30, 1963'.

"SEC. 2. Section 6(c) of the Federal Airport Act (49 U.S.C. 1105(c)) is amended to read as follows:

"'REDISTRIBUTION OF FUNDS

"'(c) Any amount apportioned for projects in a State pursuant to subsection (a) of this section which has not been obligated by grant agreement at the expiration of the fiscal year for which it was first authorized to be obligated and the fiscal year immediately following shall be added to the discretionary fund established by subsection (b) of this section.'

"SEC. 3. The Federal Airport Act is further amended as follows:

"'(1) In section 2(7) strike out the Territory of Alaska.".

"'(2) In section 3(a) strike out "the Territory of Alaska,", and strike out "the Territories" and insert in lieu thereof "the Territory of Hawaii".

"'(3) In section 5(b) strike out "Territories of Alaska and" and insert in lieu thereof "Territory of", and strike out "45 per centum shall be available for projects in the Territory of Alaska, 25 per centum" and insert in lieu thereof "25 per centum shall be available".

"'(4) In section 7 strike out "in the Territory of Alaska,".

"'(5) In section 9(c) strike out "the Territory of Alaska,".

"'(6) In section 10(c) strike out "the Territory of Alaska and'."

"SEC 4. The Federal Airport Act, as amended, is further amended by adding a new section to read as follows:

"'INTERSTATE COMPACTS

"'SEC. 21. The consent of Congress is hereby given to each of the several States to enter into any agreement or compact, not in conflict with any law of the United States, with any other State or States for the purpose of developing or operating airport facilities. The right to alter, amend, or repeal this section is expressly reserved.'"

Mr. SCHOEPPEL. Mr. President, Senators who are now in attendance will note that there has been proposed a provision for interstate compacts, following the general form of compacts entered into by the States by authority of the Federal Government. This amendment is in the nature of a substitute.

The purpose of the amendment is to provide for a continuation for 4 years of the present law respecting funds available for airport construction. The amounts of money involved are as follows:

Annual obligation authorization for projects in States, $60 million; and annual obligation authorization for projects in Territories and possessions, $3 million.

There are two minor changes of the present law contained in the substitute proposal.

First, a change is made with respect to the treatment of the State of Alaska. She is no longer a Territory. Alaska is in fact a State. She is entitled to all the consequences and prerogatives of assuming statehood. This is a forthright acceptance of a basic fact of life, and conforms with Alaska's proper sense of her own dignity.

As a practical matter, treatment of Alaska as a State will entitle her to a larger portion of State-apportionment funds than she enjoys under present law or would enjoy under S. 1. At the same time she would be in the position of having to increase the amount of matching funds from 25 percent to 37½ percent. However, the President has proposed in his budget message a sum of $10½ million as an overall transitional grant to Alaska for all purposes, to make allowance for some of the problems she faces in her early period of statehood. These funds would be available to assist her in providing matching funds.

The second change in the existing law made by this amendment deals with redistribution of funds authorized by the law.

Under the act, funds apportioned to any State remain available for a period of 2 years, and then go into a fund for reapportionment back to the 48 States.

Under the provision of the substitute amendment such unused or unobligated funds would be transferred to the discretionary fund at the end of 2 years.

As a practical matter, the process of reapportionment freezes unduly large amounts over extended periods, and is an extremely inefficient procedure in terms of utilization of scarce resources.

As I indicated briefly before, section 4 adds the text of section 9 of S. 1 as reported by the committee, and this section deals with interstate compacts.

The reason why we desire to offer the present substitute, with the modifications and changes to which I have referred, is that there are varying degrees of emphasis placed upon the needs of aviation and upon the surveys made, which I think were hurried surveys, and were not calculated to ascertain what the vital needs were and are.

Thus is presented a proposal for the benefit of those of us who felt the administration proposal for $200 million was not enough. Under the present proposal the amount of funds, if provided is considerably larger. Over the 4-year period there will be a difference of 50-some million dollars, together with the carryover.

We have under consideration a law, which I need not tell Senators, has worked well. That law has run the

gantlet of several years of careful scrutiny, several years of demands that have been made from the various States. It certainly provides one thing, namely, the means of determining how many States and how many communities are actually interested in improving airports, even under the generous provisions in the present aviation law.

We find 14 of the States of our Union did not completely avail themselves of the present law. The record will show that, and I am sure will be offered for the benefit of those who desire to read the record. Therefore, we have offered the opportunity to vote for a bill, as a substitute for S. 1, which will carry in it more money than did the original administration bill which was proposed and introduced, and which was considered when the committee considered the pending bill, and which provided for only $200 million.

Mr. CLARK. Mr. President, will the Senator yield for a couple of questions at that point?

Mr. SCHOEPPEL. Will the Senator indulge me for just a moment so that I may offer several matters for the RECORD?

I offer for the RECORD, and ask unanimous consent to have printed, a table headed "Federal-Aid Airport Program: States Having Unused State Apportionment Balances, Fiscal Years 1956–59."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal-aid airport program—States having unused State apportionment balances, fiscal years 1956–59

	1956	1957	1958	1959
Arizona	0	$62,962	0	0
Arkansas	$159,902	622,864	$623,699	$36,298
Colorado	91,900	365,805	515,548	894,257
Connecticut	12,508	0	0	0
Delaware	23,859	75,669	145,199	45,728
District of Columbia	124,342	220,236	274,617	275,596
Idaho	492,240	1,115,753	1,355,629	1,010,082
Indiana	2,109	0	113,032	236,086
Iowa	350,579	910,485	0	0
Kansas	550,855	1,067,787	1,229,601	1,324,065
Maine	2,511	233,406	431,386	312,673
Mississippi	161,264	125,777	411,401	0
Montana	743,874	1,318,870	2,026,879	2,332,808
Nebraska	479,466	971,585	100,618	252,745
Nevada	119,242	0	0	346,345
New Hampshire	94,698	0	145,295	0
New Mexico	396,866	1,053,174	1,343,146	871,592
North Carolina	134,472	56,847	0	0
North Dakota	276,804	558,619	908,488	1,125,896
Oregon	3,168	88,041	97,354	136,754
Rhode Island	40,033	0	4,075	14,217
South Carolina	467,143	550,784	774,462	656,489
South Dakota	550,315	1,085,194	1,238,780	1,170,822
Texas	113,218	0	119,895	0
Utah	27,118	71,893	0	0
Vermont	71,988	0	0	0
Virginia	168,822	264,998	0	0
Wisconsin	66,649	331,947	0	0
Wyoming	129,518	459,446	1,068,005	961,020

Mr. SCHOEPPEL. Mr. President, I offer for the RECORD, and ask unanimous consent to have printed, a table showing a record of 14 States which have not used the funds they could have used showing what they thought they would require for development of airports in 1959 to 1962. The table indicates the estimated needs. I thought it would be helpful to have that table in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Next 4 years, 1959–62, total estimated needs of States never using all of their apportioned airport funds

Arkansas	$5,515,000
Colorado	30,308,000
Delaware	2,993,000
Idaho	5,954,000
Kansas	12,595,000
Maine	9,817,000
Montana	9,888,000
Nebraska	15,759,000
New Mexico	14,312,000
North Dakota	5,466,000
Oregon	9,659,000
South Carolina	9,144,000
South Dakota	6,935,000
Wyoming	5,444,000

Mr. SCHOEPPEL. Mr. President, I also offer for the RECORD, and ask unanimous consent to have printed, a table entitled "Federal-Aid Airport Program: Federal Funds Allocated to Buildings and Related Terminal Area Development Under Public Law 211," for the fiscal years 1956 to 1959.

I might add that 14 of the States did not use up the money made available. That is a matter of history and factual information.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal-aid airport program—Federal funds allocated to buildings and related terminal area development under Public Law 211, fiscal years 1956–59

Location	Buildings	Other terminal area facilities
Alabama:		
Birmingham	$1,175,000	$334,500
Huntsville	20,000	28,500
Montgomery	207,770	57,540
Muscle Shoals	71,000	0
Total	1,473,770	420,540
Arizona:		
Casa Grande	0	5,980
Flagstaff	5,000	10,788
Kingman	18,418	0
Phoenix	628,304	397,775
Prescott	13,764	0
Sedona	0	2,198
Tucson	0	86,578
Total	665,486	503,319
Arkansas:		
Arkadelphia	0	3,625
Fort Smith	173,000	80,000
Little Rock	109,300	0
Rogers	0	750
Springdale	0	2,250
Texarkana	69,000	2,682
Total	351,300	89,307
California:		
Bakersfield	10,000	72,980
Carlsbad	10,000	1,500
Columbia	15,000	0
Fresno:		
Chandler Field	0	16,590
Air Terminal	532,702	11,283
Half Moon Bay	13,006	5,961
Hayward	0	52,037
Lancaster	0	15,000
Los Angeles	0	186,972
Oakland	1,393,164	20,000
Ontario	0	50,000
Oroville	0	2,246
Pomona	98,876	19,580
Salina	27,250	0
San Diego: Lindbergh Field	1,000,000	47,000
San Jose	0	5,000
Stockton	170,666	0
Susanville	7,212	8,128
Total	3,277,876	514,277

Federal-aid airport program—Federal funds allocated to buildings and related terminal area development under Public Law 211, fiscal years 1956–59—Continued

Location	Buildings	Other terminal area facilities
Colorado:		
Alamosa	0	$2,397
Boulder	$7,987	5,000
Cortez	42,624	4,262
Lamar	0	4,336
Pueblo	0	28,015
Total	50,611	44,010
Connecticut:		
Bridgeport	245,000	0
Danbury	12,101	0
New Haven	34,722	0
Windsor Locks	582,500	0
Total	874,323	0
Delaware: Wilmington	0	47,892
Total	0	47,892
Florida:		
Daytona Beach	220,177	10,000
Fort Lauderdale	131,400	30,000
Jacksonville	100,110	29,184
Key West	250,218	
Kissimmee	0	4,250
Lakeland	43,428	0
Melbourne	50,000	0
Miami	1,818,975	650,000
Panama City	67,000	5,500
Pensacola	0	10,000
St. Petersburg	173,733	35,250
Sarasota	160,000	13,000
Tallahassee	157,500	15,000
Tampa	205,500	4,500
Total	3,378,041	806,684
Georgia:		
Albany	109,105	7,500
Athens	34,000	5,000
Atlanta: Municipal	2,113,500	175,000
Carrollton	0	1,500
Macon	57,100	0
Savannah	250,000	5,000
Waycross	22,500	12,500
Total	2,586,205	206,500
Idaho:		
Idaho Falls	177,520	16,031
Moose Creek	0	279
Sandpoint	0	2,970
Total	177,520	19,280
Illinois:		
Aurora	0	10,500
Alton	42,500	0
Carbondale	0	20,000
Champaign	211,950	34,000
Chicago:		
Midway Airport	0	306,000
Meigs Airport	51,650	0
O'Hare International	0	137,500
Danville	40,000	8,000
Dixon	0	2,500
Effingham	0	2,000
Flora	0	2,000
Galesburg	48,000	42,500
Jacksonville	0	2,000
Marion	10,500	0
Mount Vernon	0	38,000
Olney	0	9,500
Peoria	571,845	105,000
Springfield	332,240	57,150
Sterling	0	43,000
West Chicago	102,000	25,000
Total	1,410,685	844,650
Indiana:		
Anderson	0	22,500
Gary	10,000	5,800
Indianapolis	0	89,781
Kokomo	0	4,250
Logansport	5,000	5,000
Marion	0	5,000
Michigan City	7,125	0
Terre Haute	8,000	5,000
Total	30,125	137,331
Iowa:		
Audubon	0	500
Burlington	17,830	0
Cedar Rapids	0	8,500
Creston	0	1,100
Dubuque	0	4,000
Forest City	0	1,200
Mason City	0	7,128

UNIVERSITY OF MICHIGAN LIBRARIES

***Federal-aid airport program—Federal funds allocated to buildings and related terminal area development under Public Law 211, fiscal years 1956–59*—Continued**

Location	Buildings	Other terminal area facilities
Iowa—Continued		
Newton	0	$750
Sheldon	$7,500	1,120
Sioux City	40,000	3,750
Total	65,330	28,048
Kansas:		
Elkhart	0	1,000
Emporia	0	688
Garden City	30,000	17,500
Hays	0	2,500
Iola	0	700
Liberal	26,040	0
Salina	47,636	24,700
Total	103,676	47,088
Kentucky:		
Covington	817,992	100,111
Elizabethtown	0	1,000
Lexington	2,500	0
Louisville	821,000	0
Total	1,641,492	101,111
Baton Rouge	5,000	5,000
Lafayette	55,790	0
Lake Charles	175,000	92,500
New Orleans: Moisant International	1,502,550	0
Total	1,738,340	97,500
Maine:		
Auburn	26,750	1,500
Augusta	18,270	0
Portland	0	20,000
Wiscasset	0	7,000
Total	45,020	28,500
Maryland:		
Baltimore: Friendship International	288,250	35,000
Cambridge	0	800
Hagerstown	0	135,000
Total	288,250	170,800
Massachusetts:		
Boston	778,000	102,500
Fitchburg	5,460	8,290
Gardner	0	12,250
Hyannis	130,456	68,300
Martha's Vineyard	0	3,983
Nantucket	20,000	10,000
New Bedford	22,750	65,525
Orange	18,842	9,665
Pittsfield	0	8,668
Southbridge	0	6,000
Turners Falls	0	2,500
Westfield	28,000	3,000
Worcester	37,858	119,184
Total	1,041,366	419,865
Michigan:		
Alpena	31,250	0
Battle Creek	106,222	13,000
Crystal Falls	0	9,500
Detroit: Metropolitan-Wayne	2,031,668	184,500
Houghton	28,500	10,500
Ironwood	25,000	9,000
Jackson	35,450	0
Kalamazoo	20,000	40,000
Lansing	431,072	114,000
Marquette	67,093	0
Pontiac	50,000	56,500
Total	2,826,255	437,000
Minnesota:		
Minneapolis: International	2,604,695	390,227
Rochester: New Municipal	400,000	0
Total	3,004,695	390,227
Mississippi:		
Cleveland	6,000	300
Hattiesburg	10,000	0
Natchez	44,875	7,952
Total	60,875	8,252

***Federal-aid airport program—Federal funds allocated to buildings and related terminal area development under Public Law 211, fiscal years 1956–59*—Continued**

Location	Buildings	Other terminal area facilities
Missouri:		
Cape Girardeau	$40,080	0
Kansas City: Municipal	709,315	$245,450
St. Louis: Lambert	709,502	0
Springfield	10,000	0
Total	1,468,897	245,450
Montana:		
Billings	306,436	0
Great Falls	72,300	1,070
Total	378,736	1,070
Nebraska:		
North Platte	0	2,250
Omaha	0	80,000
Scribner	16,450	6,000
Total	16,450	88,250
Nevada:		
Elko	0	13,024
Las Vegas	0	69,581
Reno	282,670	341,032
Total	282,670	423,637
New Hampshire:		
Keene	62,500	5,000
Laconia	17,822	0
Total	80,322	5,000
New Jersey:		
Atlantic City	325,000	75,000
Newark	900,000	377,500
Trenton	0	2,500
Total	1,225,000	455,000
New Mexico:		
Alamogordo	30,950	7,500
Carlsbad	51,975	5,119
Hobbs	0	80,282
Las Cruces	0	29,806
Santa Fe	45,153	14,115
Tucumcari	20,000	0
Total	148,078	136,822
New York:		
Albany	0	18,700
Binghamton	391,250	107,063
Buffalo	159,500	0
Elmira	405,510	
Islip	0	172,000
Jamestown	0	7,500
New York:		
La Guardia	0	130,000
International	1,000,000	0
Olean	0	5,000
Rochester	217,500	140,000
Syracuse	666,243	9,555
Utica	175,000	160,000
White Plains	0	40,200
Total	3,015,003	790,018
North Carolina:		
Asheville	199,680	0
Charlotte	100,000	0
Greensboro	68,500	30,585
Hickory	100,000	3,500
Raleigh	64,500	42,000
Shelby	15,000	23,300
Total	547,680	99,385
North Dakota:		
Fargo	30,449	0
Jamestown	30,000	2,000
Minot	39,000	2,500
Total	99,449	4,500
Ohio:		
Akron: Akron-Canton Airport	800,000	86,000
Cleveland: Hopkins Airport	476,932	140,876
Columbus	1,400,000	250,000
Dayton	1,556,000	489,000
Mansfield	35,000	0
Youngstown	14,337	48,747
Total	4,282,269	1,014,623

***Federal-aid airport program—Federal funds allocated to buildings and related terminal area development under Public Law 211, fiscal years 1956–59*—Continued**

Location	Buildings	Other terminal area facilities
Oklahoma:		
Duncan	$20,000	$1,000
Enid	0	31,400
Hobart	28,870	0
Okmulgee	0	3,000
Tulsa:		
Municipal No. 1 Airport	1,048,942	600,000
Municipal No. 2 Airport	101,729	75,000
Total	1,199,541	710,400
Oregon:		
Corvallis	0	34,176
Eugene	0	15,049
Grants Pass	0	7,000
North Bend	0	11,420
Pendleton	0	5,878
Portland	1,038,045	448,580
Total	1,038,045	522,103
Pennsylvania:		
Altoona	79,510	40,000
Coatesville	0	7,500
Dubois	0	8,000
Erie	320,500	32,500
Harrisburg	60,000	0
Philadelphia: International	1,103,405	0
Pittsburgh: Greater Pittsburgh	1,279,750	0
Reading	200,000	0
Washington	31,000	5,000
Wilkes-Barre	497,379	137,580
Williamsport	0	4,695
Total	3,571,544	235,275
Rhode Island: Providence	884,210	80,000
Total	884,210	80,000
South Carolina:		
Columbia	65,000	10,000
Greenville	10,000	0
Marion	0	2,500
Sumter	10,000	3,000
Union	0	2,500
Total	85,000	18,000
South Dakota:		
Mobridge	0	6,883
Pierre	37,150	5,299
Yankton	0	2,348
Total	37,150	14,530
Tennessee:		
Cleveland	0	7,000
Cookeville	0	1,000
Crossville	0	3,000
Knoxville	30,000	8,164
Lebanon	0	5,000
Milan	0	4,600
Nashville	969,960	540,040
Paris	0	1,750
Total	999,960	570,554
Texas:		
Austin	400,000	9,500
Beaumont	0	17,000
Breckenridge	0	3,275
Brownsville	12,500	0
Brownwood	14,000	2,795
Cleburne	0	1,500
College Station	49,400	0
Corpus Christi: New Municipal	504,360	139,955
Dumas	8,000	5,000
El Paso	256,000	27,500
Galveston	0	8,855
Harlingen	30,500	12,102
Hereford	0	5,170
Houston	285,000	297,750
Lubbock	140,720	41,240
Midland	279,450	139,068
Paris	27,862	35,700
Pecos	11,735	0
Rockport	0	4,000
San Antonio: International	346,025	28,530
Stephenville	0	7,000
Sulphur Springs	0	15,000
Total	2,365,552	800,940

Federal-aid airport program—Federal funds allocated to buildings and related terminal area development under Public Law 211, fiscal years 1956–59—Continued

Location	Buildings	Other terminal area facilities
Utah:		
Blanding	0	$7,453
Kanab	$5,823	7,500
Logan	17,810	0
Monticello	0	2,200
Provo	0	4,862
Salt Lake City: Municipal No. 1 Airport	1,333,243	35,039
Total	1,356,876	57,054
Vermont:		
Barre-Montpelier	30,000	0
Total	30,000	0
Virginia:		
Charlottesville	30,090	0
Lynchburg	25,000	12,000
Newport News	60,000	7,000
Norfolk	459,000	42,500
Richlands	0	6,750
Richmond	18,000	75,000
Roanoke	0	37,425
South Boston	0	3,000
Staunton	0	5,000
Wytheville	0	25,000
Total	592,000	213,675
Washington:		
Pullman-Moscow	5,250	0
Seattle:		
Boeing Field	0	23,371
Seattle-Tacoma	273,254	96,779
Wenatchee	20,580	2,406
Yakima	0	5,174
Total	299,084	127,730
West Virginia:		
Bluefield	65,000	18,623
Clarksburg	0	13,500
Huntington	175,000	0
Parkersburg	50,000	0
Total	290,000	32,123
Wisconsin:		
Ashland	18,000	10,000
Crandon	0	6,150
Eau Claire	50,000	17,300
Hartford	0	3,250
Kenosha	0	6,000
Milwaukee:		
Curtis	50,000	15,000
Mitchell	144,410	54,250
Oshkosh	66,939	17,600
Rhinelander	31,672	3,500
Sheboygan	0	2,300
West Bend	0	2,500
Total	361,021	137,850
Wyoming:		
Casper	0	31,306
Cheyenne	214,388	0
Cody	22,876	5,000
Gillette	0	8,004
Jackson	42,391	13,721
Rawlins	13,154	3,500
Riverton	33,051	6,100
Sheridan	24,164	4,732
Torrington	0	5,718
Total	350,024	78,081
Alaska:		
Akiak	0	750
Arctic Village	0	30,000
Bethel	18,750	41,250
Beaver	0	3,750
Chitna	0	2,250
Excursion Inlet	0	6,500
Haines	0	17,323
Homer	25,000	0
Hood Bay	0	9,900
Hooper Bay	0	60,000
Hydaburg	0	7,000
Juneau	400,000	12,500
Kalskag	0	1,500
Kaltag	0	3,750
Ketchikan	0	80,000
Kivalina	0	4,500
Kotzebue	0	3,750
Mekoryuk	0	56,250
Minton	0	3,750
Noatak	0	3,750
Mondalton	0	7,500
Petersburg	0	90,000
Seward	0	3,750
Total	443,750	449,723

Federal-aid airport program—Federal funds allocated to buildings and related terminal area development under Public Law 211, fiscal years 1956–59—Continued

Location	Buildings	Other terminal area facilities
Hawaii:		
Honolulu	$435,875	$1,350,000
Kaukakai	64,000	25,000
Total	499,875	1,375,000
Puerto Rico: San Juan	271,250	12,500
Total	271,250	12,500
Virgin Islands: Christiansted-St. Croix	303,000	20,797
Total	303,000	20,797
U.S. total	50,095,802	12,224,251
Territorial total	1,517,875	1,858,020
Grand total	51,613,677	14,082,271
	14,082,271	
	65,695,948	

NOTE.—$65.7 million for fiscal years 1956–59 amount of Federal aid granted under Public Law 211.

Deleted in these figures estimated Federal participation in control towers, air traffic control centers, and Weather Bureau facilities.

Mr. SCHOEPPEL. Finally, Mr. President, I offer for the RECORD, and ask unanimous consent to have printed, an article which appeared in Barron's National Business and Financial Weekly, under date of January 26, 1959, entitled "No Grounds for Subsidy. Federal Aid to Airports Is Neither Necessary Nor Wise," because the analysis points up some matters which are very important.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NO GROUNDS FOR SUBSIDY—FEDERAL AID TO AIRPORTS IS NEITHER NECESSARY NOR WISE

One man, so philosophers have said, on the side of right constitutes a majority. To some observers of national affairs, the old saying seemed peculiarly appropriate last week as the new Congress opened hearings on the controversial issue of Federal aid to airports. For to judge by the record of the previous session, the spokesman for the administration—Under Secretary of Commerce Louis W. Rothschild then, Gen. E. R. Quesada now—is likely to be the lone voice raised against the extravagant measure proposed by the Democrats. Lined up in favor will be a formidable array of public and private groups, including, among others, the Air Line Pilots Association, the Air Transport Association, the Airport Operators Council, the American Municipal Association, the U.S. Conference of Mayors and, not least, the AFL–CIO. Among lawmakers of both parties, moreover, sentiment for the bill reportedly is running strong.

Despite the lopsided balance of opinion on Capitol Hill—indeed, one might add, because of it—the White House deserves the thanks of every taxpayer. What the majority is urging is ill-timed and costly; over a 5-year span, the pending legislation would authorize the outlay of more than a half-billion dollars. Inevitably it also would thrust the Federal Government further into a sphere which should be the primary concern of municipalities and States. In the fair name of aviation progress, finally, it would perpetuate the national subsidy of activities that are essentially commercial and, in consequence, properly self-supporting. The special interests which such a measure would benefit naturally have closed ranks behind it. By taking an unyielding stand on the matter, however, even to the point of a veto if necessary, the President unmistakably is striking a blow on behalf of the national interest.

The blow has been a long time coming. For 12 years, under an act originally passed in 1946 and subsequently extended, Washington has been contributing generously to the construction and expansion of airport facilities. During this span its grants, which must be matched dollar for dollar by funds raised locally, have run as high as $50 million per year. Last winter, as part of a massive program to combat the recession, the Democrats drew up a more ambitious blueprint. Among other things, their new Federal Airport Act called for raising the Treasury ante to $100 million per year over the next half decade. In addition, it would have established a special fund of $75 million, designed to be spent immediately. The bill, which sailed easily through the 85th Congress, was pocket vetoed. Now, as S. 1, it has become the first order of business before the 86th.

To its support undoubtedly will rally everyone concerned in any way with air transportation. Save for the harried Mr. Rothschild (who, by the way, since has resigned), witnesses at the 1958 hearings, as noted, unanimously urged its passage. In their view, the public welfare and national defense, especially in the newly dawned jet age, demand bigger and better airports. This may or may not be true—without the help of Senator MONRONEY and his colleagues, after all, American Airlines yesterday launched the first regularly scheduled transcontinental jet flights. In any case, the argument should not obscure the fact that the pending measure has been poorly conceived, hastily drawn, and badly timed. S. 1, for example, still refers to the "Territory" of Alaska. Even more revealing, despite the remarkable economic recovery, the bill, like its predecessor in recession-ridden 1958, calls for an immediate step-up in Federal spending.

The great defect of the legislation, however, lies less in its timing than in its fundamental approach. For S. 1 in the main merely would perpetuate a system of Federal aid which, experience has shown, stands badly in need of overhaul. True, one improvement would be made. Under existing law, U.S. grants may be used to help defray the cost of restaurants, parking lots, bars and like facilities which are merely incidental to an airport's mission. In tacit acknowledgment of the need for a change, the pending bill would crack down on such luxuries. At the same time, however, it would continue to underwrite a number of other, more serious follies. For example, it would leave untouched the current method of allocating U.S. funds, which is based not on national needs, as the President has urged, but largely on such political considerations as population and area. Under this formula Federal money has helped to build many local installations of doubtful commercial or military value; in contrast, its contribution to such major fields as New York's Idlewild has been small.

Worst of all, the proposed measure would continue to place the financial burden on the wrong shoulders. For it is clear that airports need not depend so heavily on the U.S. Treasury; as revenue-producing facilities, they can draw upon the airlines, operators of private planes such as businessmen and farmers, and many others who can afford to pay for what they get. In addition, as widely recognized community assets, such facilities, if necessary, have a legitimate claim on local assistance. An airport, in short, should be supported not by U.S. taxpayers, but by users and those who, directly or indirectly, profit from its existence. Nor is this merely theory. The State of Minnesota, for instance, has established in the

UNIVERSITY OF MICHIGAN LIBRARIES

Twin Cities a Metropolitan Airports Commission which enjoys limited taxing power. In Miami, Dade County's International Airport is not just free of deficit; it actually operates in the black.

Such cases are admittedly exceptions to the rule. Yet they represent a goal toward which other communities should strive—and toward which the administration, in a moderate program of its own, plainly is pointing. Just as plainly, the legislation now pending in the Senate, far from speeding the day when airports throughout the country become self-sustaining, would tend to delay it, for at least 5 years and perhaps longer. The United States wants and needs adequate landing fields and runways. Valuable though they are, however, they should not be bought at the expense of what is financially prudent and morally right.

Mr. SCHOEPPEL. I yield now to the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. May I ask the Senator whether Pennsylvania is not excluded from the list of States which did not use available funds?

Mr. SCHOEPPEL. Pennsylvania is not listed on the table showing the States having unused State apportionment balances for the fiscal years 1956 to 1959.

Mr. CLARK. Earlier in his very able talk, the distinguished Senator from Kansas indicated his view that the bill would contribute to inflation. I wonder if the Senator would tell the Members of the Senate why he thinks the bill is inflationary.

Mr. SCHOEPPEL. I do not recall my exact words, but it has been indicated—and I subscribe to the view generally—that any time we in the Senate of the United States or in the National Congress pass measures which go far beyond the income the Government of the United States receives, such measures are bound to be inflationary, because somebody has to borrow the money.

Mr. CLARK. I agree with the Senator.

Mr. SCHOEPPEL. I am sure the able Senator from Pennsylvania would agree that if we continue doing this we will only get into an inflationary spiral, of which I am frankly fearful. I would much rather curtail in certain degrees than run the hazard of further cheapening of the dollar.

Mr. CLARK. I could not agree with the Senator more. My point has always been, however, that there is no inflationary effect of Federal expenditures if the budget is balanced. Would the Senator agree with me on that?

Mr. SCHOEPPEL. I think in such circumstance there is far less effect than if we carry it the next step forward.

Mr. CLARK. The Senator would agree, would he not, that the activities, whether of the Government or of private industry, which generate profits and income, and thus return taxable income to the Treasury and increase the gross national product, are salutary?

Mr. SCHOEPPEL. I quite agree. If we can add to the overall income, which can be used as a tax base, there will be no necessity for running deficits, for which we will have to do borrowing and more borrowing.

Mr. CLARK. I think the Senator and I are substantially in accord.

I wish to turn to another subject. The Senator said in the course of his remarks that hardly one-fifth of the 3,000 airports in the country would come forward with matching funds. I think I state the Senator's remarks correctly.

Mr. SCHOEPPEL. I believe the Senator is correct as to what I said in my statement.

Mr. CLARK. I should like to point out that in the Commonwealth of Pennsylvania we have 49 publicly owned airports. About three-fifths of these airports, 29 out of 49, have applications either pending or in preparation for matching funds.

Mr. SCHOEPPEL. I will say to the distinguished Senator from Pennsylvania that we were using the figures and exact amounts as shown by the survey for the entire United States. I believe I am correct. As I recall, from a little more than 3,000 airports in the neighborhood of 600 or 590—some place in that range—availed themselves of the program. That was the reason for the statement.

Mr. CLARK. I wonder whether the Senator could enlighten me as to whether it is likely the vast majority of those airports which have not called for Federal funds are small, private airports in relatively remote parts of the country so far as the volume of air traffic is concerned? Have not most of the large airports in the densely populated parts of the United States already applied for Federal aid?

Mr. SCHOEPPEL. I want to answer the Senator if I can. I do not think that is necessarily the case, because some of the large airports have been built and paid for in some of these other areas.

Mr. CLARK. Most of the large airports—such as the two largest in Pennsylvania, Pittsburgh and Philadelphia—still have to make substantial expenditures to meet the necessity for enlarging and strengthening the runways to take care of the jetplanes which will soon be seeking to land on the runways. I think that would be generally true throughout the country.

I would suggest that the fact that 29 of the 49 publicly owned airports in Pennsylvania are prepared to put up matching funds and will require $45 million of Federal aid before the end of 1962, which they will match with $45 million of their own, is some indication that the amount provided in the bill is not too high?

Mr. MORTON. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I am glad to yield to the Senator from Kentucky.

Mr. MORTON. I should like to comment on the remarks of my good friend and colleague from Pennsylvania. The needs which total $1,290 million are the needs of roughly 3,000 airports in the Nation. That includes far more than the 49 airports in Pennsylvania. The Senator is speaking of commercial airports?

Mr. CLARK. I am speaking of publicly owned airports.

Mr. MORTON. Public airports.

Mr. CLARK. Publicly owned airports.

Mr. MORTON. But these 3,000 airports, as to which the figure of need was obtained, cover more than the 49 in the State of Pennsylvania. In the great Commonwealth of Pennsylvania there surely would be more than such a small percentage of the total of 3,000.

Mr. CLARK. Many of the airports would be very small airports, for private aircraft. One would not be apt to get much of a request for a Federal contribution from them.

Mr. MORTON. The Senator is correct. Those airports will not come into the program. That is the point. However, their needs are in the $1.3 billion figure. The needs have been included.

Mr. CLARK. For that reason, as I understand the distinguished Senator from Oklahoma and his colleagues on the majority side of the committee, a cut was made down to $465 million. It was not a cut in the need, but it was a cut to meet one-half of the need.

Mr. MORTON. The Federal Government is supposed to meet only half the need.

Mr. CLARK. The Senator is correct.

Mr. MORTON. The figure was cut originally to $575 million. The needs figures result from the "letter to Santa Claus" approach, when everyone put in all of his needs, for the 3,000 airports, which cover considerably more than the 49 in the State of Pennsylvania.

Mr. CLARK. I wonder if my good friend from Oklahoma [Mr. MONRONEY] heard the reference of my good friend from Kentucky to the bill as the "letter to Santa Claus" approach.

Mr. MORTON. Mr. President, will the Senator yield? I did not refer to the bill as a "letter to Santa Claus" approach at all.

Mr. CLARK. Then I must have misunderstood the Senator.

Mr. MORTON. I want to correct that, because I am in sympathy with the objectives of the bill, and I think we have an obligation in this regard. I refer to the $1.3 billion figure as being the result of what I term a "letter to Santa Claus" approach, in which everyone was asked, "What are your needs?" Of course, they were not laggardly or remiss or backward about stating needs.

If someone should ask me what I need for the next 5 years, I am afraid the list would be very long indeed.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I am glad to yield.

Mr. MONRONEY. The distinguished senior Senator from Michigan [Mr. MCNAMARA] put into the RECORD a few minutes ago, when my distinguished colleague was off the floor, some information to show that the need figure of $1.3 billion is certainly not a "letter to Santa Claus" approach. I hope the Senator will tell the Senate more about this item.

The information was obtained from the aviation commissioner, who is in charge of disbursement of all State matching funds. That gentleman certainly knows what the needs are and what his State's matching ability is.

Mr. MCNAMARA. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I am glad to yield to the Senator from Michigan.

Mr. MCNAMARA. The director of the aviation authority in Michigan indicates that under the bill the State of Michigan over the designated period

would receive $26 million. According to the Director, there is a need for more than $64 million in this period of time. The need can be demonstrated.

The Commissioner indicated in the communication that the current bill is totally inadequate to meet the needs of the States. He dealt with several other figures, and I did put them in the RECORD. I think a very good case was made for the higher figure. I thank the Senator.

Mr. MONRONEY. Mr. President, will the Senator yield further?

Mr. SCHOEPPEL. I am glad to yield further.

Mr. MONRONEY. I have also heard from the Senator from Wyoming. I do not have the exact figures available, but it is my understanding that the aviation people advised the Senator that they underestimated the requirements and the ability of the State of Wyoming to provide local matching funds. I understand they put down one-third of what they now say are their actual needs for which they are able to provide matching money.

It is not an overestimated figure that we are charging for the new child or prodigy in the Federal Aviation Administration. Apparently, from what the distinguished Senator from Pennsylvania, the distinguished Senator from Michigan, and the distinguished Senator from Wyoming have said, in those three instances the figure is underestimated by a great amount. The figure is only approximately one-third of what is required in Michigan, or what is required in Wyoming—and I did not get the total figure for Pennsylvania.

Mr. CLARK. Our figure was $45 million through 1962, representing our need for Federal funds in excess of local and State funds which are available in the same amount. I was suggesting that the figure in the Senator's bill was not too high.

Mr. MONRONEY. I think we are on the frugal side. I do not think there will be nearly enough to meet the fund requests of the municipalities and the States, but, at the same time, I do not think we are in a budgetary position where we can go overboard. That is why any pressures to reduce the amounts in the bill must be resisted, if we want anything that will remotely approach meeting the needs of our country and the requirements which the Federal Aviation Agency itself is insisting be met in order to modernize airports.

Mr. CLARK. What is happening in the airport field is similar to what is happening in the urban renewal field. As certain airline carriers in my State, such as Allegheny Airlines, pick up more and more communities and put them on their schedule, the demand accelerates. I have no doubt that, just as in the case of slum clearance and urban renewal, so in the case of the airports, there will be an increasing demand which must be met from some source, or we shall have a second-class aviation system.

Mr. MONRONEY. And not a safe aviation system. No matter how much we spend upstairs, we can waste money above unless we have facilities beneath for the planes to get home on.

Mr. SCHOEPPEL. I should like to make an observation with reference to the point to which the distinguished Senator from Pennsylvania referred. I was trying to point out what was before our committee on this question, as related to the experience of the past 3 years or more, including the remaining part of this year. It was definitely shown, at least according to the information which was submitted, that the States did not use the amounts which had been allocated to them. I think I am safe in saying that the record shows that the Agency did not, in any 1 year, pay out as much as $60 million.

I recognize that aviation is a growing industry. It is an expensive industry, both from the standpoint of planes and the standpoint of extension of the runways. God knows, they will be stretching out for 2 or 3 miles unless the manufacturers of planes reach a point in their experimentation where the length of the runway can be shortened and the runway will still be safe and practical.

I well understand—and I know the Senator from Pennsylvania must agree with me—that, without attributing ulterior motives to a community or group, if it can get something, it is not going to subtract from its requests. It is going to add. It would be fine if we had a surplus of $50 billion or $75 billion in our Government. But when I see the terrific debt and the erosion of the dollar—and I am no expert—I know that the people on fixed incomes who buy goods are seriously concerned over what may happen to our Nation if this erosion continues.

So long as we are Members of this body—and some of us will be here longer than others—we shall have some unpleasant times unless we face up to the realities.

I am not saying that this one bill, or the bill which we passed last night, will break the fiscal back of the country. But I say, with all the sincerity in my soul, that when we add up all the spending, and multiply it, it will break the back of the country economically. I do not wish to be a party to it. I would rather forgo some things.

History shows that in many instances States which have had the opportunity and privilege of coming in for grants-in-aid did not do so. Perhaps they were not alive to the opportunities. I rather suspect that they were aware that this is a great, growing industry. Somehow or other the history of the past 3½ years has not demonstrated the need for $465 million.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I yield.

Mr. CLARK. I believe that I discussed with my friend from Kansas a little earlier the inflationary impact, if any, of this bill. We were pretty well agreed that if the budget were balanced by increasing revenues there would be no inflationary effect.

I do not wish to prolong the discussion. In order to terminate the discussion on this subject, in which I am so vitally interested, I should like to turn to one final factor.

My good friend from Kansas suggested that the 100 largest airports in the country should be eliminated from the program. Is that correct?

Mr. SCHOEPPEL. No. I said that the historical background showed that they were practically eliminating themselves, because they went ahead and made these great improvements.

Mr. CLARK. This happens to be a subject on which I have had a little experience. The airports made those improvements shortly after World War II, before they went broke, as they are now, after taxes had been raised to the extent it seemed wise and prudent to ask citizens to pay.

My friend stated that the large airports were making money. I was pretty well convinced that they were not, so I asked my administrative assistant to telephone the manager of the airport in Philadelphia to find out how they were doing. I found that, just as the Philadelphia airport was losing money when I was mayor, it lost over $1 million last year, after taking into account debt charges and a normal rate of depreciation.

Mr. SCHOEPPEL. The distinguished Senator from Pennsylvania is thoroughly familiar with the Philadelphia situation, and I would not dispute him for a moment. However, I understand that my colleague [Mr. COTTON], who is the ranking minority member of the Aviation Subcommittee, will have something to say in connection with a check which he has made on this point. I do not know whether his study included the airports in the great State of Pennsylvania or not, but the record is rather revealing as to the moneymaking possibilities and the profits from some of them, all of which makes us very happy, because it means that other taxpayers do not have to pay as much in taxes.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I yield.

Mr. MORTON. I believe Miami, which is not nearly as large as Philadelphia from the standpoint of population, operates its airport at a profit.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I yield.

Mr. CLARK. I am sure the Senator from Kentucky anticipated a quick rebuttal of my statement in that connection. Next to New York, Los Angeles, Chicago, and perhaps one or two other airports, the Miami Airport handles a far greater volume of traffic than the airport in Philadelphia, which is only a stop between Washington and New York, so far as aviation is concerned.

It is true that during the past few years we have increased our status among national airports from 35th to 18th. But we are in no position to compete with the airports at the terminal points of our country, such as Miami. If we were to look into the Miami situation we might find some things which my friend from Kentucky quite wisely did not bring out.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. MORTON. Mr. President, will the Senator yield?

Mr. SCHOEPPEL. I yield.

Mr. MORTON. The Senator from Pennsylvania modestly referred to the great city of Philadelphia, and its historic tradition and importance in the culture and civilization of America. I think it is a city of great importance. I have never known more charming people anywhere in the world than those from Philadelphia. I commend the Senator from Pennsylvania for coming to Kentucky, and to my home town, to find his very charming and gracious wife.

Mr. CLARK. I thank the Senator.

Mr. COTTON obtained the floor.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. MORTON. Mr. President, I ask unanimous consent to suggest the absence of a quorum, without the Senator from New Hampshire losing his right to the floor.

The PRESIDING OFFICER. Does the Senator from New Hampshire yield for that purpose?

Mr. COTTON. I yield for that purpose, provided I do not thereby lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COTTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Without objection, it is so ordered.

Mr. COTTON. Mr. President, we are flat up against a vote on a half billion dollar program of paving runways and building terminals on every airport from Key West to Ketchikan. An airport program is vital and necessary because in a measure it spells out the future of the regions, the communities, the businesses, and the families of America.

Whatever may have been the disagreement in the committee or in the subcommittee, the distinguished Senator from Oklahoma [Mr. MONRONEY] was entirely correct in saying that there is not a single member of the committee, Democrat or Republican, who is not extremely desirous of seeing to it that the airport program of America should not be choked, scuttled, or stifled in any manner, shape, or form.

Because our decision today involves a vitally important program and at the same time has a terrific impact, actual and psychological, upon the budget, it calls for careful scrutiny and precision thinking.

First, let us ask this question: What do we want?

We want a continuing airport program. We want aid available wherever it is actually needed and can be matched for the essentials of airports. We want it available for the small communities as well as the large.

We want the dollars spent wisely and frugally.

We want them spent for essentials and not for frills and furbelows.

We want them spent for expanding future needs and not for passing fancies.

And above all, we want safety first—ahead of comfort and convenience.

We may well ask this question also: What is it we do not want?

We do not want any community needing to develop its airport and ready to match the Federal funds turned away and its future development imperiled. We do not want to provide Federal funds so lavishly that we offer inducements for impractical and uneconomic uses. We do not want to encourage—and mark this, Mr. President—the building of bigger, heavier, faster commercial aircraft to the point that endless runways are required far beyond the resources of our smaller cities and communities. We do not want Federal money devoted to facilities that are self-liquidating and are used for profitable business concessions.

We do not want—and this too is vital—a ballooned up bill and a veto, and no Federal aid at all.

We want immediate, practicable, and reasonable aid for airports, not a political issue for 1960.

Therefore the first question before the Senate upon which I trust we shall vote shortly, in connection with the substitute offered by the distinguished Senator from Kansas, the ranking minority member of the committee, is whether an extension of the present law, with its $63 million a year for 4 years, is adequate for the airport needs of American communities, large and small, or whether we should boost the Federal contribution to $465 million for that period, with $165 million immediately available.

That is the very crux of this question. That is where we stand or fall. That is the decision which every one of us must make in deciding this critical vote on the substitute.

The first answer is that under the present law, which has stood the test of time, the funds have proved to be adequate for the needs of the airports of this country up to the present moment, and beyond.

There is a good deal of confusion in the minds of some Senators—and I know some confusion existed in my own mind during the first part of the hearings—with respect to the status of funds under this program. We talk about expenditures and about obligations or contracts for future spending, and then the Agency—and this has been somewhat confusing—talks about funds which are programed. Let me first mention the expenditures which are the least significant. With $64 million available in fiscal year 1956, only $16.5 million was spent; in 1957, only $20.7 million; in 1958, $42 million; in 1959 expenditures are estimated at about $50 million and for fiscal 1960, $54½ million is the estimate.

Mr. JOHNSON of Texas. Mr. President, I am informed by the chairman of the subcommittee and by the acting minority leader that it is agreeable to have a unanimous-consent agreement entered into. I should like to propose such an agreement if the Senator will yield to me for that purpose, with the understanding that he will not lose the floor and with the further understanding that the agreement will not go into effect until the Senator has concluded his statement.

Mr. COTTON. I yield for that purpose.

Mr. JOHNSON of Texas. I thank the Senator from New Hampshire for his uniform courtesy.

Mr. President, I ask unanimous consent that at the conclusion of the address by the Senator from New Hampshire 30 minutes be allotted on each amendment, the time to be equally divided between the proponent of the amendment and the majority leader; and that 30 minutes be allotted on the bill, the time to be divided between the majority leader and the minority leader.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Is there objection?

Mr. COTTON. Mr. President, reserving the right to object—and I am sorry to do so in view of the majority leader's courtesy to me—I trust the amendment will be voted on shortly; but there is one more amendment which will be offered on our side; namely, the amendment to eliminate terminal buildings or those facilities in such buildings not used for operational purposes. It is an extremely critical amendment.

Mr. JOHNSON of Texas. Does the Senator desire more time on that amendment?

Mr. COTTON. I know of perhaps three Senators who wish to be heard on it. I wish the distinguished majority leader would agree to letting us have a little more time on that amendment.

Mr. JOHNSON of Texas. I will agree to whatever the distinguished Senator from New Hampshire suggests. That is how I feel about his judgment. Would an hour suit the Senator?

Mr. COTTON. I think an hour would be adequate.

Mr. JOHNSON of Texas. To be equally divided? If all the time is not used, it can be yielded back.

Mr. COTTON. I wish the Senator would agree to making the time an hour and a half.

Mr. JOHNSON of Texas. Mr. President, I modify my request so as to provide, on the airport terminal amendment, an hour and a half, the time to be equally divided; on the other amendments, 30 minutes for each amendment, the time to be equally divided; and on the passage of the bill, 30 minutes, the time to be equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. COTTON. Mr. President, when I yielded for the unanimous-consent proposal, I was speaking about what seems to be the very essence of the problems, the contest, the controversy over this very important amendment and the adequacy of the funds. I hope every Senator will bear in mind these figures and facts covering the time the aid-for-airports program has been in effect, and I have just said that the cash expenditures are not significant. In no year has the agency administering the program been able to come anywhere near

legally obligating all the funds at its disposal. In no year—and this includes the estimates for the present fiscal year, 1959, and the coming fiscal year, 1960—has all of the money available been completely programed.

When, as in the colloquy in which the able Senator from Pennsylvania participated, a Senator says, "I have looked at the records of my State, and they show we had to use up to the limit of every cent for this program," what does that mean? I think if he looks more closely at the figures, he will discover that it only means his State programed up to only the limit of its allotment.

In other words, suppose a community says it will need $100,000 of Federal funds. It wants to lengthen its runways and do thus and so. The agency examines the requirements proposed, approves them, and enters into what was referred to in the testimony before our committee as a gentlemen's agreement to earmark the necessary money to take care of the program, pending the time when the State is able to raise its matching funds by bond issues or other means. Then when a contract was entered into, the amount involved becomes an obligation.

I shall not go into details, but in every single year—and the records are absolutely indisputable—the agency has never been able to program, even informally, all the money at its disposal. Why? Because each year the communities have found that for various reasons they were unable at the time to match the Federal funds.

So they are obliged to wait and to defer the construction of their airports.

In many States, the money goes into the next year's apportionment. I will not say it reverts, because it has never been used or legally obligated.

So for fiscal 1957, we find that $18 million was not even programed; and a lot more money which was programed was deferred or never obligated and came back.

In fiscal 1958, almost $22 million was not even informally programed. In addition to that, more money was never obligated and came back.

In 1959, almost $16 million was never programed, and the estimate is that more money will never reach the obligation stage, and will come back.

When we entered fiscal 1959, the present fiscal year, almost $121 million was available for programing. That means $63 million of new money for fiscal 1959 plus the carryover funds.

So we entered the present fiscal year, the year in which we are living, the year about which we have heard so much as being in the jet age, with almost $121 million available for programing, yet it will not all be used.

It is very difficult for me to understand, and I think it is difficult for some of my colleagues to understand that we need to increase the amount in order not to turn away airports.

I suggest, Mr. President, that Congress is a continuing body. We shall be here next year, or our successors will be. The Senate will be here and the House will be here next year and the year after. We are constantly being told that we are blossoming and blooming and burgeoning into the great jet age. We have been entering it for several years now. If the communities of the country are not receiving sufficient support to develop their airports in the age in which they are living, there is no reason in the world why an addition cannot be made to the amount now proposed.

Every Senator is aware of the fact, as has been so ably stated on the floor, that we are confronted with an increasing budget and a shrinking dollar. We should all realize how fundamentally necessary it is to try to hold the line on expenditures.

I am sure there is not a single Senator on either side of the aisle who does not believe that if we err, we had better err on the side of economy rather than of prodigality.

Every Senator has the responsibility to consider carefully how he will vote. Everyone of us has a responsibility to the people of his State. I did not approve of the request of the administration. I did not approve of a proposal under which $65 million would be available in fiscal 1960, $55 million in fiscal 1961, $45 million in fiscal 1962, and $35 million in fiscal 1963.

I could not go back home and justify such a proposal of orderly withdrawal, and I am certain other Senators feel the same way. I, as a Republican, take just as much exception to that as does any Member on the other side of the aisle.

But, conversely, I wish to say to the Members of the Senate—and we have been through this in the committee—that not one Member of the Senate need hesitate for a moment to vote to continue the present program of $63 million a year. Why? First, because we never yet have exceeded it; we never yet have used all of the funds it provided. There is not one shred or scintilla of evidence that it is not enough; and there is the evidence of experience that it is enough. Second, because if it does not prove adequate for next year, when combined with what we expect to carry over from this year, there will be nothing in the world to prevent its being supplemented at that time.

Mr. LAUSCHE. Mr. President, will the Senator from New Hampshire yield to me?

The PRESIDING OFFICER (Mr. GRUENING in the chair). Does the Senator from New Hampshire yield to the Senator from Ohio?

Mr. COTTON. I am happy to yield to the distinguished Senator from Ohio.

Mr. LAUSCHE. The Senator from New Hampshire mentioned some figures which show that for a certain year, $123 million is available, being composed of $60 million which was carried over because it was not expended, and $63 million which was available as the allocation for that year. What year is that; and will the Senator elucidate on that point?

Mr. COTTON. I said that as we entered the present fiscal year of 1959, which began on July 1, 1958, of course, immediately there was available the new money in the amount of $63 million. In addition, there was available carryover money in the amount of $57,880,000. So the total available for programing and for obligation on this program, as we entered the present fiscal year, was $120,880,000; that was the amount available for the very year in which we are now doing business.

Mr. LAUSCHE. Did I correctly understand the Senator from New Hampshire to say that in practically each of the last 3 or 4 years there was an unexpended balance from the amount allocated?

Mr. COTTON. In every one of the last years; there has not been a year since this program began when there has not been, first, a large unexpended balance of actual appropriations, although that is not so significant; second, a very substantial carryover of funds which were not legally obligated; and, third, a certain carryover of funds not even informally programed. That was the case in every year—in the fiscal year 1956, in the fiscal year 1957, in the fiscal year 1958; and it is what is projected for both the fiscal year 1959 and the fiscal year 1960, under the present program, as a result of the amounts called for by the amendment in the nature of a substitute.

Mr. LAUSCHE. What does the record show with regard to the prospects for the size of the fund at the end of the fiscal year 1959?

Mr. COTTON. The forecast or the estimate is that at the end of the fiscal year 1959 as we enter the fiscal year 1960, there will be a carryover, unobligated, of just under $58 million; that of the $58 million, approximately $17 million will not have been obligated and at least $11 million—will be unobligated, unprogramed, and will carry over, and in addition to the $63 million—will be unobligated, and will not even be informally programed—all of which, I say to my friend, the Senator from Ohio, is the reason why, when this matter came before the committee, the able and distinguished Senator from Oklahoma, with his usual fairness, immediately reduced the provision of his original bill which called for $75 million of discretionary funds, to $65 million, because it was incontrovertibly shown to every member of the committee, and every member of the committee immediately realized, that at least $11 million which was available had not been spent, was uncommitted, and was not even programed.

Mr. LAUSCHE. Did the committee receive any testimony which showed that, as a result of available money unobligated, uncommitted, and unspent, there had been defaults because the local taxpayers refused to approve bond issues for the construction of the airports?

Mr. COTTON. The evidence from the agencies was that, over the years, experience had shown—well, I would not use the word "defaults," and I am sure the senior Senator from Ohio would not mean to use that word, either; the fact simply was that after they had requested the money, and had shown their needs, they were unable to meet them; that,

UNIVERSITY OF MICHIGAN LIBRARIES

therefore, the money was not used; and that an average of 17 percent of all the funds informally programed was not used.

So, several times, Senators have said—and I understand quite clearly why they have said it—"you gentlemen are saying that the present program is ample. Yet I know of airports that have wanted and needed additional funds, but have received from the agency letters in which they have been told that all the funds have been programed."

Well, as a matter of fact, not all the funds have been programed; but there have been periods when nearly all the funds, nearly up to the limit, had been informally promised. But in each case, within a few months many communities found that they could not meet the matching requirement, and therefore some of the funds were returned.

That is why I say in all recent years the money for this program has been not only sufficient, but more than sufficient, to take care of the airport needs of the Nation.

Mr. LAUSCHE. It may be that later the Senator from New Hampshire will discuss this item further. If he will, then he need not answer the question I wish to ask now. But if not, I should like to have him explain in greater detail his views about the impropriety of having the taxpayers of the Nation finance the building of these terminals, warehouses, and similar accommodations.

Mr. COTTON. I shall come to that point in a moment, and shall discuss it only briefly, because I feel that perhaps I am trespassing a little bit upon the courtesy extended to me—inasmuch as I have been exempted from the provisions of the unanimous-consent agreement. Certainly I do not want to abuse the privilege I have received.

Mr. CARLSON. Mr. President, will the Senator from New Hampshire yield to me?

Mr. COTTON. I yield.

Mr. CARLSON. The distinguished Senator from New Hampshire has discussed the carryover from year to year. I should like to ask whether the pending bill, as reported by the committee, or the amendment in the nature of a substitute, which now is at the desk, makes any changes in the carryovers from year to year, as compared with those in the past?

Mr. COTTON. Yes; there is a difference; and I thank the Senator from Kansas for bringing this point to my attention.

The pending committee bill contains an amendment on this subject which was agreed to by all members of the committee; and because it was agreed to by all of us, I am certain that if the motion of the distinguished senior Senator from Kansas prevails, and if the present program is adopted, the amendment also will be agreed to.

I have been talking about funds which have been tied up by informal agreement. Once funds have been obligated to a certain airport or to a certain State, they remain tied up for 2 years under the present law. At the expiration of the 2-year period, if the community for which those funds were tied up is unable to avail itself of the funds, the funds revert and are reallocated. That money goes back into the fund, 75 percent of which is allocated to States, and 25 percent of which can be assigned at the discretion of the agency.

I think we were completely unanimous in committee in the belief that the arrangement could be improved; that we could make this money more flexible, and make it possible for less money to go farther and be more effective for the airports of this country. I am not talking about the special $65 million fund the Senator from Oklahoma [Mr. MONRONEY] provides in his bill, but I mean the restrictions on those funds which have been allocated, and after the expiration of 2 years, are not used. The committee bill and the substitute both provide that these funds come back to the discretionary fund, so they could be used at the points where the agency finds they are most needed, and where the communities would most likely avail themselves of the funds. We would thus provide flexibility and elasticity, which is as good as a lot of extra money, because it means the funds can be used in those sections which can raise their part of the fund.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. COTTON. I yield to the Senator from Colorado.

Mr. ALLOTT. I should like to ask two questions of the Senator from New Hampshire. First of all, the Senator from New Hampshire has used the word "programing." For the sake of the RECORD, so what he is talking about will be clear, will the Senator from New Hampshire give a definition of the term "programing"? By that term he is describing the programs of various municipalities——

Mr. COTTON. I believe the Senator from Colorado just came into the Chamber. I had just completed explaining that the term "programing" meant when an airport or a community asked for money, showed its needs, and the agency approved the request and set aside funds by a gentleman's agreement, without any obligation being involved. The community would be told that the fund would be held aside for it and, "We will see what you do about raising your money." Obligating funds means reaching the point where the community or airport raises the money and is about ready to enter into a contract. When I use the term "programing" I am talking about funds which are not legally tied up. I felt we should go the whole way, and not present our side of the picture too favorably, and that I should refer only to programing where that term was applicable.

Mr. ALLOTT. I thank the Senator for his explanation. Awhile ago, the Senator used the figure of $11 million as the amount which would be left at the end of fiscal year 1959. Does that figure include programed projects?

Mr. COTTON. No; it does not include even programed projects. At the end of 1959 it is expected that $57.8 million will be carried over. Part of the funds will be obligated and part of them will be only programed. But the surplus of $11 million is money that will be absolutely free and clear, and not be involved in even a gentleman's agreement or an informal promise to anybody.

Mr. ALLOTT. And, as experience has shown, at that time undoubtedly there will be at least a substantial portion of money which will not be taken up or met by the cities or communities. The Senator referred to 17 percent. That amount, of course, will be added to the $11 million, will it?

Mr. COTTON. That amount may be added to the $11 million, depending on the accuracy of current estimates.

According to the testimony, as I remember it, and I want to be very conservative about this, a matter of $57 million is involved, but that amount is inclusive of the $11 million. The figure is made up of the $11 million plus $46 million, which is not obligated, but is programed; that amount would come back into the fund. It would not be held any longer. $11 million would be available without any strings attached at all.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. COTTON. I yield to the Senator from New York.

Mr. KEATING. I should like to follow up the colloquy held between the Senator from Colorado and the Senator from New Hampshire. With reference to the funds to which the Senator from New Hampshire has referred as coming back, do I understand from him that the funds would become available to those States or those communities which have elected to match the funds, added to what may have been previously allocated to those States or communities?

Mr. COTTON. I have been referring to carryovers. I am not quite sure I understand the Senator's question. At the end of each year there are funds which have been obligated legally and are going to be spent. We do not even call those funds carryovers. They are not included in what I have stated at all.

In addition, at the end of each year there are considerable amounts which have been programed and as to which there have been informal agreements and promises. We count those as carryovers. In other words, the carryover as predicted from fiscal 1955 entering fiscal 1960 would be $57 million of unobligated—never legally obligated—funds, to be added to the $63 million, if the present program continues. But of that $57 million, $46 million would have been informally programed and held out as a hope for various communities to use. Some of that money would be free. Some of it would be released from obligations because communities could not meet those funds. So there would be varying degrees of obligations and promises.

Mr. KEATING. But in the proposed program, at the end of 2 years, in addition to the funds authorized in the pend-

ing measure, there will be what the Senator has spoken of as $57 million and all of the other $11 million which will become available, in the discretion of the Administrator, to other communities that are ready and able to match the funds?

Mr. COTTON. That is correct. In addition, in this case the obligated funds are to come back. They are held for 2 years, but, obviously, at the end of each year some of the funds will come back. They will come back to the discretionary fund, 100 percent, and thus be available. In the past those funds have been tied up, because they would be allocated to certain States which might never use its quota. Now the funds can be used in a community which can avail itself of them.

Mr. KEATING. Will that arrangement be provided in the substitute proposed to be offered for S. 1?

Mr. COTTON. That is agreed by all of us. It is to be incorporated in the substitute.

Mr. BENNETT and Mr. BUTLER addressed the Chair.

Mr. COTTON. I think the Senator from Utah was on his feet first. I shall yield to him for 1 minute, and then to the Senator from Maryland for 1 minute. Then I shall conclude.

Mr. BENNETT. I appreciate the opportunity to question the Senator. I shall be very brief, so that my colleague from Maryland will have a little time.

Utah is one of the States with respect to which during the last 4 years there have been 2 years in which unobligated funds remained. In other words, funds were turned back because the funds made available were not actually used.

I should like to ask the Senator if during the hearings there was presented any evidence that the people of the State of Utah, or the communities or other government agencies of the State of Utah, indicated the situation is changing and that they are now anxious to get money which in the past they were unwilling to use, and turned back?

Mr. COTTON. I am not aware of any such evidence. I was present at all of the hearings and I am unaware of such evidence. If any such evidence was presented it was not presented in open hearing.

Mr. BENNETT. I ask the question in this peculiar way because during all of the time since the matter came up, since the beginning of Congress and all during the hearings, not one single communication has come to my office in support of this bill, or asking for extra funds.

Mr. COTTON. That is true in my own case, and in the cases of many others. As a matter of fact, I will say to the Senator from Utah that in my own State the funds which we have by allocation would not extend one runway from 3,500 feet to 5,000 feet. We are dependent upon discretionary funds if we are to do that.

We have had allocated to us $360,000 of Federal money, discretionary funds, for a $720,000 job, to extend the runway of a vital airport which is a link in the through traffic. Unfortunately, the legislature and the communities have not yet been able to match the funds. We are assured it will continue to be available for us if we can match it under either one of these bills. I am sure the same is true with respect to the airports in the fine State of Utah.

Mr. BENNETT. Apparently the people of Utah are not concerned about either one of the bills, because the Senator from Utah has not received a single communication in this regard.

Mr. COTTON. What the people in most States are concerned about is finding the money to match the funds. We can balloon this program up and provide a billion dollars, but the people cannot use it so long as they have to provide 50 percent to match the funds. That is what worries the folks back home.

A lot of airport authorities come in to plead for the Monroney bill, and say, "Give us more money, and show us great plans for those airports." But as a matter of fact, from the crossroads and grassroots, from the small communities of this country, I have not had a letter or an appeal. I say to my friend from Utah, I will almost guarantee the thing which concerns the people of Utah is the same thing which concerns the people of New Hampshire. We know the Federal money is there. Where are we going to get the money to match it?

Mr. BENNETT. I say to my friend from New Hampshire that I have not received a single communication from an airport authority. I have not had a single communication from the State of Utah in support of the bill.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. MONRONEY. Does the Senator not think that fact speaks well for the proponents of the bill, since they did not urge a flood of mail be sent to Senators, as most proponents usually do, to clutter up the Senators' desks?

Mr. BENNETT. If I may respond to the Senator, if the success of the bill depends upon the mail which originates from the proponents of the bill, instead of from the folks back home, then I think the bill stands on a very weak foundation. The fact that the folks back home at their own initiative have completely ignored the bill is very convincing to the Senator from Utah.

Mr. COTTON. Mr. President, I shall finish quickly now, because I have taken a great deal of time answering the very welcome questions of Senators.

Mr. President, we are about to vote upon this matter. I think we have sufficiently emphasized the fact that with respect to experience, the test of time, the substitute will be sufficient for the needs of the airports of this country. Extending the law, Mr. President, is going beyond what the administration wants, but it is in keeping with what we on the minority side of the committee, as well as at least one distinguished member on the other side, feel is fair, just, frugal, and safe. By taking such action, we will not break the line on the budget in fiscal year 1960, which would have a tremendous psychological effect.

In the second place, I want to hastily mention something which was pretty well covered, but which was disputed a few minutes ago. I think the reason it was disputed is that Senators forgot they were talking about programed funds, informally promised funds, rather than legally obligated funds. That is a reference to the $1,290,000,000. Hastily, the FAA asked the operators of 3,000 airports in this country to write down their needs, and they wrote down their needs. I think human nature is such that they did not minimize the needs. Then the entire figure was put together.

Mr. President, that is not a survey; that is a grab bag.

If there has been a question raised now by various Senators on that point, it has been raised, I think, because the informal programing was being confused with obligations. It is an absolute fact from experience that in no one year have more than 600 airports in this country ever even applied for funds.

I invite attention to the fact that we put Federal money into airports of communities with less than 1,000 people. Over the past 4 years we have spent $2.6 million for airports which are used by less than 10 planes. The Federal aid averaged $11,700 per plane, and more, in most instances, than the planes are worth.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. BUTLER. Is it not also true that within the estimates are figures which exceed the limitation of $1 million which could be granted? Therefore, those amounts could not be granted under the program at all.

Mr. COTTON. The Senator is correct. It is the policy under the program not to grant more than $1 million a year for any one of the larger airports in this country. Much of the $1,290 million is an estimate of money which could not be granted under either bill.

Mr. BUTLER. The Senator is correct.

Mr. COTTON. I desire to serve notice, Mr. President, in the moment or two left to me, that after we have voted on the vital question covered by the amendment offered by the distinguished Senator from Kansas, I shall offer an amendment which has as its purpose the restricting of the Federal money for airport aid, and excluding from the aid all terminal buildings and structures which are not devoted to control towers, to weather agencies, and other vital operations necessary to the safety of the airport.

I will say at this time, in one brief moment before I close, I invite the attention of Senators to a couple of interesting facts. The New York Port Authority received $125,000 last year from one advertising agency for the privilege of placing signs in the terminals at La Guardia, Idlewild, and Newark. The authority received $1,200 a month from one automobile company for the privilege of letting one automobile model sit in the lobby.

UNIVERSITY OF MICHIGAN LIBRARIES

The Washington National Airport received $182,000 last year from the insurance companies for the concessions which they have in the Washington terminal.

The Miami International Airport made a net profit of more than $2½ million in 1957—and more power to them.

The Los Angeles Airport made a profit of more than $2 million last year; and we can take off our hats to them. That is good business.

The Greater Pittsburgh Airport made a profit of more than $300,000 in 1957.

The airport at Louisville, Ky., made a profit of more than $100,000 in 1957.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. CLARK. Does the figure for Pittsburgh include debt charges and depreciation, or is it merely a statement of cash balance?

Mr. COTTON. It is based upon receipts and expenditures.

Mr. CLARK. Therefore it does not include either debt charges or depreciation. I think the Senator should be frank enough to say so.

Mr. COTTON. I believe that is true. It does not include Federal aid, either.

Mr. CLARK. My good friend from New Hampshire is one of the best fiscal experts in the Senate, and he knows normal accounting procedures better than almost any other Member of this body. He knows that when he reads into the RECORD that the Greater Pittsburgh Airport made a profit of more than $300,000 in 1957, before depreciation or debt charges, that is not exactly a fair statement.

Mr. COTTON. The information which the Senator from New Hampshire had with respect to the Greater Pittsburgh Airport was as follows: Revenues, $2,156,986; expenses, $1,818,584; net income, $338,396; concession income, $1,038,474.

Those are the figures that were furnished me.

Mr. CLARK. The Senator is correct in what he said; what he told was the truth; but I am suggesting that the whole truth has now been brought out by our colloquy.

Mr. COTTON. If the Senator suggests that the Senator from New Hampshire was willfully withholding any factors, the Senator is mistaken. I welcome any correction which the Senator from Pennsylvania can make.

Mr. CLARK. Of course, my friend knows that I know him well enough never to attribute any such motive to him. However, I do think it is important to talk in terms of real profit, and not merely cash receipts.

Mr. COTTON. Let me mention a little item which is not profit. We received testimony to the effect that it was the duty of the Federal Government not only to keep passengers safe, but to keep them dry, and that certain facilities of an airport are just as necessary as the runways. From one standpoint, that is undoubtedly true. Therefore, I mention something which surprised me when I learned it.

Sanitary facilities are undoubtedly essential to the welfare of the traveling public; but they, too, are money-making facilities at most airports.

The San Francisco International Airport produced revenues of $16,000 in 1957, from its restrooms. I understand that that figure does not take into consideration funded indebtedness and depreciation. [Laughter.]

The aggregate rents and landing charges paid by airplanes to airports throughout the country in 1957 are estimated at $24 million. I do not question the money invested in the great airline terminals. Like almost every other American, I am proud of those terminals. I do not suggest that they are already paid for, but I suggest that they are revenue-producing, money-making institutions. At a time when we are fighting desperately with a hairline budget, at a time when we are devoting all the financial sinews of the country to the national defense, at a time when we are spending, or will spend in the next 4 years, more than $1,200 million to try to make the airways safe for the men, women, and children who travel them, if any Senator can give one logical, valid reason why we should contribute a single red cent to terminal facilities, aside from those necessary in the operation of the airport, I should like to hear the reason.

For that reason I shall offer later, and welcome support for, an amendment which would eliminate that feature from the bill. If it is eliminated from the bill, the saving will be between 25 and 33⅓ percent—between one-fourth and a third of all the Federal funds we need to put into airports; and we shall be able to hold the line on the budget and earmark the money for the most vital needs. I shall discuss that subject later.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. COTTON. I yield.

Mr. HOLLAND. First, let me say that I appreciate the full handling which the Senator has given in his discussion of his amendment.

I have procured, from the Joint Committee on Reduction of Nonessential Federal Expenditures a compilation which I think might be helpful at this time. I shall cite it, and ask leave to have it printed in the RECORD if that meets with the approval of the distinguished Senator from New Hampshire.

This compilation shows, in two groupings, the appropriations of the Congress over the past 6 years, and those covered by the budget for fiscal year 1960.

The principal matter shown is a complete refutation of the understanding so many citizens seem to have, that during this period of time it is our defense and foreign relations expenditures which have gone up so heavily. That is simply not the case.

For example, this compilation shows that all the national security and foreign aid, including both military assistance and economic and other assistance, and international affairs, called for Federal expenditures of $48,636 million, in 1954, whereas in 1959 those same grouping called for Federal expenditures of $49,828 million, or a very small increase.

As contrasted with that, this compilation shows that in the field of domestic civilian expenditures, the expenditures of our Government have gone up, since 1954, from a total of $19,136 million to $33,955 million in the current year, 1959, or an increase of 71 percent, indicating that if there is any opportunity for saving and budget balancing, it lies in the direction of stopping the trend toward continuous increases of expenditures for domestic civilian activities.

The increase in that bracket of expenditure during the past 6 years was 71 percent. In other words, the expenditures by our Government in the domestic civilian fields in 1959, the year which is now coming to a close, were 71 percent larger than the expenditures in those same fields for 1954.

Mr. COTTON. I thank the Senator.

Mr. HOLLAND. Mr. President, I ask unanimous consent—if it meets with the approval of the Senator from New Hampshire—that this compilation, coming from the Joint Committee on Reduction of Nonessential Federal Expenditures, and based entirely upon U.S. budget documents, be printed in the RECORD at this point as a part of my remarks.

Mr. COTTON. I join in the request that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal expenditures, fiscal years 1954–60—broken categorically to show national security, foreign aid, etc., and domestic-civilian

[In millions]

Categories	Actual					Estimated	
	1954	1955	1956	1957	1958	1959	1960
National security:							
Military functions	$40,336	$35,532	$35,791	$38,439	$39,062	$40,800	$40,945
Stockpile and defense production	1,045	944	588	490	625	378	265
Atomic energy	1,895	1,857	1,651	1,990	2,268	2,630	2,745
Subtotal, national security	43,275	38,334	38,030	40,918	41,955	43,808	43,955
Foreign aid:							
Military assistance	3,629	2,292	2,611	2,352	2,187	2,312	1,850
Economic and other	1,511	1,960	1,616	1,686	1,909	3,321	1,768
Subtotal, foreign aid	5,140	4,252	4,227	4,038	4,096	5,633	3,618
International affairs	221	221	231	290	325	387	360
Total, other than domestic civilian	48,636	42,807	42,487	45,246	46,376	49,828	47,934

Federal expenditures, fiscal years 1954–60—broken categorically to show national security, foreign aid, etc., and domestic-civilian—Continued

[In millions]

Categories	Actual					Estimated	
	1954	1955	1956	1957	1958	1959	1960
Domestic-civilian:							
Veterans' services and benefits	$4,256	$4,457	$4,756	$4,793	$5,026	$5,198	$5,088
Labor and welfare	2,485	2,575	2,821	3,022	3,447	4,380	4,129
Agriculture and agricultural resources	2,557	4,389	4,868	4,526	4,389	6,775	5,996
Natural resources	1,315	1,202	1,104	1,296	1,543	1,708	1,710
Commerce and housing [1]	817	1,420	2,142	3,392	3,816	6,421	5,864
General government	1,235	1,199	1,627	1,787	1,353	1,673	1,735
Interest	6,470	6,438	6,846	7,308	7,689	7,601	8,096
Allowance for contingencies						200	100
Total, domestic-civilian [1]	19,136	21,679	24,165	26,124	27,267	33,955	32,717
Grand total [1]	67,772	64,486	66,652	71,370	73,643	83,873	80,651

[1] Since 1954 expenditures for Federal National Mortgage Association and highways have been dropped from the general fund budget and converted into so-called trust funds—FNMA in 1955 and highways in 1957. Commerce and housing figures and affected totals above are adjusted to include these figures throughout for complete and accurate comparison over the period. For this reason the President's budget shows total expenditures estimated at $77 billion for fiscal year 1960 and the attached table shows $80.7 billion. The $3.7 billion difference is entirely in FNMA and highway expenditures—$485 million for FNMA and $3.1 billion for highways.

Source: U.S. budget documents.

Mr. HOLLAND. I should like to bring out also at this time a fact which has already been touched upon by the distinguished Senator, namely, that our appropriations for aviation activities have become huge, and are growing greater. Our responsibilities in that field are continuing to increase, particularly in the field of installation of facilities and of operation and maintenance of such facilities.

Mr. President, I ask unanimous consent that there be included in the RECORD at this point the compilation which appears at page 258 of the CONGRESSIONAL RECORD of January 9 of this year. The compilation appears in the first column at the top of that page. It shows the appropriations and other authorizations for civil aviation activities from 1950 to 1959.

Mr. COTTON. I agree that that compilation should be inserted in the RECORD. I wish to thank the distinguished Senator from Florida. We all know that, as chairman of the subcommittee of the Committee on Appropriations handling appropriations for air safety, he speaks with great authority on this subject. His remarks are most significant, and the facts he produces add much to the potency of the position we take in this matter.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Appropriations and other authorizations for civil aviation activities (1950–59)

[In millions of dollars]

Fiscal year	Airports	Facilities	Maintenance and operation	Payments to air carriers
1950	39.5	33.1	102.5	(1)
1951	24.2	28.6	105.5	(1)
1952	18.7	7.1	112.6	(1)
1953	14.3	8.4	110.9	(1)
1954		5.0	109.2	80.7
1955		3.2	103.0	48.9
1956	63.0	16.0	112.6	52.5
1957	63.0	75.0	136.8	16.2
1958	63.0	124.6	181.7	37.2
1959	63.0	158.5	241.7	40.8
	348.7	459.5	1,316.5	276.3

[1] Not available—included in post office mail pay.

And in addition $82,280,500 for Washington airports; $31,500,000 for the Airways Modernization Board; $4,844,094 for Alaskan airports; and $42,397,500 for administrative expenses of the Civil Aeronautics Board.

Recapitulation

[In millions of dollars]

Airports	348.7
Facilities	459.5
Maintenance and operation	1,316.5
Subsidies	276.3
Other	161.6
Total	2,562.6

Mr. HOLLAND. I thank my distinguished friend from New Hampshire. I should like to make a comment with reference to the compilation which I have last placed in the RECORD. It shows, as compared with very minor contributions for facility installations in the earlier years—for instance in 1952, only $7.1 million; in 1953, only $8.4 million; in 1954, only $5 million; in 1955, only $3.2 million—that in the last 2 years huge expenditures have been made in the field of rendering safe travel in the airlanes: $124.6 million in 1958, and $158.5 million in this pending year 1959. Those expenditures have been made, with the program only well begun, and calling for the expenditure of vastly increased sums in the next 2 or 3 years.

I should also like to call attention to the fact that with these increased facilities, the operation and maintenance of those facilities have increased and required a materially increased Federal expenditure.

For instance, in 1952, that appropriation was only $112.6 million, whereas in 1958, it was $181.7 million—this is for the operation and maintenance of the facilities which are supposed to make the airlanes safe for traffic, although they have not reached the stage where they have accomplished that fact as we desire it to be accomplished—and in 1959 the appropriation was $241.7 million, for the operation and maintenance of safety flying facilities.

It seems to the Senator from Florida that since our responsibility is so completely exclusive in that field, because there is no other agency, except a Federal one, which could handle that operation, and because the safety of our civilian flyers and travelers accompanies the safety of our military flyers and travelers in the same airlanes, being subject to the same directional facilities and control facilities, there is every justification for these heavy expenditures—and they will be heavier in the next year and in the immediate future—for the maintenance of safe traveling conditions in the air of this Nation. Therefore, when we come to the matter of airports, except for those facilities of the airport which dovetail with the question of safety and the question of direction and the question of control from the control tower, and similar matters, it seems to me that the local communities should not require or expect the Federal Government to increase the scale of the grants, which have been quite generous and which I think will remain generous.

I apologize to the distinguished Senator for interrupting him. However I wanted to place these tables in the RECORD, along with the brief comment I have made.

Mr. COTTON. The Senator from New Hampshire is very grateful to the Senator from Florida for his contribution.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. COTTON. I am happy to yield to my distinguished senior colleague.

Mr. BRIDGES. I wish to compliment my colleague in the Senate upon his very able presentation. He has done an outstanding job as the ranking minority member of the Aviation Subcommittee of the Committee on Interstate and Foreign Commerce. I know of the hard work he has put into the framing of the bill. I should like to ask him a question.

Mr. COTTON. I thank the Senator for his compliment. I am grateful to him.

Mr. BRIDGES. How does the Senator interpret or evaluate the amendment which he is offering and the presentation he has made, from the standpoint of their application to our own State of New Hampshire?

Mr. COTTON. I am glad the Senator has asked me that question. The State of New Hampshire, like every small State with limited population areas, must depend on the discretionary fund for whatever aid it can get for its airports.

Under the committee bill the State would receive a larger amount in fiscal 1960. It would amount to something like $230,000 in the fiscal year 1960. That amount would not even extend one runway. Under the present law we would get something like $150,000. In each case, however, we can get the money from the discretionary fund. We have had one project for $720,000, which is more than the whole State allocation, and thus far, unfortunately, we have not been able to meet the allocation. Other projects have been met.

However, under either bill the State of New Hampshire, like other small States, must depend upon the discretionary fund. Our experience indicates that under either formula we would be able to obtain in the years ahead all the money that we can afford to meet and

UNIVERSITY OF MICHIGAN LIBRARIES

match. I know that the distinguished senior Senator from New Hampshire, who was a great Governor of our State and who knows much of our fiscal situation, will agree with me when I make the statement that we can get enough money under either bill.

Mr. BRIDGES. Under the so-called outside-the-gate amendment, will there be sufficient funds to cover the necessities of aviation in our State?

Mr. COTTON. Yes. I am tempted to say that there have been a great many crocodile tears shed, but to use that term might sound sarcastic, and I do not want to be sarcastic. But there were a great many tears shed in committee and during the course of the debate about tar paper shacks and inadequate facilities. I know that the Senator agrees with me that the State of New Hampshire can get money to lengthen our runways—not for jet planes, but for other planes, other than DS–3's—and to take care of our needs in view of our diminishing railway service, if we can get the runways and the control towers and the safety devices and the planes. If we can get those things, the people of the State will be more than willing to take care of the terminal buildings and waiting rooms, and so forth.

We may not be able to provide plush accommodations or luxuries, or imposing accommodations, as are provided in some other places in the country, but we will keep the passengers dry. I am sure the Senator will agree.

Mr. BRIDGES. I agree.

DESTRUCTION OF UNARMED U.S. TRANSPORT PLANE OVER SOVIET ARMENIA

Mr. BRIDGES. Mr. President, on January 17, 1959, I rose in the Senate to deplore the red-carpet treatment accorded Deputy Premier Mikoyan by some of our industrialists and Wall Street bankers. I also decried the action of some of my senatorial colleagues who had seen fit to honor and to lunch with Mikoyan under the very dome of the U.S. Capitol, that citadel of freedom and beacon light to the free world. I stood almost alone on the floor that day in upholding my position, but I was not disturbed, because I knew full well that it would eventually be justified.

At that time I did not realize how soon my stand would be vindicated. Today's shocking and incontrovertible revelation by our State Department should be proof enough to anyone that Soviet duplicity and ruthlessness are still the order of the day, and that Mikoyan's visit was one more cheap Soviet ruse. My patriotic blood was never more stirred than when I heard the tape recording of the Russian "duck shoot," over Armenia, of our unarmed transport plane. Feeling as I do myself, the feelings of the mothers, fathers, wives, children, and friends of our airmen must be indescribable.

In my Senate speech, I noted that 6 bodies of the 17 men aboard had been returned to us, and I called upon Mikoyan for an accounting of the other 11. Mikoyan was also questioned by our State Department. In the light of the disclosed evidence, Mikoyan's replies that "the plane had crashed" and that "the Soviet Government had given all the information it had," only reveals continuing Soviet perfidy of the highest order.

I could only wish that all who feted Mikoyan and all who thought the Russians could now be trusted in negotiation should have continually dinned in their ears the tape recording of this act of murder which was applauded by Soviet commanding officers and high officials.

PRESIDENT EISENHOWER'S HOBBIES

Mr. BRIDGES. Mr. President, a recently published book bearing the arresting title of "U.S.A.—Second Class Power?" has just reached my desk. The book was coauthored by Drew Pearson and Jack Anderson.

The book itself might be described as a somewhat laundered version of "Washington Confidential." It purports to be a penetrating analysis of America's present defense posture. The flyleaf states that the book "is the shocking story of how we have let ourselves fall behind scientifically and militarily in the age of satellites and missiles."

Aside from being in some respects a maltreatment of some phases of history, the book contains certain trivia completely belying the seriousness of its title. Among other things, it seeks to impugn the President's abilities as an artist.

In this regard, the authors state on page 133 of the book:

> He can lose himself completely in his art, though his portraits of Lincoln and Washington, copies of which he presented to friends as Christmas gifts, were actually sketched by a professional artist; Ike simply added the coloring.

Mr. President, this is a free country, and anybody can write, say, or think what he likes. But it seems to me that as long as the authors self-servingly claim to have written a book fraught with import for all Americans, they should have endeavored to confine it to matters of primary concern on the economic and military front rather than to descend to unsupported allegations that someone else does the sketching for the President's paintings.

Any commentator or columnist is free to comment on or to criticize a U.S. Senator, Representative, Governor, or any other public official—including the President—on official acts, statements, or votes. I certainly have no quarrel with that basic freedom.

Those who enjoy freedom of speech also bear a responsibilty of propriety in the exercise of it, particularly those who are professional writers. The attempted snide remarks in regard to one of the President's hobbies, in the course of a purportedly serious review of our defense posture, is certainly hitting below the belt and is in poor taste.

In view of the fact that the President of the United States has one of the toughest jobs on the face of the earth, any fair-minded person should not begrudge or deny him the obvious relaxation he derives from his painting. Many outstanding men in public and private life have found relaxation in the hobby of painting, including another great contemporary statesman of our era, Sir Winston Churchill.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. COTTON. I commend the distinguished Senator for his forthright and positive statements. I am happy to be associated with him.

AMENDMENT OF FEDERAL AIRPORT ACT

The Senate resumed the consideration of the bill (S. 1) to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes.

The PRESIDING OFFICER (Mr. GRUENING in the chair). The debate on the pending amendment will be limited to 30 minutes the time to be equally divided between the Senator from Kansas [Mr. SCHOEPPEL] and the majority leader.

Mr. DIRKSEN. Mr. President, in behalf of the majority leader, I yield 10 minutes on the bill to the distinguished Senator from Kentucky.

Mr. MORTON. Mr. President, in order effectively to determine the degree of Federal participation in the development of our airports during the next 4 or 5 years, it might be well to review briefly a little past history. Since 1937 the taxpayers of America have spent more than $1½ billion in the form of on air navigation, safety aids, and air traffic control. In the last 20 years, so-called subsidy payments of nearly $830 million have been made to the air carriers of this country. Since 1933 more than $2½ billion in the form of cash or property has been contributed to the Nation's civil airports. I admit that some of these expenditures have been for the benefit of military aviation. Nevertheless, one can hardly charge that through the Federal Government the taxpayer has been niggardly or penny-pinching in his promotion of civil aeronautics.

As we approach this problem of the degree of Federal participation in future airport development, let us bear in mind that the taxpayer will be required to carry an ever-increasing burden in the field of full Federal responsibility, namely, air safety. Under the most conservative estimates, the bill for air safety will exceed $3 billion in the next 5 years. No one can possibly estimate it beyond that date with any degree of accuracy. It is safe to presume that by 1970 the cost of our air safety program, including the necessary aids to navigation and traffic control, will exceed $1 billion per annum. Everyone agrees that these are costs which must be borne by the Federal Government. There is no way of sharing this responsibility with State, county, or municipal governments. The entire cost will continue to fall on all of the people as Federal taxpayers.

I think that the Federal Airport Act must be continued. I think that there is today, and perhaps there always will be, a need for Federal assistance in the construction and future development of the Nation's airports. This is especially true in the case of those airports serving the medium and smaller-sized cities of the Nation. Many densely populated communities can construct and operate the required airport facilities with little or no help from Uncle Sam. I point to the great Idlewild Airport as an example.

The questions that concerned me are first, what is the immediate need? and second, what is the proper Federal share for meeting this need? We have been told time and again that the overall need is $1,300 million. This staggering amount of money, it is said, is necessary to provide the land, the buildings, the control towers, the lighting, the paving, and the like. If we are to modernize our airport system to meet the challenges of the jet age, I think it might be well to analyze briefly the source of these figures. As I understand it, the Federal Aviation Administration sent out an inquiry to those who control or operate some 3,000 airports, 1,000 of them being air commerce airports and about 2,000 general aviation airports. The replies were totaled and the $1,300 million figure resulted. These figures have not been analyzed or evaluated. They range from 200 million in California to 3 million in the State of Delaware. They cover the whole spectrum. They include everything from parking lots to cocktail bars.

I do not for a moment question the sincerity of those who control or operate our airports. I am sure that they responded to the questionnaires honestly and that they are convinced that their needs for the next 5 years are as set forth in these figures. I do believe, however, that there is a certain "letter-to-Santa-Claus" element in the total of $1.3 billion and I think it is quite understandable. If I got a letter asking me to list everything which I might need in the next 5 years, I think my reply would contain many items which I could get along without. Human nature being what it is, I don't think very much could have been overlooked by the airport operators when they filled out the forms. The greater the claimed need, the better the chance of getting Uncle Sam to "up the ante" and undertake a greater share of the burden.

Experience clearly points out that the need figures on which S. 1 relies are grossly inflated. Eighteen States failed to use the Federal airport funds allocated to them in the past. Their needs are included in this total figure. Have we any assurance that they will use the funds in the future? We know that many communities have rejected bond issues to provide airport facilities. We have no assurance that the citizens in those communities will change their minds. Yet the needs of these very airports are included in the figures put forward to justify the $465 million provided as Federal grant funds in S. 1. The figures include the total needs of the big metropolitan airports. Many of these are commercial successes and can, for the most part, finance their own requirements. In the past they have actually financed 75 percent of their requirements and the increased traffic of the past few years should sharply improve that general pattern.

I think a figure in the neighborhood of $250 million for Federal contribution in grant aid to airports is adequate for the next 4 years. This figure is not simply pulled out of the air. In each of the past 4 years, $63 million has been available. This totals $252 million. In not one of the past 4 years has this amount, plus the carryover, been obligated or even programed. But it is argued, "Oh, yes, but we are now in the jet age." Mr. President, I submit that the jet age did not catch us by surprise. One does not have to be an expert in aviation to know that the jet age has been coming for some time. I understand that my colleague the distinguished Senator from Kansas [Mr. SCHOEPPEL] is to propose an amendment to continue the present act for 4 additional years. Such an amendment, if adopted, would provide $252 million, or $63 million a year. I intend to support this amendment. Should this amendment fail, I expect to offer amendments of my own to cut the monetary items in S. 1, the Monroney bill, as reported out of the committee. I am hopeful, however, that the Schoeppel amendment will be adopted. For that reason, I shall delay any detailed discussion of my own amendments until the Senate acts on the Schoeppel amendment.

I know that the argument has been made, and will be repeated, that the Government does not have to spend this money. I also know that many of those who make these arguments will be among the first to criticize General Quesada and his staff if he fails to program and obligate the available funds. When requests for Federal aid for projects of secondary priority or of doubtful necessity come to the Federal Aviation Administration, it will be hard to say "No" if funds are available. The Representative or the Senator concerned will, with his constituent, pound on the door, and will say, "We know there is plenty of money here. The obligation doesn't even have to go through the Appropriations Committee. Let us have it." If denied, the Representative or the Senator concerned will rise on the floor in wrathful indignation and will point out that the Federal Aviation Administration is being shortsighted, capricious, and irresponsible in denying funds for a marble-lined terminal building in dear old Chitlin' Switch.

All of us admire Pete Quesada. He was a tough flyer and a tough fighter. But even Pete, I am sure, would be the first to admit that it will be easier to stand up to the pressure and say "No" when the money available is sufficient only unto the needs. It is mighty hard to say "No" when two or three hundred million extra dollars are stashed away in the backroom.

I have no thought of liquidating or terminating this program. I want to see it continued. But I want to see that done within reason and with due regard to our fiscal responsibility as legislators in this great country.

I trust that the Senate will amend this bill so as to bring it within reason, and then will promptly pass it. We need the program; the present act is expiring. Unless we act reasonably and responsibly, we might well have no program at all. I trust that that will not happen.

Mr. President, I reserve the balance of my time.

Mr. BUTLER. Mr. President, will the Senator from Kansas yield 5 minutes to me?

Mr. SCHOEPPEL. Mr. President, I yield to the Senator from Maryland 5 minutes on the bill.

The PRESIDING OFFICER. The Senator from Maryland is recognized for 5 minutes on the bill.

Mr. BUTLER. Mr. President, I rise to support the amendment of the Senator from Kansas.

Today, the Senate is considering the proposed expenditure of $465 million of the taxpayers' money. Yesterday we authorized $2.6 billion for housing. Furthermore, there will be many additional stresses and strains on the Federal budget, with the ensuing direct inflationary effect of deficit financing. This will inevitably weaken the purchasing power of the dollar the average American makes for his labors—the dollar the American housewife takes to the corner store or supermarket to purchase food and other necessities for her family. Thus, it is essential that the Senate review each new authorization and appropriation bill, to make certain that the funds of the American people will not be wasted, and that the fires of inflation will not be fanned by improvident or unnecessary expenditures.

In dealing specifically with the Federal airport problem, we have a dual responsibility to the thousands of American communities which will participate. First, it is vital that we provide adequate funds to carry out the legitimate responsibilities of the Federal Government. Second, it is also essential, especially during these days of increasing cost levels, that we protect the purchasing power of the millions of dollars of State and local matching funds which already have been raised and will be raised in the future.

The $465 million cost, as provided in Senate bill 1, in no way logically or reasonably reflects the cost of the program. This figure is a raw sum of the costs of items which 3,000 airport operators throughout the United States suggested they might or would like to undertake during the next 4-year period. The figure cannot be utilized as a direct measure for Federal matching funds.

This can readily be demonstrated: First, there is the $1 million a year limitation on Federal participation in any particular project: The proponents of Senate bill 1 do not object to this. The reason for this limitation is obvious; otherwise a substantial segment of the funds available might conceivably end up in a dozen or so of the projects for larger cities which, in connection with airport construction, have obligations which far exceed the responsibility of the Federal Government. Because of this

UNIVERSITY OF MICHIGAN LIBRARIES

limitation a large segment of the need which forms the basis of the figure contained in Senate bill 1 will never be translated into requests for matching funds. Second, administration of the present Federal-aid program has clearly shown that not all airport projects which are desired or suggested become realities. The reason is obvious. In many cases, because of present inflationary trends reflecting exorbitant Federal expenditures, local communities find it difficult or impossible to raise the funds necessary for their contributions. In other cases criteria or need factors change, and thus cause the local communities to abandon the projects before they even start. Third, the $465 million figure is based upon local projects, a great segment of which have not been studied from an engineering standpoint. Most of them also have not been correlated to the new air-control program which the Federal Government is undertaking at a cost of almost half a billion dollars a year. Furthermore—and this is really an oddity—because of limitations, such as are specifically provided in Senate bill 1, relating to terminal facilities, a substantial portion of the so-called need reflected in Senate bill 1 is disallowed from the very start. Thus, it is obvious that the $465 million authorization in Senate bill 1 is grossly unsound, and does not truly reflect the real amount of Federal matching funds necessary.

The proponents of Senate bill 1, in a sort of halfhearted admission, suggest that if this be true the administration need not spend the essential funds, and that, therefore, no damage is done. Well, Mr. President, let me suggest a few of the shortcomings in this procedure.

The PRESIDING OFFICER. The time yielded to the Senator from Maryland has expired.

Mr. BUTLER. Mr. President, will the Senator from Kansas please yield 1 additional minute to me?

Mr. SCHOEPPEL. Mr. President, I yield to the Senator from Maryland an additional minute and one-half.

The PRESIDING OFFICER. The Senator from Maryland is recognized for an additional minute and one-half.

Mr. BUTLER. I thank the Senator from Kansas.

Mr. President, first, the actual enactment of a bill providing for unessential expenditure of Federal funds is inflationary in itself. Second, it ties up in this particular program funds which in future years might desperately be needed in other areas, such as defense, as well as in the many other programs considered essential to the welfare and future of our Nation. Third, such policies constitute an abdication of the Executive of legislative powers. Under this theory, we might as well authorize the Executive to build all the airports necessary throughout the country and to meet all other costs of Government, and to send us the bill. I must confess that it would appear that some of us would see nothing wrong in such a procedure. On my part, however, I would suggest that it is no way to run the fiscal affairs of Government.

In conclusion, I urge the Senate to take a very critical view of the cost items contained in Senate bill 1, and to reduce them to a legitimate and realistic level. I am convinced that the proposed authorization far exceeds the real need, and can, therefore, be substantially reduced without adversely affecting the Federal airport program.

Mr. SCHOEPPEL. Mr. President, I suggest the absence of a quorum; and I ask unanimous consent that the time required therefor not be charged to the time available to either side under the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, will the Senator from Kansas repeat his request, please?

Mr. SCHOEPPEL. I suggested the absence of a quorum; and I have requested that the time required therefor not be charged to the time available to either side under the provisions of the unanimous-consent agreement.

Mr. JOHNSON of Texas. Does the Senator from Kansas mean to have a quorum call just before the vote is taken—in other words, later on—or to have a quorum call at this time?

Mr. SCHOEPPEL. It was suggested that a quorum call be had at this time.

Mr. JOHNSON of Texas. Very well; I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? Without objection, it is so ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I ask for the yeas and nays on the Schoeppel amendment.

The yeas and nays were ordered.

Mr. MONRONEY. Mr. President, I yield myself 5 minutes against the Schoeppel amendment.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. MONRONEY. Mr. President, no one appreciates more than I do the compliment paid us in the desire of the Republican members of our Aviation Subcommittee to extend the act of 1955 for 4 more years, because that is what it does. However, I feel that the bill which was sufficient and adequate when it was passed in the year 1955 is completely unrealistic today.

In the first place, let us consider the inflationary impact which is affecting construction costs; the heavier runways which are required, which necessitate a cost of $1,000 a foot for runway extension; the coming of the jet age, which requires 10,000-foot runways for jet airports. Also, as jet airplanes and other high performance aircraft come into use in hub airports, the Convairs, Viscounts, and DC–6's will go to the smaller airports and be used on secondary runs. Such airports will have to extend their runways from 3,500 feet to 7,500 feet.

Secondly, the provision for $63 million in matching funds is completely inadequate. It is not related to any realistic situation existing today. The Federal Aviation Agency made a finding of a need for $1,300,000,000. Airport operators and the municipal league made a finding of a need for $1,100,000,000. Otherwise there would be a failure in meeting the requests for matching funds within the $63 million which was made available.

After the $63 million were matched for the current fiscal year, there would still be $129 million worth of unsatisfied requests for projects which were ready for construction, but for which matching funds were not available.

The proposal looks backward. It not only looks back to 1955, but looks farther back then that, going back to 1946. In that year Congress authorized airport aid of $520 million for 7 years, to be appropriated for at not more than $100 million a year. That was in 1946. We have never used the $520 million authorized in 1946.

Let us look for a moment at the relationship of conditions now and at the time when Congress authorized that amount, in 1946. Since 1946 the total number of civil aircraft has increased from 10,000 to 67,153. Since 1946, the number of airborne passengers has quadrupled from $12 million to approximately $50 million a year. The speed of aircraft has increased to 550 miles an hour. The whole picture has completely changed.

We should not look back to 1946, or even to 1955. As I pointed out before, we are not the masters of this situation. We must have a national airport system which will fit the needs of civilian aircraft, commercial aviation, and military aviation, because they all use the airways. If we build too small, too little, or too late, we shall be doing a disservice to the people of the country.

Certainly I think the $100 million a year offered in the pending bill is logical. I think it fits, with a frugal design, the needs that will arise over the next 4 years. We have reduced the original request by $100 million, by cutting out the provisions for a fifth year, and we have reduced the discretionary fund by $10 million, which shows we are trying to arrive at the lowest dollar figure possible.

Let me point out one great fallacy in the amendment of the Senator from Kansas, which seeks to extend the old law for 4 years. S. 1, the bill the Senate is asked to vote on, provides for severe limitations against frills or unnecessary work on terminals. It limits expenditures to factors essential to health and safety. If the provision for terminals should be eliminated, I do not know why the Cotton amendment should not be joined with this one. Certainly, it seems to me the Republican attempt is to reduce the amount provided. But if the Schoeppel amendment is adopted and the Cotton amendment is killed, the door will be opened to widespread abuses in building terminals. Section 5 of the bill

of the committee carefully prohibits the use of Federal funds for the construction of "bars, cocktail lounges, nightclubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms, or such other use which, in the opinion of the Administrator, is not essential to the welfare and safety of those persons using airports for public aviation purposes."

One of the fallacies of the amendment of the Senator from Kansas is that such a restriction is not in his proposal.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. MONRONEY. I reserve the remainder of my time.

Mr. SCHOEPPEL. Mr. President, I yield myself 5 minutes on the amendment.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 5 minutes.

Mr. SCHOEPPEL. I do not want to prolong the discussion or take up very much time on the amendment. Senators who have been on the floor today have heard the various discussions and have learned of our approach to this measure. Senators who were on both the subcommittee and the full committee know what positions, respectively, we have taken with respect to the proposed legislation.

The amendment which is now before the Senate, and which will be voted on in a few moments, provides for a 4-year extension of the present Airport Act.

It is an act which has been tested. It is an act with history behind it. Its provisions have been thrown into the open. The act has good points. So far as I am concerned, the good points in the measure far outweigh any of the factors and considerations of it which are detrimental in any way, shape, fashion or form.

With reference to what the Senator from Oklahoma mentioned about the approach I have offered for the consideration of the Senate I want to point out that the proposal is offered by the Senator from Kansas on the part of the members of the subcommittee of the minority side as a compromise. The objection to the administration bill was that it would gradually cut down the money authorized and wipe out any future consideration by the administration, or future interest in aviation, which is not the case.

In the spirit of a compromise—in the spirit of meeting the objection that the administration bill to provide $200 million per year was not enough—in the spirit of an endeavor to arrive at some basic, sound approach, we have proposed the continuation for 4 years of the present Airport Act. This must have had some significance, Mr. President and Members of the Senate, because the majority party, through the distinguished Senator from Oklahoma and the majority leader, offered to cut 1 year from the bill presently under consideration and to put it on the basis of 4 years, thereby cutting $100 million. It would appear to me, and it certainly should be apparent to the other Members of the Senate, that there is a recognition of validity in the position we have taken.

We are in favor of an airport bill. We are in favor of fostering the great aviation industry. But we do not think the facts in the RECORD show that we need $465 million. In no single year of the last 3 years, plus others even earlier, has there been the ability to legitimately spend more than $60 million, or roughly that amount.

I ask the indulgence of the Members of the Senate today. When we consider this important matter in the interest of balancing the budget, in the interest of a review, in the interest of a program which has been tried and tested and in which the people of the country have confidence, the amendment should prevail. I leave the matter in the hands of the Members of the Senate.

Mr. President, I reserve the rest of my time.

Mr. MONRONEY. Mr. President, I have been requested to yield 3 minutes to the distinguished Senator from Alaska [Mr. BARTLETT] since the bill affects the State of Alaska. I yield 3 minutes to the distinguished Senator from Alaska [Mr. BARTLETT].

The PRESIDING OFFICER. The Senator from Alaska is recognized for 3 minutes.

Mr. BARTLETT. Mr. President, I have rather a sympathetic consideration for the amendments proposed relating to the State of Alaska. I might be in favor of them, even, if I did not have such a dedication and devotion to the cause of fiscal solvency. I do not want to do anything now to imperil a balanced budget. If these amendments are adopted, the effect would be to imperil a balanced budget. Adoption of the amendments would cost the Federal Government more money during the next 4 years than would be involved in the formula provided by S. 1. The heaviest impact would come during the next fiscal year, when the desire for a balanced budget, as I understand the situation, is the greatest.

Under the proposed amendments the State of Alaska during the next fiscal year would receive $3.6 million, compared to $2,250,000 under the provisions of S. 1. In the total 4-year period the provisions of S. 1 would give the State of Alaska $9 million, while the proposed amendments would cost the Federal Government $11,080,000 for Alaska.

There has been a special formula applied to Alaska since the inception of this law, for a special reason. I think there was demonstrated before the committee, in the testimony, a good reason why the formula should be continued for the next several years. As a matter of fact, the administration will soon send to the Congress an omnibus bill relating to the new State of Alaska, and in some respects it is generous.

The PRESIDING OFFICER. The time of the Senator from Alaska has expired.

Mr. MONRONEY. Mr. President, I yield the Senator 1 additional minute.

Mr. BARTLETT. The bill will give the new State some transitional aid. This has been a customary procedure relating to many new States. The formula will enable the new State of Alaska, which is as yet without land, to build airports in an area where the airports are more badly needed, perhaps, than in any other part of the United States, because there is such a unique and almost exclusive dependence upon aviation.

I hope the amendments relating to the State of Alaska will be rejected, and that the formula which has been carefully considered and adopted by the committee in S. 1 will be followed.

Mr. SCHOEPPEL. Mr. President, I yield 4 minutes to the distinguished Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Are there 4 minutes remaining?

The PRESIDING OFFICER. The Senator from Kansas has 10 minutes remaining.

Mr. DIRKSEN. Ten minutes remaining on this side?

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. Then, Mr. President, may I request that the Senator yield me 5 minutes.

Mr. SCHOEPPEL. Mr. President, I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. DIRKSEN. Mr. President, the issue involved here is not very difficult to understand. I think it is generally agreed that we are talking about a legitimate operation of the Federal Government. It follows, I think, somewhat the observation made by Abraham Lincoln long ago:

> The legitimate object of Government is to do for the people what needs to be done, but which they cannot by individual effort, do at all, or do so well, for themselves.

This is an area in which some aid on the part of the Federal Government is certainly a legitimate function. The whole question is always, How far does the Federal Government go?

I was rather interested in looking at the yearbook figures for the Civil Aeronautics Administration, to see the percentage figures of how the Federal Government's share has grown over a period of time.

The early days of the program took place in 1933. I remember them well. I remember some of the airports which were built under the emergency programs. I think in Maine about half of the cost was paid by private people and half of the cost was a local cost.

In the period from 1933 to 1940 about 3 percent of the cost was borne by private individuals, about 24 percent of the cost by local authorities, and about 71 percent by the Federal Government.

In the period from 1941 to 1944 the Federal share had grown to 90 percent.

The question is whether this participation is going to continue to grow so that the program becomes a Federal rather

than a local responsibility, insofar as those aspects of the program are concerned which are not conducive to or directly related to the whole question of what I call the portal-to-portal safety, or what we can call the door-to-door safety—from the time one gets into an airplane until one gets out. That involves the meteorological and navigational aids, the runways and all other components. That is about the place, within reason, we ought to stop.

There is one other reason why the proposal submitted by the minority ought to prevail. It is an adequate proposal. It goes far enough for the Federal Government. In addition thereto, there is a tremendous impact upon the 1960 budget. Only yesterday we observed an impact on the Federal budget, as it came to us, and nobody can be sure of the total effect. It was estimated last night the effect of passage of the housing bill would be $40 million. If one considers the Clark amendment, I think the effect is closer to $200 million, and nobody can disabuse me of the idea until we see some interpretation of the language which was written into the bill.

So we had the first impact on the budget yesterday. We may have the second impact today, depending upon the outcome of the forthcoming vote. I think of the situation in terms of a kind of fiscal suicide on the installment plan—a little at a time. It is going to be dragged out, but it will be just as painful, and the headaches will be as overwhelming when we are through.

I think it is time for us to admonish the majority all over again that we intend consistently to hew to the line and seek to conserve the Nation's pocketbook, and also to conserve the dollar from the erosive effect which inflation has upon it.

When the Committee on Finance, under the able chairmanship of the Senator from Virginia [Mr. BYRD]—and I am glad to note his presence in the Chamber at this time—held a long hearing on fiscal and monetary policies, at least 71 schooled and skilled economists appeared before the committee. There were many areas of disagreement, but the one point upon which they all agreed was that deficit financing was inflationary in character, and that when it kicks the lid off, someone must pay the bill.

I think the time has come to repeat the warning, because this is no easy dish. I can well understand the deep concern of the President of the United States in this field. That is one reason why he admonished all the executive agencies to labor earnestly and painstakingly in the interest of a budget that would be in balance before it was submitted to the legislative branch.

I fairly bleed for the Secretary of the Treasury today. No one can witness the market craze, with people in all walks of life dabbling in the stock market, without realizing that what they are doing is siphoning away the capital funds which are the fruit and the product of thrift. This leaves a pretty thin, bare market in which the Secretary of the Treasury must work in order to peddle the bonds of his country.

Fifteen billion dollars in Federal bonds fall due this month. Every dollar of it must be renewed. The Secretary of the Treasury is beset with a terrific thin-market problem, to find a market for the securities of his Government. Inflation will only aggravate the problem as time goes on. So we should be pretty deferential to our Secretary of the Treasury, cooperate with him, bleed with him if necessary, and work with him against deficit financing and further burdens and charges upon the 1960 budget.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. MONRONEY. I yield the distinguised minority leader 2 minutes.

Mr. DIRKSEN. I am deeply grateful to the distinguished Senator from Oklahoma for the additional time.

I believe this point must be made. Think of all the speeches that were made on this floor late yesterday afternoon and last night, on the question of freezing the interest rate on some of the direct housing loans by the VA and the FHA. Consider the thin market in which the Secretary of the Treasury must shop to sell his Government's securities.

How does he find a market? He must pay more for renting people's money for his Government. That is as simple and elemental as falling off a log.

One may wonder why or how interest rates go up. There is no mystery about this business. Money is a commodity. When one goes into a grocery store and asks for a can of corn or a pound of butter, the price is so much, and he pays it. When one wishes to borrow $100, it is a commodity. The market determines the price.

With all the money going into a crazy, fantastic stock market, our Secretary of the Treasury is left high and dry. He has no choice except to say, "I will pay more for your money." When he says, "I will pay more for your money," up goes the interest rate. Then come all the beautiful scolding speeches about this administration and the interest rate.

We have only inherited a bitter problem and a grim legacy which has come down to us from the day when $80 billion of unpaid bills were laid on the desk of President Eisenhower. These things do not incubate in a day or a year. They require a little time.

We are now at a critical point. We ought to get down on our knees and pray for Bob Anderson, Secretary of the Treasury. We ought not to add to his burdens. This bill would only add to his burdens. To repeat, it is like fiscal suicide on the installment plan. I will resist it the best I know how.

Mr. MONRONEY. Mr. President, I yield myself 2 minutes.

I appreciate very much the distinguished minority leader's plea to stay with the President's budget. However, I invite attention to the fact that the amendment by the united Republican forces on the committee would breach the President's proposal by $52 million over a 4-year period.

The Senator from Illinois mentioned the interest-rate fight of last night. On Capehart housing alone, the increase voted by the Senate last night will increase the Federal Government's costs by $195 million in those houses over the term of the mortgage. So when we are talking about balanced budgets, let us be realistic.

I invite attention to the wastage in the $77 billion budget proposed by the President, involved in the purchase of 10 VIP planes, in addition to 3 which have already been purchased; 10 more heavy jet transport planes in the budget, plus 33 smaller jetplanes, largely for the use of generals in flying a little faster around the country.

There are places where we can trim the President's budget. It is not an austerity budget—witness the two jetplanes, and one standby jet, for Mr. Dulles alone.

It should be the duty of Congress to try to balance the budget by placing emphasis on essential things and eliminating nonessential things. We are not told, and we must not be told, that we must spend money wastefully, and dare not spend money for constructive purposes which are absolutely necessary to keep the country abreast of the dynamic, growing transportation system which aviation has become.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. DIRKSEN. I did not know there were any jetplanes provided for in the bill before the Senate.

Mr. MONRONEY. They are in the President's budget. The Senator will find 10 large jetplanes listed in the passenger-carrying portion of the Defense Department budget, and 33 more passenger-carrying jetplanes. They are listed as possible cargo planes, but it would be difficult to get more than four passengers into them, and I do not believe the cargo capacity is very large.

Mr. DIRKSEN. That question is not before us at this time. We could not reach it under any circumstances. But if my distinguished friend from Oklahoma can make even a prima facie case for striking those items out of the budget, he will have the vote of the minority leader.

Mr. MONRONEY. I shall be glad to have that vote. I intend to press for such action when the question comes before us.

What I am saying is that the Senator is asking us to support the President's budget. It is sacrosanct. We must not touch it. But we are going to touch it in many places. We shall trim a great deal of fat from it; and we also hope to accomplish the great things necessary for aviation in this country.

Mr. President, I yield back the remainder of my time and suggest the absence of a quorum.

Mr. SCHOEPPEL. Mr. President——

Mr. MONRONEY. I withdraw my suggestion of the absence of a quorum. The Senator from Kansas has used all his time, has he not?

Mr. SCHOEPPEL. I have not used all the time on my amendment.

I yield 2½ minutes to the distinguished Senator from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. President, I wish to use this brief time to touch on what the distinguished Senator from Oklahoma has said about breaching the President's budget. Let the situation be crystal clear. To be sure, the President called for $65 million in the fiscal year 1960, $55 million in 1961, and $45 million in 1962. The President's budget for the fiscal year 1960 called for $65 million, and the substitute we offer would appropriate $63 million, which is $2 million less.

When one says to the country, at the very opening of the fight to hold the budget, that we breached it yesterday, and are about to breach it again today, the psychological impact is far beyond that of the money involved. When we consider the percentage of increase from $65 million to $165 million, and start blowing up the budget to that extent through the coming months, we shall have $50 billion of deficit spending before we are through.

Mr. MONRONEY. Mr. President, I yield back the balance of my time.

Mr. SCHOEPPEL. Mr. President, I yield back the balance of my time.

Mr. MONRONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MONRONEY. The yea-and-nay vote, as I understand, will be on the amendment offered by the Senator from Kansas [Mr. SCHOEPPEL], to substitute $63 million a year for the $100 million proposal of S. 1. Is that correct?

The PRESIDING OFFICER. The vote will be on the substitute for the bill. All time for debate having been exhausted, and the yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Mississippi would vote "yea" and the Senator from Louisiana would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Oregon would vote "nay."

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Wyoming [Mr. O'MAHONEY]. If present and voting, the Senator from Delaware would vote "yea" and the Senator from Wyoming would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] and the Senator from California [Mr. KUCHEL] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Delaware [Mr. WILLIAMS] is absent to attend the funeral of a member of his family.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 35, nays 53, as follows:

YEAS—35

Aiken	Curtis	Morton
Allott	Dirksen	Mundt
Bennett	Douglas	Muskie
Bridges	Dworshak	Prouty
Bush	Goldwater	Robertson
Butler	Hickenlooper	Saltonstall
Byrd, Va.	Holland	Schoeppel
Carlson	Hruska	Scott
Case, N.J.	Javits	Smith
Case, S. Dak.	Keating	Thurmond
Cooper	Lausche	Wiley
Cotton	Martin	

NAYS—53

Anderson	Hartke	McNamara
Bartlett	Hayden	Monroney
Bible	Hennings	Morse
Byrd, W. Va.	Hill	Moss
Cannon	Humphrey	Pastore
Carroll	Jackson	Proxmire
Chavez	Johnson, Tex.	Randolph
Church	Johnston, S.C.	Russell
Clark	Jordan	Smathers
Dodd	Kefauver	Sparkman
Ellender	Kennedy	Stennis
Engle	Kerr	Symington
Ervin	Langer	Talmadge
Fulbright	Magnuson	Williams, N.J.
Gore	Mansfield	Yarborough
Green	McCarthy	Young, N. Dak.
Gruening	McClellan	Young, Ohio
Hart	McGee	

NOT VOTING—10

Beall	Kuchel	O'Mahoney
Capehart	Long	Williams, Del.
Eastland	Murray	
Frear	Neuberger	

So Mr. SCHOEPPEL's amendment was rejected.

Mr. MONRONEY. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. MAGNUSON. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. GRUENING in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. COTTON. Mr. President, on behalf of myself, the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Kentucky [Mr. MORTON], the Senator from Ohio [Mr. LAUSCHE], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Florida [Mr. HOLLAND], I submit an amendment which I send to the desk, and ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On the first page of the bill, between lines 2 and 3, it is proposed to insert:

That (a) section 2(a)(3) of the Federal Airport Act, as amended (49 U.S.C. 1101 (a)(3)), is amended to read as follows:

"(3) 'Airport development' means (A) any acquisition of land or of any interest therein, other than for automobile parking areas, or of any easement through or any other interest in airspace, which is necessary for development, operation, or maintenance of any public airport or portion thereof, or which is necessary to remove or mitigate, or prevent or limit the establishment of, airport hazards, and (B) any work involved in constructing, improving, or repairing a public airport or portion thereof, including the removal, lowering, relocation, and marking and lighting of airport hazards, but excluding (i) construction, improvement, alteration, or repair of any buildings or portions thereof, other than those buildings or portions thereof required to house air traffic control activities, weather reporting activities, and communications activities related to air traffic control, and (ii) automobile parking areas and entrance roads.

"(b) The amendment made by this section shall not operate to alter, restrict, or otherwise interfere with carrying out any work programed prior to the enactment of this Act."

On the first page, in line 3, it is proposed to strike out "That section", and to insert in lieu thereof "SEC. 2. Section", and to renumber the following sections of the bill accordingly.

On page 4, it is proposed to strike out lines 5 through 20, as follows:

SEC. 5. Section 13 of the Federal Airport Act (49 U.S.C. 1112), is amended by inserting "(a)" after "SEC. 13." and by adding a subsection to read as follows:

"COSTS NOT ALLOWED

"(b) With respect to amounts obligated after June 30, 1959, the cost of acquisition or constructon of that part of a project intended for use as a passenger automobile parking facility, and the cost of construction of those parts of passenger or freight terminal buildings and other airport administrative buildings intended for use as bars, cocktail lounges, nightclubs, theaters, private clubs, garages, hotel rooms, commercial offices, or gamerooms or such other use which, in the opinion of the Administrator, is not essential to the welfare and safety of those persons using airports for public aviation purposes, shall not be an allowable project cost under this Act."

Mr. COTTON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 5 minutes on his amendment.

Mr. COTTON. Mr. President, I wish to explain the amendment briefly so Senators will understand clearly and exactly what it provides.

This amendment frequently is referred to as the "gate to gate" amendment. But I contend that is a misnomer. It is not a "gate to gate" amendment, because it does not compel all Federal aid to stop at the gate. The amendment permits some aid to buildings. It does exclude aid for parking areas and for buildings except for the space required to house air traffic control activities, weather reporting activities, and communication activities.

In other words, it simply restricts the use of the funds so that they can be

UNIVERSITY OF MICHIGAN LIBRARIES

utilized only for those buildings or portions of buildings which house air safety functions. Make no mistake, Mr. President, this amendment permits use of funds for control towers, for quarters of those engaged in air traffic control, and for quarters of those engaged in dealing with information on the weather. It permits aid for all buildings and parts of buildings which are necessary and essential for air safety.

Therefore, I would prefer, rather than call it a gate-to-gate proposal, to refer to it as a wheels-down-to-wheels-up provision, because under it aid can be extended to all facilities required from the time a plane lands on the airport until it takes off again.

Very briefly, we contend the amendment should be adopted, first, because by adopting the amendment——

Mr. LAUSCHE. Mr. President, may we have order?

Mr. COTTON. May we have order, please?

The PRESIDING OFFICER. The Senate will be in order. Senators desiring to converse will please retire from the Chamber.

Mr. COTTON. Mr. President, I shall try to speak as rapidly as possible and not use all my time, if Senators will give me an opportunity to be heard.

First, the amendment means that the dollars will be used where they are most needed and where they can go the farthest—for the essential features of airports.

Let me mention one provision of S. 1, and I hope I may have the attention of the Senator from Oklahoma [Mr. MONRONEY] when I point this out. The Senator from Oklahoma has repeatedly referred to the fact that section 5 of his bill, which we are seeking to strike out and replace with the pending amendment, is a provision to prevent money being spent for nonessentials. The Senator has referred to that section of his bill, suggesting that by passing the bill in its present form we shall be protected against the use of Federal funds for those parts of buildings used as bars, cocktail lounges, nightclubs, theaters, private clubs, garages, hotel rooms, commercial offices, gamerooms, and so forth. As a matter of fact, I direct the attention of every Senator to the specific wording of section 5. It reads:

> and the cost of contruction of those parts of passenger or freight terminal buildings and other airport administrative buildings intended for use.

In other words, the provision does not state this money cannot be used for the construction of a building, a part of which shall be used for those purposes. This may not have been the intention of the framer of that provision, but under it Federal aid can be used for any building as long as only a portion of it is to be used for bars, cocktail lounges, and so forth. Federal aid rarely goes to more than 25 percent of a building. All that would have to be shown would be that the portion of the building used for those purposes comprised only 10, 20, 30, or 40 percent of the building receiving Federal aid. So I suggest a horse and wagon can be driven through that provision. It does not provide any protection against the use of money for nonessentials.

Federal aid money should be used for real needs. This amendment prevents money being used for those portions of terminal buildings utilized for commercial purposes. We build highways to the door of Woodward & Lothrop's department store, but we do not have the Federal Government help build the store where shirts are sold. We build highways, but we do not build the gas stations or restaurants which serve the motorists.

Is there any reason why Congress should continue, at this time when hundreds of millions of dollars must be devoted to making the airways safe, to provide money for terminal buildings where airlines are selling tickets and transacting business, where insurance companies are paying rental for booths to sell insurance, where restaurants are engaged in profitable business?

Last year the New York Port Authority received $125,000 for allowing an advertising agency to put signs within the terminals. They received $1,200 a month allowing an automobile model to be displayed. The Washington National Airport received $182,000 in revenue from insurance companies for their concessions. The Miami International Airport made a net profit of more than $2½ million in 1957. The Los Angeles International Airport made a profit of more than $2 million.

All the airport terminals are engaged in business. Large portions of those terminals are not devoted to air safety, to those who control traffic, to portions utilizing instruments and safeguards. They are operated for private commerce and private profit. Yet one-third—$66 million in the past 4 years—of Federal aid has gone into those terminals.

I suggest if the amendment is adopted we can save one-third of the money to be used under the bill. If the one-third is left in the bill, in the wisdom of Congress, it will be devoted, and this is the last point I wish to make to the prime and most important use—devoted to public safety.

This morning there was some colloquy in this Chamber regarding the sad and unfortunate accident at New York, where the American Airlines airplane crashed and so many lives were lost. Mr. President, it simply drives home, emphasizes, and highlights the fact that the prime consideration and the prime duty which hovers like a shadow over the Senate and over the Federal Government is that we should lose no time in spending all that is necessary, no matter how much it is, to modernize the airways, install automatic controls, and install every feasible automatic safeguard science has given us, in order that the lives of those who travel in the air may be preserved. No amount of money spent on terminals could have had any effect on the safety of people in that airplane.

That is the No. 1, prime priority in this whole program. All that my amendment seeks, Mr. President, is to make certain that we shall not spend our dollars for nonessentials.

Mr. President, how much of the 5 minutes do I have remaining?

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. COTTON. I have used 10 minutes. I wanted to be notified at the end of 5 minutes.

Mr. President, I shall conclude in just a moment.

There was a suggestion made during the hearings which I wish to repeat, because to me it was rather a significant phrase. Someone who testified said that the Federal Government had a duty not only to keep people safe but to keep them dry. That made me think of the young man who called up his sweetheart and said, "My darling, I love you. I would go through rivers of fire for you. I would climb mountains of ice. I would give my life for you. I will come over to see you next Saturday night if it doesn't rain."

Mr. President, we have a grave duty to perform; to see that tax dollars are not diverted for nonessentials. Federal airport aid should not be frittered away on buildings used for private commerce and profit. It should be spent for runways, aprons, and for taxi strips, which are vital to safety. The money should be spent for clear zones, which are vital to safety. The money should be spent for rights-of-way and to remove obstructions, which are vital to safety. The money should be spent for control towers, for housing the devices and controls of traffic which are vital to safety.

The amendment should be labeled the "safety first amendment."

If the Senator from Oklahoma [Mr. MONRONEY] does not wish to yield time now, I will yield 10 muintes to the Senator from Ohio [Mr. LAUSCHE].

The PRESIDING OFFICER. The Senator from Ohio is recognized for 10 minutes.

Mr. LAUSCHE. Mr. President, I support the amendment offered by the Senator from New Hampshire. I do so on the simple premise that it is improper for the Government of the United States to ask the taxpayers of this country to build, for the commercial air carriers, terminal facilities, whether for passengers or for cargo. Historically, our Government has never endeavored to help private industry in the manner in which it is helping the commercial airlines under the present program. What justification do we have for spending money of the taxpayers to build terminals either for passenger or for cargo? Personally, I can see no justification for doing so. There might be, if we were wallowing in money. Then it might be said that we could "dish it out" everywhere.

The fact is, my colleagues, that our fiscal situation is not sound. Every day the argument is made that trouble lies ahead for the United States, not only on the basis of military threats but also on the basis of the economic conquest which the Communists may make of us. Our dollar is now worth 47 cents. It has fallen 53 cents in value in the last 17 years. It has fallen at the rate of 3 cents a year. Our national debt is $285 billion.

I have listened to people make arguments, "You can take out of the bag more than you put in and the bag will never

go empty. You can keep floating Government bonds on a glutted market and the public will buy those bonds. You can spend more than you take in, and all will be well. The great United States is immune, over and above that law of the consumer of demand and sales which has applied everywhere in the world." I am not willing to believe those statements. The United States will be governed by the same natural laws which govern the nations of the earth.

We are subsidizing the airlines, the merchant marine, the inland water carriers, the farmers, and the miners. All up and down the line subsidies are being paid.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, may I request the Senator to yield me 5 additional minutes?

Mr. COTTON. I yield 5 minutes additional to the Senator from Ohio.

Mr. LAUSCHE. The taxpayer is being ground down more and more every day.

Before I conclude I should like to read what was testified to in 1951 when our Government through the Congress decided to quit pegging the price of Government bonds. I read what one of the principal witnesses said:

> There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction and does it in a manner which not one man in a million is able to diagnose.

If any of those who are listening to me own Government bonds, I suggest they read the article which was published in the February 1959 issue of the Reader's Digest, which was written by Andre Visson. I am going to read excerpts from the article entitled "What the French Have Found Out About Inflation." This is a case history of the worst swindle a government can commit against its citizens.

If we operate on a deficit basis and spend more than we take in, I say to my colleagues that we shall then begin to swindle and rob the people:

I read from Mr. Visson:

> Today, as a result of France's destructive inflation, the cost of living is 37 times what it was in 1927.
>
> Every Frenchman who put his savings in Government bonds or annuities, whether before of after World War II, has lost the major share of his capital. The scores of thousands of people who, in 1944–45, invested in the 3-percent bonds of the Liberation loan are today getting the same interest they did 13 years ago, whereas the cost of living is 10 times what it was then. And, were these French men and women to sell their bonds now on the Paris stock exchange, they would get only about half the price they paid in 1945—and in depreciated francs at that.

The writer says further:

> And consider the disaster to more than a million World War I veterans whose once adequate pensions are now worth 70 cents a month or less.
>
> Inflation corrupts everything—a balanced budget, investments, job security, social legislation, the moral health of all classes, even national prestige abroad.

In my opinion, every time we contribute toward deficit spending, bringing the budget into a situation where there is no semblance of relationship to the money available, we are corrupting the moral health of the American public. We cannot honestly tell the public, "We will devise a means whereby we can spend more than we take in, and yet survive." That is exactly what we are doing.

The article further states:

> A disastrous inflation can develop when a government continually spends vastly larger sums of money than it can collect in taxes.

I would be prepared to spend, but I would have the courage to tax; and if I did that, from the mountains of the Rockies and from the valleys of the Mississippi, from everywhere in the country, the taxpayers would say, "Quit spending, and spare us from taxation." But the swindle is in telling the public, "We will spend, but we will not have to pay."

The author further says:

> The obsession of the French politicians with making their constituents happy at any cost—even at the risk of compelling them to pay a high price tomorrow for the favors bestowed upon them today—has also been responsible for the ever-growing number of people on the Government payroll.
>
> The French are beginning to realize that there is not much difference between the state and a private person, as far as a budget is concerned. Neither can live beyond its means very long. To be sure, the state credit is infinitely greater than that of the richest individual. But even a national government's credit cannot last forever. When the state goes too heavily into debt, its citizens are, finally, the ones to carry the burden.
>
> This grim picture of what happens when a government tries to live beyond its income is on display today not only in France but in Argentina, Brazil, Chile, Peru, and other lands.
>
> In France the people have found that, contrary to all the glowing promises of their politicians, the state can give them nothing free. One way or the other, the citizens have to pay in the end. If they do not pay in taxes they pay in inflation, which is the highest and the cruelest tax of all.

The impact has not yet come. We are deceiving ourselves in the belief that it will not come. But let us remember that for every action there is a reaction. Where there is smoke there is fire; and where there is wrong there will be an atonement. It may be slow in coming, but irresistibly it moves on, and keeps saying, "You will pay the price." I am of the opinion that that is what will happen to us unless we pull ourselves together and try to have some semblance of relationship between our budget and the money available.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from New York.

Mr. KEATING. I appreciate the Senator's bringing this fine article to our attention. I read the article, and was greatly impressed by it. I know Mr. Visson, the author. I know that he has painted a picture which the people of this country should be made to see. There must come a time when we put an end to spending beyond our means. The warning which the Senator from Ohio has voiced should be heeded.

Mr. COTTON. Mr. President, I yield 4 minutes to the Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, the day of atonement which was spoken of so feelingly by the distinguished Senator from Ohio [Mr. LAUSCHE] has begun. There are evidences of it on every hand.

I hold in my hand an Associated Press dispatch received only a few minutes ago, showing what is happening to the credit of our country, and what is happening to the confidence of our people in the securities in our country. I cannot read it all. I read these few words:

> WASHINGTON.—The Treasury today made a surprise announcement that it will borrow $1½ billion in new cash next week. It needs the money because of what it termed unusually high "attrition" in its current $15 billion refinancing.
>
> The Department said holders of $2,081,000,000 (B) of maturing securities demanded payment in cash instead of exchanging them for new issues offered for this week.
>
> In response to inquiries, officials said the demands for cash payment—known as attrition—was "somewhat heavier than expected."

Are we going to be sensible people and see the signs which are so unmistakable, and which our citizens see clearly? Are we going to bring a halt to excessive and deficit spending, which is bringing us into this trouble? Are we going to spend the Federal money which must be spent in this field for the safety of the people who ride the airways—and their safety is not adequately safeguarded now—and desist from foolish and unnecessary profligacy in the field of building air terminals for people who are better able to build them than we are?

I am a friend of aviation. I have flown since 1918, when I began in military uniform. I note the presence in the Chamber of my friend the senior Senator from Kansas [Mr. SCHOEPPEL] who flew in another service at the same time, and others. We are friends of aviation.

In the subcommittee of the Committee on Appropriations which considers appropriations for civilian aviation, and as chairman of that subcommittee, I have consistently stood for the making of appropriations which are needed to make our airlanes secure and safe. As a friend of aviation, I am rising now to say that I think we would make a tragic mistake if we were to step up, at this time, and in this unnecessary way, the spending of Federal funds for such things as air terminals.

I hope the amendment of the distinguished Senator from New Hampshire will prevail.

Mr. CLARK. Mr. President, I believe the Senator from Oklahoma [Mr. MONRONEY], who is not in the Chamber, is prepared to yield me 5 minutes at this time.

Mr. COTTON. Mr. President, I yield 5 minutes to the Senator from Pennsylvania in the hope that I will get the 5 minutes back from the Senator from Oklahoma.

Mr. CLARK. I thank the Senator. I have listened with considerable interest to the talks by the Senator from Ohio and the Senator from Florida. I am a little amazed at the point of view they

UNIVERSITY OF MICHIGAN LIBRARIES

have expressed. I do not believe that any Member of the Senate is in favor of deficit financing. I do not believe there is any doubt about the fact that every Member of the Senate has the political guts to raise the necessary revenue to the extent that it is required to balance the budget. I know that is true of the Senator from Florida, as it is of the Senator from Ohio. We are not concerned with the question of wild-eyed deficit spending. What is before us today is a question of facing up to the fact that we must remedy obsolescence in the public sector of our economy.

There is no doubt, as I said, that we must raise revenue, and that we must face up to that fact. However, there is no reason in the world for talking about runaway inflation, such as afflicted Germany and France. Let us face up to the fact that we must balance the budget, and that the only way we can balance the budget is by getting more revenue. Let us have the political guts to face up to that fact. We can do that by closing tax loopholes, and in that way find as much revenue as we need to balance the budget. I know that Members of the Senate have too much political courage to allow the budget to get out of hand.

I say to my friend the Senator from Florida [Mr. HOLLAND] that if Secretary Anderson has trouble floating his Government bonds, he should get together with Mr. Martin of the Federal Reserve Board and arrange to get enough money into the banks to cut the interest rates.

We had a discussion yesterday on this subject. I was paired against lowering the interest rates. I would have voted "nay" had I been permitted to vote.

We must get at the core of the problem. The core of the problem is the control of the Federal Reserve System by the Government of the United States. Once that is done, we will not have any further trouble floating bonds.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. HOLLAND. I wish to call attention to the fact that what happened today with the Treasury was that the citizens of the United States showed their lack of confidence in the Federal securities by demanding, to the tune of $2,081 million more than had been expected, in cash rather than extensions, even at the higher rate of interest which the Senator has been speaking of.

Mr. CLARK. I wonder if the Senator from New Hampshire will agree that the time taken by the Senator from Florida should be deducted from his time.

Mr. HOLLAND. I make that request.

Mr. COTTON. Yes.

Mr. MONRONEY. Mr. President——

Mr. CLARK. I am sure the Senator from Oklahoma and the Senator from New Hampshire can work it out between them. In the meantime, I shall continue.

I say again to my friend from Florida that, although I do not pretend to be an economic expert, I do try to study these subjects as a member of the Committee on Banking and Currency, and it seems to me that the reason for the extraordinary conversion to which the Senator from Florida has referred—and I assume it was largely by banks and pension funds, not by individuals—was that the holders of those bonds could make much more money in the stock markets and by buying corporation bonds, which carry a much higher rate of interest than the Government bonds. That is due largely to the policy of the Federal Reserve Board, not due to any lack of confidence in the soundness of the dollar.

This fact has been developed rather extensively by the testimony of experts before the Joint Committee on the Economic Report recently. I call attention to the fact that five out of six of the leading economists who testified before the committee last week advocated the necessity for greater Federal revenues in order to bring our economy up to a point of strength at home and abroad, which is so essential if we are to remain a first-class country.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CLARK. Again I should like to yield with the permission of the Senator from New Hampshire.

Mr. MONRONEY. I yield an additional minute to the Senator from Pennsylvania.

Mr. CLARK. The problem is whether the Senator from New Hampshire will agree that this time comes out of his time.

Mr. MONRONEY. I yield 1 additional minute to the Senator from Pennsylvania.

Mr. LAUSCHE. It will be interesting to see, if the bill is passed, what the commercial airlines will say when an effort is made to raise the tax on the gasoline and jet fuel they use.

Mr. CLARK. I do not care what they say. I will vote to raise the tax. I am sure the Senator from Ohio will also.

Mr. LAUSCHE. But they will fight it.

Mr. CLARK. That is all right. Let them fight it.

Mr. President, I support the Federal Airport Act extension bill—S. 1—which I have the honor of cosponsoring, in the form in which it is presently before the Senate.

Since the passage of the Federal Airport Act of 1946, our national airport system has been greatly improved, but much remains to be done if the ever-increasing needs of the country in the new jet age are to be met. What has been done and remains to be done in Pennsylvania provides a useful illustration of the need for the stepped-up program of Federal participation provided in the bill before us.

State and local interests in Pennsylvania have spent $26,136,608 under this program from 1946 to date to match an equal amount of Federal funds to improve 40 different airports in 38 different communities.

In fiscal 1959 alone 32 different communities in Pennsylvania submitted applications for Federal assistance indicating that State and local interests were prepared to expend $13,348,197 for airport projects, if Federal matching funds could be obtained. The actual allocation of Federal funds for Pennsylvania in the present fiscal year amounts to $3,902,783. This means that $9,445,414, or 70 percent, of the applications were refused because of the lack of Federal funds. Fourteen communities which had filed applications were allocated no Federal funds at all.

These applications which were denied were not for frills and luxury items, which opponents of the Federal participation program are so fond of citing.

Take for instance the application for the Bedford County Airport for $146,556 of Federal funds. These funds, and the like amount of State-local funds which were to be spent, were needed to purchase land and to construct a 3,700-foot runway and provide runway lighting. No Federal funds were allocated to this project for the assigned reason that there were "insufficient Federal funds."

Philadelphia submitted an application for $3,609,375 for construction of a new parallel instrument runway, connecting taxiways and relocation of a railroad installation and expedition of a taxiway for jet use and other purposes. One million dollars was allocated from the discretionary fund for these projects. The amount of $1 million was chosen because that arbitrary limit is assigned by the Federal agency to every contribution from the discretionary fund.

Pittsburgh's application for $1,500,000 Federal matching funds for a new east-west parallel runway met a similar fate: $1 million was allocated from the discretionary fund because that is the maximum amount permitted under agency rules adopted to make insufficient Federal funds stretch as far as possible.

These projects cannot be considered luxury items under any stretch of the imagination, Mr. President. The airports at Pittsburgh and Philadelphia are integral parts of the country's interstate transportation system, inasmuch as the services they render affect the interests, not only of the two areas immediately concerned, but of communities in neighboring locales as well.

Turning from present to future requirements, however, Mr. President, the time measure of the need for the extension and acceleration of the Federal Airport Act program can be seen. Gen. A. J. Drexel Biddle, chairman of the Pennsylvania Aeronautics Commission, has sent me a table which shows the needs of the Pennsylvania Airport System for the 1958–62 period.

I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Pennsylvania airport survey, 1958–62

Land costs	$7,192,093
Landing area development costs	60,541,306
Administration buildings	17,349,000
Other terminal area costs	6,202,000
Total	91,284,399
LOCAL FUNDS AVAILABLE AND ANTICIPATED	
On hand or appropriated	3,624,000
Bonds authorized not sold	2,016,000
Anticipated future funds	23,437,780
Total	29,077,780
Funds required in excess of local funds available	62,206,619

Pennsylvania airport survey, 1958–62—Con.

STATE FUNDS AVAILABLE AND ANTICIPATED

On hand or appropriated	$1,583,730
Anticipated future funds	14,971,316
Total	16,555,046
Total local and State funds	45,632,826
Funds required in excess of local and State funds available	45,651,573

Publicly owned airports, 49.
Airports reporting projects planned, 29.

Mr. CLARK. Mr. President, the local and State interests are bearing their share, a full 50 percent share in these projects, and I need hardly remind those of my colleagues who have struggled with the problems of metropolitan and State finance what this 50–50 contribution means in terms of sacrifice for other needed community services. When Federal matching funds are not available or available in insufficient amounts, these projects do not get done, and our interstate transportation system, so vital to national defense, falls behind the needs of the times.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks an article which appeared last October in the Pittsburgh Press entitled "Six Million Dollar Jet Jolt Hits Airport"; a telegram sent to me by the president of the Chamber of Commerce of Pittsburgh; also letters from Blair County Commissioner, Edward J. Flanagan, and Mr. Don B. Kiel of Dubois, Pa., dealing with the subject under discussion.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Press, Oct. 28, 1958]

SIX-MILLION-DOLLAR JET JOLT HITS AIRPORT—NEW RUNWAY PLANS MADE OBSOLETE BY LATEST CAA EDICT

Allegheny County today suffered a $6 million jolt from the jet age.

Ultra-modern Greater Pittsburgh Airport isn't big enough to handle the new jet airliners.

Just as the county commissioners were about to call for bids on a new $7,500,000 east-west runway at Greater Pitt, they received word from the Civil Aeronautics Administration that the proposed runway was too small for jet airliners.

TO COST $12 MILLION

Stretched out to a satisfactory length and doubled in width, the new runway will now cost $12 million, County Aviation Director John B. Sweeney estimated.

On top of that, since President Eisenhower vetoed an airport subsidy bill, the county stands to lose $1,500,000 it was already anticipating in Federal aid in constructing the original runway, bringing the total financial blow to $6 million.

Mr. Sweeney said it will take "several months" to redo the blueprints to meet new international runway specifications for jets.

The original proposal called for a 7,500-foot runway, 500 feet wide.

ONE THOUSAND BY TEN THOUSAND FIVE HUNDRED FEET

The new "specs" require 10,500 feet of paving 1,000 feet wide.

Mr. Sweeney said he has no idea where the county will get the money for the extra yardage.

But Commissioner Howard B. Stewart gave him a clue.

"You can bet that Allegheny County will be in there pressing for additional Federal subsidies when the next session of Congress convenes," he said.

As originally planned, the Federal Government would have footed half the bill, or $3,750,000.

Uncle Sam put up $2,250,000 of that money before the Presidential veto of a new subsidy bill was passed, leaving the possibility of collecting the remaining $1,500,000 in doubt, Mr. Sweeney said.

PITTSBURGH, PA., *January 27, 1959.*

Hon. JOSEPH S. CLARK, Jr.,
U.S. Senator,
Senate Office Building, Washington, D.C.:

In considering measures to aid local communities and development of improved local air carriers, Chamber of Commerce of Pittsburgh respectfully points out substantial impact upon this area will be gained through extension Federal Airport Act proposed under S. 1.

Improvement all airports particularly urgent and required in view of (1) introduction of large jet and turbojet aircraft, (2) substantial curtailment and abandonment of rail passenger services, (3) urgent need for expansion and improvement of many airports served by local air carriers, (4) overall need to expand local air carrier service patterns. Your consideration and support will be appreciated.

ROBERT M. WACHOB,
President, Chamber of Commerce of Pittsburgh.

COMMISSIONERS' OFFICE,
COUNTY OF BLAIR,
Hollidaysburg, Pa., February 5, 1959.

Hon. JOSEPH CLARK,
U.S. Senator,
Washington, D.C.

DEAR SENATOR: An airport bill in the Senate, known as the President's airport aid bill, would rule out Federal aid matching funds for terminal buildings and hangars.

This bill, if passed, would have a very serious effect on a project now in progress in Blair County and I wish to urge you to vote against this bill and vote for Senator MONRONEY's bill, S. 1, which will include all these items.

Thanking you, I am,
Sincerely yours,
EDWARD J. FLANAGAN,
Blair County Commissioner.

THE UNION BANKING AND TRUST CO.,
Du Bois, Pa., January 9, 1959.

Senator JOSEPH S. CLARK,
Washington, D.C.

DEAR SENATOR CLARK: We were exceptionally glad to read, in yesterday's local paper, that you are going to cosponsor a bill increasing from $1,902,130 to $3,011,706 the amount of Federal aid for Pennsylvania airports. We understand that this bill is practically the same as the one passed by Congress last year but vetoed by President Eisenhower.

When we met in Reynoldsville last year at the luncheon arranged by Bruce Milliron, you will recall that Mr. George W. Yohe, president of the Du Bois Deposit National Bank and the writer talked with you at the luncheon table regarding Small Business Administration and the Du Bois-Jefferson County Airport, which was then under construction. I believe that we had informed you that the entire sponsor share of this airport, which amounts to a little over $200,000, had been pledged by firms and individuals in Du Bois and the surrounding area and that the entire eight hundred odd thousand dollar airport, when completed, would be entirely free of debt.

We are now ready to surface the runway and erect an administration building but the Presidential veto last fall causes us to be approximately $61,900 short and, if the airport bill that you are going to sponsor is passed, these funds will be available but if is not passed, then these funds would have to be forthcoming from another source and this is a project on which Representative VAN ZANDT has been working diligently for over 3 months.

If you can find time to do so, we would certainly appreciate your discussing the matter with Mr. VAN ZANDT and possibly the two of you can come up with some solution to our problem.

Both Mr. Yohe and the writer are members of the airport authority and we were delighted to learn of your cosponsoring the airport bill.

With kindest personal regards in which Mr. Yohe joins me, I am,
Very truly yours,
DON B. KIEL,
Treasurer.

Mr. MONRONEY. Mr. President, I yield 1 minute to the distinguished chairman of the Committee on Interstate and Foreign Commerce.

Mr. MAGNUSON. Mr. President, I had intended to discuss the bill at greater length, but I know that most Senators have heard all the arguments pro and con.

Why is the bill so urgent that we must act on it now? The National Association of State Aviation Officials—a nonpartisan, nonpolitical group, representing all of the States, told us that:

Forty-four State legislatures are now, or will be, in session within the next few weeks. Most of them will not be in session again for another 2 years. They are now faced with the problem of acting on State airport programs and appropriations without knowing the amount of Federal money, if any, that will be available for carrying out the national airport program on a partnership basis after June 30.

If S. 1 is speedily adopted, it will permit at least some of the State legislatures to more effectively and efficiently plan and finance their State airport programs for the ensuing 2 years. For this reason in particular NASAO urges favorable and prompt action on this bill by your committee and the Congress (p. 88–89 of the hearings).

This informed expert group told us that there are many cities which are ready to go forward with projects immediately if Federal funds are made available and the program is continued. If we delay action on the pending bill, we will only throw off State programing for almost 2 years, and thus create a real bottleneck at many of our airports in the United States. That is really the reason why the bill should have been signed by the President last year when the Congress sent it to him.

I merely wish to add that when we talk about balancing the budget we should remember that all Federal budgets which have been submitted, both the present one and those under Democratic Congresses, have always been balanced insofar as appropriations are concerned. We actually appropriated less last year than was requested in the budget. When the budget gets out of balance, it is because the income is not

UNIVERSITY OF MICHIGAN LIBRARIES

sufficient. Sometimes that may happen briefly, but the national debt is, as we all know, primarily a war debt.

I have no doubt that the bill, if enacted, will help balance the budget. It will create activity. There is a crying need for such activity within every State legislature, who are meeting now, and will not meet again for 2 years. Even if the program is adopted, there will still be a 5-year lag because of the technological advancement in aviation, which is so vital to us, both in our domestic and in our foreign economy. Therefore, even if the program is adopted now, there will be a 5-year lag between its adoption and the adequacy of the airports in the country to meet the needs of the people.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

Mr. MONRONEY. Mr. President, I yield myself 3 minutes. There is unquestionably a misunderstanding about the role and importance of terminal buildings. In the first place the testimony was conclusive before our committee that for every dollar the Federal Government puts up under the Federal airport program for terminals, $4 is invested by the local community. The bigger the terminal, the less the Federal funds that go into the terminal. For example, in the New York Port Authority airports at Idlewild, La Guardia, and Newark, only 6 percent of the entire project cost of the terminals has been paid for with Federal money. At Wayne Major in Detroit, only $1 out of every $6 is Federal money. At Los Angeles International Airport, not one cent of Federal money has been spent for terminal buildings.

The only matching that we could find or discover in the hearings was in the case of the small airports, where the cost was around $100,000, and where it was impossible for the cities to raise any further money.

Mr. President, the Government gets results from the money it spends. The Government occupies, rent free, on today's basis, a total of 800,000 square feet in the airports. That space ordinarily would cost $3 a square foot a year. So we are getting approximately $2,500,000 worth of space rent free each year for the contribution we make. Measured over a 30-year period, this would mean $75 million in savings during the average life of the bill. We are getting more than we are putting in, because of the large amount of space the Government occupies.

The amendment offered by the Senator from New Hampshire [Mr. COTTON] provides that the Government could pay the full cost, the total cost, of the construction of the following facilities: Air traffic control activities, weather reporting activities, and communications activities. The Government will require more and more space in the years ahead, because radar is fast coming into wider use. More and more electronic equipment is being used. So more and more space will be required.

If the Federal Government does not put any money into the building of terminal buildings, do Senators think that the cities will float bonds to build the structures to house the Government's equipment? They will not. So Congress will be asked for funds to build Federal buildings at the airports according to Federal specifications and regulations.

I say the Federal Government is today getting a better bargain than it would be getting under the Senator's amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MONRONEY. I yield myself 2 additional minutes.

The matter of taxes has been mentioned. I wonder if Senators who allude to it know that from the aviation fuel tax the Government is collecting approximately $50 million a year at the present rates. During the life of the bill, considering the increase which will take place in aviation activities, I believe the amount will easily reach $100 million a year.

On top of that, there is a yield of $110 million a year from the 10-percent tax on airline passenger travel, based on 1957 air traffic. So aviation is more than carrying its load.

One final point. Throughout the Nation, airport commissions have done excellent work. They have built the facilities which the AAA and the CAA insisted were necessary up to 50 percent of their money. Many of them have been operating in tar-paper shacks and lean-to's which were built in 1932. So this amendment would penalize the very airports which have done the best work, by changing the rules in the middle of the game. The rules for matching funds were established in 1946. At this late date it is proposed to say to the airport commissions: "You may have built your runways and many of the other things which you were required to do. But you are too late. You should have built your terminal buildings first, when there were matching funds."

To say that would be grossly unfair to the States and cities which have used their matching money to do the things which the AAA and the CAA said should be done.

Mr. President, if the Senator from New Hampshire will yield back the remainder of his time, I will yield back the remainder of my time, and make the point of order that a quorum is not present.

Mr. COTTON. Mr. President, I will agree to yield back the remainder of my time if the Senator will ask for a vote immediately.

Mr. MONRONEY. I withdraw my point of order that a quorum is not present, and I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COTTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Hampshire will state it.

Mr. COTTON. Do I correctly understand that a "yea" vote is a vote for the amendment to prevent use of Federal funds on any parts of terminal buildings which are not used for essential air safety and communication activities?

The PRESIDING OFFICER. The Senator is correct. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senator from Arizona [Mr. HAYDEN], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Delaware [Mr. FREAR]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Delaware would vote "yea."

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Minnesota would vote "nay" and the Senator from Virginia would vote "yea."

On this vote, the Senator from Oregon [Mr. NEUBERGER] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Oregon would vote "nay" and the Senator from Indiana would vote "yea."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] and the Senator from California [Mr. KUCHEL] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Delaware [Mr. WILLIAMS] is absent to attend the funeral of a member of his family.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from Indiana would vote "yea" and the Senator from Oregon would vote "nay."

The result was announced—yeas 33, nays 53, as follows:

YEAS—33

Aiken	Curtis	Martin
Allott	Dirksen	Morton
Bennett	Dworshak	Mundt
Bridges	Eastland	Prouty
Bush	Goldwater	Saltonstall
Byrd, Va.	Hickenlooper	Schoeppel
Carlson	Holland	Scott
Case, N.J.	Hruska	Smith
Case, S. Dak.	Javits	Thurmond
Cooper	Keating	Wiley
Cotton	Lausche	Young, N. Dak.

NAYS—53

Anderson	Ellender	Jackson
Bartlett	Engle	Johnson, Tex.
Bible	Ervin	Johnston, S.C.
Butler	Fulbright	Jordan
Byrd, W. Va.	Gore	Kefauver
Cannon	Green	Kennedy
Carroll	Gruening	Kerr
Church	Hart	Langer
Clark	Hartke	Long
Dodd	Hennings	McCarthy
Douglas	Hill	McClellan

McGee	Muskie	Stennis
McNamara	Pastore	Symington
Magnuson	Proxmire	Talmadge
Mansfield	Randolph	Williams, N. J.
Monroney	Russell	Yarborough
Morse	Smathers	Young, Ohio
Moss	Sparkman	

NOT VOTING—12

Beall	Hayden	Neuberger
Capehart	Humphrey	O'Mahoney
Chavez	Kuchel	Robertson
Frear	Murray	Williams, Del.

So the amendment offered by Mr. COTTON for himself and other Senators was rejected.

Mr. MORTON. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. MORTON. Mr. President, I call up my amendment at the clerk's desk which I offer on behalf of myself, the Senator from New Hampshire [Mr. COTTON], and the Senator from Kansas [Mr. SCHOEPPEL].

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 2, lines 5 and 6, to strike out the figure "$95,000,000" and insert in lieu thereof the figure "$65,000,000";

On page 2, line 23, to strike out the figure "$5,000,000" and insert in lieu thereof the figure "$4,500,000";

On page 3, line 18, strike out the figure "$65,000,000" and insert in lieu thereof the figure "$30,000,000."

Mr. MORTON. Mr. President, I yield myself 3 or 4 minutes on the amendment. I have had no requests for time. I shall be prepared, if the majority side will do likewise, to yield back the remainder of my time thereafter. I understand the Senator from Oklahoma will consume only 3 or 4 minutes. The Senate can get to a yea-and-nay vote in the next 10 minutes.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MORTON. Mr. President, my amendment deals only with the amounts of money provided in the bill. It changes no provision in the bill other than the monetary authorizations. It reduces the figure provided in Senate bill 1 of $95 million for the 48 States, without Alaska, from $95 million to $65 million. It reduces the money made available for Alaska and the Territories from $5 million to $4½ million. It reduces the so-called discretionary fund from $65 million to $30 million.

It leaves in the bill approximately $100 million—$99.5 million—available for the critical fiscal year 1960.

I know perfectly well, and I have been assured by General Quesada and others, that the amount I have proposed is all that can be programed or obligated.

The question occurs to me, Do we want a bill or not? We know a measure similar to S. 1 was not signed into law by the President after the adjournment of the last Congress. I plead for this proposal because I say it includes all the funds which can possibly be obligated.

Secondly, I think there is a reasonable chance that the bill can become law if my amendment is accepted. We need a program.

Third, I think the proposal is in keeping with our fiscal responsibility and our general responsibility as Members of Congress.

I hope my friend from Oklahoma will accept the amendment. I have faint hope, I must admit. I cannot speak for the President or the White House, but I honestly believe there is a chance that something of this nature could become law, so such a program could go forward, so airports will know where they are going, so the planning and programing can proceed.

The effect of my amendment, as I have said, is to reduce the impact on the budget. The effect of it, as I have said, is to reduce the impact of S. 1 on the budget for fiscal 1960 by $65 million, and to reduce the impact on future budgets by $30 million a year.

As I pointed out earlier today, if we give authorization to the Federal Aviation Agency of more money than it can use for the top priority projects which must be met, the money will be given to projects which are not so important and not so essential.

Many Members in this body served on the other side of the Capitol. A good many served in the 80th and 81st Congresses, when there was before that body a question as between an airport for Fort Worth and one for Dallas. The Members of Congress who represented those two great communities, both of them fine gentlemen, both of them great statesmen and patriots, and both of whom were my close friends, got into the battle as between Dallas and Fort Worth. The question was kicked around and around. Of course, both cities now have two great airports. One airport has had a great deal more Federal contribution than has the other. But we shall have continuing battles of that nature if we give the Agency more money than it needs. If there are two or three hundred million dollars available in the back room, Senators will approach the Agency with constituents, bang on the door of the Agency, regardless of the justification of the request, and say, "We know the money is in the back room. Give us our share. Give us this, that, and the other."

I will make this promise to the Senator from Oklahoma. If the $30 million which remains in the discretionary fund in my amendment and the $65 million in the general fund which is included in my amendment are exhausted, or if the funds are ever entirely obligated, I will join him in a request for increased funds.

Mr. President, I reserve the remainder of my time.

Mr. MONRONEY. Mr. President, I yield 3 minutes to the distinguished junior Senator from Texas.

Mr. YARBOROUGH. Mr. President, I should like to use the 3 minutes to review the fiscal position of the Government. From some of the prophesies of gloom and doom we have been hearing from the other side of the aisle, one might be led to the conclusion that the Government is in such a condition that it is about to collapse. Let us examine our financial position, and see whether these gloomy estimates are justified.

In 1947, the national debt was $258 billion. Eleven years later, in 1958, the national debt was $276 billion, an increase of 7 percent in the last 11 years.

While our national debt was going up 7 percent, the gross national product was increasing from $316 billion in 1948 to $440 billion in 1957, an increase of more than 33 percent in 10 years, as contrasted with an increase in the national debt of only 7 percent in 11 years.

The total indebtedness at the beginning of 1947 for all local governmental subdivisions and all States was $16 billion. In 1958 the total indebtedness of States and local subdivisions of government was $56 billion. The debts of States and local subdivisions had increased 352 percent in those 11 years, while our national debt of the United States Government was going up only 7 percent.

In that 11-year period from 1947 to 1958, private indebtedness increased on a large scale also. But while all types of debt were increasing in that post war decade in America, the national indebtedness of this Government was increasing at a smaller rate than any of the other types of indebtedness.

Our national indebtedness was not increasing at as fast a rate as our gross national product was increasing.

The prophesies of gloom and doom are not borne out by the cold statistics of what is happening in America. At the same time the gross national product was going up from $316 billion to $440 billion, in that same 10 years the population was increasing, the number of industrial plants were increasing, our productive capacity was increasing, and educational opportunities for Americans was increasing. We were training our youth for an even more productive security. Everything that makes for a richer life and for a more productive life was increasing, too.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. YARBOROUGH. I yield to the Senator from Louisiana.

Mr. LONG. I understand the Senator's argument is that this country, under the Eisenhower administration, is really not in as bad shape as the Republicans seem to think it is.

Mr. YARBOROUGH. I agree with the distinguished Senator from Louisiana. The administration has not succeeded in wrecking the Government as badly as our Republican friends across the aisle claim.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. YARBOROUGH. I congratulate the distinguished Senator from Oklahoma for his leadership with respect to the bill. I had the privilege of sitting through most of the hearings. The hearings were thorough. The testimony is covered in this volume of the transcript. The need for this bill has been shown.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement of the Federal aid-to-airport construction in my home State from 1956 to 1959.

UNIVERSITY OF MICHIGAN LIBRARIES

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal-aid airport program, State of Texas—Federal funds requested and Federal funds programed for individual airports, fiscal years 1956 through 1959

	1956		1957		1958		1959		Unprogramed balance
	Requested	Programed	Requested	Programed	Requested	Programed	Requested	Programed	
Abilene	0	0	0	0	$323,125	0	$200,000	$65,000	$135,000
Alice	0	0	0	0	15,000	0	16,912	9,200	7,712
Alpine	0	0	0	0	0	0	22,000	0	22,000
Andrews	0	0	0	0	0	0	37,691	37,691	0
Austin	$96,361	$96,361	$260,850	$260,850	530,000	$280,000	580,000	300,000	280,000
Beaumont	0	0	84,000	0	482,012	246,205	144,240	144,240	0
Bellaire	0	0	0	0	866,250	0	0	0	0
Big Springs	0	0	201,000	0	385,410	213,706	0	0	0
Borger	75,500	70,000	0	0	0	0	0	0	0
Bridgeport	6,000	0	6,000	6,000	15,000	0	0	0	0
Brown Field	0	0	0	0	94,625	94,625	0	0	0
Brownsville	22,500	12,500	25,250	21,750	0	0	0	0	0
Brownwood	22,500	0	51,221	51,221	24,295	24,295	0	0	0
Bryan	0	0	18,500	0	0	0	0	0	0
Burnet	0	0	27,423	27,423	0	0	0	0	0
Cleburne	0	0	0	0	74,200	54,200	0	0	0
College Station	85,000	85,000	0	0	0	0	6,000	6,000	0
Colorado City	0	0	0	0	0	0	102,750	0	102,750
Corpus Christi (Cliff Maus)	550,000	375,000	462,000	462,000	0	0	0	0	0
Corpus Christi (municipal—new)	0	0	0	0	2,037,888	575,888	999,113	834,188	164,925
Crockett	0	0	0	0	7,000	7,000	0	0	0
Dallas	481,315	375,000	1,783,654	317,334	0	0	0	0	0
Del Rio	0	0	0	0	0	0	58,400	0	58,400
Decatur	0	0	0	0	20,600	20,600	0	0	0
Denison	0	0	32,500	25,000	0	0	0	0	0
Denton	5,000	5,000	0	0	0	0	0	0	0
Dumas	47,000	47,000	0	0	0	0	0	0	0
Electra	0	0	15,500	0	0	0	0	0	0
El Paso	352,985	0	845,935	0	1,387,400	402,300	425,700	222,750	202,950
Fort Worth (international)	369,250	369,250	0	0	0	0	0	0	0
Fort Worth (Meacham)	0	0	24,000	24,000	85,800	73,700	0	0	0
Galveston	0	0	0	0	8,855	8,855	0	0	0
Gladewater	0	0	0	0	0	0	8,000	0	8,000
Gonzales	0	0	0	0	40,000	35,000	0	0	0
Graham	20,570	0	0	0	0	0	0	0	0
Harlington	0	0	178,576	178,576	146,697	146,697	0	0	0
Hereford	107,600	0	139,500	139,600	0	0	16,705	16,700	0
Hillsboro	0	0	0	0	0	0	55,000	0	55,000
Houston (interior)	52,500	52,500	396,600	339,000	233,550	233,550	2,426,000	1,000,000	1,426,000
Jasper	0	0	8,000	8,000	0	0	0	0	0
Kingsville	0	0	0	0	0	0	75,000	0	75,000
Lamesa	0	0	10,000	10,000	49,500	0	12,500	0	12,500
La Porte	0	0	0	0	27,013	27,000	0	0	0
Laredo	0	0	0	0	0	0	134,325	0	134,325
Littlefield	42,375	12,000	0	0	30,000	30,000	0	0	0
Longview	0	0	0	0	8,850	8,850	0	0	0
Lubbock	13,340	0	45,240	45,240	80,620	80,620	355,220	242,240	112,980
Lufkin	41,966	0	0	0	0	0	0	0	0
McAllen	63,529	0	63,529	63,529	155,646	155,646	17,100	0	17,100
Midland	279,450	279,450	60,950	60,950	339,323	0	20,000	0	20,000
Mineral Wells	0	0	0	0	99,150	99,150	0	0	0
Mount Pleasant	7,508	7,508	5,500	5,500	12,250	0	0	0	0
Palestine	0	0	0	0	0	0	5,000	0	5,000
Paris	51,000	51,000	25,000	25,000	15,000	0	0	0	0
Pecos	0	0	0	0	9,000	9,000	0	0	0
Perryton	0	0	20,250	20,250	0	0	44,620	44,600	0
Plains	0	0	11,615	11,615	0	0	0	0	0
Plainview	80,000	0	90,000	90,000	0	0	65,000	65,000	0
Port Mansfield	0	0	0	0	0	0	12,750	0	12,750
Rockport	10,000	10,000	0	0	0	0	16,000	0	16,000
San Angelo	133,500	0	133,500	133,500	37,500	0	0	0	0
San Antonio	757,999	0	1,105,954	358,529	1,492,991	591,552	1,188,098	525,600	662,498
Snyder	69,000	69,000	0	0	0	0	0	0	0
Stephenville	0	0	0	0	51,300	46,500	0	0	0
Sulphur Springs	0	0	0	0	11,750	11,750	0	0	0
Sweetwater	12,360	12,360	0	0	0	0	0	0	0
Tyler	10,000	10,000	10,000	0	8,000	0	15,165	0	15,165
Uvalde	0	0	0	0	15,000	15,000	0	0	0
Vernon	6,720	0	0	0	0	0	0	0	0
Waco	0	0	0	0	0	0	60,294	60,294	0
Wichita Falls	600,000	0	2,187,500	0	0	0	0	0	0
Woodville	0	0	0	0	19,825	19,825	60,000	0	60,000
Total	4,472,828	1,938,929	8,329,547	2,684,767	9,240,425	3,511,514	7,179,583	3,573,503	3,606,080

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. Mr. President, I yield one-half minute so that the question may be asked by the distinguished Senator from Ohio and the answer given.

Mr. LAUSCHE. I should like to ask for either corroboration or denial.

In 1940 the debt of the country was $50 billion and the gross national product was $100 billion, or a ratio of 1 to 2.

In 1958 the debt was $280 billion and the gross national product was $430 billion. How can it be claimed that the fiscal stability in 1958 on the basis of that proportion is as great and as strong as it was in 1940?

Mr. MAGNUSON. That was prior to the war.

Mr. YARBOROUGH. The Senator refers to 1940. The statistics I gave were from 1947 to the present, from the end of the Great World War to the present. The fiscal position of the Government is better today than it was in 1947. In 1947 our gross national product was $316 billion and the public debt was $258 billion. Our public debt at that time was five-sixths of the gross national product. In 1958 our gross national product was $440 billion and the public debt was $276 billion. We have greatly improved our fiscal position in the last 11 years.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONRONEY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. MONRONEY. Mr. President, as much as I would love to accommodate my distinguished colleague from Kentucky, who was most faithful in his attendance at the hearings, I do not think one can relate the amount provided in the amendment to any factual evidence before the committee. In the first place, the Senator is requesting a cut for the first year from $95 million to $65 million, and that is the year when we shall have the highest need for funding of airport work, for the jet planes which we now

have and for the high performance aircraft which will be stepped down to the "milk runs." As a result, more airports in smaller towns will have to be built soon, unless we want to postpone work for a couple of years despite the fact that the need exists now.

No large amount of money would be saved under the proposal. We would only deceive the people by saying we had reduced the amount. I do not mean that would be intentional. However, the actual funding that would be provided would not give the true picture, because it would be a one-shot cut and the work would still have to be done.

I say the proposal is not realistic. Last year we had $63 million. The Senator is proposing a fund of $65 million, or only $2 million more. Last year we were short $129 million in appropriated, authorized funds to match what the cities were prepared to spend. It would be completely unrealistic to delay further the necessary work which the cities and the CAA feel needs to be done.

In the second place, the Senator offers to cut the $65 million discretionary fund to $30 million. That is a complete reversal from the testimony of General Quesada, who came before the committee and asked for a formula to provide $100 million in the discretionary fund.

The administration program called for a $250 million base, with 50 percent of it discretionary. The general said that he needed the money in the discretionary fund. If the need is not present, if there should be no emergency, and if there is not a requirement for spending, in the light of the budget versus the safety needs for these airports, can we not trust the President's own appointee to not spend the money?

The money is to be made available. It should be available for commitment if it is found to be needed. If we wait another year, we will delay further the planning and the bond issue voting. Thus we would defeat the whole purpose of the discretionary fund.

Mr. President, I ask for a vote on the amendment, and I yield back the balance of my time.

Mr. MORTON. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 1 minute.

Mr. MORTON. Mr. President, my amendment provides $30 million in discretionary funds immediately, and 25 percent of the rest is in discretionary funds. That adds up to $91 million. All recoveries would go into the discretionary fund, as to that which is programed and not used. My amendment certainly would provide at least $100 million in discretionary funds. The $65 million per year is more than we have been able to spend for the last 4 years.

Mr. President, I yield back the balance of my time.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. MORTON] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Massachusetts [Mr. KENNEDY].

If present and voting, the Senator from Mississippi would vote, "yea" and the Senator from Massachusetts would vote "nay."

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Minnesota [Mr. HUMPHREY].

If present and voting, the Senator from Delaware would vote "yea" and the Senator from Minnesota would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] and the Senator from California [Mr. KUCHEL] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Delaware [Mr. WILLIAMS] is absent to attend the funeral of a member of his family.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Oregon [Mr. NEUBERGER].

If present and voting, the Senator from Indiana would vote "yea" and the Senator from Oregon would vote "nay".

The result was announced—yeas 37, nays 48, as follows:

YEAS—37

Aiken	Dirksen	Mundt
Allott	Douglas	Muskie
Bennett	Dworshak	Prouty
Bridges	Goldwater	Robertson
Bush	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd, Va.	Hruska	Scott
Carlson	Javits	Smith
Case, N.J.	Keating	Thurmond
Case, S. Dak.	Lausche	Wiley
Cooper	Martin	Young, N. Dak.
Cotton	McClellan	
Curtis	Morton	

NAYS—48

Anderson	Green	McCarthy
Bartlett	Gruening	McGee
Bible	Hart	McNamara
Byrd, W. Va.	Hartke	Magnuson
Cannon	Hennings	Mansfield
Carroll	Hill	Monroney
Church	Jackson	Morse
Clark	Johnson, Tex.	Moss
Dodd	Johnston, S.C.	Pastore
Ellender	Jordan	Proxmire
Engle	Kefauver	Randolph
Ervin	Kerr	Russell
Fulbright	Langer	Smathers
Gore	Long	Sparkman
Stennis	Talmadge	Yarborough
Symington	Williams, N.J.	Young, Ohio

NOT VOTING—13

Beall	Hayden	Neuberger
Capehart	Humphrey	O'Mahoney
Chavez	Kennedy	Williams, Del.
Eastland	Kuchel	
Frear	Murray	

So the amendment offered by Mr. MORTON for himself and other Senators was rejected.

Mr. DODD. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 4, line 20, after the period, it is proposed to insert the following:

In the event of a showing to the Administrator that any part of a project for construction or acquisition of any building, other than a passenger terminal, intended primarily for use by private enterprise, can be financed from private sources on reasonable terms, he shall take such fact into consideration in allocating funds under this act.

Mr. MONRONEY. Mr. President, I have discussed the amendment with the ranking minority member of the committee. I believe we can take the amendment to conference, and perhaps it will be a good factor in the bill. I ask unanimous consent that the amendment be adopted.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. MONRONEY. Mr. President, I yield such time as the Senator from Utah may require.

Mr. MOSS. Mr. President, one of the first bills I agreed to cosponsor upon my arrival in Washington was the measure before this body today. If we are to meet the excessive cost of airport facilities in the jet age that is rushing toward us, if we are to provide the Nation with a network of safe and modern civil airports, then we must continue and expand the Federal airport aid program.

States and local municipalities throughout the country have shown they are willing to shoulder a large share of the financial burden for providing adequate airports. For example, last month the voters went to the polls in Salt Lake City to approve overwhelmingly a $2½ million bond issue for improvements at the city's municipal airport.

But when you consider that the indispensable requisite for jets and other highspeed aircraft is longer runways, and that to add about 1 foot to the length of a runway costs over $1,000, and that the extension of a heavy duty runway by just 1,000 feet would mean an additional cost of $1 million, you can see that to bring our air transportation system up to the jet age requirements is far beyond the capabilities of our local communities. It is not therefore, a question of whether we should consider extending Federal assistance to the Nation's airports—but of how much assistance we must give.

The bill before us requires matching of both allocated and discretionary Federal funds by local or State funds on a 50–50 matching basis. It is in the national interest to continue this program of National-State-local cost sharing.

UNIVERSITY OF MICHIGAN LIBRARIES

How important its passage is to my State of Utah is indicated by some figures I received from the Utah State Aeronautics Commission. The figures are based on the returns from a questionnaire submitted to all political subdivisions owning or operating airports in our State and sets forth anticipated needs through 1962. Reports were received from 17 operating airports. Also included in the total figure are needs of airports for which planning and construction were contemplated in the 1958 national airport plan.

The results indicated that $8,750,657 would be needed for aviation facilities in the State of Utah through 1962, but that local funds which could be made available total only $4,190,135, or less than half the amount required.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD several paragraphs from a letter I received from Mr. Harlon W. Bement, director of the Utah State Aeronautics Commission, which gives the Utah picture in more detail.

There being no objection, the excerpts from the letter were ordered to be printed in the RECORD, as follows:

In order to compile a work program of anticipated needs in Utah for the period 1958 through 1962, during the month of December 1957, we submitted an airport questionnaire to all political subdivisions owning and/or operating airports. The following airport authorities submitted answers: Price, Coalville, Provo, Salt Lake City, Vernal, Kamas, Ogden, St. George, Cedar City, Kanab, Loa, Green River, Tooele, Richfield, Logan, Fillmore, and Brigham City. In addition to these, the national airport plan for 1958 included planning for construction at American Fork, Bluff, Dugway, Laketown, Mexican Hat, Panguitch, and Wendover.

Because the entire report is quite detailed and lengthy, I am merely submitting total funds estimated required from our survey, continuing through 1962:

Land costs	$236,500
Landing area development costs	2,867,507
Administration buildings	4,212,000
Other terminal area costs	1,434,650
Total need	8,750,657
Existing local funds available and anticipated or on hand, or appropriated	209,715
Anticipated future funds	3,980,420
Total	4,190,135

Funds required in excess of local funds available came to $4,560,522.

Total State funds available and anticipated came to $350,000.

Total State and local funds anticipated, $4,540,135.

Funds required in excess of the total local and State funds available, $4,210,522.

As you are aware, Salt Lake City voters went to the polls in a record number approving a $2½ million bond issue for improvements at the Salt Lake City Municipal Airport.

Unfortunately, we are one of those public land States of smaller population and less tax income than the more populated areas. Geographically, air transportation is ideal for Utah. We are rapidly developing industry, uranium, oil, and gas interests, and, of course, the completion of the Flaming Gorge and the Glen Canyon Dams, and the resulting power available, will ultimately make Utah the most rapidly expanding State in the Nation. We must provide adequate air transportation facilities—not only military, but civil—within our State, and it is apparent from our survey that we do not have the finances to accomplish this as rapidly as it must be done.

The number of active civil aircraft in the United States was 67,153 at the close of 1957. There were 6,745 civil planes produced in 1957; thus if production continued, there were close to 75,000 active civil aircraft during the year 1958. This represents a tremendous growth in general aviation. In fact, general aviation, as pointed out in the brochures, represents better than 40 times the number of domestic airline aircraft, and flies at least three times the number of hours flown by the airlines. We must keep pace with the landing facilities demand, not only for jet civil aircraft, but for the business aircraft owned and operated by corporations, companies, and businessmen.

Mr. MOSS. Mr. President, whether or not the turbojet plane tragedy at La Guardia Field this past week was due to faulty safety equipment at the airport has not yet been determined. But, as was pointed out in the Washington Post this morning, there can be no debate over the importance of equipping runways, especially with approaches over water, with full instrumentation for bad-weather landings. There can be no debate about the importance of building a nationwide network of airports suitable to modern aircraft, and capable of handling our jet-age air commerce which is already upon us.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. MONRONEY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, will the Chair suspend the business of the Senate until the Senate is actually in order?

The PRESIDING OFFICER. The Senate will be in order.

The yeas and nays having been ordered, the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] are absent on official business.

I also announce that the Senator from Oregon [Mr. NEUBERGER] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would vote "yea."

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Massachusetts [Mr. SALTONSTALL].

If present and voting, the Senator from Minnesota would vote "yea" and the Senator from Massachusetts would vote "nay."

On this vote, the Senator from Oregon [Mr. NEUBERGER] is paired with the Senator from Indiana [Mr. CAPEHART].

If present and voting, the Senator from Oregon would vote "yea" and the Senator from Indiana would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Maryland [Mr. BEALL] and the Senator from California [Mr. KUCHEL] are absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from Delaware [Mr. WILLIAMS] is absent to attend the funeral of a member of his family.

The Senator from Massachusetts [Mr. SALTONSTALL] is detained on official business.

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Oregon [Mr. NEUBERGER]. If present and voting, the Senator from Indiana would vote "nay" and the Senator from Oregon would vote "yea."

On this vote, the Senator from Massachusetts [Mr. SALTONSTALL] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Massachusetts would vote "nay" and the Senator from Minnesota would vote "yea."

The result was announced—yeas 63, nays 22, as follows:

YEAS—63

Aiken	Gruening	Monroney
Allott	Hart	Morse
Anderson	Hartke	Moss
Bartlett	Hayden	Mundt
Bible	Hennings	Muskie
Byrd, W. Va.	Hill	Pastore
Cannon	Jackson	Prouty
Carroll	Javits	Proxmire
Case, N.J.	Johnson, Tex.	Randolph
Case, S. Dak.	Johnston, S.C.	Russell
Church	Jordan	Scott
Clark	Kefauver	Smathers
Cotton	Kerr	Sparkman
Dodd	Langer	Stennis
Douglas	Long	Symington
Ellender	McCarthy	Talmadge
Engle	McClellan	Wiley
Ervin	McGee	Williams, N.J.
Fulbright	McNamara	Yarborough
Gore	Magnuson	Young, N. Dak.
Green	Mansfield	Young, Ohio

NAYS—22

Bennett	Dirksen	Martin
Bridges	Dworshak	Morton
Bush	Goldwater	Robertson
Butler	Hickenlooper	Schoeppel
Byrd, Va.	Holland	Smith
Carlson	Hruska	Thurmond
Cooper	Keating	
Curtis	Lausche	

NOT VOTING—13

Beall	Humphrey	O'Mahoney
Capehart	Kennedy	Saltonstall
Chavez	Kuchel	Williams, Del.
Eastland	Murray	
Frear	Neuberger	

So the bill (S. 1) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I wish to express my deep appreciation to the very able Senator from Okla-

homa [Mr. MONRONEY] for the skill, patience, understanding, and fairness with which he handled the bill. I know it has been a long, hard fight. I know he has had many discouraging moments. Through his efforts, a bill very similar to this was passed last year, only to be returned without the President's approval.

Hearings were held again this year. I think it is a great tribute to the Senator from Oklahoma and the members of his subcommittee that this evening a substantial majority of the Senate have voted to pass the bill again. I hope the other body will consider the bill at an early date and that it will then be sent to the President for his approval.

I express my appreciation to the Senator from Washington [Mr. MAGNUSON] for his fine leadership in the full committee in reporting the bill to the Senate.

APPOINTMENT OF CHAIRMEN OF COMMITTEES ON FOREIGN RELATIONS AND BANKING AND CURRENCY

Mr. JOHNSON of Texas. Mr. President, I submit a resolution, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read for the information of the Senate.

The legislative clerk read the resolution (S. Res. 77) as follows:

Resolved, That Mr. GREEN, upon his own request, be excused from further service as chairman of the Committee on Foreign Relations; that Mr. FULBRIGHT be excused from further service as chairman of the Committee on Banking and Currency and that he be appointed chairman of the Committee on Foreign Relations; and that Mr. ROBERTSON be appointed chairman of the Committee on Banking and Currency.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

RETIREMENT OF SENATOR GREEN AS CHAIRMAN OF COMMITTEE ON FOREIGN RELATIONS

Mr. JOHNSON of Texas. Mr. President, it was with great personal regret that I learned of the decision of the distinguished senior Senator from Rhode Island [Mr. GREEN] to retire as chairman of the important Committee on Foreign Relations. When I heard of his intention, I went directly to his office and urged him as strongly as I knew how to reconsider his decision. The next day I joined with the entire membership of the Committee on Foreign Relations in a similar plea.

But Senator GREEN refused to reconsider his decision. He said he had three loves: The United States of America, the U.S. Senate, and the Senate Committee on Foreign Relations. He stated it as his belief that it was in the interest of the welfare of all three that he resign, and not continue to carry the heavy administrative burdens the chairman of the Committee on Foreign Relations is called upon to carry.

Then, as we left the Senate Foreign Relations Committee room, Senator GREEN, with the good humored smile of which only the brave are capable, walked out to the waiting press and announced his decision to the world.

Mr. President, when Andrew Jackson was dying at The Hermitage, Sam Houston, after traveling for days across the country, took his young son in to see his great hero. When they entered The Hermitage, Sam Houston realized that he had arrived too late, that Andrew Jackson had passed on just before he got there. But Sam Houston went on into the room where Jackson's body lay; and, as he looked into the countenance of that great American, he said to his son, "Remember, son, you have looked upon the face of Andrew Jackson."

Mr. President, the other day, after hearing the eloquent statement of one of the great men of our time, when he walked out of the Foreign Relations Committee room, I went to my home at the edge of town, and said to my two daughters, "I want you to remember that I have looked upon the face of THEODORE FRANCIS GREEN. He is one of the truly great men of our time."

As chairman of the Foreign Relations Committee, he has presented to the world the kind of picture of which every American can be proud. Mr. President, that picture is a picture of a kindly man, a cultured man, a man dedicated to the civilized virtues of peace and cooperation.

THEODORE FRANCIS GREEN's mere presence in any nation was enough to send America's stock soaring.

He still will be with us in the Senate. We still will have the benefit of his experience, of his alert mind, of his wise and prudent advice. He always will have the deep and enduring respect, admiration, and affection of every man and woman who is privileged to serve with him.

Mr. President, in the history of the U.S. Senate, THEODORE FRANCIS GREEN has a permanent chapter that I predict will last as long as the institution of the Senate itself lasts.

I ask unanimous consent to have printed at this point in the RECORD a statement I made before the Senate Foreign Relations Committee; the statement was adopted unanimously by that great committee as expressing its sentiment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF TEXAS BEFORE THE FOREIGN RELATIONS COMMITTEE, UNITED STATES SENATE, ON FRIDAY, JANUARY 30, 1959

In the whole history of the Senate there have been few careers as distinguished as that of Senator GREEN.

He has served our country with distinction and with honor. He has presented to the world a picture of America embodied in a cultured and highly civilized gentleman who is deeply wedded to the traditions of freedom and democracy.

His love of country is so great that he has decided to resign the chairmanship of the Foreign Relations Committee—an action which I personally advised him against.

The Senate will still have his services. His alert mind and his vast experience in the field of foreign relations will still be available.

And I think he knows that every one of his colleagues regards him with deep affection and with great respect.

Mr. JOHNSON of Texas. Mr. President, Senator GREEN stepped down to be replaced by the young, able, dedicated junior Senator from Arkansas [Mr. FULBRIGHT]. Senator GREEN knew that the committee chairmanship would be in wise and capable hands.

Senator FULBRIGHT will be replaced as chairman of the Banking and Currency Committee by the prudent, sound, devoted junior Senator from Virginia [Mr. ROBERTSON]. We shall continue to be well served.

Mr. PASTORE. Mr. President——

Mr. JOHNSON of Texas. I yield to my friend, the junior Senator from Rhode Island.

Mr. PASTORE. First of all, Mr. President, I desire to associate myself with the eloquent remarks which have been made and the fine tribute which has been paid by our distinguished majority leader to my colleague, Senator THEODORE FRANCIS GREEN.

In all the years I have been in public life, I have never met a man who has displayed greater strength, intellectually, morally, and otherwise, than has my distinguished colleague, Senator THEODORE FRANCIS GREEN.

The fact that, in an era when most men are reaching for power, he would step down from his important position as chairman of the Foreign Relations Committee of the Senate, is quite typical of the integrity and the courage of this great American.

I know that all of us have a mixed feeling at this moment. We regret the fact that, because of circumstances personal to himself, Senator GREEN felt that he should relinquish his position of prestige, honor, and distinction in the Senate of the United States; but I do know that in doing so, he has gained greater recognition in the eyes, in the hearts, and in the minds of all Americans who know him, particularly those who know him so well.

I do hope for my distinguished colleague that not only will he have many, many more years of service in the Senate of the United States, but that the good Lord will give him good health to enjoy for the rest of his life all of the fine things to which he has been accustomed, and that he will continue to reflect credit not only upon the Senate and upon this great country of ours, but, indeed, also upon the fine State that is so proud of its THEODORE FRANCIS GREEN.

Mr. FULBRIGHT. Mr. President——

Mr. JOHNSON of Texas. I yield to my good friend, the Senator from Arkansas [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. President, the announcement, last Friday, of Senator GREEN's resignation as chairman of the Foreign Relations Committee of the Senate, came as a surprise to me. I deeply regret that he has decided that he should no longer continue to carry

UNIVERSITY OF MICHIGAN LIBRARIES

the extremely heavy burdens of the leadership of that important committee, in addition to his other duties in the Senate.

As all of my colleagues are aware, Senator THEODORE FRANCIS GREEN has devoted three decades to public affairs. In addition to his illustrious career in the United States Senate, dating from 1937, he served as Governor of the State of Rhode Island.

Because of my close association with him, and because of our service together on the Foreign Relations Committee, no one appreciates more than do I his unfailing courtesy and his generous treatment of those who have served with him, both in committee and on the floor of the Senate.

Senator GREEN's act in relinquishing the chairmanship of this important committee in itself exemplifies the selflessness of this man. He is a great patriot and a devoted servant of the Senate and of the Nation.

Mr. President, in these troubled times the Foreign Relations Committee of the Senate needs the wise counsel of Senator GREEN. Knowing him as I do, I am sure that although he has relinquished the chairmanship of the committee, his every effort will continue to be directed toward service to the committee, to the Senate, and to the Nation. I know that all members of the committee will always welcome his excellent advice and excellent judgment.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparative analysis of the activities of the Senate Foreign Relations Committee from the 81st Congress through the 85th Congress. The analysis is further indication of the heavy burdens of committee work which have been met and disposed of during the chairmanship of Senator GREEN.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Comparative analysis of committee activity, 81st Cong. through 85th Cong.

	Measures considered by committee	Bills and joint resolutions enacted	Senate resolutions and concurrent resolutions enacted	Treaties ratified	Nominations approved	Meetings
81st Cong	[1]	36	7	25	1,049	[2]175
82d Cong	[1]	13	11	39	1,059	251
83d Cong	68	20	17	29	973	286
84th Cong	118	[3]46	31	32	2,215	190
85th Cong	101	[3]45	30	17	2,906	266

[1] Not available.
[2] Not including subcommittees.
[3] Figures include bills and joint resolutions whose provisions were included in other legislation.

NOTE.—Senator GREEN's service on the committee: Member—Nov. 30, 1937, to Jan. 6, 1947 (size of committee reduced from 23 to 13 under Legislative Reorganization Act of 1946); Jan. 10, 1949, to date. Chairman.—Jan. 8, 1957 (resignation tendered Jan. 30, 1959).

Mr. FULBRIGHT. Mr. President, I also ask unanimous consent to have printed in the RECORD, as a part of my remarks, the transcript of a nationwide radio broadcast paying tribute to Senator GREEN. The broadcast was made by the noted commentator, Edward P. Morgan.

There being no objection, the broadcast was ordered to be printed in the RECORD, as follows:

Few men in history have had their lives stretched across such a vast span of change and material progress as THEODORE FRANCIS GREEN, the oldest man ever to sit in Congress.

The evening of his professional years fell at noon today for the 91-year-old senior Senator from Rhode Island as that Texas stripling of 50 years, LYNDON JOHNSON, announced with blinking eyes and solemn voice that GREEN had resigned as chairman of that elite of legislative elites, the Senate Foreign Relations Committee.

Even those perennially impetuous and impatient youngsters, the gentlemen of the press, who rarely stand on ceremony, were sobered by the scene in the ornate, crystal-chandeliered committee room in the Capitol. There in front of the huge oval green baize table in his high-backed leather chair sat the chairman, alone with the majority leader, who, though seated too, towered over him on his left. Politely, patiently, quietly, the old Senator waited, a slight gray shadow of a man as the big JOHNSON moved, not clumsily and with feeling, through his eulogy. It was more than a trite tableau of the 20th century paying tribute to the 19th, and as you groped for a way to capture the moment, it came suddenly in flash of reflected light from Senator GREEN's thick glasses. THEODORE FRANCIS GREEN was already 12 years old when Thomas Edison invented the electric bulb and now his lenses were casting back the flicker of a fluorescent tube, something that Edison had never seen.

Quickly time dipped, like the pitch of a ship in a rolling sea, and the spectator reached out to steady himself on the rim of the mahogany conference table. In 1867, when the Senator was born, the Secretary of State, in what turned out to be anything but Seward's folly, bought Alaska from Russia for 2 cents an acre, and the Mikado was restored in Japan. Bismarck was preparing for the Franco-Prussian War as Theodore squirmed and squalled as a baby in Providence. The telegraph was still unknown and the Curies weren't to discover radium for another 30 years. You could squint and imagine the decor of the room as a possible setting for the grim time of Andrew Johnson's impeachment in 1868 but not a single device in it was the same.

The only real reach back to the past came through this frail but still spry figure and even that was an improbable touch because he so belied his age. His deafness was compensated for by an electronic hearing aid in his left ear and if there was any quaver to his voice, it could be strengthened by the microphones into which he was now speaking. Besides, his haberdashery had not the sedateness of the Victorian age or even the starched stiffness of the Hoover era. In fact, his soft tan striped shirt and blue tie were accepted style for maturing Madison Avenue males a third the age of Senator GREEN.

The sweep of the panorama was made even more staggering by another scene that was transpiring on Capitol Hill at the same time. While this nonagenarian who predates the internal combustion engine, the phonograph, the fountain pen, the linotype and the income tax, while GREEN was telling the television film cameras that his eyesight and hearing weren't sharp enough to allow him to carry such a full load—he still plans to walk the 2½ miles from his bachelor club to work now and then—scientists were telling Senator JOHNSON's space committee that we hoped to have a man spinning around the earth in orbital flight in maybe a couple of years.

By his graceful realistic gesture, THEODORE FRANCIS GREEN has said the world, indeed not the universe, belongs to the young and the bold. He renewed however, his avowed intention to serve in the Senate until he is a hundred. A human milestone, he has by his act reminded the country as a whole that we have to adjust to change. And one hopes the younger and the bolder are as wise as he to see it.

This is Edward Morgan saying good night from Washington.

Mr. DIRKSEN. Mr. President——

Mr. JOHNSON of Texas. I yield to my friend, the distinguished minority leader.

Mr. DIRKSEN. Mr. President, wisdom is not the only human virtue. There are some other things that also win for a person a place in the hearts of his fellow men.

I think one of the greatest attributes a person can have is a sense of humor; and when the years have dealt so gently with such a person, his sense of humor, after having been displayed and maintained so unremittingly, is like a rare perfume: It cannot be scattered or used by its owner without also coming to rest on all the persons who are around him.

So I think of my friend, THEODORE FRANCIS GREEN, in terms of what was said in Holy Scripture; I refer to the description of Joseph of Arimathea, who, in that Good Book, is described in only a few words; but they are sufficient, because they are in themselves the equivalent of an entire book, for the Scripture says, "He was a good man."

Mr. President, that is an impressive and mouth-filling phrase in the English language.

I say to my gracious friend, Senator THEODORE FRANCIS GREEN, You are a good man. For your country, you have been good, and also for your colleagues. We salute you. We are delighted that you are going to be with us for a long time and that you are going to continue to give us the benefit of the great wisdom and the great sense of humor which have marked you as a nobleman among men. We appreciate you.

Mr. MANSFIELD. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield the floor, so that my friend, the Senator from Montana, can be recognized.

The PRESIDING OFFICER (Mr. MCCARTHY in the chair). The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, last Monday I made a few remarks about the retiring chairman of our Foreign Relations Committee, THEODORE FRANCIS GREEN, as did his colleague, the junior Senator from Rhode Island [Mr. PASTORE]. There is nothing that I can add now to what I said then, because I know that what I said on that occasion represented the feelings not only of the members of the Foreign Relations Committee, but also of the entire membership of the Senate, both Democratic and Republican.

Mr. President, at this time I wish to state that I had intended to request that there be printed at this point in the RECORD, as a part of my remarks, a nationwide radio broadcast which was made on last Friday by Edward P. Morgan. However, the Senator from Arkansas [Mr. FULBRIGHT] has already had

the broadcast printed in the RECORD, so I shall not request that it be printed at this point, too.

At this time I ask unanimous consent to have printed at this point in the RECORD the statement about Senator GREEN which I made on Monday in the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, Feb. 2, 1959, p. 1481]

RESIGNATION OF SENATOR GREEN AS CHAIRMAN OF THE COMMITTEE ON FOREIGN RELATIONS

Mr. MANSFIELD. Mr. President, last Friday the Senate learned of the resignation of the distinguished Senator from Rhode Island [Mr. GREEN] as chairman of the Committee on Foreign Relations. During the years of his tenure, the committee handled many matters of vital importance to the Nation. It handled them well. It handled them with dispatch. No member of the committee contributed more diligently to the building of that record than did its outstanding chairman.

For those who have been associated with the Senator from Rhode Island in the Committee on Foreign Relations, his resignation can only be a source of mixed feelings. On the one hand, we are reluctant to lose his leadership. On the other hand, we do not wish to have him overtax his energies, no matter how formidable the challenges may be.

The members of the committee who were present when the Senator from Rhode Island tendered his resignation know how his colleagues tried to dissuade him. There was far more to that effort than mere ritual. There was in it deep affection, deep respect, and deep appreciation for his dedicated service.

Few Members of this body even begin to approach the fine Senator from Rhode Island in fullness of years. For that alone, he might have the special place which he holds among us. But it is not for that alone that we so highly regard him. His place in our hearts and in our midst derives from something more. It derives from his keen intelligence, his brilliant wit, his unfailing ability to draw the meaningful out of the vague.

The able Senator from Rhode Island has used time to accumulate more than years. He has used it to gather understanding and to sharpen his wisdom. We may, indeed, count ourselves fortunate if, at the end of our lives, our cups contain half as much of understanding and wisdom as his does now.

And the Senator from Rhode Island is not nearly at the end of the road. As a matter of fact, his response to these words is likely to be, "For heaven's sake, do not eulogize me; I'm not leaving the Senate until I am at least a hundred."

I say to the Senator that is splendid with us. We want the Senator from Rhode Island to go on for many years. We want him to continue to gather experiences at home and all over the world. We want him to remain, as he has ever been, always a source of new ideas and fresh thought. We want him to contribute out of his great fund of human feeling and acute intelligence, which is his life, to the work of the committee, to the Senate, and to the Nation. The State of Rhode Island needs him. The Nation needs him. We will need him until he is 100, and perhaps beyond.

Mr. BIBLE. Mr. President, I rise to add my tribute to the revered senior Senator from Rhode Island [Mr. GREEN], one of the most beloved men in the U.S. Congress.

Those of us in the so-called middle-age group in the Senate have looked upon Senator GREEN as a shining example of mental and physical alertness.

As a Senator who has been a Member of this great body for a period of 4 years, I have had many occasions to look to this distinguished Rhode Island statesman for guidance and counsel. He has been unfailing in his kindness and spirit of warm and friendly cooperation.

Mr. President, I wish to echo the well-expressed sentiments of the able junior Senator from Rhode Island [Mr. PASTORE], who said, in commenting on Senator GREEN's announced retirement as chairman of the Foreign Relations Committee, "The action of my esteemed colleague fills me both with regret for the decision and with pride for the man who made it."

THE NEW CHAIRMAN OF THE COMMITTEE ON FOREIGN RELATIONS

Mr. MANSFIELD. Mr. President, on this occasion I wish to congratulate the distinguished Senator from Arkansas [Mr. FULBRIGHT] on his elevation to the chairmanship of the Committee on Foreign Relations. I wish, too, to congratulate the Senate on its good fortune in having so exceptional a man available for this most difficult and taxing of all committee assignments.

The brilliant Senator from Arkansas brings outstanding qualities and qualifications to his new responsibility. Those of us who have been privileged to work with him in the Senate and in the Committee on Foreign Relations are familiar with his capacities. He is a scholar and educator of the highest caliber. He is one of the best informed Amercians on the international problems which confront the nations.

The chairmanship of the Committee on Foreign Relations will provide challenge and scope for his great intelligence and his human understanding, for his acute perception and intellectual energy, and for his great personal courage and integrity. The Nation needs these traits in every aspect of government. It especially needs them now, in matters of foreign policy. We can count on the fine Senator from Arkansas to serve with devotion and dedication the Nation's highest interest in these critical times.

It has been a privilege to work with the Senator from Arkansas for many years in the Committee on Foreign Relations. It will be an added privilege and honor to serve, now, under his chairmanship.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article entitled, "The Rise of a Young Man With Ideas." The article was written by Arthur Krock, and was published in the New York Times on February 3.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RISE OF A YOUNG MAN WITH IDEAS

(By Arthur Krock)

WASHINGTON, February 2.—Sixteen years after the following words made history they seem to express no startling national attitude:

"[We favor] the creation of appropriate international machinery, with power adequate to establish and maintain a just and lasting peace among the nations of the world, and [favor] the participation of the United States * * * through its constitutional processes."

But at the time they were embodied in the public record as a statement of the international aims of the United States they marked the dramatic end of one chapter and the beginning of another in American foreign policy. As the Fulbright resolution these words and their author became famous in all the chancelleries of the world. But not for 16 years did power in the form of the chairmanship of the Senate Committee on Foreign Relations come to match the fame of the young Representative from Arkansas who is now Senator FULBRIGHT.

Thirteen years ago the Senator gained fame of a different and unsought kind, with another idea. Unlike the proposition of the resolution, the expression of this idea was unpremeditated. He was musing aloud to oblige a reporter who asked for his thoughts on the election of a Republican Congress in 1946, only a year after President Truman had succeeded from the Vice Presidency. FULBRIGHT suggested that maybe, the times being so critical and the need for executive-legislative accord so vital, it might be a constructive act for President Truman to name a Republican as Secretary of State, the office (there being no Vice President) next in line of presidential succession, and then resign to permit this Republican to become President.

The arrival of newspapers at the White House has often set off explosions, but none that shook the walls more powerfully than the afternoon edition in which Senator FULBRIGHT's meditation was published as a full-blown project. And for awhile the President more or less adhered to the estimate he then expressed that FULBRIGHT is an "overeducated, Oxford" expletive. But with growing experience of how chance comments of his own were turned into sensations, he reverted to his appreciation of the Senator's high qualities as a statesman.

Subsequent to House passage of the Fulbright resolution, September 1, 1943, it was approved by the Senate under the sponsorship of Tom Connally, of Texas, current incumbent of the Foreign Relations chairmanship to which FULBRIGHT has just succeeded. Then Representative James W. Wadsworth, of New York, Wendell L. Willkie and Thomas E. Dewey, who had aided the Arkansan in getting the support of the House, overrode the Republican isolationists at a conference at Mackinac Island, Mich., to put the party on record for a similar resolution. And the United States, which had refused to join Woodrow Wilson's League of Nations, was committed to the principle of the United Nations Organization, but with "power * * * to maintain," etc., curbed by one veto in the Security Council.

Less than 3 years after these events in foreign policy, Senator FULBRIGHT, still concentrating on measures to bring about a durable world peace, proposed, and Congress passed, Public Law 584. This made his name perhaps more favorably known in more countries than any American legislator in many decades. Described by Secretary of State Dulles, in 1956, as "the most fabulously profitable investment ever authorized by the Congress of the United States," it is the legislation by which teachers and students are exchanged between this and many other nations. It is the cultural counterpart to our military and economic collective assistance program through the agency of young people known the world over as "Fulbright scholars."

But, despite this international fame, the Senator at 53 has just attained his first office of direct power in the formulation and conduct of United States foreign policy. The rise was slow because of the operation of the seniority system. But in this instance the nation is the beneficiary of the system.

UNIVERSITY OF MICHIGAN LIBRARIES

Fulbright's immediate objective is to relax the "rigidity and inertia" of the administration's conduct of foreign policy which he sees personified by Secretary Dulles. This conduct, and the mood it reflects, not the basic policies themselves, have been the objects of his effective and intelligent criticisms.

Mr. HENNINGS. Mr. President, it is most difficult for me to express, in mere words, the admiration I have for the learned and energetic senior Senator from Rhode Island [Mr. GREEN]. We have been associated on the Rules Committee since I first became a Member of the Senate. We have served together on the policy committee for many years. I have found him wise in counsel and sound in judgment. I have found him my friend.

It is regrettable that he has found it necessary to resign as chairman of the Foreign Relations Committee. His work, his leadership, within that important committee, illustrates the fact that he is one of the greatest American patriots of this age and, indeed, one of the most outstanding Americans of all time.

I am well aware of the fact that our friend from Rhode Island is well beyond the Biblical threescore and ten. Age, however, is relative, and when it comes to the fulfillment of personal duty, the senior Senator from Rhode Island is but a youth, with all the power, desire and ability of youth. I expect to see him at his desk, not only next year and the year after that, but for many, many years to come.

Of course, Mr. President, we Members of the Senate are fortunate in that the Senator from Rhode Island is shedding only some of the burden which he has so willingly shouldered for all these years. We are fortunate that he is retiring only a little bit. We are fortunate, for we shall still have the benefit of his wise counsel, his experience, his clear and brilliant mind. For that we may be thankful.

Not only will the Senate as a whole continue to have the benefit of this man's wisdom, but the Foreign Relations Committee will continue to profit by his membership. The chairmanship of that committee passes on to a competent and brilliant man, the junior Senator from Arkansas [Mr. FULBRIGHT]. It passes on to a man who well knows the aggressive leadership given by the senior Senator from Rhode Island. I am certain that the Senate Foreign Relations Committee will continue to play a leading role in strengthening the free world and in bringing a durable peace to all men, everywhere.

We of the Democratic policy committee, too, are glad that we will continue to have the benefit of his wise and experienced counsel in our deliberations, as we have had for these many years.

POVERTY IN THE NATION'S CAPITAL

Mr. MORSE. Mr. President, recently two editorials, one from the Washington Post under date of February 1, 1959, entitled "One in Five," and the other from the Evening Star of the same date, entitled "Crime's Breeding Ground," were brought to my attention. The subject of these editorials is the shocking prevalence of poverty in the District of Columbia.

During the last session, the Subcommittee on Public Health, Education, Welfare, and Safety of the District Committee held an investigation into the problems of hungry children, which, in my judgment, was most worthwhile; it focused attention upon one segment of the major problem area of economic distress in the District. The report which occasioned these editorials resulted from a grant of the Eugene and Agnes E. Meyer Foundation, and it revealed with hideous clarity the situation which exists and which is a breeding ground for many of the social ills which plague the District.

As long as the Senate and the House of Representatives retain control of the municipal destinies of the District, we must accept a full measure of responsibility for eliminating the sources of social infection revealed by the report and portrayed in the editorials.

Mr. President, I ask unanimous consent that the two editorials to which I have alluded be inserted at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 1, 1959]

ONE IN FIVE

In smug Georgetown and in comfortable northwest neighborhoods the ugly face of poverty haunts the Nation's Capital like a ghost of the depression years. No area of the District of Columbia escapes the consequences of the groveling poverty in which more than 11,000 Washington families exist. It is shocking enough to know that one Washington child in every five does not have enough to eat, lacks adequate clothing, and lives in squalor. But it is even more distressing to know that practically nothing is being done to pull the poor out of the muck.

The figures are particularly disturbing when they are contrasted with the Washington area's median family income statistics. The latest board of trade estimates show that the District's median family income in 1958 was $5,660. The Washington area figure was $6,860, an increase of 6 percent over 1957 when the area figure was 21 percent higher than the national urban median.

Of course no one need starve or freeze in the District. Relief programs feed and clothe the desperately poor. But, as the reports of the Junior Village Project Committee show, such assistance only alleviates a sickening situation. It does nothing to cure lingering disease that is poverty.

Like most other cities Washington has turned its back on the poverty that is as close as the shack in Georgetown, the dishwasher in a Connecticut Avenue restaurant, the slums within a few blocks of the Capitol. Only about half of the 11,000 families with income of less than $3,000 a year are on relief. The heads of some of these families are drunkards, thieves, malingerers, or chiselers. But many are headed by a father or mother who has steady work as a laborer, a trashman, a porter or as a domestic servant, a countergirl, a charwoman. Almost all of Washington's poor people are unskilled Negroes, many of whom came to the District from rundown rural areas in the Southeastern States.

A vast community effort is needed if Washington is to be in fact as effluent as it appears to be on the surface of its cocktail and dinner party society. The District must set up better programs to rehabilitate the heads of poverty stricken families, most of whom can be productively employed. Employers must broaden job opportunities for Negroes. Unions must open their ranks so that Negroes can learn more skills. More and better housing, public as well as private, must be made available to Negroes. Social responsibilities must be emphasized; birth control advice must be available.

There is no easy way to end poverty. But the job would not seem so difficult if it were considered in terms of the 45,000 Washington children who now live in want. The city can better afford the relatively small cost of rehabilitating the poor than to continue to pay the social and economic prices that poverty exacts.

[From the Washington Evening Star, Feb. 1, 1959]

CRIME'S BREEDING GROUND

The finding in a survey that 11,520 Washington families are trying to exist on incomes so low that survival is virtually impossible without extra means of support exposes a tragedy for the community as well as for the individuals concerned. A survey consultant has described the bleak homes of these unfortunates as breeding grounds for dependency. More alarming still, in our view, is the fact that such homes inevitably are also breeding grounds for delinquency and crime.

The "bedrock" families referred to by officials of the Health and Welfare Council of the National Capital Area have 4 minor children each and an income of less than $3,000 a year. All but 345 of the families are colored—a factor which the council points out bears on their low-income status. For there is a severe shortage in the District of jobs for "blue collar" or "no collar" workers for which many Negroes of limited education would be qualified. Adding to the income problem is the fact, revealed in the study, that many of the homes are without regular breadwinners and that many of the children are without fathers.

About half of the surveyed families were on relief. Other families had been denied public assistance because their moral standards are at marked divergence from those which are a prerequisite to public relief. To make the picture darker, the council expects the situation here to grow worse, as more "bedrock" families move into the city and more children are born. This means an ever-increasing welfare cost.

The cost of relief is relatively unimportant, however, when one views what the cost to the community will be in terms of crimes which such conditions spawn—from pocketbook snatching to armed robbery and murder. The study being conducted by the council, with funds granted by the Eugene and Agnes Meyer Foundation, may provide the incentive for—and the basis of—a concerted community effort to alleviate the shocking conditions under which so many of the city's families eke out their bare existence.

ANNA B. MAYS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 39, Senate Resolution 76, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 76) to pay a gratuity to Anna B. Mays.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Anna B. Mays, widow of Lewis C. Mays, an employee of the Office of the Architect of the Capitol at the time of his death, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

STUDY OF PROBLEMS OF THE AGED

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Order No. 40, Senate Resolution 65.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 65) authorizing a comprehensive study of the problems of the aged.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, the resolution was reported unanimously by the Committee on Labor and Public Welfare, and by the Committee on Rules and Administration. The chairman of the Committee on Labor and Public Welfare is present.

Mr. HILL. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement explaining the action of the committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The statistical evidence pointing to the growing severity of the problems of the aged are common knowledge to the members of this committee. The first and most significant information is that relating to the rapid growth of our aged population.

Where in 1900 there were 3 million persons over 65, the number over 65 in 1955 was more than 14 million. By 1975 more than 20 million Americans will be over 65. At present, in over half of our States, at least 8 percent of the population is over 65.

Compounding the problems created by this increasing percentage of aged is the poverty which evidently accompanies the aging process. Statistics compiled by this committee demonstrate that in 1954 one-half of all families whose head was over 65 had a cash income of less than $2,000. In that same year two-thirds of the individuals over 65 living alone or with nonrelatives had a cash income of less than $1,000.

Each of us on this committee has become quite aware, through our mail and through meetings with our constituents, of the human problems which are the result of the figures just quoted.

In this day of inflation and administered prices the incomes which I have cited above are self-evidently insufficient to provide even the bare necessities of life for the families involved.

Adequate medical care is an impossibility. Proper housing, diet, and clothing are almost equally hopeless. Employment, except for some forms which border on outright exploitation, is out of the question for most.

Accompanying each of these hard facts of difficult physical survival are the many blows to the hearts and souls of these people. A life of dignity can hardly be lived in the kind of housing which these incomes can purchase. Men and women who have contributed so much to our Nation should not have to finish their lives in the anonymity and despair which inevitably accompany such poverty.

It should be emphasized that problems of the aged are not related only to the indigent. A large number of our citizens over 65 who do have a somewhat more adequate income still face many difficult challenges in their later years. They, like their less fortunate neighbors, also are concerned about continuing to make a contribution. They also have leisure time which they wish to fill with some satisfying occupation. A recent article in the Reader's Digest pointed up these problems as they related to a retired college professor, and I believe the article would be of value to all who are concerned with these questions.

There is no simple answer to any of these problems. The solutions that have been offered are legion. The record of this Congress, for the past two decades, contains almost countless proposals for each and every one of the problems we have discussed.

Many of the members of this committee have offered solutions which are sound, practical, and humanitarian. But because they have been offered as a few among many, they have been lost in the legislative byways along with most of their companion measures.

The great prestige of this committee, and its chairman, can be an effective instrument for achievement in this area. A thorough and complete study by the committee, using the best men and women in the field, can perhaps result in recomendations capable of enactment.

That is why I have offered the following resolution. I should like to outline what I think would be the work of a Subcommittee on the Aged and Aging, if it is created by the committee and approved by the Senate.

The following questions should be asked:

1. What are the major problems of the aged?

2. How well are existing agencies, private and public, providing solutions for those problems?

3. Specifically, is the role of the Federal Government, as now practiced, adequate, or is there a need for additional action?

4. Are there new ideas in this field of which the public or public officials are not aware, which could, if effected, yield greater success?

5. Are the fiscal implications of otherwise sound proposals such that they can be reasonably accepted by Congress?

These, in general, would be the major areas of investigation. There are obviously a large number of precise questions which will have to be asked under each.

The first order of business for the subcommittee would be a series of hearings in Washington. First, we would like to obtain the views of a number of recognized authorities in the field of the aged. They would be brought to Washington to comprise a panel which could proceed on an informal briefing session for members of the subcommittee.

Second, officials of the Federal agencies concerned with our older citizens would be heard.

Third, representatives of organizations, private and public, similarly concerned and based in Washington, would be asked to appear.

Fourth, a number of hearings would be held in selected communities throughout the country. These communities would be selected in the degree to which they are representative of the problems of the aging. We would seek to select on the basis of geography; on the concentration of aged within the local population; on the problems represented by rural aged as contrasted to the urban industrial aged; and on other appropriate criteria.

Fifth, whatever complementary hearings necessary would be held in Washington prior to the submission of the subcommittee report.

It is anticipated that such a subcommittee would require an able and dedicated staff of its own, so as not to put an additional burden on the already busy staff of the full committee.

The budget which has been submitted contains a breakdown of the several positions which are proposed. A staff director would be appointed who would supervise the work of the subcommittee in arranging hearings both in Washington and abroad; prepare the information which would go out to interested organizations and persons; supervise the preparation of reports and recommendations; and, in general, carry out whatever policies are established by the members of the subcommittee.

In accordance with the procedures established by the Senate Rules Committee, provision has been made for the appointment of a minority staff member.

The third position will be filled by a research director who will have primary responsibility for the initial preparation of all material distributed by the subcommittee; the collating of the information and data obtained in hearings; and the initial preparation of the report of the subcommittee.

Clerical help will be provided for these staff members.

In addition, the most knowledgeable people in this field should be utilized at every opportunity. Funds are provided for consultant fees and expenses, as are funds for experts who will be asked to comprise the panel which will begin the hearings.

Mr. CURTIS. Mr. President, these money resolutions were referred to the Committee on Rules and Administration. In that committee I opposed increasing money to be spent for investigating and study committees over the amounts approved last year. I still think there should be no increases. I offered an amendment to reduce the amounts. Most of those resolutions have been acted upon by the Senate.

I believe the impact of such resolutions upon the budget goes far beyond the amount of money directly involved, although it is a sizable sum. Such resolutions create the incubator in which big government is hatched. We add more and more staffs in the Senate. It takes more and more staffs in our offices to ascertain what those committees are doing. The Government moves farther and farther away from the people. I wish the RECORD to show my sentiments in this connection.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 65) was agreed to, as follows:

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate to examine, investigate, and make a

UNIVERSITY OF MICHIGAN LIBRARIES

complete study of any and all matters pertaining to the problems of the aging including, but not limited to, (a) a study of the major problems of the aged, (b) a study of the existing programs of agencies, both public and private, dealing with problems of the aged, (c) a study of the present role of the Federal Government in dealing with problems of the aged, and (d) a study of any additional Federal programs which should be undertaken to help solve the problems of the aged.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $85,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ADDITIONAL TEMPORARY STAFF AND FUNDS FOR COMMITTEE ON PUBLIC WORKS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 42, Senate Resolution 45.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 45) to provide additional temporary staff and funds for the Committee on Public Works.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 45) to provide additional temporary staff and funds for Committee on Public Works, which had been reported from the Committee on Public Works with an amendment and subsequently reported from the Committee on Rules and Administration without an additional amendment.

The amendment of the Committee on Public Works was, on page 2, line 10, after the word "exceed", to strike out "$150,000" and insert "$125,000", so as to make the resolution read:

Resolved, That the Committee on Public Works, or any duly authorized subcommittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate from February 1, 1959, to January 31, 1960, inclusive, to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and of the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any departments or agencies of the Government.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $125,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement explaining the need for the Committee on Public Works to have the money.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This resolution, as amended, would authorize the expenditure of $125,000 by the Committee on Public Works, or any duly authorized subcommittee thereof, from February 1, 1959, through January 31, 1960, to employ on a temporary basis such additional personnel as the committee deems advisable to carry out its functions during the 86th Congress.

Additional information is contained in the report of the Committee on Public Works on Senate Resolution 45 (S. Rept. 11, 86th Cong., 1st sess.). The purposes of the resolution are further detailed in a letter to Senator THOMAS C. HENNINGS, JR., chairman of the Committee on Rules and Administration, from Senator DENNIS CHAVEZ, chairman of the Committee on Public Works, which letter, with accompanying budget, is as follows:

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
January 27, 1959.

Hon. THOMAS C. HENNINGS, JR.,
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: From the Committee on Public Works, on January 27, 1959, I reported Senate Resolution 45, providing additional funds for the use of the committee during the period February 1, 1959, to January 31, 1960. It is requested that your committee consider the resolution at an early date, and I respectfully urge that the committee report favorably thereon.

The need for these funds arises from the heavy and increasing workload of the committee relative to legislation under its jurisdiction. The Federal-Aid Highway Acts of 1956 and 1958 authorized a $40 billion program for the construction and improvement of the highways of the Nation, to be financed with certain Federal excise taxes on highway users which are placed in the highway trust fund. Those acts and other special acts authorized the submission of reports and studies to the Congress which are due in the near future.

In addition, the President in his budget message for fiscal year 1960 recommended certain legislation affecting the national highway program. It is necessary that there be a continuous study of the status and progress for financing and expediting completion of this huge program. These studies will require an annual review of the program and reports by the agencies, inspection of certain areas, investigation of any irregularities in prosecution of the program, conferences with highway officials and residents, study of the matter of reimbursement for cost of toll roads, study of safety problems, and consideration of any necessary amendments to the legislation in order to avoid delays in the procurement of necessary rights-of-way, equipment, material, and manpower needed for orderly prosecution of the program. The regular Federal-aid program will be carried forward and will require some preparation this year for legislation at the next session of Congress to attain this result, as well as making provision for apportionment of funds to the States for fiscal year 1962 on the basis of the estimates of costs for completing the Interstate System as submitted to the Congress by the Secretary of Commerce.

An omnibus flood control and river and harbor bill totaling $1.556 billion for 152 projects, and authorizing the inclusion of storage for water supply purposes in Federal reservoirs, was enacted during the 85th Congress. That act will add to the large backlog of previously authorized projects in the United States and its Territories, and will provide for orderly development of the Nation's water resources and contribute in a large measure to the domestic economy of the country. Since enactment of the law, 11 favorable reports on proposed projects have been transmitted to the committee, 4 reports are with the Bureau of the Budget for review, and 25 reports are with the States and Federal agencies for review and comment. Legislation has been enacted authorizing the establishment of study commissions for river basins in the southeastern States and in Texas. Prosecution of these studies will go forward. Further legislation is necessary from time to time to assist in carrying this program forward by authorizing needed individual projects or increasing basin authorizations. The program must be reviewed periodically in order to obtain up-to-date appraisals of benefits and costs, to determine the need for review and restudy of certain projects, reports, and recommendations, and the need for modification of existing projects. The committee proposes to spend a limited time in the field inspecting some of these projects and holding conferences and hearings with local citizens and organizations interested in various features of water resource development. One such field hearing is now scheduled for February 1959.

Public Law 1018, 84th Congress, amended the Watershed Protection and Flood Prevention Act, to provide for its broader use in assisting local organizations in carrying out projects for flood control and water supply purposes. Approval of plans for certain projects under this act is the responsibility of the Committee on Public Works, and will require extensive studies and investigations.

The Water Pollution Control Act amendments of 1956 authorized Federal aid in the conduct and promotion of research, investigation, experiments, demonstrations and study for eliminating and improving sanitary conditions of surface and underground waters of the United States. It also authorizes a 10-year program of Federal grants for construction of necessary treatment works for sewage or other wastes discharging into any stream. Constant review, study, and inspection of these matters by the committee will be necessary. This program has been one of the most popular and beneficial programs authorized by the committee. Although the President in his budget message proposed cessation of this program after 1960, legislation has been introduced which would broaden and increase the scope of the program. Legislation has also been introduced which would broaden and increase the program for studies in connection with the air pollution problem.

The committee approved 150 Federal buildings having an estimated aggregate cost of $750 million for prosecution under the Lease-Purchase Act of 1954. Authority for approving additional projects under that authority

has expired. Some of the authorized projects are now under construction as lease-purchase projects, and others are to be constructed by direct appropriations provided by the last session of Congress. Close supervision of the program will be necessary, and additional policy established for future provision of Federal buildings, either by extension of the Lease-Purchase Act or construction by direct appropriations. In either case, project proposals would be submitted to the committee for approval.

Legislation authorizing the Tennessee Valley Authority to finance construction of additional power facilities with proceeds obtained from sale of revenue bonds passed the Senate during the 85th Congress, but did not pass the House. Similar legislation will be introduced at this session of Congress, and will require additional review and study of proposals advanced, and the prosecution of this large power program.

Legislation authorizing the establishment of a Columbia River Development Corporation to supersede the Bonneville Power Administration for administration, construction, and operation of Federal power facilities in the Pacific Northwest, was introduced in the last Congress. Hearings on the proposed legislation were held in Washington and in the field during recess. The proposed legislation will again be introduced during this Congress, and will require further hearings and extensive studies and investigations.

Nomination of members of the Board of Directors of the Tennessee Valley Authority, the Mississippi River Commission, the California Debris Commission, and the Federal Highway Administrator are referred to the committee for recommendation.

Other matters that will be considered by the Committee on Public Works requiring special studies relate to water resources development policy; navigation bridge clearances; timber-access roads on forest lands; acquisition of lands in reservoir areas; diversion of water from Lake Michigan; evaluation of recreational benefits from Federal reservoirs, cost sharing on flood control projects, reconstruction of the Alaska Highway, and amendments to the highway laws affecting Alaska; and buildings and grounds in the District of Columbia.

A division of the funds requested is as follows:

Salaries	$60,660.37
Contributions to civil service retirement fund	3,942.92
Reimbursable payments to agencies	4,000.00
Travel	33,000.00
Hearings	14,000.00
Stationery	2,000.00
Communications	3,000.00
Contingencies	4,396.71
Total	125,000.00

Your early consideration of Senate Resolution 45 will be greatly appreciated.

Sincerely yours,

DENNIS CHAVEZ,
Chairman, Committee on Public Works.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The resolution, as amended, was agreed to.

INVESTIGATION BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 43, Senate Resolution 70.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 70) authorizing the Committee on Interior and Insular Affairs to investigate certain matters within its jurisdiction.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement with respect to Senate Resolution 70, as an explanation of the need for the funds and the purposes for which designated.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This resolution would authorize the expenditure of $200,000 by the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, from February 1, 1959 through January 31, 1960, to examine, investigate, and make a complete study of any and all matters pertaining to (1) minerals, materials, and fuels; (2) irrigation, reclamation, and power development; (3) public lands; (4) Indians; and (5) Territories and insular affairs.

The purposes of the resolution are more fully explained in a letter to Senator THOMAS C. HENNINGS, JR., chairman of the Committee on Rules and Administration, from Senator JAMES E. MURRAY, chairman of the Committee on Interior and Insular Affairs, which letter is as follows:

U.S. SENATE,
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
February 2, 1959.

Hon. THOMAS C. HENNINGS, Jr.,
Chairman, Senate Committee on Rules and Administration, United States Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: I have today reported to the Senate, Senate Resolution 70 which was approved by this committee unanimously last Friday. The resolution authorizes this committee to retain additional staff employees for the purpose of studying matters within the jurisdiction of this committee, and provides $200,000 for such purposes.

Enclosed for your committee's use is information relating to the manner in which we plan to budget the expenditures made under the resolution. The committee proposes to retain a total of 14 employees—the same number of employees provided for in a similar resolution enacted last year. In our budget we are maintaining our request for funds for administrative purposes at approximately the same level as was established last year. A total of $195,728.17 was appropriated for our use last year. The small increase we seek this year is needed to provide for slight adjustments in the civil service retirement contribution and other minor increases for administrative needs.

As I have pointed out, the resolution was reported from the committee unanimously All members of the committee agreed that there was a definite need for the staff members who would be retained under the resolution, and there was no objection, whatsoever, to the amount of money sought.

When this legislation is considered by your committee, I would appreciate an opportunity to appear personally before you in support of the resolution.

Sincerely yours,

JAMES E. MURRAY, *Chairman.*

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to, as follows:

Resolved, That the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) minerals, materials, and fuels;

(2) irrigation, reclamation, and power development;

(3) public lands;

(4) Indians;

(5) Territories and insular affairs.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. Expenses of the committee, under this resolution which shall not exceed $200,000 shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

STUDY OF NATIONAL LABOR RELATIONS ACT AND LABOR-MANAGEMENT RELATIONS ACT

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 41, Senate Resolution 66.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 66) authorizing a study of the National Labor Relations Act and Labor-Management Relations Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 66) authorizing a study of the National Labor Relations Act and Labor-Management Relations Act, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 13, after the word "exceed", to strike out "$10,000" and insert "$20,000", so as to make the resolution read:

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized and directed under section 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to make a full and

UNIVERSITY OF MICHIGAN LIBRARIES

compete study of the provisions of the National Labor Relations Act and the Labor-Management Relations Act, 1947, with a view to ascertaining the extent to which changes in such Acts are desirable.

SEC. 2. For the purposes of this resolution the committee, from the date on which this resolution is agreed to to July 1, 1959, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than June 1, 1959.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $20,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement in support of the resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Senate Resolution 66 authorizes the committee to make a full and complete study of the provisions of the National Labor Relations Act and the Labor-Management Relations Act, 1947, with a view to ascertaining the extent to which changes in such acts are desirable. It provides that the committee shall report its findings, together with such recommendations for legislation it deems advisable, to the Senate not later than June 1, 1959. The sum of $20,000 is authorized for committee expenses under the resolution.

The sole purpose of the proposed resolution is to make it possible for the Subcommittee on Labor of the Committee on Labor and Public Welfare to secure the services on a per diem basis of a panel of outstanding experts in the field of labor law whose task it will be to define those areas of existing labor relations law in need of revision, and to suggest to the subcommittee specific recommendations to bring about such revision. When the panel has completed its work and submitted its report to the subcommittee, it is intended that public hearings shall begin on pending bills to amend existing labor relations laws.

It is expected that the panel will meet in Washington on several occasions during the next few months, and members of the panel may also perform work in connection with their service to the committee at other times and places individually or in teams.

To compensate the members of the panel on a per diem basis for their services, and to reimburse them for their expenses during meetings of the panel in Washington, Senate Resolution 66 would provide the sum of $20,000. This sum would also provide secretarial and other services needed by the panel.

A proposed budget is attached hereto.

In view of the fact that no part of the funds sought under Senate Resolution 66 would be used by the committee for the employment of additional professional staff personnel, it has not been thought necessary to include any provision for selection of a staff member by the minority. I would further call the attention to the fact that the study would be terminated by June 1 of this year.

On behalf of the Committee on Labor and Public Welfare, may I earnestly request early action and favorable consideration of Senate Resolution 66.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The resolution, as amended, was agreed to.

INVESTIGATION OF TEXTILE INDUSTRY

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 44, Senate Resolution 50.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 50) authorizing the Committee on Interstate and Foreign Commerce to investigate the textile industry.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement in explanation of the resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This resolution would authorize the expenditure of not to exceed $2,500 by the Committee on Interstate and Foreign Commerce from February 1, 1959, through March 31, 1959, to conclude its investigation of the factors affecting commerce and production in the textile industry of the United States, which was initiated pursuant to Senate Resolution 287 of the 85th Congress, 2d session, agreed to May 6, 1958.

The purposes of this resolution are more fully detailed in a letter to Senator THOMAS C. HENNINGS, JR., chairman of the Committee on Rules and Administration, from Senator WARREN G. MAGNUSON, chairman of the Committee on Interstate and Foreign Commerce, which letter is as follows:

U.S. SENATE,
COMMITTEE ON INTERSTATE AND
FOREIGN COMMERCE,
January 28, 1959.

Hon. THOMAS C. HENNINGS, JR.
Chairman, Committee on Rules and Administration, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Senate Resolution 50, now before your committee for consideration and action, would authorize the Committee on Interstate and Foreign Commerce to spend not more than $2,500 between February 1 and March 31, 1959, upon a study of all factors affecting commerce and production in the textile industry of the United States.

Pursuant to section 102(j) of the Legislative Reorganization Act, the Committee on Interstate and Foreign Commerce has general jurisdiction over interstate and foreign commerce. It is a recognized fact that the entire domestic textile industry has been in a depressed and declining condition for several years. Many factors have been advanced as the causes of the decline, but there has never been an exhaustive and definitive study to clearly establish the nature of the industry problems in order to form a basis for corrective action.

Inasmuch as the textile industry is clearly involved in both interstate and foreign commerce, the Senate Interstate and Foreign Commerce Committee believes that it has the prime responsibility for ascertaining the nature of the industry's problems.

It was because of the foregoing that last year we requested, and both your committee and the Senate approved, funds in the amount of $25,000 for a textile inquiry. Pursuant to Senate Resolution 287, 85th Congress, the special subcommittee, headed by Senator PASTORE, held hearings in Washington, D.C., Providence, R.I., Hartford, Conn., Concord, N.H., Clemson, S.C., Charlotte, N.C., and New York City. Over 200 witnesses were heard.

The subcommittee has not exhausted its funds, but is running out of time. Of the $25,000 authorized last year, approximately $17,000 is unused and will be returned. The work is nearing completion, but additional time after January 31, 1959, together with available funds, will be needed. The $2,500 requested by this resolution will enable us to complete the work.

We do not contemplate hiring staff, but will continue the employment of the special consultant until the report is completed and approved. Accordingly, no budget is attached.

We believe this to be a modest request, both as to time and money, and urge your approval.

Sincerely yours,

WARREN G. MAGNUSON,
Chairman.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to, as follows:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, to conduct a full and complete study of all factors affecting commerce and production in the textile industry of the United States, including but not limited to (a) the extent, nature, and causes of the decline in interstate and foreign commerce in textile mill products; (b) the decline in employment in the textile industry; (c) the effects of policies and programs of the Federal Government on the industry; and (d) the impact of commercial policies of other nations on the industry.

SEC. 2. For the purposes of this resolution, the committee, from February 1, 1959, to March 31, 1959, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than March 31, 1959.

SEC. 4. Expenses of the committee under this resolution, which shall not exceed $2,500, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

EXTENSION OF TIME FOR FILING REPORT BY THE SPECIAL COMMITTEE ON PRESERVATION OF MEMORABILIA OF THE SENATE

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 45, Senate Resolution 72.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 72) extending the time for filing a report by the Special Committee on Preservation of Memorabilia of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD a brief explanation of the resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Pursuant to Senate Resolution 318 of the 85th Congress, 2d session, agreed to on July 28, 1958, a special committee of the Senate was established to make a study for the purpose of determining the desirability and feasibility of providing an appropriate means of preserving selected documents, records, and memorabilia of the U.S. Senate having historical significance or value. Senators ANDERSON, BENNETT, CASE of South Dakota, MANSFIELD, and TALMADGE have been appointed to the special committee.

This resolution continues the authority of the special committee and extends the time by which it shall report the results of its study, together with such recommendations as it deems appropriate, to the Senate, from February 1, 1959, until April 2, 1959.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to, as follows:

Resolved, That S. Res. 318, Eighty-fifth Congress, establishing a special committee of the Senate to study and report with respect to preserving memorabilia of the Senate, is amended by striking out "February 1" in section 4 and inserting in lieu thereof "April 2".

CONFERENCE OF WEST VIRGINIA REPRESENTATIVES WITH SECRETARY OF COMMERCE LEWIS L. STRAUSS REGARDING IMPORTS OF CHEAP FOREIGN RESIDUAL OIL

Mr. RANDOLPH. Mr. President, earlier today members of the West Virginia delegation in the Congress, including the Senator from West Virginia [Mr. BYRD], myself, and six other Members, had a conference with Lewis L. Strauss, the Secretary of Commerce of the United States.

I invite attention of Senators to the capacity in which Mr. Strauss serves as Chairman of the Cabinet Committee on Oil Imports.

We presented the story of the dire distress of the people of West Virginia, which has been brought about at least to a certain degree by the impact of imports of cheap foreign residual oil upon the West Virginia coal industry. This is a problem which is not peculiar to West Virginia alone, but exists also in other coal-producing sections of the country.

Mr. President, I ask unanimous consent that excerpts from the remarks presented by the Senator from West Virgina [Mr. BYRD] and myself be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM REMARKS BY U.S. SENATOR JENNINGS RANDOLPH AND U.S. SENATOR ROBERT C. BYRD, OF WEST VIRGINIA, FEBRUARY 6, 1959, AT CONFERENCE WITH SECRETARY OF COMMERCE LEWIS L. STRAUSS, RE IMPACT OF IMPORTS OF CHEAP FOREIGN RESIDUAL OIL UPON THE WEST VIRGINIA AND DOMESTIC U.S. COAL INDUSTRY

These remarks are addressed to you, sir, for consideration in the several capacities in which you serve the Government of the United States in matters relating to domestic and foreign commerce, but, especially, as the Chairman of the Cabinet Committee on Oil Imports.

On February 3, 1959, Senator BYRD and I pointed out to you in a joint letter and supplemental telegram that we represent the largest coal-producing State—one which is suffering adversity in an inordinate degree as a result of a sharp decline in coal production, marketing and employment.

A known factor inducing these conditions is the economic impact of the ever-increasing importation of cheap foreign residual oil.

The consequences—vast unemployment and poverty over much of West Virginia and in other coal-producing areas—would be sufficient in themselves to cause us to make these observations and representations.

But there is an additional aspect of the plight of the coal industry, the railroads, and the thousands of unemployed who would—under more favorable circumstances—earn their livelihood through toil in the mines and by the railroads, especially.

We refer, in this instance, to the regressive effects of a distressed coal industry upon the national defense—and this is a factor of real concern not only to West Virginians, but, indeed, to the Nation as a whole, and to the free world.

The steady decline of the coal industry and the increasing proportions of the resultant unemployment problem must be ameliorated in the interest of humanity from the economic and social standpoints. And, from the aspect of human survival under present troubled world conditions, steps must be taken promptly to remove inequitable impediments to revival of this industry so important to national security.

America and the free world can ill afford to permit our most basic natural resource fuel source to languish in a state of deterioration—nor can we permit the labor force of the great coal industry to be dissipated. Yet, Mr. Chairman, these conditions are, in fact, being accentuated by our Government's unresponsiveness to the dangers inherent in the virtually unchecked importation of cheap foreign residual oil.

We appreciate your attention to the foregoing statement of the basic problem—and the West Virginia delegation in the Congress considers it to be a foreboding one.

On February 26, 1955, the Presidential Advisory Committee on Energy Supplies and Resources Policy reported to the President, among other of its recommendations and observations, that, and I quote, "An expanding domestic oil industry, plus a healthy oil industry in friendly countries which help to supply the U.S. market, constitute basically important elements in the kind of industrial strength which contributes most to a strong national defense."

But, Mr. Chairman, that same report, issued 4 years ago, also included this statement which we must now emphasize—and again I quote:

"Other energy sources, especially coal, must also maintain a level of operation which will make possible rapid expansion in output, should that become necessary. In this complex picture both domestic production and imports have important parts to play; neither should be sacrificed to the other."

It is submitted by those of us especially concerned with the situation that coal production and the facilities for coal expansion are not being enabled, by current market conditions, to be maintained at a level which will make possible rapid output increases, should they become essential to the national security. In fact, the opposite is true.

Production levels are insufficient to permit facilities for future output to be maintained adequately, let alone to make provision for rapid expansion in a period of national emergency.

It seems pertinent to cite further that the 1955 report of the Presidential advisory committee noted even then that "since World War II importation of crude oil and residual fuel oil into the United States has increased substantially, with the result that today these oils supply a significant part of the U.S. market for fuels."

We would point out, Mr. Chairman, that the average daily import of residual oil in 1954, when the committee made the observation just quoted, was slightly over 400,000 barrels.

If daily imports of 400,000 barrels of crude and residual oil in 1954 constituted "a significant part of the U.S. market for fuels," wouldn't the January 1959 daily average importation of 800,000 barrels of crude and residual oil properly be termed doubly significant?

Obviously recognizing the danger of steady increases in crude and residual oil imports on the domestic fuels markets—as well as the ability of the domestic fuels industries to remain healthy in the face of such increased imports—the Presidential advisory committee, in 1955, made these cogent observations and recommendations—and I again quote:

"The committee believes that if the imports of crude and residual oils should exceed significantly the respective proportions that these imports of oil bore to the production of domestic crude oil in 1954, the domestic fuels situation could be so impaired as to endanger the orderly industrial growth which assures the military and civilian supplies and reserves that are necessary to the national defense. There would be inadequate incentive for exploration and the discovery of new sources of supply.

"In view of the foregoing, the committee concludes that, in the interest of national defense, imports should be kept in the balance recommended above."

But the committee unfortunately recommended, too, that "it is highly desirable that this be done by voluntary, individual action of those who are importing or those who become importers of crude or residual oil. The committee believes that every effort should be made and will be made to avoid the necessity of governmental intervention. The committee recommends, however, that if in the future the imports of crude oil and residual fuel oil exceed significantly the respective proportions that such imported oils bore to domestic production of crude oil in 1954, appropriate action should be taken."

It is submitted further, Mr. Chairman, that there is a decided imbalance between

UNIVERSITY OF MICHIGAN LIBRARIES

domestic production and importation of residual oil. The imbalance acutely relates to domestic coal production.

In 1954, coal output dropped to the low level of approximately 390 million tons, and in that same year residual oil imports were 129 million barrels. There was a gradual improvement in coal production to a 1956 output of 500 million tons, but importation of residual oil increased at the same time to 163 million barrels that year. Since 1956, however, coal production steadily declined back to 400 million tons in 1958, but residual oil influx from abroad climbed to 173 million barrels at the same time.

The imbalance as relates to coal production versus residual oil importations is best reflected in statistics for the month of January of this year, to wit:

Coal output dropped 2½ million tons below the January 1958 level—a decline of a half-million tons a week. Residual oil imports, at the same time, jumped to 800,000 barrels per day as compared with 555,000 barrels per day in January 1958, almost a 50-percent increase, while coal suffered the consequences cited, namely, a decline of a half-million tons per week.

Coal's two poorest production years since World War II—1954 and 1958—marked the lowest ebb in tonnage output since 1910. That the impact of residual oil imports upon domestic coal markets had a direct bearing on these conditions is an incontrovertable fact.

The time for action to fulfill the recommendations of the Presidential Advisory Committee as set forth in that Committee's 1955 report is now.

Obviously, the Committee's suggested voluntary plan of keeping imports and domestic fuels production in balance—tried over a 4-year period—has been a miserable failure. The governmental intervention it recommended by inference as an expediency to be resorted to when imports of crude oil and residual fuel oil exceeded significantly the proportions that such imported oils bore to domestic production in 1954 now seems to be necessary.

Indeed, because the present administration's program of voluntary import controls has not worked and will not work, there seems to be an open invitation—even to Iron Curtain countries such as Rumania—to ship cheap foreign residual oil into this country.

This condition not only is destroying domestic markets for American coal—it is likewise creating intolerable conditions for American railroads—and is depriving American coal miners, American railroaders, and many other American workers in allied occupations of their livelihood.

Unless strong recommendations are made to the President by your committee, Mr. Chairman, to control imports of residual oil on a mandatory basis pursuant to the authority vested in his office by section 8 of the Trade Agreements Extension Act of 1958, serious consequences will occur.

Increased imports of residual oil above the 1958 levels would further damage the coal industry and do irreparable damage to the national security by further discommoding that industry, its level of production, and its ability to expand in time of emergency.

Governments of other countries are taking actions to protect their own indusrties—West Germany, by imposition of a tariff of $4.76 per ton on coal imports—or to exploit American and other producers doing business therein—such as the Venezuelan hike in royalties.

It is imperative that the Government of the United States afford its domestic industries right and proper consideration.

Therefore, Mr. Chairman, it is urged that the Cabinet Committee on Oil Imports and the Presidential Advisory Committee on Energy Supplies and Resources Policy strongly recommend to the President that he proceed under his existing authority to adjust and regulate the imports of residual oil by fixing mandatory quotas so that such imports will not threaten to impair the national security. To do so would make unnecessary the resort to other time-consuming and exhaustive inquiries under cumbersome procedures and thereby would enhance the national security and undoubtedly would improve economic and social conditions in depressed coal-producing areas.

Or, as an alternative, it would be appropriate for the committees to recommend to the President that he freeze imports of residual oil temporarily, according to a suitable formula—such as that recommended in 1955 by the Presidential Advisory Committee—so that the levels of imports cannot be increased in the interim period while the Office of Defense Mobilization conducts an appropriate investigation under provisions of section 8 of the Trade Agreements Extension Act of 1958.

There are overriding economic, social, and national defense reasons why one or the other of these urgently needed actions should be recommended to the President and implemented by him with a minimum of delay.

A CONSTRUCTIVE CIVIL RIGHTS PROGRAM

Mr. DOUGLAS. Mr. President, with the administration's civil-rights program now before Congress, along with the proposals that others of us have made, the essential national discussion and deliberation can proceed.

I sincerely hope that this process of education, analysis, debate, and decision can be carried on in a spirit of good will and with a determination to find and adopt constructive measures for equal justice. The problem is a national, not merely sectional, one. Epithets, recriminations, and name calling will serve no useful purpose. We need the best thought of all groups to reach a workable and meaningful result. With such friendly cooperation I believe we can make substantial progress.

The Washington Post on Monday, February 2, before the President's message, in an editorial entitled "Aid, Not Carpetbaggery," made thoughtful comments on the bill, S. 810, which 16 other Members of the Senate joined me in sponsoring. In a letter of the same date to the editor I made a somewhat extended reply to the criticisms of the bill.

One of those criticisms was leveled at the inclusion in our bill of authority for the Attorney General to file injunction suits to end the denials of equal protection of the laws. And in justifying the exclusion of this proposal from the administration's program, which had included such authority in 1957, Attorney General Rogers has repeated this argument. The editor and the Attorney General assert that the recent developments in Virginia, commencing at long last the process of desegregation, justify withholding such legislative proposals for injunction suits by the Attorney General at this time. I greatly regret this decision and believe that the omission of this authority is the major defect in the administration's plan.

In my letter to the Post, I have set forth the answers to this argument, namely, that the very procedures which have finally succeeded in making some progress in Virginia—injunction suits, with all the protections of court proceedings, reviews, and appeals—are what would be made possible under the provisions in our bill which are based on the same principles as part III of the Civil Rights Act of 1957.

Mr. President, I do not mean to argue that point now, but because it is such a central point of difference between the administration's proposal and that which 17 Senators have introduced, and because my letter to the editor sets forth the supporting argument to a degree where it could not be fully printed in the Post, itself, I ask unanimous consent that the Post editorial and my original letter in reply be printed at this point in the RECORD.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 2, 1959]

AID, NOT CARPETBAGGERY

The Senate will soon be confronted by three major civil rights bills—those submitted by Senators JOHNSON and DOUGLAS and the administration's bill. In these circumstances it is not to be supposed that any one of them will be passed as submitted. Rather, the Judiciary Committee will be expected to draw from each its best and most timely provisions. In this process the Douglas bill introduced on Thursday will have a good deal to contribute.

In some respects the most important section of the Douglas bill is its sympathetic references to the Supreme Court's desegregation decisions and its general underwriting of a policy of equal protection of the laws in the United States. We think Congress would be well advised to write into whatever civil rights bill it may pass this year a philosophical endorsement of desegregation as a policy representing national ideals. Congress should not leave wholly to the courts the proclamation of the profound American belief in equal protection of the laws.

The Douglas bill would also authorize the Secretary of Health, Education, and Welfare to offer technical assistance and financial aid to States, cities, and school districts that are struggling with desegregation problems. Specialists in the problems of desegregation could be hired and assigned to local schools. Additional teachers and buildings could also be provided if necessary to speed up the adjustment to equality in the schools.

Unfortunately, however, the Douglas bill does not stop there. It sweeps on to authorize the HEW to draw up desegregation plans for communities failing to act on their own initiative. Such plans could then be imposed on the reluctant communities through court injunctions. This sort of carpetbaggery would produce more sectional hostility than desegregation. It looks in precisely the opposite direction from Senator JOHNSON's proposed conciliation agency.

Nor do we think the time has come to give the Attorney General authority to seek enforcement of all civil rights through use of the injunction. Recent events in Virginia indicate that the barriers to desegregation are beginning to crumble. The processes of peaceful adjustment might be gravely upset by undue haste in the application of force from Washington. The wisdom of moving a step at a time in this delicate situation and of converting instead of bludgeoning has been too well demonstrated to be seriously challenged.

LETTER OF SENATOR PAUL H. DOUGLAS TO THE WASHINGTON POST

FEBRUARY 2, 1959.

EDITOR, LETTERS TO THE EDITOR COLUMN,
Washington Post and Times Herald,
Washington, D.C.

DEAR SIR: Reasoned analysis and widespread public discussion are prime essentials in arriving at a workable approach to desegregation and full compliance with the Constitution and decrees of the Supreme Court. Your editorial on "Aid, Not Carpetbaggery" (Washington Post, Feb. 2, 1959), is a long step in this direction and is a welcome contrast to the more superficial treatment, vituperation or indifference with which such proposals have been met in the past.

To clarify the issues, however, and to correct some misunderstandings about our proposal, may I be permitted to make a few comments on your analysis.

First, I am proud of the civil rights bill which I introduced last week, and I am glad that it bears my name. But it also bears the names of 16 other Senators as cosponsors, including many of the best known and most thoughtful and reasonable advocates of a sane approach to progress in the field of human relations. A number of these Senators gave important help in the drafting of this measure, and it is therefore truly a joint product. A dozen or more House Members, including Judge CELLER, chairman of the Judiciary Committee, have sponsored the same measure. The credit—or blame—for the proposal is therefore shared by these other Members as well.

We are naturally gratified that the Post recognizes the constructive character of that part of our bill which undergirds the desegregation decisions of the Supreme Court by a statement of supporting congressional policy. Your support is also welcome for our rather comprehensive authorizations of technical assistance and financial aid through the Secretary of Health, Education, and Welfare to the States and localities seeking to work out their desegregation problems.

Your criticisms of the proposed authorization to HEW to draw up and issue desegregation plans as being too hasty and sweeping, however, seem to us to reflect an inadequate understanding of what is proposed.

Title IV of our bill which sets up this administrative action first requires HEW to make every effort to persuade the States and local districts to make a start toward eliminating segregation in public education, utilizing the aids and financial assistance previously referred to. It thus first emphasizes the procedure of conciliation, which you endorse, but specifies that it shall be conciliation with the aim of bringing compliance with the Constitution.

Secondly, in preparing such tentative plans the Secretary is required to seek the advice and assistance of public officials, private organizations and private citizens in the area and of any * * * advisory council.

In the third place, the proposal specifies that such tentative plans shall take into account the need of the particular area for time to make an orderly adjustment and transition from segregated to desegregated schools.

In the fourth place, if the plan thus formulated meets with the approval of the locality and is adopted by it, a beginning can be made, and the various other forms of assistance can be brought into play.

In the fifth place, however, if the tentative plan is not accepted, the Secretary must set up a public hearing upon the plan, and at this hearing, the local authorities, private organizations and private citizens shall be permitted to participate. Only after all of these steps have been taken is the Secretary authorized to prepare and issue an approved plan for desegregation. The detailed requirements for local participation in our opinion make it clear that your rather captious characterization of "carpetbaggery" is wholly unwarranted.

But, finally, it is important to recall that these desegregation plans, if still resisted, cannot come into effect until the Attorney General files an injunction suit and the court, after listening to all of the evidence and hearing arguments, issues its decree in line with the underlying decisions of the Supreme Court requiring all deliberate speed. The trial court's determination is further subject to appeal and review right up to the Supreme Court.

The bill thus seeks to use the assistance and advice of executive and administrative agencies and the experience, recommendations and criticisms of the local community in affirmatively formulating desegregation plans. In similar circumstances of bitter-end resistance under the present law, such plans have to be developed solely by the courts in injunction suits brought by the aggrieved persons in behalf of their children. But the proposed plans under our bill would in no case have any legal effect until they had gone through the judicial processes of court hearings and decision, with full right of review. The procedure is not unlike that now provided to secure compliance with NLRB recommendations.

Surely this accepted, reasonable, and deliberate procedure cannot fairly be characterize as a "force" plan, as your news reports have described it, or "bludgeoning" as you editorially refer to it.

In opposing our proposal to authorize the Attorney General to seek injunctions to end denials of equal protection of the laws, you cite with favor the recent events in Virginia. But what has brought about—at long last—the "crumbling" of the barriers of segregation and the "peaceful adjustment" which you herald there? Clearly, it is a series of court decisions, in cases initiated by individuals. The patient, thoroughly argued, long-drawn-out legal proceedings and decrees have been the path to progress in that State.

But what is the ultimate sanction under our bill? The answer is again court actions. These could, however, be initiated by the Attorney General. But in this case they must be preceded either (a) by the lengthy HEW procedure I have outlined above, or (b) by the signed complaint of individuals and a determination by the Attorney General that those individuals are unable to seek the effective legal protections for themselves. The injunctive procedure authorized in our bill is thus basically the same as the procedure under which progress is being made in Virginia, except that under carefully specified conditions the Attorney General may file the suit.

Why is it necessary that the Attorney General be empowered to initiate these procedures which can now be initiated only by individuals? This is necessary because without it the weakest, the poorest, and those most subject to intimidation or coercion are required to fight their case with their own resources against all the legal talent, power, legislation, and economic resources which a State opposed to desegregation can throw into the breach. Because of the antibarratry laws, the anti-NAACP laws, school placement laws, and the multitude of other barriers thrown up to resist the law of the land, the scales of justice can only be evenly matched if these legal and economic burdens of enforcement are borne in part by the Federal Government, whose duty it is to enforce the law of the land. To require—as is now the case—that this burden be placed solely on the backs of the fathers and mothers of Negro children in areas which are overwhelmingly hostile to them is to apply that concept of justice made famous by Anatole France's remark that the law in its majestic equality forbids the rich as well as the poor to sleep under bridges, to beg in the streets, and to steal bread.

This injunction procedure is not unique or extreme, for, as I have said in the Senate, it is now so commonplace that it is provided in 39 other laws to bring compliance with various Federal statutes, including the voting rights bill of 1957. This procedure is necessarily coupled with all the usual protections of the exercise of the equity powers of the courts and subject to all of the normal appeals in the higher courts. It has been twice approved in school cases by overwhelming votes in the House of Representatives, once in 1956 by a vote of 279 to 126, and again in 1957, by a vote of 286 to 126 in favor of the so-called part III of the civil rights bills of 1956 and 1957.

If the Attorney General sought to move faster than the Supreme Court decisions provide, the Federal judge would deny or modify his request. Thus, there are adequate safeguards through the Federal district courts and judges—almost all of whom in southern areas are southern born—against "undue haste in the application of force from Washington."

The inadequacy of the conciliation proposal by Senator JOHNSON, which you endorse, is that if the dominant forces of the community refuse to restore peaceful relations in accordance with the Constitution, the Federal Government would then lack the authority to initiate court cases to bring compliance. This failure could invite nullification and the ultimate breakdown of the Constitution.

The sponsors of our bill earnestly hope that the affirmative approaches which provide congressional backing for the Court's decrees, technical assistance, financial aid, etc., will be largely effective in getting the movement toward desegregation off deadcenter and demonstrating to the world that we intend to live by our principles of equal justice. But in the background, just as the historic decisions of the Court have been the firm rock upon which we have now begun to break away in both the North and the South from our previous discriminatory practices, so do we believe that the ultimate possibility of an appeal to the courts, initiated by the Attorney General, will be helpful in winning acceptance for these constitutional principles all along the line.

Sincerely yours,

PAUL H. DOUGLAS.

Mr. DOUGLAS. Mr. President, the New York Times this morning printed a very useful comparison of the civil rights programs introduced by the Senator from Texas [Mr. JOHNSON], by the administration, and by the Senators who joined with me in introducing S. 810. We believe this comparison will be useful for those who are studying these three measures. I would, however, note one minor omission: In its summary paragraph concerning "Obstruction of Justice," the Times report states that there is no similar provision in the Douglas bill making it a crime to obstruct Federal court school desegregation orders. This statement is literally true. But our bill, S. 810, does include a provision in section 602, which is not mentioned in the summary, which authorizes the Attorney General to commence injunction suits against persons who seek to obstruct Federal, State or local officials in desegregation situations, or to hinder the execution of court orders in such cases. Our bill, in other words, does include a proposal for preventive, rather than punitive, action against such obstruction.

UNIVERSITY OF MICHIGAN LIBRARIES

Because of the value of this comparison in general, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A COMPARISON OF CIVIL RIGHTS PROGRAMS

(WASHINGTON, February 5.—Following is a comparative analysis of provisions of the three principal civil rights proposals before Congress. They are the administration plan submitted today, a bill introduced by the Senate majority leader, LYNDON B. JOHNSON of Texas, and a measure sponsored by Senator PAUL H. DOUGLAS, Democrat of Illinois, and 16 other Senate liberals.)

SUPPORT OF SUPREME COURT

The administration proposal includes a declaration of policy that the Supreme Court's 1954 decision declaring public school segregation unconstitutional "is the supreme law of the land," that States must take steps to end segregation and that the Federal Government is prepared to help solve their serious financial and educational problems.

The Douglas bill includes language expressly approving, in stronger terms, Supreme Court decisions outlawing segregation in schools, transportation and recreation.

The Johnson bill contains no such provisions.

FEDERAL AID

The administration and Douglas proposals provide for financial aid to help southern communities desegregate, and for technical assistance by the Department of Health, Education, and Welfare on desegregation plans and in conferring on racial problems.

The administration bill is limited to the next 2 fiscal years.

The Johnson bill contains no similar provision.

VOTING RECORDS

The administration bill requires State voting registrars to maintain their records for 3 years and empowers the Justice Department to obtain such records under orders from any Federal district court.

The Johnson bill permits subpenaing of voting records under orders by special three-judge district courts.

The Douglas bill contains no provision of this kind.

CIVIL RIGHTS COMMISSION

Senator JOHNSON would extend the life of the Civil Rights Commission to January 1961.

The administration would extend it to September 1961.

The Douglas bill does not cover this subject.

BOMBING

The Johnson bill makes it a Federal crime to transmit explosives in interstate commerce for the purpose of damaging a business, educational, religious, charitable or civic building.

The administration proposal makes it a Federal crime to cross State lines in flight from prosecution for bombing a religious or educational building.

The subject is not covered in the Douglas bill.

CHILDREN OF MILITARY PERSONNEL

The administration plan provides that when a public school serving children of military personnel is closed to avoid integration, the Federal Government may provide schooling on the military base or may take the closed school from the State and operate it if it was built in whole or part with Federal funds, paying the State rent in keeping with the State's investment.

The Johnson and Douglas bills contain no such provisions.

OBSTRUCTION OF JUSTICE

The administration proposal makes it a crime for any person, private or official to obstruct a Federal court school desegregation order by threats or force.

No similar provision is in the Johnson or Douglas bills.

DISCRIMINATION IN EMPLOYMENT

The administration proposes that Congress create a commission on equal job opportunity under Government contracts, similar to a committee now set up by Executive order to try to persuade companies with Government contracts to hire without regard to race, creed or color. No such provision is in the Johnson or Douglas bills.

FEDERAL DESEGREGATION PLANS

The Douglas bill empowers the Department of Health, Education, and Welfare to draw up local desegregation plans when a community refuses to do itself.

The administration and Johnson proposals include no such power.

SUITS BY GOVERNMENT

The Douglas bill empowers the Attorney General to initiate lawsuits to end any unconstitutional discrimination against individuals in schooling or other matters when the affected individuals are found unable, for fear of reprisal or other reasons, to sue for themselves. He also allows the Government to intervene in private civil rights suits.

The administration and Johnson plans include no such proposal.

CONCILIATION

Senator JOHNSON would set up a Federal community relations service to conciliate school segregation and other racial disputes.

Neither the administration nor the Douglas bill proposes such a provision.

S. 1002—A NEW APPROACH TO LABOR LEGISLATION

Mr. MUNDT. Mr. President, growing out of more than 2 years of experiences with the so-called McClellan committee, the Senate Committee To Investigate Improper Activities in the Labor or Management Field, I have developed, after consultation with many authorities in this field, a somewhat new approach to labor legislation, insofar as this session of Congress is concerned. I am introducing today a bill to establish standards protecting the rights of rank and file members of labor organizations by providing democratic procedures in the election of officers and delegates of such organizations; the protection of funds created from dues and assessments collected from members; the safeguarding of their rights of self-determinations; and for other purposes.

A part of the genesis of this bill comes from the fact that our committee has now received well over 150,000 letters dealing with the problems coming before our committee. I have read a great many of those letters, and have had members of our staff read a great many more. The vast majority of them come from rank and file union members themselves, saying, in one way or another, substantially the following: "Give us the tools and we will clean up our own unions."

I believe that the proposed legislation which I am introducing at this time would give to rank and file members of labor unions the tools required to clean up unions which require correction.

The proposed legislation is in the nature of a bill of rights for dues-paying members of our American labor unions.

It is in the nature of a code of correct behavior for union officials enjoying the authority of labor leadership.

In a body such as ours, and in a country such as ours, which recognizes that there is a place for trade unionism in our American democracy, the proposed legislation provides the parallel axiom, that in trade unionism also there is a place for American democracy. I think the rules should work both ways.

Judging from the tenor, character, and contents of the tens of thousands of letters received from dues-paying members of unions, I know that there is a large body of opinion within the unions to the effect that more of the principles of American democracy must be permitted to function in our trade union movement.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the bill which I now send to the desk for appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1002) to establish standards protecting the rights of rank and file members of labor organizations by providing democratic procedures in the election of officers and delegates of such organizations; the protection of funds created from dues and assessments collected from members; the safeguarding of their rights of self-determination; and for other purposes, introduced by Mr. MUNDT, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the constitution of every labor organization engaged in an industry affecting commerce shall provide that its principal officers and the members of its executive board or similar governing body shall be elected not less often than, in the case of a national or international labor organization, once every four years, and, in the case of a local labor organization, once every three years, and that any such election, and any election of delegates to any national or international convention, shall be held in accordance with the following requirements and procedures:

(1) No individual shall be a candidate who has not been nominated by a petition containing the signatures of a number of members of such organization who were members in good standing at the time their signatures were affixed to the petition, which number shall be equal to not less than two per centum of the total number of members of such labor organization who were members in good standing on the date which precedes by one hundred and twenty days the date of the election in which such individual is a candidate.

(2) No individual shall be a candidate who by reason of conviction of any offense against the laws of the United States or of any State is ineligible to vote in elections held under the laws of the State of his legal residence.

(3) Any such petition shall be filed with the secretary of such labor organization not sooner than ninety days nor later than thirty days prior to the date of such election, and such secretary shall provide each individual who is nominated by any such petition with a signed statement acknowledging the receipt of the petition pursuant to which he has been nominated.

(4) As soon as practicable after the expiration of the period during which such petitions may be filed with such secretary, such secretary shall certify to all members of the labor organization who are members in good standing, by mail directed to the last known address of each such member, the names of the various individuals who have been duly nominated for the various offices to be filled in the forthcoming election.

(5) Immediately following the making of the certifications provided for in paragraph (4), such secretary shall proceed to establish an election committee to be composed as follows: one member for each of the individuals duly nominated for office in the forthcoming election, such member to be designated by such individual in a statement signed by such individual and filed with such secretary. No individual shall be eligible to serve as a member of an election committee who is not, at the time he is appointed or designated to serve on such committee, a member in good standing of the labor organization, who at such time is an officer or employee of the labor organization or any other labor organization of which such labor organization is an affiliate or constituent unit, or who is a nominee for an office to be filled in the forthcoming election. If the number of eligible individuals designated to serve as members of the election committee is less than six, then the individuals who are members of the election committee shall select such additional eligible individuals to serve as members of the committee as may be necessary in order that such committee shall consist of six members. The election committee shall select one of its members as chairman.

(6) It shall be the duty of the election committee to supervise the conduct of the election, to advise the members of the labor organization of the time and place the election is to be held, to count the ballots and to certify to the membership of the labor organization the results thereof, and to preserve for not less than one year the ballots cast in, and other records maintained in connection with, the election.

(7) Voting in such elections shall be by secret, printed ballots, which shall be prepared by the election committee. Ballots may be cast through the use of first-class mail service if the election committee so provides.

(b) If within sixty days after such an election is held, or if no election has been held, after the date an election was required to have been held under the provisions of subsection (a), there is filed with the Secretary of Labor (hereinafter referred to as the "Secretary") a petition containing the signatures of a number of members of the labor organization who were members in good standing at the time their signatures were affixed to the petition, which number shall be equal to not less than 2 per centum of the total number of members of such labor organization who were members in good standing on the date such election was held or was so required to have been held, alleging that the constitution of such labor organization does not comply with the requirements contained in subsection (a), or that requirements of such constitution have not been complied with, the Secretary shall immediately proceed to investigate such allegation and, if he finds probable cause to believe that such allegation is true and that, if an election has been held, the failure to comply with the requirements contained in subsection (a) has had a substantial effect on the outcome of the election, he shall immediately bring a civil action against the labor organization as an entity in the district court of the United States for the district in which such labor organization maintains its principal office to set aside the election and to direct the conduct of a new election under the supervision of the Secretary and in accordance with the requirements contained in subsection (a) and such rules and regulations as the Secretary may prescribe. The service of summons, subpena, or other legal process of a court of the United States upon an officer or agent of a labor organization in his capacity as such shall constitute service upon the labor organization.

(c) If, upon a preponderance of the evidence after a trial upon the merits, the court finds—

(1) that an election has not been held within the time prescribed by subsection (a), or

(2) that the violation of the requirements contained in subsection (a) substantially affected the outcome of the election,

the court shall declare the election, if any, to be void and direct the conduct of a new election under the supervision of the Secretary and, so far as lawful and practicable, in conformity with the constitution and bylaws of the labor organization. The Secretary shall promptly certify to the court the names of the persons elected and the court shall thereupon enter a decree declaring such persons to be the officers of the labor organization.

(d) An order directing an election, dismissing a complaint, or designating elected officers of a labor organization shall be appealable in the same manner as the final judgment in a civil action, but an order directing an election shall not be stayed pending appeal.

(e) If the court declares an election to be void after a trial on the merits, it shall have power to take appropriate steps to preserve and safeguard the assets of the organization pending the selection of officers.

(f) For the purpose of any investigation provided for in this section, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary of Labor or any officers designated by him.

(g) As used in this section—

(1) "Commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof. For the purposes of this paragraph, "State" includes any State of the United States, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and the Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (ch. 345, 67 Stat. 462).

(2) An activity or industry "affecting commerce" means any activity or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce, and includes any activity or industry "affecting commerce" within the meaning of the Labor-Management Relations Act of 1947, as amended.

(3) "Labor organization" means any organization of any kind, any agency, or employee representation commitee, group, association, or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment.

SEC. 2. Section 9 of the National Labor Relations Act, as amended, is amended by adding at the end thereof the following new subsections:

"(i) No investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by a labor organization under subsection (c) of this section, and no complaint shall be issued pursuant to a charge made by a labor organization under subsection (b) of section 10, unless there is on file with the Board an affidavit executed contemporaneously or within the preceding twelve-month period by such labor organization and any national or international labor organization of which it is an affiliate or constituent unit declaring that the constitution or bylaws of such labor organization and of any national or international labor organization of which it is an affiliate or constituent unit provide that no authorized strike shall be called except upon approval of a majority of the employees in the affected unit voting by secret ballot in accordance with the following:

"(1) No strike ballot shall be taken until there have elapsed (A) a period of twenty days during which the labor organization shall have made all reasonable efforts to settle the dispute by means of collective bargaining, and (B) an additional period of twenty days to enable the parties to the dispute to explain fully their respective positions to the employees involved in the dispute and to the public;

"(2) Any such strike ballot shall be conducted by an election committee consisting of one member selected by the labor organization, one member selected by the employer, and a third member selected by such members. If the employer fails to select a member within five days after having been requested by the labor organization in writing to do so, such member shall be selected by the National Labor Relations Board. If the member selected by the employer or the Board and the member selected by the labor organization are unable to agree within five days upon the selection of the third member, such third member shall be selected by the National Labor Relations Board;

"(3) The election committee shall promptly prepare and distribute ballots by first-class mail to all employees in the bargaining unit involved in the labor dispute with appropriate instructions and envelopes to enable such employees to execute and return the ballots, addressed to a designated post office box accessible only to the elections committee as a body, in such manner that the signature of the voter will appear on the outer envelope for the purpose of determining his eligibility in case of dispute;

"(4) The election committee shall process and count the ballots in such manner that the identity of the individual casting a particular ballot will be unknown to the committee or to any other person, and after the votes have been tabulated shall certify the results of the election to the parties to the dispute; and

"(5) If a majority of the employees voting in such election vote to authorize a strike, such strike may be ordered or authorized by the labor organization, but only after the expiration of any collective bargaining contract then in effect. No strike shall be authorized to commence on a date later than eighty days following the date of the election pursuant to which such strike was authorized.

"(j) Upon the filing of a petition in writing signed by not less than 10 per centum of all of the employees of a bargaining unit or a petition signed by not less than two of the members of the election committee described in subsection (i)(2) of this section, alleging that a strike has been called in contravention of the provisions of subsection (i) of this section, the Board shall then

PRINCETON UNIVERSITY LIBRARIES

proceed under the investigatory powers granted in this Act to consider the matter, and if the Board determines the allegations to be true, the Board will issue an order declaring that such strike was called without proper authority and instructing the bargaining unit involved to immediately comply with the provisions contained in subsection (i) of this section. Any labor organization which, within five days, fails to comply with any order issued by the Board in accordance with the provisions of this subsection shall, during the period of noncompliance, be ineligible for certification by the Board as the exclusive representative of any group of employees for collective bargaining purposes, and no investigation shall be made by the Board of any question affecting commerce concerning the representation of employees, raised by such labor organization under subsection (c) of this section during the period of noncompliance, nor shall any complaint be issued pursuant to a charge made by such labor organization under subsection (b) of section 10 during the period of noncompliance."

SEC. 3. (a) No labor organization which, during any taxable year which begins after the date of enactment of this Act, fails to comply with any order of the National Labor Relations Board issued under subsection (j) of section 9 of the National Labor Relations Act, within the time limits prescribed by such subsection (j), shall be entitled to exemption from Federal income tax under section 501(a) of the Internal Revenue Code of 1954 for such taxable year.

(b) The tax payable under the Federal income tax laws for any taxable year by a labor organization which has lost its Federal income tax exemption under paragraph (a) for such year shall be reduced by an amount which bears the same ratio to the amount otherwise payable as the number of days in such taxable year for which there was not any failure by such labor organization to comply with any order issued by the National Labor Relations Board under subsection (j) of section 9 of the National Labor Relations Act bears to the total number of days in such taxable year.

SEC. 4. (a) Every officer, agent, or other representative of a labor organization having any money or other property of such organization in his custody or possession by virtue of his position as such officer, agent, or representative shall have a duty to the members of the labor organization, requiring him to hold such money or property for the benefit of such members and for furthering the purposes for which the organization exists, and requiring him, in handling such money or property, to invest, apply, disburse, or otherwise dispose thereof only in accordance with such obligation and such purposes and in a manner authorized by the constitution, bylaws, and other governing rules of the organization.

(b) An action or proceeding may be maintained in any court of competent jurisdiction for an accounting or other appropriate relief with respect to any act or omission of any officer, agent, or other representative of a labor organization which is in disregard of the duty set forth in this section. Such action or proceeding may be maintained by one or more of the principal officers of such labor organization in behalf of the members thereof, or by any one or more of the members of the labor organization for and in behalf of himself or themselves and other members similarly situated, or by an agent or representative designated by any such member or members to maintain such action or proceeding for and on behalf of all members similarly situated.

(c) Nothing in this section shall reduce or limit the duties or responsibilities of any officer, agent, or other representative of a labor organization under any other law of the United States or the law of any State, and nothing in this section shall take away any right or bar any remedy to which members of a labor organization are entitled under any such law.

SEC. 5. (a) Every labor organization shall file with the Secretary, in such detail as may be required by the Secretary, a report with respect to its financial affairs containing the information required by this section, and shall file such a report not later than the 1st of March of each calendar year. The report shall be signed by the president or other chief executive officer of the labor organization and by its secretary or other chief records officer and its treasurer or other chief financial officer, and shall indicate the method by which the labor organization has made available to its members, pursuant to section 6, the information required to be contained in the report.

(b) Every such annual financial report shall show the assets and liabilities of the labor organization at the beginning and close of its last fiscal year, its financial activities during the year, the amounts and sources of its receipts and the amounts and purposes of its disbursements, including amounts paid as compensation and by way of expense or other allowances for each officer, agent, or employee whose aggregate compensation and allowances for the year exceeded $10,000.

(c) Every such annual financial report shall also explain in detail the full circumstances surrounding the receipt by the labor organization or (to the extent that information is available) by any of its officers, agents, or other representatives of any sum of money, any property, any loan, or any other thing of value which has been received during the year, directly or through an intermediary, from any employer (other than the United States or a wholly owned Government corporation or any State or political subdivision thereof) having employees who are or might be organized or represented by the labor organization, or from any person representing such an employer; except that this requirement shall not apply with respect to any transaction which is within the provisions of section 302(c) of the Labor Management Relations Act, 1947, as amended.

SEC. 6. Every labor organization required to file reports or other documents with the Secretary as provided in this Act shall, in such form and manner as the Secretary shall by regulations prescribe, make available to each of its members the information required to be contained in such reports or documents.

SEC. 7. Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any document, report or other information required under the provisions of sections 5 or 6 or the rules or regulations issued thereunder shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

Mr. MUNDT. Mr. President, this bill would not cripple or curtail in any way the ability of labor unions to operate their collective bargaining processes.

In the second place, the bill contains nothing punitive or repressive whatsoever so far as legitimate activity of unions is concerned.

In the third place, the bill provides nothing that any honest, upright, labor leader seeking to serve the best interests of his union need either fear or oppose.

In brief outline, the bill does nine things; and in these nine provisions I believe it contains the authority, the tools of democracy, which will enable decent men and women, who represent the vast majority, I believe, of the members of every labor union in the country, to provide the rules of procedure by which they can control their own destiny and regulate the functions of their own unions, ridding themselves of unsavory union leadership where it exists, and of improper union practices where they prevail.

The first thing the bill would do would be to establish a well-defined mechanism for the democratic nomination of candidates through the employment of signed nominating petitions. We have found that a great many pieces of labor legislation and a great many of the labor constitutions falter and fail at the very point of nominating opponents for labor leaders who may be engaged in improper practices, who may be throwing their weight around with arrogant power, and who may actually be engaged in corrupt activities.

So, first and foremost, the bill provides the procedures for nominating a candidate under auspices and under circumstances by which there could be no intimidation of those seeking to place the name of a candidate in nomination.

Second, the bill provides for the establishment of a representative election committee from the rank and file of labor. No member of this committee shall be either an officer or employee of the local or the international involved, and, of course, no member of the election committee shall be a candidate for election.

In the third place, the bill provides that the election committee shall supervise the entire election procedure, including the counting of ballots—I emphasize that, "including the counting of ballots," and the certification of the results.

This is important, because we have found in our investigations over the past 2 years that frequently secret ballots are circumvented and destroyed and their effectiveness eliminated, because of dishonest election practices occurring after the secret ballots are cast.

Mr. President, without an honest accounting mechanism, the conduct of an election by secret ballot can be as big a fraud or hoax as one could be in which the members were not permitted to vote at all, or in which they were threatened because they were compelled to vote at an open, public meeting.

Fourth. It provides a workable procedure for investigating these elections by the Secretary of Labor following a complaint signed by either 2 percent of the union members or by any one member of the representative election committee.

Fifth. It provides for a workable judicial procedure to invalidate the results of irregularly held elections, and thereafter to decree the installation of officers elected in an election supervised by the Secretary of Labor.

Sixth. The bill provides for a democratic mechanism, properly supervised by a representative committee from both management and labor, for the authorization of strikes during collective bargaining negotiations.

This brings self-determination on the part of the rank and file dues paying members to the important decision of whether and when to call a strike.

Seventh. The bill provides that no individual who has been disenfranchised by any criminal conviction shall serve as any union officer or in any employee representative status.

It writes into this general labor legislation the substance of the amendment which I offered to the first Kennedy bill during the last Congress. My amendment was adopted by a yea-and-nay vote in the Senate. I believe it was a unanimous vote; if not, there were only one or two dissenting votes. It provides that individuals who have lost the right of franchise through crimes of which they have been convicted shall not be permitted to serve as union officers or as an employee representative.

Eighth. The bill provides for an annual detailed report of the financial activities of the labor organizations both to the Secretary of Labor and to the individual members of the labor organization. With respect to this reporting provision, the bill would impose criminal sanctions on any individual who willfully or knowingly would include in any of the required reports any false statements or purposeful misrepresentations.

Ninth. The bill provides for the imposition upon union officers and agents a fiduciary relationship with respect to their handling of union funds.

Mr. President, I recognize that both the bill proposed by the administration and the bill proposed by the Senator from Massachusetts [Mr. KENNEDY] contain provisions which deal with some of the same problems covered by my proposed legislation. I recognize that both bills contain provisions, for example, on the election of officers and delegates. However, I earnestly feel, from a careful study and analysis of both of those bills, that each of them fails to set out in great enough detail procedures which must be employed to guarantee that union members will have the opportunity to express without fear of coercion or intimidation their individual views in the selection of those who are to guide their economic destinies.

I believe, also, Mr. President, that the administration bill and the Kennedy bill alike are deficient in at least one other area of democratic procedures, and that is with respect to the authorization of strikes. The calling of a strike is something which should be given most serious consideration by each individual rank and file member of organized labor. It affects vitally his livelihood, sometimes it affects his very job, and certainly, it affects his annual income. I think, therefore, that Congress should set down certain important standards to insure that strikes will not be called without a majority of the members of the bargaining union involved having ample opportunity by secret ballot to express my appreciation to many people

In offering the bill I should like to express my appreciation to many people with whom I have consulted in preparing these measures. I should like to add one special word of appreciation to Mr. Maurice R. Franks, president of the National Labor Management Foundation of Chicago, who has helped greatly in developing certain of these ideas, especially those related to the strike ballot. That is a very significant part of the new legislative proposal. Those who are familiar with labor legislation will recognize the fact that Mr. Franks is not a newcomer to the field of labor. He was, as a matter of fact, for 28 years, connected with the Railroad Brotherhoods. His statements and writings in this field have come to the attention of a great many people. He served as the national business agent for the Switchmen and Yardmaster Brotherhoods for a long period of time.

Mr. President, let me say, in calling this proposed legislation to the attention of Congress and the country, that I have already conferred with the chairman of the subcommittee headed by the Senator from Massachusetts [Mr. KENNEDY]. I have discussed the proposed legislation with him. He has agreed to accept a statement pointing out what I consider to be the values and virtues of this proposed legislation, as a part of the hearings on the legislation, since the oral hearings have been about concluded.

In summary, what my proposed bill does is to provide for the election of officers and for a nominating procedure by a formula which includes both the secret ballot and an honest count, so that those who belong to unions will be able to control their destiny, so far as it can be controlled, by the election of officers of their choosing and the election of responsible and respectable individuals as their union heads.

Secondly, it brings into play orderly procedures of democratic decision for conducting a strike vote, and it employs the mechanism of the secret ballot and an honest account.

In the third place, it eliminates racketeers and crooks from eligibility as officers of a union. Our hearings under the chairmanship of the Senator from Arkansas [Mr. MCCLELLAN] sometimes became quite nauseating to those of us who had to sit where we watched a parade of racketeers and crooks and thugs and plug-uglies, who sat in front of us—who were known to be officials of labor unions, known not to have any concern whatever for the welfare of the workingmen, and known to be utilizing their offices to steal funds of the workers and betray their interest—cringing and hiding behind the fifth amendment.

This type of crooked union leadership would be eliminated by my bill, because at least those with past records of infamy so great that the States in which they live deny them the right to vote because of the seriousness of their crimes could not be fastened upon the shoulders of the fine, honest, decent, patriotic men and women who belong to the trade unions of America.

In the fourth place, the bill provides a fiduciary relationship between the union officers and the members of the union, so that the officers cannot with impunity betray union members, who have paid from their sweat and their toil assessments and dues sufficient to accumulate these vast funds under the heading of pension funds or welfare funds, or whatever they are, until they now represent hundreds of millions of dollars. These vast funds should be kept in reserve to protect the rights and interests of the rank-and-file union men and women, not, as our committee hearings have disclosed, used to promote and benefit corrupt self-seeking labor leaders for their selfish purposes.

Under my proposed legislation that practice would be abruptly stopped and completely prevented by placing these officers in a fiduciary relationship, punishable by court action and providing for reports to protect the interests of the rank-and-file, dues-paying members.

Finally, the proposed legislation provides adequate enforcement provisions to make certain that these reforms shall be effected.

The bill has been evolved by an honest effort to give decent labor unions and their members the power, the right, and the procedures to clean up their own unions whenever such a cleansing is required or is necessary.

I cannot conceive how any decent, honest, upright labor leader in America can conscientiously oppose a single factor in the bill. The bill simply provides that code of good behavior which the public and the working men and women have a right to expect from upright, honorable, respectable, and responsible labor leaders.

I certainly cannot conceive how any rank-and-file trade unionist in America could oppose a single paragraph or a single phrase in the proposed legislation, because every word and syllable is designed to protect him and his American rights and his dignity and interests as a human being.

I do not believe the laboring people of America are afraid of themselves or afraid of their power to govern their unions. I think they will welcome, as is indicated by the tens of thousands of communications we have received, legislation which will give them the tools with which to do the job which so many of them realize, better than you and I, Mr. President, needs very urgently to be done.

I do not think, as a matter of public relations, that any labor union even representing only the interests of the bosses can possibly describe the proposed legislation as being antilabor or antiunion. I submit there has never been a bill introduced which has been more prolabor and prounion, particularly thinking in terms of the dues-paying members, than this bill. It has been evolved from the evidence which I had the privilege to watch and to hear and to analyze during my past 2 years of service on the select committee headed by the distinguished senior Senator from Arkansas [Mr. MCCLELLAN], the committee which has just this week been extended for another year of service, and the committee which, I believe, probably has more evidence available to it on this subject than any other committee of either House of Congress has ever had in this area of activity.

We have devoted long hours, many days, many weeks, and many months to the hearings, and we have had the assistance of a large, well-trained staff to explore this problem and to try to find an answer to it.

UNIVERSITY OF MICHIGAN LIBRARIES

I cannot escape the conviction that by approaching the problem in this manner we will provide a challenge to the workers of America to do those things which they want to have done, so as to operate their unions in their own way, with honest, responsible leadership. I believe, Mr. President, that rank-and-file labor in America will respond magnificently to that challenge. They want their funds safeguarded and protected with the same rights which you and I and our constituents back home expect to enjoy, including the right to make decisions in polling places in secret ballot. They want to have their ballots counted honestly in the direction in which they are cast, not perverted, not destroyed, not miscounted, not taken up into a cabin on a mountainside, as some union ballots were taken to a California mountainside, as was explained in the evidence before our committee. The American working men and women want to have the same honorable and honest electoral procedures which we ourselves insist upon as we become candidates for the offices we hold.

Mr. President, I yield the floor.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

FEDERAL AID TO EDUCATION—RESOLUTION

Mr. JAVITS. Mr. President, I present, for appropriate reference, a resolution adopted by the Northeast Queens Council for Schools, of New York City, relating to assistance on a grant basis to help meet the problems of inadequate facilities and teachers' salaries. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY NORTHEAST QUEENS COUNCIL FOR SCHOOLS

Whereas there is still a serious shortage of classrooms and of teachers requiring emergency action on the part of the Federal Government; and

Whereas limited financial resources available to many communities are not adequate to support construction programs of sufficient size to eliminate their classroom shortages and not sufficient to provide proper compensation to their teachers; and

Whereas the national interest requires that the Federal Government assist State and local governments in solving these pressing problems: Therefore be it

Resolved, That the Federal Government provide Federal financial assistance on a grant basis to help meet the problems of inadequate facilities and inadequate teachers' salaries by enacting such Federal aid to education legislation in 1959.

ESTABLISHMENT OF RURAL ELECTRIFICATION ADMINISTRATION AS AN INDEPENDENT AGENCY—RESOLUTIONS

Mr. CURTIS. Mr. President, the Nebraska Rural Electric Association met in State convention this week and adopted several resolutions. I ask unanimous consent to have one of those resolutions printed in the RECORD, and appropriately referred. The resolution endorses the bill which I have introduced to make the REA a separate agency. A similar bill has been introduced by Representative BROCK, of my State.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas Congressman LARRY BROCK and Senator CURTIS, both of Nebraska, have proposed legislation which would establish the Rural Electrification Administration as an independent agency outside of the Department of Agriculture; and

Whereas said proposed legislation would be for the best interest of the rural electrification program: Now, therefore, be it

Resolved by the Nebraska Rural Electric Association, That the association go on record as favoring the proposed legislation sponsored by Congressman BROCK and Senator CURTIS so as to establish the Rural Electrification Administration as an independent agency.

Mr. CURTIS. Mr. President, I also ask to have printed in the RECORD, and appropriately referred, a resolution endorsing the same measure adopted by the Upson County Electric Membership Corp. board of directors of Upson County, Ga. Reference is made to the bill introduced by me and the distinguished Senator from Georgia [Mr. RUSSELL].

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

THE UPSON COUNTY ELECTRIC MEMBERSHIP CORP. BOARD OF DIRECTORS

RESOLUTION

Whereas Senator CARL T. CURTIS, of Nebraska, has introduced in the U.S. Senate a bill to take the Rural Electrification Administration out of the U.S. Department of Agriculture altogether and make it an independent agency; and

Whereas Senator CURTIS was joined in introducing this measure by our own distinguished Senator RICHARD B. RUSSELL; and

Whereas the board of directors of the Upson County Electric Membership Corp., the majority of whom have been in the REA program since its inception and can testify that when the Rural Electrification Administration was an independent agency and was not compelled to answer to the political whims of the U.S. Department of Agriculture, it made great progress, and demonstrated that REA can operate independently in a highly successful manner as it was originally conceived to do by the Congress of the United States: Therefore be it

Resolved by the board of directors of the Upson County Electric Membership Corp., That we highly approve the action taken by the aforesaid Senators, and compliment them on their foresight for taking such action; and be it further

Resolved, That the members of the Georgia delegation in the Congress of the United States support the measure introduced by Senator CURTIS and our own Senator RICHARD B. RUSSELL.

Passed and approved this 21st day of January 1959.

(Signed) W. A. Gordy
W. A. GORDY,
President.

Attest:

J. C. WOODSON,
Secretary-Treasurer.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 997. A bill to clarify the law and express the intent of the Congress with reference to the distribution and sale of complex mechanical products through small business and other independent concerns, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RUSSELL:

S. 998. A bill for the relief of Robert Brace Penn Crawford; to the Committee on the Judiciary.

By Mr. MORSE:

S. 999. A bill for the relief of Lee Mei Yee; to the Committee on the Judiciary.

S. 1000. A bill to prohibit the inclusion in any deed transferring real property within the District of Columbia of any provision restricting the sale of such property to members of any racial group; to the Committee on the District of Columbia.

(See the remarks of Mr. MORSE when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. DOUGLAS (for himself, Mr. MURRAY, Mr. NEUBERGER, Mr. MORSE, Mr. CHURCH, Mr. PROXMIRE, Mr. GRUENING, and Mr. HUMPHREY):

S. 1001. A bill to authorize the establishment of the Indiana Dunes National Monument; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. DOUGLAS when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S. 1002. A bill to establish standards protecting the rights of rank-and-file members of labor organizations by providing democratic procedures in the election of officers and delegates of such organizations; the protection of funds created from dues and assessments collected from members; the safeguarding of their rights of self-determination; and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MUNDT when he introduced the above bill, which appear under a separate heading.)

PROHIBITION OF RESTRICTED COVENANTS IN THE DISTRICT OF COLUMBIA

Mr. MORSE. Mr. President, this morning, February 6, the Washington Post carried an editorial entitled, "Restricted Covenants." Because of the pertinency of that editorial to the comments I am about to make, I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RESTRICTED COVENANTS

Witnesses in the Civil Rights Commission's hearing on racial discrimination in housing have made a special point of how far Washington falls below the ideal of equality in this matter. Despite the decision of the Supreme Court some years ago that restricted covenants cannot be enforced in the courts, they remain on the books in a considerable number of communities in Washington and its suburbs. The result is that Negroes, Jews, and some other groups are denied equal rights in housing in the Nation's Capital.

Only the complete elimination of prejudice will wipe out this sort of discrimination. But there are additional steps that could

be taken by the local government and Congress. Dr. Irving M. Engel, president of the American Jewish Committee, urged, for example, that Congress enact a law forbidding the recording of deeds that purport to restrict the sale of property to members of any racial group. Such a law would not end discrimination in housing, but it would be a salutary example of the right direction in which to travel.

Mr. MORSE. Mr. President, the testimony of Mr. Irving M. Engel before the Civil Rights Commission which occasioned the editorial carried a plea for congressional action to abolish this type of discrimination in housing.

Mr. President, I do not believe in any arrangement which seeks to perpetuate discriminatory treatment of a human being upon grounds of race, color, or religion.

I send to the desk for appropriate reference a bill to accomplish Mr. Engel's purpose in the District of Columbia. I ask unanimous consent that the text of the bill be printed at this point in my remarks.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person who, in conveying or transferring the title to any real property in the District of Columbia, employs a deed, contract, or other instrument which contains a provision the effect of which, if enforcible, would be to prohibit the sale of such property to members of any racial group, or who, in conveying or transferring the title to any real property in the District of Columbia, enters into any agreement, contract, or other arrangement relating to any such conveyance or transfer the effect of which, if enforcible, would be to prohibit the sale of such property to members of any racial group, shall be fined not more than $1,000 or imprisoned not more than 1 year, or both.

SEC. 2. As used in this Act, the term "person" means any individual, partnership, association, corporation, legal representative, trustee, trustee in bankruptcy, receiver or any organized group of persons.

Mr. MORSE. Mr. President, in explanation of the language of the bill, I wish to make it crystal clear that by the language used I intend, and I hope that the intent of the Congress as it passes this bill will be, to outlaw any form of restrictive covenant based upon race, color, or religion, whether it be by the vendor or his agent, or whether or not the vendor or his agent be resident within the District. The language applies to the instrument whether it is a deed or a contract, or whether it is in the form of a supplementary side agreement.

Senators will note that in the language of the bill I have not tried to eliminate the evil of the restrictive covenant by forbidding its being recorded. There is a very practical reason for this. Such language might have had the undesirable consequence of penalizing an innocent buyer who could, under that procedure, find himself in the position of being unable to obtain title to his bought property. An unscrupulous vendor, by the inclusion of a restrictive covenant, would then remain the owner of record and would be in the position of perhaps selling the same piece of property many times over fraudulently. No, Mr. President; this evil should be scotched at the source. By imposing sanctions against the seller or his agent, I have provided in this proposed legislation a built-in safeguard which will make it to the interest of every real-estate broker or lawyer engaged in the conveyance of real estate to eliminate these restrictive relics of past injustice from the deeds they convey.

I ask that the bill be appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1000) to prohibit the inclusion in any deed transferring real property within the District of Columbia of any provision restricting the sale of such property to members of any racial group, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on the District of Columbia.

INDIANA DUNES NATIONAL MONUMENT

Mr. DOUGLAS. Mr. President, on behalf of myself and Senators MURRAY, MORSE, NEUBERGER, CHURCH, PROXMIRE, GRUENING, and HUMPHREY, I introduce, for appropriate reference, a bill to authorize the establishment of the Indiana Dunes National Monument.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1001) to authorize the establishment of the Indiana Dunes National Monument, introduced by Mr. DOUGLAS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. DOUGLAS. Mr. President, I first introduced this bill in the 85th Congress as Senate bill 3898. I now introduce a similar bill with some perfecting amendments.

Mr. President, the purpose for which I introduce this bill is to preserve for all of the citizens of our country a priceless piece of geologic and botanical history which is unique on the Western continents, or, indeed, in the world.

This bill provides that the Secretary of Interior is authorized and directed to acquire by gift, purchase, or condemnation, the unspoiled areas of not more than 5,000 acres situated in the State of Indiana on the shore of Lake Michigan, generally known as the Indiana Dunes, but including the unspoiled forests, dunes, beaches, bogs, and landscapes in which plant and animal life from many kinds of terrain are collected in a small space by a geological accident of history. It is a space attractive to the layman for the unspoiled nature which still is to be found in the shifting sands, and to the scientist for the variety of nature's gifts which are uniquely gathered together at this spot. The bill provides that not less than 50 percent of the cost of such lands as are acquired by the Secretary of Interior shall be procured by donation or with donated funds. The established communities of Ogden Dunes and Dune Acres are specifically excluded from the provisions of the bill.

Senators may well ask why a Senator from Illinois should take the lead in preserving this area which lies in the State of Indiana. Mr. President, the importance of these dunes transcends the claims of a single State. But, Mr. President, many citizens of the State of Indiana have written to me asking that I assist them to preserve this area for the citizens of Indiana and other States. And, Mr. President, I invited the honorable Senators from the State of Indiana to join me in support of this legislation, and I shall be glad to have them join me when the many benefits of this bill shall have, on their own merits, won them to the same point of view.

In the meanwhile, I feel that the issues at stake are of significance to all of our States.

This is no new proposal. Forty years ago, when our national park system was created by the initiative of a great public citizen, Stephen T. Mather, this was one of the particular areas to which he directed special attention, along with the great Yellowstone area, which is one of our great national parks.

Why has this area been of interest to all of us who seek to preserve an essential system of national parks and monuments?

Mr. President, this area originally occupied 25 miles of uninterrupted Lake Michigan shoreline. Even 40 years ago, it was a mecca for citizens of more populous areas of northern Indiana and of Chicago, who sought the refuge of natural surroundings. The efforts of Stephen Mather, Horace Albright, and the writer and artist, Earl Reed, to authorize the establishment of the area as a national park were interrupted by the First World War. Progressive waves of industrialization have encroached upon this original stretch, until today there are only 4 left of the original 25-mile strip. This 4-mile strip is in serious jeopardy today, Mr. President. We seek to preserve this small part which remains.

Let me describe the features of this remarkable area.

First, we have an outstanding example of Lake Michigan sand dunes: a living, moving landscape of great beauty and considerable scientific interest.

The glaciers which came before history began also later receded, carrying with them seeds of plants originally growing much farther south and much farther north. They deposited these seeds at this spot and now there exist in this small space many southern plants which cannot ordinarily be found this far north, as well as northern plants which cannot ordinarily be found this far south. So we have here a mixed garden which cannot be duplicated anywhere in the world. I call upon my southern colleagues to unite with me in supporting the preservation of this fine example of cooperation and creativity transcending regional differences.

We have here one of the few remaining way stations for migratory birds in the Midwest. More than 100 species of birds nest here.

UNIVERSITY OF MICHIGAN LIBRARIES

The dunes also are significant in the history of our continent. The Indians crossed this area before the white man came, and I have found with my own feet traces of the footprints they left and the paths they trod hundreds of years ago. After the arrival of European settlers, trappers and traders, missionaries and warriors, crossed by this route. In 1675, Marquette passed through, shortly before he died near Ludington. La Salle came in 1677 on his way to Montreal. Pontiac captured Little Fort, a site near Tremont, in 1754. The Spanish occupied the area in 1781; and in 1803 soldiers passed through on the way to build Fort Dearborn.

Scientists, too, have long been interested in the area. To quote from Stephen T. Mather:

> The sand dunes are admittedly wonderful, and they are inherently distinctive because they best illustrate the action of the wind on the sand accumulated from a great body of water. No national park or other Federal reservation offers this phenomenon.

The geologist, Prof. T. C. Chamberlain, describes the creation of the dunes as follows:

> This earth of ours is a living, active organism constantly reshaping itself * * * selecting and assorting its material.
>
> The dunes are themselves a beautiful expression of the selective and accumulative action of nature. * * * The material that is washed from the banks of the lake is exceedingly mixed material. But the waves at once begin a selective process. * * * The dirty material * * * is washed out and deposited in the deeper and quieter waters. The coarser material is left * * * along the shore and then the waves wash that up and down * * * and at length * * * part is thrown up by the action of the waves and left to dry on the beach.
>
> The strata of earth are derived from mixed material in this way and have been so derived for millions of years. * * * But the dunes illustrate a cooperative action on the part of the wind. This * * * material is caught by the wind and drifted forward until it finds lodgment, and this lodgment illustrates the power of the wind, the turmoil to which the basal part of the atmosphere is subjected; and out of that come these beauties.

The eminent botanist, Prof. Henry C. Cowles, reports that when he had the pleasure of conducting a number of great European scientists through our country, on a schedule which permitted them to visit only three or four of our great natural wonders, they chose the Grand Canyon, Yosemite, Yellowstone Park, and the Indiana Dunes, out of all of the wonders which they might have seen. He reports:

> There are few places on our continent where so many species of plants are found in so small a compass. * * * Within a stone's throw of almost any spot one may find plants of the desert and plants of rich woodlands, plants of the pine woods, and plants of swamps, plants of oak woods, and such plants of the prairies. Species of the most diverse natural regions are piled here together in such abundance as to make the region a natural botanical preserve. * * * Here one may find the prickly pear cactus of the southwestern desert hobnobbing with the berrberry of the arctic and alpine regions. * * *
>
> Nowhere perhaps in the entire world of plants does the struggle for life take on such dramatic and spectacular phases as in the dunes. A dune in the early days of its career is a moving landscape, a place that is never twice alike; it is a body of sand which, under the influence of wind, moves indifferently over swamp or town or forest. Perhaps nothing in all nature except a volcano with its lava flow is to be compared with such a moving dune.

Since 1916, the factories and mills have crowded over the Lake Michigan shore from the other side of Chicago back eastward into Indiana. All that is left is Indiana State Park with a 3-mile shoreline, and about 4 miles of unused shoreline. It is this remaining 4 miles which we seek to protect.

Without action, these last 4 miles will be overrun also, as have been the other 20 and more miles formerly covered with these beautiful dunes. Plans are already being made, and bulldozers are already starting to turn the area into slag piles, mills, wharves, with their accompanying pavements, noise, and smoke and air pollution. Ownership of much of the area is presently in the hands of Bethlehem Steel and National Steel. The Corps of Engineers has blueprints of a harbor which would cut right through the middle of the dunes. Mills would be constructed on the site and would damage the neighboring State park with the noise and air and water pollution. In the present dune's area which lies outside the State park, historic trails would be eliminated; botanical and biological exhibits would be uprooted; migratory bird stations would no longer exist; wildlife would be homeless; bogs would be drained, and the living and moving landscape would be eliminated forever and the area would be turned into an asphalt jungle.

Mr. President, we all know that industrialization and jobs are important from many points of view: We need more production and more employment in Indiana as well as in other parts of our Nation. Indiana has gone to considerable efforts to attract industry, and her efforts deserve to be rewarded. The Bethlehem and the National Steel Corp. have shown wisdom in choosing the Calumet area for their projected expansion, for this area has much to offer heavy industry in natural advantages and in available skilled labor supply. But there are other areas in Indiana besides these sand dunes nearby which would prove equally suitable in the long run and which would cost nothing in terms of conservation of our national heritage. Let me make it clear that we in Illinois do not want to take this steel mill for ourselves. We want it to be in Indiana. But there are other places along the Indiana lakefront where it can be located.

I cannot believe that when the boards of directors of these great companies have fully weighed the facts and conquences of placing their plants in this natural park that they will insist upon going ahead with this plan.

I hope that they will feel as we feel who want to preserve the remaining areas of natural wilderness, and spare this strip of shoreline so that we may save it for the people of the Nation.

The matter has already attracted widespread national interest.

The Advisory Board on National Parks, Historic Sites, Buildings, and Monuments of the Department of the Interior has recommended steps for the protection of the area to the Secretary of the Interior. We have the wholehearted support of many fine conservation groups, including the National Parks Association, the Garden Clubs of America, Indiana State branch; the Save the Dunes Council; the Indiana Federation of Women's Clubs; the National Wildlife Federation; the Wildlife Management Institute; the Wilderness Society; the Council of Conservationists, Inc.; the American Nature Association; the American Planning and Civic Association; the Conservation Council; Nature Conservancy; and others.

Mr. President, I ask that the Members of this body may give earnest study to this proposal and I hope that they will join in support of this bill to create the Indiana Dunes National Monument. I ask this in the name of the people of Indiana, to whom it should belong forever; in the name of the people of Illinois, who have enjoyed its beauties for many years; and in the name of all the people of the United States, who have a natural claim on the remainder of their natural resources, and who need park space and play space, as well as working and living space, if they are to live the full and happy lives which are the natural right of every American.

ADJOURNMENT UNTIL MONDAY

Mr. MANSFIELD. Mr. President, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 7 o'clock and 54 minutes p.m.) the Senate adjourned until Monday, February 9, 1959, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 6, 1959:

DEPARTMENT OF AGRICULTURE AND BOARD OF DIRECTORS, COMMODITY CREDIT CORPORATION

Clarence Ludlow Miller, of Kentucky, to be Assistant Secretary of Agriculture and to be also a member of the Board of Directors of the Commodity Credit Corporation.

DEPARTMENT OF DEFENSE

Herbert Frank York, of California, to be Director of Defense Research Engineering.

IN THE ARMY

Brig. Gen. Marshall Stubbs, O17706, U.S. Army, to be Chief Chemical Officer, U.S. Army, as major general in the Regular Army of the United States, and as major general in the Army of the United States under the provisions of title 10, United States Code, sections 3036, 3442, and 3447.

The following-named officers for appointment in the Regular Army of the United States to the grades indicated under the provisions of title 10, United States Code, sections 3284, 3306, and 3307:

TO BE MAJOR GENERAL, MEDICAL CORPS

Maj. Gen. John Frederick Bohlender, O17814.

TO BE BRIGADIER GENERAL, MEDICAL CORPS

Brig. Gen. James Hedges Forsee, O18265.

The following-named officers for temporary appointment in the Army of the United

States, to the grades indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

TO BE MAJOR GENERALS

Brig. Gen. Elbert DeCoursey, O17813.
Brig. Gen. William Carson Bullock, O17635.
Brig. Gen. Ralph Thomas Nelson, O17308.
Brig. Gen. Ralph Robert Mace, O17578.
Brig. Gen. Bruce Easley, O17735.
Brig. Gen. Clarence Jonathan Hauck, Jr., O18360.

TO BE BRIGADIER GENERALS

Col. John Lemoin Crawford, O19343.
Col. Floyd Lawrence Wergeland, O19599.
Col. Joe Calvin Lambert, O30033.
Col. Thomas Heber Lipscomb, O19371.
Col. Harry Lester Hillyard, O19524.
Col. Oliver Clark Harvey, O38776.
Col. James Benjamin Lampert, O20147.
Col. Howard McCrum Snyder, Jr., O20213.
Col. Fred Pierce Campbell, O20704.
Col. William Alexander Cunningham 3d, O19579.
Col. Clinton Stone Lyter, O18291.
Col. Horace Lake Sanders, O19445.
Col. Benj. Franklin Taylor, O20779.
Col. Berton Everett Spivy, Jr., O19479.
Col. Graydon Casper Essman, O19242.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299, subject to physical examination required by law:

TO BE CAPTAIN, MEDICAL CORPS

Nay, Leston B., Jr., O73578.

TO BE CAPTAIN, MEDICAL SERVICE CORPS

Molli, Louis J., O73472.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298. All officers are subject to physical examination required by law:

TO BE FIRST LIEUTENANTS

Arnold, Thomas W., O81576.
Ashby, Mason K., O83109.
Barrett, Francis X., O78220.
Bean, Robert H., O81580.
Bender, Richard C., O82309.
Bennett, Donald G., O81584.
Berg, Roland E., O77268.
Berrey, Thomas G., O82262.
Boyd, William A., Jr., O81588.
Boyle, Richard P., O72579.
Bratt, Clarence M., O78239.
Bruce, William A., O84073.
Bruno, Vito J., O81596.
Burns, Paul P., O79559.
Chapman, Donald G., O84075.
Chase, Charles R., O84076.
Collison, John M., O81606.
Correll, John E., O81609.
DiRuzza, Santi, O83649.
Donohue, John E., O81625.
Downey, Robert H., Jr., O81626.
Drury, Peter F., Jr., O77370.
Dugan, John E., O82267.
Eddy, Burton A., O84080.
Edmiston, Charles H., Jr., O81629.
Edwards, Donald M., O77374.
Fletcher, Edward N., O78304.
Flitcraft, Anthony D., O82324.
Foster, Robert G., Jr., O82270.
Fraley, Robert R., O82271.
Frye, Ray E., Jr., O81637.
Gamble, John F., O82272.
Gannon, Edwin W., O84082.
George, James R., Jr., O82326.
Goad, Robert E., O82273.
Grover, Dwight L., O82330.
Harnish, Albert G., Jr., O81652.
Hoge, Philip R., O78351.
Hooker, Cloyd T., O82277.
Huhn, John N., O78358.
Hurdle, Karl V., O78361.
Hurley, William P., Jr., O81644.
Jenson, Kenneth G., O78368.
Jones, Charles E., O82278.
Jones, Robert A., O82279.
Jones, Samuel H., Jr., O81675.
Kattar, Richard J., O82343.
Kelly, Alan C., O81677.
Lawson, Lawrence L., O81684.
Lins-Morstadt, Juan L., O81686.
Love, Thomas W., O82283.
Ludolph, Anthony A., Jr., O81690.
Marshall, Charles McL., O81696.
Maupin, Joe S., O81699.
McCulloch, William C., O82284.
McCurdy, Neal B., O82285.
McGoff, Leo F., Jr., O83659.
McWilliams, Fred M., O82286.
Mielke, Karl A., Jr., O78435.
Montgomery, Budd V., O82288.
Moore, William A., O84094.
Moore, William B., O82289.
Munster, Conrad H., O84095.
Nauman, Alan A., O82290.
Nelson, Thomas C., O82291.
Newbill, James P., O84098.
O'Bryan, William P., O81712.
Oyler, Leo E., Jr., O81714.
Pierce, Fred W., Jr., O81717.
Posz, Joseph D., O78469.
Pruniski, Stephen A., Jr., O81722.
Quirk, Edward T., O82292.
Risteter, Vincent A., O81726.
Robinson, Benjamin F., Jr., O72782.
Sandlin, Malcom R., O78490.
Schott, Richard S., O82294.
Sequin, Raymond J., O81738.
Shanahan, Norman K., O78497.
Shannon, Robert, O82295.
Shepard, William C., O78500.
Sheriff, Robert M., O84108.
Short, Kenneth M., O78502.
Smith, Glenn N., O81740.
Smith, Thomas A., O81743.
Sparks, Donald E., O83666.
Stevens, Charles T., O81745.
Thomas, Billy J., O81750.
Tolfa, Edward, Jr., O84536.
Tomlinson, Walter C., Jr., O82371.
Underwood, Frank E., O78531.
Vaughan, Charles U., O82302.
Walker, Billy M., O80231.
Wall, Kary D., O81757.
Wickware, Argle W., O81762.
Williamson, Robert L., O81764.
Winnicki, Philip W., O81766.
Wolterstorff, Jerrold D., O77791.
Wyatt, David L., O81770.
Young, Carl L., O82304.
Zeigler, Charles S., O78562.

TO BE FIRST LIEUTENANT, WOMEN'S ARMY CORPS

Husband, Patricia R., L549.

TO BE FIRST LIEUTENANTS, MEDICAL SERVICE CORPS

Chapin, George E., Jr., O76821.
Gensler, Herman H., O78680.
Johnston, Laurence, O80346.
Noble, Ralph E., O78685.
Ortega, Frank A., O81877.
Potin, James B., O83560.
Smith, Creed DeL., O76832.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, section 3294; title 10, United States Code, section 3291; title 10, United States Code, section 3292; title 10, United States Code, sections 3311, 3285, 3286, 3287, and 3288:

TO BE LIEUTENANT COLONELS

Blackwell, James M., MSC, O477035.
DiFusco, Manrico P., MSC, O401935.
Kuhn, George A., VC, O338576.

TO BE MAJORS

Akins, Everett H., VC, O357236.
Audet, Harold H., MC, O1705621.
Burgio, Joseph C., MSC, O1534689.
Coleman, Tyler S., MSC, O1544563.
Crandall, Francis N., MSC, O1000218.
Edwards, Corwin V., JAGC, O420935.
Filtsch, Frank E., MSC, O1545464.
Kielman, Edmund R., MC, O470074.
Myers, John W., MSC, O1323020.
Nye, Charles A., III, JAGC, O1165429.
Osteen, Wilson M., VC, O337585.

TO BE CAPTAINS

Adcock, Jerry L., VC, O4040364.
Ahlemeyer, Edward H., Jr., MC, O4073567.
Baker, Lillian E., WAC, L1010172.
Benner, James H., MSC, O966567.
Brantly, Ruth S., ANC, N900318.
Brown, Garry M., MSC, O1534925.
Brown, Heyward G., VC, O1918786.
Calmes, Paul M., MSC, O2047268.
Castleberry, William E., Jr., MSC, O1543962.
Caulder, Shelley L., DC, O2003346.
Cavagnaro, Mary M., ANC, N723481.
Covington, Albert A., JAGC, O2270143.
Dicker, Frank W., MSC, O994111.
Farmer, Billy L., MC, O2273744.
Feeley, Eugene J., MC, O4034527.
Ferebee, Constance L., ANC, N900015.
Fischer, George F., VC, O4022891.
Foley, Robert D., MC, O4022290.
Fontaine, Roger J., MC, O4022130.
Gauld, John R., MC, O4047639.
Gerster, Dorothy C., ANC, N735519.
Gibbs, Roland J., VC, O1920931.
Gregoratos, Gabriel, MC, O4067709.
Hughes, George M., VC, O1337576.
Hume, Joseph W., MSC, O2038851.
Joyce, Orlando H., MC.
Kammeraad, Lloyd A., MC, O4073663.
Kern, Marion L., ANC, N741993.
Kerrigan, Robert J., MSC, O2047023.
Knox, Lorraine P., ANC, N900099.
Kobrinsky, Samuel, DC, O4055988.
Koch-Weser, Jan, MC, O4039577.
Kono, Tom M., DC, 0981007.
Lampru, Paul D., VC, O4043193.
Lewis, Vivian B., ANC, N972279.
Lovelace, Bobby F., MSC, O2047411.
Maher, John R., MSC, O989629.
McGerity, Joseph L., MC, O4029297.
Mericle, Jack H., MSC, O1542153.
Obermeier, Bernard D., DC, O4056082.
Paxton, Annie D., ANC, N765775.
Pilger, Marion H., ANC, N758674.
Rojo, Fernando S., MSC, O1543795.
Rundle, Harold D., MSC, O976258.
Sheehy, Robert W., VC, O1735394.
Tierce, Millard L., Jr., VC, O465984.
Wagner, Donald L, MSC, O1999273.
Warne, Robert J., VC, O2104930.
Wasson, Val J., MSC, O978969.
Wiley, Hugh S., MC, O4030410.
Witt, Gustave J., MSC, O1288837.

TO BE FIRST LIEUTENANTS

Adams, Neil D., Jr., MC, O5701444.
Archambault, Claire A., WAC, L1010795.
Baginski, Lillian E., ANC, N901204.
Ballard, Anthony, MC, O5703039.
Barkley, Velma J., ANC, N901685.
Burns, Anthony J., MC, O1890990.
Culf, Norris K., Jr., MC, O4014802.
Davis, Barbara A., AMSC, M3050.
Dolley, Thomas R., MSC, O1933482.
Downs, Peter E., MC, O2284102.
Freidhoff, Erla J., ANC, N902464.
Fristad, Fern E., ANC, N900454.
Gilson, Claire E., ANC, N754914.
Hall, Ruth M., ANC, N900026.
Harle, Thomas S., MC, O2284093.
Hollowell, Opie W., MC.
Howe, Patrick A., MC, O4017692.
Jack, Marious K., MC, O5703074.
Johnson, Robert M., DC., O4000739.
Johnston, Sharon C., ANC, N902646.
Jones, Donald A., MC, O2288852.
Kay, Robert E., MC, O5500738.
Labelle, Ronald E., DC, O5500991.
Loftin, Richard L., VC, O1942082.
Lynch, Robert E., MC, O4002668.
Lynde, Patricia A., AMSC, R2726.
Madjedi, Ahmad, MC.
Matthews, John C., MC, O1940218.
McFarland, Joseph H., MSC, O1933454.
Morrison, Elliot I., MC.
Noble, Joseph W., MC, O4027890.

Oakes, Richard G., VC, O4061286.
O'Donnell, Matthew B., Jr., JAGC, O2276837.
Pfeiffer, Violet R., AMSC, M20200.
Ross, Curlee, MC, O2285121.
Saari, James T., DC, O2284865.
Sanford, Douglas M., MC, O5003926.
Simmons, Heber S., Jr., DC, O2289385.
Slaughter, Lee D., MC, O2284575.
Snyder, Frances E., ANC, N805334.
Sovenski, Joan C., ANC, N901810.
Stoehr, Bruce J., MC, O4003622.
Wahl, James F., Jr., DC, O2289682.
Walker, Robert G., MSC, O1332760.
Wehland, Charles E., JAGC, O2293676.
White, Charles T., MC, O1880966.
Wilkes, Clyde H., Jr., DC, O2289790.
Zlotsky, Norman A., MC, O2288916.

TO BE SECOND LIEUTENANTS

Adams, Louis H., MSC, O4058776.
Dawson, William J., MSC, O4051344.
Greene, Marion E., Jr., MSC, O2291346.
Johnson, David E., MSC, O2276873.
Joyce, Brendan E., MSC., O2281251.
Lafleur, George J., MSC, O2289775.
LaRock, Ethel B., ANC, N901448.
Lupien, Earle E., MSC, O2284190.
Pascal, Harold S., MSC, O2289644.
Stowe, Charles L., MSC, O2028354.
Whitman, Annie M., WAC, L2287139.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

TO BE MAJORS

Ammerman, Howard E., Jr., O436130.
Baker, Francis J., O1035646.
Brondstatter, Wallace W., O1646257.
Brooks, George, O450807.
Buckles, Ronald J., O372058.
Bunton, Raymond B., O1104534.
Campbell, C. D., O1046740.
Dunson, Noble H., O1037355.
Guss, Stephen John, Jr., O1950359.
Hindman, Thomas O., O1046488.
Hostetter, Charles A., O1039044.
Leonard, Willliam B., O1555850.
Logan, Robert M., O389737.
Macidull, Joseph C., O1639497.
Marcelle, David A., O397220.
Marschhausen, John C., O1175224.
Marshall, Robert B., O390594.
McCallister, James L., Jr., O361332.
McConnell, Donald W., O1183126.
McFarland, B. J., O1167537.
McKenzie, Don H., O2010598.
Murray, William H., O2011085.
Muttoni, Donald S., O2018735.
Newton, Cleon H., O1796141.
Oldham, Leo G., O387058.
Partridge, Selden H., O1559240.
Syme, James O., Jr., O1583748.
Thornley, James F., O1650774.
Van Hazel, George J., Jr., O1825089.
Willoughby, Glen, O1012094.
Zidar, James J., O1535996.

TO BE CAPTAINS

Abbot, Lael J., O1888875.
Acheson, Leonard D., Jr., O554422.
Aldridge, George W., Jr., O963029.
Ashby, Claude T., Jr., O1924987.
Atchison, Eulen D., O2021871.
Aude, Peter N., Jr., O2210528.
Bacon, Leonard A., O1893884.
Bale, John J., O2032936.
Barclay, Robert H., O1924871.
Berry, Thomas S., O995962.
Blanchard, Howard B., Jr., O2273575.
Brinson, William J., O1889985.
Brockman, Harry J., O2274649.
Byrd, James C., O2004933.
Calnan, Francis M., O1593103.
Calvert, Charles L., O2205752.
Campbell, Joseph L., O1920140.
Collins, John G., O1876390.
Daly, James J., O1889698.
Dickerson, Gerald T., O552738.
Durham, Morris C., O2207812.
Eggert, Dalton D., O1637351.
Eidecker, Earl E., O989731.
Estes, Billy G., O1893865.
Feeney, Thomas J., O963569.
Ford, Francis J., O988164.
Fricke, Charles J., O2003851.
Frydendall, Jerry D., O2103570.
Glore, Ray C., O1925706.
Gordon, William T., O2206212.
Grandinetti, Dominick J., O1301475.
Haddock, James O., O2014787.
Hafers, Ernest R., O1885607.
Haggerty, John P., O2201638.
Hagreen, Frederick H., Jr., O2021261.
Harrell, James L., O1913369.
Hartman, William F., O1331504.
Henry, Robert T., Jr., O407744.
Hill, John P., O2202024.
Hoey, Edison V., O1878769.
Horne, Carlton R., O2045028.
Johnson, Paul R., O2042048.
Kendrick, James H., Sr., O1334470.
Kerr, Thomas J., O996575.
King, Jimmie, O1861875.
Kirkwood, Clifford T., O1876154.
Koob, Robert A., O2033590.
Lacey, Vernon L., O2207407.
Lee, Robert C., O993046.
Mack, Edward, O990094.
Marshall, Billy E., O2207749.
Marvel, Edgar E., O1825922.
Maxwell, John J., O2000561.
McClure, Joseph W., O945283.
McCluskey, Joseph E., O1338110.
McLean, Floyd W., O2005407.
Mennicke, Victor O., O998377.
Miller, Richard G., O1335337.
Nevins, Robert H., Jr., O2021005.
Newell, Joseph C., O422365.
Norton, James M., O1920219.
Opdyke, Minott S., O2014741.
O'Steen, Ernest C., O2028351.
Parker, Joseph E., Jr., O968523.
Powell, Charles J., O1324649.
Pruett, Jack G., O986458.
Rausch, Arthur R., O1039521.
Ray, Leonard C., O975137.
Render, Bernard L., O991638.
Resendes, Daniel F., O942990.
Roller, Harry N., O1080957.
Rollier, Robert L., O967812.
Rooney, John J., O1877145.
Ross, Paul E., O1035173.
Rothwell, Joseph B., O1057586.
Sands, Carthel L., O2265621.
Schwartz, Douglas, O1047319.
Soberick, Thomas, O2028526.
Spence, Soren E., O1032490.
Stevens, Story C., O1186859.
Stocker, Lee J., O1890829.
Stone, R. E., O956213.
Stoverink, Robert I., O1876362.
Taylor, Victor C., O1180069.
Teigland, Virgil R., O969664.
Thomas, Raymond P., O449334.
Thompson, Robert I., O993189.
Tucker, Jesse F., Jr., O1915855.
Tunnell, Teddy B., O1334520.
Turek, Charles E., O1873760.
Uhland, Herbert W., O1338417.
Vega, Antonio, O1591497.
Wasco, Joseph, Jr., O470134.
Wells, Jake, O2012250.
White, James T., Jr., O2284187.
Willett, Curtis L., Jr., O2204324.
Williams, Charles E., O2096705.
Wilson, Max J., O996721.
Yakimovicz, Floryan L., O1020522.
Young, Harold G., O1876482.
Yurko, Joseph J., O995246.

TO BE FIRST LIEUTENANTS

Aldrich, Herbert C., O1893147.
Allison, Willie E., O4045136.
Amlicke, John G., O4037709.
Anderson, Robert C., O4013991.
Asbelle, Charles T., O4011532.
Baxter, George M., O4026903.
Bean, Calvin R., O1930856.
Bearden, Winston H., O4024162.
Bell, Joel H., O4034187.
Bergquist, Robert L., O4038195.
Boswell, Aubrey R., O4025372.
Boswell, John R., O4049898.
Bourgeois, Edward J., Jr., O4014924.
Boyle, Willard F., O4014925.
Bracken, Glenn A., O1925750.
Breeding, William B., O4012450.
Brendel, William J., O4040954.
Brown, Donald R., O1881865.
Bullock, Charles A., O1939692.
Cambell, Chester F., O4020835.
Camper, William C., O1932008.
Carlson, Earl C., O1887406.
Cauthen, John R., O1888619.
Chezem, Jimmie A., O1887408.
Coleman, Willie A., O1878941.
Conway, Burton J., O4036093.
Cooke, Richard R., O4006660.
Crain, James W., O40557241.
Crosum, Clifford A., O4006405.
Crow, Marvin S., O4032863.
Crowder, Thomas M., O4058694.
Daoulas, Arthur, O4021268.
Darrah, Robert F., O4040864.
Daugherty, Paul R., O2269878.
Davis, Jack C., O1913469.
Day, Raymond, O4041986.
Dehrkoop, Clinton B., O1940739.
Ellis, William L., O4003532.
Evangelos, Christos J., O2028447.
Faugust, Robert E., O4040961.
Fene, William R., O4025407.
Fisher, Saul H., O4026977.
Flanagan, William J., Jr., O4051383.
Flynn, Thomas J., O4006808.
Fox, Bernard J., O4005194.
Fujii, Eugene I., O4017749.
Graber, Roy W., Jr., O2203802.
Hickson, Edgar G., Jr., O4029188.
Hilty, James R., Jr., O2265040.
Hodges, Stanley W., O4006721.
Howard, McErvin, O1880060.
Huffman, Roy T., Jr., O2207188.
Huggins, Charles B., O4042892.
Hughes, Philip B., O1892761.
Hukill, Phillip E., O1933340.
Hunt, Jim I., O1932235.
Jacobs, Norman P., O1935451.
Jordan, William R., O2003401.
Keister, Leland W., Jr., O1882658.
Keller, Leonard, O4026991.
Kennington, Roy A., O2004793.
Kenyon, Peter B., O4053008.
Killion, Edward P., O1893034.
King, John W., O2263630.
Kingery, Michael I., O4019634.
Leonard, Robert R., O1891479.
Levinson, Stanley R., O4018117.
Liesman, John S., O4040607.
Lilley, Aaron L., Jr., O4026533.
MacKnight, Allen B., O4042665.
Marks, Malcolm L., Jr., O4025837.
Massengill, James R., O4023533.
Matson, James M., O4018391.
Mattson, Bertil E., O4040187.
McCarthy, James E., O1936579.
McClary, Jack D., O4024431.
McCormick, Richard L., O1930228.
McDonald, Harold F., O1937916.
McGee, Calvin A., O1926070.
McGraw, Russell M., O4013836.
McLaughlin, Kenneth L., O1891353.
McQuade, John P., O1937043.
Metallo, Vincent J., O4004564.
Meyer, Richard W., O982918.
Miller, Oliver J., O1879696.
Miller, Richard J., O2289472.
Moran, William J., O4010262.
Morris, Henry F., O4002955.
Murry, George S., O1931018.
Neal, Beverly L., O1935275.
Nicholson, Thomas G., O1939320.
Norris, Frank D., O4025607.
Northcutt, Maurice L., O979251.
Patton, Joe W., O4024398.
Perrotto, Anthony J., O4010231.
Pershing, Jay W., O4017863.

Petersen, Darwin A., O4018094.
Phillips, Benjamin M., III, O2264183.
Pohlod, Leonard G., O4004307.
Pope, Donald E., O1933755.
Presley, James N., Jr., O4040394.
Putnam, Earl L., O4048418.
Randall, Starr D., O4013711.
Rhyan, Earnest W., Jr., O1941230.
Richards, Joseph F., Jr., O4009528.
Ruskauff, Donald R., O4016219.
Saffold, Albert T., O1879174.
Sakayeda, Mitsuo, O1927512.
Sampson, Eldon F., O1886076.
Sawyer, Donald E., O1926558.
Settle, Thomas A., O4058617.
Setzer, Howard L., Jr., O4042573.
Shalz, Roger M., O4027815.
Sheets, William E., O4041317.
Sibert, Robert L., O4034862.
Simpson, Billy S., O4031591.
Skinker, Harry J., O4002244.
Slesnick, Bruce W., O4001452.
Stallings, David W., O4034782.
Stewart, Denzil S., O4013978.
Swadell, Robert A., O1885750.
Teague, Gwynn A., O4048365.
Thompson, Harold N., O1940417.
Towle, Thomas J., O4038884.
Vogentanz, Peter G., O4010643.
Wall, Henry L., Jr., O4012686.
Wangenheim, Richard M., O4052938.
Waters, George D., O2283020.
Watson, Elmer E., O2263786.
Westphal, Ralph E., O1939376.
White, Dean, O1933703.
Whiteley, James E., O4027539.
Williams, Nelson E., O4047825.
Wingfield, Damon D., O1939818.
Young, Clarence J., O1879319.
Yuengel, William W., O2283518.
Zook, Kenneth A., O4050443.

TO BE SECOND LIEUTENANTS

Abene, Gasper V., O4074871.
Allanson, Will B., AO3017755.
Anderson, Joseph L., O4076082.
Arehart, Henry W., Jr., O4062564.
Arnold, Robert W., O4061955.
Ault, John W., Jr., O4074355.
Barber, James J., O4074649.
Barborak, Franklin D., O4048224.
Barrett, Robert C., Jr., O5502803.
Barrett, William T., O4076342.
Bassett, Gordon C., O4061027.
Baun, Richard A., O4069497.
Bernard, Richard T., O5400680.
Biberstein, Billy J., O4060132.
Biernacki, Richard G., O4064502.
Binder, Fremont E., O4060897.
Bivings, Donald E., O5302112.
Bowden, John J., O4075377.
Bower, George L., O4076344.
Briggs, Charles F., O4060309.
Briggs, Richard A., O4077206.
Briggs, Thomas J., O4047643.
Bronson, Richard M., O4059804.
Brown, Bernard B., O4064237.
Brown, Joseph F., III, O5201597.
Bryant, James W., O4059635.
Bryant, Thomas E., Jr., O4063366.
Bull, L. M., Jr., O5400085.
Burford, John S., O2279472.
Burke, Francis J., Jr., O4064911.
Burrow, George D., O5301841.
Burton, Donald L., O4049529.
Bustard, William J., O4064186.
Calhoun, Charles C., O4012747.
Cassell, James D., O5303141.
Cento, Dahl J., O4063725.
Ciccone, Vincent J., O4084359.
Clark, Ray L., O4077083.
Cofoni, Peter J., O4053213.
Colket, Charles H., O5502038.
Collins, Robert H., O4077024.
Conger, John T., O5502490.
Cook, Billy G., O5400149.
Cook, James P., O4071422.
Cooper, Robert T., O4051266.
Cooper, Willis M., O4049489.
Copp, Willard C., O5202818.
Cordum, Myron A., O4006991.
Corless, Robert L., O4058000.
Criss, Carl K., O5200757.
Crox, John F., Jr., O5302393.
Danielzuk, Charles P., O4029511.
Davis, Sidney, O4010983.
DeGraw, Allen C., O4063436.
DelVecchio, William P., O4068921.
Devereaux, Raymond A., O2265055.
Dickinson, Kenneth K., O5200366.
Donker, Leo M., O4076087.
Dowds, James B., O5300020.
Drummond, Louis A., O4061541.
Duehlmeier, Henry E., O4061987.
Duhon, Ben E., O1880470.
Dyer, Howard B., O4061605.
Dyke, Charles W., O4030930.
Edwards, Charles A., O4025951.
Edwards, James W., O4061722.
Ellis, Gary L., O4069346.
Ely, Arch H., Jr., O4025918.
Engle, Phillip D., O4048118.
Evans, Robert H., O5400283.
Fairchild, Robert L., Jr., O4068464.
Forsythe, Richard W., O5203041.
Fory, Charles E., O4049554.
Frankenbery, James F., O4069419.
Freeman, Edward V., Jr., O2288748.
Gardner, William H., O4084909.
Geertsema, William W., O5405092.
Good, Robert E., O4049415.
Greenway, John R., O4065303.
Groetken, David L., O4060960.
Handley, Charles B., Jr., O4075782.
Hanlin, Richard W., O4068858.
Harrison, William H., O4031230.
Hatcher, Robert T., O4065054.
Heim, Keith M., O1930224.
Heller, George W., Jr., O4060096.
Hermann, Roland E., O4026332.
Hobin, Raymond M., O4065950.
Holmes, David R., O4066626.
Honsinger, Larry E., O4062395.
Hummel, Richard H., O4069575.
Humphreys, George D., O4047253.
Huntsinger, William R., O4056917.
Jewett, Richard E., O4070306.
Johnson, James M., O1925418.
Kavanaugh, Paul F., O5203048.
Kegelman, Theodore J., Jr., O4066191.
Kelly, Ted W., O4071818.
Kelly, Thomas W., O4069057.
Kerver, Thomas J., O4069292.
Kreitzer, John C., O4068312.
Lambo, Jerry D., O5071182.
Lantz, Patrick M., O4071704.
Larson, Dean M., O4061080.
Leverenz, John H., O2287779.
Ligon, Robert E., Jr., O4047192.
Liles, Michael S., O4070986.
Long, Glenn W., O4075512.
Lucas, Ronald M., O4062463.
Magnus, Ralph E., O4066926.
Mah, Joe, O2267470.
Marmaras, Ernest, O4065251.
Marr, Francis W., O2291542.
Masuga, James J., O4071707.
McConkey, Rodney F., O4036931.
McCracken, Ernest E., O4061345.
McCue, Robert B., O4050352.
McDonald, Jackie L., O5405026.
McMillan, Druery C., O1876350.
Meyer, Clyde E., O4056620.
Miller, Robert F., O4041863.
Mills, Lawrence L., O4049615.
Modica, Giac P., O4065838.
Montefusco, Harry A., O4065755.
Montgomery, Ross D., O4071573.
Moore, John E., O5700513.
Moseley, James F., O4083492.
Muello, Richard J., O4064239.
Mullins, Donald G., O4069439.
Musial, Walter F., O4076976.
Newton, George F., O4064494.
Noakes, Edmund D., O4071229.
Nolet, Gerard A., O4066302.
Oakes, Leslie C., O4066072.
Offan, Kenneth J., O4071379.
Pagel, John A., O4061662.
Palmertree, Tommy R., O4063424.
Paquin, Wilfred J., O4052452.
Pare, Harold J., O4046779.
Parke, Walker M., O4036572.
Passailaigue, Edward P., Jr., O1926078.
Patz, John C., O4059907.
Perry, Mervin E., O4049284.
Peterson, Harlan F., O4059838.
Pettersen, Clifford D., O4070778.
Pickens, Homer C., Jr., O4071285.
Piner, James, Jr., O4076979.
Place, Berwyn L., O4061252.
Poole, Ronald H., O4000423.
Powell, Raymond G., O4065341.
Randall, Thomas G., O5502990.
Rawls, Paul L., O4075713.
Reeves, Donald W., O4061365.
Reynolds, George P., O4036435.
Richey, Charles G., O5300853.
Rilling, Henry C., O5700274.
Riviere, Francis, O4075788.
Robertson, Warren A., O5300973.
Rodrigue, Earl W., Jr., O4075441.
Rummens, Bobby E., O5504620.
Ruppert, Roy M., O4069446.
Russell, Beryl D., O4059633.
Ryan, James T., III, O4065807.
Sagabiel, John W., O4045478.
Sanchez, James, O4076775.
Santa Barbara, Joseph R., O2289097.
Saunders, Don M., O4065902.
Sbarbaro, Frederick L., Jr., O4046680.
Schall, Austin F., O1881823.
Schiffman, Reed L., O4076288.
Seybold, Lawrence C., Jr., O4049108.
Sisk, Robert A., O4025669.
Skelton, Robert C., O4066484.
Slotten, Russell H., O4061300.
Smith, Benjamin C., O2287367.
Stein, Edward J., Jr., O4068530.
Stern, Allan R., O4061943.
Strickler, William H., O5201420.
Szustak, Edward J., O4064736.
Taurke, Erwin A., O5701180.
Thomson, Robert W., O4066221.
Tomlinson, William J., O4061499.
Van Herpe, William H., O4066088.
Vaughn, Donald C.
Waclawski, Leon J., O4035705.
Wagner, Keith A., O4035121.
Walker, Robert E., Jr., O4070224.
Wall, Walter F., O4070319.
Waller, William C., O4047879.
Warnberg, Harry E., O5301930.
Whiddon, Orren R., O4063796.
White, Billy T., O4071945.
White, David J., O5301818.
Willey, John L., O4058036.
Williams, Richard R., Jr., O4066737.
Willies, Edward J., O4077178.
Witt, Everett L., O4076350.
Wooledge, John D., III, O4062478.
Wright, Gregory F., O5700896.
Wright, Lloyd R., O1701196.

The following-named persons for appointment as chaplain in the Regular Army of the United States, in the grade of captain, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Hasten, Donald B., O2274657.
Lively, Carlos J., Jr., O1340666.
Shevlin, John G., O2274695.

The following-named officer for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States, in the grade of captain:

Zalonis, John A., Jr., O68178.

The following-named distinguished military students for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Coran, Richard R., O5507419.
Cygan, Herbert E.
Fain, Ronald A.
O'Donnell, Frank P.

The following-named distinguished military students for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Akin, Robert B.
Allred, Raymond S., Jr., O5702958.
Anderson, Richard C., O5206560.
Andres, Dudley M.
Baldwin, Roy G., O5402256.
Banks, John W., Jr.
Bassett, Martin M., Jr.
Bennett, Clyde R., O5402359.
Boulware, Jefferson T., Jr.
Boyett, George H., O5401403.
Braun, Paul A.
Bridges, Donald R., O5402491.
Byars, Harold W., O5401746.
Christie, Jerrold L.
Cooper, George H., Jr., O5304881.
Cooper, John C.
Cowart, David W.
Currin, David M., O5401758.
Dembinski, Mark L., O5205736.
Eldredge, Richard B., O5206331.
Elkins, Donald W., O5402023.
Filipkowski, William F., Jr.
Fletcher, Richard P.
Forbes, Maynard C.
Fox, William I., Jr., O5206688.
Funderburk, Raymond E.
Gear, Edward R.
Goudie, Richard B.
Gowan, Arthur D.
Grieg, John M., O5506932.
Gross, Gerald D.
Haddock, Raymond E.
Hamby, Jerrell E., O5404944.
Hanson, Charles K.
Harvey, Henry L. Jr., O5001862.
Hawley, Warren G., O5702953.
Hayes, James R., O5205138.
Herzbrun, Lon S.
Howard, Kenneth W.
Hubler, George E., Jr., O5205864.
Hulse, Kent O.
Hyers, James E.
Jackson, Lacy M.
Jagoe, Marcellus H., III.
Johnson, Alvin F., O5702534.
Johnson, Jerome G., O5504872.
Jones, Andrew M., O5206585.
Kaney, Frank N.
Kelley, Robert F., O5402264.
Kernan, Michael F.
Kincaid, William L.
King, Howard F., Jr., O5001035.
Kirkpatrick, Elwood C.
Kutzner, Robert A., O5506800.
Lavin, Floreal M.
Leide, John A.
Loftus, William K.
Luciano, Alfred J., O5000248.
MacDonald, Robert W.
Matthews, John P.
McCook, James W., III, O5304785.
McEuen, Roger S., O5702372.
McGarr, Robert L.
McKinnon, Graham, III.
McShane, Donald L.
Meeks, Ronald C., O5303616.
Meister, William A., O5204276.
Mellom, James T., O5206237.
Metcalf, George P., III.
Mineo, Nicholas A.
Monty, James M.
Moore, George A.
Morales-Cabranes, Manuel C.
Mowbray, Calvin W., Jr., O5205722.
Muchmore, Gilbert L., O5702268.
Naughton, Hugh V.
Norvell, Frank C., Jr., O5205498.
Orr, Walton A., O5305739.
Ostrowidzki, Joseph.
O'Sullivan, Christopher J.
Perkins, Jerry L.
Peterson, Rolland B., O5702995.
Pfabe, Richard K., O5206756.
Pointer, Monroe.
Pruett, Billy R.
Ralston, Leonard H., O5702132.
Reeves, Jon A., O5305193.
Resley, Patrick E.
Robak, Raymond S.
Robinson, Charles A., Jr., O5002673.
Roppo, Leo J., O5702926.
Schuette, Ronald W.
Schwab, Don A.
Sechtman, Paul L.
Skaggs, Harold G.
Smith, Richard A.
Smith, Robert T., Jr., O5401812.
Solomon, Irwin E.
Sorensen, William A., O5505143.
Sundstrom, Ronald E.
Szafranski, Robert C.
Townley, Robert R.
Varner, Bruce D.
Wales, Wayne F., Jr.
Walker, John R., O5401830.
Warmath, Julius G., O5305423.
Watts, Thurman.
White, Donald P., O5507565.
Yearick, William H., III, O5304675.
Zollman, John P.

(NOTE.—These officers were appointed, transferred, or promoted during the recess of the Senate.)

DEPARTMENT OF THE NAVY

Rear Adm. Rawson Bennett II, U.S. Navy, to be Chief of Naval Research, Department of the Navy, for a term of 2 years with rank of rear admiral.

Rear Adm. Bartholomew W. Hogan, Medical Corps, U.S. Navy, to be Chief of the Bureau of Medicine and Surgery, Department of the Navy, for a term of 2 years.

IN THE NAVY

The following-named officers of the Navy for permanent promotion to the grade of rear admiral:

TO BE REAR ADMIRALS

Line

Charles B. Martell	John F. Davidson
Horacio Rivero, Jr.	Charles O. Triebel
Lawson P. Ramage	Reynold D. Hogle
Richard H. Phillips	Goldsborough S. Patrick
Jack P. Monroe	Roy S. Benson
Robert H. Speck	David J. Welsh
Arnold W. McKechnie	Donald T. Eller
Arthur H. Taylor	Almon E. Loomis
William O. Burch, Jr.	Edward C. Stephan
Thomas A. Ahroon	Whitmore S. Butts
Michael F. D. Flaherty	Frank A. Brandley
Edward A. Hannegan	William E. Gentner, Jr.
Robert T. S. Keith	
Basil N. Rittenhouse, Jr.	

Medical Corps

Thomas G. Hays.
Frank P. Gilmore.
Edward C. Kenney.

Supply Corps

Thomas A. Long.
Edward F. Metzger.

Dental Corps

Curtiss W. Schantz.

The nominations of Francis L. Churchville and other officers for appointment in the Navy and in the Marine Corps, which were confirmed today, were received by the Senate on January 12, 1959, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date, under the caption "Nominations," beginning with the name of Charles C. Ainsworth, appearing on page 546, and ending with the name of Carol A. Blair, which appears on page 558.

IN THE MARINE CORPS

The following-named officer of the Marine Corps for permanent promotion to the grade of brigadier general:

TO BE BRIGADIER GENERAL

Edward A. Montgomery.

IN THE REGULAR AIR FORCE

The following-named officers for appointment in the Regular Air Force, to the grades indicated, under the provisions of chapter 835, title 10, of the United States Code:

TO BE MAJOR GENERALS

Maj. Gen. Kenneth B. Hobson, 616A.
Maj. Gen. Sory Smith, 573A.
Maj. Gen. Harold W. Grant, 497A.
Maj. Gen. Henry K. Mooney, 589A.
Maj. Gen. Oliver K. Niess, 19022A.
Maj. Gen. Daniel S. Campbell, 615A.
Maj. Gen. Charles H. Anderson 623A.
Maj. Gen. William S. Stone, 1059A.
Maj. Gen. Raymond J. Reeves, 1082A.
Maj. Gen. Kenneth P. Bergquist, 1117A.
Maj. Gen. Bernard A. Schriever, 1519A.

TO BE BRIGADIER GENERALS

Maj. Gen. Daniel C. Doubleday, 471A.
Maj. Gen. John H. Ives, 544A.
Brig. Gen. Wendell W. Bowman, 596A.
Maj. Gen. Harold C. Donnelly, 647A.
Maj. Gen. Harold R. Maddux, 650A.
Maj. Gen. Arno H. Luehman, 1080A.
Maj. Gen. Stanley J. Donovan, 1089A.
Maj. Gen. Dolf E. Muehleisen, 1144A.
Maj. Gen. Charles M. McCorkle, 1224A.
Maj. Gen. Lloyd P. Hopwood, 1261A.
Maj. Gen. Don O. Darrow, 1270A.
Maj. Gen. Victor R. Haugen, 1292A.
Maj. Gen. William P. Fisher, 1294A.
Maj. Gen. Edwin B. Broadhurst, 1350A.
Maj. Gen. Charles B. Westover, 1351A.
Maj. Gen. Ben I. Funk, 1500A.
Maj. Gen. Harold E. Watson, 1520A.
Maj. Gen. Marvin C. Demler, 1550A.
Brig. Gen. William E. Eubank, Jr., 1741A.
Maj. Gen. James V. Edmundson 1863A.

The following-named officers for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10, of the United States Code:

TO BE MAJOR GENERALS

Brig. Gen. Moody R. Tidwell, Jr., 1553A.
Brig. Gen. Leo P. Dahl, 609A.
Brig. Gen. James S. Cathroe, 18821A.
Brig. Gen. Elvin S. Ligon, Jr., 1077A.
Brig. Gen. John M. Reynolds, 1299A.
Brig. Gen. Robert A. Breitweiser, 1406A.
Brig. Gen. Fred M. Dean, 1450A.
Brig. Gen. Cecil H. Childre, 1551A.
Brig. Gen. Hewitt T. Wheless, 1609A.
Brig. Gen. William K. Martin, 1697A.
Brig. Gen. William E. Eubank, Jr., 1741A.

ADDITIONAL PROMOTIONS AND APPOINTMENTS IN THE REGULAR AIR FORCE

The nominations of George A. Bennett and other officers for promotion in the Regular Air Force, which were confirmed today, were received by the Senate on January 12, 1959, appear in full under the caption "Nominations" in the Senate proceedings of the CONGRESSIONAL RECORD for that date, beginning with the name of George A. Bennett, which appears on page 511, and ending with the name of Renee Gregory appearing on page 533.

The nominations of Col. Archie Higdon and other officers for appointment in the Regular Air Force, which were confirmed today, were received by the Senate on January 12, 1959, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Col. Archie Higdon, which is shown on page 533, and ending with the name of Douglas F. Shane, appearing on page 545.

UNIVERSITY OF MICHIGAN LIBRARIES

EXTENSIONS OF REMARKS

Special Recognition of the Outstanding Abilities of Hon. J. T. Rutherford, of Texas

EXTENSION OF REMARKS
OF
HON. RALPH YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Friday, February 6, 1959

Mr. YARBOROUGH. Mr. President, the term "public servant" is sometimes overworked, but I rise today to pay special recognition to a man who has—by his wisdom and hard work—earned the right to this title in its finest sense.

I call attention to the outstanding abilities of the Honorable J. T. RUTHERFORD, Representative of the 16th Congressional District of Texas, who has humbly, conscientiously, and unselfishly worked for the best interests of his district, his State, and his Nation during his entire career.

A moment ago, I mentioned his outstanding abilities. Mr. RUTHERFORD'S talents are particularly evident in the field of public finance. His efforts in the public interest as a member of the House Banking and Currency Committee have occasioned extremely high praise from his colleagues. He is an unusually able member of the House Interior and Insular Affairs Committee.

Mr. RUTHERFORD was capably serving his State prior to his election to the 84th Congress on November 2, 1954. From 1948 to 1952 he was in the Texas House of Representatives and then served a term in the Texas Senate from 1952 to 1954 when the voters around his home gave further praise to his work by electing him to the national Congress. The people recognized a man who would work for them and stand by his principles at all times. I knew Congressman RUTHERFORD during his years in the Texas Legislature, and have been gladdened by his progress.

Mr. President, in recognition of Mr. RUTHERFORD'S fine work in the national interest, I request unanimous consent to have printed in the CONGRESSIONAL RECORD a portion of his weekly "Report to the People" which I believe shows his interest in bettering the public financial picture.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT TO THE PEOPLE
(By Congressman J. T. RUTHERFORD)

Birthday greetings are usually reserved for individuals, but this week I would like to say "happy birthday" to a Government agency: The Federal Deposit Insurance Corporation.

There are many people who may not be aware of the existence of FDIC, nor familiar with its functions. I confess that my attention to the agency is brought about by my service on the House Banking and Currency Committee, which has jurisdiction over it. Yet, if you have a bank account, chances are your money is insured by FDIC.

The greatest tribute that may be paid to the organization is that this month it reached its 25th birthday without fanfare. It may be that FDIC has moved so firmly into history as one of the greatest financial reforms of the 20th century that no one feels the need to recall its basic beginnings. But 25 years ago, respected businessmen's and bankers' opposition to what they felt was Government banking was a bitter thing. Many well-meaning financiers and private citizens claimed the creation of FDIC would encourage recklessness among bankers, would discredit honesty and invite incredible abuses. Many of those former critics, still on the scene today, would probably like to forget their dire predictions but there are yellowed newspaper clippings around to remind them.

The purpose of the FDIC is simple: To insure us against bank disasters and to guarantee against the collapse of America's banking system as occurred inthe early thirties.

The system has worked well. Although perhaps a half-dozen banks will fail over the Nation this year (the current annual average), countless innocent families will not suffer and there will be no wild-eyed panic, because the accounts will almost surely be insured by Federal Deposit Insurance Corporation.

As of today, FDIC is insuring deposits of 13,383 of the Nation's 14,095 commercial and mutual savings banks. The insured banks hold 96 percent of all bank deposits in the Nation. (Of the 712 banks which aren't insured, about one-fifth fail to meet requirements, and the rest haven't joined because they resent the cost of the insurance or say they don't need it.)

The insurance maximum is $10,000 for each depositor, which means that if you have several accounts in different banks each will be insured up to that amount. Since approximately 98 percent of all accounts involve balances of less than $10,000 it is easy to see the vast majority of accounts are fully and completely insured.

In its 25 years, FDIC has built a nest egg of more than $1.8 billion. It raises funds by assessing member banks at the rate of one-twelfth of 1 percent of the insured bank's deposits, but has done so well it has been returning about 60 percent of the assessments. During its lifetime, the agency has paid out more than $343 million in insurance to about 1,500,000 depositors in 432 banks.

The spectacular success of FDIC has surpassed even the most enthusiastic predictions of its early supporters. And at the risk of using a poor pun, one might say its profits have made bad prophets of its detractors and former foes.

SENATE

MONDAY, FEBRUARY 9, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou in whose will is our peace, our spirits are made solemn by the vastness of the vistas revealed through the clear windows of prayer.

Grant us such a vision of the amazing sweep of Thy purposes for all Thy children that we may be delivered from the stings of irritating trifles and be less agitated by the little annoyances which daily pressures bring.

Amid all life's changing scenes, may our ordered lives know the blessed fulfillment of Thy promise—"I will keep that man in perfect peace whose mind is stayed on Me."

In a day when all the most precious values are imperiled by powers of darkness, arouse and stir us from our selfish love of comfort. Drive us, we beseech Thee, by the compulsion of these volcanic times, from our too easy nests. Give us open eyes to see the momentous facts of our generation, and undergird us with courage to meet them, and dedicated intelligence to handle them.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 6, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 961) fixing the representation of the majority and minority membership of the Joint Economic Committee.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Juvenile Delinquency Subcommittee of the Committee on the Judiciary was authorized to hold hearings in New York City during the sessions of the Senate on February 12 and 13.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the calendar will be stated.

UNIVERSITY OF MICHIGAN LIBRARIES

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

APPOINTMENTS BY THE VICE PRESIDENT

NATIONAL OUTDOOR RECREATION RESOURCES REVIEW COMMITTEE

The VICE PRESIDENT. The Chair announces the appointment of Mr. DWORSHAK and Mr. MARTIN as members on the part of the Senate of the National Outdoor Recreation Resources Review Committee, created by Public Law 470, 85th Congress, to fill the vacancies occasioned by the retirement respectively, of former Senators WATKINS, of Utah, and BARRETT, of Wyoming.

JOINT COMMITTEE ON CONSTRUCTION OF A BUILDING FOR MUSEUM OF HISTORY AND TECHNOLOGY FOR THE SMITHSONIAN INSTITUTION

The Chair announces the appointment of Mr. CARLSON and Mr. BENNETT as members on the part of the Senate of the Joint Committee on Construction of a Building for Museum of History and Technology for the Smithsonian Institution, pursuant to Public Law 106, 84th Congress, to fill the vacancies occasioned by the retirement, of former Senators SMITH of New Jersey, and MARTIN of Pennsylvania, respectively, from the Senate.

CORREGIDOR-BATAAN MEMORIAL COMMISSION

The Chair announces the appointment of Mr. SPARKMAN, of Alabama, and Mr. SCOTT as members on the part of the Senate of the Corregidor-Bataan Memorial Commission, created by Public Law 193, 83d Congress, to fill the vacancies occasioned by the resignations of Mr. DOUGLAS, of Illinois and Mr. GOLDWATER, of Arizona, respectively.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF CAREER COMPENSATION ACT OF 1949, RELATING TO RESIDENCY REQUIREMENT OF DEPENDENT PARENTS

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend the Career Compensation Act of 1949 with respect to the residency requirement of dependent parents and with respect to quarters allowance payable when both husband and wife are members of the uniformed services (with an accompanying paper); to the Committee on Armed Services.

REPORT OF ADMINISTRATOR OF VETERANS' AFFAIRS

A letter from the Administrator, Veterans Administration, Washington, D.C., transmitting, pursuant to law, a report of the activities of the Veterans' Administration, as of June 30, 1958 (with an accompanying report); to the Committee on Finance.

REPORT ON DISPOSITION OF FOREIGN EXCESS PERSONAL PROPERTY BY DEPARTMENT OF DEFENSE

A letter from the Assistant Secretary of Defense, transmitting, pursuant to law, the annual report of that Department relative to disposition of foreign excess personal property located in areas outside the continental United States, Alaska, Hawaii, Puerto Rico, and the Virgin Islands, for the fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

ADDITION OF CERTAIN LANDS IN NEVADA TO SUMMIT LAKE INDIAN RESERVATION

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to add certain public domain lands in Nevada to the Summit Lake Indian Reservation (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AMENDMENT OF SECTION 4161 OF TITLE 18, UNITED STATES CODE, RELATING TO COMPUTATION OF GOOD TIME ALLOWANCES FOR PRISONERS

A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners (with an accompanying paper); to the Committee on the Judiciary.

GRANTING ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 1003. A bill to authorize the Attorney General to compel the production of documentary material required in civil investigations for the enforcement of the antitrust laws, and for other purposes;

S. 1004. A bill to amend the Clayton Act by prohibiting the acquisition of assets of other banks by banks, banking associations, or trust companies when the effect may be substantially to lessen competition, or to tend to create a monopoly; and

S. 1005. A bill to amend the Clayton Act, as amended, by requiring prior notification of corporate mergers and acquisitions, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bills, which appear under a separate heading.)

By Mr. HOLLAND:

S. 1006. A bill for the relief of the Simpson Construction Co.; and

S. 1007. A bill for the relief of George P. Nelson; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 1008. A bill to promote the foreign policy of the United States by strengthening and improving the foreign service personnel system of the U.S. Information Agency through establishment of a public affairs officer corps; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself, Mr. HUMPHREY, Mr. MORSE, Mr. BIBLE, Mr. RANDOLPH, Mr. JAVITS, Mr. JACKSON, and Mr. YARBOROUGH):

S. 1009. A bill to amend the Internal Revenue Code of 1954 so as to encourage the establishment of voluntary retirement plans by individuals; to the Committee on Finance

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself, Mr. HUMPHREY, Mr. SMATHERS, Mr. MORSE, Mr. BIBLE, Mr. JAVITS, Mr. JACKSON, and Mr. YARBOROUGH):

S. 1010. A bill to amend the Internal Revenue Code of 1954 so as to permit the use of the new methods and rates of depreciation for used property; to the Committee on Finance.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (for himself, Mr. HUMPHREY, Mr. MORSE, Mr. BIBLE, Mr. JACKSON, and Mr. YARBOROUGH):

S. 1011. A bill to designate judicial precedents which shall be binding in the administration and enforcement of the internal revenue laws; to the Committee on Finance.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 1012. A bill for the relief of Belle Kligerman; to the Committee on the Judiciary.

By Mr. WILLIAMS of Delaware:

S. 1013. A bill to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. WILLIAMS of Delaware when he introduced the above bill, which appear under a separate heading.)

By Mr. DOUGLAS:

S. 1014. A bill for the relief of Pietro Corlo Costa; to the Committee on the Judiciary.

By Mr. ERVIN:

S. 1015. A bill for the relief of Continental Hosiery Mills, Inc., of Henderson, N.C., successor to Continental Hosiery Co., of Henderson, N.C.; to the Committee on the Judiciary.

By Mr. MORTON (for Mr. SALTONSTALL and Mr. PROUTY):

S. 1016. A bill to authorize a 5-year program of assistance to school districts in meeting the debt service on loans for construction of urgently needed elementary or secondary public school facilities, and for other purposes; and

S. 1017. A bill to assist institutions of higher education to market and retire bonds issued by them to finance the construction of college facilities; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORTON when he introduced the above bills, which appear under a separate heading.)

By Mr. STENNIS:

S. 1018. A bill to authorize the donation of surplus property to certain agencies engaged in cooperative agricultural extension work, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. STENNIS when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE (for himself, Mr. YOUNG of Ohio, Mr. MOSS, Mr. HUMPHREY, Mr. MAGNUSON, Mr. WILEY, Mr. MCCARTHY, Mr. JAVITS, Mr. NEUBERGER, and Mr. HART):

S. 1019. A bill to extend the Farmers Home Administration operating loan program to bona fide fur farmers, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. MANSFIELD (for Mr. KENNEDY):

S. 1020. A bill for the relief of Stelios Katsikis; to the Committee on the Judiciary.

PRODUCTION OF DOCUMENTARY MATERIAL, ACQUISITION OF ASSETS OF OTHER BANKS BY BANKS, AND PRIOR NOTIFICATION OF CORPORATE MERGERS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, three-point legislative program which was gotten out by the Attorney General.

The first of these proposals is a suggested "Antitrust Civil Process Act of 1959," which will give to the Department of Justice much needed authority to compel the production of documents during the investigative or precomplaint stage of civil antitrust proceedings.

As the Attorney General said in his letter of August 12, when he forwarded this proposal for possible staff study following the adjournment of the 85th Congress:

Effective antitrust enforcement requires full and comprehensive investigation before formal proceedings, either civil or criminal, are commenced. Yet, under existing law the Department has no authority to compel the production of documents during the investigative or precomplaint stage of civil antitrust proceedings. When criminal proceedings are contemplated, of course, the grand-jury process adequately enables the Department to effect the production of both documentary and oral evidence from noncooperative organizations. However, when only civil proceedings are indicated, the Department is completely dependent on voluntary cooperation in the investigative stage—and that is not always forthcoming. The grand-jury procedure is considered to be improper in such cases and, of course, is never available with respect to mergers under section 7 of the Clayton Act since no crime its involved in such instances. Charges of monopolization or illegal merger are most often brought on the civil side. In such cases, then, the Department must presently rely on the cooperation of prospective defendants either to give it the detailed information, or to permit access to their files to search for information indispensable to an accurate analysis of the situation in question. The proposed bill would end our dependence on such voluntary cooperation.

A second major proposal warranting early congressional consideration is one requiring that the Department of Justice and the Federal Trade Commission (or the appropriate commission or board vested with jurisdiction) be advised in advance of merger plans involving corporations having a combined capital structure in excess of $10 million. This dollar limitation eliminates any potential burden upon small business, while the measure provides a useful tool to enable the Government to learn of and evaluate proposed mergers which may have a significant effect upon the national economy. This bill will ease a most difficult investigative burden, and at the same time afford a more evenhanded enforcement of section 7 of the Clayton Act, relating to mergers. I should like to emphasize that the measure does not contemplate the barring of mergers by virtue of executive branch disapproval of merger plans. It does, however, permit the Government to evaluate the effect of a proposed merger on competition, and to indicate, for consideration by the companies involved, whether the Government will interpose objection in the courts. This should be of mutual benefit to business organizations and to the Government.

The third enclosed legislative proposal would amend section 7 of the Clayton Act, which section now generally prohibits corporations from acquiring either the stock or the assets of other corporations when such acquisition would substantially lessen competition or tend to create a monopoly. Insofar as banks are concerned, the section now reaches only mergers by virtue of stock acquisitions. Because increasingly large numbers of bank mergers are effectuated through asset acquisitions which may have serious anticompetitive effects, it seems most desirable that such mergers be brought within the scope of section 7.

Your particular attention is directed to page 53 of the Economic Report of the President, transmitted to the Congress on January 20, 1959 (H. Doc. 28, 86th Cong.), in which the three legislative proposals above described were recommended among improvements in our antitrust laws which would enhance the vigorous competition on which the "vitality of our economic system depends in large part."

The Bureau of the Budget has advised that there is no objection to the submission of these recommendations.

Mr. President, I ask unanimous consent that the bills be printed at this point in the RECORD.

The VICE PRESIDENT. The bills will be received and appropriately referred; and, without objection, the bills will be printed in the RECORD.

The bills, introduced by Mr. WILEY, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 1003. A bill to authorize the Attorney General to compel the production of documentary material required in civil investigations for the enforcement of the antitrust laws, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Civil Process Act of 1959."

DEFINITIONS

SEC. 2. As used in this Act—

(a) The term "antitrust laws", as used herein, is defined in section 1 of "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 730 (15, U.S.C. 12), as amended, commonly known as the Clayton Act.

(b) The term "antitrust investigator" means any attorney employed by the Department of Justice who is charged with the duty of enforcing any of the antitrust laws.

(c) The term "organization", means any corporation, partnership, firm, association, trust, foundation, company or other legal entity not a natural person.

(d) The term "documentary material" includes the original or any copy of any book, records, report, memorandum, paper communication, tabulation, chart, or other document in the possession, custody, or control of any organization.

CIVIL INVESTIGATIVE DEMAND

SEC. 3. (a) Whenever the Attorney General has reason to believe that any organization may be in possession, custody, or control of any documentary material relevant to the subject matter of an investigation of a possible antitrust violation he may, prior to the institution of a civil or criminal proceeding thereon, execute and issue in writing, and cause to be served upon such organization, a civil investigative demand requiring such organization to produce such documentary material and permit inspection and copying.

(b) Each such demand shall—

(1) state the statute and section or sections thereof alleged violation of which is under investigation, and the general subject matter of the investigation;

(2) describe the class or classes of documentary material to be produced thereunder with reasonable specificity so as fairly to identify the material demanded;

(3) prescribe a return date which will provide a reasonable period of time within which the documentary material is to be produced;

(4) identify the antitrust investigator to whom such documentary material is to be made available for inspection and copying.

(c) No such demand shall—

(1) contain any requirement which would be unreasonable or improper if contained in a subpena duces tecum issued by a court of the United States in aid of a grand jury investigation of such alleged violation; or

(2) require the production of any documentary material which would be privileged from disclosure, or which for any other reason would not be required to be disclosed if demand by a subpena duces tecum issued by a court of the United States in aid of a grand jury investigation of such alleged violation.

(d) Any such demand may be served by any antitrust investigator or U.S. marshal or deputy marshal at any place within the territorial jurisdiction of any court of the United States.

(e) Service of any such demand may be made by—

(1) delivering a duly executed copy thereof to any executive officer of the organization to be served; or

(2) delivering a duly executed copy thereof to the principal office or place of business of the organization to be served; or

(3) mailing by registered or certified mail a copy thereof addressed to such organization to be served at its principal office or place of business.

(f) A verified return by the individual serving such demand, setting forth the manner of such service, shall be proof of such service. In the case of service by registered or certified mail, such return shall be accompanied by the return post office receipt of delivery of such demand.

(g) An organization upon whom a demand is served pursuant to the provisions of this section shall comply with the terms thereof unless otherwise provided by an order of court issued under section 5 hereof.

(h) Documentary material demanded pursuant to the provisions of this section shall be produced for inspection and copying during normal business hours at the principal office or place of business of the organization served, or at such other times and places as may be agreed upon by the organization served and any authorized employee of the Department of Justice.

SEC. 4. (a) No documentary material produced pursuant to a demand, or copies thereof, shall, unless otherwise ordered by a district court for good cause shown, be produced for inspection or copying by, nor shall the contents thereof be disclosed to, other than an authorized employee of the Department of Justice, without the consent

of the organization who produced such material: *Provided*, That, under such reasonable terms and conditions as the Attorney General shall prescribe, the copies of such documentary material shall be available for inspection and copying by the organization who produced such material or any duly authorized representative of such organization. The Attorney General or any authorized employee of the Department of Justice may use such copies of documentary material as he determines necessary in the performance of his official duties, including presentation of any case or proceeding before any court or grand jury.

(b) When documentary material produced pursuant to a demand is no longer required for use in connection with the investigation for which it was demanded, or in any case or proceeding resulting therefrom, or at the end of eighteen months following the date when such material was produced, whichever is the sooner, such organization shall be relieved of the duty to hold such documentary material available for inspection and copying as required by section 3(a): *Provided, however*, That any district court in which a petition may be filed as set forth in section 5 hereof may, upon good cause shown, extend said period of eighteen months.

JURISDICTION OF DISTRICT COURT

SEC. 5. (a) The United States district courts are vested with jurisdiction to hear and determine any petition filed under this Act and to issue upon good cause shown any order which justice may require, including, without limiting the generality of the foregoing, the following:

(1) an order modifying or setting aside any such demand;

(2) an order requiring the Attorney General or any organization or individual to perform any duty imposed upon him by the provisions of this Act;

(3) an order extending the time within which any act allowed or required by this Act must be done, pursuant to a demand issued hereunder, or previous court orders.

(b) At any time before the return date specified in the demand, or within twenty days after the demand has been served, whichever period is shorter, a petition to modify or set aside a demand issued pursuant to section 3 may be filed in the U.S. district court for the district in which the principal office or place of business of the organization upon whom such demand was served is located, or in such other district as the parties may agree.

(c) A petition to require the Attorney General or any organization or individual to perform any duty imposed by the provisions of this Act, and all other petitions in connection with a demand, may be filed in the U.S. district court for the district in which the principal office or place of business of the organization involved is located, or in such other district as the parties may agree.

(d) To the extent that such rules may have application and are not inconsistent with the provisions of this Act, the Federal Rules of Civil Procedure shall apply to any petition under this Act.

PENALTY

SEC. 6. Any organization or individual who, with intent to avoid, evade, prevent, or obstruct compliance in whole or in part, by any organization with any civil investigative demand made under this Act, willfully removes from any place, conceals, withholds, destroys, mutilates, alters or by any other means falsifies any documentary material in the possession, custody or control of any organization or individual which is the subject of any demand duly served upon any organization shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of $5,000 or to imprisonment for a term of not more than 5 years, or both.

SAVING PROVISION

SEC. 7. Nothing contained in this Act shall impair the authority of the Attorney General or any authorized antitrust investigator to (a) lay before any grand jury impaneled before any district court of the United States any evidence concerning any alleged antitrust violation, (b) invoke the power of any such court to compel the production of any evidence before any such grand jury, (c) file a civil complaint or criminal information alleging an antitrust violation which is not described in the demand, or (d) institute any proceeding for the enforcement of any order or process issued in execution of such power, or for the punishment of any organization or individual for disobedience of any such order or process.

S. 1004. A bill to amend the Clayton Act by prohibiting the acquisition of assets of other banks by banks, banking associations, or trust companies when the effect may be substantially to lessen competition, or to tend to create a monopoly.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraphs 1 and 2 of section 7 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914, as amended (64 Stat. 1125; 15 U.S.C. 18), are amended to read as follows:

"SEC. 7. No corporation shall acquire directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission and no bank, banking association, or trust company shall acquire, directly or indirectly, the whole or any part of the assets of one or more corporations engaged in commerce, where in any line of commerce in any section of the country, the effect of such acquisition of such stock or assets, or of the use of such stock by the voting or granting of proxies or otherwise, may be substantially to lessen competition, or to tend to create a monopoly."

S. 1005. A bill to amend the Clayton Act, as amended, by requiring prior notification of corporate mergers and acquisitions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended (64 Stat. 1125; 15 U.S.C. 18), is amended by deleting the first three paragraphs and inserting in lieu thereof the following new paragraphs:

"No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal Trade Commission shall acquire, directly or indirectly, the whole or any part of the assets of one or more corporations engaged in commerce, where in any line of commerce in any section of the country the effect of such acquisition of such stock or assets, or of the use of such stock by the voting or granting of proxies or otherwise, may be substantially to lessen competition or to tend to create a monopoly.

"No corporation subject to the provisions of this Act shall acquire, directly or indirectly, the whole or any part of the stock, other share capital or assets of one or more corporations engaged in commerce, where the combined capital, surplus, and undivided profits of the acquiring and the acquired corporations are in excess of a book value of $10,000,000 until sixty days after delivery to the Commission or Board vested with jurisdiction under the first paragraph of section 11 of this Act and to the Attorney General of notice of the proposed acquisition. This notice shall include, separately as to the acquiring and acquired corporations: (1) the name and address; (2) the nature of business and products or services sold or distributed; (3) net sales for the last accounting year; (4) copy of last annual report and balance sheet; and (5) location of plants and trading area in which each product or service is sold. The parties shall furnish within twenty-five days after request therefor, such additional relevant information within their knowledge or control as may be requested within twenty-five days after delivery of notice of the proposed acquisition by the Commission or Board vested with jurisdiction under section 11 of this Act or by the Attorney General: *Provided*, That upon request of the parties the Commission or Board or Attorney General may extend the time for furnishing such additional relevant information. If any party to an acquisition which has been consummated, has willfully failed to give the required notice or to furnish the required information, such party shall be subject to a penalty of not less than $5,000 or more than $50,000, which may be recovered in a civil action brought by the Attorney General. No other person shall be entitled to sue either party to the acquisition for failure under this paragraph to give notice or to furnish the required information and such penalty shall be the sole remedy for willful failure to give notice or to furnish the required information. Any officer or employee of the Commission or Board vested with jurisdiction under section 11 of this Act or of the Department of Justice, who shall make public any information furnished to the Commission or Board or Attorney General pursuant to the provisions of this paragraph, without the authority of the Commission or Board or Attorney General, unless directed by a court, or unless such information has already been made public, shall be deemed guilty of a misdemeanor and upon conviction thereof, shall be punished by a fine not exceeding $5,000 or by imprisonment not exceeding one year, or both. Failure by the Federal Trade Commission, the Attorney General or other appropriate agency to request additional relevant information pursuant to this paragraph or to interpose objection to such acquisition within the sixty-day period shall not bar the institution at any time of any action or proceeding with respect to such acquisition under any provision of law. The Commission or Board vested with jurisdiction under section 11 of this Act, after consultation with and upon approval of the Attorney General, shall establish procedures for the waiver by the appropriate Commission or Board and the Attorney General and such Commission or Board and the Attorney General shall waive all or part of the waiting requirements in appropriate cases and in categories of cases where a waiting period is deemed unnecessary to effectuate enforcement of this section of this Act: *Provided, however*, That such procedures may be amended from time to time as the Commission or Board, upon the approval of the Attorney General, considers appropriate.

"The notification and waiting period provisions of the preceding paragraph shall not apply to the following:

"(1) Any acquisition of stock when the stock acquired or held does not exceed 10 per centum of the voting rights, as represented by the voting stock or other voting share capital, of the corporation in which the stock is acquired:

"(2) Any acquisition of stock in a single transaction or series of related transactions, unless the fair market value of the consideration paid for such stock in such transaction or transactions exceed $2,000,000;

"(3) Any acquisition of stock which does not increase, directly or indirectly, the acquiring corporation's share of voting rights in any other corporation;

"(4) Any acquisition, in a single transaction or series of related transactions, by

UNIVERSITY OF MICHIGAN LIBRARIES

one corporation of assets of any other corporation if the fair market value of the consideration paid for such assets in such transaction or transactions (after deducting the portion thereof comprising stock in trade used in the ordinary course of the transferring corporation's business, and transferred by such acquisition) does not exceed $2,000,000;

"(5) Acquisition by any corporation of bonds or other obligations without voting rights of any other corporation, securities issued by the United States, or by any State, Territory, or insular possession thereof, or by any political subdivision or public agency or instrumentality of one or more of any of the foregoing;

"(6) Any acquisition of real property, primarily for office space or nontransient residential use; any acquisition of an interest in land primarily for the purpose of constructing plants or other facilities for use in the conduct of business; or any acquisition of vacant industrial property;

"(7) Any acquisition of (i) stock or other share capital of a corporation, 75 per centum or more of the market value of the assets of which consist of undeveloped or partially developed mineral, mining, or timberland properties, or (ii) the whole or any part of such undeveloped or partially developed mineral, mining, or timberland properties;

"(8) Any acquisition by any corporation from the Government of the United States, or from the government of any State, Territory, or insular possession thereof, or from any political subdivision or public agency or instrumentality of one or more of any of the foregoing;

"(9) Acquisition, solely for the purpose of investment, of assets, other than voting stock or other voting share capital, by any bank, banking association, trust company, or insurance company, in the ordinary course of its business; acquisition by any bank, banking association, or trust company of the assets of another bank, banking association, or trust company;

"(10) Acquisition of stock, other share capital, or assets of any corporation, if the acquiring corporation, prior to such acquisition, owned, directly or indirectly, more than 50 per centum of the outstanding voting stock of the corporation whose stock, other share capital, or assets are acquired, or if more than 50 per centum of the outstanding voting stock of the acquiring corporation is owned, directly or indirectly, by a corporation which, prior to such acquisition, owned, directly or indirectly, more than 50 per centum of the outstanding voting stock of the corporation whose stock, other share capital, or assets are acquired, or if more than 50 per centum of the outstanding voting stock of the acquiring corporation is owned, directly or indirectly, by the corporation from which the stock, other share capital, or assets are acquired;

"(11) Any acquisition of stock, other share capital, or assets, solely for the purpose of investment, by any corporation engaged wholly in religious, educational, or charitable activities;

"(12) Any acquisition of stock, other share capital, or assets, solely for the purpose of investment, by any corporation engaged wholly in religious, educational, or charitable activities;

"(13) Any acquisition of stock, other share capital, or assets by any corporation in connection with financing, refinancing, borrowing, or underwriting transactions where title to such stock, other share capital, or assets is acquired solely for collateral, underwriting, or security purposes;

"(14) Any acquisition of stock, other share capital, or assets of any foreign corporation unless such foreign corporation: (1) transacts business in the United States, its Territories, or possessions, and has a permanent establishment in the United States, its Territories, or possessions; or (2) has a stock or other share interest in a corporation which transacts business in the United States, its Territories, or possessions;

"(15) Any acquisition of stock or assets which, under any specific provision of law, requires the approval in advance of a commission or board or other agency of the United States, and when so approved is exempt under any specific provision of law from the provisions of this section: *Provided, however,* That any commission, board, or agency of the United States which is authorized by law to approve the acquisition by one corporation of the stock or assets of another corporation where by virtue of such approval such acquisition is exempted from the provisions of this section shall promptly notify the Attorney General of any application or request for such approval.

"Except for the provisions of the second paragraph of this section, the section shall not apply to corporations purchasing stock solely for investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of the stock of such subsidiary corporations, when the effect of such formation is not substantially to lessen competition."

SEC. 2. The second paragraph of said section 7 as herein amended shall take effect one hundred and twenty days after enactment of this Act. The procedures for the waiver by the appropriate commission or board and the Attorney General of all or part of the waiting requirements in appropriate cases and categories of cases required by the second paragraph of said section 7, as herein amended, shall be established within one hundred and twenty days after enactment of this Act.

SEC. 3. Nothing contained in the first paragraph of said section 7 as herein amended shall be held to affect or impair any right heretofore legally acquired: *Provided,* That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to exempt any person from the penal provisions thereof or the civil remedies therein provided.

PUBLIC AFFAIRS OFFICER CORPS, U.S. INFORMATION AGENCY

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to promote the foreign policy of the United States by strengthening and improving the foreign service personnel system of the U.S. Information Agency through establishment of a Public Affairs Officer Corps. This bill was submitted to the Vice President by letter on February 2, 1959.

The proposed legislation has been requested by the Director of the U.S. Information Agency, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill may be printed at this point in the RECORD, together with the letter from the Director of the U.S. Information Agency to the Vice President and an explanation prepared by that Agency with regard to the bill.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The bill will be received and appropriately referred; and, without objection, the bill, letter, and explanation will be printed in the RECORD.

The bill (S. 1008) to promote the foreign policy of the United States by strengthening and improving the foreign service personnel system of the U.S. Information Agency through establishment of a Public Affairs Officer Corps, introduced by Mr. FULBRIGHT (by request), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby established a category of officers of the United States Information Agency to be known as Public Affairs officers who shall, except as hereinafter provided, be subject to the provisions of the Foreign Service Act of 1946, as heretofore or hereafter amended (hereinafter referred to as the Foreign Service Act), and any other provisions of law which are or may become applicable to Foreign Service officers: *Provided,* That no person shall be eligible for appointment as a Public Affairs officer unless he meets standards and has passed examinations equivalent to those required for appointment as a Foreign Service officer under the Foreign Service Act: *Provided further,* That not more than 700 persons who have not served as Public Affairs officer in class 8 may be appointed as Public Affairs officer to classes 1 to 7, inclusive.

SEC. 2. Such authority as is or may become available by statute to the Secretary of State with respect to Foreign Service officers shall be available on the same basis to the Director of the United States Information Agency (hereinafter referred to as the Director) with respect to Public Affairs officers, except as otherwise provided in this Act.

SEC. 3. The following sections of the Foreign Service Act or portions thereof shall not apply to Public Affairs officers: 201 (Director General of the Foreign Service), 211 (a) (Board of the Foreign Service), 401(1) (chiefs of mission), 411 (chiefs of mission), the first three sentences of section 412 (classes of career ambassador and career minister), 421–422 (officers temporarily in charge), 431 (chiefs of mission), the last sentence of section 443 (designation of hardship posts), 501–502 (principal diplomatic representatives), the second and third sentences of section 517 (lateral entry), 518–519 (career ambassadors, career ministers, and chiefs of mission), 571(b) (eligibility of Foreign Service officers to serve as Director General), and section 631 (retirement of career ambassadors and career ministers).

SEC. 4. (a) There are hereby established in the United States Information Agency (1) a Board composed of two senior officers of the Agency designated by the Director, and two senior officers of the Department of State designated by the Secretary of State, one of whom shall be designated Chairman by the Director, and (2) a Board of Examiners similarly composed and constituted, which Boards shall carry out with respect to Public Affairs officers of the Agency the functions vested by the Foreign Service Act in the Board of the Foreign Service and the Board of Examiners for the Foreign Service, respectively.

(b) Examining panels and selection boards established for the purposes of appointment and promotion of Public Affairs officers shall include an equal number of representatives of the Agency and of the Department of State, respectively.

(c) The Director shall obtain the concurrence of the Secretary of State with respect to recommendations made to the President for the appointment and promotion of Public Affairs officers.

SEC. 5. (a) The Secretary of State may, upon request of the Director, recommend to the President that Public Affairs officers be commissioned as diplomatic or consular officers, or both, in accordance with section 512 of the Foreign Service Act.

(b) The Secretary of State may, upon request of the Director, assign Public Affairs officers, commissioned as diplomatic or consular officers, to serve under such commissions in accordance with sections 512 and 514 of the Foreign Service Act.

SEC. 6. The Director shall establish and administer an independent retirement and disability system for Public Affairs officers in accordance with the provisions of the Foreign Service Act.

SEC. 7. Regulations prescribed by the Director with respect to appointments, promotions, assignments, separations, and the general administration of the Public Affairs officer personnel system, shall at all times be compatible with, and to the extent practicable, similar to those applicable to the Foreign Service officers.

SEC. 8. Nothing in this legislation shall be construed to authorize the Director to establish a Foreign Service Institute as provided in title VII of the Foreign Service Act.

The letter and explanation presented by Mr. FULBRIGHT are as follows:

U.S. INFORMATION AGENCY,
Washington, January 30, 1959.

The VICE PRESIDENT,
U.S. Senate.

DEAR MR. VICE PRESIDENT: I have the honor to transmit to the Congress a draft bill "to promote the foreign policy of the United States by strengthening and improving the Foreign Service personnel system of the U.S. Information Agency through establishment of a Public Affairs Officer Corps," which provides authority for the Agency to establish a career service for its Foreign Service personnel. Also enclosed is a detailed explanation of the bill, together with estimates of increased cost.

The Agency has unfortunately not had sufficient authority for this purpose since its creation in 1953, although proposals to establish a career service for Foreign Service personnel were submitted to both the 84th Congress and the 85th Congress. The most recent of these proposals, together with certain other amendments to the U.S. Information and Educational Exchange Act of 1948 proposed by the Agency and by the Department of State, was submitted to Congress in 1957 and subsequently was introduced in the Senate as S. 1583 (see pp. 7–10 of the bill). On the House side, the same career service proposal was substantially revised by the Subcommittee on State Department Organization and Foreign Operations of the House Committee on Foreign Affairs, and as thus revised was introduced, together with other Agency-proposed provisions, as H.R. 8081 (see pp. 2–6 of the bill). No further action was taken on either S. 1583 or H.R. 8081 during the 85th Congress.

The enclosed career service proposal is substantially the same as that submitted to the Congress in 1957, but includes certain changes embodied in H.R. 8081 which provide for equal representation by officers of the State Department and of the Agency on certain boards and panels. We believe that these changes represent improvements, and that they will tend to promote uniformity in the procedures of the Agency and of the Department of State with respect to the Foreign Service personnel of each.

This bill is not submitted as an amendment to the U.S. Information and Educational Exchange Act of 1948, as was the case in the past, but is proposed as entirely separate and independent legislation. There appears to be no logical reason for attaching a proposal authorizing a career Foreign Service personnel system to an act which is concerned with authority for the conduct of program activities in the fields of overseas information and international education exchange.

The Bureau of the Budget has advised that there is no objection to the presentation of this bill and explanation to the Congress.

Sincerely,

GEORGE V. ALLEN,
Director.

EXPLANATION OF PROPOSED BILL AND ESTIMATE OF INCREASED ANNUAL COST

GENERAL

The proposed legislation is designed to provide the statutory basis for an improved Foreign Service personnel system for the U.S. Information Agency. It provides authority for a career category of officers to be known as Public Affairs officers paralleling the Foreign Service officers corps of the Department of State. In general, the proposed legislation will place the foreign service of the Agency on a basis equivalent with that of the Department of State and subject to the same statutory requirements and limitations.

The legislative proposals, if enacted into law, will meet a need that was foreseen by the President at the time of establishment of the Agency in 1953 by Reorganization Plan No. 8. At that time the President recognized that the limited personnel authorities granted to the new Agency under Reorganization Plan No. 8 and implementing executive orders were not adequate. In his message to the Congress transmitting the reorganization plan, the President said:

"While these [personnel] arrangements will enable the new Agency to function with reasonable effectiveness from the outset, I do not consider them permanently suitable."

The present proposal will for the first time give the Agency the personnel authorities necessary to establish its Foreign Service personnel system on a career basis. The limited personnel authorities now available to the Agency under Reorganization Plan No. 8 are totally inadequate to provide a career service for its professional officers.

Section 1: The new category of officers to be established by the legislation will be known as Public Affairs officers. They will be required to pass examinations and to meet qualifications and standards for appointment equivalent to those required for Foreign Service officers of the Department of State under the Foreign Service Act.

This section also provides that not more than 700 persons who have not served as Public Affairs officer in class 8 may be appointed as Public Affairs officer to classes 1 through 7. The Agency now has approximately 1,000 officers who are either Foreign Service Reserve officers, classes 1–7, or Foreign Service staff officers in equivalent grades. These officers will be invited to apply and required to meet standards and pass examinations of the same nature as those required for lateral entry into the Foreign Service officers corps of the Department of State. The Agency will select those officers who meet these strict requirements and who possess the best qualifications and the broad experience desired for its Public Affairs officers.

The exact number of present staff and Reserve officers who will apply for admission and who will pass the strict qualification requirements for appointment cannot be determined in advance. It is the Agency's best judgment that 700 to 800 of its present officers will meet the requirements and standards equivalent to those established by the Department of State for entrance into the Foreign Service officers corps. The agency, therefore, regards the proposed limitation of 700 appointments of Public Affairs officers to classes 1 through 7 as an interim control to assure observance of the highest standards in selection, but anticipates that it may be necessary to request an adjustment in this figure. If, as the number of lateral appointments of fully qualified officers approaches the figure of 700, the Agency can demonstrate that there are additional equally well qualified officers who cannot be appointed solely because of the limitation, the Agency will request the Congress for an appropriate increase in the limitation. The agency would take such action only if it is fully justified by experience and the record of achievement under the new legislation.

Plans for the Public Affairs officer corps will provide for appointment of junior officers at class 8. The Agency proposes that these junior officer appointments should not be charged against the limitation of 700 appointments to classes 1 through 7, since the Agency desires to provide a continuing source of highly qualified young officers for the Public Affairs officer corps through appointments at the entrance class. For the past several fiscal years, the Agency has appointed approximately 30 junior officers a year. The Agency would continue to appoint approximately 30 junior officers a year for the next several fiscal years if the proposed legislation were enacted.

Section 2: This section provides that the same authority which is or will be available by statute to the Secretary of State with respect to Foreign Service officers of the Department is available to the Director, USIA, with respect to Public Affairs officers, except as provided in succeeding sections of the new legislation. (The Director also retains, of course, the authority made available to him by the President with respect to Foreign Service Reserve officers, Foreign Service Staff officers and employees, and alien clerks and employees, under Executive orders implementing Reorganization Plan No. 8.)

Section 3: Certain provisions of the Foreign Service Act applicable to Foreign Service officers of the Department are not pertinent to Public Affairs officers. This section specifies the authorities of the act available to the Secretary of State, which are not available to the Director, USIA, with respect to Public Affairs officers. These include various provisions of the act which pertain, for example, to the Director General of the Foreign Service, chiefs of mission, career ambassadors, and career ministers and officers temporarily in charge of posts. The authority to designate hardship posts, vested by the Act in the Secretary of State, is also not available to the Director. The section of the act which specifies the membership of the Board of the Foreign Service of the Department of State is made inapplicable, since the membership of the Agency Board is covered separately by section 4 of the proposed legislation. The limitations on the number of lateral appointments to the Foreign Service Officers Corps at classes 1 through 7 are also not applicable to lateral appointments to the Public Affairs Officers Corps at those classes, since section 1 of the proposed legislation places a limit of 700 on lateral appointments of Public Affairs officers at classes 1 through 7.

Section 4: Two Boards are established to perform with respect to the Agency's Public Affairs officers the functions vested by the Foreign Service Act in the Board of the Foreign Service and Board of Examiners for the Foreign Service. Each USIA Board will be composed of two senior officers of the

UNIVERSITY OF MICHIGAN LIBRARIES

Agency and two senior officers of the Department. Examining panels and selection boards will also include an equal number of representatives of the Agency and the Department.

The direct participation of Department representatives will enable the Agency to benefit from the Department's long administration of a career officer system. It is believed that this participation will assure substantial uniformity between the two personnel systems, including such important aspects as examinations of personnel and standards for their selection and promotion.

Subsection (c) of this section also requires that the Director obtain the concurrence of the Secretary of State with respect to the Director's recommendations to the President for the appointment and promotion of Public Affairs officers. This requirement offers further assurance of uniformity between the Department and the Agency with regard to personnel administration.

Section 5: This section provides that the Director, when he considers it necessary to carry out the Agency's functions, may request the Secretary of State to recommend to the President that Public Affairs officers be commissioned to serve in a diplomatic or consular capacity. In this way, the Secretary of State retains responsibility for commissioning Agency personnel and for their assignment under such commissions in diplomatic or consular capacities. The Director retains authority over the assignment and transfer of Public Affairs officers in other than diplomatic or consular capacities.

These are the same procedures now followed in commissioning and assigning Foreign Service Reserve and Foreign Service staff officers of the Agency. No change in present arrangements is contemplated.

Section 6: Under this section the Director will establish and administer an independent retirement fund and system, pursuant to the provisions of title VIII of the Foreign Service Act, which creates a retirement system for Foreign Service officers. In setting up this system, the Agency will be guided by the experience of the Department of State and will follow to the greatest possible extent the regulations of the Department relating to its retirement system.

Section 7: As provided by this section, the Agency will take advantage of the experience of the Department in the administration of the Foreign Service officer corps and will pattern its regulations after those of the Department. Through the joint boards established under section 4 the Agency will maintain close coordination with the Department in regard to such matters as policies and precedures with respect to appointments, promotions, assignments, and separations. The Agency will continue to be bound by Government-wide regulations relating to allowances issued by the Department.

Section 8: Title VII of the Foreign Service Act is concerned with the establishment and operation of the Foreign Service Institute and with the general training and development of the personnel of the Foreign Service. This section makes it clear that the Agency will not have authority to establish an independent Foreign Service Institute to parallel that of the Department of State. The Agency will continue to make use of the facilities of the Foreign Service Institute of the Department under appropriate financial arrangements and will utilize those provisions of title VII which provide authority for the training and development of Foreign Service officers, in training and developing its Public Affairs officers. The provisions of title VII, which provide authority for the training and development of Foreign Service Reserve and Foreign Service staff officers, will continue to be available to the Agency under Reorganization Plan No. 8 and Executive Order 10477.

Estimate of increased annual cost, $125,000.

PROPOSED LEGISLATION RELATING TO SMALL BUSINESS TAXATION

Mr. SPARKMAN. Mr. President, during the 85th Congress the Senate Small Business Committee conducted a thorough study of the tax problems of small business. After extensive hearings, members of the committee introduced an omnibus small business tax adjustment bill.

Our bill provided the basis for much of the tax relief granted to small business by the Small Business Tax Revision Act of 1958. That act will, in my opinion, be very helpful to small business. However, it did only part of the job.

To give the Congress an opportunity to remove additional severe tax inequities toward small business, I am introducing separate bills that are directly related to four omnibus-bill provisions that were not written into law last year.

On January 9 I introduced S. 59, a bill that would permit small firms a deduction from taxable income for earnings plowed back into the business. This followed the principle of section 2 of last year's bill, but was not identical to it.

Today I am introducing three additional bills which are identical to sections 3, 5, and 8 in S. 3194 of the 85th Congress.

For myself, Senator HUMPHREY, Senator MORSE, Senator BIBLE, Senator RANDOLPH, Senator JAVITS, Senator JACKSON, and Senator YARBOROUGH, I introduce a bill written to eliminate one of the most severe areas of discrimination in the existing Federal tax structure. Under section 401 of the 1954 Internal Revenue Code, persons who are members of qualified pension, profit sharing, or stock bonus plans get great tax advantages in providing for retirement. They do not have to report as income funds placed in the plans by their company employer and treated by the company as a current expense. Only a small proportion of taxpayers and employees are favored with such treatment, and all other persons are at a substantial disadvantage in planning for their retirement.

The bill which I now introduce will extend an equal tax advantage to all taxpayers. It would permit all wage earners, employers, and self-employed persons not included in a section 401 plan to set up voluntary individual retirement programs by investing the lesser of 10 percent of taxable income or $1,000 in restricted bank accounts or insurance policies.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1009) to amend the Internal Revenue Code of 1954 so as to encourage the establishment of voluntary retirement plans by individuals, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. SPARKMAN. Mr. President, my next bill is concerned with depreciation. There is no area of tax administration whch has received so much criticism as depreciation policy. It is an area which probably can never be completely freed from ambiguity and inequity, but there is one discriminatory feature which can be removed to the benefit of the whole system.

In 1954, Congress permitted purchasers of new property to adopt alternative depreciation methods that permitted more rapid recovery of asset cost in the years immediately following purchase. The use of the new methods was denied to purchasers of secondhand or used property. Because small concerns are the major purchasers and users of secondhand equipment, they were the unintended victims of discrimination when the 1954 election was given to buyers of new property.

We believe that this privilege should be extended also to purchasers of used equipment. Needless to say, most of these purchasers are small business men.

For myself, Senator HUMPHREY, Senator SMATHERS, Senator MORSE, Senator BIBLE, Senator RANDOLPH, Senator JAVITS, Senator JACKSON, and Senator YARBOROUGH, I now introduce a bill which will extend the alternative methods of depreciation to purchasers of secondhand equipment. This would eliminate a most unfair discrimination against small business users of secondhand property.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1010) to amend the Internal Revenue Code of 1954 so as to permit the use of the new methods and rates of depreciation for used property, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. SPARKMAN. Mr. President, my final bill in this series of four would compel the Treasury to accept the decisions of Federal courts in tax matters or take an appeal. Now Treasury may nonacquiesce or formally disagree with a decision and force other taxpayers to refight old battles under the jurisdiction of different courts.

In past years, inconsistent interpretations of the Internal Revenue Code, resulting from the nonacquiescence of the Treasury in judicial rulings, have worked a great hardship on small business. In many cases involving small firms, the tax liability is relatively small, and, often, not worth the heavy expense of litigation. Taxpayers in such cases find it difficult to understand why the Treasury continues to press a position in defiance of a contrary ruling by the Tax Court or a United States court of appeals.

For myself, Senator HUMPHREY, Senator MORSE, Senator BIBLE, Senator RANDOLPH, Senator JACKSON, and Senator YARBOROUGH, I introduce an amendment to the Internal Revenue Code to compel acquiescence by the Treasury in judicial determinations of the Tax Court and the United States courts of appeals. Under this bill the Treasury would be protected by its right of appeal, and the taxpayers—both the one in litigation and others involved with the same question—would gain the advantage of finality and uniformity of treatment.

Mr. President, I cannot stress too emphatically that small business is in grave danger of becoming one of the unintended victims of our economic progress. Our admiration of bigness has almost become a national fetish. We tend to forget that our largest corporations, which today are household words, were at one time very small businesses indeed. Today growth is the key to business success. To stand still is to perish. One way to assure that our smaller companies can expand with the times is to make it possible for them to buy modern equipment, to modernize their factories and stores. Mr. President, they need money to do this and the best way to find this money is to be able to save a part of their profits to plow back into their businesses.

S. 59, which I introduced on January 9, provides for a tax allowance on a certain part of profits which are reinvested in the business. The bills which I have introduced today are further steps toward making it possible for our smaller companies to take advantage of much the same tax benefits which our largest companies enjoy.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1011) to designate judicial precedents which shall be binding in the administration and enforcement of the internal revenue laws, introduced by Mr. SPARKMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

Mr. SPARKMAN. Mr. President, since I am sure that many Senators share these views, I ask unanimous consent that each of the three bills that I have just introduced lie on the table 1 week for additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX ADJUSTMENT PROGRAM FOR SMALL BUSINESS—ADDITIONAL COSPONSOR OF BILL

Mr. SPARKMAN. Mr. President, in connection with the bill (S. 59) to provide a program of tax adjustment for small business and for persons engaged in small business, which I introduced on January 9, 1959, on behalf of myself and other Senators, I ask unanimous consent that the next printing or at the first opportunity, the name of the Senator from Florida [Mr. SMATHERS] be added as an additional cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONTRIBUTION BY STATE GOVERNMENTS TO COST OF FEED OR SEED FURNISHED FARMERS IN DISASTER AREAS

Mr. WILLIAMS of Delaware. Mr. President, I introduce, for appropriate reference, a bill the purpose of which is to require that in all emergency relief programs, such as drought relief, and so forth, underwritten by the Federal Government there shall be a minimum of 25 percent State or local participation.

Under the existing law the Federal Government is underwriting all of the cost of these emergency relief programs with the result that there is little incentive on the part of the State and local communities to supervise the distribution and to insure that the relief goes to those for whom it is intended.

It has been disclosed that under this program with non-State participation, millionaire ranchers, owners of racehorses, and other unqualified types of operations have been declared eligible for relief payments.

For instance, the fabulous King Ranch received several thousand dollars in relief with no objections being raised by the State administrators, presumably on the assumption that the Federal Government was assuming the cost anyway.

In another instance the owner of the racehorse Swaps even while his horse was winning the Belmont Sweepstakes was applying for and receiving relief payments.

One self-styled rancher with only a polo pony and a bird dog was drawing relief to feed his livestock.

Recognizing these abuses the administration in previous years strongly recommended this legislation but no action was taken.

This proposal should be enacted by Congress now. At the present time these programs are not being utilized; therefore, it would be much easier to make this correction now and be ready for a future situation should another emergency develop.

The outlining of a definite formula of State participation would put the State legislatures on notice as to the rules under which they could participate.

In the President's message to the Congress this year he again strongly recommended this proposal as being necessary from the standpoint of good administration as well as being a step toward turning back to the States those functions which can be best administered at local levels.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1013) to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas, and for other purposes, introduced by Mr. WILLIAMS of Delaware, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

SCHOOL CONSTRUCTION ASSISTANCE ACT OF 1959 AND COLLEGE FACILITIES ACT OF 1959

Mr. MORTON. Mr. President, on behalf of the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Vermont [Mr. PROUTY], I introduce, for appropriate reference, two bills entitled "School Construction Assistance Act of 1959" and "College Facilities Act of 1959."

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. MORTON (for Mr. SALTONSTALL and Mr. PROUTY), were received, read twice by their titles, and referred to the Committee on Labor and Public Welfare, as follows:

S. 1016. A bill to authorize a 5-year program of assistance to school districts in meeting the debt service on loans for construction of urgently needed elementary or secondary public school facilities, and for other purposes; and

S. 1017. A bill to assist institutions of higher education to market and retire bonds issued by them to finance the construction of college facilities.

Mr. MORTON. Mr. President, I ask unanimous consent that the bills lie on the desk through February 19 for the benefit of any Senators who may wish to become cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORTON. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a letter from Mr. Arthur S. Flemming, Secretary of Health, Education, and Welfare, and a statement by the Senator from Massachusetts [Mr. SALTONSTALL].

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., February 9, 1959.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: I enclose for your consideration two legislative proposals designed to strengthen American education in areas of recognized need.

One would assist States to overcome the persistent shortage of public elementary and secondary schools by making it possible for them to initiate up to $3 billion worth of construtcion, during the next 5 years, in communities which lack the resources to finance their own classroom needs.

The other, over the same period, would make it possible for institutions of higher education to accelerate construction of up to $2 billion worth of facilities which will be needed in the years immediately ahead to provide for the ever-increasing numbers of youth reaching college age.

Under the elementary and secondary school construction program, maximum annual Federal payments would be $85 million, and the aggregate potential cost would be about $2 billion over approximately 25 years. Under the higher education construction program, maximum annual payments would be $25 million for debt retirement assistance, and the aggregate Federal cost would be $500 million, payable over a 25-year period.

Our educational system is vitally related to the national strength and security. As we apply ourselves to the causes of security and peace, we must seek to develop our human resources to the fullest extent. We must make available for all our children and young people equal educational opportunities to realize their highest potential.

As a Nation, we must be willing to make the sacrifices which will be necessary to achieve these goals. We must redouble our efforts for adequate classroom facilities, improved quality of instruction, better status and salaries for teachers, and broadened support of education from the States, local governments, and private agencies.

Among our most critical educational problems, the one most readily resolved by vigorous action is the continuing shortage of adequate public schools and classrooms. There is no State in which this shortage is not felt

UNIVERSITY OF MICHIGAN LIBRARIES

in some degree. Adequate facilities for the education of our children must be provided in every State and every local school district.

In recent years, thousands of communities throughout the country have made strenuous efforts to meet their needs. Most of them are finding the means to eliminate their school construction backlogs and keep pace with expanding enrollments. Nevertheless, the nature and extent of the problem in many communities is such that they simply cannot meet their classroom needs from their own resources.

The population growth which has placed such a burden on our elementary and secondary schools is only beginning to make its impact felt in our institutions of higher education. Unless they greatly increase their current rate of construction and enlarge their capacity to absorb the oncoming wave of youths reaching college age, they will have to close their doors to many able young men and women in the years immediately ahead. Yet, many of these institutions do not have resources available for financing, without borrowing, the expansion of academic and housing facilities which must be begun now in order to meet the needs of the next decade. They are reluctant to add the burden of large scale indebtedness to the already heavy load they carry in meeting day-to-day operating expenses.

For our future progress and future survival, we must assure that our colleges and universities continue to produce highly educated men and women in sufficient numbers to meet the demands of our growing economy, maintain the vitality of our democratic processes, and uphold our position of leadership in the free world. The national interest demands that the opportunity for higher education will not be denied to any able young persons who may seek it.

In his budget message, the President stated his belief that the continued needs of colleges and universities should be considered within the framework of the general problems of education, and noted that this Department was concluding an exhaustive study of these problems. Accordingly, it is my privilege to transmit the legislative recommendations in the field of higher education arising from our study, together with our recommendations in the field of public elementary and secondary school construction. The enclosed draft bills would provide suitable and effective Federal assistance to assure the continued strength of American education.

I. PUBLIC ELEMENTARY AND SECONDARY SCHOOL CONSTRUCTION

A. The problem

According to the estimates of the States themselves, our public elementary and secondary schools today enroll almost 2 million pupils in excess of their normal capacity, while another 2 million pupils are housed in obsolete or inadequate buildings. These children are being shortchanged in their education by half-day sessions, seriously overcrowded classes, and makeshift facilities.

In addition to the thousands of classrooms needed to relieve currently overcrowded conditions, the States and local communities must find ways to construct several hundred thousand more classrooms in the years immediately ahead to accommodate increasing enrollments and replace obsolete structures.

If the present high rate of school construction could be maintained for the next 5 years, the national classroom deficit at the end of that period would still remain a national problem of major proportions. More than 2 million children would still be educationally underprivileged.

In our judgment, however, the current construction rate cannot independently be maintained. The present rate reflects the efforts of school districts with median or better-than-average resources—districts with the capacity to meet their classroom needs. Consequently, estimates of the construction backlog increasingly tend to represent the problems of communities that do not have resources commensurate with their needs. Such districts exist in every State. They will, by and large, remain unable to finance urgently needed construction in the immediate future.

It is no answer to say that, possibly, within the next decade or so, these districts may find ways to meet their needs. They must be helped to build now the classrooms which their children must have. The children cannot wait.

In focusing on the problem of the needy school districts, we propose a program that incorporates new and effective measures to assure that Federal aid is directed to those school districts which are urgently in need of additional classrooms that cannot be financed out of their own tax revenues.

B. The program

The program we propose is a 5-year emergency measure. Under the draft bill, the Federal Government would annually advance half of the funds required by needy school districts to pay the principal and interest charges (debt service) on bonds issued by the districts to finance school construction projects, if the States in which such districts are located undertake to advance the remaining half of the payments.

To participate in this program, the States would determine priorities among needy districts according to their relative need for facilities and financial assistance. In order to measure the capacity of the districts to finance their educational requirements, the States would establish standards for determining a "reasonable tax effort" for each applicant school district. The districts that qualify for assistance would be required to exert this effort each year for the life of their construction bonds and for 10 years thereafter, as assurance that they would continue to make the maximum contribution which they could reasonably be expected to make toward meeting their own needs from their existing and potential tax resources.

If at any time during the 20–30 year life of the construction bonds the tax resources of a community should increase or its other financial burdens diminish to such an extent that they become able to pay part or all of the debt service charges in a given year, Federal-State advances for that year would be reduced proportionately or discontinued. Likewise, in the 10-year period following retirement of the bonds, the district would apply half of any excess revenues which may be produced by exerting its "reasonable tax effort" to the repayment, with interest, of Federal advances previously made. Any Federal advances or interest which a district is unable to pay in this manner would be forgiven at the end of the 10-year period.

The proposed program would require relatively small annual appropriations by States which undertake, like the Federal Government, to advance half the annual debt service on amounts borrowed by their needy districts. Additional flexibility of financing would be achieved by a provision allowing the States to make capital grants in lieu of, or in combination with, debt service advances. Also, the States could either waive repayment of their advances after the retirement of the bonds, or could require repayment from excess revenues for any future period they may choose.

Under this bill, the maximum principal amount of bonded indebtedness which could be covered by Federal-State debt service commitments would be $600 million a year. This amount would be allocated to the States on the basis of school population, per capita income, and school financing effort. During the 5-year period in which commitments could be made, the program could thus initiate $3 billion worth of classroom construction in needy and deserving school districts. This total would contribute substantially toward meeting the critical needs of those districts which could not otherwise provide adequate educational facilities for their children.

In seeking to stimulate greater application of State and local resources toward the total solution of their educational problems, we have based this proposal on the fundamental principle that Federal assistance must not infringe upon the traditional responsibilities of the States and their communities for public education. The proposed bill assumes Federal responsibility only for temporary, emergency assistance to stimulate and hasten local action where the demand is most urgent. When school districts demonstrate that they can carry the burden unassisted, the Federal role ends.

II. HIGHER EDUCATION CONSTRUCTION

A. The problem

Our institutions of higher education—both public and private—are a vital national resource. We are dependent upon the existing colleges and universities to supply our national needs for highly trained manpower.

These institutions are experiencing mounting difficulties which markedly restrict the effectiveness of their vital national role. They must gradually replace the obsolete structures which make up a significant proportion of their total facilities. To attract and hold good faculties, they will have to increase salaries. It will be necessary for many of them to elevate, and for all of them to maintain, their standards of academic excellence. They must increase their output of qualified teachers, whose knowledge and skills are the indispensable elements of any sound educational system. Colleges and universities are presently straining their resources to satisfy the national demand for highly educated men and women in all walks of life. Now, they are asked in addition to prepare for the overwhelming enrollment increases expected in the next decade.

By 1970, the total number of qualified students seeking to enter our institutions of higher education will about double. This simple fact is the crux of the problem which the colleges and universities must confront and resolve if they are to continue to fulfill their national responsibilities.

To care adequately for these anticipated enrollment increases, they must almost double their present rate of construction. Few public or private institutions can pay for plant expansion out of available or readily procurable resources, and many are unwilling to undertake burdensome debt service costs in view of their other equally urgent educational priorities. Such institutions of higher education need help and encouragement to find ways to construct needed new facilities and replace those made unserviceable by obsolescence.

The example of the college housing loan program has already demonstrated that construction of facilities for higher education can be greatly stimulated by making it possible for the institutions to borrow on favorable terms and conditions to finance their capital outlay needs. Before the program was initiated in 1950, less than 30 percent of all college housing projects were financed by bond issues. In recent years, the level of construction contracted under the college housing program alone has risen to a plateau of $200 million a year, equaling 60 percent of the total annual rate of residential college construction. In contrast, borrowing accounts for only about 14 percent of the funds being raised for construction of academic facilities, which are not eligible for college housing loans.

B. The program

To accelerate construction of college and university facilities as required in the national interest, we propose new incentives

for educational institutions to increase borrowing for construction equivalent to the incentives provided in the present college housing loan program. We also propose to broaden the base of Federal assistance to include the construction of vitally needed academic facilities—classrooms, libraries, laboratories, and related facilities for instruction, research or administration of educational or research programs—as well as housing facilities.

The draft bill would establish an emergency 5-year program which would include:

1. Federal guarantees of principal and interest on non-tax-exempt bonds sold by colleges to private investors to finance construction of housing, academic and related educational facilities. By assuring private lenders that debt service payments would be met as scheduled, the guarantee feature is expected to enable institutions that do not have the benefit of tax-exempt bond issuance to obtain a ready market for their bonds. The aggregate amount of guaranteed bonds outstanding at any one time would be limited to $1 billion.

2. Debt retirement assistance in the form of Federal commitments to pay 25 percent of the principal on long-term bonds issued by institutions of higher education to finance construction projects for needed housing, academic, or other educational facilities. Federal payments would be made in 20 equal annual installments. Debt retirement assistance would be limited to projects which would serve the national interest in increasing enrollment capacity or improving and expanding teaching and research in the sciences or engineering.

Aggregate Federal payments under the program would be limited to $500 million, representing 25 percent of a total principal construction cost of $2 billion. There would also be a $5 million limit on payments to any one institution. Only those institutions would be eligible which certify that they do not have resources available to finance their construction needs without borrowing.

The twofold program is expected to approximately triple the construction rate for academic facilities financed by borrowing, resulting in an annual rate equivalent to that of dormitory construction under the college housing loan program. Construction of college housing projects, meanwhile, would be expected to rise somewhat above the present level. By making long-term financing more readily available, this program would stimulate an aggregate of $2 billion worth of new and needed facilities constructed in time to enable our institutions of higher education to meet their national responsibilities in the years immediately ahead.

The legislative proposals I have outlined represent sound, progressive steps toward the solution of clearly defined educational needs. They are designed to promote a closer realization of the great goal of the American educational system: that all our citizens may have the opportunity to develop their talents to the fullest. Such a goal is an assertion of the basic faith of our democracy, that the Nation flourishes only through the free expression of human genius.

I recognize that fundamental differences of opinion exist as to the role of the Federal Government in education. I respect those differences. I am nonetheless convinced that these emergency proposals fully protect the traditional principle of State and local control of education, and are required by the particular necessities and urgencies of the educational task now confronting the Nation.

The enclosed summaries explain in greater detail the provisions of the proposed program. Also included are statements of cost estimates and personnel requirements which would be entailed, as required by Public Law 801, 84th Congress. I would appreciate it if you would refer the enclosed draft bills to the appropriate committee for consideration.

The Bureau of the Budget advises that enactment of the proposed legislation would be in accord with the program of the President.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

School Construction Assistance Act of 1959 (elementary and secondary public school construction)

	1960	1961	1962	1963	1964
Program funds:					
Maximum allocation authorization	$600,000,000	$600,000,000	$600,000,000	$600,000,000	$600,000,000
New obligational authority	$5,000,000	$34,000,000	$51,000,000	$68,000,000	$85,000,000
Expenditures		$28,000,000	$46,750,000	$63,750,000	$80,750,000
Administrative expenses:					
Obligations:					
Personal services	$225,000	$688,125	$1,057,500	$1,108,123	$1,108,125
Other	$75,000	$141,875	$202,500	$211,875	$211,875
Total (new obligational authority)	$300,000	$830,000	$1,260,000	$1,320,000	$1,320,000
Expenditures	$275,000	$790,000	$1,225,000	$1,315,000	$1,320,000
Man-years of employment	30	92	141	148	148

College Facilities Act

	1960	1961	1962	1963	1964
Guaranty contracts:					
Authorization	$200,000,000	$200,000,000	$200,000,000	$200,000,000	$200,000,000
New obligational authority					
Administrative and other expense:					
Man-years of employment	90	170	172	172	172
Revolving fund	$1,000,000	$500,000			
Debt retirement assistance:					
Maximum	$75,000,000	$87,500,000	$112,500,000	$112,500,000	$112,500,000
New obligational authority	$3,750,000	$8,125,000	$13,750,000	$19,375,000	$25,000,000
Expenditures		$7,031,250	$12,343,750	$17,968,750	$23,593,750
Administrative expenses:					
Obligations:					
Personal services	$177,500	$308,520	$380,950	$380,950	$380,950
Other	$69,400	$93,480	$89,050	$89,050	$89,050
Total (new obligational authority)	$247,000	$402,000	$470,000	$470,000	$470,000
Expenditures	$227,000	$445,000	$469,000	$470,000	$470,000
Man-years of employment	24	50	52	52	52

STATEMENT BY SENATOR SALTONSTALL

I think it is important that our country do what is necessary to assure that all our young people have an opportunity to obtain a first-rate education. This opportunity cannot exist unless we have adequate facilities at all levels of our educational system. The President has for several years been convinced that action by the Federal Government is necessary and desirable to help eliminate the present and predicted shortage of facilities.

This year's administration program to help overcome the shortage in elementary, secondary, and higher education facilities is designed to provide significant Federal assistance in such a way as to stimulate State, local, and private initiative and effort. The program is also designed to avoid any Federal Government interference in State, local, and private responsibility for education.

It is a program which deserves the thoughtful and sympathetic consideration of all of us who are concerned about American education.

Mr. MORTON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the two bills referred to, together with explanatory summaries.

There being no objection, the bills and summaries were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "School Construction Assistance Act of 1959."

ASSURANCE AGAINST FEDERAL INTERFERENCE IN SCHOOLS

SEC. 2. In the administration of this Act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system.

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. For the purpose of assisting school districts in financing the construction of urgently needed school facilities which they cannot, through exercise of a reasonable tax effort, finance from their own resources, there are hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1960, such sums as may be necessary to make the payments provided in this Act.

ALLOCATIONS

SEC. 4. (a) (1) For each fiscal year during the five-year period beginning July 1, 1959, and ending June 30, 1964, such amounts, not to exceed $600,000,000, as may be specified for such year by appropriation or other law shall be allocated by the Commissioner among the States on the basis of the income per child of school age, the number of public school children, and the effort for school purposes, of the respective States. Subject to the provisions of section 5, such allocations shall be made as follows: The Commissioner shall allocate to each State for each fiscal year an amount which bears the same ratio to the total to be allocated among all States as the product of—

(A) the number of public school children in the State (determined as provided in section 5(c)(1) for such fiscal year), and

(B) the State's allocation ratio (as determined under subsection (b)),

bears to the sum of the corresponding products for all the States.

(2) A State's allocation pursuant to paragraph (1) shall remain available until the end of the fiscal year following the year for which the allocation is made for Federal debt

UNIVERSITY OF MICHIGAN LIBRARIES

service commitments pursuant to section 7 with respect to obligations, to finance the construction of school facilities projects in such State, totaling the amount of such allocation. Such a commitment with respect to any obligations shall commit the Commissioner to make advances for payment of one-half the annual debt service on such obligations. Such obligations may be for the purpose of financing all or a portion of the construction of school facilities projects. The latest maturity date of obligations (in any issue) with respect to which a Federal debt service commitment is made under this Act may not be less than twenty years and not more than thirty years from the earliest date of any of such obligations and the first payment of principal thereon shall be due not later than the end of the third year following such earliest date.

(b) For purposes of this Act—

(1) The "allocation ratio" for any State shall be 1.00 less the product of (A) .50 and (B) the quotient obtained by dividing the income per child of school age for the State by the income per child of school age for the continental United States, except that (A) the allocation ratio shall in no case be less than .25 or more than .75, and (B) the allocation ratio for Hawaii shall be .50, and for Puerto Rico, Guam, and the Virgin Islands shall be .75.

(2) (A) The allocation ratios shall be promulgated by the Commissioner as soon as possible after enactment of this Act and again between July 1 and September 30 of the year 1961, on the basis of the average of the incomes per child of school age for the States and for the continental United States for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. The first such promulgation shall be conclusive for purposes of this Act for each of the fiscal years in the period beginning July 1, 1959 and ending June 30, 1962, and the second for each of the fiscal years in the period beginning July 1, 1962, and ending June 30, 1964.

(B) Promulgations made before satisfactory data are available from the Department of Commerce for a full year on the per capita income of Alaska shall prescribe an allocation ratio for Alaska of .75 and, for purposes of such promulgations, Alaska shall not be included as part of the "continental United States". Promulgations made thereafter but before per capita income data for Alaska for a full 3-year period are available from the Department of Commerce shall be based on satisfactory data available therefrom for Alaska for such one full year, or, when such data are available for 2-year period, for such years.

(3) The term "child of school age" means a member of the population between the ages of 5 and 17, both inclusive.

(4) The term "continental United States" does not include the District of Columbia.

(5) The term "income per child of school age" for any State or for the continental United States means the total personal income for the State and the continental United States, respectively, divided by the number of children of school age (in the State and continental United States, respectively).

MAINTENANCE OF STATE AND LOCAL SUPPORT FOR SCHOOL FINANCING

SEC. 5. (a) The allocation of any State under section 4 for any year shall be reduced by the percentage (if any) by which its State school effort index for such year is less than the national school effort index for such year. The total of such reductions shall be reallocated among the remaining States by proportionately increasing their allocations under section 4 for such year.

(b) For purposes of subsection (a)—

(1) The "State school effort index" for any State for a fiscal year is the quotient obtained by dividing (A) the State's school expenditures per public school child by (B) the income per child of school age for the State; except that the State school effort index shall be deemed to be equal to the national school effort index in the case of (i) Hawaii, Puerto Rico, the Virgin Islands, and Guam, (ii) Alaska, but only for years for which it is, under subsection (c) (4), not included in the "continental United States", and (iii) any State for which the school expenditures per public school child are not less than the school expenditures per public school child for the continental United States;

(2) The "national school effort index" for any fiscal year is the quotient obtained by dividing (A) the school expenditures per public school child for the continental United States by (B) the income per child of school age for the continental United States.

(c) (1) The school expenditures per public school child for any State for purposes of determining its State school effort index for any fiscal year means the quotient obtained by dividing (A) the total expenditures by the State and subdivisions thereof for elementary or secondary education made from funds derived from State or local sources in the State, as determined by the Commissioner on the basis of data for the most recent school year for which satisfactory data for the several States are available to him by (B) the number of children in average daily attendance in public elementary or secondary schools in such State, as determined by the Commissioner for such most recent school year.

(2) The school expenditures per public school child for the continental United States for purposes of determining the national school effort index for any fiscal year means the quotient obtained by dividing (A) the total expenditures by the States and subdivisions thereof for elementary or secondary education made from funds derived from State or local sources in the continental United States, as determined by the Commissioner for the same school year as is used under paragraph (1), by (B) the number of children in average daily attendance for such year in public elementary or secondary schools in the continental United States, determined as provided in paragraph (1).

(3) The income per child of school age for the States and for the continental United States shall, for purposes of subsection (b), be determined by the Commissioner on the basis of the incomes per child of school age for the most recent year for which satisfactory data are available from the Department of Commerce.

(4) The term "continental United States" shall not include Alaska for purposes of determinations made under this section before satisfactory data are available from the Department of Commerce for a full year on the per capita income of Alaska.

STATE PLANS

SEC. 6. Federal debt service commitments may be made under this Act with respect to obligations to finance the construction of school facilities in any State only if such State has submitted, and had approved under this section, a State plan. The Commissioner shall approve a State plan for purposes of this Act if such plan—

(a) provides that the State educational agency shall be the sole agency for administering the plan;

(b) provides that a local educational agency will be eligible for a Federal debt service commitment under this Act with respect to any obligations only if:

(1) such obligations are for financing, in whole or in part, the construction of school facilities needed to relieve or prevent overcrowding, double shifts, or unhealthful or hazardous conditions,

(2) such agency undertakes to exert the reasonable tax effort, determined for it under the plan, in financing its school construction needs,

(3) such agency will be unable, after exertion of such reasonable tax effort, and full utilization of other resources (whether from Federal, State, or local sources) available to it for financing its school construction needs and not taken into account for purposes of section 8(a), to pay the annual debt service on such obligations and other outstanding obligations of such agency for financing school construction,

(c) sets forth standards and procedures for determining the tax effort which each local educational agency applying for a Federal debt service commitment under this Act will be required, in order to be eligible, to exert in financing its school construction needs, which standards and procedures will assure that the tax effort so determined will be a reasonable one in the light of the resources actually or potentially subject to taxation by such agency, the relative local and State shares in financing school construction, and the tax effort exerted and the methods of financing used by other local educational agencies in the State;

(d) sets forth standards and procedures for determining the order of priority for projects under the plan in case the allocation of the State for any year under this Act is not adequate to permit the making, during the period for which such allocation is available, of all Federal debt service commitments requested by local educational agencies in the State; which standards and procedures shall assure (1) that the highest priority will be given to local educational agencies which are least able, solely because of lack of economic resources, to finance from the resources available to them the full cost of the school facilities needed to relieve or prevent overcrowding, double shifts, or unhealthful or hazardous conditions, and (2) that in other respects the order of priority will be based on relative need for financial aid in the construction of such school facilities and the relative urgency of the need for such facilities;

(e) provides for affording to every applicant whose application to be included in a State request under section 7 for a Federal debt service commitment is denied, an opportunity for a hearing before the State educational agency;

(f) provides for the establishment of standards on a State level for planning and construction of school facilities;

(g) provides that the State educational agency will make such reports to the Commissioner, in such form and containing such information, as are reasonably necessary to enable the Commissioner to perform his duties under this Act.

COMMITMENTS

SEC. 7. (a) In the case of each project for the construction of school facilities for a local educational agency to be financed by obligations for which the State educational agency requests a Federal debt service commitment under this Act, the State educational agency shall include in its request—

(1) a description of the school facilities project with respect to which the request is made and its estimate of the cost of construction of such project,

(2) the amount of the obligations which are to be covered by the commitment,

(3) a certification—

(A) that it has determined, in accordance with the standards and procedures in the State plan approved under section 6, that the local educational agency is eligible for such commitment with respect to such obligations and such project is entitled to priority over other projects within the State;

(B) that such project is consistent with any applicable State redistricting plans or policies and is in accord with applicable State construction laws and standards;

(C) if any portion of the cost of construction of such project is not to be met from the proceeds of such obligations, that the financing of such portion has been arranged;

(4) assurance, satisfactory to the Commissioner—

(A) that the local educational agency will take appropriate steps, including a public offering of the obligations, to secure the most favorable rate of interest and other terms for such obligations;

(B) that the local educational agency will, during each year in which such obligations are outstanding and for ten years thereafter, exert the reasonable tax effort, determined for it pursuant to the State plan, for financing its school construction needs, will certify to the Commissioner the amount of the revenues thereby produced, and will apply any surplus in such revenues to payment of the debt service on the obligations covered by such commitment or, after such obligations been have retired, will apply one-half of the surplus in such revenues to repayment of the Federal advances made under such commitment, plus interest on such advances, from the date the last one of such obligations (in an issue thereof) is retired, at the rate determined by the Secretary of the Treasury, with the other one-half of such surplus in such revenues being applied to repayment of the State debt service advances if and to the extent required by the State pursuant to section 8(b). For purposes of this subparagraph, (i) the existence and amount of any surplus in revenues produced by exercise of a reasonable tax effort shall be determined by adding to the revenues produced by the exercise of the reasonable tax effort any other resources available to the local educational agency for payments on account of debts incurred for construction of school facilities subtracting from the sum thereby obtained any payments made on account of debts incurred for such purpose, by the local educational agency before the request for the Federal debt service commitment here involved was filed by the State educational agency, and further subtracting therefrom any payments made on account of debts incurred for such purpose by the local educational agency after such filing but approved by the State educational agency upon a finding that the school facilities project for which such debts were incurred is needed to relieve or prevent overcrowding, double shifts, or unhealthful or hazardous conditions, and (ii) the rate of interest determined by the Secretary of the Treasury with respect to advances on any obligations shall be determined by him after taking into account the current average market yields on outstanding marketable obligations of the United States having maturities comparable to the period in which such advances are expected to be repaid.

(b) If the Commissioner finds that the request of a State educational agency for a Federal debt service commitment with respect to any obligations meets the requirements of subsection (a) and that the amount of such obligations does not exceed the amount remaining in the State's allocation or allocations available for the purpose, the Commissioner shall, subject to the provisions of section 8, make the Federal debt service commitment requested with respect to the obligations specified.

STATE DEBT SERVICE COMMITMENTS

SEC. 8. (a) No Federal debt service commitment may be made with respect to any obligations for financing, in whole or in part, the construction of a school-facilities project unless the State makes an equally binding commitment to pay one-half of the debt service on such obligations; except that the State may make a capital grant to cover part of the cost of such construction, in which case the Federal debt-service commitment with respect to so much of such obligations as do not exceed the amount of such capital grant shall be to pay the full annual debt service thereon.

(b) A State may, after the 10th year following the year in which obligations with respect to which a Federal debt service commitment has been made are retired, require repayment, with or without interest, of all or any portion of the amounts paid by the State pursuant to its debt service commitment and not already repaid, but only to the extent the local educational agency is able to do so through the exercise of the reasonable tax effort determined for it pursuant to the State plan and use of other resources available to it for payment of debts incurred for construction of school facilities.

STATES EXCLUSIVELY RESPONSIBLE FOR SCHOOL CONSTRUCTION FINANCING

SEC. 9. If exclusive responsibility for the financing of the construction of school facilities in any State, or in any portion of a State, has been assumed by the State, the Commissioner may, to the extent he deems such action necessary to achieve the purposes of this act, modify or make inapplicable to such State or portion thereof, as the case may be, any of the provisions of this act which he determines to be inappropriate by reason of the absence of a local educational agency or agencies responsible for such financing.

PAYMENT OF FEDERAL ADVANCES

SEC. 10. The Commissioner shall from time to time pay in advance or otherwise, to such agency or person or persons as may be designated in the request of a State agency pursuant to section 7 with respect to any obligations, the Federal advances for each year under the Federal debt service commitment under this act with respect to such obligations. Such advances for any year shall be reduced by the amount, if any, which the local educational agency issuing such obligations has applied, as provided in section 7(a)(4), to the annual debt service payments due in such year.

FAILURE OF LOCAL EDUCATIONAL AGENCY TO EXERT REASONABLE TAX EFFORT

SEC. 11. If any local educational agency with respect to whose obligations a Federal debt service commitment under this act has been made fails, during any period prior to the end of the 10th year after the year in which such obligations are retired, to exert the reasonable tax effort determined for it under the State plan, such agency shall be obligated to repay to the United States the additional amount it would have applied toward payment of the annual debt service on such obligations or toward repayment of the Federal advances (plus interest) as provided in section 7(a)(4), as the case may be, had such agency exerted such a tax effort.

ABANDONMENT OF PROJECTS

SEC. 12. If any project financed by obligations with respect to which a Federal debt service commitment has been made under this act, is abandoned or is not completed within a reasonable period, determined under regulations of the Commissioner, after such obligations have been sold, the United States shall be entitled to recover from the State in which such project is located or from the local educational agency issuing such obligations, or both, the amount of the advances which the United States made with respect to such obligations or such lesser amount as may be reasonable under the circumstances (as determined by agreement of the parties or by action brought in the Federal district court for the district in which such project is located.)

LABOR STANDARDS

SEC. 13. (a) The Commissioner shall not make any commitment under this act with respect to obligations to finance the construction of any school facilities project, except upon adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on such project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a 5), and will receive compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a) of this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F. R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 267c).

ADMINISTRATIVE PROVISIONS

SEC. 14. (a) The Commissioner, in addition to other powers conferred by this Act, shall have power to agree to modifications of Federal debt service commitments made under this Act and of obligations with respect to which such commitments have been made and to pay, compromise, waive, or release any right, title, claim, lien, or demand, however arising or acquired under this Act; except that nothing in this subsection shall be construed to affect the power of the Attorney General in the conduct of litigation arising under this Act.

(b) Financial transactions of the Commissioner in making Federal debt service commitments, and payments with respect thereto, pursuant to this Act, and vouchers approved by the Commissioner in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such transactions shall be subject to audit by the General Accounting Office at such times and in such manner as the Comptroller General may by regulation prescribe.

SUITS AGAINST THE UNITED STATES

SEC. 15. Any holder of obligations with respect to which a Federal debt service commitment has been made under this Act may bring suit against the United States to enforce any duty of the Commissioner under this Act or any undertaking of the Commissioner pursuant to a commitment under this Act. In any action arising under this Act to which the United States is a party, the district courts of the United States shall have jurisdiction, without regard to the amounts involved. Such action shall be brought in the district court of the United States for the judicial district in which the plaintiff, or any of the plaintiffs if there are more than one, resides, or has his principal place of business or, if he does not have his principal place of business within any such judicial district, in the District Court of the United States for the District of Columbia.

DEFINITIONS

SEC. 16. For purposes of this Act—

(a) The term "Commissioner" means the (United States) Commissioner of Education.

(b) The term "State" includes Hawaii, Puerto Rico, Guam, and the Virgin Islands.

(c) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary or secondary schools, or (if different) the officer or agency primarily responsible for State construction or supervision of construction of such schools, whichever may be designated by the Governor or by State law.

(d) The term "local educational agency" means a board of education or other legally constituted local school authority having ad-

UNIVERSITY OF MICHIGAN LIBRARIES

ministrative control and direction of public education in a city, county, township, school district, or political subdivision in a State. If a separate local public authority has responsibility for the provision or maintenance of school facilities for any local educational agency or the financing of the construction thereof, thereof, such term includes such other authority.

(e) The term "debt service" means the aggregate amount required to pay the interest on and principal of each issue of obligations.

(f) The term "annual debt service" means the aggregate amount required to pay the interest on and principal of each issue of obligations becoming due in each successive twelve-month period, designated in accordance with regulations of the Commissioner.

(g) The term "school facilities" includes classrooms and related facilities for public elementary or secondary education; initial equipment, machinery, and utilities necessary or appropriate for school purposes; and interests in land (including site, grading, and improvement) on which such facilities are constructed. Such term does not include athletic stadiums, or structures or facilities intended primarily for events, such as athletic exhibitions, contests, or games, for which admission is to be charged to the general public.

(h) The terms "construct", "constructing", and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(i) The term "obligations" means any bonds, notes, interim certificates, debentures, certificates of indebtedness, or other evidence of indebtedness.

WITHHOLDING OF FUNDS AND JUDICIAL REVIEW

SEC. 17. (a) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State educational agency, finds that—

(1) the State plan approved under section 6 has been so changed that it no longer complies with the requirements of such section; or

(2) in the administration of the plan there is a failure to comply substantially with any such requirement; the Commissioner shall notify such State agency that no further Federal debt service commitments will be made under this Act with respective obligations to finance the construction of school facilities projects in the State (or, in his discretion, that further commitments will not be made for projects in the State affected by such failure), until he is satisfied that there will no longer be any such failure. Until he is so satisfied the Commissioner shall make no further Federal debt service commitments with respect to projects in such State under this Act, or shall limit commitments to projects with respect to which there is no such failure).

(b) (1) If any State is dissatisfied with the Commissioner's action under subsection (a) of this section, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States.

(2) The findings of fact by the Commissioner, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

(3) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

UTILIZATION OF OTHER AGENCIES

SEC. 18. In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary of Health, Education, and Welfare and the head thereof. Payment for such services and facilities shall be made in advance or by way of reimbursement, as may be agreed upon by the Secretary and the head of the agency concerned.

DELEGATION OF COMMISSIONER'S FUNCTIONS

SEC. 19. The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

APPROPRIATION FOR ADMINISTRATION

SEC. 20. There are hereby authorized to be appropriated for each fiscal year such sums as may be necessary for administration of this Act.

SUMMARY OF ELEMENTARY OR SECONDARY SCHOOL CONSTRUCTION PROPOSAL

GENERAL

The bill would authorize a 5-year program of assistance to needy school districts in meeting the debt service (i. e. annual installments of principal and interest) on bonds or other obligations issued to finance construction of urgently needed elementary or secondary public school facilities. This assistance would be in the form of Federal advances to pay one-half the annual debt service on such bonds, with the State's advancing the other half.

PROHIBITION AGAINST FEDERAL CONTROL

Federal interference, in the administration of the bill, with the personnel, curriculum, or program of any school would be prohibited.

ALLOCATIONS

The bill provides for allocating amounts each year among the States to serve as maximums on the school construction bonds on which the Federal Government would undertake to make advances. This maximum for a State would apply for the year for which the allocation was made, but any part of it not used in that year would be available for the same purpose for the next year (along with the new allocation for that year).

The total available for allocation among the States for this purpose for any year would be the amount, not exceeding $600 million, specified in appropriation or other law for such year.

The allocations to the States would be made on the basis of three factors—the relative State income per child of school age, the relative number of public school children, and the relative State effort for school purposes. Subject to adjustment on account of the State's school effort index, each State's allocation for the year would be equal to an amount bearing the same ratio to the total available for allocation for that year as the product of (1) the number of children in average daily attendance in public elementary or secondary schools in the State multiplied by (2) the State's allocation ratio, bears to the sum of the corresponding products for all the States.

A State's allocation ratio would depend on the income per child of school age for the State as compared with the income per child of school age for the United States, with the ratio for the State at the national average being 0.50 and the ratios for the other States varying inversely with their relative incomes per child of school age between a minimum of 0.25 and a maximum of 0.75.

The income per child of school age for any State would be the total personal income for the State divided by the number of school-age children in the State. The income per child of school age for the continental United States would be similarly computed.

The allocation ratios are to be promulgated as soon as possible after enactment of the bill and again in the third calendar quarter of 1961. They will be based on data averaged for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. The first promulgation will be conclusive for the period from July 1, 1959 through June 30, 1962, and the second for the period from July 1, 1962, through June 30, 1964.

Special provisions are provided for Alaska prior to the time satisfactory per capita income data are available for it. Before such data are available for a full year, Alaska's allocation ratio wil be 0.75.

STATE SCHOOL EFFORT INDEX

Allocations determined as provided above would be reduced by the percentage (if any) that the State's school effort index was less than the national index; and the total of the reductions would be added to the allocations of the States not so reduced, in proportion to their original allocations for the year, determined as provided above.

A State's school effort index would be determined on the basis of the ratio of school expenditures per child in average daily attendance in public elementary or secondary schools to the State's income per child of school age. The national index would be based on these figures for the continental United States (which excludes the District of Columbia and, for a temporary period, Alaska).

The State and national indexes would be deemed equal for Hawaii, Puerto Rico, the Virgin Islands, and Guam and for any State whose expenditures per child in average daily attendance in public elementary or secondary schools were not less than those for the continental United States. This assumed equality would also apply temporarily in the case of Alaska.

The school expenditures referred to above would include expenditures by States and subdivisions thereof for elementary or secondary education made from funds derived from State or local sources. These would be determined by the Commissioner of Education for the most recent school year for which satisfactory data from the States are available to him. The number of children in average daily attendance would be similarly determined.

The income per child of school age for the States and the continental United States (mentioned above) would be determined on the basis of data for the most recent year for which satisfactory data are available from the Department of Commerce.

STATE PLANS

Before the Commissioner could undertake to make Federal debt service advances on bonds or other obligations issued to finance the construction of schools in any State, the State would have to submit and have approved a State plan which provides for administration by the State educational agency.

The State plan would provide for limiting the Federal (and State) advances to local educational agencies which undertake to exert a reasonable tax effort (determined under the plan) in financing their school construction needs, and which would be unable, if they exerted this reasonable tax effort and fully utilized resources from all sources to pay the debt service on bonds issued to finance the buildings they need. Federal (and State) advances must also be limited to bonds issued to finance the construction of urgently needed schools, i.e., schools needed to relieve or prevent overcrowding,

double shifts, or unhealthful or hazardous conditions.

The plan would set forth standards and procedures for determining a reasonable tax effort for each applicant local educational agency. The standards and procedures would assure that the tax effort so determined will be a reasonable one in the light of the taxable resources of the local educational agencies, the local and State shares in financing school construction, and the tax effort and methods of financing used by local educational agencies in the State. An approvable plan would also set forth priority standards and procedures which assure that the highest priority will be accorded to local educational agencies which are least able to finance the full cost of urgently needed school facilities, and that the order of priority will in other respects be based on relative need for financial aid in construction of such facilities and relative urgency of need for such facilities.

Finally, approvable State plans would provide for establishment of State standards for planning and construction of school facilities, for affording an opportunity for a hearing to unsuccessful project applicants, and for the making of the reports to the Commissioner of Education which he needs to administer the act.

DEBT SERVICE COMMITMENTS

For each local educational agency whose application is approved, the Commissioner would make a Federal debt service commitment obligating the Federal Government to make advances for payment of one-half of the annual debt service on the obligations covered. These obligations could be to finance all or a portion of the construction of a school facilities project. The latest maturity of obligations, in any issue thereof, would have to occur in 20 to 30 years, with the first payment of principal due before the end of the third year after issuance.

Applications of local educational agencies would be submitted by the State educational agency to the Commissioner with a request for a Federal debt service commitment. The State would certify that—

(1) the local educational agency is eligible for the commitment and the construction project is entitled to priority over other projects in the State under the standard priority standards and procedures in the State plan;

(2) the project is consistent with applicable State redistricting plans or policies and is in accord with applicable State construction laws and standards; and

(3) the financing of any portion of the cost of the project which is not to be financed from obligations covered by the commitment, has been arranged.

The State educational agency would also have to accompany its request for the commitment with satisfactory assurance that the local educational agency will take appropriate steps to secure the most favorable rate of interest and other terms for the obligations to be issued to finance the construction of the project, and that the local educational agency will, during the life of the obligations and for 10 years thereafter, exert the tax effort determined to be reasonable under the State plan and apply any surplus of revenues thereby produced to payment of the debt service on the obligations until they are retired.

After the obligations are retired, one-half the surplus produced during the next 10 years would have to be applied to repayment of the advances made under the Federal debt service commitment, plus interest from the date of retirement of these obligations, the interest rate to be based on the rate for Federal obligations having maturities comparable to the 10-year repayment period; if one-half the surplus produced during this period does not suffice to repay the Federal advances plus interest, repayment would be forgiven. The other one-half of the surplus would be used to repay the State debt service advances or would be retained by the local educational agency in case the State did not require repayment.

The amount of the "surplus" produced by the local educational agency's reasonable tax effort would be the amount which remained after applying the proceeds of this effort (and any other resources available to the agency for paying school construction debts) to payment of financing charges on school construction debts incurred prior to the request for Federal assistance, and on debts for school facilities projects incurred after the request but approved by the State educational agency as being needed to prevent or relieve overcrowding, double shifts, or unhealthful or hazardous conditions.

STATE MATCHING REQUIREMENTS

No Federal debt service commitment could be made under the bill to advance half the debt service on any obligations unless the State made an equal commitment to advance the other half. However, instead of so committing itself, the State could make a capital grant covering a portion of the cost of the construction project; in such case the Federal debt service commitment would be to pay the full annual debt service on so much of the obligations issued to finance the rest of such cost as did not exceed the amount of the capital grant by the State. The Federal Government and the State would share equally in the annual debt service payments on any remaining obligations.

The State educational agency could make its commitment to advance one-half the debt service on obligations of a local educational agency without requiring any repayment by the latter. Or it could require that all or any part of its advances of debt service to be repaid (with or without interest), after the obligations have been retired, from the surplus proceeds produced by exercise of a reasonable tax effort and the use of other resources available for school construction financing purposes. During the first ten years after retirement of the obligations, of course, this repayment would be made through sharing with the Federal Government in the surplus proceeds of the local educational agency. Thereafter the full surplus could be applied to repayment of the State advances.

PAYMENT OF FEDERAL ADVANCES

Advances by the Commissioner of Education on the Federal Government's one-half of the annual debt service on obligations covered by any Federal debt service commitment would be made by the Commissioner from time to time, in advance or otherwise, to the agency, person, or persons designated in the State educational agency's request for the Federal debt service commitment. As previously indicated, advances in any year would be reduced to the extent of any surplus revenues produced through exercise of the required reasonable tax effort and applied toward such debt service.

STATES EXCLUSIVELY RESPONSIBLE FOR SCHOOL CONSTRUCTION FINANCING

In some States or Territories, a State agency may have exclusive responsibility for financing the construction of school facilities. In others, a State agency may have exclusive responsibility for financing such construction for particular areas, such as unorganized territory. The Commissioner would be authorized to modify or make inapplicable to such State, or area of a State, any provisions of the bill which he determined to be inappropriate by reason of the absence of a local educational agency or agencies responsible for school construction financing, to the extent he deemed such action necessary in order to achieve the purposes of the bill.

FAILURE TO EXERT REASONABLE TAX EFFORT

If any local educational agency with respect to whose obligations a Federal debt service commitment has been made fails, in any period during the life of the obligations and the 10 years thereafter, to exert the reasonable tax effort required pursuant to the State plan, it would be obligated to repay to the United States the additional amount it would have paid toward the annual debt service (or toward repayment of the Federal advances, plus interest) for the period involved had it exerted the required reasonable tax effort.

ABANDONMENT OF FACILITIES

The Federal advances (or such lesser amount as may be determined to be reasonable by agreement or Federal district court suit) would have to be repaid to the United States if the construction of facilities financed by obligations with respect to which the Federal advances were paid is abandoned or not completed within a reasonable time.

LABOR STANDARDS

The Commissioner would not be able to make a Federal debt service commitment for financing the construction of school facilities except upon assurance that labor standards, relating to payment of prevailing wages and overtime pay for work in excess of 40 hours per week or 8 hours per day, would be observed in such construction.

ADMINISTRATIVE PROVISIONS

The Commissioner would be authorized to agree to modifications of Federal debt service commitments and of the obligations with respect to which commitments have been made. He would also be authorized to waive or compromise claims. His financial transactions under the bill, while subject to audit by the General Accounting Office, would be conclusive on all other Government officials.

COURT ACTION

Suits would be authorized in the district courts of the United States by any person holding bonds covered by a Federal debt service commitment, to enforce any undertaking of the Commissioner under the commitment.

DEFINITIONS

A number of terms used in the bill are defined. These terms are Commissioner, State, State educational agency, local educational agency, debt service, annual debt service, school facilities, obligations, and construct, constructing, and construction.

WITHHOLDING OF FUNDS AND JUDICIAL REVIEW

Notice and hearing to the State educational agency would be required before Federal debt service commitments to the State could be suspended for failure to comply with the required provisions of approved State plans. A State agency dissatisfied with such suspension could obtain judicial review thereof in the Federal circuit court of appeals.

MISCELLANEOUS

Utilization of other Federal agencies in administration of the bill would also be authorized, as would be delegation of the Commissioner of Education's functions under the bill to personnel of the Office of Education.

S. 1017

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "College Facilities Act of 1959".

GUARANTY CONTRACTS

SEC. 2. (a) The Commissioner of Education (hereafter referred to as the "Commissioner") may, prior to June 30, 1964, enter into a contract, to be known as a Debt Service Guaranty Contract, pursuant to which the Commissioner may guarantee the payment of the principal of and interest on the bonds of an educational institution if the income from such bonds is subject to Federal taxation and the bonds are to be issued and

UNIVERSITY OF MICHIGAN LIBRARIES

sold to investors other than the United States in financing the development cost of housing, academic, or other educational facilities. The Debt Service Guaranty Contract shall obligate the Commissioner, so long as such bonds are outstanding, to pay to a trustee or other designated depository under an indenture securing the bonds, such amounts which, when added to the moneys available from the revenues or funds pledged by such institution as security for the bonds (including all reserve funds therefor), may be needed to make the payments due on the bonds. The aggregate principal amount of such guaranteed bonds outstanding at any one time shall not exceed $1,000,000,000.

(b)(1) There is hereby established for the purposes of this section a fund to be known as the College Facilities Guaranty Fund.

(2) All fees received in connection with guaranties issued under this section, all funds borrowed from the Secretary of the Treasury pursuant to subsection (d), all earnings on the assets of the College Facilities Guaranty Fund, all appropriations for carrying out functions under this section, and all other receipts of the Commissioner in connection with the performance of his functions under this section, shall be deposited in the Fund. All payments to trustees or other designated depositories under subsection (a), repayments to the Secretary of the Treasury of sums borrowed from him pursuant to subsection (d), and all administrative expenses and any other expenses of the Commissioner in connection with the performance of his functions under this section shall be paid from the Fund. Moneys in the Fund may be invested in bonds or other obligations of the United States, or in bonds or other obligations guaranteed as to principal and interest thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds, the investment or deposit of which is under the authority and control of the United States or any officer or officers thereof. Such obligations may be sold and the proceeds derived therefrom may be reinvested, as herein provided, if deemed advisable by the Commissioner. Income from such investment or reinvestment shall be deposited in the Fund.

(c) The Commissioner is authorized to charge and collect a fee, as a consideration for the Government's guaranty of the loan, to cover administrative and other expenses in carrying out his functions under this section and to establish a reserve for losses. Such fee may be included in the amount of the bonds guaranteed.

(d) To carry out the purposes of this section the Commissioner is authorized to issue to the Secretary of the Treasury from time to time notes or other obligations for purchase by the Secretary of the Treasury in amounts sufficient, together with any funds in the College Facilities Guaranty Fund, to meet obligations of the Fund including payments of principal and interest on all bonds guaranteed under this section in accordance with the debt service guaranty contract. Such notes or other obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding marketable obligations of the United States having comparable maturities. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Commissioner issued under this section and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any purchases of such notes and other obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public-debt transactions of the United States.

(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Commissioner, notwithstanding the provisions of any other law, shall—

(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act, as amended; and

(2) maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Commissioner as the making of debt service guaranty contracts and vouchers approved by the Commissioner in connection with such financial transactions shall be final and conclusive upon all officers of the Government.

(f) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Commissioner, notwithstanding the provisions of any other law, may—

(1) prescribe such rules and regulations as may be necessary to carry out the purposes of this section;

(2) sue and be sued;

(3) foreclose on any property or commence any action to protect or enforce any right conferred upon him by any law, contract, or other agreement, and bid for and purchase at any foreclosure or any other sale any property in connection with which he has made a debt service guaranty contract pursuant to this section; in the event of any such acquisition, the Commissioner may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease and otherwise deal with, such property: *Provided*, That any such acquisition of real property shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property or impair the civil rights under the State or local laws of the inhabitants on such property;

(4) enter into agreements to pay annual sums in lieu of taxes to any State or local taxing authority with respect to any real property so acquired or owned;

(5) sell or exchange at public or private sale, or lease, real or personal property, and sell or exchange any securities or obligations, upon such terms as he may fix;

(6) obtain insurance against loss in connection with property and other assets held;

(7) subject to the specific limitations in this section, consent to the modification, with respect to the rate of interest, time of payment of any installment of principal or interest, security, or any other term of any contract or agreement to which he is a party or which has been transferred to him pursuant to this section; and

(8) include in any contract or instrument made pursuant to this section such other covenants, conditions, or provisions as he may deem necessary to assure that the purposes of this section will be achieved.

(g) Section 3709 of the Revised Statutes shall not apply to any contract for services or supplies on account of any property acquired pursuant to this section if the amount of such contract does not exceed $1,000.

DEBT RETIREMENT ASSISTANCE

SEC. 3. (a) The Commissioner may, prior to June 30, 1964, make a commitment, to be known as a debt-retirement assistance commitment, to an educational institution to pay an amount equal to 25 percent of the principal of any bonds which (1) are issued and sold by such institution to investors other than the United States to finance the development cost of housing, academic, or other educational facilities, (2) are to be repaid by the institution over a period of not less than 20 years or more than 50 years, and (3) are to be repaid in installments of principal and interest which, during the first 20 years after the principal first becomes repayable, are substantially equal. The debt-retirement assistance commitment shall obligate the Commissioner to pay to the institution (or, if the institution so requests, to a trustee or other designated depository, under an indenture securing the bonds) such 25 percent in 20 equal annual installments, except that he may discontinue such installments after any year in which the institution accelerates repayment of such bonds under circumstances which would, in his judgment, defeat the purposes of this section. The Commissioner shall not make any debt-retirement assistance commitment unless the amount of annual payment required under such commitment, plus the aggregate of the annual payments required under all debt-retirement assistance commitments entered into previously, does not exceed the specific limitations on such payments provided in appropriation acts. The aggregate payments which may be made under this section shall not exceed $500 million, and the aggregate payments which may be made with respect to the bonds of any one educational institution shall not exceed $5 million.

(b) An institution shall be eligible for a debt-retirement assistance commitment only if the Commissioner finds—

(1) that the construction (including any land acquisition or site improvements in connection therewith) with respect to which the commitment is made, (A) alone, or together with other construction to be undertaken within a reasonable time, will substantially expand the student enrollment capacity of such institution, or (B) is needed to prevent a substantial decrease in such capacity, or (C) is for facilities for instruction or research in the natural sciences or engineering.

(2) that such construction and any land acquisition or site-development in connection therewith, and the financing thereof, will be undertaken in an economical manner, and that such construction will not be of elaborate or extravagant design or materials.

(3) that the institution has certified that it cannot by using resources already available to it for financing its construction needs finance any portion of the development cost of such construction, for which portion it seeks debt retirement assistance under this section, except through borrowing on terms meeting the conditions specified in the first sentence of subsection (a).

DEFINITIONS

SEC. 4. For the purposes of this Act:

(a) "Housing" means (1) new structures suitable for dwelling use, including single-room dormitories and apartments, and (2) dwelling facilities provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for the proposed dwelling use.

(b) "Educational institution" means (1) any educational institution which (A) admits as regular students only persons having a certificate of graduation from a secondary school, or the recognized equivalent of such a certificate, (B) offers at least a two-year educational program, and (C) is a public

educational institution, or is a private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual, (2) any hospital operating a school of nursing beyond the level of high school approved by the appropriate State authority, or any hospital approved for internships by recognized authority, if such hospital is either a public hospital or a private hospital, no part of the net earnings of which inures to the benefit of any private shareholder or individual, (3) any corporation (no part of the net earnings of which inures to the benefit of any private shareholder or individual) (A) established by any institution included in clause (1) of this subsection for the sole purpose of providing housing, academic, or other educational facilities for students or students and faculty of such institution without regard to their membership in or affiliation with any social, fraternal, or honorary society or organization, and (B) upon dissolution of which all title to any property purchased or built from the proceeds of any loan for which a guarantee or commitment is made under this Act will pass to such institution, and (4) any agency, public authority, or other instrumentality of any State established for the purpose of providing or financing housing, academic, or other educational facilities for students or faculty of any public educational institution included in clause (1) of this subsection, but nothing herein contained shall require an institution included in clause (1) of this subsection to obtain loans through any instrumentality included in this clause of this subsection.

(c) "Development cost" means costs of the construction of the housing, academic, or other educational facilities and the land on which it is located, including necessary site improvements to permit its use for housing, academic, or other educational facilities.

(d) "Faculties" means members of the faculty and their families.

(e) "State" shall include the several States, the District of Columbia, and the Territories and possessions of the United States.

(f) "Construction" means erection of new structures, or rehabilitation, alteration, conversion, or improvement of existing structures.

(g) "Other educational facilities" means (1) new structures suitable for use as cafeterias or dining halls, student centers or student unions, infirmaries or other inpatient or outpatient health facilities, and for other essential service facilities, and (2) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.

(h) "Academic facilities" means (1) new structures for use as classrooms, laboratories, libraries, and related facilities (including initial equipment, machinery, and utilities) necessary or appropriate for instruction, research, or administration of the institution's educational and research programs, and (2) structures for such purposes provided by the rehabilitation, alteration, conversion, or improvement of existing structures for such uses if such structures are otherwise inadequate for such uses.

(i) "Bonds" means any bonds, notes, interim certificates, certificates of indebtedness debentures or other obligations.

ADMINISTRATION

SEC. 5. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer or employee of the Office of Education.

(b) Notwithstanding any other provisions of this Act, the fiscal, architectural, and engineering services required in the administration of section 2 and section 3(b)(2) shall be performed by the Housing and Home Finance Administrator under agreements entered into with the Secretary of Health, Education, and Welfare.

(c)(1) The Commissioner shall not make any debt retirement assistance commitment under this Act with respect to bonds to finance the construction of any facilities, except upon adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on such construction will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5), and will receive compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or forty hours in the workweek, as the case may be.

(2) The Secretary of Labor shall have, with respect to the labor standards specified in paragraph (1) of this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

SUMMARY OF HIGHER EDUCATION CONSTRUCTION PROPOSAL

Section 1. Short title: This would be the "College Facilities Act of 1959."

Section 2. Guaranty contracts: This section would establish a program of Federal guarantees of bonds of educational institutions, the income of which is subject to Federal taxation, to assist these institutions in financing housing, academic, and related educational facilities.

Under this program the bonds issued by educational institutions to finance the construction of these facilities would be backed by the credit of the United States through the medium of debt service guarantee contracts pursuant to which the Commissioner of Education would guarantee payment of the debt service on such bonds as long as they remained outstanding. By assuring private lenders that the debt service payments would be met as scheduled, the proposed legislation, if enacted, is expected to be helpful in assisting these educational institutions to obtain funds in the private market on reasonable terms.

Subsection (a) would authorize the Commissioner of Education, for the period ending June 30, 1964, to enter into contracts pursuant to which he would undertake to guarantee payment of the debt service on bonds sold by eligible colleges and universities to investors other than the United States. The guarantee would cover the debt service on such bonds, to the extent that the pledged revenues prove inadequate. The aggregate amount of such guaranteed bonds outstanding at any one time would be limited to $1 billion.

Subsection (b) would establish a revolving college facilities guarantee fund which would be used by the Commissioner to finance the costs, including administrative expenses, involved in carrying out the bond guarantee program. All receipts of the Commissioner in carrying out his function under this new program would be deposited in this fund and all expenses of the program would be paid from the fund. Moneys in the fund not immediately needed in the operation of the program could be invested in obligations of the United States or obligations which are guaranteed by the United States or obligations which are lawful investments for federally supervised fiduciary, trust, or public funds.

Subsection (c) would authorize the Commissioner to charge and collect a guarantee fee to cover all expenses of the program and to establish a reserve for possible losses. Such fee may be included in the amount of the bonds guaranteed.

Subsection (d) would authorize the Commissioner, in case moneys in the fund are insufficient to meet the obligations of the fund, to borrow from the Secretary of the Treasury the additional amounts needed to meet the fund's obligations, including the principal of and interest on bonds guaranteed pursuant to the provisions of the debt service guarantee contract. The interest rate on Treasury borrowings would be determined by the Secretary of the Treasury, taking into consideration yields on outstanding marketable obligations of the United States with comparable maturities.

Subsections (e), (f), and (g) are technical provisions directing or authorizing the Commissioner to perform functions necessary in the administration of the guarantee program. These provisions are modeled upon similar provisions in the college housing title (title IV) of the Housing Act of 1950, directing or authorizing the Housing and Home Finance Administrator to perform similar functions necessary in the administration of the Federal loan program under that title.

Section 3. Debt retirement assistance: This section would establish a program of Federal payments to assist educational institutions in retiring long-term bonds (that is, assist in repaying the principle and interest on such bonds) issued by them to finance the construction of housing, academic, or other educational facilities. Because of the special national interest in increasing the enrollment capacity of institutions of higher education and in improving and expanding teaching and research in the sciences or engineering at such institutions, the program is limited to facilities which will serve these national objectives. Through such assistance, institutions which must borrow on a long-term basis in order to finance their construction needs, will be encouraged and helped to do so.

Subsection (a) would authorize the Commissioner of Education prior to June 30, 1964, to make commitments to educational institutions to pay one-fourth of the principal of any amounts borrowed by them (other than amounts borrowed from the United States) to finance housing, academic, or related educational facilities.

The loans with respect to which Federal commitments may be made, must be repayable in not less than 20 or more than 50 years, and the installments of principal and interest which come due in the first 20 years of repayment must be substantially equal. Federal payments would be made in 20 equal installments, but if during the 20-year period covered by these installments the institution becomes able to and does accelerate repayment of the loan by paying more than it is required to pay in any year, future Federal installment payments would be discontinued if the Commisisoner finds that such acceleration would defeat the purposes of this program; he would so find if the acceleration indicated that the institution could have financed some of the construction through cash or short-term loans in the first instance, or if the funds available to the institution for acceleration should have been used by the institution to finance its other construction needs. These requirements and the requirements at section 3(b)(3) are designed to limit the program to institutions which, in order to construct the facilities they need, must borrow on terms involving low annual debt service charges.

There would be a ceiling of $500 million on the aggregate Federal payments which may be made under the program, and a ceiling of $5 million on payments to any one institu-

UNIVERSITY OF MICHIGAN LIBRARIES

tion; these ceilings would permit Federal assistance in the financing of $2 billion worth of new construction over the 5-year period of the program, and assistance in the financing of $20 million of construction in the case of any one institution. In addition, the bill authorizes the establishment, in acts appropriating funds for the program for any fiscal year, of a ceiling upon the amount of new commitments which may be undertaken in each year.

Subsection (b) limits the Federal assistance to construction which will substantially increase (or prevent a substantial decrease in) the student enrollment capacity of the institution. However, in view of the national interest in the improvement, as well as the expansion, of science and engineering teaching and research in institutions of higher education, the Federal payments will be available for construction of facilities for these purposes, whether or not a substantial increase in enrollment capacity will result.

This subsection would also limit the Federal payments to institutions which certify that they do not have cash or other resources which they could use to finance all or any portion of the construction in lieu of borrowing on a long-term, level debt service, basis.

Section 4. Definitions: With the exceptions noted below, these definitions are the same as the definitions of similar terms in the college housing title (title IV) of the Housing Act of 1950, with the result that the draft bill would apply (with these exceptions) to the same types of institutions, the same types of facilities, and the same types of construction costs, as those covered by the existing college housing program.

The first exception is in clause (1) of subsection (b), which defines "educational institution" to mean a public or nonprofit institution which admits as regular students only persons who have graduated from high school or had an equivalent education, and which offers courses of instruction of at least 2 years' duration. The corresponding clause under the college housing programs is more restrictive, requiring that the institution offer courses of instruction which are creditable toward a baccalaureate degree. The broader definition in the draft bill will permit participation in the program of certain 2-year technical institutes and similar institutions which offer only 2-year courses not creditable toward academic degrees but which are essential to the national interest in meeting the Nation's need for trained technicians. In all other respects the definition of "educational institution" is the same as that used under the college housing program.

The second exception is the addition of a new definition of "academic facilities," so as to include within the purview of the bill (in addition to the housing and certain other educational facilities covered by the existing college housing program) classrooms, laboratories, libraries, and related facilities for instruction, research, or administration of the institution's educational and research programs. Facilities such as athletic stadiums, fieldhouses, and buildings serving purposes other than instruction, research, and administration would be excluded.

Also, this section contains a new definition of the term "bonds," to include notes, interim certificates, certificates of indebtedness, debentures, and other evidences of indebtedness.

Section 5. Administration: This section authorizes the Commissioner to delegate his authority to subordinates and provides for performance of certain fiscal, engineering, and architectural services by the Housing and Home Finance Agency. In addition, this section would preclude the Commissioner from making any Debt Retirement Assistance Commitment with respect to bonds to finance the construction of any facilities except upon assurance that labor standards, relating to payment of prevailing wages and overtime pay for work in excess of 40 hours per week or 8 hours per day, would be observed in such construction. The section also authorizes appropriations to carry out the bill.

AVAILABILITY OF SURPLUS PROPERTY TO STATE AND COUNTY EXTENSION SERVICES

Mr. STENNIS. Mr. President, I introduce, for appropriate reference, a bill to authorize the Cooperative Extension Service to receive surplus Federal property. The State and county extension services are actually a basic part of our agricultural program. They are financed jointly by the Federal Government on a 50–50 basis with State and local governments.

Present law does not permit the State and county extension services to receive surplus Government property directly. Under certain circumstances, they can obtain a limited amount of surplus property, provided they can meet qualifications established by the Department of Health, Education, and Welfare, and provided property is still available after normal distribution. In many States this procedure has been inadequate. It is my understanding that existing procedures, and rightly so, require that excess property be first offered to Federal agencies. After a list has been circulated among Federal agencies, remaining surplus property is then offered to educational, public health, and civil defense agencies at State level. If it cannot be utilized by these agencies, it is then cataloged and offered at public sale, bringing a price which is usually a fraction of the purchasing cost.

The bill which I have introduced would place the Cooperative Extension Service on the same basis as HEW, Civil Defense, and other agencies now receiving surplus property. The Secretary of Agriculture would be required to issue regulations and determine the type of property which would be usable and necessary for extension work, and such property would be allocated on the basis of need. Under this procedure, the State and county extension services would request, through the authorized State agency, office equipment and other items needed for carrying out their educational programs.

The major items which are needed and which would be made available under this bill would include office equipment, such as desks, chairs, tables, file cabinets, duplicating machines, adding machines, and so forth; demonstration materials, such as photograph equipment; and teaching aids and other surplus items adaptable to extension work.

Mr. President, this bill would provide a means whereby the cooperating States could carry out work authorized by the Congress, utilizing facilities of General Services Administration in meeting a part of their property needs. It would make possible the obtaining of property which has become surplus to the needs of other Federal agencies.

Extending this authority to other than Federal agencies is not setting a new precedent. State foresters, employed in cooperation with the Forest Service of the Department of Agriculture, are permitted to utilize GSA facilities in conducting cooperative work. Likewise, agreements have been made for soil-conservation districts, working with the Soil Conservation Service of the Department, to obtain and procure needs through GSA. The effect of this bill would be to extend to the Extension Service somewhat the same authority that will enable this important educational agency to obtain surplus property which they critically need and at a possible saving to the Federal Government.

This bill is also designed to solve another pressing problem confronting the Extension Service. At the present time, county extension services occupy Federal space controlled by the Post Office Department or General Services Administration in over 500 county locations. The furnishings included in these offices consist of desks, chairs, tables, and supply and file cabinets owned by the Post Office Department or GSA. It is my understanding that a move is under way to have this property returned to the Post Office Department or GSA. If this policy is adopted, the Extension Service would then be forced to purchase replacement property. To correct this situation, my bill would authorize the Post Office Department and General Services Administration to transfer this property to State or county extension services without cost.

Mr. President, our State and county extension service program is an outstanding example of Federal and State cooperation. This agency is making a lasting contribution to agriculture. They can utilize to a great advantage surplus office equipment and other property, and they should be authorized to receive surplus items which they critically need. The bill which I have introduced provides a sound approach for making the best possible use of surplus property, and I hope that our Agriculture Committee will give full consideration to this bill at the earliest possible date.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1018) to authorize the donation of surplus property to certain agencies engaged in cooperative agricultural extension work, and for other purposes, introduced by Mr. STENNIS, was received, read twice by its title, and referred to the Committee on Government Operations.

LOANS FOR FUR FARMERS

Mr. PROXMIRE. Mr. President, on my own behalf, and for Senators YOUNG of Ohio, MOSS, HUMPHREY, MAGNUSON, WILEY, MCCARTHY, JAVITS, NEUBERGER, and HART, I introduce, for appropriate reference, a bill to extend the Farmers Home Administration operating loan program to bona fide fur farmers.

I have a brief statement describing this bill for which I ask unanimous consent to have printed in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1019) to extend the Farmers Home Administration operating loan program to bona fide fur farmers, and for other purposes, introduced by Mr. PROXMIRE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. PROXMIRE is as follows:

STATEMENT BY SENATOR PROXMIRE

This bill would extend the same privileges to fur farmers as are enjoyed at present by other family-sized farm operators in respect to operating loans from the Farmers Home Administration. At present, fur farm operators are denied access to this type of farm credit.

The bill would amend section 21(a) of the Bankhead-Jones Farm Tenant Act, as amended, to include fur farmers. It would authorize loans to family-sized fur farmers such as are now available to other farmers for the purpose of purchasing livestock, seed, feed, fertilizer, equipment, supplies, and other farm needs, to reorganize the farming operations to permit more diversified or more profitable operations, to refinance existing indebtedness, and for family subsistence.

Loans would be at an interest rate of 5 percent, for a period of 7 years from the date of the initial loan. A maximum of indebtedness of $10,000 per farm operator would be permitted, except that 10 percent of the total funds available for such loans could be used for larger total amounts up to $20,000.

Fur production is an important agricultural enterprise in several States. Mink are the major fur crop at present.

Following is a list of the 12 top mink-producing States, with the number of kits produced in each in 1957:

Wisconsin	1,580,000
Minnesota	372,000
Michigan	270,000
Utah	245,000
Oregon	237,000
Illinois	235,000
Washington	228,000
New York	199,000
Iowa	161,000
Pennsylvania	156,000
Ohio	131,000
Massachusetts	130,000

The National Board of Fur Farm Organizations, at its annual meeting in Boston, Mass., August 20–22, 1958, endorsed this bill. Following are the comments published in its proceedings on the matter of farm loans for fur producers:

FEDERAL LOANS FOR FARMERS

The U.S. Department of Agriculture in its administration of a farm loan law has excluded fur farmers from the classification of family-type farms. During the 2d session of the 85th Congress certain Senators requested an opinion from the national board as to whether or not, in the interests of its members, it was desirable to amend the Federal farm loan law to specifically provide that fur farmers fall within the definition of a family-type farm.

This question was discussed by the executive committee at which time it was determined the subject would be presented for action to the directors at the 15th annual meeting of this association.

After lengthy discussion and after all aspects of the question had been explored the board of directors passed a resolution which reads as follows:

"Be it resolved, That the executive committee of the National Board of Fur Farm Organizations, Inc., seek proper legislation or Federal regulation which will permit fur farmers to qualify for loans under the Farm Home Loan Administration."

AMENDMENT OF FEDERAL COAL MINE SAFETY ACT—ADDITIONAL COSPONSOR OF BILL

Mr. CLARK. Mr. President, I ask unanimous consent that the name of the senior Senator from Wyoming [Mr. O'MAHONEY] may be added as an additional cosponsor of the bill (S. 743) to amend the Federal Coal Mine Safety Act in order to remove the exemption with respect to certain mines employing no more than 14 individuals, introduced by me on January 28, 1959, the next time the bill is printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EFFECT OF WITHDRAWALS OR RESERVATION OF PUBLIC LANDS ON CERTAIN WATER RIGHTS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 2, 1959, the names of Senators MOSS, CHAVEZ, HRUSKA, CANNON, YOUNG of North Dakota, BARTLETT, and CASE of South Dakota were added as additional cosponsors of the bill (S. 851) to provide that withdrawals or reservation of public lands shall not affect certain water rights, introduced by Mr. O'MAHONEY (for himself and other Senators) on February 2, 1959.

COMMISSION ON EQUAL JOB OPPORTUNITY UNDER GOVERNMENT CONTRACTS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 5, 1959, the names of Senators JAVITS, CAPEHART, SCOTT, KEATING, CURTIS, and ALLOTT were added as additional cosponsors of the bill (S. 942) to establish a Commission on Equal Job Opportunity Under Government Contracts, introduced by Mr. GOLDWATER (for himself and Mr. CASE of New Jersey) on February 5, 1959.

CHANGE OF REFERENCE

Mr. YOUNG of North Dakota. Mr. President, on January 8 the senior Senator from North Dakota [Mr. LANGER] and I introduced Senate bill 147, a bill having to do with the modification and reauthorization of the Garrison diversion irrigation project. The bill was referred to the Committee on Public Works. In checking, I find it really belongs to the Committee on Interior and Insular Affairs, since it is wholly a reclamation project.

I have discussed this matter with the distinguished senior Senator from New Mexico [Mr. CHAVEZ] and the distinguished senior Senator from Oklahoma [Mr. KERR], who is chairman of the subcommittee handling this type of legislation. They agree it should be rereferred to the Committee on Interior and Insular Affairs.

I ask unanimous consent that the bill be so referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MORSE:

Statement entitled "Youth Conservation Act of 1959," prepared by him, together with editorial "A New CCC?" published in the Medford (Oreg.) Mail Tribune of January 14, 1959.

By Mr. MANSFIELD:

Article entitled "Interview With Senator GREEN—An Elder Statesman at 91 Looks at the World Today," published in the February 13, 1959, issue of U.S. News & World Report.

NOTICE OF HEARING ON NOMINATION OF FRANKLIN D. MURPHY TO BE A MEMBER OF ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today from the President of the United States the nomination of Franklin D. Murphy, of Kansas, to be a member of the U.S. Advisory Commission on Educational Exchange for a term of 3 years expiring January 27, 1962, and until his successor has been appointed and qualified.

Notice is given that the Committee on Foreign Relations, at the expiration of 6 days, in accordance with the committee rule, will give consideration to this nomination.

U.S. GOVERNMENT PROCUREMENT POLICY ON ELECTRICAL GENERATING AND DISTRIBUTION EQUIPMENT

Mr. WILEY. Mr. President, one of the very serious problems confronting our country today is the matter of America's maintenance of her own market within this country. This morning we discussed the subject in part in the Judiciary Committee. Today, many of the imports are having a serious impact upon our economy. This matter requires study.

I hold in my hand a manuscript, prepared by the Allis-Chalmers Co., in which that company states that from the standpoint of national defense, it is most important that hydraulic turbines, hydraulic turbine generators, large transformers, and large circuit breakers which are used in our country be built in the United States.

Recently, while I was in Wisconsin, the TVA awarded a contract to a Swiss concern which had underbid the Allis-Chalmers Co. by a little more than $1 million. That meant 400,000 man-hours of unemployment in our country.

I am submitting, for printing in the RECORD, certain material which was forwarded to me. Certainly we must now give consideration to the tremendous impact of foreign cheap labor and the crisis resulting from the use of foreign products such as I have mentioned. We

UNIVERSITY OF MICHIGAN LIBRARIES

are informed that from the standpoint of defense it is necessary that American-produced turbines, circuit breakers, transformers, and so forth, be used at such installations in our country.

Mr. President, I ask unanimous consent that the memorandum to which I have called attention be printed at this point in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ELECTRICAL GENERATING AND DISTRIBUTION EQUIPMENT U.S. GOVERNMENT PROCUREMENT POLICY

I—The issue

The issue between NEMA and the Government is the adverse effect on U.S. national security of Federal procurement policy.

The issue is limited to only 4 classes of equipment of over 80 apparatus classes in the electrical industry. These are:

1. Hydraulic turbines.
2. Hydraulic turbine generators.
3. Transformers, 10,000 kilovolt-amperes and above.
4. Circuit breakers, 1,000 megavolt-amperes interrupting capacity and above.

Especially significant is whether the loss of new business to foreign bidders threatens to impair the ability of domestic suppliers of hydraulic turbines and hydraulic turbine generators to make new units or repair existing units in event of emergency. Sixty percent of the hydraulic turbines and generators installed in the United States are bought by the Federal Government. If foreign suppliers take over this part of the market, it may not be practicable for American producers to remain in this business.

II—The legal bases of the petitions

The authority of the Director of Civil Defense and Defense Mobilization to decide the issue is definite. The legal bases for his authority are:

1. Section 3(d) of Executive Order 10582, relating to the Buy American Act—to direct procurement agencies concerning circumstances in which they should reject foreign offers because it is necessary to protect essential national security interests.

2. National plan for civil defense and defense mobilization of October 1958 requiring agencies of the Federal Government to plan, prepare, and undertake actions for the execution of that plan under the Director, Office of Civil Defense Mobilization.

3. Section 8 of the Trade Agreements Extension Act of 1958 requiring Director, Office of Civil Defense Mobilization, to determine effects on national security of imports of items as petitioned, or on his own motion, and take necessary action.

Executive Order 10582 and the Trade Agreements Extension Act were designed to promote foreign trade. Section 3(d) of the former and section 8 of the latter were included by Congress and the President despite arguments that they would adversely affect trade relations and political friendship with foreign countries. These are the principal arguments of foreign suppliers.

III—The petitioners

Three petitions now pending before the Director, Office of Civil Defense Mobilization, were presented by—

1. General Electric Co., of March 7, 1958.
2. Transformer section, NEMA, of March 13, 1958.
3. National Security Committee, NEMA, of May 1958.

A statement in support of the NEMA petitions was made by Westinghouse in September 1958.

IV—Arguments of the petitioners

The arguments are wholly concerned with national security. They do not include any economic issues. They are basically concerned with—

1. The fact that a continuous and uninterrupted power supply is essential to national security.

2. The fact that power centers have been recognized as prime targets for sabotage or attack since the Second World War.

3. The growing concentration in key U.S. power systems of heavy electric power equipment produced overseas.

4. The absence of adequate policy guidance in procurement of foreign equipment in respect to national security.

5. The effect of delay or disruption in deliveries of foreign equipment on the supply of electric energy.

6. The fact that rapid restoration of power service in the event of multiple outages is more feasible if equipment is of domestic origin.

These arguments are supported by detailed case histories.

V—Arguments of foreign suppliers

Their arguments are largely economic and political. The few arguments specific to the issue can be demonstrated to be irrelevant.

VI—Precedents

Precedents exist for favorable action on these petitions. They are:

1. Agreement by the Director, OCDM in March 1957 to review the issue for hydraulic turbines by individual case.

The first two cases the Director, OCDM, decided were awarded to American bidders.

2. The Central Electric Authority of Great Britain has stated that for procurement of heavy power generating and distribution equipment "it would be unwise * * * to be dependent upon foreign manufacturers for spares and maintenance."

3. The Berry amendment to the Defense Appropriations Act generally limits Defense Department procurement to textiles and foods to those produced in the United States.

4. In March 1958 the President limited purchase of crude petroleum and petroleum products for reasons of national security to those produced in the United States, unless imported products comply with the voluntary oil import program.

HEAVY ELECTRICAL MACHINERY BIDS LOST TO FOREIGN FIRMS BY U.S. FIRMS

Transformers 10,001 kv.-a. and up, 1952–58

89 contracts lost covering 279 transformers of various ratings for which U.S. bids were	$50,256,373
A–C had low U.S. bid on 5 contracts covering 12 transformers in amount of	2,932,037
Foreign firms bids awarded totaled	1,858,655

Federal Government awards in dollars for transformers in recent years to foreign firms by amount and percentage of foreign awards to total awards:

Year	Amount	Percent
1952	$1,956,650	27
1953	4,043,240	50
1954	1,211,523	40
1955	5,666,651	60
1956	3,269,393	81
1957	1,763,868	46

In the period 1956–58, U.S. firms lost 33 contracts for 136 transformers of various ratings. The U.S. bids for these units totaled $17,625,225. The foreign bids amounted to $15,053,231.

HYDRAULIC TURBINE-DRIVEN GENERATORS OF VARIOUS SIZES 1951–58

Eight contracts covering 16 units lost to United States.

U.S. bids amounted to	$12,806,651
Foreign bids awarded were	9,927,339
A–C lost 1 contract for 3 units, being low U.S. bidder at	4,290,180
Brown-Boveri won with bid of	2,639,000

TENNESSEE VALLEY AUTHORITY, WILSON DAM HYDRAULIC TURBINE GENERATORS, WAIVER OF REQUIREMENTS FOR FOREIGN BIDDERS

The bid invitation includes TVA Form 9699 (foreign bidder questionnaire) which states: "If award is made to a bidder whose manufacturing facilities are located outside the United States, general conditions, domestic materials, nondiscrimination (TVA Form 9660), and Walsh-Healey Act (TVA Form 1847A) do not apply."

The domestic materials provision is based on the Buy American Act. Generally it requires American bidders to supply items manufactured only in the United States.

The nondiscrimination provision is based on Executive Order 10557. It requires a contractor not to discriminate against any employee because of race, religion, color, or national origin.

The Walsh-Healey Act authorizes the Secretary of Labor to regulate hours, wages, and working conditions of employees working on Government contracts in excess of $10,000. Its minimum wage provision is not applicable because no minimum wage determination has been made for the electrical equipment manufacturing industry; however, the Fair Labor Standards Act does have a minimum wage provision applying to electrical equipment manufacturers.

The Walsh-Healey Act also requires work in excess of 8 hours per day or 40 hours per week to be paid at time and one-half.

The act prohibits manufacturers from employing child labor, and operating under conditions which are unsanitary, hazardous, or dangerous to health as defined by the inspection laws of the State.

We are also subject to Wisconsin's minimum wage law which applies only to women and minors. As in the case of the Fair Labor Standards Act, the minimum is well below that actually paid.

PUBLIC REACTION TO ALLIS-CHALMERS' POSITION ON TVA AWARD OF GENERATORS FOR WILSON DAM TO A FOREIGN SUPPLIER

Positive

Reaction to Allis-Chalmers' stand was swift and generally positive. Within 24 hours, union locals at the West Allis Works sent telegrams to Wisconsin Congressmen urging them to demand a review of the award by TVA and a congressional investigation of the TVA action. A number of businessmen wrote the company, citing their problems with foreign competition and praising Allis-Chalmers for its stand. Editorials appeared in many newspapers around the country, criticizing the TVA action. Said the Milwaukee Sentinel: "It's time for the Tennessee Valley Authority, a Government agency, to live by the Government's set of standards." The Knoxville Journal said: "* * * does it make sense for U.S. workers to be without jobs and manufacturers to lose business such as this because U.S. workers get more pay and the U.S. Government demands taxes of our own citizens which it cannot collect from the foreigner?" A news release was sent to U.S. Senators and Representatives and a number of them promised to look closely at the problem and perhaps introduce corrective legislation. Wisconsin's congressional delegation asked TVA for an explanation and fullest consideration of the Allis-Chalmers bid. The news release also went to utilities across the Nation. Several of them gave the full release to local papers and more editorials supporting our position resulted. A utilities' advertising association prepared a news release from our release for us in whatever way members wished. Chambers of commerce in plant cities sent protests to

Members of Congress. A Milwaukee electrical engineering firm telegraphed Wisconsin Congressmen protesting the award and reproduced the wire in an ad in Milwaukee papers.

Negative

There were exceptions to the Allis-Chalmers position, such as editorials which supported TVA for buying generators at lowest cost and in support of world trade. From the Milwaukee Journal: "If American industry wants to compete abroad, and get fair treatment as against domestic competition there, can it justly demand privilege treatment * * * over foreign competition in the United States?" The Journal cited our 1957 annual report which reported increased export trade sales and noted that the United States is committed to a policy of broadened world trade. The Chattanooga Times said: "TVA was right and should be supported in its decision to buy * * * from a Swiss firm at a substantially lower price than the competitive bid from an American firm." The Danville (Va.) Register: "The TVA directors would have had a come uppance coming had they squandered $4.29 million for generators they can purchase for $2.5 million and probably help international trade in so doing." Of letters to the editor in various newspapers, only a few were negative to our position, all of them taking the line that other nations must sell to the United States in order to buy from us.

ICE AGE PARK AND TRAIL FOUNDATION OF WISCONSIN, INC.

Mr. WILEY. Mr. President, recently I introduced a bill to establish, in Wisconsin, an Ice Age National Park, to preserve significant areas of moraines formed by glacial action thousands of years ago.

The Wisconsin moraines—about a 500-mile-long area, including formations of rock, hills, valleys, and rocks of scientific and geological significance—represent the most unique of the glacial-sculptured topographical features in the country.

It will be recalled that, upon introduction of the bill, I commented on the work of a number of conservation-minded enthusiasts who are supporting this program.

I am pleased to report that one of the major enthusiasts for this Ice Age Park, Mr. Raymond T. Zillmer, of Milwaukee, has organized a foundation to assist the local, State, and Federal Governments in its work for preserving the Wisconsin moraines. As it meets its stated objectives, this foundation, I believe, will perform a real public service.

I am happy to report, also, that the project has the enthusiastic support of veterans, civic, and other organizations in Wisconsin. As an illustration, recently I received a resolution, adopted by the Veterans of Foreign Wars of the United States, Department of Wisconsin, in support of this project.

I ask unanimous consent that a brief statement on the purposes of this foundation and the resolution adopted by the Wisconsin VFW be printed in the RECORD.

There being no objection, the statement and resolution were ordered to be printed in the RECORD, as follows:

ICE AGE PARK AND TRAIL FOUNDATION OF WISCONSIN, INC.

Nowhere in the United States are there available for public use glacial remains of the ice age equal in variety and beauty to those in Wisconsin.

PURPOSE OF FOUNDATION

1. The foundation will assist the Federal, State, and local governments in establishing and preserving a public park for future generations in the glacial formations of Wisconsin, 500 miles across the entire State.

2. It will assist in establishing in this park a parkway drive following a curved line and the natural contours wherever possible, together with picnic-spot waysides on the parkway for public use.

3. It will assist in establishing a trail for hikers and skiers with shelters in the nature of the Appalachian and John Muir Trails.

4. It will foster the education of the people, especially the young people, in the beauties and wonders of nature and its spiritual and healthgiving values so that they will make greater use of such areas, as well as other outdoor areas, with a view to developing men and women who are strong and healthy—physically, mentally, and spiritually.

The last is the most important purpose and is a long-range objective of 1, 2, and 3, as a constructive solution of the juvenile problem.

* * * * *

THE USE OF PROCEEDS

The money will be used, after expenses of administration, to promote the above purposes of the foundation, by giving land or money to the governmental unit establishing the park. If anyone is interested in developing a particular area, the funds will be used as indicated. However, conferences should precede any specific allocation so that it may fit into the general plan of the foundation. Direct gifts to the governmental units involved may be made, but these should not be made until after conferences to ascertain suitability for the general purpose and plan of the foundation, and then only through the foundation which will supervise the gift to see that the donors' wishes are carried out. Funds for specific units or purposes will be set aside in separate special accounts, or in trust accounts if desired.

RESOLUTION NO. 7

Resolution supporting establishment of Wisconsin Moraine National Park

Whereas a bill has been introduced in the 86th Congress of the United States calling for the creation of a national park in Wisconsin from the meandering glacial moraines located in some 26 counties of the State, the nucleus of this area being the Kettle Moraine State Park; and

Whereas the last of the four great glaciers was called the Wisconsin Glacier because in no other place in America did the glacier leave clearer evidence of its existence; and

Whereas this natural feature of our State should be perpetuated in the form of a national park; and

Whereas Wisconsin does not have a national park; and

Whereas this moraine area has no economic value because of the very thin topsoil and underlying gravel, but is ideal for recreational purposes, such as skiing, hiking, camping, etc.; and

Whereas as this proposed park, 500 miles long, about one-fourth mile wide, and totaling 125 square miles or 70,000 acres, will enhance the recreational scenic and business aspects of the State; and

Whereas it is well established that recreation areas must be set aside now to take care of the needs of our increasing population: Now, therefore, be it

Resolved by the Council of Administration, Department of Wisconsin, Veterans of Foreign Wars of the United States, duly convened at its midwinter conference at Sheboygan, on January 23, 24, and 25, 1959, That we go on record to enthusiastically support the Wisconsin Moraine National Park proposal, that we urge all posts and auxiliaries to write to their respective Representatives in Congress expressing support of such a national park in Wisconsin, and that a copy of this resolution be sent to Senators ALEXANDER WILEY and WILLIAM PROXMIRE, and to all Wisconsin Congressmen.

WHY MORE DELAY IN LIMITING PETROLEUM IMPORTS

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that at this time I may proceed for not more than 4 minutes to make a brief statement.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Kansas may proceed.

Mr. SCHOEPPEL. Mr. President, for several months, a Special Cabinet Committee has been studying the oil-import problem. The President on December 22, 1958, announced that a decision by the committee has been delayed, and that the present, ineffective voluntary effort to restrict oil imports is to be continued to March 1, 1959. This delay in reaching a firm and effective solution to the oil-import problem is alarming.

While these studies and discussions continue, oil imports increase.

More than three years ago the Congress became concerned about the oil-import problem and the damaging effect foreign oil was having on the domestic industry. In 1955 the Congress passed the defense amendment, giving the President authority to limit imports in the interest of national security. At that time the Congress was alarmed at the injurious effects being caused by oil imports of 1 million barrels daily. Now, more than 3 years later, after taking action which we had every reason to believe was fully adequate to take care of this problem, oil imports during recent weeks have been averaging nearly 2 million barrels daily.

Last year, when Congress approved the extension of the trade law, it was agreed by the executive branch, the Congress, and the domestic petroleum industry, that imports of foreign oil must be held at a reasonable level. To remove any doubt as to the adequacy of the President's authority to limit oil imports, Congress strengthened the defense amendment as a part of the new trade law. Now, after 6 months, we still do not have any implementation of the new law. For that matter, no real and effective action has been taken to limit total oil imports since the defense amendment was adopted in 1955. True enough, under the voluntary program inaugurated in 1957, imports of crude oil have been somewhat reduced. But there has been no attempt to restrict imports of oil products. As a result, product imports have run amuck, now averaging nearly 800,000 barrels daily, which is 50 percent above the level at this time last year. Every barrel of petroleum product displaces 1½ to 2 barrels of domestic crude production, and thus the large product increases have more than offset any limitations on crude oil imports.

It is damaging to permit a domestic industry which is so closely tied to our national defense as the petroleum industry to grow weaker and weaker as a result of increasing imports. Growth of this

UNIVERSITY OF MICHIGAN LIBRARIES

industry for future peacetime and emergency needs has been stagnated. Since 1956 we have seen drilling decline 15 percent, geophysical and core drilling crews down 18 percent, and wildcat or exploratory wells down 26 percent. While the domestic industry retrenches, imports increase year after year.

As a matter of national policy, the President's Cabinet Committee declared in July 1957 that "If we are to have enough oil to meet our national security needs there must be a limitation on imports that will insure a proper balance between imports and domestic production." Yet we are now confronted with more delay in bringing about an effective program that will establish a proper balance between imports and the domestic industry, and thereby alleviate the deterioration being suffered by the domestic industry. It is frightening to contemplate that as foreign oil imports continue to increase and take a larger and larger share of the domestic market, the availability of these imports is becoming less and less stable. What has taken place recently in Venezuela, coupled with the Suez and Middle East crises, should convince even the most ardent advocate of foreign oil that as a Nation we cannot afford to become dependent upon these sources.

I urgently and respectfully implore the President and his Cabinet Committee to reconsider their recent action and immediately implement the defense amendment with a workable and effective program to limit imports of foreign oil.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the distinguished Senator from Kansas may have 1 additional minute, so that I may make a comment on his statement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Kansas may proceed for an additional minute.

Mr. SCHOEPPEL. I yield to the distinguished minority leader.

Mr. DIRKSEN. I am delighted to commend the interest of my distinguished colleague from Kansas in this matter. A good deal of testimony on this and related items was brought out as a result of the Suez controversy several years ago. At that time we went into the international import picture, which brought into focus the whole import program. Before too long, as a result of the interest of President Eisenhower and the administration, there was established the Cabinet Committee, and voluntary quotas were put into effect. I have kept up with the problem. I know of the abiding interest of the President in it, and that of a good many others. Our colleague, the Senator from Kansas [Mr. CARLSON], has also been interested in the problem. I hope we can follow through on the matter, find out precisely what the situation is since we have been under the voluntary quota system, and ascertain what is necessary in order to arrive at a workable, feasible, effective solution of the problem, so that our independent producers can look with some degree of assurance to relief from their problem. Goodness knows how many there are; at least 1,500 belong to the association. I commend the distinguished Senator from Kansas for his vigilant interest.

Mr. SCHOEPPEL. I appreciate the remarks of the distinguished minority leader. He has put his finger on a very important situation. Seemingly, from the viewpoint of the independent oil operator, it looks as if there has been an extremely longer delay than should have taken place in working toward a solution. We hope that as a result of the work of the Cabinet Committee and related agencies that are responsible for working on the problem we can find that something constructive can be done, because the industry is getting into a bad state of affairs. I am very appreciative of what the distinguished Senator from Illinois has just said.

Mr. CARLSON. Mr. President, I should like to concur in the remarks made in the colloquy between the distinguished minority leader and my colleague from Kansas in regard to the need for getting early action on what should be a program of the Federal Government and our Nation with respect to oil imports. I cannot stress too seriously how the problem affects our individual States, oil operators, and our national defense as a whole. Therefore, I appreciate the statement made by the senior Senator from Kansas [Mr. SCHOEPPEL].

Mr. YARBOROUGH. Mr. President, I desire to commend the distinguished senior Senator from Kansas [Mr. SCHOEPPEL] on his remarks this morning with reference to the flood of foreign imports which are doing so much to depress the petroleum industry in the United States. I associate myself with the remarks which the distinguished Senator from Kansas has made. I think it very timely that he called to the attention of this body the serious national problem involved.

TENTH INTERNATIONAL PANCAKE DAY RACE AT LIBERAL, KANS.

Mr. CARLSON. Mr. President, our Nation is always interested in programs that promote world friendship and good will among the peoples of the earth.

Tomorrow in Liberal, Kans., the 10th annual International Pancake Day race will be run. This race is sponsored by the junior chamber of commerce of Liberal, Kans., for the promotion of international relations between England and the United States.

The race has an interesting historical background and is based on competition between the young ladies of Olney, England, and Liberal, Kans. The background, historically, is this:

In old England, it was customary for the housewives to drop whatever they were doing and hurry to the church at the tolling of the bell to be shriven of their sins. In 1445, a wife in Olney, England, started baking her pancakes, and they were not quite done when the church bell rang, but she hurried off to the church, carrying her griddle and pancakes with her. Thus an annual sporting event was born.

In Liberal the housewives heard of the 500-year event of pancake racing over a 415-yard course from the town pump to the church, and in 1950 a challenge from them for a contest was accepted by Rev. R. C. Collins, vicar of Olney. In the running of the International Pancake Day race over identical courses, times of the winners in both Liberal and Olney are compared by trans-Atlantic telephone.

The junior chamber of commerce and citizens of Liberal are to be commended for arranging a program and providing for the competition, which will bring about increased good will and relations between our Nation and England.

Mr. President, as one who has attended these pancake day races, I can assure my colleagues of the great interest in it. Girls or ladies in the United States have won in about 50 percent of the contests.

KANSAS STATE FARM BUREAU VIEWS ON AIRPORT CONSTRUCTION AND FEDERAL HOUSING LEGISLATION

Mr. CARLSON. Mr. President, the Kansas State Farm Bureau wrote me expressing their views on Senate 1, a bill providing Federal aid for airport construction and the recently approved Federal housing legislation.

I did not have the letter, which was signed by W. I. Boone, president, when these bills were before the Senate, and therefore I ask unanimous consent that extracts from the letter be made a part of my remarks today.

The letter states that the Kansas Farm Bureau recognizes the need for extending airport runways to accommodate faster planes and facilities to improve operational safety, but they firmly believe that the Federal Government should not be a contributing party to the rivalry between cities in the construction of impressive terminal buildings.

The Kansas Farm Bureau Federation also express their views concerning a balanced budget, and urge Congress to take no steps that will further increase the inflationary pressures.

The PRESIDING OFFICER. Is there objection to the request to have extracts from the letter printed?

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

We are deeply concerned with the apparent haste in the Senate to push through with limited hearings the aid to airport construction and the greatly expanded Federal housing programs.

In our judgment the announced intention by committee chairmen to press for quick enactment of S. 1 contains the threat of establishing early in this Congress a spending pattern which makes even a near balanced budget or any brake on inflationary forces a nebulous dream of the distant future.

We can understand why cities feel that all taxpayers through the Federal Government should participate in the cost of such programs. We recognize the need for extending airport runways to accommodate faster planes and facilities to improve operational safety. We believe, however, the responsibility of the Federal Government should be limited primarily to these expenditures on a matching basis.

We do not believe the Federal Government should be a contributing party to the rivalry between cities in the construction of impressive terminal buildings. Collection of appropriate user charges would further reduce need for appropriated funds.

Continued inflation threatens the destruction of the whole economic and political structure. But of immediate concern is the cost-price squeeze on farmers. With little prospect of quick improvement in agricultural prices to further raise agricultural costs through inflation only makes the squeeze more critical.

BENSON-ADMINISTRATION FARM PROPOSAL WOULD FORCE MORE FARMERS OFF THEIR FARMS

Mr. YARBOROUGH. Mr. President, the approach of Secretary of Agriculture Ezra Benson and the administration to the national farm problem has moved from the incredible to the ridiculous.

It was incredible that this antifarmer administration should seek to solve the agriculture surplus problem by cutting price supports. This move simply forced every dirt farmer to try to produce more in order to earn enough income on which to live. As our farmers sought to keep above water in the face of depressed prices and higher costs of living, our Nation's agricultural surpluses mounted to record highs.

During this period, the farmers—particularly the small family farmer—got poorer, and those folks sometimes characterized as the "ones who farm the farmers" got more and more of the food dollar. The farmer now receives only 40 cents of the food dollar.

But the administration's Bensonism does not change easily. Now the administration has come up with a ridiculous new farm proposal aimed at further cutting price supports. The new Benson plan would abandon the parity concept for farm prices and figure supports on the basis of open market prices. Department of Agriculture figures show that this open market formula could result in a drop of as much as 38 cents a bushel in wheat price supports and as much as 61 cents a hundred pounds in milk price supports.

Mr. President, this morning I was talking with woolgrowers from my home State, who are now receiving 40 cents a pound for wool. In 1936, at the bottom of the depression, these woolgrowers were receiving 42 cents a pound for wool. The price is now less than it was at the bottom of the depression, but in the meantime the prices these woolgrowers have to pay have risen to sometimes 3 times as high as they were in 1936, and in other cases they are 10 times as high as they were 1936.

Mr. President, adoption of the Bensonism proposal would be compounding the farm tragedy. It would mean that many hundreds of thousands more little farmers would be driven off their land. It would mean more depressed areas, more pockets of poverty across the Nation.

In his message to the Congress, President Eisenhower recounted the vast expenditures under the agriculture program and told us the program is not working. Surely all of us agree that under Bensonism this program has grown progressively worse. But I resent the implication that through price supports farmers are getting an unfair advantage. Over the past 50 years, for every $1,000 this country has spent for subsidies the American farmer has received only $5. Governmental aid also goes to airlines, petroleum interests, shipping, and many other industries. Why, then, should the administration single out farm expenditures as a great loss and suggest that we continue down the same trail of depressed farm prices, greater stacks of surpluses, and, most important, greater hardship for a majority of the farm people of America?

Regardless of the administration's proposal, it is mandatory that we turn our back on this proposed road to financial ruin for more farmers. Instead we must have the vision, courage, intelligence and determination to initiate a bold new approach to the problems besetting the agriculture industry. The farmer is not to blame for his present plight.

Last week Mr. J. L. Johns, manager of the Upshur-Rural Electric Cooperative Corp. of Gilmer, Tex., sent me an outstanding editorial on this subject. Mr. Johns, like the thousands of Rural Electrification Association leaders who are now in convention here and others across the Nation, is keenly aware of the farm problems and has worked diligently for their solution. He sent me an editorial recently published by the Tyler, Tex., Morning Telegraph and noted:

> It is the first newspaper in our area to my knowledge that had editorially presented the facts on the farm situation.

I regard this as one of the finest editorials I have ever read on the farm problem. Tyler is located in the heart of the traditional east Texas farm belt, and with the lessening of oil production there, farming is becoming more important.

Mr. President, I request unanimous consent to have printed in the RECORD an editorial from the Tyler Morning Telegraph of Monday, February 2, 1959, under the heading: "Don't Blame Farmers."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DON'T BLAME FARMERS

Sometimes the only way to get the real feel of the other fellow's side of the argument is to put the shoe on the other foot.

And it now seems about time for that shoe swap to be made, in effect, in considering the ups and downs of the farmer. The result could be to relieve the farm order of things from a lot of criticism, especially from the town folks who feel that folks in the country are having it extra easy under the Government supports program.

And that criticism often includes the feeling that the cost of grocery store food would drop to easier levels for the consumers if much of the Government money were cut off in its flow to the farmers. Besides, it is often said, the whole farm supports program is costing the taxpayers a lot of money.

All that's familiar, isn't it? And the best rebuttal comes from the Capper's Farmer magazine, which has put its defense of the farmer in pamphlet form and printed several thousand copies.

The core of the farm problem, says Capper, is this: In any normal peacetime year farmers can produce more than the market will take at prices fair to everyone concerned. The reason is that we have, through research, created a whole application of mechanical power to agriculture, created a whole new way of producing farm products. The revolution is still going on. In the past 18 years farmers have boosted their efficiency as much as in the preceding 120 years.

City workers have helped bring this increased efficiency on the farms, by providing tractors, chemicals, fertilizers, fuels, and an abundance of other facilities and services. Result: Since the early 1940's the combined per acre yield of 18 leading field crops has increased by a dramatic 40 percent. But producing food is only part of it.

The food business is a chain with farmers at one end. In between farms and shelves of supermarkets is the marketing system. The off-farm operations are handled by some 6 million persons, says Capper, who are producing for and servicing farmers and around 10 million who are distributing farm products. Adding these to around 8 million farm operators and farmhands makes about 24 million persons.

This combination of functions is called agribusiness. It's the Nation's largest business, accounting for 37 percent of the U.S. working force. In their part of it, farmers are a $14-billion-a-year customer of industry and labor—not counting the billions farm people spend for consumer goods.

Are farmers to blame for high food prices? Well, Capper says that last year some 60 cents out of every dollar we spent for food went to the people who bought, handled, sold, processed, transported, and packaged farm products. A little less than 40 cents went to farmers.

Consider also that although they make up 12 percent of the population and produce 65 percent of the raw materials for industry, farmers in 1957 got only 4 percent of the national income. And during all that time the cost of all the farmers' tools of production increased. Capper says that "cost-price squeeze" has put a lot of farmers out of business. That sad fact is stressed in these figures from the U.S. Department of Agriculture: In 1950, for example, 25,058,000 people lived on farms. That's 16.6 percent of all of us. Now, 8 years later, though population has increased, there are some 5 million fewer farmers—and they represent only 12 percent of the U.S. population.

And, Capper reminds, many of those left on the farm have to work off the farm to make ends meet. It's estimated that about a third of the farm population are doing off-the-farm work, full-time or part-time.

Capper grants you that help is given through farm subsidies, but reminds that Government aid is also given to airlines, schools, the petroleum industry, housing, shipping, and so on. It would be pretty hard, the magazine says, to name a business that is not receiving some kind of Government aid.

And we are also reminded that in the past 50 years, for every $1,000 this country has spent for subsidies, the American farmer has received only $5. That's why, we're told, farmers get awfully tired of city newspapers headlining the cost of farm subsidies.

Not all of the money in the Federal farm budget goes to the farmers. A considerable part of it goes to business for storage of products and other costs.

Farmers, as much or more than anybody else, would like to solve the problem of surpluses, but how? It would be easy to solve the problem by cutting down on production by say some 10 percent if farming were concentrated as big agriculture. But it isn't, says Capper, in calling attention to some 4½ million farmers over the Nation. The farmer is an individual in a great sea of competition. He is a price taker, not a price setter.

UNIVERSITY OF MICHIGAN LIBRARIES

And Capper adds that the farmer works "with an uncontrollable business partner—nature. Sun, wind, and rains control his cash register like a fickle bookkeeper.

"No single farmer can do much about changing the supply of food, fiber, and tobacco coming to market. And collectively, farmers can't produce just exactly what our Nation demands. Agriculture is a biological process which cannot be greatly accelerated or retarded in any short time."

Working out a satisfactory farm program is no easy chore. By nature the farmer is independent, or would like to be, and that has caused some farmers and farm leaders to strike out for more freedom in agriculture, freedom from Government controls. To that end they are pressing for lower price supports and greater freedom of operation, including what has been called a free market. They want to outgrow Federal programs by gradually strengthening the farm economy.

At the same time, as Capper shows, farmers realize we live in an era characterized by the minimum wage and generally stabilized industrial prices. Farmers want to protect themselves against the increasing costs of production and distribution. They want to mobilize their strength to bargain on a more equal basis with highly organized industry and labor.

Capper has done a commendable public service in presenting a side of the agriculture picture that seldom comes to the surface. It becomes plain that the farmers' problems belong to all of us, and that the farmers would like to solve these common problems just as much as anybody else. There's no argument against the Capper magazine's claim that the important thing is to make wise decisions, now and in the future. And many people feel that before we drop everything in our farm program for something new, we should demonstrate that there is a roadback if new plans fail.

Mr. YARBOROUGH. Mr. President, on this subject, I also request unanimous consent to have printed in the RECORD an article from the New York Times of Sunday, February 8, 1959, under the heading "Farm Props Slash Seen in New Plan."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM PROPS SLASH SEEN IN NEW PLAN—DROP IN FEDERAL SUPPORTS EXPECTED—U.S. SURPLUS SPENDING AT RECORD

WASHINGTON, February 7.—Department of Agriculture figures show that Federal farm price supports would be cut sharply under administration recommendations for major revision of farm law.

By abandoning the longtime parity concept for farm prices and changing to a formula geared to open market prices, wheat support levels could drop as much as 38 cents a bushel and milk as much as 61 cents a 100 pounds from existing Federal guarantees.

The Government also reported this week that its investment in surplus farm commodities had climbed to a peak of more than $9 billion.

The Department of Agriculture said that heavy loans made under Federal price support operations in January on cotton, wheat, corn, and other grains from the record crop production of 1958 had raised the investment to the present level.

The new peak compared with the previous record of $8,900 million reached in February 1956. The Department reports that as of December 31, the total investment in surplus products was $8,716,071,371.

NET LOSS OF $367 MILLION

It said the net realized loss on price support operations for the 6 months that ended December 31 was $367,923,679 compared with $547,857,702 in the same 6 months of 1957. The net loss for the fiscal year that ended last June 30 was $1,006,548,967.

In his special farm message to Congress last month, President Eisenhower estimated the Government's investment in surplus farm products would total $10,500 million by June 30, 1960. Other officials have estimated that the investment would climb between $10 billion and $13 billion in the next 5 years.

The Commodity Credit Corporation, the Government's price support agency, has authority to borrow up to $14,500 million for its operations. As of December 31, the CCC had in use $12,955,627,000. Actual borrowing totaled $12,153 million and obligations to purchase loans financed by private lending agencies amounted to $802,627,000, leaving a statutory borrowing authority of $1,544,373,000.

Under the administration's revision plan butter, which now is supported at 56.6 cents a pound, could fall to a Federal prop level of 44 cents a pound. Similar reductions were calculated on other crops, including cotton, rice, peanuts, and tobacco.

Senator WILLIAM PROXMIRE, Democrat of Wisconsin, called on the administration this week to produce estimates by career economists on how much farm prices would be cut through the changes proposed by President Eisenhower in his special farm message to Congress last week.

In a letter to Mr. Benson, Senator PROXMIRE said that he believed the President's proposal would result in an immediate 10- to 25-percent drop in prices received by farmers for so-called basic commodities.

The basic crops are corn, wheat, cotton, rice, peanuts, and tobacco. Price supports are mandatory for this group of crops. Other crops for which price supports at specific levels are mandatory include milk and butter, wool, honey, and tung nuts. On other crops price guarantees are permissive within the discretion of the Secretary of Agriculture.

In his farm message, President Eisenhower urged Congress to scrap the 25-year-old system of price supports tied to parity, a formula aimed at assuring farmers the same purchasing power they enjoyed in a past favorable period when crop supplies and demand were regarded in favorable balance.

THREE-YEAR PERIOD SEEN

Instead of the parity formula, the President proposed substituting supports on the products for which props are mandatory geared to the average market prices during a period preceding any given crop-year. He did not suggest a period, but administration thinking has been for a 3-year term.

The President also proposed that the Secretary of Agriculture be given discretion to set supports between 75 and 90 percent of the average market prices. This range is the same as currently existing for supports under the parity concept.

The parity price of wheat as of January 15 was $2.36 a bushel. The Federal support level is 75 percent of parity. This figures out to a $1.81 a bushel national average Federal price support this year.

The Agriculture Department's figures show that the market average for the last years, 1956, 1957, and 1958 was $1.91 a bushel. If the 75 percent Federal support was applied, the market formula guarantee would be $1.43 a bushel, or 38 cents a bushel lower than guaranteed by the parity system.

Using the ceiling of 90 percent support suggested by the President, the price guarantee level for wheat on the market average system would be about $1.72 a bushel, still 11 cents a bushel below the present floor for the grain.

One of the major reasons advanced by the President for changing the Federal price support system was that the parity concept was outmoded by modern agriculture and its yielded price incentives for farmers to produce for Government storage rather than for the market.

BUDGET ESTIMATES AGAINST APPROPRIATIONS

Mr. JOHNSON of Texas. Mr. President, apropos of the discussion we had on the floor a few days ago, I ask unanimous consent to have printed in the RECORD at the conclusion of my brief statement this morning a summary of the President's budget estimates and the appropriations of the Congress, showing how much each of those budget estimates has been decreased by the Congress in the years the incumbent President has held that office.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. JOHNSON of Texas. Mr. President, I congratulate the distinguished chairman of the House Appropriations Committee, as well as the distinguished chairman of the Senate Appropriations Committee [Mr. HAYDEN], who is on the floor at this time, for their record of prudent service to this Nation throughout the years. Both men are frugal men. Both men are thrifty men. Both men have required the Executive to give adequate justifications for funds appropriated.

The record shows that the Congress has reduced the budget estimate in each one of the last 6 years. The total appropriation was $22,637,703,518 less than the Congress was asked to appropriate—$22 billion less than was requested. If we average it out by years, Mr. President, there was an average reduction in the budget of more than $3,772 million a year.

Mr. President, I ask unanimous consent to have printed in the RECORD a brief paragraph on new obligational authority, as published in the Washington Post and Times Herald this morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. JOHNSON of Texas. Mr. President, in order to have a complete picture, I desire to point out, with regard to the budget for fiscal year 1960, that the administration estimates that there will be a balance unobligated at the end of fiscal year 1959 of some $10,314 million; money which has been appropriated and will be unobligated as of the end of fiscal 1959.

I also suggest, though I have not explored this carefully, that the Committee on Appropriations give consideration to the possibility of conducting inquiries into the unobligated balances, so that if it appears that certain rescissions be made, the committee can so recommend to the Congress.

As I have stated many times, Mr. President, I do not think that either

party should be labeled as "the party of the savers," or "the party of the spenders," but the record does show that the Congress as an institution has been much more saving in its appropriations than the Executive has been in his requests for appropriations. As I have stated, the Executive requested $22 billion more than was appropriated in the last 6 years.

I am convinced each bill will be thoroughly examined with a fine tooth comb. The President's requests will be given sympathetic and sincere consideration, fair and objective consideration.

Some of the requests will be granted in toto, without the dotting of an "i" or the crossing of a "t."

Reductions in substantial amounts, no doubt, will be made in some of the requests, because, Mr. President, the Congress should know that in one bill alone the Executive this year is asking for $825 million more than the Congress appropriated for the program last year—almost a billion dollars more to go overseas than the Congress was willing to give last year.

In some cases no doubt the Congress will reduce the President's requests. We will make additions to some, as we did with respect to veterans' housing the other day, in the amount of $35 million for next year; and for the airports it may be an extra $35 million next year. There will be a few million here and a few million there. The Congress will express its judgment, because it is not a "me, too" Congress. Congress will add to some requests and in regard to others it will agree with the proposal. As to still other matters Congress will make real, substantial reductions.

I believe that before the year is over—if the people will look at the record, as Al Smith used to say, which has been made for 6 years—the people will find they can depend on the Congress to follow a course of prudent progressivism. The President can depend upon the Congress to meet him more than halfway, to cooperate with him wherever it feels he is right, and to oppose him only when it thinks he is wrong, and then to oppose him only on principle, and not on the basis of personalities.

EXHIBIT 1

Congress, session and fiscal year	Budget estimates	Appropriations	Decreased by Congress
83d Cong., 1st sess., fiscal year 1954	$77, 190, 063, 599	$65, 156, 254, 797	$12, 033, 828, 802
83d Cong., 2d sess., fiscal year 1955	60, 770, 315, 686	58, 160, 445, 563	2, 609, 870, 123
84th Cong., 1st sess., fiscal year 1956	66, 023, 089, 195	63, 947, 281, 321	2, 075, 807, 874
84th Cong., 2d sess., fiscal year 1957	73, 298, 859, 629	73, 041, 364, 417	257, 495, 212
85th Cong., 1st sess., fiscal year 1958	78, 108, 417, 112	73, 064, 958, 328	5, 043, 458, 784
85th Cong., 2d sess., fiscal year 1959 [1]	81, 737, 060, 999	81, 119, 818, 276	617, 242, 723

[1] Excludes permanent appropriations for refund of taxes and sinking fund and other debt retirement funds.

NOTE.—Total budget cuts by Congress in the last 6 fiscal years, $22,637,703,518. Average budget cut by Congress for each year of the last 6 fiscal years, $3,772,950,586.33.

EXHIBIT 2

Democrats are not taking the administration label of spenders lying down.

Chairman CLARENCE CANNON, Democrat, of Missouri, of the House Appropriations Committee prodded Maurice H. Stans, Director of the Budget, to admit that President Eisenhower actually has asked Congress for more money than it has been willing to give him.

In the 6 fiscal years 1954 through 1959, the President requested new obligational authority totaling $407,174 million, but Congress in those 6 years voted $403,270 million—or $3,904 million less than the President requested.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. For the record, I should like to know the answer to certain questions. I am seeking information, because I do not know the answers, and I am glad the chairman of the Appropriations Committee is present.

I am told that during each of the 6 years of the Eisenhower administration, during two of which the Republicans were in control of Congress, and during four of which the Democrats were in control of Congress, the Congress reduced the President's overall budget request. Is that correct?

Mr. JOHNSON of Texas. That is correct, according to the table I have just placed in the RECORD. Let me go over the record by years. These are round figures.

For the fiscal year 1954, the reduction was $12 billion.

For the fiscal year 1955, it was $2,609,000,000.

For the fiscal year 1956, it was $2,075,000,000.

For the fiscal year 1957, the reduction was $257,000,000, the lowest figure in the series.

For the fiscal year 1958, the Congress made a reduction of $5,043,000,000. That was the year I was discussing the other day.

In the fiscal year 1959, the Congress made a reduction of $617,036,000.

The total for the 6 years amounts to $22,637,703,518 below the budget requests. That includes all supplemental bills and all other requests. It does not include appropriations for refunds of taxes, sinking fund and debt-retirement fund. They are not calculated in these totals.

I think it should be clear that there is no better way to judge the future than by the past. Congress has been very careful with the taxpayers' dollars, and will continue to be.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. The matter to which the majority leader alludes was the subject of a colloquy the other day during our consideration of the housing bill. I reserved the right to obtain authority to insert in the RECORD at the appropriate time what I think is the full story, including everything related to the budget. Those items are now in preparation, and in due course—I trust probably yet this week—we shall have them in shape so that they can be submitted for the RECORD, in order that the entire fiscal picture may be brought to the attention of the country.

I concur in the observation made by the distinguished majority leader with respect to our distinguished friend from Arizona [Mr. HAYDEN], chairman of the Committee on Appropriations. He is fair. He is realistic. He has excellent perspective, and he always thinks in terms of the national interest. I salute him for the great and forbearing job he has done.

When it comes to the chairman of the Appropriations Committee of another body, I cannot help but remark that the President's 1960 budget was called a propaganda budget. It was called a Republican boobytrap. The chairman of the Appropriations Committee in the other body referred to it as a spenders' budget. So evidently we are out of line; and if we go further out of line, it will be even more of a spending budget.

I have said, with respect to authorization bills, that I do not want the Congress or the country to commit fiscal suicide on the installment plan.

I never think of the fiscal situation without being reminded of a Government project out home many years ago. It was a make-work project. There was a huge hole in the street. When the work had been finished and the hole filled, there was a great mound of earth, which constituted a traffic hazard. The gentlemen wielding the shovels did not know what to do. Finally they held a conference on the curb. Someone said, I will tell you how to get rid of that mound of earth. We will just dig the hole deeper. [Laughter.]

I do not want to be digging the hole deeper, bill after bill and bill after bill. The budget which came to us was in balance, even though it was a rather thin and precarious balance. But I want to be sure that in no case do we cross the line and wind up at the end of the year with a budget out of balance.

It is interesting to note that although the Congress makes reductions in the budget, partly because of the recession in revenue and partly because of extra spending, it has been estimated that on June 30 there will be a deficit of $13 billion. I wish that term could be made more understandable and palatable. I freely admit that it is a deficit of my administration—$13 billion for 365 days. It does not make me happy.

Mr. JOHNSON of Texas. Would the Senator be as free to admit that we appropriated less for the administration to spend than the administration asked us to appropriate?

Mr. DIRKSEN. I will admit anything that the figures finally disclose.

Mr. JOHNSON of Texas. The Senator is aware of the figures, is he not?

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. DIRKSEN. I am aware of the figures.

Mr. JOHNSON of Texas. The fact is that in the 85th Congress we appropriated almost $6 billion less than the administration asked us to appropriate. Which course is more likely to lead us into national fiscal suicide—a course in which we add $6 billion, or a course in which we reduce spending by $6 billion?

Mr. DIRKSEN. Sometimes the Appropriations Committee is bypassed. We received some testimony on that point when the Budget Director was before the committee last year. I have the hearings before me, but I prefer to place the entire picture in the RECORD in one piece when the time comes, so that the story will be complete.

I have lived here long enough to know that in a given year we have been accustomed to chop money out of an appropriation bill only to find, in January, that the agency comes forward with a supplemental request. A classic example is the money we took from the Veterans' Administration 2 years ago. In the committee I said, "We shall have to give it back. This represents a contract with the veterans. These costs are established in the law. The findings and awards have been made. Now we eliminate certain amounts from the bill. The agency will be back in January."

It was back. I know that a supplemental request can be made in the next fiscal year, but it must go into the overall budget picture. I wish to show the entire picture in the RECORD.

Mr. JOHNSON of Texas. I point out that the material which the Senator from Texas has inserted in the RECORD includes all requests, and all supplemental requests over a long period of 6 years of the great crusade. During that 6-year period the net result was as I have stated. The Senator from Illinois does not have to give Congress credit if he does not wish to do so. Congress has trimmed the budget estimates over that period by $22,637,703,518. The facts cannot be glossed over. We cannot draw the curtain over them, or forget them, because the RECORD is before us. It includes all supplemental requests and appropriations.

Mr. DIRKSEN. I do not want to forget it. The first budget under which Dwight Eisenhower worked was not an Eisenhower budget at all. It was a Truman budget.

Mr. JOHNSON of Texas. That is included in my figures, I will say to the Senator.

Mr. DIRKSEN. When the Truman budget came up, that was Harry's last Christmas present. It was $9 billion in the hole. I have seen 18 deficits out of 20 years when my party was not in power. I was here during all but 2 years, and on the Appropriations Committee all the time.

Mr. JOHNSON of Texas. How many deficits has the Senator seen since his party has been in power?

Mr. DIRKSEN. There have been deficits.

Mr. JOHNSON of Texas. How many?

Mr. DIRKSEN. I do not exactly recall.

Mr. JOHNSON of Texas. There have been deficits in 4 of the 6 years. The only 2 years when there was no deficit was when there was a Democratic Congress.

Mr. DIRKSEN. The President led the way. With respect to the Truman budget, he said, "Slash it."

Mr. JOHNSON of Texas. Congress reduced the budget $8,609 million for the fiscal year 1953, the last year Mr. Truman was in office; and I remind the Senator that the Congress cut the next budget, for 1954, by $12 billion.

Mr. DIRKSEN. I am glad it did.

Mr. JOHNSON of Texas. So am I.

Mr. DIRKSEN. All this ruckus arose over the budgets for the fiscal years 1958 and 1959. The statement was made that "We cut this out," and "We cut that out." It occurred to me that the $5 billion amount was applicable to 2 years instead of 1.

There was further information in the Appropriations Committee. We will get it all in shape, so that the Comptroller's office and the Bureau of the Budget will know the factors which probably would not be disclosed in the figures which come from the Appropriations Committee.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. I should like to remind the Senator from Illinois that the reduction for fiscal year 1958 was $5,043 million, and for fiscal year 1959 it was $617 million. I said that for the 85th Congress it was roughly $5,600 million. In other words, it was a reduction of $5 billion for the first session, and a reduction of $600 million for the next session. However, even if it were no more than $1, the point is that Congress reduced the budget estimate.

Mr. DIRKSEN. Well, Congress can reduce the budget estimate, of course, but if we still get the money out of the Treasury, the effect is just the same as if it had been $10 billion.

Mr. President, I do not wish to carry this discussion any further. I wish to get my ducks in a row. I want to gather my figures. I have not had an opportunity to do it thus far. Then my beloved friend from Texas and I will get all the facts on the line, to find out where we are. I can appreciate his feelings in the matter. He is a great citizen, and I know that he will not get very sensitive if I should become rather energetic on this subject, as I must, because I believe we are in a position where we can defend what has been done, and do it in a big, glorious way.

Mr. JOHNSON of Texas. Both Congress and the administration can.

Mr. DIRKSEN. Yes.

INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to insert in the RECORD a letter from the Secretary of the Treasury, dated January 16, 1959. This letter contains a report of the current status of the study being made by the National Advisory Council for International Monetary and Financial Problems into the proposed International Development Association, the subject of the Monroney resolution which was adopted by the Senate in 1958.

The Banking and Currency Committee report on Senate Resolution 264 requested that an interim report on the current status of the study be made at the end of 1958, and this letter constitutes the interim report.

This report shows that the proposed International Development Association has been studied within the National Advisory Council, and has been the subject of informal discussions with the representatives of other governments, particularly at the annual meeting of the Fund and the Bank at New Delhi.

The committee is glad to have this report, brief though it is, and is glad to know that the study is proceeding. We will look for further reports as the study progresses.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, January 16, 1959.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Banking and Currency, Senate Office Building, Washington, D.C.

MY DEAR SENATOR: Pursuant to Senate Resolution 264, 85th Congress, the National Advisory Council on International Monetary and Financial Problems is currently studying the feasibility of establishing an International Development Association. The report of your committee recommending the adoption of the resolution stated that "if the study is not completed by December 31, 1958, the committee would expect to be furnished with an interim report." The purpose of this letter is to supply such an interim report.

In August 1958, an exchange of letters took place between President Eisenhower and the Secretary of the Treasury dealing with increases in the resources of the International Monetary Fund, the International Bank for Reconstruction and Development, and consideration of an International Development Association. In substance, the President directed me, as U.S. Governor of the Fund and the Bank, to propose consideration of these matters at the annual meeting of the two institutions in October. Copies of these letters are attached for your information.

On October 6, 1958, in addressing the opening joint session at the annual meeting of the International Monetary Fund and the International Bank at New Delhi, in my capacity as Governor of the Fund and Bank for the United States, I included the following:

"I should also like to say something about the International Development Association to which President Eisenhower referred in his August letter. We are now studying this proposal in my own Government. I have no blueprint to offer at this time for such an association. Essentially, however, it would be an affiliate of the International Bank which would make long-term loans for economic development repayable in whole or in part in the currency of the borrowing country. As I have said, the U.S. Government is making its own studies of the feasibility and desirability of establishing an IDA. We hope that other countries will at the same time be giving thought to the matter, and we shall look forward to having informal conversations with you. If these informal studies

and conversations lead to encouraging conclusions, it would be appropriate to undertake more formal study and negotiation looking to the establishment of such an association."

Under Secretary of State for Economic Affairs, C. Douglas Dillon, Alternate Governor for the United States, at the discussion of the bank's annual report on October 9, 1958, at New Delhi, stated:

"In his remarks at the opening session of this conference, Secretary Anderson referred to a proposal which is being studied in the U.S. Government for an International Development Association. While our Government does not as yet have a detailed plan to submit with reference to such an association, we believe that any plan should take account of the following factors:

"1. As is well known, loans from the International Bank have to be repaid in hard currencies. We understand that in a number of cases the bank has had to disapprove applications for loans, not because the development project involved was without merit, but because repayment of the loan entirely in hard currency would have placed an undue strain on the borrowing country to repay. Now, if a percentage of the cost of such projects could come from a new institution affiliated with the bank which could make loans repayable at least in part with softer currencies, projects such as these might well become feasible.

"2. Our suggestion that member governments of the bank study the possibility of an International Development Association does not mean that the United States would favor any lessening of the technical lending standards of the bank. Projects submitted to the International Development Association would be considered by precisely the same management and staff which now examines projects for the bank. In other words, while an International Development Association would provide capital on more flexible terms, in a balance of payments sense, than are now possible under International Bank standards, the establishment of an International Development Association as an affiliate of the bank would assure that the new lending authority would be in the hands of skilled financial management.

"3. We ourselves are actively studying the ways and means in which an International Development Association might operate, and hope to arrive at our own conclusions within the next few months. We would meanwhile welcome the thinking of our associates in the bank on this subject. It is, of course, essential to the success of such an institution that it receive broad financial support from the industrialized countries which are members of the International Bank. Only in this way could it become an effective international instrument for development. If encouraging conclusions emerge from these studies and informal conversations, it will then be appropriate to undertake more formal negotiations.

"I would like to emphasize our belief that the difficult and complex problems of development require that all of us contribute together to their solution both financially and with our best thinking. Only in this way can we make progress toward the goal of a better living for all the peoples of the world. No one country and no small group of countries can do the job alone."

In addition, informal discussions of the International Development Association were begun with representatives of a number of governments at the annual meeting of the fund and the bank. Meanwhile, study has also been given to the International Development Association proposal within the structure of the National Advisory Council. This study is not completed and, of course, cannot be until we know more closely the views of other governments who might be interested in the creation of an International Development Association.

When further progress has been made in our discussions with foreign governments and in our own studies, we will report again to your committee.

Sincerely yours,

ROBERT B. ANDERSON,
Chairman, National Advisory Council on International Monetary and Financial Problems.

OUR ECONOMIC POLICIES

Mr. FULBRIGHT. Mr. President, I hold in my hand three articles from three separate but distinguished sources. The first of these articles is one by Walter Lippmann entitled "The Duty of Rich Nations." The second is in the Atlantic Monthly for February by Barbara Ward, entitled "A New Economic Strategy." And the third is a report in the Washington Post and Times Herald of this morning by J. A. Livingston, which refers to a decision of the U.S. Government to reject a bid submitted by an English firm for turbines at the Greers Ferry Dam on the Little Red River in Arkansas, a bid which was 19 percent lower than the one submitted by an American firm. In other words, the American taxpayers are paying 19 percent more for the turbines at the Greers Ferry than would have been necessary had we been willing to operate on an international competition basis.

I ask unanimous consent that these articles may appear in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Jan. 29, 1959]

THE DUTY OF RICH NATIONS

(By Walter Lippmann)

The President of Argentina, Mr. Frondizi, has come to Washington and gone. Unlike Mr. Mikoyan's visit, his was a state visit in which the whole ritual for such occasions was observed. But Mr. Frondizi has left behind him for the American people to ponder what can fairly be called the most poignant, and it might be the most embarrassing, question in our foreign relations.

The question is whether we are ready to recognize the principle that rich nations in the world community, like rich individuals in their own communities, have a duty to help the poor to raise themselves out of poverty. "We cannot ignore," said President Frondizi to Congress, "the harsh fact that millions of beings in Latin America suffer from misery and backwardness * * * When there is misery and backwardness in a country not only freedom and democracy are doomed but even national sovereignty is in jeopardy."

This principle—that the rich have a duty to the poor—is not now part of our official philosophy of foreign aid. The United States has made substantial contributions, and not all of them have been wisely and effectively spent. But in relation to our wealth the contributions have not been very great. What matters most, however, is that Congress has voted these contributions on what is humanly speaking a self-defeating principle. They have not been voted on the principle that the rich have a duty to the poor but on the theory that we are subsidizing our allies in the cold war. Because Latin America has not been in the front line of the cold war, we have done comparatively little about the misery and backwardness of Latin America.

This theory—that foreign aid is an instrument of the cold war, and would not otherwise be necessary or desirable—was challenged by President Frondizi. On this point, there were as he spoke, men in high places who were prepared to understand him. Notable among them was Mr. Douglas Dillon, who is the Under Secretary of State in charge of economic affairs. On January 16 before the Foundation for Religious Action, Mr. Dillon made a speech which had little attention at the time but is of great and far-reaching consequence.

After saying that there was no need before that audience to spell out the full dimensions of the Soviet challenge, Mr. Dillon went on "to examine with you the demands being made upon our resources and upon our consciences to help raise the living standards of the peoples of Asia, Africa, Latin America. These are the areas where most of mankind lives and where the struggle between freedom and totalitarianism may ultimately be decided. The need to help these peoples forward on the road to economic progress would confront us even if communism and the Sino-Soviet bloc simply didn't exist."

Why? For the same fundamental reasons, which is at once a matter of morals and/or prudence, that we have learned to accept the view that within a nation great extremes of poverty and riches are intolerable to our consciences and subversive of the social order. We now live in a world community, and the most portentous fact about the age in which we live is that the gap between the rich peoples of Western Europe, North American and Australasia on the one hand, of Asia, Africa, and Latin America on the other, is enormous. Worse still, the gap is widening. Rich peoples are getting richer faster than the poor peoples are overcoming their poverty.

The rich countries, with a total population of about 400 million, have an average income per capita of about $1,000 a year. In the United States it is more than $2,000 a year. The underdeveloped countries, leaving out Communist China, have a population of over 1 billion and an average income of only $60 a year. During the past 50 years, the per capita income in the West has doubled, and it is rising appreciably each year. In the poorer countries, the per capita income has increased very little, and in many places it has deteriorated.

These are, I believe, the overriding facts of the times we live in and of the world in which we have to play so big a part. It is not too much to say that on our response to these facts will depend—if we do not all go up in the smoke of a world war—our prospects in the cold war, and our position in the decades to come as a world power. This does not mean, and no one should be so silly as to suppose that it does, that we who are only about 7 percent of the world's population, can eliminate the immemorial misery of half of the human race. What we can do is to raise considerably the amount we invest or lend to the key countries in Asia, Africa, and Latin America. Thus we can well afford to set aside something in the order of 5 billion annually for development and reconstruction. For that would not be much more than 1 percent of our gross national product.

The way we make our contribution is at least as important as the amount of the contribution. For insofar as we treat the contributions as a subsidy to buy allies in the cold war, they do as much, probably more, harm than they do good. For then we present ourselves in the guise of a great imperial power seeking to buy dependents, and that is a principle reason why with all the fuss about our foreign aid programs, we have been losing, not gaining, friends in the world.

UNIVERSITY OF MICHIGAN LIBRARIES

The whole operation of foreign aid would wear a different face if it were founded on the principle, laid down by Mr. Dillon—that we make a contribution because it is the simple duty of the rich to help the poor. It would be a noble act, which would pay big dividends in self-respect at home and goodwill abroad, if the Government would declare the principle that to fight against poverty is a duty, not an instrument of our military strategy.

I do not myself think it is wishful thinking to believe that Congress and the people, who are now bored with foreign aid as it is presented and administered, would respond much more readily if it were inspired by a big idea, rather than by small and calculating notions of how to score points in a contest.

[From the Atlantic Monthly, February 1959]

A NEW ECONOMIC STRATEGY

(By Barbara Ward)

A year ago, in the disturbance of Western policy after the appearance of the sputniks, much hope was pinned upon the Paris meeting of the Atlantic powers. From this conference, it was widely believed, there would come a new initiative, a new policy to snatch the advantage back from the Communists. It would be a new starting point and mark the return to positions of strength.

Can one say that the hopes were fulfilled? In the strategic and political sense, clearly, no very cheerful conclusions can be drawn from a year that includes Iraq, Lebanon, Cyprus, the renewal of hostilities in the Formosa Strait, and the stalemate in Europe. But has there not at least been some recovery in the vital sphere of economic strategy? The signs are not unpromising. Individual statesmen have spoken of the need for a new, concerted approach to world economic problems. An impressive number of reports has appeared, all pointing to the same main components of a broad policy for world development: higher monetary reserves, stabler primary prices, a greater flow of international lending. And out of these preliminaries has come an American-sponsored proposal to increase both the reserves available to the International Monetary Fund and the lending powers of the World Bank.

These are steps which could lead to sustained international development policies on a more adequate scale. One could add to this hopeful pointer the United States new readiness to consider establishing a development bank for the Americas, the passage by Congress of the Reciprocal Trade Act, and joint action by the United States, Britain, West Germany, and other creditors to stave off the acute crisis which arose last summer in India's balance of payments.

Yet these moves, however promising, leave wide open the question whether they are to lead on to a program at once large enough and permanent enough to deserve the name of a new economic strategy. The proposals for the international agencies are modest compared with the genuine scale of world need. The Indian arrangements were strictly limited and took no account of the long-term problems facing the modernization of the Indian economy. And when one turns to the possible future source of funds for any bold economic program—the parliamentary assemblies of the Western Powers and their electorates—there is no trace of the intensive preparation and education necessary if money is to be forthcoming on an adequate scale. In fact, in Congress, majority opinion was not particularly well disposed either to the enlargement of the Development Loan Fund or to the separation of economic from military aid. Yet both moves are clearly of first importance in any sustained program of economic development.

Moreover, the evidence suggests that the West's somewhat greater readiness to sponsor new economic policies in recent months does not spring from any considered Western estimate of world need, but—like the Lebanon landings or the reinforcements in Formosa—is one more reaction to Communist pressure. Three years ago, 2 years ago, the talk was in the main of ending foreign aid and getting the world back to normal economic methods—whatever "normal" may mean in the atomic age. The changed mood of today reflects the piling up of evidence on the scale and purposiveness of the Soviet economic offensive. Western action is not so much a strategy in its own right as a reaction to someone else's. The initiative, as in the military sphere, rests elsewhere.

How has this curious situation arisen? For curious it is that the Western Powers, led by America, should today be mainly acting and reacting to Communist maneuvers when, not much more than a decade ago, America stood at the peak of its power while Russia was decimated by invasion and slaughter and China struggled in the last throes of 50 years of revolution and civil war. So violent a change in political fortunes is not fortuitous. It points to profounder causes than any temporary confusion of policy or failure in diplomatic tactics. In fact, it can be argued that the loss of initiative in recent years springs from two of the deepest conceivable misconceptions any state or group of states can entertain. In the first place, they mistake the nature of the world in which they have to live and act. In the second place, as a result of this misjudgment, they have no real desire to act at all. If the Western Powers have lost the initiative, basically it is because they have had no desire or have seen no need to keep it. Thus, before there is any discussion of the kind of concrete policies that the West might pursue to restore its position vis-a-vis communism, there is a more fundamental issue at stake. It is to persuade leaders and voters in the West that the world, far from being a cozy self-regulated world which would roll merrily along were it not disturbed by meddlesome Communists, is on the contrary a world of violence, catastrophe, and deepening revolution and one in which whole societies will founder if they try to rely simply on the sailing charts for calm weather. Only if this reality is accepted can the Western Powers push safely on through the hurricane.

For a hurricane it is. Let us look first at the scale of the contemporary revolution. Perhaps it would be more accurate to speak of the five or six revolutions, all of which are going on simultaneously over the face of the earth. The scientific revolution, the industrial revolution, the technological revolution, the national and popular revolution—begun and now more or less tamed in the Atlantic arena—are violently at work everywhere else and under conditions which, far from taming them, inflame them further.

In the West, the industrial revolution slightly preceded the stupendous medical revolution of lengthened life and lowered infant mortality rates. Resources and births have increased together. In Asia and Africa, and to some degree in Latin America, the surge of births has come first. By the year 2000, whatever steps are taken to discourage further expansion, the present population of the world will have more than doubled—in itself an astounding fact, since it means that in 4 decades humanity will increase by the number it has taken a hundred millenniums and more to produce. The bulk of this expansion, 1.3 billion to 3.6 billion, will occur in Asia, where the pressure of population on resources is already at its heaviest.

The only hope of avoiding catastrophe in the wake of such expansion is a rapid modernization and industrialization of the rest of the world economy. But the obstacles are formidable indeed. In the Atlantic area, margins for the saving needed to underpin industrialization were available, in part because of a vast endowment of coal and iron, in part because of a dynamic agriculture and large reserves of empty land. In Asia—outside Siberia—the mineral endowment is on a smaller scale; there is no spare land; agriculture is profoundly conservative. Savings, the basis of all industrialization, are thus incomparably more difficult to accumulate.

Again, in the West, industry and science did not break in overnight almost as revelations. They grew up steadily in a society of widespread means and education. A middle class of savers, entrepreneurs, and savants existed before the technological revolution began. In Asia and Africa and large parts of Latin America, this preparation has been almost wholly lacking. The new ideas and possibilities strike into feudal or tribal societies with the force of an earthquake, throwing down old patterns and ways of thought, tearing out the familiar psychological landmarks, and creating a havoc of both hope and fear.

Above all, modern industrial society was built in the West when Western power and prestige were virtually unchallenged. At the turn of the 19th century, all but a few parts of the globe were under one form or another of Western control. Western prosperity expanded in a world made one by its ideas and its commerce. There never was a time when so wide a political order rested on such an unobtrusive and inexpensive foundation of power. For an expanding America, in particular, it was world order at no cost at all.

But Asia and Africa do not have to modernize among the ruins of the old system. They have to do so between the competing enmities of the cold war, the catchcries of propaganda, the restless probings of one set of powers, the uncertain ripostes of the other. Only now, when local order and stable rule have come into question, as they have in Indonesia or Burma, can one see the relevance to economic development of internal security and steady government.

There is some realization in the West of all these separate, interwoven upheavals. What is lacking is a full appreciation of their profoundest effect. We are witnessing today a world which, thrown into such a furnace of stress and change, has become plastic, fluid, moldable to an almost inconceivable degree. At a time when everything seems to be changing, the old shapes lose their power to hold; old parties dissolve; loyalties snap; regimes fall between midnight and morning; and one has the impression of whole societies given over to formless energies which seek some new mold to contain and channel them.

Such periods are not new in history. The collapse of medieval Christendom released energy into the new nation state. The fall of the absolute dynasties let loose the liberal and popular ideals of the American and French Revolutions. What is new is the scale of the restlessness, the degree of the upheaval, the extent to which no aspect of human existence—political, economical, social, philosophical—is left untouched. If ever the revolutionary energies of man were running free of the ancient ways and seeking to scour out new channels, the time is now, and if men in the West will only listen, they will hear everywhere the roar of troubled waters and the gale of the world rising to hurricane force.

This is the context within which to assess the true challenge of communism. Communism is the cause of none of the world's contemporary revolutions. Technology, medical advance, science, industrialization, rationalism, the national idea, popular claims and aspirations—all of these were invented and launched in the West and would be

remaking the world even if Marx had never left the Rhineland. The significance of communism is that at a time of extreme flux—in power, in thought, in technology—it offers the world a series of molds or patterns into which the released energies may flow. It offers formative ideas to the inchoate energy of change.

To nations facing the hard choices of industrialization, communism presents the pattern of forced-draft savings and investment worked out in the Soviet plans. To the masses stirred by the hopes of a more abundant life, it preaches social revolution and economic equality. To nations chafing at their poverty and lack of influence, it recalls the bogy of Western imperial control and offers its own trade and aid "without political strings or concessions." Above all, the leaders of communism link all these separate cajoleries together within a broader picture of world liberation and unity and brotherhood and derive from it, as from a religious faith, the energy and dedication to include all people of mankind within the scope of their plans and efforts.

Wherever there is an opening for influence or trouble, there the Communists are at work: with arms and dams for Egypt, with aid and barter for Burma and Ceylon, with recognition and offers of capital for Guinea on the eve of independence, with massive offers of trade and credits in Latin America. More pertinent even than the aim itself is the unrelenting perseverance with which it is pursued. There are no isolationist Communists. The troubled, changing, violent, catastrophic, contemporary world is their chosen field of operation. Indeed, they welcome the chaos on which they can more easily stamp the pattern of their faith. The prophets of materialism are, in the last analysis, the most profoundly devoted to the triumph of the idea.

Here is matter enough for the ironists of history. But there is a greater irony still. The Western Powers themselves launched every one of the world's contemporary revolutions. They carried them across the oceans and round the world. They set in motion the vast forces of contemporary change and in doing so never doubted that what they did was of profound concern to the entire human race. Yet today, wealthy, complacent, unimaginative, they appear indifferent to the stirring, protean world of change and revolution in which three-quarters of the human race is struggling for the forms of a new life. There is not a single Western initiative that embraces change, not one idea or policy for which the sustained Western dedication is forthcoming. In our contemporary world, in short, the idealists of the West appear to think of nothing beyond their material interests, while the materialists of the East seek to remake the face of the earth by the force of their ideas.

The present Western failure in energy and dedication is tragic and ironic not only in comparison with Communist effort and vision. A further irony is that it contradicts the lessons of the West's most recent diplomatic experience. Wherever, since the war, an element of vision and generosity has appeared in Western policies, the outcome has been effectiveness and achievement. The Marshall plan recreated Western Europe and laid the foundations on which a new supernational unity may now be built. British readiness to grant independence peaceably has set up a multiracial family of nations in the face of the old imperial control. So long as France did nothing but fight for its colonies, it lost them; but General de Gaulle's vision of an interdependent community may yet remake France and its African provinces together. Only where Western policy has been purely defensive and traditional, as in the Baghdad Pact, has it been a total failure. Even NATO is unstable, because it contrives to be a military alliance and nothing more.

But the greatest irony of all is that if the Western Powers could bring themselves to see the need of recovering the initiative, they would have little difficulty in evolving an effective policy for doing so. The fact is that much of the theoretical groundwork has already been completed, for the simple reason that the revolution in process all around the world today practically determines by its nature the sort of policy that could be pursued.

The root of the revolution is the world's growth of population. Only intensive modernization can create the resources to feed and clothe and house the new multitudes. Modernization in turn depends entirely upon the ability to save, to accumulate more capital than is consumed in daily living or by a growing birth rate. Here, then, is the core of policy—to help the world to save and, in political terms, to do so without the Draconian discipline of communism. The sources of saving, which vary from land to land according to its conditions and environment, include rising export incomes, dynamic agriculture, infra-structure—roads, ports, public utilities, and the even more vital investment in education and training—and all the various forms of industrial growth. Effective international programs need therefore to cover trade, investment, and training.

There is nothing new in all this. Virtually every element of an effective international policy has been discussed repeatedly in the last 10 years, and much invaluable experience has been gained in a great variety of experiments. Simply to pick out the main heads of agreement already reached gives the framework of a workable strategy. In the field of trade, the need is for higher working reserves to underpin world commerce—for example, by tripling or quadrupling the sums available to the International Monetary Fund—and for a bolder approach to tariff policy. Between industrialized nations it could take the form of further low tariff or free trade areas. Between industrialized and primary producing groups it could concentrate on giving greater relief to the primary producers, who at present are subject to discrimination all along the line, through revenue taxes on such exports as tea and coffee, through quotas on minerals and restrictions on farm products, and through high protection against cheap textiles, which are usually the first manufactured exports emergent economies such as India can produce.

In the sphere of capital the need is to assess the underdeveloped nation's need for external assistance, over and above its own capacity to save and to provide capital through appropriate agencies—public, private, or international—and in appropriate forms, among them commercial loans; World Bank advances, low-interest-rate, long-term credits; and some direct grants. At the moment the emergent territories could not usefully absorb much more than $3 billion a year in development loans, though their absorptive capacity will increase. Certainly if the wealthier nations contributed 1 percent of their national incomes each year to world development, they could comfortably cover all present needs, and, if the percentage were maintained while their own incomes rose, future needs could be met as well.

The field of training is not yet well explored, and possibly a preliminary report on needs and opportunities would have to be completed before new decisions could be taken. But existing training schemes and the various technical missions scattered over the world could provide invaluable experience. In this, as in other fields, the pilot plans already exist. In short, there is enough material for action—if action is the aim. One comes back to the central point that the missing element is not the content of policy but the decision to have one. Once the decision is taken, however, there are useful precedents upon which to act. For instance, the U.S. Government might repeat the technique which was used successfully in the case of a previous experiment in international cooperation: the United Nations, arranging a meeting of interested nations, led them to agree on aims and objectives and persuaded those who could afford it to pledge 1 percent of national income to finance the organization which was to restore the ravages of war.

This approach is preferable to the preliminaries of the Marshall plan, for then only America could afford to be a contributor, whereas the principle of any present plan should be that all the wealthy states of the world—most of them in the West—play their part. But in another sense the Marshall technique is a sound analogy, for the precedent of an expert inquiry into needs and possibilities, which was adopted in 1948, might be followed again today. True, the pattern could not be so definite nor the time limit so precise; to restore a single, developed, industrial region is one thing, to encourage the beginnings or the expansion of modernization in many different parts of the world is quite another. Yet the technique of setting experts to work on a priority plan is a sound one, and it is hard to think of any other method that could launch the new policy with greater clarity and effect.

Would the new effort require new institutions as did UNRRA or the Marshall plan? There is some danger in proliferating agencies in a world already cluttered up with so many, but methods can be evolved whereby the multiplication of extra machinery could be avoided. For instance, the conference convened by the United States might take the form of a special meeting of the United Nations General Assembly, and the commission of experts could be appointed by the Assembly itself. This approach would have the incidental advantage of compelling the Russians to make their attitude clear. If, as Mr. Khrushchev says, they do not "give a kopeck for cooperating with the imperialists," they will be obliged to withdraw. If, on the other hand, they hesitate to flout world opinion and decide to stay in, the result will be at least some measure of international control over their program of assistance. Either way, the nations of the world will know more clearly where they stand. A further advantage of using a primarily international approach is that it would make such experienced institutions as the World Bank and the International Monetary Fund the chief agents of policy. It would probably be necessary to create one new agency—an International Development Authority—to cover long-term, low-interest-rate loans which lie outside the scope of the World Bank, but in most other fields an appropriate agency exists already. The new policy itself would probably require no more new machinery than a small permanent steering committee, possibly of the General Assembly, which would work on the same lines as did the Organization for European Economic Cooperation (OEEC) within the Marshall plan.

An international approach on these lines does not preclude nations from continuing their own direct aid programs over and above the relatively small sum of 1 percent of national income pledged to the international experiment. It interfers in no way with private business arrangements. Rather it encourages them by giving businessmen the assurance of a steadily expanding world economy.

UNIVERSITY OF MICHIGAN LIBRARIES

But the international approach does play an indispensable part in what may well be the new policy's most vital aspect. So long as any scheme or strategy can be twisted to represent nothing more than Western patronage or largess or, worse still, Western self-interest and self-defense, it will fail in its most urgent aim—that of projecting new ideas, new possibilities, and new visions into our confused and searching world. What the new program should represent, at the deepest level of meaning, is the recognition by the Western Powers of their solidarity with the human race.

Nothing is harder to project. For 300 years we in the West have ridden roughshod over the world and have emerged from this dominance wealthy beyond most people's dreams and with an unhealthy reputation for racial arrogance and cultural complacency. All this—which is the staple of Communist propaganda—represents a formidable obstacle to human communication and, hence, to the projection of Western concepts of a free society, of law, of private initiative, of generosity and justice and personal responsibility. If, however, the central purpose of Western policy were now to work side by side with other peoples in the revolutionary tasks of modernization, sharing experience with them, working out jointly the strategy of progress, matching their labor with capital, opening wide the doors for training and education, then, indeed, the climate of world opinion could be remade and the Western Powers might even seem to be what their Christian ethic has always told them they should be—united among themselves and bound by a common spirit of brotherhood to all mankind.

[From the Washington Post and Times Herald, Feb. 6, 1959]

THE PECCADILLO AT GREERS FERRY

(By J. A. Livingston)

"The Peccadillo at Greers Ferry." In that kindly fashion, the London Economist refers to the award of a turbine contract to the Baldwin-Lima-Hamilton Corp., outside Philadelphia, instead of the English Electric Co., which submitted a 19 percent lower bid.

The turbines were for the Greers Ferry Dam on the Little Red River in Arkansas. The U.S. Government decided to keep the business at home for reasons of national defense. The Economist calls that "transparent cant," and suggests that the real reason was to "safeguard employment" in an area in which unemployment has been high.

Nevertheless, the Economist pardons the decision as "part of a familiar pattern," in which American politicians give an inch to save a yard. The award was made just before "a decision has to be reached on the much bigger demand by a group of American producers for a complete ban on the import of certain types of electrical machinery, against which it is vastly more important that Washington should stand firm."

MARKETS, NOT LOANS

But a larger question arises: How good is American policy at making friends and influencing peoples?

"The distinguishing feature of liberal Americans today (liberal Republicans as well as liberal Democrats)," says the Economist, "is their welcome recognition that, provided there is no thermonuclear war, the whole future balance of international manpower is likely to depend on one factor: on whether the poorer nations can be offered the prospect of getting richer within the free world's economic and political system than they would within the Communist one. But the delusion of western politicians is that, to achive this prospect, the main problem is * * * to lend these countries money; instead * * * it is * * * to open markets to them."

In the struggle with Soviet Russia for the loyalty of the uncommitted nations of the world, we repeat to ourselves and other nations that if people have more food, clothing, and shelter—a stake in living—they'll resist communism. So we try to help countries with low living standards to produce for themselves.

BITTER LESSON FOR THE FREE WORLD

But, says the Economist, "if once [nations] are industrialized [and] they find that their cheap labor goods are shut out by the advanced countries of the West (as Japan's were shut out), then the free world will soon learn a bitter lesson: that the peoples most likely to be tempted toward communism are not the very poor, very dormant and illiterate but the half awake, and half educated who feel that they are being prevented by recognizable capitalists from becoming richer as quickly as their capabilities ought to allow."

America is a country of immense, diverse and conflicting interests. To the city of Philadelphia, an award of a contract to Baldwin-Lima-Hamilton Corp. is immediately helpful. It means jobs, payrolls, retail sales. But Philadelphia is a seaport. Anything that throttles international commerce is detrimental to Philadelphia in the long run.

We, in the United States, have grown strong industrially on foreign trade. In early days, we exported our wheat and cotton; we purchased manufactures. Then, when we developed manufactures of our own, we exported them. We had to export. Exports paid off the foreign debt.

FEATHERBEDDING OUR INDUSTRIES

Today we are a creditor Nation. We have high living standards and pay high wages. The twin historic justifications of such high wages are alert, skilled workingmen who give an honest day's work for an honest day's pay and the most modern machinery for the workingmen to use.

We comfort ourselves by saying we can compete with any manufacturers anywhere because of our technological skills and our equipment. But if we do not submit industrial firms to the rigors of price competition, how will they be under pressure to get costs down? It is not only against Great Britain that we must compete. In the world of tomorrow, we'll have to compete with Soviet Russia as well as other countries. We can't do that by featherbedding our industries.

Peccadilloes are tolerable only if they don't become precedents. Exceptions are acceptable only if they don't become the rule.

Mr. FULBRIGHT. Mr. President, I think the time has come for Americans to realize that the international economic policies of this Nation may well prove to be more disastrous to our future than the alleged neglect of our missile program. Miss Ward in her article in the Atlantic Monthly points out that the world revolution we face today is not a Communist revolution primarily but is in fact one arising out of "technology, medical advance, science, industrialization, rationalism, the national idea, popular claims, and aspirations," all ideas which were "invented and launched in the West and would be remaking the world even if Marx had never left the Rhineland." The world in which we live, even if there were no Communists would be a world of violence, catastrophe, and deepening revolution and one in which whole societies will founder if they try to rely simply on the sailing charts for calm weather."

And that is precisely what we are doing in this country. Since the war every time the Nation has shown an element of vision for "generosity as appeared in Western policies, the outcome has been effectiveness and achievement," suggests Miss Ward. It is only when "Western policy has been purely defensive and traditional, as in the Baghdad Pact, that it has been a total failure."

The "Peccadillo at Greers Ferry" which Mr. Livingston describes in his article is a classic example of an economic policy which is not consistent with American traditions of free enterprise. We seem unwilling to face the rigors of price competition. We turn inward to protect ourselves when we should be looking abroad for opportunities of expansion.

Miss Ward suggests that "if the wealthier nations contributed 1 percent of their national incomes every year to world development, they could comfortably cover all present needs." She suggests, and here I am inclined to agree, that the missing element is not that we do not know what to do, but that there has been no decision and no leadership toward a solid policy to live and to lead in an economically revolutionary world.

Mr. Lippmann in his column makes the point that "the rich have a duty to the poor." He observes that this is "not now a part of our official philosophy of foreign aid."

Mr. President, the American people may not be ready as yet to go as far as to make this a cardinal concept of foreign policy.

I suggest that if the time has not come for us to accept this as a philosophy of our foreign policy, we should at least be able to recognize and live with the kind of competition we developed and which is basic to our system that is illustrated in the Greers Ferry contract.

ORDER FOR ADJOURNMENT TO 10:30 A.M. ON THURSDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10:30 a.m. on Thursday next. By way of explanation, I should like to say that we will have a joint session of the two Houses on that day at 11 a.m. in the House Chamber, in commemoration of the 150th anniversary of the birth of Abraham Lincoln. My reason for desiring that the Senate shall meet at 10:30 is so that we may have a brief morning hour, have a quorum call, and proceed to the other House.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to state that at the conclusion of the morning hour today we expect to bring up by motion two noncontroversial measures, which are

now on the calendar. One of them was introduced by the Senator from Florida [Mr. HOLLAND], and has been reported by the Committee on Labor and Public Welfare, headed by the distinguished Senator from Alabama [Mr. HILL]. The other measure is a Senate concurrent resolution which was submitted by the Senator from Montana [Mr. MURRAY], and was also reported by the Committee on Labor and Public Welfare.

THE DIRECTOR OF THE INTERNATIONAL COOPERATION ADMINISTRATION

Mr. FULBRIGHT. Mr. President, I have read with considerable interest a newspaper article in the New York Times of last Saturday, written by Mr. E. W. Kenworthy, and a column this morning by Mr. Joseph Alsop in the Washington Post and Times Herald, concerning the case of Henry Labouisse. I ask unanimous consent that these two articles be inserted in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 7, 1959]

MR. SMITH LEAVES WASHINGTON AFTER ALCORN REVISES SCENARIO

(By E. W. Kenworthy)

WASHINGTON, February 6.—The Republican National Committee was grinding out a sequel today to "Mr. Smith Goes to Washington," and party managers hoped it would do well at the party's box office.

Mr. Smith—in this case Mr. James H. Smith, Jr.—quietly left Washington for his home in Aspen, Colo., last Saturday. This was a few hours after he had turned in his resignation as Director of the International Cooperation Administration.

Mr. Smith went home, it was understood, a disappointed man, unlike the Mr. Smith of the film success of the 1930's, who managed to survive the political pitfalls of Washington.

The present Mr. Smith had not received the appointment to succeed his friend, Thomas S. Gates, Jr., as Secretary of the Navy as he had confidently expected and as the administration has confidently planned.

Mr. Smith had taken the ICA job in the summer of 1957 on the understanding that he would leave it in January 1959. He was highly regarded in the administration for his performance in the post, and for his prior service as Assistant Secretary of the Navy.

The barrier was placed in Mr. Smith's path, administration and party officials agreed today, by Meade Alcorn, Republican national chairman. Mr. Alcorn was also said to be blocking the appointment of a Connecticut Democrat as Mr. Smith's successor.

Republican politicians made no secret of the fact that Mr. Alcorn had put a big black mark against Mr. Smith more than a year ago, shortly after Mr. Smith became head of the ICA, the foreign aid agency.

At that time, it was said, Mr. Smith and Mr. Alcorn had a frank talk during which time Mr. Smith told Mr. Alcorn that he was not going to give jobs to Republicans simply because they were Republicans.

Since then, several little black marks have been set against Mr. Smith's name in the book kept at party headquarters at 1625 I Street.

ACCEPTED AND REJECTED

One of these involved a person working at party headquarters—a trained professional worker, it was said—who applied for a job at ICA and was accepted. When Mr. Smith learned that this person had been working at Republican headquarters, it was related, he refused to approve the appointment.

One party official summed up today Mr. Alcorn's attitude toward Mr. Smith:

Jimmie Smith was unnecessarily neutral.

A further development in Mr. Smith's story, it was reported, concerned Henry R. Labouisse, a long-time Government official. C. Douglas Dillon, Under Secretary of State for Economic Affairs has been suggesting Mr. Labouisse as the new director of ICA.

SERVED U.N. IN NEAR EAST

Mr. Labouisse retired last June as director of the United Nations relief and works agency for Palestine refugees. Prior to his 4 years in the Near East, he had held several State Department posts connected with foreign aid.

Because of this professional experience Mr. Dillon wanted Mr. Labouisse. This choice had been cleared all the way up to the White House, officials said today.

However, Mr. Labouisse comes from Connecticut—the home State of Mr. Alcorn, and he registered there as a Democrat in 1941. An associate explained today that this was more than Mr. Alcorn could be expected to endure without outcry.

Mr. Alcorn's outcries, it was said, have induced a sympathetic response from Senator PRESCOTT BUSH, Republican, of Connecticut.

Senator BUSH has said that if the administration is "looking for a professional" to head International Cooperation Administration it can find him in Leonard J. Saccio, now the agency's Deputy Director.

Mr. Saccio comes from Connecticut. He is a Republican.

Associates of Mr. Smith gave this account of how he came to Washington and left it.

When he took the ICA job, it was said, he was led to believe, these officials said, that in due time he would succeed Robert Cutler as Special Assistant to the President for National Security Affairs.

However, Mr. Cutler resigned for health reasons last June, too soon for Mr. Smith to take his post. As a consequence Gordon Gray, head of the Office of Defense Mobilization, was appointed to succeed Mr. Cutler.

Some time ago Secretary Gates, who was planning to resign, approached his Under Secretary, William F. Franke, and asked if it were true, as he had been informed, that Mrs. Franke did not wish a promotion to Secretary for health reasons. Mr. Franke, according to officials, said this was so.

Thereupon, it was said, Mr. Gates undertook to get the appointment for his friend, Mr. Smith.

According to associates of Mr. Smith, Mr. Gates told Mr. Smith that everything was set. But Mr. Gates also told others the same thing, and the appointment got in the papers before the White House had given the final word.

Thereupon, it was said, Mr. Alcorn got busy. Mr. Franke was persuaded to change his mind.

Mr. Smith left Washington last Saturday. On Monday Mr. Gates' resignation was announced, effective next June. His successor will be Mr. Franke.

[From the Washington Post, Feb. 9, 1959]

THE CASE OF HENRY LABOUISSE

(By Joseph Alsop)

Henry Labouisse is a genial, unassuming, deceptively ordinary seeming man who belongs to a very special category, the category of Americans to whom every citizen of this Republic ought to feel personally indebted.

In the early stages of his career, in the Foreign Service, and for a time in the foreign aid administration, he turned in a most notable performance; but it was not this which created the debt each one of us owes to him. The debt began to be incurred when Labouisse accepted one of the most difficult and heart rending posts in the world today, the directorship of the United Nations Relief Agency for the tragic Arab refugees from Palestine.

There was no need for Labouisse to leave everything friendly and familiar, and go to the Middle East with his beautiful and brilliant wife, the former Eve Curie. By any ordinary standard, the appointment Labouisse accepted was both repellent and terrifying.

The million uprooted Arabs who are condemned to the grim death-in-life of the refugee camps were then suffering from extreme mass neurosis. Their resentment against the world's injustice was too bitter; their suspicions were too inflamed. They would begin one of their wolfish riots on almost any pretext. The refugee problem was, in fact, a gigantic ulcer, on the very point of bursting with unforeseeable consequences.

When Henry Labouisse took over, it was physically dangerous for the U.N. personnel to enter some of the refugee camps. As an American, a representative of the nation held responsible for sponsoring the Palestine partition, Labouisse was under extra suspicion. Yet by tact and humor and cool courage, by wonderful improvising from small resources, by model administration under the worst conditions, and above all, by back-breaking, unending, gruelling hard work, Labouisse won the day.

He could not cure the ulcer that is the refugee problem. No one could do that. But he won the confidence and even the affection of these tragic people. He improved conditions in the terrible camps in many different ways. He reduced the inflation of the ulcer, by these means, to a point that was no longer acutely dangerous. And all this he did without any great increase of the niggardly pittance of a few cents per person per day that the United States and the other contributing nations gave to the U.N. for refugee care.

Such, then, was the achievement of Henry Labouisse when he came home at last some months ago. Such, then was the man whom Deputy Under Secretary of State Douglas Dillon requested to take over the International Cooperation Administration, when Dillon learned that the foreign aid job was about to be vacated by James H. Smith.

The foreign aid job is notoriously the hardest major post to fill in the Government today; and it was something of a sacrifice on Labouisse's part to agree to leave his well-earned retirement for this new post. Secretary John Foster Dulles and the whole State Department high command were enthusiastic for the appointment. Labouisse's name went to the White House with the highest recommendations.

At the White House, however, the nomination ran, head-on, into the peculiar situation created by President Eisenhower's positive detestation of his secondary role as leader of the Republican Party. Despite his semi-annual exhortations to the party rank and file to get out and work, the President notoriously avoids the normal political tasks of his office. But in order to justify this avoidance and to control the party officials, the President has done something that his most politically active predecessors never did. He has given the Republican National Committee and its chairman, Meade Alcorn, a right of veto over all appointments.

Alcorn's files of jobseekers of course contain no remotely suitable candidate for the foreign aid job. A score of men were begged to take the job and refused it, before James

UNIVERSITY OF MICHIGAN LIBRARIES

H. Smith was finally induced to serve. And above all officials, the foreign and chief needs to enjoy bipartisan confidence on Capitol Hill.

Despite these important considerations, Alcorn furiously vetoed the Labouisse appointment on the sole ground that the wholly a-political Labouisse was not a Republican. The President, despite his repeatedly professed enthusiasm for the foreign aid program, has been too remote from the struggle, too little interested in the problem, too busy quail-shooting with George Humphrey, to bother to overrule the national committee chairman. When you recall the great public servants Harry S. Truman recruited from Republican ranks, it seems a little odd to see the Eisenhower crusaders enforcing the crudest rules of old-fashioned pork-and-patronage politics, with certain detriment to the public service of the United States.

Mr. CLARK subsequently said: Mr. President, I wish to refer briefly to the article entitled "The Case of Henry Labouisse," written by Joseph Alsop, and published today in the Washington Post. I have been informed that permission has already been granted, at the request of one of my colleagues, to have the article printed in today's CONGRESSIONAL RECORD.

Therefore, at this time I should like to say that I wish to vouch for and affirm everything Mr. Alsop states in the article. I believe it shows a shocking condition of political partisanship; and I hope we shall soon put an end to the business of not allowing fine, first-class public servants to do the work, for the benefit of their country, which they are so eminently qualified to do.

Mr. FULBRIGHT. Mr. President, the essence of these articles is that the Republican National Committee and its Chairman Meade Alcorn have in effect been able to force Mr. Smith, the just resigned Director of the ICA, to leave Washington, and to veto the nomination to that post of Mr. Henry Labouisse. Mr. President, I have no intention of trying to deny the interest of any national committee in political appointments. It seems to me the Labouisse case is going too far, however.

Members of the Committee on Foreign Relations have for some years been concerned with the poor quality of some of the appointments which have been made to ambassadorial posts and to high posts in the Department of State and related agencies. I ask unanimous consent to have printed in the RECORD at this point a letter which Chairman GREEN wrote to Secretary Dulles on April 3, 1957.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 3, 1957.

The SECRETARY OF STATE,
Washington, D.C.

DEAR SECRETARY DULLES: I desire to express to you in a completely nonpartisan spirit my deep concern about ambassadorial appointments.

In view of the heavy responsibilities of the United States throughout the world and the importance to us of relations with other countries, we should have first-rate ambassadors in every post. We choose ambassadors both from the ranks of the career service and from outside the Government service, and the benefits of this practice can be readily demonstrated. We should not, however, accept the conclusion that some years of satisfactory service, either in the Foreign Service, or in some nongovernmental activity, automatically qualify a man to be a good ambassador. The test in every case should be whether a nominee for a particular post is the American who can best serve the interests of this country there.

There are special problems arising from the fact that certain posts are very expensive. I am glad to have the Department's letter of March 6, 1957, stating that a study of the matter is underway. The Committee on Foreign Relations will no doubt give sympathetic consideration to such recommendations as you may make.

It is generally known that Presidents and Secretaries of State of both political parties have been under pressure from those who feel that an ambassadorship is a reward for past service or help. In my opinion, we can no longer afford to give way to such pressure in appointment-making.

The Committee on Foreign Relations has always recognized the primary responsibility of the Executive in making such appointments and has been reluctant to refuse consent to a nomination unless there is an obvious reason to do so. The committee has on occasions given the benefit of the doubt to nominees. It seems to me, however, an insufficient reason that there is no real objection to the nomination, there should also be an affirmative reason for it—namely, that the nominee has outstanding qualifications for the position. It should be obvious in each case, whether the nominee is a career man or not, that his record, his intelligence, his background, and his attitude are such that he will ably serve our country in his assignment.

I have made this letter the subject of discussion in executive session by the Committee on Foreign Relations and it represents the consensus of the views of all the members of the committee.

Sincerely yours,

THEODORE FRANCIS GREEN,
Chairman.

Mr. FULBRIGHT. Mr. President, in this letter Chairman GREEN said:

It is generally known that Presidents and Secretaries of State of both political parties have been under pressure from those who feel that an ambassadorship is a reward for past service or help. In my opinion, we can no longer afford to give way to such pressure in appointment-making.

Mr. President, on February 5 I wrote to the Secretary reiterating the point made in Senator GREEN's letter of April 3, and asked that the executive branch furnish the committee with certain additional information prior to its consideration of nominations. The important paragraph from this letter reads as follows:

It has seemed to me that if the committee is properly to exercise its advice and consent function in connection with ambassadorial appointments, it is important that it have not only the usual biographic data and statement regarding security clearances, but that it also receive for its confidential use certain other information which the President must consider prior to filling one of these important posts. Frankly, I do not know precisely what form this information may take. I would assume, however, that prior to submitting such appointments, the Department and the President must have information before them of the kind which would normally be utilized by a corporation—or perhaps a college president—prior to filling important positions. With respect to ambassadorial appointments, for example, I would think the authorities concerned with the appointments would want to know of the candidate's language ability, his ability as an administrator, his ability to make friends, the nature and depth of his interest in foreign affairs generally, as well as specifically in the country to which he is being sent, the interests which may be brought to bear on him in his post, and similar matters.

I hope, Mr. President, that the Department of State and the President will be able to resist pressures from any national committee which tends to put partisan considerations above those of the national interest.

BALANCING THE BUDGET

Mr. WILLIAMS of Delaware. Mr. President, I was very much interested in the speeches just made by both the majority leader and the minority leader, in which they expressed their enthusiastic support of a balanced budget. I was particularly interested in the debate as to which of the two political parties has been the best supporter of a balanced budget. There is nothing unusual about such debates. We have heard them on the floor of the Senate frequently during the past several years. We have read the same promises in every political platform. In every political platform adopted in the past 20 years both parties have enthusiastically endorsed and pledged support of a balanced budget. But the real question is not which political party talks the loudest but rather which party when in power carries out its promises.

Mr. President, if speeches and platforms meant anything unquestionably the Democratic Party would win the argument. They talk big, but unfortunately they never carry out their promises. No political party ever made a stronger pledge for a balanced budget than that which was made by the Democratic Party in its platform of 1932. I think it might be well to read that part of the Democratic platform for 1932 in which a balanced budget was advocated:

Remember, this was the platform under which the New Deal party was elected. I quote:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government * * * and we call upon the Democratic Party in the States to make a zealous effort to achieve a proportionate result.

We favor maintenance of the national credit by a Federal budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

We believe that a party platform is a covenant with the people to be faithfully kept by the party when entrusted with power, and that the people are entitled to know in plain words the terms of the contract to which they are asked to subscribe.

That, Mr. President, was the balanced-budget plank in the Democratic platform of 1932. With that platform the Democratic Party overwhelmingly took control of the Government.

Then what happened? They promptly forgot it.

Instead of balancing the budget they launched the wildest spending program that our country has ever witnessed. Instead of economy and balanced budgets the New Deal slogan of the day became tax, spend, and elect.

Going back and examining the record of the two political parties since 1900, we find that the Democratic Party has had control of the Government in 26 years out of 59. In arriving at the 26 years, I have eliminated from the Democrats' responsibility the Republican 80th Congress because none other than President Truman, who was in the White House at that time, disclaimed any responsibility for anything which happened during the 80th Congress. He said that those 2 years were the sole responsibility of the Republican Party. As one who was a Member of the 80th Congress, I am proud to accept the responsibility for what was done in those 2 years. So I am transferring those 2 years from the Democratic side of the ledger and assigning them to the Republican Party. That leaves the Democratic Party responsible for 26 years and the Republican Party for 33 years since 1900.

First, let us consider the 26 years in which the Democratic Party had control of the Government. We find that, notwithstanding their promises in their platform of 1932 for a balanced budget, the Democratic Party has lived within its income in only 3 years since 1900. At no other time since 1900 has the Democratic Party lived within its income on a national level.

In the face of this deficit spending record in 1948 we find the Democratic Party still promising a balanced budget. I quote from their 1948 platform:

> We pledge the continued maintenance of those sound fiscal policies which under Democratic leadership have brought about a balanced budget and reduction of the public debt.

But the New Deal promises of a balanced budget have in the past been ignored just as they are in the voting record of the 1959 New Dealers. Only last week they raised two authorization bills enough over budgetary estimates to destroy any chance for a balanced budget for 1960.

Certainly there is merit to some of these programs, and it is not pleasant always to be put in the position of saying "No" to the requests for increased appropriations. Each increase individually may not seem so important, but when added together they spell deficits.

Mr. President, in spite of all the Democrat talk about the need for a balanced budget, during the 26 years in which they had control of the Government they showed a surplus in only 3 years. One of the surpluses was in 1916, a surplus of $48,487,346. In 1920 they showed a surplus of $291 million. In 1951 they showed a surplus of $3,500 million.

When one takes into consideration the total of the surpluses in those 3 years in which the Democratic Party operated within its income and subtracts them from the deficits which they accumulated during the other 23 years they were in control of the Government, the record will show that the Democratic Party spent a total of $265 billion more than it took in during the 26 years it had control of the Government. That $265 billion represents our national debt, about which we hear so many cries and see so many crocodile tears shed. But that Democratic debt costs the American taxpayers $8 billion in interest annually.

The Senate was treated to a lecture the other day about the need for the American people to spend many more billions of dollars in order to reach outer space. I do not belittle the need for studying those problems dealing with the exploration of space, but it is interesting to note that if the $265 billion deficit which the Democratic Party has accumulated during their 26 years were converted into dollar bills, the bills would form a blanket 15 feet wide reaching from the earth to the moon.

Now, let us examine the record of the Republican Party. During the 33 years since 1900 when the Republican Party has had control of the Government, the Republicans have had a balanced budget in 22 years. In only 11 years has the Republican Party operated our Government at a deficit.

When one takes the accumulated totals of the deficits of the Republican Party for 11 years and subtracts from them the total of the accumulated surpluses he will find that the Republican Party spent only $2.1 billion over and above what was taken in during their 33 years of operations. I am not boasting about a deficit, but certainly it is a record to be proud of when it is compared with the $265 billion which was spent by the Democrats beyond the income in their 26 years of operation.

In all fairness it should be pointed out that the deficit of the Republican Party does not include the estimated deficit for 1959. This deficit is estimated to be from $10 billion to $12 billion.

It is well to point out that during the time since 1900 the record clearly shows that the only political party which can properly boast of having carried its promise of a balanced budget has been the Republican Party. All that the New Deal members of the Democratic Party have ever done in this connection is talk.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the record of deficits and surpluses under both parties since 1900.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Republican		Democrat	
	Deficit	Surplus	Deficit	Surplus
1900		$46,380,005		
1901		63,068,413		
1902		77,243,984		
1903		44,874,595		
1904	$42,572,815			
1905	23,004,229			
1906		21,782,168		
1907		86,731,544		
1908	57,334,413			
1909	89,423,387			
1910	18,105,350			
1911		10,631,399		
1912		2,727,870		
1913			$400,733	
1914			408,264	
1915			62,675,975	
1916				$48,478,346
1917			853,356,956	
1918			9,032,119,606	
1919			13,362,622,819	
1920				291,221,548
1921		509,005,271		
1922		736,496,251		
1923		712,507,952		
1924		963,366,737		
1925		717,043,353		
1926		865,143,867		
1927		1,155,364,766		
1928		939,083,301		
1929		734,390,739		
1930		737,672,818		
1931	$461,877,080			
1932	2,735,289,708			
1933			$2,601,652,085	
1934			3,629,631,943	
1935			2,791,052,100	
1936			4,424,549,230	
1937			2,777,420,714	
1938			1,176,616,598	
1939			3,862,158,040	
1940			3,918,019,161	
1941			6,159,272,358	
1942			21,490,242,732	
1943			57,420,430,365	
1944			51,423,392,541	
1945			53,940,916,126	
1946			20,676,170,609	
1947 [1]		$753,787,660		
1948 [1]		8,419,469,844		
1949			1,811,440,048	
1950			3,122,102,357	
1951				$3,509,782,624
1952			4,016,640,378	
1953	9,449,213,457			
1954	3,116,966,256			
1955	4,180,228,921			
1956		1,625,553,403		
1957		1,595,571,550		
1958	2,819,000,000			
Total	22,993,015,616	20,820,897,490	268,553,291,738	3,842,482,518

[1] Republican 80th Cong. President Truman disclaimed all responsibility.

Source: 1957 Report of the Secretary of the Treasury, pp. 336-339.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. WILLIAMS of Delaware. Mr. President, this table was compiled from the 1957 Report of the Secretary of the Treasury to Congress, pages 336–339.

Mr. President, I ask Senators on the other side of the aisle who are so enthusiastically supporting the principle of a balanced budget to join the Republican Party in votes to support that objective. After all, speeches alone do not mean anything. It is how we vote that counts. During the last 2 weeks we have listened to many speeches advocating a balanced budget in principle. But on the first two occasions when a showdown came, the votes were for substantially increased spending and against balancing the budget. The American people are interested in the ultimate result, and not in hearing a lot of political speeches and seeing crocodile tears.

Mr. CLARK. Mr. President, I am happy to see my good friend, the distinguished Senator from Delaware, on the floor. I came in during his comment about the so-called radical spenders in the Democratic ranks. I know he is one of those who are as anxious to balance the budget as I am. He happens to be one of the Members of the Senate who, I believe I am correct in saying, would be glad to see many loopholes in the tax laws closed, which, if done, would result in balancing the budget.

I know that my friend, the Senator from Delaware, has previously indicated his interest in reducing the oil-depletion allowance, and I am sure there are many other tax loopholes which he also would be happy to see closed, so that the budget can be balanced—a goal which I have as much at heart as does he.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Pennsylvania yield?

The PRESIDING OFFICER. (Mr. McGEE in the chair). Does the Senator from Pennsylvania yield to the Senator from Delaware?

Mr. CLARK. I yield.

Mr. WILLIAMS of Delaware. For the last 10 years I have been trying to have the oil-depletion allowance rate lowered, and I appreciate the support of the Senator from Pennsylvania in the attempt to close that tax loophole.

I say in all fairness that we shall not pick up enough to offset the extra money appropriated in the last few days.

Mr. CLARK. But the Senator from Delaware agrees, does he not, that that gap should be closed?

Mr. WILLIAMS of Delaware. Yes, it should be. I hope the political party which is in control of the Congress will work in that direction, and I hope that enough support can be obtained from this side of the aisle, so that Congress will pass this measure, which in my opinion should have been enacted long ago.

There are many other loopholes which we are trying to close; and I shall certainly join the Senator from Pennsylvania in attempting to do that. I trust that we shall be able to obtain sufficient votes for that purpose. However, let us not kid ourselves. This in itself will not balance the budget.

Mr. CLARK. I thank the Senator from Delaware.

Mr. President——

The PRESIDING OFFICER. The Senator from Pennsylvania.

TELEVISION CHANNEL 12, AT WILMINGTON, DEL.

Mr. CLARK. Mr. President, on February 4, my colleague, Mr. SCOTT, introduced Senate bill 924, cosponsored by the Senator from New Jersey [Mr. CASE] and myself, to amend section 307 of the Federal Communications Act by adding the following clause:

> In considering any applications for a license for a television broadcasting station operating in a very high frequency channel in an area where there is no such channel reserved for noncommercial educational use nor any noncommercial educational station operating in any such channel, priority shall be given to any applicants proposing to operate such station for noncommercial educational purposes.

At the time when the bill was introduced, the Senator from Delaware [Mr. FREAR] asked whether the bill would cover the pending applications for channel 12 in Wilmington, Del.; and the Senator from Pennsylvania [Mr. SCOTT] informed him that the bill was broad enough to cover the channel 12 situation. The Senator from Delaware [Mr. FREAR] then indicated that he would oppose the bill because it was part of an attempt to shift channel 12 from Wilmington, Del., to the Philadelphia area.

On February 6, 1959, the Senator from Delaware [Mr. WILLIAMS] indicated, by an insertion in the RECORD, that he shared the belief that Philadelphia was trying to obtain that channel.

Mr. President, that simply is not so. There is no attempt on the part of any civic group interested in obtaining educational television to shift channel 12 from Wilmington to Philadelphia, to the best of my knowledge.

The basis for this allegation may be found in the fact that an Atlantic City Broadcasting Co. has requested that channel 12 be shifted to the Atlantic City area, for commercial broadcasting there. The civic groups which are trying to obtain a standard broadcasting band—VHF—for educational television purposes have no interest in moving the channel from the Wilmington area. Most persons who live in the Philadelphia area or in southeastern Pennsylvania can receive channel 12 clearly.

It is a fact, as my colleague stated when he introduced the bill, that in the area south of New York, comprising New Jersey, eastern Pennsylvania, Delaware, and a portion of Maryland, no VHF channel has been assigned for educational television purposes. The assignment of channel 12, in its present location, to an educational television group would be of immense benefit to the estimated six million persons who live within the area which it now covers. I hope our colleagues from Delaware, who, I feel sure, are as interested in educational TV as are the rest of us, will not oppose this worthwhile civic attempt to have channel 12 in Wilmington reserved for educational television purposes, because of fear that there is afoot a move by the educational groups to shift the channel to Philadelphia. No such shift is being sought.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I am happy to yield.

Mr. WILLIAMS of Delaware. I may say to the Senator from Pennsylvania, in commenting on the statement he has just made—and in this respect I believe I can speak also for my colleague [Mr. FREAR]—that we have no objection whatsoever if Pennsylvania wishes to establish a television channel for educational purposes, provided those interested use one of the presently operated channels. Pennsylvania now has 10 or 11 VHF channels; and if Pennsylvania wishes to use 1, 2, or 3 of those channels for educational purposes, that is the business of Pennsylvania, and we would not interfere.

Delaware has only one VHF channel; it is channel 12. This is the only one Delaware has. We will not go along with the support of a bill by the Senators from Pennsylvania which will have the effect of telling Delaware what to do with the only television channel Delaware now has. That channel belongs to Delaware: If we who live in Delaware wish to use that channel for educational purposes, that is our business. But it is not the business of Pennsylvania to tell us what to do with the only television channel assigned to our State. We insist that this channel be allocated to someone who will guarantee to keep its facilities and plan its programs for the benefit of the citizens of our area.

Mr. CLARK. Mr. President, in reply, let me say very briefly that in southern Pennsylvania we have only three channels, which also serve the State of New Jersey——

Mr. LANGER. Mr. President, I rise to a parliamentary inquiry: Is not the Senate still proceeding in the morning hour, under the 3-minute limitation?

The PRESIDING OFFICER. That is correct.

Mr. CLARK. Mr. President, have I exceeded the 3-minute limitation?

The PRESIDING OFFICER. The time available to the Senator from Pennsylvania has expired.

TAX-COST SQUEEZE PUTS MANY STATES IN DILEMMA FOR 1959

Mr. CLARK. Mr. President, on another subject, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, an article entitled "Tax-Cost Squeeze Puts Many States in Dilemma for 1959," which was published this morning in the New York Times. The article in terse form states far more clearly than many of us have been able to do in the last few days of debate on the airport bill and the housing bill, the impossibility of expecting the States, particularly the great

industrial States, to raise the funds necessary in order to take care of the obsolescence in the public sector of their economy.

I hope this matter will be given careful consideration by all Members of the Senate, because, to my way of thinking, it demonstrates very clearly indeed the reasons why the Federal Government has to make these appropriations in order to take up the slack in the public sector of our economy which the finances of the States do not permit them to provide for.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX-COST SQUEEZE PUTS MANY STATES IN DILEMMA FOR 1959—SURVEY FINDS ALBANY IS NOT ALONE IN HAVING PROBLEMS—RECESSION BLAMED—DEFICITS ARE PREVALENT—MICHIGAN CITED AS FACTORY AREA WITH LAG IN INCOME DUE TO UNEMPLOYMENT

(By Russell Porter)

New York is not the only State government that faces the choice between tax increases and reduced spending in 1959.

A nationwide survey by correspondents of the New York Times shows a number of other States to be having similar financial problems in varying degree.

The States are being squeezed between rising costs, particularly in school, road, and welfare programs, and declining tax receipts. In some States budget deficits have occurred or are threatened. The squeeze is particularly evident in big industrial areas most affected by the 1957 recession and continuing unemployment.

Like New York, many States are planning to increase taxes.

RECORD TAX RISE ASKED

Governor Rockefeller has asked the New York Legislature to approve a record rise of $277 million in State taxes for the fiscal year 1959–60.

Under his program the State's personal income tax would be put on a withholding basis and other changes would be made to increase its yield by $150 million a year. The yield on cigarette taxes would be raised by $47 million and on estate taxes by $10 million. His request for a $69,500,000 rise in the gasoline tax had already been granted.

The Governor also proposed the use of $100 million in bond issues and $47 million in reserve funds to help finance a record $2,041 million budget, the first in the State's history to exceed $2 billion.

Spending in the first Rockefeller budget runs $240 million higher than in former Gov. Averell Hariman's last budget, now in effect. About $190 million of the increase is in larger State aid to local governments. The largest single item of increase is $64,500,000 in aid to education.

Following are reports on the financial problems of other representative States:

CALIFORNIA

Gov. Edmund G. Brown submitted last week a 1959–60 budget of $2,100 million. It is designed to meet a deficit he estimates at $68 million inherited from the previous Republican administration, and to balance at a record level.

Mr. Brown, a Democrat, is seeking $256 million in new or increased levies. These include higher income taxes in brackets over $10,000; taxes on cigarettes and tobacco; and higher taxes on beer, horse racing, petroleum products, and corporations.

Many critics want to spend surplus moneys in various State funds before raising taxes. They point to an investment fund of $170 million representing tideland oil royalties, $14 million in the fair and exposition fund, $10 million in a flood control reserve and about $20 million in other surplus or reserve funds.

The State Chamber of Commerce said more taxes would retard the business upswing. It demanded stricter economies and opposed experimental proposals.

COLORADO

Gov. Stephen L. R. McNichols has proposed a $68,800,000 general fund budget for the next fiscal year, about $5,500,000 higher than the current budget.

The Governor has suggested closing of tax "loopholes." He said this could raise $9 million to cover the new funds required and provide added money for needed educational buildings.

Legislators expect proposals for some new taxes, including a cigarette tax, a tax on premiums paid to Colorado-based insurance companies, and a tax on trading stamps. A higher tax on beer is also expected.

Another proposal being considered is to allow the State to take bank accounts and matured insurance policies unclaimed for 7 years.

FLORIDA

Florida's estimated deficit for the fiscal year ending June 30, 1959, is $17,500,000. Agencies and institutions have asked for appropriations totaling increases of $134 million in the next 2 years.

The budget commission has recommended a 2-year spending program of $725 million. This is $4 million less than one revenue estimate, but $9 million more than another.

Gov. LeRoy Collins has said there will be demands for more tax money, but he would recommend economies, including centralized purchasing.

Controller Ray Green has indicated he may suggest broadening the 3-percent sales tax to raise an additional $14 million by removing exemptions on whisky and beer. They are now exempt when sold for consumption off the premises. Others have proposed removal of exemptions on groceries, medicine, and clothing, and an increase in the gasoline tax.

MASSACHUSETTS

The Massachusetts Legislature voted and Gov. Foster Furcolo signed a law last week that authorized a withholding system for collecting personal income taxes.

Thousands who are said to have never filed a State tax return are expected to be uncovered by the withholding system. It is expected to bring in $60 million more in tax receipts this year, of which $12 million will go to State aid for local government.

Governor Furcolo has also proposed a 3-percent sales tax. The budget for the present fiscal year is $405,573,661. An increase of $110 million is expected in the budget for the next fiscal year, beginning in July.

Of the increase, $35 million is to cover an expected deficit in the present budget, $20 million in pay increases for 30,000 State employees, and the rest is for inflationary increases in costs.

MICHIGAN

Industrial Michigan, hard hit by the recession, will end the fiscal year with a deficit of about $110 million.

Gov. G. Mennen Williams has proposed a general purpose budget of $423,900,000, or $44,400,000 more than the current budget. The increase is for higher education, State school aid and civil-service pay increases.

The Governor has asked for $140 million in new revenues to balance the budget and start paying off the deficit. He has called for a 5 percent corporate profits tax (7 percent on financial institutions) to raise $110 million, and a personal income tax with rates from 2 to 6 percent, to produce $100 million.

His program also recommends repeal of the corporate franchise and intangibles tax and a credit of 15 percent of personal property taxes against taxes on business activities and corporate profits.

It suggests a mortgage on the veterans' trust fund to provide $38 million for the University of Michigan, Michigan State University, and the State teachers pension fund.

MINNESOTA

Gov. Orval L. Freeman, Democrat-Farmer-Labor, is expected to introduce this week a tax bill to produce $470 million in the 2 years beginning July 1. This is $83,500,000 more than in the current fiscal biennium and $51 million more than appropriations for the 2-year period ending this June.

He will seek a 1-percent increase in all individual income tax brackets and attempt to introduce a withholding system of collecting income taxes. The three-term Governor is also planning increases in taxes on iron ore, cigarettes, liquor, tobacco, and inheritances and gifts. He would also end the deductibility of Federal taxes for corporate income taxpayers.

The income-tax provisions face a rough time in Minnesota's heavily Conservative senate. Business groups are pressing for a 3-percent sales tax linked with $10 individual credits against income-tax liability. But no Republican or Conservative legislator is taking the initiative on this.

MONTANA

Legislative leaders expect a budget of $78 million for the next 2 years, $14 million more than the present budget. The State now has a $5 million deficit in its general fund.

Numerous tax bills have been introduced in the legislature. Some would provide new taxes, such as taxes on bowling and the sale of soft drinks. Others would raise rates on personal and corporation incomes. Still others would remove exemptions and deductions.

NEBRASKA

Nebraska has a surplus expected to be more than $26 million for the 1957–59 biennial budget, but has a financial problem just the same.

Its problem is to raise $4 million for the next biennium to cover increased funds asked by State-supported educational institutions and other growing needs. State officials are trying to get the money without raising the property tax, which is the only tax Nebraska has for the support of the State government. This tax is now $7.97 a $1,000 of assessed value.

Gov. Ralph G. Brooks has called for stricter enforcement of the existing tax law. He said enough additional property could be put on the tax rolls to raise the $4 million. Others have suggested a tax up to 6 percent on parimutuel horse racing.

OREGON

A surplus estimated at $30 million on June 30, 1959, is expected to be used up in the following 2 years. The proposed budget for the next biennium calls for expenditures of $299 million, or $22 million more than the present budget. Since the new budget was proposed, bills calling for the spending of $29 million more have been introduced in the legislature.

Gov. Mark Hatfield has announced he will present a tax program to the legislature today. He has already proposed broadening the income tax base. Speculation has centered on the possibility of a 1 percent gross income tax, a cigarette tax, a real estate transfer tax, and removal of the personal property credit from the corporation net income tax.

PENNSYLVANIA

The Pennsylvania Legislature faces the prospect of raising $500 million in new taxes to balance the budget for the 1959–61 fiscal biennium beginning in June.

UNIVERSITY OF MICHIGAN LIBRARIES

Gov. David L. Lawrence's first budget is expected to approximate $2,500 million. The current budget is $2 billion, and a $100 million deficit is expected by the end of the fiscal period.

The Governor had ordered spending cut to the bone with no vacant jobs to be filled except on his approval. He is awaiting a report from a tax study committee before announcing a tax program.

However a 1-cent increase in the gasoline tax, now 5 cents, is expected. This would yield $31 million additional. And $5 million would come from an expected $1 increase in the cost of an auto license tag or driver's license. A 1-cent increase in the present 5-cents-a-pack tax on cigarettes, and elimination of a number of exemptions in the sales tax are also considered.

SOUTH DAKOTA

Gov. Ralph Herseth has proposed a budget of $63,500,000, which is $8 million higher than any previous budget in the State. Most of the increase is for educational purposes. The increase exceeds by $1 million the $7 million surplus in the State's general fund.

The Governor has recommended increasing the cigarette tax including liquor, hotel and motel bills and various exempted service in the sales tax, and imposing a new bottle cap tax on soft drinks.

TEXAS

Gov. Price Daniel has proposed a tax program to wipe out a deficit of about $65 million in the State operating fund and provide $72,800,000 a year in new revenue.

A decline in oil tax revenues is blamed in large part for the deficit. In addition, the Governor has recommended a new budget that raises total State spending by 17 percent. The 2-year budget calls for $2,311,434,306.

The tax proposals include a new severance beneficiary tax on natural gas at 3 percent of value, revision of the corporation franchise tax formula, increased taxes on motor vehicle sales, liquor and cigars; elimination of exemptions on sales of cigarettes and beer on military reservations, and a tightening of tax collection machinery.

Another proposal calls for the State to take over property unclaimed for 7 years, such as bank deposits, dividends and royalties.

VERMONT

Gov. Robert T. Stafford, a Republican, has proposed a $52,905,000 budget for 1959–60, compared with $56,365,630 for the current financial year. The State faces a deficit estimated at close to $4 million as of June 30.

The incoming administration was pledged to avoid new taxes, but some are recommended in the Governor's proposal. One calls for a 20-percent tax on all other tobacco products to match the existing 20 percent tax on cigarettes. There would also be a 5-percent tax on meals costing more than $1 and on rooms in public lodging places.

The Governor has not called for a sales tax. Its chances of passage had earlier been considered problematical. Vermont already has a graduated income tax that takes 7 percent of net incomes over $5,000.

WASHINGTON

The most controversial tax measure in Gov. Albert D. Rosellini's proposed general fund budget of $835,500,000 is a proposed sales tax on services, from attorneys to shoeshine boys. Opponents say it would overlap the present business and occupation tax of eight-tenths of 1 percent on all gross income over $3,600.

The Governor is also facing rough going on proposals for a State income tax and for a 5 percent tax on the gross of parimutuel betting. He would also raise the present 10 percent tax on hard liquor and beer to 30 percent.

In defending his budget Governor Rosellini said he had trimmed $71,750,000 from the original requests of State agencies but had added $18 million in salary increases. Revenue measures would provide tax increases totaling $135 million.

One of the principal increases would come from an increase in the sales tax to 4 percent from its present 3½ percent.

WEST VIRGINIA

The West Virginia Legislature is expected to authorize a budget increase of $18 million to $20 million, including $10 million for roads and the rest for education, mental health and public welfare. The current budget is $118,262,778 for the year ending June 30, 1959.

The State has been hard hit by unemployment, especially in the coal fields. This has resulted in declining tax revenues, particularly from the State sales tax. The Board of Public Works recently cut spending to assure completion of the fiscal year without a deficit.

Tax proposals include raising the gasoline tax from 6 to 7 cents, increasing drivers' license fees from $1 to $5 quadrennially, higher charges for auto and truck license plates, elimination of gasoline tax exemptions to railroads and airlines, a gasoline or diesel fuel tax on interstate truckers, and removal of certain exemptions from the consumers sales tax.

MODERNIZATION OF OUR FEDERAL AIRPORTS

Mr. SYMINGTON. Mr. President, last Friday the Senate passed Senate bill 1, to amend the Federal Airport Act.

This action shows clearly that the Senate believes this country means to be a progressive part of the 20th century.

I congratulate the junior Senator from Oklahoma [Mr. MONRONEY], who did the Nation a great service in handling this bill in committee and on the floor with such understanding and ability.

In the framework of this sound legislation and the practical leadership of Senator MONRONEY, the country should fully realize that it cannot afford to do less than to act promptly and effectively toward modernization of our airport facilities.

DESTRUCTION OF AMERICAN TRANSPORT PLANE BY RUSSIAN FIGHTERS

Mr. LAUSCHE. Mr. President, my remarks at this time are prompted by an article, written by Roscoe Drummond, which was published this morning in the Washington Post. In the article Mr. Drummond gives a recitation of the chain of events which has developed since the unarmed American transport plane was found charred and destroyed on Russian territory, with the bodies of 6 Americans in the plane, and with 11 of the crew missing.

Last weekend Radio Moscow made a statement alleging that the U.S. Government manufactured a recorded tape which contained an exchange of information and directions had between pilots of Russian planes which shot down the American transport.

I repeat what I said on the floor of the Senate last week dealing with the exchange I had with Mr. Mikoyan while he was at lunch with members of the Foreign Relations Committee. I asked Mr. Mikoyan, "What about the 11 men who were in that plane which the Soviet said it found on Russian territory?" His answer was that they knew nothing about them; they knew that a charred and destroyed plane was found on the territory of the Soviet; that six dead bodies were in it; and it so informed our Government.

I said to him, "There is a mystery attached to the explanation that has been given about the manner and the method in which that plane was found." He said to me, "You obviously do not have any faith in us."

I said, "That is not the issue. There has been no adequate explanation given about what happened and where the other 11 bodies are." He then gave this significant answer: "Hereafter if your Government will notify my Government of the presence of an American plane over our land, the number of persons in the plane, and the purposes of the mission, incidents of this type will not happen."

I submit to my colleagues that that statement, by implication, definitely carries the judgment that there was a relationship between the plane being on Russian territory and the failure of our Government to notify the Soviet. He impliedly stated that, "If you had told us that your plane was over our land, that plane, which contained the six American bodies within it, now would not be on the ground, charred and destroyed."

I submit to my fellow Ohioans back home that a reading of the record of what took place will show these facts:

No. 1, it took 10 days before the Soviet disclosed what they alleged had happened.

No. 2, the Soviets refused to allow American inspectors to examine the remains of the fallen plane.

No. 3, when Menshikov was asked to listen to the recorded tape, he refused to do it, asserting that he did not understand the technicalities of the proposition.

Those three facts definitely point to concealment and to a set of facts which are inconsistent with the explanation given by the Soviet about what happened.

Finally, I say that Mikoyan, by his own statements, implied that the plane did not fall, but that it was brought down by the guns of the Soviet.

It will take more than Radio Moscow, and it will take more than the word of the Soviet and Communist officials, to make the people of the world, the people of the United States, and, finally, the people of Russia themselves, believe that the Communists are telling the truth and that we are telling the falsehood. In my judgment, the people of the Soviet will not believe their own leaders on this subject.

MIKOYAN STOLE UNITED STATES SECRETS

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in

the body of the RECORD a column by Victor Riesel entitled "Mikoyan Stole U.S. Secrets," published in the January 12, 1959, edition of the Manchester Union Leader.

Mr. Riesel should be commended for the distinct public service he has performed in documenting, so that all may read it, the espionage activities of Anastas Mikoyan. This is only part of the record, but it is sufficient to enable anyone to realize that a man with such a background as Mikoyan could not change his inner thinking and philosophy to match the sweetness and light exterior he now exhibits. I, for one, am not taken in by it, and I will continue to do my utmost to see that the American people shall be informed of the true character and the true purpose of this man.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MIKOYAN STOLE U.S. SECRETS

Those who are not being beastly to Mikoyan, second in command of the Soviet Union, should know that our intelligence agencies have the visiting tovarish listed as a former chief of economic espionage specializing in the United States.

Bluntly and brutally, the visitor now being feted in our best places was under assignment from Joseph Stalin to steal our basic research and newest industrial secrets in the war's final years. Working under Mikoyan were spy rings about which the public never learned. But from these rings Mikoyan funneled some of the industrial developments which have enabled the Russians to beat us into outer space. Mikoyan was not just another member of the Soviet Union's Politburo making general policy.

The visitor wrote the espionage orders himself. He handed them to secret agents for transmittal to America in Soviet diplomatic pouches.

These were, in turn, handed to Comintern representatives as well as hundreds of lesser Soviet officials in the United States. Some of the orders were passed on to pro-Soviet labor leaders, long since exposed. Those men, Americans and Russians, were working daily right in the innards of our most guarded industries. That was in the days when Mikoyan officially was the Soviet Union's Foreign Trade Minister.

To get some of this pedigree on the man now here for a "soft sell" of the Soviets to the American people, you need not have access to any cloak-and-dagger bureau dossier. You need only find one man, still active in Washington and New York. He is one of Mikoyan's former aides, Victor Kravchenko by name.

Back in the war years, Kravchenko was economic attaché of the U.S.S.R. Purchasing Commission in Washington. But he chose freedom. He broke with the Soviets. Later, in April 1947, he swore under oath publicly to what he had secretly told our counter-intelligence agencies during the intervening years. Kravchenko told the House Un-American Activities Committee:

"One more fact. Mikoyan, this Foreign Trade Minister, sent an order, a very secret order.

"All the responsible, prominent members, the Soviet representatives in the United States (telling them) how to carry on economic espionage and on what special problems in the United States" Kravchenko said, describing the Mikoyan order. "This document was delivered to special secret agents in Washington and, it goes without saying, was delivered, thanks to diplomatic immunity. In the same way secret party orders were delivered to Washington from the central committee of the party.

"I must state in general that no person holding an important position in connection with the economic, political, and military organizations and arriving in the United States from the Soviet Union arrives without a special assignment as to the collection of secret information."

All this is known in detail to the top AFL–CIO leaders at their Washington headquarters. They were, therefore, surprised, chagrined, and some of them bitter and angered when they learned late last Monday evening that James Carey, a member of the AFL–CIO's eight-man executive committee, had invited Mikoyan to a special creamed chicken lunch at his union headquarters.

Some of the labor leaders assumed no undue subtlety in telling this to Carey when he personally telephoned Monday evening and Tuesday morning to ask them to sit with the Soviet official.

Among those who turned Carey down were AFL–CIO president, George Meany, and the machinists' leader, Al Hayes. They said they would not sit with a representative of the nation under whose guns hundreds of working people die each day. There were those who resented this hospitality to Mikoyan because he arrived in the midst of violent anti-semitic and anti-Catholic propaganda campaigns inside the Soviet Union.

Mr. Carey, president of the International Union of Electrical Workers, also attempted to interest Lewellyn Thompson, U.S. Ambassador to Moscow, who now is in Washington. Mr. Thompson said, in effect, "It's all yours, Jim. I wouldn't touch him."

Just what does it take on the Soviets' part for some of our people to treat them as we treated the Nazis—of which they are but a different hue?

CERTIFICATION OF FOOD COLOR ADDITIVES

Mr. HILL. Mr. President, there are two measures on the calendar to which there is no objection. I ask that we now proceed, under the rule, to the consideration of those two measures.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Is there further morning business? If not, morning business is closed.

Is there objection to the present consideration of Calendar No. 47, Senate bill 79?

There being no objection, the Senate proceeded to consider the bill (S. 79) to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances, which had been reported from the Committee on Labor and Public Welfare with amendments on page 1, after the enacting clause, to strike out "That paragraph (c) of section 402 of the Federal Food, Drug, and Cosmetic Act is amended by repealing the second and third provisos to such paragraph, and by inserting before the period at the end of such paragraph a new proviso as follows: *'Provided further,'* " and insert "That (a) the second proviso of section 402(c) of the Federal Food, Drug, and Cosmetic Act is amended by striking out 'March 1, 1959,' and inserting in lieu thereof 'May 1, 1959,'."; on page 2, at the beginning of line 6, to insert "(b) The third proviso of section 402(c) of such Act is amended to read as follows: *And provided further,*"; in line 16, after the word "as", to strike out "packing house elimination" and insert " "packing house elimination" "; at the beginning of line 24, to insert "September 1, 1961, and to"; and on page 3, after line 6, to strike out:

SEC. 2. This act shall take effect upon the date of enactment, except that the repeal of the second proviso of section 402(c) of the Federal Food, Drug, and Cosmetic Act shall not become effective with respect to oranges the skins of which are colored before March 1, 1959, in accordance with such proviso.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second proviso of section 402(c) of the Federal Food, Drug, and Cosmetic Act is amended by striking out "March 1, 1959," and inserting in lieu thereof "May 1, 1959,".

(b) The third proviso of section 402(c) of such Act is amended to read as follows: *And provided further,* That, without regard to the requirements of sections 406(b) and 701(e), the Secretary shall promptly establish, and may from time to time amend, regulations (1) prescribing the conditions (including quantitative tolerance limitations) under which the coal-tar color known as Citrus Red No. 2 (more particularly to be defined in such regulations) may be safely used in coloring the skins of oranges which are not intended or used for processing (or, if so used, are oranges designated in the trade as "packing house elimination"), and which meet minimum maturity standards established by or under the laws of the States in which the oranges are grown, (2) providing for separately listing such color solely for such use on such oranges, and (3) providing for the certification of batches of such color, with or without harmless diluents, for such restricted use; and such oranges, if colored prior to September 1, 1961, and to the enactment by the Congress (subsequent to the date of enactment of this proviso) of general legislation for the listing and certification of food color additives under safe tolerances, in conformity with this proviso and such regulations, with Citrus Red No. 2 from a batch certified in accordance with such regulations, shall not be deemed to be adulterated within the meaning of this paragraph."

The amendments were agreed to.

Mr. HILL. Mr. President, the bill was introduced by the distinguished Senator from Florida [Mr. HOLLAND]; and was considered by the Senate Committee on Labor and Public Welfare. The committee had before it the Senator from Florida [Mr. HOLLAND]; Mr. Harvey, the Deputy Administrator of the Food and Drug Administration; and Mr. Ellenbogen of that Administration. The Senator from Florida [Mr. HOLLAND] and these gentlemen were in full agreement as to the bill and the amendments which the committee reported. The bill has the approval of the Food and Drug Administration; of the Department of Health, Education, and Welfare; and of the Bureau of the Budget. I ask that the bill be passed.

Mr. HOLLAND. Mr. President, I want to express my very great appreciation to the distinguished chairman of the Senate Committee on Labor and Public Welfare in regard to this matter. A hearing

UNIVERSITY OF MICHIGAN LIBRARIES

was held by the full committee, and the bill was unanimously reported. The distinguished Senator has stated accurately that the amendments were discussed and agreed to not only by the sponsor of the measure, the Senator from Florida, but also by the representatives of the Food and Drug Administration and by counsel for that Administration. The bill as amended was also agreed to by the Department of Health, Education, and Welfare, and representatives of the citrus industry.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. YOUNG of North Dakota. Has the bill been discussed with the Republican leadership?

Mr. HOLLAND. The bill has been discussed with the Republican leadership. I personally talked to the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN] who, I will say, sat in on the hearings and joined in the unanimous reporting of the bill.

Mr. YOUNG of North Dakota. I have no objection.

Mr. HOLLAND. I asked the minority leader this morning if he would consent to having the bill taken up today, and he gave me his assurance that it would be proper and met with his approval.

Mr. YOUNG of North Dakota. I have no objection.

Mr. HOLLAND. Mr. President, I ask unanimous consent that excerpts from the able report of the committee, which clearly set forth the situation, be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The Committee on Labor and Public Welfare, to whom was referred the bill (S. 79) to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances, having considered the same report favorably thereon, with amendments, and recommend that the bill do pass.

EXPLANATION

The practice of using artificial color to color the skins of fully mature, sound oranges has prevailed in Florida and Texas for many years. Such coloring is necessary because fully mature fruit from those areas in many instances may be greenish and nonuniform in color.

Formerly the coloring material employed was coal-tar color F.D. & C. Red No. 32. Under the provisions of the Federal Food, Drug, and Cosmetic Act this color was certified by the Food and Drug Administration as is authorized by law under provisions that require it to be harmless and suitable for use. In 1955 the Food and Drug Administration developed evidence that F.D. & C. Red No. 32 is not harmless since, under some circumstances and in some quantities, it is capable of causing harm when fed to laboratory animals under properly conducted tests. Because of these findings the Administration caused the color F.D. & C. Red No. 32 to be removed from the list of colors certifiable for use in foods, which had the effect of prohibiting its use for coloring oranges.

In the 84th Congress legislation was passed, Public Law 672, which provided for the temporary continuation of certification and use of the color previously known as F.D. & C. Red No. 32, solely for the purpose of coloring skins of oranges, it having been determined that this would involve no known danger to the public health. This legislation expressly provided an expiration date of February 28, 1959, or sooner if a harmless substitute were developed and listed. It was implicit in the understandings that, during the period thus allowed, every effort would be made by the interested industries to develop a coal-tar color for use on oranges which would meet the criteria of harmlessness and permit its certification under the Federal Food, Drug, and Cosmetic Act.

The studies undertaken led to the development of the color known as Citrus Red No. 2, which is chemically 1-(2,5-dimethoxyphenylazo)-2 naphthol. The committee has been assured that the toxicity level of Citrus Red No. 2 is significantly lower than that of F.D. & C. Red No. 32.

At feeding levels considerably higher than those required to color oranges, Citrus Red No. 2 can harm test animals; therefore it is not eligible for certification for food use under present law. But in the quantities necessary to color the skin of oranges it is without hazard to man.

In order to provide an available color which will be useful in the coloring of mature oranges upon the expiration of the effective existing law, Public Law 672, this bill provides authorization for the listing and certification under safe tolerances of Citrus Red No. 2 solely for use in coloring mature oranges. It provides that under such qualitative tolerance limitations, and pursuant to regulations to be established by the Department of Health, Education, and Welfare, each batch of such color employed in the coloring of mature oranges shall be certified. Since it will require a period of approximately 60 days for the color Citrus Red No. 2 to be manufactured, certified, and available to orange packers, the bill further provides that the effective date for the termination of Public Law 672 shall be May 1, 1959. This has the effect of extending the period in which the color formerly known as F.D. & C. Red No. 32 may be employed to color oranges 2 months, and thus allow a period for the new color authorized in this bill to become available under the conditions and restrictions heretofore stated.

The committee has concluded from the evidence presented that enactment of this bill will in no wise be detrimental to the public health or introduce into the food supply an unsafe color. It is further concluded that enactment of this bill will not result in increasing the price of colored oranges to the consumer inasmuch as the competition between colored and uncolored oranges would have the effect of precluding passing on the cost of coloring to the consumer.

The enactment of this bill is entirely consistent with the provisions of the Federal Food, Drug, and Cosmetic Act generally. It is specifically provided that the provisions of this bill will become inoperative on September 1, 1961, or before that time if general legislation affecting coloring materials for food is enacted by the Congress. The reason for the time limit is that this is emergency legislation, which will meet the immediate needs of the citrus industry without permanently engrafting on the basic Food, Drug, and Cosmetic Act a new principle of tolerances for coal-tar colors which is not applicable to foods generally. The expiration date has been so fixed as to allow the Congress ample time to consider the application of this principle to all foods.

COMMITTEE AMENDMENTS

The amendments which the committee has made in the bill and which have been approved of by the Department of Health, Education, and Welfare are as follows:

1. As introduced, section 1 of the bill would repeal the second proviso to section 402(c) of the Federal Food, Drug, and Cosmetic Act, which had been enacted by Public Law 672, 84th Congress, so as to permit the coloring of the skins of oranges, until March 1, 1959, with the color formerly known as F.D. & C. Red No. 32. Section 2 of the bill is a saving clause to the effect that the repeal of the second proviso of section 402(c) of the Federal Food, Drug, and Cosmetic Act shall not become effective with respect to oranges colored before the March 1, 1959, cutoff date.

The first committee amendment substitutes for this part of section 1 of the bill and for section 2 a provision amending the second proviso of section 402(c) of the act by striking out the cutoff date of "March 1, 1959," and inserting in lieu thereof "May 1, 1959,". The effect of this amendment is to extend the cutoff date for coloring oranges with F.D. & C. Red No. 32 for about 2 months, so as to permit an orderly transition from the use of the color formerly known as F.D. & C. Red No. 32 to Citrus Red No. 2 for coloring the skins of oranges. It will require about 2 months to manufacture and distribute the new color after enactment of the bill.

This committee amendment has been recommended by the sponsor of the bill and by the industry, and the committee has been advised by the Department of Health, Education, and Welfare that it has no objection to the amendment.

2. Section 1 of the bill as introduced also would repeal the third proviso to section 402(c) of the Federal Food, Drug, and Cosmetic Act, which now provides that the second proviso, above described, shall have no further effect if prior to March 1, 1959, another coal-tar color suitable for coloring oranges is listed under section 406.

The committee amendment, instead of repealing this proviso, would amend it so as to substitute for its present provisions all of the provisions of the bill relating to the listing and certification of Citrus Red No. 2 for coloring the skins of oranges. This is purely a technical amendment.

3. The third committee amendment would insert on page 2, line 16, of the bill, after the words "prior to", the phrase "September 1, 1961, and to".

The effect of this amendment is to insert a definite time limit, i.e., September 1, 1961, in the bill in addition to the indefinite time limit now specified, so that oranges could be colored with Citrus Red No. 2 under the provisions of the bill only until September 1, 1961, or earlier should the Congress enact general legislation for the listing and certification of food color additives under safe tolerances before that date.

This amendment, suggested by the Department of Health, Education, and Welfare, makes the measure temporary emergency legislation to be effective for a period which is expected to be adequate for congressional consideration.

DEPARTMENTAL REPORTS

The reports of the Secretary of Health, Education, and Welfare and the Director of the Bureau of the Budget are as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
January 29, 1959.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of January 13, 1959, for a report on S. 79, a bill to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the

Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances.

As you know, March 1, 1959, is the expiration date of emergency legislation (Public Law 672, 84th Cong.), enacted in 1956, which, notwithstanding the general provisions of the Federal Food, Drug, and Cosmetic Act, permits the temporary continued use, on mature oranges, of a coal-tar color which was formerly on the food color list established under the act but which is now, because of its toxicity, only on the list of colors certified for use in drugs and cosmetics intended for external application to the human body. (The color, formerly known as F.D. & C. Red 32, is now listed as External D. & C. Red 14.) The provisions of Public Law 672, 84th Congress, did not require us to attempt to establish a tolerance limitation to govern the use of that color on oranges during the emergency period, nor would the available data have furnished a scientific basis for the establishment of such a tolerance.

The present bill (S. 79) is designed to permit continuation of the industry's coloring practice for mature oranges (primarily oranges from Florida and Texas), but only with a recently developed substitute coal-tar color, Citrus Red No. 2, and subject to regulations prescribing the conditions, including tolerance limitations, under which the color may be safely used.

For the reasons discussed below, we feel constrained to recommend against enactment of S. 79 in its present form, because the actual terms of the bill, despite the title of the bill, give no real assurance that it would in fact be only temporary emergency legislation pending congressional consideration of general legislation to permit use of toxic food colors under tolerance limitations and other appropriate safeguards. The bill would, however, be acceptable to us if this objection were removed by an appropriate amendment along the lines suggested in this report.

Under the provisions of the present law, a food is deemed to be adulterated if it bears or contains a coal-tar color, unless the color is from a batch certified in accordance with regulations issued under section 406(b) of the act. Section 406(b) permits the listing and certification of coal-tar colors for use in or on food only if the color is "harmless and suitable for use in food." This provision precludes us from listing any color for use in or on food unless the color is harmless substance, i.e., without potentiality of harm when permitted to be used in foods generally without restriction. We have no power to fix tolerances for toxic coal-tar colors so as to permit their safe use in or on food, or to limit the use of coal-tar colors to specified foods, or to a specified manner of application to food. For this reason, and on the basis of this view of the law, we were constrained to "delist" for food use F.D. & C. Red 32, a color which had long been used in coloring a large part of the Florida and Texas mature orange crop and which had theretofore been on the list on the erroneous assumption that the color satisfied the criteria above mentioned. The segment of the orange industry involved, and makers of this color, challenged our interpretation of the law in the courts, but the Supreme Court, on December 15, 1958, sustained the delisting order and our view of the law (*Flemming v. Florida Citrus Exchange*, 79 Sup. Ct. 160 (decided December 15, 1958)).

The delisting of this color, the only one known at that time to be suitable for the purpose, created an emergency for the segment of the orange industry involved because large quantities of Florida and Texas oranges are green in color when harvested in their mature state, and because such oranges, when not artificially colored, have met strong consumer resistance and the coloring practice had thus become an economic necessity for this part of the industry. In view of these facts and the fact that the evidence so far available did not establish any likelihood of injury from such use of this color, Congress enacted the above-mentioned emergency legislation, with a view to giving the industry a reasonable period of time to make tests and studies necessary to determine the precise toxicity of Red 32 and to develop a harmless substitute if possible. The industry, since then, has developed a proposed substitute coal-tar color, known as Citrus Red No. 2, which, although not a harmless color which could be listed under the present act for use in or on food, has lower toxicity and at the same time greater tinctorial power than Red 32. On the basis of the data furnished us by the industry, we believe that Citrus Red No. 2 is suitable for use in coloring the skins of oranges and that, if authorized, we would be able to establish a safe tolerance for such use.

The question remains whether, in view of these facts, the enactment of the special legislation proposed by S. 79, in its present form, is warranted.

In reporting on July 29, 1958, on S. 3595 (85th Cong.) which proposed permanent legislation to require us to prepare a special list of color additives for use on certain mature oranges (under safe tolerances if necessary), we expressed the view that it "would be unwise and discriminatory to enact permanent legislation of this nature on the basis of a single food commodity to the exclusion of other food products." And we stated that we would therefore be constrained "to recommend that, rather than proceeding with consideration of [such special legislation], the Congress give consideration to legislation dealing with the question of artificial coloring in all foods. The enactment of such broader legislation along sound lines would establish uniform criteria applicable to all foods and would at the same time accomplish the objectives of S. 3595." We included with our report on that bill a copy of our report on H.R. 8945 (a comprehensive color bill) to the House Committee on Interstate and Foreign Commerce, which indicated that we favored the principle of allowing the safe use of added toxic colors in foods, drugs, and cosmetics under proper safeguards, including appropriate tolerance limitations, and subject to properly framed transitional provisions relating to coal-tar colors listed as certifiable at the time of enactment of the amendment. An extra copy of our reports on S. 3595, together with our report on H.R. 8945, is herewith enclosed for your convenience.

We realize that the statutory expiration date of March 1, 1959, fixed for the use of Red 32 by Public Law 672, 84th Congress, foreshadows an emergency for the Florida and Texas growers involved, since Citrus Red No. 2, the substitute color developed by the industry, is not "harmless" and cannot be listed under the present act and since Congress could hardly be expected to enact by that date general legislation to permit the listing and certification of toxic food colors under safe tolerances. We would therefore not object to the enactment of legislation to permit the use of Citrus Red No. 2 under safe tolerances on a temporary emergency basis, i.e., until the adjournment of the first regular session of the next Congress or, if a definite date is desired, until September 1, 1961, thus affording ample time for Congress to consider and enact general legislation on this subject, which, we assume, would supersede the emergency legislation.

Under S. 79, however, the proposed "temporary" legislation would terminate only upon the "enactment by the Congress * * * of general legislation for the listing and certification of food color additives under safe tolerances." This would mean that if, contrary to our hope and expectation, the 86th Congress—and, indeed, future Congresses—should turn down the proposed new principle of establishing tolerances for toxic food colors, the use of Citrus Red No. 2 on oranges under tolerances prescribed by the Secretary would, nevertheless, be permitted, thus converting the so-called temporary legislation into permanent legislation. This could lead to further special statutes engrafting upon the act one special exception after another for this or that food, or this or that color or use of color, and without certain safeguards which, we believe, should be contained in general color legislation.

Thus, S. 79 is subject to the basic objection raised by us in our report of July 29, 1958, on S. 3595, and we are therefore likewise constrained to object to the enactment of S. 79. If, however, the bill were amended along the lines above indicated, the bill would be acceptable to the Department as reasonable emergency legislation. An amendment which would accomplish this would be to amend the phrase "prior to the enactment by the Congress (subsequent to the date of enactment of this proviso) of general legislation for the listing and certification of food color additives under safe tolerances,'" which appears on page 2, lines 16–19, of the bill, by inserting within the parentheses after the word "proviso" the phrase "and prior to September 1, 1961,". Enactment of the bill as so amended, would, we believe, adequately serve the industry's purpose without being open to the objection that it would indefinitely give favored treatment to one industry in resolving a public-health problem in a way which, if valid for one is valid for all.

The Bureau of the Budget advises that it perceives no objection to the submission of this report to your committee.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

EXECUTIVE OFFICE
OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., February 2, 1959.

Hon. LISTER HILL,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your request of January 13, 1959, for the views of the Bureau of the Budget on S. 79, to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances.

This bill is designed to permit continuation of the industry's coloring practices for mature oranges, a practice which would otherwise expire on March 1, 1959, under the terms of the existing Food, Drug, and Cosmetic Act, as amended by Public Law 672, 84th Congress. Unlike Public Law 672, which authorized the use of Red 32, S. 79 would authorize the use of a substitute coal-tar color, Citrus Red No. 2.

We recommend against enactment of S. 79 in its present form inasmuch as the bill provides for an indefinite rather than temporary extension of the use of coal-tar color practices on mature oranges. We concur with the view presented in the report of the Department of Health, Education, and Welfare to the effect that it would be unwise and discriminatory to enact permanent rather than temporary legislation of this nature on the basis of a single food com-

UNIVERSITY OF MICHIGAN LIBRARIES

modity to the exclusion of other food products. We agree with the Department that some kind of time limitation should be included in S. 79 in order to make it clear that the authority for the use of Citrus Red No. 2 would be of a temporary emergency type.

If the bill were amended along the lines indicated above, however, the Bureau of the Budget would have no objection to its enactment.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

Mr. HOLLAND. Mr. President, I should like to say first that we are quite content, in the orange-growing industries of Florida and Texas, which use the process, to rely upon the administration of the bill by the Food and Drug Administration, which has affirmatively stated not only that it approves the bill but also that it can administer such a law under rules of tolerance which the Department will prescribe in such a way as to continue to well serve the industry and completely protect the consuming public of the Nation.

I will say that the industry has about $200 million a year involved in the sale of the product and depends upon the good will of the consuming public of this Nation. The industry would be the last group in the Nation to want to do anything to undermine the usefulness of the product and its availability to be safely consumed by the public.

I will say, very briefly, that to be qualified for the use of the color-added process our oranges have to be of the premium quality; that is, their content must well exceed the standard of maturity and usefulness required both by the Federal Government and by the State of Florida for the ordinary use of citrus fruit. As a matter of fact, it is in the way of a badge of distinction to be able to carry upon the fruit to words "color added."

Mr. President, we are extremely grateful not only to the committee but to the Senate for allowing this quick handling and passage of the bill, because we are working against a deadline. The present law expires on February 28, so Senators will realize prompt handling and approval of the bill are required under the circumstances.

I again thank my distinguished friend, the Senator from Alabama.

Mr. YARBOROUGH. Mr. President, I desire to commend the distinguished senior Senator from Florida for his able handling of the bill. It was my privilege to be on the committee which heard the bill. The bill passed the committee unanimously, after the Senator's presentation.

I represent an area which produces some oranges and citrus fruit, but unfortunately no real percentage as compared to the great production of the great State of Florida. We join in this request that the Senate pass the bill to give this opportunity to the growers of our citrus fruit.

The citrus industry is a great industry in this country. The quantity of land available for citrus fruit is constantly shrinking, due to the cutting up of the orange groves in southern California and the sale of those orange groves for residence lots. That is curtailing the acreage which is available for citrus fruit production in the United States, so it becomes increasingly important that great care be given to this phase of our domestic agricultural production. This is a part of our agriculture which is not in a distressed state. This part pays its own way and makes money. It is becoming increasingly prosperous.

Passage of the bill now before the Senate will help expedite the marketing of the crop which is to come from the trees. I again commend the distinguished senior Senator from Florida for his able, expeditious, and knowledgeable handling of the bill. The Senator knows the subject more thoroughly than any other man I know in a legislative body anywhere, and has presented it extremely well before the committee.

Mr. HOLLAND. Mr. President, I certainly thank my distinguished friend, the Senator from Texas. While our great neighboring State of Texas may produce fewer oranges than we produce, surely I would not lay claim to the fact that our oranges are any better than their oranges, which are certainly good, palatable, and delightful to consume. I hope the State of Texas may reach the day when the industry will be larger, because I am sure it will be of increasing profit to the State of Texas and to the Nation for that to be the case.

Mr. YARBOROUGH. Mr. President, modesty forbade me from telling how good are the Texas grapefruit. No one can challenge their superiority on the market, I will say.

The PRESIDING OFFICER. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BEST WISHES OF CONGRESS TO THE AMERICAN DENTAL ASSOCIATION

The PRESIDING OFFICER. The clerk will state the next measure on the calendar.

The LEGISLATIVE CLERK. A concurrent resolution (S. Con. Res. 7) extending best wishes of Congress to the American Dental Association on the centennial of its founding.

Mr. HILL. Mr. President, this resolution has been cleared with both the majority leadership and the minority leadership. The resolution is sponsored by some 80 Members of the Senate. The resolution extends best wishes of the Congress to the American Dental Association on the centennial of the founding of that association.

The PRESIDING OFFICER. Is there objection to the consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HILL. Mr. President, I ask unanimous consent that at this point in the RECORD the statement made by me in reporting the resolution from the Committee on Labor and Public Welfare to the Senate be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Committee on Labor and Public Welfare on many occasions has had representatives of the American Dental Association appear before it in connection with legislation concerned with health matters. The committee has invariably found the representatives of the association to be most cooperative and exceedingly helpful in aiding the committee in its efforts to see to it that such legislation would be so designed as to best advance the health of our Nation. Members of the committee are also well aware of the selflessness and devotion with which the American Dental Association has repeatedly sponsored programs which have contributed greatly to the dental health of the people of America and, indeed, of peoples throughout the world. In consequence, the members of the committee are unanimous in believing that the tribute which the Congress would pay the American Dental Association through the passage of this resolution is richly deserved.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The resolution (S. Con. Res. 7) was agreed to, as follows:

Resolved, That the felicitations and best wishes of the Congress of the United States are hereby cordially extended to the American Dental Association on its many and varied contributions to the health of the people and upon the occasion of the one hundredth anniversary of the founding of the association.

The preamble was agreed to.

WATERSHED MANAGEMENT RESEARCH IN OREGON

Mr. MORSE. Mr. President, on February 6 I received a letter from Mr. Arthur K. Roberts, secretary, Oregon division of the Izaak Walton League of America, Inc., containing as an attachment a resolution adopted by the Oregon division at its State convention last November.

Because of the public service which this organization has rendered over the years to the cause of sound water, timber, and game management, I feel that the Senate should have the views of the Oregon division placed before it. I ask unanimous consent that the resolution to which I have made reference be printed at this point in my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

PROPOSED RESOLUTION FOR WATERSHED MANAGEMENT RESEARCH IN OREGON

Whereas our national progress and economic security are vitally dependent upon adequate supplies of usable water; and

Whereas wise use of water-source areas is dependent upon principles of watershed management involving integration of water production with recreational uses; growing and harvesting of timber; and grazing of domestic stock and game animals; and

Whereas deteriorating watershed conditions in the State of Oregon have led to many forms of damage to economic and esthetic values, including flooding, sedimentation of stream channels, and destruction of fish habitat; and

Whereas techniques of sound watershed management have not been developed because of insufficient research, particularly in the Pacific Northwest: Now, therefore, be it

Resolved, That the Oregon division of the Izaak Walton League: (a) Promote an expanded program of research on forest and range watershed lands; and (b) advise members of Oregon's congressional delegation of the need for these investigations and encourage support of increased funds for upstream watershed research by the Forest Service in Oregon; and be it further

Resolved, That copies of this resolution be sent to the Secretary of Agriculture, the Chief of the U.S. Forest Service, chairman of the Subcommittee on Interior and Related Agencies of the House Committee on Appropriations, and to Members of the Oregon congressional delegation.

BALANCED BUDGETS

Mr. MORSE. Mr. President, we heard considerable discussion in the Senate this morning from both sides of the aisle about balancing the budget. With that general proposition I think there is more or less agreement among us, if we could first agree on what budget we are talking about.

It has been very interesting to note that in much of the discussion the proponents of a balanced budget forget to tell the American people that before we talk about balancing it, we ought to have a sound bookkeeping budget, called by the budgeteer experts a capital budget, the type of budget for which the Senator from Oregon has been pleading on the floor of the Senate, as the spokesman of many great industrialists in America, great business leaders, since 1947.

I have been their spokesman since 1947, because I have been pleading for the adoption of the budget report for 1947 of the Committee for Economic Development, a committee composed of great industrial leaders, a committee on which there is not a single governmental official. Since 1947, those leaders of American business represented on the Committee for Economic Development have been telling us, in effect, that we really are misleading the American people on the entire question of balancing the budget—and truly we are—because we do not get the information out to the American people, first, that the budget which is sought to be balanced is a type of budget under which no American corporation would think of operating an American business.

In the present Federal budget, there are lumped or merged together the operating costs, the administrative costs of our Government, and all the capital investments that Uncle Sam owns, including investments which are self-liquidating and wealth-producing. It is said, for example, that we should include in balancing the budget expenditures for Grand Coulee or Bonneville Dam, and the other great wealth-producing capital investments of the country.

CAPITAL BUDGET WOULD ENABLE EVALUATION OF EXPENDITURES

If we should ever adopt what some of us have been pleading for in the Senate, namely, a capital budget, a sound bookkeeping budget, the politicians, of course, would lose much of the basis for demagogic appeals to the fears of the American people. There would not be as much political propaganda with which to scare the American people into thinking that Uncle Sam is about to lose his shirt, and that he is ready for the poorhouse. They would recognize the great fiscal soundness of Uncle Sam, and the fact that our governmental wealth has been going forward by leaps and bounds.

If we look at the capital investments, the capital wealth, of Uncle Sam, we find that his wealth has been increasing at such a rapid rate over the years that I do not become alarmed when I listen to politicians talk about a balanced budget. I am perfectly willing to go along with a program which seeks to eliminate great waste from governmental expenditures; but this is one United States Senator who is not frightened by an unbalanced budget, if that budget bears a sound relationship to the wealth of the United States, and calls for further investments on the part of Uncle Sam which will turn into the Treasury of the United States income from great wealth-producing projects which we should be developing, but which we are not developing at the present time. There seems to be a great tendency in this Congress to soft-pedal them, because the politics of the moment seem to be the politics of a balanced budget.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CLARK. I commend the Senator from Oregon for the statement he has made about the necessity of keeping a capital budget for the U.S. Government. I invite his attention to the fact that there is not a single first-class city in America today which does not conduct its finances by having a separation of the capital budget and the operating budget. There has been a tendency to sneer a little at the governments of our cities in America. I think the sneering has been quite unjustified. If the Government of the United States were to take a leaf from the book of some of our better governed cities and create a sound capital budget system, I think we would all be better off.

I thank my friend for his very pertinent remarks on the subject.

Mr. MORSE. The Senator from Pennsylvania is quite correct. I appreciate his comments.

The Committee on Economic Development has been pointing out the situation to us for years. What worries me is that the American people are greatly concerned about the security of their Nation. The greatest defense weapon the United States has is our economy and its potentialities.

I do not intend to sit at this desk and go along with one Dwight D. Eisenhower in the kind of budget he is presenting to the Congress this year, under the political "hokum" that he is presenting a balanced budget, when he is cheating future generations of American boys and girls out of the heritage to which they are entitled in the development of the resources of the country for an expanded economy, so that America can fulfill her destiny.

As this Congress proceeds, I shall speak on this subject at some length. In this Congress I will dedicate myself, so far as the budget is concerned, to a demonstration of the shortsightedness of the President of the United States in regard to the matter of developing the resources of America so that the United States can become stronger and more secure.

I shall pinpoint the demonstration with recommendation after recommendation in the President's budget—for example, a proposal to recommend not one red cent for proceeding with the construction of Green Peter Dam in my State. I mention that project merely because I know all the facts about it, but there are developments in other States that are equally deserving.

Millions of dollars' worth of the topsoil belonging to future generations of American boys and girls is being washed away because of the shortsightedness of our generation. We should be following a conservation program essential to protecting the source of a future food supply for generations of American boys and girls yet unborn. The food experts testifying before us these days are concerned over the question as to where the boys and girls of the year 2000 in the United States are going to get enough food on which to survive.

The difference between politics and statesmanship impresses itself upon me more and more, year by year, as I serve in the Senate. How could a President of the United States bring forward a budget which fails to take into account the matter of capital investment; which fails to recognize that when we invest in a project such as Green Peter Dam, which will provide flood control in the Willamette Valley of my State, for example, and save the rich topsoil which, once washed away, is gone for all time, we are making a great capital investment; which fails to recommend a single cent for capital investment in a greatly needed dam to give us the hydroelectric power essential in order to expand the economy and create the wealth from which new tax dollars will flow into the Treasury of the United States and repay its cost time and time again? I am at a loss to understand even the politics of such a short-sighted policy, although I have long since ceased to expect any statesmanship from the White House.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield in a moment. We have a proposal in the budget of only $20 million, to proceed on the John Day Dam, which is under construction. The construction companies are there. Anyone who knows anything at all about the construction business knows that there is no economy in starting and stopping, starting and stopping. When we start a great construction project, economy dictates that we drive through as rapidly as possible until the project is finished; then we start to collect the income from the wealth which is produced by the project.

The Corps of Army Engineers have told the Oregon delegation this year that they could spend $40 million during the

UNIVERSITY OF MICHIGAN LIBRARIES

next year, and could spend the money efficiently and effectively. Yet the President, under the plausible label of a balanced budget, recommends only $20 million.

I wonder if he knows the difference between a capital budget and a budget that mixes together capital investment and operating administrative costs of the Government. Someone must be willing to stand up and lead with his chin, as we say in politics, and point out to the American people: "You are being taken for a ride by the Eisenhower administration in connection with the so-called balanced budget political propaganda that they are feeding you."

The administration took such a whipping in 1958 that now, in desperation, they are trying to convince the American people that they are in for fiscal trouble if we do not stop the development of these capital investments, which are so essential to keep this Nation of ours secure. I now yield to the Senator from Wisconsin.

Mr. PROXMIRE. I should like to congratulate the Senator from Oregon on this extremely important point. It is difficult to estimate how much the country has suffered and is continuing to suffer and will suffer in the future because of the absence of a capital budget.

I should like to ask the distinguished Senator from Oregon to tell the Senate what would happen to any corporation which failed to use that concept in its accounting procedure, by failing to distinguish between capital investment and operating expenses.

Mr. MORSE. Once the stockholders got word of it and started to take into account their losses, they would get a new board of directors.

Mr. PROXMIRE. Exactly.

Mr. MORSE. Of course I have been suggesting that we need a new national board of directors.

Mr. PROXMIRE. I have been making the same suggestion, of course.

I have had some experience with a small corporation that I headed. It is a growing corporation, because we have made the right kind of investments to help us grow. The only way that a business can expand and do so effectively is by recognizing its duty, if it has the opportunity, to invest in capital resources, when such investments seem most likely to earn a profit. In our private enterprise system a private company must invest if it is to compete. And it must either compete or die.

I should like to suggest to the distinguished Senator from Oregon that our country's economy is in very serious competition with the Soviet Union. It is enormously important that we make the right kind of capital investments. It is no accident that the Soviet economy is growing very rapidly and that our economy is not growing as rapidly as some Americans and some Senators believe it should. One of the reasons for it is that whenever a proposal for investment is made, either in the Senate or in the House, an investment which will pay off in future years, it is classified as an expenditure—as spending—as a subtraction from the budget.

I should like to point out also, that we have a tax structure in this country, administrated by the Internal Revenue Service, which makes it very clear that every taxpayer must distinguish between the investments he makes and the expenditures he makes. Anyone who thinks that is not the case, should try to charge off as a tax expense the investments he makes in capital equipment. The Internal Revenue Service will bring him to court—and rightly so—if he tries to do that.

If that is proper and legal procedure for a private business and for private enterprise, it should likewise be the proper procedure for a Government enterprise.

Mr. MORSE. Mr. President, the Senator from Wisconsin is indisputably right. I appreciate his support. As the Senator knows, last year I introduced a capital budget bill. The same kind of bill is now being perfected again, and I shall have it ready for introduction within the next few weeks. I hope that this year we not only can have hearings held on this proposal, but that we can get a bill reported by the committee and can take it up on the floor of the Senate for action.

Such a proposal was proposed by the first Hoover Commission as one of its principal recommendations. So far as I know, almost every economic group which has conducted any studies in regard to the fiscal problems of our country has ended up with a recommendation for a capital budget. I certainly hope we can proceed to get such a budget adopted.

The Senator from Wisconsin pointed out the competition we are in with the Soviet Union. The Senator from Louisiana [Mr. ELLENDER] was one of the first, in one of his early reports on his travels in Russia, to warn us of the great competition we face from Russia in so-called heavy industry. He pointed out to us, in one of his early reports, that Russia was well on its way toward the completion of 3 or 4 hydroelectric dams, each one of which is at least twice as large and several of which are larger than the largest dam we have ever built in the United States.

Mr. President, there is no combination of American industry which can build such dams. These are multipurpose dams. They are dams which go to navigation benefits, to flood control, irrigation, and recreation in addition to power. That kind of capital investment always will have to be built by the Government. We can work out an arrangement with private industry for the use of the facilities of such projects in the interest of the people of this country.

What concerns me is that we have such a timid administration in regard to such matters as this. I am mentioning this subject this morning because I believe it is a very fit introduction to some comments I wish to make about the book written by Drew Pearson and Jack Anderson, recently off the press, called "U.S.A.—Second Class Power?"

I spent a part of the weekend reading this book, as sometime before I had read another book, written by another columnist, Marquis Childs, published last August and entitled "Eisenhower, Captive Hero."

These two books are very remarkable for many reasons. One of the reasons that they are remarkable is that we are beginning now, at long last, to find some courageous men in American journalism who are lifting the veil on the Eisenhower administration. We are beginning now to get the record which some of us for some years have warned the American people was the record which would have to be written of this administration when the final appraisal of the sorry record of failure in this critical period becomes the judgment of history.

The interesting thing is that when there is published such a book as Marquis Childs' "Eisenhower, Captive Hero," setting forth in cold print for history to read what many of us from the beginning knew were the shortcomings of this administration, it is treated pretty much by the tactic known as "thunders of silence."

Some attention was paid the Childs book, but not nearly enough. Now we have the Pearson-Anderson book dealing with this all-important question of the security of America under the interesting title: "U.S.A.—Second Class Power?"

There are certain pages of the book I shall refer to in a moment, because it is a thought-provoking and disturbing book. As one reads the book, one is inclined to say to himself, as I did, "Pearson and Anderson, I certainly hope you are dead wrong."

In my judgment, as a member of the Committee on Foreign Relations, there are certain charges, arguments, allegations, and presentations of information between the covers of the book which the Committee on Foreign Relations had better look into, because if they can be substantiated the American people had better be apprised before it is too late.

Before I discuss any of the contents of the book, I wish to make a comment on my impressions and reactions following a series of briefings to which I have listened as a member of the Committee on Foreign Relations since this session of Congress convened. The first one was of some 2 hours' duration, and was by the Secretary of Defense and the Chairman of the Joint Chiefs of Staff. The second was by General White, of the Air Force, and General Taylor, of the Army. The briefings dealt with the question of our Nation's security and destiny. Much of it was top secret, even though a great part of it had appeared from time to time in the press before we were even briefed. Nevertheless, I shall not be a party to disclosing what we were told in those briefings.

But I want the record to show my impression and my forewarnings. When we were finished with the second briefing, I had listened to all the testimony about whether we were ahead on this or Russia was ahead on that, whether our overall defenses were adequate to maintain the deterrent strength that we must have if there is any hope for us to work out of the morass in which mankind finds itself—and let me make it perfectly clear, as I did in the committee in colloquy with

those heads of our Defense Establishment:

"Show me a need for an appropriation for any program which is essential for deterrent strength, and you have my vote."

I have been a Member of the Senate going on 15 years. I know the repetitive pattern of the Pentagon Building. One can almost chart it. Just before the debate on every appropriation bill starts, or in preparation for a debate on an appropriation bill, we get scare arguments out of the Pentagon Building that the country is just about to collapse if we do not proceed to appropriate billions of dollars more. I will vote for the billions if I can be shown the need; but I should like to have someone come from the Pentagon Building sometime and give us some testimony as to the hundreds of millions of dollars which they have saved and which they can save in eliminating obsolescence in the Military Establishment; in eliminating inexcusable waste in the Military Establishment; and bringing to an end the need for the hundreds of millions of dollars which the experts who have studied American military foreign aid have shown to the Committee on Foreign Relations can be saved. I should like to have some testimony, once, that the Pentagon has given a little thought to the American taxpayer by way of eliminating some waste, because that, too, would make our country more secure.

When we are presented with the findings of the Comptroller General on this subject, and when the Senate spends more than $240,000, as we did about 3 years ago, for contracts entered into with great research institutions such as the University of Chicago, the Massachusetts Institute of Technology, Columbia University, the Brookings Institution, and two or three other private research institutes, to give us a study of the workings of American military and economic foreign aid, and they return with a series of findings which show the wastes, I happen to think that the Pentagon Building has an obligation to do something to bring about the saving.

So again this year I shall offer the amendments which seek to implement the findings of the experts in this field, and I shall raise the question with the Pentagon officials: "What do you propose to do about it?"

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. McNAMARA. The Senator from Oregon referred to the book "U.S.A.—Second Class Power?" The book contains a chapter entitled "Profits Versus Patriotism." It deals with scores of corporations who are charged by name, not by insinuation, with questionable practices. It is particularly pointed out in the book that many retired generals and admirals have been hired, who seem to have no qualifications for the jobs for which they are hired except that they have contacts with the Pentagon.

Mr. MORSE. I was about to comment on that subject specifically. That part of the book deals with the subject "Profits Versus Patriotism." It is a very shocking chapter to read. The Committee on Foreign Relations and the Committee on Armed Services owe it to the American people to look into the charges.

If the charges cannot be substantiated, then the American people ought to know it. But if they can be substantiated—and let me say the authors go a long way to make a prima facie case in the book—then it is about time the Pentagon, the White House, and Congress did something about it. I shall have more to say about this problem later.

Mr. McNAMARA. I do not want to anticipate the Senator's remarks, but I am particularly impressed with one particular chapter. In connection with questionable practices, it seems, according to the book, that some corporations are accused of going so far as to sell plans of our planes and submarines to foreign powers. The book mentions the prices paid for the plans. This is going pretty far. The contractors are still continuing to get the major portion of the contracts which the Pentagon has been letting.

I think, speaking generally, that the book sums up the matter in such a way as to indicate that there is a failure to use well-established business practices. This is a pretty serious charge. It is bad enough that this has been happening in past years, but the book concludes in this chapter with the statement that these practices are now being carried over by some companies into our missile program, for which we are now spending billions of dollars.

It seems to me these are serious charges. As the Senator has said, in many cases they have been well documented. If the Pentagon does not answer these charges, if the Pentagon does not make some response, inasmuch as the book has been mentioned here on the floor by several Senators, it seems to me that it will be up to the congressional committees to go into this matter and determine the facts, because these are serious charges of waste of the money of the taxpayers.

Mr. MORSE. Mr. President, I completely agree with the Senator from Michigan. In a moment, after I have yielded to the Senator from Missouri, I shall comment in greater detail on this matter.

At this time let me say that I agree with the Senator from Michigan that the charges should be answered. They should not be met, as in the past, with the thunders of silence which have typified the attitude of so much of the press in the case of the Eisenhower administration ever since it has been in office, and which have led me to say that in many cases the American press has done a better "snow" job for the Eisenhower administration than Pravda has done for Khrushchev.

Mr. SYMINGTON. Mr. President——

Mr. MORSE. I yield to the Senator from Missouri.

Mr. SYMINGTON. I thank the Senator from Oregon for yielding to me. His courtesies to me here remind me of the courtesies he invariably extended to me some years ago when he was a very able and hard-working member of the Armed Services Committee, and I was with the Air Force.

Mr. MORSE. Let me say that at that time—as now—we always obtained from my friend facts, not propaganda.

Mr. SYMINGTON. I thank the able Senator from Oregon.

I have read "U.S.A.—Second Class Power?" It is worth the reading of anyone interested in our national defense.

Today, in this country—thanks to such patriotic citizens as the distinguished senior Senator from Oregon [Mr. MORSE] and the able Senator from Pennsylvania [Mr. CLARK] the people of the United States are more interested in just where we stand in our defenses, as against that of the possible enemy.

After reading the book—which I did with great interest—I am sure anyone interested in the subject of defense can find some of the answers. I congratulate the authors of the book on the effort they have made to ascertain facts in the defense field.

Mr. President, I also thank my good friend, the Senator from Oregon, for yielding to me, inasmuch as it is necessary that at this time I leave the floor.

Mr. MORSE. Mr. President, I am glad to have that contribution by the Senator from Missouri, because so many parts of the book supply support for the work done here on the floor of the Senate by the Senator from Missouri during the past several years when he has been trying to warn the American people that the Eisenhower administration has not been giving our country the military protection it must have in order to keep the country secure from the standpoint of deterrent strength. The Senator from Missouri knows the high regard I have for him because of the statesmanship he has demonstrated—sometimes when he was almost alone, here on the floor of the Senate—in crossing swords with the President of the United States, when the Senator from Missouri charged that either the President was uninformed in regard to the plight in which our country found itself from the standpoint of air support, or the President was willing to take a calculated risk.

Mr. President, we have no time, in my judgment, to justify the taking of a calculated risk, so far as the security of our Nation is concerned. In my judgment, the Senator from Missouri stands out as the leader in the United States today, who has dared stand up on the floor of the Senate, during the past several years, and to raise questions regarding the fallibility of the occupant of the White House in the military field.

Mr. SYMINGTON. Mr. President, I am very grateful to my friend from Oregon for those undeserved but deeply appreciated comments.

Mr. CLARK. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. Moss in the chair). Does the Senator from Oregon yield to the Senator from Pennsylvania?

Mr. MORSE. I yield.

Mr. CLARK. Mr. President, the distinguished Senator from Oregon and the equally distinguished Senator from Mis-

UNIVERSITY OF MICHIGAN LIBRARIES

souri are, respectively, members of the Foreign Relations Committee and the Armed Services Committee of this body. I have been looking at the book entitled "U.S.A.—Second-Class Power?" with great interest, too. I wonder whether my two colleagues will agree with the one-paragraph summary of the condition which confronts us with respect to our national security and foreign policy which I now read from page 329 of the book:

> Any cold analysis of the American position in the world today must reach the unpleasant conclusion that we have three alternatives. We can precipitate a preventive war, and hope to win it. We can reconcile ourselves to becoming definitely and permanently a second-class power. Or we can tighten our belts for a long and self-sacrificing attempt to prove that capitalism is better than communism, that our science can be better than Communist science, our education better than Communist education, our dedication more determined than that of the Soviet Union.
>
> We don't believe the American people will long hesitate in making this choice.

Then the authors of the book state that they believe the American people will choose the third alternative.

I wonder whether the Senate will agree with that statement.

Mr. SYMINGTON. Mr. President, will the Senator from Oregon yield once more?

Mr. MORSE. I am happy to yield.

Mr. SYMINGTON. Let me say that perhaps I disagree with part of that statement as read by the able Senator, because I do not think the possible enemy would long let our country be a second-class power.

Rather we would be either a fourth-class or fifth-class power, or whatever word would properly classify a Communist satellite. I do not think we would have the choice of being a second-class power at all. In view of the developments of today, I think we are now faced with the problem of survival.

In that connection, recent testimony before our committee by Dr. von Braun and others is interesting.

Again, may I point out that much constructive information regarding our national defense is contained in the book in question.

I thank the Senator from Pennsylvania and the Senator from Oregon.

Mr. MORSE. Mr. President, my comment on what the Senator from Pennsylvania has said is that I have no doubt as to what will be the decision of the American people on this or any other great emergency problem, once they understand the facts. What I protest so much is the frightening turn in America toward government by secrecy, in that the people are not given the facts, and are not in the position to evaluate American foreign policy, because they do not know what it is; they are not in a position to evaluate America's defense posture, because they do not know what it is—although when we asked one of the witnesses who was before us, the other day, "Have you told us anything which in your opinion the Russian leaders do not already know?" we obtained from him the admission that probably they already know everything he had told us. But the people of this country do not know that much.

Of course we cannot always be sure, and I do not favor making secrets available to the Russians. But, Mr. President, the American people are entitled to know a great deal more than they are being told, so they can develop their own foreign policy. Under our Constitution, foreign policy belongs to the people of this country, not to the President of the United States and the Secretary of State. A great fallacy, which is referred to in debate in this Chamber a great deal of the time, is that the President and the Secretary of State develop our foreign policy. Of course that is entirely incorrect; and, if carried to its logical conclusion, the President and the Secretary of State would be the dictators of American foreign policy. Of course that is pure nonsense.

They are the administrators of a foreign policy to be developed under the advice and consent clause of the Constitution of the United States, by means of which, under our system of checks and balances, the legislative representatives of the people check a President and a Secretary of State in the development of foreign policy. But the people cannot do that unless they know much more about our foreign policy than they do now.

So I think the information which is being made available by means of the book—again, subject to check—is a great service to the people of America; and I think we must investigate these allegations, we must determine what is factual, and must proceed from there.

Mr. CLARK. Mr. President, at this point will the Senator from Oregon yield again to me?

Mr. MORSE. I yield.

Mr. CLARK. I should like to make two brief observations: First, I am in accord with the Senator from Oregon that there is a conspicuous lack of leadership in telling the American people the truth about the deadly peril in which we live. Second, my own strong conviction is that we cannot measure up to this challenge unless we get more revenues for the Federal Government and, in my judgment, in order to do that and still balance the budget, we need to start to close the unjust and inequitable tax loopholes. Closing these loopholes would enable us to balance the budget and still provide for the cost of our national security and the money necessary to take care of the obsolescence in the public sector of our economy.

Mr. MORSE. Mr. President, as the Senator from Pennsylvania knows, I am a soldier in the ranks in that battle, and I am quite prepared to join him in that fight to close up the tax loopholes.

Mr. PROXMIRE. Mr. President——

Mr. MORSE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I have read in the CONGRESSIONAL RECORD some critical comments about this book, "U.S.A.—Second Class Power?" by Drew Pearson and Jack Anderson. The criticism was that the book, in part, engages in criticism in terms of President Eisenhower's painting and recreation. I agree that the burden and theme of the book is so enormously important that it might be better that the book should be concerned with the effectiveness or ineffectiveness or our military policies exclusively. In fact it does so almost exclusively. And it does an extremely useful job.

I should like to cite one specific instance of a serious allegation that I think has been documented and which I think the Congress of the United States should investigate. It occurs in chapter V, which is entitled "Slum in the Sun." It relates to the situation at Cape Canaveral in Florida. Very serious questions are raised about the efficiency and management of the vitally critical installation there, particularly the basis on which management of that installation was transferred from the Air Force to Pan American.

According to the authors, the Air Force officer who was principally responsible for the contract which made Pan American responsible for management, later turned up, very shortly after this occurred, in a highly paid position with Pan American.

In view of the very serious questions which have been raised as to the efficiency of the installation at Cape Canaveral, it seems to me this incident alone warrants very careful scrutiny by the Congress of the United States.

Mr. President, I ask unanimous consent that the disclosures about this matter be printed in full at this point in the RECORD. The account appears on pages 45, 46, 47, 48, and through the first full paragraph on page 49 of the book.

There being no objection, the extracts were ordered to be printed, as follows:

SLUM IN THE SUN

On July 8, 1947, a decision was taken that was to transform a scrubby, mosquito-infested sandbar, jutting out into the Atlantic from Florida's sunny east coast, into the most crucial installation in our defense complex. The name of that sandbar is Cape Canaveral, starting point of the missile test range that stretches 5,000 miles to a bleak, volcanic island called Ascension, deep in the South Atlantic.

What goes on at Canaveral, known less formally as the Cape, is vital to the free world. Upon the success of the missiles tested there, upon the efficiency of its operations, largely depends the answer to that terrifying question: Can the United States catch up with Russia in the race to dominate outer space? All our strategic missiles, from the ocean-leaping Atlas to the under-ocean-launched Polaris, must pass through the Cape. Every hour squandered there represents an equivalent gain for Russia—a gift of time on a platter of dollars.

At first the range was operated by all three Armed Forces, an arrangement bedeviled by interservice rivalry. But on May 15, 1950, the Air Force took charge of the nest and began adding island bases to test and track missiles in flight. To patrol the watery space between the islands, a fleet of white picket ships was acquired. A dozen electronic outposts, backstopped by as many floating stations, trace the great metal birds during their supersonic migrations from the Cape.

Suddenly in 1953, just as the Air Force had settled down to a highly efficient operation of

this all-important testing ground, its management quietly passed to a private contractor, as curious a cuckoo as ever invaded any nest: Pan American Airways.

Immediately Pan American began recruiting missile managers on a jobs-for-buddies basis, hiring former pilots, mechanics, ticket agents, and baggage handlers. Its motives weren't alone patriotic. The contractor was paid a fixed fee as its profit for managing the base, and this fee quickly jumped to a million dollars a year. The company also foresaw a commercial future in the missile business. "Indeed," its literature happily boasts, "when guided missiles open the way for space travel, Pan Am's Guided Missile Range may emerge as the pioneer of commercial space-lines."

Pan Am advertises that it is "the world's most experienced airline," and beyond any question it is second to none in its champagne-and-orchids service to travelers. But whether it should be allowed to cut its space-age teeth on so critical a project as the missile-launching base from which we must compete with Russia is another matter. The record so far revealed shows that Pan American Airways and the operation of Cape Canaveral must accept some responsibility for America's drastic drop in power.

The Air Force justified the Pan Am contract in a confidential memo, composed by Lt. Gen. Orval Cook and dated October 26, 1953: "The Air Staff favors contractor operation at the Air Force Missile Test Center because of the conviction that a more efficient and effective operation will result. (Private) contractors are able to obtain better quality and stability of personnel than the Air Force. * * * They do not depend on proselyted Air Force personnel to fulfill their requirements." Cook added another ominous argument: "Ineptness or inefficiency in testing could have dire consequences not only from the cost standpoint, but also in the effectiveness of the weapons as finally adopted."

The warning was sadly prophetic. After the Soviet sputniks had humbled American pride almost to the panic point, one of the authors investigated conditions at the Cape. Unhappily, Pan Am's rule of the range has not fulfilled Air Force hopes. Its management has been plagued with the very ineptness and inefficiency the Air Force was trying to avoid. Its motley staff does not qualify as better personnel. The turnover rate, exceeding 50 percent a year, is far worse than the Air Force average, far worse also than that of the average industrial plant. It does not provide better stability of personnel.

Pan Am may not have been proselyting Air Force personnel, but it has ended up with a startling number of retired colonels and generals. These pastured officers, who enjoy the Florida sunshine and the opportunity to supplement their pensions with Pan Am paychecks, got their jobs through Pentagon cronies whom the company wanted to please. This nepotism has reached such proportions and produced such inefficiencies that even Pan Am is worried.

How did a commercial airline, whose only claim to missile know-how is the coincidence that both airplanes and missiles fly, end up operating the free world's most important missile center? The evidence indicates that an important factor was reward for a worthy Republican contractor.

The Secretary of the Air Force who turned the missile range over to Pan American Airways was the late Harold E. Talbott, one of the most likable rough-and-tumble businessmen ever to serve in the Pentagon, but also one of the worst misfits. He owed his appointment under Eisenhower to the fact that he was one of the most indefatigable money-raisers for the Republican Party, just as Louis Johnson owed his appointment as Secretary of Defense under Truman to the fact that he was an ardent money-raiser for the Democratic Party.

Talbott had been eastern chairman of the Republican finance committee in 1934 at about the same time another young money raiser, Samuel F. Pryor, of Connecticut, later a top executive for Pan American Airways, was emerging in Republican ranks. Pryor was eastern treasurer of the Republican National Committee from 1936 to 1938, then became Republican National Committeeman from Connecticut and manager of Wendell Willkie's eastern campaign headquarters. Harold Talbott served as chairman of the Metropolitan New York GOP Finance Committee and then became chairman of the overall Republican National Finance Committee for the 1948 campaign that almost elected Tom Dewey, but didn't. It was a terrible blow to Talbott. He had been promised the job of Ambassador to the Court of St. James', and his daughters had all but picked their court dresses.

During these years, both Talbott and Pryor helped raise thousands of dollars for the Grand Old Party and, like all political money raisers, believed that to the victor belongs the spoils. One of the most lucrative spoils was defense contracts, and Talbott did not hesitate to try to cancel an aluminum-extrusion-press contract with Kaiser Aluminum at Halethorpe, Md., in favor of the Harvey Aluminum Co., which had contributed handsomely to the Republicans. He did not hesitate to cancel the military-plane contract with Kaiser in favor of his old friend Grover Loening and Fairchild Aircraft. And he also suddenly switched an Air Force heating contract to a newly organized, completely inexperienced company formed by the brother of Gov. J. Caleb Boggs of Delaware.

Talbott had been forced to resign from the Aircraft Procurement Office of the War Production Board during the Roosevelt administration and had been severely castigated by Charles Evans Hughes as guilty of conduct of a reprehensible character in connection with the award of airplane contracts during World War I. The airplane scandal was so serious that Woodrow Wilson appointed Hughes, former Governor of New York and candidate for President of the United States, to investigate. Despite Hughes' scathing indictment of Talbott and his father, of Charles Kettering, and of Col. Edward Deeds, head of Delco Battery, which became part of General Motors, Talbott was picked by Eisenhower to head the Air Force.

Such is the power of political campaign funds.

Eventually, Talbott's partisanship toward favored companies, particularly Paul B. Mulligan & Co., in which he was a partner, brought a Senate investigation and forced his resignation as Secretary of the Air Force. But in the interim, he had switched Cape Canaveral from operation by the Air Force to private-contract operation under his old political comrade in fund raising, Sam Pryor of Pan American Airways.

Curious facts about this contract have been dug out of Pentagon files. The man directly concerned with the negotiations under Talbott was Assistant Secretary Roger Lewis, who received General Cook's memo quoted earlier. In his own handwriting, Lewis scrawled his approval of the memo: "I concur in General Cook's endorsement of contractor operation as opposed to AF (Air Force). Have some questions about contract details however." Finally, on December 21, 1953, Lewis signed the order authorizing General Cook to draw up the contract.

From his office in the Pentagon, Lewis watched the bustle going on down at the Cape as the airline took over. On September 21, 1955, he resigned from the Air Force and the very next day joined Pan American Airways as executive vice president.

His starting salary was a comfortable $28,000 per year plus bonuses, almost double his Air Force pay. He was also let in on a company plan that permitted him to buy 15,000 shares of Pan Am stock over a 10-year period at the market value on December 6, 1955. Only three vice presidents, all company veterans, were offered this amount of stock. Other vice presidents who had been with the company several years were offered as little as 6,000 shares.

Outlining Lewis' new duties, Pan American president Juan T. Trippe wrote: "Your initial assignments will include supervision of company projects relating to the national defense, including operating supervision of the guided missile range project." Trippe was careful to add that Lewis would not participate in any negotiations with the Air Force. It was an obvious and minimum caution. Anything less would probably have landed the airline in legal difficulties.

Trippe has since sworn that Lewis had no discussions with Pan Am while he was considering the missile-range contract and that Lewis had actually submitted his resignation to the Air Force before he was invited to join the company. These protestations, however, have not dispelled the cloud that hangs over the strange transfer of Cape Canaveral to Pan American Airways.

Mr. MORSE. Mr. President, I recognize that the Senator from Louisiana [Mr. ELLENDER] is about to make a major address on another matter. I shall proceed to the conclusion of the discussion about this book.

In the briefings with the Secretary of Defense and the Joint Chiefs of Staff and General White and General Taylor I came to certain conclusions in regard to the seriousness of the defense situation as I see it. I had pointed out I would vote for whatever can be shown is needed to maintain the deterrent strength of my country against the military threat of Russia, because there is a threat. If the time ever came when Russia thought she would have anything to gain by a military course of action, I think she would follow it. But I recognize that the greatest threat of Russia during the next 100 years is not a military threat, but an economic threat; and I do not think we are taking the steps necessary to develop the economical potential of our country to meet that threat in the field of foreign policy, or domestically, either, for that matter. That is why I have made this point about the failure of the Eisenhower administration to recognize that capital investments in wealth-creating objectives do not involve merely Government expenditures, but involve sound business.

I listened to the officials of the Pentagon building raise the question as to whether we were ahead of Russia in this or that field, and I listened to one of them say over and over again in his testimony that the trouble with the American people is that they are not cynical enough, that they must be more cynical about the Russians, that they must recognize we cannot negotiate with the Russians, that the Russians will participate in negotiations only if they are going to be to their advantage. After listening to that cynicism, I was satisfied what the end of the road would be if the country followed this general's philosophy. The chairman of the committee then asked me, when it come my turn

UNIVERSITY OF MICHIGAN LIBRARIES

to ask questions, if I had any questions, and I said, "Before I ask a question I want to make a comment that sets forth my impressions of the testimony to which I have been listening:" I said, "One of the witnesses said we should be more cynical. I want him to know I am so cynical that his views are unadulterated optimism in comparison. He has been warning us about what is going to happen to our country if we do not do this or that to keep up in the present armanent race. He has been asked the rhetorical question as to whether Russia is ahead on this, or the Nation is ahead on that. I want to tell him, as I have listened to the Secretary of Defense, as I have listened to the Joint Chiefs of Staff, and as I have listened now to the head of the Air Force and the head of the Army, I am satisfied that the only ones who would be ahead would be the archeologists a thousand years from today."

When they come to dig up this transcript, then history will record who was ahead. I want to say, surely, we will vote for what is necessary for deterrent strength, but too often that approach seems to make deterrent strength the end rather than a means toward peace. I would suggest to the generals that they need to read some history and recognize that our period in the history of civilization will be no different from that of past periods, if we blindly proceed with a mad armament race with Russia.

The end would be the end of our whole era of civilization. I would say to the officials in the Pentagon building that this mad armament race being participated in by Russia and the Western Powers, including my own country, is an armament race which is bound to end in disaster for Russia and the United States and our western allies, because the testimony itself shows what the destruction will be on both sides if a full nuclear war should break out.

Unpopular as it is in a time of fear, Mr. President, it nevertheless needs to be said: Russia and the Western Powers, including the United States, are in violation of the moral law; and the history of civilization teaches that when any nation for long violates the moral law, it writes its own destruction. One cannot proceed with the immorality of a nuclear armament race if he believes in a God, and expect his civilization to survive. That is why I say, Mr. President, it is so important that, in the midst of our voting funds for whatever is necessary for deterrent strength, we completely discard the notion that we cannot negotiate. We have to negotiate; not on any basis of appeasement but on the basis of getting the facts to the people of the world.

As I said to the generals in the Committee on Foreign Relations the other day, "I will tell you who is going to take care of the United States and of our western allies and of Russia and the Communist segment of the world. It will be those millions of people in Asia and Africa who recognize already the immorality of our position and of Russia's position."

That was evidenced by the question I asked the generals, "What have you to tell the committee about known facts as to the danger to the health of future generations of people for the next several hundred years if we continue in increasing amounts the testing of nuclear weapons?" What did one of the generals say? He said, "Oh, but the experts are in disagreement as to what the effects will be." The record will show I replied, "Am I to therefore conclude there is no danger, because the scientists are in disagreement?"

I then suggested to the chairman of the committee that the Disarmament Subcommittee of the Committee on Foreign Relations of the Senate owes it to the American people to proceed this year with the most thorough investigation yet conducted into the effects upon the health of generations unborn of a continuation of the letting loose in the atmosphere of the fallout of nuclear testing.

The interesting thing, Mr. President, is that there is agreement among the scientists that if Russia and the Western Powers involve themselves in a nuclear war the radiation which will be let loose from that war not only will destroy millions of our generation but also will bring havoc upon the world for hundreds of years to come on all forms of life, as life struggles again out of the depths of a new dark ages to the light of a new civilization.

I made those comments, Mr. President, because I think they are very closely related to the contents of the book. In the interest of time, but so that there will be some documentation in the RECORD today in support of the comments I have made about the book, I ask unanimous consent to have printed in the RECORD what the publishers have to say on the flyleaf of the book in regard to the book's purpose, as well as the material on the back of the flyleaf.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"U.S.A.—Second Class Power?" is the shocking story of how we have let ourselves fall behind scientifically and militarily in the age of earth satellites and missiles. It tells precisely where we stand today in relation to the Russian achievements and what we must do to insure our survival.

When the first Russian sputnik began circling the globe on October 4, 1957, our country woke up to the fact that we had fallen dangerously behind in scientific research and defense preparedness. The Russians had successfully carried through a crash program in rocket development that called for a reappraisal of their whole scientific achievement and potential. At the same time, thinking Americans demanded to know what had gone wrong with our defense program, just how bad off we were, and how we could catch up.

This book gives the answers. It tells how our rocket research began, how the Government has withheld vital information, how budget-cutting and bickering and business rivalry have been added to indecision and shortsightedness to bring on the crisis.

In their tireless pursuit of the truth, the authors use much confidential information that needs to be made known to the American people. They are outspokenly critical, in the way for which Drew Pearson has become famous, on this subject of vital interest to every American—his own survival.

U.S.A.—SECOND-CLASS POWER?

What has been the reason for our downhill skid in power and prestige? The Gaither report puts the blame on bickering between the Armed Forces. This, of course, was true but it is an understatement. There are many reasons. They go back to the terrorism of the McCarthy era when we drove scientists out of Government. They go back to the easygoing complacency of our educational system, our concentration on football and snap courses rather than science, and our failure to pay teachers a living wage. They go back to the passionate budget-cutting of Secretary of the Treasury George Humphrey and his willingness to put a balanced budget ahead of national security. They go back to the scramble for orders by the defense contractors who have almost more influence inside the Pentagon than the President of the United States and who, consciously or unconsciously, have sometimes put profits ahead of patriotism. They also go back to the dangerous American political system of raising tremendous amounts of money to elect candidates and then paying off the contributors with defense contracts. They involve personal jealousy and rivalry of the type that almost prevented Adm. Hyman Rickover from building our first atomic submarine. They involve the genial personality of a Secretary of Defense who wanted to be loved more than he wanted to crack military heads together.

But perhaps as much as any other fact, the reasons why we fell behind Russia go back to the personality of the Commander in Chief. He too wanted to be loved. And during the course of his military career in Europe and his campaigning for the Presidency, he had built up a public love and devotion and prestige that amounted to a father image. Because of that image and because of his long service in the Army, the Nation trusted him. He could do no wrong. They did not know that he was complacent, easygoing, unwilling to spend the long hours of grueling grind which any President must spend if he is to lead the Nation. That Dwight D. Eisenhower was not willing to do these things, that he honestly believed he could serve as a part-time President, that he did not have the courage to deal forcefully with his old buddies in the Pentagon or the budget cutters in the Treasury Department is one of the chief reasons why the United States today finds itself in the gravest danger in all history.

And to the press of the United States, which failed to report both the inadequacies of our national defense and the inadequacy of our Commander in Chief, must go part of the blame. (From chapter II, "Gravity of the Crisis.")

Mr. MORSE. I also ask unanimous consent to have printed in the RECORD what the publishers of the book have to say about the background of the two authors, Mr. Pearson and Mr. Anderson.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ABOUT THE AUTHORS

Drew Pearson was born in Evanston, Ill., and educated at Phillips Exeter Academy and Swarthmore College. Following a period of relief work with the American Friends Service Committee, he taught at the University of Pennsylvania and Columbia University. He was a roving foreign correspondent for several years before settling in Washington. His first book, "Washington Merry-Go-Round," written with Robert S. Allen, led to the daily newspaper column of that name published since 1932, and currently syndicated in the Washington Post, the New York Mirror, the Chicago American, the Los Angeles Mirror, and more than 600 other newspapers. He has sponsored the Friendship

Train, helped to organize the Freedom Balloon campaign, and in 1948 was named Father of the Year. Though he works under high pressure at his office in Georgetown and his Maryland dairy farm, his quiet, almost retiring personality shows no trace of the hardboiled reporter.

Jack Anderson, a native of Salt Lake City, studied at the University of Utah and George Washington University. He began working with Drew Pearson in 1948, following 2 years with the Stars and Stripes in Chungking and Shanghai, China. He is the coauthor, with Ronald May, of "McCarthy: The Man, the Senator, the Ism."

Mr. MORSE. Mr. President, in the foreword of the book the authors say:

We will go one step further and venture the opinion that the American who states that Russia's emergence as a first-class power may be a healthy stimulus to the United States runs the risk of being considered a betrayer of the American way of life and an admirer of the Soviet system. He may even come under scrutiny by the FBI. Yet if we are frank with ourselves, we have to admit that for too long have we been confident, fat, and complacent. Too long have we put self-interest ahead of national interest, ease before duty, luxury before sacrifice, golf before decisions, Thunderbirds before missiles, Madison Avenue camouflage before truth.

Mr. President, I ask unanimous consent that the entire foreword of the book be printed in the RECORD at this point in my remarks.

There being no objection, the foreword was ordered to be printed in the RECORD, as follows:

It is inescapable that this book will arouse a great deal of criticism. We hastily add that it was not written for that purpose. It is only human to prefer praise to criticism, and the authors, despite some things said about them, are not inhuman. But they are convinced that the emergence of Russia from the wheelbarrow age to the atomic age is the greatest miracle of modern times. And while the American who says this publicly is likely to be blasted as pro-Communist by the Un-American Activities Committee, yet if America doesn't recognize this fact, it is likely to get blasted off the face of the earth.

We will go one step further and venture the opinion that the American who states that Russia's emergence as a first-class power may be a healthy stimulus to the United States runs the risk of being considered a betrayer of the American way of life and an admirer of the Soviet system. He may even come under scrutiny by the FBI. Yet if we are frank with ourselves, we have to admit that for too long have we been confident, fat, and complacent. Too long have we put self-interest ahead of national interest, ease before duty, luxury before sacrifice, golf before decisions, Thunderbirds before missiles, Madison Avenue camouflage before truth.

It is sometimes difficult to face the truth. It is much easier to accuse a critic of our shortcomings of not telling the truth, to brand him a liar or a headline hunter, or even a pro-Communist, if he comes up with unpleasant facts about the waning power and prestige of the United States of America. Yet it is a fact that for some time we have been slipping. Not only have we been slipping, but we have been afraid to admit the fact that we were slipping. The shameful desertions and surrenders of American troops in Korea were the first sign that something had gone wrong. They were also the first sign that we were afraid to face the degree to which we had put materialism ahead of patriotism. The American public still does not know that the shocking confessions made by American prisoners in Korea were by no means all exacted by torture; that Turkish, British, Canadian, and other United Nations troops did not turn their backs on their countries to anywhere near the same degree. The American public does not know that Gen. William F. Dean, captured commander of the 7th Infantry Division, gave 12 different statements to the enemy. Never in all history have so many Americans, including high-ranking officers, disgraced the uniform of the country which spawned them, protected them, and gave them the freedoms of which they should have been proud—but which they took for granted.

After the Korean war came a deluge of defeats, diplomatic and otherwise, culminating with the events of 1957–58 when the world woke up to find Russia occupying outer space while the United States occupied Central High School in Arkansas.

The world recognized our defeats, but, generally speaking, the American people did not. We played up defeat in Korea as if it were a victory. We pussyfooted so long in Indochina that most of it went Communist. We bungled so badly in the Near East that its vast oil reserves are slipping through our fingers. We have affronted and antagonized and alienated our allies in Western Europe until the North Atlantic Treaty Organization has become a military shell. The world knows this, but we do not.

It is not pleasant to criticize the United States of America. He who does so is accused of losing faith in his country. But the American people cannot meet the challenge of the powerful, tireless government that threatens them if they are fed sugar-coated half-truths and soothing syrup. They must know the facts.

We cannot sit back and wait for bickering inside the Kremlin to deliver Russia into our hands. The walls of the Kremlin are not like the walls of Jerico. They will not come tumbling down after seven statements by John Foster Dulles. Nor will they yield to a civilization in which an Elvis Presley makes more than the President of the United States, in which truckdrivers in Chicago are paid more than many schoolteachers, in which one-third of all prescriptions filled at drugstores are for tranquilizing pills. The road to Miltown is not the road to victory over the vigorous and unscrupulous government that rules Russia. We cannot win the battle for freedom or the great goal of peace if we keep our heads in the sands of ignorance.

The ingredients of greatness, however, have not gone out of the bones of the American people. They are equal to great challenge—if they know the facts. It is in order that they may know the facts that this book is written.

The material that has gone into its chapters has been obtained from scores of Army, Navy, and Air Force officers, civilian defense experts, scientists, and diplomats who have the welfare of their country at heart. The material is also based on several years of covering foreign affairs and the defense news of Washington. It is based on six trips abroad during the past 2 years.

We are indebted to many for advice and guidance in the preparation of this book—to the former Secretary of the Air Force, now Senator from Missouri, Stuart Symington; his assistant Edward Welch; to Senators Estes Kefauver of Tennessee and Henry Jackson of Washington of the Senate Armed Services Committee; to Senator William Fulbright of Arkansas of the Foreign Relations Committee; to Trevor Gardner, the former Assistant Secretary of Defense; Wernher von Braun of the Army Ballistic Missile Agency; Lt. Gen. James Gavin; Adm. Hyman Rickover; Dr. Harold Urey of the University of Chicago, former Senator William Benton of Connecticut; John Kennedy, publisher of the Sioux Falls (S. Dak.) Argus-Leader, who gave us the results of his several trips to Russia; Eric Berghaust, editor of Missiles and Rockets; Clay Blair, author of The Atomic Submarine; Louis Johnson, former Secretary of Defense; Tom Wilcox, formerly of the Air Office of Scientific Research; Don Ludlow, Washington correspondent for the London Mirror; Herschel Schooley, formerly of the Defense Department; Capt. William Chamliss, U.S.N.; and Col. John R. Nickerson, whose explosive memo first revealed some of the basic defects of our missile program.

Finally, we are indebted to a hundred or so officers of the armed services who cannot speak out in public but who believe that without imitating the Soviet Union as to methods we can meet its challenge; who believe that the United States does not have to become a second-class power.

To that end, this book is written.

Mr. MORSE. I wish to especially emphasize the paragraph which reads:

It is not pleasant to criticize the United States of America. He who does so is accused of losing faith in his country. But the American people cannot meet the challenge of the powerful, tireless government that threatens them if they are fed sugar-coated half-truths and soothing sirup. They must know the facts.

To give only an example to appeal to the appetite of the reader, I invite attention to a paragraph or two in the book which deals with the U.S. Maginot Line, particularly as stated on page 42:

When the Great Wall of China was constructed along the Manchurian border north of Peking, historians record, it lulled the people of China into a false sense of security. And when the city of Peking finally fell, it was the rocket, first forerunner of the modern missile, which finally subdued that mighty fortress.

Today it is Russian missiles which can make the most modern and ramified defense system ever conceived by man just as out of date as the Great Wall of China.

The authors go on to make some comments on the false security we may be laboring under with respect to our foreign bases, and whether those bases give us the security the Pentagon experts in fact are testifying to. I ask unanimous consent that certain paragraphs from that chapter be printed in the RECORD at this point in my remarks.

There being no objection, the paragraphs were ordered to be printed in the RECORD, as follows:

When the Great Wall of China was constructed along the Manchurian border north of Peking, historians record, it lulled the people of China into a false sense of security. And when the city of Peking finally fell, it was the rocket, first forerunner of the modern missile, which finally subdued that mighty fortress.

Today it is Russian missiles which can make the most modern and ramified defense system ever conceived by man just as out of date as the Great Wall of China.

Wheelus Air Force Base in Libya is the biggest American air base in the world outside the United States. But it could be wiped out in just a few minutes. It could be wiped out not by an air attack, as the Japanese attacked Pearl Harbor, but by intermediate-range missiles based just behind the Iron Curtain in Bulgaria.

Russia has the missiles and she has the bases. While the United States argued as to which missiles to build and who should build them, the Soviet proceeded to turn out several thousand ballistic missiles with a range

UNIVERSITY OF MICHIGAN LIBRARIES

of 1,000 to 1,800 miles. Carrying, as they do, hydrogen warheads, one missile could wipe out an entire base. And Russia has enough missiles to fire more than one missile at each base.

There is nothing the lonely watchers in the Arctic DEW line can do to warn of missile attacks. Their approach is too fast. The elaborate machinery, the intricate electronic equipment, the phone lines, the snowbank houses of the northern Maginot line costing a total of $18 billion, all are now mere monuments to our frantic, futile search for safety.

Nothing the heroic Air Force pilots who scramble into their jets every dawn could do would save Wheelus. Nothing the 7,000 airmen who dutifully go about their job of supporting a little piece of America in north Africa could do would save Wheelus. Its wooden barracks and concrete installations, its hangers and its gas tanks, its theaters and its churches, its officers' club with the bougainvillaea climbing over the veranda, its neat rows of married men's quarters with gay marigolds in front and children's perambulators on the back porch—all would go up in a pillar of smoke over the desert.

This is a desert where 15 years ago a German general named Rommel wheeled and maneuvered. For months he dodged, ducked, and eluded the British. But even in the brief period since then, warfare has changed. In this same desert, a whole tank corps once could hide. But not any more. The ancient rocket which once humbled the Great Wall of China and the city of Peking has come back, sleek, modernized, armed with a hydrogen warhead, to revolutionize military power and make obsolete the American Maginot line.

The water of the Mediterranean is blue and beautiful along the north African coast. Men swim along the beaches—when they can duck modern man's habit of fouling his nest with his own sewage. But blue and beautiful as that water is, it harbors the possibility of even greater danger than the IRBM; namely, Russian submarines. It is only about 100 feet from the sea to the home of the commander of Wheelus Airbase. The entire base is built along the sea. One missile from a submarine lying low in the blue and beautiful Mediterranean could knock Wheelus out. The sub wouldn't have to surface. And it wouldn't have to come all the way from Russian waters. As Harry Truman remarked, "For 200 years the Czars wanted to penetrate down through the Bosporus to the Mediterranean, but failed. Today the leaders of the Kremlin have three submarine bases in the Mediterranean—one in Albania, one in Syria, and one in Egypt. Stalin must be laughing in his grave."

Further west in Morocco, our big bomber bases at Sidi Slimane are 2,000 miles away from the Iron Curtain and out of range of Russian IREM's. But feverishly in the little country of Albania the Kremlin is constructing three huge missile bases—launching sites for new IRBM's to be aimed squarely at Sidi Slimane and the row of sleek windswept B–47's lined up on the runway, each guarded by an air policeman with cocked revolver and each carrying a hydrogen bomb the equivalent of all the explosives dropped in World War II. When those Albanian bases are finished, when those new IRBM's are installed, those B–47's will not be able to remain on the runway anymore.

When the Russian sputnik was first launched on October 4, 1957, and when the first dread news seeped in on the American public that Russia had developed an intercontinental ballistic missile, President Eisenhower took pains to emphasize the importance of our Strategic Aid Command and the ring of bases surrounding Russia which make up the American Maginot line. His was a public statement.

But privately Gen. Thomas D. White, Chief of Staff of the Air Force, simultaneously warned Secretary of Defense McElroy that our Strategic Air Command was falling apart. He predicted Russia would surpass us in strategic bombing power by the end of 1958. He begged for more big bombers until such time as American ballistic missiles would be in production. Secretary McElroy gave him the alternative of 52 more B–52's or 47 faster, short-range B–58's. White insisted the Air Force needed both. The Secretary of Defense claimed there wasn't enough money in the budget. Reluctantly, White chose the B–58's, but with a warning that by 1959 Russia will be ahead of the United States in both bombers and missiles, able to destroy all overseas bases with a shotgun salvo of atomic-tipped missiles.

Mr. MORSE. There has been a great controversy in the political debate recently with regard to the part the President has played with respect to the ICBM program, as to whether he gave it the support it should have received, and as to whether he was responsible for the slowdown in the advancement of the program.

I ask unanimous consent to have certain paragraphs starting on page 57 of the book printed as a part of my remarks, without taking the time to read them.

There being no objection, the paragraphs were ordered to be printed in the RECORD, as follows:

The MX–774, as the big ballistic baby was known in 1947, belonged technically to the Army, whose chief overlord was Gen. Dwight D. Eisenhower, He had come back from the Supreme Allied Command in Europe to replace General Marshall in the most important military post in the continental United States of America, Chief of Staff of the Army. It was a time of postwar reductions when he and most of the American people were more concerned with budgets than ballistics. The world was hoping for peace. So, less than 6 months after the speedup order, reverse instructions were delivered to slow down the MX–774. Convair was told that it would have to get along for 2 years on the funds allotted for 1 year. This brought a written objection from Albert Lombard, a project engineer, that the MX–774 "must receive backing financially on a scale somewhat of the magnitude of the German (rocket) activities at Peenemunde."

This objection is one of the secret papers that has arisen from the dead files of the Pentagon to haunt the planners charged with keeping the United States ahead of Russia. The tragedy is that component parts of the first MX–774 missiles were already in the machine shops when, on July 1, 1947, their death notice arrived from Washington. Economy was in the air. Because of it, the air generals decided that they could concentrate on only one intercontinental missile and that a slower, air-breathing missile, subsequently called the Snark, would be easier to construct and surer of success. Work had already been started on the Snark. It had wings and therefore was more comprehensible to the men who believed in wings.

It was General Eisenhower, then Chief of Staff, who approved the order killing off project MX–774. He acted, of course, on the advice of his experts who faced budget cuts.

Mr. MORSE. Mr. President on page 121 we find a very interesting account of the activity of the Madison Avenue advertisers and the relationship between their programs and campaign contributions. I ask unanimous consent that certain paragraphs from that section of the book be printed in the RECORD at this point.

There being no objection, the paragraphs were ordered to be printed in the RECORD, as follows:

Those who give Jim Hagerty sole credit for building up the Eisenhower myth forget the help he has had from Madison Avenue and the advertising agencies whose tentacles reach into the highest board rooms of magazines, newspapers and television. When the Democratic National Committee wanted to find an advertising agency to handle its national publicity, it could discover only one, William H. Weintraub, Inc., which was Democratic. Most of the others were not only Republican, but their executives had contributed to the Republican Presidential campaign of 1956 as follows:

Batten, Barton, Durstine & Osborn	$5,000
Benton & Bowles	1,500
Biow-Beirn-Toigo (now Biow Co.)	2,000
Campbell-Ewald Co	11,350
Dancer-Fitzgerald-Sample	1,000
D'Arcy Advertising Co	1,500
Foote, Cone & Belding	500
Geyer Advertising	500
J. Walter Thompson Co	12,600
Kenyon & Eckhardt	3,000
Kudner Agency	500
Lennen & Newell	2,000
Leo Burnett Co	500
MacManus, John & Adams	500
Maxon, Inc	500
McCann-Erickson	1,650
Ruthrauff & Ryan	500
Sullivan, Stauffer, Colwell & Bayles	1,000
William Esty Co	3,000
Young & Rubicam	2,500

When Eisenhower appointed Jock Whitney as Ambassador to London, the American public did not know that, besides contributing with his wife $47,100 to Eisenhower's campaign fund, Whitney owned TV stations in Tulsa, Galveston, Houston, Indianapolis, and Fort Wayne, Ind. Whitney could, and did, influence important segments of the American public. Or when Eisenhower appointed Clare Boothe Luce to be Ambassador to Italy, most people did not fully comprehend the fact that her husband's magazines, Time, Life, and Fortune, not only made subservient obeisance before the Eisenhower pedestal, but also owned television stations in Salt Lake City, Denver, Minneapolis, Indianapolis, and Grand Rapids, all of them influencing public opinion, and all of them contributing to the complacency of the American public regarding our missile-satellite defeat.

Mr. MORSE. Mr. President, starting on page 138 there is a detailed account of the controversy which has been waged in this country with regard to defense contracts in connection with the Vanguard program and the part that American big business has played in this matter. I ask unanimous consent that certain paragraphs be printed in the RECORD at this point.

There being no objection, the paragraphs were ordered to be printed in the RECORD, as follows:

Part of the story revolves around Dr. Richard Porter, an amiable six-foot scientist with a full shock of white hair, who since 1937 has been on the payroll of General Electric as a rocket expert. Simultaneously, he has been advising the United States Government on rocket matters. His history is strung together on the strong cord of loyalty to his company.

As the Allied armies rolled back the Nazi war machine in 1944–45, Porter was hurried to Germany to analyze German rocket research. Although he wore an Army uniform and reported to the Army, he remained a civilian on GE salary. It was not unusual at that time for companies to loan technical experts to the military. Porter remained in Germany five months, at one time helping to round up the families of German scientists and rush them out of the Soviet Zone before the Iron Curtain could clamp down on them.

On his return home, Porter turned over his technical reports not only to the Army but also to General Electric. The Army next put him in charge of firing the captured German V–2 rockets at White Sands, N. Mex. Again Porter made the results of his research available to General Electric, which, benefiting by this information, got a contract to build the first ballistic missiles for the Army. As chief engineer, Porter designed the engines which General Electric installed in those early A–1, A–2, and A–3 missiles.

What he did was improve the V–2 motor and call it the Hermes engine. Some technical experts claim this GE-brand Hermes engine was unsatisfactory. Others explain that the A–1, A–2, and A–3 missiles were designed to hurl large atomic warheads, which because of the development of small warheads became obsolete. In any event, the Army canceled the A–1 and A–2 missiles, and although General Electric developed a more refined motor for the A–3, this too was wiped out in 1951. Meanwhile, the Army decided to go all out for missiles on its own at its arsenal at Huntsville. This left GE holding the bag. It had a considerable missile investment but no place to use it.

Naturally Dr. Porter owed it to his company to find new outlets for these multimillion-dollar rocket facilities. A scientist of great ability, he rose in astronautical circles to become president of the American Rocket Society. Serving under him, as chairman of the Space Flight Committee, was Milton Rosen, in charge of the Navy's Viking rocket program.

The Viking, designed by the Martin Company, already had an engine built by Reaction Motors. But Dr. Porter sold Rosen on the idea of developing an improved Viking with a GE motor. They talked of using it as a satellite launcher, a possibility which they pursued through the Rocket Society; and on November 24, 1954, Rosen summed up the arguments for an earth satellite in a technical report to the society. Apparently he did not known that the Orbiter team had already presented blueprints to the Defense Department for a satellite project.

Dr. Porter, who shared Rosen's dream of sending a satellite into space aboard an improved Viking, powered by a GE engine, forwarded the report to the National Science Foundation, which was preparing for the International Geophysical Year. The IGY Committee, eager to exploit this great scientific occasion, was persuaded by the report to go ahead with a satellite program. So impressed was the Committee, in fact, that it invited Porter to head the satellite panel.

The chief problem in launching a satellite is getting enough force to break through the crust of atmosphere surrounding the earth. To heave this sort of scientific shotput into space, therefore, the IGY scientists needed rocket power that could be found only in the Defense Establishment. Their appeal to the Pentagon resulted in the January 1955 decision to let the Army and Navy go ahead with Project Orbiter. Porter, Rosen, and company, however, had other ideas about getting the rocket power to launch a satellite.

They became the storm center of a scientific uproar over using military weapons as satellite launchers. For the sake of pure science, they preferred building special research rockets. Disgruntled whispers were also heard regarding the Army's use of imported German scientists. There was talk of making the satellite an "all-American" project, thus ruling out Dr. von Braun's team.

The agitation against Project Orbiter reached such a pitch that Donald Quarles, as the Pentagon's research chief, formed a secret nine-man committee to review proposals from all three services. He selected as chairman Dr. Homer Stewart, of the California Institute of Technology. Also named to the committee was none other than General Electric's Dr. Porter, who as IGY satellite chief was in a unique position to influence his colleagues.

The existence of the committee has never been officially acknowledged. Dr. Stewart refused to admit that he had anything to do with it, even though it came to be called by his name.

"I can't talk," he said, when queried by the authors.

"My instructions don't permit me to comment at all," he said when pressed further. "You can't even comment as to whether you are chairman of the Stewart committee?"

"No; I can't comment on whether I am chairman of the committee. All I can say is that I've served on several committees."

This locking of the stable door after the horse was stolen was to cover up error, not protect security. The satellite project, as emphasized by no less than President Eisenhower, was a scientific, not a military project. Regardless of this secrecy, here are the censored facts as to what happened inside the Stewart committee.

Three alternatives were placed before its members. They were:

1. The Army proposed to continue with Project Orbiter. Dr. von Braun of the Army gave a flat promise that he could launch a 15-pound satellite in a year. This would have put the launching date in mid-1956, well ahead of the International Geophysical Year, which began July 1, 1957, and during which Russia was expected to launch a satellite.

2. The Navy supported Rosen's proposed new Viking, which, it claimed, would be a more sophisticated rocket and could launch a 40-pound satellite. The Navy later admitted that it could launch a satellite of only half that weight.

3. The Air Force proposed an ambitious plan to launch a supersatellite with equipment from its intercontinental-ballistic-missile program, even though that equipment was still undeveloped.

There is little doubt that Dr. Porter played a powerful part in working out the final decision, which adopted the Navy's Viking rocket with the General Electric motor, thereby scuppering the Army's Orbiter. He was supported by Dr. Joseph Kaplan, chairman of the IGY Committee, who admitted knowing little about guided missiles but who argued that more instruments could be packed in a 40-pound than a 15-pound satellite. Voting with them were Dr. Charles C. Lauritsen, of Cal Tech; Professor John Rosser, of Cornell; Gerald M. Clemence, of the Naval Observatory; and Admiral Paul Smith, secretary of the committee.

Only three men voted for Orbiter: Dr. Stewart, the chairman; Dr. Robert McMath, University of Michigan; and Dr. Clifford Furnas, University of Buffalo, who later succeeded Quarles as Assistant Defense Secretary in charge of research. They argued that speed was the most important consideration and that the Army project offered the best chance to beat Russia into space.

The arguments which sent Orbiter back to the shelf paid little attention to the harsh facts of Russian competition and the damage to national prestige of a Soviet first in the satellite race. The Army was fully conscious of this peril and wanted to get a satellite up ahead of Russia, even by rough-and-ready means. But the Stewart committee seemed determined that Orbiter should never get off the ground. It not only voted for the Navy project but as a second alternative recommended going ahead with the Air Force proposal. Orbiter was kicked into a corner.

The day after the committee's decision, Dr. Stewart confided to Von Braun, "We have pulled a great boner." It was not until January 31, 1958, 3 years later, as the United States finally put a 30-pound Orbiter satellite renamed the Explorer into space 4 months behind Russia, that Dr. Stewart was to see his prophecy fully confirmed.

Back in July 1955, it must have been gratifying to Porter when the Martin Co., obeying the Navy's specifications, switched from Reaction to GE engines to launch the new satellite. The name, too, was changed, from Viking to Vanguard. Friends claim that Dr. Porter did not realize the Vanguard would use GE motors and that he would never put his company's interest ahead of his country. When the authors asked Dr. Porter about the fact that his company benefited from the switch of motors, he replied, "I don't know anything about the contract."

In a subsequent conversation he was more candid. Apologizing for having been previously evasive, Dr. Porter said, "I knew the Vanguard would be using GE engines when I voted for it, but this did not influence my decision. Our recommendation was made strictly on the basis of technical factors."

Mr. MORSE. Mr. President, let me make a final comment on what the Senator from Wisconsin said with regard to the relationship between defense contracts and what some of us think to be the inexcusable shortcomings of the Eisenhower administration in the successful prosecution of a program which would give to our country the adequate defenses to which the people have been and are entitled.

Businessmen do not like to hear it mentioned, Mr. President, but the fact is there happens to be no economic group in our country which is such a beneficiary of Government subsidy than the big business group engaged in defense contracts, out of which big business is making tremendous profits, as some of the figures in the Pearson-Anderson book show, which figures have been supported by a good many other sources.

What do Senators suppose would happen to large segments of American business if we stopped giving them the subsidy benefits of defense contracts for manufacturing materials which are of no real benefit to the domestic economy so far as civilian life is concerned, although of great benefit to our security? I have a great deal of difficulty justifying, on moral grounds, such large profits in the form of defense subsidies. I am always amused when some of the business leaders become so excited and agitated because a subsidy to the food producers of this country, which is pigmy in proportion, goes to the farmers. We read propaganda from the National Association of Manufacturers and the United States Chamber of Commerce which would lead us to believe that we are far down the road to socialism because of a farm subsidy program.

Where do Senators think those businessmen would be if it were not for the subsidies they are enjoying from defense contracts?

I close by saying that when a Senator finishes reading the Anderson-Pearson book and sits at his desk in the Senate,

UNIVERSITY OF MICHIGAN LIBRARIES

he must realize that we have a duty to take a look at what is happening in the field of defense contracts, and eliminate what I am satisfied is a considerable amount of waste in the administration of such defense contracts.

This book deserves attention because sometimes when we are confronted with the journalistic tactic of coverup it becomes necessary to use every vehicle of public information available in order to direct the attention of the American people to a writing as significant to the welfare of the American people as this book, entitled "U.S.A.—Second Class Power?"

Mr. CHURCH subsequently said:

Mr. President, earlier today some of my colleagues addressed themselves to the book "U.S.A.—Second Class Power?" written by Drew Pearson and Jack Anderson.

Mr. President, I am now reading that book. Having not yet had an opportunity to complete reading the book, I am not in a position to pass judgment on it. However, I have already been struck by the scope of the work and the ambitious undertaking of the authors in apprising us of the thinking that underlies our current military program.

Although this program is properly in the hands of professional military men, I think it would be error to discount civilian appraisal of our military planning. Rather, I think the very fact that the book is the work of civilians ought to commend it to us for especially careful attention. I say this because it seems to me that we have no basis whatever to evaluate or appraise the present course of military policy except in the context of opposite alternatives.

I think one of the contributions made by the authors of this book is that of presenting to us other possible alternatives which give us a basis for evaluating the present course of action.

Now, Mr. President, I respect professional military judgment, but I do not think it is infallible, nor do I think history would support the contention that it is infallible. We remember that it was back as far as the American Revolutionary War when Yankee ingenuity brought forth the first submarine. Yet it took the Germans, a century later, to demonstrate to us the devastating effectiveness of the submarine as a weapon of war.

Likewise, the industrial economy of the United States in turning out massive numbers of automobiles was perhaps better able to develop and produce in mass numbers tanks and vehicles of mechanized warfare than any other economy of any other nation, yet again it was our sad experience in the second World War that the Germans had to demonstrate the validity of the blitzkrieg theory, which as discounted by the military people both in the United States and in western Europe, to our great peril. Fortunately we had time to recoup in that war, to reorient our military thinking, and to rebuild our forces along different lines from what our professional military people had theretofore advised.

Just a few months ago, it was my pleasure to go to Pearl Harbor and revisit the scene of the infamous attack by the Japanese naval air forces which led to our participation in the Second World War. Anybody who goes there will be reminded in a most dramatic and unforgettable way of the success of the attack against what was then regarded as the backbone of the American naval power, the battleship fleet. The attack was 90 percent successful. As a result, not only did we lose the battleship *Arizona*, but, in addition, the battleships *Nevada, Oklahoma, California, West Virginia, Pennsylvania, Maryland,* and *Tennessee* were so seriously damaged that none was put into effective service for many months following the attack. Despite that, in a few short months we were able in the battle of Midway to turn the course of the Pacific war with planes from aircraft carriers.

I think the naval history of that war will support me in the statement that submarines and aircraft carriers, not battleships, contributed principally to our success in the Pacific. Once again I am sorry to say this happening was in conflict with the most respected professional naval thinking, which long had based American naval strength upon the battleship.

I therefore submit that we not only need civilian appraisal of military policy, but we should commend those who undertake it. I feel that in this particular case Mr. Pearson and Mr. Anderson are deserving of our commendation in the effort that they have made, and I think their book and their conclusions are entitled to the most careful study by the Members of the Senate.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to the distinguished Senator from Montana.

Mr. MANSFIELD. I wish to join with the Senator from Idaho in the remarks he has just made. I have read the book. It gives one an unhappy feeling. It raises a lot of questions, and I think that the answers should be forthcoming. It is my hope that the Senate Preparedness Subcommittee will investigate into some of the details as to questions raised in the book, and that the answers which we do not seem to have at the present time will be forthcoming.

There is a great deal of confusion, I am sure, in the minds of the American people, because there certainly is confusion in the minds of the Senators, as to where we stand in the field of missiles, for example. We should like to know exactly what the true story is, insofar as it is possible to tell it to us, so that we can, with that ingenuity which the distinguished Senator from Idaho has mentioned, put our shoulders to the wheel, so to speak, and try to overcome the discrepancy and the degree of inequality which seems to exist between the United States and the Soviet Union.

This is a book worth reading. It is not a book one has to agree with, but it is a book one has to think about. I hope its effect will be felt. I hope the questions it raises will be considered, so that all of us, I repeat, can have a better idea than the confused one we have at the present time of the state of the defenses of our country.

I thank the Senator from Idaho.

Mr. CHURCH. Mr. President, I wish to express my appreciation to the distinguished Senator from Montana for his remarks and for his contribution to the discussion of this important and timely subject.

SENATOR ELLENDER'S REPORT ON HIS INSPECTION TOUR IN SOUTH AND CENTRAL AMERICA

Mr. ELLENDER obtained the floor.

Mr. SMATHERS. Mr. President, will the Senator yield to me before he begins his speech? I know what he is about to discuss, and, for the general information of the entire Senate, I should like to suggest the absence of a quorum.

Mr. ELLENDER. I yield for that purpose, provided I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, when Congress recessed last year, I again undertook an inspection tour of some of our operations abroad under the auspices of the Senate Appropriations Committee, of which I am a member.

On four of my journeys, which were made between the years 1946 and 1952, I did not file formal reports. I merely made verbal reports. Since 1952 I have been making formal reports and the committee print, a copy of which is on each Senator's desk, is the seventh consecutive formal report I have made to the committee.

Mr. President, I also wish to say that I have traveled alone on all investigation trips I have made since 1952. I have had no secretaries accompany me to help me with this work. The same situation, of course, applies to the report I have submitted this year to the Committee on Appropriations. My own office staff helped compile the report.

However, in a late reading of the recommendations I made, I find that I overlooked a very important one, one dealing with the Inter-American Highway. Mr. President, I strongly urge that this highway be completed as soon as possible. Details dealing with completed mileage and the present condition of the highway can be found beginning on page 185 of my report.

The entire Inter-American Highway contains in excess of 3,000 miles and traverses seven Central American countries. The entire portion of the highway located in Mexico was built with Mexican funds. We did not contribute a penny toward the building of the Mexican segment. The same is true for that portion of the road that passes through El Salvador.

The only money the United States spent in El Salvador, as the record will show, was $1,800,000, to assist in the building of a few bridges. In all other countries, including Guatemala, Nicaragua, Honduras, Costa Rica, and Panama, the U.S. Government furnished two-thirds of the cost of the building of the road, and the host countries furnished the remaining one-third. I am glad to report that contracts have been let for every mile of the uncompleted portion of the road, beginning in Guatemala and extending all the way to the Panama Canal. The entire cost of the road to the American taxpayer will be a little more than $138 million. I sincerely believe this is a good investment. It will enable the people of the various Central American countries to visit one another more often. Of course, it will also be a source of great benefit to U.S. citizens to be able to visit our Latin American neighbors.

This, in my opinion, will bring about a greater degree of understanding between these countries and could bring to an end the tension which presently exists between some of our neighbors to the south.

There is one other point I wish to make about my report. In places it might seem that my remarks are out of date in light of recent events. However, my aim was to present my report on Latin America as I saw things prior to my return to the United States on December 15. I made some remarks about the situation in Cuba at that time, which I hope Senators will read. I do not intend to take the time of the Senate and to clutter the RECORD with my remarks about Cuba. But if Senators will read my early estimate of Fidel Castro, they will find I had him pretty well described. I said that I did not believe Castro was the man to govern Cuba.

I would also like to call attention to remarks I made in the report about various countries, particularly the Dominican Republic. Much has been said in criticism of Generalissimo Trujillo. Of all the countries I visited last year, which included every country in Central America and every country in South America, with the exception of Bolivia and Paraguay, there was not a country I visited which had made more visible progress than the Dominican Republic. There I saw with my own eyes—I traveled quite a bit through the countryside—hospitals, schools, and fine homes which were being erected under the auspices of the present regime.

In the Dominican Republic, I learned, to my surprise, that it possesses one of the largest sugar factories in the world, and I had the opportunity to see this factory at the time of my visit. It, as the report shows, grinds 15,000 tons of sugarcane every 24 hours. It is modern in every respect. To me, it is a great advancement in the production of sugar, which, by the way, is the principal industry of the Dominican Republic.

I may say by way of repetition, because it appears in my report, that I found the least amount of progress being made in Haiti. In my report, I state that although conditions in Haiti are not exactly hopeless, it would take the expenditure of much money to improve economic conditions there.

I found that in Haiti—as in other underdeveloped countries of the world—many of our foreign aid administrators are trying to start at the middle rung of the economic ladder rather than the bottom rung. They have tried to do the job too fast, and go far beyond the capability of the people. In other words, it is my feeling that aid programs should begin at the lowest level and be worked upward very slowly. A man must first be shown how to build a better hut before he is shown how to build a four-bedroom house with three baths.

Many of the projects which the United States has fostered in Haiti through ICA and other operations are, in my opinion, more or less WPA—or make work—projects. For instance, modern machinery is not used to build canals for irrigation purposes. The work is actually carried on to give employment to the greatest number of people. That may be a good thing, but I found it to be very expensive. I learned that prior estimates of projects cost—because of this make-work procedure—are many millions of dollars under what the actual construction costs will be.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SMATHERS. I congratulate the able Senator from Louisiana on the report which he is making about his trip through Central and South America. I was privileged to follow him by about 6 weeks. I visited only five or six of the countries, but each of the countries which I visited had been visited earlier by the Senator from Louisiana, and the people were still very much impressed by the interest shown by the Senator from Louisiana in every facet of their life.

I also congratulate the Senator on having the courage to stand in the Senate and make the statement in which many of us who have traveled in that area completely concur, namely, that in the Dominican Republic, which operates under a form of government of which we do not necessarily approve in this country, more schools and hospitals and better health facilities and better roads have been built per thousand persons than in almost any other country in either Central America or South America. Unfortunately, too infrequently are Senators willing to make such an assertion, because they fear that some criticism might be directed to them for having, in some fashion, upheld the hand of Mr. Trujillo. But in this instance, I congratulate the Senator from Louisiana for his statement, and I associate myself with it.

Mr. ELLENDER. I thank my good friend, the distinguished Senator from Florida.

In 1955, I made my first tour of Russia. When I returned, I reported the facts to the Senate as I had seen them. In 1956, I visited Russia again. On my return, again I reported factual data to the Senate and the country. My reward for telling the truth about what I had seen on those two trips was to make myself a target for brickbats.

But, lately, many persons who have visited Russia have found that what I reported was true. It took a sputnik to vindicate the senior Senator from Louisiana and make him a prophet. This launching of the first space vehicle showed the world that my warnings, which had been made for 2 years, were factual reports that great progress was being made in Russia under communism. This does not mean that I want any part of communism; I despise it as much if not more than anyone else. But we had our heads in the sand for too long about Russia. I wanted to warn our people that we could not afford to ignore what Russia was doing, just because we disliked their form of government. I am glad that more and more persons have been visiting that country, to see for themselves the progress which has been made.

My hope is that we can have an accelerated exchange of persons between ourselves and Russia, in order to show the people of Russia what the people of our country have under our form of government. This, I feel, will make them more discontented than they are now. I want to make them envious of America and what we have. Then they will exert pressure upon their leaders to give them the freedoms that we have. This will, I hope, destroy the giant war effort of the Russian Government.

Mr. President, at this time I did not intend to discuss Russia. But in connection with what I have said, and in connection with what my good friend, the Senator from Florida [Mr. SMATHERS] has said, I simply wish to state that I am here to tell what I actually saw in Latin America. I am endeavoring to give to the people of the United States, the Senate, and particularly the members of the Senate Appropriations Committee, as factual a report as I am capable of transmitting.

Mr. MORSE. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. MCNAMARA in the chair). Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. ELLENDER. I yield to my good friend, the Senator from Oregon.

Mr. MORSE. As the Senator from Louisiana knows, on a good many occasions, not only in the Senate, but elsewhere in the country, I have praised the great contributions the Senator from Louisiana has made to better understanding both in the Senate and throughout the country, of the problems involved in our relationships with Russia. In fact, in my book, the Senator from Louisiana was the first Member of the Senate to point out to us that we had better face the fact that Russia exists.

Mr. ELLENDER. But when I told the truth, a number of persons threw brickbats at me, as the Senator from Oregon is aware.

Mr. MORSE. Oh, yes; I realize that. But the Senator from Louisiana is accustomed to criticism, as is the Senator from Oregon.

Mr. ELLENDER. Of course.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. MORSE. Now the Senator from Louisiana has reported to us on his trip to Latin America.

I want the Senator from Louisiana to know that I have instructed the staff of our subcommittee to proceed to go over with a fine-tooth comb the report of the Senator from Louisiana, and to obtain from it all possible information.

I also want him to know that he will receive from our subcommittee an invitation to work with us in connection with the 2-year study we are getting underway in regard to the problems which exist between the United States and Latin America, to the end of trying to improve our relationships with those countries. As chairman of the subcommittee, I intend to maintain complete objectivity, and—to use a phrase of the Senator from Louisiana—to let the chips fall where they may, as the facts are presented.

I am very much interested in the opinions the Senator from Louisiana has formed. As he knows, I am no admirer of the Government of the Dominican Republic or of Trujillo. However, we are entitled to ascertain the facts. Certainly many policy questions are raised.

For example, I have not yet received any evidence which would lead me to change my course of action in advocating a cessation of military support by us, not only to Trujillo, but, for that matter, to most Latin American countries, because I happen to think it is money down the drain.

Mr. ELLENDER. I have so recommended in my report.

Mr. MORSE. What we need to do is face Russia's economic threat in Latin America for the decades immediately ahead, and demonstrate—as we can—the superiority of our economic system.

So I want the Senator from Louisiana to know that I shall reserve judgment in regard to some of his evaluations of such leaders as Trujillo. But I certainly want him to know that our subcommittee desires to cooperate with him in connection with the economic problems he has raised and in connection with an increase of the exchanges between the United States and the Latin American countries, and to do all we can to resolve the sources of friction which I believe are causing deterioration in United States-Latin American relationships.

Mr. ELLENDER. I thank my good friend, the Senator from Oregon. I wish to say to him that there is not one place in my report where he will find that I have praised any person or any form of government in particular. Instead, I have tried to report facts. I simply noted what I saw—whether it was progress or a lack of progress.

I wish to say frankly that I sincerely believe that many of the countries of Latin America require the leadership of men such as Generalissimo Rafael Trujillo, if results are to be obtained. He has been the head of his government for the past 30 years. I was told that about 2 or 3 weeks before I visited the Dominican Republic, a large birthday party was given for Trujillo in Cuidad Trujillo. I was told by our own Ambassador and the others who represent us there, that some 300,000 persons gathered in that city, to pay tribute to Mr. Trujillo. I wish to say to the Senator from Oregon that in my evaluation I have noted that much progress has been made in the Dominican Republic and I have the concurrence of the people who represent us there.

Mr. MORSE. Mr. President, at this point, will the Senator from Louisiana yield further to me?

Mr. ELLENDER. I yield.

Mr. MORSE. I am sure the Senator from Louisiana knows that when I say this, I am not seeking to disagree at all with his observations. I did not visit that country, but he did. I only wish to say that we plead for his help and his cooperation in connection with the work of our subcommittee. Then all of us can reach our own, individual conclusions as to the public policy matters involved.

I have no doubt that we are obtaining an accurate report regarding the benefits he saw in the Dominican Republic, insofar as materialistic benefits to the people are concerned.

But let me say that matter raises, of course, such historic questions as this one: Are we simply confronted with a benevolent tyranny? Of course, in the history of mankind there have been many societies in which benevolent tyrants have supplied the people with bread, not with freedom. One of the problems which will confront us in the years ahead is whether we shall lose in other parts of the world by seeming to support tyrannical regimes which deny freedom to the individual.

Mr. ELLENDER. I do not believe that the Senator from Oregon will find such conditions in the Dominican Republic. I found that there was generally no objection on the part of the government to report the facts, as they are seen in that Republic. I did not discuss the case of Gerald Lester Murphy, the American pilot who disappeared under mysterious circumstances in December of 1956, with officials of the Dominican Republic Government. However, I did hear a great deal of criticism from citizens of that country about charges leveled at Trujillo that he was responsible for Murphy's disappearance. Their objection, I was told, was that they did not want outside interference in their affairs.

I wish to say that I talked to many persons in the Dominican Republic. What made an impression on me—and our Ambassador and our other representatives shared that impression—was the great progress that had been made there for the benefit of the people.

I would like to make it very clear that I am in no position to comment on the conduct of the Dominican Republic's Government, one way or the other. I have no personal knowledge of the internal policies of Trujillo's government. I simply reported the great progress I noted. After all, that is what we are looking for—progress that alleviates the plight of the masses.

May I say to my good friend from Oregon that I found many countries less fortunate than the Dominican Republic in natural resources, whose people have not fared nearly as well as the people of the Dominican Republic.

Let us take, for example, Venezuela. As I pointed out in my report, millions of dollars have been poured into that country in payment for its natural resources. However, very little of this money has trickled down to the masses, except in those cases where American and other interests have been exploring for oil and gas. In those areas a good job is being done by U.S. firms in providing, all at their own expense, free schools, good hospitals, fine homes, and wages much higher than the minimums fixed by the government. I gained much satisfaction from seeing such conditions.

As my report shows, I found the same conditions prevailing in the iron mining districts near Cerro Bolivar and on the Orinoco River. I made a trip into that area and saw two new cities being laid out—one on the Orinoco River and another at the base of the huge mountain from which the iron ore is obtained.

It was heartwarming for me to see the local people living in such excellent circumstances. The homes were supplied with electricity, and were fronted with fine streets, sidewalks, and beautiful gardens. And imagine, all of this in an area which not too long ago was nothing but mere jungle.

May I say to my friend from Oregon such conditions make the people take a new lease on life; make them more prosperous, and make them better customers of our products. That is what I tried to point out in my report.

Mr. MORSE. Mr. President, if the Senator will yield once more, I shall conclude. The Senator from Louisiana mentioned the so-called Murphy case, which involved a citizen of the State of Oregon——

Mr. ELLENDER. I know all about it. That is why I mentioned the case.

Mr. MORSE. I wish to point out that the record of that case has been rather voluminous. The senior Senator from Oregon has been able to follow only the reports and investigations of our own Government officials. It is not my intention to engage in a discussion of the Murphy case, except to say I think it is a pretty sad case insofar as its handling by the Dominican Republic officials is concerned. However, I have a sense of humor in regard to one aftermath of it, and that is the proposal by the Governor of Oregon that all the benefits of any purchases of products originating in the State of Oregon would be cut off by the Dominican Republic if the representatives in Congress from Oregon did not stop criticizing the Dominican Republic leaders. I am sure the Senator from Louisiana knows that suggestion did not deter me one bit——

Mr. ELLENDER. Not at all.

Mr. MORSE. Because I believe whatever the facts are should be made a matter of public record.

Mr. ELLENDER. I knew the Senator from Oregon was interested in the Murphy case, and I thought I would mention it. My report does not say a thing on the Murphy case. I did not think it was my business to go into a subject which

would take extensive investigation, particularly since I did not have that much time available.

Mr. MORSE. I agree.

Mr. ELLENDER. I had limited my investigation to our operations in that area, and to what I saw in 1958 as compared to what I had seen during my previous visit in 1952. I may say to the Senator that what I observed was a revelation. The city of Ciudad Trujillo is beautiful and clean. It has fine markets and nice homes, and the shanties on the periphery of the city are being torn town and replaced by good housing.

I did not go to all cities in the Republic, but, from what I learned from our representatives, fine hospitals and schools are being built throughout the country. At the present rate, it will be but a short period of time before all the people will have access to fine hospitals, good schools, and excellent roads.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Alabama.

Mr. SPARKMAN. I wish to compliment the Senator from Louisiana on another comprehensive reporting job. The Senator from Louisiana has, during the years, traveled in practically every country of the world. I do not imagine that there are very many in which he has not traveled.

Mr. ELLENDER. Only two countries.

Mr. SPARKMAN. There are only two countries into which he has failed to penetrate during the years he has been making annual trips.

Mr. ELLENDER. Those two countries are Bulgaria and Albania.

Mr. SPARKMAN. We have no mission in either place.

Mr. ELLENDER. That is correct. At present we do not have diplomatic relations with those countries. However, I hope that it will be possible to establish diplomatic relations with them so that it will be possible for me to visit them. Notwithstanding the facts I may learn on such a trip, I will then have made a visit to every country in the world.

Mr. SPARKMAN. I certainly hope the Senator will get into those two countries. If any American is able to, I am sure he eventually will.

Mr. ELLENDER. Thank you.

Mr. SPARKMAN. I think we owe a great deal to the Senator from Louisiana for what he has been doing through the years in visiting different areas. As a matter of fact, I have expressed myself to members of the Committee on Foreign Relations to the effect that I hope that some year during an adjournment of Congress the Foreign Relations Committee might divide up the membership and visit every single country in the world during that one adjournment of Congress. I know it would be a monumental task, but I think it would be worth a great deal to us to show our interest in every single country.

I am sorry I was not present in the Chamber to hear what the Senator from Louisiana had to say about his report on Latin-America——

Mr. ELLENDER. I have just started.

Mr. SPARKMAN. Nevertheless, the Senator from Louisiana has said something. He was speaking when I entered the Chamber. I was attending a luncheon at which the mayor of West Berlin was present. We spent considerable time talking to him about one of the pressing problems at this time.

I have not had time to read the report of the Senator from Louisiana, which consists of about 500 pages. I am a member of the Latin-American Subcommittee of the Committee on Foreign Relations, of which the Senator from Oregon [Mr. MORSE] is chairman. We are engaged in a rather long, and I believe, thorough, study of Latin America. I am sure the report of the Senator from Louisiana will be most helpful. Regardless of what conclusions the Senator from Louisiana may have drawn from some of his long visits, he has given us a fine reporting job. I am sure it is true of other sections of the world, but I think the greatest benefit that comes out of such report is the fact—and this is particularly true of Latin America—that the people have regarded us as taking them for granted. There is considerable justification for such a feeling. So often we have spoken of our fast allies in the Western Hemisphere. We have boasted of the fact that we can count on them in the United Nations, and count on them in other places. The people of Latin America have come to regard us as taking them for granted. I think all of us have come to the realization, in the last year or so, that that kind of attitude on our part is not one which influences and makes friends of them.

I think that the mere fact that the distinguished Senator from Louisiana was willing to take his time to go to each of these countries and to devote more time than the average Senator in making a trip of that kind finds it possible to devote to each particular country, certainly is a demonstration of the fact that we are more than just a little concerned with Latin America. The Latin American countries are our good neighbors. We want them to be, and we want them to continue to be our good neighbors, and we want to be a good neighbor to them.

I think the trip of the Senator from Louisiana certainly was a manifestation of that kind of attitude, and I commend him for it. I express my personal thanks to the Senator for doing such a great service for our Nation.

Mr. ELLENDER. I thank the Senator from Alabama. I wish to say to him that in addition to the report, to which the subcommittee has access, the subcommittee may also have the use of the diary I kept throughout my complete inspection trip. I did not put the whole diary into the report, because it would have made it too voluminous. In addition, I have a great deal of material which has been classified, which would be of great benefit to the committee. I shall be glad to let the committee have all of this data.

I also wish to say to my good friend from Alabama that no one accompanied me on this trip, as I said a while ago, not even a secretary. The report was written by me, with the aid of my own office force.

Mr. SPARKMAN. Following the return of the Senator from the trip.

Mr. ELLENDER. That is correct. Furthermore, I may add that the entire cost of the trip to the Government was a little over $1,500. The cost to the Government was $1,025 for actual travel expenses, and about $500 for other expenses. The rest I paid out of my own pocket.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Montana.

Mr. MANSFIELD. I think it ought to be said that while there may be disagreement at times with the Senator from Louisiana as to the conclusions he has reached, there can be no disagreement as to the integrity of the senior Senator from Louisiana. The fact that the Senator embarks on these expeditions every year, usually going alone, undertaking a good deal of factfinding at his own expense, and returning with a detailed report, speaks well for the senior Senator from Louisiana and the activity in which he has been engaged.

I think the reports the Senator has made in the years since I have been a Member of the Senate have been not only outstanding, but also very worthwhile.

I express the belief it is unfortunate that we did not pay more attention to some of the recommendations of the senior Senator from Louisiana. I am glad to note that the chairman of the subcommittee dealing with Latin American affairs, the Senator from Oregon [Mr. MORSE] the Senator from Alabama [Mr. SPARKMAN], also a member of the committee, and the distinguished Senator from Florida [Mr. SMATHERS], are present in the Chamber. My reason for mentioning the Senator from Florida [Mr. SMATHERS] and the Senator from Oregon [Mr. MORSE] is a statement made by the Senator from Oregon to the Senator from Louisiana, with which the Senator from Louisiana concurred, to the effect that in their belief there were too many military missions in Latin America.

I am recalling to the attention of the Senate at this time the very noteworthy speech made by the Senator from Florida in Miami at a banquet attended by President Arturo Frondizi of the Argentine Republic, in which he at that time made a somewhat similar recommendation.

I have a question: Is the Senator from Louisiana aware of the fact that for many years many of the members of the military missions in Latin America have been operating under a law which gives them special privileges, and in certain areas allows them additional emoluments of office, and also the right to hold office in the country to which they are assigned?

Mr. ELLENDER. In two or three countries I did come across that situation. I learned that certain people are receiving additional emoluments.

Mr. MANSFIELD. From the country to which they are accredited.

Mr. ELLENDER. Yes. I discovered that in quite a few countries in South and Central America and the people there are not very happy about having these military missions present. Our

UNIVERSITY OF MICHIGAN LIBRARIES

own people say, "It would be better to send them back home."

In the recommendations contained in my report I have stated specifically:

I recommend an immediate reduction in the overall emphasis on military aid. It has long been my feeling that the United States has no business trying to inflict large armed forces upon the struggling economies of underdeveloped nations.

Nevertheless that is what we are doing, not only in South and Central America, but also, as I pointed out in last year's report, in the Near East and the Far East.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. Would the Senator recommend that greater concentration be placed upon economic assistance—of the right kind, of course?

Mr. ELLENDER. Does the Senator refer to South and Central America?

Mr. MANSFIELD. Yes; to Latin America.

Mr. ELLENDER. I pointed out in my current report that the people of South and Central America, in my humble judgment, do not want charity. They want loans, so that they themselves will be able to build up their economies.

There are only five countries in South and Central America, as I recall, which received grants during fiscal 1958. The rest of the countries have received technical assistance, and of course a little economic aid through the technical assistance program.

As I pointed out in my report, when I visited these countries in 1952 I discovered that much of the technical aid assistance was being used contrary to the intent of Congress. Money appropriated for the use of technicians was being used for capital improvements. In my judgment, technical aid should be limited to showing people how to do things. The actual construction, for instance, of buildings goes beyond the province of technical aid.

On my visit this year I found that only in a few countries are there still violations of the rules set out in the law, in my opinion.

In my report in 1952 I showed that much of the technical aid money was not used for the purpose specified but for economic aid. As a result, the Development Loan Fund was established. Since the Development Loan Fund was created and put into operation I have found only a few instances where money which had been appropriated for technical assistance was being used for investment. My report shows two or three specific instances of this. For instance, in one country we have furnished or are now furnishing $1,100 per unit to pay for bricks, mortar, and other things in order to build low-cost homes.

I am not saying that this is a bad program. It is probably doing a great deal of good. However, my point is that such programs do not qualify as technical aid. The technical aid program was never intended to embrace such projects.

Such programs should come under the Development Loan Fund, and not under the technical assistance program. If we could correct some of those evils—which I hope will be the case—the technical aid program would become more effective, because it is teaching the people how to make better use of their resources.

In South and Central America we also have the Import-Export Bank, which is lending a great deal of money. Other institutions are lending money in that area. However, I am suggesting that some new type bank be established. This new bank would be financed by the United States and would be operated under our supervision by the people of South and Central America, for their benefit. I also propose that branches be established in all Latin American countries, and that their primary purpose should be to loan money to small local businessmen. In my judgment, this new-type bank would do a great deal of good, because we would be helping the little people in those countries, the people who will generally help the masses of the people.

As I point out in my report, the great difficulty in South and Central America is that notwithstanding all the money we have spent in the past, and all the investments that have been made by the people of the United States and others, much of the profit does not go to the masses of the people. It usually makes the rich richer, while the poor stand still. I point that out in my report.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I am quite sure that this report will be a useful source document for the Morse subcommittee, which is now getting under way and is undertaking a 2-year survey of our relations with Latin America. Again, let me say that I am delighted that a man of such great integrity and honesty as the senior Senator from Louisiana has brought before the Senate, as well as before the Foreign Relations Committee, such a detailed and comprehensive report based upon his 2-months' visit to all the countries of Latin America, with the exception of Bolivia and Paraguay, as I understand.

The Senator is to be commended.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SMATHERS. The Senator suggested that there should be a bank, that we would participate in it, and that representatives of each of the Latin American countries would also participate. Does the Senator contemplate that this bank would take the place of the proposed inter-American bank?

Mr. ELLENDER. No; I am not saying that at all. This bank would be in addition to those now in effect. It would be a supplement to the program now being carried on, so that the small businessmen of South and Central America could say, "This is ours. This is for our use." It would be more of a help to small business than anything else. The Senator is familiar with the interest rates in South and Central America.

Mr. SMATHERS. They are enormous.

Mr. ELLENDER. They are too high. A small businessman cannot possibly make a start. If it were possible for us to create a bank which would assist the small businessman, I think it would go far toward helping the masses of the people. However, as can be seen in my report, I have attached a few strings to the operation of the proposed bank.

Mr. SMATHERS. I agree with the Senator that there should be restrictions.

I firmly agree with the Senator in his conclusion that the trouble with so much of our aid heretofore has been that it has tended to help those who already had enough, and enable them to get more, while the people who had too little continued to have too little. The question is, How can we generate a system which will build up a stronger economy and a higher per capita income among all the people, while at the same time providing better education, and better health for all the people? As the Senator so ably points out in his report, once there is established a climate of stability, we shall have political stability, and private investment from outside will be made.

I congratulate the Senator on the report he is making. I hope many Senators will take the opportunity to acquaint themselves with the facts set forth in the report.

Mr. ELLENDER. I thank the Senator.

Prior to 1955, I concerned myself primarily with the embassy operations of our Government overseas. However, as I was able to gain experience, during the course of my inspections, it has been possible for me to cover more ground in the time allotted for my travels. Thus, in connection with my current report covering foreign operations in Latin America, as has also been the case in my last three reports, I not only inspected our embassy operations but also operations of the U.S. Information Service, the International Cooperation Administration, the military attachés and the military assistance advisory groups located in the countries of Central and South America, as well as some of the Republics in the West Indies.

During my tour of Central and South America I visited all countries with the exception of Paraguay and Bolivia. In addition, I found time to visit British Honduras, British Guiana, Trinidad, the Dominican Republic, Haiti, and Cuba. I was gone for a total of 51 days, leaving the United States on October 26 and returning on December 15, 1958. In 1952, I made an inspection tour of practically all of those same countries.

Mr. President, my current report on Latin America consists essentially of three parts, and includes the following:

In the first part I have summed up my general conclusions deduced from my inspection and from the analysis of the answers to the questionnaires I sent to each of the U.S. Government agencies operating in these countries.

In the second part I have enumerated specific recommendations concerning improvements which I believe can, and should be, made in various U.S. operations in the Latin America area.

In the third part of my report, which comprises the great bulk of the data I

obtained in each country, I have detailed in brief narrative descriptive form the work and operations of the various U.S. agencies, and have followed this narrative with exhibits, statistical data, project descriptions, and other pertinent information.

Mr. President, I point out that in many of the Latin American countries I again found forces at work which are not unlike those in other areas of the world and which, perhaps for lack of a better name, can all be classified under the general term "nationalism."

In the Near East, in southeast Asia—in fact, in much of Asia and Africa—these forces have resulted primarily from years of economic exploitation and political colonialism practiced by European countries.

In my humble opinion, there is not a question of doubt that the longstanding domination by these foreign powers produced the bubbling caldron of emotions which has boiled over more than once, and which gives every indication of boiling over again.

The explanation for the bitterness and the ill feeling prevailing in these underdeveloped countries of the Eastern Hemisphere is readily apparent. However, the reasons for the existence of similar conditions in our own hemisphere amongst our neighbors in Latin America are not readily identifiable.

It is with regret that I am compelled to report to the Senate and to the people of our great Nation that the good neighbor policy which had been put into effect in 1936 is now considered to be a policy of "good neighbor" in name only by the vast number of peoples of the American Republics. That our vaunted good neighbor policy is not held in high esteem by the people of Latin America is all too evident in the events of the past months which are now recorded in the annals of history. We have only to review what has happened here in the past year to realize that something must be done by the leaders of the Western Hemisphere if this policy is once again to be a living thing.

The shocking treatment accorded Vice President and Mrs. Nixon on their visit to Peru and Venezuela, the recent revolution in Cuba, the student strike in Mexico—all of these, Mr. President, serve notice that strong, often violent, and, unfortunately, frequently misunderstood forces are present in Latin America.

While visiting our friends in Latin America I made inquiries and pressed for specific examples of American neglect or economic discrimination, and those most critical of American policies were unable to provide them.

In fact, Mr. President, many of the complainers simply referred to the tremendous aid that we made available to the countries of the Eastern Hemisphere, and asked the question: "Why were we so neglected?"

In my humble opinion, the underlying reason behind the growing dislike of the United States is but another reflection of a prevailing desire among the Latin American people to better their way of life.

Mr. President, it seemed apparent to me that there is a broadening belief among these people that since many of the raw materials which feed U.S. industries come from the nations of Latin America, the United States is, in effect, living off the sweat of the brow of Latin Americans.

It was exceedingly difficult, if not impossible, for me to endeavor to convince many of our severest critics in that part of the world that U.S. private enterprise pays—and pays well—for the raw materials it purchases from the American Republics.

Furthermore, Mr. President, I believe that our critics often have overlooked that the American firms operating in Latin America, particularly, in the development of natural resources and manufacturing, have generally adopted an enlightened attitude toward their employees, providing hospitals, schools, good housing, fair pay and other benefits that are known only to the people of our own country.

However, notwithstanding the altruistic motives of the American firms operating in Latin America, the cold facts are that the profits derived from sales to, and investments by, our U.S. firms are not generally used to benefit the masses of the people. An example of this is personified in the relatively developed country of Venezuela where, even though American capital has brought tremendous advances in the living standards of local employees of U.S. firms, there remains considerable poverty amongst the masses of the people.

Mr. President, there are many Americans who believe in the so-called "trickle down" theory, that is, if the industrial firms of a country profit, then a good portion of the profits should trickle down to the masses of the people. Although this may be true to some extent in a highly industrialized economy such as ours, it is evident, in fact, apparent, that such does not follow in the case of those countries that are not as highly developed. Labor is not well organized and the governments do not try to enforce minimum labor requirements. Their tax structures are inadequate, as my report shows.

In my travels throughout the underdeveloped countries of the Eastern Hemisphere I have observed millions and millions of dollars of our economic aid going into the pockets of the wealthy inhabitants, while the masses remained as impoverished as they have always been.

In the Latin American countries the situation seems to be identical, with the only difference being that United States firms develop resources which result in providing economic aid indirectly, rather than the U.S. Government rendering grant aid directly as is the case with the underdeveloped countries of the Eastern Hemisphere.

Mr. President, in my humble opinion, if there is a deprivation of the masses and the economic wealth created is not trickling down to the masses, the fault does not lie with the American firms who are operating in these countries, or with our Government, but, evidently, it is caused by the internal economic pattern existing in these countries, where the rich get richer, while the poor get poorer.

Mr. President, as long as these conditions prevail, so it will follow that the economic gains will be directed into the pockets of the rich instead of to the masses of the people. Anything done by our Government or through investments made by Americans in this area will inevitably benefit only the wealthy.

I do not mean to imply that the future of Latin America is hopeless, for the potentials creating great wealth are present. All that is needed is the proper attitude on the part of the moneyed classes of these great countries to the south of us.

Mr. President, I want to emphasis that whereas Latin America needs assistance, the peoples of these great countries are proud and they do not desire charity.

It is my firm belief that long-term loans for economic development should continue to be made, but they should be conditioned upon the proper assurances that the proceeds will be used to finance projects and facilities beneficial to all the people.

In fact, Mr. President, I believe that in making these loans, consideration, aside from normal criteria, should also be given to conditioning the disbursement of such loans to the tax laws of the country to whom the loan is made. In brief, I feel that the burden of taxation must be placed on the shoulders of those who are able to pay, if the reforms I suggest are to come to pass.

Mr. President, I am aware that this suggestion is vulnerable and the argument can rightly be advanced that the tying of such strings to a loan would amount to infringement upon the sovereignty of our neighbors. However, departing from cold logic, it would appear to me that the requirement of internal tax reform as a means of assuring due repayment would be nothing more than the rightful prerogative of any prudent lender.

Mr. President, fortunately, exploitation of the peoples of Latin America by American firms is today the exception, rather than the rule. For this we should all be grateful. However, as an additional safeguard, I would further recommend that the American private enterprise seeking to do business in Latin America should be compelled by the U.S. Government to meet certain basic standards of conduct, which should be designed to assure the payment of fair wages, and to hasten economic development of the nation involved for the benefit of all the people.

In my humble opinion, an enlightened local business community must be developed—a business community which understands that the payment of fair wages, the raising of living standards, the extension of mass medical and educational benefits to the poor are not only desirable from a humanitarian point of view, but vitally necessary if the pent-up demand for a better way of life is not to explode violently and destroy those who today feed and grow fat at the expense of the poor.

UNIVERSITY OF MICHIGAN LIBRARIES

While there is an apparent trend among our own diplomatic and foreign aid officials to recognize the seriousness of what is obviously a lack of responsibility for the welfare of all the people among the ruling classes of Latin America, I must reiterate that United States economic assistance is by no means a panacea.

Mr. President, the correction of what could become a desperate situation can only come from the businessmen of Latin America, and it is they who must be convinced that it will accrue to their ultimate benefit if the living standards of the masses are elevated.

In my judgment, our needs and the needs of our Latin America neighbors, if properly directed, can be the basis of mutual growth, stability and prosperity. We must revitalize the good-neighbor policy—we must restore the spirit in which it was conceived. Truly, the two continents of the Western Hemisphere are neighbors, and neighbors we must remain. It is not only the factors of geography that make it so, but our origins and our aspirations are essentially the same. We are joined by a common bond of history and a common desire for freedom. Our ideals are founded on the dignity of man, and our beliefs in the rights of the individual are so sacred that we are willing to sacrifice our all to protect them.

Mr. President, I feel confident that because of the ideals held dear by countries of the Western Hemisphere that it is not likely that any of them will succumb to the evils of a totalitarian state.

I do not make any pretense about having all of the answers for solving the problems facing our neighbors in Latin America. However, I feel that the 21 recommendations listed in my report, if implemented, should make some small contribution in arriving at a solution to some of these problems. I am hopeful that the parties to whom they are directed will take heed and give them every consideration.

Mr. President, it is not my purpose or desire to discuss my conclusions and my recommendations in more detail. I ask unanimous consent that my conclusions and recommendations be made a part of the RECORD and that they be printed following my remarks.

There being no objection, the conclusions and recommendations were ordered to be printed in the RECORD, as follows:

CONCLUSIONS

I again found forces at work in much of Latin America which are not unlike those seething in other areas of the world and which, perhaps for lack of a better name, can all be lumped together under the general term "nationalism."

In the Near East, in southeast Asia—in fact, in much of Asia and Africa—these forces have resulted primarily from years of European economic exploitation and political colonialism.

There, longstanding domination by foreign powers produced the bubbling caldron of emotions which has already boiled over more than once, and which gives every indication of boiling over again.

The explanation for the bitterness and ill-feeling in those areas of the world are readily apparent.

The reasons for the existence of similar conditions in Latin America, on the other hand, are not so easily identifiable.

However, I am compelled to report to the committee that although the good neighbor policy has been in effect since 1936, there is a large—and growing—body of public opinion in the American Republics which seems convinced that the United States is today a good neighbor in name only.

When pressed for specific examples of American neglect or economic discrimination, those most critical of American policies were unable to provide them. Many complainants simply referred to the tremendous aid that we made available to countries of the Eastern Hemisphere, and asked the question: "Why were we so neglected?"

In my opinion, the underlying reason behind a growing dislike of the United States is but another reflection of a prevailing desire among the Latin American peoples to better their way of life.

It is unfortunate, but, in most cases, true, that our neighbors to the south are envious of the prestige, power, wealth, and economic productivity of the United States. There is also a broadening belief that since many of the raw materials which feed U.S. industries come from the nations of Latin America, the United States is, in effect, living off the sweat of Latin America's brow.

It is difficult, if not impossible, to convince many of our severest critics in that part of the world that U.S. private enterprise pays, and pays well, for the raw materials it purchases from the American Republics.

In addition, while payment is ample, it is often overlooked that American firms operating in Latin America, particularly in the development of natural resources and manufacturing, have generally adopted an enlightened attitude toward their employees, providing hospitals, schools, good housing, at their own expense, and fair pay.

However, even though it is true that U.S. firms doing business here are not exploiting the area, the cold facts are that the bulk of Latin American profits derived from sales to, and investments by, U.S enterprises are not generally used to benefit the masses of the people.

Thus, even in such relatively developed countries as Venezuela, where American capital has sparked tremendous advances in living standards of employees of U.S firms there remains considerable poverty among the masses of the people.

As the violence directed against Vice President and Mrs. Nixon demonstrated, much of Latin America believes the United States is stealing its natural resources.

In my opinion, if there is theft involved, it takes place after a fair price for Latin American materials is paid by American purchasers and before these profits trickle into Latin American treasuries.

In other words, in the majority of Latin American countries economic development has brought more wealth to the wealthy and very little to the masses of the people.

Basically, this situation cannot be corrected by the United States. Certainly we should not attempt to correct it by extending wholesale economic aid to this area. As a matter of fact, as my report amply demonstrates, much of the economic and related assistance already made available to this part of the world has, as in the case of economic development, further enriched the well-to-do, with only a pittance trickling down to those who need help the most.

We certainly must not place ourselves in the position of actually fostering dissatisfaction and unrest while attempting to do just the opposite.

And yet, under existing conditions and without far-reaching Latin American internal reforms, further U.S. economic assistance is destined to produce that result.

So long as existing conditions prevail, so long as established internal economic patterns exist—patterns which automatically direct the fruits of economic gains into the pockets of the rich instead of into the thirsty mouths, the sick bodies, and hungry bellies of the poor—U.S. aid will inevitably benefit only the wealthy.

In effect, we might well be helping to forge a weapon to be used against us at some future time.

This does not mean, however, that the future of Latin America is hopeless.

This area is potentially one of the wealthiest parts of the world. It abounds in natural resources—petroleum, iron ore, nitrates, lead, zinc, and countless others, all of which are mostly owned and controlled by the countries in which they are found. With very few exceptions, they cannot be explored or otherwise developed except by concessions from the state. In other words, in most instances, the state owns all resources beneath the soil.

These resources, which are ostensibly the property of all the people if properly used, can bring not only a constantly rising standard of living to the people of Latin America, but assurance of continued economic well-being to the United States.

I wish to emphasize that Latin America needs assistance, but she does not want charity.

Long-term loans for economic development are being, and should continue to be, made available. However, they should be conditioned upon proper assurances that the proceeds will be used to finance projects and facilities beneficial to all the people. Consideration should also be given to conditioning the disbursement of such loans or changes in Latin American tax laws—laws which are either extremely lax, or which are honored more often in their breach than their observance. In short, the burden of taxation must be placed on the shoulders of those able to pay, if the reforms I advise are to come to pass.

It will be argued that the imposition of such conditions would infringe upon the sovereignty of our Latin American friends. In one view, they perhaps would, but, if the loans were properly secured, the requirement of internal tax reform as a means of assuring due repayment would, in my opinion, be nothing more than the rightful prerogative of any prudent lender.

I would further recommend that American private enterprise seeking to do business in Latin America be compelled by the U.S. Government to meet certain basic standards of conduct, designed to assure the payment of fair wages, to preclude the reaping of vast or unconscionable profits, and to hasten economic development of the nation involved for the benefit of all the people.

Fortunately, exploitation by American firms is today the exception rather than the rule.

Development is no longer synonymous with exploitation.

Assurance must be given that this will remain the case.

An enlightened local business community must be developed—a business community which understands that the payment of fair wages, the raising of living standards, the extension of mass medical and educational benefits to the poor and humble are not only desirable from a humanitarian point of view, but vitally necessary if the pent-up demand for a better way of life is not to explode violently and destroy those who today feed and grow fat at the expense of the poor.

While there is an apparent trend among our own diplomatic and foreign aid officials to recognize the seriousness of what is obviously a lack of responsibility for the welfare of all the people among the ruling classes of

Latin America, it must be emphasized again that U.S. economic assistance is not a panacea.

The correction of what could become a desperate situation can come only from the businessmen of Latin America. They must be convinced that it will be to their ultimate benefit if wages are raised and basic social institutions—schools, hospitals, decent housing, etc.—are fostered.

If these were accomplished, the benefits would be twofold: (1) A rising standard of living, providing, ultimately, for vastly enlarged markets, plus increased consumer purchasing power, and (2) a satisfied population, bringing stability to governments, and the creation of a climate attractive to private investment.

Finally, I wish to make it clear that I do not urge these reforms in the spirit of criticism, but, rather, with the full realization that the continued well-being of our own country is tied directly to the fortunes of our Latin American neighbors. I sometimes wish it were possible to enmesh, in some way, our own economy with those of the countries to the south of us.

The United States needs materials for its factories, outlets for its manufactured products, the assurance of growing mutual trade with the nations to the south. In fact, I would venture to again say that if the wheels of our great industrial facilities are to continue to turn at their present rate we will be compelled to look to the south of us for raw materials.

In my judgment, our needs and the needs of our Latin American neighbors, if properly directed, can be the basis of mutual growth, stability, and prosperity. We must revitalize the good neighbor policy—we must restore the spirit in which it was conceived.

Truly, the two continents of the Western Hemisphere are neighbors, and neighbors we must remain. The factors of geography alone so dictate.

Our aspirations are similar; our origins are essentially the same. We are joined by a common bond of history and a common desire for freedom. Our ideals are founded on a spiritual concept of man. Our belief in the rights of the individual is so sacred that we willingly sacrifice our all to protect them.

These concepts, of themselves, offer assurance that no part of the Western Hemisphere is likely to succumb to a totalitarian state.

Above all, just as the United States and our Latin American neighbors share a joint past, so must we share a joint future.

As neighbors, linked by common bonds of friendship, history, tradition, and culture, we must join hands today, as partners in tomorrow.

RECOMMENDATIONS

The following recommendations, dealing with Embassy operations, the U.S. information program, the International Cooperation Administration programs, the military attaché offices, military assistance advisory groups, and other governmental missions, are based upon the data and observations which the committee will find outlined in detail in the country-by-country reports which follow.

EMBASSY OPERATIONS

1. I recommend that more freedom be given U.S. ambassadors in the field, particularly in the handling of personnel and funds of the Embassy, and that more reliance be placed upon their judgment.

I found in many instances that our ambassadors have their hands tied by the State Department at the Washington level. If the State Department has sufficient confidence in a chief of mission to entrust him with the administration of our affairs in a foreign country, then it should have enough confidence in his patriotism and commonsense to permit him to do the job as he may think best, within broad limits. I again found, generally, that there is a tendency for the Washington bureaucracy to establish one overall pattern for the embassies to follow, with little or no flexibility permitted.

Two specific examples illustrate my point.

First, the chief of mission does not have the authority to assign personnel among the various sections of the Embassy. This lack of authority precludes any day-to-day adjustment of duties among the various Embassy sections, and, in addition, denies to the Ambassador the authority over functions performed by officers who are otherwise subject to him, upon whose performances his reputation is dependent in large measure, and upon whose information his decisions must be based.

Second, a more or less uniform reporting system imposed upon all missions, regardless of location, status, or problems peculiar to the specific areas where they are located, often imposes an unnecessary workload on otherwise limited staffs, or, in the alternative, requires the undue expansion of staffs, at considerable cost to the Government. Much unnecessary reporting could be eliminated if our chiefs of missions had the power to so direct.

2. I recommend that chiefs of missions be vested with the right of review and veto over all military assistance programs, plus those of the U.S. Information Service and the International Cooperation Administration. The chief of mission is the top-ranking representative of the U.S. Government in any country. Within a given country, the chief of mission is responsible for the conduct of the foreign policy of the United States; upon his shoulders rests, for all practical purposes, the total burden of U.S. diplomacy.

Denying a chief of mission the right of review over, and veto of, projects affecting relations between the nation to which he is accredited and the United States (and certainly the programs administered by USIA, ICA, and MAAG have important and direct effects upon that relationship) is, in effect, to make the Ambassador responsible for consequences over which he has no control.

Our chief of mission should also be empowered to fire all personnel in excess of what he deems to be necessary. He should be consulted if more personnel is to be provided in any of our missions under his jurisdiction.

3. I recommend that administrative support for all U.S. agencies or missions—including military personnel—on duty abroad be provided by the administrative section of the diplomatic mission in which those agencies are located. That would also cover the procurement of living quarters for all of our personnel. As is now the case, our personnel vie with each other for the rental of homes to live in, and rents go up in proportion to the rental allowance provided.

In many instances, the International Cooperation Administration (USOM) and U.S. Information Service maintain administrative staffs, separate and apart from that operated by the Embassy, and separate and apart from one another. I call particular attention to the administrative costs for some of our ICA missions, most of which engage in technical assistance programs.

Since all the money required to pay these expenses is coming from the same pocket—Uncle Sam's—I see no reason why the Embassy could not handle all administrative duties for all U.S. agencies, including the disbursing of salaries, preparation of budgets, etc.

4. I recommend that the Appropriations Committee require that a fair sampling of officials from the field be present to testify on and justify individual items affecting their posts during the committee's consideration of State Department budgets.

These officials are the frontline troops, so to speak; they should be accorded an opportunity to freely and fully express their views at firsthand.

In addition, it is my judgment that the committee's work could be considerably facilitated if the independent and unrestricted testimony of such witnesses were available.

I submit this recommendation fully aware of its possible cost. However, I am of the opinion that, in the long run, the initial cost of transporting a reasonable number of such persons to the United States for this purpose would be more than offset by savings which could be made in program expenses. In addition, the Department of State, I understand, usually requires that chiefs of missions return to Washington at least once a year for consultation. This usual trip could be scheduled to coincide with congressional consideration of the appropriate budget requests, if an effort were made to do so.

5. I recommend that the Departments of Agriculture and State reevaluate the justification for maintaining agricultural attachés in Latin America.

Generally, I found that most of the operations of agricultural attachés are so much wasted motion, as specific instances in the attached country-by-country reports demonstrate.

Reports on crop production and market outlooks could be done by a member of the Embassy staff as was done in the past, thus reducing expenses in the field. As I pointed out in some of my country reports, there has been no increase in imports of surplus commodities. In most countries, food importations decreased and our agricultural attachés engage in merely making statistical reports.

U.S. INFORMATION SERVICE

6. I recommend that the press programs of the U.S. Information Service in Central and South America be terminated at once, as they are ineffective.

7. Television and radio programs in this area should be reevaluated, with emphasis placed upon the use of such media only in areas where receivers are generally available. In some large cities of Latin America, where television receivers are common, television programs could well be continued. However, to offer television programs in areas where receptionability is only nominal, and to conduct radio broadcasts in areas where receivers are regarded as curiosities, amount to wasted motion and money.

8. I specifically urge that the Information Service tailor its activities on a country-by-country basis, emphasizing the use of mass media only where obviously justifiable. In addition, in those areas where literacy rates are low—and there are many in Latin America—the publication of pamphlets, etc., should immediately be discontinued, and emphasis shifted to other more useful purposes.

9. I also doubt the effectiveness of the so-called intelligentsia approach, whereby magazine and subscriptions to other periodicals are offered free of charge to a selected few community leaders and other public officials. In most cases, such officials are well able to afford to purchase their own periodicals; in any event, USIS-donated materials are almost universally regarded as propaganda, and, thus, are without substantial effectiveness.

10. I particularly urge the Information Services to conduct its operations with more finesse; the rapier is often more effective than the bludgeon. In most areas of South and Central America, the Information Service has become synonymous with propaganda and, therefore, has either lost, or is rapidly losing, its usefulness.

UNIVERSITY OF MICHIGAN LIBRARIES

11. I recommend that the USIS salary structure be reexamined. I found instances of public affairs officers drawing total salaries, including rental allowances and hardship allowances, in the vicinity of $20,000 per year. The following illustrate my point:

(1) USIS/Venezuela, public affairs officer:

Salary	$12,120
Post allowance	3,600
Quarters	6,000
Transportation allowance	125
Representation allowance	48
Total	21,893

(2) USIS/Haiti, public affairs officer:

Salary	$11,770
Quarters	3,000
Hardship allowance	1,765
Post allowance	480
Total	17,015

This officer, incidentally, supervises a mission staffed by one other American officer and four local employees.

Several other examples of large salaries and expenses include:

Public affairs officer, Panama, $18,350.

Public affairs officer, Nicaragua, $18,336.

Public affairs officer, Buenos Aires, $18,253.

Public affairs officer, Havana, Cuba, $19,253.

It should be pointed out that the Director of the U.S. Information Agency in Washington draws a total salary of $21,000 per year.

12. I also recommend the elimination of the post of specialized media officer. In almost every case, the staffs of the diplomatic missions can make press material available for local newspapers. (See recommendation 6.)

13. One of the bright lights of our information program in Latin America is the encouragement given to the establishment of binational centers. These are corporations formed under the laws of the country in which they are located, and organized by citizens of that country along with U.S. citizens.

The primary purpose of these centers is to provide facilities for the teaching of English, business courses, and the presentation of cultural programs, etc. Students pay a fixed fee for instruction. For the most part, the centers are self-sufficient.

These binational centers are creating more goodwill for the United States through Central and South America than any program now being conducted by USIS.

Therefore, it is my recommendation that these centers be encouraged. However, the United States should not endeavor to take over the operation of these centers. Such an attempt would destroy their effectiveness.

I was informed by some USIS personnel in Latin America that in certain instances these binational centers are administered by a U.S. grantee who is paid directly by the State Department. If true, in my judgment this is a direct violation of, if not the letter then surely the intent of, the exchange programs as now authorized.

However, even in the alternative, and assuming that such administrative grantees are being paid by U.S. Information Service, then I think this equally unconscionable.

The success of these binational centers has been predicated on the theory that the less U.S. governmental interference the better.

In many places these binational centers are going concerns which are completely self-sufficient. I can see neither reason nor excuse for USIS or the State Department to try to take over any sort of control of this program, or even to assist in paying for the erection of buildings to house these centers. Some of our "eager beavers" are suggesting that funds derived from our surplus disposal program be used for that purpose.

So long as these centers are under local control, they will remain effective exponents of our way of life and the principles for which we stand. However, once the Information Service and the Department of State involve themselves in the conduct, financing, or housing of binational centers, then immediately such centers become suspect. Their objectivity is open to question, and their effectiveness is automatically impaired.

Books, teaching materials, and, on occasion, teachers can and should be made available. However, every effort should be made to preserve the independence of these centers, free and clear of any semblance of U.S. Government control.

14. I recommend that our educational exchange program be expanded. That could be accomplished by the elimination of some of the programs I have suggested. More students from Central and South America should have an opportunity to come to the United States, and more of our students should be given an opportunity to learn about our friends to the south.

I further recommend that, insofar as the Latin American exchange students are concerned, great pains be taken to select students from the so-called lower classes. Economic status should not be made the criteria for further education; in addition, the offspring of poverty-stricken families should be encouraged to better themselves in order to return among their neighbors and assist in raising their living, health, and educational standards.

A studied effort should be made to avoid associating the exchange program with the prevailing tendency in some areas of Latin America to further educate the educated and ignore the schooling of the masses.

INTERNATIONAL COOPERATION ADMINISTRATION

15. I recommend that a cooperative loan program exclusively for use in Central and South America be inaugurated. This program should be participated in by the United States and the countries to the south of us. It should cater principally to small businesses and should supplement all other agencies or banks now established for extending credit in that area. A control bank should be established in one of the countries to the south of us, with branch banks in other countries participating in the effort.

I wish to repeat for the sake of emphasis that a new loan program of the type recommended need not interfere with the Development Loan Fund or any other program now in effect. It would simply augment them. In addition, it would have the effect of stimulating local investment within their own countries by the businessmen of Central and South America.

Because of a lack of capital, much of the technical assistance we make available to our friends in Latin America cannot be utilized. Unfortunately, I found a tendency among some of our planners to stretch the technical aid program in such a way as to provide the needed capital investment. This practice is directly contrary to the spirit, intent, and purpose of technical aid, and it should be terminated at once.

If capital investment of any kind is required, it should be provided from sources created for that purpose, such as I have recommended above, for example—not by violating the intent of Congress. (See specifically recommendation 16, below.)

I suggest that certain conditions be attached to all loans with a view toward improving the plight of the masses. Some may contend that this would amount to interference by the United States in the internal affairs of a foreign nation. I must admit that such a contention is essentially valid. However, it is my deep conviction that no lasting benefits will ever accrue to the masses of the people of South and Central America—those whom we should assist—unless those in business are made to pay their fair proportion of taxes and provide a reasonable wage to workers.

Any economic development effort should be essentially a program by Latin Americans, for Latin Americans, to benefit all Latin Americans.

16. Again I wish to call to the attention of the committee the practice of many of our ICA administrators of using technical aid funds for capital investments. I found cases where as much as $1,100 per unit were advanced for building homes for workers under the guise of technical assistance. Such a practice is inexcusable, and those responsible should be made to account for such a violation of the law.

Many servicios are also furnished money that is used for capital investments. This practice should be stopped.

I recommend that many programs should be discontinued because they have passed the demonstration point. In other words, we have shown the good effects of certain programs, but we are still contributing money for demonstration purposes. A classic example is our contribution to extend water facilities in many villages in Venezuela.

17. The cost of administering these programs is entirely too large. Most, or practically all, of the administrative work could be handled by the administrative sections of our embassies abroad, as I have previously pointed out.

18. It is my view that many technicians sent abroad are not competent. Some are, doubtless, political appointees with little experience. Some effort should be made at once to evaluate the competence of all technicians—and we have quite a horde of them.

19. I recommend that aid of any kind to British colonies in the Americas be halted immediately. British Honduras, British Guiana, and Trinidad are all under British control and are, therefore, primarily British responsibilities. I see absolutely no reason for the United States to spend any funds in these areas.

Actually, we are simply being asked to come in and revitalize areas that have been milked dry over the years by British exploitation.

In this connection, I was informed that the program in Trinidad has been inaugurated over the protest of the head of our mission there. Efforts are now being made to extend aid on many of the islands in the West Indies.

MILITARY ATTACHÉS

20. I again recommend that the activities of our military attachés should be unified. Clerical staffs and motor vehicles should be pooled. I do not see how it is possible for the many attachés we have all over South and Central America to keep busy. There is much loss of manpower. These men in uniform could certainly perform more valuable services for their country and every effort should be made to see that they do.

I again call the committee's attention to the fact that while Army and Air Force personnel have one paymaster the Navy has its own. There is no logical reason why one paymaster could not take care of the accounts of the three services.

MILITARY ASSISTANCE ADVISORY GROUPS

21. I recommend an immediate reduction in the overall emphasis on military aid. It has long been my feeling that the United States has no business trying to inflict large armed forces upon the struggling economies of underdeveloped nations.

The United States could, under appropriate circumstances, sell such military equipment to friendly nations as may be adequate to maintain internal security.

However, the United States should immediately reevaluate the need or necessity of maintaining advisory missions in the

countries to the south of us. I found that we were not wanted in some countries, but we seem to persist in remaining there.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DWORSHAK. For several years the Senator from Louisiana has rendered exceptional and outstanding service to the country, to Congress, and to the executive department by making annual inspection trips to various sections of the globe. Having traveled with the Senator in the fall of 1956 in southeast Asia, I am fully aware of the thoroughness with which he undertakes such assignments.

I regret that I was not present this afternoon to hear all of the Senator's comments on his Latin American trip last fall. Therefore, I should like to ask him whether he was able to discern in the Latin American countries any lack of a proper understanding of the foreign aid program advocated by our own Government in our efforts to cultivate good will in various parts of the world. What was the final conclusion which the Senator reached?

Mr. ELLENDER. Fortunately, I found that only five countries received grants in fiscal 1958. Most of the aid we have made available to the countries of South and Central America has been by way of technical assistance, and that program has worked very well. The only difficulty I found was that after we gave the people our technical assistance, there was the question of money: whether they could obtain sufficient funds in order to put into practice what they had learned from us.

In most cases the people go to the banks in their countries, where, as the distinguished junior Senator from Florida [Mr. SMATHERS] knows, the rates of interest are simply enormous—from 10 to 12 percent, and with a little discount added. Thus many persons are unable to go into business, even after we have aided them by teaching them a skill.

With respect to the countries, such as Guatemala, which do receive assistance from us by way of grants, I find that when we start to make grants, then those countries will want as much as the traffic will bear. So I recommend, so far as South and Central America are concerned, that the United States restricts its assistance to technical aid and a loan program.

I have just advocated the establishment of a bank to be operated in South and Central America. The capital would be furnished by funds provided by the United States and funds provided by local people and governments. The main bank could be established in one of the countries of South or Central America, and branches could be established in all other countries participating in the program. The idea would be to provide an opportunity to obtain money at a fair rate of interest for those who want to start small businesses. If we could do this, then I am certain that more and more of the masses of the people would receive benefits from such a program.

As conditions are now, I am sorry to say that many of the wealthy persons in the countries to the south of us do not care much about the welfare of the poorer people; they simply look out for themselves. I spoke to many high officials of countries on my tour. They agree—and I have included this in my report—that whenever any effort is made by a new government to improve the lot of the poorer people by providing more schools, more hospitals, or anything else to benefit all the people, then the question arises, Where will the money come from? As we all know, it usually comes from those who are able to pay. Thus we find that it is the wealthy persons who—many times—are the ones who foment opposition to reform programs, and cause the overthrow of reformers.

I found that situation to be prevalent in many of the countries of South and Central America. It is not the masses of the people who cause all the trouble; it is those who are called upon to pay, by a fair assessment of taxes, who usually complain the loudest and block these needed reforms.

Mr. DWORSHAK. I am certain that in his extensive travels the Senator endeavored to learn how efficient the operations of the U.S. Information Agency are. Can he tell us whether he thinks effective work is being done to create good will among the people of the Latin-American countries, so that they will have a more comprehensive, a more accurate, and even a more sympathetic understanding of the objectives of the United States?

Mr. ELLENDER. In my report I recommended that the press programs of the U.S. Information Service in Central and South America be terminated at once, as they are ineffective. I also pointed out in the report that if we were to restrict our efforts to a good exchange program and an expansion of the binational centers program, we would do a better job. The binational centers are created under the laws of the countries in which they operate. Local students pay a reasonable fee to learn English or some type of business course. We in turn help, in some countries, to pay some of the expenses of the centers. Because these binational centers are operated entirely by the people of the respective countries, I believe that much good is coming from them.

On the other hand, the U.S. Information Agency is looked upon more as a propaganda agency than anything else. That is why I say that its press programs should be terminated as soon as possible. I so state in my report.

Mr. DWORSHAK. I assume, then, that the Senator reached the same conclusion concerning USIA activities in Latin-American countries as he has reached concerning areas in Europe.

Mr. ELLENDER. I think some USIA activities have done more harm in countries to the south of us than they have done good in other countries across the sea. It may be that in some areas of the world the information program has done much good; for instance, the exchange program, the showing of moving pictures, and activities of that kind.

But, for instance, I found that in some cases the United States has spent millions of dollars to circulate pamphlets in countries where great numbers of the people are illiterate. The money spent for that activity has been wasted.

In addition, I am not in favor of the USIS program under which we pay for subscriptions to Time magazine, the New York Times, the New York Herald Tribune, and other periodicals, and present them to foreign leaders who are able to pay for them. This is money wasted, in my humble judgment. If the matter were left to me, I would dispense with the press service program entirely, because certainly our Embassies can supply the newspapers in all countries with any speeches made by the President, Mr. Dulles, or anybody else. That could easily be done.

It is also my judgment that USIS activity in the radio and television fields ought to be reevaluated. In countries where there are many receivers and good reception, the USIS participation should be continued. However, it is obvious to me that when there are limited television facilities in a country, then little emphasis should be put on television.

The situation in each country should be evaluated, and then a determination made as to what is the best method to interest the people of that country in our objectives.

Mr. CHURCH. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. ELLENDER. I yield.

Mr. CHURCH. I should like to commend the senior Senator from Louisiana for the diligent and comprehensive report he regularly makes to the Senate concerning his travels abroad. As all of us know, he is one of the best traveled Members of this body; and in years past I have listened with fascination to his accounts of life inside the Soviet Union.

I think that, in sum, his reports to the Senate have been of immense value in assisting us to maintain perspective on conditions in the world at large, with particular reference to the workings of American foreign policy in its various aspects. The Senate owes the Senator from Louisiana a great debt of gratitude for his work and for the thorough way in which he apprises us of what he has learned in the course of his travels he has had an opportunity to make. I wish to join my colleagues in commending him.

Mr. ELLENDER. I thank the Senator from Idaho.

Mr. THURMOND. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. THURMOND. I wish to take this opportunity to extend my highest congratulations to the distinguished Senator from Louisiana upon the interesting and enlightening report he has brought to the Senate. Through his incisive mind and his profound ability, he has been able to bring to the Senate information which we have not been able to obtain in other ways.

I only wish our Government had at the head of some of its agencies—for instance, its intelligence and information

UNIVERSITY OF MICHIGAN LIBRARIES

agencies—men of the great common sense and great vision that are possessed by the able senior Senator from Louisiana. I believe that, as a result of his travels, he has brought to us information that is of great value. I hope all Senators will read his report and will take advantage of the information he has collected, which I believe will be of great value both to the Senate and to the entire Nation.

Mr. ELLENDER. I thank the Senator from South Carolina.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield briefly to me?

Mr. ELLENDER. I yield.

Mr. STENNIS. Mr. President, I, too, wish to commend the distinguished senior Senator from Louisana, not only for the report he has made today to the Senate, but also for the previous reports he has made to the Senate and for what he has disclosed to the Appropriations Committee. Both as a Senator and as an individual, I am particularly indebted to him for the presentations I have heard him make at the Appropriations Committee's meetings.

In addition, he was directly responsible for my decision to visit Russia itself last fall, a trip from which I believe I have greatly benefited in connection with the discharge of my responsibilities both as a member of the Appropriations Committee, and as a member of the Armed Services Committee.

I believe the importance of the Senator's work is growing with the years—not only as the result of what he does each year, but considerable fruit comes from his work of prior years, and that fruit grows in value and in influence, not only in the legislative branch of the Government, but also in the other branches. I, too, wish to congratulate him.

Mr. ELLENDER. I thank my friend.

Mr. PROXMIRE. Mr. President, before the senior Senator from Louisiana leaves the floor, I wish to say that I was delighted to have an opportunity to hear his brilliant speech. I thought it was particularly unique, because he gave us a prudent, careful, thoughtful analysis of how our foreign-aid program works, with far more regard both to the taxpayers and to the taxpayers' money than often is the case in connection with other evaluations, and at the same time he was deeply concerned with how our foreign-aid program may be made more effective in a humanitarian sense.

At this time I should like to reread, because I believe they are extremely important, two paragraphs from the address he delivered, as follows:

> It is my firm belief that long-term loans for economic development should continue to be made, but they should be conditioned upon the proper assurances that the proceeds will be used to finance projects and facilities beneficial to all the people.

A little later he said:

> In my humble opinion, an enlightened local business community must be developed—a business community which understands that the payment of fair wages, the raising of living standards, the extension of mass medical and educational benefits to the poor are not only desirable from a humanitarian point of view, but vitally necessary if the pent-up demand for a better way of life is not to explode violently and destroy those who today feed and grow fat at the expense of the poor.

Those recommendations by the Senator from Louisiana are extremely important, because our foreign-aid program in Latin America should be humanitarian. At the same time, I believe it should be guided by enlightened self-interest. We should be deeply concerned with the various aspects of Communist infiltration and subversion in that area.

In my judgment, Mr. President, the senior Senator from Louisiana has hit the bull's-eye when he has pointed out how we can condition our aid to an understanding with the powerful business communities that they should put into effect the things he has advocated.

Mr. ELLENDER. I thank the Senator from Wisconsin.

Mr. JOHNSON of Texas subsequently said: Mr. President, I deeply regret I was detained from the Chamber today and did not hear in entirety the very fine report delivered by the senior Senator from Louisiana [Mr. ELLENDER]. For many years I have looked forward to hearing the Senator from Louisiana report on his studies of our mutual aid program and our relations with other nations, as he has observed them firsthand.

He is always comprehensive and constructive. He is always thorough and objective. I shall look forward with a great deal of pleasure to reading the report he has made to the Senate, and, through the Senate, to the country.

I believe no Member of this body gives more time and attention and devotes more of his talents and ability to this very important subject than does the senior Senator from Louisiana. I think his report will be widely read throughout the Nation, and throughout the other nations of the world. I think it is almost required reading for every Member of Congress.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

INFLATION AND ITS CAUSES

Mr. PROXMIRE. Mr. President, various congressional committees are now engaged in a very fruitful and urgently needed discussion of inflation and its causes.

One of the most provocative contributions to an understanding of inflation has come from an economist, Gardiner Means.

I ask unanimous consent that the statement made by Mr. Means before the Anti-Monopoly Subcommittee of the Judiciary Committee of this body be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY GARDINER C. MEANS, ECONOMIST

Mr. Chairman, and members of the committee, I am delighted to return to testify before you. In the last 2 years your committee has made great progress in the investigation of administered prices and their relation to inflation.

When you started these hearings it was the preponderant opinion that the inflation we were experiencing was the product of excess demand. This opinion was so strongly held that the Federal Reserve tightened its money policy in an effort to contract demand. Because this policy was built on a false analysis, it resulted in the depression, out of which we are climbing all too slowly.

Today, after experiencing inflation and depression at the same time, there are few who still think that this inflation has been the product of too much demand. Clearly, the inflation has not been of the old-fashioned, classical kind with all prices going up more or less together.

Also, it is now generally understood that the new type of inflation is associated with administered prices and wage rates. For bringing about this understanding, I believe your committee is in large measure responsible. Indeed, we are fortunate that your chairman and your committee had the imagination to see the relation between these two things and the courage to focus attention on them.

This new type of inflation is possible because of the area of discretion which is exercised both in the setting of prices and the setting of wage rates. It is because this type of inflation arises from the exercise of this administrative power over prices and wage rates that I have christened it an administrative inflation in contrast to the monetary inflation which comes from an excess of demand and in contrast to the reflation which accompanies the recovery from a serious depression.

Today I should like to present some new evidence showing the administrative character of this new inflation; then I will discuss the roles of labor and management in generating administrative inflation; and finally I want to explore the directions in which we might move toward preventing this type of inflation.

ADMINISTRATIVE INFLATION

I have here four charts which tell the story. The first chart shows how prices rise in a classical inflation in which all groups of prices move up more or less together. The chart covers the period from 1942 to 1953 and includes both the inflation following World War II and the Korean war inflation: By the height of the columns it shows the percentage rise of each of the major commodity groups in the Bureau of Labor Statistics wholesale price index. The width of each column represents the weight that each group receives in the wholesale index, i.e., its relative importance in our economy so far as wholesale commodities are concerned. The area of each column represents the contribution that each group made to the war inflations.

The first thing to notice in the chart is that all the commodity groups rose in price and by not too different amounts, except for the extremes of lumber at one end and rubber at the other. The rise of the total index in this period was 71 percent and for nearly

three-fifths of the groups by weight the increase fell within a range of 62 to 77 percent. This price rise was thus fairly general.

The second thing to notice is the distribution of the black and gray columns. The black columns represent the commodity groups in which price administration plays a major role. For example, most of the products included in machinery and motive products have highly administered prices. Also in metals we have mostly steel and steel products whose prices are administered. But, of course, each group includes some market priced commodities such as steel scrap or the nonferrous metals like tin, copper, lead, and zinc whose prices are really made in world markets. In spite of the fact that each group is a mixture of some administered prices and some market prices, those represented in black—metals, machinery and motive products, tobacco, and nonmetallic minerals—are administration dominated. Similarly, the three dark gray columns for fuel and power, for household durables and for chemicals are intermediate fixtures, while the light gray columns represent the highly competitive industries such as textiles; leather materials; lumber and wood products; and, of course, farm and food products. Now the thing to notice about this chart is the way in which the black and gray columns are scattered. There is no evidence that administered prices as such had a tendency to go up more or less than market prices.

Let us now turn to the second chart which shows the first part of the inflation arising from World War II. The chart covers the period from 1942 to 1947, but most of the rise was in the 2 years after the end of the war. Here we have a fairly general rise in prices but it is clearly led by prices in the highly competitive industries represented by the light gray columns. The price averages for the mixed and the administration dominated groups represented by the dark gray and the black columns rose very much less. Here we have the effect to be expected in a monetary inflation. The excess demand had its initial impact on flexible market prices, while administered prices clearly lagged behind. Only in the later stages of this monetary inflation did administered prices catch up with the general rise.

Now let us look at the inflation from 1953 to 1957, both years of moderately high economic activity. This is shown in chart III. Here clearly the price rise has come primarily in the groups dominated by administered prices. With one little exception, that of rubber, the five administration dominated groups, the black columns, rose most. The three mixed groups, the dark gray columns, come next, and rose to an intermediate degree and the classically competitive prices for food, leather, lumber, textiles and farm products as groups either went up little or actually declined. Even the exception, rubber, helps to prove the rule. The big increase in prices came in 1953 and 1954 and in some degree reflected the very low rise in rubber prices during the war inflations. The pattern as a whole is clearly that of an administrative inflation. These figures make the administrative character abundantly clear, even if we did not have the simultaneous inflation and depression to prove that the inflation was not the result of excess demand.

I have one more chart which brings this administrative inflation more nearly up to date. This chart IV carries the inflation from 1953 to October 1958. It differs from the earlier charts in one respect. In this chart I have divided metals and metal products into three categories—steel, steel products, and other metal products. Each of these is plotted separately and only the first two are given the black color to represent domination by administered prices. Other metal and metal products are given a dark gray to indicate a mixture of administered prices such as aluminum and nickel and such market prices as iron and steel scrap and those of tin and other metals whose prices are made in world markets. Looking at the chart, you can see the same general pattern exists as in the preceding chart except that the dominating role of steel prices in this administrative inflation is clear. Not only have steel prices risen most but the steel-using machinery and motive products and other steel products have risen more than any other groups. In fact, these steel and steel using groups account for two-thirds of the gross increase in prices shown in the chart, that is, two-thirds of the area above the base line. The administered price groups marked in black account for 85 percent of the gross increase in the wholesale price index. If these groups had not gone up in price, the wholesale price index would have risen less than 1 percent and, so far as the wholesale price index is concerned, there would have been no inflation. Anyone who thinks the recent inflation is not an administrative inflation had better study the record.

[Charts omitted in the RECORD.]

THE SOURCE OF ADMINISTRATIVE INFLATION

Once we accept the fact of administrative inflation, the next problem is to discover its source. Business management calls it wage inflation and blames the unions. Labor points to the pricing power of management and says this power has been abused. Can we get light on this question.

Here we are greatly indebted to your committee for the facts which were brought out in the hearings on steel and automobiles. I have been making an intensive study of the steel hearings record and will present some of my preliminary findings with respect to the source of the administrative rise in steel prices. To focus on steel prices seems appropriate not only because steel is a kingpin in the administrative inflation as we have just seen, but because steel is a kingpin in our whole economy with its price effects ramifying in all directions. What is the source of the increase in steel prices?

Before I try to answer this question I want to clear up one matter. The steel hearings were in considerable measure confused by the question of whether labor or management was responsible for the inflations which immediately followed World War II and the outbreak of the Korean war. At the previous hearings I suggested that neither was to blame; that these war inflations were monetary in character and grew out of an excess of demand; and that, if anything, administered prices and wage rates had lagged behind in the general price rise. We have just seen that this was so in chart II which showed much more of a rise from 1942 to 1947 in the most competitive industries and a much smaller rise in groups dominated by price administration.

The evidence presented in the steel hearings beautifully illustrates this point. Careful analysis of the data introduced by management shows that both the employment costs per ton in producing steel and the prices of steel lagged well behind the general price rise until the last stages of these war inflations. During most of this inflation period, wage rates went up less quickly than the increases in productivity and in cost of living would justify and by 1953 had hardly caught up with the general rise in the price level. Thus, as far as the monetary inflation resulting from the two wars is concerned, we can say that neither labor nor management was responsible. We can even say that the responsible behavior of each operated to slow up the inflation which arose from excess demand.

The administrative inflation since 1953 is quite a different matter. In my testimony before you a year and a half ago, I pointed out that in theory an administrative inflation could arise either from labor seeking to push up wage rates faster than productivity or from management seeking to increase profit margins too much, or from a combination of these two. Also, I said I did not know how much each possible source contributed, but I suggested that each probably contributed its share. But let us look at the record.

In the steel hearings, as you will recall, a great deal of attention was focused on the average $6 increase in the prices of finished steel which took place in July 1957. On this, Mr. Blough, chairman of the board, United States Steel Corp., testified as follows:

"In our most recent negotiations last year—after a 5-week strike—we signed a labor agreement. It was that labor agreement which foreordained our recent price increase.

"On July 1 of this year we faced what our recent total wage-cost history demonstrates was about 6½ percent increase in our total costs per man-hour; and to cover these costs in part, we raised our steel prices by an average of 4 percent."

There are three points to notice about this placing of the entire blame for these price increases on the labor contract.

First, the statement of costs is in terms of costs per man-hour, not in terms of cost per ton. At no point in the formal presentation by the company was the effect of the increase in output per man-hour considered or the net effect of the wage increase on cost per ton discussed. And, of course, it is costs per ton and not per hour which are important for pricing.

Second, Mr. Blough's 6½-percent increase due to the labor contract includes not only the increase in employment costs expected but also the expected increase in the cost of purchased materials and services per man-hour of employment. The company argued that, historically, when their employment cost per man-hour went up $1, their total costs—including both employment costs and cost for purchased raw materials, fuel, and services—went up more than $2.

This is more or less what one would expect in a monetary inflation when everything goes up more or less together. Whether it could be expected in an administrative inflation is something we need not discuss at this point. What is important is that the corporation reasoned that since employment costs per man-hour were going up nearly 6 percent, total costs divided by total man-hours could be expected to go up 6½ percent.

The third thing to notice is that there is no reference to the changes in steel prices since the previous adjustment of steel wages to productivity in the summer of 1956. Yet finished steel prices had been increased an average of $5 a ton during the winter of 1956–57, primarily through increasing steel extras. Also a 3-cent cost-of-living increase was required by the labor contract in the same period. Both of these increases need to be included if we are to appraise Mr. Blough's conclusion that the labor contract forced the $6 increase in steel prices in July 1957. We can restate the problem: Did the increased costs per ton of steel resulting from the labor contract, including both the cost-of-living increase in the winter and the July 1 increases justify an $11 increase in steel prices?

In the hearings, there was a great deal of confusion as to the increase in employment costs per hour due to the labor contract. Labor estimated 16.4 cents per hour. Management estimated 21 cents an hour. But when we get back of this confusion, there turns out to be a surprising degree of agreement between management and labor as to the increase in employment costs per hour. To make this clear we need to con-

UNIVERSITY OF MICHIGAN LIBRARIES

sider separately the increases due to the cost-of-living adjustment and the adjustment for productivity.

Let us take up first the productivity increases on July 1, leaving for a moment the two adjustments for the cost-of-living. Both management and labor submitted their estimates of the increase in employment costs per hour for workers covered by the union and taking account of all fringe benefits. Using the management figures, we get an estimate that the increase would amount to 15.2 cents an hour or an increase of 4.5 percent in employment cost per hour.[1] According to the labor estimate, the increase would amount to 13.4 cents per hour or an increase of 4.0 percent.[2] You can take your choice or split the difference to get 4¼ percent and not be far wrong on the productivity increase in employment cost per hour due directly to the labor contract.

The steel managment also submitted figures indicating 20.9 cents an hour as the increase in the employment cost of workers not covered by the contract, mostly salaried workers, salesmen, and officials, amounting to an increase of 4.5 percent, a figure which the union would undoubtedly want to shade a little.[3] Again we won't go far wrong if we use 4¼ percent.

But the 4¼ pecent in each case is the increase in employment cost per hour. How much did this really increase employment cost per ton of steel as compared with the preceding summer? Obviously, if productivity increased 4¼ percent, this July 1, 1957, increase in employment cost per hour of 4¼ percent would not involve any increase in employment costs per ton. How much should we allow for increased productivity? Management did not attempt to make an adjustment as Mr. Blough's figures indicate. But it did present figures showing a cumulative average increase of 2.8 percent a year from 1940 to 1956.[4] The union arrived at 3.0–3.1 for essentially the same period and also argued that the rate of increase in productivity had increased in more recent years. A Bureau of Labor Statistics study found a rate of increase in output per man-hour of 3.3 percent from 1947 to 1953, and from 1953 to 1955, both years of relatively high production, the Bureau of Labor Statistics study shows an average increase of 4.3 percent a year.[5] If the high rate of increase in output per man-hour of 4.3 percent a year at a sustained rate of production continued, and there is no reason to think it has not, then, apart from the cost-of-living adjustment, the employment cost per ton for production workers should not have changed at all for a given rate of operations. Also, according to the Bureau of Labor Statistics study, the output per man-day of nonproduction workers—salaried personnel—increased between 1953 and 1955 by 4.6 percent a year.[6] If the employment cost per hour for this group only went up to 4¼ percent, then the employment cost per ton of steel at a standard rate of operations should have gone down. Altogether, I can find no evidence that the employment cost per ton was increased by the requirements of the labor contract apart from its cost-of-living provisions. Also, since the steel corporation finds the very high correlation between a rise in employment costs and total costs, the latter should not have gone up if there had been no cost-of-living increase.

This brings us to the 3-cent cost-of-living increase in the winter of 1956–57 and the 4-cent increase of the July 1, 1957. The steel corporation adds something to the 4 cents, an extra half cent, partly for the increase in fringe costs and partly for the greater cost of a proportional cost-of-living increase for nonproduction workers and officials whose average pay is higher. If this is justified, we have to add a comparable amount to the 3-cent increase. This gives us a 7.9-cent increase in employment cost per hour or an increase of 2.2 percent in employment cost per hour, which is not offset by an increase in productivity.[7] As far as I can see, this is the magnitude of the direct increase in costs per ton arising from the labor contract.

Should we also assume that other costs went up in somewhat the same proportion? This is what one could expect in a general inflation arising from excess demand. But there is no reason to expect such an increase in an administrative inflation and the evidence since shows other costs per ton going down from the summer of 1956 to June 1957. These reductions in other costs per ton could easily offset the increase in employment costs per ton due to the cost-of-living increase. Even if we assume other costs per ton constant, the 2.2 percent cost-of-living increase in employment costs per ton would entitle the steel company to a "cost-of-living increase in the price of steel of only 1.2 percent or $1.75 a ton, not the $6 increase which was to cover a part of the increase due to the labor contract nor the $11 increase which actually occurred in the labor contract year 1956–57.

Whether the rest of the price increase can be justified on other grounds, I cannot yet say. Management points to the effect of inflation or depreciation charges when accounting is based on historical cost. Also to measure the rate of profit on assets valued on a historical basis is to take no account of the actual inflation. At present I am studying this matter. However, it is difficult to believe that the difference between $1.75 and $11 can all be justified on that basis, particularly in the light of the large increases in price which have taken place since 1953 in a period in which there was not general inflation among wholesale prices and in the light of the fact that lays management the whole blame for the 1957 increase on the labor contract.

As far as I can see, we have here a clear case, not only of the existence of an important degree of pricing discretion, but the exercise of that power to increase prices significantly in excess of the increase justified by increased costs.

Also, since the steel industry, a leader in the administrative inflation, tried to place responsibility on labor where it clearly does not belong, I think your committee should take with a good many grains of salt, the industrywide contention that labor is to a major extent the source of this administrative inflation.

This poses for us a major problem, the pricing power of modern industry. Administrative inflation is only one aspect of this problem. The problem itself is much more basic. It goes to the very foundations of our free enterprise system which we all want to preserve.

THE BASIC PROBLEM

The real problem is that the modern corporation simply does not fit the postulates of traditional economic theory. It has frequently been pointed out that Adam Smith believed corporate enterprise could not be successful except under very special circumstances such as banks and canal companies. But that was a long time ago. Let us look at Alfred Marshall whose great work "The Principles of Economics" is still the bible for so many economic theorists. Marshall built his analysis around the conception of the representative firm. Now this firm was a relatively small affair with a life cycle very much like that of its owner. The owner starts the enterprise and drives to expand it, but then when his own vigor wanes the enterprise itself weakens and is likely to die, except as sometimes a son or relative picks it up and gives it a new life cycle of rise and fall. Marshall thought of each industry as having hundreds or even thousands of such one-man enterprises. In his famous analogy he likened an industry to a forest with individual trees, sprouting, growing, and finally declining. In his own words "as with the growth of trees, so it is with the growth of business." This is the concept which underlies Marshall's "Principles." True, in his sixth edition, 20 years after his principles were formulated, he changed the tree analogy to read "as with the growth of trees, so it was with the growth of businesses as a general rule before the recent development of vast joint-stock companies." [My emphasis.] But his "Principles" were not revised to take account of this momentous change. And today the great bulk of traditional economic thinking, and so many of our economic texts, are built on the conception of enterprises very much like Marshall's representative firm.

Actually, traditional theory has only three main lines of solution for dealing with the situation where enterprise has excessive power over pricing.

The first possible solution is to reestablish classical competition so that prices are truly determined by market forces and there is no significant degree of administrative discretion left in pricing. I believe we are so far from this condition now that I don't see how we can return to it without losing the very real values to our society that are contributed by big business. The degree of breakup in business that would be necessary to return conditions to those of classical competition seems to me just out of the question. This does not mean that I reject a vigorous antitrust policy that continues to maintain at least a number of competitors in each industry. But we have that now and it does not give us classical competition. Also I would not reject Mr. Romney's ingenious proposal that big business be encouraged to subdivide as a sign of success. But that would seem to me no solution to the basic problem. The amount of breakup that would be needed is simply of a different magnitude from anything that has been seriously discussed as Dr. Lewis has so clearly indicated. I believe that the breakup of big business as the chief line of solution would take us in the wrong direction.

---

[1] Hearings. Pp. 1027, 1028. Management estimate, 19.4 cents, less 4.2 cents cost-of-living adjustment. Labor's estimate 17.4 cents less 4 cents cost-of-living adjustment. The 4.5 cents an hour figure for the cost-of-living increase for all employees given by management has been apportioned between union and nonunion in proportion to their respective employment costs per hour, giving 4.15 cents per hour for union and 5.66 cents per hour for nonunion. The average employment cost per worker covered by the union was given by the USS as $3.36 for the second quarter of 1957.

[2] Hearings. P. 462.

[3] Hearings. Pp. 1027 and 1028. Increase equals 26.6 cents per hour less cost-of-living adjustment of 5.7 cents. See footnote 1, p. 11. The average employment cost per hour for nonunion employees was given by USS as $4.59 for the second quarter of 1957.

[4] Hearings. P. 1449. The figure actually given is 56.3 percent increase from 1940 to 1956. This is equivalent to 2.8 compounded annually for 16 years.

[5] Man-hours Per Unit of Output in the Basic Steel Industry, 1939–55, pp. 6 and 8. The actual figure given is a 3.2 percent a year decrease in man-hours per unit of output. The reciprocal of this gives 3.3 percent as the average anual increase in output per man-hour.

[6] Ibid. P. 8.

[7] The average employment cost per hour for all employees was given by U.S. Steel as $3.64 for the second quarter of 1957. Hearings. P. 1027.

The second traditional approach is price regulation of the public utility type. In the case of public utilities which are by the nature of the case, monopolies we have adopted regulation. Dr. Lewis has advocated this type of solution. If no better way can be found, that might be preferable to the extensive breakup of industry. But I shy away from such an approach partly because it would greatly reduce the flexibility of action on the part of enterprise and partly because it would lose the very real advantages of the kind of competition which we do have when there are half a dozen companies competing in an industry. True, this competition is not of the price-determining sort and the range of pricing discretion it leaves to business is capable of being abused, but I am certain that it has its value and should not be replaced.

The third traditional approach is that of Government operation. In England the government has been into and out of the steel industry and the enthusiasm for Government operation has waned considerably with the experience. I doubt very much if this would prove a satisfactory solution. In a special situation we might find effective the Government operation of a part of an industry as a yardstick, but again I doubt the general application of this approach. Traditional theory never really came to grips with the problems of economic adjustment in a society in which big business and administered prices play a dominant role. Traditional theory just hasn't got the kind of ammunition needed to deal with this problem. So I am going to start fresh.

My starting point will be what I think is a very significant and important statement made at the outset of your hearings by Senator DIRKSEN. With his permission, I am going to repeat it. He said:

"I believe in the main, while once upon a time it could be said that some of our managers had no adequate social conscience, I believe today that the corporate managers of the country are fully aware of, and I think they exercise, an abiding sense of social responsibility."

Now I very much agree with the Senator that corporate management is much more aware of its power and responsibility than it used to be. We have some very able and responsible men running many, if not most, of our big businesses today. But let us consider some of the implications of Senator DIRKSEN's statement. I want to ask three questions.

First, why should corporate management take on social responsibility? It was one of the great beauties of classical competition that no one had to exercise social responsibility. As long as each private enterpriser sought only his own interest, the unseen hand controlled matters so that, acting in his own interest, he served the public interest. Of course, he could exercise as much social responsibility as he chose in his personal relations, feeding the poor, voting at elections, and so on. But as a private enterpriser he could say "the public be damned" and who cared. Competition wouldn't allow him to charge too high a price and shoddy goods would only bring him a lower price, just as the Virginia farmer today gets docked for garlicky wheat. Surely something new has been added when we expect the business enterpriser to be socially responsible in running his enterprise.

Second, let me ask—without any invidious implication—just how does the corporate management know what is in social interest? Their job is to run a big business and run it well. Can we expect them also to take on the major job of figuring out what is in the social interest?

And my third question: Is it in the social interest that the big companies, with their areas of discretion in price administration, should price to make the maximum profit, and if not, can we expect the social conscience of corporate management to go all the way necessary to serve the social interest in this respect.

In asking these questions, I am not trying to minimize the importance and value of responsible corporate management. Rather, I would say that responsible corporate management was a major and valuable ingredient in our present situation, but that we are placing more of a burden on management than management can reasonably be expected to bear, especially as I think there are things that we could do about it. Here we have an essentially new problem to think through.

Toward solving this problem I see four steps we can take. The first step is to get rid of the idea that the big corporations are private enterprise. Just what is private about an enterprise that organizes a quarter of a million workers into a great productive unit using the capital of more than a quarter of a million stockholders and serving millions of ultimate customers? Is it any more private than, say, the government of New York State? We need a new name for this type of enterprise to give us a new focus in our thinking. For my own purposes, I think of these great producing organizations as collective enterprises because that is what they are, great collectives of productive activity. Just where one draws the line between private enterprise and collective enterprise can be worked out by experience. What is important now is that we should have a new focus for our analysis.

The second step we can take is to start setting up the standards by which we should judge the performance of our great collective enterprises. At the present time there are no real standards which indicate how corporate management should act in order to serve both the public interest and their own—for I hold it as self-evident that we cannot expect corporate management to act contrary to their own interest. I think of these standards as differing in important respects from those which we apply to a private enterprise and yet I believe there is much in traditional theory which will help us to set up such standards.

The third step, once we have the standards for collective enterprise sufficiently well formulated, is to work out methods for strengthening those self-interests of corporate management which also serve the public interest and weaken those which run counter to the public interest. This is a problem of incentives and the framework of laws, rules, customs, and opinion within which corporate management carries on its day-to-day activity.

In the book I am working on, I hope to spell out more clearly the things that make collective enterprise what it is, the standards which should be applied to it and the measures which could be taken to make the self-interest of corporate management and the social interest more nearly the same. For the present, all I can do is to indicate to you as I have what I believe to be the most promising lines for dealing with the problem raised by the pricing power of our great collective enterprises.

Mr. PROXMIRE. Mr. President, Mr. Means carefully and persuasively developed the interesting contention that since 1953 we have been undergoing, not the classical, surplus-of-money inflation—that is, with too much money chasing too few goods—but a highly selective inflation featured by sharp price rises in industries in which a few huge corporations can virtually fix prices—and, of course, they always fix them in one way, namely, up—while prices were actually falling or increasing only moderately in other industries.

The Federal Reserve Board has taken a position in sharp disagreement with Mr. Means. Mr. Means has severely criticized the Board's monetary policies.

Recently, I asked the very able Director of the Division of Research and Statistics of the Federal Reserve Board, Mr. Ralph A. Young, to reply to the Means statement. Mr. Young did so in a thoughtful and detailed letter. Mr. Young's position is that the Means statement is a useful contribution; but he criticizes it for these reasons:

First. Mr. Means implies that administered prices are changed arbitrarily without regard to the strength of market conditions.

Of course, Mr. President, market conditions constitute a limitation on any monopolistic or oligopolistic group whose members attempt to work in concert to fix prices. Of course there is a limit to the prices they can charge—whether in the case of a railroad, which in the old days used to hike its prices so greatly, without regard to the welfare of the farmers, or whether in the case of the steel companies which push up their prices higher and higher.

It seems to me that Mr. Young's analysis, although thoughtful, and although he has made the best case he can, should concern itself with the fact that today the steel industry has a monopoly of peculiar power. It is indeed able to raise its prices, and to raise them so high that they affect the entire economy. For example, Mr. Means has pointed out—and I should be delighted to hear a refutation of this assertion—that between 1956 and 1957, for each $1.75 of wage increase, there was a price increase of $11. Such administered prices which are not justified on the basis of the wage increases require, it seems to me, some answers from those involved.

In the second place, the criticism by Mr. Young of Mr. Means' theory is that Mr. Means overlooks the consequences of earlier inflationary developments which may result in the delayed making of price and wage adjustments sometime after inflationary pressures elsewhere have subsided.

On the basis of any sort of analysis that I have been able to find of the price increases in the steel industry and in the automobile-manufacturing industry, I believe the evidence is very clear that after the inflationary forces in those areas subsided—and the same is true with respect to the oil industry and many of the other areas of administered prices—there was not a delayed inflationary impact sufficient to justify any substantial price increase, and certainly none of the kind that would justify the increase the economy suffered.

In the third place, Mr. Young writes that Mr. Means is correct when he argues that the 1955 to 1957 inflation was not a monetary inflation, because the policies of the Federal Reserve Board were such that the monetary influences were eliminated and the inflation was moderated and was held in check.

UNIVERSITY OF MICHIGAN LIBRARIES

What Mr. Young has written is that the reason why we had relative price stability, despite some increases in prices during the period 1955–57, was that the Federal Reserve Board "hiked" interest rates and stemmed the push of inflation in the rest of the economy. Unfortunately, Mr. Young, while writing an excellent letter, did not have the time to go into a detailed analysis of this claim. After all, Mr. President, can there be any justice to the notion that high interest rates were what pushed down the farm commodity prices?

After all, the cost of food dropped in the period of 1955 to 1957, and the cost of food is a very fundamental part of the cost of living. I do not know anyone who would say high interest rates shoved down farm prices. At the same time, the textile industry was the other example during this period in which prices actually dropped. I do not know how anyone could contend there was a connection between pushing up interest rates and a drop in textile prices. Actually, I think a careful analysis of this hard money policy will show that housing starts dropped very decisively. They dropped because, of course, interest is a tremendously important factor in home construction—enormously important—particularly when we have the kind of frictions in the FHA and veterans' interest rates that we have. So the argument that the monetary policies of the Federal Reserve Board stemmed inflation simply is not supported by the facts.

In the fourth place, it is stated the industries experiencing the largest increases in prices during at least part of the period were operating at or close to capacity. That is true during part of this period. Nevertheless, during a very important part of this period they were operating well below capacity, but they did not drop their prices; they increased their prices. This is the terrible consequence of administered prices. This is the real weakness in our whole economy. This is the part of inflation that is so difficult to solve without some kind of initiative and Government action. The fact is that as demand drops, if and as the Federal Reserve Board and the fiscal policy of the Government succeed in stemming demand, it still does not bring prices down in a very important part of our economy.

The fifth and final criticism by Mr. Young is that the prime explanation for price rises in late 1957 and early 1958 was not administered prices, but the legacy of an earlier period of excessive demand and the result of unfavorable weather on food supply.

That is a true statement. There is no question that rising food prices were important considerations in the rising cost of living. This should have been rather compensated by a drop in the price of steel and other prices where the law of supply and demand should operate, if we had the kind of free economy that is talked about.

Mr. President, I ask unanimous consent that the letter of Mr. Young together with three Federal Reserve Board bulletins be printed in the RECORD at this point.

There being no objection, the letter and bulletins were ordered to be printed in the RECORD, as follows:

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, D.C., February 5, 1959.

The Honorable WILLIAM PROXMIRE,
U.S. Senate, Washington 25, D.C.

DEAR SENATOR PROXMIRE: In response to your question at our chart presentation to the Banking and Currency Committee last week, we have examined Mr. Means' statement and, although unable to appraise fully the points he raises, we should like to comment briefly on some of them.

Mr. Means has been interested for years in this matter of administered prices and through his efforts needed attention has been given to the institutional aspects of the pricing process. It is an important and now widely accepted fact that in major sectors of the economy there is a discretionary area for conscious decision in setting prices and wages. This area differs greatly from time to time depending on various cyclical and other market influences. It also varies among industries, products, and labor markets because of the degree of concentration, types of organization, degree of public regulation, and other factors.

The particular classification of industries and commodities adopted by Mr. Means may not be the most fruitful one for price analysis, however, especially if it is unaccompanied by analysis of other forces operating in the economy and in particular markets. For example, the commodities included in the competitive price group are mainly farm products and products manufactured from them while those in the administered price group are largely industrial. Farm products and industrial commodities are subject to different demand and supply influences. Moreover, within the industrial commodity group—or largely price administered group—price increases in the 1955–57 expansion period were greatest for metals and products and it was for these products that demands also were strongest and pressure on productive capacity heaviest. Wages as well as prices advanced rapidly in the metals group.

While evidence supports Mr. Means' position regarding the varying sensitivity of prices in responding to market developments, his view that price advances reflected mainly administrative decisions leaves the forces shaping those decisions unaccounted for. Implicit in his presentation is the idea that administered prices and wages are changed arbitrarily without regard to the strength of current or prospective market conditions. Also, it overlooks the consequences of earlier inflationary developments which may result in delayed price and wage adjustments being made sometime after inflationary pressures elsewhere have subsided.

To some extent, of course, it is possible for prices and wages to be raised without close reference to market influences but there are real limits as to how far this process can go or how long it can last before competition from other products or alternative sources of satisfaction become effective, unless underlying economic conditions are inflationary. These limits are conditioned by market forces which in turn are influenced by fiscal and monetary conditions and policies.

Mr. Means is clearly in error in saying that the Federal Reserve analyzed the problem incorrectly and that the application of monetary policy caused the 1957 downturn. The downturn rather developed out of an earlier situation during which the interaction of demand-pull, cost-push, and administered price and wage decisions accentuated a cyclical upswing. In that phase inflationary factors and expectations permitted or fostered excessive accumulation of business inventories, overbuying of business plant and equipment, and overextended financial commitments. Monetary and credit policy operated to restrain the growth of these excesses but was unable to prevent them altogether and cyclical recession resulted. Surely, however, if monetary policy had been one of maintaining easy credit by freely providing additions to the money supply the exuberant psychology and other excesses would have carried further and led sooner or later to a more severe contraction and more unemployment. The question of what would have happened if demand had not been restrained by monetary policy is not asked by Mr. Means but is one that needs to be answered before it is concluded that monetary instruments should not be used to moderate inflationary trends.

With reference to this point, Mr. Means states that price developments during the period were not influenced by "too much demand" because "clearly, the inflation has not been of the old fashioned, classical kind with all prices going up more or less together." This quotation merely states the fact that the rise in prices from late 1955 through 1957 was not on the order of that associated with the two recent wars. That it was not a more serious inflation, fed by expansion in money and credit, reflected in part the operation of the credit restraints which were applied during the period.

Mr. Means appropriately stresses the strategic importance of steel price increases in the general price situation in recent years. But inflationary tendencies were not so limited to steel and steel products in the 1953–57 period as he suggests. During that period, based on annual averages, the total wholesale price index rose 7 percent, the consumer price index rose 5 percent, and prices paid by farmers rose about 15 percent while prices received by farmers declined 6 percent. The general construction cost index increased 12 percent, and costs of machinery and equipment rose 21 percent. Common stock prices rose about 80 percent and average hourly earnings of factory workers advanced 17 percent.

Also, Mr. Means' selection of the 1953 to 1957 time period is open to some question since it averages together a period of cyclical recession beginning in mid-1953 and continuing through most of 1954, which was not a period of credit restraint, with a period of rapid recovery and expansion to new high levels in 1955 to 1957. It is also a period which averages together a period of marked decline and advance in prices of farm and food products.

To understand the price and other economic developments from the end of the 1953–54 recession to the beginning of the 1957–58 recession, the period should be subdivided, relating output and supply, demand, credit, and price developments one to another in each subperiod. The three attached articles on price developments, which appeared in the Federal Reserve Bulletins for January 1956, November 1956, and April 1958, contribute toward this end. The first two of those articles describe the important, indeed the dominant, influence of expanding demands in 1955 and 1956 and the widespread nature of advances in prices among industrial commodities. What is particularly significant is that the industries which experienced the largest increases in prices were those operating at record levels, with output at or close to the limits of capacity.

In 1955 and 1956, while personal incomes and corporate profits were at very advanced levels, demands for credit were very large, to finance the higher level of business activity as well as to finance consumer short-term credit, mortgages, business capital outlays, and public projects of State and local governments.

The further rise in average levels of prices during the recession in late 1957 and early

1958 was in part a legacy of the earlier period of excessive demands and in part a result of unfavorable weather which reduced supplies of fresh foods. Prices of industrial materials declined in this period. While the declines were selective rather than general, the period can hardly be characterized as one of simultaneous inflation and depression.

In summary, our view is that Mr. Means has called attention to one important aspect of a very serious problem but his contention that administration is an adequate explanation for postwar or post-Korean events is unacceptable, as is his view that monetary policy is an inappropriate tool for dealing with the recent period. Monetary policy cannot deal with all of the problems associated with price pressures, but surely price and wage increases in both the administered as well as competitive area would have been much greater if monetary restraint had not been applied.

We trust this reply throws some light on your question. If we can be of further help please let us know.

Sincerely yours,

RALPH A. YOUNG,
Director, Division of Research and Statistics.

[From the Federal Reserve Bulletin, April 1958]

RECENT PRICE TRENDS

Recession in economic activity beginning, beginning last autumn, has been accompanied by little change in prices of most industrial commodities from the advanced levels reached last summer. Prices of farm products and foods have risen sharply, however, reflecting reduced supplies of meats and some other fresh foods. Prices of consumer services have extended their postwar rise and, together with higher prices of fresh foods, have resulted in further advances in the combined index of consumer prices.

Average wholesale prices of industrial commodities have been stable since last summer, after rising 9 percent from the early 1955 level. Since late summer prices of basic industrial materials have declined. Prices of business equipment rose further during the autumn, but have since leveled off. Reported or list prices for most manufactured materials and consumer products have changed little, but concessions from list prices have become more prevalent.

Declines in business and consumer demands since summer have been largest for durable goods. Orders for business equipment have fallen, following the investment boom, and consumer buying of autos has declined sharply. Output of steel and various other materials has declined more sharply than consumption, and total business inventories have fallen very rapidly in recent months.

Industrial building activity has also declined, but further increases in public construction have about offset this reduction. Defense orders recently have expanded considerably following curtailment in both orders and outlays last summer.

Total exports of U.S. products have dropped sharply from the advanced levels reached last spring. Industrial activity has declined in Canada and some other countries abroad. In Western Europe activity has continued at advanced levels, but buying of materials has declined.

Decreases in activity in the United States have been reflected in a decline of 4 percent in nonagricultural employment from its peak last August, an appreciable reduction in average hours of work in manufacturing and a rise of about 2 million in the number of persons unemployed. The impact on incomes of reduced employment has been moderated by unemployment compensation payments, and personal income has declined 2 percent from its high.

Price changes during this recession have differed from those in the first 7 months of the 1948–49 and 1953–54 recessions as summarized in the table on the next page. The marked rise in prices of livestock and meats in recent months, owing to contraction in supplies, is in contrast with the small changes in 1953–54 and the sharp declines in 1948–49. There has been little change in average prices of industrial commodities in the recent period, as in 1953–54, but in 1948–49 there were declines averaging about 4 percent in both wholesale and retail markets.

The 1948 reversal immediately followed 2 years of rapid price advance beginning with termination of wartime price controls.

Price changes during 1st 7 months of postwar recessions

Series	Percentage change		
	1957–58	1953–54	1948–49
WHOLESALE PRICES			
All commodities	+1.0	+0.3	−6.3
Farm and food commodities	+4.7	+1.2	−11.1
Meats and livestock	+8.7	−.3	−16.3
Industrial commodities	−.1	−.2	−4.3
Materials	−.8	−.7	−5.5
Finished goods	+.9	+.7	−2.3
Business equipment	+2.2	+1.0	+1.2
Consumer nonfoods	+.2	+.6	−3.8
CONSUMER PRICES			
All items	+1.3	+.3	−2.7
Commodities	+.7	−.8	−4.4
Foods	+.8	−1.1	−5.1
Nonfoods	+.9	−.4	−3.6
Services	+2.7	+2.1	+2.4
Rent	+1.4	+3.5	+2.5

NOTE.—Changes are shown from the average level of the 2 months preceding the declines in industrial production, that is, July–August 1957 through March 1958, June–July 1953 through February 1954, and September–October 1948 through May 1949. Based on Bureau of Labor Statistics data, with March 1958 estimated.

In contrast, the 1953–54 recession did not begin until prices of many commodities had already declined considerably from the high levels reached in 1951, after the outbreak of war in Korea. Price advances in the 1955–57 period, while large, developed more gradually and uniformly than they did during the buying waves in the earlier postwar periods of price rise.

CONSUMER PRICES

Consumer prices for goods and services were influenced by the expansion in demands and activity in 1954–55 only after a considerable lag. The average of all items in the consumer price index changed little in that period, but the inflationary pressures then building up were reflected in a rising index beginning in the spring of 1956, as the chart shows. Subsequently, increases in retail prices were widespread, and by the autumn of 1957 the total consumer index was 6 percent higher than in early 1956.

(Charts omitted in the RECORD.)

Since autumn, the consumer price index has risen about 1 percent further. As in the past, prices of many consumer services have continued to advance after aggregate demands and activity began to recede. Prices of some fresh foods have increased sharply owing to reductions in supplies partly attributable to adverse winter weather. Retail prices of most other goods have been stable or have declined.

Services

The consumer price index differs from most other price indexes in that it includes many services as well as commodities. During the past 10 years, prices of services have risen much more than retail prices of commodities, reversing the pattern of World War II and the immediate postwar years. Since 1939, services have risen about 90 percent, or roughly the same amount as nonfood commodities. Foods are up 150 percent from the 1939 level and rent has risen 60 percent.

Roughly 50 of the 300 items priced for the index are classified as services, and they represent about 30 percent of the total index. Most of them relate to housing and household operation (home purchase, mortgage interest, and insurance and taxes, as well as gas, electricity, telephone, laundry, and dry cleaning), to medical care (professional fees and hospitalization), and to transportation (railroad and transit fares and auto repairs and insurance).

Since World War II, average prices of services have advanced continuously, even when manpower and material resources were not being used intensively. Nevertheless, the rate of advance has responded, usually with some lag, to changes in the economic situation and trends in commodity markets.

In the early postwar years, the annual rate of increase in service prices was nearly 6 percent. During the 1949 recession it slackened to 2.5 percent, but then accelerated again to around 6 percent following the outbreak of the Korean war in mid-1950, when commodity prices rose sharply for a time. The rate slackened in late 1952, and fell to about 2 percent in the 1954 recession.

In the most recent period of economic expansion, the rise in services accelerated beginning in the spring of 1956. In 1957 it was 4.5 percent, and this rate continued through the first quarter of this year.

Broad categories of consumer services show some diversity in postwar patterns of cyclical price behavior. Rates of increase in prices of laundry, dry cleaning, home repairs, hair cuts, and beauty shop services declined more or less promptly in the earlier postwar recessions. Available information suggests that the advance in prices for most of these has slackened since last summer.

For many other services, cyclical behavior is modified by special circumstances. Thus increases in railroad and local transit fares and utility rates for gas, electricity, and telephones must be authorized by regulatory agencies. Rate advances usually lag changes in costs and may continue after expansion in demands and increases in commodity prices have ceased.

National average rates for utilities have increased more rapidly since mid-1957 than during the previous year. Railroad passenger fares, which advanced in the first quarter of 1957, rose again in the first quarter of this year. Medical fees, hospitalization insurance, and theater admissions have also continued to increase in recent months.

Foods

Retail prices of foods, which have about the same importance in the total consumer index as prices of services, have increased since autumn. The advance has been concentrated in fresh foods—a group that includes meats, eggs, milk, and fresh fruits and vegetables.

Severe winter weather in parts of the country reduced supplies of fresh vegetables and some fruits. From December to March, their prices at retail rose about 15 percent to very high levels even for that time of year. When supplies improve later this year, prices may be expected to decline.

Supplies of meats also have declined in recent months and prices have increased sharply. Marketings of meat animals over any period reflect mainly decisions of producers made in the past. Supplies are also influenced by farmers' plans for future production through the withholding or marketing of breeding stock. These decisions are based primarily on price expectations and feeding costs.

Largely in response to high prices in 1953, hog raising operations were stepped up in the spring of 1954, and pork production expanded steadily through 1955. Cattle rais-

UNIVERSITY OF MICHIGAN LIBRARIES

ing had increased earlier, in response to high prices in 1950–51, and in 1954 marketings were already at advanced levels and prices were down from earlier highs. Cattle marketings expanded further during 1955 as farmers retained fewer animals to enlarge herds.

Per capita meat supplies increased about one-eighth from the spring of 1954 to early 1956. With supplies increasing, prices of livestock declined sharply, as the chart shows, despite growth in consumer incomes and demands over that period. Owing to these large price decreases, average levels of commodity prices changed little in 1955 even though prices of industrial commodities were rising.

As a result of declining prices for livestock, production tapered off after early 1956. Demands subsequently expanded further, however, and prices had recovered substantially by last summer. Since then, seasonally adjusted livestock marketings have dropped considerably further, owing partly to large feed supplies and the withholding of animals to feed to heavier weights. With demands relatively well maintained, livestock, and meat prices have risen sharply.

In March retail prices of meats were 15 percent above a year earlier and nearly 30 percent above 2 years earlier. The higher level of prices, along with the abundance of feeds, has been stimulating expansion in livestock production. Marketings are expected to increase beginning later this year.

Retail prices of prepared foods have changed little in recent months. As a group, these prices turned upward in the spring of 1956 and rose 4 percent before leveling off a year ago. Since then, prices of cereal and bakery products have continued to increase but much less rapidly than earlier.

Prices of restaurant meals have increased little since last summer, after having advanced more rapidly in early 1957 than in 1956. Prices of processed fruits and vegetables declined last year, but they have turned upward recently as a result of the sharply higher prices of fresh supplies. Coffee prices have dropped since 1956.

Other consumer goods

Retail prices of goods other than foods have declined slightly from the peak reached last November. New autos, fuels, and apparel have pronounced seasonal price variations, with rises in the autumn and declines at other times of the year. For example, discounts from list prices for new autos increase as the model year progresses. Discounts usually are not granted on new models at the time of their introduction in the autumn, and effective prices to consumers advance whether or not list prices are raised.

In addition to the elimination of discounts when new auto models were introduced last autumn, list prices were raised about 3 percent. Subsequently, reduced consumer demand for new cars and large dealer stocks resulted in large discounts from list prices, and in February and March prices to consumers were close to year earlier levels.

Retail prices of appliances on the average have continued to change little since autumn. In recent years, gains in efficiency of production and distribution have apparently been reflected in lower prices to consumers as well as in improvements in the products. Manufacturers' prices of appliances have declined moderately, and distributors' margins have fallen. This year the importance of retail price maintenance practices has been further reduced.

Prices of household goods such as furniture and textile products have changed little since autumn, and prices of apparel and fuels have declined somewhat, after mainly seasonal advances during the autumn. Meanwhile, prices of drugs, toiletries, and some other consumer products have advanced slightly further.

WHOLESALE PRICES

The total wholesale commodity price index, as well as the consumer index, has increased in recent months, reflecting the reduced market supplies and higher prices for fresh foods. Average prices of industrial commodities have been stable since last summer, as the chart on the next page shows.

Prices of machinery and other producers' equipment leveled off in late autumn, following a rise of nearly one-fifth since mid-1955. The rise in equipment prices along with reduced business liquidity, after a period of sustained expansion in capacity and modernization, contributed to a weakening of business incentives to make additional outlays. Business equipment is usually sold on the basis of negotiated prices. Competition for the reduced volume of orders available in recent months has undoubtedly been reflected in some declines in prices.

Prices of scrap metals, rubber, raw wool, and some other crude materials have declined in recent months. Several fabricated materials, such as textile mill products, refined nonferrous metals, lumber, and plumbing equipment, have also decreased. Fuel oil prices have continued to decline from the advanced levels reached a year ago as a result of the Suez crisis. Fuel oils are represented in the consumer goods index shown in the accompanying chart, as well as in the index for fabricated materials.

For most highly fabricated industrial materials, such as steel and building materials, the list prices reported for index number calculation have not changed. When demands fall, however, price decreases often take such forms as discounts from lists, freight absorption, and improved service and delivery terms. There has been some price cutting of this kind in recent months.

Price changes for materials over the past year have reflected developments abroad as well as in the United States. By the beginning of 1957, world capacity for the production of some major materials had been greatly enlarged and supplies were increasing. The leveling off last spring of industrial activity abroad—following several years of marked expansion—was accompanied by diminution of inventory demands.

United States exports of steel, fuels, and other products to industrial countries fell sharply from the spring through the remainder of 1957, and prices of some internationally traded commodities weakened. Lead, zinc, tin, sugar, and wool turned down, and the decline in copper continued. Decreased demand for industrial products is to be expected from countries whose earnings from the export of raw materials and foodstuffs have fallen. Through January, however, U.S. exports to nonindustrial countries were well maintained.

World prices of materials generally continued to fall through February 1958, and prices for primary aluminum were reduced at the end of March. In March, however, world prices of some materials appeared to have leveled out. Among the factors tending to check declines were maintenance of overall economic activity in Western Europe at advanced levels and curtailments in output of some materials.

[From the Federal Reserve Bulletin, November 1956]

THE RISE IN PRICES

Renewed advances in industrial output and prices in recent months have accompanied continued strength in demands. Industrial production has reached a new high this autumn, slightly above the advanced level extending from September 1955 through this spring. Increased supplies of some basic materials have permitted further gains in output of producer equipment. Following a reduction in the spring because of curtailments in auto assemblies, production of consumer goods has expanded to new high levels.

Prices of industrial materials and finished goods have been rising since mid-1955 except for an interruption this spring, and wage rates and transportation costs have advanced. In October wholesale prices of industrial commodities averaged 7 percent higher than in mid-1955 and 20 percent higher than before the Korean outbreak in mid-1950. Prices of farm products have strengthened this year, following a steady, substantial decline from the record high of early 1951. In October they were somewhat above a year earlier, but 25 percent below the 1951 peak and 6 percent below mid-1950.

Consumer prices have advanced 2 percent in 1956 and are at a new high. Higher retail prices for foods were responsible for most of the increase during the spring. Rental rates and service costs also have advanced and, with wholesale prices rising again since midyear, prices of various other consumer products have increased.

The current advance in industrial commodity prices is the third sustained rise since World War II. From 1945 to late 1948, prices rose 45 percent. After a small decrease during the 1949 recession, they rose 15 percent from mid-1950 to early 1951. The subsequent decline, confined mainly to materials, was small. After the rise of this autumn, industrial commodities averaged 5 percent above the 1951 peak and 17 percent above the 1948 peak.

The first two postwar advances in prices occurred mainly because of the effects of war. In the first period, Federal price controls were removed and prices responded to the accumulated demands and liquidity of the immediate postwar years. In 1950, hostilities in Korea created fears of renewed shortages and inflation, and both consumers and businesses added to their stocks of goods. At the same time, there was a sharp expansion in orders and outlays for national security programs.

The rise in prices since mid-1955, in contrast, has resulted mainly from influences other than war. While national security expenditures have been large, they have changed little since late 1954 at a level much below the peak of the Korean conflict. Also, business inventory accumulation has been smaller in relation to the size of the economy than in the earlier periods of price advance.

A significant feature of the recent expansion has been the confident attitude of business, labor, and consumers toward longer run economic prospects. This attitude has been reflected in a greater willingness to make commitments for capital expenditures and wage increases for a considerable period ahead.

Workers in steel and other basic industries have received wage advances this year, and pay increases have been widespread in nonindustrial lines of activity. Average rates of pay in nonagricultural lines of activity, exclusive of fringe benefits, were about 7 percent higher in October than in mid-1955, according to a national index. Total employment has expanded further since mid-1955, and total personal income is up 8 percent. Some recently negotiated labor contracts in major industries provide for future as well as current increases in wage rates; they also extend the coverage of automatic wage adjustments based on changes in the Bureau of Labor Statistics Consumer Price Index.

In late October when hostilities broke out in the Middle East, prices of a number of world-traded commodities—such as rubber, tin, and copper—advanced somewhat. The rise in prices was not extended in the days following the immediate reaction. Traffic through the Suez Canal has been interrupted, increasing the time and cost of delivery for some commodities. At the same

time, the flow of oil from the Middle East has been affected, and domestic prices for some fuel oils have advanced.

INDUSTRIAL COMMODITIES

The rise of 7 percent in average wholesale prices of industrial commodities since mid-1955 reflects a broad advance. During the economic recovery from mid-1954 to mid-1955, price increases had been selective, affecting mainly some basic materials. After mid-1955, increases extended to steel products, building materials, fuels, paper, and various finished products. During the second quarter of 1956, the general average leveled off and a few materials declined, but subsequently prices of industrial commodities advanced further.

By mid-October 1956, before recently announced advances had been fully reflected in the indexes, prices for about one-third of the leading subgroups of industrial commodities shown in the chart were up 10 percent or more from mid-1955. Prices of iron and steel as a group, including scrap, increased 18 percent, and coal, various building materials, and most types of finished machinery and automotive products were also up 10 percent or more. Heating equipment, petroleum products, paperboard and paper products, and rubber products were up 5 to 10 percent.

Prices of crude rubber, lumber, plywood, and wastepaper, which rose substantially during the 1954–55 recovery and advanced further to early 1956, have since declined to about the mid-1955 level. Other subgroups of commodities that in October were at or below their mid-1955 levels include household appliances, synthetic textiles, crude drugs, and plastic materials.

Capacity and output

The strength of demands has been reflected in capacity operations in many basic manufacturing lines since late 1955, exerting upward pressures on prices and reinforcing claims for higher rates of pay. Gains in output per man-hour accompanied expansion in manufacturing output from mid-1954 to early 1955. Subsequently, however, the rise in productivity leveled off as output approached capacity in many lines, and increases in wage rates tended to be reflected to a greater extent in rising costs.

Since mid-1956 wage rates have been advancing, but output per man-hour apparently has been rising again. As new and improved productive facilities are brought into operation as a result of the large volume of plant and equipment expenditures, further gains in productivity may operate to limit upward pressures on prices.

Pig iron and steel production has been at capacity since late 1955, except for strike interruptions, and steel scrap prices have risen further, to a level three-fourths above mid-1955. Stocks of steel were accumulated early this year, but inventories declined during the strike in July, when steel output dropped to 15 percent of capacity. The rate of capacity utilization in some other basic industries, such as aluminum, cement, and paper, has also been very high.

Capacity and output in these and a few other lines of activity are summarized in the accompanying chart. With the major exception of synthetic fibers, output of the materials included has been near capacity levels in the postwar years, except during the recessions of 1949 and 1954.

Capacity to produce the older types of synthetic fibers overreached requirements by 1953. Before as well as since 1953, cotton supplies have been large. Reflecting ample supplies of fibers and yarns and only moderate growth in demands, upward price pressures have not developed in the important textile-apparel areas.

Wage rates have advanced in textile as well as other industries this year, partly because of the March 1 increase in minimum rates under the Fair Labor Standards Act. When buying of textiles expanded this autumn, prices rose moderately.

Metals and products

Steel prices rose 6 percent in the summer of 1955; further adjustments during the winter lifted prices 9 percent above the mid-1955 level. After settlement of the work stoppage this past summer, wages and other benefits to workers in the steel industry were increased, and prices were raised 6 percent. Contract terms provide for additional increases in wage rates in mid-1957 and mid-1958.

Prices of nonferrous metals, already considerably above their 1954 lows, rose one-fifth further from mid-1955 to the spring of this year. Copper and products, which accounted for most of the increase, have declined sharply since April. Supplies improved this year as capacity expanded and work stoppages reduced output less than in other recent years. Aluminum prices were raised again this summer to a level 17 percent above mid-1955.

The higher prices of metals shown in the chart, together with increases in prices of other materials and fuels and in wage rates, have exerted upward pressures on prices of finished metal products. With demand strong for most types of machinery and equipment, price increases have been general. Moreover, advances in prices of structural steel and other heavy building materials, together with higher wage rates in construction, have increased the cost of improving and expanding industrial facilities. Also, financing costs for plant and equipment have risen.

Competitive pressures have been greater in markets for consumer metal goods than for business equipment, and price changes have been more diverse. In late 1955 factory list prices for newly introduced 1956 model autos were about 5 percent higher than prices for the previous model. With demands for new cars not so strong this spring and summer as a year earlier, prices to consumers apparently were up somewhat less than list prices. Factory prices for the new models being introduced this autumn are about 7 percent higher than a year earlier, and early response to the more extensively redesigned autos is reported strong.

Wholesale prices of household appliances, and also of television and radios, changed relatively little from mid-1955 to this autumn, following earlier declines. Very high levels of output and sales under strongly competitive conditions were accompanied by some reductions in manufacturers' margins. This autumn, however, wholesale prices of a variety of appliances and of television have been raised from 2 to 10 percent.

Wholesale prices of a number of other consumer metal products began to rise in mid-1955, as shown in the chart on the preceding page, and average 5 percent higher by October 1956. Furnaces, hardware, and auto batteries were up 10 percent, and various other products were up from 2 to 10 percent.

FARM PRODUCTS AND FOODS

Farm prices have strengthened this year, following a steady, substantial decline from the peak of early 1951 through 1955. The strengthening has reflected expanding consumer demands for food products, Federal Government programs to stimulate exports, and, to some extent, the soil bank program. Price support levels are higher for some commodities this year, and lower for others.

The influence of further expansion in consumer incomes and demands has been most prominent in livestock markets. Prices rose sharply from the seasonal low of late 1955. In early November 1956 they averaged about 10 percent above a year earlier. Livestock slaughter, which rose 10 percent during 1955, has leveled off. Indications for this winter are that hog marketings will be smaller than a year ago, and that cattle marketings will be about the same.

Output of poultry and eggs has increased further this year, and in October prices were 15 percent lower than a year earlier. Milk production also has increased but, with further growth in population and incomes and with higher Federal support levels, prices of dairy products in October were up 3 percent from a year earlier.

Prices of most crops in October were moderately above those of last season. Feed grains averaged 7 percent higher. Production of feed grains is close to that of a year ago and total supplies, including carryover stocks, are in record volume. However, Federal price support levels are higher.

Prices of fruits and vegetables, including potatoes, averaged about 10 percent higher in October than a year earlier. Nevertheless, they were well below the exceptional peaks reached at midyear when market supplies were limited by earlier unfavorable weather.

Cotton prices in October were 3 percent below a year earlier, largely because Federal support levels are 5 percent lower this season. Stocks of cotton continue very large.

Exports of agricultural commodities have increased this year, due partly to expansion in Government export programs. In the first half of 1956, such programs financed about two-fifths of agricultural exports. Also, Government export prices for cotton were reduced.

Farm land values were at a new high at midyear, 3 percent above a year earlier. The rise reflected stronger prices of farm products as well as the continuing influence of demands for enlarging existing holdings, for investment purposes, and for nonagricultural uses.

CONSUMER GOODS AND SERVICES

Consumer prices have advanced 2 percent since early this year, following more than 2 years of little change in the overall average. Service costs have risen further, and retail prices of foods and various other commodities have advanced.

In 1955 the continuing postwar advance in service costs accelerated. Average prices of nonfood commodities, which had been declining, turned upward after the rise in wholesale prices of industrial commodities began. But food prices declined, as the chart shows.

Retail prices of foods have advanced 4 percent since early this year and are slightly higher than in mid-1955. The greater than seasonal increase in the spring reflected larger consumer demands, higher farm prices, and increased costs of processing and distribution.

Average prices of all items other than foods have advanced 2 percent this year and are 3 percent higher than in mid-1955. For a variety of personal services, and also for rents, rising wage rates have been an important factor in the continuing postwar rise. Increases in productivity tend to be smaller in this area than in the commodity-producing sectors of the economy.

Retail prices of apparel, textile housefurnishings, floor coverings, and new autos rose 2 to 5 percent from mid-1955 to mid-1956. Prices of most household appliances declined substantially, however, as the practice of selling these items below manufacturers' list prices became widespread. Since mid-1956, with manufacturers' prices increased and distributors' margins reduced from those of a year or two ago, retail prices of some appliances have advanced, and prices of apparel, textile housefurnishings, and various other products have increased further.

UNIVERSITY OF MICHIGAN LIBRARIES

[From the Federal Reserve Bulletin, January 1956]

PRICES DURING THE ECONOMIC EXPANSION

Further expansion in business and consumer demand in the latter part of 1955 was accompanied by increases in industrial output and prices, to new record levels. Industrial production in December, at 144 percent of the 1947–49 average, was 11 percent above a year earlier and 5 percent above the previous high of mid-1953, when defense output was substantially greater.

Average prices of industrial materials advanced 4 percent in the second half of 1955. Prices of finished industrial products also rose, as shown in the chart. Widespread advances among industrial commodities—which together account for about four-fifths of the value of all commodities in the wholesale price index—occur only in response to strong and pervasive pressure of demands. Meanwhile, with marketings of meat animals sharply expanded and with Federal support levels for some important crops reduced, wholesale prices of farm and food products on the average declined 7 percent further in the second half of the year. The combined index of wholesale commodity prices in December was 1 percent above midyear.

While production increased to record highs in the latter part of 1955, the volume of business inventory accumulation was relatively small. Output of a number of industrial materials reached capacity levels and order backlogs accumulated. Increases in the value of inventories have reflected in part the higher level of prices.

High level production with accompanying pressures on prices of basic materials and wage rates has also characterized recent economic activity in Europe. Expansion in outlays, especially for construction, business equipment, and consumer durable goods, has exerted upward pressure on such world commodities as copper and rubber, and has been reflected in sharp increases in the volume of U.S. exports of coal, steel scrap, and steel mill products.

Expansion in consumer buying in the United States has been supported by rising incomes and more active use of credit. Consumer incomes after taxes, which had been maintained during the 1953–54 decline in business activity, began to increase in the autumn of 1954. Since then, fuller utilization of the labor force—in terms of longer hours and increased employment—and higher rates of pay have been reflected in a rise of 10 percent in disposable personal income. Retail sales, which had declined moderately after mid-1953, have expanded about 15 percent from the reduced early 1954 level. The rise in sales has involved a substantial growth in consumer installment credit. At the same time, long-term debt to finance home buying has increased at an unprecedented rate.

With economic activity rising to new record levels, business profits after taxes increased considerably last year, providing both greater incentive and larger means to program substantial increases in investment expenditures. While corporate dividend payments expanded, retained earnings—along with other internal sources of funds—also increased. Common stock prices rose further by about two-fifths in the 12 months ending in late September; after a short but sharp decline, prices recovered by early November and then showed little change to mid-January.

Demands for credit to finance the higher level of business activity as well as to finance consumer short-term credit, mortgages, business capital outlays, and public works projects of State and local governments have been large. The bulk of the credit has been supplied directly or indirectly by nonbank lenders. Business loans of all commercial banks increased by about $5.5 billion during 1955, and total bank loans by about twice that amount. Bank loan expansion, however, was accompanied by substantial sales of U.S. Government securities to nonbank investors. Additional reserves needed by banks were obtained largely through an increase in member-bank borrowings at the Federal Reserve banks.

Pressure of total demands for funds against the available supply of savings and of bank credit was reflected in a substantial rise in short-term interest rates and some increase in long-term rates. In order to exert restraint on member bank borrowing, the Reserve banks raised their discount rates four times during the year, from 1.5 percent to 2.5 percent.

PRICE RISE BROADENS FOR MATERIALS

Economic recovery from mid-1954 to mid-1955 was accompanied by price advances for such basic industrial materials as nonferrous metals, steel scrap, and rubber. Work stoppages at copper mines and increased Federal stockpiling of lead and zinc were factors in the advances, as were rising demands in Europe. Meanwhile, prices of agricultural commodities were being reduced by increased supplies.

After mid-1955 agricultural prices declined considerably further, while the advance in prices of industrial materials accelerated. The rise extended to steel mill products and other manufactured durable materials, and also to fuels, leather, and paper. By early 1956 prices of most nonfood materials were higher than a year earlier, with a number of commodities up 20 percent or more and many others up from 5 to 10 percent. For all industrial materials as a group, the rise over the year was 5 percent.

The broadening of the price rise after mid-1955 was associated with capacity operations in a number of lines of manufacturing activity and further expansion in buying by consumers and businesses. Advances in rates of pay in Government and in such basic industries as autos and steel, and also in transportation and the service industries, were reflected both in rising incomes and in upward pressures on costs. From early 1954 to early 1955, rapid expansion in output per man-hour had accompanied recovery in industrial output. Subsequently, the rise in output per man-hour apparently slackened somewhat.

Prices of sensitive industrial materials eased in late September, but in early November the advance was resumed. Other materials such as cotton goods, industrial alcohol, plywood, and newsprint also advanced at the year-end, and additional general advances in prices of steel products were being discussed in trade circles.

Metals

With output in the consumer durable, business equipment, and construction industries all at advanced levels in 1955, steel production reached capacity levels. Output of other primary metals also was at peak rates. Nevertheless, metals have been in short supply and their price rises have been the largest among industrial commodities. Similarly, increases in wage rates in the metal products industries have exceeded increases in most other sectors. The products of the metal industries account for about one-third of the total value of all commodities at wholesale. Average prices of all primary and scrap metals in mid-December were 15 percent above a year earlier and, as the chart shows, about the same amount above the previous record high in 1953.

Nonferrous metal prices generally showed greater rises than iron and steel and as a group increased 20 percent during the year. Copper was raised four times by major U.S. producers, for a total advance of 40 percent; secondary copper—refined from scrap—rose even more sharply. Prices abroad have been above domestic quotations for the primary metal since the autumn of 1954, and U.S. imports through most of the period have been smaller than in most other postwar periods.

To some extent aluminum has been substituted for copper. This has added to an already heavy demand for aluminum, prices of which were raised 10 percent during 1955. Postponement of deliveries to the Federal strategic stockpile contributed somewhat to a larger market supply of both copper and aluminum during 1955.

Steel output rose one-third from 1954 to 1955. Output in the earlier year had been curtailed as inventories were being liquidated. Steel shipments to the automobile industry rose sharply during the model changeover period in late 1954 and shipments to appliance manufacturers also increased. Demands of other users expanded later, in the spring of 1955, and overall supplies have been tight since then.

Following wage rate increases in mid-1955, steel mill list prices were raised 7 percent. Toward the yearend some additional increases were made in base quotations and a number of upward adjustments were made in charges for extras. During this period purchases of some steel at premium prices by the automobile and some other industries were reported. Capacity steel output and the advanced level of steel scrap exports maintained scrap prices near record levels during the autumn. Prices rose about one-fifth in December and early January as trade reports indicated prospects of continuance of capacity operations in the months ahead.

After mid-December auto assemblies were reduced, mainly by curtailing overtime operations. In November and early December new model car assemblies had been at peak rates, and dealers' stocks were built up rapidly. Since the curtailment, auto producers reportedly have confined their purchases of steel to regular mill channels, discontinuing their premium price purchases. Meanwhile, there has been an accumulation of unsatisfied demands from other metal fabricating industries, particularly those producing machinery and railroad equipment as well as most branches of the heavy construction industry.

Building materials

Building material prices began to rise in mid-1954, when an extended work stoppage in the northwest lumber industry curtailed output. In the spring and summer of 1955, the rise extended to most other building items, and in mid-December average prices of building materials were 8 percent above the level prevailing from 1951 to mid-1954.

In addition to marked increases in prices of metal materials and products used in construction, lumber and brick prices rose about 10 percent, and cement and glass 6 percent. Wage rates in the building trades advanced 3 percent during 1955 to a level at the year-end 5 percent above mid-1954. In late autumn, prices of lumber declined in some markets. The easing in demands was partly seasonal, however, and toward the year-end prices about recovered.

Total construction activity in the latter part of 1955 was down from the record spring and summer levels but was above any other period. Residential building activity at the year-end was moderately below, while business construction was somewhat above, the spring rates.

Other industrial materials

For most materials other than metals and building items, demands have not expanded so sharply, and supplies—especially those of agricultural origin—have been larger in relation to demands. A major exception is natural rubber.

U.S. rubber consumption in 1955, influenced by the expanded rate of auto output,

was one-fourth larger than in 1954, and crude rubber prices rose about two-fifths further during the year. Output of synthetic rubber reached capacity levels last year and synthetic accounted for three-fifths of domestic consumption as compared with about one-half in the preceding year; its price was not increased and at the year-end was about half that of crude rubber.

Growth in demands for paper products and for chemical and petroleum products has been heightened by expanding business activity, and production has increased considerably. Woodpulp prices were raised about 5 percent in early 1955 and demands and prices for wastepaper material rose sharply during the year.

Since mid-1955 prices of packaging materials, fine papers, and newsprint have been increased by amounts ranging up to 10 percent. Prices of chemicals on the average have shown relatively little change, while petroleum and coal products and bituminous coal prices have generally risen since mid-1955.

Prices of hides and skins have advanced from the sharply reduced level prevailing a year ago, despite a further substantial expansion in livestock slaughter. Prices of these raw materials and of leather continue well below the high levels prevailing earlier in the postwar period.

Growth in consumer purchases of textile products in recent years has been much less than that for durable goods and housing. Moreover, inventory demands for textiles during the past year appear to have been smaller than in most other periods of expanding industrial activity. The limited inventory demands may have resulted in part from uncertainty about future levels of Federal price supports for cotton. Actual and potential increases in textile imports also were a restraining influence on inventory demands and prices, especially for cotton goods. Textile output generally remained well below capacity levels. With demands not so strong as in most other manufacturing industries, increases in wage rates were below the average.

Prices of cotton yarns and industrial fabrics increased somewhat in late 1954 and early 1955, while raw wool and yarns declined. Synthetic fabrics declined in the spring, and prices of some of the newer fibers were reduced substantially. During the summer and early autumn foreign raw wool prices dropped and, with direct Federal supports removed, domestic wool prices also declined.

Toward the yearend apparel and carpet wool prices strengthened, prices of cotton yarns increased further, and print cloths and other cotton apparel fabrics advanced. Acetate yarns were raised to 2 to 5 percent, while prices of synthetic fabrics changed little. Increased business demands for textile materials reflected mainly an expansion in consumer purchases of clothing during the autumn months. By the yearend, activity in the apparel, textile, and leather products industries had increased further to relatively high levels.

FARM PRICES DECLINE FURTHER

Despite expansion in industrial activity and in incomes generally, prices of farm commodities declined further after last spring and at the yearend were 7 percent below a year earlier. Supplies of these commodities—including carryovers—increased, and Federal price support levels for wheat, oil seeds, and feed grains other than corn were significantly reduced.

Earlier in the postwar period, prices of farm products had been unusually high in relation to the level of industrial commodity prices. Continued decline from the advanced level of 1951 has resulted in a relationship between farm and industrial price averages more like that in the 1920's and the late 1930's.

The crop harvest, despite more drastic Federal acreage restrictions for several major crops, was 4 percent larger in 1955 than in 1954. Higher yields per acre in some cases more than offset the effects of reduction in acreages, and land diverted from wheat and cotton was devoted largely to the production of feeds. With feed supplies larger and prices lower, output and marketings of livestock expanded considerably, providing a meat supply in the second half of 1955 about one-tenth larger than a year earlier. Average farm prices of meat animals declined about one-fourth. For hogs, the decline in prices was considerably greater than for other meat animals.

Farm prices for wheat, feed grains other than corn, and oilseeds declined during the summer and early autumn to levels about in line with the lower Federal supports. Corn prices fell considerably below supports, which were changed little. Some recovery for corn and other grains toward the yearend was mainly seasonal in nature. Support levels for cotton and tobacco were unchanged last season, and average prices for these and other farm products—milk, eggs, poultry, and fresh fruits and vegetables—have continued relatively stable.

Reductions in Federal support levels for some crops are in prospect for this year, and large carryovers of cotton and grains indicate continued ample supplies. At the end of 1955, however, the pressure of increasing marketings of meat animals was abating seasonally and, with consumer incomes continuing to rise, prices of meats and some other foods were strengthening. While marketings will rise seasonally again in the spring, the large year-to-year increases of 1953 and 1955 are unlikely.

PRICES OF FINISHED PRODUCTS RISE

With the marked increase in steel prices in mid-1955, the broadening of the price advance to other materials, and increases in business costs, further expansion in demands in the second half of 1955 was accompanied by a rise of 3 percent in average wholesale prices of finished industrial products. The most general advances were in prices of business equipment.

When steel prices were raised 3 percent in mid-1954, machinery prices were generally unchanged, but small price advances occurred later in the year as demands increased. Early in 1955 uncertainty over the extent of increases in demands for electrical equipment resulted in reports of marked price concessions. Since then, however, an advance of about 5 percent in list prices has been general for machinery, including agricultural equipment which had been stable since early 1951.

Changes in wholesale prices of consumer products have been more diverse, partly because of the importance of such nondurable goods as clothing, textile housefurnishings, and chemical products. Prices of tires and other rubber products rose early in 1955 as rubber prices increased. During the spring furniture and carpets were advanced, while refrigerators, stoves, and washing machines declined somewhat.

In recent months, price increases have predominated. While there have been additional decreases in factory list prices for appliances, prices of tires, furniture, and carpets have been increased again. Other consumer durables, including autos, auto repair parts, television sets, and silverware have been raised by varying amounts. Prices of shoes, fuel oil, paints, and some other nondurable goods have also been increased. With productive capacity relatively ample, competitive influences have remained strong in markets for finished consumer goods. This has tended to moderate, but not prevent, increases in wholesale prices.

CONSUMER PRICES TEND HIGHER

Rising wholesale prices and increases in business costs since mid-1955 have exerted upward pressure on retail prices of nonfood commodities and on consumer services. Through the first half of the year, when average wholesale list prices of nonfood commodities were stable, retail prices declined. These declines at retail reflected mainly the spreading of discount selling of appliances, television, and some other goods.

Retail prices tended higher after midyear, when wholesale prices of a variety of consumer products were raised. At the same time, competitive pressures remained strong and prices of refrigerators and some other appliances declined further. During the summer, retail prices of autos, both new and used, declined seasonally as introduction of 1956 models approached. With introduction of the higher priced new models in the autumn, retail list prices for new autos were raised about 5 percent. Discounts and other concessions in auto markets have been larger, however, than at this time a year ago.

Demands for foods have grown over the past year, although apparently less in relation to increases in incomes than in other periods. Retail meat prices declined sharply further in the autumn, but the decrease was considerably smaller than that for farm prices of meat animals. Marketing costs, which account for a considerable part of the price of meat to consumers, have increased. Retail prices of other foods on the average have changed little since last spring.

Prices of consumer services rose further in 1955. Such important services as medical care, laundry, and dry cleaning increased at an accelerated rate and in December averaged about 3 percent above a year earlier, as compared with an increase of 1 percent in 1954. Home and auto repairs also rose. The postwar advance in rents continued at the slackened rate of 1954. At the yearend, the average level of all consumer prices was slightly above both mid-1955 and December 1954.

Mr. PROXMIRE. Mr. President, an interesting and extremely informative analysis of this whole controversy was carried in the Washington Post this morning in an article by Bernard Nossiter. Mr. Nossiter clarifies and sharpens the controversy. He also raises the question of whether this kind of inflation may be a necessary price for adequate incentive and the growth of our capital industries.

I ask unanimous consent that his article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INFLATION BESETTING US IS OF A NEW BREED

(By Bernard D. Nossiter)

A pioneering approach to the peculiar price inflation that marked our recent past is embodied in the strange-looking charts.

(Charts are omitted in the RECORD.)

They were put together by Gardiner C. Means, of Vienna, Va., a distinguished but lonely economist. He held a slew of Government posts in New Deal days and was recently an adviser to a relatively sophisticated business group, the Committee for Economic Development. Twenty-seven years ago Means rocked economic thinking when he and Adolf A. Berle wrote "The Modern Corporation and Private Property."

What the Means charts show is that contemporary inflation is a very different animal from the classical demand inflation. The chief difference lies in whether big price increases come in competitive or concentrated industries.

UNIVERSITY OF MICHIGAN LIBRARIES

In other words, what Means has done is violate a sacred taboo of economic thinking. He has actually gone and looked at where the price increases are taking place and asked whether the differences over separate periods of time aren't meaningful.

To compound his sins, he has married economic theory to economic fact. And as everybody in the business knows, the gulf between the "institutionalists" (fact men) and theoreticians is as wide as the breach between Montagues and Capulets.

Classical inflation is pictured in the top chart, covering the war and immediate postwar years. This was a money phenomenon, an increase in money demand which was not offset by an equivalent increase in goods—what Federal Reserve Board Chairman William McChesney Martin likes to call "too much money chasing too few goods."

In drastically oversimplified form, this is what happened:

The staggering war expenses were paid by the Government through borrowing (deficit financing). To the extent that the Government borrowed (sold bonds) to commercial banks, the Government was simply printing money. The goods this money bought were shot off, exploded, dropped on cities or left to rot in military warehouses. So, when controls came off, the extra money in the hands of people and businesses bid up prices much more than it induced increased production. Even with the best will in the world, increased production could not come about quickly enough because resources of men and materials were almost fully employed—too much money was chasing too few goods.

According to Means' charts, the biggest price increases came in the highly competitive industries—lumber, farm products, processed foods, textiles. In these, producers can't control their prices which are set by those impersonal market forces so dear to Adam Smith.

But the concentrated industries with few producers—steel, autos, aluminum, electrical machinery—held back. They do have considerable discretion over price and didn't take full advantage of the big increase in money demand.

Now, the new inflation presents a different picture. All the price push comes from the concentrated industries. The competitive industries in several cases cut prices—textiles, farm products, miscellaneous. And there is a logic in this. The period under study, 1953 to October 1958 (the last month for which Means got data), was a time of much less than full employment. The period spans two recessions (1953–54 and 1957–58). The money supply did not zoom upward.

So, only industries who need not rely on impersonal market forces but have considerable control over their prices could make increases stick. And the charts show that they did.

Many economists will quarrel with Means' interpretation of his charts. They will contend that the ability to administer prices has nothing to do with whether an industry is competitive or concentrated. They will argue that all Means is showing in his new inflation chart is what you would expect in a period of investment boom—and the Nation certainly was enjoying one from 1955 through 1957—steeply rising prices in steel and other producer goods industries as the result of extra demand for producer goods.

This debate can't be settled in this space or anywhere else now because relatively little is still known about administered prices, or for that matter, concentration.

Let's take a closer look at the charts. The solid black bars are industries or industry groups which are highly concentrated—a handful of producers account for most of their production. The cross-hatched bars are mixed concentrated and competitive—chemicals, furniture, and the like. The light gray bars are the competitive industries with thousands of producers, no one of them big enough to affect prevailing prices or production.

The bars are two dimensional, but that's not as scary as it sounds. The height of each bar measures the percentage of price increase or decrease at wholesale in each industry. For example, in the bottom chart, steel prices went up 36 percent between 1953 and October 1958; farm products prices went down 5 percent.

The width of each bar measures the industry's weight in the wholesale price index—that is, the amount of sales of that industry in relation to the amount of sales of the other industries. If steel sales during 1953–October 1958 were $8 billion and farm products sales were $24 billion, then the farm products bar would be three times wider than the steel bar.

The height of any bar times its width is its area. In these charts, the height (price increase) times width (economic weight) gives a graphic picture of the economic impact of each industry on the price level. In other words, the area of each bar shows how much force each industry or industry group had on the price level.

We can see very quickly that the competitive industries accounted for almost all the pull in the war period. There is much more light gray than black in this picture.

But in the recent period, the push comes from the concentrated industries. Means figures that they account for 85 percent of the gross increase in the wholesale index. If they had not gone up in price, the wholesale index would have risen less than 1 percent instead of 8 percent. And this is what you would expect during a period when total output of goods is increasing little and so is the money supply.

There is one other point to note. In the bottom chart, Means has broken out steel and fabricated steel from the broad category of metal and metal products. He did this to demonstrate the overwhelming force of the steel and steel-using industries (machinery and motive) in pushing up recent prices.

While Means appears to have demonstrated that the new inflation stems from the concentrated industries, he still has not answered the question agitating political debate: Is it the unions or is it the corporations?

Is it Roger Blough's United States Steel, Frederick Donner's General Motors, Ralph Cordiner's General Electric? Or is it David McDonald's United Steelworkers, Walter Reuther's United Auto Workers, James Carey's International Union of Electrical Workers? Or, have both sides embarked on an unspoken wage-price or price-wage collaboration?

The charts are of no help here. But Means, who prepared his material for the Senate Antitrust and Monopoly Subcommittees, went back into the committee's steel hearings for some arithmetic. After lengthy calculations, based on a series of arguable assumptions, he concluded that labor costs per ton went up $1.75 during 1956–57; prices went up $11 a ton.

This would appear to make United States Steel, the industry's price leader, the chief culprit. However, it must be repeated that Means' computation is derived from assumptions which can be debated. At best, his conclusion is suggestive.

Who are these concentrated steel and steel-using industries? They can be reduced to 10 corporations. In terms of ingot capacity, steel is United States Steel, 29 percent; Bethlehem, 16 percent; and Republic, 9 percent.

The motive end of the machinery and motive category is: General Motors, 51 percent of 1958 auto production; Ford, 29 percent; and Chrysler, 14 percent.

The machinery end is tremendously complicated by definitions. But electrical machinery is General Electric (owned 16 percent of the industry's assets in 1947, the last data year); Westinghouse, 13 percent; Western Electric Co., an American Telephone & Telegraph subsidiary, 13 percent; and Radio Corp. of America, 6 percent.

Some policy implications flowing from Means' analysis were spelled out by Chairman ESTES KEFAUVER, Democrat, of Tennessee, of the Senate subcommittee. If Means is right, then:

A tight-money policy won't hold down prices without bringing on a recession because corporate giants are the least affected by a shortage of lendable funds. They raise their expansion money largely from profits, not borrowing.

A balanced Federal Budget is irrelevant because this is not a money, but an "administered price" inflation.

To be sure, easy money and unbalanced budgets would, according to anybody's analysis, worsen the situation by piling a money inflation on top of an "administered price" inflation.

(However, a minority group of economists headed by Leon Keyserling paradoxically argues that easy money and budget deficits will stimulate an offsetting amount of extra production when, as now, men and resources are not fully employed.)

But what Means is really saying is that some new institutional devices must be invented to control concentrated industries and/or their unions if price stability is to be achieved.

What form the new devices should take might well be on the agenda of Vice President RICHARD M. NIXON'S new Cabinet committee on inflation and the massive congressional study Majority Leader LYNDON B. JOHNSON, Democrat, of Texas, once proposed for the Joint Economic Committee.

NOW THE CHALLENGE QF AN ECONOMIC SPUTNIK

Mr. PROXMIRE. Mr. President, the lead article in yesterday's New York Times magazine was a masterpiece of economic analysis of the big problem: How can this great free country of ours meet the onrushing challenge of the Soviet Union's soaring economic power?

Barbara Ward writes a wise, balanced, and inspiring answer. She recognizes, for instance, the problem of inflation, as well as the military and educational challenge.

She makes specific suggestions for legislation that should have the attention of every Member of this body. For this reason, Mr. President, I ask unanimous consent that the article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the body of the RECORD, as follows:

NOW THE CHALLENGE OF AN ECONOMIC SPUTNIK

(By Barbara Ward)

It is as well to be quite clear about the new challenge thrown down to the Western Powers by Mr. Khrushchev in his address to the recent Soviet Communist Party Congress. The West will have to live with it day in, day out for the next decade and it will be rubbed home with every possible insistence of propaganda. Mr. Khrushchev claims that the U.S.S.R.'s national income can be made to increase each year by more than 6 percent—not only in the early stages of industrialization but as a permanent feature of the Soviet economy. The normal

Western pace, over most of a century of industrialization, has never gone much beyond 3 percent, and for long periods (as was the case with France between the wars) some Western countries have stopped growing altogether.

This, then, is a first challenge—the claim that the Soviets can maintain double or more the Western pace of growth. When all allowances are made for the obstacles before them—a labor force depleted by the low wartime birth rate, the tremendous capital needed, the Soviet people's preference for spending, not saving, after 40 years of perpetual crisis—there seems no doubt, on past performance, that something very close to Mr. Khrushchev's rate will be achieved.

And how will it be achieved? This brings us to a second challenge—the Soviet contention that when government is the chief planner, designer and controller of an economy, the economy becomes, inevitably and inexorably, not only more powerful than a free economy but more expansive and more productive as well. To all nations facing the problems of early industrialization, the Communists say: "Use our model. You will get there more quickly." To the advanced nations, they say: "We shall surpass you within a decade because our method works better than yours on the long haul as well."

The first question the Western nations have to answer is whether in fact a higher rate of economic growth is really necessary. There is, after all, no self-evident virtue about a 6 percent as opposed to a 3 percent rate of growth. If a family has an income of $20,000 a year it should in all sanity be content with a smaller increase than a family with only $2,000. There is the story of the old lady who sought a divorce after 46 years of marriage and who, when the judge asked her whether after so long a union she could not last out to the golden wedding, replied sharply, "Judge, enough is enough."

So it is with the paraphernalia of a high material standard of living. A nation as wealthy, say, as America, does not necessarily need to increase its wealth as sharply as the still poverty-stricken U.S.S.R. In fact, there are times when Soviet propagandists appear to fall into the crassest attitudes of Western advertising men and to suggest that the good life is merely a multiplication of material possessions. Some of the Western nations are at least within sight of enough prosperity to enable them to see through that fallacy. Mr. Khrushchev should not be allowed for 1 hour to get away with the idea that two cars in every garage, achieved by ferocious work, dragooning and state direction, compensate in any way for the loss of political liberty, free thought and personal self-determination.

Equally, however, Western economies cannot make a fetish out of a 3 percent rate of growth, if real, demonstrable human needs call for a higher rate; and there seems little doubt that such needs exist. There is not much use in proclaiming the superiority of the Western way of life if its essential foundation—national security—is in danger.

For the last 8 years the Western Powers have been devoting what they could afford to their defenses and giving real priority to other things—to a balanced budget or popular consumption or domestic investment. Their inferiority in overall armament is a fact and their reliance—for such budgetary considerations as "more bangs for a buck"—on atomic weapons threatens to leave them unequipped to deal with small wars or local violence. There is no secret about all this. The richest nations in the world cannot "afford" to pull level with a still relatively underdeveloped Communist bloc. Here, clearly, is the first argument for larger resources.

Virtually all Western nations devote less of their national incomes to education than does Russia—the United States perhaps half as much. None apparently foresaw in time the postwar explosion of population. The needs of schools have come before Congress again and again in recent years. The outcome—mainly student loans—is a step forward but leaves unsolved such urgent needs as more schoolrooms and higher salaries for teachers.

In Russia the priority given to education has enabled the country not only to leap forward from illiteracy in 40 years but to produce in absolute terms more scientists, engineers and technicians than the West. Once more, then, the need for the West to aim at a larger national income—in this case to cover increased educational costs—is a matter of simple demonstration.

The Russians devote proportionately more of their resources to research and the results have circled and soared above a surprised globe for more than a year. When Sir John Cockcroft, one of the leaders of atomic research in Britain—a country hitherto preeminent in basic research—returned recently from Russia, he warned his country that the Soviets were ahead in all fields of research and were advancing on a much broader scientific front. Thus, more resources for basic research, more emphasis upon fundamental work, are necessary in the West and create one more unsatisfied claim on national income.

It is also highly likely that in the next decade the Russians will pull ahead of the West in the giving of foreign aid. They entered the field in 1955, and, aside from their Chinese program, have contributed about $2 billion in the last few years. This is still not more than a quarter of Western economic (as opposed to military) aid over the same period. But the offers are growing and neither budgetary nor popular impediments will prevent their growing further. The Western Powers will thus meet enhanced economic competition and must face again the question whether to expand their own programs and resources or lose by default.

All these matters—arms, aid, education, research—turn directly upon the fundamental issue of national security. To allow the Communists to pull ahead in all these fields could mean that one day the Western Powers will awake to a world in which they no longer have the political elbow room, the military striking power, or the scientific know-how to contain the Soviet threat. This outcome is, of course, only a possibility but it is a possibility writ large in any continued neglect of basic national security. At no time in history have nations been granted the privilege of defending themselves both successfully and also at a level they think they can afford. There is no reason to suppose that history has obligingly reversed itself for the benefit of the West.

Nor are the needs of security the only argument for a higher rate of expansion. In some Western countries—the United States, notably, and also in European nations such as France and the Netherlands—the rising birth rate demands a proportionate acceleration of production. While the American national income has stagnated for nearly 2 years, some 6 million more Americans have appeared to share it.

And the rising birth rate underlines another problem. The basic capital equipment of an aging or static population—in terms of schools, cities, hospitals, water supplies and so forth—can perhaps remain aging or static without too much loss of amenity. But the United States is adding the equivalent of a city about the size of Philadelphia to its population every year and the capital equipment needed for this bounding growth is simply not being provided.

According to recent estimates, American spending on basic social needs—schools, urban development, water—falls short each year by some $9 billion. The figure tends to rise each year as more schools, houses and hospitals fall into obsolescence and urban blight spreads to more city districts. All over America, water, a fundamental of existence, becomes more of a problem as water levels fall and wells dry up. Bright new cars in sordid streets, ranch-type or split-level homes beside garbage-filled gutters, the family picnic basket in chromium beside the polluted stream—these are symbols of a national pattern of expenditure in desperate need of redress.

But how can it be achieved save with a higher rate of national growth? People will not sacrifice the new car or the picnic basket. There can be little question, considering the national temper, of higher direct taxation to insure a bigger transfer from private to public needs. Larger resources are the only real alternative.

However, in America the most urgent need for greater resources—the grinding fact of extreme poverty—has been largely overcome. There are pockets of poverty, the more challenging because of the surrounding prosperity. But there is not the pitifully low general standard of all southeastern Europe, for instance. Nor is there the almost universal destitution of Asia and tribal Africa. In the underdeveloped lands, the growth of resources is a simple condition of survival and any system that offers a shortcut has the chief key to political effectiveness in those areas. Throughout most of the world, in short, the battle lines for the minds of men lie through national income figures and the statistics of production.

If all these demonstrable needs are put together—for greater security, for more research, for higher spending in the public sector, for rising standards of living, and for more income to meet rising population all around the world—there can be no doubt at all that the Western rate of normal growth of 3 percent to 4 percent a year is too low and that the first decision of domestic policy in the Atlantic world should be to increase the rate to, say, a steady 5 percent.

It is at this point that the West confronts the second element in the Soviet challenge. No one questions the fact that the maintenance of a higher rate of growth involves some increase in government activity. Only government has sufficient breadth of oversight to draw up the broad production targets needed to speed up growth. And once accelerated growth has begun, it is with government that the chief instruments lie for checking strong inflationary pressures generated by the increased use of all resources—manpower, capital, raw materials.

Yet in the United States, the central citadel of the Western World, there is a dedicated, influential, and vocal school of thought that believes any extension of government activity to be the equivalent of socialism; there is also enough widespread distrust of state action to make this school of thought widely listened to and respected. At times, one is almost reminded of the argument which raged in Europe at the time of Hitler's mounting threat. Then there were serious and responsible leaders who argued that the armament needed to counter Hitlerism would entail government intervention; government intervention entailed dictatorship; it was therefore useless to fight dictatorship by adopting its methods. The argument prevailed long enough to put the whole world in jeopardy before Hitler's rising power.

Similarly today, in the face of all the evidence of rising Soviet strength, the argument is to be heard in America: Government activity to increase our growth equals socialism; socialism equals communism; so how can we counter communism by methods that make Communists of us, too? We cannot defend the free way of life by means that destroy freedom.

UNIVERSITY OF MICHIGAN LIBRARIES

Is the West, then, impaled on an inescapable dilemma: Either to lose to the Communists by falling behind in the economic race, or to lose by adopting their measures?

Happily, the outlook is not so dire. Indeed, only in America is there quite so ideological a terror of Government activity or of Government ability to help shape the broad pattern of economic development in a community. It is hard to argue that Britain is less essentially free than America; yet a Conservative Government there cheerfully discusses the scale of public and private investment that is needed to double the standard of living in a generation.

The architects of Europe's Common Market are probably the foremost exponents of really free (as opposed to tariff-protected) enterprise in the world today. Yet a European Development Fund and careful forecasts of Europe's capital needs have been an essential part of their preparations. France's Monnet plan for accelerated public investment gave French private industry its first real boost in more than 20 years. And so the examples multiply.

But perhaps the decisive argument is that in postwar Europe, where every government has in some measure planned and guided the pattern of investment (quite apart from basing all recovery on that most successful of all plans, the Marshall plan), doctrinaire socialism has quietly deceased. "Public ownership of the means of production"—the one plank socialism once had in common with communism—has been explicitly or tacitly abandoned; and one reason for this is the success with which governments have used their powers to maintain investment, avoid recessions and keep their economies buoyant.

There is no reason in actual fact to suppose that, if they added to their responsibilities the task of increasing the rate of growth, socialism would result. On the contrary, a more rapid rise in resources would wipe out those corners of disgruntled poverty where communism can still breed.

But, the critics argue, the issue is not simply that of fixing higher targets of production. What of their repercussions throughout the economy in terms of the new inflation? If government intervenes to check it, its control will spread, octopuslike, throughout private business and there we shall all be back on the high road to socialism.

One thing, however, is certain. More thinking has to be done in the free economies about the issue of inflation. The postwar idea that reliance can be put on monetary controls alone needs modification. In the last 2 years, the American economy—and the British, too, for that matter—has endured both heavy increases in the cost of credit (the basic monetary control) and a complete stop to upward expansion. The only trouble is that price inflation has gone steadily on in America and continues to hover over the British experiment. In other words, the technique of checking production in order to stop inflation—the most drastic and dangerous cure conceivable in the face of Russia's rising production—does not cure at all. Inflation goes on. New thinking is thus in order.

Nor will control lead to anything remotely resembling socialism. The challenge is to keep some check on the claims made on the economy while more capital is being used for expansion—for arms, research, education, higher investment, and public needs—and not for immediate consumption. The checks can be achieved by more taxation to restrain personal consumption (by far the largest sector of the economy) and by postponing increases in personal consumption through some restraint on the growth of wages and profits.

In countries such as America and Britain, the income tax has probably reached its limits, but in both countries wealth is sufficiently widespread for there to be no great injustice in considering an increase in indirect taxation. In spite of its people's present poverty, the Soviet Union paradoxically relies overwhelmingly on a turnover or indirect tax for its capital accumulation.

Some restraint on profits and wages does not necessarily involve drastic State intervention, provided the awareness and responsibility of management and labor are seriously engaged. Wage restraint was achieved voluntarily in Germany, for instance, after 1948. It is surely not inconceivable that, in the light of the Soviet challenge, industry itself should come up with some suggestions of its own on methods of expanding to meet the challenge and of holding inflation in check meanwhile.

But it is not impossible for governments to use fiscal encouragements to the same end—for example, by taxing more heavily any higher rate of distributed profit, giving tax relief to firms which use rising profits to reduce prices, and by offering tax inducements to trade unionists who agree to long-term—say, 5-year—wage agreements, with a heavy emphasis on deferred benefits which maintain standards in sickness and old age. Nor are punitive measures impossible—fines, for instance, imposed on any firm which increases its prices within 9 months of granting a wage increase.

What is surely inconceivable is that patriotic managers and labor leaders, faced with the national necessity of a higher growth rate in the economy, should not use their intelligence, their leadership and their responsibility to devise ways and means of cooperating in an effort which not only involves the security of the whole Nation but which must, sooner rather than later, involve higher standards of wealth for them as well.

One hears much talk of business leadership. The Russian challenge is offered in what ought to be that leadership's chosen field—the field of increased production. If the only response is a dismal cry that socialism is the danger, then doubtless the Soviets will win the race—with far more incalculable consequences for the free economy than any timely efforts now to put it in a posture of greater growth.

If, on the other hand, by effective measures adopted in time, the free economies of the West keep their economic lead, strengthen their defenses, pull the underdeveloped lands forward in the wake of their own expansion and all the while preserve the institutions and the spirit of freedom, one can predict with some certainty that they will in their turn present a challenge to Russia which the Soviet system will be totally unable to resist.

Already the great country is astir with query and curiosity and with a deep desire to know more about the West. But these burgeoning questions are checked by triumphant comparisons between Soviet growth and Western stagnation. Suppose it were not so. Suppose, decade after decade, the West continued to grow under the institutions of freedom. Russia's last argument that tyranny and abundance must go together would be struck away. And with that argument could vanish the greatest obstacle to the spread of Western institutions back into Russia itself. These are the stakes. Can anyone doubt they are worth a supreme effort in the West?

THIRTY-EIGHTH ANNIVERSARY OF REBELLION OF ARMENIAN PEOPLE AGAINST COMMUNIST RUSSIAN TYRANNY

Mr. PROXMIRE. Mr. President, February 18 marks the 38th anniversary of the gallant and temporarily successful rebellion of the Armenian people against Communist Russian tyranny. I ask unanimous consent to have printed in the RECORD an article I have prepared on this subject for the Hairenik Weekly Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Wednesday, February 18, marks the 38th anniversary of the first and one of the most epochal struggles against tyranny that the world has ever seen. It is, at once, an inspiration to the spirit and a sad memory gnawing at the conscience of free peoples everywhere.

The year was 1921. The shadow of international communism had begun to fall across the face of two continents. Some nations were already in the grip of Red terror and suppression. Freedom was racking up an unbroken string of losses on the scoreboard of the world.

Then, on February 18, in the city of Erivan in the nation of Armenia, freedom struck its first blow at Red might. City dwellers and peasants had become outraged at Communist excesses across their land and the wholesale slaughter of political prisoners. Arming themselves as best they could, they rose up and broke the back of Red control, driving Soviet military forces from their country.

The independent Republic of Armenia was established and Prime Minister Simon Vratzian appealed to the free world for help in preserving the integrity of his country.

But, unfortunately, as in the case of Hungary's valiant freedom fighters nearly 36 years later, the free world hesitated until the time for action had passed. After six hard-won months of freedom, the single beacon in the spreading darkness was snuffed out by overwhelming Soviet forces.

The blood men spill in the cause of liberty is never wasted—never shed in vain. Armenia's fight for freedom takes its proper place with the very bravest and noblest struggles of recorded history, including our own revolution, and stands as a symbol of the sacrifice we and all free peoples must stand ready to make to preserve our heritage.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 10:30 A.M., THURSDAY

Mr. JOHNSON of Texas. Mr. President, if no other Senators wish to address the Senate, I move that the Senate stand in adjournment, under the order previously entered, until 10:30 o'clock a.m. on Thursday next.

The motion was agreed to; and (at 4 o'clock and 31 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, February 12, 1959, at 10:30 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate February 9, 1959:

U.S. CIRCUIT JUDGE

Phillip Forman, of New Jersey, to be U.S. circuit judge for the third circuit vice Albert B. Maris, retired.

U.S. ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

Franklin D. Murphy, of Kansas, to be a member of the U.S. Advisory Commission on Educational Exchange for a term of 3 years expiring January 27, 1962, and until his successor has been appointed and qualified—reappointment.

CONFIRMATIONS

Executive nominations confirmed by the Senate on February 9, 1959:

THE COAST AND GEODETIC SURVEY

The following-named persons for permanent appointment to the grades indicated in the Coast and Geodetic Survey, subject to qualifications provided by law:

TO BE ENSIGNS

Jack W. Kinney, Jr.	Limberios Vallianos
Michael L. Olivier	Fred M. Welch
Lester M. Pence, Jr.	Douglas J. Wilcox
Joe P. Pennington	J. Austin Yeager
Frank A. Spear, Jr.	W. Paul Yeager

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 9, 1959

The House met at 12 o'clock noon.

Rev. Denson N. Franklin, pastor, First Methodist Church, Gadsden, Ala., offered the following prayer:

Our Father, the father of men everywhere—glory, honor, dominion, and power be unto Thee forever and ever.

We come confessing our weaknesses and failures. As a wise teacher has said—"We have learned to fly through the air like birds and to swim under the sea like fish—but we haven't learned to walk the earth like men." Teach us to walk like men—sons and daughters of a Divine God—in dedication, faith, and service.

Bless this great Nation which Thou hast fashioned on these shores of freedom. As Thou didst lead the children of Israel with a "pillar of fire by night and a cloud of smoke by day"—lead us. Be Thou a "lamp unto our feet and a light unto our path."

Bless this great legislative body with wisdom and courage. As America faces increasing responsibility in world leadership, may the decisions of these Thy servants be according to thy will.

In the name of our Lord we pray. Amen.

The Journal of the proceedings of Thursday, February 5, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1. An act to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes;

S. 57. An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; and

S. 961. An act fixing the representation of the majority and minority membership of the Joint Economic Committee.

The message also announced that the Vice President, pursuant to section 5(a) of Public Law 304, 79th Congress, had appointed the Senator from Connecticut, Mr. BUSH, the Senator from Maryland, Mr. BUTLER, and the Senator from New York, Mr. JAVITS, members on the part of the Senate of the Joint Economic Committee to fill existing vacancies thereon.

The message also announced that the Vice President had made the following appointments to fill existing vacancies:

The Senator from Connecticut, Mr. BUSH, to be a member of the Board of Visitors to the U.S. Coast Guard Academy, pursuant to title 14, United States Code, section 15h.

The Senator from New Hampshire, Mr. COTTON, to be a member of the Board of Visitors to the U.S. Merchant Marine Academy, pursuant to title 46, United States Code, section 1126c.

The Senator from Indiana, Mr. CAPEHART, to be a member on the part of the Senate of the Lincoln Sesquicentennial Commission.

The Senator from Illinois, Mr. DIRKSEN, and the Senator from New York, Mr. KEATING, to be members on the part of the Senate of the Joint Committee on Immigration and Nationality Policy.

The Senator from Indiana, Mr. CAPEHART, to be a member on the part of the Senate of the U.S. Territorial Expansion Memorial Commission.

The Senator from Arkansas, Mr. FULBRIGHT, to be a member on the part of the Senate of the Board of Regents of the Smithsonian Institution.

The Senator from South Dakota, Mr. CASE, to be a member on the part of the Senate of the National Forest Reservation Commission.

The Senator from New York, Mr. JAVITS, to be a member on the part of the Senate of the Franklin Delano Roosevelt Memorial Commission.

The Senator from Nebraska, Mr. HRUSKA, to be a member on the part of the Senate of the Migratory Bird Conservation Commission.

The Senator from Delaware, Mr. WILLIAMS, to be a member on the part of the Senate of the Joint Committee on Reduction of Nonessential Federal Expenditures.

COMMITTEE REPORT ON TAXATION OF LIFE INSURANCE COMPANIES

Mr. MILLS Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means have until midnight Friday, February 13, 1959, to file a report on H.R. 4245, a bill relating to the taxation of life insurance companies.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT FROM TODAY UNTIL WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OF HOUSE FROM THURSDAY NEXT UNTIL MONDAY NEXT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns on Thursday next it adjourn to meet on Monday, February 16, 1959.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FIXING THE REPRESENTATION OF THE MAJORITY AND MINORITY MEMBERSHIP OF THE JOINT ECONOMIC COMMITTEE

Mr. McCORMACK. Mr. Speaker, I offer a bill (S. 961) fixing the representation of the majority and minority membership of the Joint Economic Committee, and ask unanimous consent for its immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(a) of the Employment Act of 1946, as amended (60 Stat. 23, Public Law 304, Seventy-ninth Congress), is amended to read as follows:

"(a) There is established a Joint Economic Committee, to be composed of eight Members of the Senate, to be appointed by the President of the Senate, and eight Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. In each case, the majority party shall be represented by five Members and the minority party shall be represented by three Members."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DEBT REDUCTION

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WRIGHT. Mr. Speaker, I have today introduced a concurrent resolu-

tion expressing the sense of Congress that a systematic plan of national debt reduction be entered into, and I am including in the CONGRESSIONAL RECORD some very revealing figures in this connection.

These figures established that it is cheaper to pay the debt than to owe it. They show how embarking upon such a course and retiring the national debt in 100 years with payments on the principal of $2.8 billion annually will actually save future taxpayers a sum in excess of $485 billion. In other words, it is more than $485 billion cheaper to pay off the debt in 100 years than simply to continue paying interest alone on the present debt for that period of time.

Mr. Speaker, I request the serious consideration of the Members of the House in connection with these figures which will appear in today's RECORD and their support for this resolution.

IN THE SPIRIT OF LINCOLN

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, it is most appropriate that the inauguration of Romulo Betancourt as President of Venezuela falls so near the 150th anniversary of the birth of Abraham Lincoln. Lincoln is loved and honored in Latin America as in the United States for his humanity and his democracy.

Our policies toward Latin America are improving. They have to improve. A learned United Press International specialist in Latin American affairs returned last week from 7 weeks in that area. "Anti-Americanism has never been so strong," he told me.

Dr. Milton Eisenhower's report, approved enthusiastically by his brother, the President, needs implementation without delay. I doubt that we can wait until 1960. Our neighbors to the south need to understand our sympathy for them in their struggle for freedom and a higher standard of living for their peoples.

These countries need loans and technical assistance. They need respect and friendship. They need to understand that democracy does not come easily or automatically with the overthrow of a dictator. Many of our neighbors in Latin America need to be awakened to the menace of communism as another form of the dictatorships they despise, a form which could not be so easily overthrown because of the help Soviet Russia would give, just as is done in Hungary and other so-called satellite nations.

Our reliance is in the love of liberty which God has planted in our bosoms.

Said Lincoln 101 years ago—

Our defense is in the preservation of the spirit which prizes liberty as the heritage of all men, in all lands, everywhere.

On Friday of this week in Venezuela liberty in Venezuela strides ahead when her duly elected democratic President, Romula Betancourt, is inaugurated in Caracas. In the spirit of Lincoln, we rejoice with Venezuela.

GRANITE CITY, ILL., AN ALL-AMERICAN COMMUNITY

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, Granite City, one of the cities in the district I have the honor to represent, the 24th District of Illinois, recently was chosen by Look as one of that magazine's "All-American" communities.

With the permission of the House, I should like to insert an editorial from the Collinsville (Ill.) Herald as typical of many comments that have been published in newspapers of the State. I should like also to say something about the importance of the recognition that has come to the citizens of Granite City.

Many Members of the House may not be familiar, at first hand, with the problems and opportunities that today confront a community like Granite City.

Along the eastern side of the Mississippi River, we are an industrial people. There are refineries, steel mills, mines, railroad yards in which the citizens of the 24th District labor and earn their living. We have agricultural areas also, and the needs of the farmers in southern Illinois are very much the same as those of farmers elsewhere. We have businessmen who manage large corporations and branches of corporations. We have labor unions. We have the pressing problems that are familiar in nearly all cities—air pollution, crowded central streets, urban decay.

Mr. Speaker, if I may make the point, the 24th District of Illinois seems to me to represent very accurately the face of the Nation. There is a group of citizens, concentrated in a relatively small space, well aware of what their problems are, and deeply committed to doing something about the problems.

We have, within the limits that have been allowed by a chopped-down Federal budget, many projects for urban redevelopment. We have traffic-improvement programs, schools where we are seeking to pay our teachers something close to a living salary. We are seeking to eradicate our slums, to build better cities.

One of the contributions of Granite City that led to its being named an all-American city was its record in peaceful industrial relations.

There have been conflicts in the past. But neither the businessmen nor the working people in unions found much happiness in controversy and turmoil. It was decided that ways and means would be sought to make conflicts less likely. The search has been successful.

We are looking forward. We are working together toward desirable objectives. I bespeak for all our hundreds of thousands of citizens the recognition of this House and of the Congress of the United States.

We need certain aids and assistance that only the Congress can provide, but we are abundantly willing and able to carry our share of the load and to initiate the local projects that show good faith.

I congratulate the people of Granite City, the businessmen and the civic leaders and the working people and their leaders on the recognition they have gained. Under unanimous consent I insert the editorial from the Collinsville (Ill.) Herald to which I previously referred:

CONGRATULATIONS, GRANITE CITY

The Collinsville Herald is happy to extend congratulations from the entire city of Collinsville to our good neighbor, Granite City.

We had the story of Granite City's selection as 1 of the 11 all-American cities in our office last Wednesday morning, but respected the release date on the story provided by the Granite City Press Record. Since the Press-Record's contributions to Granite City's achievement were substantial, this was only right, even if it were not a newspaper courtesy which all papers are supposed to follow.

There may be some who will wonder why anyone should make a to-do over such a selection. A cynic might say "So what?"

Such selections nationwide undoubtedly have precious little part in creating the incidents and movements which bring about the award. For instance, nobody involved in the labor-peace agreement which was part of the record on which Granite City based its claim, entered into that agreement with a notion of getting an award for Granite City. As a matter of fact, although it looms large in Granite City because Granite City is a labor town, it spreads over other cities in the area.

But pinning the label on Granite City may have a very real and desirable effect for the future.

When some big task is proposed, some mighty project is called for, some job is proposed which will strain the good people of Granite City to the utmost, they will be more inclined to say "we can," rather than "it's too big for us." When some unworthy compromise of principle and justice seems the easiest way out, Granite City people will now be more inclined to say "No, sir. An all-American city can't let itself down."

So Granite City may become a better city because it is recognized as a good city.

Our so-what cynic may still be inclined to say "So what?" Perhaps he is the kind who can see nothing good without a price tag on it. All right, this award is certainly one which stands to pay off handsomely in dollars and cents.

The publicity was worth thousands, in fact it is the kind of publicity you couldn't buy by spending thousands. When a Granite City committee talks to a manufacturer from now on, he won't say "Where is Granite City and what kind of place is it?" He will say, "Oh, yes, that was one of those all-American cities, the kind of place we want to locate."

Finally, every Granite City citizen can hold his head higher, face the world a little more firmly and proudly. That's worth something.

We respectfully tip our hat to Granite City, all-American.

VETERANS' HOUSING BILL

Mr. COOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. COOK. Mr. Speaker, on February 4, the House passed H.R. 2256, the veterans' housing bill.

Unfortunately, prior to Wednesday, February 4, I returned to my district to survey the great damage caused by the recent floods there. Following this survey, and while preparing to return to Washington to vote on H.R. 2256, a death in the family occurred which made it impossible for me to return to the Capitol in time to vote on the veterans' housing bill.

As a veteran of World War II, and a strong supporter of veterans' legislation, I have long regretted that more adequate financing was not available to the veteran to aid him in securing a home for himself. It had been my sincere hope that such funds would become available without the necessity of increasing the interest rate on these loans. But, apparently, it is impossible for the veterans to secure financial assistance unless the offer is made more attractive. Since this appears to have been the only way to aid the veterans in securing adequate financial assistance for housing, if I had been present on February 4, I would have voted against the motion to recommit H.R. 2256 and for the bill's final passage.

NEW LEGISLATION TO SAVE ALASKA SALMON RESOURCES FROM DESTRUCTION

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, today I have introduced a new bill to deal with high seas conservation of salmon spawned in American streams of the North Pacific coast.

Last year the House Merchant Marine and Fisheries Committee favorably reported a somewhat similar bill of mine to protect our salmon from indiscriminate and uncontrolled net fishing in the North Pacific but at my request it was not called up for House consideration.

I hoped that during the following summer or fall, based on latest research, the Japanese would voluntarily agree to restrict their fishing operations as they are morally bound to do under the International Convention for the High Seas Fisheries of the North Pacific Ocean. I thought legislation might not be necessary.

Now, however, I have a better bill which not only in its drafting is technically improved but also includes a new provision to make the law inoperative if the fishing activities of foreign nationals are deemed not to be adversely affecting conservation of our runs of salmon.

On previous occasions I have pointed out—but for the information of new House Members I reiterate—the States of Washington, Oregon, and California, by legislative enactment, have prohibited the use of nets in fishing for salmon in international waters of the North Pacific Ocean in order to preserve salmon of American origin from destruction. Canada, likewise, prohibits her fishermen from using nets in the interest of conservation.

Our American fishermen by regulation have suffered severe restrictions in the interest of preserving our fishery resources.

My bill seeks to discourage nationals of other countries from using fishing means, methods, and practices denied to our own citizens. It provides that after September 1, 1959, it shall be unlawful to import for sale within the United States salmon of any country which permits taking such fish by nets in the North Pacific at times and places where occur large quantities of immature salmon of North American origin or intermingled North American salmon runs.

The bill is designed to disallow sale in our American market of the products of nations which disregard and obstruct conservation and control of these fishery resources.

The Japanese started a high-seas fishery for salmon in the North Pacific in 1952. This first year's fishing took only 2 million fish, but the fishery has grown rapidly until 64 million salmon were taken in 1955 and the catch has fluctuated between this figure and about 40 million since then. The fishery has operated in an area from very close to the Kamchatka Peninsula in the west, eastward to 175° west longitude. Further eastward expansion of the high-seas fishery by the Japanese has been prevented by the Provisional Abstention Line provided for in the North Pacific Fishery Convention. This convention provides for the abstention by the Japanese from fishing stocks of salmon of North American origin. The provisional line at 175° west longitude was thought at the time to best separate the stocks from Asia and those from North America. Research up to the present time indicates that this was a good guess and most of the stocks of salmon of North American origin are protected by this provisional line. On the other hand, research by U.S. scientists also has shown that substantial proportions of red salmon from the Bristol Bay area of Alaska migrate west of this provisional abstention line and intermingle with salmon of Asian origin. These salmon from American rivers migrate as far west as 170° east longtitude, which is 10° west of the international date line at the 180th meridian. Evidence is available which indicates that salmon of North American origin migrate even farther to the west.

Under the terms of the North Pacific Convention, scientific research by Canada, Japan, and the United States is being carried out to ascertain whether or not there are other lines, or another line, which would more equitably separate fish of North American and Asian origin than the present provisional line. This research is producing a tremendous amount of information about the ocean migrations of salmon, and the American section of the Commission feels that there is adequate information now upon which to base justification for a change in the line, moving it farther to the west. The Japanese do not agree, and they believe that they are fulfilling their obligations at the present time under the treaty. Thus, at the moment there appears to be this basic difference between the United States and the Japanese sections of the Commission. This means that for the time being the abstention line remains where it is, with the Japanese fishing as much as they like west of 175° west longitude. In doing so, they have taken in the past, and will continue to take, substantial quantities of red salmon from Bristol Bay.

The present critical problem originates because of the anticipated low cycle return into Bristol Bay during 1959. The 1958 red salmon run numbered approximately 8 million fish. The Fish and Wildlife Service estimates that the Japanese fleets caught about 2.3 million of these fish on the high seas before they began their migration to Bristol Bay—1 million during the 1957 season when they were immatures, and 1.3 million as matures in 1958 when the Japanese fishing industry at the last moment agreed to reduce the fishing effort in those areas of known concentration of red salmon of American origin. The run which entered Bristol Bay in 1958 numbered only 5.7 million. An already reduced U.S. fishery in Bristol Bay in 1958 was severely restricted in order to insure, so far as possible, an adequate escapement for the perpetuation of the run. American fishermen were permitted, on the average, to fish no more than 2 days a week. In some districts they were permitted to fish no more than 1½ days per week, and in others no more than 1 day. Under these stringent regulations, the U.S. catch was about 3 million—the lowest in recent history. The escapement was below the necessary minimum in four of the five important spawning rivers of Bristol Bay.

The 3 million catch by American fishermen was critically low. The industry lost a great deal of money, and the fishermen and local population suffered severe hardships. Furthermore, in spite of the severe restriction on fishing, the spawning escapements was far below that needed to insure perpetuation of the run. Had there been no catch on the high seas by the Japanese fleets, the United States could have secured a spawning escapement of about 4 million—about the minimum needed—and an additional million fish could have been taken by U.S. fishermen, the difference between economic failure and perhaps a small profit by the industry.

The 1959 run is estimated to be about the same size as the 1958 run. The Bureau of Commercial Fisheries scientists recommend a minimum spawning escapement of 4 million fish. It is the opinion of the Bureau's biologists, based upon accumulated scientific evidence, that an escapement of less than 4 million salmon will bring about a further decline in the Bristol Bay salmon runs. On the other hand, the smallest catch which industry can take and still not lose heavily is about 2 million fish. This will be possible only by drastic reduc-

tion of effort in Bristol Bay to three canneries, as contrasted to the seven which operated in 1958, and corresponding reductions in the number of fishermen. If the United States is to achieve these minimum goals of escapement and cath, no less than 6 million reds must enter Bristol Bay in 1959. The Fish and Wildlife Service estimates that the Japanese have taken 350,000 reds of the 1959 run already as immatures in 1958. If the Japanese fish in 1959 as they fished in 1958, they will in all probability take another 1.3 million of this run. In these circumstances, assuming that the run does number 8 million, slightly more than 6 million fish will enter Bristol Bay in 1959 and the United States will achieve its minimum goals, modest as they are. If, on the other hand, the Japanese take substantially more than they took in 1958, the United States will be placed in an impossible situation.

The United States has sought to correct this situation through the International North Pacific Fisheries Commission. At the recent meeting of the Commission in Tokyo, the United States proposed a westward movement of the provisional line to 170° east longitude. This proposal was based upon the conclusion of the Commission's research committee to the effect that the red salmon of Bristol Bay origin predominate in the area of the Japanese high seas fishery as far west as 175° east longitude and are found in substantial number at least as far west as 170° east longitude. This proposal was not accepted by the Commission. Thus, the United States must adopt regulations with respect to the 1959 Bristol Bay fishing season without any knowledge of Japanese high seas conservation efforts beyond those provided by the North Pacific Convention. This means that the Japanese high seas fishing fleets can fish Bristol Bay red salmon 7 days a week with several hundred catcher boats and can further deplete the Bristol Bay runs of salmon, since these runs migrate west of the provisional abstention line into the area where the Japanese normally take several million red salmon. It is estimated that the Japanese will harvest about 4 million Bristol Bay red salmon if their fishery operates as anticipated without additional conservation measures applied beyond those provided for in the North Pacific convention. If they fish more intensively than normally in the area of heavy intermingling of Asian and North American salmon, the Bristol Bay runs can be more heavily depleted; but, even with the normally expected fishery, only a minimum number of salmon will survive to enter Bristol Bay and perpetuate the runs. There will be no surplus for American fishermen. The Government has two alternatives: It can, 1, ignore the offshore harvest and allow further depletion of these important runs of salmon; or, 2, it can eliminate the American fishery entirely and allow the number that escape the high seas fishery and enter Bristol Bay to proceed on upstream to spawn without any harvest by American fishermen.

A decision must be made within the next few weeks. Without some recognition by the Japanese of her additional responsibility to conserve Bristol Bay runs of salmon, either this cycle of salmon will undergo further serious depletion or the American fishery in Bristol Bay must be sacrificed with all of the attendant hardships to the indigenous people in the area as well as to the salmon industry.

Mr. Speaker, speedy action is necessary on salmon conservation legislation. The welfare and historic livelihood of our fishermen is at stake, as also is the economy of the new State of Alaska which has a wide interest in the passage of my bill.

I have been assured of early committee consideration. So when, as I hope will be soon, legislation is reported to the floor, I trust it will have the full support of all Members.

AMENDING THE INTERNAL REVENUE CODE

Mr. BAKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BAKER. Mr. Speaker, I have today introduced a bill to amend the Internal Revenue Code of 1954 so as to remove the 4-year limitation on deduction of exploration expenditures.

The present law permits the deduction of expenditures made in the exploration for ores or minerals, only to the extent of a maximum of $100,000 in any year and for not more than 4 years per taxpayer. This bill would retain the limitation of $100,000 per year on the deduction of exploration expenditures, but would remove the limitation which now restricts such deductions to 4 years per taxpayer.

The mineral resources of our Nation have made possible the high standard of living which prevails today. Discovery of new reserves is literally the lifeblood of the mining industry. Encouragement and stimulation of exploration for new mineral deposits are essential to both economic progress and national security. If we are to maintain a dynamic economy, we must make it attractive for taxpayers to invest their funds in the search for additional minerals.

Under the present law a taxpayer who deducts any amount, no matter how small, uses one of his 4 years for the deduction of these expenditures. Thus, a taxpayer deducting $1,000 a year for exploration expenditures would be limited to a total deduction of $4,000 for expenditures of this type. This limitation is a serious impediment to mining development, and could result in sudden shortages of such minerals as coal and zinc in critical periods.

In 1952 the President's Minerals Policy Commission states as follows:

> The Commission believes strongly that exploration and development costs for minerals should be fully expensible for tax purposes because of the direct incentive this arrangement gives for capital to take risks in highly uncertain fields.
>
> The Commission therefore recommends:
> "That the present limitation applicable to minerals other than oil and gas on the amount of permitted expensing of exploration costs be removed."

The present law also places a maximum deductibility of $100,000 on exploration costs for any one year. While this provision constitutes a roadblock in the exploration activities of some companies, I refrain from recommending that it be removed at this time when revenue requirements are of such vital importance to the Federal Treasury. Leaving the $100,000 limitation in the law will minimize revenue losses and at the same time will aid the hard-pressed small-business taxpayer.

EXPLOITS OF FIDEL CASTRO

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, I find that the distinguished senior Senator from Oregon [Mr. MORSE] and I are in substantial agreement on a topic of current and vital interest to the United States. We share a sense of personal revulsion at the recent exploits of Fidel Castro.

This campus radical turned revolutionary is flouting justice before the eyes of the world with the same sophomoric and arrogant nonchalance with which he affects a whiskered face. Execution alone does not satiate this bearded Nero. Like his ancient counterpart he parades his brand of justice before jeering crowds in a circus of death.

What is more astonishing than the occurrence of such brutality in the 20th century Americas, is the fact that Castro has been apologized for on this very floor. Castro himself is not penitent. He hurls challenges at his U.S. critics and grandly informs the world that execution will continue to be the order of the day.

One of the principal apologists for Castro is our irrepressible colleague from Oregon [Mr. PORTER] His fellow Oregonian, Senator MORSE, seems slightly amazed that Mr. PORTER should deny that summary execution of 200 Cubans constitutes a "blood bath."

My concern over events in Cuba is twofold. First, I fear that the precedent of the Cuban executions may retard the development of democratic ideals and due process of law in this hemisphere Secondly, I am wary that the volatile state of affairs in Cuba may afford a golden opportunity for reestablishment of Communist power in that country—a country which is vital to the security of the Caribbean and the Southern United States. Neither Castro nor the gentleman from Oregon [Mr. PORTER] can defend the blood bath by charging that while the justice is primitive, the victims were guilty. Speaking of the necessary and irreducible requirements of due process, our Supreme Court recently stated in the Chessman case that due process of law "must be respected,

no matter how heinous the crime in question and no matter how guilty an accused may ultimately be found to be after guilt has been established."

The lack of faith with justice is perhaps indicative of the immaturity of the revolutionaries, but it also may be indicative of the political philosophy of the revolution. We cannot overlook Castro's past exploits on behalf of Red-tinged elements in the Bogotá riots of 1948, nor the fact that his successor and brother, Raul Castro, was Moscow trained and oriented. I would second Senator MORSE's suggestion that both the gentleman from Oregon [Mr. PORTER] and the Castro regime read and adhere to the basic guarantees of fair procedure contained in the Geneva Convention. Furthermore, I would urge the gentleman from Oregon [Mr. PORTER] and many of his likeminded colleagues to avoid letting the prestige of their office dignify Castro's executions. If any outsiders are to aid in restoring justice and stability to Cuba it should be accomplished through the United Nations. It seems that the gentleman from Oregon will never come to an honest appreciation of the real worth of the official American policy of nonintervention. His persistent efforts to attack or praise Latin American leaders on the basis of his personal attitude can only result in creating conflicts between these countries, distrust in the United States and benefit only the Communists.

Officially, United States should watch with great care the formation and execution of policies by the Castro government. Whatever assistance this country can render in restoring democracy and stability to Cuba will serve us a hundredfold in the defense of the Caribbean and our own country. As in the past, we should continue a policy of encouraging and persuading our neighbors to the universally aspired system of democracy but refrain both in word and action from any policy which can be interpreted in Latin America as a condemnation of governments with whom we are in free alliance. Of course, where there is an obvious and proven disregard of the basic elements of justice and fair play, such as is clearly demonstrated by the action of the Castro regime, we cannot still our voices, but owe it to mankind to raise them in justifiable protest.

I trust that the wild enthusiasm of the Cuban revolutionaries will be harnessed toward the reconstruction of the economy of Cuba and the general well-being of its citizens. Castro has set in motion some violent forces, including a resurgent Communist movement, which if not controlled could spread beyond Cuba's borders and threaten the internal stability of other countries in the Caribbean, if not the security of the entire area. I have consistently warned that the United States must avoid the support of any movement which would endanger our delicately contrived mutual security system on the important southeastern flank of the United States.

DOMESTIC SPENDING

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, this morning's editions of the Washington Post quote the distinguished majority leader of this body as saying it would be "an act of leadership" for the President to call for higher taxes and that the majority would "not necessarily" increase domestic spending programs in such a way as to unbalance the budget.

Although I should like to believe the gentleman could provide such leadership for his own party, which clearly has the voting power to accomplish these ends, I cannot help but recall Democrat failures to solve problems of taxation and spending last year.

The gentleman may recall that at that time the Democrat advisory council advocated a slash of $8 billion to $10 billion in taxes and increased spending by Government. Not only was this statement by the council in absolute contradiction to what the gentleman suggested yesterday, but majority Members of this body introduced a wide variety of bills calling for expenditures which would have nearly quadrupled our budget. One measure, alone, called for the spending of approximately $110 billion—nearly half again as much as it costs to operate our entire Government for a year—on a crackpot aid-to-education measure.

I may add that the majority in the 86th Congress has displayed no tendency to spare the gentleman the shock he says he will experience should this body increase domestic spending.

As for the need of increased taxes, I remind the gentleman of four statements made by President Eisenhower in his state of the Union message before a joint session of Congress January 9, 1959:

These were:

1. Today, that (1958) recession is fading into history, and this without gigantic, hastily improvised public works projects or untimely tax reductions.

2. We do not forget, of course, that our Nation's progress and fiscal integrity are interdependent and inseparable. We can afford everything we clearly need, but we cannot afford one cent of waste. We must examine every item of governmental expense critically. To do otherwise would be to betray our Nation's future. Thrift is one of the characteristics that have made this Nation great; why should we ignore it now?

3. I shall submit a balanced budget for the next year, expected to be the most prosperous in our history. It is a realistic budget with wholly attainable objectives. If we cannot live within our means during such a time of rising prosperity, the hope for fiscal integrity will fade; and if we persist in living beyond our means, we make it difficult for every family in our land to balance its own household budget.

4. By working together, the Congress and the Executive can keep a balance between income and outgo. If this is done there is real hope that we can look forward to a time in the foreseeable future when needed tax reforms can be accomplished.

I call particular attention to that last statement, Mr. Speaker. The President said on January 9 that tax reform could be attained only through the cooperation of the Congress—which this year most certainly means the Democrats in this body.

Less than a month later, however, it became obvious that Members of the majority were determined to continue the policies of profligate spending that cut the value of the dollar in half during their last two administrations and pushed our public debt to the highest peak in history.

Again, Mr. Speaker, the President offered a solution. I pass it on today to the distinguished majority leader, for I know, that in the list of his statements as quoted in today's Washington Post, he should welcome it.

At a press conference February 4—less than a week ago—President Eisenhower was confronted with the question of Democrat successes this year at raising the cost of just about every measure which comes before them.

The President replied:

Why doesn't each one of these bills include a measure for increasing taxes? That would be the straightforward, honest way to see whether the United States really wants this kind of thing.

I am certain that the gentleman from Massachusetts, so long respected for his fairness, honesty, and great legislative ability, will find much comfort in such a suggestion. Certainly it will afford him the means of bringing about improvements he asked for yesterday.

COMMISSION ON CIVIL RIGHTS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DINGELL. Mr. Speaker, today I introduced a bill to make permanent the Commission on Civil Rights and to extend its authority to investigate any denial of a citizen to a right or privilege protected by the laws and/or Constitution of the United States.

The Commission will continue to be composed of the same number of Commissioners appointed by the President and shall continue to be bipartisan in nature and in practice.

It is my hope and expectation that it shall continue to be composed of members from the various parts of the country and reflecting different points of view so that there may be no doubt as to the fairness and impartiality of its activity.

The Commission shall not commence action on any allegation until it has been made in writing and on oath or affirmation.

The last duty to be imposed upon the Commission will be that it shall submit a report annually to the President and to the Congress on its activities and findings for the year immediately preceding the date of each report and to include therein such recommendations as it may deem necessary and appropriate.

The Commission, of course, shall have ample authority to submit such interim

reports as may appear necessary in its discretion.

The Civil Rights Commission has done tremendous work in an impartial and fair way to make us aware of the fact that citizens are in reality being denied the right to vote in various parts of this country because of race or color or national origin.

Moreover, the Commission has constantly been hindered and impeded by a series of delaying tactics on the part of those who were being examined. Records and evidence have been denied it and it appears that many not belonging to the Commission have sought in every way possible to restrict and retard and to literally run the clock on the Commission.

Certainly, if the Commission has authority to act indefinitely we will find that delaying tactics will be much less valuable, especially since the Commission at present by law ceases to exist on November 9, 1959, and has but little remaining time to act.

It is clear that the Commission needs authority to investigate other denials of civil rights of citizens in the United States and that its work in fields of other privileges and rights protected by the law and/or Constitution of the United States will be at least as helpful as has its preliminary exploration in the field of voting rights only.

Mr. Speaker, it is certainly my hope that this will become law at the earliest possible date and that it will be a firm and vigorous step forward in our search for means to live with one another in our country as equals, citizens, and free men.

TREATMENT WORKS FOR PREVENTION OF AIR AND WATER POLLUTION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I am today introducing a bill to encourage the prevention of air and water pollution by allowing the cost of treatment works to be amortized over a period of 60 months.

Much has been said in recent months about the danger of overcentralization with respect to the financial responsibility for air and water pollution control, but there is no danger, to my mind, Mr. Speaker, to equal the very grave menace that is posed to our Nation and to our people's health by the ever increasing pollution of the atmosphere and our water supply.

Under the Water Pollution Control Act, our present program of federally aided stream pollution abatement falls far short of meeting our national need. When we consider the fact that municipalities have been matching Federal funds at the rate of $5 for every Federal dollar, it is plain that the major responsibility in this area is still borne by the local governments. It is all the more shocking then to learn that the administration has proposed that the water pollution control program be liquidated in an effort to reverse the dangerous trend toward centralization.

Under the Air Pollution and Technical Assistance Act of 1955 Congress made a belated but commendable start in the fight against air pollution—an equally dangerous and growing threat to the health of our people living in industrial areas. I submit that it would be unthinkable to allow either of these programs to lapse when the growth of our cities and our defense-related industries impose an ever-increasing waste load upon our air and water supplies.

Private industry and municipalities are spending large sums to combat pollution but their efforts to this end require an additional incentive. Accordingly, I have introduced a bill which will encourage businesses and industrial plants to invest in the construction of facilities to check, divert, or treat pollution at its source.

Since air and water pollution are problems which defy company, community, county, and State boundaries, the responsibility of the Federal Government is unmistakably clear. It is foolhardy to turn our backs on this very real menace to our Nation's health and I earnestly hope that the 86th Congress will underwrite the very limited, and now threatened, efforts of the Federal Government by enacting this very worthwhile incentive to private industry by permitting the accelerated tax amortization of their cost of air and water pollution treatment facilities.

The consequent benefits both to the public health and to the economic and social welfare of our country commend this legislation to our prompt and favorable consideration.

USE OF GREAT LAKES VESSELS ON THE OCEAN

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I am pleased to join with my distinguished colleague, Representative BLATNIK, of Minnesota, in introducing a bill to authorize the use of Great Lakes vessels on the oceans.

Under the Merchant Ship Sales Act of 1946, as amended, vessels purchased from the United States were restricted in their operation and use exclusively to the Great Lakes, St. Lawrence River, and gulf. Heretofore, this restriction was pointless for all practical purposes since these vessels had no access means to the high seas, but with the impending opening of the St. Lawrence Seaway, these vessels will now have easy access to the Atlantic.

I am reliably informed that as a practical matter there is only one ship to which this measure would apply, the *Aquarama*, a short-run passenger and automobile carrier whose operations are currently limited to 84 days of the year during the summer months, running between Cleveland and Detroit. Because of the short navigational season on the Great Lakes, the *Aquarama* has been operating at an annual loss of $4,500,000 with off-season layoffs of 250 operating personnel.

I would like at this time to commend to the favorable attention of my colleagues this measure which would entail no expense to the Federal Government but would enable the *Aquarama* to achieve full year-round utilization of its facilities and personnel by removing the present restriction of its operation to the Great Lakes only.

"DIXIE," UNCLE DAN EMMETT, AND MOUNT VERNON, OHIO

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. LEVERING] is recognized for 15 minutes.

Mr. LEVERING. Mr. Speaker, in making a speech today about Daniel Decatur Emmett, the composer of the noted song, "Dixie," I should like to emphasize at the outset to my colleagues across the aisle that I am in no wise trying to steal any glory from the celebration of the Lincoln Sesquicentennial ceremonies we shall observe here on Thursday, February 12.

There is, I believe, no man in the country who holds the memory of Abraham Lincoln in greater respect and admiration than I do. As Robert G. Ingersoll once said of Lincoln, his life was like a rainbow, spanning in brilliant colors the horizons of the whole earth.

Today, I want to pay tribute to a man, and to a song written by that man. The man was Daniel Decatur Emmett—known as "Uncle Dan Emmett" to those of us who live in and around his birthplace and his burial place in Mount Vernon, Ohio. The song was "Dixie," which has had a terrific impact upon the people of this country.

Mount Vernon is proud of "Uncle Dan" Emmett, and his memory. The Kiwanis Club there, in which I fondly claim membership is planning an appropriate observance this year of the 100th anniversary of "Dixie," I believe. H. Ogden Wintermute, proprietor of the Dixie Antique Shop in Mount Vernon, is the author of "Daniel Decatur Emmett," a book about the life of the famous composer. It was published in 1955, and I wish to acknowledge the aid that book gave me in preparing this speech. I also would like to point out that Charles Burleigh Galbreath also wrote a book about "Uncle Dan" Emmett in 1904, and I am indebted to that volume, too, for some of the research embodied in my talk today. It is, I think, a great tribute to our people in my district that, while "Uncle Dan" no longer is with us, we still revere his memory and there are individuals such as Mr. Wintermute who work to keep this memory warm and vivid in the minds of oncoming generations. This is a great public service.

In 1703, Andrew Fletcher, of Saltoun, in a conversation with a friend, said: "Give me the making of the songs of a

Nation, and I care not who makes its laws." Percy Bysshe Shelley, one of the greatest poets of world history, declared in 1821 that "poets are the unacknowledged legislators of the world."

It is possible that in the long future Daniel Decatur Emmett will become one of those honored few who make the most lasting indentation on the world, through "Dixie" and his other poetic music.

Although virtually every adult in the country knows "Dixie," relatively few, I daresay, are familiar with the fact that this song is 100 years old this spring, and of the impact it has had on our Nation's life.

"Dixie" was the great rallying cry of the Confederates in their ill-fated attempt to rebel against the Union. When Pickett's men charged at Gettysburg, they were singing "Dixie" to the accompaniment of the inspired drummer boys of the Southland. Yet, "Dixie" was used as a peace offering by the Great Emancipator, Abraham Lincoln, at the dawn of Nation's reunion. "Dixie" was the air to which the boys in blue kept step as they stormed San Jacinto Hill and as they liberated Cuba from the hands of Spanish tyranny. It has become one of the most beloved songs ever to be written in the United States of America.

Many of our country's patriotic songs, including "America," "Yankee Doodle," "The Red, White, and Blue," and "The Star-Spangled Banner," are sung to foreign tunes, but "Dixie" is an American composition entirely.

I am happy that Daniel Decatur Emmett, its composer, was born and reared in the town of Mount Vernon, Ohio, the principal city of Knox County, where my people have been living for generations and from which I came to this Congress. Uncle Dan Emmett made a great indentation on the people of his day, and, as fate has decided, he has made a great indentation on the people who came after him. Yet, this was a man of meager formal education, who joined a wagon circus as a drummer when he was a mere boy and at 14 composed "Old Dan Tucker," one of his greatest songs. He was an Irishman, and as an old minstrelist he carried always in his pocket a little volume of his songs, which he labeled, "The Patriotic Songs of America." Among them was "Dixie," of course.

Uncle Dan Emmett was, for some years, a contemporary of Abraham Lincoln, and was known to Lincoln, if not actually known by the Great Emancipator. In the sunset of life, Uncle Dan built a small cottage in Mount Vernon and lived many happy and contented years. He was buried next to his first wife, Catherine Rives Emmett, whom he married in New York in 1853 and who died in Chicago, Ill., on May 31, 1865, in the family lot in Mound View Cemetery in Mount Vernon.

The fact that he wrote "Dixie"—he called it "I Wish I Was in Dixie's Land" originally—on a cold, wet weekend in New York City in the early spring of 1859 is not the only reason I pay this tribute today.

After the Confederate forces had surrendered at Appomattox Courthouse, President Abraham Lincoln, who was in Richmond at the time, returned immediately to Washington. There was a great celebration at the White House that evening, at which several members of the Cabinet appeared. The U.S. Military Band marched to the White House lawn to help celebrate the victory. Lincoln was called to the balcony to greet the crowd. Through the cheers, the leader of the band asked the President for his favorite selection.

Lincoln promptly called back: "Play 'Dixie.' We have captured the Confederacy, and now 'Dixie' belongs to the Union."

Another version of the same incident is that in Mr. Lincoln's response to a public serenade in front of the White House on the evening of April 10, 1864—the day after Lee's surrender—in which, promising more extended remarks the next evening—which proved to be his last public utterance—he dismissed the crowd with these words:

I propose closing up this interview by the band performing a particular tune which I will name. Before this is done, however, I wish to mention one or two little circumstances connected with it. I have always thought "Dixie" one of the best tunes I have ever heard. Our adversaries over the way attempted to appropriate it, but I insisted yesterday that we had fairly captured it. I presented the question to the Attorney General, and he gave it as his opinion that it is our lawful prize. I now ask the band to give us a good turn upon it.

It is said that Abraham Lincoln remarked often that "The Blue Tail Fly"—another of Uncle Dan Emmett's famous songs—was his alltime favorite song.

After his childhood in Mount Vernon, and his various trips to see parts of the world on the wagon circus, Uncle Dan Emmett went to New York to work. Here, he was one of the several men who founded the first minstrel show ever to perform in the world, and the troupe of which he was then a part won much fame for this form of entertainment. However, a tour of Great Britain did not pay off, and Uncle Dan was stranded in England for a while. Incidentally, in Dublin, Ireland, Emmett witnessed the liberation of Daniel O'Connell, the famous Irish patriot.

Upon his return, he joined Bryant's minstrels in New York, and it was while with this company that he composed his most famous piece of music—"Dixie."

Daniel Decatur Emmett himself described to a New York (N.Y.) News correspondent in 1900 just how he came to write the song "Dixie":

In the spring of 1859, I found myself in New York City engaged with Bryant's minstrels as a performer in the minstrel line—

He asserted.

My particular engagement was to compose comic and Negro songs of the plantation character, write walkarounds, and act as a musician when the occasion required. One Saturday evening after the performance, Mr. Jerry Bryant overtook me on my way home.

Sez he: "Our numbers are getting stale. Can't you compose a new walkaround for us, something in the git-up and git style, something that will take with the boys, that they can catch quickly and whistle on the streets? Bring in something new that we can rehearse Monday morning." Sez I: "Mr. Bryant, this is very short notice, but I'll endeavor to please you."

The next day, Sunday, was a very rainy day. I was in a gloomy mood. My wife saw that I was worried. Sez she: "I'd help you if I could, but since I can't, I'll leave you alone for a spell." After she left, I threw myself across the bed. All I could think of was the good old circus days in the South. Finally I said right out loud, "I wish I was in Dixie." It was a phrase I had caught from the Negroes and it stuck in my mind. Suddenly, I jumped up, took my tin whistle, and sat down to the table to write. In less than an hour, I had the first verse and chorus. After that, it was easy. When my wife returned, I sang it for her. "How do you like it?" sez I. "I like it first rate," sez she, "and if the Bryants don't like it, they wouldn't like anything."

"It is all finished now except the name," sez I. "What shall I call it?"

Sez she: "Call it, 'I Wish I Was in Dixie's Land'." I agreed, and we gave it that name.

I took it to rehearsal on Monday morning and sang it for the Bryants. They liked it fine, but Mrs. Bryant objected to the first verse. Sez she: "Some people will object to comparing Dixie to Paradise. Just start with the second verse and it will be fine."

So this, Mr. Speaker, is how the first verse of the famous song, "Dixie," was discarded. My colleagues from the South, who may not know about that deleted first verse, may want to hear it, and here it is, as Uncle Dan Emmett himself repeated it in later years:

Dis worl' was made in jiss 6 days,
An' finished up in various ways:
Look away! Look away! Look away! Dixie land!
Dey den made Dixie trim an' nice,
But Adam call'd it "Paradise,"
Look away! Look away! Look away! Dixie land!

The song, as we all know, was an immediate success. It was played in the North and South, until the Civil War began. Then, as Uncle Dan later pointed out, he was the only man north of the Mason-Dixon line allowed to sing this song all during the Civil War in any theater, concert hall, or place of amusement. But of course, it was the great national song of the forces of the rebellion in the Southern States, and it is said that the men under Pickett, in the famous and futile charge at Gettysburg, were singing "Dixie" to the beat of the drums when they marched into the hail of withering fire that turned them back and sounded the death knell of the Confederacy. Lincoln and Lee and Grant and all our honored dead knew, that day at Gettysburg, that the South had put forth its finest effort and that it was simply not enough to win the war. Gettysburg was the beginning of the end.

But we are all proud today that it was not the end of "Dixie," the song or the section it personifies. As noted, Abraham Lincoln himself, once the cruel war was over, wanted "Dixie" to be sung throughout the country in order to help bind up the Nation's wounds and to make all Americans, North and South, realize that we are one Union, indivisible, with liberty and justice for all.

It is of interest, I believe, Mr. Speaker, to point out that the origin of the term "Dixie"—as used in relation to the area

we know as the Southland—is rather obscure. However, there are several theories that have been advanced about it and perhaps my colleagues would be interested in hearing them.

"In Dixie Land" was a phrase common among show people of the pre-Civil War period. As each winter approached, and they wanted to get to the balmier climate of the South, they would say to each other: "I wish I was in Dixie." Many show people have written that this grew out of the fact that a man named Dixie had owned a great plantation on Manhattan Island and had been compelled to abandon slavery. He sold out and moved to Maryland, and this happened to more than one plantation owner who was pro-slavery during those pre-Civil War days. Gradually, the expression grew up that when one of these was moving, he was going to "Dixie," or, in other words, he was following "Dixie" into the Southland. It was said that some of the slaves freed in New York and elsewhere, and having been treated well by their former masters, would encounter economic difficulties, and they would remark: "I wish I wuz still with Dixie." Gradually, the word "Dixie" became synonymous in the public mind with the South.

There is another theory. Some scholars maintain that French bank notes issued in New Orleans bore the French word for 10—dix—and were called "dixies." It was thought that gradually, because of these banknotes, the word "Dixie" was applied to the section—the South—in which people might get these "dixies."

Actually, of course, it is possible that both of these natural developments contributed to the growth of the use of the word "Dixie" to denote the South. There is no question that, by the time of the Civil War, the people of the South considered that they were living in "Dixieland," and that they were happy to hear, use, repeat, and dance to the spirited song, "I Wish I Was In Dixie's Land."

Uncle Dan Emmett, as I have noted, wrote his song in the spring of 1859, well before the Civil War began. It was copyrighted in the U.S. Library of Congress in 1860, and, of course, as he pointed out himself, it was written for no other purpose than to furnish to his employer at the time a spirited comic walkaround that would "pack 'em in" and make the customers feel that they had received their money's worth.

The other songs of Uncle Dan Emmett are as well known to many millions of Americans as his song "Dixie" has become. "The Blue Tail Fly," which is now popular among little children who play records in their homes, was written by Daniel Decatur Emmett in 1844. Perhaps the second most popular ditty of the composer is "Old Dan Tucker," which he wrote when he was only 14 years old and living in Mount Vernon, Ohio. The title came by using his own first name and the name of his dog, known as "Tucker." Other famous songs he wrote include "Turkey in the Straw," "Old Zip Coon," and "Jordan Am a Hard Road to Trabel." Besides songs, he composed prayers and other works of literature.

It is interesting to note, Mr. Speaker, that Uncle Dan made $300 off of "Dixie," when it was originally published. This was the sum paid to him by Firth Pond, the music publishers. However, of course, indirectly he made much money from it later, by selling autographed copies of the sheet music and through going on tours with a minstrel company in which, without doubt, he was the greatest star of that period.

In traveling through the South, on a tour that began at Newark, Ohio, on August 22, 1895, the Al G. Field's Minstrel, presenting Uncle Dan Emmett in person, made one of the more remarkable records ever chalked up by a minstrel company. The theaters were packed wherever they appeared. When the company reached Richmond, Va., there was a rousing reception for Daniel Decatur Emmett. The Daughters of the Confederacy showered him with flowers; the Governor and representatives of the old Virginia families called upon him in delegations, and the theater was packed night after night.

Mr. Field later described the tour in these words:

> Uncle Dan was not in the best voice after he had marked his four score years, but every time he appeared before the footlights to sing "Dixie," the audience went wild. It seemed as though they would actually raise the roof. Every man, woman and child would rise in a body and simply overwhelm Uncle Dan with applause. It was great. It brought back memories of the grizzled men who bore arms for the Southland, the desolate camps, the fields of defeat, the enthusing recollections of victory. The Confederate soldiers had sung "Dixie" on the march and in their camps. The widows, wives, and daughters recalled the occasions on which the song had been sung while the men were valorously fighting for the cause that was so dear to all of them.

Wherever the troupe appeared—in Charlottesville, Va., in Atlanta, Ga., in Wilmington, Del., in Nashville, Tenn., record-breaking crowds turned out and Uncle Dan, a modest man, was feted by the great families of that area and era. Through it all, he remained as humble and as gentle and as fine and kind as he always had been among his neighbors back home in Mount Vernon. For this was one of the greatest attributes of this truly great man, Mr. Speaker. In spite of his genius for playing on the heartstrings of the people, he remained as comfortable as an old pair of shoes, among people of all kinds, and he was so unaffected in his actions that many individuals actually called him queer because he lived and acted in the simple, modest ways he wanted to live and act. I am constrained to recall, Mr. Speaker, that this simplicity, this gentleness, this lack of affectation, always has been and likely always will be the mark of true greatness. Jesus of Nazareth walked among the people as one of them. He loved the people and He lived plainly. The same was true of Saint Francis of Assissi. It was true of Socrates and Plato and Aristotle, and, as I have noted, of the greatest of our mighty dead. The great men of the world, Mr. Speaker, in my observation, have deigned the trappings of power and the pomp of ceremony. They have realized that their gifts are God's gifts, and that their role is not to try to appear great by lording it over their fellow men, but to be great by doing the things God has made it possible for them to do.

The last performance of the season of the Al G. Field minstrel company was at Ironton, Ohio, on April 11, 1896, and Uncle Dan, in his customary speech following his song, said:

> This is my farewell trip and my last appearance. This is my goodby to the public.

The audience cheered him so much that night, it was recorded, that it seemed as if the performers could never go on with the show. The troupe disbanded in Columbus 2 days later. Dan Emmett remained there 1 day to make a few purchases and then came home directly to his little cabin, as happy as a king returning to his kingdom. He told his neighbors:

> I'm back just in time to put in a mighty nice garden.

To the reporters who called on him, he made this statement:

> I am not insensible to the uniform kindness and marked attention that has been mine on this trip, but such a lot of the same lavishness became too monotonous, and home and quiet looks good to me.

Daniel Decatur Emmett came onto the stage of life on October 29, 1815, in a little cottage in Mount Vernon, Ohio. He stepped off the stage of life, in peace and quiet, when the final curtain was lowered on June 28, 1904, having lived 89 years. His request was that he be buried in the gray suit which Al G. Field had given him. Then, after appropriate ceremonies, he was buried next to the wife he had loved as a young man, in the family burial plot.

Mr. Speaker, as a final historic note, you may be interested to know that the Mount Vernon Sons of Veterans Fife and Drum Corps, the only patriotic aggregation of its kind in the United States that specializes in Revolutionary and Civil War music, participated in the burial rites of Albert Wolfson, the last Union Civil War veteran, and played "Dixie" at the request of the Wolfson family.

FEDERAL CIVIL RIGHTS LEGISLATION A FRAUD—PROTECT OTHER CIVIL RIGHTS

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, sponsored by sincere, patriotic individuals and organizations, as well as by politicians seeking votes, the so-called Federal Civil Rights Act of 1957 is deceptive and a fraud, because it protects only the right to vote only where that right is denied because of race, creed, color or national origin.

Moreover, the right to vote is protected by a Federal statute—Revised Statutes, section 2004—adopted on May 31, 1870, and never repealed.

Other natural and constitutional rights, denied because of any other reason or excuse, are not protected.

In an attempt to minimize and, if possible, end, the oppression of employees by employers, the Wagner Act was passed in 1935.

That act was heavily weighted in favor of employees and labor unions. It gave both benefits not enjoyed by others.

It imposed penalties upon employers.

Among other things, it provided that employees should have a right to join a union, participate in union activities and to bargain collectively with the employer.

The act did not protect the right of an employee not to join a labor organization.

More than 17 years ago, a four-word amendment to the Wagner Act was offered by me, which, if adopted, would have given an employee the right—a natural and constitutional right—not to join, as well as to join, a labor union.

That amendment was again offered in December of 1945 by an amendment to section 7 which then read, in part:

Employees shall have the right of self-organization, to form, join, or assist labor organizations—

So that it would read:

Employees shall have the right to self-organization, to form, join, or not to join, a labor organization—

The Taft-Hartley Act, unfairly labeled by certain union officials as a slave labor act, though not perfect, was more equitable legislation in that it was an effort to protect not only the rights of employees, but certain rights of employers and of the public, but it expressly conferred the right—sections 7 and 8(A)(3)—of unions and employers, through agreement, to require, as a condition of continued employment, membership in a union.

That provision has enabled unions to force from employees financial contributions to political parties—to date, almost exclusively to the Democratic Party, which labor dictators will soon take over nationally as they have in some States, of which Michigan is an example.

THE DENIAL OF MANY NATURAL AND CONSTITUTIONAL RIGHTS

Testimony before the McClellan committee, as well as similar testimony given before House investigating committees years ago, has demonstrated that the right to organize, the right to strike, and the right to picket have been used to deny many civil rights of others.

UNDER LABOR LEGISLATION

Unions and some union officials, exercising the special privileges given under the Taft-Hartley Act, other Federal legislation enabling the use of monopolistic power, have flagrantly denied to individuals the right to be secure in their ownership of property, in one's person, the right to conduct a business, the right to free speech, to a free press, to travel freely, the right to purchase food, clothing, light and power, the right—when ill—to service in a hospital, and the right to read the news of the day.

The above and other rights have for many, many years been denied citizens and whole communities.

It is equally true that the right of a community to light, to water, to food, to transportation, have each and all flagrantly been denied because unions and some union officials have arbitrarily exercised the right to organize, the right to strike and the right to picket.

PROPOSED LABOR LEGISLATION

Proposed labor legislation, if adopted and enforced, would aid in curing but one of the important denials of civil rights—that is, the right to be free from extortion and racketeering as practiced by gangsters and racketeers now unlawfully using union organizations. But it will not end the power to destroy a business—the levying of tribute for political purposes—for the exercise of the right to work.

If Congress lacks the inclination or the courage—whichever it may be—to protect the civil rights of communities, perhaps public sentiment—though I doubt it—will force it to do so.

Going that far, but no further, a bill has been introduced by me to amend section 187 of title 29 of the Code by making it unlawful for any individual employed by a public utility affecting commerce whose rates are fixed by a governmental agency to participate in a strike.

The sole purpose of this amendment is to protect the public, whose rights are superior to the right of any individual to participate in an activity which endangers the welfare or the security of the public.

THE PROPOSAL IS VALID

There need be no argument as to the validity of such a provision, for it was taken from Act No. 170 of the Public Acts of Michigan, 1947, introduced by Senator Hutchinson, of the eighth senatorial district of Michigan, upheld by the State supreme court and by the United States Supreme Court.

That proposed amendment reads:

A bill to amend title 29 of the United States Code by the addition of a new section following section 187 [1]

(1) It shall be unlawful for any individual employed in any public utility affecting commerce whose rates are fixed by some governmental agency to participate in any strike.

(2) Notwithstanding any other provision of law, any individual employed in any such public utility who violates the provisions of this act shall thereby abandon and terminate his appointment or employment and shall no longer hold such position, or be entitled to any of the rights or emoluments thereof including pension or retirement rights or benefits.[2]

Day after day, from the well of the House, we hear much about a free people, a free world—but here in the United States of America, supposedly the citadel of freedom, the individual is not free to conduct his own lawful business, to keep the community free from "tieups" which adversely affect the health and welfare of the people.

An unbiased evaluation of what happens to a State and its people when Walter Reuther—UAW-CIO boss, takes over, and a Democratic Governor becomes his stooge, is in part, found in U.S. News & World Report of February 13, which reads as follows:

A WELFARE STATE RUNS INTO TROUBLE—MICHIGAN GOVERNMENT OUT OF MONEY, LIVING ON THE CUFF

DETROIT.—G. Mennen Williams, now in his 11th year as Governor of the great industrial State of Michigan, saw his State come to the end of its financial road last week. The Governor was forced to appeal to the corporations that he has often fought for money with which to meet the State payroll.

Governor Williams frequently is spoken of as one of the hopefuls for the 1960 Democratic presidential nomination. People of Michigan six times have voted him their chief executive. The Governor is famed as a liberal. His administration is closely alined with Walter Reuther, politically powerful head of the United Auto Workers.

When the money ran out, however, it was the corporations which came to the aid of the State with advance payment of taxes. The Governor appealed to 23 of the State's largest employers to pay taxes early and help ease the financial plight. Most agreed to do so.

OVERDUE OBLIGATIONS

The State's finances had reached the point of crisis. The University of Michigan and Michigan State University received their last payments from the State last November. Both were living on money borrowed from banks against student fees. The banks were unwilling to lend more.

The State fell 3 months behind in payments into its teachers' retirement fund. Bills due contractors in some instances went unpaid. There was a question where money could be found to meet State payrolls. Interest payments of $15 million are due on the State debt March 15, with no clear indication of where the money will come from. A payment of $34.5 million is due on a school fund in May.

Through it all, checks went regularly to those on relief—and welfare rolls continued to swell as unemployment spread through Detroit and many other industrial areas of the State. More than 11 percent of the State's labor force was jobless in January, according to estimates by the Michigan Bureau of Employment Security.

Michigan, in other words, suddenly found that, while it was continuing to spend freely, it had run out of money to meet its bills. Spending from the State's general fund ran ahead of income by $21 million in the fiscal year ended last June 30. A deficit of $89 million is estimated for the current fiscal year.

A JUGGLING ACT

As the State's financial crisis deepened in recent months, Michigan officials searched for new ways to raise additional cash.

Last year, for example, the State government liquidated one of its assets by transferring $19 million, representing liquor inventories held by State-owned liquor stores, to the credit of its general fund. The State also drew down $10 million from a special fund for soldiers' bonuses and from other funds set aside for the redemption of bonds.

This fiscal juggling brought in an extra $29 million of nonrecurring income, but that was still not enough to meet demands for cash. Money went out faster than it came in.

PLEA FOR TAX BOOSTS

As one way out of the financial crisis, Governor Williams last week asked the legislature to boost taxes by 18 percent over what was collected in 1958. He called for enactment of the State's first income tax, and for increases in other taxes that would bring in, all told, an additional $140 million a year.

---

[1] Sec. 188 which forbade striking by Government employees was repealed August 9, 1955, and is now covered by secs. 118p–188r of title 5.

[2] An adaptation of a portion of the Hutchinson Act of Michigan—PA 1947—No. 336 (CL 1948, secs. 423.201–423.207 [Stat. Ann. 1950, Rev. secs. 17.455(1)–17.455(7)]

Included in the Williams tax proposals are some that are certain to run into heavy opposition among Michigan taxpayers and businessmen: a graduated tax on personal incomes, a flat 5 percent tax on corporation incomes, and a 7 percent tax on the income of banks and other financial institutions.

Meanwhile, as a stopgap measure, the Governor has asked the legislature to mortgage the veterans' trust fund, which now contains securities valued at around $38 million. If the legislators approve, these securities could be used as collateral to secure loans.

SPENDING AS USUAL

In the face of the present cash crisis, the Governor's budget for the fiscal year to start next July 1 calls for still higher spending, over and above that for the present year. He has asked additional outlays centering chiefly on educational and mental-health programs, and a pay boost for State employees. These would increase the State's general-fund expenditures from a current annual rate of $380 million to a rate of $424 million in the coming year. For new public-works spending—which lately has been cut sharply—Mr. Williams proposes that the legislature create a State building authority, empowered to issue revenue bonds.

A LONG-TERM PROBLEM

How did Michigan get into its present plight? Look back at the record, and you see that the State's troubles have been years in the making.

For one thing, over the past decade—the years in which the Williams administration has been in office—total State spending has gone up from about $500 million annually to more than $1 billion.

State financial officials say that inflation and the increase in Michigan's population have accounted for about half that rise. The other $250 million increase in spending is accounted for by new State services, improvements in old ones, or by a shift in costs from local areas to the State treasury.

For another thing, new revenues coming into the State treasury have not kept pace with the rise in spending. Over the years, Governor Williams has sought approval from the legislature for higher taxes. But the legislators, while generally going along with higher spending, have not been eager to provide additional taxes.

A DOUBLE-EDGED RECESSION

Meanwhile, revenues from existing taxes have declined recently because of the recession in business. Sales-tax collections, the largest single source of revenue, fell off. The estimate of revenue from this tax for the current fiscal year had been $323 million. Now the estimate has been reduced to $296 million.

As auto plants and other factories began to lay off workers, welfare costs began to rise. These costs put a heavy drain on State revenues. Normally, the State pays 30 percent of general relief costs, cities and towns 70 percent. Recently, the State has shouldered the entire cost in Detroit and some other areas because the local governments ran out of funds.

FRONT RUNNER IN WELFARE

Michigan's spending for many types of State services—for education, highways, health and hospitals, public safety—run well ahead of the average for other States. Most recent figures show that the State's spending for education, for example, was the highest of all States, at about $61 per capita, compared with a nationwide average of $37.41 per capita.

Other factors, having to do with jobs and business activity, have had a long-term effect on Michigan's financial problem.

Since 1950, Michigan has added more than 1.5 million to its population. This population increase included many thousands of people who came from other States, lured by the prospect of high wages on Michigan's world-famous assembly lines. But new jobs over the past few years have not kept pace with the rise in population.

"COLD SHOULDER" FOR BUSINESS?

One reason frequently cited by some businessmen for this decline in jobs is that the State has an "unfavorable climate" for attracting and holding private business and industry. All through the State government, businessmen say, they run into an attitude of hostility.

Last year, a big Detroit manufacturer closed down its factory with a payroll of 700 workers and moved to Arkansas. There, the company's president says, it will save $75,000 a year in taxes alone—and many times that amount in wages.

In the Detroit suburb of Monroe, Mayor Milton H. Knabusch said that one of the country's largest steel producers decided against building a plant there because the company didn't like the political and industrial climate of Michigan. Since 1947, the Big Three of the auto industry have built or acquired about 100 new plants across the country. Only 30 of these have been located in Michigan. Neighboring Ohio alone got 29.

All these problems have combined to add to the State's financial worries. New business enterprises are slow to come to Michigan. Revenues from existing businesses are down. Spending is way up.

Thus, the people of Michigan, one of the wealthiest States in the United States, now find their government is broke. Many of these people are wondering whether the State can continue to spend as it has in the past—and whether taxpayers are willing to provide the new money that will be needed to support the spending programs already projected for the future.

AREA REDEVELOPMENT

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 10 minutes.

Mr. CONTE. Mr. Speaker, I am introducing today, for appropriate reference, an area redevelopment bill which I believe to be comprehensive, effective, and realistic.

It is my belief that an overwhelming majority of the Members of the Congress are in favor of area redevelopment legislation. Despite the tapering off of the recession, and the generally healthy economic condition of the Nation at the present time, we still find pockets of economic stagnation in our country—areas where, because of the decline of certain industries, rapid technological changes in certain industries or the transfer of plants to areas of the United States where cheaper labor is available, there has been a resultant high level of unemployment over a long period of time.

This is a situation we cannot tolerate. In the economic race with the Soviet Union we cannot afford to let any of our communities stagnate economically, and persistent unemployment in certain areas is most surely a drain on our economy. Tax revenues are lower than they ought to be, and the costs of our welfare and unemployment compensation programs are far higher than they ought to be. Worst of all, persistent unemployment in any area means that there is a tremendous human wastage, because able-bodied men, willing and anxious to work, simply cannot find gainful employment.

In the last session of Congress an area redevelopment bill, S. 3683, was passed by the Congress but pocket-vetoed by the President on September 6, 1958.

The President objected to a program in which up to 65 percent of the funds for projects in depressed areas could come from the Federal Government—thus curtailing the area of required local initiative. The President pointed out that S. 3683 provided "for less local participation in the costs of local development projects than is proper or necessary to stimulate and assure the continuing interest and support of local governmental and private interests."

The President also pointed out the danger of placing the administration outside the Department of Commerce "which has primary responsibility for business and industrial development and a long experience in extending to local areas technical aid for economic development."

The President objected as well to the artificially low interest rates provided for in last year's bill.

He had strong reservations about the bill's program of Federal grants for public works in redevelopment areas, requiring no local participation whatever.

While concurring in these objections of the President, Mr. Speaker, I still feel that there is a need for wider and more comprehensive area redevelopment legislation than the administration has yet proposed to Congress. It seems to me that the figure of approximately $50 million which the administration would allow for such a program—$55 million in the budget for fiscal 1960—is inadequate, that a loaning period of at least 30 years is necessary, and that certain rural areas should receive benefits under area redevelopment legislation.

It has been my hope that the area redevelopment legislation introduced in this Congress would show a realistic compromise between the administration's position and the sentiment of Congress as indicated in last year's vote on S. 3683.

For this reason I was extremely disappointed when I read the provisions of the area redevelopment bill, H.R. 3466, recently introduced in this House by the distinguished gentleman from Pennsylvania [Mr. FLOOD] and other Members, which is the counterpart of the Douglas-Cooper-Clark-Beall area redevelopment bill (S. 722) introduced in the other body.

That bill, while making a few minor concessions to the President's point of view, contains almost all of the provisions he found so objectionable in S. 3683 last year.

Mr. Speaker, as a freshman member of Congress I have no special pipeline to the President, or any way to read his mind. But I find it difficult to see how he could approve H.R. 3466, the Douglas-Flood bill, in the current session of Congress, in view of his veto of S. 3683 last September.

The Douglas-Flood bill provides for loans and direct grants totaling $375 million—seven times the figure the President has mentioned for area redevelopment programs in his budget message.

The Douglas-Flood bill authorizes direct grants of $75 million for public facilities, directly inserting the Federal Government into an area which should remain under primary local jurisdiction.

The Douglas-Flood bill provides that funds be borrowed from the Treasury instead of being appropriated by Congress. It has been the general practice of the House to refuse programs of this nature based on Treasury loans. Realistic control must be lodged in the Congress, so that appropriations may be made intelligently on the basis of real needs, year-to-year.

Mr. Speaker, during recent weeks Members of this body from both sides of the aisle have risen time and time again to point out that one reason for the huge national debt we have today is that various expensive new projects have come in through the back door of Treasury loans, rather than going through the Appropriations Committee where every item is given the closest scrutiny. Not only is this Treasury loan bypass of regular congressional appropriation procedures fiscally irresponsible, but I also feel that such a practice is unconstitutional, in that it contravenes the provision of the Constitution providing that no money shall be drawn from the Treasury but in consequence of appropriations made by law. We would certainly be making a grave error if we added area redevelopment projects to the group of expenditures beyond the effective congressional control provided for in the Constitution.

The Douglas-Flood bill, despite some slight corrective adjustments, still contains a mandatory interest rate on loans which would hamper the administering agency in the imposition of reasonable interest rates based on current conditions.

The Douglas-Flood bill establishes still another Federal agency, to be charged with administering the program, instead of placing it within the Department of Commerce where it rightfully belongs.

Mr. Speaker, the legislation I am introducing today is the counterpart of a bill recently introduced in the other body by Mr. SCOTT, of Pennsylvania—S. 268. This legislation eliminates the most undesirable features of the Douglas-Flood bill, but it does go further than the administration's recommendations.

The legislation I am introducing today differs from the Douglas-Flood bill in the following principal respects:

It places administration of the program within the Department of Commerce with an administrator equivalent to an assistant secretary.

It authorizes no direct grants for public facilities.

It authorizes appropriations, rather than loans from the Treasury.

The authorized funds for the revolving fund total $200 million, broken down into $100 million for industrial projects, $50 million for rural projects, and $50 million for public facilities.

The Secretary of Commerce is authorized to determine a realistic rate of interest on all loans.

The maximum Federal loan participation is 50 percent; the minimum local or State participation is 10 percent, and the minimum private participation is 5 percent.

Technical assistance totaling $3,500,000 annually is authorized, rather than $4,500,000 as in the Douglas-Flood bill.

Mr. Speaker, chronic unemployment still plagues many communities in our Nation. In my own district, the Adams-North Adams area has been afflicted with approximately 15 percent unemployment ever since 1957. I feel that we should have no further delays in enacting legislation to aid areas of this type. For this reason I am concerned when bills are proposed which are so extravagant and controversial in nature that they may well encounter a Presidential veto and cause long delays before actual assistance reaches areas of long-term unemployment.

I feel that the legislation I am proposing today constitutes a reasonable compromise between more extreme positions, and I hope that it will be given serious consideration as a method of bringing effective assistance to depressed areas at the earliest possible date.

ALLOCATION OF DEFENSE CONTRACTS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I am in receipt of a telegram from Mr. J. E. Fishburn, Jr., president of the Los Angeles Chamber of Commerce, which concerns itself with attacks against the awarding of defense contracts to California firms.

Because of the fairness of the appraisal by Mr. Fishburn, as well as the importance of the subject, I wish to insert in the RECORD the text of his communication so that my colleagues may be apprised of the matter. The telegram follows:

> Reports in the press to the effect that New York officials are initiating a political attack upon the defense business being awarded to California firms, with a view to diverting this business to New York, are nothing new in our experience. Ever since California started to develop we have been subjected to political attempts by other areas to deprive us of the industry and business created through the energy and enterprise of our citizens. We believe the defense of the United States and the interest of every American citizen will be advanced if military items are purchased where the best quality can be secured at the lowest price. If such a traditional free market California industry will be glad to compete in full confidence that we will get such business as is justified by our prices and our performance. We are prepared to oppose with all the strength at our command any attempt to subvert the defense of our country for political gain.

TURBINE INDUSTRY VITAL TO NATIONAL DEFENSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. STRATTON] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. STRATTON. Mr. Speaker, some days ago the distinguished gentleman from Louisiana [Mr. BOGGS] arose on this floor to discuss the Office of Civil Defense Mobilization's decision to award the contracts for hydraulic turbines for the Greer's Ferry Dam project in Arkansas to the Baldwin-Lima-Hamilton Co. of Philadelphia, whose bid of $1,750,000 was $300,000 higher than a bid submitted by the English Electric Co. of England, on the grounds of national security.

I am not familiar with the details of this particular award nor of the circumstances that led up to it and I do not desire to comment on it. But as the representative of a district where hydraulic turbine generators are manufactured, I am acutely aware of the vital role which both the hydraulic turbine and the hydraulic turbine generator industries play in our national defense picture. At least some of the comments which I have read on this Philadelphia case, Mr. Speaker, have suggested that a finding of national security by the Director of the OCDM in the case of the hydraulic turbine industry would be hard to substantiate. On the contrary, I believe that the connection between these industries and the national defense is most direct and obvious. I believe that we should be glad that Governor Hoegh has publicly recognized it.

For the Governor's decision in this case gives us hope that perhaps there will also be a corresponding recognition of the unique role which this industry plays in national defense when the time comes, as it must in the near future, for the OCDM Director to make a final ruling on a petition submitted to him by the National Electrical Manufacturers Association and the General Electric Co. asking that the Government suspend any further offers to bid on hydraulic turbines and hydraulic turbine driven generators and other heavy electrical equipment referred to in the petition to foreign manufacturers on the ground of national security.

The case behind this petition is simple. Hydraulic turbines and hydraulic turbine generators are heavy equipment requiring a highly expensive and specialized type of machining equipment, as well as highly trained and skilled personnel to produce. An overwhelming percentage, some 60 percent, of this type of equipment is purchased by governmental agencies, either Federal or State. If these agencies continue to invite foreign manufacturers to bid on this type of equipment they obviously reduce the available market for our domestic manufacturers. These manufacturers, in turn, without reasonable assurance of a steady flow of future orders, will be likely to cut back on productive capacity in these specialized fields and concentrate instead on items likely to be more profitable. Yet the decline of such productive facilities could greatly impair our Nation's capacity to develop the full ex-

tent of electrical power that might be needed in some future emergency. Any shortage in local manufacturing facilities would impair our ability to service and maintain foreign equipment installed in this country. Moreover, the lag time involved in the production of hydraulic turbines and hydraulic turbine generators, which is a matter of several years, might even mean that a successful foreign bidder would find himself for political or military reasons unable at the specified time to deliver overseas goods contracted for several years in advance.

Mr. Speaker, the power resources of this country are plainly vital to our productive skill and, therefore, to our ability to defend ourselves in a time of national crisis, as we found out in World War II. Any policies which the Government might deliberately follow which would put in jeopardy the ability of these power installations to continue to operate would therefore jeopardize our whole national defense.

I do hope the Director of the Office of Civil Defense Mobilization, who has already recognized the danger implicit when orders for this type of equipment are placed abroad, will also give favorable consideration to the request that has been made by the General Electric Co. and by the National Electrical Manufacturers Association to permit no further importations in this field. I favor this action not only because I am deeply concerned with the risk that might be created in our national defense structure if the Director failed to approve this request, but also because I am anxious that the great body of skilled and devoted mechanics in the great General Electric plant in Schenectady, N.Y., who have devoted so many years of their lives to an important and complex industry, will continue to be able to look forward to many years of useful employment ahead rather than face the haunting specter of seeing one more great industry go down into the drain under pressures of low-cost labor on foreign manufactured products.

In my district the future of the turbine industry in general and the hydraulic turbine generator industry in particular is a vital, down-to-earth economic problem. I know that the people of my district would certainly not regard any effort on the part of the Government to recognize the importance of this industry in national defense picture as any purely partisan move. I am most hopeful that the facts which I have outlined here will be fully recognized by the administration as well as by the Members of this House.

PROPOSED HARBOR AT DUBUQUE, IOWA

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. WOLF] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WOLF. Mr. Speaker, I send to the desk for appropriate reference a bill to authorize the construction of a harbor on the Mississippi River at Dubuque, Iowa.

The Ice Harbor at the city of Dubuque is an arm of the Mississippi River, 1,200 feet long by 400 feet wide. It was created in 1872 when citizens of the city, wishing to establish the only harbor between Quincy, Ill., and St. Paul, Minn., deeded the land to the city, which thereupon entered into a compact authorizing and empowering the United States to improve and maintain it as a harbor in perpetuity. The Government then dredged the harbor and has, until recent times, maintained the same at its own expense.

In 1946 it was determined that rehabilitation was necessary but no funds were made available at the time. Since that time there has been a constant silting so that depths at normal pool elevation now vary between 6 to 11 feet.

The need for this project is great, Mr. Speaker. The first need is related to our national defense. I understand that under the Mobilization Planning Survey of the Department of Defense, the Dubuque Boat & Boiler Co. is scheduled to build some vessels with drafts comparatively deep. Unless the harbor is dredged, it will be unable to produce what is required by the Department of Defense. It is imperative that the dredging be done previous to M-day, so that the Dubuque Boat & Boiler Co. will not be delayed in meeting this very difficult required production schedule. At the present time this company is unable to take any boats for construction unless their draft is under 5 or 6 feet.

The Dubuque Harbor is the only natural commercial harbor on the Upper Mississippi, and the Dubuque Boat & Boiler Co. offers the only repair yard on the upper Mississippi above St. Louis. Under present conditions, it is impossible to get vessels into the harbor for repairs or layup. In former years as many as 50 to 60 vessels came to the harbor for these purposes.

Due to the shallowness of the harbor, Mr. Speaker, the industries of the city of Dubuque, whose lives depend on water transportation on the Mississippi River and docking facilities at the Dubuque Harbor, have had to restrict their operations.

The Coast Guard icebreaker touches bottom in the harbor.

The Chief of Engineers submitted to the Congress several days ago a favorable survey report on this project, which is being printed as House Document 56, 86th Congress.

If this project is approved by the Congress, Mr. Speaker, there will be many direct, as well as indirect, benefits to the people of the Dubuque area.

It would mean a greater volume of craft which could be repaired and altered at this point. This would mean more employment for the Dubuque area.

The dredging of the harbor would make possible the construction of a proposed set of marine ways. River operators have repeatedly pointed to the need for marine ways at the Dubuque Harbor, and there are no facilities of this nature on the whole river north of St. Louis.

The dredge material will be dumped in low spots on public property, thereby increasing the area available for industrial building.

The Government's investment in the 100-foot by 20-foot marginal pier and the buildings located on the depot grounds will be protected.

Dubuque Harbor is an ideal point for shipping scrap, grain, and other produce and for receiving petroleum, sulfur, coal, molasses, and so forth, since the shore is served by belt or spur lines connecting with the Burlington, Milwaukee, Illinois Central, and Great Western Railroads.

Mr. Speaker, river repair facilities, shipyards, and harbors are vital to river transportation and to defense in times of emergency. The harbors cannot be neglected and allowed to deteriorate, just as the locks and dams and the navigable channels cannot be allowed to deteriorate. All require constant upkeep and maintenance so that they will be available for use at all times. Neglect of any part of the river facilities cannot be overcome in short periods of time because of the vast amount of work required and the limited amounts of equipment available to do the work.

Since the Chief of Engineers has approved this project, Mr. Speaker, I very much hope that this Congress in its wisdom will see fit to authorize it.

McDOWELL SUPPORTS EDUCATIONAL TELEVISION FOR DELAWARE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Delaware [Mr. McDOWELL] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McDOWELL. Mr. Speaker, I have today introduced in the House of Representatives a bill to provide for Federal assistance to the States in establishing educational television stations. The act would provide for up to $1 million for each State for this purpose. The U.S. Commissioner of Education would administer the act but would be restricted from having any Federal control over such educational television broadcasting. Such control would be left entirely in the hands of a State agency established for that purpose. The legislation states that such a State agency must be under the control of the agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or a nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational television broadcasting, or a duly constituted State educational television commission, or a State controlled college or university, and that such facilities may be used only for educational purposes. The title of the act sets forth the following general purposes: "To expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs."

I am thoroughly convinced that educational television is one of the great

new opportunities on the horizon today to further the education of our boys and girls and those adults who wish to take advantage of this great national media. Classroom television reception has proven itself to be invaluable as an aid to the classroom teacher. It offers a sound economical approach to the future financing problems of our school boards and State departments of education throughout the Nation.

In less than 7 years after the Federal Communications Commission reserved television channels for education, stations on these channels are now on the air in 24 States and in Puerto Rico. In 37 States, closed circuit television is now being used for educational purposes. The planning for construction of television facilities is now being advanced in many additional areas including Delaware. Educational television is well on the way to becoming an accepted nationwide service.

Industry, labor, philanthropic organizations, local and State governments, civic groups and cultural institutions, the press and commercial broadcasters—all have given assistance to the end that this newest of the mass media might serve the enlightenment of the individual citizen.

I cannot believe that Delaware, which is so often described as one of the wealthiest States in the country, cannot afford to contribute financial assistance that when supplemented by Federal assistance could not provide the very best in educational television for our State. Surely a State and a Nation that is spending billions of dollars for new modern highways can also afford an up-to-date modern educational program. In the long run this new weapon used to improve our educational opportunity can prove to be a sound move for greater efficiency in the public schools. I shall watch carefully hearings which are now being held before the Senate Interstate and Foreign Commerce Committee on a similar proposal introduced in the Senate by Senator MAGNUSON, of Washington State, and cosponsored by Senator SCHOEPPEL, of Kansas. In the event the Magnuson bill passes the Senate, I would be only too glad to accept it providing it meets the same standards as are contained in the bill which I have introduced.

RELIEF FOR RAILROAD COMMUTER SERVICE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the gentlewoman from Illinois [Mrs. CHURCH] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mrs. CHURCH. Mr. Speaker, I have today introduced a bill aimed at bringing some measure of relief to railroads serving commuter suburban areas and even greater relief, in turn, to those communities and citizens whose economic and other activities are presently threatened by the proposed abandonment of certain commuter lines.

At a hearing held in Chicago in December of 1958, before the Illinois Commerce Commission and representatives of the Interstate Commerce Commission of the United States, I urged that the proposed abandonment of the Chicago, North Shore & Milwaukee Railway Line in Milwaukee, Racine, and Kenosha Counties, Wis., and Lake and Cook Counties, Ill., be postponed at least until the Congress could investigate legislative ways of granting relief. I personally believe that it is essential to the economy and well-being of communities in many sections of the country that railroad commuter service be maintained. Proposals to abandon such commuter and other railroad passenger service has, in fact, reached a stage of national crisis.

The present legislation seeks to be of partial help in that it amends the Internal Revenue Code of 1954 to assure that tax relief granted by States and municipalities to railroads operating commuter service at a loss would directly benefit the railroads and not be absorbed by increased Federal taxes.

Such Federal leadership in meeting the crisis could be accomplished without preempting State functions or rights, and the assistance so given would, in no sense, interfere with railroad management. In addition, passage of the act should encourage State and local governments to offer at their level the help which is so vitally needed.

Under the present Federal tax laws, a large proportion of the amount that might be saved through tax-relief measures adopted at the State and local levels would be preempted by the Federal Government. The millions of dollars that would be saved under this bill could be spent by the railroads in continuation and improvement of vital passenger service.

It is estimated that there are over 500,000 commuters currently dependent on railroad transportation. At the same time, it is openly acknowledged that, with the exception of one railroad line—the Long Island Railroad, currently benefiting from a Federal tax loss—practically every railroad commuter service is operating at a net loss.

Certainly, railroads cannot be permanently forced to operate at such a loss, and yet it is equally clear that to discontinue commuter service because of this loss would entail serious economic and social consequences to each community and to the Nation.

I do not hold that the bill introduced today, which merely seeks "to amend the Internal Revenue Code of 1954 so as to permit railroad corporations to take full advantage of tax-relief measures enacted or granted by the States and their political subdivisions," is the full or only answer. I hold, however, that its passage would be a step in the right direction, and that passage of the bill as such a step should be immediate.

A BILL TO AUTHORIZE PAYMENT OF UNPAID BALANCE OF PHILIPPINE WAR DAMAGE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, together with the gentleman from California [Mr. GEORGE P. MILLER] I have today introduced a bill to authorize payment of the balance in full of awards for war damage made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946.

Mr. MILLER, who has been a member of the Insular Affairs Committee since the 79th Congress, has consistently shown a deep interest in legislation affecting the relationship of the United States and the Philippines. He took an active part in the preparation and passage of the Philippine Rehabilitation Act of 1946. In an effort to correct a moral and legal outstanding obligation to the Philippine people he has, in past Congresses, introduced similar bills.

As a member of the House Foreign Affairs Committeee, I am deeply interested in U.S. international relations and policies. As chairman of the Subcommittee on the Far East and the Pacific, American-Philippine relations are of particular concern to me. After much careful study, I have come to the conclusion that Congress should consider and review the Philippine unpaid war damage claims. In my opinion, at least a hearing should be afforded the claimants.

In prior proposed legislation, the amount authorized to be appropriated was $100 million. There apparently was some misapprehension of the actual figures involved. Closer calculation discloses a balance of awards actually made, which, after a lapse of more than 12 years remains unpaid, of $154,726,995.79.

In the case of the health, educational, and welfare facilities of religious organizations in the Philippines, however, provision was made by subsequent laws to pay in full the replacement value of the war damaged properties so that actually the entire amount of the balance of the awards will not be required, after excluding approximately $28 million paid to religious institutions. The best estimate of the actual amount required to discharge the obligation of the United States upon war-damage awards is not in excess of $130 million. It should also be noted that, when the Philippine War Damage Commission ended its operation in 1951, it turned back into the United States Treasury $2,457,168.94 of unexpended funds which were appropriated to carry out the work of the Commission.

Volumes have been written and spoken on the long history of our close friendship and political and economic ties with the people of the Philippines. The economic plight of this courageous young country is nothing short of desperate. Certain newspaper articles report that the Department of State intends to reject the Philippine claims. In view of its past policy, it seems unlikely that the State Department would take such a position. During the 81st Congress, when asked to make a report on H.R. 7600, a bill providing for payment of these

claims, the Department of State voiced no objections. It does not appear to me to be the part of wisdom to announce such a rejection without explanation and analysis. In this connection, Mr. Speaker, under permission granted, I include the following editorial from the New York Times of Sunday, February 8, 1959:

PHILIPPINE CLAIMS

There is danger that the whole question of the Philippine claims against the United States may be jockeyed out of perspective. It should not be made a matter of contention, disputation, propaganda, or self-seeking, either here or in Manila. What is needed is calm judgment, friendly understanding, and action.

It is a mistake to set one target figure as the total that ought to be assessed and then win or lose on obtaining that figure. The claims fall into different categories and they should be judged on their merits. The assessment, moreover, should be in agreement between the Filipinos and ourselves, and that agreement can be reached if we preserve an atmosphere of good will and good understanding.

Some claims, such as for example the Philippine claim to reimbursement for the loss in their currency reserve that was brought about through the unilateral action of the United States in changing the price of gold back in 1933, are indisputably sound. This obligation should have been met long before this, and the impatience of the Filipinos is natural.

On the other hand, some of the war damage claims require both examination and negotiation. The United States was able to do a good job on the settlement of small claims. The administrative cost of making these settlements was remarkably low, the operation was sound from the outset, and it met an immediate need. The larger claims cannot be settled out of hand in quite the same fashion, but certainly an excellent example has been set. Something can be done and it should be done promptly.

It will be a loss to the Philippines, to us, and to the whole free world if this question is permitted to become a basis for any estrangement between the Filipinos and ourselves. There is enough good sense on both sides of the Pacific to solve this problem and it should be brought to bear.

It is wisely observed that "claims fall into different categories, and they should be judged on their merits." Moreover, the editorial correctly reports that the United States was able to do a good job in the settlement of some war damage claims; that the administrative cost of the making of these settlements was remarkably low; and that the operation was sound. It is apparent that the editorial assumes that the settlement of such war damage claims has been completed, in the past, under a sound operation, and with low administrative cost. As I have pointed out, the fact is that a considerable balance of the awards made by the Philippine War Damage Commission, under that operation, has not been paid.

The full discharge of the unpaid balance of war damages, determined to be fair under a sound administrative operation, pursuant to a law passed in 1946, will constitute an action reflecting credit upon our powers of analysis and our sense of discrimination. Moreover, such a step would be consistent with the "calm judgment, friendly understanding, and action" recommended in the editorial to which I have referred. It will enhance confidence in our Government, rather than engender criticism, and invite a just accusation of arbitrary action, through failure to distinguish between one type of claims and another.

It is my conviction that the Members of Congress in this session will recognize and acknowledge our obligation, and no longer delay in authorizing by law the payment of the balance still outstanding upon Philippine war damage awards made by the Philippine War Damage Commission, prior to March 1951.

I am informed that the Philippine Ambassador to the United States, Gen. Carlos P. Romulo, has submitted a note to our State Department, urging that action be taken by the U.S. Government on the legislation which I have introduced. Favorable action by the Department of State and this Congress will correct a moral and legal obligation to the Philippine people and will help American-Philippine relations immeasurably.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to:

Mr. BREEDING, for February 9 through the 12th, on account of personal business.

Mr. PORTER, for 1 week, beginning February 11, 1959, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ROOSEVELT, for 15 minutes, on Wednesday next.

Mr. HOFFMAN of Michigan, for 10 minutes, today.

Mr. CONTE, for 10 minutes, today.

Mr. BAILEY, for 30 minutes, on Tuesday, February 17.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. THOMPSON of Texas and to include extraneous matter.

Mr. WRIGHT.

Mr. METCALF in two instances and to include extraneous matter.

Mr. GEORGE and to include extraneous matter.

Mr. PORTER and to include extraneous matter.

Mr. BOLAND and to include extraneous matter.

Mr. PELLY in two instances and to include extraneous matter.

Mr. O'KONSKI.

Mr. VAN ZANDT.

(At the request of Mr. ALBERT, the following, and to include extraneous matter:)

Mr. BOGGS.

Mr. NATCHER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1. An act to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 57. An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; to the Committee on Banking and Currency.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 26 minutes p.m.), under its previous order, the House adjourned until Wednesday, February 11, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

526. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, U.S. Army, dated September 19, 1958, submitting a report, together with accompanying papers and illustrations, on a review of reports on the Gulf Intracoastal Waterway Channel to Port Mansfield, Tex., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted on June 17, 1949, September 29, 1949, and April 21, 1953, respectively; to the Committee on Public Works and ordered to be printed with two illustrations. (Printed as S. Doc. No. 11, 86th Cong., 1st sess.)

527. A letter from the Deputy Administrator, Veterans' Administration, transmitting the Annual Report of the Administrator of Veterans' Affairs as of June 30, 1958, pursuant to Public Law 346, 78th Congress (H. Doc. No. 8); to the Committee on Veterans' Affairs and ordered to be printed with illustrations.

528. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend the Career Compensation Act of 1949 with respect to the residency requirement of dependent parents and with respect to quarters allowances payable when both husband and wife are members of the uniformed services"; to the Committee on Armed Services.

529. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the quarterly report of Federal contributions for the quarter ending December 31, 1958, pursuant to the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

530. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes"; to the Committee on Banking and Currency.

531. A letter from the Assistant Secretary of Defense (Comptroller), transmitting the annual report of the Department of Defense relative to foreign excess personal property of the Department of Defense as of June 30,

1958, pursuant to Public Law 152, 81st Congress; to the Committee on Government Operations.

532. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to add certain public domain lands in Nevada to the Summit Lake Indian Reservation"; to the Committee on Interior and Insular Affairs.

533. A letter from the Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners"; to the Committee on the Judiciary.

534. A letter from the President, Panama Canal Company, transmitting a draft of proposed legislation entitled "A bill to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

535. A letter from the Deputy Administrator, Veterans' Administration, transmitting a draft of proposed legislation entitled "A bill to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration"; to the Committee on Veterans' Affairs.

536. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases of certain aliens who have been found admissible into the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLS:

H.R. 4245. A bill relating to the taxation of the income of life insurance companies; to the Committee on Ways and Means.

By Mr. REED:

H.R. 4246. A bill relating to the taxation of the income of life insurance companies; to the Committee on Ways and Means.

By Mr. ADDONIZIO:

H.R. 4247. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; to the Committee on Education and Labor.

By Mr. ASHLEY:

H.R. 4248. A bill to encourage the prevention of air and water pollution by allowing the cost of treatment works for the abatement of air and stream pollution to be amortized at an accelerated rate for income tax purposes; to the Committee on Ways and Means.

H.R. 4249. A bill to authorize the use of Great Lakes vessels on the oceans; to the Committee on Merchant Marine and Fisheries.

By Mr. BAILEY:

H.R. 4250. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by authorizing the Secretary of the Interior, acting through the Bureau of Mines, to contract for coal research and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BAKER:

H.R. 4251. A bill to amend the Internal Revenue Code of 1954 so as to remove the 4-year limitation on deduction of exploration expenditures; to the Committee on Ways and Means.

By Mr. BRADEMAS:

H.R. 4252. A bill to provide an exemption from participation in the Federal old-age and survivors insurance program for individuals who are opposed to participation in such program on grounds of conscience or religious belief; to the Committee on Ways and Means.

By Mr. BYRNE of Pennsylvania:

H.R. 4253. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. CARNAHAN:

H.R. 4254. A bill to amend section 203 of the Federal Property and Administrative Services Act of 1949 to provide for the donation of surplus property to public libraries, which are tax supported in whole or in part; to the Committee on Government Operations.

H.R. 4255. A bill relating to the acquisition of certain land in Pulaski County, Mo., adjacent to the Fort Leonard Wood Military Reservation; to the Committee on Armed Services.

By Mr. CELLER:

H.R. 4256. A bill to supplement the antitrust laws of the United States against restraint of trade or commerce by preventing manufacturers of motor vehicles from financing and insuring the sales of their products; to the Committee on the Judiciary.

By Mrs. CHURCH:

H.R. 4257. A bill to amend the Internal Revenue Code of 1954 so as to permit railroad corporations to take full advantage of tax relief measures enacted or granted by the States and their political subdivisions; to the Committee on Ways and Means.

By Mr. COHELAN:

H.R. 4258. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

By Mr. CONTE:

H.R. 4259. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. DAVIS of Georgia:

H.R. 4260. A bill to amend the Civil Service Retirement Act with respect to the designation of individuals to receive survivor annuities under such act; to the Committee on Post Office and Civil Service.

By Mr. DINGELL:

H.R. 4261. A bill to amend the Civil Rights Act of 1957 to make the Commission on Civil Rights a permanent agency of the United States, to broaden the duties of the Commission, and for other purposes; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H.R. 4262. A bill to amend section 503 of title 38, United States Code, to provide that workmen's compensation payments shall be disregarded in the computation of income for purposes of payment of pensions; to the Committee on Veterans' Affairs.

By Mr. FARBSTEIN:

H.R. 4263. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. FENTON:

H.R. 4264. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

By Mr. FINO:

H.R. 4265. A bill to amend the Civil Service Retirement Act to permit employees with at least 30 years of service to retire at 55 years of age with full annuities; to the Committee on Post Office and Civil Service.

By Mr. FRAZIER:

H.R. 4266. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income tax reductions, and for other purposes; to the Committee on Ways and Means.

By Mr. FRELINGHUYSEN:

H.R. 4267. A bill to assist institutions of higher education to market and retire bonds issued by them to finance the construction of college facilities; to the Committee on Education and Labor.

H.R. 4268. A bill to authorize a 5-year program of assistance to school districts in meeting the debt service on loans for construction of urgently needed elementary or secondary public school facilities, and for other purposes; to the Committee on Education and Labor.

By Mr. HALEY:

H.R. 4269. A bill to provide for the designation of a highway from Tampa, Fla., to Miami, Fla., as a part of the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. HALPERN:

H.R. 4270. A bill to amend title I of the National Housing Act to authorize in certain cases an increase in the maximum amount of an insurable home improvement loan from the present $3,500 to $5,000 and in the maximum maturity of such a loan from the present 3 or 5 years to 10 years; to the Committee on Banking and Currency.

By Mr. HARDY:

H.R. 4271. A bill to validate the salary overpayments made to certain officers and employees incident to the salary adjustment provisions of the Federal Employees Salary Increase Act of 1955, and for other purposes; to the Committee on the Judiciary.

By Mr. HAYS:

H.R. 4272. A bill to amend the Social Security Act to reduce, for purposes of old-age and survivors insurance benefits, the age requirement from age 65 to 60; to the Committee on Ways and Means.

By Mr. HIESTAND:

H.R. 4273. A bill to terminate acreage controls and price supports on basic agricultural commodities; to the Committee on Agriculture.

By Mr. HERLONG:

H.R. 4274. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. HOFFMAN of Michigan:

H.R. 4275. A bill to amend title 29 of the United States Code by the addition of a new section following section 187; to the Committee on Education and Labor.

By Mr. IKARD:

H.R. 4276. A bill relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado:

H.R. 4277. A bill to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works; to establish the Office of Water Pollution Control; and for other purposes; to the Committe on Public Works.

By Mr. KILBURN (by request):

H.R. 4278. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

By Mr. KILGORE:

H.R. 4279. A bill to authorize the Secretary of the Interior to construct, rehabili-

tate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division; to the Committee on Interior and Insular Affairs.

By Mr. KOWALSKI:

H.R. 4280. A bill to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; to the Committee on Banking and Currency.

By Mr. LIBONATI:

H.R. 4281. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

By Mr. McCORMACK:

H.R 4282. A bill to supplement and modify the act of May 24, 1828 (6 Stat. 383, ch. CXII), insofar as it relates to the corporate powers of the Sisters of the Visitation, of Georgetown in the District of Columbia; to the Committee on the District of Columbia.

H.R. 4283. A bill to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that under certain conditions officers of the executive branch of the Federal Government appointed by the President shall be exempt from such act; to the Committee on the District of Columbia.

By Mr. McDOWELL:

H.R. 4284. A bill to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs; to the Committee on Interstate and Foreign Commerce.

By Mr. McMILLAN:

H.R. 4285. A bill to amend the District of Columbia Alcoholic Beverage Control Act to permit the Board to waive in certain circumstances the requirement that persons must be seated before they can be sold or served beer; to the Committee on the District of Columbia.

By Mr. MATTHEWS (by request):

H.R. 4286. A bill to amend the act entitled "An act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes," approved February 4, 1925; to the Committee on the District of Columbia.

By Mr. GEORGE P. MILLER:

H.R. 4287. A bill to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $130 million for that purpose; to the Committee on Foreign Affairs.

By Mr. O'HARA of Illinois:

H.R. 4288. A bill to authorize the establishment of the Indiana Dunes National Monument; to the Committee on Interior and Insular Affairs.

By Mr. O'KONSKI:

H.R. 4289. A bill to amend chapter 3 of title 18, United States Code, so as to prohibit the use of aircraft or motor vehicles to hunt certain wild horses or burros on land belonging to the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 4290. A bill to extend coverage under the Federal old-age, survivors, and disability insurance system to self-employed physicians; to the Committee on Ways and Means.

By Mr. OLIVER:

H.R. 4291. A bill to provide a method for regulation and fixing wage rates for employees of Portsmouth, (N.H.) Naval Shipyard; to the Committee on Armed Services.

By Mr. OSMERS:

H.R. 4292. A bill to repeal section 13a of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

By Mr. PELLY:

H.R. 4293. A bill to facilitate the application and operation of the Fish and Wildlife Act of 1956, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. PORTER:

H.R. 4294. A bill to amend section 6 of the act of August 24, 1912, as amended, with respect to the recognition of organizations of postal and Federal employees; to the Committee on Post Office and Civil Service.

H.R. 4295. A bill to prohibit further testing by explosion of nuclear devices so long as all other countries refrain from exploding such devices; to the Joint Committee on Atomic Energy.

By Mr. REECE of Tennessee:

H.R. 4296. A bill to amend the Pay Readjustment Act of 1942, as amended; to the Committee on Armed Services.

By Mr. RIVERS of Alaska:

H.R. 4297. A bill to amend section 3 of the act of September 7, 1957 (71 Stat. 629); to the Committee on Interstate and Foreign Commerce.

H.R. 4298. A bill to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska, and between Hyder, Alaska, and other points in the United States outside Alaska, either directly or via a foreign port, or for any part of the transportation; to the Committee on Merchant Marine and Fisheries.

By Mr. ROOSEVELT:

H.R. 4299. A bill to amend the public assistance provisions of the Social Security Act to provide increased payments, eliminate certain inequities and restrictions, permit a more effective distribution of Federal funds, and enable States to establish more adequate general assistance programs; to the Committee on Ways and Means.

H.R. 4300. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

By Mr. TEAGUE of Texas:

H.R. 4301. A bill to amend section 3202 of title 38, United States Code, to provide for the disposition of certain benefits which are unpaid at the death of the intended beneficiary, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 4302. A bill to amend chapter 55 of title 38, United States Code, to establish safeguards relative to the accumulation and final disposition of certain benefits in the estates of incompetent veterans; to the Committee on Veterans' Affairs.

H.R. 4303. A bill to amend chapter 19 of title 38, United States Code, to provide a double indemnity feature in all contracts of national service life insurance; to the Committee on Veterans' Affairs.

H.R. 4304. A bill to amend section 715 of title 38, United States Code, to provide $10 per $1,000 total disability income protection to certain veterans holding policies of national service life insurance; to the Committee on Veterans' Affairs.

By Mr. TEAGUE of Texas (by request):

H.R. 4305. A bill to amend title 38, United States Code, to restore for 1 year the right of certain veterans to apply for national service life insurance; to the Committee on Veterans' Affairs.

By Mr. THORNBERRY:

H.R. 4306. A bill to provide education and training for the children of veterans dying of a service-connected disability incurred after January 31, 1955, and before the end of compulsory military service; to the Committee on Veterans' Affairs.

By Mr. TOLLEFSON:

H.R. 4307. A bill to authorize the Secretary of the Interior to construct a hotel in Mount Rainier National Park, Wash.; to the Committee on Interior and Insular Affairs.

H.R. 4308. A bill to clarify paragraph 4 of section 15 of the Pay Readjustment Act of 1942 (56 Stat. 368); to the Committee on Armed Services.

By Mr. VAN ZANDT:

H.R. 4309. A bill to amend the Career Compensation Act of 1949, as amended, to correct certain deficiencies; to the Committee on Armed Services.

By Mr. WOLF:

H.R. 4310. A bill authorizing the construction of a harbor on the Mississippi River at Dubuque, Iowa, in the interest of navigation and other purposes; to the Committee on Public Works.

By Mr. ZABLOCKI:

H.R. 4311. A bill to authorize the payment of the balance of awards for war damage compensation made by the Philippine War Damage Commission under the terms of the Philippine Rehabilitation Act of April 30, 1946, and to authorize the appropriation of $130 million for that purpose; to the Committee on Foreign Affairs.

By Mr. BAILEY:

H.J. Res. 227. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. GRIFFIN:

H.J. Res. 228. Joint resolution proposing an amendment to the Constitution of the United States relative to disapproval of items in general appropriation bills; to the Committee on the Judiciary.

By Mr. IKARD:

H.J. Res. 229. Joint resolution to avoid suppression of inventive diligence in America; to the Committee on the Judiciary.

By Mr. THOMPSON of Texas:

H.J. Res. 230. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WITHROW:

H.J. Res. 231. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WRIGHT:

H. Con. Res. 79. Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States urging enactment into law of a food stamp plan; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States requesting abolishment of the Minidoka Wildlife Refuge, and that the management of said refuge be transferred to the Department of Fish and Game of the State of Idaho; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to refrain from enacting any further increases in motor fuel taxes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H.R. 4312. A bill for the relief of Aleksander Dabrowski; to the Committee on the Judiciary.

By Mr. BRADEMAS:

H.R. 4313. A bill for the relief of Hannelore G. L. Alt; to the Committee on the Judiciary.

By Mr. HARDY:

H.R. 4314. A bill for the relief of Samuel Abraham, John A. Carroll, Forest E. Robinson, Thomas J. Sawyers, Jack Silmon and David N. Wilson; to the Committee on the Judiciary.

By Mr. KILDAY:

H.R. 4315. A bill for the relief of Capt. William F. Shotwell; to the Committee on the Judiciary.

By Mr. MONTOYA:

H.R. 4316. A bill for the relief of Julian William Pozenel; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 4317. A bill for the relief of Salomon Chehebar; to the Committee on the Judiciary.

By Mr. POFF:

H.R. 4318. A bill for the relief of D. A. Whitaker and others; to the Committee on the Judiciary.

By Mr. RAY:

H.R. 4319. A bill for the relief of Salvatore Cardinale; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

65. By Mr. VANIK: Petition of the City Council of Cleveland, Ohio, urging the institution of a public works program to provide employment; to the Committee on Public Works.

66. By the SPEAKER: Petition of the president, Army and Air National Guard and Naval Militia Association of the State of New York, Floyd Bennett Field, Brooklyn, N.Y., petitioning consideration of their resolution with reference to a study by an appropriate committee of Congress of the subject of medical care, hospitalization, disability retirement, and death benefits for members of the National Guard and Reserve components; to the Committee on Armed Services.

67. Also, petition of the secretary, Morris County Federation of Holy Name Societies, Morristown, N.J., petitioning consideration of their resolution with reference to opposing the recognition of Red China by the United States; to the Committee on Foreign Affairs.

68. Also, petition of the secretary, American Bar Association, Chicago, Ill., petitioning consideration of their resolution with reference to judicial nominations and appointments; to the Committee on the Judiciary.

69. Also, petition of James Kytle Williams, Miami, Fla., relative to requesting favorable action upon proposed legislation for and on behalf of veterans of World War I, World War II, and the Korean conflict, their widows and children; to the Committee on Veterans' Affairs.

70. Also, petition of Robert F. Martin and others, Chattanooga, Tenn., relative to requesting enactment of House bill 1154; to the Committee on Ways and Means.

71. Also, petition of Eugenio C. Nicolas, Manila, Philippines, relative to war damages payable to the Nicolas Estates; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

The Youth Conservation Act of 1959

EXTENSION OF REMARKS
OF
HON. WAYNE MORSE
OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1959

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement entitled "Youth Conservation Act of 1959," prepared by myself, together with an editorial entitled "A New CCC?" published in the Medford (Oreg.) Mail Tribune of January 14, 1959.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

YOUTH CONSERVATION ACT OF 1959

(Statement by Senator MORSE, of Oregon)

It was most gratifying to me to read another fine editorial appearing in the Medford (Oreg.) Mail Tribune. On January 14 this truly great newspaper of the State of Oregon contained an item entitled "A New CCC?" In it the editor of the Mail Tribune struck a note which I think that the Senate will hear time and time again in the coming months as newspaper after newspaper, the Nation over, joins the chorus of praise for the legislation to create a Youth Conservation Corps, introduced by the very able and humanitarian senior Senator from Minnesota. As a cosponsor of this proposed legislation, S. 812, I am proud to work with the Senator from Minnesota and with the other cosponsors, toward speedy enactment of the bill.

In the last analysis, as I have often reiterated upon the floor of the Senate, the basic wealth of the United States rests not alone upon the raw materials we have at our command, abundant though they be; nor is it to be found solely in the broad rivers which convey our goods to ocean ports, in our forests which mantle the slopes of our snow-capped mountains, in our wheat-golden farms, nor in our blossoming fruit orchards. These all have but a derivative value. No, the truth wealth of our country lies in our basic human resource, the boys and girls who will tomorrow be succeeding us in the trusteeship of our natural resources.

This being so, have we not a plain duty to arrange matters in such a fashion as will conserve this human resource, so that when our children assume the trust of land, water, and minerals in their time they will wisely preserve their inheritance and pass it on, not only undiminished but enhanced? How better can this be done than through a program which gives at first hand a knowledge of and love for our forests, streams, and wildlife?

The boy salvaged from the slums of our blighted metropolitan areas through the Youth Conservation Corps would gain insight into the truths expressed by the great poet when he caused his character to say:

"And this our life exempt from public haunt
Finds tongues in trees, books in the running brooks,
Sermons in stones and good in everything.
I would not change it."

The Medford Mail Tribune editorial wisely points out that the cost is small in comparison with the benefits which would accrue to the boy, the community, and the Nation, through the enactment of this legislation.

The forest-access road program, so urgently needed, would benefit immeasurably from the enactment of the Youth Conservation Corps Act of 1959. Forest-access roads pay for themselves over and over again. Our timber is a crop to be harvested. It is a tragic waste if it falls to decay. It is a hazard when it becomes tinder dry and ripe for fire. Far better that it be harvested at prime and used for homes. The Youth Conservation Corps, under skillful leadership of Forest Service and Park Service rangers and foremen, who would build the access roads, clear the underbrush, and improve our Federal forests, would profit by their growth in skills. Their health would be enhanced. They could contribute to the family income to feed their younger brothers and sisters; but, most of all, Mr. President, they would grow in understanding of the riches offered by our open spaces, crystal lakes, and fragrant forests. This is the experience which would instill a true love of country, to be passed on and treasured by the generations beyond.

It is my hope that this legislation will pass the Senate without dissenting vote when it is reported from committee. Passage by unanimous action would constitute a symbol of the determination of the Senate to develop our country through the aid we extend to the young men of America in the recreation of a Youth Conservation Corps.

[From the Medford (Oreg.) Mail Tribune, Jan. 14, 1959]

A NEW CCC?

A couple of years ago, after a jaunt into the woods with a group of foresters and outdoorsmen, we reported here on a discussion we'd heard about the possibility of forming something like the Civilian Conservation Corps of pre-World War II days.

Several of the men in the party had had experience with the boys who came west to take over the barracks camps, build roads and trails, construct forest recreation facilities, do reforestation work, build firebreaks and fight fires, and generally effect a double rehabilitation—that of the forests and that of themselves.

Frequently these lads were the products of the slums of the East, and often were "tough cookies" themselves—boys who today would be called juvenile delinquents.

A rather amazing percentage of them, if we are rightly informed, went on from the CCC into constructive, useful lives.

How much credit the corps can take for this record is, of course, subject to debate. But many men who watched the tough boys from the streets of New York or Chicago change gradually into men who knew something of the outdoors, something of life, something of their fellow men, and something of responsibility, will swear that it was the turning point in more lives than a few.

The possibility of reviving the CCC or something like it has been broached every so often since the war.

The latest to do so is Senator HUBERT HUMPHREY, of Minnesota, who advocates a Youth Conservation Corps, to provide employment for boys of 16 or over.

After reading HUMPHREY's proposal, Bud Forrester, of the Pendleton East Oregonian talked to one of that newspaper's employees who came to Oregon with the CCC in 1937, who stayed, and who became a responsible citizen. He told Bud:

"There are 12 or 14 of us in and near Pendleton now and all of the fellows have made good. They came out of New York and New Jersey and if they hadn't had the opportunity to leave there I'm afraid it would have been a different story.

"Most of those guys were tough. We had gang fights in the CCC camp here in the beginning. Every guy wanted to show how tough he was. But it wasn't very long before it all got straightened out. Everybody liked his job. We realized that there wasn't any point in trying to prove how tough we were—that it didn't make any difference in this new setup. It was just the right thing for some tough guys from the big city."

And he added that he thought Senator HUMPHREY should add one provision to his proposal, that the boys enlisted in a YCC should first of all come from the slum areas of big cities. He said:

"They are the fellows who need help. The situation that many of those boys face is almost hopeless. Get them into the YCC first. Broaden the program later."

The proposal, on a national scale, is similar if not virtually identical to suggestions for young men's work camps in Oregon, except that the latter would enlist youngsters who had gotten into trouble, or were headed that way.

Such an organization wouldn't end juvenile delinquency overnight, or in any length of time, for the causes are too deep-seated in our society. But it would solve a lot of problems, particularly in the area of the tough guys who really shouldn't be sent to prison, nor yet should be set loose again with a wrist slap.

The costs of such a program would not be negligible, but when compared to the Federal military budget, say, they would amount to probably a tiny fraction of that total.

And who could calculate the good that would come out of it?

It would include the construction of Federal forest access roads, which are so badly needed to get out overripe timber; it would speed up the rehabilitation and construction of forest service and national park recreational facilities now so badly behind the demand, and it would provide the resources for much other work which would benefit the Nation on its Federal lands—work now going begging for lack of budget and personnel.

But most of all it would provide a place for young men to get into a relatively wholesome atmosphere, to gain self-respect, to learn the merits of a hard day's work.

YCC has much to be said for it.

C. R. "Pink" Gutermuth

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. METCALF. Mr. Speaker, last Wednesday night the National Association of Soil Conversation Districts conferred another honor upon one of this Nation's great conservationists.

At the annual banquet in Houston, Tex., the association gave C. R. "Pink" Gutermuth its distinguished service award.

NASCD President Nolen J. Faqua cited Gutermuth for his long years of successful effort in promoting management of the Nation's soil, water, wildlife and related sources. The award is given in recognition to soil conservation districts and in dedication to their principles of "Conservation—development—self-government." The association represents the more than 2,700 farmer-supervised soil conservation districts throughout the United States and its Territories.

Former recipients of the award include Ervin L. Peterson, Assistant Secretary, U.S. Department of Agriculture; Dr. Hugh H. Bennett, first Chief of the U.S. Soil Conservation Service; and Donald A. Williams, present SCS head.

Gutermuth has been the vice president of the institute, an influential private organization with headquarters in Washington, D. C., since 1946. Prior to that he was secretary of the American Wildlife Institute. He currently is a trustee and the secretary of the North American Wildlife Foundation, vice chairman of the Natural Resources Council of America, and a trustee of both the Wildlife Society and Stronghold, Inc. (Sugar Loaf Mountain, Md.).

He is chairman of the steering committe for the annual National Watershed Congress that is sponsored by more than 20 leading industrial, agricultural, and conservation organizations. From 1934 to 1942 he was first director of education and then director of fish and game of the Indiana Department of Conservation.

In 1957 he received the Leopold Medal of the Wildlife Society, the highest award of that professional organization of wildlife scientists.

Legislation To Prevent Free or Special Travel Rates to Government Officials on Private Passenger Vessels

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. PELLY. Mr. Speaker, I desire to announce the introduction of a bill to regulate the granting of free or reduced travel rates to Federal employees and their families.

Last July, during House consideration of the conference report on a bill to authorize construction of two superliner passenger vessels, I expressed regret that the conferees had not retained a provision from the Senate version prohibiting private shipping lines from extending free or reduced rates to Government officials and their families. This new bill would correct that situation.

It has seemed to me that Members of Congress or anyone on the Government payroll either in the legislative, executive, or judicial branches, or any of their relatives, should not be permitted by law to receive favorable treatment as against the general public in travel. No such privilege is allowed in connection with air or rail transportation and I see no reason for there to be any difference when it comes to travel by water. It certainly is inappropriate for persons who adjudicate, regulate and negotiate as well as legislate on shipping matters to be recipients of special favors. The contracts and subsidies involved amount to hundreds of millions of dollars a year, and public confidence, it seems to me, requires a strict standard in this respect.

In my bill I make a distinction as to the historic custom of invitational cruises of newly constructed or modernized ships in that I specifically exempt excursion or trial run voyages when all guests are on an invitational basis.

My bill does not affect the right of the U.S. Government to contract with these same shipping companies for reduced rate costs involving the transportation of military or civilian personnel when such employees are traveling on official business and when such transportation costs are being paid by the U.S. Government.

My bill would restrict, however, any shipping company from giving to any official or employee of the U.S. Government or to any member of that employee's immediate family free or reduced transportation rates below those rates which are offered to the general public.

Legislation Amending the Federal Airport Act so as To Extend the Time for Making Grants for Community Airports Should Be Approved

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. VAN ZANDT. Mr. Speaker, this morning I appeared before the House Committee on Interstate and Foreign Commerce in support of legislation amending the Federal Airport Act in order to extend the time for making grants and so forth.

The statement follows:

STATEMENT OF REPRESENTATIVE JAMES E. VAN ZANDT, 20TH DISTRICT OF PENNSYLVANIA, BEFORE THE HOUSE INTERSTATE AND FOREIGN COMMERCE COMMITTEE, FEBRUARY 9, 1959, IN SUPPORT OF LEGISLATION TO EXTEND THE FEDERAL AIRPORT ACT

Mr. Chairman, as one who introduced a bill to amend the Federal Airport Act in order to extend the time for making grants and so forth, I appreciate this opportunity to appear before this committee in support of such legislation.

As many of you know, I represent the 20th District of Pennsylvania, comprising the counties of Blair, Centre, and Clearfield, and in this area the communities of Altoona, Du Bois, Philipsburg, and State College are interested in the legislation now under consideration.

For your information, Altoona is served by the Altoona-Blair County Airport located at Martinsburg, Pa.

At this moment the airport is undergoing expansion, and it is estimated that at least another $315,000 of Federal assistance will be needed to complete the modernization program.

In the case of Du Bois, Pa., the airport is under construction at this time with an estimated $300,000 in Federal funds being needed to complete the airport and make it operational.

At Philipsburg, Pa., the Black Moshannon Airport will need at least $100,000 in Federal funds to complete badly needed improvements including a terminal building, and so forth.

At State College, Pa., the site of the Pennsylvania State University, according to communications I have received, the sum of $100,000 in Federal funds will be needed to expand an existing and inadequate airport.

Mr. Chairman, in my three-county area the need of modern airports is acute.

The area is mountainous and what rail service we enjoyed the past many years is rapidly diminishing due to the curtailment of passenger service.

In the wintertime—and our winters are lengthy—travel by highway is precarious.

With the area being serviced by Allegheny Airlines, to obtain full enjoyment we need adequate airport facilities.

The communities which sponsor these airports through an airport authority organized for that purpose find it impossible even with State aid to finance the expansion and construction of airports.

Therefore, without Federal assistance the program of airport construction and expansion will come to a standstill.

It is for that reason I am appearing before this committee in support of legislation to extend the Federal Airport Act.

Rising Retail Food Costs Are Not Caused by Farm Price-Support Programs

EXTENSION OF REMARKS

OF

HON. ALVIN E. O'KONSKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1959

Mr. O'KONSKI. Mr. Speaker, payments to farmers for food products in 1957 were $19.5 billion, almost the same as the $19.2 billion paid in 1948, just 10 years earlier. This payment applies to food sold. It does not reflect the value of food produced on farms and used there by the farm family.

But the retail value of this same quantity of food in 1957 was $50.4 billion. This is what the consumer paid. It was only $39 billion in 1948. The increase in the marketing charge over the 10 years was $11.4 billion. This is the rising food cost to consumers.

These payments to farmers and retail values apply only to foods produced on farms in the United States and purchased at retail by consumers. The quantity was larger in 1957 than in 1948 because of the increase in population. The retail values are calculated in such a way that food eaten at restaurants is valued in terms of retail store prices.

The table below shows how these values and payments have changed during the 10 years under consideration.

Payments to farmers and marketing charges for farm food purchased by civilian consumers in the United States, 1948–57

[In billion dollars]

Year	Market value	Payment to farmers	Marketing charges from farm through retail store
1948	39.0	19.2	19.8
1949	37.9	17.1	20.8
1950	38.9	17.7	21.2
1951	43.0	20.2	22.8
1952	44.5	20.1	24.4
1953	44.6	19.0	25.6
1954	44.9	18.3	26.6
1955	46.2	18.3	27.9
1956	48.3	18.7	29.6
1957	50.4	19.5	30.9

During the years from 1948 through 1957, the population residing in the United States increased from 146 million persons to 170 million. This averages out at about 2.4 million more persons per year. But the farmers' take from feeding the smaller population in 1948 was $19.2 billion, whereas in 1957, 10 years later, it was $19.5 billion. This is no idle achievement. It shows that the farmers have been very efficient in providing the food supply. Less farmers providing more food each year have delivered enough for everyone with some added for export and at a lower gross cost in a period of serious inflation.

What caused the increase in food costs to consumers? Labor, transportation costs, and taxes seem to have been very important in the increased cost of distribution. Additional marketing services, particularly in packaging, and the preparation of these foods for retailing were also significant sources of increased distribution costs.

The justification of these increases in food costs to consumers is not questioned. If consumers want to purchase their food in more costly prepared forms, that fact alone is sufficient justification. But it is important that consumers should understand the reason for increased food costs. All too often the farmer is assumed to have received a comparable increase in income.

All too often the increase is attributed to price-support programs with respect to farm products. The data above, however, include farmers' total income from food products. His income attributable to price supports is included. The farmers' contribution to the consumers' food bill has not increased in the 10 years reviewed. Even when the increased quantities of food used by the growing population are added, the farmers' take did not increase, but since 1951 has generally declined.

Incomes to persons who are not farmers have increased steadily since the war. The cost of goods and services which farmers must buy has also increased. But farmers' cash incomes for the postwar period have been relatively static. These are facts which should be considered by those who would reduce price supports. Consumers of food have been getting a bargain, insofar as farmers are concerned.

The farmers as a group have a proud record in the past 10 years. Hunger in the United States has been greatly reduced. Important inroads have been made on hunger outside the United States. And all of this at prices which reflect the opposite of inflation in years when inflation has become our No. 1 national problem.

INFLATION HAS NOT AFFECTED BUTTER PRICES

Inflation, we are told, is one of the important problems of our time. Prices rise, and with them, the index of living costs also rises. In the case of butter, however, prices have declined. The average price of 92-score butter at wholesale in 1950 was 61.7 cents a pound. It rose to 72 cents in 1952, but since that time it declined until in 1958 the average price is 58.7 cents, 3 cents per pound less than in 1950. This shows that the farmers who produced milk for butter have not shared in any increase of income. Responsibility for inflation cannot be laid at the door of the dairy farmer. Consumers have been repaid for the tax cost of price support in their lower price for butter.

In 1950, the average retail price for butter was 72.9 cents a pound, and in 1958 it was 74.2 cents, an increase in cost of 1.3 cents per pound for this 8-year period. Retail prices also reached their peak in 1952, and since 1952 have declined, contrary to the general trend in prices. Whereas retail food prices increased by 30 percent between 1950 and 1957, butter prices increased less than 2 percent.

Butter: Retail and wholesale prices, 1950–58

Year	Wholesale price per pound 92°, Chicago	Retail price per pound United States
	Cents	*Cents*
1950	61.7	72.9
1951	69.2	81.9
1952	72.2	85.5
1953	65.9	79.0
1954	59.7	72.4
1955	57.4	70.9
1956	59.2	72.1
1957	59.6	74.3
1958	58.7	74.2

Interview With Hon. Theodore Francis Green, of Rhode Island—An Elder Statesman at 91 Looks at the World Today

EXTENSION OF REMARKS

OF

HON. MIKE MANSFIELD

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, February 9, 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an interview with Senator GREEN, of Rhode Island, by the U.S. News & World Report, published in the issue of that magazine for February 13, 1959.

In my opinion, this interview with the distinguished senior Senator from Rhode Island is noteworthy, because it

was participated in by a man who has seen much of the changing history of our country and the world. He has observed with wisdom and concern what has occurred and has, I believe, a good deal of good advice for the rest of us.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INTERVIEW WITH SENATOR GREEN—AN ELDER STATESMAN AT 91 LOOKS AT THE WORLD TODAY

Question. Senator GREEN, what do you think is the most exciting period you've lived through?

Answer. Oh, I think this is.

Question. Why would you pick this period?

Answer. Well, I think possibly because more things are happening, faster and over a larger area. We are spreading out into other worlds now. And, partly because I am more susceptible to these changes, I find them more exciting.

Question. You are in the middle of them—

Answer. Yes, yes; I have a part in it and it is wonderful, I think—a wonderful time to be alive for any of us, but particularly those of us who possibly have something to do about it.

Sometimes it works the other way, of course, and it is depressing to think something ought to be done and it isn't, and you can't get it done, but I think it's better to try, even if you fail, than not to try.

Question. What is your general feeling, Senator, about the kind of world we are living in today, compared with earlier years?

Answer. Well, we are living so much faster today in every way—physically and every other way.

Question. Have you found that you can live more slowly than the general mass of the people?

Answer. No, I don't live any more slowly.

Question. Do you think things are moving in the right direction in Europe?

Answer. Well, we are moving so fast——

Question. Are they moving toward us, toward our ideas of what should be done?

Answer. Oh, I think so. I think the rest of the world is developing. They are going through some of the things we went through. The world has gotten so small now—we have to deal with the whole world. Even when I was a boy, our world was very much more limited than it is now.

Question. Are there many big men in the Senate today—and were there many big men years ago?

Answer. I don't think the big men in the Senate seemed as big at the time as they do now, when we look at it historically. Don't you think it makes a difference?

Question. Do you think the system of election by the legislatures gave us better men—more qualified men—than we get now through the primaries?

Answer. I don't think you had as great a variety. No, I think it's a better system—the elected system.

Question. In your quarter century on Capitol Hill, what changes in the service that Congress renders to the people have impressed you most? Hasn't it become more international minded?

Answer. Oh, yes, it has; but that isn't owing to Congress—that's owing to the world outside. I think the Congress has changed as the world has changed.

Question. We read in the papers all about the nuclear age. Are you fearful of our future? Do you think we're going to be destroyed?

Answer. What difference does it make?

Question. Does it make no difference?

Answer. No.

Question. Why? Are you a fatalist?

Answer. I'm going to do my duty as I see it as long as I'm here, and if I'm destroyed and everybody else is at the same time, what difference does it make—for me, for them, for any of us? Here where we are talking about all these worlds—suppose this earth is blown up by sputniks or some new inventions or discoveries.

Question. You don't have any fear about the future, then?

Answer. What is there to fear?

Question. Being blown up——

Answer. I fear a lot worse things might happen to us than being blown up.

Question. Should we stop worrying about it and get down to business?

Answer. That's right. It's our job to do the best we can with things as we find them—try to improve them—we can't make them perfect; we realize that.

Question. You don't think it's wise to look into the future too much?

Answer. Yes; I do. Look to the future. But I wouldn't worry about it. You can't change it probably very much—perhaps you can.

Question. Are you a fatalist? Do you believe what's going to happen is going to happen, anyway?

Answer. No. I think that men can do a great deal to affect their own careers and to affect the career of their country.

Question. Do you think there is much difference between the Republican and the Democratic Parties today?

Answer. I think it's much less than it has been.

Question. Have the Republicans come over toward the Democrats?

Answer. More of that than the other, yes. I think they have become more "liberal."

Question. Do you think the Democrats have become less "radical," and they have gone over to the middle of the road in both parties?

Answer. I haven't seen many signs of that.

Question. Do you think they are still as "radical" as they were in the thirties?

Answer. I think it sways back and forth a little bit. It's more the mood for the moment than it is the plan of the centuries. We're not planning for the good of the generation. Perhaps we ought to, but I don't think we do. How can you these days? A new invention comes along, and everything is changed in a week or a month or a year.

Question. Senator, you're a great traveler. Would you like to take a trip to the moon?

Answer. Yes, I would.

Question. You would volunteer to go on the first planet ship?

Answer. I never ask for invitations.

Question. You've been asked this a lot of times, but how do you account for the fact that you are looking so well at the age of 91?

Answer. Because I had a lot of warnings when I was young. I was an invalid. I had everything—all the usual children's diseases and a lot of extras—everything—pleurisy, pneumonia, typhoid fever—everything.

I was sick most of the time, so I couldn't go to school—not well enough when I was a little boy. I had tutors. Then I got better and better and, when I was old enough, my father sent me to a private school about a mile and a quarter north of where we lived. I remember the winter and I thought I would freeze to death. I withstood it and I got toughened up and I had all the other things I could have so I was pretty well after that and got better and better. I became interested in athletics.

Question. Do you still walk back and forth to the Capitol every day?

Answer. I frequently walk up in the morning—that's 2½ miles.

Question. Do you do any other exercising?

Answer. It all depends on whether I can find the time. Now it gets worse and worse. The longer I am here the worse it is—the less time there is.

Question. You played tennis until recently——

Answer. Yes, I played until about 2 years ago. It was a question of time more than anything. I like to play singles better than doubles.

Question. Do you exercise in the gym now, Senator?

Answer. I don't get time. I wish I did.

Question. You did that regularly for many years——

Answer. Yes, yes. I've had less and less time for myself.

DIET: "I EAT ANYTHING"

Question. Do you follow any particular diet?

Answer. No, no—luckily. I go out to so many dinner parties that I eat anything that is put before me.

Question. And you live through it?

Answer. Yes.

Question. You've spent a good deal of time abroad in recent years, haven't you?

Answer. Well, yes, I went abroad first in 1889. My grandfather thought that a young man—had the old idea about "finishing"—he ought to be "finished" by a trip abroad. I thought it was a very good idea, so he sent my two cousins who were just a little bit older and myself on a grand tour of Europe.

Question. And you have been going pretty regularly ever since?

Answer. Off and on.

Question. But in the last few years you've made official trips abroad, haven't you?

Answer. Yes.

Question. There has been a lot of criticism of our educational methods——

Answer. Oh, I don't think that boys and girls study here as hard as they do abroad.

Question. Should they study harder?

Answer. They should. But I don't think they do.

Question. You went to college both in Europe and here. How would you compare the two?

Answer. Well, it depends. They prepare you for a different life, perhaps. You usually decide there much earlier than you do here what you are going to do in life. In some ways one is ahead, and in some ways the other.

But I do think that, for instance, a German boy had to study a little harder than any American boy that I knew here. I know one of my friends, I remember in those days, could recite a whole book of poetry—I mean the whole thing right straight through—and things like that. They memorize a great deal.

Question. Does that train the mind very much?

Answer. That's one kind of training and the other is to develop your powers of thinking and reasoning. There are different parts of your human brain that you want to develop more.

Question. Do they narrow down the people they are going to educate?

Answer. The universities there had a different standard right along. They didn't care whether you studied or not. It was up to you. I don't think there was any more responsibility developed there than here. I regret to find the tendency seems to be the other way here.

They build these dormitories, for instance, at colleges, and they used to be standing free. Now they like to build them with moats around them, so the boys can't get in and out easily. They have to go through the gates—like they do it in English colleges. They keep tabs on them—when they go out, when they go in.

In Germany they go to the other extreme. They don't pay much attention to the boys. If they want to get a degree, they've got to pass an examination. In order to pass the examination, they've got to study hard to do it.

Question. They put the responsibility on the youth rather than on the teacher?

Answer. That's right.

Question. Do you think an individual's life is fuller now than it was when you were a small boy?

Answer. I think so. I think the average individual life is too crowded. That's the reason they do most things half well.

Question. Is that true on Capitol Hill?

Answer. Yes, certainly.

Question. Who was the first President of the United States you remember, Senator?

Answer. I've known every President—I've met personally every President—beginning with Hayes. Except Garfield—I never met Garfield.

Question. Of the Presidents you have known, which one has impressed you most?

Answer. I haven't known many of them intimately. I've known both Roosevelts—Theodore and Franklin—very well, indeed. I admired Woodrow Wilson very much indeed. He was a scholar, made great sacrifices—he'd go the limit. He practically died for his country. And he had a clean mind, clear. He was more scholarly than those I've known. He worked a great many reforms. He had a deep knowledge of government; he impressed me that way.

Question. Who do you think was the best politician of the Presidents?

Answer. I think Franklin Roosevelt.

Question. How about Teddy Roosevelt? He was pretty successful——

Answer. Not as good. He came to Providence, when he was first running, and he made a rather antiprotection speech. As the subject of tariffs was foremost in the minds of most conservative Rhode Islanders, that was the wrong speech to make there. I am told he never mentioned that subject again during his New England campaign.

I was very fond of him. I knew him very well, indeed. I stayed at his house. I had a standing invitation—a room at my disposal whenever I wanted to go and stay there.

Question. Even though you were a Democrat?

Answer. Yes; I knew all his family well.

I shocked him sometimes. I remember one Sunday morning he came downstairs in his togs—"Rough Rider" stuff—and I didn't have any. And he said, "Here, take an ax. Come out and help me chop down some trees."

And I said, "Well, I won't come down and help you chop down some of your trees because I've got on my 'Sunday-go-to-meeting' clothes, but I'll come around and boss the job." And I realize this was something terrible, and a sort of gasp went around the room because I had the nerve to say that to the President.

He asked me to be his campaign manager when he ran on the Bull Moose ticket. I had just come back from my first experience of a Democratic National Convention in Baltimore. When I got home, I found this request from Roosevelt to be his campaign manager for New England. Of course, I wasn't going to do it, couldn't do it, and had to write him to that effect.

But I ran for Governor that year and I never mentioned the fact—and there was a Bull Moose ticket in Rhode Island, too, but I didn't think it was decent to take advantage of a friendship and hurt him. And so I didn't and I got licked, but that wasn't the only cause.

Well, anyway, I never told anybody about it, except a few intimate friends who wouldn't tell. And I was staying, a couple years afterward—they were having a dinner party at Sagamore Hill, and somebody said, "Well, Mr. President, I guess nobody ever turned you down when you asked for anything."

"Oh, yes," he said, "they did, and he is right at this table now." Then he told the story.

Question. Senator, does government better serve the interest of the people today than when you were trying to bring about governmental reforms in Rhode Island back in the thirties?

Answer. Oh, I don't know. I can't compare those parts of the government. I think that Rhode Island and Pennsylvania were supposed to be the worst-governed States in the Union then. And by the time I got through with my State—I was elected Governor and I changed over the whole government—everything, including the whole supreme court and everything else.

Question. Senator, when you changed over the whole government, do you mean that you changed the people in it, or did you change the system—reorganize the government itself?

Answer. I reorganized it. I had the same constitution and the same laws. I changed those gradually, too.

Question. What changes did you bring? How were you able to get hold of the situation?

Answer. In the 1934 election I got a majority in both the senate and the house.

On January 2, 1935, the date of my second inauguration as Governor, the general assembly met at noon and I was sworn in for my second term about 11 p.m. that night.

Previous to my being sworn in, the house and senate met and several measures which had been carefully prepared as a result of several very secret meetings held at my home in Providence were introduced and passed immediately. I remember one bill vacated the five supreme court places held by the Republicans. The grand committee of the general assembly then elected five new judges—three Democrats and two Republicans.

At that time we had in Providence a Republican State board of public safety which really controlled the Democratic city of Providence.

The general assembly passed a bill repealing the State Board of Public Safety Act, and I named Ed Kelly superintendent of State police and temporary safety director for the city of Providence.

This bill passed the general assembly about 10:30 p.m. on the night of January 2, and I recall very well that I had my secretary, Eddie Higgins, take my car and chauffeur and deliver personally, at that time of night, letters from me to the board of public safety letting them know that they had been fired. The next morning I saw many broad smiles on the faces of the policemen and firemen in the city of Providence.

The assembly, at my suggestion, abolished the office of finance commissioner and created the office of budget director and comptroller—the appointee to be named by the Governor. We also had a bill passed declaring vacant the office of high sheriff of Providence County and reduced the term from 5 to 3 years.

We also passed bills that day restoring home rule to a number of cities and towns. The control of cities and towns had been taken away from these municipalities and placed in the hands of this Republican-controlled machine.

We passed a bill that day providing for the consolidation of about 80 overlapping bureaus and commissions. We set up this reorganization to take effect in 60 days and created under it 11 new departments in the State government.

I recall that at that time Colonel McCormick, of the Chicago Tribune, became very upset about what we did in Rhode Island, and the story is to the effect that he cut out one of the stars from the American flag which hung in the Chicago Tribune Building. From what I am told, someone tipped the colonel off that he was desecrating the flag, and he had it removed from the lobby. I did not know for years why the colonel was interested in Rhode Island politics, but I later found out that one of the stockholders of the Tribune lived in Rhode Island and was very active in Republican circles.

One incident I recall regarding the so-called bloodless revolution on the night of January 2, 1935, is regarding the Republican judges who were still in office. As I recall it, the judges were in a committee room waiting to be escorted to my second inauguration. Of course, there was considerable delay because the general assembly was busy passing these bills and I was busy signing them.

The judges sent some of their sheriffs out to find out what was going on and they soon learned that they might be out of office shortly. In order to save them some embarrassment, I went down to the committee room and saw the chief justice and the presiding justice of the superior court. I told them what was going to happen.

As a matter of fact, the legislature was at that moment passing the bills vacating their offices. I suggested that they might be somewhat disconcerted if they were to stay around, and I understand that they called their sheriffs and all went back to the courthouse.

The next day they were all out of office at 12 noon and the new supreme court, which had been elected in grand committee and sworn in by me, had taken over the supreme court chambers.

LAWYER AND BUSINESSMAN

Question. Senator GREEN, it isn't often that someone serves in business and public life as many years as you have. Did you start as a lawyer?

Answer. Yes. I went to college—Brown, and Harvard Law School, then to the universities of Bonn and Berlin. Then I came back and I practiced law—went in with my father.

The eldest son in every generation is a lawyer. My great-grandfather, the eldest son, was a lawyer. His eldest son, my grandfather, was a lawyer. My father, the eldest, was a lawyer. I was the eldest son, so I am a lawyer. I am not married. My eldest nephew of the name is a lawyer, and I take for granted his son is going to be a lawyer.

Question. How long did you practice law?

Answer. I still am, I suppose—theoretically, anyway. I have a law office in Providence.

Question. Then you went into business after that?

Answer. I never ceased being a lawyer—I am still a lawyer.

Question. You were head of a bank in Providence. Did you give full time to that?

Answer. I couldn't give full time to all these different things, although I did them all contemporaneously. I was chairman of the Providence Plantations Bank; I started it, and I am still chairman of the board, and I know they don't resent that I hang on because, on my 90th birthday, they gave me a large silver punchbowl and ladle.

And I was president of the J. P. Coates Co., the thread company.

Question. You were also a director of the National Exchange Bank in Providence?

Answer. Yes, for many years.

Question. You were officer and director of various railroad companies?

Answer. All of them in Rhode Island.

Question. You've also had an active participation in some of the public institutions there, too. You are a member of the board of fellows and a trustee in Brown University.

Answer. Oh, that's just like being loyal to the family. Ever since Brown University started—except for half a dozen years some member of my family has been on the board of trustees.

My great-great-grandfather's brother was the first—and for 2 months he was the only—student in the college. They had a president and only one student. So nobody

can date further back than that, you see, or as far back. So I am a trustee, I am a member of the board of fellows, I am the senior fellow. When the president is absent, then the senior member of the board of fellows takes his place. So I've been president of that, too.

Question. Before you were elected Governor of Rhode Island in 1932, you had already lived a pretty full life. When you became Governor you were 64—an age when most people are retiring. Was the governorship your first elective office?

Answer. No; 25 years before I was elected to the general assembly. That's the first taste I had of politics, the first active part I had in public office.

I was on some good-government drive—they had a terribly rotten machine in Rhode Island—and I saw the rotten government we had. Rhode Island and Pennsylvania were the worst governed States in the Union. "Corrupted, contented," was the combination of adjectives there—it applied to both—and I said, "Well, I am going to change this if I can."

So I started out then and I ran for public office and got licked most times. For 25 years off and on I ran for something—the general assembly or Congress or something or other. I was elected Governor in 1912 but firmly believed as do many others, that I was counted out by the then Republican-controlled State board of elections. The Republican machine controlled everything, including the courts.

Question. How did you overcome that?

Answer. Well, I kept on running and I guess they got tired of voting against me.

NO PLANS TO RETIRE

Question. Do you plan to stay in the Senate?

Answer. In the last campaign they said I was too old to run. At first I thought the proper thing was to ignore it. Then I said it was going too far, I guess I would have to tackle it—so I did. And I said I intended to stay in the Senate until I was 100.

Question. How old was your last opponent?

Answer. Middle aged.

Question. Did you have much difficulty with that campaign?

Answer. No; I had more votes than I ever had before. Every time I have run I have gotten more than I have the time before.

Question. You have gottten practice each time. What's the secret of that success?

Answer. Honesty is the best policy. You'll find it so as you grow up.

Statement of General Pate Before the Senate Armed Services Committee

EXTENSION OF REMARKS

OF

HON. CLARK W. THOMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1959

Mr. THOMPSON of Texas. Mr. Speaker, under leave to extend my remarks I desire to insert in the RECORD the recent statement of the Commandant of the Marine Corps, General Pate, before the Senate Armed Services Committee.

It is a precise factual document. It lists in factual language the repeated instances during the past year when our ready Marine forces have had to move rapidly in response to emergency. Our need for this professional amphibious force in readiness in these tense times is starkly apparent from this mere recital of the record.

There follows an equally dispassionate account of the effect of the deep cuts in the Marine Corps which have been directed by the Pentagon. Without editorial comment, the effect of a cut of 25,000 Marines below the 200,000 the Congress considered minimum, and appropriated for, is factually set forth in terms of deactivated combat battalions and aircraft squadrons, and continued maintenance of remaining units at reduced strengths.

General Pate's statement is a simple, dignified statement of facts.

I consider it of such importance that I most urgently ask that all Members find time to study it with care.

For in it we see the actual results of the continued failure of the Pentagon to heed the most carefully considered and clearly expressed judgment of the Congress on a matter of vital importance to the Nation's military policy.

We have determined and provided by law that the Marine Corps shall be organized into three combat divisions and three air wings. We have determined that a strength of 200,000 is the minimum necessary to enable the Marine Corps to comply with the law. We have appropriated the funds necessary to maintain a Marine Corps of 200,000. We have stated our intent regarding this small, professional force in readiness in the most clear, simple and unmistakable words. The Senate Armed Services Committee, for example, used these words:

> This decision to appropriate the funds necessary for a 200,000-man Marine Corps was made with full consideration of the fiscal and military implications. The committee desires that it be clearly understood by appropriate agencies in the executive branch of the Government that it is the clear-cut intent of the committee, and of the proposed appropriating legislation, that the Marine Corps be maintained at the strength of 200,000.

It is against this background that we must assess the Pentagon's order to cut the Marine Corps by 25,000 below what the Congress considered an absolute minimum. We are seeing a deliberate stripping from the Congress of constitutionally imposed responsibility.

This is the true impact of General Pate's plain statement of the facts.

Never has the need been greater for our Nation to possess this combat-ready Marine striking force to respond to any of the potential crises that confront us. Only with such a force as we possess in our Fleet Marine Forces can we apply the proper amount of military pressure to protect American interests, carry out our national policies, and at the same time prevent a localized fire from spreading into a worldwide holocaust.

It just does not make sense to extend the draft and force into Army service unwilling—at least unenthusiastic—recruits while at the same time we arbitrarily direct the reduction of 25,000 hard, lean, highly professional, completely volunteer marines. It does not make sense to say that we can maintain our strength for limited war by reducing each of our divisions by two battalion landing teams—for a total of six battalion landing teams out of the 27 we now have in our Marine Corps.

I am convinced that this arbitrary reduction of the Marine Corps to 175,000 is the deliberate, chosen method of the Pentagon for undermining and vitiating the provisions of Public Law 416 of the 82d Congress, very appropriately known as the Vinson bill after our distinguished chairman of the House Armed Services Committee, who was largely responsible for conceiving, sponsoring, and the ultimate passage of the law that requires three combat divisions and three air wings in the Marine Corps.

The continuing series of crises which have characterized the East-West conflict in the past few years have completely vindicated the position taken by the Honorable CARL VINSON in insisting that this bill be passed and thus provide the Nation with such a striking force of marines. In spite of this congressional foresight the Pentagon, unfortunately, has seen fit to disregard the provisions of the statute and the intent and desire of Congress when we appropriated the money to give meaningful effect to the provisions of the Vinson bill.

The argument that the Marine Corps is stronger by reducing its forces and disbanding a large portion of its combat units in the divisions cannot be understood except as a smoke screen behind which there is a deliberate effort on the part of the Pentagon—which stubbornly opposed the original passage of the Vinson bill—to erode and destroy its provisions. No other conclusion can be drawn from the action that is now taking place in refusing to apply the funds to provide the forces for which they were appropriated.

This is not only a matter of straight military policy. Even more strikingly it poses in crystal clear form the deep issue between the legislative and executive branches in the field of defense policy.

I am not one of those who feels that Congress should go into details of the direction of the Armed Forces. The use of the Armed Forces is the clear-cut prerogative of the President in his role of Commander in Chief. However, the Constitution places squarely upon Congress the inescapable responsibility of providing and maintaining those forces. This responsibility is not one that Congress can pass on to the Executive, nor is it one which in good conscience Congress can let go by default.

The Attorney General of the United States speaking of the power of Congress to raise and support armies and to provide and maintain a Navy has stated:

> This power to raise and support armies and provide and maintain a Navy is plenary and without limitation or restriction, and Congress is the sole judge of how the Army or Navy shall be raised and of what it shall be composed (27 Op. Att'y. Gen. 259).

I know of nothing which has changed the correctness of that opinion. Indeed I am convinced that legally only a constitutional amendment could strip the Congress of the powers so precisely delineated by the Attorney General. I

may also note that supine acquiescence by a legislative branch which abdicates its responsibilities to a faceless, general staff type of executive omniscience will just as certainly accomplish the same perversion of the wise separation of power established by Founding Fathers.

We live in perilous times.

The Congress, after exhaustive, careful hearings rejected the proposal of an administration which insists on a Marine Corps of 175,000 as adequate to our needs.

Even as the Congress determined a ready force of 200,000 marines is vital to the Nation's security in these troubled times, the twin crises of Lebanon and Taiwan force an admission of Pentagon error when a Marine Corps of 190,000 is kept in hand to deal with these relatively mild examples of the Communist policy of constant pressure against the free world.

Then as the order is issued to execute the cut to 175,000 the Secretary of Defense tells the Nation that our military policy must be shaped with the lessons of Lebanon and Taiwan in mind.

Do these lessons justify a 12½-percent cut below appropriated strength in what is already the smallest of our active services?

How do they justify this cut—400 percent greater in relation to appropriated strength than that imposed on any other service—in the very forces which were able to respond most rapidly, most precisely, when Lebanon demanded action in a matter of hours?

No one has answered these questions.

No once can. For the true answer is that we are witnessing a return to the disastrous reasoning of the Louis Johnson school—the Alice in Wonderland theory that we gain strength through weakness.

Only strong, decisive, and immediate action by the Congress can reverse our course.

Never has the foresight of our distinguished colleague from Georgia [Mr. VINSON] the sponsor of the Marine Corps bill, been more thoroughly vindicated than in the past year as well as the continuing crises which characterize the probings and incursions of Communist aggression.

Never has the Nation's need for a small professional force in readiness such as the Marine Corps been greater than it is today.

General Pate's statement follows:

STATEMENT OF GEN. R. MCC. PATE, U.S. MARINE CORPS, COMMANDANT OF THE MARINE CORPS, BEFORE ARMED SERVICES COMMITTEE, U.S. SENATE, JANUARY 26, 1959

Mr. Chairman and gentlemen, the Marine Corps deeply appreciates the interest you have always shown in our affairs. We welcome opportunities such as this to appear before you, and to report on our status. In general, I feel this committee is quite familiar with the Marine Corps. We are guided by the missions which Congress has assigned us. For the purposes of this meeting I will not make a lengthy statement, but will confine my remarks to two main points: (1) A summary of our activities during the past year; and (2) our plans, programs, and capabilities for the coming year.

During 1958, the basic deployment of our Fleet Marine Forces, which we have maintained for the past several years, was found responsive to the realities of global military pressures. One division and one aircraft wing were maintained on the east coast of the United States with the Atlantic Fleet. At least one battalion landing team of that force was normally on rotational deployment with the 6th Fleet in the Mediterranean. Two divisions and two aircraft wings were assigned to the Pacific Fleet, one division and one aircraft wing operating on the west coast, and one division and one aircraft wing in the western Pacific. The latter division/wing team was under operational control of the 7th Fleet. This distribution of our forces provided for an amphibious capability in each of the great ocean areas.

To render these deployments meaningful, our Fleet Marine Forces were constantly prepared for combat action. The state of their readiness was several times demonstrated, when world events called for limited military action by the United States.

In May 1958, incident to the Vice President's visit to Caracas, Venezuela, elements of the east coast team deployed. Two rifle companies of a battalion landing team were airlifted to Guantanamo Bay, Cuba, and embarked aboard the cruiser *Boston;* a third rifle company was lifted from the parade-ground at Camp Lejeune by helicopters which then accompanied them on board the carrier *Tarawa* to join U.S.S. *Boston.*

In the summer, world attention was focused on Lebanon, where the orderly processes of constitutional government were endangered. As tension mounted, the normal amphibious troop strength of the 6th Fleet was increased. An additional battalion landing team was provided in May; in late June a third departed its east coast base. On July 14, the Lebanese President sent an urgent request to our Government for assistance. As the Nation's initial response to that request, the 6th Fleet quickly landed the three battalions of Marines—the first one hit the beach on the 15th of July at the precise hour directed by President Eisenhower. The prompt arrival of those units had a stabilizing effect on a very explosive situation, and ultimately the Lebanese were given an opportunity to work out a Lebanese solution to a Lebanese problem.

In late August, there was need to reinforce the air defense of Taiwan. Marine Air Group 11, stationed in Japan, was alerted for the purpose. The fighter squadrons flew off at once; but it is a mark of the mobility of the entire unit that within 12 days after its new base field was designated, the entire group—aircraft and ground support units alike—had moved their personnel and equipment 1,300 miles by sea and were effectively contributing operational support to units already at Taiwan.

Each of the incidents I have mentioned constituted a real emergency. In each one, the amphibious forces demonstrated professional competence in responding to the requirements of their role in our national defense. As a result of careful prior preparation they reacted immediately, using normal task groupings and communications, and without last minute, frantic planning. They moved at once to the trouble area, and they remained in the area until their presence was no longer required. The real mobility of naval forces was thus made apparent, and the true nature of the fleet's readiness demonstrated. No international political arrangements were necessary to permit the movement of these units. They were free to anticipate international events. They needed no rights of transit; and their own strength and self-sufficiency gave them ability to stay as long as their presence was needed.

So much for 1958. Now let me turn to our plans, programs and capabilities for this year.

The Reorganization Act of 1958 will necessitate no change in Marine Corps operations. Under its provisions we will continue to do what we have done in the past; that is, equip our troops, train them in the specialized techniques of amphibious warfare, then assign them to appropriate field commands. However, we do so in a somewhat different way than do the other services. The bulk of our Marine fighting forces are assigned directly to the principal fleets of the Navy. They become an organic part of the fleets to give them balance and complete the flexibility of their striking power. The fleets, in turn, are assigned directly to the several unified commands. Their commanders thus possess a ready amphibious arm which they may deploy in any locality bordering on the seven seas.

We started this year with a strength of approximately 187,500 officers and men. Right now, today, we have about 185,000. We will continue to decline as we implement the directive to reduce to a strength of 175,000 by June 30 of this year. Our supporting base, and the security forces which we must provide to other Government agencies, have already been reduced. Their strengths have reached the minimum consistent with efficient operation for the forces and missions presently assigned. For this reason, reductions have to be made in our combat units—the Fleet Marine Force. To effect this, we have two alternatives. We can either provide fewer and fewer men to the units than their tables of organization call for, or we can deactivate units.

In fiscal year 1958, with a ceiling of 188,000 personnel, we had a personnel availability in our Fleet Marine Forces equivalent to 8 battalion landing teams per division or a total of 24 within the Fleet Marine Forces. However, I chose to retain the full structure of 27 battalion landing teams in the 3 divisions and levy reductions across the board.

However, during the past year our experience in Lebanon and the Far East clearly demonstrated to us the fallacy of maintaining units at levels seriously below combat strength. I have therefore abandoned this philosophy, and returned to one of maintaining our battalion landing teams at full combat strength. This, linked with the further reduction to 175,000, has required me to deactivate 2 of the battalion landing teams in each of our 3 divisions. Thus our 3 Marine divisions will be reduced from a total of 27 to a total of 21 battalions. All remaining divisional units can then be maintained at not less than 90 percent of their table of organization strength. Also, by June 30, 6 aircraft squadrons and 100 additional aircraft will be deleted from our 3 aircraft wings. Some other reductions in our combat strength will be entailed, but I have mentioned the principal ones.

Elsewhere in the personnel field, in order to get every possible benefit from our Marines, we are making strenuous efforts to improve quality, to keep commitments for housekeeping and support functions to a minimum, and to reduce individual training requirements wherever possible.

These programs are meeting with considerable success. For example, the reenlistment rate for first enlistees has increased from approximately 17 percent in fiscal year 1957 to 25.4 percent in the first 5 months of fiscal year 1959. Added to this, the trend among first enlistees is to sign for 4 rather than 3 years. Last year only 21 percent chose the 4-year term. This has increased to a high last month of 89 percent of 4-year enlistees. The trend should continue. The combined effect of these programs will lead to a significant reduction in our training load, higher quality marines and increased readiness.

Throughout the past year, the Fleet Marine Forces carried out a number of exercises, battalion size and larger, aimed at the improvement of old and the perfection of

new techniques of amphibious warfare. Each exercise was in every sense a rehearsal for combat. Each exercise, regardless of size, involved the interplay of Marine air and ground units operating as a team with Navy amphibious forces. This mode of operations is a hallmark of our composition and doctrine, exemplifying, with the Navy, the essential qualities of modern war on the land, on the sea, and in the air. We have another full schedule of exercises planned for this year. Through them we will maintain our readiness for any eventuality.

In all of our exercises and in all of our training, we are stressing modern techniques of amphibious operations—the vertical envelopment concept. The helicopter assault landing capability, which we developed, is a reality now, and it is growing in potential from year to year.

The assault elements of our divisions are organized to make them transportable by helicopter. The structure of each Marine aircraft wing on the Atlantic coast, the Pacific coast, and in the western Pacific provides for a balanced helicopter group in each locality.

In order that helicopter capabilities can be employed in amphibious operations, carrier decks are required. In the Pacific, the Navy has one aircraft carrier specially converted for use as a helicopter platform. This is U.S.S. *Thetis Bay*, a former escort carrier which in 1955 underwent minor conversion and overhaul to give it a troop-carrying capability, and to facilitate the handling of helicopters. Marines have used it extensively. It has provided the naval amphibious forces with much valuable experience, both in perfecting modern amphibious techniques and for ideas of design to be incorporated in new construction vessels. However, *Thetis Bay* provides vertical assault capability for less than one battalion and only in one ocean. More is needed.

The Navy's approved shipbuilding program will provide two carriers specially designed for the purpose in 1962, but the problem cannot be put off until then. We feel there is urgent requirement that greatly increased helicopter lift capabilities be available to the fleets right now.

The chief of naval operations and I have, after much study, arrived at an interim solution. By providing additional marines to augment the Marine detachment to help fill out their crew, two—and possibly three—CVS-type carriers can be kept in service and devoted to helicopter operations. We have determined that a Marine detachment of 10 officers and 323 enlisted men will be required for each carrier designated, and I have agreed to furnish those marines. The Marine detachments, organized into two companies, will perform assigned air, guard, supply, communication and other support duties appropriate for marines. I might point out that this solution to our problem is only possible because of the close and intimate association of the Navy and Marine Corps over the years.

In the Atlantic area the amphibious forces inaugurated the use of the carrier *Boxer* early this month. In addition to U.S.S. *Princeton*, to be assigned to the amphibious forces in March, one more carrier is under consideration for assignment at a later date. These vessels are not ideal for efficient helicopter operations, nor for amphibious troops habitability, but they do provide a significant increase in our combat potential. They enable us to apply modern doctrine in our amphibious operations.

Any comment on our combat readiness would be most incompetent without mention of the Marine Corps Reserve. We place great reliance upon it. In the event of mobilization, our reserve will provide us immediately backup strength.

Our Ready Reserve comprises 208,000 men. Of these, some 43,000 are organized into drill-pay units. Drill-pay unit training programs maintain these units in a state of readiness that makes them immediately available for mobilization.

The balance of our reserves would be called to duty and placed in combat units as quickly as refresher training could bring them up to Fleet Marine Force standards. Right now I am proud to say our reserve is in the highest state of readiness we have ever achieved short of full mobilization.

Gentlemen, I have summarized briefly our accomplishments during the past year, and indicated our posture for the year ahead. As it always has been, it is now—a posture of preparedness. Everything we have available to us today is in the highest state of readiness we know how to achieve. You have my assurance it will be kept that way.

Kentucky's Future—Soil and Water Conservation

EXTENSION OF REMARKS
OF
HON. WILLIAM H. NATCHER
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. NATCHER. Mr. Speaker, for the second consecutive year a young man from the Second Congressional District of Kentucky has won first place in the soil conservation essay contest. This year's recipient of the award is Glenn C. Dockery, a 17-year-old Ohio County high school senior. He is the son of Mr. and Mrs. Owen Dockery and resides on rural Route 1, Beaver Dam, Ky. Glenn's essay entitled "Kentucky's Future—Soil and Water Conservation," was judged best from a record number of 31,426 written by grade and high school students in 118 Kentucky soil conservation districts. This honor which has been bestowed upon Glenn C. Dockery is to be coveted and is one of which he has every right to be proud. Not only in this particular instance, but by other means he has set an example which can well be emulated by young people throughout Kentucky. He has served as vice president of the Beaver Dam Chapter of the National Honor Society and as treasurer of his high school junior class. This year he is president of the honor society and vice president of the science club. Also he is a member of the student council and the junior conservation club.

Over the years the young men and women of the Second Congressional District of Kentucky have manifested a deep interest and concern in agricultural pursuits, and, by virtue thereof, have received recognition for their accomplishments. In addition to Glenn C. Dockery, winners in this year's soil conservation essay contest from our district are:

Jean Goodman, Scottsville, Allen County; Johnnie Hines, Hardinsburg, Breckinridge County; G. McCoy, Morgantown, Butler County; Mary Alice Wethington, Utica, Daviess County; Jackey Pearl, Big Clifty, Grayson County; Jacqueline Stephens, Pellville, Hancock County; Brenda Briscoe, Hebbardsville, Henderson County; Lena Villines, Nebo, Hopkins County; Sarah Miller, Sacramento, McLean County; Joyce DeBruler, Fordsville, Ohio County; Lynn Caudill, Franklin, Simpson County; Shelby Woodring, Morganfield, Union County; Joe R. Cowles, Bowling Green, Warren County.

Mr. Speaker, soil and water conservation means a great deal to the State of Kentucky. Not only are the people of Kentucky, generally, aware of the necessity for a soil and water conservation program, but our young poeple have been well instructed along such lines, as evidenced by Glenn C. Dockery. The awards received by him and the other boys and girls are indicative of the outstanding work being done by our Soil Conservation Service under able and conscientious leaders. The young people who reside in the congressional district which I have the honor to represent belong to the different farm organizations such as the Future Farmers of America, Future Homemakers of America, and 4–H Clubs. I am justifiably proud of our future farmers and homemakers. I am thankful for the enormous potential that resides in the youth of our land. I feel that such potential for good is being fully realized. As our youth see, they understand, and as they hear, they are comprehending the truth so that they and all the citizens of our land may live more abundantly.

The National Debt: Cheaper To Pay Than To Owe

EXTENSION OF REMARKS
OF
HON. JIM WRIGHT
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. WRIGHT. Mr. Speaker, our national debt stands today at $283 billion.

In the new fiscal year we shall be paying $8.1 billion in interest.

The trend toward higher interest indicates clearly that the Government soon will be paying 3.5 percent on all its obligations, or a total annual interest of $9.8 billion, assuming the total dcbt remains unchanged.

This means that, of every dollar paid in Federal taxes, approximately 11 cents must go for carrying charges on the debt.

It means also that, if things go along exactly as they have been going, without any change in the total debt and with the Government having to pay 3.5 percent interest on its borrowings, in 28 years we will have paid the total amount of the debt, but we will still owe all of it.

This is a tremendous amount to pay in interest, for which our Government and our Nation get nothing in return. It is the price we are paying simply for the privilege of owing this huge debt.

Of course, so long as we have the debt, the carrying charges must be paid. There is no alternative, unless we were to mimic the Soviet Government and repudiate our obligation to those of our citizens who have loaned money to their

Government. This would be so utterly unthinkable that it shames us even to mention it.

HOW MUCH IS $9.8 BILLION?

But the interest charges on our public debt have grown so large that they constitute today an immense burden upon the taxpayers of our Nation. They amount to almost $10 billion annually in deadweight.

As we struggle this year to strike a precarious budget balance in face of national needs, inflationary pressures and high taxes, anyone can think of a thousand beneficial uses for this $9.8 billion annually.

It could build some 15,000 miles of superhighways of the most modern design each year, and thus complete the entire 41,000-mile Interstate Highway program in less than 3 years.

Or, applied to development of the Nation's water resources, it could complete in 1 year three times as many flood control and navigational projects as have been authorized for the next 10 years.

Applied to soil conservation for the saving of our Nation's most indispensable wealth, it could perform more useful works in 1 year than we have devoted to this awesomely important task in the past 25 years, inclusively, or perhaps in the entire history of our Nation.

It could purchase some 700 B–58's, more than we would ever need of the world's best, most sophisticated and most costly weapons system; whereas we are struggling along today purchasing between 30 and 40 a year and wondering nervously if these are enough to serve their minimum purpose of deterring aggression.

Or, considered another way, this $9.8 billion if returned to the taxpayers on an equal prorata basis would mean that the average taxpaying family head could pay some $275 less in taxes every year.

LET'S MAKE A PLAN TO PAY IT OFF

In the interest of our own generation and of generations yet to come, I believe we should make a positive resolution and develop a definite plan of systematic debt retirement. I firmly believe the American public expects such leadership from the National Congress and will be disappointed if we fail to provide it.

I have today introduced a concurrent resolution which would set forth such a plan. It would express the sense of Congress that in each succeeding year we should pay on the principal an amount equal to not less than 1 percent of the present indebtedness.

In other words, the present Congress would be pledging ourselves—and insofar as it is within the power of this Congress we would be calling upon the Secretary of the Treasury and future Congresses—to pay an amount not less than $2.8 billion annually to the reduction and eventual retirement of this burdensome national obligation.

Such payments, of course, would be in addition to the interest payments which we are obliged to pay and over which we seem to have no control. But as the principal decreased, the interest would decrease. In 100 years, the debt would be completely paid and the slate wiped clean.

Under this plan, as I shall point out, we would actually pay many billions of dollars less over the next 100 years, in both principal and interest, than we shall be compelled to pay in interest alone if no such course is embarked upon.

In the beginning, to be sure, it would be an additional burden of expense. But it would be an honest burden, honestly assumed. It shall have to be undertaken someday, and the sooner we face up to it, the less costly it will be to our progeny.

CHEAPER TO PAY THAN TO OWE

If we can demonstrate the self-discipline, Mr. Speaker, to chart such a path and stick to it, we can reach a point in 29 years at which we shall have reduced the debt to a level where we will be paying no more in both principal and interest than we now are being called upon to pay in interest alone.

For the basic figures upon which I found this approach, I am indebted to a man named R. S. Shade, who lives in Tulsa, Okla. He has worked out a table of payments based upon a $2.8 billion application to principal and allocation of interest at 3.5 percent on the unpaid balance.

In profound but simple terms, these figures reveal the amazing and yet inescapable fact that it is more than $485 billion cheaper to pay off the debt in 100 years than it would be simply to continue paying the interest for that period of time.

In 100 years we could completely retire the debt by paying $495 billion in interest and $283 billion of principal, or a total of $778 billion. But if we pay nothing on the debt itself, the interest alone for 100 years will be $980 billion, and we will still owe the debt of $283 billion, or a total of $1.263 trillion.

During the past 4 years we have three times extended the temporary debt ceiling and once increased the permanent ceiling. Since the end of World War II, there has only been one brief period—during the Truman administration—when our Government has made any reduction whatever in the national debt.

Yet these years have been years of comparative national prosperity. If it has not been possible for Congress during these years to reduce the indebtedness, we must wonder seriously if ever in the future we shall find it either expedient or even possible to do so without a definite commitment to some systematic plan.

We have had emergencies during this period, to be sure. But can anyone honestly contend that there exists any realistic prospect for the lessening of these tensions and critical demands in the foreseeable future?

Our Nation is engaged with Russia in a titanic competition which may not be resolved for a generation or more. And we fully intend and expect to be in business as a nation after this period of recurrent crises and ideological conflicts shall have ended.

CHALLENGE TO STATESMANSHIP

Why then, does it not make sense to gear ourselves to the long pull and begin facing in earnest the challenge of true fiscal responsibility which seems so clearly to demand such a course?

It would be a demonstration of our faith that this Nation expects to continue in operation for at least 100 years and are conducting our business with no other end in view.

It should provide a good example of resolution and sound economy to the families of our Nation who must of necessity make plans for the eventual retirement of their private debts. And 100 years in the life of a nation is not so long as it may seem.

Such a plan should have a salutary effect upon the inflationary spiral of cheap money and increasing indebtedness. It should revive confidence both in our own land and throughout the world in the stability of our dollar.

Perhaps more basic than any of this, however, it would constitute a simple act of good faith with those generations of Americans yet to come.

This is a challenge to our vision and to our statesmanship. It will require discipline and self-restraint of both the Congress and the American public. But I believe the American Nation is equal to it. Let it not be said that the Congress lacks the courage or the faith to put it to the test.

Boggs-Daniel Narcotic Control Act

EXTENSION OF REMARKS

OF

HON. HALE BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 9, 1959

Mr. BOGGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

Representative HALE BOGGS, Democrat, of Louisiana, today released statistics on the results of the Boggs-Daniel Narcotic Control Act of 1956.

Congressman BOGGS said:

"Since the Congress passed the Boggs-Daniel Narcotic Control Act of July 1956, with its severe minimum mandatory penalties against illegal sellers of narcotics, the improvement in the narcotic situation in the United States has been remarkable. One of the most realistic and accurate yardsticks to gage this improvement is the number of addicts reported in 1958 as compared with the number reported in 1956.

"The District of Columbia shows that the count of new addicts dropped from 200 in 1956 to only 60 in the first 11 months of 1958. In Louisiana there was a decrease in the number of addicts reported from 142 in 1956 to 50 in the first 11 months of 1958."

Mr. BOGGS also pointed out other States which show a significant overall improvement. These are as follows:

State	1956	1958 (1st 11 months)
Texas	523	175
Ohio	92	37
Michigan	543	264
New York	4,138	2,836
Illinois	908	631
Missouri	210	136
California	1,568	1,276

In considering the statistics given above for Ohio, it should be pointed out there had already been a decrease of 80 percent in 1956 from 1955, the year in which the Ohio State law providing for a 20-year minimum mandatory penalty for illegal sale of narcotics was enacted.

"I am tremendously gratified," the Congressman said, "by the figures which have now been compiled showing the operation of the Boggs-Daniel Narcotics Code. Despite the tremendously growing population, the number of addicts has decreased since the enactment of the act.

"I would hope that these figures would persuade some of the people both in the medical and legal profession who have been attempting to sabotage the Boggs-Daniel Narcotics Code. I do not question their good intentions, but it seems to me that these figures show that their approach providing narcotics for addicts is wrong."

The Real Basis for the Foreign-Aid Program

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. BOLAND. Mr. Speaker, the recent column by Walter Lippmann, "The Duty of Rich Nations," which was inserted in the CONGRESSIONAL RECORD by Senator CASE of New Jersey on Thursday, January 29, 1959, contained an effective and reasoned argument for placing our foreign-aid program on a moral basis instead of on the basis of self-interest and power politics.

Mr. Lippmann's views, of course, are not new. I was present on the floor of the House on June 6, 1956, when THOMAS J. DODD, then a Representative from Connecticut's First Congressional District, made an unforgettable plea that we revive the effectiveness of foreign aid and rekindle public support of it by placing it on the right basis.

Senator DODD has continued over the years to advocate a foreign-aid program that adequately expresses the highest traditions and principles of this Nation. Mr. Speaker, I would like to have inserted in the RECORD excerpts from Mr. DODD's speech on the floor of the House, a speech which so eloquently defines the moral basis for foreign aid:

Our foreign-aid program should not be based solely on expediency, self-interest, Communist competition, or the cold war, but rather upon conviction and principle.

We have discovered in the last century one key to a shared sense of moral solidarity in the principle of the general welfare. This is the principle upon which our entire foreign-aid program should properly rest, for involved in it is the idea of universal brotherhood of men.

Over and over again we have heard it said that the problem of coping with communism is primarily an ideological or a spiritual one. And this is why we must found our foreign-aid program on a great moral principle.

If the basic cause of communism and its threat to our society is on a spiritual and ideological plane, the missing element in our policy of copying with it must be spiritual and ideological.

We can find this missing element in our foreign policy by rediscovering why we hold our democracy so dear and why we should endeavor to share its underlying principles and beliefs and blessings with our fellow men. Democracy is based on a Judaic-Christian ethic concerning the nature of man, his essential worth and dignity, and his inherent God-given rights and freedoms. Man is a valuable being.

Here is where we find the real reason for a foreign-aid program. Thus, we understand that we are engaged in this tremendous project not only because we must resist communism, not only because we must make ourselves secure, not only because we must have strong defenses, but more importantly, because it is the right thing to do.

This is what actually motivates us in the conduct of our affairs at home.

This is why we will not discriminate on the basis of race, creed, or national origin in our immigration laws.

We will oppose segregation in all its forms as a violation of the basic rudiments of Christian charity and another form of Hitler-like racism.

We will support measures to eradicate slums from our large urban centers which to our friends abroad are incomprehensible in the light of our high standards of living.

If God has blessed us with fertile land and a population with a high degree of technical skills and initiative, we shall recognize our responsibility to find ways and means of sharing our surpluses and skills with other peoples of the world who are less fortunate.

Thus, in our foreign aid programs, we should be prepared, when asked, to tell our foreign neighbors who need assistance why we want to help them—that one of our principal motives is to help them establish and maintain a free society. We should be able to tell them why we attach such importance to freedom, and why we are interested in sharing it with them; that it is the nature of man which is at issue.

We should discuss these matters in our churches and civic groups, in our schools and universities.

We should call for volunteers and, like the Communists, develop cadres of young people to dedicate their lives in whole or in part, to serve these ends, both here and abroad. We have never lacked for volunteers when wars, in the traditional sense, have broken out.

But this is a new kind of war—the cold war—but a war nonetheless. And it is a war to the finish between freedom and tyranny.

The American people should realize that these problems are not to be confined to Government action only; we all have a stake in the outcome and we all have a role to play.

Those who recognize these things, have a responsibility to act and to give leadership to others.

We need bold and imaginative leadership to infuse and permeate our foreign policy with this vitalizing element. The people of the United States are ready for it. For this is not a suggestion to introduce an element not already existing on the American scene. It is rather a suggestion to recognize it, and to draw more heavily from our spiritual ideals in the shaping of our foreign policies and our objectives, in the conduct of our foreign-aid programs, and in the content of our propaganda. Let us not be ashamed to explain our ideals publicly, and, above all, let us act as though we really believed in them.

If such a dynamic or positive element were infused into our national thinking on foreign policy it would tend to emphasize the quality rather than the quantity of our assistance programs.

The magnitude of aid would not be so much the measure which is often based on immediate threats of loss to the Communists.

The measure would rather be the economic and social needs of the country or area and our own ability to help on a long-term and consistent basis.

The people who receive our cooperation would not be made to feel that they are simply pawns in an international power struggle between the East and the West.

They should feel that we are doing these things because it is the right thing to do.

And I suggest that the American people and their representatives in Congress would be more willing to appropriate the necessary funds for these programs if they had sufficient confidence that those in charge of our foreign policy had clear objectives and knew what they were doing.

What these people need above and beyond all the technical skills we can give them is to find a way of life which will have some meaning and idealism in it.

They need to discover the essential worth and dignity of the human person, to develop a sense of self-respect as well as earn and receive the respect of others.

The personnel which we send abroad either under Government programs or through private organizations should be carefully selected on the basis of their suitability and capability to express and demonstrate these ideals to the people in the underdeveloped countries.

If we continue to flounder and drift in the conduct of our foreign affairs, we shall ultimately lose all the respect which our present position of leadership requires.

Should this happen, the cause of freedom and justice in the world will be lost.

I earnestly and devoutly believe that we of the United States have the greatest responsibility in this struggle. We are on the right road, and the legislation which is before the House will assist us in reaching our proper objective.

That objective is a world at peace under law. A world in which free men use and enjoy the blessings of creation and live in harmony with God and each other.

Can We Afford Not To Pay Off the National Debt

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. PELLY. Mr. Speaker, I have been asking myself two questions which have a definite tie-in with the arguments over Federal spending policies and balanced budgets.

One question is this. Why do investors have a growing apathy toward the purchase of Government securities?

The second question is related to the first. It has to do with the obvious present difficulty of the Secretary of the Treasury. I would like to know whether or not the problem of debt management, the continual refinancing of U.S. note and bond issues, could develop into as serious a situation as it seems to me might easily occur?

There is certainly no lack of public savings. The total savings accounts in

the banks and on deposit in financial institutions keep growing and growing. Yet, the regular public drives to encourage purchase of U.S. savings bonds do not seem to be very successful. Corporate investors lack enthusiasm too.

Some economists say we are in an expanding economy with no immediate threat of inflation or decline in the buying power of the dollar due to increasing Government spending.

Other economists do not agree and are fearful of more deficit Federal spending.

The investors seem to agree with the latter, or at least appear to lack confidence in long-term Government securities.

The national debt now stands at $283 billion. Interest on this is estimated during the next fiscal year at $8.1 billion. If the average rate increases to 3.5 percent as some people believe it will, the annual cost to the taxpayers will climb to $9.9 billion. In other words, assuming the debt remains constant, in less than 30 years at this rate we will pay as much as the debt is today but we will still owe all of it.

Meanwhile, it occurs to me, as I said at the start, that lack of enthusiasm for Government securities could be serious. Our increasing debt, it seems to me, could bring on a buyers' strike. I wonder what will be the consequences if Congress, year after year, creates deficits. I wonder as to the consequences of spending enormous and necessary sums for defense, and at the same time paying out ever-increasing subsidies for foreign aid and domestic programs of all kinds beyond the Government's income.

I wonder as to the advisability of the new Federal proposals which call for State matching funds. Many States at the moment face very serious budget dilemmas. Are we not causing them to overspend along with the Federal Government toward more debt and more taxes?

Socialists do not worry about a possible crisis in Government finances. Why should they? It means higher taxes and a possible capital levy. When a business pays a 52-percent income tax, it is more than half socialized. Let us not overlook that. Are we headed for more socialism?

Dictators can rise out of uncontrolled inflation, too. Adolf Hitler did.

As for the Communists, inflation is the means they plan to use to take over. Inflation gave communism its chance in Russia. That is how it started. And so it was with Red China.

Of course, Uncle Sam is not broke and there is no reason to panic, certainly not as long as the Government lives within its means. Not if we exercise self-discipline. Not if we plan and govern ourselves properly.

In this connection, a concurrent resolution was introduced in the Congress earlier this week which points the way. It called for a systematic program of national debt reduction. Its author showed how embarking on such a plan or retiring the $283 billion debt in 100 years, with payments of $2.8 billion annually, would actually save future taxpayers $485 billion as against continuing to pay the interest each year on the present debt.

Mr. Speaker, a policy of balanced budgets, together with regular yearly payments on the debt, could restore confidence in Government securities and the interest rates on Treasury borrowing would decline almost enough to offset the amount of yearly debt reduction.

If the volume of Treasury securities offered for sale declined each year, the demand would stiffen. Suppose as a result of this that the average interest rate declined 1 percent. That would save 1 percent of about $280 billion the first year or the amount of annual reduction under the resolution which I referred to previously. In other words, public confidence and more demand could be the solution of our Treasury problems, but only if we abandon the philosophy of spending ourselves rich. Only if we abandon that kind of quack fiscal remedy.

Mr. Speaker, let us adopt a policy of systematic retiring the Federal debt and set our financial house in order.

That is the road to victory in our economic competition with the Soviet Union.

Unless we hold the line on Government spending, I fear the consequences.

Flood Control in the State of Kansas

EXTENSION OF REMARKS
OF
HON. NEWELL A. GEORGE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. GEORGE. Mr. Speaker, in 1951, a devastating flood occurred which inundated many of the business and residential sections of a number of cities in the State of Kansas. The loss ran into billions of dollars.

A plan of flood control has been adopted and includes a number of large dams and reservoirs. Construction has been started on a number, and Tuttle Creek, one of the major units, has 60 percent of the dam structure proper complete.

The overall plan for the Kansas Basin includes reservoirs for flood control, irrigation, water conservation and recreation, and other purposes. Local protection works, including levees and channel improvements, are to supplement the flood control provided by the huge reservoirs.

Four important authorized projects have not yet been started: Lawrence, Melvern, Hillsdale, and Fort Scott. Detailed studies of the 1951 flood, and those occurring to a lesser extent every year since that date, by the U.S. Army engineers, demonstrated the need for additional reservoirs and some modification of local projects at critical locations for the protection against floods. Eight additional reservoirs of moderate size have been recommended and none of these, of course, has been started, and are not in the budget submitted by the President. Neither were any funds included in the administration's budget for Fort Scott and the other three important projects heretofore mentioned.

On a long-range projection, if the rate of construction is not stepped up, this overall flood protection project will not be completed until the last quarter of the 20th century. The frequency of floods, such as the one which occurred in 1951, cannot be determined, and such a flood may reoccur at any time. Should this happen with its tremendous loss of property and revenue to the Government, the shortsightedness of the administration and of the Congress would be pronounced, and there would be no satisfactory explanation of our failure to take affirmative action in making funds available. In the meantime, the industrial growth of cities such as Lawrence and Fort Scott is at a standstill because water is not available for industrial use, and a tremendous loss of tax revenue to the Federal Government results. The shortsightedness of the Bureau of the Budget by failing to include ample funds for flood control and water conservation is injurious to the economic growth of eastern Kansas and our national economy as a whole.

Realizing these facts, a concurrent resolution has been adopted by both houses of the Kansas Legislature, which has heretofore appeared in the RECORD.

Cuba Revisited

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech which I delivered last Saturday night in Santiago de Cuba in Oriente Province, Cuba. I was invited to speak there under the sponsorship of the Committee for the Industrialization and Progress of Santiago. However, representatives attended the dinner meeting from a number of other organizations including the 20–30 Club, the Rotary, the Lions Club, and the chamber of commerce. In all, some 250 businessmen attended in the dining room of the Casa Grande Hotel. The hospitality of Santiago was typically Cuban—that is, wonderful and gracious.

CASTRO'S CUBA: A CHALLENGE FOR CUBANS AND AMERICANS

I am sure that a year ago, I could not have addressed you as I am today. In the first place, I am sure Fulgencio Batista would not have permitted an invitation to be extended. In the second place, I am told that your organization, as a demonstration of protest against Batista's tyrannical regime, had refused to convene any meeting or hold elections until civil liberties were restored. Your distinguished President informs me that this is your first meeting of 1959 in free Cuba. Let me say, therefore, that all of us owe a debt of gratitude to Fidel Castro.

Cuba is called the Pearl of the Antilles; she is described as one of the most beautiful islands in the Americas, but how much more beautiful she is now that freedom is restored. Yet, what Castro has won for the Cuban people is but a promise of what great expectations lie ahead.

It is customary in speeches by visiting politicians from one foreign country to another to stress traditional ties. Sometimes this is done as nothing more than a gesture, a courtesy extended as a matter of form. With me, I assure you, it is not merely a formality when I say that Fidel Castro has done more than perhaps any other Cuban to stir the consciences and emotions of the American people and to remind your friends to the north of the deep-rooted historic ties of friendship that bind Cuba and the United States. Ours is a relationship born in a common tradition. It is a tradition of democratic idealism, of revolution. Castro has captured the spirit of that tradition of democratic idealism and has elevated it to a new level of prominence not only throughout the Western Hemisphere but also throughout the world.

More than anything else the spirit of democratic idealism, it seems to me, was one of the primary motivating forces underlying Castro's 26th of July movement. There is something remarkably attractive about the drive, the dedication, the sense of nationality of all these men. A year ago they were regarded in some countries as a group of dreamy idealists caught up in a hopeless cause, adventurers of a sort guided more by self-delusion than by any serious, genuine compulsion. Yet, against apparent overwhelming odds the men of this movement have succeeded with almost miraculous speed in sweeping away a regime of terror, violence, and corruption. Press reports in the United States have stressed the totality of Cuban support behind the Castro forces. This was, indeed, a national revolution; of dimensions like that of the Mexican revolution. Perhaps, this fact coupled with the democratic idealism that is at the heart of the 26th of July movement and the leadership of a young Oriente lawyer, driven by an inner compulsion to bring democracy to his people, were more responsible than anything else for the success of democracy in Cuba and the overthrow of the Batista regime.

At first, many persons in my country were shocked by what seemed to be the excesses of the Castro forces. The belief became widespread that a virtual reign of terror was being directed against the Batista followers. It was difficult for them to comprehend the reality of the situation. They had had insufficient evidence of Batista's oppression. It was difficult to grasp the seeming contradiction of a democratic leader governing in apparent irresponsibility, and, as it seemed to them, governing ruthlessly. Americans neither understood the implications of this crisis nor the complications engendered by a nation caught up in violent revolution. Nor did they understand that the pent up indignation of a morally sensitive, oppressed people had to have some outlet, and that the public trial of known murderers was in fact a safety valve for a nation that demanded retribution against its oppressors.

Now, I believe, the American people realize the magnitude and the high morality of the 26th of July movement. Gradually the knowledge is becoming more widespread in the United States that these revolutionaries are not a rabble in arms but are a restrained, disciplined, and dedicated group of patriots who have the overwhelming support of the Cuban people and who are trying under great difficulties to bring to Cuba genuine democracy. The norteamericanos are becoming more and more conscious of the great problems facing your young lawyer and as a consequence a genuine feeling of sympathy and understanding seems to be taking shape.

Certainly, Cubans do not have to be reminded of the great political and economic problems besetting their new Government. In any revolution there always follows a difficult period of adjustment once the fighting has stopped and the tyrant has been overthrown. The legacy of the old regime is always a tremendous burden for the new Government. The general problem of firmly establishing the legitimacy of the new Government in a period of transition is fraught with grave dangers. The problem of reconciling the broadening of democracy with the necessity of maintaining a steady, centralized authority to insure public order and national progress, all in a revolutionary atmosphere, is a tremendous task for any new government. In our own national history it took almost a decade to establish a viable constitutional order after our war of liberation.

Nor are the economic problems facing Fidel Castro and the Cuban people any less burdensome. The economic legacy of the Batista regime would certainly be sufficiently oppressive to crush the enthusiasm of a far less devoted and energetic leader. Corruption and waste had completely enveloped the Batista regime. It is said that many Batista officials deposited millions of dollars in United States and Swiss banks. I hasten to add, money that was taken from the Cuban people. It is also reported that Batista himself has set aside upward of $200 million to $600 million for himself, for the most part no doubt in Swiss numbered accounts, before his flight to the Dominican Republic—again, money that belongs to the Cuban people, and which, by the way, I am encouraging our Government to locate and return if at all possible.

The war for Cuban liberation has also added to the great economic burden. Destruction by the revolution has been estimated at an insured cost of about $15 million. Damage and destruction to railroad bridges, and other means of transport and communication has been extensive. In all, the Government faces a staggering national debt of some $1,500 million.

The political and economic problems facing the Castro government are great, but they are not impossible. From abroad one gets the impression that political stability and orderly government prevails in Cuba. This is a happy beginning because out of political stability economic and social progress will emerge and flourish. Unless he removed himself entirely from politics for a while, Fidel Castro was right to assume the premiership and to participate actively in the management of governmental affairs. Political responsibility, it seems to me, cannot be disassociated from political authority. To govern effectively, and efficiently, responsibility and authority must be indivisible. He now has both the actual and the legal authority.

It is gratifying also to hear that the Castro government is planning extensive reforms within Cuba. Certainly plans for agrarian reforms calling for the distribution of Government land to the people, proposals to ease unemployment, and the reorganization of the Government and the army will be widely acclaimed in the United States and elsewhere as demonstrations of the genuine democratic idealism of the Castro movement.

Serious problems face Fidel Castro and the Cuban people in their quest for a solid democratic order. Yet, I am confident they will meet the challenges thrust upon them. Certainly, the United States can do much to make these challenges more bearable. I am gratified by the speed with which the United States recognized the Castro government, and I am equally gratified to know that our Ambassador to free Cuba, Philip Wilson Bonsal, is a man who knows Latin America and has a genuine sympathetic understanding of the problems that beset the area. His position with respect to dictators is unequivocal. He doesn't like them.

Problems are bound to arise in Cuban-American relations and the great burdens borne by Castro and his Cuban people are not mainly the concern of persons solely in executive authority. It is important, of course, that understandings be reached on the Government level, but it is even more important, I believe, that as a people, we in the United States should more clearly understand the real meaning of the July 26 movement, not only for Cuba, but also for the Western Hemisphere and even the whole world. It is well, it seems to me, that we should think of Cuba and recent events here in the broad perspective of Latin American affairs.

The winds of democracy are blowing fresh and vigorous throughout Latin America. The Cuban experience is not only the most recent, but the most dramatic, demonstration of the rollback of totalitarianism in the Western Hemisphere. The Cuban revolution is the fulfillment of a dream of a great leader; it is the rededication of a people to democracy. There is, of course, no way of measuring the impact upon the world this event has made, but I am sure that the emergency of a democratic Cuba gives cause for grave concern to all dictators whether of the left or the right, not that Cuba could ever be a physical threat to them, but that Cuba can be the symbol of what they fear most, the rule of the people.

We in the United States are beginning to see the deep implications of the 26th of July movement, and many of us, indeed I hope all of us, are trying in every way to make the golden opportunity of Castro's revolution a reality. As a nation we must maintain an undiminished confidence in the Cuban people to achieve a genuine democratic order. We must work desperately hard on the practical level to help the Cuban people succeed.

We can give Castro undiminished support in the solution of his political problems but there is also much to be done on the economic side. Here, the United States is prepared to help Cuba in this period of revolutionary transition. American economic aid to the Batista regime had been negligible. If I had had my way, there would have been none, economic or military. Even the military aid, which regrettably was given and widely publicized, actually amounted to very little. In the past a small technical assistance program operated in Cuba costing an average of $500,000 a year. At present only 12 technicians are active in Cuba under this program. These technical assistance activities carried on by the International Cooperation Administration (ICA) were designed to aid in the solution of specific problems in the Cuban economy. The broad objective of the program was, however, to point up the spirit of mutual cooperation between the people of Cuba and the United States. Specifically, the program was geared to consultation and inservice training of personnel in agriculture with a view to increasing production of a variety of crops such as tomatoes, cucumbers, cacao, coffee, and tropical fruits for domestic consumption and also for export. This operation undoubtedly contributed to Cuba's economic welfare and diversification. It is even said that production of some crops has increased to such an extent that some imports are no longer needed and small amounts of produce are being exported.

Assistance has also been given in Cuba's mining industry. A civilian aviation project, we hope, has been helpful in working with the Cuban Aeronautical Commission on technical matters such as air traffic control, air safety, equipment procurement, and training. This project has aided in improving air safety and contributed to the growth of Cuban aviation. The technical assistance

program has also contributed to improvements in Cuba in the education of aircraft mechanics and the technical advice in public administration provided to the census and statistics services of the Cuban Government in preparation of the coming 1960 census. These activities were carried on throughout all Cuba. I would like to note particularly that a U.S. technician has carried on some specific research work in Cacao here in Oriente Province.

Cuba has, however, received no grant aid from ICA and no loans from the Development Loan Fund. On the other hand, she has received credits from the Export-Import Bank. The most recent of these in the last 8 years was the $17,500,000 credit to expand Cuba's telephone system, an installation that should be of benefit to large numbers of people regardless of the regime which ruled here.

On the whole, official American aid activity in Cuba appears to have been very small, although, of course, private investment of U.S. capital has been substantial. According to one estimate, the total U.S. investment in Cuba is more than $1 billion. Apparently, there was at first some concern in American business circles during the change in governments, but the promise of Provisional President Manuel Urrutia to "actively encourage" U.S. investments in Cuba undoubtedly has reassured the fearful. Reportedly, the system of graft prevailing under the Batista regime has been a deterrent to investment capital, but recently one American businessman was quoted as saying, in reference to the Castro government, "With an honest government, this island could be an economic paradise—it could go ahead and realize its potential." It is possible that if the revolution can be consolidated efficiently and in order and political stability achieved along the lines Castro has promised, Cuba may well become an economic paradise and the development of its great economic potential a reality.

In conclusion, and in all humility, I want to make three suggestions for your consideration, as you go ahead to build a free, honest, and prosperous Cuba.

First, realize that you have the sympathy and support of my country. Call on us for assistance, whether it be more food and clothing for impoverished victims of the revolution, advice on how to attract and hold new industries, or ideas from our experiences how best to solve various social problems. We don't pretend to have all the resources or answers but please realize, as many of you do, our wish to help you establish yourselves in freedom and prosperity.

Second, don't expect too much too soon from the revolution. Insist on civil liberties, yes, and preparations for free elections, but do not expect increased profits and higher wages for everyone immediately. It is one thing to topple a dictatorship, another to build a democracy. Freedom means the right, indeed often the duty, to criticize. It means being able to disagree without being disagreeable. Sometimes it looks awfully sloppy and disorganized, but no better method has been devised for human happiness and governmental strength.

Here I want to leave Cuba a moment and talk about proposals by Cuban and Venezuelan leaders to kick the tyrannies out of the Organization of American States. Certainly this is something to discuss at Quito next year when the OAS convenes there. For my part I believe in universal membership in international organizations, but of course with constant reminders of and obedience to the governing charters. Article 5, part (d), of the OAS charter reads as follows:

"The solidarity of the American States and the high aims which are sought through it require the political organization of those States on the basis of the effective exercise of representative democracy."

I am reliably informed that the OAS at Quito will have an opportunity to consider a concrete, specific definition of "the effective exercise of representative democracy," a yardstick which would disclose at once the respective shortcomings of Trujillo, Stroesner, Somoza, and Duvalier.

It can't all be done in a day—but it will be done if Cubans exercise self-control, tolerance, a sense of humor, and faith in democracy.

Finally, and this injunction is also not needed by most of you, beware of Communists who would try to make you believe they speak as Cubans, Cubans devoted to Cuba and speedy social and economic changes. Communists, of course, thrive on disorganization and are trained to take advantage of it. Their social justice anti-U.S.A. and pro-Cuba themes should fool no one, certainly not any Cuban who hated Batista and would fight against the resurgence of his counterpart in Cuban politics. Cuba's destiny is not that of Hungary today, Hungary where a local revolt cannot win because of the Soviet Union's intercession from outside its borders.

In Oregon, my home State, last week I heard Vice President NIXON—with whom I often do not agree—say something we all might ponder: "We should be more concerned about the meaning of the American Revolution," he said, "and less afraid of the Russian revolution." High officials in our Department of State would do well to heed the Vice President's timely advice.

In the final analysis, therefore, the greatest burden seems to rest upon Fidel Castro and his associates. In a very real sense he is a man of destiny; for if he fulfills the promise of his revolution and succeeds in imparting throughout all Cuba the zeal, the energy, the dedication to duty, and the democratic idealism that is so much part of his personality, there can be no doubt that Cuba and her people will emerge in a new age of progress and prosperity. But, we must all be patient with this man; as he himself recently said: "I am a man, not a god. We cannot do everything in 1 day." Indeed he can't do everything in 1 day. Nor can he do what is to be done without the support of the Cuban people and his friends in the Western Hemisphere. I do not doubt for 1 minute that Fidel Castro has the overwhelming support of the Cuban people. Nor do I doubt that there are millions of my own countrymen who feel as I do that this man deserves the sympathy and support of our Nation.

Fidel Castro has advanced the trend toward total hemispheric democracy one more significant step. Neither we in the United States, nor you in Cuba can permit him to fail, for, after all, he is the symbol of what all of us desire most: a world of freemen.

The Federal Credit Union Act Helps Millions of American Citizens

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 9, 1959

Mr. METCALF. Mr. Speaker, for more than a century the credit union idea has given unfailing aid and inspiration to all who have turned to it in Europe. In the United States, too, this courageous outlook has been given all who have participated in the program since it was started in Massachusetts 50 years ago.

This past week in Washington, 175 Members of the Congress assembled at a dinner honoring those 28 original sponsors of the Federal Credit Union Act who still are Members. Accepting in behalf of 26 of his colleagues the plaque given by Credit Union National Association on the occasion of the 25th anniversary of the act was Representative WRIGHT PATMAN, long a champion of the credit union movement. The 26 other Members who were original sponsors of the Federal Credit Union Act are Senators BYRD, CHAVEZ, HAYDEN, HILL, O'MAHONEY, RUSSELL, and DIRKSEN, and Representatives BROWN of Georgia, CANNON, CELLER, COLMER, MCCORMACK, O'BRIEN of Illinois, POLK, RAYBURN, SMITH of Virginia, SPENCE, VINSON, WALTER, ALLEN, MARTIN, REECE of Tennessee, REED, ROGERS of Massachusetts, TABER, and WITHROW.

Representative PATMAN's address was as follows:

Many things have happened in these 25 years since Congress passed the Federal Credit Union Act.

The Members of Congress whom you have so graciously complimented this evening have supported many good legislative proposals; and not a few of these proposals have aroused in us deep convictions and inspired us to hard and thoughtful work.

Yet we can never know in advance just how a new legislative measure will turn out in practice. Measures that seem to have the greatest promise sometimes turn out poorly. Others meet with only indifferent success. And, of course, a few succeed beyond even our greatest hopes.

I know of no legislation enacted within the last 25 years which has turned out better than the Federal Credit Union Act.

The credit union movement has succeeded mostly because it has been in the hands of good people. It attracts good people. And it makes better people of all who become members of a credit union. It fosters capitalism, because it brings democracy to capitalism. It teaches not just thrift—because thrift is no end in itself—but it teaches humanity, self-help, and community reliance.

Those of us who have been privileged to work for the Federal Credit Union Act, and to work for its improvement are indeed fortunate. It would be hard to find anywhere the kind of satisfaction which comes from feeling that we have had a share in the accomplishments you have made in the credit union movement. Every community in our country is a better community because of the credit unions. Our Nation is a better and stronger Nation because of them. And the other countries of the world to which this progressive and human endeavor has spread are also better off and better neighbors in the community of nations.

With this meaning and record behind them, the beautiful plaques which you have so generously given to the 28 Members of Congress who had the good fortune of helping to pass the Federal Credit Union Act 25 years ago are treasures beyond comparison.

The great public service which credit unions perform, and their basic soundness, had been well demonstrated before the Federal Credit Union Act was passed. At that time there were some 2,200 credit unions in the country, operating under State law. Massachusetts had enacted the first credit union law in the United States in 1909. That law worked so well that President Taft, a few years later, called its great merit to the attention of the Governors of the other States. By 1934, 38 States and the District of Columbia had similar laws.

But the 2,200 credit unions which had then been established had hardly begun to meet the great problems which faced people of

ordinary means almost everywhere. These were the days when installment buying was still new but gaining great momentum. Ordinary working people were being victimized by the loan sharks on an unconscionable scale. Shocking incidents came to light such as that of the man who borrowed $30 from a loan shark, paid the loan shark $1,080 in interest charges, and was then sued for the initial $30. Clearly there was a great need for legislation to encourage and strengthen the credit union movement. At least the need was made clear by the vigilant and able campaigning of the late Senator Sheppard, of Texas, who, I might add, had the able and inspiring help of our friend, the late Roy Bergengren.

Recently I reread one of Roy Bergengren's speeches pleading for this legislation—a speech he called "Credit for All the People." And I found that he said the credit union movement introduced three new banking theories, as follows:

1. Ordinary folks can develop capacity to manage their own money.

2. It puts money to work for the benefit of the people to whom it belongs.

3. The purpose of the loan is the important thing.

And to this he added, "the loan must promise a real benefit to the borrower."

Those ideas seemed somewhat radical at that time, but they were also persuasive.

Despite all the persuasive efforts, however, to obtain early enactment of Senator Sheppard's bill in the 73d Congress, the bill suffered the fate of almost all legislation to help the common man, even today: The bill was put over until almost the last moment before Congress adjourned. It passed the Senate on May 10, 1934, very late in the 2d session of the 73d Congress. Finally, the House took it up, amended it, and passed it on June 16, only 2 days before the Congress was to adjourn. Yet, when it was finally put to a vote, it passed almost unanimously. I called for a division vote, and the RECORD shows the House voted 180 to 2 in support of the bill.

But passage at this late date required some pretty fast footwork to get final clearance and get the bill to the White House before the Congress adjourned, as otherwise the legislation would have died with that Congress. The amended bill was, however, brought to the attention of the Senate on the same day; and the Senate passed it as amended. During the next 2 days we worked until the late hours of the night to make sure that the redtape was cleared away, that the Speaker of the House and the Vice President signed the bill, and that it was transmitted to the White House before Congress adjourned on the night of the 18th. There was never any doubt that President Roosevelt would approve it and sign it. In all this activity, I can assure you, Roy Bergengren performed some extremely fast footwork.

It is always pleasant to look back and describe victories that have been hard won, and to recount setbacks that have been narrowly averted. But there is considerable danger in too much looking backward, particularly when there are great new challenges to be met.

The question is, where are you going tomorrow and the day after?

If I might suggest my personal view, it would be this: The credit union movement has made only a beginning. The importance and the excitement in this movement lies ahead, not in the past. This is no time to rest on your past accomplishments. And the time has not come to dig trenches and merely try to hold onto your past gains. If 19,000 local credit unions are good for the country today, then twice that number should be good for the country 5 years hence. If 10 to 12 million people are better off today by reason of their membership in credit unions, then at least twice that number should enjoy this privilege 5 years hence. If the credit unions have proved a successful way of helping people meet their credit needs in their personal and family affairs, then it should also prove successful in meeting the credit needs of people who operate small businesses.

The Federal law authorizes loans for any provident or productive purpose. Provident purposes have been well served in the field of consumer finance, but much more needs to be done for productive purposes. One of the great challenges ahead, it seems to me, is to explore more fully the possibility of bringing small business into the credit unions.

Most small businesses have no place to go. And what a pity. We have in this country a great capitalistic system—a system which is based on credit. Even our money is based on credit. No debt, no money. Yet many of our most efficient and productive free enterprises are being squeezed out for lack of credit.

Here then is a new challenge and one worthy, I think, of the credit unions' great heritage.

The question is whether to push on to new frontiers.

There is a tendency, we know, for great movements to become tired and conservative. There is a temptation to forgo new adventures and new advances because of fears that what has been won may be lost. The time for new crusades seems unpropitious; the climate of opinion seems to turn threatening if not hostile; and the potential opposition seems to grow more powerful and more menacing. The voices of caution in all of us counsel against rising to new challenges; they advise that it is safer to let new growth proceed within the confines of the niche that has already been carved out.

Well, it has seemed to me that when the credit-union movement stops making new advances, it is as good as dead. No crusade can last bivouacked behind a fixed wall.

Of course there are powerful and selfish forces who see in the credit unions a potential threat to their self-interest. There are groups who would use the legislative halls to roll back, confine, and hamstring this movement. But these groups would outlaw all self-help on the part of the masses of the people.

There are groups who would try to find ways to tax the credit unions out of existence. But these gorups would tax the churches and the fraternal organizations.

And I think you will find that these selfish forces of reaction are with us at all times. They may seem more menacing today than in the past, but I doubt if they are. They only seem so because new conflicts and new tests of courage always seem more fearsome than those past.

If you push into new areas there will, of course, be opposition. If you carry on the crusade as you have in the past, there will be fights. But the fights will be no harder than in the past. And certainly the new advances to be made are no less important than those which have been made over the past 25 years.

New legislation is needed to improve and moderize the Federal law—that we all know. Present your legislative needs to Congress clearly and on their own merits, and you may be sure that Congress will give them careful and sympathetic consideration.

Certainly you can count on your staunch friends in the House Committee on Banking and Currency. The two legislative giants of that committee, Chairman BRENT SPENCE, of Kentucky, and the Honorable PAUL BROWN, of Georgia, are still battling for the public interest, just as vigorously as when they gave their able support to the Federal Credit Union bill 25 years ago.

The Federal credit-union bill which was introduced last summer by Congressman LEROY ANDERSON, of Montana, will, I think, receive most sympathetic attention in Congress. And I know that if General ANDERSON continues to carry the leadership for this bill, many Members of the House will be willing to support it and to work to make its provisions and their merits understood. Under those circumstances, it would be my prediction that this Congress will pass such a bill.

You will always have many champions in Congress so long as your cause is good, and I can see little chance that your cause can ever be anything but good.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 11, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Timothy 2: 15: *Study to show thyself approved unto God, a workman that needeth not to be ashamed.*

Eternal and ever-blessed God, may these 40 days of the Lenten season upon which we have entered daily become richer and more glorious in the culture and deepening of our spiritual life.

Cleanse our souls of all unrighteousness as we give ourselves to meditation and quiet waiting upon Thee in the spirit of contrition and confession, of penitence and humility.

Grant that by the exercise of self-examination and self-discipline our minds and hearts may gain the mastery over every insurgent impulse, every inordinate desire, and every self-indulgent habit.

Hear us in the name of our Lord and Saviour. Amen.

The Journal of the proceedings of Monday, February 9, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a bill and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 79. An act to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances; and

S. Con. Res. 7. Concurrent resolution extending best wishes of Congress to the American Dental Association on the centennial of its founding.

MEMBERS OF THE COMMITTEE ON SMALL BUSINESS

The SPEAKER laid before the House the following announcement, which was read by the Clerk:

Pursuant to the provisions of House Resolution 51, 86th Congress, the Chair appoints

as members of the Select Committee to Conduct a Study and Investigation of the Problems of Small Business the following Members of the House: Mr. Patman, Texas, chairman; Mr. Evins, Tennessee; Mr. Multer, New York; Mr. Yates, Illinois; Mr. Steed, Oklahoma; Mr. Roosevelt, California; Mr. Brown, Missouri; Mr. McCulloch, Ohio; Mr. Moore, West Virginia; Mr. Avery, Kansas; Mr. Smith, California; Mr. Robison, New York; and Mr. Quie, Minnesota.

MEMBERS OF THE COMMITTEE ON THE HOUSE RECORDING STUDIO

The SPEAKER laid before the House the following announcement, which was read by the Clerk:

Pursuant to the provisions of section 105(c), Public Law 624, 84th Congress, the Chair appoints as members of the Committee on the House Recording Studio the following Members of the House: Mr. Gary, Virginia; Mr. O'Brien, New York; and Mr. Bow, Ohio.

HOUSE MEMBERS OF JOINT COMMITTEE ON PRINTING

Mr. BURLESON. Mr. Speaker, I submit a privileged resolution (H. Res. 164) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

Joint Committee on Printing: Mr. Burleson, Texas; Mr. Hays, Ohio; Mr. Schenck, Ohio.

Joint Committee of Congress on the Library: Mr. Burleson, Texas; Mr. Jones, Missouri; Mr. Smith, Mississippi; Mr. Schenck, Ohio; Mr. Corbett, Pennsylvania.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON THE DISPOSITION OF EXECUTIVE PAPERS

Mr. BURLESON. Mr. Speaker, I submit a privileged resolution (H. Res. 165) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on the Disposition of Executive Papers provided for by section 5 of Public Law 115, 78th Congress, shall consist of two members of the Committee on House Administration, to be appointed by the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MEMBERS OF COMMITTEE ON THE DISPOSITION OF EXECUTIVE PAPERS

The SPEAKER laid before the House the following announcement, which was read by the Clerk:

Pursuant to the provisions of section 5, Public Law 115, 78th Congress, and House Resolution 165, 86th Congress, the Chair appoints as members of the Committee on the Disposition of Executive Papers: Mr. Thompson, New Jersey; and Mr. Curtin, Pennsylvania.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight tonight to file a privileged report on the bill H.R. 4221.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

SPECIAL ORDER VACATED

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that the special order previously granted me to address the House today be vacated and that I may have the same privilege on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PLACING AND URGING CONTRACTS ABROAD JEOPARDIZES NATIONAL DEFENSE AND INCREASES UNEMPLOYMENT

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include four telegrams.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, the other day I had occasion to bring to the attention of Members of this House the serious implications of a policy which appears to be gaining acceptance in some quarters of the Government of inviting bids on such heavy electrical equipment as hydraulic turbines and hydraulic turbine generators from foreign manufacturers. I pointed out to Members of the House that although in many cases foreign manufacturers, because of lower wage scales, are able to underbid our American domestic manufacturers, the policy of awarding these contracts solely on the basis of price runs certain very grave risks in the field of national security. Elaborate machine tools and highly skilled personnel are required to manufacture machinery of this type, and if domestic manufacturers are not assured a reasonable predictable domestic market from governmental agencies, these facilities are likely to be discontinued and our capacity to provide the facilities for utilizing our full potential of electrical power in the time of emergency will steadily decline.

Yesterday, Mr. Speaker, the General Electric Co., in Schenectady, N.Y., announced that the first order ever placed abroad in behalf of the U.S. Government agency for a large steam turbine was placed by TVA with the C. A. Parsons & Co., Ltd., of Newcastle, Great Britain. This contract was awarded in spite of the fact that General Electric was the lowest domestic bidder, and in spite of the fact that the failure of the General Electric Co. to obtain this order means that some 600 additional jobs which might have been provided in the Schenectady area will no longer be available. In a community which has suffered heavily from unemployment for many months, this comes as a heavy blow indeed. In fact, this blow comes only one day after the Navy Department flatly refused to consider any alteration in their order closing down the naval supply depot with the loss of some 675 additional jobs.

Mr. Speaker, the policy of going abroad for large electrical equipment of this kind, which is so intimately tied up with our economic power and with our ability to defend ourselves in time of emergency, is something that in my judgment is indefensible. Not only for reasons of national defense but for reasons of economic safety in these difficult times, I believe the Government should purchase this type of machinery only from domestic manufacturers, who pay American levels of wages to American workers.

Mr. Speaker, I ask unanimous consent at this point in the RECORD to include the text of telegrams of protest which I have sent to Gov. Leo Hoegh, Director of the Office of Civil Defense Mobilization, and also to Board Chairman Herbert D. Vogel, of the Tennessee Valley Authority. I also ask unanimous consent to include in the RECORD at this point the text of two telegrams that I have received from employees in the Schenectady area protesting the TVA action in this instance. I hope the TVA and the Government will rescind their decision and award this contract to GE in Schenectady.

WASHINGTON, D.C.,
February 10, 1959.

HON. HERBERT D. VOGEL,
Chairman of the Board, TVA,
Washington, D. C.:

General Electric Co. has just announced that you have awarded contract for Colbert steam plant turbine generators to British firm despite fact General Electric submitted lowest bid on domestic market. This action not only jeopardizes national security but also means the loss of some 600 new jobs in Schenectady area which has long suffered from severe unemployment. I urgently request you reconsider this decision in the light of these facts and suspend further action on this contract until the reconsideration has been completed.

Congressman SAMUEL S. STRATTON.

WASHINGTON, D.C.,
February 10, 1959.

GOV. LEO HOEGH,
Office Civil Defense Mobilization,
Washington, D. C.:

General Electric Co. has just announced that TVA has awarded contract for Colbert steam plant turbine generators to British firm despite fact General Electric submitted lowest bid on domestic market. This action not only jeopardizes national security but also means the loss of some 600 new jobs in Schenectady area which has long suffered from severe unemployment. I request Government reconsider TVA decision and direct that no further action be taken until this reconsideration has been completed.

Congressman SAMUEL S. STRATTON.

SCHENECTADY, N.Y., *February 10, 1959.*

Congressman SAMUEL S. STRATTON,
U.S. House of Representatives,
Washington, D.C.:

Local newspaper this morning rocked city and area by announcing GE lost order for large steam turbine generator to Great Britain despite fact GE submitted lowest

bid on domestic market. Order would have supplied 600 new jobs for men in this area for 1 full year. This is first such order placed by us in foreign market. Turbine is scheduled to be installed in TVA Colbert steam plant near Tuscumbia. Schenectady has been placed in priority classification because of large number of unemployed. With this priority Schenectady is supposed to receive first consideration for any type of Government work it can competently perform. Also ordering this type of apparatus from a foreign country puts the United States in dangerous position in event of war. This is true because of constant need for replacement of parts in generators to supply power for the Nation's cities. This seriously hinders defense efforts. In same newspaper on same page Navy rejects all protests to keep Scotia Naval Depot open. This means another 675 jobs. Urge your immediate attention to critical problems now facing entire area.

LEO JANDREAU,
Business Agent, Local 301, IUE, AFL–CIO.

SCHENECTADY, N.Y., *February 11, 1959.*
Hon. SAMUEL STRATTON,
Representative from New York,
House Office Building,
Washington, D.C.:

Schenectady draftsmen's association vigorously protests awarding of large turbine generator order to British firm by Tennessee Valley Authority. Our draftsmen before this recession had 1,300 full-time jobs, now only 800, many part time, are left. Even these jobs now threatened. Please do everything possible to reverse decision.

DOMINIC I. FAZZONEN,
Schenectady Draftsmen's Association, General Electric Co.

COMMUNICATIONS TO CLERGYMEN SHOULD BE PRIVILEGED

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, it is shocking to realize that the Federal courts do not recognize the privilege of a minister of religion to decline to testify concerning confidential communications made by a person who has come to him for spiritual aid. Certainly the right to speak freely to a minister without fear that he will be compelled to disclose the conversation in any circumstances is one of the most cherished of all personal rights.

The rare advantage, if any, to be derived from testimony of this character is far outweighed by the affront to personal privacy by the very threat of compulsory disclosure.

Moreover, denial of the privilege exposes to the risk of unjust punishment every clergyman who is forbidden by the discipline of his faith to reveal what has been said to him in confidence. The thought of a minister being fined or sentenced to jail for refusing to betray the confidence of one who turned to him for counsel and guidance offends the moral sense of the community.

Yet, as the law stands today, that could happen in any Federal court.

It is frightening to contemplate that in our country, which prides itself on separation of church and state, a citizen may be compelled to make a choice between giving up the protection of the fifth amendment against self-incrimination and following the confessional requirements of his religion in order to get spiritual absolution.

Thirty-five separate jurisdictions within the United States have laws making confidential communications to a minister privileged from disclosure in the courts.

The Canal Zone, Hawaii, Puerto Rico, and the Virgin Islands have such statutes. The Philippines, while a part of the United States, had and still has such a law. Alaska, as a Territory had, and now as a State, has such a law.

On January 27, 1959, I introduced two bills to put the same rule into effect in the Federal courts. My bill, H.R. 3493, 86th Congress, applies to all Federal courts, while H.R. 3494 applies only in the District of Columbia.

Both bills provide that no clergyman of any religion shall be competent to testify in a civil or criminal proceeding with respect to any communication made to him as a minister of religion, without the consent of the person making the communication.

From time immemorial, communication between lawyer and client, physician and patient, husband and wife, and priest and penitent have been cloaked with the privilege against compulsory disclosure. Federal statutes continue that salutary rule of law as to lawyer and client, physician and patient, husband and wife. I can attribute the omission of the clergyman and parishioner only to oversight. All must agree that that relationship is much more sacred than any of the others. It is entitled to the same protection.

I am hopeful that these bills will receive the support of the overwhelming majority of both Houses of Congress and that they will be enacted into law at an early date.

IMMIGRATION BILL TO FACILITATE THE REUNITING OF FAMILIES

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, one of the cardinal principles of our immigration laws should be to facilitate the reuniting of families. In the act of September 11, 1957, we took a long step forward in that direction and with humanitarian intent, converted quota immigrants to nonquota immigrants of those who had a petition approved by the Attorney General prior to July 1, 1957. We included in this conversion people registered in the first, second, and third preference categories, but stopped short of including the fourth preference category, which covers sisters and brothers and adult children of American citizens. By so doing, we permitted entry of some 80,000 people who had waited in many instances over 10 years for a visa issuance. Inclusion of the fourth preference category could mean no hardship to the United States, since American citizens stand ready, willing and able to assist their relatives in all the problems of resettlement which would mean of course housing, jobs, and assimilation.

There is an estimated 200,000 who, like others in the first three preferential categories, have waited hopelessly for many years to be reunited with their parents and with their brothers and sisters. In Italy, for example, there isn't a single available quota for the fourth preference group nor is it contemplated that there will be one for many, many years to come. This is true of Poland, of the Philippines, of Hungary, Portugal and Spain and of the Greeks, among others. The consulate in Iraq, for example, is now processing applications that were first filed in 1946. To cite another example, applications from Turkey are presently being processed which were first filed in 1945. It is estimated that there is a backlog of some 200,000 people who daily crowd the offices of our consulates abroad and unless this conversion is made from quota to nonquota, the numbers will grow and the pressures will increase.

It must be kept in mind that this backlog is due primarily to our national origin quota system, which gives such pitifully small quotas to the countries of southern Europe and Asia and gives to Great Britain 65,361 of our total annual quota of some 152,000. Yet Britain uses only 10 percent of this quota allotted her, and the rest are wasted.

Does it not, then, make sense that we rectify in small measure this inequality of opportunity to migrate to the United States by focusing on the desirability of reuniting families?

I am, therefore, introducing a bill which, following the precedent established by the act of September 11, 1957, will provide for the conversion of the fourth preference category registered up to July 1, 1959, to nonquota immigrant status. I believe firmly that this is the just and humane thing to do in the interest of the United States.

FOREIGN POLICY ENDANGERED BY PARTISAN POLITICS

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. IRWIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorials:

[From the New York Times, Feb. 7, 1959]

MR. SMITH LEAVES WASHINGTON AFTER ALCORN REVISES SCENARIO

(By E. W. Kenworthy)

WASHINGTON, February 6.—The Republican National Committee was grinding out a sequel today to "Mr. Smith Goes to Washington," and party managers hoped it would do well at the party's box office.

Mr. Smith—in this case, Mr. James H. Smith Jr.—quietly left Washington for his home in Aspen, Colo., last Saturday. This was a few hours after he had turned in his

resignation as Director of the International Cooperation Administration.

Mr. Smith went home, it was understood, a disappointed man, unlike the "Mr. Smith" of the film success of the 1930's who managed to survive the political pitfalls of Washington.

The present Mr. Smith had not received the appointment to succeed his friend, Thomas S. Gates, Jr., as Secretary of the Navy as he had confidently expected and as the administration had confidently planned.

Mr. Smith had taken the ICA job in the summer of 1957 on the understanding that he would leave it in January 1959. He was highly regarded in the administration for his performance in the post, and for his prior service as Assistant Secretary of the Navy.

The barrier was placed in Mr. Smith's path, administration and party officials agreed today, by Meade Alcorn, Republican national chairman. Mr. Alcorn was also said to be blocking the appointment of a Connecticut Democrat as Mr. Smith's successor.

Republican politicians made no secret of the fact that Mr. Alcorn had put a big black mark against Mr. Smith more than a year ago, shortly after Mr. Smith became head of ICA, the foreign aid agency.

At that time, it was said, Mr. Smith and Mr. Alcorn had a frank talk during which Mr. Smith told Mr. Alcorn that he was not going to give jobs to Republicans simply because they were Republicans.

Since then, several little black marks have been set against Mr. Smith's name in the book kept at party headquarters at 1625 I Street.

One party official summed up today Mr. Alcorn's attitude toward Mr. Smith:

"Jimmie Smith was unnecessarily neutral."

A further development in Mr. Smith's story, it was reported, concerned Henry R. Labouisse, a long-time Government official. C. Douglas Dillon, Under Secretary of State for Economic Affairs, has been suggesting Mr. Labouisse as the new Director of ICA.

SERVED U.N. IN NEAR EAST

Mr. Labouisse retired last June as Director of the United Nations Relief and Works Agency for Palestine refugees. Prior to his 4 years in the Near East, he had held several State Department posts connected with foreign aid.

Because of this professional experience Mr. Dillon wanted Mr. Labouisse. This choice had been cleared all the way up to the White House, officials said today.

However, Mr. Labouisse comes from Connecticut—the home State of Mr. Alcorn, and he registered there as a Democrat in 1941. An associate explained today that this was more than Mr. Alcorn could be expected to endure without outcry.

Associates of Mr. Smith gave this account of how he came to Washington and left it.

When he took the ICA job, it was said, he was led to believe, these officials said, that in due time he would succeed Robert Cutler as Special Assistant to the President for National Security Affairs.

However, Mr. Cutler resigned for health reasons last June, too soon for Mr. Smith to take his post. As a consequence Gordon Gray, head of the Office of Defense Mobilization, was appointed to succeed Mr. Cutler.

Some time ago Secretary Gates, who was planning to resign, approached his Under Secretary, William B. Franke, and asked if it were true, as he had been informed, that Mr. Franke did not wish a promotion to Secretary for health reasons. Mr. Franke, according to officials, said this was so.

Thereupon, it was said, Mr. Gates undertook to get the appointment for his friend Mr. Smith.

According to associates of Mr. Smith, Mr. Gates told Mr. Smith that everything was set. But Mr. Gates also told others the same thing, and the appointment got in the papers before the White House had given the final word.

Thereupon, it was said, Mr. Alcorn got busy. Mr. Franke was persuaded to change his mind.

Mr. Smith left Washington last Saturday. On Monday Mr. Gates' resignation was announced, effective next June. His successor will be Mr. Franke.

[From the New York Herald Tribune, Feb. 9, 1959]

THE CASE OF HENRY LABOUISSE

(By Joseph Alsop)

Henry Labouisse is a genial, unassuming, deceptively ordinary-seeming man who belongs to a very special category—the category of Americans to whom every citizen of this Republic ought to feel personally indebted.

In the earliest stages of his career, in the Foreign Service, and for a time in the Foreign Aid Administration, he turned in a most notable performance; but it was not this which created the debt each one of us owes to him. The debt began to be incurred when Labouisse accepted one of the most difficult and heartrending posts in the world today, the directorship of the United Nations relief agency for the tragic Arab refugees from Palestine.

There was no need for Labouisse to leave everything friendly and familiar, and go to the Middle East with his beautiful and brilliant wife, the former Eve Curie. By any ordinary standard, the appointment Labouisse accepted was both repellent and terrifying.

The million uprooted Arabs who are condemned to the grim death-in-life of the refugee camps were then suffering from extreme mass neurosis. Their resentment against the world's injustice was too bitter; their suspicions were too inflamed. They would begin one of their wolfish riots on almost any pretext. The refugee problem was in fact a gigantic ulcer, on the very point of bursting with unforseeable consequences.

When Henry Labouisse took over, it was physically dangerous for the U.N. personnel to enter some of the refugee camps. As an American, a representative of the Nation held responsible for sponsoring the Palestine partition, Labouisse was under extra suspicion. Yet by tact and humor and cool courage, by wonderful improvising from small resources, by model administration under the worst conditions, and above all, by backbreaking, unending, gruelling hard work, Labouisse won the day.

He could not cure the ulcer that is the refugee problem. No one could do that. But he won the confidence and even the affection of these tragic people. He improved conditions in the terrible camps in many different ways. He reduced the inflation of the ulcer, by these means, to a point that was no longer acutely dangerous. And all this he did without any great increase of the niggardly pittance of a few cents per person per day that the United States and the other contributing nations gave to the U.N. for refugee care.

Such, then, was the achievement of Henry Labouisse when he came home at last some months ago. Such, then, was the man whom Deputy Under Secretary of State Douglas Dillon requested to take over the International Cooperation Administration, when Dillon learned that the foreign-aid job was about to be vacated by James H. Smith.

The foreign-aid job is notoriously the hardest major post to fill in the Government today; and it was something of a sacrifice on Labouisse's part to agree to leave his well-earned retirement for this new post. Secretary John Foster Dulles and the whole State Department high command were enthusiastic for the appointment. Labouisse's name went to the White House with the highest recommendations.

At the White House, however, the nomination ran head-on into the peculiar situation created by President Eisenhower's positive detestation of his secondary role as leader of the Republican Party. Despite his semiannual exhortations to the party rank and file to get out and work, the President notoriously avoids the normal political tasks of his office. But in order to justify his avoidance and to control the party officials, the President has done something that his most politically active predecessors never did. He has given the Republican National Committee and its chairman, Meade Alcorn, a right of veto over all appointments.

Alcorn's files of jobseekers, of course, contain no remotely suitable candidate for the foreign aid job. A score of men were begged to take the job and refused it, before James H. Smith was finally induced to serve. And above all officials, the foreign aid chief needs to enjoy bipartisan confidence on Capitol Hill.

Despite these important considerations, Alcorn furiously vetoed the Labouisse appointment on the sole ground that the wholly apolitical Labouisse was not a Republican. The President, despite his repeatedly professed enthusiasm for the foreign aid program, has been too remote from the struggle, too little interested in the problem, too busy quail shooting with George Humphrey, to bother to overrule the national committee chairman. When you recall the great public servants Harry S. Truman recruited from Republican ranks, it seems a little odd to see the Eisenhower crusaders enforcing the crudest rules of old-fashioned pork-and-patronage politics, with certain detriment to the public service of the United States.

[From the Washington Daily News, Feb. 10, 1959]

ALCORN'S BLACKBALL

Only a week ago President Eisenhower complained bitterly about his difficulty in getting a good man to run the foreign aid program. He blamed the very hostile attitude of Congress to foreign aid for forcing the last man, James H. Smith, Jr., to return to private life after serving only 18 months.

"I don't know who I am going to get to take his place," he said.

The facts apparently are that it isn't so much Congress that is hard to please, but Republican Committee Chairman Meade Alcorn.

Mr. Alcorn successfully opposed the plan to promote Mr. Smith to be Secretary of the Navy because Mr. Smith thought professional competence came before political affiliation in making appointments to foreign aid projects.

Now Mr. Alcorn is trying to block the appointment of an eminently qualified man to be foreign aid chief because—and Republican Party headquarters makes no effort to hide it—the man is a registered Democrat.

The candidate for the foreign aid job—a man desired by Secretary Dulles and Under Secretary of State Dillon—is Henry R. Labouisse, Jr., for nearly 15 years an economic expert for the State Department and for the last 4 years Director of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA).

The right of a party in power to choose officials from its own ranks is firmly established under our political system. But there are some jobs of great difficulty where proven competence in comparably difficult spots should come first. The director of the foreign aid program is one of them.

Mr. Labouisse has been one of this country's outstanding public servants. That he is not widely known in a popular sense is one of the characteristics of his high qualities. He has never played for headlines.

Nowhere has Mr. Labouisse shown his abilities in more exemplary manner than in his last official position—Director of UNRWA from 1954 until late last year. That was a thankless job during a period of repeated crises in the Middle East.

The fact that the refugee camps didn't explode during those 4 years of great tension is in many respects the result of the wisdom and perseverance with which Mr. Labouisse ran UNRWA. And most of the time he ran it with inadequate funds, deliberate obstruction by some governments involved, and too frequently with lack of enthusiasm or interest of his own Government.

We don't know whether Mr. Labouisse—in view of Mr. Alcorn's attitude—would now accept the job. But if Mr. Alcorn's blackball of Mr. Labouisse prevails, then President Eisenhower will get little sympathy the next time he complains about trouble in getting a foreign aid director.

[From the Washington Post, Feb. 11, 1959]

THAT POLITICAL VETO

A strong scent of political interference continues to emanate from the controversy over the choice of a new foreign aid administrator despite President Eisenhower's emphatic denial yesterday that anyone could veto his selections for office. Mr. Eisenhower did not deny the report that Chairman Meade Alcorn of the Republican National Committee had intervened in an attempt to block the appointment of Henry R. Labouisse as the new head of the International Cooperation Administration.

It is known that Under Secretary of State Dillon, whose responsibility includes supervision of the foreign assistance program, strongly recommended Mr. Labouisse for the post. Mr. Labouisse is a natural for the job. As Director of the United Nations Relief and Works Agency for Palestine refugees, on leave from the State Department, he exhibited enormous good judgment and practical effectiveness combined with rare sensitivity. He has handled a number of tough economic and diplomatic assignments. But he happens to be a Democrat.

Whether or not it was the result of personal intervention by Mr. Alcorn, the recommendation struck a snag. Mr. Labouisse has not been nominated—and at the very time that the President has been bemoaning the difficulty of finding a competent man for the foreign aid post and also criticizing Democrats on Capitol Hill for suggesting cuts in foreign aid funds. There is talk in the State Department that several former Members of Congress are being considered for the job. Simultaneously there are undenied reports that political protests prevented the appointment of the outgoing ICA Director, James H. Smith, as Secretary of the Navy, because he supposedly dealt with too many Democrats.

It is a very strange way to run a railroad—or a government, especially when the administration is so solicitous of cooperation from the Democratic Congress. Chairman FULBRIGHT of the Senate Foreign Relations Committee is altogether right in focusing attention on political interference and calling for intensive scrutiny of the qualifications of new political nominees for ambassadorships. We hope that he will press the questions vigorously.

Obviously political considerations do enter into appointments to high positions, and the practice is not confined to the Republicans. No one can compel the President to nominate, or refrain from nominating, any particular candidate. But there is enough damaging experience with political benefactors in diplomatic posts to demonstrate that embassies are not safe rewards for them. By the same token, one would think that a vital program so plainly dear to the President's heart as foreign aid would call for the best director available irrespective of party. What has been happening surely does not help the administration in its foreign objectives; on the contrary, it is curiously reminiscent of the predicament of the man who hit himself on the head with a hammer because it felt so good when he stopped.

LENTEN SERVICES AT THE CHURCH OF THE REFORMATION

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a statement.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, Members of the House are invited to attend noonday Lenten services conducted by the Church of the Reformation during the Lenten season. The Church of the Reformation is located at 212 East Capitol, only a short distance away.

For many years these services have been a source of inspiration to thousands of men and women who have desired a period of each day for meditation, prayer, and rest. The services are interdenominational.

Lent is a fitting season for members of all churches to worship their common Lord.

Dr. Lawrence D. Folkemer, pastor of the church, has invited Members of Congress and employees on Capitol Hill to attend services at the Church of the Reformation. I am including a special message from Dr. Folkemer:

In critical times men discover that they need a power greater than human power to face the trying circumstances of the day. The human spirit needs divine power and wisdom to bear the burdens of mankind and to solve the difficult problems which assail us. It is important, therefore, to be able to turn aside a few moments each day to worship God and replenish the spirit.

For many years now on Capitol Hill, community noonday Lenten services have been conducted at the Church of the Reformation, 212 East Capitol Street (opposite the Folger-Shakespeare Library). These services have been a source of inspiration for thousands of men and women who have desired during Lent a short period for meditation, prayer, and rest. The holy season of Lent through the centuries has offered Christians an opportunity to deepen their spiritual life and to face the daily tasks with renewed strength and devotion.

These noonday services are interdenominational in nature. Guest clergymen of all denominations are invited to speak. Here members of all churches meet to worship their common Lord.

Services will be held each day, Monday through Friday (except the holiday, Monday, February 23) at the noon hour. May we respectfully and sincerely invite all the Members of Congress, together with their staffs to these community Lenten services.

Also, beginning Wednesday, February 18, and continuing each Wednesday from 12:30 to 1:30, Christian laymen on the Hill of all denominations are invited to the Churchmen's Luncheon Club in the Fellowship Room of Reformation Church. The guest preacher of the day will speak briefly and informally on matters of current interest to churchmen. Reservations may be made for each Wednesday by calling the church office, Lincoln 3-4200 or Lincoln 3-5455.

LEGISLATION NEEDED TO INCREASE INCOME LIMITATIONS APPLICABLE TO PAYMENT OF VETERANS' PENSIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I am today introducing a bill to permit single veterans to receive an income of $1,650 and married veterans an income of $3,350 and still retain their eligibility for veterans' benefits.

The need for this legislation arises, oddly enough, from the increase in social security benefits enacted by the 85th Congress in the closing days of the session which became effective on January 1, 1959.

In recent weeks I have received a number of letters directing my attention to this situation, which, however inadvertent, will operate to work a serious hardship and create severe economic problems for many veterans who have been entitled to social security as well as veterans' benefits. These veterans will now be required—under the law—to forfeit their VA benefits because their income from social security, after the effective date of the new amendments, will exceed the allowable ceiling on other income established at $1,400 for unmarried veterans and $2,700 for married veterans under existing regulations governing veterans' benefits.

In other words, if a veteran's income from social security has heretofore been $1,320, the 7-percent increase brings him an additional $92 annually, and he is required to forfeit his veteran's pension of over $900 annually because the additional social security income would put him $12 over the statutory limitation on other income.

To illustrate, Mr. Clyde Smith, a veteran residing in my district writes me as follows:

I am writing you regarding a condition that will arise the first of the year due to the new 7-percent increase in social security benefits.

As you know, a veteran drawing a disability pension is limited to an income of $2,700 per year if married and $1,400 per year if single. This income includes any income he might receive, also social security.

In my case, and I presume in thousands of other veterans, this will mean an increase of approximately $74 per year but he will lose the veterans' disability pension of $942 per year, giving us a net loss of $868 per year.

Now I am confident that the Congress in enacting the social security amendments of 1958, did so in good faith and with a view to restoring the deteriorated dollar purchasing power of recipients whose income had failed to keep pace with mounting living costs. The increase was enacted for the express purpose of bringing social security benefits into line with today's price levels.

I am equally certain that it was not the intent of the Congress to penalize thousands of veterans by granting them a cost-of-living increase on the one hand and deny them an amount equivalent to 10 times the social security increase.

Since, as a consequence of the social security amendment, many veterans will receive no pension payment for the current month of January and, indeed, for as many additional months hereafter as it requires Congress to enact corrective legislation, I earnestly hope that the House Committee on Veterans' Affairs will accord this legislation a priority position on its agenda and recommend its prompt and favorable consideration.

LEGISLATION TO IMPROVE ARTISTIC STANDARDS IN OUR FEDERAL ARCHITECTURE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ASHLEY. Mr. Speaker, I have today introduced a bill to implement the recent recommendations of the Federal Fine Arts Commission with respect to a much-needed provision for higher standards of artistic decoration and architectural design for our Federal office buildings and, in addition, for the restoration and preservation of historic buildings and works of art which have deteriorated.

The need for this legislation was made abundantly evident in a recent report of the Federal Commission on Fine Arts in which they objected to the severity and unadorned functionalism of so many of our recently constructed Federal office buildings throughout the Nation. Accordingly, they recommended the judicious use of artistic decoration to enhance our Federal architecture.

I will concede, Mr. Speaker, that concrete walls and steel windows may make an adequately modern and functional structure, but nothing more; and I, for one, subscribe wholeheartedly to the Commission's sentiment that our Government buildings can and should reflect something more of the spirit and aspirations of the American people.

Surely there need be no conflict between the efficient, functional principles of sound, modern architectural design and the aesthetic enhancement of our public buildings through the judicious use of appropriate works of art. On the other hand, it is often the incorporation of just such artistic expression of a generation that makes a historic edifice significant to posterity and indeed worth preserving.

I am confident, Mr. Speaker, that the enriched inspirational value of our public buildings not only to our contemporaries but to future generations will pay handsome dividends on what little additional dollar investment we may make in the artistic improvement of our new Government buildings.

I am pleased to note here that similar legislation has been introduced in both Houses of Congress and even prouder to observe that it has elicited wide bipartisan sponsorship and support. I earnestly commend the bill to your thoughtful and favorable attention.

NATIONAL DRESS RIGHT WEEK—VALUES INHERENT IN APPROPRIATE DRESS AND GOOD GROOMING

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. TELLER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TELLER. Mr. Speaker, on January 29 I introduced House Joint Resolution 202, a proposed joint resolution to authorize the President of the United States to proclaim annually the first week of March as "National Dress Right Week." My proposed joint resolution is grounded in the beliefs that it is fitting and proper that national attention should be focused on the values inherent in appropriate dress and good grooming, that growing boys and girls, as well as adults, derive benefits in the form of greater self-respect and social acceptance from proper dress, which also adds to success and enjoyment of life.

In today's world situation, our Nation must be certain that it shows itself to all other countries in the best possible light.

We most certainly do not want the image America presents to the world to be the image of the hoodlum.

We would no more have this image representing us to the world than the United Kingdom would want to be represented by the so-called Teddy Boys or, for that matter, than the Soviet Union by that segment of its population it has branded as hooligans.

We are a Nation of ever-increasing abundance; a Nation whose dynamic economy has rewarded us with the highest standard of living on earth; a Nation second to none in questions of morality.

As such, we want—and we must encourage—an image of America that is an undeniable reflection of our abundance, our world-leading standard of living, our moral foundations.

I do not picture a nation of dudes or Beau Brummels; nor do I look for a nation of expensively garbed women and men. I say we should encourage the revival of an idea as old as recorded history, the idea the Hebrew fathers had when it was written:

> The doctrines of religion are resolved into carefulness, carefulness into vigorousness, vigorousness into guiltlessness, guiltlessness into abstemiousness, abstemiousness into cleanliness, and cleanliness into godliness.

Which theologian John Wesley centuries later translated into:

> Cleanliness is next to godliness.

I say we should lend the unanimous voice and the support of this most important body to a renaissance of this age-old concept of cleanliness in body and neatness and appropriateness in appearance, making it a national force as much as a personal responsibility.

This is, obviously, not something we can legislate; but we can give it our endorsement and our encouragement.

This was exactly the experience of the school system in the city of Buffalo, N.Y., which launched a dress-right movement through the students themselves for two basic reasons:

First. To reverse the trend to sloppy, inappropriate appearance for school, and in so doing—

Second. To produce better student behavior and study attitudes as a result of the switch to more respectable attire.

The history of the Buffalo experiment is interesting.

It was back in 1955 that Dr. Joseph Manch, who then was Buffalo's associate superintendent for school-community coordination and is today its school superintendent, became concerned about the apparent relationship between the way boys and girls dressed and the way they behaved. He observed on a daily basis that many of the youngsters who were brought before him on serious misconduct charges were dressed in extreme fashion or looked very sloppy and unkempt. From duck-tail hairdos to combat-type boots, many of these freshmen and older delinquents presented extreme appearances of one kind or another.

Dr. Manch thought if he could raise the standard of dress in high school, the conduct of teen-agers would be favorably affected. But, Dr. Manch also reasoned that the steam for this drive should come from the students themselves, because there would otherwise be the human tendency to oppose or resent rules coming down from above.

The inter-high-school student council, which represents all 14 Buffalo public high schools, took up as a special project this campaign for appropriate dress for high school boys and girls. The council is made up of school leaders whose example is looked up to by the majority of other students. The council president in 1955, Caesar Naples, a 17-year-old high school senior at that time, appointed a special committee, with a student representative from each high school, to draft a series of dress recommendations. The council voted enthusiastically to endorse these recommendations and to promote the "dress right" campaign in Buffalo's high schools.

These boys and girls carried out a program of communications keyed to the idea of making neatness and appropriateness the new way of life for Buffalo's teen-agers. Principals agreed with the student council that this was the basis of a good campaign, a campaign that would have many benefits. Posted in every high school division room were the council dress recommendations which have now been documented in numerous articles and publications, including "Buffalo's Magic Mirror" in This Week magazine, November 23, 1958; "Students Vote on Student Dress" by George E. Arnstein, in the Clearing House, March 1958; and "Dress and Conduct; an Inter-High School Student Council Program,"

by the above-mentioned Dr. Manch, in the Journal of the New York State School Boards Association, Inc., September 1958.

Aided by the educational arm of the male apparel industry, the American Institute of Men's and Boys' Wear, the Buffalo experiment has been given national importance and, according to a survey by Scholastic magazine, approximately 65 percent of our public high schools have followed the Buffalo example and initiated "dress right" programs.

More important than this very convincing statistic is the fact that teachers at schools with such programs report that an improvement in behavior and study habits has generally resulted from this upgrading of appearance standards. The importance of this concept goes far beyond school walls.

The clergymen of the Nation are looking to restore the practice of dressing more appropriately for churchgoing. In the concluding paragraph of an article in the Catholic Digest of March 1958—"What Ever Happened to the Sunday Suit?"—the author, Kay Sullivan, notes:

> In questions of dress or morals, men go in droves, a philosopher once observed. In other words, the few set the pace for the many. One family neatly dressed in tasteful clothing may be the Sunday-morning example a whole parish needs.

And she asks:

> Will it be you and your family?

The Nation's businessmen are also in accord with the "dress right" concept, feeling that the salesman who presents his best face is doing his best for both himself and his company. Thinking along very similar lines, our Armed Forces are encouraging servicemen at home and abroad to put their best foot forward for their own sakes as well as our Nation's. The country's law enforcement officers are strong in the belief that the dress-right movement may provide a partial answer to the problem of juvenile delinquency. A member of New York City's legal department, to cite just one example, has stated:

> When a person begins to disregard convention in his personal appearance, he definitely is on the road toward disregarding other conventions of society and we then begin to get a delinquency problem.

The weight of the evidence, it seems to me, indicates a national tide in favor of a movement toward neater and more appropriate dress. Such a worthwhile effort deserves full congressional support to insure its continuance and growth.

I, therefore, propose in House Joint Resolution 202 that the week of March 2 to 8 this year be proclaimed as the first National Dress Right Week and that in years to come the first week of March be set aside nationally for such observance.

OCEANOGRAPHIC RESEARCH SHIP

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, in December of last year, only a few months ago, the President's Science Advisory Committee made a report to the President, a very interesting report, which every Member should study. In that report the committee said:

> Oceanography is another promising field which has received inadequate attention. For the study of the oceans the United States has only a few research vessels, all inadequately equipped. A vessel specially designed and constructed for oceanographic research has not been built in this country since 1930.

That seems clearly to constitute a recommendation for at least the construction of another research vessel in that important field of research activity. Yet only a few days ago, on February 7, we find that the research vessel *Albatross III* has been deactivated. In other words, the President's Committee on Science makes a recommendation which is, clearly, to build another research vessel, but only a few days ago the Government agency operating the research vessel orders one deactivated. I think the agency of the Government which made that order should reconsider it and keep this vessel in active operation.

CLARIFICATION AND MODERNIZATION OF LAWS AFFECTING FIREARMS

The SPEAKER. Under previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 15 minutes.

Mr. SIKES. Mr. Speaker, during the 85th Congress efforts were made to clarify firearms legislation and to remove the inequities which exist in that legislation. Those efforts were not successful, despite the fact that they enjoyed the support of sportsmen, firearms dealers, and gun collectors throughout the Nation. Following the adjournment of Congress, a number of meetings were held between representatives of the Alcohol and Tobacco Tax Division, representatives from the National Rifle Association, Sporting Arms and Ammunition Manufacturers Institute, the American Gun Dealers Association, the Importers Association, the National Chiefs of Police Association, the Metropolitan Police Department, and many individual gun collectors. These meetings were held in order to seek to reach a common ground of understanding between the various segments of the industry. Out of these meetings came a fine degree of mutual understanding and accord. General agreements were reached on a proposed series of changes in the present law which it is felt will be beneficial to all of those affected. From these meetings and the accompanying agreements have come proposed legislation which thus far has been introduced in the House of Representatives by me and by the Honorable CECIL KING, our distinguished colleague from California, who also is a director of the National Rifle Association. Our bills are H.R. 4094 and H.R. 4029, respectively.

The purpose of these measures is to amend the National Firearms Act to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce the occupational and transfer taxes on certain firearms, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain technical changes in the definition of the term "firearm."

The National Firearms Act—sometimes referred to as the Machine Gun Act—was enacted by the 73d Congress in 1934 to provide a making and transfer tax of $200 on machineguns and certain specified firearms which had become a national crime problem in the prohibition era. In addition to machineguns the act applies to a silencer for a firearm and to sawed-off rifles and shotguns. The law does not apply to pistols and revolvers or to ordinary sporting rifles and shotguns. Any weapon defined as a firearm by the National Firearms Act is required to be registered with the Department of the Treasury and becomes subject to the prohibitive tax provision of the act. Several technical provisions of the law have resulted in a severe hardship on law-abiding gun owners and particularly gun collectors without adding to the effectiveness of the act as a crime-prevention measure. Also, at least one provision in the law has left open a loophole by means of which unscrupulous persons have been able to evade the tax which Congress decreed should be placed upon the transfer of machineguns. It is the purpose of my bill to correct these technical shortcomings.

The National Firearms Act provides, in part, that a shotgun or a rifle having a barrel of less than 18 inches in length is a firearm and subject to the $200 making and transfer tax, except that rifles of .22 caliber are exempt if the barrel length is 16 inches. An area of inequity arises here from the fact that a number of popular sporting rifles and a number of rifles having great value to gun collectors, have barrel lengths just slightly under 18 inches. While such rifles could not be considered concealable and while they do not enter into the crime picture they still must be classed as a firearm subject to the taxation provisions of the law. It is one of the purposes of my bill so to amend the definition of the term "firearm" under the law, that it will not apply to any rifle which has a barrel of at least 16 inches in length. This will mean that all rifles having a barrel length of at least 16 inches will be exempt from the law, not .22 caliber rifles alone as at present.

Another area of inequity from the standpoint of law-abiding shooters and gun collectors, arises from the provision in the law which defines as a firearm, in addition to a machinegun or sawed-off rifle or shotgun, "any other weapon, except a pistol or revolver, from which a shot is discharged by an explosive if such weapon is capable of being concealed on the person." It is apparent from this

language that Congress did not intend the prohibitive taxing provision of the Machine Gun Act to apply to pistols or revolvers. The law, however, does not define the term pistol or revolver and it therefore becomes a matter of administrative interpretation as to what is a pistol, excepted under the act, and what is any other weapon prohibited under the act. We see here a complex administrative problem. If a particular weapon is clearly recognizable as a pistol or revolver it meets a specific exception in the National Firearms Act. However, if the weapon is concealable and is not clearly recognizable as a pistol or revolver then it must fall into the loose category of any other weapon and becomes immediately subject to a prohibitive $200 transfer tax.

Highly valued items to gun collectors are the guns which mark stages in the development of firearms from their earliest beginning. In the process of experimentation, trial and error and plain American inventiveness which has led to the modern pistol and revolver, many strange firearms have had their brief moments on the scene. Some are clearly recognizable as a step in the development of a modern pistol; others are not. Many, by administrative edict, now fall in the any other weapon category under the National Firearms Act and are, therefore, subject to its prohibitive controls.

Since pistols and revolvers make up the vast majority of weapons capable of being concealed on the person and, since for good and sufficient reasons the Congress felt that pistols and revolvers should not be included in the Machine Gun Act, it would seem just and equitable that the full $200 transfer tax not be applied to the very small minority of concealable weapons which may be interpreted to be neither a pistol nor a revolver. To the contrary, it would appear that the purpose of the act would be better served by a nominal tax on this category of weapon which would permit them to be possessed and traded by gun collectors while retaining the records and controls now exercised by the Department of the Treasury under the National Firearms Act.

Experience through the years has demonstrated that the type of concealable weapon controlled under the National Firearms Act which has most frequently occurred as a crime is the weapon that is made from a rifle or shotgun by cutting it down in length so as to make it concealable on the person. Under the present law if a rifle or shotgun is altered by cutting off the barrels so that the barrel length is less than that prescribed in the definition of a firearm then the weapon clearly becomes subject to the criminal provisions of the law. In many cases however the criminal not only cuts off the barrel of a conventional rifle or shotgun but may also cut off the shoulder stock and thus create a one-hand weapon of greater concealability than had he sawed off the barrel alone. In the past, criminals apprehended with such weapons have attempted to avoid prosecution on the ground that the weapon they created by cutting off the barrel and the stock of a shotgun or a rifle was in fact a pistol since it was a one-hand weapon. In the view that it was just this type of criminal weapon that Congress sought to control in the National Firearms Act, I am suggesting an amendment to the definition of the term "firearm" by adding the language, "or any weapon made from a rifle or shotgun—whether by alteration, modification, or otherwise—if such weapon as modified has an overall length of less than 26 inches."

The National Firearms Act provides for an annual $200 tax for persons engaging in the business of dealing in machineguns and those categories of weapons defined as "firearms." At present the payment of this occupational tax may be prorated on a monthly basis established on the fiscal year. It has been called to my attention that certain persons other than bona fide dealers have been able to take advantage of this provision to avoid the payment of the transfer tax on machineguns by paying the dealers occupational tax for 1 month only. A person engaged in the business of dealing in machineguns and who has qualified for and paid the occupational tax provided for in the law is permitted an exemption from the transfer tax. As the law now stands a man may qualify as a machinegun dealer in June by paying only one-twelfth of the normal $200 dealers occupational tax. He may then purchase machineguns without paying the $200 transfer tax and, at the end of June, may simply elect not to renew his dealers status by paying his occupational tax for the following year. It is one of the purposes of my bill to remove the pro rata feature with respect to the occupational tax so that a person qualifying as a dealer, engaged in the business of dealing in machineguns, will pay the $200 occupational tax for a year or fraction thereof.

Any weakness in the present language of the law has been that the transferor alone has been responsible for the transfer tax on machineguns. If through false pretense, an individual not actually a bona fide dealer has been able to secure a machinegun transfer tax exempt the Government has had no recourse since no liability for the tax rested on the transferee. The purpose of my bill is to correct this by providing that, if a firearm is transferred without payment of the transfer tax, the transferor and transferee shall become jointly and severally liable for the tax.

The amendments will improve the enforcement of the National Firearms Act with respect to machineguns and sawed-off shotguns and will, at the same time, alleviate some of the inequities that plague gun collectors and shooter-sportsmen without contributing to the effectiveness of the law.

I sincerely hope we may have the support of the House and Senate in securing the approval of one of these measures and that the committee will speedily accord us action toward bringing a bill to the floor.

IMPORT QUOTAS FOR OIL MUST BE MADE MANDATORY

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. EDMONDSON] is recognized for 15 minutes.

Mr. EDMONDSON. Mr. Speaker, the time has come when this administration must take action to place oil import quotas upon a mandatory basis, or this Congress must accept its responsibility to preserve a basic and essential industry.

In my own State of Oklahoma, evidence is mounting each day that loosely and inadequately controlled imports under the voluntary quota system are steadily undermining the strength and stability of America's domestic oil industry—and the impact of trouble in domestic oil production is being felt by other business and by State government in the oil producing areas.

The chairman of the committee on oil and gas in Oklahoma's House of Representatives, the Honorable William Shibley, wrote me the other day to advise that Oklahoma "lost 1½ million dollars last year, from our revenue the year before, due to cutting down the allowable and flooding the country with imported oil."

Representative Shibley urged in his letter that existing law regarding import quotas must be amended to provide mandatory controls "as it has been proven that it cannot be successful on a voluntary basis."

Along similar lines, the president of one of Oklahoma's leading oil companies wrote on February 2 to predict that "if no action is taken at this time, the number and importance of those ignoring the voluntary plan will double within 30 to 60 days."

The voluntary plan—

Wrote this veteran oilman—

is gradually, but increasingly falling apart * * * and the amount of unallocated imported crude oil and products has now reached a volume that is having a serious and detrimental effect upon domestic producers, refiners, and marketers as well.

If no action is taken between now and the end of this month—

It was concluded—

the whole matter could be thrown into one of detrimental chaos.

Thus far, the answer of the administration to the mounting need of the industry has merely been the announcement of another investigation.

On Wednesday, January 28, the Office of Civil and Defense Mobilization announced it planned to investigate the impact of imports of crude oil and petroleum products on the national security. This is an investigation which involves more delay and is entirely unnecessary. During the past 4 years, the problem of excessive oil imports has been studied repeatedly by the executive branch and the Congress. During this time imports have doubled. There is no need for further study. There is real need for action, and action now.

In 1954 the President's Cabinet Committee on Energy Supplies and Resources Policy conducted a long and careful investigation and determined that petroleum imports in excess of the ratio which they bore to domestic production in 1954 would be, in fact, a threat to the security of the Nation. At that time imports were

equivalent to 16.6 percent of domestic production. Today imports are almost 30 percent of domestic production.

At the time of this earlier study, Congress and the administration were concerned with the level of imports which, at that time, was about 1 million barrels a day. Today imports total about 2 million barrels a day. If imports of crude oil and products were excessive at 1 million barrels a day in 1954, they certainly are excessive today at 2 million barrels a day with no need for further investigation.

All segments of the domestic oil producing industry are continuing to decline as pressure from these excessive imports mounts. In the last 2 years alone, the drilling of wildcat or exploratory wells has declined 26 percent. About 30 percent of the domestic industry's producing capacity is shut in and idle. Domestic production in 1958 was 450,000 barrels daily below the level in 1956 although demand increased.

In my own State of Oklahoma, oil and gas production is an important segment of the economy. Oklahoma was the first State in the Union to develop conservation laws to assure the State and the Nation an ever-expanding supply of petroleum. Yet, of what value is it to establish practices which put an end to wasteful flush production at home if wells in the Middle East or Venezuela can run rampant resulting in a flood of foreign oil strangling the domestic producing industry?

Since 1956 the number of total wells drilled in Oklahoma has declined more than 20 percent. The number of rotary rigs active has declined nearly 30 percent. Although domestic demand for petroleum during that period increased nearly 250,000 barrels daily, production in Oklahoma actually declined 42,000 barrels daily, or 7 percent.

As a result of these depressed conditions in the industry, there were nearly 7,000 fewer employees in the oil producing industry in Oklahoma in 1958 than there were in 1956.

In Oklahoma, oil or gas is produced in all but 8 of the 77 counties and about half of the entire land area is under lease for oil or gas. Thus, it is obvious that whatever damages the petroleum industry in Oklahoma also damages the State economy. Because the administration has failed to take effective action to limit crude oil and product imports to a reasonable level, those imports have resulted in serious declines in oil producing activity in Oklahoma.

The serious decline that has been suffered by the domestic oil producing industry during the past several years due to excessive oil imports is of concern to the entire Nation. Oil and gas today are produced in 31 States and no commodity is more important to the everyday welfare of our citizenry. Most important, however, overriding the effects on our Nation's economic welfare, is the effect uncontrolled oil imports have upon the Nation's security.

In 1955, the Congress being concerned about the effect of imports of essential commodities upon the Nation's security, enacted the defense amendment to the trade agreements law. This amendment was designed to give authority to the President to limit imports of strategic materials. Paramount before Congress at that time was the critical condition facing the domestic petroleum industry, lead and zinc industry, and coal industry. During 1957, the President took action to limit imports of crude oil, urging the importing companies to voluntarily restrict their individual imports. This program was not effective. As a result, Congress again became concerned about the problem last year and amended the Defense Amendment of 1955 so as to strengthen the President's authority. The President and the Special Cabinet Committee created to study this problem also have recognized that the voluntary program to limit oil imports has been inadequate. As a result, the Cabinet Committee has been studying the problem since last September but has been unable to agree upon a new program. In the meantime, imports have increased day after day.

According to front-page news reports, the first tanker of Communist-produced petroleum is to arrive in New York sometime this month. This may be another entering wedge in the efforts of international communism in its campaign of economic warfare upon the United States. It serves to show that delay on the part of the administration in exercising its authority which Congress delegated to it under the defense amendment invites increased imports accompanied by further damage to the national security.

For 4 years the effects of increasing oil imports upon the domestic economy and national security have been recognized by all concerned as being a most serious problem. There is general agreement that oil imports must be limited. There is general agreement that the voluntary program is inadequate. Certainly under these circumstances it is reasonable to expect an early solution to this problem. If the President and his Cabinet Committee will not or cannot come forth with an answer promptly and without further delay, the Congress must assume its basic responsibility and provide specific legislative limitations upon imports of petroleum.

In this regard I respectfully direct the attention of the House to H.R. 3623, introduced on January 29, 1959, and now before the House Committee on Ways and Means.

Under this bill, three new sections would be added to the national defense amendment of the Reciprocal Trade Agreements Extension Act. The first of these new sections requires the President to limit allowable imports of crude petroleum and petroleum products to levels that do not exceed the 1954 ratios between such imports and domestic crude oil production. The second section provides for allocations and mandatory quotas for petroleum producing countries and areas, with import licenses awarded on the basis of bids under Presidential regulations. The third new section makes the new mandatory import quota effective notwithstanding any other provision of law or foreign trade agreement.

Mr. Speaker, unless this administration acts quickly to place the present unsatisfactory quota system upon a mandatory basis, further delay in Washington is going to be disastrous for many of our independent oil producers, and for many who depend upon them.

The time has come for Congress to insist upon action.

INVESTIGATION OF ALFORD-HAYS ELECTION

The SPEAKER. Under previous order of the House, the gentleman from Arkansas [Mr. ALFORD] is recognized for 25 minutes.

Mr. ALFORD. Mr. Speaker, it distresses me to report that at this moment, the agents of the admired and respected Federal Bureau of Investigation, under orders from the present administration of the Justice Department of the United States of America, are engaged in an invasion of the Fifth Congressional District of the State of Arkansas, in what can be described only as a politically inspired investigation. Permit me at this time, to read in toto an editorial which appeared last Sunday, February 8, in the distinguished conservative daily newspaper, the Arkansas Democrat. I quote as follows:

WHO WANTED AN INVESTIGATION?

Raised eyebrows greeted announcement that the FBI had stepped into the Alford-Hays election. Subsequent revelations at Justice Department press conferences failed to remove the cause for wonderment.

"An investigation is being made," a Department spokesman said, "to see if Federal laws were violated in the election."

The request for the investigation, according to the Department, had come from a reputable official. Who asked for the investigation?

Brooks Hays has disclaimed any connection with it—as he did the protest filed by John Wells, Recorder publisher.

Mr. Speaker, may I say aside here that the Recorder—John Wells, editor and publisher, is a purely political publication having a circulation of approximately 3,000, a weekly publication from the same presses which also print the Daisy Bates newspaper, mouthpiece for the NAACP in Arkansas. Now, I continue with the editorial.

The current issue of the Recorder sees the investigation as an outgrowth of the recent hearing before a House committee.

It's doubtful that the Justice Department would usurp the prerogative of Congress in jumping into a case still filed in the committee's unfinished business folder. The FBI's reputation for doing a job ranks high with all Americans.

But being ordered to investigate an election in which the victory was an outspoken anti to the Justice Department's philosophy could easily be interpreted as political persecution. Such use of the agency could brand the G-men as an Americanized gestapo.

An investigation of a questioned election is in order. But such investigations should originate, not with a reputable official in Washington, but with the injured parties—the defeated candidate and the voters in the election area.

If politics dictated the FBI's entry into the election case, it's a sad day for the Nation—and suggests the Justice Department is misnamed.

Press releases quote Attorney General Rogers as saying a reputable official requested the investigation. This is not

the first time we have had illegal intervention into the affairs of our State by this administration. In a book entitled "The Case of the Sleeping People," written by my wife and myself, to be released this week, we call attention to the fact that the people of our area have been finally awakened by Little Rock school frustrations and the occupation of a peaceful community by a combat division with fixed bayonets and loaded rifles ordered to police a public high school supported solely by the people of a sovereign State. In this book we call attention to the fact that as late as last September the present Attorney General set himself and his Department against the rights of a free American people guaranteed them under the Constitution of the United States.

In the present politically inspired investigation they are asking questions—interviewing residents of my district—seeking to document a series of politically inspired charges concerning my election to the House of Representatives. The obvious political overtone of this unwarranted use of our Federal investigative force is best demonstrated by the fact that these agents are asking questions on only one side of the proposition. They are not concerned with the whole story of what happened last November when the people of my district decided they had grown tired of inaction and had grown tired of subservience to an all-powerful central Federal administration.

It is more distressing to me that this is not the first such invasion of the Fifth Congressional District of Arkansas by the Federal Bureau of Investigation on orders from the, then, Attorney General of the Justice Department. We know that this is embarrassing to the loyal agents of this distinguished service of our Government. The FBI is not to be condemned; they are merely obeying orders from above albeit these orders are shaded by political retribution.

Little more than a year ago, they swarmed into the district by the dozens—yes, by the scores under direction of the Justice Department—in an effort to justify an equally as unwarranted and illegal use of Federal police powers in a matter reserved to the discretion of the States. Then, as now, they sought information on only one side of the issue—they sought only evidence that would support the politically inspired action of the Department of Justice—yes, even the politically inspired action of the executive department of our Government. Then, as now, the Federal police powers were diverted from their intended purpose—in which the FBI always has enjoyed the approbation of the American people—to a scheme that borders on being nefarious.

They interrogated hundreds of people. Guns in shoulder holsters, they came in teams into the newpaper offices to question reporters—to demand access to private files—and they asked questions on only one side of the issue. They sought out newspaper reporters in their homes—invading their privacy—and when all else failed, they attempted to wheedle out hearsay information that might support the political position that had been dictated from above.

I say this is an unhealthy situation in America.

There is no room in America for a police state—a gestapo, if you please—engaged in the political soirees aimed at any who may take issue with those who are presently, although temporarily, in power. And I say that, if this condition is permitted to continue, then the name of the Department of Justice should be changed—for it certainly is a misnomer.

I welcome an investigation, but it is my feeling that the FBI has no place in questioning residents of the Fifth Congressional District of Arkansas on the circumstances surrounding the selection of their Representative in this Congress. I repeat, that is a matter reserved exclusively to the Members of this House. And I have every confidence in the ability and the intent of the Members of this House—and their duly constituted committees—to decide fairly and impartially upon the question of whether I shall serve as the Representative of the Fifth District of Arkansas.

It is my understanding that there are several Members of this distinguished body whose margin of victory was much narrower than mine. Yet, it is strange, indeed, that apparently, to our knowledge, there is no investigation by the Justice Department in these elections. Just why is the Justice Department investigating the Fifth District of Arkansas if it is not for political persecution? Just what are they seeking? Who is the responsible official who ordered such an investigation? Certainly the FBI was not ordered by any committee of this House, for this distinguished body is capable of carrying out its own investigation.

Mr. Speaker, I resent with all the power that is in me the loosing of the Federal police upon my constituents. And I suggest that it is time this House let the Department know—and in no uncertain terms—that it will no longer tolerate such politically inspired activities by the Federal Bureau of Investigation on orders from the Justice Department.

Within the next 10 days I shall be prepared to present evidence to this House that subversive forces are the real masters of deceit behind the school crisis and the so-called civil rights issue in America today. Do the people of the Fifth District of Arkansas have no civil rights?

I submit to this most distinguished legislative body that my motives are honorable and patriotic and that I represent a people who resent being ground under the heel of a combat division and now are intimidated by the present administration simply because they, the people, voted the dictates of their own conscience.

The present administration has torn to shreds the 14th amendment and the 10th amendment—and now, if we loyal Americans permit these gestapo-like methods to continue, we shall be, in fact, under a dictatorship—and the 9th amendment, too, will have been illegally destroyed. The question I leave with you is whether or not political intimidation and retribution is the American way or whether we will defend the right of every American, whether from your district or mine, to have his vote counted without fear of reprisal.

In America today we stand between two great mountain peaks of disaster, atheistic communism, on the one hand, and dictatorship through judicial fiat on the other. In the valley between these two monstrous evil forces the small voice of patriotic Americans cries out for simple justice.

Mr. FORRESTER. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield.

Mr. FORRESTER. I think I understood the gentleman correctly. Did I understand the gentleman to say the Justice Department released an item to the effect that they were investigating you and your election?

Mr. ALFORD. That is right, sir.

Mr. FORRESTER. Then I would like to make this comment which I think will be appreciated by the lawyers in this House from the North, South, East, and West. It certainly was a departure from the custom and ethics of the Justice Department or an investigating or prosecuting agency. It certainly was not ethical. It does not reflect credit upon the Department of Justice because they, above all, should operate on the principle and upon the idea that a person is innocent until he is proven guilty beyond a reasonable doubt. Therefore I believe that the lawyers in this audience would have to agree with me that there must have been something that would cause the Justice Department to violate the ethics of the prosecuting department of this Government to give views of that kind to a newspaper. Then I will have to say to the gentleman that as a matter of fact, while I happen to know that the gentleman is making a great sacrifice to serve in Congress, because he is one of the outstanding eye, ear, nose, and throat doctors in the State of Arkansas, that the gentleman has committed what, in the minds of many people of this country unfortunately is an unpardonable sin. That is, the gentleman happens to be a segregationist.

Mr. ALFORD. I thank the gentleman.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Was not the investigation to which you have made reference an effort to ascertain whether civil rights had been violated and an election properly held?

Mr. ALFORD. It is my opinion that the investigation of an election is the prerogative of this distinguished body.

Mr. HOFFMAN of Michigan. On the qualification of the Members, that is right. But that was not my question. The question was whether or not the investigation made by the FBI was not along the line of protecting the right to vote.

Mr. ALFORD. We have not been informed as to what the line is. I think the gentleman should realize that that is one of the reasons I am standing here today. There has been no notification, and the people of my district are very concerned about this investigation and feel that I should speak in their behalf.

Mr. HOFFMAN of Michigan. I am not finding any fault with that. The overall picture, as far as the national situation is involved, I thought from what you said, was along the line of trying to ascertain whether or not someone's civil rights, the right to vote, had been violated.

Mr. ALFORD. We do not know why they are investigating.

Mr. HOFFMAN of Michigan. If it was, I was just going to add that that civil rights legislation was one of the outstanding achievements of your own party, and perhaps this is a part of the harvest.

Mr. ALFORD. I thank the gentleman.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield.

Mr. DAVIS of Georgia. I understand the gentleman from Arkansas [Mr. ALFORD] to say that the Attorney General of the United States on inquiry said that this investigation was requested by a responsible Federal official?

Mr. ALFORD. That is correct.

Mr. DAVIS of Georgia. Have you been able to find out who the responsible Federal official is or was?

Mr. ALFORD. I have not been able to find out who that Federal official is.

Mr. DAVIS of Georgia. Do you think you will be able to find out?

Mr. ALFORD. No, sir. My personal opinion is that we will not be able to find out except by this method.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield.

Mr. LINDSAY. Does the gentleman take the position, apart from any particular case or cases that he may have in mind, that under no circumstances does the Justice Department have authority to investigate alleged irregularities in Federal elections?

Mr. ALFORD. According to the best legal minds I can consult, they are completely out of bounds, because that is the prerogative reserved to this House of Representatives.

Mr. FORRESTER. Mr. Speaker, will the gentleman yield again?

Mr. ALFORD. I yield.

Mr. FORRESTER. I think the gentleman from New York [Mr. LINDSAY] was connected with the Justice Department. I would like to ask the gentleman from New York [Mr. LINDSAY], is it the policy of the Justice Department to publicly announce that they are going to make investigations of persons until they have determined what they are going to do, and bring their indictment, and, then make that public information?

Mr. LINDSAY. I have no knowledge as to whether the Justice Department in this particular instance made any public announcement that they were conducting an investigation of this specific case. But I do know and I do say that the Justice Department would be remiss and negligent in its responsibility to the American people if it did not, on its own initiative, if not on specific complaint, investigate allegations of irregularities in Federal elections.

It has done so in many instances over the years.

Mr. FORRESTER. Just a minute. The gentleman is not answering my question. I am asking the gentleman: Is it the policy, and is it the proper policy, for the Department of Justice to make public announcement that they are investigating citizens of the United States?

Mr. LINDSAY. Based on my own experience with the Justice Department I can say that on many occasions the Department has been asked whether or not it was undertaking an investigation of a matter within Federal jurisdiction, and in each instance the Department has answered publicly, "Yes," if this was in fact the case.

Mr. FORRESTER. Then I would apprehend that this gratuitous and unsolicited announcement is under the new constitution of the Supreme Court and under these new laws that none of us ever had the privilege of studying or reading, or passing or not passing.

Mr. ALFORD. I thank the gentleman.

THE CASE OF HENRY LABOUISSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BOLAND] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, Joseph Alsop on Monday devoted his newspaper column to the case of Henry Labouisse, former director of the United Nations relief agency dealing with the Arab refugee relief program.

A few years ago I had the privilege of witnessing the tremendously effective job Mr. Labouisse was doing in what could easily be termed "the world's toughest task." In the light of his magnificent performance it seems tragic that petty partisan politics is now keeping him from an appointment to a position that cries for a man of his talents and caliber.

Assuredly, there are positions in the administration to which Mr. Alcorn ought to apply his political veto. But, certainly not to this one. The job as Administrator of the International Cooperation Administration is too important to the security and welfare of this Nation to be sacrificed on the alter of political spoils.

Mr. Speaker, on Monday I obtained unanimous consent to include Mr. Alsop's column from the Washington Post with my remarks. However, Senator FULBRIGHT also asked in the other body to have the Alsop article included and it was printed with his remarks in the RECORD of Monday. I now ask permission to have my remarks of Monday on the Labouisse case inserted in the RECORD for today.

THADDEUS KOSCIUSKO

Mr. BOLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BOLAND. Mr. Speaker, on Thursday, February 12, we observe the anniversary of the birth of Thaddeus Kosciusko, an outstanding hero of our Revolutionary War and a champion of liberty in his native Poland.

Born in Poland in 1746, he was educated at the Jesuit College at Breesc, the Royal School at Warsaw, and at Mézières, France, where he studied engineering and artillery.

His imagination stirred by the American Revolution, he borrowed money to come to America to offer his services to the struggling colonies. His success in planning fortifications for the Delaware River won him a commission as a colonel of engineers in the Continental Army. His choice of battlefields and erection of fortifications contributed greatly to the brilliant victory of our forces at Saratoga. During the winter of 1782 he was stationed near Charleston, S.C., where he was more conspicuous as an officer of cavalry than as an engineer. He was among the first of the Continentals to enter Charleston after its evacuation by the British. On October 13, 1783, Congress made him a brigadier general.

Having served this country brilliantly, in July of 1784 he returned to his native Poland, hoping to carry on the fight for freedom there. For more than 20 years he continued his valiant but unsuccessful efforts for Polish liberty and independence. He died in exile in Switzerland in 1817.

Kosciusko's name will live forever—symbolic of man's age-old struggle against the forces of oppression. It is fitting that on the anniversary of his birth we pay tribute to the memory of a valiant champion of liberty and justice for all mankind.

RACKETEERING

The SPEAKER pro tempore (Mr. BONNER). Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, the local press last night and again this morning carried illustrations showing the chairman of the Senate Rackets Committee, Senator MCCLELLAN, and his counsel, Robert Kennedy, pointing to a jukebox. They seemed to be interested in how it operated. In committee hearings they are interested in who determines when and by whom they shall be used and how much do the extortionists take for servicing them. In the paper this morning clear across the front page is a streamer telling again about the jukebox investigation.

In Newsweek of February 9, 1959, under the heading "The Great Jukebox

Shakedown," we find a paragraph that states:

> The owner of a small Chicago confectionery speaks: "The man from the syndicate came around and told me that they were going to put a jukebox in my store." I said: "Fine, how much do I get out of it?" And he said: "If you're nice about it, you can keep your health." But he ain't been too bad. He gives me 25 percent of all the money that goes into the machine.

Someone might think from reading these magazines and the daily press that this jukebox business as practiced by racketeers is news. Well, it is not. Some 35 years ago a similar situation was in existence in Michigan. I had apples to sell. I live over on the west side of the State and I wanted to send them over and did send them over to the Detroit market. A lot of CIO boys and a lot of Teamsters like apples and, of course, I wanted to get them there and on the market as cheaply as possible, considering, of course, my own interest.

But when they got the apples over there, do you know what happened? I could not get those apples off of my own truck and on the market unless I paid a union man $25 to watch the hired man unload them. Was not that a sweet situation? Of course, the $25 had to go on the price of the apples. So the union boys paid that much more for every one they bought. There is no getting away from that. That is it. And with everything one buys where an unnecessary payment is added.

Somewhat later I learned in a congressional hearing being held in Cleveland in 1953 that the AP—a big organization—I was a little fellow and I could not do anything except ship my apples to Grand Rapids—which I did—could not unload its groceries at its own warehouse docks in Cleveland unless they paid $25 for the privilege. It was just that bad. That was 6 or 7 years ago.

Now, here is this committee in the other body, the McClellan committee, which is doing a wonderful job, as is its staff, again putting on the record the deplorable situation that exists in the jukebox industry, where the law is still being violated, where racketeering and extortion is nationwide and a daily procedure. When will the Congress legislate in the interest of, for the benefit of, all rather than for just a minority group.

This jukebox business is not news, at least it is not new. The present situation is just a repetition, or rather a continuation, of what has been happening for many years. I hope the committee will continue to keep that situation before the public. The disclosure it is making is many, many times larger than anything heretofore put on the record.

Away back in 1953—and before me is a copy of those hearings—beginning on page 63, you will find a statement by the president of a milk drivers' union. How he got mixed into it I do not know, unless he was selling milk to a storekeeper and found his deliveries curtailed. He branded the Teamsters' demand for that $25 union dues as a racket. He testified under oath it was a racket. That was a union leader, the president of the union, local No. 361.

Along came Mr. Presser. If you have been following the hearings you have heard of Mr. Presser, a gentleman in Ohio. He testified, and what did he say? What, in substance, did he testify to? He testified that if anyone wanted to operate a jukebox in Toledo—the same situation existed in Detroit—those jukeboxes had to be serviced by the member of a certain union, or else. What does the "or else" mean? It meant the store building was damaged, it meant that the Teamsters Union would not deliver beer, cigarettes, food, or anything else to the fellow who was operating the place—coercion of the worst kind, unless the money was paid over to the racketeer who hid behind a union card.

Racketeering? Of course, it was racketeering and extortion—continuous over at least 7 years as shown by the record and long before.

Then there is Buffalino. You have heard about Buffalino. You heard about him in 1953 in those other hearings. Buffalino is the expert who has heart failure—heart trouble, I should say; his heart does not fail him, and neither does his gall—he has heart trouble every time he is subpenaed as a witness, and he can always find a doctor or two who come along with a certificate that if he is made to appear before a committee in answer to a subpena, his health will be endangered. The number of people whose health and physical well-being have been endangered by Brother Buffalino just runs into the hundreds. They do not have heart trouble. They have trouble with their heads when they are cracked and with their faces when they are disfigured. That is the kind of trouble they have; trouble that the doctor cannot prevent, but a law officer could.

What is the point of all this? The point is that, while the McClellan committee is doing a wonderfully fine job on the Teamsters, they have not gotten around to Reuther. No, I want to strike that; that would not be good in the RECORD, Mr. Speaker, and I ask unanimous consent to strike it out in my revision.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. The McClellan committee has the money, the staff, and is doing the job which every good citizen familiar with its activities hopes will continue, 50 times as effective as that of any other committee which has tackled the job, and public opinion is now such that it cannot be throttled. But the record in the clerk's office shows that some 180, I think it is, Members of this House have received financial contributions; a Republican or two just here and there, spotted only like a defective apple in a barrel, and not many of them from unions. And, I cannot help but wonder whether that has anything to do, because of our charity and gratefulness for a gift or a kindness, with the way we fail to act as legislators concerned with the welfare of all the people.

I want now to talk to the Republicans for just a moment or two. Democrats, please do not listen. What I am wondering, my friends, is when our Democratic friends on this side will awaken to the thought, the truth, that what the union contributors are doing is not helping the Democratic Party or the Democratic candidates. What they are doing is strengthening themselves, their own political organization—getting ready to take over the National Democratic Party just as they have taken it over in Michigan. I wonder when folks are going to awaken to that fact over there on the Democratic side and quit going along.

You remember last year when a Member on that side was a candidate in a primary, and what these contributors in Wayne County did? They put another candidate in the primary. The Democratic candidate and his father, both Members of the House, had gone along conscientiously and honestly, in my judgment, with the CIO; but, when the opportunity came and they thought they could liquidate him, in they jumped with a union candidate. They did not do it, thank the good Lord, because the voters resented their treachery. But they did make the effort—they put their candidate in, a union member, and put their money back of him, and that is just what they will do to the Democrats who take their money and go along just as soon as the union leaders think they have the strength to win. The instant the union boss thinks he has the votes—zip, and out comes the rug from under the Democratic candidate, and he will hit the floor so hard when that day comes that he will not be able to understand what happened to him.

Here is a cartoon that came to one of our colleagues from Missouri, the only Republican, I think, from Missouri, Mr. CURTIS. This came from the secretary of this union and it pictures the Republican Party elephant with a swelled head. Well, we have not had any swelled heads since last November. Do not make that silly charge. We are getting next to the facts of life, and some of us are beginning to realize that we have to stand up to fellows like Soapy Williams and his boss, Reuther, or forget about the welfare of our State and perhaps the welfare of our country.

This cartoon shows an elephant and below we find this: "With great big ears and small brain, too."

That may be true, but at least we are not fooled as are some of our Democratic friends—into the belief that the CIO boys who contribute to your campaign are real friends—the CIO and A.F. of L. politicians are just fattening you up for slaughter on election day. They will stick the knife in and twist it around the first time they get a chance.

This follows the first line:

> The party symbol's right for you—
> We're fed up with your big gung-ho!
> Why don't you pack your trunk—and go?

Well, we might just as well, so far as getting any contributions from them for political purposes. They do not give us any. Nor do we wish to be

"stooges" swallowing legislation which is unsound and will ruin our country. What is the point of all this?

This is the point. While the McClellan committee and its staff are doing a remarkably fine and exhaustive job, there are two things to keep in mind. They have not reached the point where they will really go into the Reuther camp. In addition to this horrible picture which they are putting on the record by their hearings, I suggest that they bring down a few of those people who have been ruined by the racketeering of the unions—say a father, the owner of the business, a mother and her kids in rags, because he has been put out of business, the kids being hungry, without a proper and comfortable home all because of union activities. The picture must be made dramatic because otherwise, no one pays any attention any more to extortion or abusive conduct. People are familiar with that picture. They have hardened their hearts and refuse to see or act. If the press and TV, the editors and a few of the columnists would show the picture as disclosed by the committee, and its effect upon all of us, some action might result. I do not usually pay any attention to what happens to my good friend from Virginia, Mr. HARDY, and he does not pay any attention to what happens to me. Neither is interested unless it is something unusual. But when something happens to either one of us we get on the ball, do we not? Our people have become accustomed to violence on the picket line, to extortion—we ignore the facts—it affects us all—think only the fellow is hit. My hope is the McClellan committee will make each of us realize that under present policies none will go unscathed.

That is the point and the only point I am trying to make.

INFLATION AND PUBLIC POLICY

The SPEAKER pro tempore (Mr. BONNER). Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 10 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, incidentally, I might say to the gentleman from Michigan, that that was the only contribution I received from the labor leaders in my district—this valentine.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. CURTIS of Missouri. I yield.

Mr. HOFFMAN of Michigan. That came in after the election, did it not?

Mr. CURTIS of Missouri. That is true.

Mr. HOFFMAN of Michigan. Then you cannot call it a contribution.

Mr. CURTIS of Missouri. I might say, Mr. Speaker, I thought it was very humorous and I enjoyed it.

Mr. Speaker, last September the Joint Economic Committee of Congress sent a questionnaire to 1,500 economists in 150 colleges and universities on the subject of inflation and public policy. The replies have now been published by the Joint Economic Committee with a press release by the gentleman from Texas, Mr. PATMAN, who was chairman of the Joint Economic Committee when the survey was taken. I do not mean that the press release was published by the Joint Economic Committee.

I have notified Congressman PATMAN's office that I was going to take the floor because I wanted to discuss to some degree his press release. Before discussing it I want to say that I have been endeavoring for many years, with some degree of success but largely lacking in success, to bring onto the floor of the House public debate where it should be. This business of issuing press releases that are not subject to the rebuttal of those who may disagree with them is no way, in my judgment, of moving forward the public's business. I believe that if Congressmen want to comment on things of a public nature, they should take the well of the House or the Senate and subject themselves to rebuttal.

In view of the characteristic bias of many of our good academic economists in favor of maximum employment at any cost, it is really remarkable that this survey turned up as conservative an overall response as it did. In fact, it was quite conservative.

I point out what I think are the salient findings.

First. Sixty percent of the economists said they thought it feasible to have high employment and price stability over short periods; 73 percent said this was feasible in the long run.

Second. Exactly 36 percent said they would accept an unemployment ratio—and this was a surprising thing—an unemployment ratio between 5 and 7 percent as a "condition for achieving a high degree of price stability." Thirty percent would insist on a lower ratio; the remainder would allow the ratio to go even above 7 percent.

Third. Seventy-five percent said they thought tight money had helped dampen inflation in 1955–1957 and 70 percent—contrary to Congressman PATMAN's viewpoint—said they did not think tight money had contributed to rising prices.

Fourth. Despite a very inept wording of the question, 50 percent of the economists said they thought that wage increases in excess of productivity improvement had contributed significantly to rising prices in recent years.

Fifth. Fifty percent or better said they thought Federal Reserve policy had been used appropriately in the recent recession.

I want to call attention to a very serious mistake in the press release of the gentleman from Texas. He says that two-thirds of the economists believe that our banking facilities have important inadequacies. Actually, only about 25 percent took this viewpoint.

I shall not attempt to explain why the gentleman from Texas [Mr. PATMAN] made the statement that he did in his press release, but in fairness I think his full press release on this subject should be put in the RECORD.

The gentleman from Texas pointed out that:

> The bankers of the country might well find cause for some thoughtful self-examination in the fact that nearly two-thirds of these economists, all trained as objective observers of economic institutions and practices, indicated that they felt there were important inadequacies in the banking facilities of the country, growing out of the tendency of bankers to content themselves with holding riskless assets in the form of Government and Government-guaranteed bonds and loans at ever higher interest rates rather than to function as vigorous and enterprising suppliers of funds to business by meeting local banking needs.

It is possible that the gentleman from Texas simply made an error, because he took part (b) of this question, which appears on page 8 of the committee report, where it said:

> If your answer is yes, that there are important inadequacies of banking facilities, what is the cause?

And several causes are listed. Of those who did answer "Yes," 61.6 percent did say there was a tendency of bankers to hold riskless assets, Government and Government-guaranteed bonds and loans, rather than to function as enterprises meeting local banking needs.

The rest of the comments in the press release of the gentleman from Texas are not on the question, but as to the 61 percent; this was only 61 percent of the 20 percent who said that there were important inadequacies of banking facilities. So far, from two-thirds of these trained, objective observers of economic institutions and practices, as the gentleman from Texas calls them, saying this, it is less than two-thirds of about one-fifth, or two-fifteenths, which is a very small group.

As a matter of fact, in answer to the basic question whether important inadequacies of banking facilities existed, with respect to three items on the national level:

First. Business needs—the answer was yes; 20.25 percent thought there were inadequacies, but 57 percent thought there were not.

Second. Were there inadequacies in the broad public interest?—26 percent thought there were, but 50 percent said no. On assuring adequate competition, 26 percent thought there were inadequacies, but 48.6 percent thought there were none. So just the reverse was true as a result of this question as sent out—just the reverse of what the gentleman from Texas said in his press release.

Further, in his press release he makes this statement:

> It should, moreover, prove of interest to the Congress in evaluating the recent proposals of the President for amendment of the Employment Act of 1946 to know that more than half of the economists responding would give greater emphasis to maximum employment than to price stability as an objective, if the two objectives were not wholly compatible. Only 18.4 percent would give greater emphasis to price stability.

This is an unfair comment on the President's suggestion for amendment to the Employment Act. The President had suggested merely that the Employment Act be amended to include price stability as one of the goals in our employment procedures and practices.

I, personally, I might say, do not agree with the President in this area simply

because I think the Employment Act implies that price stability, of course, is one of the goals. But in light of the confusion that certain people, including Congressman PATMAN, in this press release—the confusion that some people are trying to create in the minds of the people about the need and the value of price stability, perhaps, it might be better if it was expressed explicitly in the act. The real point I am making is that the majority, and the overwhelming majority, of the economists who answered that question thought that we could maintain maximum employment and maintain stability and a general price level at the same time. I think it was 73 percent of them, felt that that could be done. Those economists, I daresay, are agreeing thereby that price stability is a very basic objective in the Employment Act. Whether it should be a stated objective in the act is to a large degree a matter of semantics. Certainly, though, Congressman PATMAN's press release stressing the relative importance of maximum employment in respect to price stability in the opinion of the economic experts is beside one point of the President's recommended change to add price stability as one of the objectives of the Employment Act.

In closing I would like to observe that I question one value of questionnaires such as the one sent out by the Joint Economic Committee. I think it is a technique the Joint Economic Committee should not have used in this instance, and I trust it will not be used again. What are economic facts cannot be determined by selecting a group of experts, however expert, and obtaining their majority vote by letter ballot. What is true is not changed one jot or tittle by the proclamations of thunderous majorities. If this were not so the sea Xerxes whipped would have whimpered and the tide Canute told to stop, done so.

FEDERAL AID TO EDUCATION

The SPEAKER pro tempore (Mr. BONNER). Under previous order of the House, the gentleman from New Jersey [Mr. FRELINGHUYSEN] is recognized for 10 minutes.

Mr. FRELINGHUYSEN. Mr. Speaker, last Monday, February 9, I introduced two bills, H.R. 4267 and H.R. 4268, designed to carry out the administration's program to strengthen American education. As ranking minority member of the General Education Subcommittee of the Committee on Education and Labor, I am particularly hopeful that immediate consideration can be given to H.R. 4268. This bill should assist many needy school districts throughout the country to build new classrooms—possibly as much as $3 billion worth in the next 5 years.

No matter how one feels on this matter of Federal aid, it is hard to deny that there is a persistent, widespread, substantial, and serious shortage of classrooms. In every State, there are school districts which cannot meet their classroom needs solely from their own resources. The handicaps which millions of children endure because of overcrowded and inadequate facilities is a serious national problem.

President Eisenhower has suggested in the past that Federal action to alleviate this situation will be necessary. His recommendations formed the basis for legislation which was considered in the House both in 1956 and 1957, but which unfortunately was defeated on both occasions. The current recommendations represent another effort to suggest a reasonable role for the Federal Government in the solution of this shortage of classrooms.

At this point I should like to summarize the main elements of H.R. 4268.

GENERAL

The bill would authorize a 5-year program of assistance to needy school districts in meeting the debt service, that is, annual installments of principal and interest, on bonds or other obligations issued to finance construction of urgently needed elementary or secondary public school facilities. This assistance would be in the form of Federal advances to pay one-half the annual debt service on such bonds, with the State advancing the other half.

PROHIBITION AGAINST FEDERAL CONTROL

Federal interference, in the administration of the bill, with the personnel, curriculum, or program of any school would be prohibited.

ALLOCATIONS

The bill provides for allocating amounts each year among the States to serve as maximums on the school construction bonds on which the Federal Government would undertake to make advances. This maximum for a State would apply for the year for which the allocation was made, but any part of it not used in that year would be available for the same purpose for the next year—along with the new allocation for that year.

The total available for allocation among the States for this purpose for any year would be the amount, not exceeding $600 million, specified in appropriation or other law for such year.

The allocations to the States would be made on the basis of three factors—the relative State income per child of school age, the relative number of public school children, and the relative State effort for school purposes. Subject to adjustment on account of the State's school effort index, each State's allocation for the year would be equal to an amount bearing the same ratio to the total available for allocation for that year as the product of, first, the number of children in average daily attendance in public elementary or secondary schools in the State multiplied by, second, the State's allocation ratio, bears to the sum of the corresponding products for all the States.

A State's allocation ratio would depend on the income per child of school age for the State as compared with the income per child of school age for the United States, with the ratio for the State at the national average being 0.50 and the ratios for the other States varying inversely with their relative incomes per child of school age between a minimum of 0.25 and a maximum of 0.75.

The income per child of school age for any State would be the total personal income for the State divided by the number of school-age children in the State. The income per child of school age for the continental United States would be similarly computed.

The allocation ratios are to be promulgated as soon as possible after enactment of the bill and again in the third calendar quarter of 1961. They will be based on data averaged for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. The first promulgation will be conclusive for the period from July 1, 1959 through June 30, 1962, and the second for the period from July 1, 1962, through June 30, 1964.

Special provisions are provided for Alaska prior to the time satisfactory per capita income data are available for it. Before such data are available for a full year, Alaska's allocation ratio will be 0.75.

STATE SCHOOL EFFORT INDEX

Allocations determined as provided above would be reduced by the percentage, if any, that the State's school effort index was less than the national index; and the total of the reductions would be added to the allocations of the States not so reduced, in proportion to their original allocations for the year, determined as provided above.

A State's school effort index would be determined on the basis of the ratio of school expenditures per child in average daily attendance in public elementary or secondary schools to the State's income per child of school age. The national index would be based on these figures for the continental United States—which excludes the District of Columbia and, for a temporary period, Alaska.

The State and national indexes would be deemed equal for Hawaii, Puerto Rico, the Virgin Islands, and Guam and for any State whose expenditures per child in average daily attendance in public elementary or secondary schools were not less than those for the continental United States. This assumed equality would also apply temporarily in the case of Alaska.

The school expenditures referred to above would include expenditures by States and subdivisions thereof for elementary or secondary education made from funds derived from State or local sources. These would be determined by the Commissioner of Education for the most recent school year for which satisfactory data from the States are available to him. The number of children in average daily attendance would be similarly determined.

The income per child of school age for the States and the continental United States—mentioned above—would be determined on the basis of data for the most recent year for which satisfactory data are available from the Department of Commerce.

STATE PLANS

Before the Commissioner could undertake to make Federal debt service advances on bonds or other obligations issued to finance the construction of schools in any State, the State would

have to submit and have approved a State plan which provides for administration by the State educational agency.

The State plan would provide for limiting the Federal—and State—advances to local educational agencies which undertake to exert a reasonable tax effort—determined under the plan—in financing their school-construction needs, and which would be unable, if they exerted this reasonable tax effort and fully utilized resources from all sources to pay the debt service on bonds issued to finance the buildings they need. Federal and State advances must also be limited to bonds issued to finance the construction of urgently needed schools; that is, schools needed to relieve or prevent overcrowding, double shifts, or unhealthful or hazardous conditions.

The plan would set forth standards and procedures for determining a reasonable tax effort for each applicant local educational agency. The standards and procedures would assure that the tax effort so determined will be a reasonable one in the light of the taxable resources of the local educational agencies, the local and State shares in financing school construction, and the tax effort and methods of financing used by local educational agencies in the State. An approvable plan would also set forth priority standards and procedures which assure that the highest priority will be accorded to local educational agencies which are least able to finance the full cost of urgently needed school facilities, and that the order of priority will in other respects be based on relative need for financial aid in construction of such facilities and relative urgency of need for such facilities.

Finally, approvable State plans would provide for establishment of State standards for planning and construction of school facilities, for affording an opportunity for a hearing to unsuccessful project applicants, and for the making of the reports to the Commissioner of Education which he needs to administer the act.

DEBT SERVICE COMMITMENTS

For each local educational agency whose application is approved, the Commissioner would make a Federal debt service commitment obligating the Federal Government to make advances for payment of one-half of the annual debt service on the obligations covered. These obligations could be to finance all or a portion of the construction of a school facilities project. The latest maturity of obligations, in any issue thereof, would have to occur in 20 to 30 years, with the first payment of principal due before the end of the third year after issuance.

Applications of local educational agencies would be submitted by the State educational agency to the Commissioner with a request for a Federal debt service commitment. The State would certify that, first, the local educational agency is eligible for the commitment and the construction project is entitled to priority over other projects in the State under the standard priority standards and procedures in the State plan; second, the project is consistent with applicable State redistricting plans or policies and is in accord with applicable State construction laws and standards; and, third, the financing of any portion of the cost of the project which is not to be financed from obligations covered by the commitment, has been arranged.

The State educational agency would also have to accompany its request for the commitment with satisfactory assurance that the local educational agency will take appropriate steps to secure the most favorable rate of interest and other terms for the obligations to be issued to finance the construction of the project, and that the local educational agency will, during the life of the obligations and for 10 years thereafter, exert the tax effort determined to be reasonable under the State plan and apply any surplus of revenues thereby produced to payment of the debt service on the obligations until they are retired.

After the obligations are retired, one-half the surplus produced during the next 10 years would have to be applied to repayment of the advances made under the Federal debt service commitment, plus interest from the date of retirement of these obligations, the interest rate to be based on the rate for Federal obligations having maturities comparable to the 10-year repayment period; if one-half the surplus produced during this period does not suffice to repay the Federal advances plus interest, repayment would be forgiven. The other one-half of the surplus would be used to repay the State debt service advances or would be retained by the local educational agency in case the State did not require repayment.

The amount of the surplus produced by the local educational agency's reasonable tax effort would be the amount which remained after applying the proceeds of this effort—and any other resources available to the agency for paying school construction debts—to payment of financing charges on school construction debts incurred prior to the request for Federal assistance, and on debts for school facilities projects incurred after the request but approved by the State educational agency as being needed to prevent or relieve overcrowding, double shifts, or unhealthful or hazardous conditions.

STATE MATCHING REQUIREMENTS

No Federal debt service commitment could be made under the bill to advance half the debt service on any obligations unless the State made an equal commitment to advance the other half. However, instead of so committing itself, the State could make a capital grant covering a portion of the cost of the construction project; in such case the Federal debt service commitment would be to pay the full annual debt service on so much of the obligations issued to finance the rest of such cost as did not exceed the amount of the capital grant by the State. The Federal Government and the State would share equally in the annual debt service payments on any remaining obligations.

The State educational agency could make its commitment to advance one-half the debt service on obligations of a local educational agency without requiring any repayment by the latter. Or it could require that all or any part of its advances of debt service to be repaid—with or without interest—after the obligations have been retired, from the surplus proceeds produced by exercise of a reasonable tax effort and the use of other resources available for school construction financing purposes. During the first 10 years after retirement of the obligations, of course, this repayment would be made through sharing with the Federal Government in the surplus proceeds of the local educational agency. Thereafter the full surplus could be applied to repayment of the State advances.

PAYMENT OF FEDERAL ADVANCES

Advances by the Commissioner of Education on the Federal Government's one-half of the annual debt service on obligations covered by any Federal debt service commitment would be made by the Commissioner from time to time, in advance or otherwise, to the agency, person, or persons designated in the State educational agency's request for the Federal debt service commitment. As previously indicated, advances in any year would be reduced to the extent of any surplus revenues produced through exercise of the required reasonable tax effort and applied toward such debt service.

STATES EXCLUSIVELY RESPONSIBLE FOR SCHOOL CONSTRUCTION FINANCING

In some States or Territories a State agency may have exclusive responsibility for financing the construction of school facilities. In others, a State agency may have exclusive responsibility for financing such construction for particular areas, such as unorganized territory. The Commissioner would be authorized to modify or make inapplicable to such State, or area of a State, any provisions of the bill which he determined to be inappropriate by reason of the absence of a local educational agency or agencies responsible for school construction financing, to the extent he deemed such action necessary in order to achieve the purposes of the bill.

FAILURE TO EXERT REASONABLE TAX EFFORT

If any local educational agency with respect to whose obligations a Federal debt service commitment has been made fails, in any period during the life of the obligations and the 10 years thereafter, to exert the reasonable tax effort required pursuant to the State plan, it would be obligated to repay to the United States the additional amount it would have paid toward the annual debt service—or toward repayment of the Federal advances, plus interest—for the period involved had it exerted the required reasonable tax effort.

ABANDONMENT OF FACILITIES

The Federal advances—or such lesser amount as may be determined to be reasonable by agreement or Federal district court suit—would have to be repaid to the United States if the construction of facilities financed by obligations with respect to which the Federal advances were paid is abandoned or not completed within a reasonable time.

LABOR STANDARDS

The Commissioner would not be able to make a Federal debt service commitment for financing the construction of school facilities except upon assurance that labor standards, relating to payment of prevailing wages and overtime pay for work in excess of 40 hours per week, or 8 hours per day, would be observed in such construction.

ADMINISTRATIVE PROVISIONS

The Commissioner would be authorized to agree to modifications of Federal debt service commitments and of the obligations with respect to which commitments have been made. He would also be authorized to waive or compromise claims. His financial transactions under the bill, while subject to audit by the General Accounting Office, would be conclusive on all other Government officials.

COURT ACTION

Suits would be authorized in the district courts of the United States by any person holding bonds covered by a Federal debt service commitment, to enforce any undertaking of the Commissioner under the commitment.

DEFINITIONS

A number of terms used in the bill are defined. These terms are Commissioner, State, State educational agency, local educational agency, debt service, annual debt service, school facilities, obligations, and construct, constructing, and construction.

WITHHOLDING OF FUNDS AND JUDICIAL REVIEW

Notice and hearing to the State educational agency would be required before Federal debt service commitments to the State could be suspended for failure to comply with the required provisions of approved State plans. A State agency dissatisfied with such suspension could obtain judicial review thereof in the Federal circuit court of appeals.

MISCELLANEOUS

Utilization of other Federal agencies in administration of the bill would also be authorized, as would be delegation of the Commissioner of Education's functions under the bill to personnel of the Office of Education.

CONSUMER INTERESTS AND STABLE PRICE LEVEL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. ZABLOCKI] is recognized for 15 minutes.

Mr. ZABLOCKI. Mr. Speaker, I have today introduced three legislative proposals intended to protect the interests of the consumers, and to promote reasonable stability of the price level in our economy. These objectives are vitally important to each and every one of us—and specifically to the average taxpayer. For that reason, I hope that this legislation will receive early and favorable consideration from the 86th Congress.

My concern for the problems of the consumer is not new. As early as 1953, I introduced my first resolution proposing the establishment of a joint congressional fact-finding committee to protect the consumers' interests. I believe that the objectives of that resolution are sound, and that its enactment is as badly needed today as it was when I first introduced it 5 years ago.

For that reason, I am reintroducing that particular resolution today. In addition, I introduced two other proposals which go with it hand-in-hand. One of them would direct the Federal Trade Commission to undertake an immediate study of the consumer dollar, to see what that dollar goes for, and how its purchasing power can be safeguarded. The second proposal would amend the Employment Act of 1946 to include reasonable stability of the level of consumer prices among the objectives which should be pursued by the Federal Government.

I would like to comment briefly on each of the three proposals which, taken together, constitute a package approach to the solution to the grave problems which are being met daily by the average consumer.

COMMITTEE ON CONSUMER INTERESTS

During my service in the Wisconsin State Senate, and in the Congress of the United States, I have noted repeatedly that the consumers, as a whole, have very little organized representation to counterbalance the power of producers' lobbies.

In passing laws affecting commerce, agriculture, labor, and industry, our legislators carefully consider the expected effect of such laws on the various producer groups. The interests of the consumers, who come at the end of the producer, processor, distributor, consumer chain, are treated as secondary and subordinate to producer interests.

Broadly speaking, each of us is a consumer—the buyer of goods and services. Yet when people approach Congress to make their views known on certain bills, they invariably do this as members of a given producer, processor, or distributor group. The people who appear before congressional committees to testify for or against given legislation, in a great majority of cases represent such groups as the automobile manufacturers, the meatpackers, the bread bakers, and so on. Only very seldom is the voice of the great consuming public—of the people who buy those goods—ever heard.

This is not right. Virtually all congressional decisions and Government policies ultimately affect the consumer. Consequently, careful and thorough consideration should always be given to the potential effect of all legislative bills and Government policies on the average consumer.

The special congressional Committee on Consumer Interests which I have proposed would help to assure that this objective will be fulfilled. The job of this committee would be to investigate the impact of proposed legislation on the consumers—and to furnish their findings to other congressional committees and to the public. In that way, we will make certain that the interests of the consumers are never overlooked, or made subservient to the interests of various producer groups.

The first resolution which I have introduced today provides for the establishment of such a congressional committee. As I mentioned earlier, this proposal has been before the Congress for a number of years. I sincerely hope that action will be taken on it this year.

STUDY OF THE CONSUMER DOLLAR

My second proposal calls for an immediate and thorough study, by the Federal Trade Commission, of the consumer dollar.

This study would have the following objectives:

First. To determine what portion of consumer expenditures in the United States may be attributed to each of the following: Labor costs, material costs, costs of distribution, advertising costs, profits, and other factors;

Second. To determine what portion of consumer expenditures in the United States for food and other farm products is realized by the farmer, by the processor, by the distributor, and by other persons;

Third. To determine the relationship between prices, profits, and wages;

Fourth. To determine the factors primarily responsible for inflation and deflation in the economy of the United States; and

Fifth. To determine if any measures are necessary to safeguard the position of the consumer in the economy of the United States.

We need this information to know where the consumer dollar really goes—and how we can safeguard its purchasing power.

Some persons may point to the activities of various Government agencies presently engaged in the work of gathering and compiling statistical information, and question the need for the study which I have proposed. I would, therefore, like to elaborate on the need for this particular undertaking.

It is true that several Government agencies, including the Federal Trade Commission, presently gather and publish statistics on prices, profits, wages, and so on, in our economy. The wage-and-hour data gathered by the Bureau of Labor Statistics is a case in point. I could cite other statistical series, such as the Federal Reserve Board's index of industrial production, Labor Department's consumer and wholesale prices indexes, Commerce Department's income statistics, the Agriculture Department's figures on farm income and production, and many others.

The fact remains that each one of these series is compiled with a specific, limited purpose in mind. The Consumer Price Index, for instance, measures the average change in prices of a predetermined "basket" of goods and services purchased by urban wage-earner and clerical-worker families within certain income brackets. It is not a general cost-of-living index. It tells us only about the average change in prices of certain types of goods and services, purchased by certain types of families, in specifically designated areas. It is a valuable source of information—but of information which has specific and limited application.

What I have said is not intended to reflect in any way either on the Consumer Price Index, or on any other statistical series compiled by our governmental agencies. I am merely trying to show that these series, taken individually, do not answer the questions which I have raised—the questions about the relationship between prices, wages, and profits; about the causes of inflation; and about a detailed breakdown of the consumer dollar, and it is precisely these questions that must be answered if we are to adopt programs and policies aimed at protecting the interests of the consumers.

So what we need at this point is not a new, lengthy project involving the gathering of information all over the country. What we need, instead, is a thorough, impartial, and expert review and analysis of the many individual statistical series presently available, to see whether we can arrive at some conclusions about the issues that I have mentioned.

I believe that the Federal Trade Commission is the logical agency to fulfill this task. The Commission already has a large store of information relating to these issues, and it has an expert staff well versed in this type of work. For that reason, my resolution proposes that the study be conducted by the Federal Trade Commission, with such aid and assistance from other appropriate Government agencies as may be needed and necessary.

BENEFITS OF THIS INVESTIGATION

The information obtained through such a study would be of great help to individuals, to groups, and to governmental bodies throughout our Nation.

It would be helpful to businessmen and investors. The individual businessman could compare his costs with those of the industry, and thus get some idea as to his relative efficiency. Similarly, investors and financial institutions would be provided with a standard against which they could compare the efficiency of business concerns seeking financial assistance.

The consumer would know who is getting his dollar. When he pays a price at the store, he would know how much of that price goes to the retailer. How much to the wholesaler. How much for transportation. How much for materials, labor, overhead, and so on, in the production of the item.

Our Government, too, must have adequate facts if it is to deal intelligently and responsibly with the major interest groups in our country. I believe that the study which I have proposed would aid our Government in fulfilling its responsibilities to our people.

AMENDING THE EMPLOYMENT ACT OF 1946

My third proposal calls for an amendment to the Employment Act of 1946. It would amend the act by including "reasonable stability of the level of consumer prices" among the objectives which should be pursued by the Federal Government.

I believe that the implications and the importance of this proposal are self-evident. Creeping inflation can blight the lives of millions of our people, and seriously damage the strength of our entire economy. Inflation robs people of their savings, cuts into the purchasing power of the dollar, and generates never-ending price increases. It hits hardest those who can least afford to stand its damaging effects: the widows, the older folks, the workers earning low wages, and those with limited, fixed incomes or salaries.

Surely, if the Federal Government has any concern for the interests of the average taxpayer and consumer, it cannot remain indifferent to the hardships wrought by creeping inflation. The Federal Government should, and must, lead in the battle against inflation.

The amendment to the Employment Act of 1946 which I have proposed will not of itself lick inflation. It will, however, place our Federal Government squarely on record in acknowledging its responsibility to promote reasonable stability of the level of consumer prices. This in itself is very important, and it should aid in safeguarding the interests of the consumers and in furthering a balanced growth of our economy.

CONCLUSION

Mr. Speaker, I have briefly outlined the three proposals included in my package approach to the problem of protecting the interests of the consumers.

I sincerely hope that they will receive early and thorough consideration from the 86th Congress.

THE DAVIS-BACON PREVAILING WAGE ACT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Rhode Island [Mr. FOGARTY] is recognized for 10 minutes.

Mr. FOGARTY. Mr. Speaker, I have today reintroduced my bill to modernize the Davis-Bacon Prevailing Wage Act. This bill has four major objectives. They are:

First. To broaden the coverage of the present act by adding to the present coverage (a) all nonfarm construction in excess of $25,000 in value, at least one-third of which is financed by Federal funds, loans, payments, grants, or contributions; and (b) all federally insured or guaranteed loans for the purpose of financing any nonfarm construction program other than housing developments of less than 10 units.

Second. The term "prevailing wage" would be modernized by requiring the Secretary of Labor to predetermine and Government contractors would be required to pay not only the prevailing hourly rate as presently covered in the Davis-Bacon Act but also prevailing employer payments to (a) health and welfare funds, (b) retirement funds, (c) vacation funds, and (d) apprenticeship funds.

Third. Hours of work and overtime are put on a prevailing basis. Under this particular provision of the amendments, the Secretary of Labor would be required to predetermine and Government contractors would be required to pay the prevailing overtime rate for each construction craft on a daily and weekly basis including prevailing practices on Saturdays, Sundays, and holidays. In addition, as a minimum requirement, contractors would be required to pay not less than time and one-half for hours worked over 8 per day, over 40 hours per week, over 5 consecutive days and on Saturdays, Sundays, and the holidays.

Fourth. Enforcement centralized and Construction Appeals Board created. Under this particular amendment, the Secretary of Labor would have (a) authority to make uniform enforcement procedures for all Federal Government contracting agencies; (b) direct power—including the use of subpena—to investigate violations; and (c) authority to apply violation penalities, including authority to blacklist.

In addition my bill provides for the creation of a Construction Appeals Board appointed by the President consisting of one representative from the public, one from contractors, and one from labor. This three-man independent board would be required to speedily review and issue final decisions on, first, the Secretary's wage predeterminations; and second, the Secretary's findings of violations.

These four major amendments are necessary so that Federal money will not be used to destroy prevailing wages, hours of work and working conditions and to eliminate the present bidding advantage of certain contractors who are not in collective bargaining agreements with unions in those areas where the union conditions are in fact the prevailing practices.

LET US MAKE THE SMALL BUSINESS INVESTMENT ACT OF 1958 A REAL INCENTIVE

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I have today introduced a bill to amend the Internal Revenue Code of 1954 so as to provide further incentive for assistance to small business concerns by small business investment companies operating under the Small Business Investment Act of 1958.

This measure is similar to that introduced in the other body by the Honorable JOHN SPARKMAN. The amendments offered are needed and excellent improvements in order to clarify the intent and purpose of the Small Business Investment Act of 1958.

Very briefly, Mr. Speaker, the amendments to the 1954 Internal Revenue Code are:

First. To permit new companies to receive the same treatment as banks and certain finance companies in the matter of the personal holding company surtax. Presently, investment companies organized under the 1958 act—the purpose of which is to encourage the investment of risk capital—obviously appeal to high-bracket income taxpayers. However,

this type of investor is wary of any arrangement that could subject him to the personal holding company surtax.

Second. To encourage small business investment companies to make long-term loans to new business by means of allowing a tax deduction in an amount equal to 15 percent of the interest received on such long-term loans made pursuant to section 305 of the Small Business Investment Act of 1958. This would encourage loans to new business rather than continuing the current and understandable bias in favor of primarily loaning money to presently well-established corporations. With SBA holding small business investment companies to legal interest rates on straight loans, what inducement is there for a small business investment company to make a long-term loan to a company which presumably is more risky than normal?

Third. To remove the possible imposition of the accumulated earnings tax under section 531 of the 1954 Internal Revenue Code. This tax should not—in my considered judgment—apply to small business investment companies so long as 90 percent of their accumulated earnings and profits are reinvested in long-term loans or equity investments. Potential investors obviously want to know if these companies will be subject to said tax. The Internal Revenue Service has been reluctant to commit itself in this matter. Hence the need for this amendment to clarify the issue.

I also wish to call to the attention of my colleagues that Chairman WRIGHT PATMAN of the Select Committee on Small Business plans other and fuller revisions of the 1958 act which will be of great importance to small business.

The problems and status of small business remain a critical and pressing problem. Therefore it is my hope and belief that all measures which will make the Small Business Investment Act of 1958 more workable, practical, and of real benefit to the small business community will receive early consideration.

RELIEF FOR THE FEDERAL HIGHWAY PROGRAM

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MICHEL. Mr. Speaker, I have today introduced a bill providing that all of the excise tax on automobiles, trucks, buses, trailers, parts, and accessories shall be deposited in the highway trust fund to counter agitation for increase in the Federal gasoline tax from 3 cents per gallon to 4½ cents per gallon to keep the Federal highway program on a pay-as-you-go basis. My bill would provide for a transfer of approximately $1½ billion yearly into the rapidly diminishing highway trust fund and would discourage the Federal Government from further encroaching on a tax area which has already been preempted from the States.

Presently one-half of the 10 percent Federal excise tax on trucks, buses, and trailers is deposited in the highway trust fund, but I see no reason why the entire amount should not be treated the same way to meet the future demands of the building program. I am not unaware, Mr. Speaker, of those who have introduced legislation that would reduce, or eliminate altogether, the 10-percent excise tax; but since so little thought has been given by the Congress to a reduction or elimination of it altogether, it would seem appropriate to me that this revenue raised from the automobile user be put to use that would inure to his direct benefit. Upon completion of the highway construction program, we should definitely do away altogether with these burdensome excise taxes.

As we all know, the Federal highway program was originally scheduled to be a 13-year program to build some 40,000 miles of interstate highways. The program should go ahead at full speed, but we all know costs have increased considerably since the program was initiated. The original estimated cost of $27.6 billion has already risen to a figure in excess of $40 billion, and I still believe it should continue to be paid for out of current revenue. Transfer of the balance of these excise taxes to the trust fund would keep the program on a pay-as-you-go basis.

In the current fiscal year 1959 revenues from the 3-cent Federal gasoline tax are expected to be $2.2 billion. In the next fiscal year 1960 it is estimated to be $2.3 billion, but it should be borne in mind that in 1960 the Federal portion of the highway construction program will cost $3.1 billion. By fiscal year 1962 this should increase to $3.6 billion. If we add the additional $1.5 billion in automobile excise taxes to the trust fund each year, total revenues will come to something like $3.8 billion and give us a cushion for any future increases in costs.

Mr. Speaker, I am aware that, if enacted, my bill would simply cause moneys now flowing into the general fund to be earmarked for the highway trust fund. True, it would cause a temporary imbalance of the Federal budget, but it would move all of us to strive to further reduce spending in those areas where moneys are drawn from the general fund. It would serve to point up to the people something which all of us here in the Congress are aware of but the majority say so little about when talking with our people—that you cannot get one solitary thing from the Federal Government without paying for it. I have, personally, taken the consistent position that those who want something from the Government must pay for it, and it makes no difference to me whether one wants better postal service or an increase in social security benefits, the direct beneficiary should still foot the bill. By the same token, I do not believe the automobile owner and user should be unduly taxed in amounts exceeding that for which he receives a direct benefit from the Government. Automobiles, trucks, and buses are not luxury items in these United States of America. Gasoline certainly cannot be considered a luxury, but continues to be taxed as such, beyond the level of such items as jewelry, furs, and liquors.

Together, Federal and State taxes presently average about 9 cents per gallon which is an increase of a little more than 6 cents over the past 10 years. By 1960, the average could be close to 11 cents per gallon. Putting it in another way, Mr. Speaker, if the proposed 1½-cent increase were enacted, it would mean, in effect, a combined Federal and State sales tax on an average of almost 60 percent of this product. Currently, the average of combined taxes is equal to 80 percent of the refinery price, 54 percent of the wholesale price, and 41 percent of the retail price.

Mr. Speaker, I do not believe America's motoring public is going to stand by and support a further tax increase on the gasoline they consume, knowing that there is currently $1½ billion a year extracted from him by way of excise taxes which could and should be used to provide him with a modern, safe, interstate highway system. We can certainly do the motoring public a good turn by simply revising certain statutory programs to adapt them to present day and future conditions, and this is one important step that ought to be taken.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STEED, for 10 minutes, on next Monday.

Mr. EDMONDSON, for 15 minutes, today.

Mr. ALFORD, for 25 minutes, today.

Mr. ROOSEVELT, for 15 minutes, on Monday next.

Mr. HOFFMAN of Michigan, for 10 minutes, today.

Mr. CURTIS of Missouri, for 10 minutes, today.

Mr. FRELINGHUYSEN, for 10 minutes, today.

Mrs. ST. GEORGE, for 1 hour, on Monday next.

Mr. ZABLOCKI, for 10 minutes, today.

Mr. FOGARTY (at the request of Mr. MCCORMACK), for 10 minutes, today, to revise and extend his remarks and include extraneous matter.

Mr. SIKES, for 15 minutes, on Thursday, February 19, vacating his special order for Thursday, February 12.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MULTER and to include extraneous matter.

Mr. O'KONSKI.

Mr. WALLHAUSER and to include an editorial.

Mr. HORAN and to include articles.

Mrs. DWYER in three instances and to include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. HALLECK).

Mr. SIMPSON of Pennsylvania (at the request of Mr. HALLECK) in two instances.

Mr. HECHLER.
Mr. BROYHILL.
(At the request of Mr. MCCORMACK, and to include extraneous matter, the following:)
Mr. FOGARTY.
Mr. ANFUSO.
Mr. WILLIS.
Mr. MCCULLOCH (at the request of Mr. HALLECK).
Mr. POAGE.
Mr. MCGINLEY.
Mr. THOMPSON of New Jersey.
Mr. ALGER.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 79. An act to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances; to the Committee on Interstate and Foreign Commerce; and

S. Con. Res. 7. Concurrent resolution extending best wishes of Congress to the American Dental Association on the centennial of its founding; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 961. An act fixing the representation of the majority and minority membership of the Joint Economic Committee.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 2 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, February 12, 1959, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

537. A communication from the President of the United States, transmitting proposed supplemental appropriations and other authorizations for 1959 and prior fiscal years, and for other purposes, in the amount of $2,441,334,648, for various agencies (H. Doc. No. 58); to the Committee on Appropriations and ordered to be printed.

538. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 24, 1958, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Walnut Creek Basin, Calif., authorized by the Flood Control Act approved May 17, 1950 (H. Doc. No. 76); to the Committee on Public Works and ordered to be printed with one illustration.

539. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize certain construction at military installations, and for other purposes"; to the Committee on Armed Services.

540. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize the disposal of the Government-owned long-lines communication facilities in the State of Alaska, and for other purposes"; to the Committee on Armed Services.

541. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide improved opportunity for promotion for certain officers in the naval service, and for other purposes"; to the Committee on Armed Services.

542. A letter from the Assistant Secretary of Defense (Properties and Installations), relative to the Department of the Navy requesting approval to proceed with five projects, pursuant to Public Law 85–685; to the Committee on Armed Services.

543. A letter from the Acting Administrator, Foreign Agricultural Service, U.S. Department of Agriculture, transmitting a report concerning agreements concluded during January 1959, pursuant to the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.); to the Committee on Agriculture.

544. A letter from the Attorney General, transmitting the report of the Attorney General on the mercury industry, pursuant to the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

545. A letter from the Secretary of Health, Education, and Welfare, transmitting drafts of two legislative proposals designed to strengthen American education in areas of recognized need; to the Committee on Education and Labor.

546. A letter from the Under Secretary of the Interior, transmitting a report on the operations of the Department of the Interior pertaining to saline water during fiscal year 1958, pursuant to Public Law 448, 82d Congress; to the Committee on Interior and Insular Affairs.

547. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, and 1031) to provide for automatic adjudication and reference in certain cases"; to the Committee on the Judiciary.

548. A letter from the Director, Administrative Office, U.S. Courts, transmitting a draft of proposed legislation entitled "A bill to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds"; to the Committee on the Judiciary.

549. A letter from the Administrator, General Services Administration, relative to the entrance by the General Services Administration into contracts and amendments of contracts during calendar year 1958, pursuant to Public Law 85–804; to the Committee on the Judiciary.

550. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to the case of Cecil Gladstone Ashby, A–10291500, involving suspension of deportation, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

551. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to the case of Young Chiu, A–4455330, involving suspension of deportation, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

552. A letter from the Chairman, U.S. Tariff Commission, transmitting the 42d Annual Report of the U.S. Tariff Commission for the fiscal year ended June 30, 1958, pursuant to the Tariff Act of 1930; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ASPINALL: Committee on Interior and Insular Affairs. H.R. 4221. A bill to provide for the admission of the State of Hawaii into the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H.R. 4320. A bill to amend sections 1612 and 1613 of title 38, United States Code, to provide that, where a veteran eligible for educational benefits on account of Korean conflict service has reentered military service, such service shall not be counted as part of the periods within which his education must be begun and completed; to the Committee on Veterans' Affairs.

By Mr. ANDERSON of Montana:

H.R. 4321. A bill to amend the act of May 20, 1958, to restore the traditional relationship between active-duty pay and retired pay for members of the uniformed services; to the Committee on Armed Services.

H.R. 4322. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

By Mr. ASHLEY:

H.R. 4323. A bill to amend sections 522 and 545 of title 38, United States Code, to increase the income limitations applicable to the payment of pension for non-service-connected disability or death; to the Committee on Veterans' Affairs.

H.R. 4324. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

H.R. 4325. A bill to provide that the Administrator of General Services shall save historic buildings and works of art owned by the United States and shall restore such works of art which have deteriorated or become damaged; to provide high standards of architectural design and decoration for Federal public buildings; and for other purposes; to the Committee on Public Works.

By Mr. BENNETT of Florida:

H.R. 4326. A bill to implement the recommendations of the Commission on Organization of the Executive Branch of the Government with respect to improving management and technical personnel in the support activities of the Department of Defense, and for other purposes; to the Committee on Armed Services.

By Mr. BONNER:

H.R. 4327. A bill to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1965; to the Committee on Merchant Marine and Fisheries.

H.R. 4328. A bill to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BROYHILL:

H.R. 4329. A bill to prohibit the immediate demolition of certain dwellings being acquired in connection with the Chantilly Airport site, Virginia, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BURLESON:

H.R. 4330. A bill to provide for the erection of a Federal and post office building in Snyder, Tex.; to the Committee on Public Works.

H.R. 4331. A bill to provide for the erection of a Federal and post office building in Mineral Wells, Tex.; to the Committee on Public Works.

H.R. 4332. A bill to provide for the establishment of the Fort Griffin National Monument; to the Committee on Interior and Insular Affairs.

H.R. 4333. A bill to provide for the erection of a Federal and post office building in Dublin, Tex.; to the Committee on Public Works.

By Mr. BURNS of Hawaii:

H.R. 4334. A bill to amend sections 220 and 221 of the National Housing Act with respect to the insurance of mortgages covering housing designed for single persons; to the Committee on Banking and Currency.

H.R. 4335. A bill to amend section 34 of the Trading With the Enemy Act to expedite the final determination of debt claims filed thereunder; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER:

H.R. 4336. A bill to provide for the admission of 50,000 refugees; to the Committee on the Judiciary.

H.R. 4337. A bill to amend subsections a, d, e, g, h, and k of section 50 of the Bankruptcy Act (11 U.S.C. 78); to the Committee on the Judiciary.

H.R. 4338. A bill to provide for the retention and preservation of Federal election records and to authorize the Attorney General to compel the production of such records; to the Committee on the Judiciary.

H.R. 4339. A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of court orders; to the Committee on the Judiciary.

H.R. 4340. A bill to amend sections 43 and 34 of the Bankruptcy Act (11 U.S.C., secs. 71 and 62) to simplify the filling of referee vacancies; to the Committee on the Judiciary.

H.R. 4341. A bill to amend clause (1) of paragraph d of section 40 of the Bankruptcy Act (11 U.S.C. 68d(1)) to provide for compulsory retirement of referees in bankruptcy; to the Committee on the Judiciary.

H.R. 4342. A bill to amend the Civil Rights Act of 1957 to afford the Civil Rights Commission an additional 2 years within which to submit its final report, and for other purposes; to the Committee on the Judiciary.

H.R. 4343. A bill to provide for a jury commission for each U.S. district court, to regulate its compensation, to prescribe its duties, and for other purposes; to the Committee on the Judiciary.

H.R. 4344. A bill to amend chapter 49 of title 18, United States Code, to punish flight to avoid prosecution for unlawful destruction of educational or religious structures; to the Committee on the Judiciary.

H.R. 4345. A bill to repeal clause (9) of subdivision a of section 39 of the Bankruptcy Act (11 U.S.C., sec. 67a(9)), respecting the transmission of papers by the referee to the clerk of the court; to the Committee on the Judiciary.

H.R. 4346. A bill to amend the Bankruptcy Act to limit the use of false financial statements as a bar to discharge; to the Committee on the Judiciary.

H.R. 4347. A bill to amend section 4161 of title 18, United States Code, relating to computation of good time allowances for prisoners; to the Committee on the Judiciary.

H.R. 4348. A bill to establish a Commission on Equal Job Opportunity Under Government Contracts; to the Committee on the Judiciary.

By Mr. CHAMBERLAIN:

H.R. 4349. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer with adjusted gross income of $7,500 or less a deduction for the expenses of tuition and certain other fees and charges paid by him for his education or the education of his spouse or any of his dependents; to the Committee on Ways and Means.

By Mr. CUNNINGHAM:

H.R. 4350. A bill to amend the Clayton Act so as to supplement existing laws against unlawful restraints and monopolies by providing that violations of the Robinson-Patman Act shall constitute violations of the antitrust laws; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H.R. 4351. A bill to provide for the construction of a new Veterans' Administration hospital at Atlanta, Ga.; to the Committee on Veterans' Affairs.

By Mr. DERWINSKI:

H.R. 4352. A bill relating to the treatment of certain advertising, sales promotion, and similar items in determining price and price readjustments for purposes of the Federal manufacturers' excise taxes; to the Committee on Ways and Means.

By Mr. DINGELL:

H.R. 4353. A bill to authorize the use of Great Lakes vessels on the oceans; to the Committee on Merchant Marine and Fisheries.

By Mr. DIXON:

H.R. 4354. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

H.R. 4355. A bill to provide for the erection of a Federal building in Ogden, Utah; to the Committee on Public Works.

H.R. 4356. A bill to revise the boundaries of the Zion National Park in the State of Utah, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4357. A bill to amend the Federal Employees' Compensation Act to provide that compensation paid thereunder shall be based on wage rates currently in effect; to the Committee on Education and Labor.

H.R. 4358. A bill for the establishment of a temporary National Advisory Committee for the Blind; to the Committee on Education and Labor.

By Mr. FINO:

H.R. 4359. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

H.R. 4360. A bill to amend the Internal Revenue Code of 1954 to reduce from 65 to 62 the age at which the additional exemption on account of age becomes allowable in the case of a taxpayer or spouse who is a woman; to the Committee on Ways and Means.

By Mr. FLYNN:

H.R. 4361. A bill providing that there shall be equal pay for equal work for women; to the Committee on Education and Labor.

By Mr. FOGARTY:

H.R. 4362. A bill to amend the Davis-Bacon Act and for other purposes; to the Committee on Education and Labor.

By Mr. FOLEY:

H.R. 4363. A bill to provide for equitable compensation for Saturday, Sunday, holiday, and overtime duty in Government service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GATHINGS:

H.R. 4364. A bill to permit the exchange of cotton acreage allotment for rice acreage allotments; to the Committee on Agriculture.

By Mr. GLENN:

H.R. 4365. A bill to repeal section 1505 of the Social Security Act so that in determining eligibility of Federal employees for unemployment compensation their accrued annual leave shall be treated in accordance with State laws, and for other purposes; to the Committee on Ways and Means.

H.R. 4366. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. GUBSER:

H.R. 4367. A bill to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HEALEY:

H.R. 4368. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

H.R. 4369. A bill to authorize the Public Housing Commissioner to enter into agreements with local public housing authorities for the admission of single persons, in hardship cases, to federally assisted low-rent housing projects; to the Committee on Banking and Currency.

H.R. 4370. A bill to permit the absence from duty for a minimum period of 2 hours of certain Federal employees for the purpose of voting in person in certain elections; to the Committee on Post Office and Civil Service.

By Mr. HÉBERT:

H.R. 4371. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. IKARD:

H.R. 4372. A bill to amend chapter I of the Internal Revenue Code of 1954 in regard to certain investments by dealers in real estate; to the Committee on Ways and Means.

By Mr. KILBURN:

H.R. 4373. A bill to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking; to the Committee on Banking and Currency.

By Mr. KILDAY:

H.R. 4374. A bill to amend the Career Compensation Act of 1949 with respect to the

residency requirement of dependent parents and with respect to quarters allowances payable when both husband and wife are members of the uniformed services; to the Committee on Armed Services.

H.R. 4375. A bill to provide for the appointment of an additional district judge for the western district of Texas; to the Committee on the Judiciary.

By Mr. KILGORE:

H.R. 4376. A bill relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association; to the Committee on Ways and Means.

By Mr. KING of Utah:

H.R. 4377. A bill to maintain the domestic cobalt industry by increasing certain rates of duty and thereby decrease the dependence of the United States on foreign sources for this vital strategic and critical metal; to the Committee on Ways and Means.

By Mr. KOWALSKI:

H.R. 4378. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

H.R. 4379. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

H.R. 4380. A bill to amend Public Law 85–255, and to further authorize settlement for inequitable losses in pay suffered by commissioned officers; to the Committee on the Judiciary.

By Mr. LIBONATI:

H.R. 4381. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

By Mr. McFALL:

H.R. 4382. A bill to prohibit unjust discrimination in employment because of age; to the Committee on Education and Labor.

By Mr. MACHROWICZ:

H.R. 4383. A bill to amend section 3103 of title 38, United State Code, to provide for payment of veterans' benefits to certain veterans whose discharges have been corrected; to the Committee on Veterans' Affairs.

H.R. 4384. A bill to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes; to the Committee on Ways and Means.

By Mr. MAGNUSON:

H.R. 4385. A bill to amend section 1371 of the Internal Revenue Code of 1954 to permit stock of a small business corporation which is owned by a husband and wife to be treated as owned by a single shareholder for purposes of determining the number of shareholders of such corporation; to the Committee on Ways and Means.

H.R. 4386. A bill to amend title 18 of the United States Code to make it unlawful to destroy, deface, or remove certain boundary markers on Indian reservations, and to trespass on Indian reservations to hunt, fish, or trap; to the Committee on the Judiciary.

By Mr. MARTIN:

H.R. 4387. A bill to amend the Internal Revenue Code of 1954 to repeal the retailers excise tax on luggage, handbags, etc.; to the Committee on Ways and Means.

H.R. 4388. A bill to amend the Internal Revenue Code of 1954 to repeal the retailers excise tax on jewelry and related items; to the Committee on Ways and Means.

By Mr. MICHEL:

H.R. 4389. A bill to amend section 209 of the Highway Revenue Act of 1956 to provide that 100 percent of the excise tax on automobiles, trucks, buses, trailers, and parts and accessories shall be deposited in the highway trust fund; to the Committee on Ways and Means.

By Mr. GEORGE P. MILLER:

H.R. 4390. A bill for the relief of certain persons involved in the negotiation of forged or fraudulent Government checks issued at Parks Air Force Base, Calif.; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 4391. A bill to designate the portion of U.S. Highway No. 7 between Norwalk, Conn., and the Massachusetts-Connecticut State line a part of the National System of Interstate and Defense Highways; to the Committee on Public Works.

H.R. 4392. A bill to designate the portion of Connecticut State Highway No. 8 between Stratford, Conn., and the Massachusetts-Connecticut State line a part of the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. MILLS:

H.R. 4393. A bill to amend the Federal Employees Salary Increase Act of 1958 to grant certain increases in compensation to employees of the agricultural stabilization and conservation county committees, to bring employees of agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act and the Federal Employees' Group Life Insurance Act of 1954, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4394. A bill to permit the exchange of cotton acreage allotment for rice acreage allotments; to the Committee on Agriculture.

By Mr. MORRIS of New Mexico:

H.R. 4395. A bill to make the evaluation of recreational benefits resulting from the construction of any flood control, navigation, or reclamation project an integral part of project planning, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORRISON:

H.R. 4396. A bill to amend the Internal Revenue Code of 1954 to repeal the tax presently imposed on the transportation of persons; to the Committee on Ways and Means.

H.R. 4397. A bill to amend the Federal Employees' Group Life Insurance Act of 1954 so as to permit employees to acquire an additional unit of insurance under such act by paying both the employee's and the Government's share of the cost of the premiums thereon; to the Committee on Post Office and Civil Service.

H.R. 4398. A bill to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in overseas areas, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H.R. 4399. A bill to amend chapter 67 of title 10, United States Code, to provide retired pay for reservists who have 10 or more years of satisfactory Federal service and who performed active duty for 5 or more years during World War II; to the Committee on Armed Services.

By Mr. O'KONSKI:

H.R. 4400. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. PELLY:

H.R. 4401. A bill for the amendment of section 328 of the Immigration and Nationality Act providing for the naturalization of persons serving in the Armed Forces of the United States; to the Committee on the Judiciary.

H.R. 4402. A bill to provide for the construction of a salt-water research laboratory at Seattle, Wash.; to the Committee on Interior and Insular Affairs.

By Mr. QUIE:

H.R. 4403. A bill to amend the Internal Revenue Code of 1954 to provide a deduction from gross income for reinvestment of capital in a trade or business; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 4404. A bill to amend section 12 of the act of September 11, 1957; to the Committee on the Judiciary.

By Mr. ROGERS of Texas:

H.R. 4405. A bill to authorize and direct the Secretary of the Interior to conduct studies and render a report on the feasibility of developing the water resources of the Salt Fork of the Red River in the State of Texas; to the Committee on Interior and Insular Affairs.

By Mr. ROOSEVELT:

H.R. 4406. A bill to amend the Internal Revenue Code of 1954 so as to provide further incentive for assistance to small business concerns by small business investment companies operating under the Small Business Investment Act of 1958; to the Committee on Ways and Means.

By Mr. TAYLOR:

H.R. 4407. A bill to provide for the issuance of a special postage stamp in commemoration of the 350th anniversary of historical events in the Hudson-Champlain area; to the Committee on Post Office and Civil Service.

By Mr. TELLER:

H.R. 4408. A bill to provide for the establishment of the Ellis Island National Monument; to the Committee on Interior and Insular Affairs.

H.R. 4409. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

H.R. 4410. A bill to amend title 23 of the United States Code, relating to highways, in order to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. THORNBERRY:

H.R. 4411. A bill relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H.R. 4412. A bill to amend chapter 15 of title 38, United States Code, to grant a pension of $100 per month to all honorably discharged veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. VINSON:

H.R. 4413. A bill to provide improved opportunity for promotion for certain officers in the naval service, and for other purposes; to the Committee on Armed Services.

H.R. 4414. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. WAINWRIGHT:

H.R. 4415. A bill to assist institutions of higher education to market and retire bonds issued by them to finance the construction of college facilities; to the Committee on Education and Labor.

By Mr. WALLHAUSER:

H.R. 4416. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. WESTLAND:

H.R. 4417. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

H.R. 4418. A bill relating to the treatment of certain advertising, sales promotion, and similar items in determining price and price readjustments for purposes of the Federal manufacturers excise taxes; to the Committee on Ways and Means.

By Mr. WITHROW:

H.R. 4419. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; to the Committee on Ways and Means.

By Mr. ZABLOCKI:

H.R. 4420. A bill to provide for a study and investigation of certain matters affecting the American consumer to be conducted by the Federal Trade Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CUNNINGHAM:

H.J. Res. 232. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HERLONG:

H.J. Res. 233. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. MOSS:

H.J. Res. 234. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H.J. Res. 235. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.J. Res. 236. Joint resolution relating to the disclosure by the U.S. Civil Service Commission of the names and addresses of certain parties retiring under the Civil Service Retirement Act; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON of New Jersey:

H.J. Res. 237. Joint resolution to establish in the Department of Health, Education, and Welfare the National Advisory Council for International Medical Research, and to establish in the Public Health Service the National Institute for International Medical Research, in order to help mobilize the efforts of medical scientists, research workers, technologists, teachers, and members of the health professions generally, in the United States and abroad, for assault upon disease, disability, and the impairments of man and for the improvement of the health of man through international cooperation in research, research training, and research planning; to the Committee on Interstate and Foreign Commerce.

By Mr. ZABLOCKI:

H.J. Res. 238. Joint resolution to amend the Employment Act of 1946 to provide that a continuing policy and responsibility of the Federal Government is to promote reasonable stability of the level of consumer prices; to the Committee on Government Operations.

By Mr. FASCELL:

H. Con. Res. 80. Concurrent resolution extending a welcome to the Inter-American Bar Association; to the Committee on the Judiciary.

By Mr. WHARTON:

H. Con. Res. 81. Concurrent resolution favoring the operation of very high frequency television booster or repeater stations under certain conditions; to the Committee on Interstate and Foreign Commerce.

By Mr. ZABLOCKI:

H. Con. Res. 82. Concurrent resolution to provide for the creation of a Joint Committee on Consumer Interests; to the Committee on Rules.

By Mr. GUBSER:

H. Res. 166. Resolution expressing the sense of the House that the Secretary of Health, Education, and Welfare should study and investigate the Santa Cruz plan for the rehabilitation of hospitalized mental patients; to the Committee on Interstate and Foreign Commerce.

By Mr. TELLER:

H. Res. 167. Resolution changing the name of the Committee on Foreign Affairs to that of the Committee on International Affairs; to the Committee on Rules.

By Mr. WALTER:

H. Res. 168. Resolution to print as a House document the publication "Committee on Un-American Activities—What It Is—What It Does" and to provide for the printing of additional copies; to the Committee on House Administration.

H. Res. 169. Resolution to print as a House document the publication "Patterns of Espionage" and to provide for the printing of additional copies; to the Committee on House Administration.

H. Res. 170. Resolution authorizing the printing of additional copies of House Report No. 1724, 85th Congress, 2d session; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARING:

H.R. 4421. A bill for the relief of Curtis W. Strong; to the Committee on the Judiciary.

By Mr. BECKER:

H.R. 4422. A bill for the relief of Albert S. Goh; to the Committee on the Judiciary.

By Mr. BOSCH:

H.R. 4423. A bill for the relief of F. H. Hillel Co.; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 4424. A bill for the relief of Athanasios Perlegos; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 4425. A bill for the relief of Royden A. Chung; to the Committee on the Judiciary.

By Mr. COOK:

H.R. 4426. A bill for the relief of Charles G. G. Group; to the Committee on the Judiciary.

By Mr. DIXON:

H.R. 4427. A bill for the relief of George Kubota; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 4428. A bill for the relief of S. Sgt. John E. and Mrs. Caroline Almeida; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.R. 4429. A bill for the relief of Samuel D. Huang; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 4430. A bill for the relief of Adam Blimbaum; to the Committee on the Judiciary.

H.R. 4431. A bill for the relief of Ferruccio Scifo; to the Committee on the Judiciary.

By Mr. GEORGE:

H.R. 4432. A bill for the relief of Mrs. Bronislawa Zawada; to the Committee on the Judiciary.

By Mr. GLENN:

H.R. 4433. A bill for the relief of Arthur W. Triplett; to the Committee on the Judiciary.

By Mr. HAYS:

H.R. 4434. A bill for the relief of Maria Giuseppa Amatangelo; to the Committee on the Judiciary.

By Mr. HÉBERT:

H.R. 4435. A bill for the relief of Kuzma Murina; to the Committee on the Judiciary.

By Mr. KASEM:

H.R. 4436. A bill for the relief of Mrs. Ana P. Cowan; to the Committee on the Judiciary.

By Mr. KILDAY:

H.R. 4437. A bill for the relief of Mrs. Mauricia Reyes; to the Committee on the Judiciary.

By Mr. KING of Utah:

H.R. 4438. A bill for the relief of Janet R. Parker; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 4439. A bill for the relief of Makoto Yabusaki; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 4440. A bill for the relief of Hugo Tarantino; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 4441. A bill for the relief of Salomon Chehebar; to the Committee on the Judiciary.

By Mr. O'KONSKI:

H.R. 4442. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Gubbins & Co., of Lima, Peru, and Reynaldo Gubbins; to the Committee on the Judiciary.

By Mr. OSMERS:

H.R. 4443. A bill for the relief of Loretta Mansfield; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 4444. A bill for the relief of Michele DiMarzio; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 4445. A bill for the relief of Stirley Louis Berutich; to the Committee on the Judiciary.

By Mr. ROUSH:

H.R. 4446. A bill for the relief of Costandino Koskolettos; to the Committee on the Judiciary.

By Mr. STRATTON:

H.R. 4447. A bill for the relief of Helena Szlank; to the Committee on the Judiciary.

By Mr. TELLER:

H.R. 4448. A bill for the relief of Freida Shaerf; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.R. 4449. A bill for the relief of Eduardo S. Molarte; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 4450. A bill for the relief of Joseph Salvatore LoMedico; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 4451. A bill for the relief of Maria Maver; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Hon. R. Walter Riehlman

EXTENSION OF REMARKS
OF
HON. WILLIAM M. McCULLOCH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. McCULLOCH. Mr. Speaker, we learn with a great deal of regret that our distinguished colleague, the Honorable R. WALTER RIEHLMAN, of New York, has reluctantly decided to relinquish his membership on the House Select Committee on Small Business.

Mr. RIEHLMAN's recent appointment to the very important new Committee on Science and Astronautics and his continuing membership as the second ranking Republican member on the Committee on Government Operations and ranking Republican member of the Subcommittee on Military Operations of the Committee on Government Operations, makes it virtually impossible for him to give the required time and attention to the duties involved in the Small Business Committee.

As I have said, we as Members of the House on both sides of the aisle regret to learn of Mr. RIEHLMAN's decision, but we bow to the inevitable since we realize the vast amount of time which would be required in his new committee assignment on the Committee on Science and Astronautics. Our colleague's interest in national defense has long been well and favorably known and the kindred duties in connection with the national defense on the two committees which he retains are of the utmost importance.

Mr. RIEHLMAN has said that his interest in small business and small business problems will not be diminished and I know we will call on him for the advice and counsel which he is so capable of giving after 12 years of outstanding service on the House Select Committee on Small Business.

At this point I would like to include Mr. RIEHLMAN's announcement in which he sets forth the several reasons for giving up a committee service in which he has always shown selfless and dedicated service.

Mr. RIEHLMAN's statement follows:

RIEHLMAN ANNOUNCES TERMINATION OF SERVICE ON SMALL BUSINESS COMMITTEE

WASHINGTON, February 11, 1959.—Congressman R. WALTER RIEHLMAN announced today that he has reluctantly decided not to accept appointment to the House Select Committee on Small Business for the 86th Congress. RIEHLMAN has served on the committee for 12 years and, due to the retirement of Representative William Hill, of Colorado, would have been the ranking Republican member. RIEHLMAN stated, "It is with a great deal of personal regret that I turn down reappointment to the Small Business Committee of the House of Representatives. During my 12 years' service on the committee many accomplishments have been achieved in the interest of small business.

"I have had a vital interest in the affairs of the small businessman for many years," RIEHLMAN continued, "and I do not intend to let that interest lie dormant as a result of this decision. I shall continue my efforts in behalf of small business and I shall continue to cooperate with every proper movement in the interest of our small business economy."

In emphasizing his recent appointment to the Committee on Science and Astronautics, RIEHLMAN said, "this committee will undoubtedly become one of the most important in the House of Representatives, not only because of the tremendous responsibility it will have in keeping America in the foreground of scientific research and astronautical development, but also because of its close relationship with the development and maintenance of our national defense. Committee activities will encompass relatively new fields and hearings will be quite extensive."

RIEHLMAN pointed out that the Science and Astronautics assignment, in addition to those as second-ranking Republican on the Government Operations Committee and ranking Republican on the Military Operations Subcommittee, would require a great deal of time and effort.

"I am convinced," he continued, "that there would not be enough hours in the day to do an efficient and effective job on all three committees. It was a question of time and I came to the conclusion that I had to give up something. In the final analysis, I decided to concentrate my efforts in the fields of space development and national defense.

"The small businessman in America is faced today with countless difficulties. A great responsibility lies with Small Business Committee members in this 86th Congress and I hope, for the sake of the small business community, that it will be fulfilled with sincerity and objectively.

"My membership on the committee has been both enjoyable and profitable over these past few years. I have been afforded a chance to see this important area of our economy in operation and have gained a much more extensive knowledge of its conditions and requirements as a result. I leave with reluctance and I want to emphasize the fact that I do so only as a result of my increased assignments in other areas."

Tadeusz Kosciuszko and the American Revolution

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. MULTER. Mr. Speaker, tomorrow, February 12, marks the birthday of Tadeusz Kosciuszko.

Tadeusz Kosciuszko was one of many distinguished and gifted Poles who played a signally important part in our War of Independence. Today in observing the anniversary of his birth we once more pay our respects to his memory and express our gratitude for his great services.

Kosciuszko was born into a middle-class family on February 12, 1746, 213 years ago. In his early youth he showed unusual liking for books and study, and his relatives—his father died when he was 13 years old—did everything in their power to educate him. After he finished the Royal School in Warsaw, he earned a scholarship to study in France where he entered the famous Mezieres Military School, specializing in artillery and engineering. While in Paris stories about the American Revolution fired his imagination. He decided that this was a fight on behalf of a good cause. He borrowed money from friends, sailed for America, and arrived in Philadelphia in August of 1776. There he applied for military service; immediately he was admitted and charged with the drawing up of plans for fortifying the Delaware. His success in this first assignment earned him a colonel's commission. From then on, a high place in our Revolutionary War was assured him. Everything he did was done with distinction, and in October 1783, Congress made him a brigadier general.

With the end of the fight for our cause here, he sailed to Poland, to engage there in the fight for Polish freedom.

Unfortunately all his efforts to that end were unsuccessful. He ended his gallant career in exile in Switzerland, where he died on October 15, 1817.

Today Americans of all rank and creed solemnly observe the anniversary of his birth and do homage to his memory.

Birthday of the Mountaineers

EXTENSION OF REMARKS
OF
HON. KEN HECHLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. HECHLER. This month my home State of West Virginia observes the 92d birthday of one of its proudest and noblest institutions, West Virginia University at Morgantown.

The university was chartered February 7, 1867, in the fourth year of our State's existence. It was born from a merger of Monongalia Academy and Woodburn Female Seminary, and was at first known as the Agricultural College of West Virginia. It assumed university status and its present name in 1868.

The university is one of the cultural and educational centers of our State. It has grown from humble beginnings to a giant institution which dominates the city of Morgantown. Its enrollment has climbed markedly to the neighborhood of 8,000 full-time students, and an additional 6,000 in its various extension services.

The university now has 17 separate divisions and is fully approved by accrediting institutions. It enjoys a reputation for academic excellence.

This month brings more than a birthday anniversary to the university. On the first day of February, the office of the president of West Virginia University was filled by Dr. Elvis Stahr. Dr. Stahr is uniquely qualified by way of education and experience to administer the affairs of our university. His arrival has been welcomed by alumni and other West Virginians as the opening of a new era in the steady growth of the university.

Dr. Stahr succeeds another admirably qualified and able man, Dr. Irvin Stewart, who is returning to the classroom at his own request. Dr. Stewart steered the university through its difficult and hectic period of explosive postwar growth, and the present quality of the University will stand as a monument to his skill, resourcefulness and determination.

The proudest new achievement of the university is a vast new medical school, now being completed. The center, which cost many millions of dollars, is one of the largest, most up-to-date and completely equipped centers in the United States. Its benefit to every West Virginian will be of lasting significance.

In a less-serious vein, it should be pointed out that the university's football and basketball squads have enjoyed great success in recent years, and have attracted much favorable publicity to our State. Both football and basketball squads have long records of being undefeated in play within the southern conference, of which the school is a member. The West Virginia gridiron forces have contributed many players to professional ranks in recent years, and the basketball teams have numbered no fewer than three men selected for All-American mention in the past decade. The 1958 basketball squad was chosen national champions by the Associated Press, and this year's squad is again given high ratings.

Every school and college within the university has produced graduates who have attained leadership and outstanding recognition in their chosen fields; this is a tribute to the high quality of instruction which the university maintains. As the university moves into another year, plans are already laid for new growth, for new advances. I believe the university merits fully the words expressed in one of the school's marching songs, "It's West Virginia, It's West Virginia, the Pride of Every Mountaineer."

ORT Day

EXTENSION OF REMARKS
OF
HON. FLORENCE P. DWYER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mrs. DWYER. Mr. Speaker, one of the most remarkable and constructive programs in the field of human welfare is the Organization for Rehabilitation Through Training or, briefly, ORT. On March 4, 1959, members and friends of ORT will celebrate the 79 years of service to displaced and underprivileged Jews throughout the free world.

ORT Day has become a traditional observance in those hundreds of communities throughout the country where dedicated ORT members work for the rehabilitation of their fellow Jews wherever they may be in need.

Through its 400 vocational training installations in 20 countries, the ORT program offers youths and adults both the opportunity to learn the industrial skills which will make them self-supporting. Through this process of rehabilitation of individuals who would otherwise live out their lives in idleness without practical utilization of their talents and abilities, ORT also contributes to the economic development of free-world nations by training productive citizens.

ORT Day, 1959, will have special significance for the 50,000 members of the Women's American ORT, since it marks the 32d year of service by the organization to a total of several million people. On March 4, in my own city of Elizabeth, N.J., as in cities from the Atlantic to the Pacific, the 100,000 members of other American ORT federation affiliates and many thousands of friends of the ORT program will join in special celebrations.

It is a privilege, Mr. Speaker, to call the attention of our colleagues to this important occasion in the history of man's humanity to man.

The South Ward Boys' Club of Newark, N.J.

EXTENSION OF REMARKS
OF
HON. GEORGE M. WALLHAUSER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. WALLHAUSER. Mr. Speaker, today in this great city of Washington, we are honored to have visiting us a fine group of children from the great city of Newark, N.J.

Their visit magnifies for me the importance of the youth of America and the role many of our adults are taking to help prepare them for the future when from among their numbers will come those who will take our places as guardians of our Nation.

The children—numbering 50—here today are enjoying the sights of our Capital City because of the efforts of a civic minded and determined group of men. What these men have accomplished should be a shining beacon for all adult Americans. I would like to give a brief outline of their activities.

Led by Mr. David L. Warner, a successful Newark businessman, this group formed the South Ward Boys' Club of Newark, N.J., in January of 1956. Within a few months, the club, because of its outstanding accomplishments, gained affiliation with the Boys' Club of Newark, N.J., and the Boys' Club of America.

Joined with Mr. Warner in this very worthwhile endeavor, both in its inception and through its 4 years of activity, are many of the leading business and professional men and public officeholders of the area.

In 1957, two new and very important divisions of the South Ward Boys' Club were founded. They are the Mothers' Club and the Fathers' Club. More than 600 parents are enthusiastic and hard-working members of these divisions. They are interested in the welfare and future of their children.

The youth membership in the South Ward Boys' Club has grown steadily. From a handful in 1956 it now numbers close to 1,500. Significantly, I think it should be pointed out that membership is open to all children regardless of race, creed, or color and that the membership represents all walks of life in the highly populated south ward of Newark, N.J., which is a part of the 12th Congressional District which I have the honor to represent.

In helping prepare our youth for the future, the South Ward Boys' Club engages in many educational and recreational endeavors. Today's visit to Washington is the fourth annual trip to the Capital City sponsored by the club. Each year a different group of children make the visit. And as he did on the first three occasions, Mr. Warner again is chaperoning his flock.

Today's tour will cover visits to the White House, my office in the New House Office Building, the Capitol, the House of Representatives, the U.S. Senate, the Supreme Court, Lincoln Memorial, Arlington Memorial Cemetery, and Mount Vernon.

I know today's visitors will be awed by the things they observe, just as their predecessor visitors were awed. And, I know also, that they, like their predecessors, will leave Washington with a great respect and reverence for the Nation which is their own.

The Washington tour is only one of the major activities of the club. Since its inception, the club has provided a varied and extensive educational and recreational program for its youthful members.

This has included visits to the U.S. Military Academy at West Point, N.Y.; historic shrines in the State of New Jersey, special children's theater shows in Newark and at the New Jersey seashore; sporting events in Newark and New York City, and in particular baseball games of the world champion New York Yankees; outings to the many fine amusement and recreational parks in the New Jersey-New York area.

There also has been a wide range of participation sports for the youngsters, such as swimming, golf, baseball, basketball, track, and field. Many of the youngsters have become very proficient in the sports of their choice. In 1957, the club's basketball team won a statewide tournament.

Presently, the club is conducting a drive to build a modern headquarters where there can be a further expansion of the activities of the youthful members. I know the drive will be successful, for the men and women have the determination to bring to success any undertaking in which they participate, particularly when it affects our youth.

Through all of its activities, the club has geared itself to one aim—building character in the youth of America and to prepare them for adulthood when they can take their places as dedicated and responsible Americans. Each one of these people who have made the South Ward Boys' Club and its activities possible deserve the resounding applause of all Americans. As one who has had the opportunity of observing first hand their activities and the fruits of their efforts, I salute them.

Through my observations, I have become fully convinced that the boys' clubs have become the greatest organization for the building of character outside of the church, and in closing I would like to recite the boys' club code:

I believe in God and the right to worship according to my own faith and religion.

I believe in America and the American way of life * * * in the Constitution and the Bill of Rights.

I believe in fair play, honesty, and sportsmanship.

I believe in my Boys' Club which stands for these things.

Certainly, it is a code that might well be recited time and again by all Americans.

Address by Hon. Stuart Symington, of Missouri, Mississippi Valley Association Banquet, Chase Hotel, St. Louis, Mo., February 2, 1959

EXTENSION OF REMARKS

OF

HON. EDWIN E. WILLIS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 11, 1959

Mr. WILLIS. Mr. Speaker, on February 2, 1959, I had the privilege of listening to an address by Senator STUART SYMINGTON at the 40th annual convention of the Mississippi Valley Association in St. Louis, Mo. This distinguished American is particularly qualified to discuss water resources and water utilization problems. While Chairman of the National Security Resources Board, Senator SYMINGTON suggested to President Truman the idea of creating the Materials Policy Commission, headed by Mr. William Paley. The Commission made an excellent projected survey of the general resources requirements of this country over the next few decades. It made a stern warning of the ever-increasing need for better water management in this country, necessitated by the great growth of our population and the tremendous and growing demand of industry for fresh water. In fact, to the great surprise of those who take water resources for granted, the Commission stated that by 1975, of all our resources, the No. 1 American shortage by that time will be fresh water. In his address before the Mississippi Valley Association, Senator SYMINGTON gave graphic examples of the ever-increasing need of fresh water and the insatiable thirst of such industries as the chemical and atomic and aluminum industries for phenomenal additional quantities.

Senator SYMINGTON made an earnest plea for a national water policy, and his seven-point program in that connection deserves national attention and consideration and for that reason I, under unanimous consent, insert in the RECORD a copy of his address for useful reference and research material in connection with water resources, water management and water utilization legislation:

Thank you very much for the honor of being with you at this 40th annual convention.

I have followed the activities of the Mississippi Valley Association for many years.

Your work in developing a consistent and intelligent policy for the use of water in the vast subcontinent of this valley area is of vital importance to the entire country.

As a Senator, my particular interest has been the State of Missouri and the development of its water resources. The work you have done for this State has been outstanding.

Many thanks for the advice and cooperation you have given to me and my State over the past years, and I look forward to many more years of our working together.

No river valley has played a more important role in the history and growth of this country than has the Mississippi Valley.

Exciting images of the past are evoked by the names: Lewis and Clark, DeSoto, Marquette and Joliet.

Picturesque days are recalled by the names Mark Twain, Mike Fink, memories of the sidewheelers, and Abe Lincoln's float trip to New Orleans.

Since the days when the wilderness was conquered and the great steamboats became queens of the river, the Mississippi Valley has been settled.

Thanks to the efforts of many of you here tonight, to a large extent the rivers themselves, either have been or are being tamed.

But these rivers are not only a part of our history. They are vital to our present. The Mississippi Valley is the heartland of America, and its rivers the great arteries of commerce.

Their great past and present is to be followed by an even greater future.

For they are the most vital resources of the decades ahead.

Too many people take water resources for granted. They believe we will always have an abundance.

This is dangerous thinking, for without an adequate supply of water, our civilization and our industry will not be able to expand to meet the needs of tomorrow.

Tonight I should like to discuss briefly two recent developments which show the ever-increasing need for better water management in this country.

Both have occurred since the end of the Second World War.

One is the great growth of our population.

The other is the tremendous and growing demand of industry for fresh water.

Many people have studied the population explosion now taking place in this country and the rest of the world.

But it has been studied primarily in terms of its effect on schools, on cities, and on industrial production.

Comparatively little attention has been paid to how this population increase will strain the water supply of our country.

In 1952, the President's Materials Policy Commission, headed by Mr. William Paley, issued an excellent survey of the resource requirements of this country over the next few decades.

This study was based on what we would be most short of 25 years from 1950—16 years from now.

To my great surprise, as well as that of many others, the No. 1 American shortage in 1975 will be fresh water.

The study pointed out that between 1900 and 1950, per capita water consumption in the United States has doubled.

Because our population has also doubled in that period, the demand for water had thus actually increased four times.

The Presidential Commission predicted a similar doubling of per capita consumption over the period from 1950 to 1975, as the Nation's standard of living rose; and with it the use of such luxury items as air conditioners, automatic washers, etc.

This famous report issued a stern warning that steps should be initiated now to assure an adequate water supply for the growing population.

The warning was based on a 1975 population projection of 193,400,000.

But this 1950 estimate has turned out to be far too modest. Our country is growing so fast that, under present projections, the 193 million point will be reached, not in 1975, but in 1965.

By 1975 we will have in America a population of more than 230 million, perhaps more than 240 million.

This would create an immense water supply problem even if the per capita consumption remained constant.

But it will rise with our standard of living, and therefore become even greater.

This country, and the Mississippi Valley in particular, is blessed with a large supply of fresh water. Properly utilized, it cannot only support this huge population but give the people an ever-increasing standard of living.

The Nation as a whole, however, has certain water problems, posed by nature.

Many areas have insufficient water supplies; and because of maldistribution of both rainfall, and access to water supplies, increasing control must be exerted over our water.

Such control will involve a conscious choice on our part. If we are willing to spend the effort and the money, however, the years ahead can see better living for all citizens.

If we do not heed the warnings of such studies as the one referred to above, the consequences are equally clear.

Now as to the increasing use of water by industry.

Since the war, such industries as the chemical and atomic and aluminum industries have grown tremendously.

And they have an insatiable thirst.

The amount of water consumed by an atomic energy plant is classified. But public figures do exist on some of the other industrial plants.

Water and oil may not mix, but 10 gallons of water are required to refine 1 gallon of gasoline.

Three hundred gallons of water are needed to turn out one barrel of beer.

With the growing interest in paper and steel mills in Missouri and the Mississippi Valley, it is significant to note that 64,000 gallons of water are needed to make 1 ton of sulfate paper; also 65,000 gallons to make 1 ton of steel.

A pulp mill requires more water each day than does a city of 50,000 people.

The Fairless works of the United States Steel Corp. on the Delaware River uses as

much water daily as the cities of Buffalo and Boston combined.

In 1950, not counting the streamflow used mechanically to generate hydroelectric power, the water used by industry weighed almost 50 times the total of all other used materials combined.

Industrial consumption can only increase with our industrial growth; in fact, the President's Commission predicted that the total amount of water used would nearly triple in the 25 years from 1950 to 1975.

But even more important is the percentage share of all water used in the United States which goes for industrial use.

In 1950, it was estimated that industry withdrew 43 percent of all water used.

In 1975 estimates are that this percentage will be increased to 62 percent.

Is it not rather startling to realize that, during the Second World War, plans for building at least 300 industrial or military establisments had to be abandoned or modified because of inadequate water supply.

In the opening of the President's Materials Policy Commission report, it was stated that by 1975 access to good water might become the most important factor in deciding where to locate industries.

This is most significant for us here in the Mississippi Valley. It presents both a challenge and an opportunity, for we are blessed with an abundance of water.

If we shape our water management plans to provide an adequate industrial supply, the areas along the rivers of this valley will be able to attract more and more industry.

Associations such as yours will continue to play a key role in seeing that these Federal and State plans are best suited to developing the industrial potential of the areas served by our rivers.

If we plan wisely, we need never fear the ever growing thirst of industry.

If we do not, some of our brightest hopes for industrial development will be snuffed out before we know it.

Civilizations have always been dependent on water.

Early civilizations flourished on the banks of the Nile, the Tigris, and the Tiber.

Though our cities no longer need lie on the banks of our rivers and lakes, we are no less dependent on water.

In a sense, our dependence is even greater, for as these studies show, water is no longer as abundant as it was to the ancients.

The supply is not shrinking. But we use it more.

As our population and industry grow, we must think in terms of the very real possibility that, unless we plan wisely today, we will have a water shortage tomorrow—even in our now water-abundant areas.

To meet the demands of the future, therefore, it is imperative that we adopt a national water policy which will provide an adequate supply of this vital natural resource.

I present seven proposals.

Some are now being taken haltingly, some not at all.

All of them should be followed resolutely:

First. We must have a coordinated program of flood control, water storage, and power development through the construction of multiple-purpose reservoirs, wherever feasible, on the rivers of the Nation.

In this connection, I second the proposals General Itschner made earlier today in regard to the preservation of future project sites.

Second. I support the program of cooperation between Nation and States for organization and development of local watershed districts to control water runoff at its source.

This program has run into unnecessary delays. These must be overcome.

As the program is expanded, we will be better able to conserve and preserve a supply of fresh water on the land where it falls.

Third. Our stream-pollution-control programs should be accelerated.

We should place first priority on interstate cooperation in the control and prevention of pollution; second priority on Federal grants-in-aid to towns and cities for the construction of sewage-treatment plants, along with other water-purification facilities.

Fourth. There should be a cooperative national and State program for the reclamation of used water by the removal of waste, and through the use of purification processes.

Fifth. We should have a cooperative national and State program for the development of new ground water reservoirs, including the presently unavailable underground lakes and streams.

Sixth. We need a national research program designed to investigate the possibility of inducing rainfall through artificial means; and also to consider the development of a practical method of removing salt from sea water.

Seventh. Finally, a coordinated program is necessary to assure proper navigation of our water arteries wherever economically feasible, so as to provide the fullest utilization of these natural streams of commerce.

These programs cannot be carried out without the sympathetic aid of groups, such as yours, people with interest in, and devotion to, the cause of water resource development.

In establishing the details for this water management program, particular attention should be given to the problems of geographical distribution of our water resources.

As the Materials Commission stated: "If a single word were used to sum up the water problems of the United States, that word would be maldistribution—maldistribution in regard to time and geographic areas."

In the past, maldistribution was not a great problem because the center of our population was always near the Atlantic Ocean.

This center has been moving steadily westward, however; and indications are that it will continue to do so for the foreseeable future.

With reference to the point of navigation in this program, may I comment on the situation here in the Mississippi Valley.

In this connection, we know that the potential of our valley has not been fully utilized.

The upper Mississippi, Ohio, and Illinois have been dredged to a depth which allows full utilization of their navigation potential. Annual traffic on these rivers ranges from 20 million tons on the Illinois to some 80 million tons on the Ohio.

By contrast, with a record volume last year, the Missouri River carried only a little more than half a million tons.

The Missouri is the poor relation when it comes to navigation. It is the only major segment of the Mississippi River system lacking a 9-foot channel.

This association has been a strong proponent of a 9-foot channel for the Missouri.

I have consistently supported such a channel in the Congress, and I intend to continue to do so, because this channel would bring more industry and prosperity to our State.

Yes, the great volume of water in the Missouri can be used to attract the water consuming industries of the future, and if it is a fully navigable stream the attraction will be twofold.

In recent years it has been disturbing to see how our national policy toward rivers and harbors has been deteriorating.

As example, the President's budget for the fiscal year 1960 did not request a single dollar for either new construction or new planning.

This is false economy.

Such public dollars as are saved by eliminating dollars for water control and utilization can result over the years in heavy losses to private enterprise and our communities.

In addition, each year that we postpone the benefits of flood protection, we increase the danger from annual floods.

Recent disasters in Pennsylvania, Ohio, and West Virginia underscore this fact.

None of us will ever forget the flood tragedy of the Kansas City area at the start of this decade.

Planning and construction to correct and improve our water position should be continual and orderly. It should not come in uneconomic spurts.

For it does not make much sense, when building a house, to put the roof on a bit at a time.

And so, my friends, this national problem involves the interests of all our States, and all our people.

In the future, as in the past, the Mississippi Valley Association can play a vital role in striving for a successful solution to this problem of fresh water.

Such a program will bring greater prosperity, not only to this rich valley, but also to the entire country.

The future of our society depends on our ability now, to plan wisely for coming generations.

What a tragedy if future growth is stunted by any failure on our part to plan against water shortage.

It is written in the second chapter of Genesis: "The Lord God took the man and put him into the garden * * * to dress it and to keep it."

Let us all band together to keep this garden in which God has placed us, and make it even richer for the generations to come.

Farm Price Supports in the Existing Pattern of Government

EXTENSION OF REMARKS
OF
HON. ALVIN E. O'KONSKI
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. O'KONSKI. Mr. Speaker, few, if any, areas in the United States are untouched by subsidies. Subsidies are as old as our Government and long have been used as an acceptable and serviceable adjunct to the free economy. Condemnation or praise of subsidies are academic and unrealistic unless the public purpose of the subsidy is taken into account. The above are general conclusions from a historical review of Government subsidies made by the Committee on Agriculture of the House of Representatives of the United States.

What constitutes a subsidy? A definition is very difficult. Some would think of a Government subsidy as Federal moneys or their equivalent paid out to individuals. But this would exclude legislation under which certain groups in the economy are authorized to directly increase their "take" from the total economy. By such activities, the same purpose and result is achieved as that of a direct subsidy paid out to the same group. One of the first official acts of the Government of the United States was to enact a tariff to protect the growing industries of the infant Nation. Another gave preference in custom duties to goods imported on American ships. Both were designed to improve the competitive posi-

tion of domestic businessmen and enhance the growth of American industry. In this respect, both were subsidies, although nothing was paid out directly by Government.

Early in the history of the United States, our Government recognized the need for improved transportation. Public lands, direct contributions, and loans were used to encourage construction of canals. Later, similar contributions were made to many railroads. Mail subsidies developed and supported other means of transportation and have been used extensively. The first mail subsidy was reported in 1845. More recently, millions of dollars have been paid out to subsidize the merchant marine. Hearings with reference to postal deficits also suggest considerable subsidy in the form of low postal rates, the benefits of which accrue to certain publishers

For the reasons suggested above, it is perhaps desirable to avoid the notion of a subsidy in terms of cash paid out and think in terms of a welfare state. The evidence of the welfare state are actions by the Government designed to improve the economic position of specific groups or classes of the population. All actions of the Government, in fact, fall in this category. The promotion of public health, education, and the maintenance of order and tranquillity are all costly activities of Government which directly benefit the public. We think of the welfare state as one which is interested in specific activities for specific groups of people, and, sometimes, as in the case of graduated taxation, to the economic detriment of other groups. The attempts of the Government to achieve a leveling off process both in individual incomes and in human welfare benefits some and penalizes others. The activity of the welfare state includes not only cash paid out to individuals, but also the levying of tariffs, the creation of stockpiles for surplus products either by the Defense Department or in the Department of Agriculture, marketing agreements, and the like. Perhaps it is desirable to list some of the specific activities which seem to fall in this category.

At the head of such a list certainly one finds the graduated income tax. Older, however, and more important in its time, was the protective tariff. Activities under the antitrust laws also fall in the welfare category. Of the more recent devices, the following come quickly to mind: Bank deposit insurance, the conservation of natural resources, transportation subsidies, school-lunch programs, Government assistance through charitable organizations, price supports for farmers, defense stockpiles, allocation of defence contracts to job deficit areas, old-age and survivors pensions, minimum-wage laws, job insurance and separation pay, and labor legislation giving unusual privileges to unions.

It is not the purpose to evaluate these programs. It is only proposed to show their antiquity, on the one hand, and more recently the extent of the activities of the welfare state both in direct subsidies and in other programs with similar objectives.

Virtually every person in the population of the United States would seem to be a receiver of benefits from one or more of these activities. The entire Nation, in one way or another, is affected by the various programs, whether for industry, for labor, for the young, for the aged, or for agriculture. It seems inappropriate, under a condition where activities of this nature have gained such wide acceptance as in the United States, that the public, through its legislators, should withdraw from support of any group unless that program had failed in its objective, or an improved program was conceived. Who in the United States has the right to say of another, "You get too much."

The program for support of farm prices was designed to improve individual incomes in agriculture. It was also designed to equalize farm and nonfarm incomes and to create agricultural purchasing power, thereby improving the market for goods produced by others. There were no important failures. Until better programs have been proved, farm price supports have justified their position in the welfare state. They should be reexamined and amended to keep them abreast of the changing facts of the world, but they should not be abolished.

The programs for price supports for farm products have, in fact, contributed much more to public welfare than was planned in the original objectives. Through distribution programs, hunger has been largely eliminated in the United States and significant contribution has been made to reduction of hunger in other lands. Growing farm efficiency has made it possible for a declining number of farmers to produce food for an increasing domestic population for less total dollars. This is no idle achievement in a nation where inflation is the general rule. In terms of progress in the solution of basic human wants, it seems quite likely that the farmers of the United States who produce food have made a greater contribution than any other group in the world during the period beginning in the middle 1930's.

May 22, 23, and 24 Selected as Dates for 1959 Congressional Tour of New York City for Members of Congress and Their Families

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 11, 1959

Mr. VAN ZANDT. Mr. Speaker, plans are being perfected for the 1959 annual congressional tour of New York City for Members of Congress and their families.

The weekend of May 22, 23, and 24 has been selected for the tour which provides for three fun-packed days in New York at a cost of $39.50 each for adults and $34.50 each for children between the ages of 5 and 12 years. This year's trip will include a reception at New York City Hall, a visit to the United Nations, a reception aboard a transatlantic liner, a boat trip of New York's harbor, a visit to the Empire State Building, together with receptions, and so forth, at various hotels and clubs. Opportunities for attending New York theaters are included in the schedule.

Since this is not a congressional election year, the weekend of May 22, 23, and 24 should now be reserved by all Members who desire to make this enjoyable visit to New York City. Those wishing to obtain further information may call Miss Patricia Bryan in my office, telephone extension 4576.

The Real Lincoln

EXTENSION OF REMARKS

OF

HON. FLORENCE P. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 11, 1959

Mrs. DWYER. Mr. Speaker, there seems to be an ironic rule of history at work when it comes to dealing with great men.

It might almost be said that the greater the man and the farther removed in time he is from our own generation, the more freely he is quoted and the more loosely he is interpreted.

Thus, few people in our Nation's history have been more vigorously embraced by representatives of more diverse points of view than has Abraham Lincoln.

In a very real sense, this is a tribute to Lincoln's greatness. He was a unifier, a builder, a man who loved his fellow men regardless of political differences.

In another sense, however, this is unfortunate. For it obscures what Lincoln really believed and sometimes what he really said and meant.

And worst of all, it tends to hide the real Lincoln—a man from whom other men in all ages have much to learn.

It behooves us, then, to see him now as he really was. In this, our purpose may be better served by examining the characteristics of the man Lincoln, rather the words and the policies by means of which the public figure Lincoln dealt with the concrete political realities of his particular time.

Granted the importance and the wisdom of what he said and what he did, we must do Lincoln the justice of dealing with him in the perspective of his time. And this means restraining ourselves from using his words to serve our own ends.

The irony in this should be apparent. For Lincoln was addicted to the truth. It has been said of him that he was morbidly preoccupied with truth—morbid, perhaps, because too few of his contemporaries, as too few of ours, gave evidence of valuing it as highly.

Lincoln was a man with a passion to be understood. He abhorred indirection, despised glittering generalities, shrank from evasion and ambiguity.

His respect for man's mind led him to rely on demonstration, rather than on emotional appeal, to convince those with whom he dealt.

His outward style—his manner, his taste and his writing—reflected the inner Lincoln: self-contained, direct, clear, sometimes terse, precise, simple, and undecorated.

He was a realist, about himself and about others. He lacked sentimentality of any kind. And he would, it is certain, have scorned those who, however sincerely, have sentimentalized him. For he recognized that sentimentality destroys a man's integrity, fuzzies up the truth about him, and makes him a pliable instrument for the service of others' interests.

Lincoln was no storybook hero, no romantic fool. He was a difficult, complex human being, the material of true greatness.

He valued excellence. He recognized it in others. He understood the painstaking, laborious price of achieving it, and willingly paid that price. And, afterward, he appreciated honestly what he knew to be his own great worth.

This self-control, this mastery of himself—no easy accomplishment for this giant of many moods and passions and ambitions—was the source of his strength and his mastery of others.

Was Lincoln really modest and humble? Not in the conventional sense of false self-effacement or self-righteousness, but genuinely so, as one who knew and understood himself as he really was.

He was a great man—a man for our age and every age.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 11, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my newsletter of February 7, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas, February 7, 1959)

The veterans' direct housing loan bill provided $300 million more for direct Treasury loans and increased the maximum interest rate from the present 4¾ percent to 5¼ percent. Arguments for: (1) Additional veteran home purchases may result; (2) more private investment money may become available to veterans through the increased interest; (3) the President is not forced to spend this money, it is only made available. Arguments against: (1) There is $192 million still on hand for such loans; (2) Congress' control of expenditures is bypassed by this direct Treasury payout; (3) this is $300 million beyond the budget. The bill was passed 310 to 89 (35 not voting). I opposed the bill. As I see it, the merits of the bill were completely eclipsed by the unconscionable expenditure of $300 million we don't have, to that extent unbalancing the budget.

The "battle of the budget" is on, the opening gun being the vote on this loan bill. Not a single Democrat voted to keep the budget balanced (all 89 were Republican). Several Democrats spoke vehemently against the bill. Some, like myself, consider the bill clearly unconstitutional, since such appropriations bypass the expressed provisions of the Constitution for appropriating money. This back door to the Treasury, or House appropriation procedures bypass, accounted for $4½ billion of the 85th Congress' expenditures. Why this unconstitutional procedure? Why does not even one Democrat vote against it, including all alleged southern conservatives? Why? Could it be politics, pure and simple—the attempt to discredit and embarrass the President who is now trying to hold the line, trying to cut spending, trying to tailor spending to income—as all responsible fiscal practice demands—even household operation?

In the Senate Democrats are pushing a $2½ billion housing bill (creating the inflation which wrecks the income of the very people who politicians claim need housing); then there's the Armed Forces budget struggle with the "defense at any cost" cliche (our defense is based on a sound economy and can be wrecked by inflation); or how about agriculture with the Democrat plan now for direct subsidy payments to farmers. Well, where's the money coming from? The Federal Government hasn't any—it's broke and in debt. Do people want their taxes raised? The President reminded the spenders—"include the taxes in each of these programs to pay for them." Politicians vote for every appropriation and against every tax. If ever conservatives of both parties had the courage of their convictions, now is the time to support the President's balanced budget for the sake of our Nation. Surely, not even rabid partisans can oppose economy moves just because it's the President, a Republican, asking it. A prevalent distortion now presented by Democrat leadership is "the Democrat Congress clipped $5.6 billion off the budgets for 1958 and 1959." What a transparent distortion, even to the untutored, when it is remembered that the Democrat-led Congress piled up a deficit of $12.7 billion during this period. As Knebel, columnist, says of the budget battle: "Ike challenges Democrats to raise taxes to cover their spending. That's pay-as-you-go, but Democrats have their own slogan: 'Pie now—pay later.'" For myself, I dislike thinking the labor leaders, the ADA, and/or liberal Democrat leaders can so influence the traditionally conservative southern Democrats.

The draft bill extension passed handily 381 to 20 (32 not voting) extending for 4 years compulsory military service. Many Congressmen dislike a draft in our freedom- and peace-loving country, but this cannot blind us to the reality of the dangers confronting us. We don't seem to be able to maintain the necessary manpower by voluntary methods.

The mountain of debt in this country now totals a staggering $788.8 billion; that's $4,650 for every man, woman, and child, a total debt more than that of all the rest of the world. The breakdown: Federal, $283 billion; State, $14.7 billion; farm, corporate, and family, $449.6 billion. Isn't it time we held the line on spending, taxing, and borrowing, and lived within our Federal income? The Alger thumbnail legislative program might be said in one sentence—cut Government spending, cut Federal taxes, make social security a sound pay-as-we-go system, free farmers from regulations and subsidies, evaluate all existing law, and stop the socialistic labor trend of government.

Voice in the Washington Wilderness Department: Last year, when a something-for-everybody boost in railroad workers' unemployment compensation was being whistled through the Interstate Commerce Committee, only senior Republican Member JOE O'HARA and I protested in a separate report that under current conditions the unemployment insurance fund might well drop dangerously from $170 million to less than $100 million "within a year's time" O'HARA blocked the bill during the closing days of the session. Now this proposal is up again, backed by the committee chairman. Meanwhile in 8 months the compensation fund has plummeted to $80 million and the retirement board head requests authority to borrow around $100 million—coupled with a move to increase benefits.

National Security and Hydroelectric Equipment

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 11, 1959

Mr. SIMPSON of Pennsylvania. Mr. Speaker, during the past few days we have witnessed the strange spectacle of a foreign government launching a campaign of recrimination in the American press against our Government's award of a contract for two hydraulic turbines to an American company in preference to a British firm.

Letters have been sent to American newspapers by the British Information Service, an agency of the British Government, quoting the British Ambassador to Washington and the president of Britain's Board of Trade as, in effect, impeaching the honesty and integrity of U.S. Government officials.

The president of the British Board of Trade, a Government agency similar to our Department of Commerce, the British Ambassador and the British Information Services speak for Britain and British interests, not for the United States.

The direct approach of a British agency to American newspapers, with its implied slurs at American officials and policy, has met with a mixed response. One segment of our press has been quick to echo the British position.

In sharp contrast, the Oakland Tribune, of Oakland, Calif., speaks up for America.

The Oakland Tribune published the following editorial on January 28 under the heading "British Campaign":

Attention was called yesterday in these columns to the unhappy state of mind of much of the British press over the awarding of a contract for hydroelectric equipment by the U.S. Government to U.S. firms in preference to lower priced British equipment.

Now we learn that the comments of the British press were Government inspired, and that a campaign has been launched in this country by the British Information Service, an agency of the British Government.

The San Francisco office of the British Information Service is sending out letters to financial editors and the city desks of newspapers in this area, and no doubt elsewhere, referring to the preference for American equipment over British as a slap in the face for Britain.

It refers to a statement by Sir David Eccles, president of the British Board of Trade, also a British Government agency, in which he said:

"Rejection of this tender is hardly consistent with the ideas of interdependence and freedom of trade upon which the two Governments have agreed. The rejection came as a shock and nothing that the U.S. Government has so far been able to tell us in any way reduces my disappointment."

Then the letter refers to vehement protests made by the British Ambassador in Washington, who among other things said of the U.S. Government's explanation: "Tell that to the marines—sailors won't believe you."

It was not necessary that the United States give any explanation, but it did. It was pointed out there is a Federal statute known as the Buy American Act, designed to give preference to American products by the U.S. Government. It was also pointed out the purchase was made in conformity with requirements that Government expenditures be made, wherever possible, in areas of unemployment.

It aso was made clear that security requirements had to be met, in this case the availability of parts when repairs might be needed and the availability of the machine tools needed to turn out replacements in the event of a major emergency.

I am happy to see the Oakland Tribune speak up for America and American employment, security and interests, and I am not surprised. The assistant publisher of the Oakland Tribune is William F. Knowland, who served his State of California and the Nation with distinction in the U.S. Senate for 14 years and retired voluntarily at the close of the recent session as Senate Republican leader.

Mr. Speaker, in view of the clamor which has been raised over the rejection of this English company's bid on two hydraulic turbines I would like to present this case in its proper perspective.

There has been an obvious effort in some quarters to represent this action as having shut out all foreign competition for such contracts.

The facts are that foreign overseas manufacturers during the past 7 years have received orders from American governmental agencies for 14 giant hydraulic turbines totaling 1,526,000 horsepower, 24 hydraulic turbine driven generators with a combined rating of 1,295,210 kilovolt-amperes, and 399 heavy power transformers.

Each year increasing millions of American tax dollars have gone into procurement from foreign suppliers of heavy equipment for our expanding federally owned or publicly owned power production and transmission facilities.

All of the 14 hydraulic turbines above mentioned have been supplied or are on order from the English Electric Export & Trading Co., Ltd., of Stafford, England, the foreign bidder on the two turbines for the Greers Ferry Dam in Arkansas over which the present British-inspired controversy has arisen.

Of the 24 generators of foreign construction, this company has built or has contracts to build the 12 largest, and also a 13th generator of lesser rating. It also has received the contracts for 39 of the 399 heavy power transformers being supplied from overseas.

With reference to two of these transformers, the English quarterly review British Affairs, stated in March 1957, as follows:

Two of the largest transformers ever built have been ordered by the Tennessee Valley Authority from the English Electric Co. of Stafford. The transformers are for the Authority's new power station at Gallatin, Tenn. When they are ready they will form one of the heaviest loads ever shipped from Britain.

Fifty British heavy transformers for other governmental power systems in the United States were ordered from another English company, bringing the British total for this type of heavy electrical equipment to 89.

Governmental procurement of the remaining foreign-built electrical equipment is divided between Swiss, Austrian, Italian, and British firms other than British Electric. It is evident that the latter has not done badly in this overseas competition for our hydroelectric power generation and transmission equipment market.

Industry data submitted to the Office of Civil and Defense Mobilization shows, with reference to heavy power transformers, that in 1951 the Federal Government purchased none from overseas. In 1952, 27 percent of the purchases were from overseas, in 1953 50 percent, in 1954 40 percent, in 1955 60 percent, and in 1956 they exceeded 80 percent. This data applies to transformers only.

In 1956 the Corps of Engineers bought 26 percent of all its power equipment, which includes turbines, generators, and circuit breakers, from foreign sources, the Bonneville Power Administration 39 percent and the Bureau of Reclamation 47 percent.

The U.S. Corps of Engineers has installed or purchased 37 heavy power transformers with a total rating of 2,692,000 kilovolt-amperes in the Chief Joseph Dam, the Dalles Dam and the McNary Dam—

An industry statement filed with Director Leo A. Hoegh, of the Office of Civil and Defense Mobilization states.

Also the Corps of Engineers has two foreign manufactured hydraulic turbine-driven generators, each with a 73,684-kilovolt-ampere rating, in the McNary Dam.

Also the Bureau of Reclamation has three large power transformers (kilovolt-ampere rating totaling 130,000) and six sizable hydraulic turbine-driven generators purchased from abroad and installed in this area.

Also, 32 heavy power transformers of foreign origin have been installed or ordered by the municipal power systems of Seattle and Tacoma or by the public utility districts in the area. They have a combined kilovolt-ampere rating of 2,372,000. In the same category are 10 hydraulic turbines totaling 1,140,000 horsepower, and 10 large hydraulic turbine-driven generators.

The same report states that the Tennessee Valley Authority has purchased 45 heavy power transformers with a total of approximately 4,098,000 kilovolt-amperes from foreign sources and has issued a letter of intent for the purchase of three 60,000 kilovolt-amperes hydraulic turbine-driven generators, while the power authority of the State of New York has purchased some 32 foreign-produced transformers with a total kilovolt-ampere rating of 4,098,000, identical to that of TVA.

Mr. Speaker, when we consider these facts, particularly those which apply to Federal projects for which Congress has appropriated the funds, the question must arise whether these wholesale foreign purchases are in the interest of our national economy, welfare, and security.

Yet, when the question arises there is an outburst from British officialdom and the British press which is reflected in several of our own newspapers, and the occasion seized upon is the rejection of one award to a company which has received previously many awards from American governmental agencies involving millions of dollars. They would have us subscribe to the view that it is un-American to be for America.

I do not know of any prior occasion when an award of an electrical equipment contract was denied when an English company was the low bidder, although I do recall such an instance when a Japanese firm entered the low bid.

Now what are the facts in this most recent case which has so aroused our British friends?

The Corps of Engineers last July advertised for bids on two turbines for the Greers Ferry Dam in Arkansas. English Electric was the only foreign bidder. Four of the five American companies manufacturing hydraulic turbines entered bids. The bids were opened September 4. The English company's bid was $1,450,700. The lowest American bid, that of the Baldwin-Lima-Hamilton Corp., of Philadelphia and San Francisco, was, $1,757,210. The difference between the low foreign bid and the lowest American bid was $306,510 or approximately 19 percent.

May I say at this point that Federal Government specifications officially recognize that from 45 to 55 percent of the American contract price for the design and manufacture of hydraulic turbines represents the labor cost.

Baldwin-Lima-Hamilton estimated that 207,250 man-hours of work were directly involved at its plant in construction of the two Greers Ferry turbines, and that an additional 81,000 man-hours would be provided by its immediate suppliers, a total of 288,250 man-hours.

I do not have an estimate of the total labor costs on this contract, but I do know that the construction of hydraulic turbines requires highly specialized techniques and skills, and that the average earnings for all labor in American manufacturing industries as of last October was $2.13 per hour.

On this basis, had the contract been given to the English company, which already has received many such contracts as I have pointed out, American wage earners would have lost $612,000, or

double the difference between the English and the American bids.

Or, if we take the 45 percent minimum percentage recognized in Federal Government specifications as the proportion of labor costs to contract price in manufacturing hydraulic turbines the loss would have increased to $790,744 had the English company's bid been accepted.

The award of the contract, therefore, provided a net gain to the American economy of at least $300,000 and more than 7,200 weeks of productive employment to American citizens in an area where 6 to 8.9 percent of the total labor force is currently unemployed according to the January report of the U.S. Bureau of Employment Security.

The award of this particular contract to the lowest American bidder instead of to the foreign bidder was clearly justified, in my opinion, on economic and social grounds, in addition to that of national security expressed by Director Hoegh and upheld by Secretary Dulles.

American wage earners buy American goods in American shops and stores.

Foreign labor does not.

American wage earners pay Federal, State, and local taxes.

Foreign labor does not.

American employment and American households support our schools and colleges, our churches, and our civic and religious institutions.

Foreigners do not.

Americans man our military and industrial defenses.

Foreigners do not.

When Government tax money is paid out for Government projects and facilities American taxpayers are entitled, in my opinion, to have that money paid to fellow Americans with the realization that the benefits of these expenditures will accrue to all Americans in national security and an expanding economy, particularly where qualified American workers and taxpayers are unemployed.

Why should American jobs be sacrificed because British labor is content to work for one-half or one-third of our wage scales, thus permitting his employer to underbid American industry on public contracts?

I concede that this was not a factor taken into account by the Director of OCDM, but offer it as supplemental justification of his determination.

The decision was based solely on national security considerations.

Congress in 1933 passed the Buy American Act, designed to grant American producers a 25-percent differential over foreign suppliers on Government purchases on which both domestic and foreign bids were offered.

Written into that law was a provision that empowered authorities, regardless of any differential, "to reject any bid or offer for materials of foreign origin if such rejection is necessary to protect national security interests."

In 1954, the Buy American Act was superseded by Executive Order 10582 which, in effect, reduced the differential to 6 percent but retained the national security exception stated above.

It is, of course, the sovereign right and duty of any nation to protect its national security.

Director Hoegh's decision was consistent also with the national security provisions of the Trade Agreements Extension Act of 1958 which strengthened and expanded similar provisions in the 1954 Extension Act.

Section 8 of the 1958 act directs the Director of OCDM to investigate and determine the effects on national security of any article upon request of the head of any department or agency, upon application of an interested party, or upon the Director's own motion.

If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President.

Then, unless the President determines that the article is not being imported in such quantities or under such circumstances as to threaten to impair the national security he shall take such action as he deems necessary to adjust the imports of such article and its derivatives so that they will no longer threaten to impair the national security.

A definite standard and criteria were written into the law to guide the Director and the President in arriving at a determination.

Congress directed that the Director of the OCDM and the President consider:

First. Domestic production needed for projected defense requirements.

Second. The capacity of domestic industries to meet the projected defense requirements.

Third. Existing and anticipated availabilities of the human resources, raw materials, and other supplies and services essential to national defense.

Fourth. The requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth.

Fifth. The character, use, and quantity of the imported articles under investigation as they affect industry in the United States and the capacity of the United States to meet national security requirements.

These considerations are not optional with the Director of the OCDM or the President. They are statutory requirements and not subject to the whims of foreign trade expansionists or foreign press releases.

These provisions were written into the Trade Agreements Extension Act of 1958 by the House and retained by the Senate. The Senate added a further consideration to be recognized by the Director of the OCDM and the President in arriving at a determination of the impact or effect of imports of a given article on national security.

I quote:

> In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills and investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

Thus the authority of the President to deal with imports which threaten to impair our national security is unequivocal.

Nor is the question of reciprocity involved where a nation's security is at stake.

Britain drastically restricts imports which compete with British industries which she considers essential or strategic.

She does this under the Safeguarding of Industries Act of 1921 as extended and amended.

She does this through a rigid system of import licenses and exchange permits.

She does this through her British token import plan, described by our own Department of Commerce as follows:

> The British token import plan, established with the United States in 1946, enables eligible U.S. manufacturers or other eligible U.S. firms to export to the United Kingdom token shipments or specified commodities whose importation from other dollar sources is otherwise generally prohibited by the British Government.

Participants are permitted to make shipments under the plan in an amount not exceeding 30 percent of the individual certified firm's average annual exports of specified commodities to the United Kingdom in the base years 1936, 1937, and 1938.

The years 1936, 1937, and 1938 were depression years in which the total exports of the United States to all countries averaged less than $3 billion. The British token plan permits slightly over 500 American firms which were exporting to Britain in those depression years to export annually now 30 percent of what they exported to Britain then.

I am informed that there is no record of any heavy electrical equipment—generators, hydraulic turbines, transformers, or circuit breakers—having been supplied to British industry by any American manufacturer in recent years.

In fact, according to testimony presented before the Ways and Means Committee at the hearings held last year on renewal of the Trade Agreements Act, such export would be impossible even if American manufacturers were able to overcome the British low wage differential and enter competitive bids. I quote from the testimony cited:

> Since its creation in 1947, the Central Electrical Authority of Great Britain has limited the procurement of power and transmission equipment to domestic (i.e. British) suppliers because, as its official report to a parliamentary committee of inquiry states: "It would be unwise for the electricity supply industry (of England) to be dependent upon foreign manufacturers for spares and maintenance."

Mr. Speaker, I submit that if it is unwise for England to be dependent on American or other foreign suppliers for spares and maintenance, it is unwise for the United States to be dependent on British suppliers for spares and maintenance of power and transmission equipment.

Britain's own policy and enactments demonstrate that when the President of Britain's Board of Trade speaks so glibly of interdependence and freedom of trade upon which the two Governments have agreed, his statement, like many British products, was made exclusively for export.

I am not aware of our Government having ever formally acceded to the doctrine of interdependence with any nation, although I know that some lip-service has been given to that concept in the executive branch.

In any event we are not dependent on Great Britain for hydraulic turbines, generators, or heavy transformers, although we might well be if we continue to rely largely on foreign sources for such equipment.

There are, as stated previously, five companies in the United States that manufacture hydraulic turbines, three of them located in areas that presently have a labor surplus, frequently referred to as distressed areas.

There are five companies manufacturing hydraulic turbine generators; synchronous condensers above 10,000 kilovolt-amperes, two of them located in labor surplus areas.

There are six companies manufacturing power transformers above 10,000 kilovolt-amperes, five of them in labor surplus areas, and only three companies manufacturing power circuit breakers of 1 million kilovolt-amperes interrupting capacity and above, two of them located in labor surplus areas. Governmental agencies have purchased 81 circuit breakers from foreign countries.

Should the foreign manufacturers elect to bid on all Federal Government jobs, they could, if present policies are continued, take over the bulk of production of all heavy power-producing equipment purchased by the agencies of the Federal Government—

The industry brief filed with the Director of the OCDM tersely states:

Since 1953, 70 percent of the hydraulic turbine generator business in the United States has been placed by governmental agencies, Federal and State, and the industry estimates that 60 percent of hydraulic turbine business is affected by policies of the Federal Government.

In brief, the Federal Government has become the principal buyer of heavy power-producing and transmission equipment, all highly vulnerable to disaster or sabotage.

It can buy foreign at the risk of many months delay in the event of breakdowns requiring repairs or replacement, or it can buy American with necessary parts and repair skills readily available.

It can buy foreign at the risk of increasing unemployment and the loss of specialists and technicians through shutdown of our own strategic industries, or it can buy American and assure our continued security in this highly important field.

Let us not be overwhelmed by the protestations of foreign agency leaders that we are breaching ideas of interdependence and freedom of trade when we endeavor to safeguard our own national security.

The Nebraska Farmer Magazine Has Reported History of State From Lincoln's Day Until Now

EXTENSION OF REMARKS
OF

HON. DONALD F. McGINLEY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 11, 1959

Mr. McGINLEY. Mr. Speaker, one of the most memorable and lovable characteristics of Abraham Lincoln was his sedate, but sharp, sense of humor. There is a story behind the naming of Nebraska's capital city—Lincoln—which I think would have amused Mr. Lincoln, had he been living at the time.

The Platte River, in its east to west course, cuts the State of Nebraska into approximate halves, north and south. Early Territorial politics—1854–67—were colored with a sectional rivalry over location of the Territorial capital site. The first acting Governor, Thomas B. Cuming, chose Omaha, north of the Platte, as the Territorial capital rather than another historic Missouri River town, Bellevue, south of the Platte.

The location controversy continued and became hotter as Nebraska became a State on March 1, 1867. One of the acts of the first State legislature in 1867 was to make a final capital site determination.

The South Platte members, many of whom were Democrats, were in the majority in the first State legislature and were determined to relocate the capital city. They had chosen the small inland village of Lancaster on Salt Creek, because of the expected wealth of the salt reserves in that area.

Forced to strategy, the North Platte group, who hoped to retain the capital of Omaha, offered an amendment to rename the village of Lancaster as "Lincoln." By this maneuver, the northern members hoped to make the relocation measure distasteful to the South Platte Democratic members and thus break up the political strength of the South Platte majority.

However, the South Platte members accepted the amendment and on July 29, 1867, the little village of Lancaster, on Salt Creek, was officially designated as the State capital and renamed as the city of Lincoln.

Thus did the controversy over this minor issue cease, as it were, by accident, and symbolized the later acceptance of Abraham Lincoln by all parts of the Nation as a good and great man who saved the Union of the United States of America.

It is then, Mr. Speaker, further proof that men of vision make history both by their direct efforts and by the force of their being.

On this anniversary of the birth of a man of principle and foresight, I would like to bring to the attention of my colleagues another birthday. This birthday is of an institution born in the mind of a man of many Lincoln-like attributes.

This year marks the 100th anniversary of the Nebraska Farmer, a farm magazine that reported the history of the State from Lincoln's day until now.

Its founder was Robert W. Furnas. He was a farmer, fruitgrower, horticulturist, soldier, politician, and newspaperman.

When that first edition was published, the Territory was vast in size, with most of the people living along the eastern boundary of the Territory. There were 24 counties represented in the Sixth Territorial legislature in 1859. Nebraska City was the largest town, with a population of 1,922. Omaha's population was 1,883.

Furnas continued to publish the magazine until going to war in 1862. He returned to his publication and was elected the second Governor of the State in 1872.

This was the heritage of the Nebraska Farmer and it reflected as almost a creed: ruggedness, adaptability, honesty.

Its pages were dedicated to the farmer of Nebraska. It was interested in his economic welfare, his opportunity for education, his right and privilege of good government.

And the Nebraska Farmer has never lost that personality.

Another man was to rise over the horizon of Nebraska history and shine with the strength and brightness of a Nebraska summer day upon the people and the land. He was Sam McKelvie, born on a homestead in the State he loved.

He guided the Nebraska Farmer for half a century, was to become Governor of the State at the age of 37 and bring into focus the greatness of agriculture and to especially enshrine the sandhills of Nebraska as the greatest cattle land in America.

As the farmers of Nebraska struggled against adversity so did this publication. The anniversary issue relates an era in the history of the Nebraska Farmer which could have spelled its doom or—as was the outcome—nurtured the publication on the sparse diet of adversity and the strengthening qualities of austerity.

A period of depression hit business in Nebraska in 1921. In 1923, Sam McKelvie was broke. It was a despondent Sam who boarded a train for Omaha to try to tap one of the fading hopes of obtaining the $50,000 needed to keep the business going.

Walter Head, president of the Omaha National Bank, listened to this man's plea and heard the publisher expound his belief that the Nebraska Farmer could come back.

The banker and friend of Sam wrote out the check and said:

Sam, Nebraska needs a good farm paper. Let's keep the Nebraska Farmer going.

Sam's name was the only security ever offered to protect that loan.

There are many more stories of the growth of the Nebraska Farmer under the guidance of Sam McKelvie. Too many to relate here.

The Nebraska Farmer is like a jewel of many facets. Its organization is a family in a real sense. The employees own stock in the company and its almost negligible turnover in employees is testimony of the loyalty and devotion of its

people. Sam's will provided for the employees to own the business.

Like Sam McKelvie, its present president and publisher, Glenn Buck, came up from the ranks. He started over 30 years ago as an advertising salesman.

The Nebraska Farmer story is in the finest traditions of Americana. It was and is interested in progress but not plunging; government but not political power; education but not preachments.

It is the true chronicle of Nebraska history.

The American Association for the Advancement of Science, the Association of American Colleges, the Council for Financial Aid to Education, and the National Planning Association Have Called for Increased Private Support of Education

EXTENSION OF REMARKS

OF

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 11, 1959

Mr. THOMPSON of New Jersey. Mr. Speaker, at various times in recent years many leading nationwide organizations have called for increased private giving to education. Among these highly respected and substantial groups are the American Association for the Advancement of Science, the Association of American Colleges, the Council for Financial Aid to Education, and the National Planning Association.

Recently, I introduced a bill, H.R. 2440, to amend the Internal Revenue Code of 1954 to provide funds for educational purposes by providing increased incentives for private giving through the allowance of a tax credit for charitable contributions to institutions of higher education.

Most corporations and individuals conspicuously fail to contribute to education the sums permitted under the Internal Revenue Code. In fact, it is the failure of the present tax laws to realize the large sums necessary for education which the Congress intended when it wrote these acts which led to the development of H.R. 2440 and other measures similar to it which are designed to correct the present situation.

Dr. Paul E. Klopsteg, distinguished president of the American Association for the Advancement of Science, wrote me on January 28, 1959, that my bill, H.R. 2440, "could become one of the most important pieces of legislation in the interest of preserving the integrity and independence of our colleges and universities that has ever been passed." Clearly, if our colleges and universities are not adequately assisted in obtaining the funds without which their continued existence will be impossible, then the integrity and independence of these institutions will be ended. Both increased Federal aid and private giving is of absolute importance if our colleges and universities are to serve our growing needs as our country expands.

H.R. 2440 would allow a taxpayer a credit against income tax for charitable contributions made to institutions of higher education. In the case of an individual taxpayer, the limit on this credit would be the same as the present limit on the deduction for charitable contributions. H.R. 2440 would not give him a tax benefit with respect to more contributions than he may now include for deduction purposes alone; he may elect to treat a charitable contribution—if it is to an educational institution—as a credit rather than as a deduction, but the total of credit plus deduction is no greater than the present allowable total of deductions.

In the case of a corporate taxpayer, the limit on this credit would be increased from 5 percent to 10 percent of taxable income—where the percentage-of-taxable-income method of computing the limit is used—and this credit would be in addition to the deduction presently allowed for charitable contributions generally; a corporation may elect to treat charitable contributions to educational institutions as credits rather than as deductions—up to 10 percent—without cutting into the amount of such contributions—along with other types of charitable contributions—which may be allowed as deductions. Of course, the same contribution cannot be counted as a credit and a deduction.

Under H.R. 2440 the taxpayer would be allowed a 2-year carryover on the credit just as he is presently allowed a 2-year carryover for deduction purposes. The Secretary of the Treasury would be directed to prescribe regulations governing the time and manner of making the election to treat a contribution as a credit rather than a deduction and imposing conditions to insure the effective correlation of the new credit section with the existing deduction provisions.

I include here a letter I have received from Dr. Paul E. Klopsteg, president of the American Association for the Advancement of Science, and the text of my bill, H.R. 2440:

AMERICAN ASSOCIATION FOR THE ADVANCEMENT OF SCIENCE,
Glenview, Ill., February 3, 1959.

Hon. FRANK THOMPSON Jr.,
House of Representatives,
Washington, D.C.

DEAR MR. THOMPSON: Thank you very much for your letter of January 30.

* * * * *

As you may know, I have been either directly active in or associated with higher education throughout my career. Having been on the staff of a large State university and a large private university, and on the board of trustees of a small liberal arts college, I am familiar with the problems, so many of which could be solved with more money that the institution can truly call its own.

I have literally lived with the question of how the flow of undesignated funds from many donors could be stimulated, over a period of more than 5 years. For more years than that, I had been aware of the inevitable pressure that would come upon the colleges and universities as a result of the rapid increase in the number of young people of college age, and that pressure is now upon them. To avoid operating deficits, they must either limit their enrollments, or obtain more operating funds.

Some private institutions are already limiting enrollments, which is bound to throw increasing loads on the State and municipally supported institutions, largely to their detriment. What is needed is clearly the additional "own" money to prevent deficits as enrollments increase. The source must be one of two possible ones: either Government, or private. As you know better than I, the pressure on Government for more and more subsidy for higher education is increasing each year, and understandably so. Private individuals have reached a ceiling in their charitable giving, as expressed in percent of adjusted gross income of taxpayers. As shown in the study sponsored by AAAS, this percentage has remained close to 4.2 for a number of years, this being the average for those itemizing their gifts. The question is how to break through the ceiling. I believe it can be done, and I believe H.R. 2440 can be the instrument for doing so.

When I published the general plan for equalizing cost of giving in Science, I had requests for 1,800 reprints, out of an original circulation of about 45,000 copies. It indicated exceptional interest in the problem and possible solutions. Great interest was also expressed by many college and university presidents with whom I spoke about it, and the usual comment was, "This is exactly what is needed. You must keep on pushing it. Of course one individual isn't in position to push such a matter very far or very fast. It was not until AAAS, an organization without vested interest in the results, but of course interested in better education and research in colleges and universities, took enough interest to have the study made that things began to move off dead center. And H.R. 2440 expresses succinctly how the job needs to be done.

As I see it, either we have no concern for the future, since "Uncle Sugar" is always available to help, or we do something to make this help unnecessary. If we have strong convictions, from experience, that much of the strength of an institution comes from self-reliance, something must be done to spark and foster self-reliance in the administration of the institutions. Up to now I haven't seen a better method than that proposed in H.R. 2440, nor has anyone within my knowledge come up with anything better. When someone tells me that it isn't the answer to the problem, that it won't work, that the Congress won't pass it, I have one reply: "Then you have tossed yourself a challenge to improve on it, because a way must be found to channel more private funds into the institutions."

I believe that most of the pros and cons are covered in my article in Science for November 16, 1956. If you would like to use any part of it in the CONGRESSIONAL RECORD at a time you consider to be appropriate, I am sure that there will be every cooperation from AAAS to facilitate this.

During the next few months I shall be making a number of public addresses in which I shall discuss the subject broadly, and of course will refer to H.R. 2440 in the terms I used in my letter of January 28, quoted in yours of the 30th.

All other bills which I have seen, intended to aid higher education or research, seem to me to skate around the edges of the problem, and don't get at the heart of it. Yours does get to the root of the problem, and provides means for a solution which will automatically remain a solution with increasing enrollments; for it potentially breaks through the barrier (4.2 percent of adjusted gross income) and, provided taxpayers are properly informed, will substantially increase the percentage of increasing incomes.

You refer to the desirability of cosponsorship, which seems to me most important. Were I in Washington before March, I would be glad to help further in finding other Members who might also introduce the bill. I hope there are tried methods by which this can come about.

You may count on whatever help I can give, both personally and through organizations such as AAAS.

Sincerely yours.

PAUL E. KLOPSTEG,
President.

A bill to amend the Internal Revenue Code of 1954 to provide funds for educational purposes by providing increased incentives for private giving through the allowance of a tax credit for charitable contributions to institutions of higher education

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by adding at the end thereof the following new section:

"SEC. 39. Credit for charitable contributions to institutions of higher education.

"(a) ALLOWANCE OF CREDIT.—At the election of the taxpayer there shall be allowed as a credit against the tax imposed by this chapter the amount determined under this section.

"(b) INDIVIDUALS.—In the case of a taxpayer other than a corporation, the amount allowable as a credit under this section shall be whichever of the following is the lesser:

"(1) the amount determined by multiplying—

"(A) the amount of charitable contributions to institutions of higher education, by

"(B) the maximum rate of tax imposed for the taxable year by section 1(a), or

"(2)(A) in the case of any individual who has elected to take the standard deduction provided by section 141 or to pay the optional tax imposed by section 3, 5 percent of the taxpayer's adjusted gross income, computed without regard to any net operating loss carryback to the taxable year under section 172, or

"(B) in the case of any other such taxpayer, 15 percent of his adjusted gross income, computed without regard to any net operating loss carryback to the taxable year under section 172.

"(c) CORPORATIONS.—

"(1) GENERAL RULE.—In the case of a corporation, the amount allowable as a credit under this section shall be whichever of the following is the lesser:

"(A) the amount determined by multiplying—

"(i) the amount of charitable contributions to institutions of higher education, by

"(ii) the percentage which equals the sum of the normal tax rate and the surtax rate prescribed by section 11 for the taxable year, or

"(B) 10 percent of the taxpayer's taxable income, computed without regard to—

"(i) section 170,

"(ii) part VIII of subchapter B (except section 248),

"(iii) any net operating loss carryback to the taxable year under section 172, and

"(iv) section 922 (special deduction for Western Hemisphere trade corporations).

"(2) CORPORATIONS ON ACCRUAL BASIS.—In the case of a corporation reporting its taxable income on the accrual basis, if—

"(A) the board of directors authorizes a charitable contribution to an institution of higher education during any taxable year, and

"(B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following the close of such taxable year,

then the taxpayer may elect to treat such contribution as paid during such taxable year.

"(3) CARRYOVER OF CORPORATE CONTRIBUTIONS.—Any contribution made by a corporation in the taxable year which, but for the limitation of paragraph (1)(B), would be taken into account in computing the credit under this section, shall (at the election of the taxpayer made for the taxable year) be taken into account in computing the credit under this section in each of the two succeeding taxable years, but only to the extent of the lesser of the two following amounts:

"(A) the excess of the amount of charitable contributions to institutions of higher education which may be taken into account in computing the credit under this section under the limitation in paragraph (1)(B) over the amount of the charitable contributions to institutions of higher education made in such year; and

"(B) in the case of the first succeeding taxable year, the amount of such excess contribution, and in the case of the second succeeding taxable year, the portion of such excess contribution not taken into account in the first succeeding taxable year.

"(d) INSTITUTION OF HIGHER EDUCATION DEFINED.—For purposes of this section, the term 'institution of higher education' has the meaning given to such term by section 103 of the National Defense Education Act of 1958.

"(e) SPECIAL RULES.—

"(1) AMOUNTS TAKEN INTO ACCOUNT.—The determination of whether or not a charitable contribution to an institution of higher education may be taken into account under this section, and the amount thereof, shall be made under section 170; except that in the case of an individual any such determination shall be made without regard to any election to take the standard deduction provided by section 141, or to pay the optional tax provided by section 3.

"(2) CORRELATION WITH SECTION 170.—No amount taken into account under this section shall be allowable as a deduction under section 170. Any amount taken into account under this section shall be taken into account in computing the limitations provided in section 170(b)(1) (but not those provided in section 170(b)(2)). For purposes of provisions of law relating to amounts allowable as a deduction under section 170, any amount taken into account for purposes of this section shall be treated as an amount allowable under section 170; and any reference in any provision of law to a specific provision of section 170 shall, where appropriate, be treated as including a reference to the corresponding provision of section 39. An amount shall be treated as taken into account for purposes of this section only to the extent that, but for such amount, the amount allowable as a credit under this section for any taxable year would be decreased.

"(3) CREDIT NOT TO RESULT IN REFUNDS.—The credit allowed by this section shall not exceed the tax imposed by this chapter, reduced by the sum of the credits allowed by this part (other than this section and section 31).

"(4) ELECTIONS.—Any election provided by this section may be made only at such time, in such manner, and subject to such conditions designed to insure the effective correlation of this section with section 170, as the Secretary or his delegate shall by regulations prescribe."

(b) The table of sections for part IV of subchapter A of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"SEC. 39. Credit for charitable contributions to institutions of higher education."

SEC. 2. (a) The second sentence of section 170(a)(1) of the Internal Revenue Code of 1954 (relating to charitable, etc., contributions and gifts) is amended to read as follows: "A charitable contribution shall be allowable as a deduction (or taken into account in computing the credit under section 39) only if verified under regulations prescribed by the Secretary or his delegate."

(b) Section 170(c) of such Code is amended by striking out "For purposes of this section" and inserting in lieu thereof "For purposes of this section and section 39".

SEC. 3. The amendments made by this Act shall apply only with respect to charitable contributions made (within the meaning of section 170 of the Internal Revenue Code of 1954) during taxable years ending after the date of the enactment of this Act.

A Plea for U.S. Diplomatic Relations With the Vatican

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. ANFUSO. Mr. Speaker, one of the most forceful and compelling forces in the struggle against communism and one of the strongest influences for peace in the world today is the Vatican. We are living in a most difficult age, a challenging age which calls for wise leadership and effective action if freedom is to survive. We must leave no stone unturned in meeting this challenge. By our refusal to establish diplomatic relations with the Vatican, however, we are ignoring a very important center of information and intelligence. In so doing, we are harming ourselves and the cause of freedom to a very considerable extent.

The late President Franklin D. Roosevelt realized the importance of maintaining diplomatic relations with the Vatican when he sent Ambassador Myron Taylor there as his emissary. The results of Mr. Taylor's mission were highly satisfactory to the interests of our Government and our people, because it enabled us to obtain certain political and economic intelligence which we would not have had otherwise.

Today the free world is in a life-and-death struggle with the evil forces of communism. If communism should emerge triumphant, it will make little difference whether we are Catholics, Protestants, or Jews—all believers, regardless of creed, will be doomed. Under such circumstances, it stands to reason that we should all be united in our efforts against those who seek to destroy us. In that case, it is unthinkable that any reasonable man would raise objection to the United States being represented by a diplomatic mission at the Vatican.

It is a very strange situation to me when I see full-fledged U.S. diplomatic missions in the Soviet Union and in the satellite countries of Poland, Rumania, Hungary, Czechoslovakia, and Bulgaria, but no such representation at the Holy See. At the time of the Hungarian revolt in 1956 we condemned the Communist regime of that country and we protested against the brutalities of the

Soviet troops in Hungary, but we did not withdraw our diplomatic missions from Budapest or from Moscow. When people in this country asked why this was not done, we were told by responsible Government officials that we would lose important listening posts behind the Iron Curtain.

While that is very true, we are ignoring an important listening post at the Vatican which could be no less valuable to us. There our mission could obtain vital information from all parts of the world, including from countries behind the Iron Curtain, which flows daily into the Vatican in large volume. My experience as an intelligence officer with OSS during World War II had taught me that the Holy See is au courant with everything that is going on in the world, and sometimes was even more informed than we were.

Such antiquated reasons that having a U.S. envoy at the Vatican would be showing special favoritism toward one particular religion or that the Pope would rule the White House are too ridiculous for our day and age. We are interested in preserving the security of our Nation and of the free world; we are interested in maintaining peace in the world and genuine understanding among the nations. It is, therefore, most logical to stand together in a common cause with all those forces who think as we do, who seek the same goals, who are fighting the same enemy. In other words, as I see it, it would constitute a step in the direction of greater unity of the free world which believes in the supremacy of the Almighty God as against godless communism which seeks the enslavement of the whole world.

About 3 years ago, at Christmas, 1955, the late Pope Pius XII held audiences with members of the diplomatic corps assigned to the Vatican. He discussed with them the possibility of reaching an accord between the East and the West on nuclear disarmament, but he noted at the time that it was impossible for the Vatican to undertake international mediation "when two of the greatest powers are not represented at the Holy See." The Pontiff was referring to the United States and Soviet Russia, neither of whom maintain diplomatic relations with the Vatican.

Mr. Speaker, we are in the unenviable position of being classified with Communist Russia as the two great powers in the world today lacking diplomatic representation at the Vatican. What a strange position for us to be in at a crucial time such as this, when we claim to be the moral leader of the free world. It is a fact that the Vatican maintains diplomatic relations with some 50 countries throughout the world. Among them are such Protestant countries as Great Britain, the Netherlands, West Germany, and others, who find it advantageous to have official representatives attached to the Holy See.

Our failure to be represented at the Vatican leaves us in the same category with Soviet Russia—as well as with Communist China, which has no representation there—which is not only a paradoxical and embarrassing situation for us, but it also creates considerable doubt in the minds of our friends and allies who are inclined to regard our attitude as immature action unbefitting a great nation.

This is a situation which needs to be corrected. In the past, the maintenance for separation of church and state was advanced as a major argument against recognition of the Vatican. Such an indictment in connection with Vatican representation is wholly fantastic. All of us are deeply aware of the constitutional and historic role of religion in American life. I dare say that the American people would not brook a distortion of that role any more than it would approve religious bigotry and intolerance. Consequently, the establishment of diplomatic relations with the Vatican would be entirely in accord with our Constitution, our history and our traditions. It is motivated solely by the desire for the promotion of world peace and understanding.

Fortunately, the successor to Pope Pius XII, the present Pontiff, Pope John XXIII, is pursuing the same attitude toward the attainment of world peace, and the same desires for achieving understanding among the nations of the world. At a time when from many corners of the earth we hear the voices of doom and destruction, the voice of Pope John is one of calmness and comfort. We must help strengthen it, so that it does not remain a voice crying in the wilderness.

Whether we like it or not, we are at war with Communist Russia on all fronts. They are bent on destroying the free world, and particularly the faith of the free world in a Supreme Being. I regard this as a most propitious time to establish relations with the Holy See, in view of Pope John's elevation to the papal throne and his strong appeal for unity in the ranks of Christendom.

As a member of the House Committee on Science and Astronautics, I am particularly concerned about the challenge being made to the invincible powers of God. I would think that religious men of all faiths would want to work together to prevent the atheists not only from destroying our bodies, but also our souls. It so happens that the Vatican is today the only existing world religious center having diplomatic relations with other nations—the only nations not represented are the United States, Soviet Russia, and Red China. If other faiths had a similar world organization, I would be the first to advocate diplomatic representation in such a body.

For these reasons, I am now introducing a resolution which calls for the immediate establishment of diplomatic relations with the Vatican through the appointment of an envoy as a gesture of our friendship and our desire to help promote world peace and greater understanding. In sending a diplomatic mission to the Vatican, the United States would demonstrate to the world that it has the highest esteem for the Catholic Church and the broad principles of religious freedom for which it stands. The Vatican is most certainly in a position to serve as a force for unity and strength of the free world. Let us seek its wise counsel, its moral strength, its worldwide support.

Railroad Workers' Benefits

EXTENSION OF REMARKS
OF
HON. JOEL T. BROYHILL
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. BROYHILL. Mr. Speaker, a committee of this distinguished House is currently considering a measure vital to the interests of the railroad workers of America. It concerns increased retirement and unemployment benefits to bring them to an equality with retired career civil service employees and those under the social security system who have attained the age of retirement or have suffered economic setbacks through the loss of jobs.

It is my sincere hope—actually my expectation—that this important bill will soon be reported favorably and that the Congress will discharge its responsibility imposed by the Railroad Retirement Act to remove the injustice currently prevalent respecting the railroad workers. I know that this disadvantage was not premeditated. It was merely an oversight on the part of the Senate and House, which in increasing retirement and unemployment benefits to other classes of workers, neglected those railroad employees who are so necessary to a healthy national economy and a strong national defense. It is axiomatic that too often the wheels of justice grind slowly.

My purpose is not to be repetitious. It is rather to impress on this distinguished body the necessity of correcting at this session of the Congress the omission we have made with respect to the railroaders. With that thought in mind and with the permission of the House I shall here include my remarks made before the Interstate and Foreign Commerce Committee during hearings of a number of bills, including one which I introduced, designed to bring these workers to a par with other workers enjoying additional benefits under the civil service and social security systems.

My testimony before that committee follows:

This distinguished committee has before it today important proposals affecting hundreds of retired workers of the Nation's railroads. Across the Potomac, in the congressional district I have the honor to represent, is located one of the largest railroad yards in the world. I personally know many men and women employed in Potomac yards. I know their problems and I know these problems are shared by their fellow workers in all parts of the United States.

Today they are wagging the cow's tail. Discharging our responsibilities respecting Federal and social security employees we have increased their benefits to bring them more into line with the cost of living. But to date we have neglected the railroad workers, who are also our responsibility. We have assumed this responsibility through the enactment of the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Without action by the Congress, retired and unemployed railroad employees must continue to drag behind those in the Government service and those covered under the social security system.

The railroad workers are not fat cats. They are people who are in an income bracket comparable to many other groups who devote most of the fruits of their labor to current expenses. They are dependent on adequate retirement and unemployment insurance to meet these situations. If there are savings, they are indeed meager. Little opportunity is offered to set aside funds for old age and emergencies.

Now, I am appreciative of the economic difficulties of the eastern railroads. Competition has reduced their earning power. They have been compelled to curtail certain types of services. But such difficulties are inherent in our system of free enterprise. Business has its ups and downs. That is to be expected.

In my own business—the building industry—we are sometimes faced with the necessity of reducing original prices to sell homes. But that is not the fault of our construction workers and we certainly do not make them the victims of our failure to properly evaluate the housing market. It is my hope that the economic plight of the eastern railroads will improve and that if necessary the Federal Government will lend some sort of helping hand. Rail transportation is essential to our national welfare. We must do what we can to make it economically healthy.

The necessity of liberalization of the congressional acts affecting our railroad workers is further emphasized by the long-range actuarial deficit now existing in these programs. We must restore them to a sound actuarial footing.

Mr. Chairman, I am pleased to follow your footsteps in presenting a companion bill to yours in order to accomplish the aforementioned purposes. The same measure was the subject of a number of bills introduced in the 85th Congress. It was passed by the Senate last August, but was not called up for floor action in this House in time to receive proper consideration before adjournment.

The bill contains a number of benefit improvements under both the Railroad Retirement Act and the Railroad Unemployment Insurance Act. But, to my mind, the primary purpose which will be accomplished under the bill will be to put both of these systems on firmer financial bases.

The railroad retirement system has been operating at a deficit for the past several years. This situation must be corrected without delay if we are to maintain a retirement system in which the railroad workers of this Nation can place their confidence. Under the bill, it is proposed to increase the tax rate and raise the maximum wage base sufficiently to finance the benefit increases contained in the bill, as well as to help liquidate the present actuarial deficiency in the railroad retirement fund.

Taxes would be increased from a current rate of 6¼ percent on railroad employers and employees to 6¾ percent beginning with the current year and to 7¼ percent commencing in 1962. Thereafter the tax rate increases would match those taking place under the social security old-age and survivors insurance program.

The wage base maximum would be increased from $350 to $400 a month. This would put the railroad retirement system on a par with the social security system, which, under amendments enacted last year, covers earnings up to $4,800 a year.

The financial basis of the railroad unemployment insurance system would be strengthened to provide funds for the additional benefits proposed in the bill and to take care of the current deficiency which exists also in this fund. This would be accomplished by increasing the tax base from $350 to $400 a month and changing the tax rate to provide for a range from a minimum of 1½ percent to a maximum of 3½ percent, depending upon the current balance in the railroad unemployment insurance account. Minimum annual earnings needed to qualify for unemployment benefits would be raised from $400 to $500 a year.

The benefit increases proposed under the Railroad Retirement Act include a general 10-percent increase in monthly pension and retirement payments. When the 85th Congress came to a close it had granted pay or retirement increases for practically every group whose rates of compensation are established by law, with one major exception—the retired railroad worker. Civil service retirees were granted a 10-percent increase, those under social security 7 percent. It is no more than simple justice that the retired railroad worker, who has borne the brunt of increased living costs to the same degree as his retired neighbors, be given equal treatment.

Other major changes proposed in the Railroad Retirement Act are:

1. Lowering the retirement age for women employees with 10 to 30 years' service and wives of retirees to age 62 with a reduction in annuities. This would allow the same privilege of receiving a reduced annuity now available to women under social security. The same privilege would be offered to male workers at age 62 with 30 years of service.

2. Raising the maximum compensation used in computing benefits from $350 to $400 a month for services rendered after this year.

3. Allowing those retired on account of disability to earn up to $1,200 a year in casual or intermittent employment without loss of benefits.

4. Allowing survivors living in foreign countries to earn up to $1,200 a year, the same as survivors in this country. Under present law survivors living outside the United States, principally in Canada, are allowed no benefits for any month in which they work 6 days.

Under the Railroad Unemployment Insurance Act benefits increases would range from 50 cents to $1.70 a day depending upon rates. The maximum benefit would be $10.20 a day as compared to the present $8.50.

The bill would also extend the benefit year, or the periods during which unemployment benefits may be paid to an employee. These extensions apply principally to workers with considerable railroad service. Those with over 15 years would be extended another 130 days of benefits, those with 10 to 15 years another 65 days.

I sincerely hope that this measure will receive the thorough consideration of the Committee on Interstate and Foreign Commerce at its earliest convenience. I am sure that after having done so, the committee will issue a favorable report upon it, so that the urgent necessities for strengthening the finances of both of these systems and bringing their benefits in line with present living costs will be met.

Television Booster Stations

EXTENSION OF REMARKS
OF
HON. WALT HORAN
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. HORAN. Mr. Speaker, under privilege to extend my own remarks in the RECORD, I would like to include a news report by Mr. Frank W. Vaille, an able reporter for the Associated Press for the West, which appeared in the Wenatchee Daily World, Wenatchee, Wash., recently. This article concerns the problems we are having in attempting to protect the rights of people in remote areas, particularly in the mountains, where deep canyons prohibit the reception of direct radio TV impulses:

HORAN, MAGNUSON SEEK TV SOLUTION

Two Washington Congressmen are soliciting views of other western Members on a proposed bill to solve the knotty problem of television booster stations.

The bipartisan move has been undertaken by Representatives DON MAGNUSON, Democrat, and WALT HORAN, Republican, in the wake of continued opposition by the Federal Communications Commission to booster station operations.

The Commission Tuesday extended until June 30 its deadline for operators of VHF (very high frequency) boosters to convert to UHF (ultra high frequency) translators. Boosters and translators are TV systems that serve small isolated areas.

The Magnuson-Horan proposal would create within the Commission a community television bureau to study technical and financial problems faced by small communities in obtaining TV service.

All applications for UHF translators or any other facilities which may be authorized for operation in the future would be referred to the bureau for study and recommendation.

As used in the bill, the term "small community" is defined to be one with fewer than 25,000 inhabitants.

The bill takes no position as to whether the Commission should or should not license the VHF boosters it now frowns upon. It does say, however, that should the Commission decide to license such operations, it will waive for stations in existence prior to 1959 the present requirement that construction licenses be obtained before construction is started.

One theory behind the new approach is that the present controversy between the Commission and operators of booster stations, mainly in the West, result in part from a lack of understanding by both sides as to the problems faced by the other.

Through creation of the bureau, it is felt, both sides will obtain a better understanding of the problems and come to an acceptable decision.

I would also like to include the following article which appeared in the Wenatchee Daily World newspaper describing just how much it would cost the people in my State to convert from VHF boosters to UHF translators:

COMPLETE UHF CHANGE WOULD COST $11 MILLION

PATEROS.—The Washington State Television Reflector Association estimated today that it would cost $11 million to convert all the reflectors and home sets in the State to UHF.

Francis Adams, president, said this cost included converting community transmitting antennas from VHF to UHF and converting individual sets and home antennas.

Adams said the association was urging citizens to write their Congressman in protest against the costly changeover being demanded by the Federal Communications Commission.

"Let Congressmen know we can't afford it," he urged.

Along with these news reports, I would like to include a brief résumé of the problem which now faces those of us in Congress, the Federal Communications Commission as well as those I want to continue to have the privilege and benefits of television.

One of the primary purposes of the Federal Communications Commission is

to provide good, as well as economical, television reception for the people of America. In my congressional district, however, hundreds of TV screens, operated by means of VHF booster stations, were dimmed recently by an FCC decision.

As I have indicated, the topographical terrain in my State is wide and varied—from the flat, rolling plains of the wheat country to the rugged mountains in the entire northern and western portions.

When television first came into being years ago, almost everyone became interested. Nearly every family acquired a television set. Three television stations began operations in Spokane and have been providing good TV ever since.

But, some of our people, living in the valleys and canyons or in small isolated communities, found that their sets simply could not get the picture. As a result, they began looking for ways to bring the signal into their homes.

The first solution was found in community antenna television operations. A private organization simply brought the TV signal into the sets of their subscribers via the cable. The picture was satisfactory and the cost, in localities where there were enough patrons, was not too prohibitive. But, in the small, isolated communities—maybe 20 or 30 families—the CATV system was ineffective simply because there were not enough subscribers to make it economical and practical for the companies.

Thus, other solutions were sought.

I believe the next method employed was the UHF translators. These facilities picked up a signal and retransmitted it on the ultra high frequency band. There were two basic objections to the UHF translators, however. The cost made it impossible to put them to practical use in the small communities. Besides this, they had never been tested in the rugged mountainous areas.

Finally, another method was found in the VHF boosters. These boosters were similar to the translator operations except they operated on a different band of the television spectrum. The boosters were relatively inexpensive and they provided a good picture even in the rugged hills. Folks in my district cooperated in erecting their booster stations. They pooled their money, their work, and their ingenuity and put up their towers. Then they watched television.

The Federal Communications Commission, however, announced that these boosters could not be licensed because they were causing interference and they could not find a way of regulating their operations. They recommended that UHF translators be substituted. The people protested this action and as a result, the FCC allowed the boosters to remain in operation until a complete investigation was accomplished. This survey was made although I do not believe it was complete. UHF translators were not put to practical test in the mountains; no consideration was given to the economic impact on the small, rural, or isolated communities and it was never proven that all VHF boosters caused interference. As a result of their investigation, the FCC declared the boosters to be illegal operations and ruled that they be discontinued. Ninety days were allowed for the booster districts to file an intention of conversion to UHF translators or to shut down. To many people, this was a cruel blow. Many protests were received, once again, from both the television viewers and from the Members of Congress. The FCC then extended their 3-month conversion period to 6 months.

I wish to make it clear that the FCC is faced with a terrific task in trying to solve this problem. But, the problem is not solved by any means. This situation does not exist only in my district, but in many sections of the country. Recently, I, along with several colleagues in the House and Senate, introduced a resolution which states that it is the sense of Congress that the FCC should authorize the operation of VHF booster facilities where it is a matter of public convenience and necessity and where such operation does not actually cause objectionable interference. I am hopeful that the Interstate and Foreign Commerce Committee will see fit to call for an on-the-spot investigation to be made into this situation to determine if they actually cause interference and, also, if UHF translators will work.

Perhaps this problem could be solved if all the facts were considered. In my opinion, this problem could and should have been prevented. In order that future, similar situations do not arise, I have introduced a bill which would establish a Community Television Bureau in the Federal Communications Commission. This Bureau would study the technical and financial problems involved in bringing television service to the residents of small communities and rural and isolated areas. They would also consult with and advise small communities on such problems. I feel that this would help to establish a good relationship between the viewers and the Federal Communications Commission and would enable them to settle their problems on a mutual basis.

I do hope that my colleagues will lend their full support to these measures in an effort to provide all of the people of our country with satisfactory television.

Presidential Commission on the Blind

EXTENSION OF REMARKS
OF
HON. JOHN E. FOGARTY
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. FOGARTY. Mr. Speaker, I am introducing a bill to provide for the establishment of a temporary Presidential Commission to study the potentialities, problems, and needs of blind persons in the United States in relation to the various federally supported services and programs designed to assist them. The need for a comprehensive, authoritative, and objective study of this type has become increasingly apparent during the past several years. The rapid growth and development of service programs as a result of legislation enacted during and since World War II; changing concepts in rehabilitation, education of the handicapped, social insurance, and social welfare in general; changing public attitudes toward the blind; the steadily increasing population of blind persons—all of these factors emphasize the necessity for a high-level study of programs and services for blind persons in order to objectively determine the adequacy of existing services and to recommend improvement in the light of present and future needs.

My bill would provide for such a study of services and programs supported to any extent by Federal funds with the exception of medical research. As my colleagues know, I have been an advocate of increasing Federal support for medical research as the best hope for eliminating the killing and disabling diseases of mankind; and I will continue to be a strong advocate of effective medical research. However, our concern in this bill is for those persons who must make their way in life without sight—the several thousand premature babies of a few years ago—now of grade-school age—who lost their sight because of excessive oxygen in incubators before the cause was discovered and eliminated, the men and women who are blinded each year in industrial and other accidents, and those who lost and continue to lose their sight through diseases whose cure and cause are not yet known. We are interested in learning how we can better assist such people to become full participants in the economic and social life of the Nation.

My bill calls for a Study Commission consisting of nine members to be appointed by the President from among prominent persons in public and private life and the pertinent professions. It authorizes the employment of a full-time staff and permits the utilization of specialists from voluntary agencies for short periods of time without compensation except for expenses. The duration of the study would be 2½ years, and a total appropriation of $450,000 would be authorized to carry it out. This amount would cover a per diem allowance of $50 and travel expenses for members of the Commission, salaries and travel expenses of the staff, printing of the final report and staff background documents, office supplies, and the like, for the entire 2½-year period.

The Commission is charged with studying existing Federal laws which provide services or benefits to blind persons; with studying and evaluating the standards of these services; and with formulating and recommending standards where none exist, in addition to any other recommendations it may make for improvement of services. Thus, programs and benefits for blind persons administered by several Federal agencies would be covered as would State programs in which the Federal Government participates financially. Only those voluntary agencies which participate in Federal programs through the purchase of products, such as workshops for the blind, or through the purchase of services would be included.

I know that the study provided for in this bill will result in improving services to blind people and make it possible for many more of them to take their rightful places in the productive life of our Nation.

Washington Impressed With Achievements of Julius Madey, a Clark, N.J., Boy Who Made Good

EXTENSION OF REMARKS
OF
HON. FLORENCE P. DWYER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 2, 1959

Mrs. DWYER. Mr. Speaker, we have heard a great deal lately about the need for improving our educational system in the face of Soviet gains in scientific and engineering education.

We recognize, I believe, that in general we have not insisted upon the highest standards of excellence and achievement of which our young people are capable. We have failed in many instances to recognize talented boys and girls early enough to guide them into areas where their natural abilities and interests could best be developed.

In recent months, however, an unprecedented degree of public awareness of our educational deficiencies has been growing. In response to this awareness, Congress last year passed the National Defense Education Act, a landmark in our educational history. And we are already beginning to reap the harvest of this farsighted legislation.

Similar developments are occurring at the State and local level throughout the country. Our people realize that we need good teachers, adequately paid, and good schools, adequately equipped, if we are to give our children the opportunity to make the most of their God-given abilities.

It is in this context of our increasing determination to improve our system of education, Mr. Speaker, that I call the attention of our colleagues to an example of the kind of talented and responsible young man our American system can produce at its best. I do so not in any spirit of complacency about past accomplishments, but in the hope that this one young man may serve as a model for the kind of excellence we should be producing more of.

Beyond this, however, I believe that Julius Madey, of Clark, N.J., deserves recognition on his own merits.

Julius Madey is 18 years old. He graduated from Johnson Regional High School last year, and plans to enter Rutgers University next year to begin a 5-year course in medical electronics.

Despite his youth, he has made a remarkable record for himself—so remarkable, in fact, that he has just been awarded the 1958 Edison Radio Amateur Award for public service, a cherished honor he richly deserved.

Consider, for instance, that at his early age, Julius Madey has already been an important factor in the success of Operation Deepfreeze and of our International Geophysical Year research teams in the Antarctic; he has provided an essential channel of communication with American personnel at Arctic weather stations, at military bases in the Pacific and DEW line support bases in Alaska; and he has been a one-man good will mission to people throughout Europe.

The top national Edison Award was not the first recognition accorded young Madey. Previously, he had received a special citation from the Edison Award Committee as well as an Edison commendation certificate, and a public service award from the U.S. Navy. He also won student science fair honors several years ago for inventing an ultrasonic drill, and has excelled in oratorical and other academic activities.

Julius Madey received his award—a trophy and $500—at ceremonies held in Washington's Sheraton-Carlton Hotel on Thursday evening, February 26, 1959. It was one of the most impressive such ceremonies I have ever been privileged to witness.

More than 150 people were present for the dinner, including some of the top Government, military, and private communications officials and four Federal Communications Commissioners. Mr. L. Berkley Davis, chairman of the award committee, made the presentation on behalf of the General Electric Co., sponsors of the award. Mr. J. S. Parker, vice president of General Electric for employee and public relations, was master of ceremonies.

The principal speaker for the occasion was the Reverend Daniel Linehan, S.J., head of the geophysics department at Boston College and one of the best known geophysicists in the world. It seems that Father Linehan and Julius Madey were already well acquainted. When Father Linehan was in the Antarctic in connection with the International Geophysical Year, his plane crashed. It was through young Madey's radio station—K2KGJ, which he and his brother, John, 16, operate from their home in Clark—that Father Linehan was able to assure his family in the United States that he was uninjured.

The story of Julius Madey came from all these men and others. It is a story of tireless and selfless service to people. Despite a full high school schedule, he has manned his station up to 90 hours a week, transmitting thousands of messages annually, both important official calls and personal messages between the men on the fringes of civilization and their families at home.

One of the most moving testimonials that evening was a tape-recorded message made in the wastes of the Antarctic by a group of American servicemen and scientists for the express purpose of telling Julius on this great occasion how much his work and help has meant to them.

During the 1958 Christmas season, for example, he relayed for these isolated service personnel orders for more than $2,000 worth of flowers to be sent to their families in the United States.

Once, through his station, a young mother announced the birth of her child directly from her hospital bed to her husband near the South Pole.

Among the evidence submitted to the award committee was a personal letter of appreciation to Julius Madey from Rear Adm. George Dufek, Commander, U.S. Naval Support Force, Antarctica.

For hours at a time, Julius has been the sole contact between civilization and the men still pushing ahead the frontiers of scientific knowledge in some of the most desolate parts of the world.

But his service has been appreciated. The Edison Award judges—FCC Commissioner Rosel Hyde, E. Roland Harriman, chairman of the board of the American National Red Cross, and G. L. Dosland, president of the American Radio Relay League—chose him from among nearly 200,000 licensed radio amateurs to receive this coveted award.

In every sense of the word, Julius Madey was the star of the evening. He acknowledged his award in a 15-minute speech, which he delivered without notes, and which was a model of its kind. He was relaxed and gracious and genuinely modest. He held the entire room spellbound as he told his story and thanked all those who in the past have helped make his accomplishments possible.

Washington, Mr. Speaker, has seen many stars glitter for a while and quickly fade away. But this boy is the real thing. He is a credit to his family—who have obviously meant so much in his young life—to his schools and his community. He is an outstanding example to the youth of America—and to us, the adults—of the potential riches of talent and of personal service that exist in the youth of America, awaiting only the opportunity to grow and develop and be used for the welfare of our country and our people.

Clark Township and Union County would have been especially proud of Julius Madey that Thursday evening.

I certainly was.

Agricultural Production Payments

EXTENSION OF REMARKS
OF
HON. W. R. POAGE
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 11, 1959

Mr. POAGE. Mr. Speaker, a few days ago I received a very courteous letter from the president of the Ellis County Farm Bureau in Texas. Attached to this letter was a pamphlet attacking the direct or compensatory payment approach as a basis for a farm program.

Since there is obviously much misunderstanding as to this program as well as to the alternatives that are available and especially since I have introduced a direct payment plan for cotton, I have felt that I should attempt, as best I can, to explain the proposal and to point out some of the answers which will suggest themselves to the charges in the pamphlet.

I have written a rather comprehensive letter on this subject to Mr. Joe B. Shirley. The letter, which is self-explanatory, follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 11, 1959.

Mr. JOE B. SHIRLEY,
President, Ellis County Farm Bureau,
Waxahachie, Tex.

DEAR MR. SHIRLEY: Your letter of the 6th, together with the attached statement or circular condemning production payments as "a long step toward socializing agriculture" was just received. I deeply appreciate the fine, fair attitude which you and the other members of your local bureau expressed. I recognize that the production payment approach, like all other agricultural programs with which I am acquainted, has imperfections and weaknesses, but for a good many years I have been trying to compare the strength and weakness of various programs and I think that it must be on a comparative basis that we must make our decisions. If I am right on this, we must then answer these questions: (1) What programs are available? and (2) Which program offers us the most?

Basically there are but three approaches to the farm problem:

First, there is the philosophy of laissez-faire—no controls and no supports. This is what the President and Mr. Benson both strive to achieve, although they would not reach their goal immediately. This means that we would abandon all controls over agriculture and all efforts to support agricultural prices and farm income. It has a very strong appeal for most people and I think that I would support such a course were the farmer not the only element in our economy who is called upon to operate without any stabilization of his income.

If it were possible for the farmer to buy in a completely free market, uninfluenced by governmental regulations, minimum wages, price floors, Government profit assuring contracts, etc., then I think that I would be compelled to agree that the farmer should have no more protection than is accorded to labor, industry, and commerce, but we do not live in that kind of a dream world. The farmer buys in a market of administered prices—that is, prices that are determined in a large degree by governmental actions. Certainly the minimum wage laws directly affect the price of what a farmer pays for a tractor. Certainly the policy of guaranteeing remunerative contracts to the producers of missiles, atomic weapons, etc., adds to the farmer's taxes. Certainly the railroad retirement system adds to the freight bill on everything that the farmer buys, as well as everything that he sells, and he pays the freight both ways. The average income of people on farms is today only $1,027, while the average income of people not living on the farms is $2,040. In other words, the average person on the farm is making just one-half as much as the person not on the farm and one-third of all of the income of people on the farms comes from nonfarm sources.

To deliberately adopt a policy that would still further decrease this pitifully small farm income, while holding nonfarm income to its present levels, is so contrary to my feeling of right and wrong that I cannot seriously consider going back to the freedoms of 1932.

The second basic approach to the farm problem is that of the Agricultural Adjustment and Soil Conservation Act of 1937 (fundamentally the present system). It consists basically of an attempt to balance supplies with demand; first, by controlling the acres of crops produced, and, second, by removing any remaining surplus into Government warehouses through a nonrecourse loan. In the case of cotton and wheat the loan establishes the market price. This is our present system. It has, of course, undergone a great many changes as to the exact degree of controls and the level of Government assistance (the loan). Its distinguishing mark, however, remains the same—the use of a nonrecourse loan to secure for the grower the desired level of support.

Mr. Benson, the President, and Mr. Shuman have all urged that this supplemental governmental support should be reduced, and it has been reduced very materially during the present Eisenhower administration, The amounts paid farmers for their cotton, corn, and wheat is far less than it was. The reduction in the rate of Government loan has not, however, achieved any of the promised savings to the taxpayers.

It has not reduced Government costs. Prior to January 1, 1953, the loan support program of our six basic commodities had cost the U.S. Government nothing for the entire 20 years previous. On the contrary, the Commodity Credit Corporation had accumulated a small profit of $13 million as a result of its support of these commodities. Since 1952, and through 1958, the losses of the Commodity Credit Corporation have amounted to approximately $2,500 million in its support operations involving the six basic commodities.

This reduction in the support prices has not reduced surpluses as it was claimed that it would. On the day Mr. Benson became Secretary of Agriculture the stocks and commodity loans of the Commodity Credit Corporation amounted to $2,452 million. On January 1 of this year the stocks and loans of Commodity Credit Corporation totaled $8,710 million and the President's message to Congress said that by July 1 they will exceed $9 billion. In other words, flexible supports, always flexing downward, have not only aggravated the farmers' problems; they have been terribly expensive to the taxpayer.

I am well aware of the fact that the American Farm Bureau Federation has urged that we cut our supports entirely loose from the parity concept and, instead, let them drop year by year to a point 10 percent below the level of prices for the preceding 3 years. For any commodity, the price of which is actually supported, this means progressive reduction until we reach a point as low or lower than the support price itself. It could only require a few years to make every support price which fixes the market price totally ineffective. In his message to Congress the President supports this approach but asks that it be speeded up.

He asks authority to lower supports 25 percent below the market price "in recent years." In the case of every basic commodity this would mean that in 1 year he would eliminate all effective supports and would drop the support price to a figure below the present market price. We don't have much need for support prices when we can get more on the market.

Obviously, if it were possible to bring the supply of farm commodities to a sufficiently low level, it would be possible in most cases of commodities, except cotton, to raise the price to almost any desired figure, but as a practical matter farmers do not have the resources to accept the drastic cuts that would be necessary. With its far greater resources the oil industry has used this device very successfully. It is called "proration" in our oil laws.

I stated that at this time it would not be practical to reduce the production of cotton to a point where we could force the price to a remunerative level, because to do so would result in a greatly increased use of synthetic fibers. Our mills would simply use less cotton. This, of course, is not true in the case of wheat, where the public is not going to turn to cornmeal, even though the price of wheat were doubled. It is for this reason that I have felt that we stood in special need of a better system of maintaining cotton income, but I think it is clear that our present method of maintaining all farm prices is ineffectual. On this point I agree with the President and with Mr. Benson, although I think that their active sabotage of the program has come a long way toward proving the case that they wanted to prove.

Third. We now come to what seems to me to be the only alternative—that is, direct compensatory payments to adjust the difference between farm income obtained in the open competitive market and the level of income which has been predetermined to be the nearest attainable approach to a fair income.

This is not, as Mr. Benson and Mr. Shuman have tried to indicate, some new plan, nor was the inclusion of such proposal in the plan suggested by former Secretary Brannan anything new or unique. At that time this method had been used in the case of sugar for something like 15 years before Mr. Brannan suggested that it be expanded, and it was only about 5 years after Mr. Brannan made this suggestion that the present Secretary of Agriculture proposed that this method should be used to support the price of wool. It is doubtless a pure coincidence that wool and sugar are major crops in the State of Utah—but I am sure that Secretary Benson would not knowingly advocate a program which be considered to be either wicked or ineffective for the farmers of his home State.

The sugar program, which has been in effect for 22 years, uses production quotas to prevent the overall quantity of sugar from becoming too great and direct Government payments to make up the difference between the world price and 98 percent of parity. It has resulted in a very stable market for sugar, very acceptable returns to the producers, and reasonable prices to consumers. The wool program, the extension of which our own Texas sheep and goat people vigorously supported this year after having opposed the original bill, does not involve any production controls because there is no foreseeable danger of growing more wool than we want, but it has resulted in returns to wool growers in excess of 100 percent of parity and has enabled woolen fibers to sell at price levels competitive with foreign wool and with synthetic substitutes. It was presented to the Congress by the present Secretary of Agriculture, who seems to feel that it would be quite wicked to use a similar program for cotton.

I recognize that there are a great many difficult details involved in working out a comprehensive program for all crops. I think that anyone can point out defects and difficulties in the administration of any such program. I have not tried, or at least I have not been successful in producing, an overall payment program that I want to present as worthy of public support, but I have worked out the details of a compensatory payment program for cotton which I am happy to defend. I have proposed that we go ahead with cotton because it cannot use some of the other programs as effectively as can other commodities. This is because of the competitive situation to which I have already made reference.

That there may be no misunderstanding, the bill I have introduced on cotton, H.R. 3684, does not undertake to increase the amount of money that we are now authorized to spend. I would like to see every commodity bring the farmer a full 100 percent of parity. Until we can do that, I don't think we have met our full obligation, but I also recognize that it is important to protect our taxpayers. This bill only proposes to support the price of cotton at 82 percent of parity—approximately the support level of the past year. The best calculations I can make, this can be achieved without any increase whatever in our expenditures, but it would mean that all of the money spent in the way of

subsidies would go directly to the producer—the American producer—the farmer.

As it is now, we are paying out vast sums in direct subsidies—more than one-half billion dollars during the first year of the present cotton support program, but that one-half billion dollars did not go to the farmers. Most of it went to pay storage and carrying charges. I don't know why our taxpayers should be burdened with this storage. The President says that the present program is going to result in storage charges of more than a billion dollars a year and undoubtedly if we continue the existing program, those costs will increase and not decrease. The direct payment program would eliminate all storage charges except on commodities that we have already accumulated. That would be a tremendous saving to start with.

Another matter of importance is that these vast expenditures are not providing competitively priced cotton for American mills. Our cotton is not competitive with synthetics in the mills of Carolina, but we are subsidizing cheap cotton into the mills of Italy, Germany, and Japan. What is there about a subsidy to these foreign mills that makes it sound and just, while a subsidy paid directly to American farmers is, in the opinion of the writer of the sheet you enclosed wicked and immoral?

I am not going to undertake to discuss the whole problem of supports for all agricultural commodities, but I do want to attempt to discuss the criticisms contained in the sheet you sent me as they relate to the cotton program which I have proposed in H.R. 3684 and which I am sponsoring.

The crux of the support provided by this bill is found in the provisions requiring the Secretary to make equalization payments to the first buyer of cotton from a "cooperator." This means the first purchaser of cotton from the farmer, and the payment required is the difference between the average market price for the preceding calendar week and 82 percent of parity. The bill contains provisions to protect the Government from payments to any buyer who has not passed the payment on to the producer and provides a limitation of $5,000 on the payments made to any one producer in any 1 year. This means that the largest producer will still receive payments on about 200 bales of cotton and that everyone who produces less than that amount would receive payments on all of his cotton.

The bill provides that we will maintain a minimum national acreage allotment of 16 million acres, which will be increased if the demand for cotton increases. So long as the present existing surplus exists, the allotment will be decreased by the equivalent of 1 million bales, this for the purpose of eliminating the surplus Mr. Benson has built up. As a matter of protection against losing anything good that we have, the bill will retain an emergency loan provision at not more than 3 percent less than the estimated average world price. Obviously, no one would take advantage of such a loan except as a means of financing holding operations. The bill does make provision for continuing the existing loan level if for any reason funds are not made available for carrying out the provisions of the act. I believe you will immediately see that many of the objections raised in the circular are not applicable to this bill.

The first of the so-called basic objections raised by the author of the circular is that direct payments "would stimulate production, depress market prices, and make farmers dependent on congressional appropriations for all their net income." This bill does not encourage excessive production—in fact it retains all of the production limitations that we have at the present time and in spite of repeated statements by Mr. Benson, Mr. Shuman, and others to the contrary, the assurance of a high price for cotton has never resulted in overproduction. On the contrary, our largest crops have been grown when prices were low and when it was known in advance that they were going to be low. The largest cotton crop this Nation has ever had was produced in 1937, with a support price of 52 percent of parity. According to the logic of this circular, we should have imported cotton in 1937. There have been many years since that time when there have been much higher prices and when there was no control on the production of cotton, but we have never approached the production of those low price years. The reason is that when a farmer who is growing cotton or any other cash crop in a one-crop country (and that is where most of our basics are grown) finds that he is faced with a lower price, he tries to make up in volume what he expects to lose in price. I believe that wheat farmers, tobacco farmers, peanut farmers, and others will react exactly like cotton farmers react and will try to maintain their family's living standards through increased production when they see lower prices coming. In my opinion, this assumption that a fair price for farm products will automatically result in overproduction is the fatal defect in the Bensonian philosophy. If Mr. Benson and Mr. Shuman are correct in this assumption, how do we account for the tremendous increase in surpluses that have been produced by our farmers in the last 6 years, during which time farm prices have been constantly declining? Of course, the reference to depressed market prices is entirely dependent upon the assumption that supports would result in overproduction.

The complaint that it would make farmers depend upon congressional appropriations has no more validity when applied to a direct payment program than it has to the present program. Our present loan support program is entirely dependent upon congressional appropriations. So is any other program that depends upon the Government. A direct payment program, costing the same amount of money as the loan program, is no more dependent upon congressional appropriations than the existing program. In either case, Congress must appropriate money to keep the program going, and it is an insult to the intelligence of the American farmers to suggest that they do not know that the present program is dependent upon congressional appropriations. How do we get the money to pay our present export subsidies; how do we get the money to pay the losses of Commodity Credit Corporation, if it is not from congressional appropriations; and what would happen to the present program if congressional appropriations stopped?

Point 2 in the circular criticizes the Talmadge plan because it is limited to the six basic commodities, but point 3 condemns the expansion of a program to cover all commodities as being tremendously expensive. I have not introduced a compensatory payment bill for anything except cotton, but I think that some of the figures that are used to condemn a general compensatory program are quite misleading. Of course, the cost depends upon the level of support one achieves, but I think we might get some idea about what the cost will be by considering the fact that the total gross farmers received from marketing of all farm products in 1958, including livestock and milk, amounted to somewhere between $25 billion and $32 billion (there is a difference in the figures of the Department and the Census Bureau). Let us take the larger estimate. The average price of all farm products was approximately 82 percent of parity. If we guaranteed the average of all farm income at 82 percent of parity, as provided in my bill, for cotton, this should have involved no cost at all in 1958 except to bring up some of the lowest priced items. This, of course, is a far cry from the $8 billion to $16 billion suggested by the circular. As a matter of fact, $16 billion is just about exactly one-half of the total gross value of all farm products. Since it would only take an increase of 20 percent from the value of all farm products to bring the average to 100 percent of parity, it seems to me that somebody has been figuring with a very dull pencil. Of course, I know that last year's price level is not stable. Mr. Benson says it will go up, but I rather expect it to go down, and on the six basic commodities the shift from our present loan-supported prices would naturally tend to reduce the world price and make the spread somewhat greater, but I think you can readily see that these figures seem to be for propaganda purposes only.

The fourth objection is that this program would result in cheap food. As far as I can see, cheap food is highly desired. It seems to me that if we are going to spend tax money on an agricultural program that it makes more sense to let that tax money result in lower prices to the consumers rather than using their money to force up the very prices those same citizens must pay. I don't think that we can long expect to have the support of the consumers of the big cities for a farm program that is based upon and must inevitably result in forcing their prices to higher levels. While I am firmly convinced that our consumers are buying the greatest bargain of history in the food they consume, I think that Secretary Benson has done a magnificent job of convincing them that they are being robbed, and, as I see it, the chances of losing congressional support for a farm program are far greater if we continue to rely on forcing up consumer prices than if we offer our consumers a program in which they will at least feel that they have some selfish interest.

Of course, the last statement on page 3, "Because it would encourage inefficiency, its ultimate effect would be high priced food to consumers," is a gratuitous and unsubstantiated conclusion that nobody will attempt to establish on the basis of fact. Have the wool and the sugar programs resulted in a decrease in the efficiency of Utah farmers?

Point 5 is the one that is discussed at greatest length by the author of the pamphlet and is doubtless the basis of much of the real opposition to this proposal. The author of the pamphlet states that "Production payments would lead to a ceiling on opportunity in agriculture and a leveling of producer income." He bases this conclusion on the assumption that any direct payment bill would have a limit on the size of the payments, and he assumes that any such limit would be bad. I think he is correct in assuming that Congress is going to place a limit on the size of payments whether they are made through direct payments or whether they are made through a continuation of the present program. I think the American people are about fed up with seeing one wheat grower draw $330,268 and one cotton farmer draw $1,167,502, and this is particularly true when these large producers are so frequently heard to proclaim that if the Government would leave them alone they could produce and sell cotton for 20 cents and wheat for $1. I think it is true that some of these large producers, Mr. Benson's "efficient farmers," can produce and sell commodities substantially lower than the average sized farmer can. Therefore, it seems to me to be logical that we should extend our help to those who need the help rather than to those who say they do not need it. But in the final analysis a limitation on the amount of payments is no essential part of a direct payment program and should stand or fall on its own merits.

The sixth objection, "Any temporary advantages that might accrue to individual farmers as a result of a payment program

would be short lived," seems to be open to the same criticism that applies to the last part of the first point—that is, exactly the same suggesions can be made in regard to the present program. Certainly our present cotton allotments have value to the extent that they result in increasing the income of the holder of the allotment. These advantages can be transferred by sale of the land under the present law just as truly as under a direct payment. As a matter of fact, they have been incorporated into the capitalization of farm values. This is particularly true of tobacco allotments. I can see no way where it can be fairly argued that direct payments would change this threat unless it is admitted that the direct payments would be more advantageous to the farmer and therefore more valuable. If that is true—and I think it is—it seems to me to be a good argument for using the direct payments.

The seventh and last criticism of course relates only to those programs that involve payments on the domestic portion of production. The bill I have introduced applies to all cotton grown regardless of where it is sold. I don't think it makes a great deal of difference to the producer where his cotton finally goes. What he wants to know is what he is going to get for it. I might, however, point out that spokesmen for the American Farm Bureau Federation have repeatedly urged the payment of a direct subsidy on all cotton that is exported. Certainly this involves a much more serious basis for criticism as dumping than would the payment of subsidies at home, and it does not put the money where I think it should go—that is, into the pockets of the farmers.

I have gone into a considerable amount of detail, discussing the effect of this program and the objections that the pamphlet you enclosed has made because I know that you are seriously and sincerely interested as cotton producers, and I believe that you should hear both sides of this argument. I may have overlooked some important points. If I have, I will be glad for you to suggest them to me. On the other hand, if I have been able to answer any of the points raised by the opponents of this bill, I hope that the Ellis County Farm Bureau will avail itself of the much advertised democracy of the Farm Bureau system and express your local views in favor of the program that will be of the greatest benefit to Ellis County cotton producers. If you don't agree that that is a direct payment program, ask yourself what system will better serve your needs. If you find a better program, support it and let me know what it is. I want to support it too. And finally, carefully note that the unsigned author of the pamphlet did not suggest anything better. It, therefore, seems to me that as far as this article is concerned, all you have to choose from is the production payment plan, or a continuation of the present program with low supports, reducing farm income, high priced, and consequently noncompetitive, cotton, reducing the market for cotton at home and a direct subsidy system for the benefit of foreign purchasers.

Thanking you, and with best wishes, I am,

Yours sincerely,

W. R. POAGE,
Congressman.

SENATE

THURSDAY, FEBRUARY 12, 1959

The Senate met at 10:30 a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou Master of all good workmen, we come this day to honor one through whose deeds and lips in an anguished day Thou didst speak—a universal man warmed with all laughter, tempered with all tears—whose sad and care-lined face mirrored the fearful struggle he led for the preservation of the Union as one and indivisible.

On this anniversary of his lowly birth we would that—

"Our children shall behold his fame.
The kindly, earnest, brave, foreseeing man
Sagacious, patient, dreading praise, not blame."

In these days that test and try men's souls anew we would turn to Thee with the dauntless faith which Thy servant Abraham Lincoln proclaimed his own, as he said, "I recognize the sublime truth announced in the Holy Scripture and proved by all history that those nations are blessed whose God is the Lord. I believe that the will of God prevails. Without Him all human reliance is vain. Without the assistance of that Divine Being I cannot succeed—with that assistance I cannot fail."

We come to Thee, his God and ours, with the sound of a great amen in our hearts to that creed by which he lived and we live as we lift our prayer to Thee.

In the Redeemer's name. Amen.

ATTENDANCE OF A SENATOR

RICHARD L. NEUBERGER, a Senator from the State of Oregon, appeared in his seat today.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 9, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

INCREASED RESOURCES OF INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT — MESSAGE FROM THE PRESIDENT (H. DOC. NO. 77)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which, with an accompanying special report of the National Advisory Council on International Monetary and Financial Problems, was referred to the Committee on Foreign Relations.

(For President's message see House proceedings for today.)

Mr. ROBERTSON subsequently said: Mr. President, earlier in the day the Senate received a message from the President recommending that the Congress increase its subscription to the stock of the International Bank for Rehabilitation and the International Monetary Fund.

A question has arisen as to the proper reference of that message. In 1947, when the then senior Senator from Michigan, Mr. Vandenberg, was both President pro tempore of the Senate and chairman of the Foreign Relations Committee, he requested that legislation of this character be referred to the Committee on Banking and Currency, where such legislation has been handled for the past 12 years, particularly by the Subcommittee on International Finance, of which the former chairman of the full committee [Mr. FULBRIGHT] was chairman.

The Senator from Arkansas [Mr. FULBRIGHT] has brought to the attention of the present chairman of that committee the wording of the Reorganization Act of 1946 which clearly gives jurisdiction to the Committee on Foreign Relations of legislation affecting international finance.

Therefore, the chairman of the Committee on Banking and Currency this morning indicated to our distinguished majority leader that he would have no objection to referring the message of the President to the Committee on Foreign Relations. As a matter of fact, the reference of such a message to the committee would be quite appropriate, because it handles authorizations for foreign aid and also handles work relating to the International Bank and Monetary Fund, as a part of our international program.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that, pursuant to the provisions of section 5, Public Law 115, 78th Congress, and House Resolution 165, 86th Congress, the Speaker had appointed Mr. THOMPSON of New Jersey and Mr. CURTIN, of Pennsylvania, as members of the Committee on the Disposition of Executive Papers, on the part of the House.

The message announced that the House had agreed to a resolution (H. Res. 164) electing members of the following joint committees of Congress, on the part of the House:

Joint Committee on Printing: Mr. BURLESON, of Texas; Mr. HAYS, of Ohio; and Mr. SCHENCK, of Ohio.

Joint Committee of Congress on the Library: Mr. BURLESON, of Texas; Mr.

JONES, of Missouri; Mr. SMITH, of Mississippi; Mr. SCHENCK, of Ohio; and Mr. CORBETT, of Pennsylvania.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 961) fixing the representation of the majority and minority membership of the Joint Economic Committee, and it was signed by the President pro tempore.

PROGRAM FOR THE DAY

Mr. JOHNSON of Texas. Mr. President, I announce that shortly Members of the Senate will proceed to the House of Representatives for a joint session, according to the previous plan.

Let me say to all Senators that they will have ample opportunity to make insertions in the RECORD and transact routine business when the Senate returns to its Chamber. It is expected that the able Senator from Montana [Mr. MANSFIELD] will address the Senate after it returns from the joint session. The authorities of the House have asked us to be present at 10:40 o'clock a.m. I hope to suggest the absence of a quorum in order that Members may be called to the Chamber and leave for the Hall of the House of Representatives before 10:40.

Mr. President, the Senator from Montana [Mr. MANSFIELD] plans to make an extended statement when the Senate returns to its Chamber after the joint session. Therefore, at this time, I suggest the absence of a quorum, and announce that as soon as a quorum is obtained, the Senate will proceed to the Hall of the House of Representatives.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES TO CELEBRATE THE ABRAHAM LINCOLN SESQUICENTENNIAL

Mr. JOHNSON of Texas. Mr. President, pursuant to House Concurrent Resolution 57, previously agreed to, I move that the Senate proceed to the Hall of the House of Representatives for the joint session.

The motion was agreed to; and (at 10 o'clock and 46 minutes a.m.) the Senate, preceded by its Secretary (Felton M. Johnston), its Sergeant at Arms (Joseph C. Duke), the Vice President, and the President pro tempore, proceeded to the Hall of the House of Representatives.

Upon the conclusion of the ceremonies in the House of Representatives, the joint session was dissolved; and, at 12:07 p.m., the Senate returned to its Chamber, and was called to order by the President pro tempore.

RETURN OF SENATOR NEUBERGER

Mr. JOHNSON of Texas obtained the floor.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MORSE. I am sure that all other Members of the Senate join me in expressing a very warm welcome and assurance of our sincere pleasure over the fact that my colleague [Mr. NEUBERGER] has returned to the Senate in such apparent good health. I think he knows that he has our prayers and our best wishes for a complete recovery from the illness from which he has been suffering. It is very good to have him back with us.

Mr. JOHNSON of Texas. Mr. President, I wish to associate myself with the statement made by the senior Senator from Oregon. I had intended to make such a statement until he asked me to yield to him.

Mr. WILEY. Mr. President, we are very happy to see the junior Senator from Oregon back in his seat, and especially to see that he looks so well. Notwithstanding all the news to the contrary, apparently he is 100 percent recovered. That is good news.

Mr. GRUENING. Mr. President, I wish to join the senior Senator from Oregon and my other colleagues in extending a hearty welcome to the returning junior Senator from Oregon [Mr. NEUBERGER].

I am particularly happy to join in this welcoming of our able and distinguished colleague because I take a personal pride in his career.

Some 26 years ago, when I was one of the editors of the Nation, a weekly magazine of opinion in New York, I gave DICK NEUBERGER his first opportunity to have an article published in a national magazine. He had just returned from Europe where catastrophic events were taking place in Germany with the rise of Hitler to power. He had observed what was going on at firsthand. I felt that his account was so interesting and important that I asked him to write it, which he did, and this article was then published. This was, as I have said, his first magazine article in a publication of national circulation.

It is a matter of common knowledge that long before he came to the Senate, DICK NEUBERGER had become a distinguished literary figure, uniquely prolific, with the widest range of publications, which included the most diverse magazines and newspapers in our country. From this journalistic career, in which he achieved nationwide repute, he moved into the U.S. Senate without ever abandoning his literary labors, the fruits of which continue to grace our national publications. In two most important fields, therefore—journalism and public service—he has been an important molder of public opinion.

During World War II DICK NEUBERGER was in the Army, assigned to Alaska, and played an important part in connection with the construction of the Alaska Highway. Characteristically, his interest in Alaska has enabled him to serve our long-time Territory and now State in many ways. He led the way to secure Alaska's partial inclusion in Federal aid highway legislation, from which Alaska had been excluded totally during the first 40 years of the Federal Aid Highway Act.

Along with Representative EDITH GREEN, his colleague in the House, he was instrumental in securing legislation to end the contract system for Alaska's mentally ill which will make possible the care of these unfortunates in Alaska where they can be visited by their relatives.

I could go on almost indefinitely in telling of the many ways in which DICK NEUBERGER's service has been of an inestimable value to Alaska and of course to the Nation. It was a happy coincidence that he was presiding in the Senate on the night of June 30th, last, when the Alaska statehood bill finally passed the Senate—an act for which he had labored so devotedly.

We are all very glad that his health has been restored. I hope he will continue to face this body for years to come. And I would like to add my good wishes to Maurine Neuberger who has been so devoted and able a helpmeet to DICK in both public and private life. Those of us who have known and admired them naturally think of DICK and Maurine as a team. Both have contributed unforgettably to America.

Mr. CARLSON. Mr. President, I wish to join with Senators who have expressed appreciation for the return of our distinguished colleague, the junior Senator from Oregon. It was my pleasure to be closely associated with him as a member of the Post Office and Civil Service Committee. He is not only a distinguished Member of this body but a very able one. He is a courageous legislator and has demonstrated this quality on many occasions. He is a kindly man and my association with him has been most pleasant. I am delighted that he is looking so well. I thank God for his return.

Mr. JOHNSON of Texas. Mr. President, I believe I speak for each Senator on this side and on the other side of the aisle when I say that all of us are pleased and, I may say, delighted that our colleague, DICK NEUBERGER, has today returned to the Senate.

DICK NEUBERGER is a good man; he is a kindly man; he is a considerate man; he is a man with strong convictions; and he is one who believes in the Golden Rule—"Do unto others as you would have them do unto you." He is a walking example of one who has the courage to fight back, and who has won. Also, Mr. President, he is an example of the fact that in the days, months, and years that have passed we have had countless demonstrations of the wisdom of the action of the Congress in time and time again increasing the appropriations for basic research in connection with deadly disease.

I wish to welcome back to this Chamber the junior Senator from Oregon [Mr. NEUBERGER] and tell him how very much it pleases all of us to see him looking so fit and so fine.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield to the Senator from Montana.

Mr. MANSFIELD. I should like to join the distinguished majority leader in welcoming back the distinguished junior Senator from Oregon [Mr. NEUBERGER], whom we have missed so much this year. We are very happy to know that he is well on the road to full and complete recovery.

I hope that one of the results of his illness will be that greater attention and greater emphasis will be placed on appropriations in the field of medical research, because too many of our Members have felt the effects, not only as of now, but in years gone by, of such diseases. Perhaps with this warning and with this example, we may be able to devote ourselves more to the pressing needs of our time as they affect our people in a medical sense.

I am very happy to join the majority leader in welcoming back Senator NEUBERGER.

Mr. JOHNSON of Texas. I yield now to the Senator from Idaho.

Mr. CHURCH. Mr. President I would not want to miss this opportunity to add my word of welcome to the distinguished junior Senator from Oregon. During the past 2 years he was my seatmate in the Senate. That fact has given me an opportunity to come to know him well. I have sorely missed him during the past months.

Ten years ago, Mr. President, I was stricken with an illness similar to that which befell the junior Senator from Oregon. As my recovery seems to be complete, so I am confident that his recovery will be complete.

I can assure him how happy I am to see him looking so well, and what pleasure I take in welcoming him back to the Senate.

Mr. JOHNSON of Texas. I yield now to the junior Senator from Texas.

Mr. YARBOROUGH. Mr. President, I desire to associate myself with the remarks of the distinguished majority leader of the Senate in welcoming back our beloved colleague, DICK NEUBERGER, of Oregon.

He represents not only the people of his home State; he represents the people of the Nation. I know there are at least 2½ million outside of his home State who look to him with affection. They are the Federal workers, the civil service workers, the unclassified workers, the post office workers—the entire number of civil service and post office workers who have benefited by his arduous efforts for their benefit.

It has been my privilege to serve with Senator NEUBERGER on the Post Office and Civil Service Committee for nearly 2 years. There has been no one who has exercised greater leadership than he in driving forward in an attempt to see that our Federal officials and servants, who contribute so greatly to the work of the Federal Government, get greater recompense and rewards for the labor they put forth. I know they have been praying for his complete recovery.

Mr. JOHNSON of Texas. I yield to the acting minority leader, the Senator from Idaho.

Mr. DWORSHAK. Mr. President, on behalf of the minority, I desire to join my colleagues in extending a welcome to the junior Senator from Oregon [Mr. NEUBERGER]. Coming from an adjoining State, I am well aware of the high esteem in which he is held by his constituents. I know they have encouraged him to return with a firm determination to continue his service in the Senate.

We extend to him our best wishes for a complete recovery. We hope he may display vigor and enjoy good health in future service to his State and to his Nation.

Mr. JOHNSON of Texas. I yield now to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I am happy to joint with other colleagues in expressing great gratification that Senator NEUBERGER is back with us. I had the pleasure of knowing Senator and Mrs. Neuberger long before he came to the U.S. Senate. He is a good man. He imparts to the Senate a sense of fairness and kindliness. He is always ready and happy to advise and listen to reason with any of us. I think Senator NEUBERGER is one of the most effective and best Members of the Senate.

If I may be permitted to say so, we have also missed Mrs. Neuberger—Maurine. There is no more gracious or charming lady in the Nation's Capital than the lovely wife of Senator NEUBERGER. We are glad to have them both back.

Mr. JOHNSON of Texas. I yield now to the Senator from Ohio.

Mr. LAUSCHE. Mr President, I desire to join in the words of joy which have been expressed by my colleagues relating to the return of Senator NEUBERGER to the Senate. I do so first because I know, through his presence, that he has regained his health and is well on the way to full recovery.

Primarily, our joy should come from the fact that he has regained his health and, as a citizen, will be able to enjoy that which is dearest to us all. Secondly, I rejoice because I know that we shall have the benefit of his keen mind in analyzing problems that will come before us.

It is not necessary that we agree in the quest for truth and for proper judgment. It is essential that there be analysis and discussion. Our colleague, RICHARD NEUBERGER, has always contributed richly to the making of law, so that the acceptance of the proper course in the service of our country has become simpler.

RICHARD, I am very glad you are back, for you and for Mrs. Neuberger, and for the citizens of your State.

Mr. JOHNSON of Texas. Mr. President, I yield now to my colleague from Oregon.

Mr. NEUBERGER. Mr. President, I do not know whether I am adequate to the task of replying to the generous things which have been said about me by the majority leader and others of my colleagues here today.

I wish to say first to the majority leader and to my friend the junior Senator from Idaho [Mr. CHURCH] that I have been inspired by their own heroic recoveries from serious illnesses. I was just starting my service as a Member of the Senate when the majority leader suffered the heart attack from which he has recovered so valiantly and so effectively. I knew of the illness similar to mine which had been suffered a decade ago by Senator CHURCH. I was fortified by his very gallant and reassuring recovery. But, Mr. President, there was another factor that moved me deeply, and that was the knowledge of the great Senators, greater than any of us here, I am sure, who had succumbed to cancer in recent years—Senators like the great Senator McNary, from my State; Senator Vandenberg, who was mentioned a few minutes ago by the Senator from Virginia [Mr. ROBERTSON]; Senator Taft; Senator McMahon; and Senator Neely, who used to sit in the row where my seat is, if I am not mistaken.

I could not help thinking that if it were possible for a Senator to stand here and say to his colleagues, "If it were not for the marvelous discoveries made in medical research, I would not be alive and here today; and who in this body would know when, tomorrow morning or this afternoon, he might be in the same plight?" Perhaps we could emphasize these medical discoveries to some small degree by contrast with the way we emphasize research, for example, into weapons and armaments.

The phrase was used here today of triumphing over cancer. No man or woman alone triumphs over cancer; but valiant, persistent, wise, and trained men and women working in laboratories have been able to triumph over a certain phase of the series of diseases we know as cancer. Other phases are still awaiting discoveries which are yet to come. Fortunately for me, and I think for my good friend FRANK CHURCH, what we suffered came within the realm where medical research has already made fabulous discoveries. What some of our colleagues in the past suffered did not come within that scope; therefore, they are not here so that we can benefit from their wisdom.

I certainly intend to dedicate myself to the cause which the majority leader mentioned, the great cause of widening knowledge in the field of medical research.

I am particularly aware of the fact that cobalt radiation therapy, which has been responsible for my own progress, was discovered in large measure by two great Canadian doctors, so I hope there will never be a boundary line of geography or borders, or of breed or birth, when it comes to medical discoveries which can help all mankind.

I wish to say in conclusion, Mr. President, that the experience I have undergone—and I am certain the majority leader and the Senator from Idaho [Mr. CHURCH] emerged with the same personal feelings—has given me a new insight and a new perspective on the events which take place in our world, and on the events which take place in my own little private realm around me. I think whatever personal bitterness, jealousy or acrimony I may ever have had—and I am certain I am subject to these human

frailties—will be far less now than ever before. To a person who is grateful to be alive and to be with his wife, family and friends, the trivial matter of personal ambition and personal pride become very unimportant.

I am grateful for the friendship of my colleagues, I am grateful for their wisdom, I am grateful for their patience, and I am particularly grateful for their personal solicitude during the long ordeal which Mrs. Neuberger and I have undergone. I refer to Mrs. Neuberger because she suffered every millimeter of the way with me.

I thought of all my colleagues often. I hoped the day would come when I could return. When my illness was first diagnosed I thought I would never again be here, and certainly did not think I would be able to stand here 16 pounds heavier than when I was in the hospital.

I am particularly grateful to my own doctors and to the long, long decades of medical research behind them.

I wish to thank the majority leader again for his generous comments, and all of my colleagues in the Senate for their equally kind remarks.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENT CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Acting Administrator, Foreign Agricultural Service, Department of Agriculture, reporting, pursuant to law, on an agreement concluded during January 1959, under title I of the Agricultural Trade Development and Assistance Act of 1954, with the Government of Spain (with accompanying papers); to the Committee on Agriculture and Forestry.

DISPOSAL OF CERTAIN COMMUNICATION FACILITIES IN ALASKA

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize the disposal of the Government-owned long-lines communication facilities in the State of Alaska, and for other purposes (with accompanying papers); to the Committee on Armed Services.

AUTHORIZATION OF CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF SECTION 203 OF CAREER COMPENSATION ACT OF 1949, RELATING TO SPECIAL PAY

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to amend section 203 of the Career Compensation Act of 1949, as amended, to provide for authority to make payments of special pay for certain physicians, dentists, and veterinarians after June 30, 1959 (with an accompanying paper); to the Committee on Armed Services.

PROVISION OF IMPROVED OPPORTUNITY FOR PROMOTION FOR CERTAIN NAVAL OFFICERS

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to provide improved opportunity for promotion for certain officers in the naval service, and for other purposes (with accompanying papers); to the Committee on Armed Services.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO RIGHTS OF CERTAIN EMPLOYEES

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the Secretary of Defense and the Secretaries of the military departments to grant return rights to career and career-conditional employees under certain conditions (with accompanying papers); to the Committee on Armed Services.

REPORT ON FACILITIES FOR TRAINING PURPOSES IN NAVAL SELECTIVE RESERVE PROGRAM

A letter from the Assistant Secretary of Defense, reporting, pursuant to law, on projects to provide berthing facilities and dockside power services required for destroyer escorts to be used for training purposes in the Naval Selective Reserve program (with an accompanying paper); to the Committee on Armed Services.

REPORT ON THE MERCURY INDUSTRY

A letter from the Attorney General, transmitting, pursuant to law, a report on the competitive effects of the Defense Production Act programs to assist the mercury industry, dated February 9, 1959 (with an accompanying report); to the Committee on Banking and Currency.

DEPLETION RATE FOR CERTAIN CLAYS AND TREATMENT PROCESSES CONSIDERED AS MINING

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to specify processes which shall be considered mining for the purpose of computing percentage depletion in the case of minerals and ores, and to revise the depletion rates with respect to certain clays when used to make common brick and tile products (with an accompanying paper); to the Committee on Finance.

REPORT OF U.S. TARIFF COMMISSION

A letter from the Chairman, U.S. Tariff Commission, Washington, D.C., transmitting, pursuant to law, a report of that Commission for the fiscal year ended June 30, 1958 (with an accompanying report); to the Committee on Finance.

REPORT ON OPERATIONS UNDER SALINE WATER ACT OF 1952

A letter from the Under Secretary of the Interior, reporting, pursuant to law, on the operations of that Department, during fiscal year 1958, under the Saline Water Act of 1952; to the Committee on Interior and Insular Affairs.

REPORT ON CERTAIN CONTRACTS NEGOTIATED BY BUREAU OF INDIAN AFFAIRS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on certain contracts negotiated by the Bureau of Indian Affairs, for the fiscal year 1958, pursuant to the provisions of section 4 of the act of June 4, 1936 (49 Stat. 1458, 1459) (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORT ON CONTRACTS TO FACILITATE NATIONAL DEFENSE

A letter from the Administrator, General Services Administration, reporting, pursuant to law, that, during the calendar year 1958, no transactions had occurred on contracts to facilitate the national defense; to the Committee on the Judiciary.

AMENDMENT OF BANKRUPTCY ACT RELATING TO CONSOLIDATION OF REFEREES' SALARY AND EXPENSE FUNDS

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF BANKRUPTCY ACT RELATING TO AUTOMATIC ADJUDICATION AND REFERENCE IN CERTAIN CASES

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting a draft of proposed legislation to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731, and 1031) to provide for automatic adjudication and reference in certain cases (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAMES

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the names of Young Chiu, and Cecil Gladstone Ashby from reports relating to aliens whose deportation has been suspended, transmitted to the Senate on July 1, 1958, and January 15, 1958, respectively; to the Committee on the Judiciary.

DRAFTS OF PROPOSED LEGISLATION

A letter from the Secretary of Health, Education, and Welfare, transmitting two drafts of proposed legislation, as follows:

A bill to authorize a 5-year program of assistance to school districts in meeting the debt service on loans for construction of urgently needed elementary or secondary public school facilities, and for other purposes; and

A bill to assist institutions of higher education to market and retire bonds issued by them to finance the construction of college facilities (with accompanying papers); to the Committee on Labor and Public Welfare.

INTERNATIONAL LABOR ORGANIZATION CONVENTION 105, RELATING TO ABOLITION OF FORCED LABOR

A letter from the Assistant Secretary of State, transmitting, for the information of the Senate, a copy of the International Labor Organization convention No. 105, concerning the abolition of forced labor, adopted at Geneva on June 25, 1957 (with accompanying papers); to the Committee on Labor and Public Welfare.

RECOVERY OF COSTS OF BUILDING SPACE UTILIZED BY VETERANS' CANTEEN SERVICE

A letter from the Deputy Administrator, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Idaho; to the Committee on Interstate and Foreign Commerce:

"HOUSE JOINT MEMORIAL 1

"Joint memorial to the Honorable Senate and House of Representatives of the United States in Congress assembled

"We, your memorialists, the Legislature of the State of Idaho, respectfully represents that—

"Whereas the Minidoka Wildlife Refuge, located in the counties of Minidoka, Cassia, and Power, in the State of Idaho, has placed an unnecessary restraint on the use of the recreational facilities presently existing in

the backwaters of Minidoka Dam on the Snake River; and

"Whereas the demand for use of these recreational facilities have increased immensely in the past few years; and

"Whereas the rules and regulations of the Federal Fish and Wildlife Service pertaining to said refuge prohibit the use of said refuge for proper and necessary recreational purposes, consisting primarily of sport fishing and boating; and

"Whereas proper management of the refuge could be such that fishing and boating could be enjoyed without harm to waterfowl or impairing the use of the refuge as a resting area for waterfowl; and

"Whereas proper recreational development of the refuge could best be served by abolishing the Minidoka Wildlife Refuge and transferring management of the said refuge to the Department of Fish and Game of the State of Idaho: Now, therefore, be it

"Resolved by the House of Representatives, State of Idaho (the Senate concurring), That we most respectfully urge upon the Congress of the United States of America that the Minidoka Wildlife Refuge be abolished, and that the management of said refuge be transferred to the Department of Fish and Game of the State of Idaho; be it further

"Resolved, That the secretary of state of the State of Idaho be authorized, and he is hereby directed, to immediately forward certified copies of this memorial to the Senate and the House of Representatives of the United States of America, the Secretary of the Interior, and to the Senators and the Representatives in Congress from this State.

"ARNOLD WILLIAMS,
"Secretary of State."

A joint resolution of the Legislature of the State of California; to the Committee on Interior and Insular Affairs:

"ASSEMBLY JOINT RESOLUTION 2

"Joint resolution relative to statehood for Hawaii

"Whereas the Territory of Hawaii has for many years sought to become a State of the United States with full privileges of statehood and first-class citizenship for its peoples; and

"Whereas this recognition was recently granted to Alaska, and both political parties have recognized that every consideration of fairness demands that the people of Hawaii receive the same status in our Nation; and

"Whereas Hawaii has long since fulfilled all the requirements for statehood, and no valid reason remains for postponing its entry into the brotherhood of the United States; and

"Whereas the people of California feel especially sympathetic to this proposal of statehood for the islands, because of the volume of travel and commerce between the west coast and Hawaii which has so increased in recent years: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress and the President of the United States are respectfully memorialized to enact at this session of Congress such laws as are necessary for the admission of the Territory of Hawaii to statehood in the United States; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted at a mass meeting of Americans of Lithuanian Descent, at Racine, Wis., expressing gratitude to this Government for its efforts to aid all people seeking freedom from communism; to the Committee on Foreign Relations.

A letter from the Greater Hartford (Conn.) Junior Chamber of Commerce, Inc., embodying a resolution adopted by that organization, favoring the enactment of legislation providing statehood for Hawaii; to the Committee on Interior and Insular Affairs.

A letter, in the nature of a memorial, from R. Kenneth Busbice, of Monroe, La., remonstrating against the employment of Communists by the Federal Government; to the Committee on the Judiciary.

A resolution adopted by Schwandt-Goodman Post 9050, Veterans of Foreign Wars, Enderlin, N. Dak., favoring the establishment of a Veterans' Committee in the Senate; to the Committee on Rules and Administration.

By Mr. CHURCH:

A joint resolution of the Legislature of the State of Idaho; to the Committee on Agriculture and Forestry:

"HOUSE JOINT MEMORIAL 5

"Joint memorial to the Honorable Senate and House of Representatives of the United States in Congress assembled

"We, your memorialists, the Legislature of the State of Idaho, do respectfully represent, that—

"Whereas the existence of a large farm surplus of certain commodities is burdensome to our national economy; and

"Whereas the necessity to provide revenue for public assistance to needy persons is also burdensome to our national economy; and

"Whereas many of the recipients of public assistance and members of low-income groups have need for certain of the very commodities which are now surplus and cannot be disposed of in the common market without disrupting our farm economy; and

"Whereas the food-stamp plan which was in operation prior to World War II worked satisfactorily both in relieving the surplus problem and in aiding in providing subsistence for needy persons; and

"Whereas the present plan, now in operation, is very unsatisfactory to the smaller communities; and

"Whereas the State of Idaho is a large producer of farm products and the disposal of surplus agricultural products is a matter of great concern to the people of the State of Idaho: Now, therefore, be it

"Resolved by the House of Representatives, State of Idaho (the Senate concurring), That we most respectfully urge upon the Congress of the United States of America that a food-stamp plan, similar to the one used prior to World War II, and one that is workable and fair to all concerned, be enacted into law as soon as possible; be it further

"Resolved, That the secretary of state of the State of Idaho be authorized and he is hereby directed to immediately forward certified copies of this memorial to the Senate and the House of Representatives of the United States of America, the Secretary of Agriculture, and to the Senators and Representatives in Congress from this State.

"ARNOLD WILLIAMS,
"Secretary of State."

The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Idaho, identical with the foregoing, which was referred to the Committee on Agriculture and Forestry.

CONCURRENT RESOLUTION OF TEXAS LEGISLATURE

Mr. JOHNSON of Texas. Mr. President, I present a concurrent resolution adopted by the Legislature of the State of Texas on January 28, and ask that it be referred to the appropriate committee of the Senate. The concurrent resolution expresses the opposition of the Texas Legislature to further increases in the gasoline taxes.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred; and, under the rule, the concurrent resolution will be printed in the RECORD.

SENATE CONCURRENT RESOLUTION 9

Whereas the President has recommended that Congress increase the Federal tax on gasoline by 1½ cents per gallon; and

Whereas the Federal Government is annually diverting more than $1½ billion of Federal highway user taxes into nonhighway channels; and

Whereas it has been estimated that the addition of the 1½ cents to the present 3-cent Federal tax on gasoline would result in Texans sending $137 million more in highway user taxes per year to Washington than would be returned to the State for highway purposes under the present aid formula: Now, therefore, be it

Resolved by the Senate of the State of Texas (the House of Representatives concurring), That the Congress be respectfully requested to oppose further Federal invasion of this gasoline tax which should be reserved for the use of the States, and that the use of such present highway user taxes be restricted to highway purposes only; and be it further

Resolved, That a copy of this resolution be mailed to each member of the Texas delegation in Congress.

BEN RAMSEY,
President of the Senate.
WAGGONER CARR,
Speaker of the House.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Philip W. Bonsal, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to Cuba, vice Earl E. T. Smith;

Raymond A. Hare, of West Virginia, a Foreign Service officer of the class of career minister, now Ambassador Extraordinary and Plenipotentiary to the United Arab Republic, to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary to the Kingdom of Yemen;

Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary to the Union of South Africa, vice Henry A. Byroade;

Sheldon T. Mills, of Oregon, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Hashemite Kingdom of Jordan; and

William C. Trimble, of Maryland, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary to the Kingdom of Cambodia, vice Carl W. Strom.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 1021. A bill to amend the act providing aid for the States in wildlife restoration

projects with respect to the apportionment of such aid; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. WILEY when he introduced the above bill, which appeared under a separate heading.)

By Mr. ROBERTSON (by request):

S. 1022. A bill to repeal obsolete provisions of law relating to the mints and assay offices; to the Committee on Banking and Currency.

By Mr. McGEE (by request):

S. 1023. A bill for the relief of Donald Gene Sherwood; to the Committee on Armed Services.

By Mr. HARTKE:

S. 1024. A bill to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing as national monuments the Nancy Hanks Memorial and the Lincoln State Park in Spencer County, Ind.; to the Committee on Interior and Insular Affairs.

(See remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

By Mr. DODD:

S. 1025. A bill to provide for the coverage of physicians by the insurance system established by title II of the Social Security Act; to the Committee on Finance.

(See the remarks of Mr. DODD when he introduced the above bill, which appear under a separate heading.)

By Mr. JOHNSON of Texas:

S. 1026. A bill to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division; to the Committee on Interior and Insular Affairs.

S. 1027. A bill to amend titles 10 and 32, United States Code, to provide Federal support for defense forces established under section 109 (c) of title 32; to the Committee on Armed Services.

(See the remarks of Mr. JOHNSON of Texas when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 1028. A bill to authorize the Atomic Energy Commission to construct a modern administration and office building at Oak Ridge, Tenn.; and

S. 1029. A bill to amend the Atomic Energy Community Act of 1955 in order to authorize the Atomic Energy Commission to dispose of certain property for college purposes; to the Joint Committee on Atomic Energy.

S. 1030. A bill for the relief of Walter Hedley Huthnance; to the Committee on the Judiciary.

By Mr. MOSS:

S. 1031. A bill to amend sections 522 and 545 of title 38 of the United States Code to increase the income limitations applicable to the payment of pension for non-service-connected disability or death to $2,000 and $4,000; to the Committee on Finance.

S. 1032. A bill to amend the act of June 14, 1926, as amended, to provide that lands conveyed under such act for State park purposes shall not be subject to the 640-acre limitation contained in such act, and to provide that conveyances for such purposes shall be without consideration; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. Moss when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. CHURCH:

S. 1033. A bill for the relief of certain aliens;

S. 1034. A bill for the relief of Asae Nishimoto; and

S. 1035. A bill for the relief of Debra Susan Duffy; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 1036. A bill to amend title II of the Social Security Act to include Texas among the States which are permitted to divide their retirement systems into two parts so as to obtain social security coverage, under State agreement, for only those State and local employees who desire such coverage; to the Committee on Finance.

S. 1037. A bill for the relief of Jesse Isobel Foster; and

S. 1038. A bill for the relief of Wong Gar Wah; to the Committee on the Judiciary.

(See the remarks of Mr. YARBOROUGH when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. SPARKMAN:

S. 1039. A bill to amend sections 4081 and 4082 of the Internal Revenue Code of 1954 to include wholesale distributors within the definition of "producers" of gasoline, and for other purposes; to the Committee on Finance.

By Mr. MURRAY:

S. 1040. A bill to amend the act of August 21, 1935, to provide for a determination of whether certain sites, buildings, or other objects, such as the historic State, War, Navy, Building, the San Francisco Mint, and the Morristown National Historical Park, are of national historical significance in order to successfully save those sites, buildings, and objects which are of great national value and which are now being destroyed or are being threatened with destruction by the Federal Government as well as by private interests; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S.J. Res. 48. Joint resolution to provide for the designation of the week of Whitsunday of each year as "Hernando de Soto Week"; to the Committee on the Judiciary.

(See the remarks of Mr. HOLLAND when he introduced the above joint resolution, which appear under a separate heading.)

CONGRESSIONAL RECOGNITION OF NATIONAL RAILROAD MUSEUM, GREEN BAY, WIS.

Mr. WILEY. Mr. President, I submit for appropriate reference a concurrent resolution to grant congressional recognition to the National Railroad Museum at Green Bay, Wis.

The approval of the concurrent resolution would help to make the dream of a National Railroad Museum for Green Bay a reality.

The museum, presenting a panoramic picture of the history of American railroading will, of course, be of great significance for the railroad industry.

The purpose of the museum, of course, is to tell the dramatic story of the tremendous contribution of the railroad to the development of our great country. Among other things, it will:

Portray the development of the railroad industry and its contribution to our progress;

Provide exhibits, including rare locomotives—that is, steam, woodburners, electric, diesel—to give the public an authentic picture of the development;

Serve as an educational institution; displaying printed material, photographs, models, and other information;

Present a chronology of the lives of inventors, investors, managers, and workers who made outstanding contributions to the progress of the railroad industry;

Of course, there will be many more significant features of the museum.

I want to emphasize that the museum will not require Federal appropriations. Initially, the exhibits will be financed by public subscription. Once established, the program is designed to make the museum self-sufficient. For example, there will be a modest admission fee; supplemented possibly by sales of souvenirs.

These minimum costs to the public, of course, will be more than amply repaid by the educational and historical value of the exhibits in the museum.

The museum was the brain child of Maj. Gen. Carl R. Gray. During World War II, General Gray served with distinction as Director of the Military Railway Service. Following his retirement, he had planned to dedicate the rest of his life to organizing a national railroad museum. Unfortunately, he met an untimely death in 1955. In respect to his outstanding contributions in this field, this project will be dedicated to his memory.

This great historical, educational, and cultural museum would benefit not only the people of Wisconsin, but of the entire Nation.

Granting congressional approval to this concurrent resolution would give justified recognition to this fine project. I respectfully urge that it be favorably acted upon as early as possible.

The concurrent resolution (S. Con. Res. 10) was referred to the Committee on Rules and Administration, as follows:

Whereas the American railroad has been of incalculable importance to the growth and development of our Nation in time of peace and a major factor in her defense in time of war; and

Whereas there has been established at Green Bay, Wis., the National Railroad Museum whose purpose is to afford recognition in perpetuity to the role of the American railroad in our Nation's early history by preserving the railroad rolling stock and other memorabilia of the age of steam; and

Whereas the city of Green Bay has donated a site for the buildings and exhibits to be erected as part of the National Railroad Museum, and the State Historical Society of Wisconsin, an official State agency, has undertaken the responsibility of developing and operating the National Railroad Museum; and

Whereas there has been donated or pledged to the National Railroad Museum early and rare steam locomotives, other rolling stock, printed material, photographs, broadsides and ephemera, including the Carl R. Gray, Jr., collection, thus insuring its place as a center for the preservation of significant physical evidence of American railroading's early history; and

Whereas the National Railroad Museum, as an educational institution of major significance to all Americans in its portrayal of the development of the American railroad and the lives of the inventors, managers, investors, and workers who created the ties of steel that bind our country together, is of national interest: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby recognizes the National Railroad Museum as a memorial to the individuals who built and ran our early American railroads and as a fitting and valuable institution for the collection and preservation of the memorabilia of the age of steam locomotion.

ECONOMIC ASSISTANCE FOR UNDERDEVELOPED COUNTRIES

Mr. KEFAUVER. Mr. President, on behalf of myself, the Senator from

Utah [Mr. Moss], the Senator from Wyoming [Mr. McGee], the Senator from New York [Mr. Javits], the senior Senator from Montana [Mr. Murray], the junior Senator from Montana [Mr. Mansfield], the Senator from Alaska [Mr. Bartlett], the senior Senator from Minnesota [Mr. Humphrey], the Senator from California [Mr. Engle], the junior Senator from Minnesota [Mr. McCarthy], the Senator from Pennsylvania [Mr. Clark], the Senator from Oregon [Mr. Neuberger], the Senator from Ohio [Mr. Young], the senior Senator from West Virginia [Mr. Randolph], the junior Senator from West Virginia [Mr. Byrd], and the Senator from Illinois [Mr. Douglas], I send to the desk a resolution and ask that it be appropriately referred.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 78), submitted by Mr. Kefauver for himself and other Senators, was received and referred to the Committee on Foreign Relations, as follows:

Whereas the United States and other nations of the free world, acting independently, have been engaged in carrying out programs of economic assistance to less developed nations; and

Whereas, although a great deal has been accomplished through these programs, much remains to be done if the allegiances of uncommitted nations are to be won to and retained by the free world; and

Whereas the coordination of the efforts of the separate free nations into one sustained, comprehensive, and coherent program would enable them to achieve the desired results more effectively and economically by (1) avoiding costly duplication of effort and thereby working less of a burden on the taxpayers of any one nation, (2) joining the uncommitted nations of the world to the free world, rather than to one member, (3) encouraging greater effort on the part of the free nations to work as a harmonious economic force; and

Whereas such a unified program would answer the challenge of Soviet Russia, which recently announced an increased foreign assistance program as a means of strengthening its political alinements in underdeveloped areas of the world: Therefore be it

Resolved, That the Senate urges the Executive to seek to work out agreements with other nations of the free world looking toward consolidation of the various national programs of economic assistance to the less developed nations into a single unified program, participated in by the United States and other nations of the free world.

Mr. KEFAUVER. Mr. President, the countries of the Atlantic Community of Peoples are agreed that economic assistance for the technologically underdeveloped countries—

First. Meets the humanitarian ideals of the western world;

Second. Is of practical good to themselves through enhanced trade, and allied friendship on the military front in an emergency; and

Third. Is a deterrent to the attempts to move these countries into the Soviet bloc.

Most countries of the free world are now giving economic help of one kind or another to the underdeveloped countries. It is my belief that help could be much more effective if all these countries immediately coordinated their national programs of economic assistance to the underdeveloped countries.

At a working party of Western World magazine, which I attended this past November in Rome, I was more than ever convinced of the need for this cooperation. More than 100 of the leading political and economic thinkers of the free world expressed their urgency for the West to stay in the vanguard of technical and economical progress, and the front lines were very definitely in the underdeveloped countries.

I would like to present some of these views for your information:

Paul Henri-Spaak, Secretary General of NATO, was emphatic in his recommendation that aid to underdeveloped countries by the free world must be considered in relation to the Soviet challenge. He pointed out that the Soviets make no mystery of their efforts toward political and ideological supremacy. He said political dividends are to be expected from concerted Western action. The resources of the West are limited. A choice would have to be made among the people to be helped.

Giuseppe Togni, Italian Minister of Public Works, warned that the free world must not only be zealous but united in its zeal. Former Italian Premier Amintore Fanfani said that an awareness of the advantages derived by the U.S.S.R. from its unity should lead the Western World to a better organization of its strength.

Prof. Arthur Wauters, professor at the University of Brussels and former Belgian Ambassador in Moscow, prepared a special study on this subject which was presented to all members of the working party several weeks before the meeting. The special theme discussed was—How could and should the West meet the economic challenge of the U.S.S.R. in the various parts of the world? And what inferences have to be drawn from this with regard to the collaboration between the Western countries and with regard to the relations between the West and the underdeveloped countries?

He said most emphatically that the Communists have not given up their theory of the collapse of capitalism. They expect to speed up this collapse by driving the West from its positions in the rest of the world and depriving it of its sources of raw materials. The underdeveloped countries are, therefore, the main stakes in the struggle between East and West and Western unity of action is a necessary condition for any counteroffensive.

Andre Philip, French delegate to the GATT pointed out that the backward countries were falling further and further behind, becoming more and more pauperized. He warned that the conditions of aid from the West were not always satisfactory, and that the West both as an investor and as a purchaser must offer greater advantages to the underdeveloped countries. He said the Soviet has shown far greater skill, particularly in opening markets for the sale of products from the backward areas.

The Right Honorable J. K. Vaughn-Morgan, Minister of State—Board of Trade, United Kingdom—cautioned the West to play its cards very skillfully in dealing with the underdeveloped countries. He said the Soviet had played some dirty economic pool with a number of the underdeveloped countries in certain cement and tin deals, and said this made it even more important that the Western World carefully examine the channeling of its economic aid.

Jacques Oudiette, manager of the Banque Nationale pour le Commerce et l'Industrie, Paris, quoted Indian Prime Minister Nehru's rhetorical question if the real Iron Curtain might not be that which separate the industrialized from the underdeveloped areas.

Prof. Robert Bowie, head of Harvard University's International Studies Department, suggested that the West might make joint use of the International Development Association, new project of the World Bank for channeling their aid.

Denis Healey, British Labor Party, Member of Parliament, suggested that these backward areas must be helped not solely for humanitarian purposes or for any desire to provoke gratitude, but simply because the whole world would profit by their development.

Dr. Sante Astaldi, vice president of the Associazione Nazionale Costruttori Edili—building and public works—asked for rapid action, and Louis Kawan, secretary of the Belgian Committee for the Study of Trade with the East, suggested the creation of organizations at national or regional levels, empowered to direct investments in which private capital could participate.

Ernest Friedlaender, West German columnist, proposed a long-term plan which could be carried out by the OEEC countries in cooperation with the United States and Canada. Etienne Hirsch, Commissioner General of the French plan, agreed that a program of aid to underdeveloped areas required at the very least a plan and precise aims among the industrial countries.

Here, Mr. President, you have a cross section of distinguished political, journalistic, and scholarly opinion all pointing not only to the need for Western aid to underdeveloped countries, but that it be channeled more effectively through a concerted free world effort. And, Mr. President, this should be done now, not next year, or the year after. The Soviet is in there pitching, their rate of production is moving along at a fast clip.

They are courting the underdeveloped countries with economic aid of one kind or another, as are the individual countries of the free world. But with increased aid to offer as the months move on, and a "oneness" of channeling, the Soviet may gain an edge on the free world, if we do not get together on this.

I am therefore proposing to you a resolution which I believe is urgent that the

Senate of the United States adopt immediately:

I ask unanimous consent that the resolution may lie on the desk until Monday for other cosponsors.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, I also wish to add that our colleague, the Senator from New York [Mr. JAVITS], serving on the Economic Committee at the last NATO Parliamentarians Association meeting, submitted a challenging report on the necessity of a unified effort by the NATO nations in their mutual aid program, particularly so far as helping underdeveloped nations is concerned.

The resolution merely asks that the President of the United States and the Secretary of State use their best offices toward trying to work out with any other free nation willing to participate, a unified effort for giving aid to the underdeveloped nations, in order that we may avoid duplication, and that we should not only meet the Russian challenge, but for our own good try to have a more stable economic basis in that connection.

APPORTIONMENT OF AID TO STATES IN WILDLIFE-RESTORATION PROJECTS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill designed to assure fair distribution of funds for wildlife restoration and management projects under the Pittman-Robertson Act. I ask unanimous consent that the bill, together with a brief statement, prepared by me, relating to this matter, be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 1021) to amend the act providing aid for the States in wildlife-restoration projects with respect to the apportionment of such aid, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Act entitled "An Act to provide that the United States shall aid the States in wildlife restoration projects, and for other purposes", approved September 2, 1937, as amended (16 U.S.C. 669c), is amended by striking out "one-half in the ratio which the number of paid hunting-license holders of each State in the preceding fiscal year, as certified to said Secretary by the State fish and game departments, bears to the total number of paid hunting-license holders of all the States", and inserting in lieu thereof "one-half in the ratio which the number of paid hunting licenses issued by each State in the preceding fiscal year, as certified to said Secretary by the State fish and game departments, bears to the total number of paid hunting licenses issued by all the States, and in the determination of the number of hunting licenses issued, more than one license issued by a State to the same individual for hunting small game (including birds) shall be counted as only one license and more than one license issued by a State to the same individual for hunting large game shall be counted as only one license".

The statement presented by Mr. WILEY is as follows:

STATEMENT BY SENATOR WILEY

The maintenance, protection, and improvement of wildlife projects is a real challenge that must be met—if we are to preserve our outdoor heritage.

To assist in State development of wildlife projects, the program under the Pittman-Robertson Act provides that States match Federal funds (obtained by collection of an excise tax on firearms and ammunition) on a 25 percent basis, to carry on acquisition, maintenance, and restoration of wildlife projects. After deducting administrative costs and certain statutory aids to Territories, the money is reapportioned to the States.

For over 20 years, funds have been allocated to the States according to a formula generally based on records of number of licenses issued. Recently, the Department of Interior proposed to change the formula and allocate funds on the basis of licenseholders. If this occurred, I believe there would be unfair distribution of funds which, incidentally, would result in tremendous loss for our Badger State.

Wisconsin, as well as other States, has a variety of big and small game birds and animals. To help maintain an adequate supply, separate programs are necessary. If the new formula were adopted, it would fail to recognize this factor, and, as a result, a number of the fine projects now maintained in our Wisconsin conservation projects, and other States, would suffer.

We realize, of course, that there is a need for a common-sense approach to this situation. We don't want to start a license war by the States—that is, encourage States to issue a great number of unnecessary licenses, just to be eligible for more Federal funds.

To deal more effectively with the situation, the following—and, I think reasonable—approach, would provide, under the Pittman-Robertson Act, that the funds—

(1) Be allocated according to record of licenses issued; provided, however, that—

(2) Not more than one big game and one small game license in a series be included in computing a State's eligibility for funds.

If the change being considered by the Department of Interior were put into effect—that is, simply using the number of licenseholders instead of the record of licenses issued it would have the following undesirable results:

(1) An unfair distribution of funds—severely reducing funds for Wisconsin and other States, since the money would be distributed without regard for the costs of maintaining separate programs—e.g., for big and small game.

(2) Require a costly survey—estimated at $15,000–$25,000 for a survey of licenseholders.

During the 85th Congress, I introduced similar legislation and urged that action by the Department of Interior be held up until Congress, the conservation interests, fish and game commissioners, and others, could evaluate the effects on the program by the proposed change.

A series of conferences were held. A consensus of the findings is in preparation. To attempt to head off the Department's jumping the gun by making the proposed change without benefit of the findings, I am dropping the bill in the hopper.

I respectfully urge early and favorable consideration by the Committee on Interior and Insular Affairs of this legislation. Meanwhile, I shall again contact the Department of Interior to urge that action on the proposed changes be held in abeyance until Congress has had a chance to take a new look at the program.

ADVISABILITY OF ESTABLISHING AS NATIONAL MONUMENTS THE NANCY HANKS MEMORIAL AND LINCOLN STATE PARK, IND.

Mr. HARTKE. Mr. President, it is my privilege to have been born and reared in that portion of southwestern Indiana which has become known as Lincoln country.

It is in this section of our beloved Hoosier State that the great Emancipator, Abraham Lincoln, spent his formative years.

In Spencer County, Ind., lies the original 160 acres of the Thomas Lincoln farm which contains the grave of Nancy Hanks Lincoln.

There, also, is the site of Lincoln's Ohio River ferry operation.

In this section, the State of Indiana has established the Nancy Hanks Lincoln Memorial and the Lincoln State Park.

While these facilities offer a measure of tribute in memory of President Lincoln, who lived one-fourth of his life in that area, they are far from adequate.

Therefore, Mr. President, on this 150th anniversary of the birth of Abraham Lincoln, I introduce, for appropriate reference, a bill providing for a study of the feasibility of establishing a national park or shrine in his honor in Spencer County, Ind., a move which has the endorsement of Lincoln scholars throughout Indiana.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1024) to provide that the Secretary of the Interior shall investigate and report to the Congress as to the advisability of establishing as national monuments the Nancy Hanks Memorial and the Lincoln State Park in Spencer County, Ind., introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

COVERAGE OF PHYSICIANS UNDER TITLE II OF SOCIAL SECURITY ACT

Mr. DODD. Mr. President, I introduce for appropriate reference a bill to provide for the coverage of physicians under the insurance system established by title 2 of the Social Security Act.

We all know of doctors who devote their lives to caring for the health and security of others, but make little provision for their own welfare.

We know of doctors who, at the close of a career of service and self-sacrifice, find themselves without adequate security for their final years. And we know of doctors who, because of the strains and tensions of their work, are stricken in the prime of life, without opportunity to provide sufficiently for their wives and children.

The great majority of doctors want social security coverage. Wherever they have been given an opportunity to indicate their opinion on this question, they have voted overwhelmingly in favor of being included. I feel it is only their preoccupation with their heavy duties and responsibilities that prevented them from demanding long ago the same kind of protection that all other groups enjoy.

I am aware that in the past some medical organizations, purporting to speak for all doctors, have opposed this extension of coverage. But a study of the reasons for this opposition reveals that these organizations are opposed not primarily to social security for doctors, but to social security for anyone. They oppose the basic principle of this program.

The Nation long ago decided in favor of social security. The overwhelming majority of doctors have also decided in its favor. Therefore, I urge the Senate to close the last gap in our social security system by extending coverage to the doctors of this country. This will be accomplished by passage of the bill that I introduce today.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1025) to provide for the coverage of physicians by the insurance system established by title II of the Social Security Act, introduced by Mr. DODD, was received, read twice by its title, and referred to the Committee on Finance.

REHABILITATION OF LA FERIA WATER CONTROL AND IMPROVEMENT DISTRICT, TEXAS

Mr. JOHNSON of Texas. Mr. President, I introduce for appropriate reference, a bill authorizing the rehabilitation and betterment of the La Feria Water Control and Improvement District in Cameron County, Tex. The district is part of the lower Rio Grande rehabilitation project.

In the spring of 1957, the Commissioner of Reclamation found this project economically justified. The water users of the district are now ready to enter into a repayment contract with the Government, by which the cost of these improvements can be repaid in a 35-year period.

By approving this bill, Congress will be authorizing the lining of canals and laterals, the cleaning of unlined canals, the placing of new laterals and drains, the repair of pumping installations, and the provision of a new storage basin. La Feria District serves about 27,000 acres of irrigable land in the Rio Grande Valley west of Brownsville.

Mr. President, I call attention to the extremely favorable benefit-cost ratio of these improvements. The Department of Interior estimates that ratio at 5 to 1. And I repeat that the total cost of $5,750,000 is to be repaid by the users.

My good friend JOE KILGORE has introduced an identical bill in the House of Representatives. I commend this legislation to my colleagues, Mr. President, as eminently sound and justified.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1026) to authorize the Secretary of the Interior to construct, rehabilitate, operate, and maintain the lower Rio Grande rehabilitation project, Texas, La Feria division, introduced by Mr. JOHNSON of Texas, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

PROPOSED INCREASE OF PERMITTED ANNUAL EARNINGS UNDER VETERANS' COMPENSATION AND PENSION LAWS

Mr. MOSS. Mr. President, I introduce, for appropriate reference, a bill to increase the maximum annual earnings limit permitted under title 38 of the United States Code, otherwise known as the veterans' compensation and pension laws. In effect, this bill would increase by $600 the amount of money a single disabled veteran could earn, and by $1,300 the amount a married disabled veteran could earn, without forfeiting their pension rights.

It has been 6 years since an adjustment was made in the amount of outside income a disabled veteran can earn and still receive his pension. Since that time both the cost of living and the general wage level have risen considerably. In fact, the cost of living has skyrocketed to its highest point in history. It is obvious that the present annual maximum earnings ceiling for disabled veterans is antiquated and unrealistic, and should be raised.

I should like to point out that enactment of this measure will not cost the Government any money. Its passage is a matter of simple justice for disabled veterans and their families.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1031) to amend sections 522 and 545 of title 38 of the United States Code to increase the income limitations applicable to the payment of pension for non-service-connected disability or death to $2,000 and $4,000, introduced by Mr. Moss, was received, read twice by its title, and referred to the Committee on Finance.

DEVELOPMENT OF STATE PARK SYSTEM IN PUBLIC LAND STATES

Mr. MOSS. Mr. President, I introduce, for appropriate reference, a bill which has for its purpose the further development of the State park system in the public lands States. The measure I have prepared would amend Public Law 387, 83d Congress—found in Sixty-eighth Statutes at Large, page 173—the Recreation Act—in two respects:

First. It would remove the 640-acre limitation on the transfer of Federal lands to the States when the lands are to be used for State park purposes; and

Second. It would provide that such conveyances for park purposes would be without monetary consideration.

The recreation law already provides that lands for historic monuments may be conveyed without cost to the State, and my bill would place State park lands in the same status.

At the present time the Bureau of Land Management is administering over 176 million acres in 26 States in continental United States, and 298 million acres in our new State of Alaska. The Bureau has no program to preserve historical sites, scenic areas or unique features on the lands which it is administering. It seems no more than right that if the States are willing to take over these areas and manage, protect, and develop them, the Federal Government should make them available. Many of our great recreational, and scenic and historic features are being damaged and destroyed. We must do something about them, or within a few years they will lose their value.

Mr. President, the need for legislation such as I propose is highlighted by the situation in my own State. Utah, which is one of the largest States in the Nation, has a total of 52,701,440 acres. Some 74 percent of it is federally owned. Federal holdings include two national parks, eight national monuments and seven national forests. However, some of the State's finest scenic, geologic, archeological, and historic sites are on the 24,679,361 acres administered by the Bureau of Land Management, and there is no recreation program for them. The Utah State Park and Recreation Commission has included 1,646,174 acres of Bureau of Land Management land in its projected State park program. While the Bureau of Land Management is cooperating in assisting in the purchase and transference of some BLM acreage to Utah for State park use, the acreage limitations must be removed, as my bill would do, if many desirable areas are to be acquired.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1032) to amend the act of June 14, 1926, as amended, to provide that lands conveyed under such act for State park purposes shall not be subject to the 640-acre limitation contained in such act, and to provide that conveyances for such purposes shall be without consideration, introduced by Mr. Moss, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

SOCIAL SECURITY BENEFITS FOR TEXAS TEACHERS

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill which will allow the members of Texas teachers retirement systems to decide whether they want to have social security added on top of the protection they enjoy under their own retirement systems. The bill I have introduced would add Texas to the list of States that have the option to extend coverage under the so-called split proviston. Under this procedure present teachers under the retirement system could make their individual decision as

to whether they wished coverage or not. Coverage, however, would be on a compulsory basis for teachers who subsequently came under the retirement system. The decision as to whether this option could be exercised would still be left up to the State and the coverage could be effectuated on a school district by school district basis.

In the last 2 years over 700,000 State and local employees under retirement systems in other States have gained social security coverage under the split provision. I believe that the State of Texas and its subdivisions should have this option and my bill, if enacted, will make this possible.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 1036) to amend title II of the Social Security Act to include Texas among the States which are permitted to divide their retirement systems into two parts so as to obtain social security coverage, under State agreement, for only those State and local employees who desire such coverage, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Finance.

DESIGNATION OF WEEK OF WHITSUNDAY OF EACH YEAR AS "HERNANDO DE SOTO WEEK"

Mr. HOLLAND. Mr. President, for myself and my junior colleague the gentleman from Florida [Mr. SMATHERS] I send to the desk, and ask that it be appropriately referred, a joint resolution to provide for the designation of the week of Whitsunday of each year as "Hernando de Soto Week".

Each year a "De Soto Pageant," featuring an authentic duplication of the landing of De Soto, is staged at the De Soto National Memorial on the shore of Tampa Bay, 5 miles west of Bradenton, Fla. The memorial was established in 1949 by the National Park Service of the U.S. Department of the Interior in tribute to Hernando de Soto and his fellow Spanish explorers.

We feel it is fitting and proper that the people of the United States observe the anniversary of the De Soto expedition, which was the first European penetration into the interior of what is now southern United States, and in order to encourage them to do so, we introduce this joint resolution which would authorize the President to designate the week beginning with Whitsunday of each year, beginning with the year 1959, as "Hernando de Soto Week" and to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies.

The story of De Soto's exploration is indeed fascinating, and in order that Senators may read this story, I ask to have printed in the RECORD, at this point, as a part of my remarks, excerpts from a publication of the National Park Service describing this adventure in some detail, and the text of the resolution.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the excerpts will be printed in the RECORD, at this point.

The joint resolution (S.J. Res. 48) to provide for the designation of the week of Whitsunday of each year as "Hernando de Soto Week," introduced by Mr. HOLLAND (for himself and Mr. SMATHERS), was received, read twice by its title, and referred to the Committee on the Judiciary.

The excerpts presented by Mr. HOLLAND and the resolution are as follows:

Whereas on Whitsunday, 1539, Don Hernando de Soto cast anchor off the west coast of Florida and on May 30, 1539, landed on the shore of Tampa Bay five miles west of Bradenton, Florida, with a large flotilla and an army of some seven hundred volunteers; and

Whereas the De Soto expedition was the first European penetration into what is now the Southern United States, crossing four thousand miles of wilderness in the area which now comprises the States of Florida, Georgia, South Carolina, North Carolina, Tennessee, Alabama, Mississippi, Louisiana, Arkansas, and Texas; and

Whereas on August 5, 1949, a national memorial was established at Shaw's Point, Bradenton, Florida, commemorating De Soto's landing and exploration: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate the week beginning with Whitsunday of each year, beginning with the year 1959, as "Hernando de Soto Week" and to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies.

The De Soto Expedition, a typical instance of organized Spanish exploration, was the first European penetration into what is now Southern United States. Crossing 4,000 miles of wilderness, the explorers earned for Spain a broad knowledge of the interior lands and peoples and recorded priceless information on native American life of the 1500's.

THE CONQUISTADORES (THE CONQUERORS)

Columbus had given Spain an early claim to the New World and its wealth, and her warrior nobles penetrated the new-found continents with amazing rapidity. Hardy and courageous men, loyal to King and Church, they had built some 200 permanent towns in the Americas long before Raleigh landed in Carolina.

While Cortés was still having difficulty with the Aztecs, Spanish explorers were moving out from the West Indies. In 1513, Ponce de León discovered Florida; by 1519, the gulf coast was charted; by 1525, navigators had probed Atlantic shores from Cape Horn to Newfoundland. In 1526, Ayllón set ashore a short-lived colony, believed to have been at or near South Carolina's Pee Dee River. Two years later Narváez landed on Florida's west coast. His sole survivors were the resourceful Cabeza de Vaca and a trio of companions. Still the vast North American interior lay mysterious and untouched, rumored to be "the richest land of any which until then had been discovered."

HERNANDO DE SOTO

Don Hernando De Soto, Knight of Santiago, "a gentleman by all four descents" (i.e., by all four grandparents), was a typical conquistador. Born in Spain about 1500, he achieved wealth and a brilliant career in Nicaragua and Peru. Charles V appointed him Governor of Cuba and Adelantado (Leader) to "conquer, pacify, and populate" the northern continent.

On April 7, 1538, trumpets sounded and cannon thundered as the flotilla left San Lúcar, Spain, with about 700 volunteers abroad. The winds were favorable, and De Soto's bride was at his side.

LANDING IN FLORIDA

In Havana, on May 18, 1539, De Soto bade farewell to his Doña Isabel and set sail for Florida. On May 30, the army landed on the west coast, apparently at Tampa Bay. A few ruined pearls lay in the dust at the deserted Indian village where they camped, and the Spaniards believed themselves at the threshhold of fortune. So Narváez had thought, when he chanced upon a single golden ornament.

Spanish scouts found the lost Juan Ortiz, who had come to Florida with Narváez and had been saved by a native princess from death at the stake. For 10 years Ortiz had been a slave of the Indians, and, while he had seen no riches, he had heard wonderful reports of the interior land. De Soto assigned 100 men to guard the camp and sent the ships back to Cuba for supplies. The march through 4,000 miles of unknown land began on July 15, 1539.

INTO THE WILDERNESS

De Soto led 600 or more disciplined veterans who averaged—and sometimes doubled—a steady 10 miles a day on the march. Counting the Indian carriers drafted as they went along, the expedition must often have numbered up to 1,000 people. About 200 horses mounted the lancers. There were about 300 crossbowmen and harquebusiers, a dozen priests, a physician, and workmen to build boats and bridges or repair weapons and rivet the slave chains.

As they pushed northward, heat and hunger plagued them; hidden natives rained arrows upon them. De Soto followed the practice of seizing village chieftains and forcing them to supply food, carriers, and guides. Once beyond Ocale (in what is now Florida), Indians gathered to rescue their chief, but the Spaniards moved first, driving the warriors into nearby lakes.

De Soto continued onward. Then from winter quarters in the hostile Apalachee farmlands (now northern Florida, near Apalachee Bay), he summoned the men left at the landing site, while to Havana he sent a present of 20 Indian women for Doña Isabel. Meanwhile, his scouts discovered Pensacola Bay; others saw the bleached bones of Narváez' horses at Apalachee Bay.

SEARCH FOR TREASURE CONTINUED

In the spring of 1540, they marched toward the Savannah River, where the comely chieftainess of Cofitachequi, an Indian village, bestowed her pearl necklace upon Don Hernando. Another 200 pounds of pearls were dug from the burial mounds. But the Adelantado pushed onward. If no richer land were found, they could always return.

Some were lame and sick by the time they reached a region called Xuala in what is now western South Carolina, but here they saw "more indications of gold mines than in all the country they had traversed." Up into what is now North Carolina, then across the Smokies into Tennessee they went. Mulberries, nuts, maize, and turkeys the natives gave willingly, as the army pressed southward toward Coosa, in central Alabama, still searching for treasure.

THE TRAGEDY OF MABILA

Powerful Tascalusa, lord of the Mobile Indians, hid his anger when the Spaniards seized him, and agreed to furnish 400 carriers as soon as they reached the town of Mabila. But warriors—not carriers—surrounded De Soto in Mabila. The Spaniards fought free in a fierce day-long battle, burned the Indian town, and slaughtered 3,000 Indians. De Soto suffered crippling losses in this battle; 20 men killed, including a brother-in-law and a nephew; a number of horses killed;

most of the expedition's supplies and property destroyed; and the wounded comprised all the men of most worth and honor in the army.

De Soto had planned to meet supply ships on the coast and send the pearls of Cofitachequi to Havana. But the pearls were lost at Mabila. Some of his disillusioned men, naked under their rusty mail, planned to sail with the ships. To prevent this, De Soto again turned his face from the coast.

A RIVER LARGER THAN THE DANUBE

The expedition almost ended in the spring of 1541, when the Chickasaw Indians made a surprise dawn attack on the northern Mississippi camp. Fortunately, the Indians mistook stampeding horses for cavalry and withdrew; yet a dozen Spaniards lost their lives, and 50 horses were killed. Clothing, saddles, and weapons were burned. Shaking with cold, the men covered themselves with grass mats, while they fashioned new saddles and lances.

On May 8, 1541, De Soto saw the great river, so wide that "If a man stood still on the other side, it could not be discerned whether he were a man or no." Beyond the Mississippi lay the rumored wealth of Pacaha Province, so the artisans built barges and the army crossed for the march into Arkansas to the mouth of the St. Francis. Finding no gold, they turned west, then south, to winter on the west bank of the Ouachita River, near what is now Camden, Ark. Here, the interpreter Juan Ortiz died, a great loss.

THE DEATH OF DE SOTO

Even De Soto was discouraged. He went back to the Mississippi, planning to settle at a seaport and refit for a westward advance, but the scouts found no news of the sea. To terrorize the populous country and keep the Indians from uniting against him, De Soto ordered the destruction of the Anilco village in what is now Louisiana. The fighting was left to his lieutenants, for De Soto, called by his men "one of the best lances who have passed to the New World," was burning with fever. A few days later, on May 21, 1542, Hernando de Soto died.

Not all mourned his passing, for he was a stern man. Yet, skill and courage demanded respect, and his concern for his men won devotion. Secretly, they buried their knight within the village walls, telling the Indians that the "Child of the Sun" had ascended to his father. When the natives saw the loosened earth and whispered, the Spaniards dug up the body, weighted it in an oaken casket, and sank it in the dark bosom of the Father of Waters, as the Indians called the Mississippi.

RETURN TO CIVILIZATION

Luis De Moscoso, De Soto's appointed successor, after a futile try to reach Mexico through what is now Texas, led the tired band again to the Mississippi, where they spent the winter building seven little ships. Before the fleet sailed downstream on July 2, 1543, most of the remaining 50 horses, which had been used in battle, were slaughtered for meat.

Running a gauntlet of arrows, the ships found the gulf 19 days later. On September 10 some 300 Spaniards and 100 Indians reached Mexico Pánuco River. There, haggard and worn, they found a warm welcome.

That fall, a ship took the news of De Soto's death to Doña Isabel.

FLORIDA AND THE SPANISH EMPIRE

Heartbreak and hardship failed to destroy the golden myth of Florida. Moscoso and his tattered comrades, safe once more, painted glowing pictures of the north country. Around the Caribbean, however, Spain had precious metals, and docile natives, so North American furs and forests held little attraction. Florida was merely a dangerous coast on the treasure fleet route. After the martyrdom of Fray Luis Cancer by the Indians, and the unsuccessful colonies of Luna and Villafañe, the Crown prohibited Florida projects.

Then, in 1564, the French Colony at Fort Caroline, on Florida's St. John River, threatened the treasure fleets. The founding of St. Augustine was Spain's inevitable answer.

ELIMINATION OF CERTAIN CLAIMS OF IMMUNITY FROM STATE AND LOCAL TAXES—ADDITIONAL COSPONSOR OF BILL

Mr. THURMOND. Mr. President, on behalf of myself and the senior Senator from California I introduced, on January 29, the bill (S. 815) to eliminate claims of immunity from State and local taxes based on the contracts of the United States or its agencies and instrumentalities. I ask unanimous consent that the name of the Senator from Alaska [Mr. BARTLETT] be added as a cosponsor of the bill, and that his name be added on subsequent printings of the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ECONOMIC ASSISTANCE TO AMERICAN INDIANS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of February 5, 1959, the name of Mr. CASE of South Dakota was added as an additional cosponsor of the bill (S. 953) to provide economic assistance to the American Indians, introduced by Mr. LANGER (for himself, Mr. YOUNG of North Dakota, Mr. MAGNUSON, Mr. MANSFIELD, Mr. KEFAUVER, Mr. CHAVEZ, Mr. MUNDT, Mr. CHURCH, Mr. JACKSON, Mr. MURRAY, Mr. BIBLE, Mr. KERR, Mr. HUMPHREY, Mr. ANDERSON, and Mr. MCGEE) on February 5, 1959.

PROPOSED CIVIL RIGHTS LEGISLATION—ADDITIONAL COSPONSORS OF BILLS

Under authority of the order of the Senate of February 5, 1959, the names of Senators BUSH, ALLOTT, BEALL, CARLSON, CASE of New Jersey, and SCOTT were added as additional cosponsors of the following bills, introduced by Mr. DIRKSEN (for himself, Mr. KEATING, Mr. SALTONSTALL, and Mr. JAVITS), on February 5, 1959:

S. 955. A bill to amend chapter 73 of title 18, United States Code, with respect to obstruction of court orders;

S. 956. A bill to amend chapter 49 of title 18, United States Code, to punish flight to avoid prosecution for unlawful destruction of educational or religious structures;

S. 957. A bill to provide for the retention and preservation of Federal election records and to authorize the Attorney General to compel the production of such records;

S. 958. A bill to assist in meeting the costs of special professional services needed in carrying out public school desegregation programs, and for other purposes;

S. 959. A bill to amend Public Laws 815 and 874, 81st Congress, to provide for the education of children of members of the Armed Forces in communities in which the public schools are closed; and

S. 960. A bill to amend the Civil Rights Act of 1957 to afford the Civil Rights Commission an additional 2 years within which to submit its final report, and for other purposes.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. GRUENING:

Address entitled "The Businessman in Public Affairs," delivered by Senator RANDOLPH, of West Virginia, at the annual dinner meeting of the Weirton Chamber of Commerce.

By Mr. RANDOLPH:

Statement by him to Bluefield (W. Va.) Automobile Club for Worldwide Travel Show, February 17, 1959.

By Mr. NEUBERGER:

Interviews with Senator NEUBERGER by Deseret News of Salt Lake City, on alcohol and tobacco education.

NOTICE OF HEARINGS BY THE SUBCOMMITTEE ON PRODUCTION AND STABILIZATION, SENATE COMMITTEE ON BANKING AND CURRENCY

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Illinois [Mr. DOUGLAS], chairman of the Subcommittee on Production and Stabilization, Senate Committee on Banking and Currency, I desire to give notice of hearings on legislative proposals relating to area redevelopment, or depressed areas, beginning on February 25, 1959, and continuing February 26 and 27.

All persons who wish to appear and testify at these hearings are requested to notify, as soon as possible, Mr. J. H. Yingling, chief of staff, Senate Committee on Banking and Currency, room 303 Senate Office Building, Washington, D.C., telephone Capitol 4-3121, extension 3923.

The bills presently pending before the subcommittee are S. 268, introduced by the Senator from Pennsylvania [Mr. SCOTT], and S. 722, introduced by the Senator from Illinois [Mr. DOUGLAS], for himself and 38 other Senators. This notice, however, is intended to cover any other such legislation as may be pending before the subcommittee at the time of the hearings.

LINCOLNESQUE PRINCIPLE TO MEET SPACE AGE CHALLENGES

Mr. WILEY. Mr. President, today we observe the Lincoln Sesquicentennial—the 150th anniversary of the birth of Abraham Lincoln.

As we pay homage to our 16th President—emancipator, humanitarian, statesman, and humble soul—we find that to a large degree his principles and forward-looking philosophy have stood the true tests of time; they are as workable today as in the mid-19th century.

As the world stands on the threshold of a new era in a jet-missile-nuclear-space age, we cannot now—of all times—be chained, as Lincoln expressed it, to outworn, outmoded dogmas, ideas, and principles of the past Rather, we must be realistically dedicated to the needs of

the present and the future, to the "unfinished tasks remaining before us."

Although the hands of the clock of time—150 years after his birth—point to new challenges, we, like Lincoln, face complex problems in many fields. These include recognition of human rights, improvement of economic status of people, maintaining respect for law, promotion of peace, and others.

The observance of the 150th anniversary of Lincoln's birth, by a joint session, is, indeed, a fitting tribute to that great American. The record written indelibly in our pages of history by the Great Emancipator has lived long beyond his untimely death. Indeed, these Halls of Congress, as well as the Nation itself, will—as long as they exist—be influenced by his spirit.

Too, I believe it is particularly fitting that, among others who will pay homage to Lincoln, Carl Sandburg—poet, philosopher, writer—has been invited to address the joint session of Congress.

Mr. Sandburg, winner of the Pulitzer Prize and other numerous awards, represents in his way—as did Lincoln in his day—the image of the thinker.

In the space age, we find all around us the physical symbols of scientific, technological, military, industrial, and other mechanical and materialistic achievements. The marks of materialistic achievement are, indeed, real blessings for which we should be prayerfully grateful.

In our progress, however, let us not forget that it is the thinker, the poet, the sage who helps us find our way in what sometimes seems to be a wilderness, who more clearly defines real and human values, and who aids in better understanding human relationships—the foundation upon which peace, good will, tolerance, and an atmosphere of freedom can best be established.

Particularly in his interpretation of the life of Lincoln, Carl Sandburg has made an important contribution to American thought. I request unanimous consent to have a recent statement on what I feel is the adequacy of Lincoln's principles for meeting the space age challenges printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Seven score and 10 years ago, the great, humble Abraham Lincoln's birth heralded for our beloved Nation a new concept of humanitarian statesmanship. In his lifetime, Lincoln attained a philosophy of thought and action that has remained timeless.

As a fine illustration of this outlook, I quote the following: "The dogmas of the quiet past are inadequate to the stormy present. * * * As our case is new, so must we think anew, and act anew."

Today, we stand at a new frontier of outer space. In coping with the complex problems involved, we face the need of thinking anew, of broadening our concepts, of reaching out creatively through science and technology to unveil the mysteries of outer space.

In our observance of Lincoln's Birthday, the magnitude of space-age problems should not, however, obscure the need for emulating the humanitarian attributes of the Great Emancipator. For today, we too face the challenge of emancipating mankind—from ignorance, fear, poverty, malnutrition, illiteracy.

In the mid-19th century, Lincoln fought to preserve a divided Nation.

In the mid-20th century, we strive to preserve peace in a divided world—part slave to communism, part free. The souls of mankind can never rest quietly until the more than 1 billion people bound with the chains of Communist enslavement gain freedom.

Across the Nation, sesquicentennial (1809–1959) celebrations of Lincoln's Birthday will have their greatest meaning if we, like Lincoln, become rededicated to the "unfinished tasks remaining before us."

What are these tasks?

The most significant, I believe, include maintaining world peace, achieving economic stability and halting inflation, and, above all, preserving our free way of life—of, by, and for our people. The attainment of these goals will help to keep alive the hope in the hearts of men everywhere. To assure that freedom, as well as peace and respect for human dignity "shall not perish from the earth"; but that, for all mankind, these will one day be a reality—not just a dream.

Mr. WILEY. Mr. President, I wish to quote from Carl Sandburg's volume, "The Prairie Years," which gives a very interesting sidelight on the thinking of Lincoln. I had occasion to use these quotations the other day in addressing a group. I can suggest no better reading on this day than the following quotations:

Mrs. Rankin was a friend of the preacher, Peter Cartwright, who ran for Congress against Lincoln; in her house Cartwright was called Uncle Peter. And she had heard that Cartwright claimed Lincoln was no Christian. Yet Lincoln was also a friend of the family. At her house he had borrowed books; there they had reached out kindly hands when he was groping and trying to pierce the silence into which Ann Rutledge had faded. So one evening Mrs. Rankin told him she knew the Cartwright charges against him were false; and yet—there was the question of what his religion really was.

The raising of the question made Lincoln restless: he stood up, crossed the room, rested an elbow on the fireplace mantel, and ran his hand through his hair. He said slowly that he could not discuss the character and religion of Jesus Christ in stump speeches, "That is no place for it."

He mentioned shadows and questionings that came to him at New Salem. "There came into my life sad events and a loss that you were close to; and you knew a great deal about how hard they were for me, for you were, at the time, a mutual friend. Those days of trouble found me tossed amid a sea of questionings. They piled big around me. Through all I groped my way until I found a stronger and higher grasp of thought, one that reached beyond this life with a clearness and satisfaction I had never known before. The Scriptures unfolded before me with a deeper and more logical appeal, through these new experiences, than anything else I could find to turn to, or ever before had found in them. I do not claim that all my doubts were removed then, or since that time have been swept away. They are not.

"Probably it is to be my lot to go on in a twilight, feeling and reasoning my way through life, as questioning, doubting Thomas did. But in my poor, maimed, withered way, I bear with me as I go on a seeking spirit of desire for a faith that was with him of the olden time, who, in his need, as I in mine, exclaimed, 'Help thou my unbelief'."

He had by now slowed down from his first restless feeling; he left the fireplace and took his chair again. "I do not see that I am more astray—though perhaps in a different direction—than many others whose points of view differ widely from each other in the sectarian denominations. They all claim to be Christians, and interpret their several creeds as infallible ones. I doubt the possibility, or propriety, of settling the religion of Jesus Christ in the models of man-made creeds and dogmas.

"It was a spirit in the life that He laid stress on and taught if I read aright. I know I see it to be so with me. The fundamental truths reported in the four Gospels as from the lips of Jesus Christ, and that I first heard from the lips of my mother, are settled and fixed moral precepts with me. I have concluded to dismiss from my mind the debatable wrangels that once perplexed me with distractions that stirred up, but never absolutely settled anything. I have tossed them aside with the doubtful differences which divide denominations. I have ceased to follow such discussions or be interested in them. I cannot without mental reservations assent to long and complicated creeds and catechisms.

"If the church would ask simply for assent to the Savior's statement of the substance of the law: 'Thou shalt love the Lord thy God with all thy heart, and with all thy soul, and with all thy mind, and thy neighbor as thyself,'—that church would I gladly unite with."

That was the way Mrs. Rankin remembered Lincoln talking about his religion that evening. She was sure that if she didn't remember all his words exactly as he spoke them she did get his thought clear, because he spoke his words in a slow manner and meant his words to be so clear that his thoughts would be remembered afterward.

UKRAINIAN INDEPENDENCE

Mr. DIRKSEN and Mr. ROBERTSON addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Texas yield; and if so, to whom?

Mr. JOHNSON of Texas. I yield first to the minority leader, and then to the Senator from Virginia. If agreeable to the Senate, I should like to suggest the absence of a quorum. Senators will have all day to insert matters in the RECORD and transact routine business.

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a brief statement on Ukrainian independence.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

It is a source of satisfaction to be able on this anniversary occasion to say something in behalf of the Ukrainian people both abroad and at home.

In their native land they have demonstrated a robustness of spirit and a fidelity to freedom under tribulation and persecution which marks them as a great people in whom the spiritual and moral values stand out like a blazing light.

In the city of Chicago there are an estimated 45,000 Ukrainians or more and it has been my privilege to know them and their leaders and the high principle which activates them. They are solid, rugged, law abiding and epitomize the feelings of the 40 million in their ancestral land who must

carry on under the Red banner until relief from this intolerable condition is afforded.

One great attribute which constantly stands out in my mind is the way in which they shoulder their own burdens without looking to governmental agencies for assistance. One need but journey to Chicago and note the schools they have built for their children out of their own resources and how proud they are of this achievement to note the rugged individualism which is a hallmark of their efforts.

Still another outstanding attribute is the constancy of their faith and their devotion to the church. Here they find inspiration and assurance. It fortifies the spirit to overcome all obstacles and to cheerfully meet every burden.

Another experience that stands out in my mind is the Ukrainian outdoor picnic which I was privileged to attend several years ago when nearly 25,000 of their people gathered in a park in Chicago for an anniversary celebration. As I looked into their intent faces, I wondered what I could say that would strike home. I thought of blue skies over endless yellow wheat fields in their ancestral home and how appropriate the blue and yellow flag really was. It made an appropriate theme on which to spin some observations, and I noticed how deeply this reminder struck, for there were tears on many faces that afternoon. These were not tears that were particularly responsive to any words of mine but rather to the remembrances of their own people who were still denied the benefits of freedom. We can be thankful for this leaven in our own population because the durability of their devotion to freedom's cause will be a constant reminder to us of how priceless this boon of liberty really is.

They deserve the fullest encouragement as they carry on in this spirt until that day when an equal degree of liberty and independence shall be restored to the Ukrainian people in the Soviet Union.

INTEGRATION IN SCHOOLS

Mr. ROBERTSON. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial entitled "Conformity by Coercion," written by David Lawrence, and published in the U.S. News & World Report of July 6, 1956. The editorial is even more pertinent today than it was when it was published 2½ years ago. It is in full conformity with the views of that great statesman, Abraham Lincoln, whose anniversary we are today celebrating.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONFORMITY BY COERCION?

(By David Lawrence)

I

It is necessary to come to grips with the issue of enforced integration in the Nation's schools. It is a legal issue, a moral issue, a sociological issue, and a political issue.

Yet all these diverse approaches only accentuate the real question—conformity or nonconformity in organized society. It is an issue that for generations has confronted mankind.

The perennial conflict fundamentally is between theoretical equality and actual equality.

Government usually is concerned with theoretical equality. But too often, in the passion for uniformity, obstacles arise to the practical application of the law. Sooner or later revision is found necessary. An adjustment to realistic conditions becomes inevitable.

Obedience to law is a precept with which few will disagree, but disrespect for a law written by agents of the people in contradiction to the real will of the people leads to disobedience, disregard, or repeal.

Conformity itself is a dangerous dogma when dependent solely on coercion. It is a device by which freedom often has been destroyed and totalitarianism substituted. Conformity of thought imposed by law is the tool of despots.

Conformity means that everybody must think alike, act alike, and obey the edicts of a central authority.

Our Constitution was built upon the fundamental principle that government derives its just powers from the consent of the governed.

Realizing that our Republic was founded by groups with conflicting interests, often widely separated by big distances, our forefathers conceived the idea of separate States. Each State was to be sovereign—endowed with the right to govern itself within its own area. Only in the case of infringement upon other States was the national authority to be invoked.

The Founding Fathers, to be sure, realized that they could not apply a rule of conformity over the people of a vast territory. So they delegated to the several States the right to deal with their own sociological problems. This is why education, for example, has always been a local problem. It is also one of the reasons why the maintenance of law and order has been primarily a State and city responsibility.

Conformity cannot be successfully compelled where the customs and morals of the people are in conflict with statutory law. It has often been truly said that government cannot legislate morals.

Perhaps the best demonstration of this in recent years was the experience of the Nation with the 18th amendment. For decades there had been attempts to solve the prohibition problem. Many States had passed dry laws. Congress tried to regulate the liquor traffic across State lines. The Federal courts, while upholding the interstate aspects, were careful to refrain from imposing upon each individual State an obligation to conform to a moral code which specified that people must not drink intoxicating liquors.

When the 18th amendment, however, was ratified in 1920 as a part of the Constitution, the entire Nation was asked to conform to a formula which forbade the manufacture and sale of intoxicating beverages anywhere in the United States. This meant that the will of a State was superseded entirely by national law.

What was the result? The effort to produce conformity failed. This was because the evils which came in the wake of the 18th amendment proved to be far greater than the evils which the amendment sought to correct. Disobedience of law became widespread.

Bootlegging, which began to thrive immediately after the amendment was adopted, brought in its wake vice and crime and organized gangs. Some of these gangs which had their origin at that time have not been entirely eradicated from our communities to this day.

It will be recalled that, while the 18th amendment was a part of the Constitution for nearly 14 years, it took less than 10 months during the year 1933 to get it repealed by the States after Congress submitted it to them.

This did not happen because public thinking on the use of intoxicating beverages had actually undergone any substantial change. Many people continue to think that the sale of intoxicating beverages was harmful to the community and that the manufacture of such products should be prohibited. Several States still have prohibition laws, varying according to local conditions. But the Nation voted for repeal because of a general condition—the American people found that, despite vigorous efforts to enforce the law, the illicit manufacture and distribution of liquor had intensified.

Historical experience should have taught us that there is a distinct difference between the theory of equal rights and the conditions sometimes provoked by the application of laws which go counter to public sentiment in a community.

But, while we profess to believe in the right of a community to govern itself, do we always apply the doctrine in practice? We have tried in America to give city and State communities the right to govern themselves. Yet we interpose a Federal authority sometimes and virtually disregard local self-government. Thus we impair a great principle—the right of self-government.

We have, for example, said in effect that, because the people in the northern, eastern, and western parts of the United States constitute a numerical majority their will must prevail over the people in southern communities.

What we are attempting to do today in America is to compel the minority in the South to conform to the supposed will of the majority in the North. Do we aim thereby to wipe out State autonomy altogether?

There are basic rules to which both minorities and majorities will give their support. Thus, individual rights of association—the practice of religion, the right to educate children in accordance with local custom or tradition, and the right of the minority, even though living in the same community with the majority, to pursue its own racial or religious customs—have all been recognized as just principles in organized society.

The theory of equal rights means that there can be no denial of any public rights to citizens. Thus, the right to vote is a public right. The right to hold office is a public right. The right to own property is a public right. The right to obtain an education in a city or county school is a public right.

There are, to be sure, certain public utilities, such as conveyances, and certain public facilities where rules of limitation should not be imposed by the majority which would put the minority at a physical disadvantage.

But this is a far cry from requiring that each community must compel conformity in the educational process.

If education were entirely an impersonal affair and there were no social life at all in the schools, we would be dealing with a different problem.

But majority as well as minority groups have an equal right to freedom of association or nonassociation. Voluntarism is the key.

If one individual, for example, does the same work as another, he is entitled to equal pay, irrespective of race or creed or color. In some occupations where majorities object to working alongside of minorities, a problem of adjustment presents itself which in many instances can be solved by patience and some physical rearrangement of locker rooms and personal facilities so as to remove barriers to employment.

But attempts to impose conformity by coercion, whether in the legal or economic or social sphere, usually produce conditions not unlike those which followed the attempt to enforce the 18th amendment.

We already hear zealous extremists advocating that troops be sent to enforce the Constitution and compel the South to integrate its public schools.

It is not a problem that will ever be settled by bayonets. Nor will it be settled by exhorting people to forget prejudices bred in them.

II. AN ERA OF FRICTION

We have recently seen evidences of anger and violence in the North and South. We have also witnessed the use of retaliatory measures in communities in the South where the most amicable relations previously had prevailed between the races in the South. Voluntarism had made progress. Talk of coercion now retards progress.

It is an illusion to suppose that, under the threat of law enforcement, these difficulties are going to lessen with the passage of time. For social customs and social life do not function by any rule of conformity. They are bound to continue in the diversity that human nature has provided.

There will inevitably be passive resistance to laws of enforced integration. The public-school systems of the South may even disintegrate so that education in that region may lag behind the rest of the country. It would be a tragic price to pay. But men of determination have been known to pay almost any price for what they consider to be the preservation of their inalienable rights. Prejudice cannot be legislated out of existence by law.

A compromise formula—segregation through equal but separate facilities of education—was first sanctioned in a Northern State. It was upheld by the Supreme Court of the State of Massachusetts in 1849.

For 30 years after the War Between the States, the Supreme Court of the United States wrestled with legal issues growing out of racial conflict and in 1896 ruled that systems of equal facilities even though separate were constitutional. This permitted minorities to live alongside majorities in harmony.

Now, however, 60 years later, the Supreme Court of the United States, having reversed itself, is attempting to impose conformity. It should be noted that the Court in its decision in 1954, did not say the separate educational facilities previously provided had been unequal—indeed, they have at times been even superior for the Negro. The Court took the position that although the facilities were equal they could not be permitted to be separate. Reliance was placed on sociological reasons—not legal precedents. The basic argument accepted was that a psychological impact of an adverse nature had occurred—that Negro children felt themselves inferior wherever segregation was legalized. It was the act of discrimination itself which the Court held to be illegal.

Now, as a consequence, however, a counter-conflict on the sociological front has arisen. White parents in the South are arguing that the impact of integration will prove harmful to their children. Will the Court now give equal weight to this plea, or tell the white parents to send their children to private schools, which so many citizens cannot afford?

III. SOCIAL RELATIONSHIPS

So we are back again in the realm of the sociological—how can we get majorities and minorities to live harmoniously in the same community?

But it will be asked whether the right to attend a public school does not include the right to attend any public school. The right of assignment of pupils is a local—not a national—function. Even today, the most ardent exponent of equal rights would not deny that it is within the power of the State to set up schools in which there is segregation by reason of sex—all girls in one school and all boys in another school, irrespective of color.

If, for sociological reasons, it is deemed desirable to separate the sexes in the schools, there would be no constitutional barrier against this even though one State chooses to adopt the plan and another State does not. For we usually recognize as absolute the right of each State community to regulate its social life provided there is no denial to anyone of the right to public education itself. The States can, moreover, if they wish, subsidize private schools—provided they do not discriminate as between individuals in allocating funds.

The question before the country today is whether communities are free to adjust their school systems to meet their own local conditions and local sentiment. Those States which desire to integrate their schools ought to have the sovereign right to do so and those which desire to operate mixed schools in some counties and separate their schools in other counties, either by color, or by sex, or by intelligence tests, should have the same sovereign right.

It is argued, on the other hand, that, since the public schools are tax supported and because tax receipts come from all citizens, all public schools must be opened to all citizens. But the same point—equality of participation—could be made with respect to admission to church organizations, private clubs, and private schools. They, too, are supported by all taxpayers because an exemption from State and Federal income taxes is given them as non-profit-making institutions.

Theoretically, wherever the Government confers its favors, there rests authority to regulate—to withdraw those favors unless the regulation which imposes conformity is accepted. Today the President's Commission on Interracial Discrimination has adopted this principle as the genesis of its power. The Executive order under which the Commission functions provides that whosoever benefits from any Government contract must conform to its requirements against discrimination in employment if based on race, creed, color, or national origin.

The central issue in the school question, however, is one of social relationships. Rooted in the minds of many people in the South is a fear that personal associations begun in the elementary schools will lead to a state of mind among youth that will bring more intermarriage of races.

If intermarriage became widespread, it seems certain that communities would insist upon some other way of preventing them—either by ostracism or by curtailing economic opportunities in the community to those who deviate from custom.

If there were only a few intermarriages in a given State, they probably would not attract much attention. But once they became numerous, the local communities would frown upon them. Public sentiment sometimes is stronger than law in bringing about a reform or change which the law itself could never impose.

What are the limits of conformity? Conformity in theory is justified, especially when the entire national interest is involved—in times of national peril. Thus, in theory, we are not supposed to recognize any distinctions when it comes to military service. But actually we do discriminate here, too. Even the conscientious objector is allowed to refrain from participation in active combat. Able-bodied women are not compelled to fight in the front lines though women have equal rights of citizenship. Equality has its exceptions.

At most it must be said that the problem is not going to be solved if there is a failure to analyze studiously the viewpoints of the opposing groups. It is a situation that ultimately will have to bow to the enlightened principle that majorities and minorities each have a right to regulate their own lives and their own customs.

Thus, treaties signed at the end of World War I established an obligation upon some of the new governments in central Europe to allocate public funds for educational, religious and charitable purposes to racial, religious, or linguistic minorities within their borders. The League of Nations was given the task of guaranteeing the observance of these minority rights.

The more we examine the formulas that have been developed throughout the world to permit minorities to get along with majorities, the more we will find that adjustments precisely of this nature have been conducive to conditions of harmonious living.

IV. IS THE 14TH AMENDMENT VALID?

We hear the argument, "But it's the law of the land." There is a grave question whether the 14th amendment, under which integration is ordered, was ever legally submitted to the States and legally ratified. The specific point has never been passed upon by the Supreme Court, though the public has taken it for granted for years that the 14th amendment is an integral part of the Constitution.

What are the facts? It is necessary as an initial step for any amendment to the Constitution to be passed by a two-thirds vote of both Houses of Congress. Yet, in June 1866, when the 14th amendment was voted upon in Congress, each House had excluded all persons appearing with credentials in the first instance as Senators or Representatives from the 10 Southern States of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, and Texas. If these Southern States had been permitted to vote in Congress, the amendment would not have passed.

Then, when the amendment was submitted to the legislatures of the several States, it needed to be ratified by 28 States, which was three-fourths of the 37 States then in the Union. Ten States, therefore, were able to block ratification.

But the 14th amendment was never ratified by California, and was rejected at the time by Kentucky, Delaware, and Maryland. It was rejected during the latter part of 1866 and the early part of 1867 also by the legislatures of the 10 Southern States. For the 14th amendment had in it many objectionable clauses. Apart from its provision requiring States to guarantee "equal protection of the laws," the amendment sought to punish former Confederate soldiers by forbidding them to hold office even in their own States unless Congress by a two-thirds vote removed the disability.

It was argued, moreover, in those days that the State governments in the South were not legal governments but were merely rebel States. Yet these States at the time had already received Presidential recognition, and when the same Southern legislatures in 1865 had ratified the 13th amendment—which abolished slavery—their action was accepted as legal by the Secretary of State. For the South had, by its vote, made possible the three-fourths vote of the States necessary for the adoption of the 13th amendment.

Furthermore, in the Reconstruction Act of 1867 Congress arrogantly proclaimed that self-rule would be restored to the States and they would be permitted representation in Congress once more only when they adopted the 14th amendment. It was so stipulated in the law which had been passed over the veto of President Andrew Johnson. He emphasized its injustices and unconstitutional aspects, and denounced it as "a bill of attainder against 9 million people."

Here is what Senator Doolittle, of Wisconsin, a conservative Republican of the North, said about the proposal on the floor of the Senate:

"My friend has said what has been said all around me, what is said every day: the people of the South have rejected the constitutional amendment, and therefore we will march upon them and force them to adopt it at the point of the bayonet, and establish military power over them until they do adopt it."

This was a flagrant case of conformity by coercion. The act of Congress was a direct violation of the letter of the Constitution. For Congress has no power to coerce the States when they pass upon the question of whether or not they will ratify or reject proposed constitutional amendments.

Puppet governments established in the Southern States did finally ratify the 14th amendment in 1868 but only under duress—with registration of voters being supervised by military commanders from the North and with millions of white voters deliberately disenfranchised by the Reconstruction Act because they had fought in the war against the Union. Ohio and New Jersey attempted unsuccessfully that same year to withdraw their acts of ratification before the Secretary of State formally proclaimed the amendment as adopted. Doubt was expressed at the time by the President as to the validity of the alleged ratification.

Can it be said that all this action was in accord with the spirit of American fairplay? Will this record stand up as constitutional—as the "consent of the governed"? Would we say today that the people in any place under military occupation are able freely to exercise their sovereign rights? The Reconstruction Act for many years deprived the Southern States of their powers of governmental autonomy. They recovered these powers only after a long and tragic era of military compulsion.

Should not the Supreme Court today reexamine the validity of the 14th amendment? If an important decision of 1896 can be reopened and reversed by the Supreme Court in 1954, is it not logical to resurvey the doubtful procedure whereby the 14th amendment itself was forced into the Constitution? The present Court has shown itself quite solicitous lately that persons in our midst charged with disloyalty be given the protection of due process. Cases involving Communists have, on the slightest pretext of technicality, been ordered for retrial. Can't we give the same consideration to the States which have demonstrated their loyalty to the Union?

If it were presented anew today, there would not be a two-thirds vote of both Houses of Congress to approve the 14th amendment unless a specific reservation were made on the points now at issue.

The reason is clear. More than a third of the membership of both Houses at present feel that the 14th amendment was itself amended by the Supreme Court in 1954 and that, as long as this new legislative action by the Court stands as the official interpretation, it makes the original language of the 14th amendment inadequate.

V. THE PHILOSOPHICAL APPROACH

What do the philosophers of history say about conformity?

George Santayana in "Dominations and Powers" (1951)—a work sometimes referred to as comparable to Plato's "Republic" or to the "Ethics" of Aristotle—makes this pertinent comment:

"This ideal of a perfect ultimate democracy rests on two assumptions: that human nature in all men is essentially similar, and that consequently mankind could not fully develop its vital liberty without coming to a unanimous vision of the world and a cooperative exercise of the same virtues. I think this is a biological error, and that what is identical in all life is only its germ, from which all plants and animals have developed centrifugally, as circumstances have allowed them to develop. * * *

"The uniformity in American principles, as proclaimed publicly and as genuinely felt by most people, is no index to a natural unity in the vital forces at work among them. The proof appears if we consider a notorious fact: the Constitution of the United States, since the Civil War, establishes the equality of all citizens, irrespective 'of race, color, or previous condition of servitude.' And this is not merely a constitutional sham, like so many of the provisions in paper constitutions in other countries. It expresses an earnest conviction, dearly defended, by a great part of the people.

"Nevertheless whenever a difference of race, color, religion, or breeding is not so overcome in the rush of common work or duty as to pass unnoticed or even unknown, if an attempt is made to ignore it in comradeship, society, marriage, or place of residence, the real difference in the soul is instantly recognized and an irresistible impulse causes the groups to segregate.

"This is set down by democratic doctrinaires to prejudice or snobbery. They do not perceive that contrast of character and taste can be ignored when people are engaged in some instrumental action, to which their moral diversity is irrelevant, but that as soon as the labor is over and the liberal life of play, art, affection, and worship begins, both sides equally require moral comprehension and are equally chilled, bored, and rendered sterile when comprehension is absent.

"That a white man ought to hobnob with a Negro because otherwise he would not be Christian or unselfish involves a flagrant assumption of superiority. The Negro, if he is not a fool, loves his own inspirations and expands in the society of his own people. Vital liberty differentiates. Only vacant freedom leaves all in the same anonymous crowd."

G. K. Chesterton, in his famous work, "Orthodox," wrote in 1908:

"In modern ideal conceptions of society there are some desires that are possibly not attainable, but there are some desires that are not desirable. That all men should live in equally beautiful houses is a dream that may or may not be attained. But that all men should live in the same beautiful house is not a dream at all; it is a nightmare."

Alexis de Tocqueville, of France, a renowned philosopher, who visited America in the 1830's and compared it with the systems of government in vogue from ancient days, expressed himself vehemently on the subject of tyrannical majorities—the effort by law to impose upon the minority certain customs and rules that did not have universal sanction.

Yet De Tocqueville was hopeful about America's future, little realizing the grave conflicts that were to come in later years because of the abuse of the very principles about which he wrote in 1835:

"But in the United States, the majority, which so frequently displays the tastes and the propensities of a despot, is still destitute of the most perfect instrument of tyranny.

"In the American Republics the Central Government has never as yet busied itself except with a small number of objects sufficiently prominent to attract its attention. The secondary affairs of society have never been regulated by its authority, and nothing has hitherto betrayed its desire of even interfering in them.

"The majority has become more and more absolute, but has not increased the prerogatives of the Central Government; those great prerogatives have been confined to a certain sphere and although the despotism of the majority may be galling upon one point, it can not be said to extend to all. However, the predominant party in the Nation may be carried away by its passions, however ardent it may be in the pursuit of its projects, it cannot oblige all the citizens to comply with its desires in the same manner and at the same time throughout the country.

"When the Central Government which represents that majority has issued a decree, it must entrust the execution of its will to agents over whom it frequently has no control and whom it cannot perpetually direct.

"If an oppressive law were passed, liberty would still be protected by the mode of executing that law; the majority cannot descend to the details and what may be called the puerilities of administrative tyranny. It does not even imagine that it can do so, for it has not a full consciousness of its authority."

Perhaps it is in recognition of these very difficulties that Robert Morrison MacIver, whose name means as much to modern sociology as does that of John Dewey to philosophy, gives some pointed advice in his book, "The More Perfect Union." He offers a program for the control of intergroup discrimination. It is definitely sympathetic to integration. Yet he gives this word of caution:

"Discrimination and its evils are likely to be exacerbated by any changes that increase tensions or promote crises in a society, no matter what their source, whether economic, political, ideological, or any other. On the other hand discrimination is likely to be diminished by any changes that make for the general well-being of a society or that provide more constructive outlets for the aggressive tendencies of its groups."

VI. LINCOLN ON SOCIAL EQUALITY

It is sometimes asserted, though mistakenly, that, once the Supreme Court has ruled upon a subject, there is no appeal—not even to public opinion. Lincoln didn't think so. He denounced the Supreme Court for its decision in the Dred Scott case. He was outspoken against social equality.

When Lincoln argued against slavery he pointed to the impairment of personal freedom within the community—the individual had been deprived of his liberty—the right to make his own life. But Lincoln said this did not mean enforced association between the races. Debating in Illinois with Stephen Douglas, in September 1858, Lincoln said:

"I will say then that I am not, nor ever have been, in favor of bringing about in any way the social and political equality of the white and black races—that I am not, nor ever have been, in favor of making voters or jurors of Negroes, nor of qualifying them to hold office, nor to intermarry with white people; and I will say in addition to this that there is a physical difference between the white and black races which, I believe, will forever forbid the two races living together on terms of social and political equality. And inasmuch as they cannot so live, while they do remain together there must be the position of superior and inferior, and I as much as any other man am in favor of having the superior position assigned to the white race."

But it is insisted: "The Supreme Court has spoken." De Tocqueville's eloquent answer may be applied to the issue today. He wrote:

"When I refuse to obey an unjust law, I do not contest the right of the majority to command, but I simply appeal from the sovereignty of the people to the sovereignty of mankind. Some have not feared to assert that a people can never outstep the boundaries of justice and reason in those affairs which are peculiarly its own; and that consequently full power may be given to the majority by which it is represented. But this is the language of a slave.

"A majority taken collectively is only an individual, whose opinions, and frequently whose interests, are opposed to those of another individual, who is styled a minority. If it be admitted that a man possessing absolute power may misuse that power by wronging his adversaries, why should not a majority be liable to the same reproach? Men do not change their characters by uniting with one another; nor does their patience in the presence of obstacles increase with their strength. * * *

"When an individual or a party is wronged in the United States, to whom can he apply for redress? If to public opinion, public opinion constitutes the majority; if to the legislature, it represents the majority and implicitly obeys it; if to the executive power, it is appointed by the majority and serves as a passive tool in its hands. The public force consists of the majority under arms; the jury is the majority invested with the right of hearing judicial cases; and in certain States even the judges are elected by the majority. However iniquitous or absurd the measure of which you complain, you must submit to it as well as you can."

VII. JEFFERSON ON JUDICIAL TYRANNY

Thomas Jefferson warned against the tyranny of judges. He wrote in 1804:

"But the opinion which gives to the judges the right to decide what laws are constitutional, and what not, not only for themselves in their own sphere of action, but for the legislature and executive also, in their spheres, would make the judiciary a despotic branch."

Then, long after Jefferson left the Presidency, he wrote in 1820 and 1821:

"It is a misnomer to call a government republican, in which a branch of the supreme power is independent of the Nation. * * *

"A judiciary independent of a king or executive alone, is a good thing; but independence of the will of the nation is a solecism, at least in a republican government. * * *

"To consider the judges as the ultimate arbiters of all constitutional questions (is) a very dangerous doctrine indeed, and one which would place us under the despotism of an oligarchy. * * * The Constitution has erected no such single tribunal. * * *

"The great object of my fear is the Federal judiciary. That body, like gravity, ever acting, with noiseless foot, and unalarming advance * * * is engulfing insidiously the special governments into the jaws of that which feeds them."

How much this is like the doctrines of Thomas Hobbes. In his famous work, "Leviathan," he wrote in 1651:

"Princes succeed one another; and one judge passeth, another cometh; nay, heaven and earth shall pass; but not one tittle of the law of Nature shall pass, for it is the eternal law of God. Therefore all the sentences of precedent judges that have ever been cannot altogether make a law contrary to natural equity."

A modern writer—Walter Lippmann—in his book, "The Public Philosophy" (1955), says:

"There is a hiatus between the highest wisdom and the actual perplexities with which men must deal. An encyclopedia of all that the prophets and the philosophers have taught will not tell a man clearly and definitely how to make laws, how to govern a State, how to educate his children—how, in fact, to decide the problems that the priest encounters in the confessional, the doctor with his patients, the lawyer with his clients, the judge with the litigants, the man of affairs in his business."

VIII. FACING THE REAL ISSUE

Many people today are urging caution with respect to the integration problem—an approach that has come to be known as "gradualism." Its fallacy lies in the belief that what cannot be resolved now will be resolved by postponement. It assumes that equality is a natural right in the community and that all forms of discrimination can be abolished by the passage of time.

The fetish of conformity, however, has demoralized the life of many nations in the world through the centuries. Where minorities have been suppressed and the right to pursue their own lives and customs has been impaired, there has been discontent and, at times, eruptions of violence.

We see today in the island of Cyprus a bloody war because nobody has yet devised a plan whereby the Turkish minority can live alongside the Greek majority. We see the same tragedy in Algeria—as between the French minority and the native majority.

Self-determination does not mean the delegation of power to a tyrannical majority. It means adjustment of minorities alongside of majorities. In no other way can there be a maintenance of equity for all concerned.

Can we not in America find a way whereby majorities and minorities may get along with one another in peace? The Constitution of the United States provided for separate but not equal States. There was no provision that each State must be equal to the other in voting for President or in choosing members of the House of Representatives. Equality of representation was provided only in the Senate.

Theoretically, all men are created equal. It is a doctrine that could mean that all wealth in the community must be divided equally between all citizens. The Communists believe in such a doctrine. There have been men in America who have argued for the redistribution of wealth. Do any of us honestly believe that harmonious society can ever be achieved by a law that requires all incomes to be equal, or that the possession of property should be equalized between all citizens?

Equality is a theoretical goal. Its application will depend always on the mores of the community. Even in our day some of the loudest voices declaiming against discrimination are men who in their business and social relationships are practicing discriminations of various kinds. It is common knowledge that membership in some of the principal clubs and organizations in many of our large cities and in the fraternities in almost all of our colleges is barred to persons of certain races or religions, as the case may be. It is common knowledge also that employers in the North, for the most part, give preference to applicants of certain ethnic origins or races as against others. There is, therefore, continuously applied a doctrine of discrimination which negates the theory of equality.

One need not agree at all with the reasons given for such discriminations—indeed, one may be offended by their practice. But if we are to rely on theory, there is as much right to discrimination as there is to nondiscrimination. It is really the misguided attempt to override these separate and distinct rights of the individual by public law that causes the conflict of today.

Conformity by coercion is not liberalism. The answer is to be found in voluntarism—freedom's greatest vehicle of progress. It offers us the only solution to the vexatious problems of sociology in our Republic.

RUSSIA AS SEEN BY L. D. WEBSTER

Mr. JOHNSON of Texas. Mr. President, a distinguished Texan, Mr. L. D. Webster, vice president of public relations and advertising for the Lone Star Steel Co. in Dallas, Tex., recently returned from an extensive tour of the Soviet Union.

I ask unanimous consent to have printed in the RECORD his account of this tour "I Saw Russia," which gives an enlightened view of the Soviet Union as seen through the eyes of a highly respected businessman and an able journalist.

Straightforward and uncolored reporting of this kind can contribute much toward a better understanding between the United States and the Soviet Union.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

I SAW RUSSIA

From the pressurized cabin of a DC–7C, pride of the Sabena Seven Seas flagships, I looked 4 miles down on a seemingly never-ending forest and tried to convince myself it was no different. Land looks much the same when viewed from 24,000 feet up. You see a general pattern, but not the height of hills nor the depth of valleys. Only to the trained observer are these things apparent.

Below me was a sweeping expanse of timberland that might have been the hills of east Texas, or the Big Thicket, or any one of a dozen other similar areas I had flown over. But it wasn't any of them and no matter how hard I tried to brush away the thought that there was something peculiarly ominous about this woody country below, I knew it was different. Down there, partially shrouded in a smoky, cloud-flecked haze was the Soviet Union, home of the Communists, Red Russia.

I had vowed that no sense of apprehension would be mine when the time came to go behind the Iron Curtain. At that very instant, I had felt no particular misgivings because it happened quickly. The big airliner had lifted easily from the Brussels airport, and for a time had flown over the North Sea to Denmark. Then the ship veered to the east and shadowed the Baltic Sea while skirting Germany and Poland. With limited visibility straight ahead, we suddenly approached a land mass. Boring straight in, one instant we were over the Baltic; the next second the Iron Curtain had opened and we had skittered through.

On Red soil

As the Baltic quickly faded away, the full impact of the situation hit me. Here I was, after weeks of preparation, beyond the Iron Curtain, over Russia, and in a short time I would set foot on the Red soil of the Moscow airport.

"Why," I asked myself, "was I here?" The question of why had been asked me dozens of times by friends after they learned I was going to Russia.

And now, in spite of the dozens of answers I had so flippantly palmed off on my friends, I found myself asking the same question.

Travel is easy

In the first place, going to Russia is almost too easy. Since 1955, the Government has made the issuance of passports for travel in Russia almost routine. You go to the Federal building, ask the district clerk for an application, fill it out, attach a check for $9, and before you know it, your passport is in hand. In the meantime, you file through your travel agent, applications for visas in the lands you wish to see. In my case, I obtained Russian and Czech visas, merely a matter of filling out an application, handing over $10 or $12, and in about a month your visas come right along and you're all set.

I went to Russia as a member of a group of industrial editors and public relations executives. The tour was sponsored by the International Council of Industrial Editors, and although approval for 30 members had been obtained, we finally wound up with only 21 brave souls who had an answer to the "Why Go to Russia?" bit that was strong enough to produce action instead of wishful thinking.

I went to Russia because I wanted to see for myself what is taking place in this strange land. I've been an avid reader on the subject, and there were many conflicting impressions. One writer brushes the whole thing off as a huge joke. Another is certain the Russkies will someday rule the world. One chides the Muscovites for their atrocious

table manners, another sings the praises of their scientists. How could Paul Robeson and his gifted voice fall so completely under the spell of the Red banner, and how could a lean, lanky Texas piano player, Van Cliburn, invade Moscow and, unheralded, sweep the entire nation before him? How much of the stuff in the newspapers and magazines is State Department-inspired, and how much of the copy written behind the Iron Curtain is censored by the Russians?

I saw it

The answers to these questions I wanted to dig out for myself. These answers I wanted to bring back to my friends and say, "Here is the straight dope. I saw it with my own eyes." I wanted to spend a few hours en route at the World's Fair and to see for myself if the American exhibit is as good or as bad as our writers say it is. I wanted to see a real, flesh-and-blood Russian. I wanted to talk to hundreds of them—and I did. I wanted to talk to card-carrying members of the Communist Party. I did. I wanted to see the vaunted Russian education system. I did, from day nursery through grammar and high schools, and finally, the palatial University of Moscow. I wanted to amble over a Russian farm, to inspect a Russian factory, to talk to Russian writers and publishers, to see a Russian church. I did all of these and more.

In the fading light of an Indian summer day, the four engines of the Seven Seas flagship hummed monotonously as the miles sped by. In little more than an hour, the giant bird would glide to a halt at the Moscow airport and I would be at the end of one trail, the beginning of another that would carry me more than 5,000 miles across the land of the Communists, to the four principal cities of the Soviet Union, to small towns, on rivers, by train, by car, and by plane.

In the full realization of the opportunity ahead of me, I resolved that I would spend night and day probing and asking, searching and seeking, listening and looking for the answers to my questions. Is Russia all it's cracked up to be, or is the red paint peeling? As a sort of afterthought, I took it for granted that no one would censor my report to you.

Nobody has.

CHAPTER II. THE FACE OF MOSCOW

As the big four-engined DC7C plowed on toward Moscow I allayed my growing apprehension by recalling my initial visit with a homegrown, dyed-in-the-pink Communist. It had happened at the World's Fair in Brussels, and my first brush with a Red leader was not at all displeasing.

Arriving at the fair, our group was informed that the director general of the huge Russian exhibit would be pleased to have us stop at his office. We went directly to the suite of Mr. Mikhail Choumaiev, who was at once friendly, personable, and warmly appreciative toward our visit to his country.

Making us welcome to the exhibit, he ordered out the vodka and drank to our good health and a pleasant visit to Russia. It fell my lot to respond, and after several toasts, I handed Mr. Choumaiev one of my business cards printed in Russian. This pleased him no little, but his enthusiasm skyrocketed when I gave him a copy of Gov. Price Daniel's letter of introduction, translated and printed in Russian. From that instant on, he was at my side constantly.

The reason for his attentiveness became apparent when, as we posed for a picture, he asked, "When you return to the States would you please send me a copy of this picture? It makes my people in Moscow very happy for me to be photographed with important people." Governor Daniel's letter had turned the trick, even as it was to open many doors later on that otherwise might have remained closed.

As the plane rumbled on into the growing dusk, the first inkling of our nearness to Moscow came when the stewardess gathered up all newspapers and magazines. Then she passed a tray containing hard candies. The seat belt light flashed on, and below, the night-shrouded earth began to twinkle ever so little.

Moscow is gloomy

My first glimpse of the Russian capital was a far cry from the garish extravaganzas of dazzling white lights and multicolor neons that characterize American cities at night. Moscow was more like a sleepy midwestern town at 4 a.m., when only a scattering of street lights continue to burn, when highways and streets are shorn of the lacy ribbons of automobile headlights. Moscow looked gloomy and darkly forbidding. There was a mottled effect given off by yellowish clumps of lights which I later learned were housing projects concentrated around factories. There is no broad sweep, such as an American residential district presents. Russian housing generally doesn't consist of individual homes. Instead, hundreds of families reside in huge workers flats.

As the pilot circled for a landing I could hardly believe that we were over a city variously estimated to have a population of 6 to 8 millions. There just weren't enough lights for that many folk, and as the flagship of the Seven Seas probed the night sky nowhere could I see any set of lights that would mean an airport. Even as the engines were cut and the big bird reluctantly settled for the landing, I could see nothing that resembled a big-city airport. As the wheels touched down, at the edge of the runway could be seen the pale blue marker lights that guided our pilot.

No inspection

Going through the Moscow customs was no problem at all, nor was it to be anywhere. Not a bag was opened for inspection at any time during my trip except at New York's Idlewild. Even there inspection was casual, with the inspector evidencing little more than personal curiosity toward some of the items I brought back.

In Russia, all tourists are met at the airport by a representative of the Intourist organization, official agent of the Government. Intourist looks after hotel rooms, meals, transportation, and furnishes guides and interpreters. The Intourist agent in charge of our group was Tamara, a plump, blue-eyed, not unattractive woman of about 30. She later turned the party over to Irene, flaxen-haired bundle of energy who knew how to snap her little busy fingers and get prompt action. Irene's assistant was Galena, plumpish, methodical mother of a small daughter and wife of an engineer.

Our hotel, the Ukraine, is imposing in the grand manner. It has 25 stories, consisting of a center tower crested by a neon red star, with smaller towers on the 2 front corners. It covers something more than a city block, and has half a dozen dining rooms. The lobby is remarkably plain for marble construction but the lofty dome in the lobby provides a breathtaking mural (they are in practically all Russian buildings of any size) depicting Soviet progress. Here, as almost everywhere else, gaudy brass and glass chandeliers look very elegant but provide miserable light.

Rooms at the Ukraine would drive an American hotel man out of his mind. On each floor is a spacious lounge (never used). My single quarters consisted of the following: entrance foyer with closets, the whole being as large as some American rooms I've occupied; parlor, with radio, television, desk, several chairs, a sofa, and table with cut-glass water pitcher and glasses; bedroom with twin beds, each having two 3-foot-square pillows, organdie spreads, gold velvet drapes, night stands, and dressing table; bathroom with outer closet space, the bath having a king-sized tub with shower but no curtain.

Crazy-quilt floors

The Russians have a peculiar idea about floor construction. They use pieces of hardwood measuring 15 inches by 2 inches. These are laid in all sorts of patterns, with the joints being rough. The floors are virtually unfinished (I actually stuck a splinter in a toe) with no paint, no wax, no polish. Tile floors in the bath were roughly installed, and I got the idea that even though the Ukraine was less than 2 years old, much of the material might easily have been salvaged from war-torn areas.

The Ukraine, despite its castlelike exterior and its newness, looked to be 25 years old. This is true of all Russian construction: The front side is frilled up like a museum, the inside is thrown together in a haphazard fashion with only certain items, such as chandeliers and drapes, being used to carry out the theme of grandeur.

Moscow is a sprawling city that covers about 125 square miles. Its principal streets are unusually wide, and for the most part are cobblestones. Its sidewalks are mosaic patterns accomplished with varicolored marble or granite pieces about 2 inches square. Streets and sidewalks in all of the cities I visited—Moscow, Leningrad, Kiev, Kharkov, and Prague—were monotonously the same.

The face of Moscow is tired, dirty, bedraggled, and when too many faces are jammed into too little space, the odor becomes distressingly repulsive. In the streets you see old women carefully sweeping with brooms made of a handful of twigs tied to a long stick, yet if you sidle through an archway into the inevitable courtyard back of the buildings the scene is one of dirt, filth, and complete confusion.

CHAPTER III. PAWNS OF TYRANNY

How does a street in Moscow—or any other Russian city—look in the broad, general view? Well, let's take a typical block in Dallas and by the weirdest application of imagination, try to convert it into a Russian block.

Take Dallas' Main Street, for instance, extending from Akard to Ervay. Here are buildings ranging from two or three stories to skyscrapers. Russian style, this street would be about four times as broad. It would have a set of rattling streetcars, and also buses, quite similar to ours. The street-level doors would open into shops, such as a bakery, a bookstore, a meat market (no refrigeration), a clothing store, a drugstore, etc. These stores would be relatively small, and in the cases of the food shops, probably would have lines of customers extending out the door and onto the sidewalk.

Above all these stores would be the flats of workers. On the sidewalks would be vendors operating from rather crude wooden booths. One would be selling watermelons, another squash, another ice cream, another books, and at the curbside would be a peddler of lottery tickets, the prize being perhaps an automobile, or a motor scooter.

Cars copied

At the corners of our model block would be a state policeman, smartly clad in blue uniform with red trim. He would be wearing typical black Russian boots, and would be handling his black and white nightstick in precise, well-defined instructions to traffic. Occasionally a large black car would speed by. This would be a Zis or a Zim (copied exactly, except for the nameplate, from our Buick or Packard of 6 or 8 years back). More often, trucks would whizz by. These would be exact replicas of a Chevrolet for the lighter models, an International for medium weight, or a Mack for the big jobs.

In Moscow, driving is the wackiest business you ever saw. There are no speed lim-

its and a pedestrian crosses a street at his own risk. I actually saw drivers skimming along at 60 miles an hour make passes at pedestrians who were a little tardy in scampering to the safety of the sidewalk. And there was no warning because it is illegal to honk a horn in Moscow except in extreme emergencies. I heard a horn—just a tap in each case—only twice. It is also illegal to operate a car on the streets of Moscow if it is dirty, so you see drivers wiping and polishing between trips. At night, cars operate with only their parking lights on, and it is common practice to do a lot of coasting. Drivers say it is more economical to whip up a speed of 60 miles an hour, cut the engine, step on the clutch and coast almost to a stop. Then they turn the key, let out the clutch and give 'er the gas to get back up to 60 again so they can coast some more. Automatic transmissions are unknown, and practically all vehicles are Government owned. Few ordinary Russians can afford so much as a motor scooter, let alone a car. Horse-drawn carts and wagons, the horse wearing the high wooden collar above his withers, are fairly common.

What I have just described is a typical city scene. In Moscow, however, there are unusual and outstanding sites. The subway, Metropole, is one. The station I visited was the epitome of cleanliness. Its escalators were the steepest and the fastest I ever saw. On one level, six-car trains operated in both north and south directions and on a 1-minute schedule. On a lower level, in the same station, trains operated east and west. For a few cents you can ride all day on the big M.

Tale of tomb

The Kremlin is a show in itself, because the Kremlin must also include Red Square outside the wall, as well as the Lenin-Stalin mausoleum. Cathedrals, now overhauled as museums, are part of the Kremlin package.

I walked the length of Red Square on a 50°, windy, drizzly day. Four or five blocks from the mausoleum, perhaps for a greater distance into a park, a line of people, four abreast, waited to look at the earthly remains of Lenin and Stalin. Most of these were visitors to Moscow, pilgrims to Mecca, so to speak, whose visit would not have been complete without silently passing the biers of the bearded Lenin and the beribboned Stalin.

The mausoleum is a square, squat block of red and black granite, as austere as it is uninviting. Fresh flowers are always present, and facing each other in the narrow doorway are Russian soldiers, as immobile as the rock house, as expressionless as the gray sky overhead. The honor guard is changed on the hour, a fresh set of young men carrying bayoneted rifles goosestepping into place with stomping feet and swinging arms.

Our guide took us to the head of the line. We moved in, and descended to a basement. The plainness was in sharp contrast to the gaudiness usually evident in Russian decor. The black and wine-red granite gave a somber backdrop to the glass-enclosed bodies. There was Lenin first. He was remarkably well preserved for his 30-odd years on the slab. Dressed in a very plain and severe black suit, his lone decoration was a small red ribbon. A dim, yellow spotlight accentuated the pallor of Lenin's face, but sparkled off the knuckles of his hands, the only evidence I could see that the figure might be wax.

Never so good

As for old Joe, he probably never looked so good in real life. He wore an array of ribbons that extended from well above the breast pocket down to the beltline of his beautifully tailored military jacket. The old boy looked like he had simply stretched out for a nap.

Strolling through the courtyard back of the tomb, I saw the graves of revolutionary heroes. High on the massive wall of the Kremlin were little bronze plaques. Behind these were the urns containing ashes of other lesser Red heroes. In this setting of quiet dignity, I pondered the diabolical scheme perpetrated upon millions of hapless men and women by these two pawns of tyranny—Lenin, the planner, Stalin, the executioner—and wondered what it would take to lure the millions away from their godless shrine.

In a flash it occurred to me, and my capitalistic self muttered: "How I'd like to have the concession of showing a 1959 Thunderbird right across the street from Lenin and company." That, I was certain, "would make the Russians throw rocks at a couple of mummies named Lenin and Stalin."

And it would.

CHAPTER IV. ISLAND OF FREEDOM

Regardless of the friendly attitude of the Russian people toward American tourists (they like us better than any other visitors because we are more sincere) a country boy can't help feeling that he is hemmed in, constantly under observation, liable to run afoul of the law and find himself thrown into a dungeon beneath the Kremlin and from there shipped off to a Siberian salt mine without the slightest indication ever being given of his ultimate fate. Maybe such things don't happen since the days of Stalin and Beria, but one never knows when the unpredictable Russians will revert to their old ways and once again grease the gates to the big deep freeze. As this is written, the United States is trying vainly to get word about the crew members of a plane forced down in the Soviet. The Commies have advised us that six of the crew died. No word has leaked out regarding the other 11.

During my stay in Moscow, I visited the American Embassy several times, and each time I left, I felt certain I was followed. As you leave the nondescript building, the Russian police standing at the door nod a friendly "Dosveedanya," and may even give you a snappy salute. As your car pulls away, the inevitable shadow moves behind you until your car reaches its destination. This seems to satisfy everybody concerned that you're going somewhere and regardless of your destination, you're followed no more until you once again visit the Embassy.

Moscow's little island of freedom is a ramshackle three-story building in the outskirts of the main business district. A brass nameplate identifies the old brick structure as "the American House."

Jukebox on guard

The American House is simply the dormitory where single employees at the Embassy reside. The second floor is given over to bedrooms. Each man has a room of his own furnished in the simplest fashion with the decorations being dependent upon the occupant's imagination. There is a messhall, and on the third floor, an auditorium with about 150 chairs. On several week nights, an American movie is shown. Bingo is the pastime each Thursday night. Saturday night is dance night. A small bar serving American beer and other drinks is available. Boys residing in the dormitory operate the movie equipment (which is pretty well worn out with new equipment being hard to come by) and the bar. In a corner is a jukebox, and this little item is a sort of watchdog for the fellows who call this pitiful little island of freedom their home.

The jukebox is a Russian detector, and it works in this way: When a Russian tries to crash the party (and they occasionally do) they give themselves away the instant they walk into the room. When anyone from one of the free world's embassies enters the room he immediately goes to the bar for a drink and to get acquainted. A Russian can't stand passing up a jukebox, so he first stops there and plays a few tunes before going to the bar—if he lasts that long. Usually, they're spotted immediately and invited to leave before they ever get around to the drinking point.

Our group visited the American House and it was the only time in Russia we felt unrestrained and free to say what we pleased. We exchanged ideas freely with the American boys living there. We met some swell Britishers, like Sam Hardwicke, of the Royal Air Force, and even some people we couldn't understand, nor did they savvy English, but somehow, when free people get together, there is a common understanding reached even if you have to do it with sign language.

Fair is standout

Perhaps the most notable attraction in Moscow is the National Industrial and Agricultural Fair. It is a local counterpart, although on a much larger scale, of the Russion exhibit at the World's Fair in Brussels. After seeing the latter, and observing the very complete manner in which the Commies clobbered the U.S. exhibit with the sheer weight of quantity, I was not at all surprised by the magnitude of the Moscow fairgrounds.

The showpiece of the Soviet Empire consists of 21 "pavilions," which are not pavilions at all but full-sized exhibition halls quite comparable to the Hall of State or the general exhibits structures at the Texas Fair. The entire grounds are beautifully landscaped, and if the Russians can't do anything else in big-league fashion you have to credit them with the ability to grow flower gardens of breathtaking beauty.

The contents of the 21 buildings offer a cross section of life throughout the Soviet Union. Close to 60,000 exhibits are on hand, including more than 4,000 pieces of machinery ranging from all sorts of mobile vehicles to a completely equipped drilling rig, machine-tool equipment, office machines, medical equipment, livestock, furs, clothes, farm produce—which is kept fresh by daily replacements.

Sputnik Displayed

At the national fair, as in Brussels, the Russkies resort to some pretty fancy showmanship. They make a terriffic display of material objects. They fill in the voids with masterful mockups and scale models. By the time you have seen so many bright and shiny products there is little reason for you to believe they aren't actually making the items or building the projects illustrated by models. Sputnik was there, so why think they didn't have a continuous casting steel mill, shown by models? A shiny 1958 model car was there, so why think it wasn't in production? Well, maybe the stupid oafs from Outer Mongolia went for that stuff, but I looked for myself, and nowhere, but nowhere, in the four principal cities of Russia did I see a car even closely resembling those on display.

Leaving Moscow was like shedding a dirty shirt. When we headed for the railroad station for our first jaunt by rail, it was like washing your hands with a bar of good American soap—and in hot water.

The Red Arrow Express pulls out of Moscow at midnight and arrives in Leningrad at 9 a.m. It is quite the plushiest train I ever rode. Russians will tell you that it is Soviet built, and since I saw no other evidence anywhere in the country that the Russians were capable or willing to build a vehicle like this one, I had to go along with the popular belief that the Red Arrow is in reality Hitler's old personal train obtained in war reparations.

The only diesel engine I saw in Russia—save a miniature in Kharkov—pulled the Red Arrow. It had speed aplenty, and I imagine unusual comfort for a rough roadbed.

Midnight snack

'Mid red velvet drapes, beautifully lacquered woodwork, glistening brass fittings, we settled down as the express pulled out. Then in walked a fat and squatty Russian woman with caviar, sausage and cheese sandwiches, beer or champagne, and rolls. Moscow was lost in the darkness, and ahead was Leningrad.

Daylight found me up, camera unfolded, and shooting everything through an open window. At the start of our trip, the Russian guides told us we were not to take pictures from an airplane or train, or of airports and bridges. They promptly forgot the admonition and we shot anything we wanted to.

Leningrad was important because it was here that we felt the distinct lessening of Communist domination, at least, outwardly. As we moved further from Moscow, this became more and more pronounced. By the time we reached Prague, Czechoslovakia, leading satellite of the Russians, it had practically disappeared. The Commies were in control, no doubt of it, but on the surface there was beginning to appear little sparks of state pride, of individual thinking, of an esprit de corps whose symbol was not the hammer and sickle, nor the portrait of Lenin, but instead, a wisp of freedom that might someday bloom into a canopy of liberty.

CHAPTER V. RUSSIAN EDUCATION BLIND MAN'S BLUFF

Before visiting the Soviet Union, I had read much about the Reds' educational system, and as a result, had gained a certain respect for a program that was reported to be turning out engineers and scientists like an old dominicker hen hatches chicks. In my mind's eye, the Russians had scientists and engineers growing on trees.

I paid particular attention to education in the Soviet, from nursery to college, and I think each phase is worthy of comment.

Ninety percent of Russian women are workers. They are employed in every type of job from mixing concrete to repairing streetcar tracks, from painting to running a machine, from driving a bus to following a plow. I saw them in all of these occupations—and more.

Start early

The Communists take over almost from the instant a child is born. As quickly as possible, a mother gets back to her job. If she works in a bank, or a bakery, or a factory, her employer furnishes a day nursery. These nurseries are well equipped and staffed by qualified people. The mother may choose to take her baby to and from work each day, leaving the child in the nursery. Or she may elect to place the child in another type nursery which permits her to take the youngster home on weekends. There is still another type of nursery school in which the child becomes a full-time resident and student. In this institution, the parents visit the child periodically, and for all good purposes, hand over all responsibility for the child's future to someone else.

I asked a young mother who had her youngster only on weekends if she didn't feel she was shirking a responsibility, if she didn't feel she was losing much of the pleasure attached to having babies of her own.

"No," she replied, "I think my child is being cared for much better than I can care for her. The people in charge of the nursery are experts and are far better qualified to train a child than I am."

By the time Russian kids are 6 or 7 years of age, they usually become members of the Young Pioneers, a pre-Communist outfit which corresponds to the age groups we have in the Cub Scouts and Brownies. Next, there comes membership in the Young Communist League, and after that, membership in the party proper if it is sought and the candidate is politically desirable. By this time, a Russian youngster is in his or her twenties, and oddly enough, not too much importance is attached to becoming a full-fledged member of the party.

No revolution

Many top Russians, while they go along with party principles completely, are not members simply because they do not want to go to the extra trouble and work that membership requires. Party leaders are not concerned with a certain degree of laxity by the people on this score. "Why should we worry now?" one top Commie asked, "We've had them for more than 20 years and if they're not Communists at heart, mere membership won't change their attitude." Most Russians, after 20 or more years of having the party line drummed into their senses at every turn, are Communists at heart, and it is my firm conviction that revolution in Russia is as farfetched as it would be in the United States.

I visited public school No. 57 in Kiev. This city is the capital of the rich Ukraine, often called the breadbasket of Russia. Here, people are friendlier than in Moscow. They seem to be a happier lot, and somewhat removed from the constant pressure of party activities which characterizes Moscow. This atmosphere was predominant in public school No. 57, an old school located in a better section of Kiev.

The school was almost totally destroyed by the Germans, and the administrator, Mrs. Olga Matsinchuk, mother of three daughters, discussed the rebuilding of the school by its teachers with a touch of bitterness toward the Germans creeping into her remarks. She said what the invaders didn't ruin, they stole, so the school had to be rebuilt from the ground up.

Poorly equipped

There was a sort of stiff dignity clearly visible on every hand. As I moved from one classroom to another, the girls curtsied, the boys snapped to attention and bowed stiffly. I saw a physics and chemistry classroom. There was hardly more equipment than bunsen burners and test tubes. In the mechanical shop, there was a worn drill press, a small lathe, several grinding wheels, a few vises, files, and miscellaneous small handtools. By the time I finished my trip through the school, I had a pretty low opinion of Russian education. Later, I met Dr. Rosella Linskie, a former SMU teacher who is still in Russia with a group of American teachers studying in detail the entire Soviet school system.

Dr. Linskie confirmed what I had suspected: The so-called advanced Russian science student is not even the equal of an American high school general science student.

Public school No. 57 had 930 pupils in 10 grades generally coinciding with our elementary and high schools. There were 50 teachers handling 23 classes. All pupils study Russian and mathematics for 10 years. Seventy percent of them study English. The school administrator earns 2,900 rubles per month, or at 4 to 1, about $700 per month, which is unusually high when compared with similar responsibilities in other activities. Teachers are paid by the hour, 8 to 15 rubles per teaching hour, depending upon the subject. Average teacher earnings are from 1,000 to 1,800 rubles or from $250 to $450 per month.

Lenin everywhere

Lenin's pictures and busts were all over the place. Huge green plants lined the halls. On the walls were bronze plaques setting forth the rules of conduct. One room in particular impressed me. This was the headquarters of the Young Pioneers. Here the organization's leaders met to study and to virtually worship before the shrine of a former student, a teenage girl who fought and was killed during the war. In glass cases were some of her clothes, books, and pictures.

Moscow University, when compared on a realistic basis with our big American colleges, was no more impressive than public school No. 57. But for bigness, the grand manner, the flamboyant, it is something to behold. The central tower of the massive structure is almost 800 feet high. Four smaller towers adorn the corners of the building. There are 20 lecture rooms accommodating 600 students each, and our guide made much of the fact that each lecture is tape-recorded and filed in the library. No less than 113 speedy elevators serve the 17,000 students, 6,000 of whom reside in the main building. The dormitory areas are very plain. Each student is assigned a cubicle amounting to 8 square meters. This is something like a room 9 by 9 feet. The room is comfortable, and down the hall is a community kitchen where meals may be prepared. Otherwise a cafeteria is available.

Students are paid 300 rubles ($75) per month in their first year. The second year they receive 350 rubles a month, and from there on, bonuses may allow a student to receive as much as 800 rubles per month.

Busy summer

Since I visited the university during the vacation period, I cannot assume to know very much about the courses. During the summer, however, the school is a beehive of activity with all sorts of special meetings. On the day I was there, the Fourth International Congress on Slavic Languages was in session. Other special sessions included a Congress on Refrigeration, and a Congress on Astronomy.

My low estimate of the entire Russian school system is the result of observation and numerous discussions with Russian and American teachers and students. I got the idea the "Russkies" are playing a sort of blindman's buff, and that back of highly publicized facades of higher learning there are numerous gaps. The Russians, as I learned in many other activities, are past masters at playing hop-skip-and-jump. Education is no exception, witness an incident I experienced in Kiev where I met a young woman medical student. She spoke halting English but she finally got across the idea that on the following Monday she would be leaving school for 2 months to go to a nearby collective farm to help get the harvest in. Her entire class was going to forget the scalpel and pick up the scythe for a time. How many of our young doctors would condone such a practice, and how many of us would want or expect them to?

CHAPTER VI. THE UNBURIED CORPSE

To understand the death sentence imposed upon Christianity in Russia by the Communists, one must realize that the party has been in power something over 40 years. For a person to remember anything at all of the land or its customs prior to the revolution, he would have to be something like 50 years of age. A prerevolution Christian, therefore, would be somewhere near 60. This accounts for the fact that practically all people you see at a church service are elderly.

Religion in Russia, although existing under a reprieve at the moment, is destined to go the way of political freedom in the Soviet. True, the Russians are permitted to worship God, but for the first 20 years or so of a Russian's life, he has little opportunity to be exposed to anything, certainly not religion, except communism—and communism makes a mockery of Christ.

When the present elderly generation passes into the shadows, religion will go with it unless a miracle occurs to give the youth of Russia an opportunity to know about Christianity.

Making no gains

A Russian clergyman told me that religion is not making any gains. Aside from the

Government attitude of surface toleration but undercover opposition, the acute housing situation forestalls any effort to increase church accommodations. A materialistic government refuses to recognize spiritual needs while placing all emphasis on the sheltering of physical bodies. As an example, the Baptist Church in Moscow is the country's leading Protestant institution. This is a congregation of 4,000 members.

There are three Sunday services and three during the week. At each service, two preachers deliver two sermons, a 2-hour program during which several hundred stand in the cramped quarters.

The minister, Michael Zhidkov, was partially trained at a Baptist school in London. He said there are a half-million Baptists in Russia using 5,300 churches. He said the Moscow church has operated continuously for 80 years. There is an excellent choir of 100 voices. On the subject of government opposition, Minister Zhidkov admitted that the Soviet Union teaches against religion, and that you cannot be a Baptist and party member, too, as far as the party is concerned. Reverend Zhidkov professed to be a Christian in every sense of the word, yet when asked about his feelings toward communism, he said he was in complete accord with the party. Whether this was true, or he simply said so to prevent rousing the wrath of the Commies, was debatable.

On the bus one day, during a lull in the conversation, I bluntly asked our feminine guide, "Galena, do you believe in God?"

"No," she quickly replied. I drew another negative answer when I asked if her mother had been a Christian. "But my grandmother believes in God," she added. Galena said she had never read the Bible. But I could detect a trace of curiosity in this genial young woman of good education. Finally, she had to come out with it.

"What does your God look like?" Galena asked.

What a question for a layman to ponder when it is asked by an adult of intelligence and honest intent.

I might have satisfied a child for the moment, but not this young woman. While I groped for a proper explanation she hit me with this one: "Where does your God live, up in the sky?"

Answer needed

I thought about Bob Goodrich and McLain Smith and Tom Shipp, and wished that one of those stalwarts could have been there to back me up. I sure needed it—and this girl so desperately needed an answer she could understand and believe.

The situation in Czechoslovakia is not nearly so gloomy. But there, nothing is nearly as dismal as in Russia. A responsible Czech Catholic told me she believed the church was holding its own despite the fact that Communist government was standing the expense of church and cathedral overhaul and paying the salaries of the preachers. But how can a preacher or a priest be really free if the Commies pay him?

Yes, barring a miracle, religion is doomed in the land of the Reds. The oldsters are taking the remaining vestiges with them, and there is no second team of youngsters.

Russia in retrospect

After this series of articles was started, the shortage of manpower became more evident in Premier Khrushchev's modification of the educational system. Full-time schooling will now last only 7 or 8 years, with high school students doing most of their learning at night after working during the day. A scant handful of high school graduates known to be politically desirable will go to college, and there, all but the very elite will be required to hold full-time jobs on the outside. Result: Most Russian boys and girls will go to work when they are 14 or 15 and forget schooling.

Savings gamble

Banking: Russian banks promote a unique savings activity. Depositors agree to pool their 3 percent interest, and at the end of the year, hold a lottery on the pool—possible to earn 100 percent on deposits if you're lucky. A 3-percent bond issue recently matured but was deferred for 20 years with no interest, a bank president told me. Reason: The workers elected to leave the money in the Government so that more new housing could be built. There has never been a bank holdup or robbery in Communist Russia. Reason: Nothing to spend the money for, and if there was, everybody knows what each other makes and any unusual spending would cause a man's neighbors to report him.

Divorce: In Leningrad, posting of divorce intent is 4 years behind. I ran across one family of four. A divorce would be granted if the husband could find living quarters elsewhere. That was 3 years ago. The four still live in two rooms, and he's stiH looking.

Jobs: A Russian can change jobs simply by filing a 2 weeks' notice. Few do, however, because lack of transportation makes it imperative that a fellow stay put when he has living quarters within walking distance of his job. Practically all production jobs pay a standard wage plus piecewoork incentives. Promotions are based on ability, not seniority. Trade unions demand production, often beyond rated capacity, and management is not too keen for this because it hampers maintenance shifts and increases breakdowns. Doctors are permitted to accept private patients in addition to carrying on their socialized practice.

Few aircraft

The military: Nowhere did I see a military plane in the air. There were 8 or 10 jets on the Moscow parking ramp. Jets, DC–7's, etc., are pulled out on the grass to wooden workbenches where they are serviced without protection from the elements. Countless Russians told me, "Tell your Government not to bomb us. We want no more war, only peace." I saw five halftracks dragging shrouded artillery through Red Square, the only evidence of military might observed in 5,000 miles of travel.

Conclusion: Russia is growing in spite of its unwieldly, ponderous, wasteful and inefficient system. It bears continuous watching while we keep our own house in order. Sputnik? The Germans did it for the Ruskies even as they played important roles in developing the American version. Afraid? Never, and I'm convinced that the time is now for the free world to draw the line against communism—and hold it.

TRIBUTE TO ABRAHAM LINCOLN AND TO HIS MOTHER, NANCY HANKS, WHO WAS BORN IN WEST VIRGINIA

Mr. RANDOLPH. Mr. President and Members of the Senate, in listening a few minutes ago to the meaningful tribute by Carl Sandburg to the memory of Abraham Lincoln, I was made aware of the peculiar significance of Lincoln in the State of West Virginia.

Over a span of 14 years I had the privilege of representing the congressional district of West Virginia in which Nancy Hanks, the mother of Abraham Lincoln, was born. Her birthplace near Antioch, in Mineral County, is revered as one of our State's historic landmarks.

I am reminded of a quotation from a column of the late Arthur Brisbane, published on Lincoln's birth anniversary on February 12, 1936, in which he wrote:

Without Nancy Hanks there would have been no Abraham Lincoln. This, his birthday, is a good day to honor him and his mother.

Indeed, Mr. President, it is appropriate to remark that mothers have been the inspiration of American leaders throughout our country's history. Mothers have too often been the unapplauded molders of men. They ask nothing for themselves, and in the making of this comment I am thinking now of the modest marker there on a hillside in West Virginia, where the mother of Lincoln was born.

At the foot of another West Virginia mountain not many miles away lies the town of Hendricks where lived Karl Myers, a poet laureate of my State—then a young man who was crippled and unable to walk. He composed and sent me in 1936, when I was a Member of the House of Representatives, truly touching and moving lines of Abraham Lincoln. His is verse which causes us not to think of the yesterdays, but for a moment to picture Lincoln as if he were a part of the restless times in which we live.

The poem, called "If Abraham Lincoln Could Talk to You," is quoted as follows:

If Abraham Lincoln could talk to you
Over the radiophone tonight,
Could for a moment the veil step through,
Out of the silence and far skies bright,

Gentle and great as of old—what then,
Think you, the theme of his speech would be?
Preachings, perchance, to the sons of man,
Muddled and restless, beyond the sea?

Haply a word on affairs of state,
Out of his storehouse of wisdom rare?
Maby a fling at the low birth rate?
Pleas for the virtues of days that were?

Making orations inspired and grave,
Think you the seconds he'd speed away,
Casting his pearls on the wireless wave
Unto all people and nations? Nay.

Somehow I fancy him standing here,
Knowing the heart of the world is sad,
Spinning a yarn of the yesteryear,
Telling a story to make us glad.

In this expressive poem, the late Karl Myers caught the ever-living spirit of a great American—one who was great not so much because of the brilliance of his mind but because of his gentleness, his depth of understanding, his capacity for service, his humility of heart, and his guidance of those who needed a helping hand.

PROPOSED CLOSING OF ATOMIC ENERGY COMMISSION'S URANIUM PROCESSING MILL AT MONTICELLO, UTAH

Mr. MOSS. Mr. President, frugality in Government has become the current crusade in the Eisenhower administration. The President talks about it constantly in his messages to Congress and at his press conferences. His lieutenants never lose an opportunity to echo his sentiment. The size of the price tag on any commodity the Government buys—whether it is national survival or airport safety—seems more important than what's inside the package.

I am not going to argue the soundness of the administration's economic philosophy here. No one is more interested

than I in reducing Government expenditures or in assuring that the American taxpayer gets value received for every dollar spent. But in view of the administration's dollar-counting-above-all-else attitude, I want to call the attention of this body to an impending waste in tax dollars by the executive branch of the Government in my State of Utah which I feel is indefensible.

As you know, Utah has been a center for some years of a booming uranium industry. At the time the Government was seeking every ounce of uranium available, the Atomic Energy Commission went into the uranium milling business. One of the mills it erected was at Monticello, Utah, which is located in San Juan County, in the heart of the uranium fields, and not far from the famous four corners where Utah, Colorado, Arizona, and New Mexico meet.

The mill became a leader in ore processing and assembled a staff well qualified to handle an economic operation. The town of Monticello assumed a heavy bonded indebtedness to provide the necessary facilities for the men, and their families, who came to work in the mill, and others who were attracted into the area because of the uranium boom, believing that a significant portion of the repayment would come from the taxes of new residents.

Suddenly the Atomic Energy Commission has decided to get out of the uranium milling business to turn it over to private industry. I certainly do not disagree with this objective—if private industry can do the job, it certainly should be given the chance.

But—and here is where my quarrel is—the Atomic Enery Commission has now proposed to close the Monticello mill in about 6 months, despite the fact that the Standard Uranium Co., a private concern with a uranium mine near Monticello, wants to buy the plant. Its offer to buy is conditioned upon an agreement with the AEC for purchase of an adequate quantity of the company's ore to justify an economic operation. Of course, the AEC is the only customer who legally may buy. The Commission has been unwilling so far to sell the Monticello mill on these terms, and salvage for the taxpayer as many of the dollars which went into its construction as possible, arguing that previous commitments make it impossible to give the company the necessary uranium oxide contracts.

This is surprising to me, because the AEC is constantly signing new contracts with other mills built recently, or which are now under construction or expanding. Nine new uranium mills, built by private companies which hold Atomic Energy Commission contracts for the delivery of concentrates, went into delivery in 1958. Other new mills are now being built in Nevada, New Mexico, and Wyoming.

This is hard for the people of Monticello to understand. It is even harder for them to follow the line of AEC reasoning which results in the type of story which appeared in the Salt Lake Tribune on February 5. An official of the Lucky Mc Uranium Corp. announced that the Atomic Energy Commission would shortly modify its agreement with the company, and increase from 833 tons to 1,000 tons a day the amount of uranium oxide it is buying from its Lucky Mc mill in Wyoming.

Nor, with the millmen about to lose their jobs, and the city fathers and business concerns deeply concerned about the impact on the city's economy of the loss of a substantial slice of the city's buying power, can the people of Monticello read without wincing, reports such as the one carried in the Salt Lake Tribune on February 4 about the contracts the Government has signed with South Africa to buy uranium concentrates from that area through 1966 or 1967.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point copies of two columns by Robert W. Bernick in the Salt Lake Tribune which relate to the comments I have just made.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Salt Lake Tribune, Feb. 4, 1959]

WEST MINERS HEAR DARK U–ORE NEWS

(By Robert W. Bernick)

The western miner can quit worrying about whether the U.S. Government has irrevocably obligated itself to buy uranium concentrates from South Africa past March 31, 1962, while starving exploration in this country.

It has.

In fact, the fantastic deal handed the big gold producers in South Africa for their uranium all but beggars description.

And it has laid the groundwork for a huge complex of uranium production based on byproducts recovery from gold mining which with native labor will produce the world's lowest cost fissionable material.

That these fissionable materials will one day come back to haunt not only the domestic mine's struggles for a free market but becomes a lever in international politics seems inevitable.

According to Canada's Northern Miner, the United States guarantees purchase of uranium concentrates from South African sources through contracts which extend through 1966 and 1967.

It is interesting, but hardly unusual on the part of Washington, D.C., these days, that the American government offers foreigners contracts for a longer period than that offered its own tax-paying citizens.

(We are now paying $11.75 a pound for South African uranium concentrates against an average price of $9.66 a pound for uranium produced in Western United States. The price for U.S. producers after March 31, 1962, is $8 a pound. AEC has never told the American people what price it will pay for concentrates from South Africa. But as the existing contracts run through 1967, there's reason to believe the price-cost disparity will increase, rather than decrease.)

The United States and British Governments not only have issued the long term, high priced guarantees to the gold producers for their uranium.

Through loans from these two Governments, the big British and South African controlled gold firms have built some 67 million pounds (sterling) worth of plants (17 separate ones), including a 9 million pounds sulphuric acid plant used in reduction of uranium.

With Monticello uranium mill closing, exploration ended in the domestic fields and the AEC demanding lower costs and lower prices in the United States for reason of "economy," there is but one word for the foreign program of the Commission: Tragedy.

[From the Salt Lake Tribune, Feb. 8, 1959]

LUCKY MC RECORDS WYOMING U–GAINS

(By Robert W. Bernick)

The Lucky Mc Uranium Corp. Wednesday reported $3,161,482 net profit on sales of $9,115,438 in uranium concentrates from its Gas Hills District, Wyoming, uranium mill for 6 months ended December 31, 1958.

Allen D. Christensen, San Francisco, president, said in an interim report to shareholders:

"We expect to announce shortly a modification of our agreement with the Atomic Energy Commission for sale of uranium oxide through the year 1966, which will require the operation of the Lucky Mc mill at the rate of approximately 1,000 tons daily.

"Our present contract calls for an operating rate of 833 tons a day through March 31, 1962. Successful conclusion of the contract modification will assure continued earnings of the corporation through 1966.

In the interim financial statement, the executive disclosed that in the last quarter 1958, Lucky Mc paid $1,148,000 on bank loans (for construction of the mill, etc.), reducing the outstanding balance to $7,352,000.

The net profit figures are after estimated taxes and operating costs but before depletion. They include application of previous year's loss (start up) of one and six-tenths million dollars.

Mr. Christensen said the "operating results" during the term of the report were "gratifying, with sales and profits exceeding the previous quarter's results, due primarily to a combination of processing higher grade ores and achieving improved metallurgical recoveries."

"Although the tonnage of ores fed to processing decreased 7 percent when compared to the previous quarter, the production of uranium oxide contained in concentrate increased 12 percent with 550,000 pounds of U^{238} shipped."

Because of contract modifications imposed during 1958, he estimated that third quarter production should be off about 25 percent from second quarter rate.

Mr. MOSS. I also ask unanimous consent to have printed a letter I directed to Hon. John A. McCone, Chairman of the Joint Atomic Energy Commission, on this matter, as it gives considerably more information on it, particularly on the impact of the Monticello economy of the closing of the uranium processing mill, and on the very minor adjustments in the AEC buying programs which would be required to accommodate the relatively small Monticello operation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 2, 1959.

Hon. JOHN A. MCCONE,
Chairman, Atomic Energy Commission,
Washington, D.C.

DEAR CHAIRMAN MCCONE: I am writing in further reference to the proposed closing of the Commission's uranium processing mill at Monticello, Utah.

I have been informed that the Standard Uranium Co., with headquarters at Monticello, has reaffirmed its offer to purchase the

Government-owned mill if the AEC will agree to contract for an adequate quantity of the company's ore to justify the operation economically. Since the Monticello mill is a small one, and contributes only a minor percentage of the uranium concentrate which the Commission buys (2 percent of the total domestic and foreign U^{308} purchased in 1958 and an anticipated 1 percent in 1959) it would require only a slight readjustment in the present purchase programs to keep the Monticello mill in operation. Surely there is enough elasticity in these programs to allow for an adjustment of this type.

It is very difficult to understand all aspects of the administration of the uranium-milling and ore-buying programs. The Commission appears to have taken the position that it is time for the Government to get out of the uranium business, and that private industry should take it over. I do not quarrel with this position—I commend it. But I do quarrel most emphatically with a policy which assures contracts to the many new private uranium processing mills which are being constructed throughout the West while at the same time the Commission contemplates closing a mill now in smooth operation which private industry wants to buy, and the purchase of which would return to the U.S. Treasury thousands of taxpayers' dollars.

In view of the announced closing of the Monticello mill because of decreased need I was somewhat surprised to read a statement made recently by Mr. Allan E. Jones, manager of the AEC Grand Junction office, at a meeting of industry leaders there, and reported in the Daily Sentinel, of Grand Junction, Colo. Mr. Jones declared that the most urgent job before the AEC was to proceed with milling contracts for the final expansions in Wyoming, Texas, the Colorado Front Range, and the Dakota lignites.

I understand that AEC has promised contracts to new mills in these areas because people there have relied on AEC announcements. It seems to me that the people of Monticello, Utah, are entitled to the same consideration. The Monticello mill is a leader in the field of ore processing and has well-qualified personnel to continue economical operations. Standard Uranium has over a million tons of ore in the area ready for milling.

Completely apart from the responsibility the Commission has to keep a well-established mill in operation and to realize the most to the taxpayers for each tax dollar spent, the Federal Government has a responsibility to the citizens of Monticello. With no intimation that their uranium-processing mill was to be closed down, the city has undertaken a heavy bonded indebtedness and incurred other obligations in an effort to expand facilities for the growing population brought into this area by the uranium boom generally and the ore-processing mill specifically. Loss of the mill employees and their families, their purchasing power, and their tax money, will impose an extra financial burden on the remainder of the community. I am also very much concerned about the individual problems of the men who will lose their jobs, and of their wives and families.

I feel very strongly, therefore, that the Commission should give full and sympathetic consideration to the offer from the Standard Uranium Co. to purchase the Monticello uranium-processing mill.

Sincerely,

FRANK E. MOSS.

Mr. MOSS. Mr. President, Monticello is a small city in a sparsely settled section of Utah, but if the closing of its uranium mill is typical of the brand of economy this administration is practicing, then I believe this body has a right to question the soundness—and the sincerity—of that economy program.

TWELVE KEY DATES IN OREGON HISTORY AS STATE CELEBRATES 100 YEARS OF STATEHOOD

Mr. NEUBERGER. Mr. President, on Saturday, Oregon celebrates 100 years of statehood. Centennial observances will take place throughout the State on February 14, 1959. These festivities mark more than a local holiday. They are recognition of the growth and achievement of a people drawn together originally by the invisible line of a political boundary and held together by the common purpose of a better life.

Oregon's history is studded with significant dates—important to the State and to the Nation. Today, I wish to list 12 periods in the chronology of our country in which Oregon played a vital role. Selection of these years was made for me by Thomas Vaughan, scholarly and able executive director of the Oregon Historical Society and editor of our Oregon Historical Quarterly.

This brief timetable—covering nearly 200 years—cannot reveal the great depth of Oregon's contribution to the strengthening of the Union. The dates are merely historical headstones—recording, but not evaluating progress. During the forthcoming centennial year, I intend to speak further in the Senate regarding my State's rich social heritage and its liberal leadership in political reform.

Mr. President, I am proud to serve the people of Oregon as a U.S. Senator. These events—which reveal my native State's development from wilderness to complex agricultural and industrial society—are one essential reason for that pride.

First, 1778, Capt. James Cook sailed along the northwest coast to the Arctic Ocean and entered Nootka Harbor—Vancouver Island. He and his men purchased sea otter furs from Indians which brought great returns in China, and word spread by mouth and by publication of his journals after the expedition's return to England.

Second, 1792, Robert Gray, out of Boston, entered the Columbia River and named it for his ship *Columbia*; George Vancouver, British commander then off coast to settle the Nootka controversy, received Gray's map of entrance to the river from the Spanish commander, Quadra, and sent Broughton to explore the river. The latter reached a point just east of Troutdale, discovering the mouth of the Willamette.

Third, 1803–06, Louisiana Purchase, 1803, and Lewis and Clark exploring expedition, 1804 to 1806, sent to explore overland for first commercial route to Pacific Ocean by President Thomas Jefferson.

Fourth, 1811–12, establishment of Fort Astoria, Astor's fur-trading post at the mouth of the Columbia, by a sea party arriving on the *Tonquin;* arrival of overland party under Wilson Price Hunt; dispatches sent from Astoria carried by Robert Stuart over most of Oregon Trail route, including South Pass, 1812.

Fifth, 1834, Nathaniel Wyeth's second expedition to the Oregon country, for the purpose of establishing a trade in furs, salmon, supplies; built Fort Hall, later an important stop on the Oregon Trail. Accompanying Wyeth to Oregon on this trip were Jason Lee and other missionary helpers who established a mission in the Willamette Valley, an important focal point for American interest in settlement.

Sixth, 1843–45, provisional government established by American settlers in Willamette Valley.

Seventh, 1846, treaty between the United States and Great Britain settled northern boundary of Oregon country at 49°, including Columbia River mouth and Puget Sound.

Eighth, 1848–49, bill creating Oregon Territory, passed by Congress in 1848, went into effect in Oregon in 1849 with arrival of Gov. Joseph Lane in March. Gold discovered in California in 1848 was important in stimulating interest in the west coast and in bringing prosperity and medium of exchange to Oregon farmers and merchants, economic independence of the Hudson's Bay Co.

Ninth, 1859, Oregon became 33d State of the Union on eve of Civil War.

Tenth, 1883, with the completion of the Northern Pacific Railroad, by the Columbia water-grade route to Portland, Oreg., and the rest of the Pacific Northwest obtained first direct transcontinental railroad connection.

Eleventh, 1902–12, passage of various parts of "Oregon System" including initiative and referendum, recall, direct election of U.S. Senators, and so forth.

Twelfth, 1937, Bonneville Dam, first step in harnessing of the great Columbia River, completed with unique facilities to provide for valuable migratory salmon.

On February 14, 1959, the State with this rich tradition and history achieves the centennial of its statehood in the American Union.

I should like to add that I am particularly grateful there are present in the Chamber today distinguished Senators from such States as Montana and Idaho which at the time of the creation of the Oregon country were included in parts of this great area known as Oregon.

DEATH OF GEN. WILLIAM J. DONOVAN

Mr. KEFAUVER. Mr. President, America has lost one of its most dedicated Americans in the passing of Maj. Gen. William J. Donovan.

I knew General Donovan, and visited in his offices many times. His briefings for Senators and Representatives were always patient and helpful.

His record of service to his country is a proud chapter in our history. He was truly a soldier statesman, a kind man, but firm in his beliefs and decisions.

Most newspapers published thoughtful editorials relative to the life, character, and achievements of General Donovan. I ask unanimous consent that one of these editorials, entitled "General Donovan's Distinguished Career," published in the New York Herald Tribune of February 9, 1959, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GENERAL DONOVAN'S DISTINGUISHED CAREER

"Wild Bill" Donovan gained his nickname by reason of his courage as a major with the Fighting 69th in World War I. It stuck with him all through his life, even when he was a distinguished lawyer, arguing cases before the Supreme Court of the United States. Republican candidate for Governor of New York; commander of the Office of Strategic Services during World War II; Ambassador to Thailand at a critical time in southeast Asia; or performing any of his other almost countless public services under five Presidents. His death in Washington at 76 ends a career whose variety was surpassed only by its usefulness.

Gen. William J. Donovan's contributions to his country can be measured in the fact that he was the only man to have held the Medal of Honor, the Distinguished Service Cross, the Distinguished Service Medal, and the National Security Medal, which may be accounted as the Nation's four highest decorations. Yet deep though his patriotism ran, it never ran narrow. He was one of the first Americans of national stature to sense the growing menace of fascism, and he went to Ethiopia in 1932 and to Spain in 1937 to observe its march at firsthand. In the same way, he became a stalwart in the battle against the advances of international communism; in 1956 he organized one of the most successful campaigns for financial aid to Hungarians who had rebelled against the Soviets.

Probably it was as head of the OSS that most of his countrymen knew General Donovan. Yet this was only the summit of a career that had already seen important services as an Assistant Attorney General, a candidate for high office, a diplomatic observer, and a famous lawyer. In the OSS he organized a secret army which performed vital intelligence, analytical, and espionage functions that contributed mightily to the Allied victory. Much of the OSS story is still untold, but it is not too much to say that General Donovan created America's first worldwide secret intelligence force.

A warm friend as well as a devoted citizen, General Donovan could look back as few men can upon years of aspiration matched by achievement. Winston Churchill, commenting upon a factfinding trip by General Donovan in the Balkans and the Middle East in 1940, summed up the man when he said, "He has carried with him throughout an animating, heartwarming flame." It was a flame that burned brightly throughout his life.

PARTICIPATION IN PUBLIC AFFAIRS

Mr. RANDOLPH. Mr. President, I am very grateful for the expression of my colleague, the distinguished Senator from Alaska [Mr. GRUENING] by inserting my speech in the CONGRESSIONAL RECORD on the subject of "The Business Man in Public Affairs." In thinking of the participation of people generally in public affairs, I should like to ask my colleagues to listen for a few minutes as I recall that during the 1958 campaign I visited a friend who was 97 years of age. He is Charles L. Watkins, who had been an active businessman until 8 or 9 years prior to my having been privileged to visit him last year. He is a semi-invalid. When I talked with Mr. Watkins, he told me that he had never failed to cast his ballot. In other words, he had voted consecutively for 76 years, never missing an election and the use of his franchise of freedom in municipal, county, State, and Federal elections.

I feel that we have a symbol of the finest citizenship in Charles L. Watkins, a man now almost 98, who told me—and I repeat it to my colleagues now: "It has been a privilege to participate in the processes of government."

Yes; I shall always remember that he said: "If the weather is good on primary election day I'll roll myself in this wheelchair to the polling place. If the weather is bad, I'll do what I once did, I'll call the ambulance but I'll be there with my ballot."

We shall never lose our democracy by default as long as we have citizens such as Charles Watkins.

THE DOMESTIC MINERALS INDUSTRY

Mr. MURRAY. Mr. President, on Saturday, February 7, the distinguished junior Senator from Utah [Mr. Moss] was the principal speaker at the 62d annual National Western Mining Conference, held in Denver, Colo.

The Senator pointed out the basic fallacy in the administration's program, or, more accurately, lack of program, for the mining industry. This administration program for mining, as is everything else, is an abject obeisance to the concept of a balanced budget. The administration does not take into account the fact that if there are no mines operating, there will be no taxes paid by the mining industry, and hence a balanced budget is a dangerous fallacy with respect to sustaining our country's self-sufficiency in the basic minerals so necessary to our security in both peace and war.

At the same time, the junior Senator from Utah set forth the broad outline of an affirmative plan to sustain our domestic minerals industry and to give it the necessary stability. His program was reported in some detail by the two Denver newspapers, the Post and the Rocky Mountain News.

In view of the fact that legislation putting into effect the program proposed by the Senator from Utah will shortly be introduced, I ask unanimous consent that these reports of the Senator's remarks appear in the body of the RECORD at this point.

There being no objection, the press reports were ordered to be printed in the RECORD, as follows:

[From the Rocky Mountain News, Feb. 8, 1959]

SENATOR MOSS ASKS PLAN AIDING FALTERING MINING INDUSTRY

A proposal to stabilize the economics of the mining industry by special legislation similar to the Sugar Act, which sets up both domestic and foreign import quotas, is under study in Washington.

U.S. Senator FRANK E. MOSS, Democrat Utah, main speaker at the annual "Sowbelly Dinner" of the National Western Mining Conference at the Shirley-Savoy Hotel, told about the plan Saturday night.

Moss said he has discussed the plan with U.S. Senator JAMES A. MURRAY, Democrat, Montana, chairman of the Senate Interior and Insular Affairs Committee, and added:

"Chairman MURRAY and I are in agreement that there should be, in the interest of national security, in the interest of employment in the metal and mineral mines of this Nation, and in the interest of the mining industry in general," a staff study on the plan.

Moss said Congressmen are concerned that metals lost ground in 1958, and charged the administration is more concerned with income and a balanced budget than it is with helping a sick industry.

"The outlook is discouraging, but the future is not entirely hopeless," he declared.

[From the Denver Post, Feb. 8, 1959]

UTAH SENATOR URGES SUBSIDY FOR U.S. MINES

(By Jim Ritchie)

Senator FRANK E. MOSS (Democrat, of Utah), told the 62d annual National Western Mining Conference in Denver, Saturday night, that the Eisenhower administration is more interested in balancing the budget than helping the distressed mining industry.

Moss spoke to more than 1,300 miners who ate pork and beans at the annual Sowbelly Dinner, which traditionally is the closing event of the 3-day mining meeting.

Gov. Steve McNichols, Mayor Will F. Nicholson, Senator GORDON ALLOTT (Republican, of Colorado), Representatives WAYNE ASPINALL (Democrat), and J. EDGAR CHENOWETH (Republican), both of Colorado, and STEWART L. UDALL (Democrat, of Arizona), were among the dignitaries attending.

URGES OFFICIAL STUDY

Moss told the meeting he will urge Congress to study legislation to grant direct subsidies to the domestic mining industry. "A study of such legislation would be in the national interest," he said.

"The peacetime economy cannot be healthy without a plentiful supply of minerals at a reasonable price," he said.

He attacked a speech Friday in which Elmer Bennett, Under Secretary of the Interior, told the convention that the most important problem facing the Nation was inflation. To prevent inflation the United States must maintain a balanced budget, Bennett contended.

Moss charged that Bennett implied that if the budget was to be kept balanced "then there is little or no aid to be given to the sick mineral industry."

"I fervently agree with the commendable objective of balancing the budget, but I must point out that a sick mining industry, paying little or no income tax to the Federal Government is not in a very good position to help keep Federal revenues up," Moss said.

He recommended a study to determine if it is advisable for Congress to enact legislation patterned after the Sugar Act to assure

at all times domestic production of major minerals and metals.

SUGAR ACT CITED

The Sugar Act provides for Government payments to domestic producers as an effort to maintain a sugar industry in the United States.

During 1958, the mining industry lost ground, and the future outlook is "discouraging, but not entirely hopeless," Moss told the miners. He said that last year production of copper was down 10 percent, lead and zinc were off 23 percent, and gold and silver reached the lowest production level since 1946.

"We must dedicate ourselves to a course of action that will wring employment out of unemployment, profits out of red ink, and smiles out of despair in the mining industry," Moss said.

While the miners were staging their stag dinner at the Lincoln Room of the Shirley-Savoy Hotel, their wives held the annual "Sour Belle" dinner at the Brown Palace Hotel.

TRIBUTE TO SENATOR GREEN

Mr. MANSFIELD. Mr. President, 1 week ago many of his colleagues rose in the Senate to praise the senior Senator from Rhode Island, THEODORE FRANCIS GREEN, and to express their admiration for his wisdom and strength of character in relinquishing the chairmanship of the Foreign Relations Committee.

On Wednesday, February 11, 1959, the Providence Journal, a Rhode Island newspaper, published a letter to the editor entitled "An Associate Praises Senator GREEN's Resignation."

The author of the letter, Mr. Gordon F. Harrison, chief clerk and counsel of the Senate Committee on Rules and Administration, has written a stirring and beautiful tribute recounting the selfless, courageous, and continuing service and loyalty the distinguished Senator from Rhode Island has given to his State and to his country.

I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, the letter which was printed in the Providence Journal.

There being no objection, the letter to the editor was ordered to be printed in the RECORD, as follows:

AN ASSOCIATE PRAISES SENATOR GREEN'S RESIGNATION

I have been a friend and associate of Senator GREEN throughout my life—first as a neighbor on John Street, then in the Rhode Island State House, next as his legislative assistant during his first 4 years as a Senator in Washington, and eventually in my present capacity as chief clerk and counsel of the Senate Committee on Rules and Administration, which began under his chairmanship.

I have had a unique opportunity to evaluate this truly distinguished statesman. On countless past occasions he has, by word and act, proven himself more than worthy of the confidence, esteem, and affection of the people of Rhode Island.

On Friday, January 30, however, he reached a summit. It is in the focus of my long association that the real significance of his resignation as chairman of the Senate Committee on Foreign Relations gains perspective. I would like to indulge this brief opportunity to share with you and your readers my impressions of that incident.

It is unnecessary to detail the tremendous workload and awesome responsibilities which beset the Senate Committee on Foreign Relations amid the international complexities of today's world. Indeed, from the very inception of the Senate itself, the committee's influence has placed it in a rank second to none. Membership on the committee is a coveted honor, and almost never has a Senator gained a place thereon early in his legislative career.

Senator GREEN is an exception. Within a year of his coming to Washington, by reason of his broad background of foreign travel, languages, and interests, he was appointed to membership. In the two decades which followed—through war and peace—he devotedly applied himself to every committee assignment. It was only natural that he should entertain the hope of one day being chairman. No one ever deserved the elevation in greater degree. Perhaps no one ever worked harder to obtain it, or desired it more. It is only in that perspective that the quality of his action in resigning can best be appraised.

I remember when, a few months ago, Senator GREEN found it necessary to wear a hearing aid for the first time. He adopted the appendage reluctantly but cheerfully. When, last fall, he underwent eye surgery to remove an impairment to his vision, he realized the added handicap he would bring to his arduous labors as chairman. It was back then that he set the course which, in his wisdom, he knew he would follow.

If I have learned anything from a lifetime of association with Senator GREEN it is that he keeps his own counsel, makes his own decisions, and has the fortitude to stand by them. In so doing he is swayed neither by the banal bleatings of sycophants nor by the spurious dribble of detractors.

Therefore, let there be no mistake about Senator GREEN's motivation for resigning his chairmanship. In the simple, straightforward eloquence of his letter of resignation he made it clear that he based his decision on what "would be best for my country, for the United States Senate, and for the Senate Committee on Foreign Relations itself."

While it is true that the chairmanships of Senate committees sometimes go to older and less vigorous Senators under the time-honored seniority rule—chairmen do not resign! It is one apart from all the rest who can graciously assess the proportion of bodily frailties and the demands of duty and then relinquish the position that he, through long years of dedicated accomplishments, had rightly earned.

To relinquish its powers and prestige, to leave when for 24 hours the leader of the Senate and the entire membership of your committee have entreated you to stay, to step aside when the decision is yours alone—takes rare humility and heroic courage. It is the type of decision that makes a man first seek counsel with his Creator and then make the judgment entirely by himself. Senator GREEN's choice was hard and lonesome. Lesser men would have succumbed to stubborness, vanity or self-deception.

On January 30 an act of undiluted statesmanship took place in the Nation's Capitol. If any in the huge crowd gathered in the corridor outside the louvered doors of the Senate Foreign Relations Committee room came to see the exit of a tired old man, they stayed to see instead the majestic emergence of a mighty patriot. In the warm smile he displayed for the avid photographers, in the gentle candor of his answer to the leaders of the Nation's press there assembled, in the dignity and selflessness of his person—Senator GREEN stood a tall American! Rhode Islanders can be very proud of their senior Senator. On Friday, January 30, he touched the fringe of immortality!

GORDON F. HARRISON,
Chief Clerk and Counsel, Senate Committee on Rules and Administration.

WASHINGTON, D.C.

HISTORY OF THE EXPORT-IMPORT BANK OF WASHINGTON

Mr. ROBERTSON. Mr. President, today marks the 25th anniversary of the founding of the Export-Import Bank of Washington and in recognition of that fact I ask unanimous consent to have published at this point in the RECORD, as a part of my remarks, a press release prepared by the Bank reviewing its history.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

The Export-Import Bank of Washington today completed 25 years of operations in support of United States oversea trade.

While providing direct assistance to U.S. exporters in cooperation with private banks and financial institutions, the Bank became the first public agency, either national or international, to arrange credits for large-scale economic development throughout the world.

The Bank was founded February 12, 1934, with a capitalization of $11 million. Today it is authorized to have loans and guarantees outstanding at any one time of $7 billion.

In 25 years the Bank has authorized over $10 billion in some 1,600 individual credits; disbursed over $6.6 billion (an additional $1.6 billion is committed for disbursements); collected $3.3 billion in repayments; earned gross profit of $997.6 million; paid $438 million to the U.S. Treasury as interest and dividends; paid all administrative expenses out of earnings; charged off losses of $2.9 million; retained net profits of $536 million as reserves; and encouraged more than $1 billion in private investment abroad.

The Export-Import Bank made its first credits for economic development abroad in the late 1930's and has continued making these credits, either to private borrowers or to governments, for more than 20 years. Most of the various programs for economic development have followed in general the path pioneered originally by the Export-Import Bank.

In Africa, Asia, Europe, Latin America, and Oceania, the Bank has assisted the development of steel mills; iron, copper, nitrate, manganese, and uranium mining; electric power installations; cement mills; fertilizer plants; chemical plants; innumerable types of industrial plants; large-scale irrigation projects; highways; ports; and public works. The immediate result of these credits has been to provide hundreds of thousands of orders for U.S. industries throughout the country and many millions of hours of employment for American workers. In addition, these projects have resulted in economic growth abroad which has permanently expanded U.S. overseas markets.

Throughout its 25 years the Bank has maintained a flexible lending policy designed to meet changing conditions of world trade incident to a world economic depression, a world war, and a period of reconstruction and development. It has done so within the three basic concepts which Congress has written into its governing statutes: To "aid in financing and to facilitate exports and imports and exchange of commodities" between the United States and other countries; to "supplement and encourage and not compete with private capital"; and to make loans

that shall "In the judgment of the Board of Directors offer reasonable assurance of repayment."

In addition to its loans running into billions for economic development projects, the Bank has made hundreds of small loans to assist sales abroad of individual pieces of equipment, has lent approximately $1 billion to finance export sales of U.S. cotton (among other commodities), and has made various types of balance of payments credits to assist other governments in maintaining essential trade relations with the United States.

The Export-Import Bank has actively encouraged new private investment abroad. Since 1952, the earliest year for which complete statistics are available, credits by the Bank have resulted in concurrent loans and participations and equity investment by U.S. private interests in excess of $880 million without guarantee from Eximbank.

A summary of the Bank's lending operations from February 12, 1934, through February 11, 1959, inclusive, follows:

Export-Import Bank of Washington—Summary of loans Feb. 12, 1934–Feb. 11, 1959, inclusive

	Africa	Asia	Canada	Europe	Latin America	Oceania	Other	Total
Authorized	$235,631,715.41	$2,016,503,910.63	$375,738,000.00	$3,735,772,518.55	$3,668,469,351.76	$23,932,775.03	$13,157,098.73	$10,069,205,370.11
Taken over by others at their own risk	3,742,535.59	127,105,498.07		187,796,590.56	35,601,012.25			354,245,636.47
Canceled	8,421,999.25	311,030,503.86	192,556,563.89	233,850,177.34	673,039,759.82	4,750,000.00	8,775,000.00	1,432,424,004.16
Disbursed	196,172,434.71	1,122,988,296.56	183,181,436.11	2,764,682,432.77	2,366,118,350.44	19,073,253.15	4,382,098.73	6,656,598,302.47
Repaid	59,874,679.04	691,478,968.19	183,163,582.11	1,341,525,230.85	1,009,710,795.59	6,575,583.25	4,382,098.73	3,296,710,937.76
Outstanding loans	136,297,755.67	431,509,328.37	17,854.00	1,423,157,201.92	1,356,407,554.85	12,497,669.90		3,359,887,364.71
Undisbursed authorizations	27,294,745.86	455,379,612.14		549,443,317.88	593,710,229.25	109,521.88		1,625,937,427.01
Undisbursed authorizations plus outstanding loans	163,592,501.53	886,888,940.51	17,854.00	1,972,600,519.80	1,950,117,784.10	12,607,191.78		4,985,824,791.72

NOTE.—Amounts are cumulative from establishment of Bank, Feb. 12, 1934. "Other" denotes rest of world and credits which cannot be identified with any particular area.

RECAPITULATION OF LENDING AUTHORITY

Undisbursed authorizations plus outstanding loans	$4,985,824,791.72
Lending authority assigned to insurance program	[1] 50,000,000.00
Balance uncommitted lending authority of Bank	1,964,175,208.28
Total lending authority of Bank	7,000,000,000.00

[1] $2,535,110.

Mr. MANSFIELD. Mr. President, has morning business been concluded?

The PRESIDING OFFICER (Mr. Moss in the chair). Is there further morning business? If not, morning business is concluded.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ILLNESS OF SECRETARY OF STATE DULLES

Mr. MANSFIELD. Mr. President, before I proceed to the remarks which I intend to make on the German situation, I wish to say that I am deeply distressed by the news of the illness of the Secretary of State.

The duties of the Secretary of State are just about the most exacting and strenuous in the Government, not excluding the Presidency. The intellectual demands of the job are enormous. The physical demands are appalling. For years, Secretary Dulles has borne up under them without complaint. His stamina and durability have been little short of incredible. However, in the Secretary, as in other men, there is a physical limit. His total personal dedication to the service of the Nation has taken its toll of his health. As one doctor put it, the Secretary is worn out. It is a shame, Mr. President, that the Nation has required so much of one man. And it is to the Nation's detriment, moreover, that he has had to push himself beyond the limit.

We can ill afford to lose his services at any time. We can spare them least at this moment. Secretary Dulles is needed as never before to complete the very delicate negotiations on Berlin and Germany which he had just begun so auspiciously.

Mr. Dulles has capable associates in the Department of State. With all due respect to them, however, the Secretary will be sorely missed in the weeks ahead. The Nation needs his great experience, his balance, his strength, his ability to decide.

I share with the President and the Nation the feeling of distress which the Secretary's illness brings. I know the Senate joins with me in wishing Mr. Dulles a full recovery and a prompt return to his key role in the search for a secure peace.

Mr. SPARKMAN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. SPARKMAN. I endorse everything that has been said by the distinguished Senator from Montana concerning the illness of Secretary of State Dulles and the work which he has been doing. I have often marveled, as I am certain many other persons have, at his stamina. I recall reading in the press recently that during the time Mr. Dulles has been Secretary of State, he has traveled more than 500,000 miles. He has made many long journeys, and often after his return, perhaps within a day or two, he would be off on another long trip.

I first knew Mr. Dulles when he served for a short time in the United States Senate. But I came to know him better when I served with him in the United Nations as a delegate in 1950 and, subsequent to that time, for the ensuing 12 months.

On September 8, 1950, at about 12 o'clock noon, President Truman called Mr. Dulles to the White House. Mr. Dulles at that time was an assistant in the Department of State under the then Secretary of State Acheson. President Truman asked Mr. Dulles on that day if he would be willing to assume the responsibility of formulating the Japanese Peace Treaty, and in getting the two score or more nations which would be parties to the conference to agree to its general terms.

If an assignment can be imagined which was more difficult and more complex than that of bringing together some 40 nations of the world which were greatly concerned about the terms of the Japanese peace treaty, I cannot conceive of it. But Mr. Dulles undertook to do the job. Mr. Dulles told me later that President Truman asked him at the time how long it would take. Mr. Dulles replied that he thought it would take a year. Mr. Truman then said, "I will give you one year in which to finish the job."

At that time I was the chairman of the Subcommittee on Far Eastern Affairs of the Committee on Foreign Relations. I became a member of the committee in January 1951. Naturally, I had a close relationship with Mr. Dulles in his work during the entire year 1951. I was in conference frequently with him, because this was a Far Eastern question. The subcommittee and our assistants met with Mr. Dulles at all times of the day, sometimes in the morning, sometimes at lunch, sometimes in the afternoons or evenings. I feel quite certain that during the time the treaty was being formulated, the Subcommittee on Far Eastern Affairs, Mr. Dulles, and his associates had probably 100 different meetings. I have often said it was one of the most remarkable jobs I ever saw any man perform. It was not easy to bring together the British, on one hand, and the Nationalist Chinese, on the other. It was not easy to bring together the southeast Asia nations and the central European nations. But gradually Mr. Dulles wove a plan under which all nations were at least willing to attend a conference.

The conference was held in the San Francisco Opera House. It ended on September 8, 1951. Just before we left the Opera House, I said to Mr. Dulles, "This is the anniversary of the day you undertook to do this work. At what time of the day did President Truman assign it to you?" Mr. Dulles replied that it was at 12 o'clock noon. I looked

at my watch, and, making allowance for the difference in time between Washington and California, I said to him, "You have 8 minutes to spare." In other words, the time lacked 8 minutes of being 1 year from the time Mr. Dulles had undertaken to do the work.

Following the conference, former Senator Smith, of New Jersey; Mr. Dulles, acting for Mr. Truman and Secretary of State Acheson; and I visited a number of the Far Eastern countries. We spent several weeks in Japan, working with the different groups there in arriving at understandings, as best we could, and working on the rather difficult problem involving Nationalist China, particularly, and the whole China problem, as well.

It was then that I came to admire Mr. Dulles. I admired his tenacity, his power of intellect, and his skill in negotiating. One of the great services he has performed as Secretary of State has been in the field of negotiating between nations which had differences and problems which were most difficult to solve.

I share the feeling which has been expressed by my good friend, the Senator from Montana, as to the need for Mr. Dulles at present to deal with the particular problem about which the Senator from Montana will speak to us today. I am delighted to know that since Mr. Dulles' physical condition is such that his doctors advise his taking leave and entering a hospital, he has acted on that advice. I hope he will remain away from his work for as much time as will be necessary to result in a complete restoration of his health, which I am confident will take place, because I know something of the physical stamina of the man.

I wish him a speedy recovery and a return to his position as Secretary of State just as soon as he is able to do so. I feel certain that his influence will be felt in the negotiations in the various conferences which will be held in the future. I know that his assistants in the Department of State who have worked with him for so long and so well will be able to carry on. I am sure they will support Mr. Dulles, and that his negotiating ability will be felt in the conferences, and will continue to be helpful even in his absence.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. AIKEN. I have been very happy to hear the expressions of good will toward Secretary Dulles which have been spoken today. I wish to join in them.

I have been a member of the Committee on Foreign Relations only 4 years, and have not been so closely associated with the work of Mr. Dulles as has the Senator from Alabama [Mr. SPARKMAN], for instance, who has just concluded his very fine statement.

I think few men in public life have given so much of their time during so many years of their lives to the formulation and administration of foreign policy as has Secretary Dulles. I know the Nation is grateful to him for his accomplishments. I know ours is a bipartisan gratefulness, also, as the Senator from Alabama has well expressed.

I do not suppose that all of Mr. Dulles' plans have materialized as he hoped they would. But we must recall that he has been serving as Secretary of State and as adviser to the Secretary of State during one of the most critical periods of history, and many of the most difficult problems the world has faced have come before him for solution. We have seen the solution of some situations which were considered virtually insoluble—for instance, the situation in Trieste. I know all of us are happy to learn that there are prospects of permanent peace and harmony in the Island of Cyprus, where the Turks and the Greeks have come to an agreement.

I believe the whole world owes a considerable debt to Mr. Dulles. I wish to join my colleagues in hoping that Mr. Dulles will have a speedy recovery, following his trip to the hospital, and soon will again be back at work. Even though everything may not have gone as he hoped it would, yet I know of no one who could have achieved a larger percentage of success than he has over these troublesome years.

Mr. MANSFIELD. I thank the Senator from Vermont.

Mr. CARLSON. Mr. President, will the Senator from Montana yield to me?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Kansas?

Mr. MANSFIELD. I yield.

Mr. CARLSON. I appreciate very much the opportunity to associate myself with the remarks of the acting majority leader [Mr. MANSFIELD], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Vermont [Mr. AIKEN], in regard to the Secretary of State, Mr. Dulles.

It seems to me that at this time, which seems to be one of our greatest international crises, our Nation and the other nations of the world can ill afford to spare the services of this most able man.

Secretary Dulles has demonstrated not only his ability, but, it seems to me, a peculiar temperament for working in this field. I think he gets that temperament and that background from being a great Christian layman. His interests are in people. I believe that is what we need during this period in the world's history. I think that one of our problems at the present time is to learn how to live with other people. Our generation has not done so well; as a matter of fact, we have fought about three wars in one generation. Somehow, in some way, our young people, the coming generation, must learn how to live with other people. When we learn to do that, I believe we shall be able to accomplish much in bringing about the peace and the economic conditions that all us of are praying and hoping for.

I wish for the Secretary of State a most speedy recovery. We need him. I know he will receive the best of care that doctors and medical skill can provide. So we look forward to his return to service.

Mr. MANSFIELD. I thank the Senator from Kansas.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a radio commentary by Jack Jurey on February 10, 1959, the evening of the announcement of the leave of absence for the Secretary of State.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This is Jack Jurey with the WTOP comment for tonight.

The newest illness of Secretary of State Dulles should cause us all to join President Eisenhower in extending best wishes to this dedicated official who, however much one may disagree with his policies, has worked so tirelessly on behalf of the United States.

We long ago lost track of the total mileage logged by Mr. Dulles in his peripatetic quest for peace, or the number of stops he has made, or the number of officials to whom he has talked in virtually all quarters of the globe.

But we do know this: that John Foster Dulles since 1953 has expended his energies and health at a reckless rate, at a time of life when most of us would be resigned to settling down with pipe and slippers. Especially since his operation for cancer, he has displayed an uncommon devotion to duty.

This newsman recalls particularly that after his next-to-last illness, a bout with diverticulitus, Mr. Dulles apologized to a news conference for not having seen reporters for a period of several weeks. Such an apology was not only unusual in an administration which sometimes seems to take a lackadaisical attitude toward newsmen, but was expressive of the inner stuff of this unusually gifted man. In many respects he is a far better public servant than some of his critics would have us believe.

Speaking of critics, it seems an appropriate time to mention that many Americans may not comprehend what has happened in the last decade to the office which Mr. Dulles holds.

For well over a century and a half, a Secretary of State was, for the most part a Cabinet official subjected only to comparatively minor strains, for the reason that the United States considered itself (and was, for the most part) a remote island in the vast sea of international troubles. In the occasional period when the Nation was confronted by brutal world realities, it was often the President himself who bore the brunt: Jefferson, Madison, Lincoln, Wilson, Franklin Roosevelt.

The post-World War II years, however, have seen an evolution and elevation of the Secretary of State's duties, to the point where this single man, whether he be George Marshall, Dean Acheson, or Dulles, has day-to-day responsibilities unparalleled in American history.

The reason, of course, is this country's reluctant emergence as a massive world power, with all the trials and tribulations that such a status implies. The world struggle with communism, conducted on multidimensional levels, is enough to strain the strength, patience, and resources of any man, and certainly one who, like Secretary Dulles, must carry with him the burdens of advanced age and the demands of an active Christian conscience.

We are among those who believe that, on occasion, Mr. Dulles has been mistaken. We consider, for example, that in some respects he has failed to demonstrate the resiliency of mind that new circumstances demand, although this criticism does not, for a moment, deny the intellectual qualifications that he brings to his task.

We who criticize, of course, could be wrong: only history will tell. But the fact that we demur on occasion does not diminish

our respect for the man himself, one who carries a very heavy load indeed.

Nor does criticism obscure the undeniable fact that in this moment of history, with the Reds pounding on the door of West Berlin, Secretary Dulles is very nearly an indispensable man to his country. It would be a matter of great concern should he not regain his health and not be able to resume his duties at the State Department.

For both personal and national reasons we express the hope that Secretary Dulles will have a quick recuperation and will be able soon again to shoulder the full weight of his office.

And that's tonight's WTOP comment. This is Jack Jurey.

THE COMING CRISIS IN GERMANY

Mr. MANSFIELD. Mr. President, let me preface my remarks with this assurance to the Senate: I am not an alarmist. I measure most carefully the words I am about to speak. In that context, I express to the Senate my belief that just ahead lies the most critical period which the United States will have had to face since the conflict in Korea.

The crisis, Mr. President, is coming in Germany. Specifically, it is coming in Berlin. Indeed, it may have already begun. For years now, the seeds of that crisis have lain dormant in a divided Germany. They have been held in check only by a kind of mutual acquiescense. The Western Powers have not wished to disturb the seeming stability in Germany. Since the Berlin blockade, the Soviet Union has not seriously threatened it. A few years ago, uprisings of East Germans shook the stability, but did not break it.

Those who have thought at all about the German situation have known for a long time that the surface calm would not last. The existence of two German authorities in what is one Germany has been, from the end of World War II, a makeshift arrangement. The Western Powers have recognized it. The Soviet Union has acknowledged it. The German leaders know it.

The key question has never been, Will Germany be unified? The question has long been, When and how will Germany be unified? Those of us who have urged an initiative in American policy with respect to Germany have been aware of this distinction. When I addressed myself to this subject in the Senate in May 1958, I had the distinction very much in mind. Because I did, I tried to deal in the specifics of an American initiative. In suggesting, last May, alternatives to present policy, my thought was that when the status quo gave way, as surely it must, the changes ought at least to hold promise of leading to the strengthening of freedom in a peaceful Germany.

Mr. CHURCH. Mr. President will the Senator from Montana yield to me?

Mr. MANSFIELD. Mr. President, I am delighted to yield to my distinguished friend from Idaho.

Mr. CHURCH. I wish to apologize for interrupting so soon the remarks of the Senator from Montana, because I believe that the address he is delivering will be a most significant one. But I wish to say that, characteristically, in his opening remarks the Senator from Montana has pierced to the nub of the issue. Conditions in Germany are going to change. Germany will not indefinitely remain divided against itself. Germany will not indefinitely continue to be garrisoned by foreign troops.

It seems to me that those who say our foreign policy must be inflexible overlook the fact that ours is not a static world.

Therefore, Mr. President, I think the Senator from Montana rendered us a service when, a year ago, he emphasized the fact that conditions in Germany would be changing, and that we must be prepared to face up to those changes if we are to cope effectively with them. Flexibility in our foreign policy is a must. A steel blade bends. Pig iron breaks.

I wish to thank the Senator from Montana for coming forward at this stage in the developing Berlin crisis with a speech which will be helpful in giving guidance to all of us, to the President, and to the Secretary of State, in our common effort to solve that crisis for the benefit of the free world.

Mr. MANSFIELD. I thank my friend from Idaho.

Mr. CLARK. Mr. President, at this point will the Senator from Montana yield briefly to me?

Mr. MANSFIELD. I am delighted to yield.

Mr. CLARK. Mr. President, we have just returned to this Chamber from a most impressive joint session with the other body, in connection with the celebration of the 150th anniversary of the birth of Abraham Lincoln. At the joint session, during a brilliant address by the great writer and poet, Carl Sandburg, he had occasion to quote a sentence from Abraham Lincoln, which I believe is pertinent today in connection with the splendid address which my friend, the Senator from Montana, is making on the German question. Lincoln said:

> The dogmas of the quiet past are inadequate for the stormy present.

I wish to congratulate my friend, the Senator from Montana, for the fine address he is making on the German problem.

However, I would not be true to myself if I did not register a slight dissent from some of the comments which have been made with respect to the Secretary of State.

It is unpleasant and unrewarding to say unkind things about a man who is in physical pain, who has shown great physical courage, who is unquestionably a patriot, who is a man of great dedication to the public interest; but I would feel untrue to myself if I did not register on the floor of the Senate a dissent to the statement that he is indispensable to the conduct of our foreign policy in the immediate future. I call attention to what I have said on other occasions with respect to this matter.

I hope that these comments will be taken in good part, and that it will be understood that I make them only because I cannot remain silent when it might be indicated that I was in accord with what has been said.

I thank the Senator for yielding.

Mr. MANSFIELD. I appreciate what the distinguished Senator from Pennsylvania has just said. I commend him for his honesty and his integrity. Of course, I recognize that it is not a new viewpoint on his part, but that he has been consistent in his views in this respect for some time. I would point out, however, that the immediate danger, as I see it, is the Berlin and the German situation. No one knows more about those situations at the present time or is better prepared to lead the allies in meeting them than is the Secretary of State. On that basis, as well as on other bases, I wish him well. I wish him a speedy recovery. I anticipate that in the not too distant future he will resume his duties, and will act, not as his own agent, but as the agent of the President of the United States, in conducting foreign policy.

Mr. CLARK. Obviously, I do not wish to engage in a colloquy of extended duration with my colleague at this time. I should like to be recorded as very much hoping and praying for Mr. Dulles' immediate recovery; but I cannot agree that there are not in the State Department others as well or better qualified than the Secretary to carry on the German negotiations. I appreciate that this is a situation on which the distinguished Senator from Montana and I disagree. I shall desist from further comment on this particular phase.

Mr. MANSFIELD. I shall desist, also.

Mr. President, I repeat, in suggesting, last May, alternatives to present policy, my thought was that when the status quo gave way, as surely it must, the changes ought at least to hold promise of leading to the strengthening of freedom in a peaceful Germany.

We did nothing, Mr. President. We took no initiative. We went on in the familiar vacuousness, in the familiar patterns of policy patterns devised years ago, in another setting, under another administration. We did not face the fact that that policy was adequate to maintain a semblance of stability in Germany only so long as all directly concerned acquiesced in the continued division of that nation.

That is water under the bridge. We did not choose to act in a positive fashion to change the status quo. Now, the Russians have chosen to break it. They have chosen to make the break at Berlin. They have said, in effect, that, after the spring of 1959, the situation will no longer be as it has been in that city. They are quite right, Mr. President. Things will no longer be the same in Berlin or anywhere in Germany. If there is any certainty, it is that the situation in Germany at the close of 1959 will be far different from the present situation. We are approaching the beginning of the end, the beginning of the end of two Berlins and of two Germanys.

The question, as I have already observed, was never, Would Germany be unified? It was, When and how would Germany be unified? We may now have begun to comprehend the when; the actual process of unification is likely to begin this year. Only one question remains: How is Germany to be unified?

Will it be by conflict, by negotiation, or by some mixture of the two? That is the question which is impelling us and the rest of the world toward the coming crisis in Germany.

CONSTITUTIONAL RESPONSIBILITIES IN THE GERMAN CRISIS

The responsibility for establishing binding foreign policies to deal with the impending crisis, the coming change in Germany, rests with the President and his Secretary of State. Let there be no doubt on that score, in this body, at home, in the executive branch, or abroad. It is not for the Senate to direct the President in this matter. The President will have to make his own decisions, with the assistance of the vast resources of the executive branch. When he speaks officially on Germany, however, he will be speaking for all of us, whether or not we agree with what he says. There is no other way under the constitutional system of the United States.

To say that is not to constrain upon the Senate a silence in these matters. On the contrary, since we shall be bound, since the people of the United States shall be bound, by what the President and his Secretary of State do or fail to do in the coming crisis, the obligation of the Senate to debate, to discuss, and to advise is real and it is compelling.

The Senate of the 86th Congress was not constituted so that it might ignore pressing domestic questions. How much less then, can we remain silent on the life-and-death matters of foreign policy? The President and the Secretary of State have given no indication that they would have this body turn its back on the crisis in Germany. On the contrary, I note that the Secretary of State has already sought the counsel of the distinguished chairman of the Committee on Foreign Relations [Mr. FULBRIGHT]. I commend the Secretary for his initiative. The brilliant chairman of the committee has much to contribute to the development of policy for the situation in Germany.

If the Senate is to meet its responsibilities, Mr. President, we must form, through debate and discussion, an understanding of the situation as it is, and as it is evolving in Germany. We must also discern clearly the stakes of the people of the United States and of freedom in that situation. We must advance, finally, ideas for consideration in formulating the foreign policies which are to safeguard the vital interests of our people.

These are the thoughts which have led me to these remarks on the coming crisis in Germany. I make them in the spirit of responsible Democratic cooperation with a Republican administration in a matter of vital concern to all the people of the United States.

TWO GERMAN AUTHORITIES IN ONE GERMANY

Let me begin by exploring the significant realities in Germany, as I see them. The basic reality, Mr. President, is that there are two political authorities in one Germany. That is a contradiction which cannot and will not stand. There is one Germany. And there are compelling historic and practical reasons which require that the unity of that nation begin to emerge without delay if there is to be peace in Europe and in the world.

I stress the point, Mr. President, that when we speak of the two Germanies we are really speaking not of two nations but of two political authorities. Each of these authorities presumes that it is the wave of the future in all Germany. Each seeks to draw the whole of the German people into its orbit.

To be sure, there are profound differences between the West German government in Bonn and the East German Communist regime in Pankow. The Bonn government is based upon principles and practices of democracy which are consonant with those of other Western nations and are expressly supported by the inhabitants of West Germany. The Pankow regime exists by the methods of authoritarianism which come from the East. Its source of authority lies in the will to power of those who wield the authority and the acquiescence—however sullen—of the repressed people of East Germany. Its survival depends, to a far greater degree than anything we know in the Western democracies, on military and police power—its own and the Soviet Union's.

The West German democratic government exists. It is there, at Bonn, and the Communists are not going to wish it away or subvert it away. It is going to stay as long as the people in that zone sustain it and as long as the Western nations remain committed to its protection against military aggression from the East. We cannot ignore the fact, however, that the East German regime also exists. It is there at Pankow, and German communists run it, even though Russians may pull the strings from behind the curtain. Unfortunately, I see no evidence that the Western nations are going to wish away or subvert away that East German political authority in the practicable future.

If neither side can be wished away, or subverted away, how then is the division of Germany going to be made to disappear? How is a unified Germany, this essential Germany, this inevitable Germany, going to emerge? There was a time, perhaps, when it might have been reasonable to hope that the Russians and German Communists would soon find it too costly to maintain their control in East Germany. For years we have waited for this promised development. We have waited for the Russians and their campfollowers to fold their tents and steal away.

What we must ask ourselves now is whether there is any realistic basis for hoping that this development will come about in the practicable future? I regret to say that such public indications as there are suggest that the Pankow regime, with Soviet support, is consolidating its position, that its authoritarian hold on East Germany is, if anything, more secure today than it was a few years ago.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. With respect to the last thought expressed, the Senator from Montana has stated that the authoritarian hold on East Germany is now greater than it was before. Will the Senator deal a little more in detail with that, and state whether the hold is the result of the power of the Communists, or whether it is the will of the people that they be held by the Communists?

Mr. MANSFIELD. I should be delighted to try to answer my distinguished friend from Ohio. I can say, of course, without equivocation that the present status is not the desire or the will of the people. The source of my statement is the U.S. News & World Report, the issue of February 13, 1959.

I read from page 67, at the bottom:

> East Germany's Communist government has just published official figures on its planned expenditures for 1959.

Before I read further I wish to say that all the information I have in my presentation has appeared in the public print. There is nothing secret or official about what I am saying, and it simply represents one Senator's opinion as to what I think is the most difficult and dangerous question of today.

I continue with the quotation from the U.S. News & World Report:

> West German financial experts, looking into the Reds' figures, in the budget and out of it, made a startling discovery.
>
> Military spending by the East German Reds in 1959 is to be 30 percent higher than military spending planned by West Germany. Yet the Reds say that West Germany is threatening the peace of the world.

That is what I mean when I say that the Pankow regime is more secure, not in a political sense but in a military sense. They have been strengthening themselves on a military and paramilitary basis. Of course, the 22 to 28 Soviet divisions are still in East Germany.

Mr. LAUSCHE. I agree with the Senator. My inclination would be to believe that the people of East Germany, if they had the opportunity, would unshackle themselves of the hold which the Soviet has upon them.

Mr. MANSFIELD. The Senator is absolutely correct. I have been told that the figure would run as high as 95 to 96 percent of the East Germans who, if they had the opportunity to vote, would vote against the present Ulbricht regime.

Mr. LAUSCHE. But the fact is that the Soviets and those of East Berlin who agree with the Soviets are applying constantly heavier pressure in the development of the military?

Mr. MANSFIELD. The Senator is correct.

Mr. LAUSCHE. I thank the Senator very much.

Mr. MANSFIELD. Mr. President, it is all very well to hope, as a general principle, for the disappearance of totalitarianism. We have held that principle for decades, but we have also had to live in a world which has contained since its beginning and still contains many totalitarian regimes

No, Mr. President, a valid policy on Germany, now, must be built on more than the hope of the eventual disappearance of German totalitarianism. It can only be built on the premise that Germany, in one way or another, is going to unify and it is going to begin to unify soon. Further, it can only be built on

the premise that that unity in Germany, if it is to come in peace, is likely to fall short of the ultimate goals set for it by both the Communist nations and the free nations—the goal, on the one hand, of a Communist totalitarian Germany, and the goal, on the other, of a fully representative democracy in all Germany.

Until a few months ago there might have been a possibility of evading that reality for a while longer by assuming that the status quo of division in Germany might go on indefinitely. But the prospect of evasion is now narrowing rapidly in the wake of Mr. Khrushchev's announcement of the coming Soviet withdrawal from Berlin. The blunt fact is that soon either negotiations leading to German unification in peace shall begin in earnest or there shall begin in earnest the use of force to that end.

BERLIN—THE CORE OF THE COMING CRISIS

This brings me to a second matter which we must explore, Mr. President, if we are to see our way clearly in the impending crisis. That is the question of Berlin. It is at Berlin, divided Berlin, and along the western routes of access to the city, that the first indications of the conflict leading to war or the success of negotiations leading to stable peace are likely to appear in the coming months.

I shall not take the time of the Senate to review the historic circumstances surrounding the present difficulties of the Western position in Berlin. It is simple enough to find fault with what was done or not done by political and military leaders years ago. It is as easy, as it is pompous, to pass angry judgments on others, with the prop of hindsight. That process will serve no useful purpose in this situation.

Nor shall I take the time of the Senate to review the legal status of our position in Berlin. Some may find solace for our difficulties in legalism. Even the Russians sought justification for their actions in it. But legalism is at best a dubious way to deal with an explosive situation, when there are, as there are in this situation, two opposing judges, two opposing judgments, and two opposing instruments of mass destruction for enforcing the judgments.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I wish the Senator from Montana would discuss in a little greater detail the element of legalism being introduced. I have my own understanding of it. I think we are advocating the proposition that there are certain legal obligations rooted in agreements which we have made in the past, and that in making our demands we insist upon adherence to those obligations. Does the Senator mind discussing that question?

Mr. MANSFIELD. The Senator from Ohio is correct. References have been made to the agreements made at Potsdam relative to the occupation of Berlin.

References have been made to the agreement entered into by Gen. Lucius Clay, at that time commander of our forces in Germany, with the Soviet authorities, by means of which we were guaranteed by the Soviet authorities access by rail, by road, and by air, from the western zones in Germany into the western sectors of Berlin.

Then, as I recall—and I believe the Senator will corroborate me on this—some sort of agreement was made by Mr. Phillip Jessup and a Russian representative whose name I cannot recall at the moment, which agreement Mayor Willy Brandt brought to our attention at the luncheon held in the Foreign Relations Committee room the other day. If I remember correctly, he stated that out of these Jessup-Russian consultations and agreements, which brought an end to the need for the allied airlift into Berlin, also came an agreement that we be allowed continued access. He suggested that we look into the agreement to which he referred as the agreement of 1949. Unfortunately I have not had an opportunity to do so yet.

But there are these agreements, or alleged agreements, which give us the right to go in and to maintain access between the western zones and the west sector of Berlin.

The Russians predicate their claims on similar agreements, which they say were made at Potsdam and elsewhere.

Mr. LAUSCHE. It is the position of the Senator from Montana, then, that the problem is more involved and far graver in its possible consequences to world peace than mere adherence to those agreements would justify. We must go beyond that.

Mr. MANSFIELD. The Senator is absolutely correct, because in my opinion the potentials involved in this situation are terrible and tremendous.

Mr. LAUSCHE. I thank the Senator.

Mr. MANSFIELD. It does not much matter now how we got to Berlin, or why the Russians have no legal right to ask us to leave. What does matter, Mr. President, is why we need to stay in Berlin, as stay there we must. We are, bluntly, in a highly difficult and dangerous position in Berlin. Great sacrifices may be entailed in remaining. We had better understand clearly now the significance of maintaining our position there. We had better understand now what is vital and what is not vital in that position to the people of the United States and to freedom.

The administration has responded to the Russian proposals on Berlin by reiterating a long-standing view of the Nation. It has said, as the Democratic administration before it said, that we will not be driven from the city. The position of this Government, to stand firm in Berlin, has been endorsed by the North Atlantic Treaty Organization. It is supported by Democrats and Republicans alike in the Senate.

It is a sound position. Only it is not enough. It is not enough to say, Mr. President, that we are standing fast in Berlin. That is a slogan, not a policy. Nor is it enough, Mr. President, to stand fast merely to demonstrate our determination to maintain our legal interpretation of the situation as against the Soviet Union's.

Nor is it enough to say that we stand fast in Berlin so that we may continue to demonstrate in the heart of Communist Germany the material superiority of freedom or free enterprise over Communist collectivism. To be sure, there is a striking contrast between West Berlin and East Berlin, but I doubt very much that the people of the United States will countenance the sacrifice of a single human life for the purposes of propagandistic demonstrations in Berlin. And before this year is out many lives may have been spent in Berlin.

No, Mr. President, it is not for reasons of legalism or propaganda that we stand fast in Berlin. The Western nations are in Berlin because Berlin belongs neither to East Germany nor West Germany; it belongs to all the German people. We are in Berlin because some Germans may now look to Bonn and others to Pankow for leadership, but all Germans will soon look to Berlin. We are in Berlin to see to it that when that city is once again the capital of all Germany, as it surely will be, the concept of freedom in peace will not be absent from the scene. If that concept were to disappear from Berlin, the citadel of German nationalism, sooner or later it would disappear from all Germany. Then, sooner or later, the torch would be lit in Germany, whether by German hands or some others, to set Europe and the world aflame once again. That torch was lit twice in Berlin in the past, and twice the world has paid an enormous human price. To see that it is not lit again is in the essential, the vital interest of this generation and future generations of the people of the United States.

That, Mr. President, is the reason which beyond all others, justifies the taking of the great risks which we may soon be called upon to take at Berlin and along the western routes to the city. We are in Berlin in order to get out, but to get out only on condition that the German political forces which stand for freedom in peace have a sure footing and equal chance to survive and to grow on their merits in the future capital of all Germany.

I support fully the position of this administration on the necessity of standing fast in Berlin. I question, however, the adequacy with which we have related that position to the changing situation in Germany. I question a policy which provides that not only do we stand fast in Berlin, but also implores or demands that the Russians stand fast. After years of trying to get the Russians out of the innumerable places into which they sprawled after World War II, it is indeed strange to hear that we are insisting that the Russians must not, indeed, cannot, leave Berlin. That is a most peculiar position to say the least; and the Russians obviously have no intention of obliging us by remaining.

It is clear what is afoot there. In a few months hence, the Russians will leave East Berlin despite our demands or urgings to the contrary. East Berlin will then be, once again, a German city—Communist, to be sure—but nevertheless German. By contrast, West Berlin will retain the appearance it now has, the appearance of a Western enclave in the heart of Germany, for there are thousands of Allied officials and military per-

sonnel in the area. The contrast will not be lost on German nationalists in East or West Germany.

Further, Mr. President, if we are to hold this enclave without struggle, it will be at the sufferance of the East German Communist authorities. If they do not choose to accommodate us, then we shall in all probability have to fight our way through to Berlin, not against Russians, but against Germans. Even if this course does not lead to a great conflict, the repercussions in Germany will be profound. Among Germans, as among others, blood may prove thicker than ideologies.

As I said, there can be no quarrel with the need to stand fast in Berlin. I do question, however, a policy which does not anticipate the developments which I have just outlined and fails to take steps to mitigate them.

I question, too, a policy which presumes as our policy does that the Great Powers of World War II—the Soviet Union, the United Kingdom, France, and the United States—can bring about German unification. There may have been a time when such a course was possible. If it ever existed, however, it was years ago when Germany lay devastated and prostrate. It was years ago, in the freshness of the common sacrifices of World War II and in the measure of mutual respect and tolerance which these sacrifices engendered.

Those years are gone. The time is not today. Today, there is little respect between this Nation and the Soviet Union except the fearful respect which the military power of the one may generate in the other. Today, Germany is neither devastated nor prostrate; it has become once again the most dynamic nation in Western Europe.

No, Mr. President, the erstwhile Allies, the divided Allies of World War II, are not in a position to ordain a unification in peace for a revitalized Germany. At most, they may be able to contribute to that unification by rethinking their own security needs in anticipation of its inevitable development. At most, they may be able to contribute to unification by exercising such influence as they may possess to encourage the Germans themselves to reach a reasonable procedure on unification and by sanctioning that procedure if it is sound. It is the Germans, themselves, however, who will make the decisive decisions on unification, if they are to be made in peace.

FREE ALL-GERMAN ELECTIONS

Further, Mr. President, I question, in present circumstances, a policy which presumes to lead to the peaceful unification of Germany solely on the basis of free, all-German elections. I say now what I said last May on this point, only with more emphasis. Events have moved a long way since this policy was devised and the bell no longer has an altogether recognizable sound when it is rung over and over again in the same fashion. A German political authority has emerged in the West. Another political structure has appeared in the East which is manned by Germans, even if it is not directed by them. Whatever we may think of this structure, there is no reliable indication that it is going to go away peacefully, of its own accord.

There are now military and paramilitary German forces in both East and West Germany. How are these forces to be integrated in peace? Is this a problem that can be solved by free, all-German elections, at least without extensive preparations by the Germans who officer these opposing forces?

There are differing economic and social structures functioning in Western and Eastern Germany. How are these structures to be fused in peace? Can they be harmonized by free, all-German elections, at least without extensive preparations by those Germans who operate them?

I cite these problems as examples. There are no doubt others of a similar nature. A policy which advances no thought on how they are to be met does not begin to meet the realities of the German situation. If the unification of Germany is essential and inevitable and if it is neither our responsibility nor in the interest of this Nation to seek that unity by force, then I submit that a policy which merely clings to an unrealizable slogan of free all-German elections, which does not pursue German unification by other means, is no policy at all. It is a straitjacket. It is an excuse for immobility. It may well lead down the blind alley of an unnecessary conflict or disastrous diplomatic retreat.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. I take it, from what the Senator has stated, that the efforts to procure an overall election of citizens of East and West Germany have thus far proved to be futile.

Mr. MANSFIELD. The Senator is correct.

Mr. LAUSCHE. The East Germans will not consent to have an election under which their people can give expression to the type of government they want. Based upon the fact that that objective is an unrealizable objective, an overall free election, the Senator from Montana suggests that other means should be explored to procure a solution of the problem. I wish the Senator would comment on that point.

Mr. MANSFIELD. I believe that the position of the Western Powers on the question of all-German elections is one which stands no possibility in the immediate future, and perhaps in the indefinite future, of achieving any degree of success. Therefore we should try to work out other means.

As I shall indicate in the course of my speech, there are contacts in existence between the East German Government and the West German Government. These contacts are made on an interzonal basis, and are tied up with commercial intercourse and trade commitments. I would hope that in considering the idea of elections, we might be able to explore, perhaps, ideas other than all-German elections, even though they are the most desirable, and I should like to see them come to pass, and we might try to break it down—and the sooner the better—so that the East Germans could express themselves at the polls, perhaps just in East Germany, and declare to the world where they want to go. In that way they might get out from under the yoke the Ulbricht government, which is exercising despotic and complete control over 17 million Germans in East Germany.

Mr. LAUSCHE. The Senator from Montana clarifies my mind on the subject. In other words, all of us want a free election under which the people themselves would decide the type of government they desire to have.

Mr. MANSFIELD. Absolutely.

Mr. LAUSCHE. However, every effort in that direction has been rebuffed, and it is therefore necessary to find other means of trying to reach an agreement.

Mr. MANSFIELD. That is the idea. The Senator is correct. Every effort to achieve an all-German election has failed because of the insistent and dogmatic "nyet" of the Soviet Union.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. SPARKMAN. Do I understand correctly the position of the Senator from Montana to be that, while he adheres to what we have advocated so long, that is, free elections for all of Germany, and the idea of a unified Germany, he recognizes the very practical difficulty of having that under present conditions? Therefore he says that perhaps we ought to make ourselves more flexible and start exploring some other way, and that there might be held a separate election in East Germany and a separate election in West Germany, and thus perhaps there could be agreement upon some kind of independent government in each of the two areas, with the idea that eventually, as he says, because blood is thicker than water, with teamwork the two temporary Germanys will combine themselves into one overall united Germany some time in the future, even though we know not how far in the future.

Mr. MANSFIELD. The purpose of my speech today is to suggest, respectfully and constructively, some possible alternative which may be of value to the Department of State, or out of which may come ideas which would be worthwhile toward the bringing about of a solution to this most difficult problem.

Mr. SPARKMAN. I should like to propound a question to the Senator from Montana. He spoke about the rigidity of our position in the past. Undoubtedly it has been rather rigid, so rigid that perhaps our country, as well as a great part of the world, was rather shocked recently when Secretary Dulles suggested there might be more flexibility than we have given to the idea, and when he suggested there might be methods other than free elections for the solution of the problem. Is it not true, and would not the Senator agree with me in this, that perhaps we have oversimplified the matter in assuming that a reunification could be easily brought about between the two Germanys?

I may say that about 3 years ago I had the pleasure of attending an international conference at Garmisch in Germany. The conference was made up of

people from all the NATO countries, representatives of governments, officials, business people, economists, members of Parliament, and so on, and one of the German Ministers with whom I had quite a long talk made the point to me, the first time I had ever heard it mentioned, that reunification is not a simple matter. As has been pointed out by the Senator from Montana, it might have been a relatively simple matter several years ago, right after the war. But since that time the two Germanys have grown away from the conditions which the Senator has so well described in his speech. They have grown away from some of the incentives which might have pushed them together.

Furthermore, different enactments have taken place. For instance, the Minister of the Bonn government said to me, "This may sound strange, coming from me, but East Germany has a social security system which in many respects is better than ours."

Mr. MANSFIELD. It also antedates our own.

Mr. SPARKMAN. Yes. Although I was speaking of the social security of West Germany, it is also true that theirs antedates ours, too.

East Germany has a system which is in many respects better than that in West Germany, so the East Germans could not be asked to give up their system of social security, workmen's compensation, and land reform.

The Senator from Montana, I believe, heard me ask the mayor of West Berlin the other day that very question, and he heard the mayor's comments, to the effect that to bring the two Germanys together, whenever it may be done, will necessitate the resolving of differences and the making of allowances between the two governments. As I understand, that is exactly what the Senator is talking about. He is speaking of the necessity on the part of those concerned to be ready to consider and to negotiate with reference to all the changes which have taken place throughout the years.

Mr. MANSFIELD. The Senator is correct.

Mr. SPARKMAN. I commend the Senator from Montana for making this very able speech and calling to our attention a matter which is not only of tremendous importance but also of great timeliness. After all, the ultimatum will expire on May 28, which is not far off. It has been suggested since the ultimatum was made that perhaps there will not be absolute adherence to that exact date. Nevertheless, we are approaching the day when Russia will leave Berlin.

I think the Senator is correct in saying that Russia will leave, and that the United States will be placed in a rather ridiculous position if we try to keep Russia there, when, as a matter of fact, we have been saying to the world for many years that she should get out of the different countries which she occupies.

Mr. MANSFIELD. As a matter of fact, the Soviet Union has already withdrawn some of its troops and a considerable number of the dependents of those troops. So it does not appear that Russia was fooling when it delivered its ultimatum. I hope that the United States will do, as I feel certain we are doing, everything possible to develop alternatives and to consider ways and means to meet the situation, if and when it arises, when the deadline occurs, as the Senator from Alabama has pointed out, on May 27.

Mr. SPARKMAN. I think the Senator from Montana is exactly correct. Certainly we should be exploring all the alternatives. I think the Senator will agree with me that we ought not simply, easily, and quickly reject any proposal which is made, but that we should be willing to let the world know that we are willing to sit down and negotiate concerning every proposal which may come from either side.

Mr. MANSFIELD. Yes. I hope both the Soviet Union and the United States will get away from the automatic reactions of the proposals which one country makes to the other. Usually the answer is an automatic "No." Once in a while a "maybe" or a "perhaps" and occasionally a "yes" would be useful. I think in that way we might begin, at least on the marginal level, to do away with some of the differences. If we can do that, perhaps we can work our way upward to an eventual solution of the bigger problems.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. LAUSCHE. The other day, in the talk with the mayor of West Berlin, I was greatly encouraged by his reasonableness in wanting to explore every avenue which might lead us out of darkness into the light and to an assured peace for those people. May I ask the Senator from Montana if he has given any consideration to the ability of the Soviet Union, after it has once withdrawn its troops, to jump in again because of its closeness to this area of East Berlin?

Mr. MANSFIELD. I have, indeed. If the Senator will bear with me, I shall discuss that subject briefly when I come to the ninth point in my recommendation.

Mr. LAUSCHE. I thank the Senator from Montana.

MILITARY WITHDRAWAL IN GERMANY AND CENTRAL EUROPE

Mr. MANSFIELD. Finally, Mr. President, I question a policy which appears to regard as sacrosanct present military arangements in Germany and central Europe. I can understand, I can accept, I can support the concept that Western Germany's ties with Western Europe are essential to the peace of Europe and they must not be broken. Within that concept, however, I cannot comprehend a view which seems to hold inflexibly to the present form and extent of German rearmament. We have accepted and even encouraged rises in the German military contribution to NATO in certain circumstances in the past. I do not see that we cannot accept and encourage declines in that contribution in other circumstances in the future.

Security needs are ever-changing needs. Western German rearmament is not an end in itself. It is for the purpose of the defense of German freedom in common with the defense of the freedom of the Western community. It is not for the purpose of keeping rigid the tables of organization and the projections of presumed needs by the military command of NATO. These projections, in any event, have not been met for years and the world has not yet come to an end.

The nature and extent of German rearmament and of non-German armaments on German soil, in short, is one area of the problem of unification in which reasonable proposals for negotiation, wherever they may originate, ought not to be rejected out of hand. That is especially the case if these proposals are related to the reduction of military power throughout central Europe. I know full well that the Russians may have no intention of withdrawing from the Eastern European States in any circumstances. Nevertheless, I can see no reason to make it easier for them to justify their remaining by a seeming intransigence on our part. I cannot see that the road to the eventual freedom of states like Poland and Czechoslovakia is made easier by such a process.

RUSSIAN ROLE IN THE COMING CRISIS

Mr. President, let me turn now to the question of Russian intentions in the coming crisis in Germany. In this matter there is only one certain course. Whatever they may do, we must assume that the Russians are acting to enhance the position of the Soviet Union and that of totalitarian communism throughout Germany and Europe. We must also assume that they will use whatever methods they believe will lead to these ends, not excluding aggressive war. The Russians may blow hot or they may blow cold. They may down a plane on their border one day. They may release a blocked convoy the next. We cannot know with certainty why they act as they act at any given moment.

We cannot know with certainty the purport of Mr. Mikoyan's recent visit to the United States. We cannot know with certainty the meaning of Mr. Khrushchev's comments on a thaw in the cold war. They may be meant to provide a setting for successful negotiations. They may be meant simply to confuse or beguile.

If they do confuse, if they do beguile, however, we shall have no one to blame but ourselves. We ought to be able by this time, years after the ill-fated Geneva Conference of 1955, to distinguish between the conciliatory gesture and the act of conciliation. Those of us who come from the cold country have learned through bitter experience that winter thaws can be followed by summer frosts. The promise of spring in February is not the same as the coming of spring in May.

There is, as I say, no way of knowing with certainty what some particular Soviet gesture or other signifies. What we can know, Mr. President, is that they are all, good or bad, peripheral to the crisis which is coming in Germany. Mr. Mikoyan's visit is not going to free us from that crisis. Mr. Khrushchev's thaws will

not do it. Increased Soviet-American trade has little relation to it.

If we are to be prepared to face this crisis in Germany it will be best not to become distracted or obsessed by the twists and turns of Soviet behavior. It will be best to keep our eyes on Germany. The fundamental question of policy for us is not so much what the Russians are looking for in Germany. We know what they are looking for; and they may very well seize it while we amuse or fascinate ourselves by trying to interpret the charades of Russian behavior.

No, Mr. President; more important, far more important, to us is to know what we ourselves are seeking in Germany. We must bring to this crisis not only courage, but also conviction. We must bring to it a positive and understandable policy which meets our essential national needs and the essential needs of freedom.

THE ESSENTIALS OF A WESTERN POLICY IN THE COMING CRISIS

As I noted earlier in my remarks, it is not for the Senate to direct the President and the Secretary of State in the conduct of the foreign relations of the United States. But it is a responsibility of Senators to try to contribute constructively—and I wish to repeat the word "constructively"—to the policies which govern those relations. It is in that sense, Mr. President, that I seek, in these final comments, to express the thoughts which this exploration suggests—thoughts on the essentials of a sound Western policy for the coming crisis in Germany. I have no crystal ball. I have no secret information. I have not been coached by anyone, nor have I been asked by anyone to deliver this speech. What I suggest may not be valid in the light of the greater understanding of others. It is one Senator's views, based upon what he has read, what he has heard, what he has tried to reason. It is, in short, the course which suggests itself to me on the basis of the understanding which I have been able to draw out of the confusion and complexity of the German situation. I can be—and may well be—wrong; and I stand ready to accept a better illumination of the problem through discussion and debate in the Senate. For whatever they may be worth, however, I outline the following points as essentials of a sound Western policy on Germany.

First. It is essential, Mr. President, that forces representing the concept of freedom in peace not be driven out of Berlin. They need, at the least, to remain on a basis of equality with the forces of totalitarian communism in the future capital of Germany. If those forces are to have a chance to remain in peace, a Western initiative for peace is essential.

Second. It is time to call upon German leaders of the two Berlin communities—East and West—to begin serious efforts to unify the municipal government and public services of that city.

Third. To that end, Mr. President, it would be helpful to enlist the conciliatory services of the Secretary-General of the United Nations. If agreement can be reached by East Germany and West Germany to establish an all-Berlin government, then it will be desirable to replace both Soviet and Allied forces with a United Nations interim police force composed of contingents from nations not directly involved. That force might supervise the agreement, and might see to it that all the routes of access to the city remain open until Berlin once again becomes the capital of a peaceful, unified Germany. It may be that in the Berlin microcosm there may evolve patterns of unification which will be applicable to the larger problem of all-German unification.

Fourth. If this approach or some such approach to a unified, neutralized Berlin fails, Mr. President, then it is essential that the forces representing the concept of freedom in peace in Berlin remain in Berlin, regardless of whether the Russians leave. Let them go, if they will. I would not wish to see this country a party to any insistence that they stay.

Fifth. At the same time, however, the forces representing freedom in Berlin must be Germanized as rapidly as possible. It is time to think seriously of replacing the thousands of allied military personnel in Berlin with German militia, fully supported by NATO guarantees.

Sixth. Some may regard discussions between Germans of the West and Germans of the East as tantamount to recognition of the East German Communist regime. Some who regard as appeasement not only talk, but even thought, which apparently is alien to them, on the serious problems of the Nation, may even go so far as to label with this stamp of political chicanery any proposals of meetings between East and West Germans. Let them do it, Mr. President; it is their privilege.

But let me say this: If talk constitutes recognition or appeasement, then we have appeased and recognized Communist China, because a representative of this Government has been talking on its behalf, on and off, for years, with a Chinese Communist representative in Geneva and Warsaw. If talk constitutes recognition or appeasement, then the West Germans have recognized and appeased Pankow for years. The fact is that East Germans and West Germans have worked out practical agreements of various kinds between the two zones of Germany. As early as 1957, West Germany's exports to East Germany for the year totaled $201 million. During the first half of 1958, $125 million in trade moved in each direction. That kind of trade, Mr. President, does not take place without talk.

I do not know what the theory of international law may be. I do not know whether talk is tantamount to recognition. I do know that, as a practical matter, we have talked with, but have not recognized, Communist China. West Germans have talked with and traded with, but have not recognized, Pankow. What is involved in the coming crisis in Germany is not a classroom problem on the theory of international law. It is the life or death problem of peace or war. The stake is the lives of tens of millions of human beings, Americans included.

I cannot see that there is going to be any peaceful solution of this problem without a great deal of talk—between Germans who are in authority in the Federal Republic and Germans who purport to be in authority in the Eastern zone. It seems to me essential, moreover, that this talk cover the whole range of problems of unification of the two zones, the whole range of problems involving the harmonizing of the political, economic, and military systems of the two zones.

Seventh. There is a point beyond which the search for peace can lead to the jeopardizing of freedom. Regardless of whatever agreements emerge, it seems to me essential that the people of East Germany have some genuine choice in the form of control which is exercised over them. There must be provision for the protection of the rights of all peaceful political forces in all Germany. All-German elections may not be essential—although I think them highly desirable—but at least there must be a chance for men and women of Eastern Germany, as well as those of Western Germany, to express themselves and their political preferences and to participate in political affairs without the threat of terror.

Whatever may be the details of the fusion of the two zones, they are best left to the Germans of the two zones. The Germans are likely to know better than anyone else what will suit them and what is possible among them. Furthermore, it is inconceivable that at this late date the erstwhile allies of World War II can work out these details on their behalf.

Eighth. The contribution which the Western allies, as well as the Soviet Union, need to make, if there is to be peace, is to guarantee, for a period of time, the kind of unified Germany which may emerge from discussions among the Germans. What the former allies need to do is to see to it that a unified Germany neither is subjected to military pressures from its neighbors, nor becomes a source of military pressure to its neighbors.

Ninth. To that end, Mr. President, it is essential to include within the scope of our policy the search for agreements which, while they do not compel a severance of West Germany's numerous ties with Western Europe, may lead to limitations of armaments throughout Germany and central Europe. Also needed are agreements which will pull back the so-called ultimate weapons and the armed forces of both East and West from the points of imminent contact in Germany and in central Europe. In short, Mr. President, it seems to me essential that our policy, NATO's policies, do not exclude a careful consideration of the Rapacki plan, the Eden plan for a demilitarized zone in middle Europe, or similar proposals in connection with the unification of Germany. Perhaps the best way to consider these matters would be to predicate them on reasonable agreements which may emerge from the Geneva Conferences on Surprise Attacks and the Suspension of Nuclear Tests.

Now getting back to what the distinguished senior Senator from Ohio [Mr.

LAUSCHE] mentioned a while ago, he asked, I believe, if I recognized the significance of a pullback and how it would benefit the Soviet Union. I do recognize that in some kinds of pullback the Western Powers would receive the worst of it, but I think we ought to recognize also that if there is to be any possibility of peace, we shall have to make some concessions; this might be one of them. We need to recognize that in so doing, if a withdrawal, based on a reasonable solution were brought about, we would be the ones who would take a loss in position, since the Soviet divisions, in going back to the heartland, would be in striking distance and would be better prepared than we would be to carry on any military activity in that area. But we have to develop give and take, by starting from the bottom and working upward. If we do not get out of the position of rigidity, I believe the situation in Berlin and in Germany will become worse, and the bases on which there can be peace will become fewer and fewer.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Ohio.

Mr. LAUSCHE. I agree with the statement of the Senator. In my opinion, there is a condition existing in which, if the Soviet Government continues to dictate to the government of East Berlin, it will be impossible to bring about a reconciliation of East and West Berlin. Soviet Russia will not tolerate it. Based upon the adamant position of Soviet Russia, and based upon the rigidity of the situation as described by the Senator from Montana, while the matters about which I have spoken are highly desirable, I agree we should look for other avenues to escape the great holocaust which seems to be threatening us in the future. I, for one—and I believe confirmation has been given to this view by the mayor of West Berlin—would want every avenue explored, talks had, continued talks, in the hope that some solution may be found.

Mr. MANSFIELD. The Senator is correct.

Mr. President, I have taken a great deal of the Senate's time today. I have tried not to take it lightly. I have done so because it is clear that this administration, following the example of its predecessor, has committed the Nation to stand fast at Berlin.

It is a resolve well taken. Since we cannot yet perceive to what extremity of sacrifice it may lead in the months ahead, I have felt it essential to try to set forth for the consideration of the Senate my understanding of what is involved in the coming crisis in Germany. I am grateful that in this crucial time the Senate's principal Member in these matters, the outstanding Senator from Arkansas [Mr. FULBRIGHT] is a man with such a deep understanding and intelligent grasp of the international forces that play on the Nation. I hope that he will make his voice heard; I am sure that the President and the Secretary of State will listen most carefully. I would hope, further, that between them will evolve a policy that all of us, as Americans, will be glad to support.

Most important, Mr. President, I hope that the President of the United States, his Secretary of State, and the Congress will fortify the resolve to stand fast in Berlin with the conviction which only a positive policy for peace can give it. The Secretary of State has spoken of mutual concessions. Those are calm and wise words for this moment in time, with the clouds of radioactive death waiting to envelop the earth. I hope, deeply, that they will lead to a positive policy for peace. It is that kind of a policy for which rational men everywhere are waiting. It is that kind of a policy which they will be able to comprehend and to which, if need be, they will be able willingly to consecrate their lives.

The policy has yet to be formed. It needs to be formed soon. If it is formed, the concept of freedom in peace will not perish in Berlin, in Germany, or in the world.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JOHNSON of Texas. It has been a treat to be privileged to hear an excellent speech, such as the one which has just been concluded by a great man. The distinguished Senator from Montana has made many contributions to the cause of peace in the world, but none more important than his forceful statement today. Always responsible, always constructive, we his colleagues in the Senate take great pride in serving with him.

On behalf of the State which I represent, I wish to say to the State from which he comes that the world is a better world because of MIKE MANSFIELD, and that the suggestions he has made today, predicated upon the great philosophy of Isaiah's advice, "Come now, let us reason together," should be heard around the world.

I thank the Senator for his constructive contribution. I feel very humble to be able to sit in his presence.

Mr. MANSFIELD. I thank the distinguished Senator from Texas.

Mr. President, I yield the floor.

Mr. WILEY. Mr. President, I was given a copy of the fine address which the distinguished Senator from Montana delivered today. I read it, and I have heard part of the address today.

I agree very much with the very fine encomium paid by the distinguished majority leader to the Senator from Montana. As many folks have said, "MIKE MANSFIELD is a real guy." I agree with that statement.

I can agree with much the Senator from Montana has stated. I particularly agree about the need for us in this Chamber to discuss responsibly and constructively not only foreign policies but also all measures in that manner. Full and free debate was and is an essential element of a bipartisan approach.

I wish to say to the very able Senator, there is no need for the Senator to reassure the Senate regarding his serious purpose and his careful choice of words. I and my colleagues on this side of the aisle always are confident the Senator will give sober, intelligent and constructive addresses on any subject, foreign policy or anything else. He is "that sort of guy," as someone has said. The Senator has set high standards for himself, and I congratulate him.

I should like to record my agreement with the Senator concerning the seriousness of the Berlin situation and the need for all of us to maintain open minds and the utmost of flexibility, in considering possible avenues for a possible resolution of the problem, in accord with the free world interest. Indeed, I think we have been given a sound account of the background of the situation in Germany, as well as a number of clues—I hesitate to call them all essentials—toward finding the peaceful solution we seek.

However, I should also like to state my belief that at least two main elements in the current German scene have been barely mentioned in my colleague's notable speech.

The first missing ingredient concerns the past and continuing requirement that the United States consult with and move in concert with its allies, especially France, Great Britain, and West Germany. There is no question that the Soviet Union, acting only in its own interests, in the very nature of things has been able to represent itself as ostensibly more flexible than the West in propaganda and diplomatic approaches to central European problems.

We must remember that the West German Government itself has been a foremost exponent of firmness in dealing with the U.S.S.R. This point gains in importance when we recall the remarks made by the Senator about the unification question being one for action by the Germans themselves.

We know who holds the strings in East Germany. We know who controls East Germany. We might as well look that fact in the face. They not only control East Germany, but they also control Czechoslovakia, Bulgaria, Rumania, and all the Baltic States. It is not a question of the East Germans and the West Germans getting together.

We were told the other day by Willy Brandt, a statesman, which was confirmed to me personally by Mr. Adenauer, that if the East Germans had their own way 95 percent of them would join with the West.

In fact, I could not help feeling that the address of my distinguished colleague had a slight tone in it which was hard to understand. The Senator seemed to alternate back and forth between giving us and the Germans primary responsibility for taking the initiative. I do not complain, for this is a natural consequence of the great complexity of the issues at stake. More important, I do not complain of any sacrifice of flexibility which may be inherent in our need to act in agreement with our allies, for I am certain that we can all agree the Western alliance is the cornerstone of the free world security.

The second missing ingredient, in my view, is the lack of recognition accorded to the efforts of our Government and to the efforts of our allies over the years, to say nothing of the recent concentrated work over the past weeks and months,

toward finding ways to negotiate this extremely serious problem. In fact, the headlines this morning contain news of Western willingness to widen the scope of envisaged negotiations, which confirms the activities of Mr. Dulles and his European counterparts. Clearly, our policy has not put us in a straitjacket.

I think it is also clear that my colleague has, in the fashion of Don Quixote, been doing a little tilting at a stone wall, and that stone wall is the Kremlin, not the East Germans.

Despite these few difficulties I have encountered so far, I thank the distinguished Senator from Montana, in all seriousness, for a highly illuminating presentation of the crux of the Berlin problem. I am not prepared to comment in depth on his useful address, because I have not had time for that. However, as frequently happens, Mr. Walter Lippmann's column of this morning contains some thoughts which I consider extremely pertinent to this subject, so I ask unanimous consent that there may be printed at this point in my discussion the comments of Walter Lippmann in his article of this morning.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MR. DULLES IS NEEDED

There is no reason to doubt that John Foster Dulles will once again come out on top, carried through his ordeal not only by his stamina, which is fabulous, but also by the knowledge that he is at this moment the indispensable man. There have been times in the past when things were at the end of a chapter, and he could with grace and dignity have made way for a younger man. But not just now. This is a period when things are moving toward a climax, after which the world may be very different, and he, himself, is at the climax of his career.

There is no one else in the Western World who has authority, comparable with his, to lead the enormously complex negotiations about Germany and about Europe which in one way or another are now unavoidable and imperative. If the West moves, as it must, from a policy of standing pat, to one of negotiation and compromise, his personal leadership will be the best guarantee that flexibility is not flabbiness and that a strong and tough hand is in charge. The Russians will make no dangerous mistakes while he is there, and our allies will be much less apprehensive.

There is one question which, if we knew the answer to it, would light up the whole situation. Why is it that Moscow has opened up Berlin and the German question now rather than, let us say, 2 years hence? The Russians know quite well that German opinion is evolving, and that Dr. Adenauer's refusal to negotiate on a realistic basis will not be held to by his successors. In 2 years, Mr. Dulles will be out of office, and until very recently there was no difference between his position and Dr. Adenauer's. In 2 years, moreover, there will be—if the Russians believe what Senator SYMINGTON and others say—a marked shift in the balance of power.

Why, then, are they in such a hurry now? My own guess, which rests only on hints and inferences, is that they regard the position in Eastern Germany, and perhaps also in Eastern Europe, as precarious and potentially explosive. They are deeply concerned, as everyone knows, about West German rearmament, which will have been achieved in about 2 years. Why are they so concerned about it when they themselves have a very much bigger army and are also themselves a first-class nuclear power? When I asked some of the people I saw in Moscow why they worried so much about West German rearmament when they could annihilate West Germany with their intermediate-range missiles, the stock answer was that they feared an armed Germany backed by the United States.

But I do not think that this is the whole explanation of their fear, or, rather, I do not think that it spells out the nature of their fear. My guess is that they have no illusions about the discontent of the East Germans, and that what they fear is that the East Germans, when they see a strong West German army less than 2 hours away, may be sorely tempted to start an uprising in cahoots with officers of the West German army. If that happened, the fat would be in the fire and both the United States and the U.S.S.R. would be involved.

Something of this sort is, I feel sure, the crux of the German problem today. There is an ever-present and growing danger of revolt in Eastern Europe which would entail Soviet intervention in the Hungarian manner and would unavoidably bring about a great war. The Russians are undoubtedly worried about this, and truly responsible men in all the Western capitals are equally worried about it. Only those who have more emotion than they have imagination and foresight take the view that an East European uprising would be wonderful and just what the free world wants.

It is the impending danger in Eastern Europe which makes it imperative to move toward German negotiations. For the best, and perhaps the only, way to avert the danger is to move toward the beginnings of the reunification of the two Germanys. We should make the Kremlin understand that we approach the coming negotiations, not with intent to provoke an uprising in Eastern Europe, but in order to find an alternative to it.

The Russian problem in Germany and Europe is not how to conquer and absorb Western Europe. This is away beyond anything that is within their reach. The Russian problem is how they can disengage themselves in Eastern Europe without jeopardizing their own security. How can the satellites become, not their violent enemies, but neutrals? At bottom the problem is how to let go without falling off and being run over.

Mr. WILEY. Mr. President, I have gone over these points which the distinguished Senator from Montana has made. The Senator places great emphasis on the fact that ultimate unification of Germany is inevitable, and that we should have recognized it and should have done more about it.

Exactly what should we have done? When we are faced against the Kremlin, which has taken 500 million human beings into its orbit, and when the United States has placed, as it were, its iron curtain against the approach onto West Germany and onto France and the Lowlands—what should we have done? Let us consider. The fact is that the inevitability of the ultimate reunification of Germany has been recognized by the Western countries since the end of World War II. That has been common talk. Germany has to be brought together. Unification has to come.

We have not only recognized that fact, but we have also recognized that a divided Germany constitutes a serious threat to the peace. Willy Brandt was quoted by the newspapers yesterday, after he had had a talk with the President, as saying that definitely the President said we are not going out of Berlin. We are sticking. We are there with the purposes we have always had. That, in substance, was the remark.

We have not only recognized this fact, but we have recognized that a divided Germany constitutes a threat to the peace. Both the Republican and Democratic administrations since 1945 and 1946 have made unrelenting efforts to bring the four zones together. I remember the efforts which have been made time after time.

We actually got an agreement at the Geneva Conference in 1955 for a reunification of Germany and for free elections. What happened? Of course, the Russians broke the agreement wide open. The Russians reneged on the agreement. All of the subsequent efforts to achieve reunification, including the notes we sent last fall, have failed. We have been working at this a long time.

I desire to give credit where credit is due. I do not care to say simply that we are at fault if we cannot get a government to reason with us and to work with us. That is what has happened, so far as the Kremlin is concerned, but we have been on the job.

As I have said, in Geneva we obtained an agreement for free elections. Who pushed that agreement? We did. Afterward it went out the window. The reason the West Germans have been rebuffed is that the Soviets have been unwilling to agree to any plan of reunification which would not guarantee the bolshevism of Western Germany and its annexation to Eastern Germany.

This is not the first time in world history that we have been unable to obtain agreements that were valid, and that would be kept by the other party. Out of 52 agreements we made with the Kremlin, the Kremlin broke 50 of them. That is the situation we are meeting. We must recognize the simple fact that the Soviets have a clutch hold on Eastern Germany. The Germans are not free. They are running out—400 a day, according to Willy Brandt. When we look that fact in the face, we begin to realize what the trouble is.

The Senator from Montana suggests that the way to work toward reunification would be to start by having the West Germans and the East Germans talk among themselves and attempt to negotiate the unification of the two divisions of Berlin. I heard that talk on the floor today. That is a consummation devoutly to be wished, but we cannot make an agreement with the slave when the master has the slave under his thumb. That is the situation. We might as well recognize it. That is what we have been trying to break down. If the master were to allow the slave freedom to work out his own salvation, 95 percent of the East Germans would vote for reunification.

It is difficult to see how the attempt to work out reunification could be any more successful than our past efforts with the Russians. We have tried to get the Russians to agree. The East Germans are not free to negotiate on their own. That is the big point. They are controlled by the Russians, and therefore they would continue to reflect the Russian control.

In effect, the Senator is saying in his speech that the West Germans should be more flexible; they should enter into negotiations with the East Germans. This is something that the West German Government, up to date, has refused to do. The West German Government is an independent nation. It claims that East Germany is a part of Germany. The contention is made that the United States can make the West Germans change their position and become more flexible.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. WILEY. Let me finish this paragraph.

The fact is that West Germany is a proud and powerful ally of the United States. As an ally, it has a mind of its own, and we cannot dictate to it, as the Russians are dictating to the East Germans. The West Germans are the ablest people in Europe. They know the situation; and when they take the position they have taken, they take it with their eyes open. They realize that they are under the thumb of the Russians, or the East Germans, and they realize that they cannot even negotiate with the people who are the serfs.

I now yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I believe that there should be called to the Senator's attention the fact that relationships exist at the present time between the East German Government and the West German Government. Such relationships have existed for some years. Those relationships are based upon interzonal agreements. The result is that trade amounting to hundreds of millions of dollars is generated between the two areas.

The Senator also makes the point that I seem to be advocating an American initiative. What I have been trying to advocate is a Western initiative, including all the allies, and including West Germany. I do not think we can maintain a petrified policy, because we know that there is no prospect of going forward on that basis.

We are facing a deadline, May 27, 1959, at which time the Soviet Union has indicated it will have all its troops and dependent personnel withdrawn from the eastern sector of the city. I think we must come up with something in the way of alternatives. I was very pleased when Secretary Dulles came back and said that he would be willing to consider concessions on a quid pro quo basis. I was delighted with the degree of success the Secretary had achieved among our allies, Dr. Adenauer, General DeGaulle, and Prime Minister Macmillan.

So I do not quite get the point the distinguished Senator from Wisconsin has in mind, because, as I recall the speech I made, there seems to be very little difference between us.

I expressed the hope that those in the State Department would give some consideration to the speech made today, not because of any personal interest I have in it, but because of the fact that some suggestions are being made, and perhaps out of those suggestions, or others which may be generated, will come a degree of success in meeting the difficulties which confront us in the German and Berlin situation, and out of which, perhaps, may come unification of the two Berlins and the two Germanys at an earlier date than any of us can anticipate at the moment.

I thank the Senator for yielding to me and giving me an opportunity to answer him in part.

Mr. WILEY. Did the Senator wish to address any particular question to me? In what direction did he desire to direct my thought?

Mr. MANSFIELD. I wished to bring to the attention of the Senator the fact that I understood him to say that I was advocating American initiative. I was advocating Western initiative, which would include all Allied Powers, and also Dr. Adenauer.

Mr. WILEY. I do not think we are very far apart.

The only thing I disagree with is the implication that there has been no initiative. In my opinion the executive department, whose function it is to handle foreign relations, has done a great job. As I said the other day, the situation is similar to that of the man who has an ornery jackass. He can talk to him and talk to him, but he had better not get too close to him, or he may be kicked.

The Secretary of State and his assistants have worked diligently at this problem; and because they cannot get the jackass to agree, they are to blame. That is the sort of implication which I do not like to have go out to the country. I want the country definitely to understand my figure of speech.

We are continually in the midst of a political picture. I say, give credit where credit is due. Later, as I conclude my remarks, I shall have something to say about the distinguished Secretary of State. He served under Acheson. When I was chairman of the Committee on Foreign Relations, I saw his work. I observed his work as a servant of the Democratic Party. I have seen him serve for 6 years under President Eisenhower. I have seen him get acquainted with this globe, as was indicated by a distinguished columnist this morning, as no other man in history has done. He knows every neighborhood. He knows all the peoples. He knows the problems. He has dealt with them.

Because we could not get the divergent interests to agree, he is to blame. That is what I am objecting to. Such an implication is absolutely unfair. Undoubtedly it has had much to do with sending Secretary Dulles to the hospital. He is only human.

My next point is that the Senator from Montana, in his speech, asks that not only the West Germans, but the United States, take a more flexible approach to the problem of German and European security. The Senator from Montana mentioned the Rapacki plan and the Eden plan, and said we should explore both of them. We not only explored the Eden plan, but put it forward as a Western proposal at the Geneva Summit Conference. We have constantly been considering all kinds of possible European security plans. We have agreed that we must keep an open mind on this subject.

On the other hand, all these plans involve a general withdrawal of Western strength from Western Europe; and we must be careful not to engage in too much loose talk about the seeming retreat type of policy unless we have reason to believe that the Soviets are disposed to initiate a pullback toward their borders. As the Senator from Montana stated a few minutes ago, they would get out of East Berlin; but they would be on the line where troops would be ready to march in and take over West Berlin.

Our people are not blind. They recognize the fact that they are dealing with some of the most efficient—if I might call them that—international Machiavellians in history. In doing so they are going to protect the interests of the West and of America.

We agree that we must keep an open mind on this subject. On the other hand, all these plans involve a general withdrawal of Western strength from Western Europe and we must be careful that we do not engage in too much loose talk about this seemingly retreat type of policy unless we have reason to believe that the Soviets are disposed to initiate a simultaneous pullback of their forces toward their borders. Nothing in the present situation gives us hope that the Soviets are, in fact, willing to carry out a meaningful pullback of their forces. Too much general talk regarding neutral zones in withdrawal or thinning out of our forces at this time, therefore, could give the impression of softness on our part and weakening of our resolve to stand firm in this situation.

Finally, the distinguished Senator from Montana says that standing firm in Berlin is a slogan and not a policy.

The fact is that standing firm is the bedrock of our policy. It is quite true that, having taken this decision, the problem of how we implement the stand in the face of the many variations in which the threat can actually present itself to us must be worked out. That is exactly what the executive branch has been exploring ever since the crisis developed and it was the primary reason that Secretary Dulles undertook his recent trip. We, and our allies, are all aware that we must not only be agreed on the fundamental concept of standing firm; but that we must also be agreed on the details of implementing this policy. It was to help work out a common agreement on these details that the Secretary undertook this trip to London, Paris, and Bonn.

In other words, the Senator from Montana knows very well that the executive branch here, as well as the governments of our allies, knows that we must agree on the detailed implementation of the policy in that we are all working now to get agreement on these details.

When we do get agreements, what good are they? What does experience teach us? Fifty out of fifty-two agreements were not worth the paper they were written on. The Kaiser said something like that before. He spoke about a

treaty being a scrap of paper. We are dealing with a people whose philosophy and morality in connection with international affairs is very low.

My overall reaction to the speech of the Senator from Montana, however, is that it is a great deal more reasonable than many one has to listen to, and there are a number of sections, as I have indicated, in the speech which make pretty good sense.

I do want to make very clear that, as the distinguished Senator has said, when the Executive is "in the saddle" and has the responsibility to deal with crises, and that because the solution which one has hoped for is not forthcoming, that that is no reason to criticize the executive branch of our Government. The Executive has had to deal with the representatives of the Kremlin for many years.

Our past experience, as I indicated, shows what agreements with the Kremlin are worth.

I want to make it clear also, that in my humble opinion, the executive department has done everything that it can do to bring about a settlement of the German issue, as well as a settlement on the wider scale of world tensions, of which the Kremlin is the source.

In my opinion the Berlin crisis in connection with the May date is merely another indication of what we have had in the past, particularly some months ago in Formosa. It is the purpose of the Kremlin to get our attention on one point on this little globe, and then do its nefarious work at another point. The executive department is keeping its eye on the whole show, so to speak, not merely on the Kremlin, and it recognizes that this is just a part of the world-dominating influence and philosophy of the Kremlin.

Mr. President, when I heard the other evening that John Foster Dulles had gone to the hospital once again, I issued a release, and I shall read that release at this point. I said:

All Americans and many in far-off lands heard with sorrow of the hospitalization of John Foster Dulles. Countless thousands will pray for his recovery.

When I think of him, Burke's definition of a statesman comes to my mind: He possessed "a disposition to preserve, an ability to improve."

He has always been "a friend to truth; in action faithful, and in honor clear; who broke no promises, served no private end." These words of Pope characterize this great public servant.

Let us hope that during his convalescence the carping voices will cease.

In my opinion no American in the last 50 years has given of himself more unstintingly and dedicated himself more to preserve America than Foster Dulles. When others threw bricks at him, he smiled and kept on working for the general welfare. No man in American history has become so well acquainted with this now neighborhood world and its problems.

So we join with the countless thousands who wish him a speedy recovery. His country needs him.

As the President and Walter Lippmann have said, the country needs him.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WILEY. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I have listened with a great deal of interest to the extremely able address by my good friend from Wisconsin in defense of the State Department.

Mr. WILEY. I thank the Senator.

Mr. CLARK. I should like to ask my good friend this question. Earlier in his remarks he offered for the RECORD the column written by Walter Lippmann published in the Washington Post this morning. My question is whether he agrees with that column.

Mr. WILEY. I took the column from the paper, and the part that I read I agreed with. However, I shall have to go over it very closely, because the implication is that I am not aware of something in the article. I have not read it closely, because I have been waiting for the Senator from Montana to conclude his remarks, so that I may obtain the floor.

Mr. CLARK. I would be happy to have my good friend review Mr. Lippmann's column, which I personally believe is a sound one, but which, it seems to me, is rather inconsistent with the point of view which my friend from Wisconsin has been so ably expounding.

I should like to call to his attention the parts of the column I have in mind, and I should like to ask him whether he agrees that the principal point Mr. Lippmann makes is that the Russians are frightened by the situation in Eastern Europe and that they fear an explosion or revolution, and that such an explosion or revolution might require them to repeat what they did in Hungary; that if they did it in Eastern Germany what they did in Hungary it would bring about the great danger of starting world war III, because we would be unlikely to permit East Germany to go down the drain the way we let Hungary go. Mr. Lippmann suggests that the problem is how we can prevent a revolution in a satellite country and how we can maintain a situation in which the Russians can get out of satellite countries and the satellite countries can remain neutral and Berlin and Germany can still be free.

I suspect that what Mr. Lippmann says makes good sense and is pretty much the essence of the brilliant address made by the Senator from Montana, with his nine points that he urges upon the administration in that address. I do hope that the Senator from Wisconsin will take another look at the Walter Lippmann column, and I hope to find that he is in agreement with it.

Mr. WILEY. I shall be happy to read it again very closely, because I am always interested in what the statesman Lippmann—and I would call him that—has to say.

When he speaks about the ferment in Europe, that is only a part of the story. There is no question that there is a ferment all over the world. One of the problems which is confusing the Russians and giving them much trouble at present, as the Senator probably knows, is the attitude of the Chinese. There are 650 million Chinese who may be "on the go." All these matters have had the consideration of the Department of State. The Committee on Foreign Relations has had this testimony before it.

Willy Brandt, the mayor of West Berlin, was asked the other day whether the people in Poland, Rumania, Bulgaria, and the Baltic States had fallen asleep and were satisfied with their rulers. The answer, in his judgment, was, "No." Of course, that gives trouble to the Kremlin. That is a part of the Russian problem.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. WILEY. I yield.

Mr. CLARK. I have no intention of attempting to engage in a debate concerning whether the action of the State Department in the past has been right or wrong. I think the Senator from Montana [Mr. MANSFIELD] was very wise, indeed, in avoiding that pitfall, which it would be so easy to fall into.

I suggest to the Senator from Wisconsin that we cannot solve this problem in the interest of peace and freedom merely by saying over and over again that the Russians have broken 50 out of 52 agreements, and that therefore it does not do any good to talk to them. I suggest that we must talk and talk and live with them, or else we will die with them.

There are such things as self-executing agreements, particularly with respect to the withdrawal of forces, which are enforcible, and this regardless of the effect of the written word. It has been my feeling that to have a more flexible policy toward negotiation is highly desirable.

I think the Senator from Montana has rendered a distinct service, because in many ways he is sending word to the State Department and to the country that, at least so far as a majority of the U.S. Senate is concerned, we are ready right now to negotiate a meaningful agreement.

We do not dismiss from our minds plans which were ridiculed when they were first brought forward 2 years ago by Mr. Kennan, Mr. Gaitskill, and Mr. Rapacki, and others. We will talk about anything in the interest of getting a workable agreement toward peace. We are not afraid to negotiate. We do not trust the Russians any more than some of our friends in the State Department do. But that is no reason for not sitting down at the table and talking with them.

Mr. WILEY. Again, the Senator from Pennsylvania has made an implied attack on the other branch of the Government.

The Senator talks about flexibility. Why does he not talk about flexibility with the people who are most concerned with it, instead of making a general statement? That is the point I am making. When I tried lawsuits, I tried to arrive at conclusions on the facts, not on implications, not on rumors. That was my only point in raising this particular issue.

The Senator refers to the breaking by the Russians of 50 out of 52 agreements. Let me tell the Senator that it was in the days before Pearl Harbor that this Chamber was asleep; the President was asleep; the people were asleep; the

Army, the Navy, and the Air Force were asleep. They said it could not happen. It did. That was the only reason I referred to the breaking by the Russians of 50 out of 52 agreements. I do not want to have this country go to sleep on the generality that it is possible to deal with a skunk or someone who does not keep faith.

Mr. CLARK. I think what the Senator from Wisconsin has said and what I have said will appear accurately in the RECORD, as our good friends, the Official Reporters, will write it out. I have no intention of engaging in further colloquy, other than to say that I implied nothing. It was not I who spoke of the breaking of 50 out of 52 agreements; it was my good friend, the Senator from Wisconsin, who did so. I am content to let the RECORD stand as it will appear in print tomorrow morning.

Mr. WILEY. I agree that I made the statement. I did so for the simple reason that men like the Senator from Pennsylvania were here at the time of Pearl Harbor and had said it could not happen. I do not want the breaking of 50 out of 52 agreements to be forgotten by the Senator from Pennsylvania either.

Mr. CLARK. At the time of Pearl Harbor, I was in the uniform of my country, and not on the floor of the Senate.

Mr. WILEY. Oh, yes. But other Senators were talking as the Senator from Pennsylvania is now speaking. That is the only point I am making.

Mr. President, I yield the floor.

Mr. LAUSCHE. Mr. President, at the very beginning, I commend the Senator from Montana for the study which he has given to the problem he discussed today. Speaking for myself, I want the Soviet Union to know that the Senators of the United States are intently desirous of obtaining peace for the people of the world. While I may see some difficulties in carrying out the plans suggested by the Senator from Montana, and projecting themselves over his talk, I see a fervent purpose and desire to bring about peace in the world. That is the light in which I wish the people of Europe and the people of the world would understand the intention and the purpose of the U.S. Senate today.

What are some of the weaknesses which I see in the proposal made by the Senator from Montana? The Soviet says: "We will withdraw from East Berlin." The question is, how far will they withdraw? In what posture will they be after they have withdrawn? In what position would we be if we withdrew from West Berlin and moved a distance of, say, 120 miles to the west?

My query would be: Based upon the past conduct of the Soviet Union, could we rely upon their word that they have withdrawn and would stay withdrawn? Or would there be the necessity of negotiating in a manner which would preclude the possibility of their abandoning their word and moving immediately back into the area out of which they came if conditions developed which were unsatisfactory

Second, for the people of West Berlin and East Berlin to negotiate would be simple. I think it is generally agreed that 95 percent of them would subscribe to the philosophy of the West and would repudiate that of the East. If there were a unification of the government of West Berlin and the government of the Soviet and communism in East Berlin, my query is: What type of government would result? I cannot forget what happened in China when a coalition government was formed. I cannot forget what happened in Yugoslavia when a coalition government was formed, and Mikhailovitch, the spirit of the fight for freedom, was scuttled. The result of that coalition government was that the Communists took control.

Nor can I forget what happened in Poland when the Soviet Union proposed a coalition government. The coalition government was created, the Red troops were there, they took control and gave orders, and soon the government of Poland became a Communist government.

But in this situation there is one gleam of light which would cause me to analyze the East Berlin and the West Berlin situation in the belief that it might be distinguished from the Yugoslavia situation, the China situation, and the Poland situation. In China, the Soviet troops were in the northern part of that country, and they dictated what was to happen. A similar situation existed in Poland. In Yugoslavia, the word which came from Britain and from the United States was that Mikhailovitch should be abandoned and Tito should be accepted.

What would happen in East Berlin and in West Berlin if those governments combined and if the Soviet would stay back? In all the other countries I have mentioned, conditions were fertile for the overthrow of those who wanted freedom and for the installation of those who wanted dictatorship. But that condition would not prevail in Germany. As we have said, in Germany 95 percent of the people would stand by the governments of the free West.

But despite my belief that these dangers are connected with the suggestions which have been made by the Senator from Montana, I believe it is the responsibility of the executive branch of our Government and of this legislative branch to explore every means of reaching an agreement, restricted only by the proposition that we maintain our honor and that we do not fall into a pit which would leave us weaker, after we negotiated, than we were before we began to negotiate.

Mr. President, I yield the floor.

A CHALLENGE TO THE TEXTILE INDUSTRY

Mr. THURMOND. Mr. President, the reception of the report of the special subcommittee for the study of the domestic textile industry which was submitted to the Senate on February 4 is most encouraging. Both news articles and editorials in the national press have been most favorable. The most encouraging aspect of the reception given this report is shown by the round of wage increases currently being announced by the textile industry.

As an example of the influence of this report, I should like to quote from the statement of the J. P. Stevens Co., announcing a general wage increase:

In its statement of a week ago the Stevens Co., pointed out the dangerous situation created by textile imports. Since that time, the report of the Pastore subcommittee, as approved by the full Senate Committee on Interstate and Foreign Commerce, has been published. This official document of the U.S. Senate recognizes the danger of unrestricted textile imports from cheap labor foreign countries. This inspiring expression from high legislative channels encourages us to go ahead with upward wage adjustments in our various plants, even in the face of constantly increasing threats to the cotton, synthetic and woolen industries from overseas. The Pastore subcommittee report leads us to believe that something affirmative will be done to arrest the decline of U.S. textile manufacturing in recent years.

As a splendid example of the same sentiments, I ask unanimous consent that an excellent editorial from the Greenville News of Greenville, S.C., which was published on February 9, 1959, be inserted in the body of the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A CHALLENGE TO THE TEXTILE INDUSTRY

Two developments of tremendous importance to the textile industry, foundation of the economy of this area, occurred in the past few days.

First, a special U.S. Senate Subcommittee reported on the series of hearings it had conducted into the problems facing the industry.

And, second, the Office of Civil and Defense Mobilization officially recognized the industry as being essential to the security of the Nation.

Taken together, the two constitute the first official recognition of the fact that the textile industry is in difficulty and that a successful solution to its problems is vital to the entire country.

This, of course, is what textile executives and others have been saying for some time. Until now, however, they have received scant attention from the public generally or from Members of Congress representing nontextile producing constituencies.

The report of the Office of Civil and Defense Mobilization, for example, is not exactly news either to textile producers or to military leaders. It may seem incongruous, and doubtless has to many persons, but textiles have frequently been said to be second only to steel production in terms of importance to national defense.

This has an entirely practical meaning. For, because of many factors, textile production has been declining for many years in proportion to other industries. According to the OCDM, in the cotton and rayon broad woven industry, requirements and capacity are almost completely in balance, and further displacement of U.S. capacity could pose a serious mobilization problem.

The OCDM promises to watch this situation carefully. It should. One can easily imagine the frantic efforts that would be made at the national level if a similar situation existed with reference to steel or chemical production. In view of the acknowledged importance of textiles, no less an effort is mandatory in its behalf.

Of more immediate promise are the report and recommendations of the special subcommittee of the Senate Interstate Commerce Committee. This group, headed by Senator JOHN O. PASTORE, of Rhode Island, and including South Carolina's Senator

STROM THURMOND, has performed an outstanding job. It has compiled statistics demonstrating beyond doubt the present weakness of the industry; it has uncovered the factors responsible for its decline, and it has pointed the way toward removal, or at least amelioration, of those disturbing elements.

Not the least of the services rendered by the subcommittee is the fact that it makes clear the responsibility of the Federal Government in this field. For not only is the future of the textile industry of vital importance to the Government (witness the OCDM statement), but also the Government itself is responsible for erecting some of the roadblocks in the way of the industry's prosperity and growth.

The report points to several Federal programs which have proved especially damaging. Among them are the price-support system which has made it possible for foreign textile producers to buy American cotton cheaper than American textile mill operators; the foreign trade policy which has opened our doors to cheap labor textile products, and the foreign aid program which has spent American money to build textile mills abroad.

As in the case of the OCDM statement, this is not news to the people of this area. But it is to many others and the subcommittee has made a notable contribution by spelling it out and compiling an arresting array of figures to prove it.

Additionally, the subcommittee recommended a 10-point program to aid the industry. This includes setting up of interagency advisory committees; revision of some tax laws; a more flexible administration of the foreign trade and aid programs to recognize the importance of the domestic industry; the elimination of the two-price system on cotton or the increasing of tariffs on imported cotton products; and an expanded textile research program.

The subcommittee's recommendations are sound and should receive the immediate and sympathetic consideration of the Congress.

The subcommittee's report is not, and does not pretend to be, exhaustive. For one thing, it lacked time to make the kind of study that could have given a completely clear picture of the ills that threaten domestic textile production. And, for another, there are many problems that are the responsibility of management and not of the Government.

And it is to management that the challenge now must go. The Senate subcommittee has done its job of initial spadework; presumably, Congress will follow through. The Office of Civil and Defense Mobilization has promised its assistance.

If all these groups fulfill their promises of recent weeks—and we see no reason why they should not—then it will be up to the textile industry itself to prove that it can continue to perform the services the Nation so clearly needs.

We are confident that it will do so.

Mr. THURMOND. Mr. President, Congress and the administration must act expeditiously to implement the recommendations of this report in order that the confidence reposed in the report can be merited, as it has resulted in this well-deserved increase in wages for faithful and hard-working textile employees.

AN INTERNATIONAL DEVELOPMENT ASSOCIATION

Mr. MONRONEY. Mr. President, interest in an International Development Association, which the Senate last year asked the executive branch to study, having in mind the idea of United States participation, has continued to be lively and widespread.

Because I was sponsor of the resolution outlining the possibilities of a fresh approach to this country's policies regarding economic aid to underdeveloped areas of the world, I have received numerous requests to speak and to write on the subject, as well as to discuss the proposal with callers from all parts of this country and from many foreign nations. I have spoken to religious groups, college students, and a variety of organizations interested in economic progress and international relations who have indicated interest.

The winter issue of World Affairs, quarterly publication of the American Peace Society, which is distributed throughout the world, included an article entitled "The Senate Resolution for an International Development Association," with my byline. For help in preparation of the article—which I intended as a brief, but full, outline of the purposes and possibilities of an International Development Association—I am much indebted to Mr. Robert A. Wallace, staff director of the full Banking and Currency Committee. Throughout the committee hearings and the Senate debate on this resolution, Mr. Wallace gave to me, to the International Finance Subcommittee, and to the full committee the kind of professional assistance which all of us hope to find in the committees of Congress. I want to commend him and to thank him, especially for his help with this article, which I would like to place in the RECORD at this point, if I may have the unanimous consent of the Senate.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SENATE RESOLUTION FOR AN INTERNATIONAL DEVELOPMENT ASSOCIATION

(By U.S. Senator A. S. MIKE MONRONEY)

The United States, with other nations of the world, must recognize that the patchwork-quilt approach to economic problems of underdeveloped areas can and should be supplanted very quickly by a long-term program, operated on a banking basis.

Since capital is the scarce ingredient in most of the emerging nations seeking economic progress, varied banking facilities are needed to finance development on terms which meet these nations' special needs.

With this in mind, I introduced Senate Resolution 264 early this year recommending that prompt study be given to establishing an International Development Association to make multilateral development loans at terms more liberal than those currently available. The proposed IDA would be an affiliate of the International Bank for Reconstruction and Development (World Bank). The Senate passed the resolution last summer by an overwhelming vote. In October, at the request of President Eisenhower, U.S. Secretary of the Treasury Robert B. Anderson recommended its study to the members of the World Bank during its meeting in New Delhi as one of three major U.S. recommendations.

The Senate enacted the resolution in order to explore the possibilities of providing a new source of multilateral development loans for the less industrialized nations. These loans would differ from those offered under existing programs in that they would—

1. Encourage more countries to contribute capital for international development;
2. Promote greater use of foreign currencies received by the United States from the sale of farm surpluses;
3. Be made for longer periods of time;
4. Carry lower rates of interest;
5. Be repayable partly in local currencies; and
6. Provide a separate fund for subordinate loans to supplement the World Bank's lending activities.

Few needs are more compelling than economic development of the less industrialized nations. Events in many areas of the world are demonstrating the inadequacy of present programs to achieve stability and safety for newly independent nations. Thoughtful Americans and citizens of other industrialized nations are becoming increasingly convinced that sponsoring military buildup in an effort to discourage external attack provides a hollow shell of strength, unable to withstand the mounting pressures from within these nations.

These pressures are being generated by what Adlai Stevenson has called the revolution of rising expectations. Around the globe captive peoples are in revolt—in revolt against the captivity of poverty, of social immobility, of disease, of national inferiority. Their demands for an equitable share of the world's goods and recognition as a significant force in the world's culture constitute the basic reality of our age—more basic and more pervading than atoms, or sputniks, or political alliances.

America is one of the main fountainheads of these aspirations. We, above all other nations of the world, should have nothing to fear from this revolution. We must, however, recognize that our safety, and the peace of the world, require that we strive, with others, to fulfill these aspirations. It is our responsibility to take the lead in fashioning the instruments and the institutions through which the hopes of the world's captive peoples may be realized, and this must be done in an environment of self-respect and mutual help.

The programs of nonmilitary economic aid conducted by the United States since World War II have been addressed to two separate problems: The first was the economic reconstruction of industrial nations which were ravaged by the war. The second problem to be met was the economic development of the agrarian countries of Asia, Latin America, and Africa, for whom any appreciable industrialization has remained mostly a dream for the future. In each case we had political as well as humanitarian and economic motives—to provide an alternative to the achievement of reconstruction or development by totalitarian methods.

Our efforts were focused first on the reconstruction of Europe under the Marshall plan. These were a brilliant success. More recently we have attempted to apply essentially the same methods in the underdeveloped areas. Our goals remain the same: To provide for economic development by democratic rather than by totalitarian methods.

The necessity for foreign capital to supplement the meager accumulation which is possible from the resources of these new nations is obvious. It is a need which Americans, especially, should be able to understand because we, too, faced it as a young nation. Now we are a primary source of capital on which the less developed nations must depend, for ours is the economy which provides half of the world's goods. We must help to develop a mechanism to provide the additional capital they require.

How do our efforts need to be strengthened?

On today's economic frontiers the economic significance of the United States aid dollar has been obscured by its political symbolism. New independence is independence

of the most hypersensitive variety. Acceptance of unilateral foreign aid has been represented by extremist political groups within the underdeveloped countries as implying a political commitment to support every position taken by the United States in its cold war with the Soviet Union. Such representations are false, but in the midst of misleading propaganda, these commitments are often taken as a betrayal of the aspirations for independence of action common to these newly independent states. Thus that which is an economic necessity has become a political liability.

The other side of the same coin has been equally difficult. Unfriendly countries charge that our aid imposes an unacceptable obligation on the recipient, but on the other hand, the recipients of our aid sometimes tend to assume that the obligation is on the giver—that political support in the cold war entitles them as a matter of vested right to share in the bounty of our foreign-aid program. The whole relationship militates against the easy friendship of sovereign states.

The next development was of course inevitable—a competitive Soviet aid program, with the more cynical uncommitted countries happily encouraging the bidding. In other words, they have pitted the West against the East in bargaining for aid at special prices, on special terms, or for special commitments. The danger here is that a competitive situation will develop, in which aid will become merely a football in the power struggle between the East and the West.

I believe a conviction is growing in the U.S. Congress that our economic-aid programs have sometimes produced, not friendship and confidence, but rather increased animosity and distrust. While most of us here might agree that popularity was not our primary objective, many Americans have serious doubts as to the success of further foreign aid.

There is also a growing conviction that other nations, many of which were restored to economic health by our earlier Marshall plan, should begin to bear an increased portion of the common burden and responsibility for the progress of underdeveloped areas.

It was in this general environment that the evolution of our assistance to underdeveloped countries began last year with the creation of the Development Loan Fund. This marked the transition from grants to loans. Moreover, it marked a shift away from the country program approach to economic assistance, and toward the project developed by the country itself.

Certainly the Development Loan Fund was an improvement, but it is not a final solution to the basic problems which afflict our economic development programs. I submit that the final solution of the problems requires that we provide economic assistance to underdeveloped areas through an international economic institution.

Senate Resolution 264 which recommends study of establishing an International Development Association, proposes that such study include consideration of the following objectives:

First. Providing a source of long-term loans available at a reasonable rate of interest and repayable in local currencies—or partly in local currencies—to supplement International Bank lending activities and thereby permit the prompt completion of worthwhile development projects which could not otherwise go forward.

Second. Facilitating in connection with such loans, the use of local and other foreign currencies, including those available to the United States through the sale of agricultural surpluses and through other programs.

Third. Insuring that funds for international economic development can be made available by a process which would encourage multilateral contributions for this purpose. The resolution contemplates that a companion institution to the World Bank be created to perform a related but distinct lending function. It would be designed to provide long-term loans at low rates of interest for basic economic development projects.

I proposed this particular approach for several reasons:

First. By organizing this new institution as an affiliate of the World Bank, we can take advantage of the very high regard in which the Bank is held, both at home and abroad, and greatly increase the likelihood of the acceptance of the new institution.

Second. By organizing it as an affiliate of the Bank we can take advantage of the tremendous talent and experience which are represented in the staff of the Bank, and can put the new organization into operation with the minimum of delay.

Third. The closest possible cooperation between the World Bank and the proposed association would be essential. Today the World Bank must refuse loans for many worthwhile projects which will not pay out. It could, however, finance a substantial part of the cost of these projects if some second-mortgage money, frequently in very small amounts, was available from the International Development Association.

Fourth. By following a pattern of organization similar to that of the World Bank, with control based on stock ownership, we could provide the necessary international character and still could insure that the Bank would be operated by those providing the funds, rather than by the borrowers.

I believe this study will indicate that such an association would require a minimum initial capital of $1 billion in hard currencies to be provided on the same percentage basis as that of the World Bank, to which the United States has subscribed 34 percent of the total capitalization. It should be emphasized, however, that the amount of the initial capitalization is a matter which would require detailed exploration at the time of the actual organization of such an association.

It has been suggested that additional funds, over and above the subscription to the capital stock of the association probably must be made available for lending by the United States. I do not believe this represents any insurmountable problem. Certain amounts of fixed income—for example, the interest received on our previous foreign loans—might be earmarked over a long term for the purchase of debentures of the association. In this way, additional funds could be put up by the United States without disturbing the multinational nature of stock ownership.

An international organization tends to denationalize loan transactions; and it is for this reason that many governments prefer to borrow from the World Bank or a similar international agency, rather than from a single country.

There is not now an international organization to make long-term low-interest loans for economic development repayable partly in local currencies. Nor is there an international program for subordinate development loans. Nor is there an international mechanism for encouraging third-country loans with local currencies. The feasibility of making such loans through the creation of an International Development Association should be most carefully studied.

There are definite advantages to raising development capital among as many nations as possible. First, because the advantages of development accrue to all members of the international political community, it seems only fair to share the cost of the development program among all who can participate. Second, a lending institution including both debtors and creditors gives a greater measure of assurance that the loans will be repaid. Third, governments may sometimes prefer international loans because they remove any possible implication of political interference in internal affairs.

IDA requires study, which is why the Senate acted first with a resolution rather than with legislation. It would be no panacea. It would promise no cheap and easy solutions to the hard problems of economic development. It would in my judgment, however, place one more valuable tool in the hands of those who seek progress without subjugation.

Mr. MONRONEY. Mr. President, the New York Times reported in a front page article in December that the proposed International Development Association is very much alive; and the Times quoted top U.S. officials close to the international negotiations aimed at establishing the new agency. In an Associated Press article in the Evening Star, which was published on January 7, we were informed that Canada, in a communique issued after discussions among Cabinet members of our two Nations, announced it would study the American proposal to set up an International Development Association affiliated with the World Bank. I ask unanimous consent that both articles be inserted at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Dec. 8, 1958]

NEW WORLD BANK FOR SOFT CREDIT IS GAINING FAVOR—UNITED STATES PUSHES MONRONEY PLAN FOR LOANS TO BE REPAID IN LOCAL CURRENCIES

(By Edwin L. Dale, Jr.)

WASHINGTON, December 7.—The proposed International Development Association, considered a few months ago to have dim prospects, is very much alive.

This was the report today of top U.S. officials close to the international negotiations aimed at establishing the new agency. Taking into account developments over the past few weeks, they now consider the odds are that the new agency will come into being.

The agency was proposed this year by the United States as a subsidiary of the International Bank for Reconstruction and Development to make loans in soft—not freely convertible—currencies to underdeveloped countries.

The idea first came from Senator MIKE MONRONEY, Democrat of Oklahoma. In September, President Eisenhower instructed the Secretary of the Treasury, Robert B. Anderson, to sound out other countries.

FIRST REACTIONS UNFAVORABLE

The first foreign reactions were lukewarm or negative. This emerged from comments at the New Delhi meetings in October of the bank and the International Monetary Fund. For differing reasons, both advanced and underdeveloped countries had reservations.

The change has come gradually over the last two months, beginning with conversations at New Delhi and shortly thereafter. Enough countries have now resolved their doubts to make officials confident that the agency will be established.

Some even hope that its charter will be agreed in time for submission to the next session of Congress, though it would be late in the session.

SOME FEATURES ARE NEW

The agency would have these main features, all new in international lending.

Its loans would be on easy terms and repayable in local currencies. Thus it would

finance "nonbankable" projects that the world bank cannot consider.

It would involve major participation by all the main countries of the West, and presumably Japan, in supplying the basic resources for lending. Most European currencies are now about as hard as the dollar and would be difficult for underdeveloped countries to repay. The scheme will stand or fall on the willingness of such nations as Britain and West Germany to supply capital.

Wherever possible the loans would also make use of soft currencies acquired by the United States, and to a lesser extent by other countries in such operations as sale of farm surpluses. Thus a loan to Ceylon might include Indian rupees accumulated by the United States, to the extent that India could supply needed items, and was looking for a market.

The job of Secretary Anderson in selling the plan has been twofold. He has had to persuade underdeveloped countries to permit the United States to revise the agreements under which their currencies have been accumulated, to free them for the new operation.

SEEKS EUROPE'S AID

And he has had to convince the European nations that the plan would work and that it could make a major contribution toward solution of a problem that all recognize is serious—the problem of achieving economic development in the less advanced lands.

Mr. Anderson, it is understood, is trying to win agreement from the underdeveloped countries first before he presents a formal plan, with specific contributions, to the Western nations.

Under his plan, even the underdeveloped countries will have to put up at least a token contribution in gold or dollars or other hard currencies—possibly the same contribution as that required by the World Bank, 2 percent of a nation's quota. Even that small sum will be difficult for some underdeveloped countries to raise.

UNITED STATES MAY PUT UP 34 PERCENT

It is understood Mr. Anderson's plan envisages that the United States put up about 34 percent of the capital of the new agency, the same as it contributed to the World Bank. He also feels that the organization should be given a reasonably large initial capital, with no specific provision for replenishment.

The replenishment issue may be important, because of the soft nature of the agency's transactions. The World Bank regularly raises new capital funds by floating its bonds on the Western World's money markets. It can sell the bonds because its loans are hard and repaid in dollars.

When the new agency runs out of dollars and other usable currencies, it will presumably have to stop lending until the members decide to put up more capital.

A major selling point with Congress is expected to be the fact that other advanced countries will be participating in the lending—something many members have long advocated.

[From the Washington Evening Star, Jan. 7, 1959]

UNITED STATES AND CANADA AGREE ON CLOSER TRADE TIES

OTTAWA, January 7.—The United States and Canada have agreed to consult more closely on issues that can hurt each other's trade. They have called on Europe to speed up reduction of barriers to imports from North America.

Ending 24 hours of talks between Cabinet members of the two neighbors, a 1,500-word communique last night announced:

1. Wheat experts of the two countries will meet every 3 months in attempts to resolve Canadian complaints that subsidized disposal of American surplus wheat cuts into Canada's commercial markets.

2. More talks will take place on U.S. restructions on import of Canadian oil. There was joint agreement that continued oil exploration and development are necessary on defense grounds.

LEAD, ZINC CURBS

The United States expressed hope it could withdraw its import curbs on lead and zinc once some international agreement is reached among major suppliers and buyers. The curbs were imposed last September. An international study now is under way.

4. Cabinet spokesmen, probably Canadian Justice Minister E. D. Fulton and U.S. Attorney General William Rogers, will hold talks on U.S. prosecution of three big electronic companies whose subsidiaries operate a patent pool in Canada. Canada wants the suit dropped. The United States said it has no intention of infringing on Canadian sovereignty.

5. Canada agreed to consult with the United States before it applies its tough new antidumping laws, which the Americans claim violate Canada's international trade obligations. Canada gave assurances it does not intend to use the legislation in a discriminatory or arbitrary manner.

6. Canada also will consult on the impact of recent Canadian food import curbs, particularly on turkeys and frozen peas. Most of the curbs are linked with Federal price-support programs.

7. Canada will study an American proposal to set up an international development association affiliated with the World Bank.

The association would provide underdeveloped countries with long-term loans on more generous terms than the World Bank gives.

OTHER STEPS URGED

The two delegations agreed that recent European currency convertibility moves should be followed by other steps to open more European markets for North American exporters.

The ministers said:

"Convertibility has removed the financial justification for discriminating against dollar supplies and should be followed by further moves by the countries concerned to provide nondiscriminatory access to their markets for goods from the United States, Canada, and other countries."

Specifically they want Europe to speed up elimination of import curbs against North American goods.

ATMOSPHERE OF HARMONY

Canadian Finance Minister Donald Fleming said the talks were held in an atmosphere of utmost harmony. However, United States objection to the wording of the communique delayed its issuance for several hours.

The talks were on the fourth biannual meeting of the joint Canada-United States Committee on Trade and Economic Affairs, set up in 1953 to iron out problems between the two countries before they develop into embarrassing public situations.

The United States was represented by Treasury Secretary Robert Anderson, Interior Secretary Fred Seaton, Commerce Secretary Lewis Strauss and Under Secretary of State Douglas Dillon, representing ailing Secretary Dulles.

Mr. MONRONEY. Mr. President, in addition to the large number of editorials in newspapers all over the Nation which were inserted in the RECORD by various Senators when we were considering the resolution, during the adjournment of Congress there were published a number of other editorials and many articles which I should like to call to the attention of my colleagues. I ask unanimous consent for the insertion of some of them in the RECORD at the conclusion of my remarks.

There being no objection, the editorials and article were ordered to be printed in the RECORD, as follows:

[From the St. Petersburg (Fla.) Times, Jan. 11, 1959]

A BOLD PROGRAM FOR LATIN AMERICA

Dr. Milton Eisenhower, brother of the President, has presented a report to the President on U.S. relations with Latin America with recommendations for a series of moves to improve these relations.

But while Dr. Eisenhower was preparing his report, the State Department was pouring cold water on plans of an Inter-American Conference of Foreign Ministers to do some of the things Dr. Eisenhower recommends.

Long an expert of the U.S. Agriculture Department and now president of Johns Hopkins University, Dr. Eisenhower is quite a top authority on Latin America. He has represented the President several times on Latin American tours. A few months after Vice President NIXON made his highly publicized and highly controversial trip to South America last spring, Dr. Eisenhower made a factfinding tour of Central America that hardly drew any public notice.

As a result of this trip the President's brother made three specific recommendations in his report. They are:

Establishment of an Inter-American Development Institution to assist the American Republics in planning their development.

Creation of an Inter-American Bank to coordinate activities of the World Bank, U.S. lending agencies and private lending agencies in providing capital for Latin American development.

Cooperation with the five nations of Central America in the establishment of a regional common market that might serve as a model for all Latin America.

In short, what Dr. Eisenhower proposes is an adaptation for the underdeveloped nations of Latin America of the ideas of the Marshall plan, through which the United States helped to rehabilitate the highly developed industries of Europe.

But when the idea of an Inter-American Bank was first proposed at a conference of finance ministers in Buenos Aires a year ago, the United States greeted it with an attitude of "Let's not do anything now."

When the idea was adopted at a meeting of American Foreign Ministers at Washington in September, Secretary of State Dulles barely took time off from his world travels to deliver a routine speech that was nothing more than an oratorical greeting card.

In his recommendations for U.S. support of an Inter-American Bank, Dr. Eisenhower backs a proposal which Senator A. S. MIKE MONRONEY, Democrat of Oklahoma, has suggested on a world scale. It is the granting of second mortgage loans that can be repaid in the soft currencies of the aided nations, rather than in the hard currency of American dollars.

In addition to his specific recommendations, Dr. Eisenhower proposes the establishment, in all the Republics of the hemisphere, of national commissions to develop public interest in inter-American affairs. He suggests that a U.S. commission should promote the background material on Latin America from U.S. correspondents in the other Americas.

Dr. Eisenhower also suggests that the activities of the U.S. Information Agency in telling the American story be increased in Latin America.

All the things Dr. Eisenhower proposes have long needed to be done for the hemispheric good of the United States as well as

its neighbors. The Latin American nations have made a good start on their own and the prestige of Dr. Eisenhower should give high hopes for U.S. participation.

But these recommendations come at a time when the President is highly critical of spenders and is committed to the idea of balancing the budget. It will be difficult to reconcile these ideas with an adequate foreign aid program in Latin America or anywhere else.

Dr. Eisenhower has long been known to have been highly influential in the thinking of his presidential brother. Maybe it's time that he exert some of his influence again.

Thanks to the enormous reserve of goodwill inherited by the Eisenhower regime in 1953, even with the shocking neglect of Latin America by this administration, with little trouble we could reestablish relations so solidly that we would have an immensely strong bulwark in this hemisphere.

As the President told Congress Friday, "There can be no such thing as a fortress America." On the other hand, Latin America suspicious and surly toward us could be a fatal weakness.

[From the Kansas City (Mo.) Star, Dec. 6, 1958]

IDA MAY BE A SYMBOL OF NEW BIPARTISANSHIP

Secretary Anderson, of the Treasury, has apparently done a better selling job on the proposed International Development Association than anyone thought. At the World Bank meeting in New Delhi this fall the idea went over with a dull thud. Now, however, the New York Times reports that the poor man's World Bank has a better than even chance of seeing daylight.

Some critics of Senator MONRONEY'S IDA point out that it would simply be another addition to the tremendously complex machinery of international banking and mutual security. The Washington joke describes the new philosophy, "A bank a day keeps the Russians away." Certainly we're not in favor of adding leaven to bureaucracy at either the national or international level. Nevertheless, the Monroney bank could fill a gap in the lineup. It would make use of the soft currencies of the world, such as the Indian rupee and the Brazilian cruzeiro. It would make loans to underdeveloped countries on somewhat easier terms than can the World Bank.

From the point of view of our own foreign policy, IDA is a new concept that would call, as does the World Bank, for the full participation of the other free nations. It emphasizes loans. Once it is in business, with repayments being made, it might ease some of the burden on the American taxpayer. Equally important for the taxpayer, it involves multilateral loans. We regard that approach as tremendously important for establishing a united front against the Communist economic drive.

Senator MONRONEY, an Oklahoma Democrat, made a rare contribution with a new and fresh idea of mutual security. We are glad to see that the administration has recovered from its first cool reaction and is apparently pushing IDA with all the persuasiveness it can muster. Under the circumstances, the proposal bears the bipartisan stamp that we would like to see on more and more departments of our foreign policy.

[From the St. Petersburg (Fla.) Times, Dec. 15, 1958]

MAKING THE MOST OF FOREIGN AID

After complicated international discussions, the United States is reported ready to go ahead with the establishment of an International Development Association which may broaden the whole concept of aid to underdeveloped nations.

Under the association plan, the United States and its allies with money to invest, principally Britain and West Germany, will be able to aid underdeveloped nations through use of the aided nation's currencies.

The plan was first proposed during the past session of Congress by Senator A. S. MIKE MONRONEY (Democrat, Oklahoma), President Eisenhower ordered a study of the plan by the Treasury Department in consultation with other countries. A draft of legislation to put the plan into operation is now reportedly being prepared for submission to the new Congress which meets in January.

The Monroney plan envisions a soft money bank, in contrast to the hard money World Bank in which the United States lends money through the United Nations, and the Export-Import Bank through which the United States lends money directly.

In operations of the two hard money banks, loans are made for specific construction purposes and repaid in the hard money currencies handled by the banks.

But some of the underdeveloped countries have accumulated large funds of their own currencies through U.S. military and economic aid. These funds are in soft currencies which are not acceptable in international trade.

Under the Monroney development organization, these soft currencies would be put to use, for example, to pay for local labor on hard currency projects financed by American dollars. Indian rupees, credited to the United States in the sale of farm surpluses, thus could be added to U.S. dollars loaned to India for development projects.

The Monroney plan has been likened to a second mortgage in the financing of aid to underdeveloped countries. In addition to making the most out of U.S. aid, it links U.S. aid with aid from its allies in the countries undergoing development.

The International Development Association would be a counterpart in other parts of the world of the Marshall plan which stimulated the cooperative reconstruction of Europe after the war. But it would broaden the Marshall plan into a cooperative program of the United States and its allies in the development of regions which may become important new allies.

[From the El Reno (Okla.) Daily Tribune, Nov. 18, 1958]

PLANS NUMEROUS TO SPARK UP INVESTMENTS BY UNITED STATES ABROAD

(By Peter Edson)

WASHINGTON.—Everybody and his brother now seem to be crowding into the act with some new plan for stimulating American investments in the less developed foreign countries.

The Rockefeller Bros. Fund, Committee for Economic Development, National Planning Association, and the semiofficial business advisory council have irons in this fire.

The Government has some plans cooking on this stove, too. John Corson heads up the Business Advisory Council study staff in Department of Commerce. At the Hot Springs, Va., BAC meeting in October, Donald K. David, former dean of Harvard Business School, told the 100 tycoons assembled in closed meeting that the Government should initiate a massive effort to get American business to develop overseas investments, "in return for a reasonable fee" because private enterprise alone wouldn't do it in normal fashion.

In December a House Ways and Means Subcommittee will begin hearings on granting tax concessions to American investors overseas.

The Senate Foreign Relations Committee has run two research studies on Foreign investments by Massachusetts Institute of Technology and University of Chicago.

They have come up with estimates that the world needs $3.5 billion more credit every year than is now available through established lending institutions.

Last year U.S. private investments overseas totaled $4 billion. But $3.3 billion of this was for oil exploration. Only $700 million went for nonoily enterprises.

But where there is no much smoke going up there must be some fire of enthusiasm. With so many different planning groups and individuals thinking along the same line, some concrete results should emerge from the next Congress.

Plans put forward so far fall into three main classifications: Expand the lending authority of existing international banking institutions. Create new institutions to fill the gaps in credit lines now available. Make a new approach through regional development banks to meet the needs of specific areas like Latin America, Africa, the Middle East.

The concensus seems to be that only by a combination of these methods can the Russians be beaten off in their attempts to conquer the free world by economic warfare.

Among existing institutions, the World Bank and International Monetary Fund have already voted to increase their capitalization, by amounts still to be determined.

U.S. Development Loan Fund, created by Congress in 1957, is now completing obligation of its first $400 million and will ask for more money in January.

The United Nations has just approved an expanded special projects fund. It will increase its technical assistance programs from $30 to $100 million of it.

The one new idea which shows most promise is Oklahoma Senator A. S. MONRONEY'S proposal for an International Development Association. It would be authorized to make hard and soft currency loans for up to 40 years at 2 percent interest. President Eisenhower has instructed Treasury Secretary Robert B. Anderson to investigate its possibilities as a subsidiary to the World Bank.

[From the Milwaukee (Wis.) Journal, Aug. 18, 1958]

UNITED STATES RECOGNIZES SOVIET TRADE THREAT, DOES NOTHING ABOUT IT

To paraphrase Mark Twain's remark about the weather, everyone talks about the Communist economic offensive, but no one does anything about it.

The Soviet bloc's trade with the free world increased by 77 percent between 1952 and 1956. Between 1954 and 1958 the Communists extended nearly $2 billion in military and economic aid to 14 less-developed countries while their trade with such countries increased 70 percent. Russia has given most of this aid, but Red China and the Soviet satellites have contributed.

In every Red country, foreign trade is a state monopoly. Trade and aid are carefully coordinated within the bloc and used where they will do the most good to the Communist cause.

There is no such coordination or concentration in the free world. In trade it is every nation for itself. The United States dumps surplus wheat even though it damages an ally's economy. West Germany, through governmental subsidies to exporters, cuts other nations out of traditional markets.

Free world nations compete among themselves, with tariffs and embargoes and subsidies, more bitterly than they compete with the Reds. As for economic and technical aid, each large country has its own program and pays little attention to what allies are doing.

There is no lack of pleas and proposals for a united free world economic effort. British leaders have insisted that a joint economic strategy is as essential as unified military and political strategies. They predict disaster if the free nations do not end trade wars,

halt commodity price fluctuations, control recessions and lead the underdeveloped areas to stability and freedom.

The Rockefeller brothers report recently proposed a western hemispheric economic union to work closely with Western Europe's contemplated common market. NATO leaders have proposed that body as a structure for economic unification.

Governor Harriman, of New York, wants this country to lead a cooperative attack, through the United Nations, on problems of the underdeveloped areas. Adlai Stevenson has a parallel proposal. Senator MONRONEY, Democrat, of Oklahoma, has won Senate approval of an international development association which would offer long-term, low-interest loans to new and struggling countries.

Administration leaders admit the peril. Allen Dulles, CIA Director; Douglas Dillon, Under Secretary of State for Economic Affairs; Vice President Nixon; and even Secretary of State Dulles have said that the war without shots is as dangerous for the free world as a shooting war. Yet the administration has opposed, or brushed off, all the proposals that would lead to meaningful unification of the West's economic effort.

The administration has talked a great deal about economic interdependence. But it has done nothing to transform that phrase into fact. It has warned of the challenge of the U.S.S.R. in fields of trade and aid. But it has done little to meet that challenge.

[From the New York Herald Tribune, July 29, 1958]

FANFANI'S PROPOSALS FOR THE MIDEAST

As an economics professor, 50-year-old Amintore Fanfani still manages to get in his lectures at the University of Rome in addition to looking after his bigger job as Prime Minister. Moreover, as a venturesome spirit—his last book was "The Economic History of the Vikings"—he may be expected to have brought along some bold economic ideas in his briefcase for his visit with President Eisenhower and Secretary of State Dulles.

Signor Fanfani believes that the NATO nations should be something more than a military alliance, and prove, by joint economic projects in the Middle East, that they have the welfare of the emerging, underdeveloped nations at heart. One plan, advanced by his predecessor, Prime Minister Pella, proposed that Italy use for such a purpose interest payments due to the United States under its Marshall plan grants. Since then Senator MONRONEY has proposed a billion-dollar fund for a new World Bank which would bank promising loans which cannot meet the World Bank's requirements. President Eugene Black, of the World Bank, also has made proposals for economic assistance to the have-not areas.

Prime Minister Fanfani, in his discussions here, is hopeful of getting some concrete agreement on advancing one or another of these plans, or a compromise among them. Certainly such economic development should have a very high priority among the allies. West Germany has already recognized this in agreeing to join France in a $500 million project to develop North African economies. As Germaine Tillion has made so clear in her penetrating study, "Algeria," the basic problem there is too many people for too few jobs—and one which grows with a population explosion produced by the wonder drugs and their lowered infant mortality all over the world. The same is certainly true of Egypt, and all the nations where Arab nationalism is an emotional expression of the deep and real deprivations which men like Nasser do very little to remedy. One of the ways the West could show the earnestness of its desire to help the Arab peoples into modern technology would be along the lines Signor Fanfani is advocating. Congress would do well to study his ideas.

TRIBUTE TO AMERICAN MOTION PICTURE INDUSTRY AND JACK L. WARNER

Mr. McCARTHY. Mr. President, in paying tribute to the American motion picture industry and to Jack L. Warner, my colleague, the senior Senator from Minnesota [Mr. HUMPHREY], has prepared a statement in which he comments on the achievements of the motion picture industry and on the record of this great man. I ask unanimous consent that my colleague's statement be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

On many occasions, it has been my pleasure to pay tribute to the patriotic services of various American groups.

In my judgment, there are few industries which have demonstrated their devotion to the American people more abundantly and more continuously than the motion picture industry.

In war and in peace, there have been few, if any, public-spirited causes in which the industry and its leaders have not cooperated.

That is one of the reasons why last week, in appearing on a panel program of the Third Conference on International Exchange of Persons, here in Washington, I was pleased to commend the industry for its latest cooperation in the exchange of films.

Today, however, I should like to draw particular attention to one individual in the industry who has long been one of its greatest figures.

I should like to add my word to that of vast numbers of individuals throughout the land in welcoming back Jack L. Warner, president of Warner Bros. Pictures.

"Welcome back, Jack," is the theme of salutes during an entire week, as observed throughout this land and abroad. This week, States, municipalities, patriotic groups and civic associations are joining the press and the motion picture industry in testimonials to the services and work of Jack L. Warner.

More perhaps than any other living man, Jack L. Warner has contributed to the development and advancement of this great medium.

He is one of its foremost pioneers. Much of the credit for bringing sound to the screen may be attributed to him. But talking pictures represent but one of the technical innovations which he has spearheaded.

The name Warner Brothers symbolizes, as we know, a whole galaxy of unforgettable films which have stirred the American people and which have met with enthusiastic audiences throughout the world.

The notable productions from the Warner Brothers Studio are so numerous that they could hardly be enumerated in this brief word of tribute.

I could not, however, fail to mention such enduring masterpieces as "The Story of Louis Pasteur" and "Dr. Ehrlich's Magic Bullet."

The Warner Brothers special patriotic films, depicting the signing of the Declaration of Independence and highlighting our great American ideals and historical moments are known around the world. Their contribution to the understanding of the American tradition of liberty is beyond calculation.

Mr. Warner, through the production of films based on the lives of great Americans, has dramatized for all the world to see the achievements made possible by freedom.

The crisis which came with World War II found him, as usual, ready and eager to serve his country. During the war, he not only dedicated the resources of his studio to the national effort but personally took on the uniform of his country the more effectively to serve.

Jack L. Warner's good citizenship has won for him many accolades but his dedication to service goes beyond national boundaries. He sees and uses the screen as a dynamic medium to advance understanding and foster good relations among all peoples of good will.

This dedication to service has brought him well-deserved recognition in many awards, a few of which are: The United States Medal for Merit, the French Legion of Honor, a scroll of tribute from free China, Mexico's Order of the Aztec Eagle, the Gold Distinguished Service Medal from the Disabled American Veterans, the Italian Order of Solidarity, First Class; United States Treasury Department Distinguished Service Citation.

He has been honored with many more awards * * * too many to recite here. But I am confident that high among them all, he will cherish a current tribute which comes not alone from the industry with which he is so eminently associated, but from the worldwide public that the industry serves.

It is a privilege, therefore, to join the citizens of the United States and the peoples of the free world in rendering this acknowledgement to Jack L. Warner on the occasion of Jack L. Warner Week.

The past is but prologue to the further contributions which we know he is going to make to his industry and to this country.

TWENTY-FIFTH ANNIVERSARY OF THE EXPORT-IMPORT BANK

Mr. SPARKMAN. Mr. President, today there has appeared in the Wall Street Journal an article entitled "Export-Import Bank Turns 25 Today, Has Earned Over $700 Million for Uncle Sam."

The Export-Import Bank is a Government agency which has done an extremely fine job during the 25 years it has been in existence, and I believe it quite appropriate that that fact be called to the attention of the Senate.

During these 25 years of its operations, the Export-Import Bank has, according to the article, approved over $10 billion of credits in some 1,600 transactions. Only $6,600,000,000 of those credits have actually been disbursed. Many of them have been repaid; the rest have been held back for one reason or another. At the present time the bank has $1,600,000,000 committed but undisbursed.

During this period of time the bank has made profits of $732 million. Of this amount, $196 million has been paid into the Treasury, over the years, as dividends on a $1 billion stock investment in the bank. The bank keeps the other $536 million as reserves.

The bank operates by borrowing money from the Treasury. Over this period of time, it has paid the Treasury a total of $242 million in interest paid by those who have borrowed. The bank makes a profit, because it obtains its funds from the Treasury at the going rate of interest which the Government has to pay for money, and lends out the money at a higher rate of interest.

Mr. President, I may say that although the Export-Import Bank itself does not

like to be referred to as a foreign-aid agency, it has been one of the most potent agencies in our foreign-aid programs, in making repayable or bank loans to various governments, various agencies, and various companies throughout the world.

During this period of time the bank has sustained losses amounting to a total of only $2,900,000. Of course, some of the loans now outstanding certainly are less good than some of the others; but, as a whole, the agency has operated in a very sound manner.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the very informative article which was published today in the Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK TURNS 25 TODAY, HAS EARNED OVER $700 MILLION FOR UNCLE SAM

(By John R. Gibson)

WASHINGTON.—The granddaddy of Uncle Sam's foreign-aid agencies, the Export-Import Bank, turns 25 years old today with the unusual record of having earned over $700 million in profits for the Government.

In fact, the Eisenhower administration considers the earnings picture is good enough that the bank's own borrowings could be financed on the public securities market, rather than from the U.S. Treasury. This, of course, would help President Eisenhower keep his budget for next fiscal year balanced at $77 billion, since the bank's lending of funds from the Treasury count as Government spending.

It is understood, however, that Bank officials are leery about the idea. For one thing, it would likely mean slightly higher interest costs for the Bank, which currently gets its money at the average rate of interest paid by the Treasury on the money it borrows. The Bank would certainly have a less favorable credit rating than the entire U.S. Government. Furthermore, such borrowings, even though handled by the Treasury, would add more redtape to the Bank's operations.

BORN DURING DEPRESSION

Depression born, the Bank lends most of its money to finance exports by U.S. companies. It also makes loans to poorer countries for economic development, but many of these must also be spent in the United States for American-made goods.

Through its loans, the Bank has since February 12, 1934, become one of the country's chief dispensers of foreign aid—even though its officials quarrel with that description of their activities. Its first loan, however, would be considered a form of foreign aid today: that was a credit to Cuba to finance the minting of silver coins in the United States.

But no matter how one describes their work, Bank officials, headed by President Samuel Waugh, are proud of their profit-making record.

An up-to-date report by the Bank shows it has made $732 million in profits. Of this, $196 million has been paid to the Treasury over the years as dividends on a $1 billion stock investment in the Bank. The Bank keeps the other $536 million as reserves.

Business is getting better, too. President Eisenhower's January budget predicts the agency will show net income of $82 million this fiscal year and $88 million in fiscal 1960, starting July 1, compared with $67 million in the fiscal 1958.

The Bank has paid the Treasury an additional $242 million in interest on borrowings over the 25 years, the Bank said in its birthday report. It has authority from Congress to borrow up to $6 billion from the Treasury on a revolving basis. It relends the cash, making its profits by charging a higher interest rate than the Treasury must pay to borrow money itself.

Altogether, the bank figures it has approved over $10 billion of credits in some 1,600 transactions over the years. Only $6.6 billion of these credits have actually been disbursed—many of them repaid—with the rest held back for one reason or another.

At present, the bank has $1.6 billion committed but undisbursed. Britain, for instance, is paying 1 percent interest on $250 million of credit it got during the 1956–57 Suez War but never picked up. London must decide by the end of February whether to continue the standby arrangement or not.

LOSSES ONLY $2,900,000

Loan losses have totaled only $2,900,000. But several other credits are known to be shaky in Nationalist China, Bolivia, and Haiti.

The bank figures it has encouraged more than $1 billion in U.S. private investment abroad through its loans and loan guaranties.

Now in its busiest year, other than fiscal 1957, when it made its big credit to Britain, the Export-Import agency figures to make about $1.2 billion of credit commitments. The President's budget projects fiscal 1960 loans and guaranties at about the same mark, compared with the $857 million of fiscal 1958.

However, not everyone agrees the bank does everything right. From time to time, for instance, the Export-Import agency and the completely separate 68-nation World Bank tangle over credit projects. These differences usually come when the World Bank thinks a certain country should be denied international loans until it curbs inflation or otherwise puts its economic house in order. Often in such instances the Export-Import Bank won't see things quite that way because a credit would be to the advantage of U.S. foreign policy or to a hard-pressed U.S. industry.

OREGON'S 100TH ANNIVERSARY

Mr. MORSE. Mr. President, Saturday, February 14, 1959, is a day of many meanings. To some, to the schoolchild, to the young in heart, whatever be their chronological age, or to the florists and candymakers, it commemorates a Roman martyr of the third century who by the ironic usage and the strange alchemy of history has become transformed into a romantic symbol. There are a few, and I hope only a few, to whom the day is but another Saturday, and if they mark it at all they do so in anticipation of the holiday which follows.

However, Mr. President, my colleagues from Oregon on this day join with our friends in the Congress from the great State of Arizona in celebrating yet a third type of anniversary. It was on Valentine's Day, 1859, that Oregon was admitted to the Union. Oregon, the 33d State, added to the Union a broad and fertile expanse of wheatfields, snow-capped mountains, verdant forests, wide rivers, and rugged coast.

Mr. President, I am proud and happy to announce that to help us celebrate the historic occasion of our 100th birthday Senate Majority Leader LYNDON JOHNSON and Speaker SAM RAYBURN of the House of Representatives will join a gathering of Oregonians in the Senate restaurant tomorrow to cut a 100-candle birthday cake.

On behalf of all of us who call Oregon home, I wish to express my heartfelt thanks to these two Texas colleagues of the Oregon delegation in Congress for their interest in joining us in our celebration.

Oregon enters its second century with an illustrious history of a first century of progress and achievement.

It is in connection with this anniversary celebration that I offer on behalf of the Oregon delegation to the most distinguished President pro tempore and all the citizens of his State the heartiest of congratulations on this anniversary of the admittance of the State of Arizona to the imperishable Union. Arizona, like Oregon, has been called the Valentine State because its birthday is February 14. On that day in 1912 it became a sovereign State.

So, too, Mr. President, it is fitting that for a moment I digress from my theme to pay tribute to the youngest of our sister States. As the representative of a centennial State, I welcome with gladness the entry of our sister to the far north into the family of our great Nation. At the same time, I express the fervent hope that 1959, marked as it is with so many events, will be remembered in history by the Oregon centennial and the admission of the great State of Alaska as an equal partner among the United States, and I hope, by the addition of a 50th State, Hawaii. So, Mr. President, as a representative of the 33d State, I pay my respects to the 48th and 49th States. We are bound together, not alone by the strong bands of the Union, but, in addition, by ties of friendship and the sharing of historic memories brought to mind by the coincidence of date and year.

The centennial celebration in Oregon which is continuing through this year, and which will be formally opened at the State capitol in Salem this coming Saturday, permits Oregonians to pause for a moment to reflect upon that which has gone before and to take inventory of the present in order that we may plan soberly for the future. It is, as it were, a summit in time from which eminence we can scan the route we have traveled and look westward into the valleys of the future. Thus, the observance of a centennial, over and above the advertisement it affords for our God-given beauties of farm, field, river, forge, and coastline, permits also a look at the spiritual geography which, as much as the physical, shapes our destinies.

Few would deny that the political geography of Oregon is marked by such achievements as the direct primary, the initiative, and the referendum. These are landmarks of democracy as awe-inspiring, each in its own way, as is Tillamook Head, the Gorge of the Columbia, Crater Lake, or the majestic crests of Mount Hood and Mount Jefferson in the realm of nature's masterpieces.

The monumental political developments mentioned a moment ago have social parallels. Dr. Domenico Gagliardo, in his "American Social Insurance," a standard text used in graduate courses,

has this to say about medical insurance plans:

In this country the first medical prepayment plans developed in the mining and lumbering regions of Washington and Oregon, where settlements were small and usually far removed from large urban centers.

After making a footnote reference to a claim of Tampa, Fla., to early activity in this area, Dr. Gagliardo goes on to say:

Employers contracted with doctors and hospitals to care for workers injured in the course of their employment, sharing the cost with the workers. Later those States required by law that employers and employees contribute to the cost of medical care for industrial accidents covered by their workmen's compensation acts. Contracts were made by employers with hospital associations, commercial clinics, and later with medical society service bureaus, to care for the industrially injured. Many employers and employee groups then increased their contributions in order to provide themselves and their dependents with medical care for nonindustrial illness and injury as well. The movement spread slowly to other areas.

He also stated at another point:

Medical society plans in Washington and Oregon are the most liberal of all private plans in regard to benefits.

In the field of progressive social action the legislation passed under the administration of Gov. Oswald West, to preserve forever in the public interest free access to the matchless Oregon beaches by making the entire length of Oregon coast a public highway, shows a foresight in the conservation of natural beauty for recreational purposes which few, if any, of our sister States can claim to equal.

In the field of labor legislation, Mr. President, the record speaks for itself. To document it for the Senate, I ask unanimous consent that there be printed in the RECORD at this point in my remarks pages 274–276 of the "1959–60 Oregon Blue Book," a publication of the State of Oregon.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

LABOR—OREGON'S PROGRESSIVE LEGISLATION LEADS NATION: SAFETY, WAGE, HOUR, WOMEN, CHILD LABOR, CIVIL RIGHTS LAWS

No other State gives a better deal to its citizens who work for a living than Oregon.

It has been part of the traditional policy of this State that industrial efficiency for the most part, stems from the proper treatment of workers. True to this belief Oregon has been a leader in progressive labor legislation for more than a half-century—with net gain that her workers are prosperous and happy and that she has had less industrial discord than most States.

LABOR PEACE MAPPED

Oregon laid the basis for her peaceful industrial scene over 50 years ago when her wage earners numbered no more than 30,000 in population of a half-million. Although living in a primarily agricultural economy, Oregonians of that time were aware that their young State through her water, timber, and other natural resources had a huge industrial potential that some day would be utilized to the hilt. They were fearful that an undesirable factory system with its attendant strife between management and labor would come into being. An Oregon Governor of the era, George E. Chamberlain, expressed the concern of most Oregonians in his message to the legislature of 1903: "A spirit of toleration has existed between employers and employees," he said and "it is to be desired that the friendly relations which have existed between these great forces in Oregon may continue for all time. . . ."

Oregon voters figured that progressive labor laws would achieve such harmony and they backed creation of a State labor department whose main job would be: (1) to assess changing economic and social conditions; and (2) to collect facts and figures on both management and labor activities so that intelligent legislation could be enacted and then enforced in a quiet and peaceable manner.

SAFETY FIRST IN FACTORIES

The resulting code of labor laws accumulated over five decades placed Oregon among the Nation's leaders in constructive legislation affecting the worker.

Oregon's first concern was to introduce the safety first principle into her expanding factories. An early-day program of industrial safety education made her factories and workshops safe and sanitary places to work, and brought on a workman's compensation act which today is among the best and most comprehensive of its kind in the Nation.

The comprehensive inspection of electrical installations and of elevator installations and material, and the inspection of boilers, unfired pressure vessels, and liquid petroleum gas tanks have resulted in an excellent safety record in these fields. Highway advertising was brought under regulation in 1955 for both safety and esthetic reasons.

In the protection of working women and girls, Oregon has attained preeminence among the 48 States. Oregon passed the first enforceable wage and hour act in the country. In 1913, through a special wage and hour commission, she set a minimum wage and maximum working hours for women—the first ruling of its kind ever made by a commission in America. The commission presently regulates employment of women through industrial orders setting maximum work hours, minimum wages, and other working conditions.

CHILD LABOR REGULATED

Child workers under 18 come in for their share of protection. The State of Oregon, for more than 50 years, has hewed to the dictum laid down by the Oregon Supreme Court that the regulation of children's working conditions is necessary if they are to be mentally and physically capable of performing the duties and relations of adult life. With the State closely supervising the wages, hours, and general working conditions of its young workers under 18, and with a school law which requires their attendance at school until the 12th grade is passed, the evils of child labor are practically nonexistent in Oregon.

Busy with the protection of today's industrial worker the State does not neglect the training of tomorrow's industrial worker. Oregon has a plan of on-the-job apprenticeship training, coupled with supplementary classwork, which prepares young men and women for the dual responsibilities of citizenship and craftsmanship.

No one ever questions the right of a worker to the wages he has earned, yet thousands of workers across the Nation each year are unable to collect the wages due them. Oregon is one of 17 States in the Union which, on request of the worker, will collect his overdue wages, by court action if necessary.

LABOR DISPUTES FEW

Labor disputes in the Beaver State have been relatively few, and this holds true for those great periods of nationwide turbulence and industrial activity.

An official report on State industrial conditions for two such periods is enlightening. An official report for the 1920 era states: "There have been fewer strikes and lockouts in Oregon than in any other State of the Union," and in 1945, a report on World War II conditions, a period of population growth and construction of new industrial plants, noted: "No other State had a lower percentage of man-days idle as a result of industrial disputes."

State employment records reveal only one out of 787 of the State's wage earners has been involved in labor disputes over the past 12 years. Oregon's tradition of settling disputes by calm, judicial proceedings rather than by battles, clubs, and violence has reaped its tangible reward.

UNIONS PRECEDED STATEHOOD

Organized labor in Oregon along all industrial lines has increased steadily, and its relations with the public and with management are generally good. Unions are not Johnny-come-latelies to the Oregon scene. Labor organizers came across the plains in the covered wagon.

THE FIRST CRAFT UNION

More than 100 years ago the first craft union, the printers, was formed in 1853 before Oregon became a State. Oregonians held that unions which were correctly conducted, were evidences of good citizenship, and benefited not only working men and women, but the public and management as well. The fact that for several years responsible management and organized labor have been meeting successfully at an annual industrial forum, sponsored by the University of Oregon, shows the respect responsible management and organized labor hold for one another. Here, general problems affecting both groups are threshed out in public discussion.

The problem of the migrant worker is felt to some extent in certain areas of Oregon. While crops are harvested in the main by local residents, between 18,000 and 20,000 migrant workers enter the State during the peak harvest months of June and August.

EQUAL PAY FOR EQUAL WORK

In 1955, it became unlawful for an employer to discriminate between the sexes in the payment of wages for work of comparable character, the performance of which requires comparable skills; thus another discriminatory practice was made a violation of the law.

SIXTH WITH CIVIL RIGHTS

In 1949, still true to her traditional policy of fair treatment for all workers, Oregon became the sixth State in the Nation to pass a Fair Employment Practices Act in which it was declared that the opportunity to obtain employment without discrimination because of race, religion, color, or national origin is a civil right. In ensuing years, civil rights legislation has been extended to prohibit such discrimination in places of public accommodation, resort or amusement, in publicly assisted housing, and in private vocational, professional, or trade schools.

If Oregon sticks to her traditional labor policy, she will continue to be a good and reasonable place for the laboring man and woman to work and raise a family.

Mr. MORSE. Mr. President, the effect of physical geography upon a people has been studied by many an historian. Today I wish to touch for a moment upon the effect of moral or spiritual geography upon the politics of a people. Unless a people have vision it will perish. Unless a people establish goals which are worthy and unselfish it deserves to perish.

The shards of past nations who looked too low or in the wrong directions have long since been scattered upon the dust heaps of time. We in America must, if we wish to avoid the shattering fate which overtook our predecessors, look to our foundation faith. We are young as a Nation, because we affirmed and witnessed before the Old World our manifest belief in the goodness of man, his ability to learn from experience, and his right and duty to govern himself through the orderly processes of democratic institutions based upon procedural safeguards which protect the individual in his search for self development and fulfillment.

There is a phrase, originally a theological concept, which sums up the point I strive to make. It is "The brotherhood of man under the fatherhood of God." These words come to us as a unifying mountain chain of morality which precipitates the water of life upon the broad and fertile plains of religious toleration, racial equality, and even-handed justice under law. Through these principles succeeding generations of men may grow strong, each after its own fashion, that America may continue to live through their strength from century to century.

The spiritual geography and the political geography of a nation are inescapably interwoven, for the latter depends upon the former and is but the political expression of it. The political geography wears a different form, but in essence it must emerge with the principles of morality or be eroded into shifting sand or quivering muck.

The people of Oregon have in the past century built their institutional landmarks solidly upon democratic principles, and in doing so contributed to the continuing strength of the Union. As we Oregonians pause here today, to mark this significant century of our statehood, it is my earnest prayer that the Oregon Trail we seek in the century to come will lead upward toward greater peaks of morality and justice.

ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I move that the Senate stand in adjournment until Monday next, at 12 o'clock noon.

The motion was agreed to; and (at 3 o'clock and 7 minutes p.m.) the Senate adjourned until Monday, February 16, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 12, 1959:

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

TO BE GENERALS

Gen. Henry Irving Hodes, O12845, Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Lt. Gen. Clyde Davis Eddleman, O15842, Army of the United States (major general, U.S. Army), in the rank of general.

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as follows:

Maj. Gen. Paul DeWitt Adams, O17306, Army of the United States (brigadier general, U.S. Army), in the rank of lieutenant general.

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

TO BE MAJOR GENERALS

Brig. Gen. Isaac Sewell Morris, O18806, Army of the United States (colonel, U.S. Army).

Brig. Gen. Christian Hudgins Clarke, Jr., O18213, U.S. Army.

Brig. Gen. Charles Hartwell Bonesteel 3d, O18655, Army of the United States (colonel, U.S. Army).

Brig. Gen. Lyle Edward Seeman, O17082, U.S. Army.

Brig. Gen. Jack William Schwartz, O17823, Medical Corps, U.S. Army.

Brig. Gen. Roy Tripp Evans, Jr., O19140, Army of the United States (colonel, U.S. Army).

TO BE BRIGADIER GENERALS

Col. Franklin Fearing Wing, Jr., O18107, U.S. Army.

Col. Clarence Renshaw, O17708, U.S. Army.

Col. William Warner Harris, O18170, U.S. Army.

Col. Chester William Clark, O41908, U.S. Army.

Col. Gines Perez, O30126, U.S. Army.

Col. Elmer Louis Littell, O29823, U.S. Army.

Col. Harvey Julius Jablonsky, O19390, U.S. Army.

Col. James Leslie Snyder, O19627, Medical Corps, U.S. Army.

Col. John Farnsworth Smoller, O19416, U.S. Army.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298. All officers are subject to physical examination required by law.

TO BE FIRST LIEUTENANTS

Ament, Richard G., O82260.
Barber, Harry K., O84071.
Barge, Beverly L., O77265.
Barnes, Frederick, O73983.
Bayless, Robert E., O78223.
Beckhoff, Otto F., O81581.
Brink, Donald W., O78241.
Broadway, Thomas F., O73493.
Brown, Loy D., O73549.
Campbell, Robert J., O77303.
Carey, Calvin C., O81598.
Champlin, William A., O84074.
Cline, Ellis F., O77323.
Cloutier, Harold J., O73139.
Cocke, Eugene R., O73495.
Collins, Marion H., O81604.
Comer, Winston L., O77331.
Corbett, Richard L., O73992.
Cox, Elbredge R., O78269.
Cullen, James F., O78273.
Davis, John R., O78049.
Denny, Davis McC., Jr., O73997.
Fraley, Harold J., O74203.
Gates, Norman B., O73554.
Grann, Richard A., O84083.
Grant, Gordon E., O77414.
Grey, Harold M., O78324.
Haas, Donald A., O78329.
Hanson, Gene, O73958.
Harrington, Regis A., Jr., O78340.
Hawkins, Billy W., O73500.
Hawkins, Charles C., O73960.
Haynes, Richard E., O73527.
Hesse, Richard P., O77442.
Hill, Donald L., O75064.
Hoerning, Robert W., O74726.
Hoffman, John F., O82276.
Holt, Charles M., Jr., O73504.
Holt, Robert B., O78354.
Holzheimer, Richard D., O82338.
Hookway, William A., O78355.
Jessup, Morris M., O73506.
Johnson, Charles P., Jr., O73507.
Johnson, James H., Jr., O81671.
Johnson, Marion, Jr., O74009.
Jones, Maury L., O84525.
Jones, Warren A., O73508.
Kakazu, Yoshiaki, O84087.
Kelley, Horace S., Jr., O84088.
Killough, Charles K., O73564.
Kimmel, Rex M., O73510.
Kneibert, Richard G., O78390.
Knepper, Charles F., O82280.
Kovarik, David F., O84090.
Loomis, John McA., O78407.
Mark, James C., O81695.
Marshall, Richard H., O81697.
McNall, Jack G., O77575.
McKee, Robert W., O77572.
McNutt, George R., O78429.
Meisel, Karl H., Jr., O81701.
Miller, Clemith J., Jr., O77900.
Moore, Jimmy N., O78442.
Moses, George W., O73576.
Neely, Joe E., O84097.
O'Connell, Maurice P., O84099.
Ohlemueller, William A., O84100.
Ottinger, Teddy A., O84529.
Owens, Robert C., O78459.
Phillips, Robert A., O78464.
Propes, Norman C., O73581.
Quigg, Stuart M., O78473.
Quinlan, Harry L., O73516.
Rayburn, Donald D., O84530.
Richey, Wayne B., O84104.
Rigrish, Ernest E., O81725.
Rosenberg, Theodore R. O84105.
Ross, Robert E., O78483.
Rowe, Alvin G. O77661.
Sanders, William C., 2d, O78488.
Sandstrum, Allan W., O74834.
Sawyer, Frank N., Jr., O73975.
Secord, John W., O81736.
Seeley, James L., O75084.
Sherzer, Morton P., O78501.
Skanchy, Robert K., O78506.
Smith, Carl G., O73520.
Smith, Willis B., O78509.
Springstead, Bertin W., O77700.
Stevenson, Harry K., O81746.
Toler, William K., O83667.
Walker, James R. O78536.
Walker, William C., O74034.
Wallington, Edward H., O77758.
Wheeler, Lester McF., O84113.
Wiles, James M., O77777.
Works, Bobby, O81769.

TO BE FIRST LIEUTENANT, MEDICAL SERVICE CORPS

Anderson, Robert E., O83845.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, 3288, 3291, 3292, 3294, and 3311:

TO BE LIEUTENANT COLONEL

Holmes, Robert H., MC, O401472.

TO BE MAJOR

Mitchell, Donald G., MC.

TO BE CAPTAINS

Bellar, Mary E., ANC, N734887.
Bongiovanni, Esther T., ANC, N797495.
Brown, Inez M., ANC, N792815.
Browning, Ann C., ANC, N762686.
Carabba, Otto A., Jr., MC, O4067342.
Cates, Mildred M., ANC, N753226.
Chase, Dorothy L., ANC, N735082.
Deck, Violet E., ANC, N900168.

Hammill, Janet A., AMSC, R2055.
Hayden, Mary N., ANC, N901168.
Horkowitz, Gabriel W., DC, O2240540.
Isham, Ruth M., WAC, L1020589.
Judge, Cecilia A., ANC, N621938.
Krause, Manfred E., MC, O1872359.
Lane, Richard A., DC, O2271824.
Lipham, Corinne I., ANC, N763740.
Maddox, Belman C., DC, O2274574.
McCarthy, Kathryn V., ANC, N805380.
Moore, Fred J., JAGC, O2206643.
Ramsey, Frank A., VC, O1941854.
Roberts, Lucile M., ANC, N778792.
Rogers, Robert E., MC O7876559.
Sidell, Norma E., ANC, N784889.
Stein, Robert L., MC, O4043339.
Zerbi-Ortiz, Alfonso, MC, O5826149.

TO BE FIRST LIEUTENANTS

Anderson, William L., VC, O5500709.
Antonicci, Anna E., ANC, N900194.
Bosch, Lila J., ANC, N902121.
Bowman, Donald B., MC, O2284809.
Christie, John N., Jr., MC, O2288241.
Cotreau, Joseph C., DC.
Cunningham, Dillard, ANC, N805293.
Donavan, Joseph E., Jr., VC, O4060853.
Fitzroy, Barbara M., ANC, N902640.
Glisson, Bessie R., ANC, N805339.
Greene, Patricia A., ANC, N805742.
Hatfield, John L., MSC, O2033312.
LaBounty, Frances M., ANC, N805763.
Larkin, Francis J., JAGC, O2295247.
Lee, Laurie A., WAC, L1020159.
Locke, Samuel M., Jr., DC, O5202563.
Schadl, Hilda T. A., ANC, N901965.
Smith, Carol L., WAC, L1010813.
Spencer, Charles D., MC, O5204132.
Thomas, Fred W., MC, O2284245.
Wampler, Stanley N., VC, O4068745.
Webb, John F., Jr., JAGC, O2287525.

TO BE SECOND LIEUTENANTS

Charlton, John L., Jr., MSC, O2287186.
Cissell, Donald J., MSC, O5401587.
Currie, Christian M., WAC, L2291663.
Curtis, Ann L., AMSC, R2737.
Decker, Walter J., MSC, O2283668.
Dial, Retta F., WAC, L2290016.
Fellman, Barbara M., ANC, N2288964.
Jump, Janice G., WAC, L2289164.
Ruggles, Don C., MSC, O5402204.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, U.S. Code, sections 3285, 3286, 3287, and 3288:

TO BE MAJORS

Brown, Joseph E., O1637095.
Frank, LeRoy P., O547199.
Morgan, Clayton B., O2053901.

TO BE CAPTAINS

Bowman, James C., O2293329.
Friedlein, Charles M., O978305.
Hansen, Donald E., O2266362.
Keggins, Alfred G., O939668.
McKenzie, Lawrence S., Jr., O2096815.
Ruple, Charles O., O1334907.
Watson, Billy H., O413812.
Wilson, James J., O1826119.

TO BE FIRST LIEUTENANTS

Agnew, James B., O1887776.
Allan, Walter F. D., O4042218.
Barrow, Carrell M., Jr., O4048443.
Bettinger, Francis D., O4030793.
Bradshaw, Harold D., O4034781.
Brodt, James H., O2293280.
Bunevich, Peter C., O2290254.
Desaulniers, John J., O1820959.
Driscoll, Jerome W., O4027261.
Etzler, Roy T., O4035357.
Fossett, John L., O1915487.
Henderson, Berry H., O4011967.
Howard, Matthew A., Jr., O4051387.
Krellick, Elvin A., Jr., O4058610.
Lancaster, James G., O4049755.
Logerquist, Benjamin A., O4040332.
Marion, Charles B., O2203091.
Peterson, James M., O4016913.
Rose, Robert D., O2285295.
Schroeder, William S., O2283031.
Smith, Thomas L., Jr., O1888293.
Sumner, Elton, O4044371.
Ste. Marie, Normand A., O1893117.
Thomas, Hiram J., O1880403.
Tollefson, Robert G., O4050346.
Tutwiler, James D., O4049941.
Werner, Gary L., O4057225.
Wheeler, Douglas E., O1875420.

TO BE SECOND LIEUTENANTS

Altom, Gilbert J., O4026043.
Anderson, David P., O1879765.
Blakeley, David C., O4013353.
Briel, Ernest M., Jr., O4063021.
Cannon, Joseph M., O1890416.
Chenoweth, Robert T., O4041671.
Chick, Edward E., O4001336.
Clark, Gerald R., O4064344.
Collins, Nicholas H., O4052666.
Conroy, Arthur T., Jr., O4029115.
Crowley, Bruce B., O5505249.
Curran, Francis R., Jr., O4051343.
Decelle, Philip H., O4066282.
Deighan, William P., O4035730.
Dickens, Waverley J., III, O5200365.
Doolittle, Lloyd W., O4071744.
Douglass, Robert W., O4068849.
Durr, Donald D., O4047312.
Fader, Jerome H., O4069467.
Faiver, George K., O5300689.
Fisher, Paul D., O4075395.
Fletcher, James E., O5700971.
Fournier, Joseph J., O4065545.
Fuschak, Frank M., O4025114.
Gaines, Merrel E., O4046453.
Goller, Gilbert F., O4052900.
Greenfield, Bennett E., O5202381.
Grgich, Rudolph M., O1875201.
Guba, Howard J., O4065389.
Guillory, Larry G., O4071777.
Haan, Philip J., O5504012.
Harrison, Henry L., O4076248.
Hatcher, Joseph F., O5400087.
Heck, Donald E., O4070351.
Hehle, Joseph P., O4000595.
Hendrix, John W., O1880987.
Hennen, Paul G., O4085516.
Hesse, Russell S., O4069430.
Hestand, Kenneth D., O5400456.
Higgins, George R., O4064277.
Howell, Hugh B., Jr., O4075576.
Izatt, James, O4068789.
Joczik, Robert L., O1935864.
Kaiser, Philip E., O4074828.
Kaufman, Raymond, Jr., O4075417.
Kelley, John W., Jr., O4053051.
Koford, Joel L., O5405146.
Latturner, George J., O4060917.
Lewis, Robert C., O4077108.
Linver, Sidney L., O5201027.
Lipmanson, Joel D., O4046790.
Lockaby, Jesse S., Jr., O4058973.
Luck, Bennie E., Jr., O4036011.
Malone, K. H., Jr., O4049273.
Mayes, Floyd B., Jr., O5300298.
Morse, David L., O5504333.
Mortensen, Theodore J., Jr., O4074838.
Mosco, Richard A., O4042769.
Muhlenfeld, William F., O5203215.
Munyan, William G., O4036781.
Nagy, Gerald, O4035792.
Newman, Charles D., O4025963.
Payne, Charles P., O5200170.
Pierce, Ellis E., Jr., O4052224.
Powell, Walter W., O4044311.
Prince, Ted, O5201581.
Reilley, James J., O5503403.
Remington, Allen K., Jr., O4037811.
Reynolds, William H., O5302402.
Richards, Gerald T.
Riggs, Jack M., O5701109.
Roberts, Roy A., O4070472.
Rodnite, Andrew J., O4064997.
Rudrow, Robert G., Jr., O4004007.
Russell, Richard R., O5400067.
Sander, Robert C., O4032682.
Schiefer, Henry J., O4065234.
Schroeder, Eldon K., O4071829.
Shea, Charles E., III, O4085443.
Sims, John C., Jr., O4075453.
Slayter, John H., O4060341.
Smith, Carl D., O4048500.
Smith, George O., O4070769.
Speth, Gerald L., O4076290.
Tamminen, David L., O4064561.
Taylor, Harry S., O4083653.
Todd, Carman D., O4077732.
Torf, Arthur S., O4059385.
Truett, Curtis P., O4083613.
Turner, Thomas E., III, O4075844.
Venezia, Ronald A., O4066490.
Wallace, George C., O2277008.
Walters, Charles O., O4050653.
Wells, David K., O4077210.
Wilson, John W., O4041381.
Winkler, Carl G., O1926099.
Wise, Harry L., Jr., O4075978.
Yeary, Ira W., O4069250.
Yuill, Stuart J., O4047308.
Zitz, Joseph S., O4047545.

The following-named officer for appointment, by transfer, in the Regular Army of the United States, without specification of branch, arm, or service in the grade specified:

TO BE FIRST LIEUTENANT

Lange, John H., O72912.

The following-named distinguished military students for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Dix, Richard A.
Kelling, George H.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Abbott, Eugene E., Jr.
Agee, Robert T., Jr.
Apostle, Basil N.
Balkovetz, Fred W.
Boe, Eugene H.
Bogenrife, Richard E.
Boles, John L.
Bosking, William H.
Browning, David B., Jr.
Bunij, Edwin W.
Carey, Norman C.
Carson, Robert A.
Chutter, Robert W., Jr.
Cini, Lyn G.
Clairborne, Max R.
Clarke, Joseph R.
Corbett, Harvey T.
Crawford, George S.
Creighton, Francis W.
Crowe, Robert E.
Davis, Paul L.
DePace, Anthony J.
Eschman, Gary L.
Fasolo, Anthony V.
Fisher, Luke C., Jr.
Frazier, Robert L.
Gerding, Charles C.
Good, William K., Jr.
Greene, Robert P.
Griffith, James E.
Groves, Michael D.
Gumbert, Robert L.
Hardwick, Willis C.
Helbling, James J.
Hessler, Thomas J.
Hillen, John F., Jr.
Hixon, Jerry F.
Hohl, Richard E.
Howard, Joe
Hutchison, Howard H., Jr.
Ingram, Samuel T.
Jansen, Richard W.
Johnsen, Allen L.
Jones, Harry A.
Jones, Martin A.
Kearney, William M.
Ketchum, Loren L.
Knoop, Paul R.
Kolasheski, Richard F. O5024266
Landrum, Donald J.
Langbein, Eugene G.
Langendorff, Herbert E., Jr.
Lawson, Owen D.
LeCroy, James A.
Ligon, John L.
Lovvorn, Robert H.
Lunt, Robert G.
Macci, David K.
Mackey, Billy O.
Mairs, Robert J., III
Mayhew, Albert C.
Moe, Donald W.
Moore, Powell A.
Morton, James O.
Nowak, Leonard G.
Olson, Frederick N.
Pasco, Allen
Preppernau, Paul D.
Provenzano, Robert J.
Quattlebaum, Charles W.
Quinlan, Patrick J.
Ramey, Harold M.
Rebholz, Edward S.
Roberts, Claude W., III
Rogers, Richard L.
Schoor, Gerard J.
Smith, Allan D.
Smith, Duane N.
Starley, Vernon B.
Tausch, Russell E.
Thompson, Billie F.
VanHooser, Carroll T.
VanHooser, David P.
Vanlandingham, Robert E.
Wagner, Robert C.
Ward, Charles E.
Wasson, James V.
Wickstrom, Charles J.
White, Lawrence L.
Wilkinson, Tary D.
Williams, Billy D.

Windham, Joseph N. Zimbrick, Duane E. Winston, Lowell O., Jr. Zumbro, Harold D. Wright, Randolph M.

IN THE AIR FORCE

The following-named officers for appointment in the Air Force Reserve to the grades indicated, under the provisions of section 8373, Public Law 861, 85th Congress, and chapter 35, title 10, of the United States Code:

TO BE MAJOR GENERALS

Brig. Gen. Clyde H. Mitchell, AO263935, Air Force Reserve.
Brig. Gen. Clayton Stiles, AO269341, Air Force Reserve.
Brig. Gen. Walter I. Miller, AO913582, Air Force Reserve.
Brig. Gen. William S. Johnston, AO144417, Air Force Reserve.
Brig. Gen. John R. Alison, AO328165, Air Force Reserve.

TO BE BRIGADIER GENERALS

Col. Frank S. Perego, AO426422, Air Force Reserve.
Col. James M. Stewart, AO433210, Air Force Reserve.
Col. Theodore G. Kershaw, AO239295, Air Force Reserve.
Col. Barry M. Goldwater, AO270184, Air Force Reserve.
Col. John B. Montgomery, AO304671, Air Force Reserve.
Col. Charles F. Blair, Jr., AO2261311, Air Force Reserve.
Col. Roy T. Sessums, AO913943, Air Force Reserve.
Col. John S. Bagby, AO406530, Air Force Reserve.

IN THE AIR FORCE

The following persons for appointment in the Regular Air Force in the grades indicated, under the provisions of section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be prescribed by the Secretary of the Air Force:

TO BE LIEUTENANT COLONEL, USAF (MEDICAL)

John W. Wichman, AO1702390.

TO BE MAJOR, USAF (DENTAL)

Haskell Gruber, AO2240292.

TO BE MAJORS, USAF (MEDICAL SERVICE)

V. Harry Adrounie, AO513157.
Ned F. Conner, AO1543263.
Arthur J. Donneson, AO1543287.
Francis J. Ryan, AO2049844.
Walter D. Schirmer, AO1535074.
Chauncey W. Smith, AO1541593.
Maynard F. Tinkham, AO1697884.
Gale A. Westerdoll, AO1533471.

TO BE CAPTAIN, USAF (MEDICAL)

Samuel J. Brewer, AO416992.

TO BE CAPTAINS, USAF (DENTAL)

Karl H. Hallwass, AO3000643.
Hunting J. Lord, Jr., AO1906110.
Paul W. Sproule, AO1864135.
Robert C. Walters.
Donald E. Williams, AO2247385.

TO BE CAPTAINS, USAF (MEDICAL SERVICE)

Jarrell D. Bairrington, AO1906438.
Bernard F. Bauman, AO1858317.
Marshal N. Blair, AO1912667.
Harold Diehl, Jr., AO1912503.
Glenn A. Huttenhauer, AO1904920.
James E. Johnson, AO1906750.
Harold M. Jones, AO2048353.
Paul W. Lappin, AO854185.
Joseph H. Leahy, AO1534320.
Walter J. McLellan, Jr., AO1534092.
Robert J. Moss, AO1542089.
Edward S. Nugent, AO1865950.
John E. Pasch, AO2238677.
John R. Prigmore, AO555290.
William C. Ross, Jr., AO2213793.
Bennie F. Simmons, AO2047148.
Frederick F. Thimm, AO2217409.
Garry W. Todd, Jr., AO2240055.

TO BE CAPTAINS, USAF (JUDGE ADVOCATE)

Julian C. Mann, AO2253031.
William L. Otten, Jr., AO3060600.
Robert G. Smith, AO2219051.

TO BE CAPTAINS, USAF (CHAPLAINS)

Anthony J. Jasinski, AO2255106.

TO BE CAPTAINS, USAF (NURSE)

Sarah E. Beard, AN2243829.
Eileen M. Hunt, AN789785.

TO BE FIRST LIEUTENANTS, USAF (MEDICAL)

Frank A. Camp, AO3088639.
Mack B. Cawthron, AO3075059.
Lawrence J. Enders, AO3076017.
Raphael K. Graves, AO3078329.
George M. Henneberger, AO3075348.
Thomas J. Scully, AO3075299.
William M. Wahle, AO3075446.
Irving Waldman.
Mark J. Wegleitner, AO3075150.

TO BE FIRST LIEUTENANTS, USAF (MEDICAL SERVICE)

Ellis G. Aboud, AO2213624.
Charles A. Cravotta, Jr., AO3031075.
Charles J. Curry, AO3000140.
Roger S. Erickson, AO3000683.
George L. Fiocca, AO3010604.
Earl W. Flaugher, AO3000263.
John Frezza, AO3003825.
John W. Koehler, AO998487.
Corlys D. Loban, AO3000152.
Arthur Louis, AO3000077.
Thomas R. Mayhugh, AO2262069.
Thomas J. McNey, AO3023688.
Joseph S. Pizzuto, AO3048264.
James M. Rutten, AO3000349.
John Y. Sadanaga, AO4014462.
Raphael M. Sedler, AO3042986.
Ernest H. Siefarth, AO2102931.
Horace D. Thomas, AO2239048.
Charles W. Tuck, AO3043556.
Seymour Wexler, AO3013367.
Rodney J. Zimmerman, AO3013411.

TO BE FIRST LIEUTENANTS, USAF (JUDGE ADVOCATE)

Jerome S. Cohn, AO2250565.
Edgar L. McHugh, AO2222744.

TO BE FIRST LIEUTENANTS, USAF (NURSE)

Mary J. DeHaven, AN3045342.
Joan C. Gilbertson, AN3075423.
Marilyn Hunt, AN2242510.
Iva L. Jones, AN2243365.
Lillian F. Kneer, AN901422.
Mary E. Leftenant, AN2243758.
Lilly A. Nakatani, AN2242309.
Nell Noble, AN2242660.
Charlotte J. Phillips, AN2243320.
Doris L. Rumsey, AN2243284.
Ethel E. Sorrell, AN2242444.
Reva I. Sturm, AN2243373.
Joy L. Toffiemire, AN3075622.
Jane M. Vino, AN2243693.

TO BE SECOND LIEUTENANTS, USAF (MEDICAL SERVICE)

Thompson T. Abercrombie, AO3079227.
Gordon R. Beem, AO3078257.
James B. Cobb, AO3046592.
John C. Compton, AO3088515.
Willis D. Cox, AO3076135.
James C. Cross, AO3078438.
Hugh R. Farrell, AO3078536.
Jack M. Gantz, AO3079400.
Sherwood S. Hill, AO3046033.
Ronald L. Kelley, AO3045313.
Charles L. Kennedy, AO3075472.
John B. Kennedy, AO3078988.
Ralph K. Neff, AO3088724.
Robert N. Olson, AO3077281.
Lester B. Parker, AO3076794.
Donald H. Relfe, Jr., AO3078911.
Arthur D. Strathern, Jr., AO3075361.
Lewis J. Thrasher, AO3078661.
John R. Watson, AO3077178.

The following persons for appointment in the Regular Air Force, in the grades indicated, under section 8284 of title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

TO BE MAJORS

David F. Barnett, Jr., AO789123.
Buford M. Eaves, AO730418.
Raymond E. Fleck, AO808025.
Ray E. Hadwick, AO587803.
Robert A. Harris, AO660262.
Harry R. Heiskell, AO561250.
Lonnie C. Hughes, AO1577343.
Robert E. Johnson, AO2058209.
John Messer, AO929640.
John H. Minnich, Jr., AO790700.
Raymond P. Moore, Jr., AO673418.
John H. Murphy, AO2065599.
Robert H. Ottman, AO725345.
Earl L. Rigor, AO2071830.
William C. Schuler, AO762056.
John C. Shahbaz, AO716972.
Lenward A. Shelton, AO761244.
Benjamin F. Smith, AO2063712.
William C. Stickler, AO555304.
John B. Stirling, AO1699241.
Robert Stone, AO742538.
William E. Swindal, AO1168100.
Carmi A. Thompson, AO404675.
Richard T. Walsh, Jr., AO712710.
Robert E. Winters, AO712068.

TO BE CAPTAINS

Bruce P. Davis, Jr., AO1858780.
Andrew S. Jones, AO2222831.
John M. Lowery, AO2231051.
Chester W. Mumby, AO1849233.
Alvin E. Naumann, AO1850103.
Kenneth D. Weber, AO1860147.
Nena Zitinsky, AL2229228.

TO BE FIRST LIEUTENANTS

Robert C. Augur, AO3051485.
Robert R. Barnett, AO3052669.
Duane B. Blasl, AO3058127.
Harold M. Bowman, AO3059045.
Leslie A. Bryan, Jr., AO3050797.
Joseph W. Buchanan, AO3059048.
John T. Burch, AO3047217.
Norman K. Chase, AO3050538.
Donald N. Cherry, AO3050862.
Charles W. Collins, AO3056694.
Paul N. Doll, AO3028687.
Robert T. Donovan, AO3058794.
Joseph W. Felock, Jr., AO3050049.
Robert M. Flaherty, AO3053032.
Lowell A. Fredeen, AO3059072.
Stanley Y. Furukawa, AO3046625.
Bruce R. Gardener, AO3049983.
Billy J. Gilstrap, AO3056850.
Allen W. Gray, AO3046315.
Charles H. Greenley, AO3050548.
Emmett D. Harper, AO3052220.
Theodore W. Hayes, AO3058749.
Frank W. Howell, AO3047658.
Robert Jacobs, AO3029910.
Glenn J. Jaspers, AO3059094.
David L. Lawrence, AO3058344.
Donald J. Licatovich, AO3059083.
Harold G. Magner, AO3058753.
John H. Manley, AO3049919.
Arthur M. Mathison, AO3029858.
Malcolm S. McManus, AO3051940.
Ronald L. McMillan, AO3048904.
John W. Meservey, AO3052423.
Jimmy F. Mikulas, AO3058756.
Donald D. Mueller, AO3050834.
Raymond C. Nellis, AO3059085.
George W. Ogles, AO3047230.
George W. Oliver, AO3058760.
Martin G. Olsen, AO3058761.
Alvin E. Owens, AO3051914.
Junior A. Pavik, AO3048410.
Ronald D. Peterson, AO3050841.
Carroll C. Rands, AO3051183.
Johnny P. Sanchez, AO3051621.
Leo J. Sheehy, Jr., AO3059036.
Edward B. Sheldon, AO3058824.
Wayne L. Shortridge, AO3051226.
Robert D. Smith, AO3027691.
Karl D. Sobolik, AO3059037.

Daniel B. Stahl, AO3057149.
Duane G. Teuscher, AO3051193.
Thomas G. Tobin, AO3050663.
Eugene H. Unruh, AO3058777.
Matthew B. Wallace, AO3028808.
Bertil W. Wallin, AO3057092.
Alford M. White, Jr., AO3048012.
Harry D. White, Jr., AO3028468.
Richard K. Whitney, AO3051137.
Joseph E. Wildt, AO3058911.
John R. Wojahn, AO3058053.
Bernard J. Zajkowski, AO3058779.

TO BE SECOND LIEUTENANT—DISTINGUISHED AVIATION CADET GRADUATE

Larimer J. Lenhardt, AO3081803.

IN THE COAST GUARD

The following-named persons to be chief warrant officers, W–4, in the U.S. Coast Guard:

Cecil M. Thomas	Oscar D. Diel
John Needham	Peter S. Fredriksen, Jr.
Arva S. Alexander	George W. Tanghe
Robert J. Mohr	Roy L. Daisey
Frank P. Coffin	Cecil L. James
Wesley R. Hansberry	Charles E. Mueller
Gerard A. Hearn	Thomas E. Harwell
Peter Majkut	Joseph M. McGahee
Raymond E. Holley	Arthur N. Colona
William M. Parker	John E. Rowe

The following-named persons to be chief warrant officers, W–3, in the U.S. Coast Guard:

Arloy F. Jensen	Victor M. Adams
"A" "Z" Shows	Charles I. Carpenter
Charles H. Sanders	Jack S. Breschini
Richard G. Degnan	Ferdinand J. Selissen
Louis W. Stanley	Ernest T. Bittman
Jack D. Rodgers	Julian R. Sherman
Marshall K. Phillips	Leo V. Walsh, Jr.
Artell B. Crowley, Jr.	Adrian Fulcher
Gordon R. Campbell	Shelbert P. Creech
Martin F. Groff	George J. McKinlock
Ronald McClellan	Glenn N. Nelson
Lloyd T. Twiford	David A. Smith
Millard W. Johnson	Walter S. Yeargain
Daniel W. Cluff	Elmer L. Alban
Robert C. Ashdon	George D. Miller, Jr.
George W. Hupper	Frederick D. Mann
Harry J. Backman	James W. Berry
Henry O. Aeschliman	William F. Brock
Morris J. Marshall	Dolly Fulcher
William E. Hughes	Merle S. Wilson
Joseph L. Richardson	Finis L. McClanahan
Norman R. Hundwin	Robert F. Konrad
John T. Mears, Jr.	Cornelius A. Johnson
George D. Doll	Palmer F. Guarente
Earl W. Skinner	Clinton O. Gregory
Lester G. Quarles	Francis C. McCracken
Stanley Thoroughman	Howard A. Carande

The following-named persons to be chief warrant officers, W–2, in the U.S. Coast Guard:

Frederick J. Alles	William F. Kortlang
Edward J. Fraser	William E. Woodman
Thomas A. Gauld	Robert E. Bonville
Melvin C. Mize	Robert L. Williams, Jr.
Paul P. Sherrill	Neil H. Endsley
Timothy J. Crowley	Charles O. Franklin
John H. DeBoe	

U.S. DISTRICT JUDGE

John G. Tucker, of Texas, to be U.S. district judge for the eastern district of Texas, vice Lamar Cecil, deceased.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 12, 1959

The House met at 10:30 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Judges 18: 5: *Ask counsel of God, that we may know whether our way, which we go, shall be prosperous.*

Eternal God, our Father, who art always seeking to draw us within the compass and circuit of Thy divine fellowship, grant that we may be eager to accept and acclaim the overtures of Thy friendship and love.

We acknowledge humbly that we greatly need Thy counsel and companionship in order that we may be equal to all the tasks and responsibilities which are far beyond our finite wisdom and strength.

Inspire our souls to lay hold confidently and courageously of those principles of truth and righteousness, good will and brotherhood which Thou hast ordained for the building of a nobler civilization.

May glory and majesty, dominion, and power, through Jesus Christ, our Lord, be Thine forever and ever. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 77)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk and, together with accompanying papers, referred to the Committee on Banking and Currency and ordered to be printed:

To the Congress of the United States:

In the Bretton Woods Agreements Act of 1945 Congress authorized the participation of the United States in the International Monetary Fund and in the International Bank for Reconstruction and Development.

This act of leadership on the part of the Government of the United States made it possible to bring these two great international institutions into being and to launch a major effort among the nations of the free world designed to establish an effective and continuing system of international cooperation in the fields of monetary and exchange policy and economic development.

Since their foundation 12 years ago, the United States has given vigorous support to the Bank and the Fund.

The two institutions have been outstandingly successful.

The Bank has assisted on an increasing scale the economic growth of the less developed countries through well-conceived and intelligently executed development projects. The Fund, through the provision of wise counsel and timely financial assistance to member countries faced with balance-of-payments difficulties, has successfully promoted the adoption of sound fiscal, monetary and foreign exchange policies in member countries.

The international standing achieved by the Bank and Fund is such that the international economic system of today cannot successfully function without them. They are indeed vital to the continued economic growth and cohesion of the entire free world.

The National Advisory Council on International Monetary and Financial Problems, which is responsible for advising me with respect to United States relationships with the Bank and Fund, has now recommended that the resources of the Bank and Fund be increased.

I strongly concur in this recommendation. Accordingly, I ask that Congress, in accordance with the provisions of the Bretton Woods Agreements Act, authorize the U.S. Governor of the International Monetary Fund to request and consent to an increase of 50 percent in the quota of the United States in the International Monetary Fund, and authorize the U.S. Governor of the International Bank to vote for an increase of 110 percent in the capital stock of the Bank, and, subject to said increase becoming effective, subscribe on behalf of the United States to 31,750 additional shares of stock of the Bank, amounting to a doubling of the United States subscription.

The recommended increase is necessary to enable the two institutions to continue to operate successfully over the years ahead. Our subscriptions are the only financial support we are required to give these institutions. Within the framework of their capital structure, they are self-supporting and do not require additional periodic contributions.

INTERNATIONAL MONETARY FUND

The International Monetary Fund has two primary tasks. It promotes international monetary cooperation and sound foreign exchange practices which are vital to the balanced growth of world trade and development. It also provides short-term financial assistance to member countries to help them stabilize their currencies, maintain or move toward convertibility, and overcome temporary balance-of-payments problems without resorting to restrictions or other practices which may be harmful to international cooperation. In its financial operations, the Fund utilizes the gold and currencies which have been provided to it by the member countries on the basis of their quotas. These operations consist of advances or drawings repayable in not more than 3 to 5 years.

Since the beginning of its operations, the Fund has made available about $4.1 billion to 36 countries. Of this sum $3.2 billion was actually drawn in cash; commitments of over $800 million under standby arrangements or lines of credit are still outstanding; and $100 million in such credits were allowed to expire unused. Approximately two-thirds of the total was provided during the past 2 years, and the total amount of drawings and unused standby commitments outstanding on December 31, 1958, was $2.6 billion. On that date, the Fund's holdings of gold and U.S. dollars available for new advances or commitments were $1.4 billion, compared with $3.5 billion at the end of 1956. In the light of past

experience, this amount would not be adequate if calls on the fund comparable to those of recent years were made. The fund must maintain sufficient liquid resources to constitute a second line of reserves to which its members can turn with assurance at any time.

The proposed general increase of 50 percent in the resources of the Fund, together with larger increases requested by a few countries, will meet this need. These increases will raise the resources of the fund by approximately $5 billion, of which gold and dollars will amount to some $2.3 billion. If these new resources are made available, the free world can have full confidence in the capacity of the Fund to perform its tasks in the coming years.

Under the articles of agreements of the Fund, when a quota is increased, the member must pay 25 percent of the increase in gold, and the balance in its currency. In our case, this means a payment of approximately $344 million in gold and $1,031 million in dollars. The latter will be held in non-interest-bearing notes to be utilized only at such time as the Fund may need cash to meet drawings by its members.

I should like to stress the cooperative nature of this proposed increase in fund resources. Three-fourths of the gold to be paid to the fund will come from other countries. Moreover, the additional holdings of other leading currencies will be increasingly useful to the fund, particularly in view of the recent extension of the convertibility of major European currencies. This increase in resources on a very broad base is assured by the provision that the increase will not become effective until members having 75 percent of present fund quotas have consented to quota increases.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The International Bank for Reconstruction and Development has, in its 12 years of operations, made loans of over $4 billion in 49 different countries and territories. The Bank's reconstruction loans were made in 1947, and since then the Bank has made loans of some $3.6 billion for productive development projects. Loans by the Bank are currently running at the rate of about $700 million per year. Most of these loans have been made to the underdeveloped areas of the world. The Bank's own financing and technical assistance activities have increased the pace of economic growth all over the free world. The Bank has also been able to act as a conduit and stimulant to the flow of private capital into less developed areas.

Under the charter of the International Bank, only a small part of its authorized capital is available for lending, and the Bank obtains its funds primarily through borrowings in the financial markets of the world. Most of its authorized capital is, in effect, a guarantee for these borrowings. The Bank has raised the equivalent of more than $2 billion through issuance of its bonds in several different currencies. Approximately $1.8 billion of such bonds are currently outstanding. These bonds are recognized throughout the world as high quality securities. Both because of the member countries' guarantees and because of the outstanding character of its record, the Bank has been able to borrow large sums of money at frequent intervals at rates of interest comparable to those on high-grade Government securities. This permits the Bank to fix interest rates on its own loans that do not impose undue burdens on the borrowing countries.

At present, and in the foreseeable future, the ability of the Bank to raise funds in the capital market of the United States will depend largely upon the guarantee inherent in this country's subscription. Under the current rate of Bank borrowing, the present amount of this guarantee will be exceeded in the next 2 years. If the Bank is to continue to play its full part in raising productivity and living standards, additional capital far beyond the amount covered by the existing U.S. subscription will be needed.

The proposed increase of 110 percent in the total capital of the Bank and of 100 percent in the U.S. subscription will permit the Bank to meet its needs for borrowed funds for a substantial period of time. No part of the increase in our subscription would be required to be paid in except to meet defaults on the Bank's obligations. There is no reason to believe that this contingent liability will become a real one.

As in the case of the Fund, the proposed increase in the capital of the Bank will not become effective until subscriptions have been received for approximately 75 percent of the existing capital. This will assure a wide participation by the member countries.

The Special Report of the National Advisory Council, which describes in detail the proposal to increase the resources of the Bank and Fund, is attached.

The entire free world needs sound currencies and orderly exchange systems to foster trade and economic growth and it needs capital which will support rising living standards and accelerate the pace of economic development in all of the member countries. The International Monetary Fund and the International Bank for Reconstruction and Development have achieved outstanding records as effective instruments toward these ends. For the well-being of the free world and in our own interest, it is essential that the proposed increases in the resources of these two institutions take place.

There is real urgency for prompt action. The United States has for many months been taking the lead in this important effort to equip the Bank and Fund to continue their work. The countries of the free world look to the United States, because of our economic strength, to set the pace by acting without delay to take up our subscription in the new stock of the Bank and to pay our quota increase in the Fund. I consider it to be most important for the U.S. Government to maintain the posture of leadership which it now occupies. To this end, I urge the Congress to enact the necessary legislation so that these increases may promptly be made effective, to insure further progress toward realizing a better life for the peoples of the free world.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 12, 1959.*

RECESS

The SPEAKER. The House will stand in recess subject to the call of the Chair.

Thereupon (at 10:34 o'clock a.m.) the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired the House was called to order by the Speaker at 10 o'clock and 48 minutes a.m.

JOINT SESSION OF CONGRESS IN THE HALL OF THE HOUSE OF REPRESENTATIVES HELD PURSUANT TO THE PROVISIONS OF HOUSE JOINT RESOLUTION 648, 85TH CONGRESS, COMMEMORATING THE 150TH ANNIVERSARY OF THE BIRTH OF ABRAHAM LINCOLN

THE JOINT COMMITTEE ON ARRANGEMENTS, FRED SCHWENGEL, CHAIRMAN

For the Senate: PAUL H. DOUGLAS, of Illinois; EVERETT M. DIRKSEN, of Illinois; JOHN S. COOPER, of Kentucky; VANCE HARTKE, of Indiana.

For the House: PETER F. MACK, JR., of Illinois; WINFIELD K. DENTON, of Indiana; FRED SCHWENGEL, of Iowa; WILLIAM G. BRAY, of Indiana.

THE PROGRAM FOR THE JOINT SESSION

Prelude.....U.S. Army Band Orchestra
Maj. Hugh J. Curry, leader
Presiding officer.....The Speaker
Hon. SAM RAYBURN
Invocation.....Rev. Bernard Braskamp, D.D.
The Chaplain of the House of Representatives
Distinguished guests presented.
Songs.....The Idlers, Choral Group of Cadets
U.S. Coast Guard Academy
Reading of the Gettysburg address.....
Fredric March
Address.....Carl Sandburg
Benediction.....
Rev. Frederick Brown Harris, D.D.
The Chaplain of the Senate

The Speaker of the House presided.

The Doorkeeper announced the Vice President and Members of the U.S. Senate, who entered the Hall of the House of Representatives, the Vice President taking the chair at the right of the Speaker and the Senators occupying seats in front of the Representatives on the east and west side of the main aisle.

The Doorkeeper announced the following guests:

Former Vice President of the United States Henry A. Wallace.

The assistant heads of departments; heads of independent agencies, offices, and commissions; Lincoln Sesquicentennial Commission, honorary and advisory members, Director and Assistant Director; and Civil War Centennial Commission Director and Assistant Director who occupied seats assigned them on the floor.

The Chairman, Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the

Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, generals of the Army, fleet admirals who occupied seats assigned them on the floor.

The Chief Justice of the United States and the Associate Justices of the Supreme Court, who occupied seats on the left of the rostrum.

The Ambassadors, Ministers, and Chargés d'Affaires of foreign governments who occupied seats assigned them on the floor.

The members of the President's Cabinet who occupied seats in front of and on the right of the rostrum.

Mr. Fredric March, escorted by the committee of Senators and Representatives, took his place at the Clerk's desk. [Applause, the Members rising.]

Mr. Carl Sandburg, escorted by the committee of Senators and Representatives, took his place at the Clerk's desk. [Applause, the Members rising.]

The joint session of Congress was called to order by the Speaker.

INVOCATION

The SPEAKER. The invocation will be delivered by the Reverend Bernard Braskamp, D.D., Chaplain of the House of Representatives.

Dr. BRASKAMP. I Corinthians 13: 13: *And now abideth faith, hope, and charity, these three; but the greatest of these is charity.*

Most merciful and gracious God, we have assembled here to pay tribute to the life and character of a great American patriot who stood like a giant among his contemporaries and whose record of heroic service has made an indelible impression upon succeeding generations.

We rejoice that he always kept the windows of his soul open toward the unseen and eternal, whence came his insight and inspiration, his faith and fortitude, his humility and charity.

Grant that his indomitable passion for the preservation of the Union may also inspire our longing to promote and preserve the union and concord of God-fearing men and nations in their search and struggle for peace and freedom.

May our beloved country continue to pray and labor to bring to fulfillment and fruition that blessed day when all the members of the human family shall walk and work together in friendship and fraternity.

Hear us in the name of the Prince of Peace. Amen.

THE U.S. ARMY BAND

The SPEAKER. Members of the Congress, we will now have the pleasure of some renditions by the U.S. Army Band under the direction of Maj. Hugh Curry.

The U.S. Army Band played the following marches: "Adoration," "Spirit of Independence," "Man of the Hour," and "All-American Soldier."

The SPEAKER. Members of the Congress, we will now be entertained by a choral group as known as the Idlers, Cadets of the U.S. Coast Guard Academy.

The Coast Guard Academy Chorus, the Idlers, under the direction of Bandmaster Donald L. Janse, rendered a medley of excerpts from sacred and secular music: "Lord, Thou Hast Been Our Dwelling Place Forever," "America," "Dixie," "When Johnnie Comes Marching Home," "Tramp, Tramp, Tramp, the Boys Are Marching," "Ora Lee," "Battle Hymn of the Republic," "Taps," and the closing portion of "Lincoln's Gettysburg Address." Arrangement by Bandmaster Janse.

READING OF THE GETTYSBURG ADDRESS

The SPEAKER. Members of the Congress, it is now my great pleasure to present a very famous man who has been heard and seen throughout the country and throughout the world, twice an Academy Award winner, and selected for his present role after consultation with the Motion Picture Association of the United States of America. I take great pleasure, therefore, in presenting to you a distinguished cititzen, a fine man, and a great artist, Fredric March. [Applause, the Members rising.]

Mr. March will now read the Gettysburg Address.

Mr. MARCH. Mr. President, Mr. Speaker, Members of the Congress, honored guests:

"Fourscore and seven years ago our fathers brought forth on this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal.

"Now we are engaged in a great civil war, testing whether that nation or any nation so conceived and so dedicated can long endure. We are met on a great battlefield of that war. We have come to dedicate a portion of that field, as a final resting-place for those who here gave their lives that that nation might live. It is altogether fitting and proper that we should do this.

"But, in a larger sense, we cannot dedicate—we cannot consecrate—we cannot hallow—this ground. The brave men, living and dead, who struggled here, have consecrated it, far above our poor power to add or detract. The world will little note, nor long remember what we say here, but it can never forget what they did here. It is for us the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth."

[Applause, the Members rising.]

ADDRESS

The SPEAKER. And now it becomes my great pleasure, and I deem it a high privilege, to be able to present to you the man who in all probability knows more about the life, the times, the hopes, and the aspirations of Abraham Lincoln than any other human being. He has studied and has put on paper his conceptions of the towering figure of this great and this good man. I take pleasure and I deem it an honor to be able to present to you this great writer, this great historian, Carl Sandburg.

[Applause, the Members rising.]

Mr. SANDBURG. Before beginning this prepared address, I must make the remark that this introduction, this reception here calls for humility rather than pride. I am well aware of that.

Not often in the story of mankind does a man arrive on earth who is both steel and velvet, who is as hard as rock and soft as drifting fog, who holds in his heart and mind the paradox of terrible storm and peace unspeakable and perfect. Here and there across centuries come reports of men alleged to have these contrasts. And the incomparable Abraham Lincoln born 150 years ago this day, is an approach if not a perfect realization of this character. In the time of the April lilacs in the year 1865, on his death, the casket with his body was carried north and west a thousand miles; and the American people wept as never before; bells sobbed, cities wore crepe; people stood in tears and with hats off as the railroad burial car paused in the leading cities of seven States ending its journey at Springfield, Ill., the hometown. During the 4 years he was President he at times, especially in the first 3 months, took to himself the powers of a dictator; he commanded the most powerful armies till then assembled in modern warfare; he enforced conscription of soldiers for the first time in American history; under imperative necessity he abolished the right of habeus corpus; he directed politically and spiritually the wild, massive turbulent forces let loose in civil war; he argued and pleaded for compensated emanicipation of the slaves. The slaves were property, they were on the tax-books along with horses and cattle, the valuation of each slave written next to his name on the tax assessor's books. Failing to get action on compensated emancipation, as a Chief Executive having war powers he issued the paper by which he declared the slaves to be free under military necessity. In the end nearly $4 million worth of property was taken away from those who were legal owners of it, property confiscated, wiped out as by fire and turned to ashes, at his instigation and executive direction. Chattel property recognized and lawful for 300 years was expropriated, seized without payment.

In the month the war began he told his secretary, John Hay:

> My policy is to have no policy.

Three years later in a letter to a Kentucky friend made public, he confessed plainly:

> I have been controlled by events.

His words at Gettysburg were sacred, yet strange with a color of the familiar:

> We cannot consecrate—we cannot hallow—this ground. The brave men, living and dead, who struggled here, have consecrated it, far beyond our poor power to add or detract.

He could have said "the brave Union men." Did he have a purpose in omitting the word "Union?" Was he keeping himself and his utterance clear of the passion that would not be good to look

back on when the time came for peace and reconciliation? Did he mean to leave an implication that there were brave Union men and brave Confederate men, living and dead, who had struggled there? We do not know, of a certainty. Was he thinking of the Kentucky father whose two sons died in battle, one in Union blue, the other in Confederate gray, the father inscribing on the stone over their double grave, "God knows which was right"? We do not know. His changing policies from time to time aimed at saving the Union. In the end his armies won and his Nation became a world power. In August of 1864 he wrote a memorandum that he expected in view of the national situation, he expected to lose the next November election. That month of August was so dark. Sudden military victory brought the tide his way; the vote was 2,200,000 for him and 1,800,000 against him. Among his bitter opponents were such figures as Samuel F. B. Morse, inventor of the telegraph, and Cyrus H. McCormick, inventor of the farm reaper. In all its essential propositions the southern Confederacy had the moral support of powerful, respectable elements throughout the North, probably more than a million voters believing in the justice of the southern cause. While the war winds howled he insisted that the Mississippi was one river meant to belong to one country, that railroad connection from coast to coast must be pushed through and the Union Pacific Railroad made a reality. While the luck of war wavered and broke and came again, as generals failed and campaigns were lost, he held enough forces of the north together to raise new armies and supply them, until generals were found who made war as victorious war has always been made, with terror, frightfulness, destruction, and on both sides, North and South, valor and sacrifice past words of man to tell. In the mixed shame and blame of the immense wrongs of two crashing civilizations, often with nothing to say, he said nothing, slept not at all, and on occasions he was seen to weep in a way that made weeping appropriate, decent, majestic. As he rode alone on horseback near Soldiers Home on the edge of Washington one night his hat was shot off; a son he loved died as he watched at the bed; his wife was accused of betraying information to the enemy, until denials from him were necessary. An Indiana man at the White House heard him say, "Voorhees, don't it seem strange to you that I, who could never so much as cut off the head of a chicken, should be elected, or selected, into the midst of all this blood?" He tried to guide General Nathaniel Prentiss Banks, a Democrat, three times Governor of Massachusetts, in the governing of some 17 of the 48 parishes of Louisiana controlled by the Union armies, an area holding a fourth of the slaves of Louisiana. He would like to see the State recognize the emancipation proclamation:

> And while she is at it, I think it would not be objectionable for her to adopt some practical system by which the two races could gradually live themselves out of their old relation to each other, and both come out better prepared for the new. Education for the young blacks should be included in the plan.

To Gov. Michel Hahn, elected in 1864 by a majority of the 11,000 white male voters who had taken the oath of allegiance to the Union, Lincoln wrote:

> Now you are about to have a convention which, among other things, will probably define the elective franchise, I barely suggest for your private consideration, whether some of the colored people may not be let in—as for instance the very intelligent and especially those who have fought gallantly in our ranks.

Among the million words in the Lincoln utterance record, he interprets himself with a more keen precision than someone else offering to explain him. His simple opening of the "house divided" speech in 1858 serves for today:

> If we could first know where we are, and whither we are tending we could better judge what to do, and how to do it.

To his Kentucky friend, Joshua F. Speed, he wrote in 1855:

> Our progress in degeneracy appears to me to be pretty rapid. As a Nation we began by declaring that "all men are created equal, except Negroes." When the know-nothings get control, it will read "all men are created equal except Negroes and foreigners and Catholics." When it comes to this, I shall prefer emigrating to some country where they make no pretense of loving liberty.

Infinitely tender was his word from a White House balcony to a crowd on the White House lawn:

> I have not willingly planted a thorn in any man's bosom.

Or to a military Governor:

> I shall do nothing through malice; what I deal with is too vast for malice.

He wrote for Congress to read on December 1, 1862:

> In times like the present men should utter nothing for which they would not willingly be responsible through time and eternity.

Like an ancient psalmist he warned Congress:

> Fellow citizens, we cannot escape history. We will be remembered in spite of ourselves. No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will light us down in honor or dishonor to the latest generation.

Wanting Congress to break and forget past traditions his words came keen and flashing:

> The dogmas of the quiet past are inadequate for the stormy present. We must think anew, we must act anew, we must disenthrall ourselves.

They are the sort of words that actuated the mind and will of the men who created and navigated that marvel of the sea, the *Nautilus*, and her voyage from Pearl Harbor and under the North Pole icecap.

The people of many other countries take Lincoln now for their own. He belongs to them. He stands for decency, honest dealing, plain talk, and funny stories. "Look where he came from—don't he know all us strugglers and wasn't he a kind of tough struggler all his life right up to the finish?" Something like that you can hear in any nearby neighborhood and across the seas. Millions there are who take him as a personal treasure. He had something they would like to see spread everywhere over the world. Democracy? We cannot say exactly what it is, but he had it. In his blood and bones he carried it. In the breath of his speeches and writings it is there. Popular government? Republican institutions? Government where the people have the say-so, one way or another telling their elected leaders what they want? He had the idea. It is there in the lights and shadows of his personality, a mystery that can be lived but never fully spoken in words.

Our good friend, the poet and playwright Mark Van Doren, tells us:

> To me, Lincoln seems, in some ways, the most interesting man who ever lived. He was gentle but this gentleness was combined with a terrific toughness, an iron strength.

And how did Lincoln say he would like to be remembered? Something of it is in this present occasion, the atmosphere of this room. His beloved friend, Representative Owen Lovejoy, of Illinois, had died in May of 1864, and friends wrote to Lincoln and he replied that the pressure of duties kept him from joining them in efforts for a marble monument to Lovejoy, the last sentence of Lincoln's letter, saying:

> Let him have the marble monument along with the well-assured and more enduring one in the hearts of those who love liberty, unselfishly, for all men.

Today we may say, perhaps, that the well-assured and most enduring memorial to Lincoln is invisibly there, today, tomorrow, and for a long time yet to come. It is there in the hearts of lovers of liberty, men and women—this country has always had them in crises—men and women who understand that wherever there is freedom there have been those who fought, toiled, and sacrificed for it.

I thank you. [Applause, the Members rising.]

BENEDICTION

The SPEAKER. The benediction will be pronounced by Dr. Frederick Brown Harris, Chaplain of the U.S. Senate.

Dr. HARRIS. Our Father God, from this national sacrament of gratitude and memory, with the winged words of a prophet of our day lodged in our hearts, with the light of Thy countenance lifted upon us,

Send us forth into this testing, trying time with the faith and patience of Thy servant, Abraham Lincoln—like him—

To be true to all truth the world denies,
Not tongue-tied by its gilded lies;
Not always right in all men's eyes,
But faithful to the light within.

Amen.

RETIREMENT OF DISTINGUISHED GUESTS

The Doorkeeper escorted the distinguished guests from the Chamber in the following order:

The members of the President's Cabinet.

The Chief Justice of the United States and the Associate Justices of the United States Supreme Court.

The ambassadors, ministers, and chargés d'affaires of foreign governments.

The assistant heads of departments; heads of independent agencies, offices, and commissions; Lincoln Sesquicentennial Commission, honorary and advisory members, Director and Assistant Director; and Civil War Centennial Commission Director and Assistant Director.

The Chairman, Joint Chief of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, Commandant of the Coast Guard, generals of the Army, and fleet admirals.

JOINT SESSION DISSOLVED

The SPEAKER. The Chair declares the joint session of the two Houses dissolved.

Thereupon (at 11 o'clock and 58 minutes a.m.) the joint session of the two Houses of Congress was dissolved.

The Members of the U.S. Senate retired to their Chamber.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 11 o'clock and 59 minutes p.m.

BIRTHDAY OF A GREAT PATRIOT, LEADER, AND REVOLUTIONARY WAR HERO: THADDEUS KOSCIUSZKO

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and also that any Member who may desire to do so may have 3 legislative days in which to extend his remarks in the RECORD on the life and character of Thaddeus Kosciuszko.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McCORMACK. Mr. Speaker, today, February 12, is the birthday of a great Polish-American patriot. Tadeusz Kosciuszko was one of those unique European statesmen whose thinking was far beyond his contemporary lifetime.

Above all, Kosciuszko was a democrat in the tradition of Jefferson and Lafayette. He implicitly believed in man's desire and ability to grow, develop, and become strong under the democratic form of government. Throughout his long life—February 12, 1746, to April 2, 1817—Kosciuszko devoted his entire energy and talent to furthering this belief in practical form.

Aside from Kosciuszko's leadership in Poland as well as in all of central Europe in the cause of national and individual freedom, this great man played one of the most significant roles of any individual in America's fight for independence. He came to the United States in 1776 as a young man and distinguished himself as a brilliant military strategist, especially in New York and at the battle of Yorktown. As recognition of his services, General Washington promoted Kosciuszko to the rank of colonel of artillery and made him his adjutant. In 1783, after American independence was firmly established, Kusciuszko was rewarded for his services to the cause of U.S. independence with the thanks of Congress, the privilege of American citizenship, a considerable annual pension with landed estates, and the rank of brigadier general. A year later he returned to his native Poland for many years he led the struggling Polish people in their unending battle for independence. In 1796 he came to the United States for a second visit and lived in Philadelphia until May 1798. Gaining new insights into the democratic process, he returned to Europe and made one last, but fruitless attempt to restore the sovereignty of his homeland at the Congress of Vienna. At length he retired to his estates. His last act before his death on April 2, 1817, was typical of a lifetime devoted to the freedom of the individual and belief in the dignity of man. He freed all the serfs in his care, insisting only on the maintenance of schools on the liberated estates.

Today, with a world so torn with fear and ideological conflict it is well that we in the United States pause to pay tribute to a great military leader, a great statesman, and a great American. His energy, his insight and his unfailing belief in man as a rational political being provide a contemporary lesson for us all. Poland still fights in the name of Kosciuszko. America remembers.

Mr. DULSKI. Mr. Speaker, February 12 marks the 213th anniversary of the birth of Thaddeus Kosciuszko, who contributed greatly to the battle for freedom both in his native Poland and in America.

Born in Poland in 1746 and educated in the military schools of Poland and France, Kosciuszko came to our shores during the dark days of the Revolution and unselfishly devoted his great ability to the establishment of freedom and independence in America.

To the cause of the struggling colonies Kosciuszko brought three things: Scientific knowledge, strength of character, and unwavering enthusiasm for the cause of liberty. His contribution to the struggle for American independence was rivaled only by his fight for the freedom of his native Poland.

Today all the people of America join with Americans of Polish descent in paying tribute to this great Polish patriot. His name will live always in the hearts of all people who believe in justice, freedom, and self-government.

Mr. ZABLOCKI. Mr. Speaker, we have gathered here today in the Halls of the Congress to observe the 150th birthday anniversary of the 16th President and one of the greatest sons of our country, Abraham Lincoln. On this day, also, we commemorate the birthday of a famous adopted son of our country, and a hero of the Revolutionary War, Gen. Tadeusz Kosciuszko.

In their backgrounds, Lincoln and Kosciuszko were far apart. Lincoln was born in a log cabin in Kentucky, received little formal education, and advanced from his humble origin to the highest office in our land.

Kosciuszko, in contrast, was born in Poland, of a well-to-do family, and received excellent education. He was a graduate of the Military Academy in Warsaw and the Military School of Artillery in Paris. Unlike Lincoln, he was principally a soldier.

But in spite of their divergent backgrounds, Lincoln and Kosciuszko were alike in their love of liberty and justice, and in their belief in the dignity and basic equality of men.

It is these convictions which they shared, and for which they lived and died, that have earned them our love, gratitude, and honor.

The lives of these two men, and their achievements, are well known to all of us. I shall not endeavor to repeat them. I would, however, like to bring out one point which seems very significant, and very pertinent to the problems which our Nation, and the rest of the free world, face today.

Both Lincoln and Kosciuszko were involved directly in tremendous struggles to assure the freedom, and the unity, of our Nation. And they both clearly realized, and so indicated in their speeches and writings, that those wars were not fought solely for the sake of the then-living generations. Those wars were fought so that generations to come could enjoy liberty, justice, and progress in a free, democratic, and united nation.

We, too, are involved in a great and terrible conflict: the conflict between the free world and communism. The outcome of this conflict may well determine the survival of our western civilization, and the survival of the priceless heritage which came to us through the efforts and sacrifices of men like Lincoln and Kosciuszko.

We must realize and remember, therefore, as they did so clearly, that what is at stake in this conflict is not only our own future, but also the future of our children and of our children's children for many generations to come. Our actions today will determine the framework of the society in which they will live for decades and even centuries to come.

With God's help, and a firm stand and willingness to sacrifice on our part, we may preserve our heritage and pass it on to our children, so that they too will be able to enjoy liberty and justice.

This is our responsibility. God give us strength that, inspired by the example of Lincoln and Kosciuszko, our Nation today and in the days to come may live up to that responsibility.

Mr. RABAUT. Mr. Speaker, February 12 marks a very special day for all of us who cherish freedom in our hearts. I am proud to join in commemorating the birthday anniversary of Tadeusz Kosciuszko, who fought for freedom on two continents.

Kosciuszko was born in Poland on February 12, 1746. Benefiting from an education in Poland and in France, the 30-year-old captain of artillery joined with the American patriots of 1776 in support of the great moral and political principles set forth in the Declaration of Independence.

A skilled military leader and a tireless fighter for human liberty, he served with distinction at Saratoga, Yorktown, and Charleston. Through his talents he became a brigadier general in the Continental Army.

When it seemed that there was hope for the cause of freedom in his native Poland he returned to join the struggle. Although the small but inspired Polish army fought gallantly against the Russian hordes, defeat was inevitable. After an imprisonment of 2 years in Russia, he returned to America in 1797 for a brief visit. He formed a close friendship with Thomas Jefferson who wrote of him:

> I see Kosciuszko often. He is the purest son of liberty among you all that I have ever known.

The next year he returned to Europe to champion once more the cause of Polish independence. He died in exile in Switzerland in 1817.

To Kosciuszko, the gallant fighter for the cause of human freedom, we offer this tribute to perpetuate his memory and our gratitude.

Mr. STRATTON. Mr. Speaker, today, February 12, we commemorate in this country not only the anniversary of one of our great national leaders, the great emancipator, Abraham Lincoln, but also we commemorate the anniversary of a great American Revolutionary War hero and patriot, who came from his native land to help us with the liberty for which we are today so grateful, Thaddeus Kosciuszko.

It is indeed significant that the fight for freedom and democracy which brought about the independence of this country caught fire across the seas and rallied to American standards outstanding men from other countries who shared our sentiments. One of the greatest of these was Kosciuszko, an outstanding military engineer, whose efforts contributed toward the military fortifications at West Point in 1778, and who played a prominent part in the decisive Saratoga and Carolina campaigns of the American Revolution. In recognition of his great service to American independence, Kosciuszko was made a brigadier general in the American Army by Congress on October 13, 1783.

After he returned to Poland, Kosciuszko, with the same spirit of freedom, became one of the great champions of Polish independence, leading his countrymen in uprisings against their Russian and Prussian oppressors.

But the brave Polish fight for independence faced heavy odds from totalitarian aggressors, and General Kosciuszko was driven out of his homeland and died in exile in Switzerland in 1817.

On this anniversary of his birth let us pause today, Mr. Speaker, to pay honor to the memory of a great and gallant Polish officer who left home, friends, and fortunes to serve the cause of freedom in this country. May his memory remind us that the cause of freedom is indivisible, and that when the freedom of any country is menaced the freedom of all men is menaced.

Just as Kosciuszko left home to fight for American freedom, may we in days to come dedicate our energies and resources to the end of restoring freedom from Communist oppressors to the Polish homeland which he loved so well and served so faithfully.

Mr. KOWALSKI. Mr. Speaker, February is the month of heroes. To Americans the greatness of Washington and Lincoln is called to mind. To Lithuanians there are joyful recollections of independence, heroically won, only to be bitterly lost in the tragic recent past, but still celebrated in this month of honor. And to Polish people all over the world there is no date in memory more notable than February 12, the birthday of the great Polish statesman, military engineer extraordinary, democrat and patriot of two continents: Thaddeus Kosciuszko.

Never was there a man more inclined to dream of the impossible, yet at the same time so capable of fulfilling his dreams. Born into the mid-Eighteenth Century world, at a time when Poland was plagued by foreign armies, Kosciuszko grew up burning with the desire to drive the foreigners, once and for all, from Polish soil. Was this a practical dream? Was it practical to expect the people of a nation with no natural boundaries and little in the way of political unity to expel and hold at bay the arms of Europe's mightiest nations? Perhaps not, but Kosciuszko nonetheless conceived this dream and clung to it as long as he lived.

Kosciuszko's role in the American Revolution is legend. No sooner had he entered upon the mliitary scene than his talents at fortification construction earned him wide renown. The defenses erected at Ticonderoga early in the war were his work, and his removal from that post and a revision of the defenses there brought forth an anguished cry from a superior officer, who prophesied disaster unless Kosciuszko returned. The protest was prophetic for, in Kosciuszko's absence, Ticonderoga fell to British assault.

Not wanting to commit the same blunder a second time, the American Army authorities now turned over their main defensive operations to Kosciuszko. At Saratoga he laid out defenses that enabled the Americans to overwhelm the British attack. This victory, in turn, won for America her alliance with France and her recognition as an independent nation by Louis XVI.

Now fully cognizant of the abilities of this engineering genius, the Army appointed Kosciuszko to oversee the defense of the Hudson River, with headquarters at West Point, the so-called Gibraltar of the Hudson. Kosciuszko's work at West Point was the longest and most important of his undertakings in the United States and is inseparably connected in the American mind with his name. Little is now left of his fortifications, but the monument raised in his honor by the American youth, with the inscription: "To the hero of two worlds," remains a grateful tribute to his memory.

That the military students of the United States can look back to West Point as their alma mater is in great measure Kosciuszko's doing. When it was first resolved to found a training school in arms for the young men of the States, Kosciuszko urged that it should be placed at West Point, and suggested the spot where it now stands.

When he sailed from American shores in 1786, Kosciuszko left behind an enviable record. Living up to his constant dream of democratic achievement in the face of heavy odds, he had assisted in the liberation of a colonial people from the yoke of the most powerful military nation in the world. His remuneration had been slight, but that was no matter—a dream had been fulfilled.

Kosciuszko now returned to Poland in the hopes of serving the Polish people as he had served the Americans, and on the occasion of the reorganization of the Polish Army in 1789 he was appointed major general. The stage was now set for the closing drama of his career and his final contribution to the world's awkward struggle for perfection.

The democratic tidal wave generated by the American Revolution was now rushing upon Europe and compelling members of every class and creed to line up, either on the side of the revolutionary doctrine of the rights of man, or in defense of ancient European laissez-faire traditions. When this tidal wave struck Poland in May of 1791, Kosciuszko immediately announced himself as a democrat, calling upon the people to establish constitutional government. He was with the forces that carried the day.

A constitutional and hereditary government was established; burghers were granted equal civic rights with the nobility, and the condition of the peasants was ameliorated. At long last it appeared that political unity had come to Poland; that finally there existed the basis for the growth and success of a Polish state supported by the people. But such a development would deal a death blow to the designs of conquest of those who had fed so long on Polish weakness, including the neighboring state of Russia.

In consequence of this, Russia invaded Poland in May of 1792 and Kosciuszko, for the second time in his career, found himself engaged in the forefront of the world's battle for democracy. But on this occasion the odds were impossible. Notwithstanding Kosciuszko's brilliant generalship, the Polish Army was overwhelmed after two months of some of the most gallant fighting in military history.

When Poland was partitioned following the war, Kosciuszko withdrew from the army and retired to Leipzig. But the next year he was back again, leading an insurrectionary army against the Russians with astonishing success until, once again overcome by the heavy odds, he was defeated for the final time.

What had Kosciuszko's military performance achieved for Poland? The cynical might observe that nothing was accomplished. But life is not so simple as to be governed solely by skirmishes won and lost on a battlefield. Kosciuszko's brilliant, courageous, and idealistic attempt to drive the foreign invader from Polish soil, in the name of democracy, created a tradition, which persists to this day; a tradition that will never be eradicated.

In his zeal for democratic government, Kosciuszko was following in the footsteps of the United States. But that was

not always the order of things. In April 1817, 6 months before he died, he issued a letter of emancipation to the serfs on his estate in Poland. It was to be almost half a century before the United States was able to emulate this departing gesture of one of Europe's truly great democrats, Thaddeus Kosciuszko, the "hero of two worlds."

Mr. REUSS. Mr. Speaker, at a time in our history when the emphasis on military and defense requirements is so constant as to be commonplace, it is especially fitting that we pay more than ordinary homage to a great soldier who rendered extraordinary military service to this country at a time when men of his kind were few and far between, and very much in demand.

I speak of course of Gen. Tadeusz Kosciuszko, the great Polish-American hero of the Revolutionary War. Both his exceptional service as a military commander in the Saratoga and Carolina campaigns of the Revolutionary War and his engineering feats as the man who built the fortifications at West Point mark him for greatness.

Today, it is imperative that we recall the great example set by General Kosciuszko for yet another reason. After the Revolution this popular hero returned to his native Poland to champion his own people's fight for independence. This is a fight that is not yet over, a fight that could well benefit from the likes of another Tadeusz Kosciuszko.

Mr. Speaker, it is with a deep sense of gratitude and admiration that I join in this salute to General Kosciuszko on the anniversary of his birth 213 years ago.

Mr. DINGELL. Mr. Speaker, the success of the American Revolution was assured by the unrelenting efforts and untold sacrifices made by the people here struggling for their independence. Other peoples, not native to this country, but equally great fighters for the cause of liberty, also contributed significantly to the successful culmination of that historic and glorious event. Tadeusz Kosciuszko of Poland, that intrepid, gallant and gifted soldier of freedom, was one of those whose personal participation in the American Revolution marks him as one of the great heroes of his day.

This great man was born into an impoverished family on February 12, 1746. At the age of 13 he lost his father, but his yearning for education led him to the Royal School at Warsaw in 1765. He was graduated with the rank of captain in 1769, and was awarded a scholarship to France where he studied at the famous military school at Mezieres, specializing in artillery and engineering. In 1776 he was in Paris when he heard of the American Revolution. That stirred his imagination; he saw his chance for action in a good cause, and with borrowed money he sailed for America. He arrived in Philadelphia in August and immediately applied for military service. He was admitted, and charged with the drawing up of plans for fortifying the Delaware River. The immediate success of this work earned him a commission as colonel of engineers in the Continental Army.

In the spring of the following year he joined the Northern Army at Ticonderoga. Later the fortifications he erected at Saratoga contributed greatly to the brilliant victory of our forces there. During the next 2 years he was placed in charge of the building of fortifications at West Point. Subsequently he took part in the Battle of Charleston, and was among the first of the Continentals to enter that city after its evacuation by the British. On October 13, 1783, in recognition of his outstanding services, Congress made him a brigadier general.

Having served this country and its noble cause successfully and brilliantly, in July of 1784 he returned to Poland, hoping to carry on the fight for the freedom of his countrymen there. For more than 20 years he continued his brave but unfortunately futile efforts for Poland's freedom and was fated to die in exile in Switzerland on October 15, 1817.

Today, on the anniversary of his birth, we solemnly honor his memory. We do this not only because he fought for our independence, but also because he was a gallant and unwavering champion of the universal cause of human freedom.

Mr. FLOOD. Mr. Speaker, there is no aspect of human events so mighty in its consequences as militant revolution. Throughout history reformers and pseudoreformers have repeatedly raised the revolutionary banner, inciting insurrection against national governments in the name of liberty. The results have been many and varied, sometimes mighty in their beneficence, sometimes mighty only in their destructiveness, and sometimes productive not of liberty but only of a mightier tyranny than any that existed before.

The people of all nations have strong feelings about revolutionary leaders. To those who profess a love for liberty, yet actually seek only personal gain, the people accord nothing but scorn. Yet to those who actually fight for liberty, the people willingly pay eternal devotion. It is the distinction of the Polish people to honor as one of their revolutionary heroes a man regarded by the freedom-loving citizens of all nations as the outstanding democratic revolutionist of his age and one of the outstanding of all ages: Thaddeus Kosciuszko, universally acclaimed as the hero of two worlds.

Kosciuszko's breadth of vision and ability gave his career a fictional quality. Of noble birth he rose above the narrow outlook of the 18th century Polish nobility to espouse democratic reform. With no prospect of personal gain he crossed an ocean to aid a foreign people in overthrowing British tyranny. Hailed in the New World for his part in the American Revolution he forsook all honors to carry the spirit of revolutionary democracy back to Poland. Defying his own class, the Polish nobility, he campaigned politically in behalf of constitutional government in Poland and when Polish nobles and Russian and Prussian troops sought to thwart the popular will, he took up arms against them. Although achieving fame in the American Revolution as an engineering genius he now appeared in the role of military tactician, leading a minute Polish Army against the Russian horde in some of the most brilliant defensive military campaigns in history.

Triumphant as a democratic revolutionist in foreign parts, Kosciuszko was defeated in his efforts in Poland's behalf. But only physically and in the short-term sense. Actually, the classic heroism of his actions captured the imagination of the Polish people and of the world at large, and established him as a national symbol—a symbol which stands today, not only representative of Poland's past, but of Poland's future. The democratic dreams generated by Kosciuszko's actions and beliefs have taken permanent hold of the Polish spirit and no temporary tyranny, no foreign ideology is strong enough to snuff them out.

As we in America have seen, democracy is a hardy institution. It can withstand the rigors of devastation and deprivation, and ultimately come back from apparent defeat to overwhelm its enemies. This was the philosophy, the living philosophy, preached by Thaddeus Kosciuszko, and Polish patriots throughout the world have learned it well.

The man we honor on this occasion undoubtedly deserves our tribute for his political and military accomplishments, for in these respects he has few equals. But it is to Kosciuszko the philosopher, the father of democratic Polish thought, to whom we owe our greatest debt, for the fate of Poland's future is still, to this day, in the hands of his spiritual heirs.

Mr. GALLAGHER. Mr. Speaker, to Polish people all over the world there is no date more worthy of note than February 12, the birthday of the great Polish statesman, military engineer extraordinary, democrat, and patriot of two continents, Thaddeus Kosciuszko.

Revolution in behalf of any cause is a perilous undertaking. Not only does it inflict suffering on the government it assaults, but on the revolutionary party as well, not to mention the thousands of persons not directly involved in the struggle. For this reason history looks with a critical eye upon all revolutionary leaders and observes closely their merits and shortcomings.

Professedly democratic revolutions are no exception to the rule. Far too often self-styled democrats have instigated revolution, overthrown tyranny and then, in a burst of postwar confusion or villainy, established a government as tyrannical as that which it replaced. The world owes nothing to such misguided zeal but contempt, reserving its respect only for the truly democratic result, an all-too-rare occurrence in revolutionary history.

In this country, following our War for Independence, we had the good fortune to come under the guidance of George Washington, a revolutionist of genuinely democratic spirit, and our progress as a Nation is to a large extent the result of that happy occurrence. But Washington was not the only great statesman to emerge from this struggle, nor his democratic outlook peculiar to him alone. Numerous leaders in the American Revolutionary Army were to

become exponents of the democratic dream and one of the most remarkable of these was the man we honored on February 12, Thaddeus Kosciuszko.

No one in history more deserves the title of democrat than Kosciuszko, whose sympathy for the oppressed carried him across the seas to fight for principle on a foreign shore. His participation in the Revolution was vital. A master in the art of fortification construction, he is credited with laying the groundwork for some of the Americans' most outstanding military achievements. And once the war was over and America was free, the people of his adopted land poured honors on Kosciuszko and bid him remain, as a distinguished and respected citizen.

But the ideal of democracy is a moving force, and it would not let Kosciuszko rest. In a few years he was back in his native Poland, campaigning as an apostle of constitutional government. Long subjected to the presence of foreign troops on their soil, the Polish people grasped at the teachings of democracy, and in 1791 rose up to form a constitutional monarchy, in the hope of at last attaining political unity and repelling foreign domination. When the neighboring states of Russia and Prussia combined with certain Polish nobles to quell this democratic demonstration Kosciuszko met them on the battlefield and though initially defeated he returned in 1794 at the head of an insurrectionary army to revive the democratic cause.

For a moment, and for a moment only, Kosciuszko sat at the head of the counsels of a free Poland. Temporarily triumphant, the Polish democrats foresaw a glorious future, such as that already spreading before the Americans, and in honor of Kosciuszko's leadership in battle they chose him as President. In this capacity Kosciuszko's attitude was the same as that of the American leader, George Washington. Despite his noble background and militaristic career, he gave to free Poland its first taste of genuine democracy, initiating democratic reforms that were immediately incorporated into the Polish tradition.

Although eventually overcome by the military might of their powerful neighbors, the followers of Kosciuszko realized that they had taken up a cause that could not be suppressed by armies alone or by any other force, and from that time to the present the democratic flame has burned brightly in the Polish heart. The result is directly attributable to Kosciuszko, whose love of democracy kindled that flame. Democratic people the world over have good reason to do him honor. His abilities, his deeds, his courage, and his foresight are unsurpassable. Indeed, among the many heroes of democracy, Thaddeus Kosciuszko ranks second to none.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, I take this time to inquire of the majority leader what the program will be for next week.

Mr. McCORMACK. Mr. Speaker, the Rules Committee is meeting on Monday. One of the bills that it will consider is a rule on a bill reported by the Committee on Ways and Means relating to the taxation of insurance companies. If a rule is reported out, it is my intention to bring that up on Wednesday.

At this time I know of no other legislation or no other matter that I can program for next week, but I do not by any remark of mine want to be placed in the position where I am foreclosed from assigning any legislation that we can bring up. As usual, and as is my custom, I would give the House, if there is any further program, as much advance notice as possible. Of course, that statement does not include matters going through by unanimous consent where they are very carefully screened by the leadership on both sides of the aisle, including the chairman and the ranking member of the committee, and which require immediate action.

The only bill I know of now that I can announce is the bill relating to the taxation of insurance companies. That will definitely be put down for Wednesday if a rule is reported.

PARLIAMENTARY INQUIRY

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. (Mr. IKARD). The gentleman will state it.

Mr. HOFFMAN of Michigan. Will the Chair receive requests to extend remarks in the body of the RECORD at this time?

The SPEAKER pro tempore. The Speaker announced that the Chair would receive requests for extension of remarks only.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. DAVIS of Georgia, for 60 minutes, on Thursday, February 19, 1959.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BRADEMAS.

Mr. FASCELL.

Mr. CUNNINGHAM.

Mr. CARTER (at the request of Mr. McCORMACK) and to include extraneous matter.

Mr. McCULLOCH.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until Monday, February 16, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

553. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation, entitled "A bill to amend title 10, United States Code, to authorize the Secretary of Defense and the Secretaries of the military departments to grant return rights to career and career-conditional employees under certain conditions"; to the Committee on Armed Services.

554. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend section 203 of the Career Compensation Act of 1949, as amended, to provide for authority to make payments of special pay for certain physicians, dentists, and veterinarians after June 30, 1959"; to the Committee on Armed Services.

555. A letter from the Assistant Secretary of the Interior, transmitting a summary of contracts made by the Bureau of Indian Affairs, for the fiscal year 1958, pursuant to section 4 of the act of June 4, 1936 (49 Stat. 1458, 1459); to the Committee on Interior and Insular Affairs.

556. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation entitled "A bill to specify processes which shall be considered mining for the purpose of computing percentage depletion in the case of minerals and ores, and to revise the depletion rates with respect to certain clays when used to make common brick and tile products"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONES of Alabama: Committee on Public Works. H.R. 2228. A bill to provide for the acquisition of additional land along the Mount Vernon Memorial Highway in exchange for certain dredging privileges, and for other purposes; with amendment (Rept. No. 33). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SPENCE:

H.R. 4452. A bill to amend the Bretton Woods Agreements Act; to the Committee on Banking and Currency.

By Mr. KILBURN:

H.R. 4453. A bill to amend the Bretton Woods Agreements Act; to the Committee on Banking and Currency.

By Mr. ABERNETHY (by request):

H.R. 4454. A bill to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 trustees; to the Committee on the District of Columbia.

By Mr. BROYHILL:

H.R. 4455. A bill relating to the observance of holidays occurring on Saturday; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H.R. 4456. A bill to amend the National Housing Act to assist in relieving the shortage of housing for elderly persons and to increase the supply of rental housing for elderly persons; to the Committee on Banking and Currency.

By Mr. McCULLOCH:

H.R. 4457. A bill to further secure and protect the civil rights of all persons under the Constitution and laws of the United States; to the Committee on the Judiciary.

By Mr. CLEMENT W. MILLER:

H.R. 4458. A bill to amend the Federal Water Pollution Control Act to increase grants for construction of sewage treatment works; to establish the Office of Water Pollution Control; and for other purposes; to the Committee on Public Works.

By Mr. MILLS:

H.R. 4459. A bill to amend certain provisions of the Internal Revenue Code of 1954 with respect to corporate distributions and adjustments; to the Committee on Ways and Means.

H.R. 4460. A bill to rearrange and make technical revisions in subchapter K of chapter 1 of the Internal Revenue Code of 1954, relating to partners and partnerships; to the Committee on Ways and Means.

By Mr. OLIVER:

H.R. 4461. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. RABAUT:

H.R. 4462. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of national resources of timber, soil, and range, and of recreational areas; to the Committee on Education and Labor.

By Mr. RAY:

H.R. 4463. A bill to amend the Internal Revenue Code of 1954 to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate expansion of employment through investment; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H.R. 4464. A bill to provide relief for veterans erroneously required to reimburse the United States for overpayment on the adjusted-service certificates; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 4465. A bill to amend the Federal Airport Act in order to extend the time for making grants under the provisions of such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4466. A bill to extend the duration of the Federal air pollution control law, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TELLER:

H.R. 4467. A bill to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes; to the Committee on the Judiciary.

By Mr. WATTS:

H.R. 4468. A bill to amend the United States Housing Act of 1937 to extend the period during which families of veterans and servicemen may be admitted to public housing without regard to the general requirement that they be displacees or previous residents of substandard housing; to the Committee on Banking and Currency.

By Mr. CUNNINGHAM:

H.J. Res. 239. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mrs. GRIFFITHS:

H.J. Res. 240. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HALEY:

H.J. Res. 241. Joint resolutien to provide for the designation of the week of Whitsunday of each year as Hernando de Soto Week; to the Committee on the Judiciary.

By Mr. ANFUSO:

H. Con. Res. 83. Concurrent resolution expressing the sense of the Congress that the President of the United States should take such steps as may be necessary to provide for diplomatic representation of the United States in the Vatican City; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H.R. 4469. A bill for the relief of Lucila Garcia; to the Committee on the Judiciary.

By Mr. DAVIS of Georgia:

H.R. 4470. A bill for the relief of Riley D. Wooten; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 4471. A bill for the relief of Janko Tomas Baic; to the Committee on the Judiciary.

By Mr. SHELLEY:

H.R. 4472. A bill for the relief of Chao Chiung Chen; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

The Businessman in Public Affairs

EXTENSION OF REMARKS
OF
HON. ERNEST GRUENING
OF ALASKA
IN THE SENATE OF THE UNITED STATES
Thursday, February 12, 1959

Mr. GRUENING. Mr. President, the address I am about to ask to have inserted in the CONGRESSIONAL RECORD was made yesterday by a man who is peculiarly qualified to make it. It is on the subject "The Businessman in Public Affairs," and was made to the Weirton, W.Va., Chamber of Commerce. The speaker was the senior Senator from West Virginia [Mr. RANDOLPH]. He began his activities as a working newspaperman. Then he became, successively, a newspaper editor, a magazine editor, a college professor, and a business executive.

JENNINGS RANDOLPH served with distinction for seven terms in the House of Representatives. In the course of that service, I was privileged to have him, with other members of a House committee, visit us in Alaska, where his interest in its problems was reflected in subsequent legislation.

After his seven terms in the House, JENNINGS RANDOLPH became a business executive again in an industry which is greatly affected with the public interest, namely, the aviation industry. He is now, I am happy to say, our colleague in the Senate. I ask unanimous consent that his thoughtful and timely address, "The Businessman in Public Affairs," be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE BUSINESSMAN IN PUBLIC AFFAIRS

Mr. Toastmaster, members of the Weirton Chamber of Commerce, and guests, it is a pleasure to be with you and to discuss the role of the businessman in public affairs. This is a question which has long been of interest and personal concern to me—since I have considered myself a businessman as well as one professionally interested in public affairs—and I note that it is a subject which is becoming of increasing regard to your own organization.

During the campaign last fall an incident occurred which I think highlights one aspect of our discussion tonight. As I was walking along the street in my home community of Elkins, talking with the voters and discussing the issues, I was stopped by a citizen who drew me into a doorway to discuss the campaign. After finishing our conversation I asked him why he had drawn me off the street and into the privacy of a doorway. Whereupon he replied: "You know I am in business and I must be very careful of what I do and say."

Though this man may have dramatized his fears somewhat, ladies and gentlemen, he does not represent an isolated state of mind. For, the rule of prudence—the precautionary attitude against speaking one's mind on controversial issues—has taken seed among too many of us. It is a measure of the failure of the democratic process—a failure in the belief in the great dialogue of democracy—when anyone, businessman, professional man, or teacher, fears to participate in the political process.

Therefore, I am much heartened by the U.S. Chamber of Commerce program of the Aircade and local political workshops to encourage the political activity and participation of businessmen.

However, I would offer a word of caution. For there is some indication that this action is stimulated by the concern within the thinking of some members of the chamber for what is seen as the growing power and political effectiveness of organized labor.

I hope that this view will not dominate the political actions of businessmen. I hope that they will see their role in larger terms—and not merely in opposition to labor. For any action which is cast in terms of protagonist and antagonist limits the freedom of the actors—by limiting the scope of their imagination and perception.

I would digress a moment to illustrate this principle in reference to our own national attitudes toward the Soviet Union. Russia has at one and the same time become our national demon and the gage by which we measure our own progress. We are too frequently confronted with such questions as "Are American schools as advanced as those of Russia?" "Do we offer enough support for basic research in science and technology compared with that of Russia?" "Are race relations in the United States strengthening the position of Russia in world opinion?"

Thus, in recent years, we have too frequently approached our problems not in

terms of finding the best possible solutions, but in terms of the cold war with Russia. And to that extent we have fallen increasingly under the dominance of the Kremlin. For the solution to any problem is determined, in large measure, by the questions which one addresses to the problem.

I devoutly hope, therefore, that the political actions of businessmen will not be thus restricted—that they will ask questions not in terms of whether a particular policy will circumscribe the power of labor, but rather whether it is in the best national interests as well as their own legitimate self interests.

This is only instance, however, of the need to avoid the general tendency of interpreting public problems in terms of opposite solutions. Our political discourse, and hence the solution to political questions, is too often restricted by the use of polar or opposite terms—liberal and conservative, radical and reactionary, labor and management, farmer and consumer, socialist and capitalist, et cetera. The list could be extended. And we are all familiar with the old platitude, "There are two sides to every question."

Such a polarizing of public problems, however, falsifies the realities of political life. For there are, in fact, as many sides to every question as there are parties or interests involved. And the great genius of the democratic process is that it offers a wider variety of solutions than can be encompassed by mere opposites.

Politics in a democracy is the art of the possible—the art of compromise and conciliation. Webster defines "compromise" as "a settlement by arbitration or by consent reached by mutual concessions." This definition offers us a clue as to how the businessman can make one of his chief contributions in the arena of public affairs. For the life of business and commerce is in large measure a life of offering mutual concessions, of arriving at a compromise of interests whereby each party gains some satisfaction.

It was popular at one time in some quarters to state that America needed a sound business Government. Without commenting on the recent record of some businessmen in Government, I suggest that this statement offers an oversimplification of both business and Government. For it assumes that business can be defined solely in terms of dollars and cents and cost accounting. And that the justification of governmental policies should be decided in the same terms. I have called this an oversimplification, first, because it fails to acknowledge the complexity of government in a modern democratic society; and second, because it fails to perceive the cultural significance of business and commerce.

The modern businessman must be more than a mere cost accountant. Wise decisions in business require not only a knowledge of how to conduct a commercial transaction, but knowledge of personal relations, of community relations, and of the whole process of communication. From this point of view, therefore, the businessman, the modern businessman, is peculiarly well gifted to contribute to public affairs.

In this connection, it is appropriate to mention that one of the distinguished guests with us tonight, President Thomas E. Millsop, of National Steel Corp., is not only a man of management, but one who has associated himself with public affairs and has made real contributions to the advancement of community, State, and national interests.

The National Management Association, an organization of 73,000 members in 340 affiliated clubs representing 1,200 companies in 34 States, honored Mr. Millsop by awarding to him its 1958 Management Man of the Year distinction. I am sure that this award was not bestowed upon Tom Millsop simply because of his technical proficiency in the management field; rather, it was recognition, too, of his broad understanding of and contributions to public affairs in relationship to the free-enterprise system.

I say in passing, however, that we should not limit the term "public affairs" to the application of government alone. Public affairs, and the role of the businessman therein, imply the whole range of public life and all of our cultural institutions as well as those of the States. This means that the businessman should interest himself not only in politics in the more limited sense, but also in the advancement of our schools, our hospitals, and our institutions of the fine arts, as well as those matters which more immediately affect his own interests, such as tax revisions, fair-trade practices, and the reciprocal trade agreements.

Participation in such affairs can be justified in more than just humanitarian terms as well. It can be justified in terms acceptable to the most hardheaded businessman. For example, we are all well aware of the need to attract a more diversified industry to West Virginia. While we are fortunate in having such basic industries as coal and steel and chemicals, we also need light industries which involve a lower capitalization per man in order to revive our sagging economy and offer jobs to workers who have been displaced by technological developments. And it has been the experience of other States which have sought to attract new industry that modern enlightened management is becoming increasingly concerned with the general cultural conditions in the area in which they seek to locate. While such factors as the tax climate, transportation facilities, and natural resources are perhaps the dominant factors in attracting industry, present day management is aware that its industrial and personnel relations are strongly affected by the surrounding conditions in schools, hospitals, recreational facilities, et cetera. Thus, from a long range point of view, it is equally to the interest of the businessman to engage himself in the development of the general cultural facilities of his area.

This suggests another respect in which the business community can make a genuine contribution to public affairs. Ours is a civilization dominated in large measure by a business ethos—by the values and attitudes of the business world. This condition affords the businessman considerable influence in the molding of public opinion—in the conditioning of cultural attitudes. I would like to see him use this influence on public opinion in raising the cultural status of the expert—the person of achieved excellence.

The American businessman has the reputation of being tough-minded. He is from Missouri. He is hospitable to facts and to the person who is expert in dealing with them. I should like to see him use his influence and his arts of communication to extend this hospitality to the expert throughout the range of public affairs; I should like to see such efforts emerge in a revitalization of the American regard for the expert, for the person who has achieved excellence in whatever field—in the arts, in business, in science, in scholarship, in government administration, as well as in the individual conduct of life in our daily affairs.

We are today, and we have been for some years, faced with what might be called a growing lack of accountability. In an ever-more complex society in which individual responsibility becomes lost in the mesh of social relationships, it is too easy to avoid responsibility—too simple to avoid being held accountable for the quality of one's performance. This is what I mean by the lack of accountability.

Thus we have given rise to the glorification of mediocrity and the neglect of excellence. To dispel such a popular attitude and reawaken a public regard for quality performance may well be one of the greatest contributions the businessman could make to public affairs.

Now after this somewhat philosophical foray, let me turn, in closing, to more concrete matters, to matters which I am confident have occupied a considerable amount of your interest.

I refer to two items of legislation which will soon be presented to the 86th Congress. First, Senate bill 505, introduced by Senator KENNEDY with myself as one of the cosponsors. This is the labor-management reform bill—a revised version of the Kennedy-Ives proposal which passed the Senate in the last session by a vote of 88 to 1. During my campaign I stated that I would support such legislation as that offered by Senators KENNEDY and Ives. As a member of the Subcommittee on Labor of the Senate Labor and Public Welfare Committee, I have offered myself as cosponsor of the present measure.

I am well aware of the criticism that has been leveled from some quarters. Without taking these criticisms up in detail, and without impugning the motives of any who have criticized the bill, I would like to state briefly its purpose and its provisions. But first I would like to quote from a letter which Senator KENNEDY recently received from former Senator Ives.

Senator Ives wrote, "This bill represents many months of careful study in committee, the collective judgment of the U.S. Senate as expressed in 5 days and nights of debating and voting, and many, many years of collective experience of labor-management legislation.

"Furthermore, it is designed to meet the objectives set forth in the report of the Senate Select Committee on Improper Activities in the Labor or Management Field. It is my firm conviction that this bill not only meets those objectives but does so in a fashion that makes it corrective rather than punitive legislation, a measure which will correct abuses without undermining the rights of working men and women."

First, as Senator KENNEDY has said, it is "a bipartisan measure on a nonpartisan subject." Second, it is stronger and clearer in its terms than was the original Kennedy-Ives bill. It has been revised to make it quite clear that the section on employer reporting does not interfere with normal personnel relations or communications, and that the section on bribes cannot possibly be interpreted to include wage or other normal payments.

And third, it is, as Senator KENNEDY stated, "primarily a labor-management reform bill, dealing with the problems of dishonest racketeering—it is not a bill on industrial relations, dealing with the problems of collective bargaining and economic power." The broad issues of labor-management relations are not involved in this legislation and were not so intended. For these are quite properly divorced from the issues of corruption and racketeering in labor.

I would, therefore, urge each of you to consult the bill yourself and in your own judgment determine if this is not for the best interests for labor and management alike, as well as in the larger national interests.

A question of equal importance to all of you is that of forthcoming legislation on small business. I am pleased that I am also a member of the Senate Committee on Small Business, and will be actively engaged in legislation in this field.

In preface to my remarks on this topic let me state that I am not one to whom big business per se is an evil; there is nothing inherent in the size of any economic structure, nor for that matter in any political or social structure, which makes it either good or evil. It is the uses to which such organizations are placed and the degree of responsibility exercised by those in management

which determine their ultimate benefit to society. In recognizing this we must acknowledge also that bigness has become a permanent and fundamental characteristic of American economic and political institutions—big government, big labor, and big business are here to stay. The problems of capitalizing modern industry and exploring the new frontiers of technology require large units of production. But with this, we must develop and maintain the means and techniques to prevent the individual man and woman from being lost in the shuffle and to insure the continued vitality of small business.

The 85th Congress moved significantly in this direction in establishing the Small Business Administration as a permanent agency, in passing the Small Business Investment Act, and in broadening the lending authority of the Small Business Administration. But much remains to be done.

There are approximately 5 million small businessmen in the United States, roughly the same number as there are farm families. These two groups comprise much of the reservoir of talent and initiative that have brought our Nation to its present greatness. We must see that this reservoir is not drained off by neglect, by inequitable tax laws, and by administrative regulations.

Let me emphasize once again the potential power the businessman has for exerting his influence far beyond the range of the activities of buying and selling and of producing and distributing goods. For the men of commerce and industry are the ones who control the material resources of our society; morally speaking, these resources are held not in fee simple but in stewardship—a stewardship which carries with it the responsibility to see that these material resources are used to assure the widest possible benefit, both materially and spiritually, for a free society. It is within your power if you but will it.

These are times of extreme tension—sometimes of deep doubts about our tomorrows.

I close on this positive approach:

There is no room for gloom in the long-term future. Fact and faith must combine in the promise of a further unprecedented era of expansion, creation of new industry, and a more sustained prosperity.

The American people are resourceful. They will realistically meet the challenge of changing world and domestic conditions.

We must see to it that business continues its dynamic development and that our cooperative capitalism, which embraces both employee and employer, be cushioned by reasonable Government regulation and reputable practices within the framework of our private enterprise system.

Ours is a growth country. It is a fallacy to short-sell its future.

Deseret News Discusses Neuberger Bill on Alcohol and Tobacco Education

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, February 12, 1959

Mr. NEUBERGER. Mr. President, one of the outstanding newspapers in America is the Deseret News, of Salt Lake City. In its weekly supplements for January 17, 1959, and January 24, 1959, the Deseret News has published two comprehensive interviews with me about my legislative proposal to have Federal matching funds used to encourage courses in our public schools in educating children with respect to the impact on their health of both tobacco and alcohol.

These interviews were written by Mr. George L. Scott, veteran newspaperman, who is correspondent in the Pacific Northwest for the Deseret News.

I ask unanimous consent that these interviews from the Deseret News, of Salt Lake City, be printed in the RECORD.

There being no objection, the interviews were ordered to be printed in the RECORD, as follows:

[From the Salt Lake City Deseret News, Jan. 17, 1959]

OREGON U.S. SENATOR OPPOSES TOBACCO, LIQUOR ADVERTISING

PORTLAND, OREG.—"Glamour advertising of cigarettes and liquor over TV and radio, in magazines and newspapers is aimed at the young—older people are already hooked."

So declared U.S. Senator RICHARD L. NEUBERGER, of Oregon, as he prepared to reopen his senatorial effort to educate the youth of the Nation on their gamble with health if they use either product.

The Senator said he would reintroduce the bill he placed before the Senate on May 21, 1958. This bill, which did not reach the Senate floor before adjournment, provided Federal grants-in-aid for educational programs to teach schoolchildren about the dangers to health from cigarettes and liquor. He said there would be no substantial change in the measure.

Senator NEUBERGER emphasized that he was not advocating a prohibition in the use of either tobacco or liquor.

"My purpose is to give the States of this Nation a chance to advise their young people on important matters concerning their health," he said.

"Most of the advertising on tobacco and liquor is beamed at young people.

"They are entitled to know what the facts are. After that, if they want to smoke, it's up to them. Their own reasoning rather than the pressure of glamorized advertising should prompt them," he declared.

LAUDS HEALTH EDUCATION

Senator NEUBERGER, who does not smoke nor drink, said his determination to push for health education was intensified following his return from Washington after the last session of Congress.

He underwent surgery for a malignant growth and is still under treatment.

"My own experience," the Senator said, "has intensified my interest in anything dealing with health."

He pointed to the Nation's $6.8 billion expenditure for research, most of it dealing with nuclear science, while only $211 million, or 4 percent, was spent on medical research of all diseases.

"Cobalt radiation, now used in the treatment of cancer, is a result of research," Senator NEUBERGER said. "If my trouble had developed a few years ago my chances would have been much less.

"Look at the children in the past who died of polio, diphtheria and other diseases before medical research made recovery almost certain."

CHILDREN SHOULD BE INFORMED

"I feel every child is entitled to the right to be informed of dangers ahead. The best place to do this is in school—backed by research and not advertising glamour," he said.

"In contrast to the questionable advertising which prompts young people to take up smoking at an early age, when they frequently are told to associate this habit with the success of some great baseball star or motion-picture queen, is the warning by the Surgeon General of the United States, Dr. Leroy E. Burney, who said:

"'Many independent studies thus have confirmed beyond reasonable doubt that there is a high degree of statistical association between lung cancer and prolonged cigarette smoking * * * while there are naturally differences of opinion in interpreting the data on lung cancer and cigarette smoking, the Public Health Service feels the weight of the evidence is increasingly pointing in one direction—that excessive smoking is one of the causative factors in lung cancer'," the Senator quoted.

[From the Salt Lake City Deseret News, Jan. 24, 1959]

PUBLIC INDIFFERENCE DELAYS HEALTH BILL

PORTLAND, OREG.—Public indifference, advertising power and sectional economy will be major hurdles to clear before the public can be educated on the health hazards surrounding the use of liquor and tobacco.

Senator RICHARD L. NEUBERGER, Democrat, of Oregon, encountered all of these obstacles after he first introduced his bill for Federal aid to States desiring to give their schoolchildren the facts of research concerning the use of cigarettes and alcohol.

He is hopeful there will be an upsurge of support from Senators and the public when he reintroduces his bill sometime in March.

"Any bill that has strong support from public bodies in the States will be brought out of committee for congressional action," the Senator said.

REACTION TO MEASURE

In dividing first reaction to his measure, Senator NEUBERGER listed the following:

Public: Indifferent, little immediate support in general.

Educators: Some support but far under expectations.

Churches: Good reaction from religious groups, particularly the Church of Jesus Christ of Latter-day Saints, Seventh-day Adventists, and Methodists.

Advertising agencies: Hostile reaction from advertising magazines and publications. Much of their revenues come from tobacco and liquor.

"Only a few Senators gave promise of support," Senator NEUBERGER said.

"Southern Senators are swayed away from support by the importance of the tobacco crop to the South although they favored education on liquor.

"I realize that it takes time to build up a program but with the aid of such organizations as the American Cancer Society, other health groups, educators, and churches it can be done.

"If the public gives its support you have a chance to pass legislation.

"If indifferent, little chance because of the great amount of legislation facing Congress."

CHURCH MEMBERS LEND SUPPORT

Senator NEUBERGER said he received many letters from Mormon Church officials and members in Utah, Idaho, and California backing his program.

"The power of liquor and tobacco advertisers is the main hurdle facing the grant-in-aid education program," Senator NEUBERGER said.

"We leave the field entirely to the liquor and tobacco people who have unlimited capital to support their products."

The Senator insisted that education is the great hope for everything. He pointed out that the grant-in-aid plan he backs for giving the facts on cigarettes and alcohol respects State's rights. No State, he said, is required to give such education unless it so desires.

"I don't believe in prohibition," he declared, "but I do believe in giving relative facts. If advertisers misdirect the Nation's

youth, the Government should at least give the fair facts.

U.S. AGENCIES INCONSISTENT

"If ever there was a situation where the left hand knoweth not what the right hand doeth, it is in the policy of the U.S. Government with respect to tobacco and cigarettes. While one agency of Government warns that cigarettes may be a factor in causing cancer, the most terrible disease afflicting the human race, another governmental agency subsidizes and encourages the growth of the product from which cigarettes are made."

Senator NEUBERGER inquired:

"What would be the reaction here in America if we learned that the government of Red China was subsidizing the production of poppies, from which opium is distilled? Would we not raise our voices in righteous scorn and indignation? Then what must the rest of the world think of the fact that in the United States eggs and meat and vegetables are not supported as basic farm crops, but tobacco is?"

The Senator conceded that "a bill is simply a piece of printed paper that can be indefinitely postponed."

"Other things," he said, "cannot be postponed so readily—cancer of the lung, for instance. The doctors and scientists will continue their studies. They will report, and some men in journalism and politics will disseminate the reports. People will smoke cigarettes, and human tissue and protoplasm will react accordingly. Such events as President Eisenhower's account of how he himself overcame the smoking habit are sure to have a mighty effect. Americans will learn the facts about cigarettes and various diseases, and then they will wonder why their Government considers tobacco a basic crop but not the Thanksgiving turkey or baby's milk or the morning baked apple or glass of orange juice.

"When enough Americans wonder about this, my bill will pass," Senator NEUBERGER concluded.

The Federal Budget

EXTENSION OF REMARKS
OF
HON. GLENN CUNNINGHAM
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 12, 1959

Mr. CUNNINGHAM. Mr. Speaker, this is an appropriate day to recall a statement by Abraham Lincoln which represents one of the guiding principles in his private life and a basic tenet of his approach to government

In 1843, Mr. Lincoln said:

As an individual who undertakes to live by borrowing soon finds his original means devoured by interest, and next, no one left to borrow from, so it must be with a government.

Certainly no one can dispute the effect of continued borrowing on the finances of an individual. No one can hope to live forever by borrowing, for he will in truth be eaten up by interest.

It is likewise true that governments cannot continue to live by borrowing. We are in our third decade of the era of deficit spending. Since 1930 there have been only 6 years in which the Federal Government has lived within its income. Yet in the recent years this country has recorded unparalleled growth and prosperity, and in such times of record-breaking income, both individuals and governments must seize the opportunity to retire debts.

We are faced this year with a precariously balanced budget. It is doubtful that the budget will remain balanced in view of the action by Congress on the first few spending bills which have been brought before the two Houses. Many responsible persons in and out of Congress feel that unless there is bold action to balance the budget this year and in the immediate future, there will never again be a balanced budget.

I share the view that we are reaching a financial crisis, that if we are to remain a nation with strong economic policies and a sound dollar—or perhaps I should say a sound 50-cent dollar in view of past inflationary spirals—we must act boldly and strongly.

Accordingly, I am introducing a resolution on this anniversary of Lincoln's birth which would set the wheels in motion for a constitutional amendment to require a balanced budget except in war or other grave emergency.

I do not feel a sense-of-Congress resolution or any other act of Congress can do the job, for it is agreed that an act of one Congress does not necessarily bind succeeding Congresses. We must put this resolve—if the people express their desire for it—in such a way that it cannot be circumvented in future years.

My mail shows a growing concern by persons throughout the country about inflation and deficit spending. I know other Members who also report the same trend. People realize you cannot live forever on borrowed money and they know that Uncle Sam cannot either.

I urge my colleagues to let the people decide through their State legislatures whether they want to continue deficit spending and inflation or whether we will live within our income. Let the people decide and then we will do their bidding.

Extension of the Draft

EXTENSION OF REMARKS
OF
HON. STEVEN V. CARTER
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 12, 1959

Mr. CARTER. Mr. Speaker, I have cast my vote against H.R. 2260, the resolution which proposes to extend the present draft law for a period of 4 years and which was overwhelmingly passed by the House of Representatives. Only 20 Members of the House voted against the bill, although you and I know that there were many more who did not, deep in their hearts, favor the extension of a national conscription. This fact in itself may be indicative of the inordinate amount of influence that the past 20 years of military presence has imposed on our thinking. True, this military presence has been a most necessary one, but one nevertheless that should be continuously reevaluated in the light of these rapidly changing times.

I do not propose, Mr. Speaker, that there is no longer a need for military forces. I think that we all recognize such a need is self-evident. The question is, what kind of military forces do we need? We are constantly told that the Armed Forces need highly professional, highly trained, highly skilled, highly technical, and highly motivated personnel in this age in which we live. Are those the words that describe the draftee? I think we all realize that they are not. Furthermore, I think we all realize that the average draftee never receives the incentives that will convert him into the type of person fitted by these descriptive words. The so-called incentive pay bill of the last Congress was badly misnamed. The only incentive that can be read into this bill is based on the assumption that everyone who enters the Armed Forces is convinced he will become an admiral or a general. We know that such an assumption would be entirely erroneous. Since the flag positions, which were really the only ones to substantially benefit from the incentive pay bill, are usually available only to graduates of the service academies who, presumably, are already provided with necessary incentives, there actually remains little or nothing for the conscriptee or volunteer to entice him to become a career military man.

Mr. Speaker, the draft has been with us for almost 20 years now, far too long. We all know it is not being fairly and impartially administered and is far from universal in its effect. Only one of the three armed services is actually using it to any extent. So tne true purpose of the draft is to act as a club to force young men to enter the Armed Forces. Those who volunteer for the Navy and the Air Force are only indicating their desire, not to faithfully serve those particular arms, but rather to avoid the rigors of Army life. Those who wait for the draft are simply saying, in effect, that they want to take the quickest way out. In either instance, the psychological approach of these young men to military service is the exact opposite of what it should be, and what I think it can be. Without the draft, the armed services would be forced to make a military career the attractive thing that it must become in order to get the type of individual they proclaim to be so necessary in this technical era. They would have to look elsewhere for the cooks, sweepers, chauffeurs, and assorted coolie labor for which today's conscripts are being used.

Mr. Speaker, I have been in youth work for a number of years, and I also have two teenage sons. I think we can all recall from our own lives and experiences, as well as those we have observed, the fact that there is a naturally occurring amount of uncertainty and indecision during the years approaching adulthood. Our draft law is simply aggravating this uncertainty and is, in fact, a substantial contributing factor to our national problem of juvenile delinquency. Our destiny and survival may very well rest in the heads and hands of the youth which are today subject to the draft. If the pitched battle for survival comes, it must surely come, it seems, within the

next 30 years, or even sooner. From every quarter, voices cry out that we need scientists, educators, philosophers, artists, and political leaders to revivify the essences and guts of Americanism, and to meet the challenge of communism all over the world. But what do we do to the very number from which these people are to come? We cast over them the dark cloud of frustration and uncertainty in the form of the draft. We discourage, delay, and, in some cases, deny the steps that will lead them to lives of leadership and service in their chosen field and on a high level. Our youth cannot help but wonder why we have huge armies that train and retrain, while Asian, Middle Eastern, and South American nations continue to fall under the influence, if not the domination, of communism. These youth have a vague feeling of uneasiness, to which they are probably unable to give expression in most cases, that perhaps we have here an enemy who must be fought in other ways. They are told that we are engaged in an ideological conflict for men's minds. Yet many of our youth who are sufficiently endowed to prepare themselves for this conflict are conscripted for a period of years, in which they perform menial tasks, and they either lose the impetus or the opportunity to sufficiently prepare themselves for the defense of democracy. A further perplexing factor to our youth is the fact that our Nation's leaders, whom they feel certainly must be wise men, fail to furnish them the opportunities and inspiration, even the example, as to how this enemy should be fought. Could it be that the vistas of our leadership are too limited and too interwoven with the traditional ideas of what constitutes national power to see that we are immolating much of the potential of our youth on the altar of national conscription.

Let us liberate our youth, during that period of unique vitality, to follow whatever constructive paths they may choose. Let one of these choices be a career in an attractive Military Establishment where only the dedicated and proficient volunteer can exist.

It is my sincere hope that we can eliminate these shackles and hindrances which are so repugnant to the basic American concept of individual freedom and initiative, which has always been the keystone of our greatness.

Recognition Is Given to Worldwide Travel Show at Bluefield, W. Va.

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Thursday, February 12, 1959

Mr. RANDOLPH. Mr. President, next Tuesday, February 17, the Bluefield, W. Va., Automobile Club will open its Worldwide Travel Show in the Bluefield Municipal Auditorium.

Mine has been a lively interest in the beneficial effects of travel, and I was privileged to issue a statement in connection with the forthcoming Bluefield Automobile Club travel show venture.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD my statement to the sponsoring club.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I extend my congratulations to the Bluefield Automobile Club and its director of travel, James H. Cowan, for initiating the first Worldwide Travel Show in West Virginia. I am confident of the success of this venture. The Bluefield Automobile Club deserves the gratitude of the citizens of the Mountaineer State for taking this step to attract the attention of American travelers to the charms and beauties of our fair State.

The tourist industry offers one of the chief sources of potential economic development in the State of West Virginia, and the automobile clubs are to be commended for the part they are playing in stimulating its development.

But it is worth noting that the Bluefield Automobile Club Show is not limited by merely State or sectional interests. This exhibition is an appropriate expression of the growing interest of Americans in world travel itself, and it offers another link between us and our neighbors in other lands.

We Americans are a mobile people, and the urge to be somewhere else will hold a continued fascination for innumerable millions of folk during this next record travel year.

The once-popular song words, "I was born to wander, I was born to roam," continue to be lived by vacationers and tourists who are lured "to the far-away places with the strange-sounding names."

We Americans who live and work at such a rapid pace can find in travel refreshment for the body and renewal of the lagging spirit. We may be mindful as well of the inspirational and spiritual values that flow from travel and the act of occasionally drawing away from our daily preoccupations. For it was the Master of all mankind, who, when the pressures from expectant people tapped too deeply His earthly resources, whispered to His disciples: "Come apart, and rest a while."

Travel, however, fulfills more than the needs of the individual alone. For the American traveler has become his country's main diplomat abroad. And as a nation we are in large measure judged by our neighbors in other lands on the basis of the behavior of the American tourist. Thus, the modern conveniences of travel—the jet airliner and the luxury ocean liner—will not alone bring about a world community of neighbors. There must be global-mined people traveling, men and women disposed to appreciate and understand the customs, cultures, and the philosophies of the countries they visit.

The late Irish poet, George Russell, predicted in the 1920's that the United States would have an historic role to play, because "Americans have been the first people to adopt a planetary viewpoint." Though Russell's statement was contested by those who worried about America's apparent drift to extreme isolation, he insisted that he could detect signs that we were preparing to assume planetary responsibilities. He said, "You Americans have a vision about this planet that no other nation has ever had."

We need to understand that our 177 million citizens, comprising only 10 percent of the non-Soviet world, control over half of the world's production of goods. Therefore, our policies and our actions affect not only our own national destiny, but that of the world at large. We are challenged to thinking in world terms. We have now reached the point where we must assume the same kind of responsibility in world affairs as we are accustomed to assume in our individual affairs. If we falter, the free world falters. If we are firm, the free world is firm.

The 20th Anniversary of Marian Anderson's Concert on the Steps of the Lincoln Memorial

EXTENSION OF REMARKS
OF
HON. JOHN BRADEMAS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 12, 1959

Mr. BRADEMAS. Mr. Speaker, today Members of Congress have joined in tribute to the man whom many Americans regard as the greatest figure in the history of our country, Abraham Lincoln.

We have heard a distinguished American, Carl Sandburg, speak on the 150th anniversary of the birth of a man who has been described by Walt Whitman as "the grandest figure on the crowded canvas of the drama of the 19th century."

Mr. Sandburg declared just a few days ago that Abraham Lincoln took the word "liberty" as precious, saying in 1858:

Our reliance is in the love of liberty which God has planted in our bosoms. Our defense is in the preservation of the spirit which prizes liberty as the heritage of all men, in all lands, everywhere.

Not only, Mr. Speaker, is 1959 the 150th anniversary of the birth of Abraham Lincoln. It is also just 20 years ago that Lincoln's memory was honored in a concert on the steps of the Lincoln Memorial, a concert given by one of the grandest figures on the crowded canvas of the drama of our century, Miss Marian Anderson.

It seemed to me most fitting that Miss Anderson, one of the world's greatest musicians and one of America's finest citizens, should be invited to sing at the joint session of Congress today when we commemorate the birth of Abraham Lincoln. For this reason, last month I wrote a letter to the chairman of the Committee on Arrangements on the Joint Session urging that Miss Anderson be invited. I am pleased to say that I understand the committee did extend to this great lady an invitation and that only the pressures of the late hour prevented her being with us today.

I wish to insert in the RECORD at this point my letter to the chairman of the committee:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 29, 1959.

The Honorable FRED SCHWENGEL,
House Office Building,
Washington, D.C.

DEAR MR. SCHWENGEL: I am writing to you in your capacity as Chairman of the Committee on Arrangements on the Joint Session of Congress for the commemoration of the 150th anniversary of the birth of Abraham Lincoln.

It is my understanding that your committee has invited former Presidents Herbert

Hoover and Harry S Truman to take part in the ceremonies of February 12, 1959, and that your committee has also arranged for participation in the ceremonies of the distinguished American poet, Mr. Carl Sandburg, and the distinguished American actor, Mr. Fredric March.

I wish to congratulate you and your colleagues on your plans for honoring the memory of this towering figure in our country's history.

I should like to suggest, however, that you invite another distinguished American to take part in the activities of February 12—Miss Marian Anderson, one of the world's greatest musicians and one of America's finest citizens.

I was among those who on May 26, 1957, watched Marian Anderson receive the honorary degree of doctor of laws from the president of St. Mary's College, Notre Dame, Indiana. The degree citation read in part:

Arturo Toscanini said of Marian Anderson that a voice like hers happens once in a hundred years. The distinguished composer Sibelius protested that the roof of his house was too low for her voice * * * Chiefs of state representing their people have celebrated her public triumphs. At the invitation of our own Government, Marian Anderson has sung to honor the visit of royalty, the return of a hero from a war and the inauguration of a President."

Miss Anderson has indeed served our country nobly and in many capacities, most recently as an alternate delegate to the General Assembly of the United Nations. She won much friendship for the United States by her 1956 and 1957 concert tours in Europe and the Far and Near East.

Her accomplishments are many and could be multiplied and, as the President of St. Mary's College said in 1957, "All these achievements Miss Anderson has accomplished in a spirit of profound Christian faith."

It was just 20 years ago, in 1939, that Marian Anderson gave her now legendary Easter concert before 75,000 persons in Washington, D.C. She sang from the steps of the Lincoln Memorial.

I believe it would be most fitting for your committee to invite Miss Anderson once again to sing in the shadow of Lincoln's memory as the Members of both Houses of the Congress of the United States join to pay tribute to the man who is the symbol of America's dedication to freedom.

I hope, sir, that you and your colleagues on the committee will invite Miss Anderson to take part in the ceremonies of February 12, 1959, before the joint session of Congress.

With highest regard and best wishes, I am,

Sincerely yours,

JOHN BRADEMAS,
Member of Congress.

Housing for the Elderly

EXTENSION OF REMARKS
OF
HON. DANTE B. FASCELL
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 12, 1959

Mr. FASCELL. Mr. Speaker, I have introduced today a housing bill which should be of substantial assistance in relieving the shortage of housing for elderly persons and in increasing rental housing and related special health facilities for elderly families. My bill is directed toward the accomplishment of two objectives:

First. Assistance in obtaining more liberal FHA financing for the construction of rental and sales housing, especially designed in whole or in part for our senior citizens; and

Second. Provision of adequate health and medical facilities as an integral part of such elderly family housing projects.

This bill makes a substantial amendment to the existing FHA program for section 213 cooperative housing, and in addition, provides for an entirely new FHA insured-loan program for elderly family rental housing and for nursing homes. The program for improving the financing of elderly family rental housing is set forth in a new section proposed for inclusion under title II of the National Housing Act, as amended.

This new section, 229, would increase the dollar limits on insured loans for elderly family rental units and provide for insurance of a loan up to the full replacement cost of a project as estimated by FHA. A significant change from existing law is that this bill provides for FHA insurance of loans for both profit corporations and nonprofit organizations. Present law is limited to nonprofit operations.

In my bill, the maximum interest rate would be 4½ percent and a priority of occupancy is assured for elderly persons or families—60 years of age or over. At least 50 percent of the units in such a project would have to be especially designed for occupancy by elderly persons.

By special definition, the mortgage on an elderly family rental project would be able to cover structures and facilities designed for assisting the elderly occupants in the care of their health. These special facilities would be such structures as infirmaries, inpatient or outpatient health facilities, therapeutic facilities or such other facilities as the Commissioner of FHA might approve and deem adequate to serve the elderly occupants of the project.

In addition, my bill amends the existing law on cooperative housing to provide that an FHA section 213 cooperative housing mortgage, for either sale or rental housing, can cover the cost of special facilities which are of the type I have just described. In this way, a cooperative housing project which, in many areas of the country, is an ideal vehicle for the supply of low-cost, liberally financed housing suitable for our senior citizens, will be even more able to serve their needs. Existing law already permits cooperative rental projects to cover needed commercial and community facilities. It makes sense, therefore, to add this further provision and thus make possible in its most beneficial way, the availability of cooperative housing for our elderly families.

In one further way, this bill should prove of real assistance for elderly family housing projects. I have included provisions in this bill which have already received the approval of the other body, covering a new program for the insurance of a loan for the construction of a nursing home especially directed toward the care of elderly persons. In my bill, I have included in addition, however, a provision directing the FHA to encourage the construction of such nursing homes at or near the site of elderly family housing projects. In particular, I am anxious for the facilities made available by these FHA programs to result in coordinated and integrated projects of most benefit and economical use for our elderly families. Wherever possible, I feel, that projects of housing designed for our senior citizens should be set up so as to become a fully equipped community for their better enjoyment of life.

I would hope in the future that a program can be devised, using private financing and private construction but with the insurance provided under the FHA programs, so that our large, single family housing projects under the basic section 203 of FHA, can be developed as planned communities including the facilities and services, with FHA financing aid, if needed, that seem best suited to the majority of the occupants for which the project is built.

Let me note that the amendments to existing law which are contained in this bill and the provisions of a proposed new program for FHA rental housing, are no burden upon current budget proposals in any manner whatsoever. At the most, in the long distance future, there is, of course, a contingent liability as now exists on all FHA insured loans. Experience has demonstrated conclusively, however, that the security of the construction, coupled with the debenture system of FHA, are more than adequate, together with its very substantial financial reserves, to protect the Government's interest, without drain, in any way, upon taxpayers.

Civil Rights Legislation

EXTENSION OF REMARKS
OF
HON. WILLIAM M. McCULLOCH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 12, 1959

Mr. McCULLOCH. Mr. Speaker, I have today introduced a bill to implement the seven recommendations made by the President in his civil rights message of February 5, 1959.

This proposed Civil Rights Act of 1959 constitutes a moderate, practical, sound, and, I believe, generally acceptable step forward.

First. Title I would make it a criminal offense to interfere with the exercise of rights or the performance of duties under orders of U.S. courts in school desegregation cases.

Second. Title II of the bill would make it a Federal offense to cross State lines to avoid prosecution or confinement for destroying or attempting to destroy by fire or explosive any structure used for educational or religious purposes. This legislation will clarify the authority of the Federal Bureau of Investigation to assist local enforcement authorities to

track down the perpetrators of such offenses.

Third. The President has said that the right to vote is the keystone of democratic self-government. Title III of my bill will require election officers to retain and preserve for 3 years all records and papers which come into their possession relating to elections involving candidates for Federal office. The measure will also authorize the Attorney General to demand their production for examination and copying with recourse to the courts in the event of noncompliance.

Fourth. In establishing the Commission on Civil Rights, the 85th Congress provided that the Commission shall terminate its existence not later than 2 years and 60 days after the date of the enactment of the Civil Rights Act. This would mean that in the absence of an extension the Civil Rights Commission would, at the latest, cease to exist early in November of this year. The President has recommended, and title IV of this bill will accomplish, a 2-year extension in order that the Commission may adequately perform the job for which it was created. The bill also provides for the President and the Congress to be advised in an interim report to be submitted not later than September 1, 1959, as to Commission activities as of that date.

Fifth. Title V will give legislature stature and independent existence to a Commission on Equal Job Opportunity Under Government Contracts. The 15 member Presidential Commission would be authorized to continue and to expand the work which has been done in recent years to promote equal job opportunity in the performance of Government contracts without regard to race, creed, color, or national origin.

Sixth. Title VI of the bill would appropriately amend Public Laws 815 and 874 of the 81st Congress, which authorize Federal payments to school districts which provide free public education to children whose parents reside or work on Federal property not subject to State or local taxation to include children of members of the Armed Forces whether they reside on Federal property or not. This title will also authorize the acquisition of certain school buildings as rental property, to be used for providing for children of military personnel education necessitated by the closing of the public schools.

Seventh. The final substantive title, title VII, will authorize the Federal Government to provide technical assistance to States which prior to the Supreme Court decision of May 17, 1954—Brown against Board of Education—maintained segregated schools and which seek to comply with the decision of the Supreme Court. It would accomplish this purpose by making Federal grants available to the States. Also, at the request of the States or local agencies, the Commissioner of Education would be authorized to provide technical assistance and information in the development of desegregation programs and upon request of such officials will initiate or participate in conferences dealing with the educational aspects of problems arising from desegregation of public schools.

As indicated at the outset of this statement, I am convinced that this bill is a sensible, middle course which the Congress should look upon with favor. I sincerely hope it will receive consideration at an early date.

SENATE

MONDAY, FEBRUARY 16, 1959

Rev. John C. Petrauskas, headmaster, Marianapolis Preparatory School, Thompson, Conn., offered the following prayer:

O Lord, as we humbly commend ourselves to Thy omnipresence, we invoke Thy infinite blessings on this august assembly, whose deliberations and decisions reverberate to the farthermost ends of the world which Thou hast created.

Imbue our lawmakers, O Lord, with a delicate sense of justice, a burning love of the moral good, an unrelenting opposition to iniquity, and an unswerving trust in Thy inscrutable ways.

As Thou regardest this troubled world, with its emphasis on superlatives, take heed, O Lord, of the plight of small nations. We beseech Thee to look with favor upon Lithuania and her neighboring Baltic States as they mark in mourning a once proudly proclaimed freedom and independence. Banish tyranny and bondage from the face of the earth, and grant that Lithuania and all other captive nations may once again know the blessings of freedom and security, so that they may continue to glorify Thee.

With filial devotion and confidence, we have recourse to Thee, who hast been called our tainted nature's solitary boast, and whose motherly concern embraces the suffering and the oppressed. Instill in mankind a deeper sense of human brotherhood under Thy common motherhood and present to God, the Father of all, our prayerful petition that international justice and peace with honor may endure among nations forever. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., February 16, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. THOMAS J. DODD, a Senator from the State of Connecticut, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. DODD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 12, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on February 12, 1959, he presented to the President of the United States the enrolled bill (S. 961) fixing the representation of the majority and minority membership of the Joint Economic Committee.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

JOHN FOSTER DULLES

Mr. JOHNSON of Texas. Mr. President, the news of the weekend from Walter Reed Hospital weighs heavily upon all of us as we meet here in the Senate today.

A valued American lies ill. Our hearts and the hearts of free men everywhere go out to John Foster Dulles as he begins his fight for health. If tenacity, dedication, and resoluteness of purpose are allies of medicine, then the prognosis is certainly encouraging, for Mr. Dulles has never been lacking in these qualities. In the most difficult and demanding of public duties, he has been tenacious and tireless in pursuit of what he has held to be right. His example of exhausting and unhesitating devotion to duty is one which we both admire and envy.

Over the period of his service as Secretary of State, Mr. Dulles and I have both agreed and disagreed. Yet it has never been difficult to work with him for the best interests of the Nation. I have never had occasion to say anything personal about him in any circumstance, for I have held him in very high regard, and I still do.

Mr. President, as a measure of our feelings for the Secretary of State, John Foster Dulles, I now submit, and send to the desk, a resolution which expresses the sympathy of the Senate for the Secretary of State at this time of his illness, and expresses our prayers and our confidence for his early recovery. I ask unanimous consent that after the resolution is read, it be considered and

adopted, and that then the Senate stand for a moment of silent prayer for the return of our friend and countryman to the duties of his office.

I now submit the resolution.

The ACTING PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 79) was read, as follows:

Resolved, That the Senate stand in silent prayer to the Almighty for the early and complete recovery of the Secretary of State, the beloved John Foster Dulles.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

The resolution was, by unanimous consent, considered and agreed to.

The ACTING PRESIDENT pro tempore. The Senate will stand in silent prayer.

(The entire Senate and the occupants of the galleries stood for a moment of silent prayer.)

Mr. DIRKSEN. Mr. President, every energy and virtue of an individual are meant to be used. Not the least of these is a Christian conscience. Everywhere, men will admit that John Foster Dulles has used them to high purpose.

Though there may be disagreement with some of his views and policies, none will deny his vision, his zeal for good works, and his sense of mission in advancing mankind's search for peace and a better world.

What a delicate, arduous, and momentous task he has had: to plan, explore, measure, counsel, and direct our efforts and those of other nations toward peace, friendship, good will, and continued well-being. He has given a contagious quality to the unremitting effort to find ways and means for effectively meeting the challenges of our day. Truly, his dedication to liberty and dignity, as ends in themselves, to peace, to amity, to the well-being of other peoples, as well as ourselves, has generated hope and courage everywhere. Well might we pray for the restoration of his health and vigor, that this work can go forward.

Mr. FULBRIGHT. Mr. President, all of us are saddened that John Foster Dulles has again been retired to a hospital. We learn with distress that since last December he has been fulfilling his exacting duties although his health was so undermined that President Eisenhower and the Secretary's doctors believed that he ought to take a complete rest until he felt fit once more. This he refused to do.

A little while ago, in the fullness of his years, Mr. Dulles underwent grave surgery for cancer, and apparently recovered. He could then have retired with grace and dignity to his chimney corner, to savor the sweetness of rest and the constant companionship of his devoted wife, after a lifetime of strenuous activity, much of it in the service of his country. Instead, he chose to shoulder again the somber responsibilities that attach to his office in our troubled times, and to discharge them at whatever cost to himself, if that cost should be total.

One is especially moved when observing Mr. Dulles in action. His responsibilities are the more awesome and his loneliness the more poignant in that, for whatever reasons, he, more than any of his predecessors within living memory, must play the leading role, both in formulating our foreign policy and in articulating it. And his tasks are not the less exhausting because he has found it congenial to discharge them by repeated journeyings to the world's capitals, for consultations with heads of states and with his counterparts elsewhere.

No man, I suggest, with the burden of his years upon him and with pain his constant companion, would be moved to such heroic exertions unless he felt that the task was great and the day short—not only his own day, but the day of all men everywhere in this century, the most dangerous of the 60 centuries of man's recorded history.

Mr. Dulles and I have not always agreed upon certain aspects of the conduct of our foreign policy; and, as befits the public servant of a democracy, I have not hesitated to express my sometimes sharp disagreement with his point of view. I hope both of us will live to agree, and sometimes perhaps to disagree, in the future, and thereby discover and elucidate the truth for which all civilized men so desperately strive.

No man, I think, can but be moved to admiration by the spectacle of the courage of John Foster Dulles, by his austere sense of duty, by his exceeding gallantry in the shadows of personal doom, and by his unrelenting purpose in seeking peace through peaceful means, for the millions on this earth whose reluctant feet may already be planted upon the road to Calvary.

It is my prayer, then, that the wellsprings of Mr. Dulles' great and abundant vitality will again come to flow, and that he will return to us renewed, restored, and reinvigorated.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD following my remarks the text of the letter which Secretary of State Dulles wrote to the President requesting a leave of absence to undergo a hernia operation. The letter was published in the Washington Evening Star of February 10. I know that we all share the same confident expectation expressed by Mr. Dulles that he will soon be able to resume fully the duties of his most responsible office. The tone of Secretary Dulles' letter reflects his indomitable spirit and the vigor and fortitude with which he has discharged his duties through the tense times in which we have been living.

I expect that no man could serve as Secretary of State in these times and enlist unanimous and unfailing support for all his actions and policies. However, I am sure we all agree that Secretary Dulles is one of the most courageous and conscientious public servants that our country has ever produced.

From long personal association and friendship with him, I know that Under Secretary of State Christian A. Herter merits the same measure and quality of confidence and admiration as he assumes the full burden of Mr. Dulles' duties.

I ask unanimous consent that there be printed in the body of the RECORD at the end of my remarks two short biographical articles about Acting Secretary Herter which appeared in the New York Times and the Washington Evening Star, respectively, on February 10.

The ACTING PRESIDENT pro tempore. Is there objection to the requests of the Senator from Massachusetts?

There being no objection, the letter and articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Feb. 10, 1959]

SECRETARY REQUESTS PERMISSION FOR LEAVE

Following is the text of Secretary of State Dulles' letter to President Eisenhower yesterday asking for a leave of absence to undergo a hernia operation:

FEBRUARY 9, 1959.

DEAR MR. PRESIDENT: I should like your permission to turn over to Under Secretary Herter, or in his absence, to Under Secretary Dillon, the duties of Secretary of State for a short period.

My doctors advise that I should have an operation for a recently developed hernia; and I have not wholly thrown off the effects of the inflammation of the colon which occurred last December. I should accordingly like to devote a few weeks to physical recuperation, and also have some time when, free from other responsibilities, I could concentrate on the complicated and grave problems raised by the Soviet threats regarding Berlin and the allied response thereto.

I would be available for consultation with you and my associates and would expect, after a few weeks, to resume fully the duties of the office.

I regret the circumstances which lead me to ask for this respite, but I have full confidence, as I know you have, in my associates in the Department of State.

Faithfully yours,

JOHN FOSTER DULLES.

[From the New York Times, Feb. 10, 1959]

NO. 2 IN ONE-MAN SHOW: CHRISTIAN ARCHIBALD HERTER

WASHINGTON, February 9.—As Under Secretary of State, Christian Archibald Herter has for the last 2 years had the misfortune of being No. 2 man in a one-man State Department.

As often in these last months, when the operating power was temporarily out of action on the sidelines or in full action on the frontlines, Mr. Herter today was again handed the title of "Acting Secretary." The key word here is acting, for if Mr. Herter did not know it when he arrived at State—and there is evidence that he did not—he soon found that the Secretary of State, John Foster Dulles, had determined that there would never be a Sumner Welles in the Eisenhower administration.

Mr. Welles, Under Secretary during the administration of Franklin D. Roosevelt, had a closer relationship with the White House than the Secretary himself, Cordell Hull.

LITTLE CHANCE TO SHINE

Accordingly, even when Mr. Dulles has been temporarily away from the store, his stand-in has had little chance to make the impact of his own personality felt on the great issues of state.

Some of Mr. Herter's associates in the Department have felt at times that Mr. Dulles was keeping him in not-so-splendid isolation and that a considerable talent was being buried under the weight of one of Washington's most powerful personalities.

Mr. Herter arrived in Washington soon after the Eisenhower election sweep of 1956 with impressive credentials and a magnificent press. An earlier tenure here, in the House of Representatives, had established

him as an attractive Republican internationalist.

Two successful terms as Governor of Massachusetts confirmed his executive ability and, after the Eisenhower heart attack of 1955, his name was high among those discussed as possible liberal Republican presidential candidates, should the President decline to run in 1956.

The President decided to run and Mr. Herter was promptly involved in a fiasco when Harold E. Stassen, then the administration's disarmament specialist, personally nominated him as the man to replace Vice President RICHARD M. NIXON on the Republican ticket.

Mr. Herter, then leaving the governorship in Massachusetts, suffering from a painful arthritic condition and facing the end of his public career, was induced to torpedo the Stassen assault my making the nominating speech for Mr. NIXON. After the inauguration, he was appointed Under Secretary of State, and there were rumors that he was to be groomed for an early succession to Mr. Dulles.

The future matured without such exciting development. Mr. Dulles, at the desk or away, stayed in charge. Mr. Herter, once the darling of those who had hoped for fresh approaches in United States diplomacy, remained untested and unexposed.

Mr. Herter was born March 2, 1895, in Paris, where his parents were studying art. Young Chris was 10 and spoke fluent French before he returned to the United States. He had his first taste of diplomacy during World War I, serving as Acting Minister to Belgium at the age of 22, when illness in the diplomatic ranks left him the top man on the spot.

After the war he served 3 years as personal assistant and secretary to Herbert Hoover, then Secretary of Commerce. As a Representative after World War II he toured 18 nations on a project that was instrumental in the creation of the Marshall plan. In 1952, he was elected Governor of Massachusetts.

In his personal contacts, Mr. Herter at 63 is a polished and charming gentleman of the old school whose manner has often deceived the unknowledgeable into mistaking him for a Boston Brahmin. With an easy smile and a persuasive graciousness, he gives the casual visitor no sign of the physical hardship imposed by the arthritis.

He is married to the former Caroline Pratt and has three sons and a daughter.

[From the Washington Evening Star, Feb. 10, 1959]

HERTER DRAWN EARLY TO FOREIGN AFFAIRS

Unlike many American politicians, Christian Archibald Herter has been interested in foreign affairs most of his life.

The man who will be Acting Secretary of State while John Foster Dulles is out for a hernia operation had a headstart in developing this interest.

He was born in Paris, France, almost 64 years ago, to struggling young American artists, Albert and Adele Herter.

Although he was brought to the United States while still a boy, his interest in foreign affairs has never wavered.

After graduating from Harvard with honors, Mr. Herter decided he would like to be an architect and enrolled at Columbia University.

But in 1916 he returned to Harvard for his first class reunion. There he talked with a classmate, Lithgow Osborne, who had been in Berlin as an aid to Ambassador Gerard. Mr. Osborne's tales of life in wartime imperial Germany excited Mr. Herter's imagination, and a week later he was on his way to Europe as a member of the United States Foreign Service.

NEARLY SHOT

He was one of the last Americans out of Germany after this country entered the First World War—and he almost didn't make it out at all. He was trying to reach neutral territory, but on reaching Mainz was arrested as a suspected spy. One officer favored shooting him on the spot, but Mr. Herter managed to convince him that he was entitled to safe convoy as a member of the United States Embassy.

Mr. Herter tried to get into the Army, but was turned down. Too tall, he's 6-feet-5, and too lightweight, he's still slender.

But this didn't keep him from taking on several difficult jobs, such as serving as secretary of a commission to negotiate a prisoner of war treaty with Germany and, after the war, secretary of the commission to negotiate the peace treaty.

In 1919 he went to Germany with Herbert Hoover to help direct the American Relief Council there.

LEARNS A LESSON

Later he was to serve with Mr. Hoover in the Commerce Department, and there he learned a valuable lesson. Mr. Hoover, he has said, was an extraordinary and brilliant administrator, but when he got into politics, he could not be flexible in his dealings with humans—as one must be in politics.

Mr. Herter soon had a chance to test his political theories.

In 1930 he was elected to the Massachusetts House, where he spent 12 years, the last 4 as speaker.

By 1942 he was ready for bigger game—Congress.

In the House, Mr. Herter busied himself with foreign affairs, but kept an eye open for likely looking Republicans who might take the White House away from the Democrats. He was one of the earliest to say he thought that man was Dwight D. Eisenhower.

At the same time, he took a political risk of his own.

He was persuaded to run for Governor of Massachusetts against Paul A. Dever. Most observers didn't think he had a chance, but he squeaked through, by 14,000 votes.

RETURNS TO WASHINGTON

Late in 1956 he returned to Washington, as Under Secretary of State.

An Under Secretary has an important job, but usually an unpublicized one.

As politicians go, Mr. Herter seems relatively content to operate outside the main arena.

It's probably appropriate that most voters know him for what he didn't do.

In 1956 there was a boost for (a) Mr. Herter for President, when it was thought Mr. Eisenhower's health would forbid a second term, and later (b) Mr. Herter for Vice President, in place of RICHARD M. NIXON.

This last campaign was carried on—almost exclusively it seemed—by Harold E. Stassen, but it produced most of the excitement at the 1956 Republican Convention.

In the end it got nowhere.

The tall, seemingly shy man got up at San Francisco and made a speech nominating Mr. NIXON.

Full name: Christian Archibald Herter.

Home: Millis, Mass.

Birthday: March 28, 1895.

Birthplace: Paris, France.

Education: Ecole Alsatienne; Browning School; Harvard University (graduated with honors); Columbia University.

Jobs: Attaché, American Embassy in Berlin (1916–17); executive director, European Relief Council; special assistant, Secretary of Commerce (1921); editor, The Independent; elected Massachusetts State Legislature (1931); elected House of Representatives (1942); elected Governor of Massachusetts (1953); appointed Under Secretary of State (1957).

Family: Married, father of 3 sons and a daughter and grandfather of 11.

Hobbies: Hunting, fishing.

Mr. BUSH. Mr. President, I compliment the majority leader, and other Senators who have spoken, upon their statements regarding the Secretary of State. I am glad I can be present to add my own personal expression to the record of what has been said in that regard.

My own friendship with Foster Dulles goes back to 1931, when he was legal adviser to the firm with which I was active at that time. During the years I formed the impression that Foster Dulles was one of the most brilliant, able, devoted, and conscientious friends I have ever known.

In 1949, after he was defeated by Senator Lehman when he was a candidate for election to the Senate, I talked with him. I think it was advice he gave me at that time, and the expression of his opinion about public service, and similar matters, which influenced me more than any other thing to attempt to run for the Senate, myself, in 1950. Thus, I feel a special sense of friendship for Foster Dulles which I am happy to express at this time, while he is a patient in Walter Reed Hospital.

I sincerely pray and hope for his immediate and complete recovery, in order that he may continue to give our country the great and devoted service that has characterized his life really ever since World War II.

Mr. CARLSON. Mr. President, we pray today for the early recovery and return to duty of our distinguished Secretary of State, John Foster Dulles. He has dedicated his life, without thought of personal convenience or of his own health, to the cause of the peace of the world. He is a man of strong convictions. Furthermore, he is willing to stand firm on his convictions. A recent editorial in the Topeka Daily Capital concludes with this statement:

Whatever history records about the rightness or wrongness of Secretary Dulles' policies, it must put them down as a man who served his country first and himself last.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the complete editorial which appeared in the Topeka Daily Capital of February 12, 1959.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DULLES: DEVOTED TO DUTY

The lot of Secretary of State John Foster Dulles has not been a happy one in recent years but that is not something peculiar to Dulles' career. Second-guessing Secretaries of State is a sort of national pastime and the critics in the Nation's capital are numerous. So are those abroad.

But Dulles' service to his country is once again complicated by illness and his current leave of absence, to permit him to undergo a hernia operation, poses the question of whether he should continue in one of the most strenuous jobs in the world.

The word from the White House is that the Dulles' leave of absence is just that. He's expected back on his globe-girdling job, the White House says, in a few weeks.

No one, not even those critics who have disagreed violently with Dulles' policies, can say he has not given great devotion to his job. He has traveled at a gruelling pace and, at 71, has fought back against ill health with a vigor not often found in younger men. In 1956, the cancerous part of his

lower intestine was removed. Dulles was soon back at his job. Last December he was hospitalized with an inflamed colon. In January he passed up a trip to Canada because of a virus infection. But Dulles was soon back in the news, active in spite of the ailments that were reflected in his tired and haggard face.

If Americans argued about the progress of the country in foreign affairs, they were certain of one thing—that here was a man who served them devotedly and was following the course he believed best for the country. He stood firm on Quemoy and Matsu in the face of great pressure. He doggedly kept speaking of preserving the interest in the United States and the western allies in Berlin and the threats of Khrushchev and his East German henchmen.

Secretary Dulles' latest illness, however, puts President Eisenhower in the position of a baseball manager. Although Dulles is on leave of absence, he is still the nominal Secretary of State and in there pitching. Due to ill health, Dulles may take himself out of the game in the next few weeks. Or the President may decide to put in a new pitcher in view of the urgent need to meet the situation in Germany and elsewhere as effectively as possible. Dulles is the kind of a man who would graciously step aside if the President asked him to, and the President may have no other choice.

Whatever history records about the rightness or wrongness of Secretary Dulles' policies, it must put him down as a man who served his country first and himself last.

Mr. WILEY. Mr. President, I agree with all that has been said concerning the character of John Foster Dulles. When he was stricken I sent a message to him which has appeared in the RECORD heretofore. He is a great citizen and a great man, one who will go down in history as one of America's greatest Secretaries of State.

Mr. MANSFIELD. Mr. President, I wish to join my colleagues in the remarks they have been made about our ill Secretary of State. I am sure the Senators know my feelings, because I consider John Foster Dulles to be not only a great Secretary of State, but a warm and personal friend. I hope that he has far more than a fighting chance to return to active duty and to once again become the Secretary of State in fact as well as in name.

SALUTE TO THE COURAGE AND HEROISM OF MR. JOHN FOSTER DULLES

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a moving and poignant column by Drew Pearson hailing the personal heroism and courage of our Secretary of State, John Foster Dulles. This column was published in the February 16 issue of the Washington Post and Times Herald under the title of "Dulles Heroism on Duty Lauded."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DULLES HEROISM ON DUTY LAUDED

(By Drew Pearson)

The full story of John Foster Dulles' heroism has not yet been told. Probably it can't be told in full for some time.

This writer, when in Mexico for the inauguration of President Lopez Mateos, reported that the Secretary of State was suffering great pain, had two doctors, standing by one night, but went through the ordeal of shaking hands with several thousand Americans at an Embassy reception, plus the formalities of the Mexican inauguration, without letting anyone know how ill he was.

He even refused to call off his trip to San Francisco to speak before the chamber of commerce, remarking to a friend that, if he was suffering from cancer, 1 or 2 days would make no difference in reaching a hospital.

Back in Washington, Dulles rested a few days, then flew to Paris for the meeting of NATO. The European statesmen who sat opposite him had no idea they were talking to a sick but courageous man. He had to pass up four diplomatic functions and curtail his work, but faithfully attended the chief NATO conferences.

He found his doctors amazed at his stamina and he was sternly warned that he would have to slow down. He did slow down for a while, went to the West Indies, then came back to throw himself into the pressing problems of Mikoyan's visit and Berlin.

MRS. DULLES AGREES

President Eisenhower argued with him, threatened to order him out of the State Department. Finally he decided Dulles would never be happy if he were not at work. Mrs. Dulles agreed. Most women want their husbands to retire after a certain age, but Mrs. Dulles, knowing her husband, knows that he lives only to pilot our pressing foreign affairs toward the goal of peace. If he retired, he would be restless, unhappy.

Shortly before he went to Europe this last time, Dulles' pains started coming back. He refused to be hospitalized. In London he did not tell Prime Minister Macmillan that he was ill and would have to undergo another operation. Nor did he tell General de Gaulle.

The only European in whom he confided was Chancellor Adenauer, 83-year-old leader of West Germany, who has become Dulles' close friend. The two have sometimes differed, sometimes have been irritated with each other, but there is great basic trust between the two, and Dulles confided that when he returned to Washington he would have to undergo another operation. The Chancellor almost broke down and wept. Dulles told the old German not to worry, that the United States would not let Germany down.

When Dulles flew back to Washington he was racked with pain and fatigue. Under Secretary of State Chris Herter was in South Carolina taking warm baths for his arthritis, which at times makes it difficult for him to walk. Dulles urged Herter to finish the treatments. He himself went to the hospital and has continued to direct major State Department policy from his bed.

The Secretary of State is suffering from lesions, an aftermath of his previous operation; a hernia, and now cancer. In addition, he is 71 years old.

WHITE HOUSE ADVISER

His doctors have told him that the odds are very much against his returning to any active day-to-day direction of the State Department. They have told him that the only cure for his complicated physical distress is long rest, not a hectic 12-hour day with the burdens of the world on his shoulders.

But the dogged and dedicated Secretary Dulles is determined to settle the Berlin crisis, after which he will probably be content to retire to the status of White House adviser, leaving the active direction of the State Department to someone else.

President Eisenhower, despite denials, has become reconciled to this. The President will consult with former Gov. Tom Dewey on the latter's return from the inauguration of President Betancourt of Venezuela regarding a successor.

Mr. NEUBERGER. Mr. President, there must be few men and women in the civilized world today who do not salute the fortitude with which our Secretary of State has carried on, in the teeth of adversity in health which would have overcome a person of lesser determination and grit.

Fortunately, this is in our country's best tradition. We recall the valiant Franklin Delano Roosevelt, who served longer as President than any other American even though he was permanently crippled by infantile paralysis. We know the chronicles of Grover Cleveland's radical surgery for cancer of the jaw and how he served effectively in the White House for over 3 years thereafter.

But, today, the man whom the free world heralds for courage is John Foster Dulles. I have asked unanimous consent that Mr. Drew Pearson's column be printed in the RECORD as a tribute to Mr. Dulles—and perhaps as a warning to the rest of us that we should take from the Secretary's illness a determination to undertake a genuine "crash" program in the field of cancer research.

Mr. President, with respect to my remarks concerning cancer research and the renewed illness of the Secretary of State, I ask unanimous consent to have printed in the RECORD an article about medical research and my own illness which I wrote at the request of the editors of United Press International.

The article was published widely throughout the Nation in such newspapers as the Washington Post and Times Herald, the Washington Daily News, the Oregon Daily Journal and many others.

This particular clipping is from the Journal of February 12, 1959, under the title "Grateful NEUBERGER Urges Cancer Funds."

Mr. President, I shall read to the Senate one short sentence from the article, in view of the illness of our Secretary of State:

Does it make sense to invest in cancer research only about 1 percent of what we spend on research into armaments and weapons of war?

There being no objection, the article from the Oregon Journal was ordered to be printed in the RECORD, as follows:

GRATEFUL NEUBERGER URGES CANCER FUNDS

(Last fall, Senator RICHARD L. NEUBERGER, 46-year-old Democratic Senator from Oregon, underwent surgery for removal of a cancerous tumor. In this dispatch, Senator NEUBERGER speaks frankly of his experience and, as he prepares to resume a normal schedule of activity—his physicians' words—offers a message of hope to other cancer sufferers.)

(By U.S. Senator RICHARD NEUBERGER)

It has become almost axiomatic to protest about our modern age. Yet if I did not live in a modern age, I would probably be dead now. Three miracles of modern medical science have given me a prospect for recovery from cancer which my doctors regard as excellent.

These miracles are (1) early detection of the tumor, (2) skillful surgery, and (3) the twin agents of cobalt radiation and chemotherapy, with their destructive impact on any of the tumor which might have spread.

Even before cancer was diagnosed in me, I stood on the floor of the U.S. Senate and advocated vastly increased Federal support of medical research. Yet I used glibly the reference that 40 million Americans were destined to have cancer. I never thought I

might be among the 40 million. I always felt that this would be somebody else. I suppose countless citizens feel this way—otherwise we would not tolerate spending more on chewing gum than on cancer research, and many times more on such things as permanent waves and cigarettes.

Along with my colleagues, Senator LISTER HILL, of Alabama, and Senator HUBERT HUMPHREY, of Minnesota, I have been proposing an international medical year and a pooling of medical discoveries made by all nations. This has a particularly urgent meaning for me today. Cobalt radiation, a vital factor in the successful treatment I have undergone, was developed by such illustrious scientists of Canada as Dr. David A. Keyes and Dr. H. F. Batho. I am fortunate that no unwise import quota kept this marvel of their intellects from coming to the United States.

A brush with cancer tends to place many things in true perspective. First, one becomes profoundly grateful to all those who, through the long history of medical research, have contributed to the advances thus far made in treatment of this grim disease. Secondly, old antagonisms fade away. I no longer can transform political disagreements into any feelings of personal malice. When one is grateful to be alive, it is difficult to dislike a fellow human being.

I am keenly aware that some of the most eminent Members of the Senate have died of cancer during recent years—among them Charles L. McNary, of my own State of Oregon; Robert A. Taft, of Ohio; Arthur Vandenberg, of Michigan; Matthew Neely, of West Virginia; and Brien McMahon, of Connecticut. That is why I regard it as so crucially important if I can stand in the Senate and stress to my colleagues that my own life has been spared, because I have had a type of cancer which has responded to a discovery thus far made in the realm of medical research.

Is it not vital that we devote every effort to extending these discoveries, if possible, into other areas of cancer where successful treatment has not yet been achieved? Does it make sense to invest in cancer research only about 1 percent of what we spend on research into armaments and weapons of war? Two out of every three American families are in peril of affliction from cancer.

From the very beginning, I told my doctors to include candidly in their medical bulletins the fact that my illness has been diagnosed as cancer. I realize that has not been done in the case of some public figures. Yet we need to have full understanding of this disease if it is to be conquered.

Medical scientists inform me that some people, knowing they may have cancer, still hesitate to seek treatment because they fear it is inevitably hopeless. Thus, if a person in public life does recover from cancer, it is an event which can give hope and courage to many millions of others.

The American Cancer Society reports that, already, about 30 or 35 percent of cancer victims are being saved. As new findings are attained in the field of chemotherapy, this percentage undoubtedly will be increased—especially if people seek immediate medical care.

While much remains to be known about cancer, I think it is essential that Americans have faith in the competence of their doctors. Some believe that capable care can be received only at a few nationally known medical centers. I chose to remain for treatment in my native city of Portland, Oreg., because I believe that knowledge and competence in this field are not confined to one or two famous places. I think I have been confirmed in this decision by the fact that, in my travels around our State this last fall and winter, I have met quite a few men and women who have recovered from cancer under the able auspices of their own local physicians.

The National Cancer Institute, which is part of our U.S. Public Health Service, makes grants throughout the Nation to all promising avenues in the area of cancer research. Your own life or that of a loved one might potentially be saved if you urge your Senator to vote full and adequate appropriations for this vital Government agency, which provides about 72 percent of the funds for research into the causes and possible cures of the series of diseases known as cancer.

Mr. NEUBERGER. Mr. President, later in the week I expect to introduce some proposed legislation in this field. I trust that the Senate will give it additional interest because of our concern over the recent illness of Secretary Dulles.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Labor Subcommittee of the Committee on Labor and Public Welfare be permitted to sit during the session of the Senate today.

Mr. DIRKSEN. Mr. President, I thought permission was to be requested for the subcommittee to sit for the rest of this week. I understand the majority leader is now requesting permission for just today, but there will be executive sessions for the rest of the week. I would certainly not object to amending the unanimous-consent request so that it would include all week.

Mr. JOHNSON of Texas. I would prefer to do it on a daily basis. That is the way the request has been made.

The ACTING PRESIDENT pro tempore. Is there objection to the request?

Mr. JOHNSON of Texas. Mr. President, I make the same request with regard to the Committee on Agriculture and Forestry, that it be permitted to sit during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. MORSE. Mr. President, if the Senator will yield, I wish to say, in cooperation with the Senator from Massachusetts [Mr. KENNEDY] that I, as chairman of the Railroad Retirement Subcommittee of the Committee on Labor and Public Welfare, have agreed that the meetings of my subcommittee will be held in the afternoons, so that the Senator from Massachusetts can have his meetings in the mornings. I assure the Senator from Illinois I know this meets with the pleasure of members on both sides of my subcommittee.

Therefore, I should like to ask unanimous consent that the Railroad Retirement Subcommittee, which has to complete its hearings this week, may hold its meetings in the afternoon while the full committee holds its meetings in the morning.

Mr. JOHNSON of Texas. I would have no objection, but I prefer to have the consent on a daily basis, and I shall be glad to have that request made for today.

Mr. MORSE. We are not meeting today.

Mr. JOHNSON of Texas. I shall propose that request for the Senator tomorrow.

Mr. President, have the requests for the committee meetings been acted on?

The ACTING PRESIDENT pro tempore. Is there objection to the requests of the Senator from Texas? The Chair hears none, and the requests are granted.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Montana; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT RESOLUTION I

"Joint resolution of the House and Senate of the State of Montana to the President of the United States, Dwight D. Eisenhower; to the Congress of the United States; to the Senate Interior and Insular Affairs Committee; to Senators JAMES E. MURRAY and MIKE MANSFIELD; to Congressmen LEE METCALF and LEROY ANDERSON; and to the Hawaii delegation in the U.S. Congress and the Governor of the Territory of Hawaii; requesting the President and Congress of the United States to do what may be necessary to give full statehood to the Territory of Hawaii.

"Whereas the Legislature of Montana is aware of the unfairness with which the Territory of Hawaii has been treated in its appeal for statehood; and

"Whereas the Legislature of Montana is aware of the great contributions that the Territory of Hawaii has made to the welfare of the United States, and believing that such contributions could be vastly accelerated by statehood; and

"Whereas the platforms of both major political parties have and do advocate statehood for Hawaii; and

"Whereas the President of the United States has advocated statehood for Hawaii in speeches, and before his inauguration; and

"Whereas the growth and prosperity of the Territory of Hawaii, and the people of Hawaii are seriously handicapped by the Territorial status that now exists; and

"Whereas the Territory of Hawaii, and the people of that Territory have now reached a stalemate in their development that cannot be overcome until statehood is granted; and

"Whereas it is to the future benefit of the United States of America to accelerate the development of the vast potential that is Hawaii: Now, therefore, be it

"*Resolved*, That the Legislature of the State of Montana, both House and Senate concurring, do petition the President and the Congress of the United States to jointly do that which is necessary to immediately give full statehood to the Territory of Hawaii; and be it further

"*Resolved*, That copies of this resolution be submitted by the Secretary of State of the State of Montana to each of the individuals and to the chairman of the committee named in the title of this resolution, and also to the presiding officers of both Houses of the Congress of the United States.

"JOHN J. MACDONALD,
"Speaker of the House.
"PAUL CANNON,
"President of the Senate."

A resolution adopted by the New York-New Jersey Regional Council of the National Federation of Catholic College Students, relating to diplomatic relations between the Vatican and the United States; to the Committee on Foreign Relations.

A resolution adopted by the City Council of the City of Brockton, Mass., favoring the enactment of legislation granting statehood

to Hawaii; to the Committee on Interior and Insular Affairs.

The petition of Wayne Kanekiyo, of Kaumakani, Kauai, T.H., praying for the enactment of legislation granting statehood to Hawaii; to the Committee on Interior and Insular Affairs.

The petition of Eugenio C. Nicholas, of Manila, Philippine Islands, praying for a redress of grievances under the Philippine war damage law; to the Committee on the Judiciary.

A paper, in the nature of a petition, from the American Public Welfare Association, Chicago, Ill., entitled "Federal Legislative Objectives, 1959"; to the Committee on Labor and Public Welfare.

By Mr. MANSFIELD (for Mr. Moss):

A concurrent resolution of the Legislature of the State of Utah; to the Committee on Interior and Insular Affairs:

"SENATE CONCURRENT RESOLUTION 1

"Concurrent resolution memorializing the Congress and the President of the United States to safeguard and preserve established State and individual rights to the use of water within the separate States

"Be it resolved by the Legislature of the State of Utah, the Governor concurring therein—

"Whereas recent decisions from the Federal courts and recent rulings from the U.S. Department of Justice have deprived States, and persons, of rights which said States and persons previously enjoyed, to regulate and control the use of the water in those respective States; and

"Whereas, said decisions and rulings are further a part of a general pattern developing gradually into Federal supremacy and usurpation over water, which, if continued, will destroy individual and States rights over water, and substitute in lieu thereof an all powerful centralized Government control thereover: Be it therefore

"Resolved by the 33d Legislature of the State of Utah, the Governor concurring therein, That the Congress and President of the United States and the Representatives of Utah in the Congress of the United States be, and they are hereby urged and requested to take all necessary action to (1) preserve the water rights of the individual and the States and to prevent Federal usurpation of those rights; (2) to see that legislation is initiated and supported to reestablish to the individuals and to the States, the rights taken from them by the Federal courts and the Justice Department; and (3) in every way possible reaffirm, renew, and defend the concepts that water rights are property rights and that these established rights, to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; be it further

"Resolved, That certified copies of the above be promptly transmitted to the President and Vice President of the United States, Speaker of the House of Representatives of the Congress, Chairman of the U.S. Senate and House Committees on Interior and Insular Affairs, U.S. Senator WALLACE F. BENNETT, U.S. Senator FRANK E. MOSS, U.S. Representative HENRY A. DIXON, and U.S. Representative DAVID S. KING."

HAWAIIAN STATEHOOD—RESOLUTION

Mr. CARLSON. Mr. President, the Garden City Junior Chamber of Commerce, Garden City, Kans., adopted and signed a resolution for immediate statehood for the Territory of Hawaii.

I ask unanimous consent that this resolution be made a part of these remarks and that the resolution be referred to the proper committee.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Whereas the Territory of Hawaii has long been an integral part of the United States of America, having contributed to the Nation's wellbeing in both peace and war; and

Whereas said Territory has for some time past and is now again, seeking admission to the Union as the 50th State, said admission being earnestly supported and sought by the Junior Chamber of Commerce of the Territory of Hawaii, with its 16 chapters: Now, therefore, be it

Resolved by the Garden City Junior Chamber of Commerce, That the Territory of Hawaii should be admitted to the Union as the 50th State and that all Kansas U.S. Congressmen and all U.S. Senators should be and are hereby urged by this organization and the undersigned members thereof, to support and vote for said statehood for the Territory of Hawaii; and be it further

Resolved, That copies of this resolution should be forwarded to the six Kansas Congressmen and two Senators by the secretary of this organization.

Dated this 4th day of February 1959.

Manford Kimberly, Merton R. Staley, Melvin R. Johnston, Jerry Schultz, Donald H. Moses, John Gies, John Metheney, Richard L. Henkle, John F. Riggs, Jr., D.D.S., Owen D. Burton, John Miles, Ralph D. Viehman, George M. Herron, Bobby McKain, Clayton L. Crenshaw, William F. Hedges, Vern L. Holmes, Joe Tennessen, Jim Fishback, Don Grimes, Dwight E. Denbow, Leo W. Hanneman, Roy Herring, Lewis E. Lyman, Philip D. Merringer, W. R. Grundy, Paul Parker, Rev. Marvin Toliver, Arthur F. Wilson, Jr., Sterling Lewis, Robert Gardiner, Al Towles, Pete M. Garcia, Stewart Boone, Lloyd V. Smith, M.T., Duane W. Hays, Duane E. West, Ronald W. Jackson, Les DePew, Lowell Goodwin.

RESOLUTION OF VEGETABLE GROWERS' ASSOCIATION OF NEW JERSEY, INC.

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Vegetable Growers' Association of New Jersey, Inc., concerning land reclamation.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

LAND RECLAMATION—RESOLUTION ADOPTED DECEMBER 17, 1958, VEGETABLE GROWERS' ASSOCIATION OF NEW JERSEY, INC.

Whereas since World War II it has been increasingly evident that there has been overproduction of vegetables; and

Whereas this has created quite a hardship for farmers in the form of low returns for their crops; and

Whereas the U.S. Government has spent a great deal of money trying to correct this situation; and

Whereas increased production per acre of vegetables as well as other farm commodities is compounding an overproduction problem; and

Whereas the U.S. Government should not justify the spending of public funds to build dams to irrigate new lands, further increasing overproduction, especially in vegetables: Therefore be it

Resolved, That the Vegetable Growers' Association of New Jersey, Inc., restate its position opposing the use of public funds to bring new land into production, and that the Secretary be instructed to send a copy of this resolution to each of our Representatives and Senators in Washington, D.C., to the Secretary of Agriculture, and to the Vegetable Growers' Association of America.

REDUCTION IN VETERANS' ADMINISTRATION BUDGET—LETTER

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have printed in the RECORD a letter received from the Burlington County Executive Committee, the American Legion, urging that no cuts be made in the Veterans' Administration budget.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BURLINGTON COUNTY
AMERICAN LEGION
EXECUTIVE COMMITTEE,
January 20, 1959.

Hon. CLIFFORD CASE,
U.S. Senator From New Jersey,
Senate Office Building,
Washington, D.C.

DEAR SIR: At a recent meeting of the Burlington County Executive Committee of the American Legion, a motion was unanimously passed directing me to write a letter to you in regards to veterans' benefits.

At this time when Congress is concerned with the new budget, we feel that no cuts should be made in the Veterans' Administration budget. We know that any cuts in this budget will work a hardship on many a deserving veteran and also will make a heavier burden on the community in which he resides.

Representing the 3,500 Legionnaires of Burlington County we are asking you to help keep the VA budget from being cut.

Yours truly,

W. ROBERT BOHN,
Adjutant, Burlington County Executive Committee.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG of North Dakota:

S. 1041. A bill to eliminate shifts in wheat acreage allotment resulting from the overplanting of allotments; to the Committee on Agriculture and Forestry.

By Mr. SMATHERS:

S. 1042. A bill for the relief of Stephanos Tsoukalas; and

S. 1043. A bill to establish an additional judicial district within the State of Florida; to the Committee on the Judiciary.

By Mr. FULBRIGHT (by request):

S. 1044. A bill to amend the Foreign Service Buildings Act of 1926, as amended; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. BENNETT:

S. 1045. A bill to authorize construction of the Little Dell Dam and Reservoir project at Salt Lake City, Utah; to the Committee on Public Works.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY (for himself, Mr. MORSE, Mr. CLARK, Mr. MCNAMARA, Mr. MURRAY, Mr. RANDOLPH, and Mr. WILLIAMS of New Jersey):

S. 1046. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enter-

prises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 1047. A bill to establish and maintain the U.S. Maritime Service as a uniformed service; to the Committee on Interstate and Foreign Commerce.

By Mr. KEATING (by request):

S. 1048. A bill for the relief of Salomon Harari, Yvonne Harari, Gracie Harari, Elie Harari, and Henry Harari; and

S. 1049. A bill for the relief of Rachel Borenstein; to the Committee on the Judiciary.

By Mr. YARBOROUGH:

S. 1050. A bill to provide educational assistance for the children of service men and women who suffer death from a service-connected disability arising out of active military service during the period beginning on February 1, 1955, and ending on June 30, 1963; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. BRIDGES:

S. 1051. A bill for the relief of Mrs. Hellen M. Sargent; to the Committee on the Judiciary.

By Mr. CLARK:

S. 1052. A bill to amend the Postal Field Service Compensation Act of 1955 with respect to the position descriptions and salary levels of mail handlers, and for other purposes; to the Committee on Post Office and Civil Service.

S. 1053. A bill for the relief of Rosa Maria Montenegro; to the Committee on the Judiciary.

By Mr. BRIDGES (for himself and Mr. MCCLELLAN):

S. 1054. A bill to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes"; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. BRIDGES when he introduced the above bill, which appear under a separate heading.)

By Mr. CHURCH:

S. 1055. A bill for the relief of Eusebio Asia Pinuaga; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 1056. A bill to provide a program of national health insurance, and for other purposes; to the Committee on Labor and Public Welfare.

S. 1057. A bill for the relief of Rachel Zilderstein; to the Committee on the Judiciary.

(See the remarks of Mr. MURRAY when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. BIBLE (for himself and Mr. CANNON):

S. 1058. A bill to provide for the erection of a Federal building in Las Vegas, Nev.; and

S. 1059. A bill to provide for the erection of a Federal building in Reno, Nev.; to the Committee on Public Works.

S. 1060. A bill to provide an adequate basis for administration of the Lake Mead National Recreation Area, Arizona and Nevada, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the last above-mentioned bill, which appear under a separate heading.)

By Mr. CLARK:

S. 1061. A bill to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any violation of section 9 of the act; to the Committee on Rules and Administration.

(See the remarks of Mr. CLARK when he introduced the above bill, which appear under a separate heading.)

By Mr. ROBERTSON (for himself, Mr. FULBRIGHT, and Mr. CAPEHART):

S. 1062. A bill to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking; to the Committee on Banking and Currency.

(See the remarks of Mr. ROBERTSON when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 1063. A bill to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946, with respect to proceedings in the Patent Office; to the Committee on the Judiciary.

S. 1064. A bill to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. DIRKSEN when he introduced the above bills, which appear under separate headings.)

By Mr. DIRKSEN (by request):

S. 1065. A bill for the incorporation of the Merchant Marine and Maritime Service Veterans Association; to the Committee on the Judiciary.

By Mr. GORE (for himself and Mr. KEFAUVER):

S. 1066. A bill to revise the boundaries and change the name of Fort Donelson National Military Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LANGER (for himself, Mr. YOUNG of North Dakota, Mr. HUMPHREY, Mr. MANSFIELD, Mr. MURRAY, Mr. MUNDT, Mr. CASE of South Dakota, and Mr. MCCARTHY):

S. 1067. A bill to direct the Director of the Office of Defense Mobilization to conduct a particular survey in order to assist in promoting the production of concentrated iron ore and steel, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. LANGER when he introduced the above bill, which appear under a separate heading.)

By Mr. ERVIN:

S. 1068. A bill for the relief of Nicolaos A. Papadimitriou; and

S. 1069. A bill for the relief of Zee Yung Wong; to the Committee on the Judiciary.

By Mr. ERVIN (for himself and Mr. BUTLER):

S. 1070. A bill to recodify, with certain amendments thereto, chapter 19 of title 5 of the United States Code, entitled "Administrative Procedure"; to the Committee on the Judiciary.

(See the remarks of Mr. ERVIN when he introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART:

S. 1071. A bill for the relief of Nettie Korn and Manfred Korn;

S. 1072. A bill for the relief of Pierre Bertagnolio; and

S. 1073. A bill for the relief of Su-Ming Tseng and her daughter, Wu-Mo Tseng; to the Committee on the Judiciary.

By Mr. MORSE:

S. 1074. A bill to amend the District of Columbia Unemployment Compensation Act of 1935, as amended; to the Committee on the District of Columbia.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. HART:

S.J. Res. 49. Joint resolution to authorize the proclaiming annually of National Auto Week; to the Committee on the Judiciary.

RESOLUTION

Mr. JOHNSON of Texas submitted a resolution (S. Res. 79), relating to the Secretary of State, John Foster Dulles, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. JOHNSON of Texas, which appears under a separate heading.)

AMENDMENT OF FOREIGN SERVICE BUILDINGS ACT

Mr. FULBRIGHT. Mr. President, by request, I introduce, for appropriate reference, a bill to amend the Foreign Service Building Act of 1926, as amended. This bill was submitted to the Vice President by letter on February 3, 1959.

This proposed legislation has been requested by the Secretary of State, and, in my capacity as chairman of the Senate Foreign Relations Committee, I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations. In this connection, I take the opportunity to recall that when this bill was previously considered by the Committee on Foreign Relations in 1957, I urged that there be a limitation inserted to ensure that the Department of State would not use foreign currencies in the building program at the expense of using them for international educational exchange activities. I expect to go into this matter further when this subject is considered by the committee.

I ask unanimous consent that the bill may be printed at this point in the RECORD, together with the letter from the Secretary of State to the Vice President and a statement reflecting the authorizations and appropriations under the Foreign Service Buildings Act supplied by the Department of State.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill, letter, and statement will be printed in the RECORD.

The bill (S. 1044) to amend the Foreign Service Buildings Act of 1926, as amended, introduced by Mr. FULBRIGHT (by request), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Foreign Service Buildings Act, 1926, as amended (22 U.S.C. 295), is amended by adding at the end thereof the following new subsection:

"(c) For the purpose of carrying into effect the provisions of this Act there is hereby authorized to be appropriated, in addition to amounts previously authorized, an amount not to exceed $100,000,000, of

which $50,000,000 shall be available exclusively for payments representing the value, in whole or in part, of property or credits in accordance with the provisions of the Act of July 25, 1946 (60 Stat. 663). Sums appropriated pursuant to this authorization shall remain available until expended."

The letter and statement presented by Mr. FULBRIGHT are as follows:

FEBRUARY 3, 1959.

The Honorable RICHARD M. NIXON,
President of the Senate.

DEAR MR. VICE PRESIDENT: The Department submits and recommends for your consideration the enclosed proposed legislation amending the Foreign Service Buildings Act, 1926 (22 U.S.C. 292–300).

Authorizations of appropriations to carry out the provisions of the Foreign Service Buildings Act from 1926 to the present total $231,625,000 of which $200 million is authorized to be used exclusively for payments to agencies of the U.S. Government for foreign credits and currencies. After the appropriation for the current fiscal year, there remains an unappropriated balance of authorization of $28,095,000 of which $27,234,000 is for the procurement of foreign currencies and $861,000 is in dollar authorization. These amounts will be reduced further by the appropriation for the fiscal year which ends June 30, 1960.

Thus far, under its Foreign Service buildings program, the Department of State has acquired residences, office buildings, and staff housing valued in excess of $158 million. Even so, many of the personnel at oversea posts are working and living in accommodations far below the standards considered minimum in the United States of America. In order to assess the total needs overseas, the Department initiated a post-by-post survey of buildings requirements, and as a result of this survey prepared a program to meet the basic requirements. A copy of the program is enclosed. It contemplates expenditure of an estimated $120 million in the period from fiscal year 1961 through fiscal year 1965.

Acquisitions under the Foreign Service Buildings Act have been financed largely through the use of foreign currencies and credits. Surplus property and lend-lease credits have provided foreign currencies for a substantial portion of the program. The use of these credits permitted the conversion of a portion of the debts to tangible assets of lasting value. The disposal of surplus agriculture commodities authorized by Public Law 480 currently is providing foreign currencies useful in financing the buildings program.

There are, however, certain limitations to the use of foreign currencies and credits. A substantial portion of them are held in countries where the need for building facilities no longer is acute. Under regulations prescribed by the U.S. Treasury Department and placed in effect on December 1, 1953, all agencies of the U.S. Government needing foreign exchange are required to purchase it from U.S. Treasury holdings, and they may not purchase from external sources unless the Treasury cannot supply the kind of currency needed. Only a relatively small number of foreign currencies are held by the Treasury in substantial amounts, relative to overall U.S. needs, and this number is being reduced wherever possible by exchange conversion of surplus holdings into currencies in demand.

Conversely, many of the Department's most urgent and compelling buildings needs are in countries where credits or local currencies in excess of current disbursing requirements are not held by the United States. In addition, the buildings program funds the maintenance and operating costs for owned and long-term leased buildings of the Department of State overseas, and a number of these buildings are located in areas where no currency credits are available. U.S. dollars must be expended to meet obligations in these circumstances. Consequently, the dollar requirements have increased in recent years and probably will continue to increase in the future.

The proposed amendment to section 4 will authorize additional appropriations of $100 million of which $50 million is to be in foreign currency credit authorization. A statement reflecting the authorizations and appropriations under the Foreign Service Buildings Act is enclosed.

The Department of State has been informed by the Bureau of the Budget that there is no objection to the presentation to the Congress of the proposed legislation.

A letter similar to this is being sent to the Speaker of the House of Representatives.

Sincerely yours,

JOHN FOSTER DULLES.

DEPARTMENT OF STATE, OFFICE OF FOREIGN BUILDINGS

Proposed building program for period from 1961 to 1965 inclusive

[Thousands of dollars]

Program	Total	1961	1962	1963	1964	1965
Acquisition and construction:						
Africa	$13,115	$1,775	$2,120	$2,910	$3,880	$2,430
American Republics	10,285	3,000	1,760	1,700	1,535	2,290
Europe	9,300	2,350	2,425	1,800	1,025	1,700
Far East	8,860	2,245	2,545	1,080	1,710	1,280
Near East and south Asia	10,340	1,980	2,000	2,910	1,700	1,750
Subtotal	51,900	11,350	10,850	10,400	9,850	9,450
Attaché housing:						
Agriculture	750	150	150	150	150	150
Defense	1,250	250	250	250	250	250
Subtotal	33,900	11,750	11,250	10,800	10,250	9,850
Project development	2,600	600	600	500	500	400
Project supervision	2,950	550	600	600	600	600
Property leaseholds	3,750	750	750	750	750	750
Capital improvements	4,500	800	800	900	1,000	1,000
Furniture and furnishings	5,000	1,000	1,000	1,000	1,000	1,000
Operation of buildings	20,100	3,600	3,800	4,000	4,200	4,500
Maintenance and repairs	20,000	3,600	3,800	4,000	4,200	4,400
Conduct of program	7,200	1,350	1,400	1,450	1,500	1,500
Subtotal	66,100	12,250	12,750	13,200	13,750	14,150
Total	120,000	24,000	24,000	24,000	24,000	24,000

Acquisition and construction program 1961–65

BY AREA

[Thousands of dollars]

Geographic area	Total estimated cost	Office buildings		Embassy residences		Deputy chief and consulate residences		Residences for senior officers		Staff housing [1]	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Africa	$13,115	18	$7,645	2	$400	13	$1,050	40	$1,900	106	$2,120
American Republics	10,285	10	8,450	3	850	9	585			20	400
Europe	9,300	11	6,550	3	1,475	17	1,125	3	150		
Far East	8,860	11	5,100	1	250	1	50	14	700	138	2,760
Near East and south Asia	10,340	[2] 18	6,440	4	1,000	18	1,200	6	300	70	1,400
Total	51,900	[2] 68	34,185	13	3,975	58	4,010	63	3,050	334	6,660

[1] Number of living units.

[2] Includes 2 warehouses, 1 garage, and 1 communications building.

Acquisition and construction program 1961-65—Continued

AFRICAN AREA, BY COUNTRY

[Thousands of dollars]

Geographic area	Total estimated cost	Office buildings		Embassy residences		Deputy chief and consulate residences		Residences for senior officers		Staff housing	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Angola	$375	1	$300			1	$75				
Cameron	655	1	400			1	75	2	$100	4	$80
French Equatorial Africa	655	1	400			1	75	2	100	4	80
French West Africa	735	1	400			1	75	2	100	8	160
Ivory Coast	605	1	400			1	75	1	50	4	80
Kenya	400	1	400								
Libya	1,780	1	965	1	$250	1	75	5	250	12	240
Madagascar	655	1	400			1	75	2	100	4	80
Morocco	625	1	550			1	75				
Mozambique	580	1	400					2	100	4	80
Nigeria	865	1	250			2	175	4	200	12	240
Rhodesia and Nyasaland	725	1	500			1	125	2	100		
Sierra Leone	705	1	400			1	75	3	150	4	80
Somaliland	1,280							10	400	44	880
Tanganyika	400	1	400								
Tunisia	520	1	150	1	150			2	100	6	120
Uganda	475	1	400			1	75				
Union of South Africa	1,080	2	930					3	150		
Total	13,115	18	7,645	2	400	13	1,050	40	1,900	106	2,120

AMERICAN REPUBLIC, BY COUNTRY

Argentina	$600	1	$600								
Bolivia	535	1	400			1	$75			3	$60
Brazil	100					2	100				
Chile	700	1	700								
Colombia	125					2	125				
Costa Rica	250			1	$250						
Dominican Republic	300	1	300								
Ecuador	335	1	200			2	135				
El Salvador	550	1	350	1	200						
Guatemala	600	1	600								
Haiti	200									10	200
Honduras	80									4	80
Mexico	3,500	1	3,000	1	400	1	100				
Panama	50					1	50				
Paraguay	60									3	60
Venezuela	1,300	1	1,300								
Uruguay	1,000	1	1,000								
Total	10,285	10	8,450	3	850	9	585			20	400

EUROPEAN AREAS, BY COUNTRY

Algeria	$750	1	$700					1	$50		
Austria	50					1	$50	1	50		
Bahamas	150	1	150								
Bermuda	50					1	50				
Canada	650	2	500			3	150				
Denmark	100							2	100		
Finland	1,050	1	1,000			1	50				
France	575	2	500			1	75				
Germany	225					3	225				
Ireland	575	1	500			1	75				
Italy	625	1	400			3	225				
Poland	2,625	1	2,200	1	$425						
Portugal	350			1	350						
Spain	700			1	700						
Switzerland	675	1	600			1	75				
United Kingdom	75					1	75				
Yugoslavia	75					1	75				
Total	9,300	11	6,550	3	1,475	17	1,125	3	150		

FAR EASTERN AREA, BY COUNTRY

Australia	$660	1	$200					2	$100	18	$360
Burma	290	1	[1] 50							12	240
Cambodia	950	1	300	1	$250			2	100	15	300
Japan	450	1	300			1	$50	2	100		
Korea	480							4	200	14	280
Laos	905	1	275					3	150	24	480
Malaya	800	1	500							15	300
New Zealand	50							1	50		
Philippines	975	2	[2] 475							25	500
Taiwan	870	1	870								
Thailand	1,230	1	930							15	300
Vietnam	1,200	1	1,200								
Total	8,860	11	5,100	1	250	1	50	14	700	138	2,760

[1] Warehouse and garage.
[2] Warehouse, communications building.

Acquisition and construction program 1961–65—Continued

NEAR EAST AND SOUTH ASIAN AREA, BY COUNTRY

[Thousands of dollars]

Geographic area	Total estimated cost	Office buildings		Embassy residences		Deputy chief and consulate residences		Residences for senior officers		Staff housing	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Afghanistan	$50							1	$50		
Ceylon	470	1	$200	1	$150					6	$120
Cyprus	100							2	100		
Greece	50					1	$50				
India	1,090	1	400	1	350	2	100			12	240
Iran	1,080	1	500	1	250	3	250			4	80
Iraq	50					1	50				
Israel	430	1	250			2	100			4	80
Jordan	510	1	350							8	160
Kuwait	430	1	250			2	100			4	80
Lebanon	850	1	800			1	50				
Nepal	140							2	100	2	40
Oman	300	1	200			1	100				
Pakistan	820	2	490					1	50	14	280
Sudan	320	1	240							4	80
Turkey	1,630	3	1,170			4	300			8	160
United Arab Republic	1,720	3	1,390	1	250					4	80
Yemen	300	1	200			1	100				
Total	10,340	18	6,440	4	1,000	18	1,200	6	300	70	1,400

Authorizations and appropriations (since the Foreign Service Buildings Act, 1926)

[In thousands]

Public law	Congress	Date	Authorizations		Fiscal year	Appropriations		Public law	Congress	Date	Authorizations		Fiscal year	Appropriations	
			U.S. dollars	Local currencies		U.S. dollars	Local currencies				U.S. dollars	Local currencies		U.S. dollars	Local currencies
186	69th Cong.	May 7, 1926	$10,000	0				547	79th Cong.	July 25, 1946	$15,000	$110,000			
					1926	$435	0						1948	$1,500	$50,000
					1927	700	0						1949	0	35,000
					1928	1,300	0						1950	0	13,000
					1929	2,700	0						1951	0	2,950
					1930	1,700	0						1952	0	7,500
					1931	2,000	0	399	82d Cong.	June 19, 1952	0	90,000			
					1934	1,165	0						1953	0	6,500
					1935	1,625	0						1954	0	[1] 3,316
145	74th Cong.	June 15, 1935	300	0									1955	1,000	2,000
260	74th Cong.	Aug. 12, 1935	1,325	0									1955	0	[2] 1,000
543	75th Cong.	May 25, 1938	5,000	0									1956	1,000	7,500
					1940	750	0						1957	5,000	14,000
					1941	300	0						1958	3,500	15,000
					1942	450	0						1959	3,000	15,000
					1943	275	0								
					1944	144	0		Total		31,625	200,000		30,764	172,766
					1945	220	0								
					1946	1,000	0								
					1947	1,000	0								

[1] No regular appropriation 1954. Public Law 207, 83d Cong., approved transfer not to exceed $5,348,000 from "Government in occupied areas" for German consular buildings. $3,316,000 transferred.

[2] In addition to regular appropriation for 1955, $1,000,000 was transferred from "Government in occupied areas" to "Acquisition of buildings abroad" pursuant to authority contained in Public Law 663, 83d Cong.

PROPOSED LITTLE DELL DAM AND RESERVOIR, SALT LAKE CITY, UTAH

Mr. BENNETT. Mr. President, I introduce for appropriate reference, a bill which would authorize the construction of a combined flood control-municipal water storage project to be located on Dell Creek in Parleys Canyon east of Salt Lake City. The proposed Little Dell Dam would be constructed about 2 miles above the existing Mountain Dell Dam. The estimated cost for the entire project is $6,393,000.

Since damaging floods of 1952 swept out of the mountains east of Salt Lake City, I have devoted considerable time to the development of a comprehensive flood control and water conservation program for the Jordan River Basin. The Salt Lake City and County Commissions have been zealous in the formulation and carrying out of such a program and I have been pleased to cooperate with them.

As a first step, funds were secured to start the Jordan River and Surplus Canal project. Congress has appropriated $541,000 thus far to expand the capacity of the valley streams and thus halt or diminish the frequent flooding along the Jordan River and the Surplus Canal. The President has requested $1,339,000 in the fiscal year 1960 budget, now before Congress, to complete the project. Salt Lakers who live near these streams have been plagued for years by flooding in varying degrees of severity. Commissioner Lamont Gunderson has done an excellent job in pushing this project to completion.

The second step was to request the Army Corps of Engineers to make a comprehensive flood control survey of the entire Jordan River Basin. It was obvious that expansion of stream carrying capacity in the valley would not alone be sufficient to meet the variegated flood problems of the basin. The 1952 experience pointed up the fact that the flood waters must be intercepted in the mountains before they wreaked havoc the full distance from the canyon all the way to the Jordan River in the valley.

It soon became apparent that completion of a comprehensive survey would require an extended period of time. Therefore, the Salt Lake City Commission requested that an interim survey be made, limited to studying the feasibility of a dam in Parleys Canyon. I was happy to support this proposal and the bill which I am introducing today incorporates the recommendations of the interim survey.

The district engineer's report of November 3, 1955, recommends the construction of an earth-fill dam, 175 feet in height, which would create reservoir storage for about 8,000 acre-feet of water. Actual construction costs are estimated to be $6,052,000, of which the Federal Government will pay $3,843,000, and the city of Salt Lake will pay $2,209,000. In

addition to paying 36.5 percent of construction costs, the city will pay $341,000 for all lands, easements, and rights-of-way necessary for construction of the project, including the relocation of highways and other utilities. The city has also agreed to maintain and operate the completed project at a cost currently estimated to be $24,000 annually, in accordance with rules and regulations provided by the Secretary of the Army. The project represents a constructive Federal-local partnership effort.

The dam and reservoir will have many salutary benefits. It will greatly alleviate flood problems from Parleys Canyon to the Jordan River in the vicinity of 13th South Street resulting from floods on Parleys, Emigration, and Red Butte Creeks. About 30 percent of the reservoir capacity will be reserved for flood control. Moreover, by capturing the water in the mountains, the flow to the Jordan River and Surplus Canal will be diminished during floods, thus lessening the flood threat along the valley streams. The existing Mountain Dell Dam is solely operated for water storage. Because of its construction, it cannot control floods since there is no overflow spillway and the water pours over the top of the dam.

The Little Dell project will also add greatly to water storage for municipal purposes. At the present time, the Mountain Dell Reservoir with its 3,000 acre-feet capacity is grossly inadequate to meet storage needs. It is estimated that an average of 13,000 acre-feet of water is lost each year. However, the 8,000 acre-feet capacity Little Dell Reservoir will cut these water losses sharply.

A public hearing on the proposed project was held in Salt Lake City in the summer of 1956. Agreement has now been reached, and I ask unanimous consent that a resolution from the Salt Lake City Commission together with the transmitting letter approving the project be printed in the RECORD at this point.

Some formal administrative processing will still be required, but I am anxious to have this important project before Congress.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the resolution and letter will be printed in the RECORD at this point.

The bill (S. 1045) to authorize construction of the Little Dell Dam and Reservoir project at Salt Lake City, Utah, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on Public Works.

The letter and resolution presented by Mr. BENNETT are as follows:

SALT LAKE CITY CORP.,
Salt Lake City, Utah, August 29, 1958.

Hon. WALLACE F. BENNETT,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SIR: We are enclosing a letter from Roy W. McLeese, Salt Lake City engineer, together with a resolution setting forth the city's proposal for the construction of the earth dam in the Little Dell Fork, Parley's Canyon, Utah.

Both the letter and the resolution were duly approved by the board of commissioners in regular session held August 26, 1958.

The city commissioners are most appreciative of your interest and effective work to assist in the construction of this valuable dam, and are highly pleased that you have offered to continue your efforts in this direction.

Sincerely,

HERMAN J. HOGENSEN,
City Recorder.

RESOLUTION

Whereas a public hearing was held in Salt Lake City on August 14, 1956, by the Corps of Engineers, U.S. Army, relative to a proposed Federal dam and reservoir on Parleys Creek for the control of floods and for domestic water supply; and

Whereas at said time certain estimated costs and distribution of benefits and expenses were arrived at; and

Whereas on the 10th day of October 1956 the Salt Lake City Commission by resolution agreed to participate in the construction of said dam and reservoir and agreed to bear their portion of the cost of said project; and

Whereas additional studies and further consideration have been made as to said project and that a meeting was held with the city officials and the Corps of Engineers, U.S. Army, on the 23d day of July 1958, at which time new and final figures were arrived at as to the cost and expense of said project; and

Whereas the Corps of Engineers, U.S. Army, has requested that the Board of Commissioners of Salt Lake City agree to participate in the construction of said dam and reservoir on the following basis, to wit:

(a) Furnish without cost to the United States all lands, easements, and rights-of-way necessary for construction of the project, including in this provision the undertaking of all necessary alterations and constructions of highway facilities and other utilities, all at a cost currently estimated at $341,000;

(b) Reimburse the United States for 36.5 percent of the Federal first cost of the project, said percentage currently estimated at $2,209,000, such reimbursement, if possible, to be in uniform annual payments over a 50-year period covering both principal and interest at Federal rates on the unpaid balance; and

(c) Maintain and operate the completed project at their own expense, at a cost currently estimated at $24,000 per year; such operation to be in accordance with rules and regulations to be provided by the Secretary of the Army; and

Whereas Salt Lake City is in urgent need of flood control and additional water supply: Now, therefore, be it

Resolved, That the Board of Commissioners of Salt Lake City strongly support authorization and early construction of the Little Dell Dam and Reservoir for flood control and water supply, as proposed by the Corps of Engineers; and be it further

Resolved, That the board of commissioners hereby furnish the Corps of Engineers, U.S. Army, the requested assurances to the effect it will enter into a contract with the Federal Government for its fair and equitable share of the project as above outlined and for the maintenance and operation of the project by Salt Lake City, such contract to provide, preferably, for uniform annual payments by Salt Lake City to the Government, over a 50-year period, covering both the principal and interest at Federal rates on the unpaid balance.

This resolution to supersede and take the place of the resolution heretofore passed by the Salt Lake City Board of Commissioners on the 10th day of October 1956.

Dated this 26th day of August 1958.

AMENDMENTS OF THE FAIR LABOR STANDARDS ACT OF 1938

Mr. KENNEDY. Mr. President, on behalf of myself, and Senators MORSE, CLARK, MCNAMARA, MURRAY, RANDOLPH, and WILLIAMS of New Jersey, I introduce for appropriate reference a bill to bring about long-delayed and much-needed improvements in the Fair Labor Standards Act of 1938, popularly known as the wage-hour law. Our bill proposes two basic improvements in the present wage-hour law:

First. It raises the Federal minimum wage from the present figure of $1 an hour to $1.25 an hour.

Second. It extends the coverage of the law to approximately 7½ million additional workers.

In 1938, when the Fair Labor Standards Act was passed, Congress pledged itself "to correct and as rapidly as possible to eliminate all of the conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers." Mr. President, it is time to redeem that pledge, to eliminate the conditions deplored by the 75th Congress, and to assure our workers of the minimum standard of living to which they are entitled.

In 1938, when the 25-cent minimum was established, the average earnings in American industry were less than 63 cents per hour. The difference between the minimum and the average was therefore 38 cents. Today the minimum is $1 and the average is $2.19, or a gap of $1.19 per hour.

To put it another way, in 1949 the minimum wage was raised to 75 cents. Since then average industry earnings—including the lowest paid group—have risen 77 cents an hour. The higher paid, better organized workers have averaged increases of more than 85 cents an hour in wages alone. They have, in addition, received numerous fringe benefits which would increase this figure to over $1 an hour. Yet during these same 9 years the minimum wage has advanced only 25 cents.

Accompanying the advance of the general level of wages, there has been a considerable increase in the cost of living. Thus, since July 1955, when the $1 minimum wage was adopted by Congress, there has been a 9-point increase in the Consumer Price Index. This has yielded an automatic 18-cent-per-hour wage increase to workers covered by escalator clauses. In addition, during this same span there have been four annual improvement factor or productivity increases averaging about 26 cents an hour in all. This is a total of 44 cents an hour entirely apart from any basic change in rates negotiated at the termination of contracts. Certainly the lowest paid, largely unorganized workers are entitled to some relief.

Otherwise, we face the creation of a depressed class within our own society—a class of workers who, though they are employed, are condemned to a way of life that falls further and further behind the standards enjoyed by American workers as a whole and behind the price

of the food they must buy and the clothing they must wear.

Many studies have been made of the minimum subsistence requirements of families and of individual workers. If the Department of Labor study made in 1951, 8 years ago, is adjusted for subsequent increases in the cost of living, it reveals that a family of four requires an income of $2.25 an hour to maintain a decent minimum standard of living today. The increase to $1.25 per hour contemplated by the proposed legislation is a modest recognition of this fact.

Turning now to the second objective—the extension of coverage—we find that the amendments to the law which were adopted in 1949 have actually reduced the proportion of workers now covered to less than the proportion that were covered in 1938, when the law was passed. These are the workers in large retail stores, in wholesale establishments, in the construction industry, in service industries, and a score of other smaller categories.

Although the present bill does not include farm labor, I believe we all recognize that there is a pressing need for the extension of wage-hour protection to those who are employed in huge agricultural enterprises. There are many such enterprises which may accurately be termed "factories in the field." However, the farm labor problem presents so many special complexities that it is not included in this bill but is the subject of separate legislative proposals. I believe, however, that the hearings upon this bill should include a consideration of the treatment of our farm workers and the extent to which fair labor standards should be applied to them.

I have shown the need for this bill in facts and figures. But that is not its only justification. When we permit the growth of a depressed class, numbering millions, whose members cannot afford the bare necessities of life, we pay a heavy price. We undermine the general prosperity of the Nation which rests upon consumer purchasing power. We promote the spread of slums, of crime, of disease, of all the ills that grow from hopeless poverty. We weaken our moral position as the proud symbol of the blessings of democracy and as the leader of the free world. It has been said that the test of our belief in human dignity is the manner in which we treat those at the bottom of the economic ladder. The 75th Congress recognized that fact in the Fair Labor Standards Act of 1938; the 86th Congress can bring reality to the promise of nearly a generation ago.

Mr. President, I ask unanimous consent that there be printed at the end of my remarks the section-by-section analysis of the bill which I have prepared, together with a joint statement by the Senator from Oregon [Mr. MORSE], Representative ROOSEVELT, and myself, dealing with this subject.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the section-by-section analysis of the bill and the joint statement will be printed in the RECORD at this point.

The bill (S. 1046) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes, introduced by Mr. KENNEDY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The section-by-section analysis and joint statement presented by Mr. KENNEDY are as follows:

SECTION-BY-SECTION ANALYSIS OF PROPOSED FAIR LABOR STANDARDS AMENDMENTS OF 1959

The proposed Fair Labor Standards Amendments of 1959 is a bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting interstate commerce, and to increase the minimum wage for employees under the act to $1.25 an hour.

SECTION 1. SHORT TITLE

This section contains the title of the bill, "Fair Labor Standards Amendments of 1959."

SECTION 2. FINDINGS AND DECLARATION OF POLICY

Section 2 amends section 2 of the Fair Labor Standards Act of 1938, as amended (hereinafter referred to as the "act") by adding to this section a new subsection (b) containing an additional congressional finding setting forth the need, in retail trade and service and other industries engaged in interstate commerce, of eliminating labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers. The present subsection (b) of section 2 of the act would be relettered as subsection (c).

SECTION 3. DEFINITIONS

Section 3 amends two of the definitions presently included in section 3 of the act and adds to this section of the act definitions of a number of new terms used in the bill.

Subsection (a) amends paragraph (j) of section 3, defining the term "produced." Under the present language of this paragraph, which was adopted in the 1949 amendments to the act, employees are deemed to have been engaged in the production of goods if, among other things, they are employed in "any closely related process or occupation directly essential to the production" of goods. Under the proposed amendment employees would be deemed to be engaged in the production of goods if they are employed in "any process or occupation necessary to the production" of goods.

Subsection (b) amends paragraph (m) of section 3 of the act, defining the term "wage," by adding to this definition standards to enable the Secretary of Labor to determine the fair value of board, lodging, or other facilities customarily furnished by an employer to his employees. Such determinations could be for defined classes of employees and in defined areas and could be based on the average value to the employer or groups of employers similarly situated of furnishing to employees the facilities in question or the average value of such facilities to groups of employees, or on other appropriate measures of fair value. It is specified that such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wage paid to any employee for purposes of the act.

Subsection (c) adds eight new definitions to section 3 of the act:

A new paragraph (p) would define "American vessel," as used in the act, as including any vessel which is defined as a "vessel of the United States" in title 18, United States Code, section 9, or which is documented or numbered under the laws of the United States;

Paragraph (q) specifies that "Secretary," as used in the act, means the Secretary of Labor of the U.S. Department of Labor;

Paragraph (r) defines the term "enterprise." This term is used in connection with extension of the minimum wage, overtime, and child labor provisions to seven types of large enterprises on an employer basis, as set forth in the discussion of the proposed new paragraph (w) below. The term is defined as meaning related activities performed either directly or through unified operation or common control or otherwise, for a common business purpose of providing goods or services, or the products thereof, or a combination of them, to others, and includes all such activities, whether performed in one or more establishments or by one or more corporate or other organizational units. Under this definition, the activities of the seven specified types of enterprises as employers of employees under the act are to be viewed as a whole in determining whether any such enterprise is engaged in activtities which bring its employees within the scope of the act;

Paragraphs (s) and (t) define the terms "activity affecting commerce" and "employer engaged in an activity affecting commerce." Under these definitions, an employee who is not technically engaged in commerce or in the production of goods for commerce will nevertheless be covered if (1) he is employed by any one of seven types of enterprises defined in paragraph (t) and (2) such enterprise is engaged in an activity affecting interstate commerce, as defined in paragraph (s). Paragraph (s) defines the term "activity affecting commerce" as including any activity in commerce, necessary to commerce, or competing with any activity in commerce, or where the payment of wages at rates below those prescribed by the act, or the employment of oppressive child labor prohibited by the act, burdens or obstructs or tends to burden or obstruct commerce or the free flow of commerce. This definition is substantially the same as and is intended to provide coverage substantially similar to that provided under "affecting commerce" definitions used in the National Labor Relations Act, as amended, and the Labor Management Relations Act of 1947, as amended. Paragraph (t), which defines the term "employer engaged in an activity affecting commerce" specifies seven types of establishments to whose employees coverage under the act would be extended by the bill. Under this paragraph coverage is extended on an enterprise basis if the employer is engaged in an activity affecting commerce. This contrasts with the present tests of coverage which are on an employee basis and provide coverage only if the individual employee is engaged in commerce or in the production of goods for commerce.

The term "employer engaged in an activity affecting commerce" includes seven types of large enterprises whose sales exceed certain specified amounts based for the most part on current jurisdictional standards being applied by the National Labor Relations Board in determining whether assertion of Board jurisdiction in specific cases would serve the purpose of the National Labor Relations Act, as amended. The employees of such enterprises will be covered if the employer is engaged in an activity affecting commerce. These seven types of large enterprises are as follows:

(1) Any enterprise where the employer has one or more retail establishments if the annual gross sales of such enterprise as a whole

are not less than $500,000 or if the sales of such enterprise for resale or to customers engaged in a mining, manufacturing, transportation, commercial, or communications business amount to at least $50,000 annually;

(2) Any enterprise where the employer has one or more service establishments if the annual gross sales of such enterprise as a whole are not less than $500,000 or if the sales of such enterprise to customers engaged in a mining, manufacturing, transportation, commercial, or communications business amount to at least $50,000 annually;

(3) Any enterprise where the employer has one or more establishments engaged in laundering, cleaning or repairing clothes or fabrics, if the annual gross sales of such enterprise as a whole are not less than $250,000, or if the sales of such enterprise to customers engaged in a mining, manufacturing, transportation, commercial, or communications business amount to at least 15 percent of the gross sales of the enterprise;

(4) Any enterprise where the employer is engaged in the business of operating a street, suburban, or interurban transit system;

(5) Any enterprise where the employer is engaged in the business of operating taxis if the annual gross business of such enterprise as a whole is not less than $500,000.

(6) Any enterprise where the employer is engaged in the building and construction industry if the annual gross business of such enterprise as a whole is not less than $50,000;

(7) Any enterprise where the employer has one or more employees engaged in commerce or in the production of goods for commerce if the annual gross business of such enterprise as a whole is not less than $50,000.

A proviso at the end of paragraph (w) specifies that so-called "mom and pop" shops are not to be covered. The term "employer engaged in an activity affecting commerce" specifically excludes any retail or service enterprise in which the only employees are the owner of such enterprise and a parent, spouse or child of such owner.

SECTION 4. SPECIAL INDUSTRY COMMITTEES FOR PUERTO RICO AND VIRGIN ISLANDS

This section makes changes in section 5 of the act, relating to the appointment of industry committees to recommend the minimum rates of wages to be paid under section 6 to employees in Puerto Rico and the Virgin Islands, so as to give such committees jurisdiction over employees employed by any employer engaged in an activity affecting commerce, as well as over employees engaged in commerce or in the production of goods for commerce. Under the terms of subsection (c) of section 6 of the act, the same procedures which are applicable to the appointment of industry committees and the issuance of minimum wage orders for employees in Puerto Rico and the Virgin Islands are applicable to employees in American Samoa.

SECTION 5. MINIMUM WAGES

Subsection (a) amends subsection (a) of section 6 of the act to make the minimum wage provisions apply not only to every employee engaged in commerce or in the production of goods for commerce but also to every employee of every employer engaged in an activity affecting commerce, as defined in paragraph (w) of section 3 of the act, as amended. Certain exemptions continue to be provided for in section 13 of the act, as amended, but heretofore exempt employees will be entitled to be paid in accordance with section 6 of the act, as amended, if they are engaged in commerce or in the production of goods for commerce unless such employees are specifically exempt from the application of such section under the provisions of subsections (a), (d), or (f) of section 13 of such act, as amended.

Subsection (b) amends paragraph (1) of subsection (a) of section 6 of the act by raising the minimum wage under the act from $1.00 to $1.25 an hour.

Subsection (c) amends subsection (c) of section 6 of the act, applicable to the issuance of wage orders for employees in Puerto Rico, the Virgin Islands and American Samoa, so that wage orders may be issued not only with respect to any such employees who are engaged in commerce or in the production of goods for commerce but also with respect to any such employees who are employed by an employer engaged in an activity affecting commerce. A proviso is included in this section which specifies that the minimum wage rates applicable to any employee covered by a wage order heretofore in effect for employees in Puerto Rico, the Virgin Islands or American Samoa shall be increased by the same number of cents per hour as the minimum wage prescribed in paragraph (1) of subsection (a) of section 6 is increased by the bill. Such minimum wage rate or rates, if less than the rate prescribed in paragraph (1) of subsection (a) as amended, are to be in effect only for so long as and insofar as such minimum wage rate or rates are not superseded by a subsequent wage order issued in accordance with sections 5 and 8, as amended, fixing a higher minimum wage rate or rates, not in excess of the rate prescribed in paragraph (1) of subsection (a).

SECTION 6. MAXIMUM HOURS

Subsection (a) amends subsection (a) of section 7 to make the maximum hours provisions of the act apply not only to nonexempt employees engaged in commerce or in the production of goods for commerce but also to nonexempt employees employed by any employer engaged in an activity affecting commerce. Certain exemptions continue to be provided for in section 13 of the act, as amended, but heretofore exempt employees will be entitled to be paid in accordance with section 7 of the act if they are engaged in commerce or in the production of goods for commerce unless such employees are specifically exempt from the application of such section under the provision of subsections (a), (b), (d) or (f) of section 13 of the act, as amended.

Subsection (b) amends subsection (b) of section 7 of the act by striking from this subsection the so-called "seasonal industry" exemption contained in clause 3 of this subsection.

Subsection (c) amends section 7 by striking out the maximum hours exemptions applicable to employees engaged in certain specified agricultural handling and processing occupations contained in subsection (c) of such section.

SECTION 7. WAGE ORDERS IN PUERTO RICO AND VIRGIN ISLANDS

This section amends section 8 of the act so that wage orders issued under the act with respect to employees in Puerto Rico, the Virgin Islands, or American Samoa shall apply not only to employees in such islands who are engaged in commerce or in the production of goods for commerce but also to any such employees who are employed by an employer engaged in an activity affecting commerce.

SECTION 8. CHILD LABOR PROVISIONS

This section amends subsection (c) of section 12 of the act by providing that the child labor provisions shall not only apply to employers engaged in commerce or in the production of goods for commerce but also to employers engaged in activity affecting commerce. Certain exemptions continue to be provided for in section 13 of the act, as amended, but child labor which has heretofore been permitted will be prohibited under section 12, if the employer is engaged in commerce or in the production of goods for commerce unless such child labor is specifically exempt from such section under the provisions of subsection (c), (d), or (f), of section 13 of such act, as amended.

SECTION 9. EXEMPTIONS

Subsections (a) and (b) of this section rewrite and make the following changes in subsections (a) and (b) of section 13 of the act:

(a) The minimum wage and overtime exemptions for employees employed in a local retailing capacity presently contained in clause (1) of subsection (a) have been eliminated. The present exemptions for executive, administrative, and professional employees and for outside salesmen, however, are retained;

(b) Clauses (2) and (3) containing minimum wage and overtime exemptions applicable to employees of retail, service, and laundry, cleaning and repairing enterprises have been eliminated. The new coverage provisions specify the types of retail service and laundry, cleaning, and repairing enterprises that would be covered by the bill;

(c) Clause 5 has been amended to eliminate the present minimum wage and overtime exemptions for employees engaged in packing or other processing of fish or seafood products. Fishing and other occupations which precede packing and processing of such products would, however, continue to be exempt;

(d) The minimum wage and overtime exemptions for employees of weekly, semiweekly and daily newspapers contained in clause 8 have been eliminated;

(e) The minimum wage and overtime exemptions for employees of street, suburban and interurban transit systems contained in clause 9 have been eliminated. The new coverage provisions specify the types of enterprises engaged in the business of operating any such system that would be covered by the bill;

(f) Although overtime exemptions for employees engaged in certain agricultural processing occupations have been eliminated, as explained in the discussion of section 6 of the bill, supra, existing exemptions from the minimum wage and overtime provisions applicable to specified agricultural processing operations in the area of production contained in clause 10 have been retained;

(g) The minimum wage and overtime exemptions applicable to certain telephone switchboard operators under clause 11 have been amended to apply only where the operator is providing telephone service through a telephone switchboard located in the operator's home;

(h) The minimum wage and overtime exemptions for employees of employers engaged in the business of operating taxicabs contained in clause 12 have been eliminated. The new coverage provisions specify the types of enterprises engaged in the business of operating taxis that would be covered by the bill;

(i) The minimum wage and overtime exemptions applicable under clause 14 to employees employed as seamen have been amended to apply only to seamen employed on vessels other than American vessels. A new subsection (g) is added to section 13 of the act, specifying the manner in which the minimum wage and overtime provisions are to be applicable to employees employed as seamen on American vessels;

(j) The minimum wage and overtime exemptions applicable under clause 15 to employees of sawmills employing 12 or fewer employees have been eliminated;

(k) The overtime exemptions applicable to pipeline and trucking employees under clause 1 of subsection (b) of section 13 have been eliminated;

(l) The overtime exemptions applicable to canning of fish or seafood products under clause (4) of subsection (b) of section 13 have been eliminated;

(m) Employees in American Samoa subject to the provisions of subsection (e) of

section 13 would be exempt from the overtime provisions under a new clause 3 of subsection (b) of section 13, as amended.

The bill continues the present minimum wage and overtime exemptions applicable to retail establishments that make or process the goods which they sell and to contract telegraph agencies maintained in exempt retail of service establishments where the telegraph message revenue of the agency does not exceed $500 a month. It also retains the minimum wage and overtime exemption for employees employed in agriculture or in connection with nonprofit ditches, canals, reservoirs, or waterways used for supplying or storing water for agricultural purposes. Similarly, the minimum wage and overtime exemptions for employees covered by subminimum wage rates fixed by the Secretary under section 14 of the act for learners, apprentices, and handicapped workers is retained. Presumably the Secretary would proceed promptly to review these subminimum rates upon enactment of the higher minimum wage rate provided for in paragraph (1) of subsection (a) of section 6 of the act, as amended.

The various clauses of subsections (a), and (b) have been renumbered to take account of clauses which would be repealed.

Subsection (c) of section 9 amends subsection (c) of section 13 of the act to make clear that the exemption from the child labor provisions applicable to children employed in agriculture is restricted to children employed in agricultural work which is exempt under clause 4 of subsection (a) of section 13, as amended. This exemption would apply only to children employed outside of school hours for the school district where such children are living while so employed.

Subsection (d) adds to subsection (d) of section 13 of the act a new proviso specifying that the child labor provisions shall not apply to any newspaper delivery employee, other than newsboys engaged in residential delivery of newspapers, if such employee is employed outside of school hours for the school district where the employee is living while he is so employed and the employee is 16 years of age or over.

Subsection (e) adds to section 13 of the act a new subsection (g) which provides that for purposes of the application of the minimum wage and overtime provisions to seamen employed on American vessels, such employees are to be paid not less than the rate which will provide to the employee, for the period covered by the wage payment, wages equal to compensation at the prescribed minimum wage rate or overtime rate, or both, as may be appropriate, for all hours during such period when the employee was actually on duty. This period, however, is not to include off-duty hours within such period which are provided pursuant to the employment agreement applicable to such employee or to periods aboard ship when the employee was not, at the direction of a superior officer, either performing other work or standing by.

SECTION 10. PROHIBITED ACTS: PRIMA FACIE EVIDENCE

This section adds to section 15 of the act a new subsection (c) providing that the provisions of subsection (a) of this section declaring certain violations of the act and other actions of an employer to be unlawful when engaged in by such employer with respect to any employee engaged in commerce or in the production of goods for commerce shall be applicable to every employer engaged in an activity affecting commerce with respect to any employee of an enterprise where the employer is so engaged.

SECTION 11. EFFECTIVE DATE

This section specifies that the act shall take effect 90 days after the date of enactment.

JOINT STATEMENT OF SENATOR KENNEDY, SENATOR MORSE, AND REPRESENTATIVE ROOSEVELT, UPON INTRODUCTION OF MINIMUM WAGE BILL, FEBRUARY 16, 1959

These amendments will correct in part one of the most shocking but least publicized economic and moral crises facing America today—the fact that millions of hard-working citizens cannot earn enough, no matter how many hours they toil, to maintain themselves and their families at a higher level than bare subsistence.

The present $1 minimum wage is even less adequate in 1959 than the original 25 cents minimum was in 1938. Contrary to the expressed intention of Congress 21 years ago, the lowest paid workers have fallen farther and farther behind the average wage earner. Moreover, a smaller proportion of our Nation's work force has wage-hour protection today than had such protection in 1938.

The failure of our national economy to rally as quickly as predicted from last year's slump can be traced directly to a lack of consumer buying power among the lowest paid workers. If a third of the employed wage earners are hard put to meet the cost of food and shelter, they cannot buy enough automobiles, appliances, or houses to put America back on its feet.

It is bad enough that we have fallen behind the Soviet Union in the science of rocketry and ballistic missiles. If we also fall in our economy—if millions of Americans cannot achieve freedom from fear or freedom from want—the impact on world opinion will be greater than a Soviet Union expedition to the moon.

Experience after 1949, when the minimum wage was nearly doubled, and after 1955, when it rose by one-third, proved beyond a doubt that higher earnings for the lowest paid are not reflected in higher prices. We need only cite the studies made in each case by the Department of Labor.

In order to eliminate any misunderstanding about the application of the bill to the so-called ma and pa enterprises, it explicitly exempts all businesses in which the owner and members of his immediate family do the work. The exemption is clear and categorical. We hope it will put an end, once and for all, to this baseless argument against a fair law.

EXTENSION OF WAR ORPHANS EDUCATIONAL ASSISTANCE ACT

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill to extend the War Orphans Educational Assistance Act to cover those presently serving in the Armed Forces and the orphans they may unfortunately leave

We have heard much in recent days of a tragic flight by a U.S. Air Force plane over a small corner of the Soviet Union, the coldblooded destruction of this unarmed plane, and the probable death of all its occupants. We have heard much of the implications of this incident on our foreign policy, on what Khrushchev thinks, on what Mikoyan thinks, on how and what we heard on radio monitors, on all the pros and cons of our intelligence efforts, airplane flight routes, false radio signals, and other details.

One fact remains; perhaps 17 airmen doing their duty for their country were killed by what we may consider, in this situaton at least, a hostile aggressor, using the weapons of warfare. Our airmen have paid the price of thousands of our heroes, and we have paid them all due honor and respect. But that honor and respect does not discharge the Nation's full obligation to these heroes.

Mr. President, I ask unanimous consent to have printed at this point in the CONGRESSIONAL RECORD, the names of the crew list of the plane which was gunned down. Two members of the crew were from my own State.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Capt. Paul E. Duncan, Bedford, England.
First Lt. John E. Simpson, Austin, Tex.
Capt. Rudy J. Swiestra, Compton, Calif.
First Lt. Ricardo M. Vallarreal, Laredo, Tex.
Capt. Edward J. Jeruss, Rhein-Main Airbase, Germany.
T. Sgt. Laroy Price, Hodgenville, Ky.
A2c. Archie T. Bourg, Morfelden, Germany.
A2c. James E. Ferguson, Hamlet, Ind.
A2c. Joe H. Fields, Cynthiana, Ky.
A2c. Harold T. Kamps, Coleman, Wis.
A2c. Gerald C. Maggioacoma, Everett, Mass.
A2c. Gerald E. Medeiros, New Bedford, Mass.
T. Sgt. Arthur L. Mello, Erie, Pa.
A1c. Robert J. Oshinski, Shamokin, Pa.
A2c. Clement O. Mankis, Point Marion, Pa.
A2c. Robert H. Moore, West Monroe, La.
M. Sgt. George P. Petrochilos, Levittown, Pa.

Mr. YARBOROUGH. Mr. President, let us now look apart from the ceremonials and the words of praise. Let us look at the concrete steps a grateful Government can take to in some small way recompense those beloved by our fallen servants. You may look, but you will not find the recompense. You will not find any compensation to the families of these casualties of the cold war other than a meager social-security annuity and a burial allowance. I submit that this is not even an acceptable measure for legal liability, much less recognition by a humane Government of the supreme sacrifice made in its behalf.

Two of the fliers shot down by the Communists were natives of my home State. But it is not only for the sake of their survivors that I introduce this bill; it is for all the children who may find themselves fatherless because their parents were under our peacetime compulsion to serve in our Armed Forces.

Up to January 1955, if a soldier died in service or from a service-incurred disability, his children, the war orphans, were entitled to assistance for educational purposes, to help complete their education.

This bill I introduce would provide educational assistance for the children of those dying in active military service or by reason of a disability incurred from active military service. We did this before January 31, 1955—surely we are not too niggardly to do it now, since the circumstances are the same.

The bill provides that each eligible child would be entitled to educational assistance for a period not to exceed 36 months, or to the equivalent thereof in part-time training. This assistance would be in the form of a monthly allowance to be paid on the basis of $110 per month on full-time schooling, $80 per month on three-quarters time, or $50 per month on half-time schooling.

I ask unanimous consent that the bill be printed in the RECORD at this point

as a part of my remarks, together with an explanation of the bill showing the amounts to be paid for the education of these children.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The bill will be received, appropriately referred, and printed in the RECORD, together with the explanatory statement.

The bill (S. 1050) to provide educational assistance for the children of service men and women who suffer death from a service-connected disability arising out of active military service during the period beginning on February 1, 1955, and ending on June 30, 1963, introduced by Mr. YARBOROUGH, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1701 (a) (1) of title 38 of the United States Code is amended by striking out "or the Korean conflict" and inserting in lieu thereof the following: "the Korean conflict, or the period beginning on February 1, 1955, and ending on June 30, 1963,".

(b) Subsection (d) of such section is amended by striking out "or the Korean conflict," and inserting in lieu thereof the following: "the Korean conflict, or the period beginning on February 1, 1955, and ending on June 30, 1963,".

(c) Section 1712 of such title is amended by redesignating subsection (b) as subsection (c) and inserting a new subsection (b) as follows:

"(b) In the case of any person (1) who becomes eligible for educational assistance under this chapter by virtue of the amendments to such chapter made by the Act which enacted this subsection, and (2) who is above the age of seventeen years and below the age of twenty-three years on the date of enactment of such Act, the period of eligibility prescribed by this section shall not end with respect to such person until five years after the date of enactment of such Act."

The explanatory statement presented by Mr. YARBOROUGH is as follows:

EXPLANATION OF BILL

This bill provides educational assistance to the children of service men and women who suffer death from a service-connected disability arising out of active military service during the period beginning on February 1, 1955, and ending on June 30, 1963.

Each eligible child would be entitled to educational assistance for a period not in excess of 36 months, or to the equivalent thereof in part-time training. The assistance would be in the form of a monthly allowance to be paid in accordance with the following:

(a) For a person pursuing a program of education consisting of institutional courses, the allowance shall be computed at the rate of (1) $110 per month if pursued on a full-time basis, (2) $80 per month if pursued on a three-quarters time basis, and (3) $50 per month if pursued on a half-time basis.

(b) The allowance to be paid an eligible person who is pursuing a full-time program of education which consists of institutional courses and alternate phases of training in a business or industrial establishment, with the training in the business or industrial establishment being strictly supplemental to the institutional portion, shall be computed at the rate of $90 per month.

(c) No allowance shall be paid to an eligible person for a period during which he is enrolled in and pursuing an institutional course on a less than half-time basis, or any course described in (b) above, on less than a full-time basis.

The bill contains a savings clause for children who become eligible for educational assistance by virtue of the enactment of the bill, but who are already of school age at the time of such enactment. The effect of the savings clause is to give these persons a period of 1 year from the date of enactment of the bill within which to commence a program of education or training under the bill. After commencement of education or training, these persons would have an additional 4 years within which to complete their educational training.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the bill be allowed to lie on the table for 1 week, so that other Senators who desire may join as consponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF APPROPRIATION BILL FOR SERVICE OF POST OFFICE DEPARTMENT, FISCAL YEAR ENDING JUNE 30, 1913

Mr. BRIDGES. Mr. President, for nearly half a century it has been a recognized principle of our Federal law that there should be annual disclosures by individuals or corporations with a substantial interest in any newspaper or other publication using the mails. The reason and design for such legislation is quite apparent. It is to enable the public to be apprised of whose voice is speaking in the particular publication. To implement this policy the law has required that a sworn annual return indicating the names of the individuals or corporations holding 1 percent or more of the total stock, bonds, mortgages, or other securities of the periodical using the mails be filed.

It was brought to the attention of the special committee investigating political activities, lobbying, and campaign contributions, working under Senate Resolution 128 of the 85th Congress, that there has been an avoidance of the spirit, if not the letter, of the law under the existing disclosure requirements.

The bill which I am introducing on behalf of myself and the senior Senator from Arkansas [Mr. MCCLELLAN] is very short and uncomplicated. It makes two changes in the existing law: First, it requires that any holders of a financial interest substantially sufficient to establish control, whether it is a secured interest or not, must file a disclosure. Secondly, it requires the address of the person or corporation filing the return, for surely the name would be of little value without the address.

I think it is evident from the great number of publications and the enormous increase in their respective costs that they are particularly vulnerable to exploitation by those who seek to control through loans or otherwise. I believe the bill which I am about to introduce will be a step in the right direction to remedy the situation through disclosure as I have outlined.

Mr. President, on behalf of myself and the senior Senator from Arkansas, I introduce this bill, for appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1054) to amend section 2 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," introduced by Mr. BRIDGES (for himself and Mr. MCCLELLAN), was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

NATIONAL HEALTH INSURANCE ACT

Mr. MURRAY. Mr. President, I introduce, for appropriate reference, the 1959 version of what was known in the forties as the Wagner-Murray-Dingell bill providing a national health insurance program. I believe that most of my colleagues are aware that this is a measure designed to provide a practical method through which the people of the United States will find it easily possible to meet the currently overwhelming burden of trying to pay for medical care. It is a measure, Mr. President, which is substantially identical in its content to the health insurance title of the bill which I had the pleasure of cosponsoring in the Senate some 14 years ago with our late and greatly esteemed colleague, Senator Bob Wagner, of New York, and the companion bill which was then introduced in the House by the late and respected Congressman Dingell, the father of the brilliant young Member of the House of Representatives who is today introducing a bill identical to mine in the House of Representatives.

I would like to point out to my colleagues, and particularly to the representatives of the press who are present here today, that when we introduced our bill some 14 years ago it was invariably denounced, particularly by the American Medical Association, as—and I quote—"socialized medicine." It is amusing to me—wryly amusing—to notice how even the AMA today encourages the Congress to appropriate funds for some seven going programs, each of which was a part of the early Wagner-Murray-Dingell bill. These programs, which they once denounced as socialized medicine and therefore presumably repugnant to our American way of life, now that they have been in actual operation, most of them for over a decade, have not only proved tremendously valuable to the American people and worthy of the continuing support of the Congress but have even won the support of the American Medical Association.

So well accepted are these aid programs, Mr. President, that I suspect that almost no Member of the Congress, and very few representatives of the press, are the least bit conscious of the fact that they were part of the early Wagner-Murray-Dingell bills. I refer, Mr. President, to programs under which we now provide Federal support, first, for the education of health personnel; second, for the support of medical research; third, for the tremendously valuable and

popular hospital survey and construction grant program; fourth, grants for public health aids in rural and other shortage areas; fifth, grants to the States for local health work; sixth, grants for research in child life; and, seventh, grants for maternal and child health and crippled children's services. Each of these programs, now recognized as of tremendous value to the country, was once a part of the Wagner-Murray-Dingell so-called socialized medicine bill.

It is my hope, Mr. President, in introducing that one most important part of the original Wagner-Murray-Dingell bill, its health insurance provisions, that my fellow legislators and the American people—and perhaps even the American Medical Association—will realize the absurdity of trying to prevent enactment of this measure by use of the old, worn-out cliche of socialized medicine which was once attached not only to the proposal set forth in the bill I am today introducing but to all of the other programs now in operation which I have mentioned above. Let the record state very clearly that this bill would not socialize medicine. If enacted, the practice of medicine as we know it need not change at all. The only thing that would change would be the ability of those of our people who need medical care to get it without worrying about its cost.

Socialized medicine means just one thing. It means a system of medicine wherein physicians and dentists and other health personnel are all employees of the Government. That is a system which I, myself, do not advocate

In conclusion, Mr. President, I ask unanimous consent that there be set forth in the RECORD, following my remarks, a most informative and interesting article written by Dr. Bruce Cardew, general secretary of the Medical Practitioners' Union, in which he sets forth and proves conclusively the fact that, having now lived with Britain's national health system for 10 years, every segment of British society, including its doctors of medicine, wholeheartedly approves of their system, finds that it is working well, and agrees that it is giving the people of Britain access to far more and to far better care than was theirs before the program went into effect. This article, Mr. President, appeared in the January 31 issue of United Paper, which is published by the United Paper Makers and Paper Workers, AFL–CIO.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the article will be printed in the RECORD.

The bill (S. 1056) to provide a program of national health insurance, and for other purposes, introduced by Mr. MURRAY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The article presented by Mr. MURRAY is as follows:

IN BRITAIN THEY SAY THEIR HEALTH PLAN IS HERE TO STAY

(By Dr. Bruce Cardew)

Last year marked the 10th anniversary of the national health service in our country. Ten years seems a likely period for fair appraisal.

I should think it would be of particular interest to Americans in view of the volume of adverse reporting about the British health service in the United States press.

While it is far from my province to suggest that a British plan serve as a model for an American one, an exchange of views on the economics of health may prove of value all around. Hence, I appreciate the invitation of United Paper to write this article and offer these observations for consideration by trade unionists in the United States.

No one act of the British Labor Government of 1945–50 has been more popular or more widely accepted than the national health service.

Despite the fact its introduction was heralded by the American press in highly critical terms, there is now an overwhelming support for the service among the British people regardless of their political views. No government (conservative, liberal, or labor) would even consider abolishing the service, or indeed, in modifying it seriously in any way.

The various professions, including the doctors and dentists who showed great reluctance to come into the service, are now in it to stay. I would estimate that very few doctors, probably not more than 5 percent, would like to return to the conditions that existed before the service came into being.

Many foreigners, and certainly including many Americans, seem to think that the British national health service is an expensive luxury. These views are refuted by the facts.

In Britain we spend less than 4 percent of our national income on the health service. Comparisons have been made with what other countries spend on health, and certainly the United States of America spends a higher proportion of its national income on providing health for its citizens than does Britain.

Our health service is paid for largely out of general taxation. This means, in effect, that the richer section of the community pays relatively more than does the poorer. Indeed, those who pay no income tax obtain their health service at a very low cost to themselves.

If the cost of the service is averaged out, it comes to about 14 pounds ($40) per head of the population. This includes all hospital care, all family doctor care, drugs, dressings, surgical applicances, dental care, false teeth and even wigs if they are necessary.

If a woman has a baby, she not only has the complete cost met by the service, but also receives a grant toward the cost of the baby's clothes, and so forth.

If an elderly man or woman lives alone and cannot afford to have anyone look after them or cook their meals, the service provides what we call home helps free of charge to go in and care for the old person.

From this you can see that the British national health service is very comprehensive. It not only covers the citizen against every form of medical disability, but it covers all of us, rich and poor alike. The millionaire is as entitled to benefits as is the rank and file trade unionist. Even visitors to our land obtain the full benefits of the health service providing that their need arose at the time of their visit.

The comprehensive character of the national health service has had certain important consequences, particularly for the trade union movement. In many other countries, notably in the United States of America, one of the most important functions which individual trade unions have had to assume is the provision of medical care for their members. In Great Britain, however, the trade union movement has always taken the view that this provision is the proper function of the Government and that the burden of providing it should not fall on the trade union movement.

The Trades Union Congress (equivalent to your AFL–CIO) has also maintained that medical benefits should be financed principally out of taxation and not out of direct insurance contributions by the workers.

In 1946 the Labor government then in office, placed the main financial burdens on the taxpayer, thus insuring that those best able to pay would carry the main burden. Recently the Conservative government increased the modest insurance funds contribution to the service from 40 million to 100 million pounds. Even thus, six-sevenths of the total cost falls on taxation.

Now let us look at the British health service in more detail, particularly with regard to various charges in the American press claiming the service has led to regimentation of patients and practitioners.

First, we should deal with the general practitioner service. Every British citizen, whatever his age, has the right to be registered on the list of a family doctor who will be responsible for visiting him when sick and providing him with all the drugs and dressings he needs. Some 98 percent of the population are registered.

The patient can choose any doctor he wishes and, in the event of a disagreement, can change his doctor by giving a fortnight's notice. The doctor, too, can ask for a patient to be removed from his list.

The family doctor is paid a sum each year for looking after the patient, plus his expenses. This system has certain advantages but it does little to insure that the standards of surgery accommodation are uniform throughout the county, with the result that they vary from good to very poor.

One of the tasks ahead is to raise the general standards of domiciliary medical care. This is not purely an administrative matter. The doctors themselves are keen to better their own standards. A few years ago a College of General Practitioners was formed which is doing a great deal of work to this end.

The general practitioner does his best for his patients within the limits of his own knowledge and equipment. When he is in difficulties he refers his patient to the outpatient department of the local hospital where fuller diagnostic procedures are available. Following outpatient hospital diagnosis, the patient may be admitted to the hospital or referred back to his doctor with advice for further treatment.

The family doctor may also use the health and welfare services of the local authorities. These are quite extensive and include, among others, a complete domiciliary nursing service, a midwifery service and a health visiting service. Domestic home helps are also available to enter the home of the patient and care for him during illness.

Special services are also available for the care of old people. Local authorities are empowered to provide all sorts of special services for the aged. Among these are a meals-on-wheels service which takes hot meals around to patients who are sick; a home laundering service; and the organization of old people's clubs.

In Great Britain the care of the old presents a considerable challenge as their number is increasing year by year as a proportion of the population. Whereas in the beginning of the century we had 6 old people for every 100 of the population, we now have 15, and within the next 20 years we should have 20 per 100.

It is important, therefore, that we should develop our old people's medical and social services not only for humane reasons but so as to keep them healthy and usefully at work as long as they want to stay. This requires a high level of good organization.

Although we are gratified with the achievements of the health service, it must not be thought we are in any way complacent. We know well that it has many deficiencies which can only be corrected slowly. The hospital field is one example. In this respect our country is singularly badly placed. As with our railways and factories, our hospitals were built during the last century. In many instances they are 50 years behind those of other countries. Today we inherit a vast number of ancient hospital buildings which need replacement. Since the war we have gone from one economic crisis to another and have never been in a financial position to invest much capital in hospital development. Britain is, therefore, faced with a tremendous problem of hospital rebuilding, and a start is now being made on this. It will, however, take many years before our hospitals are up to date and worthy of our health service.

There is also a great need to house general practitioners in more modern and better equipped premises. This also takes money and can only be done gradually.

Fortunately there is a growing realization in Great Britain that a health service is not only a wealth consuming service, but a wealth producing service as well. It produces wealth in that it keeps people at work and returns them to work more rapidly. Thus, it has a great part to play in the economy of our country.

During the last 10 years I have read many excerpts from articles on the British National Health Service which have appeared in the American press. Most have been critical and many have given a false picture leading Americans to think our service has not been a success. I would say the opposite is the case.

Nearly everyone in the country uses the service and regards it as a blessing. Very few doctors or patients today would prefer the conditions that existed before the service. It has become part of our national life and it is here to stay.

ADMINISTRATION OF LAKE MEAD NATIONAL RECREATION AREA, ARIZONA AND NEVADA

Mr. BIBLE. Mr. President, on behalf of my colleague the distinguished junior Senator from Nevada [Mr. CANNON], and myself, I introduce for appropriate reference a bill to provide an adequate basis for administration of the Lake Mead National Recreation Area, Arizona and Nevada, and for other purposes.

The recreation area surrounding Lake Mead and Lake Mojave, bodies of water formed by Hoover and Davis Dams on the Colorado River, is unsurpassed in scenic grandeur. More than 2½ million visitors are attracted to this area each year.

Since its withdrawal by Executive order in 1930 for reclamation purposes, this 2-million-acre area has been beset by administrative problems of control. It has been administered by the National Park Service under an interbureau agreement with the Bureau of Reclamation.

The underlying purpose of our bill is to provide the area with regulations that would bring about more beneficial use of the tremendous recreational facilities. This great area has a plateau section which includes nearly 100 miles of the Grand Canyon and the canyon's mouth, the 155-mile-long Lake Mead, which is the world's largest manmade body of water, and Lake Mojave. In addition, there are many points of geological, biological, and archaeological interest.

This bill introduced by my colleague and myself redescribes the boundaries of the national recreation area, eliminating approximately 139,800 acres from the present gross area of 1,951,928 acres. It is recognized that this is a large acreage, but it includes a rugged region, the principal values of which, apart from the storage of water, are those arising from its use by the national recreation area and collateral uses such as mining and grazing.

Our bill will afford full protection to the water-control projects, at the same time facilitating speedier development of the unlimited recreational advantages. Present regulations governing hunting, grazing, and vacation cabin sites will be continued substantially the same as at present.

Recognition is given to the canyon portion of the Hualapai Indian Reservation within the national recreation area. The Arizona tribe has indicated its willingness to have certain of its lands included, allowing the tribe to participate and benefit from establishment of the area.

Our bill seeks to bring into harmonious adjustment the various activities within the recreation area. Also, it will stimulate greater development of the area's recreational potential, in keeping with the proper demands of the growing populations in Nevada, Arizona, and other Western States.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1060) to provide an adequate basis for administration of the Lake Mead National Recreation Area, Ariz. and Nev., and for other purposes, introduced by Mr. BIBLE (for himself and Mr. CANNON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

PREVENTION OF PERNICIOUS POLITICAL ACTIVITIES—AMENDMENT OF HATCH ACT

Mr. CLARK. Mr. President, I introduce, for appropriate reference, a bill to amend section 9(b) of the Hatch Political Activities Act of 1939 to eliminate the requirement that the Civil Service Commission impose a minimum penalty of 90 days suspension and loss of one quarter of a year's salary for any violation of the act, regardless of whether it is of a minor or inadvertent nature.

The administration of the Hatch Act over a period of years has clearly demonstrated that this mandatory minimum penalty provision frequently results in an unjust hardship on the Federal employee and a burden on the Government agency which employs him.

The present minimum penalty is unfair to the employee because he must forfeit one-fourth of his annual salary—a large sum if one makes only $3,600 per year—for any violation, no matter how trivial or involuntary. Reference to a few cases decided recently or now pending, will illustrate the type of person upon whom this penalty is falling.

Case No. 1: A Federal employee was a candidate for and elected to the position of election clerk, an office which in most States is nonpartisan. Because the position involved long hours and hard work on election days, and was looked upon in the community as a civic duty, the employee had no opposition and had held the position in several elections prior to becoming a Federal employee. For this infraction the employee had to forfeit one-fourth of his yearly pay and suffer a 90-day suspension.

Case 2: A postmaster, since October 2, 1933, authorized his name to appear in a political advertisement published in a local newspaper in July of 1953, endorsing his son as a candidate for the nomination for county attorney. Prior to the primary he helped string a political campaign poster announcing his son's candidacy from a second floor porch of the building which houses the post office to a point on the opposite side of the street. Penalty: 90 days' suspension; loss of 3 months' pay.

Case 3: A Federal employee announced his candidacy for the office of justice of the peace and was elected to the post. After the election, it was brought to his attention that such activity was a violation of the Hatch Act, and he withdrew and never assumed office. Penalty: 90 days' suspension; one-fourth year's pay.

Case 4: A Federal employee of long standing was elected without opposition in 1947 to the office of township school director, and reelected twice in 1951 and 1957 by write-in votes. He was advised after the 1957 election that that activity might constitute a violation of the act and withdrew. Penalty proposed: 90 days' suspension without pay.

Case 5: A postal employee since October 1946 was a member of a reception committee in 1956 to welcome a former President of the United States as a principal speaker at a political rally held on October 29, 1956. Case pending.

The General Counsel of the Civil Service Commission recommended the removal of this mandatory minimum penalty provision in a letter to the Senate Committee on Post Office and Civil Service dated January 30, 1959, and he stressed the fact that the "harshness of the penalty may also be a burden upon the employee's agency when that agency is denied the employee's services for a 90-day period due to a minor violation."

This same amendment to the Hatch Act was recommended in a report dated December 31, 1958, of the Special Committee To Investigate and Study the Operation and Enforcement of the Hatch Political Activities Act.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1061) to amend section 9(b) of the act entitled "An act to prevent pernicious political activities" (the Hatch Political Activities Act) to eliminate the requirement that the Civil Service Commission impose no penalty less than 90 days' suspension for any

violation of section 9 of the act, introduced by Mr. CLARK, was received, read twice by its title, and referred to the Committee on Rules and Administration.

AMENDMENT OF FEDERAL DEPOSIT INSURANCE ACT, RELATING TO MERGERS AND CONSOLIDATIONS OF BANKS

Mr. ROBERTSON. Mr. President, on behalf of the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Indiana [Mr. CAPEHART], and myself, I introduce, for appropriate reference, a bill on the subject of bank mergers. I ask unanimous consent that an explanation of the bill, prepared by me, be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1062) to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking, introduced by Mr. ROBERTSON (for himself, Mr. FULBRIGHT, and Mr. CAPEHART), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. ROBERTSON is as follows:

STATEMENT BY SENATOR ROBERTSON

I have introduced a bill to authorize the national banking agencies to regulate bank mergers on the basis of uniform standards involving both banking and competitive factors. It would prevent bank mergers which might lessen competition unduly or tend unduly to create a monopoly in the field of banking.

This bill has been considered by the Senate before. It is the same as S. 3911, 84th Congress, which was the subject of hearings before the Senate Banking and Currency Committee in June 1956, and which the committee reported on July 16, 1956, and the Senate passed on July 25, 1956.

The bill is also the same as section 23 of title III of the financial institutions bill, which passed the Senate on March 21, 1957. This provision was included in the bill reported by the committee and it was specifically considered and approved by the Senate.

The Treasury Department, the Federal Reserve Board and the Federal Deposit Insurance Corporation supported these proposals in the 84th and 85th Congresses, and the Treasury Department has now recommended the bill again.

Many bank mergers have taken place over the past few years, and others are now under consideration. It is unfortunate that, because final action was not taken on either S. 3911 or the financial institutions bill, the national banking agencies have not had uniform and clear authority to regulate or control, on the basis of both banking and competitive factors, all of these mergers which involved national banks, State member banks, and State nonmember banks insured by FDIC. These bills would have given the agencies such authority.

At the present time the situation with respect to bank mergers is both complicated and confused. There are gaps in the controls exercised by the national banking agencies, and even where the power of approval is given, the standards are not clearly spelled out. Uniform regulation under clear standards would be helpful to the public, the banking authorities and the banks.

All bank mergers are subject to sections 1 and 2 of the Sherman Act, but I understand no proceedings have ever been instituted under these sections against a bank merger or consolidation.

Bank mergers by stock acquisition are prohiibted by section 7 of the Clayton Act, but, as national banks and members of the Federal Reserve System are prohibited from acquiring stock in other banks, and as this is generally the case under State laws, section 7 means little in the case of bank mergers.

The approval of the Comptroller of the Currency is required for banks (state or National) to merge into a national bank, but no specific standards are set forth in the statute to guide him in his consideration of the application.

No bank insured by FDIC may merge with an uninsured bank without obtaining the permission of FDIC; and no insured bank may merge with another insured bank without obtaining the approval of the Comptroller of the Currency, the Federal Reserve Board, and the Federal Deposit Insurance Corporation, as may be appropriate, if the capital stock or surplus of the resulting merged bank will be less than the aggregate capital stock and surplus of all the merging banks. No specific standards are set forth in the statute to control the consideration of these applications.

The approval of the Federal Reserve Board is required before a State member bank may establish a new branch. The Board is engaged in litigation to determine whether this requirement applies to a case where two banks merged, and wish to continue to operate some or all of the branches formerly operated by the two merging branches, and if so whether competitive factors may be weighed.

The bill I have introduced replaces these complicated provisions by a simple rule. Every bank insured by FDIC would have to get advance approval before it could acquire the assets of another bank by merger, consolidation, or absorption through the purchase of assets and assumption of liabilities. This consent would be obtained from the appropriate banking agency, the Comptroller of the Currency for national banks, the Federal Reserve Board for State member banks and the FDIC for State nonmember banks.

In passing on these applications, the banking agency would consider the banking factors specified in section 6 of the Federal Deposit Insurance Act—the financial history and condition of the bank, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community to be served by the bank, and whether or not its corporate powers are consistent with the purposes of the Federal Deposit Insurance Act. In addition, the responsible banking authority would be specifically required to consider whether the effect of the acquisition might be to lessen competition unduly or to tend unduly to create a monopoly. The banking authority would be required to consult with each of the other banking authorities, in the interests of uniform standards, and it would be authorized to request the opinion of the Attorney General with respect to the application.

My bill differs from the proposal which has been made by the Antitrust Division of the Justice Department. They would subject bank mergers by acquisition of assets to the provisions of the Clayton Act applicable to mergers of ordinary business corporations, where unrestricted competition is the rule. Unrestricted competition, however, has not been the rule in the banking industry, for many years. The approval of a charter for a national bank by the Comptroller, the admission of a State bank to membership in the Federal Reserve System, and the admission of a State bank to the Federal Deposit Insurance Corporation, are not matters of routine. The financial history and condition of the bank, if already existing, the general character of its management and the convenience and needs of the community to be served must all be considered. And once in business, the bank's activities are carefully regulated by many agencies—the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and, in the case of State banks, the appropriate State bank supervisor. The Government has a vital interest in the Nation's banks as suppliers of funds, as depositories, and as fiscal agents. Commerce, industry, and private citizens have a vital interest in banks as a source of credit needed for development and growth. Depositors have a vital interest in the safety of their deposits.

All these considerations make it impossible to require unrestricted competition in the field of banking, and make it impossible to subject banks to the rules applicable to ordinary industrial and commercial concerns not subject to regulation and not vested with a public interest.

But, while unrestricted competition in the field of banking would be disastrous, I am also convinced that a measure of control, based on uniform standards involving both banking and competitive factors, is necessary. The Senate Banking and Currency Committee, for these reasons, has twice reported, and the Senate has twice passed, legislation which would provide for control over bank mergers, to be exercised by the responsible and informed banking agencies.

The Senate Banking and Currency Committee, which has jurisdiction over all proposed legislation relating to banking, will be asked to consider this proposal for a third time. I am hopeful that this time constructive legislation on this important issue will be enacted.

REGISTRATION AND PROTECTION OF TRADEMARKS

Mr. DIRKSEN. Mr. President, I introduce, for appropriate reference, a bill to amend the act to provide for the registration and protection of trademarks used in commerce, and so forth.

This is a matter which has been before the Senate Judiciary Committee. In connection with the bill, I submit, and ask to have printed in the RECORD, a short statement, which I also ask unanimous consent to have appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD, and appropriately referred.

The bill (S. 1063) to amend the act entitled "An act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946, with respect to proceedings in the Patent Office, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on the Judiciary.

The statement presented by Mr. DIRKSEN was referred to the Committee on the Judiciary, as follows:

STATEMENT BY SENATOR DIRKSEN

I have introduced, for appropriate reference, a bill to amend the act entitled "An act to provide for the registration and pro-

tection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946, with respect to proceedings in the Patent Office.

The proposal, which has the approval of the trademark committee of the Patent Law Association of Chicago, Ill., amends the act providing for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, etc., by providing that any person paying the prescribed fee may file with the Commissioner a declaration expressing his intent to use in commerce a particular mark.

It requires the declaration to contain a drawing of the mark and a specification of the goods in connection with which it is intended that such mark be used. It further directs the Commissioner, unless there is a registration or pending application for registration of the same mark, to publish in the official Gazette (a) the mark; (b) the specified goods or services; and (c) the name and address of the declarant.

The bill provides that during the 6 months period immediately following the date the Commissioner has published a mark pursuant to the foregoing, no application for the registration of such mark under the preceding provisions of this section on the part of any person, other than the person whose mark was published shall be acted upon by the Commissioner.

It permits more than one person to file a declaration with respect to a certain mark but prohibits the second and each succeeding publication of such mark from taking place until 6 months after the date of the last preceding publication of such mark, and sets the filing fee at $15.

AREA ASSISTANCE ACT OF 1959

Mr. DIRKSEN. Mr. President, I also introduce, for appropriate reference, the administration bill dealing with area redevelopment and assistance to distressed areas. The legislation proposed by the administration to establish a program of Federal assistance to areas of substantial and persistent unemployment has been transmitted to the Senate by the Secretary of Commerce, with his recommendation for its enactment. I believe it will provide adequate Federal participation in local efforts to achieve the diversified economy necessary for an area to overcome long-standing difficulties.

In connection with this statement, Mr. President, which will be short, I also submit a statement explaining the purpose of the bill, and dealing with the conditions under which this proposed legislation would function. I also send forward the bill itself. Therefore, I ask unanimous consent that these statements be printed in the RECORD in connection with my remarks, and that the bill be appropriately referred, but first lie on the desk for some portion of the current week; and I put on notice Senators who may wish to join in sponsoring this proposed legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statements will be printed in the RECORD.

The bill (S. 1064) to assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on Banking and Currency.

The statements presented by Mr. DIRKSEN are as follows:

STATEMENT BY SENATOR DIRKSEN

Legislation proposed by the administration to establish a program of Federal assistance to areas of substantial and persistent unemployment has been transmitted to the Senate by the Secretary of Commerce with his recommendation for enactment.

I believe that this program will provide adequate Federal participation in local efforts to achieve the diversified economy necessary for an area to overcome long-standing difficulties.

As has been stated by the President in seeking such legislation, there is a recognition of a responsibility of the Federal Government to assist these areas which have not shared in periods of prosperity enjoyed by our country generally. Participation by and interest of the troubled areas and of the States in which they are located, however, provides and should continue to provide the main drive toward overcoming their difficulties by use of local resources including human resources.

Specifically, the proposal would authorize Federal loans on a second mortgage basis to help finance development of lands and facilities for industrial usage, the construction of new factory buildings, or the alteration, conversion, or enlargement of existing buildings for industrial use.

It would authorize grants in the amount of $1.5 million annually for technical assistance including studies to evaluate the needs and to develop potentialities of areas of substantial and persistent unemployment. An equal amount would also be available to assist efforts to decrease the economic vulnerability of towns predominantly dependent on one industry, small towns which could serve as centers for economic diversification of rural areas of underemployment, and rural low-income areas.

Technical assistance on the use of the labor force in areas designated under the proposal would be provided by the Secretary of Labor, and the Secretary of Health, Education and Welfare would assist in the vocational training or retraining of such labor force.

Authority would be provided to allow areas of chronic labor surplus certain benefits under existing housing programs including priorities for loans for public facilities and other special considerations for industrial developments.

Fostering, promoting, and development of our Nation's industry and commerce are duties we have lodged with the Secretary of Commerce. These duties are closely related to the new program to be undertaken. The Department of Commerce presently has an Office of Area Development engaged in helping these very communities within the limits of general authority of the Department. For these reasons, the proposal would center responsibility for carrying out the proposed program in the Secretary of Commerce.

Under this proposal, with the guidance of the Secretary of Commerce, there would be focused on the problems of these communities the total coordinated capabilities of all Federal agencies which can make contributions to full use of resources of these areas.

I believe that this proposed program, including the program of Federal loans to State and local development companies which was passed by the Congress in the last session, will provide the incentive and assistance necessary to enable these areas of chronic unemployment to work out their problems and share in the general high level of prosperity of our Nation.

With respect to the adequacy of the loan fund of $50 million to do the job, there are several points that should be made:

First, it should be remembered that this bill is confined to local unemployment areas of long standing that need redevelopment and assistance. These areas are definitely limited in number and are generally well known. Other bills that purport to deal with vast rural areas of low income which become almost regional in nature require a much greater fund to be adequate to serve the needs of this much greater coverage.

A second point is that the administration bill limits the Federal participation to 35 percent of project costs. This is on the legitimate assumption that sound projects can secure 50 percent of their financing from private sources, banks, or insurance companies. The private loans up to 50 percent would have the security of a first mortgage, whereas the Federal loans up to 35 percent would be in a second position. Finally, the communities and States are asked under the terms of the bill to make a third contribution of 15 percent. Other bills which commit the Federal Government to a position of up to 65 percent obviously require double the funds.

A third point is that the administration bill does not provide loans for machinery and equipment. Loans are extended only for the factory building itself. Machinery and equipment loans in most instances would exceed the amounts necessary for the building. Other bills do commit the Federal Government to make loans for machinery and equipment unnecessarily, since special payment terms can be negotiated with manufacturers of such machinery in most instances.

Finally, it is believed that the $50 million revolving fund is adequate in the light of the experience which the State of Pennsylvania has had with a law not too dissimilar from the one which the administration here is proposing. When the experience is translated into national terms, the $50 million fund is certainly adequate to cover the first 7 or 8 years of experience under this act and probably more.

AREA ASSISTANCE LEGISLATION

Purpose: The purpose of legislative proposals in this field is the establishment of a Federal program of assistance—technical and financial—to areas of substantial and persistent unemployment.

Cost: Under the administration bill, authority would be provided for a loan program with up to $50 million outstanding at any one time. Grant programs of technical assistance, including studies, at the rate of $3 million per year, would be authorized. Our preliminary estimate is that the program in its first year would involve administrative expenditures of $1,400,000 insofar as the Department of Commerce, wherein responsibility for the program would be centered, is concerned.

S. 3683 (the Douglas bill of the 85th Cong.) which was disapproved by the President after the last session of Congress, and which presumably will provide the basis for other proposals on this subject, would provide for a $200 million limit on loans outstanding for industrial and rural redevelopment areas; $75 million annually for grants for public facilities; $4.5 million annually for technical assistance; and necessary administrative expenditures.

Based upon our appraisal of the current situation, we are convinced that the amounts requested in the administration bill are adequate to meet current needs. The relative amounts of funds authorized by the two bills are not a true measure of the relative effectiveness of the two proposals. The program is new. It faces a number of problems, such as the effective limitation on the use of Federal funds to further "industry snatching" from one community for the benefit of another. Only experience will demonstrate the funds ultimately needed.

Duration: Neither program has a fixed expiration date.

Conditions imposed on loans: Under the administration program, loans could be on a second mortgage basis and could be for terms of 25 years, and would cover up to 35 percent of the cost of purchase and development of land and facilities including construction or rehabilitation of buildings for industrial use. Interest charged would reflect cost of money to the Government, administrative expenses of the loan program, and a reasonable reserve for probable losses.

Under S. 3683, loans could also be on a second mortgage basis, could be for terms of 40 years, could include machinery and equipment, and would cover up to 65 percent of the cost. The need for these terms has not been shown. Interest rates would be at an artificially low rate—cost of money to the Government plus one-fourth of 1 percent.

It should be noted that the administration proposal would require at least 15 percent of the cost to be provided locally with security therefor to be subordinate to security for Federal loans. Under similar circumstances, S. 3683 would require 10 percent participation by a State or local agency or organization, and 5 percent of the cost would be supplied by nongovernmental sources.

Public facilities: The administration proposal would provide a first priority for loans to these areas for public facilities from the existing $100 million loan fund of the Housing and Home Finance Agency. S. 3683 would authorize $75 million annual grants for these facilities. The greater local participation which is envisioned by the administration proposal is a fundamental policy difference in the two proposals. The aim of the administration proposal is to help communities which are helping themselves.

Criteria: Differences in the criteria used for singling out areas entitled to consideration under the loan program and other benefits of the act show clearly another major difference between the bills. The criteria of the administration proposal are tailored for the sharply defined objective of helping those communities suffering from chronic economic difficulty.

Rural and other areas: Rural areas where there exist the largest number and percentage of low-income families, and a condition of substantial and persistent unemployment or underemployment would be provided a loan program of $100 million by S. 3683. Such an area would also be eligible for grants for public facilities.

Under the administration bill, all areas of the United States would be the beneficiaries of the fully coordinated cooperation of Federal agencies in promoting the most effective use of local resources, in the establishment of new industries based on local resources, and in the expansion of existing industries. Such cooperation is to be provided through technical advice and consultation and, when necessary, through the conduct of special studies.

Further, these agencies, including the Department of Agriculture, would also focus their services on the difficulties of low-income rural areas for the purpose of developing effective ways to increase their income.

Grants of $1.5 million annually for technical assistance, including studies, to decrease the economic vulnerability of towns predominantly dependent on one industry, small towns which could serve as centers for economic diversification of rural areas of underemployment, and rural low-income areas by helping them to develop manufacturing, processing, and other activities calculated to diversify and improve their economies would be authorized.

Rural low-income areas which qualify as areas of substantial and persistent unemployment would be eligible for direct loan benefits described below.

Grants for technical assistance: The administration bill would authorize grants of $1,500,000 annually for technical assistance, including studies evaluating the needs of, and developing potentialities for, economic growth to areas of substantial, persistent unemployment. These grants would be in addition to the grants to rural areas for technical assistance mentioned above.

S. 3683 would authorize a program of technical assistance to be performed by the Government with authority to contract for outside assistance.

Labor and HEW: The Departments of Labor and HEW would provide similar help in the two proposals directed toward better use of human resources and training of the labor force of the areas.

CRITERIA FOR DESIGNATING AREAS ELIGIBLE FOR LOAN PROGRAM UNDER S. 3683 (85TH CONG.)

INDUSTRIAL REDEVELOPMENT AREAS

Twelve percent of labor force unemployed during 12-month period preceding application; 9 percent during 15 months of preceding 18 months; or 6 percent during 18 months of preceding 24 months.

Also, if the Commissioner determines that causes of unemployment are not temporary in nature in an area and there has been unemployment of 15 percent during the 6 months preceding, he may designate such an area as eligible.

RURAL REDEVELOPMENT AREAS

Those rural areas within the United States where there are the largest number and percentages of low-income families and a condition of substantial and persistent unemployment. Considerations shall include: Number of low-income farm families in various rural areas of the United States, the proportion of such low-income families to the total farm families of such an area, the relationship of income levels of the families in such an area to the general levels of income in the United States, the current and prospective employment opportunities in each such area, and the availability of manpower in each such area for supplemental employment.

UNDER ADMINISTRATION BILL

(1) Rate of unemployment in the area, excluding that due primarily to temporary or seasonal factors, is currently 6 percent and has averaged at least 6 percent for the qualifying time periods specified in (2) below; and

(2) The annual average rate of unemployment in the area has been at least:

(a) Fifty percent above the national average for 4 of the preceding 5 calendar years, or

(b) Seventy-five percent above the national average for 3 of the preceding 4 calendar years, or

(c) One hundred percent above the national average for 2 of the preceding 3 calendar years; and

(3) Nonagricultural employment in the area has declined, or has shown a smaller increase than in the country as a whole, during the preceding 5 calendar years: *Provided*, That no area shall be excluded by the requirement of this subsection if the annual average rate of unemployment in that area for 3 of the last 4 years exceeds 8 percent.

(b) In the case of labor market areas for which appropriate historical labor force data have not been compiled, the Secretary of Labor shall certify as eligible for designation as areas of substantial and persistent unemployment those areas in which the unemployment rate and duration, based on a survey of available labor force data, generally equal or exceed the rate and duration specified above.

TENTATIVE LIST OF MAJOR AREAS THAT COULD QUALIFY FOR FEDERAL ASSISTANCE AS AREAS WITH SUBSTANTIAL AND PERSISTENT UNEMPLOYMENT UNDER VARIOUS LEGISLATIVE PROPOSALS [1]

Proposed administration bill 19 major areas

Indiana: Evansville, South Bend, Terre Haute.
Massachusetts: Fall River, Lawrence, Lowell,[2] New Bedford.
Michigan: Detroit, Muskegon.
New Jersey: Atlantic City.
New York.
North Carolina: Asheville.
Oregon.
Pennsylvania: Altoona, Erie, Johnstown, Scranton, Wilkes-Barre-Hazleton.
Rhode Island: Providence.
Tennessee: Knoxville.
Washington.
West Virginia: Charleston.
Wisconsin.

Douglas-Payne Bill (S. 3683, 85th Cong.) 29 major areas

Indiana: Evansville, Terre Haute.
Massachusetts: Fall River, Lawrence, Lowell, New Bedford.
Michigan: Detroit, Flint,[2] Grand Rapids, Lansing,[2] Muskegon.
New Jersey: Atlantic City.
New York: Utica-Rome.[2]
North Carolina: Asheville, Durham.
Oregon: Portland.[2]
Pennsylvania: Altoona, Erie, Johnstown, Scranton, Wilkes-Barre-Hazelton.
Rhode Island: Providence.
Tennessee: Knoxville, Chattanooga.
Washington: Spokane,[2] Tacoma.[2]
West Virginia: Charleston, Huntington-Ashland.
Wisconsin: Kenosha.

---

[1] This listing is preliminary and tentative, and is based largely on data for September, 1958, as compiled from bimonthly area labor market reports prepared in connection with the Bureau of Employment Security's program for classification of areas according to relative adequacy of labor supply.

[2] Borderline.

Area Assistance Act of 1959—Minimum estimates of personnel and other expenditures

	1st year				2d through 5th years (annual rate)			
	Man-years		Total	Cost	Man-years		Total	Cost
	Professional	Clerical			Professional	Clerical		
Administration:								
Executive direction	8	7	15	$130,000	8	7	15	$130,000
Administrative, legal, accounting	10	15	25	130,000	20	30	50	260,000
Loan activities	15	10	25	160,000	30	20	50	320,000
Economic development and area analysis	25	15	40	260,000	50	30	80	520,000
Field operations	15	10	25	215,000	50	30	80	700,000
Subtotal	73	57	130	895,000	158	117	275	1,930,000

Area Assistance Act of 1959—Minimum estimates of personnel and other expenditures—Con.

	1st year				2d through 5th years (annual rate)			
	Man-years		Total	Cost	Man-years		Total	Cost
	Professional	Clerical			Professional	Clerical		
Administration (continued)								
Expenditures for all purposes other than personal services				$500,000				$500,000
				1,395,000				2,430,000
Total			[1]	3,000,000				3,000,000
Grants for technical assistance								
Loans (capital funds).[2]								

[1] $2,000,000 expenditures, $1,000,000 obligated.
[2] $50,000,000 area assistance fund available for duration of program.

Executive direction: Directs the overall program, including formulation of program policies; direction of all program and administrative activities of the administration, insuring Federal program coordination through the Area Assistance Advisory Board, and the like.

Administrative, legal, and accounting: Managerial functions, including organizational planning and methods and procedures analyses; administrative servicing; legal services, including a general counsel and staff; and budgetary control and accounting service, including a comptroller and staff.

Loan activities: Process loan applications, make necessary investigations, and carry out accounting and other details involved in the loan program.

Economic development and area analysis: Develop area aids and studies for field staff; studies of industrial location advantages of labor surplus areas, successful community experiences in industrial financing, new technology available from Government research of use to labor surplus area firms, and Federal programs useful in local development.

Field operations: Counsel community and area development groups on such matters as industrial surveys, industrial districts, methods of financing industrial growth, growth industries, how to establish small industries, and similar matters.

All nonpersonal services expenditures: Estimate covers all costs of operation except compensation as such, including lease or rental of office space if required, purchase of furniture and other office equipment and office machines, payment of utility bills, travel and transportation of persons and things, procurement of program equipment of all kinds, printing of publications, etc.

SURVEY TO ASSIST IN PROMOTING PRODUCTION OF CONCENTRATED IRON ORE AND STEEL

Mr. LANGER. Mr. President, on behalf of myself and Senators YOUNG, of North Dakota, HUMPHREY, MCCARTHY, MANSFIELD, MURRAY, MUNDT, and CASE of South Dakota, I introduce for appropriate reference, a bill to direct the Director of the Office of Defense Mobilization to conduct a particular survey in order to assist in promoting the production of concentrated iron ore and steel and for other purposes.

My colleague from North Dakota [Mr. YOUNG] and I agree that all interested officials in the State of North Dakota on the State level, as well as the congressional delegation in Washington, have been very much interested in finding ways and means of bringing industry into the State of North Dakota. This new proposed plan, which will utilize the vast lignite fields of North Dakota, is a major step in bringing industry to the State of North Dakota and greatly strengthen the economy of the entire State, as well as the States of Montana, South Dakota, Minnesota, Wisconsin, and Michigan.

The vast low-grade iron deposits of the Mesabi Range in northern Minnesota, Montana, Wisconsin, and northern Michigan, and the billions upon billions of tons of lignite in the North Dakota, Montana, and South Dakota fields available for surface mining are certain to become of major importance to the future economy of the entire United States and at the same time meet the pressing needs of iron and steel for defense and security purposes and the huge Federal highway program, and other domestic purposes.

The search for an adequate source of suitable carbon for manufacture of glmite explosive which was proposed for use for blasting taconite rock on the iron range led to the conviction that production of char as fuel for the Minnesota, Wisconsin, northern Michigan, and Montana iron mining industries would be feasible only if it was a part of a larger industrial picture. The reduction of aluminum in North Dakota using lignite as a power source had heretofore been competitively unpracticable because of higher transportation costs.

However, this factor will be overcome when industries are located in North Dakota and South Dakota and in the iron range sections of Minnesota, Wisconsin, northern Michigan, and Montana which will provide full loads for hopper railroad cars on both east and west hauls. It is proposed that bauxite be brought from the Caribbean, up the Atlantic Ocean through the St. Lawrence Seaway to the head of the Great Lakes; thence shipped by rail to North Dakota for reduction to aluminum at the fields of low-cost lignite coal.

The back haul could be both lignite char and/or aluminum pigs. The char would be utilized in producing explosives on the iron range, and for the general fuel for the iron-mining industries.

Joint utilization of railroad cars through employment of the same rolling stock (hopper ore cars) for the movement of the combination of fuels and iron and aluminum ores visualizes a complete round trip between North Dakota and Minnesota iron mines of loaded hopper cars of approximately 1,000 miles and points in the States of Montana, South Dakota, Wisconsin, and northern Michigan.

After unloading the bauxite, the ships then would be reloaded with iron ore for shipment to steel industries at Lake Erie ports, and then reloaded with cargoes of products produced from the Great Lakes area which constitutes 42 percent of manufacturing industry of the United States of America for discharge at south Atlantic U.S. ports and Caribbean ports. After discharge of such cargoes the ships would be in the vicinity of bauxite source in the Caribbean for reloading bauxite for the Great Lakes area.

The fact that there will always be full capacity cargo loads for returning aluminum ore ships to the Caribbean provides payloads in both directions and such cargoes will be immediately available for reloading when such ore ships are available for receiving same, means low rate shipping costs for each of the cargoes.

By establishing standard hopper car trains suitable for transportation of the three commodities, the Mesabi iron ore to the head of the Great Lakes, the transportation of bauxite ores to western North Dakota and South Dakota and transportation of lignite from North Dakota and South Dakota to the Mesabi Range to Montana, and other iron ore fields in Wisconsin and northern Michigan makes possible a vast saving in the rail transportation costs of each of the three commodities.

It is further noted that the Mesabi Range iron ore deposits of low grade will be available for production in our domestic steel industries, and that means that this Nation will have available domestic iron ores in unlimited volumes for 200 years ahead for the security of United States as well as for domestic use.

Also, the production of various chemical products and char fuel from lignite coals, when established in combination with aluminum production, iron and steel industry on the Mesabi Range, will be limited only by the market at the Mesabi for lignite char.

Lignite char has about the same B.t.u. content as bituminous coal, and it is very conceivable that char for fuel at the Mesabi Range can be made available for less cost for the production of kilowatts and heat on the Mesabi than can be realized by the use of bituminous coal.

This bill has been drafted directing the Director of the Office of Defense Mobilization to conduct a survey of national significance in the defense and economy of our country, to determine ways and means of affirming and encouraging the production of concentrated ore for steel and its related products from the sources of ore and lignite fuel from the States of North Dakota, Minnesota, South Dakota, Wisconsin, and other areas contiguous to the Great Lakes. Also, to find ways and means of making Great Lakes and St. Lawrence Seaway open the entire year.

Mr. President, I ask unanimous consent that the text of the bill be printed in full in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1067) to direct the Director of the Office of Defense Mobilization to conduct a particular survey in order to assist in promoting the production of concentrated iron ore and steel, and for other purposes, introduced by Mr. LANGER (for himself and other Senators), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Whereas the production of steels and related products are and will be of vital need to the defense and the economy of our country; and

Whereas there is an abundance of iron ore in the Mesabi Range in Minnesota, Wisconsin, Michigan, and Montana; and

Whereas there are extensive deposits of lignite fuels in the States of North Dakota, South Dakota, and Montana which are essential for the future recovery and concentration of low-grade iron ores and further direct production of iron and steel in the States of Minnesota, Wisconsin, Michigan, and Montana and for other purposes relating to the defense and economy of the country; and

Whereas the transportation facilities afforded by the Saint Lawrence Seaway and the Great Lakes, especially if available during the entire year, and the contiguous railways of the area, will promote a tremendous expansion of the facilities for industries aiding the economy and the national defense of this country; and

Whereas coordination of production and transportation facilities must be generated by effective surveys and studies tending to bring groupings of various industries in the coordination of their common problems: Now, therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Director of the Office of Defense Mobilization is hereby authorized and directed to conduct a survey of national significance in the defense and economy of our country to determine ways and means of affirmatively encouraging the production of concentrated iron ore for steel and its related products from the sources of ore and fuel contiguous to the Great Lakes areas, including means of making the Great Lakes and the Saint Lawrence Seaway available for transportation during the entire year. The Director of the Office of Defense Mobilization is directed to report the result of such survey to the Congress and to make such report public within ninety days after the date of enactment of this Act.

RECODIFICATION OF CHAPTER 19 OF TITLE 5 OF UNITED STATES CODE ENTITLED "ADMINISTRATIVE PROCEDURE"

Mr. ERVIN. Mr. President, on behalf of the senior Senator from Maryland [Mr. BUTLER] and myself, I introduce, for appropriate reference, a bill to be known as the "Code of Federal Administrative Procedure." This is the same bill that Senator BUTLER and I introduced in the 85th Congress, 2d session, as S. 4094.

This bill would at its effective date, 180 days after its enactment, supersede the Administrative Procedure Act of 1946. The 1946 act, in the drafting of which the American Bar Association played a major part, was recognized at the time as being, not the final solution of the manifold problems of procedure in administrative legislation and adjudication, and of judicial review of administrative action, but a major step toward solution, which would require reappraisal as its merits and shortcomings became known through experience.

This is one of a number of related bills prepared by the American Bar Association after long and detailed study following the report in 1955 of the Commission on Organization of the Executive Branch of the Government, the Second Hoover Commission, and its Task Force on Legal Services and Procedure. The present bill is particularly closely related to the Federal Administrative Practice Act, S. 932, 85th Congress, 1st session, introduced by the distinguished senior Senator from Missouri for himself and for the distinguished senior Senator from Wisconsin, which would among other things set up an independent Office of Federal Administrative Practice and provide new improved measures for the recruitment, appointment and administration of Hearing Commissioners.

It is, I think, universally recognized that the Administrative Procedure Act of 1946 has accomplished much, and all for the good. But it is equally clear that there is much still to be done before there can be that degree of public confidence in the fairness and responsibility of administrative action on which effective government in the end depends.

The present bill represents the considered and expert judgment of the American Bar Association, in the light of more than a decade of experience under the 1946 act, as to desirable changes in the text of that act. Since its provisions are so numerous and wide in coverage, I cannot commit myself in advance to support them all in detail. I am, though, convinced that the bill's purpose is vital. The widespread conferring of legislative and judicial functions on administrative agencies, justified though it be, calls for the most careful attention to the procedures by which the administrator is to exercise those functions, by which the parties affected are to be given fair opportunity to know and to make their views known, and by which the courts are to be enabled to exercise that ultimate control on which our system of government is based.

I can think of no more important matter for the earnest consideration of the Congress than the subject matter of this bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1070) to recodify, with certain amendments thereto, chapter 19 of title 5 of the United States Code, entitled "Administrative Procedure," introduced by Mr. ERVIN (for himself and Mr. BUTLER), was received, read twice by its title, and referred to the Committee on the Judiciary.

COVERAGE OF PHYSICIANS UNDER TITLE II OF SOCIAL SECURITY ACT—ADDITIONAL COSPONSOR OF BILL

Mr. DODD. Mr. President, I ask unanimous consent that the name of the distinguished junior Senator from Oregon [Mr. NEUBERGER] may be added as a cosponsor of the bill (S. 1025) to provide for the coverage of physicians by the insurance system established by title II of the Social Security Act, introduced by me on February 12, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

PAYMENTS TO LOCAL GOVERNMENTS IN LIEU OF TAXES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 3, 1959, the names of Senators CANNON, MOSS, BARTLETT, KEATING, HRUSKA, CARLSON, CLARK, CURTIS, ENGLE, BENNETT, MANSFIELD, BIBLE, ALLOTT, MCCARTHY, RANDOLPH, ANDERSON, MURRAY, JORDAN, HART, MCNAMARA, YOUNG of North Dakota, and SALTONSTALL were added as additional cosponsors of the bill (S. 910) to authorize the payment to local governments of sums in lieu of taxes and special assessments with respect to certain Federal real property, and for other purposes, introduced by Mr. HUMPHREY (for himself and other Senators) on February 3, 1959.

DISCLOSURE OF CONFIDENTIAL COMMUNICATIONS BY CLERGYMEN AND NEWS REPORTERS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of February 6, 1959, the name of Mr. HUMPHREY was added as an additional cosponsor of the bill (S. 965) to provide that clergymen and news reporters shall not be required to disclose confidential communications in Federal courts or before committees of Congress, and for other purposes, introduced by Mr. KEATING on February 6, 1959.

VOLUNTARY RETIREMENT PLANS BY INDIVIDUALS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 9, 1959, the names of Mr. GRUENING, Mr. BARTLETT, Mr. COOPER, and Mr. YOUNG of North Dakota were added as additional cosponsors of the bill (S. 1009) to amend the Internal Revenue Code of 1954 so as to encourage the establishment of voluntary retirement plans by individuals, introduced by Mr. SPARKMAN (for himself and other Senators) on February 9, 1959.

NEW METHODS AND RATES OF DEPRECIATION FOR USED PROPERTY—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 9, 1959, the names of Mr. GRUENING, Mr. BARTLETT, Mr. COOPER, Mr. SCOTT, and Mr. YOUNG of North Da-

kota were added as additional cosponsors of the bill (S. 1010) to amend the Internal Revenue Code of 1954 so as to permit the use of the new methods and rates of depreciation for used property, introduced by Mr. SPARKMAN (for himself and other Senators) on February 9, 1959.

JUDICIAL PRECEDENTS IN ADMINISTRATION AND ENFORCEMENT OF INTERNAL REVENUE LAWS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 9, 1959, the names of Mr. GRUENING, Mr. SCOTT, and Mr. YOUNG of North Dakota were added as additional cosponsors of the bill (S. 1011) to designate judicial precedents which shall be binding in the administration and enforcement of the internal revenue laws, introduced by Mr. SPARKMAN (for himself and other Senators) on February 9, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SPARKMAN:

Address delivered by Senator BIBLE before Almas Temple Shrine Club, Washington, D.C., February 13, 1959.

By Mr. BRIDGES:

Editorial entitled "Bridges Right Again," published in the Nashua (N.H.) Telegram of February 10, 1959.

By Mr. RANDOLPH:

Excerpts from statement by him at the All-America City Award celebration, Huntington, W. Va., February 10, 1959.

By Mr. YARBOROUGH:

Resolution of the Guild of the Houston, Tex., Museum of Natural History, dated February 9, 1959.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today from the President of the United States the nominations of Mason Sears, of Massachusetts, and Benjamin Gerig, of Maryland, to be alternate representatives of the United States of America to the 13th Session of the General Assembly of the United Nations, and some 700 promotions and appointments in the Foreign Service of the United States.

Notice is given that the Committee on Foreign Relations, at the expiration of 6 days, in accordance with the committee rule, will give consideration to these nominations.

NOTICE OF HEARINGS BEFORE ANTITRUST AND MONOPOLY SUBCOMMITTEE OF THE COMMITTEE ON THE JUDICIARY

Mr. KEFAUVER. Mr. President, the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary tentatively plans to begin hearings on Tuesday, February 24, 1959, on S. 838 and S. 839. S. 838 was introduced by Senator O'MAHONEY and S. 839 was introduced on behalf of myself and Senator HENNINGS. The primary purpose of these bills is to supplement the Sherman Act and the Federal Trade Commission Act so as to prohibit automobile manufacturers from engaging in the businesses of financing and insuring automobiles purchased by consumers.

The subcommittee also tentatively plans to begin hearings on Tuesday, March 3, 1959, on S. 716 and S. 1003. S. 716 was introduced by me and S. 1003 by Senator WILEY. The purpose of these bills is to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws. I understand that Senator WILEY introduced his bill at the request of the Department of Justice. In his economic message to the Congress on January 20, the President recommended that such authority be enacted into law in order that a more effective enforcement program of the antitrust laws might be carried out by the Department of Justice.

Mr. President, the subcommittee also tentatively plans to begin hearings on S. 11 and S. 138 on March 17, 1959. S. 11 was reintroduced on behalf of myself and 24 cosponsors. S. 138 was introduced by Senator CAPEHART. S. 11 and S. 138, in similar if not identical form, have been the subject matter of considerable hearings by the Antitrust and Monopoly Subcommittee during the 84th and 85th Congresses. The purpose of S. 11 is to amend the Clayton Act so as to partially reverse the decision of the Supreme Court in the Standard Oil of Indiana case which was handed down in 1951. Senator CAPEHART's bill, S. 138, would basically enact into law the decision of the Supreme Court.

Mr. President, by virtue of this notice, those persons or parties desiring to be heard in support of, or in opposition to, any of these pieces of legislation should make known their desire by contacting me as chairman of the Antitrust and Monopoly Subcommittee.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that, pursuant to the provisions of title 42, section 2251, United States Code, the Speaker had appointed Mr. THOMAS, of Texas, as a member of the Joint Committee on Atomic Energy, on the part of the House, to fill the existing vacancy thereon, vice Mr. KILDAY, of Texas, resigned.

The message also notified the Senate that, pursuant to section 712(a)(2) of the Defense Production Act of 1950, Mr. SPENCE, of Kentucky, chairman, had appointed the following members of the Banking and Currency Committee as members of the Joint Committee on Defense Production, on the part of the House: Mr. BROWN, of Georgia, Mr. PATMAN, of Texas, Mr. RAINS, of Alabama, Mr. MCDONOUGH, of California, and Mr. HIESTAND, of California.

FORTY-FIRST ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. BUSH. Mr. President, I ask unanimous consent that a statement I have prepared commemorating the 41st anniversary of Lithuanian independence be printed in the RECORD following these remarks, and that following the statement there also be printed an editorial from today's New York Times entitled "Enslaved but Not Forgotten."

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUSH

Forty-one years ago the freedom-loving people of Lithuania revolted and threw off the yoke of slavery at Vilna, February 16, 1918.

Two years later, following World Wa. I, a treaty of peace was signed between Lithuania and Russia, July 12, 1920.

There was great rejoicing in Lithuania for the people believed that at last they were free to govern themselves after centuries of Russian aggression and suppression.

Then came recognition as a sovereign and independent state. The United States recognized the Lithuanian Government de jure, July 28, 1922, and to this day continues to recognize the Lithuanian Government as such.

But once again freedom for Lithuania was to be an elusive dream. Despite the conclusion of a peace treaty with that nation, Russia began her insidious aggression against her small neighbor by the usual methods of threats and intimidation. Thus it was in 1940, with the aid of a puppet diet under the thumb of its Soviet neighbor, a made-in-Moscow resolution was passed incorporating Lithuania into the Soviet Union.

It is to the credit of this Nation that the United States refused to recognize this annexation and continues to recognize Lithuania as an independent state with an accredited Minister in Washington with full rights, powers, and privileges.

Recently there was a Soviet visitor to our country—Anastas Mikoyan, Deputy Premier of Soviet Russia. He traveled around our country preaching peace. Upon leaving, he issued a series of statements saying rightly that the people of the United States desired peace. But—he added that it was our President and our State Department which desired to continue the cold war despite all evidence to the contrary.

In his press interviews and on television, Mr. Mikoyan, when asked about the right of the peoples in the satellite countries to free elections to determine their own governments, begged the question or stated they have that right and were exercising it.

Has he and his Government given the people of oppressed Lithuania the right to free elections to determine their own destiny? What is the situation there today? The truth of the matter is that Lithuania is a freedom-loving country—and has been for centuries—but is now occupied by a predatory nation. Ninety-eight percent of the people of Lithuania are non-Communists and are virtual slaves without rights or freedom.

If Soviet Russia, as Mikoyan and others in the hierarchy of Russia so piously proclaim, is an ardent defender of small nations, then I ask, why is she continuing to occupy Lithuania and her neighbors as well as Poland, Czechoslovakia, Rumania, Bulgaria, and Hungary whose freedom-loving people

she mowed down in cold blood while this same Mikoyan was in Budapest?

It is on deeds, not words, that the judgment of the free world rests.

Because we hold that nations cannot be held in subjugation forever—because we must hold the lantern of hope aloft that the day of freedom will dawn for these suppressed peoples, I introduced on January 20 a Senate joint resolution authorizing the President to issue a proclamation designating February 16 of each year as Lithuanian Independence Day.

Until the day of liberty dawns, in what I hope is the not too distant future—I feel that such recognition will not only keep the plight of Lithuania before the world but will give encouragement to all Lithuanians to keep the flame of freedom burning in their hearts and to know that their friends of the free world have not forgotten them.

It is my hope that my resolution will convey to them that we will use every moral and legal tool at our command to give her the independence for which she longs—and which she has fought so long to preserve—that she may have her independence in fact as well as in law.

When that happy day dawns, all of us will rejoice.

ENSLAVED BUT NOT FORGOTTEN

Forty-one years ago today the little ancient nation of Lithuania proclaimed her independence of Russia. Her neighbors, Estonia and Latvia, also announced their freedom, Estonia on February 24, 1918, Latvia in November. In 1940 all three were again subjugated by Russian troops and compelled to become Soviet Socialist Republics. They have had, therefore, 22 years of freedom and 19 years of servitude.

Even while Secretary Dulles was recuperating on Saturday from his operation, a previously prepared statement over his signature was going out to the press. In this he pointed out that in 1920 Russia had pledged herself "to renounce forever all rights of sovereignty in the three countries" and that she had made a similar promise in October 1939. He speaks from his sickbed, to us and for us, to "assure the people of Lithuania, Latvia, and Estonia that they are not forgotten." At the same time a proclamation from Governor Rockefeller makes this Lithuanian Independence Day and calls on all of us to join in its celebration.

We do not propose to go to war for the liberation of the Baltic States. Nor do the citizens of those states, still resident there or in exile in other lands, argue for the sort of nationalism that existed between the First and Second World Wars. What they do ask for is political, religious, and cultural freedom. They are as aware as the rest of us that such freedom can exist only in a world of freedom.

In the Baltic countries the path to a better future is still dark, but it is not lost and will not be. The day of the overlords will not last forever. The time will come when the three lost little nations will be able to come out and join us.

Mr. JOHNSON of Texas. Mr. President, 41 years ago, on February 16, 1918, the Lithuanians broke off all bonds with czarist Russia and established an independent Republic.

It would have been difficult to find another nation more deserving of freedom.

The Lithuanians carved themselves a place of honor in history by setting up a mighty state in the 13th century and maintaining it for 600 years against continuous Teutonic and Slavic attacks.

One hundred and twenty years of ruthless national and religious persecution imposed by Russia in 1795 did not dampen the spirit of resistance, nor did it suppress the desire to live as free men.

The independence period, 1918 to 1940, proved again that the Lithuanians were worthy of freedom. They developed a strong economy, made great strides in education and culture, and earned respect in the international community.

A coldblooded deal between Stalin and Hitler in 1939 not only plunged the world into a terrible war, but also brought an end to the independence of many peoples. Lithuania was occupied by Red troops in flagrant violation of nonaggression treaties.

But we all share the hope that Lithuania again will be free.

It is symbolic that the Lithuanian Independence Day nearly coincides with the birthday of our 16th President, Abraham Lincoln. He was the one who stood for the freedom of all peoples. It was he who denounced Russia for crushing the revolt in Hungary in 1849.

Let me conclude my brief homage to Lithuania with Abraham Lincoln's words:

No man is good enough to govern another man without that other man's consent * * *. Those who deny freedom to others deserve it not for themselves.

Mr. DODD. Mr. President, in all the annals of injustice and oppression, there is none more saddening or heart rending than the history of Lithuania.

For seven centuries, all the forces of evil aggression have combined against this little nation in an attempt to destroy it. Successive invasions by Teutonic knights, Tartars, czarist Russians, Communists, Nazis, and finally Communists again have made of Lithuanian history a series of terrible blood baths, each worse than the one before.

It has been Lithuania's special fate that invasion has invariably been accompanied by deliberate, organized programs of mass murder, extermination, and mass deportation that are unsurpassed and probably unequaled in their cruelty and severity.

All of the extremes of brutality, all of the devices of perverted minds, have been loosed against this little nation in a ceaseless attempt to destroy its national consciousness, its religion, its love of independence and freedom.

Yet, through it all, the Lithuanians have steadfastly maintained a religious faith, a national identity, and a yearning for independence that will surely be ultimately rewarded.

Through the ordeals of seven centuries, the Lithuanians have given constant testimony to the fundamental truth that man has an inborn yearning for freedom which cannot be destroyed or expunged.

This fundamental truth, will in the end spell defeat for Communist tyranny, if we keep faith with our ideals. That is the real meaning of this anniversary.

Forty-one years ago today, on February 16, 1918, the Republic of Lithuania proclaimed its independence. Two brief decades of liberty and progress followed to be tragically snuffed out by Communist treachery.

During World War II, the United States pledged, again and again, as a solemn war aim, that the independence of all peoples would be guaranteed.

We proved tragically unequal to the task of translating these guarantees into practical reality. But this failure does not end our moral responsibility to work ceaselessly toward the goal of the four freedoms for all men.

As a Member of the House, I served on the Select Committee To Investigate Communist Aggression which made an intensive study of Communist aggression in Eastern Europe. In the 17 reports of this committee, there is written the complete record of Red infamy, much of the story in direct eyewitness accounts. I wish every American could read these reports.

The Communist world is now engaged in a major campaign to make free men forget the Red atrocities of the past. Through cultural exchanges, good will ambassadors, offers of trade, and soft words, they seek to gain free world acceptance of the status quo in the world today, while they prepare for future aggression.

The passing years have dimmed the memories and stilled the consciences of many in the free world. Wearied of the cold war, anxious to reach accommodation with the Communists, many in important places have begun to urge policies that tacitly accept permanent Red domination of Lithuania and the other enslaved nations behind the Iron Curtain.

This anniversary of Lithuanian independence should remind all Americans that we cannot close the door on Lithuania's just claims to independence without betraying our solemn obligations and denying our own heritage.

I do not believe that the United States will ever abandon our moral commitment to eventual freedom for the satellite nations, and I am proud to add my voice to so many others today in pledging that we will keep faith with the forces of freedom everywhere in the world.

I ask unanimous consent to have printed in the body of the RECORD this morning's New York Times editorial entitled "Enslaved but Not Forgotten."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ENSLAVED BUT NOT FORGOTTEN

Forty-one years ago today the little ancient nation of Lithuania proclaimed her independence of Russia. Her neighbors, Estonia and Latvia, also announced their freedom, Estonia on February 24, 1918, Latvia in November. In 1940 all three were again subjugated by Russian troops and compelled to become "Soviet Socialist Republics." They have had, therefore, 22 years of freedom and 19 years of servitude.

Even while Secretary Dulles was recuperating on Saturday from his operation, a previously prepared statement over his signature was going out to the press. In this he pointed out that in 1920 Russia had pledged herself "to renounce forever all rights of sovereignty in the three countries" and that she had made a similar promise in October, 1939. He speaks from his sickbed, to us and for us, to "assure the people of Lithuania, Latvia and Estonia that they are not forgotten." At the same time a proclamation from Governor Rockefeller makes this Lithuanian

Independence Day and calls on all of us to join in its celebration.

We do not propose to go to war for the liberation of the Baltic States. Nor do the citizens of those States, still resident there or in exile in other lands, argue for the sort of nationalism that existed between the First and Second World Wars. What they do ask for is political, religious and cultural freedom. They are as aware as the rest of us that such freedom can exist only in a world of freedom.

In the Baltic countries the path to a better future is still dark, but it is not lost and will not be. The day of the overlords will not last forever. The time will come when the three lost little nations will be able to come out and join us.

Mr. ENGLE. Mr. President, today we again remember Lithuanian Independence Day.

Great changes have taken place in the world since Lithuania 41 years ago found her independence—and then lost it. Today we live in an age of missiles and nuclear submarines, an age of television and synthetics. It is an age that bears little resemblance to the world of yesterday. Yet one element has not changed. One element has remained fresh and unspoiled—man's urge for freedom. Today the people of Lithuania and of other captive countries are possessed of the same emotion as that which drove a small lonely group from the familiar rocks of England to find freedom on a strange rock off the coast of Massachusetts.

My colleagues and I are today joining many others in this country in expressions of sympathy and esteem for the men and women of Lithuania who have never accepted their subservient state. I hope that these expressions are not mere platitudes. I hope that they are manifestations of a genuine concern and interest, and that neither political nor diplomatic expediency will cause us to waver in coming to the aid of the people of Lithuania in their pursuit of freedom. If we should hesitate, let us remember William Allen White's words:

Wherever a free man is in chains, we are threatened also. Whoever is fighting for liberty is defending America.

Mr. DIRKSEN. Mr. President, for and on behalf of the Senator from Maryland [Mr. BEALL], I ask unanimous consent to have printed in the RECORD a statement on Lithuanian independence.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BEALL

Today, February 16, we commemorate the 41st anniversary of the independence of the gallant nation of Lithuania.

The opportunity for Lithuania to enjoy an independent and free status within the family of nations was unfortunately limited to a short span of only two decades. In 1940, the Russians annexed Lithuania into the U.S.S.R., as part of the Soviet pattern which followed immediately after World War II. Lithuania was a victim of the cold war.

During its tragically short period of independence, Lithuania held a respected position among the free nations of the world.

Since 1940, when they were annexed, the Lithuanian people have lived a life of horror. Although Lithuania seems sealed behind the Iron Curtain, yet some news filters through. Throughout this desperate period, they have held fast to their ideals. Resistance groups have bravely operated under the gravest hazards. Their resistance has been an inspiration to freedom-loving men and women everywhere.

In this country, Americans of Lithuanian descent have kept the torch of liberty burning. Lithuanian Americans are gravely concerned over the fate of their kin in the old country. These, our friends and neighbors, are grateful for our friendship for their people. They are grateful for our never having recognized the annexation of Lithuania into the Soviet Union. They are grateful for the Voice of America broadcasts to Lithuania in the Lithuanian language.

I think it is fitting, on the anniversary of the declaration of Lithuanian independence, that we in America once again declare our full support for the Lithuanian people in their fight for freedom.

We can never rest until freedom is restored to all people now living in Communist captivity.

Mr. LAUSCHE. Mr. President, today marks the 41st anniversary of the restoration of independence of Lithuania. It is entirely appropriate to recall the progress made by the peoples of Lithuania in all spheres of endeavor during the years of restored independence from 1918 to 1940, when the brave Lithuanians were forcibly incorporated into the Soviet Union.

Lithuania has contributed since the 11th century to the culture, science, and welfare of European civilization. Her poets, writers, statesmen, and scientists developed a national culture, and its citizenry cherished the traditions of liberty and scholastic learning.

Unfortunately, as we all know, these people live today behind an Iron Curtain of fear and oppression. Few Lithuanians are permitted by their Soviet masters to leave the country, and no visitors from the Western World are permitted to enter this Baltic State.

Yet, we know that the spirit of freedom and liberty still breathes in the hearts of all Lithuanians. The illustrious Lithuanian poet, Maironis—1862 to 1932—aroused the nation with his unmatched verses and inspired all Lithuanians with the love of their country, its language, and its people. He preached, through verse, the gospel of national resurrection, and even today his words continue to be a source of spiritual strength, a battle cry, and a promise of ultimate triumph.

Although Lithuanians are forbidden on this 41st anniversary to sing their national anthem, we are assured that Lithuanians everywhere today will repeat these words of consolation and strength written by Maironis:

Protect, O Almighty, our beautiful homeland,
The soil where we labor, where our fathers rest.
Thy fatherly mercy is boundless and lasting;
Hear us, Thine own children, long ages oppressed.
Forsake not our land, All Highest, while the fury rages;
For Thou art our hope and vision, now and through the ages.

All Americans, not just the Lithuanian Americans, share, I am sure, these sentiments and look forward to the time when Lithuania will, again, take its rightful place with the free nations of the world.

Mr. KEATING. Mr. President, nearly 19 years have passed since the barbarian hordes of Soviet Russia swept through Lithuania, reducing that small but significant land of freedom to a slave state incorporated in the Communist empire.

Today, however, we commemorate a happier anniversary in the history of Lithuania. For it was 41 years ago today that Lithuania proclaimed her independence.

It is well that we commemorate this event. It is fitting that we recall Lithuania's days of liberty. For the spirit of freedom, the love of liberty, the conviction that Lithuania shall one day be free once more lives on in the hearts of the Lithuanian people today just as it lived through more than a century of Czarist oppression.

Let us remember that Lithuania became a free land four centuries before America was even discovered. That freedom was lost in 1795, only to be regained in 1918. The same Russian imperialism that enslaved Lithuania before holds her in thrall today. The name of the oppressor's system of government is different—but the oppression is just the same, or worse.

Through 123 years of czarist rule, suffering all sorts of hardship, the brave Lithuanian people passed on from generation to generation their national traditions, their love of liberty, their ideal of national freedom and independence. Today's generations are no less steadfast in their determination that Lithuania shall once again know freedom.

No one can tell, precisely, when the Communist colossus will begin to disintegrate—and all captive nations including Lithuania shall once again have the opportunity to breathe free air. But this we do know—that communism contains the seeds of its own destruction. For men are not born to bow to oppression; to accept terror and dictation as their lot in life. Men are born to stand erect; to rule their own destinies.

And sooner or later, whoever stands in the way of humanity's realization of this birthright, must and will go down.

Just in the past few weeks, we have had two interesting examples of how cravenly the supposedly unconquerable lords of the Kremlin fear the truth.

Nikita Khrushchev talked with an American Senator, at length, and at one point made some indiscreetly critical remarks about his partners in international crime, the Communist overlords of China. The Senator, who had taken careful notes, reported what Khrushchev had said—and Khrushchev brazenly denounced the Senator as a liar. All the world knows, of course, who the real liar is.

And then Anastas Mikoyan, Khrushchev's second in command, blandly declared during his visit to this country that the crash of an American airplane in Soviet Armenia was merely a routine aircraft accident. Shortly thereafter, we released tape recordings of the radio conversations between Soviet fighter pilots which proved beyond a doubt that this unarmed American plane, which had wandered off course, had been

deliberately shot down in as brutal a murder as you will find anywhere in the record of Soviet infamy.

Now, of course, Moscow is denouncing these tape recordings as fakes, and claiming that we are liars. But all the world knows full well who the liars are.

No nation which must resort to falsehood as an instrument of high policy, that must enslave people in order to control them, that feels impelled to use mass murder can possibly survive. The history of tyrants is written in blood, in infamy and flames, and always, in the end, in self-destruction.

All over the world, at Quemoy, in Lebanon, in Jordan, and on many other fronts, the Communists have been learning that the days they could overrun and trample other peoples have long since passed. American policies of firmness and strength, American cooperation with her allies, stand as a bulwark that has checked the tide of Communist expansion. Slowly now, but someday soon more quickly, we will see the tide of communism beginning to recede.

Communist political strength in Italy and France, for example, has faded to a shadow of its former menace. Guatemala has been freed of the Communist yoke. Unrest behind the Iron Curtain, notably in Poland, Hungary, and East Germany, show how implacably the Communists everywhere are detested.

So in commemorating today the anniversary of Lithuania's independence, we engage in no futile exercise, no pointless nostalgia. Rather, we look confidently to the brighter future that must come to all brave people who remain steadfast to the principles of the brotherhood of man under the fatherhood of God.

I glory in the fact that the United States has never recognized the illegal seizure of the Baltic States by the Soviet Union. Thus, as we join in this observance of the 41st anniversary of Lithuanian independence, let us remind the world that this great Nation continues to regard Lithuania, Estonia, and Latvia as sovereign nations, looking to the day when they will again be as independent in fact as they are today in the hearts of their peoples.

Mr. SCOTT. Mr. President, today is the 41st anniversary of the independence gained by the people of Lithuania in 1918 after more than a century of struggle. American citizens contributed to that struggle and our Government promptly recognized Lithuania as a sovereign nation. The world watched with admiration for the next 22 years at the transformation which occurred as these people emerged from the conditions which years of tyranny had forced upon them.

But this little land was in the way of the German and Russian juggernauts during World War II and by 1944 a Russian reign of terror forced Lithuania into the Soviet Union. Then these war-ravaged people were subjected to purges, deportations, and forced labor of typical Communist savagery.

Commemorative occasions like this one serve to call attention again to the fact that the United States does not recognize the seizure of Lithuania by the Soviet Union and has no intention of changing its position about this act of tyranny. Our statements in the Congress are a reaffirmation of this Nation's desire eventually to see all captive lands of the Communist bloc free to choose their own forms of government. Let us hope that our words find their way back to the captive peoples and give them heart to continue their never-ending battle to regain their national dignity and personal freedoms.

Mr. CASE of New Jersey. Mr. President, today is the 41st anniversary of Lithuanian Independence Day.

On this occasion it is fitting that we who are blessed with the heritage of freedom pause for a few moments to consider the present plight of 3 million Lithuanians now behind the Iron Curtain, and to express our fervent hope that one day Lithuanians and other suppressed peoples may rejoin the free nations of the world.

Surely, few nations have suffered so terribly at the hands of oppressors. Tragically, Lithuania had only a period of 20 or so years of freedom. Partly with American assistance, Lithuanian patriots declared their national independence from czarist Russia in 1918. During the years between the two World Wars the young nation grew and flourished. Its ties with the United States were close. Then, in the dark days of World War II, Lithuania, like the other Baltic States, became the helpless victim first of Nazi and finally of Soviet occupation.

The United States does not recognize the forcible incorporation of Lithuania and the other Baltic States into the Soviet Union. By this policy, we express through diplomatic channels our indignation that the dream of freedom of a whole nation should be snuffed out by a ruthless conqueror.

Because the human channels between this country and Lithuania are blocked by rigid censorship, we can only hope that on this day the messages of the free world will somehow reach the captive Lithuanian people.

Mr. SALTONSTALL. Mr. President, the present situation in Lithuania is not only of grave concern to Lithuanian Americans, but to all Americans, for the country whose independence was reestablished on February 16, 1918, is now behind the Iron Curtain, with travel between Lithuania and the United States sharply restricted and communication difficult.

The Lithuanian people have great cause to be proud of their nation and have cause to be proud of the indomitable Lithuanian spirit still going forward today under foreign domination. Lithuanians and Americans look forward to the day when that nation will take her place in the family of independent, freedom-loving nations. The prayers in the U.S. Senate today will be echoed throughout the free world and silently felt by those who are not free to voice their prayers. May they be granted that freedom once again.

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the RECORD a statement which I have issued commemorating the 41st anniversary of Lithuanian independence, proclaimed on February 16, 1918, after her people had endured terrible suffering for many generations.

I believe that we, as American citizens and as U.S. Senators, should reflect upon the plight of the Lithuanian people today, once again suffering under the heavy hand of an aggressor—Russia.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BRIDGES

Forty-one years ago on February 16, 1918, there was great rejoicing in Lithuania. After centuries of oppression, invasion, and cruel tortures of minds and bodies, the peoples of Lithuania proclaimed their freedom.

Acquiring statehood in 1200 A.D., Lithuania's historical record was one of individual liberty, of culture, of freedom of religion, and of the press. These freedoms and culture first came under the Nazi heel of oppression and then were followed by Russian domination. Despite all this, the flame of liberty never flickered in the hearts and ideals of the Lithuanian people.

Lithuania, during the Middle Ages, was a powerful nation. She turned back the warring Germans, Mongols, and Tartars successfully. Finally, in 1795, she lost her freedom to Czarist Russia and from that date to 1918 she constantly defended herself against Russia and Germany in an effort to regain her freedom.

When that day of glory came, Lithuanians everywhere thought that the terrible yoke of slavery had been removed forever. On that February day in 1918 the United States, Russia, Germany, and other nations recognized Lithuania. The Russians gave up all claims on her.

The few short years of her liberty once more gave to the world her age-old culture and the fruits of her industry. No one dreamed that the flame so recently rekindled would once more be extinguished by the treacherous act of Soviet Russia.

The occupation of Lithuania by Red Russia was in direct violation of the treaty of 1926—in direct violation of the peace pact, the nonaggression pact, and the mutual-assistance pact with Russia which guaranteed Lithuanian independence—of Russian noninterference in the domestic, social, and economic order of that country. That treaty was never disavowed and legally it is still in force between Lithuania and Soviet Russia.

As we have since found out, treaties and pacts mean nothing to Communist Russia and by the violation of this treaty the free world knows that there is vain hope of a peaceful coexistence with Soviet Russia for any state which is helpless against her aggressions.

It is only one more example of the continuous disregard of Red Russia's solemn international commitments and agreements. Not only Lithuania, but all the small Baltic States which concluded such treaties with the Soviet Union have now been forcibly incorporated into Red Russia.

It is to the everlasting credit of all the free nations as well as our own United States that this forcible incorporation has never been recognized. Instead this aggressive act has been denounced for what it is—a brutal taking over of smaller, more helpless nations in direct disregard for international law and the commitments of Soviet Russia itself.

Since the illegal and tyrannical incorporation of a once free State has taken place, what are the conditions? Today, in Lithuania hundreds of thousands of Lithuanian men, women, and children have been annihilated or deported under the guise of volunteer labor to Soviet Russia to build Soviet

industries. Few Lithuanians are permitted to leave their country except to be deported to Soviet slave-labor camps. Visitors are not allowed in to see the appalling conditions of this once free nation.

That those Lithuanians left in that unhappy country—only half of the 3 million population before annexation—may know that they are not forgotten, the Voice of America broadcasts messages to them in their own language.

At every opportunity, this Nation exposes the real motives behind any Soviet so-called peace offensive, for by the exposure of such actions as those they have taken against Lithuania and other countries with whom they had solemn treaties and pacts under international law, the true face of Russia is revealed.

Freedom cannot always be repressed. History illustrates that tyranny contains the seeds of its own destruction.

I join my prayers and hopes to those Lithuanians whose cultural attainments, whose energies and skills have added so much to the richness of our own Nation, that the dawn of a new day of liberty and justice for their captive country and peoples will not be long in coming—that Lithuania will once more take her proud place in the family of free nations.

THE COMING CRISIS IN GERMANY

Mr. MANSFIELD. Mr. President, last Thursday I addressed the Senate on the coming crisis in Germany. The remarks precipitated a considerable amount of editorial and other comment in the press.

I am grateful for the reactions, Mr. President, whether they express agreement with my observations, as some do, or disagreement, as do others. As I noted in my speech last Thursday, "What I suggest may not be valid in the light of the greater understanding of others. It is one Senator's views based on what he has read, what he has heard, what he has tried to reason. It is, in short, the course which suggests itself to me on the basis of the understanding which I have been able to draw out of the confusion and complexity of the German situation. I can be wrong and I stand ready to accept a better illumination of the problem through discussion and debate in the Senate."

The flood of comment on my remarks Mr. President, persuades me that the need for the remarks was very real. What matters most is not whether what I said is approved or disapproved in whole or in part. What matters most is that there be a full discussion of this situation, which, obviously, contains within it the seeds of a world-shattering war.

We have needed this discussion, which is now beginning to gather momentum. We have needed the outspoken thought—the deepest thought—of American citizens on this vital issue. We have needed it for a long time. The hour is already late. If my remarks have helped to pull the plug which has kept this thought bottled for too long then they will have served their purpose.

That, may I say, was the sole objective of my remarks. I regret that, in some quarters, the nine points which I enumerated have been labeled a "program" or a "plan" for Germany. I, myself, described these points as my personal view of the essentials of a sound Western policy for the coming crisis in Germany. Between the essentials of a policy and the policy itself there is a large area of detail which must be filled in the light of the actual problems involved in seeking solutions. This is the area of give and take, of mutual concessions.

Believe me, Mr. President, I do not underestimate the enormous task of those who must carry on these negotiations with the Communists. It seems to me certain, however, that the chances for the success of these negotiations will be enhanced if we have clearly in mind, before they begin, what is, and what is not, essential to the nation and to the survival and strengthening of freedom in the coming crisis.

Let me say again, most of the raw material, the basic source for my remarks, is to be found in the daily press which I am in the habit of reading. I have in my hand, Mr. President, various extracts from the press, as well as a sampling of editorial opinion, both favorable and unfavorable, on my speech of last Thursday. I have arranged these extracts to coincide with the nine essentials of a sound Western policy on Germany which I listed in my remarks last Thursday. I ask unanimous consent that these press extracts be printed at this point in the RECORD.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

POINT 1

[From the New York Herald Tribune, Nov. 25, 1958]

THE BERLIN MANEUVERS

(By Walter Lippmann)

The most likely explanation of what the Soviet government is up to in Berlin is, it seems to me, to make the West Germans more willing to deal with the East Germans. The fact of the matter is, of course, that the two sets of Germans are already negotiating at what is called the technical level, as the trade agreement announced on Friday reminds us. The Soviet government's policy calls for a broadening of these negotiations with a view, eventually, to a political agreement for a limited reunification of the two German states.

When I was in Moscow in October I had a talk with the Foreign Minister, Mr. Gromyko, and when we got to the German question, I asked him what was the Soviet view of how the Germans could be reunited. Without hesitation he replied that this could be done only by a "confederation"—he was speaking English—in which each of the two German states could retain its own social institutions. Like Mr. Khrushchev, whom I had seen the day before, Mr. Gromyko maintained that German reunification by confederation would have to be brought about by negotiation between the two Germanys.

The advocacy in Moscow of a German confederation seemed to me very significant in view of the fact that last March, when I was in Bonn, I had heard the same thing in so many and in such high quarters. The State Department, to be sure, continues to repeat the old official formula that Germany should be reunited by free elections in which, of course, the Communist regime would be demolished and East Germany would be absorbed into the West German state. But I doubt whether there are many responsible men in West Germany who would want Germany to be reunited in this way, even supposing that the Russians would permit it.

For the two Germanys have developed very differently and the attempt to integrate them would now be enormously difficult. It would be a heavy burden for the West Germans and very probably there would be considerable resistance to it in East Germany. There are other reasons why few responsible West Germans wish to have integration in a unified state. For integration would change radically the balance of religious forces and of the political parties.

Seen realistically, and not through the fumes of the official formula, the alternatives are, on the one hand, the formation of some kind of dual state and, on the other hand, the continuing partition of the German nation.

I read the news of the Berlin maneuvers against this background. Mr. Khrushchev, who is nobody's fool, is certainly aware that there is a strong and growing sentiment in West Germany in favor of expanded negotiations with East Germany. There is already a lot more talk among the two sets of Germans than the official policy of non-recognition contemplates, and there is no doubt at all that there would be still more talking, were it not for the respect and the fear in which Dr. Adenauer is held.

So the Soviet idea of negotiations leading to confederation is one to which the West Germans are by no means unreceptive. When Dr. Adenauer leaves the scene, the idea has an excellent chance to become a live issue. Mr. Khrushchev is one who likes to ride the waves of the future.

There is, of course, no way of telling what will be the immediate course of the maneuver in Berlin. But it would be surprising indeed if the Soviet Government, though it withdrew its own forces, did not keep the East German Government under strict control. For it is committed to defend the East German Government if it is attacked, and that makes it reasonably certain that Moscow will restrain the East Germans from doing things which might provoke an attack. There is no reason at all to suppose that Moscow thinks that on the German question the United States is a "paper tiger."

I do not think, therefore, that the Soviet objective is to blockade us and force us out of West Berlin. They know that would mean war. Their objective, I believe, is to demonstrate to the West Germans in particular that the Soviet Government has, and that the Western allies do not have, a realistic and reasonable solution of the German question.

You cannot, the old saying goes, beat a horse with no horse. The Soviet idea of confederation is a horse, perhaps a poor horse, but unmistakably a horse on which a growing number in both Germanys would be willing to place their bets.

But our idea of free elections to be followed by the integration of East Germany into the West German state is no horse at all. For one thing, the Russians will not agree to free elections. For another, the West Germans do not want integration. And very probably, moreover, a very large number of East Germans, who are socialists though not Communists, also do not want integration and would fight against it.

Lacking a policy of our own for the unification of Germany, we have become hysterically attached to the status quo. It often looks as if we were not quite sure of the distinction between hardening of the will and hardening of the arteries.

[From the Wall Street Journal, Dec. 1, 1958]

THE BERLIN TRAP

The latest Kremlin proposal on Berlin, though doubtless intended to confuse the Western enemy, is actually a transparent trap which the Western Powers are most unlikely to fall into.

Originally the Russians said they were going to turn over their control rights in Berlin

to the East Germans, and they implied they were going to do it immediately. Now they say they won't do it for 6 months, and if the Western Powers will just be reasonable everything can be worked out amicably.

By being reasonable the Soviet mean the West should agree to pull out of the city and make West Berlin a free city, its freedom guaranteed by the Soviet puppet state of East Germany plus, perhaps, United Nations observers. In other words, they are merely asking the West to abandon Berlin to the Communists, and the West is not about to buy that.

But maybe it would be useful to try to explain why American, British, and French firmness—refusal to be driven out of Berlin by pretext or force—is the only possible policy in this situation.

This newspaper questioned the U.S. position regarding the other two recent international crises, Lebanon and Quemoy. Lebanon affords no parallel with Berlin, because, among other things, it involved no confrontation of American and Communist troops. Quemoy, however, might seem an almost exact parallel—like Berlin an outpost in a Communist-dominated area, and a place where American and Communist forces could clash. The Communists themselves make the analogy.

And it is true that if the Chinese Communists had actually tried to invade Quemoy, instead of just shelling it, the United States probably would have had to help the Nationalists repel the invasion. Our point, though, was that it was dubious strategy for the United States to become so deeply committed to a purely peripheral position of no value to the defense of Formosa, and we questioned whether such a place was worth a major war. It would have been a different matter if Formosa itself were under attack.

That, we think, is the big difference between Quemoy and Berlin. Berlin is not peripheral. It is the very heart and focus of the Western position in Europe. Without doubt the United States and its allies were foolish not to have taken Berlin before the Russians could get there in World War II, foolish also ever to have assumed that the city could be run on the basis of cooperation with the Soviets. But all that milk was spilled long ago.

To abandon Berlin now would be to crumble the moral foundations of Western policy, with serious practical consequences for West Germany and West Europe. If the West were not to stand in Berlin, the very microcosm of the cold war, then it is indeed hard to see where it should stand or why we are spending $40 billion a year on the Pentagon.

Moreover, it is possible that firmness has already paid a dividend. Difficult though it is to interpret Soviet behavior, the Russians have at least put off a showdown for half a year, and that has the earmarks of retreat. The West can use that time to good advantage. It can expose the fraud of the Soviet proposal on Berlin and it can also demand that the Russians agree to the unification of Germany through free elections in both parts of the divided nation. Even though nothing is likely to come of that demand, its repetition could serve to make the Kremlin uncomfortable.

Then if the Soviets resort to force come next June, the West will have to stand up to that too. It is more probable, though, that firmness will pay off again, and that the Soviets will not choose to start a world war that soon.

In any case, we can be thankful that the Berlin issue is not smudged with doubts as were Lebanon and Quemoy. This time the issue is as clear as it is basic.

[From the Washington Post, Dec. 18, 1958]

ON SEIZING THE INITIATIVE

(By Walter Lippmann)

At this point in the NATO Conference in Paris there is a deadlock between Russia and the Allies on all aspects of the German question. We refuse to discuss Berlin except as part of a discussion of the two Germanys. Khrushchev insists that we should discuss Berlin but not the two Germanys. Only the two Germanys, he says, can discuss the future of Germany. Everybody on both sides is standing firm. But, as things are now, the initiative in the next moves is in Khrushchev's hands. It is the loss of the initiative which we should take very seriously.

For having the initiative, he is able to maneuver, making all sorts of small but resounding moves, none of them important enough to justify a forcible reply by the West. Suppose, for example, that he begins by ending the Soviet military occupation of East Berlin. It will be impossible for the West to demand that the Red army reoccupy East Berlin. We cannot be in the position of insisting that the Red army occupy some territory from which it is willing to withdraw. Suppose Khrushchev turns over his powers to the East German Government, and we find that as our trucks arrive at the check points, there is waiting for us there, instead of a Soviet official, an East German official to look at the documents and to stamp them so that the trucks can proceed. Just as we cannot say to the Russians that they must keep their army in Berlin, so we cannot say that we will not allow our papers to be stamped by an East German official, if he is doing nothing to interfere with our free access to West Berlin.

Because the Russians have the initiative, they can use cat-and-mouse tactics at Berlin, and, without any overt act of violence, they can confuse and weaken the whole position of the West.

The Adenauer-Dulles policy is purely defensive, and in a diplomatic struggle as in warfare itself, a defensive strategy without the prospect of a breakout, is demoralizing.

What is more, the policy of standing pat on the German question—which is in fact the policy of Dr. Adenauer and Mr. Dulles—is very dangerous. For there is the ever-present possibility of disorder and uprising in East Germany, and a high probability that the West German forces would then be sucked in, bringing NATO and the Soviet Union to an open clash.

I think it likely that the fear of such a crisis in Germany is the main, not the only, reason why Khrushchev has posed the Berlin problem at this time, that is to say before all the problems of West German rearmament have been definitely settled. It is true, as so many say, that West Berlin presents an annoying contrast to East Berlin. It is also true that this contrast might help to provoke the kind of uprising in East Germany which might be uncontrollable.

We in the West have an interest in maintaining our presence in West Berlin. On the ground of our honorable commitments, on the ground of our political interests, on the ground of general European security, we have to maintain our presence in Berlin in order to make sure that Berlin becomes again the capital of a reunited Germany. But we have an interest, also, in getting a settlement of the whole German question before there is in East Germany a popular outbreak which could lead to a great war.

To protect these interests we need to regain the initiative, and instead of reacting to Khrushchev's actions we need to compel him to react to ours. There is a way to do this. But it involves, as any bold forward strategy does, risks. The initiative can be regained by challenging Khrushchev to show that he will in fact permit the two German governments to negotiate a plan of German reunification. He is always saying that this is what he wants. But is he prepared to go through with it, if, instead of rejecting his offer, we took him up on it?

What are the risks of such a move? Perhaps the greatest risk, which may for the time being be too great a risk, is that it would damage severely Dr. Adenauer's prestige in Germany. He has been ardent in opposition to the idea of a negotiation by the two Germanys. But just under the surface, the idea has wide support in West Germany, even in his own party, even in his own government. Yet he is almost certain to resist the idea to the end, and the United States is too deeply committed to force such a change of policy on the grand old man.

Nevertheless, if there is any other way of dealing with the German question, which includes Berlin, I wish somebody in authority would say what it is. Everybody knows that the two Germanys cannot now be integrated by the old formula of free elections, not only because the Kremlin will not permit it but also because neither of the two Germanys is willing to accept the troubles which integration would now cause.

There is reason to doubt whether Russia, if it were put up to her, would in fact agree. If Russia does not agree, we would at least have the initiative and the preponderant moral influence in central Europe. If she did agree, there is no reason to suppose that the West Germans, with their greater numbers and greater wealth and power, are incapable of negotiating successfully with the East Germans.

[From the New York Times, Dec. 3, 1958]

BERLIN: A WESTERN PROGRAM

The Soviet threat to drive the Western troops out of Berlin presents the Western powers not only with a challenge but also with an opportunity.

The challenge has been promptly rejected. The Soviets are on notice that the Western powers will stand on their rights and honor their commitments. These commitments call for the defense of free Berlin.

But the rejection of the challenge is not enough. Berlin is only part of a much larger problem, called Germany, and the German problem itself involves not only German reunification but also European security, armament control and the security of the Western World. The "close link" between these interdependent problems was readily acknowledged at the Geneva summit meeting meeting and no proposal for a solution in Berlin can ignore it.

It is in this respect that the Western Powers now have an opportunity to take the initiative by working out and presenting a solution that will commend itself to the decent opinion of mankind. The West has of course, already done much along this line, but usually only in general principles or piecemeal, which made it easier for the Soviets to reject the Western proposals. What is needed is a broad, comprehensive and fairly detailed program covering all the related fields, a program which will tie the loose ends together and present a concrete working and negotiating basis, even to the point of draft treaties.

Such a program must, of course, meet two essential conditions. It must be in accord with the principles of freedom which are incorporated in the United Nations Charter. It must also be agreed upon by all the Western Powers, which are allied but do not always see eye to eye on all things. That is a formidable task. But the task should not be beyond Western statesmanship, and the rise of West Germany as a new postwar factor in the European balance of power might well permit a new approach to the problem.

[From the Cleveland Plain Dealer, Jan. 28, 1959]

UNITED STATES HAS 21 SOLUTIONS FOR BERLIN CRISIS

(By John P. Leacacos)

WASHINGTON, January 24—Under the spur of the recent visit of Soviet Vice Premier Anastas I. Mikoyan, the U.S. State Department has come up with at least 21 variations for a Berlin solution, a highly placed source told the Plain Dealer today.

The American theoretical alternatives will be thrown into a pot with French, British, and West German ideas as the Western allies start serious preparations for eventual negotiations with the Soviets. There also will be suggestions from the other 11 NATO members.

The practical outlook—with emphasis on the "practical"—for the working diplomats is as follows:

First, what can be done on a new status for West Berlin or for all Berlin, depending on how much "give" the Russians show across the conference table.

The irreducible United States points are a truly independent status for the city and guaranteed access of supply.

All the allies are agreed on the need to talk to the Soviets. The question is: How?

Even the West Germans, always fearful that something may be done behind their backs, appear to agree that the West must move off dead center and show, if nothing else, a new presentation on the problem of Berlin and German unification.

Second, what to do if the Soviets stay tough and do turn over their functions and responsibilities to East Germany.

Then, there would frankly be hell to pay. The allies are widely divided. Indeed, there is no firm plan among any of the Big Three (plus Bonn) on what to do if the Russians call the Western hand.

The Americans alone are determined not to quit Berlin except in a legitimate deal. The British are cautious and think above all of their coming election and a victory for the Macmillan government.

The French are simply waiting till Gen. Charles de Gaulle makes up his mind as to the historic thing to say.

The United States and Britain fear de Gaulle may gang up with the Germans for a special solution. De Gaulle wants intimate German participation in expansion of the French African economy; in short, he offers Germany colonies in Africa which she lost in World War I.

GERMANS FACE FACTS

The Germans realize they cannot stay rigid forever. They must help originate new proposals for the fate of what, after all, is their own country. The trick is to maintain postwar Germany's Western orientation. This is what Chancellor Adenauer is most inflexible about.

But Adenauer, as he advances into the eighties, is a source of deep anxiety to the Americans. Confidential reports say he can work only 2 hours a day at his urgent tasks. Skepticism grows as to what influences may surround him. Some suspect that German egos may, in the end, be won over by Russian wooing to creat a combine that could dominate the world.

In the State Department, differences of opinion exist on the middle level of technical experts. No consensus of top staff recommendations has been reached, Secretary of State Dulles has given no one a tipoff as to what he really thinks.

CHANCES LOOK SLIM

What Dulles tells ambassadors who call on him is this:

The West will have to talk to the Russians. But there is very little "hard data" to make a deal within Europe. Yet an attempt will have to be made.

The room for maneuver is over Germany and Eastern Europe.

Maybe not a permanent German solution, but perhaps interim steps. Take confederation, the Soviet notion, for instance.

Some common denominator has to underlie any joining of East and West Germany, common currency, army, commerce, or foreign policy. What should it be—and for how long?

Though some U.S. diplomats veer from the prospect of plunging into debate over details with the Soviets, a growing body of senior opinion today says that a grassroots Missouri-type of mule trading is inevitable.

WHAT PRICE TO PAY?

Westerners also tend to leave the issue of Eastern Europe alone because of the known intransigent Soviet stand. But the Russians by open implication always bring it up, as in the Rapacki plan for denuclearizing and/or demilitarizing all central Europe. To the Moscow Reds, Germany and Eastern Europe are always one strategic package.

In the end, the issue boils down to this, as one eminent diplomat expressed it:

"We have a strength in our hand in West Germany. The Russians have a weakness on their hands in Eastern Europe. Giving in for a demilitarized Germany is too high a price to pay for a liberated and neutral Eastern Europe."

[From the Christian Science Monitor, Feb. 10, 1959]

BERLIN: CONCESSIONS MUST MATCH

So far as public statements can go, the result of Secretary Dulles' trip to Europe seems to be agreement on a proposition which should have been obvious—but which in practice needed serious emphasis.

This is the point stressed by Chancellor Adenauer that on the questions of Berlin or the future of Germany there can be no concessions by the West without corresponding concessions by the Soviet Union.

Put the other way around, this means that the Western Powers are willing to negotiate but that they refuse simply to cave in where the security of Berlin is concerned. The visit of Mayor Willy Brandt of West Berlin to the United States gives Americans a fresh sense of the importance of keeping alive communications with that redoubt behind the Iron Curtain. He has pointed out graphically how the Communist proposal for a "free" city would "free" it of its freedom.

Moscow proposes to turn over to a Communist puppet government the Soviet functions in control of transport in East Germany. If the West is to assent to this modification of postwar agreements there should at least be guarantees of corridors the East German regime will respect. Indeed, if Britain, France, the United States, and West Germany are to deal to this extent with the pseudo-government in East Berlin, it should be only to obtain resultant gains for freedom of travel and trade through all East Germany.

The old confrontation of positions between East and West over German reunification may well end again in deadlock even if there are negotiations over Berlin. Moscow insists on confederation of unlikes in the East and West German Governments, which would be a sellout of self-determination from the Western point of view. And Moscow has not come up with any substitute for the Western formula of free elections—which it dare not accept.

If discussions in a four power East-West conference should extend to reduction of military establishments in central Europe, the rule of two-way rather than one-sided concessions should certainly apply. Soviet spokesmen repeatedly advocate that Germany should be demilitarized and possibly placed under enforced neutrality.

Germans themselves have a right to a voice in matters of their own military and foreign policy. But it is possible to assume that West Germany would be willing at least to renounce nuclear arms in return for denuclearization of a corresponding area east of the Elbe River line. To be comparable in population and industrial potential the Soviet-bloc area in such an atomic ban should include not only East Germany but also Poland, Czechoslovakia, and possibly Hungary.

These are enough examples to illustrate the meaning and importance of two-way rather than one-way concessions. A further word of warning is in order, however.

Even if bargaining should go so far as to encompass a drawback of ground troops from a central European buffer region, the free world should not infer a relaxation of tensions that would permit them safely to relax their military preparedness. The rocket-rattling speeches of Premier Khrushchev and Marshal Malinovsky at the recent party congress in Moscow make it abundantly clear that expansion is still a tenet of communism.

[From the Christian Science Monitor, Feb. 12, 1959]

WEST READIES REPLY TO SOVIETS—"FLEXIBILITY" SPELLED OUT

(By Neal Stanford)

WASHINGTON.—While the West's position on Berlin, Germany, and European security are "flexible" this term must be spelled out carefully.

Evidences of flexibility are, in fact, more important than they first seem.

By agreeing to have Poland and Czechoslovakia join in certain talks the West recognizes the Soviet claim to parity in East-West negotiations.

By agreeing to East Germany's presence at any talks having to do with Germany (along, of course, with West Germany's presence) the West gives a certain de facto recognition to that Soviet satellite.

RESPONSIBILITY SPELLED OUT

By agreeing to discuss anything on these issues that the Soviets wish to raise (assuming, of course, reciprocity), the West agrees to give serious consideration to the Soviet-backed Polish Rapacki Plan for a nuclear-free zone in Europe and various schemes for thinning out forces in that area.

It is the West's position that Berlin and Germany's future is only the responsibility of the Big Four—and of course Germany itself.

Thus if a Big Four foreign ministers' meeting were to be arranged sometime in late April or May there would be East-West parity when talks centered on European security but the old 3–1 representation when Berlin and Germany were the order of the day.

As was anticipated, the Western note now being prepared will reject Moscow's proposal to make West Berlin a "free city." Except that the West is opposed to any such idea it might try to win a certain propaganda advantage by countering that if Berlin is to be a "free city" then it should include both East Berlin as well as West Berlin.

The Soviets have already gone on record as unalterably opposed to putting their sector of the city into a "free city" plan.

GENEVA OR VIENNA?

Moscow had proposed that this possible East-West conference be held either in Warsaw or Prague. The West is going to counter with proposing it meet either in Geneva or Vienna, with Geneva the first choice.

The deadline toward which all this negotiating points is May 27, the date on which Moscow warned it would turn over administration of the corridors to West Berlin to East Germany unless some steps had been

taken by East and West to settle their differences by then.

By that time U.S. Secretary of State John Foster Dulles fully expects to be back at the helm at the State Department. His confinement at Walter Reed Hospital is variously expected to range from 4 to 6 weeks. That means he would be back by April and ready to lead any mission to Europe.

Also, it is recalled the Secretary made clear that he expected to spend much of his time at the hospital working on the German and Berlin questions. In other words the plans, the preparations, the spade work, will be continued. And the President and his Secretary are expected to be in frequent communication during this period.

RUMORS ACTIVE

But despite full official expectation that the Secretary will emerge from his operation and hospital stay, rumors continue to fill the capital of his possible resignation or a change in his status. One change that he himself might welcome would be to continue as the President's chief foreign policy adviser as Secretary but let others (i.e., Christian Herter and C. Douglas Dillon) take over the administrative chores and lesser diplomatic assignments.

Now that East and West are moving toward diplomatic discussions of these basic issues—Berlin, Germany, European security—even Secretary Dulles' major critics are rallying to his defense and going so far as to suggest he is now really indispensable.

As one of them, Walter Lippmann, said this week in his syndicated column: "There have been times in the past when things were at the end of a chapter, and he could with grace and dignity have made way for a younger man. But not just now. This is a period when things are moving toward a climax, after which the world may be very different, and he himself is at the climax of his career."

POINT 2

[From the New York Times]

TO REUNITE BERLIN—A FREE CITY, CAPITAL OF AN ALL-GERMAN CONFEDERATION, ENVISAGED

TO THE EDITOR OF THE NEW YORK TIMES:

Premier Khrushchev has proposed that West Berlin be made a free city without foreign troops. May I suggest that in dealing with this development American spokesmen refrain from returning the eternal negative and advance some constructive, positive ideas of their own? Why not urge that all of Berlin, West and East, be converted into a free city with a United Nations police force and guaranteed communications by land, water and air with West and East Germany.

East Berliners work in West Berlin. West Berlin gets some of its electricity from East Berlin. An urban railway, part subway, part elevated, connects the two segments of the city. Even today movement between them is relatively unhindered. There is every reason to make the city whole again.

Such a reunited free Berlin might become the capital of an all-German confederation. Moscow and the East German Communist Government have repeatedly demanded this confederation. The West German Government of Dr. Adenauer has as often rejected it on the ground that there can be no union with the U.S.S.R.'s East German puppet state.

Moscow, moreover, insists that in the two-Germanys confederation East Germany be allowed to retain its social achievements, by which the Kremlin undoubtedly means nationalized industry, a one-party system, labor discipline without effective trade unions, etc.

FUTURE OF EXPERIMENT

I recognize the incongruity and practical difficulty of marrying the West German elephant with 50 million inhabitants to the East German seal with 17 million. Nevertheless, the experiment might succeed. West Germans could enter such a strange association with full confidence. It would not be long before East German workers would ask for free trade unions.

Instead of standing firm on free elections as a condition for German reunification—something Moscow has often rejected—why not reunify first in the faith that democracy is so attractive and compulsive, especially to people who have lived under a dictatorship, that the East Germans will soon find a way of forcing their masters to agree to free elections? I have no fear that the Communist handful in East Germany, even with Russian encouragement, could swallow the West German giant.

CREATION OF COUNCIL

I can imagine how the proposed all-German confederation would work. There would be no need for Dr. Adenauer to meet or consult with the leaders of East Germany. West and East Germany would continue to function as before in their respective capitals. But a new confederal council would be created in reunified Berlin consisting of West and East Germans to deal with all-German trade, travel, post, telephone and telegraph communications, the free entry of newspapers and other printed matter, radio broadcasts and similar questions.

In time a single stable currency might be established for both parts of Germany, the assumption being that the good would drive out the bad. Ultimately, Germany might achieve reunification on this installment plan faster than if we wait for an agreement among the great powers.

As part of the bargain for a free reunited Berlin and a two-Germanys confederation West Germany might recognize the present western boundary of Poland and establish diplomatic relations with the Gomulka regime. This would serve other desirable ends. Once these steps had been taken, a favorable climate would be created for further negotiations on armaments.

No surrender on West Berlin is a necessity, but it is not the ultimate and only wisdom. Firmness without flexibility is sterile and could be dangerous. It seems that Moscow is ready to negotiate, else Mikoyan would not have come here and acted as he has. America should have a counterplan.

LOUIS FISCHER.

[From the New York Times]

POLICY FOR BERLIN—REPLACEMENT OF ALLIES BY BONN IN WESTERN SECTOR PROPOSED

To the EDITOR OF THE NEW YORK TIMES:

While your editorial of January 28 is thought provoking, this writer is unable to agree with your basic approach—that the Berlin impasse must be solved within the context of a general settlement with the Soviets on Germany or even on Europe. By contrast, he feels that what may be attainable at this time is a limited agreement on Berlin alone. If successful, it may decontaminate the atmosphere and open the way to a more comprehensive rapprochement. American policy should proceed on the following assumptions:

The reunification of Germany on Western and Bonn terms—free elections in both parts for the creation of an all-German democratic government, conclusion of a peace treaty with Bonn, and united Germany's freedom to remain in the Western military alliance—is impossible at this time. Consent to the establishment of a dynamic nation of 75 million people, equipped with nuclear weapons, would be suicide for the Soviets. Confronted with a militarized Germany pressing for the rectification of her borders mutilated by defeat would permanently rally the Poles and the Czechs behind the Soviets.

BONN'S CLAIM

The claim of the Bonn government, endorsed by the West, to represent all of Germany and to derive therefrom the right to ignore the existence of the German Democratic Republic, a going concern as a state, if not without moral justification, is utterly unrealistic.

In view of these hard realities the only feasible policy of the West can be that of letting the two German segments work out their own solutions. For the time being their socioeconomic divergences may render a genuine confederation impracticable and call for gradualism. Cooperative working agreements have been in force between them for years on many technical matters.

If, for the time being, a global settlement of the German issue is beyond realization for breaking the Berlin impasse, two approaches may merit attention. In each case the overriding consideration must be the preservation of the freedom of the courageous West Berliners.

One would be to expand the Soviet proposal of establishing a free city of Western Berlin. Such a regime, comprising all of Berlin could be created under United Nations auspices and supervision, and the allies would withdraw. Appealing as this proposal may seem at first, the disastrous experience of the Free City of Danzig under the League of Nations is too discouraging to recommend a repetition.

TRANSFER OF RESPONSIBILITY

The other contingency consists in the transfer of the responsibility for Western Berlin from the allies to the Bonn government, where it rightfully belongs, and the replacement of the allied by Western German military forces. This operation of changing the guard, underwritten by the four powers and the two German governments, should be based on ironclad guarantees for free communication with the West.

The obvious dangers inherent in this proposal should not be minimized. They are counterbalanced, however, by their advantages in the long run. The Soviets may even be willing to consent, as the price for the allied withdrawal from Berlin, to the inclusion of Eastern Berlin in the government of Greater Berlin. The Bonn government may find it to its advantage to drive a wedge into the Iron Curtain and, by establishing workable contacts with the eastern regime on a limited field, develop Berlin into a testing ground for further political cooperation on a larger scale.

Obviously this bold proposal calls for the abandonment of frozen thought pattern and sterile legalisms in both Bonn and the West. On the part of Dr. Adenauer it will require a statesmanlike reappraisal of his orientation. The Berlin situation is bound to become more untenable. Time is working for the Soviets.

KARL LOEWENSTEIN.

AMHERST, MASS., *January 20, 1959.*

[From the Baltimore Sun, Feb. 14, 1959]

BONN STUDIES PARLEY CALL BY MANSFIELD—GERMANY PAYS CLOSE ATTENTION TO BID FOR ZONE TALKS

(By Bynum Shaw)

BONN, February 13.—Senator MANSFIELD'S nine-point program for the reunification of Germany through direct negotiations between the Bonn Republic and the Communist Pankow regime stirred up great interest here today.

Heretofore the average German has not paid a great deal of attention to reunification proposals made outside the administration in the United States, but MANSFIELD'S ideas were given front-page play in the newspapers here and set off discussions even in the beer halls where many Germans read them.

Officially the Adenauer government declined to comment, saying only that the plan would be given careful study, but in office after office from the Foreign Ministry to defense headquarters there was an air of concern.

RATED AS IMPORTANT MAN

A high-level source explained the attitude. He said that, while MANSFIELD's ideas do not parallel those of the Bonn Government, "We think he is a very important man."

The implication was that Bonn is afraid that proposals with which it does not agree may become a part of American policy.

The spokesman pointed out that one requirement of MANSFIELD's plan, negotiations between East and West Berlin for unified municipal services, have been going on for some time.

Since 1949, he said, technical contacts have been required for the operation of the city's underground and elevated transport system, which is operated by the East Germans but circles through both sections of the city.

BRINGS IN WEST MARKS

The transport system which nets valued West marks for the East has operated without restriction and the West Germans have contributed trackage and spare parts which were scarce on the Communist side.

There also have been negotiations over the supply of electricity and gas, but the availability of these utilities more often has been subject to Communist whim.

Bonn sees that as one of the weak points in the Mansfield plans. It would assume the Communists are ready to negotiate in good faith and Bonn maintains that is false assumption.

Another official said "It looks like everybody has plans. We cannot comment on them all."

SEEN AS GOOD SIGN

Socialist spokesman studying the Senator's proposals said everybody has a plan except the Adenauer government. He said that while his party cannot agree with every point MANSFIELD makes, it is taken as good sign that Americans are thinking deeply and seriously on the German problem.

The Free Democrats agreed that negotiations on reunification should start immediately. Ultimately, they said, unity must be achieved by the people directly.

Press comment on the nine-point plan ranged from skeptical to denunciatory. The Frankfurter Neue Presse declared "It would be very bad if MANSFIELD's naive and simplified views prevailed in U.S. foreign policy.

Dortmund's Ruhr Nachrichten called some of the Senator's points sensational and dangerous. A Berlin paper, Der Kurier, said MANSFIELD's patent recipe was a rather dubious program.

The major papers, however, did not carry editorial comment. They were still too busy studying the plan.

POINT 3

[From the New York Times, Nov. 12, 1958]

ENVOYS TO SOVIET WARY OVER BERLIN—SERIOUS CONSEQUENCES SEEN IN KHRUSHCHEV PLAN FOR EAST GERMAN CONTROL

(By Max Frankel)

Moscow, November 11.—The declaration by Premier Nikita S. Khrushchev that the Soviet Union would turn over its remaining occupation functions in Berlin to East Germany set off hasty activity in Western embassies here today.

Diplomats thought it was only a matter of time before the Soviet Government took formal steps in line with the Premier's announcement. Mr. Khrushchev said it was time for Moscow to renounce that part of the Potsdam agreement of 1945 that provided for a four-power military occupation of Berlin.

He suggested that the United States, Britain, and France also relinquish their occupation of West Berlin.

In any event, he declared, the Soviet Union will go ahead with its plans to put the East Germans in full command of their capital. Then if the West still has any interest in Berlin "let them themselves reach agreement" with East Germany, he said.

CRISIS IN WEST CALLED AIM

The plan was seemingly designed to cause at the least a diplomatic crisis in Washington, London, and Paris, since the Western Powers do not recognize East Germany and have refused to deal with it.

Diplomats here saw the planned Soviet move as a serious and daring step. It would force the West to choose between dealing with the East German Communists and encountering increasing difficulties in efforts to maintain United States, Britain, and French garrisons in West Berlin.

Mr. Khrushchev contends that all of Berlin is properly the capital of East Germany. The civilian and democratic government of West Berlin could not readily survive the withdrawal of Western occupation forces, it is generally recognized here.

Mr. Khrushchev's speech was not solely a demand for a joint four-power agreement to end the occupation of Berlin, Mr. Khrushchev said:

"It seems that the time has come for the powers signatory to the Potsdam agreement to give up the remains of the occupation regime in Berlin and thereby make it possible to create a normal situation in the capital of the German Democratic Republic [East Germany].

"The Soviet Union, for its part, will hand over to the sovereign German Democratic Republic the functions in Berlin that are still held by Soviet agencies," Mr. Khrushchev went on. "This, I think, would be the correct thing to do.

"Let the United States, France and Britain themselves build their relations with the German Democratic Republic, let them themselves reach agreement with it if they are interested in any question concerning Berlin."

Mr. Khrushchev said this would amount to a renunciation by Moscow of a part of the Potsdam agreement and he went to great lengths to justify the breaking of what he termed "out-of-date" commitments.

A number of basic questions about Soviet intentions in Berlin were left unanswered by Mr. Khrushchev. These were the subject today of extensive conferences among Western diplomats and also of an hour-long conversation between Andrei A. Gromyko, Soviet Foreign Minister, and Dr. Hans Kroll, West German Ambassador.

Diplomats thought it highly unlikely that the Western capitals would alter their often-expressed aversion to any dealings with East Germany. Their position in West Berlin, however, could become endangered if East Germany chose to exercise its full authority in East-West dealings in Berlin and over the highways, raillines and air corridors linking West Berlin to the rest of West Germany.

But even without ordering the Western Powers out of Berlin, East Germany, once given full control by Moscow, would be in a strong position to demand official dealings. There are hundreds of housekeeping details in Berlin that require East-West cooperation. Furthermore East German guards and officials may assume control over all the routes between Berlin and West Germany.

By refusing to deal with East Germany the Western Powers might be deprived of any or all of the access routes to Berlin. The city sits like an island 100 miles inside East Germany.

BERLIN AIRLIFT RECALLED

During the Berlin blockade 10 years ago, the Western nations were not seriously challenged on the right to fly into West Berlin. As a result, they kept their half of the city supplied with food and fuel from June 1948 to May 1949. At that time, in addition, the Soviet Government remained an interested party and finally agreed to negotiate a settlement of Berlin's status.

But the Soviet Government now proposes to refer all disputes to the "sovereign" East German Government. Diplomats here seemed seriously concerned with the date of the proposed Soviet moves and the extent of the planned changes.

They were eager to learn just how far the East German Government would subsequently go to make its presence felt. Three times in his speech yesterday Mr. Khrushchev warned the West not to resort to force in reply to the Berlin switch. Any attack on East Germany would be considered an attack on the Soviet Union, he said.

Diplomats were curious about the timing and manner of the Soviet announcement. Mr. Khrushchev spoke yesterday at a mass rally of friendship for a Polish delegation headed by Wladyslaw Gomulka. The Polish leader, who had been denouncing the West Germans during his 17-day sojourn here, promptly supported Mr. Khrushchev's plan for Berlin.

There were, however, no readily available answers for the diplomats. They sent off messages with their own assessment of the potential gravity of the situation. Dr. Kroll's interview with Mr. Gromyko had been previously scheduled, but he tried to get more details on the Soviet plan without success.

U.N. WEIGHS ITS ROLE IN BERLIN SETTLEMENT—ALTHOUGH SOVIET HAS SUGGESTED PLACE FOR WORLD ORGANIZATION, DIRECT TALKS ARE INDICATED—WAR THREAT IS BIG FACTOR

(By Thomas J. Hamilton)

Nikita S. Khrushchev opened the current war of nerves with his speech last November demanding the withdrawal of the Western Powers from West Berlin. This was followed by a series of notes calling for the establishment of West Berlin as a free city, for the confederation of the two Germanys, and the conclusion of a peace treaty under which Germany, whether united or not, would be neutralized.

The Soviet Union's possession of nuclear weapons makes the situation far more dangerous than on the occasion of the Soviet blockade of Berlin in 1948 and 1949.

The Soviet Union raised the blockade in May 1949, after it recognized the success of the allied airlift. Although the negotiations were conducted at the United Nations by Dr. Philip C. Jessup of the United States and Jacob A. Malik of the Soviet Union, the American atomic monopoly, not action by the Security Council, was responsible; a Soviet veto had killed a resolution requesting it to end the blockade.

It may be assumed therefore that once the United States, Britain, France, and West Germany agree upon a policy, they will propose direct negotiations. In other words, the matter would be placed before the United Nations only as a last resort.

Although the Soviet Union still holds, as it did before, that the unification of Germany is exclusively a matter for negotiation between the two German Governments, its proposal for a German peace conference may indicate a softening of this position. Certainly it would seem to open the way, after much haggling, for the participation of the great powers in all phases of the German question.

UNITED NATIONS ROLE

If an agreement can be reached on Berlin, the services of the United Nations would certainly be needed. The Soviet note to the United States, November 27, suggested that the four occupying powers, together with

West Germany and East Germany, guarantee the status of West Berlin as a free city.

"On its part, the Soviet Union would have no objection to the United Nations also sharing, in one way or another, in observing the free-city status of West Berlin," the note added.

Although Anastas I. Mikoyan had a talk with Secretary General Hammarskjold during Mr. Mikoyan's visit to New York, the Soviet First Deputy Premier did nothing to clarify this vague suggestion. It is so vague, in fact, that it could mean almost anything, it might even be an indication that the Soviet Union might allow some of the 10,000 Western troops now in West Berlin to remain in the free city as United Nations observers.

However, the Soviet Union's acceptance of such an arrangement could certainly be obtained only after the hardest kind of bargaining. Even so, West Berlin could be strangled at any time that the Soviet Union decided to cut the city's communications with West Germany.

It is doubtful, therefore, whether the Western Powers would agree to a free city even if East Berlin were included in the arrangements and some Western troops were allowed to remain.

DANZIG RECALLED

Past efforts by international organizations to guarantee free cities do not offer any encouragement. The League of Nations had placed the free city of Danzig under its protection, but this did not avail against Hitler.

In 1947 the responsibility of maintaining the free territory of Trieste, which consisted not only of the city but of a fairly substantial hinterland, was assumed by the Security Council at the request of the four great powers. However, the Council was never able to agree upon a governor, and its guarantee became a dead letter when the Western Powers divided the free territory between Italy and Yugoslavia.

This record, however, is no argument against United Nations consideration of the fundamental question of separating Soviet and Western forces in Germany and the rest of Eastern Europe.

A nuclear-free zone, to be composed of West Germany, East Germany, Poland, and Czechoslovakia, was suggested by Adam Rapacki, the Polish Foreign Minister, in a speech in the General Assembly in October 1957.

Obviously, the Rapacki plan could not have been presented without the consent of the Soviet Union, and it conforms with the Kremlin's unsleeping determination to prevent West Germany from acquiring nuclear weapons.

POLAND PERSISTS

But there are grounds for belief that the Poles were and are just as worried about the presence of Soviet atomic weapons on their side of the line.

The original version of the Rapacki plan was unacceptable to the West, since it would have forbidden the use of nuclear weapons in West Germany while permitting the Soviet Union to maintain its 22 divisions in East Germany.

Mr. Rapacki responded to these criticisms by revising his plan last November. The first stage of the revised plan would permit the United States and the Soviet Union to maintain their existing nuclear arms in the zone, but deny them to the local powers.

In the second stage the interdiction of nuclear armaments in the central European zone would extend to the United States and the Soviet Union, who would also thin out their conventional forces. It may be anticipated that the Soviet Union not only will propose the incorporation of this plan in any German settlement but will also submit it to the General Assembly next fall.

REVISED PLAN

As now revised, the Rapacki plan offers advantages and disadvantages for both the Soviet and the Western coalition. Both sides would benefit if the danger of an incident between the two superpowers could be reduced. Both would benefit if there was assurance against the emergence of a too powerful Germany.

However, this would have corresponding disadvantages for the United States and the Soviet Union. If the Russians should thin out their forces in Eastern Europe, they would find corresponding difficulty in holding down the satellite regimes there. As for the United States, the denial of nuclear weapons to West Germany, together with the shrinking of the Atlantic Alliance's conventional forces, would require a revision of the basic strategy that produced the original decision to arm West Germany.

The Rapacki plan conforms with the growing trend toward disengagement that has been championed by George F. Kennan and by the Socialist parties in Britain and other European countries.

POINT 4

[From the New York Times, Jan. 31, 1959]

FOREIGN AFFAIRS—LET'S NOT FENCE OURSELVES IN BERLIN

(By C. L. Sulzberger)

PARIS, January 30.—The Western Powers have been taking their own good time about defining their views on Berlin. This is wise because the problem is extremely serious. Any misjudgment of Soviet intentions or aspirations could have disastrous consequences just as any failure by Moscow to comprehend our own intentions and aspirations would be equally grave.

It is apparent that discussions among American, British, and French experts have produced considerable divergences on how the gathering crisis should be met. One faction—ardently supported by Bonn—insists we should simply not recognize Russia's right to change the prevailing situation by unilateral action and that, therefore, we should prepare to defend the existing status quo by military means, if necessary.

It is argued that the West must insist by force, should that be required, on its legal rights to supply Berlin along the overland corridors guaranteed by the original accords worked out with the Soviet Union. Were we to demand a continuation of the present system but to rely only on another airlift, it is pointed out that new electronic devices could jam navigational instruments and gradually whittle down the value of such an airlift.

THE FUNDAMENTAL ISSUE

This kind of talk, reasonable in terms of pure logic, tends to avoid the fundamental issue. That issue is not whether the Russians have the right to modify an international agreement and whether we should, if need be, fight to preserve its sanctity. The issue is really whether, in our own interest, we desire to maintain for an indefinite period a situation which is both awkward and embarrassing for ourselves and our allies.

Too often we automatically oppose any novel Soviet proposition and certainly when the Russians suggest changes they generally find acutely cumbersome ways of doing so. Thus they turned their Berlin proposals unnecessarily into an ultimatum. A great fanfare had to be sounded to prove it wasn't—which may or may not be true.

But if we try to isolate acceptable aspects of the problem as presented we can find much that should suit our policy. It seems strange to hear arguments that we must go to war in order to keep Soviet troops in East Berlin. It is equally strange to insist that supply shipments bound for that city can be checked by Russian officials but we must fight if they are checked by East German officials.

If Moscow is interested in "Germanizing" Berlin by ending its occupation, we should be pleased. Cannot we accept that essential idea as a basis for discussion and announce our wish to replace allied Berlin garrisons with West German garrisons when Soviet troops pull out?

BONN'S RIGHT TO PROTECTION

The Bonn Government is a full member of NATO. It has every right to insist on allied protection. West German NATO troops could therefore protect free Berlin as effectively as American, British, and French troops.

If Moscow acts unilaterally by turning over its prerogatives to East Germany, we should do likewise with West Germany, granting it authority over the air and land corridors which assure access to Berlin. Today, with allied garrisons there, all NATO would be obliged to assist in defending against Communist armed intrusion. Bonn would be entitled to exactly the same assistance if its soldiers replaced ours.

Nor should Bonn object to dealing with East German officials at corridor checkpoints, an embarrassment Washington wishes to avoid. West Germany deals officially with East Germany every day and has extensive commercial accords.

To this basis for negotiation we might add the condition that the Soviet Army should withdraw to an agreed perimeter of perhaps 50 miles from Berlin. That could not possibly affect Moscow's security position. But it would eliminate an element of potential provocation.

We clearly hope to make Berlin only one item on the agenda of East-West parleys that are almost certain to develop. We want to raise again the entire issue of German unification. But we cannot get into such a meeting without at least some positive idea for improving the uncomfortable Berlin status quo.

This approach was first presented in this column last December 10. It is repeated to stress the folly of possibly boxing ourselves into an untenable position before negotiations. Change is desirable in Berlin. Such change need not be disadvantageous.

KHRUSHCHEV RAISES QUESTIONS

[From the New York Times, Dec. 1, 1958]

Stripped of its verbiage and its propaganda lies, the Soviet note on Berlin was an effort to undo a complex bargain reached in 1944 and 1945 by the wartime allies who defeated Hitler.

Premier Khrushchev would like to end that part of the bargain which he does not like: the existence of a West Berlin as an island of freedom guarded by Western troops inside the Communist bloc. By this effort, however, he calls into question the entire bargain, opening again for reexamination not only the status of Berlin but all the related matters. If we look into these related matters we may wonder whether Khrushchev is being wise, even from a Soviet point of view.

One part of the Berlin bargain is certainly the actual exchange of territory in early July 1945, which first made it possible for Western troops to enter Berlin. In exchange for what is now West Berlin, British and American troops retreated westward from the Elbe River and turned over to Soviet occupation Thuringia and the adjoining rich area of central Germany. When Khrushchev raises the question of ousting Western troops from Berlin, he implicitly raises the related question of ousting Soviet and other Communist troops from Leipzig, Erfurt, Halle, Weimar, and the other cities and rural areas which were first militarily conquered by Western

troops and surrendered to Soviet control only as part of the Berlin bargain.

But the matters at stake go far beyond merely central Germany. The Berlin bargain was implicit in the deliberations at the Potsdam Conference. There the West agreed to the temporary administration of eastern Germany by the Polish state and promised to support the permanent incorporation into the Soviet Union of northern East Prussia, now known by the Soviet name of Kaliningrad Province, but originally the Koenigsberg area.

If Khrushchev can unilaterally renounce the Berlin part of the bargain, what reason exists for the West to support the Soviet position in Kaliningrad or the Polish interest in the Oder-Neisse line? The answer is obvious: no reason at all.

Speaking for President Eisenhower at Augusta yesterday, Secretary Dulles made it clear we have no intention of abandoning the people of West Berlin. In addition, Secretary Dulles apparently looks forward to discussing the entire German issue first with our allies and eventually with the Soviet Union. Regardless of the outcome of these discussions, the present outlook is that the Soviet effort to force us to abandon Berlin will intensify over the weeks and months ahead. We suggest that before such pressure, with all its incalculable consequences, is intensified, Khrushchev and his advisers might do well to take another look.

Already it is clear that there are farsighted elements in Warsaw who have glimpsed the possible consequences for Poland of this Berlin adventure. Are there not similar farsighted people in Moscow who can see that one possible alternative to maintaining the Berlin status quo is an effort to redraw the boundary lines in Europe so as to restore the situation of, say, August 31, 1939?

[From the New York Herald Tribune, Feb. 10, 1959]

ON FLEXIBILITY

(By Walter Lippmann)

The new word in Western diplomacy is "flexibility." It has become fashionable because just under the surface of the official formulae there is going on in Washington, in London and in Bonn a reappraisal of the German problem. It is a wholly false picture of what is going on to suppose that the issue in this reappraisal is between surrendering and standing firm, between appeasement and principle, between being soft and being strong.

The real issue, to which the reappraisal is addressed, is whether to stand pat on positions that have become untenable or to move to new positions from which the Western allies can recover the political initiative.

Let us take Berlin for a concrete example, remembering, of course, that it is only the focal point of the whole larger German problem. At present there are two streams of traffic between West Berlin and West Germany. One, which is much the larger, is civilian traffic. This traffic is regulated by an agreement between the West German Government and the East German Government and it is by this traffic that the civilian population of West Berlin lives and does it business. The other traffic is military. It is between the British, French, and American forces in West Germany and their garrisons in West Berlin. This traffic is regulated by Allied agreement with the Soviet Union.

Moscow has now said that if there is no other negotiation about the status of Berlin, it will on May 27 turn over to the East German Government its authority over the military traffic. If this is done, it will mean that at the checkpoints on the highways and railroads and canals Allied military traffic will be met by East German rather than by Soviet officials.

The immediate and specific questions about Berlin are (1) what will we do when we meet these East German officials; and (2) what will the East German officials do about our military traffic?

This is where the difference between an inflexible and a flexible policy shows itself. The inflexibles say that we do not recognize the East German Government, and that we cannot, therefore, allow them to have anything to do with our traffic to Berlin. The flexibles reply that as long as no one interferes with our traffic to Berlin, it does not make any difference whether the official who stamps the papers wears an East German or a Soviet uniform. They add that if Dr. Adenauer can allow East German officials to stamp his papers for the civilian traffic, he is in no position to insist that President Eisenhower be more inflexible than he is himself.

In speculating about the use of force to keep open access to Berlin, the first question to be decided is whether we ought to be ready to go to war if we meet an East German official at the checkpoints on the highway. Do we fight because the official who wants to see the papers carried by the truck wears an East German uniform, or do we fight if he closes the highway? The flexibles say that a blockade of West Berlin is a fighting matter but that whether the official is East German or Soviet is not a fighting matter.

The flexibles say, moreover, that to announce you will fight about the official at the checkpoint is not a strong policy but a foolish one, and because it is foolish, it is weak. It is weak because the people of the Western World cannot conceivably be united to fight a world war on such an idiotic issue.

As we know, the mayor of West Berlin, the highly esteemed Willy Brandt, can be counted among the flexibles. He has suggested that the East German officials might be recognized as "agents" of the Soviet Union. An easier, and as good a way, to accomplish the same result would be to ask a Soviet guarantee of access to West Berlin until a new status can be arranged by negotiations covering the two Germanys and the two Berlins. What we want is that West Berlin should not be blockaded and strangled and that Berlin should become again the capital of a reunited Germany.

This flexible position is a strong one. We stand firm on the substance, which is that West Berlin is not to be blockaded. We are indifferent to the formalities which do not matter as long as access to West Berlin is open. We keep alive our real objective, which is not to maintain West Berlin as an island within East Germany but to restore its status as the capital city to which all parts of Germany must have equal access.

It may well be that the Soviet Union will refuse to guarantee access during the period, which would have to be a long one, when the whole German problem is being negotiated. If that is what happens, the Soviet Union will find itself in a dangerous position. It will have given the East Germans a free hand to impose a blockade, which would be an act of war, and it will be committed to come to the defense of East Germans if they provoke a war.

This is a much bigger gamble than Moscow has ever taken before, and we need not jump to the conclusion that it will take the gamble now.

POINT 5

[From the New York Times, Dec. 13, 1958]

WESTERN BIG THREE'S RIGHT OF ACCESS TO CITY HINGES ON ORAL ACCORDS ONLY

(By Hanson W. Baldwin)

The Western Allies' access to the present corridors to Berlin, which lie entirely within East Germany, is based on only an unwritten agreement among the military commanders after World War II. On the other hand, the presence of the Western Allied troops in Berlin—in fact the status of Berlin as a political island in a Soviet Communist sea, or a special occupation area to be shared by the Soviet Union, Britain, the United States and France—is specifically provided for in the written agreements reached prior to Potsdam.

After the failure of the Soviet attempt 10 years ago to blockade Berlin, which ended in May 1949, a Council of Foreign Ministers of the four powers, meeting in Paris that June, in effect reaffirmed the right of four-power occupation and joint administration of Berlin.

ZONE RESPONSIBILITY

The four powers, the Soviet Union included, agreed that each in its zone would "have an obligation to take the measures necessary to insure the normal functioning and utilization of rail, water and road transport" between the Eastern and Western zones and between the zones and Berlin. There was not, however, any specific written delineation of the military corridors to Berlin, which had been arranged informally in 1945 by Gen. Lucius D. Clay for the United States.

Thus the Soviet authorities have taken advantage of Western oversights or mistakes to cloak the blockading of Berlin—imposed in 1948 and now threatened again with pseudo-legalism. But the Russians have gone beyond blockade and have claimed, starting in 1948, that Berlin is part of the Soviet Zone and that the Western Powers do not have the same status in Berlin as the Soviet Union.

Today, therefore, the United States is gathering once again the somewhat bitter fruit of its wartime naivete.

Berlin is 76 airline miles from the nearest point in Western Germany. The city itself is the hub of a large network of rail and highway communications leading to the West. The population of West Berlin and the city's economy are supplied entirely from the West in the matter of food, fuel and raw materials.

MEANS OF DELIVERY

Only about 0.1 percent of West Berlin's needs is delivered by plane; 28.3 percent is sent in via canals and waterways; 34.9 percent by rail, and 36.7 percent by highway, according to the West German Embassy in Washington.

But the Western military garrisons in Berlin have a far more limited supply access. The oral agreements reached by General Clay and perpetuated, with interruptions, until today cover only three air corridors from Hamburg, Bueckeburg-Hanover and Frankfort to Berlin, one rail line from Helmstedt to Berlin and one highway from Marienborn to Berlin.

And, as the Russians have demonstrated, they can and do interpret the oral agreements of 13 years ago as they please. The security of the supply routes to the United States garrisons in Berlin depends far more upon the power the United States is willing to use to keep them open than upon solemn legal agreements.

[From the New York Times, Feb. 11, 1959]

BONN TO IMPROVE ARMY READINESS—BERLIN CRISIS RESULTS IN NEW EMPHASIS ON SHORT-TERM COMBAT POTENTIAL

(By Arthur J. Olsen)

BONN, GERMANY, February 10.—The West German Army was reported today to have been ordered to improve its state of readiness this spring.

The orders were issued as a result of a recent reappraisal of Bonn's military buildup schedules in the light of the intensified political struggle between the Soviet Union

and the West over Berlin and Germany. The result is a new emphasis on short-term combat potential.

The Defense Ministry does not expect the Soviet challenge of the Western position in Berlin to come down to a test of force. Lt. Gen. Adolf Heusinger, inspector general of the armed forces, is reported to have told his senior staff officers last week that political developments had nevertheless affected existing plans for a gradual buildup of the half-grown West German Army.

These plans call for the creation of 12 divisions fully equipped and at prescribed strength by 1961. The new approach will emphasize increasing the capabilities as combat units of the five divisions now in existence.

It is these divisions, already assigned to the North Atlantic Treaty Organization command, that are to be strengthened in the next 3 months.

Ostensibly they are "combat ready" and at the disposal of Gen. Lauris Norstad, the Allied supreme commander; in fact, they are under strength and short on equipment.

The immediate effect of the new approach in the Defense Ministry would be a speedup of deliveries of weapons, equipment and division quartermaster supplies, according to military sources.

There is no sign that the army is planning to alter the present manpower rhythm, which keeps divisions fluctuating predictably between 60 and 75 percent of rated strength, that is, between 7,000 and 8,000 men.

The rhythm is fixed by the quarterly call-ups of conscripts, who make up about half of the division's manpower. After 12 months' service drafted soldiers are mustered out and division strength falls until new troops come out of the recruit camps a few weeks later.

The limited shift in Bonn's military planning, which Defense Ministry spokesmen decline to confirm publicly, is understood to be a consequence of the Berlin crisis. For the first time since the first months of the Korean war a political dispute has evoked hard thinking on the possibility of military conflict in central Europe.

Staff studies are understood to be under way at General Norstad's headquarters on various military situations that might conceivably arise from the Berlin situation.

How far the tightening the Allied and West German defense posture will go will be determined by developments between now and May. The end of that month is the time when the Soviet Union proposes to turn over its occupation rights in Berlin to the East German authorities.

POINT 6

[From the Christian Science Monitor, Feb. 4, 1959]

STATE OF THE NATIONS: DULLES GOES SHOPPING

(By Joseph C. Harsch)

John Foster Dulles' current tour through the Allied capitals of Western Europe differs from previous tours in one important respect.

Previously he has either been trying to sell something to the other Western Allies which they did not want to buy or to discourage them from doing something they very much thought they wanted to do.

In this case, for a change, Mr. Dulles and the Western European allies are in the same boat. Not one of them really wants to change the old stock Western policy on Germany, but all recognize that it is hopelessly out of date and that they are forced by circumstances beyond their control to come up with some new ideas.

This is an agonizing reappraisal trip, agonizing equally for all. It would be so much simpler to drift along with the old formula of "reunification of Germany with free elections," because all knew that Moscow would never agree to the formula and that therefore it meant, in fact, continuation of the division of Germany at the Elbe. This is precisely what all Western foreign offices consider the least objectionable condition for Germany.

But times have changed. Like it or not, Moscow has reopened the German question, and it is merely a fact, no matter how unpalatable, that it cannot be bottled up again inside the old formula. It may take months or years before a new status quo acceptable to all is devised, but not even a Metternich could put the old pieces back together again.

Mr. Dulles has perforce gone this time neither to sell nor unsell, but to exchange ideas—to hope that out of the collective-idea centers of the West some new policy can emerge which will at least be no more undesirable than the old.

The question of a new policy on Germany ceased to be academic and became imperative from the day Nikita S. Khrushchev announced his intention to withdraw Soviet troops from East Berlin. Mr. Dulles' subsequent admission that there might be other ways than the road of free elections toward reunification stands as the official recognition in the West that the process of rethinking the German problem has begun.

But where do we go from here?

We must start with a realization of the reasons why the existing settlement is no longer viable. Curiously enough, the most fundamental of the reasons is the weakness of communism in East Germany.

Of all the puppet Communist regimes, the East German is the shabbiest and the most unsuccessful in putting down any roots among the people it governs. It is a failure by any objective test, and it has been bled white by defections to the West through West Berlin. It survives only because it is supported by Soviet bayonets. Communism would disappear in Germany overnight if all outside influence were removed from Germany and German political nature were allowed to take its own natural course.

But twinned with this decline of communism inside Germany has been a relative growth in Soviet power. The forces of East and West inside Germany have tipped westward, but outside Germany, Moscow's relative military and political strength has grown. Moscow is strong enough to prevent the West from demanding that political nature be allowed to take its own course inside Germany.

In effect, Moscow has said that the political erosion of communism in East Germany must be stopped, and it has sketched out the way it proposes to stop it unless we of the West will cooperate in working out a different way. Barring some new agreement, Moscow proposes to seal off East Germany from the West either by isolating or by suppressing entirely the Western enclave in Berlin.

We of the West have talked boldly of meeting this by force, some say by driving a military convoy through to Berlin in case of trouble. But would we, in fact, risk a nuclear world war to preserve West Berlin? Perhaps we would if there were no other way. But is there another way?

It may sound inconceivable to anyone brought up on Mr. Dulles' bold projects for rolling back the Iron Curtain and liberating the captive peoples of Eastern Europe that the same Mr. Dulles would ever be a party to a project for shoring up the shaky, sordid, and shabby Ulbricht-Grotewohl regime in East Germany.

But as the Western experts push their thinking out into the unfamiliar jungle trails of the German problem they are finding themselves entertaining just such unorthodox and almost grotesque ideas.

They are entertaining such thoughts for the simple reason that the best and safest way of securing the ultimate best interests of the East German people may well lie down the road of saving the outward form of the East German regime.

[From the Christian Science Monitor]

STATE OF THE NATION: DULLES GOES SHOPPING—2

(By Joseph C. Harsch)

The last column in this space identified two of the factors bearing heavily on the current reappraisal of the German problem as the erosion of the Communist regime in East Germany and the growth of relative Soviet power outside of Germany.

As John Foster Dulles canvasses the German problem with his allied friends on his current shopping tour for a new German policy, he and they recognize as a third factor the enormous importance to Moscow of the survival of a Communist regime in East Germany.

The reasons are familiar enough. East Germany is both the ideological and the military seal around the Communist regimes of Poland, Hungary, and Czechoslovakia. If the East German regime should collapse the whole satellite system in Eastern Europe would be exposed and threatened. Such a convulsion is for Moscow unthinkable and intolerable.

We may be tempted to shrug our shoulders and say, "So what?" But it is merely one of the unpleasant facts of world life that Moscow must be expected to regard a nuclear world war as less intolerable than the sudden collapse of its Western political and military front.

For one thing, Nikita S. Khrushchev has not so firmly consolidated his political position at home that it could survive the loss of all the western frontier provinces of the empire Stalin built after the last war. We have to accept the unpleasant fact that Moscow most probably would accept war as a last resort rather than see the keystone fall out from its Eastern European system. A Communist regime in East Germany is the keystone of that system.

In abstract theory we have three possible courses open to us in our search for a new German policy.

First, we could insist on maintaining the present situation in Germany in which the East German regime becomes progressively weaker. But to pursue this course is to drive ever closer to the brink of world nuclear war since Moscow ultimately will fight rather than see its whole western frontier system collapse.

Second, we could abandon our enclave in West Berlin to the vengeance of the Ulbrichts and Grotewohls. But this would be a sellout of the brave citizens of that city which is unthinkable and which no Western statesmen, least of all Dwight D. Eisenhower, could for an instant contemplate.

Third, we can explore with the Soviets the possibility of a new settlement for Germany which would attempt to balance the three conflicting sets of interests which have newly come into conflict over Germany. And it is in such exploring that the experts already have found facing them the conclusion that in all probability the only way out will involve the continuation with Western approval of a Communist regime in East Germany.

This would not be a tolerable possibility for us if the East German regime were growing in strength and influence inside Germany. But it is declining rapidly in strength and influence; indeed it is its very decline which has precipitated the present reappraisal of German policy.

The time has not yet arrived when any Western diplomat or statesman is ready to say in public what many of them are thinking in private. But behind the scenes the trend of thinking is strongly in the direction sketched out here—in the direction of a

new German settlement involving a confederation within which the East German state will continue for some time to be guaranteed a government and a social system which will at least be nominally Communist and which will retain special relations with Moscow.

This does not mean that the Western statesmen are ready to abandon for all time the hope of seeing East Germans relieved of the burden of the thoroughly disreputable government which currently preys upon them, or the hope of seeing Germany move gradually toward the unity which all Germans desire and which many Germans someday might attempt to seize by force if the door were closed to any other approach.

The time has passed when the outside Western nations can impose by superior force their preferred form of a German settlement on Germany and make Moscow accept it. But the time has arrived when West Germany will exert increasing influence in East Germany as barriers to such influence are removed.

The more we can manage to allow West Germans to deal directly with East Germans the more will the lot of the East German people be relieved. And Moscow might be interested for the price of survival of at least a nominally Communist East German Government. The price is high but the more the experts study the problem the more they incline to think that it may well prove to be the only way out of a German problem short of a nuclear war.

[From the Washington Post]

MIKOYAN AND BERLIN

(By Walter Lippmann)

Mr. Mikoyan is making two visits to Washington, separated by the 10 days or so which he will spend traveling about the country. The first visit has confirmed the view, held by many who watch these things closely, that the Soviet's move in Berlin, though entirely serious and of great consequence, is not an ultimatum but a move to open up negotiations on a large range of questions.

Although no agreements have been negotiated in this first diplomatic encounter, it is reasonably certain that the door has been opened to a negotiated solution of the Berlin crisis, and it may be to bigger things than Berlin.

Apart from what has been said in these preliminary talks, which are properly confidential though they are not altogether secret, there are objective reasons for saying that the Berlin crisis is negotiable.

In the various notes that have been exchanged about Berlin two controlling propositions have been established. The first is that the Western allies will not withdraw their troops from West Berlin until there is a general German settlement, and that they will not permit anyone to interfere with their right to supply these troops. A blockade of the Western troops by the East German Government would be an act of war, and there cannot be any doubt on this subject in Moscow or in East Berlin.

On the other hand, we cannot prevent the Soviet Government from delegating to the East German Government any of the powers it now exercises. Therefore, if at the end of the 6 months period the Soviet Government transfers its authority to East Germany, the crucial question is whether this will in any way interfere with our military presence in Berlin and with our military access to Berlin. This is the question which will have to be negotiated.

It is not in itself a hopelessly difficult question. Assuming that the Soviet Government turns over to the East German Government its control over access to Berlin, the practical question is how to make sure that the East German Government will not attempt to interfere with allied military communications by road, rail, canal, and air.

It is here that there will have to be some give and take on both sides, the point of compromise and negotiation being about the powers of the East German control officials. The nub of the problem is whether the Soviet Government will give us a guarantee that the East German officials will not interfere with our military traffic and whether, if the Soviet Government gives this guarantee, we will allow the East German officials to inspect the travel papers of our vehicles.

A Soviet guarantee that the East Germans will not interfere with our vehicles would be a compromise in which neither side would lose face. The Soviet promise to transfer its powers to the East German Government would be fulfilled and at the same time a possible cause of war would be removed. On our side, the fact that the East German officials were subject to a Soviet guarantee would go a long way toward satisfying our official view that in Berlin the Soviet Union cannot divest itself of its obligations under the old international pacts. This formula would also be in accord with the position originally taken by Secretary Dulles in his press conference of November 26, and withdrawn later only upon the insistence of Dr. Adenauer.

To those who will hurriedly exclaim that any dealings with the East German Government are appeasement, we may point out that if this is appeasement, then the leading appeaser is Dr. Adenauer himself. For the actual fact of the matter is that civilian traffic between West Germany and West Berlin is now moving, and has for some time been moving, under an agreement between the two German governments. This agreement includes acceptance by Dr. Adenauer of the right of the inspectors and control agents of the East German Government to deal with the travel papers of West German vehicles.

Dr. Adenauer is now dealing with the East German officials, and if he can do this, why in the name of common sense should we not do the same, especially if we have obtained a guarantee under which we can hold the Soviet Government responsible?

A world war arising out of a quarrel as to whether East German officials can inspect our papers when they already inspect West German papers would be the most preposterous war in history.

I do not mean to say that the formula I am describing is the only way to resolve the Berlin crisis. But it is a way. If it were taken, the real problem of Berlin would still remain, which is how this city can cease to be an island surrounded by the Red army and become the capital of a reunited and unoccupied Germany.

This is a much more difficult problem than the current problem of Berlin, and it will call for much more complicated negotiation, not only with the Soviet Union but among the Western Allies.

[From the New York Herald Tribune, Dec. 4, 1958]

THE REPLY TO THE SOVIETS

(By Walter Lippmann)

A written reply will, of course, have to be made to the long Soviet note about Berlin. The reply will have to represent the agreed views of London, Paris, Washington and Bonn. But there are various ways of replying to the Soviet note, and we should think carefully before we choose which one.

It would be easy enough to write a reply, which is as argumentative as the Soviet note, rebutting its arguments and asserting our counterarguments. This will give a passing satisfaction to some. But it will do nobody any real good. The problem of the two Germanys and the two Berlins will still be with us.

Another way to reply would be to draft a big program of counterproposals with elaborate principles and generalizations, many of them ambiguous formulas to reconcile divergent views among the Western Powers. It would be a mistake to do this. The Western position is already in a straitjacket of the old formulas which, because they have been promulgated solemnly and publicly, make it almost impossible to maneuver and to negotiate. This suits those, some in very high places, who really do not want to negotiate. But in this changing world, in this changing Europe and changing Germany, the immobility of Western policy is a grave danger.

What then would be a better way to reply? It would be, it seems to me, to focus upon the thesis that the problem of Berlin can be settled only as and when there is a German settlement—that no solution, only at the most a de facto arrangement, is possible if Berlin is treated as an isolated problem.

If this were our thesis, then the next thing to do is to propose the beginning of negotiations about Germany. There are several ways to do this. One way would be to resume the discussion of a high level meeting, perhaps even at the summit. But this way is full of dangers and difficulties, and there is, I think, a better way.

It would be to take notice of the Soviet's standing proposal that the future of Germany be worked out by the two German governments. We could, then, ask the Soviet government whether it is willing to allow the two German governments to negotiate freely and whether it is willing to accept the result if they are able to agree upon the structure of a confederation.

It is almost certain, I believe, that the Soviet government will not agree to negotiations which are as free as that. It will insist on conditions. It will insist that the two Germanys must live within an arrangement which limits their armaments and their alliances.

Be that as it may, an Allied reply which took the line of a negotiation between the two Germanys would pose the basic question as to what are the practical conditions of a negotiated settlement—and what are the possibilities of an all-European security system.

I realize, of course, that a reply of this kind requires a serious modification of Dr. Adenauer's policy of the nonrecognition of the East German state. If he vetoes such a reply, the United States cannot now go over his head. But nevertheless it is a sound way to approach the German question, and it would have powerful support in the Western World, including Western Germany itself.

Indeed, it is hard to see how there can be any successful approach which does not begin with and recognize the facts of life—which are that there are now two Germanys and two Berlins, and that only slowly over a long period of time, and in the climate of national freedom after the foreign troops have departed, can the two Germanys become integrated again.

[From the New York Times, Feb. 7, 1959]

WEST WILL INVITE SOVIET TO PARLEY ON GERMANY SOON—PLANNING GROUP IN UNITED STATES ALSO PUTS EUROPEAN SECURITY ON PROPOSED AGENDA—BONN'S STAND MODIFIED—INSISTENCE ON VOTE BEFORE UNIFICATION IS DROPPED—NATO TO GET DATA

(By William J. Jorden)

WASHINGTON, February 6.—The Western Allies have agreed to invite the Soviet Union to join them at a foreign ministers' meeting in the near future to settle major differences.

The United States, Britain, and France will propose that the Four Power gathering take up a broad range of issues including the reunification of Germany and European

security. They will reject a Soviet bid made January 10 for a 28-nation conference to work out a German peace treaty.

The unified Western Allied position on an East-West meeting was developed this week in Washington by a working group of diplomats representing the United States, Britain, France and West Germany. They were reliably reported to have completed the first phase of their task today.

NATO TO BE INFORMED

Their agreed position now will be transmitted to the North Atlantic Council in Paris for further discussion with other interested Governments.

It is expected here that the final form of the Western Allies notes will be decided next week and that separate messages from Washington, London and Paris will be sent to the Soviet Government within 10 days.

The West Germans are taking a new and considerably more flexible attitude toward the whole problem of German reunification. It was believed this new approach would considerably simplify the work of the Western diplomats in finding an agreed position with which to confront the Soviet leaders.

It was believed that if the Western Allies proposed a time for the foreign ministers' gathering it would be in March or April, probably April.

TALKS MAY SHIFT TO PARIS

The Western Powers probably would prefer holding such a meeting in Geneva or Vienna. They will turn down the Soviet proposals of Warsaw or Prague, mentioned in Moscow's notes as sites for a German peace conference.

The diplomats who worked out the West's answer to Moscow now will turn their attention to tougher problems. They will try to reach agreement on the positions the Western Allies will adopt on various problems likely to come up in any meeting with Soviet representatives.

There was a possibility the group might transfer its activities to Paris so it would be closer to Atlantic Pact headquarters. That would facilitate regular consultation with representatives of other Western Allied Governments, such as those of Italy, who have sometimes felt their views were not fully taken into account in determining Western diplomatic moves.

The first real sign that the Western Powers were prepared to face the Soviet Union with something new in the way of a German settlement was the fresh approach toward reunification the West Germans seemed to have adopted. Reliable sources said instructions embodying the alteration in the West German position had been received by the working group here.

Bonn's representatives now are prepared to discuss with their allies proposals for German reunification that would not include free all-German elections as a necessary first step.

As a further sign of West German willingness to compromise, the German diplomats were said to be ready also to talk about possibilities of face-to-face meetings with East German representatives. Such meetings, if they were held in the future, would not constitute negotiations in the view of the West German Foreign Ministry.

The West Germans' willingness even to consider such meetings with the East Germans represents a major shift in approach. It was believed here that West Germany's leaders were prepared to consider such meetings only because they recognized there probably would be no other way to work out steps toward unification in the absence of elections throughout Germany to select a government for a unified country.

Chancellor Konrad Adenauer is reported to be uneasy about making these shifts in his government's position. Apparently he is not convinced that they are either wise or can succeed. He has been willing to enable his representatives here at last to discuss them only as a result of considerable pressure inside West Germany and in recognition of his allies' desire to consider all possibilities.

It is clear that before there can be a Western Allied agreement on any proposal embodying these two ideas—postponing free elections for a time and setting up meetings with East German officials—there would be long scrutiny in Bonn. Chancellor Adenauer would have to be convinced that the results of these concessions would be a major advance toward reunification of his country in freedom.

All of these moves suggest that the Western Powers are prepared to produce a somewhat new and fairly comprehensive program for solution of the German problem. There is not too much optimism, however, among most competent observers that they will lead to any speedy or easy agreement with the Soviet Union.

These observers warn against a tendency to confuse progress inside the Western Alliance with an advance toward a settlement of major problems dividing the Communist and non-Communist worlds.

WARNING SIGNALS RAISED

Experts raise the following warning signals for those who are inclined to rush to the conclusion that quick agreement with the Soviet Union may be possible:

The Soviet Union may turn down the Western plan without further ado. Moscow has called for a conference on a German peace treaty that would do nothing about unifying the country. The Soviet leaders may insist that discussion of other issues is not necessary.

Moscow may insist that, if the Western Big Three are to take part in a foreign ministers' meeting, three Communist states also should participate. The West has refused to accept this parity argument in the past.

Despite Western willingness to revise its stand on German reunification, the Soviet leaders have given no sign they want or expect the two German states to be unified under any foreseeable circumstances.

Past meetings on German reunification and on European security have floundered on issues such as setting up control machinery, and there is no sign Moscow has changed its mind about these matters.

ADVANTAGES ARE NOTED

These and other factors cause many experts here to believe that there is little likelihood that a foreign ministers' meeting such as the West is about to propose has much chance of success. But they see the following advantages:

If a meeting can be arranged, it will provide an opportunity to explore how serious Moscow is about relaxing tension in the world.

While talks about Germany and European problems are underway, it is felt the Soviet Union will not press its threats to turn over its occupation function in East Germany to the German Communists, thus endangering the Western Allies' position in Berlin.

The West is desperately anxious to assume the initiative in relations with the Soviet Union, which Moscow has enjoyed so long, and the present situation opens the way to do so.

Secretary of State Dulles went to Europe this week to help work out the position the Western Allies will adopt toward the Soviet Union at a foreign ministers' meeting and in face of a threatened crisis over Berlin. It was reported here that if Moscow accepted the new Western Allies' bid for an East-West meeting, a preliminary conference of Western foreign ministers would precede it.

[From the Washington Daily News, Feb. 14, 1959]

STILL NO RESULT

WARSAW, February 14.—U.S. Ambassador Jacob Beam met for 2½ hours yesterday with Communist Chinese Ambassador Wang Pingnan in the marathon Formosa peace talks here.

The Ambassadors met last on January 9. They scheduled the next meeting for March 19.

POINT 7

[From the New York Times, Feb. 4, 1959]

SOVIET SHIFT SEEN ON GERMAN VOTING—KHRUSHCHEV SAID TO SUPPORT FREE ELECTIONS IF THE TWO GERMANYS SET THEM UP

Moscow, February 3.—Premier Nikita S. Khrushchev was reported tonight to have offered support for a plan to unify Germany through free elections if West Germany consented to negotiate the arrangements with the East German Communist regime.

According to informed diplomats here, Mr. Khrushchev outlined this view at length for Dr. Hans Kroll, West German Ambassador, who was summoned to the Premier's Kremlin office yesterday. Deputy Foreign Minister Valerian A. Zorin attended the 2-hour-and-15-minute discussion.

[While various European capitals were sharpening discussions on Germany, Secretary of State Dulles left for London to discuss there and in Paris and Bonn a unified policy on Germany to present to the Soviet Union.]

SOVIET CRITICIZE PLAN

It was not known what other conditions and opinions were set forth by Mr. Khrushchev, who said a week ago that neither of the two Germanys could be eliminated "without touching off a world war."

West German diplomats here have refused all comment on yesterday's meeting. After it Dr. Kroll would say only that the matter was "very delicate" and that he could not comment. Llewellyn E. Thompson, Jr., U.S. Ambassador, presumably received a full briefing on the discussion at a talk with Dr. Kroll this morning.

The traditional Soviet view has been that the unification of Germany could be negotiated only by two existing governments without interference by the Big Four. The Russians have also maintained that the West's demand for free elections was nothing but a trick designed to "swallow up" the East German Communists and to incorporate a united Germany into the Atlantic Alliance.

Soviet leaders have expressed great interests in Secretary of State Dulles' recent comment that free elections were not the only way to unite Germany. In an obvious effort to demonstraate Soviet malleability on the subject, Mr. Khrushchev, in his speech to the Communist Party Congress last Tuesday remarked that he was not opposed to free elections.

The speech was especially severe on Chancellor Konrad Adenauer of West Germany, but it included this paragraph:

"Western propaganda loudly accuses the Soviet Union of opposing German reunification by free elections. We have never objected to free elections. But again the issue must be settled by the Germans themselves. We want all questions pertaining to German reunification to be solved by negotiations between the two German states and not the way Adenauer wants it—through pressure by foreign powers, through their interference in domestic affairs of the German people and by swallowing up the German Democratic Republic [East Germany]."

Mr. Khrushchev reiterated Moscow's support of a plan to "confederate" the two

Germanys as a start toward complete reunification.

It is not known whether Mr. Khrushchev went any further yesterday. It is thought here that he wanted to outline Soviet views before the Germans, British and French began their talks with the Secretary of State Dulles, who flew to London today.

[From the New York Times]

SIGNS OF SHIFT BY BONN

(By Sydney Gruson)

BONN, GERMANY, February 3.—There are signs that Bonn is beginning to come closer to Washington's thinking on the German question even before Secretary of State Dulles arrives here this week.

The latest indication concerns the necessity of making free elections a prerequisite for any moves toward reunification.

For years Chancellor Adenauer has insisted they must come first. But last night a leading member of the Chancellor's Christian Democratic Union backed away from this stand.

Dr. Heinrich Krone, majority leader in parliament, told a party meeting in Munich that while free elections remained a basic element for a German solution, they no longer needed to take first place in negotiations with the Soviet Union.

Mr. Dulles has said that reunification might be brought about without free elections, although that is the natural and preferable way. This leaves a gap between his position and Bonn's, but one not so wide as it was only last month, when Mr. Dulles voiced his stand.

Another important sign of change was a statement yesterday giving the West German Government's support to the idea of an East-West foreign ministers' conference on Germany before the end of May. That is Moscow's deadline for transferring Soviet responsibilities for access to West Berlin to the East Germans.

In general Chancellor Adenauer's thinking seems to be reaching for a new flexibility to match the appearance of flexibility in Mr. Dulles. But it concerns tactics, not the basic attitude that Dr. Adenauer has always preached, which is that any move weakening West Germany's close ties with the Atlantic community would be disastrous.

To observers here the rapprochement between Bonn and Washington seemed to have been made possible by the conviction that Mr. Dulles' fundamental policies also remain unchanged. Observers here believe that the Secretary's newly displayed flexibility concerns approach, not content.

The analysis made by both Western diplomats and many Germans in Bonn is that Mr. Dulles' maximum aim now is to test Moscow's readiness to make concessions on its long-standing German position. For that purpose a willingness to confer and some evidence of flexibility are essential.

But none of these observers really believe that there is any chance for essential change in the Soviet position. Therefore, the test would also be designed, if its results are negative, to show up Soviet intransigence.

For years the West has taken most of the onus for standing pat on Germany and refusing to explore compromise solutions. The minimum aim of the new tactic, it is believed here, would be to shift the blame in a way that is clearly illuminated to world public opinion.

Communist sources, speaking privately, have indicated that the Western appraisal of Soviet determination to maintain communism in East Germany is correct. It has been argued in the West, especially among Socialist Parties, that the pull of West Germany in any confederation would eventually overwhelm East German communism. But the Communists indicate that if such a thing ever seemed to be happening, the Russians would move back in, perhaps with force, to protect the territorial boundaries of their ideology.

POINTS 8 AND 9

[From the St. Louis Post-Dispatch, Dec. 29, 1958]

AN ALTERNATIVE IN EUROPE

Now that the West has delivered its reply to Moscow on the German question, the door is officially open for a Big Four conference this spring to discuss not only Berlin and not only Germany, but security arrangements for the whole of Central Europe as well.

The West has again made clear, quite properly, that it will not be thrown out of Berlin and will not recognize any unilateral changes of the present agreements controlling the city. But it has gone farther. It has invited a general negotiation on the whole problem of European security, and it has fortunately refrained from merely reiterating its own previously rejected proposals for the unification of Germany. If the Russians seriously want to talk, the stage is set.

It took the Allies just over a month to agree on this approach. They will now face a natural temptation to rest on their diplomatic oars and wait for the next step to be taken by the Russians. The temptation should be resisted. Instead of concentrating upon speculation as to what the Russians may propose in any negotiation, the West would better devote all its imagination and constructive effort to developing proposals of its own. And this means answering, first of all, soul-searching questions like these:

Can Western security requirements be satisfied without basing nuclear weapons on German soil?

Can the West get along without Germany in NATO?

Can the West accept a demilitarized zone across Central Europe including parts of all of Germany, Poland, and Czechoslovakia?

These questions need to be answered because they go to the heart of a possible alternative to the present situation of Central Europe. Nobody can know, of course, whether the Soviet Union would accept an alternative. We do know, however, that in its November 27 note on Berlin the Soviet Government proposed, in lieu of its threatened termination of the four-power status of Berlin, a German policy embracing:

"* * * the withdrawal of the Federal Republic of Germany from NATO with the simultaneous withdrawal of the German Democratic Republic from the Warsaw Treaty Organization and the achievement of agreement whereby, in accordance with the principles of the Potsdam agreement, neither of the two German states will have any armed forces in excess of those needed to maintain law and order at home and guard the frontiers."

Whether this suggestion offers a real basis for negotiation can be discovered only by detailed and confidential discussion. As Marquis Childs reports, a growing school of thought in Washington believes that the Russians do want an agreement on Germany, just as in 1955 they accepted an agreement on Austria, if they can get one without abandoning their position in Eastern Europe. But whatever the Soviet point of view, what is important for the West is its own point of view.

Our leaders ought to reexamine our position with great care. For if we could offer a safeguarded plan of military disengagement in Europe as an alternative to existing tensions, the West's moral position before the world would be immensely strengthened whether the Russians accepted it or not.

[From the Sunday Times, Feb. 1, 1959]

NATO LIMITS U.S. POLICY—PROBLEM OF GERMAN UNITY

(By Henry Brandon)

Neither Mr. Khrushchev's boast at the Moscow party congress this week that Russian intercontinental ballistic missiles are now in serial production, nor the prospects that the uncertainties of the Berlin situation will continue for some time, is likely to induce the United States to alter fundamentally its policy on Germany. This policy is tied directly to NATO military strategy.

With American ICBM development substantially behind Russia's. NATO, with its air and intermediate-range ballistic missile bases, is part of the diversification of the means of delivery by which the United States counterbalances the Soviet ICBM lead.

While the serious missile gap lasts, NATO, in the eyes of American military planners, will also remain for some time an indispensable supplement to the overall hydrogen deterrent of the Strategic Air Command. These facts impose limitations on substantial changes of NATO strategy and therefore on American policy on Germany. But they do not exclude the possibility of gradual modifications.

NOT INFLEXIBLE

It is ideas for such modifications that Mr. Dulles is studying now. For the first time, the American approach to the German question is not completely inflexible. Mr. Dulles is really searching for some freedom of maneuver for negotiation at the next four-power foreign ministers' meeting.

Though Mr. Dulles' modified approach to the German problem is more tactical than substantive, it has alarmed Bonn. Whenever the United States shows an inclination toward flexibility, Europe tends to tighten up anxiously; and whenever the United States remains unbending, Europe is critical.

CALL TO ADENAUER

But this time Mr. Dulles is imploring Dr. Adenauer, the West German Chancellor, that the initiative for a solution of the German problem must not become Moscow's monopoly. Mr. Dulles has finally come to this conclusion for these reasons:

1. It is no use going to a conference without having something to offer for negotiation.

2. He does not want to negotiate about Berlin only.

3. Americans believe the East German regime's position is so uneasy that it would be worth investigating some ways of associating it with an economically strong West Germany that would further test the regime's staying power.

4. There is some concern that, unless the West shows some flexibility in negotiations for the unification of Germany, West German public opinion might become restive. It is thought it is time to prove more convincingly that it is the Russians who are preventing German unification.

The reexamination of policy on Germany must not involve a withdrawal of American troops from all of West Germany—at least, not during the present stage of missile development.

This still leaves room for considering schemes such as putting the question of German nuclear rearmament on the bargaining table to find out what Russia would be willing to trade against it, and gradually associating the two Germanys with a view to eventual reunification.

If nothing else, Mr. Dulles is anxious to inquire more into the basic motives of Russian policy in Germany. His attempts to find out more about this from Mr. Mikoyan

apparently failed completely. It is now concluded here that Mr. Mikoyan's mission was public, not private, diplomacy; but officials feel that, judging by Mr. Khrushchev's speech before the party congress, it was useful in that Mr. Mikoyan must have reported in terms relatively free of old dogmas about the real state of the American economy.

It is important to find out more accurately what motivates Russian policy in Germany because at present British and American estimates differ in emphasis. British experts believe that what prompted Mr. Khrushchev to stage the Berlin crisis was to force talks about Germany in general and the nuclear rearmament of West Germany in particular.

RUSSIA'S FEAR

The assumption is that the Russians are afraid West Germany ultimately will become the strongest continental member of NATO and then will try to use the fact to advance her own national aims.

On the other hand, State Department officials are more inclined to think that Mr. Khrushchev's objective is to bolster the shaky East German regime and make East Germany more proof against further internal disintegration. The United States seeks a middle way between the stand-fast position of Bonn and the British ideas, which are considered here to be too far reaching.

France has now informed the United States that she is against a foreign ministers' meeting before Mr. Khrushchev's deadline in May.

Though Mr. Dulles' new approaches are chiefly designed to wrest the diplomatic initiative from Moscow without abandoning basic principles, it is still uncertain whether Dr. Adenauer can be brought round to accept them. Here, as well as in London, it is hoped that a new phase in negotiations with Russia will soon begin, and that gradually progress can be made which would insure a lessening of tension.

EDITORIAL COMMENTS ON REMARKS

[From the Washington News, Feb. 13, 1959]

THE GERMAN PROBLEM

The State Department has welcomed the various ideas on Germany offered by Senator MIKE MANSFIELD for discussion and exploration. It promises to give the Senator's suggestions "careful attention" and study, as it will others offered in the same spirit—in search of a solution to a problem that, unsolved, remains a constant danger.

Some weeks ago Secretary Dulles set in motion a complete reexamination of all facets of this problem. Many of the ideas Senator MANSFIELD discussed are being studied and reweighed in the light of today's developments.

If the partition of Germany could be satisfactorily resolved with justice, some of the heat in the East-West conflict might diminish. Until then it remains a sort of time bomb in central Europe.

The chances may not be any better today than they have been in the last 13 years. But unless we are to reconcile ourselves to the present unsatisfactory and dangerous status quo forever, periodical new efforts must be made. The world does not stand still—nor does Germany.

Whether we like it or not, the Soviets have reopened this slumbering issue—and we must be ready within months to try to negotiate with them again. It will take the product of the best minds we have in this country to find a new negotiating formula—one that fits today's conditions in contrast to formulae which are now outdated.

Senator MANSFIELD made it clear that the responsibility for a new policy rests with the President and his Secretary of State, but that in the meantime the Senate has an obligation to debate, discuss, and advise. That is the way things are done in this country. To any who might be tempted to interpret either the Senator's speech or the continuing discussion of Germany in this country as a sign of division or confusion, Mr. MANSFIELD reminded:

"When the President speaks officially on Germany he will be speaking for all of us whether or not we agree with what he says."

[From New York Times, Feb. 14, 1959]

THE MANSFIELD PROPOSALS

The Western Powers are now engaged in a wholesale review of their policies on Germany in an effort to meet the Soviet ultimatum on Berlin with new initiatives and programs designed to test to the limit of any possible Western concessions the real Soviet intentions. Meantime the search for new programs and formulas continues, and while it continues a contribution of any new ideas and suggestions can be only welcome and helpful.

An attempt to make such a contribution has been made by Senator MANSFIELD, recognized as a Democratic expert in foreign affairs. In it the Senator has made some points which need constant emphasis. He is right in emphasizing that the problem of German reunification is the key to the peace of Europe and that this problem is now moving toward a crisis. He is equally right in calling on the administration, Congress and the whole West to stand fast in Berlin. He is also right in emphasizing that German reunification must be accompanied by a security system that safeguards both Germany's neighbors and Germany itself.

But in attempting to work out formulas for attaining these ends Senator MANSFIELD has been lured into propositions which can only throw confusion into the Western ranks, impair Western unity, and encourage the Soviets to press for a Western surrender. Indeed, there is an ominous, though of course unintentional, parallel between Senator MANSFIELD's proposals and those of Premier Khrushchev.

Like Premier Khrushchev, Senator MANSFIELD insists that there are now two German states, or political authorities, even if East Germany is ruled by puppets manipulated by Moscow, and that therefore German reunification can no longer be brought about by the Big Four Powers but only by talks between the two German regimes. If such talks involve a degree of recognition of East Germany, the Senator is willing to accept that, ignoring the fact that in practice this means either recognizing German partition or forcing West Germany into a deal with Moscow as East Germany's master.

Like Premier Khrushchev, who insists on preserving the social gains (meaning the Communist regime) in East Germany, Senator MANSFIELD is willing to accept a not fully representative democracy in East Germany, which would make the East German regime the Communist Trojan Horse in a united Germany. He thinks that East Germans should have "some genuine choice in the form of control exercised over them," but regards free elections as merely an unrealizable slogan—without making any suggestions as to how a genuine choice is to be manifested under a Communist regime.

Finally, and perhaps immediately most important, Senator MANSFIELD, like Premier Khrushchev, proposes to take Berlin out of the context of the German problem and deal with it separately. The Senator would reunite Greater Berlin under an all-Berlin government, withdraw the Western forces, and replace them first with a United Nations police force and later with German militia under NATO guarantees. Quite aside from the fact that the Soviets have already annexed East Berlin to East Germany, and that West Berlin belongs to neither West Germany nor NATO, this proposal not only prejudices Western rights in Berlin but is the surest way to a conquest of free Berlin by a Communist-dominated militia.

Senator MANSFIELD admits that he "can be wrong." He is wrong, we believe, on these points, and the sooner he rectifies them the better for the West and for peace.

[From the New York Times, Feb. 15, 1959]

MR. DULLES' ILLNESS

The news that Secretary Dulles' illness is cancer, and that he will have to take an immediate leave of absence while undergoing radiation therapy is admittedly a shock. This is not because the prognosis for cancer is as disheartening as it used to be, Mr. Dulles has great courage and great endurance. If any man in the condition indicated can recover, Mr. Dulles can, and that he will do so is the fervent hope and prayer that will go up everywhere in this country and throughout the free world. We need John Foster Dulles.

On the verge of 71 Mr. Dulles' physicial achievements as well as his intellectual labors have been remarkable—and even startling. Since becoming Secretary of State he has traveled 560,000 miles—well over a round trip to the moon. From Chancellor Adenauer in Bonn to Generalissimo Chiang Kai-shek in Taipei he has taught powerful individuals to depend on his personal presence and advice. The strain of this travel and the profound responsibility that went with it day and night, week in and week out, year in and year out, would have worn anybody down. Mr. Dulles endured these hardships like a good soldier. Now he is wounded and must retire from action for a time. That, too, is the destiny of soldiers.

No one can realize more keenly than Mr. Dulles how unfortunate it is that he cannot at this precise moment be fully active. We are approaching a crisis over the city of Berlin, over our entire relationship with Russia, and possibly over the immediate future of the whole free world. Senator MANSFIELD appeared to be arguing last Friday for what could be called an agonizing reappraisal of our European policy. Senator MANSFIELD's main thesis seems to us to be wrong, but he does have to be answered and alternatives have to be found.

Thus, at the very moment when the fruits of 6 years of the most arduous work are at stake, it is a tormenting situation that Mr. Dulles finds himself in. We fully believe, as must everyone who knows the man and his work, that his concern today is less for his personal well-being than for the security of his country and of the democratic world.

It may be that this present emergency will require us to reexamine the role and function of the State Department. We have placed too heavy a burden on one man—a devoted, intelligent, quietly heroic man. It was too much to ask.

It will now be necessary—not, we hope, to find a successor for Mr. Dulles—but to reorganize the top levels of the State Department to meet this crisis. The Department has extraordinarily able men, including the Under Secretary of State, now Acting Secretary, Christian A. Herter, and Deputy Under Secretary of State C. Douglas Dillon. Such men can be depended upon to carry forward the policies pursued by Secretary Dulles and approved by the President. But the lesson taught by Mr. Dulles' breakdown might lead to some change in the method of day by day direction of our foreign policy. The ultimate responsibility must rest with the Secretary and through him with the President. It may be, however, that thinking is more important than traveling. Mr. Dulles has been, in a way, the victim of the very ease with which men get around the world today.

In the weeks to come we shall undoubtedly see significant shifts in the front ranks of the State Department. The expected

meeting of Western foreign ministers in Paris in March will not be called off because one man is unable to be there. Our national policies—to stand firm for even the smallest threatened islands of democracy, such as West Berlin, to offer conciliatory programs insofar as we can do so without compromising freedom—these have been fixed, are nonpartisan, and will endure.

We must now hope not merely for Secretary Dulles' safety and recovery but that we will continue for a long time to have the benefit of his advice. We need that advice far more than we need his physical presence in an airplane or in some faraway capital. For the country's sake as well as for his own, we wish him well.

[From the New York Times, Feb. 16, 1959]

THE WORLD PERSPECTIVE

It may be true, as is often said, that those who live at a given time cannot have as good a perspective on the events of their era as can historians writing decades afterward. Yet the effort to obtain perspective on one's own time is one that must be made, for without some kind of framework of interpretation there is only a chaos of unrelated, essentially meaningless facts.

The key to a perspective on the present world situation is recognition of the fact that we are right now in a time of swift change. An unfortunate symbol of that change is the news that Secretary of State Dulles is so ill that many of his difficult duties must be taken over by others. This misfortune was made known after Prime Minister Macmillan of Britain had decided to visit Moscow this week and Senator MANSFIELD had spoken on the Senate floor—in many respects unwisely—for changes in the Western approach to the problem of Germany. And behind these and other signs of ferment in Western political thinking and action is the ominous deadline Khrushchev has set for West Berlin, a deadline now little more than 3 months away.

In the Communist world there are change and tensions, too, though great efforts are made to hide that reality. The relations between the Soviet Union and China are obviously quite different today from what they were a few years ago when Communist China was still only recovering from the wounds of its civil war. Last weekend, for example, Moscow and Peiping celebrated the ninth anniversary of their treaty of friendship and alliance with much talk of unshakable unity. But the world of 1959 is not the world of 1950 and Krushchev's relation to Mao today cannot be and is not what Stalin's was.

It is also clear that the thunderous fusillades both Moscow and Peiping direct so often against Yugoslavia would not be needed if Yugoslavia's successful show of independence were not even now exerting an important attractive influence upon countries still subservient to Moscow. And within the Soviet Union itself the most corrosive agents of social and political change are at work: education, greater knowledge of the outside world, and the desire for a better, freer life.

What we do not know, of course, is the end result those signs of change and forces for change will bring. Premier Khrushchev, of course, speaks confidently of his inevitable victory. But he spoke confidently at the 20th Communist Party congress three years ago, too, little dreaming of the disasters he would suffer in Poland and Hungary within a year. The future, in short, is as inscrutable to him as it is to us.

What we do know, however, is that the changes now underway in the world are powerfully affected by the knowledge on both sides of the disastrous and universally suicidal potentialities of renewed world war. That knowledge is perhaps the greatest change of all in the human condition today as against all previous recorded history. Against this background it is clearer than ever that the changes now and in the future must take place under a compulsion if sanity prevails to maintain the peace. We may all hope that that compulsion will be effective, for otherwise humanity has no future.

[From the Baltimore Evening Sun, Feb. 13, 1959]

MANSFIELD SPEAKS OUT

Senator MANSFIELD has made a speech outlining positive and constructive proposals for negotiating a settlement of the Berlin problem and the reunification of Germany. He is a careful and responsible man, a member of the Foreign Relations Committee and the deputy leader of the Democratic Party in the Senate. Senator LYNDON JOHNSON, the party leader, has by implication endorsed Mr. MANSFIELD's proposals by saying that this was a great speech.

The Mansfield speech does not, however, necessarily reflect the thinking of Democrats in the Senate as a whole. It does lend the support of an enlightened and influential Senator to the call for flexibility in the American policy and in the approach of the Western nations as a group to the thorny Berlin question. Mr. MANSFIELD does not suggest any abatement of the Western decision not to be driven out of Berlin. He upholds all that Mr. Dulles has said on that score.

If Mr. MANSFIELD's ideas can be summed up in any word, it is disengagement. He does not go as far in that direction as Mr. Mr. George Kennan, who has become the principal exponent of disengagement in the United States. However, Mr. MANSFIELD does suggest that the Rapacki plan for the establishment of a neutral zone in Central Europe be considered. That plan also figures largely in Mr. Kennan's thinking.

The deputy Democratic leader would have the United Nations help East and West Germany to negotiate an all-Berlin government, and in the case of success, United Nations might replace both Russian and Allied forces in the city. Otherwise, he would let Russian forces leave and Germanize the forces of freedom in Berlin under NATO guaranties. As for Germany as a whole, he is willing to have East and West Germans work out a plan for unification subject to the proviso that the East Germans have some choice in their own decision. And while he would limit armaments in German and Central Europe, he wishes the reunited Germany to continue its association with the Western alliance. These views are cogently presented and include a wealth of informative discussion.

This scheme goes far beyond anything that the Secretary of State could say at this time, or even hint at. Mr. Dulles must keep his plans completely covered, for as a negotiator he cannot expose his hand to the Russians. Mr. MANSFIELD can speak more freely. Mayor Willy Brandt of Berlin, now in this country, objects to his plan. Foreign diplomats in Washington are said to be shocked at the Mansfield speech. The shock may arise from fear that it may injure the West's negotiating position. However, there is nothing in the speech contrary to Mr. Dulles' Berlin statement that Western concessions were dependent on the Russians' making them too. And the speech may make it easier here at home for Mr. Dulles to offer concessions for a price. In any event, it will undoubtedly help in clarifying a situation that for the average citizen is as confusing as it is dangerous.

[From the Washington Post, Feb. 13, 1959]

MR. MANSFIELD'S PRESCRIPTION

Senator MIKE MANSFIELD has given a strong nudge to the administration in his suggestion of direct negotiations between West Germany and East Germany. The thoughtful discussion of the Berlin crisis by the Democratic whip goes farther than that of any other legislator to question cherished postulates of Western policy. Some of his assumptions, we think, are mistaken and others are unrealistic. Moreover, some of his remonstrances to the administration about past standpattism seem inappropriate after the State Department has begun to move in its approach to the problem. Nevertheless, it is highly useful to have encouragement from Capitol Hill for a searching examination of the possibility of arms limitation in Central Europe.

Mr. MANSFIELD would have the Western Powers safeguard their rights and access to Berlin, but he would have the East and West regimes negotiate toward a unified neutralized city. He would have a United Nations police force replace present Allied and Soviet troops; or, if this were impracticable, he would replace Allied troops with West German troops. He would abandon free all-German elections as a prerequisite for German unification (something Mr. Dulles already has done in effect). While continuing West Germany's ties to Western Europe, he would consider various proposals, including the Rapacki plan for arms control.

We have serious misgivings about two of Senator MANSFIELD's proposals. The suggestion for negotiations on unification of Berlin seems to us to approach the problem backward, because the division of Berlin reflects the division of Germany. It is difficult to conceive of any sort of city unification that would preserve freedom and still would survive as an island in Communist East Germany. Any stable unification of Berlin is likely to depend on the prior unification of Germany.

Similarly, we doubt the feasibility of bringing the United Nations into what, at root, is a dispute between two great power blocs, the Soviet Union and United States and its allies. The U.N. might be able to perform a simple police-type assignment; but without prior settlement in this situation the international organization would be subjected to impossible ideological pulling and hauling.

Mr. MANSFIELD is quite right, however, in saying that East Germany cannot be wished away. The West Germans have recognized the fact of the Communist regime in their trade relations. Of course, the practicability of negotiations would depend upon the Soviet purpose. Do the Russians want a settlement in the crisis they have created, or do they merely want to inhibit West German rearmament while perpetuating the division? It is unlikely that they will relinquish the Communist system in East Germany. How much room this leaves for acceptable compromise is debatable; but the West ought to find out.

The big point is that a divided Germany is in itself unstable. This is the basic flaw in the thinking of those who would just as soon see the division remain. The artificial separation is a canker in the consideration of other European problems. Furthermore, it is high time to abandon the shibboleth that nuclear armaments in West Germany are a sine qua non of Western defense and to look seriously at the feasibility of mutual East-West security arrangements.

That is why we think Mr. MANSFIELD has performed a service despite our disagreements on details. None of this, however, ought to obscure the basic prior necessity for specific Allied agreement on military defense of land access to Berlin. Counterproposals will be most useful if they stem from clear understanding of military intentions.

[From the Philadelphia Inquirer, Feb. 13, 1959]

ACT FOR PEACE ON BERLIN ISSUES

This newspaper has strongly believed and said so, that the Western Powers should not merely await Russian initiative in the Berlin crisis. We should have our own policies, with the allied nations united to stand by them.

We should not just say "No," sit tight, wait it out. Moscow has announced intentions to pull out of the long-established, Four Power control of Berlin by May 27, demanding that the Western Powers get out also. And thereupon to leave Berlin, its communications, and the life of its people, to the East German Communist regime.

That regime is a firsthand agency of the Kremlin. The prospects of an inert western policy—a waiting game—or, worse still, of no definite policy at all, may be dangerous in the extreme. The Berlin crisis, and all that surrounds it, carries a threat of war.

The alternative is actively to seek ways and means—and we repeat, on a united front—to develop sound solutions of the Berlin and German unification problems.

The entire question has gained new widespread interest through the trip of now ailing Secretary of State Dulles among western European capitals. This has produced affirmations of allied rights. Also a movement has taken form, attributed to western leaders, for definite consultations with the Russians.

Yesterday, Senator MIKE MANSFIELD, called for United Nations conciliations to unify Berlin and ease the threats the Soviet-created crisis concerning it have raised.

Senator MANSFIELD'S voice is authoritative. He is assistant Democratic leader and a member of the Foreign Relations Committee. He is right in declaring the time has come for positive action and a great deal of talk between east and west Germans.

Mr. MANSFIELD put it this way: "We are approaching the beginning of the end of two Berlins and of two Germanys." He declared that standing fast in Berlin is simply a slogan and not enough.

His conclusion is profoundly significant—that immobility "* * * may well lead down the blind alley of an unnecessary conflict or disastrous diplomatic defeat."

Emphasizing that both Democratic and Republican leaders in Congress stand solidly back of the policy of refusing to be driven from Berlin, Senator MANSFIELD stresses the need for a western initiative for peace.

Such an initiative is required. Current dispatches from Europen capitals seem to envisage a movement for a Four Power Foreign Ministers conference to talk over the Berlin and German questions.

This would include Britain, France, Russia, and the United States. And an additional factor—the attendance as advisers of representatives of both West and East Germany.

The proposition would not, it is maintained involve recognition of Russian-controlled Communist East Germany. Its representatives would attend to consult with those of Russia; the West Germans to act in a similar way with the Western Powers.

We do not have to accept this idea as final. It may, however, be worth serious consideration.

These proposals and others aimed at German unification demand thoughtful study and action. They all look in one vital direction; that is, to prevent the Berlin situation from drifting toward perilous futility. The Berlin problem is the most important peace question of this time. On our side we should get down to cases and seek honest and honorable solutions to insure that peace, not grave new dangers, may come from them.

[From the Washington Evening Star, Feb. 13, 1959]

TALKING ABOUT BERLIN'S FUTURE—OUTPOURING OF THOUGHTS FOR SOLUTION SEEN REPLACING FORMER INFLEXIBILITIES

(By Doris Fleeson)

If there has been only a little thaw in the cold war, there has been a big one in talk about the future of Berlin and Germany which threatens to produce a flood.

Once the status quo of the Berlin situation promised to be breached, suggestions for dealing with that, with the reunification of Germany, and even with the whole European position have been pouring out from sources high and low. Thoughts which have been pent up by inflexibilities on both sides have now been released. It produces a marked contrast with periods only a short time ago in which all sides appeared bereft of ideas capable of producing any hopeful change in the cold war. Some of the ideas now being presented are useless on their face; some seem dangerous. But it should be a good thing to get talk going again, talk being, as often noted, infinitely less dangerous than war.

On the theory that the position of Berlin cannot well be dealt with without also dealing with the whole question of a united Germany, this appears to be accepted by the United States and its allies as well as the Soviet Union. It also is true that the question of a unified Germany, under whatever conditions, could hardly be dealt with without bringing up the whole European position which it would deeply affect. We are certain to be hearing about some daring proposals in this direction.

The practical difficulty of this is that if too great a task is set for the coming meeting of foreign ministers it would be less likely that it could come to the sort of agreement which would settle the immediate problem before us, which is the future of Berlin. Planning an agenda which is at the same time big enough to encompass the possibilities and limited enough to fall within the practicalities will be one of the great tasks to be accomplished before there is any meeting at all. Its accomplishment will not be as simple as falling off a log.

The direction in which State Department thinking has been going is demonstrated by the offer to have representatives of both the West and East German Governments participate in the conferences as attachés of delegations officially there. But this was followed with the tantalizing suggestion that the same might be done for representatives of Poland and Czechoslovakia. This was a bland way to pull the tail of the Russian bear.

There could be nothing more desirable to the Governments of Poland and Czechoslovakia than to be at the conference. They are as vitally concerned as France in what is going to happen to Germany. They are nearer to Germany than the Soviet Union, and for all the intimacy of their association with the Russians, they might have different ideas of where their interests lay than the Soviet Union would have. It was not a suggestion guaranteed to enchant the Russians.

Senator MANSFIELD, of Montana, who does both his homework and his fieldwork on foreign policy matters, has now reminded the Senate that 9 months ago he warned that body of the coming crisis in Germany.

"The question was never," he said, "Would Germany be unified? It was when and how Germany could be unified. We may now have begun to comprehend the 'when'; the actual process of unification is likely to begin this year. Only one question remains, How is Germany to be unified? Will it be by conflict, by negotiation, or by some mixture of the two? That is the question which is impelling us and the rest of the world toward the coming crisis in Germany."

[From the Washington Evening Star, Feb. 14, 1959]

BERLIN DANGER

Montana's Senator MANSFIELD has made a responsible and constructive contribution to the debate on the Berlin-German problem.

The Mansfield speech is not a partisan attack on Mr. Dulles or the Eisenhower administration. It is, rather, a notable effort to focus public attention on the great danger which lies ahead, especially with respect to Berlin, and to stimulate consideration of new approaches by the West to this problem.

The Russians have announced that, unless an agreement is reached, they intend to pull out of Berlin on May 27 and hand over their occupational responsibilities to the East Germans. We should assume that they mean what they say, and that Western protests will not stop them. It is in this context that Senator MANSFIELD, in what he described as carefully measured words, expressed to the Senate his belief that "just ahead lies the most critical period which the United States will have had to face since the conflict in Korea." At stake, he said, are the "lives of tens of millions of human beings, Americans included." This is a sober estimate, not an alarmist forecast, and it is of high importance that this be understood.

Senator MANSFIELD believes that Germany is going to be reunified—and by the West and East Germans themselves. This will come about peaceably or by force, and the latter course almost certainly would mean an enormously destructive war. Mr. MANSFIELD suggests a start in Berlin, hoping that this may produce patterns of unification which would be applicable to the problem of peaceful all-German unification.

In any event, he urges that Western policy, and particularly United States policy, be redesigned to accommodate and encourage peaceful unification.

"I submit," he said, "that a policy which merely clings to an unrealizable slogan of free all-German elections, which does not pursue German unification by other means, is no policy at all. It is a straitjacket. It is an excuse for immobility. It may well lead down the blind alley of an unnecessary conflict or disastrous diplomatic retreat."

The Montana Senator offered nine points for consideration. The first is rather vaguely stated—that "forces representing the concept of freedom in peace" not be driven out of Berlin. What he apparently has in mind is that German forces should be substituted as soon as possible for Western forces in Berlin. These German forces would be fully supported by NATO guarantees. In any plan of unification, he says, East Germans as well as West Germans must be free to express a political preference—even though the expression, in the case of the East Germans, may be recorded only in East Germany. Finally, Mr. MANSFIELD strongly urges a search for agreements which might lead to limitation of armaments through Germany and central Europe—even though this would entail genuine consideration of Communist-sponsored plans.

In a word, Senator MANSFIELD wants the West to get off dead center and begin serious work on a realistic plan. His specific suggestions may not be the best, nor does he contend that they are. And it is true, of course, that Mr. Dulles, prior to his latest illness, seemed to be moving closer to the Mansfield point of view.

But words are one thing; a policy is something else. The West has had plenty of slogans to fit the German situation.

Slogans, however, are not a policy, and it is a policy which is so urgently required.

[From the New York Daily News, Feb. 13, 1959]

ASK MARSHALL—HE KNOWS

Or should know, assuming he can learn from experience.

We're speaking of Gen. George C. Marshall. What brought him to mind was the much-touted speech Thursday by Senator MIKE MANSFIELD, Democrat, of Montana, on what to do about Germany.

It is MANSFIELD's lovely thought that the Western allies should gradually pull out of West Berlin and let the West German leaders and the East German Reds reunify Germany.

President Truman, back in 1945, had a similar lovely thought about China. He sent Marshall as his special envoy to pressure the Chinese Nationalists and Communists into setting up a joint government. The upshot of this cockeyed venture was that the Reds eventually squeezed Chiang Kai-shek out of mainland China.

Decent people cannot safely trust Reds—as Marshall must know now, and as MANSFIELD should have learned from Marshall's experience. When you do trust a Red, he cuts your throat.

It looks to us as if MANSFIELD, in the greatest of simple-minded good faith, is only proposing a plan to let the Reds grab all Germany sooner or later; probably sooner.

West German Chancellor Konrad Adenauer is not buying the Mansfield plan. Mayor Willy Brandt of West Berlin says it is based on a dangerous illusion. We hope it will be rejected just as flatly by the United States, British, and French Governments.

[From the New York Daily Mirror, Feb. 13, 1959]

A MISTAKEN PLAN

Senator MIKE MANSFIELD, of Montana, one of our abler Senators, proposes that East and West Germany do their own peacemaking and that the Soviet and United States troops in these countries be replaced by a United Nations force.

The proposal is made in the desire to avert war with Soviet Russia. Coming from Senator MANSFIELD, it must be regarded as representing a serious and sincere point of view.

Its weakness lies in the fact that Senator MANSFIELD ignores two historic factors:

1. West Germany is our ally. We have rebuilt that nation and it is a bulwark against Soviet imperialism.

2. His proposal is a modification of the Soviet plan and if accepted would represent another victory for Russia.

Therefore Soviet imperialism would be strengthened throughout the world and would become a greater problem.

It is therefore a self-defeating proposal, however well intentioned.

Furthermore, no matter how far from East Germany the Russians remove their troops, Russian trained and directed armies exist in Poland and in all the territory that surrounds East Germany.

Also, East Germany is a province of Soviet Russia politically and is governed by Kremlin appointees.

On the other hand, American troops to be moved an equidistance from Berlin, let us say, would have to be in the Atlantic Ocean and if, at a moment, Russia sent tanks into West Germany to take it over, the defensive force would be inadequate.

Finally, why should we move out of West Germany before our ally asks us to?

Mayor Willy Brandt of West Berlin does not ask us to leave that city.

Chancellor Adenauer does not ask us to leave West Germany.

Why should we accept an ultimatum from the Russians?

The day will surely come soon when even those Americans who prefer to remain blind will recognize the fact of history that, while it is true that we fought a war against Germany, it is equally true that our enemy is and has been Soviet Russia and that the Russian menace is draining our lifeblood as a nation.

Peace with Soviet Russia will not be found by sacrificing our allies until we have none. Peace with Soviet Russia can only come from strength.

The Russians understand strength; they laugh at cowardice.

[From the Wall Street Journal, Feb. 16, 1959]

RUSHING TOWARD UNITY

In an eloquent speech Senator MANSFIELD has offered some thoughtful and thought-provoking views on what he calls the coming crisis in Germany. His views had added significance in the light of the weekend announcement of Secretary Dulles' new illness.

Yet, for all the merit of the MANSFIELD assessment, we fear it contains a central defect. The key question, in Mr. MANSFIELD'S mind, is not whether Germany will be united but when and how. He thinks the when is already at hand, is beginning this year. To arrive at the how of it, he says that we must realistically acknowledge that the Communist regime in East Germany is not going to disappear voluntarily any more than the free Goverment in West Germany is going to choose to go out of business. Therefore, any form of unification is going to be less than perfect from the point of view of either West or East.

From this the Senator derives two further points. It is primarily the Germans, East and West, who are going to, and should, decide the how of unification. And, if the means are not to be war, it behooves the United States to put forth promptly fresh proposals designed to help the Germans achieve unity.

Now if the assumptions are correct, then the proposals which Mr. MANSFIELD does in fact put forth have a certain validity. He proposes that the Germans in both parts of divided Berlin start serious efforts to unify the municipal government, perhaps with a U.N. force supervising the agreement. And in this pattern he sees an application to the largest problem of unifying all Germany, though at some stage of the process all Germans must have some means of expressing their political preferences without the threat of terror.

But is the Senator's central assumption correct? Is it true that time and events are rapidly pushing toward German unification one way or another, and that we must therefore do everything possible to speed the process?

The Soviets, for their part, have never shown convincing interest in any kind of unity except under their complete domination. They have spurned free election, as advocated by the West, for nearly 14 years. They talk favorably of confederation without elections, but it is by no means sure they would even permit that unless it guaranteed their continued control of East Germany and a good chance to grab West Germany.

As for the Germans, the overwhelming majority in the Soviet Zone want freedom and perhaps they will rise again as they did in 1953, despite the presence of 22 Red army divisions. But that is in the realm of conjecture, hardly the basis for policy. In West Germany reunification is an emotional and political issue, but the West Germans aren't so frantic that they are determined to have unity this year no matter what; certainly they have no intention of trying to get unity by force.

So Mr. MANSFIELD may be offering somewhat unreal alternatives: That there must be a rapid unification of Germany, or else there will be a war. If that proposition is questionable, then there is some danger in rushing toward forms of unity, in Berlin and all Germany, that may not serve our interests in German freedom at all.

We might remember that not so many years ago this country exerted prodigious efforts to get the Chinese Nationalists and Chinese Communists to join in a coalition government. That was a tragic blunder; the upshot was not coalition but Communist conquest. The Czechs learned the same sorrowful lesson. The same danger lurks in plans for confederation or coalition with the Communists in Germany.

This newspaper believes the administration should welcome all fresh thoughts on dealing with Germany, for we agree with Senator MANSFIELD that it is a potentially explosive issue. We also believe that our policymakers should, in any new negotiations with the Soviets, be able to maneuver as much as possible within the limits of safety.

But, as these columns recently tried to indicate, it is essential to know what the limits are, to distinguish sharply between what is not vital to the interests of freedom and what is vital. In his understandable eagerness for German unity, Senator MANSFIELD comes close to confusing the two.

[From the St. Louis Post Dispatch, Feb. 15, 1959]

THE OPPOSITIONS UNITE

Senator MANSFIELD'S thoughtful speech on Germany in the Senate last week was a gratifying demonstration of constructive opposition. The assistant Democratic floor leader advanced not only specific proposals for the negotiation of a new status for Germany, but a most wholesome attitude. He urged our Government to accept first of all the reality that change is coming. Then he proposed that we adapt ourselves to change, that we approach it with creative imagination, that we undertake to guide it into channels serving Western security and world peace.

At last it has been clearly said by a responsible party leader that clinging to the old formula of German unification by free elections is not vital to the national interest. Now it has been said that we should go halfway toward the Soviet position and encourage direct negotiations between East and West Germany. Now it has been said that the Rapacki plan for a buffer zone free of nuclear weapons, and other plans for demilitarization of the border between East and West, should be parts of Western thinking. Now it has been said that military disengagement should be an objective.

Only a year ago ideas like these, when put forward by George F. Kennan in his English lectures, were energetically repelled by official Washington. That they are now seriously considered by the Democratic majority in the Senate, if not by the administration, is a measure of a revolution in Western thought.

It is now a deeply significant fact that the general ideas and attitude suggested by Senator MANSFIELD last week are shared by the responsible opposition leaders in Britain, Germany, and the United States. There is a strong presumption that in each country the opposition approach more nearly reflects current public opinion than does the official policy of the conservative government leaders.

The people yearn to face forward. They long to put behind them the stale deadlocks of the cold war. They seek an accommodation of national interests which involves

surrender by neither side and yet lays the foundation for disarmament and the quelling of tension. The question is whether those who now hold power can recognize and adjust to this upwelling of popular opinion.

MISCELLANEOUS

[From the St. Louis Post-Dispatch, Nov. 23–30, 1958]

SIX MONTHS OF OPPORTUNITY

Because Premier Khrushchev's German note was issued in the atmosphere of a Berlin crisis, its proposals on West Berlin got the most attention. But as the note is studied carefully in Western capitals it may well take on more significance as a serious and carefully planned attempt to initiate a settlement on Germany as a whole. Since Germany cannot be separated from central Europe, the note must be regarded as bidding seriously for negotiation on European issues as well.

It seems to us supremely important that in formulating their reply the Atlantic Powers should avoid merely knocking down the Berlin proposals—even though, standing alone, these may call for knocking down. The Berlin question cannot be solved in a vacuum, but only as part of a general German settlement. The West would err most grievously if it failed to keep the door open for that kind of settlement, and if it failed to develop its own constructive and new proposals to that end.

The need for new proposals requires emphasis because there will surely be a strong temptation to repeat what the West has been saying for 10 years—that the whole German problem can be solved simply by reuniting East and West by free elections.

This formula, however desirable it may seem in the abstract, has become the excuse for inaction rather than a fruitful basis for settlement. Among the facts which must be faced as a part of today's world is the fact that the Soviet Union does not intend to permit integration of East and West Germany in a way which would permit the new Germany to become a military ally of the West.

To be perfectly fair, let it be said that the West would not permit a reunified Germany to arise as a military ally of Russia, either. Have we the right to demand from the Russians something we would not think of conceding ourselves?

If the old Western basis for a settlement is gone it does not follow, however, that all basis is gone—provided our leaders can face up to the realities and summon the resources of imaginative leadership that are needed. In holding out the possibility that East Germany could be withdrawn from the Warsaw Treaty Organization in return for West Germany's separation from NATO, Khrushchev seems to be renewing, with great emphasis, the Rapacki plan for a demilitarized belt through central Europe. In offering to accept U.N. supervision of a demilitarized Berlin, he may be hinting that similar international jurisdiction on a larger scale might be negotiable.

The Rapacki plan in its original form had obvious defects from the Western point of view. It proposed to bar nuclear arms from the two Germany's, Poland, and Czechoslovakia, but said nothing about conventional forces. A one-sided deal like that would leave the Communists with predominant power in Central Europe.

Now the plan has been revised by the Poles to embrace a two-stage agreement. In the first stage, nuclear armament in the area would be frozen while talks were held on reduction of conventional arms; in the second, nuclear and conventional disarmament would be carried out simultaneously.

This plan also may be inadequate. But would it not be far better for the West to bring forward its own proposals for the demilitarization of central Europe, including Germany, than to go on pressing for the permanent incorporation of Germany into the western military alliance? The West might, for example, insist on U.N. supervision of the demilitarized zone and on a balanced withdrawal of both Soviet and Western forces from it. Other conditions to assure good faith performance of the contract could be added.

Within some such central European settlement it might be possible to work out a German settlement along the lines increasingly mentioned of late in both Germany and Russia. The West could give up its aspiration for an all-democratic Germany and Moscow its hopes for an all-Communist Germany. The two Germanys could be brought together in some form of confederation or dual state which preserved the political and social structure of each but denied them both the military means to threaten aggression either way.

Whether any settlement along these lines is possible can be doubted, but it is worth thinking about if only to get away from the stereotypes and frozen formulas that have blocked any better settlement all these years. If by good fortune a confederation did work out to everybody's satisfaction, then the Berlin problem could be solved at last. It is most unlikely to be solved without a general German settlement.

In any event, the West should prepare itself to negotiate on Germany during the next 6 months, and should do its best to develop fresh, creative proposals. It is well to remember that a demilitarized central Europe verifiably free of nuclear arms might be quite as much to our advantage as to the Soviet Union's.

[From the New York Times, Dec. 12, 1959]

UNITED STATES SAYS SOVIET IS PACT VIOLATOR—ACCUSES MOSCOW OF ALTERING HISTORY—LISTS BREACHES OF POTSDAM AGREEMENT

(By E. W. Kenworthy)

WASHINGTON, November 30.—State Department officials charge that, contrary to Moscow's complaint that the West has violated the Potsdam agreement, the Soviet Union itself has broken that agreement as well as other accords on Germany.

These officials have had long experience with what is viewed as Soviet rewriting of history. Nevertheless, they are amazed at what they consider brazen historical distortion and twisted logic in last week's Soviet note on Berlin.

In a speech November 10, Premier Nikita S. Khrushchev called for ending the occupation status of Berlin on the ground that the West had violated the Potsdam agreement, which does not even mention Berlin.

Last Thursday's Soviet note proposing that West Berlin be made a free city did not repeat this error. It specifically denounced two agreements dealing with occupation zones and the four-power control of Berlin.

Nevertheless, the note still charged at length that the Western Powers had violated the Potsdam agreement, which was reached August 2, 1945, by the United States, Britain and the Soviet Union.

Following are essential provisions of the Potsdam agreement and of the accord on the Allied Powers' assumption of supreme authority, with the Soviet violations as charged here. This compilation is based on a document prepared in 1955 for the Senate Judiciary Committee by State Department sources.

THE POTSDAM AGREEMENT

Agreement: So far as practicable the occupying powers should accord uniformity of treatment to the German population in their respective zones.

Violation: Beginning in June 1952, East German authorities, under Soviet direction, undertook to isolate the East Germany population from contact with the West, particularly West Germany. The program was aimed chiefly at reducing the exodus of East Germans, which reached 1 million in 1952. Except for crossing points in Berlin, the interzonal frontier was closed. Substantial parts of the population, including entire villages, were forcibly evacuated from a 3-mile-wide zone along the West German frontier.

Agreement: Germany should be completely disarmed and demilitarized and industry capable of military production should be eliminated or controlled.

Violation: The Soviet Union established in East Germany a police force of approximately 110,000 men that, because of its training and equipment, was actually military in character. This was supplemented by an equal number of paramilitary security and border police. To counter this violation, the West decided to raise and arm a West German force to be incorporated into the Atlantic alliance.

Agreement: The administration of Germany should be directed toward the decentralization of the political structure and the development of local responsibility.

Violation: Soviet authorities restricted the activities of non-Communist parties by depriving them of facilities equal to those of the Socialist Unity Party, interfered in their affairs and coerced their leaders.

Agreement: Subject to the need for maintaining military security, freedom of speech, the press and religion was to be respected and free trade unions were to be permitted.

Violation: Soviet authorities, by police and party intimidation and suppression, have eliminated freedom of speech and the press. Basic human rights and legal processes have been denied. The authorities have resorted to arbitrary seizures of property, detentions, deportations and forced labor.

Agreement: During the occupation period Germany was to be treated as a single economic unit, with common zonal policies on transportation and communications.

Violation: From the beginning the Russians followed a unilateral economic policy, and made trade across the zonal borders more difficult than is customary across national frontiers.

Agreement: Reparations payments should be scaled to leave enough resources for the subsistence of the German people without external assistance.

Violation: The Russians took large amounts of reparations from current production and absorbed a substantial amount of industry into state-owned enterprises. They have refused to submit detailed reports on reparations removals.

Agreement: The western frontiers of Poland, in conformity with a Yalta Conference decision, were to await a peace settlement.

Violation: On July 6, 1950, East Germany and Poland signed an agreement making the Oder-Neisse demarcation line the definitive German-Polish frontier.

AGREEMENT ON GERMANY

Agreement: A Kommandatura, consisting of four commandants in Berlin, was to direct the city's joint administration.

Violation: On July 1, 1948, the Soviet representative walked out of the Kommandatura, and Soviet authorities announced they would no longer participate in any meetings. This destroyed the quadripartite control machinery. The Berlin blockade from July 2, 1948, to May 12, 1949, was also directed at destroying the four-power status and driving the West out of Berlin.

Agreement: During the period when Germany was carrying out the requirements of unconditional surrender, authority on matters concerning the whole country was to be exercised by a control council of the four zonal commanders in chief.

Violation: On March 20, 1948, the Soviet commander unilaterally adjourned a meeting of the council and walked out, thereby ending its operations.

[From the London Sunday Times, Jan. 18, 1959]

TOWARD A GERMAN SETTLEMENT

(By Sir Ivone Kirkpatrick)

Recent Russian moves in regard to Berlin and the German problem mark a significant change. At Geneva in 1955 and in the course of subsequent exchanges, Mr. Khrushchev's attitude has been that a German settlement can wait. He believes that time is on his side and that he holds the trump cards. After all, Dr. Adenauer is not eternal. When the climate becomes more favorable, ways and means could be found of reaching a settlement acceptable to Russia.

If necessary, the Soviet Government will be in a position to offer Germany massive inducements which the West could not hope to match: the return of the lost provinces and the restoration of Germany's traditional trade outlets to the east. Moreover, the rising standard of life in Russia would make communism less repugnant to the German masses and so facilitate a Russo-German understanding. Meanwhile, it is of course essential to preserve and sustain the Communist regime in Eastern Germany. This in brief has hitherto been the Russian attitude.

It would be idle to speculate on the motives which have brought the Kremlin to abandon the waiting game and to choose this moment to force the German issue. It may be Mr. Khrushchev's method of securing the conference for which he has long been pressing. If the Western Powers decide to open negotiations, their problem is to resolve on which points they must stand firm and on which a compromise is tolerable in the interests of a German settlement.

In the matter of German unity Russian and Western interests are fundamentally divergent. Russia is opposed to German unity on anything like Western terms, not because she is afraid of a German military resurgence, but on purely political grounds. Mr. Khrushchev has avowed that he will do his utmost to disrupt NATO; and no more effective step could be taken than to remove Germany from the organization and to secure the withdrawal of all remaining NATO forces to an indefensible strip on the continent.

Secondly, Russia cannot afford to sacrifice the Red leaders in Berlin, so losing her foothold in Germany and demoralizing her henchmen in the satellite countries. Thirdly, the establishment of a free Germany would bring freedom to the frontiers of Poland, which would henceforth find herself in the situation in Yugoslavia, that is to say of a country sustained in the struggle for independence by direct access to the West.

The Western Powers, on the other hand, are bound both by honor and by motives of self-interest to maintain that Germany must be unified in freedom. Article 7 of the Bonn Convention of May 26, 1952, provides that: "The three powers (Britain, United States, and France) and the Federal Republic will cooperate to achieve by peaceful means their common aim of a unified Germany enjoying a liberal-democratic constitution like that of the Federal Republic and integrated within the European community." This clear obligation has subsequently been confirmed by more than one undertaking and could not be repudiated without dishonor.

But self-interest also demands that we should not connive at the dissolution of NATO. In particular the Russian proposals for the neutralization of Germany are fraught with danger. Nobody who knows Germany believes that it will be possible to neutralize this dynamic nation for very long. If Germany's ties with the West are cut, if there ceases to be a pull from the West, it is foolish to believe that there will be no pull from the East. The Germans, feeling abandoned and betrayed by the West, are likely to move in a short time into the orbit of Soviet Russia.

My conclusion, is therefore, that on the basic issue of German unity there is little room for maneuver or compromise. The same is true of Berlin. Here again the Western Powers are bound by solemn obligations and self-interest to oppose the incorporation of West Berlin with Eastern Germany. The obligations are clear enough. They have been deliberately assumed by successive Western governments and made the subject of constant public declarations over the years.

Self-interest is equally clear. No greater blow could be delivered to our position in both Germanys or to our friends behind the Iron Curtain than tamely to surrender Berlin. The Soviet Government, who are not really incommoded by our presence, are well aware of this. Hence the sporadic Russian efforts during the past 12 years to encroach on and eventually to liquidate our rights in Berlin.

The fact, however, that we cannot give much ground on the issues of German unity and Berlin does not necessarily mean that we should reject the idea of any negotiation with the Russians. On the contrary. So long as Germany is divided and Berlin remains isolated there will be a constant danger to peace in Europe. Consequently it would be worth making substantial concessions which do not violate our obligations, always provided of course that they were part of a bargain which brought us closer to a German settlement.

I do not believe that, having regard to the position taken up by both sides, it would be realistic to expect that a final comprehensive agreement could be reached at this stage. But it might be possible to take the first step toward one. The various proposals hitherto made for disengagement have for one reason or another proved unacceptable, but ingenuity might devise a scheme, which although not wholly free from objection, could be justified by the advantages flowing from the settlement of which it formed a part. I personally have always been attracted by the idea of a demilitarized strip across Europe on both sides of the Iron Curtain. It may be that this would find no favor with the Russians, but I should like to see the conception explored.

Other matters which might profitably be discussed are the old Russian proposals for European security and the possibility of achieving a progressive reduction of the rival forces in Western Europe. Finally it would be interesting to find out if the Russians really attach importance to a ban on the establishment of nuclear weapons on German territory and, if so, what concessions they would be prepared to offer in return for such a ban.

If the Western Powers embark on discussions with Russia, they must reconcile themselves to the self-evident truth that, unless they are prepared to make some concessions, the negotiations are bound to end in early deadlock and an aggravation of the situation. In their present mood of self-confidence the Russians are not going to give away anything for nothing. Secondly, the Western Powers must clear their own minds as to what is vital and what, although important, can be the subject of compromise, always provided that the price paid corresponds to the concession received.

Finally, the West must be united. Before the Conference of Foreign Ministers in Paris in 1948 representatives of the Western Powers met (Mr. Dulles was in the American team) for over 3 weeks in order to define an agreed position on all the contentious points which might arise. In the event this preparation proved very advantageous and the example then set might well be followed again. Today in the face of Russia's growing self-assertiveness the need for Western unity is greater than before; and unless we have reason to believe that we can enter and leave a conference united, it would be better not to negotiate at all.

[From the Washington Post, Feb. 3, 1959]

GERMANY IN REVIEW

One obvious result of the accession of Senator FULBRIGHT to the chairmanship of the Senate Foreign Relations Committee will be to encourage the administration in new foreign policy initiatives. Those who fear that this may lead to discomfiture or disadvantage for the West are in our opinion mistaken. Mr. FULBRIGHT and his colleagues are no more anxious than Secretary Dulles to impair Western interests; and in any event the execution of foreign policy will remain an Executive responsibility. But a willingness to explore new ideas could help break the East-West ice jam to which old rigidities have contributed.

For some days Mr. Dulles has been talking a more flexible approach. Perhaps his conference last night with Mr. FULBRIGHT, and the endorsement of Senator MANSFIELD for his trip to Europe today, will supply an additional nudge. It will be useful for Mr. Dulles to confer with leaders in London, Paris, and Bonn in the light of what was learned from Mr. Mikoyan's visit, for an East-West foreign ministers' conference surely is approaching.

The most immediate problem, of course, concerns Berlin. Soviet leaders have been at pains to soften the impact of their ultimatum. But the West will need a firm plan if the Russians do proceed with their announced intention of turning the administration of East Berlin over to East Germany. Would it be wise for the West to decline to deal in any way with East German authorities as Chancellor Adenauer has urged despite West Germany's own trade with the East? Or could the West reasonably regard East Germany as an agent of the Soviet Union so long as no blockade were involved?

In this newspaper's judgment there would be no loss of principle in allowing East German officials to stamp documents so long as access to West Berlin remained unimpaired. But it ought to be made absolutely clear that such access will be defended—and on the ground as well as in the air. It is doubtful whether a 1948–49 type airlift could supply West Berlin's needs today. In any event, protection of the land corridor is basic to the Western position.

There is little indication, on the larger question of German reunification, that the Soviet Union and the West are talking the same language. Every sign still points to a Soviet intention to preserve communism in East Germany at any cost; and it is hard to see how the Soviet proposal for confederation could be anything other than a facade for continuing the division of Germany. But neither West Germany nor the West in general is under any compulsion to buy a pig in a poke. It will be worth exploring various suggestions for reunification, with accompanying security assurances, to learn how far the Russians are willing to go.

On another matter—trade with the Soviet Union—it also looks as if a Western understanding needs to be strengthened. If it is true that West Germany is undertaking to sell to Russia the same sort of steel pipe which the United States denied Mr. Mikoyan, evidently the signals have been mixed up. Under Secretary of State Dillon properly has called Mr. Mikoyan to account for exaggerating the American strategic restrictions on trade. At the same time, Western Europeans may want to inquire whether this country is withholding export permits for items not on the strategic list, and if so, why.

These are the sorts of subjects upon which it is important to have a meeting of minds in the West. It may well be, as Chancellor Adenauer and President De Gaulle of France apparently assume, that no form of disengagement or other detente with the Soviet Union would be possible now without seriously harming West Germany. But it will be useful to find out the Soviet terms, and perhaps, with Senator FULBRIGHT's encouragement, Mr. Dulles will make the effort. If nothing else should come of Western initiative, it would at least place the burden of continuing the cold war on the Russians.

[From the New York Times, Feb. 5, 1959]

KENNAN RENEWS HIS GERMAN PLAN—TELLS SENATORS U.S. POLICIES NEED A SHARP REVISION—FAVORS NEUTRAL STATUS

(By Russell Baker)

WASHINGTON, February 4.—George F. Kennan put his controversial argument for a sweeping revision of the U.S. policy on Germany before the Senate Foreign Relations Committee today.

Testifying before its subcommittee on disarmament, Mr. Kennan, a former chief of policy planning for the State Department, proposed that the United States consider negotiating a kind of neutral status for a reunited Germany in return for a Soviet pullback from Eastern Europe.

The new status of Germany, he said, should then be enforced my making it absolutely clear to the Soviet Union that any violation would be a provocation of war.

Mr. Kennan, replying to questions, doubted that a Western withdrawal from Germany would strengthen the Communists for an attempt to win control of the Government. As a political threat, he asserted, communism has become an ineffective force in Europe when it has to work in a democratic milieu.

"I think communism as an ideology is dead, not only in Western Europe but throughout a great portion of the European continent, and it will never again be a great, pulling, emotional force," he said.

Mr. Kennan's proposals, first propounded last year in lectures for the British Broadcasting Corp., have been denounced by Secretary of State Dulles and by Dean Acheson, his predecessor in the Truman administration.

Despite this formidable opposition, the Kennan idea for a new approach to the stalemated problem of central Europe has persisted and has had a deep impact on the thinking of the young Senators who are becoming the Democrats' influential spokesmen on foreign policy.

Today, for example, Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, and subcommittee chairman, put himself in broad agreement with many of Mr. Kennan's ideas. He praised Mr. Kennan for a "frank and long-overdue statement" of how the United States could take "a more flexible approach" to the German problem.

Senator J. WILLIAM FULBRIGHT, new chairman of the full committee, said at a news conference last week that he would like to see Mr. Dulles move off "dead center" and consider new approaches to a whole range of world problems, including the possibility of a central European settlement based on the Kennan disengagement idea.

What is significant is that Mr. Kennan's proposals have survived the attacks of the eluders of both parties and are coloring the thought of influential young Senators at a time when the country seems headed for another conference with the Soviet Union on the German problem.

In his testimony today, Mr. Kennan said real disarmament would depend on prior relief of political tensions, which now exist most acutely in the "crucial and neuralgic area" of central Europe.

The "best we can hope for" from a negotiated settlement, he said, would be the following:

The reunification of Germany free of the Soviet orbit.

A new condition in which Eastern Europe could evolve toward greater national independence from Soviet dominance.

A clearly defined and mutually acceptable agreement of Germany's new status, so carefully phrased that it would not be susceptible to violation, as some agreements with Moscow have been.

The withdrawal of both Eastern and Western military forces from Germany; an agreement that Germany should not have nuclear weapons or weapons for strategic attack; a conventional German defense force strong enough to prevent incursions.

Achievement of such a result, Mr. Kennan went on, would involve Western concessions. He said that changes in Western policy should be made only as part of a package settlement, not beforehand.

[From the Christian Science Monitor, Feb. 9, 1959]

IN SEARCH OF A NEW APPROACH?

(By Erwin D. Canham)

Secretary Dulles is on his way back to Washington after one of the most important diplomatic missions of his career. It seems evident in the dispatches from Bonn, Paris, and London that while there may be agreement among the four Western Allies on general aspects of the German problem, no bold new policy has been decided upon. It may be that Secretary Dulles is still in search of some constructive new approach to the Kremlin.

Indeed, the official and unofficial statements made at Bonn as the Secretary departed included hints and bids to the Soviet. Thus, Mr. Dulles and Chancellor Adenauer alike plainly intimated that concessions on the Soviet side would be matched by concessions from the Allies.

As. Mr. Dulles put it, the talks "will help to assure that we shall be united and firm for our rights," although "that does not exclude being conciliatory, but it does exclude merely making concessions for which there is no counterpart." In plain language, that simply says to Moscow: "What do you have to offer?"

TIMETABLE SET

Although the Western Powers are still in the position of merely asking questions, they have at least agreed on a timetable of procedures. Prime Minister Macmillan is leaving for the Soviet Union on February 21. This trip may be the most important act of Western diplomacy thus far. Mr. Macmillan, who is the most flexible of the Western heads of state, and whose public opinion most eagerly wants an agreement with the Soviet, is going to try to find out what the Soviet leaders want, and what they intend, in Berlin and in Central Europe generally. He will be back from Moscow in time to report to a meeting of foreign ministers in Paris in mid-March.

Before that meeting, however, the Western Powers will answer the Kremlin's note of January 10 calling for a German peace conference of 28 nations from East and West alike. Doubtless they will reject this grandiose and premature proposal, and suggest instead a meeting of the foreign ministers of the United States, Britain, and France with the Soviet.

There will also be a further meeting of the Western foreign ministers in Washington in early April, when they gather to observe the 10th anniversary of NATO.

Finally, there may well be a full-dress conference with the Soviets—one report is for a meeting in Vienna in May. All together, the diplomatic schedule is full. Each of these steps seems needful in order to coordinate Western policies and to talk things over with the Soviets. But Moscow may have very different ideas. It generally does.

STILL DIFFERENCES

From the Western side, it seems apparent that not very much beyond the timetable has been agreed. Despite the amiability, and the undeniable utility, of the Dulles talks, there are hints of unresolved differences. Leaving Bonn today, the Secretary said he and Chancellor Adenauer had a similarity of thinking and planning.

He explicity did not use the word "identity," but "similarity." And it is doubtless accurate. It might also have been applied to Paris and London.

From everything that has come from the three capitals, the basic positions of the governments remain as they were: with Bonn and Paris firmly determined to yield no ground to the Soviet; with London eager to explore new possible solution; with Washington somewhere in between. And so the so-called reappraisal of policy must continue.

The Soviets did not aid in the reappraisal last week. The statements coming from Moscow were blatantly contradictory. Premier Khrushchev was reported to have suggested to West German Ambassador Kroll a plan to unify Germany through free elections, if only Bonn would negotiate with the East German Republic. But at the final session of the party congress, this same Khrushchev said that the Soviet Union would never tolerate any plan that called for abolishing the socialist (Communist) system in East Germany.

The two statements are in flat conflict. For everybody agrees that free elections—if followed—would mean the downfall of the Communist system in East Germany. It would be voted out by overwhelming margins. Thus Khrushchev was talking out of both sides of his mouth.

It is generally agreed that the East German puppet government is the weakest Communist regime in the entire satellite system. One spokesman in Bonn declared Mr. Dulles felt East Germany was an albatross around Khrushchev's neck. But it is an albatross that he shows no willingness to give up.

In fact, East Germany is a buffer around some of the Communist boundary states which insulate the Soviet Union from the nations it regards as its enemies. Could this buffer area possibly be given up? Could the satellites be exposed to direct contact with a powerful, dynamic West-oriented German republic? At best, only if it were strictly neutralized. And that means the demilitarization of all of Germany if Germany is to be unified. Could the West accept such terms? Not in present military thinking. The Soviet has suggested such terms through the Rapacki plan, and Mr. Dulles testified the other day that this plan would place the West at a substantial military disadvantage.

Two problems should be distinguished: that of Berlin, and German reunification. Some kind of solution of the problem of Berlin alone is not very difficult. Just to deal with the East Germans as agents of Moscow might be such a solution. Mr. Dulles himself referred to this solution in November, and Mayor Brandt of Berlin, speaking on Meet the Press, replied a little ambiguously that if Moscow itself identified the East Germans as its agents perhaps it would be a workable idea.

EXPLORING SOLUTIONS

So there are solutions of the Berlin problem on which both sides could agree. Perhaps Mr. Macmillan will explore such a solution while he is in Moscow. But the problem of reunification of Germany comes back to the Soviet necessity of keeping an area of insulation around its satellite states.

The price of reunification, therefore, remains demilitarization. The West has offered a partial demilitarized belt, and has added guarantees against German aggressions. Such pledges are doubtless not enough for the Soviets.

At present, no terms which both sides could accept are in sight. A recent poll among the West Germans showed only 14 percent who thought peaceful reunification was possible. And so the question remains remote. The West Germans are understandably unwilling to cut their ties with the West for the sake of reunification which would be fraught with economic and political problems. But, of course, they are determined to help West Berlin remain free, and hence would be much more flexible on the Berlin question, which is a serious problem, than on the reunification matter, which is more remote.

From the Western capitals come expressions of respect for Secretary Dulles which have not always been the dominant notes there. It is quite apparent that few responsible statesmen indeed are very confident of next steps in the German situation apart from the diplomatic calendar, and there is an appreciation of the laborious and useful nature of Mr. Dulles' trip.

An expression of this attitude also came from Senator MIKE MANSFIELD, of Montana, a Democrat who has frequently criticized Mr. Dulles' conduct of his post. Said Senator MANSFIELD: "I assume that Mr. Dulles' firsthand conversations with our allies will result in some unified move to break away from the old rigid position of trying to settle the German question on the basis of free elections alone.

"Although there has been some criticism of Mr. Dulles in the past, I think it has been largely constructive criticism and that we Democrats have given him rather solid backing for 6 years. In the 2 years that lie ahead we'd like to help him in every way we can. We want him and President Eisenhower to take the leadership in finding some solutions to our grave problems. We hope and think they will do it, and they will have our solid support."

That is as explicit a statement of bipartisan support as has been heard for some time. As given on the American Broadcasting Co. network.

THE BERLIN-GERMAN PROBLEM, AND THE SPEECH BY SENATOR MANSFIELD

Mr. CHURCH. Mr. President, the Washington Evening Star of Saturday, February 14, comments editorially on the responsible and constructive contribution to the debate on the Berlin-German problem made by the Senator from Montana on the preceding Thursday.

Although the intervening shock of the sad news of the seriousness of the illness of the Secretary of State, Mr. Dulles, has naturally tended to overshadow the substantive discussion of the impending crisis in Berlin and Germany, this discussion cannot be suspended for long. There is, indeed, a new urgency now.

The Star editorial is a good start.

In a word—

It concludes—

Senator MANSFIELD wants the West to get off dead center and begin serious work on a realistic plan.

I ask that the Star editorial be included in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BERLIN DANGER

Montana's Senator MANSFIELD has made a responsible and constructive contribution to the debate on the Berlin-German problem.

The Mansfield speech is not a partisan attack on Mr. Dulles or the Eisenhower administration. It is, rather, a notable effort to focus public attention on the great danger which lies ahead, especially with respect to Berlin, and to stimulate consideration of new approaches by the West to this problem.

The Russians have announced that, unless an agreement is reached, they intend to pull out of Berlin on May 27 and hand over their occupational responsibilities to the East Germans. We should assume that they mean what they say, and that Western protests will not stop them. It is in this context that Senator MANSFIELD, in what he described as carefully measured words, expressed to the Senate his belief that "just ahead lies the most critical period which the United States will have had to face since the conflict in Korea." At stake, he said, are the "lives of tens of millions of human beings, Americans included." This is a sober estimate, not an alarmist forecast, and it is of high importance that this be understood.

Senator MANSFIELD believes that Germany is going to be reunified—and by the West and East Germans themselves. This will come about peaceably or by force, and the latter course almost certainly would mean an enormously destructive war. Mr. MANSFIELD suggests a start in Berlin, hoping that this may produce patterns of unification which would be applicable to the problem of peaceful all-German unification.

In any event, he urges that Western policy, and particularly the U.S. policy, be redesigned to accommodate and encourage peaceful unification.

"I submit," he said, "that a policy which merely clings to an unrealizable slogan of free all-German elections, which does not pursue German unification by other means, is no policy at all. It is a straitjacket. It is an excuse for immobility. It may well lead down the blind alley of an unnecessary conflict or disastrous diplomatic retreat."

The Montana Senator offered nine points for consideration. The first is rather vaguely stated—that "forces representing the concept of freedom in peace" not be driven out of Berlin. What he apparently has in mind is that German forces should be substituted as soon as possible for Western forces in Berlin. These German forces would be fully supported by NATO guarantees. In any plan of unification, he says, East Germans as well as West Germans must be free to express a political preference—even though the expression, in the case of the East Germans, may be recorded only in East Germany. Finally, Mr. MANSFIELD strongly urges a search for agreements which might lead to limitation of armaments through Germany and central Europe—even though this would entail genuine consideration of Communist-sponsored plans.

In a word, Senator MANSFIELD wants the West to get off dead center and begin serious work on a realistic plan. His specific suggestions may not be the best, nor does he contend that they are. And it is true, of course, that Mr. Dulles, prior to his latest illness, seemed to be moving closer to the MANSFIELD point of view.

But words are one thing; a policy is something else. The West has had plenty of slogans to fit the German situation. Slogans, however, are not a policy, and it is a policy which is so urgently required.

PROPOSED CONFERENCES ON GERMAN SITUATION

Mr. MANSFIELD. Mr. President, I should like to add another thought to the remarks on the German situation which I made last Thursday. At that time, the extent of the illness of the Secretary of State was still unknown. It was generally assumed that he would be physically fit to lead the Western Nations' coming conferences on the German problem. I expressed the hope, which was joined in by several other Members of the Senate, that Mr. Dulles would be able to return promptly to active duty.

It is now no longer certain, however, when the Secretary of State will leave the hospital. Nevertheless, there is every likelihood that conferences will have to be held in the near future on the critical problems of Germany. Our participation in those conferences is one which sorely needs whatever guidance Mr. Dulles may be in condition to give to it. In these circumstances, Mr. President, I should like to add a 10th point to the suggestions I made last Thursday.

I believe it would be most helpful if the coming conferences on the German situation were to be held in Washington, D.C. If the Secretary has recovered by the time they convene to the extent that he can participate in any way, he will at least be spared the necessity of traveling abroad again to make the contribution which he is so capable of making in the search for peace. It is a small thing to ask for one who has already given so much. I cannot believe any of the nations involved in this critical situation would not respond favorably, in present circumstances, to invitations from the President to hold these critical conferences in the United States.

ADVISORY PANEL ON LABOR-MANAGEMENT LAW REVISION

Mr. KENNEDY. Mr. President, in mid-January, when I introduced S. 505, the labor-management reform bill, I reiterated my often stated conviction that after 11 years of expereince under the Taft-Hartley Act we needed a thorough relook at our labor-management relations law. Circumstances have changed, new problems have arisen, defects in the original act need correction, and yet we have had no revision of our basic laws governing industrial relations for over a decade.

The reasons for this lack of congressional action are as complex as they are numerous. But the basic fact is that whenever we have had amendments before us we have bogged down in bitter controversy for which we could get no consensus and which had repeatedly resulted in no action whatever. As time has gone by, the strong forces which have prevented action in the past, rather than dissipating, have grown stronger and more rigid. Attitudes are firm; prejudice runs high; rationality is virtually absent. And it is the public which suffers.

Having watched this process over the years in both Houses of Congress, it

seemed to me that a wholly new start was needed. For this reason I suggested that the Senate Committee on Labor and Public Welfare appoint a panel of professionals of exceptional competence in the industrial relations field to advise us on those areas of our labor-management relations law most in need of revision. I am pleased to report to the Senate that the committee has appointed a panel of 12 experts who began work last Wednesday. The panel will meet regularly over the coming weeks and plans to make its recommendations to the committee about May 1. I am confident that the committee will act promptly on this report and that a bill will be ready for Senate consideration shortly thereafter.

May I say a word about the advisory panel. Each of the men on this panel is long experienced in the field. Each is recognized as a person of the highest professional competence although they represent diverse viewpoints. Most importantly I was impressed after my meeting with the panel last Wednesday that as a group they were dedicating themselves to the resolution of most difficult problems in the light of the public interest regardless of their own preferences.

To me this is a most hopeful sign, for if there is any legislative field which requires careful, competent, objective analysis it is this one. I share with the chairman of our committee, the Senator from Alabama [Mr. HILL], and the ranking Republican Member, the Senator from Arizona [Mr. GOLDWATER], the firm belief that the work of this distinguished group of experts will mark a turning point in the development of sound legislation in this field. We believe the result will be legislation which is fair to both labor and management and which, above all, protects the interest of the public at large.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a biographic sketch of each of the 12 distinguished members of the panel, and the remarks which I made to the group at its organizational meeting last Wednesday.

There being no objection, the biographic sketches and the remarks were ordered to be printed in the RECORD, as follows:

BIOGRAPHIC DATA ON MEMBERS OF ADVISORY PANEL ON LABOR-MANAGEMENT LAW REVISION

David Cole: Practicing attorney and arbitrator, active as labor relations counsel to textile employers; Chairman of War Labor Board iron and steel panels; Chairman, Presidential Inquiry in Bituminous Coal Industry and other Presidential boards; president, National Academy of Arbitrators; past Director, Federal Mediation and Conciliation Service.

Archibald Cox: Professor of law, Harvard University; formerly practiced law in Boston; formerly Associate Solicitor, Department of Labor; Chairman, Wage Stabilization Board; cochairman, construction industry stabilization committee.

Guy Farmer: Practicing attorney specializing in labor law and representing management; formerly Associate General Counsel of the National Labor Relations Board and former Chairman of the National Labor Relations Board under the present administration.

Arthur Goldberg: Practicing attorney, counsel to various labor organizations, including Steelworkers and industrial union department, AFL–CIO; special counsel to AFL–CIO.

Charles Gregory: Professor of law, University of Virginia; former professor of law at the University of Wisconsin and University of Chicago; formerly practiced law in New York; formerly Solicitor of Labor.

Clark Kerr: President, University of California; arbitrator; author, numerous works on labor matters; chairman, UAW impartial review board.

Denison Kitchel: Practicing attorney from Phoenix, Ariz., representing management in labor matters; counsel, American Mining Congress.

Plato E. Papps: Counsel, International Association of Machinists; chairman, American Bar Association panel on NLRB practices and procedures.

Gerald Reilly: practicing attorney, representing management; practiced law in Boston and later in Washington, D.C.; formerly Assistant Solicitor and Solicitor of Department of Labor; member, National Labor Relations Board; former counsel, Senate Committee on Labor and Public Welfare.

Louis Sherman: Practicing attorney, representing labor organizations, including the Building and Construction Trades Department, AFL–CIO; general counsel, IBEW (AFL–CIO); former chairman of the ABA committee on the Labor-Management Relations Act of 1947; Assistant Solicitor of Labor.

Russell Smith: Professor of law, University of Michigan; arbitrator; former industry member, National War Labor Board; served on various public factfinding bodies.

W. Willard Wirtz: Practicing attorney; professor of law, Northwestern University; arbitrator; former Chairman, National Wage Stabilization Board; General Counsel and later public member of the War Labor Board.

REMARKS OF SENATOR JOHN F. KENNEDY AT THE ORGANIZATIONAL MEETING OF THE ADVISORY PANEL ON LABOR-MANAGEMENT LAW REVISION

I want to express not only my personal gratitude but also the appreciation of all the members of the Senate Committee on Labor and Public Welfare for your willingness to serve upon this panel to advise the committee concerning revision of our laws covering labor-management relations.

The public, management, and labor have had 12 years experience under the Taft-Hartley Act. They have been years of praise, criticism, and countless proposals for amendment. Both the Senate and House committees have heard endless testimony. We have learned a great deal but there have been two obstacles in the way of effective legislative action. One is the complexity of subjects. The other is the inevitable diffuseness of the hearings in a complex and controversial area. We are now beginning a fresh approach. By asking you to bring the problems into focus as a professional body, we hope to remove at least these two obstacles to constructive legislation.

The panel should set its own aims and its own procedure but I would like to suggest a few ways in which you can be most helpful.

First, I hope that your report will indicate what you regard as the major problems in labor-management relations for which new law is required. Your judgment upon the comparative importance of different issues will be of great assistance to the Senate committee in its deliberations.

Second, there will be important subjects on which you ought to give us a unanimous or virtually unanimous recommendation. It should be couched in legislative language taking account of its relationship with other aspects of labor law. There is no need to dwell upon the great weight that such a recommendation would carry or the help that they would furnish in coalescing opinion in both Congress and throughout the country.

Third, there may be problems for which you can find no solution on which there is a substantial consensus of opinion within the group. In this area your report will nevertheless serve two useful functions. The report should narrow the issues, state the critical question fairly and present the arguments pro and con which the Congress will have to weigh. It would also be most helpful to have you state the two or three leading alternatives in legislative language which takes account of other parts of the statute and their context in labor law.

Fourth, I am much concerned by the long delays in NLRB proceedings. You are all familiar with NLRB cases. I am confident that you can develop suggestions which will greatly expedite its action. Undoubtedly there are also other technical amendments which would simplify proceedings before the NLRB and clarify the statute.

I would like to say just a word more about the problem of achieving agreement within your group. We are calling upon you for a public service in the highest traditions of your profession. It is of the utmost importance that you make every earnest effort to resolve any differences and reach a true consensus of opinion. General agreement would probably require some sacrifice of individual opinions, but if lawyers with long experience in the field, acting in the traditions of their profession, cannot submerge most of their differences the chance for constructive legislative action seems somewhat remote.

Finally we must all remember that this is a most fortuitous occasion for work—one which holds out much greater prospect for success than either the past or the future. Sentiment in both the House and Senate is now reasonable and dispassionate toward both management and labor. With the weight of opinion in the middle of the road we stand the best chance of enacting legislation which is not pro-management or pro-union but which would be directed solely toward the improvement of collective bargaining relationships and the advancement of the public interest. If constructive legislation cannot be enacted at the present Congress, there is likely to be no correction of acknowledged defects in the present statutes until either management or unions gain sufficient control to ram through legislation favoring their self-interest. This would not be a solution of the problems which we all want to solve, and would result in another period of renewed conflict in this sensitive field.

EXPANDING RESEARCH TO PREVENT FOREST BLIGHT AND DISEASE

Mr. WILEY. Mr. President, recently I brought to the attention of the Senate the need for an expanded research program to eliminate blight and disease from the Nation's forests. At the time, I stressed the need for about $250,000 additional money to carry on research in the Lake States Forest Experimental Station. Although established at La Crosse, Wis., this new branch office will carry on research to benefit the whole upper Midwest and the Nation.

Currently, the annual loss of timber destroyed by disease exceeds the volume of timber cut; in addition, it lowers the grade of timber now being utilized. Unless controlled, this situation will become progressively worse.

Unfortunately, there is a lack of fundamental information on blight and disease problems. The expansion of our forest research program, particularly through the facilities of such programs as are being carried on by the Lake States Forest Experiment Station, is essential, if knowledge is to be obtained for coping with this problem.

I want to emphasize that we, in the Midwest, are not depending solely upon the Federal Government to carry on work in this field. Rather, the Wisconsin Conservation Commission—as a fine example—is participating splendidly with Federal services in a joint effort to deal effectively with this threat to our woodlands.

This morning, I received a letter from Mr. John A. Beale, chief state forester of the Wisconsin State Conservation Department, reaffirming the needs at this experiment station.

In his letter, Chief State Forester Beale also indicates that he feels that a minimum of $2.5 million should be added to the overall Forest Service research budget for the next fiscal year, to meet our forestry needs. I respectfully call the attention of our colleagues on the Forestry Subcommittee of the Appropriations Committee to Mr. Beale's recommendations, for their consideration when the matter comes before them.

I request unanimous consent to have the letter printed at this point in the body of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF WISCONSIN
CONSERVATION DEPARTMENT,
Madison, February 12, 1959.

Hon. ALEXANDER WILEY,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: Some time ago I received a letter from Senator JOHN STENNIS, of Mississippi, in which he expressed his interest in forestry research and his concern regarding the adequacy of the present U.S. Forest Service forestry research budget.

Knowing of your personal strong interest in this field I felt you would be interested in our feelings in the matter. For your information, I have attached a copy of my reply to Senator STENNIS.

We are especially appreciative of your efforts in obtaining an appropriation for the new branch of the Lake States Forest Experiment Station at La Crosse, which is now working on forestry and watershed problems in that area. The initial appropriation for this station was $30,000 for the 1958–59 fiscal year. The original cost estimate for this program was $100,000 per year. You will be interested to know that the conservation commission has entered into an agreement with the U.S. Forest Service for joint effort in this program and that the State will purchase the lands needed.

It is our feeling that this program should now be strengthened to meet the urgent demand for new management information in that area.

We are also strongly interested in insect and disease research, in particular, the need for research on the maple blight problem which has caused serious losses in the State and which could easily move into the upper peninsula of Michigan.

All things considered, we feel that a minimum of $2.5 million should be added to the Forest Service research budget in the next fiscal year.

We will certainly appreciate your support for this most important work.

Very truly yours,

JOHN A. BEALE,
Chief State Forester.

WHEAT ACREAGE ALLOTMENT REGULATIONS

Mr. CARLSON. Mr. President, the Kansas Farm Bureau, through its president, W. I. Boone, has made some recommendations to the Director, Grain Division, Commodity Stabilization Service, regarding acreage allotment regulations, which I believe are sound, and, therefore, I want to call them to the attention of the Senate.

During the past year I have received a number of letters from wheatgrowers in Kansas stating that some were in danger of losing their acreage allotment because they did not plant the full allotment and others were threatened with loss of acreage because they overseeded.

It seems to me that the statement from the 1959 Farm Bureau policies on loss of acreage is sound. It reads as follows:

> Since the purpose of allotments is to reduce the acreage devoted to specific crops, an allotment should be looked upon as a ceiling on acreage rather than a requirement to plant. No producer should be forced to plant an allotment in order to maintain history.

At a time when we are burdened with surpluses, it occurs to me that no grower should be penalized for not planting his full allotment acreage.

The Farm Bureau's stand on overplanting without excessive production is equally sound.

There are large sections in the wheat-producing areas of Kansas and other States in the Middle West where we do not produce large crops every year. Under these circumstances, a grower should be permitted to grow in excess of his allotment acreage if he does not sell more than the average acreage production in bushels off his farm. The excess should be stored for years when he produces less than his average crop.

Both of these views of the Farm Bureau are so sound that I feel they should be given every consideration by the Department and the Congress.

I ask unanimous consent that the letter to the Director, Grain Division, Commodity Stabilization Service, Department of Agriculture, be made a part of these remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 4, 1959.

DIRECTOR,
Grain Division, Commodity Stabilization Service, U.S. Department of Agriculture, Washington, D.C.

DEAR SIR: As president of the Kansas Farm Bureau I herewith submit recommendations in accordance with the notice published in the Federal Register for Tuesday, January 27, 1959.

Both the Kansas Farm Bureau recommendations and the American Farm Bureau Federation resolutions adopted by the voting delegates of 48 States, Puerto Rico and Hawaii have indicated similar and rather definite views on some phases of acreage allotment regulations.

LOSS OF HISTORY BECAUSE OF UNDERPLANTING

It is the belief of the above groups that underplanting of the wheat acreage allotment for a farm, regardless of the reason, should not result in loss of history. One statement in the 1959 Farm Bureau policies contains this wording, "Since the purpose of allotments is to reduce the acreage devoted to specific crops, an allotment should be looked upon as a ceiling on acreage rather than a requirement to plant. No producer should be forced to plant an allotment in order to maintain history."

The above wording would cover underplanting for the purpose of releasing previously stored excess. A study of the proposed 1960 regulations indicates that history would be lost in case of underplanting where excess is released because of either or both underplanting and underproduction.

The effect on history of underplanting not connected with release of excess is not clearly indicated. It would appear to depend upon the wording of diversion formulas, which are not specified in the proposal.

We request that final regulations be so worded that maintenance of history is independent of underplanting.

OVERPLANTING WITHOUT EXCESS PRODUCTION

We are in agreement with current statutes which specify that maintenance of history should be dependent upon storage of any farm marketing excess production. However, we do not believe that history should be lost because of overplanting in case the actual production is not greater than the normal production of the allotted acres.

It seems to us that Public Law 85–366 can and should be so interpreted. To do otherwise is to penalize a producer for failing to overproduce, (1) since, technically, he cannot store what he does not have. We are opposed to the apparent meaning of this proposed regulation and recommend revisions which will clearly state the opposite.

We welcome and appreciate this opportunity to extend our recommendations.

Sincerely yours,

KANSAS FARM BUREAU,
W. I. BOONE, *President.*

MEDICAL TESTS FOR OLD AIRLINE PILOTS

Mr. BRIDGES. Mr. President, I wish to draw the Senate's attention to a very informative article which appeared in Washington's Sunday Star, entitled "Tests Called Inadequate for Older Airline Pilots."

The article quotes three top authorities in aviation medicine as saying that airline pilots—especially those who are 50 and older—are not receiving adequate medical tests before flying large commercial planes.

Air traffic is increasing by leaps and bounds in the United States. This means that more and more people are entrusting their lives to the skill and fitness of pilots and to the aircraft they operate.

The Government—Federal, State, and local—is spending hundreds of millions of dollars on air safety. The industry also is continually working in many ways for greater safety in air travel. And research organizations outside of the industry and the Government are concerned with the problem.

Many factors are involved in safety of air travel.

Certainly one of the more important of these factors is the pilot himself.

I was therefore very much interested in the newspaper article mentioned.

For instance, I was surprised to read that 551 pilots in their fifties were flying for the airlines in 1957, and that 19 were above 60 years old.

I was disturbed to read that the authorities think better medical tests are needed to be sure that these hundreds of older pilots are fully capable of safely flying today's swift and complicated aircraft.

I noted with interest that the three medical authorities quoted in the article agred that pilots in their fifties are increased risks.

I was pleased, however, to find that our new Federal Aviation Agency and the other organizations represented by the authorities seem to be on top of the situation.

The article makes it clear that these doctors and their organizations are aware of the importance of the situation, and that they are working on the problem.

The article points out, for instance, that the Federal Aviation Agency is now doing research to determine how adequate tests may be given to pilots.

I wish these men and others who are working for greater air safety speedy success in their important undertaking. And I commend the Washington Star for its enterprise in bringing the problem of pilot age and fitness to the attention of the public.

In jobs where physical or mental failure could mean disaster, adequate medical testing, perhaps coupled with some sort of retirement system, seems to me to be a definite must in the public interest.

Mr. President, I ask unanimous consent that the article referred to be inserted at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TESTS CALLED INADEQUATE FOR OLDER AIRLINE PILOTS—551 OVER 50 FLYING COMMERCIAL PLANES; DOCTORS CITE NEED FOR DETECTING DEFECTS

(By Andrew W. Bingham)

Airline pilots—particularly the hundreds who are 50 and older—are not receiving adequate medical tests before flying large commercial planes, three of the Nation's top authorities in aviation medicine said yesterday.

They told the Star the current situation needs urgent attention for the sake of air safety.

They feel that current testing procedures often do not show up many physiological and psychological defects which they say can exist in people over 50.

The three authorities are:

Dr. John E. Smith, acting civil air surgeon for the new Federal Aviation Agency and the former Chief of the Medical Division of the Civil Aeronautics Administration. He is in charge of examining pilots for the FAA every 6 months.

Dr. Ludwig Lederer, medical director for Capital Airlines and president-elect of the Aero Medical Association.

Dr. Ross A. McFarland, professor of environmental health at Harvard University's School of Public Health and director of the Guggenheim Center for Aviation Health and Safety. Dr. McFarland is also author of a book, Human Factors in Air Transportation.

FIVE HUNDRED AND FIFTY-ONE PILOTS OVER 50 FLYING

Both the airlines and the FAA conduct physical and flight exams. The FAA will add electrocardiograms to its testing program in July, although they will be only 50 percent effective for pilots who have not had heart attacks, Dr. Smith said.

According to the latest FAA figures, 551 transport pilots in their fifties were flying for the airlines in 1957; 19 were above 60 years.

Other figures from Air Transport Association show that in 1955 there were 429 pilots in their fifties flying. Another 27 were above 60 years.

Failure to bring out possible defects in these older men is a particularly serious problem today, the authorities agree, because of:

(1) Pressure from the Air Line Pilots Association that the tests, and not age, be the only basis for retirement. (The FAA has set no maximum age for pilots; only a minimum age of 23 years.)

(2) The current switch by airlines from piston-engine planes to jets. The change in equipment could be a difficult one for older pilots to make, although tests now do not reveal how difficult.

PILOTS RESIST RETIREMENT

The experiences of two airlines serve as an indication of what could happen if the testing system for pilots is not improved, the authorities say.

The first case concerns American Airlines. An arbitration award last October declared that the company could not—as it had been doing—retire qualified pilots who reach 60 years. The award said such retirement was "a violation of the employment agreement," according to William M. Culbertson, a pilot for the airline and a member of the board which made the award.

The ruling affected three pilots who had been retired because of age, according to Mr. Culbertson. The company agreed to abide by the decision before the recent pilot contract was signed, he said.

American officials, however, refused to change their policy. They said last night that no pilot over 60 is flying for the company. It is understood the three pilots are receiving pay, but not flying.

The ALPA regards this case as a major breakthrough in ending arbitrary retirement schemes of airline companies.

The second case involves Capital Airlines, which recently switched primarily to prop-jet planes.

According to Dr. Lederer, several pilots passed all the tests but were still not deemed to be qualified for the new planes. "We sat down and talked," he said, "and they agreed to stay on slower equipment."

He added: "According to strict union procedures, we should not and cannot do this. The pilots, through seniority, were entitled to get the new planes."

Capital at present insists pilots retire at 60. "We feel that beyond that age, a sudden incapacitation would be more likely to occur," Dr. Lederer said. "For new equipment, the age may have to be lower."

Retirement ages for most of the other airlines are 60 years. The list includes Northwest, Delta, Braniff, TWA, United, and Eastern Airlines. National Airlines has a 65-year retirement. Just 2 weeks ago Northwest retired a 62-year-old pilot who was the only exception to the company's policy.

The tests which Dr. Lederer and the other authorities want to establish would measure the pilot's overall competence—not such easily checked points as eyesight or hearing.

They want to know the pilot's ability to adjust to a new environment and the influence of aging on mental and sensory functions, such as his ability to learn, his memory, reasoning and judgment.

What they are after is to find the pilot's functional, rather than his actual age. This can be an extremely subtle determination.

As Dr. McFarland pointed out in his book, "even minor deteriorations in many of the psychological and physiological functions may interact to produce a significant loss in overall efficiency."

At present the only way these functions are observed is indirectly through flight tests. Check pilots are our best psychologists," Dr. Smith said. "What we need, however, are more specific criteria for performance of older men. Pilots can compensate for deficiencies with their tremendous experience. But we want to make factual, not emotional, determinations."

Older pilots often have slower reaction, detection, and response times, according to Dr. Lederer. "We know this by experience," he said, "although it is hard to detect." Other pilots show their age by over-activity in the cockpit, he added, to compensate for their deficiencies.

"Night vision of older pilots is also impaired," he said.

Currently the FAA is doing research to determine how adequate tests may be given, according to Dr. Smith. The most hopeful work is being done with a ballisto-cardiograph, he said, which would detect the velocity of blood flow.

AVIATION INDUSTRY GETTING OLD

The project is still in the developmental stage, he said. The indications are, however, that its perfection will greatly increase the effectiveness of the current tests, he noted, since the blood flow seems to be a key in understanding the physiological, and perhaps the psychological, makeup of the pilot.

"Our problem is that the aviation industry is just starting to grow old," Dr. Smith said. "Our current tests were designed for young pilots 20 years ago. The physical examination we require every 6 months is the usual $15 variety, and that's not too complete."

All three authorities agree that pilots in their 50's are increased risks. "Most doctors I've talked to feel pilots should retire at 60," Dr. Smith said.

The current requirements for pilots were drawn up by the Civil Aeronautics Board, Dr. Smith said. They are now the responsibility of the FAA.

FEAR LOSS OF HIGH INCOMES

Another problem associated with pilot-retirement is that pilots are professional men, much like doctors and lawyers, with correspondingly high incomes. Flying new equipment usually means more money for them. Retiring can mean just the opposite.

"Why should we voluntarily retire at 60 when we can still pass all the tests?" one pilot explained. "My income now is $28,000 a year. Under the retirement plan, it would be $1,800."

Larry Cates, Washington representative for ALPA, explained: "Doctors are usually very conservative. They can't evaluate a man's experience to offset his deterioration."

"Anyway," he added, "pilots don't fly solo. There's always at least one other pilot."

Mr. Cates pointed out that most pilots leave the airlines before they are 50. Dr. Smith, too, noted that many pilots "by nature are sensible" and quit when they feel themselves sliding.

DOUBTS AGE AS MEASURING STICK

Others, however, feel that they will rely on the tests given by their companies and the FAA to determine when they should retire.

"They aren't going to turn me loose just because someone sets an arbitrary age," said Mr. Culbertson, who is an attorney as well as a pilot for American Airlines. "It has not been proven to me that age is a good measuring stick."

The Public Health Service, as well as the FAA, is trying to develop another measuring stick, according to Dr. Stanley R. Mohler, of the Center for Aging Research at the National Institutes of Health.

Research centers throughout the country are doing Government-sponsored work to develop tests for each occupation where a physical or mental failure could mean disaster, Dr. Mohler said.

"The question is whether there should be some sort of retirement system for people in these sorts of jobs," he said.

EXPERT ON AGING GIVES VIEWS

Another expert in the field, Dr. James Birren, chief of the Section on Aging in the National Institutes of Mental Health, noted:

"We praise a doctor of 80 who is still practicing medicine. But there is often serious question whether he is a good doctor, and whether in the public interest that he should be allowed to practice."

In his book, Dr. McFarland suggested a retirement age of 50 years—plus or minus five—as probably best for most pilots, although each case should be thoroughly examined on its own merits.

He suggested last night that a possible way to satisfy safety requirements and the pilots would be to make these older men plane commanders.

"Their judgment and experience would be used, but they wouldn't actually be at the controls," he said.

So, far, he reported, airlines have not expressed much interest in his proposal.

J. FRANCIS SMITH, OF CONNECTICUT

Mr. DODD. Mr. President, the recent death of J. Francis Smith leaves a void in the civic, business, and political life of Connecticut and the Nation that will be sorely felt, for he possessed qualities of mind and character that can never be spared.

He carried into every field of endeavor a competitive spirit, a practical and analytical judgment, and a complete integrity. On the athletic field, in the business world, and in countless civic and charitable causes, he left a series of achievements that will long be remembered.

As Connecticut's Democratic State chairman for many years, Francis Smith ushered in a period of party rejuvenation and growth that is still yielding rich dividends.

His friendship, his ideals, his example, have given guidance and inspiration to a generation of Connecticut citizens in all walks of life, and all who knew him share my feeling of great loss at his passing.

I ask unanimous consent that the Waterbury Republican editorial of February 13, 1959, entitled "J. Francis Smith," be printed in the RECORD as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

J. FRANCIS SMITH

Our city and the State are made poorer indeed by the untimely death of an outstanding businessman and citizen.

There is a sad irony in J. Francis Smith's death. He had apparently made a strong recovery a couple of years ago from a long, serious sickness, had resumed control of his business affairs, and, in managing Senator THOMAS DODD'S campaign for the Democratic nomination, had shown last summer that he still possessed an old political warrior's skill. Then came the heart attack which, after weeks in the hospital, has claimed his life.

A hardheaded sense of what was practical guided him. His was a fierce competitive spirit, shown on the tennis court when he was younger, later on the links, and carried over into business, politics, community service. He had a shrewd analytical mind. His success as president of J. E. Smith & Co. led to other business connections, to bank and corporation directorship and trade association honors. On the political side, his service as Democratic State chairman when the late Wilbur L. Cross was Governor was a very distinguished one, and the part he played over the whole political range from local to national was notable.

As drive chairman for community causes and worker for community betterment he had no superior and few peers. However much you might narrow down a list of pivotal local leaders in business, in politics, and in movements for civic improvement, his name would be bound to be there.

Such men are few, precious, hard to spare.

ST. LOUIS TORNADO DISASTER ASSISTANCE

Mr. SYMINGTON. Mr. President, during the early morning hours of last Tuesday, the 10th of February, the city of St. Louis was struck by a devastating tornado.

In the few minutes during which the twister cut a path through the central part of the city, 21 persons were killed, 350 were injured, and more than 5,000 others were made homeless or were otherwise affected.

Forty-seven buildings were totally destroyed and nearly 2,000 others were damaged. A 575-foot TV tower and a radio tower were toppled; and the arena, a large sports building, was damaged.

The major damage occurred in areas occupied by multiple dwellings and small businesses.

Tornadoes are not new to our part of the country. Kansas City suffered appalling damage in 1957, as did St. Louis itself in 1927 and 1896.

Last week, wind struck suddenly and with tremendous force. The financial loss, estimated at more than $12 million, is enormous, but we in St. Louis are fortunate that the loss of life was not greater. Had the tornado hit during daylight, many more would probably have been killed.

The people of St. Louis were quick to rise to the emergency. The speed with which personal and financial assistance came from local, State, and Federal agencies was a great comfort and help to those who had lost loved ones, personal possessions, and homes.

The Civil Defense, Red Cross, Salvation Army, and local hospital workers, as well as the municipal police and firemen, were on the scene soon after the twister struck. Their work in the early morning hours, and throughout the day, in rescue and treatment of the injured, was outstanding.

City officials are also to be congratulated for the rapid cleanup operations. Within 2 days, all streets, save for one intersection, were cleared so that disruption of the city's traffic flow was kept at a minimum.

Coordination between local, State and Federal agencies was outstanding and proved very effective.

The Presidential designation of the city as a major disaster area was prompt, and speeded financial assistance to needy persons.

The people of St. Louis, through newspaper and radio campaigns, have contributed large sums to aid their fellow citizens. Much of the property damage was covered by insurance. With funds thus available from a variety of sources, rebuilding already in progress will continue apace.

We are fortunate that the courage, community spirit and efficient work of all concerned kept injuries to a minimum, and provided relief to the victims.

Last Tuesday was a day of great sorrow for the city of St. Louis. But it will also be remembered as a proud day. City, State, and Federal officials and the people of the St. Louis area itself responded magnificently to this "challenge of disaster."

Mr. President, I ask unanimous consent to have included as a part of my remarks an editorial entitled "Tornado's Tragic Wake," from the St. Louis Globe-Democrat of February 11, an editorial entitled "The Challenge of Disaster," from the St. Louis Post-Dispatch of February 11, and a letter from Gen. Alfred M. Gruenther, president of the American National Red Cross.

There being no objection, the editorials and letter were ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat, Feb. 11, 1959]

TORNADO'S TRAGIC WAKE

Death, suffering, and sudden horror rode the tornado that sliced through St. Louis and St. Louis County in the black hours of early Tuesday morning.

The grim toll was about a score slain, some 300 injured, and a property devastation running into multimillions of dollars.

The shock was tragic and savage. There had been no warning. Most of the city slept through a rainstorm, awakening unconscious of the stark path of depredation that had knifed diagonally through the community.

The worst storm to strike St. Louis in 32 years, it followed much the same course of the devastating tornado that laid a swath of demolition and killed 78 persons in 1927. This was the third worst weather disaster ever suffered by the city.

Rescue workers were still sifting through ruins late last night searching for possible victims. The hospitals were heavily taxed caring for the maimed and shock sufferers. Welfare organizations were quickly on the job, and appeal has been made to designate the city a disaster area.

Such is the capsule résumé of devastation following the 65-mile-an-hour twister. Sympathy and care for survivors caught in the vicious tornado's maw is all that can now be offered. And that, unfortunately, will be forthcoming in most generous measure.

Such violent incidents are a macabre vagary of nature, explicable perhaps to meteorologists who apparently are not yet able to forecast their coming. There is left only sorrow, sincere compassion for the bereaved.

A disaster like this, brutal as its harvest shows, is but a minuscule shadowing of the cosmic power of destruction man has shaped in his world arsenals of nuclear annihilation.

Nature, even in its deadly moments, is kinder than this generation of men, who have devised a potential of monstrous destruction that could be loosed in a moment's madness.

[From the St. Louis Post-Dispatch, Feb. 11, 1959]

THE CHALLENGE OF DISASTER

Here in St. Louis the whistle of the wind is no exhilarating song. Here the whine under the eaves carries overtones of alarm. This is tornado country. Damaging storms have lashed the city since its earliest days, but only two—those of 1896 and 1927—were more deadly than the catastrophe which whipped across St. Louis early Tuesday morning. Had that calamity befallen the community in business hours, who knows how many more might have been killed or injured in the streets? For that one is grateful.

But 21 dead, 300 injured, and 1,725 buildings damaged is disaster enough. It will be ameliorated insofar as that is possible. President Eisenhower has responded to Mayor Tucker's appeal by declaring this a disaster area, eligible for Federal aid.

The firemen, the police, the doctors and nurses of hospitals, the emergency crews of the utility companies, Civil Defense, the Salvation Army, and the Red Cross responded with marvelous energy. They ministered to the injured, dug out the dead, blocked off danger zones, cleared streets, and restored facilities as quickly and as best they could. They did splendid work. For this the community honors them. Individuals and groups unable to help so directly can join in relief over the longer run.

The Post-Dispatch, KSD-TV and KSD have started a tornado relief fund with a contribution of $5,000. Other contributions are solicited, especially because so many of those hard hit are unable to do much for themselves. Money is needed not only for emergency food and shelter, but also to help the victims of the storm in reestablishing themselves. This is a concrete way of expressing the universal sympathy for those injured in limb and property. Contributions sent in care of the Post-Dispatch will be distributed by the Red Cross.

The response this time, we are sure, will be what it has been every time St. Louis felt the wrath of storm, fire, and plague. These disasters are hardly to be prevented. But beginning with the first policeman, fireman, and doctor on the scene, the community can make good the damage. People can show not only compassion but also courage. They can and will clear away the wind-scattered debris. They can and will build anew, stronger and better. They can and will respond to the challenge of disaster.

THE AMERICAN NATIONAL RED CROSS,
Washington, D.C., February 11, 1959.

Hon. STUART SYMINGTON,
U.S. Senate, Washington, D.C.

DEAR SENATOR SYMINGTON: Once again it is my sad duty to report the measures which the Red Cross is taking in meeting the suffering caused by the tornado which struck St. Louis early yesterday morning.

Preliminary surveys from Red Cross workers indicate approximately 3,036 families have been affected. Most of these were in St. Louis in an area bounded by the following streets: Grand, St. Louis, Olive, and Newstead. Here, 21 died, 69 were hospitalized, and 350 received minor injuries. In this area 21 dwellings were destroyed, 141 dwellings received major damage, and 1,104 dwellings received minor damage. Most of those dwellings were occupied by varying numbers of families up to four. In the Brentwood area 2 homes were destroyed and 11 homes were damaged. In the Rock Hill area 1 home was destroyed and 107 homes were damaged. In the Berkeley area 12 homes were damaged. In addition, 23 businesses were destroyed, 93 businesses received major damage, and 388 businesses received minor damage in St. Louis and in the Brentwood area. Fifty persons occupied a Red Cross shelter last night. Five canteens have been operating in the affected areas, feeding both rescue workers and victims.

Chapter volunteers and national disaster workers of the Red Cross are on the job along with Federal, State, and community agencies to bring all possible relief to the disaster sufferers in your State. The full resources of our organization have been mobilized to aid these stricken families. The Red Cross will continue its emergency and rehabilitation work until the disaster-caused needs of all families lacking the necessary funds have been met.

Red Cross help is based on the principle, not of replacing all losses, but of assisting disaster victims in need who lack sufficient resources of their own, including insurance, to start back on the road to recovery.

All assistance from the Red Cross is an outright gift from funds contributed by the American people. Unfortunately, our disaster revolving fund has been drastically reduced because of the extraordinary heavy disaster losses in the past 4 years. For that reason special appeals for funds have been inaugurated by the Red Cross in the affected areas. I am confident that the American people, as always, will contribute generously.

You may be assured that the Red Cross will remain on the job until all who need our assistance have been helped.

Sincerely,

ALFRED M. GRUENTHER.

CONGRESSIONAL COOPERATION WITH THE DEPARTMENT OF AGRICULTURE

Mr. SYMINGTON. Mr. President, the Secretary of Agriculture is now testifying before the Senate Agriculture Committee regarding the administration's recommendations for additional farm legislation.

This is the seventh year of this administration's farm policies and programs.

Six times, either the President or his Secretary of Agriculture has come before Congress with recommendations which they said would help solve the farm problem.

Each time the Congress was assured that the farm situation was getting better, but that additional legislation was needed to further improve the economic conditions in agriculture.

Many of us did not concur with these policies and proposals. We felt that, even if administered well, many of the Secretary's farm policies would not serve the best interest of farm families.

In his recent farm message, the President argued that the Congress has not given the administration all of the legislation requested.

On other recent occasions, high officials in the Department of Agriculture have stated that Congress has not provided the legislative tools to solve the farm problem.

Let us get the facts—based on the record.

What legislation has been requested by this administration.

And what has Congress done about these requests?

I asked the Legislative Reference Service of the Library of Congress to make a comparison of the administration's major farm price and income recommendations with the legislative action taken by Congress.

To get the facts, the Legislative Reference Service checked the recommendations of the President and the Secretary of Agriculture for each of the past 6 years.

They reviewed the bills, hearings, reports, and the CONGRESSIONAL RECORD. They used the Department of Agriculture's Digest of Legislation and other official publications.

Now let us see what the record shows.

The Library of Congress report states:

In the past 6 sessions of the Congress, some 53 recommendations have been made by the Secretary of Agriculture for price and income stabilization for commercial farmers.

According to the report, 48, or more than 90 percent, of these recommendations have received favorable legislative action.

A more detailed examination of these legislative actions shows that 41 of the 48, and I quote, "substantially fulfilled the requirements stated by the Secretary," while 7 partially met the administration requests.

To continue from the report by the impartial Library of Congress Legislative Reference Service:

Only five recommendations made by the Secretary in the past 6 years have not received favorable congressional action. They are:

1. The sale of CCC stocks at not less than support levels plus carrying charges (84th Cong., 2d sess.).

2. The sale of low-quality CCC wheat by the Secretary of Agriculture for feeding purposes (84th Cong., 2d sess.).

RECOMMENDATIONS OF THE SECRETARY OF FOR STABILIZING FARM PRICES

83D CONGRESS,

Recommendations

1. June 30: President requested legislation which would give authority to use agricultural commodities held by the Government to meet needs arising from famine or other urgent relief requirements abroad.

2. June 10: President proposed that Congress authorize availability to Pakistan of 1 million tons of CCC-held wheat, with recommendation that legislation include authority for CCC to recover through appropriation.

3. June 2: Presidential message to Senate contained recommendation for Senate ratification of extension of International Wheat Agreement.

4. March 26: President recommended adoption of Reorganization Plan No. 2, to transfer to the Secretary of Agriculture functions vested by law in other officers, agencies, and employees of the Department * * * to simplify and make effective the operation of the Department.

83D CONGRESS,

Recommendations

1. January 11: President recommended authority for price supports at 90 percent of parity be allowed to expire in favor of supports between 75 and 90 percent of parity on the five basic commodities—wheat, corn, rice, cotton, and peanuts—depending on the relationship of total to normal supply.

3. Extension of the noncommercial wheat area (84th Cong., 2d sess.).
4. The replacement of acreage allotments on cotton with quantity allotments (84th Cong., 2d sess.).
5. Provision for elimination of national acreage allotments on peanuts (84th Cong., 2d sess.).

Mr. President, I ask unanimous consent that the entire report of the Legislative Reference Service, giving each of the 53 recommendations and the legislative action thereon, be included in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

RECOMMENDATIONS OF THE SECRETARY OF AGRICULTURE AND LEGISLATIVE ENACTMENTS FOR STABILIZING FARM PRICES AND INCOME, 1953 TO DATE

In the past six sessions of the Congress, some 53 recommendations have been made by the Secretary of Agriculture for price and income stabilization for commercial farmers.

Of this total, 41 legislative actions have substantially fulfilled the requirements stated by the Secretary, and 7 of his recommendations were only partially met, or the timing of the changes recommended were delayed. One of these occurred in the 83d Congress, four in the 84th Congress, and two in the 85th Congress.

Only five recommendations made by the Secretary in the past 6 years have not received favorable congressional action: They are:

1. The sale of CCC stocks at not less than support levels plus carrying charges (84th Cong., 2d sess.).
2. The sale of low-quality CCC wheat by the Secretary of Agriculture for feeding purposes (84th Cong., 2d sess.).
3. Extension of the noncommercial wheat area (84th Cong., 2d sess.).
4. The replacement of acreage allotments on cotton with quantity allotments (84th Cong., 2d sess.).
5. Provision for elimination of national acreage allotments on peanuts (84th Cong., 2d sess.).

AGRICULTURE AND LEGISLATIVE ENACTMENTS AND INCOME, 1953 TO DATE

1ST SESSION (1953)

Legislation

Public Law 216 authorized President to use stocks of agricultural commodities from CCC to relieve famine and relief requirements abroad.

Public Law 77 made a gift of up to 1 million long tons of wheat from CCC stocks to Government of Pakistan to relieve starvation and mass suffering.

Public Law 180 extended the International Wheat Agreement to arrange for orderly movement of wheat between exporting and importing nations.

Reorganization Plan 2 was put into effect by the President after the 60-day period when Congress did not reject the plan.

2D SESSION (1954)

Legislation

Public Law 690 (Agricultural Act of 1954) provided flexible price support program at 82½ to 90 percent of parity for the 1955 crop of wheat, corn, cotton, peanuts, and rice. In 1956 and thereafter, support levels designated at 75 to 90 percent of parity.

RECOMMENDATIONS OF THE SECRETARY OF AGRICULTURE AND LEGISLATIVE ENACTMENTS FOR STABILIZING FARM PRICES AND INCOME, 1953 TO DATE—Continued

Recommendations	*Legislation*
2. January 11: President recommended provision to allow for moving from old to modernized parity in steps of five percentage points of the old parity per year until the change has been accomplished.	Public Law 690 contained a transitional parity provision that parity price would be decreased only 5 percent per year until the change has been accomplished.
3. January 11: President recommended removal of excessive stocks of surpluses from commercial channels, and strengthening work of the Department of Agriculture in developing foreign markets abroad and at home.	Public Law 690 provided for transfer of agricultural attachés from State to Agriculture Department. Public Law 480 provided for disposal of agricultural surpluses by the President for emergency assistance to friendly nations, and authorized sale for local currencies of surplus agricultural commodities to foreign nations. Authorized $1 billion for these purposes.
4. January 11: President recommended that authority be provided to set aside reserves up to $2.5 billion from stocks held by CCC.	Public Law 690 provided set-aside authority recommended.
5. January 11: President recommended increasing the amount CCC may spend or lend to support farm prices from $6.5 to $8.5 billion.	Public Law 312 increased borrowing power of CCC from $6.75 to $8.5 billion.
6. January 11: President recommended raising normal carryover allowance from 10 to 15 percent of domestic use of corn. Also, repeal of marketing quotas for corn.	Public Law 690 repealed marketing quotas for corn and increased carryover allowance from 10 to 15 percent.
7. January 11: President recommended, for fruits and vegetables, inclusion of additional commodities. Also, authority for marketing orders to be continued despite short-term price variations, and authorization for agencies established under marketing orders to use funds collected to engage in market research and development.	Public Law 690 authorized marketing orders to continue when prices are at or above parity. Funds collected under marketing agreements authorized for use in market research and development.
8. January 11: President recommended legislation for assistance to growers of potatoes in same manner as is available for growers of other fruits and vegetables.	Public Law 690 provided authority for inclusion of Irish potatoes in support program at 0 to 90 percent of parity.
9. January 11: President recommended for wool, direct payments to domestic producers sufficient to raise average return per pound to 90 percent of parity. Funds to meet wool payments to be taken from general revenues within the amount of unobligated tariff receipts from wool. Similar recommendations to apply to pulled wool and mohair.	Public Law 690 provided for use of incentive payments to wool producers for 4 years, beginning April 1, 1955, to support wool at a level up to 110 percent of parity, as the Secretary determines necessary to encourage annual production of 300 million pounds. When such goal is reached, price to be supported at between 60 and 90 percent, as Secretary determines necessary to encourage production of 360 million pounds of wool annually.
84TH CONGRESS, 1ST SESSION (1955)	
Recommendations	*Legislation*
1. March 3: In letter to Speaker, House of Representatives, USDA recommended legislation to extend for 2 years the period for making livestock loans.	Public Law 166 extended the period for making special livestock loans for 2 years.
2. March 18: House Report 238 contains USDA's recommended legislation to redetermine 1955 marketing quotas and acreage allotments for burley tobacco; to increase the penalty for marketing excess tobacco from 50 to 75 percent of average market price for previous year, to provide that any acreage of tobacco harvested in excess of allotted acreage shall not be considered in establishing allotment for the farm in the succeeding year.	Public Law 21 directed Secretary to redetermine national marketing quota for burley tobacco for 1955–56 marketing year, authorized reductions by not more than 1/10 of an acre for existing allotments which are 7/10 acre or less, but more than 1/2 acre. Penalizes growers who submit false reports on tobacco acreage. Increased excess-marketing penalty from 50 to 75 percent of average market price for previous year.
3. Also, that legislation be enacted to eliminate provision whereby tobacco growers may vote for quotas either for 3 years or 1 year and provide for voting only on the question of quotas for 3 years.	Public Law 279 provided for voting only on the question of quotas for 3 years.
4. July 20: USDA recommended legislation to increase the borrowing authority of the CCC from $10 billion to $12 billion.	Public Law 344 increased the borrowing power of the CCC from $10 to $12 billion.
5. Feb. 9 and March 10: In letters to Senate Committee on Agriculture and Forestry, USDA approved proposed legislation to repeal section 348 of the AAA of 1938 as amended, denying ACP payments to any farmer who knowingly harvests any basic commodity in excess of his acreage allotment.	Public Law 42 repealed that portion of the Agricultural Act of 1954 that denied agricultural conservation program payments to any farmer who knowingly harvests any basic commodity in excess of his acreage allotment.
6. May 18: In response to request for report, USDA recommended enactment of legislation to extend period for making emer-	Public Law 117 extended for 2 years the period for making emergency loans under P.L. 727 (83d Cong.) which provided $15

RECOMMENDATIONS OF THE SECRETARY OF AGRICULTURE AND LEGISLATIVE ENACTMENTS FOR STABILIZING FARM PRICES AND INCOME, 1953 TO DATE—Continued

Recommendations	*Legislation*
gency loans under Public Law 727 (83d Cong.).	million of economic disaster loan authority.
7. March 24: In response to request for report, USDA recommended enactment of H.R. 3231, unless section 102(a) of S. 752 could be reworded to remove the requirement that exporters of privately owned stocks acquire an equivalent quantity of CCC stocks.	Public Law 25 improves the operations under Public Law 480 by removing requirement that private stocks exported under title I be replaced by CCC stocks.
84TH CONGRESS, 2D SESSION (1956)	
Recommendations	*Legislation*
January 9: President Eisenhower sent to Congress a message on a farm program with proposals designed to relieve the problems of huge agricultural surpluses. He recommended:	
1. A soil-bank plan in 2 parts:	
A. Acreage reserve program: Government payments for putting a part of the acreage allotments of the basic commodities in the soil bank, payments to be made to the producer by the Commodity Credit Corporation.	Public Law 540 (The Agricultural Act of 1956) set up a $1.2 billion-a-year soil bank in two parts:
	A. Acreage reserve, designed to reduce acreages of basic commodities. Payments to farmers made to reduce acreage of crops below allotments. Maximum of $750 million annually for next 4 years authorized.
B. Conservation reserve: producers contract voluntarily with the Government to shift cropland into unharvested grasses, and other conservation uses, the Government to pay a fair share of costs of establishing the reserve, as well as annual payments for period of the contract.	B. Conservation reserve: designed to remove acreage from crop production on a semi-permanent basis for which payments equivalent to the rental value of the land would be made, with an annual national limit of $450 million.
2. Legislation to permit sale of CCC stocks at not less than support levels plus carrying charges.	
3. Repeal of section 304 of Public Law 480 which restricts exports of CCC stocks to friendly nations only.	Public Law 85–128 amended section 304 to allow President to assist friendly nations to be independent of trade with U.S.S.R. and with nations dominated or controlled by U.S.S.R. and to assure that agricultural commodities sold or transferred do not result in increased availability of those or like commodities to unfriendly nations. Transactions prohibited with U.S.S.R. or Communist China.
4. Corn: eliminate acreage allotments for corn and put price supports on a discretionary basis comparable with other feed grains.	Public Law 540: To be eligible for supports in 1956, the producer must devote to the soil bank an acreage of land equal to 15 percent of his corn base. Corn base acreage allotments shall be effective for the 1956 crop. Outside the commercial corn area, corn will be supported at 82.5 percent of the level in the commercial area. After 1956, producers in a referendum will decide between (a) base acreages in lieu of acreage allotments, with price supports discretionary with the Secretary. If producers favor base acreages, they must stay within acreages and devote 15 percent of their corn base to the soil bank, or (b) acreage allotments with supports at 75 to 90 percent of parity. (In referendum, choice "b" carried).
5. Wheat: Authorization for the Secretary to sell for feeding purposes limited quantities of CCC wheat of less-desirable milling quality;	
6. To expand the noncommercial wheat areas beyond the 12 States now so designated; and	
7. The extension for 1 year of legislation exempting durum wheat from acreage and marketing controls.	Public Law 431 provided possible planting in 1956 of expanded acreages of durum wheat.
8. The exemption from marketing quotas of wheat used on farms where it is produced for feed, seed, or food.	Public Law 85–203 provided exemption from liability by producers of wheat grown in excess of allotments when acreage does not exceed 30 acres and none of such crop is removed from the farm and is used for seed, human food, or feed for livestock.
9. Cotton: Provision that the average grade and quality be utilized for parity-price computations, rather than "middling ⅞."	Public Law 85–835: Beginning in 1961 price support shall be based on the average quality of the crop cotton.
10. The replacement of acreage allotments on cotton with quantity allotments with the crop of 1957.	
11. Peanuts: Elimination of provisions for the minimum national acreage allotment.	
12. Sugar: Renewal of the Sugar Act of 1948,	Public Law 545 reenacted and extended for 4 years, to December 31, 1960, the Sugar Act of 1948, as amended.
13. Special school milk program: That the program be extended for 2 years, with au-	Public Law 465 extended the special school milk program 2 years and increased the

RECOMMENDATIONS OF THE SECRETARY OF FOR STABILIZING FARM PRICES

Recommendations
thorizations to use CCC funds, increased from $50 to $75 million.
14. Creation of a Great Plains program, suggesting modification of existing legislation to (a) provide for long-time cost-sharing commitments under agricultural conservation program, and (b) relaxation of planting requirements to maintain base acreage for wheat allotments.
15. "In the budget message, I will request the maximum increase in research funds that can be effectively used next year * * * an increase of one-fourth, to a total of $103 million for research in new products, markets, new uses for products. * * *"
16. "I recommend that legislation be passed to relieve the farmer of the Federal tax on purchases of gasoline used on the farm."
17. May 17: Secretary Benson proposed amendment to title I, Public Law 480 (83d Cong.) to increase maximum authority for reimbursement to CCC for commodity disposal operations from $1.5 billion to $3 billion.
85TH CONGRESS,
Recommendations
1. February 14: Secretary of Agriculture proposed bill to amend Public Law 480 (sec. 103b) to increase title I authority from $3 to $4 billion, to extend Public Law 480 for 1 year, and to repeal section 304 which prohibits disposal operations in Iron Curtain countries.
2. January 16: President's budget message recommended legislation authorizing "the barter of nonstrategic Government-owned agricultural surpluses to the nations of Eastern Europe."
3. January 16: President in budget message, recommended legislation authorizing exemption from marketing quotas and penalties of farmers who use all of the wheat grown on their farms for feed, seed or food.
In response to request for report, Secretary of Agriculture endorsed legislation and proposed amendments to exempt wheat producers from liability when total acreage does not exceed 30 acres and when all the production is used on the farm for food, feed and seed.
4. March 15: In response to request for report, Secretary Benson indicated Department favored enactment of bill to freeze at 75 percent of parity the support on extra long staple cotton.
5. May 20: In response to request for report, the Acting Secretary of Agriculture recommended that bill providing that preservation of allotment histories should be automatic within the period 1956–57, should pass.
85TH CONGRESS,
Recommendations
January 16: President's farm message contained the following legislative proposals:
1. The conservation reserve program of the soil bank should be strengthened and the acreage reserve program terminated after the 1958 crop.
2. Authority should be provided for the Secretary of Agriculture, in accordance with criteria which he will propose to the Con-

AGRICULTURE AND LEGISLATIVE ENACTMENTS AND INCOME, 1953 TO DATE—Continued

Legislation

amount authorized for it from $50 to $60 million annually for the current fiscal year and to $75 million for each of the next 2 fiscal years.

Public Law 752 extended school milk program to nonprofit organizations whether or not they are for underprivileged children.

Public Law 1021: (The Great Plains Conservation Act) provided a broad program, in cooperation with farmers, to restore and conserve cultivated and grazing lands of a wide area in 10 Plains States. Authorized $150 million program over a 10-year period. Authorized Secretary to formulate and announce a conseryation program and to enter into 10-year contracts with operators to encourage permanent shift in land use in the Great Plains.

Public Law 540 provides for a five-member commission to be appointed by the President to make recommendations for increased industrial uses of agricultural commodities.

Public Law 466 relieved the farmer of excise taxes on gasoline and special fuels used for farming purposes.

Public Law 962 amended section 103(b) of Public Law 480 to raise the authority for appropriations from $1.5 billion to $3 billion.

1ST SESSION (1957)

Legislation

Public Law 85–128 extended Public Law 480 for 1 year; increased authority contained in section 103(b) from $3 to $4 billion. Amended section 304 to allow President to assist friendly nations to be independent of trade with the U.S.S.R. and with nations dominated or controlled by U.S.S.R., and to assure that agricultural commodities sold or transferred do not result in increased availability of those or like commodities to unfriendly nations. Transactions prohibited with U.S.S.R. or with Communist China.

Public Law 85–203 provided (a) exemption from liability by producers, of wheat grown in excess of allotments when acreage does not exceed 30 acres and none of such crop is removed (except for processing) from the farm, and the entire crop is used for seed, human food, or feed for livestock on the farm, and (b) that no acreage in the commercial wheat-producing areas seeded to wheat for harvest as grain in 1958 or thereafter in excess of allotments shall be considered in establishing future allotments.

Public Law 85–28 amended AAA of 1949 to provide that the price support levels for American upland and extra long staple cotton for 1957 and subsequent years shall be the same percentage of parity as for the 1956 crop. (The 1956 support level was 75 percent).

Public Law 85–266 amended section 377 of the AAA of 1938, to provide that preservation of allotment acreage shall be automatic within the period 1956 to 1959, inclusive, thus making it unnecessary for farm operators to notify county committees of their desire to preserve allotment history for the years involved.

2D SESSION (1958)

Legislation

Nineteen hundred and fifty-nine appropriation action strengthened conservation reserve and terminated acreage reserve.

Public Law 85–835 (Agricultural Act of 1958): Title I provides for a minimum national acreage allotment for cotton of 16

RECOMMENDATIONS OF THE SECRETARY OF AGRICULTURE AND LEGISLATIVE ENACTMENTS FOR STABILIZING FARM PRICES AND INCOME, 1953 TO DATE—Continued

Recommendations

gress, to increase acreage allotments of basic commodities up to 50 percent above the levels determined by existing formulas.

3. Acreage allotments for corn should be eliminated.

4. The escalator clause (requiring price supports be increased as surplus is reduced should be abolished.

5. The overall range within which price supports may be provided should be substantially widened.

Price supports for basic commodities should be determined administratively between 60 and 90 percent of parity using established guidelines.

6. Price supports for cotton should be based on the average quality of the crop.

7. The agricultural Trade Development and Assistance Act should be extended for 1 year and an additional $1.5 billion authorized for sales for foreign currencies.

8. Research efforts aimed at increasing industrial uses of farm products should be expanded.

9. Congress should extend the National Wool Act.

10. Congress should continue the special school milk program.

11. March 4, 1957: In response to request for report, Secretary of Agriculture indicated approval of extension of Agricultural conservation program for 4 years, providing certain changes relating to State administration of the program be incorporated.

Legislation

million acres. For 1959 and 1960 the individual farmer will have a choice between his regular acreage allotments and price supports as determined by the Secretary, or an increase not to exceed 40 percent of his regular allotment with supports 15 percent lower than the level of those farmers who elect the first choice. After 1960, farmers will receive only their regular allotments, supports to be between 70 and 90 percent; after 1961, supports between 65 and 90 percent of parity.

Title III provides that the minimum national and State acreage allotments presently in effect for rice will be extended permanently.

Public Law 85–835, title II, provides for a referendum among corn producers (in the commercial area) to choose between (a) discontinuance of acreage allotments in the commercial corn area, and price support at 90 percent of the average price received by farmers for the 3 preceding years (but not less than 65 percent of parity), or (b) acreage allotments to continue in effect and the minimum level of price supports to continue at between 75 and 90 percent of parity. (In referendum, choice "a" carried.)

Public Law 85–835, title I repealed the escalator clause for cotton, effective with the 1961 crop. Title III repealed the escalator clause for rice, effective with the 1959 crop.

Public Law 85–835 provides a minimum level of supports for corn at 65 percent of parity in the event choice (a) was made in the referendum. Title I provides a minimum for cotton for 1959 of 80 percent. Title III provides 75–90 percent for rice for 1959 and 1960; 70–90 percent for 1961; and 69–90 percent after 1961.

Public Law 85–835: Beginning in 1961, price supports shall (for cotton) be based on the average quality of the crop.

Public Law 85–931 extends the termination date of both titles I and II from June 30, 1958, to December 31, 1959. Authorizes an additional $1.5 billion per year for title I operations, or an additional $2.25 billion for the 1½-year extension. Requires the Secretary to engage in the barter or exchange of CCC surplus commodities for strategic or other materials when he determines this to be in the best interests of the United States.

1959 appropriation action increased research funds.

Public Law 85–835, title IV extends the National Wool Act for 3 years, until March 31, 1962, and provides for the use of 70 percent of the ad valorem duties on wool (in addition to 70 percent of the specific duties).

Public Law 85–478 extends special school milk program for 3 years. Provides for each fiscal year $75 million of CCC funds to increase consumption of fluid milk by children.

Public Law 85–553 extends the agricultural conservation program for 4 years, incorporating changes relating to State administration of the program suggested by the Secretary of Agriculture.

Mr. SYMINGTON. Mr. President, despite the exceptional legislative cooperation in providing the Secretary with the tools he said he needed to solve the farm program, he has not solved it.

In fact, the opposite is true.

Over the past 6 years, total net farm income has averaged $3 billion per year below the level in 1952.

Farm prices have averaged 15 percent below the 1952 level.

The parity ratio, 100 percent in 1952, has averaged 85 percent in the past 6 years.

From the beginning of the farm program until 1953, Department of Agriculture expenditures averaged less than $1.5 billion per year.

During the past 6 years, those expenditures have averaged nearly 5 billion per year.

And they are increasing.

Secretary Benson started his management of the Department of Agriculture with $2.4 billion total Commodity Credit Corporation investment in farm commodities.

As of January 1, 1959—exactly 6 years later—that total inventory investment is $8.7 billion.

And according to the President's budget message, it will soon be over $10 billion.

This is the record of what has been done with the legislative tools he requested and which Congress has given him.

As the Senate Agriculture Committee hears the Secretary's presentation, it will be looking to the future—to new, sound programs which will help bring true prosperity to the farm families of our great country.

In planning for the future, let us this time give careful consideration to the record of the past.

FIVE BASIC PROBLEMS OF EDUCATION

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "Five Basic Problems of Education," written by Fred M. Hechinger, and published in the New York Times magazine of January 25, 1959. I commend this informed and sobering article to all Senators.

There being no objection the article was ordered to be printed in the RECORD, as follows:

FIVE BASIC PROBLEMS OF EDUCATION

(By Fred M. Hechinger)

Ever since the cold war moved into outer space, the American people have been concerned about education. No longer is the sky the limit; even the moon is only a whistle stop. And in this futuristic contest, the classrooms are the launching platforms.

Hardly a week passes without several television programs peeking behind the scenes of education. Not long ago, a broadcaster cornered a few high school students, and their deplorable ignorance set off a national storm of criticism. The Rockefeller report on education got top billing on the front pages of even small-town dailies. Rear Adm. Hyman G. Rickover, father of the atomic submarine, received a sympathetic public ear when he proclaimed that, if the money for education could not be found in the Federal budget, the defense appropriation should be cut.

President Eisenhower appointed a special Committee on Education Beyond High School. The Ford Foundation made the largest gift in the history of private philanthropy for the increase of professors' salaries. James Bryant Conant, Harvard's former president, has devoted the past 2 years to an attempt to find out what is wrong with American high school education. In fact, the "Conant Report," which is set for publication next Wednesday, has already stirred up more excitement than many Government White Papers.

Everybody is concerned about education; but "education" is an elusive, amorphous thing. Before it can be understood and improved, some of the crucial problems must be singled out and defined. As an observer of the educational scene, I have visited classrooms, talked with teachers, listened to parents, sat through speeches and conventions, scanned the statistics and studied the reports.

Let me set down what seem the five most immediate problems; then let us see what the experts recommend.

The problem: (1) How can American standards of education be raised, and what, especially, can be done to meet the challenge of the exceptionally gifted child?

American democracy promises every child a full elementary and secondary education, but the unanswered question has always been how to do this without surrendering to the lowest common denominator. Our educational laissez-faire, which permits even able students to pick "elective" snap courses, has allowed standards to slip.

The raising of educational standards for the great mass of students would mean a spectacular improvement in the country's total reservoir of skills. But what about the small number of exceptionally gifted children—the top 2 percent? The talents of these, if lost, are irreplaceable. In terms of the country's progress and of competitive coexistence in a cold war period, they may well hold the key.

The proposed solutions: There is almost unanimous agreement that the search for quality in a system of quantity rates first attention. To cope with the problem of a curriculum which has been loaded down with an almost unlimited variety of subjects from driver education to citizenship training, the Rockefeller report, entitled "The Pursuit of Excellence," demands that "we reach some agreement on priorities in subject-matter." Educators are asked to make up their minds which of the many elective courses are most important.

The Conant report will go a step further. It will clearly demand that all high school students complete four years of English, three to four years of history and related social studies, one year of mathematics and one year of science. Students in the top 20 percent would take three additional years of science, three more years of mathematics and at least three years of one foreign language.

For all students there must be improved guidance. Dr. Conant asks for 1 guidance counselor for every 250 to 300 high school students. And, in order to assure adequate programs and facilities, he asks for elimination, through consolidation of all high schools with graduating classes of fewer than 100 students.

All proposals for the improvement of education demand a greater sense of continuity of subjects and a greater scope of understanding. Study of a foreign language for less than 3 years, says Dr. Conant, is like drilling for oil and then stopping before striking it. In the study of history, too, efforts are largely wasted unless there is a sense of the natural sequence of events.

For the 2 percent of gifted pupils, even more of a concession to the difference in human talent must be made. "A school system that insists on the same instruction for the talented, average, and below average child, said Rear Admiral Rickover, "may prevent as many children from growing intellectually as would a system that excludes children because of the social, political, or economic status of their parents. Neither system is democratic."

The experts agree. "Any educational system is, among other things, a great sorting-out process," says the Rockefeller report. But while the European sorting out is achieved almost entirely by impersonal examinations, the American experts call for a variety of tests, some scoring native talent, others the actual achievement of the student, with personal observation and guidance. Once the gifted students are recognized, the experts want them to be given advanced work, without separating them from their classmates.

Toward the end of high school, the extra work would be increased. Thus, juniors and seniors would be offered college-level instruction in some subjects, as they now are under the advanced placement program sponsored by the college entrance examination board. Another program for early admission to college, initiated by the Fund for the Advancement of Education and hailed by all the experts, has sent more than 1,000 gifted students to college during the past 5 years without completion of the last year or two of high school.

The problem: (2) How can we get better teachers?

There is no way to improve the quality of American education without an adequate supply of good teachers. Already a serious shortage of highly educated manpower exists. This shortage will become increasingly critical unless we find enough of what the Ford Foundation calls the "seed corn"—teachers who, through their superior efforts, help to raise new generations of educated brains.

Perhaps even worse, the standards set for the teachers are often pitifully low. For example, at a convention in Bowling Green, Ohio, recently, an education spokesman "demanded" that chemistry teachers be given at least thirty-two hours of college study in that subject. A Russian student in a college-preparatory high school, by comparison, gets more than 340 hours of chemistry before graduation.

The proposed solutions: "No educational system can be better than it teachers," warns the Rockefeller report. It estimates that the number of new teachers needed in the next decade is somewhere between one-third and one-half of all college graduates in that period. The present ratio of college graduates entering the teaching profession is only one out of every four or five. And yet, even today, the report warns, the problem of quality is critical. As of 1956, 33 per cent of all elementary teachers did not hold an A.B. degree, while more than 21 percent of all public school teachers had less than four years of college.

Since the training of all teachers depends on the quality of the training of college teachers, there is special significance in a report by the National Education Association that "since 1953–54, holders of the doctor's degree among newly employed, fulltime [college] teachers have decreased 25.2 percent." And the manpower pressures of the immediate future may make this situation even worse.

The Rockefeller report calls for an improvement in the courses and training procedures given teachers. "If the programs for the preparation of teachers are rigid, formalistic and shallow, they will drive away able minds as fast as they are recruited," it warns. "Unhappily, preparation for pre-college teaching has come all too close to that condition."

The report warns against the practice of handling teachers as interchangeable units in an educational assembly line. At present, the best teacher and the poorest in a school may teach the same grade and subject, use the same textbook, handle the same number of students, get paid the same salaries, and rise in salary at the same speed to the same ceiling. The ironic result is that school administration—and the end of active teaching—often becomes the only refuge for able teachers who want to advance their careers.

The problem of getting a sufficient number of teachers is primarily one of recruiting and of offering an attractive career. "But even with aggressive recruitment there appears to be little or no likelihood that we can bring into teaching at any level anything approaching the number of qualified and gifted teachers we need," says the Rockefeller report. "We must therefore utilize our superior teachers more effectively."

All the experts agree that, in the words of the Rockefeller report, "one way to make better use of the ablest teachers is to eliminate many of the petty tasks which occupy

a teacher's time. Less highly trained classroom assistants may accomplish much in the lightening of this burden." The Fund for the Advancement of Education, putting this theory to the test in Bay City, Mich., found it successful, and it has spread from there to many communities across the country. A bonus, it was found, came when many of the aides, seeing teaching at its best, became so interested that they went back to college to get their teacher training.

Other experiments have been sparked by the success of the first one. The use of teams of teachers, made up of one master teacher, one regular teacher, and one untrained assistant has made it possible to increase the class size for some subjects to three times a normal classroom quota, while, at other times, permitting one teacher to work with only 8 to 12 pupils. The use of television has also made it possible to get more of the best teachers into contact with more students.

The problem: (3) Should we emphasize science as against the liberal arts?

However we respond to the challenge of sputnik or speculate about the importance of moon shots, one fact is inescapable—science and technology are intimately linked with modern man's destiny.

Traditionally, there used to be a clear dividing line between the liberal arts and the sciences. The high school student who thought he had no interest in a career of science frequently was allowed to get by with a minimum of mathematics and science instruction. Reports about the Russian schools, which go to the opposite extreme of requiring a stiff dose of science and mathematics for all high school students, have intensified the problem of just how much science training should be required of every high school graduate.

The proposed solutions: The experts agree on two fundamental points: (1) that, despite the panic headlines, science must not crowd out the humanities; (2) that it is vital for all students, not just the scientifically inclined, to have a thorough measure of basic mathematics and science.

On the first point, the President's Committee on Education Beyond High School says that the country would be inexcusably blind if it failed to see that the challenge of the next 20 years will require leaders not only in science and engineering and in business and industry, but in government and politics, in foreign affairs and diplomacy, in education and civic affairs.

On the second point, Dr. I. I. Rabi, Nobel Prize physicist and chairman of the President's Science Advisory Committee, says: "We must teach science as an intellectual pursuit rather than as a body of tricks." And he adds: "As yet, if a man has no feeling for art he is considered narrowminded, but if he has no feeling for science, he is considered quite normal. This is a fundamental weakness."

Probably the greatest waste of scientific talent stems from social clichés which discourage girls from studying science and mathematics as unladylike. Dr. Conant found that, even in the best high schools, fewer than half of the gifted girls elect 4 years of mathematics.

The experts agree that it is not a question of either/or between science and the liberal arts. The Rockefeller report warns as much against the narrowly trained scientist as against the educated man who is illiterate in science.

The problem: (4) Who should go to college?

Already more than 3 million young Americans are enrolled in college—a total of one-third of the eligible age group. Is universal college the next step, following the universal high school? Some State universities have, in practice, accepted this principle; they consider a high school diploma an automatic admission ticket. Other college spokesmen warn against the danger of indiscriminate admission policies as an invitaton to lowered standards. They are, however, more concerned that rising costs will price the colleges out of the market for many able students.

One fact is clear: even if the present policy of selection is continued, most colleges would have to double or triple in size by 1975 in order to accommodate the same percentage of students who go to college today.

No expert wants to restrict college admission, but all would like to see standards raised so that the restrictions could be built into the procedure of selection. They applaud current trends in that direction. They cite the announcement by the University of Illinois that by September 1960, its freshmen will no longer be nursed along in remedial English courses. They point with approval to more than a dozen colleges which have revived foreign language requirements for admission.

The problem is not so much whom to keep out of college, but rather how to make sure that those who should go to college do so.

The two roadblocks, the experts agree, are motivation and finances. To remove the first, they say that young people with talent will have to be shown more effectively that there is real value and excitement in higher education. To remove the second, they suggest more scholarships.

The President's Committee called for 10 times the present total amount of scholarship money, estimated at about $60 million. It wants about 200,000 of the ablest and neediest high school graduates annually to be assured of a college education by having the financial burden removed from them.

In addition, it calls for between 25,000 and 50,000 subsidized campus jobs so that another large group will be able to support itself with work-study programs. In order to build higher education firmly into the American way of life, the President's Committee also suggests that the tax laws be revised so that students and their parents would be assured of credits or deductions.

All the experts agree that there should be a greater number of 2-year colleges for those who are unwilling or unable to commit themselves to 4 years of higher eduaction.

Finally, the Conant report will urgently demand another reform plan which would eliminate those students who feel that they are inadequately prepared to make a living when they leave high school, and who go to college for vocational training rather than for education. The Conant plan would expect the high schools to offer vocational training of highest caliber to these students.

Considering the importance of the problem of who should go to college, it is disappointing to find the experts vague and hedging in their replies. The reason is simple: they are torn between rational planning and the commitment to an ideal. The first calls for toughness in setting up restrictions so that the colleges and universities can be made into institutions of excellence; the second dreams about the removal of all limitations from a child's educational horizon. At present, the American genius for compromise is in search of a formula that will be democratic without destroying the standards of scholarship and education.

The problem: (5) How do you pay for all this?

If mass and class in education are to be combined, perhaps for the first time in history, then the cost will be high. What compounds the difficulty is the almost pathological fear of Government control through Government financing. Yet, from the problem of the loss of potentially able teachers to higher paying jobs to the fact that local spending is not even beginning to catch up with school construction needs, every sign points to an inescapable truth: the present sources of money are insufficient to pay for a first-class mass education system.

Many schools are overcrowded, understaffed, and ill equipped. There is an estimated shortage of 142,000 classrooms and an "excess" of almost 2 million pupils. And within 10 years the high schools will have arrived at a point where they will face 50 to 75 percent more pupils than they now accommodate.

The proposed solutions: None of the experts has tackled the money problem with complete candor. The fear of an all-out fight over the principle of Federal aid has led to a flood of cautious statements and even more cautious legislation. Yet between the lines the implication is clear: Federal aid will have to be a permanent part of the picture.

What are the real needs? Our total expenditure for education, from elementary school through the universities, today is approximately $14 billion annually. This is 3.6 percent of the gross national product. The experts estimate that, in order to attain the goals of quality in a system of quantity, the Nation will have to spend $30 billion annually 10 years from now, with those $30 billion measured in terms of today's purchasing power. This would mean, according to the best economists' predictions, about 5 percent of the gross national product.

The Rockefeller report points out that local and State tax systems are in some respects archaic. School expenditures are charged almost entirely to the revenue raised through property tax—and this is also the tax which meets with the most solidly organized and most vocal opposition. It is no coincidence that the rejection of school bond issues in New York State reached an all-time high last year—despite sputnik.

"It is this weakness in the State and local taxing systems more than anything else that gives rise to current proposals for increased Fereral support of education," says the Rockefeller report. "For those who wish to resist or postpone the resort to Federal funds and at the same time not constrict educational services, there seem to be only one alternative: a thorough, painful, politically courageous overhaul of State and local tax systems."

Almost certainly this is not going to happen, and definitely not in time to bolster a weakened edifice of education.

The only public acknowledgment of these unpleasant facts was made by the White House Conference on Education, late in 1955, which voted better than 2 to 1 in favor of Federal aid to education, to be devoted specifically to school construction.

Congress omitted all Federal aid to school construction, however, after the administration's Federal aid proposals in 1958 completely dropped the demand for money for buildings.

Congress and the public had their eyes on scholarships, which they considered the chief ingredient of a crash program to compete with the Soviet Union. When it came to a vote and a series of compromises, the less than $1 billion aid bill offered mainly student loans (not scholarships); some graduate fellowships, plus special financial lures in the form of partly written-off loans to draw students into the teaching profession; and special funds for the improvement of guidance, language, and science teaching, vocational education and research. The largest single amount—$300 million—was earmarked to buy science equipment for school systems in the various States. The most critically needed items, funds for buildings and for teachers' salaries, were overlooked.

Thus, the real Federal aid problem as a key to the financing of the schools remains an issue, with the fear of Federal control still the major roadblock to more sweeping appropriations. The Rockefeller report points out some safeguards that could be

built into Federal aid to prevent it from leading to Federal control:

1. Federal funds would be one source of support among many.

2. State, local, and private sources of funds should continue to be the major factor in the support of education.

3. Federal funds should be used only to balance the serious gaps in the total educational system, and should be given in such a manner as to encourage State and local governments to use their own resources.

Whatever the sources may be, the experts have no doubt whatsoever that, financially, we already face a real emergency. "It will not be enough to meet the problem grudgingly or with a little more money," says the Rockefeller report. "The Nation's need for good education is immediate; and good education is expensive. That is the fact which the American people have never been quite prepared to face. At stake is nothing less than our national greatness and our aspirations for the dignity of the individual. If the public is not prepared for this, then responsible educators, business leaders, political leaders, unions, and civic organizations must join in a national campaign to prepare them."

ORDERLY RENEWAL AND DEVELOPMENT OF URBAN LOCALITIES

Mr. CLARK. Mr. President, ACTION—The American Council To Improve Our Neighborhoods—is a national private organization for the creation and maintenance of a good environment in our Nation's cities. ACTION has recently issued a statement of intention which indicates that on May 4, 5, and 6, 1959, it will convene a selected audience of the policy and decision makers of America to determine how to handle the critical problem of the growth of our cities and the spreading of slums. I ask unanimous consent that the statement of intention by ACTION be printed at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

A STATEMENT OF INTENTION BY ACTION

On May 4, 5, and 6, 1959, ACTION will convene a selected audience of the policy and decision makers of America to launch a new program for America's cities. The conference will be held in Newark, N.J., where an impressive partnership of private and public leadership is creating the new Newark. Attendance will be by invitation only.

The explosive growth of new areas and the accelerating obsolescence of older areas provide a framework of urgency for the conference. The special content of the meetings will be the product of nearly 3 years of ACTION's special research in housing and community development.

The American economy stands or falls upon the strength or weakness of our industrialized urban areas where the great majority of our people now live, work, and do business. Uncontrolled growth and unchecked decay are twin forces creating extraordinary problems in the proper functioning of our cities. Great sums of private and public funds have been spent and much more will be spent to cope with these problems. New resources, new methods, and new leadership must be identified and enlisted to measure up to the task and the opportunity of the American city. American private enterprise, particularly, is challenged with the future of the American city.

The ACTION method to meet this challenge is to bring together leaders from industry, labor, government, and civic organizations with specialists in urban affairs. Accordingly, ACTION has called the Newark conference on the ACTION program for the American city to present the basis for the continuing, orderly renewal, and development of our cities in the tradition of American enterprise and initiative.

Mr. CLARK. Mr. President, it is important that we think of our housing, urban redevelopment, and slum clearance programs as national programs, not as programs for the benefit of vested interests which are working against the interests of the general taxpayer, not as programs for homebuilders or mayors, but as programs intended to insure the policy set forth in earlier housing acts, namely, to provide a good home for every American family.

It is important to know that a splendid organization like ACTION has been organized, and includes among its approximately 40 directors the representatives of many large American corporations, as well as several labor leaders and public servants—in fact, the whole spectrum of leadership in America which is interested in this critical program.

Mr. President, in order that the editorial writers who read the RECORD may have an opportunity to see how widespread is this support for urban renewal, slum clearance, and more and better housing, I ask unanimous consent that the names and occupations of the directors of ACTION be printed at this point in the RECORD.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

ACTION BOARD OF DIRECTORS

William M. Allen, president, Boeing Airplane Co.

C. J. Backstrand, president, Armstrong Cork Co.

Harry C. Bates, vice president, chairman, housing committee, AFL–CIO.

Harold Boeschenstein, president, Owens-Corning Fiberglas Corp.

Ernest J. Bohn, director, Cleveland Metropolitan Housing Authority.

Fred J. Borch, vice president, General Electric Co.

Alan E. Brockbank, past president, National Association of Home Builders.

Dr. William G. Carr, executive secretary, National Education Association.

The Honorable Joseph S. Clark, Jr., U.S. Senator from Pennsylvania.

Mrs. Eleanor Stabler Clarke, member of the corporation, American Friends Service Committee.

Albert R. Connelly, partner, Cravath, Swaine & Moore.

Thomas P. Coogan, president, Housing Securities, Inc.

L. P. Cookingham, city manager, Kansas City, Mo.

C. George Dandrow, vice president, Johns-Manville Sales Corp.

James C. Downs, Jr., chairman, Real Estate Research Corp. (Chicago).

Earl H. Eacker, president, Boston Gas Co.

J. Howard Edgerton, president, California Federal Savings & Loan.

Dr. Dorothy Ferebee, medical director, Howard University.

Ben Fischer, international representative, United Steelworkers of America.

George A. Garrett, president, Federal City Council (Washington, D.C.).

Miss Chloe Gifford, president, General Federation of Women's Clubs.

Philip L. Graham, president and publisher, the Washington Post Co.

Lester B. Granger, executive director, National Urban League.

Joseph A. Grazier, president, American Radiator and Standard Sanitary Corp.

Wallace Harrison, partner, Harrison & Abramovitz, architects.

Andrew Heiskell, publisher, Life magazine.

Guy T. O. Hollyday, chairman, Title Guarantee Co.

Richard Hughes, past president, National Association of Home Builders.

Alfred M. Hunt, secretary, Aluminum Co. of America.

Holgar J. Johnson, president, Institute of Life Insurance.

Roy W. Johnson, Director, Advanced Research Projects Agency.

Joseph D. Keenan, secretary, International Brotherhood of Electrical Workers.

Charles H. Kellstadt, president, Sears, Roebuck & Co.

Philip M. Klutznick, International president, B'nai B'rith.

Ferd Kramer, former president, Metropolitan Housing and Planning Council of Chicago.

James E. Lash, executive vice president, American Council To Improve Our Neighborhood.

Elmer L. Lindseth, president, the Cleveland Electric Illuminating Co.

Joseph Lund, executive vice president, R. M. Bradley & Co., Inc., real estate.

George Pope MacNichol, Jr., president, Libbey-Owens-Ford Glass Co.

Stanley Marcus, president, Neiman-Marcus Co.

Howard W. McCall, Jr., executive vice president, Chemical Corn Exchange Bank.

Richard K. Mellon, chairman of the board, Mellon National Bank & Trust Co.

Robert B. Mitchell, chairman, department of land and city planning, University of Pennsylvania.

The Honorable De Lesseps S. Morrison, mayor, city of New Orleans.

Thomas W. Moses, president, Indianapolis Water Co.

Clarence J. Myers, president, New York Life Insurance Co.

The Right Reverend Monsignor Robert B. Navin, president, St. John College of Cleveland.

Aksel Nielsen, president, the Title Guaranty Co.

Charles F. Palmer, president, Palmer, Inc., real estate.

W. W. Patchell, vice president, Pennsylvania Railroad Co.

Thomas F. Patton, president, Republic Steel Corp.

Jacob S. Potofsky, president, Amalgamated Clothing Workers of America, AFL–CIO.

James R. Price, president, National Homes Corp.

J. Stanley Purnell, assistant to the president, T. Mellon & Sons.

Thomas R. Reid, director of civic affairs, Ford Motor Co.

Walter P. Reuther, president, United Automobile, Aircraft and Agricultural Implement Workers of America, AFL–CIO.

Joseph Ross, president, Davison-Paxon Co.

James W. Rouse, president, Community Research & Development, Inc.

Dr. J. E. Wallace Sterling, president, Stanford University.

Mrs. Kathryn H. Stone, past vice president, League of Women Voters of the United States.

Henry J. Sullivan, assistant to the president, civic and community affairs, the Detroit Edison Co.

Milford A. Vieser, financial vice president, the Mutual Benefit Life Insurance Co.

Samuel R. Walker, vice president, City Investing Co.

Dr. Robert Weaver, former State rent administrator, Temporary State Housing Rent Commission, State of New York.

Brown Whatley, president, Stockton, Whatley, Davin & Co., real estate.

James C. Worthy, vice president, Sears, Roebuck & Co.

William Zeckendorf, president, Webb & Knapp.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. JOHNSON of Texas. For some time since Congress convened, I have been working with the distinguished senior Senator from Pennsylvania in an attempt to develop a vehicle for putting into effect a program in the important field to which he has just referred. I am pleased to observe that the Senator from Pennsylvania is alert and aggressive, and has manifested great leadership in this field.

I trust that very shortly Congress will be able to face up to this problem, and will conduct a study which will make a thorough exploration so as to determine the best vehicle that can be used to bring about a redevelopment of the great metropolitan areas of our country and make the people acutely aware of the obligations which they have in this respect.

I commend the Senator from Pennsylvania for his diligence, for his constructiveness, and for the comprehensive approach which he has displayed in this matter.

Mr. CLARK. I thank the distinguished majority leader for his kind remarks. Needless to say, I welcome his support, which is essential to the making of further progress in this important field.

JUSTIFICATION OF DEFENSE SPENDING

Mr. CASE of New Jersey. Mr. President, the New Yorld Herald Tribune, the Washington Post, and numerous other papers recently carried a column by Roscoe Drummond which cogently points out the need for an informed public on defense matters.

It is not enough for a relatively few Members of Congress to have the basic knowledge essential to intelligent judgment on the shape and scale of our defense effort. The defense program must have the active support and confidence of the American people and this in turn requires that the people be convinced of its adequacy.

Mr. President, I am heartily in agreement with Mr. Drummond on this point. I ask unanimous consent to have printed in the RECORD at this point both Mr. Drummond's column and my own remarks on this matter, delivered to the congressional dinner of the New Jersey State Chamber of Commerce which was held in Washington February 5.

There being no objection, the column and remarks were ordered to be printed in the RECORD, as follows:

NEED FOR MORE FACTS—PRESIDENT MUST INFORM PUBLIC TO WIN SUPPORT

(By Roscoe Drummond)

President Eisenhower is going to lose his battle for a balanced budget if he doesn't get out from behind his desk and convince the country that it is taking no risk in not spending more for defense.

There is widespread anxiety over the Soviet lead in long-range missiles and it isn't persuasive enough to suggest that, because the Soviet boast to have invented baseball is dubious, the Soviet boast on missile production can be dismissed.

It may well be dubious but I think the public is not going to take anybody's simple say-so on faith.

What we need is more facts and we are not yet getting them.

For this reason I expect that the President will shortly be taking his case to the country. That will be all to the good.

What will really count however, is what method the President takes to assure the country that the projected defense program is equal to the danger which surrounds us.

Obviously, by virtue of his military experience, Mr. Eisenhower will have great credibility. But because he has put such a high priority on balancing the budget, there will understandably be many who will want to know, and feel they have a right to know, not just the President's conclusion that all is well but also the facts on which he bases his conclusion.

In deciding how frankly and how fully he will lay out the evidence, it seems to me that Mr. Eisenhower will have to put these two questions very much to the fore:

Is there any reasonable prospect that he can persuade this Democratic Congress to keep the budget in balance, unless he can convince the country that the proposed defense spending is comfortably adequate?

Can the President convince the country that all is well with our defenses in comparison with the Soviets' unless he is prepared to tell enough of what the Government believes it knows about Soviet capability so that people can make up their own minds?

There may be, as some administration spokesmen say, a lot of people who are misled into believing that the Soviets are a lot further ahead than they are. At the same time there are plenty of sincere and intelligent people who deeply believe that the administration is resolving the risk too narrowly. With them it will take more facts—not more opinions—to do the convincing.

Secretary of Defense Neil McElroy told Congress this week that the American stockpile of operational ICBM's "will be within a few of the Russian total at the end of the year." That makes the missile gap seem not very ominous.

But if the public is going to be persuaded to share Mr. McElroy's confidence, it must have a fair amount of the facts which persuade Mr. McElroy that within 10 months our stockpile of ICBM's will be "within a few" of the Soviets. What do we know about the Soviet stockpile? How do we know? How well do we know? Those are the questions which need answering.

At his latest press conference Mr. Eisenhower was asked whether he had any information about Soviet submarines off American shores. His reply was that he did not want to discuss this because he couldn't be sure whether his knowledge "was in the public domain or restricted."

The question which many people will ask is: Why should information on Soviet submarines off U.S. shores—if there are any—not be in the public domain? Why should it be classified?

One of the complaints of Republicans was that previous recent administrations operated too often on the theory that "Papa knows best"; or, "You don't need to know, just leave it to the Government."

Admittedly there are security boundaries beyond which the Government can't go, but it seems clear to me that if the President wants to win the battle of the balanced budget, he will have to take the country into his confidence and give the people not more opinion but more information on which they can reach their own opinion.

PARTIAL TEXT OF REMARKS PREPARED FOR DELIVERY BY SENATOR CLIFFORD P. CASE AT 22D CONGRESSIONAL DINNER OF NEW JERSEY STATE CHAMBER OF COMMERCE, AT HOTEL STATLER, WASHINGTON, D.C., FEBRUARY 5, 1959

A few days ago hearings on the defense posture of the United States opened before the Senate Preparedness Subcommittee and the Space Committee of which I am a member. For 2 days the klieg lights burned in the crowded hearing room as one after another of the Chiefs of our Defense Establishment was questioned as to his view of the adequacy of our defense effort.

The gravity of the questions the committee was endeavoring to explore dominated the proceedings. The dedication and sincerity of those who carry the immediate responsibility for the defense of the Nation was apparent. The questioning was long and intensive. Nonetheless, I doubt that any member of the committee, much less the public generally, came away satisfied he had the answers to the questions raised.

The members of the committee had the assurance of executive sessions to follow at which matters scarcely touched in the public sessions could be more thoroughly explored. This may be fine for the committee members but where does it leave John Q. Public, who, in our system, must ultimately make or at least ratify decisions of national policy?

Whatever his occupation, or his income level, the first concern of every good American is the safety of the Nation. The American people will do whatever is necessary to assure adequate protection of the national security. But they must know what is necessary. And to know this both the people and the Congress must have the facts.

This is not a little matter. The survival of the country is involved. It is intolerable that either the Congress or the country should have to decide these questions on the basis of piecemeal information, inspired stories, leaks, rumors, charges, and countercharges. Speeches about a sense of urgency, or the lack of it, are no help whatever. On the other hand, the need is not met by assurance that the Chiefs of our Defense Establishment, or even that the President himself, regard the present level of our defense effort as adequate. We must have the facts.

Only in this manner will Congressman or citizen be able to find his way through the controversy now centering on the defense budget. That controversy is by no means all political in nature though undeniably some seek to make defense a partisan issue. Nor can it be explained wholly in terms of the undoubted economic interest of some segments of industry or the long standing competition between the services. All these factors are present but they will not control the situation except by default.

The immediate question is, of course, the size of the defense budget and, in particular, the amounts allocated for missiles and space programs. I am not here arguing for a higher budget or a smaller one. I do say that the size of the budget should not be controlling. We can have a higher defense budget if it is necessary. And, of course, we should have a lower one if it can safely be cut. But I am not here expressing any view as to what the defense budget should be. I am, like everyone else in Congress or outside it, seeking the facts which I need in order to make an intelligent judgment.

Let me be specific. A few days ago, Gen. Nathan F. Twining, Chairman of the Joint Chiefs of Staff, appeared before the Armed Services Committee to brief committee members in executive session. Following the meeting an unclassified version of his testimony was released. His testimony included

an evaluation of U.S. capabilities as compared with Soviet strength. As a noted military reporter pointed out, this is the crux of the matter. Yet the only reference in the release to this part of his testimony was the terse statement "there followed a step-by-step evaluation of our capabilities."

It was encouraging to note the view subsequently expressed by the experienced and highly respected chairman of the Armed Services Committee to the effect that he believes American strategic bombers will keep this country superior in striking power for another year. How much better, however, if the public generally knew the grounds for his confidence—and the grounds for the apprehension for the future that he also expressed. What could be more vital to the American people than the substance of the testimony of General Twining and our other military leaders on this point?

How can we justify depriving the American people of information that can alone provide the basis for intelligent judgment on the issues confronting us?

Surely we are not fooling the Soviet. We know from our own work the various ways in which knowledge of another's military and scientific effort can be gathered. It would be imprudent indeed to assume that the Soviet Union cannot and does not do the same. Some data by their nature cannot be concealed and certainly there is no longer room to doubt that the Soviet has the scientific, technical, and industrial prowess to be able to correlate and interpret them. So far as the essential facts are concerned, the question is not one of denying the Soviet but rather of denying the American people.

The essence of representative government is that it governs by and with the consent of the people. Under that system no policy can long endure without widespread public support and understanding.

I am confident that Americans can and will measure up to any challenge, whatever the cost. But they will not—they cannot—respond unless they are told promptly and fully what we are up against and what the choices before us are. I deeply believe that to give them that choice is the highest responsibility of leadership in America today.

TAXABILITY OF GIFTS OF CHRISTMAS TURKEYS

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the body of the RECORD the text of a letter written by me under date of February 4, 1959, to the Commissioner of Internal Revenue and his reply to me, dated February 9, 1959, concerning an Associated Press article relating to the taxability of Christmas turkeys as gifts.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., February 4, 1959.

Hon. DANA LATHAM,
Commissioner of Internal Revenue,
Treasury Department,
Washington, D.C.

DEAR MR. LATHAM: In an Associated Press article appearing in the papers today the Internal Revenue Service at Tacoma, Wash., is quoted as having ruled that a gift of a Christmas turkey by an employer to his employee is taxable to the employee and that the tax must be withheld.

Will you please send me a copy of this ruling along with information as to how the tax is computed; that is, is it based on the cost to the employer or on the retail price of what the employee would have paid had he purchased a turkey?

Is this ruling uniform with the Treasury Department, or is it just a ruling of the Tacoma office?

Would the ruling go further and include as taxable items, other types of small Christmas gifts by employers either to their employees or to their customers? Would this not include withholding tax on the distribution of calendars, desk pads, etc.?

I ask these questions not to be facetious, but frankly the ruling does appear to be rather ridiculous.

Yours sincerely,

JOHN J. WILLIAMS.

U.S. TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF
INTERNAL REVENUE,
Washington D.C., February 9, 1959.

Senator JOHN J. WILLIAMS,
U.S. Senate
Washington, D.C.

DEAR SENATOR WILLIAMS: I have your letter of February 4, 1959, with respect to the recent Associated Press article dealing with Christmas turkeys, and affecting a certain taxpayer located at Tacoma, Wash.

In your letter you ask for a copy of the ruling purportedly applied by our Tacoma district office. You also ask other questions with respect to this ruling.

There has been no official ruling with respect to this point up until February 6. However, our various district offices had in general taken the position stated to have been applied by our Tacoma office. Accordingly, in practice our Tacoma office was not, in fact, out of line.

For more than a year this troublesome matter has been under study here. I am happy to advise you that on February 6, 1959, we issued an official technical information release, a copy of which is enclosed for your information. This TIR will be issued as Revenue Ruling 59–58, and will appear in our official Internal Revenue Bulletin on February 24, 1959. It will, of course, constitute official instructions at all our offices with respect to this matter.

You will note two excerpts from said ruling:

"It is accordingly held that the value of a turkey, ham, or other item of merchandise of similar nominal value, distributed by an employer to an employee at Christmas, or a comparable holiday, as part of a general distribution to employees engaged in the business of the employer as a means of promoting their good will, does not constitute wages subject to income tax withholding or wages for Federal Insurance Contributions Act or Federal Unemployment Tax Act purposes.

"It is further held that the cost to the employer of turkeys, hams, and other merchandise of similar nominal value which are distributed generally to the employees engaged in his business, primarily for the business purpose of promoting good relations with his employees, is deductible by the employer under section 162 of the Code as an ordinary and necessary business expense."

The first of the above excerpts will answer your particular question with respect to other small gifts, such as calendars, desk pads, etc.

It is our belief that the issuance of the official revenue ruling will dispose of this troublesome matter.

We appreciate your interest in this problem. Should anything not be entirely clear, please let me know.

Sincerely yours,

DANA LATHAM,
Commissioner.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment until noon tomorrow.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Without objection, it is so ordered.

GROUND-BREAKING CEREMONY AT EAST FRONT OF THE CAPITOL

Mr. DIRKSEN. Mr. President, I should like to call the attention of the Senate to the fact that the Architect of the Capitol has arranged a ground-breaking ceremony for Monday next, February 23, at 11 o'clock. It will be held at about the middle of the construction work on the east front of the Capitol. The program will be very short; and I simply direct the attention of the Senate to the fact that the program will take place. All Senators are invited, and are urged to attend.

CIVIL DEFENSE PROGRAM EXPENDITURES

Mr. YOUNG of Ohio. Mr. President, I hold in my hand an article which was published in the Cincinnati Post and Times-Star of February 2, and which reads in part as follows:

CIVIL DEFENSE SEEKS BIG HIKE IN BUDGET

WASHINGTON.—Tucked away in President Eisenhower's new budget is a request for a big expansion of the Federal civil defense program.

Lee A. Hoegh, chief executive of the Office of Civil and Defense Mobilization, wants Congress to double his money—

And so forth.

Mr. President, I ask unanimous consent that the entire article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CIVIL DEFENSE SEEKS BIG HIKE IN BUDGET

(By Robert Crater)

WASHINGTON.—Tucked away in President Eisenhower's new budget is a request for a big expansion of the Federal civil defense program.

Lee A. Hoegh, chief executive of the Office of Civil and Defense Mobilization, wants Congress to double his money, making the new total $87 million. This would enable him to take over financing of some civil defense activities handled by other departments and still expand the civil defense program.

Chairman ALBERT THOMAS, Democrat, Texas, of the House Independent Offices Appropriations Subcommittee, says he is going to take a long, sharp look at the request.

Civil defense has been growing in recent years. In 1955, the agency had 737 employees. That total has moved up each year. Hoegh now is asking for 1,750 employees, of whom 225 would be from the old Office of Defense Mobilization.

Under a law enacted last year, the OCDM now shares civil defense responsibilities with the States. This also means more Federal money-matching funds to pay local civil defense salaries and administrative expenses, including civil defense uniforms.

This program calls for $3 million for the remainder of this fiscal year and $12 million for fiscal 1960.

Hoegh also is anxious to get nearly $6 million for a prototype shelter program. This would be used to help cities provide

fallout retreats in buildings normally used for other purposes.

Mr. YOUNG of Ohio. Mr. President, the times demand of us, as elected Senators of 49 sovereign States, that we work with fidelity and zeal to eliminate unnecessary Government spending.

It appears to me that we have a solemn duty to make this Nation one of utmost strength against the threat of aggression from the dictators of the Soviet Union. Billions of dollars of necessary expenditures—probably $41 billion or more—will be required during the fiscal year for national defense. Dictators respect and fear strength, and might well plunge us into war were we to weaken our defenses and become "sitting ducks" for a possibly overwhelming surprise attack.

But, Mr. President, upon reading the news item which was published in the Cincinnati Post and Times-Star, I made a call at the offices of civil defense. In just a short time, I obtained some 15 pamphlets and booklets which set forth their program, and so forth, for civil defense. Of course, there are many more pamphlets of this sort; but I now hold in my right hand one which is captioned "Rural Family Defense," and on my desk are 14 other booklets or pamphlets—all printed at considerable expense to the taxpayers. In reading that material, Mr. President, it seemed to me that they involved an astonishing and astounding expenditure of the taxpayers' money.

Mr. President, in view of this staggering burden of defense costs, we must be zealous to eliminate nonessential Government spending of every character. Today I propose to cover briefly one aspect of our domestic situation whereby, if we take proper action, I feel we may save our taxpayers many millions of dollars.

I assert that over the years there has been tremendous unnecessary spending for civil defense.

I assert that our civil defense program has become outmoded and obsolete, and that it would be a shameful waste of public money to continue in the same pattern.

We live in a jet age; and in the intense rivalry between this Nation and the Soviet Union a fearsome milestone has been passed in the successful testing and firing of intercontinental ballistic missiles.

We live in an age of challenge, Mr. President. In this space age, with jetplanes exceeding the speed of sound, and with the dread portent of intercontinental ballistic missiles and rockets soaring into space toward targets continents apart, what justification may a public servant dedicated to the welfare and defense of this Nation find in voting to continue the vast expense of a civil defense program geared to a bygone era?

Our Atlas intercontinental ballistic missiles and those of the Soviets of even greater power are presently the ultimate in military weapons. The fact is that neither we nor they have any defense against these tremendous nuclear weapons other than immediate retaliation from whatever bases may not have been destroyed in the initial surprise attack. Perhaps scientific research will develop such defenses in the future; but about this we cannot afford to speculate.

At the present, and in the years ahead, Mr. President, Soviet intercontinental ballistic missiles will span continents in approximately 20 minutes. Perhaps the director of civil defense in Cleveland, Marion, or some other Ohio city could hope to have about 5 minutes', or 3 minutes' warning of its approach. But that is all. Hydrogen warheads could lay waste to vast areas with a single blow, thus destroying entire cities, immediately, killing hundreds of thousands; later due to radiation and fallout, killing additional thousands.

In World War II, pinpoint bombing was desired. But if ever the Soviet Union attacks this Nation, there will be no effort at pinpoint bombing. Rather, the missiles and the jet bombers will aim at the mass destruction of entire key industrial centers.

The truth is that if the Communist dictators were to wage war against us next year, a child in Detroit, Cleveland, or Pittsburgh would be in the frontline, and would be in greater danger of sudden death than would members of our Armed Forces in some installations and frontier posts in the continental United States.

The fact is that industrial cities and centers would doubtless be prime targets. A State capital, such as Columbus or Springfield or Sacramento, would probably never be thought of as a possible target. Yet the high-salaried civil defense officials in my State of Ohio have preempted for their headquarters one of the best and one of the most expensive buildings in Columbus.

Mr. President, it is no secret that scientists of the Soviet Union and of the free world are seeking greater accuracy for intercontinental ballistic misslies. If and when this is achieved, of course the logical targets at the onset, at least, would not be Washington, D.C., or our key industrial centers; rather, they would be our missile bases, our retaliatory potential. Were all of the missile bases of the Nation to be destroyed, the war might be over almost as soon as commenced. But we may depend upon it that there is no possibility that the Soviet Union could accomplish this by sneak attack. This Nation has the capacity to retaliate, and will do so. Our missile bases could not be destroyed in one attack or even in several attacks. They are widely dispersed, and no doubt some are hidden beneath the ground or in other places impervious to attack.

An encouraging note, of course, is that the odds are going up from month to month against nuclear weapons ever being used in war by one nation against the other.

The facts show the futility of utilizing the time and effort of good, patriotic persons who volunteer for civil defense. They show the futility, in fact the stupidity, in this Nation's and its various States and municipalities, spending hundreds of millions of dollars for our present civil defense program. Yet, the Federal Government, the States, and hundreds of cities and towns have done so in recent years. There are hundreds of cities in the United States where civil defense headquarters are maintained, where there are salaried civil defense employees, some holding what amounts to no more than sinecures, and where it would require a vivid imagination to conceive of any reason for an enemy attack. This is one of the categories of expenditures, and a vital one, in which real economy in Government should be sought.

Over the past 9 years, nearly $500 million has been appropriated by the Congress for civil defense. Last year my own State of Ohio was the recipient of $696,000 in Federal-contributed matching funds. Last year, Federal surplus property donated to the State of Ohio for civil defense purposes, consisting of vehicles, tractors, firetrucks, forklifts, generators, and other accessories, represented a total acquisition value in the sum of $827,000. I question the preparedness of Ohio's cities in the event of attack. I question the utility of the purposes for which this money was spent and these materials donated. I question whether additional Ohioans' lives will be saved by these expenditures in the event of an attack.

I assert that most of this money has been wasted.

The expenditure of these vast sums of money for civil defense could well stand thorough investigation. I question the value of this tremendous outlay of taxpayers' money in terms of what it has done and what it will do for the defense of this Nation. Our constituents are entitled to know if their tax money is being spent wisely in the field of civil defense.

Intercontinental ballistic missiles and jetplanes with ever-increasing speeds could not possibly be observed through the services of volunteer sky watchers who, in reality, have been wasting their time and efforts.

Yet it was only recently that civil defense officials—and I am referring to salaried officials, many of them very high salaried officials—directed that sky watchers, patriotic people in my State and in other States, be disbanded.

For another example of the waste of public funds in this area, we need look no farther than here in Washington, D.C. A 2-year study was undertaken—and, of course, all the persons who undertook that study here in Washington were being paid high salaries—and now the civil defense agency is about to publish and distribute 850,000 copies of a guidebook to be distributed, at Government expense, to all residing within a 20-mile radius of the Washington Monument. The purpose is to indicate an evacuation zone and escape route to cities in Maryland, Virginia, and West Virginia, where help is supposed to be available to persons forced to evacuate Washington, D.C.

The book also gives instructions to every family, every one of the 850,000 recipients of the book, to follow directions and build basement shelters and build up food supplies for their families. The book lists survival items, so-called, and suggests the purchase of 2 weeks' food supply for a family. Those who desire and can afford to spend money and follow these directions will be helping grocers and building contractors; otherwise,

it is difficult to see any good that is accomplished.

One hundred and ninety-five sirens are to be installed, so it appears the citizens will be annoyed by a lot of practice, screeching sirens, which, incidentally, cost money.

The expenditures to which I have referred have been made in many instances without any justification whatsoever.

I pay tribute to the thousands of good, loyal, patriotic men and women who are presently volunteering, or have in the past volunteered, for service in civil defense. They sought to render this Nation real and needful public service.

Volunteer workers in the recent past in floods, windstorms, and raging fires have performed nobly, unselfishly, and effectively, and this is a fact of which they and all of us may take pride. Some civil defense volunteer workers have lost their lives and others have been injured in assisting local police and military authorities. But no high salaried civil defense officials, anywhere in this Nation, have made any such sacrifice.

This Congress should put an end to topheavy expenditures from Washington on down in civil defense and stop the flow of wasted millions of dollars, saving that money for our taxpayers, or, if necessary, spending it for more useful purposes.

Let us hope that the armaments race to acquire these terrible weapons of destruction will cease, and that the example of outlawing poison gases will be followed. Let us hope that the nations of the world will come to their senses, if only for the fear of retaliation, so that we and the generations to come shall never fear or know the effects of a nuclear war.

It may well be that eventually a stalemate will be reached in the missile field and in scientific research, and that the nations of the free world, as well as the Soviet Union, will have a stockpile of nuclear weapons so great that neither will dare attack the other; and that after conference and negotiations, definite enforceable agreements may be entered into, with full and adequate supervision provided, so that there will be an end to the present grim and threatening period.

This time may be far off. Yet, whether it it far off or immediate, we owe a duty to the citizens of the States we represent to carefully review all appropriations sought for and considered in the name of civil defense.

My view is that here is a place where we may save taxpayers millions of dollars and in no manner place this Nation in jeopardy, were we to curtail or eliminate civil defense expenditures and do away with unnecessary and unproductive high-salaried civil defense officials.

In a cold war or a limited shooting war our air, military, and naval might are the deterrents which are effective in restraining potential enemies, such as Red China, or the Soviet Union, from starting world war III by a sudden, all-out surprise attack. Civil defense has no function in such a situation.

If a tremendous worldwide conflagration is brought upon us by a surprise attack upon our missile installations, and our retaliatory attacks instantly follow, if we are suddenly plunged into world war III by the surprise attacks of the Soviet Union or the Communist Chinese Republic, civil defense will be ineffective. Civil defense activities, as they are presently proposed, might even hinder military defense and interfere with important movements of our Armed Forces with the onset of an all-out war.

The time is here for a reappraisal of civil defense.

Mr. President, I assert that the demand made by Leo A. Hoegh, Director of the Office of Civil and Defense Mobilization, that Congress double the appropriation for civil defense, is shocking. We should oppose any expansion of the civil defense program. This agency has grown by leaps and bounds and is topheavy now with high salaried officials.

If the Congress would be so wasteful of taxpayers' money as to include in the appropriations $87 million, this useless and topheavy civil defense Federal setup would be increased from its present status of some 1,634 officials and employees, all with good salaries, to between 1,750 and 1,800 officials and employees; useless shelters would be constructed; and approximately $14 million worth of emergency supplies and equipment of doubtful value would be procured.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield to the majority leader.

Mr. JOHNSON of Texas. I have been following the Senator's very lucid statement with great interest. Did I correctly understand the Senator to say that the proposal was to increase the number of employees in civil defense from 1,650 to 1,750?

Mr. YOUNG of Ohio. From approximately 1,650 to about 1,750. At present the number is 1,634, I want the distinguished Senator from Texas to know. The increase, if the application shall be granted, will increase the salaried positions, many of which are for very high salaried officials employed in Washington and elsewhere, to approximately 1,750 or 1,800 salaried positions.

Mr. JOHNSON of Texas. How much in dollars is involved?

Mr. YOUNG of Ohio. $87 million at the present time. Over the years, some $800 million, I am sorry to say, has been expended. I want the distinguished majority leader to know that, in my humble opinion, practically all the expenditure has been a waste of money.

Mr. JOHNSON of Texas. How much increase is contemplated in fiscal 1960 compared to fiscal 1959?

Mr. YOUNG of Ohio. The amount would be doubled. The news item which I saw, published in the Cincinnati Post and Times-Star, stated that the Administrator was seeking to double the budget of the last application.

Mr. JOHNSON of Texas. In other words, the budget recommendations for fiscal 1960 would double the civilian defense funds, over those provided by the Congress in fiscal 1959, if granted?

Mr. YOUNG of Ohio. That is correct. The news item went on to say that in President Eisenhower's budget, the application of the Civil Defense Administrator was for double the amount provided last year. The distinguished Representative from Texas who is handling the appropriation in the other body stated he was startled over this matter, and would give it a clear look.

Mr. JOHNSON of Texas. Mr. President, I wish to commend the Senator for the observations he has made. Of course as a member of the committee, I should like to reserve judgment on the specifics, until I hear the testimony to justify a proposal which would seek to double the appropriations in any sphere.

I recognize, as does the Senator, that we must stop, look, and listen, and exercise great caution and prudence in connection with each and every appropriation bill.

The distinguished Senator from Ohio has made a real contribution today. I am proud to say the Senator is a member of the Aeronautical and Space Sciences Committee. That committee will meet tomorrow to start reviewing some of the authorizations which the agency is asking for the coming fiscal year. I contemplate the naming of a subcommittee, and I am going to ask the distinguished Senator from Ohio to serve on the subcommittee.

While I do not care to pass judgment on the merits or demerits of what the Senator may have said, I think that in the days ahead we are going to have to scrutinize very carefully every single budget proposal in every field. For instance, I was shocked to learn that even the Justice Department is asking for a substantial increase in the number of lawyers it employs. One day we are told that we are spenders, and the next day we are asked to please increase the number of lawyers in the Justice Department. One day we are told we are spenders, and the next day we are asked, "Please double our civil defense funds."

I can understand that an emergency situation may arise, and I am sympathetic to real needs, but I observe to the Senator that I think he is performing a real function, and I hope the members of the Appropriations Committee, such as the distinguished Senator from Nevada, whom I see present in the Chamber, will stop, look and listen, and will review what the Senator from Ohio has said. I hope the members of the Appropriations Committee will go very thoroughly into all questions raised by anyone asking increases, in an attempt to penetrate and get the real justifications, if any, for the increases.

Mr. YOUNG of Ohio. I thank the senior Senator from Texas very sincerely.

In another minute I shall bring my remarks to a close, Mr. President. It is my hope that we shall all reserve our judgment, and scrutinize very carefully each matter presented to us.

Mr. President, in addition, in the demand made of Congress there is an item for $12 million, carried under the heading "X." That item will be scrutinized very carefully, because the American people are entitled to have the facts, and surely their representatives in the Congress should hit this proposal and hit it hard.

The cruel facts are, from the taxpayers' standpoint, that in addition to the Federal expenditures called for, hundreds of millions of dollars have been spent and are being spent by State and municipal governments of practically every State in the Union for civil defense.

Most of this money is wasted. Many high-salaried officials have sinecures. The fine patriotic men and women who volunteer for civil defense service and the taxpayers, generally, are the victims.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield to the distinguished Senator from Illinois.

Mr. DIRKSEN. Did I correctly understand the distinguished Senator from Ohio to say that he thought all the money appropriated for civil defense was virtually wasted?

Mr. YOUNG of Ohio. If the distinguished Senator from Illinois heard that and if I said it, I will say now I do not feel that all of the money spent for civil defense over the years from 1952 to the present time has been wasted by any means, but I think there has been great waste. When the Administration comes in to ask for a doubling of the amount of last year's expenditures, I think we should scrutinize the request very carefully, because I am confident that many hundreds of thousands of dollars, or even millions of dollars, in fact, appropriated for civil defense, have been wasted.

Mr. DIRKSEN. Mr. President, will the Senator further yield?

Mr. YOUNG of Ohio. I yield.

Mr. DIRKSEN. Of course, the Senator knows that the Civil Defense Administration was created by an act of Congress, and that from time to time new duties have been assigned to that Administration. Only last year there was considerable discussion on the floor of the Senate with respect to those duties and responsibilities in a different field. Obviously, if the Congress is to give the Administration new duties, those duties can be articulated only if the necessary money and necessary personnel to execute them are provided.

I have one further question. I could not tell whether the figures the Senator used were figures derived from the Budget Bureau, or whether they were from press dispatches.

Mr. YOUNG of Ohio. They are derived from both sources; also from the records of the State of Ohio and other States, as well as cities which keep records of their expenditures in this field.

Mr. DIRKSEN. Did the Senator document which portion of his figures came from the press and which came from the Budget Bureau?

Mr. YOUNG of Ohio. I have not documented that point in detail, but I can very easily do so.

Mr. DIRKSEN. Would it be possible, in reading the Senator's remarks, for a person to distinguish between what was officially documented and what came from the Washington Post?

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a compilation such as is suggested by the Senator from Illinois.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR YOUNG OF OHIO

The figures that I have referred to earlier are substantiated by the annual statistical reports of the Federal Civil Defense Administration and by further memorandums from the Federal Civil Defense Administration.

The reference I made to the press concerned the Cincinnati Post and Times-Star and not, by the way, the Washington Post, to which Senator DIRKSEN referred.

These press remarks were simply a corroboration on their part of the figures which were supplied to me by the Federal Civil Defense Administration.

EXECUTIVE SESSION

Mr. DIRKSEN obtained the floor.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Illinois may yield to me for the purpose of moving that the Senate proceed to the consideration of executive business, and that, during the consideration of the Executive Calendar, I may yield 1 minute to the Senator from Oregon [Mr. NEUBERGER], without the Senator from Illinois losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BARTLETT in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

DIPLOMATIC AND FOREIGN SERVICE

The legislative clerk read the nomination of Philip W. Bonsal, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Cuba.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Union of South Africa.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Sheldon T. Mills, of Oregon, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. JOHNSON of Texas obtained the floor.

Mr. NEUBERGER. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Oregon.

Mr. NEUBERGER. I thank the majority leader for his characteristic courtesy. I wish to make a brief statement concerning Sheldon T. Mills, of Portland, Oreg., who fortunately is to be the new Ambassador of our country to the Hashemite Kingdom of Jordan.

Ambassador Mills has recently served with great distinction in Afghanistan.

I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, a statement from the International Cooperation Administration describing the effective use of our mutual security program under the direction of Ambassador Sheldon T. Mills.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INTERNATIONAL COOPERATION ADMINISTRATION,
Washington, D.C., May 19, 1958.

Hon. RICHARD L. NEUBERGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR NEUBERGER: Prior to returning to his post in Kabul, Afghanistan, early this month, Ambassador Sheldon Mills requested that we provide you with a comparative statement of U.S. and Soviet assistance to Afghanistan.

In making a comparison of the relative amounts of aid supplied by the Soviet bloc and by the United States, it is important that the different character of the two programs be recognized. Many conceptual difficulties are involved in making exact comparisons of aid data. These difficulties result in large part from the characteristics of the two aid programs. One important distinguishing characteristic of bloc aid is that it is generally presented on a long-term basis without reference to annual commitments, and in a package form which may include a long-term line of credit, technical assistance, training, military assistance and, in particular, increased trade opportunities. Such single package offers can have great appeal, particularly when the recipient country is having difficulty in marketing its export products. In addition, this Soviet combination provides arrangements for repayment of loans. There is no Soviet private sector active in foreign markets, and since most of the Soviet assistance is repayable in commodities, it must be assumed that much of what previously passed for trade is now aid.

The U.S. mutual security program has generally provided aid in annual increments, supplemented by loans from the U.S. Export-Import Bank, by agricultural commodity sales, where the local currency proceeds are loaned to the country for economic development and by private investment. Trade is mostly outside the U.S. aid program. In the nature of the ICA operation, there is no commitment stage involving a signed umbrella agreement which is comparable with the long-term line of credit commitments made by the Soviet bloc. U.S. assistance necessarily is limited to yearly appropriations by the Congress, while the bloc countries extend lines of credit which can be drawn down over a period of time as projects are agreed upon. A large part of U.S. assistance has been in the form of grants. In contrast, it is doubtful if more than $200,000 equivalent of the more than $160 million of bloc assistance to Afghanistan has been on a grant basis.

Economic and military assistance has been provided to Afghanistan in substantial volume by the Soviet bloc since the first credits were extended by the U.S.S.R. and Czechoslovakia in 1954. By the end of April 1958, the total credit provided for by agreements in effect was $161 million, including $129 million for economic assistance and $32 million for military assistance. This amount includes the $100 million line of credit extended by the U.S.S.R. in 1956 for a variety of vaguely described development projects, including airfields, roads, irrigation projects, motor repair shops, hydroelectric projects, and a laboratory.

It is believed that by now the arms and other military equipment to be supplied by the bloc have been largely delivered. Although perhaps less than one-fourth of the credit extended under the economic aid agreement has been drawn down, substantial progress has been reported on many of the projects covered by the agreements. Streets of Kabul were paved and one asphalt factory near Kabul was completed with a line of credit extended in 1954. Construction has been completed on a grain silo, flour mill, bakery, petroleum storage tanks, and cement plant. Surveys have been made or construction begun on various other projects, including a new highway over the Hindu Kush mountains and airport construction. A number of buses and taxicabs were delivered, and also equipment for a 100-bed hospital. Although a substantial part of the $100 million credit from the U.S.S.R. has been obligated for specific projects, actual expenditures to date have probably been relatively small.

It has been estimated that in the last half of 1955 there were more than 450 bloc technicians in Afganistan, most of whom were Russian, the remainder Czech. It is expected that the Afghan petroleum development program will more than double the number of bloc technicians in Afghanistan over the next 4 years. In addition, a number of Russian military specialists were in the country engaged on a training program.

Standard U.S. procedure requires that any project be economically justifiable and feasible from an engineering standpoint before a commitment is made. Clearly, these considerations have not worried the U.S.S.R. at the time they have made their initial commitments, as their real intent has been to draw the Afghan economy into the Soviet orbit, without regard to the technical feasibility of the individual projects. Recently the cost estimates for several of the projects to which the U.S.S.R. committed itself in the first months of 1956 have doubled and in some cases quadrupled as Soviet engineers have been able to do actual feasibility appraisals.

Not only is the character of the Soviet assistance different, but their methods of implementation also vary considerably from the typical U.S. operation. From what we know of the Soviet operation it appears that they can draft technicians and commandeer commodities as needed, without going through the formalities generally characterizing the U.S. operation of recruiting volunteers and obtaining competitive bids, etc. Moreover, the Soviets do not need to negotiate any service contracts with private firms. Thus, their operation can be faster and their costs can be completely flexible. As a monolithic entity, the U.S.S.R. can, for political expediency, absorb any loss which may be inherent in any particular transaction. The Soviet bloc is not bound by the competitive pricing limitations of the free market.

The United States is attempting not merely to assist free world nations in their efforts to develop their own resources, but to promote joint activity by neighboring countries to attack common problems. This joint activity can have a most significant influence on the reduction of regional tensions. The President's fund for Asian economic development was established for this specific purpose, and, if current negotiations are successful it may shortly provide nearly $27 million additional funding for improvement over the next few years of the connecting Afghan and Pakistan surface transportation systems.

Briefly then, U.S. and Soviet aid are not directly comparable. They are two very different types of undertakings and Soviet and U.S. aid cannot be compared in a truly useful line-item tabulation. Thus, the tabulation attached covers only the official U.S. bilaterial assistance from the beginning of its program in Afghanistan.

Sincerely yours,

GUILFORD JAMESON,
Deputy Director for Congressional Relations.

Mr. NEUBERGER. Mr. President, I also ask to have printed in the RECORD, at this point as a part of my remarks a brief biography of Shelton T. Mills, who is in the career service of the State Department.

There being no objection, the biography was ordered to be printed in the RECORD, as follows:

SHELTON T. MILLS

Born: Seattle, Wash., August 13, 1904.

Education: A.B., Reed College, Portland, Oreg., 1927; student Crawford Foreign Service School, Washington, 1927–28; Harvard, 1939–40.

Marital status: Married (former Francesca Dekum).

Experience: Nongovernment: 1928, reporter on the U.S. Daily.

Government: 1928, appointed Foreign Service officer, unclassified and vice consul of career; Foreign Service School; 1929, vice consul at La Paz, Bolivia; 1931, secretary in diplomatic service; third secretary, Panama; 1934, vice consul at Bucharest, Rumania; 1935, Foreign Service officer, 8, consul, consul and third secretary, Bucharest; 1938, Foreign Service officer, 7; 1939, second secretary, Bucharest, in addition to duties as consul; detailed to Harvard University for special study; 1940, second secretary at Santiago; Foreign Service officer, 6; 1942, Foreign Service officer, 5, secretary Inter-American Congress on Social Planning, Santiago, Chile; 1943, Secretary at New Delhi; 1944, Foreign Service officer, 4; 1945, Foreign Service officer, 3; 1946, assigned to department, adviser, Division of Commercial Policy; 1947, Foreign Service officer, 2; assistant chief, Division of Northern and Western Coast Affairs, chief; 1949, Foreign Service officer, 1, Director, Office of Northern and Western Coast Affairs; 1950, consul of embassy, with personal rank of Minister, Rio de Janeiro; 1952, assigned to Department, consul of embassy, with personal rank of Minister, New Dehli; 1954, Ambassador Extraordinary and Plenipotentiary to Ecuador; 1955, Foreign Service officer, class of career Minister; 1956, Ambassador Extraordinary and Plenipotentiary to Afghanistan.

Membership and clubs: not stated.

Office: American Embassy, Kabul, Afghanistan.

Home: Care of the American Embassy, Kabul, Afghanistan.

Legal residence: Portland, Oreg.

Present position: Ambassador Extraordinary and Plenipotentiary to Afghanistan.

Mr. NEUBERGER. Mr. President, I am very much pleased that the Senate is apparently about to confirm the nomination of Sheldon T. Mills, of Portland, Oreg., to be our Ambassador to the Hashemite Kingdom of Jordan. I believe the President and the Secretary of State have made a wise selection in entrusting to him the discharge of this duty in a key and strategic area of the world. It is very gratifying to know that our operations in this crucial area of the world will be under the able direction of this trained diplomat. We in Oregon are very proud of the distinction which has come to him. I wish more career Foreign Service officers might be similarly recognized.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the confirmation of the nomination of Sheldon T. Mills to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Hashemite Kingdom of Jordan?

The nomination was confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the remaining nominations in the diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the remaining nominations are confirmed en bloc.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

FARM SURPLUSES

Mr. SCOTT. Mr. President, recently I inserted in the CONGRESSIONAL RECORD an editorial from a Pennsylvania newspaper on the subject of Government agriculture programs. I have here another editorial, this one from the Harrisburg Patriot of February 5, which indicates how widespread is the feeling in my State on the subject of excess farm surpluses. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SURPLUSES AND SUPPORTS: OVERDUE FOR AN OVERHAUL

The time long since has passed when the Nation's ever-mounting agricultural surpluses could be called a "farm problem."

As President Eisenhower mentioned in his farm message last month, the Federal Government is spending more than a billion dollars a year just to store the commodities and pay various interest and other charges. By next July, the Government will have sunk $9.1 billion in mountainous stockpiles the country does not want or need.

The "farm problem," at that rate of spending, is a matter of serious concern for every citizen who pays taxes.

Few Americans can go back in their family trees more than two or three generations without encountering an ancestor who made

his living on a farm, either in this country or Europe. This may explain in part the sentiment which the most confirmed of city dwellers exhibits for the farm as the spawning ground of self-reliance and other grassroot virtues.

Although the American farm population has been shrinking since World War II, the farm vote still swings a formidable stick in both national and State politics. Particularly in the South and Middle West, this is so.

The time has come however, to strip aside both sentiment and politics to look at the facts of farm surpluses and to examine the high, fixed price supports which in large measure are responsible.

Government price supports aren't nearly as vital to the small family farm as is popularly supposed. For instance, there are about a million farmers who grow cotton, the crop which is still a king among price-supported commodities. Some 250,000 cotton farmers—one-fourth of the total—get three-fourths of the Government price support money in this category. If that $5.4 billion a year we are spending for price supports is meant to help the family farmer, the money is missing its mark. The lion's share is ending up in the pocket of the big producer, who needs it least.

Fifteen years ago, there was complete justification for the Government to guarantee the producer of so-called basic crops fixed, high prices to encourage production. World War II was in full swing and our Armed Forces and allies needed every pound of cotton and wheat our farmers could grow. At the close of the war, however, the Government didn't continue to buy Army uniforms to keep clothing factories in operation. Aside from sentiment or politics, there seems little reason why subsidization of farmers should have been extended beyond a few years' transition period.

Acreage restrictions have been imposed, to be sure. But at the same time, Government agents have been instructing farmers on ways—in effect—to negate the controls by raising yields through more intensive cultivation.

For these and other reasons, President Eisenhower's proposal to relate Government support prices to recent market levels instead of parity makes economic sense although it may not appeal either to sentiment or politics. Most of us didn't understand what parity meant anyway, much less how it could be justified so long after our need for farm stockpiles had ended. By agreeing to buy basic crops for 75 to 90 percent of recent market prices, as the President proposes, the farmer would be protected against the loss of his investment in a particular crop to a large degree. He would not be encouraged to grow something that only the Government would buy. And indeed why should he?

The thousands of farmers who raise vegetables, fruits, cattle and poultry without high fixed supports would seem to indicate that President Eisenhower and his farm advisers are on the right track.

The Federal Government is on the right track in another farm program, too. It is now operating pilot rural development programs in more than 60 counties. It is offering leadership to local agencies, which help farmers find jobs in nearby industries and which try to stimulate interest in new crops. This program stands in marked contrast to the system of paying a continuous dole to farmers. It is much more in keeping with the spirit of self-reliance many a city dweller associates with his grandfather's farm.

Besides, the specter inflation has begun to becloud the image of grandfather's farm. Both politically and sentimentally, this may be an excellent reason for the Congress to pay serious attention to the Eisenhower farm proposal.

THE BUDGET

Mr. DIRKSEN. Mr. President, in the address delivered by Carl Sandburg to the joint session of the two Houses last week he used a rather interesting expression from Abraham Lincoln, which evidently appeared in one of Lincoln's messages to Congress, on the 1st of December 1862. Lincoln said:

> In times like the present, men should utter nothing for which they would not willingly be responsible through time and eternity.

I believe that goes pretty nearly for everything that is uttered and the figures which are used from time to time on the floor of the Senate. That goes back, of course, to the battle of the budget. We have had a very friendly discussion with our amiable and distinguished friend from Texas [Mr. JOHNSON]. I have only one purpose in pursuing this matter, and that is the well-being of our country. I saw in the press yesterday that it was remarked that balancing the budget was something of a fetish. It was remarked that Abraham Lincoln had never balanced the budget.

Of course, what is forgotten when that is said, is that the whole career of Abraham Lincoln as President of the United States, with the exception of five weeks between the 4th of March 1861, and the 12th of April 1861, was a war period in the country, not a peace period. That makes quite a difference.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. I am sure the Senator is not quoting any statement made by the Senator from Texas.

Mr. DIRKSEN. Indeed not.

Mr. JOHNSON of Texas. I assume he is quoting from a statement made by the Senator from Vermont [Mr. AIKEN].

Mr. DIRKSEN. I was commenting on what was said in the press. I commented on no statement made by the distinguished majority leader.

The statements made by the majority leader on a number of occasions on the floor and in the tables he inserted in the RECORD are quite correct, so far as they go. As I said before, however, it is like the man who fell off the 20th floor of a building. As he passed the 6th floor, a friend of his shouted to him "Mike, so far you are all right." [Laughter.] So I believe, in the interest of the whole story, rather than a fraction of the story, I should discuss this subject additionally. I do so because I have some fears about our fiscal basis at the present time.

At the moment France is climbing out of its inflationary policies, which have existed for more than 44 years. In that time there have been 11 devaluations of the franc, the last one under De Gaulle. De Gaulle has a tight hand on the country, and it will remain to be seen exactly what he can do. When inflation sets upon a country, it is not bred or incubated in a day. The one thing on which the 71 economists who appeared before the Committee on Finance agreed was that an unbalanced budget has a contributory effect toward inflation. If and when inflation becomes a settled, continuing, and constant fever in the country, it is the little people who get hurt. The big people can take care of themselves. I shed no particular tears for them. It is the people who live on fixed incomes who cannot help themselves. It is the people who have retired under the railroad retirement plan or who are beneficiaries under other retirement or pension plans who are caught in the vise. If I had to speak for any group, I would speak for those little people. Of course, I speak for the whole country, I believe.

I was heartened by the fact that the most recent Gallup poll held in the country was overwhelmingly in favor of keeping a balanced budget. The poll also showed that the people are opposed to taking on any new tax burden, knowing that that burden has been with us for a long time.

It has been said, "You want to use a balanced budget as a criterion, instead of what the country needs." If need is to be the criterion, let us all have Cadillacs instead of Fords. Why should we not, even though we can afford only a Ford, have a Cadillac or Mercury or Lincoln?

I have learned from long, frugal experience that one must do with what he has. It is necessary for a person to live within the framework of his physical capacity to acquire. In so doing we give substance and validity to the whole economy. If we do not pursue that course, what kind of lesson will we give to the people who have pursued the course of thrift?

A rather interesting article appeared in yesterday's Sunday Star. It was written by Jerry O'Leary. He quotes the distinguished Senator from Missouri [Mr. SYMINGTON] as saying that the Democratic Party wants to balance the budget just as badly as the Republicans do, and Jerry O'Leary quotes the Senator from Missouri as adding:

> But we want to do it by expanding the economy and the Republicans want to do it by shrinking the economy.

In other words, we are the shrinkers of the economy and they are the expanders of the economy.

I do not know how we can understand that within the format of the various programs which have been suggested to the Congress without spending a great deal of money and going beyond the President's budget. When that is done, it is necessary to float securities and thus to borrow money, and that money must be spent; and certainly that is a definite contribution to the inflationary pressures.

Mr. CLARK. Mr. President, will the Senator yield? Or does he prefer to finish his statement before yielding?

Mr. DIRKSEN. I shall be glad to finish my statement; and then I shall be happy to yield.

I have only one further observation to make on this point before I get into my budget statement. It has been said, and it has been hinted, and it has been intimated, that the budget can be balanced,

if we go on spending, by taking it out of the "last bill."

The distinguished Senator from Florida [Mr. SMATHERS] was quoted on that point yesterday. He said that the $2.6 billion housing bill and the $465 million airport aid measure already passed by the Senate can be fitted into the budget without causing a deficit "if we cut the water and fat from foreign aid spending."

Those are not my remarks. Those are the remarks of the distinguished Senator from Florida, as quoted in yesterday's Washington Sunday Star.

I do not inquire whether that is the format or whether that is the technicality. I also note the statement in the Washington News that, when the time comes, they will love to see the "wincing look on the face of the minority leader."

Mr. President, there will be no wincing look on my face, I am sure. I will do my duty and perform my chores and take it all in my stride, and then abide by the judgment of the majority. I can do that without wincing. I have not inquired of the majority leader whether that is the program. I would not inquire.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I am glad to yield.

Mr. JOHNSON of Texas. The Senator from Illinois need not inquire, because he knows that, so far as the majority leader is concerned, he will support every dollar that we can justify, not only for foreign aid, but for any other purpose. Specifically, so far as foreign aid is concerned, the majority leader has been rather active in restoring substantial cuts which had been made by the other body in that field.

Mr. DIRKSEN. In all fairness, I wish to say that that is correct.

Mr. JOHNSON of Texas. I shall be controlled by only one interest, and that is the national interest. If I feel that the money requested should be appropriated in the national interest, I will vote to appropriate it. I do not believe we can pass judgment on that question this far in advance of what the testimony will show.

I raised the question at the White House the other day that it would seem passing strange that the administration would ask for $825 million, or approximately 25 percent, more in foreign aid this year than Congress appropriated last year. That additional 25 percent may be justified. If it is justified, and if the testimony supports it, the Senator from Texas will join the Senator from Illinois in supporting it.

Mr. DIRKSEN. I have seen the majority leader in action on the Committee on Appropriations. I have the distinction of serving there with him. I pay him that compliment. He has acted as fairly, as equitably, and as honorably as he knew how.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. DIRKSEN. I feel certain that other Senators do not speak for the majority leader. I have not queried him as to whether the last bill will be the scapegoat. Who knows what will happen in the last bill? I was simply going to say—and I would not want to impugn the distinguished junior Senator from Florida—that it occurs to me that the only time he ever appeared before the Committee on Appropriations with respect to the foreign aid bill, so far as I know, was to get an increase in the amount in foreign aid for certain Latin American purposes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. GORE. I trust the Senator will not suggest that the failure of a Senator to appear before a committee indicates his support of or his opposition to measures on which he did not appear. All Senators are members of committees which occupy their full time. It may be that a Senator feels that with respect to a particular item of which he has knowledge, and in which he has a particular interest, he should appear; but none of us should be charged with any lack of diligence for his failure to appear concerning a particular item or a particular bill.

Mr. DIRKSEN. I certainly entertain no such thought. There is no such implication in what I said. I simply recited that the distinguished junior Senator from Florida said they were going to cut the fat and water out of foreign aid. Then I adduced evidence which, in my judgment, is completely factual—and the hearings, I think, will bear out the fact that the only time I noticed he appeared, though he may have appeared on other occasions, was for the purpose of securing an increase in the foreign aid funds.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. In fairness to the junior Senator from Florida, who I assume has not been notified of the Senator's address, I should like to observe that it is my memory that the junior Senator from Florida [Mr. SMATHERS] has frequently voted on the floor for reductions in foreign aid and has had his name recorded accordingly. Although he and I have not agreed on some votes, I think fairness compels me to say that he has never seen fit to go as far as the administration would go in spreading this money throughout the world.

Mr. DIRKSEN. I shall let the record speak for itself. I do not wish to carry on a discussion about foreign aid, which is a subject we will reach later. There is no certainty as to what Congress, in either branch, will do about it. I am perfectly willing to let that matter come up in due time. I think I am a little like the Scotchman who refused to buy a world atlas until the world got just a little more settled. I am willing to let this matter rest until that part of the discussion becomes a little more settled. I must get around to what I really intended to say.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD certain tables from the Bureau of the Budget in this connection.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

EXPLANATION OF ACTIONS TAKEN BY CONGRESS ON PRESIDENTIAL BUDGETARY RECOMMENDATIONS

This summary of actions by the Congress on Presidential budgetary recommendations since January 1953, is arranged:

First, to tabulate those actions which specifically provided new obligational authority, beginning with appropriation actions as tabulated by the Appropriations Committee.

Then, to list other legislation which authorized or required appropriations.

And finally to identify the effects of Presidential vetoes and of changes in tax legislation which departed from Presidential recommendations.

For those actions which provided authority for a specified period, the amounts shown include the total effect for the period covered. For those actions for which the effect was indefinite in period of time, the amounts shown represent the annual effect.

Action on appropriations figures at the beginning of each table do not include loan authorizations and reappropriations made in appropriations acts, and amounts for these types of authority are then added to account for all changes in appropriations acts.

Amounts shown for "congressional reductions requiring supplemental appropriations" are confined to clearly identifiable program decreases which specifically required subsequent supplemental requests. Other but small reductions may exist since wholly precise analysis was not deemed necessary. Congressional action on substantive legislation may also be incomplete as to some small items for similar reasons, but this would not significantly affect the results shown.

Data tabulated are based upon information of record available in the Bureau of the Budget or in documents published by the congressional Appropriations Committees.

Congressional actions affecting receipts or expenditures, 85th Cong., 2d sess.

[In millions]

ACTIONS AFFECTING EXPENDITURES

Action on appropriations (appropriations, estimates, etc., 1958–59, p. 972, document prepared by Appropriations Committees)	−$617
Amounts included in appropriation acts but excluded from above appropriations:	
Loan authorizations (appropriations, estimates, etc., 1958–59, p. 914):	
Rural Electrification Administration	+228
Farmers' Home Administration	+55
District of Columbia	−3
Subtotal	+280
Increase in authority to incur obligations in other than appropriate acts:	
Emergency Housing Act (Public Law 85–364)	+1,810
Small business investments (Public Law 85–699, sec. 602)	+28
Navaho-Hopi rehabilitation (Public Law 85–740)	+20
Highway Act of 1958 (Public Law 85–381)	+235
Capitol Power Plant, contract authorization (Public Law 85–895)	+6
Other acts	+3
Subtotal	+2,102

Congressional actions affecting receipts or expenditures, 85th Cong., 2d sess.—Con.

[In millions]

Substantive legislation authorizing spending which was enacted but for which appropriations were not made at time of enactment:	
Full annual effect of pay raises beyond the President's recommendation	+398
Retroactive pay increase	+444
Federal aid for impacted areas (1959 appropriation increases resulting from rejection of President's recommendation)	+80
Atomic Energy Commission, authorization in excess of President's recommendation	+193
Public assistance grants to States, full-year effect of liberalization	+197
Superliner construction, authorization of	+100
Forward authorization for agricultural conservation program	+125
Veterans' pensions and burial allowances (Public Law 85–425, 85–674, and 85–782)	+35
Subtotal	+1,572
Other congressional actions:	
Federal Aid Highway Act increase in highway fund deficit beyond President's request (for period covered by legislation to June 30, 1962)	+725
Increase in postal fund deficit in fiscal 1959 because of lesser rate increase than requested by the President	+232
Congressional reductions requiring supplemental appropriations	+86
Subtotal	+1,043
Expenditures avoided as a result of Presidential veto:	
Independent Offices Appropriation Act (H.R. 11574—civil service retirement payment)	+$589
Airport grants (S. 3502)	+437
Depressed areas (S. 3683)	[1] +280
Rivers and harbors authorization (S. 497)	[2] +191
Atomic icebreaker (H.R. 9196)	+60
Metals production and purchase (S. 3186)	+5
Subtotal	+1,562
Total, actions affecting expenditures	+5,942
ACTIONS AFFECTING RECEIPTS	
Tax Rate Extension Act of 1958 (Public Law 85–475)	+498
Excise Tax Technical Changes Act of 1958 (Public Law 85–859)	+47
Technical Amendments Act and small business tax extension	+120
Total, actions affecting receipts	+665
Net budgetary effect, all actions	+6,607

[1] Difference between smaller programs proposed by the administration and program included in bill.

[2] Difference between cost of objectionable projects ($351,000,000) in bill vetoed and cost of same kind of projects ($160,000,000) in bill signed.

Congressional action affecting receipts or expenditures, 85th Cong., 1st sess.

[In millions]

ACTIONS AFFECTING EXPENDITURES	
Action on appropriations (appropriations, estimates, etc., 1957–58, p. 488, document prepared by Appropriations Committees)	−$5,043
Amounts included in appropriation acts but excluded from above appropriations:	
Loan authorizations (appropriations, estimates, etc., 1957–58, p. 439):	
Rural Electrification Administration	+200
Farmers' Home Administration	−26
District of Columbia	−7
Subtotal	+167
Reappropriations (making available prior year balances in lieu of new appropriations):	
Maritime Administration: Operating differential subsidies	+65
Defense: Preparation for sale or salvage	+10
Public Health Service	+2
	+77
Authority to incur obligations in other than appropriation acts:	
Housing Act of 1957 (Public Law 85–104)	+1,115
Contract authorization for old and new Senate office buildings	+5
Subtotal	+1,120
Substantive legislation authorizing spending which was enacted, but for which appropriations were not made at time of enactment:	
Veterans compensation (Public Law 85–168)	+$170
School construction for impacted areas	+57
Mutual security program reduction in authorization not included in amounts shown for action on appropriations	−477
Atomic Energy Commission, authorization in excess of President's recommendation	+12
Subtotal	−238
Other congressional actions:	
Increase in postal fund deficit in 1958 because of failure to enact rate increases requested by President	+462
Congressional reductions requiring subsequent supplemental appropriations	+322
Subtotal	+784
Expenditures avoided as a result of Presidential veto:	
Classified and postal pay rates (H.R. 2462 and H.R. 2472) (limited to estimated amount that would have been expended for pay increases in period between effective date (Sept. 1, 1957) of vetoed acts and effective date of 1959 pay increase acts (January 1958))	+314
Total actions affecting expenditures	−2,819

Congressional actions affecting receipts or expenditures, 84th Cong., 2d sess.

[In millions]

ACTIONS AFFECTING EXPENDITURES	
Action on appropriations (appropriations, estimates, etc., 1956–57, p. 834, document prepared by Appropriations Committees)	−$257
Amounts included in appropriation acts but excluded from above appropriations:	
Loan authorizations (appropriations, estimates, etc., 1956–57, p. 149):	
Rural Electrification Administration	+119
Farmers Home Administration	+30
Subtotal	+149
Reappropriations (making available prior year balances in lieu of new appropriations):	
Independent Office Appropriations Act, 1957, National Advisory Committee for Aeronautics	+2
Authority to incur obligations in other than appropriation acts:	
Housing and Home Finance Agency, borrowing authority	+581
House Office Building, contract authority	+67
Commodity Credit Corporation	+500
Farmers' Home Administration	+457
Mutual Security: Investment guarantees borrowing authority	+37
Capitol power plant, contract authority	+1
Commerce, Public Roads contract authority	+10
Interior, National Park Service and Indian Roads, contract authority	+$44
Subtotal	+1,697
Substantive legislation authorizing spending which was enacted but for which appropriations were not made at time of enactment:	
War Orphans Education (Public Law 85–364)	+15
Public assistance grants (full year effect)	+55
Subtotal	+70
Other congressional action:	
Congressional reductions requiring supplemental appropriations	+15
Increase in postal fund deficit in fiscal 1957 because of failure to enact rate increases requested by the President	+406
Subtotal	+421
Expenditures avoided as a result of Presidential veto:	
Payments to Crow Indian tribe (S.J. Res. 135)	+5
Rates charged for energy and power marketed by Southwest Power Administration (S. 3338)	+2
Agricultural Act of 1956 (H.R. 12)	+300
Subtotal	+307
Total actions affecting expenditures	+2,389

Congressional actions affecting receipts or expenditures, 84th Cong., 1st sess.

[In millions]

ACTIONS AFFECTING EXPENDITURES	
Action on appropriations (appropriations, estimates, etc., 1955–56, p. 655, document prepared by Appropriations Committees)	−$2,076
Amounts included in appropriation acts but excluded from above appropriations:	
Loan authorizations (appropriations, estimates, etc., 1955–56, p. 604):	
Rural Electrification Administration	+5
Farmers' Home Administration	−9
Subtotal	−4
Reappropriations (making available prior year balances in lieu of new appropriations):	
Public Works Appropriation Act, 1956, Atomic Energy Commission	+65
Department of Defense Appropriation Act, 1956	+86
	+151
Authority to incur obligations in other than appropriation acts:	
Veterans' Administration: Direct loans, borrowing authority	+200
Housing and Home Finance Agency: Borrowing authority	+552
Federal-aid airports: Contract authorization	+42
Subtotal	+794
Substantive legislation authorizing spending which was enacted, but for which appropriations were not made at time of enactment:	
Veterans education benefits, full year effect of liberalization (Public Law 84–7)	+$90
Full annual effect of pay raises beyond the President's recommendations	+182
Retroactive pay increases	+152
Mutual security program, reduction in authorization not included in amounts shown for action on appropriations	−141
Forward authorization for agricultural conservation program	+75
Subtotal	+358
Other congressional actions: Increase in postal fund deficit in fiscal 1956 because of failure to enact rate increase requested by the President	+343
Expenditures avoided as a result of Presidential veto:	
Increase in rates of compensation in field services of the Post Office Department (S. 1)	+180
Amendments to Domestic Minerals Program Extension Act (H.R. 6373)	+150
Subtotal	+330
Total actions affecting expenditures	−104

Congressional actions affecting receipts or expenditures, 83d Cong., 2d sess.

[In millions]

ACTIONS AFFECTING EXPENDITURES	
Action on appropriations (appropriations, estimates, etc., 1954–55, p. 764, document prepared by Appropriations Committees)	−$2,610
Amounts included in appropriation acts but excluded from above appropriations:	
Loan authorizations (appropriations, estimates, etc., 1954–55, p. 719):	
Rural Electrification Administration	+80
Farmers' Home Administration	+2
Subtotal	+82
Authority to incur obligations in other than appropriation acts: Extension of veterans' direct home and farmhouse loan authority (Public Law 83–611)	+150
Substantive legislation authorizing spending which was enacted, but for which appropriations were not made at time of enactment:	
Mutual security program, reduction in authorization not included in amount shown for action on appropriations	−3
Public assistance grants (1956 effect)	+85
Veterans' compensation, full year effect of liberalization (Public Law 83–695 and Public Law 83–698)	+146
Subtotal	+288
Other congressional actions: Increase in postal fund deficit in fiscal 1955 because of failure to enact rate increase requested by the President	+$240
Expenditures avoided as a result of Presidential veto: Classified and postal service pay increases (H.R. 7774)	+312
Total, actions affecting expenditures	−1,598
ACTIONS AFFECTING RECEIPTS	
Reduction in excise taxes beyond Presidential recommendations (Excise Tax Reduction Act of 1954)	+1,000
Net budgetary effect, all actions	−598

Congressional actions affecting receipts or expenditures, 83d Cong., 1st sess.

[In millions]

ACTIONS AFFECTING EXPENDITURES	
Action on appropriations (appropriations, estimates, etc., 1953–54, p. 493, document prepared by Appropriations Committees)	−$12,034
Amounts included in appropriation acts but excluded from above appropriations:	
Loan authorizations (appropriations, estimates, etc., 1953–54, p. 450):	
Rural Electrification Administration	+10
Farmers Home Administration	+17
Subtotal	+27

Congressional actions affecting receipts or expenditures, 83d Cong., 1st sess.—Con.

[In millions]

Amounts included in appropriation acts but excluded from above appropriations—Con.	
Reappropriations (making available prior-year balances in lieu of new appropriations):	
Department of Defense Appropriation Act, 1954	+188
Departments of State, Justice, and Commerce Appropriation Act, 1954	+4
Subtotal	+192
Authority to incur obligations in other than appropriation acts: Extension of veteran home loan program (Public Law 83–101)	+98
Substantive legislation authorizing spending which was enacted but for which appropriations were not made at time of enactment: Mutual security program, reduction in authorization not included in amounts shown for actions on appropriations	−350
Total, actions affecting expenditures	−12,067

Mr. DIRKSEN. Mr. President, when the statement is made that a Democrat Congress cut the President's budget by more than $5 billion in the 85th Congress, it can leave but one impression with the average citizen, namely, that the President is a spender and that Congress is an economizer.

To establish this point, the majority leader has submitted estimates and tables to show the total appropriations made by the 85th Congress compared with the estimates submitted by the President. That is good as far as it goes, but it does not go far enough. Let us get to the bottom of the matter and see what the Democrat 85th Congress really did.

Mr. President, I desire to say at this point that the tables submitted by the majority leader were factual and were correct. So far as it goes, the contention he made was correct.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. Since the Senator has referred to the 85th Congress as a Democratic Congress, will he give me the specific citation? I have attempted to keep this discussion free of party labels.

Mr. DIRKSEN. Will the Senator be specific as to the statement he desires?

Mr. JOHNSON of Texas. I should like to know the statement to which the Senator from Illinois is referring, because I hope to be able to refute it.

Mr. DIRKSEN. The statement appears on page 2101 of the RECORD of February 9, 1959.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. DIRKSEN. I can just as well read it into the RECORD:

Mr. JOHNSON of Texas. The fact is that in the 85th Congress we appropriated almost $6 billion less than the administration asked us to appropriate. Which course is more likely to lead us into national fiscal suicide—a course in which we add $6 billion, or a

course in which we reduce spending by $6 billion?

Mr. JOHNSON of Texas. Where is the reference to a Democratic Congress?

Mr. DIRKSEN. There is no reference made to it there; that is my reference.

Mr. JOHNSON of Texas. The Senator from Texas attempted to give credit to the entire Congress, because many times such reductions as were made were made on a bipartisan basis. Even the authorizations which were made were made on a bipartisan basis.

I vividly recall the housing bill, on which the vote on passage was 88 to 0. Every Senator present voted for it. Even the President approved it. So I assume, even if it did go in the back door, the President approved of that bill.

I do not want to get the matter of appropriations into party politics any more than I want to get foreign relations or defense matters into party politics. I hope we shall have a yea and nay vote on each appropriation bill this year.

I think the legislative history will show that, generally speaking, in the history of this Republic Congress has made reductions in most appropriation bills. There have been exceptions, but Senators who have served longer than I have can correct me if I am wrong. The tendency is for the House to reduce the budget estimates. The Senate sometimes restores, or most times restores, some of the reductions. The committee of conference comes to the final agreement. But over the entire budget year the legislative process will result in a reduction from the budget estimate.

Mr. DIRKSEN. I try to keep this matter free from partisan passion, but here is a statement I had not meant to use. It was an Associated Press dispatch from Albuquerque. The majority leader is not quoted, but this is the content of a portion of the dispatch:

JOHNSON ridiculed contentions that Congress may go on wild spending spree. He said the Democratic Congress clipped more than $5 billion from Mr. Eisenhower's last budget recommendation.

If such contentions are made throughout the country, I think in all fairness, if the party label is put on, it is our duty and responsibility, if we can do so, to defend our own administration. I try to do it as factually and as fairly as I know how. Were it not for such statements, obviously I would not have put any label on Congress and would not have said it was Republican or Democratic. But these statements were made; and, of course, this is a matter which is being handled for the country. It does generate mail, and the people want to know what a person's attitude is. So I like to be as factual about it as I can be.

The majority leader's figures were correct, so far as appropriations are concerned. His contentions were correct, so far as appropriations are concerned. But here is the rest of the story:

First. The 85th Congress enacted laws, in addition to Appropriation Acts, which permit the Federal Government to spend money without going through the Committees on Appropriations. The best illustration I can give of that is the colloquy which took place in the Senate on June 9, 1958, between the Senator from Ohio [Mr. LAUSCHE] and the Senator from Virginia [Mr. ROBERTSON], when the Senate was considering the small-business bill. This is the colloquy:

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. Am I to understand that it is the opinion of the Senator from Virginia that the Committee on Banking and Currency in this year, by indirection, has in effect appropriated approximately $9 billion without having the particular appropriations submitted to the Committee on Appropriations for consideration?

Mr. ROBERTSON. The Senator is correct. We have already reported $5 billion. The amount provided in this bill is $2,500 million. The so-called big housing bill, which is before the committee, provides a total of $4,400 million. So those figures add up to more than $9 billion, assuming that the big bill is reported in its intended form.

Amendments are pending to reduce the amount for public housing and to cut something from the funds for urban redevelopment. But that amount has been proposed and is pending.

If all the amounts are approved, the total will be more than $9 billion.

Mr. LAUSCHE. The bill recommended by the Committee on Banking and Currency provided $2 billion for the Export-Import Bank. Was that merely an authorization, or was it an appropriation, in effect?

Mr. ROBERTSON. That was the continuation of a precedent which had previously been set. Not knowing how much the bank would need for its operation in a given time, we authorized it to obtain its needs from the Treasury. But the bank is supposed to get good bonds and good security, and the amount will come back into the assets of the Treasury at some future time.

But the bill provides a revolving fund of $250 million, with no provision for that amount ever to be returned to the Treasury.

Mr. LAUSCHE. About $1,800 million is provided for emergency housing. Was the Committee on Finance bypassed on that subject?

He meant the Appropriations Committee.

The Senator from Virginia [Mr. ROBERTSON] said, "That is correct."

Mr. CLARK. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. DIRKSEN. I yield.

Mr. CLARK. Is it not true that the Administration recommended the increase for the Export-Import Bank?

Mr. DIRKSEN. I must say to my distinguished friend from Pennsylvania that I am not dealing with the recommendation of the administration. I am dealing with the allegation that over $5 billion was cut out of the budget by the Congress.

Mr. CLARK. But the answer to my question is, "Yes," is it not?

Mr. DIRKSEN. Certainly the answer is "Yes."

Mr. CLARK. I thank my friend.

Mr. DIRKSEN. But I do not like to have other matters placed across the trail. I wish to pursue for a moment the matter of the fiscal year budget.

Mr. President, at the outset I wish to make clear that the budget is the national purse. The very word "budget" means "purse." It is derived from the old French word "bouge," which means "purse" or "pocketbook." Our budget is our national pocketbook. What goes in is part of the budget; what is taken out is part of the budget. And it can come out in many ways.

I have said that these appropriation figures do not take account of the fact that, in addition to appropriation acts, there were still other things which permitted the Federal Government to spend money without having the items go through the Appropriations Committees.

Second. It piled up spending laws for which appropriations were not made at the time when the laws went on the statute books.

In other words, Congress can authorize spending, but not cover it at that time with the necessary appropriations.

Third. It increased the drain on the general fund of the Treasury by allowing certain revolving and trust funds to incur greater deficits; and it had to restore some budget cuts by supplemental appropriations.

Fourth. It sent to the President spending items which he had to veto.

Fifth. It increased budget problems by not providing the revenue requested.

Sixth. In addition to appropriating funds, it authorized loans directly out of the Treasury, and reappropriated prior year balances.

Seventh. It did reduce budget requests for new spending authority by making smaller appropriations. It is this seventh item for which they take credit, and they let it stand by itself as a measure of achievement.

The seventh item is represented by the tables which were placed in the RECORD. But the rest of the story is not there. If we are to have a sound predicate from which to proceed in the interest of telling about our solvency, the entire story must be told.

Now I return to the claim, as made to the country, that the budget was reduced by the Congress by more than $5 billion. Actually, the amount was $5,600 million, on an appropriation basis, for the two sessions of the 85th Congress.

Now let me return to the first item I have mentioned. The 2d session of the 85th Congress, without the matter going through the Appropriations Committee, increased the authority to incur obligations in the sum of $2,102 million. This includes the Emergency Housing Act, the Small Business Investments Act, the Navaho-Hopi Rehabilitation Act, the Highway Act of 1958, the Capital Power Plant Act, and some minor items. All these are as painful to the taxpayers as if these items had gone through the Appropriations Committee and as if there had been direct charges upon the budget.

Second, the legislation which requires increased spending for which appropriations were not made at the time of enactment includes that for the full annual effect of pay raises over and above the

President's recommendation, retroactive pay increases, Federal aid for impacted areas, the Atomic Energy Commission, the full year effect of liberalizing public assistance grants to the States, the authorization for the construction of a superliner, forward authorization for the agricultural conservation program, and veterans' pensions and burial allowances. All this involves the tidy sum of $1,572 million. That was done by the Democratic 85th Congress, 2d session.

Mr. President, that amount of money is not hay; at least, it is not in the area in which I live—even though it may be in the Nation's Capital.

The point I make is that all those actions were taken by the Congress; and I wish to accept my full share of the responsibility for them.

Mr. JOHNSON of Texas. Mr. President, at this point will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. Is it not a fact that the Senator from Illinois voted for those acts?

Mr. DIRKSEN. It is entirely possible that I did.

Mr. JOHNSON of Texas. I would say to the Senator from Illinois that it is more than possible; it is a fact, in most instances.

Is it not a fact, also, that the President signed those bills and approved them?

Mr. DIRKSEN. Not all of them

Mr. JOHNSON of Texas. Is it not a fact that the President signed and approved all the bills the Senator from Illinois has enumerated?

Mr. DIRKSEN. I forget what the situation was in the case of the veterans' pensions; but the President did sign a good many.

Mr. JOHNSON of Texas. Yes.

When references are made to "the back-door route," let me point out that a bill does not become a law unless the President signs it or unless the Congress overrides a Presidential veto. Upon occasion, the Senate has voted to override a Presidential veto, but such action has not been taken by both bodies of the Congress in recent years. So a bill cannot become a law unless the President signs it or unless the Congress overrides a veto.

I am aware of the fact that in most of the instances which have been enumerated the Congress voted unanimously, and in a good many of those instances the action was taken as a result of the plea of the executive branch itself—for instance, in the case of the Export-Import Bank and the housing funds. I remember that in the Senate there was one vote of 88 to 0, and we had a call of the roll just because I was fearful that someone, at some time, somehow, somewhere, would attempt to blame someone for the action. But when the roll was called, 88 Senators voted in favor of passage of the bill, and thus indicated their approval of that procedure, and the President signed the bill.

I have not made an examination of all 1,200 of the bills the Congress passed and the President approved, out of the 20,000 introduced. I could do so, and I could submit the complete story. But I believe it is fair to say that many of the authorization measures the Senator from Illinois has been discussing were finally implemented by appropriations, and the appropriation figures, as given by the Appropriations Committee, show that the Congress made reductions.

I thank the Senator from Illinois for yielding to me.

Mr. DIRKSEN. Mr. President, all that discussion is beside the point. I am laboring only one point; namely, the contention that the 85th Congress cut the budget by more than $5,600,000,000.

It is not a matter of who voted for what; it is not a matter of whether there were 1,200 bills or whether there were 12,000 bills. I am pointing out the procedures under which the country is given the impression that the Congress was the economizer and the President was the spender. These figures will refute in complete detail that allegation. That is the only reason why I take the floor today.

In other words, there have been many instances in which the Congress has voted to bypass the Appropriations Committee, or has voted to permit money to be obtained directly from the Treasury, or has failed to pass appropriation bills to implement the necessary spending obligations.

Then there is the item—the third one—which includes the failure of the second session of the 85th Congress to comply with the President's request for additional postal revenues. The increase in the postal deficit in the fiscal year 1959, as a result of this denial, totaled $232 million.

After all, Mr. President, the budget is based upon two sides of the ledger: One is made up of the anticipated revenues which go into the national purse, and the other is composed of the spending which takes the money out of the national purse. The President made his request for additional postal revenues, but that request was denied by the Congress; and, as I have already stated, the increase in the postal deficit in the fiscal year 1959 was, as a result of that denial, $232 million.

Another item in this category was the action taken by the Democrat 85th Congress in increasing the highway fund deficit beyond the President's request—beyond it to the tune of $725 million.

Furthermore, Congress later had to restore $86 million of the budget cuts by supplemental appropriations. So, the effect of this action was to charge the budget with $1,043 million, or, if we want to be more factual, charge the Treasury of the United States with $1,043 million.

The next item, spending items sent to the President by the 2d session of the 85th Congress which he was compelled to veto, totaled $1,562 million. If it had not been for the President's vetoes, the Government would have been committed to spend this extra $1½ billion. So the administration provided a real saving to the taxpayers.

The point is that the 85th Congress tried to commit the Government to these huge expenditures. That was congressional action. Vetoed bills were the Independent Offices Appropriation Act—there was in it $589 million for civil service retirement—bills for airport grants, depressed areas, rivers and harbors authorization, atomic icebreaker, and the metals production and purchase program.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. The Senator has said that there was a reduction of $1½ billion in spending as a result of Presidential vetoes, and that otherwise the President would have been forced to spend the funds voted. How would he spend those extra funds Congress voted for?

Mr. DIRKSEN. I do not know, but I know I have read the budget hearings before the House committee. I read all 175 pages, from beginning to end. I saw there the statement of the Budget Director as to the items which have been put in reserve, which either could not be spent at the time or had not yet been spent by the agency. I think Mr. Stans made an excellent answer to the interrogations propounded by Members of the House Committee on Appropriations.

Mr. MANSFIELD. If the Senator will yield further, I should like to have an answer to my question. Congress cut drastically the President's requests in the two sessions of the 85th Congress. The figures will show, despite what the distinguished minority leader has said, that Congress reduced the President's budget by $5 billion in the first session, and by $576 million in the second session, and would have reduced it in excess of $1 billion in the latter if the President had not personally requested restoration of funds for his foreign aid program.

Congress, in spite of the fact that it reduced the budget last year, increased funds for the Army to maintain it at a strength of 925,000 men, increased appropriations for the Marine Corps so it could maintain its strength at 200,000 men, and increased appropriations to maintain the personnel of the Army and the Navy to a greater degree than the administration wanted. Still the Senator from Illinois tells us that if authorizations had been made on the basis of legislation enacted, the President, if he had signed those bills, would have been forced to make those expenditures. How would he have been forced to make those expenditures when he had been thwarting the will of Congress, so far as the defense of this country is concerned, by not doing what Congress had specifically said should be done, under the Constitution?

Mr. DIRKSEN. The President of the United States is not thwarting the will of Congress. He cannot spend the money until the purposes for which it is authorized are accomplished and the spending agency says, "We are ready for the apportionment made by the Budget Bureau."

Mr. MANSFIELD. The Marine Corps is always ready to have a 200,000-man corps, but its request is being knocked down. How can the corps maintain three combat divisions and three airwings on that basis?

Mr. DIRKSEN. I am not the Commandant of the Marine Corps. When they are ready for the money, they ask for it.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. We vote many authorizations for which no appropriations are subsequently made. We all know that. The general public may not know it, but we all know it. We vote many appropriations for which there are no authorizations. We vote appropriations pursuant to authorizations and then sometimes the Executive impounds those funds. That happened under a Democratic President and under a Republican President. In answer to what the Senator from Montana has said, let us not get confused in that respect. We have put more than $1 billion in excess of the requests in the defense appropriation bill, anticipating the Executive would use it. A considerable portion of that money has not been used as of now. It was impounded, in the wisdom of the President, or in his lack of wisdom. The President decided the national interest did not require it. Those are the facts. For all the list of bills the Senator has given, he may as well get up and refer to a bill for the relief of Joe James, $1 million. Congress has to make the appropriation. Congress appropriates pursuant to authorizations. While we do appropriate pursuant to authorizations, there are many more billions of dollars authorized than are appropriated. When all the figures are considered, it will be found that Congress, in the last two sessions, appropriated $5,600 million less than the budget estimates.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that at the end of this running and desultory discussion, the statement I hold in my hand may appear at the end of my remarks, so it will be a continuous statement, with the figures grouped together.

Mr. JOHNSON of Texas. Mr. President, reserving the right to object—and I shall not object—as I understand, this is a statement prepared by the Budget Bureau. Is that correct?

Mr. DIRKSEN. This is a statement prepared by the minority leader, with figures obtained from the Budget Bureau, the Treasury Department, and from some other sources.

Mr. JOHNSON of Texas. I shall not object. Just as the Senator wanted to clarify figures offered by the Senator from Ohio, I am attempting to determine whether it is the Senator's personal statement or a statement of the Budget Bureau.

Mr. DIRKSEN. This is the statement of the Senator from Illinois. He has been working on it for quite a while. The Senator from Illinois advised the Senate several weeks ago he would assemble all these figures and put the whole story into the RECORD. But I must say to my delightful friend from Texas and to my beloved friend from Montana I feel like Cato, who signed every letter and ended every speech with the ringing words, "Delenda est Carthago"—"Carthage must be destroyed."

I am not dealing in this colloquy with any one bill that came up. I am dealing with one matter—the contention that the 85th Congress was the great economizing Congress to the tune of $5,660 million, to be exact, and I am here to review only one thing, and that is it.

I know what a budget is. I worked with a budget for 18 years in the House and Senate Appropriations Committees, and I know how the taxpayers' money is gotten out of the Federal Treasury in circuitous ways. They do not go through the Appropriations Committee. The Appropriations figures are the ones which were inserted in the RECORD, but that is only a part of the budget; and I mean to make the whole budget come into focus for the people of this country, because inflation, resulting from deficit and continuing deficit, is going to place its clammy hand upon the people.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. SALTONSTALL, Mr. SPARKMAN, and Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield, and if so to whom?

Mr. DIRKSEN. I yield first to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, are my figures correct when I say that the total of the items which the Senator from Illinois has been mentioning amounts to an increase of $3,788,000,000?

Mr. DIRKSEN. I have not totaled the figures. I shall total them at the end.

Mr. JOHNSON of Texas. Mr. President, if the Senator will yield, what does that include? The Senator adds up all the apples and oranges and potatoes, and he gets a cantaloup. Is that it?

Mr. SALTONSTALL. With all the apples and the oranges——

Mr. JOHNSON of Texas. Does the figure include all of the authorizations? What is included?

Mr. SALTONSTALL. Action on appropriations; other congressional actions; expenditures avoided by veto; and actions affecting receipts. There is net total budgetary actions for the two sessions of the 85th Congress, if my addition is correct, of $3,788 million.

Mr. DIRKSEN. I have a summary I shall present directly, and we can then discuss that.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the distinguished Senator from Alabama.

Mr. SPARKMAN. Mr. President, I will say to the distinguished Senator from Illinois that I have been enjoying the discussion. It seems to me there are some things which may confuse rather than explain. For instance, in his statement the Senator refers to the Emergency Housing Act of 1958. Of course the Senator will recall that we made available to the Federal National Mortgage Association a billion dollars, which is charged up in the Senator's statement, yet by the first of this year only $95 million of the money had been used.

I should also like to mention another item.

Mr. DIRKSEN. Mr. President, that does not make any difference. The money has been committed for expenditure.

Mr. SPARKMAN. I will use another example. The Senator refers to the small business investments. Someone who reads the statement may think all the money provided for in the Small Business Investment Act is a backdoor method of obligation. As a matter of fact, practically all of the money is provided through appropriations.

It is true there is an item of $28 million which was lifted from the Federal Reserve Act, section 13(b), if I correctly remember, which made the money available for small business purposes years ago. The Federal Reserve never used the money. Under the terms of the new act it is impossible to spend the money in less than 14 years.

Mr. DIRKSEN. Mr. President——

Mr. SPARKMAN. It seems to me when one talks about something like this happening in 1 year, he gives the impression that all of it is 1 year's doing.

Mr. DIRKSEN. Mr. President, that has nothing to do with "Who stole the wheelbarrow?"

Mr. SPARKMAN. Very well.

Mr. DIRKSEN. We are trying a case here.

Mr. SPARKMAN. Very well.

Mr. DIRKSEN. There is an issue, and I have joined the issue. I mean to rebut the proposal, and to refute and successfully refute the contention that the 85th Congress cut the budget by $5.6 billion; and no red herring, no matter how upholstered or embroidered it may be, is going to wash out the contention.

I have the figures in my hand. It does not make any difference what the money was spent for. It does not make any difference if the fund is in hock. I take the statement at face value. This is what was said. It was said at Albuquerque. It was said on the floor of the Senate. The story went out in an Associated Press dispatch.

I mean to prove, if the newspapers will carry the proof, that the story is entirely different and that there are amazing methods which the Congress has used—it is the responsibility of Congress—to take money out of the Federal Treasury for spending, although the President did a pretty good job of trying to keep the spending in line.

Mr. SPARKMAN. Mr. President, will the Senator yield again?

Mr. DIRKSEN. I yield.

Mr. SPARKMAN. The Senator used the term which I said would confuse the country. The Senator used the term "spending," when as a matter of fact it is going to take 14 years to spend the $28 million I mentioned. It will take longer than that to spend the money which is carried in the provisions of the housing bill for slum clearance and urban renewal. And a large portion is for lending at interest, not spending.

The Senator also speaks about obligations, the obligations incurred outside the Appropriations Committee. As I understood his statement, the Senator was condemning that system, yet I think

everyone in this body knows that the present administration has asked for that system of financing over and over and over again.

As a matter of fact, in the consideration of the housing bill recently passed, testimony was given in the hearings by Mr. Norman Mason. The Senator from Virginia [Mr. ROBERTSON] raised the very same point about the financing of programs outside of appropriations. The point was made that we were carrying out programs under the bill exactly as such programs had been carried out before.

I asked Mr. Mason:

Both in the bill that I introduced and also in the administration bill; and in present operations.

And Mr. Mason said:

That is correct.

The Senator from Arkansas [Mr. FULBRIGHT] said:

So is college housing.

Then the Senator from Virginia [Mr. ROBERTSON] asked Mr. Mason this question:

Is there any difference in the method of financing between S. 57 and S. 612?

S. 612 was the administration bill. And Mr. Mason's answer was:

No; they follow the same pattern.

In other words, there is nothing new about this procedure. The present administration has asked for it. It is true that sometimes Congress may increase the amount which the administration asks for, and sometimes Congress may decrease the amount which the administration asks for.

I subscribe to the statement made by the Senator from Indiana [Mr. CAPEHART] the other day, that the ultimate responsibility for making appropriations is in the Congress of the United States. The President has the duty and the right to recommend, but the ultimate responsibility for passing upon appropriations is in the Congress. When the Congress follows the recommendations of the administration and provides ways for incurring obligations outside of the appropriations, I do not see that we are to be condemned for it, as I understand the statement of the Senator from Illinois to imply, if not to include.

Mr. DIRKSEN. Mr. President, if all of this testimony of my genial friend from Alabama had been adduced in a court of law and I were opposing counsel, I would say to the court, "I ask that all of it be stricken from the record, because it is immaterial and it is irrelevant." Mr. President, it is.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CLARK. My good friend said a minute or two ago—and I agree with him completely—that he knows about budgets. Of course the Senator knows about budgets, because he has been an astute and able Member of this body for a long while. I would therefore like to ask my friend a question.

The Senator from Illinois referred a little while ago to a $2.1 billion grant reservation authorization in the housing bill as one of these items which gave him budgetary concern; yet my friend is well aware, is he not, that not 1 cent of that money will be in the 1960 budget; not 1 cent of the money will be in the 1961 budget; and by the time the money is in the budget the present administration will have gone to history? Is that not correct?

Mr. DIRKSEN. Under the Senate rules I would have to ask for a division of the question, Mr. President.

I will let the figures speak for themselves. We have 450 people working at the Bureau of the Budget. Their business is to know. Only the facts count. There can be no guesswork. I have the facts in my hand.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. DIRKSEN. I yield.

Mr. CLARK. I think it is quite clear that no part of the $2.1 billion can ever be any concern of the Eisenhower administration budgets; is that not true?

Mr. DIRKSEN. What difference does it make?

Mr. CLARK. It is important because the Senator is trying to tell us it is of concern, is he not?

Mr. DIRKSEN. Delenda est Carthago. I am dealing with one proposition.

Mr. CLARK. My suggestion would be to my good friend that he stick to the proposition, which is the budget.

Mr. DIRKSEN. I am not trying the housing bill over and over again, or any other bill. I am attempting in this forum to consider the contention that a Democratic Congress cut $5,660 million from the President's budgets.

Mr. CLARK. Well, it did, did it not?

Mr. DIRKSEN. It did not.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the Senator from Kentucky.

Mr. COOPER. The Senator is familiar with budget procedures because of his long service on the Appropriations Committee. I should like to ask if it is not a fact that in every budget recommendation from the President, he recommends obligational authority under which expenditure may or may not be reflected in the budget of the particular year, but which will be reflected in future budget years; and in another part of the budget he recommends exact expenditure to be made in the next fiscal year. Is that not correct?

Mr. DIRKSEN. That is correct.

Mr. COOPER. I notice on the second page of the budget message which the President sent to the Congress this year that the two divisions of the budget—one for obligational authority and one for exact spending authority—are marked out in every year President Eisenhower has been in office, from 1954 to the present year. First, there is the record of obligational authority. I believe it is possible to study the President's budget messages and find out what obligational authority the President recommended in each year, and what obligational authority Congress fixed for those years. The record would tell the story, it seems to me, so far as obligational authority is concerned.

Then I note, in the budget message this year, for each of the years, a statement of the actual expenditures made under appropriations voted by the Congress. That is the record.

It is possible, of course, to find out what the President recommended in the way of expenditures for each fiscal year. Then we would know whether or not Congress had increased or decreased his recommendations. I believe that the Senator from Illinois and the distinguished Senator from Massachusetts [Mr. SALTONSTALL] can supply the information. I do not know the exact figure it would disclose. However, I have been a Member of this body for 4 of the 6 years during President Eisenhower's administration, and I venture the belief that if such information is supplied it would show that in every year the Congress, by increases in obligational authority, as well as appropriations, has caused larger spending than the President recommended.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. COOPER. I should like to see this record supplied. I recall the 1957 session. When the budget for fiscal year 1957 came to Congress there was—as there is today—a great budget debate.

Our friends on the other side said the budget was too large. Last year—1958—when the 1959 budget came before us, they said it was too small. We know that the Congress increased the budget last year over the President's recommendation. This year his budget recommendations are again said to be too small. The Senate has already increased his recommendations in two bills. Last year and this year, our good friends on the other side said that the budget was too small. They know that we increased it last year, and we know that we have started to increase it this year. It would be a hoax on the American people for our friends on the other side of the aisle to claim both sides of the coin—first, to claim that the budgets offered have been too small and raise them, and now to claim that they have been reduced.

Mr. DIRKSEN. I now proceed to the fifth item. This started as a 15-minute speech. Perhaps that was in shorthand. [Laughter.]

While the 85th Congress was voting higher spending authority, it was also voting to cut the Government's income. A budget is a purse. Nothing can come out of it that does not first go into it. We cannot divorce the two processes. If we cut income, there is an impact on the budget.

The 85th Congress, in the 2d session, reduced tax receipts of the Government by $665 million annually. The American taxpayer was not reminded of this when the claims for cutting the budget were made; but he must be reminded of it, in the interest of a complete story.

Another class of congressional action which has the effect of increasing Federal spending is loan authorizations. As approved by the 2d session of the 85th

Congress, such loan authorizations totaled $280 million.

Taking appropriations actions alone, we find that the second session did indeed reduce new obligational authority requested by the President by $617 million.

Now we come to the first session of that Congress, in which the Appropriations Committee was again bypassed. The increased authority included the Housing Act and the contract authorization for the Senate Office Building. The total was $1,120 million.

In that same session, legislation which required spending, for which no appropriations were made at the time of enactment, included veterans' compensation, an authorization for the Atomic Energy Commission in excess of the President's recommendation, and school construction in impacted areas totaling $239 million, offset by reductions in authorizations of the mutual security program of $477 million.

If we put those together, the total impact is $238 million.

In that same first session the Congress also rejected the President's request for a postal-rate increase. The result was what? The result was to increase the postal deficit by $462 million, which came out of the Treasury. It could not have been done unless that action was taken by the Congress. That is where the emphasis and the accent must be.

In addition, there were congressional reductions which required supplemental appropriations thereafter, totaling $322 million.

To me that is one of the interesting techniques. I do not know how to avoid it. We cannot always estimate the needs of an agency up to the minute. Events and circumstances arise to change our estimates and cause us to increase or decrease them. So, always there will be deficiencies and supplemental appropriations.

I remember how I argued, in connection with the independent offices bill last year, against cutting the veterans' pension fund. That is a contract. I argued that we would have to make a supplemental appropriation. That is exactly what happened.

Supplemental appropriations show up in the next Congress, and the people become bewildered. Senators become bewildered. I wish the budget technique were simpler. We cannot expect people to understand it. I used to lecture on the budget. I called it "the book no one knows." I think that is a pretty good title.

In that same session, there were expenditures which were avoided as the result of a Presidential veto. If such expenditures had not been vetoed, they would have been a tax on the country and the Treasury. By vetoing the classified and postal pay-rate bills passed by the first session, $314 million was saved in the period from September 1, 1957, to January 1958.

Again, we must include in this consideration $244 million in loan authorizations and reappropriations of prior year balances approved by the first session of the 85th Congress.

Let me say to the Senator from Pennsylvania [Mr. CLARK] that I will put this information together in summary form. Appropriations were decreased, by the aid of Congress, in the sum of $5,043 million in the first session, and $617 million in the second session, or a total of $5,660 million.

The figures which the majority leader placed in the RECORD are correct up to that point.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CLARK. The Senator has been very gracious in yielding. I understand his desire to complete his statement. I was about to make a comment, ask one further question, and then desist, thanking the Senator for his courtesy.

The Senator from Kentucky [Mr. COOPER] made a fine suggestion a moment or two ago. A great many people are confused by the figures. If we could have one statement showing the result on each year's cash budget of the action of the Congress, I think we would find, as the majority leader has said—and the minority leader has been kind enough to admit—that his figures are accurate. Then if we were to add in another statement the additional contract authorizations and additional grant authorizations, to which future Congresses might perhaps find themselves committed in such a way that it would be difficult for them to change to large figures, then we might understand better just what the facts are.

However, these later figures of contract and grant authorizations have no effect on the 1960 budget, and little, if any, effect on the 1961 budget. I think that fact should be made abundantly clear.

Mr. DIRKSEN. I am not talking about the 1960 budget. I have not been talking about the 1960 budget.

Mr. CLARK. That is good.

Mr. DIRKSEN. I have not been talking about the 1960 budget.

Mr. CLARK. Or the 1961 budget, either?

Mr. DIRKSEN. No. I have been talking about a fait accompli which all the wit and piety on the floor of the Senate cannot sponge out, because it is a matter of record.

Mr. CLARK. Inasmuch as the Senator has been gracious enough to say that his entire address is irrelevant to the 1960 and 1961 budgets, I shall content myself with one further question.

Does my friend know of any Member of the Senate who is not in favor of a balanced budget, and who is in favor of deficit spending?

Mr. DIRKSEN. I must recur to Scripture and use the oft-repeated phrase, "By their works ye shall know them."

Mr. CLARK. I suspect my friend would come to the same conclusion I have reached, that there is no Member of this body who favors deficit spending. Therefore, I suggest, in all good humor—and I know my friend will not resent it—that perhaps we are creating a straw man which is rather easy to knock down.

I thank my friend for his courtesy.

Mr. DIRKSEN. I could add to that Biblical quotation by saying that faith without works is dead. I hope we can summon up not only the necessary faith, but also the works that go with it, so that we may stand and hold the budget line.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. BUSH. I believe the Senator is giving us a good deal of information about the current fiscal year, when we face a deficit of upwards of $12 billion. My recollection is that at the time the Treasury indicated there would likely be a deficit, it pointed out that approximately $5 billion of it was due to increased spending which was forced upon the country by actions of the last session of the 85th Congress; that it was the action of that Congress in large part which increased the expenditures in this year's budget by close to $5 billion, with 7 billion of the estimated 12 billion deficit resulting from decreased receipts as a result of the depression.

Mr. DIRKSEN. That is correct.

Mr. BUSH. Due in part also to the fact that the administration was denied income, such as the postal increase which would have helped to close the gap.

Mr. DIRKSEN. Yes.

Mr. BUSH. Therefore, I believe the Senator is making a big contribution by pointing out that it was the action of this same Congress last year which was responsible to a large extent for the estimated $12 billion deficit.

Mr. DIRKSEN. I should like to summarize, instead of going through the various categories, by showing that the total charge on the budget is $9,448 million. I now take the majority leader's figure, because it is correct. It shows $5,660 million in reduced appropriations in both sessions. We then do what is done in any schoolroom; we draw a line and subtract. The net result is that the 1st and 2d sessions of the 85th Congress did not reduce the budget; on the contrary, they actually approved increases amounting to $3,788 million.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SALTONSTALL. Is it not correct to say, following what the Senator from Kentucky has said, and what the Senator from Connecticut has said, that there are, really, two budgets? One is the obligatory budget, and the other the actual receipts and expenditures budget. In other words, the deficit or surplus is based on what is actually received or spent.

It will be seen that in 1958 the actual budget receipts were $69.1 billion and the actual budget expenditures were $71.9 billion, or a deficit of $2.8 billion.

The estimated receipts for the fiscal year ending June 30, 1959, were $68 billion, and the expenditures $80.9 billion, with a deficit of $12.9 billion.

In the next year, 1960, the estimated budget receipts are shown as $77.1 billion and the estimated budget expenditures as $77 billion, with a surplus of $100 million.

Those figures are found at page M–4 of the 1960 budget.

I cite those figures because our friends on the other side of the aisle have been pointing to the fact that some things may not come into the expenditures in the 1960 budget or during the Eisenhower administration, but that they are ultimately a burden on the taxpayers, whichever administration may be in office at the time.

Mr. DIRKSEN. That is correct; and a burden on the Treasury.

Mr. President, I have finished. I am sorry I have taken so long. I have already received unanimous consent to insert the tables which have been furnished by the Bureau of the Budget, showing the details. As a lawyer says in court, I rest my case. I was going to say that the defense rests its case. I will not do that. It is not the defense resting its case. We are prosecuting the case. We rest it there.

EXHIBIT 1

STATEMENT PREPARED BY SENATOR DIRKSEN

When the statement is made that a Democrat Congress cut the President's budget by more than $5 billion, it can leave but one impression with the average citizen, namely, that the President is a spender and that the Congress is an economizer.

To prove this point the majority leader has submitted estimates and tables to show total appropriations made by the 85th Congress compared with the estimates submitted by the President. That is good as far as it goes, but it does not go far enough. Let us get to the bottom of the matter and see what the Democrat 85th Congress really did do.

First, it enacted laws in addition to appropriation acts which permit the Federal Government to spend money without going through the Appropriations Committees.

Second, it piled up spending laws for which appropriations were not made at the time the laws went on the statute books.

Third, it increased the drain on the general fund of the Treasury by allowing certain revolving and trust funds to incur greater deficits, and it had to restore some budget cuts by supplemental appropriations.

Fourth, it sent spending items to the President which he had to veto.

Fifth, it increased budget problems by not providing the revenue requested.

Sixth, in addition to appropriating funds, it authorized loans directly out of the Treasury and reappropriated prior year balances.

Seventh, it did reduce budget requests for new spending authority by making smaller appropriations. It is this seventh item for which they take credit and let it stand by itself as a measure of achievement.

The claim was made to the country that the budget was reduced by more than $5 billion. The budget reflects what is taken in in the form of taxes and what goes out in the form of expenditures.

On the first item, the 2d session of the 85th Congress, without going through the Appropriations Committee, increased the authority to incur obligations in the sum of $2,102 million. This includes the Emergency Housing Act, small business investments, Navaho-Hopi rehabilitation, the Highway Act of 1958, the Capital Power Plant, and some minor items. This is as painful to the taxpayer as if these items had gone through the Appropriations Committee.

Secondly, the legislation which requires increased spending for which appropriations were not made at the time of enactment includes the full annual effect of pay raises over and above the President's recommendation, retroactive pay increases, Federal aid for impacted areas, the Atomic Energy Commission, the full year effect of liberalizing public assistance grants to the States, the authorization for the construction of a superliner, forward authorization for the agricultural conservation program, and veterans' pensions and burial allowances. This involves the tidy sum of $1,572 million. That was done by the Democrat 85th Congress, 2d session.

The third item includes the failure of the 2d session of the 85th Congress to comply with the President's request for additional postal revenues. The increase in the postal deficit in fiscal 1959 as a result of this denial totaled $232 million. Another item in this category was the action taken by the Democrat 85th Congress in increasing the highway fund deficit beyond the President's request to the tune of $725 million. Furthermore, the Congress later had to restore $86 million of the budget cuts by supplemental appropriations. The effect of these three actions by the second session was to require $1,043 million additional from the Treasury.

Spending items sent to the President by the 2d session of the 85th Congress which he was compelled to veto totaled $1,562 million. If it had not been for the President's vetoes, the Government would have been committed to spend this extra $1½ billion. Thus, the administration provided a real saving to the taxpayers. The point is, the 85th Congress tried to commit the Government to these huge expenditures. Vetoed bills were the Independent Offices Appropriation Act, and bills for airport grants, depressed areas, rivers and harbors authorization, atomic icebreaker, and the metals production and purchase program.

While the 85th Congress was voting higher spending authority, it was also voting to cut the Government's income. This is the fifth category which I cited. The 85th Congress in the 2d session reduced tax receipts of the Government by $665 million annually. The American taxpayer was not reminded of this when the claims for cutting the budget were made.

Another class of congressional action which has the effect of increasing Federal spending is loan authorizations. As approved by the 2d session of the 85th Congress, these loan authorizations totaled $280 million.

Taking "appropriations" actions alone, we find that the second session did indeed reduce new obligational authority requested by the President by $617 million.

In the first session of the 85th Congress the increased authority to incur spending obligations where the Appropriations Committee was bypassed includes the Housing Act and the contract authorization for the Senate Office Building, and totaled $1,120 million.

In that same session legislation which required spending for which no appropriations were made at the time of enactment included veterans compensation, an authorization for the Atomic Energy Commission in excess of the President's recommendation, and school construction in impacted areas totaling $239 million, offset by reductions in authorizations of the mutual security program of $477 million. In this category, therefore, there was a net reduction of $238 million.

In that same first session the rejection of the President's requested postal rate increase increased the postal deficit in 1958 by $462 million. In addition there were congressional reductions which required supplemental appropriations thereafter totaling $322 million.

To all this must be added the expenditures which were avoided as a result of a Presidential veto. By vetoing the classified and postal pay rates bills passed by the first session, $314 million was saved in the period September 1, 1957, to January 1958.

Again, we must include in this consideration $244 million in loan authorizations and reappropriations of prior year balances approved by the 1st session of the 85th Congress.

SUMMARY

We are now ready for a summary of what actually happened in the Democrat 85th Congress.

The appropriations were decreased by that Congress in the sum of $5,043 million in the first session and $617 million in the second session, for a total of $5,660 million.

Now, let us offset these with the increased authority to incur obligations other than by appropriation acts in the sum of $3,222 million.

Then, add the legislation which required additional spending for which appropriations were not made at the time of enactment and which totaled $1,334 million.

Now add the increases in postal and highway fund deficits and in supplemental appropriations which totaled $1,827 million.

We must also add the $1,876 million in spending which was avoided as a result of the President's vetoes.

Next, we must add the reduction in tax receipts which increased the drain on the general fund of the Treasury by $665 million.

Finally, we must add the $524 million for increases in loan authorizations and reappropriations.

The grand total of these additional items is $9,448 million, from which the appropriation decreases of $5,660 million can be deducted.

The net result is that the 1st and 2d sessions of the 85th Congress did not reduce the budget, but, on the contrary, actually approved increases amounting to $3,788 million.

These actions of the 85th Congress apart from the strictly appropriations bills are what might well be called the back-door approach to the Treasury. It is an interesting technique, and how it fools the people. But we are determined that the whole story shall be told and that every effort to bypass the Appropriations Committee or to mislead the people about the budget will be vigorously exposed.

This question of bypassing the annual appropriation process is not new. It has been explored over a period of several years and is alluded to in considerable detail in the hearings before the House Committee on Appropriations on the budget for 1960. Those hearings were held on the 20th of January, and I am delighted to note how many Democrats are interested in putting an end to this practice so that when the fiscal story is told to the country, it will be complete.

It is quite evident from the latest Gallup poll that the Nation overwhelmingly favors economy in government and a balanced budget. Every action and every effort to throw it out of balance must be presented so that the people know the whole story and will also know where the full responsibility lies.

Mr. SALTONSTALL. Mr. President, when the Senator from Illinois discussed this matter with me, we agreed that he would discuss the budget of the 85th Congress. I should like to go back very briefly for a minute to the five Eisenhower budgets. I speak of the five Eisenhower budgets because we are now acting on the sixth budget. The budget before Congress in the first calendar year he was in office was not an Eisenhower budget, but was actually a Truman budget which was submitted before President Eisenhower took office.

Mr. President, on February 9 the Senate was told that the Congress has reduced the budget requests of the incumbent President by a total of $22 billion

during the years he has been in office. In support of this claim a table was put into the RECORD listing actions by the Congress beginning with the 83d Congress, 1st session. The table shows the 1953 session of the Congress decreased budget estimates by $12 billion.

Mr. President, I wish to point out that the $12 billion cut was made—not in the Eisenhower budget—but in the Truman budget.

The fact of the matter is that before Mr. Truman left office in January 1953 he submitted his budget for fiscal year 1954.

It is this budget which totaled $77 billion in new appropriations requests.

It is this budget which the Congress reduced by $12 billion.

The incoming administration, under President Eisenhower, did not submit a formal budget for fiscal year 1954. From January 20, when the President took the oath of office, to July 1, 1953, there remained only slightly more than 5 months in which to review the huge Truman budget. There was not enough time to prepare an entirely new budget, to have it printed, to submit it to Congress, and to give Congress enough time to study the budget before the new fiscal year began. Therefore, the Eisenhower administration presented its budget requests for fiscal year 1954 on an agency-by-agency basis, as these officials appeared before congressional committees.

Nevertheless, Assistant Budget Director Rowland R. Hughes, told the House Ways and Means Committee on June 1, 1953, that the Eisenhower administration had already reduced the Truman budget requests for new appropriations for 1954 by more than $8.5 billion. He said further reductions would be made.

It is incorrect, therefore, Mr. President, to charge the $12 billion cut by the first session of the 83d Congress to the Eisenhower budget.

As a matter of fact, the incumbent President has submitted six budgets since he took office. These budgets are for fiscal years 1955 through 1960.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JOHNSON of Texas. I heartily agree with the Senator's statement. If at any time I have contended that President Eisenhower was completely, totally, and absolutely responsible for the fiscal year 1954 budget, I stand corrected. I am not aware of the fact that I have said so, but the Senator's statement is correct, and I desire to confirm it.

Mr. SALTONSTALL. I appreciate the Senator's saying that. From what I have heard the Senator say in the Chamber and from what I have read in the RECORD, he has not made such a statement.

Mr. JOHNSON of Texas. I have attempted to refer to it as the administration budget. I realize that the first budget confronting President Eisenhower was the budget prepared by President Truman. President Eisenhower made numerous changes in it, and so did Congress.

Mr. SALTONSTALL. I thank the Senator.

The Congress has not yet acted on the fiscal year 1960 budget, so that we can only compare congressional appropriations against Eisenhower budget requests for the fiscal years 1955 through 1959. Reductions in appropriations made by Congress in these years total $10,603,874,716.

In this connection, Mr. President, I should like to point out that every session of Congress, beginning with the 79th Congress in 1945, has reduced the executive branch requests for new appropriations.

This was true during years of war, as well as during years of peace.

For example, although the Korean war began June 25, 1950, the Congress in session at the time was able to reduce budget estimates by a total of $1.9 billion. The following year, with the war going full blast, the Congress cut budget estimates by $4.7 billion.

The point I wish to emphasize, Mr. President, is that, in peace and in war, the Congress, regardless of which party was in control, has managed since 1945 to reduce the overall budget totals. This is the prerogative of the Congress, and Congress has indeed exercised this right over the years.

For the information of Senators, I ask unanimous consent to have printed in the RECORD at this point a table comparing estimates and appropriations by sessions of Congress for fiscal years beginning 1946 through 1959, which appears in the hearings on the budget for 1960, held by the House Committee on Appropriations, 86th Congress, 1st session.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of estimates and appropriations by sessions of Congress (fiscal years 1946–59)

Congress, session	Estimates	Appropriations	Reductions
85th Cong., 2d sess.	$81,737,060,999	$81,119,818,276	−$617,242,723
85th Cong., 1st sess.	78,108,417,112	73,064,958,328	−5,043,458,784
84th Cong., 2d sess.	73,298,859,629	73,041,364,417	−257,495,212
84th Cong., 1st sess.	66,023,089,195	63,947,281,321	−2,075,807,874
83d Cong., 2d sess.	60,770,315,686	58,160,445,563	−2,609,870,123
83d Cong., 1st sess.	77,190,083,599	65,156,254,797	−12,033,828,802
82d Cong., 2d sess.	94,608,763,252	85,999,646,411	−8,609,116,841
82d Cong., 1st sess.	105,837,897,537	101,117,786,897	−4,720,110,640
81st Cong., 2d sess. (after Nov. 27, 1950)	19,926,529,938	19,841,684,745	−84,845,193
81st Cong., 2d sess. (to Nov. 27, 1950)	63,090,905,227	61,203,355,696	−1,887,549,531
81st Cong., 1st sess.	48,313,575,167	46,497,456,898	−1,816,118,269
80th Cong., 2d sess.	44,446,109,713	41,675,480,957	−2,770,628,756
80th Cong., 1st sess.	39,349,643,652	35,982,887,708	−3,366,755,944
79th Cong., 2d sess.	37,315,954,247	35,734,209,165	−1,581,745,082
79th Cong., 1st sess.	71,175,840,878	69,780,137,110	−1,395,703,768

NOTE.—Foregoing figures pertain only to "Appropriations" in appropriation bills and "Appropriations" pursuant to permanent law, and therefore does not include other forms of obligational authority such as contract authority and authority to expend from public debt receipts, some of which are enacted in other than appropriation bills.

Source: "Estimates, Appropriations, etc." 1946–59, table VIIIa, "Grand total, regular annual, deficiency, supplemental, and miscellaneous acts and permanent appropriations."

Mr. SALTONSTALL. Mr. President, I remind my colleagues that appropriations actions are not the only ones taken by Congress which affect budget receipts and expenditures and the state of the Federal Treasury.

Apart from appropriation acts, the Congress may in other enactments increase the authority of the Federal Government to incur obligations which will increase actual spending in the future.

Congress may also enact laws which have the effect of reducing Government receipts, thus increasing the outflow of Federal funds and decreasing Federal income.

Congress may enact laws authorizing Federal spending and fail to vote appropriations at the time of enactment. This increases Federal spending but the increase does not show up in the appropriations tables for that particular year.

Thus, while Congress reduced Mr. Eisenhower's five budget requests for new appropriations by a total of $10,603 million, other actions of the Congress increased Federal spending by a total of $11,588 million.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JOHNSON of Texas. I ask the Senator for information, because he is one of the most diligent, thorough members of the Committee on Appropriations. Did not Congress also reduce some of the budget requests made by the President for fiscal year 1954?

Mr. SALTONSTALL. That would be the budget——

Mr. JOHNSON of Texas. That was the budget prepared by President Truman, revised by President Eisenhower, and further revised by Congress.

Mr. SALTONSTALL. That would be the budget prepared for the first session of Congress during the first year of the Eisenhower administration.

Mr. JOHNSON of Texas. Yes.

Mr. SALTONSTALL. My figure shows that Congress reduced the budget by $12,034 million. The net reduction in that year, including, as I stated to the majority leader before, other congressional actions, was $12,067 million.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. SALTONSTALL. In addition, Congress enacted in this same period legislation which the President was forced to veto. These acts called for additional Federal spending totaling $2,825 million.

In these two areas, then, Congress voted increased Federal spending in the amount of $14,413 million. This was $3,810 milion more than the appropriations cuts.

In addition, Congress passed legislation reducing receipts by a total of

$1,665 million under the five Eisenhower budgets.

Considering all these actions by Congress affecting expenditures and receipts, it will be seen that the Congress actually voted to increase Federal spending by a net total of $5,475 million—which is a far cry from the $10,603 million reduction in the five Eisenhower budgets as claimed.

The net $5,475 million increase by the Congress in the five Eisenhower budgets is made up of the total $6,073 million increases made by Congress under Democratic control and the $598 million net reduction by the Congress under Republican control in calendar year 1954.

In 1953, the Congress, then under control of Republicans, cut $12 billion off the budget appropriation requests, but as I have already mentioned, that was the final Truman budget and not the Eisenhower budget.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table analyzing the actions of the 83d, 84th, and 85th Congresses relating to the budget.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Actions taken by Congress on Presidential budgetary recommendations

[In millions]

	Actions affecting expenditures				Actions affecting receipts	Net total budgetary actions
	Action on appropriations	Other congressional actions	Expenditures avoided by veto	Net total		
Action on Eisenhower recommendations:						
Congresses controlled by Democrats:						
85th Cong., 2d sess.	−$617	+$4,997	+$1,562	+$5,942	+$665	+$6,607
85th Cong., 1st sess.	−5,043	+1,910	+314	−2,819	----------	−2,819
84th Cong., 2d sess.	−257	+2,339	+307	+2,389	----------	+2,389
84th Cong., 1st sess.	−2,076	+1,642	+330	−104	----------	−104
Total, Congresses controlled by Democrats	−7,993	+10,888	+2,513	+5,408	+665	+6,073
Congresses controlled by Republicans: 83d Cong., 2d sess.	−2,610	+700	+312	−1,598	+1,000	−598
Total, action on Eisenhower recommendations	−10,603	+11,588	+2,825	+3,810	+1,665	+5,475
Action on Truman recommendations:						
Congress controlled by Republicans: 83d Cong., 1st sess.	[1]−12,034	−33	----------	−12,067	----------	−12,067
Grand total	−22,637	+11,555	+2,825	−8,257	+1,665	−6,592

[1] Reflects final action by the Congress on President Truman's fiscal year 1954 budget, which was submitted in January 1953 before Eisenhower took office. Although the new Republican administration requested substantially less than the Truman budget when agency heads appeared before Appropriations Committees, the exact total of Eisenhower recommendations for fiscal year 1954 is not available. Thus, no comparison between congressional action and Eisenhower for fiscal year 1954 is possible. Assistant Budget Director Hughes, on June 1, 1953, told the House Ways and Means Committee the Eisenhower administration had at that time reduced Truman's budget by $8.5 billion and that undoubtedly there would be further cuts.

Mr. SALTONSTALL. Mr. President, I may say also that my analysis is based upon figures found in a statement entitled, "Congressional Actions Affecting Receipts or Expenditures," dated February 12, 1959, and prepared by the Bureau of the Budget.

Mr. President, when all the collateral actions of the Congress are considered, along with the strictly appropriations actions, we see that the Congress actually voted to increase Federal spending by a net total of $5,475 million over the five Eisenhower budgets.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JOHNSON of Texas. Has the Senator from Massachusetts included in his recapitulation the amount contained in bills which did not pass; the amount which was saved by the failure of Congress to pass about 19,000 bills which were introduced?

Mr. SALTONSTALL. The figures do not include that item.

Mr. JOHNSON of Texas. Since the Senator has spoken about bills vetoed and the amount saved by vetoes, would it not be comparable to include a statement that Congress also "vetoed" about 19,000 bills in the 85th Congress?

Mr. SALTONSTALL. I agree with the majority leader that Congress by failing to act did not, of course, actually appropriate or spend that money; but I think it would be impossible to reach an actual figure on that item, because the committees did not act on many of those bills.

Mr. JOHNSON of Texas. But would not that amount be just as relevant as the figures which the Senator cited?

Mr. SALTONSTALL. No, I would not agree with that statement, because the figures I cited came from the budget. They are the actual amounts on which Congress acted. I would read again to the distinguished Senator five titles, because I want this to be absolutely clear:

Actions on appropriations. These are the figures which the distinguished Senator discussed when he spoke of the $5,600 million cut.

Other congressional actions. Those are the actions which Congress actually took on bills which were signed.

Next, expenditures avoided by veto. This was the estimate of the cost to the Government of bills passed by Congress if the President had not vetoed them.

There is also the figure for actions affecting receipts; that is, what happened to bills relating to taxes.

That would make the net total of budgetary actions on Eisenhower recommendations a net increase of $5,475 million. But if we include the action on the Truman recommendations—a cut of $12,065 million—this would leave a net cut in the budget, including everything, over the five Eisenhower budgets and the one Truman budget.

Mr. JOHNSON of Texas. One combination is a better way to put it, is it not?

Mr. SALTONSTALL. That is correct. It was, however, a Truman budget.

Mr. JOHNSON of Texas. As revised by President Eisenhower.

Mr. SALTONSTALL. It was revised by President Eisenhower and further revised by Congress. The table shows a net cut, for 6 years, of $6,592 million. This is derived from an increase of $5,400 million in the five Eisenhower budgets, offset by $12 billion cut from the Truman budget.

Mr. LONG. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. LONG. If I may so presume from his statement, the Senator is saying that the Nation would be better off if Congress had never proposed to spend any money for any of the various programs to which he has referred. I hope he does not suggest by his statement that it would have been better if Congress had never met at all and never conceived any new ideas.

Mr. SALTONSTALL. If we were to go back and analyze our actions in the last 5 years, I am certain the RECORD will show that I voted for a number of the bills which Congress enacted. I would not be truthful if I said otherwise.

Mr. LONG. I hope the Senator is not suggesting that he, together with the rest of us, was in error when we did so.

Mr. SALTONSTALL. I am not suggesting anything about motives. I say that, in most cases, the actions which we took were thoroughly justified.

Mr. JOHNSON of Texas. I commend the Senator from Massachusetts for his statement.

Mr. LONG. I thank the Senator from Massachusetts.

Mr. JOHNSON of Texas. Mr. President, I am always captivated by the eloquence of my delightful friend and minority leader, the distinguished Senator from Illinois [Mr. DIRKSEN]. One of my most stirring recollections is of an occasion 26 years ago, when the present minority leader made his maiden speech in the House of Representatives.

Then, again, I recall the very able, persuasive statement which the minority leader made when he nominated our beloved friend, the late Senator Robert A. Taft, at the Republican National Convention in 1952. In warm tones, the minority leader nominated Senator Taft and warned the people of the country against the error they would make by following the advice of the former Governor of New York, Mr. Dewey, and supporting the present President of the United States, Mr. Eisenhower.

Today, I heard the minority leader defend the administration. He first admitted that every statement we have made with regard to the reductions which Congress has made in appropriations is correct. He then pulled in some authorizations, some vetoes, some bills which did not pass, some taxes which

were not levied, and some postal receipts which were not raised and came to the conclusion that, after all, the resulting figure was the fault of Congress.

Mr. President, that performance reminds me very much of a situation which developed in our hill country during the early days of the depression. A poor schoolteacher in search of a job applied to the hill country school board. The members of the board were rather impressed by his presentation. He was eloquent; generally, he was rather factual; he was impressive. So the members of the school board said to him, "Well, we think we would like to have you teach, and we would like to retain your services. But tell us this: There is some difference of opinion, in our community, about geography; and we want to know which side you are on. Do you teach that the world is round, or do you teach that the world is flat?"

The eloquent applicant responded immediately by saying, "I can teach it either way." [Laughter.]

Mr. President, notwithstanding everything that has been said here today, notwithstanding the stirring statement which has been made, the minority leader has demonstrated that he can "teach it either way."

First of all, the appropriations he outlined were reduced by the Congress. Second, in the case of the authorization bills which were passed—and which thus resulted in having appropriation items go in by the so-called "back door" method—every dollar spent under them was approved by the President, and most of them were voted for by the minority leader. So, Mr. President, I do not know who is trying to kid whom.

Mr. President, what have we done here? The Senator from Illinois has lumped together some items for ships and shoes and sealing wax and cabbages and kings, and then he has jumped into a pile of authorization bills, and has said, "This is how much money the Congress overspent the President's budget."

Well, Mr. President, I desire to warn the Foreign Relations Committee, which I trust will soon commence hearings on a very important matter, that it is likely to be faced with similar charges in the next few days. Last week the President sent to the Senate a message in which he made a request for an urgent supplemental item for the fiscal year 1959—even though the administration already has on hand for this purpose more than $1 billion. Now the President says he must have immediate action, applicable to the fiscal year 1959, for an additional $3,175 million of obligational authority for the International Bank. He has also requested, for the fiscal year 1959, an additional $1,375 million of new obligational authority for estimated expenditures for the International Monetary Fund.

Mr. President, when that committee considers those items, I know it is going to consider them in the national interest, and it is going to do what it thinks it ought to do.

Mr. BUSH. Mr. President, will the Senator from Texas yield to me?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Texas yield to the Senator from Connecticut?

Mr. JOHNSON of Texas. I yield.

Mr. BUSH. Is the Senator from Texas suggesting that the request for the International Bank would have any impact on this year's budget, or even on next year's budget?

Mr. JOHNSON of Texas. No, I am not. But I am suggesting that after we carry out the President's request, we may have to defend ourselves as we do today in the case of the Export-Import Bank against charges of having passed some authorization legislation; and we may have to defend ourselves against such accusations, coming from spokesmen of the President's own party, because we vote to carry out the President's own wishes. That is what I am suggesting.

Mr. BUSH. But the Senator from Texas agrees with me, does he not, that the recommendations in regard to the International Bank do not have any impact on this year's budget or on next year's budget?

Mr. JOHNSON of Texas. I agree; and I did not say they would have such an impact.

Mr. BUSH. I did not say the Senator from Texas said that. I merely say that I am sure the Senator from Texas knows that they do not affect the budget.

Mr. JOHNSON of Texas. Is the Senator from Connecticut sure?

Mr. BUSH. Yes; I am sure.

Mr. JOHNSON of Texas. Very well.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. Where will the $3 billion-plus which the President has requested, come from?

Mr. JOHNSON of Texas. As I understand, he is requesting obligational authority; and I think that is not a great deal different from a good deal of the obligational authority for which we have been criticized today by the minority leader.

All I wish to do is point out that when, at the request of the President, we vote to increase the authority of the Export-Import Bank or the authorizations for the Government's guarantees in various fields, Senators are likely to find themselves attacked, in a few weeks, for having voted to comply with the President's requests.

Mr. SPARKMAN. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. SPARKMAN. Let me ask the distinguished majority leader whether it is not true that the President asked that this item be placed in the 1959 budget.

Mr. JOHNSON of Texas. That is true.

Mr. SPARKMAN. And, of course, the 1959 budget has a deficit.

Mr. JOHNSON of Texas. It has.

Mr. SPARKMAN. Everyone recognizes that. Yet here is an item which ordinarily should have been included in the 1960 budget. But in an effort to balance the 1960 budget, it is proposed that this item be pushed back into the budget for the previous year, for which the officials know there is a deficit. In other words, if there is to be a $13 billion deficit, a little more will not matter very much, so they seem to think. Furthermore, they seem to take the position that such an item will not have to be budgeted.

They condemn us for "bringing things in by the back door"; but in this case the President brings this item in by the back door, and attempts to slip it into last year's account. [Laughter.]

Mr. MONRONEY. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. MONRONEY. I should like to point out that in the supplemental budget message which has been received from the President, the Congress is requested to make an immediate appropriation. We are told that they cannot wait for the 1960 budget, but that they must have $225 million at once for the Development Loan Fund, and that that amount will be added to the 1959 budget. They are asking for $1 billion-plus to reimburse the Commodity Credit Corporation for losses sustained from the sale of agricultural-commodity surpluses.

Of course, it is all right to ask Congress to appropriate $1 billion-plus for this purpose, if someone down town can tell us how the administration is going to use the local currencies. By such means, local currencies will be "generated" and "warehoused," and the Government will have to "pay the rent" on the "warehouse," in much the same way that the Government is having to pay rent on the wheat that is placed in storage. Little attention is being paid to what is done with the local currencies; but everything that can be dumped into the budget for the fiscal year 1959—as the distinguished Senator from Alabama [Mr. SPARKMAN] has said— will go into that budget.

It does not seem to matter to this administration whether the deficit for the fiscal year 1959 amounts to $12 billion, $13 billion, $15 billion, or $20 billion. The administration's attitude seems to be that everything pertaining to the 1959 budget is old hat.

The administration seems to say, "We are going to be Simon pure budget-balancers for the fiscal year 1960! That is the only year that amounts to anything. Dump all these other items into the 1959 fiscal year budget. It shows a big deficit, anyway."

Strangely enough, Mr. President, fiscal year 1960 happens to end in a presidential election year, and is the last full year for which this administration will be accountable. So Mr. Eisenhower says, "Forget about the 1959 budget, but look out for the 1960 budget."

The administration will tell us how to rig the budget items so they will not have to be counted in the 1960 budget, and so the "cat will be put on the back" of the next President. The administration's advice to us seems to be, "Kill the country's progress; destroy the country's safety and security, if necessary; but keep our record on the 1960 budget crystal clear, because 1960 is an election year."

Mr. President, evidently that is the slogan of the Republican Party, and that is what all the shouting is about.

When the majority leader said that the President's budget is a political budget, that description is as accurate as anything could be; and that statement should be blazoned in neon light 11 feet high, so that all can see it clearly.

Mr. BUSH. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. In just a moment, Mr. President.

I should like to point out what is happening here, today. The other day we had a preview of it in the Washington Post and Times Herald, which contained a statement to the effect that the Bureau of the Budget plans "to keep the box score," and is going "to keep the box score," so it will be able to "blow the whistle" on the Congress.

Well, Mr. President, I do not know about that; but certainly the Republican Party "blew" the last election. [Laughter.]

In the last campaign, spokesmen for the Republican Party charged various candidates with being Socialists and spenders. And when we stood them up one by one, the chairmen of the committees and the Members of Congress, and let the people look at them and see which ones were the "Socialists," the people gave their answer.

When we gave the people the box score on appropriations, what happened? Not a single member of the majority party who was a candidate for reelection failed to obtain approval of the people, and 15 Democratic Senators were elected; and the people got the Republican Party down just about as low as one can get it—I mean in numbers. [Laughter.] There is an election every 2 years. We have 98 Members of this body. That means 32 Members were up for election then. The Republicans now have 34 Members on their side of the aisle. So I think the people understood these charges. But in order that nobody can confuse the situation, I want to point out what the Senator from Illinois has done.

He has admitted the Congress reduced appropriations by $22 billion. He does not deny it. But, he says, Congress makes some authorizations. I do not deny that. I am glad the Senator from Illinois has learned the legislative process. We do make authorizations.

Then he says, "Well, you went in some back door and had some Government guarantees." The Budget Bureau said it is like giving one's wife a budget, and then having the wife charge for food. It is not like that. It is like having money for food, and then signing a note. When we do that they say we "go in the back door," but we do not go in there alone. Who went in the back door with us? The same people who have made all the fuss about the back door today.

Here is the emergency housing bill. It was passed in a great emergency. What was the vote on it? Eighty-six to nothing. That was approved by the President, or it would not have been effective. That measure was voted for by every Member of this body.

The highway construction bill was another back door, but who was elbowing me trying to get in the back door? Why, the distinguished minority leader himself, plus 82 of his colleagues. The vote was 84 to 4.

Where was the President? He signed on the dotted line, saying, "I approve." The senior Senator from Virginia [Mr. BYRD], the junior Senator from Virginia [Mr. ROBERTSON], the Senator from Utah [Mr. BENNETT], and the Senator from Nebraska [Mr. CURTIS], did not approve.

I could go on for a good deal of the afternoon.

Here is one bill for the construction of superliners. I see my friend from Delaware [Mr. WILLIAMS] present, who tries to economize on every action. I remember vividly his activities in connection with that bill. The vote was 41 to 18. The Senator from Delaware [Mr. WILLIAMS] voted "nay" on it. I think that was one of the vetoed items.

I have before me the rollcall on the Agricultural Act. The vote was 62 to 11. That was one of the bills referred to.

Here is the area redevelopment bill. The vote on that bill was 46 to 36. A good many Senators voted against that bill. The Senator from Delaware [Mr. WILLIAMS] voted against it, but not my beloved friend from Illinois. He was for it. He was in there at the back door. He must have felt like the preacher of the little country church. The church caught fire and he got to the door. All the brethren were shoving and trying to get out the door. The preacher said "The church has got just one door." [Laughter.] That is the way my friend must have felt—he was trying to get in the back door.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. SALTONSTALL. With reference to the last two bills the Senator mentioned, did the Senator from Massachusetts not vote in the negative? I believe I did vote in the negative.

Mr. JOHNSON of Texas. I certainly want to see that the Senator is accurately recorded. If the Senator believes he voted "nay" and wants the RECORD to show that, the Senator's word is all I need for it.

Let me refer now to the Housing Act of 1957, which has been talked about. That is another "back door" approach. We called the roll on that one. We ought to have more roll calls. I wish to announce that, so far as I am concerned, if the Senate will support me, I am going to ask for the yeas and nays on every appropriation bill this year. Do not tell me votes on appropriation bills count for nothing. We can see who votes for what.

On this housing bill, another back door approach, the vote was 69 to 1. That was the Housing Act of 1957. The one negative vote was by the Senator from South Dakota [Mr. CASE].

I desire to summarize very briefly by saying we have a great deal of confusion here. The minority leader admits the Congress has reduced the budget estimates on various bills by a total of $22 billion over a period of 6 years. That has been confirmed by my friend from Massachusetts. He has stated there were also some vetoes. I was aware of the fact that there were some vetoes. There were 20,000 bills introduced in Congress during the 85th Congress. Only 1200 became law, so about 19,000 of them were "vetoed" by the Congress, and a half dozen or so were vetoed by the President. It is enlightening to have it repeated, but it does not affect the appropriation situation one iota, because it was not what I was talking about.

Then the Senator from Illinois referred to the fact that we come in the "back door." That is true. All the money spent by the Government does not come through the Appropriations Committees. We have guarantees. We frequently make a profit on these guarantees. We have obligations. We frequently make a profit on those obligations. But legislation like the housing bill is what is popularly referred to as "a back-door approach." We have made those back-door approaches, but we have made them together. We have made them unanimously. We have made them with the President's approval. When we vote, in a good many instances—not in all of them—unanimously in this Chamber, I see no basis on which to criticize such action. As a matter of fact, I think the whole issue was set up in an attempt to confuse the situation.

It reminds me of the story former Vice President Barkley used to tell about the cuckoo clock a fellow had in the hills of Kentucky. Some of his neighbors wanted him to get rid of it because they did not think it was keeping good time. He said, "It keeps good time." He said, "When the hands point at 2 and the clock strikes 4, it is half past 6." [Laughter.] That is comparable to what the other side is trying to say about the reductions made by Congress in the appropriations.

The 85th Congress was a prudent Congress—not because we had a margin of two votes in it. It was prudent on the part of both sides. I have referred to the policy of that Congress as a prudent, progressive policy. Most of the appropriation bills were passed by unanimous votes, and those bills were signed by the President, indicating he approved the reductions we made. As a matter of fact, the President invited us to cut his budget estimate.

I think there is enough credit for all of us. I did not say anything about the Republican National Committee. I did not say anything about the Republican Party. They got themselves in this mess.

I have found that if one gives them enough time they will always get involved. That is what they have done now.

I have said that the Congress would look at each appropriation bill and would try to be prudent, and that is what we are going to do.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from Massachusetts.

Mr. SALTONSTALL. I should like to make two comments with regard to what the Senator has said and also with regard to the remarks of the Senator from Oklahoma, who has now left the Chamber.

My first comment is with regard to the reference the Senator from Texas made to the back-door procedure. Such a phrase is a little bit of an expression, that one does not go in the front door but goes in the back door.

Congress has a right to do all of the things which have been recounted, and has a duty to do all of these things, as the Senator pointed out to the Senator from Louisiana. The Senator from Massachusetts simply says that these congressional actions of the Senate and the House are actions of bodies having an obligation or a duty to do as they see fit with regard to these actions, even if it does increase the appropriations recommended by the President. We have to take that into consideration in deciding on our actions.

Furthermore, with regard to the 86 to 0 votes, it is necessary to concern ourselves with the amendments. The fights took place as to the amendments. When the amendments were lost, as they were lost in many instances, those of us who felt that some bill was better than no bill voted for the bill, yet in all instances we did not do so, as the Senator from Texas pointed out with respect to the Senator from Delaware and the Senator from Massachusetts and other Senators.

What I should like to point out to my colleague from Texas is that what I should like to have him remark is not something as to a back-door operation, but something as to an overall operation which has to be considered in deciding what the Congress has done.

I should also like to make one observation to the Senator from Oklahoma. If a sound budget is a political budget and is a propaganda budget, then I am in favor of that kind of a budget.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend the Senator from Montana.

Mr. MANSFIELD. Mr. President, so long as the Senator from Massachusetts has brought up the question of a political budget, I think it should be said we ought to face up to the realities as they exist and not as the administration wishes them to be. The so-called balanced budget is based upon a recommendation by the President that postal rates on first-class mail be increased from 4 cents to 5 cents; that the Federal gasoline tax be increased by 1½ cents; and that the interest rates paid by the REA's be increased by 100 percent, from 2 percent to 4 percent. Only with those "ifs, ands, and buts" will it be a balanced budget of the type which the President desires.

I am a little bit surprised by the attitude of the Republican leader and some of his colleagues, who are taking the side of the administration against the Senate, of which they are Members, because there have been $22 billion in reductions below what the President asked for, on an overall basis, during the past 6 years of his administration; 2 years when the Republicans were in control and 4 years when the Democrats were in control. We ought to be standing up shoulder to shoulder, instead of having the majority leader carry the burden for all of us, because this is what the Congress has done, not what the administration has done. The record will speak for itself. It is about time that we stick together and brag about what Congress has done in the past 6 years, under both Democratic and Republican control. It is a record to be proud of instead of to be sniped at, such as we are observing. We ought to be standing up and boasting about what we did in this body.

Mr. JOHNSON of Texas. Mr. President, I thank the Senator from Montana. I have no doubt that this discussion will be healthy so far as the budget is concerned, and so far as the appropriation bills which will soon be before the Senate are concerned.

I should like now to conclude my statement.

Mr. SPARKMAN. Mr. President, before the Senator continues, will he yield to me?

Mr. JOHNSON of Texas. I yield to my friend from Alabama.

Mr. SPARKMAN. A few minutes ago the distinguished Senator from Texas was talking about some of the housing programs which are carried on under the obligational authority, or outside the appropriations, at least, and it was stated that some of the programs had made a profit. I think it would be well to note at this time that housing, overall, has made a profit.

The FHA program, during the 20 years or so in which it has been operating, has accrued a net profit of nearly $800 million; and the Federal National Mortgage Association during its time of operations, in providing a market for the mortgages, has made a profit of nearly $300 million. In other words, those operations have made a profit of more than a billion dollars, and I am speaking only of the field of housing.

Mr. JOHNSON of Texas. The Senator could include the REA program.

Mr. SPARKMAN. And the Senator from Montana would include the RFC. Of course, we have followed this same type of financing for all the programs. I have a table in my hand with regard to our housing programs, which shows how each one of the programs is financed, though I shall not take the time to read it all. Every single program financed outside of the direct appropriations has been approved—and most of the programs have been initiated—by the administration itself. That is the way the programs have been carried on. We know that is true with respect to many other programs.

I agree with what the Senator from Texas has said.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I should like to comment on the remarks of the Senator from Alabama.

Mr. SPARKMAN. A great deal of what has been said today serves only to confuse the minds of the people of the country.

Mr. JOHNSON of Texas. I think that is true.

Mr. SPARKMAN. It will make the people critical of programs which both the present administration and preceding administrations have followed as perfectly good practices.

Mr. JOHNSON of Texas. I have asked the distinguished chairman of the Committee on Foreign Relations to immediately proceed to consider the President's message and to conduct hearings which will probably result in this Government taking on additional obligations pursuant to the President's request. I hope we have not reached a time when we will be criticized because we comply with such requests.

I do not want to reflect on this "back door" approach. I think the administration did what was right when it recommended we take this approach in several instances. I think Congress did what was right when we took the approach without the recommendation of the administration.

In each instance, however, I would point out that every dollar spent was spent pursuant to the approval of the President, because we have not overridden a single veto. I think the RECORD should show that. All of these things the Senator is talking about—the oranges and apples and bananas, adding up to one grapefruit—were considered with the approval of the President of the United States. Most of those actions were taken by a unanimous vote or nearly a unanimous vote. With a few exceptions the actions were taken with the approval of the minority leader.

Mr. President, I am not going to apologize for that. I say we reduced appropriations in the Congress $22 billion over a 6-year period. I am not here to say how much we authorized during that period, because we authorized much more than we appropriated. We authorized some things for which there will never be appropriations. I am not going to try to pull the wool over anybody's eyes.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. The Senator from Illinois says that the budget reflects what is taken in in the form of taxes and what goes out in the form of expenditures. I agree with that statement. If that is the case, why has the Senator lumped together authorizations which run for 10 years ahead, in some instances; expenditures which never did take place; tax increases which were never made; postal bills which were never passed; and legislation which was vetoed and never signed into law?

In common with my colleagues of both parties in the Senate, I have a desire to balance the budget. I have tried to put that desire into effect by cutting the appropriations, and we have been successful in doing so.

If the President determines that in his judgment the bills which we send to him from the Congress are unwise, then the President has the prerogative—yes, he has the duty—to veto such bills. The President could have exercised that prerogative as to any bill which the Senator mentioned.

The only thing I know that Congress can do about the budget is to operate on the appropriations requests. I believe if we go over each one of the requests line by line, and base our judgment on the facts which are developed, the ultimate result will satisfy the majority of the people of this country.

Mr. President, I now yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, if the Senator from Texas will permit, I should like to ask the Senator from Alabama a question.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to the Senator from Massachusetts so that the Senator may ask a question of the Senator from Alabama, without my losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, I should like to ask one question and to make one brief comment.

As I understand the figures provided by the Bureau of the Budget, with respect to the Emergency Housing Act of 1958, there are estimated expenditures of $144 million for 1959 and of $133 million for 1960. My question of the Senator from Alabama is: The receipts, I assume, go into the General Treasury, so they are not shown. Am I correct in that belief?

Mr. SPARKMAN. That is correct.

Mr. SALTONSTALL. I would be very much interested, for the sake of clearing the record and making it all-inclusive, to have the Senator from Alabama show what the receipts for 1959 were under that act, and the estimated receipts for 1960, if he has those figures.

Mr. SPARKMAN. No; I do not have them.

Mr. JOHNSON of Texas. I have the President's original estimate of spending for 1956, 1957, 1958, and 1959, the actual result of that spending, and the amount that was spent over what the President estimated would be spent.

For the fiscal year 1959, the President estimated that he would spend $73,900 million. He actually spent $80,900 million. He spent a total of $7 billion over the estimate, notwithstanding the fact that during the fiscal year 1959 the Congress reduced his appropriations requests.

For the fiscal year 1958 the President estimated that he would spend $71.8 billion. He spent $71.9 billion, a difference of $100 million.

For the fiscal year 1957 the President estimated that he would spend $65.1 billion. He spent $69.4 billion, an increase of $4,300 million.

For the fiscal year 1956 the President estimated that he would spend $62.4 billion. He spent $66.5 billion, or an increase of $4.1 billion.

On the basis of this record the American people are entitled to their doubts as to the validity of the precariously balanced 1960 budget to which the Senator from Montana referred.

Mr. SALTONSTALL. I believe the Senaor from Alabama can answer my question if he will place in the RECORD the figures to which I have referred.

Mr. SPARKMAN. First, let me correct something which both the Senator and I said erroneously a few moments ago, namely, that the receipts would go into the Treasury. This money was made available to the Federal National Mortgage Association, and with it that Association bought mortgages. When the mortgages are paid off, or when it sells the mortgages, the money comes to the Federal National Mortgage Association, which makes disposition of the funds. However, the program has been in operation for such a short time that I dare say there are no returns as yet.

The information which the Senator has may be subsequent to mine, but according to my information only $95 million was spent up to December 31, 1958, out of $1 billion. Much of that sum would have been committed, but not yet spent.

Mr. SALTONSTALL. The figures I have are estimated expenditures of $144 million for the fiscal year 1959 and $133 million for the fiscal year 1960. I wonder if the Senator knows how much came in, in the form of receipts, to offset those figures.

Mr. SPARKMAN. The receipts would be inconsequential so soon after the beginning of the program.

Mr. JOHNSON of Texas. Has the Senator from Massachusetts concluded his questions?

Mr. SALTONSTALL. Let me make an observation. On page M–4 of the 1960 budget the figures for expenditures and receipts for the past 8 years are shown. While the Senator from Alabama was absent from the Chamber, I placed those figures in the RECORD, in the form of a statement to the Senator from Illinois [Mr. DIRKSEN]. I assume those are the same figures which the Senator from Texas was just reading.

Mr. JOHNSON of Texas. I do not know; but I am sure that the Senator from Massachusetts has been fair and accurate with whatever figures he has handled.

Mr. SALTONSTALL. I try to be.

Mr. JOHNSON of Texas. Not only does the Senator try to be fair, but I am sure he is.

Mr. SALTONSTALL. I should like to make this comment to my friend from Montana:

As I see it, in connection with any budget, the President has a right to estimate the revenues, the obligations, and the expenditures. Congress has the responsibility of raising taxes. If Congress does not see fit to do so, that is another matter. But I do not believe that such a budget request can be considered a political request. It may have political implications, but essentially it is sound practice to make estimates in an effort to keep a balanced budget.

Mr. MANSFIELD. Has the President requested that tax increases be brought about?

Mr. SALTONSTALL. Such a request would go to the House of Representatives. I am frank to say that I do not know as yet, but, from conversations I have heard, I assume that such requests will come in due course.

Mr. JOHNSON of Texas. Mr. President, I think the President not only has the right to make estimates, but he has the duty to do so, and he carries out that duty. As a coequal branch of the Government, we have the right and duty to make our estimates.

Mr. SALTONSTALL. That is true.

Mr. JOHNSON of Texas. It is the judgment of many people that over a period of time the administration has made grevious errors as to the amount it proposed to spend. In other words, it spends more than it estimates it will spend.

Some people seriously question the optimistic picture of revenue presented in this year's budget. I do not question anyone's motives or accuracy. I have not heard all the arguments pro and con, but let me cite an example. I now read excerpts from the testimony given before the House committee. I ask the Senator from Alabama [Mr. SPARKMAN] to listen to the following excerpts from the testimony on this subject:

Mr. MAHON. The effect of it in this case is not to make any money or lose any money for the Government but to make the Government look better from a budgetary and fiscal standpoint, is that it?

Mr. STANS. I think I can answer you this way: The alternative, sir, is as you imply to show a deficit, to go out and finance a deficit by selling more bonds or raising taxes.

* * * * *

Mr. THOMAS. Now, Mr. MAHON a moment ago was asking you about FNMA. Are you not swapping some 4 and 4½ percent bonds for some 2 and 2½ percent bonds? Do you make a calculation for that difference in that interest, or is there any difference in interest?

Mr. STANS. There is a difference in interest rates. There is also a difference in the cost of servicing.

Mr. THOMAS. Who gets that difference in the interest rate, the buyer?

Mr. STANS. The owner.

Mr. THOMAS. And the Government loses it?

Mr. STANS. There will be a difference in the interest.

Mr. THOMAS. Will the Gooovernment lose the difference in the two rates?

Mr. STANS. Yes, but it is also relieved from servicing the mortgages; is that not a fact?

Mr. THOMAS. Well, yes; by how much actually does the taxpayer lose in the deal? You have a Government guaranteed obligation. Of course, it does not necessarily mean to me that that obligation is ever going to cost the Government anything because most of those funds are repaid. I do not know that the FHA has ever cost the taxpayers a penny yet. Their outside liability is about $20 billion, and I think their cash in bank is about $650 million. After some 20 or 25 years that has not cost the taxpayers anything, so why give away that spread?

Mr. STANS. Mr. Thomas, we are not giving away any spread because the alternative to this exchange is to issue new debts by the Federal Government and if the Federal Government issues long-term debt equal to the length of these mortgages, as of now it is paying at least 4 percent——

Mr. THOMAS. Most of FNMA's is 4½ and 5½.

Mr. STANS. Yes; and they have to be serviced and U.S. Government bonds do not have to be serviced.

Mr. THOMAS. That is right; but FNMA does not pay a full point and a half for servicing its bonds anyway.

Mr. STANS. I do not know what it costs to service them.

I think the RECORD should show that testimony.

I ask the Senator from Massachusetts if, as a result of that exchange, in his opinion the taxpayer will pay additional money.

Mr. SALTONSTALL. As I understand that transaction——

Mr. JOHNSON of Texas. I am not familiar with it. All I know is what is

contained in this colloquy. That is the reason why I ask the Senator's judgment.

Mr. SALTONSTALL. As I understand—and I am not sure I am correct—it is a question whether one would rather have a Government bond as such than to hold an FNMA mortgage, which may not be a very good mortgage.

Mr. GORE. Mr. President, will the Senator yield? That is not the question at all.

Mr. SALTONSTALL. There may be a difference in interest.

Mr. JOHNSON of Texas. I yield to the Senator from Tennessee.

Mr. GORE. Mr. President, the question is not at all as the senior Senator from Massachusetts has stated it. The question the senior Senator from Texas has raised is whether this transaction is an actual budgetary saving to the U.S. Government, or an actual loss which is claimed as a saving.

Mr. JOHNSON of Texas. What is the opinion of the Senator from Tennessee?

Mr. GORE. It is an actual loss to the taxpayers. It is bookkeeping legerdemain to lay claim to a balanced budget in this way.

Mr. JOHNSON of Texas. Why does the Senator think it is done that way?

Mr. GORE. In order to claim that the budget is balanced. It is a phony claim to make. It is no more balanced than the President's budgets have been balanced for the past 3 fiscal years, including the budget for this fiscal year. The figures show that in the last 4 fiscal years, including the present one, the actual expenditures have been more than $15 billion in excess of estimated budgetary expenditures.

The budget presented for the next fiscal year is no more balanced than is the budget for the present fiscal year, which was claimed to be balanced a year ago.

Mr. JOHNSON of Texas. A year ago it was claimed to be balanced; is that correct?

Mr. GORE. Yes, I believe so. The senior Senator from Massachusetts stated that the budget has political implications. He further stated, a moment ago, that it was essentially sound if an attempt was made to balance the budget. No genuine attempt is made. The claim is made, instead. The proposed budget is not balanced. I doubt that any Member of the Senate would rise to the responsibility of saying that it is balanced. It will not be balanced 1 year from now.

Mr. SALTONSTALL. I do not intend to get into any argument on that point. I believe the President is sincere in presenting the budget. He feels it is a balanced budget. What Congress will do with it ultimately, on receipts and expenditures, is the responsibility of Congress ultimately to submit back to the President. On the item referred to, that is a very technical item——

Mr. GORE. Mr. President, will the Senator yield?

Mr. SALTONSTALL. First I should like to say that the item referred to is a very technical item. I believe that my answer was a reasonably correct answer, based on the information that has been furnished to me. I do not know whether I answered it 100 percent correctly. I believe I answered it correctly, however.

Mr. GORE. I should like to inquire of the senior Senator from Massachusetts if he likewise believes that President Eisenhower was sincere in the presentation of his budget for fiscal year 1959.

Mr. SALTONSTALL. I assume so. I do not know what the Senator has in mind specifically.

Mr. GORE. I question the accuracy of the estimates. While I do not question the sincerity of the President, I do question the accuracy of the estimates, or the accuracy of the people who gave the President the estimates. I am not sure how sincere they were.

Mr. SALTONSTALL. We can always question that.

Mr. GORE. The record shows that there will be an estimated expenditure of $7 billion more than the budget estimate of a year ago. I should like to ask the senior Senator from Massachusetts if he assumes that President Eisenhower was sincere in presenting the budget for 1958, for fiscal year 1957, and for fiscal year 1956.

Mr. SALTONSTALL. Of course I do.

Mr. GORE. I take it that he so assumes. The fact is that the Presidential budget has not been balanced in any of the 4 years, and the budget for the next fiscal year is, in the opinion of the junior Senator from Tennessee, no more balanced or as nearly balanced as the budget in any of the preceding 4 years.

Mr. SALTONSTALL. I should like to make one further comment. Of course the estimates are never the same as the figures actually come out. Sometimes the estimates are more and sometimes they are less. Sometimes the expenditures are more and sometimes they are less. The estimates are made, as a general rule, and the figures are submitted, somewhere between 12 and 18 months prior to the time Congress acts.

Mr. GORE. Mr. President, will the Senator yield once more?

Mr. SALTONSTALL. I yield.

Mr. GORE. Furthermore, I should like to say to the senior Senator from Massachusetts that if Congress had appropriated the amounts requested by the President, the unbalance to which I have referred, would have been greater.

Mr. SALTONSTALL. I do not believe that is the full statement. If we had appropriated the full amounts, we would have appropriated, in the five Eisenhower budgets, $10,600 million more, but Congress added $11,500 million.

Mr. JOHNSON of Texas. In what form?

Mr. SALTONSTALL. In the form of congressional action.

Mr. JOHNSON of Texas. In bookkeeping financing, in bills vetoed, and all the other things. By adding all of them together we get an Amos and Andy figure. That only confuses the Senate and the country. Congress did not appropriate $10 billion more. It actually reduced appropriations by $10 billion. There have been added some authorizations, some pledges, and some vetoes. The point I make is that I do not believe we have a true and accurate picture of how much money was spent and that the Government will owe.

Mr. SALTONSTALL. The figures which the Senator from Texas has brought out and the figures that I have brought out show the picture. I can get those figures again, if it is necessary to do so.

Mr. GORE. The Senator has included authorizations. There are authorizations in effect for over 100 years for which not one dime has been expended. An authorization does not make an expenditure. I referred to actual appropriations. Neither do authorizations make appropriations.

Mr. SALTONSTALL. And appropriations do not make expenditures.

Mr. GORE. The statement I made was that if Congress had actually appropriated the total amount requested by President Eisenhower, the deficits would have been greater.

Mr. JOHNSON of Texas. They would have been increased by $5 billion.

Mr. GORE. Yes.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. BUSH. I should like to go back to the statement with respect to the FNMA mortgages in the amount of $350 million——

Mr. JOHNSON of Texas. $335 million, I believe.

Mr. BUSH. What is the figure?

Mr. JOHNSON of Texas. $335 million.

Mr. BUSH. The $335 million, which the Senator said is being labeled for sale in order to balance the budget. I should like to say to the Senator—because those mortgages were paid for with taxpapers' money—if they are sold, there is no other place where they can be credited, but in the same account to which they were charged originally.

Mr. JOHNSON of Texas. I understood that they were swapped for Government bonds.

Mr. BUSH. It would be a good thing for this country if the Treasury were able to sell a good many more of those bonds. We have approximately $5,400 million tied up right now, in taxpayers' money, in those mortgages. It seems to me that a move to liquidate some of them is a very sensible thing to do. There is no other place where we can credit the income from those mortgages except in the place from which they were paid.

Mr. JOHNSON of Texas. I welcome and respect the opinion of such an authority in this field as the able Senator from Connecticut.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I merely refer the Senator to the exchange which occurred in the House of Representatives Committee on Appropriations between that committee and the Budget Director, in which it was stated that we were trading 2½ percent for 4½ percent, and that the 2-percent difference was going to cost the taxpayers some money. I did not testify to that effect. The Director of the Budget evidently is willing to admit that it will cost money, but that we ought to allow him something for servicing the mortgages. The question was asked: "Will the Government lose the difference in the two rates?" The answer was "Yes."

I do not know who will benefit from it.

Mr. BUSH. I do not believe it is very beneficial to the taxpayers——

Mr. JOHNSON of Texas. When a loss of 2 percent is sustained in an operation, maybe it will be beneficial to the bankers.

Mr. BUSH. I do not believe it is beneficial to the taxpayers to build up a surplus in mortgages to the extent of over $5 billion, any more than it is beneficial to build up farm products to the extent of eight or nine billion dollars.

Mr. JOHNSON of Texas. The Senator may be correct.

Mr. BUSH. I do not believe the administration should be condemned for trying to get rid of some mortgages and crediting something to the taxpayers, for a change.

Mr. JOHNSON of Texas. I am not condemning anyone. I do not believe in condemnations. I do not want to condemn anyone. I am merely reciting the colloquy in the House Committee on Appropriations which shows that the Government was losing 2½ percent, and that the difference between 2½ and 4½ or 5 percent can be as much as 2 or 2½ percent. I was reciting the Budget Director's testimony, and I am glad to have the opinion of the Senator from Massachusetts and also the opinion of my cherished friend from Connecticut [Mr. BUSH].

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. WILLIAMS of Delaware. I do not wish to get into the argument as to who killed Cock Robin. I am sure a great many people feel that neither political party has strained any muscles in cutting Government expenditures.

Mr. JOHNSON of Texas. I think the Senator is right. I agree with him.

Mr. WILLIAMS of Delaware. I understood the Senator from Tennessee to make the statement that there has not been a balanced budget in 5 or 6 years.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. GORE. I made no such statement.

Mr. WILLIAMS of Delaware. Anyway, to keep the record straight what did you say?

Mr. GORE. Let us keep it straight. Just what did I say?

Mr. WILLIAMS of Delaware. If the Senator will wait just a moment I will tell him since he has forgotten.

Mr. GORE. The Senator from Delaware says he wants to keep the RECORD straight.

Mr. WILLIAMS of Delaware. I understood the Senator from Tennessee to say that there was not a balanced budget in 1956, 1957, or 1958.

Mr. JOHNSON of Texas. I think the budget was balanced in 1956 and 1957.

Mr. GORE. I was referring to expenditures.

Mr. WILLIAMS of Delaware. That is what I am referring to. The expenditures in 1956 and 1957 were less than the receipts. The budget was balanced. That is what I am trying to straighten out.

Mr. GORE. I was referring to the Presidential estimates—the budgetary estimates of expenditures.

Mr. WILLIAMS of Delaware. We have learned long ago that budgets are not balanced by estimates made either by the President or by the Congress.

Mr. GORE. The Senator from Delaware has taken a different cue. We were talking about budgets presented by the President of the United States.

Mr. WILLIAMS of Delaware. I am speaking of actual expenditures as they are related to our income.

Mr. President, will the Senator from Texas further yield?

Mr. JOHNSON of Texas. I yield.

Mr. WILLIAMS of Delaware. I think the real answer to this question is not which political party voted for the most cuts or which political party talks the loudest. Actually, the question is which political party lived within its income by spending less than the amount of revenue.

Going back to 1900, there have been only 25 times when either political party has lived within the income of the U.S. Government. In the other 34 years, the Government has lived beyond its income. During this period there were only 11 times that the Republican Party operated our Government at a deficit, whereas the Democrat Party operated at a deficit in 23 of the 26 years.

In 22 years the Republican Party operated with a surplus. That does not take into consideration the estimated deficit of from $10 billion to $12 billion this year for which the actual figures are not as yet available.

On the other hand, the Democratic Party, which has had control of the Government for 26 years since 1900, has lived within its income but 3 years out of the 26. In arriving at the 26-year figure for Democratic control, I charged the 80th Congress to the Republican Party since President Truman disclaimed all responsibility.

The total shows that in 26 years the Democratic Party's deficits amounted to over $268 billion. Their surpluses in 3 years amounted to $3,800 million, leaving a net deficit of $265 billion. That is the amount which the Democratic Party spent over and above what it took in during their 26-year tenure in office.

On the other hand, in the years when the Republican Party was in control of the Government—33 years—in 11 years we had a deficit of $22,900 million. In the 22 years in which we had surpluses, we took in $20,800 million more than we spent. Therefore, our net deficit for the 33 years is a little over $2 billion. That does not include this year's deficit, which could bring the amount up to near $15 billion.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the complete record of both Republican and Democratic Parties.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Republican		Democrat	
	Deficit	Surplus	Deficit	Surplus
1900		$46,380,005		
1901		63,068,413		
1902		77,243,084		
1903		44,874,595		
1904	$42,572,815			
1905	23,004,229			
1906		24,782,168		
1907		86,731,544		
1908	57,334,413			
1909	89,423,587			
1910	18,105,350			
1911		10,631,399		
1912		2,727,870		
1913			$400,733	
1914			408,264	
1915			62,675,975	
1916				$48,478,346
1917			853,356,956	
1918			9,032,119,606	
1919			13,362,622,819	
1920				291,221,548
1921		509,005,271		
1922		736,496,251		
1923		712,507,952		
1924		963,366,737		
1925		717,043,353		
1926		865,143,867		
1927		1,155,364,766		
1928		939,083,301		
1929		734,390,739		
1930		737,672,818		
1931	$461,877,080			
1932	2,735,289,708			
1933			$2,601,652,085	
1934			3,620,631,943	
1935			2,791,052,100	
1936			4,424,549,230	
1937			2,777,420,714	
1938			1,176,616,598	
1939			3,862,158,040	
1940			3,918,019,161	
1941			6,159,272,358	
1942			21,490,242,732	
1943			57,420,430,365	
1944			51,423,392,541	
1945			53,940,916,126	
1946			20,676,170,609	
1947 [1]		$753,787,660		
1948 [1]		8,419,469,844		
1949			1,811,440,048	
1950			3,122,102,357	
1951				$3,509,782,624
1952			4,016,640,378	
1953	9,449,213,457			
1954	3,116,966,256			
1955	4,180,228,921			
1956		1,625,553,403		
1957		1,595,571,550		
1958	2,819,000,000			
Total	22,993,015,616	20,820,897,490	268,553,291,738	3,849,482,518

[1] Republican 80th Cong. President Truman disclaimed all responsibility.

Source: 1957 Report of the Secretary of the Treasury, pp. 336-339.

Mr. WILLIAMS of Delaware. Mr. President, as the Senator from Texas himself has said, I do not think it makes any difference which political party talks the loudest about cutting the budget. It is what is actually done by a party when in power that counts. The record shows that in the last 26 years when it was in power, the Democratic Party spent $265 billion more than it took in.

That startling fact stands unchallenged.

Mr. JOHNSON of Texas. Mr. President, the Senator from Delaware has demonstrated how partisanship can be brought into the debate. I have no objection. If the Senator wants to go back to 1900, or even to 1800, that is all right with me. I have never maintained that the Republican Party was not concerned with dollars. I think they are. I have never indicted the Republican Party for creating a deficit by themselves, or for creating a surplus.

I have said that Congress as an institution, over a period of 6 years, has reduced the amounts in appropriation bills. I have expressed the hope that we will do the same thing in the year ahead of us.

If anyone wishes to go back to 1900, he is perfectly willing to do so. He can go back and discuss McKinley and high-button shoes and many other things which happened in those days. He can even talk about Eugene Debs. But I am not interested in getting into that kind of discussion.

Mr. COOPER. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. COOPER. I heard the Senator from Texas tell the story of my former colleague, the late Vice President Barkley, about the cuckoo clock. I must say, with all deference to my late friend, and the friend of all of us, that I am certain no one in my State could ever be so confused, except, perhaps, by today's debate in the Senate.

Mr. JOHNSON of Texas. If the Senator will permit me to interrupt him; he has repeated the point I attempted to make, namely, that I thought a good deal of confusion would result from dragging in the cuts in authorizations, the vetoes, the amounts which might have been introduced, and the amounts which were introduced. I think that was the purpose of it.

Mr. COOPER. I think that anyone who has heard the debate or who will read the RECORD will know that it is a political debate and will look upon it with suspicion.

Perhaps my suggestion may seem elementary. I believe the debate can be resolved by determining the recommendations which the President made both for obligational authority and actual expenditures; and the action the Congress took in both fields, and then see what the result is. That is my comment on budget debate in past years.

Now I direct my remarks to the present. I do so because we are dealing with today's issues and because I believe the majority leader is a man of responsibility and a patriot.

Mr. JOHNSON of Texas. I thank the Senator from Kentucky.

Mr. COOPER. The President has submitted a budget of $77 billion. Some of those on the other side of the aisle have said today that, if it is not political, it is unrealistic. What they are saying is that the budget will not be balanced, even if all the President's recommendations shall be accepted. That is what they are saying.

Mr. JOHNSON of Texas. No; I do not know of anyone on this side of the aisle who has said that.

Mr. COOPER. I do not say that the majority leader said it. But the Senator from Tennessee [Mr. GORE] suggested it, as did the Senator from Pennsylvania [Mr. CLARK]. If what they say is true—that it cannot be balanced—then it calls for even greater responsibility upon the part of Congress. I must say that the responsibility will devolve chiefly upon the majority, because the Democratic Party is in power.

During the debate upon the two bills upon which the Senate voted recently, amendments were offered, the housing and the airport bill, on our side, but they they had no chance against the majority side.

Mr. JOHNSON of Texas. The Senator from Kentucky was a Member of the Senate in the 1st session of the 85th Congress. Does he not recall that there was a yea-and-nay vote on every appropriation bill in that session, and that, with very few exceptions, the votes were unanimous?

Mr. COOPER. Yes. I am speaking of today and I am saying that the Democratic Party is in power, and responsibility falls on it.

Mr. JOHNSON of Texas. Let us live up to our responsibility. The Senator's party needs advice. If he would simply confine his advice to the Members of his own party——

Mr. COOPER. I am speaking to the Senator from Texas, because I believe he is a man of responsibility. When the housing bill was before the Senate, the Senator from Texas himself urged a reduction in expenditures proposed in the bill. He said he believed the amounts in the bill could be reduced. I think that was a proper exercise of responsibility.

Mr. JOHNSON of Texas. The Senator will recall that in the 85th Congress that was done time and time again on practically every bill.

Mr. COOPER. A few days ago, the Senator from Montana [Mr. MANSFIELD] made an excellent speech, one which has been noted in the country, upon the tremendous problem and possible danger which the United States is facing in regard to Berlin. That brings up the question of defense. The Senator from Texas has been laboring hard in the vineyard to find out what we should do about defense—whether the funds proposed in the budget are sufficient.

I suggest to the Senator from Texas that before we launch into all other kinds of expenditures for things which we may desire, but may be able to postpone, that we decide what we need for defense.

Since the Senator from Texas is a responsible man, I ask him in all sincerity, Why would it not be possible for him to bring before the Senate the primary issue—what we need in the field of defense? Then we will be able to decide whether we can have all the other things, too, that are being proposed.

Mr. JOHNSON of Texas. I think the Senator has asked a very good question.

Mr. COOPER. I hope the Senator will take this action. All of us would feel more responsible and responsibility could be fixed on our parties, if we knew what the necessities of the country in defense were, and had made fast provision for defense.

Mr. JOHNSON of Texas. I think that is a very constructive suggestion. The Senator from Kentucky is always constructive, as I have observed through the years.

The appropriate committees of the Senate have been conducting hearings in an attempt to ascertain the facts and to ascertain what is needed. They have heard from the highest authorities in the executive branch of the Government. The Defense Subcommittee of the House Appropriations Committee has been holding hearings, day in and day out, in an attempt to determine whether the President's budget for the Defense Department should be increased or should be reduced. I am sure that committee will make a report as early as possible, consistent with obtaining all the facts.

We have had a series of hearings, both morning and afternoon, at which we have heard from almost everyone concerned, beginning with the Joint Chiefs of Staff, the Secretary of Defense, and those who represent the Space Agency.

Tomorrow morning the Space Committee will hold a meeting, at which it will appoint subcommittees to go into all the authorization requests the administration has made.

So I will say to the Senator that since this is early in February, I cannot give him any definite date. But, judging by my experience, at this time we are further along with the studies of this type, in this field, than we normally are; and I am encouraged by the fact—and, as the Senator from Kentucky knows, the Senate must wait for the House of Representatives to act first on appropriation matters—that Secretary McElroy or some of his agents had published in the newspapers, the other day, a story about the number of hours he had testified before congressional committees; and I observed that a considerable part of that time was before the Appropriations Committees.

So I hope we shall be able to comply in spirit, at least, with the Senator's suggestion.

Mr. GORE. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. In order to set the record straight—as the senior Senator from Delaware said he wished to do—let me state that what I was referring to was, not the expenditure budget, but the actual outgo, as compared with the President's estimates. I shall be glad again to read the figures into the RECORD.

Mr. WILLIAMS of Delaware. There is no dispute about them.

Mr. GORE. There seems to have been some dispute.

For the fiscal year 1956, the President's original estimate amounted to $62,400 million. The actual result was, not $62,400 million, or any lesser amount, but, rather, $66,500 million, or an increase of $4,100 million over the estimate.

For the fiscal year 1957, the President's original estimate was $65,100 million. The actual result again was, not a lesser amount, but a larger one—namely, $69,400 million, or $4,300 million over the estimate.

For the fiscal year 1958 the President's original estimate was $71,800 million. Again, the actual result was an increase—this time, a small increase of $100 million.

For the present fiscal year, the President's original estimate was $73,900 million. The latest figures show the actual result to be $80,900 million. But according to the estimates of the senior Senator from Delaware [Mr. WILLIAMS], when the fiscal year closes there will be a deficit of approximately $12 billion or $13 billion.

Mr. WILLIAMS of Delaware. Mr. President, at this point will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. WILLIAMS of Delaware. I am not disputing those figures, Mr. President. The Senator placed them in the RECORD the other day; and I said then that I thought those figures were correct. I did not question them. I said I recognized that the Congress had cut some of the appropriation items. But I understood the Senator from Tennessee to say the budget had not been balanced.

Of course, in balancing the budget, the items of income are placed in juxtaposition to the items of expenditure. But that has nothing to do with authorizations. The expenditures show the amounts spent this year, as a result of authorizations made, whether made last year or the year before that or as long as 10 years ago.

I was not taking exception to the figures the Senator placed in the RECORD. I understood him to say at the time that the budget was not balanced during those 3 or 4 years. I said that if the Senator made that statement, he was in error.

On the other hand, we are in complete agreement as to the figures he submitted.

Mr. JOHNSON of Texas. Mr. President, I think the two Senators have misunderstood each other.

Mr. GORE. Then I wish to correct the RECORD by saying that evidently I misunderstood the Senator from Delaware.

Mr. WILLIAMS of Delaware. I have said that several times.

But again I say the RECORD shows that the budget was balanced 2 years before.

I say that we shall have a deficit this year.

I repeat that I think Senators on both sides of the aisle can, if they wish, do a great deal of boasting about who was responsible for one appropriation item or another; but the fact is that both sides could have done better if they had tried; and I think the American people wish we had, because during the past number of years the deficit has been built up to $280 billion, as the result of the expenditures the Congress has made.

It is unfortunate that there were any deficits at all. However, I repeat that during the 33 years of Republican administrations, there were deficits in only 11 years; whereas during the 26 years of Democratic administrations, there were deficits in 23 years.

However, Mr. President, talk will not get us anywhere. Instead of talking, let us cut down this budget, so the Government will be able to live within its income.

I do not think there is anything sacred about a Presidential budget which is sent to the Congress. I believe the Government must live within its income, regardless of the political-party allegiance of the President who sends the budget to the Congress.

Mr. CLARK. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield. In fact, Mr. President, I should like to yield the floor. However, at this time I yield to the Senator from Pennsylvania.

Mr. CLARK. A few minutes ago our friend referred to the $335 million of Federal National Mortgage Association mortgages; and the Senator from Connecticut undertook to speak about the status of that item.

Inasmuch as I have been joined by the Senator from Tennessee in suggesting that the President's budget for the fiscal year 1960 was not actually balanced in accordance with good accounting procedure, I should like to make this brief statement for the RECORD: The $335 million of Federal National Mortgage Association mortgages is a capital asset of the Government which, if held to maturity, will be paid off in full. In order to obtain revenue sufficient to show a balanced budget, it is proposed that those mortgages be sold—probably at a discount. The Government will lose if it sells them; and it is not good accounting procedure to sell a capital asset in order to balance an operating budget. I think that is as plain as the nose on one's face.

I thank the Senator from Texas for yielding to me.

Mr. JOHNSON of Texas. I thank the Senator from Pennsylvania for his statement.

Mr. President, I wish to conclude—and then I shall yield the floor—by saying that I think the debate today has been a very helpful one. I believe the Senate has been informed, and I believe the country will be informed.

I listened with great interest to what was said by my friend, the Senator from Illinois, who always is polite and courteous and thorough. The only objection I have to his statement is that he included authorizations and a number of vetoed items and other matters which were not included in my original statement.

I am glad we still can disagree on matters, even including the budget, without being disagreeable. I have enjoyed the discussion.

Mr. President, at this time I yield the floor.

Mr. MORSE. Mr. President, before turning to the few matters which I shall discuss briefly, I desire to make a brief comment on the debate had this afternoon on the issue of balancing the budget. At every opportunity that I have to make this comment, I shall make it, in the hope that perhaps eventually some heed will be given to the recommendations of those in this country who I think are unquestionably our greatest experts on budgets. I mentioned them briefly the other day. I refer to the recommendations of the great industrialists of this country who are members of the Committee for Economic Development—most of them Republicans.

I am always surprised when I listen to my Republican colleagues in the Senate talk about the budget issue; for from their side of the aisle we get no comment about a capital budget. One would think that those Republicans in the Senate who are so concerned about this issue of a balanced budget would have joined some of us on this side of the aisle in support of a capital budget bill which would present the information to the American people about national facts.

The arguments by way of subjectivity that were heard on the Republican side of the aisle today are rather surprising. If anybody questions the President on anything, one or two of my Republican colleagues jump up and talk about the President's sincerity. Well, that is a very subjective term. I like to talk about his judgment or lack of it; and it is his lack of judgment on many issues which ought to be considered the basis for fair debate in the Senate.

PRESIDENT SHOULD STUDY UP ON CAPITAL BUDGETING

On the budget issue, the President is again showing his gross lack of information or understanding. If he had some understanding of the budget problem, we would hear something from him that would present the facts about expenditures to the American people, which it is necessary to do when we talk about a capital budget.

Sometimes I wonder whether the President knows the difference between a capital budget and the kind of budget he recommends to the Congress. I sometimes wonder if he knows that American industry and business is conducted on the basis of a capital budget, and not on the kind of budget that he is talking about balancing, one which lumps together administrative costs of Government and capital investments. The fact that business uses a capital budget should impress the President with the idea that it may have some virtues for the Nation, too.

I am at a complete loss to understand why my Republican friends, particularly my good friend from Delaware [Mr. WILLIAMS], who is now present in the Chamber, and who is one of the great authorities here in the Senate on all fiscal matters, does not support a capital budget. He knows whereof I speak when I point out that the Committee on Economic Development, which is composed of great financiers, industrialists, and businessmen of this country, are dead right when they recommend, as they

have since 1947, the setting up of a capital budget, which would present to the American people for the first time the facts about the fiscal condition of Uncle Sam.

When one takes into account the expenditures by the American people for capital investment—the revenue-producing, profitmaking capital investments of the Federal Government—which should never be carried as a part of the operating expense budget, then it becomes clear to the American people that all this talk about balancing a budget is empty politics—just empty politics.

Mr. President, I have no intention of voting, under the catchy label of "a balanced budget," against investing Federal funds in capital improvements necessary to promote the economic welfare of the American people. When we invest in such projects, we are not unbalancing a true budget. When we sit in this session of the Senate, as I hope we shall, and vote to override the President of the United States in his "knifing" of some needed capital investments so essential to improve the economic welfare of our people, we shall be strengthening the fiscal condition of this Government, and not weakening it. I shall soon have my capital budget bill ready again; it is now being perfected by fiscal experts. When I reintroduce it again in the not too distant future, Mr. President, I shall be presenting a proposal for a budget which will strengthen the fiscal condition of this country. I will not be joining with the President of the United States, but I will be voting against him, as he attempts to postpone appropriations for the needed developments in our country which are so essential if we are going to maintain a strong economy.

It is difficult to understand a President of the United States who thinks, for example, that we are helping the fiscal condition of this country by making recommendations which will hold back further the development of the energy resources of America. This civilization of ours is going to climb on the energy we produce, not on the energy Dwight D. Eisenhower prevents us from producing. Our civilization is going to climb on an expanding economy. We are not going to feed any flames of inflation, Mr. President, by appropriations of that type.

I will tell Senators what is likely to happen to us. If we follow the fiscal recommendations of the President of the United States, unemployment is going to increase again, because we are already beginning to see that in connection with a subject matter I shall discuss shortly. We are a long way from solving the problems of the recession.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Colorado.

Mr. CARROLL. I should like to ask the distinguished Senator from Oregon a question concerning a statement he has made regarding the preparation of a bill in the form of a capital budget. I have read, not only recently, but for many years, the very strong position taken by the distinguished Senator from Oregon about the capital budget theory. It is a very appealing matter to the junior Senator from Colorado.

As I listened to this very learned discussion, I wondered whether it would be possible to translate the President's present budget into a capital budget, to give us an idea of what would be involved.

Mr. MORSE. It would be easy to do so, and we will do it when the bill is presented and when we present the argument in support of the bill. We can take from the President's budget the capital investment items, putting on those items the capital investment label. The President now includes those items in his combined budget, carrying them as operating costs. When we consider the capital investments, we can easily see that Uncle Sam's budget is in fact not out of balance. This is a matter of definition, as to whether the budget is balanced or whether the budget is not balanced.

What do we mean when we say "balanced"? Do we mean we should include the cost of Grand Coulee as an operating expense, and have a balanced budget, or that we should take out those expenditures that will be repaid and set them aside in a capital investment budget, when we are considering a balanced or unbalanced budget?

Some of this is nonsense. The fact is that the President has added up two columns of figures, and he is frightening the American people into believing that because those columns do not come out even, as the Congress has been appropriating the money, we have an unbalanced budget. The President knows the average citizen is not going to put to himself questions dealing with such abstractions as "Well, what is included in the budget? Does the budget include capital, revenue-producing investments?"

The answer is "Yes."

When one looks at the budget from that the standpoint instead of using the President's major thesis, then the budget looks quite different. When one takes out the capital investments and looks at them as revenue-producing assets, as wealth belonging to the American people, the budget does not look bad at all, in terms of "balance." It would look bad, however, in that it provides so little for capital investments, compared to what is needed.

I was interested in the remarks made this afternoon by the Senator from Connecticut about the FHA mortgages. The Senator said that, after all, those were taxpayers' dollars which were invested in the mortgages. Those are not lost dollars. We have not burned up the greenbacks which went into those mortgages. Those mortgages are wealth belonging to all the American people. Why do we talk about those things as though they were liabilities?

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CARROLL. The Senator, then, would distinguish between those appropriations and that type of Government money which is spent, for example, for the military for items which may become obsolete, and that type of Government money which is spent to increase the wealth of the Nation.

Mr. MORSE. I shall be glad to reduce it to a very simple example. Let the RECORD show that I do not carry this argument by analogy too far, but it will illustrate my point.

Let us consider as an example the household budget of the Senator from Colorado. Let us assume that when the Senator makes his annual bookkeeping account he finds that he has a vacant lot in Boulder, Colo.; that he has $10,000 in bonds in a safety deposit box in a Denver bank; and that he has a farm in southeast Colorado. How would the Senator include those items on his books? He would include them as capital investment assets. That is what the FHA mortgages are, so far as Uncle Sam's books are concerned. That is what Grand Coulee, Bonneville, McNary, and all the other great dams are.

We ought to consider these items as separate and distinct items. That is what the Committee for Economic Development has been telling us ever since 1947, in its proposal for a capital budget. That is what the first Hoover Commission told us to do. We ought to consider these things separately from the problem of balancing administrative costs of the Government against income. It is that simple, and every corporation in America does it. But the Federal Government does not.

This practice is not limited to the Republican administration. I was pleading for a capital budget when we had a Democratic administration.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. MORSE. I yield further.

Mr. CARROLL. I should like to ask another question for information, because I think this can be developed into a very interesting discussion. I asked if we could have a capital investment budget on a comparative basis with the President's budget, because I read in the RECORD the other day, I believe, that many municipalities have capital investment budgets.

Mr. MORSE. Yes. The Senator from Pennsylvania [Mr. CLARK] pointed out in our colloquy the other day, that the Federal Government has not done nearly so well as many cities in this country in the setting up of business-like budgets. When one considers the budget account of a city one gets a much more—I was about to say "honest" but I will say "accurate"—accurate presentation of the fiscal facts than one gets from the Federal budget. All I am requesting, in urging the adoption of a capital budget, is that we set up our budget in a form so that the American people will really see, when they take a look at the budget, what are the assets and what are the liabilities.

Mr. CARROLL. If the Senator will yield further, I should like to continue searching for information, because I have followed the remarks of the distinguished Senator from Oregon on this matter for many years.

Why would the Democrats not adopt such a system? What is the reason both

administrations have failed to follow the recommendations of the Committee for Economic Development?

Mr. MORSE. I cannot give the Senator the reason. I do not know the reason. I will give the Senator my surmise.

In the administration of the Federal Government we are creatures of habit. It is very difficult to change old habits. We have done our national budgeting this way so long that there does not seem to be very much interest in changing it. I think the Senator observes the same is true with regard to many things connected with the operation of the Senate. Can the Senator give me any reason for a lot of rules which we have and under which we keep operating? We are creatures of habit about these things.

Could anyone really justify the meeting hours of the Senate before the Committee on Rules and Administration? Can they possibly be justified on the basis of efficiency? We begin our sessions at 12 o'clock noon with half a dozen Senators present. During the next 2 hours we eat in relays. There is no orderly, businesslike procedure for transacting the business of the Senate. We like to think there is. If we were to bring in some high school seniors as judges, we would flunk the test of efficiency in Senate procedure.

For many years I have proposed that in the early part of each session the Senate should begin its sessions from Monday to Thursday at 9 o'clock a.m., continuing until 12:30, with a recess, resuming at 2 o'clock and continuing until 5. I have advocated a rule of germaneness during those hours. Beginning at 5 o'clock we could do our so-called chore work and discuss any item other than the business before the Senate.

Let any Senator make that proposal, and see how many votes he gets. Yet that is the only common sense, orderly procedure for any parliamentary body.

People sit in the galleries and cannot understand the slipshod, inefficient manner in which the Senate conducts its business. It is wasteful. I cannot explain why the Senate does so, except that we are creatures of habit and historic tradition, but that is not efficiency. I make the same explanation as to why for years, Democratic and Republican administrations alike have not followed the recommendations of the experts on budget making.

Mr. CARROLL. Have not the Treasury Department and the other agencies of Government heard of the requests from the Committee for Economic Development? Has any administration, Democratic or Republican, ever given reasons for not following this sensible system of budgeting?

Mr. MORSE. The nearest approach we have made has been recommendations for study.

Mr. CARROLL. And that study has been in progress over 10 years, has it not?

Mr. MORSE. The Committee for Economic Development completed its study several years ago. So did the first Hoover Commission. I think we should act on the recommendations.

Mr. CARROLL. Is that committee still in existence?

Mr. MORSE. Yes. Of course it works on a great many other problems.

Mr. CARROLL. Do the recommendations still stand?

Mr. MORSE. The first such proposal was made in 1947, when Paul Hoffman was Chairman. I brought the recommendations to the floor of the Senate in 1947 and offered them. That was one of the recommendations.

In my judgment the Committee for Economic Development has done a magnificent job in the field of taxation over the years. I believe the tax reports of the Committee for Economic Development are among the best that have been made available to us. We did not follow many of the Committee's recommendations.

I believe the Committee for Economic Development was very helpful to the Hoover Commission, in bringing about the adoption of some of its recommendations.

It is my hope that my bill and my speech on the capital budget will be ready in about 2 weeks. I shall give the Senator advance notice, because I should like to have him present during the discussion. Knowing him as I do, I shall be very much surprised if I do not find him among my partners in the endeavor to have this recommendation adopted.

Mr. CARROLL. I shall follow the subject with a great deal of attention. I know that we need some constructive thinking in this field, and I hope we can effectuate a change. I believe it would be in the public interest.

Mr. MORSE. I thank the Senator very much.

Mr. President, I now turn to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

MINIMUM WAGE AMENDMENTS

Mr. MORSE. Mr. President, I join with my distinguished colleague, the junior Senator from Massachusetts [Mr. KENNEDY] in cosponsoring the legislation he has introduced which will make certain amendments and improvements to the Fair Labor Standards Act of 1938. In doing so, it is my profound hope that under his leadership this long overdue measure, so desperately needed, will at last become law.

It is not the first time I have advocated such changes which I deem to be so necessary for the well-being of the lowest paid American citizens and for the stability and health of our national economy. Both in 1958 and in 1957 I joined with other of my distinguished colleagues in introducing such legislation. Last year, in a speech before this body on May 1, I noted that we were confronted with two inescapable facts—a major recession and an unimaginative leadership. We are today confronted with no appreciable improvement in either of these two conditions. The financial pages of our newspapers have only recently described the slowness with which the Nation's economy is recovering from its low point of last year. In many States, large numbers of unemployed remain as a challenge to the ingenuity of our free economic system and illustrate a tragic waste of human resources.

As I said last year, the President's program is limited to a plea for salesmen to sell harder and for the consumers to buy what they cannot afford. In its plea for a so-called balanced budget without regard to consequences, the administration has gone even further than before in its failure to supply leadership in the midst of what continues to be, for multitudes of people, a serious recession.

One way to speed our recovery is to build up the purchasing power of the consumer. Confidence, not only to the consumer, but also for the businessman, large and small, depends upon such restored purchasing power. This calls for immediate action—not McKinley economic policy.

Whenever we fail to guarantee the worker a minimum wage, we risk the possibility of denying him the necessary purchasing power to satisfy his own needs, and those of the economy. By permitting employers the opportunity to pay substandard wages we encourage them, in fact, to do so. By paying substandard wages, the employer weakens the ability of his employee to buy his neighbors goods and services, to pay for better schools, to acquire living space so that his family may grow up in human dignity. Not only is the employee unable to meet a minimum standard of living, but in turn, his neighbor, from whom he buys, becomes unable to purchase. Thus, the vicious cycle of depression starts and runs its course. Once a recession gets underway, great pressure is placed upon the employer to lower his wages. Shrinking markets mean layoffs and reduced wages for employees.

To meet these conditions, the legislation which we introduce today establishes a floor below which the free run of economic forces is unable to force the further exploitation of low-wage workers. The more people are covered by minimum wage laws, the less is the temptation and the necessity for lower rates.

Perhaps even more important than the raising of the present minimum wage from $1 to $1.25 is the necessity to extend minimum wage coverage to large numbers of hitherto exempt wage earners. It strikes me just as unbelievable as it did last year, that more than a million retail and service workers make less than a dollar an hour. Indeed, that a hundred thousand of them make less than 75 cents an hour is astounding. I wonder how many of us, or indeed anybody we know of, could support a family, indeed even one person, on such remuneration.

Senator KENNEDY has made note of the fact that we will come to grips with the problems facing agricultural employees in separate bills. The farm labor problem, as he says, presents many special complexities but, nonetheless, it

is our determined intention to press forward with legislation in aid of the farm employee with as much sense of urgency as that which we will expend in behalf of the bill we are introducing today.

MIGRANT WORKERS NEED ATTENTION

I digress to say that while sitting here chatting with my good friend from Minnesota [Mr. McCARTHY], we were talking about the need for special legislation to come to grips with the agricultural employee problem, particularly the problem of the migrant worker. Some of us attended the meeting at the Mayflower Hotel the other night, and listened to a discussion of the migrant workers' problem. Conditions are so sad and shocking that I am satisfied that if we could get the facts out to the farm population of the country, we would find a resounding rejection of any idea that such conditions should be permitted to continue.

Of course what is actually happening is that we are asking the migrant workers to be the contributors to a subsidy by working for less than a decent wage, and living, in many areas, under living conditions which are so deplorable that they can be characterized only as truly un-American.

Therefore I believe the Senator from Minnesota [Mr. McCARTHY] hit the nail on the head when, in conversation with me this afternoon—and I am sure he will not object to my saying it on the floor—he said that at one time, when he was a Member of the House, he suggested we ought to have some legislation which would guarantee at least 90 percent of the minimum wage being paid in every area of agriculture where there was an advocacy of 90 percent of parity.

He could not have stated the matter more clearly. Of course I am in favor of 100 percent of parity so far as the application of the minimum wage is concerned. I know of no good reason why the minimum wage should not be applied to people who produce the food of this Nation, the same as it is applied to those who produce any other consumer goods.

As I said, I recognize the complexities of this problem and the necessity of dealing with it in specific legislation. In making my statement today, I wish to serve notice that I shall participate in the introduction of separate legislation in the field of minimum wages for agricultural employees.

There is just one observation I should like to add to those offered by my colleague from Massachusetts. I have heard much from certain quarters about the terrible danger of inflation. In particular, we have been told that labor should exercise restraint in seeking higher earnings. I would be most impressed by these pronouncements if they were accompanied by some evidence of concern for employees. Indeed, every Member of this Senate would deplore wages that are substandard and conditions of living that are below standards of decency. The time has come, I believe, to proceed promptly to correct wage inequities now suffered by millions of our fellow Americans.

I deem it a high honor and privilege to join the Senator from Massachusetts [Mr. KENNEDY] in cosponsoring the bill which he has introduced on behalf of the two of us, and which is being introduced in the House by that very fine Representative, JAMES ROOSEVELT.

I now turn to another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

THE OATH AND AFFIDAVIT PROVISIONS OF THE NATIONAL DEFENSE EDUCATION ACT

Mr. MORSE. Mr. President, shortly after the National Defense Education Act became law last year, I received from the American Association of University Professors, as did all members of the Senate committee, a detailed explanation of why that organization opposes the loyalty affidavit provision of the act. That provision was added to the bill on the floor of the Senate by a floor amendment.

This provision is section 1001(f)(1) in title X of the National Defense Education Act. It provides that no funds "shall be used to make payments or loans to any individual unless such individual, first, has executed and filed with the Commissioner an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods."

Last December, I asked the staff of the Senate Labor Committee to prepare a memorandum on the subject of this provision, discussing the need for it. I also asked that the memorandum include the pertinent information on where else in Federal law such affidavits are required, or where an oath of allegiance or information about membership in such organizations described is required as a condition of doing business with the Government or receiving some benefits from the Government.

I pointed out to the AAUP that public officeholders, for example, must take an oath to uphold the Constitution, and information about activities in subversive organizations is requested of applicants for Federal jobs.

The AAUP then indicated that it has no objection to the affirmative oath of allegiance contained in the National Defense Education Act in section 1001(f)(2).

A few days ago, Reed College, in Portland, Oreg., turned down its grant of money for its student loan fund because its administrators object to the affidavit requirement.

The loss of the $3,349 allocation to Reed College for student loans means a great deal to that institution. I know the decision was not taken lightly or easily. Nonetheless, this school has stood up for a principle.

It is my earnest hope that the Education Subcommittee of the Senate Labor Committee will act soon on S. 819, introduced by the Senator from Massachusetts [Mr. KENNEDY] repealing the affidavit requirement in this act. It is quite possible that neither the oath nor the affidavit is desirable in the act. Certainly the affidavit is not.

I hope the information I have requested be furnished to the committee members by the staff will give us the background on the whole subject, so we can proceed to consider the bill. It is important that a school like Reed College not be penalized any longer for standing up for a principle.

I ask consent to have printed at this point an editorial from the Eugene (Oreg.) Register-Guard of February 4, entitled "Reed College and a High Principle," and editorials from the St. Louis Post-Dispatch and Medford Mail-Tribune.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Eugene (Oreg.) Register-Guard, Feb. 4, 1959]

REED COLLEGE AND A HIGH PRINCIPLE

Reed College, through its president, Richard H. Sullivan, has turned down a $3,349 grant from the Federal Government. The scholarship money, made available through the National Defense Educaton Act, is forthcoming only if beneficiaries of this largess sign loyalty oaths. Reed's president says he turned down the money because "singling out teachers and students as people not to be trusted gets under my skin."

Good for Reed. Perhaps this action will call attention to Senate bill 819, introduced by JOHN KENNEDY, of Massachusetts. This measure would remove the loyalty-oath requirement from the act. It has the support of numerous Senators, including RICHARD L. NEUBERGER, of Oregon.

The idea of the loyalty oath is a direct slap at the intellectual community. It is a hangover from the "know-nothingism" that swept America before the Civil War and that recurs periodically in the form of Ku Kluxism or McCarthyism. The target in all cases is the educated man.

We do not think it can be shown that a loyalty oath has ever, ever been used to trap a spy. Any spy worth his rubles will sign anything if his signature will help him in his dirty business. Those who refuse to sign have been persons of principle who objected to being singled out as unduly suspect because of their professions. If refusal to sign is taken as an admission of guilt—a "fifth-amendment Communist" kind of thinking—are we to believe that any really subversive person would refuse?

The scholarship program that Reed will not be a part of costs the Federal Government $250 million a year. It is small potatoes, indeed, compared with the farm-subsidy program, which costs nearly $5 billion a year. Yet those who receive money under the subsidy program, 18 times as costly as the scholarship program, are not asked to sign loyalty oaths. For all that subversion on the farm is not a common problem, it is just as true that it is no great problem in the colleges and universities.

Oregon, alone among the States on the coast, has never required a loyalty oath of its professors. This is due in part to the intensive lobbying in legislative halls in 1951 by W. M. Tugman, former editor of this newspaper; Charles A. Sprague, editor of the Oregon Statesman; and State Representative Earl Hill. All are Republicans. They were joined by Democrats like Maurine Neuberger and Robert Holmes. It was a tough battle, fought in a year when McCarthyism was riding high. They found support for loyalty oaths in surprising places, but they persevered and they won.

It is fitting that Reed, an Oregon college which is badly in need of all the money it can get, holds firm to the high principle.

[From the St. Louis Post-Dispatch, Feb. 5, 1959]

AN OATH THAT HURTS THE NATION

Reed College in Portland, Oreg., one of the better small colleges, has refused to accept money under the National Defense Education Act because a loyalty oath is demanded of those receiving grants or loans. This positive action follows appeals by the presidents of Harvard, Yale, and Princeton for repeal of the oath provision. The Association of American Colleges meanwhile is polling its 750 members on the question.

Such oaths, said President Griswold of Yale, "seem to represent a lack of confidence in young people and in their future, as well as in the educational process itself. They tend to alienate the good will of the loyal citizens without gaining a corresponding advantage in protecting the public against the actions or intentions of the disloyal."

More concretely, the oath requirement is preventing the use of a good part of the $900 million made available under the legislation, and thus it is delaying the training of the scientists, mathematicians and linguists needed in the defense of the Nation. After all, this law was not passed merely to aid education, but to make educated persons available for national service. Without repeal of the oath requirement, it is partly self-defeating.

[From the Medford Mail-Tribune, Feb. 8, 1959]

OBJECTIONABLE LOYALTY OATH

Most Americans are patriotic, and completely dedicated to the welfare of their nation. They abhor this Nation's enemies. And many of them cannot understand why anyone would object to taking a so-called loyalty oath.

They, in their patriotic fervor, would be willing to raise their right hands and swear that they never have, do not now, and never will, advocate the forceful or illegal overthrow of the U.S. Government.

And they can't understand why anyone else would.

Let's look at it this way:

If they were applying for a job, and one of the conditions of employment was that they swear they had never beaten a small child to death, and will never do so, they'd probably be mad as hops.

"What kind of a stinking bum do you think I am?" would be their rejoinder, as they stalked off in search of a job where they could hold up their heads in pride and dignity.

It is for very similar reasons that the teaching profession feels discriminated against when asked to take such a negative loyalty oath.

They have no objection to a positive oath—one in which they declare they will uphold and support the Constitution and the laws and the ideals of the Nation.

One of the most lucid explanations of this situation we have seen was in a recent editorial in the Eugene Register-Guard, which said:

"The idea of the loyalty oath is a direct slap at the intellectual community. It is a hangover from the 'Know-Nothingism' that swept America before the Civil War and that recurs periodically in the form of Ku Kluxism or McCarthyism. The target, in all cases, is the educated man.

"We do not think it can be shown that a loyalty oath has ever, ever, been used to trap a spy. Any spy worth his rubles will sign anything if his signature will help him in his dirty business. Those who refuse to sign have been persons of principle who objected to being singled out as unduly suspect because of their professions. If refusal to sign is taken as an admission of guilt—a fifth amendment Communist kind of thinking—are we to believe that any really subversive person would refuse?"

The president of Reed College, Richard H. Sullivan, recently announced the college would turn down a $3,349 grant from the Federal Government for scholarships, because of the fact that beneficiaries must take a form of the negative and discriminatory loyalty oath.

Dr. Sullivan objected because "singling out teachers and students as people not to be trusted gets under my skin."

The objections can be summed up in two points:

1. It is useless.
2. It is a gratuitous insult to an honorable profession.

That is why teachers object to it, and we think they are right.

Mr. MORSE. Mr. President, I also ask consent to have appear at this point my radio broadcast to Oregon of February 10, in which I touched on this point; and letters I have received from the President of Oberlin College, the dean of the Liberal Arts College of the University of Oregon, the faculty of Lewis and Clark College in Oregon, the American Association of University Professors, and the Oregon chapter of the American Civil Liberties Union.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RADIO BROADCAST OF SENATOR MORSE, FEBRUARY 10, 1959

Fellow Oregonians, before taking a brief recess for the Lincoln and Washington birthday holidays, the Senate concluded work on a very important piece of legislation. This was the housing bill, a bill like the one the Senate passed last year and which was lost in the House of Representatives largely because of the administration's opposition to it. I was a cosponsor of the bill and, because it is so important to Oregon, I would like to discuss it briefly on this broadcast.

Briefly, here is what the new Housing Act of 1959 provided: First, it revitalized the veterans' housing program. Under it, $150 million was added to the revolving fund for direct loans to veterans for homes. We had figures from the Veterans' Administration showing a tremendous backlog of applications for direct loans that could not be granted because the money had run out. The bill as introduced provided a fund of $300 million for that purpose because that is the amount the Veterans' Administration says is needed to take care of this backlog. But the cry of "economy" from the administration carried the day for the forces that wanted to cut in half the veterans' direct-loan program. They reduced it to $150 million. I very much regret the adoption of that administration amendment, and I am hopeful that, since the House of Representatives provided the necessary $300 million for veterans' loans, most of it can be retained in the final bill.

These veterans' loans are primarily for those veterans living in rural or small town areas where credit for home loans is not readily available. It is of vital importance to States like Oregon, and to our veterans, that funds be available for home loans regardless of the area in which the veteran happens to live.

I might point out that these direct loans are above and beyond the regular private loans to veterans that are only insured by the Veterans' Administration. This important program continues as before, except in one important respect, and that is the interest rate.

The private sources of money for housing loans have been on what amounts to a financial strike against veterans for the simple reason that the interest rate was fixed by law, and they could get a higher interest rate by lending to nonveterans. As the people of Oregon well know, I have fought at every opportunity against the administration policy of raising interest rates. Higher interest rates were largely responsible for the decline in housing starts; they priced homes out of the market, so to speak. The cost of borrowing the money to build became so high, so many families who wanted and needed new homes put off the decision to build.

We did succeed for a time in holding the line on the interest rate that could be charged to veterans. But eventually lenders simply stopped lending to veterans. That unfortunate situation was remedied only in part by the direct Government loans, because these were available only in rural areas. This year, the hue and cry for higher interest rates on veterans' loans was louder than ever. And by the time the bill had passed the Senate, the rate was raised from 4¾ percent to 5¼ percent.

I am proud to say that once again I was among those who cosponsored the amendment to leave the interest rate where it was. I do not believe in giving in to this kind of political blackmail on the part of moneylenders and the administration. Every time Congress has given in on the subject of interest rates for one particular type of loan, it has merely increased the pressure to raise rates all the way around, both of private and public financial transactions. Had our amendment to hold the line on veterans interest rates prevailed, we would then have required that mortgages at that rate be supported at par by the Government.

That would have held the line on inflationary interest rates, and assured the veterans of a source of loans, as well.

We lost on that round, and that was one deficiency in the bill, in my opinion.

But weighted against it are the continuation of loans to veterans, and the extension of the Federal Housing, or FHA loan guarantees. The authority of FHA to guarantee nonveteran loans had run out, and in this measure we authorized the FHA to guarantee an additional $5 billion worth of home loans in fiscal 1959, and another $5 billion worth in 1960. This does not mean the Government is putting up the money. It is only insuring loans totaling that amount.

At the same time, we extended and improved the loans for property improvement. This is the program that enables American families to borrow money to repair or modernize their homes. A great deal of construction work has been made possible under this program, and it is important that it be continued.

These were the major provisions in the housing bill. Although I believed the bill should have gone further in providing for slum clearance and public housing in our great cities, it will certainly have a stimulating effect upon the lumber industry.

In the committee hearings on this measure, it was estimated that if the bill were enacted into law before the spring construction season begins, it could increase the number of housing starts this year by 200,000. That would bring the annual rate to 1,400,000 new homes.

It was also estimated that half a million new jobs would be created by the bill. A great many of these new jobs would, of course, be in the lumber industry.

That is why I cosponsored this legislation even though I believe it had some defects. Its overall impact upon Oregon and the construction industry will be good. It could have been better, but faced with so much opposition from the administration, it is a pretty good housing bill.

I took the time to discuss it today because it came before the Senate just at the time when unemployment in Oregon was the highest in the Nation. For the first week of 1959, the rate of unemployment across the Nation was 6.2 percent; but in Oregon it was 10.4 percent. For the following week, the national average of working people drawing their unemployment compensation was 6 percent; in Oregon it was 9.8 percent.

This high rate of unemployment, is, of course, in large part seasonal. It reflects directly the winter slowdown in lumber. But it also reflects the fact that our State is tied very closely to the lumber industry.

It is also important to bear in mind that as home construction has revived and the lumber industry has returned to the levels of production of 2 and 3 years ago, employment has not picked up at the same rate.

The lumber industry, in Oregon and elsewhere, is finding ways of turning out the same amount of lumber without rehiring all the people it laid off during hard times. I do not fool myself into thinking that this housing bill will solve the unemployment problem for Oregon. It will help; but it will not do the whole job.

We must continue to renew our efforts to diversify the industry of our State and of the entire Pacific Northwest. In addition to lumber, we must develop our other great natural resources, that of low-cost water power.

Cheap power is a great attraction to new industry, and it is one we must take more advantage of than we have to date. New industry using low-cost power can bring new payrolls to Oregon, and relieve our dependence upon lumber for prosperity and progress.

I pledge my continuing efforts to do whatever is necessary at the Federal level to achieve that goal.

One additional item I wish to mention on this broadcast is one that grew out of the National Defense Education Act passed by the Congress last year. I told this audience about that bill several times last year, and I believe it was a great forward step in meeting this country's obligation to maintain high educational standards, particularly in science and mathematics.

Unfortunately, there was added to this law on the floor of the Senate a provision called the loyalty oath. It required all persons receiving any financial assistance, either by loan or grant, to file with the Commissioner of Education an affidavit that he does not believe in, is not a member of and does not support any organization that believes in or teaches the violent overthrow of the Federal Government.

The American Association of University Professors and the heads of several of the outstanding colleges and universities of the country have denounced this requirement in the law. They point out that they have no objection to an affirmative oath of allegiance of the kind taken by a public official or members of the Armed Forces.

But those who would receive loans or grants under the bill are required to do much more than pledge allegiance to the Government. And as a result, Reed College in Portland has turned down its share of the loan money made available to it under the law. As President Richard Sullivan of Reed College put it, he turned down the money because, and I quote him: "Singling out teachers and students as people not to be trusted gets under my skin."

I am happy to report that legislation is already before the Congress to eliminate this requirement from the law. The Subcommittee on Education of the Senate Labor Committee, of which I am a member, informs me that it expects to take up the matter within a very few days. Several weeks ago, I had asked the staff of the committee to make a study of this provision to determine whether it went beyond the pledges required of others who receive aid from the Federal Government, and whether it was in fact deemed necessary by those responsible for administering the law.

Since then, the administration itself has requested that the "loyalty oath" be removed from the law. I hope this will be done quickly, and I shall urge early consideration of it upon my colleagues on the Labor and Public Welfare Committee of the Senate.

Reed College and the many other fine colleges and universities in Oregon and throughout the country should be able to set up their loan funds just as quickly as possible; they should not be deterred from doing so because of their natural and understandable dislike of taking oaths and signing affidavits of this kind.

There are better and more efficient ways of keeping track of the handful of conspirators in our country than this method of demanding that hundreds of thousands of students, teachers, and school administrators sign this kind of affidavit. I shall be making every effort to get it repealed as soon as possible.

There are a great many other issues I would like to have the time to talk to you about but they will have to be postponed until our next broadcast. I do want to say that I am particularly pleased with the progress that we are making in this session of the Senate. Already we have passed the housing bill, we have passed the airport bill. I had hoped to talk about that today. We are well on our way to the consideration of a labor bill, the education bill is under hearing, and my hearings on the railroad retirement bill of the Labor Committee are about to be completed. I think that the performance of this session of the Congress thus far has just been plain remarkable.

This is WAYNE MORSE reporting to you from Washington, D.C.

OBERLIN COLLEGE,
Oberlin, Ohio, February 6, 1959.

Senator WAYNE MORSE,
Senate Labor and Public Welfare Committee, Senate Office Building, Washington, D. C.

DEAR SENATOR MORSE: I am writing for the faculty of Oberlin College to express strong opposition to title X, section 1001(f)(1) of the National Defense Education Act of 1958, which reads:

"No • • • funds • • • shall be used to make payments or loans to any individual unless such individual (1) has executed and filed with the Commissioner an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods."

Our opposition is not directed against the oath of allegiance (title X, sec. 1001(f)(2)) which the act includes, but only to the foregoing quoted provision which is, in effect, a test oath. Such test oaths have aroused resistance many times before in the course of English and American history. An individual is compelled to make a statement disclaiming objectionable associations and beliefs in order to gain the benefits of the program. In our view this is unnecessary and unreasonable.

The provision of the oath concerning belief is particularly repugnant. We object to the notion that an individual should be penalized because of a mental state where no overt act has occurred. We fail to see how justice can be done in any proceeding to enforce this provision concerning the content of a human mind. We agree heartily with the late Justice Jackson, who said:

"Our forefathers found the evil of free thinking more to be endured than the evils of inquest or suppression. They gave the status of almost absolute individual rights to the outward means of expressing belief. I cannot believe they left open a way for legislation to embarrass or impede the mere mental processes by which those expressions of belief are examined and formulated. This is not only because individual thinking presents no danger to society, but because thoughtful, bold, and independent minds are essential to wise and considered self-government."

Suspicion directed at the students and teachers in our colleges and universities is completely unwarranted. Their understanding of and devotion to freedom and the cause of democracy is not surpassed by any other group in our society. We concur in the statement of Mr. Bentley Glass, president of the American Association of University Professors, who commented on the test oath as follows:

"If an individual refuses to sign, he raises a suspicion that he is unworthy of public trust or benefit. If he signs, he endorses the pertinency of the generally suspicion about him and his kind which it embodies in the requirement."

The stand now taken by the Oberlin faculty against the test oath in the 1958 act is fully in accord with its proudest traditions. In 1952 the faculty unanimously adopted a resolution which included these statements relevant to the present issue:

"Times of crisis present sharp challenges to the professed values of a democratic society. At such times it is tempting to measure all things by the rough standards of unity, loyalty, and orthodoxy. The inevitable tendency is to restrict such fundamentals of democracy as discussion and debate, and even to make divergence of opinion appear dangerous.

"The Oberlin College faculty regards all forms of interference with intellectual freedom, discriminatory loyalty oaths, censorship, and other restrictions on free speech and thought as inimical to the democratic way of life."

In view of the objections and considerations stated above, we earnestly request that the test oath incorporated in title X, section 1001(f)(1) of the National Defense Education Act of 1958 be immediately repealed.

Sincerely yours,

DONALD M. LOVE,
Secretary of the Faculty.

UNIVERSITY OF OREGON,
COLLEGE OF LIBERAL ARTS,
Eugene, Oreg., February 11, 1959.

Senator WAYNE L. MORSE,
United States Senate,
Washington, D.C.

DEAR SENATOR MORSE: The department heads of the College of Liberal Arts at their meeting last week requested that I write to you to ask your support of Senator KENNEDY'S amendment to repeal the negative oath requirement of the National Defense Education Act. As you know, the act contains two provisions respecting the oath: (1) An oath (or affirmation) of allegiance to the Constitution of the United States, and (2) a disclaimer oath that asks recipients of loans or fellowships to declare that they "do not believe in, and are not a member of and do not support any organization that believes in or teaches, the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods."

It is the second of these to which department heads object on the basis that the negative oath is wrong in principle, that it is unnecessary in view of the affirmative oath carried in the act, and that it sets apart and discriminates against a small segment of American people.

May I add that earlier in the week, Dean Charles T. Duncan and I jointly offered a resolution to the faculty in support of the Kennedy amendment. Under our faculty

provisions, this resolution will not be acted upon until it has been reviewed by the senate and is presented to the faculty again at its March meeting.

I know that you will understand the position of faculty members on this matter as few other Senators do and I shall, therefore, greatly appreciate your efforts on our behalf.

Sincerely yours,

ROBERT D. CLARK, *Dean.*

LEWIS AND CLARK COLLEGE,
Portland, Oreg., December 30, 1958.

Senator WAYNE L. MORSE,
United States Senate,
Washington, D.C.

DEAR SENATOR MORSE: The Lewis and Clark College Chapter of the American Association of University Professors has unanimously voted to urge the repeal of the "loyalty oath" section 1001 of the National Defense Education Act of 1958. The national A.A.U.P. has long opposed such oaths as both contrary to academic freedom and useless to national defense. The chapter has instructed me to notify you of this vote, and to secure your opinion on this section and to determine what specific steps you will take to remove this oath from the law.

We all recognize the need for a strengthened financial basis for higher education, but we deplore the attaching of such an oath to this otherwise commendable measure.

Sincerely,

DONALD G. BALMER,
President, Lewis and Clark College Chapter, A.A.U.P.

AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS,
Washington, D.C., December 19, 1958.

Hon. WAYNE MORSE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MORSE: With this letter you receive a copy of a letter of November 1 by the president and the general secretary of the American Association of University Professors objecting to title X, section 1001(f)(1) of the National Defense Education Act of 1958. Shortly after the letter was sent, it received the unanimous endorsement of the council of the association in session.

You will observe that no objection has been made to section 1001(f)(2) which calls for an affirmative oath of allegiance. Furthermore, although not relevant to our specific objection, I am sure that many association members share my feeling of gratitude and admiration for the work of the Congress in this act and other legislation beneficial to American education.

We would be very grateful for your opinion on the disclaimer affidavit requirement, and we hope that the consensus of legislative opinion will bring about reconsideration in the 86th Congress.

Respectfully yours,

WILLIAM P. FIDLER,
General Secretary.

A LETTER SENT TO MEMBERS OF THE SENATE LABOR AND PUBLIC WELFARE COMMITTEE AND THE HOUSE EDUCATION AND LABOR COMMITTEE BY THE OFFICERS OF THE AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS

NOVEMBER 1, 1958.

DEAR ———: The American Association of University Professors has in mind petitioning the Senate Committee on Labor and Public Welfare of the 86th Congress to reconsider the requirement of section 1001(f), title X, of the National Defense Education Act of 1958, which reads:

"No * * * funds * * * shall be used to make payments or loans to any individual unless such individual (1) has executed and filed with the Commissioner an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods."

This disclaimer requirement, which will apply to large numbers of young people seeking loans, fellowships and grants to carry on their education, and to many teachers and to consulting experts, seems thoroughly harmful. It singles out persons in education as objects of suspicion; it imposes a "test oath" repugnant to our traditions; and it exposes those signing the affidavit to the possibility of perjury prosecutions resting on vague allegations or improper and intimidating inquiries about their conduct and their beliefs.

The affidavit requirement appears certainly to affect at least these persons:

1. Undergraduate students receiving loans (including minors).
2. Graduate students receiving fellowships.
3. Secondary school guidance and counseling personnel who attend training institutes.
4. Staff of language research centers.
5. Foreign scholars teaching at language research centers.
6. Individuals receiving stipends for advanced training in foreign languages.
7. Staff of language institutes.
8. Individuals attending language institutes who receive stipends.
9. Members of the Advisory Committee on New Educational Media.
10. Special personnel under title VII (TV, radio, cinema).
11. Members of the Science Information Council.

The American Association of University Professors believes that the requirement which it opposes is subject to the following specific objections:

1. Vagueness: A person required to execute a disclaimer statement is given no guidance as to the organizations which are of the designated variety, and no definition of the support to such organizations which he must disclaim. We submit that it is a denial of due process of law to compel an individual to gauge his conduct by such vague criteria, when criminal liability may turn on his action.

2. Unconstitutionality of the substance of the disclaimer: There is ground for grave question concerning the validity of requiring a disclaimer of the sort specified in the act, as a condition of enjoying governmental benefits. The justification which a majority of the U.S. Supreme Court held to be present with relation to the requirement of the Labor-Management Relations Act involved in *American Communications Association* v. *Douds,* 339 U.S. 382, is of doubtful applicability here. Moreover, the provision here in question is not in terms limited to knowing support of the specified type of organization; without such a limitation, the provision probably falls under condemnation of the view of the U.S. Supreme Court in *Wieman* v. *Updegraff,* 344 U.S. 183.

It is difficult to leave unquestioned legislation which borders so closely on unconstitutionality in a first amendment area, and which may well overstep the line.

3. The invidiousness of the requirement: A disclaimer requirement or test oath by its nature cannot fail to be invidious. If an individual refuses to sign, he raises a suspicion that he is unworthy of public trust or benefit. If he signs, he endorses the pertinency of the general suspicion about him and his kind which is embodied in the requirement. Social safeguards should be directed to specific dangers; they should not, as in this instance, take the form of inescapable and unwarranted derogatory implications directed toward a whole class of persons and all its members.

This association, with a membership of 40,000 college and university teachers, is particularly concerned about the application of the disclaimer to education. In the past, the Federal Government has made available numerous benefits to individuals and organizations whose activities have been of national importance, and who have had a clearly established special need; rarely has there been a requirement of an affidavit or statement disclaiming subversive belief or association. Now, in 1958, we are shocked and alarmed to find that students and teachers, when they are to receive funds, are placed in a special category and must enter a humiliating disclaimer. The act seems to say to members of the educational community: "You are an important part of American life and you have an admitted real need, but let there be no mistake about the fact that you are a particularly suspect part of the population and will have to pass a special test that other citizens need not take." This is a prejudgment of the teachers and students of America which we cannot believe the Congress intended to make.

We respectfully request that you give consideration to the objections stated in this letter. It is our hope that you will conclude that the position of the American Association of University Professors is correct and that you will be able to share it with us.

Sincerely yours,

BENTLEY GLASS,
President.

WILLIAM P. FIDLER,
General Secretary.

AMERICAN CIVIL LIBERTIES UNION OF OREGON,
Portland, Oreg., February 6, 1959.

Hon. WAYNE L. MORSE,
United States Senate,
Washington, D.C.

DEAR SENATOR MORSE: On behalf of the executive board of the American Civil Liberties Union of Oregon, I am writing to urge you to use your influence to secure the deletion of section 1001(f), title X, of the National Defense Education Act of 1958, which provides for a disclaimer oath for all the beneficiaries of the act. These include young people seeking loans, fellowships and grants, and many teachers and consulting experts involved in foreign language institutes and in other activities authorized by the act.

The American Civil Liberties Union has for a long time opposed such negative disclaimer oaths on the grounds of their vagueness and the presumption of unreliability which attaches to those individuals and groups selected for this kind of treatment. Since there is no definition of the organizations which are proscribed by the act nor of the term "support," it becomes most difficult for an individual to determine whether he is in a position to subscribe to such an oath. Furthermore, we believe it most undesirable to single out for this invidious treatment some of the ablest and potentially most valuable citizens of our country.

At a time when public opinion is coming increasingly to recognize the importance of higher education, it seems most unfortunate that this kind of an oath should be required. The history of such oaths indicates that they do not achieve their stated objective but may interfere with the attainment of valuable goals such as those which the National Defense Education Act seeks to implement. We trust that you will use your best efforts to secure the removal of this obnoxious provision.

Sincerely yours,

JUDAH BIERMAN,
Chairman.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. COOPER. I am interested in the remarks which the Senator from Oregon has been making with respect to the affidavit provision in the Defense Education Act. I am a member of the Education Subcommittee of the Committee on Labor and Public Welfare, and I should like to say that I am wholly in accord with the view of the Senator from Oregon, so far as the affidavit is concerned. I believe that the Government should not encroach upon freedom of thought and belief in our universities.

Mr. MORSE. I serve on the committee with the distinguished Senator from Kentucky [Mr. COOPER]. I not only appreciate his contribution to the discussion this afternoon, but I also wish the RECORD to show that of my own knowledge, based upon the position of the Senator from Kentucky, as I know it from working with him on the committee, that was his position last year when the affidavit proposal was made on the floor of the Senate. I shared his view then.

I am hopeful that the bill being offered by the Senator from Massachusetts [Mr. KENNEDY] will be passed soon, and that we will eliminate the amendment that was added to the bill when it was before the Senate last year. It is discriminatory, and, in the opinion of the university people involved, it carries a nasty implication. It is uncalled for. It ought to be repealed, and repealed quickly at this session of Congress.

The Subcommittee on Education of the Senate Labor Committee is now doing a wonderful job in preparing legislation for Federal financial aid to the States for school construction and teachers' salaries, and I am delighted to extend my full cooperation and assistance in that work. I do hope that as soon as the opportunity arises, however, the subcommittee will turn to this problem of the loyalty affidavit that is a blot upon the fine achievement of the National Defense Education Act.

Most respectfully, let me say that the adoption of that amendment last year is bringing the Congress into disrepute in circles of educators in this country. They cannot understand why we seem to go out of our way to inflict upon the educators of this country an affidavit requirement which we do not impose upon others who are the beneficiaries of Federal legislation.

No educator that I know would be unwilling to take the same oath we take when we become Members of this body; the general oath of allegiance to this form of government of ours; and our swearing under oath our intention to uphold the Constitution of this Government. The correspondence I have inserted makes that clear. But what further oath should we ask? What stronger manifestation of patriotism has the Government a right to ask from any citizen?

I am not at all surprised that this feeling of resentment exists in educational circles in this country because of the affidavit requirement we placed in the bill during the course of the debate in the Senate last year.

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT OF 1935, AS AMENDED

Mr. MORSE. Mr. President, I introduce for appropriate reference a bill to amend the District of Columbia Unemployment Compensation Act of 1935, as amended.

The bill I propose is the same as the bill which passed the Senate in the 84th Congress. In the 85th Congress, the Senate also passed an Unemployment Compensation Act change which provided for less in the way of benefits than does the proposed legislation. Since the House of Representatives declined to accept the modified version of the bill passed by the Senate in the 85th Congress, I feel, as do the proponents of the proposed legislation, that the Senate should again give consideration to the sounder concepts of unemployment compensation administration contained in the earlier measure.

Mr. President, the major provisions of the bill are:

First, it increases the maximum weekly benefit amount.

Second, it changes the duration period for all eligible claimants to a uniform maximum period of 39 weeks.

Third, it changes the disqualification provisions to a straight 6-week disqualification, with no cancellation of benefits.

The bill makes the maximum weekly benefit amount a specified percentage—67 percent of the average wage of all workers covered by the existing District Unemployment Compensation law, as well as that of Federal employees who are covered by other legislation, computed annually—rather than—a fixed dollar amount.

In order to permit automatic adjustments in the maximum weekly benefit in line with wage trends, the bill provides for annual computation by the District of Columbia Unemployment Compensation Board of the average weekly wage of workers covered by the law. This computation will be based on reports by employers, including the Federal Government agencies.

It should be noted that the bill does not provide that all claimants shall receive the maximum weekly benefit amount or that any claimant will receive 67 percent of his own average weekly wage. Neither does it change the limitation in the present law, which limits the worker to no more than 50 percent of his weekly wage, or one twenty-third of his wages in a calendar quarter.

The bill provides that all claimants who are eligible for benefits will be able to draw 39 weeks of benefits if they remain unemployed for that long a period. During the period of unemployment, the worker would, of course, be required to be able to work, to be available for work, and to accept suitable work when offered to him. In short, the benefits will be payable for the full period only if the worker's unemployment is due to the lack of suitable job opportunities.

Under the present law, 26 weeks is the maximum for most unemployed, although some get substantially less because of an earnings formula. In addition to lengthening the benefit period of 39 weeks, the bill will eliminate the limiting formula.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1074) to amend the District of Columbia Unemployment Compensation Act of 1935, as amended, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7(b) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935 (49 Stat. 946), as amended (title 46, ch. 3, D.C. Code, 1951 edition; 68 Stat. 993), is amended to read as follows:

"(b) The weekly benefit amount of any individual qualified therefore under section 7(c) shall be an amount equal to the lesser of the following: (1) One twenty-third of the amount of his earnings for the quarter in his base period in which his earnings were the highest, or (2) 67 per centum of the average weekly earnings of all individuals performing service which constitutes employment (as defined in section 1(b)) and of all individuals performing service which, if such service were not performed in the employ of the United States or of any wholly owned instrumentality thereof, would constitute employment (as defined in section 1(b)) for the latest year for which such average weekly earnings have been computed. Such average weekly earnings shall be computed annually on the basis of reports of earnings and employment by all employers and by the United States, and shall be arrived at by dividing the total earnings paid to all individuals referred to in clause (2) of this subsection during the last completed calendar year for which reports have been received by a quantity equal to four and one-third times the total monthly employment of such individuals for such period. For the purposes of this subsection the term 'earnings' shall have the same meaning as that assigned to such term in section 1(d). All departments, agencies, and wholly owned instrumentalities of the United States shall submit reports to the Board containing such information as may be necessary to make the determination required by this subsection."

(b) Section 7 (c) of such Act is amended to read as follows:

"(c) To qualify for benefits an individual must have (1) been paid wages for employment of not less than $130 in one quarter in his base period, (2) been paid wages for employment in not less than two quarters in such period, and (3) earned during such period wages the total amount of which is equal to at least one and one-half times the amount of his wages for the quarter in such period in which his wages were the highest. Notwithstanding the provisions of clause (3), any otherwise qualified individual the total amount of whose wages during such period is less than the amount required to have been earned during such period under such clause

may qualify for benefits if the difference between the amount so required to have been earned and the total amount of his wages during such period does not exceed $70, but the amount of his weekly benefit, as computed under section 7(b), shall be reduced by $1 if such difference does not exceed $35 or by $2 if such difference is more than $35."

(c) Section 7(d) of such Act is amended to read as follows:

"(d) Any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to thirty-nine times his weekly benefit amount: *Provided*, That such total amount of benefits, if not a multiple of one dollar, shall be computed to the next higher multiple of one dollar."

(d) Subsections (a), (b), and (c) of section 10 of such Act are amended to read as follows:

"(a) An individual who has left his most recent work voluntarily without good cause, as determined by the Board under regulations prescribed by it, shall not be eligible for benefits with respect to the week in which such leaving occurred and with respect to the six consecutive weeks of unemployment which immediately follow such week.

"(b) An individual who has been discharged for misconduct occurring in the course of his most recent work proved to the satisfaction of the Board shall not be eligible for benefits with respect to the week in which such discharge occurred and for the six weeks of consecutive unemployment immediately following such week.

"(c) If an individual otherwise eligible for benefits fails, without good cause as determined by the Board under regulations prescribed by it, either to apply for new work found by the Board to be suitable when notified by any employment office, or to accept any suitable work when offered to him by any employment office, his union hiring hall, or any employer direct, he shall not be eligible for benefits with respect to the week in which such failure occurred and with respect to the six consecutive weeks of unemployment which immediately follow such week. In determining whether or not work is suitable within the meaning of this subsection the Board shall consider (1) the physical fitness and prior training, experience, and earnings of the individual, (2) the distance of the place of work from the individual's place of residence, and (3) the risk involved as to health, safety, or morals."

SEC. 2. The amendments made by the first section of this Act shall be effective on and after July 1, 1959, and the benefit rights of any individual having a benefit year current on or after the effective date shall be redetermined and benefits for calendar weeks ending subsequent to the effective date shall be paid in accordance with the provisions of the District of Columbia Unemployment Compensation Act as amended by this Act: *Provided*, That no claimant shall have his benefits reduced or denied by redetermination resulting from the application of this provision. All initial and continued claims for benefits for weeks occurring within a benefit year which commences on or after the effective date shall be computed and paid in accordance with the provisions of the District of Columbia Unemployment Compensation Act as amended by this Act.

Mr. MORSE. Mr. President, I ask unanimous consent that a table I have received from the District of Columbia Unemployment Compensation Board giving a comparison of District unemployed in equivalent weeks in 1957, 1958, and 1959, and other data be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Number of unemployed individuals filing as of the calendar week ending—	
Feb. 7, 1959	10,580
Feb. 8, 1958	11,899
Feb. 9, 1957	8,942
Exhaustions by calendar years—	
1958	10,692
1957	6,273
1956	5,490
Percentage of individuals filing claims whose benefit year ended in the calendar year who exhausted benefits—	
1958	34
1957	21
1956	29
Percentage of individuals whose benefit year ended during the calendar year and who received 1 or more payments who exhausted their benefits—	
1958	42
1957	26
1956	35
Number of individuals exhausting their benefits during the most recent 6 months:	
January 1959	738
December 1958	843
November 1958	746
October 1958	975
September 1958	986
August 1958	946
Average check for individuals receiving benefits for the week ending Feb. 7, 1959	$26.50
Duration ratio (average number of weeks taken by claimants who received first payment):	
1958	14.4
1957	12.6

EFFORTS TO MAKE FARMER ECONOMIC SCAPEGOAT RETARD REALISTIC APPROACH TO FARM PROBLEMS

Mr. NEUBERGER. Mr. President, in the current public debate concerning the President's budget for fiscal year 1960, it frequently appears that a concerted effort has been made to make the American farmer an economic scapegoat. Adverse references by the press, public officials, and nonagricultural groups to the costs and benefits of existing farm programs are often phrased in terms which portray the farmer as a taxpayer's liability—an irritating and unnecessary budgetary burden.

Critical and continuous examination of the justification for Federal programs, as provided in the annual budget process, is an essential procedure in determining the allocation of public funds. But the value of such discussion is reduced in direct proportion to the degree by which analysis disregards facts. Farm programs—and farmers—are presently the victim of much carping criticism based on superficial study.

No person claims that existing farm policy is an unqualified success. For fiscal 1959 the Agricultural Department expenditures will total $6.8 billion. Nearly 70 percent of this sum, or more than $4.8 billion, goes for price-support payments or soil bank bounties to the growers of six basic crops—corn, cotton, wheat, rice, peanuts, and tobacco. In 1957, I was one of only seven Senators voting to abolish the costly and wasteful acreage-reserve phase of the soil bank program.

Government subsidies do not reach three-fourths of American farms, including most of the farms in Oregon. Over 82 percent of price supports are paid to the growers of only 4 commodities, out of some 172 different crops.

One of the real difficulties, in my opinion, is the partisan, political nature of much of the farm discussion. Some Democrats with political ambitions have tried to blame Secretary of Agriculture Benson for technological adjustments on the farm which have been occurring for decades. This is unfair and untrue. In the long run, it will not even prove to be good politics. On the other hand, there are prominent Republicans who pretend unctuously to be shocked over price supports and acreage controls for certain crops, and yet who demand even greater benefactions of this sort for corn—because corn happens to be the dominant crop in key States which generally elect Republicans to the Senate and the House.

This approach to the farm question may serve well a few political goals, but I doubt if it constitutes a service either to agriculture generally or to the Nation.

The Rockefeller Brothers Fund has stated:

> The price-support program does little for the poorest farmers. It is estimated that the 2.7 million farms which sold less than $2,500 of product each averaged only $109 in price supports—far too little to bring those families up to satisfactory living standards. At the same time, 1.3 million farms that sold $5,000 or more of products received an average of $1,993, with many individual support payments running into tens of thousands of dollars.

Inequities and inadequacies of U.S. agricultural policy beg correction. But meaningful revision will be achieved only if the facts of the farm situation are fully known and understood by the public.

Critics of farm programs frequently attack the size of sums appropriated for their implementation on the basis that the amount is too large in relation to the number of persons actually tilling the soil. Such an argument ignores not only the peculiarities of production and marketing inherent in the agricultural sector, which have served to justify Government assistance for over 100 years, but the obvious interrelation and overlap which exist in our complex economy.

Crucial to comprehension of the farm problem is realization of the multiple benefits included in the functional classification "agriculture." Helen Henley, farm editor of the Christian Science Monitor, writing in the January 14, 1959, issue of that newspaper, effectively destroys the statistical strawman erected by some antifarm zealots. She states:

> Before the program can be intelligently revised, the budget needs to be studied. Such study discloses the startling fact that a number of programs are being charged against farmers which, many informed people feel, actually benefit the Nation as a whole more than the farmer. Is it fair, they ask, that programs serving State Department and Defense Department purposes or the public in general be charged entirely to farmers?
>
> Of the total $6,872 million estimated for the agricultural budget for fiscal 1959, $3,022 million or about 44 percent is going for programs which, according to the U.S. Department of Agriculture records, have multiple benefits extending far beyond agriculture.

Mr. President, I ask unanimous consent that this revealing article by the Christian Science Monitor's capable farm editor appear in its entirety at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FARM EDITOR SAYS

"In the past 50 years, for every $1,000 this country has spent for subsidies the American farmer has received only $5. That's why farmers get awfully tired of metropolitan newspapers headlining the cost of farm subsidies." So spoke Capper's Farmer in an editorial.

With the annual agricultural budget now approaching $7 billion, this statement from a long-respected farm magazine sharply reminds us that the whole farm program—and public opinion about it—may be due for reexamination in depth and drastic revision.

But before the program can be intelligently revised the budget needs to be studied. Such study discloses the startling fact that a number of programs are being charged against farmers which, many informed people feel, actually benefit the Nation as a whole more than the farmer. Is it fair, they ask, that programs serving State Department and Defense Department purposes or the public in general be charged entirely to farmers?

Of the total $6,872 million estimated for the agricultural budget for fiscal 1959, $3,022 million, or about 44 percent, is going for programs which, according to U.S. Department of Agriculture records, have multiple benefits extending far beyond agriculture.

A sum of $1,383 million, for instance, goes for what the USDA classifies as programs relating to foreign aid, including Public Law 480 and the International Wheat Agreement. Under Public Law 480, American surplus agricultural commodities are sold for foreign currencies or given away abroad where there is need.

This program, of course, was developed to help dispose of surplus crops. But the USDA points out concerning the giveaway program, "The main objective here is to strengthen international relations in areas where shaky economic conditions could create a political climate favorable to communism."

Wouldn't it be fair to charge at least part of the cost of this program to the State Department? More and more voices are being raised to ask questions like this.

Among other items inviting review as to classification are $70 million which pays the cost of transferring bartered strategic materials to the national stockpile; $26 million for milk and other dairy products for the armed services and Veterans' Administration, both of which, it seems, might logically be charged to the Defense Department rather than to agriculture.

Some other items involve: $145 million for the school lunch program; $74 million for the school milk program; $21 million for meat inspection; $53 million for disease and pest control—all of which primarily benefit the general public. Why should all these costs be charged against farmers?

Transfer of items from one budget to another would not reduce your taxes by a single dollar, but it would give a more accurate view of the purpose for which your money is being spent and whom, exactly, it benefits.

Although many farmers want the Government to get out of farming and let farmers manage their own business as soon as it can be done without disaster, many others feel that Federal aid of various sorts must continue indefinitely. Several logical answers are ready for the frequently asked question: "Why should we subsidize farmers?"

For one thing, the farmer is perhaps the one man in the economy whom the Nation cannot do without. The food and fiber he produces are essential for us all. If the continuing cost-price squeeze threatens to put him out of business, then for the general welfare, aid must be provided to keep him producing.

And, say many farmers, why should subsidies for agriculture be any more under fire than the subsidies paid to many other groups?

These include, according to Government figures, such annual amounts as: $670 million to the Post Office; $137 million for aid to navigation; $50 million for ship operations; $93 million for aid to air navigation.

Then there is some $200 million in the form of grants to States for operating employment service and unemployment compensation programs which, some feel, might be considered a subsidy to labor. The question has also been raised as to whether tax writeoffs accorded certain industries might not also be labeled as subsidies.

Farmers are paying tax money to support all these programs, it has been pointed out—why should not they in turn receive help when they need it?

All this does not change the fact that the farm program, even if pared down to the items legitimately chargeable to agriculture, is costing tremendous sums—nor does it lessen one iota the responsibility of citizens to demand that the new Congress devise more realistic, and possibly less expensive, plans.

Mr. NEUBERGER. Mr. President, proper assignment of costs to those benefited permits a more realistic picture of the farm problem. But this accounting procedure does not reveal that—

In the past 18 years, farmers have increased productivity as much as in preceding 120 years; if farm efficiency today were what it was back in 1940, consumers' food bill would be $13 billion higher.

Production and distribution of farm products, together with servicing of farmers, constitutes the Nation's largest single industry, employing 37 percent of the Nation's working force.

While making up 12 percent of the population and producing 65 percent of the raw materials for industry, farmers in 1957 got only 4 percent of the national income.

One-third of net farm income in 1957 came from off-farm jobs.

From 1952 through 1957 farm prices declined 20 percent.

In the past 50 years, for every $1,000 this country has spent for subsidies, the American farmer has received only $5.

These facts taken from an article, "What City People Should Know About Farmers" in the December 1958 issue of Capper's Farmer, illustrate the nature of the farmer's plight. I ask unanimous consent that this cogent presentation be incorporated in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT CITY PEOPLE SHOULD KNOW ABOUT FARMERS

What's the world coming to? The Government is paying farmers billions so they won't grow stuff, and we get stuck with high food prices. Wish they'd pay me for not working."

You don't need oversized ears to hear remarks like this in almost any grocery store. It's easy for city consumers to get worked up over grocery bills and the expense of farm programs. No matter how you slice it, food bills are high in dollars and cents, and we've been spending lots of tax dollars to control crop surpluses—and we still have surpluses.

It's easy, too, to single out the farmer as the scoundrel. He's far removed from the supermarket scene and has no well integrated organization behind him to tell his story. There's no real spokesman for farmers; no one to filter the facts from a fog of headlines and oratory.

Is the farmer a highwayman, riding high, with one hand in your pocket and the other in Uncle Sam's? Is he so rich that we should stop using tax dollars in his behalf?

What is the real story? Let's look at the facts.

We're just as dependent on the land for food and clothing as when we shot the buffalo and deer. But in 1820 one man could provide food for himself and three other people. Today one farmer feeds himself and 20 others. Soon it will be himself and 25 others.

Here is the core of the farm problem: In any normal peacetime year farmers can produce more than the market will take at prices fair to everyone concerned.

The reason is that we have, through research, education, and the application of mechanical power to agriculture, created a whole new way of producing farm products. The revolution is still going on. In the past 18 years farmers have boosted their efficiency as much as in the preceding 120 years.

Farmers have much more help from city workers than they did 100 years ago—tractors, chemicals, fertilizers, fuels, an abundance of many other services. Farmers are free to specialize in producing food. And, since the early 1940's, the combined per-acre yield of 18 leading field crops has increased dramatically—40 percent. But producing food is only part of it.

The food business is a chain with farmers at one end. In between farms and shelves of supermarkets is the marketing system.

The off-farm operations are handled by some 6 million persons who are producing for and serving farmers and around 10 million who are distributing farm products. Adding these to around 8 million farm operators and farmhands makes about 24 million persons.

We call this combination of functions by a new term—agribusiness. It's the Nation's largest business, accounting for 37 percent of the U.S. working force. In their part of it, farmers are a $14-billion-a-year customer of industry and labor—not counting the billions farm people spend for consumer goods.

Are farmers to blame for high food prices? You be the judge. Last year, some 60 cents out of every dollar we Americans spent for food went to the people who bought, handled, sold, processed, transported, and packaged farm products.

A little less than 40 cents went to farmers.

Or let's put it another way: If a farmer in Kansas gave away his wheat, we'd still pay 17½ cents for that 20-cent loaf of bread. If a cotton producer in Texas worked only for his health, we'd still shell out $2.75 for that $3 shirt.

Percentagewise and dollarwise, food marketing costs are at the highest level since 1940. In 1957, we spent $55 billion for farm food products, against only $15 billion in 1940. Of this increase, $27 billion went for marketing.

But before we start pointing the finger in a new direction, let's remember a couple of things. A lot happens to food on its journey from farm to supermarket. Consumers are demanding more all the time. We want "convenience foods," for example, with built-in maid service, heat-and-serve

rolls, smaller units, better packaging, prebaking, precutting, and preselection. We didn't have these services in 1940—and they aren't free.

Take a look at the chart on the right. It shows how the cost of all farm products bought by the average family has changed in recent years.

[Chart omitted in the RECORD.]

In 1946, the typical market basket of food cost $767. Of that the farmer got $397. By 1957 that same basket cost $1,010, but the farmer was getting only $400.

To bring that closer to home, that means that from 1946 to 1957 the farmer's share went up $3; the marketing share, $240.

Here's how the increase in spread was largely accounted for: labor, $296, up $130; transportation, $73, up $33; other business costs $178, up $69; and Federal income taxes added $4.

Before you come to a verdict, let's look at still more facts: From 1952 through 1957, with ever-increasing inflation, farm prices actually decreased 20 percent. Here are the figures: Total farm income in 1952 is estimated at $15.1 billion. By 1956 it had dropped to $12.1 billion. Last year it skidded to a low of $10.8 billion.

This is the reason why food prices remained fairly stable in this 1952–57 period. Think what would have happened had farm prices gone up at the same rate as other cost-of-living items. We would have paid some 25 percent more for food and clothing.

Net result would have been a really whopping burden for consumers—some $70 billion, at least, say economists.

So * * * it's only fair to point out that in the 1952–57 period farmers actually subsidized consumers.

While nearly all other phases of our national economy have been moving upward in recent years, agriculture simply hasn't kept pace.

Although they make up 12 percent of the population and produce 65 percent of the raw materials for industry, farmers in 1957 got only 4 percent of the national income.

And during this time, the cost of practically all the farmer's tools of production has increased. His costs in 1957 were some $3.7 billion higher than in 1952. This is what farmers are talking about when they mention "cost-price squeeze."

The squeeze has put a lot of farmers out of business. In 1950, for example, 25,058,000 people lived on farms. That's 16.6 percent of all of us. Now, 8 years later, though population has increased, there are some 5 million fewer farmers—and they represent only 12 percent of the population of the United States.

And remember, too, many of those who remain have to work off the farm to make ends meet. In 1957, for example, one-third of the net farm income came from off-the-farm jobs.

SUBSIDIES

Now, what about farm subsidies? Sure, the Federal Government helps farmers. But so does it help airlines, schools, the petroleum industry, housing, shipping, and so on. A fast tax writeoff plan saves power companies billions of dollars. Just try to name a business that is not receiving some type of government aid.

In the past 50 years, for every $1,000 this country has spent for subsidies, the American farmer has received only $5. That's why farmers get awfully tired of metropolitan newspapers headlining the cost of farm subsidies.

Because food and fiber have been at bargain prices compared with other cost-of-living items, it's discouraging to farmers to defend half-truths about the $5 billion the Federal Government takes from the taxpayers to run the national agricultural budget. Also, to continually hear the charge: "You're taking money out of my pocket to support farm prices."

What makes up the agricultural budget? How much of it goes to farmers? The farm budget is something of a catchall. Many of the items have nothing to do with supporting farm prices, but are primarily a public service. Take meat inspection, for example. It has been a $17 million item conducted by the U.S. Department of Agriculture to assure the public a safe meat supply.

Other public services include a Government school lunch program and a food donation plan. In fiscal 1958 the Government gave 872 million pounds of food from surplus food stocks for school lunch programs and institutions. It gave 1,400,000 pounds to victims of national disasters. And 1,973,000 pounds were donated for distribution to the needy abroad.

We could name more items similar to these. Even the USDA's crop and livestock estimates are issued more by processors and merchants than by farmers.

Moreover, look at all the agricultural exports to friendly nations since World War II. A big portion of these would have been purchased at U.S. Government expense even if there had been no surplus disposal problem. Using our food abundance has given our foreign policy "leverage." Farmers feel the costs of this should not be charged to agriculture alone.

Sooner or later, of course, the Government must collect from taxpayers every dollar that it spends. If the Government loses money on price supports—and it certainly has—then it must be made up in taxes. No one's satisfied in a situation like this—neither the rural taxpayer nor the city taxpayer.

What should be done to spread out the national income? Even farmers don't agree on just what the Government should do about getting them a fairer share of the national income. Most of them realize the thing that's responsible for depressing their prices—surpluses.

But how do you get rid of surpluses? That's been the big problem. No matter how much wealth we now have we can eat only so much—stomachs are pretty inelastic.

We have an excellent disposal record for moving our surplus stocks out of inventory and into some useful consumption at home or abroad. Our export market is important. It accounted for 12 cents of every dollar the farmer got in 1957. But this is a market that must be cultivated intensely. We can't get rid of all our overproduction in foreign lands without acquiring more problems.

Actually, farmers would need to cut production only about 8 percent to get rid of troublesome surpluses.

Then why don't farmers just produce less? That would be fairly easy to do if the big business that is farming were big agriculture. But it isn't. It is some 4½ million farmers scattered over a Nation which has swelled to 173 million.

Organizationwise, agriculture stands about where industry and labor stood some 50 to 75 years ago. The farmer is an individual in a great sea of competition. He is a price taker, not a price setter.

A farmer works with an uncontrollable business partner—nature. Sun, wind, and rains control his cash register like a fickle bookkeeper.

No single farmer can do much about changing the supply of food, fiber, and tobacco coming to market. And collectively, farmers can't produce just exactly what our Nation demands. Agriculture is a biological process which cannot be greatly accelerated or retarded in any short time.

Too, 90 percent of our production is accomplished by 2.1 million farmers. Some 2.4 million farmers struggle for the remaining 10 percent. Working out satisfactory answers in a farm program for both groups is no easy chore.

What farm programs have been tried so far? Congress has taken two broad approaches. It has built floors under prices to assure the farmer minimum guarantees for his basic crops. These crops are corn, wheat, cotton, tobacco, rice, and peanuts. And it has tried to cut down acreages of these crops on the assumption that if less is planted, surpluses will melt away and prices will go up on their own.

The soil bank is an example of the second approach. In 1957 some 5,235,000 acres of land were taken out by corn farmers, 12,785,000 by wheat farmers, and 3,015,000 acres by cotton farmers as part of the program. This part of the soil bank—called the acreage reserve—has been dropped. But the conservation reserve portion is still in effect. Farmers are asked to put some portion of their land into grass or trees and an annual rental is paid the farmer for each year of the contract—up to 10 years.

Our major farm policy revolves around the six basic crops which make up only 24 percent of the value of all our crops. Congress sets the rules, and the Government through the Secretary of Agriculture and its agencies such as the Commodity Credit Corporation, buys or takes over commodities as required to provide price support. Such commodities are stored, sold, disposed of.

But don't price supports cost a lot of money? Not as much as you might think. For the 4 fiscal years ending July 1957, the total cost of all programs—primarily to stabilize farm prices and income, including Commodity Credit Corp. losses—was about $7½ billion.

But only part of this went to farmers. Part of it went to business for storage of products and other costs.

To make this kind of price support less costly to the Government, there have been marketing quotas and acreage allotments. In this way farmers pay for the help they get from the Government; they submit to regulations that divide up the right to produce.

As a result, farmers are much more efficient now than 10 years ago. Progress in know-how makes food cheaper.

If farmers farmed today as they did in 1940, the consumers' food bill would be at least $13 billion a year higher than it currently is. So this question is raised: Which is better, to have a surplus costing the consumer $3 to $4 billion a year in taxes, or to save him $13 billion a year on food?

What does the farmer want? At the moment some farm leaders are pressing hard for lower price supports, greater flexibility, and more freedom in agriculture. A good many farmers think this goal is desirable. They want to outgrow Federal programs by gradually strengthening the farm economy.

At the same time, farmers realize we live in an era characterized by the minimum wage and generally stabilized industrial prices. Farmers want to protect themselves against the increasing costs of production and distribution. They want to mobilize their strength to bargain on a more equal basis with highly organized industry and labor.

Considering the independent character of the farmer, he has in general cooperated well with Government programs. He has withstood the hard knocks of low prices, a rising cost of living and higher prices for what he must buy, and reduction of acres.

He has tried hard to compensate for reduced acres—and succeeded. It is the basic philosophy of a farmer to produce. Traditionally he feels it is a contradiction of nature to say he cannot use technology to best advantage.

Just how much does a farmer have invested? Farm investment per worker in the Corn Belt is about $50,000. That compares with about $15,000 per worker in industry. Farmers have $3 invested in production for every $1 that is invested in marketing of their products.

When prices are falling, the only way the heavily capitalized commercial farmer can stay in business is to cut his costs and produce more volume. So farmers have by greater capital and more know-how produced more on less acres.

In 1957, there were about 319 million acres of 59 crops harvested in the United States. Our harvest almost equaled the largest in history—and on the smallest acreage. The 1958 harvest may equal the highest ever recorded in this country despite a record low in acres.

As total supplies of grain have been built up during the years, increasing percentages of carryover stocks have been coming under Government control. This is inevitable under the system of price supports we have used, with Government storage frequently substituting for actual marketing.

Have any steps been taken to correct this? The 1958 Congress made several changes in our farm laws. More changes are being proposed. These may move us away from Government domination of the agriculture industry. And they may allow market prices more influence in guiding production and consumption.

Farmers' net income climbed to an annual rate of $13.3 billion in the first half of 1958. The total for all of 1958 may show some improvement over 1957.

This gain was partially due to winter freezes in 1957–58 which cut citrus and vegetable crops in the South. Too, cattle prices climbed a bit because ranchers held back cattle to restock ranges blasted by 4 or 5 drought years.

Despite seasonal price fluctuations that may seem temporarily to favor the farmer, the farm problem remains. It belongs to all of us. It is as near to all of us as our next meal. We gain 8,000 new mouths to feed every day. By 1975 we may well have 230 million people in this country. We'll have fewer farmers to feed us, but we can count on a healthy agriculture to respond to this challenge.

WHAT ABOUT THE FUTURE?

What's in the future? We can't hope to eat our way out of our surpluses, but while we are working our way out of them, let's understand just what our situation really is.

Consumers should continue to benefit from agricultural research and marketing research which is now being emphasized as it never has been before.

Chances are good that the actual proportion of your disposable income spent for food will continue to remain fairly constant—about 25 percent.

You may feel food prices are higher than formerly. But stop and think if you are eating meat 10 times a week instead of 7. Or if you are eating chicken instead of beans, or eggs instead of oatmeal.

Remember—everything is high in terms of dollars compared with prewar prices. But this isn't due to inefficiency in production and marketing of food. It is evidence of inflation or of a depreciation in the value of our money.

Realize that it took the average factory employee 30 minutes to earn enough to buy 1 pound of choice steak in 1947. In 1957 it took him 18 minutes.

Think, too, of all the conveniences that come with food, all of which put direct pressure on the budget. And consider your supermarket may have 7,000 items on the shelves. Nonfood items go into the grocery sack, too.

The important thing is to make wise decisions, now and in the future. Many farmers feel that, before we drop everything in our farm program for something new, we should demonstrate that there is a road back if new plans fail.

The farm population is shrinking; it will be only a little more than 5 percent of our population by 1975. So, if wise decisions are to be made in the field of farm policy, nonfarm people must be well informed.

This, we believe, is the real story. This is what city people should know about farmers.

Mr. NEUBERGER. Mr. President, the Conference on Economic Progress recently published a detailed and comprehensive study of the results of the current farm program. This review, directed by the respected economist Leon Keyserling, and entitled, "Toward a New Farm Policy," represents a detailed and penetrating analysis of the farm problem.

The CEP report points out that—

Since 1947, the farmer's income from all sources has been pushed downward 23 percent in real terms, while incomes of the nonfarm population have moved upward 48 percent in real terms. After a brief upward flurry in 1958, farm incomes and prices are again moving downward. Our farm families now have only about 50 percent of income parity with other groups.

Findings of the study indicate that farm families—

are being driven off the land without opportunity for full employment at good incomes elsewhere. The "factory in the field" is supplanting the family-type farm. And this change, instead of lifting farm living standards, is accentuating the impoverishment of farm families. The land care and machinery needed to conserve and prepare agriculture for the growing needs of a growing population are being neglected. To achieve good diets for all American families, and add fairly to the food and fiber supply of the free world, would require nearly one-fourth more U.S. farm production by 1964 than in 1957.

Report statistics reveal farm price-support program losses "totaled less than $6 billion for the 25-year period from October 1933 through September 1958, or about $235 million annually. From July 1953 through June 1958 they averaged annually about $913 million, or almost 5½ times as much as during the previous 7-year period." But despite the increased rate, farm surpluses during this period were small when compared with our other economic surpluses such as idle steel capacity and unemployment.

Mr. President, the CEP review of the farm situation represents an excellent survey of the effect of agricultural depression on our economy, and I ask unanimous consent that selected excerpts of the report be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

THE DEPRESSION OF FARM INCOME

Farmers are the human element in the farm problem. Therefore, depressed farm income is the most serious moral aspect of this problem. It is also the more serious economic aspect. Depressed farm income hurts farmers more, injures workers and consumers more, and costs the country more, than farm surpluses or other aspects of the farm problem.*

Comparing 1958 with 1947, net farm operators' income has gone down 32 percent in real terms. Even including the farmer's income from nonfarm work and nonfarm investments, total farm income from all sources has gone down 23 percent in real terms. During the same time, the income of the nonfarm population has gone up 48 percent in real terms.

From 1953 through 1958, net farm operators' income has declined almost 2 percent a year on the average, while nonfarm income has risen more than 2 percent a year. The average rise in dividend income has been almost 4 percent a year, and in interest income almost 6 percent.

The apologists say that shrinking farm income is being divided among fewer farm families. This ignores the hurt to farm families driven from poverty on the farm to poverty off the farm. Counting those still on the farm, per capita farm income from farm sources, adjusted for price change, declined from a peak of $872 in 1948 to only $701 in 1958. Per capita farm income from all sources was $1,096 in 1948. By 1958, it was only $999, compared with per capita nonfarm income of $1,985. While these comparisons are subject to statistical imperfections, and while brief treatment prevents more refined analysis, the disparities of farm incomes and living standards are clear. * * *

Allowing for the size of the farm population relative to the nonfarm population, poor families with incomes of less than $1,000 a year are about 8 times as heavily concentrated in the farm sector as elsewhere. Poor families below $2,000 are about 6 times as heavily concentrated in the farm sector. Many farm families are deprived of such elementary needs as running water and other sanitary facilities. They also suffer from a low level of public services—especially education and health.

The rise in farm income during 1958 was very small, compared with the long beating farm income had taken, and most of this rise was due to exceptional weather and other unusual and temporary factors. And by late 1958, farm income and the parity ratio were again moving downward. The Department of Agriculture now estimates 1959 farm income 5–10 percent lower than in 1958—while other incomes are again rising.

THE FARM DEPRESSION HURTS OTHER WORKERS AND CONSUMERS

To count the hurtful effects of the farm depression upon others, we must look at our whole economy. During the 6-year period 1953–58, our total economic expansion (averaging only 1.3 percent a year) has been considerably less than a third of the amount needed for full production and full employment. In consequence, our total national production has been more than $150 billion below full production. Man-years of employment opportunity have been about 10 million too low. The average American family, for this 6-year period as a whole, has had about $2,800 less income than it would have had with full prosperity for all.

How have these trends, so damaging to our whole economy, been influenced by the farm depression? All of our economic trouble has come largely from a deficiency in private consumption, which during the 6-year period as a whole has been equal to about 63 percent of the total production deficiency. The farm population, during this period, has averaged only about 12½ percent of our total population. But the deficiency in consumer spending by farm operators' families alone has amounted to about 17 percent of the total deficiency in private consumption.

Farmers are also big spenders for capital goods, even when their incomes are depressed. And it is clear that capital expenditures by farmers would have been much higher, if agriculture had enjoyed prosperity. During the 6-year period 1953–58, the deficiency in capital spending by farmers came to almost 28 percent of the deficiency in total private capital spending.

During this period, the deficiency in farm operators' net income has been about 23 percent of the total income deficiency of all American consumers.

In 1958, total true unemployment in the United States was about 3.4 million higher than in 1953. Comparing the same 2 years, farm employment (as measured by the Department of Agriculture) declined by more than 1.3 million. The decline in farm employment thus was a substantial factor in the increase in unemployment throughout the Nation.

Putting all of these facts together, it may be estimated that somewhere between one-fourth and one-third of our gigantic deficiencies in total production and employment opportunity, during the past 6 years, have been due to the farm depression.

ADMINISTERED PRICES, INDUSTRIAL WAGES, AND THE FARMER

The farm depression is due largely to falling farm prices. But it is also due to rising industrial prices—the "administered" prices of the things the farmer buys. In addition, rising consumer prices for food and clothing decrease the real consumption of farm products; they also prejudice the consumer against the farmer. And rising prices for other consumer items cut into the amount which the consumer can spend for food and clothing.

A sound approach to the farm problem requires that we know the causes of this price inflation. Especially, we must understand whether there is a connection between wage trends and price inflation. For the opinion is widespread—though not correct—that rising wages have been responsible for the price inflation so damaging to farmers and others.

In the period leading up to the recent economic recession, administered industrial prices rose rapidly. And the profits earned by great industries which lifted their prices were enormous; their profits rose far more than their prices. Accordingly, this is very clear: Even with the wage increases which actually occurred these prices could have been held steady—or raised very little—and still yielded fair profits. Looking at administered consumer prices, the situation was much the same.

During this same period leading up to the economic recession, the profits of leading corporations rose very much faster than wage rates. Correspondingly, investment in the means of production outran consumption. The most serious economic recession since World War II resulted. And even after a sharp recession in their own sales commenced, these big industries, instead of reducing prices to expand sales, raised prices still faster. Administered consumer prices also rose rapidly during the recession.

The agitation against wage earners, undertaken by the same forces who have been defiating farm income, seems to be part of an effort to divide farmers and workers. This hurts both groups. It benefits only those between the farmer and the consumer, who buy farm products too cheaply, and who hire labor for less than they should pay.

Of course, those who work for wages in agriculture are paid far less than industrial workers. But the remedy is not to reduce industrial wages; it is to lift farm wages. The very low level of farm wages has a depressive effect upon agricultural life. And if farm wages today are "high" relative to the farmer's ability to pay, the remedy is to restore farm income.

Mr. NEUBERGER. Mr. President, there is no easy legislative solution to the economic troubles which face many of today's farmers. But efforts to correct the current situation are not aided by misstatement of the facts. I hope that the statements and statistics cited above will assist in placing the farm problem in proper perspective.

ADJOURNMENT

Mr. MORSE. Mr. President, unless the Senator from Kentucky [Mr. COOPER] has some other matter he wishes to bring before the Senate, I am ready to move, in accordance with the order previously entered, that the Senate adjourn until 12 o'clock noon tomorrow. I so move.

The motion was agreed to; and (at 4 o'clock and 54 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until tomorrow, Tuesday, February 17, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 16, 1959:

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from class 1 to the class of career minister:

Lampton Berry, of Mississippi.
Foy D. Kohler, of Ohio.
Philip D. Sprouse, of Tennessee.
Clifton R. Wharton, of California.

The following-named persons, now Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

John D. Tomlinson, of Illinois.
J. Raymond Ylitalo, of Minnesota.

The following-named Foreign Service officers for promotion from class 2 to class 1:

Loren Carroll, of Illinois.
John B. Holt, of Maine.
C. Montagu Pigott, of California.
George F. Wilson, of California.
Thomas K. Wright, of Florida.

The following-named Foreign Service officers for promotion from class 2 to class 1 and to be also consuls general of the United States of America:

Orville C. Anderson, of California.
Willis C. Armstrong, of Maine.
N. Spencer Barnes, of California.
Robert G. Barnes, of Pennsylvania.
Ben H. Brown, Jr., of South Carolina.
Norman Burns, of Ohio.
Sterling J. Cottrell, of Rhode Island.
Thomas S. Estes, of Maine.
Mose L. Harvey, of Maryland.
Sidney B. Jacques, of New York.
Edward A. Jamison, of Illinois.
Coburn B. Kidd, of Oklahoma.
Edwin M. J. Kretzmann, of the District of Columbia.
Raymond E. Lisle, of New York.
Robinson McIlvaine, of Pennsylvania.
Edwin G. Moline, of Maryland.
Jeremiah J. O'Connor, of the District of Columbia.
Robert J. Ryan, of Massachusetts.
Charles C. Stelle, of Maryland.
Philip H. Trezise, of Michigan.
H. Bartlett Wells, of New Jersey.
Lincoln White, of Maryland.

The following-named Foreign Service officers for promotion from class 3 to class 2:

John W. Auchincloss, of the District of Columbia.
Louis F. Blanchard, of California.
John A. Bovey, Jr., of Minnesota.
Mrs. Katherine W. Bracken, of Florida.
D. Chadwick Braggiotti, of Connecticut.
Howard E. Chaillé, of Virginia.
G. Edward Clark, of New York.
Wesley Harris Collins, of Mississippi.
James N. Cortada, of Florida.
Edwin M. Cronk, of Virginia.
Perry H. Culley, of California.
D. Eugene Delgado-Arias, of Virginia.
John E. Devine, of Illinois.
Juan de Zengotita, of Pennsylvania.
Dwight Dickinson, of New Jersey.
Joseph F. Donelan, Jr., of New York.
Donald P. Downs, of Nevada.
Louis Mason Drury, of Texas.
Philip F. Dur, of Massachusetts.
Nicholas Feld, of Mississippi.
E. Allen Fidel, of Wyoming.
John W. Ford, of Virginia.
William N. Fraleigh, of New Jersey.
Edward R. Fried, of Maryland.
Francis J. Galbraith, of South Dakota.
Raymond L. Harrell, of Connecticut.
John W. Henderson, of Iowa.
Russell B. Jordan, of Wyoming.
Joseph J. Jova, of New York.
M. Hollis Kannenberg, of Minnesota.
Henry L. T. Koren, of New Jersey.
Sylvain R. Loupe, of Louisiana.
Philip A. Mangano, of Maryland.
Robert M. Marr, of Ohio.
Roswell D. McClelland, of Connecticut.
Thomas W. McElhiney, of Maryland.
Kyle B. Mitchell, Jr., of Alabama.
Thomas G. Murdock, of North Carolina.
Trevanion H. E. Nesbitt, of Maryland.
David D. Newsom, of California.
Carl F. Norden, of New York.
Clinton L. Olson, of California.
James L. O'Sullivan, of Connecticut.
George M. Pollard, of Florida.
Leon B. Poullada, of California.
Herbert D. Spivack, of New York.
Nicholas G. Thacher, of New York.
Harold N. Waddell, of Georgia.
Miss Rebecca G. Wellington, of the District of Columbia.
Edward C. Wilson, of Florida.
Miss Marion W. Worthing, of Maryland.

Irvin S. Lippe, of Michigan, for appointment as a Foreign Service officer of class 3, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service officers for promotion from class 4 to class 3:

Edwin M. Adams, of Illinois.
Oscar V. Armstrong, of North Carolina.
Powhatan M. Baber, of West Virginia.
Herbert W. Baker, of Montana.
Josiah W. Bennett, of Maryland.
Arthur P. Biggs, of California.
Warren P. Blumberg, of New York.
Philip S. Bogart, of New York.
Davis Eugene Boster, of Ohio.
Robert C. Brewster, of Nebraska.
Paul R. S. Brumby, of Missouri.
William H. Bruns, of the District of Columbia.
William B. Buffum, of New York.
Edward West Burgess, of Wisconsin.
Waldemar B. Campbell, of Washington.
Delmar R. Carlson, of Colorado.
William T. Carpenter, Jr., of Alabama.
Raymond Cary, Jr., of Missouri.
Frank E. Cash, Jr., of Florida.
Wilbur P. Chase, of Ohio.
James S. Cunningham, Jr., of California.
Donald M. Davies, of Montana.
Richard T. Davies, of Maryland.
Robert C. Davis, of Florida.
Frank J. Devine, of New York.
Enoch S. Duncan, of Texas.
Thomas J. Dunnigan, of Ohio.
James B. Engle, of Iowa.
Asa L. Evans, of Florida.
Richard T. Ewing, of Maryland.
Mrs. Florence H. Finne, of California.
John W. Fisher, of Washington.
Miss Selma G. Freedman, of the District of Columbia.
Robert C. F. Gordon, of California.
Robert H. Harlan, of Illinois.
Grant G. Hilliker, of Virginia.
Peter Hooper, Jr., of Massachusetts.

Ernest J. Hortum, of Virginia.
John J. Janke, of Ohio.
Alexander C. Johnpoll, of New Mexico.
Richard G. Johnson, of New Jersey.
William M. Johnson, Jr., of Florida.
Dallas L. Jones, Jr., of Louisiana.
Ralph A. Jones, of Pennsylvania.
John M. Kavanaugh, of Louisiana.
Stephen A. Koczak, of New Jersey.
William C. Lakeland, of New York.
Terrance G. Leonhardy, of North Dakota.
Edward T. Long, of Illinois.
Matthew J. Looram, Jr., of New York.
Paul D. McCusker, of Colorado.
Ralph J. McGuire, of the District of Columbia.
John Y. Millar, of New York.
Harry J. Milton, of Pennsylvania.
John H. Morris, of Arizona.
Thomas H. Murfin, of Washington.
Bernard Norwood, of New Jersey.
Albert V. Nyren, of Virginia.
Patrick O'Sheel, of West Virginia.
G. Etzel Pearcy, of California.
Rupert Prohme, of California.
Herbert F. Propps, of Wisconsin.
Albert A. Rabida, of Colorado.
Ernest E. Ramsaur, Jr., of California.
Thomas M. Recknagel, of New York.
Herbert Reiner, Jr., of the District of Columbia.
Ralph J. Ribble, of Texas.
Neil M. Ruge, of Virginia.
Joseph S. Sagona, of Maryland.
Peter J. Skoufis, of Maine.
Sidney Sober, of New York.
Charles G. Sommer, of Ohio.
Curtis C. Strong, of Oregon.
Frank D. Taylor, of Maryland.
George S. Vest, of Virginia.
John Patrick Walsh, of Illinois.
Temple Wanamaker, of Washington.
Hugh N. Whitaker, of Louisiana.
George D. Whittinghill, of New York.
Hugh W. Wolff, of Maryland.
Park F. Wollam, of California.
Donald L. Woolf, of California.
Sam L. Yates, Jr., of California.

Norman L. Smith, of Illinois, for appointment as a Foreign Service officer of class four, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service officers for promotion from class 5 to class 4:

Forest E. Abbuhl, of Ohio.
Thomas W. Ainsworth, of New Hampshire.
Miss Norah H. Alsterlund, of Illinois.
Robert Anderson, of Massachusetts.
Nicholas G. Andrews, of New Jersey.
Howard J. Ashford, Jr., of Colorado.
John G. Bacon, of Washington.
Michael P. Balla, of Pennsylvania.
Robert J. Barnard, of Wisconsin.
Robert M. Beaudry, of Maine.
S. Cole Blasier, of Michigan.
William P. Boswell, of New Jersey.
William G. Bowdler, of Virginia.
James W. Boyd, of North Carolina.
Edward T. Brennan, of Massachusetts.
William D. Broderick, of Michigan.
North C. Burn, of Washington.
William D. Calderhead, of Texas.
Thomas A. Cassilly, of Maryland.
Frederic L. Chapin, of New Jersey.
Miss Marjorie L. Cheatham, of Washington.
Edward R. Cheney, of New Hampshire.
Albert C. Cizauskas, of New York.
Miss Marian C. Conroy, of Pennsylvania.
Carleton S. Coon, Jr., of Massachusetts.
Mr. Lee Cotterman, of Ohio.
Franklin J. Crawford, of Ohio.
William R. Crawford, Jr., of Pennsylvania.
William E. Culbert, of Connecticut.
John E. Cunningham, of the District of Columbia.
Edmund A. da Silveira, of Virginia.
Robert D. Davis, of Oklahoma.
Robert W. Day, of Maryland.
Philbert Deyman, of Minnesota.
John R. Diggins, Jr., of Maine.
Miss Ollie G. Edmundson, of Missouri.
Athol H. Ellis, of Maryland.
Nels E. Erickson, of Virginia.
Miss Sara G. Falkener, of North Carolina.
Charles B. Ferguson, of Indiana.
Joseph Ferdandez, of Pennsylvania.
James J. Ferretti, of Connecticut.
Emmett B. Ford, Jr., of North Carolina.
Weikko A. Forsten, of Washington.
Rockwood H. Foster, of the District of Columbia.
Theodore R. Frye, of Ohio.
Robert J. Gibbons, of Ohio.
William G. Gibson, of California.
Charles C. Gidney, Jr., of Texas.
William H. Gleysteen, Jr., of Pennsylvania.
Gerald Goldstein, of New York.
Raymond E. González, of California.
John L. Hagan, of Nevada.
William C. Hamilton, of Connecticut.
John H. Hermanson, of Massachusetts.
Harrison M. Holland, of Washington.
Wharton Drexel Hubbard, of New York.
Robert C. Huffman, of Washington.
Leaman R. Hunt, of Oklahoma.
Miss Margaret Hussman, of Idaho.
Borrie I. Hyman, of California.
Edward C. Ingraham, Jr., of New York.
Heyward Isham, of New York.
Charles K. Johnson, of California.
Miss Marie A. Johnson, of Minnesota.
Richard E. Johnson, of Illinois.
William C. Jones III, of Texas.
Abraham Katz, of New York.
Gordon D. King, of Texas.
Nicholas S. Lakas, of Connecticut.
Donald E. Larimore, of Illinois.
Raymond W. Laugel, of Ohio.
William W. Lehfeldt, of California.
Arthur C. Lillig, of Oregon.
Kenneth W. Linde, of Connecticut.
Mrs. Ruth A. Lovell, of California.
Hobart N. Luppi, of Connecticut.
Francis N. Magliozzi, of Massachusetts.
Edward E. Masters, of Ohio.
H. Freeman Matthews, Jr., of Virginia.
Walter M. McClelland, of Oklahoma.
Allan F. McLean, Jr., of Texas.
Francis J. Meehan, of Maryland.
Miss Anne W. Meriam, of Massachusetts.
Earl R. Michalka, of Michigan.
James D. Moffett, of Minnesota.
John A. Moran III, of New Jersey.
James F. Moriarty, of Massachusetts.
Clifford R. Nelson, of California.
Harvey F. Nelson, Jr. of California.
Howard F. Newsom, of the District of Columbia.
Harry I. Odell, of New York.
Glen S. Olsen, of Utah.
Mathias J. Ortwein, of Pennsylvania.
Miss Wilma C. Patterson, of Indiana.
J. H. Cameron Peake, of Connecticut.
Richard F. Pedersen, of California.
John M. Perry, of Massachusetts.
Hilding A. Peterson, of Minnesota.
Richard W. Petree, of Virginia.
Laurence G. Pickering, of Nebraska.
Joseph H. Quintanilla, of Texas.
Mrs. Virginia C. Ralston, of Washington.
Ralph C. Rehberg, of South Carolina.
Lloyd M. Rives, of New Jersey.
Arthur H. Rosen, of Missouri.
H. Earle Russell, Jr., of Michigan.
Irvin C. Scarbeck, of California.
Stanley D. Schiff, of New Jersey.
Irving I. Schiffman, of New York.
David Scott, of Maryland.
Talcott W. Seelye, of Massachusetts.
William C. Sherman, of Illinois.
Robert K. Sherwood, of Nebraska.
Thomas P. Shoesmith, of Pennsylvania.
Schubert E. Smith, of New York.
J. Harlan Southerland, of the District of Columbia.
Moncrieff J. Spear, of New York.
Heywood H. Stackhouse, of Virginia.
Andrew Stalder, of New York.
Monteagle Stearns, of Virginia.
Robert A. Stein, of New Jersey.
Godfrey Harvey Summ, of Virginia.
Miss Margarite H. Tanck, of South Dakota.
Mrs. Kathleen Clifton Taylor, of Washington.
Malcolm Thompson, of Massachusetts.
Miss LaVerne L. Thomsen, of Washington.
Vladimir I. Toumanoff, of New Hampshire.
William N. Turpin, of Georgia.
August Velletri, of Maryland.
Harold C. Voorhees, of Connecticut.
Miss Mary L. Walker, of Georgia.
Robert Gill Walker, of Pennsylvania.
Aloysius J. Warnecki, of Pennsylvania.
Miss Alice D. Westbrook, of California.
Robert A. Wooldridge, of Indiana.
Jean E. Zimmermann, of Missouri.

Louis A. Gallo, of New York, for appointment as a Foreign Service officer of class 5, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service officers for promotion from class 6 to class 5:

John R. Bartelt, Jr., of Massachusetts.
Henry E. Dumas, of California.
John D. Gough, of California.
Theodore J. C. Heavner, of Ohio.
Paul J. Hoylen, of Maryland.
Benjamin L. Sowell, of Maryland.
Anthony E. Starcevic, of California.
Francis M. Withey, of Michigan.

The following-named Foreign Service officers for promotion from class 6 to class 5 and to be also consuls of the United States of America:

Robert J. Allen, Jr., of the District of Columbia.
William G. Allen, of Vermont.
James F. Amory, of Virginia.
John W. Anderson, of Texas.
Miss Marion E. Anderson, of Connecticut.
Melvin J. Anthony, of Illinois.
Miss Alma M. Armstrong, of the District of Columbia.
Leroy C. Aycock, of Texas.
Miss Helen M. Bailey, of Virginia.
Robert M. Balthaser, of Pennsylvania.
Joseph P. Bandoni, of California.
John Daniel Barfield, of Tennessee.
Miss Edna H. Barr, of Ohio.
Jack Beni, of West Virginia.
Miss Helen Biggane, of California.
Carl A. Bischoff, Jr., of Missouri.
William W. Blackerby, of Texas.
Hyman Bloom, of the District of Columbia.
Richard W. Boehm, of New York.
Miss Eleanor R. Borrowdale, of California.
Roger C. Brewin, of Arizona.
Miss Dorothy V. Broussard, of Texas.
Edward H. Brown, of Pennsylvania.
Miss Eleanor A. Burnett, of Florida.
Max R. Caldwell, of Texas.
Mario Calvani, of Massachusetts.
Robert V. Carey, of Colorado.
Robert J. Carle, of California.
William L. Carr, of Massachusetts.
James L. Carson, of Oregon.
Harvey J. Cash, of Arizona.
Miss Marie C. Chabot, of Rhode Island.
Miss Ann Child, of California.
Harold T. Christie, of New York.
Miss Kathryn O. Clark, of the District of Columbia.
Walter F. X. Collopy, of Connecticut.
Philip R. Cook, Jr., of Virginia.
Jeffery R. D. Crockett, of the District of Columbia.
John J. Crowley, Jr., of West Virginia.
John R. Davis, Jr., of California.
John G. Dean, of New York.
Thomas A. DeHart, of California.
Stephen A. Dobrenchuk, of Massachusetts.
A. Hugh Douglas, Jr., of Rhode Island.
William J. Drew, of Massachusetts.
John T. Dreyfuss, of California.
John Dubois, of Massachusetts.
Donald B. Easum, of Wisconsin.
Edward L. Eberhardt, of Virginia.
Hunter L. Estep, of New Mexico.
Miss Marybel Eversole, of Illinois.
Stockwell Everts, of New York.

George Falk, of Maryland.
Miss Jean L. Farr, of Massachusetts.
James D. Farrell, of Kansas.
John E. Feissner, Jr., of the District of Columbia.
Arthur W. Feldman, of Washington.
Robert E. Ferris, of California.
Thomas W. Fina, of Florida.
Arva C. Floyd, Jr., of Georgia.
Robert T. Follestad, of California.
Richard T. Foose, of West Virginia.
Carl E. Forkel, Jr., of Texas.
Charles M. Gage, of Illinois.
Stephen G. Gebelt, of California.
Miss Bernice A. Goldstein, of Pennsylvania.
Miss Alice M. Griffith, of Maryland.
Robert P. Gwynn, of the District of Columbia.
Holsey G. Handyside, of Ohio.
Alfred Harding IV, of New York.
Richard C. Harmstone, of the District of Columbia.
William A. Hayne, of California.
George A. Hays, of Pennsylvania.
John D. Hemenway, of Washington.
Roy R. Hermesman, of Pennsylvania.
Henry L. Heymann, of Pennsylvania.
Martin B. Hickman, of Utah.
Deion L. Hixon, of Alabama.
Edward J. Holway, Jr., of Ohio.
Herbert M. Hutchinson, of New Jersey.
Samuel M. Janney, Jr., of the District of Columbia.
Anthony J. Jay, of Illinois.
William R. Jochimsen, of California.
Robert S. Johnson, of Michigan.
Lewis D. Junior, of Missouri.
Ralph M. Kearney, of Illinois.
William Kelley, of Florida.
Thomas A. Kelly, of Pennsylvania.
Earl A. Kessler II, of Oregon.
Hugh D. Kessler, of Florida.
Lucien L. Kinsolving, of New York.
Richard N. Kirby, of Ohio.
Charles A. Kiselyak, of Washington.
Elmer G. Kryza, of Michigan.
Miss Inez E. Larson, of Minnesota.
Malcolm Lawrence, of Maryland.
Myron Brockway Lawrence, of Oregon.
Mrs. Elvira L. Lawyer, of the District of Columbia.
Owen B. Lee, of Massachusetts.
Charles A. Lemmo, of Pennsylvania.
Joe Lill, of Kansas.
Eric G. Lindahl, of Michigan.
Ralph E. Lindstrom, of Minnesota.
Joseph A. Livornese, of Colorado.
Richard G. Long, of Illinois.
Miss Ingeborg M. Lueders, of Virginia.
John C. Mallon, of Kentucky.
Louis B. Marr, of Pennsylvania.
Mrs. Elvira P. Martin, of Connecticut.
Kenneth W. Martindale, of Florida.
William G. Marvin, Jr., of California.
C. Thomas Mayfield, of Wisconsin.
Charles W. McCaskill, of Virginia.
Francis P. McCormick, of Massachusetts.
William H. McLean, of Kentucky.
Miss Ruth A. McLendon, of Texas.
Thomas N. Metcalf, Jr., of Massachusetts.
Miss Gertrude M. Meyers, of Minnesota.
Miss Clorene A. Miller, of Texas.
S. Paul Miller, Jr., of California.
Miss Marion K. Mitchell, of New York.
William D. Morgan, of New York.
Miss Martha J. Moses, of Texas.
Paul Moy, of Illinois.
Charles G. Mueller, of Montana.
Miss Helen J. Mullen, of New York.
John Patrick Mulligan, of California.
Richard W. Murphy, of Massachusetts.
Philip C. Narten, of Ohio.
Marshall Hays Noble, of New York.
Robert C. Ode, of Michigan.
Kiyonao Okami, of Maryland.
Herbert S. Okun, of New York.
Waldemar A. Olson, of Wisconsin.
J. Theodore Papendorp, of New Jersey.
Miss Marjorie L. Pea, of Indiana.
Grover W. Penberthy, of Oregon.
Raymond L. Perkins, Jr., of Colorado.
J. Stanley Phillips, of Tennessee.
Charles H. Pletcher, of Minnesota.
Howard W. Potter, Jr., of New York.
John M. Powell, of Illinois.
John Reed, of California.
W. Courtlandt Rhodes, of California.
Robert E. Rosselot, of Virginia.
James T. Rousseau, of Florida.
William F. Ryan, of New York.
William W. Sabbagh, of Maryland.
Muneo Sakaue, of California.
Charles B. Selak, Jr., of Pennsylvania.
Goodwin Shapiro, of Maryland.
Miss Lucy A. Shults, of New York.
Peter Simon, of New York.
Robert W. Skiff, of Florida.
Miss Alice M. Smith, of North Carolina.
Jack M. Smith, Jr., of Georgia.
Robert P. Smith, of Texas.
Miss Cecil Sporn, of New York.
Paul K. Stahnke, of Illinois.
Denman F. Stanfield, of California.
Edward O. Stellmacher, of Wisconsin.
Mrs. Edith A. Stensby, of Tennessee.
Birney A. Stokes, of New Jersey.
George H. Strunz, of Arizona.
Harold C. Swope, of Missouri.
Edward H. Thomas, of New Jersey.
James M. Turner, of Tennessee.
Marcel van Essen, of New York.
Daroslav S. Vlahovich, of New Jersey.
Frank J. Walters, of the District of Columbia.
Miss Dorothy H. Webb, of California.
Miss Jessie L. Webb, of Tennessee.
Ralph H. Wheeler, Jr., of Florida.
John T. Wheelock, of Illinois.
Ray E. White, Jr., of Virginia.
Richard W. White, of Maryland.
William Marshall Wright, of Arkansas.
Charles T. York, of New York.
Eric V. Youngquist, of Illinois.
Hubert L. Zwald, of Pennsylvania.

The following-named persons for appointment as Foreign Service officers of class 6, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Miss Nannette Choate, of the District of Columbia.
Michael M. Conlin, of California.
Miss Eleanor S. Foote, of Colorado.
Mrs. Aasta B. Haugen, of California.
Bernard F. Piatek, of Illinois.

The following-named Foreign Service officers for promotion from class 7 to class 6:

John A. Anderegg, of New Jersey.
Curtis B. Brooks, of Vermont.
Carleton C. Brower, of California.
Davis S. Chamberlain III, of New Jersey.
Richard D. Christiansen, of Michigan.
Edward M. Cohen, of New York.
John C. Dorrance, of California.
Robert A. England, of Connecticut.
Charles E. Exum III, of North Carolina.
Louis P. Goelz III, of Pennsylvania.
Robert Earl Gordon, of Oregon.
Myles L. Greene, of Florida.
Mrs. Winifred T. Hall, of New Jersey.
George Berman High, of Illinois.
Robert W. Huddleston, of New Jersey.
Harry W. Jacobs, of Alaska.
George F. Jones, of Texas.
Edward E. Keller, Jr., of California.
Thomas F. Killoran, of Massachusetts.
William E. Knepper, of Kansas.
Dennis H. Kux, of New York.
Joseph P. Leahy, of the District of Columbia.
Herbert Levin, of New York.
W. Wyatt Martin, Jr., of Tennessee.
Jack F. Matlock, Jr., of Vermont.
Robert W. Maule, of California.
Richard H. Morefield, of California.
John J. Mullin, of California.
James C. Nelson, of Illinois.
Robert K. Olson, of Minnesota.
William B. Pounds, Jr., of Florida.
Robert F. Rogers, of California.
James D. Rosenthal, of California.
Thomas J. Scotes, of Pennsylvania.
Thomas W. M. Smith, of Massachusetts.
Miss Nancy L. Snider, of California.
Richard L. Springer, of Ohio.
Franklyn E. Stevens, of California.
Edward J. Streator, Jr., of New York.
Francis Hugh Thomas, of Pennsylvania.
Samuel H. Weaver, of New York.

The following-named persons for appointment as Foreign Service officers of class 7, vice consuls of career, and secretaries in the diplomatic service of the United States of America:

Andrew Andranovich, of Connecticut.
Charles A. Cariddi, of California.
Shelby M. Currie, Jr., of Oregon.
Edward J. Dolezal, of Illinois.
Miss Kathryn M. Geoghegan, of Colorado.
Mrs. Marcia L. Martin, of California.
Mrs. Wilma E. Mayo, of Florida.
Henry R. Mills, of Kansas.
Miss Jane M. Potter, of Maryland.
Jerry M. Reynolds, of Missouri.
Paul Roman, of California.
Miss Thelma R. Thurtell, of California.
Sidney L. Woollons, of Ohio.

The following-named Foreign Service officers for promotion from class 8 to class 7:

Madison M. Adams, Jr., of Alabama.
Philip M. Allen, of Pennsylvania.
Robert G. Anders, of Wisconsin.
Dexter Anderson, of New Jersey.
George A. Anderson, of Iowa.
Harry M. Angelus, of Massachusetts.
Alfonso Arenales, of New York.
Diego C. Asencio, of New Jersey.
Bryan H. Baas, of Texas.
Arthur C. Bauman, of Michigan.
Maxwell K. Berry, of Kentucky.
Gordon R. Beyer, of Florida.
Robert O. Blucker, of Arkansas.
Michael P. Boerner, of Maryland.
Harold A. Bratt, Jr., of Massachusetts.
Peter S. Bridges, of Illinois.
James E. Briggs, of North Carolina.
William A. Brown, of Massachusetts.
John R. Burke, of Wisconsin.
Harry A. Cahill, of Virginia.
Miss Martha C. Carbone, of Washington.
Vincent J. Cherry, of New York.
J. Chapman Chester, of Wisconsin.
Raymond C. Collins, Jr., of New Jersey.
Peter D. Constable, of New York.
Thomas E. Cummings, of California.
Walter L. Cutler, of Maine.
Curtis C. Cutter, of California.
William P. Deary, of New York.
Francis De Tarr, of California.
Robert P. DeVecchi, of Pennsylvania.
William C. Dixon, of California.
Charles E. Duffy, of Iowa.
John M. DuPont, of Maine.
Lawrence S. Eagleburger, of Wisconsin.
Rudy V. Fimbres, of Arizona.
Bruce A. Flatin, of Minnesota.
Robert S. Gershenson, of Pennsylvania.
William L. Givens, of Tennessee.
Leopold Gotzlinger, of Ohio.
Benson Lee Grayson, of New York.
Thomas Gustafson, of Oklahoma.
John T. Haldane, of the District of Columbia.
Kent H. Hall, of California.
Charles H. Hallock, of Virginia.
Richard R. Hart, of Indiana.
Douglas G. Hartley, of the District of Columbia.
Maxwell S. Heigho, of California.
John J. Helble, of Illinois.
Miss Evelyn R. Hessler, of New York.
Thomas J. Hill, Jr., of Massachusetts.
Marvin J. Hoffenberg, of Maryland.
Harold E. Horan, of Texas.
Robert E. Jelley, of California.
William P. Keasbey, Jr., of California.
Lowell C. Kilday, of Wisconsin.
Barrington King, Jr., of South Carolina.
George L. Kinter, of Vermont.
John W. Kizler, of Texas.
David Korn, of Missouri.

George M. Lane, of Massachusetts.
Alan Logan, of California.
Shepard C. Lowman, of Texas.
Arthur L. Lowrie, of Pennsylvania.
William H. Luers, of Illinois.
Miss Barbara J. Marvin, of California.
Richard C. Matheron, of California.
Frank A. Mau, of Wyoming.
Sherrod B. McCall, of Illinois.
Miss Mary E. McDonnell, of Massachusetts.
Carl H. McMillan, Jr., of Maryland.
Francis J. McNeil III, of Florida.
Alan G. Mencher, of California.
Miss Mary L. Merges, of Pennsylvania.
William H. Mills, of Maryland.
Richard B. Moon, of Missouri.
Richard M. Moose, of Arkansas.
Donald R. Morris, of New York.
Miss Dorothy H. Myers, of Maryland.
Theodore C. Nelson, of Connecticut.
F. Pierce Olson, of Minnesota.
Russell E. Olson, of Illinois.
Theodore K. Osgood, of Massachusetts.
Ross C. Parr, of Florida.
Douglas R. Perry, of Maryland.
Robert J. Perry, of Ohio.
John G. Peters, of Maryland.
Gerald S. Pierce, of Oklahoma.
J. Keith Powell, of Texas.
Robert G. Rich, Jr., of Florida.
Stephen E. Schneider, of Illinois.
Richard C. Searing, of New Jersey.
Peter Sebastian, of New York.
Walter John Silva, of Massachusetts.
Kenneth N. Skoug, Jr., of Minnesota.
Donnell D. Smith, of Rhode Island.
R. Peter Spicer, of Ohio.
Michael Sterner, of New York.
Ulrich A. Straus, of Michigan.
Joseph O. Streicher, of Illinois.
John J. Sullivan, of Massachusetts.
Herbert D. Swett, of California.
Francis J. Tatu, of California.
Harry E. T. Thayer, of Pennsylvania.
Richard H. Thompson, of Indiana.
Donald B. Wallace, Jr., of Indiana.
Harry Weiner, of New York.
Miss Winifred S. Weislogel, of New Jersey.
Miss Virginia A. Weyres, of Wisconsin.
James W. White, of Florida.
Kenneth D. Whitehead, of Utah.
William M. Woessner, of New York.
Robert G. Wright, of Illinois.

The following-named Foreign Service staff officers to be consuls of the United States of America:

Raymond E. Benson, of New York.
Philip W. Carroll, of Maryland.
Earl Blake Cox, of Washington.
Robert W. Crawford, of Ohio.
Duncan B. M. Emrich, of Nevada.
Arnold C. Hanson, of Maine.
Paul E. Kelly, of Pennsylvania.
Robert F. Lent, of New York.
Edward B. Maguire, of California.
Harold R. Thain, of Oklahoma.
Fred W. Welty, of Maryland.

The following-named Foreign Service Reserve officers to be consuls of the United States of America:

Leland C. Altaffer, of Ohio.
Leon Kelston, of New York.
Louis L. Kirley, of New York.
Boyce E. Powell, of Florida.
Casimir T. Zawadzki, of New York.

Wheaton B. Byers, of Connecticut, a Foreign Service Reserve officer, to be a vice consul and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service Reserve officers to be vice consuls of the United States of America:

Dale H. Baker, of Arkansas.
Warren P. Cleary, of Michigan.
Joseph O. Eblan, of Massachusetts.
Charles F. McKay, of Florida.
Jack M. Mangham, of Virginia.
William C. Mathers, of Virginia.
Dorwin M. Wilson, of Indiana.

Robert J. Baker, of California, a Foreign Service Reserve officer, to be a secretary in the diplomatic service of the United States of America. (This nomination is submitted for the purpose of correcting an error in the nomination as submitted to the Senate on June 20, 1958, and confirmed by the Senate on July 10, 1958.)

The following-named Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America:

John L. Bender, of Virginia.
F. Willard Calder, of Florida.
David L. Gilsinn, of Virginia.
Marcus J. Gordon, of California.
Jerome W. Greiner, of Michigan.
George T. Kalaris, of Montana.
Harrington Littell, of California.
Seymour I. Nadler, of the District of Columbia.
Richard Ober, of Virginia.
William P. Roessner, of New York.
Ted M. G. Tanen, of California.
John H. Terjelian, of Minnesota.
Robert B. Whittinghill, of New York.

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Rubye H. Killough, Alpine, Ala., in place of W. F. Killough, retired.
Norman C. Minor, Beaverton, Ala., in place of J. N. White, transferred.
Virgil B. Huff, Brundidge, Ala., in place of V. B. Huff, transferred.
Donald Ray Morgan, Eva, Ala., in place of Bertha Morgan, retired.
J. Fred Wilcutt, Falkville, Ala., in place of A. K. B. Patterson, retired.
Joe A. Hamilton, McCalla, Ala., in place of N. T. Waldrup, retired.
Ramon N. Days, Sr., Magazine, Ala., in place of Zada Davis, resigned.
Sylvia W. Knight, Millry, Ala., in place of G. C. Warrick, retired.
Marvin S. Ward, Pine Apple, Ala., in place of Herman Grimes, retired.
John C. Williams, Jr., Sylacauga, Ala., in place of R. P. Greer, retired.

ARIZONA

Pauline L. Clark, Eloy, Ariz., in place of L. O. Vittitow, removed.
Forrest C. Bacus, Jr., Prescott, Ariz., in place of G. I. Gardner, retired.
Roberta M. Hill, Sells, Ariz., in place of B. L. Savage, retired.
Bessie L. Pierce, Tumacacori, Ariz., in place of M. E. Spencer, resigned.

ARKANSAS

James Overton Thomson, Aubrey, Ark., in place of O. O. Chappelle, retired.
Pauline J. Anderson, Bismarck, Ark., in place of F. G. Williams, transferred.
Ruth J. Crouse, Carthage, Ark., in place of S. K. Purdy, retired.
Henry T. Hogg, El Dorado, Ark., in place of S. B. McCall, retired.
Edgar L. Fergeson, Havana, Ark., in place of L. G. Smith, transferred.
James A. Leighton, Helena, Ark., in place of K. B. Lasswell, retired.
Kathryn F. Slocum, Hickory Ridge, Ark., in place of O. A. Teague, retired.
Edward Harrison, Jr., Huntington, Ark., in place of E. M. Harvey, retired.
Helen G. Webb, Mountain View, Ark., in place of M. R. Lancaster, retired.
Mattie M. Suagee, Norphlet, Ark., in place of A. J. Wages, retired.

CALIFORNIA

Harry P. Dowdell, Alhambra, Calif., in place of E. R. Stanford, retired.
Alvina E. Brune, Alvarado, Calif., in place of G. P. Dutra, resigned.
Richard A. Wallace, Anderson, Calif., in place of M. E. Dow, resigned.
Chester B. Schmill, Camarillo, Calif., in place of J. E. Osborne, retired.
Mary M. Parker, Capitola, Calif., in place of H. B. Hooper, retired.
Norman Warren, Elk Grove, Calif., in place of W. E. Dixon, Jr., retired.
Violet A. Schultz, Elverta, Calif., in place of L. D. Siler, retired.
Lulu Ellen Spradlin, Homeland, Calif. Office established December 16, 1949.
Louis E. Mitchell, Huntington Beach, Calif., in place of M. G. Murray, retired.
Orlando P. Farnesi, Jackson, Calif., in place of H. V. Tallon, deceased.
Leslie B. Hall, Jolon, Calif., in place of Ramona Sutfin, removed.
Ada W. Stone, Lewiston, Calif., in place of I. J. Short, resigned.
Ralph W. Boyd, Norwalk, Calif., in place of J. D. Stephenson, retired.
John W. Baker, Porterville, Calif., in place of C. P. Dunning, deceased.
Ray E. Taylor, Roseville, Calif., in place of R. A. Bates, retired.
Ralph W. Davis, Sr., San Bernardino, Calif., in place of R. K. Bates, retired.
Ernest G. Kuhn, Sunnymead, Calif., in place of Joseph Beeson, resigned.
Ray O. Durning, Thermal, Calif., in place of R. M. Wood, retired.
Rose V. Brown, Warm Springs, Calif., in place of J. S. Brown, retired.
Genaro A. Villegas, Wasco, Calif., in place of H. P. Pritschke, deceased.
Lloyd R. Varner, Winton, Calif., in place of G. A. King, retired.

COLORADO

George J. Ware, Aspen, Colo., in place of C. A. Beck, resigned.
John C. Warren, Fruita, Colo., in place of J. T. Weaver, transferred.
Harold E. Hendrix, Limon, Colo., in place of R. E. Snyder, resigned.

CONNECTICUT

Clarence P. Meier, Cornwall, Conn., in place of E. A. Goan, resigned.
Carolyn R. Kirchhoff, Quaker Hill, Conn., in place of C. E. Kirchhoff, deceased.
Doris M. Madden, Vernon, Conn., in place of F. L. Foley, resigned.

GEORGIA

Larree Johnston, Cartersville, Ga., in place of J. C. Nelson, retired.

IDAHO

Wesley H. Gross, American Falls, Idaho, in place of E. W. Cronkhite, retired.
William J. Miller, Bonners Ferry, Idaho, in place of E. J. Doyle, retired.
Delbert W. Taylor, Eagle, Idaho, in place of R. R. Fluharty, retired.
Inez A. Seagraves, Kingston, Idaho, in place of M. J. Perry, resigned.

ILLINOIS

Clare A. Lupton, Assumption, Ill., in place of H. W. Myers, deceased.
Louise E. Schultz, Beecher, Ill., in place of Louise Sperling, retired.
Richard J. Silverman, De Kalb, Ill., in place of D. A. Leifheit, retired.
Harry J. Kribs, Glen Ellyn, Ill., in place of M. C. Palmer, deceased.
Dartis F. Harvey, Glenwood, Ill., in place of J. A. Blakemore, resigned.
Harold J. Dehr, Hinsdale, Ill., in place of E. R. Kylen, resigned.
Wayne B. Tatham, Industry, Ill., in place of C. P. Janes, retired.
Thelma M. Comer, Joppa, Ill., in place of V. M. Lauderdale, resigned.
Ina L. Thurlby, Kingston, Ill., in place of G. L. Campbell, retired.
John R. Clarke, Mount Sterling, Ill., in place of G. R. Davis, retired.
Joseph A. Gossett, Norris City, Ill., in place of W. S. Smith, retired.
Charlotte J. Prentice, Pawpaw, Ill., in place of W. A. Woods, retired.

Arthur F. Dirks, Petersburg, Ill., in place of S. L. Shaw, resigned.
John Craig Templeton, Pinckneyville, Ill., in place of T. A. Denton, transferred.
Oscar C. Hudson, Princeton, Ill., in place of H. B. Brown, retired.
Joe M. Stoddard, Ramsey, Ill., in place of O. W. Hinton, removed.
Ralph E. Wright, Rockton, Ill., in place of N. J. Lovelace, retired.
Irene F. Hitzeman, Roselle, Ill., in place of A. M. Smith, resigned.
William C. Miller, Seymour, Ill., in place of W. H. Richards, retired.
Allen D. Crist, Stonington, Ill., in place of O. F. Young, retired.
Lester Lippincott, Sullivan, Ill., in place of G. C. Miller, retired.
William E. Halvey, Techny, Ill., in place of F. P. Campbell, resigned.
Melvin J. Lowery, Tolono, Ill., in place of C. E. Harden, transferred.
Paul H. Eberle, Wonder Lake, Ill., in place of Arthur Hay, removed.

INDIANA

Leland F. Hess, Brook, Ind., in place of R. A. Conn, retired.
W. Lehr Wilder, St. Joe, Ind., in place of M. E. Storer, retired.

IOWA

Delbert C. Harken, Ackley, Iowa, in place of M. J. E. Kachelhoffer, retired.
Barbara E. Sommers, Andrew, Iowa, in place of Q. J. March, retired.
Donald L. Wilson, Colo, Iowa, in place of Frances O'Donnell, retired.
David H. Crenshaw, Des Moines, Iowa, in place of E. M. Johnson, removed.
Charles W. Fry, Earlham, Iowa, in place of O. L. Jones, transferred.
Robert L. Curtis, Greene, Iowa, in place of Clarence Starkweather, Jr., removed.
Ewing E. Shiffer, Grimes, Iowa, in place of H. M. Meneough, retired.
Carl T. Ehen, Harcourt, Iowa, in place of C. A. Forslund, resigned.
Don F. Sanchez, Martinsburg, Iowa, in place of L. F. Mikesell, retired.
William C. Messinger, Menlo, Iowa, in place of G. R. Streepy, retired.
Jewel E. Campbell, Ollie, Iowa, in place of C. W. Campbell, deceased.
James F. Cooper, Onawa, Iowa, in place of C. W. Beigel, resigned.
Arthur L. Kastman, Paullina, Iowa, in place of J. H. Clayton, deceased.
Phyllis J. Davis, St. Charles, Iowa, in place of R. E. Lathrum, transferred.
Donald L. Morse, Sheldon, Iowa, in place of A. B. Dougherty, retired.
Lyle C. Smith, Waukee, Iowa, in place of L. M. Davis, retired.
Donald E. Christensen, West Bend, Iowa, in place of G. W. Montag, retired.

KANSAS

Mary F. Findley, Coyville, Kans., in place of J. P. Hollis, transferred.
Oswald K. Klassen, Elbing, Kans., in place of H. B. Schmidt, retired.
Bruce R. Corrick, Esbon, Kans., in place of Q. L. Ault, transferred.
George P. Shaw, Kanopolis, Kans., in place of L. M. Herrington, deceased.
Lauren E. Daetwiler, Ramona, Kans., in place of J. H. Anderson, transferred.

KENTUCKY

Earl G. Cothran, Eddyville, Ky., in place of N. G. Woodson, retired.
James S. Hinton, Jr., Flemingsburg, Ky., in place of Gilbert Adams, retired.
Earl Burris, Liberty, Ky., in place of C. L. Sharp, retired.
Smith C. Ledford, Paint Lick, Ky., in place of K. L. Walker, retired.
Arle C. Money, Taylorsville, Ky., in place of J. R. Harris, retired.
Pernie B. Middleton, Verda, Ky., in place of Carl Jones, resigned.

LOUISIANA

Thelma M. Bodoin, Broussard, La., in place of T. L. Ducrest, Jr., transferred.
Trellis Black, Farmerville, La., in place of T. E. Albritton, transferred.
Alice H. McWilliams, Princeton, La., in place of F. B. Farmer, resigned.
Jacqueline F. Dunn, Westlake, La., in place of W. H. Prejean, resigned.

MAINE

John B. Tschamler, Augusta, Maine, in place of H. E. Weeks, retired.
Edward L. Larrabee, Bath, Maine, in place of E. N. Hartnett, retired.
Mina C. Kent, Beals, Maine, in place of S. O. Carver, retired.
Eugene P. Duran, East Corinth, Maine, in place of G. L. Hawes, retired.
Florence P. Pendleton, Islesboro, Maine, in place of H. D. Pendleton, retired.
Virginia V. Morton, North New Portland, Maine, in place of E. E. Kennison, retired.
William A. Frizzle, Ocean Park, Maine, in place of J. H. Clark, removed.
Earl A. Fraser, Rangeley, Maine, in place of O. C. Brackett, retired.
Philip G. Lewis, Rumford, Maine, in place of M. B. Manson, deceased.
Margaret M. Given, South Harpswell, Maine, in place of A. L. Douglass, resigned.
Albert A. Ayotte, Strong, Maine, in place of A. D. Richards, retired.

MARYLAND

Agnes L. Matthews, Hughesville, Md., in place of J. H. Bowling, retired.
Lee Munshour, Thurmont, Md., in place of E. T. Kelbough, retired.

MASSACHUSETTS

Herbert A. Thurber, Bedford, Mass., in place of H. F. Davis, deceased.
Jack B. Jordan, West Barnstable, Mass., in place of I. I. Peltonen, resigned.
Ralph M. Clark, West Townsend, Mass., in place of H. F. Tenney, retired.

MICHIGAN

R. Don Pretty, Allen Park, Mich. Office established September 1, 1957.
Menzo A. Chapman, Blanchard, Mich., in place of A. A. Jones, transferred.
Roy O. Poth, Brown City, Mich., in place of F. F. Getz, resigned.
Verla V. Wolfgang, Dansville, Mich., in place of Bennett Taylor, retired.
Stanley L. Schook, East Detroit, Mich., in place of O. A. Kern, deceased.
Robert William Fagan, Holly, Mich., in place of B. E. Jones, deceased.
Edwin L. Gillespie, Jr., Jonesville, Mich., in place of B. A. Dobson, retired.
Walter A. Goodwin, Montrose, Mich., in place of E. S. G. Huber, resigned.
George W. Austin, Romulus, Mich., in place of Anthony McGinnis, deceased.
Bonnie L. Smith, St. Helen, Mich., in place of Elsie Grover, retired.
Ralph W. Kanaar, Swartz Creek, Mich., in place of S. D. Wade, retired.

MINNESOTA

Bernice A. Bottemiller, Bertha, Minn., in place of M. E. Alden, retired.
Jacob W. Kangas, Chisholm, Minn., in place of C. J. Auble, retired.
Ruth A. Campbell, Ellendale, Minn., in place of C. R. Campbell, retired.
Paul H. Hiller, Good Thunder, Minn., in place of C. E. Young, retired.
Eugene J. Grady, Hoyt Lakes, Minn. Office established February 16, 1955.
Carlton L. Anderson, Ironton, Minn., in place of R. J. Mayheu, retired.
J. Shirley Cole, Kenyon, Minn., in place of O. M. Goodfellow, retired.
Sylvester H. Prigge, Mazeppa, Minn., in place of H. M. Stull, retired.
Harry E. Maki, Menahga, Minn., in place of A. P. Nunn, retired.
Harry A. Smith, Mound, Minn., in place of R. E. O'Donnell, deceased.
Everett M. Viitala, Mountain Iron, Minn., in place of H. H. Schur, resigned.
Conrad J. Christie, Royalton, Minn., in place of H. L. Fisher, transferred.
Roland S. Sorvig, Winger, Minn., in place of S. M. Anderson, transferred.
Earle Henry Welty, Winona, Minn., in place of C. B. Erwin, retired.

MISSISSIPPI

Arlie A. Ramsey, Clarksdale, Miss., in place of S. I. Still, retired.
Harry O'Cain, Durant, Miss., in place of M. T. Williams, deceased.
Herbert M. Herman, Mayersville, Miss., in place of C. S. Elliott, retired.
Lola Lee Crawford, Meadville, Miss., in place of A. R. Moore, retired.
Edward L. Filgo, Shannon, Miss., in place of Effie Abernathy, retired.
William R. Basden, Sherman, Miss., in place of J. L. L. Beasley, removed.
Dee L. Doty, Vaughan, Miss., in place of R. C. Hinson, transferred.
Paul L. Parker, Water Valley, Miss., in place of A. K. Mauldin, retired.

MISSOURI

Harold M. Wood, Campbell, Mo., in place of M. B. Rice, retired.

MONTANA

James M. Stout, Ballantine, Mont., in place of E. F. Boschert, retired.
Arla M. Bullock, Basin, Mont., in place of T. B. Hopkins, retired.
Dale A. Wetzel, Broadview, Mont., in place of E. M. Evenson, retired.
Donald A. Kleppelid, Circle, Mont., in place of E. T. Kirchner, deceased.
Olaf Pederson, Huntley, Mont., in place of L. E. Osness, retired.

NEBRASKA

James R. Fleming, Cedar Bluffs, Nebr., in place of W. F. Hund, retired.
Earl A. Christenson, Craig, Nebr., in place of M. E. McDonald, retired.
Allen D. Irish, Genoa, Nebr., in place of R. W. Bruce, transferred.
John W. Robson, Gordon, Nebr., in place of R. F. Nelson, transferred.
James S. Harrison, Morrill, Nebr., in place of E. G. Quick, retired.
Paul R. Wenzl, Steinauer, Nebr., in place of C. A. Conradt, retired.
Joseph M. Schaaf, Superior, Nebr., in place of S. E. Tabor, retired.

NEVADA

Wilford E. Dunfield, Carson City, Nev., in place of E. J. Folsom, resigned.

NEW HAMPSHIRE

Marjorie A. Kimball, South Danville, N.H., in place of M. M. Heath, retired.

NEW JERSEY

Robert C. Roy, Branchville, N.J., in place of E. M. Davenport, retired.
William S. Weise, Dumont, N.J., in place of J. L. A. Gorman, retired.
Harry L. Goble, Jr., Great Meadows, N.J., in place of E. J. Wojcik, resigned.
Natalie F. Steele, Highland Lakes, N. J., in place of G. M. Lane, resigned.
Josephine A. Latimer, Laurelton, N.J., in place of E. J. McGann, retired.
Francis A. Riopel, Marlboro, N.J., in place of M. K. Collins, deceased.
Warren W. Fredericks, Sparta, N.J., in place of F. J. Kays, retired.
Daniel Dietz, Stanhope, N.J., in place of L. P. Kays, retired.
Robert M. Dunsmore, Summit, N.J., in place of T. F. VanDyke, deceased.
Merrill M. Tucker, Teaneck, N.J., in place of J. F. Carroll, removed.
Spartaco Pavesi, Tenafly, N.J., in place of F. V. Carter, retired.

NEW MEXICO

Virginia L. Alexander, Farmington, N. Mex., in place of L. H. Moore, retired.
Hattie J. Whitley, Quemado, N. Mex., in place of H. K. Shaw, resigned.
Leon F. Dryden, Ruidoso, N. Mex., in place of O. J. Hull, retired.

NEW YORK

Edna M. Beach, Cottekill, N.Y., in place of Ida Pietrobelli, retired.
Leon V. Jordan, Lyons Falls, N.Y., in place of Rosabelle Harris, retired.
George A. Cole, Northport, N.Y., in place of J. F. Hubert, resigned.
Howard B. Stickney, Prattsburg, N.Y., in place of G. L. Patch, retired.

NORTH CAROLINA

John H. Lynch, Mill Spring, N.C., in place of A. F. Briscoe, retired.
James C. Dial, Pembroke, N.C., in place of J. R. Lowry, retired.

NORTH DAKOTA

Albert Maier, Ashley, N. Dak., in place of M. B. Johnson, retired.

OHIO

Clifford J. Haglock, Dover, Ohio, in place of D. W. Gerber, retired.
Lloyd Gardner, Dundee, Ohio, in place of D. T. Johnson, retired.
Gene H. Ward, Farmersville, Ohio, in place of A. M. Bell, resigned.
William A. Jordan, Fayetteville, Ohio, in place of C. F. Roberts, transferred.
Harold T. Deselms, Freeport, Ohio, in place of K. E. Caldwell, transferred.
Clarence A. Emley, Germantown, Ohio, in place of C. N. Emrick, retired.
Ernest W. Jones, Glouster, Ohio, in place of D. P. Mooney, retired.
Fredrick W. Scheiderer, Marysville, Ohio, in place of H. C. Doellinger, retired.
Marvin O. Crabtree, Morral, Ohio, in place of Guy Miller, retired.
C. Emil Sidle, Nashport, Ohio, in place of W. A. Brailer, retired.
Leo C. Blackburn, Portsmouth, Ohio, in place of F. E. Smith, resigned.
Florence M. Hazen, Sharon Center, Ohio, in place of Alice Johnson, retired.
Gordon R. Lanker, Toledo, Ohio, in place of W. P. Kilcorse, deceased.
Russell H. Miller, Yellow Springs, Ohio, in place of H. J. Grote, retired.

OKLAHOMA

Della I. Harlan, Big Cabin, Okla., in place of J. T. Haney, Jr., transferred.
Henry A. Hewett, Durant, Okla., in place of G. V. Duncan, transferred.
Howard E. Barkley, Forgan, Okla., in place of W. J. Lundy, deceased.

PENNSYLVANIA

Harold C. Stiffler, Boalsburg, Pa., in place of G. E. Rishel, deceased.
Harold H. Allshouse, Brookville, Pa., in place of H. F. Aiken, retired.
William I. Wolfinger, Chalfont, Pa., in place of E. C. Wonder, retired.
Emil F. Baiocco, Chester, Pa., in place of F. L. Stringfellow, retired.
Marion G. Vail, Chester Springs, Pa., in place of J. A. Vail, deceased.
Henry L. Bomberger, Elm, Pa., in place of J. M. Bomberger, retired.
Robert L. Graham, Grand Valley, Pa., in place of C. E. Ongley, retired.
John F. Wolf, Hatfield, Pa., in place of E. N. Zepp, retired.
Vincent B. Segeleon, Leetsdale, Pa., in place of Fred Schneider, deceased.
Richard C. Rader, Lititz, Pa., in place of R. E. Pfautz, retired.
Diantha E. Webster, Mainesburg, Pa., in place of G. E. Stauffer, retired.
F. Ruth Horst, Neffsville, Pa., in place of G. P. Kratzert, retired.
Esther M. Moore, Rockhill Furnace, Pa., in place of M. E. Byers, deceased.
Berton R. Rearick, Rural Valley, Pa., in place of H. O. Boyer, retired.
Douglas A. Portzline, Selinsgrove, Pa., in place of E. G. Aucker, retired.
Russell A. Rosengrant, Wyalusing, Pa., in place of J. G. Keeler, retired.
Abel S. Landes, Jr., Wycombe, Pa., in place of A. S. Landes, retired.

RHODE ISLAND

Robert S. Hirst, Ashaway, R.I., in place of J. E. Murray, deceased.
Henry K. Mook, Charlestown, R.I., in place of G. W. Short, resigned.
Donald C. Shemick, North Scituate, R.I., in place of E. L. Clark, retired.
Reginald L. Campbell, Tiverton, R.I., in place of C. S. Holding, removed.
Richard J. Vitullo, Warren, R.I., in place of Fred Beauchaine, retired.

SOUTH CAROLINA

Carl E. Burkett, Cayce, S.C., in place of Helen Van Keuren, retired.
Herbert H. Crosland, Jr., York, S.C., in place of G. C. Cartwright, retired.

SOUTH DAKOTA

Melvin H. Weisner, Orient, S. Dak., in place of M. C. Matter, removed.

TENNESSEE

Allie Louise W. Anderson, Charlotte, Tenn., in place of H. B. Crow, removed.
Lloyd Dodson, Doyle, Tenn., in place of Etoile Johnson, deceased.
Carmon C. Bowlin, Dresden, Tenn., in place of W. H. Pritchett, retired.
Basil Hubert Nunley, Riceville, Tenn., in place of W. H. Higginbotham, retired.
Joseph E. Hollingsworth, Whiteville, Tenn., in place of Lois Caruthers, retired.

TEXAS

Jasper L. Ellison, Abernathy, Tex., in place of W. A. Richter, resigned.
Frank R. Summers, Alief, Tex., in place of C. M. Curry, retired.
John Clarence Stockton, Alvord, Tex., in place of W. E. Howell, transferred.
Earl F. Stubblefield, Bogata, Tex., in place of W. G. King, retired.
Sidney E. Chandler, Bowie, Tex., in place of H. L. Turns, retired.
James R. Flowers, Chico, Tex., in place of W. M. Mead, removed.
Horatio George Littlefair, Cleburne, Tex., in place of D. M. Pegues, retired.
Sam Stowers, Denison, Tex., in place of J. R. Brown, retired.
John D. Zahn, Farwell, Tex., in place of N. N. Lokey, resigned.
Rex L. Alexander, Jayton, Tex., in place of W. E. Wade, transferred.
J. Austin Rigney, Keller, Tex., in place of Alex Jones, retired.
Robert R. Joyner, Ladonia, Tex., in place of Carl Little, retired.
Mary K. Fridel, Mont Belvieu, Tex., in place of L. N. Tyer, deceased.
Issac J. Newman, Moody, Tex., in place of B. W. Newman, transferred.
James M. Cottle, Moran, Tex., in place of A. J. Dennis, transferred.
Ralph R. Richardson, Pecan Gap, Tex., in place of U. B. Walker, retired.
Vera F. Thomas, Point Comfort, Tex. Office established January 1, 1955.
Dixie L. Shaw, Port Bolivar, Tex., in place of I. G. Bouse, retired.
Velma F. Link, Presidio, Tex., in place of A. W. Valentine, resigned.
Helen M. St. John, Progreso, Tex., in place of N. A. Shull, retired.
William H. Brown, Red Oak, Tex., in place of V. G. Evans, retired.
Grady V. Harris, Troup, Tex., in place of G. W. Dear, transferred.
Clarence E. McFarland, Whitesboro, Tex., in place of Harry Reast, retired.

UTAH

Vernald W. Johns, Garland, Utah, in place of M. L. Nielson, deceased.
Michael Kolovich, Jr., Hiawatha, Utah, in place of E. C. Bowen, retired.
Bliss R. Packard, Springville, Utah, in place of J. E. Bird, retired.

VERMONT

Esther L. Sweatt, Craftsbury Common, Vt., in place of B. W. Farrar, retired.

WASHINGTON

Gordon E. Carr, Colville, Wash., in place of C. F. Lee, removed.
Sidney A. Morton, Longview, Wash., in place of C. L. Byers, retired.
Monty Fraser, Othello, Wash., in place of B. H. Barton, retired.
Allen H. Grant, Tracyton, Wash., in place of E. E. Riddell, retired.

WEST VIRGINIA

Amos L. Whittington, Buffalo, W. Va., in place of E. K. Beitz, resigned.
Maurice B. Morrison, Charlton Heights, W. Va., in place of M. S. Robinson, resigned.
Nettie L. Hurd, Craigsville, W. Va., in place of S. B. Herold, retired.
Donna M. Harmon, Griffithsville, W. Va., in place of B. R. Osborne, resigned.
Charles F. Parker, Maidsville, W. Va., in place of J. C. Garlow, deceased.
Erva Winston Cooper, Milton, W. Va., in place of D. J. Blackwood, retired.
Harold R. Wiles, Tunnelton, W. Va., in place of J. F. Graham, retired.
Robert N. Allen, Union, W. Va., in place of L. L. Spangler, retired.

WISCONSIN

Ellsworth L. Thompson, Black River Falls, Wis., in place of P. W. Dickey, retired.
Clifford John Stuber, Cochrane, Wis., in place of E. F. Keller, transferred.
Floyd R. Dixon, Elkhart Lake, Wis., in place of E. C. Loos, resigned.
John R. Sargent, Gratiot, Wis., in place of J. A. Brannan, retired.
Kenneth R. Jacobs, Knapp, Wis., in place of J. D. Purvis, transferred.
Theodore R. King, Mazomanie, Wis., in place of L. E. Dye, deceased.
Daniel H. Hutchison, Ontario, Wis., in place of C. I. Nixon, retired.
Stephen D. Angelo, Redgranite, Wis., in place of F. W. Ocain, removed.
Howard T. Rose, Tomahawk, Wis., in place of A. O. Ball, retired.
Roger K. Erickson, Twin Lakes, Wis., in place of B. C. Schippers, retired.

WYOMING

Elizabeth L. Moore, Fort Washakie, Wyo., in place of C. W. Markley, retired.
Hazel M. Bennion, Meeteetse, Wyo., in place of A. T. Frans, retired.
Marguerite A. Braziel, Yoder, Wyo., in place of C. V. Malone, transferred.

UNITED NATIONS

The following-named persons to be alternate representatives of the United States of America to the 13th session of the General Assembly of the United Nations:

Mason Sears, of Massachusetts.
Benjamin Gerig, of Maryland.

COLLECTOR OF CUSTOMS

George N. Sundquist, of Wisconsin, to be Collector of Customs for Customs Collection District No. 36, with headquarters at Duluth, Minn., to fill an existing vacancy.

U.S. DISTRICT JUDGES

Myron D. Crocker, of California, to be U.S. district judge for the southern district of California, vice Gilbert H. Jertberg, elevated.

Fred Kunzel, of California, to be U.S. district judge for the southern district of California, vice Jacob Weinberger, retired.

U.S. ATTORNEYS

Harry W. Hultgren, Jr., of Connecticut, to be U.S. attorney for the district of Connecticut for the term of 4 years, vice Simon S. Cohen, resigned.

Robert S. Rizley, of Oklahoma, to be U.S. attorney for the northern district of Oklahoma for the term of 4 years, vice B. Hayden Crawford, resigned.

IN THE AIR FORCE

Gen. Edwin W. Rawlings, 95A, (major general, Regular Air Force), U.S. Air Force, to be placed on the retired list in the grade of general under the provisions of section 8962, title 10 of the United States Code.

Lt. Gen. Samuel E. Anderson, 92A (major general, Regular Air Force), U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President in the rank of general, under the provisions of section 8066, title 10 of the United States Code.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 16, 1956:

DIPLOMATIC AND FOREIGN SERVICE

Ambassadors Extraordinary and Plenipotentiary of the United States of America to the countries indicated:

Philip W. Bonsal, of the District of Columbia, to Cuba.

Philip K. Crowe, of Maryland, to the Union of South Africa.

Sheldon T. Mills, of Oregon, to the Hashemite Kingdom of Jordan.

William C. Trimble, of Maryland, to the Kingdom of Cambodia.

Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the country indicated:

Raymond A. Hare, of West Virginia, Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Arab Republic, to serve concurrently and without additional compensation as Envoy Extraordinary and Minister Plenipotentiary of the United States of America to the Kingdom of Yemen.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 16, 1959

The House met at 12 o'clock noon.

The Reverend Father John Kidykas., S.J., Lithuanian Jesuit Fathers' House, Chicago, Ill., offered the following prayer:

Our Father who art in heaven, Father of infinite love, Father of all wisdom and orderliness, Father of all life and happiness, I humbly pray Thee to bless this House of Representatives, charged by Thee and by the people with the promotion of order, peace, and happiness. May this blessing of Thine include a large share of Thy divine wisdom, of Thy merciful justice, and of Thy just love, which alone can enable them to cooperate with Thee in promoting Thy kingdom of truth and life, Thy kingdom of sanctity and grace, Thy kingdom of justice, love, and peace, and so to insure our Nation's true and lasting welfare.

And since Thou didst command us to love also our neighbor, so, Father of all oppressed and suffering, I entreat Thee to move the hearts and wills of each one here present to search and to find ways and means for bringing freedom and liberty to nations and peoples oppressed by a ruthless enemy of all that is holy, truly human and just, and which is constantly threatening the remaining free nations with subversion and subjugation.

In behalf of those doomed, as it seems, to perish in that godless slavery, today I recommend to Thy mercy in a special way, and to the sympathetic help of this noble body the people of Lithuania. Grant O Lord, that this Congress may never abandon that small nation to extinction by Thine own bitter enemies, but rather that it may prove to be the good Samaritan, protecting the natural rights to life, liberty, and happiness, even of the weakest of nations, so that, restored to its freedom, the Lithuanian people may again join the family of free nations as grateful witness of Thy merciful help and powerful victory over the forces of evil, and to rejoice in Thy glory forever. Amen.

The Journal of the proceedings of Thursday, February 12, 1959, was read and approved.

APPOINTMENT TO JOINT COMMITTEE ON DEFENSE PRODUCTION

The SPEAKER laid before the House the following communication:

FEBRUARY 13, 1959.

Hon. SAM RAYBURN,
The Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Pursuant to section 712(a)(2) of the Defense Production Act of 1950 I have appointed the following members of the Banking and Currency Committee to be members of the Joint Committee on Defense Production: Hon. PAUL BROWN, Hon. WRIGHT PATMAN, Hon. ALBERT RAINS, Hon. GORDON L. MCDONOUGH, Hon. EDGAR W. HIESTAND.

With kind regards, I am,
Very sincerely,

BRENT SPENCE.

GROUND BREAKING FOR EXTENSION OF THE EAST FRONT OF THE CAPITOL

The SPEAKER. The Chair desires to announce to the Members, so that they will be on notice, that the ground breaking for the extension of the east front of the Capitol will take place on Monday, February 23, at 11 o'clock a.m.

RESIGNATION FROM COMMITTEE

The SPEAKER. The Chair lays before the House the following resignation from a committee:

JANUARY 21, 1959.

Hon. SAM RAYBURN,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Having become the ranking majority member of the Committee on Armed Services I find that I do not have adequate time to devote to that position and continue to serve on the Joint Committee on Atomic Energy.

Therefore, I hereby resign as a member of the Joint Committee on Atomic Energy.

Thank you for the opportunity to serve on that most important committee.

Sincerely,

PAUL J. KILDAY,
Member of Congress.

Without objection the resignation is accepted.

There was no objection.

APPOINTMENT TO COMMITTEE ON ATOMIC ENERGY

The SPEAKER. Pursuant to the provisions of title 42, United States Code, section 2251, the Chair appoints as a member of the Joint Committee on Atomic Energy the gentleman from Texas [Mr. THOMAS] to fill the existing vacancy thereon.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during whatever general debate may be carried on in the House this week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

READING OF WASHINGTON'S FAREWELL ADDRESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that on Monday, February 23, 1959, Washington's Farewell Address may be read by a Member to be designated by the Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

LITHUANIA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, while commemorating the 41st anniversary of the restoration of independence to the Republic of Lithuania after World War I, it appears fitting to keep in mind the circumstances in which Lithuania lost its independence and became one of the colonies of the Soviet empire.

It seems also particularly fitting to review briefly Soviet Russia's action in the case of Lithuania at the time when pressure is developing for negotiating with Soviet Russia new agreements and new treaties regrading Germany.

The story of the annexation of Lithuania by the Soviet Union is a story of broken treaties, broken agreements, and

brazen disregard for international rules of conduct.

I wonder how much value and how much significance could our leaders attach to whatever agreements or arrangements Soviet Russia subscribes to, in view of that country's conduct with regard to Lithuania and her two similarly small sister Republics, Estonia and Latvia.

Soviet Russia solemnly agreed in 1920 to respect the independence of the three Baltic Republics in duly signed peace treaties. Soviet Russia signed those treaties with each of the three countries located on its northwestern borders recognizing the three new sovereignties and subsequently entering voluntarily with each of them into contractual agreements under which diplomatic, consular, and trade relationship were duly established.

In 1928, at the initiative of Soviet Russia, there was signed in Moscow a special agreement, the so-called Litvinov protocol, providing for the immediate entry into force of the so-called Kellogg Pact, signed in Paris on August 27, 1928. Soviet Russia and all of her neighbors agreed to renounce war as an instrument of national policy and proceeded—again at Mr. Litvinov's initiative—to negotiate an elaborate series of nonaggression treaties again providing for the inviolability of all borders separating Soviet Russia from its neighbors. Those treaties were signed by Soviet Russia in 1932.

The carefully prepared and solemnly established structure of collective security agreements, duly signed and ratified, did not for one moment stop Soviet Russia from requesting, in 1940, the stationing of Soviet troops in Lithuania, in Latvia and in Estonia. Objections and protests of the three small Baltic countries were met with a show of force and with a direct threat to use it. The three independent countries had to surrender and Soviet troops erased the inviolate borders. In July 1940, Soviet occupation of the three countries and the annexation was completed.

I am proud to say that this at least is one of the numerous Soviet annexations of foreign territory which the United States has not recognized, and that we still have here in Washington the three diplomatic missions representing free Lithuania, free Estonia and free Latvia.

Mr. Speaker, I hope that the memory of the flagrant disregard for international contractual agreements shown by Soviet Russia in the case of the three Baltic Republics, will remain in the minds of our diplomats who intended to sit down with their Soviet colleagues to negotiate more treaties and more agreements which as far as Soviet Russia is concerned will—I am sure—be again relegated to the Kremlin's wastebasket whenever it suits the purposes of the Kremlin's masters to do so.

LITHUANIAN INDEPENDENCE DAY

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, it is a privilege to join my colleagues in solemn observance of Lithuania's independence day, the 41st anniversary of the day when her people rose from the destruction of the First World War to proclaim an independent republic.

Those who are students of the proud history of Lithuania remind us that since the 13th century she has a record of identity as a sovereign state, that her people have resisted all efforts to force them into a cultural and political mold that is foreign to them.

Invaded, fought over, conquered by brute force and larger numbers on many occasions, they nevertheless have always kept alive the memory of freedom.

They seized their chance for independence again when the czar's armies disintegrated, and on February 16, 1918, they proclaimed their Republic. It was not their good fortune to be given many years of freedom. They became a pawn in 1939 of the grim struggle between the Nazi and Soviet empires; they were fought over in the savage years that followed; they have not yet been able to reestablish their independent government. But in little more than a decade, they had established their right to freedom.

The first land-reform law of modern Europe was a Lithuanian law. An education program was launched which reduced illiteracy to 15 percent after generations of foreign rule had left two-thirds of the people unable to read and write.

It is not possible for the Lithuanians on their farms and in their cities to celebrate this anniversary day, for the Soviet system has got them by the throat. But it is with good cause that our State Department has refused, all through these years, to recognize as legal and right the Kremlin's claim that Lithuania has been swallowed up and extinguished, incorporated in the vast Communist empire.

Nations do not die merely because some other nation decimates or drives out their leaders and puts quislings and puppets in their stead.

The love of freedom is powerful and enduring, the spark of liberty is not easily put out. Wherever the children of the Lithuanian people dwell today, they have the right to work in all proper ways toward the end of independence for the land of their fathers. It is proper for us to recognize the day of commemoration they celebrate.

BUILDING OF STEAM TURBINE GENERATORS BY FOREIGN CORPORATIONS

Mr. HOLLAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Speaker, on February 2, 1959, I wrote a letter to the Director of the Office of Civilian and Defense Mobilization regarding the national security problems of heavy electrical equipment imports and placed a copy of my letter in the CONGRESSIONAL RECORD. Now there is a new problem of grave concern to the country and to the people of the congressional district I represent.

A pennywise but pound-foolish action by our Government has in one move weakened the defense potential of this Nation and jeopardized the jobs of at least 700 skilled American workmen.

I refer to the recent decision of the Tennessee Valley Authority to purchase a giant steam turbine generator for installation on the TVA system. This generator—the biggest yet built for use in the United States—will be manufactured, not by an American company but by an English manufacturer, the C. A. Parsons Co. Thus, the largest single unit in the vital TVA power system will be dependent for repair and maintenance on a factory across the Atlantic Ocean, which in time of war could be completely cut off and unable to do the job.

And why have we been forced to turn to a foreign company for such a key unit in our Nation's power system? The answer is, of course, that we were not forced at all. We chose to do so because we could get a cutrate price—a price made possible by the low wages paid in England. English wages, on the average, are only about one-third—recent comparisons indicate 37 percent—as high as American average wage rates. The American manufacturers, of course, observe minimum-wage laws and other legislation which benefit the American workman, but foreign bidders are exempted from such regulations.

So how does Uncle Sam handle this situation? He blithely pits the American companies against the foreign companies in a ruthless price competition and gives the order to a foreign firm. Meanwhile in cities like Pittsburgh, Philadelphia, Schenectady, and Milwaukee, skilled American workmen are laid off in sizable numbers in the heavy electrical apparatus plants of Westinghouse, General Electric, and Allis-Chalmers. In these labor depressed areas, men with as much as 17 years' service and seniority will be affected by this latest TVA foreign purchase.

The low U.S. bidder in this instance, after TVA evaluated the base bids, was the Westinghouse Electric Corp. which manufactures generators in East Pittsburgh and steam turbines in Lester, which is near Philadelphia.

I note that my friend from New York, Mr. Stratton, stated yesterday that the General Electric Co. was the low American bidder on this turbogenerator. According to the TVA office in Washington, Westinghouse Electric Corp. was the American company whose bid was the lowest when evaluated in terms of the TVA specifications. This means that Westinghouse would have been awarded this TVA contract if it had not been awarded to the British company.

The loss of this big order for the half-million kilowatt TVA steam turbine generator means 1,080,000 man-hours of

work lost to Westinghouse workmen. It means another 375,000 man-hours of work lost to the employees of Westinghouse suppliers. Altogether it means the loss of 1 year's work for 700 workmen. All because our Government pretends that American companies like Westinghouse, General Electric, Allis-Chalmers, and others ought to be able to compete on a nearly equal basis pricewise with foreign companies who pay their workers only about one-third as much.

American companies obviously cannot compete against low foreign prices on heavy, custom-built electric power equipment which contains such high labor content. Steam turbine generators are very big and complex machines, each one somewhat different from the next. A great deal of manual labor is involved in their construction. There is no assembly line possible in this business to help reduce the foreign wage differential. Unless our Government considers more than the selling price, American companies will never get another order for power generators from our own Government.

Even if our Government chooses to disregard the security and welfare of its laboring citizens, the national security cannot be disregarded. For some time, the Government has been buying more and more electrical equipment abroad to take advantage of the cheap prices. But now, for the first time, the United States has bought a steam turbine generator abroad. The steam turbine generator is the prime mover in any electric power system. It is the source of the electricity—the heart of our modern production system. Our biggest steam turbine generator is being procured abroad. What does this mean in terms of our national security? It means we are putting our biggest eggs in a very weak basket.

Power generators are not quickly repairable or replaceable. Their maintenance requires ready access to the plants of the manufacturer and the technical help of his engineers. The Parsons company has three technical men in all of North America and depends on parts and other replacement items from England—which could be cut off from ocean transportation in time of war. On the other hand, a firm like Westinghouse has more than 1,000 field service engineers on its technical staff and its manufacturing plants are close by. Which company would you like to depend on to keep your power system running in a national emergency?

Furthermore, Westinghouse and the other American manufacturers of heavy electrical equipment have been the leaders in research and development of this power apparatus. Parsons is facing the job of designing and building a 500,000-kilowatt turbine generator and the biggest unit they ever built before is 120,000 kilowatts. Westinghouse, on the other hand, is now building a 325,000-kilowatt unit and has experience in the temperatures and pressures which the new TVA unit will require.

What do you suppose the British would do in the same situation? We do not have to guess—we know. They would refuse to buy from a foreign company. The Central Electricity Authority of Great Britain is the agency that buys practically all of Britain's heavy electric power apparatus. And that agency does not buy power generators from foreign firms as a matter of policy. They have said they consider it unwise for their electricity supply industry to be dependent upon foreign manufacturers for spares and maintenance. And they are absolutely right. In fact, none of the nations which manufacture heavy power equipment consider it wise to equip their own power systems with foreign-made machines for the same good reason. So why is it heresy for the United States to follow the same sound reasoning? How can it even be good for our Government foreign policy if it is not good for America?

This whole matter is coming up for another decision shortly, I understand, when the Office of Civil and Defense Mobilization acts on a petition supported by the National Electrical Manufacturers Association. This petition calls for restricting the import of just four specific types of key heavy power apparatus by our Government. This would not apply to most of the electrical industry's production—just four products in the heavy power apparatus category. It is high time such action be taken. Our national security is involved and this action could stop a trend of foreign procurement that threatens to ultimately put the Nation's electric power system at the mercy of foreign lands.

Mr. Speaker, on Thursday, February 12, I sent telegrams to President Eisenhower, to General Vogel, Chairman of the TVA Board, and to Mr. Leo Hoegh, Director of the Office of Civilian and Defense Mobilization, protesting the TVA decision to award this large steam turbine generator to a foreign concern. Also, I received a telegram from local 601 of the IUE-AFL-CIO protesting this action by TVA and the administration. I am placing in the RECORD at this point copies of all of these telegrams:

FEBRUARY 12, 1959.

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
The White House,
Washington, D.C.:

I have protested to the Chairman of the Board of the Tennessee Valley Authority and to the Director of the Office of Civil and Defense Mobilization regarding a recent announcement that the Tennessee Valley Authority has awarded a contract to Parsons Electric Co., Ltd., a British manufacturer, for a very large steam turbine electric generator.

I believe such an award to a foreign company violates the national security interests of the United States, and that it represents Government procurement policy which is difficult to comprehend in view of the serious unemployment which exists in Pennsylvania and other States where American manufacturers of heavy electric equipment are located.

I respectfully urge that you promptly revise the policies of your administration which permit the awarding of a contract to very low paid British employees while American workers are so badly in need of work.

Respectfully,

CONGRESSMAN ELMER J. HOLLAND,
30th District, Pennsylvania.

FEBRUARY 12, 1959.

The Honorable HERBERT D. VOGEL,
Chairman of the Board,
Tennessee Valley Authority,
Knoxville, Tenn.:

Have just learned you have awarded a contract to Parsons Electric Co., Ltd., a British company, for the manufacture of a 500,000 kilowatt steam turbine generator, and that the low evaluated domestic bidder was Westinghouse Electric Corp.

I urgently request that TVA reconsider this action in order not to deprive Pennsylvania workers of nearly 700 man-years of employment.

Furthermore, I regard the award of this contract to a foreign firm by an agency of the United States, which is financed by public funds, as a serious violation of sound public policy.

I also believe the procurement of such a machine from a foreign country is violative of the national security interests of the United States.

I urge that the award to the British concern be canceled and given to the low evaluated American bidder.

Congressman ELMER J. HOLLAND,
30th District, Pennsylvania.

FEBRUARY 12, 1959.

The Honorable LEO A. HOEGH,
Director, Office of Civil and Defense Mobilization, Washington, D.C.:

Have just learned that Tennessee Valley Authority has awarded contract to Parsons Electric Co., Ltd., a British manufacturer, for a 500,000 kilowatt steam turbine generator for installation in the TVA electric system.

I believe that the addition of this foreign-made generating equipment to your system, which already has a heavy concentration of foreign-made electrical equipment in it, is to jeopardize the national security interests of the United States.

I urge that you promptly advise the Tennessee Valley Authority that this steam turbine generator should be manufactured by an American concern because of the jeopardy to TVA power facilities and because of the importance of maintaining a healthy American electrical manufacturing industry.

While this steam turbine machine is not included in the pending electrical industry petitions which are pending before you, it involves the same serious national security principles, and I trust that you will promptly render a ruling on the pending petitions to provide adequate protection to the national security interests of this country, and that you will include such a ruling with respect to steam turbine generators even though the latter are not a part of this petition.

Congressman ELMER J. HOLLAND,
30th District, Pennsylvania.

PITTSBURGH, PA., *February 12, 1959.*

Hon. ELMER HOLLAND,
House of Representatives,
Washington, D.C.:

We understand that a contract for a large steam turbine generator has been given to the G. A. Parsons & Co., Ltd., of England, rather than to Westinghouse, which was the lowest American bidder. This order would have given thousands of man-hours of work to our members here at East Pittsburgh, where more than 3,000 are now unemployed and living off unemployment compensation. Many of these have 17 years of service. Our members who are still employed are sharing time and drawing half wages. If it our Government's policy to create employment in other countries at the expense of our own welfare, then something must be done. We find it difficult to satisfactorily explain to the unemployed members of our union that our Government has seen fit to contract their type of work to people in other countries. We would appreciate knowing your

position on this vital matter that, in effect, means food on the table for our members. It is regrettable that we find ourselves calling this matter to your attention, for up to now we have assumed that our respected and responsible Government officials would be looking after the best interests of American workingmen who are also, after all, both voters and taxpayers—although, at present, it seems that this is completely forgotten. We demand that an immediate investigation be made of this shortsighted policy and that corrective measures be taken immediately to alleviate what has developed into critical unemployment conditions in our area.

PAUL CARMICHAEL,
President,
TOM SULLIVAN,
Business Agent,
JAMES FERACE,
Chief Steward, Local 601, IUE–AFL–CIO.

PITTSBURGH, PA., *February 12, 1959.*

Hon. ELMER HOLLAND,
U.S. Representative,
Washington, D.C.:

Resolution sent by wire this date our membership of 5,500 Westinghouse Electric salaried employees respectfully urge your influence in proposing congressional investigation into policies of TVA. While thousands of Westinghouse workers remain idle in a labor-surplus area TVA awards a multimillion dollar turbogenerator contract to a foreign competitor, while Westinghouse was the lowest domestic bidder. This contract would have provided 700 Westinghouse employees approximately 2 years of work. This policy not only affects business and economy of the Nation, it results in loss of tax income for the Government and could endanger the security of our country.

THOMAS E. O'LEARY,
President, Association of Westinghouse Salaried Employees.

Mr. PAUL CARMICHAEL, *President,*
Mr. TOM SULLIVAN, *Business Agent,*
JAMES FERACK, *Chief Steward,*
Local 601, IUE–AFL–CIO,
East Pittsburgh, Pa.:

Retel have protested to the President of the United States, the Chairman of the Tennessee Valley Authority, and the Director of the Office of Civil and Defense Mobilization the award of this contract instead of to Westinghouse.

Am mailing you copies of my telegrams.

CONGRESSMAN ELMER J. HOLLAND.

A WORD OF PRAISE FOR THE ARMY ENGINEERS

Mr. LEVERING. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LEVERING. Mr. Speaker, in the short time it has been my privilege to serve in this body, I have noticed that our Members more often rise to complain than to compliment. As a matter of fact on January 29 this year in a report on the flood disaster in my district involving a break in the dike of the Kokosing River at Mount Vernon, Ohio, I took the U.S. Army Engineers to task for delays on a survey report of the project which had been pending for years.

I pointed out then that unless immediate action was taken to repair the dike, the people of Mount Vernon might very well suffer a devastating reoccurrence of the January 21 disaster. My colleagues, I am extremely happy to stand before you today to tell you that the Army Engineers responded to the needs of our people promptly—cut red-tape—set to work without delay to provide the necessary dike repairs. You will understand why I am so pleased to commend the engineers today when I tell you that their ready response to the crisis created by the flood of January 21 in fact played a major part in averting another catastrophe in Mount Vernon when floods struck Ohio again on February 10. As a tribute to the engineers, I quote from a headline story in the Mount Vernon News for February 11, 1959, entitled "Newly Repaired Dike Saves City."

But while the crest was lower, the west side of Mount Vernon was saved from another disastrous flooding only because of the fast work done by the city and Federal Governments in getting dike repairs started after the breaches made January 21.

Mr. Speaker, I am glad to further report that our Army Engineers are, in addition to the Kokosing project, currently considering emergency repairs to the levee on nearby Dry Creek, also in Mount Vernon. Here is what the Mount Vernon News said about Dry Creek on February 11:

In Mount Vernon, yesterday's floodwaters from Dry Creek got onto Main Street at Newark Road, but were held back by sandbag barriers. Homes were flooded in the Memorial Park area and on Columbus Road, but there was no water in the business section.

Further in connection with Dry Creek in Mount Vernon, I quote from a statement from Mr. Harry S. Wright, chairman of the Knox County Board of Commissioners, dated February 12, 1959:

We listened yesterday to telephone calls one after the other from mothers, fathers and merchants, pleading that we do something to relieve this situation from recurring in the future along the levee between Dry Creek and the Columbus Road.

Mr. Speaker, as in the case of the Kokosing breakthrough, I have every reason to believe that the Army Engineers will, in accordance with our request, proceed promptly to do what needs to be done to repair the levee on Dry Creek so that our homeowners may sleep at night with a feeling of freedom from destruction.

And, too, Mr. Speaker, I am hopeful that the Engineers and all other agencies of government will be as equally understanding and helpful as we project our plans into the future with a view to permanent control of floodwaters to the cities of Newark, Fredericktown, and other areas throughout the 17th Congressional District.

THE 10-PERCENT FEDERAL TAX ON TRANSPORTATION OF PERSONS SHOULD BE REPEALED

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, on January 17, I introduced H.R. 1364, a bill to amend the Internal Revenue Act of 1954 to repeal the tax presently imposed on the transportation of persons.

During the 85th Congress, the 3-percent excise tax on the transportation of property was repealed but unfortunately its counterpart, the 10-percent tax on travelers, was retained.

All of us are familiar, I am sure, with the original purposes of this tax which was imposed in 1941 as a temporary measure to help fill revenue needs and to discourage the general public's use of the airlines, railroads, and buses during World War II. Despite the fact that the reasons for imposing this tax have disappeared, it is unfortunately still with us. We must rid ourselves of it now.

If we ever lose the ability to move quickly and safely from one place to another, either in this country or throughout the world, we as a nation will be as impotent as you and I would be if we lose our ability to walk or talk. There is no doubt about our transportation industry's essentiality and importance to the economy of the country. The general public needs adequate and modern travel facilities. Our transportation system must continue to move forward and expand not only to prepare for the predicted 60 million increase in our population by 1975 but in fact even to exist in this age of electronics and atomic energy. No deterrent should be allowed to stand in the way which might discourage the general public from using common carriers to the limit of their capacity. The 10 percent tax on travel is just such a deterrent and should be repealed as quickly as possible.

By discouraging travel on commercial carriers, the tax places a heavy burden upon one of the Nation's most vital industries. The American transportation system is the envy of the world. During the Korean conflict and World War II, it performed a tremendous job of speedily and efficiently transporting essential personnel and material. If another national emergency should develop, the industry would again be asked to perform miracles of transportation while the automobile would again be curtailed as a luxury this Nation couldn't afford. Public carriers must be prepared.

To be ready for a national emergency requires the most efficient use of our economic resources. One of the most important ways to accomplish this is to fully utilize and properly maintain our commercial transportation system. The existence of such a system in periods of limited resources depends upon its being permitted to use its facilities economically in periods of abundant resources, a fact too often overlooked. We should therefore encourage the growth of a sound and healthy common carrier system rather than discourage, by tax, the use of such industry's facilities on the part of the traveling public.

Here is a tax that no one has testified is good, fair, or beneficial. It is equally disliked by all regulated carriers and the traveling public. Members of Congress, executives of our airlines, railroads, intercity buslines and shipping companies, trade association officials and the man of the street have all appeared at one time or another before congressional committees urging its repeal. I cannot understand why, if the income derived from the tax amounts to about $200 million a year, Congress refuses to repeal it, particularly when many economists have stated that it is very probable that the Government stands to collect more revenue through increased use of our public carriers.

And do we realize that the effect of this tax on passengers adds to today's already high cost of living. Let me show you how. Since one-third of passenger transportation, it has been conservatively estimated, is for necessary business travel, the taxes on transportation will be included in operating expenses of the companies incurring them and passed on, at least partially, in the pricing of their products. The cost of collecting the tax is borne by the carriers and is included in operating expenses and thus affects the level of fares. And finally inadequate passenger revenues in the case of the railroads must be recovered from freight transportation by increases in rates. So here we have a tax which is not only unnecessary but also inflationary.

Another objectionable feature of the tax is that its burden is greater on the low-income families which spend most if not all of their income on the necessities of life. This group, consisting of about one-third of the families in the United States, it has been estimated, have no other means of travel than our common carriers. For them travel is not a luxury but a necessity and the travel tax which is collected by common carriers competes with the food and clothing dollar.

Not only does this 10 percent tax discriminate against the low income families but because it was imposed as a penalty surcharge, only on travel furnished by for-hire carriers, the tax is inherently discriminatory. As originally enacted, the tax applied to all amounts paid within the United States for transportation by rail, motor vehicle, water or air. This was not unfair in the beginning because there was no discrimination between competing carriers although it did give an advantage to the automobiles which, however, during the war was practically nonexistent. If, as expected, the tax had been repealed at the end of World War II, the inherent discrimination of the tax could not have developed fully. Instead, gas rationing, the device used to discourage private travel, was terminated and the travel tax was and is still being continued.

To make the tax further discriminatory, Congress has amended the law on several occasions so that today only travel within the continental United States and a 225-mile buffer zone is subjected to the tax. International travel is thus encouraged at the expense of domestic travel. Millions of dollars have been spent on our national parks for the benefit of Americans, and they, with our foreign guests, must pay a penalty to visit these places by train, airline, or bus. This is a curious and unhealthy situation.

The effect of the tax in discouraging travel in the United States by commercial means is very visibly demonstrated by the change in the character of intercity travel between 1946, the first full postwar year, and 1958. In 1946 common carriers transported 27 percent of all intercity travelers. Today this figure has dropped to slightly more than 10 percent in spite of the fact that total intercity miles have almost doubled during the 12-year period. How are people getting from city to city? Almost 90 percent of them are traveling with their families in the automobile which is not subjected to the travel tax.

This drop in intercity mileage which our large common carriers have experienced is extremely detrimental to the future of our transportation industry. With the airlines trying valiantly to find the money to order new jet airplanes, with the railroads' passenger car fleet totally inadequate for an emergency according to the Department of the Army, and with revenue of the bus companies—about 80 percent of which are small business—inadequate to cope with rising costs, why does the Congress of the United States, by refusing to repeal the travel tax, not recognize that it is fostering unsound economic conditions in the transportation industry and inadequacy of the transportation plant to meet the needs of commerce and national defense? The travel tax is in derogation of the national transportation policy which is spelled out in the Interstate Commerce Act. How much longer can we go on talking out of both sides of our months at once? Let us let our right hand act in concert with our left. Let us keep our transportation system second to none—one that is ready at all times for anything that might come. Let us repeal immediately the 10 percent tax on the transportation of persons.

LITHUANIAN INDEPENDENCE DAY

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, the Lithuanians are one of the old nationality groups which have had a long and glorious history. At the end of the 18th century they lost their national independence to the Russian czarist regime, but on February 16, 1918—41 years ago today—they again regained their freedom and proclaimed their independence.

The Lithuanians enjoyed their independence for 22 years and lived in peace and happiness. They rebuilt their little country on the Baltic Sea and created a truly democratic way of life in their homeland. But after the outbreak of World War II, tiny Lithuania was quickly occupied by the Soviet Union. Harsh and brutal measures were imposed upon it and the defenseless little country soon was incorporated into the imperialistic giant from the east.

Since those sad days Lithuanian independence has continued to live in the hearts and minds of liberty-loving and patriotic Lithuanians and all their many friends. We in the free world salute these inspiring sentiments and pledge our efforts to support the cause of freedom and liberty in all the world.

LITHUANIA, LATVIA, AND ESTONIA

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HIESTAND. Mr. Speaker, Lithuania, Latvia, and Estonia became independent nations just 41 years ago today, and enjoyed two decades of freedom and progress. During these years a number of agreements were signed with the Soviet Union which were supposed to guarantee the sovereignty and integrity of these three Baltic States. However, in 1939 a "mutual assistance" pact was signed—under duress by the three states—which resulted in the stationing of Soviet forces in these countries. In June of 1940 the Soviets demanded that the Baltic States reorganize their governments, and that governments more friendly to the Soviet be established.

The Baltic States had little choice but to comply and new governments were formed. At that time the Soviet Union commenced military occupation of Lithuania, Latvia, and Estonia. This was the end of freedom and self-government. Rigged elections were staged for the legislatures of the Baltic States and in July, 1940, the States were incorporated into the Soviet Union as Soviet Socialist Republics.

The United States, in 1940, refused to recognize the action of the Soviet Union in forcibly incorporating these free nations into their Union. Today, we still maintain this position and recognize in this country the diplomatic representatives of the last free governments of the Baltic States. The United States continues to believe that the peoples of these countries have the right to determine their own political, economic, and cultural systems, and the U.S. Government is confident that the determination, industry, and love of freedom of the peoples of the Baltic States will make it possible for them to regain the freedom and independence of which they were so unjustly deprived.

LITHUANIAN INDEPENDENCE DAY

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, on this 41st anniversary of Lithuania's independence it is fitting that this House pause in its proceedings to honor a people dedicated to freedom and liberty. Nearly 19 years have passed since Soviet forces ruthlessly swept over her borders and forcibly sealed Lithuania behind the Iron Curtain. Yet we can be certain that the Communists have not been able to snuff out the love of freedom that burns deeply within the hearts of all Lithuanians.

The tragic plight of Lithuania and her sister Baltic States is a source of concern to all freedom-loving peoples around the world. While we cannot know fully the nature of the indignities and inhumanities their inhabitants have been forced to undergo, we realize their sufferings are great. So long as the Soviet Union continues to hold these states in subjection, their people will be deprived of the precious liberties they once knew.

On February 16, 1918, the State of Lithuania became an independent democratic Republic. Her people were accorded the constitutional rights of freedom of speech and assembly; freedom of religion was guaranteed; land reforms were instituted and industrial expansion undertaken. For 22 years the Republic of Lithuania took its rightful place in the family of free nations and made marked contributions to the culture of Europe. During this time the Lithuanian people demonstrated that democracy was both possible and practical in a small country.

In June 1940, the Soviet Union cruelly seized Lithuania and proceeded to incorporate her territory into the U.S.S.R. This action was quickly denounced by the U.S. Government which has consistently refused to recognize any such forcible annexation. We believe that the people of Lithuania have an inherent right to choose their own political, economic, and cultural systems.

On this 41st anniversary of Lithuanian independence I am happy to join with my colleagues and the million Americans of Lithuanian descent in paying tribute to a brave and courageous people. Their resolute faith in Almighty God and their great love of liberty has not waivered, even in the face of Communist tyrannies. With them we pray that the day will not be far distant when they will again know and experience the priceless joys of a free society.

GOVERNMENT BUYING OF FOREIGN-MADE ELECTRICAL EQUIPMENT

Mr. DENT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include pertinent material in connection therewith.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DENT. Mr. Speaker, the recent decisions concerning Government buying of foreign made electrical equipment may be the straw that will break the camel's back.

For years a small minority have been fighting reciprocal trades, foreign aid, and so forth. I have not always been a member of this group. However, the latest development in this field is adding recruits by the thousands.

There can be no legitimate excuse for such action as that which gave England and Switzerland millions of dollars worth of orders for Government work.

I for one will not go along with this policy if it means the loss of American jobs or American prosperity.

Following are telegrams received and sent by me further explaining our situation:

FEBRUARY 4, 1959.

Mr. DAVID HILL,
Administrator, REA, Washington, D.C.:

Pursuant to my telephone conversation, I herewith officially and vigorously protest the awarding turbine generator contract the Medina Electric Corp. to Switzerland. The Elliott Co. in Jeannette, Pa., seriously affected by this decision. Entire community considered serious labor surplus area and every man-hour payroll denied means that much more in local taxes, local loss of business, and local relief rolls. This matter goes deeper than a mere acquiring of machinery and seriously affects the economic and moral fiber of our way of life. Governments by their taxing powers are rapidly destroying the competitive quality of American manufacturers and the unrestrictive right grants competition for country to bid on American requirements, especially in nontaxpaying corporations and Government purchasing sets an example that can be and is in some quarters, destructive and devastating to our economic well-being. I request a delay in the granting of this contract and that the work be given to American workingmen and American plants.

Sincerely,

JOHN H. DENT,
Member of Congress.

JEANNETTE, PA., *February 5, 1959.*

Hon. JOHN H. DENT,
Member of Congress, House Office Building, Washington, D.C.:

Our members in locals 1145 and 2380 are greatly disturbed over rumors going around Jeannette regarding Government purchases or Government approval to purchase foreign made turbine generator units. We asked Elliott management for facts regarding this situation and they are as follows: "Recently Medina Electric Cooperative at Hando, Tex., took bids on two 22,000-kilowatt turbine generator units with an opinion on third duplicate unit. Four domestic and one foreign bid were received. Developments indicate Medina expects to award the order to Brown-Boveri who would manufacture this equipment abroad. All awards by cooperatives are subject to REA Administrator approval in Washington. Elliott advises they made a serious attempt to secure this business in view of the reduced operations at both the Jeannette and Ridgway plants." At the Jeannette plant we have over 50 percent of our people on layoff, and an additional layoff is scheduled for the end of this week. At Ridgway plant over 60 percent are on layoff. We hope you will do everything possible to prevent approval of this award to a foreign bidder. While we do not know if Elliott would be the successful domestic bidder, such an award to them would mean many man-hours' work for the people in Jeannette and Ridgway. Your help is earnestly solicited.

STEWART W. WELLS,
President, Local 2380 United Steel Workers of America,
WILLIAM P. WEIGHTMAN,
President Local 1145, United Steel Workers of America.

WASHINGTON, D.C., *February 12, 1959.*

Mr. RIGGS SHEPPARD,
Medina Electric Corp., Hando, Tex.:

Unemployed workers of Elliott Co. in Jeannette, Pa., appeal to you through me for reconsideration of generator order apparently destined to go to Switzerland. We have less than 40 percent production with acute unemployment production. This order desperately needed to help local employment and business.

JOHN H. DENT,
Member of Congress, 21st District of Pennsylvania.

PITTSBURGH, PA., *February 12, 1959.*

Hon. JOHN H. DENT,
House of Representatives:

We understand that a contract for a large steam turbine generator has been given to the C. A. Parsons & Co., Ltd., of England, rather than to Westinghouse, which was the lowest American bidder. This order would have given thousands of man-hours of work to our members here at East Pittsburgh where more than 3,000 are now unemployed and living off unemployment compensation. Many of these have 17 years of service. Our members who are still employed are sharing time and drawing half wages. If it is our Government's policy to create employment in other countries at the expense of our own welfare, then something must be done. We find it difficult to satisfactorily explain to the unemployed members of our union that our Government has seen fit to contract their type of work to people in other countries. We would appreciate knowing your position on this vital matter that, in effect, means food on the table for our members. It is regrettable that we find ourselves calling this matter to your attention, for up to now, we have assumed that our respected and responsible Government officials would be looking after the best interests of American workingmen, who are also, after all, both voters and taxpayers. Although at present it seems that this is completely forgotten, we demand that an immediate investigation be made of this short-sighted policy and that corrective measures be taken immediately to alleviate what has developed into critical unemployment conditions in our area.

PAUL CARMICHAEL,
President.
TOM SULLIVAN,
Business Agent.
JAMES FERACE,
Chief Steward, Local 601, IUE–AFL–CIO.

PITTSBURGH, PA., *February 12, 1959.*

Hon. JOHN H. DENT,
House of Representatives, Washington, D.C.:

Resolution sent by wire this date. Our membership of 5,500 Westinghouse Electric salaried employees respectfully urge your influence in proposing congressional investigation into policies of TVA. While thousands of Westinghouse workers remain idle in a labor surplus area, TVA awards a multimillion dollar turbogenerator contract to a foreign competitor, while Westinghouse was the lowest domestic bidder. This contract would have provided 700 Westinghouse employees approximately 2 years of work. This policy not only affects business and economy of the Nation. It results in loss of tax income for the Government and could endanger the security of our country.

THOMAS E. O'LEARY,
President, Association of Westinghouse Salaried Employees.

WASHINGTON, D.C., *Feburary 13, 1959.*
Hon. J. WILLIAM FULBRIGHT,
Chairman, Senate Foreign Relations Committee, U.S. Senate.
Hon. THOMAS C. HENNINGS,
Chairman, Senate Rules and Administration, U.S. Senate.
Hon. HARRY FLOOD BYRD,
Chairman, Senate Finance Committee, U.S. Senate.
Hon. THOMAS E. MORGAN,
Chairman, Foreign Affairs Committee, House of Representatives.
Hon. WILBER MILLS,
Chairman, Ways and Means Committee, House of Representatives.
ASSOCIATED PRESS,
UNITED-INTERNATIONAL,
House Press Gallery:

As a direct result of the 4-year extension of reciprocal trades and the President's Executive order cutting bid differential between foreign and American producers and manufacturers from 25 percent to 6 percent, many American industries have been and are being forced to lay off American workmen. Examples: According to information wired me from representatives of the Westinghouse Corp., Pittsburgh, they have just lost $18 million order to England, and Elliott Co., Jeannette, Pa., appears to be losing contract for $2 million for generators. I sincerely believe the time has come to reevaluate our position in world trade, reciprocal trades, foreign aid, and their relationship to our chronic and growing unemployment. I believe investigation is in order for both committees of House and Senate in this serious turn of events.

JOHN H. DENT,
Member of Congress,
21st District of Pennsylvania.

WASHINGTON, D.C., *February 13, 1959.*
Hon. JOHN FOSTER DULLES,
Secretary of State,
Department of State,
Washington, D.C.:

Vigorously protest proposed awarding of turbine generator contract to Brown-Boveri of Switzerland by Medina Electric Cooperative of Hando, Tex. Differential in bid approximately 12 percent. Elliott Co. situated in depressed labor area, Jeannette, Westmoreland County, Pa.

JOHN H. DENT,
Member of Congress,
21st District, Pennsylvania.

WASHINGTON, D.C., *February 13, 1959.*
PAUL CARMICHAEL,
President,
TOM SULLIVAN,
Business Agent,
JAMES FERACE,
Chief Steward,
THOMAS E. O'LEARY,
President, Association of Westinghouse Salaried Employees, Westinghouse Electric Corp., Pittsburgh, Pa.

Received your wire. Have investigated said order. Your facts correct. This order would have meant $18 million worth of work for American workmen. Have the same situation for $2 million worth of work for Elliott Co., Jeannette. This generator contract will be awarded to Switzerland concern. My position was clearly stated when I voted against reciprocal trades during my first year as Congressman. My remarks of opposition have been in the RECORD time after time. I have been disturbed about the number of labor union executives who are in favor of reciprocal trades and unrestricted foreign aid. This condition caused by Executive order of the President which cut the 25-percent differential previously allowed American producers to 6 percent. I have pointed out that the 6-percent differential does not even cover the mandated costs through payroll deductions American industries must bear. The time has come for mass demonstrations against the loss of American jobs to revive national pride through buy American. The discouraging thing about this order is that the equipment is being purchased by TVA which is Government subsidized through Government taxation and pays no taxes itself. Rest assured, I shall protest vigorously to Congress in our next session on Monday. It appears that the Pittsburgh Post-Gazette, February 10, opposses my fighting the granting of awards of contracts to foreign countries. It appears to be in favor of the Westinghouse and others losing contracts to foreign countries.

JOHN H. DENT,
Member of Congress.

[From the Pittsburgh Post-Gazette, Feb. 10, 1959]

AWARDS AND ALARMS

Congressman JOHN DENT acted as a proper spokesman for his constituency when he protested a Government contract award to a Swiss firm for two turbine generators which a firm in Jeannette, Pa., had bid on building. The relevant Government agency replied that it would review the award.

This same Swiss firm figured in a different case not long ago when it won out as low bidder on a contract for TVA. In reply to a protesting American firm, TVA pointed out that it would save between 35 and 40 percent by accepting the Swiss bid.

Recently there was a well-publicized case in which the Government rejected the bid of an English electrical firm in favor of a much higher bid by a Philadelphia firm. The Government said in that case that it acted in the interests of national security. Chances are, though, it acted primarily out of concern for domestic jobs.

That, of course, is a legitimate concern. The Government has for some time held that when competing with a domestic firm located in an area of substantial unemployment, a foreign bidder must undercut the lowest American bid by 12 percent to win the award. The English firm which lost out to the one in Philadelphia had bid lower by some 17 percent.

In the case concerning Jeannette, it remains to be seen whether Representative DENT and others will be able to alter the award to the Swiss firm. But if this case should go so far as to be reviewed in the light of national security—a sometimes suspect light in questions of trade—the Government should keep in mind that national security can also be hurt by hurting U.S. relations with friendly nations and by offending the cause of liberalized trade among free nations.

WASHINGTON, D.C., *February 13, 1959.*
The EDITOR,
Pittsburgh Post-Gazette, Pittsburgh, Pa.:

Your article on proposed award of bid to Swiss for generators called to my attention. I just learned that the differential in the bids was 12 percent. However, Medina Electric has chosen to disregard economic factor and appears to be standing on basis of Presirent's Executive order allowing only 6 percent. Your help in this matter can aid the workers of the city of Jeannette who are fighting for their jobs. Might suggest looking into multimillion-dollar order Westinghouse lost to English concern this week. Sorry to say, there is no hard-and-fast rule on the awarding of contracts in cases such as this. Political preference appears to carry weight. Will elaborate if so desired.

JOHN H. DENT,
Member of Congress.

SALT-WATER RESEARCH LABORATORY AT SEATTLE, WASH.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of H.R. 4402, to provide for the construction of a salt-water research laboratory at Seattle, Wash. It is the sense of the Committee on Interior and Insular Affairs that this bill properly comes within the scope and jurisdiction of the Committee on Merchant Marine and Fisheries.

The SPEAKER. Without objection, the bill will be re-referred to the Committee on Merchant Marine and Fisheries.

There was no objection.

SPENDING OTHER PEOPLE'S MONEY

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, ordinarily it is not in order to ask a colleague to read your remarks. But I am asking that the Members of the House read the remarks of the gentleman from Texas, the Honorable JIM WRIGHT, found on pages 2171–2172 of the February 9 RECORD, where he tells about the interest on the national debt.

The very last two paragraphs should be read. They add the thought that I had in mind this morning, which is this: The easiest thing in the world is to give away the other fellow's money. Buy favor with the earnings and savings of others. Of course that is what we have been doing.

Far be it from me to question the inclination or the courage of the Congress, but I am wondering, in view of what the gentleman from Texas said in those last two paragraphs, if it is true that we lack either the inclination or the courage, one or the other, to quit spending. Just borrow and spend and then pass the debt on to future generations. Stop and think about that a minute. Is it not a cowardly procedure to endeavor to gain approval at the expense of others?

The SPEAKER. The time of the gentleman from Michigan has expired.

LITHUANIA

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks in the body of the RECORD immediately following my remarks on this same subject.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FLOOD. Mr. Speaker, following the custom and practice which has been customary and usual in this body for many years; that is, to use this forum of the greatest and freest legislative body in the world, to pay tribute to the freedom and independence and hoped-for liberty of a liberty-loving people from an ancient homeland, who have at the same time done much for our country, I speak of the free Republic of Lithuania. This is a great nation. In our own blood and sinews are the blood and sinews and traditions and customs of peoples of all nations of the world.

I would look forward years in advance to that time when there would be a new people in the world, this new breed with God's blessing, this new race, the American race, which will have in it all the best elements of all these great people. It is not unusual that we say this about Lithuania here because down through the weeks of this session we will say much the same of many other peoples and many other nations that have made and will make us great.

The sense of this body today, I am sure, is that the freedom of all freedom-loving peoples of the world are joined in our hope and the aspiration that one day this Lithuanian Republic freed from the yoke of the foreign tyrant will be able to achieve its destiny in liberty.

To those of Lithuanian extraction in America and to all inhabitants of enslaved Lithuania we take this occasion to reaffirm our pledge of self-determination for all peoples, for all states.

It is idle to speak of peace when whole nations are ground under the heel of tyranny. It is a mockery to talk of negotiations looking to an equitable solution of the issues dividing the East and the West when valiant nations like Lithuania are held in stern and brutal subjection.

It has been well said that foreign policy is forged on the anvil of public discussion, that public opinion is a determining factor in determining policy. Let all take note then that the rank and file of Americans, of all national origins, look with abhorrence on the enslavement of Lithuania.

Today what we say in this assembly will be heard round the world. We call upon liberty-loving people the world over to remember that the Red heel came down with crushing brutality and terrorism in 1944, that the brief flame of rewon Lithuanian independence was tragically snuffed out and Lithuania has been held a prisoner nation to this day in defiance and violation of the principles of the Atlantic Charter and the Charter of the United Nations.

Above and beyond that, the enslavement of Lithuania is in violation of the spirit of equity among the community of nations, does great violence to international morality, and is a constant affront to the conscience of the world.

Just as the great Lincoln, whose memory was so reverently and poignantly honored in this Chamber last week, said that a nation "cannot endure half free and half slave," so we say today in the name of Lithuania, as we address ourselves to the aggressors and tyrants: The world cannot endure half free and half slave.

To the Red tyrants who have forcibly impressed once free Lithuania into the Soviet Imperialist Empire we say: Do not try to inveigle us to a so-called peace conference so long as you hold Lithuania and other once-free states in terroristic captivity.

America, the world, the conscience of mankind will never recognize Soviet supremacy over Lithuania; in the fervent prayer and belief that God is still in His heaven and will one day make all things right with the world, we confidently look forward to the day when Lithuania will once again take her place among the free nations of the world.

We can be sure that the anniversary of Lithuanian independence will be remembered in Lithuania. But there will be no festivities—no gay bunting, no unfurled flags, no music—to commemorate it. Rather, it will still be observed in mute if defiant silence, or perhaps in reconsecration to those ideals, to those ways of life which the Lithuanian people cherish.

In this country, on the contrary, the day will be openly celebrated by the nearly one million Lithuanian Americans who are scattered throughout the States of the Union. Here in this blessed land of freedom these, our fellow-Americans, will, as they have in the past, take occasion to remember their oppressed kinsmen across the oceans and to solemnly pledge again their spiritual and moral support for their eventual liberation.

In this pledge all Americans can join them. We can join them further in the faith and hope that the day of liberation will not be too far distant—that soon the merciless domination of Soviet tyranny will be forced to withdraw or be dissolved.

Such hope for Lithuania and the other captive nations of Eastern Europe is predicated on progress toward a united Europe. A free and united Western Europe could exert such power only and exercise such attraction toward, the eastern captive half as to loosen the bonds of Soviet Communist imperialism and cause the Soviets to withdraw to their own frontiers. Every step toward the unity and the economic and political strength of Europe is therefore a step toward the liberation of these captive peoples.

If we view events in Europe in this light we can be optimistic about the future, for Western Europe is making great strides toward unity and strength. Already the pull toward the West has caused deep unrest in Eastern Germany, has loosened Soviet bonds in Poland, and has lighted the bright beacons of the 1956 Hungarian revolution. The magnet of free West Berlin has further infected the Communist body politic and has caused the Soviet Union to demand a showdown on this symbolic city's continued existence. All of these are signs of severe tensions in the Communist empire that may result in greater freedoms in Eastern Europe.

And so, as we celebrate Lithuania's independence day, we can take hope for the future.

The rape of Lithuania's independence almost two decades ago was one of the worst outrages of our day, and that dastardly act remains as one of the blackest marks which the Soviet Union has earned by its treacherous behavior, particularly when dealing with its weak and innocent neighbors. The methods by which Soviet authorities engineered the signature of a mutual assistance pact with Lithuania early in 1940; the way they stationed Red army forces in all strategic points of the country; how they accused patriotic Lithuanians of sabotage and anti-Soviet activities; how they maneuvered to set up a government totally subservient to their interests, which soon brought Lithuania into the Soviet Union; in all these moves and acts the then Soviet Dictator Stalin rivaled his partner in Berlin.

The Lithuanians had created their first independent state some 700 years ago, in 1253. Since those distant days, Lithuania's long and turbulent history has followed a rather uneven course; it has had its ups and down. That history is marked by greatness and glory during its first few centuries, while misfortune and misery claim a large part in the lives of Lithuanians during most of the last 200 years. During the 14th and 15th centuries, Lithuania became one of the most powerful and great states in all eastern and northern Europe. In the 16th century it was united with Poland under a Lithuanian king, and from then on the fate of the countries were bound together. Late in the 18th century, when Poland lost her independence and most of that country was incorporated into Czarist Russia, Lithuania shared a similar fate. Then for more than a century and a half these stalwart and stout-hearted Lithuanians suffered under the unrelenting Russian regime, though not for a moment did they lose sight of the prime objective they had as their common goal—the attainment of their national political independence.

Toward the end of the First World War, when Russia's czarist regime was overthrown by the revolution, and the new Communist regime had not shown its ugly and inhuman nature, the Lithuanians proclaimed their independence on February 16, 1918. They set up a republic, and a truly democratic form of government was instituted which ruled the new state for two decades. For a score of years Lithuanians enjoyed their hard-earned freedom, worked hard in the task of rebuilding their war-ravaged country, and made significant progress. In this rebuilding and also in reshaping of their destiny they were aided by their friends everywhere, especially by Americans of Lithuanian descent in this country. Then came the Second World War and Lithuania's woes began to multiply. She became one of the earliest victims of that war.

Since then, except for the equally unhappy interregnum of Nazi occupation

for about 2 years, unfortunate Lithuanians have been under the heels of heartless Russian Communists. There they are sealed off from the outside world, from their friends in the free world, and suffer in one huge prison camp, fated to work as slaves for their bosses in the Kremlin. No one is allowed to know of their tragic fate, and none of them is allowed to get out to tell his or her own sad tale. But having heard so many heartrending true stories from peoples suffering under the same cruel masters, we know what they have gone through and what they are likely to endure before they are free. As long as there is no relaxation of the unrelenting Soviet rule over them, they will not know what freedom is, and, much as they strive and wish to have it, it is denied to them by their Communist taskmasters. On this 41st anniversary I join hands with all loyal and patriotic Americans of Lithuanian descent and echo their genuine sentiments and feelings, expressing the hope that some day they also have the freedom to celebrate this memorable day, the Lithuanian Independence Day, in their homeland.

[From the Wilkes-Barre (Pa.) Times Leader, Feb. 4, 1959]

LITHUANIAN "GOLGOTHA"

EDITOR, TIMES-LEADER NEWS:

This year, Americans of Lithuanian ancestry celebrate the 300th anniversary of Lithuanian immigration to the United States. The first Lithuanian immigrant to reach the shores of America was Alexander Carolus Curtius. He was the founder of schools and the first teacher of classics in the Dutch colony of New Amsterdam, today's New York.

Most of the Lithuanian immigrants settled in Pennsylvania. Although they were agricultural people in their native land, yet arriving on these shores they went into the coal mines and steel mills of America, contributing their brain and brawn to the making of America.

All these Americans of Lithuanian ancestry, 1 million in all, celebrate this weekend all over America the 41st anniversary of the proclamation of the independence of the country of their forefathers on February 16, 1918, this independence which was destroyed by Soviet Russia in 1940.

The situation which the Baltic countries—Lithuania, Latvia, and Estonia—have endured throughout the whole written history of Europe, so many vicissitudes of conquest, oppression and tyrannical despotism, has never been so desperate, so painful as now, under the ruthless domination of Soviet Russian regime.

The leaders of these small countries have been executed or exiled. Their farmers have been snatched from their lands and deported. Their folks have been cruelly wrested from their homes, forcibly separated from their families, broken in body and spirit and reduced to vassalage. No darker drama of tyranny and lust has ever been performed on the stage of civilization than the present tragedy of Lithuania, Latvia, and Estonia.

Lithuania and her two Baltic sister Republics, Latvia and Estonia, are victims of flagrant violation of international treaties. U.S. Senate Internal Security Subcommittee studied recently nearly 1,000 treaties and agreements which the Soviets have entered into with countries all over the world. The committee found that in the short years since the Soviet Russia came into existence, in 1917, its government has broken its word to virtually every country to which it ever gave a signed promise. The Soviet Union signed treaty of recognition, friendship, and nonaggression with Lithuania and cynically broke those agreements and absorbed Lithuania and the other Baltic countries.

This brings us to the fundamental issue that faces the peoples of the world: Are the international treaties signed by the Soviet Union worth anything? And what can the nations of the world do to see that the agreements are kept? The eyes of the Lithuanian people, along with all others, are today turned toward America to find the answer.

Dr. B. J. KASLAS,
Wilkes College.

COMMITTEE FOR THE CELEBRATION OF THE 41ST ANNIVERSARY OF LITHUANIAN INDEPENDENCE DAY,
Worcester, Mass., February 11, 1959.

DEAR HONORABLE SIR: It was on February 16, 1918, that Lithuania, one of the Baltic States, declared her independence to the entire world. Today Lithuania is not free for, in June 1940, her territory and institutions were unjustly seized by Soviet Russia. Since then her people have been undergoing a persecution and a tyranny, the like of which the world has not seen for many centuries.

Russia's seizure of Lithuania was so cruel and unjust that the Government of the United States has refused, even to this day, to recognize the de jure absorption of the country by the Soviet. For this we, American-Lithuanians, are and ever will be profoundly grateful.

On the occasion of the 41st anniversary of Lithuanian Independence Day on February 16, 1959, may we reiterate our conviction, and that of freedom-loving peoples, that Lithuania, like all nations, has a God-given right to be free. No one may deprive her or any nation of that right. Yet Russia has done just that to Lithuania. She, therefore, must be condemned and must be forced to leave Lithuania at once and make provisions for the return to Lithuania of all her people. now exiled in Siberia and elsewhere.

Realizing your concern for the freedom of all nations, both large and small, may we, the representatives of the two Lithuanian parishes in Worcester, St. Casimir's and Our Lady of Vilna, and of the Lithuanian-American community of Worcester, comprising in all 55 Lithuanian groups, appeal to you to espouse the just and righteous cause of Lithuania in her struggle to regain freedom. May we kindly count on your generous assistance in every way possible for the eventual and, please God, immediate restoration of Lithuania's independence.

With our heartfelt appreciation for your cooperation, we beg to remain,

Respectfully yours,

J. W. GLAVICKAS,
Chairman.
OLGA O. KERSIS,
Secretary.

COMMONWEALTH OF PENNSYLVANIA,
GOVERNOR'S OFFICE,
Harrisburg, February 11, 1959.

Gov. David L. Lawrence today issued the following statement, setting aside February 16, 1959, as Lithuanian Independence Day. In his statement, Governor Lawrence said:

"The observance of Lithuanian Independence Day will take place on February 16, 1959—the 41st anniversary of the reestablishment of independence in the Republic of Lithuania.

"This event is celebrated by American citizens of Lithuanian descent, although it cannot be observed in their native country, itself, because of its occupation by the Soviet Union.

"The spirit of independence still burns bright in these men and women and the contributions which they have made to the development of this Nation's democratic way of life have been many.

"In recognition of these contributions, and in recognition of the significance of this day to them and to all those who love freedom, I am designating February 16, 1959, as Lithuanian Independence Day for Pennsylvania."

STATEMENT BY THE SECRETARY OF STATE ON THE 41ST ANNIVERSARY OF THE DECLARATIONS OF LITHUANIAN, LATVIAN, AND ESTONIAN INDEPENDENCE

This year we commemorate the 41st anniversary of the declaration of independence of Lithuania, Latvia, and Estonia. At this time, it is well for the free world to recall the step-by-step process by which the independence of the Baltic peoples was destroyed after two decades of freedom and progress.

In treaties with Lithuania, Latvia, and Estonia signed in 1920, Soviet Russia pledged itself to renounce forever all rights of sovereignty in the three countries. Similar pledges were embodied in other agreements signed in the following two decades. The last agreements were pacts of mutual assistance, negotiated at the insistence of the Soviets in September and October 1939. These pacts authorized the stationing of Soviet forces in the Baltic States. The Soviet Minister of Foreign Affairs gave solemn assurances that the pacts were innocent and protective in nature, stating that they expressly stipulated the inviolability of the sovereignty of the Baltic States. During the weeks preceding the conclusion of the pacts, however, the U.S.S.R. had already signed secret protocols with Nazi Germany, which recognized the Baltic States as belonging in the Soviet sphere of influence. Immediately after the signing of the pacts of mutual assistance, the U.S.S.R. commenced sending troops into Lithuania, Latvia, and Estonia. In June 1940, the Soviets demanded that the Governments of the three Baltic States be reorganized, demands which the Baltic States were powerless to resist. The military occupation of Lithuania, Latvia, and Estonia began simultaneously with the formation of new governments. There followed rigged elections which resulted, in July of 1940, in the incorporation of the Baltic States, as Soviet Socialist Republics, into the Soviet Union.

The United States was quick to denounce this aggression, and refused to recognize the forced incorporation of the Baltic States into the U.S.S.R. Today, over 18 years later, we wish to assure the people of Lithuania, Latvia, and Estonia once more that they are not forgotten. The United States still aspires, in the words of the Atlantic Charter "to see sovereign rights and self-government restored to those who have been forcibly deprived of them."

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I am grateful to the gentleman from Pennsylvania [Mr. FLOOD] for yielding to me at this time. I wish to congratulate him upon his splendid inspiring address. I agree with what he has said.

I have great admiration for the very fine people of Lithuania.

Mr. Speaker, on this Monday, February 16, 1959, the free nations of the world and people everywhere living in freedom salute the courageous Baltic nation of Lithuania. This is the 41st anniversary of the national independence of Lithuania. After this independence was finally proclaimed in February 1918 the Lithuanian people had dreams of developing one of the most prosperous and progressive democracies in all Europe.

For more than two decades, the Lithuanian people diligently and ceaselessly labored to make their homeland a happy and peaceful place in which to live.

Although I do not desire at this time to speak of the great historical events in Lithuanian history, certainly the American people well know that the happy and cherished independence of Lithuania only lasted a few years. With envy and jealousy and suspicion, Communist Russia was not disposed to permit this brave little nation to continue in independent prosperity. Russia was determined to destroy it and in June of 1940 the Red army of Communist Russia marched into Lithuania, overran it, destroyed its political independence, and annexed it to the Union of Soviet Socialist Republics. Since that day in June 1940, the Lithuanian people have not known political freedom. They have suffered under tyranny as only the Russian Communists can create it and make it unbearable.

For centuries, Lithuania was an independent nation composed of hardy, energetic Baltic people. Late in the 18th century, however, Lithuania lost its independence to Russia, and the homeland of the Lithuanian people became a part of the great Russian Empire. For over a hundred years, extending up to the Russian Revolution of 1917, Lithuania was under the regime of the autocratic czars of Russia whose harsh and oppressive rule over this long, long century tried to destroy all hopes and desires for independence.

The spirit and the desire to be free develops and grows within the hearts of men. It is not a quality that grows out of political independence. On the contrary, it is the quality upon which political freedom is based. The spirit and hopes of the Lithuanian people could not be destroyed, and over the long, long century of tyranny under the Russian czars, the fire of freedom and independence still burned in the hearts of the Lithuanian people. At the time of the Russian Revolution in 1917, this spirit burst into flame. Czarist Russia collapsed, and on February 16, 1918, the people of Lithuania declared their national independence once again.

Even though, however, we know this political independence lasted only 20 years, we know that in the hearts of the Lithuanian people it is still very much alive and burns with the vigor of a flaming torch. Suffering for more than 18 years under the oppressive and grinding heel of Soviet Russia, the Lithuanian people still retain their hopes for freedom and liberty. They continue to look forward to that day in the future when the spirit of freedom and peaceful association with their fellowmen will once again flourish throughout their country and Lithuania will take her place among the respected free nations of the world.

During these eventful years of crisis, I have had the honor to represent in the Congress the hallowed ground of America upon which the freedom of America and mankind was born. When the American farmers made their stand in 1776 on Lexington Common and at Concord Bridge, it was their conclusion and their decision that to be free was far more desirable than to live. They made their determination to make their stand to win freedom or to die. Today, on February 16, 1959, the American people know the spirit of freedom will burn on in the hearts of the Lithuanian people until it once again achieves victory. Like an active volcano the spirit of national freedom always will smolder its strength until it erupts and pours out over its enemies.

Proud and vigorous, with abundant courage, the Lithuanian people some day again will achieve this victory for independence. Over three million Lithuanians on this, their independence day, exist under the tyrannical dictatorship of ruthless communism. This tiny nation, smashed and crushed by the great giant Russia, as a powerful tank would crush a delicate vase, is still alive. It still possesses courage. It still possesses hope. It still possesses the burning fire of freedom. This courage, this hope, this faith, molded together, will some day reassemble the pieces of their delicate vase. Everywhere the Lithuanian people look to this hour of triumph.

Freemen everywhere join today with the Lithuanian people in their plans and in their confidence that this day of victory will soon occur.

In conclusion, surely the men of tyranny know that the flame of freedom can never be stamped out because it burns within the hearts of mankind.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Connecticut.

Mr. MONAGAN. Mr. Speaker, I am happy to join with my distinguished colleague from Pennsylvania in his remarks on the occasion of this celebration of Lithuanian Independence Day.

In my district in my home city of Waterbury is one of the greatest concentrations of people of Lithuanian extraction in any section of the country. These people have made a vital and permanent contribution to our community and to our country. Their sturdy qualities, their capacity for work, and their civic virtues have joined with the contributions of people of other races to make an American whole which is greater than the sum of its parts.

I have known these people instinctively all my life. My father served many of them as a physician. I went to school with the children of the pioneer immigrants. I have played with them on the field of sport. I have served with them in public life, and I have dealt with them in business. In all these fields they have been outstanding and have demonstrated the highest qualities of American citizenship.

To my mind, however, Mr. Speaker, the most important characteristic of these Lithuanian people and their descendants has been their capacity to become assimilated in the American population and to contribute their vital strength to the whole Nation.

No one who is familiar with the history of Lithuania can be surprised at the record of the people of this race in the United States. Through the centuries Lithuanians showed their qualities of courage and tenacity and their love of independence. The fostering and continuance of their historic language has been an example of the way in which they have preserved cultural values in this destructive world.

With the achievement of independence in 1918, came the true flowering of Lithuanian greatness. Under the sun of liberty, the basic qualities which I have described bloomed and grew. A strong and free Lithuania in those years made a substantial and noteworthy contribution to the welfare of the world. Then, tragically, the heel of tyranny descended upon the neck of this unfortunate country. Today, the Russian dictatorship holds Lithuania in thrall. Freedom has been destroyed. Free institutions have been smashed. Religion is being systematically persecuted. Civil rights no longer have any meaning. Daily we hear reports of cruel persecutions and callous disregard of human rights which we in this blessed country can scarcely believe possible.

We in this country cannot remain uncommitted in this tragic situation. Of course, our sympathies are with the Lithuanian people. Of course, we hope and pray that they will not longer suffer under the force of absolutism. But we must do more than hope and pray. We must continue to make our sentiments clear. We must let the world know where we stand. Finally, we must take every legitimate step in the forums and courts of the world to make known our national support of the Lithuanian people, our horror at their continued enslavement and our firm purpose to exercise all our influence to bring about the day when Lithuanian Independence Day will celebrate an actual fact instead of an historical one.

Mr. FLOOD. Mr. Speaker, I yield to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I am very privileged to join our distinguished colleague, the gentleman from Pennsylvania [Mr. FLOOD], in his tribute today. I think that he does us all a great service because he brings not only to mind the present condition of people who have not yet succeeded in getting out from under the Iron Curtain, but he reminds us of what might be our lot should the day ever come when we should fail to win our fight to sustain freedom in the world.

While we in the United States take part gladly in this 41st anniversary of Lithuanian independence day, it is with mixed feelings that we do so. There is sorrow for the plight of Lithuania today. There is sympathy and admiration for the long-continued struggle of right against might. There is joy in the thought of Lithuania's contributions to humanity—contributions through the ages and those of recent times and to us particularly in the United States.

Lithuania is a name ancient and apart as that of no other people except the Basques. Marked by the preservation of their language, these two peoples can claim antiquity such as that of no other group in Europe. The Lithuanian mark

of individuality, of the continuity of personality, of distinction, has persevered through all the centuries of the Christian era. What other people can boast a linguistic heritage maintaining such pristine purity since the first mention of Lithuania by Tacitus?

Down through the centuries this heritage has been preserved although the country was tiny, the people few, and their history a tragic one. Buffeted between large and strong neighbors, Lithuania nevertheless maintained an independent force battling Russian tribes in the 11th century; attacked by Russians, Poles, and Germans in the 13th century; merging with Poland in the 14th to the 18th centuries. Under the Russian yoke from 1795 to 1915, Lithuania in World War I was again caught between two monster combatants—caught and ravaged, pillaged by first one side and then the other.

Yet Lithuania emerged triumphant. Lithuanian independence was declared. The declaration of February 16, 1918, is the independence we celebrate today. We rejoice together with a people whose courage and perseverance could persist through such age-old vicissitudes.

Today is a day to recall not only the valor and stamina of such people; but particularly to mark the culture which they have preserved from age to age. A religious people, the Lithuanians have maintained their piety and ideals through all generations of stress and disaster. For disaster was to be again their lot in World War II. Russia—the Soviet Union now—was again to seek to dominate this tiny but separate state. The United States has not recognized the results of this latest violence, politically. It deplores the suffering and hardships that persist for the Lithuanians at home. It honors the struggle that endures in the brave hearts and minds of these freedom-loving people.

We in the United States welcome in our midst the Lithuanians of today and yesterday. The Lithuanian-Americans have made many and distinct contributions to the progress of this country. The newcomers to the mining towns of Pennsylvania in the late 19th century were energetic and diversified in their pursuits. To many parts of our country the Lithuanians have come bringing with them devotion to ideals, hard work, and a sense of responsibility for each other as well as for themselves. We find Lithuanian farmers, journalists, tailors, writers, men of the cloth, musicians—in many pursuits and professions—often in closely knit groups, but always with aid for one another. Philanthropy has been typical of the Lithuanian-American. Also in the arts we find many interesting figures emerging from the Lithuanian born or those of Lithuanian parentage. Of particular interest to me are such names in music as Anna Kaskas and Polyna Stoska of Metropolitan Opera fame; Helen Mickunas of radio, opera, concert stage; Joseph Zilevicius, composer and former director of the Conservatory of Music in Klaipeda; Alexander Aleksis, former director of the Conservatory of Music in Warsaw; the stage designer and painter of water colors, Mstislav Dobujinsky; and Peretz Herbstein, author of "Green Pastures."

We welcome in our midst the personal contributions and distinctive racial characteristics of these people and their descendants. Of such is the New World built. The tremendous progress of our country has depended since colonial times on the influx of ethnic groups with individuality and with the hardihood and perseverance to hold their own through every contingency.

Psychological factors play a significant part in the building and maintenance of a society and in the promotion of its well-being. The independent spirit which marks the individuals who have battled against tyranny, who have maintained their freedom of thought and their ability to put it into action—this spirit is the very essence of Americanism. It is such a love of liberty and a perseverance in demanding it that we celebrate today—Lithuanian Independence Day.

Mr. FLOOD. Mr. Speaker, I yield to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, at the end of World War I the floodlight of freedom and independence swept over many parts of Europe. Numerous nationalities that were held down for centuries under the autocratic regimes and were often severely oppressed by their alien overlords in their homelands, cast off the heavy yoke of their oppressors and regained their freedom. All this happened during the last year of that war, in 1918. In central, eastern, and northeastern Europe close to one hundred million people who had lost their freedom in the past but who had been struggling for it, saw their most cherished dream come true in 1918. The Lithuanians were among these millions.

The Lithuanians have a distinct place in the turbulent and colorful history of northeastern Europe. They are the most numerous of the three Baltic nationalities, about 3 million in all, and they have always been sturdy defenders of liberty. Although they had borne the heavy yoke of the Russian czarist government for more than a century, they had successfully kept alive their love of liberty and their patriotism. Their tough and tenacious nature, and their unyielding spirit, fortified by their firm belief in Christian principles, served them well in their prolonged years of adversity. During that war they had suffered, but when the czarist regime was overthrown by the Russian Revolution, then they seized the opportunity and proclaimed their independence on February 16, 41 years ago.

Both in the attainment of their independence and in its maintenance during more than two decades, the United States, officially and unofficially, made considerable contribution. Struggling Lithuanians received great encouragement from the late President Wilson's historic fourteen points. To them it was a source of inspiration to know that their struggle for liberty and independence had the backing of our wartime President and our people. Of course, the large body of our loyal citizens of Lithuanian descent also played a signally important part.

This patriotic and law-abiding group, numbering more than 500,000 at the time, served the worthy Lithuanian cause just as fervently as they have served their adopted country. Through their own efforts and with aid of their friends abroad the war-torn Lithuania pulled itself out of existing chaos by its own boot straps. By 1920 Russian and German troops had been driven out, and, barring the unfortunate question of their capital city Vilna, Lithuanians settled their internal and external problems: they evolved a stable government and a balanced economy in agriculture, industry and trade. The Lithuanian Republic was recognized by the governments of other countries; it was admitted into the League of Nations and thus took its place in the international community. For about two decades the people worked hard and succeeded in making their historic country a prosperous and progressive democracy. They were happy and justly proud of their accomplishments.

Unfortunately this happy period lasted for only two decades. Early in 1939 storm clouds began to gather on the horizon; dictatorships of Hitler and Stalin seemed to be threatening independent Lithuania, but the latter was the deadlier of the two. At the beginning of the last war, Stalin felt free to act. He forced upon the helpless Lithuanians a "mutual assistance pact" early in 1940 whereby the country became partly occupied by Red army forces. Then in mid-June under the pretext that there were anti-Soviet forces in the country, Stalin moved in with the ostensible purpose of eliminating them, but actually he placed the country under military occupation. Under Russian guns, a Soviet style election was held; the emerging new pro-Soviet Government "requested" that Lithuania be incorporated into the Soviet Union. This was done on July 21, 1940.

Since that unhappy day the fate of Lithuania has been chained to totalitarian dictatorships. In the course of the last war, for about 2 years, Nazis occupied Lithuania and, of course, under such occupation Lithuanians suffered. Then toward the end of the war Soviet forces came back, took over the country, and since then they have been administering it as a Soviet colony. The once independent Lithuania, a real window between East and West, has been sealed up. It is impossible to learn much of the sad fate of unfortunate Lithuanians. For a long time the entire Baltic region was closed even to the select few who were privileged to visit the Soviet Union. Recently, however, some persons from the West were allowed to make limited and guided tours there, and their impressions are disheartening. There is no freedom of any kind. The people are restricted in their movements even within the country, and are watched over by Communists and Soviet agents. The authorities have done everything in their power to obliterate

and wipe out all vestiges of the past. Nationalist and Christian ideals are proscribed, and those suspected of harboring such antirevolutionary ideas are arrested, sentenced, and severely punished. But even under such oppressed and inhumane conditions, Lithuanians have not lost hope of their eventual freedom. They have not forgotten their independence day, even though they are not permitted to celebrate it. We in the free world, and particularly in the United States, celebrate that event and thus echo their genuine sentiments. I am indeed glad to join Americans of Lithuanian descent on this day, in commemorating the 41st anniversary of Lithuanian Independence Day, and that their strong hope and permanent desire for the restoration to Lithuania of its independence and freedom will be quickly attained.

Mr. NELSEN. Mr. Speaker, will the gentleman yield?

Mr. FLOOD. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Speaker, I have perhaps a little different interest and a personal one in the cause that is being advocated today. I subscribe to it wholeheartedly. But a number of years ago a family came to my farm sponsored by the church that I attend. The story came to my attention of a family that fled from Lithuania with a horse and buggy and in it were the meager belongings of this family and their three children. They eventually fled to Germany and were there five years, and then came to America as a displaced family. The pastor of my church came to me and asked me if I would take them out to my farm and give them a place to live until they became adjusted to this country. So here came Jonas and Marie Dumpys, the father and mother, and their children Martin, Hans, and Ruth.

They established themselves well and learned to speak the American language. They went on to school. All of them got a job. Today they own a home in Hutchinson. They own an automobile. The daughter is a graduate nurse. The son is studying for the ministry, and the youngest boy, Martin, is in the Air Force.

Seeing the quality and the industry of this family can only emphasize the tremendous opportunity that must be ours to help that little country become liberated again. I join with all of the gentlemen in the hope that their endeavors and their objectives may be gained.

Mr. FLOOD. Mr. Speaker, I yield to the gentleman from California [Mr. HOSMER].

Mr. HOSMER. Mr. Speaker, today, February 16, 1959, the Lithuanians celebrate the 41st anniversary of their declaration of independence. This, their independence day, recalls the day in 1918 when, at the end of World War I, freedom again was restored to this troubled land. This independence and freedom did not come easily. It came through struggle, hardship, and bloodshed. It came much in the way that the people of our own Thirteen Colonies fought for and won freedom and independence.

For more than 20 years Lithuania grew in stature. Major progress was made in agriculture and industry. Improvements in transportation and education, great strides in land reform and social legislation, and remarkable gains in material and spiritual well-being were products of these golden years of independence. I had the privilege of visiting this land during those years.

But this hard-fought freedom came to an end in March 1939. Today Lithuania is an enslaved nation ruled by a puppet government. Her people are scattered throughout slave-labor camps of Europe and the wastes of Siberia. One-fourth of her population has died at the hands of her Soviet oppressors.

No one who is familiar with the dark chapter of Soviet exploitation in the 20th century need be told what the ironshod heels of the Red army brought to that fair and happy land whose people had learned the joys of freedom.

It is indeed sad to reflect upon the fact that today, the independence day of Lithuania, it is only outside, in the free world—in countries to which Lithuanians have brought their great cultural heritage—that the anniversary of her independence can be celebrated. Only in the free world can Lithuanians speak for their countrymen, living in the silenced homeland, of their unceasing struggle for independence and freedom.

Let us, therefore, on the 41st anniversary of the independence of Lithuania join with our Lithuanian friends everywhere in reasserting our firm opposition to Soviet aggression. Let us tell the one million Americans of Lithuanian descent that we stand shoulder to shoulder with them in our prayers and work for their countrymen. Let us pledge never to forget our obligations to the people of Lithuania and other captive nations who have known for so many years the grinding heel of oppression, but who, through it all, have not succumbed to the doctrines of their oppressor but have rallied their strength and courage to meet the overwhelming obstacles. Why can they face their oppression with courage? Because the divine spark burns in each Lithuanian heart, and their desire for and love of the freedom that we know—and they tasted—drives them on.

We today, in commemorating that glorious day 41 years ago when Lithuania declared her independence, hope to kindle anew the hope of our Lithuanian friends and encourage their every effort to stand stalwart in their dark days of oppression and look forward to the day that Soviet oppression can no longer separate them from freedom.

To the 20,000 Americans of Lithuanian descent living in my own State of California, I wish to send words of hope that the brutal yoke of the oppressors may soon be lifted from the shoulders of their countrymen and that the freedoms we love and cherish may again settle as a protective blanket over that courageous country of Lithuania so her people's dreams of independence may again become a reality.

Mr. FLOOD. Mr. Speaker, I had the high honor and the great privilege last year in Philadelphia at the national convention of the Knights of Lithuania of receiving from that distinguished organization the gold medal for distinguished service for that society and for that country and that people. This coming Sunday, in the same city of Philadelphia, I will be privileged to address the anual exercises joining in commemoration of this ceremony today, and I shall be happy to convey to that meeting the spirit of this meeting in this assembly.

Mr. ROONEY. Mr. Speaker, I am honored today to have the privilege of joining with the people of Lithuania in commemorating the 41st anniversary of their independence. Freedom-loving people everywhere will join with the Americans of Lithuanian birth and descent in New York and throughout the world in observing this day as Lithuanian Independence Day.

Although the brave nation of Lithuania only dated its modern independence from February 16, 1918, the date we are commemorating today, the people of Lithuania have a long and glorious history behind them. Their traditions, their language, their culture, and their constant desire for freedom are reasons why the foreign occupation of their homeland since 1940 has not been able to dampen the spirit of independence in their hearts.

This anniversary should be a constant reminder to all the free peoples of the world of the treachery and evilness practiced by the Soviet tyrants. It should instill in all of us a renewed determination to protect our liberties and should imbue us with the will to fulfill our obligations toward the defenseless people behind the Iron Curtain.

I extend my best wishes to the gallant Lithuanian patriots and feel confident that the great spirit which helped sustain Lithuania through other periods of moral and physical slavery will sustain them once again. I fervently pray that their freedom is near at hand and that their nation will enjoy complete restoration of independence.

Mr. O'NEILL. Mr. Speaker, today Lithuanians in the free world will gather together to observe the 41st anniversary of the independence of their country. For although their country is under the heel of Red oppression, the idea of a free and independent Lithuania is as strong today as it was in 1918 when the Republic was first declared.

It is especially fitting that the American people pause to pay tribute to a gallant people who have contributed so freely of themselves in the building of this great Nation. They have given their indomitable spirit, their labor, and their lives in the furtherance of our democratic way of life. There are in this country today nearly 1 million citizens of Lithuanian origin. They have left a proud record in every aspect of the American way of life.

But our bond with the people of Lithuania goes beyond this. It is the common bond that holds free men everywhere together. The Lithuanians have

shared and worked for the same tradition of liberty and independence as we have. Theirs has been a hard and bitter struggle to maintain this Western tradition. For centuries the Russians have tried to eradicate all traces of democracy and nationalism in Lithuania, but without success. They have banned the language, the religion, the literature. They have resorted to mass murder and deportation. Always they have met with failure.

It is, therefore, for us, the free, to affirm our faith and our hope in the future destiny of the Lithuanian people. The flame of liberty burns brightly in the hearts of Lithuanians. Our task is to continue to enkindle this flame in their hearts until the day of final liberation.

Mr. FALLON. Mr. Speaker, recent and current international events have caused misery and misfortune to many peoples; some have suffered and are still suffering under tyranny. Their lot has been truly tragic. That has been true with the Lithuanian people.

These brave and courageous people who had regained their independence in the First World War, were not allowed to enjoy their richly deserved freedom very long. After regaining it in 1918, upon proclaiming the Lithuanian Republic on February 16 of that year, they lived in joy and worked ceaselessly and happily in making their small and devastated country a happy home for all Lithuanians. For more than 20 years they made the most of their freedom and were perfectly content with their democratic way of life. But the outbreak of the Second World War ushered in sad days for them. They were robbed of their independence by Communist Russians; the country was made part of the Soviet Union, and they were forced to submit to the unbending and stern rule of the Kremlin.

That is the unhappy and unenviable lot of some 3 million Lithuanians today in their homeland. There they work for their taskmasters and pray for their deliverance from Moscow's tyranny.

In observing the 41st anniversary of their independence day, we pay tribute to their steadfastness and courage, and hope that soon they will be free to enjoy the fruits of their labor in their homeland.

Mr. STRATTON. Mr. Speaker, I rise today to join in paying tribute to the brave people of the Republic of Lithuania, whose freedom was first proclaimed 41 years ago today. On that date, the courageous people of Lithuania had finally climaxed a long struggle for freedom by achieving genuine independence.

But, Mr. Speaker, unfortunately, the people of Lithuania are no longer free, because since 1940 this brave small country on the Baltic has been a Soviet concentration camp and its people the victims of ruthless Communist domination. The iron chain of Communist tyranny keeps Lithuania in a state of constant terror and exploitation by her Kremlin masters.

Today, when Lithuania cannot speak for herself, it is a privilege to speak for that country of indomitable courage and undying devotion to freedom. The people of Lithuania are dedicated to the principles of individual liberty and national independence, and they have maintained their national identity in spite of their long term of enslavement.

The history of the noble Lithuanian people shows unmistakably that freedom is part of the Lithuanian character. Since the 13th century Lithuania has enjoyed independence and self-government only at intervals between invasions by the Russians and Teutons in their mad rush for conquest and European domination. After more than 100 years of struggling against czarist Russian subjugation, Lithuania became a republic and proudly took its place among the democratic nations of the world. Unfortunately her independence was short lived; after 22 years of freedom and progress, Lithuania was seized again by Soviet Russia in 1940.

The people of Lithuania remain a captive nation of Soviet Russia, subjugated and enslaved under Communist tyranny. They have paid a great toll in human suffering; yet they have never given up their hopes for national liberation. Behind the Iron Curtain they are sealed off from any contact with the rest of the world. But they are not forgotten by freedom-loving men. This anniversary of independence fought for, earned, cherished, but lost, continues to be observed in the hearts of the people of Lithuania as well as in the hearts of all who love freedom everywhere. The Soviet masters can capture their bodies, but not their minds and souls. There is no Lithuanian flag in Lithuania, no national anthem—but these symbols of a liberated Lithuania still burn brightly in their hearts.

Meanwhile, this observance here and throughout other lands where people of Lithuanian blood are living today will be heard behind the Iron Curtain. It will demonstrate that the plight of Lithuania is not forgotten, and that we join with them and with Lithuanians everywhere in prayer that the day of freedom for these brave and valiant people shall not be far away. It will demonstrate to the Communist jailors and to the world that we in America recognize that freedom is indivisible and that not until the day when the people of Lithuania are genuinely free can we in America fully enjoy and appreciate our own freedom.

Mr. BUCKLEY. Mr. Speaker, I am happy today to join with all Americans of Lithuanian descent in paying tribute on the 41st anniversary of the birth of Lithuania as a free and sovereign nation of the world. I am certain that I am joined in these sentiments not only by all lovers of freedom in the United States but by all throughout the civilized world who respect honesty, integrity and the rights of all peoples to self-government.

It is a tragic fact that the independence of Lithuania was a short-lived one for not too long after the infamous Nazi-Soviet pact, Lithuania fell before the red scourge of communism.

None the less, Lithuania still is alive today. The U.S. Government to its everlasting credit has steadfastly refused to recognize the rape of the Lithuanian Republic by the Soviet Union. Thus, for the record, Lithuania lives on awaiting a new birth of freedom.

As I stated at the outset, I believe it is only proper and fitting for us to pay homage to the suppressed people who have struggled on so valiantly against the worst form of tyranny. It is true that the more than 3 million Lithuanians in their homeland today may not hear us directly but I am sure they are with us in spirit. Further I am certain that some day the tragic ordeal of this gallant country will come to an end and that an independent and sovereign Republic of Lithuania will once again be able to take its rightful place among the free nations of the world.

Mr. CONTE. Mr. Speaker, Lithuania is a small country in northeastern Europe, and the Lithuanian people constitute one of the smaller ethnic groups in that part of the world, but there they have played an exceptionally important role. The state they founded some 700 years ago endured for centuries, and at one time was a real force in East European affairs. Early in modern times the Lithuanian Kingdom was united with that of Poland, and from then on the fate of both peoples were wedded. Finally, late in the 18th century, when Poland was partitioned and ceased to be an independent state, Lithuania also suffered a similar fate and became a Russian Province.

From then on, for more than 100 years, Lithuanians lived under the autocratic and oppressive czarist regime, but they clung to their national traditions with stubborn tenacity and held fast to certain high ideals, such as freedom, liberty, and independence; and when they had the chance to realize these ideals, they seized upon it and proclaimed their independence. This was done on February 16, 1918, and Lithuania became a republic. At that time the war was still raging and most of the country was under enemy occupation. Soon, however, the war ended and all Lithuanians joined hands not only in the fullness of joy to celebrate their victory, but also for the rebuilding of their now liberated country. In this task they were astonishingly successful. In a few years Lithuania was blessed with prosperity and progress. For more than two decades they lived in happiness and freedom. But then came the rude shock caused by the Second World War. Early in that war Russian Communists robbed Lithuania of its freedom and made the country part of the Soviet Union.

Since then, for more than 18 years, Lithuanians have been suffering under the worst of totalitarian dictatorships. Commissars and spy rings, paid and unpaid agents of the Communists, and planted informers and cruel executioners have literally changed the life in Lithuania to one of regimented horror. But even under such horrors and terrors, the unhappy but stouthearted Lithuanian has not given up hope for his eventual freedom. On this 41st anniversary celebration of Lithuanian Independence Day we all hope and pray that his wish will come true and that he will be rewarded

with freedom and independence in his beloved Lithuania.

Mr. DERWINSKI. Mr. Speaker, today, on the 41st anniversary of the event, there cannot be any independence day celebrations in Lithuania. It is for those of us in the free world who remember Lithuania's freedom, and who hope for its resurrection, to mark this day of independence. We do so without hopelessness, for the spirit of Lithuanian nationalism has been able to survive Russian oppression once before.

The Lithuanians came under Tsarist control at about the same time the United States Constitution was ratified. In the ensuing years, while Americans have known only freedom, the proud people of Lithuania have known only terror and suppression. The Tsars of Russia even abolished the name of Lithuania. They smashed all forms of local autonomy, suppressed the use of the Lithuanian language, and did all in their power to remove any trace or memory of Lithuania's proud heritage.

They failed, for as the old Russian regime fell, and Lithuania came under German occupation during the First World War, the patriots of Lithuania declared their country's independence, on the 16th of February 1918. It was a time of great events all over Europe, and nationalities which had been held down for centuries under the old regimes now tasted once again their new freedom. All these peoples, like the Lithuanians, were fired by the ideals of President Wilson's 14 points, and they proceeded to establish democratic governments. Independent Lithuania was soon recognized by the great powers, and in 1921 the long oppressed people had new reason for pride when their government became a member of the League of Nations.

For more than 20 years, throughout the interwar period, this intelligent and industrious people made remarkable progress toward establishing stability. They achieved a balanced economy in trade, industry, and farming. From the ruins of war great strides were made in establishing a prosperous, progressive democracy. This happy period, in which so many of the aspirations of Lithuanian nationalism were finally reaching fruition, was doomed to end as the fear of war began to engulf all Europe. There was increasing diplomatic pressure from the Soviet Union, and eventually, as a war broke out, the unfortunate Lithuanians had to allow the Red army into the country. Finally, under threats of death and imprisonment for all who refused to accede, Lithuanians had to join the Soviet Union—another victim.

Thus Lithuanian independence came to an end, but free peoples were not fooled by this heavyhanded act of Soviet despotism. The United States and Great Britain knew that the incorporation of Lithuania into the Red bloc was against the wishes of the Lithuanian people, and they refused to recognize the Communist regime.

Since that unhappy day, however, Lithuania's fate has been determined by the acts of totalitarian dictators. Not very long after the Russians moved into Lithuania, the Nazis ousted the Soviets and took over themselves. The result was 3 years of the most sickening and heartbreaking oppression, terror and fear. Under the Nazis, hundreds of thousands of Lithuanians were slaughtered, others were pressed into a war in which they had no concern, and thousands more were made to do slave labor.

Toward the end of the Second World War the Red forces returned, and reestablished their control over Lithuania. As we might expect, it meant a continuation of slavery. The Russians, now adding the venom of their Marxist ideology, have been determined to stamp out all vestiges of Lithuania's past. Religion and nationalism are suppressed and all opposition is cruelly punished. But we in the free world know that the Lithuanians have not forgotten the past—we know that no amount of dictatorship and terror can obliterate the spiritual freedom of a people.

One of the basic reasons why we look with confidence to the future knowing that Lithuania will some day again be a free democratic country is that in its resistance to this Communist oppression it has on its side its greatest national virtue, that of intense devotion to Christianity. The Lithuanian nation is predominately Roman Catholic in faith with other Christian sects also a vital part of the Lithuanian national life. This intense traditional devotion to Christianity gives the Lithuanian people the necessary inner strength to survive against the materialistic onslaught of its atheistic communistic oppressor. For that reason we join all Lithuanians, and especially Americans of Lithuanian descent, in remembering this day, the 41st anniversary of Lithuanian Independence Day.

Mr. COLLIER. Mr. Speaker, the staunchest and stoutest champions of freedom and independence in Europe are to be found among the northeast Europeans. They all have learned to fight in adversity and often against fearful odds, but they have fought bravely even in a losing battle. The Lithuanians are such a people. Throughout their modern history they have fought hard and fought courageously for high ideals against the forces of oppression, and tyranny. As a matter of fact, most of their modern history may be written in terms of unending struggles against their oppressors. For centuries they fought against Russia's autocracy. Their unyielding and uncompromising spirit, their firm resolve to cling to certain high ideals, and their firm belief in basic principles of Christian civilization have served them well in times of distress and despondency. During all that time they awaited for the chance to free themselves, and in 1918 that chance was theirs.

On February 16 of that year, even before the end of the First World War, they proclaimed their national political independence, and in their historic homeland they established a working democratic government. That government lasted for more than two decades, and during that time the people enjoyed the blessings of freedom. Unfortunately, soon after the outbreak of the last war the Lithuanians once more found themselves in a desperate situation. Then their independence became one of the first casualties of the war. In July of 1940 the country was occupied by the Red army and annexed to the Soviet Union. Since then Lithuanians have been denied personal and national freedom in their historic homeland.

Today millions of innocent, helpless, and patriotic Lithuanians are not permitted to celebrate the Lithuanian Independence Day in their homeland, or even to talk or write about it. There they suffer under the totalitarian Communist dictatorship imposed upon them by the rulers in the Kremlin. They live in dread of the secret police, of imminent arrest, imprisonment, and often in fear of being shipped off to some distant and desolate part of the Soviet Union. On this memorable day, in commemorating Lithuanian Independence Day, I gladly join Americans of Lithuanian descent and pray for the deliverance of their unfortunate kinsmen from Communist oppression and tyranny.

Mrs. CHURCH. Mr. Speaker, today we stand once more in proud commemoration of the 41st anniversary of the restoration of Lithuanian independence. We again bear witness to the eternal truth that all men are endowed with the right to individual and national freedom. Again we declare our own faith that no individual in any land has the right to deprive his fellow man of human liberty.

It was over 700 years ago that the independent state of Lithuania came into being. In the long history of this indomitable people, the struggle for freedom and independence has never ceased—even against the Russians who succeeded in extending their domination over Lithuania for more than a century.

The free spirit of Lithuania rose again in 1918 when full independence was again proclaimed—and as do free men everywhere, the people set themselves successfully to the task of rebuilding the nation and developing her industry, commerce, agriculture, science, and education. Their success did more than contribute to their national well-being: it was an outward and visible sign of their strong devotion to the cause of freedom and human rights, as they demonstrated that only under freedom can be obtained the highest level of prosperity and human development. That spirit still glows, despite the present incorporation of their land into the U.S.S.R. under conditions which deny basic human rights.

The Lithuanian cause, therefore, is of deep concern to all freedom-loving people. Again I reiterate, so long as one nation or even one man is deprived of liberty, the liberty of all men is indeed in jeopardy. The peace of our world, for which we all long and pray, depends upon the preservation of human rights, for man, born to be free, will not willingly or long wear the yoke of domination.

So today we join with all Lithuanians everywhere in celebrating the restoration of their independence and rededicating ourselves with them to the cherished cause of freedom. Sadly we realize the tragedy inherent in the fact that

Lithuanian people behind the Iron Curtain cannot themselves openly commemorate this traditional occasion. We are sure, however, that the instinct for freedom, the memory of freedom lives in their hearts and that their faith in the eventual deliverance of their nation will never weaken. We pray with them that that day of freedom will soon come.

And in so praying, we are joined today by all Americans of Lithuanian descent, whose spirit of independence and love of freedom have so enriched our own national life. Their dedication to the cause of independence for their motherland—and their equal dedication to the cause of freedom and justice for all men—continually rekindles in this country our own clear flame of independence. We are grateful for them, as we stand together in witness to the right of all men to walk in freedom and human dignity.

Mr. AUCHINCLOSS. Mr. Speaker, once again it is not only my privilege but the privilege of many of us elected representatives of our great Nation to pay homage and tribute to the brave people of Lithuania, lovers of liberty, who have suffered so much and have displayed their intense dedication to the just cause of free people. It is especially appropriate at this time while we Members of the Congress are endeavoring to reach great decisions which have to do with freedom in the world and the establishment of a lasting peace, that we pause for a moment to honor this small but valiant nation. When we remember Lithuania we are reminded of what has happened to the people of Hungary, of the enslavement of Poland, of the ruthless demands of communism over the people of Germany, of the tragedy of Rumania, and the enslavement of China. All this is emphasized by the recent visit to our shores of that mastermind of intrigue and deceit, that ruthless and civil champion of communism, Anastas Mikoyan.

We hear little or nothing about Lithuania these days. This nation is suppressed by Communist Russia, cloistered behind an Iron Curtain that is never raised, where visitors are not permitted to enter and natives rarely allowed to depart. This policy is shamelessly and cruelly adhered to by the Communists in spite of the assurances which are given almost daily that visitors to Russia may go anywhere and see for themselves what communism is doing for the Russian people. What little is known about the economic situation in this valiant country indicates that poverty and a reign of terror with political executions are the order of the day, and that planned starvation and exile of the natives to death camps in various parts of the Russian empire are ruthlessly carried on. The Russians may claim to be ahead of the world in the development of nuclear science but, although they do not claim it, there can be no dispute about their leadership in bringing sorrow, devastation, and distress to the innocent people whom they conquer by force and might. In the face of such conditions the indescribable courage of countries like Lithuania is insurance that the ideology of Communism will never survive because no freeminded people will ever forget the bestial brutality and faithlessness of the leaders of the Russian people. The indomitable will of these wonderful people of Lithuania shines as a beacon for truth, honesty, courage, and liberty in the world.

It is right for us to be proud of the attitude that our country has taken toward the Lithuanian Republic. We have refused to recognize the Russian domination and its forceful absorption of this gallant nation. We continue to recognize its diplomatic and consular representatives in the United States and by so doing we honor our own heritage and keep alive in the hearts of the tortured people throughout the world the love of liberty and the hope and faith in the righteousness of things. It is unthinkable that we should ever fail the Lithuanians for we cannot be false to our own ideals, but let us take courage and strength, and be fortified by the example set by this nation in its love of liberty. The United States must continue and strengthen our dedication to the cause of justice and freedom, and by our good will and interest in the welfare of these stricken people we may keep alive the fire of hope and the determination that the dawn of a better day will come to pass.

Mr. BARRETT. Mr. Speaker, the 41st anniversary of Lithuanian independence commemorating the end of over a century of oppression is an occasion for sorrow as well as joy. Tyranny under Soviet Communist rule has again enveloped Lithuania and temporarily destroyed her hard-won freedom which was realized on February 16, 1918, when she proclaimed her national independence.

I would like to join with the nearly 1 million Americans of Lithuanian descent who are pausing to commemorate this event in expressing hope and prayers for the emergence of a free Lithuania soon. We in America can help by keeping the story of the tragedy of Lithuania before the other nations of the world. We can show that we will remain resolute in our fight against Communist aggression. America's continued refusal to recognize the annexation of the Baltic States by the Soviet Union and our constant condemnation of the enslavement of free peoples of the world by force are means by which we can help the freedom-loving people of Lithuania.

Past history has shown that the Lithuanian people have the ability to withstand a great deal of tyranny. Not even the Russians' planned program of genocide can eliminate the love of liberty and the dreams of independence of the Lithuanian patriots.

Let us never forget our obligations to the people of Lithuania and other captive nations so that their day of delivery from under the heel of their cruel oppressors may be speeded.

Mr. BOYLE. Mr. Speaker, freedom and independence are the most cherished aims of individuals and nations, and their attainment, both by individuals and nations, have always been regarded as the successful culmination of their struggle toward those supreme goals. In the case of nations when these dreams come true, when these rewarding tasks are successfully accomplished, and when those who have carried on the fight, regain their liberty and freedom, and independence, then all hardsl ips and tribulations, all sacrifices and sufferings, are forgotten, and the memorable occasion becomes enshrined in national annals as a national holiday. And if the nation is fortunate and powerful enough to safeguard and maintain this supreme prize, then its anniversary is observed with due solemnity. In some cases these annual events sometimes become perfunctory, and their celebration becomes somewhat routine. This is partly because the people take their freedom and independence for granted, think of liberty and independence as their birthrights, and as such their inalienable possessions, never to be subjected to debate or dispute. Happy the nation that finds itself in such an enviable situation for any length of time, especially in these perilous times. But the observance of independence day anniversaries has another meaning and bears another message to those less fortunate peoples and nations, who, having regained their independence after a long and arduous struggle carried on against heavy odds, often formidable odds, and having sacrificed nearly all their worldly possessions and many of their dear ones, find themselves once more without liberty and independence, without the freedom which they had regarded as the spiritual sinews of their life. The tragedy of the Lithuanian people is of this kind.

These hardy and hardworking, brave and courageous people, have been living in their historic homeland on the eastern shores of the Baltic Sea from times immemorial. There they had founded their independent state and had become a sovereign nation centuries before Columbus discovered America. Though at no time in their long history were they more than a few millions, their important part in the history of Eastern Europe bears no relation to their present small size as a nation. For a long time they formed a powerful empire extending far to the south into the Ukraine and beyond, and there became a veritable force against the Asiatic hordes invading Europe. Then early in modern times the Lithuanian Kingdom was united with that of Poland, forming a dual monarchy. And in the late 18th century, when Poland was partitioned and a good part of it fell to Russia, Lithuania also became a province of the czarist empire. Thus had come to an end the glorious days of Lithuanian history; thenceforth they were to endure the oppressive yoke of the czars and suffer in the hands of their callous and cruel agents.

For nearly 150 years until the First World War, they lived in their homeland as subjects of the czars without losing their Lithuanian nationality, and their fine national traits. They also clung tenaciously and with uncommon determination to some of their most cherished national ideals: freedom, liberty, independence. Throughout this long period they strove hard to keep alive these ideals and Lithuanian national traditions. Often they had to resort to un-

derground and clandestine methods to succeed in their efforts; when detected and caught in these "treasonable" acts, they gladly suffered the consequences in prisons and exile, not infrequently sacrificing their very lives. Still they persisted in their struggle against powerful forces under all kinds of handicaps, and instead of submitting and yielding, they doubled and redoubled their efforts in the firm belief that they were entitled to freedom and independence. Then the day of reckoning came to the czarist regime in Russia; in 1917 revolutionary forces overthrew the despotic remnant of medieval days. When it was shattered beyond repair, the peoples who were held in chains by that autocratic regime felt free to regain their liberty and proclaim their independence. The Lithuanians were one of these peoples.

On February 16, 1918, 41 years ago, they proclaimed their national independence in their historic homeland and instituted their own democratic republic. That was a joyful day for the Lithuanians and also to their friends and sympathizers everywhere. We in particular in this country were delighted. Not only so many of our loyal Americans of Lithuanian descent had a share in the making of new Lithuania, but the Lithuanian people were encouraged and inspired by our former President Wilson. Thus, freed from the deadly hand which held them down for so long, and aided both spiritually and materially by their friends, the Lithuanians rolled up their sleeves and got down to work. In the course of a bare two decades, during the relatively short interwar period allotted to them, they worked hard, ceaselessly, and accomplished near miracles. The war-ravaged country was rebuilt; the democratic regime took firm roots, and in nearly all aspects of their lives Lithuanians made tremendous advances; they prospered and progressed. Everyone thrived through their industry and hard work, and everyone was happy. Then approached another event over which they had no control. As the clouds of the Second World War were darkening the horizon, they became apprehensive; they began to worry about their independence, and even for their safety. Unfortunately, their worst fears and forebodings came true. Early in the course of that war, when Lithuania's friends in the West were in a life-and-death struggle, Stalin's forces treacherously invaded the country, occupied it, and hundreds of thousands of Lithuanians were arrested and shipped to distant and desolate corners of the Soviet Union and those left behind in the country were to submit to the stern rule of Communist dictatorship of the Kremlin. In July of 1940 Lithuania was annexed to the Soviet Union and thus came to an end the Lithuanian Republic that was born on February 16, 1918.

During the last war Lithuanians suffered much and sacrificed nearly all their worldly possessions. Though theoretically not a combatant nation in that war, yet they lost more than many nations who as such fought in that war. For a time they came under the Nazi regime, and their lot was hardly any better under Hitler's underlings. Toward the end of the war when the Red Army reentered Lithuania, Communists returned in greater force and with greater fury. They set out to eradicate all traces of nationalism and freedom in the country. All personal possessions were confiscated by the state; and everything is owned by the state and operated for the state. All citizens in this totalitarian setup are mere cogs in the big state machine. Every phase of their daily life is rigidly regulated by the state. Regimentation is carried to its absurd limits, far beyond what one finds even in the armed forces in democracies of the West. No freedom or liberty is allowed to the people. The country is sealed off from the free world. No movement is permitted in and out of the country, and of course visitors from the free world are absolutely forbidden to enter, except under most rigid and supervised guidance.

Such being the almost unprecedented and unfortunate situation, we in the free world do not exactly know what happens there. We rarely hear of the unenviable lot of these unhappy and helpless Lithuanians, and that little is discouraging, almost despairing. All is black in that land of misfortune under Communist totalitarian dictatorship. All Lithuanians live there as prisoners in a large prison camp, fated to work as slaves for the all-powerful and heartless Communist state. The one encouraging and hopeful sign in this array of darkness and sadness is that these liberty-loving and stouthearted people still cherish their love for freedom; they still yearn for independence, and they are prepared to make the ultimate sacrifice for the attainment of these supreme goals. On the observance of the 41st anniversary of Lithuanian Independence Day, we in the free world, in this great habitat of democracy and the home of the free, can do no less, and unfortunately at this time no more, than to echo their genuine sentiment on this memorable occasion.

As I have said in the past, and shall repeat it again, these valiant Lithuanians have never forgotten the sweet taste of freedom. Despite the torture and oppression the Lithuanian people suffer today, we know that their love for liberty is not dimmed and that they have never given up the fight to regain the freedom that was once theirs. Their inhuman oppressors may prevent the Lithuanians from exercising their natural right of freedom, but they cannot force these brave people to accept and believe in the tyranny imposed upon them. The people of Lithuania must know that their countrymen throughout the world, and we in the United States, have not forgotten their plight. In marking this day once more we do not merely recall the dead past. But rather, we reaffirm our faith in this brave country's devotion to liberty and independence and express the hope that the day may soon come when Lithuanians once more may breathe the air of freedom in their beloved and historic homeland.

Mr. RODINO. Mr. Speaker, nations, like individuals, do not live by bread alone; ideas and ideals often form an important, and sometimes a crucial part of their fare. Freedom and independence, the liberty to work and enjoy the fruits of one's labor, are perhaps the noblest and ripest of human desires. And national independence is one of the conditions under which individual and group freedom may be attained, for it is almost impossible to conceive of freedom in a land where the people are subjected to the stern regime of alien and unwanted overlords.

Late in the 18th century when the Lithuanians lost their national independence and were brought under the czarist regime of Russia, they lost much of their individual freedoms. For almost a century and a half the stalwart and stouthearted Lithuanians suffered under the brutalities of czarist cruel agents. During that unhappy period they did not lose sight of their objective: the attainment of their independence. In 1918, when that detested regime was overthrown, Lithuanians proclaimed their independence on February 16. That day marks a great turning point in their national history, for from then on a new day had dawned for them. The next two decades were to become a kind of golden age in modern Lithuania. The Lithuanians were justly proud of their splendid record of performance during those two peaceful decades in every walk of their national life. Unfortunately, however, that happy interlude was not to last long. The Second World War was a national tragedy for the Lithuanians. They were one of the first victims of that war as Russian armies moved westward to the Baltic Sea. During that war they suffered much and lost nearly all their worldly possessions, but they still had the hope of regaining their freedom after that war. In that expectation they, as well as their friends, were sadly disappointed. Even before the end of that war the Red army made sure that Lithuania would remain a part of the Soviet Union.

Since 1945 Lithuania has become a large prison camp for its liberty-loving but helpless inhabitants. The country is completely sealed off from the world outside; no one is allowed to leave it, and no one from the free world is allowed to enter it, except the very few who have proved their longstanding sympathy for the Soviet Union and Communist cause. We hear that Lithuanians have been exiled to other parts of the Soviet Union by the tens of thousands, and their place is taken by peoples brought there from Asiatic areas of the Union. All Lithuanians living on the seashore and on border areas have been moved to the interior and have been forced to work in collectivized farms. Of course, they have lost their possessions, and all are in the employ of the state, since the state owns and runs everything in that part of Communist paradise. It is unthinkable to have any freedom under such a system—freedom of speech, of assembly, and of movement is rigidly controlled. The activities of individuals and groups are closely watched, and everyone lives in fear of arrest and imprisonment. Under these conditions, helpless Lithuanians work for their taskmasters and quietly pray for their

deliverance from Communist tyranny. Today, on this anniversary celebration, I gladly join hands with all loyal Americans of Lithuanian descent and express my heartfelt wish to see their freedom.

Mr. DULSKI. Mr. Speaker, Lithuanians all over the world are marking this day as an anniversary of their independence. As we all are well aware, the observance is ironically symbolic. Since 1944 Lithuania has been in the grip of Soviet domination. We in the United States have never recognized the demise of the legitimate Lithuanian Government, and, we hope that by doing so the enslaved Lithuanian people know that Americans feel and understand their plight. With each passing day we understand more the threat of Soviet despotism. The love of freedom and the will to resist oppression never die in the hearts of men. No people have demonstrated this fact more effectively than the Lithuanians. It is for this reason that I feel honored to join my fellow Americans in commemoration of the brave spirit and hopes of the Lithuanian people on this 41st anniversary of their independence.

Mr. CURTIS of Massachusetts. Mr. Speaker, on this anniversary date in the history of Lithuania, we in America express anew our hopes and prayers for the return of her independence. We join with our Lithuanian friends in commemorating that day 41 years ago when the brave people in their homeland briefly won victory in their long struggle for liberty. Today, Communist tyranny casts its dark and ugly shadow over that small country, but through this darkness glows the light of freedom which is nurtured and so cherished in the hearts of these valiant people. By our words and work for freedom throughout the world, we will continue to give them hope and courage until once again they shall be free and independent.

Mr. McDONOUGH. Mr. Speaker, today the people of Lithuania observe the 41st anniversary of the Declaration of Independence of the Republic of Lithuania on February 16, 1918.

There can, of course, be no public celebration of this event within Lithuania which is now under the cruel domination of Soviet Russia. But the love of freedom is a flame within the hearts of the Lithuanian people, and it will continue to burn bright until the day of Lithuanian liberation arrives.

In the United States of America we believe that freedom is everybody's business, and we feel a deep and personal concern for all people who are held in bondage by Communist tyranny.

On this anniversary of Lithuania's declaration of independence, the American people join with the people of Lithuania and those of Lithuanian ancestry in fervent prayer that the Russian yoke will be thrown off, and that the brave and courageous people of Lithuania may soon receive the blessings of freedom and personal liberty.

Mr. BECKER. Mr. Speaker, another year has rolled around and again we, here in the Congress, are privileged to offer our good wishes to Lithuania and Lithuanians on the occasion of her 41st anniversary of independence.

To a nation which has stood for so long with patience, perseverance and courage, the pain of oppression, it seems so very little that we here in the United States can only by words commemorate this significant occasion.

With my prayers and good wishes goes the hope that Lithuania on her next anniversary will enjoy with us the incomparable blessings of freedom.

Mr. KLUCZYNSKI. Mr. Speaker, February 16 is the independence day of Lithuania. This year, however, on the 41st anniversary of the proclamation of its independence, Lithuania no longer enjoys her freedom. On the eve of World War II she became the victim of Soviet conspiracy and aggression.

The dream of Xerxes to "extend the Persian territory as far as God's heaven reaches," where "the sun will then shine on no land beyond our borders," has been revived by the Communist leaders in the 20th century. World revolution, the world domination, have always fascinated them. Convinced that World War II would bring victory for the Communist revolution, the Soviet Union opened the gates of aggression in Europe by becoming a party to the Molotov-Ribbentrop Pact, signed on August 23, 1939. By the terms of this pact, the Soviet Union and Germany divided Eastern Europe, the Soviet Union receiving eastern Poland, Latvia, and Estonia, and later, through an additional secret protocol signed on September 23, 1939, bringing Lithuania into her sphere of influence. All that happened later—the forced conclusion of mutual assistance pacts between the Soviet Union and the Baltic States, military occupation, formation of puppet governments, mock elections—all this was nothing but a history of enslavement for Lithuania and the other Baltic States, notwithstanding the most solemn pledges on the part of the Soviets to respect their territorial integrity and political independence and to abstain from any act of aggression—"No political, military, economic, or other consideration may serve as an excuse or justification for aggression"—treaty on the definition of aggression of July 23, 1933.

As we have seen, the occupation and incorporation of Lithuania and the other Baltic States in 1940 was only a prelude to further territorial acquisitions in Europe and Asia. In Europe alone some hundred million people, citizens of formerly independent nations, were compelled to accept the Soviet rule and forced to work for the strengthening of the Soviet Union.

The same striving for world domination and expansion was expressed by Khrushchev at the 20th Communist Party Congress:

> The Communist Party of the Soviet Union follows Lenin's thesis that "all nations will realize socialism, this is inevitable, but not all of them in the same way."

And Khrushchev added:

> These [the bourgeois or capitalist] politicians do not dare to declare that capitalism will perish in the new world war, if they wage it, but they are already forced to admit that the Socialist camp is invincible.

Soviet expansion in Europe and Asia was carried out with the greatest ruthlessness, and has been accompanied by the most appalling misery:

> In the Soviet sector of the world from the Elbe to China, the pattern of people's democracy brought the blessing of suppression of freedom of opinion, secret police, torture, miscarriage of justice, deportation, and forced labor camps to millions of hungry and war-weary people (Georg Schwarzenberger, "Power Politics," New York, Frederick A. Praeger, Inc., 1951, pp. 633–634).

Although this picture is well known to all students of Soviet policy, nevertheless it seems well to remind everyone of these events, and on this occasion in particular, of the fate of Lithuania, especially now that the Soviet Union is engaged in a feverish campaign for, among other things, peaceful coexistence.

After the incorporation of Lithuania into the Soviet Union, the Soviets tried to justify this action on several grounds. They advanced the thesis that the Soviet Union was forced to issue ultimatums to the Baltic countries because these countries did not observe the conditions of peaceful coexistence. In the pamphlet "The Soviet Union, Finland and the Baltic States," published by Soviet War News on behalf of the Soviet Information Bureau, in 1941, this thesis was stated as follows:

> The Soviet Government considered that the Baltic States were in duty bound to fulfill only one condition necessary for peaceful coexistence. This condition was loyalty and readiness (and this not only in words but in deeds) on the part of the Baltic States not to violate the security of the Soviet Union, not to transform their territory into places d'armes for possible attacks on the Soviet Union, not to permit any country to establish a protectorate over themselves, not to give their territory "on lease" for its possible use by any aggressor or would-be aggressor against the Soviet Union (p. 3).

According to this pamphlet, the Baltic countries did not meet these conditions:

> But both the foreign and home policy pursued by the governments of the Baltic States during the whole of the period under review, not only demonstrated their hostility to the Soviet Republic, but systematically violated precisely the one essential condition for peaceful, good-neighborly coexistence—the condition which, had it been respected, would have formed a real basis for their independence and self-determination and the maintenance of peace (pp. 31–32).

Therefore, it was concluded that:

> The Soviet Union could not but draw the only possible deduction from all these facts, and in 1940 it was constrained to demand that there should be a change in the Governments of Estonia, Latvia, and Lithuania—since their hostility toward the U.S.S.R. threatened the complete subordination of the Baltic States to German fascism (p. 32).

As a matter of fact, it was the Soviet Union that established a protectorate in the Baltic countries, and transformed them into a place d'armes for the further expansion. It was the Soviet Union that concluded the pact with Nazi Germany and appropriated the Baltic States as her zone of influence. It was the Soviet Union that imposed on the Baltic States the pacts of mutual assistance and established military bases there. It

was the Soviet Union that forced the Baltic countries to turn over their territories "on lease" to the Soviet Union. At the time the Soviet Union presented its charges in ultimatums to the Baltic countries, she had in these countries at least 50,000 to 60,000 troops. Thus, the so-called peaceful coexistence imposed upon the Baltic countries on Soviet terms led finally to the enslavement of Lithuania and the other Baltic countries.

International obligations, according to the Soviet doctrine, have only a limited validity for the Soviet Union, because the Soviet Union claims to be the only competent interpreter in matters of peace, equality, justice, and independence, and, therefore, it is the only state which has the right to reject or modify the existing rules of international law and its obligations. In 1940 Lithuania became victim of this same unilateral concept of international obligations. And this attitude toward international obligations remains unchanged today. There are no signs that the Soviet Union is ready to redress her injustices, and to adopt, in her relations with other countries, an approach which would correspond to the rules adopted by civilized nations, referred to by Under Secretary of State Sumner Welles when speaking of Soviet actions in the Baltic States on July 23, 1940:

> The policy of this government is universally known. The people of the United States are opposed to predatory activities no matter whether they are carried out by the use of force or by threat of force. They are likewise opposed to any form of intervention on the part of one state, however powerful, in domestic concerns of any other sovereign state, however weak.
>
> The United States will continue to stand by these principles, because of the conviction of the American people that unless the doctrine in which these principles are inherent once again governs the relations between nations, the rule of reason, of justice, and of law—in other words, the basis of modern civilization itself—cannot be preserved.

International law is built upon the principle pacta sunt servanda. Coexistence at least implies respect of mutual obligations. The respect for promises is the basic principle of mutual understanding and constitutes the foundation of the international community. Analysis of the Soviet practice shows the lack even of such intentions on the part of the Soviet Union. Subjugation of Lithuania under the false pretext that Lithuania did not observe conditions of peaceful coexistence is the best example of disrespect of international obligations.

The Soviet Union, as a member of the United Nations, has the duty "to establish conditions under which justice and respect for the international obligations arising from the treaties and other sources of international law can be maintained"—preamble to the Charter of the United Nations.

Each member of the United Nations, the United States included, has not only the right, but also the duty, to require that international obligations be observed by the members of the United Nations, and that the wrongs committed by the Soviet Union in general, and against Lithuania in particular, be redressed.

Lithuania is an old nation in the European community. She has a long history, going far back to the 12th and 13th centuries. Lithuanian rights to national independence and statehood rest, apart from the generally accepted right of self-determination, upon her record of 800 years' existence as a nation-state. The services which Lithuania has rendered to the international community are very great, especially during the Middle Ages. And, again in the words of Sumner Welles:

> The people of the United States have watched their (the Baltic States) admirable progress in self-government with deep and sympathetic interest.

All efforts must be made toward the reestablishment of sovereign rights in this once independent and friendly nation.

Mr. BYRNE of Pennsylvania. Mr. Speaker, the annual observance of the proclamation of Lithuanian independence declared on February 16, 1918, is a good time for all Americans to pause and reflect on the problems of the Lithuanians and other captive peoples suffering under the oppressive rule of the Soviet Union. Lithuania fell prey to the superior force of the Soviet Union on June 15, 1940, so that any celebration of the 41st anniversary of Lithuanian independence is marked by sorrow at the plight of the freedom-loving Lithuanian people.

The Lithuanians have been held in effective slavery and deprived of their human and property rights since 1940. The Soviet Union forced upon the people an illegal puppet government and fraudulently annexed Lithuania in direct violation of their Mutual Assistance Treaty of October 10, 1939 and the earlier nonaggression and peace treaties of July 12, 1920 and September 28, 1926. The Lithuanian people have been subjected to a Soviet plan of genocide which aims to eradicate the Lithuanian national conscience. Over 500,000 Lithuanians have been deported to Siberia or murdered by the Soviets. Soviet and other Communist people have been moved into Lithuania. The political freedoms and economic initiative of those remaining have been destroyed. The Iron Curtain has hidden the full story of the suffering of these brave people.

The plight of Lithuania and her Baltic neighbors was heedlessly overlooked in the confusion of World War II. However, the free nations of the world are becoming increasingly aware of the importance of this valiant country that has fought and struggled against tyranny for over a century and a quarter. The tragedy of Lithuania should serve as a reminder to all the free peoples of the world of the danger of Communist aggression. This annual commemoration of the proclamation of Lithuanian independence should serve to remind us that all freedom-loving people must stand resolute in their fight against communism and unite against the forces of evil.

Lithuania has a proud heritage and was a stronghold of Western European civilization in the 13th and 16th centuries. From 1918 until invaded again at the beginning of World War II by first Nazi Germany and then by the Red army, Lithuania was a model republic and made great strides economically and politically which gained the highest respect of all as a wonderful example of self-government.

All of us who hold the cause of freedom precious should do all we can to help Lithuania regain her independence. We can help them during this period when there is little they can do for themselves, by continuing to bring them hope through the Voice of America and other available means, by helping her displaced people find asylum in the United States, by continuing to condemn Soviet aggression in the Baltic States, and the enslavement of free peoples by force, by fraudulently annexing Lithuania, Estonia, and Latvia.

This is the time when fellow Americans of Lithuanian descent are rededicating themselves to the cause of freedom and are helping to keep alive the great cultural heritage of Lithuania for their homeland which is now silenced under the heel of the Soviet Union. Let us join with them in the cause for independence for Lithuania and all the captive nations of the world with a message of hope and courage until Lithuania can again take her rightful place among the free nations of the world.

Mr. FORD. Mr. Speaker, I want to congratulate the Lithuanian American Council, representing the majority of nearly 1 million Lithuanian Americans, for its service in helping to strengthen the hope of freedom in the hearts of all Lithuanians.

On the 41st anniversary of the restoration of independence of the Lithuanian state, we can appreciate the words of Milton that "None can love freedom heartily but good men." Certainly this history of the Lithuanian state from its beginning in the 11th century to its forcible incorporation into the Soviet Union during our generation shows a people with the flame of freedom in their souls and a light of knowledge in their eyes. Their actions between the two World Wars as leaders in the fight for peace and the struggle for progress helped achieve many fine accomplishments during those years.

It is fortunate that the United States has never recognized the incorporation of Lithuania and the other Baltic States into the Soviet Union. For, in the present world situation, it is to our advantage to have the friendship and cooperation of the Lithuanian people in our quest for world peace and security.

The persecution and tyranny which the Lithuanians are presently undergoing are, I know, a suffering at this time. I hope sincerely that soon it will be possible to see the restoration of Lithuania to independence and freedom.

Mr. DIGGS. Mr. Speaker, once again we are reminded of an historical event of great significance which took place over 40 years ago. On February 16, 1918, Lithuania proclaimed its national independence. In the ensuing years from 1918 to 1940, her valiant people made tremendous strides forward in the economic and social revival of their country

after more than 100 years of tyrannical Russian rule. As a member of the League of Nations, the Republic of Lithuania dedicated itself to democratic principles and gave ample demonstration that it is fully deserving of membership in the family of free nations of the world. Soviet Russian forces succeeded in placing Lithuania in bondage again in 1940. Short-lived though open enjoyment of her independence was, Lithuania's spirit of freedom is today as strong and unconquerable as it ever was.

Compared to the great heroism and courage of the people of Lithuania, despite 18 years of Soviet despotism, brutality, and culture strangling, it is a small thing we do to take a moment on this day to commemorate their independence and assure them of our own unwavering faith in the ultimate retriumph of that independence.

Lithuanians are not today the masters of their soil, but, most importantly, they remain the undisputed masters of their own free souls. It is a privilege to join in this fitting tribute to them.

Mr. BENTLEY. Mr. Speaker, it is a privilege to join other colleagues of mine in the House today to pay tribute to the Republic of Lithuania on the occasion of the 41st anniversary of the restoration of her independence. Like her Baltic neighbors, Latvia and Estonia, the peoples of Lithuania have now been under totalitarian rule, either Nazi or Communist, ever since 1940. The meager information that we receive in the free world nevertheless bears every evidence that the spirit of freedom burns as brightly in Lithuania as it did on that memorable day 41 years ago when Lithuania became again a free nation.

The restoration of Lithuania's independence in 1918 followed many years of brutal enslavement and occupation by foreign powers. The fact that the spirit of Lithuanian freedom remained alive during all that time is a heartening proof that Lithuanians, even though in chains, never lost their desire for the God-given rights of independence and self-determination. I hope and trust it will encourage them in their struggle against Communist tyranny to know that our own country and indeed the peoples of the entire free world are with them in their fight for freedom and that we all believe that liberation from foreign enslavement will again come to Lithuania as well as the other corresponding nations and peoples now in the grip of international Communists. By continuing to recognize Lithuania as a sovereign state, our Government has given yet another proof of the fact that it is not prepared to acquiesce in totalitarian conquests in defiance of international commitments and the moral principles that should be common to all mankind.

It is my pleasure to salute the people of Lithuania on this memorable anniversary as well as to pay tribute to the thousands of American citizens of Lithuanian origin who are personally determined to do all in their power to restore freedom to their homeland. In this memorable cause the work of the Lithuanian American Council and the Lithuanian American Information Center are worthy of particular note. I am glad to join my other colleagues in Congress in extending our greetings at this time and to pledge our continued efforts to do all in our power to insure that the sacrifices which have been made in the name of Lithuanian independence shall not have been in vain.

Mr. HOLTZMAN. Mr. Speaker, today marks the 41st anniversary of Lithuania's declaration of independence after many years of annexation to the Russian Empire. The United States was one of the first countries to recognize the Lithuanian independence. I am honored and proud today to join my colleagues in the House in celebrating this 41st anniversary of the Lithuanian independence.

To these friends of ours this day will be a day of dedication to the past, to the memory of the brave people of Lithuania who have remained unsubdued in spirit even though imprisoned by Soviet tyranny.

The present situation in Lithuania is of grave concern to Lithuanian Americans, the majority of whom have kinfolks in the old country. Lithuania is a veritable prison. Few people are permitted to leave the country and visitors are not allowed; thousands of her sons and daughters have been murdered through political execution, planned starvation and exile to death camps; deportations have scattered other thousands throughout the vast Soviet empire; her people are forced to go to the Soviet Union, as "volunteer laborers."

Nevertheless, the memory of liberty survives in Lithuania. The theory that Lithuania or any other comparative nation of central Europe rejoices in their slavery to Moscow fools nobody and silences nobody who does not have to live under Russian bayonets.

Such a nation is Lithuania and such people are entitled, not only to our sympathy and our moral support, but to our active, effective assistance in forwarding their high aims for the recapture of their liberties and the reestablishment of their sovereignty.

Our own great Nation must make it abundantly clear to all other nations that we stand for liberalization from tyranny and oppression and for self-determination and freedom of choice for all people to ordain and to establish their own form of government under democratic processes.

The enslavement of Lithuania is one of the worst crimes of the Soviet Union. God grant that deliverance may come soon.

Mr. POWELL. Mr. Speaker, today I join with my colleagues and friends of Lithuania in paying tribute to the courageous people of that land. All of America is richer for the contributions men and women of Lithuanian descent have made to our national strength and cultural heritage.

It is well that we who have met here today interrupt our usual routine and applaud the Lithuanian determination to be free and salute those who have kept that spark of freedom alive. All Americans are indebted to their persistent efforts which have refused to let us forget that the spirit of democracy needs periodic refreshing. Too often we are inclined to take freedom and equal opportunities for granted, as being as natural as the air we breathe, forgetting the struggle of our forefathers to obtain it and unmindful of those around us who have never enjoyed the privilege.

The annual anniversary celebration of Lithuanian independence with its rededication to the principles of tolerance, liberty, of basic human rights, for human dignity, for the freedom of the press and religion rekindles the eternal spark of universal freedom now threatened with suffocation in many parts of the world. Would that the echo of our voices from this Hall supporting Lithuanian aspirations and objectives resound throughout the world.

Ultimately, we believe all voices of peoples desiring freedom will coalesce into a thundering sound and the full force of their determination will tumble the pillars of dictatorial structures.

In this swiftly revolving world of power politics and economic change no nation, not even Russia, can hold out indefinitely against the forces of justice and equality. In the new world which must be born if we are to live in this space age among our nuclear gadgets and weapons, the zigzag history of Lithuanian freedom is destined to join others in a broad and uninterrupted channel of progressive evolution spanning a sea of harmony and peace and good will and the brotherhood of man.

Mr. MURPHY. Mr. Speaker, I deem it a great privilege to join my colleagues in paying tribute to the Lithuanian people upon the 41st anniversary of their independence.

Fate is not expected to be kind to all peoples and nations. Some have been more fortunate in possessing the requisite power, and also the luck, to shape their own destiny. Others, particularly the small nations, lacking the power for the mastery of their future and finding that they are not among the lucky ones, have often been victims of some untoward events or have suffered under other powerful nations. The Lithuanians have been among the unlucky ones.

This unfortunate but gallant nation has had its glories in a distant past, but since the late 18th century its destiny was in the hands of Russia's autocratic czars. In 1917, as the result of the Russian revolution, when that wretched regime was overthrown, Lithuanians had the chance of realizing their centuries-old dream. They proclaimed their independence and established their own democratic form of government. Amid multiple handicaps and hardships, they worked their way out of misery and chaos. Their independence was recognized by other sovereign nations; Lithuania was admitted into the League of Nations, and thus once again she joined the community of nations.

For about two decades, during the interwar years, hardworking, industrious, sturdy, and tenacious Lithuanians rebuilt their war-torn, ruined country. In time it became one of the most prosperous and progressive democracies in that part of Europe. And the people enjoyed their freedom to the full. But the turn of international events over which they had no control threatened

their independence, even their very existence. In 1940 their worst apprehensions were justified, when they were forced to agree to have Red army forces stationed in their country. In mid-June of that same year Red forces occupied the whole country. They established their own type of government which immediately "asked" that the country be incorporated into the Soviet Union. That was done on July 21, 1940. Thus came the end of free and independent Lithuania.

During the last war Lithuanians changed their unwanted masters more than once; for more than 2 years the country was held under Nazi occupation. Toward the end of the war the Nazis were evicted and their place was once more taken by Communist Russians. And they have been there ever since. Today they rule over Lithuania with an iron hand, inflexible in its ruthlessness and cruel efficiency. Gone are the days of freedom and democracy. There is no freedom of movement, of speech, and of expression. Every act of the Lithuanian citizen is formulated and dictated by the minions of the Kremlin, and their orders are carried out irrespective of the human and material costs. Today Lithuanians in their homeland live in a large prison camp, and they all pray for deliverance and freedom.

On this 41st anniversary of their Independence Day, they have our heartfelt sympathy. Although we in the free world cannot do much for them immediately, yet we can pay tribute to their courage and their energy. Those of Lithuanian descent, and they are well represented in my Third Congressional District, are honorable representatives of their ancestral home. By their qualities they enrich our Nation's life as our Nation provides them with opportunities for fruitful work. We salute the people of Lithuania on the 41st anniversary of Lithuanian Independence Day.

Mr. FRIEDEL. Mr. Speaker, for a number of reasons it is appropriate for us in the United States to share in the celebration of the anniversary of the restoration of Lithuanian independence. That day in February 41 years ago when the voice of Lithuania was heard throughout the world announcing its freedom from Russian bondage was one of the milestones in the age-old struggle of the forces of liberty against the tyranny of might. It was a milestone for age-old Lithuania, and a milestone in the political evolution of civilized people.

The Lithuania of 1918 was one of the countries which emerged in response to the Wilsonian demand for the self-determination of peoples. When President Wilson influenced the political contours of the map of Europe, after World War I, he was but voicing the sentiment of the people of the United States, since their emergence as a nation, in favor of the idea that all men should have a voice in the settlement of their own political status, in the right of a homogeneous population to determine the form of government under which their territory should be governed. This principle we in the United States believe in; and the spirit which persists in this thought we honor.

The Lithuanian people of yesterday and of today have maintained their belief in the right of men to be free—to be independent politically, socially, culturally. When in 1918 this belief came to fruition, the emergence of Lithuania was a reemergence. It was not only the birth of their nation for the then current generation; it was a rebirth of the Lithuania of old. For Lithuania was already at least as old as the Christian era. Since Tacitus in the first century A.D. first made mention of the name Lithuania, that name had appeared and reappeared as an entity down the centuries of European history.

The language of Lithuania bears witness to this fact. This language, like no other in Europe, excepting only that of the Basques, had preserved the marks of antiquity in remarkable purity. It has been the mark of a people who have maintained their independence throughout the vicissitudes of almost 2,000 years of rugged history. Despite the smallness of the group, despite the buffetings of a bitter fate, this tiny cluster of homogeneous folk tossed about among its neighboring colossi—by the barbaric hordes in the Middle Ages, by the ransacking armies of modern history—despite all the power against them, the Lithuanians have remained a people unto themselves.

Battling the Russians independently in the 11th century, resisting Germans, Poles, and Russians in the 13th, merging with the Poles—politically—for the next six centuries, only to be dominated with them again and again by Russia, these brave and hardy people nevertheless kept their personality, their individuality. Lithuania was able to withstand all this and more.

When, in 1918, the independence of the Lithuanian people was restored, it was a marvelous and a memorable event. It was not the less so because it was to be short lived. Germans and Russians were to battle again over this little country in World War II; and again Russia—Soviet Russia—was to dominate it politically. The spirit of Lithuania has never been dominated. The personality of the Lithuanian people was to endure as it had endured down through the ages. The many-faceted contributions of the Lithuanians to society, to the development of civilization, in Europe and in America, have a distinct place in the greater than their persistence in indeannals of the centuries. None has been pendence.

It is gratifying to take part in a celebration of significance to free men everywhere. We salute Lithuanian Independence Day.

Mr. CELLER. Mr. Speaker, February 16, 1959, marks the 41st anniversary of the restoration of the independence of Lithuania.

The Iron Curtain has dropped upon the good people of Lithuania, but no Iron Curtain can extinguish the love of liberty which was so brilliantly established 41 years ago. The voices of liberty can be stilled, but only for a little while, because the history of mankind again and again has proven that those who have once tasted of liberty can never again relinquish it forever.

The dream of liberty in its essence is a faith that cannot and will not be denied, a faith in the goodness of mankind, a faith based upon individual responsibility. All this is brought to consciousness on the commemorative date of February 16.

Mr. YATES. Mr. Speaker, it is most fitting on this 41st anniversary of Lithuanian independence that all Americans pay tribute to freedom-loving Lithuanians everywhere and to their country. In commemorating this day we honor Lithuania—small in size but great in spirit.

Since the 13th century, Lithuania has enjoyed periods of liberty and self-government but has also been the victim of attack and domination. Yet it has maintained its spirit and belief in the dignity of human liberty and has continued to fight for freedom. The First World War brought a new era for the courageous people of Lithuania. On February 16, 1918, they proclaimed their independence. During the following two decades this democratic republic made rapid progress as a proud member of the community of nations.

Unfortunately, World War II marked the end of liberty for Lithuania. Once again she was engulfed and her freedom extinguished. In 1940, Lithuania was seized by Russia, this time to fall under the domination of communism. Her people have suffered shameful persecutions and hardships at the hands of the Communists and yet they continue to resist this tyranny, and work for the day when they will again be free.

The people of Lithuania are dedicated to the principle of individual liberty and national independence; they have stanchly maintained their national identity in spite of their long-term enslavement. We are confident that the Lithuanian people will never cease in their efforts to gain liberty. Their faith has emerged triumphantly in the past and will do so in the future.

We proudly join our fellow Americans of Lithuanian descent and freedom-loving people everywhere in offering tribute to and prayers for a valiant people, destined to emerge victorious over Communist oppression in enduring independence and in final freedom.

Mr. ANFUSO. Mr. Speaker, another anniversary of the independence of the little Baltic Republic of Lithuania—the 41st anniversary in the annals of that captive nation's history—is being observed on February 16. Unfortunately, the people of Lithuania are not free to partake of this event or to commemorate it in freedom.

The hopes and aspirations of the Lithuanian nation, those living under the tyrannous yoke of communism as well as their kinsmen in the free world, have not been erased either by time or by Moscow's deceitful campaigns of smiles or of coexistence. Their faith in God and in the future survival of their people continues to remain strong. They will never abandon their efforts to attain freedom and liberation from communism.

Each year on this occasion they wait for a word of encouragement from us, a word of sympathetic understanding

from the people of the free world, a sign of genuine friendship from freedom-loving people everywhere. It remains for us to help them sustain their faith in God and in humanity, faith in their own inevitable freedom and in their survival. This means a great deal to them in these dark hours of desperation.

May this anniversary of their independence serve as a ray of bright hope to the people of Lithuania and their kinsmen in America. We express our solidarity with them in their holy struggle. Together with them we pray that their ancestral home will once again be a free and independent country in their lifetime.

Mr. FINO. Mr. Speaker, the Lithuanian people lived in their historic homeland on the eastern shores of the Baltic centuries before the discovery of America, and they had constituted their independent state long before the rise of some modern states in Europe. Though they form one of the small European nations, they have made their place secure in the history of Europe by their valorous deeds and glorious accomplishments. During the 14th and 15th centuries they ruled over a great kingdom, one of the strongest in northeastern Europe, and at times were a real force in opposing the Asiatic incursions into Europe. Then for two centuries the kingdom was united with the Kingdom of Poland, and in the 18th century when Poland was partitioned, and a part of it fell to Russia, Lithuania also came under Russian rule. Thus toward the end of that century Lithuania became a province of the Russian Empire, and so it remained until World War I.

Toward the end of that war, when the czarist regime in Russia was shattered, Lithuanians saw the chance of regaining their freedom. On February 16 of 1918 they proclaimed their independence and established a republic. Thenceforth for more than two decades they enjoyed their freedom to the full, and literally recreated their war-ravaged and run-down country. In this relatively short time they made great advances in all phases of their national life, and they were all contented and happy. But as a small nation they were living under apprehensions and fears, always suspecting aggressive designs of their powerful totalitarian neighbors, particularly those of the Soviet Union. Unfortunately their worst fears found justification. Soon after the outbreak of the last war the Red army treacherously marched into the country, occupied it, and in July it was made part of the Soviet Union.

Since those days poor Lithuanians have not known freedom. In their homeland, with many thousands driven to various parts of the Soviet empire, they have been leading the life of imprisoned slave laborers. Their country still remains under the heels of Russian Communists, and there they are bottled up behind the Iron Curtain; none is allowed to move out and no one from the free world is permitted to visit. They are all forced to work and produce for their hard taskmasters, and of course they enjoy none of the freedoms which we regard in the free world as our birthright. They cannot and are not allowed to celebrate their national independence day. But we in the free world, in observing the 41st anniversary of that historic event, gladly echo their patriotic and fine sentiments, and hope that someday they will be free to do the same in their homeland.

Mr. DADDARIO. Mr. Speaker, February 16 marks the 41st anniversary of the proclamation of independence of the Lithuanian people. I am proud and eager to associate myself with the other Members of the House in calling this event to the attention of the American people.

A glance at the history of Lithuania reveals a gallant people, industrious and freedom loving. The country suffered for 123 years under czarist Russia. The independence declared in 1918 was lost again to Communist Russia in 1940.

Our own American history pays tribute to the Lithuanians who helped tame our frontiers and who now constitute a valuable element of America. These Lithuanian-Americans pause today and join with all free people in celebrating the tragically brief independence of valiant Lithuania. The little Baltic State itself is deprived of being able to celebrate; indeed there is little to celebrate for Russian domination has abrogated all the joys of freedom. To the Lithuanians, February 16 is a reminder of a glorious goal they hope to regain, and a reminder of the oath they cherish to overthrow the alien elements who are suppressing their liberty.

On this occasion of the 41st Anniversary of Lithuania's National Independence, I want to remind Lithuanians and Americans alike that the United States has never recognized the Soviet annexation of the Baltic States. But we do realize the presence of an unwelcome intruder who has enslaved the country. We realize, also, that this enslavement is doomed as long as the will for freedom and independence exists in the heart of Lithuania.

We, in America, led by the loyal Lithuanian-Americans, commemorate not only the proclamation of Lithuania's independence but also the spirit prevailing today in that country which assures us that independence will be reborn.

Mr. DANIELS. Mr. Speaker, revolutions cause death to innocent peoples and untold amount of unnecessary destruction; in this respect they are like wars. The Russian revolution of 1917 seemed, at least at the time, to usher in a new era not only for the Russians, but also for numerous ethnic groups in the czarist empire. Many hitherto suppressed nationalities found their salvation in that revolution, and many of them proclaimed their independence soon after that world-rocking event. The Lithuanian independence was thus a child of the Russian revolution of 1917.

Since the late 18th century, Lithuania had become part of czarist Russia and for more than 100 years Lithuanians had to endure the oppressive yoke of Russia's stern and autocratic regime. The czar's callous and cruel officials during that long period did all in their power to eradicate and uproot all signs and symbols of Lithuanian nationalism. All national celebrations were tabooed and proscribed; the study and use of the Lithuanian language was discouraged; the show of Lithuanian national traits and feelings were regarded with suspicion, and those displaying any sign of independence were closely watched, and faced imprisonment. Yet despite these stern and strict measures the Lithuanians retained their sense of nationality. They venerated their national traditions, clung steadfastly to their ideals, and longed for their national independence. The Russian Revolution of 1917 offered them the opportunity to attain their national political independence.

On February 16, 41 years ago, Lithuanians regained their freedom and proclaimed their independence. In the enjoyment of that freedom they worked ceaselessly and tirelessly, and in the course of two decades, during the interwar years, they rebuilt their war-ravaged country as a model of prosperous and progressive democracy. Then came the Second World War, which in the course of its first year swallowed independent Lithuania and made it, much against the wishes of the helpless Lithuanians, part of the Soviet Union.

Since 1940, except for the 2-year period during the war, the unfortunate Lithuanians have been oppressed by the tyrannical government imposed upon them by the Communist rulers of the Kremlin. There they suffer in misery and under conditions approaching servitude beneath the heel of their detested and despised overlords. At the same time, in their hearts they all cherish the hope that someday, somehow, freedom and independence may dawn over their heads in their historic and beloved homeland. I am glad to join loyal and liberty-loving and proud Americans of Lithuanian descent who, in observing the 41st anniversary of Lithuanian Independence Day, echo the true feelings and sentiments of oppressed Lithuanians in unfree Lithuania.

Mr. LIBONATI. Mr. Speaker, Lithuania, with the poisoned fangs of communism penetrating her national heart, celebrates the memory of her 41st anniversary of the independence proclamation, now physically dead nearly 19 years.

Lithuania can, with fervent prayers, thank God for the undying friendship of America. The United States has never given its approval, or given official recognition, of the illegal seizure of the Baltic States by the Soviet Union.

The Lithuanian people were an independent nation 400 years before the discovery of America. Her culture and spiritual contributions to Christianity are the legends of antiquity. Although she is no longer free, her sacrifices and prayerful yearning to regain what was lost before—in 1795—and regained on February 16, 1918, when a number of small nations were restored their independence and freedom, Lithuania lived again as a sovereign nation.

And 19 years ago Lithuania fell again, under the lash of the Russian hordes, and

now lies oppressed; on the pages of history, written by great nations without conscience, and steeped in the blood of the patriots of the underground, who ever keep the vigil, sparking freedom's holy light since the June 15, 1940, slaughter.

Lithuania awaits its chance. This brave race, cultured in the glory of their great tradition of freedom, dating before the Christian era, steeled to tolerance and suffering, awaits with prayers and courage the day ending Soviet slavery, tyranny, and domination.

America will break the illegal seizure of these little nations throughout Europe and the Baltic area. These nations will be rescued from enslavement by the repudiation of the Russian lie against Christianity. It will be an internal eruption, and upon that day we must stand by our friends, who have struggled for the same freedoms as those of the liberty-loving Americans.

Mr. KOWALSKI. Mr. Speaker, today marks the 41st anniversary of a glorious step in mankind's march for full liberty and freedom.

It was on February 16, 1918, that the people of Lithuania proclaimed their independence and announced the birth of the Republic of Lithuania.

This new Republic, whose history as a nation traces back through many centuries, grew and thrived. It held an honored place in the community of nations. But World War II brought this valiant country again under a new Russion oppression, and in 1940 the Soviet Union, in violation of all laws of man and morality, made Lithuania a part of Soviet Russia.

In the years since 1940, heroic Lithuania has been under Communist dictatorship. Many of its people, we are reliably informed, have been deported from their homeland to work as slave laborers in Siberia.

But still the burning hope of freedom glows bright in the hearts of the Lithuanian people. And today, on Lithuanian Independence Day, the prayers of millions of men, women, and children of Lithuanian ancestry are rising heavenward—prayers that one day in the not too distant future the Republic of Lithuania will stand again as a free and independent nation.

We, in Connecticut, are proud of the great contributions made to our State by sons and daughters of Lithuania. We join our prayers with theirs on this day.

Mr. RABAUT. Mr. Speaker, today is a day of both joy and sorrow for the people of Lithuania. Since the 16th century Lithuanians have known a short 42 years of freedom. This small but intensely proud nation has been buffeted about by Russia, Germany, and Poland during almost the entire span of modern history, yet their desire for national identity has never wavered.

As illustrative of this fact, immediately after World War I, in the midst of the Russian revolution, the Lithuanian people proclaimed their independence. This act was based on the precepts of President Wilson's 14 points. The state of Lithuania was recognized by the rest of the world as a sovereign sister of the international community of nations. In all too short a time the terror of World War II befell our world. After 2 crushing years of Nazi occupation the hope of freedom regained burst forth in the minds and hearts of Lithuanians everywhere. The hope was ruthlessly smothered by the Soviet Union. For all practical purposes Lithuania is now a part of the U.S.S.R., her Government under the shadow of the hammer and sickle.

It is significant that we in the United States have never recognized this Soviet domination on any diplomatic level. The position of Lithuania must change of necessity. The hearts and minds of the Lithuanian people demand freedom. The Soviet rule by terror cannot relax its grip on a people that make this demand.

There are many men and women of Lithuanian descent here in the United States. They have added to the strength, diversity, and culture of our land. For all that Lithuania stands for, it is with pleasure that I join with my colleagues in paying tribute to these courageous people. True, it is a solemn tribute, for there is much to overcome before the reality of freedom can live in Lithuania again. The spirit of freedom is indomitable; Lithuania will be free.

Mr. MACHROWICZ. Mr. Speaker, I wish to join with my colleagues in paying tribute to the gallant Lithuanian nation on the occasion of the 41st anniversary of the independence of that country.

On February 16, 1918, Lithuania declared her independence to the entire world. Today Lithuania is not free for, in June 1940, her lands and institutions were unjustly seized by Soviet Russia and to this date her people have been undergoing persecution and tyranny.

My experience on the special Katyn Massacre Committee and, subsequently, on the Kersten Committee on Communist Aggression, a few years ago, has given me access to facts which give astounding testimony to the great love for liberty and freedom of the Lithuanian people, and of their brave resistance to Communist aggression.

Those who still believe in the possibility of peaceful coexistence with brutal Communist tyranny, and with a regime which has no respect for solemn agreements, should read carefully the testimony and evidence submitted to the congressional Committee on Communist Aggression. They will learn that the occupation of Lithuania by the Communists began with a peaceful coexistence which soon was replaced by armed occupation, murders, and mass deportations.

On this 41st anniversary of Lithuanian Independence Day, let us remind ourselves of the fact that freedom-loving peoples throughout the world have the God-given right to be free, and that no one may deprive them of that right.

Let us look realistically upon the situation as it exists today. Appeasement and acts of weakness on our part can only bring closer to our doors the menace of Communist occupation as it is known today in Lithuania.

I join with my colleagues in paying tribute to the gallant Lithuanian nation and pray that we may have the wisdom and courage to face the future with faith and confidence in our ideals and in our way of life.

I express the hope that, through Divine Providence, the day is not too far distant that the Lithuanian people and all others now under the domination of Communist regimes will again enjoy the freedom that they so deeply desire and which is so close to their hearts.

Mr. GALLAGHER. Mr. Speaker, Lithuanian Independence Day is an occasion for celebration wherever Lithuanians are gathered together in the free world. Here in the United States we join gladly in honoring a people whose perseverance, whose love of liberty, and whose hardihood of character have withstood the grimmest tests of fate. Lithuania has known the most severe and prolonged eras of political misfortune that any country in Europe has had to endure. Yet the Lithuanian character has emerged practically intact.

Although the Lithuania which we honor on this 41st anniversary of Lithuanian Independence Day was by some counts a country young in the annals of modern states, it was in actuality old in history—older than any other part of Europe, in fact, or at least as old as any; for only the Basques can boast as ancient a lineage. The purity of the Lithuanian language bears witness to the enduring qualities of a people whom we find being mentioned by Tacitus, in the 1st century A.D.; whom we find in the 20th century maintaining a purity of character and of culture never dissolved, in spite of hundreds of years of political subjugation.

Lithuania emerged as a state at various intervals during the intervening centuries. It emerged only to be swallowed up again by its mighty neighbors. But it was never absorbed.

These emergings, these periods of political independence were the outbursts of a spirit which has endured through all the vicissitudes of the centuries. The Lithuanians have exhibited a hardihood, a solidarity, and a determination to retain their independence of spirit, of character, and of culture, such as have few people on this earth.

Because of these indomitable marks of distinction, the Lithuanian people have made distinct and valuable contributions to the society in which they find themselves. We in the United States have benefited from their settlements among us. Their music, their art, their industry, their charity, and their loyalty to their own have bettered the communities where they are. Above all, their independence of spirit is the hallmark which we recognize in joining in the celebration of Lithuanian Independence Day.

Mr. FOGARTY. Mr. Speaker, once again it is my privilege to join with my colleagues here on the floor of the House of Representatives to pay tribute to the valiant nation of Lithuania which today should be celebrating the anniversary of its independence. As we all know Lithuania proclaimed her independence on February 16, 1918. Unfortunately, that independence was shortlived. The

tragic story of the brutal assault of this noble and courageous nation by Soviet Russia has been repeated many times.

As I indicated a year ago on this same occasion, it is a sobering thought to realize that for the people of Lithuania this day cannot be other than a day of sadness. We in America, who so rightly cherish our own Independence Day, can well understand the feeling of sorrow that all Americans of Lithuanian ancestry must have at the realization that that great nation has been denied the very right to exist under a government of its own choosing.

The contribution of the Lithuanians in America and their descendants gives us some idea of the national vitality of that country. It is an indication that confidence and faith in Lithuania's future is well placed. The regime imposed on Lithuania has violated everything which free men hold dear. That it has not been completely successful in its endeavor is due only to the strong inborn love the Lithuanian people have for the cherished principles of freedom and liberty. These principles are the same elements of moral law which we Americans hold in such high esteem and which have guided our great country from its inception. To be true to ourselves, we must, of necessity, be true to valiant Lithuania. It must be our solemn pledge that we shall never compromise those principles and that we shall not rest until Lithuania is free. Let it be our fervent prayer that our sister country soon have the shackles of oppression removed and may God grant that it happen soon.

Mr. BOWLES. Mr. Speaker, I wish to join in calling to the attention of the House the 41st anniversary of the independence of Lithuania.

In 1918 after 123 years of Russian rule, Lithuania was proclaimed free. The Lithuanian people achieved independence as the result of a great nationalist political and cultural revival which took place in spite of all previous Russian efforts to obliterate Lithuanian national sentiment.

Lithuania flourished in freedom for an all-too-short 22 years. Then came that tragic day when the Soviet Army swept into that free country, killing hundreds of men, women, and children, exiling the most ardent nationalists to Siberia, and placing both the territory and institutions under Soviet military control.

We of the House of Representatives, speaking in the name of all Americans, pay tribute to the brave citizens of Lithuania, whether they are in Soviet captivity inside Lithuania, whether they are exiled to Siberia, or whether they are now part of the Lithuanian community of America.

We congratulate them for their persistence, for their bravery, and for their high ideals and love of freedom. We join with them in praying that they may see the eventual restoration of Lithuania to the people of Lithuania, and the end of Soviet domination in Eastern Europe.

In the meantime, I urge this body to consider the liberalization of United States immigration laws to permit recent escapees from communism to emigrate here, and to keep families together.

I urge both the Government and leaders in private industry to assist the intellectuals and aged exiles from Iron Curtain countries to acquire new skills for employment.

I urge all Americans today to join with all people of the world who truly love freedom in sympathizing with the plight of the people who are prohibited from voicing their innate longing for liberty.

Let us work for the day when the Lithuanian people shall again be free to join a world where a desire for peace can be respected and international trust prevail.

Mr. LIPSCOMB. Mr. Speaker, I wish to take this opportunity to pay tribute to the freedom-loving Lithuanians throughout the world, who, on February 16, 1959, will observe the 41st anniversary of their national independence.

The Lithuanians were among the first of many nationality groups who shook off imperial Russia's czarist regime toward the end of the First World War and regained their long-lost independence. Unfortunately, they were also among the first to be robbed of their independence early in the last war by their former oppressors. For more than a century, from late 18th century until 1918, they suffered under the autocratic czarist regime. Their material losses were immense, and physically they suffered hardships and miseries, but spiritually they were unscathed. The unwieldy and inefficient Russian regime could not stamp out the Lithuanian national traits; the czar's agents were incapable of eradicating the spirit of freedom and independence among the Lithuanians. Stoutly and courageously these few million people held their own against the powers of the czars and defied Russian authorities when attempts were made to Russianize them, and submerge them in the one big Russian maelstrom. They were ready to sacrifice all their wordly possessions and, if necessary, submit to imprisonment and exile, but were unwilling to give up their beliefs and their long-cherished national ideals. They clung to them tenaciously and steadfastly, and when the time came to assert their independence they seized upon the occasion and proclaimed the emergence of the Lithuanian Republic. That was done on February 16, 1918, 41 years ago today.

Thereafter for a number of years the people went through indescribable difficulties. The war-ravaged country had to be built, the needy and hungry people had to be fed, and the governmental machinery just instituted had to be put into efficient working order. More important and perhaps most crucial of all was the organization of the country's defense forces for the maintenance of its newly won independence. In time, however, these difficulties were overcome, many problems were solved, and independent Lithuania progressed steadily. She became a member of the League of Nations, and played her part in world affairs honorably and well. In the course of almost two decades she was regarded as a prosperous and progressive country. But this happy situation did not last long; or, perhaps it is more correct to say, that Lithuania's envious, aggressive and powerful neighbors did not allow it to last long. The deadliest and the most implacable of Lithuania's enemies was the Soviet Union, and the masters of that country saw to it that democratic Lithuania did not remain free and independent. The outbreak of the Second World War foreshadowed the doom of many small independent free states; and Lithuania was no exception. Early in 1940, under some outrageous pretext, Stalin's forces occupied the country, and in July of that year it was annexed to the Soviet Union.

During the war Lithuanians suffered much. Many thousands of them were exiled to various parts of the Soviet Union, and those who were allowed to remain in their homeland were forced to work as slaves for their Communist overlords. When the Nazis occupied the country and held it for about 2 years, the lot of the poor Lithuanian was no better; he had to work hard in Hitler's labor force to keep his fighting machinery going. Then toward the end of that war the Communists returned once more, and this time with more fury and acted more ferociously. Since then the destiny of Lithuania has been wedded to the whims and wiles of the masters in the Kremlin.

Today Lithuania is one large prison camp in which some 3 million innocent and helpless but courageous and liberty-loving people are driven to work under most wretched and unenviable conditions for their Communist bosses. There all worldly possessions are owned and controlled by the Soviet state. They are the slaves of the most totalitarian dictatorship known to man, and the men operating that dictatorial regime have no concern for the welfare and livelihood of their unfortunate subjects. Being sealed off from the outside world, we in the free world know little of their actual status, but what little we know is sad and tragic. They have no freedom of any kind, not even the freedom to celebrate the anniversary of their unforgotten and unforgettable independence day. In this free country, in this hospitable home of true democracy, I join all Americans of Lithuanian descent in the observance of that memorable event, the 41st anniversary of Lithuanian Independence Day.

Mr. ZABLOCKI. Mr. Speaker, today marks the 41st anniversary of the declaration of independence of the Republic of Lithuania. I would like to join with Americans of Lithuanian ancestry and with freedom loving peoples everywhere in commemorating this important date, and in expressing our deepest sympathy for the present plight of the Lithuanian people.

In spite of the long years of enslavement by the Communists, the Lithuanian people have preserved their strong national feelings and kept alive the will for freedom. The desire for freedom is a powerful spiritual force. The human spirit will survive many hardships, and it can outlast the effect of any weapon of destruction. It is this human spirit

which will decide the winner in the struggle between freedom and totalitarianism. We must continue to encourage this source of strength by pledging ourselves once again to the task of building a better world in which all nations may live in peace, freedom and justice.

On this 41st anniversary of the declaration of independence of the Republic of Lithuania, I join my colleagues in the House of Representatives in commemorating this date, and in expressing our hope that the Lithuanian nation will once again take its rightful place with the free nations of the world.

Mr. LANE. Mr. Speaker, on this observance of Lithuanian Independence Day, we remind ourselves and the world of the Treaty of Moscow, signed on July 12, 1920, whereby Soviet Russia recognized Lithuania as a sovereign and independent State, and renounced forever all her claims to Lithuanian territory.

The subsequent betrayal of that solemn pledge is not surprising. It is characteristic of communism.

Other nations have been betrayed by the conspirators in the Kremlin. The latest victim, Hungary.

Americans, who have had no personal experience with Communist terror and treachery must be warned, again and again, so that our Nation will never enter into any agreement with the Communist world that cannot be enforced.

Lithuania acted in good faith, but that was not enough to protect her sovereignty from the Communists whose ambition is to dominate the world.

The United States has never recognized the brutal annexation of Lithuania and never will. We are happy that, every year, we have this opportunity as Members of Congress who represent the American people, to declare, clearly and firmly, that we will never bargain away the sacred rights of Lithuania, or any other captive nation, in return for Soviet offers to settle other questions.

Moscow, take notes.

We mean every word of our pledge to the people of Lithuania, that we will work unremittingly for the inevitable liberation of their country.

What is right is right and no amount of Soviet propaganda or power politics can alter the fact that Lithuania was forcibly robbed of her independence. There will never be peace in Europe until her independence, and that of the other captive nations, are restored. Communist Russia must make restitution.

Three million Lithuanians in the homeland pray for that happy day.

In this they are joined by free men everywhere whose conscience will not be satisfied until the Russian occupation forces are withdrawn from that Baltic State never to return.

The faith of the Lithuanian people has proved stronger than the tyrants who come and go.

That faith will be vindicated when Lithuania is free again and forevermore.

Mr. PHILBIN. Mr. Speaker, it is most fitting that we should pause today to celebrate Lithuanian Independence Day, and once again with grateful hearts pay our sincere tributes to the great and noble Lithuanian people.

Most Americans have their roots somewhere in Europe, and all of us realize the terrible scourge of persecution, cruelty, and oppression that was and is the lot of many peoples behind the Iron Curtain or in so-called satellite lands.

I could recite at length the glorious history of the proud Lithuanian people. I could embellish their virtues, passion for liberty, and willingness to bleed and die for freedom, their inconquerable spirit, impressive culture, and happy family life, their imperishable contributions to free government and inestimable gifts of loyalty and richly constructive citizenship in our own great country.

Many such words will be spoken here and elsewhere today and they will all be so true, so accurate, so well deserved. It is well that these generous words should be spoken to remind the world of the glories of Lithuania and the stalwart, age-old devotion of its people to every good cause.

Commendable, welcome, and fitting as these words of recognition, praise, and eulogy may be, they do not discharge in full measure our obligation to stand by the Lithuanian people and other oppressed peoples. Something more than mere words are needed today; something more than hopes for their liberation and deliverance from tyranny.

What this Congress must do in this day and age is to act in their behalf, in behalf of all the enslaved peoples of the world, to strike out with the energy, influence, and resources we have for the Lithuanians, for the Poles, for the Latvians, for the Rumanians, for the Serbs, for the Hungarians, and Czechs and Slavs, and all those who are beaten down today under the whiplash of the bestial Communist police state.

Let us act at once to sound throughout the world the cry of liberation, the demand for the release of oppressed peoples from abominable slavery. In the midst of all the prattling and the threats that we hear day by day, hour by hour, in propaganda outbursts that the Soviet will wantonly destroy us with its new weapons, this Nation must remain calm, cool, and collected. We are deeply resentful at all the threats, insults, slurs, and derision directed against us.

Let us dispassionately consider the source from which these mockeries come. Let us recognize who and what our enemy is and who means to destroy us. Let us not welcome that enemy here. Let us not hug and embrace him for shooting down our peacebound airmen. Let us cast that enemy from our gates. Let us renounce all his works and soundly and publicly and loudly condemn his evil intentions to conquer mankind and subject everyone in the world to his type of police state, denounce his repeated outrages against international order, honor, and peace.

The time has come for this Nation to stand firm and resolute. We have thoughtlessly taken enough insults. We have listened to enough dire threats. We have been surfeited with enough crude derision. Now let us make it clear to the world that we do not propose to take it any more.

What I propose once again on this great day of Lithuanian independence is the adoption of a strong, affirmative policy that will serve notice to the Soviet and the people of the world just where we stand on these great issues of freedom, human honor and decency and peace. Unless we can get definite assurance that tirades, assaults, abuses, and internal conspiracies against us shall cease, we should seriously consider the early recall of our Ambassador from Moscow and termination of diplomatic relations. At the same time, if we could induce our allies in the free world to take a similar position, it would not be long before the brazen, hostile operations of the Communist conspiracy in the free world would be isolated and confined. This result would be welcomed by free peoples. It would strengthen the free world.

The time has come when we must courageously assume the risk of taking a strong, unyielding position. The risk of a firm policy is less than that of waiting, temporizing, and delaying until the Soviet is prepared to attack. Our foreign policy cannot be based on surrender to blandishments and threats.

The next war may be over in a few days. The winner could well be the one that gets in the first blow. We might be brought to our knees, but the potential enemy would be on his back. If we want to help subject peoples and restore once great nations to their place in the family of nations we must be resolute now. Further delay may be fatal to free government here and throughout the world and to our own survival.

Long live free Lithuania.

Mr. VANIK. Mr. Speaker, today, as we commemorate the 41st anniversary of Lithuanian independence, the freedom loving people of that gallant nation and others behind the Iron Curtain are no more free than last year when we marked this day of independence. The 3 million Lithuanians who look to America for leadership in their struggle to regain their independence look in vain—for our foreign policy takes us no closer to peace and the Lithuanian people no closer to freedom.

In Cleveland a large segment of the population is of Lithuanian extraction. They have made a valuable contribution to the civic life of our community. In their diligent work and provident thrift, in their respect for the Constitution and the laws of our community, they are exemplary citizens. They have always been proud of their culture and heritage. They have always been concerned with the welfare of their less fortunate families and friends who remained in Lithuania.

Their friends and neighbors in Cleveland are grateful for this tremendous contribution and they share their concern over families and loved ones left behind. On this day we reaffirm our pledge to Lithuanians and to all oppressed people that we shall not relent in our efforts to keep alive the spirit of true freedom and to achieve individual dignity for man everywhere.

Mr. FARBSTEIN. Mr. Speaker, on this 41st anniversary of Lithuanian Independence Day we pay homage to the

courageous people of Lithuania, who have kept alive the flame of liberty despite two decades of subjugation and oppression. The Lithuania of the 20th century took its place among the nations on February 16, 1918, when the people proclaimed their independence.

For more than a century they had been occupied by Russia, and after World War I were able to announce the fruition of an age-old dream.

In a historical sense, Lithuania was born anew because it was a name old in the annals of Europe as far back as the 12th century. Lithuania was an entity when the hordes from the east which overran it were a nameless force; and during the Middle Ages it was a powerful state. It fell before the Russians in 1795, and many armies marched across its soil in succeeding years. In 1940, after 22 years of freedom, in which Lithuania contributed much to the culture and industry of the world, it was swallowed up by the Soviet Union. But the valiant people of this nation have kept alive their burning desire for freedom and independence and will continue their fight to become once again a free nation among other nations.

To this day the United States has refused to recognize the "de jure" absorption of Lithuania by the Soviet Union. Like other freedom-loving people the world over, we believe that every man and every country has a God-given right to liberty. We salute the inspiring example of resistance and determination shown by the Lithuanian people behind the Iron Curtain, and denounce the Soviet Union for its brutality and imperialism.

The soul of Lithuania lives today. It lives sadly in Europe beneath the yoke of the Soviet Union. It lives seriously in the hearts of its countrymen abroad, who see their motherland bent beneath the Communist yoke. And it lives proudly here in the United States where these brave, persevering, liberty-loving people have maintained their national characteristics and have contributed much and in many ways to the communities around them. It will continue to live and one day we fervently hope in the not too distant future Lithuania will be a free and independent nation again.

Mr. KEOGH. Mr. Speaker, 41 years ago this week, after a century and a quarter of imperial Russian domination, the freedom-loving people of Lithuania saw the dawn of a new day which they hoped and fervently believed would become a lasting era of independence for them. The tragic end of that freedom by the ruthless onslaughts of the Soviets is known to the entire world. The godless Red rule was even worse than the czarist yoke and the devout Lithuanian people prayed for deliverance from its terrors. In a year, almost to the day, Stalin was himself the victim of the treachery of his former partner-in-crime, Hitler, and Soviet domination in Lithuania came to an end. Any joy that the Lithuanian people had in being rid of the Soviet executioners and kidnapers was short lived when the true nature of the Nazi reign asserted itself. For more than 3 years these brave people suffered under another tyranny little different from what they had been enduring.

In midyear of 1944 the Red army again crossed the Lithuanian border. In the hypocritical jargon of the Red dictator, the Soviets were liberating Lithuania from the capitalist and Fascist exploiters. The whole world now knows the horrors of that kind of liberation.

These are historical facts that need no elaboration at this time and it is not my purpose to review them. I do, however, want to pay my tribute to the character of the brave Lithuanian people and to express the wish that a solution to their trials will soon be found. The hearts of all of us who enjoy the blessings of liberty go out to these courageous men and women who are today deprived of their cherished freedom. The Red tyrants have not a thing in common with these victims—neither religion, nor culture, nor language—and they will never absorb them into the maw of Soviet atheism by which every individual is demeaned and made subservient to the idolatry of the state. We in the United States must let the Lithuanian people know of our sympathy with their cause. We must do all we can by peaceful means to help them regain their long-pursued liberty. We pray that they will be sustained in their struggle.

Mr. FEIGHAN. Mr. Speaker, I join with all my fellow Americans in commemorating the 41st anniversary of Lithuanian national independence, and take this occasion to extend my personal greetings to all of our fellow citizens of Lithuanian descent.

The case of Lithuania stands as a symbol of the right of every nation, large or small, to be free and independent. It also carries with it a great human story of a heroic people who struggled over the centuries for their independence—a struggle carried on by an entire nation against the Russian despots. The Lithuanian nation, after winning its independence, demonstrated its real friendship for the United States and its unfaltering allegiance to the same free institutions which we so cherish. We Americans have always been proud of the support we gave to the Lithuanian nation in its struggle against the Russians and in building their democratic way of life which characterized Lithuania during the period between the Great Wars.

There is an unbreakable bond between the United States and Lithuania which has been solidly forged upon the anvil of time and experience.

All men of good will are saddened by the plight of Lithuania today, as it stands occupied by the Russian despots. Lithuania has an alien government imposed by the Kremlin which has proclaimed its bitter enmity for the United States and our free way of life, but the Lithuanian people have kept faith with us in their determined adherence to the cause of human freedom—despite the terrible penalties they must continue to pay for that position.

Lithuania, like the other non-Russian nations occupied by the Kremlin, sees in the United States the last great hope for civilization. We as a Nation stand as a bright symbol to the certainty that Lithuania will once again be free and independent.

There are strange voices in the world today calling for a recognition of the status quo, a deal with the Russians whereby Russia would keep intact its vast empire of slavery in exchange for which we would be spared the Russian hatchet for a few fleeting, humiliating years.

The modern day Russian czar, Khrushchev, in a speech delivered from Minsk last year, stated that the only problem to be negotiated between the Russians and the free world was acceptance of a status quo. He stated in unmistakable words that unless the United States and our allies are prepared to accept this first condition, negotiation of such other problems as there might be would not be considered by the Russians. In other words Khrushchev told the world that the Russians were prepared to grant a temporary peace if the free world would recognize the present day Russian empire and undertake a nonaggression pact which would announce to the world that all the people behind the Iron Curtain were doomed to everlasting slavery.

But the voice of Khrushchev is not the only voice being heard in the world advocating this proposal. The misguided and naive George Kennan, who has been posed as a Russian expert, is the spokesman in the free world for this plan of silent surrender. But there are other such voices, most fearing to speak out publicly, but nevertheless actively working behind the scenes for this sellout. With each passing day the devious effort to force the U.S. Government into recognition of the status quo takes on added intensity. This maneuver does violence to the hopes and aspirations of all the American people. The American people do not seek a few, fleeting and humiliating years during which they cringe awaiting the final death blow from the Russians to our free way of life. But these voices, alien to the United States and the wishes of the American people, are gaining strength in the high councils of the Government.

There is greater need today than ever before in our history for the American people to be vigilant in the defense of our individual liberties and the advocacy of the right of every nation to be free and independent. We know that the best guarantee for our own liberty and safety is a world in which every nation is free and all empires are dissolved.

On this 41st anniversary of Lithuanian national independence, I urge that the foreign policy of the United States be brought under critical review by the American people. In this respect the Congress of the United States can and will perform its part. The American people will, in the end, however, determine how soon we will drive these strange voices advocating a silent surrender to the Russians out into the open where they can be properly dealt with. I shall continue to do all I possibly can to hasten the day when Lithuania will be restored to its independence and its rightful position among the nations of the world.

Mr. REUSS. Mr. Speaker, I should like to add my comments to those of

other Members of the House who today, with the multitude of Americans of Lithuanian descent and, indeed, with freedom-loving people everywhere, observe the 41st anniversary of Lithuanian independence.

On February 16, 1918, Lithuania proclaimed her independence, after scores of years of Russian domination. Lithuania embarked on the course of progress. She made great strides forward—in land reform, education, commerce, agriculture and industry. This progress under freedom was ended 19 years ago when the Soviet Union forcibly annexed this brave nation, imposing a brutal rule that unfortunately has continued.

We are certain, however, that the spark of freedom has not been extinguished among Lithuanians. The independence of Lithuania as a nation may have been short lived, but the love of liberty is undying, as the masters of the Soviet Union have surely discovered in their efforts to enslave the Lithuanian people.

To these brave men and women, we extend our friendship, our sympathy, and our prayers that the day soon will dawn when Lithuania again takes her rightful place among the free nations of the world.

Mr. DOLLINGER. Mr. Speaker, the 41st anniversary of the Lithuanian declaration of independence is being observed today. I am pleased to join with my colleagues and the many friends of Lithuania in commemorating this day of independence, for the peoples of Lithuania, now subjected to the tyrannical rule of Soviet Russia, are prohibited from observing it. Our sympathy is extended to the many Lithuanian Americans who deplore the enslavement under which their kinfolk in Lithuania must live and whose hearts must ever be filled with anxiety for those in the homeland.

The people of Lithuania, who fought so long and bravely for their independence, finally achieved it in 1918. Their progress in all fields of their endeavors and their fine achievements were outstanding; during the short period of their independence, the people earned the admiration of democratic peoples everywhere for their ideals, industry, and high resolve. After the short period of 22 years, their independence was crushed and their country was again brought under Russian rule.

We salute the brave people of Lithuania and extend the hand of friendship to them. As the cause of Lithuania is just and righteous, as she is entitled to her freedom, we hope and pray for the day when her independence will be restored to her.

Mr. PUCINSKI. Mr. Speaker, today, February 16, marks the 41st anniversary of the proclamation of independence by Lithuania. The people of Lithuania prevailed over the Soviet Communists in 1918 but are again engaged in a struggle with the Communists for their freedom and independence. Since 1940, when the Soviet Union forcefully occupied and illegally annexed Lithuania and her sister Baltic States of Estonia and Latvia, the Lithuanian people have been subjected to cruel and ruthless treatment at the hands of the Communists. Thousands of Lithuanians have been deported to Siberia or murdered under the Soviet plan of Russification of the Lithuanian Nation.

Lithuanians behind the Iron Curtain have been fighting the evils of Communist aggression and suppression for 19 years now. In spite of the apparent hopelessness of their present position, the Lithuanian people have not lost heart and given up their struggle for freedom. These valiant people deserve the highest praise for their perseverance and determination. The example of their survival in the face of such ruthless foreign domination will remain an inspiration to future generations.

America has shown she is interested in the plight of the Lithuanians and other captive peoples behind the Iron Curtain. The U.S. Government has never recognized the incorporation of Lithuania, Estonia, or Latvia by the Soviet Union as legal. The American people will never cease to hope and pray for the deliverance of the Lithuanians from their Communist aggressors.

America can help to keep alive the hopes of the Lithuanian people by continuing to show our interest and sympathy with their cause. We should publicize the truth about Lithuania and extend to these people all the encouragement we can.

The Lithuanian Nation will not be destroyed so long as the Lithuanian people can preserve their hopes for eventual freedom and independence. With our support the Lithuanians can and will survive this terrible ordeal as they have survived other periods of Russian domination in the past. They have a heritage of prosperity and progress as an independent republic and a history as a nation dating back to the 13th century, of which they are justly proud. Such people, in whom the fires of freedom and justice burn brightly, are not easily defeated.

We have a common cause—to hold back the Communists. We all know that the Communist goals are to destroy the free world and with it the personal and economic freedoms of all people. In order to prevent this, the free peoples of the world must unite with the Lithuanians to destroy the scourge of communism. If the free world remains resolute and vigilant, we will prevail.

The time will come when the Communist regime in Lithuania and the other Baltic States which is based on force and lies will collapse. Then Lithuania can reestablish herself as a prosperous free nation.

Mr. CANFIELD. Mr. Speaker, 41 years ago Lithuania, a little land on the Baltic Sea, overthrew a Czarist reign that had oppressed its people for more than 100 years. For two exciting decades the independent republic thrived and became a respected nation among nations.

Then, when the storm clouds of World War II shattered over Europe, Lithuania was again engulfed by the oppressor from the east, who this time was bigger, godless, and more ruthless than the czars. Lithuania was but one of a number of Baltic and East European states that were forcibly annexed by the Soviet Union.

We take this occasion, the 41st anniversary of the restoration of independence, to protest the Soviet seizure in the name of free mankind. We hold it to be self-evident that free democracies make free men, and, since our Declaration of Independence, we have held that the condition of freedom is and always shall be an inalienable right of men everywhere.

May the fate of Lithuania and her Baltic neighbors serve, at the very least, to remind the people of Africa, the Middle East, Asia, and the Americas of the nature of Soviet imperialism, and may we be warned that behind its cape of professed friendship is hidden a steel blade.

I congratulate the Lithuanian American Information Center and its ceaseless campaign for liberty, an affirmation, indeed, of the fact that a people's spirit cannot be crushed by the weight of tyrannical rule. With all Lithuanian-Americans, and those Lithuanians who endure silently behind the Red flag, let us hope and pray that someday their right of self-determination will be restored.

Mr. DINGELL. Mr. Speaker, each year—there are 41 of them now—some of us pause to remember this day.

The commemoration of any national independence holiday is a bittersweet thing. For us in America the 4th of July is a time of heat, fireworks, ice cream, and speeches. We look back on our forefathers' struggles in 1776 with nostalgia, pride, and a certain degree of contentment. While our span of history is short in comparison with that of Europe, we have thrived, expanded, and grown in world stature and responsibility. These accomplishments have been made possible because of our sovereign independent freedom.

Freedom is first a state of mind. From that state of mind is made possible the dynamics of responsible action. Whenever man's state of mind is limited by an outside force the inevitable corrollary is a limitation of his action. He no longer is a wholly responsible being.

This day, February 16, 1959, marks the 41st anniversary of a people who have spent the majority of contemporary history as living examples of overt foreign domination. The Lithuanian people have been deprived of their birthright. For only two score years—between the two world wars—have the Lithuanians known freedom. Yet, the significance of these twenty odd years makes present Soviet domination historically transitory. The idea of freedom is a potent thing, the reality of the idea is even stronger; but, when the reality is vanquished by force and brutality, the will of any subject people is unbreakable. Those of Lithuanian stock throughout the United States know that this is true. You gentlemen in this room know that this is true. In their deepest inner knowledge the leaders of the Soviet Union know this is true.

It is in recognition of the symbolic meaning of this day that I am glad to

salute the Lithuanian people on the anniversary of their independence. May the fulfillment of freedom that lives in their hearts be theirs once again.

Mr. HEALEY. Mr. Speaker, on today citizens of Lithuanian descent throughout the country are commemorating the 41st anniversary of Lithuanian independence—a historic event in the world struggle for freedom and justice. This day reminds us once more of the heroism of the people of Lithuania and her neighboring countries of Latvia and Estonia, and their courageous efforts and determination to keep up their fight for their national independence.

The people of Lithuania who have made their homes in this country have made notable contributions to America. The present circumstances in their former homeland are of grave concern to Lithuanian Americans, and to all Americans. The United States has always deplored the Soviet exploitation of Lithuania and other Baltic countries. I am glad to join with other Members of the U.S. Congress today in paying homage and honor to the victims of Soviet aggression in Lithuania, and in protest of the continuation of Soviet occupation and tyranny.

I wish to include in my remarks the following excerpts from a letter received from Mary M. Kizis, director of the Lithuanian American Information Center in New York City:

Lithuanian Americans are planning commemorative services in New York City on Sunday, February 15, under the auspices of the Lithuanian American Council of Greater New York. This observance will be commemorated the world over; in practically every State in the Union. It is a forbidden holiday in Lithuania. Lithuania, as you know, was not a new state after World War I; her recorded history began in the 11th century. During the years of independence, from 1918 to 1940 (when she was forcibly incorporated into the Soviet Union), Lithuania's progress in all spheres of endeavor was remarkable. She earned the right to take her place in the family of free nations. The present situation in Lithuania is of grave concern to Lithuanian Americans, the majority of whom have kinfolk in the old country. Few people are permitted to leave the country and no visitors are allowed. Lithuanians still look to the United States with hope. Lithuanian Americans are grateful to the United States for never having recognized the illegal annexation of Lithuania into the Soviet Union. They are grateful for broadcasts to Lithuania over the Voice of America in the Lithuanian language.

Mr. WALLHAUSER. Mr. Speaker, today should be a day of joyous celebration for Lithuanians everywhere, for it is the 41st anniversary of the proclamation of independence by the people of that courageous nation.

Unfortunately, it is not a day for joy but one of sad commemoration because of the communistic tyrants who rule Soviet Russia.

It was with great hope that Lithuania proclaimed its independence on February 16, 1918, to end 123 years of servitude to Imperialistic Russian rule. It was then that the light of liberty was rekindled in Lithuania. The Lithuanian people were free. They could now bring about the realization of their dreams, hopes, and ambitions.

But freedom for Lithuania was short lived. On the dark day of June 15, 1940, the Soviet Russian Army marched into Lithuania, bringing a new Russian imperialism and Communist tyranny to the struggling nation. It was a black day in the history of the world.

The Soviet Russian action was in complete violation of all treaties, including its own mutual assistance pact with Lithuania that guaranteed Lithuanian independence and of Russian noninterference in the domestic, social, and economic order of that nation.

How typical of the warlords of the Kremlin. Treaties, pacts, and agreements mean nothing to them. The seizure of Lithuania should forever be a lesson to the world of the intent and purposes of the Communist forces of Soviet Russia. It is a lesson that we here in the Halls of the Congress should not forget as we join Lithuanians everywhere in the solemn commemoration of the 41st anniversary of their declaration of independence.

Although their nation was treacherously seized and its people have been subjected to all types of brutality by the Russian Communists, the Lithuanians' love for liberty has not died. They wait patiently and with determination for the day when they will be free again; when again Lithuania will be able to take her place with the free nations of the world.

On this solemn day, may we all join in extending our deepest sympathy and friendship to these brave people, who had made such magnificent strides as a free nation. May we also join in prayer with these courageous people that the day of deliverance for Lithuania soon will be realized and that the light of freedom will glow once more over their land.

Mrs. DWYER. Mr. Speaker, we who represent the American people in the Congress of the United States are privileged once again to commemorate the gallant and unceasing struggle for freedom which has been waged for 41 years by a brave people in a tiny land in Eastern Europe.

Forty-one years ago, the people of Lithuania declared their independence and established a new government on the shores of the Baltic Sea.

For the next 22 years, Lithuanians struggled to retain and strengthen their freedom—and struggled successfully.

Then, in June of 1940, the armies of Soviet Russia—in crass and open violation of international law and of the rights of man—invaded Lithuania and subjected its people to as brutal a tyranny as the world has seen in many generations.

That tyrannous and unjust rule has continued to this day, but the people of Lithuania have never given up their love of freedom and their courageous fight to reestablish it once again.

Here in the United States, their sons and daughters, brothers and sisters, have helped to keep strong the hopes of Lithuanian freedom. As one who is privileged to represent a district in which many Americans of Lithuanian descent now reside, I have watched with pride their enduring devotion to this great cause.

It is very much in the American tradition to value freedom so greatly as to fight for it and, if necessary, die for it. The dedication of so many Lithuanian-Americans to freedom—not only for their homeland but for others wherever it has been threatened—may help explain the great contribution they have made to their adopted land as American citizens.

Their fellow Americans—from all the lands of the earth—are proud to join with them today in commemorating the struggle we shall endlessly pursue until victory is ours: independence for Lithuania, and peace and freedom throughout the world.

Mr. Speaker, as the New York Times said today, "In the Baltic countries the path to a better future is still dark, but it is not lost and will not be. The day of the overlords will not last forever."

In this same spirit, Mr. Speaker, I include resolutions unanimously adopted by Lithuanian-Americans of Linden, N.J. at this point in my remarks as a testament to the hopes of all Americans who love freedom.

RESOLUTIONS UNANIMOUSLY ADOPTED ON FEBRUARY 8, 1959, BY THE LITHUANIAN AMERICANS OF LINDEN, N.J., GATHERED UNDER AUSPICES OF LITHUANIAN AMERICAN COUNCIL, LINDEN BRANCH, FOR COMMEMORATION OF THE 41ST ANNIVERSARY OF THE DECLARATION OF LITHUANIA'S INDEPENDENCE

Whereas on February 16, 1918, Lithuania was formally declared a free and independent state by the Council of Lithuania in Vilnius; and

Whereas Americans of Lithuanian origin, commemorating this year the 41st anniversary of the establishment of a free and independent Lithuania, strive to actuate the fact, that the years of independent government fully proved and justified the nation's integrity for self-government and completely warranted credence and recognition as a free and independent state, accorded her by the other world nations; and

Whereas the Americans of Lithuanian descent hope that Lithuania, presently occupied by the Communist Soviets, will again regain the rights of freedom and liberty as a sovereign nation; and

Whereas now, more than ever, it has been proven that no one nation's security is assured of the ominous threat of a dictatorial communism, lately bolstered by scientific progression to be utilized for further harassment of world peace: Therefore be it

Resolved, That we, Americans of Lithuanian descent, are determined and united to uphold the efforts of the Lithuanian people to regain their independence and liberation; and

Resolved, That the Government of the United States approve or indorse no agreement which would in any manner accede to the outgrowth of any past, present, or future Soviet aggressive action; and

Resolved, That we declare, as in the past, our appreciation of the United States policy of non-recognition of the incorporation by force of Lithuania into the Soviet Union; and

Resolved, That it is our hope, that the representatives of our Government will firmly maintain this policy at any future deliberations regarding the status of enslaved nations; and

Resolved, That copies of these resolutions be forwarded to the President of the United States, His Excellency Dwight D. Eisenhower;

to the Secretary of State, the Honorable John Foster Dulles; to the U.S. permanent representative to the United Nations, the Honorable Henry Cabot Lodge, Jr.; to the U.S. Senators of New Jersey, the Honorable Harrison A. Williams and the Honorable Clifford P. Case; and to the Representative of the Sixth Congressional District of New Jersey, the Honorable Florence P. Dwyer.

JOHN LIUDVINAITIS,
President.
VLADAS TURSA,
Secretary.

LINDEN, N.J., *February 8, 1959.*

Mr. DENT. Mr. Speaker, Lithuanian Independence Day is significant to all peoples everywhere who are actively seeking a solution to the contemporary ideological and political struggles current in the world. From a proud, ancient and independent past, first recorded by the Roman historian Tacitus, the Lithuanian people have been forced to continually fight for national survival. Today, Lithuanians look back over the last five centuries and see 22 years of complete freedom. Twenty-two years of liberty in 5 centuries is a very short length of time, gentlemen.

However, even after being dominated by first Poland, then Russia, Germany and now Russia once again, the Lithuanian people have never lost faith in their guiding principles of democracy and liberty. The sands of history have not been kind. For only a few short years after World War I did the Lithuanian people have their independence. This was made possible by the dissolution of Czarist Russia and the realization of President Wilson's 14 points. What joy these people must have known.

And then the destruction of it all: The Red army—the swiftness of Hitler's legions and now the Red army once again. The Lithuanian people are completely isolated; their only contact with the rest of the world is through the memory of their friends and loved ones who live in the citadel of the West.

The United States has continued to recognize the free Lithuanian Republic and has deprecated the Soviet conquest. The government now controlling the destiny of the Lithuanian people is not the government of the people; it is the government of tyranny, of barbarism and brutality. No nation can forever maintain control by terror. History bears this truth.

Now, until some future time when the Lithuanian people can lift their heads and hearts in freedom once more, it is the duty, and my honor, for all free men everywhere to take a moment and pay tribute to the spirit of the Lithuanian people. It is the same spirit upon which America and the whole of the Western tradition is built—the spirit of independence, human dignity, and progress. This spirit is contingent upon one thing: freedom.

Mr. O'HARA of Illinois. Mr. Speaker, today, February 16, we commemorate the 41st anniversary of the Declaration of Independence of the Republic of Lithuania. On this occasion we pay tribute to a people who with tenacity and innate national vitality have clung to the best, and advanced the cultural traditions of the West and whose fight for freedom has continued despite every obstacle and discouragement.

In paying tribute to Lithuania, and its people, and in commemorating the anniversary of its independence we must take this opportunity to remind ourselves, the free world, yes, and those who consider themselves neutrals, of certain facts, which amid pressing international events we might forget:

First. February 16, 1918, the restoration of the independence of Lithuania was declared by the council of Lithuania at Vilnius.

Second. By treaty of peace of July 12, 1920, Soviet Russia recognized Lithuania as a fully self-governing and completely independent state.

Third. By the nonaggression pact of September 28, 1926, the Soviet Union agreed to respect the sovereignty, territorial integrity, and inviolability of Lithuania under all circumstances.

Fourth. In total disregard of these treaties of peace and nonaggression, the Soviet Union seized and illegally incorporated Lithuania into the empire of the Soviet Union.

Fifth. These acts of aggression committed by the Soviet Union are in direct violation of international law, the Atlantic Charter, the Declaration and Charter of the United Nations all of which were signed by the United States and the Union of Soviet Socialist Republics and other nations. In their diatribes against the United States the Soviets have used the term "imperialist" and claim for themselves the role of liberators of oppressed peoples.

I call upon you my colleagues and through you the freedom-loving countries of the world to look into the record of Soviet relations with Lithuania to evaluate that record in terms of the appellation "liberators of oppressed peoples." These actions of the U.S.S.R. in violation of the treaties they have signed all are a matter of record.

Lithuania began her existence as a powerful and independent state during the Middle Ages and reached the height of her power after the Battle of Tannenberg—1410. Besides checking the eastward drive of the Teutonic Knights, Lithuania protected Europe from the Mongols and the Tartars. Thus by the beginning of the 15th century, she had become a formidable East European power with territories stretching from the Baltic to the Black Sea, even embracing White Russia and the Ukraine.

Recognition of human freedom, education, and toleration marked the Lithuanian Government during this period of its power; and it played an important part in the general development of European civilization during this time.

Decline came with the 18th century and the growth of the power of the czars. Lithuania, although dominated by Russia refused to bow her head to the Russian yoke and in revolt after revolt attempted to strike for freedom. Consequences were severe. In 1831 the University of Vilna was closed as were schools and monasteries. The Czar Nicholas I set out upon a program of suppression of Lithuanian culture. Use of the language was forbidden, the Catholic religion was proscribed. Suppression, hangings, exile to Siberia failed to still love of freedom and independence in the Lithuanian heart.

World War I furnished Lithuanian leaders with the opportunity for which generations of freedom fighters had been waiting. Although war had devastated and impoverished the country, the independence of Lithuania was proclaimed February 16, 1918 at Vilnius. The treaty of peace, July 12, 1920, recognized Lithuania as an independent state.

During two decades of independent existence the country grew and prospered. Under an independent government the domestic economy grew and was diversified: foreign trade expanded, social services never before dreamed of were instituted. Education which had been impeded during the Russian regime was made compulsory. Besides 2,560 elementary schools attended by 292,000 pupils, the government of the republic opened special schools for the study of agriculture—the chief industry of the country.

With World War II came the end of Lithuania as a country dedicated to the general welfare. It was cold-bloodedly incorporated into the Soviet Union in an act of aggression devoid of legal foundation or moral justification.

The Acting Secretary of State put the United States on record July 23, 1940, in the following statement:

> During the past few days the devious processes whereunder the political independence and territorial integrity of the three small Baltic Republics—Estonia, Latvia, and Lithuania—were to be deliberately annihilated by one of their more powerful neighbors, has been rapidly drawing to their conclusion.
>
> From the day when the people of these Republics first gained their independence and democratic form of government, the people of the United States have watched their admirable progress in self-government with deep and sympathetic interest.
>
> The people of the United States are opposed to predatory activities no matter whether they are carried on by the use of force or the threat of force. They are likewise opposed to any form of intervention on the part of one state however powerful in the domestic affairs of any other state, however weak.

The balance of the dreary events have been told in this Chamber many times. I shall spare you repetition. Suffice it to say the self-styled liberator of oppressed peoples has followed a policy of extermination against Lithuania through mass deportations, slave labor, biological extermination, and complete destruction of cultural values.

Were it not for the unconquerable spirit of the people of Lithuania, both those who languish under Soviet rule and those who have escaped to other lands, celebration of this 41st anniversary of their independence might be tinged with bitter irony. But just as they have kept their ancient lore alive in their beautiful language, so freedom and independence flourish in their hearts. Therein lies the promise that one day Lithuania shall gain her freedom.

Mr. FULTON. Mr. Speaker, on this date, February 16, 1959, the 41st anniversary of the declaration of independence of Lithuania is being observed by

the peoples of Lithuania, their relatives, and friends of this heroic nation. We commemorate this occasion with the fervent hope and certainty that Lithuania will again be a free and independent land of opportunity and proud of its heritage.

We realize, from the very nature of our own history, which parallels that of Lithuania, that independence is not a gift and does not come easily. The Lithuanian story is one of outstanding heroism, which eventually led to her independence. During the space of two decades of liberty, Lithuanian progress and achievement in the field of agriculture, education, and industry proved worthy of worldwide respect and honor. This resulted in an unusually high standard of living for the strenuous efforts made toward the freedom we all cherish.

Lithuania is the largest of the Baltic States, and her people are known for their courage and friendliness. The return to independence and freedom is her right. Her people merit peace, opportunity, and safety within her own national boundaries.

The millions of loyal Americans, relatives and friends of the Lithuanian people, are helping to keep the hope of liberty and independence alive. The observance of this day will add a ray of hope toward the day when Lithuania will again take her rightful place in the family of nations in a free world.

Mr. CUNNINGHAM. Mr. Speaker, it gives me great pleasure to join many of my colleagues in marking this 41st anniversary of Lithuanian independence.

Despite the tramp of the Soviet military boot which has echoed over Lithuania since 1939, the people of Lithuania, and of the other nations now ruled by Russia through force, live with hope and memory. Their hope is for the day when they and their children will have a second Lithuanian Independence Day to mark the day when the Soviet rule will be thrown off. Their memory is of the years of freedom from this day 41 years ago until the black day in 1939 when the Russians moved in to rule with steel.

I join my colleagues in sending greetings to the people of Lithuania wherever they are on this memorable anniversary. May their ideals and memories stay alive, may their courage and hope never fail them. If there is right in this world, the people of Lithuania will someday be able to know freedom and independence again.

Mr. SHORT. Mr. Speaker, I would like to call to the attention of the House the fact that today, February 16, is Lithuania Independence Day. But the plain fact is that this day, first celebrated 41 years ago, serves to remind us that Lithuania is no longer free to celebrate this proud day in its history.

The vast majority of freedom-loving American people, I am confident, join with me in a sincere hope that some day the efforts of the free world may result in bringing Lithuania and other freedom-loving countries out from behind the Iron Curtain.

The people of Lithuania have my profound sympathy, and I am sure efforts will continue to be made to bring about the freedom of Lithuania which the people of that country so ardently desire.

Mr. McDOWELL. Mr. Speaker, in commemoration of the 41st anniversary of the Lithuanian independence proclamation, I, under unanimous consent, insert in the CONGRESSIONAL RECORD my recent remarks to the Lithuanian American Council, Inc.

The coming 41st anniversary of the restoration of the independence of Lithuania on Monday, February 16, gives me this welcome opportunity to express my most sincere hopes for a renewal of that freedom that Lithuania experienced for the 22 years following 1918. Americans have not ceased to be horrified and angered by the Union of Soviet Socialist Republics' forcible termination of Lithuanian independence in 1940, and will never recognize that attempt to subjugate a people who have historically demonstrated their love of freedom and their ability to flourish under a free system.

Yet, I know that the Soviet Union's blatant violation of the Law of Nations has not accomplished its purpose, in spite of the annexation of Lithuanian territory, for the Lithuanian peoples have demonstrated that they will not be enslaved in spirit. Their determined search for the support of the Western democracies, their continued listening to the Voice of America, and the very existence of your organization prove that in Lithuania are peoples of courage, fortitude, and devotion to belief in the dignity of man and the inherent value of free institutions.

Although the people of Lithuania in their own country are forbidden to celebrate the anniversary of the restoration, I join my fellow Americans in remembrance of that day to wish for renewed Lithuanian freedom, to admire Lithuanian fortitude, and to praise the devoted work of the Lithuanian American Council, Inc.

Mr. MULTER. Mr. Speaker, the unfortunate Lithuanians are among the most stout-hearted and bravest fighters for liberty and freedom. Yet, freedom and independence have been denied to them for centuries.

Except for the short but happy interlude of interwar years, they have had the misfortune to suffer under the oppressive and at times almost unbearable alien yoke in their homeland for almost two centuries. During the First World War, it seemed that their woes had come to an end by the overthrow of the Czarist Russian regime, when they regained their freedom by proclaiming their national independence on February 16, in 1918. For about two decades fate was kind to them, and they lived happily in their free country. But, as the clouds of war began to gather over Eastern Europe in 1939, their situation became extremely precarious, and early in the war their independence was shattered by the forces of the Red army.

Since then the unhappy Lithuanians have not known freedom, and have been held down by their Communist overlords. In their own country they lead the lives of prisoners in a vast prison camp, working as long as humanly possible, and under most wretched conditions, for their masters in the Kremlin. There is no trace of freedom, neither of speech, nor of movement, nor of correspondence; not even the freedom to lead a quiet life in any corner of the country.

But they have the satisfaction of knowing that they have friends and sympathizers in the free world, and particularly in America.

Today on the 41st anniversary celebration of the independence day I gladly join hosts of Americans of Lithuanian descent and echo their true liberty-loving sentiments.

Mr. VAN ZANDT. Mr. Speaker, the roots of American strength and greatness have been the diversity of its population. It has been the transfusion of foreign cultures into the circulation of American life that makes our country what it is today. The reasons for immigration to our shores have been varied, but the most tragic of these has been the loss of freedom in the homeland. This was the case in Lithuania.

In the latter part of the 18th century, when Russia absorbed Lithuania, many oppressed Lithuanians, finding freedom and justice more precious than the ties of their native soil, fled to our free shores.

Once in this country, these brave Lithuanians never ceased in their struggle to achieve liberty for their persecuted homeland. Numerous Lithuanian organizations throughout the United States worked vigorously for Lithuanian freedom. This work was not to be in vain, for on February 16, 1918, independence was finally realized. Happily, many Lithuanians returned home, but many more decided to remain in their adopted country.

Lithuania's loss was to be America's gain. Despite the strangeness of our laws, customs, and language, these eager Lithuanians quickly adjusted to the American way of life. Although naturally concerned about the fate of their homeland, these people identified themselves completely with America. They became solid American citizens and have never ceased to be grateful for the opportunities that this country has provided.

On the other hand, Americans have been equally grateful for the contributions of these Lithuanians to the growth of their culture. Evidence of these contributions is shown by the success of Lithuanian-Americans in various fields of endeavor.

The list of their achievements is long. Such names as Mikas Petraukas, Shirley White, and Ivan Lebedeff are familiar to music and theater lovers. Sport fans have cheered Jack Sharkey, Jack Goodman, and Vito Tamulis. In addition many more have served faithfully in public offices throughout the United States.

These few examples are indicative of the Lithuanian-American contributions to American life.

Nevertheless, although Americans first, these American citizens have a natural concern for the land of their ancestors which once again is not free. Ever since 1940, this helpless country has been incorporated into the Soviet Union. Although today is the 41st anniversary of Lithuanian independence, Lithuanian-American hearts are sad, for today will not be one for rejoicing in the land of their forebears.

Consequently, I would like to take this opportunity, on the anniversary of Lith-

uanian Independence Day, to express with all Lithuanian-Americans their hope of freedom for their oppressed homeland. Moreover, all the free world should resolve on this February 16 to work unceasingly for conditions that will bring peace to the world, allowing all nations to live in an environment of self-government, peace, and justice.

Mr. IRWIN. Mr. Speaker, just a few short weeks ago it was my privilege to participate in the observance of the 41st anniversary of Urkainian freedom.

What I said then can be mirrored today in our commemoration of the 41st anniversary of Lithuanian independence.

Before the outbreak of World War II, Lithuania, along with her sister Baltic nations, Estonia and Latvia, was still an independent and democratic state.

But in June 1940 the cherished freedom of Lithuania evaporated with the cruel and unjust seizure of the country by Soviet Russia.

Within 2 days Soviet military troops invaded and tramped through the territory of Lithuania, as well as of Estonia and Latvia.

Lithuania has not been free since that time, but the spirit of freedom, hidden though it is behind the Iron Curtain, remains alive in the hearts and minds of Lithuanians.

Always a proud, virile nation which, through its long history, survived other oppressions, we of free America have little doubt that Lithuania will survive her present persecution and tyranny.

Ruling Lithuania, just as in other Soviet satellite nations, is a detested puppet regime that has stolen from the Lithuanian people all of their political and social rights and has forced them to vote for a single list of candidates designated by the Communist Party.

The people of Lithuania live in constant fear and terror. Their personal security is nonexistent. They are harassed every minute of every day by the agents of the secret police.

Without reason, without fair trials, they are imprisoned, investigated, executed, or deported for slave labor to remote areas of the Soviet Union.

Seven major waves of mass deportations, carried out under inhuman conditions, have diminished the total population of Lithuania by more than 350,000. Lithuania, a predominantly Roman Catholic population, has also seen her priests murdered, jailed, deported, or exiled. Of nearly 2,000 priests, we are told less than 750 remain free and alive.

Monasteries have been closed. Church property has been confiscated. Religious instruction has been forbidden.

What, then, keeps the faint, flickering hopes of the oppressed Lithuanian people alive?

What gives these gallant people the strength to sustain a persecution and a tyranny the like of which the world has not seen for centuries?

Two things, Mr. Speaker, just two things—an unrelenting faith in God and an indomitable courage born of tremendous hope.

And one day, I am confident, this great faith, this fantastic courage will be rewarded, and Lithuania will be delivered from enslavement, as will all the other oppressed peoples under the yoke of Soviet tyranny.

Mr. PILLION. Mr. Speaker, it is a distinct privilege for me to add my small voice to the growing demands for freedom on the part of millions of Lithuanians and other nationalistic groups who are being kept in a captive status under the Soviet Communist rule.

Although, Premier Nikita Khrushchev continues to boast of the military strength and the economic advances of the Soviet, he fails to recognize that this apparent strength is based upon a compulsive labor economy that is held together by fear, by military tanks and guns, and by the cloak, spy, and dagger machinations of the select Communist Party membership and leadership.

I am sure that the spirit and the desire for freedom on the part of the Lithuanian people cannot be quenched and will continue to grow. The nationalistic spirit and the desire for freedom on the part of millions of people under the domination of the Soviet Socialist Republics will continue to be a fatal weakness in the miscalculations of Mr. Khrushchev and his Politburo Bureau.

I join with the Lithuanian American Council in today's celebration of the 41st anniversary of the restoration of independence of Lithuania. I join with the millions of Americans of Lithuanian extraction in their aspirations for the liberation of the Lithuanian Nation.

Mr. SCHENCK. Mr. Speaker, today marks the 41st anniversary of the Lithuanian declaration of independence. Because of the many folks of Lithuanian descent in my Third District of Ohio, I feel that it is especially fitting to call attention to this day in the CONGRESSIONAL RECORD.

In 1918 our country rejoiced with the Lithuanian people when they became a free nation. By decree in 1940 Soviet Russia cut short this independence by absorbing this little, freedom-loving nation. Nevertheless, this act of tyranny could not stamp out the steadily-burning flame of liberty which lives in the Lithuanian people.

We as citizens of a free, democratic nation join with these people and with those of Lithuanian descent in the United States in the fervent hope and prayer that freedom will one day be restored to this long-suffering nation.

Mr. HALPERN. Mr. Speaker, today is an anniversary—the anniversary of Lithuanian independence. We in the United States have never known the haunting fear of having our independence physically threatened, let alone the reality of foreign occupation. We can speak of the plight and the bravery of the Lithuanian people, but for most of us we understand their plight only through our imagination. But, nevertheless, here are people—almost 3 million people—that are realistic symbols of man's inhumanity to his fellow man.

The significance of Lithuania to those of us of Western culture is this: From a glorious and ancient past in which the Duchy of Lithuania stretched from the Baltic to the Black Sea the Lithuanian people have again and again been bled by richer and more powerful neighbors. From 1385 until the end of the 18th century Lithuania was part of Poland; then when Poland was annexed by Czarist Russia in 1795 Lithuania shared the same fate. Finally, in 1918, taking dual advantage of President Wilson's 14 points and the Russian revolution, the Lithuanian people declared their independence. This was their first taste of freedom since the 14th century; it lasted 22 years. In June 1940 Soviet troops took over the country. Then almost immediately the land was overrun by the German Army. German occupation lasted from 1941 until 1944, when it was displaced once again by the death grip of the Russian Bear.

I give this thumbnail sketch of the woes of Lithuania not to prove that history can be cruel but, rather, to point a meaningful moral. The Lithuanian people have been relentlessly submerged by force. They are now the unwilling victims of a political religion that seeks converts by every means known. The people of Lithuania in their present political dilemma represent the very thing that America fights against in word and in deed the world over. As such, we honor the people of Lithuania and their friends, relatives, and countrymen that live in the United States as men who have upheld the tenets of Western political culture. These men and women believe in the highest ideals of freedom, justice, and right. They have not been corrupted by Russian words but have seen and felt the sword of social and political tyranny beneath the phrases.

On this anniversary of Lithuanian independence I am proud to be one of those Americans commemorating this day in hopes that Lithuanian independence will soon be the reality that so many have fought, died, and lived for.

Mr. LINDSAY. Mr. Speaker, yesterday was the 41st anniversary of Lithuanian independence. I consider it an honor and a duty to record my congratulations to the people of Lithuania, whose determination to achieve independence has set an example for all free people. Now, once again, despite the most ruthless suppression at home, Lithuanians everywhere keep alive the embers of liberty. The Soviet efforts to extinguish Lithuania's national identity are a sufficient answer to any who would relax our vigilance or our resistance to further efforts of Soviet expansion. Ultimately Lithuania's determination to regain independence must win out.

Mrs. WEIS. Mr. Speaker, I returned from Rochester, Sunday, to find 3 feet of water in my basement, and, yesterday, while others were paying tribute to the courageous people of Lithuania on the 41st anniversary of their independence, I was wading, barefoot, through my basement, in rather frantic pursuit of a number of trunks and footlockers which were floating about.

However, I do want to join with my colleagues in wishing Godspeed to the people of Lithuania in the fulfillment of their dream of once again, someday, breathing the fresh air of liberty and democratic self-government.

For century after century, Lithuania has been subjected to conquest—by Teutonic knights, Tartars, Russian czars, Nazis, and now, since 1940, by the Red terror which rules the Kremlin. From East and West alike, the power hungry of Europe have trampled back and forth across the face of this tiny nation with almost sickening regularity, pillaging and plundering, terrorizing and murdering as only ruthless barbarians are able. Yet, all of the bloodshed and brutality which has been the recurring fate of the people of Lithuania, has not, for all of its physical violence, been able to destroy the will to freedom and independence which has become their hallmark.

Forty-one years ago, at the height of the Russian revolution, Lithuania declared her independence from the disintegrating Russian Empire, and for a little over two decades she struggled to maintain her status as a free, democratic nation. But from the very beginning her existence was a terrifyingly precarious one, for she was wedged squarely between two growing young totalitarian giants, Soviet Russia and Nazi Germany, and both were waiting only for that moment when the fortunes of history would present one of them with a chance to again engulf this little nation. The brief alliance between Stalin and Hitler gave the Soviets the opportunity for which they had been waiting, and by the summer of 1940, Lithuania was once more in the iron grip of the Kremlin.

Almost 19 years have now passed since that fateful summer, and virtually every device known to the twisted despotic mind has been employed in an attempt to destroy the passion for freedom, the deep-rooted national consciousness, and the religious fervor of the people of Lithuania. But love of God, of country, and of liberty continues to burn as brightly as ever in the hearts and minds of Lithuanians everywhere—proof positive that such inborn yearnings will never be extinguished by the godless brutes of this or any other generation.

As they celebrate the 41st anniversary of their independence, I salute the brave and wonderful people of Lithuania, and I join with them in their prayers for a better, more peaceful world tomorrow.

Mrs. KELLY. Mr. Speaker, the Communist leaders of the Kremlin are using and will continue to use every diabolical means and method to capture the nations of the free world. These Communist leaders seek to destroy the free world by the method of divide and conquer. During this critical period in history the peoples of the free world must remain alert to the intrigue of the Communist masters in the Kremlin. The free world is forced to remain strong militarily, economically, and spiritually. It is paramount that we act as one—in unison. It is paramount that we stand firm in our commitments to one another. It is paramount that the free world agree on every issue and, last but not least, that we maintain our faith in the Almighty. Only then can we avoid the pitfall of being engulfed into the orbit of the Communist fold. Let us recall the fate of those peoples and nations who are now the captives of the U.S.S.R.—Lithuania, Latvia, Estonia, Poland, Hungary, Bulgaria, Albania, Eastern Germany, not to mention those on the threshold of enslavement.

None of these nations have lost their craving for liberty. It is important to them that we rekindle their hope for freedom and help them maintain their morale. Therefore, on this February 16 Lithuania commemorates the day of its independence and the day of its national birthday. I join with the Lithuanians on this sad occasion and pray that the future holds for them the day of their liberation to which we in the free world rededicate ourselves.

Mr. PROKOP. Mr. Speaker, I am happy indeed to join in this observance of the 41st anniversary of the independence of Lithuania. This small nation—whose sons and daughters have contributed so much to the building of America—is, of course, not independent and free today.

Lithuania is a race of character, courage, and culture.

America is indeed grateful for the contributions that men and women of Lithuanian blood have made to our common strength.

They have a faith that the Soviets cannot destroy.

They have courage that the Soviets can never vanquish.

Lithuania has a character that will survive when all the fraud and force of godless tyrants will have vanished from the face of the earth.

This annual commemoration of her independence which was gained more than 41 years ago serves a most useful purpose. It is a reminder of the tragic fate of Lithuania and other countries that were formerly free but today are fettered by the chains of Communist slavery.

But this occasion is far more than a time for tribulation and sorrow over the fate of Lithuania and these other countries which are existing in the darkness of the Iron Curtain. Let us make it a time of rededication in the eternal fight for freedom and independence.

This observance here and throughout other lands where people of Lithuanian blood are living today will be heard behind the Iron Curtain. It will clearly demonstrate to the people of Lithuania that they are not forgotten, that their struggles are the struggles of the freedom-loving world.

It will help to keep bright in their minds and hearts the flames of hope for the day of liberation.

Our own Nation must also make it abundantly clear to all other nations that we stand for liberation from tyranny and oppression and for self-determination and freedom of choice for all peoples to ordain and to establish their own form of government under democratic processes.

I, therefore, extend congratulations to the Lithuanian people on this anniversary of their independence day. Let us all join them in more than words in their efforts to unloose the shackles of tyrants and reestablish their independence.

All hail to Lithuania on the anniversary of its 41st birthday. May her courageous people soon regain their precious liberties.

Mr. ADDONIZIO. Mr. Speaker, today we think of wars as the worst events in human history, and as the horrors of destruction and death that are sure to be caused by wars in this atomic bomb and nuclear age, we dread the thought of any war. In this we are probably and rightly justified in regarding wars as scourges of the human race. That is the consensus of today. But in the past, even in the relatively recent past, there have been wars which were regarded as the only way out of difficult international situations, and even out of some imminent calamities. Certainly defensive wars are always treated in this spirit. The First World War is also regarded as such by many peoples who found their liberation and independence in the culmination of that war. As that world holocaust drew to its close, autocratic monarchies tumbled down one after the other: The Russian czarist regime, monarchical Germany, the Austro-Hungarian monarchy and the Sultan of the Ottoman Empire, all perished in that destructive and devastating war. And that war shattered the chains which held millions of innocent and helpless people in bondage and servitude. The Lithuanians were among these people.

The Lithuanian people have a distinct place in the turbulent history of northeastern Europe. They are justly proud of their long and glorious past. For centuries the Lithuanian kingdom was a powerful force in the whole East European region. At times they not only successfully repelled some of the incursions of barbarian invaders from the east, but they were the stouthearted champions of Christianity and its advance guard in that part of Europe. Late in the 16th century their kingdom was united with the Polish kingdom, and formed a dual monarchy. This union lasted for about 200 years. During that time the destinies of both nations were wedded together. In the late 18th century when Poland was partitioned, most of Poland and with it all Lithuania was incorporated into the Russian Empire. But the loss of national independence almost 200 years ago did not mean the loss of the spirit of freedom on the part of Lithuanians. While they suffered under the autocratic regime of the czars, they worked hard for the attainment of their freedom. They became firmly convinced that individual and national well-being could not be fully achieved or enjoyed without national political independence. They learned that in order to enjoy the benefits of their labor, they should have complete freedom in their homeland. To regain that freedom they worked ceaselessly, but it took them more than a full century to see their cherished dream come true. Not until the detested regime of the czars was overthrown could they have their freedom. In 1917 when that regime was shattered by the Russian Revolution, then, along with other peoples, the Lithuanians felt free. On February 16, 1918, they proclaimed their independence and set up their Republic. That day marks a new day in the modern history of the Lithuanian people.

Both in the attainment of Lithuanian independence and in its maintenance for more than two decades the United States has made important contributions, officially and unofficially. The encouragement which the Lithuanians found in the famous 14 points of our former President Wilson was a boon to their cause. It was a source of inspiration for them to know that their struggle for liberty and independence had the support of our wartime President and our people. Nor was the moral and material aid given to Lithuania by the people of this country, especially by the body of our loyal citizens of Lithuanian descent, of less significance. With such aid, and through their own industry and perseverance, the Lithuanian people turned their war-torn country, in a short time, into a happy habitat for all lovers of freedom and liberty. They worked wonders in making Lithuania a prosperous and progressive democracy, a model in many respects. And during those two decades the people were happy, leading a contented life. But, unfortunately, this period did not last long. As the war-clouds began to thicken in the late 1930's, Lithuania sensed the danger to her independence. No mercy was expected from either totalitarian regimes, neither from Berlin nor from Moscow. In the end, however, it was Moscow that in a series of villainous acts put an end to Lithuanian independence in July of 1940 and enslaved the people.

Today, for more than 18 years, unhappy Lithuanians find themselves once more in chains and cut off from all contacts with the free world. There are some 3 million helpless and innocent souls completely sealed off behind the Iron Curtain. Many elemental means of livelihood and all freedoms are denied to them. They live as in a large prison camp, to work as slaves for their taskmasters in the Kremlin. Communist rulers of the country have been doing their very worst to eradicate any feeling of nationality and, one might say, rationality, among its inhabitants. All national events and the observance are rigidly controlled and prescribed. There is no freedom of speech, of press, of movement, and no one is free to correspond with people in the free world. The only freedom these poor souls have, the one which their heartless overlords cannot take away from them, is to cherish their freedom and pray for deliverance from Communist totalitarianism. On this historic anniversary, on the 41st Lithuanian Independence Day, I hope that they will regain their freedom and once more enjoy it in their historic homeland.

Mr. GREEN of Pennsylvania. Mr. Speaker, Lithuania was declared an independent state on February 16, 1918, 41 years ago. Each year Lithuanians in the free world commemorate this occasion remembering their fellow countrymen held captive behind the Iron Curtain, who cannot overtly join in any celebration of this historic event.

The development and growth of Lithuania as an independent republic was brought to a tragic end in 1940 when this proud nation again fell prey to the superior force of the Soviet Union. Lithuania along with the other Baltic States was fraudulently annexed to the Soviet Union under the guise of a free election. A puppet government which does not express the will of the people was established.

The example of Lithuania is typical of Communist aggression. In every case the Communists have come to power by means of subversion and infiltration by Soviet agents and occupation of the territory by the Red army and political elements from the Kremlin. The Communists then enslave the people by threats and such inhuman means as wholesale deportations and forced famines.

What little information is obtained from behind the Iron Curtain clearly shows that the Communists in Lithuania and in other captive nations maintain a completely tyrannical rule over the people. Lithuanians can no longer enjoy freedom of expression or religion or any of the inherent rights of individuals. Free labor has been abolished as have all other aspects of individual enterprise. Under Communist rule, the family is no longer the basic unit of society. The state takes the major share of responsibility for the training of youth in order to insure their complete allegiance to the Soviet Communist Union.

These things could happen to all the free people of the world if we do not remain vigilant. Communism is a conspiracy which plans to conquer the whole world and bring all peoples under the domination of the Kremlin.

The people of Lithuania have never stopped wanting their national independence or remaining faithful to the ideals of the free world. But these people need our help and continued assurance of our sympathy and interest in their plight. Let us not forget the Lithuanians who have so bravely and steadfastly fought for freedom in the past and who depend on the friendship and solidarity of the free people of the world.

MINERAL EXTRACTIVE INDUSTRIES

The SPEAKER pro tempore (Mr. METCALF in the chair). Under previous order of the House, the gentleman from Oklahoma [Mr. STEED] is recognized for 10 minutes.

Mr. STEED. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. STEED. Mr. Speaker, occasionally these days we hear some rise up in opposition to the differential tax treatment accorded the mineral extractive industries. More particularly, we hear suggestions and even demands that the 27½ percent depletion rate for oil and gas should be reduced say to 15 percent. Without attempting to set forth here all of the basic reasons why a cut in percentage depletion would be unsound and contrary to the best interest of the consuming public and, yes, even a threat to national security, I would like to cite you some very startling statistics just published by the U.S. Bureau of Mines.

First when considering these figures, let us keep in mind that one of the primary purposes for percentage depletion is that it helps to recognize that mineral producers are using up their capital upon the removal of each barrel of oil or ton of ore. Thus, depletion helps to provide additional funds to be used in the further search for needed and essential oil and gas reserves.

Of course, some oil producers do get rich just as some men get rich in every endeavor. We are often told that it is because of depletion that oil producers get rich. However, Mr. Speaker, these U.S. Government statistics, that I am about to place in the RECORD, do not bear this out. Instead they show that the oil producing industry in 1955 spent more than three times as much looking for new oil reserves as they could possibly have received in depletion. That is, for every dollar from percentage depletion plowed back in the search for and development of new oil reserves, the oil producing industry put up and spent $2 from other sources.

At this point, Mr. Speaker, I am placing in the RECORD a memorandum which includes the results of a study by Mr. C. C. Anderson, Chief Petroleum Engineer, U.S. Bureau of Mines:

PERCENTAGE DEPLETION AND COST OF FINDING PETROLEUM

Government statistics now are available which show the relationship between expenditures for finding and developing new oil reserves and the role percentage depletion plays in this job of finding oil.

The Chief Petroleum Engineer of the U.S. Bureau of Mines, in a paper prepared for the World Power Conference in Montreal, Canada, September 1958, states that in the year 1955 the U.S. petroleum-producing industry—including both independents and major companies—expended a total of $5.1 billion in the search for and development of new petroleum reserves within the United States. This study also shows that for the year 1955, finding and developing costs together with lifting and other operating costs were in excess of income from petroleum production for the entire producing industry by approximately one-half billion dollars.

The $5.1 billion expended in 1955 in the exploration for and development of new oil reserves was equivalent to $2.40 per barrel of net crude oil production in that year. Based on the U.S. Bureau of Mines average wellhead price of crude oil for the year 1955 of $2.77 per barrel, the theoretical maximum percentage depletion could not have exceeded 76 cents per barrel. This depletion figure, however, for petroleum producers is a theoretical maximum, based on the 27½-percent rate, rather than the actual amount of depletion since the 50 percent of net income limitation reduces the average effective depletion rate for the petroleum industry to no more than 23 percent.

Thus, the domestic petroleum industry's exploration and development expenditures alone in 1955—not including lifting costs, taxes, etc.—totaled $2.40 per barrel or more than three times the maximum percentage depletion of 76 cents. That is, for every dollar from percentage depletion plowed back in the search for new oil reserves, the producing industry put up and spent $2 for other sources.

This information, detailed in the accompanying table, clearly demonstrates that the petroleum-producing industry requires new capital far in excess of the depletion deduction to carry on the constant search for new oil and gas reserves.

Net value of production versus expenditures for finding, developing, and producing oil and gas

[Thousands of dollars]

	1951	1953	1955
Industry income:			
Net value oil produced	$4,862,136	$5,401,018	$5,884,215
Net value gas produced	465,451	660,501	836,324
Total net value production	5,327,587	6,061,519	6,720,539
Industry expenditures-exploration costs:			
Geological, geophysical, and related professional services	186,000	243,590	245,449
Lease purchases and rentals	637,910	744,630	876,520
Dry holes	650,290	795,890	940,210
Overhead	126,780	171,270	206,220
Total exploration costs	1,600,980	1,955,380	2,268,390
Development costs:			
Drilling and completion of producing wells	1,390,050	1,689,607	2,097,225
Equipment (tubing, tanks, flow value, etc.)	420,360	483,000	556,210
Overhead	135,780	168,378	205,640
Total development costs	1,946,190	2,340,985	2,859,075
Subtotal exploration and development costs	3,547,170	4,296,365	5,127,465
Operating costs:			
Oil:			
Direct costs	1,274,149	1,392,576	1,540,092
Overhead	242,146	306,326	337,758
Total oil operating costs	1,516,295	1,698,902	1,877,850
Gas:			
Direct costs	89,220	134,675	134,097
Overhead	7,758	10,920	9,387
Total gas operating costs	96,978	145,595	143,484
Oil:			
Total operating costs	1,613,273	1,844,497	2,021,334
Total expenditures for finding, developing, and producing [1]	5,160,443	6,140,862	7,148,799
Net annual balance	+167,144	−79,343	−428,260

[1] Includes maintenance, supervision, and general overhead but excludes charges for research. The costs do not include income taxes, payment on interest and principal, or return to investors.

Source: "Petroleum and Natural Gas in the United States—Relation of Economics and Technologic Trends" by C. C. Anderson, Chief Petroleum Engineer, U.S. Bureau of Mines, Washington, D.C.

Mr. STEED. Mr. Speaker, in conclusion, I hope that those among us who rise up in opposition to percentage depletion will read and digest these facts and see that the 27½-percent depletion rate for oil and gas is sound and fair. That it has helped to establish and maintain the United States as the world's greatest producer and consumer of petroleum products.

Mr. Speaker, I submit that rather than criticize this tax provision, we should thank God we have it and also that we have an industry that will risk $2 for every one provided through depletion to keep on looking for oil.

THE NEW MINIMUM WAGE BILL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from California [Mr. ROOSEVELT] is recognized for 15 minutes.

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a bill and a section-by-section analysis of that bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, all of us are keenly aware that this session of the Congress must cope with problems of the utmost gravity, both in our domestic affairs and in the world at large. There have already been introduced, in these first few weeks, a great many well-conceived and imaginative proposals to meet the Nation's needs in such areas as unemployment, distressed areas, and defense.

I do not minimize the importance of these measures. But it is my sincere conviction that a bill I have introduced today, with the support of a number of my colleagues on the Committee on Education and Labor, deals with an issue of paramount significance to our own people and to the prestige of democracy throughout the world.

This bill would increase the Federal minimum wage to $1.25 an hour, and would broaden the coverage of the law to include some 7 million workers who now have no wage-hour protection whatever.

The Fair Labor Standards Act of 1938, the original wage-hour law, pledged the Congress to correct and as rapidly as possible to eliminate terms of employment which are detrimental to the health and well-being of the Nation's wage earners.

That pledge has never been redeemed. On the contrary, it might well be argued that the original minimum wage of 25 cents an hour, and the original coverage of the law, came closer to meeting its objectives than the $1 minimum and the more restricted coverage of today.

While workers in the higher-paid industries, those who are the most skilled and the most strongly organized, have steadily increased their earnings, millions of their fellow citizens have been limited to the occasional improvements in the minimum wage voted by Congress. And 20 million other workers do not enjoy even this meager protection against low pay and long hours of work.

In the last 3 years alone, the typical worker in such industries as steel, auto, coal mining, and electrical equipment has gained 36 cents an hour in wages. Yet the legal minimum has remained at $1.

Let me note in passing that repeated studies have shown that wage movements among the higher-paid and lower-paid workers are largely independent. The gains by the higher paid do not pull up the less fortunate; and increases among the lower paid, brought about by legislation, have little impact on the others.

In effect, we have created a permanent depressed class in our working force. Whereas one group of American workers enjoys a wage structure based on such minimum rates as $2.07 an hour, as in meatpacking, or $2.01, as in the paper industry, or $2.12 as in auto, and is protected against rising prices by escalator clauses, and receives additional benefits such as pensions and social insurance, another group is condemned to wages of $1 or even less, and enjoy no auxiliary benefits at all.

These drastic differences are bad enough in themselves. What is even worse is the fact that $1 an hour is too little to support a minimum standard of life in the United States today. I will document this point in greater detail in my later presentation to this body; it is enough at this time to ask the Members of this House to contemplate living on an income of $40 a week or less.

The improvements proposed in my bill would deserve prompt and serious consideration even if they involved only the immediate victims of low wages. But there is a much broader application.

The economy of our Nation is based upon high production, high employment, and an ever-expanding national product. These, in turn, require a high level of consumer purchasing power. And that means an adequate minimum income for all Americans, not just a favored majority.

Consider the developments of the last few months, during which we have been recovering from last year's recession.

At first, all the economic indicators were pointing upward. There was widespread optimism. The upturn appeared to be brisk. But then it began to slow down. Unemployment, after a brief decline, is again on the rise. The next monthly figure will almost surely exceed 5 million.

Why is this so? Obviously it is not because we have produced too much for our needs; it is because so many millions of Americans can afford no more than the basic necessities of food, clothing, and shelter, and not enough of these.

Therefore, the plight of these unfortunate Americans—these forgotten people, who year after year have failed to share in our national progress—is not only a challenge to our conscience, but a threat to the economic welfare of us all.

Yet I do not want to pass over the moral side of this issue too lightly. We properly take pride that the United States is the leader and the showcase of the free world. Our most powerful answer to communism, among the underdeveloped peoples, is our own way of life—the fact that our free society has also produced the highest living standard in the world.

While we have in our own midst a depressed class numbering millions, whose members cannot hope to maintain a decent standard of living, our cause is immeasurably weakened.

There are privileged classes in the poorest of nations. Those in India and Africa whose need is for the barest necessities of life do not care how we treat our prosperous citizens. We will be

judged by our concern for the least among us.

Let me explain in general terms how my bill proposes to meet these problems.

First, as I said earlier, we propose to increase the minimum wage to $1.25. This is surely a modest figure; it is barely more than half the average earnings of industrial workers as a whole, including the lowest-paid group.

Second, we propose to include some 7 million additional workers under the law's protection—7 million out of the 20 million presently excluded.

I shall submit at a later time an estimate of the numbers who would be affected in various types of businesses. The largest single group—more than half—are in the retail and service trades.

Let me say categorically that my bill will not impose a burden on the small merchant—the corner grocery, the strictly local establishment. The bill specifically excludes enterprises owned and operated by members of the same immediate family. And it excludes all others with gross sales of less than $500,000 a year.

In other words, it excludes 97 percent of the Nation's retail businesses. But the remaining 3 percent employ one-third of the retail workers.

These are the giant chains that are best able to meet the modest terms of this bill—a $1.25 minimum, a basic 40-hour week. And in this connection I would like to cite an interesting statistic.

A study by the Department of Labor in 1954 found that in these large chains—those with 11 or more stores—wages often were worse than in the neighborhood shops.

The proportion of workers earning less than $1 an hour was highest in the big chains—the very operations that can afford to pay, and that give the small merchant his most severe competition.

Clearly, then, my bill not only excludes the small merchant; it would actually help him by forcing his giant rivals to meet fair wage standards.

The same is true in other categories I propose to include under the act. This is apparent in the bill itself, and will be explained in detail in my later discussion.

I also want to anticipate an argument that will be raised against this measure—that it is inflationary. There is no basis for such a fear.

The last two times the Congress has increased the minimum wage, it has instructed the Department of Labor to study the effects of the increase. These studies—one under a Democratic administration—were in general agreement. They found that the impact of a higher minimum was confined almost entirely to the lowest paid; that it had no significant effect on prices; that it had no harmful effect on employment or business solvency.

Another study, contained in a staff report of the Senate Subcommittee on Labor, found that the full application of the Fair Labor Standards Act to retail business, even if the cost were wholly passed on to the consumer, would amount to an increase of one-half of 1 percent in the Consumer Price Index.

Even this brief summary, which has covered only a few of the major benefits involved, is enough, in my opinion, to demonstrate that this bill helps everyone, hurts no one, and is urgently necessary to the future welfare of America.

Finally, it should be noted that a separate bill is being introduced covering agricultural employment and it is hoped that simultaneous consideration will be given to this most important problem.

I am happy to say that Senator KENNEDY and Senator MORSE are introducing a similar measure in the other body.

In view of the lengthy hearings already held on this matter, it is my hope and belief that, without ignoring the importance of full consideration, hearings may be held to the minimum and action achieved at an early date.

I now introduce into the RECORD the text of the bill and a section-by-section analysis of its provisions.

A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the Act to $1.25 an hour, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "Fair Labor Standards Amendments of 1959."

FINDINGS AND DECLARATION OF POLICY

SEC. 2 (a) Section 2 of the Fair Labor Standards Act of 1938, as amended (hereinafter referred to as the "Act"), is amended by inserting after subsection (a) a new subsection (b), to read as follows:

"(b) The Congress further finds that the existence, in retail trade or service and other industries engaged in activities affecting commerce, of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers, has the effects set forth in subsection (a)."

(b) Section 2 of such Act is further amended by re-lettering subsection (b) as subsection (c).

DEFINITIONS

SEC. 3. (a) Paragraph (j) of section 3 of such Act, defining the term "produced," is amended to read as follows:

"(j) 'Produced' means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this Act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any manner working on such goods, or in any process or occupation necessary to the production thereof in any State."

(b) Paragraph (m) of section 3 of such Act, defining the term "wage," is amended to read as follows:

"(m) 'Wage' paid to any employee includes the reasonable cost, as determined by the Secretary, to the employer, of furnishing such employee with board, lodging, or other facilities, if such board, lodging, or other facilities are customarily furnished by such employer to his employees. The Secretary is authorized to determine the fair value of such facilities for defined classes of employees and in defined areas, based on average value to the employer or to groups of employers similarly situated, or average value to groups of employees, or other appropriate measures of fair value. Such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wage paid to any employee."

(c) Section 3 of such Act is further amended by adding at the end thereof the following new paragraphs:

"(p) 'American vessel' includes any vessel which is defined as a 'vessel of the United States' in title 18, United States Code, section 9, or which is documented or numbered under the laws of the United States;

"(q) 'Secretary' means the Secretary of Labor of the United States Department of Labor;

"(r) 'Enterprise' means the related activities performed (either directly or indirectly through unified operation or common control or otherwise) by any person for a common business purpose of providing goods or services, or the products thereof, or a combination of them, to others, and includes all such activities whether performed in one or more establishments or by one or more corporate or other organizational units;

"(s) 'Activity affecting commerce' includes any activity in commerce, necessary to commerce, or competing with any activity in commerce, or where the payment of wages at rates below those prescribed by the Act, or the employment of child labor prohibited by this Act, burdens or obstructs or tends to burden or obstruct commerce or the free flow of commerce;

"(t) 'Employer engaged in an activity affecting commerce' means an employer in any of the following categories who is engaged in any activity affecting commerce:

"(1) any enterprise where such employer has one or more retail establishments if the annual gross volume of sales of such enterprise is not less than $500,000 or if the sales of such enterprise for resale or to customers who are engaged in a mining, manufacturing, transportation, commercial, or communications business amount to at least $50,000 annually;

"(2) any enterprise where such employer has one or more service establishments if the annual gross volume of sales of such enterprise is not less than $500,000 or if the sales of such enterprise to customers who are engaged in a mining, manufacturing, transportation, commercial, or communications business amount to at least $50,000 annually;

"(3) any enterprise where such employer has one or more establishments engaged in laundering, cleaning or repairing clothes or fabrics if the annual gross volume of sales of such enterprise is not less than $250,000 or if the sales of such enterprise to customers who are engaged in a mining, manufacturing, transportation, commercial, or communications business amount to at least 15 per centum of the gross volume of sales of such enterprise;

"(4) any enterprise where such employer is engaged in the business of operating a street, suburban, or interurban electric railway, trolley, or motorbus carrier;

"(5) any enterprise where such employer is engaged in the business of operating taxicabs if the annual gross volume of sales of such enterprise is not less than $500,000;

"(6) any enterprise where such employer is engaged in the business of construction or reconstruction, or both, if the annual gross volume of sales of such enterprise is not less than $50,000; or

"(7) any enterprise where such employer has one or more employees engaged in commerce or in the production of goods for commerce if the annual gross volume of sales of such enterprise is not less than $50,000:

"Provided, That 'employer engaged in an activity affecting commerce' shall not include any retail or service enterprise in which the only employees are the owner of such enterprise and persons standing in the relationship of parent, spouse, or child of such owner."

SPECIAL INDUSTRY COMMITTEES FOR PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 4. Subsection (a) of section 5 of such Act is amended to read as follows:

"(a) The Secretary of Labor shall as soon as practicable appoint a special industry committee to recommend the minimum rate or rates of wages to be paid under section 6 to employees in Puerto Rico or the Virgin Islands, or in Puerto Rico and the Virgin Islands engaged in commerce or in the production of goods for commerce or employed by an employer engaged in an activity affecting commerce, or the Secretary may appoint separate industry committees to recommend the minimum rate or rates of wages to be paid under section 6 to employees therein engaged in commerce or in the production of goods for commerce or employed by an employer engaged in an activity affecting commerce in particular industries. An industry committee appointed under this subsection shall be composed of residents of such island or islands where the employees with respect to whom such committee was appointed are employed and residents of the United States outside of Puerto Rico and the Virgin Islands. In determining the minimum rate or rates of wages to be paid, and in determining classifications, such industry committee shall be subject to the provisions of section 8."

MINIMUM WAGES

SEC. 5. (a) Subsection (a) of section 6 of such Act is amended by inserting after the words "for commerce" and before the words "wages at" a comma and the following: "and every employer engaged in an activity affecting commerce shall pay to each of his employees".

(b) Paragraph (1) of subsection (a) of section 6 of such Act is amended by striking out the figure "$1.00" and inserting in lieu thereof the figure "$1.25".

(c) Subsection (c) of section 6 of such Act is amended to read as follows:

"(c) The provisions of paragraph (1) of subsection (a) of this section shall be superseded in the case of any employee in Puerto Rico or the Virgin Islands or American Samoa engaged in commerce or in the production of goods for commerce or employed by an employer engaged in an activity affecting commerce only for so long as and insofar as such employee is covered by a wage order heretofore or hereafter issued by the Secretary pursuant to the recommendations of a special industry committee appointed pursuant to section 5: *Provided*, That every such employee in Puerto Rico or the Virgin Islands or American Samoa shall, on and after the effective date of the Fair Labor Standards Amendments of 1959, be paid not less than the minimum wage rate or rates applicable to such employee under any wage order theretofore in effect, increased by the same number of cents per hour by which the minimum wage rate prescribed in paragraph (1) of subsection (a) pursuant to such amendments exceeds the rate theretofore in effect under such paragraph: *Provided further*, That such minimum wage rate or rates shall be in effect only for so long as and insofar as such minimum wage rate or rates has not been superseded by a wage order fixing a higher minimum wage rate or rates (but not in excess of the rate prescribed in paragraph (1) of subsection (a)) hereafter issued pursuant to the recommendations of an industry committee appointed pursuant to section 5."

MAXIMUM HOURS

SEC. 6. (a) Subsection (a) of section 7 of such Act is amended by inserting after the words "for commerce" and before the words "for a workweek" a comma and the following: "and no employer engaged in an activity affecting commerce shall employ any of his employees".

(b) Subsection (b) of section 7 of such Act is amended by striking out clause (3) thereof.

(c) Section 7 of such Act is further amended by striking out subsection (c) thereof.

WAGE ORDERS IN PUERTO RICO AND THE VIRGIN ISLANDS

SEC. 7. Subsection (a) of section 8 of such Act is amended by inserting after the words "for commerce" and before the words "is to reach" in the first sentence the following: "or in an activity affecting commerce"; and by inserting after the words "for commerce" and before the words "in any such industry" in the next to the last sentence the following: "or in an activity affecting commerce".

CHILD LABOR PROVISIONS

SEC. 8. Subsection (c) of section 12 of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and no employer engaged in an activity affecting commerce shall employ any oppressive child labor."

EXEMPTIONS

SEC. 9. (a) Subsection (a) of section 13 of such Act is amended to read as follows:

"(a) The provisions of sections 6 and 7 shall not apply with respect to (1) any employee employed in a bona fide executive, administrative, or professional capacity, or in the capacity of outside salesman (as such terms are defined and delimited by regulations of the Secretary); or (2) any employee employed by an establishment which qualifies as an exempt retail establishment by reason of not being included in subparagraph (1) of paragraph (t) of section 3, notwithstanding that such establishment makes or processes at the retail establishment the goods that it sells: *Provided*, That more than 85 per centum of such establishment's annual dollar volume of sales of goods so made or processed is made within the State in which the establishment is located; or (3) any employee employed in the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal or vegetable life, including the going to and returning from work and loading and unloading when performed by any such employee; or (4) any employee employed in agriculture or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, or operated on a share-crop basis, and which are used exclusively for supply and storing of water for agricultural purposes; or (5) any employee to the extent that such employee is exempted by regulations or orders of the Secretary issued under section 14; or (6) any switchboard operator who is providing telephone service through a telephone switchboard located in such operator's home; or (7) any individual employed within the area of production (as defined by the Secretary), engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products; or (8) any employee or proprietor in an establishment which qualifies as an exempt retail or service establishment by reason of not being included in subparagraph (1) or (2) of paragraph (t) of section 3 engaged in handling telegraphic messages for the public under an agency or contract arrangement with a telegraph company where the telegraph message revenue of such agency does not exceed $500 a month; or (9) any employee employed as a seaman on a vessel other than an American vessel."

(b) Subsection (b) of section 13 of such Act is amended to read as follows:

"(b) The provisions of section 7 shall not apply with respect to (1) any employee of an express company, sleeping car company, refrigerator car company, or carrier by railroad, subject to the provisions of part I of the Interstate Commerce Act, or (2) any employee of a carrier by air subject to the provisions of title II of the Railway Labor Act; or (3) any employee to the extent that such employee is exempted under the provisions of subsection (e) of this section; or (4) any employee employed as an outside buyer of poultry, eggs, cream, or milk, in their raw or natural state."

(c) Subsection (c) of section 13 of such Act is amended to read as follows:

"(c) The provisions of section 12, relating to child labor, shall not apply with respect to any employee employed in agriculture who is exempt under clause (4) of subsection (a) of this section, if such employee is employed outside of school hours for the school district where such employee is living while so employed, or to any employee employed as an actor or performer in motion pictures or theatrical productions, or in radio or television productions."

(d) Subsection (d) of section 13 of such Act is amended to read as follows:

"(d) The provisions of sections 6, 7, and 12 shall not apply to any employee engaged in the delivery of newspapers to consumers at their residences: *Provided*, That section 12 shall not apply to any employee otherwise engaged in the delivery of newspapers to consumers when such employee is employed outside of school hours for the school district where such employee is living while he is so employed, and such employee is sixteen years of age or over."

(e) Section 13 of such Act is further amended by adding at the end thereof a new subsection (g) to read as follows:

"(g) For purposes of the application of sections 6 and 7 of this Act to any employee employed as a seaman on an American vessel, such employee shall be paid not less than the rate which will provide to such employee, for the period covered by the wage payment, wages equal to compensation at the minimum hourly rate prescribed in paragraph (1) of subsection (a) of section 6, or the overtime compensation rate prescribed in subsection (a) of section 7, or both, as may be appropriate, for all hours during such period when he was actually on duty (not including off-duty periods within such periods which are provided pursuant to the employment agreement or periods aboard ship when the employee was not, at the direction of a superior officer, either performing other work or standing by)."

PROHIBITED ACTS: PRIMA FACIE EVIDENCE

SEC. 10. Section 15 of such Act is amended by adding at the end thereof a new subsection (c), to read as follows:

"(c) On and after the effective date of the Fair Labor Standards Amendments of 1959, it shall be unlawful for any employer engaged in an activity affecting commerce to perform any act prohibited by, or omit to perform any act required by, subsection (a) of this section."

EFFECTIVE DATE

SEC. 11. This Act shall take effect upon the expiration of ninety days from the date of its enactment.

SECTION-BY-SECTION ANALYSIS OF PROPOSED FAIR LABOR STANDARDS AMENDMENTS OF 1959

The proposed Fair Labor Standards Amendments of 1959 is a bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting interstate commerce, and to increase the minimum wage for employees under the act to $1.25 an hour.

SECTION 1—SHORT TITLE

This section contains the title of the bill, "Fair Labor Standards Amendments of 1959."

SECTION 2—FINDINGS AND DECLARATION OF POLICY

Section 2 amends section 2 of the Fair Labor Standards Act of 1938, as amended (hereinafter referred to as the "act") by adding to this section a new subsection (b) containing an additional congressional finding setting forth the need, in retail trade and service and other industries engaged in interstate commerce, of eliminating labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency and general well-being of workers. The present subsection (b) of section 2 of the act would be relettered as subsection (c).

SECTION 3—DEFINITIONS

Section 3 amends two of the definitions presently included in section 3 of the act and adds to this section of the act definitions of a number of new terms used in the bill.

Subsection (a) amends paragraph (j) of section 3, defining the term "produced." Under the present language of this paragraph, which was adopted in the 1949 amendments to the act, employees are deemed to have been engaged in the production of goods if, among other things, they are employed in "any closely related process or occupation directly essential to the production" of goods. Under the proposed amendment employees would be deemed to be engaged in the production of goods if they are employed in "any process or occupation necessary to the production" of goods.

Subsection (b) amends paragraph (m) of section 3 of the act, defining the term "wage," by adding to this definition standards to enable the Secretary of Labor to determine the fair value of board, lodging or other facilities customarily furnished by an employer to his employees. Such determinations could be for defined classes of employees and in defined areas and could be based on the average value to the employer or groups of employers similarly situated of furnishing to employees the facilities in question or the average value of such facilities to groups of employees, or on other appropriate measures of fair value. It is specified that such evaluations, where applicable and pertinent, shall be used in lieu of actual measure of cost in determining the wage paid to any employee for purposes of the act.

Subsection (c) adds eight new definitions to section 3 of the act:

A new paragraph (p) would define "American vessel," as used in the act, as including any vessel which is defined as a "vessel of the United States" in title 18, United States Code, section 9, or which is documented or numbered under the laws of the United States;

Paragraph (q) specifies that "Secretary," as used in the act, means the Secretary of Labor of the United States Department of Labor;

Paragraph (r) defines the term "enterprise." This term is used in connection with extension of the minimum wage, overtime and child labor provisions to seven types of large enterprises on an employer basis, as set forth in the discussion of the proposed new paragraph (w) below. The term is defined as meaning related activities performed either directly or through unified operation or common control or otherwise, for a common business purpose of providing goods or services, or the products thereof, or a combination of them, to others, and includes all such activities, whether performed in one or more establishments or by one or more corporate or other organizational units. Under this definition, the activities of the seven specified types of enterprises as employers of employees under the act are to be viewed as a whole in determining whether any such enterprise is engaged in activities which bring its employees within the scope of the act;

Paragraphs (s) and (t) define the terms "actively affecting commerce" and "employer engaged in an activity affecting commerce." Under these definitions, an employee who is not technically engaged in commerce or in the production of goods for commerce will nevertheless be covered if (1) he is employed by any one of seven types of enterprises defined in paragraph (t), and (2) such enterprise is engaged in an activity affecting interstate commerce, as defined in paragraph (s). Paragraph (s) defines the term "activity affecting commerce" as including any activity in commerce, necessary to commerce, or competing with any activity in commerce, or where the payment of wages at rates below those prescribed by the act, or the employment of oppressive child labor prohibited by the act, burdens or obstructs or tends to burden or obstruct commerce or the free flow of commerce. This definition is substantially the same as and is intended to provide coverage substantially similar to that provided under "affecting commerce" definitions used in the National Labor Relations Act, as amended, and the Labor-Management Relations Act of 1947, as amended. Paragraph (t), which defines the term "employer engaged in an activity affecting commerce" specifies seven types of establishments to whose employees coverage under the act would be extended by the bill. Under this paragraph coverage is extended on an enterprise basis if the employer is engaged in an activity affecting commerce. This contrasts with the present tests of coverage which are on an employee basis and provide coverage only if the individual employee is engaged in commerce or in the production of goods for commerce.

The term "employer engaged in an activity affecting commerce" includes seven types of large enterprises whose sales exceed certain specified amounts, based for the most part on current jurisdictional standards being applied by the National Labor Relations Board in determining whether assertion of Board jurisdiction in specific cases would serve the purpose of the National Labor Relations Act, as amended. The employees of such enterprises will be covered if the employer is engaged in an activity affecting commerce. These seven types of large enterprises are as follows:

1. Any enterprise where the employer has one or more retail establishments if the annual gross sales of such enterprise as a whole are not less than $500,000 or if the sales of such enterprise for resale or to customers engaged in a mining, manufacturing, transportation, commercial, or communications business amount to at least $50,000 annually.

2. Any enterprise where the employer has one or more service establishments if the annual gross sales of such enterprise as a whole are not less than $500,000 or if the sales of such enterprise to customers engaged in a mining, manufacturing, transportation, commercial, or communications business amount to at least $50,000 annually.

3. Any enterprise where the employer has one or more establishments engaged in laundering, cleaning, or repairing clothes or fabrics, if the annual gross sales of such enterprise as a whole are not less than $250,000, or if the sales of such enterprise to customers engaged in a mining, manufacturing, transportation, commercial, or communications business amount to at least 15 percent of the gross sales of the enterprise.

4. Any enterprise where the employer is engaged in the business of operating a street, suburban, or interurban transit system.

5. Any enterprise where the employer is engaged in the business of operating taxis if the annual gross business of such enterprise as a whole is not less than $500,000.

6. Any enterprise where the employer is engaged in the building and construction industry if the annual gross business of such enterprise as a whole is not less than $50,000.

7. Any enterprise where the employer has one or more employees engaged in commerce or in the production of goods for commerce if the annual gross business of such enterprise as a whole is not less than $50,000.

A proviso at the end of paragraph (w) specifies that so-called mom and pop shops are not to be covered. The term "employer engaged in an activity affecting commerce" specifically excludes any retail or service enterprise in which the only employees are the owner of such enterprise and a parent, spouse or child of such owner.

SECTION 4—SPECIAL INDUSTRY COMMITTEES FOR PUERTO RICO AND VIRGIN ISLANDS

This section makes changes in section 5 of the act, relating to the appointment of industry committees to recommend the minimum rates of wages to be paid under section 6 to employees in Puerto Rico and the Virgin Islands, so as to give such committees jurisdiction over employees employed by any employer engaged in an activity affecting commerce, as well as over employees engaged in commerce or in the production of goods for commerce. Under the terms of subsection (c) of section 6 of the act, the same procedures which are applicable to the appointment of industry committees and the issuance of minimum wage orders for employees in Puerto Rico and the Virgin Islands are applicable to employees in American Samoa.

SECTION 5—MINIMUM WAGES

Subsection (a) amends subsection (a) of section 6 of the act to make the minimum wage provisions apply not only to every employee engaged in commerce or in the production of goods for commerce but also to every employee of every employer engaged in an activity affecting commerce, as defined in paragraph (w) of section 3 of the act, as amended. Certain exemptions continue to be provided for in section 13 of the act, as amended, but heretofore exempt employees will be entitled to be paid in accordance with section 6 of the act as amended, if they are engaged in commerce or in the production of goods for commerce unless such employees are specifically exempt from the application of such section under the provisions of subsections (a), (d), or (f) of section 13 of such act, as amended.

Subsection (b) amends paragraph (1) of subsection (a) of section 6 of the act by raising the minimum wage under the act from $1 to $1.25 an hour.

Subsection (c) amends subsection (c) of section 6 of the act, applicable to the issuance of wage orders for employees in Puerto Rico, the Virgin Islands and American Samoa, so that wage orders may be issued not only with respect to any such employees who are engaged in commerce or in the production of goods for commerce but also with respect to any such employees who are employed by an employer engaged in an activity affecting commerce. A proviso is included in this section which specifies that the minimum wage rates applicable to any employee covered by a wage order heretofore in effect for employees in Puerto Rico, the Virgin Islands or American Samoa shall be increased by the same number of cents per hour as the minimum wage prescribed in paragraph (1) of subsection (a) of section 6 is increased by the bill. Such minimum wage rate or rates, if less than the rate prescribed in paragraph (1) of subsection (a) as amended, are to be in effect only for so long as and insofar as such minimum wage rate or rates are not superseded by a subsequent wage order issued in accordance with sections 5 and 8, as amended, fixing a higher minimum wage rate or rates, not in excess of the rate prescribed in paragraph (1) of subsection (a).

SECTION 6—MAXIMUM HOURS

Subsection (a) amends subsection (a) of section 7 to make the maximum hours provision of the act apply not only to nonexempt employees engaged in commerce or in the production of goods for commerce but also to non-exempt employees employed by any employer engaged in an activity affecting commerce. Certain exemptions continue to be provided for in section 13 of the act, as amended, but heretofore exempt employees will be entitled to be paid in accordance with section 7 of the act if they are engaged in commerce or in the production of goods for commerce unless such employees are specifically exempt from the application of such section under the provision of subsections (a), (b), (d), or (f) of section 13 of the act, as amended.

Subsection (b) amends subsection (b) of section 7 of the act by striking from this subsection the so-called "seasonal industry" exemption contained in clause 3 of this subsection.

Subsection (c) amends section 7 by striking out the maximum hours exemptions applicable to employees engaged in certain specified agricultural handling and processing occupations contained in subsection (c) of such section.

SECTION 7—WAGE ORDERS IN PUERTO RICO AND THE VIRGIN ISLANDS

This section amends section 8 of the act so that wage orders issued under the act with respect to employees in Puerto Rico, the Virgin Islands, or American Samoa shall apply not only to employees in such islands who are engaged in commerce or in the production of goods for commerce but also to any such employees who are employed by an employer engaged in an activity affecting commerce.

SECTION 8—CHILD-LABOR PROVISIONS

This section amends subsection (c) of section 12 of the act by providing that the child-labor provisions shall not only apply to employers engaged in commerce or in the production of goods for commerce but also to employers engaged in activity affecting commerce. Certain exemptions continue to be provided for in section 13 of the act, as amended, but child labor which has heretofore been permitted will be prohibited under section 12, if the employer is engaged in commerce or in the production of goods for commerce unless such child labor is specifically exempt from such section under the provisions of subsection (c), (d), or (f) of section 13 of such act, as amended.

SECTION 9—EXEMPTIONS

Subsections (a) and (b) of this section rewrite and make the following changes in subsections (a) and (b) of section 13 of the act:

(a) The minimum wage and overtime exemptions for employees employed in a local retailing capacity, presently contained in clause (1) of subsection (a), have been eliminated. The present exemptions for executive, administrative, and professional employees and for outside salesmen, however, are retained.

(b) Clauses (2) and (3) containing minimum wage and overtime exemptions applicable to employees of retail, service and laundry, cleaning and repairing enterprises have been eliminated. The new coverage provisions specify the types of retail service and laundry, cleaning, and repairing enterprises that would be covered by the bill.

(c) Clause (5) has been amended to eliminate the present minimum wage and overtime exemptions for employees engaged in packing or other processing of fish or seafood products. Fishing and other occupations which precede packing and processing of such products would, however, continue to be exempt.

(d) The minimum wage and overtime exemptions for employees of weekly, semiweekly, and daily newspapers contained in clause (8) have been eliminated.

(e) The minimum wage and overtime exemptions for employees of street, suburban, and interurban transit systems contained in clause (9) have been eliminated. The new coverage provisions specify the types of enterprises engaged in the business of operating any such system that would be covered by the bill.

(f) Although overtime exemptions for employees engaged in certain agricultural processing occupations have been eliminated, as explained in the discussion of section 6 of the bill, supra, existing exemptions from the minimum wage and overtime provisions applicable to specified agricultural processing operations in the area of production contained in clause (10) have been retained.

(g) The minimum wage and overtime exemptions applicable to certain telephone switchboard operators under clause (11) have been amended to apply only where the operator is providing telephone service through a telephone switchboard located in the operator's home.

(h) The minimum wage and overtime exemptions for employees of employers engaged in the business of operating taxicabs contained in clause (12) have been eliminated. The new coverage provisions specify the types of enterprises engaged in the business of operating taxis that would be covered by the bill.

(i) The minimum wage and overtime exemptions applicable under clause (14) to employees employed as seamen have been amended to apply only to seamen employed on vessels other than American vessels. A new subsection (g) is added to section 13 of the act, specifying the manner in which the minimum wage and overtime provisions are to be applicable to employees employed as seamen on American vessels.

(j) The minimum wage and overtime exemptions applicable under clause (15) to employees of sawmills employing 12 or fewer employees have been eliminated.

(k) The overtime exemptions applicable to pipeline and trucking employees under clause (1) of subsection (b) of section 13 have been eliminated.

(l) The overtime exemptions applicable to canning of fish or seafood products under clause (4) of subsection (b) of section 13 have been eliminated.

(m) Employees in American Samoa subject to the provisions of subsection (e) of section 13 would be exempt from the overtime provisions under a new clause (3) of subsection (b) of section 13, as amended.

The bill continues the present minimum wage and overtime exemptions applicable to retail establishments that make or process the goods which they sell and to contract telegraph agencies maintained in exempt retail or service establishments where the telegraph message revenue of the agency does not exceed $500,000 a month. It also retains the minimum wage and overtime exemption for employees employed in agriculture or in connection with nonprofit ditches, canals, reservoirs, or waterways used for supplying or storing water for agricultural purposes. Similarly, the minimum wage and overtime exemptions for employees covered by subminimum wage rates fixed by the Secretary under section 14 of the act for learners, apprentices, and handicapped workers is retained. Presumably the Secretary would proceed promptly to review these subminimum rates upon enactment of the higher minimum wage rate provided for in paragraph (1) of subsection (a) of section 6 of the act, as amended.

The various clauses of subsections (a) and (b) have been renumbered to take account of clauses which would be repealed.

Subsection (c) of section 9 amends subsection (c) of section 13 of the act to make clear that the exemption from the child labor provisions applicable to children employed in agriculture is restricted to children employed in agricultural work which is exempt under clause (4) of subsection (a) of section 13, as amended. This exemption would apply only to children employed outside of school hours for the school district where such children are living while so employed.

Subsection (d) adds to subsection (d) of section 13 of the act a new proviso specifying that the child labor provisions shall not apply to any newspaper delivery employee, other than newsboys engaged in residential delivery of newspapers, if such employee is employed outside of school hours for the school district where the employee is living while he is so employed and the employee is 16 years of age or over.

Subsection (e) adds to section 13 of the act a new subsection (g) which provides that for purposes of the application of the minimum wage and overtime provisions to seamen employed on American vessels, such employees are to be paid not less than the rate which will provide to the employee, for the period covered by the wage payment, wages equal to compensation at the prescribed minimum wage rate or overtime rate, or both, as may be appropriate, for all hours during such period when the employee was actually on duty. This period, however, is not to include off-duty hours within such period which are provided pursuant to the employment agreement applicable to such employee or to periods aboard ship when the employee was not, at the direction of a superior officer, either performing other work or standing by.

SECTION 10—PROHIBITED ACTS: PRIMA FACIE EVIDENCE

This section adds to section 15 of the act a new subsection (c) providing that the provisions of subsection (a) of this section declaring certain violations of the act and other actions of an employer to be unlawful when engaged in by such employer with respect to any employee engaged in commerce or in the production of goods for commerce shall be applicable to every employer engaged in an activity affecting commerce with respect to any employee of an enterprise where the employer is so engaged.

SECTION 11—EFFECTIVE DATE

This section specifies that the act shall take effect 90 days after the date of enactment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman spoke of unemployment; are this Government's free trade policies contributing to the unemployment presently existing? Does the gentleman have any figures on that?

Mr. ROOSEVELT. Such figures are available but I do not have sufficient time at my disposal to present them.

I believe sincerely that there are a great many industries which we could study and review, and there certainly are some things in our foreign policy that could be done. With those changes fewer American workers would be out of work. I can be very specific about it. I believe that a change in our foreign policy is necessary to enable Japanese goods in many instances to be sold in Asia which today are being sold in the United States because we do not allow Japan to sell them in Asia—I believe that change alone would put a great many Americans back to work. That is only one example. I believe our

whole foreign policy should be reconstituted wherever possible to see that that kind of competition does not hurt the American wage earner.

Mr. GROSS. How many of these underdeveloped countries are there left? I thought we had taken care of Japan, Germany, France, and Italy.

Mr. ROOSEVELT. I have always believed in these reciprocal treaties but have felt they should be reciprocal in that these countries with which we have these treaties would work in every way to raise their standards of living to ours. Unless we can see progress in that field we are not being fair with our own workers.

Mr. GROSS. Was not one of the objects of the foreign aid program to raise the standard of living in the countries aided?

Mr. ROOSEVELT. That is correct, and great progress has been made in some of those countries.

Mr. GROSS. The gentleman uses the phrase "underdeveloped countries"; are France and Britain considered to be underdeveloped? Is Italy supposed to be underdeveloped? Where are these underdeveloped countries of which the gentleman speaks?

Mr. ROOSEVELT. I think the gentleman will find that in Africa and Asia there are many underdeveloped countries, countries that for the first time are beginning to exercise the privilege of self-government, but countries where the standard of living needs to be raised.

Mr. GROSS. I understand there are some 50,000 people on the relief rolls in the District of Columbia and that there are at least 1,300 school children who cannot go to school regularly in the District of Columbia because they do not have shoes. Is this an underdeveloped area?

Mr. ROOSEVELT. There are underdeveloped areas in this country.

Mr. GROSS. I am tired of hearing about underdeveloped areas in far-distant foreign countries.

Mr. ROOSEVELT. I am sure if the gentleman examines my bill he will find I am dealing exactly with that subject, the underdeveloped areas of this country. We want to improve the lot of the wage earners in this country to give them a decent standard of living.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to my friend from Kansas.

Mr. AVERY. I appreciate the gentleman's yielding to me. It was not my privilege to be on the floor and hear the gentleman's entire statement, but I did hear portions of it. I wonder if the gentleman can tell the House something about this: I have read newspaper articles from time to time although I have not been officially advised, that Mr. Reuther is making proposals similar to the one the gentleman has made here in the House and the Senator from Massachusetts is making in the Senate. Can the gentleman tell me whether the proposals made by himself and the Senator from Massachusetts are identical to Mr. Reuther's proposal or are there some differentials?

Mr. ROOSEVELT. No, sir; they are quite different. I do not know whether the gentleman heard me say this; but, No. 1, in this present bill there is no effort to cover the situation in the agricultural field; this is left out of this bill. I have said we hoped to cover it in a different bill a little later on, but it is not in this bill. There are a number of other substantial changes with respect to commerce, and so forth.

Mr. AVERY. I did hear the gentleman say that in his bill he had left out the small storekeeper, small business, and so on, and so forth. Can the gentleman make a categorical reference there?

Mr. ROOSEVELT. We call them the "mom and pop" stores.

Mr. AVERY. That definition belongs to the gentleman and I would not want to comment on that. But my question is this: Would the cost of living of the employees of that particular store be less than for the other employees the gentleman seeks to cover?

Mr. ROOSEVELT. In general, I think so, because you will find, for instance, in the small store, the "mom and pop" store, that they do not have the same kind of working conditions, the same kind of problems. Many times a man and his wife will work together. If you impose this kind of regulation on them it would make it impossible for them to compete with the larger stores. At the same time it actually helps them as a family to get a better family income.

Mr. AVERY. I could not agree with the gentleman more, but I do not believe he has thought this proposal through to its ultimate conclusion. Even though he sets out certain exemptions, at the same time the proposal the gentleman makes or is going to make will be applicable to certain stores in the Middle West and will make it impossible for them to compete with the bigger stores, even though they may not be a large institution. They would not come in the category the gentleman mentions.

Mr. ROOSEVELT. I think if the gentleman had given as much time and study to this whole subject as I have, and as our committee has, he would find out actually, as I pointed out in my statement, that that is not true. The competition largely comes from the big stores that are paying these depressed wages. The little stores perhaps with one or two people in general and on the average are paying more than the suggested minimum wage. They largely pay higher wages all along the line and we believe, so does the Department of Labor incidentally, that this competitive situation can be evened out or equalized, that competition will be encouraged and the little store will be given a greater opportunity to survive in our economy.

Mr. AVERY. That is a very interesting observation and again I must apologize for not being here when the gentleman started. The gentleman said, "We believe." He is referring to the Committee on Education and Labor?

Mr. ROOSEVELT. To many of us on that committee, also to the testimony that has been given our committee by officials of the Department of Labor in the past.

Mr. AVERY. I might say parenthetically that I am anticipating serving on the Select Committee on Small Business. Has that committee taken any position on the gentleman's proposition?

Mr. ROOSEVELT. As far as I know, it has not taken a position on the question of minimum wages.

Mr. AVERY. It might be most appropriate for that committee to explore that field.

Mr. ROOSEVELT. There are provisions in the committee's resolution of authority providing that the Small Business Committee shall not undertake anything which other committees are investigating, and I think we would be ruled out on that score. Perhaps the gentleman would want to discuss that with the chairman of the committee.

Mr. AVERY. I certainly will, and I am glad to hear that particular rule being reemphasized on the floor here today.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. My understanding was, as the gentleman spoke earlier, that he thinks the trouble confronting us now is the inability of the average wage earner to purchase the necessities of life; therefore, we must increase that minimum wage, which applies only to a certain group.

Mr. ROOSEVELT. I said I thought it was important to increase the purchasing power of that depressed part of the working population of this country so that they might in their turn contribute to the ability of our economy to expand, because if they have a decent wage they will be able to buy things which in turn by their purchases will enable others to have jobs.

Mr. HOFFMAN of Michigan. Right there, if they get a decent wage they can buy?

Mr. ROOSEVELT. Yes.

Mr. HOFFMAN of Michigan. The gentleman is assuming the prices will not go up.

Mr. ROOSEVELT. No. I have referred specifically to the history of the previous increases in the minimum wage and in every instance it did not increase the price level; in every instance, even if you figured you would pass it on to the consumer, you would find out that the impact on the price level was less than one-half of 1 percent. You cannot go against history.

Mr. HOFFMAN of Michigan. Is the gentleman trying to tell me that my dollar today will buy as much as it did 20 years ago?

Mr. ROOSEVELT. I hope I am not that foolish. I am trying to tell the gentleman the past history of the effect of increasing the minimum wage in order to help the less fortunate workers of this country.

Mr. HOFFMAN of Michigan. That is theory, that is all it is. That is not experience.

Mr. ROOSEVELT. It is fact, and the able gentleman can find it in the testimony of the Department of Labor.

SUSAN B. ANTHONY

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from New York [Mrs. ST. GEORGE] is recognized for 60 minutes.

Mrs. ST. GEORGE. Mr. Speaker, at the beginning of the present session of the Congress, I introduced House Joint Resolution 28 proposing an amendment to the Constitution of the United States relative to equal rights for men and women. As is our custom, Mr. Speaker, we always mention this resolution, or at least I do, and have, I am sorry to say, for a great many years, at the time of the anniversary of Susan B. Anthony, which occurred on the 15th of February.

This year I received the following telegram from the President of the United States, which I will read into the RECORD at this point:

> The women of America owe a special debt of gratitude to this beloved patriot. The men of America also hold her memory in highest regard. It was she who helped to provide us with a splendid array of full voting partners to share the burdens of leadership in the modern world. I am delighted to take part in this ceremony marking the 139th anniversary of her birth.
>
> DWIGHT D. EISENHOWER.

Now, Mr. Speaker, as I said before, for many years this resolution has been before the Congress, and for many years it has received good and great support from Members of the Congress. This year 41 Members of this House have introduced resolutions similar to House Joint Resolution 28.

Mr. Speaker, I ask unanimous consent that their names and the numbers of these resolutions be included at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

(The names and numbers are as follows:)

1. KATHARINE ST. GEORGE, New York, Republican; House Joint Resolution 28; January 7, 1959.
2. GEORGE H. FALLON, Maryland, Democrat; House Joint Resolution 48; January 9, 1959.
3. ABRAHAM J. MULTER, New York, Democrat; House Joint Resolution 63; January 9, 1959.
4. OREN HARRIS, Arkansas, Democrat; House Joint Resolution 83; January 9, 1959.
5. GORDON L. MCDONOUGH, California, Republican; House Joint Resolution 92; January 9, 1959.
6. JAMES E. VAN ZANDT, Pennsylvania, Republican; House Joint Resolution 99; January 9, 1959.
7. ROBERT T. ASHMORE, South Carolina, Democrat; House Joint Resolution 108; January 12, 1959.
8. RUSSELL V. MACK, Washington, Republican; House Joint Resolution 131; Jan. 12, 1959.
9. PETER FRELINGHUYSEN, JR., New Jersey, Republican; House Joint Resolution 142; January 15, 1959.
10. GEORGE HUDDLESTON, JR., Alabama, Democrat; House Joint Resolution 145; January 15, 1959.
11. D. S. SAUND, California, Democrat; House Joint Resolution 148; Jan. 15, 1959.
12. RICHARD E. LANKFORD, Maryland, Democrat; House Joint Resolution 162; Jan. 20, 1959.
13. EUGENE SILER, Kentucky, Republican; House Joint Resolution 170; January 20, 1959.
14. J. CARLTON LOSER, Tennessee, Democrat; House Joint Resolution 175; January 21, 1959.
15. HARRIS B. MCDOWELL, JR., Delaware, Democrat; House Joint Resolution 176; January 21, 1959.
16. OTTO E. PASSMAN, Louisiana, Democrat; House Joint Resolution 180; January 21, 1959.
17. FRANK T. BOW, Ohio, Republican; House Joint Resolution 183; January 22, 1959.
18. DANIEL B. BREWSTER, Maryland, Democrat; House Joint Resolution 195; January 27, 1959.
19. GERALD T. FLYNN, Wisconsin, Democrat; House Joint Resolution 199; January 29, 1959.
20. CATHERINE MAY, Washington, Republican; House Joint Resolution 206; February 2, 1959.
21. WILBUR D. MILLS, Arkansas, Democrat; House Joint Resolution 207; February 2, 1959.
22. WINT SMITH, Kansas, Republican; House Joint Resolution 210; February 2, 1959.
23. D. R. MATTHEWS, Florida, Democrat; House Joint Resolution 212; February 3, 1959.
24. JOHN J. RHODES, Arizona, Republican; House Joint Resolution 217; February 4, 1959.
25. HARLEY O. STAGGERS, West Virginia, Democrat; House Joint Resolution 219; February 4, 1959.
26. JAMES W. TRIMBLE, Arkansas, Democrat; House Joint Resolution 220; February 4, 1959.
27. GLENARD P. LIPSCOMB, California, Republican; House Joint Resolution 222; February 5, 1959.
28. BYRON G. ROGERS, Colorado, Democrat; House Joint Resolution 223; February 5, 1959.
29. ROBERT L. F. SIKES, Florida, Democrat; House Joint Resolution 224; February 5, 1959.
30. HERMAN TOLL, Pennsylvania, Democrat; House Joint Resolution 225; February 5, 1959.
31. B. F. SISK, California, Democrat; House Joint Resolution 226; February 5, 1959.
32. CLEVELAND M. BAILEY, West Virginia, Democrat; House Joint Resolution 227; February 9, 1959.
33. CLARK W. THOMPSON, Texas, Democrat; House Joint Resolution 230; February 9, 1959.
34. GARDNER R. WITHROW, Wisconsin, Republican; House Joint Resolution 231, February 9, 1959.
35. GLENN CUNNINGHAM, Nebraska, Republican; House Joint Resolution 232; February 11, 1959.
36. A. S. HERLONG, JR., Florida, Democrat; House Joint Resolution 233; February 11, 1959.
37. JOHN E. MOSS, California, Democrat; House Joint Resolution 234; February 11, 1959.
38. ALVIN E. O'KONSKI, Wisconsin, Republican; House Joint Resolution 235; February 11, 1959.
39. MARTHA W. GRIFFITHS, Michigan, Democrat; House Joint Resolution 240; February 12, 1959.
40. DALE ALFORD, Arkansas, Democrat; House Joint Resolution 242; February 16, 1959.
41. WILLIAM C. CRAMER, Florida, Republican; House Joint Resolution 245; February 16, 1959.

Mrs. ST. GEORGE. Also, this year, Mr. Speaker, we have 213 sponsors of this resolution, which is indeed a very goodly number, and I have no doubt that more names will come in. I ask, Mr. Speaker, unanimous consent that at this point in the RECORD these names be also included.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The following 213 Members of the House of Representatives have requested that they be listed as sponsors of the equal rights amendment in the 86th Congress:

Alabama: FRANK W. BOYKIN, CARL ELLIOTT, GEORGE HUDDLESTON, JR.

Arizona: JOHN J. RHODES, STEWART L. UDALL.

Arkansas: E. C. GATHINGS, WILBUR D. MILLS, JAMES W. TRIMBLE, OREN HARRIS, DALE ALFORD, W. F. NORRELL.

California: CLEMENT W. MILLER, HAROLD T. JOHNSON, JOHN E. MOSS, WILLIAM S. MAILLIARD, JOHN F. BALDWIN, JR., J. ARTHUR YOUNGER, CHARLES S. GUBSER, JOHN J. MCFALL, B. F. SISK, CHARLES M. TEAGUE, HARLAN HAGEN, GORDON L. MCDONOUGH, DONALD L. JACKSON, CRAIG HOSMER, H. ALLEN SMITH, EDGAR W. HIESTAND, CLYDE DOYLE, GLENARD P. LIPSCOMB, HARRY R. SHEPPARD, D. S. (Judge) SAUND, BOB WILSON.

Colorado: BYRON G. ROGERS, J. EDGAR CHENOWETH, WAYNE N. ASPINALL.

Connecticut: DONALD J. IRWIN, ROBERT N. GIAIMO, CHESTER BOWLES.

Delaware: HARRIS B. MCDOWELL, JR.

Florida: WILLIAM C. CRAMER, ROBERT L. F. SIKES, DANTE B. FASCELL, A. S. HERLONG, JR., PAUL G. ROGERS, JAMES A. HALEY, D. R. MATTHEWS.

Idaho: GRACIE PFOST.

Illinois: WILLIAM L. DAWSON, EDWARD J. DERWINSKI, HAROLD R. COLLIER, CHARLES A. BOYLE, MARGUERITE STITT CHURCH, LESLIE C. ARENDS, ROBERT H. MICHEL, EDNA OAKES SIMPSON, WILLIAM L. SPRINGER, GEORGE E. SHIPLEY, KENNETH J. GRAY, ROLAND V. LIBONATI.

Indiana: E. ROSS ADAIR, WILLIAM G. BRAY, RANDALL S. HARMON.

Iowa: FRED SCHWENGEL, H. R. GROSS, MERWIN COAD, CHARLES P. HOEVEN.

Kansas: WILLIAM H. AVERY, NEWELL A. GEORGE, DENVER D. HARGIS, WINT SMITH, EDWARD H. REES.

Kentucky: WILLIAM H. NATCHER, BRENT SPENCE, JOHN C. WATTS, CARL D. PERKINS, EUGENE SILER.

Louisiana: F. EDWARD HÉBERT, OTTO E. PASSMAN.

Maine: CLIFFORD G. MCINTIRE.

Maryland: DANIEL B. BREWSTER, EDWARD A. GARMATZ, GEORGE H. FALLON, RICHARD E. LANKFORD, JOHN R. FOLEY, SAMUEL N. FRIEDEL.

Massachusetts: SILVIO O. CONTE, EDWARD P. BOLAND, PHILIP J. PHILBIN, HAROLD D. DONOHUE, EDITH NOURSE ROGERS, JAMES A. BURKE.

Michigan: GERALD R. FORD, JR., CHARLES E. CHAMBERLAIN, ALVIN M. BENTLEY, ELFORD A. CEDERBERG, VICTOR A. KNOX, CHARLES C. DIGGS, JR., MARTHA W. GRIFFITHS, WILLIAM S. BROOMFIELD.

Minnesota: JOSEPH E. KARTH.

Missouri : W. R. HULL, JR., A. S. J. CARNAHAN, MORGAN M. MOULDER.

Nebraska: PHIL WEAVER, GLENN CUNNINGHAM

Nevada: WALTER S. BARING.

New Hampshire: CHESTER E. MERROW.

New Jersey: PETER FRELINGHUYSEN, JR., FLORENCE P. DWYER, WILLIAM B. WIDNALL, FRANK C. OSMERS, JR.

New Mexico: JOSEPH M. MONTOYA.

New York: STUYVESANT WAINWRIGHT, STEVEN B. DEROUNIAN, FRANK J. BECKER, ALBERT H. BOSCH, LESTER HOLTZMAN, JAMES J. DELANEY, VICTOR L. ANFUSO, ABRAHAM J. MULTER, JOHN H. RAY, ADAM C. POWELL, ALFRED E. SANTANGELO, LEONARD FARBSTEIN, HERBERT ZELENKO, JAMES C. HEALEY, ISIDORE DOLLINGER, CHARLES A. BUCKLEY, PAUL A. FINO, EDWIN B. DOOLEY, ROBERT R. BARRY, J. ERNEST WHARTON, LEO W. O'BRIEN, DEAN P. TAYLOR, SAMUEL S. STRATTON, ALEXANDER PIRNIE, JESSICA MCC. WEIS, HAROLD C. OSTERTAG, WILLIAM E. MILLER, JOHN R. PILLION, DANIEL A. REED, KATHARINE ST. GEORGE.

North Carolina: RALPH J. SCOTT, ALTON LENNON.

North Dakota: DON L. SHORT.

Ohio: GORDON H. SCHERER, JAMES G. POLK, JACKSON E. BETTS, A. D. BAUMHART, JR., WILLIAM H. AYRES, JOHN E. HENDERSON, FRANK T. BOW, ROBERT W. LEVERING, WAYNE L. HAYS.

Oklahoma: PAGE BELCHER, ED EDMONDSON, TOM STEED, JOHN JARMAN, TOBY MORRIS.

Pennsylvania: WILLIAM A. BARRETT, JAMES A. BYRNE, HERMAN TOLL, WILLARD S. CURTIN, PAUL B. DAGUE, IVOR D. FENTON, ALVIN R. BUSH, RICHARD M. SIMPSON, JAMES E. VAN ZANDT, JOHN P. SAYLOR, CARROLL D. KEARNS, FRANK M. CLARK, THOMAS E. MORGAN, JAMES G. FULTON, ROBERT J. CORBETT, ELMER J. HOLLAND.

South Carolina: L. MENDEL RIVERS, ROBERT T. ASHMORE.

South Dakota: GEORGE S. MCGOVERN, E. Y. BERRY.

Tennessee: JOE L. EVINS, J. CARLTON LOSER, CLIFFORD DAVIS.

Texas: WRIGHT PATMAN, BRUCE ALGER, OLIN E. TEAGUE, JOHN DOWDY, CLARK W. THOMPSON, FRANK IKARD.

Utah: HENRY ALDOUS DIXON.

VIRGINIA: RICHARD H. POFF, HOWARD W. SMITH, W. PAT JENNINGS, JOEL T. BROYHILL.

Washington: THOMAS M. PELLY, JACK WESTLAND, RUSSELL V. MACK, CATHERINE MAY, WALT HORAN, THOR C. TOLLEFSON.

West Virginia: ARCH A. MOORE, JR., HARLEY O. STAGGERS, CLEVELAND M. BAILEY, ELIZABETH KEE.

Wisconsin: GERALD T. FLYNN, GARDNER R. WITHROW, HENRY S. REUSS, WILLIAM K. VAN PELT, LESTER R. JOHNSON, ALVIN E. O'KONSKI.

Wyoming: KEITH THOMSON.

Hawaii: JOHN A. BURNS.

Puerto Rico: ANTONIO FERNÓS-ISERN.

Mrs. ST. GEORGE. Now, Mr. Speaker, I would like to bring your thoughts back to Susan B. Anthony and to some of the things that she stood for and to some of the reasons for this resolution.

It may seem incredible today, but it is nevertheless true that Susan B. Anthony was tried on June 18, 1873. The crime with which she was charged, and for which she was duly sentenced, was that she had voted illegally and in defiance of the 14th amendment to the Constitution.

The judge at that time was careful to point out that the 13th, 14th, and 15th amendments were written into the Constitution to safeguard the rights of the recently enfranchised Negroes. But, he pointed out with care that these amendments were based on the words: "The right of the citizens of the United States to vote shall not be denied or abridged by the United States or by any State, on account of race, color, or previous condition of servitude." He pointed out that the word "sex" was omitted and that therefore, in his opinion, women did not have the right to vote.

All this happened less than 100 years ago and as I said before, Mr. Speaker, today it seems incredible and slightly ridiculous.

And yet, as we examine the Constitution today, we nowhere find that women have been given equality under the law. True they have been given the right to vote through the passage of the 19th amendment and that great step forward has perhaps spelled complete equality to those taking a superficial view of the situation.

To give but a few cases of inequality before the law, which in many peoples' opinion will never be corrected until women are made equal under the law through a constitutional amendment:

In some of our States women cannot serve on juries. In one State, the separate property of a wife, owned at the time of marriage, is divided into dotal and extradotal. Dotal property, or dowry, is that which the wife brings to the husband to assist him in bearing the expenses of the marriage establishment. The husband is under no such obligation. The income from this dotal property belongs to the husband. He has the administration of the dowry, and although it was originally the wife's property, she cannot deprive him of this right.

In eight States the husband must join with the wife in order to make a valid conveyance.

Recognition in common law of the husband as the sole support, without recognition of the wife's services as part of that support, is unsound. Recognition of the wife's contribution would strengthen the family as a unit. The husband would no longer enjoy special status as the sole provider even when the wife was also earning.

Women occupy a secondary position as parents in 14 States which give preference to the father as guardian of the minor children. Unequal marital status under State laws affects property rights, right to operate own business, and right to control own earnings. The amendment would force States to bring their laws into line within a certain period.

Progress has made protective legislation for women obsolete. Such legislation operates to the disadvantage of women in many cases where employment preferences and overtime are involved. Many State laws discriminate against women under the guise of safety and welfare legislation. Women can now protect themselves by organization.

The amendment would encourage a revision of State labor laws along more realistic lines, based on the nature of the work rather than the sex of the worker. Safety and health regulations should apply to both men and women. Adult working women are entitled to use their judgment as to hours and type of work.

Social insurance systems which fail to grant equal benefits to the family of a woman worker are unjust. Equalization would give greater justice to husbands, wives, and children.

Might I point out, Mr. Speaker, that the husbands of Members of Congress are not entitled to the same rights as the wives of Members of Congress, which is another injustice.

Now, Mr. Speaker, I realize that once again we are going to hear sobs and groans over the cruel destruction of protective legislation for women.

Again, at the risk of repeating what I have said many times before on the floor of this House, there has been, and I trust always will be, special legislation for various groups of citizens. This does not deprive them of equality under the Constitution. Veterans have special legislation which applies only to them. The sick, the aged, the poor, the blind—all have special legislation applying only to them. Today students are the recipients of many benefits under special legislation. None of these groups are deprived of their rights under the Constitution for this reason, and it is absurd and hypocritical to pretend that this amendment would mean the end of special and necessary legislation and laws applicable to women.

Just as a woman cannot be a veteran in the sense that she has not shouldered a gun, neither can a man give birth to a child, and he certainly, therefore, is not entitled to maternity benefits.

It is also funny, but not factual, that every time some opponents of the measure, with more humor than brains, see a picture of some Russian crone cleaning the streets of Moscow they rush to the protagonists of the amendment, saying: "Ah, here you have equality." Well, Mr. Speaker, the day our women clean the streets, our men will be in slave labor camps, and personally I would prefer to clean the streets.

No, Mr. Speaker, there are reasons, and one of the principal reasons is that there are people in this country who do not want to see women get equal pay for equal work. I do not believe that they ever will get equal pay for equal work until they are first-class citizens under the Constitution.

The excuse of protective legislation is very thin indeed. When it comes to actual strength and longevity, it is a well known fact that women are stronger and live longer than men. It is a very sad fact but it is a true one. No, the old saying that the female of the species is more deadly than the male is actually a true, and not a very cheering, thought.

Women do need equality. Women do need to be paid for what they do, and to be paid in full if they do the same work and do it as well. That is not the case in our country today.

I know many people who object to this amendment on both sides of the aisle. May I point out here that this is not a partisan matter. The equal rights amendment has been in both party platforms for a number of years, so there is no partisanship whatsoever in this matter. That will be well demonstrated by the list of sponsors and the list of Members introducing identical amendments.

No, as a matter of fact it is time that we at least gave the States the right to pass on this amendment. What are we so afraid of? That is my question always. Why are we afraid, when we give women so much in this country, to at least allow them equality under the Constitution, which incidentally, if that Constitution had been written within the last 20 years, they would have obtained automatically? The only reason it is not so is that our Constitution is the oldest written constitution in the world, and at the time it was originally written and conceived women were merely chattels under the British common law and under the law of our own country.

Mr. Speaker, I ask unanimous consent at this time that my colleague, the gentleman from Texas [Mr. DOWDY] may extend his remarks at this point.

The SPEAKER pro tempore (Mr. METCALF). Without objection, it is so ordered.

There was no objection.

Mr. DOWDY. Mr. Speaker, yesterday marked the 139th anniversary of the birth of a baby girl who became one of the foremost women of her time, Susan B. Anthony. Today I would like to join with an honored lady of our time, the gentlewoman from New York [Mrs. ST. GEORGE], in supporting her resolution that proposes an amendment to the Constitution of the United States relative to equal rights for men and women. She is to be commended for her leadership in the efforts to insure equal rights for the men and women of our country, and I am happy to have been associated with her on this matter in past Congresses and in this Congress. It is hoped that in this 86th Congress the work started by Miss Anthony for equal rights will meet with success and the amendment presented to the States for approval.

Mrs. ST. GEORGE. Mr. Speaker, I ask unanimous consent that my colleague, the gentlewoman from Michigan [Mrs. GRIFFITHS], may extend her remarks at this point.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mrs. GRIFFITHS. Mr. Speaker, we are here today, once again, urging action on a resolution which proposes an amendment to the Constitution of the United States relative to equal rights for men and women. For 36 years this proposed amendment has been pending before Congress.

The equal-rights amendment has only one aim—to raise women in this great country of ours to the status of full and equal citizenship. Since the beginning of our Republic, women have been relegated to an inferior position with respect to their citizenship.

Our democratic faith is certainly strong enough, our economic system dynamic enough, and our sense of fair play elastic enough to make women full citizens.

It is tragic that our democracy should be imperfect in that we tolerate discrimination against women solely because of sex. We would not for a moment accept discriminatory practices based on color of eyes or hair. Inferior treatment of women is just as senseless. The best way to correct this unfair practice is by adoption of the equal-rights amendment. Such action is long overdue.

Mr. McDONOUGH. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to my colleague, the gentleman from California.

Mr. McDONOUGH. Mr. Speaker, as a co-author of this amendment, I want to associate myself with the remarks of the gentlewoman from New York. I believe she has made a very specific and intelligent statement on this very important amendment to the Constitution.

As a consistent sponsor of the equal-rights amendment, I have urged that women be accorded their full equality with men in every phase of business, professional, and domestic activity, and that they be accepted to full partnership in the duties and responsibilities of the government of our Nation, both on the national and the local level. I have also urged the adoption of the equal-rights amendment, as proposed in House Joint Resolution 92 which I introduced, which would render all laws discriminating against women because of their sex null and void.

We have recognized the equal rights of human beings to live and work in a Nation where they will not face discrimination because of race, color, and creed, and even now seek legislation to strengthen the guarantee against discrimination. But we have ignored discrimination against women because of their sex. And we will never achieve our goal of equal rights for all our citizens until we have removed all existing discrimination against women and adopted the equal-rights amendment to the Constitution to assure women of their equal rights under the law of the land.

I further support the equal-rights amendment because it would write into the Federal Constitution a permanent dependable bill of rights for women.

It would wipe out common-law interpretation and bring women under the full protection of the Constitution.

It would be a mandate to the States to bring their laws into line within 3 years.

It would encourage a revision of State labor laws along more just and realistic lines, based on the nature of the work and not on the sex of the worker.

It would effectively back up equal pay legislation.

It would protect women from discriminatory legislation in the future.

It recognizes women as human beings and responsible citizens and as such entitled to share with men freedom and equality both of which are necessary for human development.

It is in harmony with American ideals of freedom, equality, and justice.

It is in harmony with the principles of the United Nations Charter.

It would give our Government unquestionable authority to sign international conventions affirming the equal rights of men and women.

Mrs. ST. GEORGE. I thank my colleague.

Mr. MATTHEWS. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to my colleague from Florida.

Mr. MATTHEWS. Mr. Speaker, I want to thank the distinguished gentlewoman for making this very interesting and factual talk to the House of Representatives. As our colleague knows, I have had the high honor and pleasure of introducing her amendment, the equal rights amendment for the women of our country. It is such an obvious thing that I just cannot understand why it has not long since been passed. I certainly want to assure the gentlewoman that I am going to continue my interest and cooperation. I surely hope that she will be successful in soon seeing this great ambition of hers come to pass, and that is that equal rights for women become an indelible part of the Constitution of the United States.

Mrs. ST. GEORGE. I thank the gentleman. I know that with his help we will get a lot further.

Mrs. MAY. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to my colleague, the gentlewoman from Washington.

Mrs. MAY. Mr. Speaker, I should like to take this opportunity to commend our distinguished colleague, the gentlewoman from New York [Mrs. ST. GEORGE]. She has given this very fine piece of legislation 11 years of service. As a new Member of this body, I want to state that long before coming here I heard of her work in this field. It is true, as she has indicated, that women's groups throughout the United States with ever-increasing interest are giving their support to it as they have learned to better understand the overall effect of this equal rights amendment. Distinguished groups of women such as the Business and Professional Women, the Federation of Women's Clubs, the National Women's Party are backing this equal rights amendment. But, in addition, I think I would like to repeat, as Mrs. ST. GEORGE has pointed out, that service groups and men's groups throughout the country are also bringing a new interest to it as they understand it. Our distinguished colleague, as has already been indicated, has introduced this amendment for 11 years now, I believe it is, and certainly we can hope that this year, perhaps, our Members in the Congress will take a fresh new look at it. It sometimes happens that a position taken on a certain matter in the past becomes a stand that one does not move from until all at once the time comes when you say to yourself "Let us take a new look at this." This, of course, is what our distinguished colleague from New York is pleading that we do today. Certainly, the excuses and arguments that have been made against this legislation in the past under close scrutiny have become worn and threadbare and if given intelligent discussion and consideration prove to be very weak indeed.

I commend my distinguished colleague again for the great fight she has made in this field. I, too, have joined in sponsoring a copy of her bill and am very proud to stand by her side as a new Member in this body, in an effort to have it given consideration.

Mrs. ST. GEORGE. I thank the lady from Washington and I appreciate her support.

Mr. JENSEN. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Iowa.

Mr. JENSEN. In a number of States, as in Iowa, we have divorce laws which are more favorable to the women in a divorce case than to the man in a divorce case. I have said on many occasions, and I still hold to that position, that I, like I think everyone to whom I have spoken about this matter agrees, want equal pay for women for equal work. But we are concerned about a Federal law which would repeal State laws such as we have in Iowa, which are

more favorable to women in alimony cases than to men.

Would the gentlewoman, for whom I have the highest regard, speak on that subject?

Mrs. ST. GEORGE. I would be delighted to do so.

May I tell the gentleman from Iowa first of all that I do not entirely agree with him. I have always been in favor of a national divorce law. My personal opinion, for what it is worth, is that our divorce laws are an absolute shambles. I also think that the alimony racket in this country, where of course the man is usually penalized, is also very bad and very unfair. I am glad that my colleague brought this question up, because that is one of the points that I am afraid has not been sufficiently cleared. This amendment is entitled "Equal Rights for Men and Women." It is not just for women. The only reason that women play such a part in the amendment is that they are the ones, presumably, who do not have equal rights. But here again there are some fields in which men do not have equal rights. I am fully cognizant of that. Having worked on the Post Office and Civil Service Committee, I have seen many cases where the word "widow" was in a bill but never the word "widower." I have always wanted to see in this country, rather than the "quicky" divorces, which can be obtained in a great many States, and which incidentally are a very profitable business for some of those States, a national divorce law that would be safe and sound.

Mr. JENSEN. Will the gentlewoman yield further?

Mrs. ST. GEORGE. I yield.

Mr. JENSEN. I think that speaking generally men favor equal rights for women. I think that is a fair statement. I have always said that, and I have heard that same thing said by many, many men. Without doubt, that is why the States have passed divorce laws which were more favorable to women than to men. As the lady knows, generally speaking, if there are children involved in a divorce proceeding, the children will adhere closer to the mother than to the father. I think perhaps that is why the State legislatures have felt that the women were entitled to more consideration in divorce proceedings than were the men. I want to vote for the equal-rights amendment but when I look at the laws of my State—and we still have State sovereignty where the States have the privilege of passing laws which affect their people—I hesitate to agree to vote for an equal rights amendment which would repeal the benefits which the women have in my State relative to alimony. It is a difficult thing to do, as I see it. I am going to be very frank with the gentlewoman and say that no one has yet given me a reason, a good reason, a reason that I can expound to the people I have the honor to represent in Congress, a reason for voting for the Federal equal rights amendment which would repeal the benefits which my State gives the women in divorce laws.

Mrs. ST. GEORGE. Mr. Speaker, if the gentleman will permit, I do not know whether the gentleman heard what I said in that respect. I pointed out that there would always be special legislation, I trust, for special classes of citizens. That, of course, would include women; it would include men. I pointed out that there is special legislation right now and there will continue to be special legislation for veterans, for students, for the poor, for the handicapped, for all manner of citizens; they have special legislation. There is no doubt that certain of this special legislation would apply only to women such as the maternity benefits, and so forth; and there is no reason why they should, because of that, be declared second-class citizens. I agree the same thing would apply in the gentleman's State, for instance, to divorce laws: In my State of New York they are totally different from the divorce laws in the gentleman's State; they are certainly very different from the divorce laws in the State of Nevada and many others. The law in the States could not be transformed everywhere, and certainly this amendment would in nowise transform it in any way.

The gentleman says he believes that men in general in the United States are in favor of giving women more rights and more privileges. To a certain extent that is true, but it is true only of a favored few. I know a great many men who shudder at, and who do not like the idea at all—and they are in very, very high places in labor—of giving women equal pay for equal work. They fear the competition of women in the labor market; and there is perhaps some good reason for that fear, in view of the unemployment problems we have today. But I very much fear that this idea of giving equal pay for equal work before giving full equality under the Constitution is merely, to speak frankly, putting the cart before the horse.

Mr. JENSEN. If the gentlewoman will yield further, I can assure the gentlewoman, and I can assure everyone within the sound of my voice or in this great land of ours, that I am for a bill which will give equal rights to the women for equal work. I only wish that would be as far as the gentlewoman's bill would go. I would hope that we would not need to pass Federal law which would repeal State laws which are so favorable to women. It is my position. I just cannot help it.

Mrs. ST. GEORGE. May I say to the gentleman from Iowa that I think his fears are groundless. The amendment is very simple and, as the gentleman well knows, it will have to be passed by three-quarters of the States. It will have to run the full gantlet and the States themselves will make the decision as to whether there is danger to them and to their special legislation under this amendment. I personally would not have introduced the amendment if I believed such would be the case. I cannot find it is, in any of my studies, and I assure the gentleman they have been long and arduous.

Mr. HUDDLESTON. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. Mr. Speaker, on the occasion of the 139th anniversary of the birthday of Susan Brownell Anthony, it is fitting that we should pause for a few moments to pay her tribute as the one person, from a field of many who fought in the same cause, who truly gave her life for the sake of gaining for members of her sex equal privileges and rights under the Law.

It is, of course, debatable whether Miss Anthony can be listed as the mother of the suffrage movement. We remember that the daughter of Lord Calvert and niece of Lord Baltimore, Miss Margaret Brent, made quite a vociferous case in 1647 that she be allowed "place and voyce" in the Maryland Assembly. Likewise, Abigail Adams gave her husband John a little lecture before he went off to the Continental Congress in 1776, admonishing him to be a good deal more considerate of the fair sex in drawing up the laws of the new Nation than his forefathers had been. It would thus seem that the tendency of women to actively bother about their political status dates back at least to the beginnings of our beloved Republic.

It is, however, scarcely debatable that Susan B. Anthony did more, more vigorously, to create a national women's movement than any of her predecessors or her contemporaries. Although Lucretia Mott presided over the first Washington convention of the suffragettes 90 years ago this winter, and though Elizabeth Cady Stanton was elected first president of the National American Women's Suffrage Movement—which combined two smaller groups—even these two women, who were her friends, admitted that it was Miss Anthony who was the wit and intellect, the energy and fire that caused the movement to grow into a meaningful force for women's rights.

She did indeed have a quick wit. She was one of the few persons, whether male or female, ever to silence, however temporarily, the sharp-tongued Horace Greeley. At a New York meeting just after the close of that period which some refer to as "the recent unpleasantness," Susan Anthony was found speaking out for equal voting rights for women. Greeley remarked that the ballot went with the bullet, and inquired of Miss Anthony whether she would be willing to fight to have this right. She immediately replied: "Yes, Mr. Greeley, just as you fought in the late war, at the end of a goose quill."

Susan Anthony it was also who almost broke up a suffragette movement once by rising on the convention floor and sharply reminding the sweet-voiced lecturer that although the lady had the undoubted right to address the group, she had better speak up and be heard or she would find herself without an audience.

She was, of course, not just a courageous and quick debater. Her courage took other, perhaps more significant, forms. She went to jail once for the crime of voting. And I think it must have taken some courage to turn down the several marriage proposals she is said to have received as the result of her comeliness and intelligence.

She chose her cause, believed in her cause, fought resolutely in that cause, and, sadly, died before she realized that the fight had not been in vain. Just 14 years after death came to her in 1906, in her 86th year of life, the 19th amendment to the Constitution was proclaimed to be in effect by the Secretary of State on August 26, 1920, and thereby was gained for all American women the privilege and right to cast their ballots in all subsequent elections.

It is right, as I have said, that we should pause to honor the memory of Susan B. Anthony with our well-meant but feeble words. I wonder, however, Mr. Speaker, if it would not be more of a tribute to her, and to the women of America whose cause she so nobly espoused, if we gave thought to the fact that even today the rights of women are not fully protected by law; that in such areas as Federal employment, women still do not receive equal consideration with men; and facing up to that fact, would it not be more of a tribute if we let our actions speak louder than our words ever could in honor of Susan B. Anthony and the American woman.

Mr. STRATTON. Mr. Speaker, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I desire to join with my colleague from Alabama [Mr. HUDDLESTON] in paying special tribute today, as has the gentlewoman from New York [Mrs. ST. GEORGE], to Susan B. Anthony. While some of us in this body, Mr. Speaker, may feel some of the reservations of the gentleman from Iowa [Mr. JENSEN] with respect to the actual effect of the gentlewoman's resolution, I think all of us join in sharing her determination to carry on the fight against discrimination which Susan B. Anthony fought so effectively and so long. As a graduate of the University of Rochester with which Susan B. Anthony was so long connected, and which has many great memorials to her, I desire to join with my colleagues in this body in paying tribute to that great American woman, who fought so long and successfully for the 19th amendment to the Federal Constitution. Miss Anthony spent many of the years of her active life in Rochester, N.Y., and contributed immensely to the cultural life of that great city and also to the great University of Rochester which is located there.

As an undergraduate at Rochester I learned early of the great work for which Miss Anthony was famous. As we pause today to pay tribute to her, Mr. Speaker, and to her fight for an end to discrimination by reason of sex, may we also dedicate ourselves to continuing the great fight for full equality for American women which Susan B. Anthony so nobly advanced.

Mrs. ST. GEORGE. I thank the gentleman.

Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks on the subject of my discussion.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. McCORMACK. Mr. Speaker, today we commemorate the birthday anniversary of Susan B. Anthony. It would be no exaggeration to say that every woman who holds a job, who goes to college, who is a doctor, lawyer, scientist, professor; every mother who has equal guardianship of her children; every woman who controls her own property, her own wages; every woman who votes or holds office, owes a debt of gratitude to Susan B. Anthony, which never can be repaid.

Born on a farm near Adams, Mass., she was a pioneer in more than the suffrage movement. She was for justice alike for both sexes and all colors and races.

Courage and determination are New England traits, and it took tremendous courage for Miss Anthony to persist when even many of the women for whom she was fighting turned their backs on her. She appeared on the American scene at a time when the cause she championed was not only unpopular among men but among women as well. It was for her to kindle the spark of public opinion in favor of the cause of woman suffrage. It is said that public opinion is one of the great factors in America, and when it is refined by the fire of full and free discussion, it becomes a wholesome expression of the views of the people.

It was in 1872 that she cast her ballot at the New York State and congressional elections in Rochester to test the application of the 14th and 15th amendments of the Constitution of the United States. For this she was indicted for illegal voting and was fined, but the fine was never exacted.

Her last notable appearance was as a delegate to the International Council of Women in London, England, in the year 1899. In 1900 there was a great popular demonstration in our Nation's Capital in celebration of her birthday, and in that year she retired from the presidency of the National American Women's Suffrage Association which office she had held for a great number of years.

Susan B. Anthony changed the mind of our Nation. More than anyone of her time she changed the fabric of our civilization by improving the status of women—politically, socially, economically. While she neither began nor ended woman's struggle for equality, she left upon the movement the stamp of an imperishable personality. One might say she is the mother of all enfranchised women in the world today.

An obscure schoolteacher, at the age of 33, she vowed to change the mind of man concerning the degraded position of women. Until the day of her death, she never faltered in her determination to win equality for women.

In her last speech, Miss Anthony left as a memorial to her efforts, the following words of wisdom:

When will men see that what we ask is not praise but justice?

This last speech concluded with these words: "Failure is impossible."

Mr. FALLON. Mr. Speaker, February 15, 1959, marks the 139th anniversary of the birth of Susan B. Anthony. This great lady appropriately may be called an apostle of freedom. She brought to this Nation a vision of a new and enlarged sphere for women in social, economic, and political life. To that cause she unselfishly, effectively, and with rare persistence and ability devoted her life. The years have rewarded her efforts. Her memory and fame have remained through the decades as a symbol of those who have become the common assets of a nation.

I would like to sketch briefly her career and tell you something of the times in which she lived. Susan B. Anthony was born February 15, 1820, in the small New England town of Adams, Mass., where her father owned a cotton mill. Later the family moved to western New York, and in Rochester Susan spent most of her young womanhood and old age.

The Anthonys were people of liberal minds and Susan was given as good an education as girls usually received in those days. This was less than a child now receives in the fifth grade of a public school, and when Susan demanded to be taught long division and algebra she had to find a private tutor.

When she was 17 her father lost all of his property in the panic of 1837. Teaching being the only job open to girls of her social class, Susan became a teacher, and her first indignation against the degraded position of women was when she found that she had to accept $2.50 a week for doing work for which a man was paid $10 a week. She also discovered that the little money she earned was not legally her own, if her father chose to claim it—which happily Mr. Anthony did not. She found when she looked around her that women were practically enslaved. A married woman could own no property, even if it were inherited or a gift. If she worked—and many women did work, sewing, washing and ironing, and taking boarders—her earnings all belonged to her husband. Worse than this, she had no control over her children, for they belonged by law to the father. A married woman could not testify in courts of law, could not sue or be sued. She could not make a will giving away even her personal effects. No woman, married or unmarried, had any way of protesting against such injustice, for women were barred from public platforms.

Susan B. Anthony broke the first taboo by daring to speak at a convention of the New York State Teachers' Association. No woman had ever asked to be heard before, but the men, by a majority of one, voted that she might speak. After that she made speeches advocating the most modern ideas in education, the admission of girls to high school and college, coeducation, promotion of women teachers to higher positions, equal pay for equal work, and, above all, equal educational opportunities for children regardless of sex.

Until she was past 30, educational reform occupied her entire attention outside the schoolroom. But in July 1848 there was a convention in the village of

Seneca Falls, N.Y., the first woman's rights convention in the history of the world. Susan did not attend the convention, but she read of it. She saw that what she had to do was to change the mind of the whole Nation in regard to the position of women and bravely she set herself to do it.

Those today who are working for social advances, and who are often weary and heartsick because their ideas are not immediately realized, would do well to study the life of this woman, who never grew weary, never lost faith, never stopped working. At 70 years of age, 75 and 80, and beyond, she continued to travel all over the United States, lecturing, organizing, taking part in every campaign for woman suffrage. She welcomed the four Western States that in her lifetime gave women the vote, but she always believed that woman's enfranchisement should be written into the Constitution of the United States. Toward that end she worked until her death.

Susan B. Anthony's work was not in vain, for 14 years after her death, on August 26, 1920, the 19th amendment was proclaimed in effect.

It is eminently fitting that one from Maryland pay tribute to Susan B. Anthony. Maryland was named for a woman. Her capital city was named for a woman. It was in Maryland in 1649 that Mistress Margaret Brent demanded place and voice in the assembly as the executrix and representative of her kinsman, Lord Baltimore. Her petition was denied, but she must have had some gallant supporters, as Maryland history records that the question of her admission was hotly debated.

It was not until some 200 years later that the demand for full equality for women was made again in Maryland—this time by that peerless leader, Miss Anthony herself, who lectured in Baltimore in the early 1870's. Immediately associations were set up throughout the State to carry on the fight and these groups proved strong factors in the final ratification of the 19th amendment.

In fitting tradition, Maryland takes her rightful place in urging the adoption of the equal rights amendment so that henceforth, women shall have at last, a place and voice; so that henceforth the law of this land shall be, in the immortal words of Susan B. Anthony, "man's rights and nothing more, woman's right and nothing less."

I urge the Members of the 86th Congress to give to the women of this Nation equal opportunity. I have said on the floor of this House previously, Mr. Speaker, and I repeat, that if two-thirds of the House and two-thirds of the Senate approve the equal rights amendment the citizens of our 49 States will have the opportunity to make the final decision by ratification. Approval of 36 States will add to the Constitution an amendment which goes hand in hand with the Declaration of Independence and the Bill of Rights. It will provide that equality of right shall not be denied by the United States or any State on account of sex.

In paying tribute to Susan B. Anthony, I pay tribute to all women. It is an inspiration to all of us, and a refreshing experience, to turn our attention to a woman who did so much to give us the right to call ourselves a democracy. We can do no less than to follow her sound advice.

Mrs. WEIS. Mr. Speaker, this afternoon we pause briefly to pay grateful tribute to the memory of one of the great women of American history, Susan B. Anthony, and I would not want the day to pass without adding my own sentiments to those which have already been expressed.

Susan B. Anthony lived the greater part of her life in my home city of Rochester, N.Y., and though it has now been a little over 52 years since her death, I can assure you that her memory continues to burn brightly in the heart of virtually every woman in our community.

Each year numerous women's organizations throughout western New York celebrate the birthday of Susan Anthony, and last week it was my privilege to attend two of these anniversary meetings, one at the restored home of Miss Anthony in Rochester, and the other in Buffalo. I was asked to speak briefly at the meeting in Buffalo, to the women of the Interclub Council of Western New York, and I would like to include portions of my remarks at this point in the RECORD.

THE ROLE OF WOMEN IN A CHANGING WORLD

(Excerpts from speech of Representative JUDY WEIS to Interclub Council of Western New York, Feb. 14, 1959)

Susan Anthony was one of the great dynamic leaders of America, and she possessed in abundance all the great attributes of a crusader. Into her character were woven those traits that triumph over all difficulties and discouragements. A will as stubborn as twisted steel. A determination that scorned denial. A soul sensitive to every injustice and tyranny over mind and soul. A courage that counted no costs. A creed that acknowledged responsibility only to her conscience and her God. In all of American history she has few equals as a moral leader, and in her life and her work there is a wonderful example for all of us.

In the same way that we pause to honor Susan Anthony, it seems to me that it is also important that we pause occasionally to take stock of what women have accomplished in these 52 years since her passing.

They have been truly great years for us, and I think it is encouraging to women everywhere to take a good look at the gains and at the contributions we are making. It is helpful to men, too, to see the increasingly important positions in society which women are successfully filling. It increases their confidence in us, and it opens new opportunities to us.

At the same time, taking a good look at what we have done often serves the equally useful purpose of exposing those areas where we are not doing too terribly well, or where a great deal more remains to be done. I would urge all of you to take a little time out once in a while to reflect seriously on what we have accomplished—and what we have still failed to do. * * * Whenever I think of the strides we have made, I am reminded of a remark which Susan Anthony made almost 100 years ago. "Modern invention," she said, "has banished the spinning wheel, and the same law of progress makes the woman of today a different woman from her grandmother."

Wrapped up in these words of Susan Anthony, and in this fast-growing realization of the potential importance of women is perhaps the greatest of all challenges to us—the challenge of where, and how, we can find our proper place in such a swiftly changing world. * * *

I am inclined to think that in Red China and the Soviet Union the role of women has changed too radically. As someone said not long ago, "Russia has the epitome of equal rights, and women are freely offered equality—in all the hard and unyielding tasks like digging sewers, laying cobblestones and stoking blast furnaces."

But this does not deny the fact that in some areas they are doing wonderfully well—and we are not. Over 70 percent of the doctors in Russia are women, and half of the science students in their universities are women. The percentages in our country are a little pale by comparison. Only 5½ percent of our medical students are women, less than 1 percent of our engineering students are girls, and only 4 percent are studying chemistry and physics. Yet experts unanimously agree that women have as much capacity in all of these fields as men. We are simply not making full use of the great potential that is ours until we move into these areas of endeavor and begin making the contributions of which we are fully capable.

Today, as never before in our history, we are locked in a struggle with an opposing ideology which is using every means at its disposal to overwhelm our way of life. We must answer this challenge in kind, with our total effort of our own. * * *

There is still much to be done if we are to fulfill the role that should be ours in this wonderfully exciting period of history. It will require work and sacrifice, and more work, and it will not be easy. But our battles have never been easy, and as I look into the future, with all its uncertainties, I cannot help but look back over my shoulder occasionally into the past, and what I see there is always heartening.

A hundred years ago, women had no right to higher education, no right to enter the trades and professions, no right to own their own property, no right to vote or hold office. And then a small band of courageous, farsighted women rose up to fight for those things in which they believed. Their names? Carrie Chapman Catt, Lucretia Mott, Elizabeth Cady Stanton, Susan B. Anthony—none of them will be forgotten. And as I look ahead today I can foresee other women by the scores, equally courageous, equally farsighted, taking their places, even as women today are taking their places, and I am confident that, as we have never failed before, we will not fail now.

Mr. CONTE. Mr. Speaker, yesterday the Nation celebrated the 139th anniversary of the birth of one of our greatest women, Susan B. Anthony.

Since her birth, the status of women in American life, and especially in the political life of the Nation, has been revolutionized. No man or woman in the land played a more vital role in bringing about that revolutionary change than did Susan B. Anthony.

Those of us from western Massachusetts, where in the little town of Adams Susan B. Anthony was born on February 15, 1820, are proud of this native daughter.

As a member of the Massachusetts State Senate, I was pleased to introduce a resolution making August 26, the day that the equal suffrage amendment to the Constitution became law, Susan B.

Anthony Day in the Commonwealth of Massachusetts.

I am indeed thrilled to see here today the tributes being given to our native daughter by Members of the Congress from all parts of the Nation.

We in Massachusetts cannot be selfish about Susan B. Anthony, simply because she was born in our State. Her life was dedicated to the cause of equal suffrage for women throughout America. Her life work has borne fruits in every corner of the globe. For these reasons we are glad to share her memory with all the world.

Mr. VAN ZANDT. Mr. Speaker, this past week, we in the U.S. Congress have been celebrating the birthday of Abraham Lincoln, the emancipator of an entire race. It is fitting that we now pay our tribute in the same way to one who was an emancipator of American women—Susan B. Anthony.

Her birthday is being celebrated February 16 in all parts of the country. Her statue is here in the crypt of our Capitol Building, a gift from American women. The 19th amendment to the Constitution, which enfranchised women, is popular known as the Susan B. Anthony amendment. Every year comes new recognition of what she did to elevate the position of the women in our country.

Suffrage for women is, of course, taken for granted to day—and this is well, for we do not like to recall that our mothers, wives and daughters did not always share with us, their husbands and fathers and sons and brothers, the primary right—and duty—of the franchise. Fortunately man's memory is so constituted that we do take for granted what is obviously right and good.

But the ideal for which Susan B. Anthony and her valiant fellow workers had to struggle so long and so mightily—yes, and to endure sacrifices and ridicule and indignity—is not yet realized. We here have the power to complete the task and to erase the blot which makes half our Nation not equal under the law. Let us complete the task now, and within a short time—I feel confident—it will be taken for granted that in the United States all citizens are equal under the law.

On the anniversary of the birth of Susan B. Anthony 200 Members of the House of Representatives announced publicly their intention to carry to a conclusion, as far as Congress can do so, the work to which Susan B. Anthony devoted her life efforts by giving their support to the equal rights for women amendment introduced by the Honorable KATHARINE ST. GEORGE and 38 other Members. There is no better way in which to bring our tribute to Susan B. Anthony.

RE-REFERENCE OF H.R. 1341

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the bill H.R. 1341, which was previously referred to the Committee on Government Operations, be re-referred to the Committee on Interstate and Foreign Commerce.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REPEAL OF EXCISE TAX ON TELEPHONE SERVICE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from South Carolina [Mr. HEMPHILL] is recognized for 30 minutes.

Mr. HEMPHILL. Mr. Speaker, I have today introduced legislation to provide a termination date of the excise tax on telephone service.

This bill is identical to the bill introduced by the Honorable THOMAS P. O'NEILL of Massachusetts, whose permission I have to join him in sponsoring the termination of this unfair tax.

Last year I introduced a bill to do away with the telephone tax altogether, but the bill was not considered and will not be considered this year because of the need for revenue. Instead of trying to terminate it this year we are trying to propose a termination date of June 30, 1960, in order to search for other sources of revenue to replace the revenue unfairly collected from telephone users. I say "unfairly" because of matters hereinafter outlined.

During World War II this telephone tax was imposed on the Nation's telephone users. It was designed to reduce the traffic load on telephone plants overburdened by wartime calls, and to discourage new service that would necessitate installing critical new equipment. It was supposed to be a temporary tax.

World War II has been over for nearly 14 years. New equipment and services have been available for much of that time. But the tax still stands, a monument to emergency, and a millstone around the collective necks of telephone users which includes practically everybody.

To the customer, the tax represents a 10 percent higher monthly telephone bill.

To the Government the tax represents another convenient access to the public pocketbook, disguised as higher telephone rates; a mask that most customers do not recognize even though it is itemized on their bills.

To the company, the tax represents money it must collect at its own expense for the Federal Government.

The tax is unfair to every user of the telephone. It is discriminatory. There is no such tax on any of the other public utilities—electric, gas, or water. It puts an essential public service in the same class as jewelry, perfume, and entertainment.

An effort has been made to obtain repeal of the tax for years. Many bills have been introduced in Congress. Failing to keep faith with the public, the Federal Government is going to consider offering as much as 40 percent of the telephone tax revenue to the States for financing vocational schools and sewage treatment.

If Congress passes this measure, and if it should be accepted by the State legislatures, the discriminatory telephone tax likely will be with us forever, past all hope of repeal.

Once a new tax is instituted, history shows that it dies hard, because the money has become a permanent part of the budget, even though the original need for it has passed.

Certainly there are better ways for defraying the cost of vocational schools and sewage treatment than by imposing part of the burden on a particular part of the tax-paying public—the telephone users.

The entire communications industry has urged the elimination of these taxes at every opportunity. Representatives of the United States Independent Telephone Association and of the Bell System have testified before congressional committees. Industry witnesses have taken the position that while the Government need for revenue must be recognized, this discriminatory tax imposed to meet a national emergency, should be eliminated just as soon as Government revenue requirements permit. At the same time, the question remains whether a tax so discriminatory as the telephone excise tax should be continued in lieu of obtaining needed revenue from other tax sources.

Congress having repealed the excise tax on the transportation of goods in 1958, communications and the transportation of persons—where the cost of the fare is 60 cents or more—remain the only services now subject to excise taxes. There is danger that these remaining taxes will become permanent unless Congress acts to prevent it.

The Joint Federal-State Action Committee proposal that 40 percent of the local telephone tax be turned over to the States emphasizes the danger of the tax becoming permanent. The proposal overlooks, first, that the local telephone tax was a wartime emergency tax; second, that no excise tax was ever imposed upon local telephone service until required by World War II; and third, that this would in effect saddle upon the telephone user the costs of vocational training and new waste disposal plants in all States—costs that should be borne by all taxpayers just as other expenses of Government are.

Telephone customers carry a big telephone taxload even without the excise tax. For instance, in 1957 the Bell System alone paid $1.3 billion in operating taxes and collected directly from telephone users about $515 million more in excise taxes on the services they used. This totals more than $51 per customer per year. Without the excise tax, telephone users would seem to be carrying their full share of the tax burden.

If this iniquitous levy were eliminated, the telephone user would get the full benefit because the telephone company acts merely as a collection agent for the Federal Government—at the customer's expense. If the tax were eliminated the customer would ultimately benefit in another way, namely, from the saving on collection expense which must necessarily become a part of the cost of service.

For these reasons it is natural that telephone companies object to these Federal excise taxes. They do so for

three good reasons: First, a company has a responsibility to object to unequal and discriminating taxes levied on its customers; second, excise taxes increase materially the cost of telephone service to customers, and may well curtail their use of telephone service which automatically reduces the value of telephone service to existing customers; third, administering the collection of excise taxes adds an additional amount to the cost of telephone service.

Telephone users are unhappy about having to pay excise taxes on their service. Testimony indicating just how unhappy telephone users are about this tax has been offered before the House Ways and Means Committee by representatives of such organizations as the American Hotel Association, United Fresh Fruit and Vegetable Association, New York Stock Exchange, American Farm Bureau Federation, the National Association of Railroad and Utilities Commissioners, the United States Independent Telephone Association, and the Bell System.

The State and Federal regulatory agencies strenuously oppose excise taxes on communication services for a variety of reasons, the chief one being that the tax makes it difficult to set fair rates for services. At its 1958 convention, the National Association of Railroad and Utilities Commissioners unanimously petitioned the Congress to terminate the discriminatory excise taxes on communications and transportation services at the earliest possible date.

To sum up, there are three basic reasons why excises on communications services should be repealed:

First. The longer they are continued the greater the danger that they will become a permanent part of the tax structure, which was never intended by the Congress that put them in effect.

Second. They are unfair and discriminatory against telephone users as a group. Telephone service is regarded as a daily necessity. Yet Congress treats it as a luxury by subjecting it to the same taxes that are imposed on unnecessary luxuries such as club dues, night club bills, liquor and tobacco. It is the only household utility service so taxed.

Third. The necessity for maintaining Federal tax revenues at the current high levels should not preclude the elimination of these taxes on communications services, so vital and essential in the everyday life of most Americans.

The nature of the tax demands its early repeal or at least the immediate adoption of a firm termination date.

I quote an article from the Telephone News issue of December 1958, which I think is significant:

FIFTEEN-DOLLAR FEDERAL LICENSE FEE FOR TELEPHONE USERS?—OUR CUSTOMERS ARE ALREADY PAYING IT

Suppose the Federal Government passed a law making every telephone customer pay $15 a year for a license to use his telephone.

Farfetched? Not at all. Telephone subscribers across the Nation already pay this average sum each year for the privilege of making local and long-distance calls.

Of course, telephone users do not receive licenses for their money. The fee is paid in excise taxes—10 percent of the amounts paid for all local and long-distance service. Business houses, manufacturers and other large telephone users pay thousands of dollars in excise taxes annually.

Our companies collect the money and pass it along to the Federal Government. None of it ever comes back as direct benefits to our companies or our customers.

The excise tax on telephone service was inaugurated as a temporary, emergency measure. During World War II it served two purposes: to raise revenue and to discourage the use of service which could not be expanded to meet civilian demand.

The war emergency has passed. The civilian demand has long since ceased to interfere with military needs. The temporary excise tax remains.

The tax is unfair, discriminatory and unrealistic. It penalizes one segment of the public; it singles out the telephone from other household utilities—gas, water and electricity—which have no such tax; and it is imposed much in the same way as the tax on luxuries—liquor, jewelry, furs and night clubs.

The tax is an unwarranted burden on our subscribers, and regardless of whether it costs a customer thousands of dollars, $15 or even $1, we believe it is unfair and we oppose it.

And now comes a new and more harmful proposal. The Joint Federal-State Action Committee proposes that part of this tax burdening the telephone user—40 percent of the amount levied on local telephone service—be handed over to the States. The States, thus subsidized by the telephone user, would be required to devote these funds to the erection of sewage disposal plants and for vocational training. The balance of the excise taxes on telephone service would still remain in the Federal tax structure.

This proposal would in effect make this unfair, discriminatory tax a permanent part of the States' tax laws. In such circumstances the possibility of repealing any part of the telephone excise tax would seem remote.

Our customers justly resent this unfair tax on their telephone service and should have the facts to carry their case effectively to the State and national lawmakers. And each of us owes it to our customers, neighbors and friends to give them these facts that are so vital to their pocketbooks.

Mr. Speaker, I cannot urge too strongly the early consideration of this legislation, the enactment of which is long overdue.

THE TENNESSEE VALLEY AUTHORITY

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. MILLIKEN] is recognized for 15 minutes.

Mr. MILLIKEN. Mr. Speaker, the Tennessee Valley Authority has recently announced its approval of the purchase of the Nation's biggest steam turbine generator from an English manufacturer. This is not an ordinary, everyday decision by our Government. It is a precedent-setting and, I believe, shortsighted and dangerous action.

For some years our Government has been buying an increasing amount of electrical equipment abroad—simply because the very low wages of foreign workmen makes possible much lower prices on this custom-built heavy electrical apparatus. But never before had our Government purchased a steam turbine generator—the key unit of an electric power system—from abroad. Now, for the first time, the U.S. Government has taken this step, and in so doing, has bought the Nation's biggest steam turbine generator in history.

Why do I say this is dangerous policy? Because this is just one more step—and the biggest step yet—toward making this Nation's vital electric power system dependent upon a foreign country for maintenance and repair.

Power generators are not quickly replaceable or repairable. They are giant machines bigger than a house and extremely complicated in their design and manufacture. They are not alike, in that each one is specially built to meet the specific needs of its user. Their maintenance, in peace or war, requires ready access to the manufacturing plant of the builder and technical consultation service of his engineers without dependence on ocean transportation. To buy key machines of this type for vital national defense power needs—as in the TVA area—is to utterly disregard the hazards involved. It is most significant that the English, with a government-owned electric power system, do not buy such power generators from foreign firms as a matter of policy, for this very reason of their national security. Yet there are many in this country who weep for the British if anyone suggests that the United States should show equal intelligence.

Why do I say that this action is not only dangerous, but also shortsighted? I refer to the effect on our own economy. This single order for a 500,000-kilowatt steam turbine generator represents 1,080,000 man-hours of work which will be lost to the employees of the low U.S. bidder. The low U.S. bidder in this case, after TVA evaluated the base bids, was the Westinghouse Electric Corp. I note that the General Electric Co. claims to be the low American bidder, but the Washington office of TVA states that when the bids were evaluated by TVA in terms of the specifications, Westinghouse Electric was lower than General Electric. This means that if there had been no lower foreign bid, Westinghouse would have been awarded this contract. The lost order represents, in addition, 375,000 man-hours of work lost to hundreds of Westinghouse suppliers. All of this is enough work for 700 people for a full year. And this is a time when employment is seriously curtailed in the American plants which make heavy electrical apparatus, such as those of Westinghouse in Lester, Delaware County, Pa., and in East Pittsburgh, Pa.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. MILLIKEN. I yield to the gentleman from Pennsylvania.

Mr. DENT. I want to note at this point that I agree with everything the gentleman has said so far and probably will with everything else he says. I am glad he is joining in this fight, because not alone are we buying from England, but just as late as last week we purchased or gave a letter of intent to

purchase steam generators from a Swiss company known as Brown-Boveri, which will replace work intended for the Elliott Corp. in Jeannette, Pa., a plant now operating at 40 percent of capacity. All of this, I might say, is the direct result of the President's Executive order in 1954 which wiped out the 25 percent differential previously allowed under our trade agreements with European competitors for public business, and he reduced it to 6 percent, which does not even cover the cost of Government mandated additions, such as the Workmen's Compensation Act, the Social Security Act, as well as the other mandated costs that we, as a government have placed against the American producers. I join the gentleman in the fight he is making.

Mr. MILLIKEN. I thank the gentleman from Pennsylvania.

These are labor depressed areas. Many of the workmen affected by this loss of work have as much as 17 years seniority on their jobs.

Is this situation the fault of the Westinghouse Co. or of the 700 employees who may be thrown out of work? Indeed it is not. The difference in bid prices between Westinghouse Co. and the C. A. Parsons Co. of England is the direct result of the wide wage differentials which exist between England and the United States and which our laws help maintain. The average English wage rates are only 37 percent of U.S. wage rates. American manufacturers cannot possibly compete on heavy, custom-built electrical apparatus with its high labor content, against English prices. They cannot compete, that is, unless our Government gets smart enough to consider not just price, but also the other vitally important considerations on which there is no price. I mean the jobs of American workmen and the security of the Nation itself.

This is neither the time nor the place for bargain-basement buying or price-tag politics. But for the benefit of those who are genuinely concerned about the rising cost of government, as am I, let me point out that the lower foreign price in this case should be viewed in light of what this country will lose in tax revenues by placing this order abroad. It will cost the United States about $3,600,000 in lost tax revenues to both the Federal and the State governments. This loss will eat up most of the so-called saving to the Government through the lower foreign price which is made possible by cheap labor.

Mr. Speaker, if one were to disregard all I have said up to this point, there is another most important consideration weighing heavily in favor of buying such power generators as those from domestic manufacturers. That is simply the many advantages to TVA or whatever other Government agency may be the purchaser. In this important matter of maintenance, for example, the Westinghouse Co. has a technical organization for service and repair which includes more than 1,000 field service engineers. In contrast, Parsons has three technical men in Canada and is dependent on service and parts from England—service and parts that could be cut off entirely in case of war.

In the matter of the technical differences between the products of the two firms, Westinghouse has built turbine generators which operate at higher temperatures and pressures than do the Parsons generators. For example, Westinghouse is now building a 325,000-kilowatt machine to operate at 3,600 revolutions per minute, while Parsons' largest machine is a 120,000 kilowatt generator operating at 3,000 r.p.m. Also, the Westinghouse bid in this instance guaranteed 13,000 kilowatts over the Parsons bid guarantee. One must seriously question, therefore, whether foreign manufacturers are as well qualified to design and build a giant half-million kilowatt generator as are American firms which have led the world in such research, development, and construction and who back up their work with firm performance guarantees.

All of this casts even greater importance on a petition now awaiting decision by the Office of Civil and Defense Mobilization. This petition, supported by the National Electrical Manufacturers Association, asks that four major elements of electric power systems be listed as defense essential, and that import of these specific products be restricted in the national interest. This would not apply to most of the electrical industry's products—just four in the heavy power apparatus category.

Since other nations which are capable of manufacturing their own heavy power equipment consider it unwise to use foreign-made machines of this type in their power systems, our own Government should have no hesitancy in following a similar course. Common sense dictates such action. To follow an opposite policy in the name of better international relations is to badly confuse the issue and to appear naive in the eyes of our more realistic friends abroad.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MILLIKEN. I yield to the gentleman from New York.

Mr. STRATTON. I desire to associate myself with the gentleman's remarks, and very emphatically, representing a district in which the turbine manufacturing facilities of the General Electric Co. are located. While we may differ, and there seems to be some question of difference as to who was the lowest domestic bidder in connection with the TVA contract, I think we certainly agree on the point the gentleman has made.

I should like to urge the gentleman to associate himself with a request I have directed to Governor Hoegh of the Office of Civil Defense Mobilization requesting him to examine this contract and determine whether for reasons of national security he has the right to recommend that it be disallowed. It is my understanding that that question is currently under consideration by the Office of Civil Defense Mobilization. I would hope that the gentleman and his associates on his side of the aisle might use their influence at the other end of the Avenue so that we could establish the principle of domestic purchases for facilities on this important national security project.

Mr. MILLIKEN. I thank the gentleman. I certainly agree that these heavy electric giant hearts of powerplants should be bought in America.

SAM RAYBURN AND JOSEPH W. MARTIN, JR., RECEIVE TWIN SILVER QUILL AWARDS OF NATIONAL BUSINESS PUBLICATIONS, INC.

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. REES] is recognized for 10 minutes.

Mr. REES of Kansas. Mr. Speaker, at the Sheraton-Park Hotel in Washington, D.C., on January 23, the Senate majority leader, LYNDON B. JOHNSON, presented twin 1958 Silver Quill Awards of National Business Publications—highest tribute of the business press—to the Speaker of the House, SAM RAYBURN, and its former Speaker, JOSEPH W. MARTIN, JR., for "distinguished legislative service to business and industry."

This annual Washington dinner features a question-and-answer period in which captains of industry, Cabinet officers, and other Government leaders gage the state of the Nation by discussing the prospects in their respective areas of the economy.

National Business Publications is an association of publishers of 203 technical, professional, industrial, scientific, merchandising, and marketing magazines.

Business Publications perform a unique service to the economy. They facilitate the exchange of business education and industrial know-how. They stimulate our enterprise. They power the progress of our technology.

Business magazines are designed to serve the needs of the specialist who must keep abreast of newest developments in his highly specialized field.

The history of business publishing parallels the growth of business and industry in America.

The excerpts follow:

INTRODUCTORY REMARKS BY MASTER OF CEREMONIES RICHARD P. SMITH, PRESIDENT, W. R. C. SMITH PUBLISHING CO., AND CHAIRMAN OF THE BOARD, NATIONAL BUSINESS PUBLICATIONS, INC.

It is always our hope that this state of the Nation dinner will prove to be a harbinger of better times to come. Here—at our head tables—are leaders from government and industry who have graciously consented to answer one specific question related to our dinner theme, "A Platform for Business in a Space-Age Economy." All have agreed to operate under a tight 2-minute rule.

We are also privileged tonight by the presence at our podium of a famous news analyst, commentator, and correspondent. He has courteously consented to be our moderator and will ask the questions which are to be answered. It is my good fortune to be the one to present to you Mr. Walter Cronkite.

"REMARKS BY WALTER CRONKITE, NEWS COMMENTATOR, COLUMBIA BROADCASTING SYSTEM

"Good evening ladies and gentlemen. Mister SAM, Senator JOHNSON, Speaker JOE—and other members of this very distinguished company—I am highly honored to be a part

of this truly significant occasion. I want to thank an old friend, your president, Bob Harper, for making it possible. Answers to our questions follow in the order listed in your program. I will initiate each question by simply announcing the name of the speaker. So, now, on the beam of our theme, "A Platform for Business in a Space-Age Economy," we begin with Mr. Rogers:

" '*State of Nation questions and answers*

" 'William P. Rogers, the Attorney General

" 'Question. Mr. Attorney General, in considering the possibility of future political action by the business community, now that organized labor has become such a major factor in politics, wouldn't it be more equitable to amend the Corrupt Practices Act, so that the American investor could become more active in political campaigns through those organizations in which he is a stockholder?

" 'Answer. Walter, I'm not sure why you ask me this question. Due to certain unfortunate developments last fall, we Republicans don't have much to say about changing the laws.

"'The suggestion, in the question, that the business community should take a more active part in political affairs to offset union activities, I think, is the wrong emphasis. I firmly believe that the business community should take a more active part in political affairs, but for an entirely different reason. No group in this country has a greater stake in the future of our country than the business community, and, by taking a more active part, they can contribute very significantly to the future of our country. So, I am thoroughly in accord with more activity on the part of the business community.

"'Now, specifically addressing myself to the question, let me say that the Corrupt Practices Act is misunderstood by a lot of people. I doubt if many people have actually read it. There probably are not as many changes, as you might think, that can be made in the law, on a superficial reading of it. But, in order to avoid the suggestion that might come to your mind that I don't think there are things that can be done to improve the law, I want to say right away that that is not the case and there may be some ways that the law can be strengthened.

"'To be sure that you direct your interest and energy in the right direction I, in closing, would like to suggest that, if you do have a feeling that there are specific changes that should be made in the law, you send your letters to LYNDON JOHNSON. Thank you.

" 'Herman K. Intemann, President Union Carbide Metals Co.

" 'Question. Mr. Intemann, in the all-out race to conquer outer space, are you satisfied that we are blessed with sufficient resources—in the way of essential fuels, minerals and metals—to assure future successful competition by our related industries with those formidable space-age developments already being forecast by other major world-power nations?

" 'Answer. The natural resources of this Nation have long supplied an economy that has produced the highest living standard in the world and has accomplished the greatest technological progress man has ever seen. These resources, with respect to fuels, minerals, and metals, are ample to take care of outer space needs in the foreseeable future. We're not yet talking about a space rocket in every garage or an automobile type of mass production operation that consumes vast amounts of materials. The real problem is not one of sufficient quantity of natural resources, but the conversion of these resources to chemical and metallurgical materials which give optimum performance under the unusual conditions that exist in space. Research in industry, government and the academic world has virtually accomplished miracles in the past and can be counted on to meet successfully this challenge.

" 'Ezra Taft Benson, Secretary of Agriculture

" 'Question. Mr. Secretary Benson, it is obvious, of course, that—if we are to reap the harvest of outer space supremacy—we must sow the fields of our enterprise with ever-increasing expenditures for the required equipment and allied developments. Without impairing our vital food and fiber supply—how much money can we safely cut from our regular appropriations for carrying on the business of agriculture?

" 'Answer. The answer to your question is twofold. First, the amount requested for agriculture in the President's budget is a minimum needed under present laws to carry out the required functions of this Department. The President is striving for a balanced budget in 1960 and the Department of Agriculture's budget reflects a sincere effort to do our part.

" 'Secondly, under the terms of existing legislation (which is outmoded and unrealistic in this day of tremendous agricultural efficiency and production), we are required to provide price supports to farmers on a few crops, 12 out of 250. With mandatory supports at high, unrealistic levels and with crop production setting new records, these outlays have become tremendous. If Congress will take a hard, realistic look at the price-support programs and act at once, we can substantially reduce these costs. This will not impair our vital food and fiber supply and will improve the economic health not only of our farmers and ranchers but of our whole Nation.

" 'Under these old depression-war-born laws, surplus is built up. Markets have been lost. Controls have failed and costs to taxpayers have risen. Farmers need and want freedom to plant, freedom to market, freedom to compete, and freedom from Government regulation and control.

" 'John R. Kimberly, Chairman and President, Kimberly-Clark Corp.

" 'Question. Mr. Kimberly, handicapped as we now seem to be—with spiraling wages, prices, and taxes already pricing us out of world markets, all the way from Scandinavia to Latin America—are you inclined to agree with the prediction that unless we find a way to stabilize production and distribution costs, we can easily become a nation forced to ration even such desirable daily customs as coffee-drinking?

" 'Answer. Yes; I do agree that we must find a way to stabilize costs if we are to maintain our leadership in economic development. This is vital not only to maintain and expand our world markets but to keep our domestic economy in a strong, competitive position and avoid further inflation.

" 'Under our present program of gradual tariff reductions and the development of common markets abroad, industry in this country must find new ways of increasing its efficiency and real productivity. Our goods and services must be leaders in quality and have a value in the market that not only maintains existing customers but develops new ones.

" 'The alternative would be to drop our standard of living to equal that of our competitors. This can be avoided, if we are willing to face up to the fact that industry can finance future development in terms of research for new products and capital expenditures for their production only out of earnings.

" 'If the tax burden on business could be brought down and an opportunity provided for increased incentive in the form of earnings, I believe we can hold down inflation and, at the same time, improve real wages and, through increases in volume, maintain government revenues.

" 'We must seek out and welcome innovation in our approach to our economic development. This is the responsibility of all of us in industry and in government.

" 'Wilber M. Brucker, Secretary of the Army

" 'Question. Mr. Secretary Brucker, it has always been said that a good offense is the best defense. Why, then, should we expend so much money and effort on defensive weapons and equipment? Wouldn't it be better to concentrate our resources on the development of offensive power?

" 'Answer. Mr. Cronkite and good friends. This matter of discussing offense and defense and all of the military, in 2 minutes, is about like asking Einstein to talk about relativity and the theory of it. I want to assure you tonight that there's no truth to the rumor that the Navy and the Air Force have donated their time to the Secretary of the Army for this purpose. You may think that this has been a great night, tonight, but I've spent 2 days, yesterday and today, before the Senate Armed Services Committee defending the Army's budget. So, I'm qualified to speak about defense tonight.

" 'Now, to get into this job. The word is balance—forces must never get out of balance. It's just like a football team. If you've got a good backfield with a weak line, you'll never get anywhere or, vice versa, if you've got a weak backfield and a strong line, you'll always lose. We've got to pay attention to both the backfield and the line—it's a question of sheer balance in the spending for national defense. Now, this goes the whole gamut. There's never been a weapon, since the time of the bow and arrow and the spear down to the missile and the intercontinental ballistic missile and the anti-missile missile, never a one, that couldn't be countered and defended against with something else. It's always a contest—manpower against weapons, submarines against torpedoes, divisions against artillery, anti-missiles against missiles, airplanes against antiaircraft artillery or surface-to-air missiles and so forth. It's a question simply of proper balance.

" 'In this country, at the present time, we're open to attack. Not because we want to be but because in conscience and good principle this country can never strike a first blow. In that situation the whole thing becomes topsy-turvy. Instead of talking about offense, we have to start with a strong defense, in order to make possible the raising of SAC from the ground and getting the rest of our offense on the move. So, in talking about either offense or defense, you switch sides very, very rapidly. But, again when we talk about defense and offense, we must remember that we have, in this world, 43 allies with whom we are very closely related. They're all around the world. They extend from Europe to the Far East and to the reaches of Australia—and they're our friends. They're our best help overseas. Our divisions, our planes, and our ships are, of course, of assistance to them out there, and they to us. So, they become not only a defensive weapon at home but an offensive weapon, as an ally, to us here.

" 'In this great moving spectacle of defense this country must, tonight, visualize the coming of whatever may happen. A strong defense and a strong offense are like the prizefighter in the ring. The fellow who sticks his chin out but has no defense had better watch out, even though he's got a wallop in both the right and left. Tonight balance is the word our country needs—balance in defense, manpower, weapons, planes, ships, and guns.

" 'Edmond H. Leavey, President, International Telephone & Telegraph Corp.

" 'Question. Mr. Leavey, we are told that astronautical communications are already a problem of major magnitude, due to congestion of the radio spectrum and a lack of

regulations for space-age situations. Will you give us a few hints of things to come in space communications and possible future commercial application of these developments?

" 'Answer. Major problems of space communications are not attributable to spectrum congestion and lack of regulations alone. Other difficulties are posed by the extreme distances involved, power limitations, characteristics of the earth's atmosphere and space, and the present limited payloads of space vehicles.

" 'Nevertheless, we believe that worldwide communications employing space satellites can certainly be a reality, although it will take a major effort. Many years of operational experience with satellite links will be required before complete global communications by this means will be perfected.

" 'In the industry for which I am speaking, many plans are being suggested. For example, ITT laboratories for some time has been studying a global system using stationary satellites. It would work this way: Three satellites would be put into equatorial orbit at approximately 24,000 miles from the earth, circling it every 24 hours, so that the positions of the satellites relative to the earth would remain fixed.

" 'By placing the satellites at equal distance about the orbit and equipping each with a microwave receiver and transmitter, line-of-sight microwave communications would be possible throughout the world except for minor polar areas.

" 'Direct dial telephoning around the world would then be possible. Television programs could be beamed to the world. Communications facilities would thus be available via the satellites.

" 'The problem of congestion in the radio spectrum which was raised in your question, is under study by experts in this field and the outlook for a solution is most encouraging. Final allocation of frequencies will be determined, of course, by international agreements.

" 'We believe a global satellite communications system is within reach and that it can be a powerful weapon for peace.

" 'James H. Douglas, Secretary of the Air Force

" 'Question. Mr. Secretary Douglas, some experts maintain that missiles have already caused the obsolescence of man-piloted aircraft as a weapon of future warfare. If that contention is correct, would it not result in much less cost to the American taxpayer, if we could either have only one military service or let qualified civilian personnel run the missile program?

" 'Answer. First, I must disagree with the experts if they think that manned aircraft will not play an important part in future warfare. I believe that for years to come there will be a firm requirement for long-range bombers, for long-range piloted interceptors and for tactical fighter aircraft. Missiles will replace substantial numbers of our aircraft, but missiles and manned aircraft will supplement each other. The manned bomber will receive great assistance from the long-range ballistic missile in its task of penetrating enemy defenses. It is also becoming a platform for missiles. What we are seeking is the most effective mix of missiles and manned aircraft.

" 'I disagree with the suggestion that manned aircraft are obsolescent, but this position should not dismiss the question, Can we get adequate defense for less cost, whether by one military service or by having civilian personnel run the missile program? In my opinion, the defense enterprise is too big for one military service and the defense reorganization makes clear the authority of the Secretary of Defense to avoid wasteful duplication in missile and other weapon systems programs. As to civilian personnel, I would say the missile programs are under teams that represent military-civilian partnerships. The Air Force ballistic missile program, which I believe has been outstandingly successful, is a good example. There the Ballistic Missile Division, under General Schriever, depends upon more than 500 civilian scientists and technicians for systems engineering and technical direction of our ballistic missile programs.

" 'To the extent that the question suggests the need to press ahead as advancing technology permits and keep our forces modern, let me assure you this is the purpose of the Air Force. To maintain the military strength that is our best assurance of peace, we are aggressively developing the weapons of tomorrow and bringing them into our inventory to replace weapons of the past at the earliest time consistent with maintaining ready reliable forces.

" 'H. M. Horner, Chairman, United Aircraft Corp.

" 'Question. Mr. Horner, are you convinced that American industry can assume the job—with qualified personnel, modern laboratories and factories, and sufficient tools—to research, manufacture and maintain all necessary space-age "hardware" and supporting facilities, at a lower cost to the taxpayer than it can be done if researched and produced exclusively by the Government in facities completely owned by the Government?

" 'Answer. Yes, with these explanations. In a field as dynamic as flight—whether it is in the earth's own atmosphere or in space itself—there will be the constant need for complex research, development and production facilities. There will always be the need for personnel that is steadily abreast of the expanding arts and sciences, trained to increase their dimensions. So, up-to-date facilities and technically skilled manpower will be an unceasing requirement, no matter who undertakes the job. This has been so in aviation since Kitty Hawk and it will continue to be, so long as we seek to improve the dimensions of flight.

" 'Some Government support for facilities traditionally has supplemented the engineering and production facilities of industry for such complex and costly vehicles as advanced fighters, bombers, missiles, and rockets. The very nature of their conception and realization, together with many other factors, has required such assistance. A better technical and less expensive job can be done, however, for the whole range of space flight, if the assignment is placed with industry. It can be done far more rapidly, too—and time, in my opinion, is the most important qualification of all. Among many reasons I could advance to support my position for industry, perhaps the most prosaic is the most telling. This country has always operated with pretty good success by using the competitive system. We know that system, so why should we throw it over for a way of operation that has proven inferior and in which our chief competitor has a 40-year start?

" 'If American industry is given the job in the proper climate, we can lead the world in the space age. American industry proved its ability to perform these complex technological tasks by giving this country the finest overall Air Force the world has ever known during World War II. It is the competitive drive of our system of private industry that is all important. Moreover, if all research, development and production are lodged in the Government itself, then the customer is also the developer and producer. Would this customer, who is also the developer, readily admit that a good job was not being done? Most Americans, I think, would have a two-word description for the condition—not good.

" 'Lewis L. Strauss, Secretary of Commerce

" 'Question. Mr. Secretary Strauss, as head of the businessman's department of Government, do you consider it probable that the very nature of our future economy could adversely affect private enterprise—by prompting more and more participation by Federal agencies in the actual business of producing and providing many of the items required for space age progress?

" 'Answer. I would expect the reverse. I believe private competitive enterprise will play an increasingly greater role. We will not make what you have called space-age progress by resorting to State-dominated collectivism. The Government can only enter the business of production in competition with its citizens at the expense of progress.

" 'We are on the threshold of a new decade during which our population should grow from 180 million next year to 214 million in 1970. Invention and innovation will supply increasing needs and provide new products for our more numerous, continuously better educated and more prosperous consuming public. Only the forward thrust of a free economic system can develop velocity for the anticipated record-breaking prosperity and for our national security.

" 'Even the massive research and giant production, required by government for nuclear space-age progress, stem in greatest measure from individual ingenuity and from contracting with private business.

" 'If the American goals continue to be both scientific preeminence and individual liberty, our perfected instrument for their attainment will be free enterprise, encouraged by a sagacious government but operated by resourceful private citizens in the common interest of everyone.

" 'A. King McCord, President, Westinghouse Air Brake Co.

" 'Question. Mr. McCord, do you believe that our national security can be served better by additional foreign aid in the way of investment overseas by American private capital—to further the free-enterprise system abroad—or by private domestic educational programs designed to achieve greater public recognition of the benefits and efficiencies of the American free enterprise system?

" 'Answer. My belief is that our national security can be served better by private domestic educational programs of the type described by the question, rather than by additional overseas investment by private American capital.

" 'This position is taken with full recognition that investment of American private capital abroad is important to our mutual security program and, as such, contributes to the strengthening of national security.

" 'However, the question requires that I select one of two alternatives or, at the least, express an opinion as to a priority of action.

" 'National security, I believe, rests upon the foundation of an efficient and expanding free-enterprise system at home. To maintain our system and permit it to reach its greatest potential requires continuing and aggressive public support. Such support, from an informed public, will result in more efficient individual effort and be reflected in a political climate which continues to support the free-enterprise system and encourage the expansion of our economy.

" 'As the free-enterprise system continues to succeed here, in that degree, it should and will compel imitation abroad. If it fails here or does not continue as the system of greatest economic promise, then no amount of investment abroad or foreign aid will persuade recipient peoples to follow our example.

" 'Obliged to choose between the two alternatives, I am compelled to favor education at home over investment abroad because ac-

ceptance of our free-enterprise system abroad depends upon its success at home.

" 'Arthur E. Summerfield, the Postmaster General

" 'Question. Mr. Postmaster General, with all of the planning and projecting of missile missions to the moon and back and elsewhere in outer space—as part of your modernization program—are you contemplating delivery of mail to foreign countries and to space stations throughout the universe via red, white, and blue rockets?

" 'Answer. Walter, if I did not know you better I could suggest you had your tongue in your cheek when you asked me that question.

" 'Seriously, however, your question reminds me of a famous prediction which was made nearly a hundred years before the Wright brothers flew the first airplane at Kitty Hawk.

" 'In his immortal poem, "Locksley Hall," Alfred Lord Tennyson made this observation:

" ' "For I dipt into the future, far as human eye could see,
Saw the vision of the world, and all the wonder that would be:

" ' "Saw the heavens fill with commerce, argosies of magic sails,
Pilots of the purple twilight, dropping down with costly bales."

" 'Not many of us have the eloquence or great vision of Alfred Lord Tennyson, but this I can say—we stand today on the threshold of the greatest peaceful use of missile development, the transmission of mail between the peoples of the world by guided missile.

" 'Let me assure you, Walter, that the peaceful use of guided missiles for transmission of mail is presently under serious study by the Post Office Department.

" 'The postal service will continue to keep pace with the great scientific achievements which are being made. Wherever our citizens may go in this great universe, the delivery of their mail will continue to be expedited whether they are on the moon or on a space station, or in the far corners of the earth.

" 'In my judgment, before man reaches the moon, your mail will be delivered within hours from New York to California, to England, to India, or to Australia by guided missiles.

" 'And if Congress provides us with sufficient funds, you may be assured that mail-carrying rocket missiles will be painted with the traditional colors—red, white, and blue—of which every American is justly proud.

" 'Harllee Branch, Jr., President, the Southern Co.

" 'Question. Mr. Branch, by constantly increasing the availability of loans to foreign countries for developmental projects, at the current annual rate of some $700 million, isn't it conceivable that we are really only creating a Frankenstein in the market by way of self-financed competition for our own manufacturers?

" 'Answer. I think the word "Frankenstein" is too strong. It suggests an uncontrollable monster which turns on and destroys its creator. I do not think that loans to foreign countries for developmental projects, if prudently and realistically granted, are uncontrollable competition for American manufacturers.

" 'Certainly, these loan programs must be realistically geared, not only to the economic needs and desires of the borrowers, but also to the ability of our people to provide the loans without seriously impairing our own economic strength and stability. There is a limit in this respect which cannot be ignored.

" 'Assuming that our foreign loan programs are skillfully managed, then we must be concerned with other governmental programs which tend to hobble the competitive capacity of American industry. My primary concern is—I think—with a tax-depreciation program which discourages the prompt replacement of obsolete industrial equipment with the most modern and efficient apparatus which our scientific and engineering skills can make available.

" 'I am also concerned with labor and tariff policies which impair the ability of American manufacturers to compete on even terms with foreign manufacturers—even in American markets. And, of course, I am concerned—as every American should be—with the specter of inflation and with any governmental policy—whether related to foreign loans or domestic spending—which tends to fuel the inflationary spiral.

" 'What I am trying to say is this—a foreign loan program, if realistically and prudently managed, is not likely, of itself, to create a "Frankenstein" for our people. But, such a program, if conducted in an irresponsible fashion and if coupled with other reckless and profligate domestic programs, could produce such a result. All of these things are, in my opinion, controllable. The question is whether the American people and their elected leaders have the will and wisdom to exercise the realistic control.

" 'Wm. McC. Martin, Jr., Chairman, Federal Reserve System

" 'Question. Mr. Chairman, due no doubt to our loss last year of over $2 billion in gold, plus continued deficit spending to the tune of $12 billion—we hear disturbing reports about a growing distrust around the world for future stability of the American dollar. Can we continue on our current financial course, without losing face both as a fiscal and as a moral force?

" 'Answer. My own experience in this connection indicates that the doubts of our friends abroad relate not to this country's ability but to its will and moral stamina; overcoming these doubts, therefore, requires continuingly responsible conduct of our affairs rather than a flurry of dramatic actions.

" 'The problem can be stated simply: If American goods are priced out of world markets, the result will be a decline in business and employment at home, attended by great social hardship and a weakening of our position in world affairs, attended by vulnerability to hostile forces.

" 'Fortunately, the solution is equally simple to state: The first requirement is that we balance our budget and keep our financial house in order, which means we must pay for the national needs expressed in the budget instead of giving IOU's or printing more paper dollars and thus driving prices up; the second requirement is that we increase our productivity and pass benefits therefrom to the consumer, thus raising our standard of living and fostering economic growth on a sustainable base. The way is clear. The will must be shown.

" ' Russell R. De Young, President, Goodyear Tire & Rubber Co.

" 'Question. Mr. De Young, your company has just recently evidenced full faith in the future of our economy by embarking on its greatest expansion program. Isn't it only fair to assume that you cannot anticipate a realistic return on your investment in tomorrow—without the Government matching your confidence by providing adequate legislative and administrative protection for your continued right to compete in a free market?

" 'Answer. We have never been more confident in what the future holds for American industry than we are today.

" 'Goodyear is planning a capital expenditure this year of $70 million as evidence of our faith in a sound recovery of the American economy.

" 'Our partners in this investment are the American people. They are represented, in part, by over 100,000 employees and their families, our stockholders, our labor leaders, our suppliers, and our customers. Their stake in this investment is just as great as ours.

" 'And, under our system of government, these people—and their counterparts in every industry in the country—are the Government * * * and we have confidence in these people.

" 'Business today represents the many—not the few. If our investment in tomorrow is destroyed by thoughtless action by any faction—inside or outside of Government—the economic fall-out would radiate directly and indirectly into every State in the Union * * * including Alaska.

" 'Only healthy, vigorous, unshackled industry can pay taxes to support the many and vast governmental programs we have today. We are firmly convinced that the Government believes in taxes.

" 'Therefore, we are confident that the Government will protect its investment to the extent of permitting us a realistic return on our investment.' "

"ADDITIONAL REMARKS OF MASTER OF CEREMONIES RICHARD P. SMITH

"Ladies and gentlemen, we come now to a very proud moment for the business press—the presentation of its silver quill awards. You may be sure that there were many outstanding candidates recommended to the selection committee. However, there are no others more deserving of this highest tribute of the business press than those who are about to receive it. I think that it is high time that business began to speak up for its democratic rights in a more unified and more forceful manner. I feel that it is high time that real statesmanship is recognized by business. We are honored by the presence of a real statesman who is to make our silver quill presentations—a man beloved by the party which he leads in the Senate, respected by both Republicans and Democrats and esteemed by all who know him. Senator JOHNSON, the business press is and always will be honored by your presence. We are delighted to have you here to present our silver quill awards to former Speaker MARTIN and to Speaker RAYBURN.

"REMARKS OF SENATE MAJORITY LEADER LYNDON B. JOHNSON IN PRESENTING THE 1958 SILVER QUILL AWARD OF NATIONAL BUSINESS PUBLICATIONS, INC., TO JOSEPH W. MARTIN, JR.

"I would like to say to the members of National Business Publications that you are doubly fortunate in your choice—doubly fortunate because you have been doubly wise.

"JOE MARTIN has labored under some handicaps through the years. He was a Republican and he did not come from Texas.

"But there is one handicap under which JOE MARTIN has never had to labor. He has always had friends who bear in their inmost hearts a deep respect and a deep affection for him.

"I would like to say that I am one of those friends.

"There are many people who describe JOE MARTIN as a plain man. It is a word that is apt in many particulars.

"His integrity is plain for all to see. His devotion to his country is plain for all to see. And his dedication to duty is plain for all to see.

"These are qualities which have been tested in the court of critical opinion. And in every instance, JOE MARTIN has passed 100 percent.

"I learned to know him early when I came to Washington. I discovered in JOE MARTIN depths of sincerity; attributes of direct honesty and warm friendship for all of his colleagues.

"Over the years, there have been many occasions when I disagreed with JOE MARTIN. There have been many times when I thought

he was in error. But I never had the faintest suspicion that it was an error of the heart.

"And I have never known a time when JOE MARTIN's word was anything but good. Nobody needs to draw up a contract with him to insure compliance.

"Whenever an award is presented to any man, those who make the award must always face certain problems. The most important is the standard that is to be used in picking the recipient.

"What are the criteria that apply to JOE MARTIN?

"This is a man who loves his country.

"This is a man who serves his country.

"This is a man who is dedicated to his duty above all other considerations.

"This is a man who is a good and faithful servant of his convictions.

"JOE, this is an occasion which gives me more pleasure than it gives you.

"I am in a position tonight to pay tribute and honor to two close and trusted friends. I am in a position to say some of the things that are in my heart and have been in my heart for many years.

You and SAM RAYBURN will always be associated together in my mind. And you will always have a special place in the hearts of your countrymen.

"It is in that spirit that I present to you the Silver Quill Award.

"REMARKS OF JOSEPH W. MARTIN, JR., FORMER SPEAKER OF THE HOUSE, IN RECEIVING THE 1958 SILVER QUILL AWARD OF NATIONAL BUSINESS PUBLICATIONS, INC., JANUARY 23, 1959, WASHINGTON, D.C.

"Mr. Chairman, Mr. President, Speaker RAYBURN, Senator JOHNSON, distinguished guests, both of the local government and of abroad, my friends of the National Business Publications, I appreciate the generous reception you have given me. It will stimulate me in the years ahead, in giving more positive service to our common country. Believe me, Senator JOHNSON, I am deeply touched by your very generous words and the high standards you have attributed to me. I hope, Senator JOHNSON, that I may be worthy of these words you have uttered, coming as they do from a great Democratic leader whom we, in the course of our daily life, come into contact with—sometimes rather sharply, but always with a keen appreciation that our opponents are just as patriotic and just as American as we are.

"I am grateful beyond words to be selected to receive this twin Silver Quill Award—along with my old friend—time-honored friend—SAM. It is truly one of the greatest honors of my life and, of course, the fact that the trophy was made in Attleboro does not diminish from its value. SAM and I have shared a basic belief and I think it overshadows the differences between parties. Above all, we believe that we are trying to work out a life in America that will bring happiness and comfort to millions of people. We may have had different ways, sometimes, to approach the subject, but the goal in sight was always the same for either one of us. I believe that two men working with a common purpose can reach a goal. That is why I love America, because that is the way we solve the problems that we have in this great country of ours. We debate, we compromise and we arrive at the solution that means the best for America. Since I have this honor with SAM RAYBURN tonight, I want to say right here and now, he's one of the greatest Americans of this age. It is a rare privilege indeed, SAM, to be with you on this, which I consider a most joyous evening.

"I have enjoyed every one of these brilliant dinners in Washington, since they were initiated 7 years ago. I have witnessed six of the past awards to Paul Wooton, Vice President NIXON, former President Hoover, inventor Kettering, now deceased; my old friends of years, Senator HARRY BYRD, and Ben Fairless. I consider this occasion each year to be unmatched anywhere in our time. I believe that it is of unusual benefit to the country to bring the leaders of our Government and of our industry together on such occasions. It can only develop a mutuality of respect and a greater understanding of each other's problems—and those of our country.

"I have always felt completely at home at this head table, far more than I do tonight. You see, I am an old editor and publisher and still keep a finger in the running of the hometown daily. So, there's no need to explain to you what I mean when I say that it's a very satisfying experience to know the smell of printer's ink.

"I have just a few more things to say tonight. I want to say something about our unrelenting requirements for a constant stream of new information concerning the technology of our modern way of life. I want to say something about the high purpose and integrity of the publishers who are represented by this outstanding organization, by this unduplicated dinner and by this magnificent audience.

"As you know, I've been in Congress for more than 35 years, having twice been Speaker of the House. During all that time, I have never known your people to ask for anything that they didn't honestly and fairly deserve and believe in. I have never heard you threaten to use the influence of your persuasive voice to obtain some purely selfish end. I have never been told of any attempt by your legislative representatives to exert undue pressure on the Members of Congress. How much better would be America if other organizations could say the same. We'd have a much better country.

"Instead, you've always been most unselfish, cooperative and understanding—as trustworthy sources of vital facts and figures. Instead, you've always been and you remain unequaled as channels of communication for the advancement of the trades, the sciences, the professions and the industries of America.

"Without your publications to spread the gospel of specialized knowhow and to bring about the quick exchange of adult education—I am confident that the progress of our economy could be retarded to a point where we might become a second-rate power. I am sure that the Speaker and Senator JOHNSON will agree with me that these are indeed substantial accomplishments and services you have rendered.

"We face today a most important period in our existence as a nation—our freedoms, our form of government, yes, even our very security are at stake. It's a great challenge we face and we must not fail in this decisive moment. The great struggle lies before us and you can rest assured that, in the days ahead, my single objective will be to contribute my experience, according to my conscientious judgment, to the progress and happiness of the country I love and the security of the peoples of the free world.

"I've been privileged by the Great Legislator of all mankind to live a long life. I have been blessed with many lasting memories of good friends and good times. However, I can assure you that this wonderful evening with the business press and this symbol of your friendship will be a most treasured memory which will last forever. And so, Senator JOHNSON, I'm very proud to accept at your hands the Silver Quill, coming as it does from a great organization for good in America. I'm glad, Speaker SAM, to share with you the honor because I know how richly you deserve it and I know it cannot fail but to inspire you, as it does me, to more intensive service for our common good in these days ahead. May God bless you all and keep you steadfast in your important work in helping to make America the great country I think it is going to be in the days ahead.

"REMARKS OF SENATE MAJORITY LEADER LYNDON B. JOHNSON IN PRESENTING THE 1958 SILVER QUILL AWARD OF NATIONAL BUSINESS PUBLICATIONS, INC., TO SAM RAYBURN

"I suppose SAM RAYBURN has listened to more spoken words than any other man now living.

"I also suspect he has heard more words of praise for himself than any other American who has ever lived.

"The first record was established because of the jobs he has held. And the second resulted from the way he has served in those jobs.

"SAM RAYBURN is one of those rare figures who has, during his active years of service, earned and received just recognition as a great American of his time.

"Because I know and love this great man, I am especially proud to have a part in this presentation. It is one of the most appropriate and most fitting ever given him.

"SAM RAYBURN has never proclaimed himself a special pleader for business. Neither has he done so for labor nor anyone else.

"If he has a special interest in his heart, it is the Fourth District of Texas and all of America.

"Yet the whole of SAM RAYBURN's service has been dedicated to one end: the building of a stronger Nation and the advancement of an expanding free economy.

"SAM RAYBURN has had faith in the capacity of a free system to produce. Basically, I believe such a faith is and will always be the business community's first interest. For it is when the men at the top of our Government begin to falter in that faith that the system itself begins to manifest the symptoms of internal illness.

"SAM RAYBURN has had a high sense of dedication to the concept of responsible capitalism. Look at our economy today. There is at the moment no more vital symbol of confidence than our stock market. Yet it was largely due to SAM RAYBURN's vision and courage, his mule-headedness, that Congress, a quarter-century ago, laid the foundations for the public confidence which now abounds in our securities system.

"This is one example of many.

"With the passing of the years, many have forgotten that SAM RAYBURN in the 1930's was the legislative architect of the reforms which reinforced the base of our free enterprise system in the field of securities, utilities, communications, transportation, and many more.

"For business today, this concept of responsible capitalism may well be the most important concept with which free enterprise works.

"Business is facing up to the fact that it is not articulate at home. Business must, I am convinced, also face the fact it is not sufficiently articulate abroad.

"We live in a world which does not use the American definition of capital. Abroad, even in our own hemisphere, capital carries a connotation which no longer jibes—if it ever did—with the American meaning.

"Our greatest single challenge over the next quarter century may well be to spell out for other nations the American definition of responsible capitalism.

"Men who believe in the future as SAM RAYBURN does are indispensable to this labor.

"SAM RAYBURN believed in the future of American enterprise in days when many businessmen themselves had lost faith. But for the faith of this man, and the abiding confidence he inspired in others about him, we might have made a ruinous turn and have never come to the abundance we now experience.

"Mr. Speaker, to you I would express, not merely as a friend, but as a student and as an admirer, gratitude which this award sym-

bolizes—and commemorates—for the leadership you have afforded.

"Some have described you as 'Mr. Texas.' Others have called you 'Mr. Democrat.' But I suggest it might be more fitting if you were identified as 'Mr. Confidence.'

"For your confidence has kept our Nation on course in times of test.

"Your confidence has held our Nation above the bogs of partisanship.

"Your confidence has been a keystone in the arch of prosperity over the lives of all the people, in business, in labor, on the farms, the whole of our society.

"It is my honor, my very happy honor, I should say, to present you the Silver Quill Award for 1958.

"REMARKS OF SAM RAYBURN, THE SPEAKER OF THE HOUSE, IN RECEIVING THE 1958 SILVER QUILL AWARD OF NATIONAL BUSINESS PUBLICATIONS, INC., JANUARY 23, 1959, WASHINGTON, D.C.

"Mr. Chairman, members of this organization, my old fellow worker, JOE MARTIN, and my partial friend, LYNDON JOHNSON, I thank you all. To be a recipient of this token of your respect means a great deal to me, as it does to my friend JOE. JOE and I have been in the House of Representatives for a long time. I a little longer than he. We have sat on different sides of the aisle. We have belonged to different parties and we have changed positions in the House of Representatives several times. He has taken the gavel away from me twice and I want to say that that gavel was never in more honest or more capable hands in all the history of the speakership then when it was in the hands of JOE MARTIN.

"I have had many honors. People have given me everything that I have asked them to give. I have now served continuously in the House of Representatives longer than any other man in the history of the House of Representatives. I have served as Speaker of the House of Representatives 6 years longer than any other man in the history of the House of Representatives ever served. Somebody was talking to me a while ago and said, 'You can talk freely because we're not going to quote you.' 'Well,' I said, 'go ahead and quote everything that you want to quote, because I am one man in American politics who can't be hurt. I've already had mine and nobody can take that away.'

"JOE MARTIN and I have been disciples of the doctrine that legislation should never be passed to punish anybody, any group or any sector or any section of our country. But, that legislation should be passed to bring about justice, fairplay and equal opportunity among all of our people. I can remember when people, who didn't understand, said—as LYNDON referred to in the early thirties—that when I was handling a bill to control issues of securities that I was going to stop the circulation of any kind of securities in interstate commerce. I had no such idea. I wanted clean securities and I think today—and not many months or years after that bill passed the House of Representatives—that the good, honest issuers of securities in this country are proud that the desperados and the cheats have been driven out of their midst.

"Then, along came the Stock Exchange Regulation Act. The unthinking and the unknowing said that that bill was going to close the stock exchanges. My answer to that was that I was further from wanting to close the stock exchanges than they were. Of course, they do business and do things that no other organization can do. We have passed a clean Securities Act and now we want a clean place in which to buy, sell, and exchange securities. It might be news to you for me to say, that, for many years after that bill passed, every president of the New York Stock Exchange, after he was elected, came to my office and said to me that they wouldn't be governor of the New York Stock Exchange if it were not for that bill. 'Because,' they said, 'we, as some others who have been on the exchange, might get into bad trouble.'

"So, when people say that we are unknowing, that we do not understand that the problems of business are the problems of our country, just remember that 435, now 436, honest men and women—selected men and women—chosen after contest, are down here in Washington trying to do and are doing their best for you and for all of the other American people. We're not perfect. We make mistakes, as everybody does, but we are as willing and as ready to acknowledge those mistakes and try to cure them as anybody else.

"The committees of Congress hunger and thirst for men of your type and character who understand business, who understand the trends, who have a patriotic desire to make things better, not only for business but for all the people of the country. They welcome you before those committees and they thirst for the information that you have, as it is helpful to them in arriving at a just and a fair conclusion before they report a bill and have it placed on the calendar of the Senate or the House of Representatives.

"I saw a letter today that someone published and sent out to business people—I won't mention the name of the sheet because I wouldn't want to advertise it, since somebody might be peculiar and want to buy it—it said I was a dangerous radical, that I was a collectivist and a few other adjectives like that—I would hate to repeat, in LYNDON's presence, what it said about him. But, the person who wrote it was writing something that he thought somebody would buy and somebody would believe. So, come down and visit with us—and come to know us.

"Usually, the average man says, 'Oh, my Congressman's all right but that other 435. If all were like my Congresman.' Well, the people in the district of the other fellow think just as much of their Congressman as you do of yours and, sometimes, when they get so they don't like theirs, they make a little change.

"Now, I'm not going to say anything about politics this evening but I will say this, since the election on November 4, I've heard more about balance then I'd ever heard in the same length of time before. We've had some of that here this evening and I hope we'll balance so that everybody will have a fair chance. Let me say again—without wearying you, because I realize, as you do, that it is getting to the shank of the evening and you may be a little tired—how deeply appreciative I am of this honor that you have conferred upon me. It will be one of my prize possessions that will go in my library at my home town of Bonham, Tex.

"I want to say to you again, as JOE MARTIN suggested, that in this dangerous world in which we live—and I think it is the most dangerous world, frought with more things to disturb people than any other time since Christian civilization began—we in the Congress are going to sift recommendations for money and for legislation. We are going to try to do the things that will put our country in a posture of defense both militarily and economically, because we cannot be in a posture of military defense and not be in a great posture of economic defense. We're going to appropriate the money that we think necessary to make our country so strong, in both directions, that no international desperado will ever dare to try to set foot upon the sacred soil of the United States of America.

"And so, in closing, let me again say what a great honor it is to be with you this evening and to receive this tribute in connection with one of the same sort given to an old friend. I wish that each of you, throughout the years which are allotted to you, may enjoy to the fullest extent the rich blessings of health, a reasonable degree of prosperity, and one day, under God, that this Nation and all good peoples throughout the world may look toward a peace that will be enduring."

FARGO CITY COMMISSIONERS SEEK BENSON RESIGNATION

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

Mr. BURDICK. Mr. Speaker, the dissatisfaction with the farm policies of this administration, which has existed in rural areas for some time, now appears to be in evidence in the cities also. So great has been the concern that we find an American city for the first time calling for the resignation of Secretary Ezra Taft Benson.

I have just received a communication from Herschel Lashkowitz, mayor of the city of Fargo, N. Dak., advising me that a pronouncement, which was signed by every member of the Fargo City Commission, was read at the commission meeting held February 3, 1959, and I was further advised that, pursuant to the understanding of the city commission, I be requested to insert the pronouncement in the CONGRESSIONAL RECORD. The pronouncement reads as follows:

Throughout this general area people are keenly interested in the growth, progress and economic development of the city of Fargo and its inhabitants. Correspondingly, the people of Fargo are also keenly interested in economic conditions and the well-being of its friends and neighbors in surrounding rural areas.

It is universally recognized these days that our economy is an interdependent economy, and that which adversely affects agriculture sooner or later has an adverse effect on business, labor and the general public. It has now been clearly established that one vital segment of the economy such as agriculture cannot suffer without there being cumulative effects on the rest of the people. Therefore, the interdependence of agriculture, industry, business and labor must be recognized.

Fargo is the center of a great farm belt and our people depend upon agriculture for their sustenance and livelihood. Therefore Fargo, like any agricultural community, cannot afford to stand back and permit the deterioration of our agricultural economy, and the continuing decline of farm income, accompanied by the general accelerated move away from the farm.

The news reported by the Associated Press as late as last Saturday, January 31, was headlined "Farm Income To Decrease by Many Millions—Benson Shakes Up Price Supports in Agriculture," and heralds the downward spiral of farm income and its ultimate effect on this area and our people.

Therefore, recognizing that the peril of agriculture is the peril of all citizens in this area whether they live in villages, towns, or cities, or on the farm, we call for the immediate resignation of Secretary of Agriculture Ezra Taft Benson, whose policies have contributed to this unfortunate decline in our agricultural economy and farm income. We regret that Secretary Benson, by his policies, appears to regard farmers and

farms as just so many increments or statistics on a chart, and Secretary Benson also appears by his policies to lack feeling or concern for the plight of the individual farmer.

The Benson policy, as announced and administered by the Secretary of Agriculture, can only mean eventual ruination to many of our family farms and imposes a cumulative unfortunate effect on the rest of our economy.

In the event Mr. Benson does not submit his resignation, we respectfully call on the President of the United States to ask for Mr. Benson's resignation and to replace the Secretary of Agriculture with a new face and a new policy, based upon determined bipartisan attempts to help restore farm income and save the family-sized farm.

FARGO CITY COMMISSION.

Meeting of February 3, 1959.

Mr. Speaker, the farm policies of Secretary Benson, which have caused surpluses to mount, prices to decline, and administration costs to rise, and which were again ratified in the President's farm message, must be brought to an end. It should be the duty of this Congress to enact legislation which will bring about parity of income to the farmer, and increase purchasing power on the mainstreets of our cities and towns. This should be our duty despite the possibility of a Presidential veto.

GOOD OPPORTUNITIES FOR FUTURE FARMERS OF AMERICA

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, each year during the week of George Washington's birthday the Nation pays tribute to the Future Farmers of America. This year the period of February 22d through the 28th has been designated as "National Future Farmers of America Week." It is quite fitting that the anniversary of George Washington's birth should be the occasion for focusing attention on this national farm organization, for Washington is a sort of patron saint of the Future Farmers of America. Our first President was also this country's first scientific farmer and on his farm called Mount Vernon he experimented with new crops, new tools, new methods of cultivation and fertilization. He advocated and practiced the rotation of crops to conserve the soil, long before that practice became general. Washington could not benefit from the wealth of information available to farmers today through agricultural colleges, experiment stations and other agencies of the Government. He had to rely on "Doing to learn," a phrase in the FFA Motto, and an integral part of the program of the Future Farmers of America. Washington conducted endless experiments, carefully recording all the information he obtained, designed and built some of his tools, and even tried various systems of marketing to find the one that would give the best return for his crops. The FFA honors Washington not only for his practical contributions to the advancement of agriculture and his early recognition of the need for soil conservation, but also for his love of country life.

The national FFA organization was launched at Kansas City, Mo., in 1928 and on August 30, 1950, a Federal charter was granted to the Future Farmers of America through passage of Public Law 740, during the 81st Congress of the United States. Had I been a Member of Congress at that time, the vote of the second congressional district would most certainly have been cast for passage of this law. I know of no national student organization more deserving of praise than the Future Farmers of America for by their very existence we are assured that the farmer of tomorrow will be prepared to meet the increasing demands both at home and abroad for agricultural products.

In this age of mechanization and the application of science to all phases of production agriculture has not been neglected. Research is constantly being conducted to improve the quality of our crops and on today's mechanized farm the latest methods of soil conservation, scientific breeding, crop rotation, and contour planting are utilized to get the maximum production per acre. Vocational education in agriculture—a nationwide program of systematic instruction in agriculture and farm mechanics conducted in public high schools all over the country—is providing the technical knowledge and practical know-how required of the success farmer of tomorrow. Enrollment in vocational agriculture is a prerequisite to membership in the Future Farmers of America. It is through application of their vocational training the FFA members are able to carry out the programs and projects of their organization. Vocational agriculture and the FFA constitute the most effective program yet developed for training boys to be good farmers and helping them to become established in the farming occupations of their choice.

In the Second Congressional District of Kentucky we have many chapters of the Future Farmers of America and we have only to look at the achievements of the members of this organization to realize the influence for good they are exerting on their rural communities. This influence is continued to be felt as many members of the FFA pass on into the ranks of the Farm Bureau, Farmers Union, and other agricultural and civic groups, there to accept and to fill creditably places of trust and responsibility while still in their youth.

I am in wholehearted agreement with the FFA creed which begins with the declaration "I believe in the future of farming," and I also believe that there are good opportunities for good farmers. There has been much discussion in recent years of the farm problem with low prices resulting from surplus production; however, the longtime outlook is good. because our population is increasing so rapidly that more and more farm products are needed every year. The Future Farmers of America will be depended upon, by an ever-expanding population, for the supplies of nutritious foods and other agricultural products that will keep our people healthy. It is comforting to know that the future of American agriculture will be in the hands of well-trained, civic-minded citizens who are dedicated to the principle that abundant agricultural production is the backbone of America's strength.

Mr. Speaker, an outstanding example of a good farmer who is preparing himself to accept the agricultural opportunities of the future is Danny Duvall, 18, of Rural Route 7, Bowling Green, Ky. At the 21st farm awards luncheon held in Louisville, Ky., on Saturday, February 14, 1959, this young gentleman from my home town in Warren County was chosen top Future Farmer of America in Kentucky. Danny Duvall has a 50–50 partnership with his father, Marvin, on their 120-acre farm. Presently a senior at Bristow High School in Bowling Green, he will farm full time upon graduation. Danny is a member of the Junior Conservation Club, Farm Bureau, and Jersey Cattle Club, and has also participated in several FFA public-speaking contests. Ranny Duvall's selection for this top FFA award demonstrates the truly commendable work being done by this fine organization in my section of Kentucky.

GOOD NEIGHBOR POLICY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. FASCELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FASCELL. Mr. Speaker, recent and past events regretfully bring to light the fact that our good neighbor policy toward our Latin American friends demands immediate attention if the Western Hemisphere is to achieve a maximum degree of strength in time of emergency and a maximum degree of prosperity in time of peace. We have too long taken for granted our friendship with our neighbors to the South. Our attitude of complacency has sowed the seeds of misunderstanding to the detriment of our best interests as well as theirs.

It is with a distinct pride that I point to the efforts of Florida's able and outstanding Senator GEORGE SMATHERS, and the contributions he has made toward promoting good relations between the United States and Latin America. Over the years he has repeatedly warned of the events that would take place and which did take place with the pursuit of a "de-emphasis" policy. His vision, foresight and brilliant analysis has earned for him the highest respect both in and out of the Congress, in the field of United States-Latin American relations. He has made inestimable contributions to his country's well-being. Floridians have a particular pride in all his many accomplishments—accomplishments for which the Nation itself will be forever indebted, and which have marked him as a national leader.

By virtue of the leadership of this distinguished son of Florida, progress is being made in effectively doing some-

thing about the deterioration that has taken place in our relations with our South American friends who have contributed so much to the well-being and defense of this great country of ours.

On January 31, Senator GEORGE SMATHERS delivered a brilliant and enlightening speech demonstrating his remarkable leadership in Latin American affairs at a dinner honoring President Frondizi, of Argentina, at Miami Beach, Fla. The contents of Senator SMATHERS' remarks, calling for a revision in our policy dealing with military assistance to Latin American countries in order that greater concentration can be given to promoting a stable economy in the area, should be considered by every Member of Congress.

Let me review for you that important speech:

Senor Presidente, General Frondizi; Your Excellencies; my favorite Congressman, DANTE FASCELL; county commissioners and public officials; friends of Argentina all—y mis amigos.

A pesar de que estudie castellano por tres anos en la Universidad de Florida, espera que usted perdone mi inabilidad para hablarlo. Yo no se si mi profesor no era muy bueno, o si yo soy muy esturido, pero he llegado a la conclusion de que la culpa no fue de mi profesor.

La semana pasada estuve presente en la sesion solemne del Congreso donde eschuche su discurso. Queremos que usted sepa que su vista significa mucho en el curso de las relaciones de nuestros paises.

Admiramos su lucha contra la tirania y su esfuerzo para rehabilitar las instituciones democraticas.

Espera que nuestra compania le haga sentirse como si estuviera en su casa.

Con su permiso, Senor Presidente, continuare hablando en Ingles para que me entiendan las personas que no habian castellano. Creo que usted tambien me entendera mejor por medio de su interprete.

For those of you who speak only English, let me explain that I've just been saying a few words of welcome to our distinguished guest in Spanish—my Spanish.

As for those of you who do speak Spanish, surely after my rendition, you must recall the story about Mark Twain, who spent a number of years as a Mississippi River boat pilot. He had a riverman's flair for picturesque speech, including an astonishing vocabulary of swear words, which he delighted in exercising.

It is said that Mrs. Twain tried for many years to break him of the habit. She coaxed, she begged, she cajoled—all without success.

Finally, she decided she'd try showing him how terrible it sounded. She made a list of the curses Mark Twain used, until she had about 5 minutes' worth, and one day, in the midst of a family conversation, she pulled it out and in what she conceived to be the proper manner, read it off.

Mark Twain heard her through to the end. Then he smiled and said: "My dear, you've got all the right words—but you haven't got the tune."

So it is with me and my Spanish. I speak it like a rock'n roll band playing Mozart. I trust, however, that my efforts this evening haven't permanently damaged United States-Latin American relations. But I'm trying and I'm sure the Presidente knows the purity of my intentions, even if not the purity of my Castilian.

I

I know you all join me in extending the most enthusiastic of greetings to this courageous leader who directs the destiny of a great sister republic at a critical moment in its history.

As many of you know, during my 12 years in the Congress I have talked long and feelingly on the need to improve relationships between Latin America and the United States. I've made some headway, but it's been only a pigmy step.

However, in a few minutes before the Congress, in a speech which, next to Sir Winston Churchill's, was the most eloquent, moving, and logical that I've heard in 12 years—President Frondizi made the case for Latin America. He quickly bridged the gap. He suddenly opened the eyes of all to the true meaning and urgency of good Latin-American relationships. Mr. President, your speech was a verbal ICBM—a missile of goodness, of democracy, of friendship, of ideals and ideas. In a few seconds, you spanned the gap between Argentina and the United States. I commend you for a superlative performance.

II

Today we all know that a powerful surge of democratic spirit is sweeping through the Americas.

The revolution that toppled Peron and elevated Senor Frondizi was the first in a series of popular uprisings which have thinned the ranks of the dictators, almost to the vanishing point. We here hope democracy will now prevail, for we know it to be the only system which allows the full expression of man's dignity, and capacity, and worth.

We in the United States have been justifiably and wisely chary—ever since we discarded gunboat diplomacy—of appearing to force others to do things our way. We do not insist that the governments of the Americas be modeled in our image.

Quite naturally, differences in experience and temperament are going to result in a variety of political systems. The choice is not ours to make—nor should it be.

But we are hopeful that democracy will prove to be contagious. We believe in democracy, we define it as did the historian Merle Curti, "as the doctrine that all men possess, a sacred, irrevocable right to govern themselves and to reach for the stars."

But, as President Frondizi so eloquently and incisively reminded us in his address to the Congress, victory over dictatorship is not automatically followed by the words: "And they lived happily ever after."

In Argentina, dictatorship left behind a terrible political and economic wreckage as it did in the other republics which have thrown off the yoke.

The present government is still plowing through the initial posttyranny stage, clearing away the debris of ruined lives, repairing and reconstructing the shattered foundations of democracy, reshaping the twisted superstructure of the economy.

President Frondizi told us his biggest challenge still lies ahead.

So this is the first lesson: That freedom and democracy will endure in Latin America only as they prove to be the right weapons for overpowering the misery and poverty which still disfigure too much of Latin America.

We should know by now that hemispheric prosperity cannot be plucked from a tree like an orange. It has to be build arduously brick by brick. But we also know that this awesome task is best begun by people who share generally the same ideals, the same goals. That was the history of our own colonies, and that was the history of our own States.

Today the United States and Argentina, under Frondizi, stand on common soil, sharing the same ideals, the same hopes and aspirations. We are finally on the same side—and we must help our teammate as we would expect to be helped.

We in the United States know that defense of our own freedom depends heavily on the strength of the other Americas, on their ability to withstand, over the long haul, both the lure and menace of communism.

I sometimes feel that for the past 12 years I've been as tiresome on this point as an overexposed television series. Unfortunately, my message is ever a new one, because too few seem to listen, or to care. Most of you have heard me urge our Government to develop an active and systematic cooperation with our sister republics, individually and collectively. You have heard me plead for funds to wipe off this hemisphere the diseases which cancel the energies of our peoples. You have heard me press for a more liberal Export-Import Bank policy; for greater sympathy toward Latin American petitions to the Development Loan Fund; for the creation of a separate inter-American bank; for more technical assistance; for a truly dramatic student exchange program, the one single program that can raise the level of intelligence and improve understanding like no other.

These pleas have reverberated off the walls of the Senate, and the ears of the State Department, with disconcerting ineffectiveness. Still, I would not say the efforts have been wasted or completely unavailing.

Recently our government has awakened from its preoccupation with Europe and Asia to recognize the validity of the Inter-American Bank proposal. We all are now for it. In addition, under some pressure, they have stepped up technical aid and recently made some sensible loans, one of them to Argentina.

Meanwhile, there is one aspect of United States policy which seems to me to require a thorough airing. That is the question of military aid and military missions to the American republics.

The news earlier this month that we planned to send 54 Marines to Haiti has caused a great deal of worried comment, both in Congress and out.

Without a fuller explanation than has thus far been forthcoming from either the State or Defense Departments, it is difficult for me to see what military interest of the United States this mission is intended to serve.

It would appear very much as if we are deliberately walking into the middle of the explosive Caribbean situation with our eyes shut to the consequences, like a man in a top hat parading past a boy with a snowball.

I am not going to belabor this point tonight. But it's clear that the only fact that is apparent at this moment is that our military missions to Latin America have created a great deal of misunderstandings and ill feeling on a number of counts, nor have their advantages yet been demonstrated.

No one, for example, can get around the fact that American military supplies have been used in at least one instance, and perhaps more than once, to support unpopular regimes in power.

The military mission and aid to Cuba during the Batista regime is today a very sore point in Cuba. Some Cubans claim that Batista turned those weapons sent by the United States on the revolutionaries. On the other hand, the pro-Batista people were unhappy because they claimed our Government stopped the supply of weapons at the critical moment. What the facts are, I don't pretend to know—except that we are abused by both sides, and the purposes of the military mission are grossly misunderstood.

Similar charges were heard in Colombia after the overthrow of Rojas Pinilla. In this case, the evidence was rather clear. I have myself seen pictures of United States cannons and United States shells in action against the people leading the revolution.

It seems to me axiomatic that we cannot claim to support democracy if our weapons are used to enslave people.

Of course, I'm familiar with the argument that these weapons and military missions

are intended solely to increase the effectiveness of hemisphere defense.

I doubt the validity of the assertion.

So far as I can see, it rests on the theory that world war III, if it comes, God forbid, will be fought with the same weapons and on the same strategic plan as was World War II.

How else to explain the decision last year to turn over 11 outmoded destroyers to various Latin American governments?

I have been advised by competent military men that these destroyers would be utterly worthless for tracking down and destroying modern submarines with their atomic power and payloads.

As Khrushchev and Mikoyan has so often said, the real battlefield of the future will be social and economic—and if a shooting war cannot be avoided, it will be fought, not with battleships and carriers and long campaigns through South and Central America, but with hydrogen warheads and missiles delivered across the roof of the world to primary targets in the United States.

To arm and train the hemisphere countries in the changing techniques of nuclear war is beyond our capacity, what with our staggering commitments on the very periphery of the Soviet Union.

Let's not fool ourselves. The outmoded military aid which we make available to Latin America and force on our neighbors in some instances, does not relieve the United States in any appreciable fashion of its present responsibilities for hemisphere defense.

This program does—indeed it already has created a special set of problems all its own.

In addition to those mentioned, it oftimes upsets the balance of power among the individual republics. The 11-destroyer deal which our military sought to push through Congress last year, and which I blocked, would have given a destroyer to Peru, but not to Ecuador—thereby causing Ecuadorians to grow excited and conclude we had taken Peru's side in the long struggle between those two fine countries.

Aside from the matter of national pride, which is not unimportant, arms for one nation and not others in equal amounts creates uncertainty and fear. It seems that the United States is taking a hand in affairs which are really none of its concern.

Moreover, arming Latin America with outmoded weapons is a clear invitation to disaster. It is building a shell around a vacuum and diverting needed energies from more vital tasks. When we send them equipment, we put a heavy burden for maintenance on already overburdened treasuries. In several countries, the resulting strain could be the difference between success and failure of the democratic experiment.

In addition to the financial aspects, there is the waste of human resources which results from diversion of some of the hemisphere's finest minds into essentially unproductive work—and to what purpose?

To furnish the illusion of defense—an illusion, let me add, that is as dangerous to our own state of mind as it is to the political and economic stability of our sister republics.

Several countries are already beginning to reach this verdict on their own. Mexico informed us, a while back, that it wants none of our military missions or our weapons. Should we wait until the other countries reach the same conclusion?

It seems to me that we ought to restudy and reconsider now. In the long run, the future of Latin America depends, not on the "availability" of World War II weapons to fight a war which will never be fought.

No; Latin America's future rests with schooling its citizens in the democratic process and with a frontal assault on poverty, illiteracy and misery.

Should we in the United States not ask ourselves would we not be making a sounder contribution to the strength of the things in which we believe, if we called off our missions of marines and substituted missions of agronomists and public health specialists, of engineers and educators?

President Frondizi seems to me to personify the new direction that we should take in Latin America.

As the first Argentine President to visit the United States while in office, he has set the tone for a new era, the end of a long period of estrangement, and the start, I hope, of a new and brilliant period of cooperation.

Our two countries lie almost at the extremes of the Western Hemisphere. If the United States and Argentina can come together and replace former differences and misunderstanding with understanding, then indeed there is real hope for revival of a meaningful Good Neighbor policy.

Again, Senor Presidente, welcome. We are gratified and proud of your presence and wish for you and the Argentine people a fulfillment of their dreams. May this meeting symbolize the linkage of North and South America and the sincerity of our desire for a richer and fuller life for all.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

By unanimous consent, permission to include extraneous matter.

Mr. HEMPHILL, for 5 minutes, today, and to include extraneous matter.

Mr. BREEDING, for 30 minutes, on Wednesday next.

Mr. ALFORD, for 50 minutes, on Wednesday next.

Mr. FLOOD, for 30 minutes, on Wednesday, February 25.

Mr. PATMAN, for 30 minutes, on Wednesday and Thursday next, and to revise and extend his remarks and include extraneous matter.

Mr. ROUSH, for 15 minutes, on Wednesday next.

Mr. MILLIKEN, for 15 minutes, today.

Mr. REES of Kansas, for 10 minutes today, and to revise and extend his remarks.

Mr. METCALF, for 60 minutes, on Thursday next.

Mr. POWELL (at the request of Mr. MCCORMACK), on Wednesday next, for 1 hour.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. NATCHER.

Mr. GATHINGS and to include extraneous matter.

Mr. HECHLER.

Mr. MONAGAN and to include extraneous matter.

Mrs. KEE in two instances.

Mr. REUSS and to include extraneous matter.

Mr. WRIGHT and to include extraneous matter.

Mr. PIRNIE.

Mr. ALGER.

Mr. GRAY.

Mr. LANGEN.

Mr. DAGUE and to include extraneous matter.

Mr. AVERY and to include extraneous matter.

Mr. METCALF and to include extraneous matter.

Mr. FASCELL (at the request of Mr. MCCORMACK) and include extraneous matter.

Mr. DONOHUE and to include extraneous matter.

Mr. WAMPLER.

ADJOURNMENT

Mr. MEYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 52 minutes p. m.) the House adjourned until Tuesday, February 17, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

557. A letter from the Assistant Secretary of State, relative to International Labor Conference Convention No. 105, pursuant to article 19 of the Constitution of the International Labor Organization (H. Doc. No. 78); to the Committee on Foreign Affairs and ordered to be printed.

558. A letter from the Assistant Secretary of Agriculture, relative to the cooperative program of the United States with Mexico for the control and the eradication of foot-and-mouth disease for the period July 1, 1958, to December 31, 1958, pursuant to Public Law 8, 80th Congress; to the Committee on Agriculture.

559. A letter from the Assistant Secretary of Agriculture, transmitting the report of the General Sales Manager on Commodity Credit Corporation sales policies, activities, and dispositions for the month of December 1958; to the Committee on Appropriations.

560. A letter from the Secretary of the Army, transmitting a report on the progress of the Army Reserve Officers' Training Corps flight training program covering the period August 1, 1956, to December 1, 1958, pursuant to Public Law 879, 84th Congress; to the Committee on Armed Services.

561. A letter from the Administrator, General Services Administration, transmitting additional information relating to a letter dated July 29, 1958, concerning the proposed disposition of approximately 13,860,000 ounces of quinine now held in the national stockpile; to the Committee on Armed Services.

562. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to widows and children of former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service Division, who were retired or whose death occurred prior to the effective date of such amendments of 1957"; to the Committee on the District of Columbia.

563. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to facilitate the acquisition of real property under the District of Columbia

Alley Dwelling Act"; to the Committee on the District of Columbia.

564. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933"; to the Committee on the District of Columbia.

565. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Sugar Act program, Commodity Stabilization Service, Department of Agriculture, for the fiscal year ended June 30, 1957; to the Committee on Government Operations.

566. A letter from the Comptroller General of the United States, transmitting a report on the review of the fiscal year 1957 entitlements to Federal payments to meet a share of local school district current expenditures for those school districts located in federally affected areas, pursuant to Public Law 874, 81st Congress, as amended; to the Committee on Government Operations.

567. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

568. A letter from the Chairman, Federal Communications Commission, transmitting a copy of the report on backlog of pending applications and hearing cases in the Federal Communications Commission as of December 31, 1958, pursuant to Public Law 554, 82d Congress; to the Committee on Interstate and Foreign Commerce.

569. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the DeSoto National Memorial, in the State of Florida"; to the Committee on Interior and Insular Affairs.

570. A letter from the Chairman, U.S. Atomic Energy Commission, relative to a draft of a bill which would amend section 251 of the Atomic Energy Act of 1954, as amended; to the Joint Committee on Atomic Energy.

571. A letter from the clerk, U.S. Court of Claims, relative to the case of *Georgia Kaolin Company* v. *The United States* (No. Congressional 7–55), pursuant to sections 1492 and 2509 of title 28, United States Code, and to House Resolution 250, 84th Congress; to the Committee on the Judiciary.

572. A letter from the Secretary of Commerce, transmitting a report relative to war-risk insurance and certain marine and liability insurance for the American public as of December 31, 1958, pursuant to the Merchant Marine Act of 1936, as amended; to the Committee on Merchant Marine and Fisheries.

573. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide, in the event of an emergency evacuation, certain authority relating to the pay of civilian officers and employees on duty outside the United States or at other places designated by the President"; to the Committee on Post Office and Civil Service.

574. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to authorize Federal assistance to Guam, American Samoa, and the Trust Territory of the Pacific Islands in major disasters"; to the Committee on Public Works.

575. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, relative to the case of Olga Mirko Bjeletic relating to the order for denial, pursuant to the act of September 11, 1957; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of February 9, 1959, the following bill was reported on February 13, 1959:

Mr. MILLS: Committee on Ways and Means. H.R. 4245. A bill relating to the taxation of the income of life insurance companies; without amendment (Rept. No. 34). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted February 16, 1959*]

Under clause 21 of rule XI, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 171. Resolution providing for the consideration of H.R. 4245, a bill relating to the taxation of the income of life insurance companies; without amendment (Rept. No. 35). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARDEN:

H.R. 4473. A bill to provide a constitutional bill of rights to guarantee and protect the inherent natural rights (including the rights to freedom of speech, press, and assembly and due process and equal protection under the law), of members of labor organizations within their labor unions; to establish standards and procedures for the election and removal of officers and other representatives of labor organizations in order to protect the right of members of labor organizations to be represented by representatives of their own choosing; to reinforce the rights of members of labor organizations with respect to funds and property, and create fiduciary duties and responsibilities with respect to the administration, disbursement, and reporting of funds of labor organizations by their officals; to prevent abuses in the establishment and administration of trusteeships by labor organizations; and for other purposes; to the Committee on Education and Labor.

H.R. 4474. A bill to amend the Labor-Management Relations Act of 1947, as amended, and for other purposes; to the Committee on Education and Labor.

By Mr. ADDONIZIO:

H.R. 4475. A bill making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on House Administration.

H.R. 4476. A bill to withhold Federal aid from schools which discriminate between students by reason of their race, color, religion, ancestry, or national origin; to the Committee on Education and Labor.

H.R. 4477. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4478. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 4479. A bill to amend title II of the Social Security Act to permit an individual to waive his right to receive benefits thereunder in order to preserve his right to receive benefits under other laws; to the Committee on Ways and Means.

H.R. 4480. A bill to amend title II of the Social Security Act to eliminate the requirement that an individual must have attained the age of 50 in order to become entitled to disability insurance benefits; to the Committee on Ways and Means.

H.R. 4481. A bill to create a Department of Urban Affairs, and for other purposes; to the Committee on Government Operations.

By Mr. ANFUSO:

H.R. 4482. A bill to amend section 12 of the act of September 11, 1957; to the Committee on the Judiciary.

By Mr. ASPINALL (by request):

H.R. 4483. A bill to amend the act of December 24, 1942 (56 Stat. 1086, 43 U.S.C., sec. 36b), entitled "An act to authorize the Secretary of the Interior to acquire lands or interest in lands for the Geological Survey"; to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H.R. 4484. A bill to amend the Trading With the Enemy Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. BATES:

H.R. 4485. A bill to amend the Internal Revenue Code of 1954 to provide that an individual may deduct amounts paid for his higher education, or for the higher education of any of his dependents; to the Committee on Ways and Means.

By Mr. BOGGS:

H.R. 4486. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a personal exemption for a foreign student who resides in his home while in the United States attending high school; to the Committee on Ways and Means.

By Mr. BOYLE:

H.R. 4487. A bill to amend section 17 of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 4488. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. BOYKIN:

H.R. 4489. A bill to provide a particular designation for the proposed dam and lock on the Chattahoochee River at Columbia, Ala.; to the Committee on Public Works.

H.R. 4490. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. BREEDING:

H.R. 4491. A bill to amend the Agricultural Act of 1949, as amended, with respect to price support for whole milk, butterfat, and their products; to the Committee on Agriculture.

By Mr. BROYHILL:

H.R. 4492. A bill to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to retired former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and to their widows, widowers, and children; to the Committee on the District of Columbia.

By Mr. CELLER:

H.R. 4493. A bill to provide home leave to assist Federal prisoners in their rehabilitation; to the Committee on the Judiciary.

By Mr. CELLER (by request):

H.R. 4494. A bill to amend section 34a of the Bankruptcy Act, so as to increase the term of office of referees; to the Committee on the Judiciary.

By Mr. COHELAN:

H.R. 4495. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals, and for other purposes; to the Committee on Armed Services.

By Mr. CRAMER:

H.R. 4496. A bill to provide for the construction of a Veterans' Administration hospital of 1,500 beds at Bay Pines, Fla.; to the Committee on Veterans' Affairs.

H.R. 4497. A bill to provide that the highway running from Tampa, Fla., through Bradenton, Fla., Punta Gorda, Fla., Fort Myers, Fla., Naples, Fla., and Miami, Fla., to Homestead, Fla., shall be a part of the National System of Interstate and Defense Highways; to the Committee on Public Works.

By Mr. DINGELL:

H.R. 4498. A bill to provide a program of national health insurance, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EDMONDSON:

H.R. 4449. A bill to amend the Civil Service Retirement Act to increase from 2 to 2½ percent the retirement multiplication factor used in computing annuities of certain employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. FRIEDEL:

H.R. 4500. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. HEMPHILL:

H.R. 4501. A bill to provide a termination date for the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. HOLLAND:

H.R. 4502. A bill to increase from $600 to $1,000 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

H.R. 4503. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Correction of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

By Mr. HOSMER:

H.R. 4504. A bill to amend section 1371 of the Internal Revenue Code of 1954 to permit stock of a small business corporation which is owned by a husband and wife to be treated as owned by a single shareholder for purposes of determining the number of shareholders of such corporation; to the Committee on Ways and Means.

By Mr. McDONOUGH:

H.R. 4505. A bill to amend title II of the Social Security Act to increase from $1,200 to $2,400 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. HULL:

H.R. 4506. A bill requiring the use of surplus agricultural commodities in carrying out certain foreign aid programs; to the Committee on Foreign Affairs.

H.R. 4507. A bill to protect the public health by regulating the manufacture, compounding, processing, and distribution of habit-forming barbiturate and amphetamine drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. KILGORE:

H.R. 4508. A bill relating to the income-tax treatment of nonrefundable capital contributions to Federal National Mortgage Association; to the Committee on Ways and Means.

By Mr. LANGEN:

H.R. 4509. A bill to amend the Agricultural Trade Development and Assistance Act of 1954, to extend its operation for 5 years; to the Committee on Agriculture.

By Mr. McCORMACK:

H.R. 4510. A bill to amend section 7 of the War Claims Act of 1948; to the Committee on Interstate and Foreign Commerce.

By Mr. McDONOUGH:

H.R. 4511. A bill to extend the benefits of the act of May 29, 1944, entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," to certain additional civilian officers and employees; to the Committee on Merchant Marine and Fisheries.

H.R. 4512. A bill to terminate excise taxes on facilities and services; to the Committee on Ways and Means.

By Mr. McMILLAN:

H.R. 4513. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. MAGNUSON:

H.R. 4514. A bill to amend the Internal Revenue Code of 1954 to continue the exclusion, from the basis of certain excise taxes, of discounts and rebates for cooperative local advertising; to the Committee on Ways and Means.

By Mr. MARTIN:

H.R. 4515. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. CLEMENT W. MILLER:

H.R. 4516. A bill to authorize the establishment of a Youth Conservation Corps to provide healthful education, training, and employment for boys and young men; to advance the conservation, development, and management of national resources of timber, soil, range, and of recreational areas; and to provide assistance and relief to the school administrations of the several States; to the Committee on Education and Labor.

By Mr. MILLS:

H.R. 4517. A bill to provide certain survivor annuities from the civil service retirement and disability fund; to the Committee on Post Office and Civil Service.

H.R. 4518. A bill to amend the Internal Revenue Code of 1954 so as to provide accounting procedures whereby dealers in personal property may exclude from gross income amounts withheld by banks and finance companies on notes purchased from such dealers employing the accrual method of accounting; to the Committee on Ways and Means.

By Mr. MOORE:

H.R. 4519. A bill to amend title II of the Social Security Act to increase, from $1,200 to $2,700 in the case of a married person or a widow with minor children and from $1,200 to $1,800 in the case of any other individual, the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. MORRISON:

H.R. 4520. A bill to provide for the construction of a new Federal post office building in Port Allen, La.; to the Committee on Public Works.

By Mr. MULTER:

H.R. 4521. A bill to authorize each Member of the House of Representatives to employ an administrative assistant; to the Committee on House Administration.

H.R. 4522. A bill to establish reciprocal import quotas upon the importation of confectionery and chocolate into the United States from foreign countries which impose quotas upon imports of confectionery and chocolate from the United States; to the Committee on Ways and Means.

By Mr. OLIVER:

H.R. 4523. A bill to amend chapter 15 of title 38, United States Code, to provide for payment of a pension of $100 per month to World War I veterans who have attained the age of 60 years; to the Committee on Veterans' Affairs.

By Mr. O'NEILL:

H.R. 4524. A bill extending the time in which the Boston National Historic Sites Commission shall complete its work; to the Committee on Interior and Insular Affairs.

By Mr. PERKINS:

H.R. 4525. A bill to amend the Civil Service Retirement Act to increase from 2 to 2½ percent the retirement multiplication factor used in computing annuities of certain employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

H.R. 4526. A bill to provide for the award of the Good Conduct Medal to certain veterans of World War I; to the Committee on Armed Services.

H.R. 4527. A bill to provide that persons who served in the Army or Navy during World War I may, if they possess certain qualifications, wear the distinguished and Presidential unit emblems and combat infantryman's and medical badges; to the Committee on Armed Services.

By Mr. RABAUT:

H.R. 4528. A bill to authorize the use of Great Lakes vessels on the oceans; to the Committee on Merchant Marine and Fisheries.

By Mr. REES of Kansas:

H.R. 4529. A bill to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in overseas areas, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REUSS:

H.R. 4530. A bill to reaffirm the national public policy and the purposes of Congress in enacting the Robinson-Patman Antiprice Discrimination Act entitled "An act to amend section 2 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,' approved October 15, 1914, as amended (U.S.C., title 15, sec. 13), and for other purposes," and to clarify the intent and meaning of the aforesaid law by providing for the mandatory nature of functional discounts under certain circumstances; to the Committee on the Judiciary.

By Mr. RIVERS of Alaska:

H.R. 4531. A bill to permit officers and employees of the Federal Government stationed in Alaska to accumulate a maximum of 45 days a year annual leave; to the Committee on Post Office and Civil Service.

By Mr. ROBERTS:

H.R. 4532. A bill to amend section 1552, title 10, United States Code, and section 301 of the Servicemen's Readjustment Act of 1944 to provide that the Board for the Cor-

rection of Military or Naval Records and the Boards of Review, Discharges, and Dismissals shall give consideration to satisfactory evidence relating to good character and exemplary conduct in civilian life after discharge or dismissal in determining whether or not to correct certain discharges and dismissals; to authorize the award of an exemplary rehabilitation certificate; and for other purposes; to the Committee on Armed Services.

H.R. 4533. A bill to amend section 410 of title 38, United States Code, to provide that all retired members of the uniformed services who served not less than 20 years on active duty, or who were retired for disability in excess of 50 percent, and who die after 1956 shall be considered to have died service-connected deaths; to the Committee on Veterans' Affairs.

H.R. 4534. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. ROGERS of Florida:

H.R. 4535. A bill to establish an additional judicial district within the State of Florida; to the Committee on the Judiciary.

By Mrs. ROGERS of Massachusetts (by request):

H.R. 4536. A bill to provide pension for widows and children of veterans of World War II and of the Korean conflict on the same basis as pension is provided for widows and children of veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. ROUSH:

H.R. 4537. A bill to appropriate $302,000 for advanced engineering and design for the Mississinewa Dam and Reservoir, $202,000 for advanced engineering and design for the Salamonie Dam and Reservoir and $202,000 for advanced engineering and design for the Huntington Dam and Reservoir; to the Committee on Appropriations.

By Mr. RUTHERFORD:

H.R. 4538. A bill authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande at or near the city of El Paso, Tex.; to the Committee on Foreign Affairs.

By Mr. SLACK:

H.R. 4539. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by authorizing the Secretary of the Interior, acting through the Bureau of Mines, to contract for coal research and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON:

H.R. 4540. A bill to provide that members of the Armed Forces shall be paid compensation at the rate of $2.50 per day for each day spent in hiding during World War II or the Korean conflict to evade capture by the enemy; to the Committee on Interstate and Foreign Commerce.

By Mr. TOLLEFSON:

H.R. 4541. A bill to establish the Federal Agency for Handicapped, to define its duties, and for other purposes; to the Committee on Education and Labor.

By Mr. WAINWRIGHT:

H.R. 4542. A bill to clarify paragraph 4 of section 15 of the Pay Readjustment Act of 1942 (56 Stat. 368); to the Committee on Armed Services.

By Mr. WESTLAND:

H.R. 4543. A bill to provide that certain aircraft may travel between the United States and Canada without requiring the owners or operators thereof to reimburse the United States for extra compensation paid customs officers and employees; to the Committee on Ways and Means.

By Mr. WIER:

H.R. 4544. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. ALFORD:

H.J. Res. 242. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. BREEDING:

H.J. Res. 243. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BROYHILL (By request):

H.J. Res. 244. Joint resolution authorizing and requesting the President to designate and proclaim a National Aircraft Dispatcher's Week; to the Committee on the Judiciary.

By Mr. CRAMER:

H.J. Res. 245. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HALPERN:

H.J. Res. 246. Joint resolution proposing an amendment to the Constitution of the United States relative to disapproval of items in general appropriation bills; to the Committee on the Judiciary.

By Mrs. KEE:

H.J. Res. 247. Joint resolution providing for participation by the United States in the West Virginia Centennial Celebration to be held in 1963 at various locations in the State of West Virginia, and for other purposes; to the Committee on the Judiciary.

By Mr. MERROW:

H.J. Res. 248. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DENT:

H. Res. 172. Resolution favoring the application of the principle of self-determination to the people of Cyprus in accordance with a tentative agreement between Greece and Turkey whereby British approval is sought for a plan to make Cyprus an independent republic under several restrictive agreements in her Constitution for self-government; to the Committee on Foreign Affairs.

By Mr. LIBONATI:

H. Res. 173. Resolution favoring the application of the principle of self-determination to the people of Cyprus in accordance with a tentative agreement between Greece and Turkey whereby British approval is sought for a plan to make Cyprus an independent republic under several restrictive agreements in her Constitution for self-government; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States requesting enactment of a law admitting the Territory of Hawaii to statehood in the United States; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to the preservation of strength of the National Guard in Montana; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to favoring statehood for Hawaii; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States relative to early construction of the proposed Bowman Haley Dam and Reservoir project and urging the Corps of Engineers to expedite the completion of a favorable report thereon; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States relative to the preservation of water rights of the individual and the States; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Washington, memorializing the President and the Congress of the United States relative to protesting the concentration of military shipping from California ports; to the Committee on Armed Services.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States with reference to the proceeds derived from the mineral leasing of Federal Government lands within the borders of the State of Wyoming; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States relative to consideration of legislation designed to authorize the States to issue birth certificates to foreign children adopted by U.S. citizens; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H.R. 4545. A bill for the relief of Allan Gordon-Foster; to the Committee of the Judiciary.

By Mr. BROYHILL:

H.R. 4546. A bill for the relief of Margaret P. Copin; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H.R. 4547. A bill for the relief of Frederick Hing Lung Fung and Christopher Hing Kui Fung; to the Committee on the Judiciary.

By Mr. CLARK:

H.R. 4548. A bill for the relief of Mrs. Sadie Latoufe; to the Committee on the Judiciary.

By Mr. CURTIS of Massachusetts:

H.R. 4549. A bill for the relief of Jacob Naggar; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 4550. A bill for the relief of Zygmont Milewski and his minor son, Wieslaw Milewski; to the Committee on the Judiciary.

By Mr. FALLON:

H.R. 4551. A bill for the relief of the Union Trust Co. of Maryland; to the Committee on Ways and Means.

By Mr. FARBSTEIN:

H.R. 4552. A bill for the relief of Lambert Kwok, Nancy Li Kwok, and Evelyn Chi Ngan Kwok; to the Committee on the Judiciary.

By Mr. FLOOD:

H.R. 4553. A bill for the relief of Guglielmo Filippelli; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 4554. A bill for the relief of Irene Hryciew, Krystyna Hryciew, and Ewa Hryciew; to the Committee on the Judiciary.

By Mr. KASEM:

H.R. 4555. A bill for the relief of Anatolijs Janitis; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 4556. A bill for the relief of Mei-Chiau Lo; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.R. 4557. A bill for the relief of Roy Baptiste Weston; to the Committee on the Judiciary.

By Mr. McINTIRE:

H.R. 4558. A bill for the relief of Austin L. Knowlton; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 4559. A bill to provide for the conveyance of all right, title, and interest of the United States in and to certain real property situated in the State of Louisiana to Manuel Bermudez and his heirs, successors, and assigns; to the Committee on Interior and Insular Affairs.

H.R. 4560. A bill for the relief of Santo Russo; to the Committee on the Judiciary.

By Mr. PRESTON:

H.R. 4561. A bill for the relief of Sun Ae Ja Conner; to the Committee on the Judiciary.

By Mr. RAY:

H.R. 4562. A bill for the relief of Stanislaw Grzelewski; to the Committee on the Judiciary.

By Mr. THOMPSON of Texas:

H.R. 4563. A bill for the relief of Dr. Te Yong Lou, Mrs. Tran Lam Lou, and Tseng Ming Lou; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 4564. A bill for the relief of Sylvia Abrams Abramowitz; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

72. By Mr. IRWIN: Petition of the Public Utilities Commission of the State of Connecticut pertaining to Federal excise taxes on telephone service; to the Committee on Ways and Means.

73. By Mr. KOWALSKI: Petition of the State of Connecticut Public Utilities Commission; to the Committee on Ways and Means.

74. By the SPEAKER: Petition of the vice president, Pacific Gas & Electric Co., San Francisco, Calif., relative to a resolution adopted by the Western Regional Conference of the Public Utilities Advertising Association of America requesting statehood for Hawaii; to the Committee on Interior and Insular Affairs.

75. Also, petition of the secretary, Lithuanian American Council, Inc., Racine, Wis., relative to a resolution adopted which expresses sincere gratitude to the U.S. Government for its efforts to aid all people seeking freedom from communism, and insisting on withdrawal of Soviet troops from Lithuania, Latvia, and Estonia; to the Committee on Foreign Affairs.

76. Also, petition of the president, the 442d Veterans Club, Honolulu, T.H., requesting that appropriate action be taken to grant immediate statehood to Hawaii; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Address by Hon. Alan Bible, of Nevada, Before the Almas Temple Shrine Club, Washington, D.C.

EXTENSION OF REMARKS
OF
HON. JOHN SPARKMAN
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Monday, February 16, 1959

Mr. SPARKMAN. Mr. President, recently the distinguished senior Senator from Nevada [Mr. BIBLE] made a very interesting speech before the Almas Temple Shrine Club in Washington, D.C. I ask unanimous consent that the speech be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR ALAN BIBLE, ALMAS TEMPLE SHRINE CLUB, WASHINGTON, D.C., FEBRUARY 13, 1959

Fellow nobles, I deem it a real pleasure and a distinct honor to be afforded the opportunity of speaking to the Almas Temple Shrine Luncheon Club today—and, before going any further, I bring you the warmest expressions of good will from Kerak Temple in Reno, Nev.

In a world that seems bent on devising means to bring about its own destruction, it is refreshing to participate today among men of good will, who espouse the high principles of peace and understanding.

Only this week I had the pleasure of reading the definition of a Mason and a Shriner—from no less an authority than George E. Stringfellow, imperial potentate of the Shrine of North America.

A Mason, he said, is a man who believes in God and practices that belief. A Mason is a man who believes in brotherly love and practices his belief. A Mason is a man who uses the symbols of the builder to set for himself and his brethren a code of life which refines his thoughts, purifies his sympathy, and broadens his outlook, it amplifies his friendship, exalts his morality, and tames his passions.

Mr. Stringfellow described a Shriner as a Mason who realizes the work of his craft—exemplifying the high code of morality—requires refreshment. In obtaining that refreshment, Shriners adopted the code, 59 years ago, of pleasure without intemperance, hospitality without rudeness, and jollity without coarseness.

We live today in a world of tensions. The ever-quickening tempo of our times would seem to exclude anything but the mad rush for material gains, yet I have detected in frequent trips through our land a spiritual reawakening and a rebirth of tolerance that give ample evidence of a brighter future. Surely the great work of the Shrine in behalf of crippled children—regardless of race, color, or creed—epitomizes to the fullest extent the fact that charity is not a forgotten virtue.

As Americans we must summon all of our collective strength to meet the challenges posed by Soviet Russia and its ill-disguised efforts to gain world domination. But in this life-and-death race for survival, we must not for one instant lose sight of our dependence upon divine providence for spiritual guidance and the constant realization that "man does not live by bread alone."

Unquestionably, these are times that demand the utmost cooperation and effort of all citizens toward making our country stronger in a material sense. Equally important, in my opinion, is the need for even greater effort to utilize more fully our vast resources of the spirit. Only by so doing can we demonstrably prove to all the world that strength really does come from unity.

Although most of you here today are familiar with the event, I am sure you will not mind if I recall the valiant epic of the four chaplains who, with arms linked, perished with their ship in the North Atlantic in World War II, after giving their own life preservers to others.

I read this magnificent story in a book called "Sea of Glory," by Francis Beauchesne Thornton. The four chaplains were George Lansing Fox and Clark V. Poling, Protestant ministers; Father John P. Washington, a Catholic priest, and Alexander D. Goode, a Jewish rabbi.

The chaplains and their unit were en route to Greenland early in 1943—in the terrible days of German submarine supremacy, when the U-boats unmercifully menaced our shipping lanes and made that particular run a thing of danger and terror.

Their ship was a lumbering old freighter, capable of 10 knots at best. Precisely at 1 a.m. of a February morning, the cold Atlantic silence was broken by a shattering explosion as a German torpedo found its mark amidships. As Mr. Thornton described it: "Everywhere about the ship, in the terror-ridden interior and on the crazily tilted deck, the four chaplains moved among the men with helpful words, giving some the strength to live and some the courage to die."

When pandemonium was at its height, when it became apparent that the ship would soon sink, those chaplains gave their life preservers to other men and made the heroic decision to stay with the ship. As the author states: "Catholic, Jew, and Protestant each proved that night that courage knows no distinction of creed, bravery no division of caste."

Here we see exemplified the highest type of courage and self-sacrifice. There are other kinds of courage, too, and I refer particularly to the courage to live. While we feel that the present age confronts us with problems of almost staggering proportions, we should remember that every generation in our history has had problems—and we have always had men of courage who would rise to the challenge.

Yesterday we observed the 150th anniversary of the birth of such a man. If any person had cause on many occasions to despair and throw in the sponge, it was Abraham Lincoln. His political career was a succession of setbacks. He was defeated for the legislature, he was defeated twice for Congress and twice for the Senate, and he was defeated for nomination as Vice President in 1856. His election to the Presidency in 1860 thrust upon him a burden that was almost insupportable, yet his faith propelled him through the darkest hour in our country's history. Lincoln firmly believed that God had entrusted him with a mission, and in this knowledge he gained the strength that sustained both him and the Nation for which he labored. Lincoln had his watchword. It was stated simply, "With God's help, I shall not fail."

This is a creed all of us could well adopt today, not as a mere utterance but as something to put into practice in our daily lives. As Masons we should strive all the more to translate our precepts into our everyday living—to fight bigotry and intolerance wherever we find it, to inculcate into our youth the importance of fair play, to broaden our horizons beyond our own little circumscribed areas; in short, to give proof that we are alert to our responsibilities as citizens of the greatest country on earth.

In this respect, the great poet, Edwin Markham, wrote:

"We are all blind, until we see
That in the human plan
Nothing is worth the making if
It does not make the man.
Why build these cities glorious
If man unbuilded goes:
In vain we build the work, unless
The builder also grows."

If we are to move forward and maintain our place as leaders of the free world, if we are to leave a legacy of strength and determination for our children—indeed, if we are to survive at all in an age of potential destruction—we must shoulder today's burdens and responsibilities—willingly, resolutely, and courageously.

Fortunately, the great majority of Americans are turning more toward the truths of religion which spell out a code of conduct that can only lead to a stronger country and happier citizens. A look at Russia makes the contrast all the more startling. There we have the sordid spectacle of an ideology which demands that personal honor and integrity be subjugated to the state—not only in the field of government, but in art, literature, science, medicine, and all lines of endeavor.

We in America are bountifully blessed with the resources needed to keep our defenses strong. To complement this pool of resources, I believe we should all draw more upon that even greater reservoir of the spirit that has abounded in our country since its founding more than 180 years ago.

As Masons committed unequivocally to upholding freedom and justice, not only in America but throughout the world wherever tyranny rears its head, we should be leading the way in man's constant battle for human betterment. We should be more than lodge members. We should be articulate spokesmen in a world that sorely needs a voice of hope—and courage—and truth. To fulfill the obligations of our order we can do no less—to fulfill our responsibilities as Americans we must do more.

Huntington, W. Va., Is Lauded by Senator Randolph as All America City

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Monday, February 16, 1959

Mr. RANDOLPH. Mr. President, each year 11 U.S. cities are selected by a jury of distinguished citizens and experts on government impaneled by the National Municipal League to receive awards presented under the joint sponsorship of the league and Look magazine for outstanding action in bringing about civic improvements.

West Virginians were happy when one of their cities—Huntington, the county seat of Cabell County, situated on the Ohio River—was honored with a place on the 1958 All America City team.

It seems timely to mention that Clarksburg, W. Va., was so recognized in a previous year.

Presentation of the award was made at appropriate ceremonies in the city of Huntington the evening of February 10, 1959. It was my privilege to have accepted an invitation to participate in the program. Weather conditions prevented me from making the air trip from Washington. I had prepared comments for the event, copies of which were made available to the chairman of the award committee and presented to officials of the city of Huntington.

Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, extracts from my salute to the officials and citizens of Huntington on the occasion of the celebration of the All America City Award which was so justly deserved.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM STATEMENT ISSUED BY U.S. SENATOR JENNINGS RANDOLPH ON THE OCCASION OF THE HUNTINGTON, W. VA., ALL-AMERICA CITY AWARD CELEBRATION, FEBRUARY 10, 1959

The fine people of Huntington—officials and voters together—have given dramatic evidence of the continued vitality of democracy. Too frequently today we Americans, as private citizens, are inclined to respond to the problems that face us with complaints rather than constructive efforts. Too often the complaint is followed by the purely rhetorical question: "But what can the mere individual do?"

Yes, the people of Huntington have answered that question in unmistakable terms. They have shown with eloquent testimony the resources of the individual citizen when he or she joins others in a voluntary and cooperative venture. And, in so doing, they have translated the ideals of modern democracy into the realities of Huntington today.

Democracy means more than merely a way of electing one's representatives. It means more than the traditional 18th century regard for individual liberties.

Modern democracy means, first of all, the participation of the individual in public affairs. And, secondly, it means that public affairs encompass more than matters of Government policy alone. In a modern society the quality of democracy must permeate all of our cultural institutions; it cannot be restricted to elections and the matter of the ballot alone. This ideal condition of democracy the fine and faithful folk of Huntington have achieved in fact as well as in principle.

In Huntington's new schools, swimming pools, art gallery, and hospitals, as well as the new form of city government—in all of these, and more—it is clear that its people have, through citizen effort, defined the meaning of a democratic culture in the 20th century.

May the rest of West Virginia and the Nation read the lesson of the past 10 dynamic years in Huntington.

John Foster Dulles

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. DAGUE. Mr. Speaker, as one of the consistent admirers and constant supporters of our distinguished Secretary of State I can only contemplate with the deepest concern the prospects of his being immobilized at the moment in history when we need his strong hand at the diplomatic helm more than ever before.

The irony of the situation centers in the fact that many of his most violent critics are now wringing their hands as they desperately scan the horizon for some one to take his place. All of which points up the fact that most of his traducers took their positions for political reasons and show by their concern that they have never had a constructive alternative to Secretary Dulles' firm resistence to international communism.

In my book the only real test of a nation's foreign policy is the avoidance of war, and under John Foster Dulles' guiding hand we have weathered six crises—count them: Straits of Formosa, Suez, Syria-Turkey controversy, Southeast Asia, Lebanon, Quemoy—without firing a shot. And his policy of being able to take the Nation to the brink of war without plunging in has exhibited an adroitness which none of his more recent predecessors ever seemed to possess.

The alarm with which the Secretary's illness has been recorded abroad attests to the respect in which he is held by our allies and the satisfaction with which the Communists must be presumed to welcome his withdrawal from the active conducting of our affairs of state points up as nothing else can the vital necessity of securing in his successor, if and when a selection must be made, a man who will carry on his policies to the minutest detail.

In addition to being a great statesman and a great patriot, John Foster Dulles is a great churchman and we can only prayerfully petition the Almighty God upon Whom he has ever leaned that He will have His servant in His care and that in His good time this great and dedicated American will be restored to full health and strength and the resumption of his ceaseless efforts in the cause of peace.

Russian Actions Compared to Mikoyan Treatment

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES
Monday, February 16, 1959

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an editorial which was published in the Nashua Telegraph, one of New Hampshire's leading newspapers, on Thursday, February 10, 1959.

Editor Fred H. Dobens, editor of the Nashua Telegraph, an outstanding newspaperman and a fine American, points to the tape recording of how the Russians plotted to shoot down an unarmed U.S. transport plane as a justification for my disapproval of the red

carpet treatment recently given to Mikoyan in this country.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BRIDGES RIGHT AGAIN

New Hampshire's Senator STYLES BRIDGES was almost alone among his colleagues, a few weeks ago, when he scored the red carpet treatment given Anastas Mikoyan, Russian leader, by U.S. businessmen. BRIDGES was called everything by some, principally for attempting to throw a roadblock into possible peaceful U.S.-Russian relations.

The tape recorder incident, showing how Russians deliberately shot down a U.S. plane seems to indicate that they never will have good relations with us and that Senator BRIDGES has sized them up pretty well, all along for many years.

He says:

"On January 17, 1959, I rose on the floor of the U.S. Senate to deplore the red carpet treatment accorded Deputy Premier Mikoyan by some of our industrialists and Wall Street bankers. I also decried the action of some of my senatorial colleagues who had seen fit to honor and to lunch with Mikoyan under the very dome of the U.S. Capitol, that citadel of freedom and beacon light to the free world. I stood almost alone on the floor that day in upholding my position but I was not disturbed because I knew full well that it would eventually be justified.

"I yet did not realize how soon my stand would be vindicated. Today's shocking and incontrovertible revelation by our State Department should be proof enough to anyone that Soviet duplicity and ruthlessness are still the order of the day and that Mikoyan's visit was one more cheap Soviet ruse. My patriotic blood was never more stirred than when I heard the tape recording of the Russian duck shoot, over Armenia, of our unarmed transport plane. Feeling as I do myself, the feelings of the mothers, fathers, wives, children, and friends of our airmen must be indescribable.

"In my Senate speech, I noted that 6 bodies of the 17 men aboard had been returned to us and I called upon Mikoyan for an accounting of the other 11. Mikoyan was also questioned by our State Department. In the light of the disclosed evidence, Mikoyan's replies that 'the plane had crashed' and that 'the Soviet Government had given all the information it had' only reveals continuing Soviet perfidy of the highest order.

"I could only wish that all who feted Mikoyan and all who thought the Russians could now be trusted in negotiation should have continually dinned in their ears the tape recording of this act of murder which was applauded by Soviet commanding officers and high officials."

Need for Economic Rehabilitation of Distressed Areas

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mrs. KEE. Mr. Speaker, recently, a friend of mine had the unhappy experience of being on hand for the distribution of surplus agricultural commodities in one of the counties of the Fifth Congressional District.

It was truly a heartbreaking scene. Able-bodied men, eager and willing to work, had to line up and await their turn to receive a limited supply of food for their families. Defeat and resignation were written on the faces of these men.

"For goodness sake, do everything you possibly can to help provide jobs for these men," my friend told me after this experience. "They want to work. It is a crying shame that jobs simply are not available."

Mr. Speaker, my primary job this year is to do everything I possibly can to help create new jobs in West Virginia. It is difficult at times to make people from other areas, which are not plagued by chronic unemployment, understand the gravity of the situation. Our two Senators—BYRD and RANDOLPH—are doing an excellent job of setting forth in the Senate the need for an economic rehabilitation program. I am convinced there is a much wider interest in the problem in the House now than there was last year.

A Federal program of loans and grants to enable areas such as West Virginia to attract new industries is an indispensable part of any overall coordinated program. But we must not overlook the fact that local initiative is another necessary ingredient.

Mr. Speaker, West Virginia has much to offer to industry. Our manpower supply is plentiful. The supply of coal for fuel is almost inexhaustible. Water is plentiful. Excellent transportation facilities bring the markets of the country within easy shipping distance of West Virginia.

These and other facts, which make our State an attractive location, must be made available to industry. The electric utilities and other industries, which realize that their progress is tied to that of the State as a whole, have done an outstanding job of industrial promotion. A number of counties have started industrial development committees.

Mr. Speaker, all of this activity, I believe, demonstrates a commendable resolve on the part of the people in my State to work ourselves out of the economic difficulty in which the State temporarily finds itself. I am sure these local groups would agree that a sensible, workable program of Federal assistance is essential. But I am sure they would further agree that to rely entirely upon the Federal Government would be a fatal mistake.

The bill which I am pushing in the House for the economic rehabilitation of distressed areas calls for a coordinated effort. No Federal handout is involved. Rather, it is a program that will help the States—and their subdivisions—to help themselves.

There can be no doubt that everyone would benefit from a program that would create new jobs for the thousands of men in West Virginia who cannot find gainful employment. Mr. Speaker, the investment in dollars would be repaid many times over. Just think of the tax revenue that would be generated by an additional 200,000 jobs in the State and how great the demand would be for new services. Each new dollar in wages thus created would circulate many times through the economy.

I am convinced that during the months ahead we will see much progress in West Virginia toward working our way out of our present economic difficulties. Eventually, we will build in West Virginia an economy based upon widely diversified industries, providing jobs for men who are now displaced by machines and technological advancements.

Support for a Needed Move To Preserve Padre Island in the Gulf of Mexico

EXTENSION OF REMARKS
OF
HON. RALPH YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Monday, February 16, 1959

Mr. YARBOROUGH. Mr. President, the first bill which I introduced this session provided for the establishment of Padre Island, stretching along the coast of the Gulf of Mexico between Corpus Christi and Brownsville, Tex., as a national park.

This island features some of the finest beaches to be found anywhere in our United States. In addition, they are almost in the same State as they were when the Karankawa Indians lived on the island, when the Spanish explorer Alonso Alvarez de Pineda set foot on the shores in 1519, to be followed by Cabeza de Vaca, David Ingram, and others, and when a young lieutenant named George G. Meade sailed down Laguna Madre on the island's landward side to see if Gen. Zachary Taylor could take his artillery to Mexico by water.

It is an unfortunate truth that in many sections of our country the shoreline has vanished from public use. According to a national survey, only 240 miles of the 3,700 miles of shoreline constituting the Atlantic and Gulf coasts are in Federal and State ownership for public recreation use.

I believe a national park on Padre Island is sorely needed to preserve some of our coastline for the enjoyment of all. If it is made a park, I confidently predict Padre Island will become a winter playground for the Nation.

What better place could there be than this sandy island on which Texas longhorns once grazed and where one can still visit the wrecked hulls of fishing boats and pick up glass colored by the sun marking the sites of towns established here by early settlers? The story of the centuries lends flavor to this island, rich in legend of Indians, pirate treasure, explorers, soldiers, cowmen, and fishermen and sailors.

In addition, the island provides sanctuary for birds and wildlife and the water around it yields fine surf fishing.

Its unique combination of geographical formations, scenery, history, climate,

and wildlife cannot be duplicated anywhere else in the Nation.

Mr. President, in further support of my reasons for wanting to preserve this last substantial strip of the American coastline which is still almost entirely in its natural State, I request unanimous consent to have printed in the CONGRESSIONAL RECORD a resolution of the Guild of the Houston (Tex.) Museum of Natural History, of February 9, 1959.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF GUILD OF HOUSTON, TEX., MUSEUM OF NATURAL HISTORY, FEBRUARY 9, 1959

The Guild of the Houston Museum of Natural History recognizes that Padre Island is unique in that it is the longest sand barrier island in the world; that its dunes and sand beaches are the finest along the gulf coast; that bird values are outstanding and its marine life fascinating; and that its historical and recreational values are important.

It recognizes also that the island is largely unspoiled but that easy accessibility, due to three causeways, will soon destroy its natural beauty and its value for public recreation and study: Therefore

Resolved, That this organization go on record as favoring the acquisition of Padre Island for public recreation and for conservation of its beauty and study values.

Resolved further, That this guild take whatever action seems expedient to bring about the perpetuity of the island in its natural state.

Mr. J. Francis Smith

EXTENSION OF REMARKS
OF

HON. JOHN S. MONAGAN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, February 16, 1959

Mr. MONAGAN. Mr. Speaker, J. Francis Smith, of Waterbury, Conn., died on February 5, 1959. Mr. Smith was one of the most prominent men of his generation in Waterbury and in the State of Connecticut. He was active in the political field, in the business field, and in the field of community activities. He gave generously of himself in activities which benefited the public and brought him no return other than the satisfaction of knowing that he had contributed to the welfare of his fellow man. His death will be a great loss to his community and to the State of Connecticut.

Mr. Smith was chairman of the first Waterbury U.S. savings bond drive during World War II and also headed the first Waterbury Community Chest drive.

He was a member of the boards of directors of many companies, including Connecticut Light & Power, and First Federal Savings & Loan Association. He was chairman of the advisory board of the Waterbury Trust Office and honorary director of the Connecticut National Bank with which Waterbury Trust is affiliated.

Mr. Smith was also a director of the Small Tube Products, Inc., now of Altoona, Pa.; the United Corp. of New York; True-Temper Corp., Cleveland, Ohio; the old Waterbury Farrel Foundry & Machine Co.; now a division of Textron, Inc.; and a former director of the New Haven Railroad.

BUSINESS INTERESTS

In addition to heading the lumber company founded by his father, he was president of the Waterbury Ready Mixed Concrete Co., and Connecticut Wholesale Supply Co. He was president at one time of the Northwestern Lumber Dealers Association and the Connecticut Lumber Dealers Association.

A graduate of Driggs School, Crosby High School, and Dartmouth College, he developed an interest in tennis as a boy, and developed his skill in the sport to win many championships. He was on the Dartmouth tennis team, was winner of the Waterbury city tennis championship nine times, the State doubles championship three times, and also the southern New England championship. In recent years he had been rated as an excellent golf player. He was always considered the most outstanding tennis player developed in Waterbury.

ACTIVE IN POLITICS

Mr. Smith was elected secretary of the Democratic State central committee in 1932 and became chairman in 1934.

Gov. Abraham Ribicoff said of Mr. Smith:

The death of J. Francis Smith is a great loss to all of us. Throughout the years, he has been a close personal friend and adviser. Fran was an outstanding citizen of our State, who always gave of himself to the civic, religious, charitable, and political life of his community. He served the people well.

Mrs. Ribicoff joins me in extending deepest sympathy to Mrs. Smith and the other members of his family. The State of Connecticut will mourn him and miss him throughout the coming years.

LAUDED BY FARLEY

Hon. James A. Farley, former Postmaster General and former chairman of the Democratic National Committee said of Mr. Smith:

News of the sudden death of Fran Smith shocks me, as I had recently talked with one of his brothers, who indicated some progress and imminent release from the hospital. For many years, I have had tremendous admiration and genuine affection for Fran Smith.

There never was any doubt as to his position on any issue. He was never a middle-of-the-roader, which convinced me more than ever, if the Democratic Party in every State had one leader like him, the party would be much stronger.

He had the admiration and respect of everyone with whom he came into contact. I've always enjoyed working with him and it was always a delight, in recent years to talk with him when he came to New York City, or by telephone at his office in Waterbury. My sincere condolences go to his brothers and his family.

U.S. Senator THOMAS J. DODD said of Mr. Smith:

Fran Smith was a great and dear friend of mine for 27 years. His untimely death comes as a great loss to me.

He was a brilliant man and always a clear thinker. He was a man dedicated to his country and the greatest State chairman either party ever had.

He was always a most charitable person and a man of the highest integrity.

His passing is a great loss to Waterbury and Connecticut, and I wish to express my sincere sympathy to his family.

U.S. Senator PRESCOTT BUSH said of Mr. Smith:

I am saddened by the news of the death of J. Francis Smith. The State of Connecticut and the city of Waterbury have lost one of their most distinguished and public-spirited citizens. I extend the sympathy of Mrs. Bush and myself to members of his family at this most difficult time.

Hon. John M. Bailey, chairman of the Democratic State central committee, said of Mr. Smith:

J. Francis Smith's death was a shock to many of us. He had many friends throughout the State. I have lost a close personal friend of long standing, and also a man who was a valued adviser to me as chairman of the Democratic State central committee. The State has indeed lost a valued citizen in the passing of J. Francis Smith.

Former Mayor Edward D. Bergin, chairman of the Waterbury Democratic Town Committee, said of Mr. Smith:

The untimely death of Francis Smith is a real loss to the city of Waterbury. A man of keen intellect, sound judgment, and decisive, direct action, his influence, though little publicized, has been widely felt in all phases of our community life.

His firm adherence to the basic principles of our democratic system of government will be missed in the Democratic Party.

Mayor Raymond E. Snyder said of Mr. Smith:

Mrs. Snyder and I are deeply shocked to hear of the sudden death of J. Francis Smith. His passing has left a void that will be felt by all who have ever known or met him. J. Francis Smith's gentlemanly behavior and wise counsel have won the admiration and respect of all who have known him on the political scene, in civic matters, and in business. There have been few such dedicated men. It is a great loss.

Francis Smith was my dear friend. My interest in public service came solely from him. From my boyhood he advised and stimulated me. He was one person who had the stature to give disinterested advice. I admired his brilliant mind, his independence of thought, his courage, and his idealism.

He was a big man in a time of little men. He had the capacity to cut through any problem to its essentials and to make its solution come easy. He brought to political life an idealism and a concentration on the long views which have too often been obscured in these days of mass thinking. He gave generously of his time and energy in the effort to turn political movements in the direction of principle and away from expediency.

The success of our democratic system requires active participation by its citizens.

If all men gave as prodigally of their talents to the public welfare as did Francis Smith, the future security of our country would be much more certain.

The following is an editorial from the Waterbury Republican on February 6, 1959:

J. FRANCIS SMITH

Our city and the State are made poorer indeed by the untimely death of an outstanding businessman and citizen.

There is a sad irony in J. Francis Smith's death. He had apparently made a strong recovery a couple of years ago from a long, serious sickness, had resumed control of his business affairs, and, in managing Senator THOMAS DODD's campaign for the Democratic nomination, had shown last summer that he still possessed an old political warrior's skill. Then came the heart attack which, after weeks in the hospital, has claimed his life.

A hardheaded sense of what was practical guided him. His was a fierce competitive spirit, shown on the tennis court when he was younger, later on the links, and carried over into business, politics, community service. He had a shrewd, analytical mind. His success as president of J. E. Smith & Co. led to other business connections, to bank and corporation directorship and trade association honors. On the political side, his service as Democratic State chairman when the late Wilbur L. Cross was Governor was a very distinguished one, and the part he played over the whole political range from local to national was notable.

As drive chairman for community causes and worker for community betterment he had no superior and few peers. However much you might narrow down a list of pivotal local leaders in business, in politics, and in movements for civic improvement, his name would be bound to be there.

Such men are few, precious, hard to spare.

The following is an editorial from the Waterbury American of February 6, 1959:

J. FRANCIS SMITH

J. Francis Smith was an outstanding man in his generation in Waterbury. He had varied interests, and he served in many capacities; and in practically everything in which he engaged he was successful.

In the business world he was known as a leader of men. The lumber industry nationally recognized him as a person of unusual attainments, and called on him to provide capable direction to many industrywide movements. In politics his record is unrivaled by any person in Waterbury in the past several decades.

Not only in Waterbury but in statewide politics he proved himself a master organizer. And even after ill health had forced him to retire from that field for a number of years, it took him only a few short months to demonstrate, through the nomination of THOMAS J. DODD for the Senate, that he still had the magic touch to win.

In public life, otherwise, Mr. Smith gave his talents willingly to forward projects that were for the common good. Two firsts tell the story. He was chairman of the first U.S. bond sale drive during World War II and first chairman of the community chest after that organization came into being. Of course both campaigns were outstanding successes. But in many instances Mr. Smith was happy to serve in a vigorous and able capacity behind the scenes. It was that way in politics, and it was that way again in aiding various agencies which worked for the community good.

Francis Smith was a man of positive character. In that virtue rested much of his success. He was a man for facts—getting facts and then appraising them in a most intelligent manner. Having done this, he mapped a campaign to attain his goal; and from then on he drove with powerful insistence toward a successful climax. Men in all walks of life valued his counsel. That his judgment was held high in financial circles was shown by the number of companies that invited him to serve as director.

Francis Smith was good for Waterbury. He gave a lot to the city. The city will suffer by his loss. Certainly he felt an example of public service that should be inspirational to all citizens.

The following is an editorial from the Naugatuck News of February 6, 1959:

J. FRANCIS SMITH

"The death of J. Francis Smith is a great loss to all of us."

Gov. Abraham A. Ribicoff said that as part of his tribute to an astute Waterbury business executive and State political leader who succumbed yesterday to a heart attack, at a time he appeared to be recovering from a serious illness.

The Governor's words were representative of the sentiments expressed with deep sincerity by business and political leaders in high echelons, including James A. Farley, former Postmaster General and National Democratic chairman; U.S. Senators Thomas J. Dodd and Prescott Bush; Congressman John S. Monagan; Waterbury Mayor Raymond E. Snyder and former Mayor Edward Bergin; and Mayor Adam Mengacci of Naugatuck.

All who knew him, and they were countless, marveled at his keen analytical mind, his driving power and organizational ability.

As an athlete in his younger years, as a financier and businessman, and in government and politics, he was a leader who had the capacity to cut through any problem to its essentials and make its solution come easy.

He came most prominently to the foreground of public activity as Democratic State chairman when the late Wilbur L. Cross was Governor. After several years of comparative inactivity he reentered the political arena last year to demonstrate his masterful touch as he managed the successful campaign of THOMAS DODD for U.S. Senator.

But his abilities were neither confined nor limited to politics and government; his was the opinion sought on a wide range of activities extending beyond the boundaries of city and State.

In many respects, Fran Smith was a genius and he gave willingly of his talents in community causes, as well as in the other fields in which he was prominently identified.

The Gleaner and Journal—50 Years of Service

EXTENSION OF REMARKS
OF
HON. WILLIAM H. NATCHER
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. NATCHER. Mr. Speaker, if cities and communities are to progress they must be the recipients of up-to-date news coverage. The citizens of the Second Congressional District of Kentucky are fortunate in being served by newspapers whose editors and owners are men and women of exceptional ability and character, capable of disseminating the news in an interesting and unbiased manner. One of the outstanding newspapers in my district is the Gleaner and Journal, of Henderson, Ky. The Gleaner and Journal this month celebrated its 50th anniversary.

On February 9, 1909, Mr. Leigh Harris brought his family to Henderson, Ky., from the State of Illinois. Several weeks previously he had purchased a newspaper then called the Journal. Subsequently another newspaper in Henderson, known as the Gleaner, was consolidated with the Journal, and thus the Gleaner and Journal came into being. After arriving in Henderson, Mr. Harris' first editorial, now world famous, consisted of the following sentence:

I have come to Henderson to run a newspaper.

And until his retirement, in 1950, he ably edited and published the Gleaner and Journal. Mr. Harris possessed firm beliefs and convictions, but this fact did not deter him from imparting in his paper true facts and events as they actually transpired. He was a dedicated citizen, who gave of his talents, time, and efforts to the betterment of his community.

The two great interests in Mr. Harris' life were his newspaper and his family. Love for his work was only exceeded by devotion to his wife and children. And, fortunately, he has passed on to his children the freshness of the deep springs of life, a quality of imagination and vigor of emotions. His daughter, Francele Harris Armstrong, as editor of the Gleaner and Journal, is now guiding its policies with a firm and efficient hand.

Kentucky and the Second Congressional District owe a debt of gratitude to such gentlemen as the late Mr. Leigh Harris, who, in their journalistic capacities and through the medium of their newspapers, have made our communities and our entire Nation a better place in which to live.

Public Law 480

EXTENSION OF REMARKS
OF
HON. ODIN LANGEN
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. LANGEN. Mr. Speaker, today I should like to add my voice to the voices of certain of my colleagues by introducing an amendment to the Agricultural Trade Development Assistance Act of 1954, commonly known as Public Law 480, which would permit this act to operate for 5 years without need of congressional action.

At a time when our farms are involved in the largest production in our history, we find nations all over the world in need of these products, while we at the same time are lamenting their existence. This law was enacted for the sole purpose of expediting this situation; it was enacted to permit our Nation to provide for those countries in need of our commodities. This is possible in a manner not calculated to upset or hinder their economies, but rather in a fashion which will enable them to purchase what they need, when they need it, in a sound economic and businesslike fashion. We, by the same token, as a nation are profiting in a bilateral capacity. We are able to sell our excess products for currency or credit on the international market, while reducing the surpluses presently costing the Government millions of dollars in storage.

Public Law 480 has provided this Nation with the opportunity of winning countless friends among the nations of the world where a food deficit is in existence. It has permitted disposal of approximately $5 billion of surpluses on the world market from our markets. This program has served us well; it has stood the test of almost 5 years, and has proven itself to be one of the better laws passed by the Congress when one evaluates its results on the domestic agricultural market and its benefits to our farm families.

I have introduced this amendment because I feel a program which has proved its worth in this manner should no longer be restricted by year-to-year operation. Effective as this provision has been in its present form, it stands to reason that long-range commitments by the Department of Agriculture could better be made and utilized if the Department could make assurances of delivery, as permitted by this amendment.

Because of the effect of Public Law 480 on our international policies and because of the advantageous effect it has on our farm economy, I urge the favorable consideration of this amendment.

The Paragould, Ark., Kiwanis Club

EXTENSION OF REMARKS
OF
HON. E. C. GATHINGS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. GATHINGS. Mr. Speaker, on Friday, January 9, Representative GEORGE P. MILLER placed in the CONGRESSIONAL RECORD a most splendid report on the fine work of the Newark, Calif., Kiwanis Club. It was pointed out by Mr. MILLER that in the city of Newark the Kiwanis have devoted some 2,400 man-hours to civic and charitable endeavors.

This is characteristic of the Kiwanis Clubs of America. As indicative, may I call attention to the 2,983 man-hours of community building by the Paragould, Ark., Kiwanis Club. Paragould, located in Greene County, Ark., has three active civic organizations, of which the Kiwanis is one. During 1958, working together, the members of the Paragould Kiwanis Club devoted themselves to the following activities:

BOYS' AND GIRLS' WORK

First. Sponsored local Explorer Scout Troop furnishing advisor, institutional representative, committeemen, and financial aid.

Second. Sponsored little league baseball team and Pee Wee basketball team, furnishing uniforms, manager, and coaches.

Third. Sponsored Key Club at Paragould High School.

Fourth. Donated over 50 percent of all foodstuffs, toys, and clothing used by Goodfellows, Inc., for Christmas baskets.

Fifth. Served as "newsboys" selling papers for Christmas baskets.

Sixth. Fifty new toys donated to Goodfellows, Inc., for use in baskets for the needy.

Seventh. Leased 40 acres of wooded land with stocked pond for use of the scouts.

Eighth. Sponsored representative at Boys and Girls State.

Ninth. Gave registered Duroc pigs to deserving 4–H students.

Tenth. Kiwanian served as chairman for city's annual Christmas parade.

Eleventh. The club was the recipient of Kiwanis Appreciation Day give by high school.

Twelfth. Assisted in manning concession stands at football games.

Thirteenth. Assisted in fund drive for Boy and Girl Scouts.

PUBLIC AND BUSINESS AFFAIRS

First. A Kiwanian was selected as Citizen of the Year.

Second. Worked with local chamber of commerce in all civic affairs.

Third. Assisted with securing full-time employed for physically handicapped and students during summer months.

Fourth. Members manned gates for county fair.

Fifth. Met with county RCI clubs furnishing speaker on farm safety, soil conservation, and international farm exchange student.

Sixth. Participation in 4–H contests and banquets.

Seventh. Awarded an additional prize for 4–H pigs shown at county fair.

Eighth. Participated in Dairy Day.

VOCATIONAL GUIDANCE

First. Assisted school officials in setting up industrial tours.

Second. Presented club scholarship to outstanding student.

Third. Honored all local teachers with teachers appreciation banquet.

Fourth. Recognized 10th-, 11th-, and 12th-grade honor students with scholastic achievement banquet.

Fifth. Furnished club counselors for students in selecting occupations.

SUPPORT OF CHURCHES

First. Furnished public eating places with prayer cards.

Second. Furnished hotels and motels with "Attend Church Regularly" signs.

Third. Members serve individual churches as officers, teachers, and lay speakers.

Fourth. Erected road signs urging church attendance.

The primary objective of the Kiwanians of Paragould is to serve underprivileged children. During 1958 the Kiwanis Club of Paragould bought shoes, clothing, groceries, school lunches, books, dental work, and glasses as a part of this program. The club paid graduation expenses for needy senior students as well as medical expenses of children and their transportation to the Crippled Childrens Hospital. Through the untiring efforts of the Kiwanis Club and with the assistance of a city noted for its generosity, 197 needy and indigent children received vital assistance.

And, what is the purpose behind all this work? I believe that President Walter J. "Bud" Branch, affable head of the Paragould Kiwanis Club, makes good answer:

> We ask not for commendation or reward but rather to offer thanks that we are in a position to give assistance, realizing but for the grace of God we could very well be the recipients of these things we now give to others.

These are the men who make America great. Voluntarily, and because of their faith in a God who inspires them, they work in Paragould—in Newark—and in other communities of this land to make a better life for their fellows.

All-American Athlete From All America City

EXTENSION OF REMARKS
OF
HON. KEN HECHLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. HECHLER. Mr. Speaker, in these times when juvenile delinquency is so frequently mentioned on the front pages of our newspapers, I am happy to commend to your attention a young man of an entirely different sort, a young man whose courage, faith, and determination make him a living symbol of all that is decent in America's youth.

The young man is named Leo Byrd. At this time, he is climaxing a sterling scholastic and collegiate basketball career at Marshall College in my hometown of Huntington, W. Va.

As major colleges go, Marshall is not a very large one, and as collegiate basketball players go, Leo Byrd is rather on the small side. But in character, talent, and personality, Leo's stature is tall indeed.

When Leo Byrd was 12 years old, the dreams of basketball glory he had cherished since babyhood seemed turned to dust. He was a patient in a hospital, stricken with poliomyelitis and partially paralyzed.

Many a boy would have accepted defeat at this point, but Leo did not. As soon as he was able to get up, he started running and training to strengthen his weakened legs, although he says "This hurt me a lot, but I wouldn't let them know."

He recovered sufficiently to play junior high school and later high school basketball. His first 3 years of high school competition were comparatively undistinguished, and even as he played through his senior year, he did not enjoy the publicity accolades often accorded promising young players.

His star soared cometlike into the heavens, however, in the 1955 West Virginia High School tournament. Leading a lightly regarded Huntington High School team into the event, he broke the existing tournament record for scoring by making 48 points in a game that eliminated the school that had won 4 consecutive State championships. The

following night he snapped his own record with a 49-point performance, and proved to be the star of the tournament.

Later that spring, he was named "Mr. Basketball USA" after appearing in an intersectional high school all-star game.

Leo enrolled at Marshall College, only a few blocks from his home, after spurning the offers of glittering scholarships from other schools.

Here he has brought continuing credit to his family, his school, and his community. Under the tutelage of Jule Rivlin, Marshall's able basketball coach, he has blossomed into a universally respected college star. His basket-shooting ability is regarded as almost uncanny, and although he is only 6 feet, 1 inch tall, he relies on aggressiveness and remarkable coordination to outplay men far taller than he.

Last year, Leo Byrd teamed up with Hal Greer, the first Negro player in Marshall hisory, to give his squad an awesome scoring attack. With Greer gone, and winning fame as a professional player with Syracuse, Leo has done a remarkable job of carrying the offensive load for his team this year.

All season long, he has remained near the top among the Nation's scorers. As I speak today, he is second in the Nation only to Cincinnati's widely acclaimed Oscar Robertson. Leo never lets down. In fact, his scoring ability has improved as the season has progressed.

As glamorous as Leo Byrd's career has been, his personal life, however, is at least equal to it in stature.

He is modest and unassuming, yet talks about his basketball feats frankly and with great sincerity if asked.

He is the son of a Methodist minister, Rev. Joseph P. Byrd, who was himself a versatile college athlete. The Christian training of Byrd's early days have remained with him. He is universally saluted by his opponents for his clean play and good sportsmanship.

A former leader in the youth fellowship in his father's church, Leo has kept religion as his guide, and before each Marshall game, Leo leads his teammates in prayer.

The city of Huntington this year was one of the few American communities honored with an All America Award. The community is justly proud of its civic progress. And Huntingtonians also may take great pride in the fact that Leo Byrd, a native son who elected to stay in his hometown for a sparkling collegiate athletic career, seems a sure bet to collect some all-American honors himself at the close of the basketball season.

Boy Scout Week

EXTENSION OF REMARKS
OF
HON. WILLIAM H. AVERY
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. AVERY. Mr. Speaker, last week 12 Explorer Scouts made an official report to the Nation representing the 3½ million Boy Scouts of American. Naturally I was proud to have a Scout from my own district, Steven D. Peterson from Topeka, Kans. It was my privilege to attend a special breakfast honoring these Scouts on last Tuesday and I would like to observe that it is reassuring to see 12 such fine and capable young men representing the youth of America. The Nation owes a special tribute to the 125,000 volunteer leaders of the Scout organization. It is by virtue of the unselfish and tireless effort of these public-spirited citizens that we are able to attract our youth into the Boy Scout organization.

On Sunday, February 15 many churches throughout the Nation appropriately paid tribute and recognized the Boy Scouts of America. Many churches are counted among the 81,000 organizations sponsoring Boy Scout troops throughout the land. In many instances the church makes their facilities available to Scout troops for a place of meeting even though the troop may be sponsored by a nonsecular organization.

In recognizing the Boy Scouts of America it was a common practice for a Boy Scout to be selected to deliver what is described as the Patrick Henry address during one of the church services. Typical of the Scouts selected to make this address was Bob Singleton, of Bethesda, Md., who spoke during the church service at the Bethesda Methodist Church. Bob was presented by the Reverend Marion S. Michael.

Abraham Lincoln

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mrs. KEE. Mr. Speaker, under unanimous consent to extend my remarks in the CONGRESSIONAL RECORD, I include a copy of my newsletter which was released today:

KEENOTES

(By Representative ELIZABETH KEE)

Congress suspended its deliberations on Thursday, February 12, to observe the 150th anniversary of the birth of Abraham Lincoln. Carl Sandburg, the famed poet and author of a monumental biography of the Civil War President, spoke at a joint session of the Senate and House.

Lincoln was the founder of the Republican Party. His birthday each year is the occasion for party dinners throughout the country, at which funds to finance future campaigns are raised. Democrats use the birthdays of Thomas Jefferson and Andrew Jackson for their fundraising events.

But Lincoln does not belong to the Republican Party, just as Jefferson and Jackson are not the exclusive property of the Democrats. These great Americans belong to the entire country and they are revered and remembered by all of us, regardless of party.

There can be no denying the fact that Lincoln was a great man. His was a tragic life and the sense of doom, of impending tragedy, which haunted him his entire adult life, became a reality when John Wilkes Booth put a bullet through his body in Ford's Theater in Washington. Lincoln had a devotion to the Union which guided his public life. He had to lead this Nation through a bloody and cruel Civil War in which 500,000 men on both sides fell, to prove the insolubility of the Union.

Lincoln was a vilified President. The cruel, bitter things which were said about him when he was President are almost beyond belief today. He was pictured in cartoons as an ape, a monster, and a maniac.

Lincoln was a noble soul. There was a touch of the poet about him. In an age of florid prose, he spoke and wrote in simple terms. He was preceded on the platform at Gettysburg by Charles Sumner who spoke for 2 hours. Lincoln spoke for 5 minutes. What Sumner said was forgotten; Lincoln's Gettysburg Address has attained immortality, a masterpiece of prose, a speech which every schoolchild has to learn by heart.

All of Lincoln's speeches were memorable. He coined phrases which are quoted as the epitome of wisdom. Yet he was a modest man. He had grave doubts of his ability to govern the country in its most trying hour.

Lincoln was a masterful politician. Surrounded by a hostile and disloyal Cabinet, imposed upon him by his party, he persevered, outmaneuvered and, in the end, had his way. He fought with Congress and firmly established the precedent of a strong President—the head of a coequal branch of the Government as the Constitution decreed.

Upon his death people forgot the cruel, unkind things said about Lincoln. Instead they remembered his nobility, his long suffering to hold the Union together. Men wept openly in the streets of Washington upon learning the sad news. They realized the Nation faced a period of adjustment, of binding up the Nation's wounds, as critical and dangerous as the war period. They were afraid of that future without the steady hand of Lincoln at the helm.

How the course of history might have been changed had this man been spared. He wanted to bring the South back into the Union. He sought no vengeance. Had he lived, the South would have escaped the indignities and humiliations which were forced upon her by radicals bent upon revenge. Had Lincoln lived, the South would not have turned to counterviolence. The Nation could well have been spared a legacy of hate and suspicion which is still with us today.

It is fitting and proper that the birthday of our great heroes be observed each year. Lincoln, Jefferson, Jackson—these and others who built this country—have much to teach us today. It is unfortunate that we have not learned better the lessons of the past.

Gordon E. Dunn of the Miami Hurricane Forecast Center—Citation

EXTENSION OF REMARKS
OF
HON. DANTE B. FASCELL
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. FASCELL. Mr. Speaker, it is always pleasant to note recognition given to an outstanding public servant. Mr. Gordon E. Dunn, Weather Bureau meteorologist in charge of the Miami Hurricane Forecast Center, today received a Department of Commerce Gold Medal Citation for his outstanding contributions to the public service in the field of hurricane warnings.

We in the community have for some time considered his ability and experience in this field of great value to the areas served by the Miami center and are particularly pleased to see that the agency of which he is a part has presented to him this award.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of February 14, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth Congressional District, Texas)

Capitol activity this week centered around a joint session of Congress on Thursday called to pay tribute to the memory of Abraham Lincoln on the 150th anniversary of his birth.

In this week's newsletter, instead of talking about Lincoln, perhaps we might all benefit more by letting Mr. Lincoln talk to us about citizenship and government:

GOVERNMENT

"The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all, or cannot so well do, for themselves, in their separate and individual capacities.

"In all that the people can individually do as well for themselves, government ought not to interfere" (July 1, 1854).

DUTY

"We hold the true republican position. In leaving the people's business in their hands we cannot be wrong" (Congress, July 27, 1848).

SOLVENCY

"As an individual who undertakes to live by borrowing soon finds his original means devoured by interest, and next, no one left to borrow from, so must it be with a government" (Whig circular, March 4, 1843).

ECONOMIC FREEDOM

"I believe each individual is naturally entitled to do as he pleases with himself and the fruit of his labor, so far as it in no wise interferes with any other man's rights" (Chicago, Ill., July 10, 1858).

"We see it, and to us it appears like principle, and the best sort of principle at that—the principle of allowing the people to do as they please with their own business," Congress, July 27, 1848.

"The primary cause of our great prosperity * * * is the principle of 'Liberty to all'—the principle that clears the path for all—gives hope to all—and, by consequence, enterprise and industry to all," Fragment on the Constitution and Union, January 1861.

LIBERTY AND SECURITY

"If destruction be our lot, we must ourselves be its author and finisher. As a Nation of free men, we must live through all time or die by suicide," speech to Young Men's Lyceum, January 27, 1838.

CAPITAL/LABOR

"The strongest bond of human sympathy, outside of the family relation, should be one uniting all working people, of all nations, and tongues, and kindreds. Nor should this lead to a war upon property, or the owners of property. Property is the fruit of labor—property is desirable—is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another; but let him labor diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built," to New York Workingmen's Democratic Republican Association, March 21, 1864.

"I don't believe in a law to prevent a man from getting rich; it would do more harm than good. So while we do not propose any war upon capital, we do wish to allow the humblest man an equal chance to get rich with everybody else. When one starts poor, as most do in the race of life, free society is such that he knows he can better his condition; he knows that there is no fixed condition of labor, for his whole life," March 6, 1860.

DEPENDENCE ON GOD

"The purposes of the Almighty are perfect, and must prevail, though we erring mortals may fail to accurately perceive them in advance. We hoped for a happy termination of this terrible war long before this but God knows best, and has ruled otherwise. We shall yet acknowledge His Wisdom and our own error therein," to Mrs. Gurney, September 4, 1864.

DUTY

"Let us have faith that right makes might, and in that faith, let us to the end dare to do our duty as we understand it," at Cooper Institute, New York City, February 27, 1860.

Appreciation Dinner in Honor of Hon. William R. Williams, Former Member of House of Representatives

EXTENSION OF REMARKS
OF
HON. ALEXANDER PIRNIE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. PIRNIE. Mr. Speaker, under leave to extend my remarks, I should like to include the text of an address given by me February 10, 1959, at Oneida, N.Y., on the occasion of an appreciation dinner in honor of the long and devoted public service of the Honorable William R. Williams, formerly a Representative of this esteemed body, sponsored by his friends and associates of Madison County, N.Y.:

One hundred and fifty years will have passed on February 12, 1959 since Abraham Lincoln was born in a log cabin of backwoods Kentucky. There was little at the time to suggest that the event was of any great significance, even in Hardin County where it happened. There wasn't one, excepting possibly the courageous, saintly mother, who dreamed that life had been breathed into a soul that, in the short span of 56 years, would experience the heartaches of poverty, abuse, and disappointment, and yet the glory of high responsibilities, inspired leadership and supreme martyrdom. Yes, no great American ever was ushered into this world with so little promise—yet the story of his life is really the story of our country—an expression of all that is basic and true in our way of life. It is fitting, therefore, that all America pause on this special anniversary to glimpse once again the nobility of the man and the eternal wisdom of his philosophy. While the noble Lincoln made richer the heritage of all Americans, to those of us who continue the Republican Party which he founded, he passed on a torch of dedicated leadership. It does us a great honor but imposes upon us a heavy responsibility. Our task would be performed, our obligation fully met if we were to apply to the problems of this day, the simple honesty, the tolerant understanding and quiet courage of our great founder. He dared to do what he believed to be right—sometimes he felt only God approved what he was doing, and in his darkest hours maybe he wasn't so sure he had that approval, but he held fast against all the forces which would divide and destroy our country. It would confer a great blessing upon us all if we could relive the struggle of his 56 years so that we might more fully understand his sense of values, so that we might more readily appreciate the dangers of which he warned and so that we might rededicate ourselves to the task which is ahead. The party of Lincoln can and must remain faithful to its trust, worthy of its founder.

There is a symbolic adherence to that trust in the life and service of the great Republican we especially honor tonight, our own Bill Williams. Approximately 75 years ago this rugged stalwart breathed first the invigorating air of Madison County. There was little in his early days to suggest the distinguished service which he was to render. He says he was so busy chasing Indians and panthers that he didn't have time for extensive schooling, but the truth is—Bill has attended school all his life—observing, thinking, and applying his common sense to each situation as it arose. I'm reminded of what Robert Burns, the Scotch poet, so well said—"Give me a spark of nature's fire—it's all the learning I require." Surely Bill Williams had that spark which he kindled into a flame by hard work, rugged honesty and hearty friendliness. Speaking as I am to those who have followed his career, marked by over 25 years of public service as a State legislator, as sheriff and a Congressman, I need not remind you that he never lost an election, nor did he ever lose his head. Popularity and good fortune never gave him any false notions of grandeur—he remained jovial and approachable. He sensed that with added responsibilities came opportunities for greater service which he was proud and glad to render. Years of working for the people have brought countless friendships. During the past campaign, I had the privilege of seeing and hearing the expressions of those friendships. I will retain in my memory always that striding form, the friendly, lively countenance, the campaign hat which looked as though its wearer was going backward as he strode along the street, in and out of buildings, retracing campaign trails of former years, proud and happy that he was so enthusiastically remembered. I said then and I repeat it now—Bill Williams was reaping and enjoying the greatest reward of public service, the devoted appreciation of those whom you've tried to serve.

During the past few weeks I have been privileged to be with many of Bill's old friends in the Congress and, to a man, these former colleagues have spoken earnestly of his friendliness and dependability as he worked with them for sound Republican principles. He was a man of his word and applied common sense to the solution of many different problems. His unfailing good humor carried him through many a trying situation. It may interest you to hear the very words used by his colleague in describing their impressions of his character and services as set forth in letters I've just received.

(At this time communications from the Honorable CHARLES A. HALLECK, the Honorable HAROLD OSTERTAG, the Honorable JOHN TABER, the Honorable CHARLES HOEVEN, and the Honorable R. WALTER RIEHLMAN, were read and presented to Mr. Williams.)

There is still another chapter. When personal considerations dictated withdrawal from his Washington duties, all of us hoped he would remain an active force in our party and that he would continue his close associations on the local scene. The sad death of Oneida County's Republican chairman necessitated choice of a new leader and Bill became the unanimous choice for this very important job. With vigor and a sincere purpose he is on the way to new achievements.

So it is that Bill Williams has brought honor and distinction to his party. As Republicans and as Americans we are proud that the tradition of Lincoln has been so faithfully followed by him whom we honor. However, he would not want this event to be simply an occasion of praise. We will do him far greater honor if we accept his contribution as a strong and enduring link in the great chain of dedicated service which began with our great Lincoln and which we must continue so that this country may remain strong, united, and free.

The Federal Penal System

EXTENSION OF REMARKS
OF
HON. KENNETH J. GRAY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. GRAY. Mr. Speaker, due to overcrowding in our Federal penal system, the U.S. Bureau of Prisons has submitted an urgent request to Congress for funds with which to construct a maximum security Federal penitentiary. The budget request submitted to Congress is not to exceed $9,875,000.

In an effort to discredit the need for this maximum security penitentiary, the Wall Street Journal has printed an editorial listing the cost at $110 million. This, of course, is grossly in error. In order to set the record straight, I have asked the Wall Street Journal for a correction of their editorial and have written the letter below concerning this matter, and with permission previously granted, request that it be printed herein.

Should a prison riot occur in one of our overcrowded Federal prisons, far more damage could be done in one prison riot than the cost of the new proposed maximum security institution. Therefore, I hope Congress will favorably consider this urgent request for funds and ignore such efforts to discredit the urgent need for this new institution.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 16, 1959.

Mr. JOSEPH E. EVANS,
Wall Street Journal,
New York, N.Y.

DEAR MR. EVANS: I would like to take this opportunity to point out an error which appeared in your editorial comments in Review and Outlook of the February 12 edition of your publication. You stated, and I quote, "The prison will house 600 men and the estimated cost of the Illinois prison is set at $110 million."

Mr. Evans, the figure of $110 million is $100 million in error. If you will check the printed budget request submitted by the President, on page 761 in the right column under the heading "Buildings and Facilities," you will find an item requesting moneys not to exceed $9,875,000 for this proposed prison. I am quite sure that you will agree this figure is quite different from the figure you quote in your editorial of February 12. Naturally, with this error the further figure of $183,333 per man used in your editorial is likewise in gross error.

I sincerely feel that, in justice to your readers who look to your publication and editorials for correct information, you will want to right this error at the earliest possible time. And, I might add, that the actual budget request for $9,875,000 might also change you editorial thinking on this matter.

If I can be of any further help to you in getting the factual information on this or any other matter, please do not hesitate to call on me.

With kindest regards, I am,
Sincerely yours,

KENNETH J. GRAY,
U.S. Congressman.

Wabash River Flood

EXTENSION OF REMARKS
OF
HON. FRED WAMPLER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. WAMPLER. Mr. Speaker, I have just returned from my home in the Sixth District of Indiana, Terre Haute, where I surveyed the tragic amount of sheer waste and devastation caused by the rampaging floodwaters of the Wabash River.

The need for remedial flood-control construction in this area, Mr. Speaker, is desperately urgent. The annual human, agricultural, and property damage resulting from Wabash River floodings is incredible.

In the small town of Clinton, Ind., with a population slightly in excess of 5,000, where I witnessed that city's heroic flood-control efforts, the Wabash was being fought with 8,000 sandbags purchased by the local citizenry for 14 cents apiece. Those sandbags were not purchased this year, Mr. Speaker; they were bought several years ago, during a previous flood, and when the danger was past were emptied and stored so that they could be used again, when the Wabash River would inevitably threaten the area's people and their homes.

West Terre Haute has been flooded out 3 years running. Flood crestings are so frequent and so severe that Terre Haute no longer records flood levels at the 14-foot mark; the 20-foot level is now the only recorded level.

These few further word pictures, Mr. Speaker, can but only begin to describe the extent of the flood's devastation or to dramatize the urgent need for flood control planning and construction along the Wabash River. In Terre Haute, 80,000 sandbags have been used in an attempt to control the floodwaters, and the people of Terre Haute are still filling and using sandbags. In Attica, Ind., some 20 homes have been submerged. State Road 41, which is a national highway, is being swept by a 20-foot current. People in Williamsport, Ind., who travel but a mile and a half to 2 miles to work in Attica, are now being transported by helicopter, and should they be forced to drive, they would have to travel approximately 45 miles. People returning home from their working day find themselves looking for a place to sleep. The farmers of the area are currently uninterested in the question of price supports; they are more interested in looking for a piece of land to farm.

A copy of a telegram to the President, which I received this morning, I think graphically portrays the plight of the people along the Wabash. From Cara-Jean Baldwin, chairman, Parke County, Ind., chapter, and director of the Wabash Valley Association, the wire reads:

THE PRESIDENT OF THE UNITED STATES,
The White House, Washington, D.C.:

We are experiencing the third flood in this territory in 5 weeks. After devastating damage of 1957 and 1958, our farmers cannot endure or gamble on planting 1959 crops without some assurance conditions will be corrected as soon as possible. All of this tragedy could have been averted with proper flood control in Wabash Valley. Implementation of funds for approved Mississinewa, Salomonie, and Huntington flood-control reservoirs with funds to expedite surveys and reports on Sugar Creek, Wildcat Creek, and Big Pine Creek would cost taxpayers millions less than flood damage costs year after year.

Mr. Speaker, I hope the Members of the House will fully appreciate the seriousness of the damaging flood conditions in the Wabash River area, and will lend their support to the efforts which I, and I feel sure, the other Members of the Indiana delegation, intend to make toward securing the appropriations necessary to start and hopefully complete flood-control construction along the Wabash River.

The 41st Anniversary of Lithuanian Independence Day

EXTENSION OF REMARKS
OF
HON. HAROLD D. DONOHUE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. DONOHUE. Mr. Speaker, it was my honor and privilege, yesterday, to participate in exercises, commemorating the 41st anniversary of Lithuanian Independence Day, which were held in Our Lady of Vilna Church Hall, Worcester, Mass.

The meeting and ceremonies were sponsored by the Committee for Commemoration of Lithuania's Independence, Joseph W. Glavickas, president;

Olga A. Kersis, secretary. The assemblage, which overran the capacity of the hall, consisted of the members of the two great local Lithuanian parishes of St. Casimir's, and Our Lady of Vilna, together with representatives from 55 other Lithuanian groups within our community.

In connection with this eventful occasion I have been requested to include in the RECORD resolutions unanimously adopted by the assembly, and speeches delivered by myself and Anthony J. Miller, a prominent Worcester attorney of Lithuanian descent; the resolutions and speeches follow:

THE 41ST ANNIVERSARY OF LITHUANIAN INDEPENDENCE DAY, WORCESTER, MASS.

(Speech Delivered by the Honorable HAROLD D. DONOHUE, of Massachusetts)

I am very glad, as your Representative in the Federal Congress, to again take part in these ceremonies commemorating another anniversary of the Declaration of Lithuanian Independence.

While this occasion necessarily and sorrowfully reminds us that Lithuania is still suffering under the cruel heel of Russian Communist imperialism, we are not gathered here in any atmosphere of casual surrender or regretful abandonment of the hope that Lithuania and her good people will eventually be freed.

We are, rather, assembled to voice our righteous protest of outrageous Communist conduct, and exert our best efforts to give heart to the courageous and long-suffering Lithuanian people for the continuation of their struggle against enslavement. Our confidence for the future of Lithuania is based in great part upon our knowledge of her past history.

You know, and I know, that at one time, and for a number of centuries, the Lithuanian kingdom was a powerful force for good in the whole of eastern Europe. The Lithuanians not only had succeeded in repelling the barbarian invaders from the East, but they were also the gallant champions, and formed the advance guard of Christianity in that part of Europe. A high place of respect and admiration for Lithuania among the nations of the world seemed to be assured.

The Lithuanian state came into being as an independent unit in the year 1253, more than 700 years ago. I do not have to recount to you her glorious history through the following centuries up to the tragic time, late in the 18th century, when she was ruthlessly absorbed into the old Russian Empire.

However, when World War I ended, Lithuania regained her independence and succeeded in reestablishing an individual national state, and proclaimed themselves as such on February 16, 1918, after 123 years of Russian domination.

During the long period of subjugation, the devout and dedicated people of Lithuania had persevered in their resistance to tyranny and faithfully preserved the heritage of faith and freedom.

It does not surprise us then that modern history shows that following that fateful February day in 1918 there was an immediate resurgence of national culture and a prompt expansion of her free institutions.

The Lithuanian people established a democratic form of government. Under it they prospered, economically, socially, and religiously.

Suddenly, on June 15, 1940, the Soviet Union violated all of its treaty commitments with Lithuania, and the Red army moved in. Without provocation or justification, and in utter contempt of international law and morality, the Communist Kremlin overran Lithuania, and the other independent Baltic countries, and installed regimes deliberately designed to destroy the newborn freedoms of all the peoples within those brave states.

Since that time, Soviet Russia has purposely used the whole force of its overpowering totalitarian might to exterminate the Lithuanian sense of nationhood. The Soviet system has been imposed and Lithuania has actually been incorporated in the Union of Soviet Socialist Republics.

Thousands of Lithuanians have been executed and hundreds of thousands have been shipped to slavery in Siberia.

Every conceivable barbarian effort has been made to suffocate the patriotic independent sentiment of the Lithuanian people.

Today our hearts and our minds are moved with compassion by the suffering and the persecution we know the good people of Lithuania are undergoing this very hour. At the same time, our minds and our hearts are inspired by them and for them because we also know they have bravely and gloriously survived and conquered other and earlier periods of cruel foreign tyranny.

The people of Lithuania are neither broken nor discouraged by the stark and terrible realities of oppression under which they now, unfortunately, live. The burning fever of basic liberty and freedom is heightened within them, not diminished, by their current adversity.

We know that their courage and their indomitable will to resist subjugation grows stronger with every outrage committed against them by those who seek to become the atheistic masters of their spirits as well as their bodies.

We in America take courage from the valor of the Lithuanian people. They are sustaining us by their example of devotion to our common cause.

They inspire us here, and her countless friends throughout the still free world, to remain true in our struggle to relieve Lithuania, and the other oppressed nations, from the Communist yoke.

We will continue the struggle with every resource at our command to overcome the godless scourge which is trying to enslave the whole world and which presently has unfortunate and gallant Lithuania within its horrible grasp.

Today we specially remind ourselves that no people anywhere have been more heroic nor fought more bravely against countless odds for liberty and freedom than the Lithuanian people. We are reminded that the destiny of Lithuania and her freedom-loving neighbors is linked with the future of America. We cannot ourselves expect to remain free if we do not exert every possible effort to promote the freedom of Lithuania.

Let us then here pledge ourselves to work unceasingly for the liberation of Lithuania and the other captive nations, and may divine providence grant that that glorious and Christian objective be accomplished in the near future.

FORTY-FIRST ANNIVERSARY OF LITHUANIAN INDEPENDENCE DAY, WORCESTER, MASS.

(Speech delivered by Attorney Anthony J. Miller)

As an American of Lithuanian descent, it is an honor for me to join with Congressman DONOHUE in this program commemorating the 41st anniversary of the Declaration of Lithuanian Independence.

I want to emphasize the word "independence" because, to my mind, and I am sure to yours, independence is not a matter to be dwelt upon or spoken about on only 1 day a year.

The history and tradition of Lithuanian independence is a living thing and a blessed thing within us and among us, except when we give sorrowful thought to our Lithuanian homeland and her unfortunate people.

On this occasion, we are reminded that the Russian Communists cannot stop or forbid this program, or any other similar exercises that are being held throughout the United States and in other free countries in honor and in respect to Lithuania.

Appreciating our own blessings as citizens of the United States, we should, therefore, not permit a day to pass without thinking and planning and praying for the time when our native land will be liberated from Communist tyranny.

As Americans, we know that the generous heart of this country has always welcomed and assisted exiles and refugees.

Because this Nation fought for its own independence, it encourages independence for others.

Because we, as Lithuanian descendants, have advanced in the United States, and because we have a part in the development of this country, we are thereby helping to sustain the strength of the Lithuanian homeland. I think that is a substantial hope and comfort to our friends and relatives there. They know that we have a voice, as good Americans, in the formation of American foreign policy so that it will never be permitted, by any possible subversives, to forget its moral obligation to work for the freedom of Lithuania and the other suppressed nations.

Some of our people appear to be worried about the development of American foreign policy. They feel that we may gradually forget Lithuania and the other Baltic victims of Red Russian conquests. They fear that we may be tempted to make a settlement with the Communists and that we may be fooled by an invitation to peacefully coexist.

Let me clearly state to you my opinion that so long as we have representatives like Mr. DONOHUE, and other fine Americans in our Government, neither the Congress nor the executive department will ever be fooled into such a betrayal. No diplomatic arrangement, no matter how convenient for the moment, would be tolerated by the American people whose traditional rule of life and conduct is fair play.

If we, ourselves, ever entertained such a thought, we then would be betraying the traditions that have inspired every generation of Americans and we would be faithless to the historic devotion to freedom that has made America what it is today.

We, and all our fellow Americans, realize we have had sufficient experience with Communist promises, pledges, and treaties, to know that we can trust them only at our own peril.

We remember very well the peace treaty that was signed by Lithuania and Russia at Moscow on July 12, 1920. By this treaty, the Soviet Government recognized, and I quote, "the sovereignty and independence of the State of Lithuania with all juridical consequences resulting from such recognition and voluntarily and forever renounces all sovereign rights possessed by Russia over the Lithuanian people and territory," end of quote. On September 22, 1921, Lithuania was admitted into the League of Nations, becoming a full, free, and equal member of the international community. These are historical facts which the Russian Communists cannot change because they cannot burn or distort all of the history books in existence. Although they have since unjustly seized Lithuania and have done everything within their cruel power to communize it, they cannot justify their action in front of the conscience of the world.

Every other still free nation, including our own, knows that we will suffer the same tragic fate of Lithuania if we allow ourselves to be compromised or become so foolish as to place any reliance upon mere Soviet promises. We, as good Americans, also know that if we do not stand up and testify for our friends, we may some day find ourselves alone and without friends.

That is why all our fellow Americans join with us in working for the liberation of Lithuania and all of the other unfortunate nations that have come under Communist Russian subjugation.

That is why we must unceasingly strive with our own united words and actions, and commemorations of this kind, to keep the historic spirit of liberty and freedom burning high within the minds and hearts of the people of our Lithuania homeland.

That is why we can hope, even on this sorrowful occasion, that with our help, the help of our fellow Americans, and with God's help, to live to see the bright day when the persecuted people of Lithuania, and the other suffering nations, will again be free and independent in a peaceful world.

Having assembled at Our Lady of Vilna Parish Hall, Worcester, Mass., on February 15, 1959, to commemorate the 41st anniversary of Lithuanian Independence Day (February 16, 1918), the members of the committee, as well as the members of the two Lithuanian parishes in Worcester, St. Casimir's and Our Lady of Vilna, and of the Lithuanian-American community of Worcester, comprising in all 55 Lithuanian groups, unanimously adopted and passed the following resolutions:

"Whereas the Government of the United States has ever been a stanch defender of the inalienable right that all nations, both large and small, have to enjoy freedom and to determine for themselves the form of government under which they wish to live; and

"Whereas Soviet Russia has denied this right to Lithuania and, in violation of the treaties of peace and nonaggression, with Lithuania in particular, and of various international agreements in general, has unjustly seized the territory of Lithuania and has subjected her people to the horrors of oppression, terrorization, dispossession, persecution, mass deportations and mass annihilations which, according to international law, constitutes the heinous crime of genocide; and

"Whereas the Republic of Lithuania, a small freedom-loving nation, ardently desires to exercise her solemn right of self-government and has proven that she is capable of self-rule by a remarkable progress made in all fields of endeavor during the years in which she enjoyed independence (1253–1795 and particularly 1918–39); and

"Whereas, the Government of the United States since 1940 has steadfastly refused to recognize de jure the unjust absorption of Lithuania within the Soviet orbit: Now, therefore, be it

"*Resolved*, That the Government of the United States continue to maintain and adhere to its present policy of recognizing the de jure independence of Lithuania despite her present unlawful and unprincipled occupation by Soviet Russia; be it further

"*Resolved*, That Soviet Russia, having no sovereign rights over Lithuania or her territory, be forced to leave Lithuania immediately, thus restoring freedom to the nation, and to return at once to Lithuania all Lithuanian nationals, now exiled in Siberia and other foreign lands; be it further

"*Resolved*, That the Republic of Lithuania be duly admitted and fully approved as a full-fledged member of the United Nations and that her appointed representatives be allowed to maintain with full privileges the status of duly-elected delegates of that Organization; be it further

"*Resolved*, That copies of these resolutions be forwarded to the President of the United States, His Excellency the Honorable Dwight D. Eisenhower; to the Secretary of State, the Honorable John Foster Dulles, Jr.; to the U.S. Representative to the United Nations, Ambassador Henry Cabot Lodge, Jr.; to the Senators of Massachusetts, the Honorable John F. Kennedy and the Honorable Leverett Saltonstall; to the Representative of the Fourth Congressional District of Massachusetts, the Honorable Harold D. Donohue, and to the press."

Mr. JOSEPH W. GLAVICKAS,
Chairman.

WORCESTER, MASS.

MISS OLGA O. KERSIS,
Secretary.

WORCESTER, MASS.

Address of Hon. Lyndon B. Johnson Before Texas State Society

EXTENSION OF REMARKS
OF

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 16, 1959

Mr. WRIGHT. Mr. Speaker, on Sunday last the senior Senator from Texas, Majority Leader LYNDON B. JOHNSON, made a memorable address at the luncheon meeting of the Texas State Society.

Honored at the luncheon were their Excellencies, the Ambassador from Spain, the Ambassador from France and the Ambassador from Mexico, and members of their families.

Senator JOHNSON'S speech was such a splendid contribution to our understandstanding and good relations with these countries that I am asking leave to have it printed here:

This is a pleasant occasion and, in my opinion, a significant one as well.

As a longtime member of the Texas State Society, I am most pleased to be here. And to our honored guests I would say, sincerely and from the heart: Welcome, our friends from Mexico; welcome, our friends from France; welcome, our friends from Spain.

As the official representatives in America of three great nations whose flags once floated over the land of Texas, I want you to know we are happy you are here to break bread with us and to enjoy a period of friendly companionship on this Sabbath Day.

You are gracious to have come. You are triply welcome.

In honor of this occasion, our program committee asked that I speak today on "Our Spanish, French, and Mexican Heritage."

It says something for the character of our State that such a topic should be assigned to a man named JOHNSON.

If we are some day privileged to honor our considerable debt to the British—who built our State capital and developed much of our West—an Irishman such as BOB CASEY will probably be handed the speaking assignment.

There is to me something deeply moving and deeply meaningful in the fact that you of Mexico and France and Spain should meet with us of Texas in the Capital City of the United States.

It is a long way, in time and in distance, from the Texas in which I grew up to the great city in which we find ourselves today. Texas is a State where many, many place names and many, many person names may be traced back to the heritage that came down from France and Spain and Mexico—all powers in the world of 1959.

And this city of Washington—not so very many years ago a fever-ridden village on the banks of the Potomac—has become a place where men and women cope daily with problems in the successful solution of which the free people of all the world have a vital interest.

We owe much to the heritage of our past. Yet, I cannot today speak of our heritage in the past tense. Nor can I speak of it in the sense of a one-way debt.

As Spain and France and Mexico each meant much to Texas in the past, so also did Texas mean much to the national experience of each of those nations.

The lure of Texas—the dream of the seven cities of gold on the Texas prairies—did much to stimulate in both Spain and France the force of their periods of great vigor and adventure and strength.

Texas, in centuries past, was for men of many nations a new horizon of hope and promise and opportunity. Today it is my strong conviction that we are returning on the cycle of history to such a time again.

Coronado, Cabeza de Vaca, DeSoto, LaSalle, and others who opened Texas were unaware that their explorations had scarcely penetrated the vastness of the American West—and that four centuries later we are only now coming to the time when the potential of the American West and of Mexico can be fulfilled.

The demands of our century leave us with no position but to build in the West a new capital of opportunity and strength for free men.

Our position today is comparable to that of the pioneers of our own country, who came into a wilderness brooding not upon the dangers they faced but joyously contemplating the opportunities they saw on the other side of danger.

With freedom as their guide and faith in the future as the force that impelled them constantly onward, those pioneers conquered the wilderness. They beat down the dangers. They embraced the opportunities. Time may have obsured our memory of these facts. But the facts remain unchanged.

We should build monuments to the past—but they should be monuments which recapture the values of the past and focus them upon the realities of the present.

One of these monuments could be the Big Bend National Park. When men first dreamed of this park, they thought of it as an international reservation where the people of Mexico and the United States could mingle freely—enjoying in common the rich beauties of the land.

I would hope that dream could be revived. I would hope that the park could lie on both sides of the border—as a symbol that our border is in territory only and not in friendship and good will.

It would be a potent force in advancing the Western Hemispheric community.

The hope of our hemisphere and the hope of free men everywhere is this: That we may have the wisdom to see in many lands greater promise than now meets the eye.

Spain, France, and Mexico were old before Texas was known. All had achieved greatness before our own Nation came into being. But today in those countries—and many more—there is a new surge of confidence and life and zest and determination. We, as Americans, are challenged to match it. In

that thought is the special pride of this gathering today.

We from Texas realize ours is a young State and a strong State. A State now emerging into the fulfillment of a great promise.

We realize even more that these lands from whence came our origins are now once again young with us, and that the world is young together.

We are moving to a new world. Not new on the maps, but new in men's minds and lives and dreams.

We are hastening to the day when we shall together cross the plains of the future to seek, and I believe find, treasures greater than the fabled cities of gold. Our heritage is not of the past. Rather, it is a common inheritance of a common future, a future of peace, a future of freedom, a future of opportunities unlimited.

This new era—and we are already beyond the threshold—can be, will be, an era of new and higher standards, of new and greater accomplishments, of new and wider potentials.

My friends, fellow Texans, and honored guests, we are fortunate to be living at the beginning of such an age as the one now before us. Our thoughts, our decisions, our actions, can shape the destiny of men for all time to come. This is the challenge. And there is the opportunity.

I like to think of the answer that my friend and truly great American, Senator THEODORE FRANCIS GREEN, gave recently when a reporter asked him what was the most interesting time he had known during his 92 years of life.

"Why," said Senator GREEN, "it's right now." Let this wise man's words speak for all of us.

To the Ambassadors who are our guests, I would say on behalf of all Texas that, next to being freemen and Americans, Texans are most proud of their traditions of character.

We thank you for the pride of the Spanish, for the love of liberty of the French, and for the courage of our great neighbor of Mexico. Without these traits, Texas could not be Texas. Texans would not be Texans.

Making the Employment Act of 1946 More Effective

EXTENSION OF REMARKS
OF
HON. HENRY S. REUSS
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. REUSS. Mr. Speaker, on January 15 and 17, 1959, there were introduced in the House and Senate bills—H.R. 2561 and S. 497—to amend the Employment Act of 1946 to do two things:

First. Request the President to include in his Economic Report and annual economic program and recommendations a discussion of monetary and credit policies "to the same extent as all other policies affecting employment, production, and purchasing power."

Second. Assign to the Council of Economic Advisers in the Executive Office of the President the responsibility for holding public hearings on price or wage increases which appear to threaten economic stability and to issue advisory statements, where advisable, as to whether the proposed increases are justified.

Explanatory statements by the bills' authors, Senator CLARK, of Pennsylvania, and myself, are contained in the CONGRESSIONAL RECORD, January 15, 1959, pages 710 to 711, and the CONGRESSIONAL RECORD, January 17, 1959, pages 789 to 790.

The filing by the President of his Economic Report on January 20, 1959, and the weeks of hearings on this report which have been held by the Joint Economic Committee, have reinforced the need for the two amendments included in H.R. 2561 and S. 497. In addition, they have disclosed the need for three additional amendments to the Employment Act of 1946 in order to provide for its more effective administration. Comprehensive new bills, which include the two earlier amendments and the three additional ones, are accordingly being introduced by the same sponsors.

The text of H.R. 4870, introduced by me, follows:

H.R. 4870

A bill to amend the Employment Act of 1946 to provide for its more effective administration and to bring to bear an informed public opinion upon price and wage increases which threaten economic stability

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Employment Act of 1946 (15 U.S.C. 1023) is amended by adding at the end thereof the following new section:

"SEC. 6. It is the sense of Congress that the President, and the Federal Government, in executing this Act, shall give due effect to the following provisions of the Act:

"(a) The provision of section 2 setting forth the goals of maximum employment, production (including the concept of sustained growth), and purchasing power (including the concept of reasonable price stability).

"(b) The provisions of section 3(a) requiring the President to include in each year's economic report, in quantitative terms, the levels of employment, production, and purchasing power which he deems maximum, and current and foreseeable trends.

"(c) The provision of section 3(b) for the discretionary periodic transmittal of supplementary or revised recommendations.

"(d) The provisions of section 3(a)(3) for a review, and of sections 3(a)(4) and 3(b) for program and recommendations, including therein monetary and credit policies to the same extent as all other policies affecting employment, production, and purchasing power: *Provided,* That if the Federal agency directly responsible for the execution of such monetary and credit policies disagrees with such program and recommendations, the President shall report such disagreement to the Congress, together with a statement from the disagreeing agency of its reasons."

SEC. 2. Section 4(c) of the Employment Act of 1946 (15 U.S.C. 1021 and the following) is amended by adding an additional subsection (c)(6) as follows:

"(6) to hold public hearings concerning (a) price increases, proposed in industries where most of the output is produced by relatively few firms, which increases appear to threaten economic stability, and (b) wage increases where the firm proposing such price increases declares such wage increases to be a cause of the price increases; to issue factual summaries of such hearings; and, where the Council deems it advisable, to issue advisory statements."

The first of the three new amendments explicitly declares that the statutory goal of the Employment Act of "maximum purchasing power"—which is a coordinate goal with maximum employment and maximum production—includes the concept of reasonable price stability. The ordinary meaning of "maximum purchasing power" would certainly seem to include "reasonable price stability." Maximum purchasing power can never be attained without reasonable price stability, since in an inflation, as we all know, incomes and hence purchasing power rise with great inequality. Moreover, the first two chairmen of the Council of Economic Advisers—1947–52—Dr. Edwin G. Nourse and Leon H. Keyserling, have both recently testified that the words "maximum purchasing power" of the act constitute an anti-inflationary mandate to bring about reasonable price stability.

The President, however, has cast doubt upon whether the Employment Act, as it is, really does contain the mandate of reasonable price stability. On January 20 the President asked the Congress "to amend the Employment Act of 1946 to make reasonable price stability an explicit goal of Federal economic policy, coordinate with the goals of maximum production, employment, and purchasing power now specified in that act." The first amendment, accordingly, explicitly adds the President's words "reasonable price stability" to the definition of the act's goals, without at the same time stigmatizing Dr. Nourse, Mr. Keyserling, and several thousand other reputable economists and public officials as wrong in thinking that reasonable price stability has been a goal of the act ever since 1946.

This amendment also explicitly states that the goal of the Employment Act of "maximum production" includes the concept of sustained growth. Economic growth is plainly comprehended by the term "maximum production," just as reasonable price stability is implied by "maximum purchasing power." However, the clarification of "maximum purchasing power" requires an equal clarification of what was intended by "maximum production."

The second of the three new amendments requires the President to include in his Economic Report the actual quantitative levels of employment, production, and purchasing power which he thinks are needed to carry out the act's goals—namely, maximum employment, production, and purchasing power. It would also require him to set forth current and foreseeable trends in the levels of employment, production, and purchasing power. Actually, the setting forth of these levels is required by the plain language of the 1946 act. The congressional mandate was faithfully adhered to by the executive branch from the first report in 1947 through 1952. In each case, a serious effort was made to project quantitative levels for employment, production, and purchasing power as they were likely to be in the upcoming year, and as they ought to be. But, since 1952, this vital portion of the Economic

Report has been omitted. In the January 1959 report, for example, there is no mention whatever of quantitative levels. Obviously, unless the President is willing to project what is likely to be, and then declare what ought to be, his program for altering events so that what actually is becomes as near as possible to what ought to be, will prove inadequate.

The third of the three new amendments has to do with the requirement of section 3(b) of the 1946 act permitting the President to add to his January 20 annual report, where conditions warrant it, by making supplementary or revised recommendations. Again, the custodians in the executive branch of the Employment Act of 1946 during the period 1947–52, found it desirable each year to issue a supplementary report, usually around July. Since then, the Council of Economic Advisers is heard from on January 20, but is then heard from no more. Certainly, if there are major changes in the economic situation at any time during the year, Congress wants to be informed of them. Accordingly, the existence of the power to make supplementary recommendations needs to be made clear.

Murray-Metcalf Bill Strengthens Local and State Control Over Education

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 16, 1959

Mr. METCALF. Mr. Speaker, on Wednesday, February 4, 1959, the gentleman from Washington [Mr. PELLY] introduced into the House of Representatives a bill to provide money for educational purposes termed free from any Federal controls. The gentleman from Washington stated:

> Therefore, I am introducing a no-strings-attached alternative bill to pay back some of their own money to the respective States and Hawaii for educational purposes free from any Federal controls. My bill would authorize an appropriation equal to 2 percent of all Federal income taxes collected in each State and Hawaii for education in the common or public schools. That is all. No standards or specifications of any sort are stipulated.

In introducing his bill, the gentleman from Washington [Mr. PELLY] clearly recognizes that there is need for the Federal Government to take action in assisting local and State authorities in the financial support of schools. He said:

> If some of our local school districts' financial affairs are critical, and I am convinced such is the case, let us give the local and State authorities help but refrain from dictating how they must solve their problems.

By some twist of the imagination the gentleman from Washington [Mr. PELLY] asserted in his speech that the Murray-Metcalf bill—H.R. 22—sets forth limitations and definitions of the State educational program that would make it unnecessary for State and local education agencies "to abdicate jurisdiction over educational process." Such a contention is incorrect. There is nothing in the Murray-Metcalf bill that would require even in the slightest any abdication of State and local jurisdiction over the educational process. On the contrary, the Murray-Metcalf bill was drawn up in such a way as to specifically strengthen the local and State control over education in this Nation.

In an attempt to document his contention that the Murray-Metcalf bill sets forth limitations on the States' education programs, the gentleman from Washington [Mr. PELLY] cited section 4, subsection (b), of the bill, which he says "spells out specifically that this money shall be used for school construction and teachers' salaries." It is impossible to see how anyone could consider that the Congress, through providing money to the States to be used for either school construction or teachers' salaries, could be accused of setting forth limitations on the States' education programs. Such a contention is somewhat analogous to the story of the father of a 12-year-old newspaper boy who was earning some of his own spending money. The father gave the boy $20 to buy shoes and clothing that the boy needed badly. It would be absurd to argue that in giving the boy money to be used for these two purposes, the father was limiting his son's discretion over how he would spend his earnings from his paper route.

The gentleman from Washington [Mr. PELLY] stated that section 5 of the Murray-Metcalf bill, "by inference sets forth priorities for school buildings, removing from the State the latitude of determining its own needs." Actually, all section 5 of the bill does is say that the State education agency shall certify that the portion of its Murray-Metcalf funds that are allocated within the State for school construction shall be so distributed that "priority is given to school districts which have the greatest additional need for school facilities and which, in terms of the economic resources available to them are least able to finance the cost of needed school facilities." This provision of the bill leaves the priorities that are to be developed wholly up to the State. The U.S. Commissioner of Education does not have the authority to say whether or not the priorities that the States set up are adequate or inadequate; he has neither the power to approve or to disapprove the States' priority methods. Hence, the gentleman's contention that these priorities would remove from the States the latitude of determining their own needs is completely false. Again, this is somewhat analogous to the case of the father of the 12-year-old newspaper boy giving his son the $20 bill with which to buy needed clothing and saying:

> Son, first sit down and draw up a list of the clothes you need and with this money buy the items you need most.

Such a specification by the father certainly could not be considered as removing from the son the latitude of determining his own clothing needs.

All the Murray-Metcalf bill does in section 5 is to say to the States that if they use for school construction some of the money provided under this bill, they must agree to send the money to those school districts that need it the most. Certainly such a specification could not be considered as causing the States "to abdicate local and State jurisdiction over educational process."

In his speech, the gentleman from Washington [Mr. PELLY] stated:

> If some of our local school districts' financial affairs are critical, and I am convinced such is the case, let us give the local and State authorities help.

Let us look for a moment at the type of help that the gentleman would give State and local school districts under his proposed return of 2 percent of all the Federal income taxes collected in each State to be used for "education in the common or public schools." The Pelly bill introduced would provide $71 per child of school age in New York but in his own State of Washington it would provide only $25 per child of school age, while in the State of Mississippi it would provide only $4. These figures are obtained by dividing the States' 2 percent of 1957 Federal income tax payments, given by the gentleman from Washington [Mr. PELLY] in his speech, by the estimated school age population, 5–17 years, for 1957. It is most difficult to see how the Pelly bill would provide help to those school districts that have the most critical need for such support from the Federal Government. Actually, the gentleman's proposal would provide for equalization in reverse, for it would give proportionately the greatest amount of money to the States that had proportionately the least number of school age children. On the other hand, the Murray-Metcalf bill would collect the money from the States in which the wealth is located and distribute it to the States in which the children actually reside and are to be educated. Hence, there is a substantial equalizing effect in the collection and distribution of funds under the Murray-Metcalf bill.

Moreover, there would be hardly any more administrative costs involved in the Murray-Metcalf bill than there would be in Mr. PELLY's proposal. After all, it is the same revenue agency that would be collecting the taxes and the same Treasury Department that would be sending a check to each State. The only additional cost involved in the Murray-Metcalf bill would be a fraction of one person's time needed to determine the amount to be paid to each State under the formula provided in the bill and to receive reports from the States. These administrative costs should amount to not over $10,000. Such an amount is infinitesimal in comparison with the $4.7 billion that the Murray-Metcalf bill would annually make available to the States for the vital needs of school construction and teachers' salaries.

SENATE

TUESDAY, FEBRUARY 17, 1959

Dr. E. Hermond Westmoreland, pastor, South Main Baptist Church, Houston, Tex., offered the following prayer:

Almighty and eternal God, in whose hands are the issues of men and of nations, we bow in humble reverence before Thee, and with grateful hearts acknowledge Thy manifold blessings to us as a people. Through all the changed and changing circumstances of life, Thou hast made and preserved us a Nation. We thank Thee for Thy favor shown unto our fathers and for Thy faithfulness continued unto their children.

Teach us to be worthy of freedom. Break down the barriers that divide us. Unite our hearts in the pursuit of righteousness and truth.

Endue with the spirit of wisdom those to whom, in Thy name, we entrust the authority of Government. Grant that neither through arrogance nor pride we forget our dependence upon Thee and our responsibility to Thee.

Guide our Nation into great adventures for the well-being of mankind and the establishment of peace in the world.

We humbly offer our prayer in Jesus' name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 16, 1959, was dispensed with.

TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Committee on Agriculture and Forestry was authorized to meet today during the session of the Senate.

PRAYER BY DR. E. HERMOND WESTMORELAND

Mr. JOHNSON of Texas. Mr. President, the inspirational prayer which we have heard this day was brought by a man who has served as pastor to the same congregation, the South Main Baptist Church, in Houston, Tex., for the last 21 years.

As a leader of his church, Dr. Westmoreland served as president of the Baptist General Convention in Texas; and he now is in Washington, attending a committee meeting of the Baptist World Alliance.

All of us are inspired by having him in our presence.

Mr. President——

The PRESIDENT pro tempore. The Senator from Texas is recognized.

Mr JOHNSON of Texas. Mr. President, if no Senator desires to address the Senate at this time, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON COMMODITY CREDIT CORPORATION SALES POLICIES, ACTIVITIES, AND DISPOSITIONS

A letter from the Assistant Secretary of Agriculture, transmitting, pursuant to law, a report of the General Sales Manager on Commodity Credit Corporation sales policies, activities, and dispositions, for December 1958 (with an accompanying report); to the Committee on Agriculture and Forestry.

REPORT ON COOPERATION WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Assistant Secretary of Agriculture, reporting, pursuant to law, that there have been no significant developments to report for the past 6 months relating to the cooperative program of the United States with Mexico for the control and eradication of foot-and-mouth disease; to the Committee on Agriculture and Forestry.

AMENDMENTS OF TITLE 10, UNITED STATES CODE, RELATING TO LOSS OF PAY BY CERTAIN OFFICERS

A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to prevent the loss of pay and allowances by certain officers designated for the performance of duties of great importance and responsibility (with accompanying papers); to the Committee on Armed Services.

REPORT ON PROGRESS OF ARMY RESERVE OFFICERS' TRAINING CORPS FLIGHT TRAINING PROGRAM

A letter from the Secretary of the Army, transmitting, pursuant to law, a report on the progress of the Army Reserve Officers' Training Corps flight training program, covering the period August 1, 1956, to December 1, 1958 (with accompanying papers); to the Committee on Armed Services.

NOTICE OF PROPOSED DISPOSITION OF CERTAIN QUININE

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a copy of a notice to be published in the Federal Register of a proposed disposition of approximately 13,860,000 ounces of quinine now held in the national stockpile (with an accompanying paper); to the Committee on Armed Services.

REPORT OF OFFICE OF CIVIL DEFENSE, DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a report of the Office of Civil Defense, District of Columbia, for the calendar year 1958 (with an accompanying report); to the Committee on the District of Columbia.

AMENDMENT OF ACT REGULATING ACTIONS FOR DAMAGES AGAINST THE DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933 (47 Stat. 1370, ch. 138; sec. 12–208, D.C. Code, 1951 ed.) (with an accompanying paper); to the Committee on the District of Columbia.

ACQUISITION OF REAL PROPERTY IN DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to facilitate the acquisition of real property under the District of Columbia Alley Dwelling Act (with an accompanying paper); to the Committee on the District of Columbia.

PROPOSED APPLICATION OF POLICEMEN AND FIREMEN'S RETIREMENT AND DISABILITY ACT AMENDMENTS OF 1957 TO CERTAIN FORMER MEMBERS

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to widows and children of former members of the Metropolitan Police force, the fire department of the District of Columbia, the United States Park Police force, the White House Police force, and the United States Secret Service Division, who were retired or whose death occurred prior to the effective date of such amendments of 1957 (with an accompanying paper); to the Committee on the District of Columbia.

REPORT OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS

A letter from the Chairman, National Advisory Council on International Monetary and Financial Problems, transmitting, pursuant to law, a report on the activities of that Council, during the period January 1–June 30, 1958 (with an accompanying report); to the Committee on Foreign Relations.

AUDIT REPORT ON SUGAR ACT PROGRAM

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Sugar Act program, Commodity Stabilization Service, Department of Agriculture, fiscal year 1957 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF ENTITLEMENTS OF SCHOOL DISTRICTS FOR CURRENT EXPENDITURES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of entitlements of school districts for current expenditures, Office of Education, Department of Health, Education, and Welfare, fiscal year 1957 (with an accompanying report); to the Committee on Government Operations.

FEDERAL ASSISTANCE TO GUAM, AMERICAN SAMOA, AND THE TRUST TERRITORY OF THE PACIFIC ISLANDS IN MAJOR DISASTERS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize Federal assistance to Guam, American Samoa, and the Trust

Territory of the Pacific Islands in major disasters (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AMENDMENT OF 62 STATUTE 78, RELATING TO ESTABLISHMENT OF DE SOTO NATIONAL MEMORIAL, FLORIDA

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida (with an accompanying paper); to the Committee on Interior and Insular Affairs.

REPORT ON PROVISION OF WAR-RISK INSURANCE AND CERTAIN MARINE AND LIABILITY INSURANCE

A letter from the Secretary of Commerce, transmitting, pursuant to law, a report on the provision of war-risk insurance and certain marine and liability insurance for the American public, as of December 31, 1958 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

CLARIFICATION OF STATUS OF FACULTY AND ADMINISTRATIVE STAFF AT U.S. MERCHANT MARINE ACADEMY

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to amend section 216 of the Merchant Marine Act, 1936, as amended, to clarify the status of the faculty and administrative staff at the U.S. Merchant Marine Academy, to establish suitable personnel policies for such personnel, and for other purposes (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of December 31, 1958 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO SETTLEMENT OF CERTAIN CLAIMS

A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law (with an accompanying paper); to the Committee on the Judicary.

REPEAL OF TITLE 18, UNITED STATES CODE, SECTION 791, RELATING TO ESPIONAGE AND CENSORSHIP

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to repeal 18 U.S.C. 791 so as to extend the application of chapter 37 of title 18, relating to espionage and censorship (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF SECTION 4083, TITLE 18, UNITED STATES CODE, RELATING TO PENITENTIARY IMPRISONMENT

A letter from the Acting Attorney General, transmitting a draft of proposed legislation to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment (with an accompanying paper); to the Committee on the Judiciary.

GEO. D. EMERY COMPANY *v.* THE UNITED STATES

A letter from the clerk, U.S. Court of Claims, Washington, D.C., transmitting, pursuant to law, the opinion of that court in the case of *Geo. D. Emery Company* v. *The United States* (with an accompanying document); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

ADJUSTMENT OF IMMIGRATION STATUS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of an order entered in behalf of Olga Mirko Bjeletic, relating to adjustment of her immigration status (with an accompanying paper); to the Committee on the Judiciary.

PAY OF CERTAIN OFFICERS AND EMPLOYEES IN THE EVENT OF AN EMERGENCY EVACUATION

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to provide, in the event of an emergency evacuation, certain authority relating to the pay of civilian officers and employees on duty outside the United States or at other places designated by the President (with an accompanying paper); to the Committee on Post Office and Civil Service.

REPORT OF LIBRARIAN OF CONGRESS

A letter from the Librarian of Congress, transmitting, pursuant to law, his report for the fiscal year ended June 30, 1958 (with accompanying documents); to the Committee on Rules and Administration.

AMENDMENT OF SECTION 251 OF ATOMIC ENERGY ACT OF 1954

A letter from the Chairman, Atomic Energy Commission, Washington, D.C., transmitting a draft of proposed legislation to amend section 251 of the Atomic Energy Act of 1954, as amended (with acompanying papers); to the Joint Committee on Atomic Energy.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on records proposed for disposal (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Wyoming; to the Committee on Interior and Insular Affairs:

"ENROLLED JOINT MEMORIAL 2

"Joint memorial memorializing the Congress of the United States of America with reference to the proceeds derived from the mineral leasing of Federal Government lands within the borders of the State of Wyoming

"Whereas over 51 percent of the surface and 73 percent of the minerals in the State of Wyoming are controlled by the Federal Government; and

"Whereas the surface and minerals constitute an important part of the life and economy of the State of Wyoming; and

"Whereas most of the revenue derived from the leasing of the surface and minerals is now retained and controlled by the Federal Government; and

"Whereas the welfare and interest of the citizens of the State of Wyoming demand a more equitable share of the revenue derived from the leasing of the minerals under Federal ownership within the State of Wyoming; and

"Whereas the revenue so derived should be used for the support of schools or other public educational institutions and for the construction and maintenance of public roads within the State of Wyoming: Now, therefore be it

"*Resolved by the Senate of the 35th Legislature of the State of Wyoming, the House of Representatives of such Legislature concurring,* That the President and Congress of the United States of America, be and they are hereby memorialized to fairly and diligently consider the welfare and interest of the people of the State of Wyoming who favor legislation providing that 90 percent of all moneys received from the sale of or as bonuses, royalties, or rentals on federally controlled minerals within the State of Wyoming be paid by the Treasurer of the United States to the State of Wyoming to be used for the construction and maintenance of public roads or for the support of public schools or other public educational institutions in such manner as the Legislature of the State of Wyoming may direct; be it further

"*Resolved,* That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, U.S. Senator JOSEPH C. O'MAHONEY, U.S. Senator GALE MCGEE, and Representative in Congress E. KEITH THOMSON, to the Secretary of the Interior, and to the Director of the Bureau of Land Management.

"NORMAN BARLOW,
"President of the Senate.
"JAY R. HOUSE,
"Speaker of the House."

A joint resolution of the Legislature of the State of Wyoming; to the Committee on the Judiciary:

"ENROLLED JOINT MEMORIAL 3

"Joint memorial memorializing the Congress of the United States of America with reference to passing legislation relating to issuance of birth certificates for foreign children adopted by American citizens and to liberalize the naturalization requirements for such children

"Whereas adoption of foreign childen is now an integral part of adoption practices in this country; and

"Whereas the Refugee Relief Act of 1953 provided for nonquota visas to be issued to 4,000 foreign orphans; and

"Whereas approximately 10,000 foreign children were adopted into American families from 1954 to 1958; and

"Whereas under Federal statutes foreign children adopted by American citizens do not automatically become U.S. citizens by the fact of such adoption, but naturalization remains necessary; and

"Whereas in many cases the original birth record of a foreign child cannot be procured from his country of origin, and in many other cases neither the foreign child's country of origin nor even his true name is known nor can be ascertained; and

"Whereas a State cannot lawfully issue a birth certificate for a foreign child adopted by U.S. citizens because by entering the names of the adoptive parents as parents, even though the true place of birth be also set forth, the user of the record could conclude that the child is a U.S. citizen for the reason that its parents are U.S. citizens; and

"Whereas foreign children adopted by U.S. citizens should be entitled to secure birth certificates and should further have their citizenship status clarified and assured: Now, therefore, be it

"Resolved by the Senate of the 35th Legislature of the State of Wyoming (the House of such legislature concurring), That the Congress of the United States of America be and it is hereby memorialized to promptly, diligently and fairly consider and act upon at this session, legislation designed to authorize the States to issue birth certificates to foreign children adopted by U.S. citizens and to clarify and assure the citizenship status of such children by providing: (1) that foreign children under 6 years of age who are adopted by U.S. citizens shall automatically become citizens upon completion of the adoption in an American court of competent jurisdiction; and, (2) that an application for naturalization shall be required to accompany the petition for adoption of foreign children over the age of 6 years, and that a birth certificate shall be issued for such children upon proof of the completion of such naturalization; and be it further

"Resolved, That such legislation shall include any security measures for the protection of our country which shall be deemed appropriate by the Congress of the United States of America and be it further

"Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives of said Congress, U.S. Senator JOSEPH C. O'MAHONEY, U.S. Senator GALE MCGEE, and Representative in Congress E. KEITH THOMSON, to the Chief, Children's Bureau, U.S. Public Health Service, to the Chief, National Office of Vital Statistics, U.S. Public Health Service, and to the Council of State Governments.

"NORMAN BARLOW,
"President of the Senate.
"JAY R. HOUSE,
"Speaker of the House."

A concurrent resolution of the Legislature of the State of South Dakota; to the Committee on Public Works:

"SENATE CONCURRENT RESOLUTION 2

"Concurrent resolution memorializing the Congress of the United States and His Excellency the President of the United States to take action regarding the replacement of facilities lost to the people of South Dakota through flooding of Missouri River lowlands

"Be it resolved by the Senate of the State of South Dakota (the House of Representatives concurring therein)—

"Whereas the established Federal policies as set forth by the Congress of the United States require the replacement of public facilities lost through the development of Federal projects; and

"Whereas the Missouri River development in South Dakota has taken or will take all of the timber and wild life cover that formerly existed along the Missouri River; and

"Whereas this deprives wild life of cover and the people of this area from picnic and recreational areas which have not been replaced; and

"Whereas many points of historical interest are flooded and lost which cannot be replaced; and

"Whereas the promises of the United States Corps of Engineers were that such development would increase recreational and related opportunities; and

"Whereas the Federal program to date on reforestation and development of recreational facilities and approach roads has been totally inadequate; and

"Whereas any such replacement is beyond the capacity of the State of South Dakota: Now, therefore, be it

"Resolved, That the Senate of the 36th session of South Dakota Legislature, the House of Representatives concurring, do memorialize the Congress of the United States and the Secretary of the Interior and the Secretary of the Army, to take prompt steps to establish pumping stations to provide a water level in public lakes near the Missouri River basin as a replacement for resting places for ducks and geese; and to provide for reforestation projects at and near the headwaters of the tributaries to the Missouri River system including the establishment of small stationary level bodies of water so that trees may flourish and provide some replacement for the loss of cover for wild life because of the flooding of the Missouri River lowlands and to in other ways develop the recreational possibilities as promised, and to provide access thereto; be it further

"Resolved, That copies of this concurrent resolution be forwarded to His Excellency the President of the United States, to the Secretary of the Army of the United States, to U.S. Senator KARL K. MUNDT, to U.S. Senator FRANCIS CASE, to Congressman E. Y. BERRY, to Congressman GEORGE S. MCGOVERN, and to the Presiding Officers of both Houses of Congress.

"JOHN F. LIDLEY,
"Lieutenant Governor.
"W. K. HOLLAND,
"Secretary of the Senate.
"ARCHIE GUBBRUD,
"Speaker of the House.
"W. J. MATSON,
"Chief Clerk."

A resolution of the House of Representatives of the State of Washington; to the Committee on Armed Services:

"Whereas the U.S. Army currently proposes to move the Fort Lewis Personnel Center to San Francisco, Calif., despite previous assurances given by the Army after the closure of the Seattle Army Terminal that the movement of military troops and cargo through Seattle would not be affected; and

"Whereas, if carried out, this latest move would wipe out the Military Sea Transport Service (North Pacific), would adversely affect the United States Army terminal agency, would jeopardize the jobs of some 1,500 employees of other Federal agencies in the Seattle area, and would deal another crippling blow to the Seattle port; and

"Whereas the Army's excuses are specious, as demonstrated by the fact that, with the superior pier facilities at piers 90 and 91 in Seattle, a ship can load troops, cargo, and provisions at one location while in San Francisco ships must move to three locations to accomplish this at an additional cost of $6,000 to $8,000 for each ship, and by the fact that the per ton costs of handling cargo are $5.30 in Seattle and $8 in San Francisco, and by the fact that Seattle is 2 days closer to the Orient and our new State of Alaska than is San Francisco, and every day that a ship is at sea costs from $6,600 to $6,800 for its operation; and

"Whereas we ought, by now, to have learned from the lesson of Pearl Harbor that the concentration of military facilities in the name of economy can be a costly if not fatal error; and

"Whereas, if the San Francisco harbor were put out of commission by an enemy, there would be no other harbors able to handle large cargo vessels within hundreds of miles of that city, while near Seattle there are Tacoma, Portland, Vancouver, Wash., and Vancouver, British Columbia, with adequate port facilities for the large vessels; and

"Whereas this continued economic bleeding of the port of Seattle may well destroy its ability to respond to the burden which would be placed upon it in a defense emergency; and

"Whereas the 48 older States owe it to their newest sister State of Alaska to make men and material for its defense in case of attack available as rapidly as possible by maintaining the strength of the port which is closest to Alaska: Now, therefore, be it

"Resolved, That we, the House of Representatives of the State of Washington, most respectfully implore the President of the United States, the U.S. Senate, the U.S. House of Representatives, and the Secretary of Defense to put a stop to this costly, dangerous, and unwise concentration of the military shipping from the California ports and to order and direct that a fair share of such military sea traffic pass through the port of Seattle to insure Seattle's status as a major port to guarantee its immediate availability in case of an emergency and to protect the economy of this vital Northwest sector of the Nation; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives of the United States, the Secretary of Defense of the United States, and to each Senator and Representative in Congress from the State of Washington.

"S. R. HOLCOMB,
"Chief Clerk, House of Representatives."

A concurrent resolution of the Legislature of the State of Utah; to the Committee on Interior and Insular Affairs:

"SENATE CONCURRENT RESOLUTION 1

"Concurrent resolution memorializing the Congress and the President of the United States to safeguard and preserve established State and individual rights to the use of water within the separate States

"Be it resolved by the Legislature of the State of Utah (the Governor concurring therein)—

"Whereas recent decisions from the Federal courts and recent rulings from the U.S. Department of Justice have deprived States, and persons, of rights which said States and persons previously enjoyed, to regulate and control the use of the water in those respective States; and

"Whereas said decisions and rulings are further a part of a general pattern developing gradually into Federal supremacy and usurpation over water, which, if continued will destroy individual and States rights over water, and substitute in lieu thereof an all powerful centralized Government control thereover: Be it therefore

"Resolved by the 33d Legislature of the State of Utah, the Governor concurring therein, That the Congress and President of

the United States and the Representatives of Utah in the Congress of the United States be, and they are hereby urged and requested to take all necessary action to (1) preserve the water rights of the individuals and the States and to prevent Federal usurpation of those rights; (2) to see that legislation is initiated and supported to reestablish to the individuals and to the States, the rights taken from them by the Federal courts and the Justice Department; and (3) in every way possible reaffirm, renew, and defend the concepts that water rights are property rights and that these established rights, to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; be it further

"Resolved, That certified copies of the above be promptly transmitted to the President and Vice President of the United States, Speaker of the House of Representatives of the Congress, chairman of the U.S. Senate and House Committee of Interior and Insular Affairs, U.S. Senator WALLACE F. BENNETT, U.S. Senator FRANK E. MOSS, U.S. Representative HENRY A. DIXON, and U.S. Representative DAVID S. KING."

A joint resolution of the Legislature of the State of Montana; to the Committee on Armed Services:

"SENATE JOINT RESOLUTION 2

"Joint resolution by the Senate of the 36th Legislative Assembly of the State of Montana, House of Representatives concurring, to the Honorable Dwight D. Eisenhower, President of the United States; to the Honorable Neil McElroy, Secretary of Defense; to the President of the Senate of the United States; to the Speaker of the House of Representatives of the United States; to the Honorable James E. Murray, Senator from Montana; to the Honorable Mike Mansfield, Senator from Montana; to the Honorable Lee Metcalf, Congressman from Montana; to the Honorable Leroy Anderson, Congressman from Montana; to the Honorable Richard B. Russell, Senator from Georgia and chairman of the Senate Armed Services Committee; and to the Honorable Carl Vinson, Congressman from Georgia and chairman of the House of Representatives Armed Services Committee, urging that the President and the Congress assure the people of the State of Montana that the National Guard of the United States, as recognized and established in the Constitution and laws of the United States, will be preserved; and that no unilateral Federal action concerning the National Guard of the United States reducing in strength or units will be taken without prior consultation and approval of the States acting by and through the Governor thereof

"Whereas the Constitution of the United States of America provides the individual citizen with several inalienable rights and that Constitution with its inalienable rights for the individual is being threatened by the Communist nations of the world wherein the rights of the State and not the rights of the individual are supreme; and

"Whereas the dual role of the National Guard, as recognized and established in the Constitution and laws of the United States, requires that it effectively serve the needs of the States in time of peace as well as those of the Nation in time of war; and

"Whereas the realities of modern defense requirements dictate that the National Guard be established on a basis which will enable it to adequately serve the States as an immediately available defense and retaliatory force, in the interval prior to effective national mobilization, in the event of a surprise attack; and

"Whereas the proposed plan to reorganize the Department of Defense grants to the Secretary of Defense vastly increased powers which could be used to eliminate or greatly reduce the National Guard of the United States; and,

"Whereas the Department of Defense did develop and announce without prior consultation and approval of the Governors of the several States and Territories a plan to greatly reduce the National Guard of the United States; and

"Whereas the Governors of the several States are opposed to such unilateral Federal action concerning the National Guard, both Army and Air, and did oppose a reduction in strength or units of the National Guard in a resolution adopted by the U.S. Conference of Governors, May 21, 1958; and

"Whereas the Honorable J. Hugo Aronson, Governor of the State of Montana as representative of the several Western States' Governors did personally appear before the United States House of Representatives Armed Services Committee and oppose any reduction in strength or units of the National Guard: Now, therefore, be it

"Resolved by the Senate of the 36th Legislative Assembly of the State of Montana, That the people of the State of Montana are opposed to unilateral Federal action concerning the National Guard of the United States, both Army and Air, and oppose any reduction in strength or units without prior consultation and approval of the States acting by and through the Governor thereof; be it further

"Resolved, That the clerk of the Senate of the 36th Legislative Assembly of the State of Montana transmit copies of this resolution to the President of the United States; to the Secretary of Defense; to the President of the Senate of the United States; to the Speaker of the House of Representatives of the United States; to the Honorable JAMES E. MURRAY, Senator from Montana; to the Honorable MIKE MANSFIELD, Senator from Montana; to the Honorable LEE METCALF, Congressman from Montana; to the Honorable LEROY ANDERSON, Congressman from Montana; to the Honorable RICHARD B. RUSSELL, Senator from Georgia and chairman of the Senate Armed Services Committee; and to the Honorable CARL VINSON, Congressman from Georgia and chairman of the House of Representatives Armed Services Committee.

"PAUL CANNON,
"President of the Senate.
"JOHN J. MACDONALD,
"Speaker of the House."

A resolution adopted by the City Council of the City of Minneapolis, Minn., relating to adequate appropriations for the upper Mississippi Harbor at St. Anthony Falls, Minneapolis, Minn.; to the Committee on Appropriations.

A resolution adopted by the City Council of the City of Minneapolis, Minn., relating to the provision of adequate Federal resources for urban renewal; to the Committee on Banking and Currency.

A resolution adopted by the District of Columbia Society of the Sons of the American Revolution, relating to claims to newly discovered territory in Antarctica; to the Committee on Foreign Relations.

A resolution adopted by the 442d Veterans Club, of Honolulu, T.H., favoring the enactment of legislation to provide statehood for Hawaii; to the Committee on Interior and Insular Affairs.

The petition of Teresa Weimer, of Vancouver, Wash., relating to aid to American Indians; to the Committee on Interior and Insular Affairs.

A resolution adopted by the City Council of the City of Minneapolis, Minn., relating to provision of adequate funds for airport improvements; to the Committee on Interstate and Foreign Commerce.

The petition of David H. Johnson, of the State of Utah, praying for a redress of grievances; to the Committee on the Judiciary.

By Mr. LANGER (for himself and Mr. YOUNG of North Dakota):

A concurrent resolution of the Legislature of the State of North Dakota; to the Committee on Agriculture and Forestry:

"HOUSE CONCURRENT RESOLUTION A

"Concurrent resolution memorializing the Secretary of Agriculture to utilize available funds for purchase of poultry, beef, and pork products in school lunch program

"Whereas the U.S. Department of Agriculture has been authorized to expend the sum of $35 million in accordance with the provisions of section 32 of Public Law 320 of the 74th Congress for the purchase of foods as authorized in section 6 of the National School Lunch Act; and

"Whereas the department has seen fit to withhold the spending of $15 million of such funds; and

"Whereas it is the opinion of the North Dakota Legislative Assembly that the school lunch program is lacking in high protein foods. Now, therefore, be it

"Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That the aforesaid $15 million be put to use immediately to purchase high protein foods such as stewing hens, eggs, and other poultry products, since such products are not under any price support program, and when market conditions are such that beef and pork may be purchased, that these meats also be regularly purchased; and be it further

"Resolved, That Congress increase appropriations for the national school lunch program in order that this program may provide an adequate noonday meal for every schoolchild; and be it further

"Resolved, That copies of this resolution be forwarded by the secretary of state, to the Secretary of Agriculture, and each member of the North Dakota congressional delegation.

"HJALMAR NYGAARD,
"Speaker of the House.
"GERALD L. STAIR,
"Chief Clerk of the House.
"C. R. DAHL,
"President of the Senate.
"VIC GILBREATH,
"Secretary of the Senate."

A concurrent resolution of the Legislature of the State of North Dakota; to the Committee on Public Works:

"HOUSE CONCURRENT RESOLUTION

"Concurrent resolution favoring the early construction of the proposed Bowman Haley Dam and Reservoir project and urging the Corps of Engineers to expedite the completion of a favorable report thereon

"Whereas recurring floods on the North Fork of the Grand River in North Dakota, have caused heavy damage to agricultural lands and improvements thereon, and to livestock during the past 50 years; and

"Whereas such floodwaters are vitally needed for beneficial purposes in the affected areas and should be stored and conserved for orderly use as and when needed; and

"Whereas the lignite resources of the basin, the uraniferous lignite resources and other mineral and agricultural resources of the North Fork, Grand River Basin, and concurrent and potential industrial interest in developing such resources indicates potential population growth in the basin; and

"Whereas population studies made by the North Dakota State Water Conservation Commission and Omaha District, Corps of Engineers, indicate that with favorable conditions the population of the communities of Bowman, Scranton, Gascoyne, and Reeder, N. Dak., could increase from 2,675 persons in 1956 to 15,400 in 2012; and

"Whereas the indicated population growth is concurred in locally as being reasonable

and conservative in view of the industrial potential of the basin; and

"Whereas municipal and industrial water requirements of the communities of Bowman, Scranton, Gascoyne, and Reeder are expected to increase progressively from a 1956 usage level of approximately 250 acre-feet annually to 2,600 acre-feet annually by the year 2012 on the basis of population projections and per capita usage of 150 gallons per day; and

"Whereas the ground water resources of the basin are subject to overdraft at present rates of withdrawal; and

"Whereas geologic opinion indicates that complete development of the ground water resources will not provide an assured water supply of the quantity required for future municipal and industrial growth: Now, therefore, be it

"Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That the 36th Legislative Assembly of the State of North Dakota favors the early construction of the Bowman Haley Dam and Reservoir project for flood control, domestic, municipal, industrial, and agricultural water supplies, power, recreation, fish and wildlife, and other uses, and urges the Corps of Engineers to expedite the development and completion of a favorable benefit-cost report thereon to the end that congressional approval thereof may be sought in the next flood-control bill; and be it further

"Resolved, That copies hereof be mailed by the secretary of state to the President of the Senate, the Speaker of the House of Representatives, the chairman of the committees on public works, the Chief of Engineers, the Omaha district engineer, and to Senators WILLIAM LANGER and MILTON R. YOUNG, and Representatives QUENTIN BURDICK and DON L. SHORT.

"HJALMAR C. NYGAARD,
"Speaker of the House.
"GERALD L. STAIR,
"Chief Clerk of the House.
"C. P. DAHL,
"President of the Senate.
"VIC GILBREATH,
"Secretary of the Senate."

The PRESIDENT pro tempore laid before the Senate a concurrent resolution of the Legislature of the State of North Dakota, identical with the foregoing, which was referred to the Committee on Public Works.

STATEHOOD FOR HAWAII—JOINT RESOLUTION OF MONTANA LEGISLATURE—NOTICE OF HEARINGS

Mr. MURRAY. Mr. President, Montana is officially designated the "Treasure State." This is an accurate description. But Montana also is truly a pioneer State. Pioneers historically believe in freedom and equality. Therefore, it is significant that the first resolution enacted by the Legislature of the State of Montana in its current session calls for freedom and equality for the more than one-half million American citizens of the American Territory of Hawaii by granting to them statehood.

Hearings on the bill for Hawaii statehood, S. 50, which has 55 sponsors, will start in the Interior and Insular Affairs Committee on February 25. In connection with these hearings, I ask that the text of House Joint Resolution No. 1, enacted by the 36th session of the Legislative Assembly of the State of Montana on February 6, appear in the RECORD at this point.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 1

Joint resolution of the House and Senate of the State of Montana requesting the President and Congress of the United States to do what may be necessary to give full statehood to the Territory of Hawaii

Whereas the Legislature of Montana is aware of the unfairness with which the Territory of Hawaii has been treated in its appeal for statehood; and

Whereas the Legislature of Montana is aware of the great contributions that the Territory of Hawaii has made to the welfare of the United States, and believing that such contributions could be vastly accelerated by statehood; and

Whereas the platforms of both major political parties have and do advocate statehood for Hawaii; and

Whereas the President of the United States has advocated statehood for Hawaii in speeches, and before his inauguration; and

Whereas the growth and prosperity of the Territory of Hawaii, and the people of Hawaii are seriously handicapped by the Territorial status that now exists; and

Whereas the Territory of Hawaii, and the people of that Territory have now reached a stalemate in their development that cannot be overcome until statehood is granted; and

Whereas it is to the future benefit of the United States of America to accelerate the development of the vast potential that is Hawaii: Now, therefore, be it

Resolved, That the Legislature of the State of Montana, both house and senate concurring, do petition the President and the Congress of the United States to jointly do that which is necessary to immediately give full statehood to the Territory of Hawaii; and be it further

Resolved, That copies of this resolution be submitted by the secretary of state of the State of Montana to each of the individuals and to the chairman of the committee named in the title of this resolution, and also to the presiding officers of both Houses of the Congress of the United States.

JOHN J. MACDONALD,
Speaker of the House.
PAUL CANNON,
President of the Senate.

By Mr. COTTON (for himself and Mr. BRIDGES):

A resolution of the House of Representatives of the State of New Hampshire; to the Committee on Interstate and Foreign Commerce:

"Whereas the U.S. State Department has been primarily responsible for the United States entering into a pact with the U.S.S.R., providing for cultural exchanges, including the exchange of commercial motion pictures between the two countries to be shown in commercial theaters; and

"Whereas the Soviet films may contain clever, subtle Red Russian propaganda: Now, therefore, be it

"Resolved, That we, the members of the House of Representatives of the New Hampshire General Court, go on record as denouncing the showing of any Soviet film which contains propaganda either directly or hidden; and be it further

"Resolved, That we respectfully request the screening or selection board set up by said pact to take cognizance of the possibility of such propaganda and refuse to accept any film which may contain such propaganda; and be it further

"Resolved, That copies of these resolutions be transmitted to our Representatives in the Congress of the United States."

RESOLUTIONS OF ARMY AND AIR NATIONAL GUARD AND NAVAL MILITIA ASSOCIATION OF NEW YORK STATE

Mr. JAVITS. Mr. President, I present, for appropriate reference, a series of resolutions adopted by the Army and Air National Guard and Naval Militia Association of the State of New York, at its annual conference in Albany. I ask unanimous consent that the resolutions may be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

RESOLUTION RELATING TO A STUDY BY AN APPROPRIATE COMMITTEE OF CONGRESS OF THE SUBJECT OF MEDICAL CARE, HOSPITALIZATION, DISABILITY RETIREMENT, AND DEATH BENEFITS FOR MEMBERS OF THE NATIONAL GUARD AND RESERVE COMPONENTS

Whereas under existing Federal law there are many cases of hardship and inequity in regard to the administration and award of medical care, hospitalization, disability retirement and death benefits for members of the National Guard and reserve components; and

Whereas a study by an appropriate committee of Congress of this problem and the correction of inequities is necessary and desirable and in the public interest; and

Whereas studies of other matters of comparable import and complexity have previously been undertaken by committees of the Congress of the United States, with the resulting enactment of appropriate remedial legislation: Now, therefore, be it

Resolved by the Army and Air National Guard and Naval Militia Association of the State of New York in general conference assembled at Albany, N.Y., this 13th day of September 1958, That the officers of this association request the Speaker of the House of Representatives of the 86th Congress to refer to a standing committee of the House or to a special committee, as may be deemed appropriate, for study, report and proposal of remedial legislation, the subject of medical care, hospitalization, disability retirement, and death benefits for members of the National Guard and reserve components and their dependents; and be it further

Resolved, That the officers of this association transmit copies of this resolution to the Speaker of the House of Representatives, the Secretaries of Defense and of the military departments, the Members of Congress from New York, the Chief of the National Guard Bureau and the president of the National Guard Association of the United States.

A RESOLUTION CONCERNING SENATE BILL 3240 OF THE 85TH CONGRESS TO AMEND THE RESERVE OFFICERS' PERSONNEL ACT OF 1954

Whereas there are several provisions of the Reserve Officers' Personnel Act of 1954 that are seriously affecting the morale, growth, and potential combat capability of Air National Guard, and that these same adversary restrictive provisions will materially affect the Army National Guard in 1960; and

Whereas it has been indicated that proposed Department of Defense legislation, the ROPA omnibus bill, will not be submitted to the 86th Congress in sufficient time to provide the immediate relief desired; and

Whereas Senate Bill 3240 of the 85th Congress would have provided some desirable relief by and of the Reserve Officers' Personnel Act of 1954 by providing for the following:

1. United States property and fiscal officers would be retained until the age of 60.
2. Removal of the pusher clause.

3. Removal of the phrase on vacancy promotions of Air National Guard and Air Force Reserve units and mobilization designator positions.

4. Retention in units of all officers for 14 years or to the grade of major, whichever is sooner.

5. Retention in units of professional type; that is, medical department, judge advocate, chaplains, etc., for 21 years or to the grade of lieutenant colonel, whichever is sooner.

6. Retention of Air National Guard and Air Force Reserve technicians to age 60.

7. Removal of the phrase on appointment of Reserve officers to fill mobilization requirements or active duty positions; and

Whereas Senate Bill 3240 of the 85th Congress, which contained the foregoing provisions, was not passed by the 85th Congress, but will be introduced in the 86th Congress convening in January of 1959: Therefore be it

Resolved, That this association recommend and support the introduction and passage of a bill substantially the same as Senate Bill 3240 of the 85th Congress in order to secure early approval of this legislation; and be it further

Resolved, That the officers of this association transmit copies of this resolution to the chairmen of the Armed Services Committees of the Congress, the Secretaries of Defense and of the Department of the Army and of the Department of the Air Force, the Members of Congress from New York, the Chief of the National Guard Bureau and the president of the National Guard Association of the United States.

RESOLUTION RELATING TO THE EXTENSION OF FEDERAL LAWS CONCERNING THE PROCUREMENT OF PERSONNEL FOR THE ACTIVE FORCES AND THE RESERVE COMPONENTS, AND RELATING TO THE ELIMINATION OF INEQUITIES IN SUCH LAWS AND IMPLEMENTING REGULATIONS

Whereas the authority to draft persons for 2 years of active Federal service under the Universal Military Training and Service Act will terminate on July 1, 1959; and

Whereas other legal provisions which authorize 6 months' active duty for training for members of the National Guard and Federal Reserves will terminate on August 1, 1959; and

Whereas the requirements of national defense dictate that these laws should be extended; and

Whereas under existing laws and implementing regulations, a Ready Reserve participating obligation is imposed upon those who have already performed 2 years of active service in the Armed Forces of the United States, while many young men do not perform any military duty, and, therefore, the burden of military service is unfairly distributed and is generally inequitable; and

Whereas such laws and regulations should be revised to eliminate these inequities: Now, therefore, be it

Resolved by the Army and Air National Guard and Naval Militia Association of the State of New York in conference assembled at Albany, N.Y., on the 13th day of September 1958, That—

1. The authority to draft persons between 18½ and 26 years of age for 2 years of active duty should be extended for a further period of 4 years; i.e., until July 1, 1963.

2. The obligation of prior service personnel to serve in Ready Reserve units after completing their period of active duty be eliminated, but that they continue to have a Standby Reserve obligation under which they would be subject to call in case of war or national emergency.

3. Authority be extended until July 1, 1963, for persons to enlist voluntarily in the National Guard or Federal Reserves, such persons to be required to perform not less than 3 months' or more than 6 months' active duty for training; and that such authority be amended to apply to all persons between the ages of 17 and 26.

a. Persons under age 18½ enlisting in a unit of the National Guard or Federal Reserves under the above authority shall be required to participate as a member of such unit for a period which shall not be less than 3 years following completion of their active duty for training.

b. Persons between the ages of 18½ and 26 years enlisting in a unit of the National Guard or Federal Reserves under the above authority shall be required to participate as a member of such unit for a total of 6 years including their active duty for training.

4. The Universal Military Training and Service Act be amended to provide for the early release of persons inducted for 2 years of active Federal service who have completed a minimum of 6 months of active service, if such persons volunteer to enlist and serve in a unit of the National Guard or Federal Reserve for a total period of 6 years including their period of active service.

5. Copies of this resolution be sent to the President of the United States, the Secretaries of Defense and of the military departments, the chairman of the Armed Services Committees of Congress and of the Military Affairs Committees of the Legislature, the Members of Congress from New York, the Governor of New York, the Chief of the National Guard Bureau and the president of the National Guard Association of the United States.

Whereas thousands of ROTC graduates, after being commissioned in the Army Reserve and after completion of either 2 years of active duty or 6 months' active duty for training, are returned to inactive status, without assignment to reserve units, as provided for in section VI (D.I.) of the Universal Military Training and Service Act as amended, due to lack of sufficient vacancies within Reserve units; and

Whereas this results in a great waste of training officer manpower; and

Whereas there should be a flow of these officers coming into the National Guard, and the law should be amended to make this possible: Now, therefore, be it

Resolved by the Army and Air National Guard and Naval Militia Association of the State of New York in general conference assembled at Albany, N.Y., this 13th day of September, 1958, That section VI (D.I.) of the Universal Military Training and Service Act, as amended, be further amended to provide that appropriate Reserve units, within the meaning of such section, shall include the Army National Guard of a State, Territory, or District of Columbia, the governor or other executive authority of which has requested and approved the assignment of such Reserve officers; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Secretaries of Defense and Army, the Governor of the State of New York, the Members of the Congress from New York, the Chief of the National Guard Bureau, and the president of the National Guard Association of the United States.

RELATING TO THE STRENGTH AND 6 MONTHS' TRAINING QUOTAS OF THE ARMY NATIONAL GUARD OF THE UNITED STATES AND THE NEW YORK ARMY NATIONAL GUARD

Whereas the Department of Defense Appropriations Act for the fiscal year 1959 (Public Law 85–724) provides that the Army National Guard of the United States shall be maintained at 400,000 strength during the fiscal year 1959, and such act appropriates funds to carry out such purpose; and

Whereas pursuant to such act, funds should be allocated by the military departments and the Bureau of the Budget to maintain the paid drill strength of the Army National Guard of the United States at 400,000, including not less than 55,000 6 months' trainees; and

Whereas under the existing international situation, and the present military commitments of the United States throughout the world, the strength, of the Army National Guard of the United States, as an essential part of the landpower of the United States, should be stabilized at not less than 400,000; and

Whereas the New York Army National Guard should be maintained and stabilized at not less than 27,000 strength, including not less than 6,000 6 months' trainees: Now, therefore, be it

Resolved by the Army and Air National Guard and Naval Militia Association of the State of New York in general conference assembled at Albany, N.Y., this 13th day of September 1958, That—

1. The paid drill strength of the Army National Guard of the United States be maintained at 400,000, including not less than 55,000 6 months' trainees during the fiscal year 1959 and that the Departments of Defense and/or Army immediately issue a public announcement to the effect that the appropriations voted by Congress for this purpose will be allocated and used accordingly.

2. The paid drill strength of the Army National Guard of the United States be stabilized in the future at not less than the strength and annual number of trainees set forth above, i.e., 400,000 strength, including not less than 55,000 6 months' trainees.

3. Based on a total strength of 400,000 for the Army National Guard of the United States, the New York Army National Guard be maintained at not less than 27,000, including not less than 6,000 6 months' trainees.

4. The Federal departments concerned take such action as may be necessary to insure accomplishment of the above objectives.

5. Copies of this resolution be sent by the officers of this association to the President of the United States, the Secretaries of Defense and Army, the chairman of the Armed Services Committees of Congress, the Governor of the State of New York, the Members of Congress from New York, the Chief of the National Guard Bureau, and the president of the National Guard Association of the United States.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Mason Sears, of Massachusetts, to be an alternate representative to the 13th session of the General Assembly of the United Nations;

Benjamin Gerig, of Maryland, to be an alternate representative to the 13th session of the General Assembly of the United Nations; and

Franklin D. Murphy, of Kansas, to be a member of the U.S. Advisory Commission on Educational Exchange.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unan-

imous consent, the second time, and referred as follows:

By Mr. LANGER (for himself and Mr. YOUNG of North Dakota):

S. 1075. A bill to provide for the reimbursement of Meadow School District No. 29, Upham, N. Dak., for loss of revenue resulting from the acquisition of certain lands within such school district by the Department of the Interior; to the Committee on the Judiciary.

By Mr. LANGER:

S. 1076. A bill for the relief of George Brahos; to the Committee on Armed Services.

By Mr. KEFAUVER:

S. 1077. A bill for the relief of Frank Caruso; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 1078. A bill for the relief of Verda Mae Jennings; to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. KEFAUVER):

S. 1079. A bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States; to the Committee on the Judiciary.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS:

S. 1080. A bill for the relief of Epaminontas Limazopoulos;

S. 1081. A bill for the relief of Arshalouis Simeonian; and

S. 1082. A bill for the relief of Ryzard Wolfart (Richard Wolfart); to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself and Mr. PROXMIRE):

S. 1083. A bill to amend the Federal Trade Commission Act, as amended, so as to equalize rights in the distribution of merchandise identified by a trademark, brand, or trade name; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA:

S. 1084. A bill providing for the reduction of the congressional representation of States denying or abridging the right of its inhabitants to vote, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA (for himself and Mr. CLARK):

S. 1085. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for hired farm labor employed by large farm enterprises, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate heading.)

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 1086. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 1087. A bill to establish a program of scholarship aid to students in higher education and to provide facilities assistance to institutions of higher education; and

S. 1088. A bill to authorize Federal payments to the States to assist in constructing schools; to the Committee on Labor and Public Welfare.

S. 1089. A bill to provide a 30-percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to the Committee on Finance.

S. 1090. A bill to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency; and

S. 1091. A bill to provide school construction assistance to the States; to establish a program of scholarship aid to students in higher education; to provide facilities assistance to institutions of higher education; to provide a 30-percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency; to establish a Youth Conservation Corps; and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bills, which appear under a separate heading.)

By Mr. SCHOEPPEL (for himself and Mr. CARLSON):

S. 1092. A bill to provide for the construction of the Cheney division, Wichita Federal reclamation project, Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KENNEDY (for himself, Mr. BYRD of West Virginia, Mr. RANDOLPH, Mr. AIKEN, Mr. ALLOTT, Mr. BARTLETT, Mr. BIBLE, Mr. BRIDGES, Mr. CANNON, Mr. CARROLL, Mr. CLARK, Mr. COOPER, Mr. DOUGLAS, Mr. ENGLE, Mr. GREEN, Mr. GRUENING, Mr. HENNINGS, Mr. HUMPHREY, Mr. JACKSON, Mr. KEFAUVER, Mr. LANGER, Mr. LONG, Mr. McCARTHY, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MORSE, Mr. MOSS, Mr. NEUBERGER, Mr. PASTORE, Mr. PROXMIRE, Mr. SCOTT, Mr. SMATHERS, and Mr. YARBOROUGH):

S. 1093. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. FULBRIGHT (by request):

S. 1094. A bill to amend the Bretton Woods Agreements Act; to the Committee on Foreign Relations.

(See the remarks of Mr. FULBRIGHT when he introduced the above bill, which appear under a separate heading.)

By Mr. KERR (for himself and Mr. MONRONEY):

S. 1095. A bill to authorize the construction, operation, and maintenance of the Canton project, Oklahoma, by the Secretary of the Interior; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Texas (for himself and Mr. BRIDGES):

S. 1096. A bill to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes; to the Committee on Aeronautical and Space Sciences.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above bill, which appear under a separate heading.)

By Mr. SCOTT:

S. 1097. A bill to provide for a study by the Secretary of the Interior of strip-mining operations in the United States and for a report to Congress of the results of such study, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COOPER:

S. 1098. A bill for the relief of Shau Ying Lin, and her children, Hang Shan Lin, Gee Chek Lin, Gee Ming Lin, and Chi Fong Lin; to the Committee on the Judiciary.

S. 1099. A bill for the relief of Nona Cooper; to the Committee on Finance.

By Mr. COOPER (for himself and Mr. MORTON):

S. 1100. A bill to amend section 401b of the act of July 14, 1952, to permit applications for moving costs resulting from military public works projects to be filed either 1 year from the date of acquisition or 1 year following the date of vacating the property; to the Committee on Armed Services.

S. 1101. A bill to authorize the Secretary of the Army to relocate certain facilities adversely affected by construction of the Barkley Dam project, Kentucky; and

S. 1102. A bill to authorize acquisition of residential property adversely affected by Barkley Dam project, Kentucky; to the Committee on Public Works.

By Mr. KEATING:

S. 1103. A bill to amend section (9)(a) of the Trading With the Enemy Act, as amended; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S.J. Res. 50. Joint resolution designating November 19, the anniversary of Lincoln's Gettysburg Address, as Dedication Day; to the Committee on the Judiciary.

By Mr. McNAMARA:

S.J. Res. 51. Joint resolution proposing an amendment to the Constitution of the United States prescribing maximum qualifications for voters in Federal elections; to the Committee on the Judiciary.

(See the remarks of Mr. McNAMARA when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS — STANDING COMMITTEE ON VETERANS' AFFAIRS

Mr. SCHOEPPEL (for himself, Mr. BRIDGES, and Mr. GOLDWATER) submitted the following resolution (S. Res. 80), which was referred to the Committee on Rules and Administration:

Resolved, that rule XXV of the Standing Rules of the Senate (relating to standing committees) is amended by—

(1) striking out parts 10 through 13 in subparagraph (h) of paragraph (1);

(2) striking out parts 16 through 19 in subparagraph (1) of paragraph (1); and

(3) inserting in paragraph (1) after subpararaph (p) the following new subparagraph:

"(q) Committee on Veterans' Affairs, to consist of 13 Senators, 5 who are also members of the Committee on Finance, 4 who are also members of the Committee on Armed Services, and 4 who are also members of the Committee on Labor and Public Welfare. All proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects shall be referred to the Committee on Veterans' Affairs:

"1. Veterans' measures, generally.

"2. Pensions of all wars of the United States, general and special.

"3. Life insurance issued by the Government on account of service in the Armed Forces.

"4. Compensation of veterans.

"5. Vocational rehabilitation and education of veterans.

"6. Veterans' hospitals, medical care, and treatment of veterans.

"7. Soldiers' and sailors' civil relief.

"8. Readjustment of servicemen to civil life."

SEC. 2. Paragraph 4 of Rule XXV of the Standing Rules of the Senate is amended by striking out "and Committee on Aeronautical

and Space Sciences" and inserting in lieu thereof "Committee on Aeronautical and Space Sciences, and Committee on Veterans' Affairs".

SEC. 3. The Committee on Veterans' Affairs shall as promptly as feasible after its appointment and organization confer with the Committee on Finance and the Committee on Labor and Public Welfare for the purpose of determining what disposition should be made of proposed legislation, messages, petitions, memorials, and other matters heretofore referred to the Committee on Finance and the Committee on Labor and Public Welfare during the 86th Congress which are within the jurisdiction of the Committee on Veterans' Affairs.

AMENDMENT OF RULES XVI AND XXV, RELATING TO APPROPRIATIONS

Mr. THURMOND submitted the following resolution (S. Res. 81), which was referred to the Committee on Rules and Administration:

Resolved, That rule XVI of the Standing Rules of the Senate is amended (1) by striking out the heading thereto and inserting in lieu thereof "Amendments to Appropriation Bills and Amendments Creating a Charge on the Treasury," and (2) by adding at the end thereof a new paragraph as follows:

"8. No amendment to a bill or joint resolution shall be received or considered if it authorizes (A) expenditures from debt receipts, or the creation of obligations by contract in advance of appropriations, and (B) is not moved by direction of a standing committee of the Senate."

SEC. 2. Subsection (b) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(b) Committee on Appropriations, to consist of 27 Senators, to which committee shall be referred—

"(1) All proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation of the revenue for the support of the Government; and

"(2) All proposed legislation (other than legislation within the purview of paragraph (1) above, or relating to claims against the United States) authorizing expenditures from debt receipts, or the creation of obligations by contract in advance of appropriations; except that any proposed legislation carrying such authority which relates to a substantive matter within the jurisdiction of any other standing committee of the Senate shall be referred first to such committee."

PUBLIC DEFENDERS TO REPRESENT INDIGENT DEFENDANTS IN CRIMINAL COURT CASES

Mr. JAVITS. Mr. President, I send to the desk for appropriate reference a bill which I am introducing today on behalf of myself, and the Senator from Tennessee [Mr. KEFAUVER].

The PRESIDING OFFICER (Mr. KEATING in the chair). The bill will be received and appropriately referred.

The bill (S. 1079) to provide for the representation of indigent defendants in criminal cases in the district courts of the United States, introduced by Mr. JAVITS for himself and Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. JAVITS. The bill proposed legislation to establish a nationwide system of public defenders to represent indigent defendants in criminal court cases.

Our bill also provides that grants may be made to legal aid societies, bar associations, and similar groups rendering free legal service to defendants in U.S. district courts who cannot afford to hire counsel.

Similar legislation sponsored by myself and Senators KEFAUVER and WILEY passed the Senate last year but no action was taken on it by the House of Representatives. Its purpose has been endorsed by the Department of Justice, the Judicial Conference of the United States, the American Bar Association, the National Legal Aid and Defender Association and other leading bar associations throughout the country.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the resolution of the National Legal Aid and Defender Association, adopted on August 20, 1958.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION CONCERNING FEDERAL PUBLIC DEFENDER LEGISLATION, ADOPTED BY THE ASSEMBLY OF DELEGATES OF THE NATIONAL LEGAL AID AND DEFENDER ASSOCIATION AT ITS 36TH ANNUAL CONFERENCE HELD AT PASADENA, CALIF., AUGUST 20 TO 22, 1958

Whereas the National Legal Aid and Defender Association in the past has consistently favored public defender legislation for the courts of the United States; and

Whereas such legislation has again been introduced in the Congress of the United States: Now, therefore, it is hereby

Resolved, That the National Legal Aid and Defender Association reaffirms the association's endorsement of legislation which would provide for the establishment of public defender offices in the U.S. courts, and alternatively for the provision of counsel to indigent defendants through the employment by the United States of the services of bar associations, legal aid societies, defender organizations, or individually appointed and paid attorneys in those jurisdictions where such systems appear to be more desirable in the light of local conditions.

Mr. JAVITS. Although the sixth amendment to the Constitution states that every accused person is entitled to the assistance of counsel for his defense, regardless of ability to pay, the widespread practice of assigning lawyers to represent indigent defendants usually without compensation is often haphazard and ineffectual. Legal authorities agree that it does not always result in the proper administration of justice.

According to the National Legal Aid and Defender Association, from mid-1957 through mid-1958, more than 50 percent of all defendants in criminal court cases in 106 major cities were unable to afford legal counsel. For example, the number of indigent defendants in Oakland, Calif., was reported to be 60 percent of the total; in New York City, over 50 percent; in Chicago, Ill., 55 percent; and in Boston, Mass., 75 percent. The association further reports that some type of public defender system, supported by the State or local government, or provided by voluntary groups like legal aid societies does exist in 16 States. However, in 27 counties in the United States with a total population of about 20 million there is no such service available and indigent defendants must rely solely upon lawyers who may be appointed by the courts.

The inadequacy of the present system is apparent in the results disclosed by one national survey which estimated that 4 out of every 10 indigent defendants held on criminal charges received no legal assistance whatsoever. Of the remaining 60 percent who did have some sort of aid, only about one-third received an effective defense, it was reported.

Such studies, substantiating testimony by legal experts and my own firsthand experience in developing a public defender program for youths under 21 while attorney general of New York State, have convinced me that Federal legislation is required, if the scales of justice are to be kept in balance in cases involving indigent defendants. They must never be weighted against the accused because he is financially unable to employ a skilled, experienced lawyer to defend him.

Granted that it is the duty of the prosecuting attorney to protect the innocent as well as prosecute the guilty, but, in practice, the district attorney or U.S. attorney is most effective in presentation of evidence against the person charged with a criminal offense. If the accused person's constitutional guarantee is to have real meaning, then his lawyer must be equally able and willing to counter with an adequate defense.

The proposal I am introducing would provide that each U.S. district court may appoint a public defender to be paid out of Federal funds, the sum to be fixed by the Judiciary Conference of the United States based upon services to be performed. Provision is made for a maximum salary of $16,000 per annum or an amount $2,500 less than the salary of the U.S. attorney in the district, whichever is lower. Ninety percent of the U.S. attorneys are paid between $12,500 and $15,000 annually, and the remainder receive between $18,000 and $20,000 per year. Whenever the court decides that a defendant is too poor to hire counsel, it may assign the public defender. However, the bill preserves the court's present power to appoint counsel other than the public defender and such counsel is to be paid on a case-by-case basis, with daily compensation not to exceed $100.

There is a key provision in the bill authorizing the Director of the Administrative Office of the U.S. Courts upon recommendation of the Judicial Conference to make grants to bar associations, legal aid societies and similar groups giving free legal services to indigent defendants with the aggregate amount of any such grants made annually to any judicial district shall not exceed $30,000. There are undoubtedly several areas in the country where a small expenditure of Federal funds would enable legal aid societies to expand materially the volume of work they now handle.

In New York City, where it is estimated that nearly 6 out of every 10 persons accused of criminal cases seek voluntary legal aid, the local legal aid society reports that it assisted 35,123 indigent defendants during 1958. In the Federal courts of the southern and eastern dis-

tricts which take in New York and 11 neighboring counties, the society was called upon to represent one or more defendants in almost 70 percent of all criminal cases tried in them.

The facts show that indigent defendants in the courts, under the present system, which varies from district to district, and is generally based upon the assignment of members of the bar who largely volunteer for the purpose, is not working adequately. That fact is recognized by the local U.S. attorneys and by the Attorney General of the United States, as well as by the bar associations of the country.

We have had a great deal of experience with public defenders, as this system is in force in many places, and, on the whole, is found to give very large benefits to the public.

Finally, our bill proposes to utilize the legal aid societies, bar associations, and similar groups, many of which now render free legal services to defendants in criminal cases—free legal services for which the Government ought to pay a reasonable sum, because it would attract more lawyers on a more constant basis, resulting in greater and more intensive preparation of the cases.

In view of the action of this body last year and the support this measure has received from so many distinguished legal authorities in the United States, I very much hope that the Congress will act on this measure at this session.

AMENDMENT OF FEDERAL TRADE COMMISSION ACT, TO EQUALIZE RIGHTS IN DISTRIBUTION OF CERTAIN MERCHANDISE

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill designed to safeguard our Nation's small-business men from predatory and destructive price-cutting tactics. Cosponsoring this measure with me is the junior Senator from Wisconsin [Mr. PROXMIRE].

A companion measure to this bill has been introduced in the House of Representatives by Representative OREN HARRIS, chairman of the House Committee on Interstate and Foreign Commerce.

As will be recalled, substantially similar fair trade bills were introduced in the last session of Congress by Representative HARRIS on the House side and by the Senator from Wisconsin [Mr. PROXMIRE] and myself for the Senate. Extensive public hearings on the merits of these bills were held by the Interstate and Foreign Commerce Committees of both the House and the Senate, respectively. Subsequently, the House Committee's Subcommittee on Commerce and Finance reported favorably on the fair trade measure which Congressman Harris had introduced. Unfortunately, however, the legislative logjam which then developed in the rush for adjournment prevented any further action from being taken by the House. On the Senate side, too, the adjournment stymied all efforts to take final action on our fair trade bill.

In introducing this bill, I am hopeful that public attention will be brought directly to bear upon the grave competitive threat which loss-leader selling and related pricing practices pose for small-business men. It is my desire to see stimulated among thoughtful people in all walks of life a free and open discussion of this bill, its provisions and general objectives. Once a full understanding is had of the basic competitive problems under attack, I am confident that a sound and constructive solution, consistent with the public interest, can be found.

Both in principle and purpose, the proposed national fair trade bill corresponds closely to the individual State fair trade laws. Each type of legislation has as its objective the maintenance of fair and orderly pricing practices in the distribution of trademarked and trade-named products. In each case, this goal is to be achieved by means of resale price maintenance, that is, in the promotion of fair-trade competition. Each limits the right of resale price control to manufacturers having a trademarked or trade-named product in free and open competition with similar commodities. Each authorizes private enforcement by injured parties. Each gives any qualified manufacturer a basic right to decide freely for himself whether or not he shall adopt a system of resale price maintenance. Moreover, each has a common interest in protecting a manufacturer's property right in his trademark or trade name from injurious pricing practices. It need hardly be added that each type of law finds its social and economic justification in the maintenance of a vital and prosperous small-business community, free from the threat of ruinous price cutting.

In commending this legislative proposal to the earnest consideration of my colleagues, I am reassured by a knowledge of the sympathetic treatment which Congress has traditionally accorded the problems of small business. Through the years, Congress has been always willing to take whatever action was necessary to protect small-business interests. Such efforts have been evidenced particularly in the area of legislation prohibiting destructive pricing practices.

All of us are familiar with the important role played by Congress in the development of fair trade at the Federal level. At that time, fair trade was relatively ineffective because of its inability to function in interstate commerce. To resolve the difficulty, Congress passed the Miller-Tydings Act. Again, in 1952, when fair trade competition seemed destroyed by the Supreme Court's decision in the Schewegmann case, Congress proceeded to revitalize fair trade by passing the McGuire Act, a measure which expressly sanctioned enforcement of fair-trade prices against nonsigning retailers. In addition, it may be pointed out, almost all of us in Congress have spoken publicly in support of fair-trade competition and its many practical benefits to all segments of our economy.

Largely as a result of the unique Federal exemptive status which Congress has established for fair trade, the system has won acceptance in the marketplaces of the Nation. Manufacturers, wholesalers, retailers, and consumers, too, have come to recognize the advantages of fair-trade competition and now depend heavily upon its continued effective operation. Congress must carefully guard against breaking faith with those small businessmen whose survival depend upon a strong and vigorous fair-trade system. Though this responsibility is indeed great, I am fuly confident that Congress will discharge it as successfully as has always been done in the past.

I ask unanimous consent that the bill lie on the desk for one week to afford other Senators an opportunity to join as cosponsors of the measure, if they so desire.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Minnesota.

The bill (S. 1083) to amend the Federal Trade Commission Act, as amended, so as to equalize rights in the distribution of merchandise identified by a trademark, brand, or trade name, introduced by Mr. HUMPHREY (for himself and Mr. PROXMIRE), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

PROTECTION OF VOTING RIGHTS

Mr. MCNAMARA. Mr. President, I introduce a bill and a joint resolution and ask that they be appropriately referred.

Mr. President, these two measures, taken singly or together, would signify a great stride toward the long-sought goal of insuring and protecting the voting rights of all Americans.

I have been impressed by the number of civil rights measures introduced in the Senate thus far in the 86th Congress.

There is S. 810, which I was pleased to cosponsor with the senior Senator from Illinois [Mr. DOUGLAS]; there is the bill introduced by the distinguished majority leader, the Senator from Texas [Mr. JOHNSON], and there is even an administration measure.

In fact, the sudden profusion of civil rights bills this year is rather heartening to those of us who have been carrying on this fight for some years.

It is almost as if our quest for equal rights and protection for all Americans had suddenly become respectable.

Mr. President, enactment of every one of the provisions in the bills I have mentioned would be helpful in the protection of civil rights, even though one or two may be designed more for public relations purposes than to fill the real need.

Nevertheless, there is one area that needs still more attention. That is insuring the constitutional right of all Americans to vote.

The preliminary findings of the Federal Civil Rights Commission have pointed up the fact that many thousands of Americans apparently are being denied their right to vote.

The measures I introduce today are designed to put a stop to this intolerable situation.

One is a bill to implement section 2 of the 14th amendment to the Constitution, a section which provides that any State which denies or abridges the rights of any of its citizens to vote, shall have its representation in the House of Representatives reduced proportionately.

My bill would establish a Joint Committee on Congressional Representation, which would meet following each election to determine whether violations have occured.

Following the committee's report on whether any State should have the number of Representatives reduced, Congress would have an opportunity to disapprove the committee's findings.

The joint resolution I introduce proposes an amendment to the Constitution setting forth maximum qualifications for voting in Federal elections.

These maximum qualifications would require U.S. citizenship, 1 year's residence in the State, and attainment of the age of 21.

These would, of course, not apply to persons adjudged mentally incompetent or those deprived of civil rights because of criminal conviction.

However, the point is that stating maximum qualifications beyond which no State could go in Federal elections, would automatically put an end to many abuses.

I am aware that the Constitution permits each State to set the qualifications for electors.

But I am also aware of the 14th amendment which I have already described, the 15th amendment which makes illegal denial or abridgement of the right to vote because of race or color, and the 19th amendment, which gave women the right to vote.

These precedent-setting amendments clearly establish the Federal Government's right to set qualifications in Federal elections.

The PRESIDING OFFICER. The bill and joint resolution will be received and appropriately referred.

The bill and joint resolution, introduced by Mr. MCNAMARA, were received, read twice by their titles, and referred to the Committee on the Judiciary, as follows:

S. 1084. A bill providing for the reduction of the congressional representation of States denying or abridging the right of its inhabitants to vote, and for other purposes; and

S.J. Res. 51. Joint resolution proposing an amendment to the Constitution of the United States prescribing maximum qualifications for voters in Federal elections.

AMENDMENT OF FAIR LABOR STANDARDS ACT, RELATING TO EXTENSION OF COVERAGE

Mr. MCNAMARA. Mr. President, on behalf of myself and the Senator from Pennsylvania [Mr. CLARK], I introduce, for appropriate reference, a bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for hired farm labor employed by large farm enterprises, and for other purposes.

This bill is companion legislation to the bill introduced on Monday by the Senator from Massachusetts [Mr. KENNEDY], which I have sponsored, to increase the minimum wage and to extend coverage of that law.

The bill I introduce today would extend the protection of the Fair Labor Standards Act to agricultural employees on the larger farms.

It would not affect the so-called family farm or those with only a few casual employees.

The provisions would apply to farm enterprises using more than 2,244 mandays of hired farm labor during a calendar year.

In all fairness to the employees, I would much prefer that they be given the immediate protection of the full minimum wage, either the current $1 an hour or the $1.25 proposed in the bill offered by the Senator from Massachusetts.

However, it is recognized that the sudden increase to $1 or $1.25 from the extremely poor wage now being paid most farm workers could effect undue hardship on some employers.

Therefore, my bill proposes that the full minimum wage level be reached in a series of annual stages.

Under this plan, the minimum farm wage would be 75 cents an hour the first year, 85 cents the second year, $1 the third year, and the statutory minimum wage, whatever it may then be, the fourth year.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1085) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for hired farm labor employed by large farm enterprises, and for other purposes, introduced by Mr. MCNAMARA (for himself and Mr. CLARK), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

CONSTRUCTION AT CERTAIN MILITARY INSTALLATIONS

Mr. RUSSELL. Mr. President, on behalf of myself, and the senior Senator from Massachusetts [Mr. SALTONSTALL], I introduce, for appropriate reference, a bill to authorize certain construction at military installations, and for other purposes.

This bill is requested by the Department of Defense and is accompanied by a letter of transmittal explaining the purpose of the bill.

I ask that the letter of transmittal be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 1086) to authorize certain construction at military installations, and for other purposes, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL), by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter presented by Mr. RUSSELL is as follows:

THE SECRETARY OF DEFENSE,
Washington, February 10, 1959.

Honorable RICHARD M. NIXON,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation to authorize certain construction at military installations, and for other purposes.

This proposed legislation is a part of the Department of Defense legislative program for 1959, and the Bureau of the Budget advises that there is no objection to its presentation to the Congress. The Department of Defense recommends that it be enacted.

This proposed legislation would authorize additional military construction that is urgently needed by the Department of Defense at this time, and would provide additional authority to cover deficiencies in prior construction authorizations. The appropriation of money required for construction is provided for in the Budget of the U.S. Government for the Fiscal Year 1960.

This legislation consists of titles I, II, and III, covering authorization required for the active forces of the Departments of the Army, Navy, and Air Force; title IV, covering general provisions relating to the foregoing titles; and title V, covering authorization required for the respective Reserve components.

For the Active Forces this proposal would authorize new construction totaling $1,299,297,000, of which $231,252,000 is for the Department of the Army, $195,284,000 is for the Department of the Navy, and $872,761,000 is for the Department of the Air Force. This proposal would also provide additional monetary authority to correct deficiencies in authorization for projects authorized under previous laws totaling $4,379,000, of which $1,186,000 is for the Army, $850,000 is for the Navy, and $2,343,000 is for the Air Force. Therefore, the total in this proposed legislation of new authorization, plus additional monetary authority for projects previously authorized, amounts to $1,303,676,000 for the Active Forces.

This proposal would also repeal as of July 1, 1960, all authorizations, with certain exceptions, for military construction for the Active Forces that are contained in laws enacted prior to August 31, 1957. This repeal will continue in effect the policy established in the fiscal year 1956 Military Construction Authorization Act (Public Law 161, 84th Cong.) of repealing long-standing authority that has not been exercised by the military departments. It is believed that the continuation of this policy will result in a construction program which will reflect more accurately the current needs of the Department of Defense.

For the Reserve components the proposal would authorize construction totaling $56,993,000, of which $20,748,000 is for the Army Reserve, $8,316,000 is for the Army National Guard, $8,300,000 is for the Naval and Marine Corps Reserves, $4,093,000 is for the Air Force Reserve, and $15,536,000 is for the Air National Guard. It would also provide additional monetary authority to correct deficiencies in authorization for certain projects contained in Public Law 85-685 totaling $560,000, of which $470,000 is for the Air National Guard and $90,000 is for the Army Reserve. Therefore, the total of new authorization, plus additional monetary authority for projects previously authorized, amounts to $57,553,000 for the Reserve components. This proposed legislation also provides for the rescission of authorization contained in Public Law 85-685 for certain installations which are no longer required.

Accordingly, the total authorization requested in this legislation for both the Active

Forces and the Reserve components amounts to $1,361,229,000.

Sincerely yours,

NEIL MCELROY.

YOUTH OPPORTUNITY PROGRAM

Mr. HUMPHREY. Mr. President, I wish to discuss today some of the problems we face in expanding opportunity for our Nation's young people and to offer a program for action, a youth opportunity program.

These problems—and the action we take to solve them—will have the most far-reaching effects on the future of our country, both in terms of our own national development and in terms of the long-range competition we must expect in this tense and divided world. These problems deserve our most dedicated attention.

The problems and requirements of our Nation's youth confront us with a mounting challenge and responsibility which we cannot afford to shirk. We must plan and act now if the United States is to provide full opportunity for self-development of all our young people, regardless of their race, religion, family economic background, geographical residence, or comparative abilities.

Our country is rich in natural resources. But our most precious resource is our people—our loyal, skilled, and informed citizens. We must provide ample opportunity for our citizens—especially our young people—to develop themselves through education, recreation, and employment. Such self-development will, of course, make our young people ever more valuable national assets in this increasingly complex technological era we are in.

But furthermore, when we provide opportunity for self-development we are strengthening the free, independent spirit of the individual citizen, the bedrock of our democracy.

Passage of the National Defense Education Act last year represents a growing public awareness—and an awareness by Congress—of the need to expand opportunity for our young people. This act is a beginning step on the path we must follow if we are to give adequate attention and care to our young people in their crucial, formative years.

The problems of our Nation's youth fall into two major divisions. On one hand we have the academic problems. We must provide adequate educational opportunities. On the other hand, we have the nonacademic problems—recreation, juvenile delinquency, rehabilitation, and the problems of our young people as they enter the labor force.

In the academic field we still face enormous challenges in spite of the progress achieved in the National Defense Education Act. Many qualified, able young people are still prevented from attending institutions of higher learning because of family or personal financial pressures. Even so, these institutions face enrollment pressures simply because of the expanding population, especially in the lower age brackets. Our schools still face serious classroom shortages as well as shortages of qualified teachers.

The nonacademic challenges to our American traditions of opportunity are equally obvious. We must provide recreational facilities for youthful activities in healthy surroundings. We must bridge the gap between high school and employment for those who are not going on to further education. We must explore new methods for the rehabilitation of delinquent youths and we must strike at the roots of juvenile delinquency.

Mr. President, like most of my colleagues, I have been seriously concerned about these problems for many years. Early in the 85th Congress I introduced a comprehensive youth opportunity program. Today I am sending to the desk a similar, comprehensive program to deal with these crucial problems which loom so urgently on our national agenda. I am happy to report that the distinguished Representative from the 26th District of California, the Honorable JAMES ROOSEVELT, is introducing identical legislation in the House of Representatives.

Again I solicit suggestions and constructive amendments. There is no claim for perfection in my youth opportunity program but I believe these problems of our young people deserve the active interest not only of all Members of Congress but also the informed interest of the American people as a whole. The problems are pressing. I hope this Congress will sense their urgency.

EDUCATION

Last year the National Defense Education Act was passed, I think, largely because many Members of Congress viewed such legislation as an answer to Soviet sputniks and ICBM's. I do not want to detract from the contributions of this act, although I deeply regret that college scholarships and provisions to alleviate our shortage of classrooms were deleted in the final version. I submit, however, that the problems we face in the field of education require our attention regardless of Soviet technical progress.

The strength of our democracy depends on the kind of education and training available to our citizens. If we can afford a defense budget of more than $40 billion a year for national security, we certainly should be willing to devote a small fraction of this amount to the urgent educational needs of our young people as an equally important investment in preserving and improving our American way of life.

Mr. President, the future progress and well-being of our American society depends on our action in the field of education. Our society is now in a period of rapid change. We face increasing complexities and hazards, both technical and moral. It is absolutely essential that we bring educational opportunities to the highest talent of each generation to meet and to master the social and scientific challenges of our time.

Educators have estimated that there are at present more than 150,000 young men and women in the United States who rank in the upper 12 percent of the population's intellectual range, but who cannot go to college because they lack the necessary means. The loan program of the National Defense Education Act, with its encouragement for recipients to enter the teaching profession, is sound, but the program merely scratches the surface in providing assistance for qualified high school graduates who lack financial resources.

It is a great waste of valuable resources—human resources—to let young people with outstanding mental ability be deprived of a college education because of financial difficulties. With this thought in mind, I am proposing a college scholarship program to raise the standards of educational systems throughout our country and to promote the future progress of our entire Nation.

Rising enrollments, both in institutions of higher learning and in elementary and secondary schools, are putting an increasing burden on the ability of State and local governments to meet the costs of education. My youth opportunity program includes authorization for school construction assistance. It also includes provisions for assistance to the institutions of higher learning which face expanding costs in accepting students who receive Federal financial aid.

Mr. President, in my youth opportunity program, a comprehensive attempt to meet basic educational needs is made in three separate bills which I send to the desk today. These three bills are entitled the "Student Aid Act of 1959," the "School Construction Act of 1959," and the "Educational Tax Credit Act of 1959."

STUDENT AID ACT

First, I turn to consideration of my Student Aid Act which would establish a Federal scholarship program. The need for this program is clear. A survey by the Office of Education indicates that more than 70,000 qualified students who requested financial aid from our colleges and universities were denied scholarship assistance in 1957–58.

Under my proposal, at least 46,000 young men and women each year will be able to enter these institutions of higher learning with the help of Federal scholarships of varying amounts.

Appropriations would begin in fiscal 1960 with $46 million. They are to increase by $46 million each year until fiscal 1963, when appropriations would level off at $184 million a year.

The scholarships are to be awarded to high-school students everywhere in the United States for higher education, free, of course, from discriminations for reasons of sex, creed, or race. Each State is to have its quota of scholarships based on a formula providing that one-half of the total number of scholarships shall be allotted among the States in percentages equal to the percentage the State's high-school graduates bear to the national total of high-school graduates for the year. The remaining one-half of the total number of scholarships are to be allotted in the proportion that the State's population between 19 and 21 bears to the national total population of that age.

Any high-school graduate would be eligible to apply for a scholarship and

each student who wins a certificate of scholarship from his State education agency will automatically get an annual $500 merit scholarship, regardless of his financial need. Such merit awards for outstanding scholastic achievement will stimulate high-school students to take courses qualifying them for entrance to college and will stimulate them to do their best to win a scholarship. These merit awards will also stimulate parents to encourage their children to work hard at the difficult courses.

Furthermore, I believe the most significant accomplishment of these merit scholarships will be their effect in raising the whole level of secondary education throughout the United States. The Nation's high schools will compete among themselves for the honor of graduating Federal scholarship winners and parents will insist that their local schools provide the courses, the teachers, and the laboratory equipment essential for proper study, particularly in science, mathematics, and modern languages. Thus, the scholarship program which I am proposing would become an enormous incentive to the schools, the students, and their parents to upgrade the level of academic achievement in the high schools across our Nation.

The State agencies which select the recipients of scholarship funds will also choose from the winners of scholarship certificates those needy students who require more scholarship assistance in addition to the merit award. These needy scholars could get amounts varying with their demonstrated need, but there would be a limit of $1,500 per recipient per academic year for a maximum of 4 years.

A scholarship winner can attend any bona fide college or university which admits him. So long as he continues in good standing, his stipend will be paid directly to him in installments suited to the academic year.

The only further qualifications for scholarships are that the recipient must apply in accordance with State rules; he must have a recognized certificate of graduation from high school; he must not be eligible for veterans' educational benefits; and he must not have had any Federal scholarship under this or any other act vacated, except for good cause.

During a time of active hostilities or when found by the President to be necessary for national defense, at least 60 percent of the stipends must go to students engaging in studies determined to be related to national defense or to defense-supporting activities.

My bill also provides for consultation between the Office of Education and the various Federal agencies such as the Atomic Energy Commission, the National Science Foundation, and the Department of Defense, which operate special programs of aid to undergraduate and graduate students so as to assure full coordination of the Federal scholarship program with other federally supported programs.

This act is to be administered by the Commissioner of Education, assisted by the National Council on Student Aid, a body of 12 members representing organizational and professional interests.

However, the bill makes it very clear that there will be no Federal direction, supervision, or control over the curriculum or program of instruction of any educational institution. The State scholarship commissions which carry out the provisions of my Student Aid Act will receive applications from students; they will conduct the tests to select the scholarship winners; they will assess the financial need of those qualifying for scholarships, and they will allot the amount of the stipend in each case.

FACILITIES ASSISTANCE

Clearly, Mr. President, institutions already burdened with swollen enrollments ought not to be expected to handle additionally expanded student bodies, as a result of the new scholarship program, without some consideration being given to easing the pressure on existing facilities by assisting in their expansion. Legislation ought not to ease the financial burden currently barring talented youth from college attendance while ignoring the disproportionately increased load placed on the educational institutions by the increased attendance. We do not solve our total problems by solving a difficulty at one end of the spectrum which will create a new one at the other.

Therefore, Mr. President, I have tried in the Student Aid Act of 1959 to suggest a means of compensating the institution itself for its estimated costs of providing education to the new scholarship holder over and above the amounts it receives from the student for providing the education. In my bill, the Commissioner of Education is instructed to work out a formula with each institution on a cost-of-services-rendered basis, including an amount for instruction, plant operation, administration, library costs, and any other costs reasonably allocable to providing educational services. The student himself would technically be the carrier of this grant, not to exceed $500 per year per scholarship student. The grant would follow from his choice of institution and would be payable to that institution on a basis worked out separately between the Commissioner and the institution.

The cost formula technique admittedly leaves some discretion in the hands of the Commissioner who, incidentally, will also be advised by the National Council established in the bill. The formula feature has nevertheless seemed advisable, because it has appeared to be desirable to go beyond any simple cost of instruction, teaching salary, flat grant or customary fees and charges basis for reimbursement for institutional costs. Past experience, under the G.I. bill particularly, has proved these factors to be highly ambiguous, unstable and unsatisfactory. I frankly offer this proposal on facilities assistance, aware of the difficulties involved, in the hope that the proposal may be further refined and improved. Of its fundamental equity and necessity, I have no doubt at all.

INCOME TAX CREDIT

Mr. President, my next proposal, the Educational Tax Credit Act of 1959, is designed to give additional stimulus to education by providing tax credits for parents who are paying for tuition and fees of those attending our institutions of higher learning. The costs of education are a heavy burden on many low and middle income families.

The Educational Tax Credit Act provides for a 30-percent credit against income tax for payments by the taxpayer to educational institutions during the taxable year for the cost of tuition and fees above the 12th grade. A $450 limit is imposed on this tax credit per year.

This provision, in other words, would permit any individual to charge off against his net income tax—not to exceed $450 in any taxable year—30 percent of the cost of tuition and fees which that individual may pay for the education of himself or any other individual.

The purpose of this legislation is self-evident. Both as an inducement for higher education and as a relief measure for the family budget, we would be removing a serious handicap for many American family budgets by adopting this bill.

SCHOOL CONSTRUCTION

Mr. President, I now turn to my school construction proposal. This bill, the School Construction Act of 1959, is similar to bills I introduced in the 84th and 85th Congresses. It is the result of extensive hearings in the Senate and the House during the past several years.

At this point I wish to pay tribute to the distinguished senior Senator from Montana [Mr. MURRAY] who has labored so long and so well to provide financial support for school construction and teachers' salaries. I am proud to join the Senator as a cosponsor of his School Support Act in this 86th Congress.

My proposal, intended to supplement this important legislation, would provide general authorization for Federal financial assistance to the States to help build schools and additional classrooms. Enactment of my bill would put the stamp of approval by Congress on the principle of Federal financial aid in this crucial field. Of course, my bill will leave responsibility for administering actual construction with the State and local school authorities who are acquainted with local needs.

Also, my bill contains explicit prohibition against any Federal direction, supervision or control over the personnel, curriculum or program of any school system. The Federal Government will be a financial partner with the States and local school districts in constructing schools where they are most needed in each State, but the actual planning and construction of the schools will be left to the State education agencies and to the local school districts within each State.

Mr. President, conservative estimates of the Office of Education indicate a current national shortage of more than 140,000 classrooms. In spite of ambitious local school building programs in the past 2 years, there is, in addition to these pressing backlog classroom needs, an urgent need for additional classrooms just to meet increased student enrollment which rises as our population rises. Information collected by the White House Conference on Education indicated that we need 50,000 new classrooms

a year simply to handle increasing enrollments.

These 50,000 new classrooms needed each year we would have to build even if we ignored the unsatisfactory, overcrowded, dangerous classrooms we have now.

In my School Construction Act, the amount of Federal funds to be expended is left unspecified. This amount would be determined by Congress. The funds would be distributed to the States according to the number of persons 5 to 17 years of age in each State. The States and local school districts would be required to match the Federal funds dollar for dollar.

In order to make certain that the Federal funds will not be substituted for State and local funds that would otherwise be spent for school construction, each State educational agency will be required to submit a State plan of operation. This State plan would describe the program developed in each State and would provide for reports to the Commissioner of Education on how the Federal funds have been spent.

The most important aspect of the State plan required by my bill would be the requirement that each State sets forth principles for determining the relative priority of school construction projects, taking into account the relative financial resources of local school districts, the relative local efforts made to meet school needs out of State and local funds, and the relative urgency of local school facility needs in the light of overcrowding and use of unsafe and obsolete facilities.

Ten years ago, during the 81st Congress, I was chairman of the Senate Subcommittee on School Construction. Our hearings even then showed an urgent need for action by Congress to alleviate the classroom shortage. Even then, hearings disclosed untold numbers of children attending school in unsafe firetraps, going to school in shifts like factory workers—a sorry reflection on the values of our society.

I am proud to have sponsored Public Law 815 of the 81st Congress in which we provided financial aid for school construction in federally impacted areas. Under this law and Public Law 874, which provides for aid in school maintenance and operation in such areas, Congress has appropriated more than $1½ billion for Federal aid to schools. Eight hundred and seventy-six million and fifty thousand dollars has been appropriated for school construction aid since 1951 under Public Law 815 and $748,170,000 has been appropriated since that time under Public Law 874.

Last July, independent testimony before the Education Subcommittee of the Senate Labor and Public Welfare Committee showed conclusively that there has been no Federal control in the administration of this financial assistance. Testimony also showed that local citizens in school districts receiving Federal aid have maintained or increased their own financial efforts for their local schools.

Our State and local governments still need help. Perhaps it is too much to expect leadership from the White House in such a crucial field which affects the education of millions of schoolchildren. Nevertheless, I hope we in Congress will fulfill our responsibilities by acting soon to provide Federal aid for school construction.

JUVENILE DELINQUENCY

And now, Mr. President, I turn to some of the nonacademic aspects of the problems facing our Nation's young people. No one can concern himself with the field of youth opportunity without considering our mounting problem of juvenile delinquency.

This problem is increasing at an accelerating tempo. From 1952 to 1957 arrests of young people under 18 years of age have increased 2½ times as fast as the population growth in the 10- to 17-year-old bracket. Since 1949 we have seen a steady increase in national delinquency statistics—a rise that far outstrips the growth of our child population. Statistics from the Children's Bureau indicate that juvenile delinquency cases increased by more than 200 percent between 1948 and 1956 while the child population increased in the same period by only 19 percent. The FBI Uniform Crime Report for 1957 shows that police arrests of young people under 18 years of age increased by 9.8 percent over the previous year.

Testimony before the Senate Committee on Labor and Public Welfare during the 84th Congress showed that 1 out of every 13 children in the Nation between 10 and 17 years of age was in trouble with the law in 1954 and the report warned that the spiraling increase of juvenile delinquency—if it continues unchecked—will see 2 million children in trouble with police by 1960.

The first move, of course, is to prevent youngsters from taking the first misstep. We should anticipate and prevent. The second move is to help youngsters out of trouble who have gotten into it and to put them on the road to rehabilitation and useful citizenship.

All this is well within the compass of Federal legislation to check. Juvenile delinquency is not solely a big-city problem, although, of course, it is more acute in urban areas. The 1957 uniform crime report shows arrests of juveniles increased more in cities with populations under 25,000 than in larger cities—16 percent as against 8.1 percent in the bigger cities. And a study of 520,000 juvenile court cases in 1956 showed that 24 percent were in semiurban areas and 11 percent were in rural areas.

The point I wish to make is that the problem of juvenile delinquency is national in scope and needs Federal as well as State and local attention.

Therefore, Mr. President, I reintroduce the Delinquent Children's Act, which provides for a highly enlightened approach to a serious problem which concerns us all. As in the earlier measures I have mentioned as part of my youth opportunity program, the broadest possible allowances are made for local direction, local autonomy, and local decision.

A Federal Advisory Council on Juvenile Delinquency is created in the Department of Health, Education and Welfare. Its function is to advise the Secretary and to present programs for decreasing the delinquency problem, and for its control and treatment. The Council is to submit an annual report and such other reports as it deems fit, discussing the problem, the progress made in attacking it, and recommendations for the future. The bill authorizes the Council to comment upon applications for special projects and authorizes the Secretary to utilize the services of Council members. Appropriations are authorized for State and local programs. These call for $5 million for fiscal 1960; $6,500,000 for fiscal 1961; and $10 million for fiscal 1962, and for each of the following 4 fiscal years such sums as the Congress may determine.

The allotments to each State are to be made on the basis of the ratio its child population bears to the total child population of all the States. Each State is permitted a minimum allotment of $50,000. For the first year that the bill is in force there is authorization for the appropriation of $5 million for the purpose of making grants for the training of personnel in nonprofit institutions of higher learning and for developing courses for such training.

Other financial provisions are made that are customary in legislation of this nature. These seek to make its administration economical, and fair to all the States and the Federal Treasury, and are aimed at fulfilling the major purposes of diminishing, controlling and treating juvenile delinquency in the United States. The Secretary is thus authorized to render technical assistance to the States, to disseminate reports and information, and to give out the results of investigations. The Secretary may make payments under this title in advance or by way of reimbursement.

Mr. President, it is my earnest hope that the Senate will proceed to early adoption of the Delinquent Children's Act and that the House will concur during the present session of Congress.

YOUTH CONSERVATION CORPS

Mr. President, at this point I would like to call attention to a proposal I made earlier in this session. I consider my proposal for a Youth Conservation Corps, S. 812, an integral part of this comprehensive youth opportunity program which I am sending to the desk today.

Clearly we could take a gigantic step forward in prevention of delinquency and in improving the physical fitness of our young people if we provide healthful, useful outdoor work and educational opportunities for 150,000 boys and young men who have too much time on their hands and not enough employment opportunities available for them.

Many young people who drop out of high school, and even many high-school graduates, find it difficult to get employment in constructive, satisfying activities. Many young men who do not go on to college enter a labor market which is already crowded. In time of recession these young people find even less opportunity for employment.

I believe we must once again provide the kind of opportunity for creative work on the land which many American boys found in the Civilian Conservation Corps in the thirties. Therefore, I include my Youth Conservation Act as a part of the youth opportunity program which I am introducing today.

CONCLUSION

In summary, Mr. President, the purpose of my youth opportunity program is to supplement and to help existing public and private agencies in the vital job of preparing our young citizens to master the problems which will face them and their children in the years to come. It is no exaggeration to describe this youth program as a national defense program, for it will make our citizens better trained and better prepared to live and to work in our free society—and better prepared to defend it.

My youth program is flexible. It is adapted to our needs, to our resources, and to our capabilities. I do not want one solution to loom so large as to blind us to others, and, therefore, I am offering a comprehensive, balanced program to help our young people. It is a simple program.

I want to provide college scholarships for our outstanding high-school students.

I want our colleges and universities to get help to meet the costs of rising enrollments.

I want to build schools so our children can get a decent education in decent surroundings.

I want to give liberal tax write-offs to parents sending their children on to college.

I want to attack the complex juvenile delinquency problem by prevention and rehabilitation.

I want to provide healthy, constructive work for boys in their late teens—conservation projects in our national parks and forests in the great American outdoors.

We have a grave responsibility to our Nation to act on these proposals. This Youth Opportunity Program provides the Senate of the United States with an opportunity to help in the development of our Nation's greatest asset—our young people, to whom we entrust the future.

With these measures we can properly utilize Government action for the national welfare while preserving and strengthening our basic principles of personal initiative and private property.

I hope the Senate of the United States will accept the challenge and the opportunity.

Mr. President, I send to the desk the four bills I have discussed today, plus an omnibus measure combining them, and including my Youth Conservation Act.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills referred to by the Senator from Minnesota will be printed in the RECORD.

The bills, introduced by Mr. HUMPHREY, were received, read twice by their titles, and referred, as indicated:

To the Committee on Labor and Public Welfare:

S. 1087. A bill to establish a program of scholarship aid to students in higher education and to provide facilities assistance to institutions of higher education;

S. 1088. A bill to authorize Federal payments to the States to assist in constructing schools;

S. 1090. A bill to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency; and

S. 1091. A bill to provide school construction assistance to the States; to establish a program of scholarship aid to students in higher education; to provide facilities assistance to institutions of higher education; to provide a 30 percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency; to establish a Youth Conservation Corps; and for other purposes.

To the Committee on Finance:

S. 1089. A bill to provide a 30 percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the text of the Student Aid Act of 1959, the School Construction Act of 1959, the Educational Tax Credit Act of 1959, and the Delinquent Children's Act of 1959 be inserted at this point in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1087

A bill to establish a program of scholarship aid to students in higher education and to provide facilities assistance to institutions of higher education.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL PROVISIONS

Short title

SEC. 101. This Act may be cited as the "Student Aid Act of 1959".

Federal control of education prohibited

SEC. 102. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum or program of instruction of any educational institution or, except as provided in sections 207, 305, and 306(d), over its administration or personnel.

Administration

SEC. 103. (a) This Act shall be administered by the Commissioner of Education, under the supervision and direction of the Secretary of Health, Education, and Welfare. The Commissioner shall, with the approval of the Secretary, make all regulations specifically authorized to be made under this Act and such other regulations, not inconsistent with this Act, as may be necessary to carry out its purposes. The Commissioner is authorized to delegate to any officer or employee of the Office of Education any of his powers and duties under this Act, except the making of regulations.

(b) In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and, without regard to section 3709 of the Revised Statutes, of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary and the head thereof. Payment for such services and facilities shall be made in advance or by way of reimbursement, as may be agreed upon by the Secretary and the head of the agency or institution.

(c) The Commissioner shall, with the advice and assistance of the National Council, make or cause to have made studies, investigations, and reports of the effectiveness of the student aid program established by this Act, and prescribe objective tests and other measures of ability for the selection of individuals to be awarded certificates of scholarship.

(d) At the beginning of each regular session of the Congress, the Commissioner shall make through the Secretary a full report to Congress of the administration of this Act, including his recommendations for needed revisions.

(e) The Secretary shall advise and consult with the heads of executive departments or independent establishments of the Federal Government responsible for the administration of scholarship, fellowship, student-loan or facilities assistance programs, with a view to the full coordination of all specialized scholarship, fellowship, student-loan, and facilities assistance programs administered by or under all departments and establishments of the Federal Government with the general programs established by this Act.

(f) When deemed necessary by the Commissioner for the effective administration of this Act, experts or consultants may be employed as provided in section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a).

National Council on Student Aid

SEC. 104. (a) There is hereby established a National Council on Student Aid, consisting of the Commissioner, as chairman, and twelve members appointed without regard to the civil-service laws by the Commissioner with the approval of the Secretary. The twelve appointed members shall be so selected that the Council will be broadly representative of the individual, organizational, and professional interests in education, and of the public. Each appointed member of the Council shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term, and except that, of the members first appointed, three shall hold office for a term of three years, three shall hold office for a term of two years, and three shall hold office for a term of one year, as designated by the Commissioner at the time of appointment. None of such twelve members shall be eligible for reappointment until a year has elapsed since the end of his preceding term.

(b) The Council shall advise the Commissioner as specifically indicated in this Act and assist and advise him with respect to other matters of basic policy arising in the administration of this Act.

(c) Persons appointed to the Council shall, while serving on business of the Council, receive compensation at rates fixed by the Secretary, but not to exceed $50 per day, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence.

(d) Whenever the Council considers matter of concern to another agency of the Federal Government, the Secretary may invite the head thereof to designate a representative to be present at such consideration.

Administrative appropriations authorized

SEC. 105. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1958, and for each fiscal year thereafter, such sums as may be necessary for the cost of administering the provisions of this

Act, including the administrative expenses of State commissions on Federal scholarships.

Discrimination proscribed

SEC. 106. The awarding of certificates of scholarship, and the granting of scholarship stipends under this Act shall be without regard to sex, creed, race, color, national origin, or residence.

Definitions

SEC. 107. As used in this Act—

(a) The term "State" means a State, the Canal Zone, the District of Columbia, Hawaii, Puerto Rico, or the Virgin Islands.

(b) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a secondary education or its recognized equivalent, (2) is legally authorized within its own State to provide a program of higher education, (3) offers and conducts an educational program extending at least two academic years beyond the high school, and (4) either is nonprofit and tax-supported, or is determined by the Internal Revenue Service to be an organization described in section 501 (c) (3) of the Internal Revenue Code of 1954 as exempt from taxation under section 501 (a) of such Code.

(c) The term "Commissioner" means the Commissioner of Education.

(d) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(e) The term "State commission" means the commission on Federal scholarships established in any State for the purposes of this Act.

(f) The term "National Council" means the National Council on Student Aid established in accordance with the provisions of this Act.

TITLE II—PROGRAM OF SCHOLARSHIPS

Appropriations authorized

SEC. 201. For the purpose of providing scholarship stipends for young persons of demonstrated ability and need, to assist them to attend institutions of higher education, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1960, the sum of $46,000,000; for the fiscal year ending June 30, 1961, the sum of $92,000,000; for the fiscal year ending June 30, 1962, the sum of $138,000,000; for the fiscal year ending June 30, 1963, the sum of $184,000,000; and for each fiscal year thereafter, the sum of $184,000,000 or such greater sum as the Congress may hereafer authorize to be appropriated.

Apportionment of funds for scholarship stipends and determination of fields of study

SEC. 202. (a) The Commissioner shall for each fiscal year beginning with the fiscal year ending June 30, 1960, estimate the total sum from the appropriation, made for such year under the authorization in section 201, which is necessary for continuing to make payments with respect to such year to individuals receiving scholarship stipends for previous years. He shall, in accordance with regulations prescribed by him, apportion such sum among the States on the basis of the aggregate amount paid in the preceding year to scholars from each State, his estimate of changes in the number of such scholars from each State who will be eligible for continuing payments in the year for which such apportionment is made, and such other factors as he may find to be relevant.

(b) The remaining portion of such appropriation shall be available for such year for grants of new scholarship stipends. One-half of such remaining portion shall be apportioned among the States on the basis of the relative numbers of students graduating from high school in such States during the most recent year for which nationwide figures are available through the Office of Education and one-half shall be apportioned among them on the basis of the relative numbers of their total population between the ages of eighteen and twenty-one, inclusive, as determined by the most recent available estimates furnished by the United States Bureau of the Census.

(c) In time of actual hostilities involving the Armed Forces of the United States, or when found by the President to be necessary in the interest of national defense, the Commissioner shall for each such year designate the percentage, uniform for all States but in no event less than 60 per centum of the total number of scholarship stipends to be paid to students engaging in fields of study which are determined, in a manner prescribed by the President, to be related to the national defense or to defense-supporting activities.

Selection of recipients of scholarship certificates and stipends

SEC. 203. (a) To be eligible to compete in any State for a certificate of scholarship, an individual (1)(A) must hold a certificate of graduation from a school in the State providing secondary education, or (B) must be determined by the State commission for the State in which the individual finished his secondary education (or, in case of an individual who finished his secondary education abroad, by the State commission for the State of which he is a resident), to have attained a level of educational advancement generally accepted as constituting the equivalent of secondary school graduation in the State; (2) must not be eligible for education and training under title II of the Servicemen's Readjustment Act of 1944, as amended, or title II of the Veterans' Readjustment Assistance Act of 1952; (3) must make application for such certificate of scholarship in accordance with such rules as the State commission for such State may establish; and (4) must not have had any Federal scholarship, previously granted under this or any other law, terminated or vacated for any reason (except health) which was inconsistent with continued eligibility to compete for such previous scholarship.

(b) From among those competing for certificates of scholarship for each fiscal year, the State commission shall, in accordance with the objective tests and other measures of ability prescribed by the Commissioner pursuant to section 103(c), select the individuals who, on the basis of their outstanding ability to do work in higher education, are to be awarded certificates of scholarship for such year. From among those selected for certificates of scholarship (including individuals so selected in prior years), it shall also select the individuals who, on the basis of their financial need and demonstrated ability, are to be granted scholarship stipends from the State's apportionment for new stipends made pursuant to section 202 for such year, determine the amount of stipend payable to each, and, in the case of a scholar whose stipend is to be charged against a percentage quota established pursuant to section 202(c), designate the field of study for which the stipend is to be granted. Such elections and determinations shall be made in accordance with general principles and methods, including objective measures for determining the fact and degree of financial need and the amount of the stipend, prescribed in regulations made by the Commissioner with the advice of the National Council and in accordance with percentage quotas, if any, established pursuant to section 202(c).

(c) The Commissioner shall award certificates of scholarship, and within the limits of the State's apportionment for new scholarship stipends for a fiscal year and applicable quota (if any) established pursuant to section 202(c) grant scholarship stipends, to individuals certified to him by the State commission of the State as having been selected for a certificate, or for a certificate and stipend, as the case may be, in accordance with the State plan.

Amount and duration of scholarship stipends

SEC. 204. (a) The Commissioner, with the advice of the National Council, shall prescribe regulations for determining for each academic year scholarship stipend amounts related to the scholar's financial need (objectively measured pursuant to regulations prescribed under section 203(b)), and for each such year shall fix a maximum stipend amount not in excess of $1,500. The scholarship stipend granted to any scholar under this title shall, for any academic year of the scholarship stipend's duration (as provided in subsection (b)), be the amount determined (pursuant to regulations of the Commissioner prescribed under section 203 (b) with respect to such scholar for such year by the State commission which selected him and shall be payable in such installments and at such times as the Commissioner shall prescribe.

(b) The duration of a scholarship stipend granted under this title shall be a period of time not in excess of four academic years (as defined in regulations of the Commissioner) or, subject to such regulations, such longer period as is normally required to complete the undergraduate curriculum which the recipient is pursuing; but in no event shall the duration extend beyond the completion by the recipient of the work for his first post-secondary school degree. Notwithstanding the preceding provisions of this subsection, a scholarship stipend granted under this title shall entitle the scholar to payments only while (1) the recipient is in financial need thereof, as determined annually (pursuant to regulations of the Commissioner prescribed under section 203 (b)) by the State commission which selected him, (2) the recipient devotes essentially full time to educational work in attendance and in good standing at an institution of higher education (except that failure to be in attendance at an institution during the summer months shall not by itself constitute a violation of this requirement) and, in the case of a stipend charged against a percentage quota established pursuant to section 202(c), does so in the field of study to which his stipend is restricted except as otherwise permitted pursuant to regulation, (3) the recipient is not receiving expenses of tuition or other scholarship or fellowship aid from other Federal sources (other than (A) a monetary allowance under a reserve officers' training program, or (B) compensation for work done for the institution which he is attending or any other work, regardless of the source of the funds from which such compensation is paid), and (4) in the case of a stipend holder considered for a continued payment under a stipend granted for a prior year, the amount of such payment is within the limits of the apportionment for continuing payments made pursuant to section 202(a) to the State from which such stipend holder was selected.

Place of matriculation

SEC. 205. (a) An individual granted a scholarship stipend under this title may attend any institution of higher education which has been determined as such in accordance with section 206 and which admits him, regardless of the State in which such institution is located.

(b) An individual granted a scholarship stipend under this title may attend any institution outside of the United States, its Territories, and possessions which admits him, if the Commissioner determines that such institution is substantially comparable to an institution of higher education as defined in section 107(b).

Scholarship commissions in the States

SEC. 206. (a) Any State desiring to participate in the administration of the scholarship program under this title may do so by establishing a State commission on Federal scholarships broadly representative of educational and public interests in the State and by submitting through such commission a State plan, authorized under State law, for carrying out the purposes of this title, which is approved by the Commissioner under this section. Such plan must (1) provide that it shall be administered by such commission; (2) provide for the determination of the institutions in the State which are institutions of higher education as defined in section 107(b); (3) provide for the determination, in accordance with the provisions of section 203, of eligibility to compete for certificates of scholarship, for the selection, in accordance with such provisions, of individuals to be awarded certificates of scholarship, and of individuals to be granted new scholarship stipends out of the State's apportionment, for certification of such individuals to the Commissioner, and for subsequent certification of the fact and degree of the continued financial need of, and the amounts payable to, recipients of scholarship stipends and for charging of stipends against any applicable quota established pursuant to section 202(c); (4) provide that the selection of individuals for certificates of scholarship and scholarship stipends under this title shall be made without regard to sex, creed, color, race, national origin, or residence; (5) provide for the making of such reports, in such form and containing such information, as the Commissioner shall from time to time reasonably require for the purposes of this Act, and for compliance with such provisions as the Commissioner may from time to time find reasonably necessary to assure the correctness and verification of such reports; and (6) indicate the official to whom funds for the administrative expenses of the State commission are to be paid.

(b) The Commissioner shall approve any plan which fulfills the condition specified in subsection (a).

(c) In the case of any State which does not establish a commission and submit and have approved a State plan in accordance with the provisions of this section, the Commissioner shall perform the functions of the State commission in such State until such time as a plan has been submitted by such a commission and is approved under this section.

(d) In the case of any State plan which has been approved by the Commissioner, if the Commissioner, after reasonable notice and opportunity for hearing to the State commission administering such plan, finds (1) that the plan has been so changed that it no longer complies with the provisions of subsection (a), or (2) that in the administration of the plan there is a failure to comply substantially with such provisions, the Commissioner shall notify such State commission that the State will not be regarded as eligible to participate in the program under this title until he is satisfied that there is no longer any such failure to comply. Until such time he shall perform the functions of the State commission in that State.

Payment of scholarship stipends

SEC. 207. The Commissioner shall from time determine the amounts payable to recipients of scholarship stipends under this title, and shall certify to the Secretary of the Treasury the amounts so determined and the name of each individual to whom such amounts are to be paid. The Secretary of the Treasury shall thereupon pay in accordance with such certification by check payable to such individual, transmitted through an official of the institution of higher education which such individual is attending. Such official shall be selected by the institution with the approval of the Commissioner. The official thus selected shall transmit such checks to the payee only upon his determination in each instance, and certification thereof to the Commissioner, that the recipient is at the time of such transmittal devoting essentially full time to educational work in attendance and in good standing at the institution, that, in the case of a student whose stipend was charged against a percentage quota determined pursuant to section 202(c), he is pursuing such studies in accordance with his designated field except as otherwise permitted pursuant to regulation, and that, so far as can be ascertained on the basis of the recipient's work at that institution, his scholarship stipend has not, under the provision of the first sentence of section 204(b), terminated. If for any reason such certification cannot be made by any such official with respect to an individual, the official shall return the check or checks involved to the drawer for cancellation.

Administrative expenses of State commissions

SEC. 208. The Commissioner shall from time to time certify to the Secretary of the Treasury for payment to the official designated in each State to receive funds for the administration of the State plan such amounts as the Commissioner determines to be necessary for the proper and efficient administration of the State plan (including reimbursement to the State for expenses which the Commissioner determines were necessary for the preparation of the State plan approved under this title). The Secretary of the Treasury shall, upon receiving such certification and prior to audit or settlement by the General Accounting Office, pay to such official at the time or times fixed by the Commissioner, the amounts so certified.

TITLE III—COMPENSATION OF INSTITUTIONS OF HIGHER EDUCATION FOR EDUCATIONAL SERVICES

Payments authorized

SEC. 301. The Commissioner shall pay to any institution of higher education providing education to an individual under a scholarship granted under the provisions of title II of this act such amounts not in excess of $500 per academic year as are determined by the Commissioner to be necessary to reimburse such institution for the estimated costs of services rendered in providing such education to such individual over and above amounts received from or on behalf of such individual for such services. Such amounts shall be determined in accordance with regulations established by the Commissioner with the advice of the National Council. Costs of services rendered in providing such education shall include instruction, plant operation, administration (including not more than $1.50 a month for administrative costs with respect to such scholarship), and library costs and any other costs reasonably allocable to providing educational services, but shall not include costs of services related to activities not creditable toward the attainment of a degree.

Appropriations authorized

SEC. 302. There are authorized to be appropriated such amounts as may be necessary for the payments authorized in this title.

S. 1088

A bill to authorize Federal payments to the States to assist in constructing schools

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "School Construction Act of 1959".

FINDINGS AND PURPOSE OF ACT

SEC. 2. The Congress finds that in spite of sustained and vigorous efforts by the States and local communities to provide classrooms needed for free public education, the number of classrooms now available falls far short of the number needed. While the Congress recognizes that responsibility for educating our children lies primarily with the States and local communities, the current shortage of classrooms results from abnormal conditions which have existed throughout the United States during the past twenty-five years, and constitutes a threat to the security and welfare of the Nation as a whole. The national interest requires that the Federal Government join with State and local governments in solving this pressing problem. It is the purpose of this Act to provide for Federal payments to State educational agencies to enable the States and local communities to expand their school construction programs to the extent necessary to provide school facilities adequate to their needs.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(1) The term "Commissioner" means the United States Commissioner of Education.

(2) The terms "construction" and "constructing" mean the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(3) The term "school facilities" means classrooms and related facilities, and initial equipment, machinery, and utilities necessary or appropriate for school purposes; the term does not include (a) interests in land, (b) off-site improvements, (c) athletic stadia, (d) structures or facilities intended primarily for athletic exhibitions, contests, or games or other events for which admission is to be charged to the general public, or (e) structures or facilities designed to be used exclusively for special activities, such as single-purpose auditoriums or gymnasiums.

(4) The term "State" means a State, the District of Columbia, Alaska, Hawaii, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Canal Zone.

(5) The term "school agency" means a board of education or other regularly constituted local school authority having administrative control and direction of public schools in a county, township, independent, or other school district located within a State; and includes any State agency which directly operates and maintains public schools or which has responsibility for the provision of school facilities.

(6) The term "State agency" means the statewide public educational agency charged under State law with supervisory or other control functions over its system of schools or, if there is no such agency, any statewide educational agency within the State designated by or under State law, or in the absence thereof by the governor, to be the single State educational agency responsible for developing and submitting a State plan for approval under section 6 and for administering the approval plan; in the case of the Virgin Islands, the term "State agency" means the governor.

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. There are hereby authorized to be appropriated, for the fiscal year ending June 30, 1960, and for the five succeeding fiscal years, such amounts as may be necessary to make payments to State agencies to accomplish the purpose of this Act.

ALLOTMENTS TO STATES

SEC. 5. (a) From the total funds appropriated for any fiscal year for making payments under this Act, the Commissioner shall allot to each State an amount which bears the same ratio to the total funds so appropriated as the school-age population of the State bears to the total of the school-age populations of all the States. As used in this subsection, the term "school-age population" means that part of the population which is between the ages of five and seventeen, both inclusive, as determined on the basis of the most recent estimates certified by the Secretary of Commerce.

(b) After the State plan has been approved under section 6, payments out of the State's allotment shall be made in accordance with section 7.

STATE PLANS

SEC. 6 (a) Any State which desires to accept the benefits of this Act shall submit to the Commissioner, through its State agency, a State plan which shall—

(1) designate the State agency through which the plan is submitted as the sole State agency responsible for administering the plan throughout the State;

(2) contain satisfactory evidence that the State agency will have authority to carry out the plan in conformity with this Act;

(3) set forth a program under which funds paid to the State under this Act will be expended solely for projects, to be approved by the State agency, for construction of school facilities for tax-supported elementary and secondary schools which are under public supervision and control;

(4) set forth principles for determining the relative priority of school facility construction projects, which shall take into account the relative financial resources of the several local school agencies in the State; the relative efforts which have been and are being made to meet their needs for school facilities out of State and local funds; and the relative urgency of their needs for school facilities, determined according to relative conditions of overcrowding or lack of facilities and relative extent to which unsafe and obsolete facilities are in use;

(5) provide for such fiscal control and fund-accounting procedures (for the State agency and for local school agencies undertaking approved projects) as may be necessary to assure proper disbursement and accounting for Federal funds paid to the State under this Act;

(6) provide an opportunity for a hearing before the State agency to each local school agency within the State which applies for approval of a construction project under this Act;

(7) provide for the establishment of standards on a State level for planning and constructing school facilities;

(8) provide that the State agency will make such reports to the Commissioner in such form and containing such information as is reasonably necessary to enable the Commissioner to perform his duties under this Act; and

(9) provide that all laborers and mechanics employed by contractors or subcontractors on construction work performed on school facilities projects approved under the plan shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C., secs. 276a–276a–5), and that every such employee shall receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of eight hours in any workday or 40 hours in the workweek, as the case may be. The Secretary of Labor shall have, with respect to the labor standards specified in paragraph (10), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

(b) The Commissioner shall approve any State plan and any modification thereof which complies with the provisions of subsection (a), but shall not finally disapprove any State plan or modification thereof without first affording to the State agency reasonable notice and opportunity for a hearing.

(c) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State agency, finds that—

(1) the State plan submitted through the agency and approved under this section has been so changed that it no longer complies with the provisions of subsection (a), or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, he shall make no further reservations under section 7(a) for projects in the State, and no further payments for any project designated by him as directly affected by such failure, until he is satisfied that there is no longer any such failure to comply, or, if compliance is impossible, until the State repays or arranges for the repayment of Federal funds which have been diverted or improperly expended. After notice as provided in this subsection to any State, the Commissioner may suspend further reservations of funds under section 7(a) for projects in the State, pending the making of findings under this subsection.

PAYMENTS TO STATES

SEC. 7. (a) Payments under this Act shall be made to those State agencies which administer plans approved under section 6 and which furnish statements to the Commissioner in accordance with this section. Each such statement shall set forth one or more projects approved by the State agency under the plan, the estimated cost of each such project, and the amount which the State agency desires to be paid for each project out of the State's allotment.

(b) Except as provided in section 8, the Commissioner shall issue, to each State agency furnishing a statement in accordance with subsection (a), a commitment reserving, out of the State's allotment, for each project included in the statement, the amount requested by the State agency for that project. The Commissioner shall change any amount so reserved upon request of the State agency and receipt of an amended statement from the State agency, but only to the extent the change is not inconsistent with the other provisions of this Act. The Commissioner shall pay the amount reserved to the State agency, through the disbursing facilities of the Department of the Treasury, at such times and in such installments (in advance of the incurring of cost or otherwise) as he may determine. Funds so paid shall be used exclusively to meet the cost of constructing the project for which the amount was reserved.

(c) If any project for which one or more payments have been made under this section is abandoned, or is not completed within a reasonable period determined under regulations of the Commissioner, the State to which such payments were made shall repay to the United States, for deposit in the Treasury of the United States as miscellaneous receipts, the amount of such payments or such lesser amounts as the Commissioner deems reasonable.

MATCHING BY STATES AND LOCAL COMMUNITIES

SEC. 8. The Commissioner may issue or modify a commitment under section 7 only if the amount to be reserved under the commitment, plus any amounts paid or to be paid under other commitments previously issued under this Act to the same State agency for the same fiscal year, does not exceed one-half of the sum of (1) the cost of constructing the project in question and (2) the total cost of constructing the projects for which such other commitments have been issued.

JUDICIAL REVIEW

SEC. 9. (a) If any State is dissatisfied with the Commissioner's final action under section 6, such State may appeal to the United States district court for the district in which the capital of the State is located. The summons and notice of appeal may be served at any place in the United States. The Commissioner shall forthwith certify and file in the court the transcript of the proceedings and the record on which he based his action.

(b) The findings of fact by the Commissioner, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the transcript and record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

(c) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the appropriate United States court of appeals and the Supreme Court of the United States, as provided in sections 1291 and 1254 of title 28 of the United States Code.

ASSURANCE AGAINST FEDERAL INTERFERENCE IN SCHOOLS

SEC. 10. In the administration of this Act, no department, agency, officer, or employee of the United States shall exercise any direction, supervision, or control over the personnel, curriculum, or program of instruction of any school or school system of any school agency.

DELEGATION OF FUNCTIONS

SEC. 11. The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under this Act except the making of regulations.

S. 1089

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This act may be cited as the "Educational Tax Credit Act of 1959."

SEC. 2. (a) Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by adding at the end thereof the following new section:

"SEC. 39. TUITION AND FEES PAID BY INDIVIDUALS TO INSTITUTIONS OF HIGHER EDUCATION

"(a) GENERAL RULE.—There shall be allowed to an individual, as credit against the tax imposed by this subtitle for the taxable year, an amount equal to 30 percent of the aggregate amount paid during the taxable year by such individual to institutions of higher education as tuition or fees for the education of such individual or of any other individual at a level above the 12th grade.

"(b) LIMITATIONS.—

"(1) INDIVIDUAL RECEIVING EDUCATION MUST BE FULL-TIME STUDENT.—Amounts paid for the education of any individual which (but for this paragraph) would be taken into account under subsection (a) shall be taken into account only if such individual is a student (as defined in section 151(e)(4) for the calendar year in which the taxable year of the taxpayer begins.

"(2) ADJUSTMENT FOR SCHOLARSHIPS AND CERTAIN ALLOWANCES.—In the case of any individual who for any period receives—

"(A) any scholarship or fellowship grant (within the meaning of section 117(a)(1)) which, under section 117, is not includible in gross income, or

"(B) any education and training allowance under part IV of title II of the Veterans' Readjustment Assistance Act of 1952, any amount paid for tuition or fees for such period which (but for this paragraph) would be taken into account under subsection (a) shall be taken into account only to the extent that the aggregate of such tuition and fees charged such individual for such period exceeds the sum of (i) an amount equal to all the scholarships and fellowship grants described in subparagraph (A) received by such individual for such period, plus (ii) an amount equal to 30 percent of all the allowances described in subparagraph (B) received by such individual for such period.

"(3) MAXIMUM YEARLY CREDIT WITH RESPECT TO EDUCATION OF ANY INDIVIDUAL NOT TO EXCEED $450.—In the case of any taxpayer, the credit allowed by this section for any taxable year, with respect to the education of any individual, shall not exceed $450.

"(4) CREDIT NOT TO CAUSE REFUND OF TAX.—The credit allowed by this section shall not exceed the amount of the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under sections 33 (relating to foreign tax credit), 34 (relating to credit for dividends received by individuals), 35 (relating to partially tax-exempt interest), and 37 (relating to retirement income).

"(c) INSTITUTION OF HIGHER EDUCATION DEFINED.—For purposes of this section, the term 'institution of higher education' means only an educational institution—

"(1) which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on;

"(2) which regularly offers education at a level above the 12th grade; and

"(3) contributions to or for the use of which are deductible under section 170."

(b) The table of sections for such part IV is amended by adding at the end thereof the following:

"Sec. 39. Tuition and fees paid by individuals to institutions of higher education."

SEC. 3. The amendments made by this act shall apply only with respect to taxable years beginning after December 31, 1959.

S. 1090

A bill to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Short title

SEC. 1. This Act may be cited as the "Delinquent Children's Act of 1959."

Findings and policies

SEC. 2. (a) The Congress hereby finds and declares that—

(1) juvenile delinquency, since it is a social disability that impedes the development of children into responsible citizens, thereby diminishes the strength and vitality of the Nation;

(2) juvenile delinquency is a steadily mounting problem of nationwide proportions in both our urban and rural communities, the problem overreaches local and even State boundaries in some of its aspects; State and local resources, especially in regard to the availability of specialized facilities and professional personnel trained to handle the problems of delinquency, are, in most cases, inadequate; and

(3) although major factors in juvenile delinquency are basically related to conditions in the home, the neighborhood, the community, and the State, requiring concerted and coordinated action on those fronts, the Federal Government can and should provide such leadership as is possible in stimulating home, neighborhood, community, and State efforts, and should undertake such measures as the neighborhoods, communities, local institutions, and States cannot initiate or support by themselves.

(b) It shall, therefore, be the national policy to provide such Federal leadership and such funds as may be required: to stimulate and promote the training of specialized personnel, and to supplement State and local resources for this and other purposes, and to encourage coordination and planning among public and voluntary nonprofit agencies including schools whose programs relate to the diminution, control, and treatment of juventile delinquency, especially those agencies concerned with the welfare, health (including mental health), spiritual development, education, and recreation of children and youth, and to assist the States in strengthening, improving, and encouraging State and community programs to diminish, control, and treat juvenile delinquency, both as specialized programs and as part of general State, community, and neighborhood programs related to the problem of juvenile delinquency.

TITLE I—ESTABLISHMENT OF FEDERAL ADVISORY COUNCIL ON JUVENILE DELINQUENCY

SEC. 101. In order to provide the Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") with advice concerning programs for the prevention, diminution, control, and treatment of juvenile delinquency, and to help carry out the purposes of this Act, there is hereby established in the Department of Health, Education, and Welfare a Federal Advisory Council on Juvenile Delinquency (hereinafter referred to as the "Council"). The Council shall consist of the Secretary or his designee, representing the Secretary, and twenty-one members appointed by the Secretary without regard to civil-service laws. The twenty-one members so appointed, none of whom shall be officers or full-time employees of the Federal Government, shall be eminent in fields related to juvenile delinquency such as education, law, child psychology, criminology, penology, sociology, psychiatry, social work, juvenile court work, probation and parole services, spiritual guidance, recreation work, police work, and community organization work and representatives of the public well known for leadership in programs concerned with juvenile delinquency. In making such appointments, the Secretary shall give due consideration to recommendations for such appointments submitted to him by private voluntary organizations and professional associations interested in and associated with the above fields, including, but not limited to, such organizations as the National Association of Social Workers, the American Public Welfare Association, the American Public Health Association, the Industrial Areas Foundation, the National Association of Training Schools and Juvenile Agencies, the Child Welfare League of America, the Family Service Association of America, the National Council of Juvenile Court Judges, the International Association of Chiefs of Police, the National Probation and Parole Association, the American Bar Association, the National Education Association, the American Association of School Administrators, the National Congress of Parents and Teachers, and the American Medical Association.

SEC. 102. The terms of each of the twenty-one appointed members of the Council shall be for four years, except that the first Council shall be appointed as follows: Seven members shall be appointed for sixteen months, seven members shall be appointed for thirty-two months, and seven members shall be appointed for four years. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term.

SEC. 103. The Council shall, among other duties and functions, submit an annual report to the Secretary. The Council shall make such additional reports, from time to time, to the Secretary, as the Council shall deem necessary and appropriate, which reports, in the discretion of the Council, shall be of public record. Such reports shall deal with the status of the problem of juvenile delinquency, the progress being made with the problem, and shall contain such recommendations as the Council may deem appropriate with regard to any matter covered under this Act: *Provided*, That the Council's annual reports shall be submitted by the Secretary to the Congress, and the Secretary, in transmitting such reports, shall append such comments, especially with respect to recommendations contained therein, as he may deem appropriate: *Provided further*, That such of the Council's reports to the Secretary which the Council decides shall be of public record shall be made public by the Secretary, together with such comment by the Secretary as he may deem appropriate.

SEC. 104. The Council is authorized to comment upon applications for special projects submitted to the Secretary under title IV of this Act and to recommend to the Secretary for grants under such title any such projects or any projects proposed by the Council which show promise of making valuable contributions of the diminution, control, or treatment of juvenile delinquency. The Secretary is authorized to utilize the services of any member or members of the Council in connection with matters relating to this Act, for such periods, in addition to conference periods, as he may determine.

SEC. 105. Decisions by the Council in regard to reports or in regard to any other matters within its jurisdiction shall be by majority vote of all the members of the Council, except that the Secretary or his designee may not vote except in the case of a tie.

SEC. 106. Appointed members of the Council, while attending meetings of the Council or while otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not exceeding $50 per diem, and shall also be entitled to receive expenses while so serving away from their places of residence.

SEC. 107. The Council shall elect a chairman and a secretary who shall serve without additional compensation and the Council shall be provided by the Secretary with such technical, consultative, clerical, and other assistance as the Council shall require, subject to the approval of the Secretary.

TITLE II—GRANTS TO STATES TO STRENGTHEN AND IMPROVE PROGRAMS

SEC. 201. For the purpose of assisting the States to strengthen and improve State and local programs for the diminution, control, and treatment of juvenile delinquency, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1960, the sum of $5,000,000, for the fiscal year ending June 30, 1961, the sum of $7,500,000, for the fiscal year ending June 30, 1962, the sum of $10,000,000, and for each of the following four fiscal years such sums as the Congress may determine.

SEC. 202. The sums appropriated under section 201 shall be available for making

grants to States to assist them to establish, strengthen, and improve, under approved State plans, programs for the diminution, control, and treatment of juvenile delinquency by—

(A) determining the most urgent needs of the State and localities for the diminution, control, and treatment of juvenile delinquency;

(B) developing a plan of priorities for meeting such needs in a coordinated and balanced manner;

(C) coordinating, on a continuing basis, the execution of such plans;

(D) providing either directly or through entering into contracts with private voluntary organizations demonstrations of improved services for the location, treatment, and aftercare of delinquent youth; and

(E) conducting either directly or through entering into contracts with private voluntary organizations research and investigations for assessing the causes and extent of juvenile delinquency and the effectiveness of existing programs for the diminution, control, and treatment of juvenile delinquency, and for developing improved methods for the diminution, control, and treatment of juvenile delinquency.

SEC. 203. The Secretary shall approve any State plan for carrying out the purposes set forth in section 202 if he finds that such plan—

(A) designates a State agency which shall, either directly or through arrangements with other State or local agencies, carry out such purposes;

(B) shows that in developing such plan there has been consultation with and among representatives of State agencies concerned with juvenile delinquency, including to the extent feasible the State welfare, education, health, and labor departments, mental health and vocational rehabilitation authorities, the employment service, State and local agencies responsible for services to, or care of, delinquent youth, and private voluntary organizations engaged in or responsible for such services and persons representative of juvenile courts and probation and police services; and provides for the participation of such agencies, representatives, organizations, and persons in carrying out the purposes of section 202 and for coordination of public and voluntary services within the State dealing with juvenile delinquency in furtherance of the national policy as set forth in section 2 of this Act;

(C) provides for financial participation by the State;

(D) provides for the establishment of a State advisory council to advise the designated State agency on the administration of the program under this Act; such council to be representative of private voluntary organizations, professional associations, and civic groups interested in the problems of children and youth, especially juvenile delinquency;

(E) provides for a determination of the most urgent needs of the State for strengthening and improving its programs for the diminution, control, and treatment of juvenile delinquency, for developing plans for strengthening and improving such programs, and for planning and initiating a program of training of specialized personnel for such programs:

(F) provides that the State agency designated to carry out such plan shall make such reports, in such form, and containing such information as the Secretary may from time to time reasonably require, and shall comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports;

(G) provides for such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis except that (A) the Secretary may, if he determines that this requirement is not feasible or would unduly delay the maximum effectiveness of a State plan, exempt portions of a State plan from this requirement and (B) the Secretary shall exercise no authority with respect to the selection, tenure of office and compensation of any individual employed in accordance with such methods) as are necessary for the proper and efficient operation of the plan; and

(H) makes a substantial contribution toward the fulfillment of the purposes set forth in section 2 of this Act.

SEC. 204. (a) From the sums made available in any fiscal year for grants to States under section 202, each State shall be entitled to an allotment of an amount which bears the same ratio to such sums as the child population of such State bears to the child population of all States. The allotment to any State under the preceding sentence for a fiscal year which is less than $50,000 shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States under the preceding sentence but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than $50,000.

(b) From each State's allotment under this section for any fiscal year the Secretary shall pay to such State an amount equal to its Federal share (as defined in section 507 (B)) of the cost of carrying out the purposes set forth in section 202 in accordance with its State plan approved under section 203: *Provided*, That, from each State's allotment for the fiscal years ending June 30, 1960, and June 30, 1961, the Secretary shall pay to such State an amount equal to 100 per centum of so much of the cost of carrying out the purposes set forth in section 202 as does not exceed $30,000 for the two years combined, and an amount equal to the Federal share (as defined in section 507(B)) of the cost of carrying out the purposes set forth in section 202 as exceeds $30,000.

(c) At such time or times of each fiscal year as the Secretary determines, after receiving advice from the States with respect thereto, that the amounts (if any) to be paid to any State from its initial allotment for such year will total less than such allotment, the Secretary shall reallot the portion of such initial allotment which he determines will not be so paid to such State. Such portion shall be available to other States which the Secretary determines have need in carrying out their State plans for amounts in excess of their initial allotment; such reallotment to be made on the basis of such State plans after taking into consideration the child population of each such State as compared with such population of all such States. Any amount so reallotted to a State shall be deemed part of its allotment under section 204 (b).

TITLE III—GRANTS FOR TRAINING PERSONNEL

SEC. 301. For the purpose of training personnel employed, or preparing for employment, in programs for the diminution, control, and treatment of juvenile delinquency, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1960, the sum of $5 million and for each of the following 7 fiscal years such sums as the Congress may determine.

SEC. 302. The sums appropriated under this title shall be available for grants to States and to approved nonprofit institutions of higher learning for paying the cost of training personnel employed, or preparing for employment, in programs for the diminution, control, and treatment of juvenile delinquency, or for the development of courses for such training, including the establishment and maintenance of such fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses) as the Secretary may determine to be necessary.

SEC. 303. Payments under this title may be made in advance or by way of reimbursement for services performed and purchases made as may be determined by the Secretary and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this title.

TITLE IV—GRANTS FOR SPECIAL PROJECTS

SEC. 401. For the purpose of demonstrating or developing improved techniques and practices for the diminution, control, and treatment of juvenile delinquency, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1960, the sum of $1 million, and for each of the following 6 fiscal years such sums as the Congress may determine.

SEC. 402. The sums appropriated under this title shall be available for grants to States and to public and private nonprofit institutions of higher learning or research for paying the costs of special projects carried out directly or through contracts with private voluntary organizations which, in the judgment of the Secretary, hold promise of making a substantial contribution to the strengthening or improvement of programs for the diminution, control, or treatment of juvenile delinquency. States may expend such sums as are made available under this title either directly or through the political subdivisions of the State. Any grant of funds under this title which will be used for direct services to delinquent children must have prior approval of the State agency supervising the administration of the State plan pursuant to title II of this Act.

SEC. 403. Payments under this title may be made in advance or by way of reimbursement for services performed and purchases made as may be determined by the Secretary, and shall be made on such conditions as the Secretary finds necessary to carry out the purposes of this title.

TITLE V—GENERAL PROVISIONS

SEC. 501. In carrying out his duties under this Act, the Secretary shall—

(A) make such studies, investigations, demonstrations, and reports as will promote the strengthening of programs for the diminution, control, and treatment of juvenile delinquency;

(B) cooperate with and render technical assistance to States in matters relating to such programs;

(C) disseminate information as to the studies, investigations, demonstrations, and reports referred to in paragraph (A) hereof and as to other matters relating to such programs; and

(D) until June 30, 1961, provide short-term courses of training and instruction in technical matters relating to the diminution, control, and treatment of juvenile delinquency, including the establishment and maintenance of such fellowships and traineeships, with such stipends and allowances (including travel and subsistence expenses), as he may deem necessary, except that no such training or instruction (or fellowship or scholarship) shall be provided any individual for any one course of study for a period in excess of one year.

SEC. 502. The Secretary is authorized to make regulations governing the administration of this Act.

SEC. 503. The Secretary shall include in his annual report a full report of the administration of this Act.

SEC. 504. There are hereby authorized to be included for each fiscal year in the appropriation for the Department of Health, Education, and Welfare such sums as are necessary to administer this Act.

SEC. 505. The method of computing and paying amounts pursuant to section 204 shall be as follows:

(A) The Secretary shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of such section for such period, such estimate to be based on such records of the State body and information furnished by it, and such other investigation, as the Secretary may find necesary.

(B) The Secretary shall pay to the State, from the allotment available therefor, the amount so estimated by him for any period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid to the State for any prior period under such section was greater or less than the amount which should have been paid to the State for such prior period under such section. Such payments shall be made through the disbursing facilities of the Treasury Department, in such installments as the Secretary may determine.

SEC. 506. (a) Whenever the Secretary, after reasonable notice and opportunity for hearings to the State body supervising the administration of the State plan pursuant to title II finds (1) that the State plan or a specified portion of the State plan submitted and approved under section 203 has been so changed that it no longer complies with a provision required by section 203 to be included in the plan, or (2) that in the administration of the plan or a specified portion of the plan there is a failure to comply substantially with such a provision, the Secretary shall notify the State body that no further payments will be made to the State under section 204(b) (or, in his discretion, that further payments will not be made to the State for portions of the State plan affected by such failure) until he is satisfied that there will no longer be such failure. Until he is so satisfied, the Secretary shall make no further payments to such State under section 204(b) (or shall limit payments to portions of the State plan in which there is no such failure).

(b) If any State is dissatisfied with the Secretary's action under subsection (a), such State may appeal to the United States Court of Appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States. The findings of fact by the Secretary, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence. The court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

SEC. 507. For the purposes of this Act—

(A) The term "State" includes Hawaii, the District of Columbia, the Virgin Islands, and Puerto Rico.

(B) (1) The "Federal share" for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the continental United States (excluding Alask), except that (A) the Federal share shall in no case be more than 66⅔ per centum or less than 33⅓ per centum, and (B) the Federal share for Hawaii and Alaska shall be 50 per centum, and for Puerto Rico and the Virgin Islands shall be 66⅔ per centum.

(2) The "Federal shares" shall be promulgated by the Secretary between July 1 and September 30 of each odd-numbered year, on the basis of the average of the per capita incomes of the States and of the continental United States (excluding Alaska) for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning July 1 next succeeding such promulgation.

(C) The term "child population" means the population under the age of twenty-one years, and the "population" and "child population" of the several States shall be determined on the basis of the latest figures furnished by the Department of Commerce.

(D) The term "programs for the diminution, control, and treatment of juvenile delinquency" shall include programs for the control and treatment of delinquent youth up to the age of twenty-one years.

SEC. 508. Not later than January 1, 1965, the Secretary shall transmit to the President for transmission to the Congress a report of the experience had by Federal, State, and local agencies in the administration of of this Act, together with his recommendations and the recommendations of the Council as to the expiration, continuance, or revision of the Act.

PROTECTION OF RIGHTS OF THE BLIND

Mr. KENNEDY. Mr. President, on behalf of myself, and Senators BYRD of West Virginia, RANDOLPH, AIKEN, ALLOTT, BARTLETT, BIBLE, BRIDGES, CANNON, CARROLL, CLARK, COOPER, DOUGLAS, ENGLE, GREEN, GRUENING, HENNINGS, HUMPHREY, JACKSON, KEFAUVER, LANGER, LONG, MCCARTHY, MAGNUSON, MANSFIELD, MORSE, MOSS, NEUBERGER, PASTORE, PROXMIRE, SCOTT, SMATHERS, and YARBOROUGH, I introduce a bill to protect the right of blind persons to organize, to express themselves freely on matters affecting them, and to be considered in connection with programs aimed at solving their problems.

The bill contains two sections:

Section 1 directs the Secretary of the Department of Health, Education, and Welfare, to the extent practical, to consult with blinded persons in the formulation and execution of programs for the blind and to encourage State agencies to do likewise.

The second section bars any officer or agency using Federal funds from exerting any influence on blinded persons with respect to their joining organizations of the blind.

Organizations of blind persons exist today in many cities and communities throughout the country. Some of these organizations are community groups, some are alumni groups, some are trade and professional groups, some are associations of vending-stand operators, some are organizations of workshop employees. These organizations have, in turn, formed statewide associations. Forty-five statewide associations of the blind are now federated into a nationwide organization.

Organizations of this kind have been formed by the blind to advance their welfare and common interests. These organizations provide our blind citizens with the opportunity for collective self-expression. Their members are thus able to express their views on the programs that our national Government and our State governments are adopting for their aid and rehabilitation. It is important that these views be heard and considered.

The bill does not prohibit other persons and organizations of either blinded or sighted individuals from exercising their right to be heard in these matters. The many difficult and important problems in this field need all the wisdom that can be made available if they are to be solved. The bill does, however, establish the right of the blind to be heard.

Unfortunately, there have been instances in which attachment to a particular philosophy of aid to the blind has unjustly discriminated against blinded persons or their organizations.

This bill would prohibit such discrimination.

I should like to make it clear that the bill does not involve a criticism of the many organizations for the blind who have over the years done such excellent work. Nor is it a criticism of the many State agencies, like the Massachusetts agency for the blind, that have been assiduous in seeking the advice of blinded persons in the formulation and execution of welfare programs for the blind. On the whole, workers and agencies for the blind have done an excellent job. This bill is designed simply to prevent the thoughtless, needless, and unjust rejection of the views of the blind and their organizations when policies vitally affecting them are formulated. It will result, I am confident, in better programs for the blind and a greater sense of participation by those whom these programs are designed to serve.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1093) to protect the right of the blind to self-expression through organizations of the blind, introduced by Mr. KENNEDY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

INCREASED FUNDS FOR INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference, a bill to amend the Bretton Woods Agreement Act for the purpose of increasing the subscriptions of the United States to the International Monetary Fund and the International Bank for Reconstruction and Development. The proposed legislation would give effect to the message to Congress from the President of the United States urging prompt action to authorize the increased subscriptions.

Let me say that I am in sympathy with the general objectives of this bill. I attended the meeting of the Bank and Fund member countries at New Delhi, where these issues were explored, and I understand their importance with regard

to U.S. leadership and the strength and security of the free world.

Nevertheless, on principle, I reserve my position on this bill, as well as on any suggested changes in it, when the matter is considered by the Committee on Foreign Relations.

Very considerable amounts of money are involved in this legislation, even though a relatively small percentage of the total subscriptions would take the form of withdrawals from the Treasury. The bill, therefore, should be of great interest to the American business community and to the public in general. Too often the interested executive agency is largely left on its own to justify needed legislation. In this case, the advantages will be extensive, and I hope that interested parties will make their views known as soon as possible. It is anticipated that hearings will be scheduled at an early date.

I ask unanimous consent that the bill be printed at this point in the RECORD, together with the message from the President of the United States to the Congress.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and message will be printed in the RECORD.

The bill (S. 1094) to amend the Bretton Woods Agreements Act, introduced by Mr. FULBRIGHT, by request, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act is amended by adding at the end thereof the following new section:

"SEC. 16. (a) The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States under article III, section 2, of the Articles of Agreement of the Fund, as proposed in the Resolution of the Board of Governors of the Fund dated February 2, 1959.

"(b) The United States Governor of the Bank is authorized (1) to vote for increases in the capital stock of the Bank under article II, section 2, of the Articles of Agreement of the Bank, as recommended in the Resolution of the Board of Governors of the Bank dated February 2, 1959, and (2) if such increases become effective, to subscribe on behalf of the United States to 31,750 additional shares of stock under article II, section 3, of the Articles of Agreement of the Bank."

SEC. 2. Section 7(b) of the Bretton Woods Agreements Act is amended by striking out "of $950,000,000", and by striking out "not to exceed $4,125,000,000" and inserting in lieu thereof "such amounts as may be necessary".

The message from the President, presented by Mr. FULBRIGHT, is as follows:

To the Congress of the United States:

In the Bretton Woods Agreements Act of 1945 Congress authorized the participation of the United States in the International Monetary Fund and in the International Bank for Reconstruction and Development.

This act of leadership on the part of the Government of the United States made it possible to bring these two great international institutions into being and to launch a major effort among the nations of the free world designed to establish an effective and continuing system of international cooperation in the fields of monetary and exchange policy and economic development.

Since their foundation 12 years ago, the United States has given vigorous support to the Bank and the Fund.

The two institutions have been outstandingly successful.

The Bank has assisted on an increasing scale the economic growth of the less developed countries through well-conceived and intelligently executed developed projects. The Fund, through the provision of wise counsel and timely financial assistance to member countries faced with balance-of-payments difficulties, has successfully promoted the adoption of sound fiscal, monetary, and foreign exchange policies in member countries.

The international standing achieved by the Bank and Fund is such that the international economic system of today cannot successfully function without them. They are indeed vital to the continued economic growth and cohesion of the entire free world.

The National Advisory Council on International Monetary and Financial Problems, which is responsible for advising me with respect to United States relationships with the Bank and Fund, has now recommended that the resources of the Bank and Fund be increased.

I strongly concur in this recommendation. Accordingly, I ask that Congress, in accordance with the provisions of the Bretton Woods Agreements Act, authorize the U.S. Governor of the International Monetary Fund to request and consent to an increase of 50 percent in the quota of the United States in the International Monetary Fund, and authorize the U.S. Governor of the International Bank to vote for an increase of 110 percent in the capital stock of the Bank, and, subject to said increase becoming effective, subscribe on behalf of the United States to 31,750 additional shares of stock of the Bank, amounting to a doubling of the United States subscription.

The recommended increase is necessary to enable the two institutions to continue to operate successfully over the years ahead. Our subscriptions are the only financial support we are required to give these institutions. Within the framework of their capital structure, they are self-supporting and do not require additional periodic contributions.

INTERNATIONAL MONETARY FUND

The International Monetary Fund has two primary tasks. It promotes international monetary cooperation and sound foreign exchange practices which are vital to the balanced growth of world trade and development. It also provides short-term financial assistance to member countries to help them stabilize their currencies, maintain or move toward convertibility, and overcome temporary balance-of-payments problems without resorting to restrictions or other practices which may be harmful to international cooperation. In its financial operations, the Fund utilizes the gold and currencies which have been provided to it by the member countries on the basis of their quotas. These operations consist of advances or drawings repayable in not more than 3 to 5 years.

Since the beginning of its operations, the Fund has made available about $4.1 billion to 36 countries. Of this sum $3.2 billion was actually drawn in cash; commitments of over $500 million under standby arrangements or lines of credit are still outstanding; and $100 million in such credits were allowed to expire unused. Approximately two-thirds of the total was provided during the past 2 years, and the total amount of drawings and unused standby commitments outstanding on December 31, 1958, was $2.6 billion. On that date, the Fund's holdings of gold and U.S. dollars available for new advances or commitments were $1.4 billion, compared with $3.5 billion at the end of 1956. In the light of past experience, this amount would not be adequate if calls on the Fund comparable to those of recent years were made. The Fund must maintain sufficient liquid resources to constitute a second line of reserves to which its members can turn with assurance at any time.

The proposed general increase of 50 percent in the resources of the Fund, together with larger increases requested by a few countries, will meet this need. These increases will raise the resources of the Fund by approximately $5 billion, of which gold and dollars will amount to some $2.3 billion. If these new resources are made available, the free world can have full confidence in the capacity of the Fund to perform its tasks in the coming years.

Under the articles of agreements of the Fund, when a quota is increased, the member must pay 25 percent of the increase in gold, and the balance in its currency. In our case, this means a payment of approximately $344 million in gold and $1,031 million in dollars. The latter will be held in non-interest-bearing notes to be utilized only at such time as the Fund may need cash to meet drawings by its members.

I should like to stress the cooperative nature of this proposed increase in fund resources. Three-fourths of the gold to be paid to the Fund will come from other countries. Moreover, the additional holdings of other leading currencies will be increasingly useful to the Fund, particularly in view of the recent extension of the convertibility of major European currencies. This increase in resources on a very broad base is assured by the provision that the increase will not become effective until members having 75 percent of present Fund quotas have consented to quota increases.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

The International Bank for Reconstruction and Development has, in its 12 years of operations, made loans of over $4 billion in 49 different countries and territories. The Bank's reconstruction loans were made in 1947, and since then the Bank has made loans of some $3.6 billion for productive development projects. Loans by the Bank are currently running at the rate of about $700 million per year. Most of these loans have been made to the underdeveloped areas of the world. The Bank's own financing and technical assistance activities have increased the pace of economic growth all over the free world. The Bank has also been able to act as a conduit and stimulant to the flow of private capital into less developed areas.

Under the charter of the International Bank, only a small part of its authorized capital is available for lending, and the Bank obtains its funds primarily through borrowings in the financial markets of the world. Most of its authorized capital is, in effect, a guarantee for these borrowings. The Bank has raised the equivalent of more than $2 billion through issuance of its bonds in several different currencies. Approximately $1.8 billion of such bonds are currently outstanding. These bonds are recognized throughout the world as high quality securities. Both because of the member countries' guarantees and because of the outstanding character of its record, the Bank has been able to borrow large sums of money at frequent intervals at rates of interest comparable to those on high-grade Government securities. This permits the Bank to fix interest rates on its own loans that do not impose undue burdens on the borrowing countries.

At present, and in the foreseeable future, the ability of the Bank to raise funds in the capital market of the United States will depend largely upon the guarantee inherent in

this country's subscription. Under the current rate of Bank borrowing, the present amount of this guarantee will be exceeded in the next 2 years. If the Bank is to continue to play its full part in raising productivity and living standards, additional capital far beyond the amount covered by the existing U.S. subscription will be needed.

The proposed increase of 110 percent in the total capital of the bank and of 100 percent in the U.S. subscription will permit the bank to meet its needs for borrowed funds for a substantial period of time. No part of the increase in our subscription would be required to be paid in except to meet defaults on the bank's obligations. There is no reason to believe that this contingent liability will become a real one.

As in the case of the Fund, the proposed increase in the capital of the Bank will not become effective until subscriptions have been received for approximately 75 percent of the existing capital. This will assure a wide participation by the member countries.

The Special Report of the National Advisory Council, which describes in detail the proposal to increase the resources of the Bank and Fund, is attached.

The entire free world needs sound currencies and orderly exchange systems to foster trade and economic growth and it needs capital which will support rising living standards and accelerate the pace of economic development in all of the member countries. The International Monetary Fund and the International Bank for Reconstruction and Development have achieved outstanding records as effective instruments toward these ends. For the well-being of the free world and in our own interest, it is essential that the proposed increases in the resources of these two institutions take place.

There is real urgency for prompt action. The United States has for many months been taking the lead in this important effort to equip the Bank and Fund to continue their work. The countries of the free world look to the United States, because of our economic strength, to set the pace by acting without delay to take up our subscription in the new stock of the Bank and to pay our quota increase in the Fund. I consider it to be most important for the U.S. Government to maintain the posture of leadership which it now occupies. To this end, I urge the Congress to enact the necessary legislation so that these increases may promptly be made effective, to insure further progress toward realizing a better life for the peoples of the free world.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *February 12, 1959.*

APPROPRIATIONS FOR NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. JOHNSON of Texas. Mr. President, on behalf of myself and the senior Senator from New Hampshire [Mr. BRIDGES] I introduce, for appropriate reference, a bill to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes.

The amounts involved do not necessarily reflect the views of the sponsors. Although I have certain reservations concerning the space program as a whole, it is the wish of the committee to provide the National Aeronautics and Space Administration with supplemental appropriations for fiscal year 1959 as expeditiously as possible to assure that there will be no delay in the program.

It is anticipated that hearings on this bill will be concluded fairly quickly and the committee can then continue its detailed examination of the programs proposed for fiscal year 1960.

The subcommittee to conduct the hearings is to be chaired by the Senator from Mississippi [Mr. STENNIS]; and the Senator from Ohio [Mr. YOUNG], the Senator from Connecticut [Mr. DODD], and the Senator from Nevada [Mr. CANNON] will be members on the majority side; while the Senator from Maine [Mrs. SMITH] and the Senator from Iowa [Mr. MARTIN] will be members from the minority side.

Upon conclusion of these further hearings, the committee will be in a position to recommend legislative action necessary to proceed with the space program in 1960.

The National Aeronautics and Space Administration has informed me that the Vanguard weather satellite launched this morning has successfully gone into orbit.

The instrumentation has been tested and I am advised that it is working perfectly.

Even though this launching is late, it is a very gratifying step forward.

It opens the way to a peaceful and practical use of space for the benefit of all humanity.

Mr. President, I send the bill to the desk and ask for its appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1096) to authorize appropriations to the National Aeronautics and Space Administration for salaries and expenses, research and development, construction and equipment, and for other purposes, introduced by Mr. JOHNSON of Texas (for himself and Mr. BRIDGES), was received, read twice by its title, and referred to the Committee on Aeronautical and Space Sciences.

AMENDMENT OF TRADING WITH THE ENEMY ACT

Mr. KEATING. Mr. President, I introduce for appropriate reference a bill to amend section (9)(a) of the Trading With the Enemy Act, as amended. The purpose of this measure is to facilitate transfer to private operation of certain vested alien property in the United States, notably the properties of the General Aniline & Film Corp., which has both corporate headquarters and plants in New York State. Representative ROBISON, of New York, has introduced a companion bill in the House.

Without in any way seeking to criticize the management of these plants during the period of Government operation, I feel it is obvious that the greatest contribution to the American free enterprise economy can be made by these plants under private operation, and that we can look for greater expansion and therefore more jobs when the return to private enterprise has been effected.

This matter has been delayed for many years. I feel the time for action is long overdue, and I hope that the Committee on the Judiciary will give early consideration to this measure and others to deal with this important problem.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1103) to amend section (9)(a) of the Trading With the Enemy Act, as amended, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9(a) of the Trading With the Enemy Act, as amended, is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further,* That upon a determination made by the President, in time of war or during any national emergency declared by the President, that the interest and welfare of the United States require the sale of any property or interest or any part thereof claimed in any suit filed under this subsection and pending on or after the date of enactment of this proviso the Alien Property Custodian may sell such property or interest or part thereof, in conformity with law applicable to sales of property by him, at any time prior to the entry of final judgment in such suit. No such sale shall be made until thirty days have passed after the publication of notice in the Federal Register of the intention to sell. The proceeds of any such sale shall be deposited in a special account established in the Treasury, and shall be held in trust by the Secretary of the Treasury pending the entry of final judgment in such suit. Any recovery of any claimant in any such suit in respect of the property or interest or part thereof so sold shall be limited to the net proceeds of such sale, or, if more than one claimant, then to each claimant's proportionate share of the net proceeds of such sale, unless such claimant, within sixty days after receipt of notice of the amount of net proceeds of sale, or, if more than one claimant, then notice of the amount of claimant's asserted proportionate share of the net proceeds of sale, serves upon the Custodian and files with the court an election to waive all claims to the net proceeds and to claim just compensation instead. If the court finds that the claimant has established an interest, right, or title in any property in respect of which such an election has been served and filed, it shall proceed to determine the amount which will constitute just compensation for such interest, right, or title, and shall order payment to the claimant of the amount so determined. An order for the payment of just compensation hereunder shall be a judgment against the United States and shall be payable first from the net proceeds of the sale in an amount not to exceed the amount the claimant would have received had he elected to accept his proportionate part of the net proceeds of the sale and the balance, if any, shall be payable in the same manner as are judgments in cases arising under section 1346 of title 28, United States Code. The Alien Property Custodian shall, immediately upon the entry of final judgment, notify the Secretary of the Treasury of the determination by final judgment of the claimant's interest and right to the proportionate part of the net proceeds from the sale, and the final determination by judgment of the

amount of just compensation in the event the claimant has elected to recover just compensation for the interest in the property he claimed."

SCHOOL CONSTRUCTION ASSISTANCE ACT OF 1959 AND COLLEGE FACILITIES ACT OF 1959

Mr. SALTONSTALL. Mr. President, on Monday, February 9, I had to be absent from Washington and the Senate due to previous commitments in Massachusetts. In my absence the junior Senator from Kentucky [Mr. MORTON] introduced for me the two bills which comprise the administration's program for assistance in school facilities construction, S. 1016 and S. 1017.

These bills will lie on the desk through Thursday of this week, February 19, for the benefit of all Senators who may wish to become cosponsors. The bills and explanatory summaries of their provisions, together with Secretary of Health, Education, and Welfare Flemming's letter to the Vice President, were printed in the RECORD of February 9 at pages 2084 to 2093. The same bills were introduced in the House by Representative FRELINGHUYSEN of New Jersey, H.R. 4267 and H.R. 4268. Senators interested in this important legislation will wish to read Mr. FRELINGHUYSEN's clear explanation of H.R. 4268, which was printed in the RECORD of February 11 at pages 2190 to 2192.

Mr. President, all Senators should note that the administration's school facilities construction assistance program is contained in two separate bills. One provides a plan for higher education institutions—colleges and universities, S. 1017; the other contains a plan for elementary and secondary public schools, S. 1016.

Substantial assistance would be provided to needy school districts undertaking to build new elementary and secondary public school facilities. Colleges and universities would have assurance that they could finance the cost of new residential or academic facility construction needed to meet growing enrollments. If vigorous action is taken within the next 5 years by our school districts and States and colleges and universities, with the assistance provided in these plans, the shortage of facilities and the needs growing out of increased requirements can be met.

In my judgment we do not need to adopt a permanent massive Federal spending program to take care of shortages of facilities in American schools, colleges, and universities. The initiative and effort needed for the task are amply available at the traditional source of responsibility.

The shortage of educational facilities which we face today is, however, serious and in my judgment a proper subject for national concern.

The Federal Government should demonstrate its concern on behalf of all of our citizens and do so in a manner which will stimulate recognition of the urgency of the problem by school districts and States and colleges and universities throughout the country. The Federal Government should take action in such a way as to encourage action at the State and local level.

Any program of the Federal Government should operate to remove impediments to action which may exist in particular local situations which have decided to act.

Any program of the Federal Government should scrupulously avoid encroaching on State, local, and private responsibility for education.

Any program of the Federal Government should be tailored to meet the equally urgent need for sound Government fiscal policies. We must learn to keep the cost of activities of the Federal Government within its income.

The administration's program for assistance in the construction of educational facilities meets all of these tests. It will stimulate recognition of the urgency of the task our Nation faces in closing the classroom gap. It will operate to remove financial obstacles to local action. It will not establish Federal control over or interference with education. It will not open a budget gap which would excite the embers of deficit spending into flames of inflation.

Mr. President, I ask unanimous consent that there be printed in the RECORD at the end of my remarks editorials about the administration's educational facilities construction assistance program which were published recently in the Christian Science Monitor and the Baltimore Sun.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, Feb. 11, 1959]

FOR SCHOOL BUILDING: SELECTIVE AID

The administration has come up with a new approach to the problem of the Nation's shortage of classrooms. Secretary of Health, Education, and Welfare Arthur S. Flemming has sent to Congress a program which certainly would bring very considerable aid in building to hardpressed school districts and which seems to avoid difficulties that have blocked endeavors in the past.

For the several years prior to the advent of sputnik the great national concern centered around the growing deficit in classrooms where the schooling of American youth must be carried on.

Four years ago, in 1955, the administration got before Congress a bill which would have extended $1.1 billion in Federal aid over a period of 3 years to help relieve this shortage. It was beaten in the House chiefly, it is thought, because it was accompanied by a rider which would have employed aid as a lever to press States and local communities into racial desegregation.

Two years later the administration almost won with a $1.2 billion program to be spread over 5 years. It was not hampered by devices to thrust it into the desegregation controversy. But there were fears that Federal control might follow Federal help and some feeling that States and communities should be expected to do more for themselves. And although the final bill included the President's means-and-effort test for allocating funds among the States, it was beaten largely by a 3-to-2 vote of his own party against it.

Then came sputnik, and the Nation became concerned more with the quality of schooling than with where it is to be given. The administration's excellent 1958 proposals, mostly enacted, omitted Federal aid to building entirely. Many, including this newspaper, asked whether overcrowded classrooms and double-session schools had vanished.

Now the administration has moved to correct the omission. It would extend help, in cooperation with the States, to school districts to float and retire bonds for the purpose of classroom construction. Each district would be expected to carry as much as it could of bond interest and repayment. The remainder would be undertaken, half and half, by the Federal Government and the State. Each year until the bonds were retired the district's ability to pay more or less of its share would be reviewed. (The formula for colleges would be somewhat different.) The Federal Government's total commitment would be for $2½ billion over 25 years.

On its face the program appears to have several merits: It would be tailored to the needs and resources of school districts (or colleges) case by case, and put the initiative up to each. It would require each State to share responsibility. And since construction of school buildings creates additions to the Nation's capital assets—thus, strictly speaking, is not expense—the program would enable the Federal Government to aid through the mechanism long accepted as adapted to capital additions—bond issues.

Granted that such a case-by-case approach might involve more administrative expense than some form of slice-it-up and pass-it-around. That expense would certainly be less than the waste through unjustifiable outlays implicit in the other. And there are moral values involved as well.

[From the Baltimore Sun, Feb. 10, 1959]

FEDERAL AID?

Spurred by the sputniks, the Eisenhower administration last year proposed what amounted to a special $1 billion program designed to boost national education over 4 years in such specific fields as science, foreign languages, and loans to needy students. The semipanic which then gripped the country produced congressional approval of a large part of the bill. Now the administration is proposing a $2,500 million program to extend over 25 years, but for a different purpose. It is to strike directly at the shortage estimated at 140,000 classrooms in primary and secondary schools and at similar shortages in schools and colleges.

In short, this is a straight-out construction bill, and Secretary Flemming, who presented it, declared himself "happy" with it for one specific reason. The Secretary quite accurately observed that Federal aid to construction is "an area where there has been a lot of planning and a lot of talk," but where "nothing has happened." He insists that "under these proposals something could happen." What could happen, if the proposals are passed, is that a three-way financial partnership would be produced between the Federal Government, the State governments, and the school localities to get school construction moving at a pace the Nation has never seen before.

It is too early to predict whether this bill can weather the obstacles which brought down earlier attempts at the same goal. And yet it is a safe bet that the same obstacles will still be there. They run from questions of desegregation to fears of Federal interference in State affairs, to charge that only the relatively poor States stand to benefit at the expense of the rich States. Indeed, there is already a rival Federal-aid bill eagerly promoted by some 30 Senators who aim at bringing up the question of teachers' salaries, too. From one of these, Senator MURRAY, the hostile comment is heard that the administration proposal is no more than a "banker's" bill, and that it envisions deficit financing which the administration "claims to abhor."

The best that can be said for this proposal is that—for the coming year, at least—its enactment will not affect the budget. Thereafter it will be a different story. What remains to be seen now is whether the sputnik outlook of last year remains in sufficient strength to get this proposal any further than a number of others which failed in the presputnik era.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. BUSH. I ask unanimous consent that I may be added as a cosponsor of the proposed legislation.

Mr. SALTONSTALL. I most respectfully agree. I will say to the Senator from Connecticut that the bills are now on the clerk's desk, and I shall be happy to have the Senator's name added as an additional cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

YOUTH CONSERVATION CORPS—DELETION OF NAME OF COSPONSOR OF A BILL

Mr. HUMPHREY. Mr. President, I have been informed that, inadvertently, the name of the distinguished senior Senator from New York [Mr. JAVITS] was listed as a cosponsor of the bill (S. 812) to establish a Youth Conservation Corps, which I had introduced on behalf of myself and several other Members of the Senate on January 29.

I ask unanimous consent that the name of the Senator from New York [Mr. JAVITS] therefore be deleted as a cosponsor of the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HART:

Resolution and statement dealing with Lithuanian Independence Day.

CHAIRMAN AND MEMBERSHIP OF JOINT COMMITTEE ON DEFENSE PRODUCTION—NOTICE OF MEETING

Mr. ROBERTSON. Mr. President, section 712 of the Defense Production Act of 1950, as amended, provides that the Joint Committee on Defense Production shall be composed of 10 members, 5 of them members of the Senate Committee on Banking and Currency, and 5 of them members of the House Committee on Banking and Currency. The law provides that these 5 members from each of the committees are to be appointed by the chairman of the respective committee, 3 from the majority and 2 from the minority party.

On January 29, 1959, the then chairman of the Committee on Banking and Currency, the Senator from Arkansas [Mr. FULBRIGHT], wrote me, as chairman of the Joint Committee on Defense Production, in part as follows:

The Senate Parliamentarian advises that the reappointment of Senate members of the Joint Committee is not necessary for their continued service on it from one Congress to another, assuming the members continue in the Senate and wish to continue as members of the Joint Committee.

This letter will serve as a formal notification to the Joint Committee that Senators ROBERTSON, SPARKMAN, FREAR, and CAPEHART wish to continue as members of the Joint Committee.

In addition, in accordance with section 712 of the Defense Production Act of 1950, as amended, I hereby appoint Senator BENNETT, as a member of the Joint Committee on Defense Production.

In order to eliminate any confusion as to the membership of the Joint Committee on Defense Production, I announce that the membership of the Joint Committee on the part of the Senate consists of the following Senators, in addition to myself: Senators SPARKMAN, FREAR, CAPEHART, and BENNETT. On the House side the following Members of the House Banking and Currency Committee have been appointed: Representatives BROWN, PATMAN, RAINS, MCDONOUGH, and HIESTAND.

I have called a meeting of the committee for next Thursday, February 19, at 3 p.m., when I intend to resign as chairman, to propose the election of the ranking majority Member from the House of Representatives, in accordance with the custom of alternating the chairmanship of the joint committee between the House and the Senate Members.

ADVANCEMENT TOWARD FOUR-POWER PARLEY

Mr. WILEY. Mr. President, the proposal by the United States, Britain, and France yesterday for a Big Four Foreign Ministers Conference, I hope, represents a forward step toward finding a reasonable and peaceful solution to the Berlin crises, German reunification, and related problems.

As we know, a time and place for the meeting have not yet been recommended. We read in the morning papers that high officials are converging on Washington right now.

We recognize that the continued division of Germany does, indeed, represent a danger to European security and to our peace.

Time after time, the Soviets have utilized the geographical arrangement of forces in Germany, particularly West Berlin, to foster crises—either as threats or forms of pressure upon the West.

We recognize that the holding of such a Four Power parley, if held, may make a constructive contribution toward resolution of the German problem. We must also realistically recognize that it may provide the Soviets with a line of retreat from their proposed unilateral action for abdicating responsibilities and obligations in regard to Berlin.

I request unanimous consent to have printed at this point in the RECORD the text of the U.S. note delivered yesterday to the Soviet Minister of Foreign Affairs by the American Embassy in Moscow, indicating the willingness of the United States to participate in the Conference of the Foreign Ministers, along with the U.S.S.R., France, and the United Kingdom. In addition, I ask consent to have printed, along with the statement, a thoughtful editorial from today's New York Times, commenting on various facets of the proposal.

There being no objection, the note and editorial were ordered to be printed in the RECORD, as follows:

TEXT OF U.S. NOTE

(Following is the text of a note delivered yesterday to the Soviet Ministry of Foreign Affairs by the American Embassy in Moscow in reply to a Soviet note of January 10.)

The Government of the United States refers to the note of the government of the U.S.S.R. dated January 10, 1959.

The United States Government has repeatedly expressed its conviction that the continued division of Germany constitutes a danger to European security and to world peace. This danger is heightened by the persistent and flagrant denial to the East Germans of human rights and fundamental freedoms.

The United States Government has sought to deal with this problem as urgently as possible through negotiations among the four powers responsible for Germany. In pursuing this objective, it has been willing to negotiate seriously on all aspects of the program. This attitude long held was most recently put forward by the United States in its notes of September 30 and December 31, 1958.

The Soviet Government has announced its intention unilaterally to abdicate certain of its internationally agreed responsibilities and obligations in regard to Berlin. That would encourage, and could result in, an attempt to assert control over the rights of the Western Powers to be in Berlin and to have unhampered access thereto. The danger to world peace inherent in this Soviet initiative is evident.

The position of the Western Powers in this matter has been made clear in their note of December 31. They have no choice but to declare again that they reserve the right to uphold by all appropriate means their communications with their sectors of Berlin.

Apart from the question of Berlin, the Soviet note of January 10 contains a number of statements and proposals with which the United States does not agree. The United States Government does not, however, propose to discuss these things in the present communication.

This is partly because its views on the points at issue have been made plain in the note of December 31, 1958, and on previous occasions; and partly because in its view neither polemics nor insistence on the prior acceptance of any limitations on the means of reaching satisfactory solutions can be helpful.

The United States Government is prepared to participate in a conference of the Ministers of Foreign Affairs of the U.S.S.R., France, the United Kingdom and the United States, and is ready to consider any suggestions as to a date and place, which would be fixed by mutual agreement. The place and date should be settled through diplomatic channels.

The conference should deal with the problem of Germany in all its aspects and implications as raised in the recent exchange of notes between the Governments of the United States of America, France, the United Kingdom and the Federal Republic of Germany on the one hand and the Government of the U.S.S.R. on the other hand.

It is suggested that German advisers should be invited to the conference and should be consulted.

[From the New York Times]

THE WESTERN OFFER TO MOSCOW

As a first step toward averting the threatening crisis over Berlin and as a test of Soviet intentions the United States, Britain, France and West Germany have joined forces to propose to Soviet Russia an East-West Foreign Ministers Conference, with East and West German advisers present, to deal with the whole German problem.

To facilitate the conference without a prior dispute over the agenda, such as has prevented previous projects of the kind, the four Western Powers advance the broadest possible formula for it. They propose that the conference should deal with the problem of Germany "in all its aspects and implications," and without prior limitations on the means for a solution. This formula would include German reunification, of which the Berlin problem is a part, as well as European security and armament control, and all the plans for them.

In making this proposal the Western Powers firmly reject both the Soviet ultimatum on Berlin and the Soviet proposal of a 31 nation conference to write a peace treaty for a divided, neutralized and virtually disarmed Germany enjoined to limit political freedom for everybody except the Communists. In virtually identical notes which bear the imprint of Secretary Dulles but have been specifically endorsed by the whole North Atlantic Alliance, the four Western Powers again warn the Soviets that any attempt to put the Berlin ultimatum into effect by interfering with their rights in Berlin or their communications with it will be met "by all appropriate means"—which is diplomatic language for force. They further emphasize that the continued division of Germany, whose reunification the Soviets now refuse to discuss, constitutes a continuous danger to European security and world peace. And they denounce the "persistent and flagrant denial to the East Germans of human rights and fundamental freedoms."

But in making their proposal the Western Powers also offer Soviet Russia an escape from the trap of its own ultimatum. They leave the date and place of the proposed conference to further agreement. This permits the Soviets to accept the bid and engage in negotiations the start of which they have already designated as a possible reason for suspending the deadline of the ultimatum, now fixed at May 27. Even their insistence that German reunification depends on talks between West and East Germany is taken into account by the invitation to both East and West German advisers. And Western officials freely hold out the prospect that if a Foreign Ministers Conference is successful, a summit meeting of the heads of governments would probably follow.

All this is in line with the policy to which Secretary Dulles won the agreement of all our North Atlantic allies on his last European trip—the policy defined by the Adenauer-Dulles formula as "no concessions without counterconcessions" and by Vice President NIXON as "firmness in principle but flexibility in tactics." The latest Western notes make certain that this policy will prevail even during Mr. Dulles' illness.

CYPRUS—LIKE SUDDEN SUNSHINE

Mr. WILEY. Mr. President, amid the many domestic and world problems, it is always enheartening when solutions are forthcoming. We recall that, recently, one such ray of light broke through the dark clouds overhanging the strife-torn island of Cyprus in the eastern Mediterranean.

After a long, bloody struggle, a hope of peace suddenly brightened the outlook for 53,000 inhabitants; of whom four-fifths are of Greek origin and one-fifth are of Turkish origin. At long last, an agreement was reached for cessation of violence.

Among other things, the long-hoped-for agreement promises: First, independence for Cyprus, including provisions for a Government with a Greek Cypriote President and a Turkish Cypriote Vice-President, and safeguards to protect interests of people of both Greek and Turkish origin; second, Britain may retain bases on Cyprus; third, a single legislative chamber for governing the island—two-thirds of the seats would be allotted to the Greek community, and one-third to the Turkish community; and fourth, the independence of Cyprus, as well as security for Turkey against dangers from the island, would be sought through a treaty between Greece, Turkey, Cyprus, and, in all likelihood, Great Britain.

The world can rejoice with the people of Cyprus that, at long last, agreement to end the terrible fighting that has torn this island asunder may now cease.

Recently, an issue of the Christian Science Monitor carried an editorial entitled "Cyprus—Like Sudden Sunshine," reflecting on this step toward peace. I request unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CYPRUS—LIKE SUDDEN SUNSHINE

Like one of those unbelievable changes in the landscape that come with sunshine in the wake of a violent storm—such is the effect of the sudden prospect of peace in Cyprus.

The whole world had become accustomed to an almost constant battering of human sensibilities, with reports of terror, repression, murder, reprisals, riots, as Cypriote rebels fought against British rule for the right to self-determination and union with Greece. Britain held out against these demands both in the name of British and of Turkish Cypriote interests and as an expression of British determination to fulfill the responsibilities of a colonial power for keeping order in an area under its government.

And so the strife-ridden years passed, punctuated by efforts to negotiate a new constitution for Cyprus which would take account of the mixed population there (in which ethnic Greeks outnumber ethnic Turks by more than four to one). This week in Zurich the Greek and Turkish foreign ministers initialed an agreement which will, if approved by the British Government and the Cypriote people, set up a Cypriote republic.

The agreement was unexpected, but time has been playing its unseen part in this matter, giving attitudes all around a chance to change. Nearly 2 years ago Greek officials and Cypriote rebels were ready to settle short of their original demand for unfettered self-determination, which would have meant immediate union with Greece. As the Karamanlis government achieved some real economic gains for Greece it was possible for Athens to let the question of Greek-Cypriote union cool down at least to a point where self-government for Cyprus could come first and Greek union be postponed for some years.

But meanwhile the Turks had become excited about Cyprus to an extent that the British had not expected when London first opened the Pandora's Box of Turkish interest in a Cyprus settlement.

It would be possible to understand fully the present Greek and Turkish attitudes only by relating them to many crosscurrents of domestic politics as well as international interest. Perhaps indeed a Cyprus settlement has waited, as some other international agreements have, on the discovery of a formula which covers a heretofore unreconcilable difference between the parties.

In this case the needed formula was one which would give the Greeks and Greek Cypriotes a maximum present gain in their stalemated contest against British power, while satisfying Turks that this would not mean a loss of equality as between the Turkish and Greek communities and ultimate rule of Turks by Greeks on Cyprus, as would happen under Greek-Cypriote union. By giving veto power over foreign policy to representatives of the Greek and of the Turkish communities the present plan would insure Cypriote independence not only from Britain but from Greece and Turkey. This is the key to the new agreement. And it represents a big concession on the Greek side.

London is reported as hesitating over the question of approving it, but surely this can hardly be more than a pause for decorum's sake and to spell out details. The agreement seems acceptable to Cypriote leaders, including Archbishop Makarios, and London should need now only a lapse of time sufficient to prevent the authorship of the new plan from being attributed to British diplomacy.

LUNCHEON IN HONOR OF THE AUSTRIAN VICE CHANCELLOR, BRUNO PITTERMANN

Mr. WILEY. Mr. President, last Tuesday I had the privilege of acting as host at a luncheon in the Foreign Relations Committee rooms in honor of Austria's Vice Chancellor, Bruno Pittermann. I and my colleagues also had the great pleasure of the company of Dr. Platzer, the very able and charming Austrian Ambassador; Dr. Fischer, First Secretary at the Austrian Embassy; and Dr. Scheu, a member of the press who is accompanying Mr. Pittermann.

I need not tell you what is already well known: that Dr. Pittermann is a fine gentleman and a good friend of the United States. Perhaps I also need not tell you that he has suffered imprisonment for his hatred of authoritarian rule in any form.

At home, Dr. Pittermann's leadership, tact, and moderation have done much to assure the continued smooth functioning of the effective coalition government. In the larger Western European framework, he has served as a Vice President in the Consultative Assembly of the Council of Europe, and he has played a considerable role in advancing the cause of European unity. In addition, he has been very active in the even broader sphere of Interparliamentary Union affairs.

In welcoming this statesman, we have also had an opportunity to display our feelings of friendship and respect for his people. Austria may be a small country, but it is outstanding in many ways, and particularly in terms of the intellect and warm-heartedness of its population. Few developments in our postwar world have been as notable as Austria's recovery of part of its territory from Soviet

control; this was achieved in large measure through the courage, wisdom, and moderation of its leaders and its people. All of us in the free world can learn something from Austria's experience.

SOLUTION OF THE CYPRUS PROBLEM

Mr. LANGER. Mr. President, the free world is heartened to learn the news that our frinedly allies, England, Greece, and Turkey, and the representatives of Cyprus, are close to a just solution of the Cyprus problem. As we all know, the island of Cyprus is in a most strategic position, and one that can be of great importance in world affairs. The solution of the Cyprus problem reestablishes the strong friendship of the people of Greece and the people of Turkey, who are the bulwark of defense in the eastern Mediterranean area and the gateway to the East.

Mr. President, for several years, I joined with my colleagues in the Senate in sponsoring a resolution in favor of self-determination for the people of Cyprus. The Foreign Relations Committee, of which I am a member, had this resolution before it and conferences were held in order to firm the American policy toward this serious international problem affecting three of our very strong allies, England, Greece, and Turkey.

Mr. President, on October 2, 1957, I had the privilege of sending a telegram to His Eminence Archbishop Makarios, archbishop and ethnarch of Cyprus, in which I stated:

> As a cosponsor of a Senate resolution on the Cyprus issue, I sympathize with the grave issue that faces your people in Cyprus. It is hoped that America's three friendly allies, England, Greece, and Turkey, will arrive at a just and speedy solution to the issue of self-determination for Cyprus.

Mr. President, a just and speedy solution of this issue is being reached. It proves that there is no problem so knotty that friendly nations and reasonable people cannot resolve.

I ask unanimous consent that a letter sent by me to Dr. Nicholas D. Matsakis, on the occasion of a testimonial banquet in honor of Archbishop Makarios at St. Louis, be printed in the RECORD immediately at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 13, 1957.

Dr. NICHOLAS D. MATSAKIS,
Chairman of the Justice for Cyprus Committee, St. Louis, Mo.

DEAR DR. MATSAKIS: This is to acknowledge and thank you for your letter asking me, as one of the cosponsors of Senate resolutions in favor of self-determination of the people of Cyprus, to send a message on the occasion of a testimonial banquet honoring His Beatitude Archbishop Makarios.

It gives me great pleasure to submit to you this message in honor of Archbishop Makarios, who is presently touring the United States and appearing before the United Nations on behalf of self-determination for the people of Cyprus.

The United States of America has always been strongly against colonialism and has been a great advocate of the rights of people to determine for themselves their way of life and their form of government. In view of other messages that you shall receive, I shall conclude this concise statement with the hope that the American foreign policy of this matter will follow the long-established principle of anticolonialism and the right of self-determination and urge for an immediate and just solution to the Cyprus problem.

Please extend my warmest greetings to Archbishop Makarios and to the distinguished persons attending the testimonial dinner.

With every good wish, I am,
Sincerely,

_____.

FORTY-FIRST ANNIVERSARY OF THE ESTONIAN REPUBLIC

Mr. LANGER. Mr. President, on February 24, 1959, the Estonian Republic will commemorate its 41st anniversary. The Lithuanian and Latvian Republics also commemorate their anniversaries, the former on February 16 and the latter on November 18.

As a member of the Foreign Relations Committee of the U.S. Senate, as well from my experience as a U.S. Senator, I am well acquainted with the many injustices and hardships which the Soviet empire has perpetrated against Estonia, Latvia, and Lithuania, as well as other peoples behind the Iron Curtain.

I know that all of the Senators and Members of the House of Representatives join me in an expression of hope for the peoples of Estonia, Latvia, and Lithuania and the other peoples who are behind the Iron Curtain.

I ask unanimous consent that a letter addressed to me by Mr. August Karsna, president of the Estonian National Committee in the United States, be printed at the conclusion of my remarks, and that a resolution passed by the Estonian, Latvian, and Lithuanian Councils, which is so expressive of the plight in which these people find themselves, be also printed in the RECORD.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

THE ESTONIAN NATIONAL
COMMITTEE IN THE UNITED STATES,
New York, N.Y., February 5, 1959.

The Honorable WILLIAM LANGER,
U.S. Senate,
Washington, D.C.

SIR: On February 24, 1959, the Estonian Republic commemorates its 41st anniversary.

World War II which brought liberation of tyranny for many countries in Western Europe, provided Estonia and other Baltic countries with the well-known slavery of the Soviet Union.

Words are just not far reaching enough to describe all the misery and injustice the Soviet empire has caused against the Estonian Republic.

Regardless of all difficulties the Estonians all over the globe have never lost the hope to regain and achieve the freedom and independence for their dearly loved homeland once again. Their hope, in this respect, rests on the free world, especially on the United States of America.

Every reassurance on continuation for that hope of liberation would serve as a greatest moral support to this anti-Communist spirit of the captive Estonian nation.

All statements, messages and greetings on occasion of this great Estonian holiday will be broadcast to Estonians behind the Iron Curtain, published in the free Estonian press, and read at solemn commemorative meetings of Estonians in all continents.

The Estonian National Committee in the United States, spokesman for the Estonians in this country, has the honor of extending to you its deepest gratitude for the warm interest in the Estonian cause you have shown hitherto, and into the continuation of which we trust.

Very truly yours,

AUGUST KARSNA,
President.

RESOLUTION UNANIMOUSLY ADOPTED BY THE ESTONIAN, LATVIAN, AND LITHUANIAN COUNCILS, PROTESTING THE ILLEGAL INCORPORATION OF THE BALTIC STATES BY THE RED ARMY INTO THE UNION OF SOVIET SOCIALIST REPUBLICS

Whereas as a result of the imperialistic illegal invasion by Soviet Russia, the Baltic Republic of Estonia, Latvia, and Lithuania were overrun by the Red army on June 16 and 17, 1940, and occupied by the Soviet forces against the will and desire of the Baltic Republics; and

Whereas the whole economic, social, and political life was destroyed, and religious life suppressed; and

Whereas the extermination of the people of the Baltic Republics began in June 1941, to assist Moscow's imperialistic plans; and

Whereas more than 100,000 people were arrested, tortured, slain, or deported to Siberian slave-labor camps within 3 days; and

Whereas the extermination of the Baltic nations, begun in 1941, has continued to the present day, more than 2 million inhabitants have been killed or deported; and

Whereas the entire population of the Baltic Republics will be liquidated if the annihilation practice by Soviet Russia is continued; and

Whereas this extermination of nations must cease: Therefore be it

Resolved, Soviet Russia's annihilation practice must be exposed and condemned by the free nations of the world through the forum of the United Nations. This will raise the hopes of Soviet Russia's enslaved peoples and effect prevention of further cruel extermination of the innocent; and be it further

Resolved, That we urge the Congress of the United States support the spirit of House Resolution 231, introduced by Mr. Kersten of Wisconsin, May 7, 1953, to create a select committee to conduct an investigation and study of the elections which were held in Lithuania, Latvia, and Estonia in 1940, and other circumstances which led to the incorporation of those countries into the Soviet Union; and be it further

Resolved, We appeal to the President and Congress of the United States to support every measure which will bring about the liberation of the Baltic Republics: Estonia, Latvia, and Lithuania; and be it finally

Resolved, That copies of this resolution be submitted to the President of the United States, the Secretary of State, Maryland Members of both Houses of Congress, the Governor of the State of Maryland, the United States representatives in the United Nations, the mayor of Baltimore, the diplomatic and consular representatives of Estonia, Latvia, and Lithuania in the United States and the press.

R. ISE,
Chairman, Estonian Committee.
IGORS BLOSFELDS,
Chairman, Latvian Committee.
ANTHONY J. MICEIKA,
Chairman, Lithuanian Committee.

SEVENTH ANNUAL NATIONAL CONVENTION OF THE UKRAINIAN CONGRESS COMMITTEE

Mr. LANGER. Mr. President, I have received a letter from Dr. Anthony

Zukowsky, president of the Ukrainian Congress Committee of America, State Branch of North Dakota, advising me that on February 21, 22, 23, 1959, the Ukrainian Congress Committee of America will hold its Seventh Annual National Convention at the Statler Hotel, in Washington, D.C.

A large delegation of Americans of Ukrainian descent will journey to Washington and participate in the deliberation of this convention.

I have had the privilege on a number of occasions of speaking on the floor of the Senate on matters pertaining to the Ukrainian people and their many hardships in their native land.

History has recorded the great struggle of the Ukrainian people for independence, first from the Russian Empire, and then from the Soviet Union. The struggle has aroused world opinion against the Soviet communism policies of quelling Ukrainian resistance to Soviet Russian national enslavement of the Ukrainian people.

The Communist Russia-enforced famine in 1932–33, attempting to break the peasant's opposition to the idea of collective farms, coupled with the attempt to destroy the Ukrainian way of life by forcing thousands of men and women into Soviet labor camps and deporting them to remote frontier areas of Russia, are just a few of the atrocities committed by the Soviet Russians against the Ukrainian people to break their will.

It is noble indeed for the Ukrainian Congress Committee of America to carry out its constructive programs in this country, not only to aid the great cause of freedom in the Ukraine, but also to aid in so many worthy causes and projects in this great country of ours.

I wish the officers and delegates to the Ukrainian Congress Committee of America at its national convention great success in their deliberations and hope they will have a most enjoyable stay in the Nation's Capital.

PASSENGER TRAIN SERVICE BETWEEN SAN FRANCISCO, CALIF., AND PORTLAND, OREG.

Mr. NEUBERGER. Mr. President, I was one of the strong and fervent supporters during 1958 of the Smathers bill, which was designed to strengthen the railroad industry.

However, the railroad industry will be making a mistake if it abandons virtually all its passenger services, which furnish the only avenue for effective contacts between the American public and American railroads.

I desire to invite to the attention of the Senate a letter of protest which I have sent to the Interstate Commerce Commission hearings concerning reduction of service by the Shasta Daylight streamlined passenger train between the San Francisco Bay area and Portland, Oreg., in my State. I ask unanimous consent that this letter be printed in the CONGRESSIONAL RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
February 2, 1959.

Hon. PAUL C. ALBUS,
Interstate Commerce Commission Examiner, New Mint Building, San Francisco, Calif.

DEAR MR. ALBUS: I am writing this letter to protest curtailment of the daily Shasta Daylight schedule between San Francisco and Portland to three round trips a week.

This letter is written by a Senator who has been sympathetic with the financial plight of many of the railroads. I was an active backer of the Smathers bill, with its relief for the railroads in the form of Government loans, greater flexibility in rate structures, and similar reforms. I also was one of the most active sponsors of repeal of the 3-percent Federal freight tax, which frequently was placing the railroads at an unfair disadvantage in competing with contract haulers who did not come under the scope of this levy.

I provide you with this background to indicate that my protest over reduction of the Daylight's schedule is not because of any hostility to the railroad industry—far from it. I believe the railroads confront a difficult problem concerning competition and a declining portion of intercity freight and passenger revenues, and I want to help them solve that problem within the framework of what is fair.

Yet it is my considered opinion that the Southern Pacific has not done all that it could to promote passenger travel between the Pacific Northwest and the populous bay area by train. For example, the Southern Pacific today has no street-level ticket office in Portland, principal northern terminus of the Daylight's operation. Patrons must go to the sixth floor of an office building to purchase tickets, certainly a circumstance to discourage widespread passenger patronage. By contrast, the Union Pacific, Great Northern, and Northern Pacific all maintain ground-level passenger ticket offices on busy Portland downtown streets.

It is significant that the Southern Pacific, which has abandoned its street-level ticket-selling facilities in Portland, has substantially larger gross and net operating revenues than the other three railroads which I have mentioned.

For example, this is the total gross income nationally of the four lines in question during the first 9 months of 1958, segregated into freight and passenger categories:

	Freight	Passenger
Southern Pacific	$336,302,000	$22,007,000
Union Pacific	318,783,000	21,595,000
Great Northern	162,467,000	7,584,000
Northern Pacific	117,476,000	4,628,000

Source: Railway Age magazine.

I should also like to list for your attention the net operating income for these four railroads during the first 9 months of 1958 and a comparable period during 1957:

Total net operating income [1] for 4 major railroads serving Oregon, 1st 9 months of year

	1958	1957
Southern Pacific	$34,686,000	$34,106,000
Union Pacific	28,167,000	27,700,000
Great Northern	15,812,000	18,943,000
Northern Pacific	23,742,000	26,961,000

[1] Before interest and rentals.

Source: Railway Age magazine.

You will note, Mr. Examiner, that the Southern Pacific leads the other three systems in all the categories which are herewith enumerated. Yet it is the Southern Pacific which has curtailed and abandoned its groundfloor ticket-selling accommodations in Portland, whereas the other three railroads have continued their facilities of this kind. Certainly the operating revenues of the "Shasta Daylight" have not been enhanced by the fact that passengers must ascend six floors in an office building, in order to purchase their tickets in the business district of the city which is the "Daylight's" northern terminus.

Furthermore, while revenue figures are not broken down by States, it is significant that the Southern Pacific serves the principal timber-growing areas of Oregon, which is the Nation's No. 1 State in the production of lumber. Thus the Southern Pacific taps the cream of Oregon's lumber-producing counties from the standpoint of extensive freight tonnage; yet it is now proposing to reduce to three times a week the operation of one of its two passenger trains between Oregon and the population centers of northern California.

It does seem to me that a railroad enjoying a valuable and profitable freight business in a particular State does have certain public-service obligations with respect to passenger facilities and accommodations. I believe the Southern Pacific should discharge these obligations by continuing to maintain daily passenger service between Portland and San Francisco, both with its overnight Cascade and the daytime Shasta Daylight.

According to information provided to me by the Interstate Commerce Commission, Southern Pacific's net income for the first 11 months of 1958 aggregated $40,175,799, compared with $36,925,952 in the like period of 1957. This certainly does not indicate justification for curtailing service on account of any adverse earnings situation.

Furthermore, I think the Southern Pacific might well emulate the progressive attitude of several other western railroads, in reducing passenger fares recently as a move to attract additional business.

On January 28 the Rock Island system reduced its roundtrip fares on some trains by as much as 28 percent. On February 25, the Union Pacific and the Milwaukee Road plan a large reduction in passenger fares between Chicago and Denver. Furthermore, the Burlington Lines and the Missouri-Kansas-Texas Railroad have announced that they will meet the Rock Island reduction in areas where they are competitive with Rock Island passenger trains.

Certainly when lines like the Rock Island and Union Pacific and Milwaukee, with substantially lower gross and net revenues than the Southern Pacific, can stimulate patronage by lowering rates for travel on passenger trains, it is reasonable that the Interstate Commerce Commission should suggest the Southern Pacific seriously consider doing likewise.

In fairness to the Southern Pacific, I want to emphasize that both the Cascade and Daylight are excellent trains. Mrs. Neuberger and I have traveled aboard both of them, not only to California but between local stops in Oregon. They offer fine, modern equipment and first-rate dining-car service. Their crews are courteous, efficient and well-trained. I have no complaints to voice regarding the equipment, rolling stock or personnel. It is my hope that the Interstate Commerce Commission will require that the Shasta Daylight be operated on a daily basis, rather than being diminished in service to three round trips weekly.

As one of the U.S. Senators who requested this hearing, let me express my appreciation for an opportunity to have this letter from me entered into the official hearing record. It has been provided for you at the request of many hundreds of my constituents, who feel that reduced passenger-train service

between two great population centers like Portland and San Francisco would represent a backward step in the economic and transportation development of the Pacific seaboard, which is one of the fastest-growing sections of the Nation.

With good wishes, I am,

Sincerely,

RICHARD L. NEUBERGER,
U.S. Senator.

Mr. NEUBERGER. In addition, Mr. President, I think Members of the Senate should read a very strong and forthright editorial which was published in the Portland Oregonian of February 10, 1959. This editorial strongly reinforces my letter of protest to the ICC hearing. Like myself, the editors of the Oregonian have been sympathetic to many of the financial and economic difficulties of the railroad industry. However, Mr. President, the Southern Pacific Railroad does not even now maintain a ground-floor ticket office in Portland, Oreg., its principal terminus in the Pacific Northwest. If this is not designed to discourage passenger travel, what is its purpose? My letter to the ICC hearing has emphasized the fact that the net income of the Southern Pacific for the first 11 months of 1958 was substantially higher—some $3,100,000 higher—than during a comparable period of 1957. The editorial of the Oregonian emphasizes similar matters.

Mr. President, I ask unanimous consent that the editorial from the Oregonian entitled "Firm Policy Needed" be printed in the CONGRESSIONAL RECORD at this point for the information of my colleagues, who share my concern over an adequate and proper service to passenger travelers by American railroads in general and by the Southern Pacific in particular.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FIRM POLICY NEEDED

Two months ago the Southern Pacific Railroad announced a decision to run its Shasta Daylight train three times a week, rather than daily, between Portland and San Francisco during the slack winter travel season. Senators THOMAS H. KUCHEL of California and RICHARD L. NEUBERGER of Oregon protested to the Interstate Commerce Commission, and the railroad was ordered to keep the Daylight rolling 7 days a week pending the outcome of a hearing to open today at San Francisco.

The Espee argues that the Shasta Daylight doesn't carry enough passengers this time of year to make daily operations profitable, and sound business practice requires a cutback in service. It is implied the railroad is the helpless victim of a growing preference among travelers for cars, buses, and airplanes.

Senator NEUBERGER, however, raises the question of whether the railroad really is trying with all vigor and sincerity to retain and build up its passenger volume. Elsewhere on this page appear excerpts from his letter to Paul C. Albus, ICC examiner who will conduct the hearing. The Senator points out the recent abandonment of the Southern Pacific's ground floor ticket office at SW Sixth Avenue and Yamhill Street. This space, ironically, has now been taken over by Western Airlines, which is delighted at any opportunity to persuade rail travelers they should go to California by air.

Senator NEUBERGER is one of the best friends U.S. railroads have in public life. In his speeches and writings, both before and after his election to the Senate, he has stressed the importance of rail transport to the Nation. He has fought hard for more enlightened Federal policy toward railroads, to ease the squeeze they are in between Government regulation on one hand and stiff competition from rival carriers on the other. This background makes his criticism of the Southern Pacific in this instance of more than casual significance.

In words and actions, Espee officials have created the impression they see little future for rail passenger service, and might even welcome its demise so they could concentrate on freight haul. If only the interests of their stockholders were to be considered, this might be a wise corporate policy. But a common carrier, land grant railroad has been considered to have an overriding obligation to the whole public.

How far does this obligation extend? Must a railroad try its best, with ground floor ticket offices and advertising and promotion campaigns, to prevent passengers from going over to rival forms of transport? Or is it doing enough simply to provide enough locomotives and cars to carry the people who insist on riding on trains?

This question obviously has deep philosophic and economic aspects. It has been raised before, locally in the disputes over Oregon city interurban trolley cars and the Espee's passenger train to Ashland. But judges and politicians have so fogged up the issues in those cases that no clear answer can be expected. A firm answer is needed, so both the public and the railroads will know where they stand in the future. The ICC can use the Shasta Daylight case to establish a clear, fair policy on rail passenger traffic.

Mr. NEUBERGER. Mr. President, I also desire to express the gratitude of my constituents in Oregon to the distinguished senior Senator from California [Mr. KUCHEL] for his joining with me in protesting to the ICC over the proposed diminution in service by the Shasta Daylight between San Francisco and the Pacific Northwest.

The editorial of the Oregonian emphasizes, as do I in my letter to the ICC examiner, that the Union Pacific and Great Northern and Northern Pacific Railways all maintain and operate attractive street-level ticket offices on busy Portland downtown streets. The Southern Pacific has abandoned such facilities. Yet the Southern Pacific enjoys the largest net and gross revenues of these four railroads. I feel that all rail systems serving the Pacific Northwest have a real stake in using their influence on the Southern Pacific to do its share in providing the public with adequate and efficient passenger accommodations. I trust that the Southern Pacific itself will come to see the wisdom of such a course—that it is in the best interests of the prosperity of the American railroad industry as a whole.

If our great railroads desert their potential passengers, they will find they have declined substantially in public esteem, support, and understanding for railroad problems in general. I say this in all candor.

FORTY-FIRST ANNIVERSARY OF LITHUANIAN INDEPENDENCE

Mr. JAVITS. Mr. President, as we mark this year the sesquicentennial anniversary of the birth of Abraham Lincoln our hearts and our minds harken to the words of his address at Gettysburg when he said that we "dedicate ourselves to a new birth of freedom." There are still those peoples, however, who must look to the future, rather than the past, to dedicate themselves to such "a new birth of freedom." These are the peoples living in the nations still held in thralldom by the Communist empire.

February 16 marks the 41st anniversary of Lithuanian independence. This tiny Republic, the southernmost of the three Baltic States, was occupied by the Soviets in 1939 during the short-lived Berlin-Moscow entente and annexed outright in 1939. The United States has properly not recognized this annexation.

This day our thoughts turn to the some 3 million Lithuanians who have not forgotten their national freedom, who yearn to achieve the individual freedoms which we take as a matter of daily course. Those Americans who commemorate the 41st anniversary of Lithuanian independence are performing a dual service—they keep fresh in the memory of all a small country whose liberty was forfeited through agreement between Nazi and Communist totalitarian powers and they remind the world, too, that Lithuanian independence is a real expectation for the future—not just a historic—memory of the past.

Mr. HUMPHREY. Mr. President, February 16, 1918, Lithuania declared her independence. The illegal seizure of the Baltic States by Russia in June 1940, and the taking over of Lithuania's territory and institutions, was one of the most flagrant examples of complete disregard of the treaties of peace, friendship, and nonaggression that we have witnessed in our time. I am proud that my country has steadfastly refused to recognize the Soviet usurpation of the sovereignty of Lithuania.

But such acts of brutal aggression and disregard for international law and commitments can never dull the desire for freedom in the hearts of men. Despite the suffering and tribulations of that once independent country, the Lithuanian spirit is as undaunted and untrammeled as ever.

It is the fervent hope of free men everywhere that the day is not too distant when Lithuania can celebrate her Independence Day as an independent nation.

Mr. McNAMARA. Mr. President, we who proudly claim our citizenship in the United States have one particular date which we celebrate perhaps more joyfully and vigorously than others. That day is the 4th of July, U.S. Independence Day.

When the last fireworks have been exploded, and the last marcher in the parade has passed, we still thrill to what that day means to us and to the rest of the free world. It marks really only one fact—the establishment of the first effective democracy in the history of the world.

Yet other days should have almost equal significance for us. And one of these days is February 16. That date marks the proclamation, in 1918, of Lithuanian independence.

But the appalling fact is that there will be no fireworks nor parades in Lithuania on February 16, 1959. It will be celebrated by Lithuanians, however.

For those living in this tiny nation, celebration will consist in murmured greetings to friends; in secret gatherings of patriots; and in prayers for the long-awaited renewal of freedom.

For those of Lithuanian birth and descent, living in the United States, celebration will consist in renewed efforts to bring about the kind of world in which all nations, great and small, can choose their own form of government as Lithuania tried to do so vigorously in 1918.

There will be no festivities on February 16 in Lithuania because of tyranny. Not tyranny of the kind which the United States overthrew, that of an overbearing mother country. It is tyranny of a far worse kind—that of a conquering foreign power.

Freedom was lost to Lithuania in June of 1940, lost to the invading armies of a mighty Soviet Russia. Emboldened by the license given them to carve up Europe with Hitler, as a result of the Soviet-Nazi pact, Russia swept into the defenseless Baltic States.

Lithuania's newly written song of freedom was stilled, but only within earshot of the Soviet conquerors.

It still resounds in my State, Mr. President. We in Michigan have been fortunate to have so many citizens of Lithuanian birth and descent to share our tasks and triumphs.

During my years in public life, I have come to know many Michigan citizens who proudly proclaim their Lithuanian heritage. Their hopes and prayers for Lithuania are only surpassed by their hopes and prayers for the United States.

I know that I speak for each and every citizen of Michigan when I say that February 16 is a day of significance for all of us. Freedom, even though not enjoyed by the majority of mankind, is nevertheless the existence for which man was intended and for which he has always struggled.

We are confident that Lithuania, which has so vigorously sought freedom, will achieve it again. The goal of the United States cannot be less.

Mr. WILLIAMS of New Jersey. Mr. President, I wish to join with other legislators who have noted that February 16, 1918, was Independence Day for Lithuania. This nation on the Baltic became, in 1940, one of the lands occupied by Soviet Russia.

We must, on anniversaries of this kind, remember that the desire for liberty dies hard. Decades cannot kill it; neither can the centuries. We in this Nation know that our friends in Lithuania feel as deeply about their right to independence as we do to ours. I would like to quote from a letter written by the Committee for the Celebration of the 41st anniversary of Lithuanian independence:

On the occasion of the 41st anniversary of Lithuanian Independence Day on February 16, 1959, may we reiterate our conviction and that of freedom-loving peoples that Lithuania, like all nations, has a God-given right to be free. No one may deprive her or any nation of that right. Yet Russia has done just that to Lithuania. She, therefore, must be condemned and must be forced to leave Lithuania at once and make provisions for the return to Lithuania of all her people, now exiled in Siberia and elsewhere.

JOB RIGHTS AND PROTECTION OF FEDERAL EMPLOYEES

Mr. MORSE. Mr. President, it gives me a great deal of pleasure to salute courage when I see it exhibited on a matter of principle. Mr. Joseph J. King, a former resident of Portland, Oreg., now living in Bremerton, Wash., is a dedicated career civil servant who, in my judgment, has taken a step which called for a great deal of courage.

As a personnel officer he protested a decision made by the Navy Department which he believed, in good conscience, to be an interpretation contrary to the spirit of the veterans preference laws. In so doing he hazarded his own position and was released.

Those of his colleagues who have watched him in his work with the Farm Security Administration, the Portland Federal Personnel Council, and the American Society for Public Administration, in which he held the position of vice president, knew that, given his personality and convictions, he could do no other.

That the principle he was urging of fair play in Federal personnel procedures is important is demonstrated by the fact that the Board of Appeals and Review of the Civil Service Commission has had the case under study for the last half year.

Mr. President, I commend to the attention of my colleagues, especially those who serve on the Senate Committee on Post Office and Civil Service an article which appeared in the Evening Star of February 13, which discusses the case, and I ask unanimous consent that the article appear in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SIGNIFICANT RULING IN JOB RIGHTS NEAR

(By Joseph Young)

One of the most important cases in recent civil service history, involving the job rights and protection of Federal employees, is due to be decided soon by the Civil Service Commission's Board of Appeals and Review. It is the so-called King case, involving a Navy civilian employee.

The issues involved are twofold:

First, whether a Federal agency has the right to make slight changes in an employee's position description in order to declare the position a new job, and make the employee take an open competitive exam to see whether he can stay on the job. This is often done by agencies to remove the employee and put someone else in his place.

Second, whether in a reduction-in-force program, veterans have a right to be assigned to job vacancies that are available at the time. It also, of course, would apply to nonveterans' rights to fill vacancies, although veterans would be more involved because of their greater retention rights.

At present veterans have the right to bump nonveterans in reductions-in-force programs, but they cannot fill any job vacancies that are open. Consequently, although a veteran may be perfectly qualified to fill a job vacancy at his present grade, he only has the right to bump another employee, frequently at a lower grade, or even lose his employment entirely. Then the agency is free to fill the vacancy as it pleases.

Veterans declare that the implications of this aspect of the King case are tremendous. It means that, under existing CSC rules, a Federal agency can circumvent veterans retention rights by manipulating the filling of vacancies, so that a veteran can be separated without any other job to go to or assigned to a much lower salary grade.

The CSC's Board of Appeals and Review has had the case under advisement since July, a tipoff to the case's importance. It is expected to hand down a decision soon. The decision could revolutionize Government job rights and retention procedures.

The test case involves Joe J. King, who was the civilian personnel officer, grade 13, at the Puget Sound Naval Shipyard at Bremerton, Wash. Mr. King, a veteran, got along fine with the various Government employee union organizations which are strongly backing him in this case. But before long there were reports that he had antagonized some of the Navy brass and that he would be removed.

Subsequently Mr. King was notified that there were some changes being made in his job description and that he would have to take an open exam to see if he could keep the job he already had. Navy then selected someone else to replace him.

At the time Mr. King was being fired, there was a vacancy open for a training superintendent, also grade 13, for which he felt he was eminently qualified, since it had been under his direct supervision for the previous few years. Navy refused to reassign him to this job but instead offered to bump him into a lower grade job occupied by a nonveteran. Mr. King refused and was left jobless. He now has appealed to the CSC, meanwhile, taking a position in industry.

The case has raised a furore throughout the Navy Department and in the Civil Service Commission as well. Both of Washington State's Senators, JACKSON and MAGNUSON, Democrats, are aiding Mr. King in his fight. So is the American Federation of Government Employees, of which he was a member.

ALLIED UNITY IN BERLIN

Mr. HUMPHREY. Mr. President, on Sunday, November 23, 1958, it was my privilege to visit the city of Berlin.

I conferred during what were then the opening stages of the latest Berlin crisis with governing Mayor Willy Brandt, with Gen. Barksdale Hamlett, commanding general of Allied Forces in the free city, and with leading State Department officials.

I came directly to Berlin from Geneva, where I had been present as a Senate observer at the talks on nuclear test suspension.

The city of Berlin had not been on my original itinerary at the time I left Paris for Geneva, after my work at a conference of UNESCO.

But, once I saw the crisis developing, I was determined to learn about it firsthand in Berlin. I wanted, too, the people of Berlin to know by a Senator of the United States being in their very midst that our country is united on behalf of maintaining Berlin's freedom. That means maintaining uninterrupted access to this great bastion of freedom inside the Iron Curtain.

MEMORIES OF BERLIN

My day in Berlin represented one of the unforgettable highlights of my trip. I recall, for example, participating with

Mayor Brandt at ceremonies at Templehof Airdrome, in front of the monument, commemorating the historic Luftbrücke or airlift 10 years earlier. Before hushed throngs of citizens, Mayor Brandt spoke movingly of the immortal deeds of American, British, and German heroes who, 24 hours a day, had kept open the lifeline to the encircled city. Earlier we had visited the sector boundary at Brandenburg Gate, where Mayor Brandt and I both spoke on the symbolism of German freedom in the eyes of the world.

My Sunday visit coincided with what is known in Germany as "Totensonntag," the day when memorial services honor the departed at cemeteries throughout Germany. On this hallowed day, the people of free Berlin were both reverent with respect to the deceased and determined more than ever to uphold the highest ideals of human freedom for which uncounted numbers of individuals have perished throughout history.

MY STATEMENTS TO THE PRESS

After leaving Berlin, I proceeded to Scandinavia — touring Copenhagen, Stockholm, and Helsinki, on the subject of medical research cooperation—which was the principal purpose of this phase of my trip.

Less than a week later, on November 28, 1958, I flew to Moscow from Helsinki.

Before leaving, however, I spoke to the press of Finland emphasizing once again Allied unity on the issue of the continued freedom of Berlin.

In Helsinki, moreover, I had received a cabled invitation from the Hearst headline service, inviting my reactions on the subject of the future of Berlin. Accordingly, I sent an article from Helsinki to the Hearst newspapers in order to make crystal clear not only to our own people, but to the leaders of the Soviet Union, whom I was to see very shortly thereafter, that America remains united on this question.

Thus, by both my presence in Berlin and by my comments to the American and foreign press, I sought to make unmistakably clear this fact to the Kremlin. While there are honest differences of opinion in the United States on certain phases of the German question, there is no division of opinion that free Berlin will not be abandoned by the West.

Since November 23, much has happened on the German question.

In order, however, that the full facts may be available for the record, I send to the desk now the text of the article entitled "Berlin Must Remain Free," which I had the privilege of writing for the Hearst headline service on November 28, 1958. I ask unanimous consent that it be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BERLIN MUST REMAIN FREE

(By Hon. HUBERT HUMPHREY)

The crisis of Berlin is the No. 1 challenge to the West. Here we see the strength, the purpose, the fidelity of the West under supreme test.

Storm clouds are gathering fast. You may expect trouble and lots of it from international communism's designs against this history-making city.

Two million two hundred thousand people live in this, the capital of Germany. But by a 28-mile zigzagging boundary they are separated from Soviet-controlled East Berlin, with a population roughly half as large. On the one side—in free Berlin—are democracy, progress, hope; on the other side—the Soviet-occupied eastern sector—are dictatorship, decay, and despair.

West Berlin is an oasis of freedom, 110 miles inside the Iron Curtain. Thus it is completely encircled by a desert of Soviet domination.

Today, the Kremlin is apparently determined to wipe out this oasis. But free Berlin must and will endure. The United States has no alternative but to remain unalterably committed to the maintenance of the sovereignty and independence of free Berlin.

This is my firm conclusion, based upon a visit which I have just made to Berlin. I am writing these words from Helsinki, Finland, that stalwart country which itself symbolizes an unconquerable spirit.

During my tour of Berlin, I saw a great capital reborn from the devastation and rubble of World War II. I saw a city pulsating with life, with growth, with abundance of goods, with new housing, roads, stores. Most important, I saw the faith of its inhabitants reflected in their faces and their voices and their actions. And I discussed at length the problems of Berlin with our American diplomatic and military leaders and with the dynamic and courageous statesman who is the governing mayor of West Berlin, the remarkable Willy Brandt.

The present crisis boils down to one word, one key—access to the Red-surrounded city.

That means access by four highways, four railways, a canal system, and three corridors for airplanes.

Soviet strategy is simple, yet subtle. Communist plan is to go through the motions of transferring Russian checkpoints in East Germany which control Berlin-bound traffic. These control points govern movement of allied personnel and goods—United States, United Kingdom, and French. The points would thus theoretically come under the administration of the Soviet-imposed regime known as the German Democratic Republic. This is the stooge state invented by the Soviet Union to enslave 18 million East Germans.

The supposed turnover of control from Russian to East German hands would be made under the pretense that the Soviet Union would allegedly be ending the four-power occupation regime in Berlin.

Actually, the entire Soviet plan is regarded even by neutral observers as one vast tissue of lies.

It is a lie because East Berlin would still be dominated and controlled by the continued presence in East Germany of 5 German Communist divisions and 20 Soviet Red Army divisions.

It is a lie because no party to a solemn contract—neither the Soviet Union nor any other participant in the four-power legal instruments—has the right all by itself to break a binding commitment.

It is a lie because Russia could and would continue to call the tune at the traffic check points, rather than the so-called Pankow regime of the German Democratic Republic.

The very title of this Communist state—the German Democratic Republic—is a lie, because it is not "German" (but rather Russia, pulling the strings on Communist German marionettes.) It is not "Democratic" (because it does not represent the wishes of the East German people. Twenty thousand of them continue to pour in as refugees into West Berlin each month.) And it is not a "Republic (because, among other things, power does not come from the people to a freely chosen government; rather, power is imposed over the people by a Kremlin-appointed tyrant, named Walter Ulbricht.)

What then are the purposes of this latest in a long series of Soviet-precipitated crises? First, to legitimize the illegitimate East German Red regime and thereby help legitimize other Communist conquests in Eastern Europe. If the Soviets were to succeed in this forced recognition of their stooges, they would strike a devastating blow at the morale and the aspirations for liberty of all the subjugated peoples of Eastern Europe.

Second, to kill once and for all the possibility of the unification of divided Germany along genuinely democratic lines, with over 50 million free West Germans rejoined with 18 million East German victims of Red tyranny.

Third, to set the stage for the destruction of West Berlin, itself, as the advanced citadel of Western freedom. For if West Berlin were to be choked, as the Russians sought to do in the Berlin blockade 10 years ago, it would cease to be a magnet to the liberty-loving peoples, trapped behind the Iron Curtain. It would cease to be a showcase of Western democracy and progress, visible to a considerable extent within the curtained area.

It would cease to be a beacon of the truth to all the peoples of Eastern Europe, oppressed under the Soviet heel and lied to by Red propaganda.

To achieve all these results, the Soviets are masking their strategy by a seemingly innocent cloak. I refer to the apparently inoffensive turnover of Russian control at the traffic check points to East German forces. Actually, if the United States and its allies were to acquiesce and recognize this so-called turnover of control as anything but a sham, we would be starting a chain reaction which would lead to recognition of the German Communist regime. That in turn would explode wide open the entire Western position in Germany.

All this must not happen. But if we are to be successful in preventing it, we must open our eyes to a danger to Berlin which is this time more subtle than obvious or dramatic. This time, unlike the blockade of 1948, the Reds are not trying to choke us to death, but rather to administer slow poison. It is poison in small doses—a little bit at a time. (That means recognizing Communist illegitimacy step by step.) Thus, soon the victims—ourselves and the West Germans—would wake up and find that our position had been given a lethal accumulation of Red poison.

The decision for us is therefore certain. We stand irreversibly with West Berlin, with West Germany, with our allies and against recognition of the hammer and sickle gang of Walter Ulbricht and Company.

Free Berlin is the message of the Voice of America in living reality. It embodies the hopes and aspirations of the gallant German workers who, in June 1953, fought with their bare hands and rocks against Soviet tanks. It represents the goals of the freedom fighters of Hungary.

As long as free Berlin exists, the crown will be uneasy on the heads of the tyrants of the Soviet Empire.

COMMUNICATING TO THE PEOPLES OF THE SOVIET UNION—TEXTS OF SENATOR HUMPHREY'S COMMENTS

Mr. HUMPHREY. Mr. President, no one can read the press reports of the disturbing remarks of Premier Nikita Khrushchev at the 21st Congress of the Communist Party in Moscow without realizing what an enormous gulf exists between the thinking of ourselves and the leaders of the Soviet Union.

Determining how to communicate with those leaders and with the people of the Soviet Union represents a tremendous challenge to us.

Not only do we speak different languages, in terms of English and Russian, but words have a different meaning for us, words like "freedom," "peace," "democracy," and others.

We have, in effect, different frames of reference. We have different cultures, widely varied histories, and other backgrounds.

CENSORSHIP ON SOVIET MEDIUMS

What complicates our problem is, of course, that we do not have available regular open channels of communications. The Soviet mediums are, of course, so heavily censored that only a tiny fraction of the truth about America, as we know it, gets across to the people of that vast country. By contrast, American mediums are almost completely open to reports of Soviet news and views.

Accordingly, when I visited the Soviet Union at the end of last November and the start of December, I sought to try to communicate as best I could both with the Soviet leaders and with the people. I tried to meet as many individuals as possible—the man in the street, youngsters in schools, doctors in hospitals.

MY REQUESTS TO INTOURIST

I asked the Intourist Office, which assisted in my visit, for certain opportunities as well.

I asked for a still photographer to accompany me. That request was granted, and so I was able to bring back photos depicting some of my experiences and the individuals whom I met.

I asked to have a 16 millimeter motion picture photographer to accompany us, for example, in medical research laboratories. I hope to be able to show the people of my State, and the people of other States, and Members of Congress, who might be interested, the actual scenes which I have attempted subsequently to describe in the course of my various public comments. But the request for the motion picture photographer was not granted.

I asked for the right to have a tape recorder available. I hoped that if any Soviet official desired to speak on the record, in whole or in part, we could have an exact verbatim text of what he wanted to communicate—in his own words and in his own voice. Here, again, the request was not granted.

MY APPEARANCE ON SOVIET TV

I asked—still again to the astonishment of some of my Soviet acquaintances—for the right to speak on Soviet television and radio. Two days later, this request was granted. I appeared on Moscow television on the night of Tuesday, December 3, in the 10:30 news broadcast. My remarks were completely uncensored. I spoke with a few notes, but by and large, spontaneously. Each of my sentences was translated in turn by a Soviet interpreter. A Russian-speaking American, who was with me, indicated that the Soviet translation was completely faithful to my phraseology in English.

LET MORE AMERICANS APPEAR ON SOVIET TV

I may say, that to my knowledge, no American with but one exception had appeared in this manner previously on Soviet television. That exception was Ambassador Llewellyn Thompson who delivered a few comments on the occasion of the Fourth of July.

In addition, it should be noted that several NBC–TV "Youth Wants To Know" programs had also been presented. But they had appeared through film recordings and only on a reciprocal basis in exchange for a series of interviews with Soviet leaders which were presented on U.S. television.

The principle of reciprocity is fine. But the principle of spontaneity is even finer.

I hope that future American visitors will have the right to appear uncensored on Soviet TV as well. Time after time, American TV has shown Soviet officials, as in the case of Ambassador Menshikov and First Deputy Premier Mikoyan. They were free to say whatever they pleased in the course of the interviews.

What is more, our TV news programs are crammed full of AP and UPI dispatches out of Moscow. These dispatches are, of course, free, uncensored, unaffected by the U.S. Government—in stark contrast to the incredibly biased Tass dispatches over Soviet media. The latter are propaganda-filled reports which might just as well have been written by the Soviet Ministry of Foreign Affairs.

TAPE RECORDING FOR RADIO MOSCOW

While I was at the TV studio, I made a radio tape recording—again, with uncensored observations. It consisted of a frank interview with Mr. Joseph Adamoff of Radio Moscow who had served as my interpreter on the TV news program. How this tape recording was utilized and if it was utilized at all—in whole or in part—I am not aware.

THE IZVESTIA ARTICLE THAT NEVER APPEARED

Finally, I asked for the right to communicate to the Soviet people through the medium of my own uncensored views in a major newspaper. I asked whether such an article might appear in Izvestia or Pravda. The day before my departure, on Wednesday, December 4, that request was granted. I prepared such an article, I sent it on the 5th, but unfortunately, it never appeared.

I send to the desk now the text of the talk which I delivered over Moscow television. I append to it the text of the remarks which I had prepared for Izvestia but which were never published.

I ask unanimous consent that both of these items be printed in the body of the RECORD. I offer them as two illustrations of the ways by which I attempted, if only in small measure, to overcome this problem of the vast gulf between our two peoples.

I earnestly hope that we in the legislative and executive branches will devote our best thinking to this problem of how to communicate to Soviet society.

TRIBUTE TO LACY-ZARUBIN AGREEMENT

In my judgment, the Lacy-Zarubin agreement for exchanges over the various media is an essential instrument of international good will. I earnestly hope that the agreement will not only be faithfully implemented in its second year, but that it will be renewed and broadened.

I hope, too, that it will be supplemented informally and spontaneously by still other cross-fertilization of ideas and presentation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR HUBERT HUMPHREY OVER MOSCOW TELEVISION, DECEMBER 3, 1958

I personally appreciate the courtesy of appearing on Soviet television. It gives me the opportunity to bring you the warm and friendly greetings of the Government and people of the United States.

Mrs. Humphrey and I have enjoyed your great ballet—your fine music—your splendid art—we have tried to learn and better understand your people and country. I only wish we had the time to visit all parts of the Soviet Union. We want to know you and we want you to know us—to visit us and to learn of America. We must learn to live together.

Now, as to the purpose of our visit. We came here to seek areas of agreement—to advance a program of peace and better living. I have had long and frank discussions with the leaders of your government—in the fields of health, agriculture, education and trade. I have tried to improve and expand cooperation of your scientists and ours and of other nations. Yes, to seek cooperation aaginst the diseases which afflict mankind—cancer, heart disease, tuberculosis and others—the diseases that affect our children.

I have appreciated the expressions of cooperation which have been given to me by your leaders—but while I have been here, I have discussed with your leaders a subject of the greatest of all importance to mankind—a just and lasting peace.

The dearest wish in the heart of the Russian people and the American people, yes of all people, is peace. The United States of America is dedicated to peace—peace with justice.

The peoples of the Soviet Union have suffered terribly from war, and so have we. You want peace and we want peace. There is no problem which cannot be solved in peace. Our President, Mr. Eisenhower, fought along side of you in war. He, and the American people want the opportunity of cooperating with you in the works of peace. The only war we want to fight—is the war against the ancient enemies of all mankind—war against disease, against poverty, against misery, against ignorance, and fear. Let us, therefore, together dedicate our policies, our energies to raising the standard of living everywhere for all mankind. Let us seek to give dignity to life by emphasizing the spiritual and physical well-being of people—through the arts, through science, through education, through better living and working conditions. In this all nations can join and cooperate. The peoples of the world are tired of war—threats of war—and misery—they seek peace and security. They seek peace with justice.

My good wishes and thanks to the Russian people.

ARTICLE WHICH HAD BEEN PREPARED FOR IZVESTIA BY SENATOR HUBERT HUMPHREY

I have spent a fruitful week in the Soviet Union.

I have enjoyed friendly and frank discussions with your leaders.

Most helpful was the extended interview which I had with the Chairman of the Soviet Council of Ministers, Mr. N. S. Khrushchev.

I also had the opportunity to speak with Deputy Chairman F. R. Kozlov, Minister Andrei Gromyko, Minister V. V. Matskevich, Minister V. P. Yelutin, Deputy Minister M. R. Kuzmin, and others.

I wish that I might have had more opportunity not only to see and talk with other Soviet leaders, but to visit more areas of your vast country and to speak with more of your people. Unfortunately the limitation on my available time prevented me from doing so on this trip. I hope, however, next year to have an opportunity for a more prolonged stay with further fruitful discussions.

I came particularly in my capacity as chairman of a U.S. Senate Subcommittee on Medical Research. My purpose was and is to explore the possibilities of further cooperation between the scientists of the U.S.S.R. and the scientists of the United States and of all other nations in the war against disease.

I refer specifically to the need to conquer cancer which last year killed almost a quarter of a million Russians and a nearly equal number of Americans. I refer to the need to conquer heart disease, arthritis, rheumatism, neurological ailments and other scourges afflicting both adults and children. Then, too, among the countries which are striving to develop their economies and create new industries, there are a host of infectious diseases which the United States, the Soviet Union and other countries can aid in conquering—diseases like malaria, tuberculosis, yaws, trachoma which blight the lives of millions in Asia, Africa, the Middle East, and South America.

I made a series of recommendations on improving world health to Premier Khrushchev, and I am most pleased to say that he greeted them favorably. To implement broad policies, I made numerous specific health proposals. These, too, met with favorable reactions from other Soviet officials. For example, I met with your Deputy Minister of Health, Dr. V. M. Zhdanov and the Vice President of the Academy of Medical Sciences, Professor S. A. Sarkisov. I met with your distinguished Professor Nikolai Blokhin, Director of the Institute of Experimental Pathology and Therapy of Cancer. These men symbolize the very finest caliber of medical science anywhere in the world. We want to work shoulder to shoulder with these and other medical scientists in helping to heal the sick of your, our own and all nations.

I mentioned to your leaders that this, indeed, is the only type of war that the United States wishes to fight. I mean a humanitarian war against our common enemies such as disease, ignorance, misery, poverty, and fear. I mean a war which will bring happiness instead of heartbreak to mankind because it will help men to live better and longer rather than to die.

Of course, the people and the Government of the United States of America are dedicated above all to the successful solution of the greatest problem facing mankind—the establishment and preservation of a just and enduring peace.

The people and the Government of the United States will leave no stone unturned to try to resolve tensions, to narrow areas of disagreement and to widen areas of agreement between ourselves and the U.S.S.R.

Toward that end, we seek to collaborate on specific works of peace. One such work is health for peace. Another such work is culture for peace.

Here in Moscow I have enjoyed your great ballet, music, and art. We Americans wish to see more of your great culture, and we would like you to get to know more of American culture.

We want more and more of your people, your artists, and your leaders to come to visit us. Let us eliminate the barriers which prevent the freest possible exchange of persons and ideas and information. Let us explore every possible avenue by which the cause of peace and understanding may be advanced.

I hope that the Soviet people understand the tremendous stake which the American people have in the avoidance of war. Three-quarters of our families own their own homes and their own automobiles, which war would all destroy. Ninety-five percent of our farms are served by electricity, and the country has almost 70 million telephones. This too would all disappear in a war. The industrial worker, whose average wage for a 40-hour week is now about $75 (750 rubles), has a great interest in the continued existence and prosperity of his factory, and so also do the many millions of Americans who own these factories through the shares which they have bought.

Our tasks for the future are huge. If there are now almost 3½ million Americans in higher educational institutions, we must plan for facilities for twice that number by 1975. We have recently embarked on a 13-year highway program to cost $33 billion which will add 40,000 miles of superhighways throughout the country to the millions of miles of hard surfaced roads which have already been built. With the never-ending expansion of our cities, we must cope with their reconstruction along modern lines and with the provision of millions of new houses and apartments for the increasing population, in addition to the almost 15 million built in the last decade. At the same time, we are devoting more money every year to scientific research and medical and health programs.

While all this goes on, we are never forgetful of our obligations to those countries which are just now developing their economies and consolidating their independence. Billions of dollars in the last 10 years have gone in the form of economic assistance from both private and public American sources to almost every country in the world to help accelerate the pace of their advance.

Of course it is true that a dedication to peace and a tremendous material interest in maintaining peace are not enough by themselves to guarantee the attainment of the goal which we all seek. We must also come to an understanding with the Soviet Union and other countries in the world about the many issues dividing us which pose a threat to peace. Moreover, it is essential for us to recognize that each country may have a different view of what constitutes a truly just peace, exactly as each country has its own beliefs about the definition of its national interests.

We Americans cannot expect the Soviet people or others to accept all of our opinions on international issues, just as we do not often accept the Soviet viewpoint. But it is vital that each side know the viewpoint of the other in clear and objective form. Only then will all the people in each country be able to judge the difficulties and alternatives as they really are. One reason that I feel informed about the position of the Soviet Union even though I have not visited here before is that I have for years read the texts and reports of statements of Soviet leaders and the Soviet Government in American newspapers. I think that this is a practice which we should all follow.

I have been told that the Soviet people are sometimes confused by the many voices which come from the United States, from American books and newspapers. It is only natural that in our great debates on policies to be followed in the most crucial questions of domestic and international affairs, large numbers of citizens will have widely differing opinions about what should be done to promote our national welfare, our national security, and world peace. It may be helpful to say that only when the debate has crystallized into an official position of the Government of the United States can it be said that America has taken a stand on a question. In this, the most important thing to remember is that, by every objective condition of our national life which I have listed, as well as by the most earnest wishes of all of our citizens, the fundamental goal of the United States is to avoid war and to preserve the peace with justice which we all need so much.

As I return home to continue my work, I feel considerably heartened by my short stay in the Soviet Union. I will not pretend that the road ahead will be easy. In fact, there have been few more difficult periods in history. Nevertheless, we have good grounds for hope and I know that President Eisenhower will do everything possible in his efforts to fulfill our common hopes for peace.

BOY SCOUTS

Mr. HUMPHREY. Mr. President, it is a pleasure at this time to have the opportunity to pay tribute to the Boy Scouts of America. This month the Boy Scouts of America are celebrating the 49th anniversary of the chartering of their organization by the Congress.

The spiritual ideals and the healthy out-of-door training of the Boy Scouts have helped immeasurably to strengthen American manhood in body, mind, and soul. The Boy Scouts have lived up to their objective: "Onward for God and my country." In doing so they have gained the gratitude of the Nation.

A good Scout learns the joy that comes from helping people; he builds radiant health from good living habits; he gains knowledge of the world about him; he knows the meaning of freedom and its obligations; he gains recognition because of worthy attainments. No training of youth could prepare a man to accept the responsibilities of adulthood better than that offered by the Boy Scouts.

THE FEDERAL TRADE COMMISSION AND FRAUDULENT ADVERTISING

Mr. McCARTHY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article entitled "The Medicine Man Under the Eagle's Eye," written by Representative JOHN A. BLATNIK, of Minnesota, and printed in the Progressive magazine for November 1958. The article summarizes the findings and recommendations of the Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations, under the chairmanship of Representative BLATNIK, in its inquiry into four areas of the activities of the Federal Trade Commission. The subcommittee concerned itself with FTC efficiency in the field of false and misleading advertising of weight-reducing preparations, dentifrices, prescription tranquilizing drugs, and filter-tip cigarettes.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MEDICINE MAN UNDER THE EAGLE'S EYE

(By JOHN A. BLATNIK)

When Thetis dipped her son, Achilles, into the River Styx, that much-touted wound-proofing lotion had an unadvertised short-

coming. Since that time all of us have shown an Achilles' heel to advertising, no matter how sophisticated we may be. We may be impervious to the "hard sell," yet succumb to the "soft sell," or to the subliminal approach, or to the hidden appeal to subconscious urges. Most importantly, however, untrained as we are in the medical sciences, we succumb to the pseudo-scientific presentation, documented by testimonials from "independent research organizations," consecrated by cleverly worded references to "U.S. Government approval," bolstered by meaningless comparisons, adorned with empty claims to novelty or exclusivity ("No other product contains this patented ingredient"). We may smile at the naivete with which people believed in the magic power of bezoar stones or unicorn powder, but promise us a concoction that will remove middle-age spread, assuage our jitters, or prevent cavities in our teeth, and we will run, not walk, to the nearest drugstore.

The purchasers of bezoar stones lived in the age of caveat emptor (let the buyer beware), but we have grown accustomed to the protection of Uncle Sam and assume that he will not permit us to be deceived by modern alchemists and purveyors of witchcraft. We assume that the professional-looking man in a white coat who comes into our living room through the TV screen or appears in full color in our favorite magazine would not tell us an untrue story, or, if he did, that he would suffer dire consequences.

Surely the Federal Trade Commission, we feel certain, will protect us from unscrupulous advertisers who would capitalize on our longing for the slender form, decayproof teeth, peace of mind, or harmless cigarettes. The law charges the FTC with that responsibility, and the taxpayer provides it with an annual budget of $6 million to discharge that and other duties.

But when hearings of the Subcommittee on Legal and Monetary Affairs of the House Committee on Government Operations, over which I presided, recently examined four areas of FTC activities, it found the FTC wanting in all four. The subcommittee concerned itself with FTC efficiency in the field of false and misleading advertising of weight-reducing preparations, dentifrices, prescription tranquilizing drugs, and filtertip cigarettes.

CIGARETTE FILTERS

Medical men and the U.S. Government pretty much agree that there is some relationship between smoking and the incidence of lung cancer and heart disease. And while research to date is not entirely definitive, enough evidence has been unearthed and enough publicity given to the dangers of smoking to prompt smokers to reduce or abandon their use of cigarettes. When the sale of cigarettes actually dropped a few years ago for the first time in over a decade, cigarette manufacturers attempted to counteract the trend by the wholesale adoption of the filtertip, supposed to remove the elements in tobacco smoke that seem to be a danger to health.

The stiff competition between the various cigarette brands to reclaim their share of the falling market resulted in extreme claims for the effectiveness of the filter, claims that seem to have reassured the smoker, if rising sales are a criterion. But are these claims true?

Nicotine and tar are believed to be the elements in tobacco smoke which are dangerous to health. But many of the filter-tipped cigarettes of today actually contain more of these elements than they did when they first came on the market. For example, L & M, produced by Liggett & Myers, in 1955 contained 1.5 milligrams of nicotine and 11 milligrams of tar. Two years later there was a 70-percent increase in nicotine content and a 39-percent increase in tar in the smoke entering the lungs. In 1958, a more effective filter was widely advertised by L & M—and the tar content climbed to 17 milligrams. Of 17 brands tested, 11 produced less tar than L & M (King Sano, 40 percent less; Kent, 30 percent; Marlboro, Old Gold, and Parliament, 18 percent; PM, Tareyton and Viceroy 12 percent, and Lucky Strike 6 percent less). In June 1958 six prominent brands of cigarettes were all advertising "lowest tar content."

What is the consumer to believe? And what are the standards for measuring and controlling the potentially harmful elements in tobacco, and the truthful advertising of this information, of such vital concern to so many millions of citizens?

The tar and nicotine content of cigarette smoke depends on the tobacco blend as well as on the filter. Almost every brand of cigarette changes its blend frequently, and the content of harmful tars may go up as well as down. Winston advertised a blend "specially refined for filter smoking," yet it was one of the strongest cigarettes tested—58 percent more tar than Kents, 36 percent more than Parliaments.

The power of the Federal Trade Commission is limited in controlling tobacco advertising because it does not have the power to ask a court injunction in this field, as it does in foods, drugs, cosmetics, and devices. In my opinion, the health problem of cigarettes has reached such a point that I believe it imperative to enact legislation empowering the FTC to request an injunction when it deems this action necesssary.

Furthermore, I feel strongly that the law should require cigarette manufacturers to label their products "contains not more than —— milligrams of nicotine; not more than —— milligrams of tar," and that the label should change with every alteration in the blend of tobacco used. Then and only then will the consumer—and the FTC—have a fighting chance of filtering out the truth from the murky haze of cigarette advertising. I have already introduced such legislation and plan to reintroduce it next year.

WEIGHT REDUCING

To weigh less, you must eat less. Overweight stems primarily from overeating, or from eating fattening foods. To lose weight, we must reduce our food intake in terms of calories. Drugs and other methods may be an aid, but the primary method is diet.

This was the opinion of private and Government doctors appearing before our subcommittee—yet for years the advertising media have resounded with claims of "no-diet reducing." It was not until after our hearings that the FTC moved to halt some of these deceptions.

When our hearings were held, the FTC had not proceeded against any falsely advertised weight-reducing preparations in more than 12 years because in 1946, a U.S. court of appeals had decided against the FTC in a proceeding concerning Ayds, a caramel candy which is still widely advertised. The FTC itself admitted that the case was poorly tried.

While the FTC has failed to protect consumers against these unwarranted claims, a limited consumer protection has been furnished by the Post Office Department, which can proceed only against fraudulent mail solicitation of money. The Post Office has successfully proceeded against more than 40 phony weight reducers since 1955. This is all the more significant because the Post Office Department in its proceedings must not only prove that the advertising is misleading but (unlike the FTC) must also prove intent to defraud. The FTC, on the other hand, has jurisdiction over deceptive advertising through the mails (and elsewhere) regardless of money solicitation. This division of jurisdiction provides some very anomalous situations. In 1957, the Post Office, successfully barred Regimen from using the mails for its solicitation but could do nothing about newspaper advertisements featuring the copy found objectionable in the Post Office proceeding because it contained no solicitation of money through the mails.

Since the spring of this year the FTC has instituted proceedings involving these weight reducing products: Pounds-Off, made by the General Products Corp.; Hungrex, by Allegheny Pharmacal Corp.; K–12, by the Practical Research Co.; Du-Dol, by the Anderson Pharmacal Corp.; and Regimen, by the Drug Research Corp.

The Post Office Department in 1940 had barred Ayds from mail solicitation and in July 1957 had obtained agreement from the maker of Hungrex to discontinue objectionable advertising.

Besides being useless as weight reducers, those preparations containing drugs may be dangerous to the health of many stout people who suffer from other ailments without being aware of them. (A study of 6,000 overweight people showed that 72 percent suffered from anemia, 18 percent from diabetes, 22 percent from heart disease, 37 percent from nervous, or psychogenic disorders, and 7 percent from gall bladder disease. Each of these ills requires a special diet and medical attention; the self-medication and diet recommended by the weight reducing nostrums, not specifically designed for the particular need, is an unnecessary risk to them.)

The sale of phony weight reducers is big business, grossing an estimated $100 million yearly.

Dr. S. William Kalf, of Newark, N.J., a specialist in treating obesity, gave our subcommittee a medical expert's view of various types of over-the-counter reducing preparations:

Regimen, a product of Drug Research Corp., advertises "No Diet Reducing." Dr. Kalb comments: "Inside the package it says 'To weigh less, you must eat less. To reduce you must restrict your caloric intake.' Yet in their headline they don't say that. Such statements as "No-Diet Reducing Wonder Drug" are a deliberate falsehood in my opinion."

R.D.X., a product of Pharmaceuticals, Inc., advertises "Lose Ugly Fat, Yet Eat Plenty." "R.D.X. is a tablet," says Dr. Kalb, "and it tastes very good, too. This preparation has been on the market in one form or another ever since I was a little boy. It is made from powdered skim milk with a little lemon juice added to it. Now, if you think a tablet of skim mill and lemon juice is going to help you lose weight, go ahead and take it. It will never do any harm but it certainly won't help reduce. But there is a diet enclosed in the package, a thousand-calorie diet. You will lose weight on that whether you take the tablets or not."

Ayds is a product of the Carley division, Campagna Corp., which advertises, "I found Ayds and recaptured my figure." "These are caramels," Dr. Kalb reports. "The vitamins and minerals are just added as a come-on, and have no therapeutic value. The only difference between this and Hershey's is that Hershey uses regular cane sugar in theirs and these people use saccharin, or maybe they use sucaryl. But in order to offset the taste, they use a little more cream in this candy, so calorie for calorie this caramel is just about four, five, or six calories more than the ordinary caramel that you buy on the stands. This came out originally for diabetics. For diabetics it is all right; it doesn't make any difference about calories because a doctor can regulate the calories, but when we talk about weight reducing, then it is a fallacy."

Slim Mint, the delightful aid to appetite control, made by the Thompson Medical Co., which advertises "Take off pounds and inches, reduce." "This has methyl cellulose

in it," the medical expert testified. "Now the average dose of methyl cellulose is a heaping tablespoonful, not just a small amount. If this chiclet contains a heaping tablespoonful I'd like to see where they put it. So the only thing this will do is give you a couple of cavities in your teeth."

DENTRIFICES

In 1957, more than $25 million was spent to advertise 12 toothpaste best sellers. The American Dental Association contends that much of this advertising has discouraged proper dental hygiene and that many of the advertising claims for dentifrices are misleading and may be detrimental to dental and general health.

Dr. Harry Lyons, past association president and dean of the School of Dentistry of the Medical College of Virginia, told us that "the patient contributes to his or her mouth cleanliness chiefly by the skillful and judicious use of a suitable toothbrush, with or without a dentifrice. * * *" Toothpastes are appreciated professionally because of their abrasive and detergent action and their pleasant taste, but beyond this, Dr. Lyon concluded, "no other merits for dentifrices have been scientifically established."

The three general themes running through dentifrice advertising are:

1. Arrest of dental decay.
2. Elimination of bad breath.
3. Adequacy of using a dentifrice only once a day.

Dr. Lyons said dental decay cannot be avoided merely by the use of a dentifrice, and the false promise of immunity held out by dentifrice advertisers encourages neglect of the teeth.

The assurance of elimination of bad breath by use of a dentifrice creates a false sense of security and may be misleading. Although Dr. Lyons conceded that mouth odors may be caused by decomposition of food, he pointed out that other causes are: chronically infected sinuses, infectious or other lung conditions, nasal infections, gastrointestinal disorders, and diabetes.

Brushing the teeth after each meal is a prime requisite for good oral hygiene; advertising to the contrary, it was said, can only lead to poor dental health.

Dr. Sholom Pearlman, assistant secretary of ADA's Council on Dental Therapeutics, reviewed the advertising of some specific products, including Super-Ammident with fluoride (Block Drug Co.); Brisk and Colgate Dental Cream with Gardol (Colgate-Palmolive); Crest and Gleem with GL-70 (Procter & Gamble); Ipana with WD-9 (Bristol-Myers Co.); Pepsodent with Irium and Stripe with hexachlorophene (Lever Bros.).

The claims made for these products include such statements as "Saves your teeth from decay"; "Look, Mom—no cavities"; "Only Brisk toothpaste gives you the same fluoride dentists use"; "Just one brushing destroys decay—and odor-causing bacteria"; "Colgate's with Gardol stops mouth odor all day * * * with just one brushing"; "A single brushing with Stripe with hexachlorophene will protect you against the cause of decay."

Dr. Pearlman's analysis of the advertising may be fairly summed up in the Scottish verdict "not proved." There is no scientific evidence, he states, that the fluoride used in toothpaste, the amount, and the method of application will save teeth from decay. What the dentist uses in his office is usually a 2-percent solution of fluoride (as compared to about one-tenth of 1 percent in Brisk) and it is applied under completely different circumstances and conditions in a manner that has been demonstrated repeatedly by respected scientists in the Public Health Service to give a substantial benefit in the form of decay protection. Direct application in the toothpaste, as far as we know, has not been tested.

Stopping mouth odor with a dentifrice is practically impossible because of the many things introduced into the mouth during the day, and there is no evidence that Gardol provides an invisible shield in the first place. Furthermore, masking mouth odor may be a health hazard if a potential disease situation is also masked—like using perfume when you really need a bath.

"Just one brushing * * *" is a direct attempt to discourage the sound dental health practice of brushing after each meal. There is no evidence available that a single daily brushing with any of the dentifrices that use this approach in their advertising fights tooth decay all day.

FTC Chairman John W. Gwynne cited 34 cease-and-desist orders and 27 stipulations to discontinue objectionable dentifrice advertising. However, the most recent of these orders was handed down in 1951 and the most recent stipulation executed in 1947.

Chairman Gwynne, after citing difficulties of proof, emphasized the lack of funds for testing facilities:

"We have never attempted to obtain an actual estimate of the cost that would be involved in such a study because of our budgetary limitations for such purposes but we can easily envision the expenditure of $25,000 to $50,000 in the testing of one or two dentifrices.

"These are the basic problems which the Commission faces in formal action against manufacturers of dental products. Solution of these problems is a matter of fundamental economics. If the Congress desires to buy for the public adequate protection in the dental product advertising field, it has it in its power to do so. The Commission stands ready to carry out the required testing program, but lacks resources to do so."

TRANQUILIZING DRUGS

The term "tranquilizer" in its true meaning refers only to so-called ethical drugs which cannot be sold without a doctor's prescription. Contrary to a popular notion, even the most widely known tranquilizers are obtainable only on prescription.

The 1939 FTC Act, which invests the Commission with powers to combat false advertising, restricts these powers where a drug is advertised solely to the medical profession. But the extent of this restriction is not clear. The law says no drug advertisement shall be deemed false if (1) it is directed only to the medical profession, (2) contains no false representation of a material fact, and (3) includes the formula of the drug's composition.

This confuses everyone, including the FTC. Following contradictory testimony by FTC officials regarding FTC jurisdiction over ethical drug advertising, the FTC Commissioner on the stand cut the Gordian knot by remarking that it was a lot easier to find a case elsewhere and that the Commission has just never been active in the field of professional advertising.

Now, the Food and Drug Administration also performs duties in this field, but it is limited to supervising the release of new drugs, and continuing surveillance over labeling practices, and does not cover advertising in medical journals and through the mails.

There exists, then, an area in which the FDA cannot and the FTC will not act. The entire responsibility falls on the doctor who is presumed to have full knowledge of the drug and its effects.

Several medical authorities testified that this presumption is not entirely warranted. Dr. Harry F. Dowling, chairman of the department of medicine at the University of Illinois, College of Medicine, told my subcommittee that fundamental knowledge regarding the actions and toxic effects of drugs is needed and this knowledge cannot be acquired by a practicing physician within a short period of time. Dr. Dowling also said that the rate at which new drugs are introduced is so rapid that the busy practitioner is unable to keep up with them.

Dr. Ian Stevenson, head of the department of neurology and phychiatry at the Medical School of the University of Virginia, complained that the techniques of merchandising have taken over in the field of ethical drug advertising. Dr. Stevenson said that when we are dealing with something as important as good health and the difference between living and dying, we are dealing with something different from shoes and automobiles and trips to Bermuda.

Medical experts appearing before the subcommittee cited the following instances of deceptive advertising of tranquilizing drugs: (1) Failure to cite known side effects. (2) Advertising "no known contraindications" in the face of documented knowledge to the contrary. (3) Reference to lengthy bibliographies which appear to, but do not, substantiate the advertised claims. (4) Quotation out of context, and omission of unfavorable passages from clinical reports. (5) One instance of out-and-out deception, where the company warned of drowsiness in the literature on its tranquilizer, but claimed "no impairment of physical efficiency" in the advertisements.

Dr. J. Murray Steele of the New York University School of Medicine, the chairman of a study group of New York's Academy of Medicine, told us that his committee, in 1956, found the literature "extravagant and distorted" and that it encouraged "indiscriminate use" of these drugs.

Dr. Joseph C. Garland, editor of the New England Journal of Medicine, wrote in his publication December 5, 1957:

"If I may speak for others as well as myself, we as physicians recognize and appreciate our ancient partnership and our friendly relations with our dynamic friends, the manufacturing apothecaries. We admire their scientific foundations and their genuine philanthropies and appreciate their cocktail parties, where our cups runneth over, but we stand a little in awe of the sinews that they have acquired.

"As editors we delight in the revenue from their adventures in competitive advertising, even as we seek to put restraints on its ultrapersuasiveness and keep it within the bounds that medical propriety and a sense of service to humanity have set. Our first duty is to the public, plainly enough, and so is theirs, for whereas much of modern advertising in general is designed to create a desire where there is no need, that of the drug business should still be patterned on the principle of responsibility to humankind."

The significance of this goes beyond tranquilizers. From time to time, a breakthrough occurs which promises mankind relief from some hitherto unconquered suffering. Such, in recent years, were the sulfa drugs, the antihistamines, the steroids, the antibiotics.

The two motivations of relief for the patient and profit for the manufacturer will combine to create, on the part of the manufacturer, a climate of eagerness to promote his discovery, to minimize dangers which are either unknown or ill defined, and on the part of physicians and sufferers an excessive readiness to accept claims as facts.

The safeguards provided by FDA are not enough. Once FDA gives a new drug the probationary status which permits its use by doctors, pressures from both manufacturers' agents and patients mount to a degree which many doctors cannot resist.

So it is that tranquilizers are recommended for the harassed housewife who has "washday blues," for the difficult child, for the after-dinner speaker who has "butterflies in his stomach," for the athlete before the meet, and the student before the exam.

Housewives, athletes, and students get wind of this solution to their problem and demand the "goof ball."

The doctor may fear that if he refuses, some colleague may not. So sales skyrocket, at least until the sobering second thought occurs, and when the dust has settled, one or two new drug concerns have come to the top of the heap; the industry has gained a few million dollars, and doctors and patients have gained—or suffered—in experience.

WHAT'S WRONG WITH THE FTC?

One FTC Commissioner told my subcommittee that "it takes a person who is really gullible to believe many of these ads." If this typifies the FTC position on deceptive advertising, then we are at the mercy of every unscrupulous huckster. Let the buyer beware should hardly be the attitude of the Government agency charged with protecting the consumer.

FTC has stood idly by for 20 years while the professional medical advertising provision of its charter has remained unclear and unsound. Certainly this is not a field to be completely ignored by the FTC.

Even where it has taken action against deceptive advertising, the FTC's enforcement record has been one of incredible delays. The average FTC enforcement process requires 2 years in contrast to 6 to 7 months at the Post Office Department. Such a delay is much longer than the sales effect of the incriminated advertising, and a much more summary action is necessary to stop deceptive advertising.

The FTC simply has not had the funds and therefore not the facilities or the personnel necessary to carry out a vigorous enforcement program against false and misleading advertising, especially in the advertising of medical products. The FTC has only two doctors on its staff, who were said by their superiors to be "stacked up beyond any load they can carry."

WHAT'S TO BE DONE?

Our hearings on cigarette advertising have stimulated the FTC to require from the tobacco manufacturers scientific proof for their technical claims. This encouraging development could well be extended to dentifrices, tranquilizers, or any product where advertising is capable of scientific proof.

A similar requirement could be the subject of a legislative change: to require food and drug advertisers to prove in FTC proceedings the truth of their advertised claims. Such a burden of proof is comparable to the proof required by the Food and Drug Administration before a new drug may be released and is preferable to the present burden of proof on the FTC to prove the falsity of a claim.

A legislative change might make mail fraud orders issued by the Post Office Department binding in FTC proceedings, so as to avoid a retrial of the same issues.

Other areas of legislative change might include:

(1) Transferring jurisdiction over all food and drug advertising to the Food and Drug Administration.

(2) Extension of Post Office powers to all fraudulent uses of the mails—not only those involving money solicitation.

(3) Enjoining advertising media from carrying any advertising which has been the subject of an FTC order, once they have been notified of such an order.

While my subcommittee is investigative in scope and has no authority to initiate and consider legislation, I am hopeful that legislative committees of the 86th Congress will consider some of the problems pointed up in our hearings. The suggested legislative changes should give an effective degree of protection to consumers. I think they are entitled to it.

ADDRESS BY LANSING P. SHIELD, PRESIDENT OF THE NEW JERSEY CHAMBER OF COMMERCE

Mr. CASE of New Jersey. Mr. President, each year the members of the New Jersey State Chamber of Commerce come to Washington to hold an annual dinner in honor of the State's congressional delegation. This year, before a recordbreaking turnout of members of the organization, we heard a stimulating and thoughtful address by Lansing P. Shield, president of the State chamber. Mr. Shield, who is the president of the Grand Union Co. and former president of a national association of chain groups, made an effective plea for unity in the ranks of government, labor and industry, to help the United States advance its goals in the economic war with the Soviet world. He has made a concrete suggestion for a national meeting of leaders in the ranks of government, labor and industry to initiate discussions looking toward the development of unity in the common goal.

I have been encouraged by reports that more thought is being given by the administration toward the creation of a special planning board to coordinate the economic aspects of the cold war. Such coordination within government should receive the backing of a unified industry-labor movement.

I commend Mr. Shield's enlightened views to my colleagues, and ask unanimous consent that his address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF LANSING P. SHIELD, PRESIDENT, THE GRAND UNION CO. AND PRESIDENT, NEW JERSEY STATE CHAMBER OF COMMERCE, AT ANNUAL DINNER IN HONOR OF THE STATE'S CONGRESSIONAL DELEGATION, HOTEL STATLER, WASHINGTON, D.C., THURSDAY, FEBRUARY 5, 1959

An unusual gathering of leaders of government, organized labor and industry such as this provides an opportunity for all of us to achieve better understanding. In these critical times, is there anything more urgent than the development of teamwork between these three important segments of our society? And this applies particularly to New Jersey—the most highly industrialized State in the Union.

Despite unparalleled prosperity and spectacular achievements in mass production and mass distribution, our economy in New Jersey and throughout the nation is labeled as a high-cost one—and as each month rolls by, the break-even point for both industry and government rises. We might as well face it, we are living in a plush economy. Because of high costs, world markets are slipping away from us.

Within the last 12 months, Khrushchev, Mikoyan and company have made trade agreements with 11 countries. During that same period we haven't signed a single agreement. In today's papers (Thursday, February 5, 1959) Khrushchev calls for the end of the cold war. This is understandable because he feels sure of victory in the hot economic war. In his speech yesterday before the 21st Soviet Party Congress in Moscow, he boasted that "economic competition was now enough to win the world to communism".

As a nation we are in danger of losing out to a competitor who has a built-in, low-cost austerity program. His economy, contrasted with ours, has a constantly lowering break-even point and the cost of goods in Russia is being steadily reduced.

The complete answer to the dilemma in which we find ourselves does not lie solely in reducing Government spending, freezing prices and wages, nor in further mechanization. We already lead the world in that area (I'm referring to mechanization—not spending) and it's ironical that the more we mechanize, the higher go our costs. The President has warned us that unless we reverse this trend which is weakening us both internally and externally, it may be necessary to put our economic body into a straitjacket in the form of wage and price controls. It is up to us to choose now between teamwork and dictation or the freedom of choice may be taken away from us.

As leaders in government, business, and labor, we have been fighting small battles among ourselves instead of presenting a united front—truly United States of America against our adversary, the Kremlin.

As an example, here in the United States, industry and organized labor meet as antagonists annually or biannually at the bargaining table and then withdraw until the next battle. Between political campaigns, government and industry often tear each other down.

While we have been trying to solve the problem of integration in race relationships, we have actually been practicing segregation in our economic relationships.

A form of class warfare is adding fuel to the flames that are licking at the foundations of our society and our freedoms. Recently a columnist in the New York Times pointed out that "both political parties seem to be solidifying along the lines of class interests."

Can anyone say there is a conscious, common effort to promote integration and understanding between organized labor and management—and to a somewhat lesser degree, between government and industry?

Recently, recognizing my own shortcomings in this area, I invited to lunch a well-known labor leader in a neighboring State and a United States Senator. After 2 hours in which we exchanged views (no holds barred) all three of us came away with a better understanding of the problems of the others and we all wanted another meeting.

This week one of the top labor leaders in New Jersey told me the time was overdue for management and labor to bury the hatchet, particularly in view of the international situation. It is heartening to find that leaders in every field are becoming aware of the necessity for government, labor, and industry to close ranks.

In a shooting war, we get together because we are thoroughly aroused to the common danger. If we are to win this hot economic war, a united front is equally imperative.

May I respectfully suggest to the representatives of Federal and State governments present tonight that industry would be glad to join any effort to bring about a closer working relationship with government and with labor. Perhaps an improved relationship might be initiated by a conference of leaders in Washington, followed by meetings at the State level. Such action would not only be good business and good politics, but would be a definite first step toward the objective of developing unity.

We must have unity to be productive. We must be productive to be strong. We must be strong to remain free.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business? If not, morning business is closed.

ORDER FOR ADJOURNMENT TO THURSDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its session today, it stand in adjournment until Thursday at noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE EVILS OF MONETARY INFLATION

Mr. BUSH. Mr. President, for some time I have wished to make some remarks, for the RECORD, in connection with the so-called battle of the budget, because I believe the importance of this issue is so great that it overrides that of all other issues involving public expenditures, and that not enough is known about the dangers of deficit financing and the dangers of monetary inflation, which usually is the result of deficit financing. Accordingly, Mr. President, today I venture to speak for a few moments on the subject of monetary inflation.

One of the reasons why it is difficult to deal with the evils of monetary inflation is that so few persons understand it. What is it? What causes it?

Since the battle of the budget will involve almost constant references to the dangers of inflation, I venture now to lay down a simple explanation of monetary inflation itself, thus hoping to make clear, for the RECORD, why monetary inflation is dangerous.

For the purpose of illustration, Mr. President, let us assume that for the fiscal year 1960 we face a Federal Government deficit of $10 billion. It is clear that at present we do not seem to face such a deficit. In this fiscal year the Government will incur a deficit somewhat in excess of $12 billion. It is now estimated at $12,900 million. But purely for illustrative purposes, let us assume that next year the Government might incur a deficit of $10 billion. That would mean that the tax revenues would be short by $10 billion of meeting the expenses. So, the Treasury—lacking tax income or other income with which to pay the $10 billion—would be forced to borrow that amount.

Ten billion dollars is a tremendous sum of money in relation to the entire market for new securities. Therefore, the Treasury must be careful not to take over the entire long-term market and "ruin it" for the towns, the cities, and the States which also need to borrow money, and many of which themselves are very hard pressed these days.

Furthermore, the Treasury must avoid ruining the market for the industries which need to finance job making expansions of plants, new facilities, and so forth.

If the Treasury is not careful, it can ruin this market, by absorbing so much of the long-term funds as to make it difficult for the towns, cities, States, and industries to finance themselves on a long-term basis.

Furthermore, if the United States were to sell long-term marketable securities to long-term investors—that is to say, to individuals, insurance companies, pension funds, and institutions, excluding commercial banks—the Treasury would have to offer a rate of interest well in excess of the current return on the so-called savings bonds. Why is this? It is because the latter—to wit, the savings bonds—have a guaranteed market in the Treasury itself; the Treasury must buy the savings bonds upon demand by the savers, and at a fixed, prearranged price, giving back to the savers their money, with interest which varies in accordance with the term or the time they have held the bonds. This valuable "put" privilege of the savings bonds holders actually give their bonds an advantage the open-market bonds do not enjoy. Thus, the latter usually carry higher interest rates, in order to compensate for the market risk, which is nonexistent in the case of the savings bonds.

Marketable bonds, such as the old Victory bonds, Liberty bonds, and long-term Treasurys, such as the 3½s of 1990 which now are outstanding, usually fluctuate in value, and may sell well below the original offering price if conditions in the long-term money market become firmer or tighten up. Tight money always depresses the market value of all long-term marketable bonds; and easy money tends to buoy them up in price.

So, in view of all the foregoing, the Treasury is likely usually to be forced to finance its deficit through the issuance of shorter term securities which would be acceptable to commercial banks and other investors having need for relatively liquid assets.

When the long-term bond market is closed to it for the reasons I have pointed out, the Treasury must approach the banks, and other short-term investors and make the best deal it can for the $10 billion, which is the theoretical deficit we are discussing. It must make this deal in short-term notes. I shall come to that in a moment.

There is really no alternative course left open to the Treasury. For simplicity, let us suppose the $10 billion financing is handled in one transaction. Actually, it would be done in several deals, but for the purpose of illustrating monetary inflation, let us say there is one transaction. This is a perfectly valid assumption. There is just one transaction, with the Treasury selling its $10 billion worth of I O U's to a group of banks. For simplicity, let us call those banks "Mr. Banks."

The Secretary of the Treasury says, "Mr. Banks, I want to borrow $10 billion for just as long as you will lend it to me. What maturity do you suggest, and at what interest rate?"

Mr. Banks says, "You know, Mr. Secretary, my deposits are mostly subject to withdrawal on demand. I have demand deposits to invest. Therefore, I must confine investment in marketable securities to short-term maturities, say 1 to 4 years, because the market in short maturities is more stable, price fluctuations are narrow, and I can always sell the short securities instantly, or borrow against them temporarily from the Federal Reserve banks. Thus my demand deposits are well protected, and bank examiners will find me ready for any eventuality.

"Bank examiners discourage banks from investing in marketable commitments which might shrink parent assets and shrink a bank's ability to meet demands of depositors. So, Mr. Secretary, I require short maturities, 1 to 4 years, and I am willing to accept interest at the going rates now applicable to your outstanding notes of comparable maturities. Today these interest rates yield, for 1 year, about 3.4 percent; 2 years, about 3.8 percent; 3 years, about 3.7 percent; and 4 years, about 3.8 percent."

So much for Mr. Banks' statement.

The Secretary of the Treasury now states, "Very well, Mr. Banks. I accept your terms, because I understand you must have short maturities. We can hardly argue about interest rates when the broad market establishes interest rates for us."

That is the end of the Secretary's comment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUSH. I should like to finish this discourse. Then I shall be glad to yield to the Senator from Pennsylvania or to any other Senator.

So again, for simplification, let us assume the Secretary of the Treasury gives Mr. Banks $10 billion in Treasury obligations. Note carefully what happens because here is the point where monetary inflation rears its ugly head.

Mr. Banks puts the Treasury notes in a vault with other assets, and credits his assets account with a $10 billion entry—"U.S. Treasury notes, $10 billion," on the assets side of the ledger. Then he credits the deposit account of the Treasury with $10 billion.

Banks does not give the Treasury a check. He does not give it cash. He credits the Treasury deposit account with $10 billion. The Treasury can then draw checks against the credit to pay the Federal Government's bills. Banks has thus simply added $10 billion to the money supply in the United States. He has inflated the existing total supply of all our money by $10 billion. That is the important point about deficit financing through the banking system.

At this point we should understand that our U.S. money supply consists of two elements: One, total demand deposits in all banks, now about $115 billion; plus all currency in circulation—that is, paper money, currency in our pockets, in our socks, or under the mattress—which now amounts to about $30 billion.

So the inflationary effect of this $10 billion transaction is evident when we see that demand deposits of $115 billion, plus currency in circulation of $30 billion, gives us a total money sup-

ply of $145 billion before this $10 billion transaction.

Again, plain arithmetic indicates that $10 billion is almost 7 percent of $145 billion; and the money supply has therefore been inflated by approximately 7 percent. That is monetary inflation.

This is the same as using printing press money to dilute the value of our money supply. There is actually no difference in the result. We have simply created demand deposits, instead of printing the added folding currency. We have used the banks' "check money" instead of the Government printing press. The result is exactly the same.

So when the critics say that we have used "printing press money," they are correct. The Government has not "earned," but has merely created out of whole cloth, $10 billion. We have debased the existing money supply by 7 percent. Thus, the savers, pensioners, social security recipients, and all our people living on fixed incomes, have had the equivalent of a cut in income of 7 percent in 1 year, at one fell swoop. Their money has been debased, cheapened, "clipped," by 7 percent.

Let us bear in mind that if the Treasury had sold its bonds to long-term investors—that is, individuals, institutions, pension funds, insurance companies, and the like—there would have been little monetary inflation, because each investor would buy his bonds with cash which he had on hand or on deposit in a bank. No new money would then be created.

This is the important difference to remember. If long-term bonds were sold, there would be no monetary inflation, because the banks would not buy them and would not create additions to the monetary supply. If the very short maturities were sold, they would have an inflationary effect, in that they are similar to currency, although they bear interest—that is, if such short-term investments had been sold in the open market to investors such as I have mentioned. But long-term bonds are put away for long-term investment. They are bought by nonbank investors; and they create, in a general way, I think it is safe to say, no danger of monetary inflation. The sale of such bonds does not add to the money supply.

Whose duty is it to avoid monetary inflation and prevent the threat of its occurring again in the fiscal year 1960? The President has sent the Congress a budget of $77 billion, balanced by income estimates. He has done his duty. Probably no President ever worked harder on a budget, or made so clear to Congress and the people the absolute necessity of maintaining the balance.

So it is now up to the Congress.

Will the Congress have the political courage to do its plain duty? Or will it yield to the pressures of the powerful pressure group leaders whose selfish interests are served best by forcing increased Federal spending in many programs, and putting new programs on the books?

Thus, the Democratic Party leaders in Congress face this challenge. They have the votes. They can follow the advice of the Democratic advisory council, the ADA, and leftwing groups and, by so doing, further crucify the "little fellow," whom they profess to guard and favor.

Or they can courageously do what I believe to be their plain duty, and require a balanced budget to really protect the "little fellow"—the weak, the defenseless, the unorganized savers, pensioners, elderly retired folks, and so forth.

More than that, the Democrats can also destroy the silent weapon of communism in the United States, to wit, inflation.

It was Demaree Bess who last December wrote a very interesting article, for the Saturday Evening Post, which was printed in the CONGRESSIONAL RECORD some weeks ago, called "The Silent Weapon of Communism," in which he described inflation in this country as a veritable fifth column for the Russians or any potential enemy of the United States.

Thus the Democrats can protect our values, and make possible the continuance of our huge defense expenditures, which, by inflation, may be endangered or destroyed.

They can restore faith in the credit of the United States, which shows signs of serious deterioration. Upon the credit of the United States, Mr. President, upon the soundness of the Yankee dollar, depends the future safety and security not only of the United States, but of the whole free world.

The Democratic Party leaders are showing concern about the state of our military defenses. But thus far not one has spoken of the mortal danger which we face if we allow our economic bases to crumble, and be taken by the enemy without the firing of a shot.

Surely the country deserves some assurance, some positive statement of intent to safeguard the credit of the United States, rather than the constant rumbling sounds of new spending bills being dropped in the hopper without any responsible concern for the means to pay for them. Rather, one is impressed with the happy, gay, somewhat Pollyanna attitude that "Everything will come out all right if we just spend more money." All we have to do is to "spend ourselves rich," it seems.

Sylvia Porter recently dealt with this serious issue in an excellent column published in the Washington Evening Star entitled "Milton Berle Explains Inflation." The article was quite amusing. I laughed about it. However, it recalled the song, "I'm Dancing With Tears in My Eyes." The last paragraph of the column read:

> Not until the majority of Americans feel they're being more hurt than helped by rising levels of wages and prices will the cry come, "Halt."

Sylvia Porter is correct—unless Congress joins the President in his effort to avoid that calamity. But when that time comes, it will likely be too late. The damage will be done, and it may take years of agony and suffering to repair it. Indeed, it may be irreparable.

Do Senators remember the autumn of 1941? We went merrily along, having a good time, discounting the rumblings and warnings from Japan, being assured that everything was just dandy. Our fleet was tied up at the docks, and our sailors were mostly on shore leave, when suddenly came the attack on Pearl Harbor.

We waited until the people were hurt.

In 1929, we were told that we lived in a new era, that the old economic laws were outmoded, that water could now "run uphill." So we waited for the majority of Americans to get hurt. And how they got hurt. It took 10 years and a world war to correct that situation, with 9.5 million people still unemployed in 1939, 10 years after the new era began to look like "old hat."

The danger in Sylvia Porter's conclusion is that when the majority of Americans feel more hurt than helped, the damage will already have been done.

Mr. President, Congress must try to face this issue, which transcends all others in importance, for this reason: If we wait for more Americans to be hurt than helped, all America will be so crippled that our defenses will crumble, and a potential enemy will regard the United States as a "sitting duck." It will be "duck soup" for the men in the Kremlin.

No, Mr. President, the Congress must join the President now in persuading the people that our defenses depend upon sound economic and fiscal foundations.

We dare not wait for a people in agony to cry out for this protection against mortal danger. The American people sent us to Congress to represent them under a representative form of government. If the representatives fail, then the form of government will fail, and freedom may be lost.

I beg my friends on the Democratic side, I beg the leaders of the Democratic Party, to speak out now, before it is too late. I beg them to rally their party troops to the defense of the United States on the economic and fiscal battlefield, lest the loss of the battle of the budget could result in the loss of our freedom.

Mr. CLARK rose.

Mr. BUSH. Mr. President, I ask unanimous consent that the article written by Sylvia Porter, to which I referred, be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILTON BERLE EXPLAINS INFLATION

Milton Berle was having a lot of fun with President Eisenhower's $77 billion budget on his TV show recently. Suddenly, during his monolog came this:

"Inflation? That means your money today won't buy as much as it would have during the depression when you didn't have any."

My family howled—and I ran for pencil and paper to write it down. For he had put into focus a basic aspect of our country.

Why hasn't there been a great outcry against rising prices, swelling public support for measures that really would stop the wage-price spiral? Why don't average Americans feel as strongly as, say, former President Herbert Hoover that inflation is the most monstrous economic evil there is? Why has grumbling about price rises not been translated into a crusade for price stability or at least, buyers' resistance?

Why is it that most union members are utterly unmoved when the experts try to explain that a $10 pay rise doesn't mean anything if the cost of living goes up $10 at the same time?

ANSWERS ARE OFFERED

The answer to the "why" lies behind Berle's wisecrack. Listen to what I heard as I checked the response to the remark. * * *

From the head of a big Wall Street financial house—a millionaire thoroughly aware of what dollar fluctuation means:

"Oh, that's a beauty, I wish I'd heard him say it. Yes, in the thirties, I could have bought four suits for what one costs today, and I could have had a mansion in the suburbs for the asking. But I didn't buy the four suits and I didn't take over the mansion because I didn't have the courage to splurge. I won't say it in public, but I'll say it to you if you don't identify me. While I think what has been happening to the dollar is terrible, I personally am better off than I ever dreamed I'd be, and so is my family. I wouldn't turn the clock back for anything."

From a middle-aged housewife who lives with her husband, a junior executive in a New York commercial firm, in a small apartment near my home:

"I've always lived in this neighborhood, and I remember passing by the grocery once—it must have been in 1938 or 1939—and seeing the whole window filled with eggs. On impulse, I wanted to go in and buy up the whole display, but Jim's pay had just been cut 10 percent, we were trying to live on $32.50 a week and both kids were in high school and, well, I just stood and stared into the window. Now I buy in that grocery every day and I buy whatever I want. I don't like rising prices, but I'd rather pay more and have the money to buy than see prices cheaper and be worried again. I suppose it's wrong, but I'm happy the way it is."

WIDOW NOT BADLY OFF

From an active member of the newspaper union in my office:

"Ha, I heard that show and I laughed, too. What does it mean to me? Well, during the depression, I didn't have any money, so it didn't matter to me what things cost because I couldn't buy them. Now my money buys less, but I have the money. Better off? Sure, I am. Did the union help? Of course it did, and I'm all for it."

From a widow, a friend of my mother's, who's living on insurance, social security, and income from a small investment portfolio:

"That's cute, and I know what he means. When Steve worked it out so I'd get $250 a month from insurance, I thought I'd live comfortably forever after. That dream is busted. But you know what's making up for it? My social security. And I've been making money on my stocks. I'm complaining, but I'm really not so badly off, honestly."

Not until the majority of Americans feel they're being more hurt than helped by rising levels of wages and prices will the cry come, "Halt."

Mr. BUSH. Mr. President, I also ask unanimous consent that an article written by Harold B. Dorsey, dated February 16, 1959, published in the Washington Post and Times Herald, under the title "Debt Refunding and Inflation" be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DEBT REFUNDING AND INFLATION

(By Harold B. Dorsey)

It is most unfortunate so few people will understand the mechanics involved in an example last week of one of the dynamic consequences of current inflationary pressures. If the public—and if those well-meaning national leaders who have been generating the inflation pressures—understood this particular matter, there would be a better prospect that common sense based on a more complete knowledge of the facts would dictate policies which are vital to the public welfare.

The instance concerns the refinancing of the Government's mid-February debt maturities totaling $14.9 billion. At the risk of incurring the criticism of purists in the field of money and credit techniques, I would like to explain this refunding operation with the hope that it will promote a broader comprehension among average people of the way that circumstances are making it necessary to create money by the simple stroke of the pen.

Approximately $9.2 billion of the total mid-February Federal debt maturities was held by the public, the remainder being held by the Federal Reserve Banks and by Government investment accounts which almost invariably swap their maturing securities for the new securities in exchange. On the latter portion of the refinancing operation the matter of money supply was not involved, because savings of the economy that had formerly been loaned to the Government were merely transferred from one kind of security to another.

However, the holders of nearly $2.1 billion (approximately 23 percent) of the publicly held maturities refused the offer to relend the Government their savings for 1 year at 3¾ percent or for 3 years at 4 percent. They elected to have their savings paid back to them in the form of cash.

As a result of this unexpected cash requirement to pay off its creditors, the Treasury Department had to offer an even shorter term issue (217-day-maturity) for $1.5 billion. To a greater and greater extent, the Government is finding it necessary to use such short-term issues to finance the Government deficit and to refinance its maturities. Usually, this kind of issue is purchased largely by banks. The savings that might otherwise have been absorbed by investment in Government securities—in the current instance some $2.1 billion—thus becomes available to increase the demand for common stocks or for goods and services.

But let us see how the Government gets the money to pay off this $2 billion. What takes place on the books of the banks, which probably will be buying a large portion of the $1.5 billion of 217-day maturity new certificates that were offered to raise the major part of the necessary cash? It is this particular operation that is so broadly misunderstood.

A given bank will agree to take $1 million of these certificates. It will receive a piece of paper signifying that the Government owes the bank a million dollars and will add this piece of paper to its assets under the heading of "Holdings of Government Securities." It then credits the deposit account of the Government with a million dollars. This latter credit represents money that the Government can spend. Presumably, in the current instance, the Government will draw a check against its deposit account and will deliver that check to some holder of the maturing Government debt issue. The recipient will then deposit the check in his checking account with some bank. Thus it becomes money that he can spend for whatever purpose he chooses.

Recognize then that the net result of the whole transaction is an increase in the indebtedness of the Government to the bank, and by the simple stroke of a pen—without even using a printing press to manufacture currency—there is created a million dollars of spendable funds. The latter increases the wherewithal to enlarge the demand for common stocks, or for all types of goods and services.

One does not have to be a professional economist to understand that the artificially created increase in demand, without an offsetting increase in supply, creates an inflationary pressure for higher prices.

It appears to be an unfortunate fact that the inflation situation has reached the dangerous breeding stage. The saver's fear of inflation, concretely demonstrated by the foregoing incident, has made him unwilling to invest a normal proportion of his funds in longer term debt instruments. There is a very understandable hesitancy to lend money when there continues to be such a distinct threat that it will be repaid in dollars of lower purchasing power.

Herein, we can see the simple facts underpinning Federal Reserve Board Chairman Martin's recent observation to the Joint Economic Committee that: "There can be no effective control of inflation if the banking system is made the major source of funds to finance Government deficits." We have just seen an incident wherein the banking system had to be an important source of funds to refinance a portion of the Government's old debt. By the way, the interest charges alone on the Government's accumulated deficit of past years are budgeted at $185 per average family of four for the next fiscal year—which presumes that the Federal debt will not be increased further.

Mr. BUSH. Mr. President, I also ask unanimous consent that an article published in the New York Times, written by Edwin L. Dale, Jr., entitled "Security Buyers Shun a U.S. Issue" be printed in the RECORD at this point, together with an editorial from the Times "High Road to Inflation."

There being no objection the article and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Times, Jan. 7, 1959]

SECURITY BUYERS SHUN A U.S. ISSUE—BAR EXCHANGE AND ASK CASH FOR $2 BILLION IN HOLDINGS—TREASURY SEEKS LOAN

(By Edwin L. Dale, Jr.)

WASHINGTON, February 6.—The major financial problem of the Eisenhower administration was revealed today.

The Treasury disclosed that this week's big financing had not been a success. Holders of more than 20 percent, or $2,081 million, of a huge amount of maturing Government securities refused to accept new securities offered in exchange.

As a result the Treasury will undertake an emergency borrowing operation next week to raise $1,500 million needed to pay off the old securities.

It is this problem, in the field of management of the national debt, that accounts as much as anything for President Eisenhower's feeling of urgency about a balanced budget. Officials insist there is no crisis, but their concern is undisguised.

HUGE DEFICIT BLAMED

The unanimous feeling among Government financial officials is that a balanced budget would make the problem of the Treasury in selling its securities much easier. The huge $13 billion deficit in the current budget has largely created the problem.

It is the equally unanimous view that emergency actions required by setbacks like the present one make the inflation problem worse.

This thought was back of the testimony today before the Joint Congressional Economic Committee by William McChesney Martin, Jr., Chairman of the Federal Reserve Board. Mr. Martin said there was never a more important time than now to balance the budget. Mr. Martin thought there

should be not only a balance, but also a sizable surplus.

Today's announcement gave the results of a major financing operation announced last week and conducted in the first part of this week. It involved $14,900 million of maturing certificates and notes. Of this amount, $5,700 million was held by the Federal Reserve System and offered no problem. The rest was held by the general public.

The Treasury offered in exchange a choice of two issues, both with attractive interest rates. The rates on these exchange offerings were higher than the going market rate of interest for outstanding securities of comparable maturity.

Yet despite these favorable interest rates, holders of $2 billion of the $9,200 million of publicly held maturing issues refused to accept the new issues and demanded cash. This was not a record "attrition," but it was second only to the $2,800 million demand for cash last summer when an exchange issue was floated during the sudden collapse in the Government securities market.

Holders of the maturing issue, including the Federal Reserve System, accepted $11,362 million of a new 1-year certificate bearing 3¾ percent interest and $1,429 million of a new 3-year note bearing 4 percent interest. This left $2,081 million of the maturing issues unexchanged. These securities bore interest rates of 2½ percent and 1⅞ percent, reflecting the rate structure when they were issued a year and more ago.

It was a considerably higher attrition than the Treasury had expected. The result is that the Treasury will need cash to pay off the holders of the maturing issues.

Consequently, it announced that it would sell $1,500 million of 7-month tax-anticipation bills next week. Its general aim and policy is to sell as few of such short-term securities as possible, but it had little choice.

One of the reasons for the partial failure of the issue involved in today's announcement, according to money market sources, was that a large portion of the maturing issue was held by investors, probably corporations, who wanted a shorter term substitute than the Treasury had offered. The shortest of the Treasury's exchange issues carried a maturity of 1 year.

NERVOUSNESS APPARENT

But the underlying reason appears to be a general nervousness in the money market—a nervousness connected with the huge Treasury financing operations required by the $13 billion deficit in the current budget and the possibility of a further deficit in the next budget.

Some investors have switched their money from Treasury and other bonds into stocks as a better hedge against inflation. Some, watching the economy on the rise and expecting heavy demand for credit, look for higher interest rates shortly and thus prefer to hold cash for a while. They are convinced that the Federal Reserve System will use "tight money" policies to check any inflation that may arise.

Mr. Martin told the joint committee today that the inflammable tinder of inflation was lying around in the economy now, even though prices had recently been stable. The country could see a breakout of price increases at any time, he testified.

Mr. Martin said the level of savings in the country was adequate to meet the demand for those savings for investment purposes, thus justifying lower interest rates than now existed. But he said investors, fearing inflation, had been wary of bonds and other fixed-interest securities. Thus the prices of these securities fall, which is the equivalent of a rise in their effective interest rates. Savings, in effect, have flowed elsewhere, including the stock market.

MARTIN VOICES DENIAL

The Federal Reserve chief emphatically denied that the Government must permit a little inflation to help spur faster economic growth and more prosperity. On the contrary, he argued, inflation will have the effect of slowing down growth by bringing in its train periodic recessions.

Today's Treasury announcement symbolized a sort of vicious circle that operates in the financial world. If investors fear inflation, they will not buy long-term Treasury bonds. That means the Treasury must float ever-shorter securities. Because these are virtually the equivalent of cash, and because they often must be sold to the banking system, they tend to expand the Nation's money supply and make the inflation problem—and psychology—worse.

[From the New York Times, Feb. 10, 1959]

HIGH ROAD TO INFLATION

The Government security market—which speaks with authority because it speaks with the public's money—repeated for the benefit of Congress at the close of last week what the President, his Secretary of the Treasury, and the Chairman of the Federal Reserve Board have been constantly emphasizing in their recent public statements. The market spoke by action rather than in words, but the message was no less clear on that account.

With $14.9 billion in maturities to meet, $9.2 billion of which was in the hands of the public, the Treasury offered the holders a choice of two new issues—a 1-year certificate bearing an interest rate of 3¾ percent and a 3-year note carrying 4 percent. When the public won't scramble for U.S. Treasury issues on terms as attractive as this it bespeaks serious concern for the state of the Nation's financial position. Yet the fact is that holders of the old securities in the amount of $2.1 billion turned down the exchange offer, demanding payment in cash.

But these figures tell only part of the story. Underscoring the market's lack of interest in Governments other than those in the very short-term category is the fact that of $7.2 billion in maturing securities that were turned in by the public (as distinguished from the holdings of the Federal Reserve System) holders of only $1.4 billion, or less than 20 percent, took the 4 percent, 3-year notes in exchange. The other 80 percent-plus demanded the 1-year certificates with their yield of 3¾ percent. That is an increase of 1¼ percent over the interest rate of 2½ percent at which the maturing issue of $9.8 billion in 1-year certificates was sold a year ago.

This means not only that the debt structure has suffered by the replacement of some three-quarters of the outstanding $5.1 billion in notes with short-term obligations, but that the Treasury is forced to go into the market this week with an issue of even shorter maturity in order to raise the $2.1 billion in cash to meet the demands of those who found the exchange offer unacceptable.

The Treasury has been able to market but one long-term issue during the past year, that in the amount of $900 million. It is being forced steadily into the position of having to rely increasingly on the sale of securities for which commercial banks constitute the principal market. And this, as Chairman Martin of the Reserve Board declared last week, is "the high road to monetary inflation."

Mr. BUSH. Mr. President, I have some further remarks to make, but my friend the Senator from Pennsylvania [Mr. CLARK] has been very patient, and I am glad to yield to him at this time.

Mr. CLARK. I thank my friend for yielding to me. As all of our colleagues know, the Senator from Connecticut is not only a distinguished investment banker of long experience in the field with respect to which he has just spoken, but is also one of the leading members of the Committee on Banking and Currency, a committee before which many of these problems come from time to time.

I think the Senator has made a very able and indeed a brilliant defense from what I would call the orthodox financial point of view of the budget and monetary problem which confronts the 86th Congress. I must say at least to some extent, as the Senator knows, I agree with him, but I should like to develop, if the Senator will be kind enough to indulge me, a few questions which might bring us closer to the issue and which perhaps will reveal some of the differences between the Senator and many of us on this side of the aisle, who are just as much in favor of a balanced budget as my good friend from Connecticut, but who believe that the budget should be balanced at a higher figure than that recommended by the President.

With that preliminary, I ask my friend whether he does not agree that the reason why short-term Federal financing is necessary now is largely the cash deficit resulting from Federal operations during the fiscal year 1959?

Mr. BUSH. No; I would not say that that was the only reason, by any means.

Mr. CLARK. Would not the Senator agree that it is one of the principal reasons?

Mr. BUSH. No. I think the reason goes deeper than that. I gave the reasons in my prepared remarks.

The Treasury is inhibited, for several reasons, from going into the longer term bond market. The Senator may have heard what I said on that subject.

Mr. CLARK. Unfortunately, I arrived a little late. I arrived in the Chamber in time to hear most of the Senator's address, but I did not hear the very beginning.

Mr. BUSH. The Treasury must consider the interest of the whole country, including States, towns, and industries which have to finance in the long-term bond market. If it were necessary to finance a $10 billion deficit, which is probably smaller than we have for this fiscal year, it would absorb so much of the long-term bond market as to make it difficult for other agencies, such as towns, cities, States, and industries, to finance, so that factor must be taken into account.

The second point is that it is very unfortunate, but nevertheless true, that many long-term investors have become afraid of the long term Government bond market because they are afraid of inflation. They are afraid that it will cause a deterioration in the value of their money to such an extent that they do not want to tie it up for 20 years.

Mr. CLARK. I suspect the Senator and I are talking at cross purposes, because of our use of semantics. Let me try again.

If we had had a balanced budget for the fiscal year 1959—

Mr. BUSH. This year?

Mr. CLARK. This year—does not the Senator agree that it would have been

far easier for the Treasury to go into the long-term bond market?

Mr. BUSH. Yes.

Mr. CLARK. Is not that a situation to which we should return at the earliest possible moment—namely, a balanced Federal budget, with perhaps a surplus?

Mr. BUSH. Yes.

Mr. CLARK. If we got back to that happy state, would not the Senator agree that then most, if not all, of the Treasury's difficulties in connection with the financing of long-term bonds would evaporate?

Mr. BUSH. Certainly a very great obstacle would have been taken out of the path. It would be difficult to say that all the obstacles would necessarily have evaporated. Certainly, one of the great obstacles would be out of the way.

Mr. CLARK. I think we are reaching substantial agreement.

Mr. BUSH. We are agreed on the point which the Senator has raised.

Mr. CLARK. I think the Senator would agree—and if he does not, I know he will say so—that we should be doing our level best, both in the White House and here in the Congress, to get a balanced budget at the earliest possible moment and, if possible, a surplus which, to some extent, could be applied upon the debt.

If we could arrive at that happy state, in all likelihood, it would then be possible for the Treasury to refund our present Federal debt on a long-term basis. I believe the Senator would agree that that would be a wise thing to do, and would have no inflationary tendencies, but rather would be likely to have deflationary tendencies, because, as the Senator has so well said, it would take money out of the market and put it into the safe-deposit box. Does the Senator agree?

Mr. BUSH. Yes. I agree that the happy state to which the Senator refers is one which we should use every effort to attain; and if we did so, it would greatly facilitate financing in the long-term bond market. It might even enable us, as some of the securities mature, to extend them, which would be a very desirable thing to do. The shorter the debt, the nearer we come to monetizing the debt, and making it the same as money in our pockets—interest-bearing money. So I agree with the Senator that it would be a desirable thing to do, and would have an anti-inflationary effect.

Mr. CLARK. Does not the Senator agree that we could arrive at that happy result just about as well with a Federal budget balanced at $80 billion, or even $83 billion, as we could with a Federal budget balanced at $77 billion?

Mr. BUSH. I am not sure about that, but I should say that the important thing would be the balancing of the budget, because with a balanced budget we would not have to go into the banking system, even under these circumstances. So the Senator is probably correct.

Mr. CLARK. If my friend will turn his mind back to what he said with respect to the inflationary effect of short term borrowing, as I recall, the Senator said that the creation of bank deposits was very little different from printing money.

Mr. BUSH. It is exactly the same.

Mr. CLARK. I am in accord with my friend in that regard; but I should like to ask him this: Is it not a subject on which judgments of qualified people may well differ from time to time, as to how large the monetary supply should be? I am including bank deposits as well as cash.

To amplify a little further before the Senator answers, is not that, in many respects, the reason why we have the Federal Reserve Board, namely, to determine to what extent the supply of available money is adequate to stabilize the economy and yet permit the kind of expansion which I am sure the Senator from Connecticut is just as eager to see as I am?

Mr. BUSH. The Senator has asked me two or three different questions. Taking the last one first, I should say that the existence of the Federal Reserve System is, of course, of vital importance in connection with the whole question of credit and money. The Federal Reserve Board has a great deal of control over credit, and, because of that fact, some lesser control over money.

Having heard the testimony of the Chairman of the Federal Reserve Board, as I believe the Senator also did—in fact, I am sure the Senator was present when he testified before our committee——

Mr. CLARK. Last year?

Mr. BUSH. No; this year.

Mr. CLARK. I do not believe the Chairman has been before the committee this year.

Mr. BUSH. I stand corrected. He was before the Joint Economic Committee, on which I serve. He testified that he was very much concerned about the subject I have been discussing. He made a trip around the world, and when he returned he made a speech in Chicago on or about December 16, in which he expressed the gravest concern about the possibilities of further deficit financing.

Much to his astonishment, he found in the Far East—in Thailand and other distant countries in that area—a growing concern about the credit of the Government of the United States. He even spoke of our inability or our unwillingness to balance our budget and get our fiscal affairs in shape as an evidence to the people in those distant countries of moral deterioration of the United States.

Mr. CLARK. I am not quarreling with the Senator.

Mr. BUSH. No. We are working together. So long as the Senator brought up the subject of the Federal Reserve Board, I desired to make that comment about Chairman Martin. I hope the Senator will agree with me that he is a man of great responsibility, and a very able man. Most of my colleagues on the other side of the aisle have paid him that compliment. So I think we should give very great weight to his views on these important questions, because his responsibilities in this area are very great, indeed.

Mr. CLARK. I share my colleague's high regard for Mr. Martin.

But we get back to my question as to whether at any given time the amount of money which should be in the system does not involve complicated factors of judgment, and that it is impossible to say categorically that X billion dollars would constitute a correct monetary supply 20 years ago, today, or 5 years from now.

Mr. BUSH. Yes. I am glad the Senator has come back to that point. I have tried to point out the danger of increasing the monetary supply without increasing productivity.

Mr. CLARK. The Senator is correct.

Mr. BUSH. In the illustration I have used, I have merely tried to show the danger of monetary inflation to the order of $10 billion—a purely hypothetical case—but without any increase in productivity. That would merely swell the supply of money with which to buy some of the things that are in existence. Therefore we come back to the question of productivity.

Mr. CLARK. So that at any given time, in determining how much money should be available in the system, we must also consider, must we not, the extent to which our gross national product is meeting the potential productive capability of our economic system? Before the Senator answers that question, I should like to elaborate my question a little. Where we have a situation, as we do at the present time, with a large increase in unemployment, where the rate of productivity in many durable goods industries is far below capacity, and where we do not have the classic situation of too much money chasing too few goods, all those factors must be taken into consideration in determining whether it is wise or unwise to increase the monetary supply by issuing short-term Government securities.

Mr. BUSH. I am sorry. I lost the trend of the Senator's thought.

Mr. CLARK. If the Senator will yield further, perhaps it would be better if I made a brief statement. Then the Senator could comment on it. In that way I will not harass him further.

Mr. BUSH. Provided I do not lose my right to the floor, I shall be glad to yield for that purpose.

Mr. CLARK. With that understanding, of course.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. I should like to suggest for the RECORD, with respect to the Senator's address, that we should not assert, in a vacuum, that an increase in the monetary system is naturally and inevitably inflationary. That is only true if we get into a situation where there is too much money chasing too few goods. Such a situation would inevitably tend to drive prices up.

That is not the situation today, and that has not been the situation since the very beginning of the recession, back in the summer of 1957. We still have a vast number of unemployed, and we still have productivity at a far lower level than our plant is capable of producing. Therefore we must take that factor into

consideration before assuming that we are going to have a drastic inflationary effect from the further financing of the Federal debt on a short-term basis.

I hasten to add that I agree with my friend from Connecticut that we ought to cut to the minimum the short-term financing of the Federal debt. The best way to do it, of course, is to balance the current budget. I should like to point out that when the Senator says if we put 7 percent more money into our monetary system that automatically we cut the buying power and increase the cost of living of indiividuals living on pensions and on other returns which cannot fluctuate, that that is an oversimplification.

I might agree that if we pumped 7 percent more money into the system, there would probably be an inflationary effect on the stock market, because the stocks are there and they are relatively fixed in number of shares. That is the situation where we have too much money chasing too few goods. However, if we have a deficit in the number of automobiles available, if we have a deficit in the amount of steel that is being produced, and so forth, I do not believe that an increase in the monetary system is in and of itself necessarily going to result in depreciating the value of the returns of individuals living on fixed incomes.

It will do that only if prices should go up. Prices will not go up unless we get into a situation where we have too much money chasing too few goods, with no productive capacity available to increase the number of goods.

This is perhaps another minor point in the Senator's remarks. Substantially, I believe, we are in accord. However, it seemed to me that I should make this point because I thought it was important to bring it to the attention of my friend from Connecticut.

Mr. BUSH. I thank the Senator from Pennsylvania. I know of his deep interest in this subject. He has joined me on a bill which is designed to say in effect that full employment or maximum employment is more easily attained with a relatively stable price level than with prices going up all the time. Perhaps that is an oversimplification of the stated purpose of the bill, but that is approximately its purpose. I know that the Senator from Pennsylvania is sincerely interested in the measure and in any other measures which will curb inflation.

The difference, I believe, between the Senator from Pennsylvania and myself revolves about the fact that the Senator feels that if we increase Government spending to, if I understand his recent remark, approximately $83 billion, it will automatically have the effect of producing more taxes from the tax structure which we now have, and, therefore, we will have a better chance of balancing our budget at $83 billion than we would on the President's plan of balancing the budget at $77 billion.

If I have not correctly interpreted the statement of my friend from Pennsylvania, I shall be glad to yield to him so that he may correct me.

Mr. CLARK. I believe that my friend has completely, although inadvertently, misunderstood or misinterpreted my position when he says, for the purpose of argument, that if we put $6 billion into defense, into schools, into urban renewal, and into water resources development, it would automatically result in our getting more revenue. I hope so, but I do not know. I believe we should do it anyway, because I believe our national security requires it. I believe our educational system requires it. I believe our sense of compassion needs the Housing Act, which is designed to supply a decent home for every American who requires it. So what in effect we would be doing would be to take the $6 billion out of the private sector economy and putting it into the public sector economy, where, to my way of thinking, the need is greater. I believe we need more schools, and we need them a great deal more than we need Cadillacs or Coca Cola. So whether doing that would increase the Federal revenue, because the economy would expand, I do not know. I hope it would, but I feel that it is important for us to balance the budget by increasing Federal revenues through closing tax loopholes to be sure we do not run into deficit spending.

Mr. BUSH. If the Senator from Pennsylvania will bear with me, I shall read to him a little lecture in the form of an article entitled "Economic Needs and Resources," which was published in the Guaranty Survey of February 1959. I think it comes to grips with the very subject the Senator has just raised. I am very glad to have the opportunity to read the article into the RECORD, because I myself believe it contains very sound doctrine. It discusses the question of economic needs, what those needs are, and so forth. This is the article:

ECONOMIC "NEEDS" AND RESOURCES

The Federal budget for the coming fiscal year, balanced at a figure nearly $4 billion below this year's estimated expenditures, raised quick protest in some congressional circles. The President's proposals were termed unrealistic and impractical, apparently on the ground that they called for measures which the President knew Congress would not adopt.

Queries could be raised concerning the realism of blaming the President for Congress' expected refusal to follow his recommendations. Yet the criticism is realistic enough in the sense that it points to the crucial question in the near-term fiscal outlook. This question is whether the President will be able to prevent Congress from incurring another large Federal deficit by voting higher expenditures than he recommends and by failing to provide the revenue needed to meet the expenditures voted.

TWO BUDGET APPROACHES

Ever since the November elections, it has been widely predicted that the new Congress will be a free-spending Congress. Yet most of the Members to whom this label is applied evidently dislike being called free spenders and apparently do not regard themselves in that light. In their own eyes, they are merely recognizing and trying to provide for the minimum requirements or the essential needs of the Government, the economy, and the people.

These needs are thought of in terms of national security and personal welfare, objectives whose desirability is obvious. Are not national defense, health, education, and standards of living more important than a balanced budget? Such needs tend to be regarded as absolute imperatives that must be met by one means or another, and practical considerations like balanced budgets, tolerable tax burdens, economic incentives, and stable prices tend to be brushed aside as of secondary importance. As one spokesman put it not long ago, "The choice of our rich, productive country is no longer, 'How much can we afford?' Today, Americans must consider, 'Can we afford not to meet our national needs?' "

It is the practical consideration that the President refuses to lose sight of. In his public statement on the budget, Mr. Eisenhower reminded the people that "in the Government, as in your family, it is not possible to do all that everyone would like to do—all at the same time. A budget is a way to schedule priorities." And in his budget message he told Congress that "desirability alone is not a sound criterion for adding to Federal responsibilties."

The President was not thinking in terms of fixed needs but of the relative priority of desirable objectives against a background of limited resources. His conception of the budget stands out in interesting contrast to that of the Senate's majority leader, who commented: "The philosophy of this budget misses the point. It is based on the assumption that there is some magic figure into which the budget should be forced, like putting a man into a strait jacket." The point is, of course, that the needs come first, and the resources (in this case, the budget) must be stretched to meet them.

WHAT ARE ECONOMIC NEEDS?

If this attitude prevails, it will be merely one more in the long series of examples of the type of thinking that is gradually destroying the value of money. It is the type of thinking that has been largely instrumental in throwing the Federal budget out of balance in all but 5 of the last 28 fiscal years and in giving America the 50-cent dollar. It is the type of thinking that is causing both Americans and foreigners to wonder whether the dollar really deserves to be ranked among the world's hard currencies, as it has been since the foundation of the Republic.

What, in reality, are economic needs? A little sober reflection is enough to show that the term is meaningless except as it is related to the available resources. Needs, quite irrespective of their supposed essentiality, cannot possibly be met unless the resources are present. The very word is a misnomer when applied to economic objectives. The question for individuals and nations to answer is not what they think they need (which really means what they would like to have) but what they prefer within the limits of what they can afford.

No economic pill has ever proved more difficult to swallow than this simple fact. Since the beginning of history, men have been impatient with the limitations of their economic environment and have cast about for ways of escaping from them. Individuals have bankrupted or incriminated themselves and nations have wrecked their currencies in the futile effort to meet needs that exceeded their resources.

Yet the effort continues on a worldwide scale, and it is by no means confined to fiscal matters. Because workers need higher wages, unions are protected and encouraged by law until they become powerful enough to exact wage increases exceeding the rise in productivity. The result is a wage-price spiral that impoverishes individuals and institutions with fixed incomes, while the increase in real wages is limited to the rise in productivity, precisely as it always has been.

When monetary authorities try to combat the inflationary effects of excessive wage increases and budgetary deficits, they find themselves hampered because workers need continuous full employment. The benefits of the technological revolution in agriculture are withheld from consumers, while surpluses of farm products reach gigantic proportions, because farmers need a predetermined level of income. Housing shortages occur because tenants need low rents, while new living quarters are priced beyond the reach of low-income receivers because families need adequate housing.

THE EASY-MONEY EXAMPLE

Nowhere is the endeavor to stretch resources to meet needs seen more clearly, and nowhere are its effects more unfortunate, than in the field of credit. In private as well as public finance, the basic problem is to establish an order of priority—to apportion the available resources among the competing claimants. The business world is crowded with applicants for credit, would-be borrowers who wish to use a share of the limited supply of productive resources, human and material. Obviously, not all these applicants can be accommodated. The function of credit is to place resources at the disposal of those who give the best promise of productive use; in other words, to select the relatively few potential successes from the many inevitable failures.

Since the supply of labor and capital is limited, while the number of persons who would like to use them is large, it is unavoidable that many applicants must be disappointed. This is most conspicuously true at a time of very active business when the outlook for earnings is exceptionally favorable and most companies are seeking to expand their operations, while many new enterprises are coming into existence. At such times, credit is said to be tight.

Actually, the tightness of credit is merely the outward manifestation of a superabundant demand for the limited supply of productive resources. But persons whose attention is fixed upon needs rather than resources conclude that something has gone wrong with the credit system so that business cannot get the credit it needs. Cries of capital shortage and inadequate financial facilities are heard. The banks, the monetary authorities, and the Government all receive a share of the blame. Efforts are frequently made to establish new financing agencies or to place governmental funds at the disposal of private borrowers. At the very least, political and popular pressure is brought to bear upon the central banking system to provide commercial banks with more money.

Insofar as such efforts succeed, the effects are inflationary. Increasing the supply of money does not increase the supply of goods and services available. It merely swells an already excessive demand and forces prices higher. Because money is used to buy goods and services, it seems impossible for many persons to avoid the specious conclusion that the more money the people have, the more goods and services they can buy.

This same fallacy is responsible for the difficulties that most underdeveloped countries are experiencing in their efforts to achieve quick industrialization. There is no question as to the needs of these countries. Needs, however, do not create resources. The capital shortage that is almost universally complained of in such areas is only another name for a lack of resources due partly to a low level of output and partly to a general unwillingness to borrow on terms that would attract foreign lenders. So, in a futile endeavor to make their own meager resources do double duty in meeting needs for consumption and investment, these countries compound their difficulties by expanding their money supply and adding an inflationary problem to their underdevelopment problem.

Whatever form it may take, the attempt to fit resources to needs instead of fitting needs to resources means trying to get more out of an economy than it is capable of providing. Rich countries and poor countries are alike in desiring more than they have, but this is not the same thing as demanding more than can be supplied. The only way to get more is by the gradual process of saving and capital formation. The manufacture of purchasing power by fiscal and monetary manipulations offers no short cuts; instead of creating goods and services, this merely destroys money. It is curious that such an old lesson should have to be relearned in the middle of the 20th century.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. CLARK. I think the New York bank letter contains two serious fallacies which have been repeated so often that, unfortunately, some of the American people are beginning to believe them.

First, it sets up the strawman of the deficit and says: If you spend more money for needed programs you will have a deficit. Then you will have inflation.

I can stand on the floor of the Senate every day, all day, from now until Easter, and so can all my friends on this side of the aisle, and say we are not going to have a deficit. The New York bank, nevertheless, will keep on saying we will have a deficit. Of course, if the premise is correct, the conclusion is sound. But the premise is a fallacy. This we must keep on saying, until we finally convince and prove to the public that we are not going to have a deficit.

The second fallacy lies in the talk about limited resources and the crushing burden of taxation, and how, if we do not look out, the whole incentive of the free enterprise system will be destroyed. That, too, is a fallacy. The fact is that we are taking far less of our gross national product in Federal taxation now than was the case at the end of World War II. I have placed those figures in the RECORD time after time. The national debt is a far smaller proportion of our gross national product today than it was at the end of World War II.

If we could only sweep away these fallacies which are repeated over and over again in the snow job which is being done by the New York banks, the Madison Avenue public relations agencies, and the newspapers of the country, who set up the strawman, and then preach the doctrine that we are wild-eyed spenders and inflationists, who are crushing the people with an unfair burden of taxation; and that, therefore, we must not have new school systems, we must not have adequate national defense, we must not have a decent home for every American—if we could get away from such fallacies, we would be better off.

Mr. BUSH. It is a question of interpretation of a question of judgment as to what is adequate and what is proper.

Mr. CLARK. The Senator is correct.

Mr. BUSH. The Senator happens to believe, in the matter of urban renewal, for instance, as to which he is certainly well versed and is one of the ardent proponents, that $400 million a year is not enough.

Mr. CLARK. The Senator is correct.

Mr. BUSH. He would like the amount to be $600 million.

Mr. CLARK. The Senator is correct.

Mr. BUSH. He believes that even that amount would be a minimum. Possibly an amount like that could be used. But where the Senator from Pennsylvania differs with his critics, including myself, on this issue is that we think, in matters such as these, it is necessary to adjust them, considering the whole picture. We cannot pick out, or let one Senator pick out, one thing, and another Senator pick out another, and each have his way about these high figures.

Mr. CLARK. I agree with the Senator.

Mr. BUSH. Otherwise, the Senator from Pennsylvania would not have a $83 billion budget, but a budget of $93 billion or $100 billion.

Mr. CLARK. If the Senator is going to refer to me in that way, I ask him to yield.

Mr. BUSH. I will yield. What the Senator has just said revolves around the question of what is adequate.

Mr. CLARK. The Senator is correct.

Mr. BUSH. I might observe that in these very critical times, when the credit of our Government is of the utmost importance to all the people and to the free world—and every Senator, I think, will agree with that—we dare not take chances with that credit; we dare not let it deteriorate; we dare not build an unsound economy, such as we would have, in my judgment, if we did what the Senator from Pennsylvania wanted to do, namely, spend $83 billion on the assumption that to do so would produce taxes of an equivalent amount.

Mr. CLARK. Let me say to my friend from Connecticut, for the second time in the last 5 minutes, that I never made that assumption. I said we ought to increase revenues by closing loopholes. They are there to be closed, and the Senator from Connecticut knows they are there. I never said that by spending an additional $6 billion more Federal revenues would be received. I hope they might be, but I do not know.

Mr. BUSH. If the Senator can produce loopholes which are really loopholes, and they ought to be closed, I think Congress ought to close them.

Mr. CLARK. We have already done so, in the RECORD, five times since this session of Congress convened. A bill will be referred to committee by the first of March.

I do not want to have the last word, so I shall leave the floor. My thanks to my good friend for having been so gracious in yielding to me.

Mr. BUSH. I appreciate the Senator's interest in this matter. I do not know how many bills have been introduced, but I cannot keep up with every single bill which has been introduced. However, I am glad the Senator from Pennsylvania may be offering some solution to our problems by introducing measures which may improve our tax income.

Mr. President, I may be mistaken—in which case I hope some of my friends

will correct me on tomorrow, if they are not here now—but I have not yet seen the Democratic Party's leadership itself introduce, as it so often does, any bills which come to grips with the tax situation in respect to closing any loopholes or meeting revenue deficits which now exist. I should like to see the Democratic Party's leadership do so, because I believe such measures have an important bearing on all these matters.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Playing With Economic Disaster," which was written by David Lawrence and was published in the Washington Evening Star.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLAYING WITH ECONOMIC DISASTER—VOTE TO INCREASE HOUSING FUNDS FEARED AS FIRST STEP TOWARD INFLATION DEBACLE

(By David Lawrence)

An economic debacle is in the making. Can it be avoided? Both Houses of Congress took on Wednesday a step that may hasten its coming. The American people may learn sooner than anybody has believed possible that a blunder was made in the election last November by giving the Democratic Party control of Congress.

For the threat now is that, if the budget is unbalanced, higher taxes for everybody will have to be enacted. And if the revenues to balance the higher spending begun by the Democrats are not to be collected by the Government, then the American people are in for an era of inflation that could send the cost of living upward and eventually bring the dollar down to a 10-cent purchasing power. This would mean international danger. For the weakness in the American dollar would have a far reaching effect on the currencies of Western nations.

The vote in the House and Senate this week on the Federal housing program is significant. It was a bold defiance of budget-balancing and an invitation to higher and higher taxes. President Eisenhower has said frankly that if the budget is unbalanced, he will demand the passage of higher taxes.

The Democrats lined up almost solidly for budget-busting and disregarded the inflationary dangers. Of the 282 Democrats in the House, 257 voted to authorize $300 million to provide direct loans to veterans for housing whenever they cannot borrow from private institutions. Only two Democrats voted with 121 Republicans against the measure. Just why any group of American citizens should be given such an advantage—especially in these days when there are outcries about "second-class citizenship" and discrimination—is not clear to anybody except the politicians. They think the relatively small number of veterans in the country who can't borrow from private loan institutions is a big enough vote to go after in disregard of the interests of all other voters. But that's selfish and misguided politics.

Democrats cast 51 of the 58 votes in the Senate against the administration's housing program, and in favor of more money than the budget provided. Only 7 Democrats voted with 25 Republicans to support the President's budget. This shows plainly that, in both Houses of Congress, the Democratic Party has become the party of the spenders and looks with scorn on the savers.

There are several bills coming up for consideration in Congress involving the expenditure of more billions than the budget provides. If the Democrats think the country is back of them, they'll make a shambles of the President's budget. There is a feeling on Capitol Hill that the country doesn't care and that the sky is the limit on public spending if a welfare label can be pinned on it. Indeed, there are many so-called economists who say that the more spent, the more the country will prosper. No private individual has ever been able to get by on a doctrine that favors spending more than one earns or borrowing more than one can pay back.

The only reason the Government can borrow large sums of money while its tax receipts are down is because people have confidence in the ultimate capacity of the Treasury to pay back what it borrows. Once this confidence is shaken and Government bonds depreciate in value, the Government has to pay higher and higher interest rates. The price of everything else goes up correspondingly.

The biggest worry in America today is how long public confidence will stand up against the spending orgy that has now begun in Congress. Doubtless, the labor unions will begin a new series of demands for higher wages if prices of the articles the workers buy start going up. It's an inflationary cycle often called the wage-price spiral. Before it runs its course, nations generally do not realize the perils ahead. Only when the shock comes and it is almost too late to apply the brakes is there a popular revulsion.

Many countries in the world have had what is termed a "runaway inflation." Before it reaches that stage, the argument is made that a collapse can't happen. Today there are many economists who are arguing that inflation has been stopped. But what happened on Wednesday of this week is proof that, despite all the debate about how inflation is being held in check, an overwhelming majority of both Houses of Congress—particularly the Democratic Party—now votes to ignore the President's plea for a balanced budget and to plunge the country into more and more deficit spending.

Nothing would please the Kremlin so much as to see the economy of the United States weakened from within by unsound fiscal policies. For an inflationary trend would make necessary even bigger spending to pay higher prices for the same armament planned many months ago.

This week was a critical one in American history, and the die seems to have been cast by the Democratic Party in favor of inflation, which means a further devaluation of the purchasing power of the dollar.

Mr. BUSH. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, an article entitled "The Ruinous Race," which appears today in the Wall Street Journal.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE RUINOUS RACE

Though letters backing the President are beginning to reach Washington, the inescapable impression is still one of considerable apathy toward his intensive struggle against inflation.

Why?

The administration itself may be partly responsible for the indifference, because of its attitude in the recent past. After a big start toward cutting the cost of Government, it began to let budgetary discipline slide and spending ascend; among other things it contributed to the staggering $13 billion deficit for this fiscal year. Now that the administration has come out strongly once again for fiscal soundness, some people may wonder if it means to keep up the fight.

Then too, the victory of many "liberals" in November may have left the impression that those who stand against inflation are but a hopeless, helpless remnant. We happen to think that a dubious interpretation of the election, but the feeling is understandable.

Beyond that, the Nation has been brainwashed for much of the past 25 years by the pseudo-Keynesian and worse economics preached and practiced in Washington. It has been drilled into people's minds that inflation is not a monster but a pal, that the Government can spend forever without the people paying, that the very notion of balancing a Federal budget is old hat.

And the inflationists can make a superficially telling point. Many people do seem to have benefited by inflation; that is to say, there are more people whose incomes have roughly kept pace than there are old and retired people whose social security payments and savings have been shot to pieces by inflation. Rationally, the point is extremely feeble, since it should not be difficult for today's jobholder to see what continued inflation will do to his own retirement.

In any case, all these causes seem to have generated an air of defeatism about inflation—a feeling that it is a fact and nobody is going to stop it. That attitude is disturbing enough. What is even more so is that such defeatism seems to be causing its own sinister reaction in the feverish hope of many people that they can race with inflation and win.

Some people perhaps can, for a while. But let us not kid ourselves as to what we are talking about. The kind of inflation that the liberal spenders in Congress would saddle this country with would be no creeping inflation. Their plans would pile deficit upon deficit, and that would mean full-blown inflation.

What we are talking about is not just the danger of a little more erosion of the dollar over the years. We are talking about the danger of an eventual financial collapse. And there are not many people who can beat that rap. Even to toy with such a risk to our future is madness.

That is why Treasury Secretary Anderson is speaking these days in language like this:

"(Economic) growth requires capital formation, through savings and investment. As a consequence, we should meet our expenditures out of current revenues in prosperous times. A current deficit and the fear of future deficits can keep people from saving because of possible loss of these savings to inflation. If we ever reach the point where people believe that to speculate is safe but to save is to gamble then we are indeed in trouble."

And this man of deliberate speech, hardly a man to conjure up hobgoblins, warns distinctly of the threat to our habits of saving, our financial institutions, our monetary system—warns, in other words, of financial collapse.

That is why Commerce Secretary Strauss pleads with businessmen to shun additional Federal spending proposals even if your industry or your locality is an intended beneficiary.

That is why President Eisenhower is repeatedly asking all the people to avoid the ruinous route of free republics of the ages past, the route of deficit financing, of inflation, of taxes ever rising, until all initiative and self-reliant enterprise are destroyed.

And that is why the country had better start shaking off its inflation apathy and defeatism and join the struggle of today which, to use Lincoln's words, is not altogether for today but for a vast future also.

Mr. BUSH. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a memorandum entitled "The Causes and Implications of the Recent Outflow of Gold From the United States." The memorandum was

prepared in the offices of the Federal Reserve Board, by one of its economists, Mr. Arthur Marget.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE CAUSES AND IMPLICATIONS OF THE RECENT OUTFLOW OF GOLD FROM THE UNITED STATES

The recent outflow of gold from the United States is not what some sensational news commentators declared it to be: a flight from the dollar. The conception of such a flight implies that foreign holders of deposits in the United States and other short-term dollar assets have been converting these dollar assets into gold. But this is precisely what has not been happening. On the contrary, in the year 1958, there was an actual increase of $1 billion in the liquid dollar holdings by foreigners and international agencies above the level prevailing in 1957.

The explanation of the outflow of $2.3 billion of gold in 1958 must therefore be sought elsewhere than in a supposed flight from the dollar. It is to be sought, specifically, in changes in the factors comprising our overall balance of payments, which led to outpayments to foreigners in an amount considerably in excess of the inpayments by foreigners to us.

Of these movements in 1958, as compared with 1957, the most striking was a sharp decline in our exports—by almost a fifth. It is being suggested that this sharp drop in our exports is due specifically to a growing lack of competitiveness of U.S. products in the international market, as a result of steadily increasing demand-pull and cost-push pressures in the United States. Of all the implications of the recent gold outflow, this is the one whose validity it is most important to examine.

It should be said at once that we must not dismiss the possibility of our someday running into serious balance-of-payments difficulties as a result of a failure to adopt policies—particularly fiscal and monetary policies—of an adequate degree of restraint. It was always wrong to suggest, as some have suggested in the past, that a country with the immense internal market of the United States need never concern itself seriously with the consequences of internal inflationary developments for its balance of payments. It is even more dangerous to make such a suggestion now. In the past, the balance-of-payments consequences of internal inflationary developments in the United States were sometimes held off because so many of our trading partners were inflating more than we were. But with the development of sounder fiscal and monetary policies abroad—a further milestone in this direction has been set by the recent steps taken by European countries with respect to the external convertibility of their currencies—it is quite clear that we neither can nor should count on inflation abroad to save us from the balance-of-payments consequences of inflation here at home. We should, on the contrary, regard the balance-of-payments consequences of inflationary developments as providing a further sanction against a failure to live up fully to our responsibilities with respect to the restraining of inflationary forces in this country.

Having made clear, I trust, that I regard this conclusion as being easily the most important policy implication of the balance-of-payments developments we were summarizing, I should like to add that this is by no means the same thing as saying that I believe that the sharp decline in our exports last year was the specific result of our having priced ourselves out of the market as the result of a failure to keep inflationary forces under control. That we are currently pricing ourselves out of the market in the field of cotton, for example, seems to me quite clear: But it seems to me equally clear that this is the result of a wrong pricing policy in the specific field of cotton exports, rather than of a general upward movement of costs and prices internally. It seems to me clear, also, that it is difficult to speak with assurance of a widespread lack of competitiveness of U.S. exports at a time when that competitiveness is not even being allowed to be tested as a result of discriminatory restrictions against U.S. exports. (In the case of coal, for example, it is quite clear that our coal is cheaper in Europe than a considerable part of European coal production is; yet at the moment Germany, which is commonly cited as a country that is outcompeting us in all fields, is currently placing restrictions on American coal imports, of a kind that has led our Government to protest vigorously.)

It is, indeed, impossible to get a fair perspective with respect to the role played in our export decline last year by an alleged tendency, of a fairly general character, to price ourselves out of the market, unless we remember one central fact about that export decline: Namely, that the big drop in our exports to other industrial countries, in particular, followed a big bulge in those exports, which, as we can now see, can hardly have been expected to be sustained at those levels indefinitely. One reason for the bulge was the aftermath of Suez; another was the overimporting by countries (Japan, France, and India are examples) that had allowed inflationary forces to get out of control internally; a third was a vigorous boom abroad, even in countries in which internal inflation was not rampant, which later simply tapered off, and in a sense lived on the inventories it had built up from goods that comprised a considerable part of our export bulge.

Let us say, then, that with both bulge and corresponding drop in our exports behind us, we are in a position now to see how our balance of payments—and the international movements of gold and dollars which adjustments in the balance of payments inevitably entail—will develop in an environment which, we hope, will be free of abnormal developments of a seriously disturbing character. In that kind of environment there is less excuse than ever for failing to live up to our responsibilities in the fiscal and monetary fields. I should like only to emphasize again that I do not for a moment dissent from the proposition that slackness in these fields could cause us serious balance of payments difficulties; and that this is an additional reason for making sure that our fiscal and monetary policies evidence a sufficient degree of rigor in the period immediately ahead of us.

Mr. BUSH. Mr. President, I yield the floor.

THE CIVIL DEFENSE PROGRAM

Mr. JAVITS. Mr. President, today it is my privilege to make some factual replies to the statement made yesterday by the distinguished Senator who now occupies the Chair; I refer to the junior Senator from Ohio [Mr. YOUNG], whose subject yesterday was civil defense program expenditures by the United States and the provisions therefor in the budget. I regret that I did not have the privilege of hearing the distinguished Senator's remarks yesterday.

Mr. President, I always believe in emphasizing the positive. Accordingly, I shall handle this subject in that way, for I think it is the best way to advance our joint interests.

First of all, Mr. President, by way of emphasizing the positive, let me say that I assume that the distinguished Senator from Ohio [Mr. YOUNG] is just as much interested as I am in the defense and security of the country, and is just as sincere as I am in his views on this subject, although our views may, at least in some respects, differ. I also certainly join the Senator from Ohio in the idea that any review of our defense posture—whether civil or otherwise—is more than amply warranted by the critical situation the country faces and by the fact that all questions of defense are in a state of flux.

The Banking and Currency Committee, of which I am a member, has partial legislative jurisdiction of the Office of Civil and Defense Mobilization; and I shall do my part in taking another look at that entire organization and what it is accomplishing and doing. I hope very much that the Armed Services Committee, which has legislative jurisdiction over the strictly civil-defense functions, will do the same.

However, I believe it important—again, as I say, in emphasizing the positive—first, to analyze the record of this agency, in order to see better where it is going and where it ought to go; and, second, not to do something which perhaps the Senator from Ohio did not realize he was doing—and I deeply believe this—namely, not to take an action which might cause the many, many persons who now are participating in the civil-defense program to have doubt as to whether they are doing anything worth while.

I notice that my colleague paid tribute to the volunteer workers—the thousands of good, loyal, patriotic American men and women who, as he put it, are volunteers, and who in the past have volunteered for the service of the civil defense. Nevertheless, when one makes a sweeping statement that what we are doing really is not worth anything, such a statement naturally puts such persons in doubt as to whether all their activities are worth while. For example, my colleague said that the civil defense has no function in such a situation; he was referring to possible sneak attacks upon the United States or to a limited shooting war or what we now call a brushfire war which might occur at some point in the world.

I also notice that my colleague asked a rhetorical question, as follows:

In this space age, with jetplanes exceeding the speed of sound, and with the dread portent of intercontinental ballistic missiles and rockets soaring into space toward targets continents apart, what justification may a public servant dedicated to the welfare and defense of this Nation find in voting to continue the vast expense of a civil defense program geared to a bygone era?

I would agree with my colleague, Mr. President, that we should not vote anything for a civil-defense program geared to a bygone era. But I could not agree with my colleague that we should not support this civil-defense program right now. On the contrary, we should support it because it is absolutely essential, and because it is something we have. So I should like to analyze my attitude on that point.

First of all, in dealing with this matter, we are not dealing with only a few persons. Four million Americans are volunteering for the civil defense, and are devoting their energies and their time and attention to it.

In addition, I believe we should consider the stakes involved. They are almost too horrible to mention. In a recent "Report on a Study of Non-Military Defense" published by the Rand Corp. which was widely publicized in national magazines and newspapers, it was estimated that we might suffer more than 100 million casualties from fallout, explosions, blasts and the other horrors of destruction resulting from all-out attack by atom and hydrogen weapons.

Under the circumstances of such dread eventualities and of the participation of so many million Americans who are engaged in this program, and who have been engaged in it for some years, we must examine, first, the validity of the effort itself and, second, the proposed expenditure, in the budget, of $86,970,000. I emphasize that the $86,970,000 is to be compared with the $41 billion which we are spending for military activities of one kind or another.

In connection with our analysis of the civil-defense activities and of the very horrible possibilities inherent in such an attack upon continental United States, let us remember a number of things. In this case I draw on my own experience in the field of foreign affairs, with which I have been associated ever since I came to the Congress in early 1947.

In the first place, the eventuality of such an attack upon the continental United States is now an established element in all military assessments and in all our strategic planning, for it is now rather generally accepted that if we were to become subjected to the horrors of another world war, the target area would be no less than the whole United States. There seems to be no question about that. That fact in itself represents a new and a revolutionary concept with respect to any world war, for in World Wars I and II the enemy "never laid a hand on us," in any real sense, to use a boxing term; the closest the enemy got to us was Hawaii.

In discussing the civil defense program and the present situation, I believe we should draw an object lesson from what occurred in California after the Japanese made their sneak attack at Pearl Harbor.

There was real alarm and real concern in California, to such an extent that the problem of social organization was a very real one, and there was felt a very grave lack of organized cadre of trained people who could even give to other human beings that reassurance which comes from a knowledge that at least somebody knows what should be done, even if it is very little, and where people should go, when they are threatened with an imminent invasion, as was thought at that time.

I think that event provided a very important object lesson in what to me seems to be the fundamental aspect of this whole civil defense picture, and that is we have got to have it. We have got to have it for the morale of this country. We have got to have it, whatever may be its small capability for helping in the situation of having a sneak attack upon our country with intercontinental ballistic missiles or whatever else in the way of weapons may eventuate. We have got to have a feeling that at least somebody is around who knows what to do, even if it is not too much, but that at least there is some organized way of approaching the situation in a local community.

So I deeply feel that the civil defense organization is essential. The minute that is said, I do not think an expenditure of $86 million is out of line for the continental United States in any major national effort of this character.

It might interest my colleague from Ohio to know why I took on this assignment. I took it on with the greatest good feeling toward my friend, and I think my colleague will find that feeling demonstrated as I go along. I took it on only in order to utilize the issue which he posed in order to further the enlightenment of our people by a discussion of this subject and by presenting the other side of the question, which, after all, is our American way. As a lawyer, I can never resist taking pride in the fact that is the way the American system works. But I had yet another reason, which I think will interest my colleague from Ohio.

I had what I think was the honor to carry the burden of the debate in opposing, in the first year I came to the Senate, 1957, a very sharp cut in the appropriation for the U.S. Information Agency. At that time, though I was a freshman, I stood almost alone in arguing, against the prestige of the majority leader himself, the Senator from Texas [Mr. JOHNSON], who was determined to materially cut the appropriation for the U.S. Information Agency. I thought he was dead wrong, Mr. President, and I fought against it.

In the same spirit, I speak today, because in the case of the USIA, there too was an agency which could have many holes punched in it. This was wrong with it. That was wrong with it. It was not really doing the job—as if any one agency of the Government could persuade the people of the world in the grim struggle in which we are engaged with the Communists.

What I fear, when once we begin to dismantle an agency of that character, when once we begin to let personnel go, and permit a slackening in its organization, is that it takes years to get it organized again. That fact was demonstrated in the case of the USIA, because we snapped back almost down to the previous level of appropriations, once we had punished, not the Agency, but ourselves, by reducing its personnel and activities. Once we recognized the Agency was essential, once we recognized that it was, indeed, indispensable to the total posture of the defense of this country, we restored it. I said at that time, even if we were wasting some money, even if its activities were bad, even if its personnel was not good, we should not dismantle the Agency, because we could not do it in the interest of our own national security.

I think the same idea applies in the case of civil defense. This is an essential element in the national security of the country, because, by submitting to the temptation of chopping it down because we do not like it or because it does not do this, that, or the other thing economically or well, we could not put it back into proper organization for years. It would take an indispensable amount of time to bring it back to what it was, as indeed would have to be done in the national interest.

The Office of Civil and Defense Mobilization today has a budget request for $86 million, which is an increase from its previous budget of $45 million—$45,285,000 as against $86,970,000. But in the request of $86,970,000 is an item of $21 million to carry out legislation which Congress adopted last year for sharing with the States and cities the cost of civil defense personnel and for providing Geiger counters to States and cities for use in determining radioactive fallout. The $21 million item represents only one-third of what the Congress authorized for this type of expenditure. Congress authorized $62 million, but only one-third of that amount has been budgeted.

It is also significant that of the $490 million appropriated since 1950 for civil defense, $219,550,000, or less than one-half, has been spent for stockpiling emergency medical supplies, blood plasma, engineering equipment, and to procure a number of emergency hospitals which have frequently been used during national disasters. About $85 million has been used to purchase civilian defense equipment on a matching basis with States and cities.

The legislation enacted last year, Public Law 606 of the 85th Congress, provides that the Federal Government shall share the costs of civilian defense with States and cities. This legislation has long been urged on Congress by the Governor's conference, by the American Municipal Association, of which Mayor Celebrezze, of Cleveland, is president, and by the U.S. Conference of Mayors. Indeed, mayors and local officials in my colleague's home State of Ohio and of my own State of New York are members of those organizations.

Also, it is important to note that the State and cities expenditures for civil defense purposes have averaged only $9 million a year. Congress enacted the legislation so the Federal Government would be authorized to do more.

I should like to point out one further fact in connection with the budget figure, and that is the OCDM now has a rather important increase in responsibilities over what it had before as strictly a civilian defense agency. For example, it is observed that the Office of Civilian and Defense Mobilization, under a budget item of $2,285,000 has a new duty under the Trade Agreements Act. It now has duties with respect to stockpiling of strategic materials. It now has duties in connection with national mobilization, including the preparation of business and labor for national emergency, the establishment of petroleum reserves, and the securing of some $6 billion worth of machine tools which we

have stockpiled against a national emergency.

Also included in the $86,970,000 budget figure is an item of $11 million for a public education program of the effect of radioactive fallout, including training courses in 15,000 high schools, and for research and demonstration of shelters.

Funds are also required for opening a new regional office in the Pacific Northwest, to serve the four States there and the State of Alaska. Such an office has long been requested by Senators from that area.

Funds will also be required to finance the civil and defense mobilization functions of other Federal agencies.

In fact, deducting the above-mentioned figures necessary for new projects, the actual operating cost of the OCDM will be less than it was the previous year.

Finally, $13 million is budgeted so that the Federal Government may contribute to the States and local governments 50 percent of the cost of civil defense equipment, a program which has been in operation for some years.

Mr. President, I interject this thought: I mentioned the very horrible danger of casualties from an all-out attack on the continental United States and the certainty of the new strategic concept which now animates planning both on the part of the Soviet Union and on the part of the United States should the holocaust of another world war strike us. In other words, both sides now think in terms of an attack on the very heart of the other side, in its own territory.

Mr. President, that brings to mind the point that no matter what one might say about these casualties and their dread character, or about the inability to protect against them with shelters or other means known to us today, one thing is certain: That if one gets away from the center of attack one does have some degree of opportunity to save his life. This is found to be true by all the experts on the subject. In other words, even if one gets away a mile or two there is a very material diminution in the casualty danger.

So, Mr. President, if the whole organization did nothing else but plan for and think through the problem of evacuation, it seems to me that $86 million would be pretty cheap, considering what is involved in terms of life and considering what we are putting up in terms of the positive side of our national defense, for the Army, Navy, Marine Corps, and Air Force—some $41 billion.

Mr. President, that is the very thing which my dear friend and colleague took occasion to criticize. He said:

> A 2-year study was undertaken—and, of course, all the persons who undertook that study here in Washington were being paid high salaries—and now the civil defense agency is about to publish and distribute 850,000 copies of a guidebook to be distributed, at Government expense, to all residing within a 20-mile radius of the Washington Monument. The purpose is to indicate an evacuation zone and escape route to cities in Maryland, Virginia, and West Virginia, where help is supposed to be available to persons forced to evacuate Washington, D.C.

Mr. President, I respectfully submit, if that is the only thing we can do—and perhaps it is—it is still a tremendously useful thing which takes enormously involved planning, which requires people to do the planning, and which requires people to do the organizing. It is tremendously useful to the posture of the country.

Mr. President, we tried this out in New York City. We actually stopped the life and the movement of the city, and had an experimental evacuation with respect to the city. We learned that with good organization we could attain an amazing amount of evacuation in the event of attack.

The head of the civil defense organization in New York City is Lieutenant General Hubner. Lieutenant General Hubner is a man of great experience. He took over the command of forces in Europe when they were relinquished by General Clay. General Hubner has been the director of civil defense under three Governors of New York, regardless of party. General Hubner, it seems to me, is a pretty good example of what can and might be done in the civil defense program.

In New York we have a very strong civil defense organization. It is probably the strongest organization in any State in the United States. We have a very comprehensive act, giving our Governor in particular very great powers in the event of an emergency caused by an attack in the State of New York. We have spent in New York more than any other State has spent, on our civil defense problems.

It seems to me, therefore, Mr. President, that if the whole effort were directed only toward the technique, the possibilities of and the organization for evacuation, considering the evidence we have that evacuation itself brings about tremendous diminution in possible casualties, then the money would be very well spent.

Mr. President, I think that is something of an answer to the statement of my colleague from Ohio, which I read from the RECORD:

> Our constituents are entitled to know if their tax money is being spent wisely in the field of civil defense.

Mr. President, it seems to me that our constituents would have quite a large claim against us, and a very righteous and just one, if we were not trying to do something about the civilian defense picture. It seems to me that $86 million for the whole United States is perhaps too little—I hope not too late, but perhaps too little, and certainly not too much.

I join my colleague from Ohio in the desire to see every dollar well and wisely spent, but I do not begrudge one penny of it to this very critical effort to protect our people in yet another area.

Mr. President, again I draw on my foreign policy experience to say that the corollary of the proposition that both sides now have in mind only the capability for attack upon the heartland of the other is the proposition that the posture of the capability for some kind of defense within that heartland also represents a factor to be considered before one attacks. I think it is now an open secret that in the territory of the Soviet Union there are very marked civil defense preparations which are very expensive ones and far more elaborate than anything we have undertaken or considered undertaking even under the budget of which my colleague complains in terms of its amount.

In addition to the other factors, of course, with respect to civil defense, it is a fact that this is an organized body of men and women, with material and establishments, which is tremendously useful to the country in any emergency. Perhaps it was a long time overdue that we should have that and should not be required to depend exclusively either upon the military forces, which ought not necessarily be diverted for that purpose, or upon voluntary organizations such as the Red Cross.

It is to be remembered that in the tragic floods in the State represented in part by my colleague from Ohio, as is true with respect to flood and storm damage in my own State of New York in 1956 and 1957, supplies and men, organized for the purpose, have been tremendously useful in saving towns, cities, and lives.

Thousands of sandbags from civil defense surpluses are being used to save towns and cities of Ohio from floods. Hundreds of cots and thousands of civil defense blankets are being used. Dozens of "ducks" from civil defense stocks are in service for rescue and evacuation. Generators are used to light rescue operations and as a temporary source of power for towns which are flooded out in Ohio. Water purifiers are used to clean the water which has been contaminated by the floods. Scores of water pumpers are being used to pump out basements and to lower the flood water level in the disaster areas. And surplus pipe is being used in the pumping operations.

The OCDM reports that 77 emergency 200-bed hospitals have been put on call; and medical supplies from Columbus, Marion, and Zanesville are available and have been used in the past. The effective use of this equipment during the hurricanes, floods, and other disasters has been repeatedly demonstrated.

In my own State, for example, in 1956 and 1957, we suffered from hurricanes Connie and Diane. At the time of the Cameron disaster in Louisiana we had another demonstration of how civil defense organization and material can be very useful, even in times when it is not needed for its essential purpose.

Recently in Ohio hundreds of civil defense workers, trained in part with Federal funds, have been used for evacuation and rescue work throughout the State. To date, 16,821 persons throughout the country have been trained for work at the Office of Civil and Defense Mobilization's training school. These workers are available for rescue work, evacuation, traffic control, and first aid.

We know that throughout the years the Appropriations Committees in both bodies of Congress, consisting of intelligent, conscientious public servants, have given studious consideration to the requests of OCDM, and, after careful search into the need for expenditures,

have recommended the appropriation of sums which have been asked for.

This Agency has a new and vigorous leader, Gov. Leo A. Hoegh, formerly Governor of Iowa, who has recently, through the President, promulgated an effective national plan for civil defense and defense mobilization so necessary for our survival in this nuclear and jet age.

I have tried to outline in a little detail—but I hope not too much detail—something which I think is fundamental in our national life with respect to civil defense. I used the analogy of the U.S. Information Agency. I do not know why it is that, in our current move, which should be one of awareness and sophistication, appropriations of $41 billion for military hardware, armed service pay, and research and development, are voted with very little question. There may be 2 or 3 or 4 days of debate in the Senate on such an authorization or appropriation, as the case may be, or both; and the money is voted and spent. In round figures, such appropriations represent more than 50 percent of our budget. Yet when it comes to the United States Information Agency, which is fighting the propaganda war, or the Civil Defense Agency, which is designed to put us in some domestic posture of at least a modicum of confidence by reason of having an organized body of men and women who can give us a slight amount of help if the dreadful holocaust should strike; or when it comes to an appropiration of $700 million or $800 million for economic aid to the peoples of the free world whose hearts and minds it is absolutely essential for us to win for the cause of freedom if the free world is to survive—with respect to expenditures for such purposes, we are always crushed by the burden of taxation imposed on the people of the United States.

We should all grow up. I am not speaking only to the distinguished Senator who made the speech referred to. I believe the program is a good thing. Let us test it out. Let us find out what it is all about. Let us scrutinize the program. I am convinced that if we dig into the civil defense problem thoroughly, the appropriation will not be less, but greater. There is a grave deficiency in our law, which concerns 4 million devoted people who, if they are injured or killed in line of duty, receive very little consideration from the U.S. Government, notwithstanding the fact that they are serving a very essential function of the U.S. Government. So the program may cost us more rather than less if we look into it carefully.

I have devoted myself to this subject this afternoon in the spirit of discussing both sides of the question, and in the expectation that the country can do nothing but profit from the debate and investigation with respect to the subject which my friend and colleague took the initiative in bringing up.

I think we must understand better that we are not only engaged in a total struggle for freedom, but also in a total defense with respect to freedom. Whether it be civil defense, the U.S. Information Agency, economic aid, or any one of a dozen other programs, they are absolutely essential. In many respects appropriations for those purposes are just as essential as appropriations for troops and armament.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CARROLL. I have listened with a great deal of interest to the very fine presentation by the distinguished senior Senator from New York. I am mindful of the comments of the very able junior Senator from Ohio [Mr. YOUNG]. As I understood his statement in the RECORD yesterday, what the able Senator from Ohio was trying to do was to eliminate unnecessary waste and unnecessary spending.

I wish to go on record now as endorsing both the concept of the Senator from Ohio and of the Senator from New York. I commend the Senator from New York for expressing his views on this subject, which he has not only the right, but the duty, to do. The great civil defense program being undertaken in New York City is far larger than any such program in my State of Colorado; and, I suspect, larger than any such program in Ohio.

Notwithstanding our desire to cut the budget, notwithstanding our desire to eliminate unnecessary spending wherever we can, it seems to me that whatever the increase is, if it is a reasonable increase, it will not cost the people of the Nation more than a fraction of a cent apiece to have some sort of civil defense program. We cannot justify, on any moral or ethical basis, the failure to have some sort of program.

Senators ask, "Why do we not do more for civil defense?" We are spending so much on the military, and our budget is now so great and our revenues are so limited in relation to what we are spending, that we cannot afford to enter into as extensive a civil defense program as we should.

As the able Senator from New York has pointed out, some of us were in World War I, and others were in World War II. Does any sensible person believe today that if world war III should come—and God save us if it should come—this Nation could escape atomic warfare? I believe no sensible person would make such a contention.

Now, let us consider the next problem. If we do get into atomic warfare, Americans will die by the hundreds of thousands—yes, by the millions. Is it too much to ask that we have a modest civil defense program to better protect our people and reduce potential casualties? The truth is that the present program is too small. The question is, How much can we afford?

Only a few months ago I happened to be on the island of Oahu. There on a mountain I saw an old artillery fortification. The cannons had been taken down. Warfare has changed since the days those cannons were used. Within that great mountain were tunnels. What was stored in those tunnels? They were the headquarters of the civil defense organization. There were great quantities of blood plasma, taken there by the Honolulu Police Department. There are many civilians devoting their time to this work.

The Senator from Ohio has a good point when he asks whether some of the top positions in civil defense are being used to provide jobs for defeated political candidates. I think that is a fair inquiry.

Are those workers skilled in the job of civil defense? Or are we giving the leadership of a vital program, on which the American people are spending millions of dollars, to defeated and discarded politicians?

I am not speaking of the present. I am looking back into the past. I am thinking not only of Republicans, but Democrats as well.

When we are spending the amount of money involved in this program, we are entitled to have workers who are skilled in the field of civil defense. We are entitled to have learned and able men make studies. As the able senior Senator from New York has pointed out, this program can be extremely critical. We shall know more about the situation in the next 2 or 3 months. With the Berlin crisis facing us, we are passing through one of the most critical phases of American political life.

We must avoid being saddled with hacks in the vital jobs, about which the junior Senator from Ohio has spoken. We are spending an insignificant amount of money on civil defense. It costs the taxpayers of the country less than 10 cents out of every hundred tax dollars for the present civil defense program. Therefore I see the merit of the argument on each side—the argument made by the distinguished junior Senator from Ohio and the argument made, in the best democratic tradition, by my good friend, the senior Senator from New York. The question of the value of the civil defense program has been raised, and in solving the problem we must be careful not to be penny wise and pound foolish.

Mr. JAVITS. I thank my colleague from Colorado. I should like to say to him that he interprets correctly the mood, if not the words, of the Senator from Ohio. It would be a privilege for me to join in the effort that must be made in doing what we believe ought to be done, within the limits of our competence, and to see to it that we are getting a dollar's worth for every dollar we spend. It is certainly necessary to eliminate hacks who have come into high places in the civil defense program.

I might point out in this connection that we Senators have a way of laying on with a broad sword, and I also know of the necessity for getting at the specific and selecting what we ought to do and what we ought not to do.

What concerns me, for example, was my colleague's statement, which I read:

> My view is that here is a place where we may save taxpayers millions of dollars and in no manner place this Nation in jeopardy, were we to curtail or eliminate civil defense expenditures and do away with unnecessary and unproductive high-salaried civil defense officials.

Well, Mr. President, I am not for eliminating and for curtailing. I am in favor of refining and making precise and effective and efficient. I am against high

salaries. For example, if I had a corporation president of a corporation in which I had stock, and he was earning my corporation $10 million a year, I would gladly pay him $350,000 a year in salary. If, on the other hand, the president were ruining the corporation, I would not pay him 10 cents. That goes for civil defense directors, Senators, members of the Cabinet, and individuals. Everyone is entitled to be paid what he is worth.

Therefore I agree with the Senator from Ohio that we should curtail unnecessary and unproductive high salaries in civil defense.

The high salaries paid in Government, in this modern day, are getting to be something of a joke to the American people. Some people think $20,000 or $25,000 is a high salary.

I do not believe that the Senator from Ohio or I would object to paying $20,000 or $25,000 in salary to a high class man who would do an effective job and who would do the work efficiently. I am sure he would agree with me that we do not want stooges or hacks or discredited people in high-salaried jobs. We do not want people in those jobs who are not good for anything else.

So I close, Mr. President, with the hope that we may, taking our lessons from a mutual analysis of the situation, and finding our respective weak points, from our discussion of the subject, in which I have been enlightened and aided by my good friend from Colorado, at the same time appreciating the initiative of my friend from Ohio—although I do not agree with his major premises—go forward in the situation in order to see what we are really doing, what we really ought to do, and what it ought to cost, and being in favor of that cost, considering the absolutely indispensable element of the national security, which it represents.

Mr. CARROLL. I should like to say a few more words while the Senator from New York is still on the floor. I wish the RECORD to be clear that I have no desire to reflect on the present occupant of the high office at the head of civil defense. I do not know the gentleman. I know nothing about his background. Therefore it would be presumptuous to include him in a general category of questionable appointments. I do wish to say this, however. What I have to say applies to more than civil defense. It explains also why I am in support of the stand taken by the Senator from Ohio.

Recently I read in the public press that a distinguished Coloradan, James Smith, who had been brought to Washington to head ICA, and who, I am ready to believe, did a magnificent job in that position, was to be elevated to be Secretary of the Navy.

Several responsible press sources have reported that he did not receive the approval of the chairman of the Republican National Committee because he had not given enough attention to the personnel recommendations for Republican jobseekers which had been made by the chairman. I cite for example an article appearing in the New York Times on February 7 by E. W. Kenworthy entitled "Mr. Smith Leaves Washington After Alcorn Revises Scenario." I ask unanimous consent that the article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Feb. 7, 1959]

MR. SMITH LEAVES WASHINGTON AFTER ALCORN REVISES SCENARIO

(By E. W. Kenworthy)

WASHINGTON, February 6.—The Republican National Committee was grinding out a sequel today to "Mr. Smith Goes to Washington," and party managers hoped it would do well at the party's box office.

Mr. Smith—in this case Mr. James H. Smith, Jr.—quietly left Washington for his home in Aspen, Colo., last Saturday. This was a few hours after he had turned in his resignation as Director of the International Cooperation Administration.

Mr. Smith went home, it was understood, a disappointed man unlike the Mr. Smith of the film success of the 1930's, who managed to survive the political pitfalls of Washington.

The present Mr. Smith had not received the appointment to succeed his friend, Thomas S. Gates, Jr., as Secretary of the Navy as he had confidently expected and as the administration had confidently planned.

Mr. Smith had taken the ICA job in the summer of 1957 on the understanding that he would leave it in January 1959. He was highly regarded in the administration for his performance in the post, and for his prior service as Assistant Secretary of the Navy.

The barrier was placed in Mr. Smith's path, administration and party officials agreed today, by Meade Alcorn, Republican national chairman. Mr. Alcorn was also said to be blocking the appointment of a Connecticut Democrat as Mr. Smith's successor.

Republican politicans made no secret of the fact that Mr. Alcorn had put a big black mark against Mr. Smith more than a year ago, shortly after Mr. Smith became head of the ICA, the foreign aid agency.

At that time, it was said, Mr. Smith and Mr. Alcorn had a frank talk during which time Mr. Smith told Mr. Alcorn that he was not going to give jobs to Republicans simply because they were Republicans.

Since then, several little black marks have been set against Mr. Smith's name in the book kept at party headquarters at 1625 I Street.

ACCEPTED AND REJECTED

One of these involved a person working at party headquarters—a trained professional worker, it was said—who applied for a job at ICA and was accepted. When Mr. Smith learned that this person had been working at Republican headquarters, it was related, he refused to approve the appointment.

One party official summed up today Mr. Alcorn's attitude toward Mr. Smith:

Jimmie Smith was unnecessarily neutral.

A further development in Mr. Smith's story, it was reported, concerned Henry R. Labouisse, a longtime Government official. C. Douglas Dillon, Under Secretary of State for Economic Affairs has been suggesting Mr. Labouisse as the new Director of ICA.

SERVED U.N. IN NEAR EAST

Mr. Labouisse retired last June as director of the United Nations relief and works agency for Palestine refugees. Prior to his 4 years in the Near East, he had held several State Department posts connected with foreign aid.

Because of this professional experience Mr. Dillon wanted Mr. Labouisse. This choice had been cleared all the way up to the White House, officials said today.

However, Mr. Labouisse comes from Connecticut—the home State of Mr. Alcorn, and he registered there as a Democrat in 1941. An associate explained today that this was more than Mr. Alcorn could be expected to endure without outcry.

Mr. Alcorn's outcries, it was said, have induced a sympathetic response from Senator PRESCOTT BUSH, Republican, of Connecticut.

Senator BUSH has said that if the administration is "looking for a professional" to head International Cooperation Administration it can find him in Leonard J. Saccio, now the agency's Deputy Director.

Mr. Saccio comes from Connecticut. He is a Republican.

Associates of Mr. Smith gave this account of how he came to Washington and left it.

When he took the ICA job, it was said, he was led to believe, these officials said, that in due time he would succeed Robert Cutler as Special Assistant to the President for National Security Affairs.

However, Mr. Cutler resigned for health reasons last June, too soon for Mr. Smith to take his post. As a consequence Gordon Gray, head of the Office of Defense Mobilization, was appointed to succeed Mr. Cutler.

Some time ago Secretary Gates, who was planning to resign, approached his Under Secretary, William F. Franke, and asked if it were true, as he had been informed, that Mrs. Franke did not wish a promotion to Secretary for health reasons. Mr. Franke, according to officials, said this was so.

Thereupon, it was said, Mr. Gates undertook to get the appointment for his friend, Mr. Smith.

According to associates of Mr. Smith, Mr. Gates told Mr. Smith that everything was set. But Mr. Gates also told others the same thing, and the appointment got in the papers before the White House had given the final word.

Thereupon, it was said, Mr. Alcorn got busy. Mr. Franke was persuaded to change his mind.

Mr. Smith left Washington last Saturday. On Monday, Mr. Gates' resignation was announced, effective next June. His successor will be Mr. Franke.

Mr. CARROLL. Mr. President, this is one of the reasons I say we ought to begin taking an interest in these important appointments. It is a congressional responsibility as much as it is an executive responsibility, and we must take an interest in these matters.

Last year an important investigation was conducted by the House of Representatives Subcommittee on Legislative Oversight. One of the principal findings of that committee during its investigation was that so far as the independent regulatory agencies and commissions were concerned, the ability, efficiency, experience, character, and integrity of those who are to be appointed to responsible positions must be thoroughly examined and given greatest weight before an appointment is made.

It is the responsibility of the executive branch of the Government and also the responsibility of Congress to investigate and to hear and to discuss the qualifications of the men who are to exert an enormous influence in the operation of our Government.

Therefore, I commend the Senator from Ohio for taking a stand against unnecessary expense, and I urge upon him the issue raised by the distinguished senior Senator from New York.

In an organization of the kind we are discussing there is bound to be some

waste at some time or other. But I believe it would be a great disservice to the people of this Nation not to increase the appropriations for civil defense. At the present time they are very meager indeed. They are actually so meager that the organization is short handed, and is prevented from doing the kind of job it ought to do. They are able to do only the minimum amount of work that must be done. We have seen what happens when the right job is not done, because we have not given them enough money to do the kind of job that ought to be done. Unfortunately it would cost billions of dollars to do the job properly. However, some day—and we hope that day will never come—we may have to spend that kind of money. At present we are giving the Civil Defense Agency a trifling amount of money.

We are spending less than a hundred million dollars on the program. As I have said, it costs the American taxpayers less than 10 cents out of every hundred tax dollars to support the civil defense program. On February 6 the distinguished Senator from New Hampshire [Mr. BRIDGES] put into the RECORD a table showing how every $100 of taxpayer's money is spent. Out of each $100 paid by a taxpayer, $59.50 is spent for defense; $10.50 of each $100 goes to pay the interest on the public debt. It is deplorable that with $59.50 out of every $100 of taxpayers' money spent on defense, we are allocating no more than 10 cents out of each $100 for civil defense.

We must at least have a skeleton civil defense organization, although for security reasons and for the ultimate best protection of the people we should have far more than a mere skeleton organization. The organization should have the money it needs. By the same token, however, we should prevent the type of people about whom the Senator from Ohio directed his very pertinent remarks, from being given high paid, responsible, political appointments.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Ratchford, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. YOUNG in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Lester L. Cecil, of Ohio, to be U.S. circuit judge for the sixth circuit, which was referred to the Committee on the Judiciary.

SELECTION OF LEADVILLE, COLO., AS ALL AMERICA CITY

Mr. CARROLL. Mr. President, I am most happy to call to the attention of the Senate the selection of Leadville, Colo., by a notable board of judges as a winner in the All America City contest sponsored annually by Look magazine.

Naturally, I am most happy at the selection of Leadville for this high award. I know of no city which is more deserving, for it has faced many discouragements, took them in stride, and came up smiling and eager to make Leadville a better place to live.

Nestled in the clouds, 2 miles above sea level, it is a small city which has figured prominently in the history of Colorado. Its mines have poured forth millions of dollars. Great fortunes were made there, and the hardy citizens used much of this money to build a better Colorado. The first store of the nationwide May Co. chain of department stores was in Leadville. There Charles Boettcher, father of the beet-sugar industry in the West, got his start. Charles S. Thomas, a distinguished former U.S. Senator, first practiced law in Leadville. I could go on and on in telling of the exploits of those who made their start in the once booming mining camp—one of the lustiest and most riproaring in all the West.

Other mining camps folded up and became ghost cities. But not Leadville. It carried on because there dwelt within its borders people of spirit and people of imagination. They did not despair in the face of adversity, but instead pitched in and worked to build and progress. The odds were not too great, because they retained the frontier spirit. They had spirit and optimism.

I am proud of Leadville for its fighting spirit. I have many happy memories of that 2-mile-high city and its fine people. The genuine and sheer bravery of its hardy citizens inspires the people of the entire State.

In citing Leadville for the award, coveted by many hundreds of cities, Look magazine said:

> In the lusty, roaring 1880's, this mining town, perched 2 miles high in the Rockies, was jammed with fortune hunters. Leadville was called the Magic City, because here some of the Nation's great fortunes in gold, silver, and other minerals were made and sometimes lost. Until recently, it was still more of a mining camp than an organized municipality. By 1952, its citizens (latest count 4,500) realized it was time to modernize their town whose economy hinges on the world's largest molybdenum mine in nearby Climax. The first start was a $699,000 bond issue for schools. The same year, Leadville got its first sewers and sanitation plant with a $200,000 bond issue. The next year, a big volunteer effort, plus a limited budget, brought the community a recreation program, three ball parks, an all-purpose park and playground and an enclosed swimming pool. With Federal funds matched by wide citizen support, the community completed a modern million-dollar hospital after a 4-year campaign. And in 1957, Leadville spent over $200,000 for its first street paving project. The city has witnessed more improvements in the last 7 years than in the last 70.

The citation from Look magazine tells only a part of the story of the courageous and public spirited men and women of Leadville who have made that fine city a better and more pleasant place in which to live. Nature was kind to Leadville. Its majestic scenery is unequaled. Its towering mountain peaks lend a grandeur that is breathtaking. It is near the headwaters of the Arkansas River, and the mountain snows furnish the water for a vast area.

Probably the story of H. A. W. Tabor and Baby Doe Tabor is the one heard most frequently about Leadville. The tragic story of the Tabors has been retold many times. But there are many, many historic facts of more importance than the Tabor story.

Leadville is not living on its past. It is interested in the present and the future. That interest resulted in the selection of Leadville as one of 10 all-America cities. I know my colleagues will join with me in appreciation of the public spirited citizens who have made the honor possible.

THE BUDGET AND EXECUTIVE BRANCH REQUESTS

Mr. JOHNSON of Texas. Mr. President, I have no intention of reopening yesterday's debate. The record will speak for itself; and I believe the record is clear.

However, I believe that one aspect of the debate over the budget has not yet been fully covered: It is the true nature of the problem Congress faces, a problem regarding which the Congress needs help, not opposition, from the executive branch.

Mr. President, somehow there has been presented a picture of one branch of the Government fiercely determined to hold the line on spending, and another branch determined to spend and spend and spend. I believe that is a distorted picture.

What has really happened is that the President, through the Budget Bureau, has sent to Congress a number of recommendations. Some of those recommendations—and I speak in measured words—call for increased spending; some call for decreased spending; and some call for spending about the same amounts.

The President has also stated that he will "hold the line" against certain unspecified increases in amounts.

Among the increases the executive branch has asked for is $4,555 million of supplemental authority for the International Monetary Fund and the International Bank. For some reason, the President has requested that Congress place that item in this year's budget. I have been assured by the chairman of the Senate Foreign Relations Committee, the distinguished junior Senator from Arkansas [Mr. FULBRIGHT] that full and thorough hearings will be held on this proposal. The committee will seek to determine, among other things, the urgency for action in this fiscal year, rather than in the next fiscal year, which begins July 1.

In the 1960 budget the President also has his requests for increases in appropriations, some of which he wants recorded for the current fiscal year: for Mutual Security, an increase of 26 percent; for the Office of Civil and Defense Mobilization, an increase of 80 percent over the amount of last year—as so thoroughly and eloquently pointed out on yesterday by the distinguished junior Senator from Ohio [Mr. YOUNG], who

now occupies the chair; for the U.S. Information Agency, an increase of 6 percent over the amount of last year; for the Fish and Wildlife Service, an increase of 12 percent over the amount of last year; for State Department salaries and expenses, an increase of 10 percent over the amount of last year; for the Bureau of the Budget itself, an increase of 2 percent over the amount of last year—contrasted with a 2 percent cut which has been ordered this year for employees in all Government agencies except the Bureau of the Budget. Although the order was to cut the number of employees in all other agencies, apparently that rule has not been applied to the Bureau of the Budget itself.

Presumably to offset those increases, word has gone down the line that the President will hold the line against unspecified increases by a coequal branch of the Government—the Congress—in the case of building homes for people, in the case of building airports for the jet age, in the case of urban redevelopment for the great metropolitan areas of the Nation, and in the case of many other proposals.

Mr. President, I have never believed in the idea of verdict before trial. I shall not pass judgment upon the President's requests for increased spending authority until I have heard all the facts and until he has had a chance to justify the increased spending he has requested authority to make.

I know of only one way the Congress has to obtain the facts: It is to hold hearings, by means of the appropriate committees—committees which can call expert witnesses, and can have the cold figures spread on the record, where they can be studied by all who will listen and learn.

On issues such as these, I would remind my colleagues that Congress must act as a jury. Congress has a responsibility which cannot be abdicated to the Executive or to anyone else. Experience has generally shown that Congress cuts some requests, leaves some as they are, and increases some.

Mr. President, when I conclude this term, I shall have spent almost 30 years in the legislative branch of the Government. I say on my responsibility as a member of that branch of the Government—so that all who will read or hear may be informed—that few Congresses have not reduced the Executive's requests overall.

Mr. President, it is my belief that this will be a prudent and, I trust, a cooperative Congress; and it can be helped much more by Executive cooperation than by efforts to secure a verdict before the evidence has been given and before it has been weighed.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD certain figures which I now send to the desk. The figures for the increases in amounts which I should like to insert in the RECORD are those I stated a moment ago in the case of the International Bank and the International Monetary Fund; also the $38,685,000 increase for the Office of Civil and Defense Mobilization, for 1960; the $864 million for foreign aid, again for the fiscal year 1960; an increase in the neighborhood of more than $7 million for the United States Information Agency, also for the fiscal year 1960.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

(a) $4,555,000,000 in the International Bank and the International Monetary Fund (for this fiscal year).

(b) $38,685,000 for civil defense (for fiscal 1960).

(c) $864,000,000 for foreign aid (again fiscal 1960).

(d) $7,000,000 for the USIA (fiscal 1960).

Mr. DIRKSEN. Mr. President, I did not hear all of the observations made by the majority leader commenting on increases in the President's budget.

Mr. JOHNSON of Texas. I shall be glad to supply the Senator with a copy.

Mr. DIRKSEN. I did come into the Chamber in time to hear him allude to one increase. I like always to make sure the whole record is made. In the case of the Office of Civil and Defense Mobilization, it was increased from $45 million-plus to $86 million-plus. All one has to do is break the figures down and see how the increase developed. Obviously the President does not do it. It has to be done by legislation. So it is, in my judgment, the responsibility of Congress.

I remember the very spirited debate we had last year on civil defense. When we got through we in this Congress added $21 million to the appropriation for civil defense for the purpose of cooperating and sharing with the States. That was not the President's responsibility. That was ours. Congress did it. It was simply carrying out a mandate of Congress.

When one examines the budget and the different increases, he will find many of them are nothing more than pay increases which have been mandated by the legislative branch.

I shall, in due course, examine the statement, and make comments on all the items referred to and exactly how those increases eventuated.

Mr. JOHNSON of Texas. Mr. President, I have not pointed out at any time that these increases should be made or should not be made. I merely pointed out that the Congress has yet to even hear testimony on why they are made.

I do not know who is kidding who when the assertion is made that pay increases required a doubled appropriation so far as civil defense is concerned. I am not aware anybody's pay has been doubled by any act of Congress. So it is another attempt to confuse the people.

I think what the people of the country had better do is sit back in their chairs and wait until the testimony is in, wait until the witnesses are heard, wait until the explanations are given, and then form their judgments based upon the record, instead of propaganda.

STATEMENT BY FORMER SENATOR KNOWLAND BEFORE YOUNG MEN'S REPUBLICAN CLUB OF KING COUNTY, WASH.

Mr. CURTIS. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a speech delivered this last week by the Honorable William F. Knowland, a former leader in this body, and one of the Nation's great citizens.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH OF WILLIAM F. KNOWLAND, ANNUAL BANQUET, YOUNG MEN'S REPUBLICAN CLUB OF KING COUNTY, THURSDAY EVENING, FEBRUARY 12, 1959, OLYMPIC HOTEL, SEATTLE, WASH.

Fellow Americans, this is no time for defeatism. It is the time for reflection, for constructive criticism of past action or inaction, for reorganization, and for a forward movement along the whole front.

It was Abraham Lincoln in 1858, the year of his defeat for the Senate and 2 years before his election to the Presidency, who said:

"If we could first know where we are and whither we are tending, we could then better judge what to do and how to do it."

For us as Americans and for us as Republicans has come simultaneously the imperative need to stop, look, and listen in order to determine, if possible, "where we are and whither we are tending."

The Whig Party failed to do this in the 1850's and passed out of existence.

The Nation in the 1840's and 1850's failed to solve the slavery question and the decisions were finally made in the fiery crucible of a great civil war.

There is much talk these days about the need for precinct organization. This is, of course, vitally important. But to make this No. 1 on the list is to put the cart before the horse.

It seems to me that as Republicans we must first determine for what we stand rather than for whom we stand.

Neither our domestic problems nor our international dangers can be determined safely by officials selected on the basis of the best Pepsodent smile nor on the basis that regardless of the principles or policies for which he stands that the incumbent of one's own party has permanent tenure in the office he holds.

Such an approach in these critical times can lead to decay in our party and disaster to our Nation.

It is far less fatal for a party to lose an election than to become all things to all men in order to win it.

Would it not be well for Republicans (and Democrats for that matter) to hold annual conventions in each of our States in order to get a real grassroots understanding as to what the rank and file think and the things for which they want their party to stand?

I do not believe this can or should be left to the officeholders alone. The party is far bigger than any gathering of incumbents on the local, county, State, or National level.

At times the officeholder may think his own reelection is more important than giving the people clear-cut decisions on major policy matters. To him it may be, but to the party and the Nation vacillation and postponing the decision may lead to a more violent outburst later on, as was the case 100 years ago.

Some basic decisions need to be thought out and fought out ahead of the national nominating conventions.

No single person or small group has the answer to all our problems as a nation or a party. But I do have a confidence that out of the ranks of the people will come the principles and the leadership to again save our Nation at one of the great turning points of history.

Nations, parties, and individuals have both victories and defeats. They can and should learn from both.

I have no regrets for having raised the issues or having made the fight in California

last year. It helped, I believe, to alert the people of our State and of the Nation to some of the problems ahead of us.

Despite misrepresentation of my position and the propaganda efforts of the labor bosses, the facts of the matter are that I believe in strong and effective unions.

I said last year and I repeat now:

"Unions should be responsible to their own membership and to the American public. With power must always go responsibility. Collective bargaining must not become collective bludgeoning."

Since last November, James Hoffa has announced his intention to have every policeman wear a Teamster membership button.

I do not believe this would be conducive to impartial law enforcement, for the public good nor indeed, in the best interests of labor unionism as a whole.

How can we best preserve our priceless heritage? That is our challenge as a nation, as a party, and as individuals.

You here will play a part in the great decisions that will win or lose this historic battle.

What are my beliefs in this regard?

I give them to you, as the reflections of one who for 30 years has been active in the ranks of the Republican Party and for the past 13 years as a Member of the U.S. Senate during the last 6 years of which I served as both majority and minority leader:

1. We must preserve the Federal constitutional system and actively oppose the tendency to break down State lines.

2. We must preserve American competitive enterprise, from the monopolistic onslaughts of both big business and big labor.

3. We must stand for responsible and solvent government on the local, State and National level.

4. We must stand for the protection of the individual citizen against the enroachments of the criminal underworld, labor goonsters or business racketeers and this is and should remain primarily the responsibility of local and State authorities.

5. We must stand for the protection of our Nation, its constitutional Government and the free world, and for this we must primarily depend on the Federal Government and such reliable allies that care to be associated with us in this common effort. We must understand that you cannot purchase either individual or collective friendship.

6. We must preserve the incentives that will continue to encourage investors to take risks to start new businesses or enlarge existing ones so that more job opportunities will open up for our increasing population. Too high a tax structure, invasion of the Government into price fixing, and labor's enroachment upon responsibilities belonging to management can weaken if not destroy these incentives.

7. Government should not become confiscatory in its tax levying. Except in case of war, Federal income taxes should not exceed 331⅓ percent of personal income nor more than 40 percent of corporate income. Out of the earnings of corporations and the savings of individuals must come the capital investment to keep American industry ahead of that of the totalitarian Socialist-Communist state.

8. Every American citizen of voting age is entitled to vote based on standards of qualification applicable without regard to race, color, or sex. The citizens of all the States have an interest in seeing that the citizens of none of the States are denied such rights.

9. Federal funds will ultimately lead to Federal controls. Federal encroachment in the field of education should be resisted.

10. In guarding the rights of one group we must not abuse the rights of other groups. The right to determine ones religious, fraternal, and social associations is fundamental and should not be surrendered upon any pretext of protecting minority rights.

Now these are not all inclusive by any means. But to me all are pretty fundamental and furnish a point around which large numbers of present-day Republicans, Democrats, and independents (North, South, East, and West) might join together with a common objective and a mutuality of interest.

Once we establish a large area of agreement on principles, we are then in a position to sign up large numbers of workers who can campaign with intelligence and enthusiasm for the candidates running on an understandable and agreed program.

Too often now the worker is unclear as to what his party stands for or who the party spokesman is. He may find his candidates for several offices opposed to each other on rather fundamental issues. This only adds to disunity and discouragement to the precinct worker and confusion among the voters.

Our Nation would not have been founded and the Union would not have been preserved if men and women had not been prepared to stand for certain fundamental principles, regardless of cost.

The preamble to our Constitution states:

"We, the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America."

The Constitution provides for its own amendment. By two-thirds vote of both Houses and ratification by three-fourths of the States.

Under this and related provisions our Constitution has been amended 22 times.

While it is a cumbersome process, neither the executive, legislative, or judicial branches should seek to or be allowed to short circuit this procedure in letter or in spirit.

Relating back now to the 10 principles of constitutionalism, let us examine specifics.

1. The growth of the Federal Government has been astronomical in character. The executive, legislative, and judicial branches have all at one time or another expanded Federal power and whittled away at the rights of the States. This trend needs to be reversed now before we pass the point of no return.

2. The Republican Party should forthrightly fight for the American private-enterprise system. New Dealers with governmental economic control of prices and wages are as dangerous to the future of free enterprise as are avowed Socialists who believe in Government ownership of the means of production. Whenever the people want New Dealism or socialism they will take the original and not a faded carbon copy.

3. No responsible official can ignore the fact that today our public debt is over $300 billion and that the interest on it amounts to over $8 billion a year.

This interest charge is greater than all income into the Treasury as late as 1941 and all expenditures as late as 1938.

The time has come for a drastic curtailment of foreign aid as a necessary step to putting our domestic finances in order. Foreign aid is used as a leverage for all kinds of local projects.

Sooner or later the overburdened taxpayer is going to ask if there is any more excuse for his paying for unconsumed agricultural products than for unsold refrigerators, unused paper or uncrated bicycles.

4. A government that cannot protect the legal and constitutional rights of its citizens is not worthy of being supported.

Our ancestors left the old world to get away from compulsory church membership. Compulsory union membership can negate the basic freedom of choice which Americans once held dear.

5. Freedom is indivisible. Lincoln said our Nation cannot be half slave and half free. Nor in our time can the world.

It has never made sense to me for American funds to be used in support of Communist Yugoslavia or Poland. Between them they have received over $2 billion.

This same sum of money very likely could have given us an earth satellite ahead of the Soviet sputnik.

How much more effective this would have been on friend, neutral and Communist alike than pouring our free enterprise dollars into these Communist sinkholes.

6. At Washington and throughout the Nation there are doctrinaire forces that believe in a regimented economy.

Under the slightest pretext they will move openly to reestablish OPA type controls over prices. Inevitably, this will lead to wage and commodity allocation controls and to the same chaotic conditions existing in 1946 and 1947, which brought the end to OPA.

There has been, in some quarters, a steady encroachment of labor upon the responsibilities of management that is becoming a detriment to small business and tends to cause small operators to sell out to larger competitors. This trend whether resulting from inequitable labor demands or a growing multiplicity of tax burdens is most harmful to our economic structure of which small business is an integral part.

7. Today the Federal Government is a major partner in most of the larger companies of the Nation, taking 52 percent in corporate income taxes.

The personal income taxes, Federal and State, are at the point where they put a wet blanket on the incentive which helped to build our Nation from a small colony of 3 million on the Atlantic coast to a great world power of 170 million, the most productive the world has ever known.

The drying up of savings for investment could slow down the continued modernization of American industry which is so essential if our productivity is to keep ahead of the Soviet Union.

8. Those who believe in States rights, as I do, will be on firmer ground if the constitutional right of citizens to vote without discrimination on grounds of race, or color is clearly manifest in all 49 States.

Then the power and dignity of the States to run their own affairs will rest on a firm foundation not easily assailable by those who would make the States, in effect, Federal provinces.

9. If there is any function in which the local people should keep control it is in the field of education. Where Federal funds go, ultimately Federal control will follow.

There is no such thing as free Federal money. It comes from the people residing in the 49 States. However, a dollar flowing from the States to Washington suffers substantial attrition before it comes back as a grant-in-aid.

10. The American Constitution was founded on the principle that the individual had certain rights that neither the Government nor even tyrannical temporary majorities could take from him.

For example, not even a unanimous vote of Congress, the approval of the President, or the action of the Supreme Court can take away his freedom of religion, press, or right to peaceably assemble and petition the Government for a redress of grievances (first amendment).

The right of citizens of the United States to vote shall not be denied by the United States or by any State on account of race, color, or previous condition of servitude (15th amendment) or by reason of sex (19th amendment).

As we have already pointed out, approval of amendments takes a two-thirds vote of each House of Congress and three-fourths

ratification by the States. No bill of attainder or ex post facto law shall be passed (sec. 9, art. I).

There is one section of the Constitution that cannot be amended even by the amending process. Article V states "and that no State without its consent, shall be deprived of its equal suffrage in the Senate."

Minorities as well as majorities can at times be arbitrary as against the right of an individual to select his religion, his occupation, his fraternal colleagues or his individual associates.

The great asset of our way of life is that we uphold the dignity and independence of the individual citizen and our Constitution makes certain that the State is his servant and not his master. We believe in a divine being and communism is a Godless tyranny.

These are the great contrasts with totalitarian communism or fascism.

On these basic differences there is not and there cannot be any weakening of our faith or our beliefs.

We are admonished by II Corinthians: "Be ye not unequally yoked together with unbelievers: for what fellowship hath righteousness with unrighteousness? and what communion hath light with darkness?"

Almost 100 years have passed since Abraham Lincoln's election to the Presidency. His words come ringing down through the ages: "Fellow citizens, we cannot escape history * * *. The fiery trial through which we pass will light us down in history to the latest generation. In giving freedom to the slave we assure freedom to the free. * * * We shall meanly lose or nobly save this last best hope of earth."

LOYALTY OATH AFFIDAVITS ARE UNFAIR, UNNECESSARY, AND USELESS

Mr. NEUBERGER. Mr. President, the disclaimer affidavit provision contained in the National Defense Education Act of 1958 constitutes an attempt to impose an obnoxious "test oath" on students and educators affected by this law.

The requirement of section 1001(f) (1) title X of the act has rightfully aroused the indignation of both academicians and laymen. It singles out teachers and their pupils as special objects of suspicion. It is wholly ineffective in achieving its avowed purpose. It is vague and invidious. It is contrary to our traditions of free thought.

Yesterday my colleague, the distinguished Senator from Oregon [Mr. MORSE], presented a cogent argument for the repeal of this provision of existing law. He cited the brave reaction of one of the truly great colleges in the Nation—Reed College, in my native city of Portland, Oreg.—to this distasteful stipulation.

Mr. President, the distinction of Reed College is not one based on size of endowment or extent of enrollment, but upon intellectual spirit and achievement. These qualities make up for any lack of wealth and affluence.

Reed College recently demonstrated anew this independence of mind when it refused to accept funds under the National Defense Education Act if they were contingent upon a negative loyalty oath. This defiance by Reed College of a tyrannical and backward law has been encouraging to defenders of academic freedom everywhere in the Nation. It has added to the reputation of that institution in scholastic circles throughout the country.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter and enclosures which I have received from Sara Lamb, secretary of the Reed College student council, which indicate the views of students, faculty, and administrators at Reed College regarding the disclaimer affidavit and loyalty oath.

There being no objection, the letter and enclosures were ordered to be printed in the RECORD, as follows:

REED COLLEGE STUDENT COUNCIL,
Portland, Oreg., February 10, 1959.

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: We at Reed College feel that you might be interested in the reaction on the Reed campus to the National Defense Education Act. Our view is expressed in the enclosed resolutions passed by the Reed College faculty and the student council.

On February 2, President Richard Sullivan issued a statement for publication in the school newspaper, the Quest, noting the faculty resolution and stating in part:

"On Saturday, January 31, the board of trustees voted to delegate authority, regarding decisions to participate in programs under the National Defense Education Act of 1958, to the president of the college. It is my considered view that we should not participate at the present time while the act contains the requirement of the disclaimer affidavit."

In consideration of the above, the student council of Reed College urges that appropriate action be taken toward obtaining the repeal of title X, section 1001(f) (1) and (2) of the National Defense Education Act of 1958.

Sincerely yours,

SARA LAMB,
Student Council Secretary.

RESOLUTIONS CONCERNING THE NATIONAL DEFENSE ACT OF 1958, ADOPTED BY THE REED COLLEGE STUDENT COUNCIL ON FEBRUARY 2, 1959

Section 1001(f) of the National Defense Act of 1958, Public Law 864, passed by the 85th Congress, provides that each applicant for educational aid under the act must file an affidavit proclaiming that he "does not believe in, and is not a member of and does not support any organization that believes in, or teaches, the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods and has taken or subscribed to an oath or affirmation of the following form: I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic."

The provision of a loyalty oath requirement in this act, especially a negative oath such as the above, is contrary to American traditions of freedom and fair play.

The oath is vague. It requires the individual to make, upon pain of perjuring himself, sweeping statements about his beliefs and associations; and to disclaim affiliation with organizations which are not specified in the law.

The oath is insulting. Many groups in the United States receive Government economic aid without having to sign such oaths; the oath thus carries the implication that there is something about students which makes them particularly subject to disloyal influences, despite the fact that some of America's great patriots were closely associated with the academic community.

Principally, however, the oath is a restriction on freedom of belief and association. It gives Government aid to students, not solely on the grounds of their need and qualifications for such aid, but also on the basis of the organizations to which they belong and the ideas to which they adhere. The Government has thus attempted to replace the longstanding academic tradition of free exchange in the marketplace of ideas with a program in which the Government dictates what ideas shall be presented, and by whom. Such a restriction has no place in a governmental system based on freedom of speech and thought.

Therefore, we, the student council of Reed College, resolve our opposition to the loyalty oath provision of this act, and urge that it be amended to remove this provision.

Resolved—

Whereas the student council of Reed College has expressed its unanimous opposition to the political test oath provision of the National Defense Act of 1958; and

Whereas all such expressions of opposition may be instrumental in securing the act's amendment;

The student council calls upon President Richard H. Sullivan to refuse Reed College's participation in the act's educational aid program as a gesture of such protest, and to maintain such refusal as long as it appears likely to assist in effecting the removal of the repugnant test oath provision.

Resolved, That the faculty urges the president and the board of trustees to adopt the position that Reed College should not participate in a program which requires it either to administer to anyone a disclaimer affidavit such as that in the National Defense Education Act or to assume responsibility for seeing that anyone has executed such an oath or affidavit.

Resolved, That the faculty protests the requirement of a positive loyalty oath in the National Defense Education Act of 1958 and requests that appropriate action be taken toward the elimination of such a requirement from this act.

Mr. NEUBERGER. Mr. President, within the past few days, the University of Oregon chapter of the American Association of University Professors unanimously called for the removal of the disclaimer affidavit and recommended that if efforts to obtain such action failed, the university administration refuse to accept funds made available through the act.

The professors pointed out that the Government has disbursed millions upon millions of dollars to various business, financial, and agricultural enterprises without requiring such a disclaimer affidavit.

Mr. President, I ask unanimous consent that a letter and a resolution which I have received from Ewart M. Baldwin, secretary of the University of Oregon chapter of the American Association of University Professors, be printed at this point in my remarks.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS,
UNIVERSITY OF OREGON CHAPTER,
Eugene, Oreg., February 13, 1959.

Senator RICHARD NEUBERGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR NEUBERGER: The University of Oregon Chapter of the American Association of University Professors unanimously

passed the following resolution concerning the disclaimer oath in the National Defense Education Act. A copy of our resolution is enclosed. We are particularly protesting the inclusion of the disclaimer oath and have no fault to find with the oath of allegiance similar to that taken by the President of the United States.

We urge that you use your influence to amend this act and until this is done, we are on record as favoring refusal of money under this act.

Respectfully,

EWART M. BALDWIN,
Secretary.

RESOLUTIONS PRESENTED TO THE GENERAL MEMBERSHIP OF THE UNIVERSITY OF OREGON CHAPTER A.A.U.P. BY THE TENURE, PROMOTION, AND SABBATICAL COMMITTEE, FEBRUARY 11, 1959.

Whereas title X, section 1001(f)(1) of the National Defense Education Act of 1958 requires that a disclaimer affidavit be filed by any person receiving funds under the act; and

Whereas the Federal Government has disbursed millions upon millions of dollars to various business, financial, and agricultural enterprises without requiring such a disclaimer affidavit; and

Whereas the act seems thus to single out teachers and students as special objects of suspicion; and

Whereas the loyalty of students and teachers generally has been amply demonstrated: Now, therefore, be it

Resolved, That the University of Oregon chapter express approval of the actions taken by the national office of the American Association of University Professors (as reported in chapter letter No. VIII, of November 21, 1958) in protesting the discharge affidavit requirement; and be it further

Resolved, That the University of Oregon chapter of the American Association of University Professors request the Congress so to modify the existing legislation as to remove the offending section; and be it further

Resolved, That the University of Oregon chapter respectfully request the administration of the university to refuse the acceptance and administration of any funds under the National Defense Education Act of 1958 unless and until the provision requiring a disclaimer oath in the form stated in title X, section 1001(f)(1) of the National Defense Education Act of 1958 has been deleted.

Mr. NEUBERGER. Mr. President, like the distinguished senior Senator from Oregon, I have received letters protesting certain provisions of section 1001(f) from Robert D. Clark, dean of the College of Liberal Arts at the University of Oregon; Donald Balmer, president of the Lewis and Clark College Chapter of the American Association of University Professors; Judah Bierman, chairman of the American Civil Liberties Union of Oregon; and others. These communications represent a telling indictment and I was pleased to see them inserted in the RECORD by my colleague for the information of the Senate, together with forthright and positive editorials from two of our State's leading daily papers, the Register-Guard of Eugene, Oreg., and the Medford Mail-Tribune, of Medford, Oreg.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my statement, similar expressions of view from other outstanding newspapers in my State, including the Oregonian of Portland, Oreg.; the Oregon Daily Statesman of Salem, Oreg.; and the East-Oregonian of Pendleton, Oreg.

I am proud of the fact that while my wife, Maurine, and I were members of the Oregon State Legislature, we were able to assist in the fight to prevent enactment of a test teacher's oath in our State. I believe that it is significant that Oregon has never demanded a loyalty oath of its educators.

Mr. President, an act designed to better train men's minds should not contain language reflecting on their ability to use them. I was happy to inform the distinguished junior Senator from Massachusetts [Mr. KENNEDY] of my support of his efforts to repeal this section of the National Defense Education Act through enactment of his bill, S. 819. I hope that the Senate will take swift action to correct this blot on a beneficial program.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Oregonian, Dec. 17, 1958]

BAD PENNY BACK

The discredited loyalty oath has cropped up again, this time in an obscure section of the 1958 Federal Education Act. Administrators, teachers, and students who have applied for participation in the program have discovered that they are required to sign affidavits swearing that they do not belong to or support any organization advocating overthrow of the Government, the typical negative oath of the McCarthy era.

Thus, the measure for Federal aid to education, especially the sciences and languages, also serves to introduce students to an atmosphere of suspicion and conformity which most educators had hoped was in the past.

All Oregon public school and college teachers swear allegiance to the Constitutions and laws of the United States and Oregon. It is a positive expression of loyalty, such as that executed by other public officials, and can be made honorably.

Congress, whose Members also take a positive oath of allegiance but would not think or requiring of themselves a negative loyalty oath, should exhibit the same respect for the Nation's teachers and students by eliminating the cited provision. Few Congressmen were ever aware of its existence.

[From the Oregonian, Portland, Oreg., Feb. 11, 1959]

STUDENTS SUSPECT?

Reed College's rejection of Federal funds because acceptance is conditional on the recipients' subscribing to a negative loyalty oath reflects virtually the unanimous view of educators, although few institutions have taken the logical but painful course of paying for their convictions by refusing the proffered aid.

The provision for the oath is a hangover from the spirit of the McCarthy era. Few lawmakers knew of its existence, and now Senator JOHN KENNEDY, with bipartisan support, has moved for its repeal. Meanwhile, the harm has begun.

At the least, the provision constitutes a gratuitous insult to the prospective student beneficiaries of the modest loans provided under the National Defense Act. Each would be required to swear that he "does not believe in, and is not a member of and does not support any organization that believes in or teaches the overthrow of the U.S. Government by force." It is aimed, of course, at Communists or Communist sympathizers, and thus carries the implication that these are to be found especially in the colleges; for there is no comparable requirement to qualify for Federal loans in other fields.

What a howl would go up, for example, if a loyalty oath were to be required to qualify for receipt of a farm crop loan.

[From the Oregon Daily Statesman, Jan. 9, 1959]

MUNDT TEACHER OATH DISCRIMINATORY

The Federal aid to education bill passed at the last session of Congress provides scholarship loans for those pursuing advanced education. In the progress of the bill the Senate adopted an amendment offered by Senator MUNDT of South Dakota which denies loans to any applicant unless he signs an affidavit that he does not believe in and is not a member of and does not support any organization which believes in or teaches overthrow of the Government by force or violence or by any illegal or unconstitutional means. It's the old "teacher's oath," long condemned by educators and defenders of civil liberties.

Our evening contemporary, supporting the Mundt amendment, asks why shouldn't the Government demand such oaths of allegiance from those to whom it is extending undergraduate loans. The answer to that is simple. The Government is not asking an oath of allegiance. If it were, as is commonly done of all public officials, the oath of allegiance to the Constitution and laws of the United States, there would be no objection. That is affirmative.

The Mundt oath singles out scholars for a particular kind of oath. It exposes them to possible perjury if sometime in the future it is claimed that some innocent-appearing organization to which they may have belonged was really subversive. Congress years ago set up an agency to sift out and designate the organizations which should be labeled "subversive," but it has not filed its lists—which is an indication of how hard it is to classify organizations.

No government money should go to traitors; but the oath should be affirmative, not negative; and penalties should be imposed on proof of subversion.

[From the Pendleton East-Oregonian, Dec. 26, 1958]

THE SAME REASONS HOLD

Some wise and influential persons, including the editor of the Oregon Statesman and former Governor of Oregon, Charles A. Sprague, had to talk long and hard to deter the Oregon Legislature in 1951 from passing a bill that would have required teachers to sign a non-Communist oath. The legislators were under great pressure to pass the bill. But Mr. Sprague and others were successful in convincing them that teachers should not be required to take an oath that was not required of others, and that the positive type of oath required of teachers (that they will uphold the Constitution of the United States and the State of Oregon) was sufficient.

Just before the Federal Education Act was passed, last August, Senator KARL MUNDT proposed and the U.S. Senate adopted by voice vote an amendment requiring every recipient of Federal loan, scholarship, or fellowship to take an oath that "he does not believe in, is not a member of, and does not support any organization that believes in or teaches the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods."

The American Association of University Professors is asking that this provision be repealed. The argument made to the Oregon Legislature against this type of oath holds completely in this case. The Christian Science Monitor editorial suggests further reasons that the provision should be repealed:

Manifestly, neither America's college teaching profession nor America's general

public wants disloyal persons receiving governmental educational aid—especially when there are so many qualified loyal persons eager to make use of it. Then why the objections?

The AAUP makes specifically the point that the law is so loosely drawn that those who take such an oath would be kept under threat of the penalties for perjury by those who might supply their own definitions of loyalty and disloyalty. Aside from this, there are certain simple and basic objections:

The loyalty oath is a deceptively futile device for screening out the disloyal. Those who do plot to overthrow the Government would not have the slightest compunction against swearing they do not.

And such a loyalty oath is both unfair and in a sense degrading. It singles out a particular class of persons and suggests that they are prone to disloyalty and must swear they are not. Why sully the fair name of education with such implications?

Mr. CARROLL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACTIVITIES OF U.S. INFORMATION AGENCY IN LATIN AMERICA

Mr. CLARK. Mr. President, on February 9, 1959, the distinguished senior Senator from Louisiana [Mr. ELLENDER] reported to the Senate on his 7-week trip to Latin America last fall. I regret very much that I was unable to be on the floor when our colleague spoke, because I found the account of his trip and the conclusions and recommendations contained in the memorandum which he placed in the CONGRESSIONAL RECORD most interesting and provocative.

I wish at this time to add my congratulations and thanks to the Senator from Louisiana to those already voiced by the Senator from Florida [Mr. SMATHERS], the Senator from Oregon [Mr. MORSE], the senior Senator from Idaho [Mr. DWORSHAK], the junior Senator from Idaho [Mr. CHURCH], the Senator from South Carolina [Mr. THURMOND], and the Senator from Wisconsin [Mr. PROXMIRE].

Several of the recommendations made by the Senator from Louisiana related to the activities of the U.S. Information Service in Latin America. Because these recommendations were largely critical in nature and raised serious questions about the effectiveness of our information service program in the Western Hemisphere, I asked the USIA to comment on that portion of the report dealing with the information agency. I would like to state briefly now, as I have notified the Senator that I would do, the main points made by the USIA concerning the criticisms contained in the report. I do so, not because I am an expert on the problems involved, but because I am deeply interested in the success of our overseas information program. I hope that presentation of the USIA side of the controversy will aid all of us to get a fuller picture of the Agency's efforts in the Americas.

Mr. President, I might add that I have sent to the distinguished Senator from Louisiana a copy of the remarks I propose to make. Because he is engaged in an important hearing before the Committee on Agriculture and Forestry, he has sent word to me that he would be pleased to have me make these remarks this afternoon, even though he cannot be in the Chamber.

For some years I have been deeply interested in the program of the U.S. Information Agency. I have visited its offices in several countries abroad and have a strong feeling that its activities are very useful and, indeed, essential in connection with the implementation of the foreign policy of the United States. I hope we will not again this year repeat what I consider to have been the mistake we made 2 years ago, when we cut substantially the budget of that Agency in what appears to me now to have been a false effort toward economy. I think our action did substantial harm to the cause of sound foreign policy. I voted for that reduction then. I think I was wrong. I would not do so again.

Mr. President, the Senator from Louisiana [Mr. ELLENDER], recommended that "the press programs of the U.S. Information Agency in Central and South America be terminated at once as they are largely ineffectual," and press relations be handled by the "staffs of the diplomatic missions."

He charged that our press releases reach relatively few persons; that they are resisted as propaganda by most Latin Americans; and that they compete with the commercial wire services.

I am advised that the commercial news services which serve Latin America do not get to all people by any means, since many newspapers cannot afford such commercial service, and others cannot be serviced because of technical difficulties due to the remoteness of their locations. Thus, in a number of cases USIS is virtually the only source of information about the United States available to the local newspapers, and without the Agency's press service the only information about our country might come from the expanding information services of the Soviet Union in Latin America. In addition to the information and cultural sections of the Soviet regular and bloc missions, the Russians also have 73 binational centers in Latin America, an increase of 22 in 1958 alone, which disseminate Communist ideology. Tass and Pravda representatives in the area are also active. This would be the worst possible time for the United States to cut down on its information activities.

If USIS press activities in Latin America parallel those in other parts of the world with which I am familiar—which is largely, Mr. President, in Western Europe, and I am told that they do—a great amount of USIS material appears without indication of source in the newspapers and publications throughout the area. It is generally conceded that long and personal contact with newspaper editors and reporters is necessary to assure maximum distribution and use of press output, if the U.S. position on a wide variety of subjects is to be presented fully in the local press. It is highly questionable whether this job could be done adequately by Embassy officials working at it on a part-time basis.

I had occasion personally to investigate this matter in Italy some time ago. It was entirely clear to me at that time that we could not ask our overworked Embassy officials, whose entire time is taken up with the duties of dealing with the officials of the Italian Government and staffs of other embassies with whom they have mutual problems, to maintain relationships with the working press which does the job of the USIS officials in foreign countries. I am reasonably confident the same situation applies in Latin America.

This does not mean that USIS competes with the commercial wire services. The Agency attempts to produce, not news as such, but supplementary information containing official statements on American policy, features on life in the United States, and other material which the commercial wire services do not handle. The USIA headquarters here in Washington has received no recent complaints of competition from the commercial wire services which service this area according to the advice which has reached me.

Another recommendation made by the Senator from Louisiana was that radio and television programs should be reevaluated to eliminate programs in places where television reception is only nominal and radios are regarded as curiosities.

It is the contention of the USIA that radios have long ceased to be curiosities in South America, and indeed that the main trouble with radio broadcasting there is abundance, not scarcity. There are estimated to be 1,700 radio stations and 22 million radio sets on the continent.

Television is now growing in South America at the spectacular rate at which it grew in this country a few years ago. There are now 75 operating stations in 13 Latin-American countries, and the number of TV receivers rose by 45 percent in 1958 to a total of approximately 2⅓ million sets. At the present the USIS does confine its telecasting efforts to those five posts where the concentration of receivers is heaviest. Telecasting elsewhere is reported to cost the U.S. Government virtually nothing since air time is usually free, and the occasional programing consists of providing, upon request, films already available in the USIS film libraries.

The Senator criticized the USIS salary structure as being too high and cited the sums paid in salary and allowances for post, quarters, transportation, hardship, and representation for the six officers who head the USIS programs in six different Latin countries.

There is, strictly speaking, no USIS salary structure, because USIS officials receive the same salaries and allowances as are set for the Foreign Service of the United States, and each officer in the

information program is compensated in accordance with standardized Foreign Service classifications and regulations equally applicable to all U.S. Foreign Service personnel.

The first example cited indicates that in the last year the chief information officer in Venezuela received $12,000 salary, $3,600 post allowance, $6,000 quarters allowance, $125 transportation allowance, and $48 representation allowance—total $21,893.

I ask Senators to note the size of the representation allowance.

The total sum may appear to be large, although frankly it does not, to me, but it is not hard to understand why the special allowances are so high when the cost of living statistics for Venezuela are examined. In Caracas, a can of Campbell's soup costs 75 cents; a hamburger $1.50, and a taxi ride from the airport to the Tamanaco Hotel $12. Compensation should be judged in this perspective, not in the abstract.

I suggest that the salary and allowances for the USIS chief officer in Venezuela are not out of line if the factors of the high cost of living are taken into account.

Mr. President, the Senator from Louisiana praised the USIS program of encouraging the establishment of binational centers to provide facilities for the teaching of English, business courses, and the presentation of cultural programs, and so forth. The Senator charged, however, that payment of U.S. personnel called "grantees," in these centers by the State Department under the exchange-of-persons program or by the USIA from general funds is illegal or improper, and that United States payment of the resident American staff of these centers automatically impaired their effectiveness, which results largely from their complete independence from U.S. control.

I am advised that the USIA, and its predecessor agencies, have been paying the salaries of the American personnel of these binational centers for nearly 20 years, and that the State Department has and pays for no permanent personnel attached to the centers and provides only an occasional guest lecturer.

The legal authority for this action by the USIA is found in title 22, United States Code, sections 1448 and 1471(1), and I ask unanimous consent, Mr. President, that cited sections from the United States Code be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

TITLE 22—UNITED STATES CODE

SEC. 1448. Assistance to certain institutions abroad founded or sponsored by U.S. citizens.

The Secretary is authorized to provide for assistance to schools, libraries, and community centers abroad, founded or sponsored by citizens of the United States, and serving as demonstration centers for methods and practices employed in the United States. In assisting any such schools, however, the Secretary shall exercise no control over their educational policies and shall in no case furnish assistance of any character which is not in keeping with the free democratic principles and the established foreign policy of the United States. (Jan. 27, 1948, ch. 36, title II, sec. 203, 62 Stat. 7.)

SEC. 1471. Authority of Secretary of State.

In carrying out the purposes of this chapter, the Secretary is authorized, in addition to and not in limitation of the authority otherwise vested in him—

(1) In carrying out subchapter II of this chapter, within the limitation of such appropriations as the Congress may provide, to make grants of money, services, or materials to State and local governmental institutions in the United States, to governmental institutions in other countries, and to individuals and public or private nonprofit organizations both in the United States and in other countries;

NOTE.—Reorganization Plan No. 8 of 1953 transferred the above-mentioned functions from the Secretary of State to the Director of USIA.

Mr. CLARK. Mr. President, furthermore, a large measure of the eminently successful record of the centers which the Senator commended so highly, is directly attributable to the efforts of American personnel who have devoted their careers, on Government salaries, to promoting international understanding.

In fact, the local boards of directors, composed largely of prominent host country citizens have actively solicited the USIA to assign Americans to the staff of their centers in several cases recently.

In El Salvador, for instance, the Foreign Minister and the Minister of Public Works, both of whom are coming to the United States with President Lemus next week, have asked the USIA to find a replacement for Mr. George P. McCallum, the U.S. Director who recently resigned from the staff of the Binational Center in San Salvador, and this subject is considered to be of such importance that it has been placed on the presidential agenda for the coming visit.

In the center in Belem, Brazil, by way of further example, an American, Miss Bernice Schmidt, did such a first-rate job in her 2 years there that she raised enrollment from 200 to 1,000 and the center was completely self-sustaining. Since Miss Schmidt's transfer to another post last year, the local board reports that attendance has fallen off, the cultural and academic programs have deteriorated, and the center has been run at a deficit for the first time. The local board has petitioned the USIA to send another American to the post as soon as possible.

I am confident that the USIA officials will have a full and fair opportunity in hearings later in the session to present these and many other points which can be made in favor of continued and stepped-up efforts in our information program in Latin America. Perhaps though, this brief presentation will serve to give a somewhat fuller orientation as to the scope of the Agency's operations in Latin America than would otherwise be possible in advance of those hearings.

I should like to repeat that I feel indebted to the senior Senator from Louisiana for his report. It is a magnificent report. It has been printed, and I hold a copy in my hand. It is some 535 pages long. It includes a review of the status of the United States position in each one of the Latin American countries which he visited and is a valuable contribution to the discussion of our foreign policy and its implementation in the areas covered. It has served to focus our attention on our relations with our closest neighbors, which we have tended too often to neglect as recent events clearly show. I hope that the Senator from Louisiana [Mr. ELLENDER] will continue for many years to come to take this annual inspection tour and to give us the benefit of his views as he has done this year and in the past.

Mr. President, in conclusion, I hope we are not going to cut back the U.S. Information Service in Latin America, because I am confident it is doing first-class work, and is helping materially to increase the cooperation and understanding which it is so necessary to develop between the Latin American Republics and the United States of America.

PROPOSED CHANGE IN SENATE APPROPRIATIONS PROCEDURE

Mr. THURMOND. Mr. President, the Communist ideology is based in a large part on a prediction made by the early writers of Communist philosophy, and uniformly adhered to by the Kremlin powers over the years, that the countries founded on the economic basis of a free enterprise system would collapse from within. The prediction that free enterprise in the United States will succumb to the pressures generated by communism and socialism was reiterated by Mr. Khrushchev in a broadcast to the American people in June 1957, as follows:

I can prophesy that your grandchildren in America will live under socialism. And please do not be afraid of that. Your grandchildren will not understand, how their grandparents did not understand the progressive nature of a socialistic society.

When the predictions of the collapse of free enterprise systems were first made, and indeed until very recently, they appeared, to all sensible and thinking men to be absurd. In our own country, private enterprise had enabled us to achieve, in our short history, a standard of living and a freedom from want that was and is unequaled anywhere in the world. The accomplishments of individual, unfettered initiative, as demonstrated under our constitutional republican form of government, stand as a beacon of inspiration and hope to all mankind.

Recently, Mr. President, there have been indications that many were becoming less dubious of what had earlier been considered only wishful thinking by the Communists—that our economic system would collapse from within. This reappraisal has not been caused by any defect which has appeared in our private enterprise system, nor by any lag in our continually rising standard of living. The doubt is attributable to the irresponsible fiscal policy that has characterized our National Government in recent years; a fiscal policy which has resulted in a precarious fiscal condition, and which has contributed substantially to a sickening inflationary spiral.

Mr. President, to anyone who was unaware that the motivation of those of us

who share in the making of fiscal policy was basically humanitarian, it could appear that we were deliberately contributing to the fulfillment of the dreadful predictions of our internal economic collapse. It is only common sense to expect that the most productive country in the world could operate its National Government on a pay-as-you-go basis. At least this is not too much to expect in times when we are not at war or other grave emergency, nor in the throes of a staggering depression.

That does not appear to be the case. In the last 20 years, the Federal budget has grown to nearly seven times its 1939 size. Since 1900, we have been able to operate within our income in only 25 fiscal years, and have exceeded our income with expenditures in 34 years. Even this distressing comparison does not indicate the depth to which we have sunk, for an examination of the last 20 years shows that only one-fourth of them were years of balanced budgets. Last year, fiscal 1959, saw the deficit climb to a new peacetime high of almost $13 billion. Despite the already astronomical size of the national debt, this was an addition of 4.6 percent.

It is easy to understand why the average citizen of our country finds figures so large as those of our debt almost incomprehensible. Only when it is reduced to a figure such as $5,240 for every family in the United States, do they realize under what an obligation they have been placed. Were we to attempt immediate, direct collection of even a minor portion of the debt, as for instance last year's deficit, the realization would be brought home with an impact. It would require the confiscation of all personal incomes above $4,000 to pay the fiscal 1958 deficit.

While the average citizen may have difficulty comprehending the unbelievable size of the national debt, there is one resulting condition that is readily understandable. This is the pinch of inflation. It makes itself felt daily at the shopping counters and cash registers all over the country. While not so impressive as the experience of being unable to stretch the family income for the bare essentials, the following figures on comparative purchasing power of incomes in 1939 and 1959 indicate the harshness of inflation, particularly to retirees, annuitants, and others with fixed incomes. To maintain an equal purchasing power, one who earned $2,000 in 1939 must earn $4,806 in 1959; one who earned $5,000 in 1939 must earn $13,604 in 1959; and one whose income in 1939 was $10,000 must now earn $30,971 to maintain the identical purchasing power.

Mr. President, although I am no economist, I realize that factors other than Government deficit spending are contributing to the inflation which we are experiencing and which threatens to grow much worse. I am cognizant that such things as the relation of wages to productivity, and the relation of profits to prices, have a direct influence on the inflationary spiral. Despite the contributions of these forces, which are themselves responsive to Government policies, common sense dictates that Government policy, and fiscal policy in particular, is the basic cause of the inflation of our currency.

Mr. President, not only has deficit spending by the Federal Government been primarily responsible for inflation, but the cycle has now run its course, so that the very inflation promoted by deficit spending is making further deficit spending even more dangerous than it has been in the past. There is a growing reluctance to lend money to the Federal Government at any rate of interest. This is well illustrated by the fact that in the Treasury's latest debt refinancing attempt, the attrition rate has increased to 22 percent, as compared to the normal 10 percent. The obligations which were sought to be refinanced bore interest rates of 1⅞ and 2½ percent, and the offer was to renew them with securities paying 3¾ and 4 percent. No realist can doubt that, in the absence of inflation, there would have been much less than the normal 10-percent rejection of the offer at these substantially increased rates of interest. This illustrates that the rate in inflation is in excess, by far, of the prevailing interest rates. Investors and savers have by now been thoroughly impressed by the disastrous results of investing in fixed-income securities. The current round of Government borrowing was necessitated by the maturity of $9.1 billion of debt obligations. The sum sought to be borrowed to cover the attrition is $1.5 billion. Lest we console ourselves with the thought that it could be more, we should remember that during this year a total of $42 billion of Government securities will fall due.

It is obvious that as far as borrowing is concerned, we are nearing the end of our rope. It will be extremely difficult to continue securing private funds for refinancing the existing debt. Even if we manage to hold the debt at its present level, it is also evident that unless inflation is checked immediately, the Congress will be faced with an increase in the statutory interest ceiling, passed in 1918, of 4¼ percent on national debt securities.

Mr. President, there are those who would rely on a hoped-for increase in our gross national product, and the increased Government revenue resulting therefrom, to remedy the impasse with which we are faced. The same people would hold the line on taxes and, in some cases, increase them. An increase in gross national product will undoubtedly help, and I fervently hope that those who predict an 8 percent increase will have their prognosis justified. As a realist, however, I cannot forget that the only year in which there has been an increase in gross national product of 8 percent was following 1954's $7.5 billion tax cut. Additionally, in all candor, we must admit that a measurement of gross national product increase, when measured in dollars, has a built-in inflation factor.

As much as I should like to see our fiscal problems painlessly solved by a big increase in national product, to place any reliance in what is essentially wishful thinking would be an expansion of our irresponsibility.

We should not overlook any possible avenue of escape from our dilemma, no matter how fantastic it may be. Along this line, we have heard advanced proposals, truly fantastic, that we should raise taxes in order to meet the expenditures which we are making. As unrealistic, impractical, confiscatory, and incentive-destroying as is any thought of further raising our already burdensome and stifling taxes, such a course would be sounder, on a long-term basis of pay-as-you-go economy, than our present bent-on-deficit-spending course we are now pursuing. An increase in taxes at least offers the hope that the American people would rise up and demand a curtailment of spending. There is, however, no real necessity for any general tax increase.

Mr. President, there is a practical and effective course to lead us from the road of fulfillment of Communist prophecy of our internal economic collapse. It is the course of economy and fiscal soundness. It requires a quality which is notably lacking in the Supreme Court, and of which the Congress and the administration have not indicated an excess. I speak of the quality of restraint. In this case, I mean legislative restraint. The legislative restraint, of which I speak, should be applied to spending.

The American public is ready and clamoring for restraint in Government spending. Too often, in answer to their clamor, they are told that we must continue to spend in order to insure a strong national defense. There is some truth in the answer, for we must maintain a strong defense posture, regardless of the cost. I am not satisfied, personally, that we are spending enough in this vital field. Nevertheless, this is not a wholly true answer, for it is deceptive. It would leave the public to believe that we could not reduce overall spending drastically without endangering our defense posture. This is not true. The fallacy is well illustrated by the fact that defense spending for 1959 will be $4.3 billion lower than the 1953 Korean war defense budget, while nondefense expenditures for 1959 are estimated at $9.2 billion above the 1953 level. Also, nondefense spending for fiscal 1959 is to be increased by $5.9 billion, against an increase of only $2 billion for defense purposes.

Spending can be cut without injury to our defense posture by reducing such items, among others, as foreign aid, public housing, and urban renewal, by declining to provide Federal funds for the fields of community facilities and area redevelopment, and by rejecting any increase in Federal aid to education. Even desirable programs should be postponed until Federal expenditures can be reduced well within our income. Special interest groups must not be allowed to sap the strength from our free-enterprise system, regardless of their attempts to increase their doles from the United States Treasury and the taxpayers' pockets.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THURMOND. I am glad to yield to my friend the distinguished junior Senator from Louisiana.

Mr. LONG. The Senator mentioned ways in which expenditures had increased. I assume he is cognizant of the fact that the high interest rate policy pursued by the administration, under what I believe to be the guise of fighting inflation, when actually it is only adding fuel to the fires of inflation, has cost the Government two and a half billion dollars a year, as of now. If we had just that much money available, just the increase in the interest rate on our debt management, it would go a long way toward providing the necessary funds to provide an adequate defense for this country, which, after all, as the Senator has so well pointed out, should be our first undertaking, so that this Nation will be adequately defended.

Mr. THURMOND. There is no question that the interest is costing the Government tremendous sums of money, which ought to go for other important purposes. I thank the Senator.

Mr. President, direct deficit spending by the Federal Government is only one of the fields in which we must exercise a so-far unexhibited degree of restraint. There is a corollary field deserving the same treatment—that of Government lending. Most of the American public is at least aware of the fact that the Federal Government is spending vast sums, if not of the exact extent of these expenditures. I fear, however, that they are not nearly so well informed of the extent to which the Federal Government has usurped the function of private lending institutions. It is estimated that direct Federal loans on June 30, 1959, will be at a level of $21.8 billion, and that insured or guaranteed loans will be at a level of $70.1 billion. This is a total of $91.9 billion, for which the full faith and credit of the United States is pledged. To emphasize the rate at which the Government's participation is accelerating in this field, compare the fact that in 1958, the net addition to private debt, both of business and individuals, was $20 billion, while in the fiscal year 1959, the net addition of Government-backed credit, alone, will be $15 billion. It would appear that nothing could be more absurd than for an entity—which is over $283 billion in debt, which has no capacity to produce wealth, and which must rely as a parasite on taxpayers for income—to plunge head over heels into a program of lending. But we go even further into the absurd. We are lending much of this public money at an interest rate below the interest rate which the Government must pay to borrow the money we lend. Let us not delude ourselves. The great majority of citizens may not be aware of this voluminous pledge of credit; but it is quite evident that those, from whom we seek to obtain funds to finance our monstrous debt, are computing these lending programs in the liability column of the Federal Government. Undoubtedly, this factor, also, is reflected in the attrition rate on maturing Government securities. Ours is not a fiscal policy to inspire confidence of investors.

Mr. President, the time has come to set our house in order. No individual would receive, or expect, any respect, were he to conduct, if such were possible, his personal or business finances as the Federal Government conducts its fiscal policies. I suspect that if the American public were fully aware of how their Government's fiscal policy is conducted, we who make that policy would have to seek any respect we thought we deserved from a position of retirement in private life. We are facing a fiscal crisis every bit as grave, and with just as serious consequences, as that posed by the threat of armed conflict. A loss, in either case, means the destruction of our country as we know it.

I reiterate, there is no substitute for the exercise of restraint in spending and lending by the Government. To better enable us to restrain ourselves, there are certain procedural steps which could, and should, be taken. I now address myself to one of such procedural steps.

Mr. President, the Constitution of the United States is a document of truly inspiring greatness. The wisdom which contributed to its composition was unbounded. Almost without exception, the governmental policies which lead us down the road to despair and frustration prove to have violated, in letter or spirit, or both, some provision of this great document.

Article I, section 9, clause 7, of the Constitution provides as follows:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

Mr. President, we are surely violating the spirit, and probably the letter, of this clause of the Constitution. We are allowing money which has never been appropriated to be withdrawn from the Treasury. There are two principal methods by which our deviations are effectuated. One is by the authorization of direct borrowing from the Treasury, by legislative acts which have not followed the prescribed appropriations procedure; the other is through the use of the much utilized contract authority, or commitment authorization.

While we in Congress are all familiar with these procedures, I should like to cite specific examples of each, so that there may be no misunderstanding of the existence of the abuse I propose we correct.

There is no better example of the bypassing of the appropriations procedure by the authorization of direct borrowing from the Treasury than one contained in the omnibus housing bill, S. 57, which passed the Senate earlier this month. I refer to the provisions of section 304 of title III on urban renewal. Section 102(e) of the Housing Act of 1949 authorized the Housing Administrator to make direct borrowings from the Treasury to finance urban renewal projects subject to a $1 billion limitation. Section 304 of title III of the housing bill, which passed the Senate on February 5 of this year, would repeal the $1 billion limitation on these borrowings, and make the sky the limit. Direct borrowings from the Treasury are unjustifiable even when limited, and if this ceiling repeal becomes law, the attrition rate on Government obligations will reflect it immediately; and even worse, the Treasury Department will have another addition to the attrition which it must now already attempt to secure on the open market. I might add, Mr. President, short-term revenue anticipation notes are only a stopgap measure, which will merely postpone the inevitable day when the Treasury Department must seek to place long-term securities.

The same housing bill contains just as flagrant an example of the commitment authority method of bypassing appropriations procedure. Section 405 of title IV of the omnibus housing bill authorizes the Housing Administrator to enter contracts for annual contributions for the construction of 35,000 additional public housing units. This is in addition, incidentally, to the renewal of the authorization for 45,000 other units. The total cost of this commitment for 35,000 new units cannot be computed positively at this time, for we have no way to know what these units will cost, especially in view of the continually spiraling inflation. We do know that the present maximum is $17,000 per unit. Even if the average cost is only $10,000 per unit, this commitment will involve approximately $84 billion over the period of the next 40 years. To be sure, it is most unlikely that this commitment will have to be paid in full by the Federal Government, but a major portion of it will undoubtedly fall on the shoulders of the Federal Government; and the full faith and credit of our Government is pledged on all of it. This money is committed as soon as the contracts are executed, without any appropriations procedure having been utilized.

I am convinced, Mr. President, that were these and the many other programs, which utilize direct borrowings and contract authority in lieu of appropriations, to follow the normal appropriations procedure through Congress, there would be provided additional incentive and opportunity for Congress to apply the admirable quality of restraint on the outgo from the Treasury. We would also be adhering to the letter and spirit of the Constitution. The latter is desirable, not only because the Constitution is the basic law of the land and was meant to control in our system of government, but also because the entire country would benefit by following its prescriptions.

In order to remedy the defects of our present course of bypassing appropriations procedure, I submit for appropriate reference a resolution, which would modify the existing Senate rules. The resolution provides that any bill or resolution which the Senate seeks to consider, which authorizes direct borrowings from the Treasury, or contains authority for contract commitments of U.S. funds, would first have to be referred to the Senate Committee on Appropriations for its approval. I sincerely hope that this initial step of an effort to prove the absurdity of the predictions of our internal collapse will meet with early and favorable action of the Senate.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 81) submitted by Mr. THURMOND was received and referred to the Committee on Rules and Administration, as follows:

Resolved, That rule XVI of the Standing Rules of the Senate is amended (1) by striking out the heading thereto and inserting in lieu thereof "Amendments to Appropriation Bills and Amendments Creating a Charge on the Treasury," and (2) by adding at the end thereof a new paragraph as follows:

"8. No amendment to a bill or joint resolution shall be received or considered if it authorizes (A) expenditures from debt receipts, or the creation of obligations by contract in advance of appropriations, and (B) is not moved by direction of a standing committee of the Senate."

SEC. 2. Subsection (b) of rule XXV of the Standing Rules of the Senate is amended to read as follows:

"(b) Committee on Appropriations, to consist of 27 Senators, to which committee shall be referred—

"(1) All proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation of the revenue for the support of the Government; and

"(2) All proposed legislation (other than legislation within the purview of paragraph (1) above, or relating to claims against the United States) authorizing expenditures from debt receipts, or the creation of obligations by contract in advance of appropriations; except that any proposed legislation carrying such authority which relates to a substantive matter within the jurisdiction of any other standing committee of the Senate shall be referred first to such committee."

MEETING OF LABOR LEADERS WITH MIKOYAN

Mr. COOPER. Mr. President, it is a truism of diplomacy that one of the factors bearing on decisions for peace or war, is the misjudgment of the mind, strength, and determination of the people of other nations. If this is valid for our time—and I believe it is—then it seems to me that the five United States labor leaders who spoke plainly to Soviet Deputy Premier Mikoyan during his recent visit performed a major service for peace. They gave to him a clear picture of the desire of our people and Government for peace, but our determination to defend our freedom.

I ask unanimous consent to have printed in the body of the RECORD at the conclusion of my remarks an article entitled "U.S. Labor Versus Mikoyan," written by John Herling, and published in The New Leader for February 2, 1959, together with an editorial note which describes it as virtually a verbatim account of those labor leaders' meetings with Mr. Mikoyan.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. COOPER. Mr. President, the New Leader reports as being present at the meeting with Mr. Mikoyan, five vice presidents of the AFL–CIO: Mr. James B. Carey, president of the International Union of Electrical Workers; Mr. Walter Reuther, president of the United Auto Workers; Mr. William L. Doherty, president of the Letter Carriers' Union; Mr. Joseph A. Beirne, president of the Communications Workers Union; and Mr. Carl Feller, president of the Brewery Workers' Union. Also noted as being present were the IUE secretary-treasurer, Mr. Al Hartnett, and Mr. George L. P. Weaver, assistant to Mr. James B. Carey.

This report has, I believe, immediate and longrun historical importance. I call particular attention to four facts made clear in Mr. Herling's report:

First, following a dinner with United States businessmen and political leaders, Mr. Mikoyan took the initiative, through the Soviet Ambassador, of having labor leaders to meet with him.

Second, the meeting was to have been at lunch in the Soviet Embassy. There the labor leaders might not have been as free as guests, to speak as plainly and forcibly as they desired.

Therefore, out of years of experience in negotiation, including firsthand encounters with trained Communist agents seeking to dominate union affairs locally, nationally, and internationally, the labor leaders invited Mr. Mikoyan to meet with them at the Philip Murray Bldg., in Washington, IUE headquarters.

Third, Mr. Mikoyan's seeking the meeting, permitted and made it necessary for the labor leaders to give him the plain, unvarnished truth about their understanding of Soviet acts and policies, past, present, and future.

These men are accustomed in their daily work to talking to the point. This is what they did with Mr. Mikoyan, and, whether he yet realizes it or not, I believe that, from his own and the Soviet Government's point of view, as well as our own, the meeting was one of the most important of his entire visit.

Mr. Walter Reuther, as I have said, was one of the labor leaders present.

While I was serving as U.S. Ambassador in India, I observed his representation of this country and the labor movement during his tour of India. He came to India in 1955, shortly after the visit of Mr. Khrushchev and then President Bulganin of the Soviet Union. He visited many of the cities and development sites which they had visited. He was received warmly by the Prime Minister of India, Mr. Nehru, and other government officials. Also, he was received enthusiastically by the leaders and members of the growing trade union movement in India and by the people of India—intellectual groups, university students, businessmen, and the rank and file—both privately and in the course of many public speeches which he made.

I heard several of the speeches which Mr. Reuther made. In his speeches and discussions, he gave a clear portrait of the American economic system, impartially giving credit to both labor and management, and pointing out that through experience and legislative action the American economic system had long since achieved for America's workers, by democratic means, opportunities and an advance in standards of living such as the Communists had promised but had not been able to achieve, even through ruthless and coercive means.

Mr. Reuther was an effective spokesman for democratic values, pointing out that peoples living under Communist regimes are denied individual freedoms accepted as a matter of course by the people of our own country and other true democracies, including India.

For all these reasons, I commend the article in the New Leader to Members of the Congress and to the American people.

EXHIBIT 1

U.S. LABOR VERSUS MIKOYAN

(By John Herling)

(Much newspaper space, and a corresponding amount of radio and television time, was devoted to what Soviet Deputy Premier Anastas I. Mikoyan has himself described as the "reasonable approach on the part of American businessmen" to his visit here. Relatively little coverage, however, was given to one of Mikoyan's less pleasant encounters in this country: his luncheon with five U.S. labor leaders. In his first Kremlin press conference after his return home, Mikoyan observed that the "rudest statements" about the Soviet Union came from these union leaders. He noted, too, that there was "strong dispute" at the luncheon, and that United Auto Workers' President Walter Reuther came at him strongly on the questions of Hungary and Berlin, but he repulsed the attacks. Here we present what is virtually a verbatim account of that meeting. John Herling writes a syndicated column on the labor scene for leading American newspapers; he also produces John Herling's Labor Letter, an authoritative news report on activities in U.S. trade unions.)

WASHINGTON.—Soviet Deputy Premier Anastas I. Mikoyan, who has just returned home from his 2-week visit to this country, indicated a desire to meet the representatives of American labor within 24 hours of his arrival here. Following the dinner given for him on his first night in Washington by Motion Picture Association President Eric Johnston, which was attended by business and political leaders, Soviet Ambassador Mikhail Menshikov telephoned the home of James B. Carey, president of the International Union of Electrical Workers, whose headquarters on Washington's 16th Street are directly across from the Soviet Embassy. Menshikov said it would be a great pleasure if Carey would come to lunch at the Embassy the next day. Carey thought a moment and replied, "It might be more interesting if Mr. Mikoyan and you would lunch with some of my colleagues at the Philip Murray Building, the union headquarters, tomorrow."

"But it would be difficult on such short notice for them to assemble," the Soviet Ambassador said. Carey allayed the Ambassador's fears and urged, "Come on to our house." The next day Mikoyan and his party strode across the street with police escort to the IUE's headquarters—one of the more modest union buildings in Washington. Reporters and photographers who had been using the union lobby to keep out of the cold while waiting for Mikoyan's exits and entrances at the Embassy found themselves with a new story.

On the seventh floor, in the Woodrow Wilson room, waiting for Mikoyan, Menshikov, interpeter Oleg Troyanovsky, son of the former Soviet Ambassador to the United States, and Serge Mikoyan, son of the Deputy Premier, were five vice presidents of the AFL–CIO: Carey, United Auto Workers' president, Walter P. Reuther, Letter Carriers' president, William C. Doherty, Communication Workers' president, Joseph A. Beirne, and Brewery Workers' president, Karl Feller. Also present were IUE Secretary-Treasurer Al Hartnett and Carey's assistant, George L. P. Weaver.

Carey asked Mikoyan what he would have to drink. Vodka was there, if he wished. "What are you having?" asked Mikoyan, "I like to drink what my host drinks." "Scotch," said Carey. So it was Scotch.

Carey raised his glass to toast the Four Freedoms, since this day, January 6, marked the 18th anniversary of the announcement of the Four Freedoms by Franklin Delano Roosevelt. Moreover, he said, the first of these freedoms was freedom of speech. This, said Carey, we are prepared to practice today. Mikoyan simply responded by assuring the union leaders of his admiration for FDR and the Four Freedoms. Then Carey wondered whether Mikoyan was over here to show Republicans how to hold on to power, since he had managed to do so through the "administrations" of Lenin, Stalin, Malenkov, and now Khrushchev, but the light tone didn't last long.

Reuther faced Mikoyan: "Both the Soviet Union and America have the technological capacity to destroy each other," he said, "so war is out of the question as a means of settling differences. The total destructive power of nuclear weapons makes peace a condition of human survival. The only war the American labor movement and the American people are interested in is a war against mankind's ancient enemies—poverty, disease, hunger and illiteracy."

Mikoyan could hardly wait for his interpreter to finish to agree with the sentiments just expressed. "In fact," he said, "the Soviet Union does not want any kind of war, even with the old conventional weapons and methods. War of any kind is an immoral method of settling disputes. But the Soviet Union would support a war of peoples for freedom, against aggression and for self-determination."

"That goes to show," said Reuther to Mikoyan, "it's easy for the Soviet Union and America to agree on 'pious phrases,' but the test of sincerity and good faith does not rest in general declarations, but in their practical implementation."

"Take the current crisis in Germany," Reuther went on. "All representative groups in the United States consider the Government of East Germany a puppet of the Soviet Union. The current Berlin crisis is made in Moscow. The Soviet Government is trying to exploit the situation of Berlin and the division in Germany for tactical reasons in the cold war. How can the Soviet Union reconcile its professed desire for peace with the fact that time after time it creates new pressure points and the very tension that today threatens world peace?"

(By this time, the excellent meal catered by the nearby Statler Hilton was almost forgotten. The original plan was to have an orderly buffet, with each man moving to the table to pick and choose. But the talk began so quickly and maintained such a steady beat that the waiters, not wishing to see the food go to waste, finally dished it out and served each discussant where he sat.)

Mikoyan then gave in some detail the history and background of the leaders of East Germany. Many, he said, are workers and trade unionists and former members of the Social Democratic and the Christian Democratic Parties. "Certainly," he insisted, "the Soviet Union would not permit Chancellor Konrad Adenauer to dictate the terms for a unified Germany."

"Well," Reuther shot back, "the free world would not consent to have the terms for a unified Germany dictated in the Kremlin. This is a decision the German people should make through a democratic vote, participated in by all the people of Germany, and supervised by a commission of the United Nations."

Mikoyan retorted somewhat sharply that the East German Government was "democratically" chosen, and he again cited the character of their leaders as proof.

"Oh yes," Reuther said, "I have some personal understanding and experience of the background of political parties in Germany. I was in Berlin at the time of one of Hitler's so-called elections in 1933. Let me tell you, there is no essential difference between a vote under Hitler and the votes conducted in the Soviet Union and in East Germany. Why? Because under all three there is only one party for the electorate and only one list of candidates. Such an election is not a democratic expression of the democratic will of the people."

Mikoyan peered at Reuther. He said emphatically as if replying to Reuther's point, "An important consideration in discussing the future of Germany is the fact that in East Germany there is social ownership of the means of production, and the fact that the workers own and control the means of production."

But Reuther would not be sidetracked "Your claim," he said, "that the East German Government is independent of Moscow domination might have carried somewhat more weight if you had made such a claim before Soviet military power intervened to crush a representative government in Hungary—but not now, after the brutal intervention of Soviet troops in Hungary. This dissolved any possible illusions about so-called political independence from Kremlin control of any of the satellite countries. If the East German Government did anything which displeased the Kremlin in foreign policy, the Soviet Government would move in and crush the East German Government in Hungarian style."

Here Jim Carey recalled the basic error of the Soviet trade unionists in the World Federation of Trade Unions, with which the Congress of Industrial Organizations, the British Trades Union Congress, and others were affiliated until 1949. Mikoyan replied that the trade union centers of the West had demonstrated impatience and intolerance and had not given the WFTU a real opportunity to work out its problems. Speaking from experience as a CIO delegate to the WFTU in Paris, and to the Soviet trade unions in Moscow in the mid-1940's, Carey retorted:

"The trade unions of the West made every reasonable effort to work out an agreement, but the Soviet Union itself made the serious error of trying to capture the official machinery of the WFTU through Soviet control of Communist-dominated unions throughout the world. In this way, the Soviet Government sought to use the world trade union movement as a vehicle for Soviet foreign policy."

To this Mikoyan used a softer answer: "If the Russian trade unionists made mistakes, no doubt the unions in the West also made mistakes during that period. We should not permit such mistakes to keep us in conflict any more than neighbors should allow past mistakes to dominate future relations."

Reuther abruptly brought the discussion back to what he called the global error of Soviet propaganda, which he said had changed little in the past 40 years: "Your propaganda has no relation to the present-day world as far as America is concerned. The Kremlin might as well cut off its efforts to propagandize the American workers, because it will not be successful in overthrowing our economic and social system."

Then Reuther recited rapidly the facts of the transformation of conditions in the automotive industry. "We still have problems," he said, "but we are able to participate in solving these problems through trade union action and as citizens." Reuther also pointed out that the Soviets themselves admit that American workers enjoy a standard of living far above that in the Soviet Union:

"That's why they resent Soviet propaganda which is directed at them and other workers and which would have the world believe that the American workers are wage slaves who are being exploited by a ruthless and inhuman system of 'Wall Street capitalism.' It's about time that the Soviet Union quit playing this broken propaganda record."

Mikoyan, trying to turn the conversational tables, retorted, "If the record is broken, how can we play it?" Then, all Americans present had to explain that a "broken record" is one that is cracked and out of date. At this point Mikoyan smiled a little and agreed that the matter ought to be looked into.

Carey then picked up the theme of the evolutionary advances in the American labor movement since Mikoyan's last visit more than 20 years ago, saying that improvements have been registered not only economically but also in political and social areas. Mikoyan insisted that here the American trade union leaders were wrong again in their supposition that Russia is not aware of the higher standard of living of the American workers. "In fact," he said, "we constantly use this fact as an incentive and example to Russian workers to improve their production."

For a few minutes the discussion veered to talk about literature. The Americans brought up the subject of Boris Pasternak and Dr. Zhivago. Mikoyan would not say whether he had read the book. But he launched into a personal attack on Pasternak and tried to dispose of him as "the son of a millionaire" who saw through the eyes of the old regime.

This question of freedom to read was further illustrated by an incident Reuther recalled for Mikoyan which occurred during a visit made by a Russian trade union delegation to the Detroit headquarters of the United Auto Workers shortly after the end of World War II. The Russian visitors were taken into the union library and they looked over the book stacks. One particular volume caught the eye of a Russian visitor, and he beckoned the others to come over to gaze at the title. Afterward, the UAW guides went back to see what book held such a fascination for their Soviet visitors. It was Leon Trotsky's "History of the Russian Revolution." Mikoyan listened to the story and was not amused.

At this point, Joseph Beirne, steered the conversation back to foreign policy: "Mr. Mikoyan, it is impossible for American workers to develop a faith and trust in the Soviet's stated belief in self-determination for smaller nations, with the memory of Hungary still fresh in their minds. Here was a situation where the workers of Hungary, attempting to achieve self-determination, were brutally slain or imprisoned by Soviet military power."

And Beirne asked—and the same question was later raised by William C. Doherty—whether the Soviet Government would guarantee absolute freedom of movement and access to an American trade-union delegation to the Soviet Union. Specifically, he asked, "Would such a delegation be able to visit prisons and labor camps and talk to workers on the job and in their homes without interference?"

Mikoyan quickly replied by assuring the freedom of an American trade-union delegation to travel and visit any place in Russia except restricted areas, atomic-energy and missile installations. But pushed again to discuss Hungary, he refused to take up the subject on the ground that it would take considerable time to examine the subject properly and refute the American charges.

At this point the American trade-union leaders said: "All right, let's take the time." But Mikoyan shrugged this off with a remark that the labor leaders in the room were "blindly" supporting American foreign policy, which he characterized as "aggressive" in Guatemala, when the Jacobe Arbenz regime was overthrown, and in the U.S. landings in Lebanon.

"All right," the Americans said again, "we'll answer questions about Guatemala and Lebanon when you have answered ours on Hungary."

At this point, the American labor leaders let Mikoyan know that they understood how closely identified he was with the suppression of the Hungarian revolution of 1956.

Reuther then picked up Mikoyan's reference to U.S. labor's "blind" support of U.S. foreign policy. "Now," he said, "on Berlin, the American labor movement supports the Government's foreign policy. But American labor leaders freely disagree, often and publicly, with our Government's policy, without fear of going to jail. No Russian leader of a Soviet trade union could truthfully say he can exercise such a right to disagree with the Soviet Government."

Mikoyan seemed about to protest, but was silent.

When Beirne brought up the fact that the American people and trade unionists had frequent and regular opportunities to influence the direction of the U.S. Government, as witnessed in the recent election, Mikoyan tried to take the offensive. Ironically, he remarked he was glad to hear that the American trade unions had such influence, that he really had not realized that "you could exercise such influence on your Government." Then he pointed to what seemed to him sure-fire evidence that the United States had a second-rate labor movement: "You do not even have a labor party in America."

As a riposte, Carey made a fragile joke about the Soviet Union not having a capitalist party. But Mikoyan disregarded this and said: "The leadership of the Soviet Union sees no difference whatsoever between the Republican Party and the Democratic Party."

Then Reuther shot back with a comment that seemed to stop Mikoyan for a full minute:

"Mr. Mikoyan, let me tell you that programmatically there is more difference between the policies of the Republican Party and the Democratic Party than there was between the Menshevik Party and the Bolshevik Party at the time of their split."

Finally Mikoyan spoke, "This was true only during a short period."

Again Beirne came back to the question of Hungary and again Mikoyan tried to divert the discussion by raising other questions. Reuther hit out at Mikoyan's maneuver.

"This is an old Communist trick," he said. "We have seen it many times here and abroad. When you ask Communists about a problem or try to discuss an area which involves their sins and shortcomings, they always try to change the subject and to swing the talk around to the sins of capitalism."

Mikoyan then charged that the American trade union leaders were prejudiced. "You don't know the facts," he said, "why don't you come to Russia and see for yourselves?"

And while the interpreter was spelling this out, Mikoyan broke in again and observed sharply: "The American trade-union leaders are more antagonistic toward the Soviet Union than were the American capitalists whom I have met."

"You should know the reason for that," Reuther explained. "It is because the American trade-union leaders understand the Communists better than the American capitalists."

Abandoning this unfruitful tack, Mikoyan brought the talk back to Berlin. He proposed again that Berlin be made a "free city," with freedom of access for everyone—East and West—to Berlin, to be guaranteed by an international commission and with all sides removing their troops.

Reuther rejected this idea as unworkable. Geographically, he said, Berlin would be an island surrounded by Soviet-occupied territory. And he added, Berlin is not an economically viable unit. The problem of Berlin, he said, could not be worked out in a vacuum, but as part of a comprehensive consideration of the whole German question. The only adequate resolution of the question must rest on a genuinely free election, properly guaranteed by UN supervision, and participated in by all the people of East and West Germany. Let the German people decide, Reuther said.

Mikoyan leaped at this and pointed to the result of the last election held in East Germany, where the Communists won almost unanimously.

"No, no," Reuther said, "this is not the example of the kind of elections we suggest." Reuther declared that the Soviet Union continues to oppose a solution of the German problem based on a free and democratic vote because, in the recent free election in Berlin, the Communists received less than 3 percent of the vote.

Such an insignificant Communist vote clearly indicated, he said, that despite the fact that Berlin had a long history of a militant working class and political action, the people of Berlin emphatically reject the Communists. In the mind of the average German there is no essential difference between the totalitarianism of communism and Hitlerism.

At one stage, Mikoyan launched a bitter attack on Erich Ollenhauer for his leadership of the Social Democratic Party after World War II. This seemed to be an attempt to rewrite history by rearranging its dramatis personae. Reuther pointed out that Mikoyan was confusing historical facts: Kurt Schumacher was the Social Democratic leader at the time, not Ollenhauer. Being caught up and corrected made Mikoyan testy.

Reuther emphasized that the late Ernst Reuter, Mayor of Berlin, and Willy Brandt, his successor, were not men who would knuckle down to Communist control; they were men dedicated to a truly free Berlin.

Mikoyan stressed his belief that the first step toward reunification of Germany could be accomplished through confederation of East and West Germany and through closer cooperation between them. He saw precedents for such a move in the early history of both the United States and Russia. The American trade unionists saw little hope in such a formula, which they regarded as another devious Soviet maneuver.

In a final effort to prove his bona fides, Mikoyan said that under the Soviet plan Brandt would be permitted to remain mayor of West Berlin and there would be no change in Berlin's Government. Then the meeting broke up because Mikoyan was due to meet Vice President NIXON.

Absent from the meeting was AFL–CIO President George Meany, who told Carey he wouldn't care to break bread with Mikoyan. Two days after the labor session with Mikoyan, Meany denounced the Soviet leader as a double crosser of the Hungarian people.

He scored "those who feel we can meet the Soviet challenge at the conference table, and that the threat of human destruction, of total war, is enough assurance for our protection. I think this position is really a repudiation of our responsibility as trade unionists, one that all Americans must have."

The five trade union leaders who met with Mikoyan believe strongly in the value of the get-together. They consider it of major importance that Soviet Deputy Premier Mikoyan take back to his Kremlin colleague, Nikita Khrushchev, a first-hand account of American labor's opinions. It was important, they believe, for Mikoyan to know, not to guess, how American labor felt about communism.

Since Mikoyan's schedule included many meetings with top American business leaders, this conference with labor must have given what he could have gotten nowhere else—(1) a strong sense of American labor's distaste for Soviet policy and (2) a realization of American labor's competence and sophistication in handling the Soviet line, whether it is peddled through the hard sell or the soft.

Mr. HUMPHREY. Mr. President, I desire to associate myself with the remarks made by the distinguished Senator from Kentucky [Mr. COOPER]. I am familiar with the article to which he has referred. I believe it to be a splendid one. It portrays the value of these programs for all people; and I commend the Senator from Kentucky for placing the article in the RECORD.

Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from Minnesota is recognized.

IMPORTANCE OF STUDIES IN OCEANOGRAPHY

Mr. HUMPHREY. Mr. President, for many years it has been my privilege to know Dr. Harrison Brown, of the California Institute of Technology. Dr. Brown is a dear and respected friend of mine, and is a scholar and scientist of very great breadth of vision.

About a year ago, Dr. Brown discussed with me for the first time the state of our Nation's knowledge of the oceans surrounding us, and the fact that the scientists of the Soviet Union were hard at work not only in rockets and missiles, but in oceanography—the study of the oceans and of the life within them.

I was powerfully reminded that we of the West—the Atlantic Community, the nations whose common physical bond is the Atlantic shoreline—have, in still another major lapse of attention, very nearly permitted ourselves to be left in the wake of another surge of Soviet scientific advance. I came to realize how pitifully inadequate was our knowledge of the seas which traditionally have been the lifelines of the Western world—over which far more than nine-tenths of all our men and material moved during World War II, and over which our forces flowed to Korea and to the later trouble spots of the world that required the presence of American armed forces.

I came to realize that the ocean deeps and the offshore shelves of the continents would ever increasingly become the arena in which the fateful decisions of war might very well be fought.

The intense concentration of the Soviet Union on submarine development and construction—to a degree surpassing by five times the prewar effort of Nazi Germany—began to be seen in its proper perspective. Soviet concentration in oceanography, Soviet effort on submarine building, Soviet progress in missile development, totaled a program of awesome dimensions for the offensive use of the ocean spaces.

Mr. President, let me add that the Soviet Union seeks to make the ocean its great base of operations—a base which covers three-fifths of the earth's surface.

It is apparently true that radioactive markers have recently been discovered

off our coasts, and presumably they were planted by submarines for guidance in underwater navigation near our major east coast cities.

This development is just one more warning that if we persist in oversimplifying the Soviet threat, and if we insist on concentrating all our thinking and planning in one direction, we are going to go the way of France in 1940.

By now we should understand the folly of narrow, doctrinaire thinking and planning in the field of national security. The idea that communism could be contained by the threat of "massive retaliation" became an absurdity almost as soon as it was advanced. Yet how much of our present military budget is still a hangover from those days.

Until the day when the first sputnik went up, we persisted in happy ignorance, in believing that we held an unshakable deterrent in the form of our strategic air arm.

We are persisting yet in believing that because we possess a large family of tactical nuclear weapons, we have an effective deterrent against the employment of Communist ground forces. The "More Bang for a Buck" slogan coined by some Madison Avenue publicist for a political campaign still distorts and twists the thinking of those who hold the military purse strings in the administration. Yes, not even the Lebanon and the Formosa straits crises have produced any concrete demonstration that the top levels of the administration realize that the conventional forces are fast rebounding to center stage.

Today, too, we in the Congress are spending our energies in trying to force the administration to press forward with greater urgency in the missile development stage and in the race for the pioneering of space.

I support the effort to upgrade sharply our efforts in missiles and rockets and guidance systems. But I respectfully ask my colleagues: Are we, in our frustration, going to fall into the same mistake of putting all our eggs into one basket? Granted that there are very substantial military implications in the scientific effort to conquer space, and that there are important psychological ramifications, in terms of national prestige, yet, Mr. President, are not we, in our enthusiasm and zeal, leaving some tremendous gaps in our national armor? Are not we, in our preoccupation with the space above our heads, tending to forget the unknown depths beneath the keels of our warships and our merchant vessels? I believe that we are.

I also happen to believe that this Nation can afford to spend whatever amounts are necessary in order to defend our people and to provide a military shield for a constructive and effective foreign policy.

Among the two great gaps, then, in our national armor is the failure to maintain even a fraction of the modernized, mobile, but conventional forces needed to deter Communist conventional probings and attacks.

The second great gap is related both to the problem of dealing with conventional or limited war and to that of preserving a true deterrent against massive strategic attack on the United States. This is the gap caused by our ignorance of the secrets of the oceans, the marked failure of the antisubmarine science to keep up with the progress being made by the world's submariners, and the all-out construction program of the Soviet undersea force.

The Soviet submarine threat to the vital sea supply lanes of the Western World, coupled with the probability—as the Chief of Naval Operations indicated recently to my subcommittee—that the Soviet Union now has missile-carrying submarines, constitute reason enough for us to take serious alarm at the state of our sea defenses. This threat is reason enough, in itself, for us to be grateful for the monumental service which Dr. Harrison Brown and his distinguished colleagues on the Committee on Oceanography are rendering their Nation in focusing attention on the low state of the oceanographic art in the West, and in proposing hard, concrete, specific measures by which we can regain the loss initiative in this critically important field of knowledge.

But even beyond the military implications of the recommendations made last weekend in the committee's summary of recommendations, the committee has set forth other vital arguments which impel us to follow its recommendations.

A world in which man's numbers are increasing in geometric proportions, a world which—despite our own preoccupation with so-called food surpluses—can scarcely maintain a sufficient food supply to support life, can hardly afford to further overlook the teaming life of the oceans and their vast possibilities for increasing the world's supply of food.

The problem of the disposal of atomic wastes, the possibilities of gaining sufficient knowledge of the interaction of sea and land and air to give us a measure of climate control, these are also subjects of intense study by the Committee on Oceanography.

The Committee on Oceanography is, of course, a special committee of the National Committee of Sciences and the National Research Council. Its study, as I have indicated, was made public this past week.

Mr. President, this group of scientists has undertaken a unique and historic effort. Its members have devoted countless and ill-spared hours and days out of busy and productive professional lives to confer upon and agree upon a comprehensive recommendation to our people—a recommendation for national action that demands detailed and immediate attention of the Congress.

The proposal is modest in terms of cost. In fact, I was surprised, on reading the recommendations last week, that the costs of the shipbuilding programs proposed and the increase in staffing suggested were not far higher than the figure proposed in the committee's recommendations.

Briefly, the committee proposes a total national investment of approximately $650 million spread over the next 10 years—about one-third of which would go to build a modern fleet of 70 oceanographic research vessels—for both basic and applied oceanographic research. This is, it should be emphasized, a minimal figure which will support an effort barely sufficient to stay even with the Soviet growth in useful knowledge of the oceans.

We should be bolder in our investment.

The committee, after much serious discussion, has decided to recommend that there not be a new major oceanographic research agency—and I repeat the word "not"—but rather that the program proceed through the expansion of existing programs in the Federal agencies and the great educational and scientific institutions of the Nation.

This decision throws a special burden on the Congress to examine not one budget, but the several budgets of the agencies involved—such as the Navy, the Coast and Geodetic Survey, the Bureau of Fisheries, and the National Science Foundation—and to try to make an evaluation as to whether or not the administration is preparing a properly balanced and sufficient new program in oceanography.

I hope that the Committee on Oceanography will continued to sit, and will accept a new role as adviser and consultant to the several subcommittees of Congress which will have the major responsibility for evaluating, judging, and voting upon the present and future appropriation requests in the field of oceanography.

Mr. President, I wish to publicly commend the Committee on Oceanography for the splendid beginning it has made, and for the timely issue of chapter 1 of its monumental 12-chapter report.

Mr. President, while I recognize that this report is of some length, it is the first report we have had since 1949 on the subject of oceanography—the study of the ocean floor and the ocean itself. The first committee was established in 1927, under the chairmanship of Dr. Frank R. Lillie. The second one, of which Dr. Detlev Bronk was chairman, was, as I have said, established in 1949. Therefore, since no report has been made available to the executive branch of the Government of the United States, or to the Congress, since 1949, and since these recommendations will be presented to the Congress by the President or his appropriate officer, such as the Secretary of Defense or others, I believe that the report should be incorporated in the CONGRESSIONAL RECORD.

I therefore ask unanimous consent that there be printed, at the conclusion of my remarks, excerpts from chapter 1 of the report of the Committee on Oceanography of the National Academy of Sciences-National Research Council, entitled "Oceanography, 1960 to 1970." This particular report, Mr. President, should rank in the same classification with the Rockefeller report and the Gaither report, when it comes to the outlining of some of the means of adequately protecting our national security.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

CHAPTER 1. INTRODUCTION AND SUMMARY OF RECOMMENDATIONS OF THE COMMITTEE ON OCEANOGRAPHY, NATIONAL ACADEMY OF SCIENCES-NATIONAL RESEARCH COUNCIL

(By Harrison Brown, California Institute of Technology, Pasadena, Calif.)

I. INTRODUCTION

Two-thirds of the earth's surface is covered by the waters of the seas. The waters themselves greatly affect our lives—they play a major role in governing our climate; they provide inexpensive transportation; from them we derive important quantities of nourishment; they have traditionally provided protection against military attack. Beneath the surface a myriad of wonders is concealed. There are trenches, the floors of which are as much as 7 miles below sea level. Mountains which approach Mount Everest in height rise up from the ocean floor. Sediments in the ocean deeps contain detailed records of earth history—and, associated with it, life history. The more than 300 million cubic miles of water contain huge assemblages of living matter of fantastic variety.

As our technological civilization increases in complexity, as human populations grow more and more rapidly, as problems of military defense become increasingly difficult, as man pushes forward with his relentless quest for greater understanding of himself, his origins and the universe in which we live—as all of these changes take place, detailed knowledge and understanding of the oceans and their contents will assume ever greater importance.

Man's knowledge of the oceans is meager indeed when compared with their importance to him. Recognizing that neglect in this area of endeavor might well result in our being placed in a precarious position from the scientific, technological, and military points of view, the National Academy of Sciences-National Research Council decided in 1957 to form a Committee on Oceanography. In May of that year, President Detlev Bronk appointed Harrison Brown, professor of geochemistry at the California Institute of Technology, chairman of the committee. The committee itself was formed during the following months and its first meeting was held in November 1957.

The members of the committee are: Harrison Brown (chairman), California Institute of Technology, Pasadena, Calif.; Maurice Ewing, Lamont Geological Observatory, Columbia University, Palisades, N.Y.; Columbus O'D. Iselin, Woods Hole Oceanographic Institution, Woods Hole, Mass.; Fritz Koczy, Marine Laboratory of the University of Miami, Miami, Fla.; Sumner Pike, Lubec, Maine, formerly Commissioner, U.S. Atomic Energy Commission; Colin Pittendrigh, Department of Biology, Princeton University, Princeton, N.J.; Roger Revelle, Scripps Institution of Oceanography, La Jolla, Calif.; Gordon Riley, Bingham Oceanographic Laboratory, Yale University, New Haven, Conn.; Milner B. Schaefer, Inter-American Tropical Tuna Commission, La Jolla, Calif.; Athelstan Spilhaus, Institute of Technology, University of Minnesota, Minneapolis, Minn.; and Richard Vetter (executive secretary), formerly with the Geophysics Branch of the Office of Naval Research, Washington, D.C.

The work of the committee was made possible by the sponsorship of several Government agencies, all of which have interests in the oceans: Atomic Energy Commission, Bureau of Commercial Fisheries, National Science Foundation, Office of Naval Research.

The committee was organized as a part of the division of earth sciences of the National Academy of Sciences-National Research Council.

At the request of President Bronk, the committee has made a survey of the present status of the marine sciences in the United States. It has attempted further to assess the major problems of operations, administration, and funding in this area and to evaluate the probable needs for oceanographic knowledge in the years ahead. On the basis of its findings, the committee has drawn up a series of recommendations which, if followed, can result in a strengthening of the marine sciences during the next 10 years to a level which is consistent on the one hand with the assessed needs, and on the other with limitations such as the rates at which ships and laboratories can be built and new oceanographers can be trained. It should be stressed, however, that the committee considers its recommendations minimal ones. Action on a scale appreciably less than that recommended will jeopardize the position of oceanography in the United States relative to the position of the science in other major nations, thereby accentuating serious military and political dangers, and placing the Nation at a disadvantage in the future use of the resources of the sea.

The deliberations of the committee[1] were complicated by a number of factors: oceanography embraces many sciences—indeed "oceanography" encompasses the scientific study of all aspects of the oceans, their boundaries, and their contents; research is undertaken in a variety of private and Government laboratories; numerous Government agencies have direct but differing interests in the oceans; funds are derived from many sources. In order to expedite the formulation of recommendations under these circumstances, several specialized panels were formed for the purpose of making specific studies: oceanographic research ships, new devices for exploring the oceans, ocean resources, radioactivity in the oceans, international cooperation in the marine sciences.

The memberships of the panels are listed at the end of this summary. The Committee on Oceanography is greatly indebted to the panel members, who gave extensively of their time to these studies, and without whose help the recommendations could not have been formulated.

The complete reports of the panels have been incorporated into the final report of the Committee. Chapter headings of the final report are listed inside the front cover of this summary. Individual chapters will be made available separately through the National Academy of Sciences as soon as possible. In addition, a condensed version of the Committee's report shortly will be made available for widespread distribution. The reader is referred to individual chapters of the report for more detailed discussion of the background, facts and reasoning which have led to the recommendations summarized in section III, general recommendations.

II. THE IMPORTANCE OF THE PROBLEM

The Committee has found that relative to other areas of scientific endeavor, progress in the marine sciences in the United States has been slow. There has been a substantial amount of excellent work, more often than not undertaken under extremely difficult and trying circumstances. But generally speaking progress has not been rapid when compared with the essential and exciting information yet to be obtained by probing the vast and dark, but penetrable, depths of water which cover so much of the earth's surface.

The seas present a challenge to man which in magnitude approaches that of space. At least we have been able to observe the moon, planets and stars directly with our telescopes. But the ocean depths, shrouded in darkness, have been obscured from our view. We know less about many regions of the oceans today than we know about the lunar surface.

From the purely scientific point of view, the study of the oceans' depths can be fully as rewarding as the study of the moon. Records of ancient earth history are locked in deep-sea sediments. Intensive study of the seas can teach us a great deal about the origin and evolution of our planet and the life upon it.

On the practical side the problems to be solved concerning the oceans are clearly more urgent than those of space. The problem of providing food, particularly animal protein, for the growing numbers of underfed people in the world is becoming increasingly acute. Given more study man can economically harvest a great deal more food from the seas than is now possible. Considering the position of the United States in the community of nations it seems appropriate, even essential, that we lead the way in this respect.

From the point of view of military operations there is no comparison between the urgencies of the problems of the oceans and those of outer space. The submarine armed with long range missiles is probably the most potent weapon system threatening our security today. It seems clear that the pressures of establishing effective bases, and of protecting ourselves from attack, are relentlessly driving us into the oceans.

The problems involved in military operations in the sea are enormous. We will not be able to navigate under the oceans with adequate precision until our knowledge is greatly expanded. Nor will we be able to detect submerged submarines efficiently unless we learn far more about the ocean depths than we now know. We will not be in a position to negotiate an adequate international submarine control and monitoring system until we have the ability to make the oceans transparent so that we can track all submarines in the oceans, both our own and all others. To accomplish this, we must place greater national emphasis on research in the marine geophysical sciences, on surveys of the ocean background against which tracking must be accomplished, and on the development of effective devices to achieve such oceanwide surveillance. The committee's recommendations constitute an essential first step in these directions.

With these problems and prospects in mind, this committee has attempted to assess the steps which should be taken in order that the United States might possess outstanding capabilities in the oceanographic field, and in order that we might obtain sufficient knowledge in time to avert a "crash" program—which would be wasteful in terms both of money and valuable technical manpower.

The cornerstone of our oceanographic endeavors is basic research. We need to understand waves and the interactions between the atmosphere and the oceans. We need to know more about ocean currents and upwellings. More intensive studies should be made of the properties of sea water and of processes of sedimentation. We should systematically study the life forms in the oceans in three dimensions. We should study the sea floor with instruments and we should send men down to look at it in many localities.

In view of the complexities of these problems, the committee has recommended that the level of basic research in these fundamental areas be substantially increased during the next 10 years. This will require increases both in manpower and in facilities. Of particular importance among the facilities are ships, which are to the oceanographer what cyclotrons or reactors are to the nuclear physicist. He simply cannot undertake adequate research without them.

[1] The committee as a whole acted as a panel on basic research, on education and manpower, and on problems of operations, sponsorship, and funding.

Our oceanographic research ships are inadequate for the job which must be done. Most of the ships are old and outdated. Many are obsolete and should be replaced by ships of modern design which will be more efficient to operate and from which a greater variety of scientific observations can be made. In addition, the number should be increased.

The oceanographer also needs improved instruments if he is to penetrate the water barrier and learn in detail about conditions at great depths. Thus far oceanographers have not been able to take full advantage of recent technological developments and, accordingly, the committee has recommended the establishment of a program of broad scope, aimed at developing and using new instruments and devices for exploring the sea. Using new deep-diving vehicles, for example, it is now possible for man to observe directly the ocean deeps. It seems highly likely that within the next 10 years men will descend through the water nearly 7 miles to the deepest point on earth.

An integral aspect of a program for learning about the oceans involves our surveying them more or less routinely. The topography of the ocean floor should be mapped in detail. We should arrive at a complete picture of gravitational and magnetic forces and of ocean currents in three dimensions. Sufficient biological information should be gathered so that we can prepare accurate maps of the distribution of life in the sea.

All of these studies, together with others like them, will have bearing upon the more immediate practical problems which confront us in the military area and in the area of ocean resource development. In addition to this, however, it is clear that the applied research and development programs in these areas should be expanded.

In the committee's attempts to give quantitative indications of the relative amount of effort which it believes should be placed upon various aspects of the proposed program by individual Government agencies, suggested budgets have been compiled for a 10-year period. These suggested budgets, in the committee's opinion, present a reasonable representation of the magnitude and kind of effort and the degree of interagency cooperation which will be required if the recommended goals are to be achieved. In addition, a budget permits a direct comparison of efforts in this field relative to the efforts in other fields of scientific and technological endeavor.

III. GENERAL RECOMMENDATIONS

The key to the growth of oceanography in the United States lies in basic research—research which is done for its own sake without thought of specific practical applications. The very nature of basic research is such that the problems which will be attacked and the results which will be obtained cannot be predicted. The very nature of applied research is such that its success depends upon the size of the reservoir of fundamental knowledge upon which it must draw. The rate of progress in the applied marine sciences will be determined in the long run by the rate of progress in the basic marine sciences.

The committee has concluded that both the quantity and quality of basic research in the marine sciences can and should be increased substantially during the years ahead. Specifically the committee recommends:

1. The U.S. Government should expand its support of the marine sciences at a rate which will result in at least a doubling of basic research activity during the next 10 years.[2]

It should be emphasized that doubling the basic research activity will require more than doubling the total expenditures.

A large part of the deliberations of the committee were devoted to discussions of the conditions under which basic research can flourish. First and foremost, progress depends upon the interests, experience, and creative imaginations of individual scientists. But the individual scientist does not work in a vacuum. He must have instruments and facilities. He must live in an atmosphere which is conducive to creative activity. These necessities in turn give rise to problems involving marine research laboratories—problems of leadership, financial stability, flexibility, growth, academic associations, and physical facilities.

Not only for research but in order to exploit and use the oceans we need more detailed knowledge which can only be obtained through systematic surveys in three dimensions. These surveys should include such features as depth, salinity, temperature, current velocity, wave motion, magnetism, and biological activity. It is essential that these surveys be conducted on an oceanwide ocean-deep basis as quickly as possible. Our knowledge is now largely limited to waters 100 miles from shore, and even here it is inadequate for present and future needs. Accordingly, the committee recommends:

2. The increase in support of basic research should be accompanied during the next ten years by a new program of oceanwide surveys. This will require a twofold expansion of the present surveying effort.

We believe that, on a long-range basis, basic research coupled with systematic ocean surveys are of paramount importance in solving a number of urgent practical problems involving military defense, the development of ocean resources and possible future increases of radioactive contamination of the seas resulting from the rapid development of atomic energy. However, research and surveys must go hand in hand with a vigorous and imaginative applied research and development program. Accordingly, the committee recommends:

3. The United States should expand considerably its support of the applied marine sciences, particularly in the areas of military defense, marine resources and marine radioactivity.

The implementation of these general recommendations requires action upon a number of broad fronts. More marine scientists must be educated. Additional ships and shore facilities must be built. New instruments and techniques must be developed. International cooperation in the marine sciences must be strengthened.

To achieve these aims in the next 10 years will necessitate many agencies of the Federal Government working together both in planning and in providing the moneys.[3] Taking into account the relative degrees of interest and importance of oceanography to individual agencies, the committee recommends:

4. The Navy and the National Science Foundation should each finance about 50 percent of the new basic research activity except ship construction. The Navy should finance 50 percent of the new research ship construction with the Maritime Administration and the National Science Foundation sharing the remainder. The Navy, through the Hydrographic Office, should finance 50 percent of the deep ocean surveys, while the Coast and Geodetic Survey should finance the balance. The Navy should sponsor completely all military research and development operations. The Bureau of Commercial Fisheries should finance the greater part of the recommended ocean resources program. The Atomic Energy Commission should finance the major part of the research dealing with the problems of radioactive contamination of the oceans. The National Science Foundation and the Office of Education should sponsor jointly the proposed program for increasing scientific and technical manpower in the marine sciences. Efforts aimed at fostering international cooperation in the marine sciences should be sponsored by the Department of State, the International Cooperation Administration and the National Science Foundation. Other agencies should take responsibility for certain aspects of the proposed program, particularly the Public Health Service, the Geological Survey and the Bureau of Mines.

Although the bulk of oceanographic research and survey work must of necessity be financed by the Federal Government the value of State and private funds cannot be overestimated. Such funds are especially helpful for supporting initial exploratory basic research and for starting new laboratories. Accordingly, the committee recommends:

5. Private foundations and universities, industry, and State governments should all take an active part in the recommended program of expansion.

IV. SPECIFIC RECOMMENDATIONS

Education and manpower

1. The universities now providing graduate education for oceanographers should be encouraged to increase the numbers and quality of their output. Some institutions which now teach oceanographers in only certain branches of oceanography should add professors in other fields to their faculties. These measures will require financial support.

2. Institutions which undertake considerable research, but provide no regular formal teaching in oceanography, could contribute greatly to the education of oceanographers at the highest level by close formal affiliations with universities. Conversely, universities should recognize their responsibilities in the education of oceanographers. They should welcome this affiliation with marine laboratories and arrange for the interchange of faculties. This will require financial support.

3. It may be desirable to develop oceanographic education at new centers. However, a critical mass of faculty in the basic sciences is essential for successful teaching of oceanographers. Such new centers should, therefore, be developed at universities which possess strong faculties in the sciences.

4. In order to finance new faculty in oceanography at existing or new teaching centers, the U.S. Government should provide funds on long-term commitments. This Committee recommends that about $500,000 per year be appropriated for salaries and the equipment and indirect costs associated with such positions. This program could be operated through the Office of Education.

5. In order to attract competent graduate students to the long and somewhat arduous schooling required of well-qualified oceanographers, it will be necessary to provide substantial long-term fellowships. It is believed that 80 fellowships should be supported on a 5-year basis and at an average stipend of $3,500 to $4,000 per student each year. This will produce 12–15 new Ph. D.'s per year (allowing a reasonable attrition factor) at an annual cost of about $300,000. This would provide approximately one-third of the student support that will be needed in order to double the number of oceanographers at the Ph. D. level during the next 10 years.

---

[2] In 1958 about $23 million were spent by applied and basic oceanographic research. The basic research share of the total was not over $9 million. About $8 million of this, including the 1958 share of IGY expenditures, was Federal funds.

[3] One method suggested for developing more effective interagency cooperation is through the proposed Federal Council for Science and Technology. This Council is described in "Strengthening American Science," a recent report of the President's Science Advisory Committee.

It is desirable that fellowships permit students to attend more than one university. This can provide students with well-rounded educations in all branches of oceanography without each university having to provide a full curriculum. Such a program should be handled through the National Science Foundation.

6. Efforts should be made in research and survey programs to use larger numbers of assistants at the bachelor and master's level in order to utilize more efficiently the limited number of persons available at the doctoral level.

7. Oceanographers should undertake more active recruiting of prospective oceanographers among undergraduate students of physics, chemistry, biology, and geology.

New ships for research, development, and surveying

1. A shipbuilding program should be started aimed at replacing, modernizing, and enlarging the number of oceangoing ships now being used for research, surveying, and development. Specifically in the period 1960-70 the research, development and survey fleet should be increased from its present size of about 45 ships to 85 ships. Taking into account the replacement of ships which must be retired during the next decade, this means that 70 ships should be constructed at a total estimated cost of $213 million.

2. The size ranges recommended for new oceangoing ships are: About 500 tons, 1,200 tons, and 2,200 tons displacement.

3. The conversion of vessels, which were originally designed for other purposes, into research, development, or survey vessels is to be discouraged. Such conversions are generally uneconomical.

4. The recommendations for the construction of ships for specific purposes (basic research, military research and development, oceanic surveys, resources and fisheries) are given in table 1.

5. The recommended size distribution for new ships is given in table 2.

6. The Navy should provide about 50 percent of the financing for the construction of new ships for basic research, all of the financing for new ships for military research and development, and 50 percent of the financing for new ships for oceanic surveys. The Coast and Geodetic Survey should provide 50 percent of the financing for the construction of new ships for oceanic surveys. The Bureau of Commercial Fisheries should finance the construction of all of the new ships for marine biological resources and fisheries studies. The National Science Foundation and the Maritime Administration should each provide about 25 percent of the financing for new ships for basic research. The numbers of ships in each size category which should be built by each of the sponsoring agencies are given in table 3.

7. Detailed recommendations for the scheduling of ship construction by each of the sponsoring agencies are given in table 4. Estimated capital costs by year and by agency are given in table 5, based upon the assumption that a 500-ton ship will cost about $1.65 million, a 1,200–1,500-ton ship will cost about $3.80 million, and a 2,000-ton ship will cost about $5 million.

8. The Maritime Administration should be consulted in the designing of all ships paid for from public funds and used for marine studies.

9. Research ships operated by private institutions like those operated by the Navy, Coast Guard, and Coast and Geodetic Survey should be exempt from those existing legal requirements for living accommodations, safety, and the licensing of crews, which are practical and sensible only on large (3,000 tons) merchant ships.

10. All noncombatant surface ships used for research, development, or surveying should be operated by the laboratory or agency directly concerned and should have civilian crews.

11. In most cases the annual costs of operating vessels for basic research by non-Government laboratories should be paid for separately from the other expenses of research, for example, through a long-term facilities contract distinct from any research contracts.

10-Year Plan for Increasing the U.S. Fleet of Oceanographic Ships

TABLE 1.—*Function of ships*

	Research	Military R. & D.	Survey	Resources and fisheries	Total
Present fleet	11	9	18	7	45
To be replaced	5	9	9	7	30
Still operational in 1970	6	----	9	----	15
Additional new construction	11	11	11	7	40
Total construction	16	20	20	14	70
Total fleet in 1970	22	20	29	14	85

TABLE 2.—*Recommended size distribution of new ships*

Size	Research	Military R. & D.	Survey	Resources and fisheries	Total
500 tons	5	10	4	12	31
1,200 to 1,500 tons	9	6	11	2	28
Larger than 2,000 tons	2	4	5	----	11
Total	16	20	20	14	70

TABLE 3.—*Recommended sponsors of new ships*

	500 tons	1,200 to 1,500 tons	Larger than 2,000 tons	Total
Navy	12	18	8	38
Coast and Geodetic Survey	2	6	2	10
Bureau of Commercial Fisheries	12	2	----	14
National Science Foundation	3	----	1	4
Maritime Administration	2	2	----	4
Total	31	28	11	70

TABLE 4.—*Recommended scheduling of new ships*

[Year denotes time ship is put into service]

	Navy			C. & G.S.			B. of C.F.		
	500	1,200–1,500	2,000	500	1,200–1,500	2,000	500	1,200–1,500	2,000
1960	----	2	----	----	----	----	----	----	----
1961	3	3	----	1	1	----	2	----	----
1962	3	3	1	----	----	1	2	1	----
1963	2	2	2	----	2	----	2	1	----
1964	2	2	2	1	1	----	2	----	----
1965	1	2	2	----	----	1	2	----	----
1966	1	2	1	----	1	----	2	----	----
1967	----	2	----	----	1	----	----	----	----
1968	----	----	----	----	----	----	----	----	----
1969	----	----	----	----	----	----	----	----	----
Total	12	18	8	2	6	2	12	2	----
	38			10			14		

TABLE 4.—*Recommended scheduling of new ships*—Continued

[Year denotes time ship is put into service]

	NSF			MA			Total		
	500	1,200–1,500	2,000	500	1,200–1,500	2,000	500	1,200–1,500	2,000
1960	1	----	----	1	----	----	2	2	----
1961	----	----	----	----	1	----	6	5	----
1962	1	----	----	----	1	----	6	5	2
1963	----	----	1	1	----	----	5	5	3
1964	1	----	----	----	----	----	6	3	2
1965	----	----	----	----	----	----	3	2	3
1966	----	----	----	----	----	----	3	3	1
1967	----	----	----	----	----	----	----	3	----
1968	----	----	----	----	----	----	----	----	----
1969	----	----	----	----	----	----	----	----	----
Total	3	----	1	2	2	----	31	28	11
	4			4			70		

TABLE 5.—*Estimated capital costs for new oceanographic ships by agencies*

[Millions of 1958 dollars [1]]

	Navy	C. & G.S.	B. of C.F.	NSF	MA	Total
1960	23.95	5.45	3.30	1.65	5.45	39.80
1961	21.35	5.00	7.10	1.65	3.80	38.90
1962	20.90	7.60	7.10	5.00	1.65	42.25
1963	20.90	5.45	3.30	1.65	------	31.30
1964	19.25	5.00	3.30	------	------	27.55
1965	14.25	3.80	3.30	------	------	21.35
1966	7.60	3.80	------	------	------	11.40
Total	128.20	36.10	27.40	9.95	10.90	212.55

[1] Budget allocations have been assigned to the year immediately preceding that in which the ship is to be put into service.

TABLE 6.—*Estimated ship operations costs above present level by function*

[Millions of 1958 dollars]

Year	Research	Survey	Resources and fisheries	Total [1]
1961	0.60	0.65	0.30	1.55
1962	1.20	1.30	.55	3.05
1963	1.80	2.00	.85	4.65
1964	2.35	2.60	1.15	6.10
1965	2.95	3.30	1.40	7.65
1966	3.55	3.90	1.70	9.15
1967	4.15	4.60	1.70	10.45
1968	4.15	4.60	1.70	10.45
1969	4.15	4.60	1.70	10.45
Total	24.90	27.55	11.05	63.50

[1] Excluding military research and development ship operations.

TABLE 7.—*Estimated ship operations costs above present level by agency*

[Millions of 1958 dollars]

Year	Navy [1]	C. & G.S.	B. of C.F.	NSF	Total [1]
1961	0.62	0.33	0.30	0.30	1.55
1962	1.25	.65	.55	.60	3.05
1963	1.90	1.00	.85	.90	4.65
1964	2.47	1.30	1.15	1.18	6.10
1965	3.13	1.65	1.40	1.47	7.65
1966	3.72	1.95	1.70	1.78	9.15
1967	4.38	2.30	1.70	2.07	10.45
1968	4.38	2.30	1.70	2.07	10.45
1969	4.38	2.30	1.70	2.07	10.45
Total	26.23	13.78	11.05	12.44	63.50

[1] Excluding military research and development ship operations.

12. The costs of ship operations paid by the Federal Government should be subdivided as follows: The Navy should pay for 50 percent of the operational costs of ships

used for basic research, all of the operational costs of ships used in military research and development, and 50 percent of the operational costs of ships used for oceanic surveys.

The Coast and Geodetic Survey should pay for 50 percent of the operational costs of ships used for surveys. The Bureau of Commercial Fisheries should pay for the operations of ships used for resources and fisheries studies. The National Science Foundation should pay for 50 percent of the operational costs of ships used for basic research.

13. Estimated costs of ship operations, both by function and by agency, are given in tables 6 and 7.

Shore facilities for basic research

In order to derive the maximum knowledge from observations and collections made at sea, it is estimated that 60 technical persons must be available for the average ship involved in high seas research activity. Most of these persons are involved in land-based activities which require laboratories and associated facilities.

1. It is recommended that for every additional oceangoing research ship put into operation, an average investment of $1.5 million be made for essential shore facilities. These costs should be divided between the Navy and the National Science Foundation.

2. It is estimated that the costs of research other than ship operations will average about $1.2 million per ship per year. The committee recommends that Federal funds for this purpose be divided between the Navy and the National Science Foundation.

The costs to each agency, by year, are given in table 8. Capital allocations are assigned to the year preceding the placing of a new research ship into operation. Although table 8 shows no increase in the operating costs of shore-based facilities for basic research until 1961 when the first new ships are completed, we expect that plans now being made by various Federal agencies (mainly the National Science Foundation and the Navy) involving budgets for basic oceanographic research will be able to maintain the 1958 level of activity and allow for some buildup of staffs. Such plans should be strongly supported by the agencies, the Bureau of the Budget and the Congress in order to avoid a serious relapse of our present capabilities.

TABLE 8.—*Capital and operating costs of basic research other than ships*

[Over and above present level in millions of 1958 dollars]

Year	Navy		National Science Foundation	
	Capital	Operating	Capital	Operating
1960	0.75		0.75	
1961	.75	0.60	.75	0.60
1962	.75	1.20	.75	1.20
1963	1.50	1.80	1.50	1.80
1964	2.25	3.00	2.25	3.00
1965	1.50	4.80	1.50	4.80
1966	.75	6.00	.75	6.00
1967		6.60		6.60
1968		6.60		6.60
1969		6.60		6.60
Total	8.25	37.20	8.25	37.20

Oceanwide surveys

The capital and operating costs for ships involved in surveys of the world oceans have been given in a previous section. However, it is estimated that substantial shore facilities are required for the purpose of evaluating the data collected at sea. It is estimated that capital costs for shore facilities for each new survey ship will average about $750,000. It is further estimated that operating costs for shore facilities will amount to about $750,000 per survey ship per year.

1. The committee recommends that for every new survey ship put into operation an investment of about $750,000 be made for essential shore facilities.

2. It is recommended that an average of $750,000 be allocated each year for the operation of shore facilities for each new survey ship placed in operation.

These costs should be divided between the Navy and the Coast and Geodetic Survey. The costs to each agency, by year, are given in table 9. Capital allocations are assigned to the year preceding the placing of a new survey ship into operation.

3. Consideration should be given to conducting some aspects of the survey program through contracts with commercial organizations and private institutions.

TABLE 9.—*Capital and operating costs for shore facilities for survey work*

[Over and above present level in millions of 1958 dollars]

Year	Navy		Coast and Geodetic Survey	
	Capital	Operating	Capital	Operating
1960	0.38		0.38	
1961	.38	0.38	.38	0.38
1962	.75	.75	.75	.75
1963	.75	1.50	.75	1.50
1964	.75	2.25	.75	2.25
1965	.75	3.00	.75	3.00
1966	.38	3.75	.38	3.75
1967		4.13		4.13
1968		4.13		4.13
1969		4.13		4.13
Total	4.14	24.02	4.14	24.02

Engineering needs for ocean exploration

1. A vigorous program should be conducted for the development of manned submersibles that can operate down to and on the bottom of most of the ocean:

(a) An improved bathyscaphe using the best materials and techniques available should be designed and built immediately.

(b) Following up the recent commendable ONR action in bringing the bathyscaphe Trieste to the United States, it is recommended that funds be made available for a mother ship [4] together with auxiliary equipment in order to make maximum use of this deep submersible.

(c) A continuous design and development program should be initiated aimed at building deep and mid-depth manned vehicles as the need arises and as the state of the art progresses.

2. The need for open-ocean manned research platforms which are stable, and which can remain in place so that time studies can be made, seems essential and the design for such a buoy should be started.

3. A major program should be supported aimed at developing and using anchored and drifting buoys for obtaining space and time coverage of ocean characteristics.

4. It seems likely that aircraft can be used effectively for some research and surveys on the open ocean, particularly for studies involving the joint problems of oceanography and meteorology. Nearly all laboratories will need single-engine planes; several will need twin-engined amphibious planes; some will need four-engined commercial-type aircraft.

5. Surface icebreakers are of little value to oceanography. Efforts should be made to develop a submarine capable of breaking into and out of the ice.

6. Instruments should be developed for survey purposes which are more accurate, effective and troublefree than those now in use. The techniques needed to use them more effectively should be developed. Specialized devices such as Loran C, inertial navigation equipment, gravity meters and stable platforms should be made available for research as well as surveys as soon as possible.

7. A major program aimed at developing new high-seas engineering techniques should be started. Our abilities to handle heavy equipment and to conduct such operations as drilling and bottom sampling at sea limit our operations at present. Many of these difficulties would be appreciably lessened given proper effect. We have not included the very important problem of drilling to the Mohorovicic Discontinuity in our budget because another academy group is studying this problem.

8. Machine aids to computation and data storage have much to offer and should be budgeted.

9. High pressure facilities to permit controlled physical and biological experiments in the laboratory are needed.

10. Efforts should be made to secure the active participation of private industry in the development and manufacture of new devices and instruments for oceanographic research and surveying.

11. The unpredictable aspects of new devices makes difficult the formulation of an exact budget over a 10-year time scale. The committee recommends that $48 million be allocated during the next 5 years. It further recommends that a minimum of $10.5 million be allocated each year thereafter. The cost of this program should be divided between the Bureaus of the Navy and the National Science Foundation.

Budget breakdowns are given in tables 10 and 11.

TABLE 10.—*Estimated annual budget for engineering needs for ocean exploration*

[Millions of 1958 dollars]

	1960	1961	1962	1963	1964
Deep manned vehicles	2.0	2.0	3.0	4.0	4.0
Large manned buoys	.3	2.0	1.3	.2	.2
Unmanned buoys	.8	.8	.9	1.0	1.0
Aircraft	.6	1.3	1.0	2.0	1.2
Other specialized vehicles	2.0	1.0	1.0	1.0	1.0
Development of new instruments	.6	1.2	1.2	1.5	1.8
Other	1.1	1.2	1.2	1.2	1.3
Total	7.4	9.5	9.6	10.9	10.5

TABLE 11.—*Estimated annual budgets for engineering needs for ocean exploration by agency*

Millions of 1958 dollars]

Year	Navy bureaus	National Science Foundation
1960	3.70	3.70
1961	4.75	4.75
1962	4.80	4.80
1963	5.45	5.45
1964	5.25	5.25
1965	5.25	5.25
1966	5.25	5.25
1967	5.25	5.25
1968	5.25	5.25
1969	5.25	5.25
Total	50.20	50.20

Radioactivity in the oceans

The widespread use of nuclear energy for peaceful or military purposes necessitates studies to determine the effects of radioactive contamination upon the oceans and the life therein. The Committee on Effects of Atomic Radiation on Oceanography and

[4] This is listed in the section on "New Ships."

Fisheries in its report to the National Academy of Sciences made certain general recommendations concerning national policy in this area. Both the Committee on Oceanography and the Committee on Effects of Atomic Radiation on Oceanography and Fisheries believe that more specific and detailed recommendations can now be made.

1. A single agency should be given the overall responsibility and authority for regulating the introduction of radioactive materials in the oceans. Monitoring of disposal sites should be done by some agency other than the regulating agency. It is recommended that either the Coast and Geodetic Survey or the Public Health Service be made responsible for engineering studies in and near disposal areas, for routine monitoring of disposal areas and their surroundings and for a continuing assessment of the effects on the environments of added radioactive materials.

2. Vigorous programs should be started for the purpose of determining the circulation and mixing processes which control the dispersion of introduced contaminants in coastal and estuarine environments and in the open ocean. These studies represent the major part of the proposed budget in this area.

3. A program should be pursued aimed at determining the inorganic transfer of radioactive elements from sea water to the sediments.

TABLE 12.—*Radioactivity in the oceans—Summary of budget estimates*

[Annual cost in 1958 dollars]

	Without ship time	Ship time	Total
Control and monitoring	370,000		370,000
Estuarine and coastal studies	1,920,000	880,000	2,800,000
Research in open ocean	1,000,000	400,000	1,400,000
Sedimentation processes	[1] 449,000	35,000	[2] 484,000
Effects of the biosphere	678,000	260,000	938,000
Genetic effects	100,000		100,000
Biological field experiments	100,000		100,000
Total, 1st year	4,617,000	1,575,000	6,192,000
Total subsequent years	4,432,000	1,575,000	6,007,000
About ⅓ is now underway.			
Net cost of new program:			
1st year	3,078,000	1,050,000	4,128,000
Subsequent years	2,954,000	1,050,000	4,004,000
If 2 large open sea tests are conducted, 1 in 1962 and 1 in 1966, the additional costs in those years will be	1,400,000	600,000	2,000,000
Total in those years	4,354,000	1,650,000	6,004,000

[1] $264,000 after 1st year.
[2] $299,000 after 1st year.

TABLE 13.—*Radioactivity in the oceans—Summary of budget estimates for new research*

[Millions of 1958 dollars]

Year	Cost without ship time	Ship time	Total
1960	3.08	[1] 1.05	4.13
1961	2.95	[1] 1.05	4.00
1962	4.35	1.65	6.00
1963	2.95	1.05	4.00
1964	2.95	1.05	4.00
1965	2.95	1.05	4.00
1966	4.35	1.65	6.00
1967	2.95	1.05	4.00
1968	2.95	1.05	4.00
1969	2.95	1.05	4.00
Total	32.43	11.70	44.13

[1] Primarily through use of ships now in service.

4. Studies should be made of the effects of living organisms on the distribution of radioactive elements introduced into the sea.

5. The genetic effects of radiation upon marine organisms should be studied.

6. A variety of biological field experiments should be conducted utilizing radioisotopes.

7. The proposed budgets for the programs are given in tables 12 and 13. The greater part of the program should be financed by the Atomic Energy Commission.

Ocean resources

Lack of adequate understanding of the occurrence, behavior and potential harvest of fish and other marine organisms serves as a serious barrier to extensive economic development and utilization of marine biological resources. Existing knowledge is inadequate to evaluate the feasibility of creating a marine mineral industry.

1. The sea and its contents should be studied on a broad basis to enlarge our knowledge of its potential resources.

2. In order to elucidate the problem of population fluctuations of commercial fish stocks, which in large part is due to variable infant mortality, laboratory studies of the survival requirements of larval and juvenile stages of commercially important fish and shellfish are needed urgently.

3. There is an urgent need for facilities for studies of fish behavior in the laboratory under controlled conditions. This will require aquarium facilities of sizable physical dimensions.

4. Greater attention should be given to studies of the genetics of fish and other marine organisms.

5. Investigations should be made of the feasibility of adding nutrients to the euphotic zone of the sea in order to increase the productivity of marine organisms.

6. A program to investigate the possibilities of transplanting useful organisms from one region of the sea to another should be conducted.

7. More research is needed on the nature of the aggregations of organisms in the sea.

8. Biological surveys in the seas should be intensified, and programs should be initiated aimed at utilizing new devices such as unmanned buoys and the mesoscaph.

9. A data center for all oceanographic research should be established for the storage, routine processing and read-out of such information as sea surface temperatures, currents and meteorological data. This data center would not perform the functions of more specialized computing centers such as will be required for oceanographic forecasting.

10. There is a need for scientific, sociological and engineering studies directed toward the wider utilization of marine products in protein-deficient areas of the world.

11. There is a pressing need for studies of the economic and legal aspects of commercial fisheries, especially in comparison with other industries, in order to provide a basis for national policy decisions.

12. A scientific study of salt water fishpond culture should be started aimed at providing a basis for greatly increasing the efficiency and productivity of this industry and thereby increasing the protein food supplies in protein-deficient areas such as southeast Asia.

13. Many aspects of the potential mineral resources on the deep sea floor should be investigated. Such work should be supported through the Bureau of Mines.

14. An expanded program of estuarine research is recommended in order that we can make most effective use of this habitat of important resident stocks of food fish and shellfish and the nursery areas for other stocks which are later harvested from the open ocean.

15. Many lines of marine research depend upon precise definition of species. The study of species is centered in research museums which generally have been supported very poorly. It is recommended that established museums having significant study collections be given financial support so that this kind of work can be carried forward.

16. It is recommended that a program on diseases and other toxic effects in the marine environment be established.

The proposed budgets for these recommendations are given in tables 14, 15, and 16. The mineral resources investigation should be sponsored by the Bureau of Mines with the balance being supported by the Bureau of Commercial Fisheries through grants, contracts and in its own laboratories and with the assistance of other branches of the Department of the Interior. Programs involving international cooperation and technical assistance to other countries budgeted under this heading should be supported at least in part by the International Cooperation Administration and the State Department.

TABLE 14.—*Capital costs for new ocean resources studies* [1]

[Millions of 1958 dollars]

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	Total
Laboratory survival studies	0.50										0.50
Fish-behavior studies		2.10		1.90							4.00
Supplementary-data collection	.04					0.04			0.04		.12
Unmanned-buoy utilization		.20	0.20	.30	0.30	.50	0.50				2.00
Mesoscaph utilization					1.00						1.00
National data center	.25										.25
Disease and related studies				.80							.80
Total	.79	2.30	.20	3.00	1.30	.54	.50	0	.04	0	8.67
Mineral resources investigation	.10										.10
Total											8.77

[1] Does not include capital costs of ships, which will be found in the section on New Ships.

TABLE 15.—*Operating costs for new resources studies* [1]

[Millions of 1958 dollars]

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	Total
Laboratory-survival studies	----------	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	2.16
Fish-behavior studies	----------	----------	.48	.48	.95	.95	.95	.95	.95	.95	6.66
Genetics of marine organisms	0.20	.20	.20	.20	.20	.20	.20	.20	.20	.20	2.00
Nutrient increase studies	.12	.12	.12	.15	.15	.15	.15	.15	.15	.15	1.41
Organism transportation studies	.05	.05	.05	.05	.05	.05	.05	.05	.05	.05	.50
Organism distribution	.05	.05	.05	.05	.05	.05	.05	.05	.05	.05	.50
Biological surveys	1.80	1.80	1.80	1.80	1.80	3.60	3.60	3.60	3.60	3.60	27.00
Supplementary data collection	.11	.11	.11	.11	.11	.22	.22	.22	.33	.33	1.87
Unmanned buoy utilization	----------	.03	.06	.11	.15	.23	.30	.30	.30	.30	1.78
Mesoscaph utilization	----------	----------	----------	----------	----------	.64	.64	.64	.64	.64	3.20
National data center	.10	.11	.12	.13	.15	.16	.18	.20	.22	.24	1.61
Marine product utilization	.30	.30	.30	.30	.30	1.00	1.00	1.00	1.00	1.00	6.50
Economic and legal studies	.20	.20	.20	.20	.20	.20	.20	.20	.20	.20	2.00
Pond fish culture	.10	.10	.10	.10	.30	.30	.30	.30	.30	.30	2.20
Estuarine studies	.20	.20	.50	.50	.50	.50	.50	.80	.80	.80	5.30
Taxonomic development	.55	.55	.55	.55	.55	1.00	1.00	1.00	1.00	1.00	7.75
Disease and related studies	----------	----------	----------	.20	.20	.20	.50	.50	.50	.50	2.60
Special development fund	.10	.10	.10	.10	.10	.10	.10	.10	.10	.10	1.00
Total for Bureau of Commercial Fisheries	3.88	4.16	4.98	5.27	6.00	9.79	10.18	10.50	10.63	10.65	76.04
Mineral resource investigation (Bureau of Mines)	.25	.25	.25	.25	.25	.25	.25	.25	.25	.25	2.50
Total	4.13	4.41	5.23	5.52	8.25	10.04	10.43	10.75	10.88	10.90	78.54

[1] Excluding ship operations.

TABLE 16.—*Capital and operating costs for new resources research* [1]

[In millions of 1958 dollars]

Year	Bureau of Commercial Fisheries		Bureau of Mines		Total
	Capital	Operating [2]	Capital	Operating	
1960	0.79	3.88	0.10	0.25	5.02
1961	2.30	4.16	----------	.25	6.71
1962	.20	4.98	----------	.25	5.43
1963	3.00	5.27	----------	.25	8.52
1964	1.30	6.00	----------	.25	7.55
1965	.54	9.79	----------	.25	10.58
1966	.50	10.18	----------	.25	10.93
1967	----------	10.50	----------	.25	10.75
1968	.04	10.63	----------	.25	10.92
1969	----------	10.65	----------	.25	10.90
Total	8.67	76.04	.10	2.50	87.31

[1] Excluding ships and ship time.

[2] Programs involving international cooperation and technical assistance to other countries budgeted under this heading should be supported at least in part by the International Cooperation Administration and the State Department.

Budget and operations

The total recommended budget for the period 1960–70 broken down by category and agency is given in tables 17 and 18. It should be emphasized that although the budget includes the capital costs of ships involved in strictly military research and development, it does not include the other costs which are involved in such work.

Concerning the actual funding and operations, the committee recommends:

1. A higher percentage of longer term funding must be made available in oceanographic research. Past funding has been inefficient, and has held back much longer term imaginative research. A reasonable portion (30 to 50 percent) of the annual operating budget should include 5 year money which is refreshed annually. Existing laws permit allocation of many funds on a 5 year basis. The military is accustomed to making long term commitments of 5–10 years when they adopt a new weapons system and it is equally essential that they make long term commitments for research.

2. Administrators of research and laboratory directors must have a higher percentage (25 to 50 percent) of their funding free to spend on those good research problems which emerge without the benefit of planning.

3. Government organizations which presently fund or carry on extensive research and development in oceanography should continue to do so in the field of their special interests. For example, the Navy, the Atomic Energy Commission, and the Bureau of Commercial Fisheries all have their own important oceanographic problems. It is recommended that each bureau and organization sponsor and finance much of the research which it needs to meet the demands of its present and future objectives. Any duplication of effort which might be involved appears trivial compared to the value of insuring that scientists are in close touch with changing bureau problems.

4. There will still remain a need for a great deal of research which should be funded by the National Science Foundation. This agency should carry a much heavier portion of the long term basic research in the Nation. A reasonable percentage of grants should be made to individuals and a reasonable portion should be allocated for long term funding of institutional activities such as vehicles, facilities and major expeditions.

5. Foundations, States and industries should take an active part in the support of marine research. Their support is particularly valuable in new and unusual research programs, in filling technological gaps and through appropriate assistance insuring that private laboratories and academic groups do not become solely dependent on Federal assistance.

TABLE 17.—*Summary of budgets for new oceanographic activity* [1]

[Millions of 1958 dollars]

Year	Education and manpower	Ships	Shore facilities (research)	Shore facilities (surveys)	New devices	Radioactivity [2] in oceans	Resources	Total	Year	Education and manpower	Ships	Shore facilities (research)	Shore facilities (surveys)	New devices	Radioactivity [2] in oceans	Resources	Total
1960	0.80	39.80	1.50	0.76	7.40	3.08	5.02	58.36	1966	.80	20.55	13.50	8.26	10.50	4.39	10.93	68.89
1961	.80	40.45	2.70	1.52	9.50	2.95	6.71	64.63	1967	.80	10.45	13.20	8.26	10.50	2.95	10.75	56.91
1962	.80	45.30	3.90	3.00	9.60	4.35	5.43	72.38	1968	.80	10.45	13.20	8.26	10.50	2.95	10.92	57.08
1963	.80	35.95	6.60	4.50	10.90	2.95	8.52	70.22	1969	.80	10.45	13.20	8.26	10.50	2.95	10.90	57.06
1964	.80	33.65	10.50	6.00	10.50	2.95	7.55	71.95									
1965	.80	29.00	12.60	7.50	10.50	2.95	10.58	73.93	Total	8.00	276.05	90.90	56.32	100.40	32.43	87.31	651.41

[1] Not including special funds for basic research projects involving extensive international cooperation such as the proposed year-long international expedition to the Indian Ocean (estimated cost, $2,000,000).

[2] Plus ship time charges of $11,700,000 to be subtracted from other categories.

TABLE 18.—*Summary of budget for new oceanographic activity by agency* [1]

[Millions of 1958 dollars]

Year	Navy [2]	C. & G.S.	B. of C.F.	MA	NSF	O. of E.	AEC	B. of M.	Total	Year	Navy [2]	C. & G.S.	B. of C.F.	MA	NSF	O. of E.	AEC	B. of M.	Total
1960	28.78	5.83	7.97	5.45	6.40	0.50	3.08	0.35	58.36	1966	27.45	9.88	12.38	----------	14.08	.50	4.35	.25	68.89
1961	28.83	6.09	13.86	3.80	8.35	.50	2.95	.25	64.63	1967	20.36	6.43	12.20	----------	14.22	.50	2.95	.25	56.91
1962	30.40	9.75	12.83	1.65	12.65	.50	4.35	.25	72.38	1968	20.36	6.43	12.37	----------	14.22	.50	2.95	.25	57.08
1963	33.80	8.70	12.42	----------	11.60	.50	2.95	.25	70.62	1969	20.36	6.43	12.35	----------	14.22	.50	2.95	.25	57.06
1964	35.22	9.30	11.75	----------	11.98	.50	2.95	.25	71.95										
1965	32.68	9.20	15.03	----------	13.32	.50	2.95	.25	73.93	Total	[3] 278.24	[3] 78.04	[3] [4] 123.16	10.90	[3] 121.04	5.00	[5] 32.43	2.60	651.41

[1] Not including special funds for basic research projects involving extensive international cooperation such as the proposed year-long international expedition to the Indian Ocean (estimated cost: $2 million).

[2] Not including military research and development operations.

[3] Less payments by AEC totaling $11.70 million for ship time.

[4] Includes recommended expenditures by the International Cooperation Administration and the State Department, for projects involving international cooperation and technical assistance to other countries.

[5] Plus $11.70 million for ship time, averaging $1.17 million per year.

MEMBERSHIPS OF PANELS OF THE COMMITTEE ON OCEANOGRAPHY

I. PANEL ON OCEANOGRAPHIC RESEARCH SHIPS

Clifford A. Barnes, University of Washington.
Adm. L. O. Colbert (retired), Arctic Institute of North America.
John Isaacs, Scripps Institution of Oceanography.
Columbus O'D. Iselin (chairman).[1]
Vito Russo, Maritime Administration.
Herbert Seward, Yale University.

II. PANEL ON NEW DEVICES FOR EXPLORING THE OCEAN

Robert Frosch, Hudson Laboratories, Columbia University.
James Lipp, Lockheed Aircraft Corp.
Philip Mandel, Massachusetts Institute of Technology.
Andreas Rechnitzer, the Navy Electronics Laboratory.
Athelstan Spilhaus.[1]
Allyn Vine (chairman), Woods Hole Oceanographic Institution.
Rear Adm. George Weaver (retired), George Washington University.

III. PANEL ON OCEAN RESOURCES

Richard L. Meier, University of Michigan.
H. W. Menard, Scripps Institution of Oceanography.
John R. Menke, Nuclear Development Corporation.
Milner B. Schaefer.[1]
Oscar E. Sette, Bureau of Commercial Fisheries.
Robert G. Snider (chairman), the Conservation Foundation.
Lionel A. Walford, Bureau of Commercial Fisheries.

IV. PANEL ON INTERNATIONAL COOPERATION IN THE MARINE SCIENCES

Columbus O'D. Iselin.[1]
Fritz Koczy.[1]
Roger Revelle.[1]
Milner B. Schaefer.[1]
Athelstan Spilhaus (chairman).[1]

V. PANEL ON RADIOACTIVITY IN THE OCEANS

(This group continues to be active as the Committee on the Effects of Atomic Radiation on Oceanography and Fisheries of the National Academy of Sciences' Study of the Biological Effects of Atomic Radiation. It responds to inquiries from but it is not officially a part of the Committee on Oceanography.

Howard Boroughs, Instituto Interamericano De Ciencias Agricola.
Dayton, Carritt, the Johns Hopkins University.
Walter Chipman, Bureau of Commercial Fisheries.
Harmon Craig, Scripps Institution of Oceanography.
Lauren Donaldson, University of Washington.
Richard Fleming, University of Washington.
Richard Foster, General Electric Co.
Edward Goldberg, Scripps Institution of Oceanography.
John Harley, U.S. Atomic Energy Commission.
Bostwick Ketchum, Woods Hole Oceanographic Institution.
Louis Krumholz, University of Louisville.
Charles E. Renn, the Johns Hopkins University.
Roger Revelle (chairman).[1]
Milner B. Schaefer.[1]
Allyn C. Vine, Woods Hole Oceanographic Institution.
Lionel A. Walford, Bureau of Commercial Fisheries.
Warren S. Wooster, Scripps Institution of Oceanography.

[1] Committee on Oceanography members.

Consultants: Theodore R. Folsom, Scripps Institution of Oceanography; Arnold Joseph, Atomic Energy Commission; Robert Reid, Texas A. & M. College; Donald Pritchard, the Johns Hopkins University.

INTERNATIONAL COOPERATION

It is clear that, as in other sciences, a very large part of the pioneering research and new ideas concerning the oceans must come from individual scientists or small groups working independently. But international cooperation in work at sea is essential in several kinds of marine research and should also greatly facilitate surveys of the ocean floor and of the waters.

There is at present a high level of international cooperation among physical and chemical oceanographers of different countries resulting from the International Geophysical Year. This cooperation should be maintained and broadened throughout all aspects of the marine sciences, particularly including biology. To this end, the Committee recommends:

1. The United States through the National Science Foundation should give its proportionate share (amounting to perhaps $20,000 per year) of financial and other support to the Special Committee on Oceanic Research of the International Council of Scientific Unions. The Committee on Oceanography has been designated as the U.S. national committee for this long-range cooperative program.

2. Grants should also be sought from foundations and governmental sources to support special projects such as the proposed year-long international expedition to the Indian Ocean by covering the increased expenses to U.S. oceanographic institutions and by making the participation of other countries possible. Special funds needed for the Indian Ocean project are estimated at about $2 million.

3. An intergovernmental conference of the maritime countries should be called, after suitable preparation, to discuss means by which the governments can cooperate in increasing man's knowledge of the oceans. Specifically, agreements should be sought regarding the means of carrying out ocean-wide surveys, including allocation of responsibility to different countries, intercalibration of techniques, and free exchange of data. It would be expected that the U.S proportion of this international responsibility for surveys would be about the same as its proportion of financial responsibility for support of United Nations agencies. This conference should be a first step toward the establishment of a World Oceanographic Organization; a United Nations specialized agency corresponding to the World Meteorological Organization.

4. In the study and conservation of the living resources of the sea, regional international organizations, such as the various international fisheries commissions, have proven effective.

In developing formal intergovernmental cooperation in the marine sciences, the Federal Government should give special emphasis to the establishment and adequate support of such regional organizations, and should seek to broaden their charter to allow an integrated research program on all aspects of a particular oceanic region.

5. In order to increase the effectiveness of cooperation between U.S. marine scientists and laboratories and marine scientists in other countries, the U.S. State Department should be prepared to assist positively, sympathetically and promptly in facilitating research ship operations and the exchange of information, persons, equipment, and supplies.

6. The need for increased protein foods from the sea is especially urgent in underdeveloped countries. The International Cooperation Administration in its programs of technical assistance should give greater emphasis to marine resources surveys and to research projects and training programs in the marine sciences. The Federal Government should also encourage United Nations specialized agencies such as UNESCO and FAO in their efforts to aid underdeveloped countries to achieve greater utilization of marine resources. The funds needed for both these purposes have not been budgeted separately in this report but are included in the budget for ocean resources studies.

RETURN OF POLITICAL REFUGEES TO CUBA

Mr. MORSE. Mr. President, on January 23, the Eugene Register-Guard, a newspaper published in Eugene, Oreg., published an editorial entitled "Castro Wants the 'Traitors' Sent Home." The word "traitors" is in quotation marks.

I ask unanimous consent that the editorial in full be published at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CASTRO WANTS THE "TRAITORS" SENT HOME

Cuba's Fidel Castro, who may be excused for feeling his oats, talks tough. He demands that the United States return to Cuba some "traitors" whom Castro wants punished. It is unlikely that he will get them back—at least not with any help from the U.S. Government. For the Cubans who have fled to this country have come here seeking the historic privilege of asylum that the United States has offered political refugees since the early days of the Republic.

Castro is not the first to fulminate against this country's annoying habit of sheltering those who are out of favor at home. Napoleon, the czars, the Bolsheviks, Hitler, Franco, and a hatful of Latin American strong men have come before him, all demanding that such and such a "traitor" be packed home to face the music.

In some respects, America was built by refugees, beginning with the Pilgrims who could not square their beliefs with the Anglo-Catholic Stuart kings of England. The founding father who did not land on these shores with a price on his head was an undistinguished arrival. As revolution grew more commonplace, so did the refugees who fled to America.

The high point probably came in the middle of the last century, after the revolutions in Spain, Italy, Greece, Poland, France (twice), and Germany. Among the distinguished refugees who sought freedom in America were Carl Schurz, Charles Steinmetz, and the parents of Justice Brandeis. King Louis Philippe, who haunted London for a time after the revolution of 1848, went to Boston where he gave French lessons in an apartment above an oyster bar.

In more recent times, America has sheltered refugees from Bolshevism, becoming the promised land for thousands of White Russians. Later, as Hitler drove out those who did not agree with him, America became the home of Albert Einstein, Thomas Mann, and many more. Likewise, in our time Spanish Republicans took refuge in this country. And, don't forget, the Hungarian freedom fighters.

After the abortive revolution in Austria-Hungary in 1848, the Government there demanded that this country return to Europe one of the leaders of the revolutionary movement. To this Secretary of State William L. Marcy replied, "To return political offenders * * * is not a duty, but, on the contrary, would be considered a dishonorable subserviency to a foreign power, and an act meriting the reprobation of mankind."

Ah, but we hear, Castro is not Hitler. Castro is a liberator who drove out a dictator. The men whose heads Castro wants are not nice men. They are butchers who should be returned to Cuba to get their just deserts. We cannot put these Cuban thugs in the same class with honorable patriots who had to flee their homelands for political reasons. They are not at all like the Hungarian freedom fighters.

To argue in such a manner calls for making value judgments. And that we must not do. We dare not say that, because the evidence today shows that one politician deserves to be on the lam and that another is a brave champion of freedom, we should return the one man and shelter the next. Tomorrow we might be proved wrong.

Castro has been busy lately and has had little time for reading. But we suggest that, as time permits, he read good biography, specializing in the biographies of men who have come to power in unstable governmental situations. There is a saying about men in Castro's position and it goes approximately like this:

The first year he's a liberator. The third year he's a politician. By the fifth year he's a dictator and after that he's a poor life insurance risk.

It wasn't too many years ago that Batista was regarded as a liberator.

The day may well come when Castro himself is thankful that the United States extends the privilege of asylum to political refugees.

Mr. MORSE. Mr. President, in my opinion, this is a good and sound editorial. The first paragraph of the editorial reads as follows:

Cuba's Fidel Castro, who may be excused for feeling his oats, talks tough. He demands that the United States return to Cuba some "traitors" whom Castro wants punished. It is unlikely that he will get them back—at least not with any help from the United States Government. For the Cubans who have fled to this country have come here seeking the historic privilege of asylum that the United States has offered political refugees since the early days of the Republic.

The editorial goes on and discusses at some length this question of political asylum.

Undoubtedly, in due course of time, we will be confronted with the question of requests for extradition of some of the Cubans who have taken asylum in the United States. I wish to say I would not favor our giving asylum to escaped criminals. I only want to point out that the policy of extradition is one with great history in the field of international law as we have followed it in our country.

Certainly I think we should be willing to extradite or agree to the extradition of an escaped criminal from any country. It may be that some who have fled Cuba meet that definition.

I also point out, Mr. President, that we have been exceedingly liberal—and I think rightly so—in the application of the concept of a political refugee, the individual who escapes because of political differences, because he has been a member of a political organization, with which we may find ourselves completely in disagreement, involved in a revolution, or has been a member of an organization seeking to put down a revolution, and finds it necessary for his own personal survival to escape to a foreign country, sometimes our own.

My position has always been a very consistent one on this matter. I remember that 2 or 3 years ago I stood on the floor of the Senate and protested a proposal to extradite to the Nationalist Chinese, to Formosa, a man who appeared to be a political refugee from the regime of Chiang Kai-shek in Formosa, who was then living in Chicago. It seemed to me, on the basis of such facts as I could obtain, that sending this man from Chicago to Formosa meant we would be sending him back to certain execution. The case record seemed to be one which clearly showed the man to be a political refugee and not what we could call a domestic criminal of the country seeking his extradition.

I am not taking any position today with any finality with respect to any refugee who has fled Cuba to the United States. As chairman of the subcommittee of the Senate Committee on Foreign Relations which deals with Latin American affairs, I know that at least some of those who have fled Cuba are truly political refugees. I would view with great concern any policy of the United States State Department which would extradite those persons to Cuba without an exceedingly thorough investigation in connection with the distinction between one who should be extradited because he is a criminal guilty of violating the criminal laws of Cuba and one who, in fact, is a political refugee from the Batista regime.

I say that, Mr. President, as one whose record is perfectly clear in the Senate. None of my colleagues in the Senate has been more outspoken or was more outspoken earlier than the senior Senator from Oregon in criticism of the Batista regime. As I have said on the floor of the Senate on several occasions, it was clearly a dictatorial, Fascist-like regime.

Mr. President, that has nothing to do with the question of political asylum When one escapes from such a regime as a refugee and takes refuge in the doctrine of asylum, I think we would be guilty of an unconscionable foreign policy action if we should yield to any demand of Castro for a blanket extradition of Cubans who may have fled to the United States since the successful Castro revolution.

In any case, I repeat, if an examination of the case history of the individual concerned shows that the extradition should be granted on the basis that he is a criminal and not a refugee from the Batista regime, a refugee because of his participation in the Batista regime, then I would give due consideration to such a request for extradition.

I have made these remarks on this subject today, Mr. President, because I think the Eugene Register-Guard editorial is particularly apropos.

I desire to speak on another subject, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

HEALTH INSURANCE

Mr. MORSE. Mr. President, I turn now to another editorial which was published in the February 6 issue of the Oregon Labor Press entitled "We Need Two Kinds of Health Insurance—Now," and I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE NEED TWO KINDS OF HEALTH INSURANCE—NOW

A wise man said: "It is the proper function of Government to do for the people what they cannot do for themselves."

We all accept this definition as it is applied across a wide spectrum of governmental functions, ranging from local fire protection to the conduct of foreign policy, from public schools to satellite research.

But it seems to us that one vital and proper function of government has been too long neglected, and that is medical and hospital care.

Consider these four facts:

1. A prolonged and serious illness can wipe out the life savings and financial security of any moderate-income family. Even well-to-do families can be pauperized by medical and hospital costs.

2. The only Americans who can afford a long and serious illness are the very poor (who must rely on charity), the very rich, and those who are lucky enough to be covered by some group insurance plan.

3. Despite the recent growth of union health and welfare plans, and other forms of group medical insurance, only a small percentage of our population has such coverage—and it is often inadequate when serious illness strikes.

4. Those who have the greatest need for medical-hospital insurance are least likely to have it. This is particularly true of the elderly and the retired.

Medical and hospital care is certainly an area of crying human need where the Government could do for the people what they cannot do for themselves.

Many governments (far less wealthy than our own) have accepted this responsibility to their citizens—and have done so with outstanding success. Britain, Sweden, Norway, and Denmark are four good examples.

But in the United States, every slightest move in the direction of Government sponsored health insurance has been blocked by the American Medical Association with its wolfcry of socialized medicine. We are glad to hear that there is now a possibility that the AMA may slightly soften its attitude.

We are not urging that this session of Congress consider an all-out national health insurance program. Such a proposal would only cause a hopeless knock-down-and-drag-out fight. But we are urging this Congress to enact two health insurance measures:

First, the Forand bill. This would provide medical and hospital care under the social security system, for those who are receiving social security benefits. These older people have the greatest need for medical-hospital care, and very few of them can provide it for themselves through group insurance or personal savings.

Second, Government insurance to cover all citizens for long, serious and expensive illnesses. This is sometimes known as "catastrophic" sickness insurance, for it would cover only those illnesses which spell financial disaster to any ordinary family.

The idea is simple enough. It's like a deductible auto damage policy. Run-of-the-mill medical expenses would not be covered. But every family would be protected from the huge expense and financial ruin that prolonged and serious illness can bring.

Government sponsored insurance of this kind was once proposed (and soon forgotten) by the Eisenhower administration. There were many shortcomings in the proposed bill,

but at least the administration recognized the principle that the Federal Government alone can provide insurance against medical-financial disaster.

We assume that both of these measures will be fought by the American Medical Association and by the insurance companies. But the will of the people can overcome their opposition. These are matters of deep human need, where Government should fulfill its proper function.

Mr. MORSE. Mr. President, some days ago in the Senate I again offered my proposed amendment to the social security law which seeks to set up insurance protection by way of an amendment to the social security law for the elderly people in this country with respect to hospitalization and medical costs. The editorial which I have just obtained permission to have printed in the RECORD, Mr. President, is an excellent editorial which supports the principle of protection for the elderly people which is encompassed in the amendment I introduced the other day. I recommend it for reading by all Senators.

I now desire to turn to another subject, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

THE REA PROGRAM MUST NOT BE SCUTTLED

Mr. MORSE. I now desire to make a brief speech for the RECORD in support of the REA program. I speak under the subject of "The REA Program Must Not Be Scuttled."

LIGHT DISPLACES KEROSENE DARKNESS UNDER REA

Mr. President, one of the fine and far-sighted programs which came to the people of America during the administration of one of our greatest Presidents, Franklin Delano Roosevelt, was that of the Rural Electrification Administration.

Prior to the inception of this program, thousands of rural Americans lived in kerosene darkness and American farmers and farm wives endured long hours of hard work bordering on drudgery because they labored without the benefit of the miracle which is electricity.

I speak on this phase of the subject, Mr. President, with some unforgettable memories of youth in regard to the kerosene darkness of the farm, because all through my boyhood and up until the time I was ready for college, I experienced, morning and night, the kerosene darkness of the dairy barn. We milked by hand 35 to 40 cows, morning and night, without the benefit of the labor-saving electricity which now really performs miracles on the modern dairy farm. Therefore, I speak with some experience, and no doubt with some feeling, about the great benefits REA has brought to the American farmer and the American farm wife.

DISINTEREST OF THE PRIVATE ELECTRIC UTILITIES

The pleas of the farmers that the private electric utilities bring cheap electric power to their farms were met in too many instances by the negative response that it was simply too expensive to bring transmission lines to the more distant rural areas. However, the private electric utilities told the farmers, with tongue in cheek, that they would be delighted to bring electric service to the farm provided the farmer would pay for the cost of the transmission line. This usually ended the pleas of the farmers for private electric utility service, because at that point they received a distinct shock—not an electric shock—but the shock of being informed that they would have to pay as much as one, two and sometimes three thousand dollars, as the case might be, for bringing the transmission lines to the farmer's gate.

Mr. President, it is little wonder, then, that America's farmers, their spokesmen, and the Congress of the United States wholeheartedly supported an REA program in the mid 1930's. Their foresight helped make America's farms the finest in the world.

The REA program illustrates a phase of American democracy at work, but like democracy itself, it is something for which we must work and fight vigilantly if we are to retain it.

REA PROGRAM THREATENED

In recent years the private electric utilities and the moneylenders have taken a long, hard look at the rural electric cooperatives. The private electric utilities would like to enjoy the business now handled by the successful electric cooperatives and in some instances they would like to eliminate the telltale electric power-cost yardstick that exposes in not too good light many of the management practices and the rate structures of the private electric utilities.

The moneylenders look at the electric cooperatives with covetous glances because they observe an opportunity to make some quick and highly profitable interest dollars if the administration's interest rate increase for the electric cooperatives goes into effect. At least, the moneylenders feel they would enjoy this interest-rate feast until the REA cooperative operations were abandoned or taken over by the private electric utilities.

THE DRIVE FOR HIGHER INTEREST RATES

The present administration has joined for several years past in an onslaught against the rural electric cooperatives by way of an insistence upon the payment of higher rates of interest on REA loans. This undermining activity against the electric cooperatives was brought into clear light last week when President Eisenhower addressed the 17th annual meeting of the National Rural Electric Cooperative Association here in Washington. The President's speech was short, but it was almost unbelievable in its clear declaration of war on the present REA interest-rate program. It is so astounding that I ask unanimous consent, Mr. President, that the President's speech of February 11, 1959, be included in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, the speech may be printed in the RECORD as requested.

(See exhibit 1.)

Mr. MORSE. The President's speech was given as one of the highlights of the annual meeting that brought more than 7,000 representatives of rural electric cooperatives to Washington, D.C., from nearly every section of the United States.

The President hurriedly passed over a complimentary remark or two in order to get to the main theme of his address—an admonishment of the rural electric cooperatives for wanting Federal loan funds at the rate of interest adopted by Congress. The President implied that the REA program had fulfilled the goals for which it was established. Therefore, he concluded that the cooperatives should seek whatever capital they might need at higher interest rates.

What must have been particularly disturbing to those in the audience when the President delivered his REA speech was his suggestion that any individual or organization that looked to the Federal Government for "special help"—meaning financial assistance—after the Government had made "special provision," no longer would be "a fully independent, sturdy, and useful member of society." These remarks, which were aimed squarely at the REA cooperatives, should be resented not only by the thousands upon thousands of Americans in our rural areas by whom the benefits of the REA program are now being enjoyed, but also by the other Americans who feel that higher standards of living in our rural areas make America a greater and stronger nation.

The clear inference of the President's speech was unmistakable: If you continue to enjoy the benefits of interest rates fixed by Congress for the REA program, you are getting an unjustifiable handout from the Government.

The delegates to the meeting were stunned by the President's speech and his inference that they should be ashamed to continue to borrow from the Government at the interest rate now in effect. The President's speech stood out in sharp contrast with comments made by Senate Majority Leader LYNDON JOHNSON, by Speaker SAM RAYBURN, and by many other Senators and Representatives. I wish to commend these colleagues in the Congress for their support of the REA program.

As one who has constantly fought for the REA program and all other programs which I have felt would enhance the general welfare, I feel that it is incumbent upon me to review the accusations and recommendations of the President to see how they square with the facts and with the intent of Congress at the time the REA legislation was enacted and at the present time.

THE REA YESTERDAY AND TODAY

What was the intent of Congress in 1936? Broadly, it was to bring light and power to people in rural areas who were unable to get that service from the private power companies which often were already in those areas serving urban consumers and the few farms that could be served profitably.

Has the REA fulfilled this goal?

When the program began, less than 11 percent of rural homes had central station electric light and power. Today, more than 95 percent of such homes

have this service. I must say at this point that this achievement has been made against the heaviest kinds of odds. The cooperatives had to obtain wholesale power from whatever sources they could find and often had to pay high rates for it. A few of them had to establish their own generation and transmission systems. Distances between consumers were usually great and over rough and wild terrain. Even today there is an average of only about three consumers per mile of line, a sparsity that does not lend itself to profitable operation. In recent years the carping criticism of the administration has been an additional obstacle, making the future of the program uncertain.

What was the interest of Congress in 1936? Was it the intention of Congress to provide electric service in rural areas for profit? No. The goal was and always has been to provide this service at the lowest possible cost. The cooperative form of nonprofit organization was recognized as the best way to carry out this program, and with the exception of a few nonprofit public power districts, the cooperatives have carried the burden of the program.

REA NOT A BURDEN ON TAXPAYERS

Was it the intent of Congress to give financial grants or subsidies to the cooperatives? Have they been given such grants? The answer to both questions is, No. The cooperatives were formed by groups of rural people who needed service, but who had little money to pay for it themselves. As a rule each member paid a $5 or $10 membership. The money required to set up the distribution system, or in a few cases a generation and transmission system, was borrowed from the Rural Electrification Administration with interest at 2 percent. During the period 1935 to 1944, a fluctuating rate of interest was authorized, but in 1944 the rate was established at 2 percent where it has remained since that time. The loan period was extended from 25 to 35 years at that time. From the beginning, the repayment record of the cooperatives has been remarkably good.

As of July 1, 1958, electric borrowers had paid to the Government a total of more than $1 billion on their loans. This includes $546 million repaid on principal, $328 million paid in interest, and $128.7 million paid ahead of schedule. Only four borrowers were overdue in payments amounting to a total of only $106,619. The REA also estimates that over $1 billion worth of electrical appliances and chore equipment will be bought this year by consumer members of rural electrics. This means more jobs, good jobs, in the cities.

The program thus has not cost the Government 1 red cent. On the contrary, the Government is collecting more than it has been paying out and will continue to do so in the future. Where is the subsidy in that? From where will come the wards of society under a pay-as-you-build program such as this?

Mr. President, it is up to us to decide whether rural America shall continue to receive electric power at reasonable rates through the facilities of the REA program as it is now envisaged, or whether we shall go backward more than 20 years to another era in which America's farms will have to pay dearly for whatever electricity they may receive.

We know that the private utilities prefer to do business in areas where customers are plentiful and transmission lines are not extended beyond heavily populated communities. The electric utilities proved time and again that they were reluctant to serve the needs of our rural areas because the plentiful profit dollars were not there.

REA PROGRAM NEEDED IN THE PUBLIC INTEREST

Once again, we are faced with the basic question of whether it is worth it to the Nation as a whole to have a strong REA program which will bring abundant electric power to our farms. In the past, we have considered this to be a worthy objective for Federal support of the REA program. I think we were absolutely right in doing as a Government what the private electric utilities refused to do, namely, help Americans help themselves to bring low-cost power to even the most remote areas. If we scuttle the REA program by making it impossible or highly expensive to construct and maintain electric transmission facilities in our remote areas, we will have paid a great price, not only by way of high electric power rates but also by way of reduced standards of living in our rural areas.

Federal funds for REA should not be carried as an expense in the budget in any case. In the last session of Congress I introduced a bill which, for budgetary purposes, distinguished between Federal funds invested or loaned for wealth producing resource development, on one hand, and funds dissipated in meeting current Government expenses on the other. We still need legislation, which I shall introduce shortly, to clear up this misleading picture, about which I spoke rather briefly yesterday afternoon on the floor of the Senate.

Did Congress prescribe limitations on the loans that could be made to a cooperative? Wisely, the Congress reserved the loanmaking authority for the Administrator of the REA.

Under Government Reorganization Plan No. 2, the Secretary of Agriculture took from the Administrator the approval of loans of $500,000 and more, and all new loans and put it in the hands of one of the subordinates in the Secretary's office. The Humphrey-Price bill to restore this authority to the Administrator is expected to come up for congressional debate in the near future. I hope that this bill will be enacted into law.

REA SYSTEMS MUST BE IMPROVED NOT SCUTTLED

Except for this approval by the Secretary of Agriculture's office, loans for new construction and for later expansion are judged on their own merits. It is indeed fortunate that restrictions were not placed on the amount that could be borrowed by a given system. Because of the nature of power transmission, the need for heavier cable, transformers, and the like, increases with the addition of new customers and with new higher levels of current utilization. This has necessitated new loans to "heavy up" the facilities of most systems. Had these loans not been available the service to consumers on REA lines would be inferior and antiquated. With power use doubling about every 5 years, these supplemental loans have been necessary and the demand for more power will continue. The need for loan funds will, therefore, continue in the future. Does the Congress want or expect these nonprofit cooperatives to go into the open money market to meet the expansion that must continue?

Was, and is, the intent of Congress only to have a bare light bulb hanging from the ceiling of every rural home in the country?

I am sure that Speaker RAYBURN and the late Senator Norris did not intend that REA subscribers should get along with less light and power than their city cousins. If more power must be put on the lines to operate the silo fillers, the milking machines and the water pumps on the farm, and the television sets, deep freezers and washing machines in the rural homes, then the means must be provided to get that power on the lines. This is why loan funds will be needed by REA this year and in the coming years. This is also why low rates of interest are still essential to the continued success of the program. They are essential to a dynamic, rather than a static, plan for our rural homes.

Low rates of interest were provided by Congress to give the program a chance to get started. They are needed today to finish that job and to make it possible for the established co-ops to continue to provide service equal to that given by power companies who serve in compact areas which are more profitable to serve. Low rates of interest are required now because, as power requirements increase the costs of "heavying up" the system go up sharply, but income does not rise proportionally. As power use goes up the user gets the advantage of lower rates. The result is smaller margins for the co-ops, because their primary objective is to serve their members in the best manner possible.

As stated earlier, the repayment of principal and interest has been excellent. In this connection it should be pointed out that according to David Hamil, the present Administrator of the REA, in his statement to congressional appropriations committees, the number of cooperatives that are not making enough to meet debt service is gradually rising. In 1956 there were 138 systems unable to meet debt service; in 1957 there were 141; and, I am advised that his figures show that as of June 30, 1958, 166 systems—just under 20 percent of the active borrowers—failed to meet debt service. It is true that most of these systems made their payments to the Government, but they did so by using funds which, by sound accounting procedures, should have been put into various reserve funds—depreciation reserves and reserves for emergencies.

How would a rise in interest rates affect these systems that are just barely

getting by now? To them it would be a death warrant. To most systems it would mean higher rates or poorer service. Certainly this is not the intent of Congress.

As an interesting sidelight on this subject, Mr. President, I ask unanimous consent that there be included at this point in my remarks an editorial that appeared in the Washington Post of February 9, 1959, entitled "Realism on REA."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

REALISM ON REA

The convention of the National Rural Electric Cooperative Association which begins today in the National Guard Armory will generate much criticism of the administration's power policies. President Eisenhower's private power predilection is not above criticism of course, but the reexamination of the REA program which the administration is seeking surely is needed. The program has fulfilled its original goals of 1935 and there is a real question whether the Government should continue its present REA role.

At a relatively small cost to the Federal Government the REA loan program not only has brought the benefits of electricity to rural America, but it has also greatly expanded the market for electrical appliances and other equipment. Hundreds of thousands of Americans who may have never been on a farm have been indirect beneficiaries of this farsighted program.

But should the Government continue to provide extremely low cost loans to REA co-ops that are going concerns and in many cases have become highly successful electric utilities? Once an REA co-op is established ought it not to seek its capital in the open market as other utilities do?

When Congress set up the REA loan program in 1935 to bring electricity to farmers only 11 percent of the persons who lived in rural areas had electric lights and power. Today 95 percent of them enjoy such service. Now the REA loans, which still bear an interest rate of only 2 percent, are being used to expand and improve existing co-ops. President Eisenhower has recommended that REA financing be gradually shifted to non-Government sources.

Perhaps the Government should not completely withdraw from REA financing. There may be some situations where direct Government loans are still needed, but it would seem reasonable for the Government to limit its participation generally to the insurance of loans or some other indirect device which would let the REA co-ops build on their own strong foundations with a minimum of Federal aid. The not inconsiderable resources of the NRECA and the very size of its convention, which will be attended by more than 7,000 delegates, indicate the strength of the REA co-ops.

Mr. MORSE. Mr. President, the editor of the Post should have captioned his editorial "Some Unrealistic Remarks on REA," because this editorial certainly blows hot and cold in the same breath. If taken seriously, and I am sure it will not be taken seriously, it would strike a blow at the REA program and to thousands of rural families across the United States.

The Washington Post editorial on the REA was answered promptly in an excellent letter to the editor of the Washington Post dated February 11, 1959, written by Mr. William Roberts, of the National Rural Electric Cooperative Association. I ask unanimous consent that Mr. Robert's reply be inserted in the RECORD at this point.

There being no objection, the letter to the editor was ordered to be printed in the RECORD, as follows:

REALISM ON REA

We want to express appreciation for your warm editorial treatment of the rural electrification program ("Realism on REA," February 9). It's true, as you said, that the REA loan program has brought the benefits of electricity to rural America and that it has greatly expanded the market for electrical appliances and other equipment.

But, your editorial says, "Once an REA co-op is established, ought it not to seek its capital in the open market?" We say no. And here's why:

On February 8 REA Administrator Hamil was asked, "Has REA made a real study of the damage that would be done to the rural electric systems if the administration's interest hike proposals should be adopted, forcing them into the open market for capital?"

The Administrator admitted no real study has been made. He thinks his delegation from Congress prohibits this. Hamil added that, for his own information, he asked his staff to study 25 percent loans. These, according to the Administrator, were among the strongest systems financially. At least no new feasibility study was necessary on any of these applications. These systems had demonstrated their ability to meet all obligations, at the present interest rate.

Of the 25, he concluded that 17 could still meet their obligations to their members and the Government, if the interest rate was raised to 4 percent. Unanswered, perhaps because it was not asked, was the implied question, "What will happen to the people served by the other eight systems?" In our opinion, the systems would be in deep water financially.

Their only possible out would be to raise rates, which historically cuts down usage, retards growth, and starts a vicious circle which could lead to bankruptcy.

Now our question is, "Don't you think the various Administration proposals, which would greatly increase the cost of capital funds to the co-op, deserve the full study?"

We ask this because our research shows that the rural electrics could probably not expect to get a rate as low as 4 percent from private sources. We think this effort to increase interest rates is just another attempt to destroy a program that has been so beneficial to America.

WILLIAM S. ROBERTS,
Director, Publications and Member Education Department, National Rural Electric Cooperative Association.
WASHINGTON.

Mr. MORSE. Mr. President, an impressive disclosure of the contrast between the activities of the private electric utilities and rural electric cooperatives in my home State of Oregon appears in a fine editorial of the February 1959 issue of the Northwest Ruralite, entitled "Utilities Want Dough." I ask unanimous consent that the Northwest Ruralite editorial be included at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

UTILITIES WANT DOUGH

Power company rates are going up in Oregon and Washington. Pacific Power & Light and Portland General Electric are filing requests for increases with the State regulatory agencies amounting in some cases to as much as a 15-percent increase.

These proposed increases are interesting, in view of the fact that the investor-owned companies serve rich markets. Their operating expenses are, on the whole, much less in proportion to their revenues, than are those of the smaller, largely rural, cooperatives and PUD's.

Since the companies made their announcements, none of the small consumer-owned agencies has announced rate increases.

A number have, in fact, stated that, although their expenses are going up, they have no plans for such increases.

In a great many cases consumer-utility rates have already been substantially lower than power company rates, and the company increases will widen the gap.

However, inflation is hitting the little utilities, too, and it is wholly likely that a number of them may find it necessary, during the coming months, to boost rates somewhat—although it appears unlikely that, by so doing, they'll narrow the price gap.

Another interesting fact about the pending company increases is the pattern they show. They appear not to be boosting prices in areas where they face co-op and municipal power competition.

Willard Johnson, manager of the Hood River Electric Cooperative, recently sent a letter to his members which describes this peculiar situation. We quote:

"This rate increase request is for a system-wide increase of 15 percent in Oregon with the exception of Hood River rural area, The Dalles, Springfield, part of Umatilla County, and Tillamook. In each area excepted, there is an active cooperative, PUD, or municipal system in direct competition. It could be that Portland, Astoria, Albany, Hood River City, and others will bear the cost of this competition. It seems to us that the signers of the petition last June, which kept HREC lines out of Hood River City, should reevaluate the wisdom of that signing. Their loyalty is now to be rewarded by a rate increase of 15 percent while their country neighbors will have no increase at all. HREC rates are now approximately 17 percent below Hood River City rates. Add 15 percent to this and you get 32 percent—nearly one-third more that the city customer will pay than does his country neighbor.

"Outgoing PUC Commissioner Howard Morgan saw these and other discrepancies in the rate filing and ordered it suspended for not to exceed 6 months until the entire matter could be thoroughly studied. His successor will take final action on the matter, and no one knows what the outcome will be.

"Meanwhile, we take pride in pointing out to the people of Hood River Valley the direct and indirect benefits to them from the existing local cooperative. It is truly the yardstick in electric rates."

Mr. MORSE. In closing, Mr. President, I should like to ask these questions:

Who are the members of the rural electric cooperatives? Who were the representatives attending the 17th annual meeting of the National Rural Electric Cooperative Association? Were they wild-eyed radicals bent on socializing the country or throwing the Federal financial program out of gear?

Such a characterization is completely absurd. We all saw these people. They are the backbone of America. This group is made up of local leaders from hundreds of counties in 46 States. In their communities they are members of the great farm organizations, the churches, the community clubs, school boards, and the like. They are men and women of good faith who want nothing better than

to see our people go forward in peace and prosperity.

I admit that the administration has shown little regard for this kind of people. These people do not clip coupons. By and large, they do not have time to become expert golfers or to enjoy the delights of quail hunting. They do not receive the benefits of the high interest rates and hidden subsidies this administration is so fond of. But they are important people who do important jobs for their communities and for the Nation.

I for one am not ready to feed these people to the moneylending lions, and I do not believe my colleagues are ready to do that, either. I think the REA program, with its enormous social and economic benefits to the Nation, will continue in the future just as it has in the past. At least, a good many of us in the Senate and House will fight to the best of our abilities to preserve and improve the present REA program in the best public interest.

What I said today is a prelude to what I believe will be a very important debate in this session of Congress, if the administration attempts to carry out the implied proposal of the President in his speech at the REA convention, namely, to increase the interest rate and turn the REA program over to the moneychangers in the administration's economic temple.

EXHIBIT 1

REMARKS BY THE PRESIDENT AT THE 17TH ANNUAL MEETING OF THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION, HELD AT THE NATIONAL GUARD ARMORY, WASHINGTON, D.C., FEBRUARY 11, 1959

I am delighted to meet with the representatives of the rural electrification systems. I salute you and those you represent for a job well done.

I understand there has been a little advance billing here of my alleged views on matters of interest to you. Well, I am here to set forth my views accurately and frankly, in what I believe to be your own interest as in the interest of our country.

We all know that when the REA was born, less than 11 percent of our farms had central station electric service. Today, more than 95 percent of our farms have central electric service. Your record of meeting loan repayments on time or ahead of schedule is oustanding. Your achievements have encouraged the growth of both rural residences and rural industries.

Much of this growth has taken place these past 6 years. Since January 1, 1953, you have added some 800,000 new consumers; your net worth has more than doubled, every loan need has been met.

All of us know that in this particular administration, the REA has experienced the greatest financial growth in all history.

As we look ahead certainly we are anxious that the future growth of REA be based upon sound principles—principles that are sound for REA and for the entire Nation.

America at this very moment is engaged in a great debate on the role of Government in the lives of her citizens. A part of this debate revolves around the question: Shall Government live within its means; shall our citizens, in a prosperous time, meet the cost of the service they desire of their Government?

Or is it to be our established policy to follow the ruinous route of free republics of the ages past—the route of deficit financing, of inflation, of taxes ever rising, until all initiative and self-reliant enterprise are destroyed? This route, I remind you, is one that would surely torpedo all the great achievements of your organizations in the past quarter century.

My view on this issue is clear, and, I hope, well known.

I believe profoundly that we must, in these times, not fail to live within our means. I believe this is the view of most Americans.

I believe all of us want a healthy, free economy—one that will produce growth in terms of real goods, real services, real wages. Surely none of us favors actions that tend to debase our currency.

I believe further that most of you and your organizations are equally dedicated to these principles. Moreover, now that your systems have arrived at a state of maturity, I am sure you want to make the kind of contribution all of us must make as citizens toward a goal of fiscal soundness throughout America. To this end, none of us should add to the burdens of the general citizenry by insisting upon a favored position.

Now I come to one point on which I realize full well there is some disagreement. Parenthetically I feel obliged to say this: I believe we are not going to find a decent solution to any of these differences—or to any other serious problems facing our country—by resort to demagoguery that seeks support for a special position.

One difference of which I speak is the rate of interest paid by persons and agencies who borrow money from the Federal Treasury. Specifically I refer to programs—such as REA and college housing—in which borrowers do not pay interest rates equal to the cost of money to the Government, but are capable of doing so.

I have recommended that the Congress authorize the Treasury to set these rates at a level that will recover the cost of the money loaned. This recommendation would not raise interest rates now in effect on outstanding REA loans, for these loans are firm contracts between your member cooperatives and the Federal Government.

Such a development could unquestionably be in the public interest. I do not intend, nor does this administration believe, that these future interest rate changes would be harmful in any way, nor can they be, to your systems.

Ideally, in federally sponsored and financed undertakings it should be possible for the Government to step progressively aside as they reach the stage of self-sufficiency which enables them to move forward under their own sound management, ownership and financing.

Here I hope you will indulge me in a little philosophizing about our Government and how it relates, to my way of thinking, to each one of us.

I believe that government, at all levels, has certain clear obligations to you and me. It owes us security from external attack, protection of our person and property, protection in the exercise of all the individual rights guaranteed by our Constitution.

Further, Government may, if it so chooses, do a number of things for all our people that benefit you and me as citizens. For example, it may support certain medical services we need; establish schools to assist in the education of our children, and prevent pollution of the air and water we use.

Beyond this the Government may also undertake special activities in favor of particular groups, of which you and I may be members. This is sometimes done not only for humanitarian purposes, but also to equalize economic opportunity among different areas, or groupings, and to prevent disaster in some sector of our economy from hurting too much the entire economy and population of the country.

We have, for instance, farm programs, housing assistance, urban renewal, the REA, and so on. The effort here is not to give to one group of citizens special privilege or undeserved advantage. Rather it is to see that equality of opportunity is not withheld from the citizen through no fault of his own.

These and many other things our Government does for you and me. In return we have certain obligations. Payment of taxes, obedience to the laws, readiness for military service in emergency are examples. In addition, it is our obligation, if we belong to one of the groups for which the Government has made special provision, to use that help responsibly and constructively, and to do our level best to reestablish speedily our own equality of opportunity, and so share proportionately in the productivity of our economy.

When this has been accomplished, and our special requirements satisfied, then certainly I do not need, do not deserve, and should not accept any special help from the Government. If I do so, I help deny equality of opportunity to all my fellow citizens. No longer am I a fully independent, sturdy, and useful member of society. Rather I am, to the extent I profit unfairly at the expense of others, dependent upon their bounty.

These beliefs lead to the conviction that the great success of REA justifies the adjustment in future interest rates that I have suggested.

I believe we have reached a point where REA is no longer an infant enterprise. You have grown wonderfully through your infancy and adolescence. Now in your prideful maturity, it is my earnest desire to see the local enterprises you represent become even stronger and more self-sufficient.

I like to think that the program which lighted the farm homes of America will also help illuminate the path to sound finance, good government, and responsible citizenship.

It is my earnest desire that these broad gage goals will unit us all as we plan confidently for your future and the future of our country.

Thank you and best wishes for the journey ahead.

PROPOSED SALE OF NORTH DAKOTA STATE-OWNED MILL AND ELEVATOR

Mr. LANGER. Mr. President, on February 5, 1959, Mr. Donald M. Sandberg, of Minneapolis, Minn., a member of the Minneapolis Chamber of Commerce, wrote a letter to the distinguished junior Senator from Minnesota [Mr. MCCARTHY], who is the present occupant of the chair, in connection with the speech I delivered on January 17 of this year relative to the proposed selling of the State mill and elevator owned and operated by the State of North Dakota. I desire to reply to that letter today. In connection therewith, I ask unanimous consent that the various documents which I have with me may be printed at the appropriate places in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LANGER. Mr. President, on January 17, 1959, I spoke of a very serious issue that may confront the people of North Dakota, in the latest attempt by certain individuals in North Dakota who would assist the Minneapolis Chamber of Commerce and others in skinning the farmer by selling or closing the State-owned and operated mill and elevator.

I pointed out the great benefits that the people of North Dakota—and, for

that matter, of the entire Northwest—have gained through the State-owned mill and elevator. I noted how in July 1937, while I was Governor of North Dakota, the State mill and elevator played an important role in preventing the North Dakota wheat farmer from ruin as a result of an overnight drop of 52 cents per bushel for wheat, with the immediate raising, by the North Dakota Industrial Commission, of the price of 37-pound wheat 35 cents a bushel and thereby stabilizing its price. Also, had it not been for the State mill and elevator, the grain gamblers in Minneapolis would have robbed the farmers of between $12 million and $14 million.

In case any Senator did not happen to read my speech of January 17, I most respectfully refer him to it, because what I said at that time is absolutely unanswerable.

Mr. President, recently I have received a copy of a letter from Mr. Donald M. Sandberg, 5120 Emerson Avenue South, Minneapolis, Minn., addressed to the distinguished junior Senator from Minnesota [Mr. MCCARTHY], in which Mr. Sandberg berates the senior Senator from North Dakota for the speech that he made on the Senate floor on the subject of the "State Mill and Elevator." The contents of that letter are as follows:

FEBRUARY 5, 1959.

Senator EUGENE MCCARTHY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: Just today I read in a copy of the CONGRESSIONAL RECORD a slanderous attack made by Senator WILLIAM LANGER upon the membership of the Minneapolis Grain Exchange and the grain trade generally. This politically inspired document is undoubtedly being sent to his constituency in an effort to prove his worth as a friend of the North Dakota agriculture. In this pamphlet, he has accused the membership of thievery and malice. As a member of this organization, I refuse to stand for this libelous attack on the moral fiber of my business associates and myself.

The Minneapolis Grain Exchange is now, as it has been for over 75 years, a friend of the farmer and consumer alike. It is an organization that provides a common meeting place for buyer and seller and which publicizes the transactions that take place during its marketing sessions. It has seen bull and bear markets and has dutifully recorded the events that make for these economic happenings. Economic facts must be faced, and through the process of a free market these facts are faced each day. Sometimes the verdict is not the exact one desired by either the buyer or seller, but it is as close to the truth as can be decided with the information at hand. Given the true situation, the market does what it has to do—and, money, effort, doubletalk, scheming and skulduggery cannot stop it.

It is surprising to hear a man of Senator LANGER'S years reviling the truth and on the floor of the U.S. Senate as well. He certainly owes an apology to those who have served and are still serving his beloved North Dakota State mill on the trading floor at the Minneapolis grain exchange.

I speak for myself since I do not know whether our able leadership will dignify Senator LANGER'S imprudent remarks with an answer.

Yours very truly,

DONALD M. SANDBERG.

MINNEAPOLIS, MINN.

Mr. President, quoting a part of Mr. Sandberg's letter, he states:

The Minneapolis Grain Exchange is now, as it has been for over 75 years, a friend of the farmer and consumer alike.

Mr. President, being active in public life in the State of North Dakota for many, many years, I am well acquainted with the battles for survival that the farmer has had over the years with the Chamber of Commerce of Minneapolis and the large grain elevators operating out of the Twin Cities. Time does not permit me to go into a full discussion of these problems at this time, but I should like to bring to the attention of the Senate just a few chapters of these many struggles, and let Senators judge for themselves.

I go back to 1914, because that was when the State mill and elevator was organized, for the protection of the farmers themselves. The legislature, the majority of whom were elected, passed an act creating the State mill and elevator. It was referred to the people of North Dakota, who overwhelmingly endorsed it. The mill was opened for business in 1922. They did it because of the very action of the Minneapolis Chamber of Commerce which I shall now describe.

As I have said, in 1914, the Chamber of Commerce of Minneapolis, a nonstock or membership group, organized and existing for the profit of its members, conducted a grain market, for the exclusive use of its members, wherein approximately 200 million bushels of grain were dealt in annually by them. The chamber dealt in valuable business and commercial information, consisting chiefly of price quotations on various kinds of grain and other market news. The grain market furnished by the chamber was the exclusive use of its members in six States, and it held a monopoly of such business. At that time there was the Equity Cooperative Exchange, also hereinafter referred to as "the 7,000 farmers," with offices in various States, and having a membership of about 7,000 grain raisers, shippers, and dealers living in North Dakota and the various States of the Northwest. That association was the receiving and selling agent for grain shipped to it by its members. It operated terminal and country elevators in various States. It was engaged also in disseminating market information, and it conducted its business on the basis of paying patronage dividends, which mean division of profits among its patrons in proportion to patronage.

Because of the patronage dividend character of the 7,000 farmers' equity, the Chamber of Commerce of Minneapolis barred them, resulting in the establishment of the St. Paul Grain Exchange at St. Paul, Minn., in 1914. This brought the 7,000 farmers and the St. Paul Exchange in direct business competition with the members of the Chamber of Commerce of Minneapolis.

The Minneapolis Chamber then began a conspiracy and campaign to destroy the St. Paul Exchange and the business of the 7,000 farmers for the purpose of perpetuating the monopoly of the chamber of commerce and its members.

Mr. President, this is definitely not just a matter of one competitor's trying to outdo the other; but this situation was so serious that the Federal Trade Commission proceeded against the Chamber of Commerce of Minneapolis. The Commission's findings, conclusions, and order requiring the Chamber of Commerce of Minnesota to cease unfair practices against the equity cooperative exchange were sustained by the U.S. Court of Appeals for the Eighth Circuit.

Let us examine the charges made by the Federal Trade Commission against the Chamber of Commerce of Minneapolis.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the charges filed by the Federal Trade Commission against the Chamber of Commerce of Minneapolis. They are to be found on page 6 of exhibit No. 256.

There being no objection, the charges were ordered to be printed in the RECORD, as follows:

That this conspiracy has been and is being carried out by a campaign of defamation, false litigation, oppression and boycott. The defamation consisting (1) of publication, in the above trade paper and other publications, and circulation among patrons and prospective patrons, of the equity and of the exchange, of false statements concerning the financial responsibility and business methods of the equity and of the exchange; and (2) similar false statements by the traveling solicitors, agents and employees of many of the respondent members of the chamber. The false litigation consisting of instigating and carrying on, in 1914 and 1915, three designated actions against the equity and other members of the exchange, these actions being one brought in the U.S. District Court for Minnesota by J. Emerson Greenfield and Samuel Crumpton (partners as Greenfield & Crumpton); another in a State court of North Dakota, by Fred Schmidt, J. Emerson Greenfield and Samuel Crumpton; and another, in the same State court, by the State of North Dakota ex rel Henry J. Linde, attorney general. The oppression consisting in refusing the exchange and its members the daily market quotations of the chamber, which it disseminates to nonmembers of the chamber, and in inducing other terminal markets to refuse their like quotations. The boycott consisting in members of the chamber refusing, under compulsion of certain rules adopted by the chamber for that purpose, to buy grain from the equity.

That said conspiracy is further being executed under compulsion and by means of certain rules, regulations and customers of the chamber and its members, which discriminate against nonmembers; depress prices paid for grain bought from producers; impose arbitrary and unearned charges on "on track" grain at country points; discriminate in favor of grain shipped from certain other terminal markets; establish unreasonably high commission rates; and prevent the members of the chamber from transacting business on a true competitive basis or a "patronage dividend" basis.

That such conspiracy is being further executed through contracts binding country shippers to ship all of their grain to members of the chamber who finance such shippers.

Mr. LANGER. Mr. President, after full and extensive hearings on these charges, the Federal Trade Commission made certain findings of fact, conclusions, and an order, which I shall ask

unanimous consent to have printed in the RECORD at the conclusion of my remarks.

Mr. President, the Federal Trade Commission concluded that by reason of the facts set forth, the respondents and all of them had committed acts to the prejudice of the public and competitors of respondent chamber of commerce, of Minneapolis, which acts constituted unfair methods of competition in commerce within the intent and meaning of section 5 of the Federal Trade Commission Act.

On appeal to the U.S. Court of Appeals the court sustained the major part of the order of the Federal Trade Commission, and ordered the Chamber of Commerce of Minneapolis and other respondents to forever cease and desist from combining and conspiring to injure or destroy the business or reputation of the St. Paul Exchange or the 7,000 farmers by, first, publishing any false or misleading statements concerning the financial standing of the business methods of the exchange or the 7,000 farmers, or by, second, instituting vexatious suits against the 7,000 farmers with the purpose of obstructing the business or injuring the credit or reputation of the 7,000 farmers.

The court further ordered the Chamber of Commerce of Minneapolis and other respondents to forever cease and desist from conspiring and combining amongst themselves to directly or indirectly persuade or compel members of the chamber and others to refuse to buy from, or sell to, or otherwise deal with, the St. Paul Grain Exchange because of the patronage-dividend plan of doing business.

Mr. President, I ask unanimous consent that the entire findings of fact, conclusion, and order of the Federal Trade Commission and the order of the U.S. Court of Appeals be printed at the conclusion of my remarks.

The PRESIDING OFFICER. (Mr. MCCARTHY in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. LANGER. Mr. President, as Gov. Al Smith used to say, "Let us look at the record."

On page 22 of the opinion of the Circuit Court of Appeals, Eighth Circuit, in the case of Chamber of Commerce of Minneapolis and others against Federal Trade Commission, the court stated:

> The evidence supports the findings as to misleading publications and statement and as to instigation of vexatious litigation. The conclusion that such actions constituted "unfair methods of competition" was a proper legal conclusion from such findings.

Mr. President, what were those misleading publications and statements made against the 7,000 farmers? In the July 24, 1914, issue of the Fargo Forum, a Commission exhibit in the above case, the misleading statements were set forth in big, bold-type headlines, as follows: "Sensational Charges Made Against Equity Exchange. Direct Charge Is Made That False Statement Was Issued by Concern. Alleged the Books Show Loftus Was To Get One-Half of Gross Earnings of Minneapolis Office—Alleged Books Do Not Show All Actual Expenses."

There also was published the complaint in full filed in the District Court of North Dakota so as to embarrass the Equity Cooperative.

Mr. President, not only were these statements misleading, but according to the testimony of J. P. Dodson, principal stockholder and president of the Fargo Forum, the chamber of commerce ordered reprints of the July 24, 1914, issue, which were distributed without charge to the visitors at the State fairgrounds, and were mailed without charge to the visitors at the State fairgrounds and were mailed without charge to farmers throughout the State of North Dakota.

The chamber of commerce followed the same procedure concerning the July 26, 1914, article in the Fargo Courier-News, which carried these headlines on the front page: "Equity Exchange, Loftus, and Anderson Sued in Hennepin County Court for $20,000"; "Officers of Well-Known Grain Commission House Charged With Violation of Contract, Mismanagement, and Political Activity"; "Local Suit Excites Much Interest Among Farmer Stockholders in the Concern"; "Walter Thomson, Local Expert Accountant, Repudiates Alleged Statement by Him—Has Not Seen Firm's Books Since 1912."

This misleading newspaper account was also reprinted by the Chamber of Commerce of Minneapolis and was distributed without charge to farmers and individuals in the State of North Dakota and Minnesota.

Mr. President, as charged by the complaint against the chamber, the Chamber of Commerce of Minneapolis, through the Cooperative Manager and Farmer magazine, ordered 700,000 reprints of selected articles from the Cooperative Manager and Farmer magazine which were misleading and which slandered the 7,000 farmers and the St. Paul Grain Exchange. The devastating effect of the distribution of these misleading articles to farmers throughout the State of North Dakota can be best illustrated by the testimony on page 178 of the official transcript of the record of the above proceedings before the Federal Trade Commission which states as follows:

> That he [J. H. Adams] tried to convince his associate, the respondent, Fleming, and to convince the secretary of the respondent chamber of commerce that it was a mistake to continue these attacks on the equity cooperative exchange [the 7,000 farmers], and that he had written out a notice to the effect that the policy of the Cooperative Manager and Farmer in that respect was to be changed, and that he would have published this notice in the next issue of the paper, but his partner procured an injunction from the court enjoining him from carrying out his intention to publish such said notice, and that shortly after this he was forced by his said partner to disassociate himself from all connection with the paper.

So it seems, Mr. President, that even an ally of the chamber of commerce could no longer stomach the vicious campaign by the Chamber of Commerce of Minneapolis against the 7,000 farmers.

What type of misleading articles did the Cooperative Manager and Farmer magazine print against the 7,000 farmers? Here are some of the bold-type headlines taken at random from exhibits 37 and 37(a) in Federal Trade Commission proceedings against the Chamber of Commerce of Minneapolis:

> 1. The Cooperative and Farmer magazine, open letter No. 2 (sent to Railroad and Warehouse Commission of North Dakota, South Dakota, Minnesota; Attorney General, North Dakota, South Dakota, Minnesota; County Attorney, Cass County, North Dakota, and others):
>
> Recent operations uncovered.
>
> Astounding state of facts of interest to every stockholder in the Equity Cooperative Exchange (the 7,000 farmers) and also members of the Society of Equity.
>
> 2. Equity Cooperative Exchange (the 7,000 farmers) exposed from the inside.
>
> The Equity Cooperative Exchange operated at a loss to its patrons.
>
> Sales to middlemen, scalpers, and dummies.
>
> Sales made below the market price.
>
> 3. Astounding charges of fraud against Equity Cooperative Exchange (the 7,000 farmers).
>
> Grain shippers of the Northwest were the victims.
>
> Fargo Courier News on Saturday April 24, 1915, states: "Grand jury may indict, said Linde."
>
> 4. The American Society of Equity is in hands of grafters.
>
> Some of the men higher up have hoodwinked the farmers who should begin their spring housecleaning early—the St. Paul investigation.

Mr. President, the findings of fact also showed that the Chamber of Commerce of Minneapolis instituted vexatious litigation against the farmers. This litigation was previously referred to in the complaint filed against the Chamber of Commerce of Minneapolis. One of the devastating effects of this vexatious litigation was that it cost the 7,000 farmers not less than $20,000 for attorneys' fees, witness fees, court fees, and other expenses directly attributed thereto.

Mr. President, as we know, there is a no more effective weapon of a giant monopoly in crushing out a new concern than to drag it through the courts and cause it to expend large sums of money to defend itself. As we know, that has been a favorite practice of giant monopolies against small business in this country in antitrust suits and patent suits. The Chamber of Commerce of Minneapolis was not too concerned about the cost to them in this fight against the 7,000-farmer Equity Cooperative Exchange, because as Federal Trade Commission exhibit 126, at page 226, reveals, a letter written by the assistant secretary of the chamber to the secretary of the chamber dated September 9, 1915, states as follows:

> The estimate of $57,000 for association expenses does not include extra expenses and it is presumed that no more money will be required to fight the 7,000 Farmers' Equity Cooperative Association. But it should be borne in mind that next summer (1916) will be another political campaign and in January 1917, there will be another session of the legislature. Outside of these two facts, the association's (Chamber of Commerce of Minneapolis) expense is figured on sufficiently high basis on ordinary items of expense.

Nor only was the chamber spending $57.000 to fight the 7,000 Farmer Equity, but it was also getting ready for funds to fight it in the political campaign in 1916, and before the State legislature in January 1917, as revealed by the assistant secretary's letter.

The public interest aroused in North Dakota because of the vexatious litigation directed toward the 7,000 farmer equity cooperative exchange by the Chamber of Commerce of Minneapolis resulted in the legislature providing for the establishment of the Bank of North Dakota, which was overwhelmingly supported by vote of the people.

Mr. President, I have taken excerpts from the testimony of several witnesses in the proceedings before the Federal Trade Commission, but it would be too cumbersome at this time to state their testimony supporting the charges made by the Federal Trade Commission against the Chamber of Commerce of Minneapolis. I ask unanimous consent that these excerpts of testimony be included at the completion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. LANGER. Mr. President, as I stated on the floor of the Senate on the 17th day of January 1959, the farmer would be at the mercy of the giant grain trade in the twin cities if the State mill and elevator were ever sold or closed. The folks in North Dakota who advocated the selling of the State mill and elevator are not friends of the people, but are their enemies, who would sell out the people of North Dakota by permitting the grain trade of Minneapolis to stick their long, slimy, filthy hands into the pockets of the people and rob them. If these words shock Mr. Sandberg, it is too bad, for I want the Members of the Senate and the people of North Dakota to know that I will constantly fight the encroachment of giant monopolies in areas where they are in a position to wipe out the little man.

EXHIBIT 1

DOCKET NO. 964—BEFORE THE FEDERAL TRADE COMMISSION—FEDERAL TRADE COMMISSION *v.* CHAMBER OF COMMERCE OF MINNEAPOLIS ET AL.

FINDINGS, CONCLUSION, AND ORDER OF COMMISSION

Hearings were begun on this complaint September 5, 1922. Findings and conclusions and the cease and desist order, here involved, were made by the Commission on December 28, 1923.

Finding of fact

The respondents named as directors, officers, and members of the chamber were such and were fairly representative of the entire membership, as a class, which was so numerous that all could not be made parties without manifest inconvenience and oppressive delay.

The chamber was a nonstock or membership corporation conducting a grain exchange for the exclusive use and profit of its members, who were governed and bound by the charter, rules, regulations, usages and customs thereof. It was the largest wheat market in the United States and its members dealt, therein, in a large amount of grain, much of which was in interstate commerce. It dealt, also, in its own and other market quotations. About 90 percent of the grain received at Minneapolis was shipped to and dealt in by such members.

The Equity was a corporation with a large number of stockholders residing in several States and practically all of whom were raisers of grain which was shipped to the Equity as sales agents or to be bought and sold on its own account. Also, it owned about 75 country line elevators and a large terminal elevator in St. Paul. Much of the grain so dealt in by it was in interstate commerce. Since August 1914, its principal business office has been in St. Paul with other offices in North Dakota, Wisconsin, and Montana.

In August 1914, the exchange was organized by the Equity and others as a nonstock or membership grain exchange. Its rules did not prohibit patronage dividends, as did the rules of the chamber.

The members of the chamber are in competition in dealing in interstate commerce grain with the Equity and its stockholders and with the members of the Exchange.

The respondents, Adams and Fleming, were stockholders in the Publisher, the former being editor until October 1916, and the latter thereafter. The policy of the publication was dominated and controlled by the secretary of the chamber, who furnished the data and material for a great number of the articles hereinafter described.

The Uniform Commission Rule of the chamber, as applied to purchases of grain in carlots "on track" at country points, had a tendency to depress grain prices by limiting the price to that of similar shipments to the Minneapolis market.

Members were prohibited from rebating commissions or paying patronage dividends and membership was refused to cooperative associations, like the Equity, which allowed such dividends. This action of the chamber hindered and suppressed competition from cooperative terminal marketing of grain and protected the members of the chamber from the competition of such marketing.

The chamber permits market quotations of sales on its trading floor to be transmitted therefrom by telegraph companies in "continuous" (less than 10 minutes) or "periodical" (more than 10 minutes) services. This transmission is to other exchanges and nonmembers which are approved by the chamber with the right in the chamber to prohibit such services to anyone at its pleasure. It exercises complete control over the selection of those to whom such services are sent. Knowledge of such quotations are necessary to anyone dealing in carlot grain. After July 1914, the Equity and the Exchange applied for such services but were refused such by the chamber although each of them was ready, able and willing to pay therefor and to abide by and agree to all of the rules and regulations required of applicants and subscribers by the chamber and nothing in the conduct of the business of either of them prevented such compliance.

The chamber and its members conspired among themselves and with others to boycott and refuse to deal with the Equity, its stockholders or the members of the Exchange and to induce others to so refuse. For more than 10 years, respondents have been engaged in a conspiracy to embarrass and destroy the business of the Equity and its stockholders and of the Exchange and its members, with the purpose of maintaining a monopoly in the grain trade. Such monopoly has been so maintained and has unduly hindered and restrained competition in interstate commerce between the members of the chamber on the one hand and the Equity, its stockholders and members of the Exchange on the other.

Acts in pursuance of the above conspiracy were as follows:

(a) A resolution (No. 405) passed by the chamber in October 1912, falsely charging that nonmembers, in many cases, obtained members to sell grain which was shipped because of false statements and forbidding members from handling grain for nonmembers who solicited grain shipments from farmers or country shippers by false statements concerning the dealings in the chamber or concerning the right of grain shippers with respect thereto or, "unless the person so soliciting such shipment can show a written statement of the shipper to the effect that he realizes that the person receiving such shipment is not a member of the chamber and cannot get advantages out of the chamber which he could not himself get." The purpose and effect of this resolution was to cause expense, delay, and loss of business to such competitors.

(b) A second resolution (No. 634), in January 1916, which was interpreted by the chamber as forbidding its members to act in any manner for the Equity or its stockholders and was so enforced.

(c) Between May 1912, and May 1917, publication of false and misleading statements concerning the financial responsibility and business methods of the Equity, the exchange, their officers and members. These publications and reprints thereof were circulated among patrons and prospective patrons of the above. Certain of these publications attacked the Equity, the exchange, editors who commented favorably on the Equity and country elevators shipping to the Equity; advised directors of country elevators not to interfere with the managers of such in choosing persons and places to which grain should be shipped; pretended to offer expert advice on cooperative marketing while conducting a campaign against cooperative terminal marketing.

(d) Subsidized the former official organ of an association of farmers (American Society of Equity), which had been affiliated with the Equity, and circulated copies thereof containing articles defamatory to the Equity and in praise of the chamber—such publication carrying the false legend that it was still such official organ.

(e) Publication of false statements concerning "double commissions" charged by Equity, refused to retract same and thereafter reiterated them.

(f) Espionage of the exchange and its transactions. Sent letters to banks, farmers, customers of the Equity and others designed to injure the credit and standing of the Equity with such persons. False or misleading statements concerning loss of profits and double commissions as to grain handled by the Equity.

Although these false, unfair, and misleading publications ceased in 1917, the matter so circulated has been and is still being used by farmers, bankers, shippers, and country elevator officials to the financial injury of the Equity.

(g) For the purpose of destroying the Equity, by having it declared insolvent and a receiver appointed, they instigated and financed the Schmidt suit and induced about 50 members of the chamber to make affidavits to aid in the Linde suit, which was dismissed because the Equity was solvent. Instigated and financed the suit in the U.S. court in bad faith and for the purpose of hindering and obstructing the business of the Equity and of injuring its credit and reputation.

(h) Inquiries and investigations at banks and other financial backers of the Equity and its stockholders for the purpose of creating suspicion concerning them and injury thereto.

These actions caused substantial expense to the Equity; injured its credit and standing with grain shippers and the public and the same result followed the allegation of unfair and dishonest conduct made and published in connection therewith.

Conclusion

"That by reason of the facts set forth above, the respondents and all of them, have

committed acts to the prejudice of the public and competitors of respondent chamber and competitors of the members of respondent chamber, and which acts constitute unfair methods of competition in commerce within the intent and meaning of section 5 of an act of Congress entitled 'An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,' approved September 26, 1914."

Order of Commission

The order was divided into three divisions. The first was directed to all of the respondents and forbade conspiracy for the publication or circulation of any false or misleading statements concerning the financial standing, business or business methods of the Equity, its officers or stockholders, or of the exchange, its officers or members; and for institution of vexatious or unfounded suits against the Equity with the purpose of hindering or obstructing its business or of injuring its credit or reputation.

The second division of the order was directed at the chamber, its directors, officers, members, and representatives and forbade the acts and things following:

"(1) Combining and conspiring among themselves or with others directly or indirectly to induce, persuade or compel and from inducing, persuading or compelling any of the members of said chamber, their agents or employees, to refuse to buy from, sell to, or otherwise deal with the St. Paul Grain Exchange or its members or the Equity Cooperative Exchange, or its stockholders, or the customers or any of them, because of the patronage dividend plan of doing business adopted by the said Equity Cooperative Exchange, or by any of the members of the said St. Paul Grain Exchange as more particularly set forth in paragraph (4) infra of this order.

"(2) Hindering, obstructing or preventing any telegraph company or other distributing agent from furnishing continuous or periodical price quotations of grains to the St. Paul Grain Exchange, or its members, or to the Equity Cooperative Exchange or its stockholders.

"(3) Passing or enforcing any rule or regulations, or enforcing any usage or custom that prohibits or prevents members of the respondent chamber from conducting their business of dealing in grain according to the cooperative method of marketing grain or according to the patronage dividend plan, like or similar to the method or plan adopted by the Equity Cooperative Exchange.

"(4) Denying to any duly accredited representative of any organization or association of farmer grain growers or shippers admission to membership in said respondent chamber, with full and equal privileges enjoyed by any or all of its members or by any or all concerns represented by membership in said respondent chamber of commerce because of the plan or purpose on the part of such organization or association to pay or propose to pay patronage dividends or to operate or propose to operate according to the cooperative plan of marketing grain, namely, the plan of returning any portion or all of its earnings or surplus to its patrons or members on the basis of patronage, whether such earnings or surplus is derived from charging patrons or members commissions or otherwise.

"(5) Passing or enforcing any rule or regulation or enforcing any usage or custom, that compels shippers of grain to Minneapolis, Minn., from country points or from St. Paul, Minn., to pay commission or other charges, unless and until like commissions and charges are paid by shippers of grain to Minneapolis from Omaha, Nebr., or from Kansas City, Mo., or other such favored markets.

"(6) Passing or enforcing any rule or regulation, or enforcing any usage or custom, that prohibits members of the respondent chamber, when buying grain on track at country points from paying therefor more than the market price of similar grain prevailing at that time in the exchange room of the respondent chamber, less freight, commissions and other charges.

"(7) Promulgating, interpreting or enforcing any rule, custom, regulation, or usage in such manner as to require any member of respondent chamber to pay to the farmer, or country, shipper or other person, a price for grain limited to a price equivalent to or identical with the Minneapolis market price, or otherwise limit the exercise of free will and individual independent judgment of any such member as to the price which he shall pay, or which he desires to pay farmers, country shippers, or others for grain on track at country points."

The third division of the order required respondents to report in detail in writing to the Commission, within 60 days of service of the order upon them, the way in which they had complied with the order.

CIRCUIT COURT OF APPEALS, EIGHTH CIRCUIT, JULY 13, 1926—CHAMBER OF COMMERCE OF MINNEAPOLIS ET AL. *v.* FEDERAL TRADE COMMISSION, No. 256

CONCLUSION

Upon the entire order of the Trade Commission presented in this review our determination is as follows:

(1) That we should sustain those portions reading as follows:

"Now, therefore, it is ordered that the respondents: The Chamber of Commerce of Minneapolis; C. A. Magnuson, C. M. Case, William Dalrymple, A. C. Andrews, B. F. Benson, W. T. Frasier, H. P. Gallaher, J. B. Gilfillan, Jr., H. S. Helm, Asher Howard, John McLeod, J. H. MacMillan, E. C. Van Dusen, John G. McHugh, and all other members, officers, directors, agents, servants and employees of the Chamber of Commerce of Minneapolis, manager publishing company, John H. Adams, and John T. Fleming, and each of them and their or its officers, agents, solicitors, representatives, servants, and employees and all other persons acting under, through, by or in behalf of them or any of them, forever cease and desist:

"From combining and conspiring among themselves or with others, directly or indirectly, to interfere with, or injure, or destroy the business or the reputation of the St. Paul Grain Exchange, or its officers and members, of the Equity Cooperative Exchange, or its officers and stockholders, (or other competitors of the respondent Chamber and its members) by

"(1) Publishing or causing to be published in any newspaper, periodical, pamphlet or otherwise, or circulating, or causing to be circulated orally or otherwise, among the customers or prospective customers of the members of the St. Paul Grain Exchange, or the public generally, any false or misleading statements concerning the financial standing, the business or the business methods of the said Exchange, its officers or members, or concerning the said Equity Cooperative Exchange, its officers or stockholders.

"(2) Instituting vexatious or unfounded suits either at law or in equity against said Equity Cooperative Exchange with the purpose or intent, or with the effect of hindering or obstructing the business of the said Equity Cooperative Exchange or injuring its credit and reputation.

"It is further ordered that the respondents: The Chamber of Commerce of Minneapolis; C. A. Magnuson, C. M. Case, William Dalrymple, A. C. Andrews, B. F. Benson, W. T. Frasier, H. P. Gallaher, J. B. Gilfillan, Jr., H. S. Helm, Asher Howard, John McLeod, J. H. MacMillan, F. C. Van Dusen, John G. McHugh, and all other members, officers, directors, agents, servants, and employees of the Chamber of Commerce of Minneapolis, and each of them, and their or its officers, agents, solicitors, representatives, servants, and employees and all persons acting under, through, by or in behalf of it or them, or any of them, forever cease and desist from:

"(1) Combining and conspiring among themselves or with others directly or indirectly to induce, persuade or compel and from inducing, persuading or compelling any of the members of said Chamber, their agents or employees, to refuse to buy from, sell to, or otherwise deal with the St. Paul Grain Exchange or its members or the Equity Cooperative Exchange or its stockholders, or the customers or any of them, because of the patronage dividend plan of doing business adopted by the said Equity Cooperative Exchange, or by any of the members of the said St. Paul Grain Exchange, as more particularly set forth in paragraph (4) infra of this order.

"It is further ordered that the respondents: The Chamber of Commerce of Minneapolis; C. A. Magnuson, C. M. Case, William Dalrymple, A. C. Andrews, B. F. Benson, W. T. Frasier, H. P. Gallaher, J. B. Gilfillan, Jr., H. S. Helm, Asher Howard, John McLeod, J. M. MacMillan, F. C. Van Dusen, John G. McHugh, manager publishing company, John H. Adams, and John H. Fleming shall within 60 days after the service upon them of a copy of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist heretofore set forth."

EXHIBIT 2

EXCERPTS FROM TESTIMONY OF BENJAMIN DRAKE, ATTORNEY

These actions and proceedings involved the exchange in large expense and compelled an outlay for attorneys' fees, witness' fees, court fees and other expenses directly attributable thereto and including the time of officials and employees of the exchange of not less than $20,000. In addition to direct outlay necessitated by this litigation, the credit of the Equity Cooperative Exchange was seriously effected thereby and the confidence of the public generally, and grain shippers in particular, was greatly weakened by the charges and allegations of unfair and dishonest conduct made and published by the plaintiffs in connection with the litigation and proceedings in question.

EXCERPTS OF TESTIMONY OF EDWARD ENGERUD, ATTORNEY

I went to Minneapolis that same week and saw Adams in Minneapolis. At this time, Mr. Adams guaranteed to pay my expenses, I had had no communication from Mr. Schmidt up to this time. When I saw Mr. Adams upon this occasion, I also called upon Mr. McHugh. I met him at the entrance of the pit and we stepped into his office. I was at this time in the office of Mr. Oliver Newhouse, an old college friend of mine. As we were stepping out we met a man who Mr. Newhouse introduced to me as Mr. McHugh. * * * I wanted to see Mr. McHugh because Mr. Newhouse told me that he could give me a good deal of information about the operations of this Equity Cooperative Exchange. Mr. Newhouse is a member of the chamber of commerce. Mr. Newhouse expressed his pleasure that somebody was going after these men (meaning the Equity Cooperative Exchange) and hoped that somebody would get them. I talked the matter over with Mr. Newhouse and he suggested that McHugh was the man to see. He said "the better man for you to see would be McHugh; he could tell you more definitely—give you more information that I could."

* * * * * *

I have made arrangements with Mr. Schmidt to the effect that he needn't worry about my fees in this case, Mr. Adams told

me—he said if any money is needed he would guarantee that my expenses would be paid. I never had any talk with Mr. Schmidt about fees prior to the time the action was commenced. * * * I got a letter from Adams and saw Adams and found out something about the situation. Then I sent to Schmidt and had him execute a power of attorney. I don't know where the letter is that I got from Adams. I can produce it if it is a proper subject professionally to produce. I don't know about that. If it is, I will produce it but otherwise I won't. It is true that Mr. Adams practically requested me to communicate with Mr. Schmidt. I did not discuss with Mr. Adams the amount of my fees. I assured him that it would not be very much and he assured me that he would guarantee all fees and expenses. You might say that to some extent, I was really prosecuting the action at Adams' request and relying upon his payment of the fees.

I am familiar with the news item which appeared in the Courier News, August 1 concerning the Mattson deposition. Mr. Adams has since told me that he telegraphed that in to the Courier News.

With reference to the reprint of the petition in this proceeding, in the Fargo Forum for the issue of July 24, 1914, I will say that about the 22d or 23d of July, a reporter of the Forum, named Vinnie Hildreth, came to me and wanted an interview. He said that he understood that I was examining the books of the Equity Cooperative Exchange and was going to start proceedings against them and wanted some dope on the matter. I told him that I did not wish to discuss it but said I probably would start proceedings. I then went to the lake and there wrote out the manuscript for the petition and had it transcribed at Detroit. Mr. Wilde of the Forum then called me by telephone. He asked me if I was going to start proceedings and I told him that I was and that I didn't want to talk about it. He said "We want to get it and you might as well let us get it first." I said "You know how to get it, it has to be filed and made a public record." Then I mailed it to my office. My associate Mr. Holt called me up the day after I mailed it from Detroit and said that one of the Forum reporters was at the office and wanted them to let them have a copy and save them the work and delay that would be involved in going to the clerk's office and making a copy. He wanted to know what to do about it and I told them he might as well let them have it; they would get it anyhow. I was called up by Mr. Hold around 11 o'clock in the morning. This was the day after I had mailed the petition to Fargo. It was the 24th, the afternoon of the 24th, that Mr. Holt called me up.

Something like 4,000 of the Courier News for the issue of July 26, 1914, were mailed out from Minneapolis by the Chamber of Commerce of Minneapolis. A day or two after the issue of the Courier News for Sunday, July 26, our firm received a telegram from one E. S. Hughes naming himself as assistant secretary of the chamber of commerce and requesting us to ascertain the price of a certain number of copies of the Courier News of that date. We inquired of the Courier News what their charge was and I recall it was $30 a thousand and we wired that information to Mr. Hughes and received another telegram asking us to order for them and ship to him 4,000 copies. We communicated the order to the Courier News and I presume that it was filled.

OTHER TESTIMONY

My full name is J. P. Dotson and throughout the year 1914 I resided at Fargo, N. Dak. My business was that of publishing the Fargo Forum. At that time I was principal stockholder of the Forum Publishing Co. and president of the company. The name of the paper which I published was the Fargo Forum and Daily Republican. For the isues of March 3, 1914, and July 24, 1914, we printed approximately 10,000 copies on each of these dates. The secretary of the chamber of commerce solicited me to reprint the issue of July 24, and this was done about 3 days later; 1,000 copies of this issue was sent to the chamber of commerce at Minneapolis. We received $30 and some cents for the 1,000 copies. I do not remember that we sent any copies of the issue of March 3 to the chamber of commerce. I did not authorize free distribution of the issue of July 24 at the State fairgrounds; but some copies may have been given free by our solicitors out there. I am unable to say at what time we received the copy of the petition that is reprinted in the issue of July 24.

Clarence B. May, one of the witnesses in the action brought in the district court, Cass County, N. Dak., wherein Fred Schmidt et al. were plaintiffs and J. M. Anderson et al. were defendants, if called as a witness in this case, would testify as follows, he having already so testified in said action:

"My name is Clarence B. May and I live at Argusville, N. Dak. In the years 1913 and 1914, I was president of the Farmers' Elevator, of Harwood, N. Dak. I lived at Harwood but my mail comes to Argusville and I have lived there for 40 years. In 1914, I was not a subscriber to the Fargo Forum. However, I received through the mails a copy of the Fargo Forum for the issue of July 24, 1914, the same being Commission's exhibit —. This addressed to the president of the Farmers' Elevator, of Harwood. It was not addressed to me personally. There appeared upon this exhibit the imprint of a hand which pointed toward an article entitled 'Sensational Charges Made Against Equity Cooperative Exchange, etc.' The secretary of our elevator company also received one of these exhibits.

"I heard McHugh, the secretary of the chamber of commerce, speak at a meeting held in this assembly hall in Fargo about a year ago. This was at a meeting of elevator men. I called the meeting to order but somebody else presided. On this occasion McHugh said that there wasn't room for only one market and that belonged to Minneapolis. He said that the Equity would either lose out or beat the farmers. He also said that no cooperative institution like the Equity Cooperative Exchange would be admitted to membership in the chamber of commerce."

A. P. Dougan, one of the witnesses in the action brought in the district court, Cass County, N. Dak., wherein Fred Schmidt et al. were plaintiffs and J. M. Anderson et al. were defendants, if called as a witness in this case, would testify as follows, he having already so testified in said action:

"My name is A. P. Dougan, and in 1914 I resided in Fargo, N. Dak. On July 24, 1914, the State fair of North Dakota was in session at Fargo. I was present upon the fairgrounds in Machinery Hall. There was a large crowd present upon the fairgrounds that day, with many farmers and grain growers. The Fargo Forum for the issue of that day, July 24, 1914, being Commission's exhibit—was both sold and given away upon the fairgrounds on that day. They were giving away those that I saw distributed in the building that I was in, Machinery Hall. The usual charge for this paper was 5 cents. One of the copies was given to me. It was given to me by Mr. Hastings, a representative of the Forum. Copies were given to every man in Machinery Hall that had an exhibit, and I also saw them handing them to a few farmers. In the past I have worked for the Fargo Forum, but I never saw the papers given away at any other time. I worked for the Fargo Forum for about 9 months, and I know that it usually comes out for sale upon the streets of Fargo about 4 o'clock in the afternoon."

E. W. Henstrum, if called as a witness in this case, would testify as follows:

"My name is E. W. Henstrum; In 1913 and 1914 I was manager of the Equity elevator at Bremen, N. Dak. I was not at the time a subscriber for either the Fargo Forum or the Daily Courier-News of Fargo. However, as manager of this elevator, I received through the mail a copy of the issue of the Fargo Forum for July 24, 1914. I also received three copies of the Daily Courier-News of Fargo for the issue of August 1, 1914. These three copies were all mailed from Minneapolis and each copy bore the imprint of a finger pointing to the article upon the Equity Cooperative Exchange. I also received a copy of the Courier-News for the issue of July 26, 1914. Also, as manager of the elevator company I received through the mail four rolls of the publication known as the 'History of the Equity Cooperative Exchange.' There were six numbers in each roll, and upon each copy was printed the words 'Distribute Among Directors.' I have never been a subscriber for the Cooperative Manager and Farmer, but during this time I received at least five or six other copies of the Cooperative Manager and Farmer containing articles directed against the Equity Cooperative Exchange."

N. E. Nelson, one of the witnesses in the action brought in the District Court, Cass County, N. Dak., wherein Fred Schmidt et al. were plaintiffs and J. M. Anderson et al. were defendants, if called as a witness in this case, would testify as follows, he having already so testified in said action:

"My name is N. E. Nelson. I am a retired farmer and reside at Fargo, N. Dak., and have so resided for the past 8 years. On the afternoon of July 24, 1914, I was present at the fairgrounds near Fargo, N. Dak. I saw an issue of the Fargo Forum of that day containing the article upon the Equity Cooperative Exchange distributed in large numbers."

C. J. Solberg, one of the witnesses in the action brought in the district court, Cass County, N. Dak., wherein Fred Schmidt et al. were plaintiffs and J. M. Anderson et al. were defendants, if called as a witness in this case, would testify as follows, he having already so testified in said action:

"My name is C. J. Solberg, and I have resided for the past 8 years at Wild Rice, N. Dak. I am the secretary of the Farmers' Elevator at that place. Copies of the Fargo Forum for the issue of July 24, 1914, and of the Courier News for July 26, 1914, were mailed to our elevator company. The imprint of a hand or finger upon each paper directed attention to the article upon the Equity Cooperative Exchange. The papers were mailed from Minneapolis. I was not a subscriber for either of these papers at the time. We received these papers by mail. I did not count them but there was a whole bundle of them. They were addressed to the secretary of the Farmers' Elevator & Trading Co., Wild Rice, N. Dak. Our elevator company also received other copies of the Cooperative Manager and Farmer. I was not a subscriber for this magazine and our elevator company was not a subscriber for it at the time."

Mr. FLANNERY. I ask that the following paper be marked for identification "Commission's Exhibit 70," the same purporting to be a copy of the complaint filed in the District Court, Third Judicial District, entitled "The State of North Dakota, ex rel, Henry J. Linde, Attorney General, plaintiff, vs. Equity Cooperative Exchange et al., Defendants," the same consisting of 33 pages.

* * * * *

I ask that the following issues of the Cooperative Manager and Farmer be marked for identification, as follows:

The issue of April 1913 as "Commission's Exhibit 73."

The issue of May 1913 as "Commission's Exhibit 74."

The issue of June 1913 as "Commission's Exhibit 75."

The issue of July 1913 as "Commission's Exhibit 76."

The issue of August 1913 as "Commission's Exhibit 77."

* * * * *

Benjamin Drake, if called as a witness, would testify as follows:

"I was present at a meeting of the State Elevator Association of South Dakota, held at Sioux Falls, S. Dak., on or about December 15, 16, 17, and 18, 1913.

"There were present at this meeting at least 200 farmers, grain growers and grain men, including representatives and delegates from at least 25 farmers and independent elevators.

"John G. McHugh, secretary of the Chamber of Commerce of Minneapolis, appeared at that meeting and addressed the audience for at least half an hour. Among other statements made, he repeatedly stated that the Equity Cooperative Exchange was not an honest marketing agency; that practically all the buyers of grain at Minneapolis were members of the chamber of commerce; that the Equity Cooperative Exchange was unable to sell the grain for its full market value or for a price equal to that which could be obtained by members of the Chamber of Commerce of Minneapolis; that the exchange was practically an insolvent institution, and that he advised all grain growers to ship their grain to reputable commission men who were members of the Chamber of Commerce of Minneapolis and not risk shipping grain to the Equity Cooperative Exchange. E. P. Wells, then president of the respondent chamber, and B. F. Benson, a member thereof, both addressed this meeting and solicited shipment of grain to chamber members.

"About 10 days or 2 weeks previous to the meeting at Sioux Falls, S. Dak., described above, I was present at a meeting of the stockholders of a farmers elevator company located at Madison, Minn. There were at least 25 stockholders of the company present, and at least 75 farmers and grain growers in addition thereto, in the audience.

"Mr. McHugh appeared at this meeting and made all of the statements which I have set forth above as made at the meeting held at Sioux Falls, S. Dak. In addition to the statement already described, he stated at this meeting, that it grieved him to see the farmers taken in and defrauded by a 'fake' grain concern such as the Equity Cooperative Exchange.

"I was present at a meeting of the State Elevator Association held at Fargo, N. Dak., July 2 and 3, 1913. There were representatives present at this meeting from at least a dozen farmers elevators, and an audience composed of farmers, grain growers, and citizens generally, of not less than 150 people.

"Mr. McHugh appeared at this meeting, and made, in substance, all of the statements set forth above as made at the meeting held at Sioux Falls, S. Dak., and repeatedly requested the farmers and grain growers present to consign all of their grain to members of Minneapolis Chamber of Commerce, and Duluth Board of Trade."

C. U. Somers, Fargo Equity Co-op Exchange:

"That in interviewing managers, directors and stockholders of elevators, as aforesaid, during the past 4 years on not less than one hundred occasions, the persons interviewed have produced copies of the Cooperative Manager and Farmer—the so-called History of the Equity Cooperative Exchange, Commission's Exhibit —; the so-called Equity Cooperative Exchange Question Book, Commission's Exhibit and other similar published articles reflecting upon said exchange, and have cited the same as reasons for refusing shipments of grain to said exchange. That during the past year on not less than ten occasions said publications were so exhibited and cited in support of refusals to consider shipment of grain to said exchange. That on many hundred other occasions during said interviews the charges and statements contained in said publications have been quoted or referred to by the said persons interviewed. That during said 4 years at least 25 bankers and bank cashiers have gone to their files and exhibited to me some one of the publications referred to above, and read or quoted statements therefrom, and that many bankers have referred to the same at said interviews without producing them. That during the past year at least two bankers have exhibited and quoted some one of said publications to me, and at least four others have referred to or quoted one thereof without producing the same. That during the past 4 years at least 25 newspaper editors have produced one or more of said publications from their files or newspaper morgues when I called to interview them."

EXHIBIT 3

SENSATIONAL CHARGES MADE AGAINST EQUITY EXCHANGE ALLEGE STOCK IS IMPAIRED—DIRECT CHARGE IS MADE THAT FALSE STATEMENT WAS ISSUED BY CONCERN—CLAIMED THAT BOOKS HAVE BEEN IMPROPERLY KEPT AND MANDAMUS PROCEEDINGS BEGUN TO COMPEL CONCERN TO SHOW ITS BOOKS IN POLLOCK'S COURT—ALLEGED THE BOOKS SHOW LOFTUS WAS TO GET ONE-HALF OF GROSS EARNINGS OF MINNEAPOLIS OFFICE—ALLEGED BOOKS DO NOT SHOW ALL ACTUAL EXPENSES—MUST PRODUCE BOOKS

This forenoon Judge Pollock signed the petition and ordered the Equity Cooperative exchange to produce its books on August 5.

Revealing an astounding condition of affairs and alleging that the Equity Cooperative exchange has not only impaired its stock to the extent of $8,670, but that the society under its present management has each year suffered a deficit instead of making a profit, that the assets of the corporation have been uselessly wasted and that books have been improperly kept, a writ of mandamus was filed this morning with the clerk of court in Cass County by Engerud, Holt & Frame and J. M. Witherow, attorneys for the petitioners, Fred Schmidt and Greenfield and Crumpton. Schmidt, Greenfield and Crumpton are each shareholders in the Equity exchange.

Judge Engerud is out of the city and no statement could be obtained from him or from his office regarding the suit but it appears from the petition that the object of the organization was to furnish a means of marketing grain for the grain producers of the Northwest at a reduced cost and from the statement filed it appears that instead of this result the assets of the corporation have been wasted and as present conducted it can never attain the object for which it was obstensibly organized.

As J. M. Anderson, president of the corporation has refused to allow the books to be examined by the petitioners, they bring this writ to compel such books and papers to be produced for examination.

EQUITY EXCHANGE, LOFTUS, AND ANDERSON SUED IN HENNEPIN COUNTY COURT FOR $20,000—OFFICERS OF WELL-KNOWN GRAIN COMMISSION HOUSE CHARGED WITH VIOLATION OF CONTRACT, MISMANAGEMENT, AND POLITICAL ACTIVITY—LOCAL SUIT EXCITES MUCH INTEREST AMONG FARMER STOCKHOLDERS IN THE CONCERN—WALTER THOMSON, LOCAL EXPERT ACCOUNTANT, REPUDIATES ALLEGED STATEMENT BY HIM—HAS NOT SEEN FIRM'S BOOKS SINCE 1912

MINNEAPOLIS, MINN., July 25.—The Equity Exchange, which is to transfer its local office from Minneapolis to St. Paul next month, is defendant in simultaneous suits filed yesterday in Minneapolis and Fargo, N. Dak. Violation of contract, mismanagement, and political activity are among the allegations in the local suit, the last two allegations are duplicated in the other suit.

In addition to the exchange, George S. Loftus, sales manager, J. M. Anderson, president, and Mathew A. Sauter are made defendants by the commission firm of Greenfield & Crumpton, of Superior, Wis. It is alleged that the three entered into a conspiracy against the firm after it had become a member of the exchange and had signed a contract by which it was given the head of the lakes as exclusive territory.

Sauter, it is said, left the employment of the plaintiff and took with him the stenographers, business methods, and plan of operation, together with $1,871.43 of the firm's funds, with which offices were established to which the railroads were told to assign the incoming grain. Twenty thousand dollars damage is asked for this alleged violation of contract.

Will the Equity Cooperative Exchange go into the hands of a receiver?

OFFICERS DECLARE IT IS BIG BUSINESS

The officers of the society say there is nothing crooked and that the organization is solvent; that the application to court is only a part of a plan to discredit them, and that the allegations concerning the books will be showed up when the time comes. In a statement made to the Courier-News they charge Judge Engerud with being "a venial spy of the Minneapolis Chamber of Commerce."

G. A. Thiel, secretary-treasurer of the Cooperative Equity Exchange, yesterday denied without exception the reports current in the city for the last several days that the Equity Exchange is either insolvent or that its funds have been misused by the officials.

EXHIBIT 4

DOCKET 694—MINNEAPOLIS, MINN., SEPTEMBER 8, 1922

Met pursuant to adjournment, 10 a.m., before W. W. Sheppard, examiner.

Appearances: M. M. Flannery and Charles Melvin Neff, counsel for the Federal Trade Commission. Lancaster, Simpson, Junell & Dorsey, by David F. Simpson, counsel for respondents. (Chamber of Commerce of Minneapolis, et al.)

Examiner SHEPPARD. There was no hearing yesterday, September 7, 1922, on account of counsel conferring as to stipulation.

Mr. FLANNERY. I offer in evidence page 29 of the stipulation, if there is no objection, which reads as follows:

"Respondent, J. H. Adams, if called as a witness, would testify as follows:

" 'With reference to Commission's exhibits 37 and 37-A (collection of reprints); Commission's exhibit 38 (question book) and Commission's exhibit 39 (question book) and the publication and distribution thereof that said exhibits 37 and 37-A (collection of reprints) is a collection of certain reprints from articles which were published at various times in the regular issues of the Cooperative Manager and Farmer.

" 'That practically all of the copy and data used in publishing said articles was collected and furnished to the Cooperative Manager & Farmer by the respondent chamber of commerce through its secretary and assistant secretary.

" 'That while he does not recall the exact number of copies of each reprint of said articles which were printed, it is his best recollection that the total number thereof would amount to at least 700,000.

" 'That said reprints were published at the request of and were delivered to and paid for by the respondent chamber of commerce through its secretary and assistant secretary.

" 'That as he had very little to do with the financial end of the business, he cannot

state the amount of money which was paid to the Cooperative Manager & Farmer for the printing of said articles and reprints, but he does recall very distinctly that on one occasion the amount paid by the respondent chamber of commerce for some of this work was $5,200.

" 'With reference to the article in second section on pages 43 to 50 of exhibits 37 and 37–A (collection of reprints), which is an article entitled "Equity Cooperative Exchange Question Book," (the same being Commission's exhibit 38 (question book) in its original form), that all of the copy and data were furnished by the secretary of the respondent chamber of commerce.

" 'With reference to Commission's exhibit 39 (picture book) that his recollection was somewhat vague as to the total number of copies of this issue which were published and delivered to the respondent chamber of commerce, its members and others engaged in the grain business, but he is certain that there were at least 20,000; that practically all of the copy and data used in publishing the articles in this issue concerning the Equity Cooperative Exchange were supplied and the same were published in the form and manner requested by the respondent chamber of commerce; that he (Adams) was in favor of publishing the said picture book without referring therein to the Equity Cooperative Exchange, but that the secretary of the respondent chamber of commerce insisted that it be printed in its present form, containing derogatory statements about the said Equity Cooperative Exchange, and its method of transacting business.' "

Mr. FLANNERY. I ask that the following pamphlet be marked for identification, Commission's Exhibit 37, the same purporting to be a collection of reprints from the Cooperative Manager and Farmer.

I also ask that the following pamphlet be marked for identification, "Commission's Exhibit 37–A," the same purporting to be a collection of reprints from the Cooperative Manager and Farmer. These are not dated, but are various reprints. In other words, this matter appeared in the Cooperative Manager and Farmer in various issues and has been compiled in book form.

Examiner SHEPPARD. They are admitted.

Mr. SIMPSON. Exhibits 37 and 37–A are several different reprints bound together, each volume containing, I think, three separate reprints. Each of the reprints contained in the volume was issued at different times and circulated at different times. The earliest reprint was entitled "History of the Equity Cooperative Exchange" and was very generally circulated as a separate reprint in pamphlet form containing about 16 pages, and was reprinted from a publication of the Cooperative Manager and Farmer. Subsequently other reprints were made from articles appearing in the Cooperative Manager and Farmer, and were circulated. The latter part of 1916, for convenience of reference and to keep these reprints together, 50 copies were bound in the form in which they appear as exhibits 37 and 37–A, but the volume as so bound was never circulated. * * *

Mr. FLANNERY. I understand then, that the original articles from which the reprints are made, were circulated; but the collection as it stands was not circulated.

Mr. SIMPSON. That is right.

Mr. FLANNERY. I ask that the following pamphlet be marked for identification, "Commission's Exhibit 38," the same purporting to be pamphlet entitled "Equity Cooperative Exchange Question Book."

I ask that the following pamphlet entitled "Cooperative Manager & Farmer" be marked for identification, "Commission's Exhibit 39," the same purporting to be a special issue of that publication designated as the "picture book."

I offer in evidence Commission's exhibits 37, 37–A, 38, and 39.

Examiner SHEPPARD. Accepted.

Mr. FLANNERY. I offer page 40 of the stipulation in evidence, which reads as follows:

"That he [Adams] tried to convince his associate, the respondent Fleming, and to convince the secretary of the respondent chamber of commerce that it was a mistake to continue these attacks on the Equity Cooperative Exchange, and that he had written out a notice to the effect that the policy of the Cooperative Manager and Farmer in that respect was to be changed, and that he would have published this notice in the next issue of the paper, but his partner procured an injunction from the court enjoining him from carrying out his intention to publish said notice, and that shortly after this he was forced by his said partner to disassociate himself from all connection with the paper."

Mr. FLANNERY. I offer pages 41 and 42 of the stipulation in evidence, which read as follows:

"Julius Rebholz, if called as a witness, would testify as follows:

" 'With reference to Commission's exhibit 38 [Question Book] and various issues of the Cooperative Manager and Farmer and the publication and distribution thereof, that he is a printer and that while he was employed by the Cooperative Manager and Farmer he assisted in the printing of various issues of that paper containing attacks on the Equity Cooperative Exchange, and he also assisted in the printing of Commission's exhibit 38 [Question Book]; that practically all of the copy used in printing the said issues of the Cooperative Manager and Farmer and all of the copy used in printing said Question Book was furnished by the respondent chamber of commerce.

" 'That while acting as an agent of said paper he submitted to the assistant secretary of the respondent chamber of commerce, an estimate of the cost of printing a certain number of copies of said question book; that thereafter said secretary ordered the printing of 3,000 copies of said question book; that said copies were printed and delivered to the respondent chamber of commerce, and a statement of the cost thereof rendered to and said bill was paid by said chamber about the month of February in the year 1917.

" 'That shortly after the publication of said question book and while respondent Fleming, the manager of the Cooperative Manager & Farmer was in Chicago, Mr. Teigen, who was chariman of the committee appointed in 1913 by the Minnesota Legislature for the purpose of investigating grain exchanges, ordered 200 copies of said question book; that he furnished said Teigen with 200 copies, and charged him $20 therefor; that upon respondent Fleming's return from Chicago, he was informed of this transaction and became very angry about it and said he did not want the copies sold in that manner; that the resulting friction between him and Mr. Fleming caused him to leave the employ of the paper.' "

ADJOURNMENT TO THURSDAY

Mr. MORSE. Mr. President, in accordance with the previous order, I move that the Senate stand adjourned until Thursday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 11 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, February 19, 1959, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate February 17, 1959:

U.S. CIRCUIT JUDGE

Lester L. Cecil, of Ohio, to be U.S. circuit judge for the sixth circuit, vice Potter Stewart, elevated.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 17, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Galatians 6: 2: *Bear ye one another's burdens, and so fulfill the law of Christ.*

Eternal and ever-blessed God, we beseech Thee in this Brotherhood Week to inspire us with a clear vision of the many high and helpful things that we are privileged to do together for the welfare of one another and all mankind.

Grant that, in none of life's human relationships, we may allow those feelings and attitudes to permeate our character and conduct which are alien and contrary to the spirit of our blessed Lord.

May we be loyal partners with all who are dedicating themselves to the glorious and adventurous task of establishing a social order in which the fatherhood of God and the brotherhood of man are the ruling principles.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

WATERSHED PROTECTION AND FLOOD PREVENTION

The SPEAKER laid before the House the following communication, which was read by the Clerk:

COMMITTEE ON PUBLIC WORKS,
HOUSE OF REPRESENTATIVES,
CONGRESS OF THE UNITED STATES,
Washington, D.C., February 16, 1959.

Hon. SAM RAYBURN,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Public Works has approved the work plans transmitted to you which were referred to this committee. The work plans involved are:

State	Watershed	Executive committee No.	Committee approval
Texas	Chiltipin-San Fernando Creeks.	515	Feb. 10, 1959
Do	San Diego-Rosita Creeks.	515	Do.

Sincerely yours,
CHARLES A. BUCKLEY,
Member of Congress,
Chairman, Committee on Public Works.

The communication and the accompanying papers were referred to the Committee on Appropriations.

DESIGNATION OF MEMBER TO READ WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to a special order agreed to on February 16, 1959, the Chair designates the gentleman from West Virginia, Mr. MOORE, to read Washington's Farewell Address immediately following the reading of the Journal on February 23, 1959.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON PUBLIC WORKS

Mr. WRIGHT. Mr. Speaker, by direction of the Committee on Public Works, I ask unanimous consent that the committee may meet during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE LATE HONORABLE HERMAN P. EBERHARTER

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, for the first time in any session of the Congress since 1937 the name of HERMAN P. EBERHARTER is heard no longer on the rollcall of the House of Representatives.

Our colleague of the 28th District of Pennsylvania answered a higher call on September 9, 1958, in the Arlington, Va., hospital at the age of 66—and we who knew him so well miss him sorely today.

His friendliness and his devotion to his duties were his two outstanding characteristics. His gentleness and kindly consideration was always for the other fellow.

Over the years he attained recognition and high rank on the important Committee on Ways and Means, specializing in legislation on taxes, social security, and reciprocal trade.

A veteran of the First World War, he was a self-made man who earned his way through the Law School of Duquesne University, practiced the profession in his native Pittsburgh and was elected to the Pennsylvania Legislature in 1934. There, as a member of the ways and means committee of the State house of representatives, he received the early training which led to his successful service on the similar committee in this body.

Two years later the voters of his district sent him to Washington and he was reelected to successive terms in the next 10 elections thereafter.

Despite the loss of his beloved wife and helpmate, and the pain and illnesses he suffered toward the close of his career, Mr. EBERHARTER carried on his duties with a fortitude and determination that evoked the praise and admiration of his colleagues.

His sons, Herman P., Jr., and James Jacob Eberharter may well be proud of their father's record and of the high esteem in which his memory is held here.

Mr. MOORHEAD. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD. Mr. Speaker, it is with great humility that I take the floor this afternoon to participate in the eulogies in behalf of the Honorable HERMAN P. EBERHARTER, late Representative from the 28th District of Pennsylvania. As I reflect upon the career of this man and of his contributions during his years as a U.S. Congressman, I realize that it will be an almost impossible task for me to fill his place as the Representative from his district.

Nearly everyone here remembers well Mr. EBERHARTER's career in Washington. Many of you have witnessed some of his dramatic debates on the floor, as he participated in battles for the 21-day rule, or for greater liberality in social security. Many of you saw him a few months ago as, with great courage, he fought the most difficult battle of all. Despite his failing health, he did not spare himself. He continued to make daily trips to the floor. He maintained almost perfect attendance as a member of the Committee on Ways and Means. He forced his stricken body far beyond its strength as he finished his last session of Congress.

Mr. EBERHARTER was extremely conscientious about his work on the Committee on Ways and Means and during his later years particularly, his time and thoughts were almost entirely occupied with the problems coming before this committee. The major subjects encompassed in the jurisdiction of the great Committee on Ways and Means were matters close to the heart of Mr. EBERHARTER—taxation, social security, and the Nation's foreign trade policy. He fervently believed in the promotion of freer trade policy and the continuation of the Reciprocal Trade Agreements Act, and as all of you know, he constantly fought against inequities in our tax structure.

Even more than his work in these fields, however, his consistent efforts in behalf of more liberal social security benefits have caused his name to be associated in the minds of many persons with social security legislation. He was elected to Congress only a year after the original law was enacted and as a member of the Committee on Ways and Means he fought vigorously for enactment of each of the amendments to liberalize the Social Security Act.

These are all parts of Mr. EBERHARTER's legislative career which are well known to those of you who knew him in Washington. However, there is another side of his career which is equally impressive—his tireless record of loyalty and attention to the problems of the people of his home district. Perhaps I can give you a picture of Mr. EBERHARTER's service to his constituency which you have not seen.

After I was nominated to run for the vacancy left by Mr. EBERHARTER's death, I campaigned in the 28th District of Pennsylvania and of course met countless people who had known Mr. EBERHARTER during his 11 terms as their Representative. Included among these were the political, industrial, labor, and civic leaders of the community, all of whom spoke of Mr. EBERHARTER with obvious high regard. But I thought the most dramatic testimony to his greatness came not from these important leaders, but from the people of the district. Time after time, these people told me of some great problem, some disaster, which had befallen them. Each of them after exhausting all other resources had finally turned to their Congressman for help. An older woman, with tears in her eyes, would tell me of Mr. EBERHARTER's help with respect to social security which was her sole means of support. A young man would tell me of Mr. EBERHARTER's personal attention and consideration in helping to bring his parents to America from a foreign land. Whether the problem involved a passport to bring together a family scattered between Israel and Pittsburgh, or a son who seemed hopelessly lost in the Armed Forces or whether it meant untangling the problems of someone who had unknowingly become enmeshed in the complex laws of our Federal Government—Mr. EBERHARTER never failed to make every effort to help the people he represented. They remembered it and loved him for it.

The son of an immigrant tailor, Mr. EBERHARTER was of the people and remained true to them throughout his life. Although he worked in this distinguished hall and talked with men of national renown and fame, HERMAN P. EBERHARTER never lost the common touch—he kept his love for and interest in the people he represented.

On the other hand, neither did he fall into the even more serious fault of being preoccupied only with smaller local problems of his district. He was fully capable of maintaining his loyalty to and interest in the problems of the people of his district, and at the same time never forgetting his responsibilities to the Nation at large.

Truly, it presents a great challenge to be elected to fill the vacancy left by HERMAN P. EBERHARTER.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. SIMPSON of Pennsylvania. I thank the gentleman for yielding to me that I might pay my respects to the memory of our late colleague, HERMAN EBERHARTER. I had the honor and the pleasure of serving with him in legislative halls longer, I believe, than anyone in the Congress. We served together in the General Assembly of the Commonwealth of Pennsylvania prior to his coming to Washington where he preceded me as a Member of this House. We were

members of many of the same legislative committees and ultimately served together on the important Committee on Ways and Means. We worked together for what we deemed the best interests of our country, and although we probably differed on legislative matters as much as any two Members could, we maintained a close friendship through it all.

HERMAN EBERHARTER was a man of honor. One could always depend upon his word. He was reliable, responsible, and trustworthy, and you knew where he stood at any given time and on any given issue. He was a distinguished Member of this great body. I am pleased to join with his colleagues, and mine, in these moments of respect to his memory.

I would like his two sons to know of the respect and high esteem in which we held their father. To them, and to all others who think of HERMAN with affection on this occasion, I take this opportunity to salute the memory of a man who recognized his duty and who performed it to the best of his ability. His passing is a great loss—not only to his family and friends, but to the Nation, as well.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Those of us who had the pleasure and the opportunity of knowing HERMAN EBERHARTER, each and everyone of us, is a better man or woman because of that fact. HERMAN EBERHARTER exemplified and symbolized the noblest thoughts the human mind could entertain. His whole life, his whole being, his whole action was animated by but one ideal, found in the word "love," love of God and love of neighbor. One could talk for an endless period of time about this great friend of ours and this good man and at the end feel we had not expressed ourselves completely about the fine qualities that he possessed.

To summarize, HERMAN EBERHARTER was one of God's noblemen; he was a great American; he was an outstanding legislator, and he was a loyal friend.

To his loved ones I extend my profound sympathy in their bereavement.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, it was my privilege to have served on the Committee on Ways and Means with HERMAN EBERHARTER during all of his tenure on the the committee. Through the years, in my opinion, we have always been fortunate to have outstanding men serve on the Committee on Ways and Means. To me, HERMAN EBERHARTER typified all the qualifications embodied in these outstanding men.

He was a man who, as the House well knows, had the courage to fight for his convictions, be they popular or unpopular in the political sense. He never faltered when he thought he was right. And history has proved that with the passage of time, many of the causes which he championed in earlier years eventually came to pass. He was a leader at all times in bettering the situation of the workingman. Many of the present-day provisions in our social security laws, for example, were espoused by HERMAN EBERHARTER, in many cases years in advance to their actual accomplishment.

He was an equally good champion of the workingman in the field of taxation. At the same time, he never lost sight of the fact that our tax laws must be equitable to taxpayers in all walks of life. He continually counseled the committee on fairness and equity in our tax system. He not only was a very thorough technician, he had that quality which some technicians lack, of practicality.

These qualifications are enough in themselves to set an example for those of us who still remain on the committee to emulate; however, coupled with these is a mark which HERMAN EBERHARTER has left just as indelibly on the members of our committee and the Members of the Congress who knew him, and that is his love for humanity. To HERMAN EBERHARTER, every person in all walks of life was equally important. We can all recall numerous instances where Mr. Eberharter not only spent much of his time but sought the help of his colleagues in the cause of his friends, and yes, even strangers, when their cause was just.

He had a warmth in his personality which rubbed off on everyone with whom he came in contact. I have seen him champion the cause of the lowest paid employee to that of the highest placed Government officials. He was a friend that anyone could turn to in time of need and get a sympathetic ear.

His passing left a void in our committee and in the House. His ability, courage, humaneness and integrity will be a source of strength and guidance to us who have known him as long as we serve in the Congress.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Speaker, it was with a sincere sense of regret that I learned of the death of our late colleague and my friend, the Honorable HERMAN P. EBERHARTER. I felt a sense of personal loss because he represented the 28th Congressional District of Pittsburgh, which is close to my own district. When I came to Congress in 1944 he was most friendly and helpful to me. During the years, we had many mutual problems in our districts and we worked together in trying to solve them.

He was a man of remarkable intellect and I know that all my colleagues will agree that he had a distinguished career in the House. He was a senior member of the Ways and Means Committee and had acquired a vast knowledge of social security and tax matters. By many, he was considered to be an expert in these fields. Even when during the past years he suffered from partial paralysis and endured considerable pain, he continued with his duties to his constituents. I feel sure that he truly loved his work and found great fulfillment and relaxation in it.

He represented the 28th District of Pennsylvania for 22 years. He was loved by the people he represented and they showed their love for him by returning him to each new Congress with commanding majorities. In his passing, not only our State, but the Nation, has lost an able and conscientious legislator. I have lost a neighbor and friend.

To his two sons, Herman, Jr., and James, who survive him, I extend my sincere sympathy.

Mr. WALTER. Mr. Speaker, I yield to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Speaker, I deem it a privilege to be able to join my colleagues here today in paying tribute to a great man. I came to the Congress at the same time that HERMAN EBERHARTER came here. I learned to know him particularly during the years that we both were serving on the Committee on Ways and Means. Someone has said here that he was devoted to his duties. I can testify to that, and I want to cite but one example; only one. Most of my colleagues recall that HERMAN EBERHARTER during the last 2 or 3 years prior to his death had difficulty getting about because of illness. It was in 1946 when a subcommittee of our Committee on Ways and Means was organized, to look into the question of excise taxes, that most of us felt that HERMAN EBERHARTER should be resting instead of working. At that time our departed colleague, Jere Cooper, who was chairman, thought he was doing HERMAN a favor by not assigning him to a subcommittee. HERMAN was hurt; terribly hurt by that fact. He talked with the chairman and the chairman then assigned him to the excise tax committee of which I was chairman. I can testify here that no man worked harder in that subcommittee than did HERMAN EBERHARTER, despite his illness. Many of us oftentimes said to him that he should take it easy; that if he wanted to attend some of the sessions, at least he should not stay for the full length of the session. But, always he was there. We are going to miss him; in fact, we have missed him in the committee and here on the floor, and I say in all sincerity that this country is a better country because HERMAN EBERHARTER lived.

Mr. WALTER. Mr. Speaker, I yield to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, I regretfully join with our many colleagues here in paying this beautiful and well-deserved tribute to our late and beloved colleague, HERMAN EBERHARTER. I counted as one of the many privileges that came to me by reason of my membership in this House the opportunity it gave me to meet and learn to know and work with our late and beloved colleague, HERMAN P. EBERHARTER. He was indeed a good man, a sincere, earnest, able and hard-working legislator, who served his people and his Nation well. We will all miss him sorely.

Mr. WALTER. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Speaker, some 25 years ago HERMAN EBERHARTER, the gentleman from Pennsylvania [Mr. HOLLAND], and I were elected to the State legislature in our first legislative endeav-

or. He served in that legislative body with distinction, contributed to its daily work, and then was elected to the United States Congress. I will say to all of you here that not alone will this body miss him, as his colleagues here, but the people of Pennsylvania will miss the services that he rendered. And, although there has been a very capable and worthwhile Member elected in his place, this man will lack the experience for a few years to render the same type of service. I, for one, am sorry at his passing. I acknowledge to all of you the gratefulness of having served with him both in Harrisburg and in this body. When I first came here he literally took me by the hand and kept me from using some of the energy I was endowed with, to the wrong purpose. I personally shall miss him.

Mr. HOLLAND. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Pennsylvania.

Mr. HOLLAND. Mr. Speaker, for 30 years I can recall the pleasant friendship which existed between HERMAN EBERHARTER and myself. We attended the same high school together. We entered politics the same time, and served our first elective office as a member of the House of Representatives of the Commonwealth of Pennsylvania.

In 1942 I served with him in the Congress of the United States for a short term. When the General Assembly reapportioned the State of Pennsylvania we found ourselves in the same district and I agreed to step aside to avoid our being opponents. When I returned to Congress in 1956, he escorted me down the aisle to take my oath of office.

Our acquaintance was a pleasant one, and our friendship was enduring.

Mr. EBERHARTER served his constituents well. His reelection year after year proved they appreciated the services he rendered. His elections were always won by big majorities.

I am sure that he shall be remembered by many of those who came to him for help and always received that help.

I shall miss him as one who prized his friendship, and shall miss his cheery hello when we met in the hall on our way to and from the sessions of Congress.

To his sons, Herman and Jimmy, I extend my deepest sympathy. They can be happy in the memories of their father. He had many friends, and I am sure all of them carry fond remembrances of him and share their sorrow over their great loss.

May his soul rest in peace.

Mr. SAYLOR. Mr. Speaker, the demise of HERMAN P. EBERHARTER took from this legislative body a man of acute mind, boundless energy, understanding heart and lovable character. Despite illnesses—illnesses which had struck him down on past occasions—he was present at committee meetings and on the floor of the House whenever it was humanely possible. This devotion to service may have hastened his departure from our material world, but HERMAN EBERHARTER would never have been satisfied to sacrifice duty to country for personal convenience, regardless of the consequences.

I lost a special friend in the death of our beloved colleague from my State of Pennsylvania. Though we were on opposite sides of the aisle in this Capitol Building, we often sat down and worked together on legislation designed to benefit our constituencies and the Nation. I respected HERMAN'S broad knowledge, and I appreciated his advice. He was particularly formidable in his unique ability to anticipate the conclusions of colleagues with whom he shared membership on the Committee on Ways and Means. This analytical advantage made it possible to save considerable time and effort in the preparation and presentation of legislation, just as it was to accrue eventually to the benefit of the general welfare.

I miss HERMAN EBERHARTER. In the years gone by I enjoyed the company of him and his wife, Emma, who went to her reward before him. More recently, I enjoyed those occasions when he and I met while traveling between Washington and Pittsburgh, and whenever else we were able to get together during our busy days on Capitol Hill.

Mr. RAYBURN. Mr. Speaker, HERMAN EBERHARTER was a man of splendid ability and high character. His work in his lifetime career was outstanding and effective—the country is better for his having passed this way.

Mr. GREEN of Pennsylvania. Mr. Speaker, it is with a heavy heart that I rise in salute and pay a well-deserved tribute to a departed colleague, an outstanding Congressman, and a true and warm friend whose passing into eternal life leaves me torn with mixed feelings—a feeling of anguish in the loss of a true American and a warm, personal friend; and a feeling of joy in the knowledge that HERMAN EBERHARTER, though still hovering about us in spirit, has come truly to a well-merited crown in that greater life beyond the vale of earthly cares.

HERMAN EBERHARTER, whose interest in me, personally, I shall cherish as long as I live, was a real public servant, Mr. Speaker. As a member of the Ways and Means Committee of the House, he had the unquestioned confidence of every Member of this legislative body and the fact that he was endeared to the residents of the 29th Pennsylvania Congressional District is evidenced in the fact that he was reelected to represent his home district in Pittsburgh, time and time again, spanning more than a score of years. HERMAN EBERHARTER, Mr. Speaker, first came into these halls as a Member of the 75th Congress, in 1935, and he was elected to every Congress since then, until his death during the 85th Congress. Before that time, he served in the Pennsylvania Legislature. A graduate of Duquesne University Law School, he also was a veteran of the First World War. In every position of trust he was called upon to fill, he, indeed, served faithfully and well. And, he was in very truth, my friend; my counselor and guide; my mentor. He was a man of true humility; an humble citizen, a brilliant legislator, a kindly man and a priceless friend, who will be greatly missed by all who knew him. This House will miss his wise counsel, his wisdom, his adherence to ideals; his great understanding and his fine sense of fairness; and this Nation will miss a great leader, a leader who preferred the role of anonymity rather than that of public acclaim; a man who at all times displayed a great love of country and whose every thought as a Member of this House was for the peace and security of the United States and the perpetuity of the American way of life.

Mr. FULTON. Mr. Speaker, HERMAN EBERHARTER was both a close friend and a colleague of mine. I will miss him very much. We both represented different portions of the city of Pittsburgh and worked together for the benefit of our city. HERMAN EBERHARTER was an outstanding member of the Ways and Means Committee and contributed much to the complex and important work of that committee. He served his district exceptionally well and, in my opinion, was a Congressman's Congressman. Today, many of the people that HERMAN EBERHARTER represented in the Pennsylvania Legislature are in my congressional district, and I know how highly he was regarded and respected by them. His departure is a severe loss to the Nation and especially to the people of Pittsburgh. I wish to extend my deepest sympathy to his family.

Mr. BOGGS. Mr. Speaker, it is with profound sadness that I rise to pay respects to the memory of our beloved and esteemed departed colleague, HERMAN EBERHARTER. The Congress, the people of his district, and the whole Nation suffered a great loss upon his passing.

HERMAN EBERHARTER was a man of profound ability, high ideals, and great warmth of heart. These qualities are too rarely found. The Nation can ill afford to lose men of his caliber.

For many years I have served with HERMAN EBERHARTER in the House and as a member of the Committee on Ways and Means. I had occasion, therefore, to become intimately aware of those great personal qualities he possessed which we all admired and which we all sought to emulate. I can say with the utmost sincerity that he was a man of rare political and personal courage. Time and again I have watched him take his stand on the basis of principle, regardless of the forces which might be alined on the other side and regardless of what the political consequences to him might be. I saw his great fighting spirit in the face of personal tragedy to recuperate after he was stricken by personal illness. I had the most profound admiration for the enormous resources and courage which he brought to bear in carrying on with his duties, ably and efficiently, to his district, his State, and his Nation, in the face of his personal tragedies.

He was one of my very best friends, an admired and respected colleague, and one in whom I always never hesitated to put the most complete faith and trust. I was saddened by his death, but there is some degree of solace in recalling that our Nation is better for having had his high and dedicated services through the years.

My deepest sympathy and condolences go out to his two fine sons and to others of his surviving family.

Mr. O'BRIEN of Illinois. Mr. Speaker, it was with deep sorrow that I learned of the passing of my beloved and esteemed friend and colleague, HERMAN EBERHARTER. I join with every Member of Congress and every person who knew HERMAN as we knew him here in saying that the things which he did and the accomplishments which were his were done from a great and kindly heart.

HERMAN EBERHARTER was one of the grandest, noblest and most honorable gentlemen who has ever graced the floor of the House of Representatives. He was my close personal friend. He had a host of friends in this great body and throughout the Nation. He was always kindly, considerate, and warm in his friendship with others. He gave unstintingly of his time and energy in advice and counsel to other Members who often consulted with him on important decisions.

He was an admired, courageous, and dedicated statesman. Our Nation has indeed suffered a great loss and in these times we can ill afford to lose men of the integrity and caliber of HERMAN EBERHARTER.

My deepest condolences go to his friends and his surviving family.

Mr. FLOOD. Mr. Speaker, it is always distressing when we lose one of our colleagues from this great body through their passing.

It is, however, much more distressing when one loses a colleague who has been a close, personal friend such as HERMAN EBERHARTER, who was one of my closest and best friends from the time I first entered the House during the 79th Congress.

My late, lamented friend was a gentleman of fine characteristics. He was, as most of you will recall, most kindly and generous in his remarks when he addressed the House on many occasions. He was not given to vindictiveness or a harsh, intemperate choice of language.

He was a most reliable man. When he was asked to undertake a responsible task, he did not leave it to others to accomplish. I know, through my many contacts with him, that he would personally handle the most difficult of assignments despite his ofttimes busy schedule as a member of the Committee on Ways and Means.

The "Dutchman," as he was affectionately called, was an authentic liberal in the truest sense of the term. Even though he was born, reared, educated, and lived most of his lifetime in a large metropolitan area such as Pittsburgh, he knew and thoroughly understood the problems of the smaller urban and rural areas. His sound philosophy of government was reflected in his thinking and in his actions as a Member of this body: The greatest good for the greatest number of our citizens was his yardstick of governmental responsibility.

His death the latter part of last year was indeed a great loss not only to all of us who knew him as a fine, outstanding gentleman, but also to his constituency whom he served in this body so well for many years. I miss him greatly and I am certain many, many Members of the House feel as I do. I extend my condolences to his family in their great personal loss.

Mr. KEOGH. Mr. Speaker, one of the saddest and most melancholy occasions faced by us is the death of one of our dearly beloved, admired, and respected colleagues. When word of HERMAN EBERHARTER'S death came to me I could not do anything but reflect upon the many years of our close and warm friendship dating back to our election to the 75th Congress and the many years of his wholly dedicated services to the Nation. He was a statesman of the highest caliber possessing those qualities which in happy combination led to the highest order of dedication to the public interest.

It is needless for me to recount his numerous abilities—one of the keenest legal minds—one of the sharpest parliamentarians—judgment of the highest order—personal warmth and with a kindly sense of humor—qualities which we all aspire to have but which few are blessed with.

I cannot help but reflect on his day-to-day loyalty to his duties as a Member of the Committee on Ways and Means. Despite his physical infirmities resulting from his illness several years ago he invariably was present at all committee meetings and never failed to carefully and judiciously consider in detail all matters of business brought before the committee.

I pay tribute to his memory and extend my deepest sympathy to his two fine sons, Herman, Jr., and Jimmy, to whom he has left a rich heritage.

Mr. LIBONATI. Mr. Speaker, the death of HERMAN P. EBERHARTER, of Pennsylvania, was a personal loss to me. I knew him many years in veterans' activities since World War I.

He was a very kind and generous person and loved life itself in its meaning of service to others. His long career in Congress, 22 years, is testimony itself to his success in attracting the confidence of the voters in his community. He was a kind and considerate person who loved people.

As a member of the Committee on Ways and Means, his invaluable service and leadership won the respect of his fellow members of the committee. He was always willing and anxious to help a new member with sound and practical advice.

He died as he lived, a man loved and venerated by everyone. It can truly be said that Pennsylvania has lost a loyal son and a true public servant. The Government and the Nation has lost a patriot and statesman. And with our prayers we ask the Almighty to guide him through the heavenly paths of a new life with new hopes and new ambitions to serve again with soulful loyalty.

We of Illinois extend our sincere condolences to his lovely children, whom he adored with fatherly love.

Mrs. GRANAHAN. Mr. Speaker, Congressman EBERHARTER was a courageous political leader—a man who had strong convictions and the willingness to support his convictions despite bitter opposition. My husband, who knew him much better than I, having served with Mr. EBERHARTER over a period of 10 years, admired the political courage of the late Mr. EBERHARTER and spoke often of the fact that our laws are as good as they are only because men like Congressman EBERHARTER will battle unceasingly for what they believe is right.

As a new Member of the House of Representatives from Pennsylvania a few years ago, I came to appreciate the kindliness—the friendliness—of Mr. EBERHARTER, who helped me in many ways to become familiar with my work and was most gracious in helping to obtain committee assignments which I desired. There are many other Members of Congress who will always remember him and be grateful for what he did for them during his many years of service in the House.

Mrs. SULLIVAN. Mr. Speaker, all of us who served in the House of Representatives with the late Congressman HERMAN P. EBERHARTER, of Pennsylvania, will remember him always as a dedicated public official and as one of the hardest working and best informed members of the Committee on Ways and Means.

On technical legislation involving taxes, reciprocal trade, tariffs and customs, social security, and all of the other vital issues originating in that important committee, many of us—I know I did—automatically turned to Congressman EBERHARTER for information and guidance. He knew the facts, and his instincts were invariably in favor of the public interests in all of these monumental issues of national policy.

His work on technical provisions of the Internal Revenue Code of 1954 was inspiring, and he lived to see his judgment vindicated on many of the controversial provisions which he opposed in that little-understood, 1,000-page bill.

I became well acquainted with Congressman EBERHARTER and his beloved wife, Emma, as a result of my close friendship with the late Congresswoman Vera Buchanan, who represented a district adjoining Mr. EBERHARTER'S in the Pittsburgh area and whose office was next door to Mr. EBERHARTER'S. The four of us shared many, many pleasant hours together in Washington.

Only an inner strength of great magnitude could have kept Mr. EBERHARTER going as he did following Mrs. Eberharter's tragic death a few years ago and his own series of serious illnesses. Yet he persevered and was conscientious in the performance of his duties, and was, despite his personal problems, a man of immense sympathy for the troubles of others. The word heard most often to characterize HERMAN EBERHARTER among fellow workers on Capitol Hill following his death was "kindly."

To the two young men who are the sons of HERMAN and Emma EBERHARTER, Herman P., Jr., and Jimmy, I would like to say, Mr. Speaker, that they have a truly fine heritage which I know will help them to face whatever life brings them with the courage which characterized their parents' fearless outlook on life.

Mr. WALTER. Mr. Speaker, I ask unanimous consent that all Members

have 5 legislative days in which to extend their remarks on the life and accomplishments of our late colleague, Mr. HERMAN P. EBERHARTER; and that when we adjourn today we adjourn out of respect to the memory of our late colleague.

The SPEAKER pro tempore. (Mr. KEOGH). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DAGUE. Mr. Speaker, the Members of this House, and especially the Members of the Pennsylvania delegation, were immeasurably saddened when we heard of the untimely passing of our distinguished colleague from Pittsburgh. We paused in that sad hour and recalled his long years of service in this body and the outstanding contribution he had made in our unending quest for a solution to the tax problems confronting our Nation.

The fact remains, however, that our estimate of a colleague's work in most cases rests on our day-by-day observation and how he conducts himself when on the legislation firing line. In HERMAN EBERHARTER'S case, the highest accolade we can award him is to point out that never, even under the most severe provocation, was he observed to desert the role of gentleman which he played to the last.

His latter years in the public service were made doubly arduous due to the loss of his helpmate, who preceded him in death, and his own physical impairment. It can be said of this lovable colleague, however, that he accepted these burdens with a light heart and a cheerful mien, and no one can recall meeting him without receiving a cordial greeting and the firm handclasp of friendship.

Our heartfelt sympathy goes out to the members of his family who are left to mourn his passing, and it is our prayerful hope that they will be comforted by the assurance that we, his colleagues, mourn with them and for them.

Mr. ROONEY. Mr. Speaker, it is with a feeling of great sadness that I join here in the House in paying a well-deserved tribute to our departed colleague and friend, the Honorable HERMAN P. EBERHARTER, who at the time of his passing on September 9, 1958, represented the 28th District of Pennsylvania.

When I came to Congress in June 1944 HERMAN EBERHARTER was most kind and helpful to me. During the years we served together we found that we had much in common and worked together in seeking solutions to many legislative problems in which we shared an interest.

HERMAN was an outstanding Member of the House and of the Ways and Means Committee. He made substantial contributions to and sponsored much important legislation beneficial to the welfare of the people he represented in his district, his State, and our country. He was a man possessed of great political wisdom and personal courage. I considered him one of my close friends in this body and one in whom I had great faith and trust. I miss him greatly and I am sure that his colleagues on both sides of the aisle share these sentiments.

His sons, Herman P., Jr., and James Jacob Eberharter, have every reason to be proud of their father's illustrious career and his humanitarian principles. They have my deepest sympathy in their great loss.

His memory is as dear today
As in the hour he passed away.

Mr. SIKES. Mr. Speaker, once I read a short and not very well written bit of verse by an unknown author. Despite its grammatical shortcomings, the message it carries is most evident. It reads:

A man of greatness is he
Who lives to serve his neighbor.
No matter how tough the going may be
He continues to give his best.

I knew the late Hon. Herman P. Eberharter, Representative from the 28th District of Pennsylvania, well and intimately throughout the period of my service in Congress. Somehow I feel that a little bit of verse could well be applied to him.

Its simple words by no means define the many contributions to mankind that Herman Eberharter gave through his untiring devotion to his duty and through his effective and capable leadership. He was solid, sound and substantial. His death is indeed a great loss to all of us and I join with his friends in expressing the deepest regrets to his family. I take comfort, however, in the fact that his accomplishments during his lifetime and his fine spirit will be remembered as an example for others to follow.

GOVERNMENT POLICIES THAT HURT OUR OWN ECONOMY

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, some programs of the U.S. Government bite the hands that feed them. The supreme irony is that American corporations and American workers must pay heavy taxes that are sometimes used to undermine the economic interests of American corporations and American workers. Not deliberately, mind you, but the effect is just the same.

How anyone can possibly defend this is beyond the understanding of most Americans. Not that the peoples of other nations understand it either, but as long as they profit by it, why should they bother to solve this mystery.

Let us give ourselves the worst of the argument, for a starter. So we had to help other nations get back on their feet, after the devastation and dislocation of World War II in order that their weakened economies and despairing people would not be taken over by communism.

But Switzerland has always been a prosperous country, and was not involved in World War II or World War I, or any other war for the past hundred years, or is it longer? There was never any reason why the Government of the United States should give any direct economic aid to Switzerland for the simple reason that she was in no need of it, having, incidentally, taken most of our domestic market away from American watch manufacturers. But we insisted on helping her anyway and indirectly.

It works this way. The Rural Electrification Administration loans money to an American group in order to promote electrical development. This group needs three 22,000-kilowatt turbine-generator sets. Instead of buying this equipment in America the group seeks bids from foreign concerns and places the order with the Brown-Boveri Co., of Switzerland, because that company's price, even after adding 15 percent import duty, was some 25 percent below that of General Electric and other American manufacturers.

If the administration continues with these strange policies that boomerang to the detriment of American industries and American workers we shall be very successful in defeating ourselves.

This cannot be our reasonable purpose. Surely no one in this country wants more depressed areas.

One year's work for 150 people at General Electric has been lost because the Government did not insist that the REA loan must be used to buy American equipment where such equipment is available and clearly superior.

Who goofed on this?

Congress is losing its patience with such strange goings-on.

How about an investigation to make sure that this blunder, to put it kindly, is not followed by similar blunders that are hurting our own economy?

HOME RULE LEGISLATION

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, I am today introducing legislation to return to the people of Washington the right of self-government that was taken away from them 79 years ago. The bill I am introducing today has the support of the administration. It is sponsored in the other House by the chairman of the Senate District Committee, Senator BIBLE, of Nevada. It has had the benefit of the best possible skill and experience in its drafting, it was exhaustively studied in the other body and was overwhelmingly approved there last year.

I am convinced that this is sound and workable legislation. I believe that there are two interests, two rights to be protected in legislating on this issue—the interest of the people of the United States in their Nation's Capital and that of the people of Washington in their own local community. This bill gives reasonable recognition to both interests.

I know that some of my colleagues here today will explain fully and well the stake that the people of the District have in this legislation. But I should like, for

a moment, to emphasize why all Americans should take an interest and a responsibility for restoring local self-government to the Nation's Capital.

Mr. Speaker, we are justly proud of America's position in the world as "the schoolhouse of democracy." Our Nation's Capital should be the symbol and the living example of our faith in democracy. Nothing is more central to the tradition of American democracy than the right of Americans to conduct their own local affairs. Yet our National Capital is today a flagrant denial of that basic principle. I believe that this affects all of us. Every American should feel concern that here, in our Capital, we present to the world such an example. Washington today is a living example of taxation without representation; of rule by outsiders over a voteless community; of Federal domination of local affairs; of Federal control over local schools. Is that what we believe in? Is that what we want the example of our Capital to teach foreign visitors about the meaning of the American tradition of local self-government? I do not believe it is.

The condition of Washington today brands us as hypocrites in the profession of our own political beliefs. It serves notice that, in the very citadel of American democracy, we do not practice what we preach. More important than what others may think of us is what we think of ourselves and what we think of our Nation's Capital. If we really believe in our own creed and tradition, and if we want to be proud of Washington as a symbol of our American creed, then I cannot see how we can any longer deny the restoration of local democracy to the District of Columbia.

MISSISSIPPI VALLEY ASSOCIATION ENDORSES BANK STABILIZATION LEGISLATION ON MISSOURI RIVER SOUTH OF YANKTON, S. DAK.

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, during the closing weeks of the last Congress I introduced legislation, along with my South Dakota colleague, Senator CASE, providing for stabilization of the Missouri River bank in the area south of Gavins Point Dam near Yankton, S. Dak., to Ponca, Nebr. It is essential that this legislation be approved to save the homes and farms of many citizens living in this important farming area. I am pleased that the Mississippi Valley Association has strongly endorsed the legislation which I have again introduced in the present Congress, H.R. 1020. The association's stand on this urgent problem is reported in the Sioux City Journal for February 14, 1959, which I include at this point in the CONGRESSIONAL RECORD:

VALLEY GROUP BACKS BANK STABILIZATION ON MISSOURI—PONCA-YANKTON PROJECT GAINS WIDE SUPPORT

OMAHA.—Strong support for legislation authorizing a bank stabilization project on the Missouri River between Ponca, Nebr., and Gavins Point Dam near Yankton, S. Dak., has been promised by the Mississippi Valley Association.

Identical bills for the project have been introduced in the Senate by Senator FRANCIS CASE and in the House of Representatives by Congressman GEORGE MCGOVERN, both of South Dakota.

The Mississippi Valley Association statement came from James R. Smith, vice president of the organization in Omaha. He pointed out that the association's platform, adopted last week in St. Louis, includes a strong statement asking for bank stabilization on unimproved sections of the river between Sioux City and Yankton.

This legislation, Mr. Smith said, is virtually identical to valley association platform statements the last several years. The need for such a project, he said, is obvious to people living in the area.

"Anyone seeing, as I did, homes, buildings, and thousands of acres of fertile bottom land literally falling into the Missouri River due to bank erosion, would realize the utter necessity of preventing the recurrence of such tragedies," Mr. Smith said.

NEW INDUSTRIAL OPPORTUNITIES FOR AMERICAN INDIANS

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, delegates to the annual meeting of the Governors' Interstate Indian Council, held in St. Paul, Minn., October 9 to 11, 1958, unanimously approved a resolution designed to encourage industrial development on or near Indian reservations.

As the author of House Concurrent Resolution 40, calling for a greater development of the economic and social resources of American Indians, I am happy to call the Governors' resolution to the attention of my colleagues, and I include it at this point:

RESOLUTION 13

Whereas the Bureau of Indian Affairs has inaugurated a most commendable and practical program, which has for its purpose an effort to induce private industry to locate plants, for the assembly or fabrication of products, on or adjacent to Indian reservations, for the purpose of utilizing natural resources and providing employment for Indian people on these reservations; and said Bureau has been successful in accomplishing this objective in some measure, which is gratifying and encouraging; and

Whereas there has recently been discovered, in unexpected localities, new natural resources, metals and other products, which are not only important to our national defenses, but which are useful in modern industry; and

Whereas no exploratory survey of Indian reservations has been made by a qualified organization of industrial engineers, for the purpose of discovering new natural resources, and the promotion thereof, or extensive studies to determine new uses for those natural resources now known to exist on said reservations; and

Whereas the increase in Indian populations on reservations and the projected growth of number of Indian peoples on said reservations, within a relatively short period of time, now makes it imperative that some provisions be made whereby more opportunities for employment for Indian peoples, on a practical and realistic basis, now and in the future: Be it therefore

Resolved by the Governors' Interstate Indian Council in session at St. Paul, Minn., on the 9th, 10th, and 11th days of October 1958, Do hereby recommend that the Bureau of Indian Affairs continue in its efforts to induce private industries to locate on or adjacent to Indian reservations; and be it further

Resolved, That this council recommends that the Congress authorize the said Bureau to employ a qualified and equipped firm of industrial engineers, in whom industries have confidence, to explore and to discover what undisclosed natural resources may be present on Indian reservations, and to determine to what use such resources may be put by industries, together with costs of producing or preparing such resources in marketable form, what facilities are available which are requisites to the use thereof; and to compile full reports on their findings, for the purpose of promoting and exploiting said resources; and be it further

Resolved, That the Congress appropriate the sum of $1 million, to be specifically used for the employment of a qualified firm of industrial engineers to complete such surveys and explorations, together with reports thereof, as indicated herein.

PRESERVING WILDLIFE AND RECREATIONAL OPPORTUNITIES IN THE MISSOURI RIVER BASIN

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, the people of South Dakota, as well as other Missouri Basin States, have benefited greatly from the Missouri River development program. We expect even greater benefits in the years ahead. One valuable byproduct of river development is the recreational opportunities which stem from the creation of reservoirs behind the large Federal dams.

It is important, if full recreational and wildlife benefits are to be achieved, that the river development program be conducted properly. This includes the replacement of water levels in public lakes near the Missouri River as a substitute for waterfowl breeding areas which would otherwise be lost because of the river installation. There is also a need for reforestation projects near the Missouri River installations.

Recognizing these urgent needs, State Senators Henry Knudsen and E. F. Fredricksen have introduced in the South Dakota State Legislature Senate Concurrent Resolution 2, calling upon the Congress to take whatever action is necessary to replace the facilities lost to the people of South Dakota through the flooding of Missouri River lands. This resolution was forwarded to me by Lt. Gov. John F. Lindley, of South Dakota.

I am today introducing legislation which amends the Flood Control Act of 1944 to provide for improvement of conservation and development of fish and wildlife resources in the Missouri River Basin. I include at this point in the RECORD a copy of my proposed bill, Mr.

Lindley's letter, and the resolution by Senators Knudsen and Fredricksen:

STATE OF SOUTH DAKOTA,
SENATE CHAMBER,
Pierre, February 11, 1959.

Hon. GEORGE S. MCGOVERN,
Member of Congress,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN MCGOVERN: Enclosed herewith please find a copy of Senate Concurrent Resolution No. 2 which has passed the Senate of South Dakota and the House of Representatives. I believe that the resolution is self-explanatory. This is a serious problem for the State of South Dakota. Although the people of this State benefit, along with people of other States and the Nation as a whole, from these dams they do not benefit directly with any navigation. As far as flood control is concerned, while floods are controlled downriver it means a state of perpetual flood for this area although the dropping of the water level in the dams during the summer and fall of the years for the benefit of downstream navigation causes a very bad condition from the recreational, scenic, health, and other standpoints to the people of this State.

At the time the engineers came through this State selling us on this program they painted a glowing picture of what would result to us in the way of recreational areas as a result of the development of the system. The loss of wildlife cover has been and will be extreme, and to date there has been little or no replacement. Picnic and recreational areas have not been replaced, and monetary considerations arrived at in the case of some public facilities along the river were found to be grossly inadequate when replacement facilities were built. All these were matters that should have been within the knowledge of the engineers and to a great extent were not within the knowledge of the people with whom they were dealing. The flights of waterfowl would appear to be effected to our detriment, and some of the replacements recommended can and should be made. We trust that this will meet with sympathetic consideration from all of you and that either administrative steps or legislative, if found necessary, be promptly taken.

Respectfully yours,
JOHN F. LINDLEY,
Lieutenant Governor, President of the Senate.

SENATE CONCURRENT RESOLUTION 2

(Introduced by Mr. Knudsen and Mr. Fredricksen)

Concurrent resolution memorializing the Congress of the United States and His Excellency, the President of the United States, to take action regarding the replacement of facilities lost to the people of South Dakota through flooding of Missouri River lowlands

Be it resolved by the Senate of the State of South Dakota (the House of Representatives concurring therein):

Whereas the established Federal policies as set forth by the Congress of the United States require the replacement of public facilities lost through the development of Federal projects; and

Whereas the Missouri River development in South Dakota has taken or will take all of the timber and wildlife cover that formerly existed along the Missouri River; and

Whereas this deprives wildlife of cover and the people of this area from picnic and recreational areas which have not been replaced; and

Whereas many points of historical interest are flooded and lost which cannot be replaced; and

Whereas the promises of the U.S. Corps of Engineers were that such development would increase recreational and related opportunities; and

Whereas the Federal program to date on reforestation and development of recreational facilities and approach roads has been totally inadequate; and

Whereas any such replacement is beyond the capacity of the State of South Dakota: Now, therefore, be it

Resolved, That the Senate of the 36th session of South Dakota Legislature, the House of Representatives concurring, do memorialize the Congress of the United States and the Secretary of the Interior and the Secretary of the Army, to take prompt steps to establish pumping stations and to provide a water level in public lakes near the Missouri River Basin as a replacement for resting places for ducks and geese; and to provide for reforestation projects at and near the headwaters of the tributaries to the Missouri River system including the establishment of small stationary level bodies of water so that trees may flourish and provide some replacement for the loss of cover for wildlife because of the flooding of the Missour River lowlands and to in other ways develop the recreational possibilties as promised, and to provide access thereto; be it further

Resolved, That copies of this concurrent resolution be forwarded to His Excellency the President of the United States, to the Secretary of the Army of the United States, to U.S. Senator KARL E. MUNDT, to U.S. Senator FRANCIS CASE, to Congressman E. Y. BERRY, to Congressman GEORGE S. MCGOVERN, and to the Presiding Officers of both Houses of Congress.

JOHN F. LINDLEY,
Lieutenant Governor.
D. H. HOLLAND,
Secretary of the Senate.
ARCHIE GUBBRUD,
Speaker of the House.
W. J. MATSON,
Chief Clerk.

Section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), is hereby amended by the addition of the following subsection:

"(f) The Secretaries of the Army and the Interior are hereby authorized and directed to provide, through the Corps of Engineers and the Bureau of Reclamation, works of improvement for conservation and development of fish and wildlife resources in the Missouri River Basin. These works of improvement may or may not be physically associated with project works being developed by these agencies for other purposes. The planning and construction of these works of improvement for fish and wildlife resources shall be undertaken in accordance with the Fish and Wildlife Coordination Act (48 Stat. 401)."

COAL RESEARCH AND DEVELOPMENT COMMISSION

Mr. MORGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, several Members of this body have introduced bills to establish a Coal Research and Development Commission to encourage and stimulate the production and conservation of coal in the United States. As a Representative from one of the largest bituminous coal-producing areas in the country, I want to join as a cosponsor of this legislation, which has bipartisan support in both the House and the Senate.

The need for an immediate and long-range research and development program in coal has been apparent to those of us concerned with the economy of the coal-producing areas of the Nation. The coal industry is one industry in which research into all the various aspects of the industry is lagging and at the same time is one where the need is the greatest.

We have in the United States the greatest and most efficient coal industry in the world. Noteworthy advances have been made during the past years. The cutting machine and hydraulically controlled loading machines have now replaced the pick and shovel. Methods of extracting coal from the ground have also improved. Working conditions have improved through the introduction of roof bolting, rock dusting, better lighting facilities, and more adequate ventilating systems. With these improvements, however, there is still much research to be done by the scientist and the engineer for the welfare of the miner and the conservation of this vital national resource.

Research should be conducted into mining production, handling, marketing, distribution, transportation, and conventional and new uses for coal. Of equal importance is research into the synthetic liquid fuels program. There are many new formulas for the production of synthetic fuels from coal and oil shale and for the coking of anthracite and bituminous coals, which if properly pursued might make this country independent of foreign sources of supply.

Mr. Speaker, I believe we have only scratched the surface in new uses for coal. Every effort should be made in the field of coal chemistry in developing a method to efficiently and economically secure oil and gas from coal and in the development of other byproducts that are not now in existence. A research program into coal for conventional uses will be helpful in regaining lost markets and attracting new customers.

Coal research is extremely important, not only to the coal industry, and the communities and States in which coal is mined, but is important to national defense and to the economy of the country. A research program as called for in this legislation brightens the whole future of the coal industry and the future of the producers, the employees and many other people who depend on coal to sustain their economy.

I believe the establishment of this Commission should contribute greatly to the coal industry and to the Nation in building for the future. I hope that the legislation will receive speedy consideration by both the House and the Senate.

ELIMINATION OF AUTOMOBILE EXCISE TAX

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, some have called me the automobile horn of the Congress.

While this title may not have been given to me by admirers of either the automobile or myself, I really do not mind having the title. In fact, I consider it a compliment and might as well let my colleagues know that I will be back with longer and louder blasts as the session wears on.

My horn-honking right now has to do with something which recently happened in the city of Flint, Mich.

The city council has gone all-out for H.R. 2388, a bill which I introduced asking for the elimination of the highly discriminatory 10-percent automobile excise tax.

They have adopted a resolution which I shall include in the CONGRESSIONAL RECORD at the conclusion of my remarks.

I ask this because the automobile industry is not part of the American economy. It is the American economy.

The prosperity and employment of the people of the cities of Flint and Lansing, in the Sixth District of Michigan, as well as of 259 of the 436 congressional districts which contain automobile plants, are vitally affected by this tax. In addition, every district of the 436 is indirectly affected in an adverse manner by this tax.

With growing unemployment in our district and elsewhere, I am certain I will be back to honk the automobile horn again. This is only the beginning—the others will be longer, louder, and loaded with facts about how the many-tentacled automobile industry and its workers are being discriminated against and depressed by the tax pattern of our Federal Government.

Whereas the automobile industry is the most important factor to the economy of this Nation and is especially important to the economy of the city of Flint; and

Whereas this industry provides employment for the vast majority of the Flint labor force; and

Whereas the health of this industry has a direct bearing on all segments of the population of this Nation and of this city; and

Whereas the present excise tax of 10 percent on automobiles is a discriminatory tax against the automobile industry and is a deterrent to sales of this product; and

Whereas this sales handicap consequently adversely affects the health of the automobile industry, reduces the employment of our labor force and impedes the national and local economy; and

Whereas H.R. 2388 is a bill introduced January 15, 1959, in the House of Representatives which would eliminate this discriminatory tax: Now, therefore, be it

Resolved, That this city commission do, and does hereby, go on record as favoring passage of H.R. 2388 in order that the national and local economy and employment situation may be benefited by placing the automobile industry on an equal footing in the marketplace with other manufacturing industries; be it further

Resolved, That a copy of this resolution be submitted to our Federal legislative representatives and to the governing bodies of other cities in the Nation whose economy is dependent upon the health of the automobile industry.

UNEMPLOYMENT

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, today there is a press report on the ticker which reads:

SAN JUAN, P.R.—The high command of the AFL–CIO was reported today to be considering the idea of sending "shock troops" to Washington to dramatize the plight of nearly five million unemployed Americans.

Union leaders believe an AFL–CIO sponsored march on Washington by special bus and train might spur Federal action to stimulate the U.S. economy.

Walter Reuther, chairman of the Executive Council's Economic Policy Committee, was reported to favor the idea.

"I'm afraid Congress and the administration do not realize how serious unemployment is," Reuther said. "We have to use some shock treatment to wake up our Government."

AFL–CIO economists said the official figure of 4,724,000 unemployed in January ignored millions of part-time workers as well as others who have ceased job hunting and accordingly are not considered part of the labor force.

There speaks the real leader of the Democratic Party, not the official heads of the party but the fellow that calls the shots, furnishes much of the money which aids the Democratic Party in elections, contributes to the success of so many Democratic candidates.

Reuther suggests a march on Washing, and again this is what he said:

We have to use some shock treatment to wake up our Government.

I do not know why they did not put it in the civil rights bill, but there is no protection in that legislation for employers.

In Reuther's book all who are not paying dues to contribute to his war chest should be forced to create jobs, meet a payroll, so he may collect and prosper politically. If my understanding of this Reuther move is correct, he proposes that we draft those who have heretofore been employers and those who show any ability or have any prospect indicating they might have the ability to qualify as employers and make them provide jobs at a Reuther-approved wage scale for all the unemployed, of whom there are more than 4 million—almost 5 million—as well as for increased wages for Reuther's dues payers.

It does occur to me, although I would not be so presumptuous as to offer advice to the Democrats or their party or its so-called leaders, but if they do not watch out just a little bit, they will find Reuther and Mazey, his goon squad leader, out in the open publicly giving orders.

It was back in 1953, I think, when some on our side wanted to help the Democrats who were being thrown out of control of their own party in Wayne County, Mich., but our efforts were rejected, not only with scorn but some abusive language. I have a very distinct recollection of that. We offered to help our friendly enemies then, help them from being taken over by a political organization whose leaders had socialism as one of its objectives.

It is difficult to understand how some Democrats can fool themselves to the extent where they think that Walter Reuther will do anything for the Democratic Party. As he has in Michigan, where he and his errand boy Williams have made the State hot for employers, aided in creating and maintaining unemployment, Reuther will use the Democratic Party until he is strong enough politically, to throw off the mask, and take over publicly.

Watch your step, dear colleagues, you have already lost control of your party in Michigan and several other States.

THE REA PROGRAM

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. WOLF] may extend his remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WOLF. Mr. Speaker, the present policy of this administration toward the REA has caused me to agree wholeheartedly with bills introduced by Senator HUMPHREY, of Minnesota, and Congressman PRICE, of Illinois. The object of these bills and the object of the bill that I am now introducing is to return to the Administrator of the REA all functions which were transferred from that office by Reorganization Plan No. 2 written in 1953. The REA program has had an interesting organizational history since its inception during the New Deal days. REA was established by Executive order of President Roosevelt in 1935. In 1936 it became an independent agency as a result of an act of Congress. Under a reorganization plan of the Department of Agriculture in 1939 the REA was placed under the general direction and supervision of the Secretary of Agriculture. The reorganization of the Agriculture Department which came at the beginning of the present administration in 1953 downgraded the importance of the REA and the role of Administrator in policy formation. The Administrator is no longer responsible directly to the Secretary of Agriculture. He is now responsible to the Director of Agricultural Credit Services. He, in turn, is responsible to the Office of the Secretary of Agriculture.

Under such an arrangement the REA loses its identity and becomes just another one of many departments within the Department of Agriculture. When the responsibilities for REA policy are diffused throughout a number of offices in the Department, the historically intended purpose of keeping the REA as an important segment of our farm policy is defeated.

Consequently, it now appears to be quite clear that REA was most effective when it had preferred status and when

the policy for REA rested solely with one Administrator and the Secretary of Agriculture. Because of this, I feel that it is of great importance that Congress passes a bill which will return functions previously held by the Administrator before 1953 to the Administrator of the REA.

SHARP INCREASE OF UNEMPLOYMENT REPORTED IN JANUARY

The SPEAKER pro tempore (Mr. KEOGH). Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 30 minutes.

Mr. BAILEY. Mr. Speaker, much concern is evident in Congress over the sharp increase of unemployment reported in January. These figures show the national unemployment level stands at 4,724,000. This, Mr. Speaker, is the highest level of unemployment in any January since prior to World War II.

Some weeks ago, President Eisenhower set up a Commission, headed by Vice President NIXON, to study ways and means of controlling inflation. I submit, Mr. Speaker, in view of the mounting unemployment, that the President should give serious thought to rechristening this group as the commission on antideflation.

It shall be my purpose in these remarks today to show that the policies and lax administration of governmental bureaus is one of the major factors causing unemployment and unsettled economic conditions.

Mr. Speaker, since this Congress convened on January 7, many bills have been introduced in both Houses to help depressed areas, to help cities finance community facilities, to increase unemployment benefits, Federal aid to housing, and other types of Federal assistance in one form or another. All of these bills have one primary purpose—to reduce unemployment. To help our wage earners maintain their personal dignity in supporting their families by the honest sweat of their brow. My State has had a lot of unemployment, and I intend to fight for sound legislation that will help my constituents.

It is beyond my power of conception to understand how anyone not only accepts but supports actions that would keep their own people out of employment. I saw something the other day that struck me very forcefully and started me doing a little investigating. In the January 30 issue of the Washington Post and Times Herald was an article entitled "Hill Critics Assail Bid Rejection."

It seems that the U.S. Government was going to buy some turbines for a Federal hydroelectric dam down in Arkansas. Some English electric company I believe, bidding against American firms, was low bidder by some $300,000. The administration, I understand on advice of the Office of Civilian and Defense Mobilization, turned down the English company bid and is going to buy these turbines from a Pennsylvania company.

I seldom take a position of defending this administration. In fact, I disagree with it a great many more time than I agree. But this time it is right. I am glad to see that it has an OCDM agency here giving it some sound advice.

But, Mr. Speaker, reading the Post article brought to mind I had seen somewhere that TVA had bought a lot of generating equipment from some European country. I looked that up and found that TVA had bought three 60,000 kilovolt-ampere electric generators from a Swiss company named Brown Boveri, instead of buying from a Milwaukee company which was the lowest American bidder. Milwaukee has a lot of unemployment. Skilled mechanics—machinists and electricians—walking the streets or on relief because they do not have jobs. And yet, a Government power business, financed by the taxpayers from all over the United States, does its buying overseas and deprives our own citizens of a chance to make an honest living.

I have not looked it up, Mr. Speaker, but if I were a gambling man, I would make a fair wager that the city of Milwaukee—its businesses including the one deprived of this work and its citizens including the ones who are now idle because TVA makes its purchases overseas—has contributed more tax funds to the building of TVA than any city in the State of Tennessee.

Since the above two instances came to my attention without any research on my part, I thought it would be a good idea to investigate a little further. Mr. Speaker, you will be amazed at what I found.

TVA has been and is still buying transformers from overseas. They have bought over 2 million kilovolt-amperes of transformer capacity from foreign suppliers. The Bureau of Reclamation has bought thousands of generators and millions of kilovolt-amperes of transformers, with a goodly numbers of oil circuit breakers, from foreign countries. The Army Engineers are buying generators, turbines, and transformers from foreign countries. Their purchases run into millions of dollars. From the way the Bonneville Power Administration has been buying transformers from foreign manufacturers, you would think transformers were not even made in the United States.

Mr. Speaker, at this time I desire to call attention to the protest filed by the General Electric Co. as reported in the Wall Street Journal on Wednesday, February 11, complaining that the TVA had just awarded a contract for a 500,000-kilowatt steam turbine generator to the C. A. Parsons & Co., of Newcastle, England. The article follows:

NEW YORK.—General Electric Co. announced it will protest the recent award by the Tennessee Valley Authority of a contract for a 500,000-kilowatt steam turbine generator unit to a British electrical firm.

The TVA last Friday gave the contract to C. A. Parsons & Co., Ltd., of Newcastle, England. The English firm's bid was nearly $5,500,000 lower than G.E.'s bid, which was the lowest of U.S. manufacturers, according to G.E. W. S. Ginn, G.E.'s vice president and general manager of the turbine division in Schenectady, said he hoped the "TVA action will not set a dangerous precedent." He added that the United States should curtail, on the ground of national security, the activities of governmental agencies in buying foreign-built turbine generator units.

He charged the foreign manufacturers can underbid their U.S. competitors because of the substantially lower wage rates and competitive facilities overseas.

G.E. and other domestic turbine generator builders bid against foreign competition for an order to be placed by the city of Los Angeles for two 200,000-kilowatt steam turbine generators. Mr. Ginn said the contract has not yet been awarded, but, if Los Angeles bases its decision only on price considerations, "we may expect this business also to go to foreign manufacturers."

Other government power agencies, such as State authorities, public utility districts, and municipalities see "papa"—the Federal Government—buying from overseas, and I guess they think they have to do the same. A public utility district out in Oregon, I see, bought over a million horsepower of turbines from an English company.

Mr. SMITH of Mississippi. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. SMITH of Mississippi. Did I not read a few weeks ago about a strong protest that the people of West Virginia were making about the decline in the export of coal to Europe?

Mr. BAILEY. Yes, sir.

Mr. SMITH of Mississippi. Is not the export of coal one of your goals in West Virginia?

Mr. BAILEY. It is. But it is finished now since the action of the German Government—at least 14 million tons of it.

Mr. SMITH of Mississippi. In other words, you are not interested in the export of coal any more?

Mr. BAILEY. Certainly we are interested in the export of coal.

Mr. SMITH of Mississippi. Is not this business of selling coal to Europe a sort of two-way street? Do we not occasionally have to buy things from them?

Mr. BAILEY. I will say to the gentleman from Tennessee that on March 1 the Commerce Department will announce some figures that will be astounding. It will show that our export business in 1958 was $4 billion less than it was in 1957. Instead of producing these products at home and shipping them abroad as exports, and then letting those concerns put them in foreign commerce, you are not going to increase our export volume.

Mr. SMITH of Mississippi. First let me correct the gentleman. I am not from Tennessee and I am not particularly interested in the TVA, but I would like to call the attention of the gentleman to the fact that the proponents of the——

Mr. BAILEY. Perhaps the gentleman had better wait until I go a little further. Perhaps I will clarify my position on some of these things.

Other public utility districts and cities out in the Northwest have been buying thousands of kilovolt-amperes of transformers of foreign manufacturers. The New York State Power Authority—they are the ones we gave permission to develop Niagara—bought over 4 million kilovolt-amperes of transformer capacity from overseas.

I have only scratched the surface, Mr. Speaker. I am told that in the last couple of years the Army Engineers have bought about a fourth of their electric generating equipment from foreign manufacturers; the Bonneville Power Administration about 40 percent of their purchases, and the Bureau of Reclamation about one-half of theirs. TVA has only been buying overseas for about 3 years, but I am sure they will be right up there with the leaders, especially if we turn them loose to do all the buying they want to with revenue bonds.

Mr. Speaker, this situation brings a lot of thoughts to my mind. There is the great State of New York complaining about unemployment and what is its own agency doing about it? Why it is buying foreign equipment when the same kind of equipment is manufactured right in the State of New York. The Pacific Northwest has been complaining about unemployment and what does it do about it? Why it wants more tax funds to build more Government power facilities so the tax moneys can be used to buy more foreign equipment. TVA—it complains of unemployment too—wants to be cut free to issue its bonds so it can buy more foreign equipment to furnish cheap power to entice industries from other depressed areas.

Why is it that these Government power projects are buying all of this foreign power equipment? I have not heard any complaints about the private electric companies keeping our citizens out of employment by buying foreign electric equipment. Is it because the Government power advocates want to make power a little cheaper so they can propagandize for more Government power? Government power is already subsidized. It pays no Federal taxes and little or in most instances nothing in lieu of local taxes. TVA pays no interests on the money that is invested in it. Other Federal power developments that do pay interest pay less than the Federal Treasury pays on money it borrows to build them. The State authorities, public utility districts, and municipalities that own and operate power systems finance them with tax-free bonds. It would seem to me that these tax and interest subsidies ought to satisfy them without trying to cheapen the power a little more by buying foreign equipment when our industries and our workmen need the business so they can earn the money to pay the taxes to support these Government power developments.

I want it clearly understood that my remarks today do not apply to the rural electric associations. Nor are these remarks an indication I shall vote against all future public power projects.

The more I look into the question, the more convinced I become that we, as a Nation, have become very gullible on the Government power question. We have been propagandized for years by those who are either very naive or have some other ulterior motive to the effect that we must have cheap Government power in this country. This talk about need for cheap power is a farce, anyhow. Power is the cheapest thing we buy today. It is selling now for less than it did in the great depression of the thirties. What other commodities can you say that about? Besides, is a thing really cheap when it is subsidized? It might be cheap to some, but it is costing others money for something they are not getting. In the case of Government power, the Government is not saving any money. The only ones saving money are the privileged industries, businesses, and individuals who are getting this power, and they amount to only about 20 percent of the total and the other 80 percent are paying to subsidize the 20 percent.

I have never been a champion of the power companies. In fact, I have generally supported Government power; but I think it is time for me, along with a number of others from the industrial areas, to start taking another look at this power question. The industrial areas pay most of the taxes and they employ most of the people. I have had it forcefully brought home to me that we have been paying out our taxes to subsidize cheap Government power for other areas so that they could compete for our industries, but now I find they are going even further. They are spending our tax money to buy foreign equipment to put our industries and our working people out of business.

Why are they doing this, Mr. Speaker?

There is only one answer. They are trying to get the cost of power that is already tax subsidized down a little cheaper. Buying foreign equipment could only make it a fraction of a mill per kilowatt-hour cheaper at best. Is the buying of this foreign equipment saving the U.S. Government any money? The Government power advocates say these power projects are not costing the Government one cent because the people who are using the power are paying for them. If that is true—and there is some room to doubt it—then the Government is not saving any money and the privileged few buying Government power are not saving enough to find it in their power bills.

Mr. Speaker, I am not against foreign trade. All countries need it, including ourselves. But let us confine our foreign trade to things that do not put our own people out of work. Over in England they have completely socialized their electric power, but do you think the British Government operation is buying electric equipment in the United States when it can get the equipment from English concerns? Certainly not. They are buying British equipment.

If we are going to go altogether on price, certainly these foreign countries are going to undersell us on many items made in this country. And why should they not? They pay their working people much less than ours get. And listen to this, Mr. Speaker: When our Government power agencies advertise for bids on this equipment they tell our manufacturers they must comply with the Walsh-Healey Act and other Federal provisions—and that is as it should be—but mark out all of these things when they invite foreign concerns to bid. They can use child labor, pay starvation wages, work any number of hours a day, any number of hours and days a week, and so forth. Why should they not be able to build cheaper than our American firms? Asking our industries to compete with them is like asking power companies to compete with Government power when the power companies finance on the open money market and pay out from 20 to 30 percent of their gross income in taxes, while the Government power operations are dodging taxes and financing out of the Federal Treasury at below cost.

Now, Mr. Speaker, TVA wants to do some of its financing with revenue bonds. It wants to get out from under control of the Congress. Its supporters say it needs more flexibility. More flexibility for what? More flexibility so it can expand its operations, take over more electric companies, do more building so it can buy more foreign equipment? It looks to me as if it has too much flexibility now. It has already gotten too big for its britches when it can thumb its nose at the welfare of the American working people and American industries. Instead of more flexibility we ought to tighten it up. We should keep it right where it is and shrink it up some if that is possible. We should keep tighter congressional controls on it. Let it come up to see us every year and tell us what it wants to do and how much money it will cost. If it is to the interest of the Government, we can appropriate funds to take care of it, but at the same time we can keep track of all of its shenanigans—we can find out what its policies are on buying foreign equipment and about its policies on buying coal where it is beating mine wages down, which is another sore subject I have not touched on here.

What I have said about TVA applies to other Government power agencies as well. I notice one of the committees in the other body has been holding hearings on a Northwest Power Administration or Authority or whatever you want to call it. It is all the same. They want to be allowed to issue some bonds so they can get more flexibility to do more building to buy more foreign equipment. At the rate they have been buying it out there, if we turn them loose the whole outfit will be foreign business before long.

The next thing we will be running into is a Missouri Valley Authority. I notice a lot of foreign equipment has been going into their installations.

More flexibility—why these Government power operations already have some of us jumping at their beck and call—just give them some more flexibility and pretty soon they will have most of us in their hip pockets. Instead of talking about more flexibility, we had better get them back under control so they will have a little more concern for our working people.

Instead of letting some of their representatives run around over here rooting for all these Government power projects, our working people might better take a look at how their bread is buttered.

Mr. Speaker, we are giving away billions of dollars every year to foreign countries. We are also spending billions of dollars each year in foreign countries,

which is a great assistance to their economy. In addition, we are lending them money at very low interest rates, much of which will never be repaid if past experience is any criteria. All of that money comes out of the taxpayers in this country—our working men and women and our industries. Now, are we going to continue to further tax our people to build Government power systems so they can buy the electric equipment in these foreign countries in cutthroat competition with our own industries who provide the jobs for our working people? Where do these Government power people think the money comes from to build their projects? If they are going to dry up the tax sources that finance them, where do they think they are going to get their future financing?

They give very little thought to taxes. Taxes as a subject they do not deal in since they do not pay any. I think it is about time we give them a little lesson in taxes—let them start paying them—they will find out the Treasury Department does not grow all this money they so freely ask for on trees. Then, maybe they will become a little more interested in our American working people and our own industries.

Mr. Speaker, I would like to call attention to the recent action of the Tennessee Valley Authority in awarding the contract for a new TVA powerhouse to a firm in Switzerland. The Allis-Chalmers Co., of Milwaukee, was the low bidder among American firms. They have 2,300 idle employees. This is one more instance where our lax policies and our evident disregard for American workmen adds to the mounting unemployment rolls.

[From the Milwaukee Journal, Dec. 5, 1958]

ALLIS-CHALMERS IS LOSER ON TVA JOB—GOVERNMENT AGENCY LETS THE CONTRACT TO SWISS FIRM

The Tennessee Valley Authority Board of Directors late Thursday awarded a contract for three 54,000-kilowatt hydroelectric generators to a Swiss firm.

The Allis-Chalmers Manufacturing Co. had opposed the award of the contract to a foreign firm on the ground that lower foreign labor costs gave the foreign firms an unfair competitive advantage over domestic bidders.

The company's protest was backed by local labor and management groups and by several public officials.

The TVA Board said the bid of Brown-Boveri & Co., Ltd., of Baden, Switzerland, was $2,637,135, including $310,000 for import duty.

LOWEST DOMESTIC BID

Allis-Chalmers' bid, which was the lowest of three made by domestic firms, but higher than the three foreign bids, was $1,300,000 or 50 percent higher than the Swiss firm's price, the TVA Board said.

In addition, the Allis-Chalmers' bid was subject to escalation for increased labor and material costs, while Brown-Boveri's bid was firm, the TVA Board said.

Prevailing national policy regards acceptance of a domestic bid by a Government agency as unreasonable and inconsistent with the public interest if the domestic firm's price is more than 6 percent higher than a foreign bid, or 12 percent higher if the domestic firm is in a labor surplus area, the TVA Board said. Milwaukee County has been classified a labor surplus area since July by the Department of Labor.

POLICY IS CITED

National policy, the TVA Board said, is set forth in the "Buy American" Act as interpreted by an Executive order and further modified in practice by the Council on Foreign Economic Policy.

An Allis-Chalmers spokesman said that the company was extremely disappointed that it did not get the contract.

The company issued this statement:

"For many years we have watched various Government agencies pursue the policies as set forth in the 'Buy American' Act as interpreted by an Executive order.

"However, in appearing before the (TVA) Board, we did so because we wanted to plead a cause and a principle regarding the heavy power equipment import problem.

AIMS ARE EXPLAINED

"We thought that the people of Milwaukee and the citizens of the United States should be aware of what was happening. We felt they had a right to know how their tax moneys were being used abroad and by so doing, taking work from our American wage earners.

[TVA has said that the equipment would be paid for by revenues from its power users, chief of which are other Government agencies, primarily the Atomic Energy Commission.]

"The Government purchase of heavy electrical equipment is not limited to TVA. The policy under which the TVA Board reached its decision also governs the purchasing of heavy electrical equipment by other Government agencies.

"This decision of TVA indicates that, despite opposition, the Government intends to pursue this policy.

CAN'T COMPETE, VIEW

"It is quite evident that no American firm can compete in the heavy electrical equipment market with foreign bidders whose labor costs are one-third those in the United States."

The generators are for a $24-million project at Wilson Dam at Muscle Shoals, Ala. Construction is to start early in 1959 and completion is scheduled for the fall of 1961.

The Board also awarded a contract for three 74,600-horsepower hydraulic turbines to the S. Morgan Smith Co. of York, Pa. Allis-Chalmers is scheduled to assume control of the Smith firm around January 1.

The TVA Board said that the Smith firm's bid for the turbines was $2,815,950 and $261,000 lower than the next lowest bid from three other domestic firms and one foreign firm.

Allis-Chalmers also bid on the turbines.

TVA's award of the generator construction contract prompted a demand from Mark W. Ryan, president of local 663 of the International Brotherhood of Electrical Workers (AFL–CIO), that the TVA Board be fired. His request was in a telegram to President Eisenhower.

He accused the TVA Board of being calloused and indifferent to the plight of unemployed Milwaukee workers. About 2,300 Allis-Chalmers workers have been laid off here.

Ryan's union represents maintenance electricians at Allis-Chalmers.

A spokesman for local 248 of the United Automobile Workers (AFL–CIO), which represents the bulk of the company's production and maintenance workers, said that the TVA Board should at least have given the Congressmen time to investigate before making the award. The local had asked Senators WILEY and PROXMIRE and Representatives REUSS and ZABLOCKI to investigate the situation and try to have the contract awarded to Allis-Chalmers.

Mr. DENT. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Speaker, following the distinguished gentleman from West Virginia [Mr. BAILEY] is not an easy task for a newcomer to this body. However, I thought it would be apropos at the moment to discuss for a few minutes some of the problems affecting the coal industry of my State of Pennsylvania. All of us, of course, should be interested in the entire economy of the Nation. However, for the moment I would like to talk about coal. Having been born and reared in the coal-mining area of western Pennsylvania, I speak perhaps not with authority but at least with some experience. I have watched this industry decline. It is a sick industry, and it is affected by the kind of sickness that is contagious, the kind of sickness that will affect in time every phase of our economy. The coal industry is sick in spite of the fact that in technical advancement, in marketing, and in transportation they have tried to keep abreast of the times without aid or subsidy from the Government.

They are in this sick condition because of three main reasons: No. 1, the failure of this Congress over the years to pass legislation providing for a coal research commission the same as our neighbors in Canada have had for many years. No. 2, because of the importation of competitive fuels into this country, and yet this importation goes on in spite of the fact that there are more payroll dollars paid out per B.t.u. of heat energy for coal than for any other heat source in the world. There are more payroll dollars expended in every community from the production of coal than from any other source of energy. No. 3—and I think this is serious—this idiotic proposition that any country in the world is a better place to do business in than these United States has seemed to become prevalent in this Nation and in this House of Representatives. For some reason or other we put a premium upon America investing in foreign countries. Let me just read something I picked out of the paper at random the other night, something I think is of great importance to the people of the United States. This appeared in a paper of Canadian origin:

If you are looking for profits in stock, then you had better cast your eyes to West Germany, to Japan, to Finland, to Italy, and to seven other foreign countries whose stock increases have passed the United States.

It is easy for Germany, it is easy for Japan, it is easy for the so-called defeated nations to give us competition far beyond our ability to meet, simply because they do not maintain any armies, they do not spend any of their money for national defense. And speaking of that, this little item also came from Canada and is very, very informative. It seems that the Canadian budget this year is $695 million for defense including, mind you, $15 million from the United States in payment for airplanes manufactured by Canada to give away to the Netherlands. Not only do we pay for the planes but we do not even get credit for giving them. We are now Santa Claus by a different method. We

are now Santa Claus through an intermediary.

Sometimes some people say to me, "I thought you were a Democrat of long standing." I have been a Democrat all my life, and I suppose I shall remain and die one.

Another thing I also would like to read to you is something which came out this morning. It is not only the investments in foreign countries as such that are inimical to our welfare. It is the investment in manufacturing concerns that use fuel, thereby cutting down the use of fuel here in America.

The gentleman from West Virginia [Mr. BAILEY] gave you figures showing that the exports of this country as of June 1st had dropped from $23 billion to $16.5 billion. But he did not tell you the whole story. Out of the $16.5 billion of export business that we did, $3 billion was our own money for foreign aid, making a net of $13.5 billion as a balance of our foreign business.

All of us know that we cannot live in an isolated country. I defy anybody to pinpoint anything I have ever said or done that would brand me as an isolationist. But I am first an American, interested in the kind of people my father joined as an immigrant to this country, in which to live his life and rear his family and make sure that every man in my community, willing to work and able to work, if the market is here in America, will be able to get that work. I honestly and sincerely believe that well-intending people in this Congress and in this Nation of ours believe absolutely that the road to peace is paved by a free trade movement. I cannot believe that, because we cannot be an example of strength to the world, we cannot be a leader in this world if in the management of our own affairs we permit 5 million productive workers to be completely out of work and many more millions to be on restricted workweeks.

Let us not kid ourselves into the belief that we are a great world power, because we owe more money than all of the rest of the nations on the face of the earth put together. We have written a budget for this year greater than all of the budgets of all of the civilized nations of the earth. You cannot be a leader when you borrow money to help someone else. The rule of self-preservation is just as surely a rule for nations as it is for peoples. There can be no deviation from that principle. This Nation can exist only as long as it is strong and as long as it believes that America is No. 1 in the hearts of its people.

I think it was Theodore Roosevelt who said that an American has room for only one sole loyalty, and that loyalty is to the American people.

In our actions in foreign trade we are buying materials we do not need and putting them on shelves that are already crowded with surplus goods of this country. My idea of foreign trade is to find the object that somebody needs and make it for them, and to buy from them the objects and the commodities we need.

Christopher Columbus did not start across the uncharted seas to find a country that was producing cheese and olive oil and roasted chestnuts. They had roasted chestnuts and olive oil and cheese in Italy at the time. What he started out to find was some place where they could buy the things that they did not have and sell the things that they did have in surplus. But we have put that in reverse. We are buying bicycles and we have bicycles coming out of our ears in this country. We are buying raincoats, and you can hardly go into a department store in the United States of America but that you can find goods that we produce in surplus.

If we listen to some of those who are preaching upon the hustings today we will find that the patriotic American will go to work in a foreign car powered by Shell gasoline, wearing a suit made out of English worsted or Scotch tweed, with hose of French lisle, shoes of Italian leather, a necktie of Italian or French silk, and a shirt made from Spanish madras, and he will also have underwear made out of Egyptian cotton.

READ ALL THE NEWS

Too often we read only the news we like or want to read and forget to turn the pages to read the fine print. This can cost us a great deal not alone in knowing both sides of a problem, but in fact, it can cost us our jobs, our liberty, and our personal well-being. If you buy a paper, read it—read all of it.

A case in point on the above admonition appeared in the New York Herald Tribune recently. One story covered the President's appeal to Americans to invest more money in foreign enterprises and quoted him as saying that the foreign countries needed money for expansion of their economy and this was the only country with money to spare. Another story on the same page showed that this country was short $1 billion of currency in its everyday needs.

Our gold reserves have been depleted by nearly $6 billion by the flight of gold to foreign countries.

To some of us little people it appears as though someone is wrong. Is it the President? I wonder.

Personally, I will not subscribe to the policy that any other country in the world is a better place for Americans to invest their money in. President or no President to the contrary.

OUR OWN BACKYARD

The Westinghouse local union just wired me about the loss of an $18 million generator order to England. The Elliott Co., of Jeannette, Pa., just lost a $2 million generator contract to Switzerland. We are still trying to have the administration change the order to our own producers. There is not a set rule on imports. Before Eisenhower was elected, an American company was allowed a 25-percent differential, that is, it could be 25 percent higher than a foreign competitor and still be considered low bidder. Then, too, the labor and economic conditions of the area in which the American bidder was situated were given added consideration. Few Americans lost work under this setup. But now, after Eisenhower issued his Executive order cutting the differential to 6 percent, all the foreign manufacturers are as happy as kids on a picnic while the Americans are on the outside looking in.

A spokesman for Allis-Chalmers, after losing out on a large order, made the statement to the effect that his company might as well quit bidding Government jobs, since it could not meet the foreign prices and still carry American taxes, pay unemployment compensation, social security, workmen's compensation, hospitalization, and so forth, on payrolls.

I know he is right because for over 25 years I have fought for better working conditions and higher standards for labor, teachers, public employees, and taxation based upon abiilty to pay.

How can anyone expect me and others like me to change our position and now vote to lower our American standards?

Ford Motor Co. has been buying tools and dies in Europe because they are cheaper. Chairman E. Breech, of Ford, said wages paid Americans averaged $2.44 an hour plus 55 cents an hour fringe benefits compared to $1.05 in England and 69 cents an hour in Cologne, Germany. Ford has a plant in Cologne which, incidentally, luckily missed bombing in the war. Of course, Mr. Breech fails to tell us how American die and tool makers can buy Fords if they are unemployed. He also forgot to mention the difference between gross hourly pay and the take-home pay of an American worker. He forgot that the American worker is the heaviest taxed worker in the world.

Many district auto workers who are laid off will never be rehired, according to President R. Leach of local 155 district. This is true because of the imports in both parts, tools, and finished cars and the step-up in automation.

The industry leaders feel they can spend about $20,000 in automation for every worker they can eliminate. R. E. Phlaumer, of American-Marietta Co., said in part: "We can economically spend $17,000 to $20,000 on new machinery if it eliminates one worker—I have no emotional problems about replacing those nice guys who have been working on gang No. 2 for 20 years."

There you have it. We wonder how many products of his company will be bought by these machines when all companies and concerns go all the way and we have all automotive machinery.

THE ANSWER

There is no complete and final answer. It is a continuing and perplexing problem.

For the moment, with 5 million—acknowledged—unemployed, the answer must come quickly. My proposal for immediate emergency action would be to—

First. Reduce age limits on social security, raise benefits; retire older workers, give younger workers work. They will spend more for things they need and the older workers will be able to carry on with a good retirement pay.

Second. Stop imports, unless they are needed for our economic well-being and unless competitive prices are established that recognize our tax burdens as well as our standard of living.

Third. A shorter workweek for industrial workers whose jobs are eliminated by automation.

Fourth. A revision of our income tax law with lower rates and preferred treatment for American investments, rather than the idiotic system of favoring foreign investments.

Fifth. Grant foreign aid only for foreign aid, and not to build up competitive enterprises abroad to flood our American markets with foreign-made goods.

Sixth. Review Federal employment policies and reduce where possible Federal taxes. Especially check the enormous expenditures for defense to wipe out waste, duplication, and poor planning.

Seventh. Create public loans to communities, public facilities, and redevelopment programs.

Eighth. Increase public works in cooperation with State and local governments.

Ninth. Rebuild American pride in our own products, from clothespins to missiles.

Tenth. Stop talking about the weather and do something about it. At least put up our umbrellas.

In conclusion, Mr. Speaker, how long can we kid ourselves into the belief that we can become stronger by building up our friends and our enemies to compete against us for the world markets as well as our own markets?

Unless we recognize the importance of full employment at home we cannot hope to help the needy peoples of the rest of the world.

Unless we are fortified with a prosperous economy domestically, how can we possibly sell our friends abroad on our ability to guide them to prosperity.

No Member of Congress really wants isolationism. However, by the same token, no Member of Congress wants unemployment, want, poverty, or depression. Because of our inability to cope with world problems except by opening up our Treasury to the world, giving away American jobs, and building our hopes of peace and security on mercenary troops and subsidized nations, we are putting our country into a position of losing control of our own destiny. How many of our foreign missile bases will we be allowed to use in case of war with Russia?

I know and you know that we cannot live in a world of our own. Nevertheless, I cannot see living in a world where Japan and Germany, the conquered nations, are subsidized into prosperity when American workmen in the coal fields, glass, and manufacturing plants, and many other fields of enterprise are dependent upon charitable aid such as unemployment compensation and welfare for their daily bread.

Sharing our wealth is commendable only if we have wealth to share.

If we are so rich, why do we have a national debt greater than all the other nations of the world put together.

If we are so prosperous, why are we taxed to feed millions of Americans who cannot find jobs to take care of themselves?

As I view it, we Americans operate our trade policies from a socialistic basis of operation and the Communists operate their trade on a capitalistic base.

DISTRICT OF COLUMBIA HOME RULE LEGISLATION

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. MULTER] is recognized for 30 minutes.

Mr. MULTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and that any Members who desire to extend their remarks on the subject of District of Columbia home rule may do so immediately following my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, last July, President Eisenhower sent marines into Lebanon. Britain was preparing to send troops into Jordan, and the United Nations Security Council began an important debate on the Middle East. But on that same day, instead of the energies of the Congress being devoted solely to these great events, they were also being addressed to the problems of a city council for the District of Columbia.

While the Middle East was in turmoil and the President was taking one of the gravest steps since World War II, intertwined with the vital issues before Congress were such items as regulations on overhead wiring in buildings in the District; the power of District court clerks to administer oaths; and expansion of the charter of a local literary society.

These were not especially unusual cases. The Members of this House know by experience the number of strictly municipal matters which presently require the attention of the elected representatives of the people of the United States. We know that a great deal of the time and effort of some of the ablest and most experienced Members of the Congress is spent, as members of the District Committees, attending to the work of city councilmen. We know that they do a devoted and conscientious job, in spite of the demands of their larger responsibilities as Members of this House. But with all due respect, and in all fairness, none of us should be spending our time on these matters. We were not sent here to serve as a city council for Washington but to represent the interests of our districts and the Nation. I believe that my constituents agree with local residents of the District, that nonresident nontaxpayers should not run the local government.

I believe in self-government. I believe in people running their own local affairs. And I believe the people of Washington are as competent as my constituents, or yours are, to elect people to run their municipal government.

I do not believe in Americans going voteless, ruled by people they did not elect, denied control over their own schools, their fire and police departments, and their many local concerns. I do not believe in taxation without representation.

That is why I sponsor and support legislation to put the government of Washington back where it came from, where it belongs, and where the men who founded this country placed it—in the hands of the people who live here. I am not afraid to let Americans govern themselves. I believe the Members of this House share my sentiments and support full democracy in the Capital of the United States.

I hope that no Member will oppose this bill because it does not go far enough. I readily concede that it does not go as far as or accomplish as much as the people of the District are entitled.

It is, however, a long step forward in the right direction.

Mr. Speaker, at this point I would like to set forth a comprehensive analysis of this legislation. My bill is S. 1846—the Bible bill—of the last session, as reported to and passed by the other body in the 85th Congress, except for the change of various dates. I accordingly make bold to set forth almost verbatim, the very fine analysis thereof as found in Senate Report No. 1715, dated June 16, 1958.

PURPOSE OF LEGISLATION

This bill provides for a territorial form of government for the District of Columbia with (a) Presidential appointment of a Governor for the District of Columbia, by and with the advice and consent of the Senate; (b) Presidential appointment of a Secretary, by and with the advice and consent of the Senate; (c) popularly elected legislative assembly consisting of 15 members; and (d) popularly elected nonvoting Delegate to the House of Representatives. The legislative assembly would have authority to decide how the District of Columbia school system should be administered. For example, the assembly might prescribe an elective school board, an appointive school board, or even a Department of Education with a single administrator at its head.

The members of the Board of Elections—a presently existing agency created by the District of Columbia Primary Act of August 12, 1955—shall continue in office for the remainder of the terms for which they were appointed. Their successors would be appointed without regard to political affiliations, by the Governor. In addition to its other duties, the Board of Elections would conduct registrations and nonpartisan elections as provided for in the bill.

By the District of Columbia Primary Act of August 12, 1955, establishing a formal system of registration by party and election of party officials and delegates to the national political conventions under the supervision of a board of elections, the Congress gave the citizens of the District of Columbia their first taste of suffrage since 1878.

The objectives underlying the bill are threefold: First, to relieve the Congress of the detail of District affairs, as has been done in the case of the Territories, while still retaining the control in Congress required by the Constitution; second, to provide self-government in local matters for the residents of the District

of Columbia; and third, to provide an efficient and economical government for the District of Columbia.

The bill provides that on a date to be fixed by the board of elections, not more than 9 months after the enactment of this act, a referendum shall be conducted to determine whether the registered qualified electors accept the charter. As used in titles XIII and XIV of the bill, the term "charter" means titles I to XI, both inclusive, and titles XV and XVI. If the charter is accepted the proposed territorial government would then succeed the present Commission form in accordance with the terms of the bill. Should the charter be rejected by the qualified electors, then the present Commission form of government would be retained. The definition of a qualified elector will be found in title VIII of the bill and is covered in the summary of the bill by titles.

Under the terms of the bill the Federal interest is safeguarded by the following veto provision: An act passed by the Assembly shall be presented to the Governor and shall become law upon his approval as indicated by his signature. If any act so passed shall be disapproved by the Governor, he shall, within 10 calendar days of its presentation, return such act to the Assembly setting forth his objections. If his disapproval is based in whole or in part upon a finding that such act adversely affects a Federal interest, he shall so inform the Assembly when setting forth his objections to such act. If any act so passed shall not be returned by the Governor as herein provided within 10 calendar days after it shall have been presented to him, the same shall become law in like manner as if he had signed it.

If, upon reconsideration of an act returned by the Governor, two-thirds of the members of the Assembly vote to pass such act, it shall become law unless the Governor's disapproval was based in whole or in part upon a finding that such act adversely affects a Federal interest, in which case the Assembly shall again present the act to the Governor and the Governor shall forthwith transmit it to the President, advising the Assembly in writing that he has done so. If the President approves such act he shall sign it, and it shall thereupon become law. If he does not approve it, he shall return it to the Governor so stating, and it shall not become law. The President shall approve or disapprove an act transmitted to him by the Governor, under the provisions of this subsection, within 10 calendar days after its transmission to him; and if not acted upon within such time, it shall become law as if it had been specifically approved by him.

The Governor and Legislative Assembly would take over the functions of the present Board of Commissioners, which would be abolished. The Legislative Assembly would be endowed with local legislative power, including taxing and borrowing power, subject to certain enumerated restrictions and to the overriding power of Congress to repeal, amend, or initiate local legislation and to modify or revoke the charter itself. This endowment of local power would relieve the Congress of the detail of District affairs, as has been done in the case of the Territories.

The Delegate would have the same privileges accorded the Delegate from Hawaii.

A summary of the bill, by titles, follows:

TITLE I—DEFINITIONS

Contains definitions of principal terms used in the bill.

TITLE II—STATUS OF THE DISTRICT

Continues the corporate existence of the District of Columbia, together with all its powers and functions, while changing the governing body thereof. The judicial courts of the District of Columbia will remain as now organized. The only authority with respect to the courts which the bill would vest in the new government is power to enlarge the jurisdiction of the purely local courts to enforce new and additional laws enacted by the new government.

TITLE III—THE LEGISLATIVE ASSEMBLY

Creates a Legislative Assembly consisting of 15 members elected as provided in title VIII. The qualifications for members of the Assembly are set forth as follows: First, a qualified elector; second, is domiciled in the District and resides in the ward from which he is nominated, and has (a) during the 3 years next preceding his nomination resided and been domiciled in the District and (b) during the 1 year next preceding his nomination has not voted in any election (other than in the District) for any candidate for public office, and has resided in the ward from which he is nominated; third, holds no other elective public office; and fourth holds no appointive office of a full-time continuing nature for which compensation is provided out of Federal or District funds.

The compensation for such members is fixed at $12,000 per annum for the Chairman and $10,000 for members. The powers of the present Board of Commissioners are transferred to the Assembly, except those conferred on the Governor, and the present Board of Commissioners is abolished. The duties of the Zoning Commission are transferred to the Assembly. Powers of the Assembly and the limitations on those powers are spelled out. The Public Utilities Commission, the Armory Board, the National Guard of the District of Columbia, the Redevelopment Land Agency, and the National Capital Housing Authority are specifically excluded from the authority of the Assembly.

The Assembly is prohibited from passing any act inconsistent with or contrary to any provision of any act of Congress as it specifically pertains to any duty, authority, and responsibility of the National Capital Planning Commission, except as to membership on the National Capital Planning Commission and the National Capital Regional Planning Council as pertains to the Engineer Commissioner or the Board of Commissioners.

The Assembly before passing any zoning act is required to deposit it with the National Capital Planning Commission. Under this procedure the National Capital Planning Commission has a veto which may be overridden by a two-thirds vote of the members of the Assembly.

Procedures are prescribed whereby an act passed by the Assembly may be approved or disapproved by the Governor. There is also specified the role of the President in those instances where the Governor disapproves an act. The provision for a Presidential veto, which would be interposed only if a Federal interest were involved, is considered necessary because of the close Federal interest in the District of Columbia as the seat of the Nation's Government and in order to insure a close tie between the local government and the President as the executive head of the Nation. It is contemplated that the Assembly shall within the limitations of the act adopt the usual rules of any legislative body governing the calling of special meetings, quorums, and similar matters. The bill provides for the election from its members of a Chairman and a Vice Chairman of the Assembly, and for the appointment of a clerk as its chief administrative officer and such assistants and clerical personnel as may be necessary.

A procedure is set forth for the adoption and passage of zoning acts. The Assembly is empowered to conduct investigations and to issue and enforce subpenas.

TITLE IV—GOVERNOR AND SECRETARY

Provides for the appointment by the President of a Governor and Secretary by and with the advice and consent of the Senate, each to serve for terms of 4 years. The Governor shall receive an annual salary of $21,000, and the Secretary shall receive an annual salary of $17,500. The Governor shall receive an allowance for official expenses, which he shall certify in reasonable detail to the Assembly, of not more than $2,500 annually. The bill confers on him usual administrative powers and duties, including the power to appoint personnel in the executive branch of the Government and to remove such personnel in accordance with applicable laws and regulations. The Governor would have full authority to execute the powers and duties imposed upon him by law, including the authority to issue and enforce regulations and rules necessary to carry out his administrative functions, and authorizes him in addition to redelegate functions to subordinate officials as he deems necessary.

The Governor shall keep the Assembly advised of the financial condition and future needs of the District, and make such recommendations to the Assembly as may seem to him desirable. He is authorized to issue and enforce rules and regulations to carry out the functions and duties for which he is by statute made responsible. Such rules and regulations, of course, must not be inconsistent with any acts of the Congress or the Assembly. He is further authorized to reorganize any or all of the executive agencies of the District of Columbia government, but is required to submit to the Assembly any reorganization plan affecting two or more agencies.

The Secretary shall perform such duties and exercise such powers as the Governor shall impose upon him and in

case of death, removal, resignation, disability, or absence from the District, the Secretary shall perform the powers and duties of the Governor during such vacancy, disability, or absence, or until another Governor has been appointed and qualified to fill such vacancy.

TITLE V—THE DISTRICT BUDGET

The fiscal year of the District of Columbia is fixed by the bill, and the preparation and adoption of the budget is provided for. The Assembly is empowered to rescind previously appropriated funds which are available for expenditure and to appropriate funds to the extent that unappropriated funds are available.

TITLE VI—BORROWING

The District is authorized to incur indebtedness by issuing its bonds in either coupon or registered form to fund or refund indebtedness of the District at any time outstanding and to pay the cost of constructing or acquiring any capital projects requiring an expenditure greater than the amount of taxes or other revenues allowed for such capital projects by the annual budget, with a restriction that the aggregate debt, including debt owed to the Treasury of the United States, is not to exceed 12 percent of the average assessed value of the taxable real and tangible personal property of the District as of the 1st day of July of the 10 most recent fiscal years for which such assessed values are available. The bill provides that new debt would have to be approved by the voters except that, within the 12-percent limitation, debt up to 2 percent—in the aggregate—of the assessed valuation of taxable real and personal property could be authorized by the Assembly without approval of the voters. The Assembly shall make provision for the payment of any bonds issued pursuant to this title, and the bill sets forth the provisions which must be contained in an act authorizing the issuing of bonds.

The Assembly is authorized to issue supplemental notes in a total amount not to exceed 5 percent of the total appropriations for the current fiscal year if there are no unappropriated funds available to meet supplemental appropriations. Such notes and renewals thereof shall be paid not later than the close of the fiscal year following that in which such act becomes effective. Short term notes may be issued in anticipation of revenues in an amount not to exceed 20 percent of the total anticipated revenue for the current fiscal year.

Bond acts of the District shall, where necessary, provide for the levy annually of a special tax without limitation of rate or amount upon all taxable real and personal tangible property in the District in amounts, which, together with other revenues of the District available and applicable for such purposes, will be sufficient to pay principal and interest as these fall due. In addition, the full faith and credit of the District for the payment of the principal and interest on all bonds and notes is pledged.

Bonds and notes issued by the Assembly and the interest thereon would be exempt from all Federal and District taxation except estate, inheritance, and gift taxes.

The bill would permit national banks, Federal building and loan associations, and Federal savings and loan associations and banks, trust companies, building and loan associations, and savings and loan associations domiciled in the District of Columbia, to underwrite and trade in public bonds or notes of the District issued pursuant to this title.

TITLE VII—FINANCIAL AFFAIRS OF THE DISTRICT

This title provides for the bonding of employees of the District, and the Governor is charged with the administration of the financial affairs of the District. He must prepare and submit the annual budget estimates and budget message; supervise and be responsible for all financial transactions; maintain systems of accounting and internal control; submit to the Assembly a monthly financial statement, by appropriation and department; prepare at the end of each fiscal year a complete financial statement; supervise and be responsible for the assessment of all property subject to assessment within the District; supervise and be responsible for the assessment and collection of all taxes, special assessments, license fees and other revenues; have custody over all public funds belonging to or under the control of the District; have custody of all investments and invested funds of the District.

The Assembly may provide for the transfer during the budget year of any appropriation balance then available for one item of appropriation to another item of appropriation, and the allocation of new items of funds appropriated for contingent expenditure. The bill provides that no officer or agency of the District shall expend or contract to expend any money for any purpose in excess of amounts available under appropriations therefor, except expenditures for capital improvements to be financed in whole or in part by the issuance of bonds.

The bill provides for an independent audit by the General Accounting Office in accordance with rules and regulations prescribed by the Comptroller General. Such audit reports as the Comptroller General deems necessary shall be submitted to the Congress, the Governor, and the Assembly. The Governor, the Assembly, and the Director of the Bureau of the Budget are given power to enter into agreements concerning the manner and method by which amounts owed by the District to the United States, or by the United States to the District, shall be ascertained and paid.

TITLE VIII—ELECTIONS IN THE DISTRICT

The bill continues the Board of Elections as established by the District Primary Act. Successors to the present Board, after their terms have expired, would be appointed without regard to political affiliations by the Governor for a term of 3 years. The Board is charged with maintaining a permanent registry; conducting registrations and elections; determining appeals; printing, distributing, and counting ballots; dividing the District into five wards as nearly equal as possible in population and of geographic proportions as nearly regular as possible; establishing voting precincts; operating polling places; certifying election results, and other duties. The Board is given authority to prescribe such regulations as may be necessary for the purposes of the act, and the salary of each member is fixed at the rate of $1,500 per annum. Present law provides compensation for Board members at $25 per day while performing duties.

The Board of Elections shall conduct a general election in each even-numbered year commencing with 1960, and in any odd-numbered calendar year commencing with 1961, if an act authorizing the issuance of bonds as required by section 602 to be submitted for a referendum at an election is enacted at least 40 days prior to the date for conducting the election in such year.

General elections are to be held on the fourth Tuesday before the Tuesday in November prescribed for runoff elections. The latter are to be held on the first Tuesday after the first Monday in November.

The offices to be filled by election are members of the Assembly and the District Delegate. Members of the Assembly shall be elected for 2-year terms beginning on January 1 of the odd-numbered year following such election and the District Delegate shall be elected for 2 years beginning at noon on January 3 of the odd-numbered year following such election. Vacancies in the Assembly are to be filled at the next general election, but until they can be so filled the Governor may fill the vacancy by appointment. In the event the office of Delegate becomes vacant at a time when the unexpired term is 6 months or more, a special election is authorized.

A qualified elector shall be a person who has maintained a domicile or place of abode in the District continuously during the 1-year period ending on the day of the election; who is a citizen of the United States; who is on the day of election at least 21 years of age; who has never been convicted of a felony or, if so convicted, has been pardoned; who is not mentally incompetent as adjudged by a court of competent jurisdiction and who certifies that he has not, within 1 year immediately preceding the election, voted in any election at which candidates for any municipal offices—other than in the District of Columbia—were on the ballot. The term "municipal office" as used in the bill means an office of any governmental unit subordinate to a State or Territorial government.

The bill provides that no person shall be registered unless he shall be able to qualify otherwise as an elector on the day of the next election; he executes a registration affidavit on a form prescribed by the Board of Elections showing that he will meet on election day all the requirements of a qualified elector. An appeal procedure is provided for a person who is not permitted to register.

The bill provides for two methods of nominations: First, a declaration of candidacy without petition but with a filing fee equal to 5 percent of the annual compensation of the office for which

nomination is sought; or, second, a nominating petition signed in the case of District Delegate by 600 qualified electors registered in the District, and, in the case of a candidate for the Assembly, 300 qualified electors registered in the ward from which nomination is sought. Elections are to be nonpartisan. The ballot is to show the wards from which each candidate, other than the District Delegate, has been nominated. Each voter is entitled to vote for 15 candidates for the Assembly, not more than 3 from each ward, and 1 candidate for District Delegate. Absentee voting will be permitted under regulations adopted by the Board of Elections.

Provision for challenging voters and for appeals to the Board of Elections are made. Poll watchers are authorized, and a procedure is set up pertaining to recounts parallel to that of the District Primary Act with a modification to take care of referendums. The petitioner must deposit a sum of $20 for each precinct to be recounted. The fee is refunded if the election result is changed by the recount. The petition is to the Board of Elections, and is filed by qualified candidates in the elections. In the case of referendums, since there are no candidates in a referendum, any person who voted in the election is eligible to petition the Board for a recount of votes cast on a referendum question.

Violations of any provision of this title or regulations published under its authority are declared misdemeanors and penalities are provided.

TITLE IX—MISCELLANEOUS

Except where the terms of intergovernmental contracts are prescribed by other provisions of law, the District and Federal Governments are authorized to contract with each other for the rendition of services in order to prevent duplication of effort and to otherwise promote efficiency and economy. Such contracts are to be negotiated by the Federal and District authorities concerned and be approved by the Director of the Bureau of the Budget and by the Governor, by and with the advice and consent of the Assembly. Such contracts will provide for payment for the actual cost of furnishing such services.

The costs to each Federal officer and agency in furnishing services to the District pursuant to any such contract is to be paid out of appropriations made by the Assembly to the District officers and agencies to which they are furnished.

The costs to each District officer and agency in furnishing services to the Federal Government pursuant to any such contract shall be paid from appropriations made by the Congress to such Federal officers and agencies.

No member of the Assembly and no other officer or employee of the District shall have any financial interest direct or indirect in any contract or sale to which the District is a party.

Except for the qualifications already enumerated, no person is ineligible to serve or to receive compensation as a member of the Assembly or the Board of Elections because he occupies another office or position or receives compensation from another source. The right of a person to another office under the laws of the United States shall not be abridged by the fact of his service as a member of the Assembly or the Board of Elections if such service does not interfere with the discharge of his duties in the other office.

The U.S. Civil Service Commission is authorized to render advice and assistance to the new government in the development of a merit system.

TITLE X—SUCCESSION IN GOVERNMENT

Whenever the functions of any existing agency or officer are transferred under the bill the personnel—except the members of Boards or Commissions abolished by the bill—property, records, and unexpended balances of appropriations which relate to the functions are also transferred. Provision is made for the settling of disputes which may arise out of such transfers.

Any statute, regulation, or other action relating to any officer or agency from which any function is transferred by the bill shall, except to the extent modified or made inapplicable by or under authority of law, continue in effect as if such transfer had not been made. No pending judicial or administrative action shall abate by reason of the provisions of the bill becoming effective, but such actions shall continue with appropriate substitutions of parties.

The purpose underlying this title is to provide continuity in the transfer of existing personnel, property, and funds; to continue in effect present statutes and regulations; and to provide for orderly disposition of pending actions and proceedings.

TITLE XI—SEPARABILITY OF PROVISIONS

This title provides that, should a part of the act be held invalid, the remainder of its provisions shall not be affected thereby.

TITLE XII—TEMPORARY PROVISIONS

The President of the United States is authorized to take such action during the transition period between the enactment of the bill and the first meeting of the Assembly as he deems necessary to enable the Board of Elections properly to perform its functions. The sum of $500,000 is authorized to be appropriated to the District to pay the expenses of the Board of Elections and in otherwise carrying into effect the provisions of the bill. The full amount of expenditures made under this authorization shall be reimbursable by the District to the United States during the fiscal year ending June 30, 1962.

TITLE XIII—EFFECTIVE DATES

The charter—titles I to XI, inclusive, and titles XV and XVI—shall take effect on the day following the date on which it is accepted in the charter referendum provided by title XIV, except as specified in section 1401, except that part 2 of title III, title V, and title VII shall take effect January 1, 1961, and section 402 shall take effect on the day upon which the Governor first appointed takes office. Titles XII, XIII, and XIV shall take effect on the day following the date on which this act is enacted.

TITLE XIV—SUBMISSION OF CHARTER FOR REFERENDUM

The bill provides that on a date to be fixed by the Board of Elections, not more than 9 months after the enactment of the act, a referendum shall be conducted to determine whether the registered qualified electors of the District accept the charter. The Board of Elections established under the District Primary Act is charged with duties of registration and the holding of the charter referendum. Provision is made for the form of ballot to be used at the referendum and for the method of voting. If a majority of the registered qualified electors voting in the charter referendum vote for the charter, the charter shall be accepted as of the time the Board of Elections certifies the result to the President, which must be done not later than 30 days after the date of the referendum. The bill contains a prohibition against the interference with the registration or voting of any qualified elector in the referendum.

TITLE XV—DELEGATE

The bill provides for a Delegate from the District of Columbia to the House of Representatives. He shall have the right of debate, may make any motion, except to reconsider, shall be a member of the House Committee on the District of Columbia, but may not vote, which is the same status as the Territorial Delegates. His term of office shall be for 2 years. No person shall hold the office of District Delegate unless he is a qualified elector, at least 25 years old, holds no other public office, is domiciled and resides in the District, and during the 3 years next preceding his nomination (a) has been resident in and domiciled in the District and (b) has not voted in any election—other than in the District—for any candidate for public office. The bill amends several statutes relating to Territorial Delegates and the Federal Corrupt Practices Act, to make them applicable to the District Delegate. The Delegate is to be elected as provided in title VIII.

TITLE XVI—REFERENDUM

The bill provides that the qualified electors shall have power to approve or reject in a referendum any act of the Assembly, or part or parts thereof, which has become law, whether or not such act is yet operative. This power shall not extend, however, to acts authorizing the issuance of bonds, which are subject to the provisions contained in section 602 or to acts continuing existing taxes, or making appropriations which in the aggregate are not in excess of those for the preceding fiscal year. Within 45 days after an act subject to this title has been enacted, a petition signed by qualified electors equal in number to at least 10 percent of the number who voted at the last preceding general election may be filed with the clerk of the Assembly requesting that any such act, or any part or parts thereof, be submitted to a vote of the qualified electors. The Board of Elections is charged with conducting any referendum under this title.

When a referendum petition has been certified as sufficient, the act or parts thereof specified in the petition shall not

become operative, or further action shall be suspended if it shall have become operative, until and unless approved by the electors as provided in this title. If the clerk of the Assembly has not specified the particulars in which a petition is defective within 30 days after filing, the petition shall be deemed sufficient for the purposes of this title. An act which is submitted to a referendum which is not approved by a majority of the qualified electors shall be deemed repealed.

TITLE XVII—TITLE OF ACT

Provides that this act, divided into titles and sections according to the table of contents, and including the declaration of congressional policy, which is a part of such act, may be cited as the "District of Columbia Charter Act."

Mr. RIVERS of Alaska. Mr. Speaker, as members of the newest State, we Alaskans can sympathize keenly with the people of Washington, D.C., who want the vote in running their own city government. We know how unsatisfactory it is to be dependent upon a busy Congress, absorbed with national affairs, for the solution of local problems.

Under the proposal which I am cosponsoring, Congress would change the status of the 850,000 citizens of the District of Columbia so that they would be able to elect a local legislative assembly for the passage of local laws and the spending of their local tax money.

Since 850,000 Americans are being unnecessarily prevented from voting at the local level in contravention of the basic American principle of self-government, I regard this proposed home rule legislation for Washington, D.C., as a matter of national importance deserving of nationwide support, which should be made known to the Members of Congress.

Mr. Speaker, I am proud to join with the Honorable ABRAHAM MULTER and other distinguished colleagues in seeking to extend a measure of local self-government to the people of the District of Columbia.

Mrs. DWYER. Mr. Speaker, I am pleased to join today in urging a return to an important American tradition. When we introduce legislation to provide local self-government for the District of Columbia, we are not proposing a break with tradition—we are, truly, proposing a return to tradition. The men who founded this country believed that every community should have the right to govern itself. They extended that right to the District of Columbia, in a government that endured until the 1870's.

In 1875 the people of the District and the Congress agreed on a temporary change—Congress temporarily took over the local government and agreed to pay 50 percent of the local budget. I say we have failed in both parts of that bargain. Congress has not paid that agreed share of the budget—far from it. And worse yet, the "temporary" has extended for three-quarters of a century. Contrary to the judgment of the Founding Fathers, contrary to the agreement by which the District of Columbia temporarily surrendered its rights, Congress still rules a voteless city without its consent.

I do not believe the people of the District, nor those of us who maintain their right to full citizenship, need to justify or explain our position. If justification is needed, it should come from those who continue to deny this admitted right. They should explain why nearly a million Americans are to be denied their fundamental right to self-government. They should explain why a temporary arrangement should continue for more than 75 years. They should explain why the Founding Fathers were wrong in granting citizenship to the people of the District. They should tell us why they are wiser about the requirements of American democracy than the men who founded it.

The legislation we are proposing here is no radical innovation. It is in harmony with the Constitution and American history. Its principle was accepted without challenge for nearly a century, from the founding of the Republic.

Proposed and endorsed by a Republican administration, this bill was approved by a committee of the other House in the last session, under Democratic leadership. It was passed in that body by a truly bipartisan majority, by an overwhelming 3 to 1 vote of approval. I believe it has had the most careful, the longest, the most expert study and preparation of any legislation ever offered for this purpose.

Alaska has become, and I believe Hawaii shortly will become, a State. Can we at this same time refuse to restore a much more modest right to the Americans who live in the District of Columbia—the right only to conduct their local affairs by their own vote?

I believe the great majority of the Members of this House recognize that we should restore local democracy in the place of all places where it should be a proud exhibit—in the Nation's Capital. If this House is given a chance to vote on the issue, I am confident it will vote to restore home rule to the District of Columbia.

Mr. FOLEY. Mr. Speaker, it is with a special sense of responsibility that I join today in the introduction of legislation to provide the District of Columbia with local self-government. I cannot speak for the people of the District; they have no representation here, no voice or vote though these matters concern them deeply. But I hope that I may be allowed to speak with a special sense of sympathy and urgency as one who shares their concern with them.

I and my constituents are neighbors to the people of Washington. Many of us work in Washington, or our businesses depend closely on Washington. Some of us have lived or will live in Washington. We are close neighbors, whose fortunes and affairs are intertwined. We want to be good neighbors.

I am a new Member of this body. But I am an old observer of District affairs, and an old and strong believer in local self-government for the District. I believe the local affairs of Washington are properly the concern of Washington's people. I believe they should have a voice in selecting the government that sets and collects their taxes and runs their municipal government. I believe that they, as Americans, should enjoy the most basic right of American citizens—the right to govern themselves.

As a member of the District Committee of this House, although a new one, I am aware of the sincerity and devotion with which that committee attempts to handle the basic municipal problems of the District as its town council. But I believe, as an American, that Americans can always do a better job of governing themselves than can be done by outsiders. And indeed, I think the Congress has more urgent and more national jobs to do. It should not be diverted from its already heavy burden to spend its time on the details of municipal administration.

Now, I think that most of the Members of the Congress would agree with these propositions. Yet when it comes to the practical, specific case, there is disagreement. Some are reluctant to give up the tradition of the past 75 years even though doing so means a return to an even older tradition of the preceding 75 years. Aware of the national interest in Washington as the Nation's Capital, they are reluctant to entrust the running of the city, even in primarily local matters, to those who live here.

Others, on the contrary, criticize the legislation introduced here today because it does not go far enough. They argue that the government of the District should be completely in the hands of the people of Washington. And I have great sympathy for their argument.

But I am supporting this legislation because I believe it represents a reasonable compromise of national and local interests. It puts the substance of local government in local hands through an elected assembly. It permits the people, through their elected assembly, to decide whether they want an elected school board or some form of appointed administration of their schools. It provides the substance of representation. At the same time, it amply protects the national interest, through Presidential appointment of the local chief executive; through a Presidential veto; and, finally, through the ultimate supervision of Congress. Now it may be as some argue that this does not go far enough. Or, as others argue, that it goes too far. But can we not, in keeping with the American tradition of learning from, and growing with experience, make a start now and see from practical experience how well the balance has been struck? Our whole tradition of government is one of evolution and adaptation within a framework of basic principle. That is what we are urging here today.

This legislation has had the benefit of more experience, more expert assistance in drafting, more careful study, than any such bill we have ever considered. It has been thoroughly and deliberately considered, and overwhelmingly approved in the other body. It has the support of leading civic and political

groups in the District that are concerned with this problem. Furthermore, it offers a ground on which sincere men of good will, basically dedicated to the American tradition of self-government can stand together, a ground broad enough to admit of differences of view while commanding agreement that this is a reasonable and sound foundation on which to build.

I know that there will be those who will oppose this bill. But I think there is a great and growing determination in the Congress to give the people of the District a long overdue measure of justice.

So I appeal to you to let the course of debate and democratic decision in this House take its course. Let us work out together, in a spirit of reasonableness and moderation, a plan to restore local democracy to the Nation's Capital, where it should be as an example to the Nation. I believe this bill is an opportunity to do so. If we can work together, as reasonable men, to a resolution of our differences on a matter where basic American values are so clearly at stake, we will have made a real contribution to furthering an atmosphere of reasonable debate in a wider sphere. And we will, at the same time, be restoring a too-long-withheld right to the people of Washington.

By virtue of the composition of this 86th Congress, intense revival of enthusiasm in the community, and a determination on the part of many Members of this Body, I feel that this Congress offers the best opportunity the citizens of the District have ever had for home-rule legislation. It is my sincere hope that the legislation which I am sponsoring will be given early hearings by the District Committee and will be reported out of committee in the near future so that the total House membership will have an opportunity to vote on this critically important measure.

Mr. SPRINGER. Mr. Speaker, I have today introduced legislation to give back to the people of the District of Columbia something that Congress "temporarily" took away from them 80 years ago—their right to run their own local affairs.

I do not think any Member of this House would challenge the basic principle of this legislation—that local government belongs to local people. But my concern is practical, as well as one of principle.

Congress has a national responsibility. Every year, the burden of our work as a national legislature becomes heavier. We do justice neither to the Nation as a whole, nor to the people of Washington in particular, when we take time from our duties to try to function as a city council for the District. • •

In spite of the demands of great national issues and their duties to their own constituents, the members of the District Committee have given unselfishly of their time and energy to the many details of the municipal government of the District. Yet in spite of their fine service, I believe they would agree that Washington, as a city, faces serious municipal problems which need the vigor and the local concern that only a full-time, elected city government possesses. It is simply too much to ask busy Members of this House, more familiar with their own States and districts, and properly more concerned with them, to provide an adequate full-time government for the District. I am sure that the members of the District Committee believe with me that the best government is self-government.

I do not think any of us who has lived long in Washington, who reads local papers, who talks to local people and who observes for himself, can doubt the real problems that exist here. I hope every Member of this House has had an opportunity to read a recent article on Washington from the highly respected Kiplinger Changing Times magazine, which I believe has been reprinted in the CONGRESSIONAL RECORD. It is convincing evidence of the need for a vigorous local government, elected by the people, with their support and with power to tackle the problems of this city.

These are facts that need no argument; we can see them around us. The decay of the core city is a fact that should, and I am sure does, concern every merchant with a stake in doing business in Washington. The spreading blight of slums in Washington is a sad spectacle in the Nation's Capital—but it is also a real, practical problem for the people who live here and who must pay the social and economic price for a deteriorating city. I believe the people of Washington are concerned and want the opportunity to tackle these problems. I think they are best equipped to do it, because it is their local community. I think we should give them the chance and the power.

I know that Washington is more than a local community. It is also the Capital of the United States. And while the people of Washington can and should be given the right and opportunity to meet their local problems, and run their local affairs, I think they and we must continue to recognize the great national interest in the District of Columbia. I do not believe Congress can give up the ultimate responsibility and I am sure no one will argue that point. It is not at issue. The legislation being introduced today recognizes the national interest in the District and it recognizes and provides for the responsibility of Congress. It leaves final control over the District where it must remain—with Congress. But it puts the immediate responsibility for local affairs where it too must properly be—with the nearly 1 million people who live in Washington. I believe this legislation is a practical and sound way of realizing the interests and the rights of both the Nation and the local community. It is a practical and sound plan for local self-government within the framework of ultimate congressional responsibility for the Nation's Capital. As such, I believe it will benefit the people of Washington and of the Nation and will reduce the job of Congress, as the ultimate trustee of the District, to a size we can more competently and wisely manage.

Mr. Speaker, at this point I would like to insert in the RECORD a brief history of the municipal government of our Nation's Capital. As will be seen from a reading of this summary, the first government of our Nation's Capital as conceived and implemented by President George Washington was almost identical to the form of government proposed in the bill which I am introducing today. It is in the spirit of the Founding Fathers that this legislation is proposed, and it is with a sincere belief on my part in basic democracy that I sponsor this vital legislation.

The controlling constitutional provision respecting the District is article I, section 8, clause 17:

"Congress shall have power • • • To exercise exclusive legislation in all cases whatsoever, over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States."

The first government of the city of Washington consisted of a mayor, appointed by the President, and a city council, elected by the people of the city. This was in 1802. In 1812, the city council was permitted to elect the mayor of Washington, and in 1820 and thereafter the mayor was elected by the people. This government continued until 1871.

By an act of Congress, February 21, 1871, the corporations of Washington and of Georgetown were abolished and a territorial form of government, consisting of a Governor and board of public works, and a legislative assembly, was set up. The legislative assembly consisted of a council of 11 members, and a house of delegates of 22 members. The District also had a Delegate in the House of Representatives. The Governor, the Board of Public Works, and the Council were appointed by the President. The 22 members of the house of delegates were elected by the people. The District of Columbia had a Delegate in the House of Representatives until 1875.

This form of government lasted 3 years, or until June 20, 1874, when Congress provided that the District of Columbia should be governed by 3 Commissioners, appointed by the President. This was known as a temporary form of government, and lasted until July 1, 1878, when the present permanent commission government was set up. In the creation of the temporary commission form of government in 1874, and the permanent form in 1878, no provision was made for the franchise and so, for the first time in three-quarters of a century, no part of the District exercised the right of suffrage.

In 1878 the expense of the Federal City was borne jointly by the District and the United States, on a 50–50 basis. In 1922, this was changed to a 60–40 ratio, and in 1938 the share of the United States was changed legally to a lump sum, which today is approximately 14 percent of the general fund.

SUBVERSIVE ACTIVITY IN THE SOUTH

The SPEAKER. Under previous order of the House, the gentleman from Arkansas [Mr. ALFORD] is recognized for 50 minutes.

Mr. ALFORD. Mr. Speaker, I humbly beg the indulgence of this distinguished body in my "speaking out," as it were, so soon in the 86th Congress, but I am concerned that our Justice Department yields to pressure from an organization such as the NAACP and strikes out with lightninglike speed within the past month to overturn the will of a majority to satisfy the propagandizing desires of a minority of a minority. We must never

forget that majority rule is the democratic way in America—not rule by minority or dictatorship. Are there no rights beholden to the majority?

I wish to preface these remarks with the statement that I am certainly not one of those individuals who looks under the bed at night to ascertain whether a Communist is hiding there.

Frankly, however, I am alarmed at the complacency of some officials toward the menace of the Communist conspiracy—to transform our representative government into a centralized, totalitarian dictatorship, to abolish property rights, and to make this great Nation of ours part of a one-world government, operated from Moscow.

The Director of our respected and most efficient Federal Bureau of Investigation—the Honorable J. Edgar Hoover—has told us that the two great dangers to this country are communism and corruption. May I say here that any inference which might be gleaned from any public utterance which I have ever made must not and should not be construed or interpreted as being uncomplimentary to the FBI and its loyal agents. I am critical of their political superiors, the Justice Department, but until this present moment the Federal Bureau of Investigation is without a peer in its efficiency. Our FBI Director, as we all know, has published a very fine book—a book which I personally believe should be required reading in every high school in the land. Its title is "Masters of Deceit." In this great contribution to the security of America, he has documented well the Communist objective to destroy the Government of the United States, as well as other representative, free governments of the world. I repeat that Mr. Hoover has told us that the two great dangers to this country are communism and corruption—and I respectfully call your attention to the fact that the Director mentions communism as the first of these two great dangers.

I shall respectfully present today proof that racial agitation is a major weapon of the Communist party—and that many of the racial incidents of the past 25 or 30 years can be traced directly to Communist leadership and direction.

I have here an offset reproduction of a pamphlet, published in 1928, entitled "American Negro Problems." It is a program to promote racial strife in the United States, presented by a representative of Moscow. His original name was Joseph Pogany. He has masqueraded in our country under such aliases as John Pepper, John Swartz, and John Swift. On page 12 of this document, this Communist leader tells plainly that the propaganda line for work among the Negroes is to emphasize plans for establishment of a Negro Soviet Republic in the South.

America has grown great with the traditional social system that has been maintained until the present time. Our social system with respect to races has been part of the very fiber of our social structure in every section of our country—although more strictly adhered to in some sections because of the large percentage of a particular minority. There was nothing mean or violent or malignant about our social structure; good will among all men was practiced every day in the easygoing boundaries of our social life. The Negro was encouraged in his education and we shared his joy and his sorrow; we were there when he was sick and ready to counsel when called upon. A healthy social system was developed, the like of which has never been known before. Under this system the Negro made more progress than in any other country in the world. We of the Southland were for the Negro with our hearts and not just with bayonets. But, in more recent years, especially since the militant strides of international communism, there have been a few leaders who pushed a few well-meaning people into militant action. I am convinced that a few of our good Negro citizens have become pawns of this international conspiracy without being conscious, in the beginning, of its vicious intent of creating mass agitation to divide and conquer the greatest democracy that has ever appeared on the scene of world history. The white friends were not disturbed at first over the militant march of the National Association for the Advancement of Colored People. Southern people are traditionally and basically friendly, and no intelligent Southern white would ever think of being cruel or unkind. It would have been a sign of improper upbringing. The South, both white and colored, was happy with the evolutionary method of progress, but illegal and military enforcement of destruction of age-old social customs with overnight speed has played into the hands of the Communist Party.

Yes, it was back in the 1920's that Communists began telling Negroes about plans to take over the southern part of the United States, secede from the rest of our country, and establish a "black Soviet." Fantastic? Yes, but not fantasy. This is a well-established fact, documented by the official Communist press by former Communists who have left the party and testified before congressional committees and Government agencies, and by undercover agents of the FBI, who went into the party to obtain proof of its subversive activity. And these same sources have produced the proof that since 1928, when the Sixth World Congress of the party sent out the Communist program for propagandizing the American Negroes, the Communists have been exploiting the Negro to divide the people of the United States.

I am sure that many Members of this House will recall, when Federal troops occupied Little Rock in the fall of 1957, that the television newsreels and press of the Nation carried a scene that purported to show a white woman "befriending and comforting" a young Negro girl who had left her new modern Horace Mann High School to enter the 33-year-old Central High School. Of course, the reporters and photographers had no way of knowing that scene was a staged affair. However, an inquiry would have revealed that the white woman was the notorious Grace Lorch—the well-known former Grace Lonergan, a Communist functionary, whose record is in the files of the FBI, the Senate Internal Security Committee and the House Committee on Un-American Activities. Files of both the House and Senate committees mentioned contain evidence that Mrs. Lorch was identified in Boston, 9 years ago, as a Communist organizer, that she attended the Massachusetts Communist Convention in 1943, and that she was a member of the New England District of the Communist Party in 1945. Her yeoman service to the Communist apparatus was so great that she was sent to Arkansas, via Nashville, Tenn., and other points, to help create racial incidents in my State. She and her husband, Lee Lorch, moved into a home in the neighborhood of Daisy Bates of the NAACP.

Grace and Lee Lorch were in Little Rock in the summer of 1957—just before the school crisis in the fall—where Lee Lorch was a teacher at Philander Smith College, a Negro institution. He was placed on the faculty of Philander Smith after having been fired from Fisk University, a Negro college at Nashville, Tenn. Fisk authorities declined to renew his contract after he had hidden behind the first and fifth amendments in refusing to answer questions at hearings regarding his Communist affiliations. Lee Lorch, during the early period he spent in Little Rock, was financed, in part, by an appropriation from Congress, since the National Science Foundation provided a grant of $9,800 made toward the salary of Professor Lorch. The shocking thing about this is that the grant was made after Lorch had been separated from the faculties of City College of New York, Pennsylvania State University, and Fisk University because of his refusal to answer questions concerning his Communist affiliations. Professor Lorch was identified as a Communist in 1950 hearings of the House Committee on Un-American Activities. The identification was by two former FBI undercover agents. He and Grace Lorch have figured in other congressional hearings since he was unfrocked in 1950. While teaching at Fisk University in 1954, he declined to answer questions of the House Committee on Un-American Activities concerning his Communist affiliations. Within hours after this defiance, Fisk authorities announced his contract would not be renewed.

Shortly thereafter, Professor Lorch was employed by Philander Smith College in Little Rock, a Negro institution, by its president, M. Lafayette Harris, who is a director of the Southern Conference Educational Fund. Public records, on file with the House Committee on Un-American Activities, show that M. Lafayette Harris has been identified in activity of Communist-front groups no less than a half-dozen times.

Grace Lorch proved she is an expert at racial agitation when she staged the exhibition of alleged friendship by putting her arms around the Negro girl, being very careful to receive the full attention of unsuspecting newsreel cameramen. This is the scene with which you are all so familiar. Grace Lorch performed her assignment well, for she

was rewarded for this stunt when the Emergency Civil Liberties Committee transported her to New York and there sponsored a $10 per plate dinner in her honor. The Emergency Civil Liberties Committee is a shock-troop or commando-type group allied with Communist-dominated civil liberties agitation. The Communists have developed a great money-raising vehicle in their program of race agitation in the South. They encourage and promote racial incidents, create and ballyhoo a hero or heroine, then bring them to the East for a series of rabble-rousing dinners and rallies. Of course they pass the hat around at these meetings to bring in the filthy lucre of this, as they dub us, "imperialistic, capitalistic nation."

In this objective the Communist bosses have succeeded well. Never before, in the history of mankind, has a nation become so divided by such a propaganda campaign—known in modern-day parlance as psychological warfare.

Let us look at Daisy Lee Bates, the head of the NAACP in Little Rock, and her husband, Lucius Christopher Bates. Records of the Louisiana State police show that they were arrested in Monroe, La., on November 16, 1934. Lucius was convicted of carrying a concealed weapon and was fined $100. Daisy was held for investigation and was released with Lucius when he paid the fine. Back in 1952 before the Bateses became so prominent in the NAACP they were both arrested by Little Rock police and paid fines for gambling. Each was also convicted of contempt of court in North Little Rock. The name of Lucius Bates is listed as a member of the board of directors of an organization known as the Southern Conference Educational Fund which was established after its predecessor, the Southern Conference for Human Welfare, was declared a Communist-front by the House Committee on Un-American Activities, 1947.

This same Daisy Bates is also a national officer in the NAACP, the same organization whose national officers and national committee members, I am reliably informed, have a record of some 2,000 instances of Communist activity; 145 out of 236 national officers and national committee members have records of Communist activity.

Very convincing is the record of James E. Jackson, Jr., a Moscow-trained Negro, who has been in the forefront of Communist organization work in a number of States, both North and South, for some 15 or 20 years or more. Unless he has left Russia in the past few days, this Communist, James Jackson, is even now in Moscow. He went to the Soviet Union several days ago to attend the 21st world congress of the Communist Party. The National Americanism Commission of the American Legion, in its publication, The Firing Line, calls attention to testimony in the files of the Louisiana Legislative Committee, reflecting that the Southern Regional Council was formed by James E. Jackson, identified as a southern organizer of the Communist Party. Permit me to quote from the May 15, 1957, issue of The Firing Line.

> Records of the American Legion reveal a definite trend of interrelationship between the Southern Regional Council and the Southern Conference for Human Welfare, a defunct Communist-front organization.

That is the Southern Conference for Human Welfare—the organization which went out of business after it was cited and was replaced by the Southern Conference Educational Fund. James Dombrowski was executive secretary of SCHW. He holds the same position with the SCEF, which continued in the same headquarters at New Orleans and with the same telephone number that was formerly assigned to the SCHW. After hearings in New Orleans, in 1954, the Senate Internal Security Committee issued a report, stating that the SCEF—and I quote—"is operating with substantially the same leadership and purposes as its predecessor organization," the Southern Conference for Human Welfare.

But let us return briefly to the Communist, James Jackson, the man who was credited by the Communist Daily Worker on December 2, 1954, with having formed the Southern Regional Council. Parenthetically, permit me to remind you that Daisy Bates, the head of the NAACP in Arkansas, is a director in the Southern Regional Council setup. This council established 12 auxiliary groups known as State Councils on Human Relations. These State councils, mind you, were established only in 12 Southern States. Not one chapter was established outside the South.

One of the incorporators of the Arkansas Council on Human Relations is Harry Ashmore, the renegade journalist who is editor of the Arkansas Gazette in Little Rock, and who has profited quite materially in the capitalistic line by writing detrimental articles about his native Southland. This same Harry Ashmore was, and still is, a director of the foundation which provided approximately a half million dollars to finance and operate the Southern Regional Council.

I have here with me the highlights of the record of James Jackson, Jr. It shows that he has been an active top Communist Party worker in Virginia, Louisiana, Arkansas, Alabama, Michigan, New York, California, and other States. One of the titles he held was as southern regional director of the Communist Party. He was also the moving influence behind an organization called the Southern Negro Youth Congress. He once headed communistic activity in Louisiana. And after Pine Bluff, Ark., and Little Rock, Ark., had been designated by Moscow as areas to be colonized for Communist-led race agitation, this James Jackson conducted the Arkansas survey to determine the intensity of agitation necessary to divide the people of my State. His yeoman service brought him advancement to alternate membership of the Communist National Committee. He has conducted Communist training schools and lecture courses in the party's program to brainwash and indoctrinate American Negroes.

James E. Jackson was one of the Communists convicted in New York in July 1956 for violating the Smith Act. Evidence showed he and his comrades had conspired to overthrow the Government of the United States by force and violence. But his 2-year sentence was set aside by the Warren-Myrdal Supreme Court in August 1958. The Court has freed a number of Communists convicted of conspiracy to overthrow our Government by force, under a ruling that mere teaching of forcible overthrow did not measure up to a call to action. And so, this Communist, Jackson, was freed to return to the South, to help promote race agitation in Arkansas, and to go to Moscow this year as a representative of the Communist Party, U.S.A., at the 21st World Congress of the Communists.

I have in my possession more detailed records concerning the communistic activity of this man, James Jackson. He has spearheaded the organization and promotion of the Communist conspiracy at the Ford Motor Co. in Detroit; served as a delegate and emissary to national and international meetings and conventions of the party; taught in Communist brainwashing and indoctrination schools, and helped to establish and promote front organizations to enlist the unwitting support of well-intentioned, but oft-misguided, dupes.

Traveling about the South today, distributing the doctrine of totalitarian government, is a husband-wife team by name of Carl and Ann Braden. Carl Braden is free to roam the Nation, these days, because of a ruling by the U.S. Supreme Court that Federal statutes against sedition have preempted State sedition laws. Braden is now a field secretary for the Southern Conference Educational Fund, which was formed after the SCHW was revealed as a Communist front. As a Communist boss in Louisville, Ky., Carl Braden was indicted on charges of sedition in Jefferson Circuit Court, State of Kentucky. He was convicted in December 1954, subsequently sentenced to 15 years' imprisonment and fined $5,000. Evidence at the trial, with the prosecution conducted by State's Attorney Scott Hamilton, showed that Braden purchased a home in a suburban Louisville community occupied exclusively by white families and, then, transferred ownership to a Negro named Wade. It was further shown at the trial that the home was dynamited on June 27, 1954, and the grand jury determined, after visiting the scene of the crime, that the dynamiting was "an inside job" perpetrated to create an incident. The prosecution maintained that Braden was the "common denominator" of the explosion. Shortly after this home purchasing and bombing incident, Carl Braden received a letter from a comrade who signed his name as "Al," otherwise unidentified in the trial record. The letter stated that the latest project of the Bradens—the Wade home acquisition—constituted a "breach in the wall" of what Comrade Al referred to as "the real estate trust." Al told Carl and Ann their project "left us breathless."

Prosecutor Scott Hamilton and Kentucky Attorney General Jo M. Ferguson

appeared before the Senate Internal Security Committee at Memphis in October, 1957, to urge that Congress pass legislation to restore State antisedition laws. Mr. Hamilton repeated at the hearing the story of the dynamiting in June, 1953, of a Negro store at Manchester, Ky. The Commonwealth's attorney was asked by the Internal Security Committee Counsel whether he was "making the point that perhaps the Communists, themselves," were responsible for the bombings. Mr. Hamilton replied: "That is the construction we put on it."

As I stated before, Carl Braden is now working as field secretary for the Southern Conference Educational Fund. The Supreme Court ruling in the Steve Nelson sedition case in Pennsylvania gave Braden his freedom from conviction in the case of the Kentucky dynamiting. But Comrade Carl has another conviction hanging over him today. Last summer, he was summoned as a witness at hearings in Atlanta of the House Committee on Un-American Activities. There he refused to answer questions concerning his Communist activity. The committee was investigating Communist influences in industrial plants of the South. Braden and his comrade, Frank Wilkinson, a party leader from Los Angeles, were indicted by a Federal grand jury for contempt of Congress. They were tried and convicted at the January term of court in Atlanta.

And while we are on this Atlanta hearing of last July, Mr. Speaker, permit me to respectfully call to the attention of the House the most praiseworthy results obtained by the Committee on Un-American Activities from this investigation. When the committee chairman, the Honorable FRANCIS E. WALTER, of Pennsylvania, announced the investigation of Communist infiltration of southern industries, there was immediately instituted a propaganda campaign ridiculing the suggestion that there might be Communist influences in industrial plants of the South. Editorials of prominent newspapers were published, apparently designed to discourage the investigation. News stories about plans for the hearing were brief, many being buried on the inside pages. But before the hearings were concluded, the story was transferred to page 1, column 8. The investigation produced evidence that Communist colonizers had taken jobs in industries of our section of the country. One reluctant witness, a Mrs. Madge Cole, who holds a bachelor's degree from Cornell and a master's from Syracuse, was shown to be working on a loom in a Greensboro, N.C., textile plant. She was identified by Armando Pehna, former undercover agent for the FBI, as a colonizer for the party. Her application for a textile worker's job made no reference whatever to her university degrees. Another witness, equally as reluctant, was a young man named William Robertson III, a graduate of the University of North Carolina, where he has also pursued postgraduate studies.

He was employed as a sweeper in a Durham textile mill, and his application for employment also conveniently omitted information about his college training.

The attitude of all the hostile witnesses, with Communist or "front" records, who were summoned to the Atlanta hearings, was that they had been subpenaed because they were supporting the move for forced racial integration.

Mr. Speaker, before I conclude these remarks, I desire to point out that there existed in certain southern colleges and universities Communist cells, where even faculty members, with Communist records, were leaders in race agitation.

Proof of the existence of a Communist cell at the University of Tennessee School of Medicine in Memphis was uncovered at the October, 1957, hearings of the Senate Internal Security Committee. Dr. Ralph Franklin, a reputable physician now practicing at Morehouse, Mo., told the committee he had been influenced by a Dr. Vincent Myers to become a comrade while he was studying medicine in Memphis. He said he was shocked into quitting the party after learning of its subversive objectives. I wish to add my commendation of Dr. Franklin for the clean breast he made when he testified and for his patriotic contribution to the security of our country in publicly standing up to reveal ramifications of the insidious Communist conspiracy in our section of the Nation.

Mr. Speaker, while I am alarmed at the seeming general lack of concern by the American people toward this menace of Communist subversion, I am most gratified that we have in this country—in the Congress and in private life, from every section of our great Nation—patient patriots, who refuse to become discouraged.

The Legislature of the great State of Tennessee, only a few days ago, authorized an investigation of Communist influences in Highlander Folk School at Monteagle, Tenn. This school was founded in 1932 by Myles Horton and Don West. It is a southern meeting place for persons who have been leaders in race agitation for many years. Many who have gone in and out of Highlander Folk School meetings have records of affiliations with Communist and Communist-front organizations that, when listed, would cover several pages of the CONGRESSIONAL RECORD.

There is an impression among some of our citizens outside the South that leaders of our section, who are dedicated to resistance to forced integration, have sought to raise the issue of Communist influences in race agitation as a smoke screen to hamper the integration movement. Little notice has been taken of the startling revelations by the Louisiana Legislative Committee, the Georgia Commission on Education, the Arkansas Investigating Committee, the Florida Legislative Investigating Committee, and other leadership groups.

I quote in part from the conclusion of the special education committee of the Arkansas Legislative Council, which held hearings at the State capitol in Little Rock on December 16 through December 18, 1958:

The basic question presented for determination by this committee is: "Has there been subversion present in Arkansas which has encouraged racial unrest?"

It is a matter of common knowledge that communism thrives where strife, tension, turmoil, and chaos is present. Arkansas became a State of the Union in 1836; peace, progress, and tranquillity marked the attitude of all our people for the next 122 years. This committee has found that the incident which occurred at Little Rock on September 2, 1957, was not something that just happened overnight. It was planned, schemed, calculated, and had as its motivating factor the international Communist conspiracy of world domination squarely behind the entire shocking episode.

The people of Arkansas are basically men of good will. Communism heretofore has always been something that happened elsewhere, but the record reflects that for a number of years fellow travelers, dupes, and those who make a career out of being duped, have flitted in and out of Arkansas, and while here, they sowed the seeds of dissension and discord.

The committee has wondered who sent for Clarence Laws, discredited field representative of the NAACP and who was discharged from the Army for security reasons; who sent for Dr. Vernon McDaniel, protege of the notorious Gomillion, who travels in harness with Communists such as Aubrey Williams, Abner W. Berry, James A. Dombrowski; and who sent for Grace and Lee Lorch, identified Communists; and who paid Clarence Laws for his work in Arkansas. In answering these questions, the committee learned which individuals actively worked for a political party whose candidate would not sign a non-Communist affidavit; that known Communists—Farmer and Pushkarsky—worked in such close accord with the candidate and the above individuals that it makes incredible a claim of innocence. One of these individuals was the State president of the NAACP, and her husband, who has been a national director of an organization which is a successor to an organization listed as subversive for a number of years.

To answer these questions one need merely read the transcript of the sworn testimony produced in public at the 3-day hearing. The testimony under oath and the documentary evidence introduced in connection therewith, makes it apparent that there has been and now is subversion present in the racial unrest in our State.

End of quotation from the conclusion of the special education committee of the Arkansas Legislative Council.

Mr. Speaker, it behooves patriotic American citizens from every section—North, East, West, and South—to take a long, serious objective look at the well-organized, well-financed campaign of the Communist Party to divide the people of our great Nation, destroy our representative form of government and establish a Moscow-dominated totalitarian dictatorship in Washington.

This great Republic was established by our Founding Fathers as an indestructible union of indestructible, sovereign States. So long as we perpetuate the principles of State sovereignty and local self-government, we need have no fear that ideologies from across the sea will destroy us.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield to the gentleman from Georgia.

Mr. FLYNT. I commend the gentleman from Arkansas on his courageous, forthright, and well-documented presentation of the facts he has brought to

the attention of the House today. Too many times during recent months an entirely different and an incorrect picture has been painted of the situation which existed and which prevailed in the gentleman's home city of Little Rock, Ark.

It is my hope that those same media of mass communication, newspapers, news magazines, radio, and television, will give to the comments the gentleman has delivered today a reasonable degree of the same prominence and the same publicity which they gave to the dark days when the 101st Airborne Division invaded Central High School in Little Rock, Ark.

I know from my own research that many, if indeed not all, of the instances cited pertaining to these avowed and self-described Communists and Communist sympathizers that the gentleman has named in his speech relate to those who have sought to stir up this agitation where harmony and good will existed before. This, the Communists always try to do.

The gentleman has pinpointed and has, I believe, opened his files on this subject for public inspection to show the Communist and Communist-front affiliations of many of those who played leading parts in creating strife, discord and turmoil in his home city. Those persons named by him and many others have participated in a number of Communist activities and have belonged to, helped organize and helped sponsor countless subversive organizations which are nothing more or less than Communist fronts which often under the guise of respectability bring in unsuspecting persons whose beliefs are just as far from communistic as day is from night. In many instances, these Communist-front organizations have been denounced and listed as subversive by both the House Committee on Un-American Activities and the United States Department of Justice. That infamous group of organizations, spearheaded by these same Communists and Communist sympathizers, when exposed has often gone under cover and risen again and like the Gorgon Medusa grows another snake head as soon as one has been cut off.

Mr. Speaker, I think that it is time that this true and correct picture of well-documented facts be made public to the people of the United States. It is, of course, true that not all persons who favor forced integration are Communists, but it is undeniable that the influence of Communists and Communist sympathizers manifested itself in virtually every instance where strife and turmoil supplants longstanding relations of harmony and good will. . .

It is well that the lines be drawn so that those of us who believe in America and the American way of life can stand up and be counted. If there are those who sympathize or espouse communism and Communists—then those who desire to do so may take their stand. That is their right, but it should be equally well understood that the underlying principle behind every Communist, every Communist group and the whole Communist ideology is to overthrow and destroy the United States Government and the American way of life.

So let those who may sympathize with communism and Communists know full well of their position—one which if carried to the end aspired to by the Communists would be to destroy every last vestige of individual liberty and freedom not only in this country but throughout the world.

Mr. ALFORD. I sincerely appreciate the remarks of the gentleman from Georgia.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield.

Mr. THOMPSON of New Jersey. Following the next special order, I propose to ask for time, at which time I would like to address some questions on this very important subject to the gentleman, if he will remain.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield.

Mr. WILLIAMS. Mr. Speaker, if the gentleman from Arkansas does nothing more during his congressional career, he has already justified the confidence that the people of Arkansas placed in him by electing him to this great body. The speech that he has made is one which has been long overdue in this House.

Like the gentleman from Georgia, however, I have grave doubt as to whether the facts, which he so well documented in his speech, will be communicated through the press and through the other means of public communication to the people throughout the country. I entertain these doubts because a paper curtain has been drawn around the South's side of this story as well as the serious constitutional question involved. The National Broadcasting Co., for instance, devoted, by their own admission, several hours of time on the Dave Garroway show in the morning to the presentation of what they called "Violence in Little Rock" during the Little Rock crisis. Fortunately, there was very little violence in Little Rock, as the gentleman well knows, and what little violence did take place, so I am informed, occurred as a result of the invasion of Little Rock by Federal troops. By the same token, when a frustrated school professor committed suicide in Brooklyn and there followed a daily series of race riots, interracial stabbings, yokings, cuttings, and even homicides as the result of race hatreds generated by conditions in these integrated schools, it was only after protests against such one-sided presentations of the news that NBC finally devoted about 5 minutes to the subject of racial unrest and violence in Brooklyn. As the gentleman knows, the Louisiana Joint Legislative Committee, which is an official agency of the State of Louisiana, was forced to purchase a full-page advertisement in the New York Herald Tribune 2 years ago in order to present the South's side of the integration case to the people of that area. They had to buy advertising space because they were unable to break through the paper curtain drawn around their position in the regular news sections of the New York papers. As the gentleman also knows, just a month or so ago a group of patriotic, devoted citizens from Alabama sought to purchase advertising space in the Washington Post and Times Herald in order to print an open letter, which a former president of Chicago & Southern Airlines had written to the President of the United States, giving good and valid arguments in support of the South's case. They were refused the privilege of buying that space in the Washington Post and Times Herald. I believe the gentleman from Alabama [Mr. HUDDLESTON] commented about that in the House about a month ago.

As the gentleman well knows, the South has been the victim of some of the most false, vicious, and malicious propaganda campaigns that this country has ever known. When these obviously biased northern magazines, such as Time and Life, who self-righteously and piously advocate freedom of speech and press, who loudly and aggressively denounce any type of censorship, who advocate that even Communists should have their day in court to present their case, perfunctorily claim to present the point of view of the South, it is usually presented by Ralph McGill, Hodding Carter, or Harry Ashmore, all of whom claim to be moderates.

I can assure the House that these men do not speak for the South or the people of the South.

I repeat that the good people of the South have been unable to break through the paper curtain to tell their story to the Nation, because they have been denied access to the means with which to present it. It is my hope, and I am sure it is the hope of the gentleman from Arkansas [Mr. ALFORD] that the several States of the South, as well as States throughout the rest of this country, will assert their sovereignty, as guaranteed to them by the Constitution, to prevent further destruction of our basic and fundamental system of government in this country.

Mr. ALFORD. I thank the gentleman from Mississippi.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield.

Mr. RIVERS of South Carolina. I want to congratulate the gentleman on the very fine, well-written, well-documented story of the South. I think the "doubting Thomases," who wanted to deny you your rightful seat in this House of Representatives, see now that DALE ALFORD won his own election. I do not believe they will care to tangle with you in debate. You have done a good job. We can see now your election was no accident.

Mr. ALFORD. I thank the gentleman from South Carolina.

Mr. GATHINGS. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I just want to say to the gentleman that he won a race that was most remarkable. In a period of 7½ days he put on an outstanding and successful campaign in our State. I concur with the observations of the gentleman from South Carolina [Mr.

RIVERS]. The people have a right to make their choice which they have done in this instance. You are doing a splendid job here, and I commend you for a fine presentation today.

Mr. ALFORD. I thank the gentleman.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. ALFORD. I yield.

Mr. JOHANSEN. Because there is no question as to the desire of the Communists to agitate differences between races, and to play upon any controversies that have developed, I think the gentleman has rendered an important service in documenting that fact in his address.

I should like to address two questions to the gentleman, because I share the concern of the overwhelming membership of the House that there be found resolutions for these problems that will be in the interest of the tranquillity of the Nation and of progress for all of our American citizens.

My first question is: Does the gentleman feel that the possibility of effective communication and cooperation between responsible leaders—as opposed to the type the gentleman has stated—between responsible leaders of both races, has been fatally impaired as a result of the controversies of the last 2 or 3 years?

The second question is this: Having in mind—and I cannot at the moment cite names, but they are of record—having in mind the fact that there have been Negro citizens who have been Communists, who have become disenchanted with communism, and in one instance I recall from the testimony before the Senate Internal Security Committee have presented a most vigorous and emphatic warning to the fellow citizens of his race as to the false promises and the completely fatal effects to their own race of pursuing the Communist course, I wonder if there has been any effort made by the leaders of both races to bring to the attention of the colored citizens that side of the story, and provide an opportunity for that type of person of their own race to present in their own way and from their own bitter experience the lessons and the disenchantment they have experienced with communism.

Mr. ALFORD. May I say to the gentleman in answer to his first question that I do not think that relationships have been completely severed because of the good will that has existed particularly in our section of the country since the founding of this country. I would like to say in the terms of a distinguished jurist of the Eighth Circuit Court of Appeals, St. Louis, Judge Gardner: "Evolution, not revolution is the answer to our present question."

To the gentleman's second question may I say I am aware of the fact that there are certain leaders such as the gentleman has mentioned, but time does not permit documenting all those facts here. I was trying to make my remarks pertinent to my section of the country. There is a great deal of evidence to support the gentleman's claims.

Mr. JOHANSEN. Mr. Speaker, may I say with respect to the gentleman's answer to my first question that I am most worried and concerned that good will and cooperation be not completely destroyed and frustrated and I am glad for the assurance he gives.

With reference to the second question, while I realize that it is not entirely apropos the gentleman's remarks, but I trust it is not presumptuous to express the hope that some constructive contributions along this line may be explored and exploited.

Mr. ALFORD. I thank the gentleman for his contribution.

Mr. COLMER. Mr. Speaker, will the gentleman yield to me briefly?

Mr. ALFORD. I yield to the gentleman from Mississippi.

Mr. COLMER. I should like to join with those who have complimented the gentleman upon his statements here today; at the same time I would like to point out to those who sit in this Chamber and honor the gentleman with their presence this afternoon, who are not from this section known as the Southland, that this is not entirely a southern problem; this is a problem that goes to the very foundation and the perpetuation of this glorious young Republic of ours. I do not care whether it is regimentation or centralization in the field of integration or any other field in which our Government operates, it all amounts to the same thing. When the powerful arm of the Federal Government with all of its police power reaches out into every hamlet as well as every metropolitan center in this country and begins the regimentation of the people, it can lead only, in the final analysis, to a totalitarian form of government.

The gentleman has been speaking of communism in this movement. I do not know whether I ought to say this or not, but I am going to say it with some reservations: I must confess that I suspect I have had the high privilege of serving in this House about as long as anyone I see here with the exception, of course, of the gentleman who presides over this House, the Honorable Speaker. I was here when the thing started. Who was the man who walked down this aisle on every possible occasion 10 and 15 years ago to offer amendments on integration? He was neither Republican nor Democrat although he usually sat over on this Democratic side of the aisle. His name was Vito Marcantonio. I say this with some reservation because, unfortunately for him, he has answered the last call that we must all some day answer.

The SPEAKER. The time of the gentleman from Arkansas has expired.

(By unanimous consent (at the request of Mr. COLMER), Mr. ALFORD was allowed to proceed for 5 additional minutes.)

Mr. COLMER. Mr. Speaker, it was the gentleman from New York who first offered these amendments repeatedly year after year and advocated forced integration of the races. I think the history of this House reflects the political philosophy of the gentleman to whom I refer.

Finally, let me say for the benefit, not for those who reside in that particular section of our country, the South, but to those of you who live in other sections of this great country, those of you who have witnessed the national prohibition era, the attempt by the strong arm of the Federal Government to regiment man's habits in the field of temperance. I doubt if there are a half dozen men on the floor here today who would favor national prohibition. Yet many of them would use that strong arm of a powerful centralized government—yes, even the Armed Forces—against people with whom they have to associate, with whom they have to live, with whom their children have to attend school. I say to you that I would oppose that type of punitive legislation if there were not a Negro in my once-sovereign State of Mississippi, because it violates every concept of the principles upon which this Government of ours was founded.

While I would prefer that sectionalism were left out of the discussion, I will point out that we were living peacefully down there in the South. The white man was extending a helping hand to his less fortunate colored brothers. This is all a relative problem, you understand. It is no problem where you have a few of one race and many, many of another. But down there in this particular section of our great common country we have a problem that is aggravated. We were getting along very nicely. That period of evolution, referred to by the learned justice whom the gentleman from Arkansas quoted, was going along well. The leaders of the colored people appreciated the help of the white people in this evolutionary period.

What has happened now? I will be perfectly frank with you, Mr. Speaker, I have to search my own soul to prevent animosity from arising in my heart against my colored brother because of some of the things that are going on. I say to my people in Mississippi, as I say to you here and now, if I have to be placed in the category of a Negro hater or a Negro lover, put me in the category of the lover of my less fortunate brothers.

Mr. Speaker, the greatest tragedy of all of this misconceived effort to force integration is the fact that an evil wedge is being driven between the two races. I think future history will record the fact that the Negro will be the biggest loser.

Here is a race of people who were brought to this country against their will. They have made the greatest progress of any race of people in the history of the world under the guidance of their white brothers, their southern white brothers mostly. Now, these self-styled liberals, the politicians, and these other people who would reform us overnight—not the South, the Nation—would take a race of people who just a few generations ago, unfortunately, were—well, I do not want to use the word "savage," but were uncivilized in the jungles of Africa and just a few years ago were serfs in bondage—they would take them and by a statute enacted in this body and in the other body, or by an edict of the Court, place them overnight upon an equality with another race of people who for thousands of years have enjoyed all of the benefits of Christianity, civilization,

education, and culture. This is not fair to them and it is not fair to the other race, the white race. Neither is it possible. The Negro must trod the hard and slow path of progress, civilization, and culture—the same road traveled through the centuries by the white man. No waving of a magic wand, no legislation, no Court decree is the answer.

I thank the gracious and respected gentleman from Arkansas for his courtesy in yielding to me.

THE SOUTHERN STORY

The SPEAKER. Under previous order of the House, the gentleman from South Carolina [Mr. RIVERS] is recognized for 5 minutes.

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, it is not often in these days of a paper curtain as tight as the Iron Curtain that the voice of the South can be heard through our land. While the South has a position on grave issues confronting our Nation today, and has clear, logical and intelligent reasons for its position, most of the people of the United States outside the South have no idea what is that position, or why it exists.

The reason for this, Mr. Speaker, is of course that the newspapers of the North and the magazines of national circulation see fit to suppress the story of the South—and even to suppress news in their own communities, news of racial troubles, of the high incidence of crime and disease among Negroes, which would show the reasons for the southern position.

But Mr. Speaker, this paper curtain now has been penetrated. Through the National Broadcasting Co., and one of its commentators, Mr. Chet Huntley, the southern story—told by one of the South's most articulate and knowledgeable men—has been laid before a nationwide audience.

That the story has been told once is not, of course, sufficient to get it across to the country, Mr. Speaker, but that it has been told at all is a credit to the National Broadcasting Co. and to Mr. Huntley. Mr. Huntley's own views are not those of the South, but he has been fair enough, Mr. Speaker, to let the South have its say.

Reaction to that story, told by Thomas R. Waring, the distinguished editor of the News and Courier, a newspaper in my home town of Charleston, S.C., has been highly favorable, not just from the South, but from all parts of the country.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I will be delighted to.

Mr. WILLIAMS. If the gentleman will read the annual report of the NAACP put out for the year 1957, he will find that the NAACP claims credit for assisting and acting in an advisory capacity in the production of CBS programs on race relations in the South. I wonder if the legitimate and honorable Citizens Councils of the South or any prosegregation group was called in also as advisers. I can assure you they were not.

Mr. RIVERS of South Carolina. We live too far below the Mason-Dixon line.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. RIVERS of South Carolina. I yield to the gentleman from Ohio.

Mr. HAYS. I saw the program to which the gentleman refers, and I would like to say to the gentleman that I thought the distinguished editor did a very fine job in presenting his points of view. The other side was presented on that same program.

Mr. RIVERS of South Carolina. That is right.

Mr. HAYS. In a very dignified way.

Mr. RIVERS of South Carolina. That is right.

Mr. HAYS. I would say that if we had more of that kind of argument in which both sides respected the other side's view and presented their own, that there would be a lot more possibility of solving some of these problems instead of some of the ways that the problem has been approached.

Mr. RIVERS of South Carolina. That is the first time we have had a chance to get to the eyes and ears of well-meaning and well-intending people throughout the Nation.

I am going to include in my remarks a copy of Mr. Waring's statement on that program, and I ask those gentlemen who are interested to read it and see how tempered, how dignified and how objective was his presentation.

(The matter referred to is as follows:)

TEXT OF STATEMENT BY THOMAS R. WARING, EDITOR OF THE CHARLESTON (S.C.) NEWS AND COURIER, ON CHET HUNTLEY SHOW, OVER NATIONAL BROADCASTING CO. NETWORK, FEBRUARY 8, 1959

Mr. Huntley's proposal that the NAACP withdraw from the South would meet with hearty approval, I believe, among most southerners, but not for the reasons Mr. Huntley has expressed. As I understand it, Mr. Huntley believes that mingling of the races could be accomplished with more speed and harmony if the NAACP removed itself. Mr. Huntley has presented legal and other reasons why mixing the races is right. I would like to offer a different viewpoint.

I am a spokesman for no organization or group of people. I am a newspaper editor in a position that offers opportunities to observe and report on people in the region where I live.

I believe it is a fact that the overwhelming majority of southern people are unalterably opposed to mixing races in public schools. They are opposed to it now or later.

They hold this view not on account of hatred or bigotry, as you may have been told. They hold it because they sincerely believe, on the basis of firsthand experience, that separate schools are best for both races.

In presenting this as the view of the majority of southerners, I refer to white southerners, because they are about 75 percent of the population. But the proportion varies greatly. In my home community, for instance, the population is about 50–50. In some neighborhoods, Negroes outnumber whites 10 to 1. In many school districts integration would mean sending white children to Negro schools.

While I do not pose as a spokesman for the colored people, nor pretend to read their minds, I believe that most of them are happy and satisfied. I do not believe the NAACP by any means represents a unanimous feeling among the southern Negroes.

If some southerners are willing to accept token integration rather than shut down their schools it does not mean that they approve, or accept it permanently. Even token integration brings tension and constant threat of disorder, as well as fear of other evils.

If integration is wrong, as we believe it is, we do not concede that a little bit of it is right. The strength of resistance testifies to the depth of this belief. The choice between separate schools and no schools is an agonizing one for people who have spent years developing an education system.

Cordons of police ringed the school at Arlington to enforce admission of four colored children. Not even parents were allowed near the schoolhouse. An Associated Press reporter said the scene presented a picture of "Alcatraz, southern style." The trappings of the police state were mounted within sight of the U.S. Capitol.

It is not alone the entrance of a few colored children at Arlington or elsewhere that created all this furor. White southerners are more accustomed to Negroes than people in other regions. It is the seizure of rights and powers for local self government that makes southern hearts turn cold.

The Supreme Court has rewritten the Constitution it swore to uphold. Chief Justice Holmes, Justice Brandeis, and other liberals accepted the law of the land to mean the States had a right to operate separate but equal schools.

Whether the South closes public schools under threat of mixing, or struggles in some regions with the perils of integration, public education will be damaged.

For white pupils, standards of education will decline. This has been the experience in Washington, D. C., and in other places that have undergone mass integration. The statement is well documented and I haven't time to explore it further.

For colored pupils, the relaxed and familiar conditions of their own schools are lost. Discipline breaks down. We have no blackboard jungles in the South, and we do not want them.

Though not all southern schools, white or Negro, have achieved the highest standards, they have vastly improved in recent years. Southerners have spent billions of dollars on them. They had a contract with the Federal Government that guaranteed separation of the races. They would not have taxed themselves for mixed schools. And nobody knows how long they would continue to support schools they don't control. In any event, public education is bound to suffer.

Local self-government, through division of State and Federal powers, is the keystone of our Republic. It is being torn apart for the sake of a sociological experiment. If a police state is substituted for the Republic, no race will gain.

Once before, in prohibition, the United States experimented with sociology. Prohibition was a failure. It brought on bootlegging and a crime wave. Eventually the people came to their senses. They repealed prohibition. At least, it had the authority of lawful constitutional amendment. This time the experiment is with the lives of children—on the basis of court decrees.

Southerners are concerned for the welfare of both races. They realize the need to educate colored people as well as white. They need colored citizens for manpower in the burgeoning new industries. They want to build the earning power of Negro workers so they can carry more of their share of the economy.

In his inaugual address last month, South Carolina's young Governor, Ernest F. Hollings referred to these problems. He said, and I quote:

"I shall not dwell on the subject of segregation as it affects race relations. We have all heard too much on this subject and there is too much to be done in the days ahead for us to waste our energies and arouse our tempers over a subject upon which we, in South Carolina, are in essential agreement.

"We are fortunate in having a well-nigh boundless store of good will and understanding among all races and beliefs in South Carolina. In our schools, peace patrols the school corridors; unlike New York, we do not need armed guards. The Negroes of our State feel that schools are intended for education. They feel that their Governor and general assembly are doing everything possible to provide them the best educational program and the best opportunity to succeed on an individual basis. Let alone, we shall continue to do this.

"As a practical matter, this can only be done in the segregated pattern, and for those who would by integration destroy the education, culture, opportunity and friendship of both races, I simply state that our position of determined resistance remains unchanged."

Southern people are not, as you may have been told, captives of blind leaders who will not or cannot read the signs of progress.

The people demand that their public schools be separate. We hear sometimes about southern moderates. A moderate is an integrationist who isn't in too big a hurry. Fast or slow, most southerners are convinced that mingling the schools would be disastrous.

What is the aim of integration?

It is not improvement for white pupils. Educational standards in mixed schools would have to be reduced to the lowest common denominator.

It will not improve education for Negro pupils. An atmosphere of tension does not promote learning. Discipline would have to suffer when any classroom incident is likely to explode into a racial incident.

It would not promote good relations between the races. Both North and South, integration or attempts at it have created racial trouble.

It will not create respect abroad for the United States. Internal squabbles involving troops, police, and constant arguments over rights and freedoms are signs of unstable conditions.

If the aim of integration is to sustain legal and sociological theories, without regard to practical effects on human beings, it is not defensible.

If the aim is to humiliate the white southerners, it is beneath contempt.

If the aim is to raise the status of the Negro, it won't work. The Negro needs many things more than he needs association with white people on an involuntary basis.

While national diplomacy courts favor in foreign countries, on the domestic front the American Government is not seeking to win friends and influence people in Southern States.

I shall not attempt to explore the reasons for those policies. They are in large measure political.

The National Association for the Advancement of Colored People has been able to exploit these political forces. It has achieved a balance of power out of all proportion to its actual worth. Millions of white southerners have become an unorganized and oppressed minority.

The NAACP creates division and animosity. Some of its leaders have official records of contacts with subversive organizations. Their names have been published in reports of congressional committees.

With its political allies, the NAACP has set up a virtual censorship on race.

One minor bit of evidence is the removal of dialect from magazines, books, and newspapers. Though Negro dialect is forbidden, a California cartoonist who lampooned the Southern speech of Governor Faubus was singled out recently for some kind of freedom award.

Negro crime in cities is appalling, but the facts are being deliberately disguised in the paper curtain press.

Superior force may overwhelm the South, as it has done before. But troops and police cannot forever suppress millions of resourceful people.

I do not believe the rest of the country wants some of the States to become concentration camps for the sake of mixing white and colored children against their parents' will.

MASTERS OF DECEIT IN THE SCHOOL CRISIS

Mr. THOMPSON of New Jersey. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. THOMPSON of New Jersey. Mr. Speaker, the gentleman from Arkansas [Mr. ALFORD], if his documentation, which I have not seen, is accurate, has performed, I think, a useful service. I am sure that all of us in the House of Representatives are absolutely opposed to communism and to subversion in any of its forms.

The gentleman told the House several days ago that he would present to this body evidence that subversive forces are the real masters of deceit behind this school crisis in the South and the so-called civil-rights issue in America today; and today he has been discussing these matters.

I wonder if the gentleman could tell the Members of the House whether in his listing of the Communist cells alleged to have existed in certain educational institutions in the South, he is familiar with Commonwealth College, a former educational institution in his State which was cited by the Attorney General as a subversive organization.

Mr. ALFORD. May I say to the gentleman from New Jersey that I know that institution well. As a child I lived not many miles from that institution.

Mr. THOMPSON of New Jersey. Is the gentleman aware that this institution has been listed by many groups as a Communist front and subversive?

Mr. ALFORD. Yes. May I say to the gentleman in answer to his question that this Commonwealth College, which existed nearly 40 years ago, I believe—that is correct?

Mr. THOMPSON of New Jersey. It was still in existence, however, as recently as 1940, was it not? Indeed, was it not founded in 1923 and closed in November 1940? Actually, it was cited as a Communist enterprise in 1944 by the House Un-American Activities Committee, and cited by Attorney General Clark in 1949 as Communist.

Mr. ALFORD. I do not know the exact date, but I know that it was practically unheard of by 1940. To answer the gentleman's question, he well knows that 40 years ago or 35 years ago certainly very little was known of the Communist conspiracy in this country.

Mr. THOMPSON of New Jersey. That is so; but, as a matter of fact the conspiracy existed, just as it does today. Was it less dangerous then than it is now? I think not.

Mr. ALFORD. May I say to the gentleman why that institution was in Arkansas? It was in a hill section, a very poor section of the State, where the economic status of the people was very low at that time and there was no publicity at that time as to the type of institution it was. It was widely circularized at that time that that institution would offer to boys and girls in the hill section of the country an education if they would merely work on the farms of that area. I am well familiar with it.

Mr. THOMPSON of New Jersey. Is the gentleman aware that the present Chief Executive of his State attended that college?

Mr. ALFORD. I am well aware of the fact that the gentleman was going to get to the distinguished Governor of our State.

Mr. THOMPSON of New Jersey. I did not ask the gentleman that. But if you anticipated my remarks, then you must have been aware of the facts regarding your Governor. I'm wondering why you failed to mention these facts yourself, since you are giving us the facts regarding the subversive forces behind the school crisis and the so-called civil rights issue in America today.

Mr. ALFORD. May I say to the gentleman——

Mr. THOMPSON of New Jersey. Mr. Speaker, I decline to yield further, if the gentleman will not respond to the question. I did not ask whether the gentleman was aware of my intentions, but whether he was aware that the Chief Executive of his State attended that college.

Mr. ALFORD. May I answer the gentleman?

Mr. THOMPSON of New Jersey. Yes.

Mr. ALFORD. The gentleman was there only several days—that is, the distinguished Governor of the State of Arkansas. He has stated many times that after he found out the nature of the group, he left there. He was a poor boy who went to this institution; and I think it is very admirable that this man, the present Governor of Arkansas who, by the way, has a very honorable and outstanding war record and who has served his country well, has been cleared in every way possible by all the security agencies that are necessary. I think it is distinctively due him that I should at this moment call attention to the fact that a Gallup poll recently listed him as one of the 10 most outstanding men in the world.

Mr. THOMPSON of New Jersey. I saw that, and I thank the gentleman.

Without having the facts at hand to know how long the Governor attended or under what circumstances, I make the point, however, that in this type of thing one can indict anyone who attended a

college or university where there was a cell, perhaps. One can indict, if he is not fair, anyone who attended, especially, an institution which was listed.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Ohio.

Mr. HAYS. Just to show how far you could go with that indictment, Governor Faubus was there long enough to be elected president of the student body, was he not?

Mr. THOMPSON of New Jersey. Yes, he was.

Mr. HAYS. He was there long enough to later in a political campaign swear he never attended the college.

Mr. THOMPSON of New Jersey. That is my understanding. Governor Faubus is quoted in the Arkansas Gazette of August 1, 1954, as follows:

> I have never been a student or faculty member at the school (Commonwealth College) and never have attended a class there.

Mr. HAYS. That is documented. Understand, I am not saying by the process of guilt by association that the Governor of Arkansas was a Communist, but I am pointing out that by the process of guilt by association the facts are there, and they are there in documentation.

Mr. THOMPSON of New Jersey. That is right.

Mr. HAYS. He must have known a little bit about it or he would not later have denied that he went there.

Mr. ALFORD. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I decline to yield at this time. I want to answer the gentleman from Ohio.

I do not subscribe to guilt by association any more in the case of the attendance of the Governor of Arkansas at Commonwealth College, which was listed as subversive, than by implication that anyone who belongs to the NAACP is subversive because it may have had subversives in it. I simply take this time to call attention to the fact that there are two edges to this sort of a weapon, and that if a person is to be indicted for having gone to the University of North Carolina, where at one time there existed, according to the gentleman from Arkansas, a cell, then thousands upon thousands of students at that great university are under indictment. If the gentleman from Arkansas would indict anyone by this method, then surely he must indict his great friend, Governor Faubus.

Mr. HAYS. I want to make it perfectly clear that I am not charging the Governor of Arkansas with anything at all. I am merely using this as an illustration of what you could do if you set out to prove something by the doctrine of guilt by association.

I am sensitive about this because of some past hearings in this Congress under a committee that was set up allegedly to investigate foundations. They attempted to show that my university was at one time a Communist-front organization, Ohio State University, which, of course, is absurd. I am a little sensitive about this business of saying, "Well, someone went somewhere where there once was a Communist, ergo, he is automatically a Communist." I did not mean any reflection on the Governor of Arkansas. I certainly do not agree with a great many of his opinions, but I say he has a right to have them however much I may disagree with him.

Mr. THOMPSON of New Jersey. I quite agree with the gentleman from Ohio. I did not take this time to indict the Governor of Arkansas, either. I think that on the basis of simply his attendance such an indictment would be unfair; as a matter of fact, it would be outrageous. I do take the time, however, to point out that the gentleman from Arkansas has cited what he thinks, apparently, and which I am looking forward to seeing in the RECORD, is chapter and verse. If by the same motive he is indicting, or by implication or inference his remarks can be used to indict, the Governor, I think the Governor should be cleared.

Mr. ALFORD. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield to the gentleman from Arkansas.

Mr. ALFORD. May I say that the distinguished Governor of Arkansas has never denied the fact that he has attended that school. The Governor of Arkansas has never denied the fact that he was elected the first 2 weeks as president of the student body.

May I ask the gentleman to point out anywhere in my remarks today where by inference I declared anyone to be a Communist? I am seeking the truth. It is high time that some patriot in America stood up on the floor of this House instead of playing pure and simple politics. We are asking for the truth for all America.

Mr. THOMPSON of New Jersey. That is right. And if we are going to have the truth, let us have all of it. I quite agree with the gentleman. I said at the outset that if his documentation is accurate, he has done a great service. I simply took this time to point out that, perhaps, his documentation is not as complete as it might be. I have already quoted the story in which the Governor denied having attended the school. Later, I understand, he admitted not only attending, but, as you have said, admitted he was elected president of the student body of Commonwealth College.

Mr. MEYER. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. MEYER. It seems to me quite regrettable that when this Nation faces a problem, and we do have a problem, in racial relations and the problem of human justice that instead of attempting to solve these problems with our hearts and with our minds and perhaps with a few laws also, but more in our hearts and in our minds, that we have to drag in the issue of communism into everything that we do. It seems to me it is quite regrettable on both sides. That is about all I have to say.

Mr. THOMPSON of New Jersey. I agree with the gentleman that it is regrettable. I look forward with great interest to reading the remarks of the gentleman from Arkansas in some detail to see just what was said.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. THOMPSON of New Jersey. I yield.

Mr. LINDSAY. I should like to say I agree with the gentleman from Mississippi in that, unquestionably, this is a subject which is not a local responsibility or a sectional responsibility, but it is a national responsibility. It becomes a national responsibility when we view what our brethren abroad think of us when they see racial unrest in this country and argumentation of this sort. But, I would say also that argumentation is necessary and desirable. Undoubtedly, members of the Communist Party have attempted to use racial unrest as a means of furthering their own cause. But, that is no excuse for the type of indictment such as has just occurred, as pointed out by the gentleman from New Jersey, where responsible men such as Harry Ashmore and responsible citizens of a local community who support men such as Harry Ashmore are placed in the same bed, so to speak, with members of the Communist Party. I cannot understand any broad statement to the effect that Harry Ashmore, or his supporters, are being used by members of the Communist Party who may be capitalizing on racial unrest for their own insidious purposes. Such statements beg the point.

Mr. THOMPSON of New Jersey. Does the gentleman belive that all the members of the NAACP are Communist-led because it may be that there are some fellow travelers or other odd-ball characters of that sort in that organization? Although I do not know that there are, nor have I seen a single fact proving that there are such disreputable characters in the NAACP.

Mr. LINDSAY. Of course not. The point that I am trying to make is that I hope the gentleman from Arkansas does not mean to suggest that Harry Ashmore and his supporters are guided by anything except their own idealistic motives, the furthering of the best interests of the community, and the creation of equal justice and opportunity for all.

The SPEAKER. The time of the gentleman from New Jersey has expired.

INTEGRATION

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS. Mr. Speaker, I did not intend to ask for permission to address the House, but some things have developed here so I think we ought not to just end this little discussion on a note of frustration, you might say, until a couple of more things are said. Now, I do not want to prejudge anybody, but I would say from having listened very attentively and very carefully to the remarks of the gentleman from Arkansas—and I want you to know and I would like the gentleman from Arkansas to know and his friends from the South can testify to this—that I have never taken this floor in the 10 years that I

have been here to talk about racial relations or talk about segregation or desegregation or to talk about the FEPC or anything that most of my southern friends might consider repugnant. I have voted sometimes in a way that they did not approve of, but I have not demagoged about it.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. In just a moment.

I would like to say that I think the cause of the South, from which my mother came and in which I have many relatives, would be far better served by the kind of discussion that was had on television by the distinguished editor of a South Carolina newspaper, than it will be by some of the things that were said here this afternoon.

I believe that we have a problem in racial relations that we must solve. I think the Communists are going to exploit it in the world if we do not solve it. I think there are ways of solving it rather than pointing an accusing finger at people.

Mr. WILLIAMS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield.

Mr. WILLIAMS. I want to congratulate the gentleman in what he has just said. He has not agitated against the South. I would also like to congratulate the distinguished gentleman from New Jersey [Mr. THOMPSON], because both of you gentlemen have managed to work this problem out very satisfactorily for yourselves and your districts. I notice both reside in segregated Virginia, rather than the District of Columbia, where you could enjoy what I am sure you will tell your people back home are the "blessings" of a checkerboard-integrated society.

Mr. HAYS. I thought when I yielded to the gentleman that I might get more than a needle. In my hometown where my daughter will go to school at least half the year, if I am so fortunate as to be reelected to this body, when she is old enough to go to school 2 years hence, is a desegregated school, as it has been since before the War Between the States. I attended a desegregated school in the grades, in high school, and at the university. Some of my colleagues at Ohio State University were members of the Negro race. One in particular is one of the great scientists of this country, one of our great cancer research experts. I am proud to say that he is an alumnus of our outstanding university.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. HAYS. Not at this time. I will say to the gentleman that Ohio State was and is desegregated. The area in which I live when in Washington is going to be desegregated most any minute, if it has not already.

I want to say right here that I am very proud of the way the State of Virginia has handled the problem when it was faced with something that was repugnant to a great many of the citizens of that great State. I am proud of the fact that while they fought it as far as they could in the courts, because they did not believe in it, when the chips were down and the Governor was faced with the alternative of civil strife or legal compliance, he chose, although he did not like it, to meet the thing in a civilized, lawful, and legal manner.

I want to say to my distinguished colleague from Mississippi [Mr. WILLIAMS] that I am not ashamed of the fact that I live in Virginia when Congress is in session. It is well known back home. It was in the paper when we purchased property over there. I do not feel that I should offer him or anybody else any apology for living in Fairfax County.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield.

Mr. THOMPSON of New Jersey. I, too, am proud of the fact that I live in Fairfax County. I would like to state to the gentleman from Mississippi [Mr. WILLIAMS] that my children go to schools which are in the process of integration. They will remain in those schools if they are kept open. I am also very proud of the manner in which the Governor of Virginia has conducted this process. I have absolutely no objection, having gone to integrated schools, to my children going to integrated schools. I am delighted that they are going. I hope they admit more Negro children in northern Virginia to the school which my children attend.

Mr. ALFORD. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield.

Mr. ALFORD. I would like at this point respectfully to call attention to the fact that we have gotten a little bit off the subject of my original remarks this afternoon, and to the fact that it has been implied here that we would by inference besmirch someone. The name of Harry Ashmore has been mentioned. I would like respectfully to submit that in no instance did we state anything relative to communism. We related about the national agitation. We sincerely believe in the presentation we made.

Mr. HAYS. I listened very carefully to the gentleman's statement. While I could not repeat exactly what he said I gained the very definite impression that it was not very favorable to Mr. Ashmore. I am going to read the gentleman's statement in the RECORD to see exactly what he did say.

I may be a little guilty of getting off the subject but I have had a great deal of feeling in the matter. As a matter of fact, I notice some Members got off onto the subject of elections, a matter which is properly before the Committee on House Administration. I do not want to prejudge anything said as I said in the beginning, but I do not think too much should be made of getting a little off the subject.

I would like to say to the gentleman with all the sincerity I possess that I believe the way to solve this problem is through the approach that was made on the television program the other night. I would like to congratulate not only the editor of the paper in South Carolina but also the secretary of the NAACP for their very moderate approach to this. I think they both deserve a great deal of credit; and I want to say in the presence of my colleague from South Carolina [Mr. RIVERS] that I thought his editor made a most moderate approach and a most sensible approach and a most convincing approach to defending his convictions perhaps more moderate, more sensible, and more convincing than anyone I have seen or heard either in this body or anywhere else.

Mr. RIVERS. Mr. Speaker, if the gentleman will yield I just want to thank the gentleman for his very kind, generous, and statesmanlike statement.

TRAVEL EXPENSES OF GOVERNMENT EMPLOYEES

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, our Federal expenditures are rising fast enough without being jet propelled.

A businessman friend of mine has just returned from Europe on one of the new jetplanes. He informed me that there were two categories of passengers on the plane—the "deluxe" and the "economy" classes. The round trip fare for the deluxe is $903.40. For the economy class it is $478.70.

Most of the economy class passengers, he informs me, were businessmen who either paid their own way or were on expense account.

Most of the deluxe passengers were U.S. Government personnel. Uncle Sam paid the bill.

While I believe that Government personnel traveling on Government business should do so in average comfort, I doubt that the average citizen would approve their traveling in deluxe fashion. If the economy class is adequate for businessmen—and my friend says it is excellent—then it should be good enough for Federal employees. The savings on a round trip would be $427.70 per person.

A BILL TO PROVIDE FOR A COMMITTEE OF INDEPENDENT UNIONS AND UNRECOGNIZED LABOR GROUPS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill that would provide for a committee on independent unions and unrecognized groups. This committee for independent unions would be comparable to the House Committee on Small Business.

Today there are two well-defined types of unions; namely, those directly affiliated with the AFL–CIO and those that are not affiliated with that organization.

Of the more than 65 million gainfully employed people in this country, the

AFL–CIO claimed from 15 to 16 million. This was prior to the big layoffs that have reduced their membership substantially and extensive automation in industry in recent years. Further reduction resulted from loss of the Teamsters and several other unions that were eliminated for various reasons, including racketeering and unethical practices. With the exception of those left in the AFL–CIO, the remainder of the 65 million American workers are either in independent unions or as yet unorganized.

The proposed resolution would create a committee composed of 21 Members of the House. It would provide the smaller unions with a means whereby their problems could receive desired attention. It is my contention that these smaller unions are not presently receiving the attention which they rightfully deserve due to the fact that the governmental agencies dealing with labor are unduly influenced or dominated by current or former AFL–CIO officials. For example, it has been brought to my attention that the U.S. Department of Labor, where the Advisory Committee is located, is under the domination of the AFL–CIO.

It is my contention, therefore, that there is a present and pressing need for such a committee to deal with and for these independent unions and unrecognized groups. I am hopeful that the Congress will act on this matter.

To illustrate the point of view of small unions, I am placing in the RECORD a portion of the testimony of Roger Rettig, president, National Independent Union Council, which represents many small and independent unions, given before the Joint Economic Committee in its hearings on the President's 1959 Economic Report to the Congress:

STATEMENT OF ROGER M. RETTIG, PRESIDENT, NATIONAL INDEPENDENT UNION COUNCIL, BEFORE THE JOINT ECONOMIC COMMITTEE ON THE PRESIDENT'S ECONOMIC REPORT, CONGRESS OF THE UNITED STATES, FEBRUARY 9, 1959

My name is Roger M. Rettig. At this hearing I will present the position of the National Independent Union Council as president. I am also president of the Electrical Workers Independent Union in St. Louis, Mo. We maintain our national council headquarters here in Washington.

When appearing before this Committee on the Economic Report we wish to stress the importance of the independent labor movement. Of the more than 65 million gainfully employed people in this country more than 50 million are presently represented by independent unions or as yet unorganized. Most of the unions we represent, and for whom I speak today, are unions where the officials are elected directly by the employees in a particular shop, factory, craft, or industry where they work. Most of the representatives of these unions, including myself, are men and women who have worked on the job themselves and who are still in direct contact with the members.

In our relationship to the economic situation in this country, and to the organized labor movement, our position could be compared with the thousands of small businessmen in this country and their position as compared with the representatives of the giant corporations.

We note with interest that the President has given his analysis of the 1957–58 economic situation, including the recession which was so evident and painful for the members of our unions, who work for a living or were laid off, when we appeared before this committee last year. Now that there are signs of improvement, we believe it is time to analyze the reasons and to give credit where credit is due. Also to take necessary measures to bring about an improvement in this situation in preparation for the next unfavorable cycle.

The first significant factor of stabilization, that prevented the recent recession from becoming more acute, was undoubtedly the fact that union contracts in effect provided insurance of rates of pay, reasonable hours, and the consequent elimination of panic which always results when companies start slashing hours and wages and permitting one employee to underbid another in quest of a job due to temporary unemployment. Elimination of this inhuman competition can be credited largely to the seniority provisions of union contracts.

Other contributing factors that prevented the recession from becoming a crushing avalanche of depression resulted from unemployment compensation, old age assistance, and social security.

Likewise, the many pension and welfare funds, made available as a result of union contract negotiations, have been helpful in preventing greater depression as well as a lifesaver to those no longer employed.

History will show that organized labor has always been the strongest advocate of these objectives. They have been accomplished in spite of the strenuous objections of many business people who now benefit from stabilization directly related to contract negotiations and social legislation. We need only refer to previous conditions, that resulted in recessions or depressions, to verify these facts. This experience should be sufficient to obtain the full support of both labor and management in making further improvements. The opportune time for such action is at hand. Unfortunately, the tone of many business spokesmen at this time indicates they will oppose the very measures that have helped to save them from a more serious crisis as recently indicated. Therefore, we must call upon our Senators and Representatives in Congress to take the necessary measures to protect the Nation's economy. This economic committee is the logical starting place for a program that will provide that action and will result in the greater protection to all Americans.

On page 14 of his report, the President refers to consumer demands as a most significant factor in the resistance of the economy against recession. On page 15 specific reference is made to union leaders and the wage increases that are the result of negotiations with management. Sober reflection will indicate, to any reasonable person familiar with the facts, that increased incomes are necessary in order to expand this consumer demand. To make it a reality that will work "two ways," without giving consideration to these facts would be to ignore the best interests of all workers and their dependents. Since the cost of living continued to increase during the so-called recession despite heavy unemployment and shorter workweeks this emphasizes the necessity for further analysis and corrective action. Meaning, of course, reduced overtime and the drastic reduction in jobs and opportunities for advancement to higher paying classifications.

FARMERS AND INDUSTRIAL WORKERS HAVE COMMON INTERESTS

Now that farm prices are falling, certainly the farmer should not be blamed for the continuing high cost of living. Under these circumstances this phase of the national economy must receive fair consideration and assistance as needed. Affiliates of the National Independent Union Council have long recognized that the workers' welfare is closely allied with that of the small farmer and the agricultural worker in this country. We continually seek to strengthen these bonds.

PROFITS AND DIVIDENDS

Before placing the blame on labor, for certain alleged inflationary trends, it would be wise to consider the facts with respect to other economic interests. For example: Recent reports indicate that profits and dividends are now rebounding much more briskly from their sharp decline than is unemployment. Almost unnoticed, says one statement, is this roller-coaster-like move of profits, has been the unshakable steadiness of corporate dividends. While many firms trimmed payments, enough increases were voted by others, and enough companies decided reserve justified unchanged payments even though earnings had fallen, to keep the flow of dividend checks to American investors at about the same pace in 1958 as in 1957. During both of these years, as you know, the recession in business took place and so many workers were laid off. The report also makes reference to stocks and prices. It is common knowledge that stock prices have gone up almost nine times as fast as the dollar has depreciated in the past decade. Much of this occurred during the business recession. That is the startling conclusion that leaps out of a chart drawn by this statistical reporting service. Use of the same 1947–49 base period, as the Bureau of Labor Statistics uses for its Consumer Price Index, shows that the Dow-Jones average of 30 industrial stocks had climbed by the end of the year to more than 310 percent of its base, while the consumer prices have risen only 123.8.

We do not claim to be infallible authorities on the meaning of all aspects of these facts. However, we suggest careful consideration of them when attempts are being made to legislate morals for labor. We doubt that it can ever be accomplished by legislation for any group. However, there is evident necessity for establishing some ethical practices to regulate business concerns when moving or closing their plants in certain localities. Especially when this action leaves the local economy destitute simply because the company is induced to locate their operations elsewhere due to substandard wages, taxes, or similar advantages. By this procedure the company often shirks their responsibility, to the older employees as well as the community largely responsible for the original success of the company.

* * * * *

Further extension of minimum-wage laws coverage and a substantial increase in the minimum requirements are necessary. Much industry now excluded as being intrastate, as well as the exceptions made for Puerto Rico and the Territories, should be remedied.

The President makes reference to technological research and development. We wish to stress the importance of this factor in the lives of every American, and especially to those who work in factory and on farm for a living. We have found that some engineering firms are prone to concentrate more on high pressure selling of machines and methods that will eliminate men than they are with actual increased production. Unfortunately, there is great appeal to management when they are offered any new machine or method that will result in the elimination of manpower element, regardless of cost. We believe that it is evident to all reasonable people that the displacement of manpower alone is not necessarily in the best interest of our country if it simply results in creation of greater unemployment problems. Automation by industry is undoubtedly responsible for a substantial amount of the current unemployment, otherwise current production levels could not have been attained with less workers than previously required. Provisions to rehabilitate and relocate such displaced workers are essential, and unless this

responsibility is recognized by industry it must be met my law.

Certainly, the most complicated machines on earth will not purchase or consume the foods raised by our farmers or buy the products necessary to keep factories in operation. Those responsible for eliminating workers, who have given long and faithful service, should also recognize their responsibility to train such workers for other jobs they are capable of performing and where there is demand for their services. Unless such a program is voluntarily adopted by management action along this line. It will certainly be a most practical application of an extended educational program beneficial to all segments of the economic picture in America.

In the President's summary of the 1959 picture we find that consideration is missing with respect to raising the minimum-wage requirements of the Federal law. In order to bring about the realization of the principle of "equal pay for equal work," it is most essential that this law be amended accordingly.

We wish to stress that our organization opposes any additional legislation that would further handicap small unions. By requiring burdensome filing and elaborate bookkeeping restrictions, totally unjustified since local control keeps them free from corruption, it will certainly discourage American workers from exercising their right of self-organization.

With respect to granting jurisdiction over any phase of the collective bargaining process to the States, until such States have passed adequate legislation that will insure protection of the rights of workers to organize and bargain collectively, we take the position that it would be most untimely. Your sincere consideration and recommendations regarding these suggestions are requested.

WE NEED A YOUTH OPPORTUNITY PROGRAM

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I wish to bring to the attention of my colleagues legislative proposals which, in my opinion, reflect a constructive approach to the academic problems in expanding and offering educational opportunities to the young people of our country. My distinguished colleague in the other body, Senator HUBERT HUMPHREY, of Minnesota, has aptly called these a "youth opportunity program."

I am more than pleased to report, Mr. Speaker, that I am joining Senator HUMPHREY today in introducing in this body identical legislation to that which he is presenting to his colleagues. I am sure there can be no contention created by my statement that we face grave and pressing academic challenges. Three of the measures which I am introducing today reflect an effort to meet this situation.

One bill, the Student Aid Act of 1959, would establish a Federal scholarship program. Unfortunately, the National Defense Education Act of 1958 does not provide for scholarships, and while the loan provisions in this act represent a step in the right direction, it is my considered opinion that we must go beyond this initial concept by instituting a Federal scholarship program. The need is apparent. For example, a survey made by the Office of Education indicates that more than 70,000 qualified students who requested aid from colleges and universities were denied scholarships in 1957–58. It is indeed a waste of our most important resource to deny to our young qualified men and women a chance for personal educational advancement which would be beneficial not only to the individual but to the Nation as a whole.

A second measure, the "Educational Tax Credit Act of 1959," is designed to offer a further stimulus to education by means of providing a tax credit for parents paying tuition and fees for children attending institutions of higher learning. The proposed 30-percent income tax credit would mean a good deal to those parents who find themselves in the low or middle income group. A $450 limit is imposed on that tax credit each year.

A third measure, Mr. Speaker, the School Construction Act of 1959, is being introduced to supplement the Murray-Metcalf bill for school construction and teachers' salaries, a measure, which I am pleased to say, that I have introduced in this session. May I just say that the approach in these two respective measures differs, but because it is my view that all avenues of thought should be considered in this pressing matter of additional school construction, I am thus sponsoring this supplemental proposal in the hope that the best possible solution will be forthcoming from the Congress. This new construction bill would leave responsibility in State and local hands for administering actual construction.

As I have noted already, these measures have been introduced in an effort to solve crucial problems facing our academic life. In addition, Mr. Speaker, I am submitting a fourth bill—as part of this youth opportunity program—which is of a nonacademic nature, but of equal importance. This measure, the "Delinquent Children's Act of 1959," proposes to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency. The measure calls for the establishment of a Federal Advisory Council on Juvenile Delinquency in the Department of Health, Education, and Welfare, and authorization of funds for State and local programs.

It is well known to my colleagues, I am sure, that since 1949 we have seen a steady increase in national delinquency statistics; an increase that outstrips substantially the growth of our child ppoulation. Our first concern should be with prevention of juvenile delinquency and obviously once a child has made a first wrong step, it is the responsibility of our civic community to take steps for rehabilitation toward useful citizenship.

In this connection, Mr. Speaker, may I point out that closely alined with this problem of prevention is the need to provide programs that will encourage our young people to act in a constructive and fruitful manner. In line with this, I introduced on January 7 of this year the Youth Conservation Act of 1959, also previously introduced in the other body by the able senior Senator from Minnesota. This act, which would set up a Youth Conservation Corps, would indeed be a step forward in the prevention of delinquency by improving the physical fitness of our young people, by providing useful as well as outdoor work, and by providing educational opportunities for boys and young men who have too much leisure time and not sufficient employment opportunities available to them.

The four measures which I have introduced, plus my measure calling for the establishment of a Youth Conservation Corps, have been incorporated in an omnibus bill which is also being submitted today.

If I may briefly summarize, Mr. Speaker, the omnibus measure—the youth opportunity program—proposes the following:

First. College scholarships for outstanding and deserving high school students.

Second. Construction of schools so that our Nation's children can get a decent education in a decent environment.

Third. Liberalizing tax writeoffs to parents sending their children to college.

Fourth. Attacking the growing juvenile delinquency problem through prevention and rehabilitation.

Fifth. Providing through the Youth Conservation Corps program healthy constructive work for young men in their late teens and which, incidentally, would be in line with our efforts in the conservation field.

Mr. Speaker, I am sure that the Congress, aware of the seriousness of the problems and the need to advance our national educational posture, will give all due consideration to these proposals.

INVALIDATING STATE STATUTES

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. ABBITT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. ABBITT. Mr. Speaker, I have today introduced a bill which I hope will serve as a deterrent to the Supreme Court of the United States in invalidating State statutes.

In August 1958 I introduced a similar bill. I explained at the time I introduced the bill that the hour was late and that I realized there was no hope of enacting the bill into law at that session, but that I wanted the Members of the Congress and the people of our great Nation to have an opportunity to study the legislation so that we would be in a position at this session of the Congress to act on the measure.

I have today reintroduced the bill, and I hope that we will have early and favorable action on this measure by the Congress, as it is of vital importance if constitutional government is to be preserved in America.

It is a very simple bill. It provides that the Supreme Court of the United States, in reviewing a final judgment or decree of a State or Federal court, cannot take any action which would invalidate a State statute on the grounds of it being repugnant to the Constitution except by a unanimous decision of all of the Supreme Court Justices participating in the review.

In other words, the decision of the Supreme Court must be concurred in by all of the Justices before their decision can invalidate or declare unconstitutional such State law.

I am alarmed at the recent great number of decisions by the Supreme Court declaring State statutes and State constitutional provisions unconstitutional by 5-to-4 decision. Twenty-nine of these cases have been decided by the Supreme Court since 1950. In a little over 7 years, the Supreme Court has knocked down and held unconstitutional, by a sharply divided Court, State statutes or State constitutional provisions in 29 instances.

Apparently the majority of the High Court cares nothing about precedent but is foisting upon our people their own whims and ideas about social justice.

Only last fall, it became necessary for the chief justices of the State supreme courts to lash out at the intemperate and unbridled usurpation of authority by the Supreme Court. Never before in the history of this Nation has it become necessary for chief justices of the various States to call upon the Justices of the Supreme Court of America to restrain their actions and to stop unwarranted and unlawful legislating by judicial fiat.

The chief justices of the States pointed out that a number of the decisions by the Court, which wiped out and obliterated the rights of the States and the privileges of our people, were decisions of a divided Court, in most instances on a 5-to-4 division.

The vast majority of the American people now must realize that our Supreme Court lacks the greatest of all judicial attributes—the power of judicial self-restraint in differentiating between constitutional rights and powers, on the one hand, and local self-government, on the other. Never before in the history of our Republic has the judicial branch arrogated unto itself dictatorial power to declare policy, to amend the Constitution, and to enact laws. If we are to survive as a nation of free people, as a republic of sovereign States existing on the private enterprise system, we must curb this dictatorial Court before they wreck our way of life and take from us the freedoms and liberties that have meant so much to the progress and growth of our great Nation.

I call upon the Members of this House who are interested in the preservation of constitutional government in America to give this matter serious consideration. If we permit the Court to run wild and gobble up the rights and privileges of our people, we will soon be living in a judicial oligarchy with the people and their rights and privileges dependent upon the whims and the sociological and psychological views and political philosophy of the nine men who happen to comprise the membership of the Supreme Court at that time.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BAILEY for 2 hours, on Tuesday next.

Mr. MULTER, for 30 minutes, today.

Mr. IKARD, for 1 hour, on Thursday next.

Mr. WRIGHT, for 1 hour, on Thursday next.

Mr. BROCK, for 5 minutes, on Thursday next, and to revise and extend his remarks.

Mr. DAVIS of Georgia, for 60 minutes, on Thursday, February 26.

Mr. ALFORD, for 50 minutes, today.

Mr. RIVERS of South Carolina, for 5 minutes, today, and to revise and extend his remarks.

Mr. FOGARTY (at the request of Mr. MCDOWELL), for 1 hour on Thursday, February 19.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BRADEMAS and to include extraneous matter.

(At the request of Mr. MCCORMACK, the following Members to extend their remarks and include extraneous matter:)

Mrs. KELLY.

Mr. TELLER.

Mr. KEOGH, to extend his remarks following the remarks made earlier regarding the late HERMAN P. EBERHARTER; and that all members of the Committee on Ways and Means desiring to do so have the same privilege.

Mr. BROOMFIELD.

ADJOURNMENT

Mr. MCDOWELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 2 o'clock and 34 minutes p.m.), pursuant to its previous order and as a further mark of respect to the late Honorable HERMAN P. EBERHARTER, the House adjourned until tomorrow, Wednesday, February 18, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

576. A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, to prevent the loss of pay and allowances by certain officers designated for the performance of duties of great importance and responsibility"; to the Committee on Armed Services.

577. A letter from the Secretary of Health, Education, and Welfare, transmitting the Eighth Annual Report of the Commissioner of Education on the administration of Public Laws 874 and 815, 81st Congress, as amended, including a statement of receipts and disbursements for the fiscal year ending June 30, 1958, pursuant to Public Laws 874 and 815, 81st Congress; to the Committee on Education and Labor.

578. A letter from the Librarian of Congress, transmitting a report of the affairs of the Library of Congress, including the copyright business, for the fiscal year ending June 30, 1958; to the Committee on House Administration.

579. A letter from the Acting Attorney General, transmitting a draft of proposed legislation entitled "A bill to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment"; to the Committee on the Judiciary.

580. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend section 216 of the Merchant Marine Act, 1936, as amended, to clarify the status of the faculty and administrative staff at the U.S. Merchant Marine Academy, to establish suitable personnel policies for such personnel, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

581. A letter from the Chairman, U.S. Civil Service Commission, transmitting a report pertaining to the positions in grades 16, 17, and 18 of the general schedule of the Classification Act of 1949, as amended, pursuant to Public Law 854, 84th Congress; to the Committee on Post Office and Civil Service.

582. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of the order granting the application for permanent residence filed by Sze Ching Loh, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

583. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

584. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting a copy of the order granting the application for permanent residence filed by Toy Yirsh Sin, pursuant to the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

585. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

586. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

587. A letter from the President, Board of Commissioners, District of Columbia, transmitting the Annual Report of the Office of Civil Defense of the District of Columbia for 1958, pursuant to Public Law 686, 81st Congress; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILLIS: Committee on the Judiciary. H.R. 2339. A bill to revise, codify, and enact into law, title 39 of the United States Code, entitled "The Postal Service," with amend-

ments (Rept. No. 36). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 3648. A bill to regulate the handling of student funds in Indian schools operated by the Bureau of Indian Affairs, and for other purposes; without amendment (Rept. No. 37). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABBITT:

H.R. 4565. A bill to provide that the Supreme Court shall invalidate a provision of a State constitution or statute only by unanimous decision of the Justices participating; to the Committee on the Judiciary.

By Mr. ADDONIZIO:

H.R. 4566. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. ASPINALL:

H.R. 4567. A bill to provide that withdrawals or reservations of public lands shall not affect certain water rights; to the Committee on Interior and Insular Affairs.

By Mr. BENNETT of Michigan:

H.R. 4568. A bill to amend subsection (b) of section 3 of the Securities Act of 1933, to increase the aggregate amount of securities which the Commission is authorized to exempt thereunder from $300,000 to $500,000, and to provide that responsible officers or other persons shall be liable in damages on account of untrue statements or material omissions in statements or documents filed under such subsection as a condition of exemption; to the Committee on Interstate and Foreign Commerce.

H.R. 4569. A bill to amend the War Claims Act of 1948 with respect to claims for benefits in the case of certain persons who died while held as prisoners of war; to the Committee on Interstate and Foreign Commerce.

H.R. 4570. A bill to amend the Federal-Aid Highway Act of 1944 to provide for an addition to the National System of Interstate Highways; to the Committee on Public Works.

H.R. 4571. A bill to amend section 202 of the Social Security Act to permit an individual to waive his right to receive all or any part of social security benefits; to the Committee on Ways and Means.

By Mr. BENTLEY:

H.R. 4572. A bill to expedite the utilization of television transmission facilities in our public schools and colleges, and in adult training programs; to the Committee on Interstate and Foreign Commerce.

H.R. 4573. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. BROYHILL:

H.R. 4574. A bill to amend the Civil Service Retirement Act as amended, to provide that annuities shall be adjusted simultaneously with general adjustments in Federal employees' salaries; to the Committee on Post Office and Civil Service.

By Mr. CHENOWETH:

H.R. 4575. A bill to provide for a program of weather modification to be carried out by the Secretary of the Interior, acting in cooperation with the National Science Foundation, to increase substantially the annual average of usable supply of water available in the Colorado River drainage basin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COHELAN:

H.R. 4576. A bill to transfer to the free list of the Tariff Act of 1930 book bindings or covers imported by certain institutions; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H.R. 4577. A bill to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. DERWINSKI:

H.R. 4578. A bill to amend the Internal Revenue Code of 1954 to provide that certain tuition payments be treated as charitable contributions; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 4579. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. DEVINE:

H.R. 4580. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence so as to safeguard individual rights without hampering effective and intelligent law enforcement; to the Committee on the Judiciary.

By Mr. DORN of South Carolina:

H.R. 4581. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. DORN of South Carolina (by request):

H.R. 4582. A bill to amend sections 1701 and 1712 of title 38, United States Code, to provide educational assistance thereunder to the children of veterans who are permanently or totally disabled from wartime service-connected disability, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FEIGHAN:

H.R. 4583. A bill for the relief of the county of Cuyahoga, Ohio; to the Committee on the Judiciary.

By Mr. FISHER:

H.R. 4584. A bill to amend the Internal Revenue Code of 1954 so as to provide for scheduled personal and corporate income tax reductions, and for other purposes; to the Committee on Ways and Means.

By Mr. FOLEY (by request):

H.R. 4585. A bill to amend the Code of Law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes; to the Committee on the District of Columbia.

By Mr. FORAND:

H.R. 4586. A bill to amend section 4021 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. IKARD:

H.R. 4587. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

By Mr. WRIGHT:

H.R. 4588. A bill to amend section 21 of the Second Liberty Bond Act to provide for the retirement of the public debt; to the Committee on Ways and Means.

By Mr. KARSTEN:

H.R. 4589. A bill to permit withholding on the compensation of Federal employees for purposes of income taxes imposed by certain cities; to the Committee on Ways and Means.

By Mr. McINTIRE:

H.R. 4590. A bill to amend section 24 of the Federal Reserve Act to provide that the existing restrictions on the amount and maturity of real estate loans made by national banks shall not apply to certain loans which are guaranteed or insured by a State or a State authority; to the Committee on Banking and Currency.

By Mr. MILLS:

H.R. 4591. A bill to amend Public Law No. 398, 76th Congress, to establish criteria for utilization by the Secretary of the Interior in determining the feasibility of constructing or modifying any reclamation project, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4592. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

H.R. 4593. A bill to promote and to establish policy and procedure for the development of water resources of lakes, rivers, and streams; to the Committee on Public Works.

By Mr. MORGAN:

H.R. 4594. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURRAY:

H.R. 4595. A bill to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REES of Kansas:

H.R. 4596. A bill to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MURRAY:

H.R. 4597. A bill to provide for the training of postmasters under the Government Employees Training Act; to the Committee on Post Office and Civil Service.

By Mr. REES of Kansas:

H.R. 4598. A bill to provide for the training of postmasters under the Government Employees Training Act; to the Committee on Post Office and Civil Service.

By Mr. MURRAY:

H.R. 4599. A bill to provide certain administrative authorities for the National Agency, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REES of Kansas:

H.R. 4600. A bill to provide certain administrative authorities for the National Agency, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MURRAY:

H.R. 4601. A bill to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REES of Kansas:

H.R. 4602. A bill to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. O'BRIEN of New York (by request):

H.R. 4603. A bill to amend the Organic Act of Guam for the purpose of permitting the government of Guam, with the consent of the legislature thereof, to be sued; to the Committee on Interior and Insular Affairs.

By Mrs. PFOST:

H.R. 4604. A bill to provide that withdrawals or reservations of public lands shall not affect certain water rights; to the Committee on Interior and Insular Affairs.

By Mr. PUCINSKI:

H.R. 4605. A bill to provide for the recognition of the Polish Legion of American Vet-

erans by the Secretary of Defense and the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. REES of Kansas:

H.R. 4606. A bill to provide for the construction of the Cheney division, Wichita Federal reclamation project, Kansas, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SAYLOR:

H.R. 4607. A bill to provide that withdrawals or reservations of public lands shall not affect certain water rights; to the Committee on Interior and Insular Affairs.

By Mr. TEAGUE of California:

H.R. 4608. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. UDALL:

H.R. 4609. A bill to provide for the representation of indigent defendants in criminal cases in the district courts of the United States; to the Committee on the Judiciary.

H.R. 4610. A bill to provide for the reporting and disclosure of certain financial transactions and administrative practices of labor organizations and employers, to prevent abuses in the administration of trusteeships by labor organizations, to provide standards with respect to the election of officers of labor organizations, and for other purposes; to the Committee on Education and Labor.

By Mrs. WEIS:

H.R. 4611. A bill to provide that for the purpose of disapproval by the President each provision of an appropriation bill shall be considered as a separate bill; to the Committee on the Judiciary.

By Mr. BERRY:

H.R. 4612. A bill to provide that certain lands shall be held in trust for the Oglala Sioux Tribe, in South Dakota; to the Committee on Interior and Insular Affairs.

H.R. 4613. A bill to provide for the conveyance of certain lands of the United States to the Oglala Sioux Indian Tribe; to the Committee on Interior and Insular Affairs.

By Mr. BOSCH:

H.R. 4614. A bill to amend title II of the Social Security Act to increase minimum benefits, to provide full retirement benefits for both men and women at age 60, and to remove the limitation on the outside income which an individual may earn while receiving such benefits; to the Committee on Ways and Means.

By Mr. DEROUNIAN:

H.R. 4615. A bill to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished to them by the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. GREEN of Pennsylvania:

H.R. 4616. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. HALPERN:

H.R. 4617. A bill to amend title II of the National Housing Act to authorize the inclusion of such commercial and community facilities as the Commissioner deems adequate to serve the occupants as part of the mortgage security for a cooperative project; to the Committee on Banking and Currency.

H.R. 4618. A bill to amend title II of the National Housing Act to increase the amortization period for mortgages on cooperative housing; to the Committee on Banking and Currency.

H.R. 4619. A bill to amend title II of the National Housing Act to authorize existing management-type cooperatives to obtain additional commercial and community facilities; to the Committee on Banking and Currency.

H.R. 4620. A bill to amend title II of the National Housing Act to increase the maximum mortgage limit for one- and two-family homes; to the Committee on Banking and Currency.

H.R. 4621. A bill to amend title II of the National Housing Act to authorize a decrease in the premium charged for the insurance of mortgages under said title; to the Committee on Banking and Currency.

H.R. 4622. A bill to amend title II of the National Housing Act to authorize an increase in the principal obligation amount of cooperative housing mortgages insured under the act; to the Committee on Banking and Currency.

H.R. 4623. A bill to amend title II of the National Housing Act to authorize the creation of mutual mortgage funds for the FHA premiums paid by cooperative corporations established under the act; to the Committee on Banking and Currency.

H.R. 4624. A bill to amend title III of the National Housing Act to increase the amount of mortgages purchased under special assistance functions by the Federal National Mortgage Association; to the Committee on Banking and Currency.

By Mr. KARTH:

H.R. 4625. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

H.R. 4626. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. KNOX:

H.R. 4627. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a personal exemption for a foreign student who resides in his home while in the United States attending high school; to the Committee on Ways and Means.

By Mr. McGOVERN:

H.R. 4628. A bill to amend the Flood Control Act of 1944 to provide for improvement of conservation and development of fish and wildlife resources in the Missouri River Basin; to the Committee on Public Works.

By Mr. MACK of Illinois:

H.R. 4629. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. MULTER:

H.R. 4630. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. COFFIN:

H.R. 4631. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mrs. DWYER:

H.R. 4632. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. FOLEY (by request):

H.R. 4633. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. FRELINGHUYSEN:

H.R. 4634. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. LINDSAY:

H.R. 4635. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. McGOVERN:

H.R. 4636. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. REUSS:

H.R. 4637. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. RIVERS of Alaska:

H.R. 4638. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. ROOSEVELT:

H.R. 4639. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. SCHWENGEL:

H.R. 4640. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. SPRINGER:

H.R. 4641. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. WIDNALL:

H.R. 4642. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. ZELENKO:

H.R. 4643. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. MURRAY:

H.R. 4644. A bill to credit to postal revenues certain amounts in connection with postal activities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REES of Kansas:

H.R. 4645. A bill to credit to postal revenues certain amounts in connection with postal activities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. POFF:

H.R. 4646. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer firefighting organization, and for other purposes; to the Committee on Government Operations.

By Mr. RIVERS of South Carolina:

H.R. 4647. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H.R. 4648. A bill to provide a 30-percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to the Committee on Ways and Means.

H.R. 4649. A bill to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency; to the Committee on Education and Labor.

H.R. 4650. A bill to establish a program of scholarship aid and long-term loans to students in higher education and to provide facilities assistance to institutions of higher education; to the Committee on Education and Labor.

H.R. 4651. A bill to provide school construction assistance to the States; to establish a program of scholarship aid to students in higher education; to provide facilities assistance to institutions of higher education; to provide a 30-percent credit against the Federal individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to provide for assistance to and cooperation with States in strengthening and improving State and local programs for the diminution, control, and treatment of juvenile delinquency; to establish a Youth Conservation Corps; and for other purposes; to the Committee on Ways and Means.

H.R. 4652. A bill to provide a pension of $100 per month for veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 4653. A bill to authorize Federal payments to the States to assist in constructing schools; to the Committee on Education and Labor.

By Mr. STUBBLEFIELD:

H.R. 4654. A bill to authorize acquisition of residential property adversely affected by the Barkley Dam project, Kentucky; to the Committee on Public Works.

H.R. 4655. A bill to authorize the Secretary of the Army to relocate certain facilities adversely affected by construction of the Barkley Dam project, Kentucky; to the Committee on Public Works.

H.R. 4656. A bill to amend section 410b of the act of July 14, 1952, to permit applications for moving costs resulting from military public works projects to be filed either 1 year from the date of acquisition or 1 year following the date of vacating of the property; to the Committee on Armed Services.

By Mr. TEAGUE of Texas:

H.R. 4657. A bill to amend section 715 of title 38, United States Code, to permit veterans with service-connected disabilities less than total who have $5 per $1,000 total disability income provisions included in their national service life insurance policies to obtain the new $10 per $1,000 total disability income protection; to the Committee on Veterans' Affairs.

H.R. 4658. A bill to amend section 715 of title 38, United States Code, to permit service-connected disabled veterans of service after April 25, 1951, who obtained national service life insurance under section 620 of the National Service Life Insurance Act of 1940 to obtain the new $10 per $1,000 disability income protection; to the Committee on Veterans' Affairs.

By Mr. TUCK:

H.R. 4659. A bill to provide that the Supreme Court shall invalidate a provision of a State constitution or statute only by unanimous decision of the Justices participating; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 4660. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. WILLIAMS:

H.R. 4661. A bill to authorize the donation of surplus property to certain agencies engaged in cooperative agricultural extension work, and for other purposes; to the Committee on Government Operations.

By Mr. WOLF:

H.R. 4662. A bill to amend Reorganization Plan No. 2 of 1953; to the Committee on Government Operations.

By Mr. ZABLOCKI:

H.R. 4663. A bill declaring Good Friday in each year to be a legal public holiday; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 4664. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

By Mr. DEROUNIAN:

H.J. Res. 249. Joint resolution to provide for the establishment of an annual United States Week; to the Committee on the Judiciary.

By Mrs. WEIS:

H.J. Res. 250. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.J. Res. 251. Joint resolution proposing an amendment to the Constitution prohibiting a State from taxing certain income of a nonresident; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H. Con. Res. 84. Concurrent resolution establishing a Joint Committee on Intelligence Matters; to the Committee on Rules.

By Mr. CURTIS of Missouri:

H. Res. 174. Resolution to create a committee for small unions; to the Committee on Rules.

By Mr. DAWSON:

H. Res. 175. Resolution authorizing the printing of additional copies with minor editorial, grammatical, and typographical changes of House Report No. 2712, 85th Congress, entitled, "Government Programs in International Education"; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Texas:

H.R. 4665. A bill for the relief of Miss Marguerite Ann Nelson; to the Committee on the Judiciary.

By Mr. FALLON:

H.R. 4666. A bill for the relief of Alberto Martinez Miciano; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 4667. A bill for the relief of Daisy Cecile Lewis; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 4668. A bill for the relief of Szabolcs Thomas Orley and George Domolky; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 4669. A bill for the relief of Wanda T. Musialowska; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 4670. A bill for the relief of Karnail Singh Mahal; to the Committee on the Judiciary.

H.R. 4671. A bill for the relief of Sergio Andre Senos Argau; to the Committee on the Judiciary.

H.R. 4672. A bill for the relief of Francisco Gomez-Olvera; to the Committee on the Judiciary.

By Mr. MOULDER:

H.R. 4673. A bill for the relief of Chiyoko Nemoto; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 4674. A bill for the relief of Hung Wai Chiu; to the Committee on the Judiciary.

By Mr. SHEPPARD:

H.R. 4675. A bill for the relief of Otilio Estrada-Gonzales; to the Committee on the Judiciary.

By Mr. THOMPSON of New Jersey:

H.R. 4676. A bill for the relief of Shin Sook Kyung, (Shin) Sook Hee Griffin, Shin Sook In, and Lee Suk San; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 4677. A bill for the relief of Malamati Tsea Maleganos; to the Committee on the Judiciary.

H.R. 4678. A bill for the relief of Polixeni Boutis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

77. By the SPEAKER: Petition of the city clerk, Brockton, Mass., petitioning consideration of their resolution with reference to the Brockton City Council going on record as favoring statehood for Hawaii; to the Committee on Interior and Insular Affairs.

78. By the SPEAKER: Petition of Eugenio C. Nicolas, Manila, Philippines, relative to a redress of grievance pertaining to war damages relating to the Nicolas Estates; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

First Washington Jazz Jubilee

EXTENSION OF REMARKS

OF

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1959

Mr. BRADEMAS. Mr. Speaker, an exhibition entitled "Seven Ages of Jazz" will be opened this afternoon in the Library of Congress, where Americans may glimpse a little of their musical past during March while the Congressional Circle of Friendship House is sponsoring the first Washington Jazz Jubilee. A large group of congressional wives—many of whom live or have lived in Southeast Washington—has planned this jazz jubilee for the benefit of Friendship House, a settlement that has served the Southeast community for more than half a century. Culturally, however, it will benefit all jazz admirers in the Capital, who may participate in one aspect or another of this unusual celebration.

A jubilee can be either "a season or an occasion for general joy," Webster says, and this jubilee promises to be both. Its season will be the month of March; its occasions will be various. The Washington Jazz Jubilee began March 1, with last night's lecture on jazz at the National Gallery of Art by Prof.

Marshall Stearns of Hunter College, who is executive director of the Institute of Jazz Studies. The next event will be the opening of the Library of Congress exhibit at 4 p.m. today, when the Library and the Congressional Circle will hold a preview of "Seven Ages of Jazz." On March 12, the Gres Gallery at 1729 20th Street NW., will open a special exhibit of primitive African sculpture entitled "Rhythms in Form and Music." The celebration will reach its climax on March 16 with a unique concert by outstanding jazz musicians at a fund-raising benefit for Friendship House.

Throughout March the Library of Congress exhibition may be viewed in the North Gallery on the ground floor of the Main Library Building. There you may see music manuscripts, published music, books, recordings, and photographs selected from the Library's collections to recall some of the story of jazz. The display illustrates the seeds of jazz in folk music; its early appearance and development in New Orleans, Memphis, Los Angeles, San Francisco, St. Louis, and Kansas City; its flourishing in the "big time" of Chicago and New York; and its spread to nearly every corner of the world.

Many famous performers and composers have created and developed the fabric of jazz and its countless styles. They have made it a vital stream in 20th century creative effort, and they have given stimulus to the popular song, the musical comedy, and the music of the opera house and concert hall. Many of these figures of the jazz world will be featured in the Library's exhibit. A number of their works will be performed at the Washington Jazz Jubilee on March 16.

This jazz concert, to be held in Sheraton Hall at the Sheraton-Park Hotel on Monday evening, March 16, is the first program of its kind to be presented in the Nation's Capital. Mrs. Richard Bolling, the wife of my colleague from Kansas City and a well-versed authority on jazz, is general chairman of this benefit.

Because of the excellent talent and program proposed, I understand it is attracting nationwide attention. Mrs. Bolling and her committees have planned the production in two parts. In the first half of the evening, top-ranking jazz artist will present a fast-paced and colorful history of jazz by performing its music from such early forms as old spirituals, work songs, and New Orleans funeral marches to the contemporary "cool" school of modern jazz. Musicians brought to Washington for this event will illustrate the best in jazz from Congo Square to Carnegie Hall. After an intermission, the performers will break loose in a swinging "jam session" for jazz aficionados in the audience.

Some 1,500 guests wil join in this benefit for Friendship House, which at the present time faces new challenges and even greater responsibilities because of urban redevelopment in its area. Tickets may be obtained by telephoning Friendship House. The Jubilee is fortunate in having Mrs. Eisenhower and Mrs. Nixon as its ranking patrons among many members of official Washington and of the diplomatic corps, as well as other prominent Washingtonians.

The Congressional Circle of Friendship House has had advice from members of the Newport Jazz Festival in planning its benefit program, and its producer is Willis Conover, maestro of the Voice of America's popular "Music USA," a daily 45-minute program broadcast around the world. With "The World of Jazz," another program of the Voice, it is among our most popular broadcasts overseas. I need not remind my colleagues of the universal appeal of American jazz, nor of the fact that our jazz musicians have served us as excellent emissaries abroad, even in Iron Curtain countries.

Lithuanian Independence

EXTENSION OF REMARKS

OF

HON. PHILIP A. HART

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Tuesday, February 17, 1959

Mr. HART. Mr. President, on Sunday, February 15, it was my great privilege to be the guest of the Detroit Lithuanian Organization Center in connection with the 41st anniversary of the Lithuanian independence commemoration ceremonies.

A magnificent program was presented by men and women who are faithful to their God and church, devotedly loyal to America, and strong in their contributions to the city of Detroit and the State of Michigan.

The organization adopted a resolution which reflects their firm convictions, and I ask unanimous consent that it be published in the RECORD, along with the remarks I made, so that all may know the sentiments and plea of these fine Americans of Lithuanian origin.

There being no objection, the resolution and statement were ordered to be printed in the RECORD, as follows:

PROCLAMATION

During the 41st commemoration of the reinstatement declaration of Lithuanian's independence, sponsored by the Detroit Lithuanian Organization Center, held at Western High School, 1500 Scotten Avenue, Detroit, Mich., on February 15, 1959, the following resolution was unanimously adopted:

"Whereas in June 1940, Soviet Russia did invade the sovereign independent Republic of Lithuania with armed forces to protect Lithuanian independence and, against the will of the people, annex her to the Soviet Union; and

"Whereas the armed forces of the Soviet Union are still presently residing in Lithuania in complete and total disregard of the agreements, policies, and treaties which existed between the Soviet Union and other allies of World War II; and

"Whereas Russian Communists are still currently perpetrating deportations and exterminations of whole ethnic groups, plundering people and institutions, and separating the members of family, one from another: Therefore be it

"*Resolved*—

"That, on this 41st anniversary, we express our deep gratitude to the Government of the United States for nonacknowledgement of the fabricated incorporation of the Baltic States into the Soviet Union and for allowing the many thousands of refugees to find new homes in this country.

"That, we respectively recommend that our U.S. Government abstain from entrance into any alliance, pact, or agreement which would in any way whatsoever recognize the present day Russian empire.

"That the Government of the United States be urged to use all possible means to protect enslaved peoples from genocidal destruction and preserve their hope of eventual liberation.

"Finally, that a copy of this resolution, signed by the presiding officers, be transmitted to the President of the United States, Secretary of State, U.S. Ambassador to the United Nations, Michigan State Governor, and U.S. Senators and Congressmen from the State of Michigan."

DETROIT LITHUANIAN ORGANIZATION CENTER,
ALFONSAS NAKAS, *President*.
JONAS GAIZUTIS, *Secretary*.

EXCERPTS OF REMARKS BY SENATOR PHILIP A. HART, DEMOCRAT, OF MICHIGAN, TO THE DETROIT LITHUANIAN ORGANIZATION, DETROIT, MICH., HONORING LITHUANIAN INDEPENDENCE DAY

Tomorrow, February 16, marks the 41st anniversary of the restoration of the independence of Lithuania. From 1918 to 1940 Lithuania stood among the family of free nations and made her contribution to the society of free peoples.

Thereafter, Lithuania was absorbed behind the Iron Curtain. There is no commerce, either commercial or cultural, between our shores and theirs. Not even newsmen are allowed to visit the occupied country.

And yet we have ways of knowing that the spirit of independence there has not been crushed. We have every reason to hope that one day it will again be a free and independent nation. Meanwhile it is noteworthy that our own country has never recognized the annexation of Lithuania by the Soviet Union, and that our broadcasts in the Lithuanian language are providing a tangible evidence of our interest as well as a source of knowledge of the free world.

We are also fortunate that our own civilization is enriched by a million Lithuanian Americans who are making their special contribution to the growth of our Nation. In our own State of Michigan, they are counted among our most civic-minded, upstanding citizens.

It is my hope and belief that you can be counted upon to insist that our foreign policy be based on a realization that as the strongest free nation of the world we must cooperate with the peoples of the world who are aspiring to gain or regain the right to determine their fate and the opportunity to improve their standard of living. This may mean some sacrifice on our part; and there are some 4½ million in this country, unemployed, who are in no position to be sharing at this time. But I am confident that we have the resources and the ability, given the proper leadership, to solve these perplexing problems here at home and still be able to lend a helping hand to those in other lands temporarily less fortunate than ourselves.

With the best effort of us all, I'm sure we can do it.

Diversion of Water From the Great Lakes Into the Illinois River

EXTENSION OF REMARKS

OF

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1959

Mr. BROOMFIELD. Mr. Speaker, under consideration at the moment in the House Committee on Public Works, of which I am a member, is a perennial subject. That is the question of whether additional water should be drained from the Great Lakes into the Illinois Waterway. I would like to include my remarks before the committee on this subject in the RECORD:

Mr. Chairman, we who are members of the House Committee on Public Works have a relatively simple problem before us in the matter of an additional 1,000 cubic feet per second diversion of water from the Great Lakes into the Illinois River.

The question is whether we are going to keep our bucket filled after we have punched a hole in the bottom.

All of us agree that a full bucket—in this case the Great Lakes—is a desirable state of affairs, not only for our vast Midwest region surrounding the Great Lakes, but for our neighbor, Canada, as well.

From this year on, we are going to need an especially full bucket. We on this committee are well aware that the St. Lawrence Seaway, our dream in the Midwest for more than a half century, will become a full-fledged working reality later this year.

Now we are going to try to pull the plug.

We in the Great Lakes region have been bothered by inadequate channel depths for a number of years, and we will continue to be bothered in the future when the larger oceangoing ships start plying our waterways in ever-increasing numbers. The proposal before us today is to make these channels even shallower and narrower by the diversion of additional water from the Great Lakes.

We are asked to approve a 1-year test of this extra diversion which will bring the total to an average of some 2,500 feet per second, and much more when peak volumes are drained off Lake Michigan. We can only conclude that most of the water will be diverted during the height of the already short Great Lakes shipping season.

May I point out to my colleagues that there is no reason for a 1-year test of this added diversion plan under existing circumstances. Such tests can only bring harm to the Great Lakes States and Canada.

First of all, we have in the U.S. Corps of Engineers reports from last year stating that the full effects of such diversion would not be felt for a 3-year period at the very earliest. So, next year we will be faced with the prospect of these same people coming in here and asking for a continuation of the extra divergence so they can give this plan a fair test.

But this same engineer's report points out another fact which seems to have been grossly overlooked by some of the members of this committee. That is that it will take some 15 years for the Great Lakes to build up enough water to completely dissipate all effects of the temporary diversion. We are asked, therefore, to give this plan a 1-year trial. Then we will be asked to give another 2-year trial period. But if the calculations of the engineers are not correct and more damage is done to our lake shores, our channels, and our harbor depths, then it is going to take us 15 years to correct the mistake. In my opinion, that is too great a chance for our Nation to take in a matter which has such grave consequences to the economy of such a vast portion of our country.

Now, it has also been indicated in the newspapers that some of our committee members have said that Canada has no objections to this diversion. After checking, I find that such is not the case. Members of the Canadian Parliament not only continue to object to this extra diversion, but Canadian opposition has, in fact, stiffened on this plan during the past few months. As yet, the Canadian Government has not taken a formal stand on this matter. However, a statement of Canadian policy is expected within the next 30 days.

Canada has as much at stake in this matter as we have. The water we drain off the Great Lakes belongs as much to our great ally as it does to us. We should have absolute assurance that Canada has no objections and no reservations to this extra diversion before we take any action whatsoever.

Finally, we have been told that this hearing will be on the basis of facts alone. One of the facts in this matter, gentlemen, is that those States which are opposed to this extra diversion were not given enough time to prepare their cases before this committee hearing.

Because of the lack of time afforded by the committee to the gathering of new facts and the short notice given on the start of these hearings, I would recommend to my colleagues that we continue to take testimony from the gentlemen present and then give them an opportunity to be heard before this committee at a later date during this session of Congress.

Thank you.

Workmen's Benefit Fund Celebrates Its 75th Anniversary Year

EXTENSION OF REMARKS

OF

HON. LUDWIG TELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 17, 1959

Mr. TELLER. Mr. Speaker, on October 19, 1884, a small group of German-American immigrants founded the Workmen's Benefit Fund of the United States of America, to provide mutual help in times of economic crises. Since that time, this fine fraternal order has grown to a membership of 58,000 in 26 States.

This year, the Workmen's Benefit Fund celebrates its 75th anniversary with a series of outstanding events, including its 75th anniversary national convention which will be held in Atlantic City, N.J., from June 15, 1959, to June 21, 1959, and a diamond jubilee celebration which will be held in New York City on Sunday, October 18, 1959. I am very pleased that this event will be held at a site in my district and take this opportunity to welcome the officers and the members of the Workmen's Benefit Fund and to wish them success on the occasion of their 75th anniversary year.

The Foreign Affairs Committee Should Review Local Currency Situation

EXTENSION OF REMARKS

OF

HON. EDNA F. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 17, 1959

Mrs. KELLY. Mr. Speaker, there has been considerable discussion during the past few months concerning the possible uses for and the extent of the local currencies held by the United States and of counterpart funds. Counterpart funds are those derived from the mutual security program through the sale of commodities in the foreign country. They do not belong to the United States but are under the joint control of the United States and the local government.

These counterpart funds are, in effect, matching funds provided by the foreign country to those provided by the United States. Up to 10 percent of counterpart funds are set aside for the uses of the U.S. Government such as local currency administrative costs.

Local currencies belonging to the United States are solely owned by the United States. The United States owned local currencies are derived from a variety of sources, United States income tax collections, sales of surplus property, repayment of loans, the 10 percent counterpart described above, and so forth. The greatest portion of these United States owned funds, however, is derived from the sale of surplus agricultural commodities under Public Law 480 and under the Mutual Security Act.

There follows a summary of local currencies owned by the United States and of counterpart under the mutual security program. The figures shown reflect sums on hand as of June 30, 1958.

Mr. Speaker, I should emphasize that many of these funds and much of this counterpart are already committed for new embassies and consulates, for support of armed forces, for development projects, and so forth. Furthermore, most of the Public Law 480 funds can be spent only pursuant to the agreements with the purchasing country which, in many instances, restricts the use of such funds.

Mr. Speaker, the Bureau of the Budget administers some of these local currencies. The International Cooperation Administration administers others, the Department of Defense still others, and so on. In view of the lack of central control in the executive branch, it would appear that some mechanism should be devised to provide such control both in the executive branch and in the Congress. I think that it would be most appropriate if the Foreign Affairs Committee would undertake a thorough review and study of the entire local currency situation. I think that the Foreign Affairs Committee is best equipped for this task.

I submit, Mr. Speaker, the summary to which I previously referred, of the foreign currencies owned by the United States or jointly controlled by the United States and other countries as of June 30, 1958.

Status of foreign currencies owned by United States or jointly controlled by United States and other countries, as of June 30, 1958

[Dollar equivalent calculated with the June 30, 1958, Treasury market rate]

[In thousands of U.S. dollars and thousands of foreign currency units]

Country	Unit of currency	Exchange rate, foreign currency to $1	Currencies owned by the United States							Currencies owned by other countries—But requiring U.S. agreement as to use					Grand total	
			Dollar equivalent acquired under—					Total					Total			
			Mutual security program surplus agriculture sales	Title I, Public Law 480, surplus agriculture commodities sales	U.S. portion counterpart funds	Lend-lease and surplus property	Miscellaneous	Units of foreign currency	U.S. dollar equivalent	Mutual Security Act	Title II, Public Law 480	Miscellaneous	Units of foreign currency	U.S. dollar equivalent	Units of foreign currency	U.S. dollar equivalent
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Afghanistan	Afghani	57.00	432				551	56,010	983						56,010	983
Argentina	Peso	42.20		8,872			1	374,429	8,873						374,429	8,873
Australia	Pound	.44167						55	125						55	125
Austria	Schilling	25.91				125		663,497	25,608						1,759,870	67,922
Belgian Congo	Franc	49.55	5,333	20,254			21	72	1	42,056	129	130	1,096,373	42,315	72	1
Belgium	do	49.82					1	58,262	1,169						78,567	1,577
Bolivia	Boliviano	8,850.00	809	73	193		5	1,673,258	189	408					41,599,961	4,701
Brazil	Cruzeiro	132.00	145				44	1,916,494	14,519	4,222	77	213	20,305	408	1,916,494	14,519
Burma	Kyat	4.7125		14,495	20		4	96,893	20,560				39,926,703	4,512	98,240	20,847
Cambodia	Riel	34.772		20,375	38		149	31,423	903	286					195,282	5,616
Ceylon	Rupee	4.7375	273		54		577	2,270	479	4,712			1,347	286	2,270	479
Chile	Peso	1,080.00	472				7	10,792,703	9,993				163,859	4,712	10,792,703	9,993
China	New Taiwan dollar	36.08		9,908			85	577,722	16,012	10,350					951,161	26,362
Colombia	Peso	7.81	12,395	3,450	81		86	30,577	3,915				373,439	10,350	30,577	3,915
Costa Rica	Colón	6.63		3,911	4			367	55						367	55
Cuba	Peso	1.00					55	2	2						2	2
Cyprus	Pound	.35524					2	(1)	1						(1)	1
Denmark	Krone	6.90125					1	4,492	651						23,708	3,435
Dominican Republic	RD peso	1.00	599		44		8	12	12			2,784	19,216	2,784	12	12
Ecuador	Sucre	16.55			12			29,309	1,771						29,309	1,771
Egypt	Pound	.436141		1,771	(1)		(1)	6,191	14,195						6,191	14,195
Ethiopia	Ethiopian dollar	2.48	1,979	12,212			5	7	3						7	3
Finland	Markka	319.00					3	1,095,125	3,433			7	2,091	7	1,097,216	3,440
France	Franc	420.00	94	3,335			4	2,408,012	5,733	137			57,646	137	2,465,658	5,871
French West Africa	CFA franc	209.70	1,160	3,770	545		258	315	2						315	2
Germany	Deutsche mark West.	4.20	31,295	763	3,322	6,650	2	306,577	72,995	19,768			83,026	19,768	389,603	92,763
Do	Deutsche mark East.	16.51					30,964	32	2						32	2
Ghana	BWA pound	.35241					2	1	3						1	3
Greece	Drachma	30.00						758,196	25,273	123,100			3,692,985	123,100	4,451,181	148,373
Guatemala	Quetzal	1.00	10,672	14,457	19		3	2,917	2,917		159		159	159	3,076	3,076
Haiti	Gourde	5.00	2,907	10			125			808			4,042	808	4,042	808
Honduras	Lempira	2.00						36	18						36	18
Hong Kong	HK dollar	5.78			18			121	21						121	21
Hungary	Forint	48.00					21	145	3						145	3
Iceland	Króna	25.2495				3		18,421	730	7,961			201,018	7,961	219,439	8,691
India	Rupee	4.75					4	1,684,689	354,671						1,684,689	354,671
Indonesia	Rupiah	30.28	44,527	307,541			2,603	1,011,855	33,417	8,864			268,389	8,864	1,280,244	42,280
Iran	Rial	76.00		33,018			399	387,288	5,096	6,011			456,853	6,011	844,141	11,107
Iraq	Dinar	.35635		5,078			17	45	126						45	126
Ireland	Pound	.35682			34		91	(1)	1	8,508			3,036	8,508	3,036	8,508
Israel	do	1.80					1	72,680	40,378	5,843			10,518	5,843	83,198	46,221
Italy	Lira	625.00	638	33,834			5,906	52,180,337	83,489	76,821		34	48,034,140	76,855	100,214,477	160,343
Japan	Yen	360.00	22,868	59,660	849		111	8,459,712	23,499						8,459,712	23,499
Jordan	Dinar	.35611	2,555	19,771	1,168		5	1	3	3			1	3	2	6
Kenya	EA shilling	7.09471					3	16	2						16	2
Korea	Hwan	500.00					2	29,664,201	59,328	226,750			113,375,007	226,750	143,039,208	286,078
Laos	Kip	35.00	36,591	20,392	1,035		1,310	8,965	256	3,260			114,110	3,260	123,075	3,516
Lebanon	Pound	3.18	166		1		90	21	7	2,516			8,000	2,516	8,021	2,522
Libya	do	.3544					7	(1)	1						(1)	1
Mexico	Peso	12.49					1	174,132	13,942						174,132	13,942
Morocco	Franc	456.00		13,942				1,890,788	4,146						1,890,788	4,146
Netherlands	Guilder	3.779375	4,145	2,429	308	2	106	10,782	2,853						10,782	2,853
New Zealand	Pound	.35695				28		1	3						1	3
Nicaragua	Córdoba	7.40					2	209	28						209	28
							8									
							3									

Nigeria	WA pound	.352224																							3
Norway	Krone	7.12		1			1		1	3															353
Pakistan	Rupee	4.7525	2,724	122,433	4,733		241	2,465	626,370	255	22,846	65	2,024		118,009	24,935		2,512							157,291
Paraguay	Guarani	111.10		136					15,162	136								15,162							136
Peru	Sol	23.70		3,270	(1)	23			78,045	3,293		176			4,176	176		82,221							3,469
Philippines	Peso	2.0075	7,350	7,121	47	2,695			34,554	17,212	4,527				9,087	4,527		43,641							21,739
Poland	Zloty	55.00		31,817					1,749,911	31,817								1,749,911							31,817
Portugal	Escudo	28.60		2,116	66			6	62,574	2,188	725				20,744	725		83,318							2,913
Singapore	M. dollar	3.041825						2	5	2															2
Spain	Peseta	54.25	12,203	106,782	5,555			478	6,782,201	125,018	21,825				1,184,002	21,825		7,966,203							146,842
Sudan	Pound	.34626						3	1	3								1							3
Sweden	Krona	5.17						11	69	11								59							11
Switzerland	Franc	4.284375		201				12	913	213								913							213
Syria	Pound	3.59						2	6	2								6							2
Thailand	Baht	20.72		2,707	123			326	65,400	3,156	413,878				287,543	13,878		352,943							17,694
Tunisia	Franc	419.00	2,255					26	956,098	2,282	1,882				788,467	1,882		1,744,565							4,164
Turkey	Lira	5.75		62,495	561			1,367	370,431	64,423	5,587				82,124	5,587		402,555							70,010
United Kingdom	Pound	.356665	38,493	26,605	1,564			502	23,956	67,167	807				288	807		24,244							67,974
Vietnam	Piaster	69.80	2,513					429	205,433	2,943	24,921				1,739,516	24,921		1,944,949							27,865
Yugoslavia	Dinar	600.00	31,906	167,269	9,936			805	125,948,852	209,915	13,685		11,523		15,124,280	25,208		141,073,132							235,122
Total			280,019	1,144,878	30,053	7,125		52,714		1,514,789	663,165	12,129	5,192			680,486									2,195,273

¹ Indicates amounts less than 500.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 18, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Romans 15: 1: *We then that are strong ought to bear the infirmities of the weak, and not to please ourselves.*

Almighty God, may we be truly grateful for the hours of this new day affording us the opportunity and privilege of having some part in solving the world's many difficult problems.

We pray that Thou wilt inspire our finite and faltering minds and hearts with Thy divine spirit which alone can deliver us from all doubts and fears.

Show us how in this Brotherhood Week we may strengthen the bonds of understanding and good will between the nations of the earth and all the members of the human family.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

APPOINTMENT OF MEMBER TO THE JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of Public Law 304, 79th Congress, as amended, the Chair appoints as a member of the Joint Economic Committee the following member on the part of the House: Mr. COFFIN, of Maine.

A JOINT RESOLUTION TO AMEND THE CONSTITUTION OF THE UNITED STATES TO LIMIT THE TENURE OF SENATORS AND REPRESENTATIVES IN CONGRESS

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri.

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a joint resolution proposing an amendment to the Constitution of the United States to limit the tenure of Senators and Representatives in Congress. This resolution provides that no person who holds the office of Representative in Congress for the whole or major portion of each six consecutive full 2-year terms occurring after the ratification of this article shall again be eligible to hold the office of Representative in Congress until 2 years shall have elapsed from the date of the expiration of the sixth of such consecutive terms.

A similar provision is contained in the resolution for an equal period of limitation for the office of Senator. This constitutional amendment would temper the seniority rule considerably. It should be noted here that after the sabbatical leave as it were at the end of the 12-year period the Senator or the Congressman could embark upon another set of terms equal to 12 years if the people wanted him.

The seniority rule is deeply entrenched in the Congress. It has prevailed for more than a century in the Senate and for nearly half that time in the House of Representatives. The framers of the most recent reform of Congress, the Legislative Reorganization Act of 1946, avoided it like the political plague. Serious consideration of this resolution coupled with affirmative action by the Congress will result in the positioning of members on committees in a more rational and more soundly based method of selection.

HOME RULE LEGISLATION

Mr. BASS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. BASS of New Hampshire. Mr. Speaker, I am pleased to join with my colleagues of both parties in introducing legislation to grant home rule to the District of Columbia. The bill I am introducing has the endorsement of the President who recently declared that it would be unconscionable to delay any longer in granting statehood to Hawaii and home rule to Washington.

I share fully the President's view. This House will, in the next few weeks, approve statehood for Hawaii. I do not see how we can then deny the more modest right of local self-government to the people of the District.

This legislation is a carefully drafted measure which will provide a practical and workable government for the District of Columbia and, at the same time, fully protect the national interest in Washington as the Nation's Capital. It vests legislative authority over local affairs in an elected assembly and permits the assembly to provide for either an elected or appointed school board as the people of the District may choose. It grants the District a nonvoting Delegate in Congress, as Alaska in the past and Hawaii presently have had.

The detailed organization of the District Government and a plan for orderly transition from the present government are carefully spelled out in the bill.

At the same time, Federal supervision and ultimate Federal authority are amply protected. The Governor is appointed by the President, with Senate confirmation. The President is given a veto over acts of the District Government which involve a Federal interest. And of course, final authority remains, as it must under the Constitution, with the Congress.

I do not believe that anyone will deny, in principle, the justice of permitting the more than 800,000 people who live in Washington to govern their local affairs as American citizens. I do not see, therefore, what valid grounds for opposition there are to such a reasonable and practical application of the principle as is embodied in the present bill. Since self-government for the District was first established by the generation which, very largely, created our Constitution, and since the Supreme Court has reaffirmed its validity only 6 years ago, there is no serious doubt of its constitutionality.

And, obviously, in establishing local government, Congress is not relinquishing its right or abdicating its responsibility. This is a legislative enactment that can be modified, improved, or even revoked as experience dictates. I am hopeful that we can consider this bill in a reasonable and conciliatory spirit; that we can forget old arguments and lay aside old prejudices. If we can do so, I am confident that the House will be given the opportunity to consider this legislation and that it will by a large margin demonstrate its faith in the principle of government by the people.

TAX EXEMPTION FOR U.S. CITIZENS WHO PROVIDE MAJOR SUPPORT FOR FOREIGN EXCHANGE STUDENTS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, together with other Members of the House I have introduced a bill which I trust will have the support of all Members.

Several American organizations such as the American Field Service, the Grange, International Christian Youth Exchange, National Catholic Welfare Conference, American Friends, and Michigan Council of Churches have programs under which foreign high school students attend schools in the United States for a year. While in this country these students are provided with room and board by individual American families. These families are of moderate means and are not reimbursed for the expenses which they thus incur.

These programs have proved very successful and are the means for promoting good international relationships and understanding. They should be encouraged for they are rendering a real service.

My bill would encourage American citizens to continue these programs by giving them an additional $600 tax exemption for each foreign student supported while in this country. On the basis of past records the tax loss to the Government would be less than $200,000 annually. More good will between our Nation and others would be accomplished than by millions of dollars spent under our foreign aid program.

During the current school year which started last September, 1,523 foreign high school students attended U.S. schools under these programs. It is anticipated that 1,869 will attend during the school year starting next fall.

Total exemptions for the latter number would amount to $1,121,400. Income tax at the rate of 20 percent on that sum would be $182,760, which would be the tax loss to the Government. The Government could not buy good will for less.

COMMITTEE ON SCIENCE AND ASTRONAUTICS

Mr. BROOKS of Louisiana. Mr. Speaker, I ask unanimous consent that the Committee on Science and Astronautics have permission to sit this afternoon and during the rest of the week during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

LIFE INSURANCE COMPANY INCOME TAX ACT OF 1959

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 171 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4245) relating to the taxation of the income of life insurance companies, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, but said amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 171 makes in order the consideration of H.R. 4245, known as the Life Insurance Company Income Tax Act of 1959. The resolution provides for a closed rule, waiving points of order against the bill, and three hours of general debate on the bill.

H.R. 4245 provides a permanent method of taxing life insurance companies for the calendar year 1958 and subsequent years. The 1942 formula for taxing life insurance companies is now in effect and will remain in effect unless new legislation is adopted.

This bill is expected to result in approximately $545 million in Federal income taxes being paid by life insurance companies with respect to the calendar year 1958. This can be compared with the $500 million which would be paid if the 1942 formula is continued, or $319 million if the 1959 stopgap formula were made applicable. For 1959 it is expected that under this new bill life insurance companies will pay about $585 million in Federal income taxes.

It has been shown that in many instances life insurance companies were paying taxes on only a small part of their income, while on the other hand small companies have had to pay the tax on their investment income although their total operations showed a loss. This bill seeks to correct these inequities.

The year-by-year extension of stopgap treatment has created uncertainty as to the tax treatment of life insurance companies, and these companies frequently have not known until after the end of the year in question what their Federal tax burdens would be for that year. This uncertainty can be removed only by finding a permanent means of taxing life insurance companies.

It would appear as though there is a definite need to enact corrective legislation in this field, and I urge the adoption of House Resolution 171.

Mr. ALLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

UNEMPLOYMENT

Mr. HOFFMAN of Michigan. Mr. Speaker, one of the questions that has been bothering all of us—and some reference was made to it yesterday—is the unemployment situation with somewhere between 4 million and 4.5 million people that really want to work but cannot find a job even though willing to pay a union for the right or privilege of earning a living—a situation which demonstrates the truth of the contention that it is industry—employers—not unions which provide jobs. Then along comes the question as to whether the taxpayers can finance public works, useful works—not leaf raking like we had one time—to create and maintain work opportunities—something really useful and beneficial to the country as a whole. We must answer this question sometime, but before we get to it, it might be well to take a look at the real situation—some of the reasons causing unemployment.

Reference was made yesterday to this statement—and it was in the papers again this morning—about Reuther suggesting a march on Washington to make the Congress and the administration conscious of the fact that there is unemployment. We all know about the unemployment. Our home folks write us about that. We have different ideas as to its cause. Here is one from a union official. This comes from the Detroit Free Press. It is captioned—although it has to do with unemployment—"Why Are We on Strike?" It states:

> Just how much longer do the union brass think they are going to intimidate their members and deprive them of the means of making a living? We are told strikes are weapons against management for better bargaining power, but it has been used so often that it is beginning to backfire on us and defeat its purpose.
>
> We are wondering if our officials aren't getting so power-happy that they have forgotten completely their duties and obligations to their members as leaders and representatives. We do not wish to find ourselves in similar positions as the people of Nash Kelvinator, Hudson, Packard, Kaiser-Frazer, to cite a few; we don't want our officials gambling on our future.
>
> The purpose of the union was to improve working conditions in all phases for the members, but demands must be realistic.

That is something to think over, is it not, because the employer, before he can pay a higher wage—at least, that has always been my understanding, and I should be glad to have the advice of my very learned and well-informed friend from Iowa as to whether I am mistaken about that; but I always supposed that in order to pay the wage, the employer must sell something at a profit. That is, if he is in the market. Does the gentleman agree with that?

Mr. GROSS. Yes.

Mr. HOFFMAN of Michigan. So do I and so does this union official. He says further:

> What is to be gained if our demands are such that we either have to go on strike for months, or the companies feel compelled to shut their plants and move from the area.

That is, from Detroit, where Williams and Reuther have fixed the situation so that nobody, or at least very few, who want to make a profit, can do so. Chrysler only lost $33 million last year. I do not know how much of a surplus they have, but they are getting down to bedrock. And when its surplus has been paid out, it just cannot continue to operate. Continuing with this statement:

> We at Excello, Local 49, Club 500, believe in unions and we are going to have a union, but the kind in which our leaders are willing to work for the members and not dictate to them.

Now, get this on unemployment:

> We are now entering the 17th week of strike—thanks to our present union officials and so-called leaders—and for what? For a contract that could be had without this long and costly strike.
>
> As for Walter Reuther in his proposal for a national march of the unemployed on Washington, wouldn't it be wiser for him to start marching down to local 49 first and see why we aren't working when we have work waiting for us.

The real union boys do not want unemployment compensation. They want jobs. Nor do they want their money spent for political campaigns. And surely their wives do not want them sitting around their kitchens griping. They want them out on their jobs and bringing home that paycheck. Does not my friend think that is so? I ask my friend from Iowa, is that not the way it is? I think so.

The union official writes:

> The above statements may get me to lose the present office that I'm holding but that too is expected from the present officials.

And he signs his name George Vartanian, "Executive Board, Local 49, UAW."

It is all very well for our Democrat friends to think that the taxpayers' pocketbook is unlimited. And the union politician may have the same thought. But the number of people who have jobs who can pay taxes and unemployment

compensation is becoming more limited every month, and their ability to do that will soon end.

Some of the unemployment would end if Hoffa would quit racketeering; Reuther forget his socialism, his desire to be a dictator, quit helping the Reds, his defiance of the law, his taking of a part of the workers' paycheck to make himself big.

The SPEAKER. The time of the gentleman from Michigan [Mr. HOFFMAN] has expired.

Mr. REED. Mr. Speaker, I sincerely regret that circumstances did not permit my more active participation in the development of the legislation that is before the House today—the Life Insurance Company Income Tax Act of 1959. By direction of the Committee on Ways and Means I join with the distinguished chairman, the gentleman from Arkansas [Mr. MILLS], in cosponsoring this legislation.

The formula proposed in this legislation represents a marked departure from previously existing concepts of taxing life insurance companies. Under this proposed formula not only is a tax imposed on the free investment income of a life insurance company but also a tax is imposed upon the underwriting gains and capital gains realized by a life insurance company.

It is my belief that this approach to the problem of including the various types of income in the tax base is a sound one. I do not, however, necessarily concur in the revenue implications that result under the bill. I am impressed with the facts as set forth in the supplemental views signed by the 10 Republican members of the committee that we may be imposing too substantial a tax increase too abruptly on these important savings institutions. Regrettably, the apparent alternative to the favorable consideration of the bill before us today is for the 1942 formula to become applicable to 1958 income. It is recognized by virtually everyone that such a result would produce inequitable consequences.

Accordingly, Mr. Speaker, it will be my purpose to support the favorable consideration of the bill H. R. 4245. I do so, confident that this legislation will receive able consideration in the other body and that as the bill is finally sent to the Executive that it will be further improved.

I would make it clear that nothing in my remarks today are to be construed as criticism of the work of my committee colleagues who have labored so diligently and ably on this most difficult of all tax problems. To my committee chairman and to each of my committee colleagues I extend my most heartfelt congratulations to them for their accomplishment and express the hope that my circumstances will enable me to rejoin them soon so that I may assist in dealing with the difficult problems that may confront them in the weeks ahead.

Mr. ALLEN. Mr. Speaker, I know of no opposition to the rule presently before us, and I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4245) relating to the taxation of the income of life insurance companies.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4245, with Mr. UDALL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 35 minutes.

Mr. Chairman, the bill which the Committee on Ways and Means has brought to the House, H.R. 4245, deals with one of the oldest problems in the income tax field. The ranking minority member of the committee, the gentleman from New York [Mr. REED], introduced an identical bill, H.R. 4246. How to tax life insurance companies was even a problem in the first Income Tax Act in 1862.

There are three basic and fundamental reasons for the difficulty in taxing life insurance companies.

The first reason is that the companies write contracts which commit them to make payments as far into the future as 100 years. There is generally no later opportunity for adjusting the price on this type of contract come war or come inflation. The current income earned on contracts of this sort must of course be measured after deducting the amount which the company thinks must be set aside as a reserve to meet its commitments which it has already made, even though these commitments may extend, as I say, far into the future.

A second special aspect of life insurance is that so far as its long-run operations are concerned, a life insurance company is similar to a bank. The money that is invested by the company is largely the premium advanced by the policyholder. This accumulation of premiums, or insurance reserves, as it is called, is generally available to the policyholder if he should surrender his contract, but in practice it is left with the company to cover the increasing mortality cost as the policyholder advances in age. There are interest earnings from the investment of these funds which are credited to the policyholder's account as part of the steady growth of his reserve. The beneficiary of this part of the investment income is the policyholder or his heirs, and it should not be taxed as income to the company. The problem is that this banking operation is so intertwined with the pure insurance operation that it is difficult to determine what investment income does go to the policyholders and what part goes to the company and in the case of a stock company, to the shareholder.

The third reason why the taxation of life insurance companies has been difficult over the years is that in this one industry—I think certainly more so than any other industry—the overwhelming bulk of the business is done by cooperative organizations. The large mutual insurance companies own—do not be misled by anything you have read in the papers to the contrary—but the 165 mutual companies own three-fourths of the assets of the industry, while they constitute less than one-seventh of the number of companies altogether.

The Members of this body will recall the historic difficulties of trying to measure the income of any cooperative organization. In the particular area of insurance, these difficulties are magnified in importance because a net tax advantage given to the large mutual companies could seriously damage competition in the industry and, if it were great enough, could destroy many of the 1,081 stock companies that are, generally speaking, small companies, or certainly smaller than the mutual companies.

Since 1921 the Federal tax law has assumed that the long-run savings, or banking aspect of life insurance constituted virtually the whole story of its true income. The Federal tax formulas have concentrated exclusively on the investment income earned by life insurance companies and have allowed a deduction for a portion of this income that could be considered as given over to the policyholder accounts and imposed a tax on the portion of this income which was considered to be at the disposal of the company itself.

The problem since 1921 with regard to life insurance companies has been how much of the interest was in fact credited to policyholders. The company books themselves were an unsatisfactory measure because to a considerable extent a company can, merely by changing its accounting procedures, make it appear that the money going into policyholder reserves came largely from interest. On the other hand, the accounts could just as well have shown that the reserve buildup came from the premium and not very much from the investment earnings.

We have, then, used a formula based on industry averages to determine the taxable portion of investment income for all companies. From time to time, the basic facts changed so as to make the formula ineffective, as in 1947 and 1948, when the formula produced no appreciable tax from life insurance companies. Continuously under this formula approach, there have been complaints from smaller companies—stock companies—who found that their tax liability was being determined by the enormous influence on the average exercised by the statistics of the large mutual companies.

While the Congress was fighting the battle of the formula over the years since 1921, things were happening at the base of operations. The life insurance industry has changed since 1921. The assumption in 1921 that this savings or banking operation was the essence of life insurance is no longer tenable. In the past 37 years there has been a very significant increase in the volume of short-

term insurance. These are policies in which the companies contract to provide certain benefits in the case of death within a specified short period of a year or two with no long-run commitment and without a long-run risk. Such business now accounts for nearly 50 percent of the insurance in force. The biggest single component of this short-term business, namely group insurance, has grown over this period from 4 percent of insurance in force to 33 percent. This business involves very little investment income. A tax based exclusively on investment activity can produce fantastic results in relation to the operations of the whole company. The Committee on Ways and Means discovered numerous cases where the company paid a Federal income tax under the investment income formula which was actually less than 1 percent of its own total gain from operations as indicated by its own published statements—the statements that are required by State regulatory agencies. On the other hand, your committee found numerous situations in which companies showed a loss on their year's operation according to their own published statements, but were nevertheless required to pay a tax under the Federal formula on a portion of their investment income.

Be sure you understand what I am talking about. Here is a company that paid a tax which might in total represent something like 1 percent of its net gain, according to its own statement. Here is another company that showed no net gain, and none could be ascertained by any experts to exist for this taxable year. Yet, because of the formula in effect, that company paid a tax because it did have some investment income, though it had no total net operating gain.

The situation demands that the Congress open its eyes to the facts in this industry and assess the ability to pay the tax of the various companies on the basis of their total operations and not on merely a part of the total. Our willingness to tax the companies on total operations does not in itself eliminate the serious problems that we faced in this industry, and it was necessary to design a total income tax that would take into account the difficulty of measuring profit on long-run business and the difficulty created by the predominant position of the large mutual companies.

We approached these problems by specifying that the tax would be determined in several phases. In phase 1 of the tax, we have a tax on investment income which differs from the historic formulas in that we have largely eliminated the dependence on industry averages. We have gone a long way toward permitting the computation on a company-by-company basis. Broadly speaking, the bill uses a tax formula which permits companies to deduct from their investment income a certain percentage of its own reserves. The percentage of reserves that may be deducted is the average of the company's actual earnings rate and the rate at which the company, on its own books, credits interest to reserves. A particular company may use the average assumed rate of interest for the entire industry in lieu of its own assumed rate of interest if this is higher.

The combination of an actual earnings rate and an assumed rate of interest reflects not only the company's own evaluation of its interest liability as shown on its books but it also takes into account the competitive forces at work in the industry and assumes that to some extent in the long run the existence of a high earnings rate will force companies to add larger amounts to policyholder reserves.

Having determined a deduction rate, the committee's bill further eliminates the arbitrary results of individual company reserve assumptions by use of a formula to recompute the amount of each company's reserves as they would have been if the company had used the deduction rate in place of its assumed rate of interest.

Phase 1, the determination of a taxable portion of investment income, deals with the savings, or banking, aspect of the insurance business. There remains the underwriting aspect—the fact that gains and losses may arise from the pure insurance operations. This aspect of the business is dealt with in two steps under the committee bill.

Under phase 2 the company is required to compute its total income, which in the bill is called gain or loss from operations. If this total income is less than the taxable portion of its investment income, as determined under phase 1, then the lower total income is the tax base. In this case the losses arising in the underwriting operation, before a deduction for policyholder dividends, are in effect allowed as full offsets to the taxable investment income. This provision will be of great importance to small and new companies.

Of greater overall importance, of course, is the case where the total income is larger than the taxable investment income. For convenience we might call this excess of total income over the taxable portion of investment income the net underwriting income. One-half of the net underwriting income is added immediately to the tax base and will be taxed at the regular corporate rates. The other half of the net underwriting income is added to what the bill calls the policyholder surplus account. At this point the company will have paid tax on all of the net investment income and half of the net underwriting income, and there will be a certain amount of these incomes left after tax. If the company pays out no more than this amount as dividends and retains the rest as policyholder surplus there will be no additional tax for the year.

This provision basically reflects uncertainty as to whether or not the other 50 percent is in fact income until the long-run contingencies have been eliminated. When the company, however, by its own action indicates that the policyholder surplus is not needed in the business and distributes it to stockholders in any manner whatever, then the money comes back into the tax base.

In dealing with the underwriting income, therefore, it is provided that no funds will be paid to shareholders before they have paid the full corporate tax rate, just as is the case with respect to the tax on dividends on any other corporation. In view of the difficulty of measuring this income on an annual basis, however, we provide that the company can postpone tax on part of this income as long as it is held as a surplus earmarked for the policyholders and not the stockholders.

I have described in rather broad outlines the important phase 2 and phase 3 of the bill. A few details should be mentioned, as they throw light on the general intent of these two phases. In computing the underwriting income which will be of particular significance for stock insurance companies a special deduction is allowed equal to 10 percent of the increased reserves on nonparticipating insurance contracts. This takes into account the fact that a mutual company typically sells an insurance policy at a high premium rate with the expectation of returning part of the price as a dividend in the future. The mutual thus has a certain built-in cushion for emergencies in the fact that they can cut future dividends if necessary and thereby increase the net premium. The stock companies selling nonparticipating policies do not have this leeway, and consequently the bill permits this 10-percent buildup as a contingency fund for this business out of taxable income. Also of importance to stock companies is a contingency reserve allowed under the bill equal to 2 percent of the premiums on group insurance business.

As to phase 3, this whole provision is designed to provide that the tax will be payable no matter how cash is finally divorced from the policyholders' protection and distributed from the companies to the shareholders out of the policyholder accounts. The tax would be imposed if the policyholder surplus is distributed as current dividends, or in a liquidation. It would also be imposed if the company ceased being a life insurance company, or if the policyholder surplus grew out of any reasonable proportion to the needs of the business.

I have discussed two of the three basic problems of life insurance taxation that I mentioned at the beginning—savings—the banking aspect of a life insurance business, and the uncertainty of measuring current income from long-run life insurance policies. There remains the basic problem of stock and mutual companies. I want now to lay to rest the argument that this bill gives mutual companies an unwarranted tax advantage over stock companies in allowing a deduction for policy dividends.

The bill has the effect of recognizing two elements in the policy dividends. A part of the dividend is a distribution of profits earned from dealing with third parties. Part of it is a return to the policyholder of an excess premium that the same policyholder was required to contribute when he joined the mutual organization. The bill operates so that a distribution of policy dividends cannot reduce the tax on free investment

income provided by phase 1. The bill does provide that policyholder dividends can be deducted against any extra underwriting income in phase 2 but they cannot generate an underwriting loss that would reduce the taxable investment income under phase 1. In effect, if the dividend is out of the free investment income, then there is no deduction; if it is a return of extra premiums—that is, if it is out of the premium income itself—then there is a deduction.

I would like to observe that this deduction of policyholder dividends is from the company's standpoint merely a matter of price reduction. There is nothing in the bill to prevent a stock life insurance company from engaging in price reductions. Actually the business advantage of price reduction comes from using it to get new customers. A stock company can cut its taxable income by reducing prices on new policies alone. Mutual companies are prohibited by the State regulatory commissions from engaging in preferential benefits to one group of policyholders, such as new ones. Any price reduction that a mutual company achieved through policy dividends would have to be spread out more or less over the whole business and very little would apply to new policies. Even then mutual companies would not be assured of the full deduction of the policy dividends, while a stock company which cut prices and thereby reduced its taxable income would be assured of a tax advantage on this price reduction.

This matter of dividends is the principal issue in the stock-mutual controversy. In addition to the treatment of dividends outlined above, the committee bill includes two special deductions in phase 2 dealing with nonparticipating reserves and group insurance that I mentioned earlier, and these deductions are of primary benefit to stock companies.

To look at the overall mutual-stock situation, mutual companies have in the past paid 75 percent of the taxes on life insurance companies. They have held 75 percent of the assets; 63 percent of the insurance in force; and 58 percent of the gain from operations reported by all life insurance companies. It is obvious that if we amend the law to go beyond investment income in measuring the tax base, we will reduce the ratio of taxes paid by mutuals. Under the bill, because of the modest tax imposed on underwriting income, the ratio of tax paid by mutuals is reduced from 75 to 72 percent—still considerably larger than the mutual's portion of the insurance in force, 63 percent—and considerably higher than their portion of the aggregate gain from operation, 58 percent. . . .

In conclusion, I think it is appropriate to observe that we are legislating in a field in which there have been tax situations that can only be described as outrageous—taxes that were ridiculously small in relation to reported profits. Correcting this situation will mean very considerable percentage increases in tax for many companies. The bill provides this increase in a way that is firm but realistic.

One can always say that the bill might be unfair to stock companies or the bill might be unfair to mutual companies. One could also say that this ceiling above our heads might fall on us. A fair tax system requires something stronger than faint hearts. If all of our citizens are to carry the heavy load of taxes which is now imposed, they have a right to demand that their legislators spread this load fairly and evenly. This in turn requires that we take situations as we find them and make the best judgments that we can as to what is the taxpaying ability of various types of business firms.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Minnesota.

Mr. WIER. As I understand the presentation you have just made, this comes as the result of the Congress last year being compelled to lay this over or extend the insurance income tax for further study. As I understand, a subcommittee of your Committee on Ways and Means went into this last November, and I presume this is the result of that subcommittee's activities.

Mr. MILLS. The gentleman is right. We finally have concluded the study. We finally have reached what we think are satisfactory bases for establishing an overall approach to taxation of overall income. We think we are getting at the true income of life insurance companies for the first time since 1921.

Mr. WIER. One more question. As I understand, the subcommittee made the report to the full committee, and you have come up with this bill. Was there any hearing held before the full committee of the insurance companies, both stock and mutual?

Mr. MILLS. The hearings were directed to be held by the subcommittee. The full committee directed the subcommittee to hold the hearings in the fall, and everyone desiring to be heard was heard. All members of the full committee were invited to attend and many did. We went then, as soon as we could, into executive session in the full committee to consider the hearings and the recommendations that the various groups made to us.

Mr. WIER. If this bill becomes law, have you any basis for an estimate of whether the Government will benefit in the way of taxes as the result of the new bill or will there be less taxes or the same taxes?

Mr. MILLS. Yes; I can answer the gentleman's inquiry. Under the law that presently exists, that is, the 1942 formula, which looks exclusively to investment income for the taxation of life insurance companies, using an industry average, the Treasury, on the 1958 earnings of the life insurance industry, would develop about $500 million of revenue. Under this bill, which I think most anybody, within the industry or without, would say is a preferable way of raising taxes from the insurance industry, we will develop, on 1958 earnings, about $545 million of revenue, and in 1959 we will develop approximately $585 million of revenue.

So, we are, under this bill, actually getting more money from the life insurance industry than they would pay under existing law. We are getting it, however, in a much different way. As I pointed out in the statement I was making, some companies will pay no taxes under this that would have paid taxes under the 1942 law, because they have no operating gain. Other companies that would have paid a very nominal tax, such as in a case that came to our attention—a witness from this company testified and very graciously answered all our questions—this company paid out in 1956, I think, $500,000 in dividends to stockholders after having a Federal tax of about $9,000. Now, that company's tax will be increased materially, but it should be increased materially. That company should pay more because it has made more, and the company that has made nothing should not pay any tax. So, that is the approach we are taking in the bill before the House that is different from the approach which is taken under existing law.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I think, in fairness, it should be brought out that when you refer to existing law——

Mr. MILLS. The 1942 law.

Mr. CURTIS of Missouri. Which is almost a fiction, because it has not been in effect since 1949.

Mr. MILLS. It was not effective in 1947 and 1948.

Mr. CURTIS of Missouri. That is right. So, actually, to understand the economic impact of this, it is the amount of increase in taxes over what they were paying in 1957, which is about 90 percent.

Mr. MILLS. The gentleman is right. In 1957 under the stopgap formula the life insurance industry paid approximately $293 million of taxes. Under this bill they will pay $545 million.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I wonder if the chairman would explain to the committee what effect this bill will have on the tax exempt income that is now afforded municipal bondholders.

Mr. MILLS. Without going into the details of how it works, let me assure the gentleman from Tennessee that in my opinion and in the opinion of the technicians who have worked with us on this bill, there will be no tax imposed at any stage on the tax-free interest that a life insurance company may earn, just as no tax is imposed on any other corporation or individual on that tax-free interest.

I think, perhaps, that in the bill we are going further than we did in the stopgap or any other formula to safeguard against taxation of this tax-free interest. Under step 1, step 2, and step 3 perhaps we are permitting more than 100 percent deduction. I think we are, frankly. We are not intending it, but I think we do completely and conclusively eliminate

the possibility of a tax on this tax-free interest. There are some who say we do not, but I do not believe they quite understand just what is done in our bill.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield further?

Mr. MILLS. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. Then this will have no effect on the present statute dealing with municipal bonds?

Mr. MILLS. No; as far as municipal bonds are concerned, I think it might well open up more of a market because with the higher effective tax on life insurance companies the tax-exemption feature will be more valuable.

Mr. BASS of Tennessee. I thank the gentleman.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. WHITENER. Does the gentleman contemplate that this proposed new legislation would have the effect of abandoning the time-honored concept that life insurance companies should be left somewhat to the States as a source of State revenue?

Mr. MILLS. I am glad the gentleman brought that up. I do not agree that we are doing anything here except levying a tax upon what we are trying to determine to be the true income of a life insurance company. We are not saying that a company may not accumulate reserves, if the State regulatory body tells it to accumulate reserves. We are not levying a tax on the accumulation of those reserves. I do not think we are interfering at all, and certainly we are not intending to interfere at all with the State's regulatory power over this industry.

Mr. WHITENER. Then the gentleman does not anticipate that the available source of revenue to the States will be lessened by the enactment of this proposed legislation?

Mr. MILLS. The States charge so much of the premium as a premium tax. Perhaps I am wrong about this, but very frankly I have always thought it was part of the cost that is included within the premium for life insurance. It is a sizable figure that is paid by the industry as a whole to the States. But I do not believe we are in any way interfering with the ability or the capacity of these companies to continue to pay those State taxes.

Mr. WHITENER. I thank the gentleman.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Mr. Chairman, I should like to commend the gentleman for the fine presentation he has made of the proposed legislation before us. The gentleman has been clear and concise in every respect. I think he is entitled to a vote of appreciation from the Members of the House for the splendid manner in which he has presented this proposed legislation.

Mr. MILLS. I thank the gentleman.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. BECKER. Mr. Chairman, I have talked to the distinguished chairman about this legislation, and there is one point on which I am still unclear. That is, if you are taxing the underwriting earnings of the life insurance companies, how is this going to affect in any way the dividends of the policyholders or the ability of the companies to pay dividends to their millions of policyholders, whether the companies be mutual or stock companies? Will this not affect that?

Mr. MILLS. The gentleman will recall that I had said earlier in my statement that we will not permit the payment to policyholders of the earnings developed by a life insurance company on the premiums paid in by the policyholder free of tax. We are going to tax those earnings in step 1. We are not going to permit the return to the policyholder of a dividend to decrease the amount of the tax in step 1. But if there is actually an underwriting gain under step 2 out of which develops a difference in the premium, say $25 instead of $20 paid in, if they want to pay it, they can do that without imposition of tax. We do not interfere with that. But before they pour out money in the way of dividends from interest on the funds invested, we are going to tax that interest. If we did not do that, the mutuals could get out from under this tax in the first year of operation.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I should like first to express the high regard I have for the distinguished chairman of the Committee on Ways and Means and for the extremely efficient work he has done in connection with the preparation of the legislation presently under consideration. It is, as you have been told, a technical bill. I do not pretend to understand all the details of the bill as perhaps others do. I do assure you that there were long, protracted, and continuing hearings with respect to the legislation. All the members of the committee, even though they were not members of the subcommittee, were invited to , and many did, attend all of the hearings or a part thereof in connection with this subject of life insurance.

The problem of taxing life insurance companies involves many aspects of our income tax structure. It is very far-reaching. In determining the base that is to be subject to tax there are involved complicated questions. We must recognize that a policy written today will be accumulating a reserve which will be used to pay the liabilities under that policy 20, 30, 40 or more years in the future. When it is recognized that a contract is being made today which will by the nature of things run on for 20, 30, 40, or 50 years into the future, and that the accumulation of the reserve is essential to fulfilling the requirements of the contract, we will, I am sure, recognize that, first, we must protect the creation of that reserve and we must protect the validity of the contract in the form of assets so that when the claim must be paid the money will be there. Consequently, we have endeavored to avoid imposition of taxes upon the money that goes to build up the reserve and we have endeavored to be cautious to assure that there are reserves available in order to fulfill the firm contractual obligations in the policy itself.

It is true that every penny that is paid by way of taxation under a life insurance contract is money which has been taken away from the policyholder or which is earned by the company by reason of the investment of the policyholder's money in investment outlets in our country. It is money which in the mutual form of doing business could be available for the reduction of the premiums after all reserve requirements were met, if it were not to go to pay taxes.

It is the belief of the committee, and it has been the belief for many years both in the Congress and in the States that the privilege of doing life-insurance business, whether it be done by a stock or mutual company, that company should pay a share of the cost of the government in the United States. Consequently, both at the State level and at the national level, we have had taxes imposed on life insurance companies regardless of whether they are stock or mutual type enterprises.

As you were told, the tax law which would apply to the income of the insurance business in 1958, in the absence of this legislation, would be the law which was passed in 1942. The 1942 formula, in the opinion of the committee, is not good legislation in that the burden of the tax under existing circumstances would be distributed most unfairly among the life insurance companies. Some certain companies would be greatly privileged whereas others would be very heavily penalized. Consequently, the committee after diligent work has come up with the bill presently before the Congress, which the gentleman from Arkansas [Mr. MILLS] has explained in considerable detail and explained quite accurately. The bill does increase the take from the insurance companies of America over the tax they have been paying in recent years by upward of $200 million. It does tax one entire area where under previous law and under the 1942 formula no tax whatever was imposed. That is the area under which a company is required to pay a tax upon the money which is earned in the form of underwriting gains. Presently an insurance company has to pay no income tax on the money which it earned as a result of underwriting gains, if you please, the difference between the actual cost of doing business versus the amount collected in premiums. Under this bill, in step 2 that form of gain will be taxed. It will be taxed at a 52-percent rate either at the time it is earned or at the time it becomes available for distribution to shareholders.

I suggest it is proper to recognize that under the mutual manner of doing business, under the fiction or fact which is

recognized in the law, the excess of earnings in that particular area of the manner of doing business, namely, the underwriting gain or profit in a mutual company may be returned to the policyholder without the payment of any tax under certain circumstances because it is deemed to be simply a return or a refund of an excess collection which is made at the time the premium was paid. With respect to investment income which is taxed under phase 1 of this bill, moneys are permitted to be set aside for the reserve for contingencies and the tax is levied against the remainder—the free investment income in excess of reserve requirements.

All in all I consider that the legislation is good. I deplore the fact that it was considered necessary to increase the tax burden upon these savings institutions of our Nation. On the other hand this form of business activity is a source of revenue which must bear its share of the cost of government in our country.

The expense of government, whether we like it nor not, will be paid by the people who work—your neighbors and mine—the ones who buy life insurance. They are the ones who buy the bonds issued by our Government. They are the people who own the property. They are the people who are forced to pay the debts which are accumulated by our Government, both National and State. It is to them in the final analysis that we must look for the money to meet these obligations. It is my hope that the very fact that the people are called upon to pay taxes upon their savings will act as a deterrent in the long run to any willingness to see money wasted or spent extravagantly. I earnestly urge my colleagues to work in favor of the legislation before us today.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I want to begin my few remarks by paying tribute to the chairman of the committee; also to the full committee and the subcommittee of Ways and Means Committee in undertaking this very difficult study.

I think of all the things I have run into since I have been a Member of this Congress, this is about the most difficult subject that I know. The primary difficulty in trying to oversimplify the matter comes from the fact that in the life insurance business you do not know for a hundred years what your profit and loss may be on a piece of business. That is the reason you have this complication in trying to figure out how to impose a tax that is based upon income. The committee, in my judgment, however, in grappling with these details, trying to figure out how to do this, has lost sight of some of the basic guidelines that should have been foremost in our minds when we considered this tax problem. It is because those guidelines have not been followed and, I regret to say, have not even been weighed in presenting this bill to the House, that caused me to join in some supplementary views, which I hope the Members will read, on pages 87 and 88 of the committee report, and which is going to cause me to vote against this bill and to offer a motion to recommit.

The guidelines that I speak of are essentially these: Just how much revenue do we take from this industry, the life insurance industry, without damaging that industry in performing the task in our society that we expect it to perform? In other words, the life insurance industry is taking care of the retirement and protection of our people and their savings. There is an added complication that has been brought into this field in recent years. The Federal Government has entered into the same field through social security legislation. In other words, the Federal Government is directly providing for the protection and retirement of our people. There are constant pressures on the Congress to extend these social security benefits, to increase the base upon which the social security tax is levied. Pressures are constantly exerted to push the Federal Government more and more into this field. There is no question about it, if by accident or otherwise, if in this bill we are taking too much out of this life insurance sector of our private economy, we are going to have the needs taken care of through the governmental sector. It is that point that has not been considered in the studies of the Ways and Means Committee, nor were those considerations studied by the Treasury Department.

I am in an embarrassing position, because this is an administration bill. This is a bill that is sponsored by the Treasury Department, and I think I can say without any question the Treasury Department has not considered this aspect of this matter. In the hearings I interrogated the Under Secretary of the Treasury, and also in informal conversations.

Nor did the Ways and Means Committee go into this. Quite the contrary. Here is the way this particular bill, as far as the amount of revenue taken from the life insurance industry, was computed. As the chairman has already said, the existing law happens to be the 1942 formula, although it has not been in operation since 1949, because everyone recognized that it was a cockeyed formula. It was geared to no basic economic factors in the industry. So poor was this formula that in the 2 years 1947 and 1948 it produced no Federal revenue. Just by a coincidence I might state does it produce the revenue of over $500 million in the year 1958.

No one ever intended the 1942 formula to be the law since it was abandoned in 1950.

The Mills-Curtis formula which had been the law and has been the basis on which we have taxed life insurance companies in the years 1957, 1956, and 1955 was conceived as a permanent formula although it was put in as a stopgap law. Before that we had the 1951 formula which was regarded as a stopgap law. But the Mills-Curtis formula is actually the proper prior reference for the taxation of life insurance companies, not the 1942 formula. It is the change from the Mills-Curtis formula that produces the economic impact on the industry.

No adequate study has been made of the economic impact. It is not even discussed in the hearings. I might state that in 1955 when the Mills-Curtis formula first became effective we increased the revenues from this segment of our economy by roughly from $159 million to $189 million. In 1956 we got $265 million. In 1957 we got $293 million, and in 1958 if we continue the Mills-Curtis formula it will be $319 million. Those figures are almost in direct ratio to the increase of the business in the life insurance industry; in other words, they are geared to economic reality.

Why has this problem come about? Most problems come about because there have been abuses. The Chairman of the committee has rightly pointed out some of the abuses that have arisen under our income tax laws having to do with life insurance companies. Some of it came about because in our study of this highly complicated subject we just did not get around to grappling with all of the problems. There is no question but there are and have been some real loopholes in the taxing of life insurance companies. I think, though, the hearings bring out the area where the real loophole exists, and fortunately it is the area where we are farthest removed from the complexities of life insurance taxation: It is in the short-term business, it is the short-term, 1-year or 2-year speciality kind of life insurance which does not require the reserves that the long-term policies of necessity must have. It is in this very area, I might say, that we actually can be specific and tax on real income or loss. The Mills-Curtis formula did not seek to deal with this aspect of the problem. Let me say in passing that I am critical of the life insurance industry for not being of further assistance to the committee, in 1955 and since, because I think they could have helped us to cover this area.

I think when we consider everything that if we did tax this area of short-term life insurance, which should be taxed, we would be gaining about $40 million additional revenue which, I think, is proper. If you added that to the Mills-Curtis formula you would produce this year roughly $360 million. This, in my judgment, is a great deal more realistic and reasonable and suited to the circumstances of the life insurance industry than the $545 million that the present bill would take from the industry.

One other factor: Many people have said that the life insurance industry is not taxed adequately, and one guide line that our committee did not follow and one guide line that the Treasury Department did not follow is the fact that this is an area that we have let the States move into to gain revenue. Today the life insurance industry is the most heavily taxed—I believe I am correct in this—the most heavily taxed of any kind of business at the State level. Approximately $300 million are paid through State premium taxes. When we weigh the economic impact of taxation on an industry, we very properly should be weighing the effect that State taxes have on that same industry and give recognition to the fact that the Federal Government has said about the life insurance business: This is an area in which the States legitimately can gain revenue.

Yet that was not one of the basic guidelines used by the committee in arriving at the $545 million take.

How was this $545 million figure arrived at? I hate to say this and I want to be very careful about the adjective I use, because I do not want to overstress it. But the establishment of the $500 million figure was devoid of proper morals and ethics. Due to just a strange quirk, the discredited 1942 formula is the permanent law and unless we continue the Mills-Curtis formula or pass this bill we will revert back to this formula that everybody knows is not worth a cent and is improper. This is not good. But because the 1942 formula happens to take over $500 million out of this industry, in the year 1958 the Treasury approached the Ways and Means Committee in preparing this bill saying that we are going to get that much revenue out of the industry. This was not based on any calculation of what the economic impact would be or what the States were deriving from the industry at all. It was based on a coldly calculated formula that they were going to get $500 million.

Many people may wonder why the life insurance industry is silent on this bill. Many of you have not been contacted. The reason is clear, the industry has been blackmailed by the 1942 law. If this bill does not go through, we would revert to the 1942 formula, which is a bad formula. Furthermore this formula would be unjust as far as the balance between mutual and stock companies is concerned. It was actually used as a sledge hammer over the heads of the life insurance industry by both the Treasury Department and the Committee on Ways and Means. That was apparent in the hearings and it was apparent in our executive sessions. I do not regard that as a proper way of going about writing taxation matters in any field let alone in such a highly complicated and important field as this is.

Now, why offer a motion to recommit? The reason, in my judgment, would be that to recommit this bill would permit us to continue the Mills-Curtis formula as a stop-gap for another year with this added feature which we can take from the present bill, to tax the short-term type insurance. This would produce $359 million in revenue or an increase over 1957 of $66 million.

The present bill itself from a technical standpoint is an improvement as a basic formula, over the Mills-Curtis formula. In my judgment, getting into the tax feature, it does some things that the Mills-Curtis formula does not do. As I say, it is an improvement in many areas. I am talking now about the technical aspects. In my opinion, if we would take a little more time in going into the economies of this thing, we could probably end up with a formula very much like the one in this bill, but with the revenue geared to what is a more reasonable and a more economic take from the life insurance industry. Before we increase the taxes in one segment of our economy 90 percent—that is what under this proposed bill this increase amounts to, 90 percent over what was taken from this industry in 1957—we must study impact. The economic impact of that, I am afraid, is going to be very, very harmful to the growth that we need in the life insurance field.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from New York.

Mr. BECKER. I am trying to get one thing straight. I did not want to delay the chairman of the committee when he was making his address. Is it not a fact that the dividends paid to the policyholders on the premiums they pay must come out of the net earnings of the life insurance company, whether stock or mutual?

Mr. CURTIS of Missouri. Well, I might say to the gentleman that the word "dividend" does not convey the full meaning, because a good portion of the dividends, in fact, almost the bulk, is really a repayment of a deliberate overcharge on the premium in the beginning. So the word "dividend" in life insurance companies has a different connotation than we would use in the investment field. Certainly, a portion of the dividends does come from earnings of what we call the free investment income, but that is taxed under both this formula, the Mills-Curtis formula, and acknowledged, I might say, under the 1942 formula.

Mr. BECKER. Might I ask the gentleman, under a mutual company setup, where would the earnings on investment go if they would not go into dividends?

Mr. CURTIS of Missouri. Well, that is a very complicated subject, and it is one that I myself have been pursuing. The life insurance people tell me I am not right, but I am convinced that I know where they go. They have been going into the growth, financing the growth of this industry. I might say this, I would like to refer any Member who might be interested in some of the basic philosophies and guidelines which are involved in this problem to page 32 of the hearings where I began to interrogate the Under Secretary of the Treasury. I was trying to point out these underlying features that we must consider in getting adequate legislation in this area, in considering the economic impact of any taxation of this particular industry. In this interrogation are some of these guidelines which I again say neither the Treasury Department nor this committee considered in presenting this bill to the House.

Mr. BECKER. Then, in voting on this bill today you said, for other reasons, you could not vote for it at this time.

Mr. CURTIS of Missouri. No; I could not vote for this bill until our committee has gone into the economic impact of making a 90 percent increase in taxes. The technical formula that seeks to arrive at these things, I think, is an improvement over the Mills-Curtis formula, so what I said was, if we would go back to consider these basic economic factors that I have urged, I think we might well come out with a bill that is technically along this line. We have got some industry averages in the formula in this bill, and it is in that area that we can lessen the impact of taxation on this industry.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Arkansas.

Mr. MILLS. As I understand my friend from Missouri, he is saying this: What he would like is not the 1942 law, and that is not what he wants to put into effect.

Mr. CURTIS of Missouri. That is worse, in my opinion.

Mr. MILLS. In offering his motion to recommit, what he would like to have is something along the line of the bill reported by the committee producing not $545 million but approximately $360 million or $365 million.

Mr. CURTIS of Missouri. With one modification, with phase 3, and with this one added thing. If after we examine it as best we can—and this would be difficult—the economic impact of whatever amount we decided upon—if it were shown that my worries about taking this amount which really comes out of the savings of our people, were unfounded then I could go along. If I were convinced that the economic impact were not such as to damage the growth of the industry, I could go along with this. But the point is, we did not study it and neither did the Treasury. A sledge-hammer approach was used—the threat of a bad bill going into effect if we did not go along with the revenue amount which by pure accident would be produced by this bad bill in the year 1958. Basing my judgment on trying to see these things through, I am convinced that we are going to damage this industry very badly, and the people of this country will feel the impact of it by increasing the taxes in the life insurance industry by 90 percent; then that industry is already the most heavily taxed of any industry at the State level. Furthermore, the pressures upon the Congress to provide for the further protection and retirement of our people through the governmental sector will be increased when the private insurance companies have had their growth stunted and are unable to take care of these growing social needs.

We cannot escape it. Either we provide for protection and retirement of our people through the private sector of our economy, or these provisions will be made by the Government. I think the latter course is ultimately self-defeating; certainly it tolls the passing of the private enterprise system.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. IKARD].

Mr. IKARD. Mr. Chairman, the taxation of life insurance companies from the very inception of the income tax system in this country has presented many difficult and complex problems. The bill before us, the committee bill, does represent a new approach to this situation and we feel and believe a somewhat sounder approach. As is usually the case with complex legislation of this type there must be compromise. There are many provisions in the bill, some of which I am sure different members of the committee would like to have seen modified; provisions which I am sure

that many Members of the House would like to have seen modified.

There comes to my mind a situation that was called to my attention by our able colleague from Texas [Mr. THORNBERRY] who is acquainted with a situation which he felt was a hardship. He called it to my attention and also brought the point up in the hearings on the request for a rule on the bill in the Committee on Rules.

But all of this notwithstanding, the fact remains, I think, that it is the almost unanimous opinion of the committee that this is the best bill that could be developed under the circumstances and in the climate in which we had to work.

Certainly the determining of a proper and equitable tax base for the taxation of life insurance companies, as I have indicated, has since the adoption of the income tax amendment in 1913 presented extremely difficult problems. For instance, before 1921 life insurance companies in general were taxed under the regular provisions of the income tax laws applicable to ordinary corporations. Since that time life insurance companies have been subject to income tax on various formulas which imposed a tax on a portion of their investment income only. These various formulas which have been applied in the past have in each instance employed different approaches, however.

For instance, from 1921 to 1941 an individual company-by-company approach was followed in determining the net investment income which was the basis of the tax. Each company was taxed on its net investment income minus a specified percentage of its own required life insurance reserves for policyholders.

From 1921 to 1931 a deduction equal to 4 percent of a company's reserves was allowed. From 1932 to 1941 a deduction was allowed equal to 3¾ percent of these reserves.

In 1942—and you have heard much mention of the so-called 1942 act—the company-by-company method was abandoned and an overall or industry-wide method of determining free investment income was substituted. The particular investment formula imposed by the Revenue Act of 1942 has been the basic tax law ever since, although it actually has not been operative, as was indicated by our distinguished colleague from Missouri [Mr. CURTIS], since the year 1948. And because since that time a series of so-called "stopgap" formulas have been imposed, these "stopgap" formulas were simply added to the Code without removing the basic 1942 law. In the absence of further legislation now the 1942 law will become operative.

The feature of all of these formulas is that they based a tax on investment operations without regard to the overall experience of the company. The principal victim of this arbitrary attitude was the new small life insurance company that typically has losses in its early years but is nevertheless under these other formulas always faced with a tax liability.

I should like here, if I may, to emphasize this point: The bill which the Committee on Ways and Means has developed and which is now before us contains a number of what I believe to be advantages to the small new life insurance companies. This is one of the most important features of this bill. The advantages contained in this legislation for new, small life insurance companies are not found in the 1942 formula or in any of the stopgap formulas which have been applied to the industry in recent years. This legislation, therefore, should be and we hope it will be beneficial to the development of new companies and is in line with the general efforts that have been made to encourage small and new businesses.

For the first time in approximately 40 years life insurance companies under this committee bill will be permitted to take into account their own profit and loss statements and to use these statements to reduce their tax base when they have had unprofitable operations. A small life insurance company, as we all know, initially requires substantial capital and surplus contributions. In the past, taxes were paid on the income from the company's investment regardless of its overall profit situation. Under the committee bill, if the company has a gain from operations which is less than its taxable investment income, the lower gain from operations will be its tax base. If the company should have a loss from operations, the amount of this loss will be a carryover that will be available to reduce its taxable income in the following 5 years, and after 1958 the loss can first be used as a carryback to obtain a refund for taxes that have been paid in prior years.

Under the method of accounting permitted under the committee bill, the new life insurance companies which are more likely to show losses in their early years of operation will be permitted to deduct in the first years of the policy a large portion of their cost. In effect they will be deducting costs which for most other taxpayers could only be taken as depreciation or amortized deductions over a number of years.

In addition, life insurance companies are permitted an additional deduction of 5 percent of investment income with a ceiling on this special deduction of $25,000. This additional deduction goes to the first $500,000 of investment income and is of relatively more importance to the smaller companies. This is available under both phase 1 and phase 2 of the bill.

In addition, the small company would have the regular $25,000 exemption from the corporate surtax rate.

It will be helpful now, I think, to look at the pattern of the typical small business provisions as a whole in this bill and how they will work in practice. A new life insurance company requires a substantial deposit of capital funds in the begininng. However, a new company will have little life insurance reserves, and thus in the beginning most of its funds and earnings from the investments potentially would be taxable under phase 1 and subject to the ordinary corporate tax rate.

The new company then is subject to a potential tax on the investment earnings from its own capital and surplus. However, this tax can be avoided or substantially reduced if the profits are used to expand the insurance business. When new business is written, the first year the cost of the new business should in most cases absorb the investment income on the initial capital investment in the company. The operations for the year will in most cases in the beginning show a loss. The new, growing company would not be required to pay any Federal income tax. When business is written fast enough to generate losses in these early years, the losses will provide a carryover that will serve to reduce the tax on income that might be earned in the future.

As the insurance policies written begin to mature, the company will tend to realize profits under phase 2 of the committee bill.

These profits, once the initial loss stage is passed, will be subject to the deduction for 10 percent of the increase in nonparticipating reserves and to the extent that they exceed taxable investment income will be taxed at only half the corporate rate until such time as they are distributed to the stockholders as dividends.

To sum up the new company aspect of H.R. 4245, the tax on investment earnings in the early years can be substantially reduced if the investment income is used currently for building and expanding the business of the life insurance company. When the insurance operations of the company themselves begin to generate additional profits, these profits will be subject to tax at only one-half of the regular corporate tax rate as long as they are left in the business. The remainder of the regular corporate tax on profits is postponed or deferred until these amounts are withdrawn for the payment of dividends to shareholders.

These small business aspects of the bill affect stock companies. They are additional evidence, I think, that the committee throughout its deliberations gave the most careful and thoughtful consideration and attention to this whole area. As was indicated by the chairman, extensive hearings were held last November. The hearings were held by the Subcommittee on Internal Revenue Taxation of the full Committee on Ways and Means. But, every member of the full committee received an invitation to attend these hearings, and when they were held a number of those who are not on the subcommittee were present. This question has been under consideration by the committee almost continually for a year and goes back even further than that, to 1950. As I indicated in the beginning, this, like all pieces of complex legislation, has a certain element of compromise in it. There are certain sentences and phrases and sections to which I am sure all of you, or at least some of you, may have some objection. But, under the circumstances, this is the best bill, in the judgment of the committee, that could be developed.

Mr. Chairman, I urge the support of everyone here for this piece of legislation.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. IKARD. I yield.

Mr. BONNER. Does this bill affect the insured under the new tax or does it affect the person who owns the stock of the company?

Mr. IKARD. It does not in any way affect the policyholder, but only the earnings of the companies. Therefore, it, of course, affects to some degree the dividends paid to the stockholder if they are distributed under this bill.

Mr. BONNER. As a rule, the insurance companies do not pay dividends to the stockholders, but they issue new stock. Is that not the general policy?

Mr. IKARD. I think that has been the custom—yes.

Mr. BONNER. Of course, it is a dividend.

Mr. IKARD. It is a stock dividend—yes.

Mr. BONNER. So it affects that feature?

Mr. IKARD. The stock dividend would not be taxable under phase 3 of this bill.

Mr. BONNER. Where would it be taxable?

Mr. IKARD. It would only be taxable at such time as the recipient of the stock dividends sold his stock.

Mr. MILLS. If the gentleman will yield to clarify the point made by the gentleman from Texas, it should be pointed out that the earnings out of which the dividends arise would be taxed before the dividend is paid at the regular corporate rate.

Mr. BONNER. Is that dividend paid to the stockholder or are you talking about the dividend paid to the policyholder?

Mr. MILLS. In this instance, we are talking about the dividend paid to the stockholder.

Mr. BONNER. Then that is where this bill will primarily have its effect.

Mr. IKARD. That is right. It is not with respect to the policyholder, but with respect to the stockholder.

Mr. UTT. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, it is a real pleasure to me to take this time. As a newcomer to the committee, I do not presume now to analyze this taxation bill since our distinguished chairman and the other able members of the committee, including the gentleman from Texas [Mr. IKARD], have done a fine job and have long studied the life insurance taxation problem. First, I do want to compliment the chairman and the other members of the committee for the gracious welcome extended this newcomer to the committee and to the ability and fairness of our chairman who at all times has welcomed questions including mine. Also my thanks to the committee staff members and counsel for their help and appreciation also to the representatives of the Treasury who courteously welcomed the visits and suggestions of life insurance company officials while evolving this new formula for taxation.

Dallas, Tex., is one of the insurance capitals of the world. Both because of this fact and because I have had the opportunity to meet with insurance officials in the last week, I can report that the industry people are unsure of the effect of this bill and are uneasy over the 90-percent tax increase over last year. Forthrightly they, like the committee, recognize the insurance industry as unique compared with other corporate business. All agree in fairness that insurance should pay an equitable tax, bearing a fair share of our Nation's total tax burden. Before outlining my principal concern over this bill, let me point out several things that are accomplished by this new taxation formula. First of all there will be little shift of tax burden from mutuals to stock companies as many have feared. Second, all insurance companies are aided, because for the first time any losses are fully deductible so that no insurance company is taxed that is losing money. Further, small companies are protected by the 10 percent beyond the 100 percent of operating gain that can be placed into reserves free of taxation, until later distributed as dividends and then taxed at 50 percent. Also pension-trust investment income is tax free. Tax exempt interest is fully deductible. They are all improvements to the Mills-Curtis stopgap formula and to the 1942 formula which is totally unsuited for taxation.

Despite these facts, my chief criticism results from the fact that the economic impact of this great increase in the tax-load was not the subject of study in our committee. It was assumed that the insurance industry could bear this amount of taxation. In this connection I want to call attention to the two-page supplemental views, pages 87 and 88 of the committee report, and to the remarks made earlier today by the able gentleman from Missouri [Mr. CURTIS]. The State tax of approximately $300 million, plus the anticipated $545 million Federal tax of this bill, making a total of $845 million makes the insurance industry the heaviest taxed of all thrift institutions. The increased taxation necessarily will be passed on to policyholders in the form of higher premiums, yet the investment income of the reserves of the social security program are not subject to tax.

Individual economic security is now being provided the public by life insurance companies, other thrift institutions, and through the social security system. It is sound public policy to encourage everyone to provide for his own security on a voluntary basis and our tax laws should encourage, not deter, such efforts. This bill, however, makes voluntary provision for one's own economic security relatively less attractive since it increases the tax on life insurance while investment earnings under the social security system are free from either Federal or State tax. This increases the advantage of the social security system over voluntary individual protection offered by life insurance companies, particularly if the latter must absorb taxes of the magnitude provided in the bill. Public awareness of this differential in cost will most certainly lead to increased demand for larger social security benefits and less incentive to build security on a voluntary basis.

As an alternative suggestion, I respectfully propose that this bill be recommitted to the committee so that we may study the economic effect on the industry. Rather than permit the 1942 formula to come into effect, we could keep the Mills-Curtis formula while adding the improvements of this bill which I mentioned earlier until the economic study is accomplished. Perhaps I am unduly concerned over the haste and the lack of study at this time but perhaps this concern is understandable in view of my relative inexperience on this committee and my limited knowledge of this very complicated tax problem.

Mr. UTT. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I would like, if I may, to have the attention of the gentleman from Arkansas, the distinguished and able chairman of the Ways and Means Committee. I direct his attention to page 22 of the bill, under the heading "Net Premiums," reading the following sentence beginning on line 13:

> Amounts returned where the amount is not fixed in the contract but depends on the experience of the company or the discretion of the management shall not be included in return premiums.

I ask this question of the chairman:

I note in the preceding part of the paragraph there is nothing said about including in "return premiums" any part of any premiums which are a definite overcharge for the purpose of paying dividends. If such an overcharge were deducted then I could see some reason for having this particular sentence here indicating that only such charges were to be deducted; however, since that is not the case I am puzzled about the significance of the sentence which I read.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. MILLS. The gentleman understands that what we are endeavoring to do here in this language is to define certain terms that are used in computing the gain or loss from operation under phase 2. The gentleman's question refers to the definition of what we mean by the phrase "net premiums."

Mr. RHODES of Arizona. The gentleman is right.

Mr. MILLS. And the gentleman draws attention to the language on page 22, lines 13, 14, 15, and 16, and he wonders why the committee does not permit these amounts to be included in return premiums for purposes of defining the phrase "net premiums."

Mr. RHODES of Arizona. I did not wonder about the subject, I just wondered what the sentence meant.

Mr. MILLS. And particularly with reference to the use of that phrase.

Mr. RHODES of Arizona. That is right.

Mr. MILLS. What we are trying to do in this for the purpose of step 2 is to permit an absolute deduction for refunds to policyholders if there is a contract

with the policyholder to refund some definite amount; but if amounts are refunded that are not fixed in the contract these will not be included as return premiums. These contingent amounts will not be treated as an absolute deduction but they will be treated as dividends to policyholders. They can only be deducted against the excess of total income over taxable investment income.

I call the gentleman's attention to this fact, that if we do not have this language in the bill and the other language having to do with dividends not decreasing of the tax in phase 1, I would suggest to the gentleman that the big mutuals in a short period of time would relieve themselves of the payment of any tax under this program, and I know the gentleman does not want that to happen.

Mr. RHODES of Arizona. The gentleman from Arkansas is correct, as he almost always is; however, I might submit this proposition to the gentleman: As I understand it the part of the premium which is a deliberate overcharge for the payment of dividends is deductible.

Mr. MILLS. That is right. That is the return on capital.

Mr. RHODES of Arizona. It is a return but actually an overcharge.

Mr. MILLS. That is right, and should not be included in a tax base.

Mr. RHODES of Arizona. That is right. Let me ask further of the gentleman from Arkansas: Suppose in the alternative there is a contract which provides for a return to the policyholder in the future of a dividend consisting of a part of the investment income of the company, the amount of which is not set forth in the contract in dollars and cents or a percentage, but depends on the experience of the company. Would that sort of dividend be deductible as a dividend paid, as a result of that portion of the bill dealing with deductions on account of dividends to policyholders?

Mr. MILLS. I do not follow the gentleman; I could not quite hear him. I do not want to cause him to have to go through his long question again, but I think the answer is "Yes." I am not certain, though, that I understood the gentleman's question.

Mr. RHODES of Arizona. I was putting the alternative proposition; in other words, assume you have a contract which provides for dividends, in an amount determined by the experience of the company, not based on an overcharge, but to be paid from certain investment income in excess of the requirements for the reserves of the company, or from capital gain from certain investments, the amount of which is not determinable either in percentage or in dollar amounts in the contract. Would such dividends be deductible from taxable income under any section of the bill?

Mr. MILLS. In the bill we are saying that you will not be able to return a part of the investment held free of tax. We are saying, however, that you can return out of any net operating gain any excess loading in connection with the fixing of the premium or in what might otherwise be known as underwriting gains. That can be done by a stock company; that can be done, of course, by mutual companies. But we would not, in the example that the gentleman has used, permit a company to avoid the payment of a tax on its investment yield simply because the company had said in a contract with a policyholder that it wanted to or intended to refund to the policyholder some of that investment yield. You could do that after the imposition of the tax, if you wanted to, but not prior to the imposition of the tax.

Mr. RHODES of Arizona. What the chairman of the Committee on Ways and Means says is absolutely true, a tax would be paid on the investment income and on the operating profit. Under this bill, assuming that tax has been paid and still a dividend undeterminable in amount is then paid to the policyholders, is there any section of the bill in which the company could take credit for the payment of such a dividend?

Mr. MILLS. You can do that with respect to the net operating gain section. That is phase 2. But we say there that you cannot so diminish your gain on phase 2 as to have an effect of reducing your tax under phase 1. You can use the underwriting gain to do it, if it is the desire of a stock company to do it, and we presume a mutual company would do it.

Mr. RHODES of Arizona. I have one further question and it is intended to clarify the record. In the bill the word "mean" is used several times.

Mr. MILLS. What we are trying to do there is to describe what the gentleman and I would say is an average.

Mr. RHODES of Arizona. That is exactly what I thought it was.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from California.

Mr. McDONOUGH. I want to ask a question of the chairman of the Committee on Ways and Means. Is this bill any indication of the possibility of the committee reporting a bill for taxing cooperatives?

Mr. MILLS. The committee has not faced up to the question of whether or not it will even give consideration in this session to the question of taxing cooperatives. I have said publicly on several occasions that it is my intention to ask the committee to go into the question of taxation on cooperatives in this session. That is a decision, however, that will be made by the committee, not by the chairman.

Mr. McDONOUGH. I thank the gentleman.

Mr. RHODES of Arizona. I do have one additional question, if I have the time. At the present time in the event that a holding company owns stock in a life insurance company and the life insurance company pays dividends to the holding company, because of the tax treatment which the life insurance company had previously received, the holding company did not receive the usual 80 percent credit on dividends paid by subsidiaries. Does the chairman know whether or not if this bill becomes law, after that time a holding company will receive the usual 80 percent credit?

Mr. MILLS. My understanding of this situation, evidently, is different from the gentleman's understanding. The provision of law that applies to the intercorporate dividends, holding company, or anything else, is that only 15 percent of the dividends received by corporation A from stock it owns in corporation B is included in the tax base. It has an 85 percent credit.

Mr. RHODES of Arizona. I understand that is not true of a life insurance company.

Mr. MILLS. What we are saying here in the case of life insurance companies is that if a life insurance company has stock in corporation A and that corporation A pays dividends to the life insurance company, then the life insurance company would get the same intercorporate dividend credit applicable with respect to any other corporation.

Mr. RHODES of Arizona. My question was, however, the converse. Suppose a holding company which is not in the insurance business owns all or substantially all of the stock of a life insurance company.

Mr. MILLS. Well, that is true now, that the holding company would get the 85 percent credit. That is true now.

Mr. RHODES of Arizona. I thank the gentleman.

Mr. UTT. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. KEITH].

Mr. KEITH. Mr. Chairman, as one who has been for 20 years in the life-insurance business prior to coming to this Congress, I naturally have some very deep feelings about this legislation. I would like to join my colleagues on this side of the aisle in complimenting the committee and its chairman for the outstanding job that they have done in approaching this most difficult problem. But I am particularly impressed by the argument offered by my colleague from Missouri and my colleague from Texas when they concern themselves with the effect of this taxation on the long-range development of the economy of our country and the free enterprise system which has made it so successful. If we, by taxation, destroy the incentive to save through the medium of life insurance, we are going to force the individual to turn more and more to his Government for assistance. We are going to have to increase our social security taxes. These taxes are part of the cost of doing business. Their cost has to be added to the cost of the product which the manufacturer sells. This is a built-in inflationary factor which further inflates our currency. It further encourages the citizen to lean on his Government for support. It further discourages him from saving for himself and his family. We have over $500 billion of life insurance now in force. It represents perhaps the best bulwark to protect the citizens of this country against the hazards of death and old age.

Mr. Chairman, in my opinion, the life insurance industry should be helped in order that it may help us as legislators to decrease the tax burden on the people of this country. While not having sufficient knowledge of the bill to ask for

recommittal, I am in sympathy with the objectives of the gentleman who suggested it, and I plead with you, as we look to the future and further taxation for social security benefits, to do everything that we can to improve the climate for the insurance industry. Not only does it do something for the individual, but it is the best answer to some of the long-term capital requirements of this country. The Equitable Life Assurance Society, with its tremendous Golden Triangle development in the city of Pittsburgh and the Prudential Insurance Co. with its hundreds of millions of dollars in its Boston development alone, is improving the industrial, commercial, and residential climate of this country. They are enabled to do this task because of the billions of dollars which they receive from their policyholders. Let us not think of this in terms of a giant enterprise. Let us think of it in terms of the policyholders. Practically every mature man and woman of this country is a policyholder, and we must continue to give them an incentive to use this unique method of saving for themselves and for their families. So, while we go ahead with this tax program at this time, I trust that we will remember in the future to keep this tax so moderate that the incentive to save rests still with our people.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Chairman, I well recall a number of years ago when the very distinguished, able and inimitable chairman of the Committee on Appropriations came in here one day after a rather extended and I daresay somewhat acrimonious conference on a large appropriation bill. He started off by saying, in substance, this: "Mr. Speaker, I think we have finally brought in what I would be pleased to describe as a perfect compromise. It pleases no one."

Whether that would apply to this bill or not remains, I suppose, for the future to determine. But I do think that the committee should be informed and should be assured that this is not hasty action on the part of the Committee on Ways and Means nor of a subcommittee of it; but this subject has had the very steady and continuous consideration of the technical staffs of the Committee on Ways and Means, the Joint Committee on Internal Revenue of the Treasury Department and of the industry. In fact I might recall, Mr. Chairman, that it was in the closing days of the last Congress that a bill was introduced purporting to represent the considered and reasoned views of these parties that I have just mentioned. But I suppose that when one is faced with the necessity of adjusting himself to the impact of what might be a new tax, one might have some mental reservations about it.

We take some heart, however, even in the supplementary views of the distinguished Members of the minority, all of whom signed those views, where they say that it is sound public policy to encourage everyone to provide for his own security on a voluntary basis, and our tax laws should encourage and not deter such efforts.

I hope, Mr. Chairman, that in the near future we may have the opportunity, pleasurable as I know it will be, to address ourselves specifically to that concept of our tax laws. But, Mr. Chairman, I have been asked by a respectable and a reasponsible committee representing the mutual life insurance companies, with offices at 1740 Broadway, New York 19, to inform the committee that that group looks with some misgivings on this pending bill. The chairman of it, the very able and distinguished Louis Dawson, who is president of Mutual of New York, has asked that I present these views to the committee today and in my continuing effort to attempt to represent even the conflicting views of the very distinguished, sympathetic and loyal residents of New York I shall proceed to discharge my assignment:

TEMPORARY COMMITTEE ON
THE TAXATION OF MUTUAL
LIFE INSURANCE COMPANIES,
New York, N.Y., February 17, 1959.

DEAR CONGRESSMAN: On February 9 a bill (H.R. 4245) relating to Federal taxation of life insurance companies was introduced in the House by Representative WILBUR D. MILLS, Democrat, of Arkansas). A discussion of that bill and a vote on it are expected almost immediately.

This committee, which is supported by more than a score of mutual life insurance companies with about 20 million policyholders throughout the country, seeks substantial revision of H.R. 4245 and invites your attention to the following facts. In doing this, we are pleading only on behalf of millions of our policyholders, since no other individual connected with our companies will benefit financially from any reduction in the proposed tax:

1. Life insurance, which is this country's most widely practiced form of thrift, already carries a heavier burden of taxes than any other form of thrift and savings. This is a demonstrable fact which has been ignored but never disproved.

2. In spite of this existing tax discrimination against life insurance, H.R. 4245 now proposes to increase the Federal taxes of life insurance companies by over 70 percent in a single year—a jump of about $225 million. Some companies will have their taxes increased by 100 percent or more.

3. We know of no other industry that has ever been subjected to such a sudden and excessive increase in its Federal tax.

4. Historically and by congressional consent life insurance has been a State-taxed business. Yet the bill gives no proper allowance for the $270 million of State taxes now being paid by life insurance companies.

5. In mutual life insurance companies, the weight of all taxes falls directly on policyholders who are not stockholders making profits but merely persons seeking insurance protection at cost.

6. The bill, in effect, imposes a tax at corporate rates, on income produced by the savings of these individuals.

7. Because it was assumed, in preparing the Federal budget months ago, that life insurance taxes would produce $500 million of revenue for 1958, the amount of revenue seems to have become the controlling consideration rather than sound principles of taxation. No single industry should be made to pay a predetermined amount of tax simply because of a government's immediate need for revenue.

8. The bill imposes a heavier rate of tax on the more conservatively managed companies. Some companies will unfairly be required to pay a rate of tax three times as great as other companies on their investment income. This is a strange new principle of corporate taxation that is almost tantamount to a graduated tax rate.

We submit that the bill, at the very least, should be amended in the following ways:

1. The amount of tax levied should take into account the heavy load of special State taxes paid and the rate of taxes on other forms of thrift and other thrift institutions.

2. Because policyholders are not investors receiving profits, the rate of tax falling on them should be reduced, so as to bear some reasonable relationship to the average of their individual tax rates.

3. The tax formula should be adjusted so that conservative management is not penalized.

4. The income from individual annuities, on which the individual now pays a tax, should be exempt from corporate tax, so as to avoid unfair double taxation, and put individual annuities on the same tax basis with group annuities.

5. Mutual companies should be taxed only on their investment income, since they have no other true income for purposes of taxation.

6. A full deduction should be given for tax-exempt interest—just as is done in the case of other taxpayers.

7. Long-term capital gains should not be taxable at a rate greater than short-term capital gains, since that would be contrary to basic tax policies.

We urge you strongly to insist upon amendments that will make H.R. 4245 more equitable. The life insurance business is too important, from a social and economic standpoint, to be taxed in anything but the soundest and fairest way.

We invite your continued interest in this important question, and will welcome your further inquiry.

Sincerely,

LOUIS W. DAWSON, *Chairman.*

Mr. Dawson sets forth imposing and apparently reasonable reasons why this pending bill is somewhat iniquitous.

He urges that we undertake to amend the bill. Obviously it is not possible under the rule under which this bill is being considered to amend it, but I am sure I bespeak the sentiments of all the members of our committee that this is a task to which we have addressed ourselves with great earnestness, conscious as we were of the obvious importance to our basic economy of an industry as large, as historic, and as important as the life-insurance industry.

I take some heart that my time has come at this point in the debate, following as it did the very lucid and typically capable presentation of an obviously difficult subject by our distinguished chairman and by the other members of the committee, from some of whom I get the impression they would seem to want to have their cake and eat it, too. We are men who will on the final call vote "Yes" or "No" and not "Maybe."

I should like, Mr. Chairman, in addition to taking as my own the position given to you by our chairman and by the Representative from the great State of Texas [Mr. IKARD] and the others who have spoken in support of this bill, to call your attention to a feature of it touching upon a subject in which I have had deep and long interest, and that is the subject of providing for the ever increasing and widening of the coverage of pension plans and retirement systems. I think that if this bill did nothing other

than to do what it does in this field it would be of great service to the small people of this country.

What we have undertaken to do in this area is to provide that the life insurance companies that are engaged, as all of them well may be, in the issuance of insured plans of retirement, may more equitably and properly compete with the larger plans that are normally trusteed plans. The differential in the cost between the two is sometimes overburdening to those who by reason of their relatirely small size are unattractive to the trusteed plans and who must therefore go into the field of the insured retirement systems.

The bill H.R. 4245, in addition to its other improvements over present law, deals with a problem faced by insurance companies in competing for pension plan business with banks that can establish tax-exempt pension trusts. The bill provides that life insurance companies will not be subject to tax on any of the investment income earned on reserves held for qualified employer-employee pension plans.

It is expected that the tax saving from this special treatment of pension business will go ultimately to the covered employees and the employers involved in the pension plan. Virtually all of the pension business is on a participating basis under which the net profits of the insurance company are shared with the employers and employees. The evidence of the profit margins made by banks on the handling of employer pension trust accounts indicates that these employers, as a group, are very shrewd bargainers. The net profit on this business for the banks is extremely low. There is no reason to believe that the insurance companies would be any more successful than the banks in obtaining a large portion of any savings generated on this business.

It would be primarily small employers who would get the advantage of this provision. Clearly, it is the small employer that is interested in establishing an insured pension plan rather than a trusteed pension plan. The administrative costs for a small trust would be high, and the risk involved in unfavorable mortality experience would be large. A big employer can obtain the advantage of the law of large numbers through a trusteed plan. A small employer can only obtain this advantage of averaging out his risks by participating in an insured plan. Any discrimination against insured pension business would work to the disadvantage of small employers.

The evidence is quite clear that a very large portion of the new pension business is going into pension trusts rather than into insured plans. The pension reserves of the insurance companies themselves are increasing year by year but this reflects to a very great extent the annual growth in reserves under plans that have already been established. Even without new business, the size of these reserves would have grown somewhat.

In 1950 the insurance companies held 48 percent of the aggregate reserves for private pension and profit-sharing plans. By 1957 this figure was 40 percent. In 1950, 45 percent of the current employer and employee contributions went into insurance companies as compared to 55 percent for trusts. In 1957 only 34 percent of the current contributions were going into insurance companies as compared to trusts.

Between 1949 and 1959, there has been a steady tendency among established plans to shift from insured financing to trusteed financing. In one large company engaged in this business, the annual premium on group annuity business, which is the pension plan business, is presently running slightly over $200 million. The annual premium that would have been paid by companies that have switched from insured to trusteed financing since 1949 is in the neighborhood of $44 million. This is a loss of 20 percent of the business that they would have had in 1959 except that these employers decided to give up on an established insured plan and go to a trusteed plan. Another large company that is engaged in this area receives annual group annuity premiums of slightly over $200 million and since 1946 has lost contracts which were shifted to trusts which would have provided an annual premium of approximately $76 million.

The insurance company that is most heavily engaged in pension plan business has shown a decline in its annual premiums on this business since 1953 of approximately 10 percent, this at the time when the aggregate amounts paid into trust plans increased by 70 percent.

The bill does not give life insurance companies a complete exemption with respect to all of the income that the company earns as a result of being in the pension plan business. At a minimum, the company must maintain a certain amount of surplus as a contingency fund to cover the liabilities that they have incurred under pension arrangements as measured by the reserves. For a large mutual company, this surplus would be in the neighborhood of 6 to 8 percent of the reserves and under the bill the investment earnings from this 6 to 8 percent of the assets would be subject to tax at 52 percent. This will mean on balance an effective tax rate of 3 or 4 percent on pension business. The company may also be taxed on retained profits in phase 2. The Committee on Ways and Means regards this as a reasonable solution of the issue that will reduce the present disadvantage of the insurance company in pension business but will not go so far as to put banks at a disadvantage.

I think that in this area the committee has treated the life insurance companies with eminent fairness, has not done havoc to the existing order of the business in that field and will, I hope, result in an ever-increasing number of small employers who will be providing retirement plans for their ever-increasing large number of employees.

So, Mr. Chairman, I do not mean to delay the committee in its final action, which I am sure will be the sending of the pending bill to the other body, where it will, I know, receive the usual fine, studious, and objective consideration by that body, to the end that this great industry will hereafter have a basis for knowing that it does not have to survive, taxwise, on a year-to-year and indefinite law. We are not abdicating our inherent authority and power to review the application of this bill when it becomes law. We are simply undertaking to adopt a concept of taxation that is more realistic to the present-day means and methods of engaging in the business of life insurance. I am confident, Mr. Chairman, that with the passage of this bill and with such, if any, refinements that may be incorporated in it when it is finally enacted, we will have taken a great and large and constructive step in the direction of setting at rest the dangers that are always attendant on uncertainty in the field of taxation.

I am delighted, Mr. Chairman, that during the course of the debate our chairman of the committee has made it clear that the intent of the committee in the pending bill with respect to tax free and partially tax free interest was to preserve the status of that source of revenue to the companies. I must confess that in another area in which, I hope, he has made the record clear, and I think he has, I had some misgivings. That is with respect to the imposition of a limitation upon the power of a company to pay dividends to policyholders. I agreed with that proposal for I have been assured and reassured—and I hope I will be re-reassured that that is not an indication of any continuing effort to impose further limitations with respect to the power to declare dividends to policyholders or others, but that the inclusion of this limitation in the pending bill is solely and simply for the purpose of making certain that in the step 2 described by the chairman, a minus figure will be obtained by adopting a variable dividend policy.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield myself 1 minute for the purpose of asking my distinguished committee chairman a question.

There is a matter of great importance on which I am sure the gentleman from Arkansas [Mr. MILLS], the chairman, holds an opinion which coincides with mine; namely: that the committee has no intention of placing jurisdiction of the management of insurance company reserves within the hands or powers of the Commissioner of Internal Revenue. Specifically, I refer to section 806 of the bill before us. This section of the bill relates to a change of basis in computing reserves. I ask whether it is intended that permission to change the basis requires approval of the Secretary of the Treasury or his delegate as provided by section 446(e) of the code?

Mr. MILLS. Certainly, it is not the intention of the chairman that that be required. I think I can speak without fear of contradiction and say it is not the intention of the committee. We are trying to preserve as best we can in this bill the management of this industry in the hands of the State regulatory agencies and not to change in any way that situation so as to turn over to the Commissioner of Internal Revenue, the

Secretary of the Treasury, or anyone else in Washington the regulatory authority.

Mr. SIMPSON of Pennsylvania. I thank the chairman.

Mr. MILLS. We are endeavoring to tax what we think is the true income of the insurance companies.

Mr. SIMPSON of Pennsylvania. I thank the gentleman, and say that I agree with him.

Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I support the bill H.R. 4245. I do not contend that it is a perfect bill.

I was a member of the subcommittee which conducted hearings on the bill last fall. I know that we did our best in the subcommittee. I know the full committee has done its best to develop a bill which was fair to all segments of the insurance industry and to the policyholders and to the Government.

I hope this bill works. I hope it will be fair and equitable to all concerned. It is the best we could do, at least at this moment.

It was my privilege to be one of the principal advocates and sponsors of the provision in the bill which allows a deduction against operating gains for nonparticipating insurance equal to 10 percent of the increase in life insurance reserves attributable to such nonparticipating life insurance. It is my belief that this proposal will help stock life insurance companies to accumulate appropriate surplus and capital account that are necessary to provide solvency and financial strength to a growing insurance company.

In addition to this 10 percent adjustment it is possible that other similar adjustments should have been included in this bill. However, I am sure that I speak for the entire committee membership when I assure my colleagues in the House that the Committee on Ways and Means will continue its study of this problem and will watch carefully the impact of this legislation on the life insurance industry and its policyholders.

I yield back the remainder of my time, Mr. Chairman.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I wish the RECORD to show that I have a personal and pecuniary interest in this bill, H.R. 4245, to tax the income of life insurance companies. I have not discussed the merits of the bill with any Members privately or in the committee, and when it comes to final passage or a motion to recommit, I shall vote "present" in conformity with rule 8 of the House rules.

I yield back the remainder of my time, Mr. Chairman.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Chairman, I take this time to express my appreciation to the chairman, the ranking minority member and other members of the Ways and Means Committee for the thorough explanation of this bill which has been made on the floor of this House during the debate in Committee of the Whole.

The explanation, together with the report which accompanies H.R. 4245 is very enlightening and has I think to the satisfaction of almost everyone explained the purposes and intentions of this major revision in the Internal Revenue Code as it applies to the taxation of life insurance companies.

Mr. Chairman, I feel that all of us are well aware of the tremendous and dynamic growth which the life insurance industry has experienced in the United States and all over the world. It is one of the major bulwarks of thrift and practical economy. It is an industry which has been treated very fairly and very equitably by tax laws up to this time and also will be fairly and equitably treated I believe by the provisions of H.R. 4245. I know the feelings of the distinguished chairman of the Ways and Means Committee, and those who served with him on his subcommittee and studied this bill and held hearings on it, and I know those feelings also extend to the entire membership of the Ways and Means Committee. This is a bill which naturally presents some questions and some problems, but most of these can be answered and these problems can be solved only after experience, actual experience, with the provisions of this bill. If I had written this bill it is possible I would have gone further than the committee bill goes, but I believe I would have gone by a slightly different route. I believe, however, that the end objectives which have been arrived at in this bill as explained so well and so fully by the committee report and by the chairman of the committee and his colleagues on the Ways and Means Committee, have reached an objective charged with safeguarding the best interests of everyone concerned, the public, the purchaser of life insurance, the management of life insurance companies, the stockholders of stock companies, and policyholders of mutual companies. If this is true it is certainly a tribute to a piece of legislation which will increase taxes and bring into the Treasury of the United States some badly needed additional revenue. I would like to ask the chairman of the committee one or two questions with reference to the operations loss carrybacks and carryovers.

I would like to ask the chairman of the committee whether I am correct, as I read the bill, that there is an operations loss carryback provision over 3 taxable years preceding the loss year and an operations loss carryover to each of the 5 taxable years following the loss year?

Mr. MILLS. The gentleman is correct. The provisions of this bill in that respect are comparable to the general provisions of section 172.

Mr. FLYNT. I know that the committee realizes that certain problems confront a new company entering the life insurance field which do not confront other business enterprises; in fact, it is well known that the life insurance industry is about the only one where good management and sound financial and fiscal policies can do nothing but result in a loss during the early years of operation. I know of no other type of company where this applies. I wonder if the chairman feels that it would be equally reasonable to provide an operations loss carryover to each of the 10 taxable years following the loss year for a new company which has been organized, say, less than 20 years?

Mr. MILLS. Let me go back just a second so that there will be a full understanding of what we do or what we try to do with respect to loss carrybacks and loss carryovers.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 5 additional minutes.

Under section 172 we provide that the losses in the taxable year 1958 must be carried back first. If there are no profits in those 3 years out of which those losses can be recouped, then the company is permitted to carry the losses over to the 5 following years forward. The provision for the carryback takes care of practically all of the losses that are incurred in a taxable year by old and existing business.

We have this 5-year carry forward in section 172 largely for the benefit of new businesses that have no previous years of profits to which they can carry these losses; so it is for the benefit of those businesses that we have the carry forward of losses primarily.

The gentleman raises the question whether or not the 5-year carryover of loss in the case of a reasonably new life insurance company is adequate. Let us assure the gentleman that we did go into this—the technicians did, I did, and the members of the committee did—to a great extent, trying to determine whether or not, in view of the long-range implications of this industry, there should be a longer period of carryover of loss. We concluded that would be essential if in step 2 we would tax 100 percent of the net gain from operations instead of merely taxing 50 percent of the underwriting gain. Undoubtedly the gentleman would be right; we would have to go even further than 10 years, in all probability.

We concluded that because we were taxing only 50 percent of the net gain in the year when the net gain was realized we would not be justified in carrying a complete 100 percent of a loss from many previous taxable years into that taxable year when only half of the profit that is derived in the taxable year would be taxed anyway. So we stopped at the 5 years.

I know what the gentleman has in mind—that it takes about 7 years for a stock life insurance company just beginning operations to reach a period when it may expect to have some profit, so that these losses within the first 2 or 3 years of operation might well not extend to a year in which this stock company made a profit so that the previous loss could be recouped for tax purposes.

That is the gentleman's concern, and I, too, have concern about that; but let me assure the gentleman that as this matter progresses through legislative channels I am sure the technicians will be giving further consideration to this

point so that in the event it is determined that we have not provided adequate safeguards for new companies in this process further consideration will be given to the period over which these losses may be carried.

Mr. FLYNT. I thank the chairman of the Committee on Ways and Means very much for the very clear and complete answer given to the question I raised. I raised that question because, as the gentleman so well knows and stated a moment ago, it is highly possible for a new company with good management, following sound policies of underwriting and of financing, could experience what would seem to be a staggering loss during the first year, a very large loss the second year, a large loss the third year, a medium-sized loss the fourth year, a negligible loss the fifth year, and, if all goes well, reach a break-even point, give and take a few percentage points, in the sixth or the seventh year. It is with the idea of encouraging and fostering new enterprises of all kinds in this field, as in any other field, that I am sure the distinguished chairman of the committee based the statement which he just made.

I would also in that connection like to call attention to the possibility that during the first 15 or 20 years of operation of a life insurance company a major disaster might strike a community in which that company had issued substantial policies both in number and amount, and whereas a disaster of this kind would not affect a company 50 or 75 years old, it could seriously damage a company 10 or 15 or even as much as 20 years old. So it is with those points in mind, in an effort to avoid pitfalls and dangers and hazards, that I have taken this time to ask these clarifying questions of the committee chairman. I am grateful to him for the interest which he has shown in the questions which have been asked and the fullness of the answers which have been given.

It is my sincere hope, Mr. Chairman, that this legislation will achieve the results which are desired by its author and by the members of the committee which reported it and that it will have in the long run a beneficial effect not only for raising revenue but upon the very persons who shall be called upon for increased taxes under the provisions of this law.

Mr. MILLS. Mr. Chairman, if the gentleman will yield further, the gentleman has had some experience in connection with life insurance companies, and that is the reason I wanted to ask him this question. The gentleman has been dealing with a new company, a small company. It is the gentleman's view, I take it, that a small company or a new company is in a better position under this bill than that company would be if we would permit the 1942 law to go into effect.

Mr. FLYNT. I think that question can be answered in the affirmative, and I think it is entirely correct.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. DADDARIO].

Mr. DADDARIO. Mr. Chairman, Hartford is the capital city of Connecticut and is referred to on many occasions as the insurance city of the world. It writes about 10 percent of the life insurance business in the country, and as a result I have been following this legislation very closely because of the effect that it has on my home district.

Mr. Chairman, these life insurance companies in the aggregate employ something like 30,000 people in Hartford County. They pay $130 million in salaries, and they are responsible and civic-minded corporate beings. The stability of these companies is shown in that over 25 percent of their employees have been with them for over 25 years. These companies pay a good deal of money in State taxes as well as their fair share of contributions to the Federal tax structure.

Now, when this permanent formula was being worked out I was concerned about the form that it would take, and I am pleased to say that the distinguished chairman of the Committee on Ways and Means from Arkansas and the Committee on Ways and Means as a whole have tackled this problem in a very responsible and very stable fashion. The chairman, especially, over a period of many, many years, has gone through this complicated and complex and intricate problem and has shown forbearance and wisdom in his approach to the problem which has been before him.

Although I will vote for this measure, there are a couple of points that I would like to raise and which seem to me to be a problem, insofar as this bill is concerned. The first one refers to the fact that the life insurance companies during the tax year 1957 paid $293 million.

This bill asks that that amount be jumped to $545 million on business accomplished in 1958. It must be remembered that what is being taxed here is a form of savings, a great flow of institutional funds that is normally used for investment in the American future. These taxes come on top of heavy State taxes, and none of us have any illusions, I am sure, that it is less important to raise revenues at the State level than here in Washington. It would appear, therefore—and this is an objection that I have—that there has been too big a bite taken out of this apple for this year, especially taking into consideration that in many of the States, including my own, there has been an increase this year in the taxation of these insurance companies.

Besides the level of taxes I question the provision concerning tax-exempt bonds. I have already mentioned the importance of institutional investment with life insurance funds. The housing construction, the mortgages, the varieties of financial support that these funds give reaches into every corner of America. Not the least important is the support of municipal and other tax-exempt bonds.

As I understand this bill, the life insurance company cannot allocate this tax-exempt interest to surplus and receive full credit as in the case of other insurance companies, other corporations, and individuals. The net effect may be, under the law, that the life insurance company is taxed on two-thirds of what should be tax-free interest. There is not much money involved here, but the principle is important. Congress has established tax-exempt bond features to encourage or channel the flow of savings into socially desirable functions. Yet here one form of investment is discouraged.

I am not sure of the constitutionality of this approach. The Supreme Court, in the National Life Insurance Co. against United States case, 277 U.S. 508, has said that you could not reach tax-exempt interest indirectly, that you could not tax directly. This clause in the law, section 804(c)(5) and (6), appears to do so. With the heavier tax load that this bill will bring into the Treasury, this tax-exempt feature should be considered. In explaining this feature earlier, the distinguished chairman of the Committee on Ways and Means said that this was being protected perhaps beyond 100 percent. If this is the intention of the committee and its chairman, then tax-exempt income should not be subject to the financial maneuvering within the law, but should be left completely out of the tax-taking structure. Then there would be no question but that this type of income would not be taxed.

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, I have received the following letter from Mr. H. Ladd Plumley, president of the State Mutual Life Assurance Company of America, of Worcester, Mass.:

STATE MUTUAL LIFE ASSURANCE COMPANY OF AMERICA,
Worcester, Mass., February 17, 1959.

Hon. HAROLD D. DONOHUE,
House of Representatives,
Washington, D.C.

MY DEAR MR. DONOHUE: The reports are that House bill 4245 dealing with the taxation of life insurance companies will come before the House of Representatives tomorrow. We wish to protest as vehemently as possible against the enactment of this proposed legislation.

Estimates indicate that it increases the Federal income tax on life insurance companies from an estimated $315 million, if present legislation were continued for a further year, to an approximate $550 million or 75 percent. In the case of our own company the increase is from $1,975,000 to $4,050,000 or an increase of 105 percent.

I emphasize the magnitude of this increase, because memory does not bring to mind another instance where a business which has been regularly taxed has been made subject to such an onerous increase. In this mutual company the complete burden of this taxation will fall upon our hundreds of thousands of policyholders who have elected this mode of savings to help provide by their own thriftiness for their families in the event of death.

We hear on many sides today of the Federal Government's intention of taking all possible actions to stop the inroads that inflation has been making upon the value of our dollar. The reserves of life insurance are the greatest pool of long-term capital in the world. To levy taxes of this weight upon

life insurance at a time when all forms of savings should be encouraged, seems to lack logical explanation.

The press does not report a single basic tax principle that is involved in this increase but rather all emphasis has been laid from the start upon the fact that $550 million is desired from the life insurance industry and the bill has been designed to provide the predetermined results. Such an approach is particularly punitive when it is considered that present life insurance taxes (Federal, State, and local) are almost three times as great as the average tax on other forms of savings.

In behalf of the policyholders of this company, most of whom are persons of modest means, we, therefore, ask you as our Congressman to protest the passage of House bill 4245.

Sincerely yours,

H. LADD PLUMLEY,
President.

Mr. MILLS. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. Under the rule, if there are no further requests for time, the bill is considered as having been read for amendment. Also, under the rule, no amendments are in order except amendments offered by direction of the Committee on Ways and Means. Are there any amendments to be offered?

Mr. MILLS. Mr. Chairman, I offer a committee amendment that is clerical and technical in nature.

The Clerk read as follows:

Amendment offered by Mr. MILLS: Page 6, line 7, strike out "1957." and insert "1957,".

Page 9, line 13, strike out "(5))" and insert "(5), but computed without any deduction for investment expenses allowed by this paragraph)."

Page 13, strike out line 23 and all that follows through line 2 on page 14 and insert:

"(B) the investment yield rate (as defined in subsection (c)(1))."

Page 14, strike out lines 9, 10, and 11, and insert "the investment yield rate, the deduction rate for the taxable year is the investment yield rate."

Page 19, line 16, strike out "LEFT ON DEPOSIT, ETC." and insert "IN THE NATURE OF INTEREST."

Page 22, line 6, strike out "NET PREMIUMS" and insert "PREMIUMS."

Page 24, lines 6 and 7, strike out "as relates to the life insurance features under" and insert "(excluding that portion of the reserves which is allocable to annuity features) as relates to,".

Page 24, lines 10 and 15, strike out "net".

Page 24, strike out the sentence beginning in line 17 and insert "For purposes of this paragraph, the term 'premiums' means the net amount of the premiums and other consideration taken into account under subsection (c)(1)."

Page 38, beginning in line 13, strike out "deduction for dividends received provided by section 243" and insert "deductions for dividends received provided by sections 243, 244, and 245."

Page 42, strike out lines 5, 6, and 7, and insert:

"(B) 60 per centum of the net amount of the premiums and other consideration taken into account for the taxable year under section 809(c)(1)."

Page 42, after line 7, insert "The amount so subtracted, less the amount of the tax imposed with respect to such amount by reason of section 802(b)(3), shall be added to the shareholder's surplus account as of the beginning of the succeeding taxable year."

Page 57, strike out lines 22 and 23 and insert:

"(1) Sections 842 and 1504(b)(2) of such Code are each amended by striking out ', 811,'. Section 891 of such Code is amended by striking out '811,'."

Mr. MILLS (interrupting the reading). Mr. Chairman, I ask unanimous consent to dispense with further reading of the amendment, since it is technical and clerical in nature, and that it appear in full in the RECORD.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. UDALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4245) relating to the taxation of the income of life insurance companies, pursuant to House Resolution 171, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. CURTIS of Missouri. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill.

Mr. CURTIS of Missouri. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CURTIS of Missouri moves to recommit the bill H.R. 4245 to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

FEDERAL PUPIL TESTING ACTIVITIES

Mr. JOHANSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan.

There was no objection.

Mr. JOHANSEN. Mr. Speaker, the U.S. Commissioner of Education has today announced authorization of a so-called research program on a national scale with the ostensible purpose of helping "high schools to do a better job of identifying, developing, and utilizing student talents."

This program, it is announced, will involve one-half a million boys and girls in 1,400 high schools—approximately 5 percent of the total high school enrollment—as participants in the study.

It is obvious, and certainly has not been denied by the Office of Education, that this project will involve pupil-testing activities to be carried out in behalf of the Federal Government under the auspices of the University of Pittsburgh or at least under the direction of Dr. John C. Flanagan, professor of psychology at the university and director of the American Institute for Research.

The Commissioner of Education has disclosed that Federal support of this 4-year program may ultimately reach the sum of $1 million.

Even before official announcement of this program, it was severely criticized by Frederick M. Raubinger, commissioner of education of the State of New Jersey, in an address before the annual meeting of the American Association of School Administrators at Atlantic City on Monday of this week.

Mr. Raubinger warned of the "clear temptation to tie Federal testing with Federal aid and federally recommended curricula." He further warned that this project "lets the camel's nose into the tent" and added that "once national testing is imposed, it would never be withdrawn."

Quite apart from the validity of Mr. Raubinger's protest—and I believe it is immensely valid—it is my judgment that the action of the Commissioner of Education constitutes a deliberate, dishonest, and inexcusable fraud and imposition upon the Congress.

It is noteworthy that this action by the Office of Education has not been taken under the provisions of the National Defense Education Act of 1958, but under Public Law 531 of the 83d Congress, which authorizes the Commissioner of education to "enter into contracts or jointly financed cooperative arrangements with universities and colleges and State educational agencies for the conduct of research, surveys, and demonstrations in the field of education."

In the enactment of the National Defense Education Act last year, the Congress did provide for Federal aid to States for "State plans to increase the effectiveness of testing, counseling, and guidance activities" for secondary school students within the respective States. Scrupulous pains were taken to see to it that these programs, while subject to approval of the Federal Office of Education, would be entirely under State or local control.

I opposed this provision of the legislation, as well as the entire National Defense Education Act, because I was positive the Federal Government would not keep its hands off the program of pupil testing.

Today's development proves how accurate this conviction was. It also proves that the Federal Government, through the Office of Education and by administrative action, uses the back door approach to accomplish a massive Federal

intervention in this critical field—unquestionably including the area of pupil testing—without any specific and proper authorization of Congress.

I am drafting legislation designed to countermand this decision and halt this program and also to prevent any future administrative decisions initiating Federal pupil testing programs for high-school students. I expect to introduce this bill later this week.

FEDERAL CAREER EMPLOYEES

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, over the years the United States civil service has earned a fine reputation in its selection and protection of our Federal Government's career employees. This has inspired mutual confidence and mutual security and has raised the efficiency and the morale of those who have devoted their lives to the performance of those Government functions upon which all of our people depend.

The only cases, and they happen infrequently, where conscientious Federal employees with permanent civil service status may lose their jobs occur when there is a reduction in force. This means that certain jobs have become surplus and are therefore eliminated. Even in such cases, the displaced civil servants enjoy preference in securing suitable employment with other Federal agencies, and the civil service aids them to the best of its ability in finding employment elsewhere within the Federal establishment. Mind you, the only basis for a reduction in force is where the jobs have been eliminated with good cause.

Members of Congress are disturbed by recent developments which point to a subtle strategy on the part of the Government to get around this requirement, and in the process, sell out the job rights of career employees under civil service, in favor of private contractors.

This is morally indefensible, and contrary to the letter and the spirit of the compact between the Federal Government and its career employees.

Unless this devious move is stopped immediately, it could establish a dangerous precedent that would undermine the whole structure of the civil service and destroy the faith of all Federal employees in their career status.

Previous administrations have been criticized by a minority for the few instances where Government has gone into business by producing a few items necessary for national defense.

But what about the present reversal, and the desire of this administration to farm out essential Government functions to private contractors? And at the expense of career employees who are being contracted out of their jobs? Here is a typical case.

I know of a maintenance man with permanent civil service status who has the full responsibility of caring for an Army Reserve center. Several years ago, he passed the civil service test for steamfitter and plumber. In addition, he makes electrical repairs, does carpentry work, painting, and general custodial work. He has received two letters of commendation for the efficient manner in which he performs his duties.

Last month, he received a reduction in force notice that will terminate his employment. His work is going to be let out to private contractors, on a cost-plus basis. This will cost the Government much more money than was paid for his services. The electrician will be called when needed, then the plumber when needed, and so forth. The inconvenience of such a procedure is wasteful. It certainly contradicts the economizing zeal of the Budget Bureau.

Or are these economizing policies only a pretext for handing over, in time, most of the genuine functions of Government to private enterprise, thereby surrendering Government to business.

So far, the Department of Defense is the chief offender. Is this due to the fact that so many retired generals and admirals have accepted key positions with big business, and in turn are encouraging these arbitrary procedures? This is not in the public interest. It is wasteful.

It threatens the integrity of our civil service, and the faith of career employees in that system.

We ask the administration to abandon this practice of contracting Federal workers out of their jobs.

If it fails to do this, Congress will pass legislation to correct these abuses.

APPOINTMENT OF OBJECTORS ON CONSENT AND PRIVATE CALENDARS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I wish to announce to the Members of the House for their guidance in the future that I have appointed to serve as objectors on the Consent Calendar on our side the gentleman from Michigan [Mr. FORD]; the gentleman from Nebraska [Mr. WEAVER]; and the gentleman from Washington [Mr. PELLY]. I have also appointed to serve as objectors on the Private Calendar on our side the gentleman from Kansas [Mr. AVERY]; the gentleman from Wisconsin [Mr. VAN PELT]; and the gentleman from Massachusetts [Mr. CONTE].

THOMAS DENNIS COSKREN

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the scientific potential of boys and girls now studying in our high schools is the secret strength of the United States in opening up the new frontiers of tomorrow.

To search and find and encourage those high school seniors who have the ability to become the scientists of the future, is the purpose of the science talent search that is conducted annually, with the financial support of the Westinghouse Electric Corp.

With each passing day we realize more and more how the survival of our civilization depends upon education in general, with emphasis upon pioneering leadership in science.

Science Service is the unique institution established in 1921 to take science to the people. With the help of newspapers, educators, and scientists, an ever larger number of seniors compete for these scholarships, awards, and honors.

Many other scholarships in colleges and universities throughout the Nation, supplementing the Westinghouse Science Scholarships, are given to contestants with high talent.

I am proud to announce that a boy from my home city, Lawrence, Mass., has qualified for the honors group.

His name is Thomas Dennis Coskren, and he lives at 113 Berkeley Street.

Thomas, a student at Central Catholic High School in Lawrence, concentrated in his project report on "Minerals Found in the Woburn-Wilmington-Reading, Mass., Area."

The eager mind and the studious habits of my young neighbor point to a successful career in the field of science.

I am confident that he is going to become a great credit to himself and his family. In so doing, he will make a real contribution to our Nation's progress.

Congratulations to Thomas Coskren for the honor he has won.

FLOOD CONTROL FOR INDIANA

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. ROUSH] is recognized for 15 minutes.

Mr. ROUSH. Mr. Speaker, last week was a week of terror and disaster for my beloved State of Indiana. The Wabash River once again became a destructive, irresponsible giant, unleashing its fury against our farms, our cities, and our people. Year after year I have seen this peaceful stream, across the waters of which as a boy I waded by doing nothing more than rolling my pants legs up another notch, become this unconquerable giant sweeping before it homes and property and with its muddy appearance telling us that our topsoil was escaping to the Mississippi. Year after year I have seen that peaceful stream creep upward until it was in our cities' streets, into homes, factories, and business establishments.

For more than a week the headlines and the top stories of the newspapers, radio stations, and TV networks have shouted the tragic news that the residents of my hometown of Huntington, of Wabash, Peru, Logansport, Terre Haute, and Vincennes are conducting a futile

battle against this almost uncontrollable fury to save their homes, their property, and their very lives.

Reports began to flow into my office by letter, by telegram, and by telephone of this tragedy and last weekend I viewed it with my own eyes. Bridges were swept away or damaged, 2,300 families were evacuated from their homes, schools were forced to close their doors, factories were closed as these muddy waters came through their doors and windows, sandbags by the thousands were utilized by tired but determined citizens in a desperate attempt to hold back these waters. Military, Reserve, and National Guard units were pressed into service. The Corps of Engineers responded quickly to our pleas for assistance. The Farmers Home Administration was authorized to make available, to flood victims of Indiana, loans for repair and for the replacement of buildings and homes. Credit was extended for replacement of equipment, purchasing of seed, fertilizers, fencing, and for other farm costs. FHA officials were surveying the needs for supplemental credit service. Surplus foods were made available. The Red Cross operating in its usual quiet but efficient manner stepped in with its disaster services. The President designated certain counties as disaster areas. I mention these to show the magnitude of this terrible misfortune which has befallen my State.

Now why did this happen? Why did we find it necessary to call upon the resources of the Nation, of all of these agencies? Why did my people have to exert themselves beyond what they believed to be their normal endurance? Why did they have to suffer these terrible losses?

This was not just another act of God the consequences of which were unavoidable. The fact is that Indiana has been demanding flood control for years. The fact is that an adequate flood control project would have provided protection against this flood.

After much delay, Congress only last year recognized our need, and following the recommendations of a competent Corps of Engineers approved three flood-control projects in Indiana's Fifth District. The Huntington Dam, the Salamonie Dam, and the Mississinewa Dam which when constructed will give us a great measure of protection. But in the next breath this same Congress denied this need by refusing to appropriate money for these very projects.

Immediately after the President's state of the Union message, I checked with the Bureau of the Budget and the Corps of Engineers to determine how much had been allotted for these authorized flood-control projects. Again to my own disappointment and to the disappointment of the people of Indiana I found that nothing had been allowed and that Indiana was to be left once again to the mercies of these periodic floods.

We did not expect to have flood control tomorrow or the next day or even next year but we did expect—because of the history of periodic floods and the destruction of property—to have money appropriated to start these needed flood-control projects which the Corps of Engineers had a long time ago determined to be the answer to our problem. We expected to have that feeling of satisfaction and hope which comes from the knowledge that work has commenced and the problem is being solved. We do not have either that satisfaction or hope.

We are asking Congress to give us that satisfaction and hope by appropriating funds for flood control in the Wabash River Valley. We are not asking for money for fishing holes and bathing beaches. We are asking Congress to provide us with funds to build flood-control projects which will save us from the ravages and destructiveness of these terrible floods. We are asking for immediate action that work might commence on these needed projects.

What these past few days have cost us is difficult to estimate but the imagination, a glance at the governmental services called into play and a view of the damage leads us to the unquestionable conclusion that it will run into millions of dollars. No doubt the sum will exceed the entire cost of these flood-control projects.

I have in recent remarks which can be found in the CONGRESSIONAL RECORD stated that we Hoosiers are a proud people who like to handle our own problems but that pride does not bind us to the fact that this is a problem which is beyond our means, one which is for this Congress. That pride does not prevent us from boldly—with certainty of our need—asking for the help which only this Congress can provide.

This heartache, suffering, all of these losses and dangers could have been avoided if our past pleas had been listened to.

We are indignant and bewildered—and I speak for the people of my district—because we see our Government spending money for so many things which seem so unnecessary, especially when viewed in the light of our own distress. For example, a chart prepared by the International Cooperation Administration reveals that for irrigation, reclamation—including flood control—and power projects the following sums were spent abroad from April 3, 1948, to September 30, 1957:

In Europe, $97,838,000.

European overseas territory, $4,084,000.

Far East, $157,921,000.

Near East and South Asia, $135,816,000.

Africa, $2 million.

Latin America, $9,277,000.

We also find that certain communistic countries have received our money. From 1946 to 1957, Communist Albania received $20,444,000. Czechoslovakia got $185,827,000. Communist Yugoslavia received $789,732,000.

We cannot understand how our Government can spend hundreds of thousands for the entertainment of foreign persons—yes; including Mikoyan, of Russia—and cannot open the eyes to the needs of its own citizens.

Yes; the waters will slowly withdraw to the confines of the banks of the Wabash and next summer my sons will probably explore the same trails and fish the same holes I did as a boy but they and thousands of other Hoosiers will—unless this Congress acts—continue to live in the shadow of uncertainty and fear and unless this Congress acts the floods of Indiana will continue to supply copy for the newspapers, radio, and TV.

The hearts of the people of this Nation are filled with sympathy for our distress. I am confident that the eyes of the people of this Nation are on Congress wondering what we are going to do about these unnecessary recurring floods. These same loyal Americans are going to ask which comes first on our priority list for funds, America or some other nation—including Communist nations?

In closing I would like to point out that there is still another benefit to be derived, besides flood control, if Congress provides the immediate and positive action needed and I wonder if it is not the more important result. That is that the American people can see how this democracy is capable of rising up with its great strength to meet the emergencies of the hour, demonstrating that our compassion for distressed people and our recognition of their needs are capable of being backed by a positive program of action thus giving new confidence to our people in their Government and its democratic processes.

Mr. DENTON. Mr. Speaker, will the gentleman yield?

Mr. ROUSH. I yield to the gentleman from Indiana.

Mr. DENTON. I want to congratulate the gentleman for bringing this matter to the attention of the Congress. The State of Indiana has suffered $50 million flood damage in the Wabash Valley in the last 2 years. There must be added the damages suffered in this flood.

There are three reservoirs planned for the gentleman's district, the Fifth District of Indiana. They were authorized in the 1956 act but that act was vetoed. They were authorized again in 1957, and again that act was vetoed. They were authorized in the act of 1958 which finally became law, but no money was provided even to start the program in this year's budget.

I understand it will take some $700,000 to do the engineering work. I understand the Corps of Engineers asked for some $200,000 for that purpose. No money was provided simply because they said there would be no new starts. Does that mean that these people in Indiana must continually suffer from floods because a program of no starts has been adopted?

It cost $250,000 on the Government's part just to clean up the debris left by this flood. Just think of it. Over $50 million damage caused by flood in the Wabash Valley in the last 2 years and $250,000 to clean up the debris caused by this flood whose damage has not been estimated, and the Budget Director will not do anything to prevent the recurrence of these gigantic floods in the Wabash Valley. I am glad money is appropriated for flood control in other States, but certainly something should be done for Indiana where they have an

extremely bad condition in this Wabash Valley where people year after year after year are being washed out of their homes and suffer extensive damage.

There was a meeting of the Indiana congressional delegation today and we all agreed to work to see that these funds cut from the budget are restored and adequate sums are appropriated to prevent this recurring flood disaster in the Wabash River Valley.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. ROUSH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I am tremendously interested in the gentleman's statement and the problem that faces the people of this portion of his State, and hope something can be done to alleviate the situation.

I am glad to remind the House that there will be a request by the engineers for an appropriation authorizing flood control in the Merrimack River Valley. Naturally I am delighted that they are going ahead with the project. I hope it will be approved by the House. It has been too long delayed. I wish something could be done for the people of Indiana.

Mr. WAMPLER. Mr. Speaker, will the gentleman yield?

Mr. ROUSH. I yield to the gentleman from Indiana.

Mr. WAMPLER. It is a pleasure for me to be able to address my colleagues on this subject. I have just visited this area of the State. In my district alone I witnessed the tragic suffering of the people in Wabash River Valley, suffering to the extreme of not having houses to live in, and farmers not having sufficient soil left to allow them to look forward to a planting season.

I saw a levee that had been completely destroyed because over a period of time appropriations have not been allowed for its upkeep, a levee a mile and a half long, 6 feet high. There we had the National Guard and the Air National Guard doing what they could to help the local people, but all in support of a futile cause. That district in the State of Indiana is helpless because Federal funds are not available.

I went to the town of Attica, Ind. Here the town was inundated to the extent that 25 houses were flooded. The principal street of the town was called Canal Street just because of flood conditions.

In the little town of Clinton, Ind., the townspeople purchased 8,000 sandbags at a price of 14 cents each, filled the bags, and then at the end of the flood season the sand was taken out of the bags and those same sandbags were used during the next flood.

In Terre Haute, 82,000 sandbags were purchased in order to keep the floodwaters out.

It is a serious matter to this extent, the people of my district, the Sixth District of Indiana, are beginning to lose faith in the promises made them. Something must be done about it. They have been flooded out 8 out of the last 10 years. No longer do they record the flood stages at 14 feet, but at 20 feet, because they are running out of paper on which to record the flood stages. Everyone knows this is the case, everyone who has had occasion to go into the district and inspect the valley.

We ask that the Army engineers give us the support that is necessary. We have already appealed to them. We asked them to give us an approximation of what this entire flood-control project will cost this year, how much money they can actually use in order to convey to the people who are suffering in this district that something is going to be done in their behalf. If we are to realize the flood-control construction necessary the people and the administration of the State of Indiana must communicate their needs. I certainly sympathize with my colleagues adjacent to the Sixth District of Indiana. I know that this problem will be whipped when the will of this membership makes itself felt. I thank the gentleman.

Mr. ROUSH. Mr. Speaker, I yield back the balance of my time.

THE KINGDOM OF NEPAL

The SPEAKER pro tempore (Mr. IKARD). Under the previous order of the House, the gentleman from New York [Mr. POWELL] is recognized for 60 minutes.

Mr. POWELL. Mr. Speaker, I wish today to extend to the people of Nepal, His Majesty, Mahendra Bir Bikram Shah, and to that country's permanent representative to the United Nations and to Ambassador Rishikesh Shah congratulations and best wishes on this February 18, the eighth anniversary of their National Day. This day has been annually celebrated since 1951 when democratic government was introduced.

The Kingdom of Nepal, unlike many of its Asian neighbors, has been independent from time immemorial; therefore February 18 representing a stage in that country's development must not be confused with the celebrated Independence Day of our country and many others.

The Kingdom of Nepal is a country about the size of Wisconsin with a population of 8½ million. Lying along the slopes of the Himalayas and completely landlocked from the rest of the world by its mighty mountains, Nepal was little known prior to 1951 by the outside world, especially the Western World. In 1953, Nepal became a member of the United Nations and the whole country has been changing in its relationship to others and in its economic strides forward.

The economic well-being and the development of democratic institutions in Nepal is of significance to the future role of the United States in Asia, for hundreds of miles of its border are contiguous with Communist-occupied Tibet—hundreds of miles no longer impregnable to Communist infiltration. Therefore, programs of aid designed to strengthen the country's economy and in support of the democratic efforts there are bound to be mutually rewarding.

Since Nepal broke with absolutism 8 years ago, the country has made steady progress toward full democracy. Today, there is a general election taking place in Nepal, the first in its history, when 109 members of the new lower house will be chosen. There will be, in addition, an upper house of 36 members with one-half elected by the lower house and the other half by the King. There is in existence a constitution of 72 articles giving the Nepalese assurance of personal liberty, equality before the law, and economic, political, and religious freedom.

We salute Nepal on this February 18, for, measured against centuries of being cut off behind their great mountains, they have done a great deal. We in America wish that Nepal in reality remain a land of the gods.

WHEAT

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. BREEDING] is recognized for 30 minutes.

Mr. BREEDING. Mr. Speaker, I have the honor to represent one of the largest wheat-producing districts in the Nation. Naturally, I am concerned over the plight of the wheat farmer. Forced to operate at record high costs, which show no tendency to decline, the wheat farmer, just like all other farmers, can look forward only to lower prices and smaller income.

I am encouraged today, Mr. Speaker, by the introduction of several bills relating to wheat. These bills contain significant changes in the farm program insofar as wheat is concerned. The fact that wheatgrowers have indicated a willingness to accept drastic changes in the present program is a clear indication that farmers are anxious to bring a sense of reality to farm programs. Despite what many commentators and some Federal officials would have the public believe, farmers are just as concerned with the national welfare as everyone else.

Since the opening of Congress I have discussed the need for new wheat legislation with many Members of Congress from farm areas, also with the National Association of Wheat Growers and representatives of several farm organizations. These men who think constructively about our farm problems are to be congratulated for taking the leadership in the fight to bring some sanity into the wheat program.

In all my discussions of possible new wheat legislation, and in bills introduced here today, four basic concepts should be kept in mind at all times. No wheat legislation can be successful unless it takes these concepts into consideration:

First. Wheatgrowers' net income must be maintained if they are to reduce production below current levels.

Second. The buildup of CCC wheat stocks must be stopped and gradually reduced to a normal level.

Third. Further reductions of wheat acreage must not be shifted to other crops.

Fourth. Increased yields per acre, the result of better farming practices, must not be reflected in increased Government holdings.

It is possible, Mr. Speaker, to write new legislation for wheat which will

carry out these four basic principles. It is significant that the bills introduced here today recognize these concepts, and it is equally significant that wheat producers with whom I have talked have accepted the four principles as the benchmark for legislative proposals.

Mr. Speaker, no one will deny that wheat presents an extremely serious problem in the U.S.A. The carryover of more than 1 billion bushels now on hand is a constant threat to stabilized prices. Production must be brought into some sort of relationship with consumption. If acreage control continues to be the device used for accomplishing this purpose, the wheat farmer can expect in the future acreage allotments that are entirely too small to bring him the net income he must have to continue operations.

I had hoped that Secretary Benson, in his appearances before House and Senate committees, would make specific recommendations to change the present program. Instead, the Secretary deplored the present program and then dismissed it as no problem of his. In effect, Mr. Benson said to Congress: "this is a terrible situation. You do something about it."

Congress intends to do just that, Mr. Speaker.

There are several wheat bills introduced here today of which mine was one.

The Members who introduced wheat legislation today are to be congratulated. They deserve the thanks of all of us who are striving to end the chaos in the wheat industry. Also, the wheat farmers and the representatives of the great farm organizations who participated in discussions leading to the drafting of these bills also deserve our thanks.

These Members, and these men are making a constructive contribution to the solution of a most difficult problem.

Given the determination of the wheat farmers to bring about the necessary changes in present laws, I am confident, Mr. Speaker, that we can during the present session come up with legislation that will stabilize production at a level that will bring about a progressive reduction of the wheat surplus while, at the same time, stabilizing the income of wheat growers. This is not an impossible task for men who are dedicated to serving the best interest of the wheat farmers and the country as a whole.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. BREEDING. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I wish to join my distinguished colleague from my neighboring State of Kansas. I, too, represent a large wheat-growing district, and I am one of the authors of a wheat bill being introduced today.

It is a well-known fact that the present wheat program has resulted in a carryover of 1.5 billion bushels; that is a 1,500 million bushels of wheat carryover. This is roughly equal to 3 years' domestic supply or 2 years' supply in the domestic and world market. The tendency of wheat yields to rise in terms of bushels per acre was stepped up sharply by favorable weather conditions in 1958. In face of this trend, acreage controls obviously have not, will not, and cannot effectively limit output. They can only serve to speed the technological revolution on the farm which is helping to increase these yields.

The Secretary of Agriculture in his memorandum to the President of January 19, 1959, which was circulated in the House on January 29 along with the President's message on agriculture, suggested as one alternative that wheat allotments be considered on a bushelage instead of an acreage basis. He repeated this recommendation in his testimony before the House Committee on Agriculture on February 10, 1959. While this does not appear to be his preferred recommendation, it is helpful that he does mention it as worthy of consideration.

The bill I have introduced accepts this approach as imperative if we are ever to restore sanity to the wheat program.

I recently attended both State and national meetings of wheatgrowers. I can testify that the wheatgrowers themselves recognize the necessity for moving from an acreage to a bushelage marketing quota, provided that a reasonable price structure can be maintained. My bill varies in some important particulars from other bills being introduced. It contains the following basic elements:

First, it restricts the amount of wheat to be marketed commercially by a marketing quota allotment plan. The Secretary would establish quotas based upon the amount of wheat needed for domestic human consumption and the amount needed for export. So long as the carryover exceeded 600 million bushels, he would, in fixing the quotas, subtract 75 million bushels from the sum of domestic and foreign needs to help use up the carryover.

In order for our wheat program to be successful in the years ahead, it is absolutely necessary to bring the supply and the demand into a reasonable relationship. This is elementary economic logic, and everyone knows it. It would not be fair to our farm operators to do this by an act of such drastic surgery as refusing to permit any wheat to be marketed in a single year, which could quickly wipe out a major portion of the carryover. It is reasonable to require that at least 75 million bushels from the carryover be brought into the market until the carryover falls to 600 million bushels. The bill provides for a reserve of 500 million bushels as a security reserve to protect us against the event of war or other national emergency. This section contains provision for rotation to prevent spoilage.

Each farmer would be free to raise as much wheat as he wished, provided that he did not market an amount greater than that for which he had an allotment in each year. He could store the balance or use it for seed or feed. If he could produce his quota by reducing his acreage and increasing his yields he would be free to do so, but this would not upset the program, as it now does. In other words, the program is not—and I repeat—it is not a program of rigid control of farm operations. The control lies only in the commercial marketplace.

The minimum support price is pegged at 65 percent of parity, inasmuch as this bears a fairly reasonable relationship to the world market price for wheat. The price paid in the marketplace to the farmer would be reasonable related to the world market price for wheat. This meets the criticism of the present law that we are now subsidizing exports or maintaining an artificially high domestic price. In order to provide a reasonable income to the wheat farmer, however, the farmer would receive, with respect to the portion of the crop used for domestic human consumption, a stabilization certificate which would be worth the difference between the support price and the parity price.

That is to say, the stabilization certificate would be worth the difference between market price and parity price, with respect to the domestic food quota. Depending upon price fluctuations and the relative quantity of exports, this should net the farmer a blended price roughly equal to $2 a bushel for his wheat. These certificates need not be redeemed immediately, but bear interest at 3 percent per year. However, they are redeemable on demand of the holder and callable at any time within 10 years after the date of issuance. This provision is intended to keep these certificates from being inflationary. It is our hope that this device will prove successful.

This program should make wheat exports easier by allowing the support price to be at the world price for wheat, but not less than 65 percent of parity.

However, we are also supporting programs to expand the export of wheat and other surplus agricultural commodities by endorsing the principles of the Poage bill, H.R. 2420, which would permit the Secretary of Agriculture to make long-term contracts for disposal of agricultural commodities by assisting in the development of friendly nations through assuring a stable supply of long-term credit and permitting a variety of feasible methods of payment over a 40-year period.

In order to assure that the acreage released from the production of wheat does not immediately go into the production of other foodstuffs, the bill provides that at least 20 but not more than 50 percent of the farmers' base wheat acreage must be placed in the conservation reserve under the Soil Bank Act. This is intended to make the program be effective and not permit it to disrupt normal feed-grain production.

This program would only become effective upon a majority vote of those voting in a referendum called by the Secretary for the purpose of clarifying wheat farmers' support for such a program. If a majority should refuse to accept this program, the Secretary would, of course, be free to proceed under existing law. We believe, however, that the majority of the farmers are ready and willing to see a more effective program placed into operation, provided it gives some reasonable assurance of giving the farmer a fair return for his labor and capital.

It is evident that the present program, which calls for gradually depressing the

level of the support price along with acreage controls, is only adding to our difficulties. Actually, it must necessarily be so, because each farmer seeks to maintain the highest possible gross income from his farm operations so as to cover his costs and have some return for his labor and investment. The Secretary's own testimony to the House Agriculture Committee bears witness to the rising yield per acre which the farmers have been able to obtain, at least in part, through the pressure innovation that the Secretary's program of depressing price supports has forced upon them. We see no present likelihood of working our way out of the situation the Secretary has now created by encouraging him to pursue the same course of action even more diligently.

This bill deals only with the wheat program. This problem is the No. 1 agricultural problem, and it is most keenly felt in our own wheatgrowing areas. We believe it is built on sound principles. If the committee should choose to report a single-package agricultural bill, we hope that it will give sympathetic consideration to including language for a wheat program substantially like that contained in our proposal. In such case other cross-compliance features might be advantageous and the committee members may wish to consider them in drafting a single-package bill.

I cannot close my comments, Mr. Speaker, without reminding the Members that the wheat farmer would receive, if full parity were provided, 4 cents for each pound of wheat used for human consumption. The farmer's share of the wheat going into a loaf of bread, if full parity were provided, would be 4 cents. At present the farmer receives about 2½ cents a pound for the wheat which is sold overseas or used for feed. Given the present price of a loaf of bread in the marketplace, it does not seem unreasonable to suggest that the farmer receive, through a combination of market price and stabilization certificates, the equivalent of 4 cents a pound in order that he may have a fair return for making an abundant supply of wheat and flour available to the American people.

Nor should this statement be closed without noting that there are also being introduced bills similar to my own by others. One of the chief differences between my bill and the others is that the others call for what amounts to a processing tax upon the processors of the wheat. This tax would be earmarked to pay the cost of the stabilization certificates. This would operate to create a two-price system.

For a variety of reasons, I would prefer to pay the cost of the stabilization payments directly out of the Treasury rather than reopen the many difficulties that have been heretofore associated with processing taxes. While the wheat farmers are not directly concerned with the sources of the funds used to provide parity prices to them, I believe the public interest is better served by using the general tax powers of the Government to operate this program rather than by using a tax which is open to criticism as being a direct sales tax on bread, which is the staff of life.

It is my hope that the House Committee on Agriculture and its wheat subcommittee under the able chairmanship of the gentleman from Oklahoma [Mr. ALBERT] will give sympathetic consideration to a program which can help the wheat farmer to hold his head up, knowing that he is not responsible for the mess we are in, and that he will not be responsible for making the mess worse. We are trying to solve the fundamental problem. We are trying to reduce the cost to the taxpayers. We are trying to guarantee the American people a fair supply of food, and we think these things are done and can best be done under the principles embodied in this bill.

I thank the gentleman for yielding to me.

Mr. BREEDING. I thank my distinguished colleague from Colorado, and I want to make this remark about him. The first 6 weeks of his first term here in the Congress of the United States have been devoted a great deal to the drafting of this legislation. I was very pleased that he made remarks in regard to his own legislation as well as the bill I am introducing here today. These bills and these ideas principally come from the wheat-growing people of America. We do not say that these bills are the answer, but certainly we are offering them to the Congress of the United States and the people in general to review these ideas and come up with other ideas, and perhaps make these ideas a part of some future legislation. We think it is a serious problem that has to be worked out to maintain food for our own country and for some of the free countries of the world.

May I say to the gentleman from Colorado [Mr. JOHNSON] that it is a pleasure to have him join me in this debate.

Mr. JOHNSON of Colorado. I thank the gentleman.

REMEMBERING THE "MAINE"

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. O'HARA] is recognized for 40 minutes.

Mr. O'HARA of Illinois. Mr. Speaker, on the anniversary of the sinking of the battleship *Maine* in Havana Harbor I visited Santiago in Cuba to join with the people of Cuba in doing honor to the memory of the 266 American sailors who perished with the *Maine* 61 years ago. It was the sinking of the *Maine* that triggered the Spanish-American War and thus hastened the liberation of Cuba from the yoke of Spain.

My selection for this mission of good will from the people of the United States to the people of Cuba came from the circumstance that as a boy I had fought at Santiago with both American and Cuban soldiers and now am the last surviving veteran of that war so long ago now serving in the House.

I hope that my visit may have made some small contribution to recementing the ties of understanding and of affection between the peoples of the land where I was born and to which I give my all-out loyalty and the peoples of the land for the freedom of which and on the soil of which I as a boy had been willing to give my life.

RIGHT TO SELF-DETERMINE

During the period of Castro's war against Batista's government I had steadfastly refrained from any comment because I believe so firmly in the right of all peoples to self-determine their own destiny.

It is natural that our people should have sympathy with peoples in other lands who are striving to reach the heights of true democracy which we have achieved and wish to maintain in our own country. But it is so easy for us by our remarks on what is transpiring in another land, even though motivated by noble impulses, to be construed, even ultimately by those they seek to benefit, as an interference in the domestic affairs of a country not our own.

We do not seek to run our neighbor's home. When he shows his neighborly spirit in all his acts and in all of his words, as when he keeps his home and his yard in clean condition, and we commend him we have rendered a service and encouragement that cannot be misunderstood. When we scold our neighbor because he does not run his home as we run ours, and we pour out our condemnation because his home is not as neat and tidy as his neighbor's we provoke discord and contribute to the widening and not the narrowing of animosities. So should it be in foreign policy.

AVOIDING SUSPICION OF MEDDLING

The people of the United States enjoy representative government in its highest form. Representative government as we enjoy it is possible because we have an educated, informed, alert citizenry. We have freedom of the press and freedom for the citizen to speak his mind on anything on which he wishes to speak, restricted only by the laws of slander and of sedition.

We wish especially in our Latin American neighbor republics that there should be the functioning of truly representative government as we strive to maintain it in our own country. We can set the pattern, we can give encouragement to those countries that are seeking to reach what we have attained, but we cannot even with laudable intention put ourselves in the position or under the suspicion of seeking to deny to our neighbors the full exercise of the right of self-determination of their own destiny. Good intentions cannot make interference in what is not our business any more palatable.

PEOPLES-TO-PEOPLES MISSION

To Prime Minister Castro I brought the good wishes of the peoples of the United States to the peoples of Cuba. In return he conveyed to me expression of the good wishes of the peoples of Cuba to the peoples of the United States. We conversed for 2 hours. I sought to avoid as far as was possible in the present period of high emotions the direction of our conversations to the past and especially the recent past covering the revolu-

tionary period that brought Castro to power.

In this I think Dr. Castro agreed and sought to cooperate as much as was within human power, considering his closeness with the recent past and the strong passions and emotions engendered thereby. He told me that he realized he could leave the scene now, live with comfort and in popular acclaim, becoming somewhat of a legendary hero as the years and generations rolled on, but he was accepting the responsibility and the chances of the prime ministry because his eyes were ahead and not behind.

His immediate thought, he said, is to make Cuba a pattern of a truly functioning representative democracy for other Latin American Republics. This thought he expressed with much vigor. He visioned, he said, highways uniting all sections and towns in Cuba, schools completely to wipe out illiteracy and raise high the educational standards, an improved economy to broaden human horizons and furnishing an expanding buying power, and a citizenry educated and alerted for full participation in free elections. This surely is in conformance with our own thinking.

BUILDING FOR THE FUTURE

I hope and pray that the scars of Cuba's past quickly will be forgotten in an acceptance of the challenge to build in the present the structure of democracy to safeguard the future. This will require undivided attention. It will call for hard work and dedication to the task. The peoples of the United States best can help by leaving to the peoples of Cuba the solution of their own domestic problems. When they were fighting for freedom, we gave them a helping hand. After they achieved their independence we gave them guidance. When they were ready to undertake the government of their own affairs, we took hands off.

Today our role is that of the elder sister Republic, giving understanding as well as recognition of equal dignity but never interference. As long as affection continues to unite our peoples in a close and historic friendship we can be sure that the destinies of both Republics will run along the same lines to mutual advantage and to the enrichment of all mankind.

ADDRESS AT SANTIAGO DE CUBA

Mr. Speaker, I am extending my remarks to include my address at Santiago de Cuba on February 15, 1959, as follows:

On the 61st anniversary of the sinking of the battleship *Maine* in Havana harbor, I who am the last remaining veteran of the Spanish-American War in the House of Representatives of the Congress of the United States, have come with a message of good will from the peoples of the United States to the peoples of Cuba. I know of no better way to honor the memory of the 266 American sailors who perished with the *Maine* 61 years ago today. I know if they could talk they would voice their approval of my presence here and their gratitude that here on Cuban soil and at the scene where Cuban and American blood were intermingled in the attainment of Cuba Libre you were gathered to do honor to their memory.

My love of Cuba is part and parcel of my being. It is natural that my love of Cuba should be second only to my love of my native land. It was imbedded in my heart when as a boy growing up the cause of a free Cuba moved by day my deepest emotions and the heroism, the sacrifices and the martyrdom of Cuban patriots, men and women, at night were the subject of my prayers.

When the news of the sinking of the battleship *Maine* 61 years ago today was flashed over the wires to a horrified world I was a boy of 15 in the sophomore class of the high school at Benton Harbor in the State of Michigan.

Little more than 4 months later, 2 months to a day after my 16th birthday, I was landing with my regiment on the soil of Cuba, from small boats, at Siboney, a corporal in infantry, to play my humble part in fighting with Cuban soldiers and with American soldiers for the realization of the dream so close to my heart, the dream of a free and independent Cuba.

DUTY WITH CUBAN SOLDIERS

Because at the time I spoke some Spanish, such as it was, I was assigned to duty with a scouting party of Cuban soldiers and with them I served, ducking in and out of the Spanish lines, save on July 1 and July 2, 1898, when I was with my regiment, the 33d Michigan Volunteer Infantry, in action on Shafter's extreme left at the bridge of Aquadores. This happy circumstance of association as a comrade with Cuban soldiers and cosharer of their dangers personified and intensified the thought in my boyish mind that what I was fighting for, and believed was worth dying for, was Cuba and her freedom. The sentiments that envelop and possess us in youth are only strengthened in age.

TURNS COURSE OF HISTORY

The sinking of the *Maine* turned the course of history. I have said many times in the Congress of the United States, and elsewhere, that future historians will include the Spanish-American War with World Wars I and II as a 50-year war, with two interludes of peace, that more changed the thinking of men and the structures by which they were governed, and affected the daily lives of peoples everywhere, than any event outside of those of religion of which we have record.

There is a close association in affinity of sequence with the many world-reshaping events that started on the black 15th of February 61 years ago. I regret that in the onrush of events that seemed greater, the period of the Spanish-American War has been left for reconstruction by writers, not then born, most of whom seek to interpret by the rule that behind noble deeds are ignoble motivations, the true unselfish idealism that was the spirit of '98.

That the love for Cuba and her people is even stronger today in the heart of Commander in Chief Thomas H. Hammond of the United Spanish War Veterans, who as a boy fought at El Caney, San Juan Hill, and elsewhere around Santiago, and in my heart is the best evidence of the quality of the spirit of '98. It was the spirit of freedom, of faith in the inherent right of all peoples to self-determine their destiny, and of the affection of a close friend that beautiful Cuba, so near to our shores, should be free.

MESSAGE FROM COMMANDER IN CHIEF

From Commander in Chief Hammond I bring you this message: "Sixty-one years ago, the 15th of this month, the battleship *Maine* was destroyed in the Havana harbor. The news flashed over the wire at that time caused, not only me, but the entire world to realize the sufferings and atrocities that were being inflicted upon the Cuban people.

"I, as a boy of 17 years of age, with full sympathy for the people of Cuba, immediately tried to enlist for service, but was rejected on account of my age, but with the thoughts in mind of doing my bit to buy freedom to the people of Cuba, I enlisted as soon as war was declared, falsifying my age. I was with the 5th Army Corps on the first expedition to Cuba, landing at Daiquiri and was in all the battles and engagements fought in Cuba in 1898.

"I regret very much that I am unable to be with you on this day, honoring our dead shipmates of the Battleship *Maine*, and as Commander in Chief of the United Spanish War Veterans, I send you our greetings and best wishes to the free people of Cuba, which I firmly believe is the same feeling of all of our American people.

"THOMAS H. HAMMOND,
"Commander in Chief."

NO ROOM FOR MISUNDERSTANDING

I hope and pray that there will never be any misunderstanding between the peoples of your country and of my country. That will never come to pass. Both our peoples appreciate that we have so much in common in past associations and so much in common interest in the future, close neighbors as we are, and sister republics of the American Hemisphere.

And always in Cuba, as in the United States, the 15th of February will be observed, unforgotten as the years roll on, as the anniversary on which we honor the memory of the 266 men who perished on the *Maine* and by their deaths triggered events that wedded as one the heart of Cuba and the heart of the United States.

EDITORIAL IN HAVANA POST

Mr. Speaker, I am further extending my remarks to include the following editorial from the Havana Post of February 15, 1959:

REMEMBERING THE "MAINE"

Today is the 61st anniversary of the sinking of the U.S. battleship *Maine*, which was mysteriously destroyed by an explosion in Havana Harbor on the night of February 15, 1898. Here in Havana, the occasion always is commemorated by the American colony and its friends, the principal ceremony being that conducted at the Maine Monument on the Malecon by Havana Post No. 1, the American Legion, and the Spanish War Veterans.

This year it is expected that the ceremonies will have added significance with the presence of U.S. Representative BARRATT O'HARA, the only surviving participant in Congress of the Spanish-American War, or, as it is known in Cuba, the War of Independence. The revolutionary government of Dr. Manuel Urrutia and Dr. Fidel Castro has invited Representative O'HARA, who was only 15 years of age at the time of the sinking of the *Maine*, to come to Cuba as its guest and to accompany high government officials on a visit to Oriente Province.

The destruction of the *Maine* was one of the most important of a series of events which led the United States into making common cause with the Cuban rebels in their armed struggle to throw off the yoke of Spanish domination.

General Weyler, known as "The Butcher," had been recalled to Madrid and General Blanco had been sent to Cuba to endeavor to bring order out of chaos. The new captain general's best efforts were in vain, and the month of January, 1898, was a period of serious disturbances. The U.S. Government, believing the lives and property of American citizens in Havana to be in danger, sent the *Maine* to this port to stand by, the battleship arriving here on January 25.

The usual official calls were exchanged among the American and Spanish officers, and there was no indication of impending disaster. Then on February 14 came the terrific explosion which sent the *Maine* to the bottom of the harbor, killing or drowning 260 officers and men. Only 16 men aboard escaped injury.

A court of inquiry under Capt. W. T. Sampson was instituted and it expressed the opinion that the battleship was sunk by a submarine mine, but responsibility could not be fixed upon any person or persons.

There was no way of convincing public opinion in the United States, however, that this was not the work of the Spaniards, and war on Spain was declared shortly afterward. The people for a long time, however, had been prepared for such an eventuality, because they had heard through Jose Marti and Gonzalo de Quesada, throughout many years, of the absolute brutality with which the Spaniards crushed every Cuban effort to gain freedom.

This was a great occasion in history, a solemn and a reverent occasion also, because the Cubans and the Americans fought and died side by side until Spain capitulated. There are some who seek to detract from the American contribution to this glorious cause, but one has only to see those names on the bronze plaques on San Juan Hill, just outside Santiago, to know the extent of the aid given the cause by the United States.

On those plaques, one finds inscribed the names of Americans from every State of the Union who gave for the cause of Cuba the most that any man can give for any cause. They gave their lives.

As time progresses, history frequently becomes distorted. Sometimes the distortion is deliberate, but there can be no successful mutilation of the history of Cuba and U.S. allied cooperation in the War of Independence.

It was during the year of the sinking of the *Maine*, 1898, that the Havana Post first began publication and we therefore feel that we speak with some measure of authority when we say that a special bond develops between peoples who have shed their life's blood in a sacred cause.

For that reason, the people of Cuba and the people of the United States today join in remembering the *Maine*, and in vowing that the friendship and international unity which was born as the result of the armed struggle which followed, will not diminish but will grow even stronger with the years.

CONVERSATIONS WITH DR. CASTRO

Mr. Speaker, I am closing my remarks with the following article from the Chicago American of February 17, 1959:

CASTRO HAS VISION OF FREEDOM FOR LATINS

(Representative BARRATT O'HARA, Democrat, of Illinois, 50 years ago was a reporter, sports editor for the Chicago American and Sunday editor of the Chicago Examiner. Because he had fought, as a boy of 16, with American and Cuban soldiers at Santiago for Cuba and her freedom, he was invited to visit with Castro in Havana. Here is O'HARA's story of that visit.)

(By Representative BARRATT O'HARA)

WASHINGTON, February 17.—I have just returned from a talk with Fidel Castro, Cuba's new prime minister. I had been invited to Havana after an exchange of letters with Castro.

I had written him of my sincere feelings about Cuba's freedom, and described how as a boy of 16 I had fought with Cuban soldiers for Cuba and her freedom.

Castro sat and talked with me for 2 hours in his suite in the Hilton Hotel in Havana. He told me of his plans and hopes for a free and democratic Cuba.

Here is the story of my talk with him:

Castro wants to build Cuba into a model of democracy that ultimately would be copied by other Latin peoples.

UNITED AMERICA

From his conversation, I believe that Castro, while starting first with Cuba, eventually hopes to establish a United States of Latin America.

I asked him his ideas, as a military man, on hemispheric defense. He was specific in his reply.

He said he would like to build in Cuba a model navy for a small country, a navy that would fit into the requirements of that country and would not be just window trimming in a large showcase. In Castro's own words:

"I must think in terms of what is good for Cuba, not for the United States. If we both think that way, we really will be friends and help one another."

DEFINITE PLANS

Castro has definite plans for the small farmer and the small businessman. They are to receive help based on government loans without interest. He told me:

"Why should small people who are going into debt to build up farms and businesses to benefit everybody, keep from expanding because what they make they have to pay in interest instead of reducing their own debts."

Castro denies he contemplates restrictive laws on private business, and insists he will encourage American capital to invest in Cuba. He told me:

"But I want a fair deal for Cubans. Cuban labor is entitled to the same pay and working conditions that an American employer gives to his own countrymen in the United States."

Castro is determined that Cuba will not continue to be a gambling haven. He says he will compromise to permit restricted gambling in casinos in large hotels—under strict government supervision.

SEES CORRUPTION

He feels that gambling, a curse, invites corruption. From his feelings, it appears obvious that he eventually hopes to wipe out gambling in Cuba. He told me:

"We want American tourists with their families enjoying life with us, but we don't want gamblers no matter where they come from to come here and prey on Cubans and our guests."

Castro feels strongly that criticism of his administration of justice should be confined to Cubans. He told me:

"We do not criticize Americans when you send criminals to the electric chair. Let the Cubans judge. We have hearts and consciences, and also we have knowledge."

Castro is friendly to the American people, distrustful of the American Government. He anticipates retaliatory measures—a danger signal. While I feel he is definitely friendly to the United States, he easily can be changed by ill-advised action interpreted by Cubans as retaliatory.

POURS OUT HEART

Castro speaks with his eyes and his hands, as well as his voice. I felt he was literally pouring his heart out. At the end of our talk I first realized his large physical size.

He stood up. He is 6 feet 4 inches tall. In the 2 hours we sat in his suite at the Hilton Hotel in Havana I was so interested in what was wrapped up in the man that I had been unconscious of the physical package.

I met him at noon. He had worked all the night before and had gone to bed at 8 a.m. Five minutes before we met, he had dressed and came to meet me as fresh and full of vitality as though he had had a long night's sleep. He is a prodigious worker.

I am told some nights he sleeps only 2 hours.

I left with the feeling that here might be the man of destiny for whom Latin America long had been awaiting.

Time will tell.

NUCLEAR-POWERED AIRCRAFT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. PRICE] is recognized for 5 minutes.

Mr. PRICE. Mr. Speaker, there has been a good deal of discussion in recent weeks about the importance of developing a nuclear-powered aircraft and the meaning of such an aircraft to the national security. My colleagues and I on the Joint Committee have been concerned for a number of years, as many of you know, about the administrative indecision and failure to set firm objectives which have plagued the ANP program from its inception.

One of our greatest concerns has been the demoralizing effect of this "on-again-off-again" approach in Washington on the devoted scientists and engineers in the field who are doing the actual research and development work. While these people have been making steady progress in their technical programs, they have constantly been frustrated by conflicting instructions over the years by the lack of any clear guidance from Washington as to where the program was going. Looking back over the last 10 years, it is a wonder that most of the top-flight scientists and engineers in the project did not leave in disgust.

One of these field experts has written me and several other members of the Joint Committee transmitting a copy of a letter he sent to the President on January 14—just a month ago—urging a more vigorous program in the interests of national security.

This man is a 7-year veteran of the ANP project and is an industrial manager in the program to develop a nuclear powerplant for a military aircraft. In his covering letter to the President he said he was "speaking as a conscientious voting citizen who is sorely troubled by the trend of events," and expressed the hope that the President will "join those of us who are moved by a compelling faith and conviction that the ANP program is vital to the continued security of the United States."

Having received no response or acknowledgment from the White House to his letter, he has written me and several other members stating his conviction that if any corrective action is to be taken, the impetus must come from the legislative branch.

I believe that what this man has to say is important. While I do not necessarily subscribe to all his opinions, I think his statement accurately reflects the overriding conviction of our technical people in the field—the people who are actually bending the hardware—that this nuclear plane project has got to move forward more vigorously if we are to meet vital needs of national defense.

Speaking for his fellow scientists and engineers out on the firing line, he had this to say about the present state of technology in the project:

The powerplant development work is now at a stage where it is ready to proceed at a faster pace. It is true that some solutions in detail (as opposed to feasibility) are required—but these are the reasons why the development is necessary in the first place.

Then he goes on, and I quote:

In today's environment, I get the impression that the only way to really get develop-

ment support is to prove that everything is already comfortably in position—with all challenges answered in minute detail. In such a position, there will be development money made available—when, if such was really the case, the weapon should be in quantity manufacture.

He points out that:

Today's situation on the nuclear aircraft program is similar to that which prevailed on the missile programs 3 to 5 years ago. At that time, development work was accelerated on propulsion and guidance aspects of the work; today, we are just beginning to see signs that we will have operational missile systems over the next 2 to 4 years.

The same situation can prevail for nuclear aircraft.

He follows this up by making this important point:

The vacillator and the fencesitter want to wait for the 1985 model although the 1959 model will still manage to outdistance anything on the road.

It is my conviction, however—and I have lots of knowledgeable company—that failure to buy the 1959 model is not going to result in any improvement in what the 1985 model will do in its time.

As a matter of fact, if we delay in facing up to the full-scale development of what can be done today—the 1985 capability won't come out until the year 2000—if ever.

Then he adds:

Let's face it. Nuclear powered aircrafts are inevitable. The sooner we get about really facing up to the job in total—including an airframe—the sooner they are going to be a valuable weapon in our arsenal.

Referring to administration of the program, he points out that the present manager of the ANP project, Maj. Gen. D. J. Keirn, has not received the necessary support and authority to do the job, regardless of various surface changes that have been made in the administration of the program. He then criticizes one of the admitted evils of the program, namely, the numerous advisory and review committees which over the years have virtually studied the program to death. He calls these committees, aptly, the "remote decisionmakers," which indeed they are because of their lack of comprehensive, firsthand experience with the work which is going on in the field.

How—

He asks—

a group of men can spend 2 to 4 hours at intervals of 18 to 24 months talking with the people who are doing the job and then say they have reviewed the program is beyond my understanding.

Warning of Russian competence in the field of nuclear aircraft and emphasizing the imperative need for a U.S. retaliatory capability with low-level nuclear aircraft of unlimited range, he adds:

In my opinion, the real danger lies in an underestimation of the American people. They are willing to pay more for national security.

There is a good deal more thoughtful comment in the letter which this man has sent to the President which there is not time enough to describe here in full today. But I believe that the comments of this man are so important to a better understanding by the Congress and the public of the issues involved in our nuclear plane project—issues which are vital to the national security—that I believe the text should be made available.

SUBSTANTIAL LABOR SURPLUS AREAS INCREASE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, continuing major unemployment in this country amounts to an economic crime.

It is with regret that once again I am compelled to point out that joblessness is on the increase and that at this moment upwards of 5 million Americans are out of work.

This is not only a distressing situation but a stern challenge to our Government. This Nation, confronted as it is with a grave military threat and an intensified Soviet economic war, cannot afford to treat this problem casually.

Action is demanded to deal with unemployment—action on a broad front—action that will mobilize the economic resources of the Nation. We need a program, and need it quickly, that will put to work the potential of millions of hours of productive effort that are now being wasted. We need job-creating policies and programs to bring these idle workers into the battle against inflation, and to strengthen America's hand in the deteriorating cold war.

It becomes my unpleasant duty to inscribe on the RECORD the latest unemployment compilation of distressed areas, which show a big jump over the previous totals, and which constitute a record-breaking peak of joblessness in recent years.

This bad news confirms the necessity of legislation like the Douglas-Flood bill to provide for the redevelopment of chronically distressed communities. It is very much in the national interest that the bill H.R. 3466, designed to meet the problems of these jobless-plagued regions, be brought to early enactment by the Congress so that its constructive, beneficial provisions can begin to minister to the national economy and welfare at the earliest possible date.

The growth and widespread nature of chronic unemployment throughout the United States is grimly borne out by the following tables, ably assembled and prepared by the area expansion committee, under the direction of Mr. Sol Barkin, executive secretary.

Mr. Speaker, under unanimous consent I include this new compilation of substantial labor surplus areas in the RECORD at this point, along with a news article from the New York Times of February 15, 1959, entitled "Jobless at Peak in Pennsylvania,"

I earnestly recommend to the membership a careful study of these figures.

CONGRESSIONAL DISTRICTS WITH LABOR MARKETS SUFFERING FROM SUBSTANTIAL LABOR SURPLUS, BY STATE, AS OF JANUARY 1959—BY CONGRESSMEN AND LABOR MARKET AREA

ALABAMA

Elliott: Jasper (Walker),[1] Florence-Sheffield (Franklin).
Jones: Florence-Sheffield (Franklin).
Rains: Gadsden (Etowah), Alexander City (Tallapoosa).
Boykin: Mobile.
Roberts: Anniston (Calhoun), Talladega, Alexander City (Coosa).
Huddleston: Birmingham (Jefferson).

ARKANSAS

Harris: Texarkana (Miller).[1]
Trimble: Fort Smith (Sebastian).

CALIFORNIA

C. W. Miller: Eureka, Ukiah.

COLORADO

Chenoweth: Pueblo.

CONNECTICUT

Kowalski (at large).
Irwin: Bridgeport (part), Ansonia (part), Danbury (part).
Giaimo: Ansonia (part), Bridgeport (part), Meriden (part), New Haven, Waterbury (part).
Daddario: Bristol, New Britain, Meriden (part), Middletown (part), Thompsonville (part), Torrington.
Monagan: Bristol (part), Danbury (part), Waterbury (part), Torrington (part).
Bowles: Middletown (part), Norwich, Thompsonville (part), Willimantic, Danielson.[1]

GEORGIA

Landrum: Toccoa (Habersham, Stephens).
Brown: Toccoa (Franklin).

ILLINOIS

Chiperfield: Canton (Fulton).[1]
Gray: Harrisburg (Gallatin, Hardin, Pope, Saline),[1] Herrin-Murphysboro-West Frankfort (Franklin, Jackson, Johnson, Perry, Union, Williamson).[1]
Mack: Litchfield (Macoupin).[1]
Shipley: Harrisburg (White),[1] Litchfield (Montgomery),[1] Mt. Carmel-Olney (Edwards, Lawrence, Richland, Wabash),[1] Mt. Vernon (Hamilton, Jefferson, Wayne),[1] Centralia (Clinton, Marion).
Dawson, O'Hara, Murphy, Derwinsky, Kluczynski, O'Brien, Rostenkowski, Yates, Libonati, Collier, Pucinski, Boyle, Church: Chicago.
Hoffman: Chicago (Du Page).
Springer: Decatur (Macon).
Mason: Joliet (Will).
Allen: Rockford (Winnebago).

INDIANA

Bray: Vincennes (Knox).[1]
Denton: Evansville (Vanderburgh).[1]
Wampler: Terre Haute (Vigo).[1]
Harmon: Muncie (Delaware),[1] Richmond (Wayne).[1]
Brademas: Michigan City-LaPorte (LaPorte),[1] South Bend (St. Joseph).
Harmon: Richmond (Wayne),[1] Connersville (Fayette, Rush, Union), New Castle (Henry).
Madden: Chicago (Lake).
Adair: Fort Wayne (Allen).
Hogan: Connersville (Franklin), Columbus (Bartholomew).
Roush: Anderson (Madison).

IOWA

Carter: Ottumwa (Wapello).

KANSAS

Hargis: Coffeeville-Independence-Parsons (Labette, Montgomery),[1] Pittsburg (Cherokee, Crawford).[1]

KENTUCKY

Stubblefield: Paducah, Madisonville (Muhlenberg),[1] Hopkinsville (Christian, Todd, Trigg).
Natcher: Madisonville (Hopkins, Webster),[1] Owensboro (Daviess).

[1] Eligible for assistance under Douglas-Payne bill; i.e., unemployment of 6 percent or more in at least 18 of the past 24 months.

Perkins: Hazard (Breathitt, Letcher, Perry),[1] Morehead-Grayson (Carter, Elliott, Greenup, Rowan),[1] Paintsville-Prestonsburg (Floyd, Johnson, Knott, Magoffin, Martin),[1] Pikeville-Williamson (Pike).[1]
Siler: Corbin (Clay, Knox, Laurel, Whitley),[1] Middlesboro-Harlan (Bell, Harlan, Leslie).[1]
Burke: Louisville.

LOUISIANA

Thompson: Opelousas (St. Landry Parish).

MAINE

Oliver: Biddeford-Sanford,[1] Portland.
Coffin: Lewiston.

MARYLAND

Foley: Cumberland (Allegany),[1] Frederick (Frederick).
Brewster: Baltimore (part), Westminister (Carroll).
Fallon, Friedel, Garmatz, Lankford: Baltimore.

MASSACHUSETTS

Bates: Lawrence (part),[1] Newburyport, Haverhill.
Martin: Fall River,[1] Brockton (part), Milford (part), Taunton (part).
Lane: Lawrence (part).[1]
Conte: North Adams,[1] Pittsfield, Greenfield, Springfield-Holyoke (part).
Burke: Brockton (part).
Keith: Brockton (part), Taunton (part), New Bedford, Springfield-Holyoke (part).
Boland: Springfield-Holyoke (part), Ware (part).
Donohue: Worcester.
Philbin: Fitchburg (part), Marlboro (part), Milford (part), Southridge-Webster, Ware (part).
Rogers: Fitchburg (part), Marlboro (part), Lowell.[1]

MICHIGAN

Bennett: Iron Mountain (Dickinson, Iron),[1] Marquette.
Broomfield: Detroit (Oakland).[1]
Diggs: Detroit (Wayne).[1]
Dingell: Detroit (Wayne).[1]
Griffin: Muskegon (Muskegon).[1]
Griffiths: Detroit (Wayne).[1]
Lesinski: Detroit (Wayne).[1]
O'Hara: Detroit (Macomb),[1] Port Huron (St. Clair).[1]
Machrowicz: Detroit (Wayne).[1]
Meader: Monroe (Monroe).[1]
Rabaut: Detroit (Wayne).[1]
Chamberlain: Flint,[1] Lansing.
Ford: Grand Rapids,[1] Holland-Grand Haven.
Cederberg: Bay City.[1]
Johansen: Battle Creek.
Bentley: Saginaw, Ionia-Belding-Greenville, Owosso.
Meader: Adrian, Ann Arbor-Ypsilanti-Jackson.
Hoffman: Benton Harbor, Allegan, Sturgis.
Knox: Escanaba.

MINNESOTA

Blatnik: Duluth-Superior (St. Louis).

MISSISSIPPI

Smith: Greenville.

MISSOURI

Jones: Cape Girardeau.
Bolling: Kansas City (Kansas City).
Brown: Springfield, Joplin (Jasper).
Cannon: St. Louis (St. Charles).
Carnahan: Flat River-DeSoto-Festus.
Christopher: Kansas City (Jackson).
Curtis: St. Louis (St. Louis).
Hull: Kansas City (Clay), St. Joseph.
Karsten: St. Louis (St. Louis).
Sullivan: St. Louis (St. Louis).

MONTANA

Anderson: Butte, Kalispell, Great Falls.

NEW JERSEY

Auchincloss: Long Branch,[1] Perth Amboy, Trenton.
Glenn: Atlantic City,[1] Bridgeton.[1]
Addonizio: Newark.
Daniels: Newark, Paterson.
Dwyer: Newark, Plainfield-Somerville.
Frelinghuysen: Morristown-Dover, Plainfield-Somerville, Perth Amboy, Paterson.
Wallhauser: Newark.
Osmers: Newark, Paterson.
Rodino: Newark.
Gallagher: Newark, Paterson.
Thompson: Perth Amboy, Philadelphia (Burlington), Trenton.
Widnall: Morristown-Dover, Trenton, Paterson, Allentown-Bethlehem (Warren), Plainfield-Somerville.
Canfield: Paterson.
Cahill: Philadelphia (Camden, Gloucester).

NEW YORK

Stratton: Albany-Schenectady-Troy (Schenectady), Amsterdam, Gloversville.
Kilburn: Watertown.
Miller: Buffalo (Niagara, part of Erie).
O'Brien: Albany-Schenectady-Troy (Albany).
Ostertag: Batavia.
Pillion: Buffalo (part of Erie).
Dulski: Buffalo (city of Buffalo).
Reed: Jamestown-Dunkirk, Wellsville (Allegany), Olean-Salamanca (Cattaraugus).
Riehlman: Syracuse.
Robison: Elmira, Binghamton, Corning-Hornell.
Taber: Auburn.
Taylor: Albany-Schenectady-Troy (Rensselaer), Glens Falls, Hudson Falls (Warren, Washington).
Wharton: Newburgh-Middletown-Beacon (part of Dutchess), Kingston (Ulster).
Pirnie: Oneida (Madison).
Barry: Newburgh-Middletown-Beacon (Putnam).
St. George: Newburgh-Middletown-Beacon (Orange).

New York counties

Anfuso: Kings.
Becker: Nassau.
Bosch: Queens.
Buckley: Bronx.
Celler: Kings, Queens.
Lindsay: New York.
Delaney: Queens.
Derounian: Nassau.
Dollinger: Bronx.
Dooley: Westchester.
Dorn: Kings.
Farbstein: New York.
Fino: Bronx.
Barry: Westchester.
Healy: Bronx.
Holtzman: Queens.
Kelly: Kings.
Keogh: Kings.
Halpern: Queens.
Multer: Kings.
Powell: New York.
Ray: Richmond (part of Kings).
Rooney: Kings.
St. George: Rockland.
Santangelo: New York.
Teller: New York.
Wainwright: Nassau, Suffolk.
Zelenko: New York.

NORTH CAROLINA

Cooley: Rock Mount (Nash).[1]
Durham: Durham (Durham).[1]
Fountain: Kinston (Lenoir),[1] Rocky Mount (Edgecombe).[1]
Lennon: Fayetteville (Cumberland).[1]
Scott: Mount Airy (Surry).[1]
Hall: Asheville (Buncombe),[1] Waynesville (Haywood, part of Jackson).[1]
Whitener: Shelby-Kings Mountain (Cleveland),[1] Rutherfordton-Forest City.[1]
Kitchin: Rockingham-Hamlet.

OHIO

Brown: Springfield.[1]
Moeller: Portsmouth-Chillicothe (Jackson).[1]
Polk: Portsmouth-Chillicothe (Pike, Ross, Sciota),[1] Batavia-Georgetown-West Union (Adams, Brown, Clermont).
Ashley: Toledo (Lucas).
Bow: Canton, New Philadelphia-Dover (Tuscarawas).
Latta: Toledo (part of Wood), Defiance.
Cook: Youngstown (part of Trumbull), Ashtabula-Conneaut, Kent-Ravenna (Portage).
Hays: New Philadelphia-Dover (Carroll, Harrison), Steubenville-Wheeling (W. Va.), East Liverpool-Salem.
Henderson: Cambridge, Marietta, Zanesville.
Moeller: Athens-Logan-Nelsonville, Huntington-Ashland (Lawrence).
Kirwan: Youngstown (Mahoning, Trumbull).
Betts: Kenton, Findlay-Fostoria-Tiffin (Hancock, Seneca).

OREGON

Green: Portland (Multnomah).
Norblad: Portland (Clackamas, Wash.).
Porter: Albany, Coos Bay, Roseburg, Eugene.
Ullman: Pendleton (Umatilla).

PENNSYLVANIA

Bush: Berwick-Bloomsburg (part of Columbia),[1] Lock Haven (Clinton),[1] Sunbury-Shamokin-Mount Carmel (Montour, part of Columbia),[1] Williamsport (Lycoming), Sayre-Athens-Towanda (Bradford).
Prokop: Scranton (Lackawanna).[1]
Fenton: Pottsville (Schuylkill),[1] Sunbury-Shamokin-Mount Carmel (Northumberland).[1]
Flood: Wilkes-Barre-Hazelton (Luzerne).[1]
Gavin: Clearfield-DuBois (part of Jefferson),[1] Oil City-Franklin-Titusville (Forest, Venango), St. Marys (Elk).
Morgan: Uniontown-Connellsville (Fayette),[1] Pittsburgh (Washington).
Mumma: Lewistown (Juniata).[1]
Saylor: Johnstown (Cambria).[1]
Simpson: Johnstown (Somerset),[1] Lewistown (Mifflin),[1] Sunbury-Shamokin-Mount Carmel (Snyder, Union).[1]
Van Zandt: Altoona (Blair),[1] Clearfield-DuBois (part of Centre, Clearfield).[1]
Walter: Pottsville (part of Carbon),[1] Allentown-Bethlehem (Northampton).
Kearns: Erie,[1] Oil City-Franklin-Titusville (part of Crawford).
Curtin: Allentown-Bethlehem (Lehigh), Philadelphia (Bucks)
Barrett: Philadelphia.
Granahan: Philadelphia.
Byrne: Philadelphia.
Green: Philadelphia.
Toll: Philadelphia.
Dague: Philadelphia (Chester).
Millikin: Philadelphia.
Lafore: Philadelphia (Montgomery).
Nix: Philadelphia.
Dent: Pittsburgh.
Clark: Pittsburgh (Beaver), Butler, New Castle.
Fulton: Pittsburgh.
Moorehead: Pittsburgh.
Corbett: Pittsburgh.
Holland: Pittsburgh.
Rhodes: Reading.
Quigley: York.
Fenton: St. Marys (Cameron).

RHODE ISLAND

Fogarty: Providence.[1]
Forand: Providence,[1] Newport.[1]

[1] Eligible for assistance under Douglas-Payne bill; i.e., unemployment of 6 percent or more in at least 18 of the past 24 months.

[1] Eligible for assistance under Douglas-Payne bill; i.e., unemployment of 6 percent or more in at least 18 of the past 24 months.

[1] Eligible for assistance under Douglas-Payne bill; i.e., unemployment of 6 percent or more in at least 18 of the past 24 months.

TENNESSEE

Baker: Knoxville (Anderson, Blount, Knox),[1] La Follette-Jellico-Tazewell (Campbell).[1]
Frazier: Chattanooga.
Davis: Memphis.
Reece: Bristol-Johnson City-Kingsport.

TEXAS

Patman: Texarkana (Bowie).[1]
Brooks: Beaumont-Port Arthur.
Young: Corpus Christi.
Kilgore: Laredo.

VERMONT

Meyer: Springfield, Burlington.

VIRGINIA

Jennings: Big Stone Gap-Appalachia (Lee, Wise),[1] Richlands-Bluefield; Bristol-Johnson City; Kingsport, Tenn. (Washington County, Va.).
Poff: Radford-Pulaski (Floyd, Montgomery),[1] Roanoke.
Tuck: Radford-Pulaski (Wythe).[1]

WASHINGTON

Mack: Aberdeen, Olympia.
Westland: Anacortes, Bellingham, Everett, Port Angeles.
Tollefson: Tacoma.
Horan: Spokane.
Pelly: Bremerton.

WEST VIRGINIA

Bailey: Charleston (Fayette),[1] Clarksburg Harrison), Parkersburg (Calhoun, Ritchie, Wirt).
Slack: Beckley (Raleigh),[1] Logan (Logan, part of Boone).[1]
Kee: Ronceverte-White Sulphur Springs (Greenbriar, Monroe),[1] Welch (McDowell),[1] Bluefield (Mercer).
Moore: Fairmont (Marion),[1] Wheeling (W. Va.)-Steubenville, Ohio.
Hechler: Logan (Lincoln),[1] Pt. Pleasant-Gallipolis (Jackson, Mason, Putnam),[1] Huntington-Ashland (Cabell, Wayne), Parkersburg (Pleasants, Wood).
Staggers: Martinsburg, Morgantown.

WISCONSIN

O'Konski: Duluth-Superior (Douglas).
Flynn: Racine, Beloit.
Kastenmeier: Watertown.
Withrow: LaCrosse.
Van Pelt: Oshkosh.
Johnson: Eau Claire-Chippewa Falls (Chippewa and Eau Claire Counties).

[From the New York Times, Feb. 15, 1959]

JOBLESS AT PEAK IN PENNSYLVANIA—COMPENSATION FUND DIPS TO A LOW—508,000, TENTH OF FORCE, OUT OF WORK

(By William G. Weart)

PHILADELPHIA, February 14.—Unemployment in Pennsylvania, now believed to be at the highest rate in the Nation, has reduced the State's unemployment compensation fund to its lowest point.

Today some 508,000, a figure only 12,000 fewer than at the low point of the recession last June, are jobless. This represents about 1 of every 10 persons in the Commonwealth's work force, according to records of the State Department of Labor and Industry.

The payments of compensation claims amount to $1 million a day. The balance in the fund, which reached a high of $639 million in 1954, dropped to $95,700,000 as of February 10. It is expected to dwindle to $29,400,000 by the end of April.

IMPACT ON ECONOMY

Leonard A. Drake, executive director of the Economics and Taxation Council of the Chamber of Commerce of Greater Philadelphia, said today "there is evidence that unemployment is having a serious impact on Pennsylvania's economy."

He noted that although exact figures for all other States are not available, Pennsylvania's 1-in-10 figure is far worse than the national average of 6 percent.

In addition to depleting the unemployment compensation fund, joblessness has added "to the Commonwealth's welfare expenditures of all types," Mr. Drake said. He said this would be a "major consideration" in the expected $250 million deficit to be announced in Governor David L. Lawrence's 1959–61 biennial budget.

Figures released for January by the U.S. Department of Labor showed, Mr. Drake said, that Pennsylvania has 5 of the 9 continental U.S. areas with unemployment of 12 percent or more. The five are Altoona, Erie, Johnstown, Scranton, and Wilkes-Barre and Hazleton. The others listed, were Buffalo, Detroit, Huntington, W. Va.; Ashland, Ky., and Muskegon, Mich.

Of 76 areas in this country, Hawaii and Puerto Rico with unemployment of 6 percent or more in January, Pennsylvania accounted for 10. In addition to the 5 in the 12 percent bracket, they are Philadelphia, Pittsburgh, Reading, York, and the Allentown-Bethlehem-Easton district.

Job growth figures for 20 years show Pennsylvania lagging behind every State on its borders except West Virginia. This was attributed to the sharp decline in employment in coal mining and allied industries.

Pennsylvania employment, Mr. Drake said, is 34.7 percent higher than in 1939, compared with a national average increase of 66.6 percent.

On March 12, upwards of 1,000 Pennsylvania business, labor, industry, and government leaders are to attend a day-long Jobs and Business Climate conference at the Sheraton Hotel here.

Governor Lawrence and Clifford F. Hood, president of the United States Steel Corporation, will be among those at the meeting. The primary aim of the conference will be to devise a nonpartisan program to stimulate the State's business and industrial growth.

At Harrisburg in recent weeks, State officials, labor leaders, legislators, and employers' representatives have been meeting behind closed doors to head off an open fight over how to make the unemployment fund solvent and provide a reserve.

UNITED STATES LOAN IS SOUGHT

Authorization for an emergency Federal loan of $112 million passed the State house of representatives last week and is now in the senate.

Up to December 31, an employer's contribution to the unemployment compensation fund ranged from 5 to 2.7 percent of the first $3,000 earned by each employee. Those employers with the fewest layoffs paid the lowest rate.

Since the balance in the fund was below $300 million on January 1, all 200,000 Pennsylvania employers must pay the maximum 2.7 percent. This is expected to bring in about $250 million this year which will not be enough if payments continue at the present rate.

The fund has been headed toward trouble since 1949, according to William L. Batt, Jr., Pennsylvania secretary of labor and industry. Contributions from employers, he noted, have exceeded payments to claimants in only 2 of the last 10 years.

[1] Eligible for assistance under Douglas-Payne bill; i.e., unemployment of 6 percent or more in at least 18 of the past 24 months.

THE COLD WAR

Mr. FLOOD. Mr. Speaker, as the pressures and provocations in the cold war mount, a realistic appraisal of the global situation impels us to the unwelcome but unavoidable conclusion that the West is not doing well. The tides are running against us. The Soviet aggressors retain the initiative.

One does not court popularity by citing unpleasant facts. Soothing syrup is much more pleasant than the bitter herbs of truth. But the time has arrived for saying those things which need to be said, saying them without malice or malediction, for setting the record straight.

The dynamics of history are such that peoples and civilizations fade and perish unless they rally their spiritual and moral resources to meet new forces which not only challenge existing orders but are basically antithetical to established societies.

And this is the crisis today: a militant, aggressive, atheistic power, geared to world mastery, contemptuous of western society and its Judean-Christian foundations, continues to step up the tempo of its provocations to the near-breaking point.

Where and how will it end, is the question that millions are asking themselves today—where and how will it end?

Mr. Speaker, I believe it might be well for the purposes of our discussion if we considered here some pointed observations on the nature and scope and growth of communism as made by Harry and Bonaro Overstreet in their new book entitled "What We Must Know About Communism: Its Beginnings, Its Growth, and Its Present Status." In the foreword to this very revealing work, the authors state:

A strange new force has entered our world, the strangest and most enigmatic in all history. Equipped with a formula and a strategy, and starting in one of the most backward countries of Europe, it has, in a brief 40 years, taken control of one-third of the world's people and one-fourth of the world's territory.

How has this amazing development happened? What is the character of this new force which has seemed to come from nowhere and which has declared its intention of reaching everywhere?

The problems that harass our country today in relation to communism can best be summed up as problems of our unreadiness. This unreadiness characterizes virtually all of us. It is a product of our having looked away from problems that have been clamoring for our attention, and of our having been satisfied with half truths where nothing less than whole truths could serve us. The unreadiness, in short, is a product of our widespread mental and emotional drift in a world where the adversary has not been drifting.

This adversary has, in the name of Marxism-Leninism, been moving ahead, step by calculated step, toward the building of a monolithic State, armed with the weapons of a nuclear age; and this State has learned the peculiar art of practicing totalitarianism at home and piecemeal conquest abroad while offering itself to the world as the vanguard of peace, liberation, and anti-imperialism.

Mr. Speaker, this is a splendid statement of the case, put in strong, vivid, simple, understandable terms so that "even those who run may read." The emphasis, properly, is upon the broad, all-encompassing term "unreadiness."

The stern truth is that never before in all history has mankind faced such a grim contingency as that posed by the godlessness of Sovietism geared to nuclear weaponry.

I know it is fashionable here in the Nation's Capital to look at the world through rose-colored glasses. One risks virtual ostracism if he dares to reckon with reality. Everyone is supposed to applaud the emperor's new clothes although it is plain to be seen he is utterly naked.

In the face of the increasing Soviet threat, the administration suffers from a case of aggravated complacency. The administration is meeting the mounting criticality of the situation with a bland diet of daydreaming and wishful thinking, and an unwillingness to come to grips with the ever-present problem that refuses to fade away.

What is it going to take to shake the administration out of its blissful slumbers? Yesterday it was the brutal, unprovoked, gleeful shooting down of the American transport plane, which accounted for 6 dead and 11 missing; just a short time ago, as time is measured, it was the butchery in Budapest, when Soviet tanks and guns pulverized the Hungarian capital; all of us remember that horrible Soviet-perpetrated mass murder, the Katyn Massacre, that wiped out the officers corps of the Polish Army. The plain fact is that the Communist revolution was born in murder and graduated into genocide—the liquidation of millions of Russian kulaks, a planned and continuing crime in which Khrushchev was the chief aid of Stalin. Thus, not even the Russian people are safe from this cruel despotism.

Mr. Speaker, America is presently the target in a blackmail by terror campaign from the Kremlin. The Soviet ruling clique has mounted a psychological offensive to paralyze the will of the American people. While Mikoyan is sweet-talking us, Malinovsky is brandishing missiles with reckless abandon and Khrushchev is using the carrot and stock technique. It is a gross disservice to our Nation, in my view, that this offensive of Soviet threats and grim pronouncements of America's forthcoming doom finds its primary response by the Eisenhower administration in a rising chant of what I term phony economy.

I am as anxious and desirous of conserving public funds as any Member of this body or any member of the administration. I realize full well that public funds are only the accumulation of moneys extracted by taxes from the people and business institutions of our country. I am equally aware that as between money and freedom, our people will assent to the spending for the kind of a defense program essential to protect their lives and liberties.

A second-best defense system is not only a waste of money but a dereliction of duty. Half efforts do not bring half results, they bring no results. What is our wealth worth, of what value is our capitalistic system if it will not buy the kind and scope of a defense system that will preserve America in freedom?

At this late date there is no question as to the threat. The administration is publicly on record that the Soviets are far out front in the vital category of intercontinental ballistic missiles; the Pentagon lately makes no attempt to deny this pertinent fact. What the Department of Defense is trying to do is make out a case that despite the Soviet lead in this classification of weaponry, the disparity does not amount to anything because, it claims, our combined power is greater because of our balanced system of weapons. What is not generally understood is that in the category of intermediate missiles, the Soviets likewise have a substantial lead and because of this fact, Moscow feels it is in position to knock out our overseas bases which are part and parcel of our "Sunday punch" for so-called massive retaliation by our Strategic Air Force.

Now a realistic assessment of our overall or balanced military power system demands acknowledgement that the threat of our retaliatory power has been diminished because of the very fact of Soviet progress in missilery. And the additionally important fact is that this did not have to be the case if our Government had courageously dealt with the problem and authorized the expenditure of the funds which Congress had authorized to beef up our air and missile strength.

The first day of this present session of Congress, I characterized the administration's economy budget as a "pious fiscal fraud perpetrated at the expense of an adequate defense program." At that time I pointed out that the Congress had voted $1 billion, over and above administration request for fiscal 1959, to strengthen our defenses and that the White House had impounded the extra funds.

On January 7, I stated publicly that "the military budget the administration proposes will not enable us to reduce the gap between our capabilities and those of the Soviets, but rather will cause us to fall farther behind in this all-important race."

Further quoting my statement of January 7:

> It is most regrettable that at a time when the Communists are giving new evidence of their determination to beat America, and are scoring dramatic advances in rocketry, the administration chooses to ignore the challenge. Such ill-advised economy in the defense budget could well prove the most costly and expensive mistake we ever made as a Nation.

On January 7, I pointed out, as I have said, that the administration had sequestered a billion dollars which had been voted for procurement of what the Congress considered needed military hardware. This money was voted for the specific purpose of expediting research and development to develop nine Polaris weapon systems, to further strengthen our military aircraft, and for second- and third-generation ICBM missiles, the Titan and the Minuteman, and also to provide airlift for the Army's divisions.

I would also like to point out at this time that the Defense Subcommittee of the Appropriations Committee earmarked and provided appropriations to modernize the Army's equipment and that this program has not been undertaken. I emphasize again that this remodernization program is sorely needed and we ignore it at our peril. And again I wish to remind that the Soviets have modernized their army's weapons twice since World War II. In my statement on this subject last month, I said that this failure of the administration was all the more reprehensible because spokesmen for the administration gave as their justification for a cutback in Army personnel that they planned to make this up by equipping the fewer men with better and more efficient weapons. It was the contention of the Defense Department that greater, not lesser, firepower would be the result of their cutback of troops.

Mr. Speaker, the Congress opposed the Pentagon on the troop cutback program and favored a larger Army and also the weapons-modernization program—not just one, but both—and voted money for the package deal. Therefore, it is doubly shocking that not only has the Army been reduced numerically, but the funds for the weapons improvement have been frozen by the administration.

Now, what is the practical effect of all of this, in addition to failing to build our military strength to meet the existing and growing threat? It means that we are putting all our eggs in a nuclear basket, and are not making the necessary preparations for the efficient conduct of so-called limited wars. Naturally, such improvidence is encouragement to the Communists to keep probing in peripheral areas.

Before anyone rises to ask me if I put my judgment above the military leaders of the country, I want to state that one of the principal reasons we find ourselves falling behind in comparative military strength vis-a-vis the Soviets is that our military program is being tailored to the limits set, not by the generals and the admirals, but by the Bureau of the Budget. The budgeteers are calling the shots, are giving the brass their orders, as the administration is putting the phobia of a so-called balanced budget before anything else. Thereby lies the danger.

Upon calm review, the record shows that when the Chiefs of Staff were recalled by Congress, and this time testifying under oath, they admitted they wanted, and justified, upward of an additional $9 billion for defense for the coming fiscal year. What they were saying, in effect, is that in their original appearances before Congress, when they were not under oath, they were being good soldiers and supported the budgetary limitations that had been imposed by the White House at the insistence of the Bureau of the Budget.

Barbara Ward, famed British author, puts the case simply and strongly in the following words:

> All these matters—arms, aid, education, research—turn directly upon the fundamental issue of national security. To allow the Communists to pull ahead in these fields could mean that one day the Western Powers will awake to a world in which they no longer have the political elbow room, the military striking power, or the scientific know-how to contain the Soviet threat. This outcome is, of course, only a possibility writ large in any continued neglect of basic national security. At no time in history have nations been granted the privilege of defending themselves both successfully and also at a level they think they can afford. There is no

reason to suppose that history has obligingly reversed itself for the benefit of the West.

Nor are the needs of security the only argument for a higher rate of expansion. In some western countries—notably the United States, and also in European nations such as France and the Netherlands—the rising birth rate demands a proportionate acceleration of production. While the American national income has stagnated for nearly 2 years, some 6 million more Americans have appeared to share it.

And the rising birth rate underlies another problem. The basic capital equipment of an aging or static population—in terms of schools, cities, hospitals, water supplies and so forth—can perhaps remain aging or static without too much loss of amenity. But the United States is adding the equivalent of a city about the size of Philadelphia to its population every year and the capital equipment needed for this bounding growth is simply not being provided.

Khrushchev made no bones about claiming a Soviet increase of industrial production of from 8 to 10 percent per year, in his recent address to the 21st Soviet Congress. At the same time, he flatly asserted that the Soviets have now started mass production of intercontinental ballistic missiles.

We cannot shrug these claims off, even if we discount them sharply. The economic growth in the United States of from 2 to 3 percent annually is a poor showing by any comparison. The fact is that the Soviets have been gaining on us in economic output. Soviet production in 1950 was only 30 percent of U.S. production. Last year, according to reliable estimates, it had advanced to 45 percent of our total, and the new goals set by Khrushchev threaten to make further comparative gains, especially in view of the narrow, negative attitude of the Eisenhower administration. It is estimated that we need a prospective national economic growth to prevent the Soviets narrowing the gap, and if we are to do justice to our growing population needs, the percentage of growth should be larger.

Each day we have evidence anew of the Kremlin's single-mindedness of purpose to concentrate the manpower and resources of the Soviet empire on heavy industry and the strongest war machine ever built by man. We have had impressive confirmation of this from the recent 21st Soviet Congress in which Khrushchev, in outlining his new 7-year plan, bluntly told the Russian people that they would have to continue to wait for an increased supply of housing and consumer goods until the requirements of the armament buildup had been met. This is just as plain notice as Hitler gave the world in Mein Kampf, his blueprinted plan for aggression and expansion which the appeasement-minded world chose to ignore.

Well, closing eyes to Hitler's armament program and what it foretold did not preserve peace in our time, neither will blinking at the Soviet military buildup secure the peace either. The Eisenhower administration cannot dissolve this threat by wishing it away. It just will not fade before the once persuasive eraser of economy; it just will not vanish before the voodoo cry of "We have a balanced budget." Or to change the figure of speech, there just is not a rug in Washington or anywhere big enough to hide this problem under. The menace of the Soviet threat in all its ugliness is there peering in the window after you open the shutters. It will be there tomorrow and the day after and for a long time to come unless we have a dramatic reversal of effort.

Mr. Speaker, our present difficulties arise because we have been taking counsel of our fears and timidity. We are prisoners of a massive case of inertia. In a sense, our people have been massively brainwashed, otherwise they would demand an end to this ill-conceived administration policy. Anyone who wishes to be objective about our situation knows the administration policy amounts to aimless drifting, putting out emergency fires, improvising piece-meal solutions to meet recurring crises. Any thinking person realizes that pursuit of the policy of always hoping for the best without preparing for the worst can only lead to disaster. Because of the administration's exercises in self-hypnosis, we have developed a condition of torpor that tends to make us toneless amid the clanging alarums. Like Mr. Micawber, the administration drifts along in the sublime hope that somehow something good is bound to turn up. All of these things in substance, Mr. Joseph Alsop has been saying in print for many months past.

Meanwhile, the evidence mounts that the Soviets are going for broke on a military program that they hope will be so strongly superior to our strength and that of the West's combined, that they can call their shots and virtually enforce their will by trans-Atlantic phone calls.

I am not building up a case of Soviet invincibility. I am not contending that the grim contingencies I have cited are inevitable. I do not want to give a single ounce more of credit militarily speaking, than they warrant. This would be a mistake equally with neglecting our own defense efforts. I am aware that intrigue is rampant in the Soviet empire, that the deposed members of Soviet hierarchy are a threat to Khrushchev, that the dismissed antiparty leaders have their friends and following, and all of this has to be reckoned with—I realize that despite the achievements of Soviet science and the technological advances made by Soviet industry, that the Soviet's is not a mature economy, that they have not perfected that social organization requisite to the strong state.

I am well aware that a resurgent France is a new source of allied strength, that the growing power of West Germany is another favorable factor in the overall picture just as is the latter-day awakening of Nasser to the wily designs of Moscow—I am not overlooking or discounting any of these developments in making my appraisal of the general situation. Yet allowing for all of these aspects, which favor our cause and strengthen the hand of the West, the fact remains that the Soviets by a calculated unbalancing of their budget, by the pouring in of money, men, and skills have advanced in weaponry to the point where the ruling clique thinks it can enforce its will on the West, and thinks it can destroy the West at will if the West does not capitulate to its terms. And the very fact that Khrushchev, Malinovsky, et al., are persuaded that they hold a gun to our head creates the very triggery situation that can explode the nuclear war the world so dreads.

Soviet arrogance, self-righteousness, and sweeping sense of Communist destiny are so strong that it is foolhardy to expect one can sit down at the conference table with them and expect any kind of equitable dealings. They have now advanced from negotiating, to demanding—or else.

And, for that matter, what have their agreements been worth in the past? Precisely nothing. The West's agreements, in fact, have proved to be costly boobytraps to us, for we and our allies were naive enough to believe that a Soviet signature had some validity and counted on them keeping their word. The Overstreets have aptly pointed out that "the Soviet Empire rests on broken promises." Show me a Soviet-kept agreement, and I will show you a historical rarity. Hundreds of them have been broken, few have been kept. Ask former President Harry Truman—he knows. He learned to his sorrow that the Soviets cannot be trusted. Consult the Lithuanians, the Latvians, the Estonians, the Poles, the Finns—in fact, anyone who ever did business with the Soviets—and you will learn their record for promise breaking.

No; so-called negotiations with the Soviets is only an invitation to diplomatic ruin. We could not even get them to honor their agreements when we had the upper hand and enjoyed atomic monopoly. What can we expect to get from negotiations at a time when you have a Malinovsky boasting that the Soviets have the ICBM's on the production line and perfected with guidance systems that can blast any city in the United States? If this is not political blackmail by terror, what is it?

Mr. Speaker, just put yourself in the place of a citizen of a so-called neutral country. What do you think would be your reaction when you find the big bully threatening the erstwhile champion of the free world? And what do you suppose is happening to the spirits and the thinking processes of the captives behind the Iron Curtain who have been yearning and hoping for liberation from brutal Communist tyranny—what must their feelings be when they find the Politburo telling off America and the West?

My question is: Are we going to lose the "main go" just like we lost the outer-space satellite race? What a tragic surrender of prestige that was. All the time we had the capacities and the know-how and the resources to be first in that epochal contest but we lost because somehow, it seems, we were unwilling to win. Whose was the heavy hand of restraint that prevented us from beginning first in that race? It just will not do to explain that we did not want to be first, that we were not in a race, that we got what we were after. This is silly and spurious and damnable nonsense. Such

a vapid attitude in face of Soviet competition, and the chain reaction of our defeat as projected into the wider field of geopolitics, warrants vigorous denunciation and rejection. If this is the kind of thinking that is to serve our national efforts in the nuclear age, then Heaven help the Republic.

Mr. Speaker, there remains the precious boon of time, but it is fast running out for us. We need to take a giant step in the cold war. This administration is playing the American people false. Give our people the truth and they will be ready to pay the price in taxes, effort, and sacrifice to give us the military strength and posture that will cause the Soviets pause. Our people have the will to do and the willingness to sacrifice for the kind of a dynamic program needed to regain our position of former world leadership. The people want, yea yearn, for positive leadership, strong leadership that will rescue them from that lost, frustrated feeling that engulfs them as they witness America's destiny being frittered away.

The people want policies and programs that will bring into play the full potentials of this Nation. They want economic leadership that will set in action policies that will provide gainful employment for the more than 4 million jobless in the land. They want to see those wasted man-hours of production brought into production to swell the military and economic power of the Nation; they are aghast at the indifference of the administration to the plight of this army of idle workers whose collective productive output could turn the Soviet threat of economic warfare into a weak joke.

Our American people know there is no easy way out of the present situation and that to follow the easy road can only lead to national ruin. They know that progress and expansion and security have to be paid for; they know you cannot run a country of 170 million people for the same kind of money that you could a nation of 130 million people; they know our country is growing rapidly, and that it will not be too many years before we, the U.S. population, reaches the 200 million mark.

Our people know instinctively that you cannot restore yesterday no matter how safe and comfortable those yesterdays might have been; they know, too, as they confront the threat of Soviet weaponry, that "dollars won't buy yesterday," as Donald Nelson used to say when he was sparking the production efforts for victory in World War II.

Our American people, I know, would hate to see a "going out of business" sign on the White House lawn but they cannot help it if just such a picture enters their mind as the administration continues its negative, rear-guard campaign against progress and preparedness.

What, then, do we need?

First we need recognition that the false economy proposed by the administration can be the most costly policy ever pursued by any American Government.

We need recognition that we must use what time remains for a crash program to close the gap in nuclear missiles that exists between the Soviets and ourselves.

We need to rip apart the official curtain of secrecy that keeps the truth from the American public.

We need a civil defense program attuned to the realities of the nuclear weaponry age.

We need legislation and Federal partnership in a program to provide gainful employment to the chronically distressed areas which account for such a large percentage of our unemployment.

We need rededication to the principles which made America great, just as we need to renounce any particle of appeasement no matter what guise or form it assumes.

Mr. Speaker, let us provide the kind of leadership necessary to summon our people to these great tasks essential to our survival in freedom and to insure the well-being and liberty of freedom-loving people everywhere. Let us sound the call—the people will respond. Let us go forward in this great task.

Mr. Speaker, under unanimous consent I insert at this point in the RECORD the following:

[From the Wilkes-Barre Times Leader, Feb. 5, 1959]

RED DICTATOR OUTLINES STRATEGY

Premier Khrushchev's address at the closing session of the 21st Communist Party Congress in Moscow today was the usual hodgepodge of Red views and philosophy, but it cannot be dismissed lightly because it was an outline of the Kremlin's strategy to attain its goal not only in Berlin, but throughout the world.

The wily dictator was obviously nettled by President Eisenhower's announcement that a visit by him to Washington was excluded. So he magnanimously extended an invitation to the President to tour the Soviet Union without any restriction. This was a grandstand play for consumption at home and in satellite lands to show how generous and peace-loving the Moscow gang is. Khrushchev is well aware that President Eisenhower is not going to drop everything and start traipsing around the Soviet Union for several months.

It was interesting to note in the early stages of his address that Khrushchev prefaced his peace palaver with warnings that the Soviet Union was prepared to deliver atomic missiles in any part of the world and U.S. territory in particular.

While stressing how he hoped the Soviet Union would be able to head off war, he took another potshot at the United States by charging our country with a willingness to sacrifice allies. That, of course, is an old Red strategy in the hope of driving a wedge between the United States and friends in the West. We credit London, Paris, and Bonn, among other places, with more than enough intelligence to see through this subterfuge.

Khrushchev left no room for doubt that he was out to crush the United States, preferably through economic measures, but in war if necessary.

Against that background, he got around to his immediate objective—the taking over of West Berlin by the simple device of declaring it a free demilitarized city and a ward of the United Nations. He even suggested the Soviet Union would guarantee a city corridor to the outside world, as though a Communist guarantee meant anything, as the detention of a U.S. convoy in East Germany this week again demonstrated.

The United States has rejected Soviet proposals on West Berlin and labeled them properly a breach of the control agreements. The Kremlin arrogantly set a May 27 deadline for the United States to capitulate, but this ultimatum has not altered the situation, so far as we are concerned.

Khrushchev likened West Berlin to a burning fuse in a gunpowder cellar or a delayed-action bomb whose mechanism may result in an explosion at any moment. In either instance, it is the Soviet Union that will bear the responsibility.

There was one paragraph in Khrushchev's speech today that revived other memories. We quote:

"In our view, the turning of West Berlin into a free demilitarized city would create conditions for the solution of other controversial questions and would contribute to the safeguarding of security in Europe and, consequently, in the whole world."

Two decades ago another dictator, Adolf Hitler, voiced similar sentiments when he declared that if he got certain territorial concessions they would be the last he would seek and the danger of war would be averted. Well, Hitler grabbed his territory, and he still was not satisfied. Dictators never are. So he unloosed the Second World War, anyway, with the connivance of the Kremlin gang, and the rest is history.

Mention of Hitler recalls the visit to Munich of a British Prime Minister, Neville Chamberlain, to placate Hitler and maintain peace "in our time." The world subsequently learned what a terrible mistake that was. With another British Prime Minister due to visit Khrushchev in Moscow in time of crisis to ease world tensions, it is well to refresh London's memory. There is no way to soothe a dictator, apart from abject surrender, be his name Hitler or Khrushchev.

[From the Washington Sunday Star, Feb. 8, 1959]

SOVIET WANTS THREAT TO REMAIN URGENT

(By William R. Frye)

UNITED NATIONS, N.Y.—The diplomatic chess game over Berlin—indeed, over Germany and central Europe—has now begun in earnest.

There were several key moves last week.

One was Russia's 2-day seizure of an American Army truck convoy at Helmstedt, a border checkpoint on the autobahn from Berlin to West Germany.

Another was disclosure that British Prime Minister Harold Macmillan and Foreign Secretary Selwyn Lloyd will go to Moscow February 20.

Still another was the taunt by Marshal Rodin Malinovsky before the 21st Party Congress in Moscow: "Your arms are not long enough, gentlemen" (to strike back at the Soviet Union in time of war).

Finally—and in the long view, the most important move of all—there was Secretary of State Dulles' hop to London, Paris, and Bonn to coordinate allied strategy for the formal negotiations with Moscow which are to come.

THE RUSSIANS' MOVE

Each of these moves and countermoves had its place in the broader pattern.

The Russians, who have been playing chess for centuries, made the most dramatic and daring move. By holding up an American truck convoy, they accomplished three things:

(a) They tested American determination (and found it strong);

(b) They stepped up the psychological pressure for negotiations on their terms—in effect warning Chancellor Adenauer and President de Gaulle not to bargain too hard; and

(c) They probed for an opportunity to inspect cargoes, seeking by inference to establish the right to pass or refuse to pass specific items.

Were Russia to have obtained the latter right, a precedent would have been set.

Later, when Moscow would turn over the checkpoints to East Germans, the Germans could claim the same right to pass or refuse to pass cargoes.

Such a precedent, if established, would make it much harder for the West to acquiesce in the substitution of East Germans for Russians. Looking ahead, the West could see that every time a dispute arose about a cargo, it would have to argue with the Germans about the items in question.

The dispute could be passed up to higher authority, until the United States State Department would be arguing with the East German Foreign Office. And that, of course, would constitute at least de facto diplomatic recognition.

If, on the other hand, it were simply a matter of someone rubber stamping a formal manifest, without exercising real power, it would not be too hard for the West to let the East Germans substitute for the Russians.

FAILURE OF THE KREMLIN

The real meaning of what the Russians did at Helmstedt last week, therefore, was this:

They tried to make it harder for the West to accommodate itself to Prime Minister Khrushchev's Thanksgiving Day ultimatum. They tried to remove an easy way out, a way in which the West could roll with the punch.

The Kremlin failed. American protests blasted the convoy loose. But the fact that the Kremlin tried is revealing.

It means, observers here say, that while Moscow may have softened Khrushchev's ultimatum to some extent, the Kremlin nevertheless wants the threat to remain urgent and difficult in the West's eyes. It wants the West to believe it must buy its way out of the Berlin crisis through concessions to Russia on Germany as a whole.

Nearly everything the West has done since November 27, when Khrushchev threw down his Berlin gauntlet, has been directed toward denying Russia this extra bargaining power—that is, toward refusing to buy Berlin, and arranging not to have to.

One factor which has made the West's task more difficult has been public pressure for negotiations with Russia. Dissatisfaction with too great rigidity on the part of Western governments—justified though this dissatisfaction may be—has tended to undermine rigidity on the one point where it is clearly justified, that is, on Berlin and its inclusion in the bargaining pot.

ANSWER TO THE CRITICS

Macmillan's prospective trip to Moscow tends to relieve some of this pressure, especially in Britain where it is strongest. It provides an answer for those who demand that the West do something to show peaceful intent. And it costs little—indeed, it need not cost anything at all.

[From the Washington Post and Times Herald, Feb. 8, 1959]

A TIME FOR PRACTICAL MEASURES

(By Joseph Alsop)

Secretary of State John Foster Dulles has been asking our allies to agree to meet any Soviet challenge at Berlin without temporizing, without equivocation, and head-on. Under the Dulles program, for instance, a challenge of the Western Allies' right to use the land routes to Berlin is to be answered by sending an armed convoy.

This program in fact demands the will to fight a big war—an H-bomb war—for the defense of Berlin. Neither a single tank column, nor all the western divisions in NATO can possibly open a road to Berlin against the opposition of the massive Soviet armies in East Germany. Hence, humiliating retreat or a big war will be the only way out if a convoy is sent and is halted.

The thesis of Secretary Dulles and his strong supporters, the American Joint Chiefs of Staff, is that the Kremlin will not risk a big war for Berlin. Therefore, the Dulles-Pentagon thesis continues, the Kremlin will not press its Berlin claims to the utmost if we show that we prefer to run this risk rather than to surrender.

At least until Secretary Dulles' visit to London, the British Government was unwilling to accept the Dulles-Pentagon thesis. There was a strong impulse in London to base the Western plans for Berlin on dodging a direct challenge by resort to an airlift. The American pressure for acceptance of the Dulles-Pentagon thesis was meanwhile met by a British counter demand that the whole problem be "staffed out" in careful detail.

A leading planner from the British War Office staff was actually sent to Washington to conduct preliminary staff talks with the planners attached to the Joint Chiefs of Staff. This high-ranking officer kicked his heels here for a week and then went home after accomplishing nothing.

One therefore suspects that the proclaimed accord between Secretary Dulles and Prime Minister Harold Macmillan took the form of agreement by Dulles to open staff talks after all, and a statement by Macmillan that the British might accept the Dulles-Pentagon thesis after satisfactory staff talks.

If this suspicion is correct, the British may also reject the Dulles-Pentagon thesis at the end of the staffing out process. But at least one point is already pretty clear. Secretary Dulles will hardly secure final allied agreement for his contingent plan for Berlin while the Pentagon carries on business as usual.

In this respect at least, there is no logical answer to the British doubts about the Dulles approach to the Berlin problem. In brief, it is plainly inconsistent with business-as-usual at the Pentagon. The whole Dulles approach depends on convincing the Kremlin that the West is in deadly earnest and will fight a big war, if need be.

In these circumstances, there are certain practical measures which plainly need to be taken without much further delay. If an armed convoy is planned, some reinforcement of the divisions in Germany is surely essential—if only to prove that the plan is serious. For the same purpose, rather special preparations and training exercises are needed, to show that the West's engineering troops can surmount any purely physical obstacles to the convoy, such as broken bridges.

Above all, however, adoption of the Dulles approach imperatively demands bringing the Strategic Air Command to a state of full readiness. At present, despite the widespread impression to the contrary, SAC maintains no air alert. Experiments with an air alert were made in the autumn. It was found to be practical to keep a high proportion of SAC's planes always in the air and always ready to attack their targets. But this way of keeping a substantial striking force beyond reach of enemy attack was also found to be costly. Hence a 15-minute ground alert plan was chosen.

As the SAC commander, Gen. Thomas Power, very clearly pointed out, the 15-minute ground alert offers no protection at all against a Soviet missile strike. The air-missile warning system is not yet complete, and it will not be completed for some time to come. Thus the warning time for a missile strike will be zero. With zero warning time, SAC's planes on the ground would be destroyed by any successful missile strike whether there was a 15-minute alert or no alert at all.

In truth, if SAC is to bear the main burden of bridging the missile gap, a permanent air alert is necessary in any case, quite without regard to the threat at Berlin. It is all the more urgently necessary if the American official policy is to risk a big war, if need be, at a time that is no longer very distant.

[From the Washington Star, Feb. 8, 1959]

WAS PLANE LURED ON?

(By Earl H. Voss)

Was the C–130 which crashed in Soviet Armenia last September lured to its demise by Red radio beacons nearby or were the Soviet radio beams merely a convenient cover for an American intelligence operation?

The lure might have been arranged to provide a grim warning to American planes to stay away from Soviet borders, some people here theorize. Others suggest the incident may have been a device for the Kremlin to open up a new campaign against American overseas bases.

But why wouldn't the Soviet fighter pilots be instructed to take the plane and its crew "alive," rather than shoot it down?

There is no good answer, but the circumstances of the crash strongly suggest deliberate tampering with radio aids to navigation along the Soviet-Turkish border.

On the other hand the Soviets suspect that American planes frequently fly along Soviet borders for intelligence purposes.

They may now possibly suggest that the 11 men still missing from the 17-man crew of the C–130 were intelligence agents who could have escaped the crash. Frequent air clashes along the Soviet border in the past have often been suspected of being photo-intelligence missions or attempts to drop agents.

THE INTELLIGENCE IDEA

American officials scoffed, as expected, at the idea that a C–130 transport, unarmed, slow, and unmaneuverable, would be sent on a dangerous intelligence mission. Others wonder, however, whether just this kind of plan might not make a good "cover," particularly if agents were to be dropped. The C–130 was designed as a paratroop carrier.

The lure attributed to Soviet radio beacons could then be regarded as a "cover" or a prefabricated excuse for the American plane's flying into Soviet territory.

With these alternative theories on the Soviet radio beacons in mind, it is interesting to study American officials' accounts of the ill-fated plane's flight.

According to accepted international practice, Capt. Paul E. Duncan of Washington, commander of the ship, filed his flight plan with representatives of the International Civil Aviation Organization at Adana, in southern Turkey, where the trip began.

This flight plan showed a planned itinerary for flying northeast to the Black Sea radio-beacon station at Trabzon and then turning southeast to go to Van, in the southeastern corner of Lake Van. The plane then was to retrace its course, flying back northeast to Trabzon, thence southwest and back to Adana.

Purpose of the flight, the State Department reported, was participation in a worldwide U.S. Air Force project to study propagation of radio waves.

HIGH INTERFERENCE

For at least a couple of years this area of Turkey near the Soviet border has been well known among international fliers for the high-volume interference signals from Soviet territory which made navigation by radio difficult in the area.

It was known, for instance, that strong radio beacons were operating from the Soviet Black Sea locations of Batumi and Poti, farther northeast in the same general direction from Adana as Trabzon. The Batumi and Poti beacons, contrary to international treaty regulations to which the Soviet Union subscribes, were on a frequency only 1 kilocycle away from that of Trabzon.

The theory is that the C–130's radio direction finder pointed its needle at the Batumi or Poti beacon rather than at Trabzon.

Radios for navigation in the American planes are not selective enough to differentiate stations only one kilocycle apart. Furthermore, the signals from the Soviet beacon were more powerful than from the Turkish station.

There was a seven-tenths undercast on the morning of September 2 when the C–130 began its flight. That means that clouds obscured seven-tenths of the view below the plane.

The pilot could not identify Trabzon visually as he passed in its vicinity.

But he did report in to the station on time—at 12:42 p.m., Turkish time. That was 1 hour and 18 minutes before the plane crashed. It was the last word from the craft.

The theory is that the C–130 overshot Trabzon and continued unsuspectingly toward Batumi. Normally, if there had been no radio beacon so powerful and so close to the Trabzon signal, the needle on the American plane's radio-direction finder would have turned around and pointed backward or southwest, signaling the pilot he had passed Trabzon.

ENCOUNTER WITH JETS

Before the plane reached Batumi, it is believed to have turned east and soon thereafter encountered the five Soviet jet fighters which shot it down. Whether it had picked up another radio beacon before the fighters appeared is not known.

The border between Soviet Armenia and Turkey at the point where the American plane is believed to have intruded on Soviet territory is formed by the River Araks.

Transcript of the Soviet fighter pilots' intercom conversation indicated the river was clearly visible.

One pilot closing in on the C–130 reportedly said: "I can see the fence well," refering to the border-forming river as the fence, as American pilots referred to the Yalu River in the Korean war.

Whether the American pilot recognized the River Araks as the border, or whether he thought he was still well within Turkey is, of course, not known. Nor is it clear that he could have seen the comparatively small river at so great a height as 25,000 or 30,000 feet, with the 70 percent undercast of clouds said to be there at the time.

After its tail was shot off, the C–130 crashed on the northwest slope of Alagoz Mountain, 24 miles east of the Soviet border town of Leninakan. The plane was 120 miles and 29 minutes off its planned course.

On September 8, 6 days after the crash, the American Air Force sent a test craft to check the route taken by the C–130.

RADIO BEACON SIGNALS

The theories about interference from the overriding signals of the Batumi or Poti radio beacons inside the Soviet Union were confirmed. The radio-direction finder's needle on the test plane continued to point northeast after the pilot was well past Trabzon, instead of swinging around and pointing backward toward Trabzon.

September 8 was a clearer day, and the pilot of the test plane was able to identify Trabzon visually as he passed.

The test craft then retraced its path to Trabzon and pointed its nose toward Van, on Lake Van, to the southeast.

Here was encountered a second interference with Turkish radio beacons by a more powerful one in the Soviet Union, this one located at Armenia's capital city of Yerevan.

The Trabzon to Van leg lies on an international air corridor, forming part of the routine route from Athens to Teheran for plans which wish to skirt Syria.

The test plane's radio-direction finder would not point toward Van, however. Instead it swung to the northeast, and pointed toward Yerevan, where there was another, more powerful radio beacon on a frequency again close to the Van frequency—only 30 kilocycles away.

This much spread apparently is enough for most commercial flights along the corridor to distinguish Yerevan from Van. No other international flights have been known to stray into Soviet territory. There were other commercial planes traveling the same route September 2, but none reported difficulties.

American officials do not claim the pilot of the C–130 was blameless. Deputy Under Secretary of State Robert Murphy told Soviet Ambassador Mikhail Menshikov last November 13 that the flyer had probably committed some navigational error unintentionally.

But official Washington considers it inexcusable that Soviet fighters should shoot the plane down, knowing as they did the lumbering, four-engined transport plane was unarmed.

According to international practice, the jets should have made passes at the plane and forced it to land, officials say, then to make explanations for its border violations.

[From the New York Times, Feb. 8, 1959]

KHRUSHCHEVISM

The tragically absorbing game of guessing what the Russians really want grows more complicated day by day. Part of the complication is due to Premier Nikita S. Khrushchev himself. Mr. Khrushchev closed the 21st Congress of the Soviet Communist Party with a review of East-West relations in which the following ideas were expressed: that the United States is following a "merchants of death" policy "for the sake of enrichment"; that he would be glad to welcome President Eisenhower to Russia, even though President Eisenhower seemed unwilling to accept Mr. Khrushchev as a private visitor to the United States; that the Russians had organized serial production of intercontinental ballistic missiles; that Senator HUMPHREY had peddled fairy tales about his recent lengthy interview with Mr. Khrushchev; and that the Western proposals for control of nuclear weapons revealed a desire to pick the time to put their military bases in action against our country—that is, Russia.

To add to the general gaiety and goodwill, the State Department, on the day of Mr. Khrushchev's concluding speech, was able to release a tape recording of a Russian attack on an unarmed American plane near the Armenian border last September that probably caused the death of 17 men. This murder was a part of the Khrushchev policy, though not of the Khrushchev speech.

What do the Russians want? What does Mr. Khrushchev want? What would he or his spokesmen offer at a possibly forthcoming conference of foreign ministers? Prime Minister Macmillan of the United Kingdom is planning to spend a week or more in Moscow at the end of this month in the hope of finding some basis for better understanding. He may thereafter go to Bonn, Paris, and Washington to tell what basis he found. It is his hope that this visit may assist the Western Powers to determine what our policies and action should be.

Meanwhile, Secretary Dulles, pausing in London to hold four conversations with Mr. Macmillan, hoped and believed that the Moscow pilgrimage would be fruitful. In Paris, Secretary Dulles saw General de Gaulle, who agrees with us in principle, but who does not wish to be hustled into a top-level conversation with Mr. Khrushchev by any deadline, whether May 27 or later. Yesterday, Mr. Dulles proceeded to Bonn on the same quest.

Thus the guessing contest continues. But no matter who talks with whom, or where, our relations with Russia cannot improve until the Russians are willing to state frankly what they want and what concessions they will make. They have no license to tread the earth as conquerors. If they desire an early end of the cold war, as Mr. Khrushchev says they do, they will meet a warm and ready response from us and from our friends. They cannot produce peace by bullying us, for we will not be bullied; nor by telling lies, for their lies are easily detected, nor by trying to spread dissension among us.

Khrushchevism may sound well in Russia, where any party leader who disagrees is likely to find himself running a fourth-class post office in Siberia, but it is not convincing here.

PRINTING OF REMARKS OF MEMBERS IN CONGRESSIONAL RECORD

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 10 minutes.

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a resolution to the effect that no written or printed matter shall be received for printing in the body of the CONGRESSIONAL RECORD as a part of the remarks of any Member of the House unless such matter shall have been—

First. Read orally by such Member on the floor of the House; or

Second. Offered and received for printing in such manner as to indicate clearly that the contents thereof were not read orally by such Member on the floor of the House.

Further, that all such matter shall be printed in the CONGRESSIONAL RECORD in accordance with the rules prescribed by the Joint Committee on Printing. It shall not be in order for the Speaker of the House to entertain a request for the suspension of this rule by unanimous consent or otherwise or to present from the Chair the request of any Member for unanimous consent.

Most of the statements emanating from Washington are unbrave statements which have slipped into speeches away from the Congress or into the CONGRESSIONAL RECORD like a thief at night. Indeed, a thief at night is not an inept phrase inasmuch as what one wishes one had said in debate as opposed to what one really said can be sent over to the Government Printing Office as late as midnight and appear in the RECORD the next day as if it had been said.

I have many times pointed out that the Congress is essentially a set of procedures. In these procedures rests the hope of any free society. One of the procedures of the Congress is to provide a forum for the people's elected representatives to get up and speak his views on a subject in the presence of his colleagues. Any colleague who disagrees with what he has said can also take the floor and subject the prior statements to objective criticism. Most of the statements made on Capitol Hill are issued in such a manner as to circumvent this

needed objective examination. This is done by the abuse of the privilege of extending and revising remarks in the CONGRESSIONAL RECORD. Nine times out of ten the congressional legislator has either given a public speech far removed from the Halls of Congress, issued a press release, or simply given his written statement to the congressional reporter for insertion into the CONGRESSIONAL RECORD. This gives the impression to the public that the statement was made in open debate on the floor of the House of Representatives or the Senate.

I have sponsored for several years a resolution in the House to amend the rules. This resolution would require that any statement not actually spoken on the floor be printed in a different type. In this way a person reading the CONGRESSIONAL RECORD would at least know what was said on the floor or what was not said. Primarily, I believe, because the people of this country do not know what is really going on and not knowing have not become excited about it and this proposal has gotten nowhere.

It is alarming to me to note the recent trend to bypass the open forums in Congress by arguing out the matters through press releases that cannot be challenged for accuracy and validity. Neglect of the congressional forum is effectively destroying the Congress as a deliberative body, and I believe that unless we can reestablish the rostrums in the wells of the House and the Senate to the position they once held, as the proper place for public debate to be carried on, we must recognize that the representative form of government we once knew has disappeared. It will have been replaced by a system of public discussion which, in my judgment, can only bring disaster to our society.

Congress as an institution established by the Constitution and developed in the first 150 years of our Nation's history, provided the methods of gathering together whatever knowledge existed in the society and applying it to the problems of the day. The new system that has developed is not suited to either gathering the real knowledge of the society, nor exposing what dubious knowledge is gathered to the white heat of straightforward debate. It is a system that discredits wisdom and promotes demagoguery. It is a system that depends upon who can yell the loudest, has the best press relations, and who can disseminate the most. I honestly believe that it is time that we, who have been entrusted with the preservation and strengthening of the institution of Congress for a few brief years, start responding to that trust. An effective, independent legislature is the bulwark of our free society, and it can only be maintained as effective and independent by retaining its essential, structural parts in its essential procedures.

I am hopeful that the Congress will act on this this year.

Finally, I would point out I do not intend to create any impression that there is no time when an insertion in the RECORD is in order. Quite the contrary, I believe there are many occasions when this procedure is quite appropriate. These very remarks, I think, may appropriately be placed in the RECORD as I am now doing.

FEDERAL ENCROACHMENT ON EARLY ESTABLISHED STATE WATER RIGHTS

Mr. DIXON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a resolution from the State of Utah.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. DIXON. Mr. Speaker, the Western States have been extremely concerned in recent years, and currently the Southern and Eastern States are growing more concerned over Federal encroachment on early established State water rights.

The Utah Legislature, in a bipartisan unanimous move, adopted the following concurrent resolution imploring the Federal Government to act promptly to rectify the effect of certain recent court decisions.

To show the importance Utah attaches to this problem, the following resolution was the first legislative measure to be signed by the Governor:

SENATE CONCURRENT RESOLUTION 1

Concurrent resolution memorializing the Congress and the President of the United States to safeguard and preserve established State and individual rights to the use of water within the separate States

Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

Whereas recent decisions from the Federal courts and recent rulings from the U.S. Department of Justice have deprived States, and persons, of rights which said States and persons previously enjoyed, to regulate and control the use of the water in those respective States; and

Whereas said decisions and rulings are further a part of a general pattern developing gradually into Federal supremacy and usurpation over water, which, if continued will destroy individual and States rights over water, and substitute in lieu thereof an all-powerful centralized Government control thereover: Be it therefore

Resolved by the 33d Legislature of the State of Utah, the Governor concurring therein, That the Congress and President of the United States and the representatives of Utah in the Congress of the United States be, and they are hereby, urged and requested to take all necessary action to (1) preserve the water rights of the individual and the States and to prevent Federal usurpation of those rights; (2) to see that legislation is initiated and supported to reestablish to the individuals and to the States the rights taken from them by the Federal courts and the Justice Department; and (3) in every way possible reaffirm, renew, and defend the concepts that water rights are property rights and that these established rights, to the use of water, by a State or an individual, should not be taken away without due process of law and adequate compensation; be it further

Resolved, That certified copies of the above be promptly transmitted to the President and Vice President of the United States, Speaker of the House of Representatives of the Congress, chairman of the U.S. Senate and House Committees of Interior and Insular Affairs, U.S. Senator WALLACE F. BENNETT, U.S. Senator FRANK E. MOSS, U.S. Representative HENRY A. DIXON, and U.S. Representative DAVID S. KING.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. O'HARA of Illinois for 40 minutes today, and to revise and extend his remarks.

Mr. PRICE for 5 minutes today.

Mr. FLOOD for 30 minutes today, and to revise and extend his remarks and include extraneous matter.

Mr. CURTIS of Missouri for 10 minutes today.

Mr. IKARD and Mr. WRIGHT, for 1 hour, on Monday next.

Mr. VAN ZANDT (at the request of Mr. PELLY), for 20 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FORAND and to include a statement he is making relative to a bill he introduced today to provide hospitalization under the Social Security Act.

Mr. GIAIMO.

Mr. KILDAY.

Mr. BROOMFIELD and to include extraneous matter.

Mr. MCCORMACK and to include extraneous matter.

Mr. DADDARIO and to include extraneous matter.

Mr. VANIK and to include extraneous matter.

Mr. LINDSAY (at the request of Mr. PELLY) and include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. PELLY) and include extraneous matter.

Mr. REED (at the request of Mr. PELLY) and include extraneous matter, notwithstanding the estimated cost will be $891.

Mr. DIXON in three instances and include extraneous matter.

Mr. MULTER.

Mr. LIBONATI.

Mr. RHODES of Arizona.

(At the request of Mr. HALLECK, and to include extraneous matter, the following:)

Mr. SHORT.

Mr. CURTIS of Massachusetts.

(At the request of Mr. METCALF, and to include extraneous matter, the following:)

Mr. HOLTZMAN.

Mr. GARMATZ.

ADJOURNMENT

Mr. LIBONATI. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 22 minutes p.m.) the House adjourned until tomorrow, Thursday, February 19, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

588. A communication from the President of the United States, transmitting amendments to the budget for the fiscal year 1960 involving a reduction in the amount of $1,020,000 for the Treasury Department (H. Doc. No. 80); to the Committee on Appropriations and ordered to be printed.

589. A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1960 involving a reduction in the amount of $20,750,000 for the Post Office Department (H. Doc. No. 81); to the Committee on Appropriations and ordered to be printed.

590. A letter from the Chairman, National Advisory Council on International Monetary and Financial Problems, transmitting a report on the activities of the National Advisory Council on International Monetary and Financial Problems for the period January 1 through June 30, 1958, pursuant to the Bretton Woods Agreements Act (H. Doc. No. 82); to the Committee on Banking and Currency and ordered to be printed.

591. A letter from the Acting Secretary of State, transmitting a draft of proposed legislation entitled "a bill to extend certain privileges and immunities to judges of the International Court of Justice"; to the Committee on Foreign Affairs.

592. A letter from the Comptroller General of the United States, transmitting a report on the audit of the custodianship functions of the Office of the Treasurer of the United States, Treasury Department, for the fiscal year ended June 30, 1957; to the Committee on Government Operations.

593. A letter from the Comptroller General of the United States, transmitting a report on the audit of revolving fund operations, Corps of Engineers (Civil Functions), Department of the Army, covering the period from establishment of the fund on July 1, 1953, through June 30, 1958; to the Committee on Government Operations.

594. A letter from the Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation entitled "A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes"; to the Joint Committee on Atomic Energy.

595. A letter from the Special Assistant to the General Manager (Congressional Relations), U.S. Atomic Energy Commission, transmitting a draft of proposed legislation entitled "A bill to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes"; to the Joint Committee on Atomic Energy.

596. A letter from the Acting Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law"; to the Committee on the Judiciary.

597. A letter from the Director, Administrative Office, U.S. Courts, relative to requesting that H.R. 12115, 85th Congress, be reintroduced in the present 86th Congress; to the Committee on the Judiciary.

598. A letter from the Director, Administrative Office, U.S. Courts, relative to requesting that H.R. 12186, 85th Congress, be reintroduced in the present 86th Congress; to the Committee on the Judiciary.

599. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to amend section 502 of the General Bridge Act of 1946, and for other purposes"; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WILLIS: Committee on the Judiciary. H.R. 75. A bill providing for the design of the flag of the United States; without amendment (Rept. No. 38). Referred to the House Calendar.

Mr. WILLIS: Committee on the Judiciary. H.R. 2369. A bill to amend section 2385, title 18, United States Code, to define the term "organize" as used in that section; without amendment (Rept. No. 39). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H.R. 4679. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to establish a marketing quota and income stabilization plan for wheat; to the Committee on Agriculture.

By Mr. ANDERSON of Montana:

H.R. 4680. A bill to clarify paragraph 4 of section 15 of the Pay Readjustment Act of 1942 (56 Stat. 368); to the Committee on Armed Services.

By Mr. ASHMORE:

H.R. 4681. A bill to amend the act of August 4, 1955 (Public Law 237, 84th Cong.), to provide for conveyance of certain interests in the lands covered by such act; to the Committee on Agriculture.

By Mr. AYRES:

H.R. 4682. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. BASS of New Hampshire:

H.R. 4683. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. BASS of Tennessee:

H.R. 4684. A bill to revise the boundaries and change the name of Fort Donelson National Military Park, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BECKWORTH:

H.R. 4685. A bill to amend section 610 of title 38, United States Code, to provide hospital care for peacetime veterans on the same basis as such care is provided for wartime veterans; to the Committee on Veterans' Affairs.

H.R. 4686. A bill to extend certain benefits to persons who served in the Armed Forces of the United States in Mexico or on its borders during the period beginning May 9, 1916, and ending April 6, 1917, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BOGGS:

H.R. 4687. A bill to amend Public Law 455 approved March 29, 1956 (H.R. 6309) authorizing the construction of the Mississippi River-Gulf outlet; to the Committee on Public Works.

By Mr. BOYLE:

H.R. 4688. A bill to prohibit certain acts involving the importation, transportation, possession, or use of explosives; to the Committee on the Judiciary.

By Mr. BREEDING:

H.R. 4689. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. BROYHILL:

H.R. 4690. A bill to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in overseas areas, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BURDICK:

H.R. 4691. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 4692. A bill to amend sections 1, 18, 22, 331, and 631 of the Bankruptcy Act (11 U.S.C. 1, 41, 45, 731 and 1031) to provide for automatic adjudication and reference in certain cases; to the Committee on the Judiciary.

H.R. 4693. A bill to amend the Bankruptcy Act so as to consolidate the referees' salary and expense fund; to the Committee on the Judiciary.

H.R. 4694. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. CRAMER:

H.R. 4695. A bill to amend section 108(a) of title 23 of the United States Code to increase the period in which actual construction shall commence on rights-of-way acquired in anticipation of such construction from 5 years to 7 years, and for other purposes; to the Committee on Public Works.

By Mr. DERWINSKI:

H.R. 4696. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; to the Committee on the Judiciary.

By Mr. DORN of South Carolina:

H.R. 4697. A bill to amend the act of August 4, 1955 (Public Law 237, 84th Cong.), to provide for conveyance of certain interests in the lands covered by such act; to the Committee on Agriculture.

By Mr. EVINS:

H.R. 4698. A bill to amend the Federal Power Act so as to prohibit the Federal Power Commission, in exercising their ratemaking power with respect to the transmission and sale of electric energy subject to its jurisdiction, from treating as operating expenses those expenses incurred by electric utilities in propagandizing against Federal power policies and rural electric cooperatives; to the Committee on Interstate and Foreign Commerce.

By Mr. FINO:

H.R. 4699. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct tuition expenses paid by him for the education of his children; to the Committee on Ways and Means.

By Mr. FORAND:

H.R. 4700. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

H.R. 4701. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income

which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 4702. A bill to provide certain benefits for Government employees employed as firefighters; to the Committee on Post Office and Civil Service.

By Mr. GARMATZ:

H.R. 4703. A bill to amend section 901(b) of the Merchant Marine Act, 1936, to provide for the carriage by U.S.-flag commercial vessels of certain cargo in excess of the 50 percent gross tonnage limitation contained in such section; to the Committee on Merchant Marine and Fisheries.

By Mr. GIAIMO:

H.R. 4704. A bill to extend to the veterans of the Mexican border service of 1916 and 1917 and their widows and minor children all the provisions, privileges, rights, and benefits of laws enacted for the benefit of veterans of World War I; to the Committee on Veterans' Affairs.

H.R. 4705. A bill to amend the Railroad Retirement Act of 1937 to provide full annuities for all individuals who have completed 30 years of service at age 60 and reduced annuities for individuals who have completed 30 years of service at age 55, and to increase the maximum annuity payable to an individual with 30 years of service; to the Committee on Interstate and Foreign Commerce.

H.R. 4706. A bill to amend the Railroad Unemployment Insurance Act so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN of Pennsylvania:

H.R. 4707. A bill to increase from $600 to $800 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

By Mr. HÉBERT:

H.R. 4708. A bill to amend Public Law 455 approved March 29, 1956 (H.R. 6309) authorizing the construction of the Mississippi River-Gulf outlet; to the Committee on Public Works.

By Mr. HEMPHILL:

H.R. 4709. A bill to amend the act of August 4, 1955 (Public Law 237, 84th Cong.) to provide for conveyance of certain interests in the lands covered by such act; to the Committee on Agriculture.

By Mr. HOLTZMAN:

H.R. 4710. A bill granting exemption from income tax in the case of retirement annuities and pensions; to the Committee on Ways and Means.

H.R. 4711. A bill to increase the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness) from $600 to $1,000; to the Committee on Ways and Means.

H.R. 4712. A bill to allow a parent, under certain circumstances, to deduct for income tax purposes amounts paid for the care of children while the parent is working, and to allow an income tax exemption for any child who is supported by the taxpayer and who is a member of his household; to the Committee on Ways and Means.

By Mr. JARMAN:

H.R. 4713. A bill to amend the Social Security Act to provide that the Secretary of Health, Education, and Welfare shall, under certain circumstances, disclose the current addresses of husbands and parents who have deserted their families; to the Committee on Ways and Means.

By Mr. JOHNSON of Colorado:

H.R. 4714. A bill to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo.; to the Committee on Interior and Insular Affairs.

H.R. 4715. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. JOHNSON of Colorado (by request):

H.R. 4716. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. JUDD:

H.R. 4717. A bill to amend the Internal Revenue Code of 1954 to provide that an individual may deduct amounts paid for tuition, fees, and books to certain public and private institutions of higher education for his education or the education of his spouse or any of his dependents; to the Committee on Ways and Means.

By Mr. KARTH:

H.R. 4718. A bill to continue until the close of June 30, 1960, the suspension of duties and import taxes on metal scrap, and for other purposes; to the Committee on Ways and Means.

By Mr. KING of California:

H.R. 4719. A bill to amend title IV of the Social Security Act to authorize Federal assistance thereunder for dependent children living in licensed foster homes and similar institutions; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 4720. A bill to amend the Internal Revenue Code of 1954 to provide certain tax benefits to encourage the formation and operation of small business investment companies; to the Committee on Ways and Means.

By Mr. LANKFORD:

H.R. 4721. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. McGINLEY:

H.R. 4722. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. McMILLAN:

H.R. 4723. A bill to amend the act of August 4, 1955 (Public Law 237, 84th Cong.), to provide for conveyance of certain interests in the lands covered by such act; to the Committee on Agriculture.

By Mr. MACHROWICZ:

H.R. 4724. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a personal exemption for a foreign student who resides in his home while in the United States attending high school; to the Committee on Ways and Means.

By Mrs. MAY:

H.R. 4725. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. MERROW:

H.R. 4726. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. MORRIS of New Mexico:

H.R. 4727. A bill to amend section 1371 of the Internal Revenue Code of 1954 to permit stock of a small business corporation which is owned by a husband and wife to be treated as owned by a single shareholder for purposes of determining the number of shareholders of such corporation; to the Committee on Ways and Means.

H.R. 4728. A bill to amend section 2410(b) of title 28 of the United States Code to permit the use of certified mail in the transmission of certain legal process; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 4729. A bill to amend the Bankruptcy Act with respect to the priority of debts owed by a bankrupt to workmen, servants, clerks, and certain salesmen; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 4730. A bill to make certain frozen fish blocks classifiable under paragraph 717 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mrs. PFOST:

H.R. 4731. A bill to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C. 869—869–3), to certain lands in Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PHILBIN:

H.R. 4732. A bill to recognize the Italian American War Veterans of the United States, Inc., a national nonprofit, nonpolitical war veterans' organization, for the purposes of bestowing upon it certain benefits, rights, privileges, and prerogatives; to the Committee on Veterans' Affairs.

H.R. 4733. A bill relating to Italian American War Veterans of the United States, Inc., and the status of that organization under certain laws of the United States; to the Committee on Veterans' Affairs.

H.R. 4734. A bill to provide for the issuance of a special postage stamp to commemorate the 200th anniversary of the founding of Princeton, Mass.; to the Committee on Post Office and Civil Service.

By Mr. PRICE:

H.R. 4735. A bill to amend the Internal Revenue Code of 1954 so as to reduce the rate applicable to the first $1,000 of taxable income for taxable year 1959 and to repeal or reduce certain excise taxes; to the Committee on Ways and Means.

H.R. 4736. A bill to amend the Internal Revenue Code of 1954 so as to increase the amount of the personal exemption for taxable year 1959 and to repeal or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 4737. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a personal exemption for a foreign student who resides in his home while in the United States attending high school; to the Committee on Ways and Means.

By Mr. RILEY:

H.R. 4738. A bill to amend the act of August 4, 1955 (Public Law 237, 84th Cong.) to provide for conveyance of certain interests in the lands covered by such act; to the Committee on Agriculture.

By Mr. RIVERS of South Carolina:

H.R. 4739. A bill to amend the act of August 4, 1955 (Public Law 237, 84th Cong.) to provide for conveyance of certain interests in the lands covered by such act; to the Committee on Agriculture.

By Mr. RODINO:

H.R. 4740. A bill to amend the Fair Labor Standards Act of 1938, as amended, to raise the minimum wage, to provide coverage for employees of employers who are engaged in activities affecting interstate commerce, to eliminate certain exemptions, and for other purposes; to the Committee on Education and Labor.

By Mrs. ROGERS of Massachusetts (by request):

H.R. 4741. A bill to increase rates of death compensation and of disability and death pension payable under laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mrs. ST. GEORGE:

H.R. 4742. A bill to readjust size and weight limitations on fourth-class (parcel post) mail; to the Committee on Post Office and Civil Service.

By Mr. SAUND:

H.R. 4743. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used

for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

By Mr. SELDEN:

H.R. 4744. A bill to provide a particular designation for the proposed dam and lock on the Chattahoochee River at Columbia, Ala.; to the Committee on Public Works.

By Mr. SIMPSON of Pennsylvania:

H.R. 4745. A bill to amend section 270 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. TOLLEFSON (by request):

H.R. 4746. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. TOLLEFSON:

H.R. 4747. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a personal exemption for a foreign student who resides in his home while in the United States attending high school; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 4748. A bill to extend the leasing provisions of the act of June 14, 1926, as amended by the act of June 4, 1954 (68 Stat. 173; 43 U.S.C., secs. 869–869–3), to certain lands in Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 4749. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. VANIK:

H.R. 4750. A bill to amend the Social Security Act to provide that the Secretary of Health, Education, and Welfare shall, under certain circumstances, disclose the current addresses of husbands and parents who have deserted their families; to the Committee on Ways and Means.

By Mr. WEAVER:

H.R. 4751. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. WINSTEAD:

H.R. 4752. A bill to bring employees of agricultural stabilization and conservation county committees within the purview of the Civil Service Retirement Act and the Federal Employees' Group Life Insurance Act of 1954; to the Committee on Post Office and Civil Service.

H.R. 4753. A bill to authorize the donation of surplus property to certain agencies engaged in cooperative agricultural extension work, and for other purposes; to the Committee on Government Operations.

By Mr. YATES:

H.R. 4754. A bill to provide for the District of Columbia an appointed Governor and secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. AVERY:

H.J. Res. 252. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. CURTIS of Missouri:

H.J. Res. 253. Joint resolution proposing an amendment to the Constitution of the United States to limit the tenure of Senators and Representatives in Congress; to the Committee on the Judiciary.

By Mrs. KELLY:

H.J. Res. 254. Joint resolution to authorize participation by the United States in parliamentary conferences with Canada; to the Committee on Foreign Affairs.

By Mr. SIKES:

H.J. Res. 255. Joint resolution to commemorate the quadracentennial anniversaries of the State of Florida and to recognize the quadricentennial anniversary commission of that State; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. Con. Res. 85. Concurrent resolution expressing the sense of the Congress with respect to a program for payment of the national debt; to the Committee on Ways and Means.

By Mr. VINSON:

H. Con. Res. 86. Concurrent resolution to express the gratitude and appreciation of the Congress to the civilian volunteer members of the Ground Observer Corps for their devotion, sacrifice, and spirit of service in fulfilling, in a dedicated manner, the mission of the corps and for the great contribution they made to the security of the United States; to the Committee on Armed Services.

By Mr. CURTIS of Missouri:

H. Res. 176. Resolution to amend the Rules of the House of Representatives with respect to the printing of remarks of Members of the House in the CONGRESSIONAL RECORD; to the Committee on Rules.

By Mr. HAYS:

H. Res. 177. Resolution authorizing the printing of the publication, "U.S. Capitol Page School"; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Montana memorializing the President and the Congress of the United States relative to senate joint memorial No. 1 of the State of Montana, pertaining to high frequency booster stations; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States relative to house concurrent resolution G of the State of North Dakota, pertaining to construction of the proposed Pembilier Dam and Reservoir project; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 4755. A bill for the relief of Bogdan Wasiel; to the Committee on the Judiciary.

H.R. 4756. A bill for the relief of Jan Jerzy Janusz; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 4757. A bill for the relief of Emily Elkas Batrie; to the Committee on the Judiciary.

By Mr. BOYLE:

H.R. 4758. A bill for the relief of Maza Biese; to the Committee on the Judiciary.

By Mr. DENT:

H.R. 4759. A bill for the relief of Caterina Salvitti Crivelli; to the Committee on the Judiciary.

H.R. 4760. A bill for the relief of Andrija Artukovic; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H.R. 4761. A bill for the relief of Mrs. Annie Voisin Whitley and James Georges Whitley; to the Committee on the Judiciary.

By Mr. GIAIMO:

H.R. 4762. A bill for the relief of James A. Mendillo; to the Committee on Armed Services.

By Mrs. GRANAHAN:

H.R. 4763. A bill for the relief of Josette A. M. Stanton; to the Committee on the Judiciary.

By Mr. HEALEY:

H.R. 4764. A bill for the relief of Michele Ambrosino; to the Committee on the Judiciary.

H.R. 4765. A bill for the relief of Aldo Lazzaroni; to the Committee on the Judiciary.

H.R. 4766. A bill for the relief of Adelaide Lamanna Fava; to the Committee on the Judiciary.

By Mr. HÉBERT:

H.R. 4767. A bill for the relief of John T. Knight; to the Committee on Armed Services.

By Mr. LIPSCOMB:

H.R. 4768. A bill for the relief of Bedrettin Cakmar, his wife Serife Cakmar, and their three minor children, Oktay, Icial, and Aydin Cakmar; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H.R. 4769. A bill for the relief of Mrs. Yasu Mino; to the Committee on the Judiciary.

By Mr. McDONOUGH (by request):

H.R. 4770. A bill for the relief of Thalis R. Ritoridis Hadjopoulos, also known as Thales Rhett, and Thales Ritoridis; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 4771. A bill for the relief of Michael Branch (Kazuo Yamamoto) and Mark Branch (Hideo Kuramochi); to the Committee on the Judiciary.

H.R. 4772. A bill for the relief of Philomena Branch (Fumiko Ikeda); to the Committee on the Judiciary.

H.R. 4773. A bill for the relief of Gregory (Taira) Branch; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 4774. A bill for the relief of Vincenzo Ferrucci; to the Committee on the Judiciary.

H.R. 4775. A bill for the relief of Mrs. Ruth S. Ridner; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H.R. 4776. A bill for the relief of Pashupati Adhikary; to the Committee on the Judiciary.

By Mr. TELLER:

H.R. 4777. A bill for the relief of Dr. Bong Chin Chun (wife) and Sang Kee Rhee (husband); to the Committee on the Judiciary.

H.R. 4778. A bill for the relief of Jonas Beno Linker, Mrs. Estera Idesa Linker, and their minor child, Perla Ita Linker; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 4779. A bill for the relief of Rachel Borenstein; to the Committee on the Judiciary.

H.R. 4780. A bill for the relief of Shao-Yuen Chang; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

79. By Mr. BUSH: Petition of citizens of Renovo, Pa., and vicinity, urging the Congress to enact legislation to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits; to the Committee on Interstate and Foreign Commerce.

80. By Mr. CANFIELD: Petition of the New Jersey Department Council of the Reserve Officers Association urging a halt to any reduction in the strength of the Army Reserve; to the Committee on Armed Services.

81. By Mr. GIAIMO: Petition of the Public Utilities Commission of the State of Connecticut pertaining to Federal excise taxes on telephone service; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Our REA Program Under the Eisenhower Administration

EXTENSION OF REMARKS
OF
HON. DON L. SHORT
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. SHORT. Mr. Speaker, last week the national REA convention was held here in Washington, and many of us who are interested in, and sympathetic toward, the REA program had an opportunity to visit with friends from our home States who were here for the convention. These people justifiably feel a great deal of pride in this program which they have helped to initiate in their respective areas and have guided to successful maturity as a stable cooperative enterprise bringing electricity to rural areas.

Having lived beyond the reach of an electric powerline all my life, until REA brought electricity to our ranch 7 years ago, no one has a greater appreciation of what REA has meant to people living in the country. As I have said many times, no one in his right mind has any desire to see the REA program anything but stable and successful in the years to come.

For some reason, there are some folks who would try to make a political football out of REA. For some reason that I can only interpret as a means of attempting to bring discredit to our present administration, the inference has been made repeatedly that the REA program, under the Eisenhower administration, has been curtailed, and restricted in its operation. I believe the record of REA expansion during the past 6 years speaks for itself. I do not believe that that record indicates that anything but friendly, constructive direction and administration has been given to the program.

The remarks of Secretary of Agriculture Ezra Taft Benson at a press conference on February 12, 1958, outline clearly the real progress that the REA program has made during the Eisenhower administration.

Under unanimous consent, Mr. Speaker, I insert in the CONGRESSIONAL RECORD the transcript of these remarks of Secretary Benson as follows:

TRANSCRIPT OF REMARKS BY SECRETARY OF AGRICULTURE BENSON ON THE REA PROGRAMS AT PRESS CONFERENCE, FEBRUARY 12, 1959

Thousands of the directors and managers of our rural electric co-ops financed by REA end their Washington meeting today. I would like to salute this fine group. We all know they have built well.

Because there have been some efforts through demagoguery and other means to mislead and distort the facts, I would like to set the record straight on a few points this morning.

Some of the so-called friends of REA claim, first, that the Secretary has taken away the authority of the Administrator to approve loans. This is untrue.

Second, they say this administration is destroying REA. This is absolutely false. The record speaks for itself—and let me give you just one or two items from the record.

First, the greatest progress ever made in REA has been made during the last 6 years; loans of $1.2 billion have been made, compared to $2.6 billion loaned in the previous 17½ years.

Annual power sales are approximately 22 billion kilowatt-hours, double the sales made in 1952.

Third, borrowers who are delinquent on loans have dropped from 45 to 6 in the last 6 years; and these co-op organizations today are $139 million ahead of payments. The records of the past have not even approached this splendid record of repayment.

And fourth, the net worth of cooperative borrowers has more than tripled in the last 6 years.

Now, I think we should keep in mind that REA and the REA program, and the area served, have changed somewhat in recent years. Today over 95 percent of the farms and ranches of America have electric service; 75 percent of the new customers being added are industrial and nonfarmer residential consumers, and one-half of the total power sales by the REA system today is for nonfarmer use.

In other words, REA has come of age. It has rendered a great service; it is rendering great service now. But it has come of age. In the interest of fairness to all and in the interest of its own future financial strength, we feel that the system should first pay interest rates at least equal to the cost of money to the Government.

This would eliminate one of the criticisms of REA and a criticism that will increase unless a change is made.

And second, the system should start moving forward to obtain supplemental financing from private sources.

Now, such actions I feel, and my associates feel, would be in line with tradition and with the sound policies followed by the Farm Credit Administration which started out rather heavily helped by the Government and is gradually paying off the Government capital and getting its loan rates on a realistic basis. Such a policy will reduce unnecessary Government participation and thereby protect and strengthen the free enterprise system of which these electric and telephone cooperatives are a vital part. And so this administration will continue to support and strengthen the services of REA to our farmers.

We will just as vigorously oppose efforts to socialize electric power or any other segment of our economy, including agriculture. As one who has spent most of his life promoting farmer cooperatives, I strongly feel that these recommendations, these suggestions will further strengthen the REA system.

FACTS OF REA GROWTH 1953–59 (DISTRIBUTED AT SECRETARY BENSON'S PRESS CONFERENCE, FEBRUARY 12, 1959)

1. Loans of about $1.2 billion have been made. This is almost one-third of the $3.8 billion approved since the start of the program.

2. Some 800,000 new consumers and 180,000 miles of line have been added to REA systems, to the point where almost 96 percent of our farms have electricity, more than half of which are served by REA borrowers.

3. Power sales on REA systems have reached an estimated 21.7 billion kilowatt-hours, or double the sales in 1952.

4. Loans were approved to provide facilities for 1,116,000 kilowatts of generating capacity, almost double the total provided in the previous 17½ years.

5. The number of electrification borrowers behind in their loan payments dropped from 45 to 6 out of a total of nearly 1,000. (The systems have made payments on principal and interest in excess of $1 billion. At year-end the systems were ahead on their payments in the amounts of $139 million.)

6. The net worth of electrification borrowers has more than tripled, increasing from $161 million to $512 million. (On January 1, 1959, net worth was about 16.4 percent of total assets.)

There are two other facts which indicate a significant trend in the growth of the REA systems:

1. Three out of every four new customers being added to the systems are industrial and nonfarm residential consumers.

2. About one-half of total power sales by the REA system is now being made to industrial and nonfarm residential consumers.

James V. Bennett, Director of Federal Bureau of Prisons

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. LINDSAY. Mr. Speaker, on Tuesday, January 20, the President of the United States presented medals to five distinguished public servants for their contribution to the country in the Federal civilian service. Each of these men has provided a lifetime of leadership in his particular field. I should like to make reference to one recipient of this award, and I single him out only because I have known and worked with him on a close personal basis.

He is James V. Bennett, the Director of the Federal Bureau of Prisons. I knew, and had a daily working relationship with Jim Bennett, during the period in 1955 and 1956 when I was executive assistant to the Attorney General of the United States.

Jim Bennett's contribution to the country, and indeed to a great many other countries, cannot be overstated. He has been a credit to several administrations. He is a recognized world authority on the subject of penology. Anyone who has seen the results of his work, firsthand, cannot help but be impressed at the progress that has been made under his leadership. I would guess that no single service in the Federal system has a higher esprit de corps than the prison service despite the lesser pay scale under which it operates compared to some others. This is due almost entirely to Jim Bennett. I have visited three of the Federal institutions and in each place saw examples and evidences of the Bennett touch. The respect for him among the inmates of all

Federal institutions is a further example of the model way in which this aspect of the Federal service is managed. The country owes a vote of thanks to Jim Bennett.

The Federal Government Should Assume the Cost of ROTC Facilities at Colleges and Universities Since ROTC Programs Are Essential to the Defense of the Nation

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. VAN ZANDT. Mr. Speaker, the colleges and universities in this country which accommodate ROTC units on their campuses appear to be grateful that I have introduced a bill—H.R. 1983—which seeks to provide Federal financial support for the various facilities occupied by these ROTC units. In the opinion of the State universities and land-grant colleges which accommodate over 80 percent of the students enrolled in ROTC programs this legislation is not only just and needed but is long overdue. Other Representatives and Senators have recognized this need for a long time and have introduced similar bills in previous Congresses. It has been a source of disappointment, discouragement, and disenchantment to these institutions that their efforts have not succeeded.

These institutions must assume that over the years the civilian and military officials in the Defense Department have meant what they have stated on repeated occasions that the ROTC programs are essential to the defense of the Nation. No less a respected authority than Gen. George C. Marshall has stated that our mobilization for World War II would have been delayed much beyond what it was had it not been for the availability of Reserve officers trained through the ROTC. Some 90,000 of the first 120,000 officers mobilized in 1941 were ROTC graduates.

More recently the Secretary of Defense and the Secretaries of the Army, the Navy, and the Air Force, has assured some distinguished university presidents of the essentiality of the ROTC program to the Defense Establishment. Indeed, I know of no one in authority who has stated otherwise.

All of this being so, there was ample justification for Defense officials as far back as 1945 making commitments to the colleges and universities that they would vigorously support proposals that the Federal Government provide the necessary facilities to accommodate these units. However since 1945 when these commitments were made and continuing to the present when they have been reaffirmed, the Federal Government has yet to build the first facility at any institution.

The universities and colleges in this country simply cannot understand why they should be expected to expend their own limited capital funds to construct and maintain buildings for the exclusive use of the U.S. Government. Some institutions have done so only at the expense of depriving themselves of other sorely needed academic facilities. Still other institutions have been obliged to maintain their ROTC units in completely inadequate structures, some of them being World War I barracks which to say the least ought not to be imposed upon any college or university.

Obviously this matter cannot or certainly should not be confused with the complex or controversial issues involving Federal aid to education. All the institutions seek is a payment from the Government for facilities used by the Government. These institutions believe the Government should pay 100 percent of the cost of ROTC facilities. The bill I have introduced provides only for 50 percent of the cost which I daresay the institutions will willingly accept even though they believe it is but half of that which they deserve.

Mr. Speaker, it is my sincere hope that the 86th Congress will give favorable consideration to H.R. 1983 as its provisions will enable the Federal Government to assume at least 50 percent of the cost of ROTC facilities which are borne in full at the present time by our educational institutions causing many of them to divert funds from other badly needed academic facilities.

The National Commander of the Disabled American Veterans

EXTENSION OF REMARKS
OF
HON. LAURENCE CURTIS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. CURTIS of Massachusetts. Mr. Speaker, Massachusetts is proud that one of her distinguished citizens, Judge David B. Williams, of Concord, is the present national commander of the Disabled American Veterans.

The Honorable Christopher H. Phillips, U.S. representative on the United Nations Economic and Social Council, spoke at a testimonial banquet in Concord honoring Judge Williams last November 29. He brought a message from President Eisenhower, and presented some valuable facts as to the work of the Disabled American Veterans. Believing that Members of Congress and others will be interested in his speech, I am including it in extension of my remarks:

Commander Williams, members of the Disabled American Veterans, ladies, and gentlemen, I feel privileged to join in this testimonial to Dave Williams. I am especially pleased to bring you greetings from the President of the United States. He has given me a message which I would like to read to you:

"Please give my congratulations to the members of the Disabled American Veterans gathered in honor of their national commander, Judge David B. Williams. It is gratifying to see the emergence of such leaders as Judge Williams from the ranks of the younger veterans of the Second World War.

"Despite adversity, he has risen in his State to a place of honor and strength and now his leadership will be felt across the Nation.

"As Judge Williams enters his new duties with the DAV, it is a pleasure to send him my congratulations and best wishes.

"DWIGHT D. EISENHOWER."

As an old friend of Dave Williams, having served with him in Massachusetts' General Court, I am much impressed by the distinguished company that has gathered for this testimonial dinner. I am almost equally impressed at seeing that such a large number of Commander Williams' friends chose to take part in this banquet on this particular holiday weekend—having taken time out for only 2 days to recover from their Thanksgiving feasts.

The presence of so many Congressmen as well as the Acting Administrator of the Veterans' Administration indicates our deep satisfaction in the fact that Commander Williams' tremendous energies, his capabilities and sense of devotion to public affairs, are being put to work nationally during the next 12 months.

On our national scene there are few causes as deserving of inspired leadership as that of the Disabled American Veterans. As they have in the past, the Disabled American Veterans have now chosen just that kind of leadership.

This good cause and its leadership have earned the widest backing from the rest of the community. And in his labors Commander Williams will be able to count on the kind of top-drawer public and official support that we see represented here this evening. To me this cause, this leadership, and this support look like an unbeatable combination.

In fact, from my own vantage point down in New York at the U.S. Mission to the United Nations, I could well be a little envious of Dave. By good fortune he and Brad are constituents of Representative EDITH NOURSE ROGERS. Since World War I, in the care, readjustment and rehabilitation of war veterans, Representative ROGERS has ranked as First Lady of the Land. Even if they were not voters in the Fifth Massachusetts District, Dave and Brad could look to Mrs. ROGERS as a legislative tower of strength, a determined and invariably successful task force in any mission concerned with American war veterans.

Every President since the Wilson administration has known of Mrs. ROGERS' unceasing endeavors in behalf of the sick and wounded. She was the personal representative of Presidents Harding and Coolidge in the care of the disabled. Her preeminence in this work was achieved even before she began her illustrious career in the House of Representatives in June 1925, as the successor to her late husband, Congressman John Jacob Rogers.

I said a moment ago that this is a distinguished company. It is distinguished most of all in its dedicated service to our national welfare. Members of the Disabled American Veterans have in heroic measure lived by the watchword of our Republic: "Eternal vigilance is the price of liberty." Mrs. ROGERS and others of you here have led in exercising eternal vigilance on the home front, both in times of war and peace.

The qualities which the Disabled American Veterans symbolize were never in greater need than they are today. Much the same kind of "guts" which these men showed in combat is needed now to wage foreign policy in the nuclear stalemate which we see hanging over our future.

In the Soviet Union, the United States faces a determined opponent. Moscow, with

its tightly centralized dictatorship, is prepared to play a waiting game, to try to wear us down with alternate crises and phony peace offensives. We can be fairly sure that the Soviets won't intentionally set off a world war III in which there could be no victor. The chances are that they won't try a nuclear play through the center of our line. Instead, they will plan to catch us napping, relaxed in our vigilance, so that they can pull off a sneak end-run play by subversion and indirect aggression.

It is the Communists' cynical belief that the citizens of our democracy will prove to be weak in self-discipline, that they cannot keep their guard up in a long-drawn-out war of nerves. Making liars out of the Communist prophets will continue to be one of the toughest jobs our Nation ever tackled. And in this contest the example of vigilance given to us by the Disabled American Veterans is one of our great assets.

There is a direct parallel between the caliber of alertness which your organization has shown and the sharp watch we must keep as a Nation. The Disabled American Veterans and Congresswoman ROGERS can testify that immediately after the two World Wars our people and their Government have been more than generous in providing veterans benefits and services. But as time passes this enthusiasm tends to fade.

In the same way there is a tendency to forget all of the terrible costs of war. There is a tendency to grow weary at the infinitely smaller costs of defense and mutual security.

The Disabled American Veterans have done a remarkable job in fighting such forgetfulness. Without their unflagging efforts to mobilize public support, the programs for disabled veterans could not have been maintained at present levels. They know that it takes eternal vigilance before the voters and their elected representatives to combat indifference, to resist the wasteful dismantling of worthy programs for enabling the disabled to lead happier and more useful lives.

I see no cause for complaint or regret in this need to keep ourselves steamed up about our responsibilities. To the contrary, it is part of our pride that we can rise to any real challenge. This is the way of men who love liberty.

Turning now to the problems of national security. In keeping the shield of our Republic strong and high we are faced with a task that is like washing the dishes or mowing the lawn. No matter how well we have done the job, it is a job that never stays finished for very long.

We must never forget that our national security today involves a great many complex factors. It rests on far more than the maintenance of adequate Armed Forces—vital though they are. Political, economic, and diplomatic activities constitute a major part of our defense arsenal. Because these activities sometimes seem less directly related to national security, we tend to underestimate their importance. But we can afford to do so only at our grave peril.

Consider how the Communists view the nature of today's struggle. This is what Mr. Khrushchev said:

"We boldly challenge the capitalist world. Let us compete to see who can reach the highest level of productive forces, who will produce more per capita, who will ensure the highest material and cultural standard of living for the people, where are the best opportunities created for the development of all the capabilities of man; whichever regime insures the best conditions for the peoples will win. We are convinced that it is the most progressive socialist regime that will win. The future is with our socialist system. Capitalism is at its ebb, heading for collapse. This does not mean that it is already lying down with its legs stretched out; much work has yet to be done to bring it to such a state but this is inevitable, just as death inevitably comes to a living organism."

This Soviet challenge is reflected in the vast ruble offensive it has undertaken during the past 3 or 4 years. Its activities on the economic front constitute a sort of sneak end-run play that could penetrate where tanks and ballistic missiles would not succeed. Since 1954 the Soviet bloc has made available $2 billion in aid to the underdeveloped countries. During the same period it has double its trade with these have-not countries.

This is one field in which the United States is especially well equipped to meet the Soviet challenge. Long before the Soviets became interested in these matters, the United States was taking steps to help strengthen freedom in many parts of the world. We have done this through our mutual security programs. Today we are moving to strengthen these programs to make them more effective in meeting this Soviet economic offensive. With bipartisan congressional support, we hope there will emerge during the coming year a new look and increased vigor in our foreign economic policies.

There have already been several indications of increased activity in this field. For example, we have increased the lending authority of the Export-Import Bank by $2 billion. We have taken the initiative to increase the lending authority of the World Bank. We have expressed our willingness to participate in regional economic development institutions in Latin America and the Middle East. And finally, we are considering the possibility of increasing the lending authority of our own Development Loan Fund.

All of these activities are, as I have emphasized, directly related to strengthening our national security.

In Geneva today two conferences are being held which bear directly on another vital matter of national security. These are the talks on suspension of nuclear tests and on the question of surprise attack. Both are part of the broader problem of disarmament. Let me say a brief word about this complex subject.

In the first place, the word "disarmament" is somewhat of a misnomer. What we are really talking about is not disarmament in the literal sense, but rather a limitation of armaments so as to reduce the danger of war. And, of course, closely related to this objective is the problem of minimizing the dangers of surprise attack.

Now, these matters have been under consideration in the United Nations for several years. Progress has been at a snail's pace. This is due to the intransigent position taken by the Soviet Union when it comes to the question of effective inspection and control of any disarmament agreement. For some time now they have engaged in a "ban the bomb" campaign. They have been all too willing to make paper promises. Until more than paper promises are in sight, no really effective arms limitation can take place. For, to agree to a mere paper pledge would give the Soviets a serious toehold on our security Despite these obstacles, we will continue to persevere in our efforts for a meaningful agreement. The stakes are high and the need for effective arms limitation is real. If we continue to be persistent and determined, the day may yet come when the Soviets will see the logic of our view.

Now I would like to conclude my remarks with this observation. I have pointed to the parallel between two noble causes—the cause of the Disabled American Veterans and the larger cause of our national security. Members of the DAV have set for us a high standard, as a guide for the exercise of vigilance in guarding our liberties.

All Americans are indebted to them for their wartime sacrifices. Nevertheless, you have an enviable opportunity to do battle again—but this time with words and actions rather than weapons of war.

The Disabled American Veterans have the prestige and respect which can make them a potent force in keeping our guard up as a nation. You are an organization with proven political know-how. You can be a powerful force for bolstering our national strength for what is likely to be a long drawnout contest with the Soviet world. We need perseverance. We need dedication. We need courage. All of those qualities you possess in abundance. Under the distinguished leadership of your new national commander, I know the American people can look to the Disabled American Veterans to set an example of vigilance and perseverance which today, as never before, is indeed the price of liberty.

Relief for Our Taxpayers

EXTENSION OF REMARKS
OF
HON. LESTER HOLTZMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. HOLTZMAN. Mr. Speaker, I am today reintroducing in the House of Representatives legislation that will provide some small measure of relief for our taxpayers.

The first bill will increase the present income tax exemption of a taxpayer and/or his dependent from the present $600 level to $1,000. The $600 exemption now in effect was adopted over 10 years ago, and, of course, in this day and age is totally unrealistic and unfair.

The second bill grants an exemption from income tax in the case of retirement annuities and pensions. We must be concerned about our older citizens who have been forced to exist on fixed incomes while prices continue to rise. These citizens are over the age limit where they can seek and find employment to supplement any such annuities or pensions, and with the current lack of jobs their situation is more desperate than ever.

The third and last bill would permit a parent to deduct for income tax purposes amounts paid for the care of children while the parent is working, and would allow an income tax exemption for any child under 18 years of age who has been a member of the taxpayer's household, or attending school at the taxpayer's expense, during the entire taxable year. Once again the high cost of living has made it necessary in many instances for both husband and wife to seek work, thus necessitating the care and supervision of any children to another individual or organization. This provision would give much needed relief to those parents who are forced to pay for the care of their children while they themselves are working.

The cost of living in the last decade has continued to skyrocket like a missile and the tax laws have placed a heavy and unfair burden on our middle and lower income families. Recent figures show that there is still too much unhealthy unemployment throughout our country and the trend shows no signs of diminishing in the near future unless we take some steps to place more money into the hands of the consumer.

A tax cut now, even in the form of increased or liberalized exemptions, would increase consumer income and at the same time stimulate purchasing power, thus giving a "shot in the arm" to our sagging economy.

We must take some action, and quickly, to ease the burden of the taxpayer, and I respectfully urge my colleagues to give this immediate consideration to the enactment of a program which will provide that relief.

Health Benefits for the Aged

EXTENSION OF REMARKS

OF

HON. AIME J. FORAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1959

Mr. FORAND. Mr. Speaker, I have again today introduced a bill providing for the payment of certain health benefits under the old-age and survivors insurance program. The measure I introduced today is substantially the same as the proposals I made in the 85th Congress, which are embodied in H.R. 9467, except for the omission of improvements in cash benefits, which were, in large part, enacted last year. I favor additional improvements in cash benefits along the lines proposed before, but I am not pressing that point at this time.

My new bill provides insurance against the cost of certain hospital, skilled nursing home, and surgical services for persons eligible for old-age and survivors insurance benefits. This is done as part of the established social security system. The new benefits would be financed by adding one-quarter percent to the contribution rates of employers and employees and three-eights of 1 percent to the contribution rates of the self-employed.

A detailed analysis of the earlier bill is available in the printed record of the hearings before the Committee on Ways and Means last June—page 880—and in the CONGRESSIONAL RECORD for August 30, 1957. I shall not repeat that analysis now.

It is my sincere hope that the Ways and Means Committee can arrange promptly for hearings on my proposals so that the House can take action this year. The committee should give consideration to possible improvements along lines which have already been suggested to me or which may be proposed by members of the health professions, and other groups interested in the welfare of the aged.

As I said in the House, in 1957, the present details are not necessarily the best that can be drafted or the final ones that I shall support. But I am even more determined now than ever before to seek constructive legislation at the earliest possible date, because the more I study the problem of the aged the more I see the need for prompt action.

WIDESPREAD SUPPORT

Extraordinary interest has been shown in the provision of health benefits for the aged as part of our national system of social insurance. Many individuals have written me endorsing my efforts and telling their own tragic experience with heavy costs and other obstacles to security and good health care.

Important organizations have again strongly endorsed health benefits under the old-age, survivors and disability insurance program. These include the American Public Welfare Association, the American Nurses' Association, the National Association of Social Workers, the AFL–CIO, the Group Health Federation of America, and other organizations with an intimate knowledge of the problems of the aged and the values of social insurance.

The Governing Council of the American Public Health Association on October 30, 1958, adopted a strong resolution which states that "health services for the aged are inadequate throughout the Nation" and supports "appropriate proposals to provide paid-up insurance for health services required by aged persons."

The American Hospital Association has recognized the need for some type of Federal action and has been exploring alternatives.

The American Medical Association has also acknowledged the need for vigorous action along new lines and urged its member societies to explore and support private programs that will help to avoid Federal legislation.

SUPPORTING EVIDENCE ON NEED

Despite efforts to find alternatives stimulated by my proposal, the need for Federal action is greater than ever. A 1957 study by the Social Security Administration shows that only two out of five old-age beneficiaries have some form of health insurance. Much of it is highly inadequate. It is expensive—too expensive considering the meager resources of most of our older citizens. It can be canceled in most cases at the discretion of the carrier, and it may run out completely when lifetime ceilings have exhausted the benefits stated in the policy. Even when in effect, much of this insurance is of very limited amount.

The limits of commercial insurance for the aged are illustrated by a "65-plus" policy now being widely advertised by a national company that has been given publicity by the American Medical Association. The policy costs $6.50 per month per person, but its benefits are very limited. It provides only up to $10 per day for hospital room and board for a maximum of 31 days for each confinement. Have any of my colleagues, any members of their families—or indeed any of our constitutents—found a hospital room recently for $10 per day? Up to $100 is allowed for miscellaneous hospital expenses. Payments for surgery are limited to not more than $200, and the company reserves the right to increase rates or to cancel on a statewide basis.

For many aged, such a policy may well seem better than nothing and in fact the policy to which I refer does appear to be about the most liberal in its terms. Many are far more restrictive. Surely this is not a sufficient answer for people with limited incomes. And the aged, typically, do have limited incomes.

Many aged persons find increasing difficulty in meeting their health problems as charges continue to mount. Hospital charges have risen 4 percent or 5 percent a year, partly because of improved services and long overdue wage increases, but also because of inefficiencies, and the lack of available alternatives.

Welfare agencies are hard-pressed to pay for necessary medical care for their clients. Hospitals wrestle with large deficits as their expenses per patient-day mount above what they can collect. All protection under group plans has been lost by many workers because of continuing unemployment.

The voluntary prepayment plans established by the hospitals and medical societies—Blue Cross and Blue Shield—are threatened by increasingly severe competition from commercial insurance companies. The latter can balance losses in this field with other profitable business. They can and do select for coverage the groups which typically have the least need for health services. Charges can accordingly be reduced on an experience rating basis below the levels possible to the nonprofit associations who are carrying the more expensive load.

THE PROPER CONCERN OF GOVERNMENT

Many Blue Cross plans have raised their rates recently, by amounts ranging up to 40 percent. As a result, a growing number of State insurance commissioners and legislative committees have asserted that the State must intervene in regard to consumer representation on Blue Cross boards' overuse of hospitals, and methods of determining charges.

These and other developments are clarifying the inevitable concern of Government as the agency to which the people turn to seek ways in which they can obtain high quality health care.

The Federal Government has for many years played an active part in the provision and financing of health services. In fact, it was in 1798 that the Congress enacted measures to provide health services for our merchant seamen. The program thus established grew into the United States Public Health Service.

Today the Federal Government provides funds for medical care for millions of persons under the public welfare programs. We have appropriated billions of dollars for veterans' hospitals, health activities of the armed services, the National Institutes of Health, the Hill-Burton hospital construction program, and various State health programs, all of which I heartily approve.

The vastly intricate health system of our Nation is going through rapid changes. These developments necessitate congressional consideration of various types of constructive steps that will enable all our citizens to obtain high quality medical care of the type made possible by the remarkable skills and knowledge of members of the health professions.

DESIRE FOR EXPERT ADVICE

Last summer I told the House that I was suggesting to the Committee on Ways and Means that a subcommittee be appointed to look into the question of health care for social security beneficiaries. I added that I hoped that the subcommittee would be given the authority to appoint its own staff with a director and with its own group of advisers. I feel strongly that this should be done.

In developing our final legislative proposals, the committee will certainly want information and advice from persons intimately connected with the problems of the people who need medical care and with the people who furnish that care, whether they are hospital administrators, physicians, nurses, or representatives of other allied health and technical groups.

I repeat my earlier request that such persons come forward and give us the results of their studies and deliberations so that we can get a solution to this distressing problem in the not too distant future.

MINOR CHANGES IN BILL

In preparing the new bill, I have included financing provisions similar to those which related to the health benefits section of the 1957 bill. An additional increase in the contribution rates would take place starting in 1960, consisting of one-fourth of 1 percent more for employees and employers and three-eighth of 1 percent more for the self-employed. The estimates so far available indicate that one-half of 1 percent of taxable earnings will meet the cost of the program for some time at least.

The 1 percent increase in combined contributions provided in the 1957 bill took into account the proposed changes in the cash benefits as well as the health benefits.

Up-to-date cost estimates are due shortly as part of the report which the Ways and Means Committee has requested from the Secretary of Health, Education, and Welfare. It should certainly be available by March when I hope the committee may be ready to commence hearings. As part of our consideration, we can, if necessary, further adjust the schedule of contribution rates to take into account the best available cost estimates for the program which we recommend.

As usual, I personally shall support adequate financing provisions so as to maintain the soundness of the program, which has just been attested to by the Advisory Council on Financing.

I have at this time made only one substantive change in the provisions of the bill in regard to health benefits. It occurs in paragraph (2) of subsection (c) and has the effect of broadening the group of physicians among whom the patient may select a person to provide surgical services for which payment will be made. Some of my doctor friends told me that the original definition was too limited. Perhaps others will think that the new definition is too broad. I shall welcome suggestions for further improvements.

IMPROVEMENTS TO EXPLORE

Among the strongest backers of my original bill, who have continued serious study of the health needs of the aged, there are some who question the feasibility of including surgical benefits at this time. This is one of the matters which the committee will want to weigh as it hears testimony.

We have had much experience in this country with prepaid medical care programs and private medical care insurance. Such experience indicates that the method of payment for medical care is inseparable from the kind and quality of care provided. The broad extension of prepaid health protection through collective bargaining and other types of private plans has shown that pressures are created on hospitals and physicians to hospitalize people needlessly for diagnostic services when the cost of such services is insured only during hospitalization.

We fortunately can learn from such experience under private programs how to avoid over-hospitalization in connection with the provision of similar benefits under governmental programs. Our first line of defense, of course, must be the integrity of the medical profession and the hospital administrators. As a second line of defense we should help to develop standards such as those we have found appropriate in other areas where public funds are spent and where it is necessary to protect the public interest.

When the Federal Government lets contracts for its veterans' hospitals, it insists upon specifications which must be met. When a Federal agency buys a hospital bed or drugs, it uses quality specifications to be sure of getting its money's worth. We should similarly consider proposals for assuring that hospital care or skilled nursing home services paid for from the old-age and survivors insurance trust fund are of a quality approved by responsible and respected members of the health professions.

In addition to these safeguards I am most earnestly seeking from expert sources constructive suggestions on the provision of payment for medical services that are an alternative to hospital services. Aged persons typically do not want to be in the hospital unless it is essential, and they will often recover more rapidly if they can be in a more homelike environment. Outstanding hospitals and various private and public groups have developed valuable experience on steps that can be taken to minimize hospital care and encourage rapid and lasting recovery.

I intend to explore the possibility of paying for diagnostic services, such as X-rays and laboratory tests, on an outpatient basis. Payment for such diagnostic service as part of the insurance program might well be valuable in making prompt diagnosis more available to aged persons without the necessity of hospitalization.

I intend also to explore the possibility of including benefits for home nursing care through such responsible agencies as visiting nurses' associations, hospitals, or local health departments. Much valuable work of this kind is already being done by devoted members of the nursing profession.

Another worthwhile suggestion that has been made is that the Congress should provide funds from general revenues for demonstration projects in the treatment and rehabilitation of aged persons. Grants to hospitals and other appropriate organizations could well contribute greatly to patterns and practices that would help our older citizens to lead self-sufficient lives even after serious illness.

I recognize, in view of the immensity and complexity of the problem, that any bill we can enact will have its shortcomings. Not everyone will be satisfied with even our best efforts.

But, we cannot wait, and the older people who look to us, cannot wait for perfection. We must go forward carefully and soundly. We are not attempting to meet the whole of the problem. My bill does not provide payment for as long a period of care or as many forms of care as aged persons and other beneficiaries require. It will still be necessary for such persons to make what provision they can through savings and other forms of insurance to meet medical emergencies.

I am hopeful, however, that we can enact a measure which will result in better health care for millions of Americans, that will relieve many American families of serious financial worries about health bills, that will avoid financial disaster for many aged persons, and that will also lighten public welfare loads and hospital deficits, and bolster the efforts of Blue Cross and similar nonprofit groups to provide protection for the entire community at a reasonable cost.

Lithuanian Independence

EXTENSION OF REMARKS

OF

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1959

Mr. GIAIMO. Mr. Speaker, February 16, 1959, was the anniversary of the Declaration of Independence of Lithuania. This day means so very much not only to our good Lithuanian friends, but to all of us who espouse the cause of freedom.

We who have had occasion to meet Americans of Lithuanian descent realize the debt owed to Lithuania and how much its sons and daughters have contributed to the progress of America.

It is with a sad and heavy heart that we contemplate the present condition of Lithuania enslaved as it is by the brutal forces of Soviet Russia. The recent struggle for freedom against impossible odds by the Hungarian people pointed up and made clear to everyone the cruel suffering and tyranny with which people have been confronted in the captive nations such as Lithuania.

We all know and appreciate Lithuania's fine contributions to civilization during its independence and we all join on this memorable occasion in sympathetic greetings to all those in Lithuania and express to them our wish and prayer that their great country and people will again enjoy freedom as a nation.

Medicine and the Conquest of Space

EXTENSION OF REMARKS
OF
HON. PAUL J. KILDAY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. KILDAY. Mr. Speaker, throughout the U.S. Air Force, the city of San Antonio, in my home district of Texas, is regarded with the affection reserved for the alma mater. And indeed it was there that great numbers of men—commissioned, and noncommissioned, rated and nonrated—began their Air Force careers.

Many years have passed since the establishmnt of the air training bases near San Antonio. The tremendous pace of progress in the arts and sciences of flight, however, has brought us to the borders of space itself; a logical extension of the conquest of the air.

That such progress was clearly foreseen by the Air Force is attested by an observance on February 9, 1959, at Randolph Air Force Base, in the district I have the honor to represent. This observance was in commemoration of the 10th anniversary of the establishment, within the Air Force School of Aviation Medicine, of a Department of Space Medicine.

This was no impractical, visionary step.

Ten years ago, the Air Force scientists realized that with operational altitudes already at 40,000 feet they were within a scant 4 miles of the beginning of the space environment itself. It was evident that aviation research and development would soon take the earth-adapted human being into an altogether alien environment. The decision was taken, then, 10 years ago, to prepare for that day when man would be expected not only to enter, but to work in, and to return from, the far reaches of the cosmos.

Today we can salute the foresight of Maj. Gen. Harry G. Armstrong, now retired, but then the Commandant of the Air Force School of Aviation Medicine. And we can salute the guidance given to this work toward space by the distinguished physician and physiologist, Dr. Hubertus Strughold.

A recital of their findings through the years would be too long to undertake today. One example out of dozens of projects and studies is the recent experiment in which Airman Donald Ferrell spent 7 days in a sealed cabin in simulated space flight. This experiment provided valuable data concerning the physiological requirements for one man in a hermetically sealed cabin and vital information relating to performance and behavior under the conditions men will experience when they are actually in space. The studies in the Department of Space Medicine have been directed toward the problem of the human organism in space; however, the earth-bound human has already begun to profit materially from the work of these space medicine pioneers.

A technique developed there, for example, primarily as a research tool, is finding application in operating rooms, where it is used to measure the anesthetic gases absorbed by a patient under surgery. Again and again, humanity benefits from military research.

My specific purpose today is to call attention to the important ongoing work of the Department of Space Medicine in the Air Force School of Aviation Medicine. I wish to commend this group of dedicated workers to the Nation on the 10th anniversary of their work, and to remind all of us that we may be thankful for their farsightedness and intelligent devotion in their self-appointed tasks—work which we must remember was undertaken at a time when there was little support or general comprehension of their purposes. As we peer into the future, awake to the full meaning of our conquest of space, we must resolve for continuing support of these farsighted Air Force scientists who help point the way to our success in space. In addition to commending this group, as responsible citizens we should charge them to pursue this Air Force research so vitally concerned with the practical orientation of man in space.

A New Publication

EXTENSION OF REMARKS
OF
HON. EMILIO Q. DADDARIO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. DADDARIO. Mr. Speaker, I should like to call the attention of the Members of the House to a new publication of the Office of Technical Services in the Department of Commerce. As you will recall, the Select Committee on Science and Astronautics last year under the chairmanship of the majority leader expressed concern at the poor flow of scientific information. A great deal of foreign work of quality was not available to our own scientists. Although scientists abroad did publish reports, it was not translated or not brought to the attention of people doing work in comparable fields here.

As a result of the interest shown by Congress, some progress is being made. We still have a long way to go, to remove roadblocks in the path of information. Science, like news, should know no political boundaries, but should move freely across borders. Where language barriers stand in the way, they must be removed. This publication, called Technical Translations, is a step in that direction. It lists articles published in many journals, provides briefs of the contents where possible, and tells how to get copies. Members of the House may wish to bring this to the attention of universities or research centers in their districts.

Letter by Hon. John J. Rhodes to the Editor of the Washington Post and Times Herald

EXTENSION OF REMARKS
OF
HON. JOHN J. RHODES
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. RHODES of Arizona. Mr. Speaker, under leave previously granted, I would like to insert in the RECORD the letter which I have today sent to the editor of the Washington Post and Times Herald.

The letter follows:

FEBRUARY 18, 1959.
EDITOR, THE WASHINGTON POST AND TIMES HERALD,
Washington, D.C.

DEAR SIR: An editorial in the Washington Post of February 18 is an example of the kind of thinking which many professional budget-stretchers are indulging in at this time to the harm, I think, of our country. Sounding a note of alarm, the Post insists that we have to add billions of dollars to the administration's defense budget or be faced with national catastrophe.

The Post suggests that we are going to sit by and count our dollars while the Russians outproduce us in intercontinental missiles. It also says, "If Members of Congress abhor the prospect that the United States will be reduced to a second-best position as much as they ought to abhor it * * * it is their duty to vote the military appropriations they think the country really needs." And again, "It is time that Congress * * * addressed itself to the vital problem of who is going to save the country in the next 6 years." And again, "The psychological consequences of an inferior missile status could be devastating."

This is precisely the kind of irresponsible comment which does more psychological damage than we can calculate. It used to be that the great American game was keeping up with the Joneses. Now it is keeping up with the Russians. It is manifestly absurd to believe that any nation can stay ahead of any other nation in all categories. I am sure that we do not produce anywhere near as many drozhkies as the Russians, but who cares? Likewise, as long as we have a Defense Establishment which deters the Russians from attacking us and which will do so for the foreseeable future the possibility that we may be behind in one item of that defense should only bother those who are intent on spreading the psychology of fear among our people.

Nobody ever won a race by looking back over his shoulder continuously. We are ahead in practically every race we are running with the Russians, and we will remain so unless the panicmongers talk us out of it. One element in winning that race consists of maintaining a strong economy. It has always been the aim of the President to adopt an adequate posture of defense and at the same time maintain the enormous strength of the American economy. He has succeeded

beautifully except in the eyes of some individuals who insist on looking at the head of a pin instead of the whole pincushion.

While I have often disagreed with your paper I have never felt before that an attitude you have taken is so completely detrimental to the welfare of our people. I appreciate the candor with which you have always discussed issues, and the fact that you have always been keenly aware of the responsibility the free press of America owes to our people. It is my hope that you will reexamine your editorial policy in this matter.

Yours sincerely,

JOHN J. RHODES,
Member of Congress.

The Armenian Struggle Against Communism

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. MULTER. Mr. Speaker, February 18 is a memorable day in the history of the Armenian people. This is the day on which they successfully challenged the forces of communism in their historic homeland 38 years ago, and for a while evicted them. That event marks one of the first instances in which the forces of evil suffered a setback, even if only a temporary one.

Armenians had lost their independence centuries ago. During modern times their country was divided, for the most part, between Russia and Turkey. Under the autocratic misrule of the czars and the despotic Ottoman sultans they suffered untold miseries. During the First World War they faced almost total extermination in Turkey, when more than 1 million were massacred.

The survivors of that holocaust and their kinsmen in Russian Armenia joined hands in 1918 and proclaimed their national independence.

Soon after the end of that war the country was overrun by Russian Communists and by the end of 1920 it was dominated by them. Communist misrule and cruelty was intolerable, and the people staged a revolt against their unwanted overlords on February 18. The revolt proved successful; in the course of a single week the oppressors were evicted, and once more the people were free.

The freedom thus gained did not last long. Soon the Communists were reinforced and came back with greater force and fury. By early April they again overran the country, and incorporated it into the Soviet Union. Since then Armenian independence has vanished into past history. All those who still cherish freedom and independence, celebrate the anniversary of that day because it marks the beginning of their short-lived but long-remembered liberation from the yoke of totalitarian communism.

I am glad to join these fighters for freedom on the anniversary celebration of that memorable event and with them pray for early deliverance for all tyrants.

Department of Defense Multi-Billion-Dollar Supply Systems

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. McCORMACK. Mr. Speaker, during the past decade, there have been a number of objective studies, investigations, and reports by qualified people which point to the need for better management of the many common supply and service systems in the Department of Defense, which have stock valued at $46 billion. Within the past year, the Comptroller General of the United States has issued a number of reports which show beyond doubt that much needs to be done to improve these systems.

In 1951 the Secretary of Defense ordered a study to test the feasibility of one service handling medical and dental supplies and equipment for all services. The test, though successful, was terminated in November 1954, over strong protests of many Members of both Houses of Congress and others. A year later, the Secretary of Defense started similar tests along broader lines to handle subsistence, clothing, medical, and petroleum products under a unified approach called single manager plans.

Numerous statements by officials in the Department of Defense during the past 2 years indicate that the single manager plans point to much-needed progress. However, Secretary McNeil seemed to testify to the contrary on February 10, 1959, before the Joint Economic Committee. I have, therefore, requested Secretary McElroy to clarify the matter. My letter to him on February 16, 1959, is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 16, 1959.

Hon. NEIL H. MCELROY,
Secretary of Defense, Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: I have reviewed the testimony of Assistant Secretary McNeil before the Joint Economic Committee on February 10, 1959, concerning the effectiveness, economy, and efficiency of the single manager plans for subsistence, clothing, medical, and petroleum products.

It is disturbing to note the wide disparity in Secretary McNeil's testimony with that of other Department of Defense witnesses before congressional committees in recent years.

I would think that sufficient time has elapsed since the plans were initiated to permit the Department of Defense to issue a factual evaluation of them. The enormous overlapping, duplicative and wasteful supply systems in the numerous divisions of the Department of Defense contain stocks valued at $46,585,403,000 as of June 30, 1958, according to figures you have furnished the Government Operations Committee of the House.

Even a casual review of the distribution and ownership of the staggering total reveals the excesses and duplications within and among the departments. I might add that this inventory of $46 billion is more than the entire 1960 budget for the Department of Defense, is over 60 percent of the national budget of $77 billion and is almost one-sixth of the national debt. Yet the supply systems inventories of $46 billion are only a portion of the worldwide Department of Defense personal property inventories of $120 billion from which a $10 billion surplus disposal program is expected in fiscal 1960.

Furthermore, the many hearings of congressional committees, the Hoover Commission reports, studies of the National Chamber of Commerce, numerous reports of the Comptroller General of the United States and others attest to the degree of waste and the need for much better management in these areas in the Department of Defense. There can be little doubt about it.

This is no new idea, Mr. Secretary, which has been provoked by recent events. The O'Mahoney amendment to the Department of Defense Appropriation Act, 1953, called upon the Secretary of Defense to develop an integrated supply system. Many Members of Congress from both Houses and parties sponsored the measure, and some early progress was made in implementing it.

After the termination of the Alameda medical supply test, which was a single-manager plan, I wrote to your predecessor on October 24, 1955, and stated, in part:

"The whole story of the Alameda test was detailed to you in Congressman THOMAS B. CURTIS' 13-page letter of January 19, 1955. Certain of the Hoover reports confirm the conclusions of the congressional reports and enactments as to the need for more integration among the military services with respect to common supplies and services and as to the necessity of following applicable laws and regulations.

"As I view the situation, Mr. Secretary, not only is the basic problem of constitutional government involved, but many other issues of real concern to the American people. I will comment briefly on some of them.

"The facts are conclusive that our educational facilities—though basic to defense—need great assistance. Large sums are required for the development and conservation of basic natural resources. Billions are needed for highways and public works. Costly outlays for fundamental and applied research are a must if we are to keep ahead in the technological race. Our health institutions are not in the state we desire. Oppressive taxes should be reduced, especially for the low-income groups. The budget requires balancing in its turn and the ever-growing national debt reduced.

"As you know, I am, and have always been, an advocate for a strong national defense upon which to support a foreign policy. It is also essential to our survival. I will not be beguiled into laxity by the palliative tactics now emanating from the Kremlin. No one dares be. I believe that our defenses and basic institutions should be strengthened in every possible way for the long pull ahead.

"But the evidence is conclusive that the overlapping, duplication, and waste is of such magnitude in and among the military services as to make possible enormous savings, with no loss of efficiency or military effectiveness, and thus release funds badly needed for the objectives listed above."

Since that date our fiscal and defensive positions have, in my opinion, worsened. The national debt continues to grow and the budget, if balanced, as some contend, is from the bookkeeping point of view. It does not provide for investment expenditures in many fields.

It was for these reasons that I sponsored the amendment to which you agreed in the

Department of Defense Reorganization Act of 1958 empowering you to "provide for the carrying out of any supply or service activity common to more than one military department by a single agency or such other organizational entities as [you] deem appropriate." I realize that this statute has been in effect for only 6 months, but the single-manager plans have been operating for a considerable period of time.

I will appreciate an authoritative evaluation from you as to the success of the single-manager plans and what is programed for the future as to other common classes of supply and service functions. I might add that it is not my contention that the single-manager plans are the ultimate. I can visualize that it may prove to be impracticable to have two or more single managers operating in the same depot under different departments, and that something more general may be required. However, it does seem apparent that steady progress must be made.

This is a subject of wide interest, so I will insert this letter in the CONGRESSIONAL RECORD and will afford your reply the same consideration.

Sincerely yours,

JOHN W. MCCORMACK,
Majority Leader.

Anniversary of Ukrainian Independence

EXTENSION OF REMARKS
OF
HON. EDWARD A. GARMATZ
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. GARMATZ. Mr. Speaker, on January 22, Ukrainians all over the world, except in Ukrainia, observed the 41st anniversary of the proclamation of Ukrainian independence. Normally, it would seem strange that such an event would be celebrated everywhere but in the country most concerned, but under the present conditions, independence there is but a memory, even though a vivid one, and one which sustains Ukrainians wherever they may be, and instills in their hearts a determination to continue their efforts to again make freedom a reality in their homeland.

The Americans of Ukrainian descent in Maryland commemorated this anniversary with a banquet in Baltimore on January 25, with Federal, State, and Municipal representatives present.

On this occasion a resolution was unanimously adopted, which I think is worthy of the consideration of all Members of the House and therefore is inserted in the RECORD herewith:

The following resolutions have been adopted by the Americans of Ukrainian descent of Maryland on the occasion of commemorating the 41st anniversary of the January 22, 1918, proclamation of Ukrainian independence.

The observance held on January 25, 1959, at YWCA, Patterson Park Avenue, Baltimore, Md.:

A. INTRODUCTION

"We, the delegates and representatives of the Ukrainian American organizations, who are organized in the Baltimore branch of the Ukrainian Congress Committee of America—have gathered on this memorable and glorious day of January 22, 1918—proclamation of Ukrainian national independence—to discuss and deliberate problems which have a direct bearing upon us, as citizens of this great and democratic Republic, the United States of America.

"On this occasion it is fitting to recall that our organization, the Ukrainian Congress Committee of America was founded in 1940, at a time when the world was gravely threatened by the totalitarian forces of nazism, fascism, and communism. The U.C.C.A. has proved to be one of the most spirited and ardent antitotalitarian and anti-Communist organizations in the country.

"Strongly supporting the efforts of our U.S.A. Government in maintaining peace, our organization boldly and without hesitation states that a lasting peace could not be achieved without granting freedom and independence to the nations enslaved by the forces of Russian Communist imperialism and colonialism, among which nations is Ukraine, the country of our fathers' origin."

B. THE ENSLAVED UKRAINE

"The suffering of the Ukrainian nation has been largely due to the brutal and enslaving policies of Soviet Russia, which fact is recognized today by everyone, save the stooges of Nikita Khrushchev and die-hard Russian imperialists. Mass deportations and executions of Ukrainian patriots, ruthless destruction of all Ukrainian churches, Russification of Ukrainian culture and language, the unrestricted genocidal policy of Moscow with respect to the Ukrainian people—all these crimes express the fundamental and traditional Russian policy aiming at the destruction of the Ukrainians as a separate ethnic entity.

"Because Ukraine, by virtue of its geographical position, its numerical strength, and its natural resources has been and is a natural springboard for aggressive Russian imperialism, its full and unqualified liberation from the brutal rule of Moscow would contribute considerably to the strengthening of international peace.

"We do resolve—

"1. To support fully and unswervingly the aspiration of the 45 million Ukrainian people in their efforts to regain their political freedom and national independence.

"We call the attention of the U.S. Government and the free world at large to the fact that the Ukrainian people had achieved their full freedom when on January 22, 1918, they proclaimed their independence, and on January 22, 1919, they united all the Ukrainian ethnographic territories into one independent sovereign Ukrainian Democratic Republic, established through a due process of democratic elections and endorsed by the overwhelming majority of the Ukrainian people.

"The new free state of Ukraine was recognized as the legitimate nation of the Ukrainian people by many governments, including that of the Soviet Russia, the latter, however, almost simultaneously with recognition, declared war and conquered by forces the new Ukrainian Republic.

"In place of their free national democratic government, the Ukrainian people were forced upon by Soviet Russia a puppet Soviet Ukrainian Government, which from the very first day never represented the free will of the Ukrainian people.

"The Communist system has brought about the ruin of the Ukrainian people and turned their land into the status of colony of Russian imperialism. Since the final conquest of Ukraine by Russian Communist force of arms and subversion in 1920, Ukraine never surrendered in spirit or gave hope of eventual liberation and complete independence. The heroic struggle of the Ukrainian people today inspires peoples of all nations enslaved by Russia to fight for freedom.

"2. To support fully and unhesitatingly the ever increasing endeavors of the United States in its policy of maintaining peace in the world, and in its growing determination to oppose and challenge the aggressive and imperialistic policies of the Soviets, whose ultimate goal is imposition of slavery upon this country and the destruction of its freedom and independence, as it has already done in Ukraine and in many other non-Russian countries of central and eastern Europe and Asia.

"3. To call the attention of the U.S. Government to the fact that the Soviet Union, with a population of 200 million, is not a monolithic state of the Russian people, but conglomeration of many nationalities, among whom the non-Russian, people comprising 110 million, were conquered by Moscow by force and are kept in slavery and subjugation against their will. Their desire for freedom and independence presents the weakest link in the Soviet system, which, if properly capitalized upon, could greatly enhance our chances of success in combating Soviet Russia imperialistic communism.

"4. To denounce those undemocratic Russian anti-Communist leaders here and in Europe who, in unison with the Kremlin rulers, agitate against the democratic and just aspiration of the Ukrainian people for their basic freedom and independence, thus strengthening the power of Moscow over Ukraine and all other non-Russian countries within the U.S.S.R. and the satellite orbit.

"At the same time, guided by the sense of Christian charity and compassion, we recognize the important distinction between the perennially oppressed Russian masses and the traditionally undemocratic and aggressive Russian leadership; therefore, while denouncing the Russian chauvinist leaders and imperialists who would keep Ukraine in perpetual slavery of Moscow, we deeply sympathize with the Russian masses, who are entitled to a better life and unrestricted freedom, as are the Ukrainians and all other people enslaved in the U.S.S.R.

"5. To call the attention of the U.S. Government and the free world at large that in Ukraine there exists and resists Russian domination an indomitable Ukrainian insurgent army as well as an entire network of underground resistance, which oppose the domination of Moscow and strive for the attainment of a free and independent Ukrainian democratic republic and a free world as well."

C. APPEAL TO THE U.S. GOVERNMENT

"Whereas the U.S. Government is solely able to rally all the enslaved peoples behind the Iron Curtain toward a hopeful and meaningful free world of tomorrow; and whereas, the enslaved peoples of Eastern and Central Europe and of Asia look forward to our moral and political leadership:

"We do resolve, To appeal to and urge the U.S. Government to make it known to the enslaved peoples behind the Iron Curtain that it upholds the rights of all non-Russian peoples within the present U.S.S.R., as well as of the Russian people themselves, to their basic and inalienable freedoms, which include the right of unqualified self-determination and independence. Such a step ranks in importance with NATO, which is primarily designed to safeguard Western Europe against the encroachment of Russian communism and messianism.

"In doing so, the U.S. Government will bring encouragement and hope to those peoples oppressed by Moscow, peoples who are fighting against the same tyrannical power which killed brutally the flower of our youth in Korea and which threatens to thrust into ignominious slavery not only our country, but the entire world as well."

DR. JAROSLAW SHAWIAK,
Chairman of the Citizens' Committee for the Observance of Ukrainian Independence Day.
STANLEY STELMACH,
PETER WOJTOWYTCH,
ANATOLE BULAWAKA,
Members.

Mr. Speaker, Mayor Thomas D'Alesandro, of Baltimore, was unable to be present, but was ably represented by Col. Richard C. O'Connell, superintendent of the bureau of transportation of the city of Baltimore. The address he delivered for the mayor, together with the mayor's proclamation, follow:

Due to a particularly heavy schedule for this afternoon and evening, it is impossible for Mayor Thomas D'Alesandro, Jr., to be with you in person, as much as I know he would have liked to be able to do so, therefore, he has asked me to bring you his official and personal greetings, and to read to you a copy of his proclamation designating the commemoration of the 41st anniversary of the proclamation of Ukrainian independence.

Today, as you observe the 41st anniversary of the declaration of your country's independence, we find the world in turmoil with many countries in Europe under the domination of a government who denies every right to the people of these lands, including your own country.

On behalf of all our people in Baltimore Mayor D'Alesandro asked me to give voice to the hope that is in your hearts, that the delivery of the Ukraine will not be long delayed, and that before many years have passed, not only your loved fatherland, but all the once-free peoples of Europe will be restored to that freedom and equality among the nations that is their just and God-given due. And, again I quote the mayor, who said: "In thus voicing the sentiments of the people of Baltimore, I am speaking not only for those who had America for their birthplace, but I know that I truly represent the feelings of those amongst us who came from the Ukraine and other enslaved nations, or who are descendants of former residents of these countries.

America glories in the fact that the people of other lands, while they have been assimilated into the great melting pot that is America, nevertheless, retain a love for, and a continuing knowledge and appreciation of, the customs and traditions of their fatherland.

We glory in it, I say, and we would not have it otherwise, for we believe that the man or woman, who comes from a foreign land, and who retains his or her love for that land, while giving their first loyalty to America, is the better citizen therefore.

As against the communistic doctrine which states that their form of government must rule the world, by fair means or foul, we, the American people, can stand cleanly before the world and say plainly to any state: "This Government will not assail you. You can have no conflict without being yourselves the aggressor."

Since the origin of the American people, their chief trait has been the hatred of war. And yet these American people are ready to take up their arms against aggression and destroy, if need be, by their might, any nation which would violate the peace of the world.

There can be no compromise with aggression anywhere in the world. For aggression multiplies—in rapid succession—disregard for the rights of man. Freedom when threatened anywhere is at once threatened everywhere.

With the monstrous weapons man already has, humanity is in danger of being trapped in this world by its moral adolescents. Our knowledge of science has clearly outstripped our capacity to control it. We have too many men of science and too few men of God. We have grasped the mystery of the atom and rejected the Sermon on the Mount. Man is stumbling blindly through a spiritual darkness while toying with the precarious secrets of life and death. The world has achieved brilliance without wisdom, power without conscience. Ours is a world of nuclear giants and ethical infants. We know more about war than we know about peace—more about killing than we know about living.

Karl Marx and his theory of communism tried to tell the world that his theory of government would be the salvation of the world. We all know how wrong he was, because the people now in power in the Kremlin only seek to enslave men and women, and deprive them of all those things freemen cherish and hold most dear.

We, here in America, believe in democracy. We believe the people should rule, and not a few dictators. If we will only believe in democracy, use it, and practice it every day, we shall so strengthen ourselves that nothing can prevail against us—or against those who stand with us in like good faith.

PROCLAMATION BY MAYOR THOMAS D'ALESANDRO, JR., DESIGNATING THURSDAY, JANUARY 22, 1959, AS UKRAINIAN INDEPENDENCE DAY IN BALTIMORE

Whereas January 22, 1959, marks the 41st anniversary of the Declaration of Independence of Ukraine, proclaimed in the year 1918, in Kiev, the ancient capital of Ukraine; and

Whereas Ukrainians everywhere, especially those who came to America to escape the tyrannic dangers of communism which threaten the peace of the world today, realize that it is vital for all free peoples to combat the rising spread of subversive propaganda by spreading the doctrine of democracy, both here and abroad, and to bear witness to our American way of life; and

Whereas although the Iron Curtain makes it impossible for those subjects under temporary communistic domination to inform the free world as to the real nature of the rule of dictators, the Ukrainian Congress Committee of America is well aware of the true facts and takes the lead in pointing up for all Americans the danger of communistic world domination:

Now, therefore, I, Thomas D'Alesandro, Jr., mayor of the city of Baltimore, do hereby proclaim Thursday, January 22, 1959, as Ukrainian Independence Day in Baltimore, in recognition of the efforts being made by Americans of Ukrainian birth or ancestry to extol the merits of true democracy, and to urge all our people to be alert to the ever-present danger to liberty and justice throughout the free world. I further urge all citizens to join with the Ukrainian Congress Committee of Baltimore in the hope and prayer that the 40 million Ukrainians, as well as all other persons temporarily behind the Iron Curtain, may soon be able to live as free men and be masters of their own destiny.

In witness whereof, I have hereunto set my hand and caused the great seal of the city of Baltimore to be affixed this 21st day of January, in the year of our Lord, 1959.

THOMAS D'ALESANDRO, JR.,
Mayor.

Mr. Speaker, the Governor also issued a proclamation in this connection, which I would like to insert here:

GOVERNOR'S PROCLAMATION: UKRAINIAN INDEPENDENCE DAY, JANUARY 22, 1959

Forty years ago, on January 22, the free and independent Ukrainian Republic was proclaimed.

Now the Ukraine lies behind the Iron Curtain—after mass Ukrainian deportations and executions, ruthless destruction of churches and Russification of Ukrainian culture and language.

The stalwart Ukrainians and those of Ukrainian descent have not forgotten their lost liberty.

January 22 is observed as a memorial to a once free and independent Ukraine.

Marylanders welcome the opportunity to join with their Ukrainian brethren in a day of prayer and hope that the inalienable rights of all freedom-loving people, to live in harmony with their fellow men, soon will be realized.

Therefore, I, J. Millard Tawes, Governor, do hereby proclaim January 22, 1959, as Ukrainian Independence Day throughout the great State of Maryland.

Given under my hand and the great seal of the State of Maryland, at the city of Annapolis, this 20th day of January, in the year of our Lord, 1959.

By the Governor:

———, ———,
Secretary of State.

Mr. Speaker, it was my privilege to be present at the banquet and to bring a brief message to the group, which was as follows:

May I first express my thanks and appreciation for the honor and privilege of being invited here today by the Maryland branch of the Ukrainian Congress Committee of America to join you in the observance of the 41st anniversary of the proclamation of Ukrainian independence.

We are all aware of the fact that the Ukrainian Congress Committee represents the unification of the Ukrainian people of the United States through numerous social, cultural, fraternal, and political organizations.

The overall purpose of the committee is to build and maintain a common, united front with all other peoples in the general anti-Communist struggle.

The Ukrainian people have no community of fate nor any community of interest in the Bolshevik doctrines of the Soviet Union which is dominated by the greater Russian people. Communist rule has been imposed upon the Ukraine by terror, by starvation, and by extermination.

The Ukraine today is a gigantic state of landlord system of agricultural peonage, enforced by terroristic repression. The Ukrainian peasant has been reduced to a status inferior to the serfdom of the 17th and 18th centuries.

Today the Ukrainian farmer cannot determine the hours of his labor nor the conditions of his labor. He cannot choose the crops he will plant, nor the time of the plantings. He has no choice in the disposition of his harvest nor in what he receives for his labor.

The struggle between 40 million Ukrainian farmers and the dozen men who ruled the Soviet Union came to a climax in that tragic winter and spring of 1932–33.

The Soviet authorities deported whole communities and villages en masse to Siberia. In some areas the people were blockaded from travel for food. The Soviet authorities as a last weapon, plundered and extorted all food from the people where any resistance appeared.

The Soviet's penalizing policy of national famine resulted in the death by starvation and undernourishment of more than 5 million freedom-loving people in the Ukraine.

The suffering and death of these millions of unfortunate human beings need not have been in vain.

If their death will help us to understand the true nature and the false philosophy of communism, then this tragedy may prevent the recurrence of similar mass-murders wherever communism might strike.

Most of us are aware of the denial of God in communistic dogma. We know that communism rejects and ridicules the moral precepts of Christianity and of every other religion.

This country is engaged in a cold war with the Soviet for the friendship and support of the free nations of the world.

The struggle today is not between the capitalism of the United States and the socialism of the Soviet. Rather it is a struggle between sunlight and darkness. Between individual dignity and state slavery.

We can no longer be on the defensive in this ideological war. We must unmask the Soviet and her propaganda of capitalism.

We must expose to the people of the free countries the fact that the Soviet is a new form of tyranny and slavery. We must prove to all free peoples that Soviet socialism, essentially is nothing more than concentrated state monopolistic capitalism, founded upon human slavery and held together by threat of violence.

I would like to assure the Ukrainian people that this country has not abandoned her interest in the freedom-loving peoples of Central Europe. We will continue our efforts to resist further aggression and to point the way toward the liberation of all oppressed peoples.

Counselor Clifford Responds for Freedom of Research for Krebiozen

EXTENSION OF REMARKS
OF
HON. ROLAND V. LIBONATI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. LIBONATI. Mr. Speaker, my personal correspondence with the Honorable Counselor Thomas N. Clifford and his attitude on the subject of krebiozen after correspondence with the American Cancer Society and the American Medical Association references only goes to prove that you cannot fool all the people all the time. The edict that krebiozen shall not pass is herculean in its strength of purpose. But I can only say that a bad bargain is a bad fight and that justice will prevail in the end—even if we who feel the urge of a righteous cause must go searching in the dark corners of this infamous conspiracy. In the end we find the answer.

The medical benefits of krebiozen, even in its early experimentation in Senator Vandenberg's case, will be the answer to the world—meantime we investigate. I am proud of the efforts of Attorney Clifford to clarify the issue. His interest is the honest citizen's interest in seeing that the poor, ailing, unfortunate victims of this dreaded disease get the best treatment that medical science, under the freedom of research, can give to him.

The correspondence follows:

BALTIMORE, MD., *November 26, 1958.*
Congressman ROLAND LIBONATI,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN LIBONATI: I would appeciate it very much if you could send me a copy of your remarks with respect to the drug, krebiozen.

I wish to congratulate you for your efforts in forcing and prodding a national agency to do its duty.

I merely note, in passing, that these same agencies which must be prodded to investigate possible cures never have to be prodded when it comes to asking the public for money and telling the public how much they are doing.

Please keep up the good work; you are getting nationwide attention.

Very truly yours,
THOMAS N. CLIFFORD,
Attorney and Counselor at Law.

BALTIMORE, MD., *February 12, 1959.*
The Honorable ROLAND V. LIBONATI,
House Office Building
Washington, D.C.

DEAR CONGRESSMAN LIBONATI: I appreciated your excerpt very much as I had tried to get that issue of the CONGRESSIONAL RECORD and was unable to do so. Enclosed please find a copy of my recent correspondence with the American Cancer Society on krebiozen. I have sent copies of this to Senator DOUGLAS but thought you also would be interested.

I commend you and compliment you for the courage you have shown in this matter.

Very truly yours,
THOMAS N. CLIFFORD,
Attorney and Counselor at Law.

FEBRUARY 16, 1959.
Mr. THOMAS N. CLIFFORD,
Attorney at Law, Baltimore, Md.

DEAR COUNSELOR: I certainly appreciate having the copies, which you recently sent to me, of your correspondence with the American Cancer Society on the subject of krebiozen. I could make use of this material, in order to carry a point, relative to the present controversy between the National Cancer Institute and Dr. Andrew C. Ivy and the Krebiozen Research Foundation.

There is no question but that the American Cancer Society is dominated by the American Medical Association, and the evasive answers to your questions only proved that the board of directors and the various committees which passed upon this request, with their "do nothing" policy, is a result of this vicious pressure. I would like to reprint this correspondence in the CONGRESSIONAL RECORD with your name, if you so desire, deleted. I believe that you realize that you have accomplished a great deal in eliciting answers from them to very pertinent questions, and I believe that it is in the public interest that the public know the attitudes of these individuals who have control over these public funds, and administer these funds in accordance with the whims and caprices of the medical-political professionalists who dominate the policies of the American Medical Association.

Maybe the raising of millions of dollars of funds for charitable projects has become a "racket," and the longer that they remain in the test-tube stage of development, the longer patronage and job payrollers remain in their soft berths.

Would you please be so kind as to indicate to me your attitude in this matter, as it is important that we trace the malignant job growth of this charity to its source. They quibble too much over procedures for their honesty of purpose while we seek a cure. They complain too loudly against another who, seemingly, has perfected a work that the public expects its charity dollars to do. Maybe we should investigate the American Cancer Society's operations. At least, their "do nothing" attitude creates a suspicion that they don't want a cure or that their desire is to prolong the agony of others, while they fiddle around, trying to perfect their own cure. Some progress should have been made up to this time in the control of cancer by them. Krebiozen has a record that anyone can read in the reports of the Krebiozen Research Foundation, given by 500 doctors in actual cases which they have treated.

I hope that you will agree with me in permitting me to print all correspondence which you have sent to me in the CONGRESSIONAL RECORD, for Americans to read and understand. I hope that this does not embarrass you.

Sincerely,
ROLAND V. LIBONATI,
Member of Congress.

BALTIMORE, MD., *February 17, 1959.*
The Honorable ROLAND V. LIBONATI,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN LIBONATI: I have received your letter of February 16, 1959, acknowledging receipt of my correspondence with the American Cancer Society and requesting permission to print the same in the CONGRESSIONAL RECORD.

I grant you that permission and also permission to use my name and address provided you also print this letter along with the correspondence so that I may make my position clear on, one, the charity funds and, two, the American Medical Association.

With respect to the charity funds, it is now obvious to me that at least some of them are becoming honeycombed with abuses that react to the disadvantage of the entire public.

There is a basically unhealthy condition inherent in all charity foundations. It is that unless all services are on a volunteer basis and are fully explained to the public there is an inevitable tendency by officers and employees to perpetuate their jobs by the simple expedient of becoming skeptical about new ideas for cures. The only way to eradicate this danger is to have everybody serve on a volunteer basis or if some people must be paid, then there should be yearly financial statements of income and disbursements published.

I personally feel that a congressional investigation into this matter would be good since the public would then know which are the worthy charities and which are the unworthy charities and the unworthy ones would be promptly eliminated.

I do not feel that I have the same right to criticize the American Medical Association since they are not soliciting public funds to run their organization, whereas, the American Cancer Society is using public funds for purposes which I feel are quite contrary to the public desire.

Nevertheless, if the American Medical Association has an unhealthy contact or relationship with the American Cancer Society and either of them or both of them are working together in any manner to prevent the testing of any product that might be helpful in fighting cancer then this condition must be corrected.

That this controversy should involve the American Medical Association is distressing to me since I feel that I owe my life to an emergency appendectomy performed on me by a Dr. Hart, of Duke University. Furthermore, on other occasions where I have consulted practicing physicians, I feel they always did their best to help me.

However, if there is a group of nonpracticing political physicians who have become powerful in the American Medical Association and are creating abuses in that association then that association must submit to correction just as the bar association or the courts or any other group must yield to the public interest.

It is my sincere hope that you may be successful not only in obtaining a test of krebiozen but also inaugurate a new day in our research era whereby those groups which are soliciting funds will be the very first to seek out any treatment or rumored treatment that has shown any promise, and will submit complete records of their activity including yearly financial statements published in the newspapers.

Enclosed please find and feel free to retain after sending me photostats, the original letter of the American Cancer Society of January 6, 1959, and the original letter of the American Cancer Society of January 30, 1959.

The subject matter of their letter of December 9, 1958, is in effect repeated and covered in more detail in their letter of January 6, 1959.

Very truly yours,

THOMAS N. CLIFFORD,
Attorney and Counselor at Law.

Bill To Permit Use of Social Security Records To Trace Parents of Neglected Children

EXTENSION OF REMARKS
OF
HON. CHARLES A. VANIK
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. VANIK. Mr. Speaker, I have today introduced a companion bill to one introduced by Representative WILLIAM B. WIDNALL, of New Jersey, to permit the use of social security records to trace parents of neglected minor children.

Thousands of parents escape their moral and legal obligations of child support by simply moving to another State and leaving no forwarding address. In the new place of residence the runaway parent simply gets a new job and continues his participation under the social security system with complete protection of social security regulations which prohibit the disclosure of his new residence. Since abandonment of family is a felony in most States, the social security regulations of secrecy protect the potential felon from apprehension.

The interstate escape of runaway parents is costing the States and the Federal Government billions of dollars in public assistance and welfare funds which must be spent to support abandoned children. In 1958 alone the total bill for aid to dependent children totaled $902,651,000 for the support of 2,155,151 children. Some runaway fathers are believed to have abandoned different families in several States, compounding the wrong.

Under my bill, the Secretary of Health, Education, and Welfare would be directed to supply from social security files the most recent address of a father certified as having failed to support his family to a State, or local welfare agency or to a court of competent jurisdiction.

In addition to the neglected children being supported by Federal funds, hundreds of thousands of other abandoned children are being supported through the sole effort of one parent. When the father runs away from his obligation of family support, it is the working mother who singlehandedly asumes the burden of child care. Since she usually receives no public help in the support of her family, the effect of social security secrecy regulations is deplorable.

Under present circumstances it is almost impossible for an American to work anywhere without submitting his social security number. It should be equally impossible for such a person to work without contributing to the support of his dependent children. The Social Security Administration should not be a party to the development of an escape route from the legal and natural obligation of parents.

My attention was drawn to the need for this law by a case which arose in my district. Mrs. Irene Boguniecki, of 3607 East 74th Street, mother of two children, Henry 9 and Marianna 8, filed a claim with the Veterans' Administration as the unremarried widow of her war veteran husband who had disappeared for over 7 years. The Veterans' Administration turned down her claim on the ground that it was in receipt of information from the Social Security Administration that her husband was living and working as of December 31, 1957.

Thus, the regulation opens up social security records for the purpose of rejecting her claim and then denies her an opportunity to use the records to apprehend her runaway husband. Since then scores of mothers of abandoned families have written of their desperate and futile efforts to locate runaway fathers. Last autumn I urged the Secretary of Health, Education, and Welfare to modify social security secrecy regulations, making the new residence of runaway husbands available to the agencies in each community administering the Uniform Reciprocal Enforcement of Support Act. This request has been turned down in order to preserve and maintain confidentiality of old-age and survivors insurance records.

On October 14, 1958, I addressed the following letter to the Honorable Arthur Flemming, Secretary of the Department of Health, Education, and Welfare:

OCTOBER 14, 1958.

HON. ARTHUR FLEMMING,
Secretary, Department of Health, Education, and Welfare, Washington, D. C.

DEAR MR. SECRETARY: It has recently come to my attention that a resident of my district, Mrs. Irene Boguniecki of 3607 East 74th Street, Cleveland 5, Ohio, has been refused the cooperation of the Social Security Administration in determining the whereabout or the recent employment of her husband, Anton J. Boguniecki, who abandoned her and their two children over 7 years ago and apparently is employed with social security coverage somewhere in the United States.

Mrs. Boguniecki recently filed claim on March 28, 1958, with the Veterans' Administration for widow's pension as an unremarried widow, alleging the death of the veteran by reason of his 7 years' unexplained absence. The Veterans' Administration turned down the claim on receipt of information from another governmental agency (the Social Security Administration) that their records indicated the veteran was living as of December 31, 1957. Upon recepit of this information, the Veterans' Administration properly disallowed her claim as an unremarried widow.

Under the code of Federal Regulations, regulation I, relating to the disclosure of official records and information (pt. 401, ch. 3, title 20), the employees of the Social Security Administration are precluded from disclosing information relating to the employment or residence of a social security beneficiary or contributor to the fund, unless the information is requested by an agency distributing Federal aid under a public assistance title. Under this provision Mrs. Boguniecki would be assisted in locating her husband if she were a recipient of Federal aid to dependent children. She did not apply for such aid, because she preferred, upon the failure of her husband, to work and provide for these children through her own efforts. It seems to me that her entitlement to information relating to the whereabouts of her husband is even greater than that of a person receiving the benefits of Federal aid.

In checking with the local agency administering the Uniform Reciprocal Enforcement of Support Act in this community, I find that there must be thousands of mothers supporting their own children who are unable to locate the fathers, also responsible for such care. Insofar as this information is denied to these working mothers or to State or local agencies charged with the administration of the Uniform Support Act, the effect of of this regulation is deplorable. Since in Ohio and many other States failure to support dependent children may constitute a felony, the Social Security Administration, in effect, shelters many likely felons from apprehension, indictment and prosecution.

Under present circumstances it is almost impossible for an American citizen to work anywhere without submitting his social security number. It should be equally impossible for such a person to work without contributing to the support of his dependent children. The Social Security Administration should not be a party to the development of an escape route from the legal and natural obligation of parents.

I respectfully urge that you give prompt consideration to the immediate revision of the social security regulation barring the disclosure of residence or employment of a beneficiary or contributor to the social security fund and permit public agencies charged with administering the Uniform Reciprocal Enforcement of Support Act to obtain such information for the benefit of dependent children, regardless of whether Federal funds are involved in their support.

Sincerely,

CHARLES A. VANIK,
Member of Congress.

Mr. Speaker, on December 2, 1958, I received the following reply from Mr. C. I. Schottland, Commissioner of the Social Security Administration:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
December 2, 1958.

HON. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: This is in reply to your letter of October 14 requesting that consideration be given to the revision of the social security regulation barring the disclosure of information to permit public agencies charged with administering the Uniform Reciprocal Enforcement of Support Act to obtain information concerning the residence or employment of a beneficiary or contributor to the social security fund for the benefit of dependent children regardless of whether Federal funds are involved in their support.

As you are no doubt aware, section 1106 of the Social Security Act prohibits disclosure of information from old-age and survivors insurance records except as the Secretary of Health, Education, and Welfare may by regulations prescribe. Regulation No. 1, two copies enclosed, sets forth the information which will be disclosed and to whom. As you will note, the regulation does not authorize the disclosure of information in cases such as that of Mrs. Boguniecki.

However, section 402(a) of the Social Security Act requires that State agencies administering the aid-to-dependent-children program give notice to law enforcement officials where a parent has deserted a child receiving aid to dependent children. In

connection with this provision of the law, we are furnishing information as to the whereabouts of a deserting parent of a child receiving aid to dependent children to State assistance agencies on an experimental basis. Under this procedure, however, information is furnished only where the State agency has no recent information as to the parent's whereabouts and has exhausted its other resources for locating the parent. The information provided to the State agency under this procedure may be used only for the purpose of fulfilling its responsibilities under section 402(a) of the Social Security Act.

The confidentiality of old-age and survivors insurance records has been maintained ever since the inception of the old-age and survivors insurance program. It stems from a pledge made publicly by the then Social Security Board, in response to a nationwide public demand, that information obtained from employers and employees for the purpose of administration of the program would be used for that purpose and kept confidential and not made generally available for other purposes. Congress implemented that pledge by enacting section 1106(a) above. Pursuant to the pledge, the regulation which authorizes disclosure does so only in those limited areas which involve the administration of the old-age and survivors insurance and closely related programs, and in certain cases relating to the national security.

It will be noted that section 401.3(f) of regulation No. 1 authorizes disclosure of information to other agencies of the Federal Government lawfully charged with the administration of a law providing for public assistance or work relief, or pension, or retirement, or other benefits for the proper administration of such law. In line with this provision of the regulation, procedures have been established under which information is furnished to the Veterans' Administration where it is needed in determining a claimant's entitlement to payments under a law administered by that agency.

The Social Security Administration has sought and secured the cooperation of the public by continued adherence to the policy that the information furnished us would be used for the administration of the Social Security Act and related programs. The successful administration of the old-age and survivors insurance program is dependent on a great degree on the accuracy of the information which is voluntarily furnished us by the public.

Aside from the likelihood that a general relaxation of the policy might be considered as a breach of trust on our part with a resultant loss of good will toward the program, the retention of the policy is essential from an administrative standpoint. A general relaxation of the present policy, with respect to the confidentiality of the records, would probably cause account number holders to apply for new numbers under fictitious names and new applicants for account numbers to give misleading information because of the possibility that correct information might some day be used against them. Were many individuals to obtain account numbers under assumed names or to submit incorrect data for our records, a serious disruption of the basic operations and services for the social security program might well be anticipated.

Administration of the social security program does not necessitate the keeping of current address information with respect to the more than 120 million persons who have been issued social security account numbers. Thus, the only address information in our files is generally the individual's address at the time he applied for a social security account number. Frequently this happened many years ago. Thus, a person's current whereabouts could be ascertained only if a recent report of earnings for him has been submitted, and then, the only address available would be the address of his employer or place of self-employment. Because of the length of time it takes to receive and process wage reports, there is generally a lag of about 9 months between the time a person worked and the time his wages are credited to his earnings account. There is an even longer period in the case of self-employed persons who file their returns on an annual basis. Thus, the information we could furnish, if permissible, would never be very current and would probably be of limited value for the purpose of locating the present whereabouts of persons.

Since the inception of the social-security programs, we have received a wide variety of requests from law-enforcement officials for information indicating the whereabouts of persons who have committed or who are suspected of committing various crimes. These requests have been uniformly refused, the only basic exception being in connection with an investigation of major importance relating to the commission of an act of espionage or sabotage inimical to the national security.

We have on several occasions reviewed our policy regarding the disclosure of information and we shall continue to do so. However, in view of the discussion above, we believe that at present there are greater equities in favor of continuing the present policy than in revising our regulation along the lines you propose.

We hope the above explains our position in this matter. If further information is desired, please let us know.

Sincerely yours,

C. I. SCHOTTLAND,
Commissioner.

Mr. Speaker, it seems to me that the time is long overdue for Congress to review the need for surrounding the social security records with secrecy in the face of the increasing incidence and costliness of child neglect and family abandonment.

Glen Canyon Bridge

EXTENSION OF REMARKS
OF
HON. HENRY ALDOUS DIXON
OF UTAH
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1959

Mr. DIXON. Mr. Speaker, today, at Glen Canyon Dam, currently the largest construction job in the United States, a major accomplishment is being celebrated.

The States of Utah and Arizona are now connected by a new bridge over the Colorado River at the damsite, making it possible for a traveling America to visit and explore some of the most colorful and hitherto most inaccessible area of the old West.

Following is a brief statement of facts on this important construction achievement:

The spectacular Glen Canyon Bridge is the final link forged in a new highway joining the States of Arizona and Utah in a colorful corner of the Nation. Spanning the 1,200-foot-wide, 700-foot-deep gorge of the Colorado River at Glen Canyon damsite, the bridge eliminates the major obstacle in the building of Glen Cayon Dam.

Glen Canyon Bridge was designed by the Bureau of Reclamation; financed jointly by the State of Arizona, U.S. Bureau of Public Roads, and U.S. Bureau of Reclamation; and built by Kiewit-Judson Pacific Murphy under a competitively bid contract of $4,139,277.

Work started at the bridge site in May 1957 with excavation for skewbacks and building the abutments. As work proceeded at the damsite, the steel was fabricated in California. On May 7, 1958, the first steel beam was placed. Erection proceeded rapidly from both sides, and on August 6, 1958, the arch was closed as the last piece was pinned into place.

Now, the Glen Canyon Bridge is completed—the highest of its type in the world. For years to come it will stretch gracefully across the Glen Canyon of the Colorado—an engineering wonder—and a servant to the people of the Nation.

H.R. 2734

EXTENSION OF REMARKS
OF
HON. WILLIAM S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 18, 1959

Mr. BROOMFIELD. Mr. Speaker, I would like to call the attention of my colleagues to an inequity in our Federal gasoline tax law which I believe should be corrected. To that end, I have introduced H.R. 2734, while H.R. 101, H.R. 1343, and H.R. 3196 are similar measures dealing with the same subject.

Under the present Federal gasoline tax law, the refiner pays the 3 cents per gallon tax to the Internal Revenue Service on the basis of sales and in turn obtains reimbursement for such tax by adding the amount on the invoice to the wholesaler or jobber.

The gasoline is then stored by the jobber usually in above ground storage tanks, awaiting subsequent sale and delivery to dealers or commercial consumers.

During the time of storage and wholesale delivery, normal evaporation and spillage losses take place amounting to more than 1 percent of the volume handled.

Inasmuch as the jobbers purchase the product with the Federal tax included in the price, there is no way to recover the tax represented by these evaporation and spillage losses.

Based on a 1-percent average loss of product, the tax loss alone amounts to $300 for every 1 million gallons of gasoline handled.

The refiner does not experience any such tax loss because he pays the tax to the Government on the basis of sales and not purchases.

The dealer also pays the Federal tax on his purchases, but such gasoline is stored by him in underground tanks, where there is little or no fluctuation in temperature sufficient to cause evaporation.

This bill now under consideration by the House Ways and Means Committee would change the definition of the word "producer" so as to include the jobber segment of the petroleum industry.

The jobber would then buy from the refiner, Federal tax free, and would in turn pay the tax to the Internal Revenue Service on the basis of his sales and not purchases, thereby saving him the tax loss on evaporated and spilled gasoline.

This would place the jobber on even terms with the refiner and enable him to complete on an equitable plane.

There is no opposition by any branch of the petroleum industry to the enactment of the amendments proposed in this bill. The only opposition comes from the Internal Revenue Service who resist the added number of taxpayers which would result.

It is undoubtedly true that a little more work and expense would be added to the governmental collection machinery, but it is small indeed, compared to the burden that has been borne by the jobbers for years.

The refiners are the first to admit that the present law has given them an unfair competitive edge over a segment of small business.

MICHIGAN SMALL BUSINESS PENALIZED TWOFOLD

The independent jobbers in Michigan suffer an additional blow, because of the manner in which the State sales tax law is interpreted in relation to the Federal gasoline tax. *Standard Oil Co. (Indiana)* v. *State Board of Tax Administration*, 283 Michigan 85, held that Standard Oil Co. in making a sale to a commercial consumer could compute the State sales tax on the selling price of gasoline less the Federal gasoline tax. The legal theory which prompted such a holding was on the basis that the Federal gasoline tax attaches at the time of the first sale, and since the sale in question was from Standard Oil Co., a refiner, to a commercial consumer, that the Federal gas tax and the State sales tax attached at the same time; therefore, the sales tax should be computed on the net price of the product, not including the Federal gas tax.

In the converse, however, if a jobber makes a sale to a commercial consumer, he must compute the sale tax on the price of the product including the Federal tax, because by the time the gasoline reached the jobber, the Federal tax had become an integral part of the purchase price of the product to that jobber. As a result a sale from a jobber to a commercial consumer would carry a sales tax based on the gross price of the product.

This means that under the present Federal gasoline tax law, on sales made from a jobber to a commercial consumer, that the sales tax is approximately one-tenth cent more per gallon, than on a sale from a major refiner to a commercial consumer.

In order to remain competitive, therefore, a jobber would have to absorb the additional sales tax in order to retain a customer.

The bills under question would remove both of the foregoing inequities.

Interparliamentary Union Holds Its 47th Conference in Rio de Janeiro, 1958

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, February 18, 1959

Mr. REED. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

INTERPARLIAMENTARY UNION HOLDS ITS 47TH CONFERENCE IN RIO DE JANEIRO, 1958

INTRODUCTION

The Interparliamentary Union which held its 47th Conference in Rio de Janeiro, July 24–August 1, 1958, is an international association which is presently composed of national groups from the parliaments of 55 nations. The object of the Union is to promote personal contacts between members of parliaments and to unite them in common action with a view to strengthening and developing democratic institutions; to advance work on behalf of peace and international collaboration; and to contribute to the development and progress of parliamentary institutions.

PART I. HISTORICAL BACKGROUND

The Interparliamentary Union was founded in Paris in 1889. Its first conference was held in June of that year with the participation of 49 deputies representing France, Great Britain, Belgium, Denmark, Hungary, Italy, Liberia, Spain, and the United States of America. In 1892, meeting at Bern, Switzerland, the conference decided to set up a central organ under the name of the "Interparliamentary Bureau for International Arbitration." And in 1894 the fifth Interparliamentary Conference, held at The Hague, adopted the Statutes for the new organization.

The headquarters of the Union were in Bern until 1911, in Brussels from 1911 to 1914, in Oslo from 1914 to 1920, and since 1921 its headquarters have been in Geneva. The permanent secretariat is located at 6 Rue Constantin, Geneva, Switzerland.

Eighteen plenary conferences were held before 1914, and the Union was the guest during this early period of all the great capitals of Europe. From the Bern meeting onward, it met in the Parliament buildings and was soon welcomed by the heads of states and their Ministers. The first meeting on American soil was held at St. Louis, Mo., in 1904. By the time of the outbreak of World War I the Union counted 26 national groups and 3,500 members. Its influence gradually increased over the years, especially in Europe, and its proceedings were followed with attention in governmental circles.

Prior to World War I, during which its activities were suspended, the Interparliamentary Union devoted itself primarily to the cause of peace and international arbitration. After that conflict the Union broadened its activities and undertook, first, to study and seek solutions for all questions of an international character considered suitable for settlement by parliamentary action; and, second, it began to make suggestions for the development of parliamentary institutions with a view to improving their operations and enhancing their prestige.

The Second World War again interrupted the annual conferences of the Interparliamentary Union, but nevertheless the Geneva bureau maintained the structure of the organization. Following the conclusion of that conflict the Union resumed its labors, strengthened by the entry of national groups from 19 countries, some of which had recently obtained their independence. Beginning in 1947 12 annual conferences have been held in the following cities: Cairo, Rome, Stockholm, Dublin, Istanbul, Bern, Washington, Vienna, Helsinki, Bangkok, London, and Rio de Janeiro.

Composition and structure

In 1958 the Interparliamentary Union was composed of 55 national groups constituted within the parliaments of the following countries: Albania, United States of America, Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Burma, Ceylon, Chile, Czechoslovakia, Denmark, Finland, France, Federal Republic of Germany, Ghana, Great Britain, Haiti, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Laos, Lebanon, Liberia, Libya, Luxembourg, Monaco, Netherlands, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Poland, Rumania, Spain, Sudan, Sweden, Switzerland, Thailand, Tunisia, Turkey, U.S.S.R., United Arab Republic, Vietnam, and Yugoslavia. Only groups formed within the framework of a national parliament, or a parliament as an entity, may become members of the Union.

Within the Interparliamentary Union each national group has its own rules, officers, and secretariat. Groups are expected to exert a continuing influence within their respective parliaments in favor of the general objectives of the Union, and to take steps to secure action on the resolutions adopted by the Interparliamentary Conferences. The national groups also make a financial contribution to the Union, in accordance with a scale fixed by the Interparliamentary Council. Apart from their participation in the general activities of the Union, the national groups are encouraged to develop their mutual relations with each other on either a bilateral or a regional basis.

Organizations of a regional character also function within the framework of the Union. Such is the case of the Northern Interparliamentary Union founded in 1907, which comprises the three Scandinavian Kingdoms, Iceland and Finland. This regional Union holds periodic meetings at which questions of mutual interest are studied, but its members are equally active in supporting the work of the Interparliamentary Union itself. After the Second World War a similar regional body was established within what is known as Benelux, uniting the parliamentary groups of Belgium, Luxembourg, and the Netherlands. At the 47th Conference of the Interparliamentary Union, held at Rio de Janeiro in July, 1958, it was decided to constitute a Pan American Parliamentary Group composed of the nations of the Western Hemisphere, subject to their approval, and also a Latin American Parliamentary Group.

Structurally, the Interparliamentary Union operates through the annual Interparliamentary Conferences, which are held in different countries each year on the invitation of their parliaments; the Interparliamentary Council; the Interparliamentary Bureau; the Executive Committee; and seven standing study committees.

The Conferences speak for the Union on all problems falling within their scope. They do so by adopting resolutions which the national groups are expected to bring to the attention of their respective governments and parliaments. The agenda of the Conferences are fixed by the Council. They normally include a debate based on a report prepared by the Secretary General dealing with recent developments in the world situation, and a study of specific questions chosen by the Council. Apart from their deliberative role, the Conferences give their opinion on proposed amendments to the Statutes and are competent to elect the members of the Executive Committee on the basis of proposals made by the Council.

Each national group is entitled to appoint, to attend a conference, a number of delegates equal to a number of votes allocated to it by the Statutes. Article X of the Statutes stipulates in this respect that each group shall have a minimum of eight votes, with supplementary votes added in proportion to the size of the group and the population of the country which it represents. Voting within the union is thus representative of parliamentary opinion. The right to vote belongs to members of the Union who are present in person. They exercise this right individually and the votes can thus be divided within a single delegation.

The Interparliamentary Council, which is the directing organ of the Union, consists of two members from each regularly affiliated national group. It is the responsibility of the Council to convene Interparliamentary Conferences, to fix their agenda, to approve the annual budget of the Union, to propose to the Conferences candidates for election to the Executive Committee, and to appoint the Secretary General. The President of the Interparliamentary Council is elected for a period of 3 years. He may be reelected for a further term of 2 years, after which he is no longer eligible.

The Executive Committee is the administrative organ of the Union and exercises the functions delegated to it by the Council in conformity with the Statutes. It supervises the work of the Interparliamentary Bureau, and is responsible for examining information received concerning the creation of new groups. The Committee is composed of nine members belonging to different countries. The President of the Council is ex-officio a member and President of the Committee. The eight other members are elected by the plenary conferences for a term of 4 years. The Statutes require that consideration must be given in these elections to the contribution made to the work of the Union by the candidate and his group and that an endeavor be made to ensure a fair geographical distribution.

The Interparliamentary Bureau is the secretariat of the Union. It maintains contact with the national Interparliamentary groups and encourages their formation. It is the responsibility of the Bureau to prepare the questions for submission to the Council and to the Conferences, and to organize all meetings held under the auspices of the Union. It executes the decisions of the Council and the Conferences. Its official organ is the Interparliamentary Bulletin, which appears four times a year in French and in English. In addition to its administrative tasks, the Bureau carries out, according to the instructions of the Council, a program of studies and publications. At the head of the Bureau is a Secretary General who is elected by the Council and who has under him a small permanent staff necessary to carry out the functions of the Bureau.

The work of the plenary Conferences is, as a general rule, prepared by the Standing Study Committees set up within the framework of the Union. There are seven of these committees as follows: Committee on Political and Organization Questions; Committee on Juridical Questions; Committee on Economic and Financial Questions; Committee on Non-Self-Governing Territories and Ethnical Questions; Committee on Reduction of Armaments; Committee on Social and Humanitarian Questions; and Committee on Intellectual Questions. These Committees, on which all groups are entitled to be represented, meet some months before the Conferences and draft resolutions for submission to the latter. For the examination of the questions appearing in their agenda, the study committees have before them documents prepared by members of the Union, by the Interparliamentary Bureau, or by international institutions particularly concerned with the subject.

The officers of the Interparliamentary Union are as follows:

Honorary President: Viscount Stansgate, D.S.O., D.F.C. (Great Britain).

President of the Interparliamentary Council and of the Executive Committee: Prof. G. Codacci-Pisanelli (Italy).

Members of the Executive Committee: S. Braga (Brazil), Erik Hagberg (Sweden), N. A. Mikhailov (U.S.S.R.), I. A. Mulla (Iraq), R. G. Senanayake (Ceylon), Col. Sir Malcolm Stoddart-Scott (Great Britain), M. Zarroug (Sudan), A. Wahab Khan (Pakistan).

Secretary General: André De Blonay.

Member groups: Albania, America (United States of), Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Burma, Ceylon, Czechoslovakia, Denmark, Finland, France, Germany (Federal Republic of), Ghana, Great Britain, Greece, Haiti, Hungary, Iceland, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Laos, Lebanon, Liberia, Libya, Luxembourg, Monaco, Netherlands, Norway, Pakistan, Peru, Philippines, Poland, Rumania, Spain, Sudan, Sweden, Switzerland, Thailand, Tunisia, Turkey, U.S.S.R., United Arab Republic, Vietnam, Yugoslavia.

Meetings and activities

Since its first meeting in Paris in 1889, the Interparliamentary Union has held 47 conferences of which the most recent was that in Rio de Janeiro in July 1958. The annual plenary meetings of the conference are open. The meetings of the Council and of the standing study committees (twice yearly) and of the executive commitee (three times yearly) are closed. In 1959 the Union will meet in Warsaw and in 1960 in Tokyo. The seven standing subcommittees met at Nice in April 1957 and in Geneva in the spring of 1958.

Since its creation the Interparliamentary Union has examined, studied and debated most of the major problems of international relations. Up to 1914 the Union focused its efforts upon the promotion of arbitration and the rule of law in relations between states. Since World War I the Union has concerned itself with the development of international relations, the codification of international law, the reduction of armaments and the promotion of international security, economic and financial problems such as the control of international trusts and cartels, economic regional agreements, access to raw materials, and currency convertibility; the situation of non-self-governing territories, including the representation of the native population in the deliberative assemblies, and the development of trade unions and labor organizations in nonmetropolitan territories; questions of social policy such as immigration and emigration problems, unemployment, the regulation of hours of work and vocational training, and the refugee problem; also cultural exchanges as a means of international understanding, and the removal of barriers to the unimpeded exchange of information; as well as the development and improvement of representative political institutions and parliamentary practices.

The activities of the permanent secretariat of the Union at Geneva include the technical examination of all international questions suitable for settlement by parliamentary action, the preparation of reports for, and the organization of, the annual conference and Council sessions, as well as the production of Union publications.

Publications

The publications of the Interparliamentary Union include the following:

1. Proceedings of Interparliamentary Conferences, published annually.

2. The Interparliamentary Union—Its Organization and Its Work, a 26-page brochure, Geneva, 1957.

3. The Interparliamentary Union: Statutes and Rules, Geneva, 1957.

4. The Annual Report of the Secretary-General.

5. The Interparliamentary Bulletin, a quarterly periodical which is the official organ of the Union.

6. Constitutional and Parliamentary Information, a quarterly review of constitutional law and parliamentary practice, published by the Association of Secretaries General of Parliaments with the collaboration of the Interparliamentary Bureau. Thirty-five numbers of this quarterly review have appeared to date.

Autonomous Section of Secretaries General of Parliaments

Founded in 1938 within the framework of the Union, the Autonomous Section of Secretaries General of Parliaments brings together the high officials of legislative assemblies.

The Section has its own organization, but its activities are financed from the Budget of the Union itself. The Statutes of the Section were adopted in Cairo in 1947. Its plenary assemblies and the sessions of its Executive Committee generally take place at the same time and in the same city as the Inter-Parliamentary meetings.

The object of the Section is to establish personal contacts between its members, to insure the regular exchange of information and documentation between them, and to encourage common study of the technical problems of parliamentary life.

The studies of the Section usually take the form of international inquiries, in which the secretariats of the different Parliaments take part. The following are among the subjects that have been treated: "The Administrative Organization of Parliaments"; "Parliamentary Immunity"; "Respect of the Law by Parliaments"; "Control of the Constitutionality of Laws"; "The Powers of the Chair in Legislative Assemblies"; "Parliamentary Committees"; "Delegated Legislation."

The Autonomous Section publishes, in French and English editions, a quarterly bulletin entitled "Constitutional and Parliamentary Information." This contains recent constitutional documents of different countries, as well as the results of inquiries conducted by the Section.

Under the direction of Lord Campion, former Clerk of the House of Commons, a comparative study, entitled "European Parliamentary procedure", was published in England in 1953, and was so successful that a French translation appeared in 1955.

The Section works in close association with the Union itself, which calls upon that body whenever it takes up a problem of parliamentary procedure.

Relations with United Nations and other international institutions

The Union maintains regular official relations with the United Nations Organization and its specialized agencies. It is one of the 10 nongovernmental international organizations upon which the Economic and Social Council has conferred category A consultative status. It also has consultative arrangements with the United Nations Education, Scientific, and Cultural Organization (UNESCO).

These links do not in any way limit the independence of the Union, but permit it to coordinate its activities with those of other international institutions, which have rapidly multiplied since the Union was created.

The Secretary General of the United Nations and the Directors General of the specialized agencies are regularly represented at the Conferences and working sessions of the Union, and cooperation also takes place at the secretariat level.

In addition, the Union maintains steady relations with regional assemblies of a parliamentary nature, such as the Consultative Assembly of the Council of Europe and the European Coal and Steel Community. It is

also in contact with the Organization of American States.

PART II. AMERICAN PARTICIPATION

The United States of America was a charter member of the Interparliamentary Union and has participated in its activities since 1889. The 12th Conference of the Union was held in St. Louis in 1904, and the 42d Conference was held in the Capitol at Washington, October 9–14, 1953.

Every Senator and Representative in Congress is ipso facto a member of the American Group of the Interparliamentary Union. A former Member of Congress, who is or has been a member of the Council of the Union, may, on the recommendation of the American group, and the approval of the Council of the Union, become an honorary member of the group. A former Member of Congress who has rendered distinguished service to the Union, may, upon the recommendation of the American group and the approval of the Council of the Union, become an honorary member of the group.

The officers of the American group, according to its bylaws adopted in 1932, shall be a president, three vice presidents, a secretary, a treasurer, an executive committee of nine members of which the president of the group shall be the chairman and two members of the Council of the Union. These officers hold office for each Congress or until their successors are elected.

In 1958 the officers of the American group were the following:

President: Hon. DANIEL A. REED.

Vice presidents: Hon. HAROLD D. COOLEY, Hon. A. WILLIS ROBERTSON, Hon. ALEXANDER WILEY.

Secretary: Hon. HENRY O. TALLE.

Treasurer: Hon. W. R. POAGE.

Executive committee: Hon. ALBERT GORE, KATHARINE ST. GEORGE, JOHN M. VORYS, ANTONI N. SADLAK, THOMAS C. HENNINGS, JR., JOHN J. SPARKMAN, PAUL H. DOUGLAS, W. ROBERT POAGE, and DANIEL A. REED.

Council members: Hon. HAROLD D. COOLEY and DANIEL A. REED.

The bylaws of the American group define the duties of its officers and provide for its meetings and activities. The group shall meet at least twice a year, one such meeting being the annual meeting of the group which shall be held on the third Monday of January.

Although all members of the U.S. Congress are ex officio members of the Interparliamentary Union, the American group is composed of a score of members who have taken an active interest in the union and its work. This group is organized with its own bylaws, and it is normally from this group that delegates to the annual conferences have been designated by its president.

For many years the United States has made an annual contribution to the Interparliamentary Union. This contribution now amounts to $18,000 a year. Under an act of the 85th Congress an appropriation of $33,000 annually has been authorized, $18,000 of which shall be for the annual contribution of the United States toward the maintenance of the Bureau of the Interparliamentary Union; $15,000, or so much thereof as may be necessary, is authorized to assist in meeting the expenses of the American group for each fiscal year. This appropriation is disbursed on vouchers approved by the president and executive secretary of the American group.

PART III. THE RIO DE JANEIRO CONFERENCE

The United States was represented at the 47th Conference of the Interparliamentary Union, held at Rio de Janeiro, July 24 to August 1, 1958, by a delegation composed of 4 Senators, 7 Representatives, and former Senator Homer Ferguson, of Michigan. The senatorial delegates were A. S. Mike Monroney, Francis Case, John D. Hoblitzell, Jr., and J. Allen Frear. The delegates from the House of Representatives were Henry O. Talle, chairman, acting for Daniel A. Reed, Hale Boggs, Kenneth B. Keating, W. Robert Poage, Katharine St. George, Antoni N. Sadlak, and Michael A. Feighan. Dr. Franklin Dunham served as secretary general of the American group and Dr. George B. Galloway as secretary of the delegation. Dr. Carl Marcy, chief of staff, Senate Committee on Foreign Relations, and Dr. Charles J. Zinn, law-revision counsel, House of Representatives, accompanied the U.S. delegation as observers. Col. Charles R. Roderick, Maj. James M. Brower, and Maj. Sidney Kern (medical officer) served as Air Force attachés to the delegation and Mrs. Christine Gallagher as an attaché to the secretariat.

During the conference Representatives TALLE and POAGE represented the American group on the Executive Council of the Union in the absence of Representatives COOLEY and REED.

Representatives of the American group on the standing study committees were as follows: Committee on Political and Organization Questions, Mr. KEATING; Committee on Juridical Questions, Judge Ferguson; Committee on Economic and Financial Questions, Mr. MONRONEY; Committee on Non-Self-Governing Territories and on Ethnical Questions, Mrs. ST. GEORGE; Committee on Reduction of Armaments, Mr. CASE; Committee on Social and Humanitarian Questions, Mr. BOGGS; Committee on Intellectual Questions, Mr. FEIGHAN.

The Rio Conference, first of the IPU meetings ever held in South America, was attended by representatives of 47 Parliaments. The Conference was held in the Chamber of Deputies of the Brazilian Parliament and was opened on July 24 by an address of welcome from the President of Brazil, Hon. Juscelino Kubitschek. Prof. G. Codacci-Pisanelli (Italy), President of the Interparliamentary Council, presided at the opening sessions. Mr. Ranieri Mazzilli, Speaker of the Brazilian Chamber of Deputies, was elected President of the Conference.

Conference agenda

The first 2 days of the meeting were devoted to general debate on the Secretary General's report. This report dealt in a comprehensive and objective manner with the multifarious developments of international relations in the various parts of the world during the past year.

Following the general debate on the Secretary General's report, the Conference devoted 4 days to the detailed consideration of four topics which had been scheduled for consideration, as follows:

1. "Principles Governing the Investment of Foreign, Private, or Governmental Capital in Countries in Process of Economic Development."

2. "The Strengthening of Peace: (a) The Problem of Atomic Weapons and Nuclear Tests. (b) The Possibility of Establishing an International Police Force."

3. "Cultural Relations Between Countries and Freedom of Information: (a) Cultural Agreements and Their Role in Improving Relations Between Peoples. (b) National and International Aspects of Freedom of the Press and Information."

4. "The Development of Representative Assemblies in Non-Self-Governing Territories."

Under the rules of the Conference each participating group was entitled to two 7½ minute speeches or one 10-minute speech on each agenda topic. The spokesmen for the United States during the debate on the Secretary General's report were Representatives Talle and ST. GEORGE. On the topic of capital investment abroad Representative Talle also spoke for the American group. Our second speaker on this topic was to have been Senator MONRONEY, but his legislative duties in Washington delayed his arrival at the conference beyond the day assigned to this topic. On the topic of "Strengthening the Peace" the American spokesmen were Representatives POAGE and KEATING. On "Cultural Relations Between Countries and Freedom of Information," the U.S. speakers were Representative BOGGS and Senator CASE. On the subject of "Representative Assemblies in Non-Self-Governing Territories" our speakers were Representatives FEIGHAN and Sadlak. Their speeches are reproduced below.

The seventh day of the Conference was devoted to meetings of the several standing study committees mentioned above. And the final day was taken up with the reports of the study committees and the voting on the resolutions which had been drafted by the Inter-Parliamentary Council. At the conclusion of the Conference on August 1, Judge Ferguson voiced the thanks and appreciation of the congressional delegation for the hospitality of the Government and people of Brazil and evaluated the achievements of the Conference.

Some high spots of the Rio Conference

The Rio Conference was marked by several dramatic episodes. On the first day, as soon as the opening ceremonies were concluded, the chief Soviet delegate, Alexander P. Volkov, a deputy of the Supreme Soviet, raised the Middle East theme on a point of order. On behalf of his delegation he offered a resolution condemning United States and British aggression in the Middle East and insisting that the Middle East question be added to the Conference agenda. On the previous evening the Council of the Union had voted down a Soviet proposal for a resolution demanding measures to safeguard peace in the Middle East. But the Soviet delegation reopened the subject at the plenary session on the first day of the Conference. This proved to be merely a tactical maneuver to gain the spotlight.

The Soviet delegation, which made repeated efforts during the Conference to obtain at least a full debate on, if not approval, of a resolution demanding the withdrawal of United States and British troops from Lebanon and Jordan, failed in that endeavor.

Along with assertions that Moscow had unilaterally halted nuclear weapons tests, the Soviet group made the Middle East question a major propaganda theme in the Conference. In a farewell speech on the final day the chief Soviet delegate, Mr. Volkov, said that he "regretted" that the meeting had failed to say anything about this "most acute problem of the day."

On the final morning of the Conference delegates from 47 Parliaments on both sides of the Iron Curtain unanimously approved a resolution urging the speedy resumption of big power disarmament talks, preferably within the United Nations, stressing that one of the most urgent aims would be the ending of nuclear weapons tests under proper international control.

They also approved a resolution calling for the establishment on a permanent basis of an international police force. This proposal was opposed, however, by the Soviet Union and Soviet satellites as well as by Yugoslavia and a number of individual delegates. The vote was 371 to 104 with 50 abstentions.

In all its resolutions the Conference addressed an appeal to the national parliaments belonging to the Union to urge their governments to carry out the Rio resolutions.

Over the opposition of the British and Australian groups and a majority of the French delegation, the Conference approved an "anticolonialist" amendment by Chile to a resolution on the development of representative assemblies in non-self-governing territories.

In this connection one of the most dramatic events of the Conference was the address by Congressman MICHAEL A. FEIGHAN, of Ohio, who spoke on the draft resolution concerning the development of representative assemblies in non-self-governing territories. Mr. FEIGHAN called attention to "the

new colonialism," under the yoke of which, he said, "a long array of politically mature and well established nations, which today are non-self-governing, have been deprived of their free political institutions and whose representative parliamentary bodies have been destroyed." Mr. FEIGHAN charged that "this new colonialism, this new imperialism, has forcefully incorporated no less than 20 once free, democratic and independent nations into its empire. This new imperialism," he said, "seeks to accommodate the rising tide of nationalism by spuriously proclaiming that these nations are independent." After calling attention to the recent popular uprisings in three of these non-self-governing nations—East Germany, Poland, and Hungary—Mr. FEIGHAN proposed that the draft resolution "be amended to reflect the urgent need for developing procedures whereby the people of these once free and independent nations might be accorded the opportunity, under the supervision of the United Nations, freely to determine the substance as well as the form of their government." Subsequently, Mr. FEIGHAN'S amendment was considered at length in the standing committee having jurisdiction of that subject, but further action on it was deferred to the Warsaw Conference next year.

The Rio Conference also unanimously approved a resolution urging greater international cultural relations and exchanges. The Soviet bloc and French Communist deputies abstained on sections of this resolution on freedom of the press and information.

Another development of special interest to the nations of the Western Hemisphere was a special meeting held during the Conference and attended by members of the delegations of the parliamentary groups from the Argentine, Brazil, Chile, United States of America, Haiti, Panama, Paraguay, and Peru. This meeting was called to consider the desirability of the formation of a regional Pan American Parliamentary Group within the framework of the Interparliamentary Union. It was argued that the formation of such a Pan American Parliamentary Group would improve the participation of the Western Hemisphere at the meetings of the Interparliamentary Union and, furthermore, that it would provide a medium for the advance study of the topics on the agenda of the annual conferences of the Union. It was urged, on the one hand, that the new regional group should be confined to the nations of Central and South America and, on the other hand, that it should include the United States and Canada. The first viewpoint was expressed by spokesmen from the Argentine and Chile. The chairman of the United States Group assured those present that the United States group would not be offended if it were not invited to participate in a new Pan American parliamentary body. It was finally decided to call together both a Pan American and a Latin American Parliamentary Group, subject to the approval of their respective governments, and that both groups should meet in Lima, Peru, if possible, within 90 days after the conclusion of the 47th Interparliamentary Conference. There is no assurance that the Interparliamentary Union will accept the affiliation of any limited regional group. In 1956 an attempt was made to organize such a group in the Far East, but it never received recognition as an affiliate of the Union and was subsequently disbanded.

However, an American Interparliamentary group representing all the countries of the Western Hemisphere, apparently, is looked upon favorably by the Interparliamentary Union and a call has gone out to form such a group at Lima, Peru, meeting to take place March 5–10, 1959. The U.S. group has been asked to send at least one voting delegate.

Resolutions adopted

"I. On the Necessity To Convene a Summit Conference To Relax International Tension

"The 47th Interparliamentary Conference—

"Noting the urgent need to lessen the threat of a new war and to improve the prospects for a lasting peace;

"Considering that the fulfillment of this task largely depends on statesmen of all countries and above all on those of the great powers;

"Wholeheartedly supports the idea of holding, after adequate preparation, a summit conference of representatives of states to discuss the most urgent international problems in the interest of easing international tension;

"Calls upon the parliaments of all countries to take the necessary measures facilitating an early convocation of such a conference.

"II. The Principles Governing the Investment of Foreign Private or Governmental Capital in Countries in Process of Economic Development

"The 47th Interparliamentary Conference—

"Recognizing the fact that some countries in process of economic development, more especially those which have recently achieved their independence, have not adequate capital to carry out the task of developing their economic resources to the full;

"Conscious of the reality that, within the next few years, proper development of many countries of the world toward economic independence will require investment of vast amounts of foreign capital, and realizing that no nation alone is capable of properly financing either the funds or goods required to carry out such a program over many years, which would be the best means of securing solidarity between the developed and underdeveloped countries;

"Recognizing the fact that assistance to underdeveloped countries must always be provided in the interests of the indigenous peoples themselves and must therefore be free from strings and conditions which in any way limit the sovereignties of such peoples;

"Considering that foreign capital, private or governmental, must serve as an auxiliary source for financing the economic development of underdeveloped countries while the basic role for providing such facilities belongs to their own resources, and only in the latter case can the economically underdeveloped countries genuinely insure the independent development answering their national interests;

"Considering that loans and financing, either through international sources, government to government, or private investment at fixed terms and at reasonably low bank rates, for the building up of basic resources and facilities, and for the development of industry, are the best means of achieving a mutually beneficial result;

"Appreciating the assistance which has been forthcoming through the specialized agencies of the United Nations and through various bilateral aid and loan programs, but regretting that these programs have been uncertain as to their continuation and scope, thereby making long-range planning and practical financing difficult;

"Realizing that an essential preliminary to large-scale investment is the carrying out of financial and technical studies of projects and resources;

"Conscious of the decision taken by the United Nations at the 12th session of the General Assembly in December 1957 to set up a special fund specifically for such preliminary surveys to facilitate new capital investment;

"Conscious of the need to follow up such surveys in appropriate cases by the large-scale provision of financial aid and long-term loans at low rates of interest, by means of international banking mechanisms, through existing auxiliary organs of the United Nations, on a government-to-government basis or in other ways;

"Conscious also of the need to create an atmosphere of mutual confidence between lending and borrowing countries, its lack having heretofore prevented as adequate an increase as desirable of the flow of capital to the underdeveloped countries;

"Calls upon parliaments of all members of the IPU to urge upon their governments—

"1. That the fullest support should be given to the work of the United Nations in this field;

"2. That, wherever required, financial and technical surveys and studies of projects and resources be provided to the less developed countries with a view to enabling their development along healthy and sound lines;

"3. That multilateral financing of long-term development projects of underdeveloped nations is to be recommended over such financing on a bilateral basis;

"4. That, wherever feasible, such financing should be arranged through the International Bank for Reconstruction and Development and/or through other international banking institutions to be established for such purpose, either as auxiliary organs of the UN or otherwise;

"5. That the conclusion, between all the countries concerned, of an 'International Code of Investments' defining the conditions of equitable treatment for both lenders and borrowers, should at the same time be sought for the protection of private investment;

"6. That respect of the provisions of this code be assured by recourse of private investment, in case of dispute, to an international court of justice and guaranteed by the creation of an International Fund set up under the auspices of the United Nations.

"III. The Strengthening of Peace

"(a) The Problem of atomic weapons and nuclear tests

"The 47th Inter-Parliamentary Conference—

"Conscious of the overwhelming desire of all peoples for an honorable and lasting settlement of the grave differences that intensify distrust, anxiety and tension between nations;

"Believing that the continuing accumulation of armaments of all types, nuclear and conventional, represents a serious threat to security and peace; and

"Noting the profound concern of the peoples of the world about the continuing nuclear weapons tests;

"Believing also that nuclear energy should be developed exclusively for peaceful purposes;

"Taking into consideration the urgent necessity of eliminating all harmful consequences of nuclear tests for human life and health;

"Stressing the great responsibility for the people's future which rests with the Parliaments of various states and with the Inter-Parliamentary Union;

"Recalling the resolution adopted unanimously by the 45th Interparliamentary Conference at Bangkok in 1956;

"Reaffirming in particular the belief that, pending the conclusion of a comprehensive disarmament agreement, including measures of conventional and nuclear disarmament and the reduction of armed forces under effective international inspection and control, attention should be given to the possibility of agreeing on the first installment of inter-

nationally controlled disarmament which could be put into effect with the least possible delay;

"Deeply regretting that no resolution containing proposals which were in harmony with that belief, submitted to the 12th Regular Session of the General Assembly of the United Nations, commanded unanimous support;

"Taking into account also that the cessation of nuclear tests might slow the arms race and would further a solution of the entire problem of disarmament;

"Appeals urgently to parliaments of all members of the IPU to recommend to governments in the strongest possible terms that speedy action be taken to secure resumption of disarmament negotiations, preferably within the framework of the United Nations, and that one of the most urgent aims of such negotiations should be to secure without delay the cessation, under proper international control, of nuclear weapons tests.

"(b) The possibility of establishing an International Police Force

"The 47th Interparliamentary Conference—

"Believing that the institution of a permanent International Police force charged with the task of insuring collective security is highly desirable;

"Is of the opinion that the establishment of such a force should be effected under the aegis of the United Nations;

"And urgently appeals to all parliaments represented within the Union to recommend that their respective governments take all possible steps to establish an International Police force on a permanent basis.

"IV. Cultural Exchanges Between Countries and Freedom of Information

"(a) Cultural agreements and their role in improving relations between peoples

"The 47th Interparliamentary Conference—

"Recognizing the importance and growing volume of international cultural relations, as well as the interest which is shown in their development, and with the object of reaching a better understanding between different countries so as to facilitate the establishment of favorable conditions for peace and for durable friendship between them;

"Stressing the need for eliminating all obstacles which hamper the freedom of cultural exchanges;

"Considering that men living in all countries of the world, by reciprocal appreciation of their cultural achievements and by assimilating the best and most progressive of them in the various national cultures, can learn to understand more completely and deeply the life of other peoples, to respect their originality and national traditions, and to enrich each other spiritually;

"Upholding the resolutions adopted by the General Assembly of the United Nations on February 21 and November 28, 1957, stating that wider international cooperation in cultural and scientific matters must be encouraged by agreements and other means, and that no effort should be spared to achieve those noble objectives;

"Taking note of the resolution adopted by the 44th Interparliamentary Conference on the conditions for a true peaceful coexistence between the nations and the resolution adopted at the Ninth General Conference of UNESCO;

"Appeals to all Interparliamentary groups to work for the realization of the UNESCO project on mutual appreciation of cultural values of countries of the East and West;

"Invites all Interparliamentary groups to contribute to the furtherance of regular intellectual exchanges between states as a means toward the conclusion of bilateral, regional, and multilateral agreements on cultural and scientific relations, and also on other forms of cultural exchanges, such as visits and sojourns of students, pupils, and young workers;

"Recommends the creation of administrative bodies and special parliamentary groups for the promotion of a reciprocal policy of cultural relations in those countries where such organs do not already exist;

"Hopes that the member groups of the Inter-Parliamentary Union will use their influence on their respective governments in the sense of the present resolution.

"(b) National and international aspects of freedom of the press and information

"The 47th Interparliamentary Conference—

"Desiring to safeguard the right to freedom of expression and opinion as defined in article 19 of the Universal Declaration of Human Rights;

"Recalling the previous resolutions adopted on the subject by the Interparliamentary Union, the United Nations General Assembly, particularly on November 3, 1947, and the Ninth General Conference of Unesco,

"Declaring that this liberty implies the right, either active or passive, to information through radio, film, television, as well as by books, gramophone records and the press itself;

"Considering that it is of importance to guarantee more effectively the free exchange of objective and nondistorted news, the protection of sources of information, the liberty of movement of foreign correspondents and the physical, social and spiritual security of personnel in the information services;

"Believing that it is necessary to guard against the maltreatment of news by a more equitable distribution of those means which guarantee the full right to information, impartially disseminated, by the development of professional techniques and by national and regional information bodies, which act as important auxiliaries in promoting economic and social progress in those countries which are lacking in this respect, as well as by the creation of councils, both national and international, for purposes of control and arbitration, and designed to bring about respect for different shades of opinion and to eliminate all abuses and rectify errors;

"Stressing the necessity for encouraging the development of intellectual exchanges, the formation of specialized personnel, the creation of educational centers and the consolidation of scientific, cultural, technical and sporting links;

"Affirming the desire to continue its efforts toward the removal of obstacles hampering the free flow and integrity of information;

"Condemning the use of false news which would be its very nature encourage hatred and provoke war, or would lead to the use of nuclear energy for other than peaceful purposes;

"Appeals to its member groups to have adopted in their respective parliaments the necessary measures for a free exchange of news, of information and publications between research institutes, libraries and cultural associations, as well as the free circulation of educational material and travel of persons journeying for journalistic or scholarly ends;

"Invites the representatives of the different countries to approach the competent authorities with a view to putting an end to all restrictions on the exchange of ideas, particularly by aiding in the intensification of action already taken by United Nations organs and specialized agencies in the technical field, and to achieve durable cooperation between the Governments and the professions in question;

"Requests that everything possible be done, either by adherence to international agreements or modification of national laws, to facilitate, in conditions of loyal reciprocity, exchanges of information likely to serve the cause of international peace and promote better understanding among nations as well as among individuals;

"Resolves to appeal to the members of the Union to adopt, in their respective parliaments, the necessary measures to make means of communication accessible to all branches of opinion in such a way that information does not become a privilege or a way of controlling public opinion.

"V. The Development of Representative Assemblies in Non-Self-Governing Territories

"The 47th Interparliamentary conference—

"Believing that the progressive development of representative democratic institutions in non-self-governing territories is of the highest importance for the emancipation of the peoples of those territories;

"Underlining the importance of the obligations laid down in chapter XI of the Charter of the United Nations in which states administering such territories are required to 'develop self-government, to take due account of the political aspirations of the peoples, and to assist them in the progressive development of their free political institutions';

"Convinced that the aim of extending universal suffrage to all non-self-governing territories is directly in line with the ideals and aims of the Interparliamentary Union;

"Appeals to the National Parliamentary Groups of the States responsible for the government of such territories to promote and encourage within their respective parliaments legislation which would have as its object the building up of truly democratic assemblies in non-self-governing territories;

"And proposes:

"1. Rejection of all forms of colonial rule and subjection exercised by force upon the independence and freedom of another country;

"2. Solidarity with all colonized countries which have already obtained their freedom, as well as with all who still fight for their autonomy;

"3. Establishment of an international procedure which would guarantee to peoples desiring to become free of foreign tutelage that the substitution of foreign authorities by self-government would not be detrimental to human rights and the institutional forms of coexistence;

"4. Necessity for those governments, and particularly their parliaments, to be formed as the result of free elections—the only way in which legitimate power can be conferred and the people represented."

GENERAL DEBATE ON THE SECRETARY GENERAL'S REPORT

Hon. HENRY O. TALLE (United States of America). Mr. President, fellow delegates, ladies, and gentlemen, this is indeed a very proud moment for me, a moment which I regard as something of the order of a day of fulfillment. From my childhood days I read about South America and her fascinating history and her remarkable people. Seven years ago I had the opportunity to visit every country in this great continent, and I was so pleased with all I saw of resources, and especially of the people, of this great country that I redoubled my efforts in the hope that the day might not be far away when the countries in this great continent would be a stimulating force in the Inter-Parliamentary Union. I must therefore say to Senhor Braga that I owe him a very great debt of gratitude for his remarkable endeavors in this field.

I want to say "thank you" for myself and for the delegates of the United States of North America to everyone who has had a part in making this conference possible; and

I bring to you the cordial greetings of my dear and beloved friend, DANIEL A. REED, of New York, who is serving his fourth year as president of the U.S. group. For very good reasons it is not possible for him to appear here, and so I speak on his behalf in bringing to you greetings and all good wishes for the improvement and lasting future of our great organization.

I should like to say that when your distinguished President who addressed us in an inspiring manner this morning visited the Capital of the United States he left an excellent impression and we hope that he will return to us, for we are glad to have him as a visitor.

It would, of course, be very easy, were there time for it, to rhapsodize about the beauty of this country and especially this city, your beaches, your buildings, and all of these beautiful things we see by day and night, and, of course, it would be very easy to speak in hushed tones about the reverence which is exuded by the sacred statue of the Redeemer high on your mountain top. There is not time for that and I will proceed with my message.

The people of Brazil and, indeed, all of the Latin American countries, and the people of the United States of North America have many common historic ties. All of us were colonists of European powers, most of us share the traditions of a struggle for independence, we adhere to the same spiritual and moral principles and we share the same aspirations. We all have republican governments, and our constitutions are similar. In many ways we share a common ambition for the New World from which so many vigorous ideas have sprung. Indeed, today we are equal partners in a 21-nation organization, the Organization of American States, and we are good partners, friends, and neighbors. President Eisenhower once characterized our Pan American system, and I quote, as "the most successfully sustained venture in international community living the world has ever known."

I must, at this point, say "Thank you," to our Secretary General and his staff. The task they perform is an exceedingly difficult one, they do their work well. Obviously not all of us can be pleased with everything we read in this remarkable report, but I should not like to compete with him in his difficult work. In the Interparliamentary Union the cultivation of better understanding between nations is the ideal for which we strive. To achieve such understanding we must largely rely on the free flow of information within our respective states, and among our states.

I am immensely pleased to find on the agenda two topics which interest me very much. In the first place, national and international aspects of freedom of the press and information. Having devoted many years of my life to the field of education, I am also deeply interested in cultural exchanges, another item on the agenda. At no time in our country has it been so easy for the American citizen, indeed any citizen, to acquire information and wider knowledge of the world and deeper understanding of its problems. He can sit in his easy chair and listen to discussions of the critical issues by some of the country's most astute thinkers. By such listening he can evaluate and compare. This is true not only of my own country but of many other countries. Referring specifically to my own, there are about 11,500 daily and weekly newspapers and about 6,000 weekly, monthly, and quarterly periodicals, there are 2 nationwide press associations, there are 4 radio networks, 3,000 radio and television stations. These media are not in any single ownership by no manner of means; the ownership is widely diversified and there is no monopoly of ownership or control. Under our own Constitution Congress is prevented from interfering with freedom of speech, there are various State constitutions which stipulate that every citizen has the right to speak freely on any subject matter whatsoever, and the history of freedom of the press of the United States antedated the adoption of the U.S. Constitution.

I regret that there is so little time, but I do not want to take time from anyone else and so I close with cordial greetings to all of you and look forward to a very happy conference.

Hon. KATHARINE ST. GEORGE (United States of America). Mr. President and fellow delegates, those of us who come from the Western Hemisphere are especially proud and happy to be here at the first Conference ever to be held in one of our great sister Republics of South America. The friendship and hospitality of the Government and people of Brazil will long be remembered by all members of this Inter-Parliamentary Union, but especially by those members who belong to other American Republics.

Again this year we come to the Conference fortified by the report of our distinguished Secretary General. I have now attended three of these Conferences and I am more amazed today than ever at this report and all that it covers. Almost every detail of the history and the politics of the nations who are members of this Conference is covered. It is true that world history is moving with great rapidity today and that some extremely significant events have happened since the report was written. At the very opening of the report the Secretary General writes:

"Considering the world situation from the point of view of relations between the great powers an impression of stability is gained, albeit of a superficial nature only. No sign can be seen of any sustained rapprochement, but neither has any direct initiative been taken affecting a status quo which, for the time being, the parties concerned seem to have tacitly accepted."

This situation has changed for the worse and it is devoutly to be hoped that out of the deliberations of this Conference we can achieve a "modus vivendi" that will gradually bring the nations of the world to a true belief that peace cannot be achieved without understanding and tolerance. All nations yearn for peace and it is for us who are members of this Conference to strive mightily for this end.

The Report deals at some length with the problems of atomic tests. Here misunderstandings still prevail and are perhaps those most conducive to disaster. In this field real discipline and self-control must be created. It is impossible to expect one side to abandon tests until positively assured that the other side will do likewise. This is a poor time and place to indulge in demagoguery, and it was disappointing yesterday to hear accusations that the United States and Great Britain were threatening to use atomic bombs. We know of no such threat but we do know that the present head of the Soviet Union said: "We will bury you," to an interviewer from the West. This may have been meant as a joke, but some of us may not find it very funny.

The situation in the Middle East is threatening, but American and British troops are in Lebanon and Jordan only because they were called upon by those two small and free nations for the protection which had been promised them in case of need. We are taking nothing from Lebanon or Jordan. We will not murder people to whom safe conducts have been given. We will help them to maintain their freedom, at their request, because we gave them a solemn promise to that effect and we will keep that pledge. As to oil interests, it is almost silly to mention them. The United States and South America have enough petroleum products to supply the free world for years, if not centuries, to come.

The fact that so many nations today are mere satellites is disheartening in the extreme. The Report quotes Mr. Spaak in reference to NATO in the following words:

"The day when there were no longer any discussions between them would be the day when, having accepted one government as leader, the other governments would be no more than mere satellites—and the alliance would have no further reason for existing."

Again we are confronted by the fact that words do not mean the same thing to all people. Even such words as peace and freedom are not the same in all languages.

Our Secretary General is impartial in his thinking and his writing. This, of course, brings us sometimes to the philosophy of "a plague on both your houses," which is not what we enjoy hearing even though it may be good for the soul.

This report is a great document not only today but for the future when many of us, we hope many of a younger generation, will read and study it with interest and profit as a true and impartial picture of our times. The report also includes the preliminary documents that make up the agenda that we, in this year of grace 1958, considered of the greatest importance.

Since our last Conference in London the clouds that menace and surround parliamentary governments all over the world have not lifted. On the contrary, they have become blacker and more dangerous. On that occasion I spoke somewhat pessimistically about the future of our parliamentary systems. I regret that very little has happened since the London Conference to alter any of these opinions. One thing did happen, however, at our Geneva Conference, which I feel was encouraging, and to which I intend to address myself at this time. On this occasion the Committee on Non-Self-Governing Territories, presented in the name of the Committee a resolution on "the Development of Representative Assemblies in Non-Self-Governing Territories" and this item has been put on the agenda for this Conference. Now, why can we feel that this resolution is an encouraging sign? First, because it shows the world that we believe in representative government as the ultimate toward which all peoples strive. Secondly, because we believe that representative government is capable of growth and improvement. And this is perhaps the most important part of all. Any philosophy, whether of government or of any other science, that becomes static and incapable of change or growth is destined to wither and die.

Finally, I would recommend to you the words of a former President of my country, Herbert Hoover, who said recently in Brussels:

"We must unceasingly strive by all peaceable means to make the world safe for representative government. From representative government alone can come respect for your dignity as men and women, your flowering as individuals, your rights to a rising chance in life, to self-expression, and to security from sodden uniformity."

Foreign investment in underdeveloped countries

Hon. HENRY O. TALLE (United States of America). We are gathered today to consider basic issues relating to the role of foreign investment in economic development. I submit that the most direct and significant point of reference for the formulation of a set of principles of foreign investment is to be found in the last four words of the topic of this session. The principles we arrive at will depend in large measure upon our understanding and interpretation of the phrase "process of economic development."

There is the totalitarian road to development. Countries that follow this path seek to advance industrially at the expense of the freedom and liberties of their peoples. Through propaganda, subversion, and more

recently, through ostensibly favorable credit terms, they pursue international policies designed to weaken and undermine the independent sovereignty of other nations.

Very different is the democratic process of development based on individual freedom to work, to spend, to save, and to invest. With the demands of modern life and unsettled world conditions, the governments of democratic countries have come to play a much larger role than in earlier periods in promoting economic progress. But this role continues to be nourished in the traditions of free institutions.

All countries, from the most industrially advanced to the relatively backward, are confronted with the problem of obtaining an adequate supply of savings for capital expansion, without which economic progress is not possible. It is to the interest of all the nations of the free world, since they are economically interdependent, that favorable conditions are created for tapping the sources of savings at home and abroad with which to assure economic growth. These conditions must meet the varying needs of countries in different states of development.

The foreign economic policies and programs of the United States recognize the importance both of the principle of interdependence and the principle of diversity of countries in various stages of economic development.

In the interests of our own economy and those of the rest of the free world, we have endeavored to stimulate foreign investment through such a governmentally owned corporation as the Export-Import Bank. Our oldest public institution in this field, it has loaned over $9 billion for development purposes in more than 50 countries. These loans, both to private borrowers and governments, have helped finance, on a sound business basis mutually beneficial to borrower and lender, power-generating installations, transportation facilities, manufacturing plants, and the extraction industries. Only recently the lending authorization of the Export-Import Bank was increased by $2 billion.

The United States is proud of the role it has played in promoting the flow of foreign investment through its participation in the International Bank for Reconstruction and Development and in strengthening the international currency system through its membership in the International Monetary Fund. The World Bank has successfully promoted the international flow of capital for productive projects either by lending funds directly, guaranteeing loans made by others, or by participating in such loans. The gross total of loans that the Bank has made to 46 countries amounts to $3.5 billion.

Closely affiliated with the World Bank is the International Finance Corporation. It was established in 1956 to overcome two limitations on the Bank's ability to finance a greater number of private development projects—the lack of equity investment in projects and the requirement that loans made to a private firm be guaranteed by the government of its country. With the removal of these obstacles, the International Finance Corporation aims to demonstrate that soundly conceived private investment projects in less-developed areas can be sufficiently attractive to stimulate a much larger flow of private capital into these areas.

About a year ago the United States set up the Development Loan Fund to extend long-range financing to underdeveloped countries. The Fund is not in competition with private investment, nor is it competing with the Export-Import Bank and the World Bank. It aims to facilitate the financing of meritorious developmental projects that have difficulty in obtaining the necessary funds. Many of the less-developed countries have a limited capacity to service dollar loans on the terms required by the International Bank and the Export-Import Bank. Under the more flexible terms of the Loan Fund, repayments can be made in local currencies as well as dollars. It can operate with greater flexibility not only because it recognizes the necessity of repayments in terms of local currencies, but because it can also finance either private or governmental projects on an adjustable basis for as long as 40 years.

This brief review of the major governmental programs to stimulate the flow of investment into developmental projects serves to remind us that a variety of financial tools, public and private, has been proved necessary to meet diverse capital needs. But experience has also shown that in the interests of all of the countries of the free world it is imperative that the economic growth of the underdeveloped areas be accelerated. Such advance depends not only on the readiness of the more industrialized nations to expand the flow of capital to these areas, but also on what the peoples of these countries do for themselves. Their progress depends on the adoption of measures which would encourage investment from inside as well as from outside the country. I have in mind control of inflation, planning for balanced economic growth and administrative and legislative actions that permit the inflow of capital, equipment and services and the outflow of reasonable earnings.

The technically less advanced countries appreciate more than ever before the importance of capital investment in promotion of economic progress. They frequently place their main hope for such progress on the obtaining of capital from abroad. But the flow of capital depends on the existence of certain basic political and social conditions without which private investment cannot operate. In addition, capital requires technical and managerial skills for effective utilization, a working force that is adaptable to changes in technology, and the development of adequate marketing and credit institutions.

The more advanced industrial nations must also provide more favorable conditions for expanding the role of private domestic investment in underdeveloped areas. The United States has taken a number of steps in this direction. These include the maintenance of information and counseling services for potential investors, as well as strengthened government staffs overseas, equipped to understand the importance of foreign investment. The International Cooperation Administration, which provides insurance against loss arising from inconvertibility of local currency earnings, expropriation and war risks, has been steadily expanding its guarantee program. The Government has also negotiated an increasing number of bilateral treaties designed to protect more adequately the interests of private investors. It has also provided tax incentives for overseas investment, although more can be done in this field.

In closing, I should like to refer briefly to the draft resolutions relating to the agenda for this session. The recent events in the Middle East point up all the more the need for strengthening the economies of underdeveloped areas, especially those which have recently achieved their independence. The draft resolution calls upon the Parliaments to adopt the principle of multilateral financing of long-term development projects of underdeveloped nations as against such financing on a bilateral basis. The implications of Resolution No. 3 are far-reaching. The proposal involves the establishment of another international organization with subscription of a substantial amount of funds by many different countries. There are many practical difficulties in the creation of additional institutions for multilateral financing, which require further study if we are to build solidly. Also, may I remind you that there are many experts in the field of foreign investment, including many in the countries receiving investments, who are equally convinced that in the present stage of assistance to underdeveloped areas the bilateral approach has so much merit that it should not deliberately be consigned to a place of secondary importance, as is implied in the draft resolution before us. I, therefore, suggest for your consideration that this resolution be modified to provide for further study of the subject.

The problems of atomic weapons and nuclear tests

Hon. W. R. POAGE. Mr. Chairman, fellow delegates, everyone seems to agree that it would be highly desirable for all nations to suspend further atomic tests, and indeed to agree to forego the use of nuclear weapons. I think we can also agree on the desirability of greatly reducing and eventually eliminating all of the military establishments of all types and character throughout the world. In fact, my own country, the United States of America, at the close of World War II, demobilized more than 10 million men. No nation has ever carried out such an extensive demobilization, nor has the Soviet Union, the only other great power with such a large establishment, demobilized to a comparable extent, even though more than a dozen years have now elapsed. We do not know the exact size of the Russian military establishment today, but it is undoubtedly comparable, or even larger than the establishment of all the balance of the world combined. Possibly this tremendous manpower is locked up in unproductive work, because the communistic rulers feel that they do not need to devote the skills and labor of this great force for the improvement of the standard of living of their people. In my country we feel that we need to devote the labor and the skill of our young men to constructive undertakings—to the further improvement of the standards of living of our people and of all the people of the world.

Indeed, it seems to us that, desirable as it may be to limit the testing and the use of atomic weapons, it is even more desirable to reduce the wasteful use of manpower through the maintenance of conventional weapons.

The United States of America has repeatedly expressed its willingness and desire to restrict all types of armaments—both atomic and conventional—but no intelligent person could expect or want us to abandon any weapons without some dependable assurance that the U.S.S.R. will do likewise, and will do it at the same time. Nor do we ask of the Soviet anything which we are unwilling to extend to them. We would no more think of asking the U.S.S.R. to accept our unsupported promises to abandon weapons than we would accept their unsupported promises.

We recognize that the whole buildup of men and weapons throughout the world is the result of lack of confidence in the sincerity and good will of our neighbors. We hope that the time may soon come when all people will feel as secure against their neighbors as I believe the United States and the people of Canada feel, each as regards the other, but until that ideal situation arrives, there can be no substitute for full and unlimited inspection, to assure the compliance of mutual promises. Such acceptance of mutual inspection is an absolute prerequisite to any effective disarmament, or any control of either use or testing of atomic or nuclear weapons.

Nor is it any answer to say that one of the great powers says that it will forego the use of testing of any type of weapons but demands that its possible victims should accept its unsupported promise. This is particularly true in the face of a long record of the use of force wherever and whenever it seemed expedient. And the very refusal to accept the principle of unrestricted inspection can do nothing but strengthen those doubts.

Let me repeat: the United States of America welcomes any practicable program of mutual control of our reduction in all kinds of armaments, but the control must be mutual. We invite complete inspection of our own arms, even of our atomic development, but that inspection must be mutual. Nor does the United States of America wait until it has just completed its annual series of atomic tests and then suggest a period of suspension of such tests. Such obvious insincerity can do nothing but increase the determination of all other countries to see for themselves that all promises are being fulfilled.

Mr. Chairman, it is not my desire to emphasize or widen this mistrust, but I feel that the people of the world should clearly understand that mere words will never take the place of deeds. There have been charges of aggression hurled at my country and at Great Britain at this very conference. These charges stem from the fact that the two great powers have carried out their commitments to protect two small nations from destruction. Of course, we recognize that it would have been far more desirable had the United Nations gone to the protection of these small countries, but the very people who condemn us have stood in the way and refused to allow action by the United Nations. The United States and Great Britain stand ready, as we have always stood, to move out of Lebanon and out of Jordan any day the Soviet is willing to let the United Nations protect these lands. Did Russia make any such offer when she moved troops into Hungary? Let the small nations of the world judge the large powers by their actions, not their words, and let the small nations recognize that it is the military power, and especially the atomic power, of the United States of America, which stands between them and the type of aggression we have witnessed in Korea and Vietnam. We of the United States will not impose our rule on anyone. Ask our neighbors. Ask Canada. Ask Cuba. We want to hold no people under our control. Ask the Philippines. We want to engage in no armament or atomic race. We want to beat our swords into plowshares but we can only do so when we know that others are doing likewise.

We challenge the sincere cooperation of the U.S.S.R. to join in a real, completely inspected program of disarmament We will meet you halfway, but we have no intention of disarming ourselves without absolute assurance that others are doing likewise.

Establishing international police force

Hon. KENNETH B. KEATING, of New York. The possibility of establishing an international police force is a particularly pertinent and timely topic for the troubled times in which we live. Perhaps never before in the history of the world was there greater need for calm, objective, and broadminded thought on this possible avenue for helping to achieve a more just and secure international order.

Not only is this topic timely. The place in which it is raised is—in a twofold manner—an eminently suitable one for such a discussion. First, as representatives of the legislative bodies of our respective nations, each of us is in a strong position to urge directly the participation of our governments in some kind of an international police group. Second, in no other region on earth are the lessons of international security better exemplified than in Latin America.

Indeed, all the peace-loving nations of the world would do well to examine with care the experience of the nations of South America in carrying out their self-imposed system of inter-American policing. Operating through a collective defense pact, commonly known as the Rio Treaty, and through the machinery of the Organization of American States, this policing program has been in large measure both effective and generally acceptable. By means of voting sanctions, of dispatching investigating committees, and of careful use of military observers, the nations of Latin America have successfully nipped in the bud a number of potentially incendiary situations among nations of this area.

One reason the Rio Treaty has operated so successfully is that it provides a flexible system of inter-American policing which tailors the means to the situation. The fact that sanctions can be imposed up to and including the use of collective armed forces has had the effect of eliminating the danger of aggression among the neighbors of this section of the world. In addition, the Americas have coordinated their policies to defend themselves against any extra-hemisphere threat. Since the end of World War II no other nations in the world have enjoyed the freedom from fear of aggression from their neighbors and the world as have the Americas.

When the United Nations was organized in 1945 procedures similar in many respects to the inter-American system were envisaged for maintaining peace. The U.N. idea, based on certain fundamental principles, provided procedures for peaceful settlement and for arriving at decisions to enforce the peace. This idea also anticipated the creation of forces to maintain the peace when the use of force became necessary.

It soon became apparent, however, that there was a fundamental division within the United Nations between nations which cherished their independence and desired a stable international order, and the power ambitions and aggressive ideology of the Soviet bloc. This expansionist combination succeeded in subverting and taking over a long list of independent governments. The result was that political consensus, the necessary base for any international policing action, was absent in the world community. Attempts to create world collective security by agreement among the great powers were thus doomed to failure from the start.

However, repeated efforts were made to gain approval of some sort of worldwide army to help maintain order and security. Whenever fighting has started or is threatened in some sector of the world, agitation has begun afresh for the creation of a U.N. army to be dispatched to the scene to calm the troubled situation. These proposals always revive whenever—as in the instance of Korea, Hungary, Egypt, or the present Middle East crisis—the need becomes too obvious and too urgent to ignore.

One extremely useful precedent has been provided in the case of the United Nations Emergency Force, which has done so much to maintain stability and peace in areas of acute tension between Egypt and Israel. The relative success of this Force in patrolling the uneasy cease-fire has drawn praise from many governments. Its long-range value, however, can only be measured in terms of the use to which the time gained will be put to solve the complex problems afflicting that area, and the use to which we can put the experience gained by this adventure in international policing.

The 13 years of experience in the United Nations has demonstrated conclusively that politically speaking, it is a house divided. A gulf separates those nations which believe in the U.N. Charter principle of independence and those which in practice deny that principle—which really believe in a Communist world hegemony, controlled and directed from Moscow and Peiping. The Soviet Union has demonstrated it will do all within its power to exclude from its captive domain any international policing action, even to the extent of barring an investigating committee, such as in the case of Hungary in 1956.

Most recently, of course, the Soviet conspiracy has blocked efforts to organize and dispatch a U.N. peace force to the troubled Middle East, in an effort to calm the potentially explosive situation there. However, this barrier to world unanimity on an international police force should not discourage us. We should not regard the opposition of the Soviet Union to these peace efforts as an insurmountable barrier. We should press forward with all the vigor at our command to gain support for this principle from all men of good will who sincerely desire peace. On the other hand, I believe we are completely justified in questioning the motives of those nations of the world who, by their intransigent attitude, have repeatedly blocked attempts to create the international force which may well represent a key to the future peace of the world.

The United States has repeatedly demonstrated its willingness to participate in an international army for peace. The Congress of the United States today is in the process of officially going on record as approving this principle.

Certainly recent developments in the Near East provide sufficient demonstration of the tremendous need for some sort of a peace force. It should, of course, be under the control of the United Nations, ready to move instantly in case of an international emergency at the request of a member government which believes itself threatened by outside aggression.

In a world contracted by speedy communications, in a world in which even the smallest nations possess the terribly destructive weapons of modern war, any international disturbance—however localized—can spread like a plague and thus present a real threat to world stability. The only feasible answer to this challenge to the peace of the world is to provide a U.N. force capable of so spreading a U.N. mantle over an embattled state as to inhibit—if not directly to prevent—a coup d'etat, infiltration by indirect aggression, or other untoward pressures from outside the nation, such as we have witnessed recently in the Near East.

A U.N. police force need not be a huge, all-powerful army. It might not number more than 50,000 or 60,000. It might perhaps be found best to establish a firm nucleus at all times centered under one command, with other forces in the individual countries, available upon call.

It is my firm conviction that the smaller nations of the world must form the backbone of any international force. This will prevent the bigger powers running the risk of being dragged into a nuclear conflict which could doom all mankind.

Such an international police army could not—and should not—fight wars. It could not prevent isolated assassinations planned by outside aggressors such as we have recently witnessed.

But a permanent U.N. police force can serve as an effective deterrent to hostilities, could be a focus for the moral opinion of the world, and could serve numerous practical uses in observation, patrol, and guard duty between potentially hostile states.

Certainly, in the light of the dangers inherent in man's vast technological and material progress, we must search with imagination and foresight for the answers to the enigmas of world peace. Today we have too little of either—at a time when we stand in desperate need of both.

There has been sufficient study and experience concerning an international police force. There is plenty of evidence to show how great a factor it could be in preserving peace. No nation of good will can in good conscience oppose the creation of such a force.

The time is running short. Each new crisis brings us closer to the potential horrors of a world war III. The next international

brush fire may set off that worldwide conflagration if the nations of the world do not rise to the occasion.

A permanent United Nations police force provides a new, decisive means by which the nations of the world which sincerely believe in peace can provide the machinery to quarantine regional conflicts and thus better insure their solution. The resolution before us provides a tangible means for each of us, in behalf of his people back home, to signify support of this key means to preserve the peace of the world. I urge each of you, in your respective countries and respective legislative bodies, to work for this goal. It is one of the strong, sure hopes for the peace for which all men of good will hope and pray.

Cultural exchange and freedom of the press

Hon. HALE BOGGS (United States of America). Mr. President, fellow delegates, the story of Brazil excites sympathetic understanding and respect and admiration from all citizens of the United States. Here the struggle for independence and freedom was much like that struggle in my country. Indeed, like the struggle of free nations everywhere.

Yes, Mr. President, we of the United States are proud to be here with our old friends, the great people of Brazil. We salute our years of uninterrupted friendship.

Brazil and her sister American states—north and south—constitute the greatest regional area for mutually profitable investment and trade. Such mutual confidence as has been demonstrated hemispherewise could well be the pattern for world understanding.

It is this philosophy of mutuality, without sacrifice of any nation's individuality, which is at the heart of our deliberations for a world anchored in peace, in freedom, in progress, and in prosperity for all. To this philosophy Brazil has made tremendous contributions, showing magnificent leadership, particularly in the vital field of international law.

In discussing cultural exchanges and freedom of information I think that I can say without being immodest that the United States has been a major force in the world for the promotion of both concepts. We are attempting to take to heart the admonition of H. G. Wells when he said: "Human history becomes more and more a race between education and catastrophe." I hope, too, that you will agree that these exchanges have planted the seeds of amity and understanding among peoples and are of immense potential good in preventing that ultimate catastrophe of which Mr. Wells spoke.

The United States has concluded negotiations with the Soviet Union expanding exchanges of information and ideas and of technical, scientific and cultural delegations between the two countries. Only recently the Soviet Union made one of its highest cultural awards to a brilliant young pianist from Texas, and American audiences, on their part, applauded enthusiastically a very skillful Russian ballet group from Moscow. The Philadelphia Symphony has been in Russia and another famous Russian ballet is expected in the United States early in 1959. Under the new program a top-flight delegation of American educators has already visited the Soviet Union and studied its educational structure throughout. Soviet educators are now to visit the United States in turn. The agreements contemplate programs by American industry to be offered to the Soviet Government for sale or for exchange through the Department of State of the United States. A meeting this summer in Moscow is aimed at implementing this phase of the negotiations. There is contemplated an exchange of groups of specialists in industry, agriculture, and medicine.

Cultural exchange in our time is the most fruitful and the most effective form of education and perhaps the most indispensable, in the atomic age. How are we to estimate the immense value to international goodwill and international education resulting from the program of scholarships identified all over the world with the name of the United States Senator from Arkansas, J. WILLIAM FULBRIGHT? Who can say how much good has been accomplished by 33,000 Fulbright scholars from 39 countries in 10 years? This is probably the largest educational exchange in the history of civilization.

The Soviet Union, we are told, has put its mightiest thrust behind the education of Soviet youth. It is my conviction that an educated people, no matter how indoctrinated will demand freedom. Police state doctrines are ultimately doomed in an educated society. Moreover, if the exchange programs do anything, they throw into open contrast the philosophies of the Soviet and Western World. Once that competition of ideas is free and unrestrained I have only the most optimistic prophecies for the future. What we seek is not coexistence in an atmosphere of atomic hostility, but understanding in an atmosphere of mutual trust.

In the minutes remaining I should like to turn to freedom of the press. Freedom of the press cannot be dissociated from free government. There is no such thing as one without the other. Even benevolent despotisms, however altruistic, cannot abide a free press. Free government—government by consent of the governed—cannot exist without a free press. Unless public expression of private views is untrammeled and unintimidated, the heartbeat goes out of government by the people. Total freedom sometimes leads to abuses, of course. But as between the death of free government and journalistic abuses, which are in any event under free government easily counteracted, the choice is clear. The Constitution of the United States, which is the basic law of our land, asserts in the first of the 10 amendments known as the Bill of Rights, that Congress shall make no law abridging freedom of speech or of the press. With us this is sacred and inviolable. It is the keystone of our democracy. President Franklin D. Roosevelt gave this principle a worldwide significance when he solemnly told the Congress of the United States that of the four freedoms the first is freedom of speech and expression—everywhere in the world.

To the American mind freedom of speech and expression everywhere in the world cannot be separated from free government. We believe that the citizen is free—subject to laws of libel, slander and obscenity, and of sedition and national security—to say and print what he likes for or against government, his own and others. Because the United Nations Convention on Freedom of Information went too far, in their opinion, it was rejected by the Soviet bloc. And precisely because, in the view of my Government, it did not go far enough and might be used as an instrument for the restriction of information, the United States also opposed the convention.

In America the struggle for a free press goes on ceaselessly. It sometimes becomes necessary to fight against forces seeking to stop the flow of information from government and about government to the people. But we have a long-established tradition of vigilance, and no public reaction is so swift as that against any effort to impede the flow of information to the people. Congressional committees are constantly vigilant to efforts to suppress information.

And so, Mr. President, it is my conviction that together—cultural exchange and freedom of the press and information—hold within themselves the key to a free world of free men living in an atmosphere of mutual understanding and peace, under enlightened democratic governments freely chosen by them and governing with their consent.

National and international aspects of freedom of the press and information

Senator FRANCIS CASE (United States of America). Mr. President, ladies, and gentlemen of the Conference, if the desires of mankind are what we have heard expressed, the people of the world do not want an atomic war—they do not want any war.

The men and the women who have spoken here have spoken as one on that point. They have differed only on the ways in which we can make the desire for peace come true with liberty and justice for all.

Of all groups of men and women who might be brought together, this Conference of members of parliamentary bodies should be the most accurate in reflecting what is in the hearts and minds of men and women everywhere because each of us comes as the representative of a constituency. Most of us are elected by the votes of that constituency, but whether elected or appointed, each of us is here to speak for the people we were chosen to represent.

To this Conference, then, of parliamentary delegates, I speak on freedom of information with the conviction that on this freedom all other freedoms depend.

To this Conference, I would say that the right to know the truth is a right of the people and is not a proper monopoly of any government.

Our agenda item No. 5 divides the topic into two parts: Exchanges of Culture, and Exchanges of News as Information. I address my remarks to the latter—the exchange of news at home and abroad.

In passing, however, I testify to the good that is accomplished by the exchange of cultures.

It was good for the people of my country to learn of the appreciation accorded in Russia to a great pianist from the State of Texas, Mr. Cliburn. It has been good for the people of my country to learn of good sportsmanship and courtesy when athletes from my country compete with athletes of other lands, regardless of political ideologies. And I trust the ladies at home will forgive me if, in Rio de Janeiro and this atmosphere of Latin American beauty, I confess there may be dividends for international appreciation from the victory by lovely Miss Colombia, in the competition for the title of "Miss Universe" held in the United States of North America only a few days ago.

Such exchanges of culture and skill, of talent and beauty to increase understanding among the people of the world.

The free exchange of other news and information, however, sometimes runs into trouble. This happens most often when the news relates to political programs and ambitions.

Those governments which see the state as the goal of every endeavor are inclined to seize control of information as a tool for the attainment of their ends regardless of the imprisonment which that decrees for honest, clear-minded judgment. Those one-man governments who dare not trust the people with the truth deprive the people of the facts to which every citizen has a right. This practice defeats the hopes in the hearts of mankind for freedom and understanding.

My country's independence began with a declaration that governments are formed to bring life and liberty and to permit people to pursue happiness. We hold that the state belongs to the people, that people are not the chattels of the state.

Consequently, we believe that the people are entitled to have uncensored news. When Premier Khrushchev wrote his letter to President Eisenhower about the situation in the Middle East, a few days ago, the newspapers of my country were free to print every word of the Khrushchev letter. The radio and the television carried whatever portions of the letter they desired to use and

that their time permitted. The people of my country reached their judgments on the basis of the statement itself, and in the light of past events in Warsaw, Leipzig, and Budapest, as they had been freely reported insofar as the facts from those places were permitted to get to the world.

Someone once said that religion was an opiate for the people which I do not accept. True religion brings hope and purpose to human life. But there is something which does drug justice and put freedom to sleep. That is the sugar coating of selfish political opinion in the name of news by governments which denies to their people the free exchange of information with other peoples of the world.

There is no colonialism so enslaving as that which imprisons the minds of men and makes them the mental chattels of the state.

As Mr. Philip Klutznick, U.S. representative to the General Assembly of the United Nations, said as lately as December 6, 1957:

"The freest and fullest flow of information is basic to a democratic system of government. * * * In time of peace it is never safe to trust any man or institution of men with the power to decide for others what is good and what is bad information * * *. There may be times when the majority will be mistaken * * * but * * * the truth eventually becomes apparent and right judgments will be made."

Mr. President, ladies, and gentlemen of the Conference, on the 14th of December 1946, the General Assembly of the United Nations resolved that: "Freedom of information is a fundamental right, and the touchstone of all the freedoms to which the United Nations is consecrated."

Therefore, I would wish that this Conference of the Interparliamentary Union "urge that the free exchange of information be recognized as a right of the people and not as a property of any government."

Those who themselves are the mouthpieces for the people in representative government should be the first to proclaim the importance of the freedom of information. Unless the door is open for the free flow of news, we can never be sure of what is truth. The people must have their right to know recognized if there are to be governments of the people, by the people and for the people.

Draft resolution concerning the development of representative assemblies in non-self-governing territories

Hon. MICHAEL A. FEIGHAN, U.S. Representative from Ohio. The quest for peace engages the attention and efforts of men of good will in all parts of the world. All humanity is today beset by strife and tensions which, if allowed to persist, will plunge the world into the disaster of another war. This is the overriding challenge of our times. The question before all of us is: How can we remove the strife and tensions which give rise to war?

One of the outstanding causes of strife and tension is injustice. That is, injustice against people and nations.

In our times it is injustices against entire nations which cause unrest on a scale unparalleled in the history of mankind and thereby retards the winning of a lasting peace. The demand for genuine, representative self-government is heard from the people of all nations who are today the victims of colonialism or imperialism in any form.

The old colonialism is giving way to the rising tide of nationalism as the empires of the past are becoming reconciled to the need for a new world order in which all nations shall govern their own affairs and live at peace with their neighbors. This reconciliation carries with it the high responsibility for assisting the people of the old colonial territories in the task of building free political institutions which will assure representative parliamentary bodies. Only through the exercise of a universal vote, free and secret ballots, the right of multiple political parties which take their case to the electorate at fixed intervals, and parliamentary bodies which adhere to the right of the opposition to dissent, can such free political institutions be built and preserved. In turn this requires responsible local leadership which is responsive to the will of the electorate.

This, then, is the challenge which confronts both the statesmen of the administering power of the non-self-governing territories and the people of such territories. It is a common task in which both interests must assume equal responsibility. There is sufficient good will on all sides to assure success once the objectives are clearly defined and a time set for the accomplishment of the task.

Significant and praiseworthy steps have already been taken by the administering powers in many of the non-self-governing territories. In some, democratic and representative parliamentary bodies are in the process of forming, others are undergoing adjustments to make direct representation of the people a reality. In some the tempo of constructive change is not keeping pace with the popular demands of the politically awakened people. But in practically all these territories the need for a change is recognized and the reconciliation which accompanies it provides the necessary basis for a bright and orderly future.

Turning to the new colonialism, one immediately sees under the yoke of this new imperialism a long array of politically mature and well-established nations which today are non-self-governing, which have been deprived of their free political institutions and whose representative parliamentary bodies have been destroyed. These ancient and proud nations, surely no less than the newly awakened nations of Asia and Africa, are worthy of the considerate and continuing interest of this Conference.

During the past 40 years this new colonialism, this new imperialism has forcibly incorporated once free democratic and independent nations into its empire. This new imperialism seeks to accommodate the rising tide of nationalism by spuriously proclaiming that these nations are independent. However, by its own definition the new imperialism limits this independence to hollow form while the substance of the state, that is the very life of the state and its people, is completely controlled by an alien, unwanted and predatory power. Clearly, no nation or territory can be self-governing unless the people therein exercise complete control over the internal affairs of the nation and are undisturbed masters of their destiny. The record of the past 40 years demonstrates that the people of these non-self-governing nations will never be satisfied with national independence which is limited to meaningless forms. So long as they are deprived of the essential substance of national independence, which is the right to govern their own affairs free from alien control or direction, they will continue to exercise the only opportunities open to them to dissent, that is, by internal revolts and freedom revolutions.

Within the past 5 years we have witnessed three outstanding expressions of violent dissent by the people within the orbit of Russian influence. In 1953 there was the mass uprising in East Germany in which the workers and peasants sought to throw off alien rule. This was followed in 1956 by the popular revolts in Poland in which all the people of Poland were in sympathy. Then in October of 1956 the entire Hungarian nation, workers, peasants, soldiers, intellectuals and even some of the new ruling class rose up in a bloody revolution which resulted in the restoration for 5 historic days of national independence in substance as well as in form. All the people of the world know that it took a major military campaign by the Red army to return Hungary to the status of a non-self-governing nation. Time does not permit a full recount of the many popular uprisings which have taken place over a period of many years in Ukraine, Georgia, Turkestan, the Baltic States, and in other non-Russian nations. However, the implicit warning carried by these events urges us to find an honorable remedy to end the human strife and dangerous international tensions which they create.

To that end I propose that the draft resolution now before this Conference be amended to reflect the urgent need for developing procedures whereby the people of once free and independent nations which have been reduced to the status of non-self-governing territories shall be accorded the opportunity, under the United Nations supervision, to freely determine substance as well as the form of their government. Such steps would be in accordance with the spirit and the letter of the United Nations Charter.

Allow me to make one point clear, beyond any doubt. I do not include in my proposal the Russian nation itself which, as is well known, is only one of many nations which will make up the Soviet Union and its population constitutes a minority. It is strictly an internal matter for the Russian people to determine whether their nation is self-governing. This is not a concern of this Conference or should it be a concern of the United Nations.

It has always appeared to me to be grossly unjust that in any consideration of the colonial or dependent territory problem that the burden is placed only upon the old colonialism, which as I have said has largely reconciled itself to the inevitable changes taking place in the world. The new colonialism, the new imperialism carries with it a far greater threat to the winning of the peace. Surely the non-Communist world in and of itself cannot expect to eliminate the dangerous international tensions which give rise to war. These tensions can be eliminated only by an equal amount of good will and desire for changes on the part of the ruling class of the new colonialism. That is, changes which accord with the freely expressed will of the people. The cause of peace and amity among nations requires that this burden be borne by all forms of colonialism and imperialism.

To that end I urge this Conference now and in the future to give equal consideration and attention to the problems of non-self-governing nations as that given to non-self-governing territories.

The development of representative assemblies in non-self-governing territories

Hon. ANTONI N. SADLAK (United States of America). Mr. President, in behalf of the delegation from the United States of North America I wish to emphasize some actual results, some recent accomplishments from our encouragement in the development of representative assemblies in non-self-governing territories. My remarks will, I hope, confirm that we mean whatever we say when the United States participates in the attainment of this worthy goal by a territory. Our deeds, I feel, will speak better than volumes of words on this process of self government to the territories.

Before I make specific mention of the examples, may I stress an obvious truth concerning all territories; namely, that the people of the territories demand freedom because they are not now free and because the governing powers have made them aware of the Western traditions of freedom, of democracy, and of the wealth that has come from industrial civilization.

Often, however, the people of the self-governing areas do not realize that democ-

racy developed slowly in the West over several centuries as the people gradually won greater freedom for themselves and learned how to use it responsibly so that the freedom of their neighbors was not threatened. Today the non-self-governing areas cannot be told to wait 300 years for freedom to come to them. Many demand it now. Others will soon add their voices to the call for liberty. But we know, too, that democracy will probably not work unless the people can receive some training in the democratic process before they become completely self-governing. Thus, democracy today faces a difficult and deeply trying period and, I trust, we parliamentarians have a like and equal and similar understanding of the definition and meaning of the word "democracy."

After all, the representative assembly is one of the most important devices available in trying to solve this seemingly impossible problem of how to create as it were, "instant democracy." The representative assembly provides an opportunity to give the people of the territory experience in the elective process, in enacting laws and administering, the nation without giving them full responsibility and power all at once. As it becomes apparent that each new grant of power is used responsibly, the governing nation should increase the powers of the representative assembly and thus gradually bring the territory to self-determination by peaceful means.

May I here insert my complete, unqualified endorsement of the proposed amendment of my colleague, Mr. FEIGHAN, of the United States, who cites his concern and vigorously protests the deprivation of once free, independent nations which successfully attained complete freedom, and have been reduced to the status of non-self-governing nations by a new colonialism or imperialism.

Now for my examples: The Philippine Islands became independent in 1946 by the mutual consent of the Filipinos and the Americans after a lengthy process in which more and more power was gradually extended to a representative Filipino assembly. Today the Philippines are a republic with a working democracy, and have an outstanding delegation here in Rio. They also maintain a close and friendly relationship with the United States. On the other hand Puerto Rico rejected independence from the United States and chose to become a commonwealth in 1952. Puerto Rico has the same autonomy in local affairs as one of the United States and its citizens are also United States citizens, but it neither contributes much to the Treasury of the United States, nor has voting representation in our Congress. The Puerto Ricans are free to change their status and apply either for full statehood in the United States, or to become completely independent. Finally, I would point out that Alaska has just been made our 49th State and the people of Hawaii are also seeking statehood rather than independence. I cite these examples, my fellow delegates, to demonstrate that the development of representative assemblies in non-self-governing territories does not necessarily lead to the independence of the territory or become a device for the expression of hatred toward the governing power if a territory does choose independence. Much depends on the character of the past relationship between the territory and the governing power and the compatability of their interests.

The United States is even beginning the processes of self-government on the 2,000 scattered islands of Micronesia in the South Pacific, which we hold under a U.N. trusteeship agreement. Thus far we have given the islanders a sense of unity that they have never experienced previously. The natives of the more than 1,000 Marshall Islands govern themselves under American guidance by a system of elected officials and a two-house congress, with the upper chamber consisting of hereditary nobles. A constitution is now being drafted for the Ponape district of the Caroline Islands and these same things are taking place for the first time elsewhere in Micronesia which has known only rule by foreign powers for hundreds of years. The goal of the United States is an independent Micronesian federation. I might add that the United States has even permitted the natives of Okinawa and the Bonin Islands to assume a significant degree of local self-government even though these are strategic trusts which we hold under the Japanese Peace Treaty and which will one day be returned to Japan.

In conclusion, I would like to stress once again what the United States feels to be one of the central truths of our time. The peoples of the non-self-governing territories are demanding self-determination in ever-increasing numbers today and if they are to develop as democracies rather than as totalitarian governments, the Western nations must speed up the process of laying the basis for democracy including the development of responsible representative assemblies. Encouragement from the Interparliamentary Union could play a significant part in increasing the number of such assemblies. I hope this will be one result of our meeting here this year.

And, Mr. President, permit me to take this opportunity to express my deep appreciation for the courtesies, for the warmth, and genuine reception by our Brazilian hosts. For me and mine I say—Muito obrigado, caros vizinhos.

Farewell remarks by Hon. Homer Ferguson, United States of America

Hon. HOMER FERGUSON, United States of America. Mr. President, I would like to say a few words to the delegates before I am compelled to leave. Our delegation is required to return to the States because Congress is in session and important matters are on. May I have the permission of the chairman and the delegates to say a few words.

The CHAIRMAN. Yes.

Mr. FERGUSON. Mr. President, fellow delegates, and friends, I first want to thank the delegates and the Interparliamentary Union for the fact that they have named me as an honorary member of this organization. I spent many years while in the Senate of the United States as a delegate to these meetings and I valued that privilege highly. I met my old friends here again and, being greatly interested in foreign policy, it is a great honor for me to be an honorary member of this organization; and may I compliment the Secretary General on his marvelous report to the delegates.

As we depart from this famous and fabulous city, this happy and historic land, we want to voice our great appreciation of the wonderful hospitality of our Brazilian hosts. I know you all agree with me as delegates that nothing has been left undone to minister to our pleasure and to our comfort. We are deeply grateful to everyone who has been responsible for the arrangements of the facilities for this Conference. The reception last evening at the Yacht Club was to all of us the brilliant climax to our visit. We shall always remember this hospitality.

The discussion and the debates of the 47th Conference have revealed, I think, a wide consensus of agreement among the delegates of all nations regarding the matters of expanding capital investments abroad under appropriate conditions, the need of strengthening and implementing the peace of the world, the value of cultural exchanges between nations and the acquisition and defense of freedom of information, as well as the importance of pushing ahead with the development of representative political institutions in the non-self-governing territories.

This Conference also has demonstrated by its own performance its belief in the essential role of the legislature in the conduct of public affairs, whose high function in our respective countries is, I believe further, to make the laws, and to make them by elected representatives of the people who are to be governed by those laws, to watch and control the conduct of elected executive officials and, as far as humanly possible, to represent and carry out the will of their constituents.

Mr. President, we think that one of the principal values of this Conference has been the opportunity we have had for forming closer person-to-person contacts between the lawmakers from many lands. We find that differences of language, culture, and political institutions are overshadowed by our basic common needs and aspirations. Above all, in our opinion, we have the humanity question, we have to consider the souls and aspirations of our people. And so, Mr. President, I know we are going to return to our respective homes with hearts full of gratitude to the Government and the people of Brazil, with deep understanding of each other's problems and viewpoints and with renewed faith in the value of representative government in the world today.

May I wish you all Godspeed in your return to your respective homes.

SENATE

THURSDAY, FEBRUARY 19, 1959

Rabbi Morris Silverman, Emanuel Synagogue, Hartford, Conn., offered the following prayer:

Father of all men and all nations, we thank Thee that through the goodly heritage of freedom we enjoy, our lives are fallen in pleasant places. We pray that we may ever uphold the principle enunciated by George Washington, the Father of our Country: "Happily this Government can give to bigotry no sanction and to persecution no assistance." May we ever hold with him that, "Of all the dispositions and habits which lead to political prosperity, religion, and morality are indispensable supports."

Open our eyes to understand that the greatness of our country lies not only in our material achievements, economic prosperity, industrial expansion, and raising the standards of living, but also in the spiritual advance we make in the justice, harmony, and good will that prevail among us and in the equality of opportunity, offered alike to all our inhabitants, to live in dignity and freedom as becometh children created in Thine image.

Give us courage equal to our responsibilities, and wisdom equal to our strength. Grant that our strength be revealed not only in guided missiles, but in guided leaders, men and women with big hearts and strong minds and broad vision, leaders who will be guided by truth, righteousness, and justice tempered with mercy, to labor for the well-being of all our people.

Bless the President of these United States, the Vice President, the Members of the Senate and the House of Representatives, and all who exercise

just and rightful authority, that they may safeguard the ideals and free institutions which are our country's glory.

O send Thy healing to John Foster Dulles, our Secretary of State, that he may continue to serve our country.

In these critical and trying days of world tension, guide with Thy spirit our leaders and the leaders of all nations, that they may remove the fears, misunderstandings and suspicions, the envy, bigotry, and greed which culminate in strife, violence, and war.

May this land, under Thy providence, be an influence for good throughout the world, uniting all men everywhere in understanding and friendship, in freedom, and world peace. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 17, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, notified the Senate that, pursuant to the provisions of Public Law 304, 79th Congress, as amended, the Speaker had appointed Mr. COFFIN, of Maine, as a member of the Joint Economic Committee, on the part of the House.

The message announced that the House had passed a bill (H.R. 4245) relating to the taxation of the income of life insurance companies, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 4245) relating to the taxation of the income of life insurance companies was read twice by its title and referred to the Committee on Finance.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, under the rule there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SESSION OF THE SENATE

Mr. STENNIS. Mr. President, I ask unanimous consent that the Authorization Subcommittee of the Committee on Aeronautical and Space Sciences be permitted to sit this afternoon to conduct a hearing, even through the Senate may be in session at that time.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

UNITED NATIONS

The Chief Clerk proceeded to read sundry nominations, to be alternate representatives of the United States of America to the 13th session of the General Assembly of the United Nations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

The Chief Clerk read the nomination of Franklin D. Murphy, of Kansas, to be a member of the U.S. Advisory Commission on Educational Exchange for a term of 3 years expiring January 27, 1962, and until his successor has been appointed and qualified.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. STENNIS. Mr. President, many times nominations of outstanding men like Dr. Murphy, who serve in Government at considerable sacrifice, are approved in the Senate without any comment on the floor. I have the privilege of knowing Dr. Murphy, having served with him in a limited capacity on a commission. I do not know when I have been more favorably impressed with anyone than I have been with the capacity and ability of Dr. Murphy. It was a great pleasure for me to serve with him on the commission. I am glad the Senate has confirmed his nomination.

Mr. CARLSON. Mr. President, I appreciate what the Senator from Mississippi has said about the confirmation of the nomination of Dr. Franklin D. Murphy, chancellor of Kansas University. As the Senator has stated, Dr. Murphy is an outstanding educator, a great American, and a great citizen. We are fortunate to get the services of men of that type in this and other positions of the Federal Government.

Mr. STENNIS. I thank the Senator.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR ADJOURNMENT TO MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns today, it adjourn to meet at 12 o'clock noon on Monday next.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TRIBUTES TO SENATOR CARL HAYDEN

Mr. GOLDWATER. Mr. President, it becomes my very happy pleasure to invite the attention of my colleagues to the fact that the present occupant of the chair, my distinguished senior colleague from Arizona, Senator CARL HAYDEN, is beginning his 48th year of service in the Congress of the United States. I believe I am correct in stating this is a period of service longer than that attained by any other man who has served the country in this capacity.

Mr. President, Senator HAYDEN and I have been friends all of my life, and our families have been friends all of their lives. We have been on opposite sides of the political fence, but I do not mind saying publicly I have often supported this outstanding Democrat. I hold nothing against him for the times he has felt it necessary to oppose me because I happen to be a Republican, because I know that deep in his heart there is a feeling for me akin to the feeling I have always held in my heart for him.

Mr. President, we in Arizona recognize CARL HAYDEN to be one of Arizona's outstanding citizens. He was born at Hayden's Ferry, now called Tempe, the site of one of the largest and fastest growing universities in our State. He was born there in 1877. He was educated in the schools of Arizona, and in Stanford University. At Stanford University, I will say, he played center on the first football team Stanford ever had—and some people in the West have suggested it was the last football team Stanford ever had.

At one time during his illustrious career—I relate this because it is an interesting story—he was the sheriff of Maricopa County, which is our largest county. At one time he was an umpire in a baseball game in which the distinguished senior Senator from Massachusetts [Mr. SALTONSTALL] played as a par-

ticipant from one of the schools nearby. He served in the Army during World War I. He has always been interested in military affairs, particularly marksmanship and the use of the rifle.

Mr. President, we in Arizona are proud of this man, and it gives me a great deal of pleasure to stand on this floor today as one of the two Senators from Arizona who, I will say, were born in the Territory of Arizona, and express to my colleagues and to my friend CARL HAYDEN personally my high admiration for him.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield to the Senator from Montana.

The PRESIDENT pro tempore. In morning business the Chair will recognize the Senator from Rhode Island [Mr. PASTORE].

Mr. MANSFIELD. Mr. President, the Senator yielded to me, and I ask unanimous consent that the Senator may be permitted to yield.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I take this opportunity to associate myself, the senior Senator from Texas [Mr. JOHNSON], and all the Democrats on this side of the aisle with all the Republicans on the other side, in endorsing wholeheartedly what the distinguished junior Senator from Arizona has said about CARL HAYDEN.

CARL HAYDEN is not simply a Senator from Arizona. CARL HAYDEN, in my opinion, is a Senator's Senator. He knows what makes the wheels of Government go. He is appreciative of the other fellow's point of view. He is understanding. He is cooperative. He is tolerant. This country is extremely fortunate in having a man of the caliber of CARL HAYDEN as President pro tempore of the Senate of the United States.

This man, who was a sheriff, a law man in territorial days, has had the unique honor and distinction of serving his State ever since it was admitted into the Union, as a Member of either the House of Representatives or of the Senate. Arizona is extremely fortunate, but the Nation and the free world are more fortunate.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield to the Senator from Illinois.

The PRESIDENT pro tempore. The Chair will recognize, in morning business, the Senator from Rhode Island.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CASE of South Dakota. Mr. President, would it be out of order, on an occasion such as this, for the Members of the Senate present to stand and to join in a little applause?

(Applause, Senators rising.)

Mr. GOLDWATER. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. GOLDWATER. Have I lost my right to the floor? I have some other matters to present, under the 3-minute limitation.

The PRESIDENT pro tempore. The Chair had assumed the Senator had exhausted his time.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the Senator from Arizona may have additional time in which to yield to other Senators who wish to pay their respects to the distinguished occupant of the chair.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

Mr. GOLDWATER. Mr. President, I yield to my friend the Senator from Illinois.

Mr. DIRKSEN. Mr. President, as well as I have known the distinguished occupant of the chair, and as long as I have served under his chairmanship, I did not know he was a law man from the Territory. I say to him now that, much as I have delighted in watching westerns on television, I shall watch them with even greater delight and relish, knowing that they are symbolic of the great law man's part in the building of the great West.

I have served under many chairmen in the House and Senate over the past 25 years. Never have I served under any chairman who was more gracious, more kindly, more sympathetic, and more equitable as he dealt with members of the committee. I bear testimony to the genial, kindly, and effective way in which he charted the direction of the great Committee on Appropriations. It has been a delight, indeed, to serve under his chairmanship.

As I recall, his State entered the Union in 1912, and he came to the House as its first Representative. Probably few persons in the history of the Republic will have served so long coterminally with the entire history of a State from the date it was admitted into the sisterhood of the Union.

I am happy to join in these felicitations.

Mr. MUNDT. Mr. President, will the Senator yield to me?

Mr. GOLDWATER. I yield to the Senator from South Dakota.

Mr. MUNDT. Let me say to my good friend from Illinois that, first, I see two distinguished Senators on their feet, Mr. GRUENING and Mr. BARTLETT, both of who have served their State of Alaska from the time it was admitted into the Union. That period of time has been a little shorter than is the case with the distinguished Senator from Arizona, however.

I associate myself with the felicitous statements just made by my colleagues, and say that, as one who serves as ranking Republican member with the distinguished occupant of the chair, the distinguished senior Senator from Arizona, on the Interior Department Subcommittee of the Committee on Appropriations, I have noted that much of our business is transacted with only two members of the subcommittee present at any one time. Frequently Senator HAYDEN and I must confer alone or hear witnesses alone because of the commitments of other subcommittee members.

I can testify therefore from personal experience to the fact that here is a man who has the interests of his country, of the world, and of the great State of Arizona constantly before him. Never has there been a whisper of partisanship in our committee. He has been an ideal chairman with whom to work.

I have known that he was a law man in the early days. He is still a law man in the committee room. He expedites business with the great capacity which a sheriff has for getting things done right. He maintains order and decorum, not only in our subcommittee, but in the full Committee on Appropriations, of which he is our distinguished chairman.

It is always a real source of gratification to me, in speaking to audiences here and there, to refer to CARL HAYDEN, and the fact emphasized by my good friend from Illinois and other Senators, that for almost half a century he has been a Member of the U.S. Senate. For an even longer period than that, he has been a Member of the National Legislature. He has been a Member of either the House or the Senate from 1912 to 1959, representing the great State of Arizona since it became the last area to enter the Union until Alaska came along to join us in this Congress. That fact bears testimony to the youth of this Republic. It is significant that a country which, for so long, had its membership limited to 48 States, and which enjoyed its greatest growth during that period of time, has had constantly in the National Legislature a man who came into the Congress when his State entered the Union.

Many of the great powers of the world are older than the United States in terms of years of existence. However, ours is a country which is the youngest of the world powers, but at the same time the oldest of the world powers still conducting its affairs under its original articles of incorporation, the same Constitution which set us up in business as a great and growing Nation.

Men like CARL HAYDEN are responsible for the fact that our young country has been not only so expansive, but so enduring.

Mr. HUMPHREY. Mr. President, will the Senator from Arizona yield to me?

Mr. GOLDWATER. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator from Arizona for yielding to me in order that I may join my colleagues in paying a more than well deserved tribute—and I hope a generous tribute—to the senior Senator from Arizona, the President pro tempore of the Senate and the present occupant of the chair.

Former President Truman once told me that if a man wanted a guide as to how to be a good United States Senator, all he needed to do was to study the life of CARL HAYDEN. That was perhaps one of the most profound and reassuring statements ever made by any President.

The senior Senator from Arizona has been referred to as a law man. I do not know of anyone who has contributed more to the law of the Nation than has the senior Senator from Arizona. The

law is just; and the Senator from Arizona has exemplified that type of justice.

Personally, I wish to thank him for the many kindnesses and courtesies he has extended not only to me, but to others, in our personal relationships in this body. What is even more significant is the poise, the statesmanship, and the quality of his leadership which is manifested in his many activities in the Senate.

Senator HAYDEN is not only a great Democrat; he is a great American. Even more important, he is a patriot, and a friend to man.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. GOLDWATER. I yield to the Senator from Rhode Island.

Mr. PASTORE. I should like to join my colleagues in deserved tribute to the senior Senator from Arizona.

I had been a Member of the Senate for only a very short time when I overheard a very distinguished Republican say one day, "If I were troubled by any legislative matter, there is one Senator I would consult, and that is CARL HAYDEN, of Arizona."

I think that precisely and pithily expresses the esteem, appreciation, and high regard which Members of this august body have for our distinguished colleague from the great State of Arizona.

CARL HAYDEN has always had a paternal solicitude for younger Members of the Senate as they come to this great body. That concern typifies the great heart and mind of this distinguished man from Arizona. I join my colleague the junior Senator from Arizona [Mr. GOLDWATER] in wishing CARL HAYDEN many more years of good health and service to the people of his country through his tenure of office in the U.S. Senate.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. GRUENING. I consider myself fortunate in being able to associate myself with the remarks of the distinguished junior Senator from Arizona. Representing the youngest and newest State of the Union, it is a pleasure to record that for many years the Alaskans' aspiration to statehood has enjoyed the support and sympathy of the senior Senator from Arizona, that great representative of the last State to be admitted to the Union previous to the admission of Alaska. He lived there when it was still a Territory and never forgot the handicaps of territorialism.

During the many years when some of us working for statehood were down here in Washington promoting what at times seemed to be a remote and not too promising a cause, we always found CARL HAYDEN sympathetic. Six or seven years ago when I was speaking with him on the subject of statehood for Alaska, he said, humorously, "We can't let you in. We have no room for you."

I said, "Can't you do something about that?"

He said, "Certainly; we can build a new Senate Office Building."

He went ahead and did it. At least we know that he played an important part in it. So we Alaskans are extremely grateful for his sympathetic interest in our cause, a sympathy expressed not merely by word but by deed.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. BARTLETT. As a Senator from the baby State of Alaska, I wish to join my colleagues in paying deserved tribute to the senior Senator from Arizona, which was the baby State until last month.

So long as this Nation has in high office men of the caliber, stature, and wisdom of CARL HAYDEN, all will be well.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. ROBERTSON. For many years my distinguished predecessor, Carter Glass, was chairman of the Senate Committee on Appropriations. He served on that committee with the present chairman, the distinguished senior Senator from Arizona.

Since 1947 the junior Senator from Virginia has been privileged to serve on the Appropriations Committee with the senior Senator from Arizona, and therefore can better appreciate what his predecessor meant when he said, "If the Constitution should ever permit Virginia to have three Senators, I hope the third one will be CARL HAYDEN."

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. NEUBERGER. I believe it is fitting that we praise CARL HAYDEN with very few words, because he is a man who attains his own accomplishments in very few words.

I invite the attention of my colleagues to one very salient fact regarding CARL HAYDEN. Whenever any issue affecting the State of Oregon is before the Appropriations Committee, even though I was born in the State of Oregon, I find that CARL HAYDEN knows more about our State than I do.

I believe that speaks more than anything else that can be said about the wisdom, knowledge, diligence and statesmanship of CARL HAYDEN.

Mr. CAPEHART. Mr. President, I wish to join my colleague in praising CARL HAYDEN. I have been a great admirer of his for the 15 years I have served in the Senate. I admire many things about him, but the two things I admire most are his modesty, and the fact that he talks so little on the floor of the Senate.

Mr. MCNAMARA. Mr. President, I wish also to join in the tributes paid to the senior Senator from Arizona [Mr. HAYDEN]. He is truly a great American and I wish him well on the start of his 48th year in the Congress. My heartiest congratulations.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

COMPENSATION OF GENERAL COUNSEL OF DEPARTMENT OF COMMERCE

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to fix the compensation of the General Counsel of the Department of Commerce (with accompanying papers); to the Committee on Post Office and Civil Service.

AMENDMENT OF SECTION 502 OF GENERAL BRIDGE ACT OF 1946

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 502 of the General Bridge Act of 1946, and for other purposes (with accompanying papers); to the Committee on Public Works.

ANNUAL AUDIT OF BRIDGE COMMISSIONS AND AUTHORITIES CREATED BY ACT OF CONGRESS

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to provide for the annual audit of bridge commissions and authorities created by act of Congress, for the filling of vacancies in the membership thereof, and for other purposes (with an accompanying paper); to the Committee on Public Works.

RESOLUTION OF GENERAL ASSEMBLY OF RHODE ISLAND

Mr. PASTORE. Mr. President, on behalf of myself, and the senior Senator from Rhode Island [Mr. GREEN], I present for appropriate reference, and ask to have printed in the RECORD a resolution of the General Assembly of the State of Rhode Island memorializing the Congress of the United States with respect to the construction of a breakwater across the northern approaches to Coddington Cove in Newport, R. I., passed by the general assembly at the January session 1959.

There being no objection, the resolution was referred to the Committee on Public Works; and, under the rule, was ordered to be printed in the RECORD, as follows:

S. 177

Resolution memorializing Congress with respect to the construction of a breakwater across the northern approaches to Coddington Cove in Newport, R. I.

Whereas the General Assembly of the State of Rhode Island and Providence Plantations here assembled, is dedicated to the continued prosperity of our Nation and our State; and

Whereas we recognize the necessity for a strong United States Navy to insure our free use of the seas, and the vital contribution made to our national defense by the ships of the Destroyer Force, U.S. Atlantic Fleet; and

Whereas a considerable portion of the State of Rhode Island's income is derived from salaries paid by the Navy and from purchases by the Navy to support fleet units based in Rhode Island; and

Whereas the Destroyer Force, U.S. Atlantic Fleet, contributes the largest single share to the local economy with an annual estimated payroll of $53 million to its 21,000 men whose ships are home ported in our State; and

Whereas (1) During any 48-hour period of heavy seas and strong winds, ships berthed in Coddington Cove in Rhode Island lose an estimated $117,000 in man-hours' labor as a result of interference to normal work schedules; and

(2) Loss of work due to decreased efficiency of destroyer tender repair forces during such a 48-hour period is estimated at $9,000; and

(3) An additional estimated $14,000 is lost during this 48-hour period as a result of increased maintenance costs including loss of fuel required to maintain engineering standby conditions, costs of food required to feed destroyermen who would normally be ashore during liberty hours, and costs of civilian laborers required for possible emergency

sortie from the now-unprotected destroyer pier area; and

Since this loss is in effect sustained by the taxpayers and is the result of inadequate protection to the berthing piers in Coddington Cove the principal berthing area for destroyers in the Atlantic Fleet: Now, therefore, be it

Resolved, That the members of the general assembly now request Congress to give prompt consideration to the construction of a breakwater across the northern approaches to Coddington Cove, to provide a safe harbor in Narragansett Bay, R.I., and to effect an economy in a time of heavy military expenditures, respectfully requesting the Senators and Representatives from Rhode Island in the Congress of the United States to make every effort to expedite the construction of this breakwater; directing the secretary of state to transmit to the Senators and Representatives from Rhode Island in the Congress of the United States, the U.S. Bureau of Yards and Docks and the Secretary of Defense duly certified copies of this resolution.

STATEHOOD FOR HAWAII—JOINT RESOLUTION OF LEGISLATURE OF NEW MEXICO

Mr. CHAVEZ. Mr. President, the 24th Legislature of New Mexico passed a joint memorial memorializing the Congress to extend the full rights and duties of statehood to Hawaii by admitting her into the Union. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the joint resolution was referred to the Committee on Interior and Insular Affairs, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE JOINT MEMORIAL 5

Joint memorial memorializing the Congress of these United States to extend the fullest rights, duties, and blessings of statehood upon Hawaii by admitting her to the Union of the United States of America

Whereas over 49 percent of the pupils in the public schools of Hawaii are citizens of the United States; and

Whereas the half million people of the islands include among their members large numbers of three great racial groups who speak five of the great languages heard around the world; and

Whereas members of nearly 50 language and racial groups and subgroups have long been associated together in amity and mutual esteem in the public schools of the territory; and

Whereas as long ago as 1851 the islanders secretly petitioned these United States to be taken under our protection; and

Whereas the islands of Hawaii were annexed by joint resolution of Congress in 1898 and established as a Territory by law in 1900; and

Whereas the people of the Territory have amply demonstrated their capacity for self-government and self-reliance; and

Whereas the people of the United States must demonstrate to the world that our published ideals of liberty, fraternity, and equality are in truth a living creed to which we adhere: Now, therefore, be it

Resolved by the Legislature of the State of New Mexico, That the Congress and President of the United States be respectfully petitioned to admit Hawaii to statehood without delay; and be it further

Resolved, That copies of this joint memorial of the Legislature of the State of New Mexico be sent to the President of the United States, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and to the members of the New Mexico delegation to the U.S. Congress.

ED V. MEAD,
President, Senate.
HAL THORNBERRY,
Chief Clerk.
MACK EASLEY,
Speaker, House of Representatives.
ALBERT ROMERO,
Chief Clerk, House of Representatives.

HIGH FREQUENCY BOOSTER STATIONS FOR TELEVISION RECEPTION

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD Senate Joint Memorial 1, adopted by the Montana Legislature, which urges the Congress of the United States and the Federal Communications Commission to take such remedial action as deemed necessary to preclude the closing of very high frequency booster stations necessary for television reception in areas of the State of Montana.

Mr. President, I support this memorial and view it as strong support for Senate Concurrent Resolution 4 submitted on January 23, 1959, by the Senator from Colorado [Mr. CARROLL], and cosponsored by myself, the junior Senator from Montana [Mr. MANSFIELD], and a number of other western Senators.

There being no objection, the joint memorial was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

SENATE JOINT MEMORIAL 1

Joint memorial by the Senate of the 36th Legislative Assembly of the State of Montana, the House of Representatives concurring, to the Congress of the United States; the Honorable JAMES E. MURRAY, U.S. Senator from Montana; the Honorable MIKE MANSFIELD, U.S. Senator from Montana; the Honorable LEE METCALF, U.S. Congressman from Montana; the Honorable LEROY ANDERSON, Congressman from Montana; and the Federal Communications Commission to take such remedial action as deemed necessary to preclude the closing of very high frequency booster stations necessary for television reception in areas of the State of Montana

Whereas there are many communities and farm areas within the State of Montana, whose people depend upon low power, very high frequency stations as their only means of receiving television programs; and

Whereas the rugged terrain of the Rocky Mountain region and the large number of isolated farm homes, ranch homes, and small communities makes the use of ultra high frequency translator stations impractical, if indeed not impossible, according to the opinions expressed by competent and qualified broadcast engineers, as well as by certain members of the Federal Communications Commission; and

Whereas it is economically impossible for these communities and farm areas to support, construct, or operate any other form of duly authorized television service; and

Whereas the loss of low power very high frequency booster stations would deprive not less than one-fourth of the people of Montana of television service; and

Whereas there is ample proof that low power very high frequency booster stations can be regulated so as to preclude interference with licensed television services or commercial and military communications and navigation services; and

Whereas the Federal Communications Commission did summarily dismiss, without formal hearing, its own rule making proceedings relating to "repeater" or "booster" stations operating in the very high frequency television band of frequency assignments; and

Whereas the Federal Communications Commission did on December 31, 1958, make formal announcement of its dismissal of petitions for reconsideration, including those filed by the Honorable J. Hugo Aronson, Governor of Montana; the Honorable James E. Murray, U.S. Senator from Montana; the Honorable Mike Mansfield, U.S. Senator from Montana; the Honorable Lee Metcalf, Congressman from Montana; and the Honorable LeRoy Anderson, Congressman from Montana, all of whom sought to procure reasonable rules which would permit the continued operation of said booster stations under the regulatory power of the Federal Government; and

Whereas the Federal Communications Commission did also announce on December 31, 1958, that all booster stations would be given a period of 90 days in which to apply for conversion to ultra high frequency translators or some other authorized television operation, and upon failure to do so would be ordered to cease operation: Now, therefore, be it

Resolved by the Senate of the 36th Legislative Assembly of the State of Montana, the House of Representatives concurring, That the Senate of the State of Montana, the House of Representatives concurring, hereby memorialize the Federal Communications Commission to rescind its order of December 31, 1958, and the Congress of the United States for such remedial action within such 90-day period as the Congress deems fit through the exercise of its authority over the Federal Communications Commission to insure the continued operation of low power very high frequency booster stations, to the end that the people in the small communities and rural areas of the State of Montana shall not be denied their basic right to equality of access to the informational, educational, inspirational, cultural, and entertainment services of the American system of free television; and be it further

Resolved, That copies of this joint memorial of the 36th Legislative Assembly of the State of Montana be transmitted by the Secretary of State of the State of Montana; to the President of the Senate of the United States; the Speaker of the House of Representatives of the United States; the Honorable James E. Murray, U.S. Senator from Montana; the Honorable Mike Mansfield, U.S. Senator from Montana; the Honorable Lee Metcalf, Congressman from Montana; the Honorable LeRoy Anderson, Congressman from Montana; and Mr. John C. Doerfer, Chairman of the Federal Communications Commission.

PAUL CANNON,
President of the Senate.
JOHN J. MACDONALD,
Speaker of the House.

POLITICAL SITUATION IN KOREA—LETTERS

Mr. GREEN. Mr. President, many of us are disturbed about the political situation in Korea. The Committee on Foreign Relations has been briefed on it by the U.S. Ambassador there, Ambassador Dowling. It would appear that some members of the Liberal Party, the government party in Korea, desire to perpetuate themselves in power by restricting the activities of members of the Democratic Party, the opposition party in Korea.

I have received two letters from one of my constituents who is now teaching at a university in the city of Taegu, Korea. He is widely acquainted there and presents a description of the situation which checks pretty well with other information which I have received. I urge that other Senators read these letters, and I suggest that the Department of State examine the policy proposals contained in them.

Mr. President, I ask unanimous consent that the letters to which I have referred be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF.,
January 21, 1959.

Hon. THEODORE F. GREEN,
U.S. Senate, Washington, D.C.

DEAR SENATOR GREEN: Recently there have been some political developments of such portent and significance in this country that I feel it is necessary to give a fuller explanation of them than that which may be found in the newspapers and magazines which you may see in the United States.

In view of your position and the fact that I am one of your constituents, I am sending this information to you before anyone else. Substantially the same material will be sent to other interested parties in a few days time. A second copy of this letter will also be sent in care of your secretary. Since the administration and the Department of State have their own sources of information, I shall probably not send a copy through official channels, especially since I assume that you can approach them on the subject if you believe there is anything in what I have to say.

I do not know exactly to what extent my views may agree or conflict with those of Ambassador Dowling and his staff, but I should like to state briefly why I feel that I am entitled to a hearing. Following graduation from Yale in 1953, I spent 2 years in the Army, one of them in Korea as an agent and analyst for the U.S. Army Counter Intelligence Corps. I then spent the academic year 1956–57 at Yale studying the Korean language. I returned to Korea in September 1957 as an employee of the Asia Foundation and I have been teaching at a university in Taegu for the past year and a half. I do not claim to be closely associated with the top political figures in Korea, but I have many longstanding acquaintances in Seoul; I know a number of newspaper editors and reporters; I have considerable contact with students and intellectuals; and I have fair contact with the ordinary people in the cities. Since I am not an official of the Government it is perhaps easier for me to have frank conversations with Koreans in sensitive positions; however, I have found that quite a number of Americans here are in substantial agreement with me, including several of our Government officials, and it is not the purpose of my letter to criticize any of the individuals who are implementing our policy here. I have no interest in the prosperity of any Korean political party or group. My views are my own. I do not speak for the Asia Foundation.

The situation in Korea has become increasingly more tense since the last general election in May 1958 due to the efforts of the party in power, the Liberal Party, to enact legislation which will guarantee their control of the presidential election in 1960 and to put into effect security measures which will prevent the mobilization of public opinion against the proposed legislation.

In essence, the background is simple enough. The last few elections have been sufficiently democratic to permit the opposition groups to increase their percentage of the popular vote as well as their representation in the national assembly. The trend may be observed in a comparison of the election of 1952 when Rhee received 72 percent of the popular vote with that of 1956 when he received 56 percent. In 1956 the candidate of the Democratic Party, the major opposition party, Mr. Shin I Ki (Shinicky) died shortly before the election, yet he received a protest vote amounting to about one-fifth of the total vote. (R.O.K. election law forbids the substitution of candidates on short notice.) The remainder of the vote went to Cho Bong Am, the leader of the Progressive Party. Cho had once been a Communist, but subsequent to his renunciation of communism he was so well thought of as to be named Minister of Agriculture in the first R.O.K. cabinet of 1948. In the same election in 1956 a Democratic Party Vice President, Chang Myun (John M. Chang) was swept into office over Assembly speaker, Lee Ki Pung, Rhee's own choice.

About 6 months before the last election the Progressive Party was indicted for subversion in behalf of the North Korean regime. Following the first trial in this highly controversial case, Cho Bong Am was given a 5-year sentence. The prosecution appealed and, at the conclusion of the second trial in November 1958, Mr. Cho was sentenced to death.

Vice President Chang may not be under "house arrest," depending on what that is, but he is under police surveillance and few people dare to visit him at his home unless they are already openly committed to his party.

In the National Assembly election of 1958 the opposition Democratic Party raised its strength in the Assembly from about 50 to over 80. In this election for the first time the Liberal Party's majority was cut to less than two-thirds of the 233 members. Had campaign and electoral procedures been properly observed, it is quite conceivable that a Democratic Party majority would have been elected. In actual fact, there were many irregularities. In some instances these occurred in the cities and came to the attention of the newspapers. In a few of such cases where flagrant violations such as the theft of ballots were noted by U.N. observers the result was declared invalid. The population is over 60-percent rural, however, and the Government control of the rural areas is very strong. Opposition newspapers are not easily distributed there and the Democratic Party lacks the funds for extensive campaigning outside the metropolitan areas. In addition, rallies may be forbidden in country districts and opposition supporters, as well as opposition candidates, intimidated without these things becoming known to the press or the general public.

In spite of this lack of integrity in the election procedures it became obvious that there is a definite and continuing trend toward the opposition due to growing dissatisfaction with the Government. Until last summer there seemed to be grounds for a sober optimism in regard to the long term picture. None of the competing political parties were indifferent to the Communist menace. Resort to coercion on the part of the Government seemed less than previously. The election of an opposition Vice President had proved that elections were not completely farcical. Courts were able to hand down verdicts which redressed violations of the election law, and there seemed to be a growing awareness of democratic principles and an increased desire to put these principles into practice. Since the early fall however, the administration, apparently realizing that drastic measures would now be necessary, has been cracking down hard in an attempt to narrow the area of maneuver for those in opposition. In the legislative field the two most important bills have been those to amend the security law and the local autonomy law. The effect of the first, because of its vagueness, is to provide for penalties against those who say or write things critical of the Government. The effect of the second is to provide for the appointment by the Central Government of local officials from the level of mayor down to that of district chief. (District denotes the administrative level just above that of village. Provincial governors and vice governors have always been appointed.) The appointment system replaces that of popular election. Most of the mayors of cities and towns are of the opposition party and the Government is expected to replace about two-thirds of these before the presidential election in 1960. The opposition party will be further hurt by the fact that the cancellation of the many local campaigns which would have been held before the presidential election deprives them of the opportunity to keep issues before the Government and to criticize the policies of the Government. The long range effect on the development of the understanding and practice of self-government among the bulk of the population is obvious. In addition to these two bills one has been proposed to alter the status of the judiciary through a change in the system of appointments so that the position of the judiciary vis-a-vis that of the administration will be reduced. In their purpose and in their result these bills give the Liberal Party a stranglehold on the country. Misdeeds will be easier at the time of the next election. The press will be prevented from reporting them and the judiciary from rectifying them.

The Democratic Party minority in the Assembly regarded these bills as a threat to the continued existence of their party since they would prevent the party from severely criticizing the Government and from using the press as a weapon. As they lacked the numerical strength to block the bill to amend the security law by vote in the Assembly, they attempted to stop it by occupying the legislative chamber day and night and by obstructing the normal procedure of the house by noisy demonstrations whenever the majority party attempted to hold a session. Previously they had attempted to block the bill in committee by procedural tactics. Rules state that a member may not be interrupted while questioning the committee chairman and that he may question as long as he desires. The Democratic Party members on the committee had held up the bill in this way, but the Liberal Party members of the committee agreed privately to hold a session at a time unknown to the Democratic Party members and at that meeting the bill was cleared through without further debate. The so-called Democratic Party "sitdown strike" continued for about 5 or 6 days before Christmas. On the morning of Christmas Eve the police cordoned off an area of several blocks around the National Assembly building. Three hundred men in police uniforms entered the chamber and in a violent battle overcame the Democratic Party members and dragged them from the chamber. While the opposition members were detained in rooms above and below the chamber the Liberals by a vote of 128 to nothing passed not only the security bill but also the new autonomy law and some 20-odd other bills, including the budget for 1959. All were passed without debate. Several of the minority assemblymen were hospitalized after the battle. It appears that the men who removed the assemblymen were not members of the regular Assembly security force. The story in the newspapers is that, judo experts were brought up to deal with the situation and that additional uniforms had to be made for them the night before the operation in the Assembly. I am not certain of the truth in this matter, but there seems to be general agreement that

the men who did the job were not authorized members of the Assembly security group.

For the past several months there has been a ban on all public gatherings in the city of Seoul. Since the 24th of December this ban has been extended to other cities and towns in order that the Democratic Party may be prevented from holding demonstrations against the security law and calling for its repeal. The Government has taken the position that criticism of any law outside the National Assembly itself is illegal. Law requires that any group planning a rally must notify the police of the time and place. The Democratic Party has adhered to that requirement with the result that at the specified time in various cities throughout the country huge areas are cordoned off by the police, traffic is stopped, passers-by are not only prevented from crossing rope lines but are also stopped on the street and asked to show their identification, and the downtown areas are filled with police and detectives in the now infamous leather jackets. I have observed these things both in Taegu and in Seoul. In Seoul recently the taxi in which I was riding was stopped three times during a 1-mile ride toward the downtown area. As Americans we are not greatly inconvenienced as it is to the interest of the Government to do as little as possible which might occasion unfavorable comment by the foreign community. The Koreans have been considerably inconvenienced however, and their dislike for the Government has increased accordingly.

The justification which has been advanced for the ban on public gatherings and for the bills referred to is that they are made necessary by the increased threat of Communist subversion. I have not been able to find anyone among the Koreans I know, including some who are critical of the opposition party, who takes this justification seriously. There is a general realization that the bills are for the purpose of protecting the Liberal Party monopoly on government and the profits from U.S. aid. (I have heard it said here that if you can stay in the Cabinet for 6 months you can retire for life.) There is no danger of mob violence from rallies which might be held at the present time. To the masses the security bill is an abstract issue and not one which moves them emotionally. The Democratic Party is definitely anti-Communist. Vice President Chang is a Roman Catholic. Most Americans are agreed that its leaders are more conservative in their thinking than the Liberals. The Government has never suggested previously that there was any Communist influence in the Democratic Party, but recently the police have insinuated that the tactics of the party in the present circumstances are like those of the Communists in order to justify measures which may be taken against them.

Rumor has it that the security bill was passed on the order of Syngman Rhee who directed that this be done prior to his return from a Christmas vacation at Chinhae. I do not know whether this is true, but recently he refused to see a group of Democratic Party delegates who wished to discuss the situation with him and a few days ago he refused the request of the Vice President for an appointment on the grounds that he would see no one who is opposed to the security law. Rhee has thus far been regarded almost as above criticism. Mistakes have always been attributed to others and not to the President who has been widely considered to be ignorant somehow of the malfeasance on every side. His refusal to act in the present circumstances to help bring about a resumption of parliamentary activity is beginning to bring about a more realistic and critical view of the man.

I do not know exactly how our policy planners conceive of our interest in Korea. There are some Americans who believe that we are purposely supporting the Liberal Party because it is an avowed anti-Communist group and that because of the importance of our military position here we are prepared to condone any enormity which this group may commit. From a conversation I had a few weeks ago with Mr. Warne, the director of OEC (ICA in Korea), I am inclined to doubt this. It seems rather that we are seriously following a policy of noninterference. I do not claim to know enough to state positively what policy we should follow, however I have been observing events here for some time and have talked to a great many Koreans who are well acquainted with what is happening here and I feel that if things continue as at present we may be caught in a very dangerous and embarrassing situation.

Over the past few years popular dissatisfaction with the Government has steadily increased. This has in part been due to the chronic economic difficulties of the country, but additionally to the fact that the Government officials are robbing the people and the people know this. There are countless instances of this and the situation has been reported in a number of American magazines and newspapers. Suffice to say it is common knowledge here. One type of robbery involves the misuse of U.S. aid. The other type involves extortion from the Koreans themselves. For example if a store owner pays a bribe the tax assessed on his store will be low. Otherwise it will steadily increase. I know one store owner who is paying a tax three times as high as that imposed on a larger store of the same type in the same area because of his refusal to bribe. Over and over one hears accounts of this sort of thing and of how merchants who don't cooperate are harried out of business by the police. The unfairness of the system is extremely irritating to the people. Liberal Party people enjoy privileges which may not be readily apparent to foreigners, but which are substantial enough. They may obtain bank loans, for example, regardless of the inadequacy of their security while others are turned away. Good students don't get the best jobs any more. What counts is who you know and the best ones often get nothing unless they can raise some funds and pay someone to hire them. The growing inequity of the system is bringing about increasing discontent. People are antigovernment now whom I remember as being indifferent a few years ago. Japanese imperialism was bad, people are saying, but at least it was fair and everyone suffered the same burden.

The pressure building up against the regime is further increased by the influx of democratic ideas from the West and by the scarcity of jobs for intellectuals. At present there are about 3,500 Korean students in the United States and a few hundred more in other Western countries. Every year some of these return home with the aspiration of putting some of their new ideas into practice only to find that not only are they thwarted in this regard, but also that they are lucky to get any kind of a respectable position at all. Korea has the same proportion of its population in colleges as Great Britain, a highly advanced society, but Korea does not have jobs for its students. Roughly one-fourth of the graduates are able to find jobs. A newspaper editor told me yesterday that every day seven or eight students knock on his door and offer to work for nothing. Every year many of these graduates become part of a highly resentful and disenchanted group of speculative thinkers who believe it is useless to think of progress until a sweeping change reorganizes the whole society.

Those who are students now were only in their teens when the war ended and were barely 12 or so during the Communist occupation in 1950. They lack the understanding of communism which the older groups possess. Already the brightest of them in class are asking, "Why can't the Russian proposals for unification be accepted?" If the present trend continues, we may in a few years be confronted with a situation in which the Russians will be able to accept our proposals for unification because the south, favoring pro-Communist candidates, will outvote the north. The present R.O.K. government opposes Koreawide elections because it does not wish to see its own position threatened, but rather wishes to perpetuate its control, but this attitude will not satisfy the people if there appears to be a real chance of unification through U.N.-sponsored nationwide elections. About 2 months ago a man said to me "the Liberal Party platform makes it too obvious that they don't want unification."

The young men now think of the army primarily as something to be avoided. Those with money and connections can do so while those who are really needed to help support their families are usually too poor to pay the necessary bribe. Morale in the R.O.K. Army is very low especially below the rank of captain. Sympathy with the opposition, judging by the newspapers they read, runs very high as it does among the students. The enlisted men are treated very badly and in the frontline areas especially they are underfed. This last is because the rations are often sold instead of being issued to the men. The men are aware of this and also of the fact that unit commanders are often pressured into turning in majorities for the Liberal Party when elections are held.

The condition of the agrarian population is poor. Inflation in Korea has been almost completely stopped, but seemingly at the cost of the farmers by keeping the cost of farm commodities down. A local official of the Bank of Korea here in Taegu told me recently that 20 percent of the factories in the Taegu area have shut down because the farmers are unable to buy new tools. A Taegu paper on January 17 said that 30 percent of the medium and small enterprises have closed. Similar stories about conditions in the country as a whole appear every week, but somehow they don't find their way into the OEC reports, at least not in those which are made public.

It should not be inferred that there has been no improvement over the last few years. Conditions in the cities have improved and the people are better off than they were before from a material point of view, but they are not satisfied with this because they believe that much more is possible and that they are entitled to much more. The Government tries to whip up excitement with anti-Communist and anti-Japanese drives and the students are turned out to parade from time to time in a semblance of unity, but no one is really enthusiastic. At the parade last summer in celebration of August 15, Liberation Day, I heard no applause even when the President's car drove by.

The common man is not prepared to fight against the security bill because he has too much to worry about simply trying to make ends meet each month. The intellectuals are enraged by it, however, and it is interesting that some of the merchants view it in economic terms. They feel that the officials are engaging in theft and extortion and that the only defense against this is the power to criticize and expose them in the press. The security law will help to muffle such criticism.

I suppose there is little question that we lose respect throughout the world generally by seeming to sponsor the present Korean regime, for, by not interfering in one way or another, we are identified with it by our economic and military aid. I feel there are

other dangers as well. At present the Vice President is a member of the opposition party. Already attempts have been made on his life. Should Rhee die before the 1960 election something will have to be done about Vice President Chang. It would be somewhat embarrassing should the nominal head of State ask for asylum in the United States Embassy. On the other hand, should he be arrested or killed popular feeling would be far higher than over a comparatively abstract issue like the rights of the press. Popular loyalty here is apt to attach itself to individual persons in a strongly emotional way. In 1956 when Shin I Ki died a great crowd gathered at Seoul station when his body was carried off the train. They began to convey his body toward Kyungmudai, the presidential mansion, where they felt he belonged. At Kyungmudai itself they were met by a police line and some violence followed. Those who witnessed the scene seem to be agreed that Syngman Rhee's government would have fallen that day except that it was raining, which tends to lessen the ardor of a crowd, and the fact that the crowd had no leader as the movement was largely spontaneous. Such an uprising could be very unfortunate if those elements of the population who dislike Americans were not controlled. Such an uprising, or the utilization of the national police by one faction to destroy another, or a clash between army units and the national police would almost certainly be prejudicial to the interests of the United States. It would publicize to the world our failure in Korea and perhaps our sponsorship of repression as well. It would be exploited by the Communists as propaganda material and might even be used as an excuse for attack at a favorable moment of confusion.

Even should no uprising or internal strife occur, the country will become very weak as an anti-Communist outpost. A professor, who is not a Democratic Party member, told me that the most energetic and creative elements here are frustrated by the stagnation of the society and the lack of opportunity and that the people are ready to welcome almost any change because they are desperate. One of our arguments in support of our 900,000 man U.S. Army has been that our allies will fight when attacked. This may turn out to be one ally which won't. If legitimate opposition is forced underground, the Communists with their superior organizational tactics will be in a good position to take control of it. The people are basically anti-Communist as a result of the war. There is still a chance to arrest the present trend and save the situation, but there is not a moment to lose.

I should now like to summarize the situation in a few major points.

I

Korea is moving away from a free society and is now virtually a police state. As a country adopts 20th century technology it is bound to swing to one extreme or the other. Every modern nation has had to make this choice.

II

The consequences will be extremely unfortunate for the United States if Korea becomes an unprogressive autocracy maintained by repression. Totalitarianism is feasible if there is an ideal involved and if there is an energetic and dedicated cadre serving the state, but the autocracy here is characterized by its indolence rather than by its energy or its vision. The three main possibilities: our reputation tarnished in the world and resentment against us in Korea, the weakening of Korea as an ally, the danger of a violent outbreak in Korea itself, would all be harmful to the United States.

III

A decisive U.S. policy is required. The crushing of the Democratic Party before the 1960 election would mean the end of any semblance of democracy in Korea. A hard faction has taken over the Liberal Party and it intends to employ force and threats of force to protect its interests. The period from now until the election of 1960 is crucial. If the Democratic Party is intimidated and unable to make a good showing in 1960 it will be financially and psychologically unable to continue as a party. The Liberals cannot accept the possibility of losing power constitutionally or otherwise and they intend to take complete control of the country, by violence if necessary, before the 1960 election takes place. Strong and persistent U.S. pressure is necessary to prevent this if it is not to our interests. The Korean Government will conduct its repression through a series of minor incidents marked by stops and starts with periods of relaxation to lessen public indignation and allay American suspicions. The machinery has been set up and the situation will slide away from us in a series of minor developments unless pressure and vigilance are maintained.

Total noninterference is not a meaningful or realistic policy. Interference is unavoidable in our present military and economic relationship with Korea.

No other third force exists except the unpredictable R.O.K. Army. Aid without supervision is irresponsible interference. Already there have been references in the press to U.S. aid for vehicles and heavy weapons which are being used against the people.

The argument that the Koreans are not ready for democracy is not relevant to the problems posed by the present regime and the tensions and pressures building up against it. Nor does it justify our standing aside while the situation becomes worse than it need be.

IV

There is a danger that too many Americans here have a vested interest in conveying the impression in their reports that all goes well in Korea. This applies to OEC, the Korean Military Advisory Group (KMAG), the State Department and so forth. If things are not as they should be, it's supposed to be someone's fault and naturally no one wants to be blamed. The jobs and contracts involved in American assistance are dependent on the continuance of each phase of the assistance program.

Even with the best intentions American officials are apt to be desk bound and isolated in compounds and thus find it difficult to meet Koreans with whom they can have a frank exchange of views. One very high American official remarked to me that all the families he knew in Seoul had someone in the United States which illustrates the fact that American officials usually associate with the satisfied people and are not easily able to assess the forces of discontent because they rarely talk with people who are discontented.

Apparently we do not feel that it is to our interest to keep our own troops in Korea well informed on the situation here. The radio station here mentioned nothing about the police action in the National Assembly on Christmas Eve, nothing about the security law or the autonomy law, or at least I have not been able to hear anything of these events which have been the biggest news in some years for Koreans. I hardly ever see one of the two English language Korean newspapers in U.S. military establishments and when I do see one it is always the Government Korean Republic rather than the independent Korea Times. Since the U.S. Army paper Stars and Stripes carries almost no Korean news talking to one of our soldiers about events in Korea is like talking with someone in North Dakota.

This letter is submitted in the realization that I am not in possession of all the facts but with the conviction that information from private sources may sometimes be of use particularly in regard to an area not covered regularly by any American correspondents. Although I greatly prefer to see the United States sponsor the growth of democracy I can imagine a situation in which it may be necessary to work with an autocratic regime. If we are to support a regime which is daily growing more rigid and autocratic in this country, does it make sense to have USIS and other organizations here advertising and explaining democracy or to invite liberal arts students to the United States where they can experience democracy first hand. Such policies make sense, it would seem, only if fundamental electoral and judicial processes retain their integrity, the opposition is permitted freedom to maneuver, and in short the way is left open for peaceful change. If this is what we want in Korea, we must persistently pursue a policy toward that end using all the levers available including economic aid. If we merely react from crisis to crisis we will be too late.

Yours very sincerely,

STEPHEN BRADNER.

SAN FRANCISCO, CALIF., *January 27, 1959.*

Hon. THEODORE FRANCIS GREEN,
U.S. Senate, Washington, D.C.

DEAR SENATOR GREEN: I should like to make the following corrections and additions to my letter of January 21.

First. On the third page in the bottom paragraph I said that the opposition Democratic Party here in Korea attempted to stop the security bill by extended questioning in committee but that the Liberals defeated this strategy by scheduling a committee meeting at a time unknown to the Democratic committee members. This was the first account that I heard and I failed to check it carefully. It now appears that the Democratic members were 3 minutes late to the meeting and that the Liberals simply did not wait for their attendance, but sent the bill to the floor without further discussion.

In the final paragraph of my letter I suggested that there might be a conflict of policy in supporting a rigid autocratic regime and at the same time fostering the growth of democratic ideas through organizations such as USIS which advertise democracy and through programs by which Korean students are sent to the United States to study the humanities and to further absorb democratic values. My meaning may be a bit unclear; I mean that if we are to support an autocracy we should be interested in lessening rather than increasing the tension building up against it internally. It appears to me that extensive education in the liberal arts field with a focus on democratic ideals may have the effect of increasing the internal pressure when there are very few jobs for those who receive such education and the governmental functions are in the hands of a closed corporation. Regardless of the fact that the opposition party may be no better than the one presently in power, may there not be some danger in allowing the avenue to constitutional change to be closed while this pressure increases?

Thank you for your attention.

Yours very truly,

STEPHEN BRADNER.

BROTHERHOOD AND BROTHERHOOD WEEK—RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by Suffolk County Post No. 488, Jewish War Veterans of the U.S.A., at Huntington,

N.Y., relating to brotherhood and brotherhood week.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ON BROTHERHOOD AND BROTHERHOOD WEEK

The Suffolk County Post No. 488, Jewish War Veterans of the U.S.A., passed the following resolution at the regular muster held on January 15, 1959, at Temple Beth El, Huntington, N.Y.:

"Whereas the Suffolk County Post No. 488, Jewish War Veterans of the U.S.A., affiliated with the national, department, and district council and the constitutions thereof; and

"Whereas one of the basic principles of the Judaic faith espouses and defines 'brotherhood' and its way of life; and

"Whereas the recent antireligious acts in various parts of our country against houses of worship and the desecration of cemeteries have taken place; and

"Whereas the comrades of the post who served in World Wars I and II and the Korean conflict desire to renew their faith and duties to all their fellow men; therefore, be it

"Resolved, That the Suffolk County Post No. 488, Jewish War Veterans of the U.S.A., affiliated with the oldest veterans organization in our country, call upon our Government to emphasize and proclaim brotherhood, the slogan of 'Let us all live in harmony and peace,' in all corners and areas of our country; and be it

"Resolved, That this resolution be sent to Senators Javits and Keating, Congressman Wainwright, Governor Rockefeller, Supervisor Johnson of township of Huntington, National Commander Shaikowitz of Jewish War Veterans, Department Commander Tannenbaum of Jewish War Veterans, and District Council Commander Wasserman as well as all comrades of the post."

SIDNEY BROWN,
Commander.

Attest:

HERBERT EISENBRUCH,
Adjutant.

REPORT ENTITLED "ACTIVITIES OF THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS" (S. REPT. NO. 52)

Mr. McCLELLAN. Mr. President, on behalf of the Committee on Government Operations, I submit a report of that committee entitled "Activities of the Senate Committee on Government Operations for the 85th Congress," and ask that it be printed.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY:

S. 1104. A bill for the relief of Pak Jae Seun; to the Committee on the Judiciary.

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 1105. A bill to improve the land tenure patterns on the Fort Belknap Reservation; and

S. 1106. A bill to provide that certain lands shall be held in trust for Indian tribes on the Fort Belknap Reservation, and to provide that such lands shall become part of such reservation; to the Committee on Interior and Insular Affairs.

By Mr. GREEN:

S. 1107. A bill for the relief of Eugene O. Jalbert; to the Committee on the Judiciary.

S. 1108. A bill to correct injustice by providing for the payment of certain amounts of compensation to officers who were found under the provisions of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 to have been removed from the active list of the Army without justification and who were subsequently restored to the active list; to the Committee on Armed Services.

By Mr. McNAMARA:

S. 1109. A bill for the relief of Efthimios Chonacas; to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina (for himself and Mr. THURMOND):

S. 1110. A bill to amend the act of August 4, 1955 (Public Law 237, 84th Cong.) to provide for conveyance of certain interests in the lands covered by such act; to the Committee on Agriculture and Forestry.

By Mr. BIBLE (by request):

S. 1111. A bill to make the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 applicable to widows and children of former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service Division, who were retired or whose death occurred prior to the effective date of such amendments of 1957; and

S. 1112. A bill to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 trustees; to the Committee on the District of Columbia.

By Mr. LONG (for himself, Mr. BARTLETT, Mr. BEALL, Mr. BIBLE, Mr. BUSH, Mr. BUTLER, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CARLSON, Mr. CARROLL, Mr. CHAVEZ, Mr. CHURCH, Mr. CLARK, Mr. COOPER, Mr. DOUGLAS, Mr. ENGLE, Mr. ERVIN, Mr. FULBRIGHT, Mr. GREEN, Mr. GRUENING, Mr. HENNINGS, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. JORDAN, Mr. JOHNSTON of South Carolina, Mr. KEATING, Mr. KEFAUVER, Mr. KENNEDY, Mr. KUCHEL, Mr. LANGER, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MARTIN, Mr. MUSKIE, Mr. McCLELLAN, Mr. McGEE, Mr. McNAMARA, Mr. MORSE, Mr. MOSS, Mr. MUNDT, Mr. MURRAY, Mr. NEUBERGER, Mr. O'MAHONEY, Mr. PASTORE, Mr. PROXMIRE, Mr. PROUTY, Mr. RANDOLPH, Mr. SMATHERS, Mrs. SMITH, Mr. SPARKMAN, Mr. SYMINGTON, Mr. THURMOND, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of North Dakota):

S. 1113. A bill to amend title 38 of the United States Code to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Finance.

(See the remarks of Mr. LONG when he introduced the above bill, which appear under a separate heading.)

By Mr. WILLIAMS of Delaware:

S. 1114. A bill to regulate the granting of free or reduced-rate transportation of employees of the U.S. Government by common carriers by water engaged in foreign commerce and in commerce between the United States and its Territories and possessions; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. WILLIAMS of Delaware when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER (for himself and Mr. LONG):

S. 1115. A bill for the relief of the State of Louisiana; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 1116. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide for review by the Secretary of Labor of the minimum wage recommendations of industry committees; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. GOLDWATER when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS (for himself and Mr. HOLLAND):

S. 1117. A bill to provide for the appointment of additional judges for the southern district and the northern and southern districts of Florida; to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 1118. A bill to authorize a 5-year program of grants and scholarships for collegiate education in the field of nursing, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself and Mr. McNAMARA):

S. 1119. A bill to amend the Davis-Bacon Act and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. ROBERTSON (for himself, Mr. FULBRIGHT, and Mr. CAPEHART):

S. 1120. A bill to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits; to the Committee on Banking and Currency.

(See the remarks of Mr. ROBERTSON when he introduced the above bill, which appear under a separate heading.)

By Mr. O'MAHONEY:

S. 1121. A bill to supplement and modify the Act of May 24, 1928 (6 Stat. 383, ch. CXII), insofar as it relates to the corporate powers of the Sisters of the Visitation, of Georgetown in the District of Columbia; to the Committee on the District of Columbia.

By Mr. O'MAHONEY (for himself and Mr. McGEE):

S. 1122. A bill to place in trust status certain lands on the Wind River Indian Reservation in Wyoming; to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY (for himself, Mr. NEUBERGER, Mr. BYRD of West Virginia, Mr. CLARK, Mr. DOUGLAS, Mr. LANGER, Mr. MUNDT, Mr. LAUSCHE, Mr. MANSFIELD, Mr. MARTIN, Mr. MORSE, Mr. MURRAY, Mr. PROXMIRE, Mr. RANDOLPH, Mrs. SMITH, Mr. WILEY, and Mr. WILLIAMS of New Jersey):

S. 1123. A bill to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. CAPEHART (for himself, Mr. AIKEN, Mr. BRIDGES, Mr. CARLSON, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. EASTLAND, Mr. GOLDWATER, Mr. HRUSKA, Mr. MARTIN, Mr. SCHOEPPEL, Mr. SPARKMAN, Mr. ALLOTT, Mr. BEALL, Mr. DIRKSEN, Mr. YOUNG of North Dakota, Mr. LANGER, and Mr. MUNDT):

S. 1124. A bill to provide for a scientific study and research program for the purpose of developing increased and additional industrial uses of agricultural products so as to reduce surpluses of such products and to

increase the income of farmers, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. CAPEHART when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (for himself, Mr. BARTLETT, Mr. GRUENING, Mr. MORSE, Mr. MURRAY, Mr. MANSFIELD, Mr. HUMPHREY, Mr. ALLOTT, Mr. KUCHEL, Mr. ENGLE, Mr. BIBLE, Mr. HOLLAND, Mr. KENNEDY, Mr. CHURCH, Mr. MOSS, and Mr. MCGEE):

S. 1125. A bill to authorize the appropriation of funds for the construction, reconstruction, and improvement of the Alaska Highway; to the Committee on Public Works.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of South Dakota:

S. 1126. A bill to amend section 502 of the General Bridge Act of 1946, and for other purposes, to the Committee on Public Works.

(See the remarks of Mr. CASE of South Dakota when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND:

S. 1127. A bill to prohibit the importation into the United States of polluted shellfish; to the Committee on Finance.

S. 1128. A bill for the relief of Jurij Antin Nimylowycz; to the Committee on the Judiciary.

By Mr. KEATING:

S. 1129. A bill to improve the enforcement of laws pertaining to gambling by suppressing the transmission of certain gambling information; and

S. 1130. A bill to amend section 1 of the Act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

S. 1131. A bill to prohibit certain acts and transactions with respect to gambling materials; and

S. 1132. A bill to punish the use of interstate commerce in furtherance of conspiracies to commit organized crime offenses against any of the several States; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bills, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 1133. A bill for the relief of Alexandra Nicholas Karageorgeou; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 1134. A bill for the relief of Manuel Gil-Carrasco and Jesus Torrado-Espana; and

S. 1135. A bill for the relief of Alice Kazana; to the Committee on the Judiciary.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 1136. A bill to provide for transfer of title to irrigation distribution systems constructed under the Federal reclamation laws upon completion of repayment of the costs thereof; to the Committee on Interior and Insular Affairs.

By Mr. MCCLELLAN:

S. 1137. A bill to provide minimum standards guaranteeing basic rights of labor-union members and insuring ethical practices in the conduct of union affairs; to require disclosure of information to which union members and the public are entitled; to create fiduciary duties and obligations with respect to the administration, disbursement, and reporting of funds by officials of labor unions; to prevent abuses in the administration of union trusteeships; to prevent interference with the right to organize and bargain collectively; to prevent loss of Government revenues due to evasion of income-tax laws; and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MCCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. YARBOROUGH (for himself, Mr. MCNAMARA, Mr. YOUNG of Ohio, Mr. MURRAY, and Mr. HART):

S. 1138. A bill to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. YARBOROUGH when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. MORSE, and Mr. HARTKE):

S. 1139. A bill to amend the District of Columbia Sales Tax Act so as to exempt from tax sales of food for human consumption off the premises where such food is sold; to the Committee on the District of Columbia.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON (for himself, Mr. MORSE, Mr. MAGNUSON, Mr. NEUBERGER, Mr. CURTIS, Mr. CASE of South Dakota, and Mr. JACKSON):

S. 1140. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. CARLSON when he introduced the above bill, which appear under a separate heading.)

By Mr. MARTIN:

S. 1141. A bill for the relief of John G. Sarris; to the Committee on the Judiciary.

By Mr. BUTLER:

S. 1142. A bill to provide for the appointment of a district judge for the district of Maryland; to the Committee on the Judiciary.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 1143. A bill for the relief of Harvey Hiroaki Horiuchi; to the Committee on the Judiciary.

By Mr. CARROLL:

S. 1144. A bill to quiet title and possession with respect to certain real property adjacent to the Rocky Mountain Arsenal, Denver, Colo.; to the Committee on Interior and Insular Affairs.

By Mr. MCCARTHY:

S. 1145. A bill to allow small business corporations which had less than 90 days after the enactment of the Technical Amendments Act of 1958 in which to make an election under section 1372 of the Internal Revenue Code of 1954 an additional 30 days in which to make such election; to the Committee on Finance.

(See the remarks of Mr. MCCARTHY when he introduced the above bill, which appear under a separate heading.)

By Mr. LONG (for himself and Mr. ELLENDER):

S. 1146. A bill to authorize improvement of Bayous Petit Anse, Tigre, and Carlin, La.;

S. 1147. A bill authorizing the modification of the existing project for Bayou Lafourche, La., in the interest of navigation; and

S. 1148. A bill to provide for the improvement of Fresh Water Bayou, La.; to the Committee on Public Works.

By Mr. ALLOTT:

S. 1149. A bill for the relief of Capt. Thomas J. McArdle; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S.J. Res. 52. Joint resolution directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the establishment, construction, and operation of helicopters within the District of Columbia; to the Committee on the District of Columbia.

By Mr. KEATING:

S.J. Res. 53. Joint resolution designating the fourth Sunday in September of each year as "Interfaith Day"; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. JAVITS:

S.J. Res. 54. Joint resolution authorizing the erection of a statue of Taras Shevchenko on public grounds in the District of Columbia; to the Committee on Rules and Administration.

(See the remarks of Mr. JAVITS when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. KEATING:

S.J. Res. 55. Joint resolution to establish December 15 of every year as Bill of Rights Day; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above joint resolution, which appear under a separate heading.)

FREE NATION MISSION TO INDIA

Mr. KENNEDY (for himself and Mr. COOPER) submitted a concurrent resolution (S. Con. Res. 11) relating to a free nation mission to India, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. KENNEDY, which appears under a separate heading.)

REUNIFICATION OF GERMANY

Mr. DODD. Mr. President, our Government is presently involved in important negotiations aimed at bringing about a Foreign Ministers Conference for the purpose of resolving grave questions related to German reunification.

These problems are of vital concern to all of us, and of special interest to me.

As a member of the United States staff at the Nuremburg war crimes trial, I went to Germany immediately after the German surrender in 1945. I remained there for a year and a half, during the early period of the Four Power rule of Germany and of Berlin.

This experience left me with a deep interest in the German question, an interest which was strengthened by return visits there, and by my work during two terms on the House Committee on Foreign Affairs.

During the past 6 years, I have had some differences with the administration over the conduct of foreign policy. But statements on the Berlin issue by the President and the Secretary of State have, in my judgment, proclaimed a policy that is sound, enlightened, and morally right.

I believe this firm, realistic policy has the overwhelming support of the American people.

However, recent statements by some distinguished and respected Americans have created the wrong impression in some quarters that America is divided on this question.

Such a wrong impression may discourage our allies and give encouragement to Communist hopes of wearing down free world resolve to the point of

accepting a German settlement that would lead to free world disaster.

It is altogether proper that divergent attitudes be discussed and debated. But I believe it is essential that the free world and the Communist world realize that, with respect to the fundamental principles of our German policy, there is no basic disagreement between the administration on the one hand and the Congress and the American people on the other.

Therefore, in behalf of myself and of the distinguished senior Senator from New York [Mr. JAVITS] I submit a resolution which expresses six basic principles on which there is preponderant agreement and from which there can be no retreat.

I regret that due to an important committee meeting this afternoon, I shall not be able to speak on this resolution today. I will do so at the earliest opportunity.

In the meantime, I believe the language of my resolution speaks for itself. I think it expresses the position of the United States Senate and of the American people.

I submit the resolution, for appropriate reference, and ask unanimous consent that it be printed at this point in the body of the RECORD.

The resolution (S. Res. 82), submitted by Mr. DODD, for himself and Mr. JAVITS, was received, and referred to the Committee on Foreign Relations, as follows:

Whereas a divided Germany threatens the peace, stability and security of the world; and

Whereas the United States, as the leader of the free world, must provide strong and steady leadership to establish stability and reduce the dangers to world peace and security inherent in a divided Germany; and

Whereas the American people are united in their determination to honor our national commitments and fulfill our responsibilities for free world defense against Communist aggression: Now, therefore, be it

Resolved, That it is the sense of the Senate:

1. No plan or treaty calling for German reunification is acceptable which does not provide for a free government, ultimately freely selected by the people of West and East Germany.

2. Until an acceptable settlement of the German reunification problem is achieved, the continued presence of Western troops in West Berlin, which has proved agreeable to the German people, is under present conditions essential.

3. The interests of the free world and of the German people are better served by a free West Germany within the Western Community than by a superficially reunited Germany afflicted with a Communist East Germany.

4. No plan of German reunification or confederation is acceptable which would join a free democratic West Germany with a slave Communist East Germany, except through the free choice of the peoples of West Germany and East Germany.

5. Whoever may be in nominal control of East Germany, the United States should enforce its right of free access to West Berlin, in concert with its allies, by whatever means necessary.

6. Recognition can only be accorded to an East German government which is truly independent and truly representative of the wishes of the people of East Germany.

PRINTING AS A SENATE DOCUMENT A REPORT ENTITLED "A REVIEW OF U.S. GOVERNMENT OPERATIONS IN LATIN AMERICA"

Mr. ELLENDER. Mr. President, I submit a resolution and ask for its immediate consideration. I have consulted with the distinguished majority leader and the distinguished minority leader, and they have no objection to its present consideration.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution that a report entitled "A Review of U.S. Government Operations in Latin America," be printed for the use of the Committee on Appropriations.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 83) was considered and agreed to, as follows:

Resolved, That there be printed with illustrations as a Senate document a report entitled "A Review of U.S. Government Operations in Latin America," submitted by Senator ALLEN J. ELLENDER to the Senate Committee on Appropriations on February 2, 1959; and that 2,000 additional copies be printed for the use of that committee.

Mr. JAVITS (for himself and Mr. KEATING) submitted a resolution (S. Res. 84), relating to the death of Representative DANIEL A. REED, of New York, which was considered and agreed to.

(See the above resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

Mr. JAVITS submitted a resolution (S. Res. 85), to express the sense of the Senate relative to U.S. policy in Germany, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

ONE-YEAR PERIOD DURING WHICH VETERANS MAY BE GRANTED NATIONAL SERVICE LIFE INSURANCE

Mr. LONG. Mr. President, on behalf of myself and 55 other Senators, I introduce for appropriate reference a bill to provide a 1-year period during which certain veterans may be granted national service life insurance. This is a bill which would benefit a great number of veterans of the Second World War and the Korean war. It would give them another opportunity to provide for the security of their families at no cost whatsoever to the Federal Government.

At the time when veterans of the Second World War and the Korean war were separated from the armed services, they had an opportunity to either keep their national service life insurance or cancel it. Many who chose to withdraw from the program, due to financial difficulties or because of lack of family responsibilities, later regretted their decision.

The bill that I am introducing today is designed to give these veterans a second chance to take out this insurance. It would make it possible for every World War II and Korean war veteran who was once eligible for national service life insurance to take out again the full amount of the insurance, provided application is made within a period of 1 year.

There will be no cost involved in this program except the nominal cost of administering the policies of the increased number of policyholders, and this cost will be met by the policyholders themselves. Thus, there will be no cost whatsoever to the Federal Government.

This bill does not make any persons eligible for the insurance who were not at one time eligible; it merely provides another limited period of eligibility for those who originally qualified and passed up the opportunity or who have permitted their policies to lapse.

I have prepared a brief table which compares the annual premium costs of national service life insurance to the premium costs of four of our leading commercial life insurance companies. These four companies have been picked at random, and their rates are typical of the industry as a whole.

I ask unanimous consent to have this table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of national service life insurance and commercial insurance—Annual net costs (premiums less dividends)

	Age 25	Age 35	Age 45
	5-year term $1,000 insurance		
Metropolitan Life Insurance Co., New York	$5.11	$6.79	$11.77
New York Life Insurance Co., New York	5.19	6.69	11.04
Northwestern Mutual Life Insurance Co., Wisconsin	4.02	5.76	10.15
The Travelers Insurance Co., Connecticut [1]	6.31	7.32	11.76
Average	5.16	6.64	11.18
National service life insurance	1.09	1.20	5.00
	Ordinary life, $1,000 insurance		
Metropolitan Life Insurance Co., New York	$15.21	$20.60	$29.21
New York Life Insurance Co., New York	13.69	18.71	26.53
Northwestern Mutual Life Insurance Co., Wisconsin	13.16	17.83	25.69
The Travelers Insurance Co., Connecticut [1]	15.13	20.70	30.48
Average	14.29	19.46	27.98
National service life insurance	8.86	14.35	23.13

[1] Nonparticipating, no dividends paid.

Mr. LONG. Mr. President, from this chart it can be seen that the average annual premium charge of these four companies for a five-year $10,000 term insurance policy would be $66.40. For this same policy purchased by a veteran under the provisions of this bill, the annual cost would be $12, plus the administrative cost, which has been estimated at a flat $6 per policy.

The savings are not as great for an ordinary life insurance policy. For a

veteran aged 35 to take out a $10,000 ordinary life policy, the average premium charged by the commercial insurance companies would be $194.60, compared to a cost of $143.50 for National Life Insurance. The savings in almost every case would be at least 20 percent, and sometimes over 70 percent. To benefit our veterans to this extent would not cost the Federal Government one additional penny.

Since I first introduced this bill in the 84th Congress, every major veterans organization, as well as hundreds of veterans' posts, have written and expressed strong support for the measure. The American Legion, the Veterans of Foreign Wars, and the AMVETS have all adopted resolutions at their national conventions urging the adoption of this proposed legislation or similar legislation.

In 1956 an almost identical bill was passed by the Senate as a part of the Military Survivors Benefits bill of that year. At that time, however, the joint House-Senate conference committee reduced its application to the very small group who permitted their insurance to lapse during the last two months of the term of the policy.

In 1958 a similar bill was included in H.R. 11382, and again passed by the Senate. However, the House-Senate conference committee eliminated it entirely.

It is my hope that the Senate will once again see fit to act favorably upon this measure.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1113) to amend title 38 of the United States Code to provide a 1-year period during which certain veterans may be granted national service life insurance, introduced by Mr. LONG (for himself, and Senators BARTLETT, BEALL, BIBLE, BUSH, BUTLER, BYRD of West Virginia, CANNON, CARLSON, CARROLL, CHAVEZ, CHURCH, CLARK, COOPER, DOUGLAS, ENGLE, ERVIN, FULBRIGHT, GREEN, GRUENING, HENNINGS, HUMPHREY, JACKSON, JAVITS, JORDAN, JOHNSTON of South Carolina, KEATING, KEFAUVER, KENNEDY, KUCHEL, LANGER, MAGNUSON, MANSFIELD, MARTIN, MUSKIE, MCCLELLAN, MCGEE, MCNAMARA, MORSE, MOSS, MUNDT, MURRAY, NEUBERGER, O'MAHONEY, PASTORE, PROXMIRE, PROUTY, RANDOLPH, SMATHERS, SMITH, SPARKMAN, SYMINGTON, THURMOND, WILLIAMS of New Jersey, YARBOROUGH, and YOUNG of North Dakota), was received, read twice by its title, and referred to the Committee on Finance.

PROHIBITION OF FREE OR REDUCED RATE TRANSPORTATION TO CERTAIN GOVERNMENT OFFICIALS AND EMPLOYEES

Mr. WILLIAMS of Delaware. Mr. President, I introduce for appropriate reference, a bill, the purpose of which is to prohibit the granting of free or reduced rate transportation to any official or employee of the U.S. Government traveling as a passenger on any ship sailing under the American flag in foreign commerce or in commerce between the United States and its possessions.

This bill does not affect the right of the U.S. Government to contract with these same shipping companies for reduced rate costs involving the transportation of military or civilian personnel when such employees are traveling on official business and when such transportation costs are being paid by the U.S. Government.

This bill would restrict, however, any shipping company from giving to any official or employee of the U.S. Government or to any member of that employee's immediate family free or reduced transportation rates below those rates which are offered to the general public.

This bill would not prevent a Government employee or any member of his family from traveling by ship at regular excursion rates when such excursion rates are open to the general public.

Several years ago, a law similar to this was enacted which prevents the American railroads and the American airlines from giving public officials special rates.

When we consider that these same shipping companies are being subsidized in their operations by the U.S. Government and when we consider that in some instances those Government employees who are receiving the reduced or free transportation are also making the decisions upon the amount of subsidy these companies get, there is no question that this bill should be passed.

When a Government official receives reduced rates or free transportation below that of the general public from a subsidized shipping company, it means that shipping company's subsidy request will of necessity be increased by a comparable amount; thereby, indirectly, the American taxpayers are being charged for these free or reduced fares.

I am not charging that decisions of public officials have been or would be influenced by special rates granted by these shipping companies, but let us be realistic—it could happen, and it is a bad policy.

Only recently, severe public criticism was rendered because a Government official had accepted free hotel service in substantial amounts from a private citizen, and many Members of Congress were very critical of that action—and rightly so. But what is the difference in a Government official's accepting subsidized hotel facilities on land or in his accepting subsidized facilities on water?

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1114) to regulate the granting of free or reduced-rate transportation of employees of the U.S. Government by common carriers by water engaged in foreign commerce and in commerce between the United States and its Territories and possessions, introduced by Mr. WILLIAMS of Delaware, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no common carrier by water subject to the Shipping Act of 1916, as amended; the Merchant Marine Act of 1936, as amended; or any other Act; shall directly or indirectly issue any ticket or pass for the free or reduced-rate transportation to any official or employee of the United States Government (military or civilian) or to any member of their immediate families, traveling as a passenger on any ship sailing under the American flag in foreign commerce or in commerce between the United States and its Territories and possessions; except that this restriction shall not apply to persons injured in accidents at sea and physicians and nurses attending such persons, and persons rescued at sea, and except that this restriction shall not apply to persons referred to in section 405(b) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1145(B)), relating to steamship companies carrying mails of the United States; *Provided further,* that nothing in this Act shall prevent the U.S. Government from entering into contractual arrangements with said companies for reduced transportation rates involving the traveling expenses of those Government employees (military or civilian) when such transportation costs are paid for by the United States Government.

SEC. 2. Any person or corporation who knowingly violates this Act shall upon conviction thereof be fined not less than $500 nor more than $10,000 at the discretion of the court for each such violation.

AMENDMENTS OF FAIR LABOR STANDARDS ACT OF 1938

Mr. GOLDWATER. Mr. President, I introduce for appropriate reference a bill to amend the Fair Labor Standards Act of 1938, as amended, to provide for a review by the Secretary of Labor of the minimum wage recommendations of the industry committees, and I ask unanimous consent that the bill and an explanation of the bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and explanation will be printed in the RECORD.

The bill (S. 1116) to amend the Fair Labor Standards Act of 1938, as amended, to provide for review by the Secretary of Labor of the minimum wage recommendations of industry committees, introduced by Mr. GOLDWATER, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Labor Standards Industry Committee Amendments of 1959."

SEC. 2. Subsection (c) of section 5 of the Fair Labor Standards Act of 1938, as amended, is amended by striking out the words "procedure to be followed by the committee" in the last sentence and inserting in lieu thereof the words "procedures to be followed by the committee and on review of its recommendations by the Secretary pursuant to section 8(d)."

SEC. 3. Section 8 of such act is amended by striking out the last sentence of subsection (d) and inserting in lieu thereof the following: "Upon the filing of such report, and not more than 30 days after the filing of the transcript of the record of such committee upon which the report was made, the Secretary shall publish such recommendations in the Federal Register and shall provide by order that the recommendations contained in such report shall take effect upon the expiration of 15 days after the date of such publication, unless he finds that the recommendations were not made in accordance with law, are not supported by the evidence in the record of the industry committee, or, taking into consideration the same factors as are required to be considered by the industry committee, will not carry out the purposes of this section, in which event he shall, by order issued within such 30-day period, disapprove such recommendations. If the Secretary disapproves such recommendations, he shall promptly refer the matter to the industry committee which made them, or to another industry commtitee for such industry (which he may appoint for such purpose), for further consideration and recommendations."

SEC. 4. Subsection (a) of section 10 of such Act is amended by striking out the seventh sentence of the subsection and inserting in lieu thereof the following: "Such industry committee may modify the initial findings by reason of the additional evidence so taken, and the Secretary shall file with the court such modified or new findings which if supported by substantial evidence shall be conclusive, and shall also file its recommendation, if any, for the modification or setting aside of the original order, together with any findings of the Secretary on review thereof which would require his disapproval of such recommendation under the provisions of section 8(d)."

SEC. 5. The term "Secretary" as used in this Act and in amendments made by this Act means the Secretary of Labor.

SEC. 6. The amendments made by sections 3 and 4 of this Act shall be applicable to any industry committee findings or recommendations under the Fair Labor Standards Act of 1938, as amended, pending before the Secretary of Labor, and any actions under that Act pending before any such committee, on or after the effective date of this Act.

The explanatory statement presented by Mr. GOLDWATER is as follows:

STATEMENT IN EXPLANATION OF THE FAIR LABOR STANDARDS INDUSTRY COMMITTEE AMENDMENTS OF 1959

The attached bill would amend the Fair Labor Standards Act to provide for review by the Secretary of Labor of the minimum-wage recommendations of the industry committees. It is designed to carry out a recommendation made by the President when he signed the enrolled enactment of the American Samoa Labor Standards Amendments of 1956. The proposal embodied in the bill is a part of the legislative program of the Department of Labor.

EFFECT OF RECENT AMENDMENTS TO THE ACT

Prior to the 1955 amendments to the Fair Labor Standards Act, the wage rate recommendations of the tripartite industry committees in Puerto Rico and the Virign Islands were subject to review by the Secretary of Labor. After affording interested persons an opportunity to be heard, he was directed by the statute to accept these recommendations, provided they were in accordance with law and supported by the evidence. If the Secretary disapproved the recommendations, he was directed to refer the matter back to the industry committee, or another industry committee for such industry, for further consideration.

The 1955 amendments to the act abolished these safeguards. They required the Secretary to provide by order that the industry committees' recommendations shall take effect 15 days after they are published in the Federal Register, with no authority in the Secretary to review the recommendations. They also required that the minimum rates of wages established in accordance with this procedure be reviewed by the committees at least once each fiscal year. The 1956 amendments to the act provided procedures for adjusting minimum wage and overtime pay standards in American Samoa, by adopting the special industry committee procedures for establishing minimum wage rates in Puerto Rico and the Virgin Islands. In 1958, the industry committee provisions of the act were amended, as recommended by the Department, to provide for biennial rather than annual review of industry committee rates (Public Law 85-750). In addition to providing for biennial review, the Department also proposed that the act be amended to provide for review by the Secretary of Labor of the minimum wage recommendations of industry committees. However, no action was taken by the 85th Congress on this latter proposal.

NEED FOR REVISING THE PRESENT PROVISIONS OF THE ACT

The present industry committee provisions of the act run counter to good principles of Government administration. They place authority to determine minimum wage rates in temporarily constituted bodies consisting in major part of interested private parties representing employers and employees with no provision for check or review of their actions by any responsible official of the executive branch.

If the committee's actions are contrary to the statutory standards or cause hardship, aggrieved persons have no official to whom they can complain and obtain a remedy. Their only recourse is through appeal to the courts, in which event the Secretary of Labor must defend the wage order recommended by the committee and promulgated by him under a statutory provision requiring him, without review, to rubberstamp their action through a formal order.

The constitutionality of the present Puerto Rican provisions has already been attacked in the courts and may well be raised in future litigation. Defenses against these attacks will present major problems for the Department of Labor attorneys in view of Supreme Court decisions which, it has been urged, show that the present Puerto Rican provisions are invalid as an unconstitutional delegation of a legislative power to private persons.

Since, under the proposed amendments, the Secretary will review the industry committee's recommendations and, at the time of judicial review, the committee may no longer exist, it will also be necessary to amend the judicial review provisions of the Act to require that the Secretary, rather than the industry committee, file with the court the new or modified findings in connection with a second hearing. It is also desirable to amend this provision so that the court has the benefit of the same review of the second recommendation as of the first.

PROPOSED LEGISLATION TO AMEND THE ACT

Section 5(c) of the act would be amended by the attached bill to require the Secretary of Labor to prescribe, by rules and regulations, the procedures to be followed by him in reviewing the minimum wage determinations of the industry committees. Under this provision the Secretary could provide orderly procedures for review.

Section 8(d) would be amended to give the Secretary of Labor 30 days from receipt of the transcript of the record upon which the industry committee's report was made in which to issue the wage order carrying the committee's recommendations into effect or in which to disapprove the recommendations. If the wage order is issued, the recommendations would take effect upon the expiration of 15 days after the date of issuance, as at the present time. The Secretary would be required to approve the recommendations unless he finds that they were not made in accordance with law, are not supported by the evidence in the record of the industry committee or, taking into consideration the same factors as are required to be considered by the industry committee, will not carry out the purposes of this section.

If he disapproves the recommendations, he would be directed to refer the matter back to the industry committee which made them or to another industry committee for such industry for further consideration and recommendation. The tests of disapproval and the disposition of the matter when he disapproves follow the pre-1955 language of the act.

Section 10(a) of the act would be amended to require the Secretary, rather than the industry committee, to file with the court the modified or new findings made by the committee in connection with matters referred back to the committee by the court for the purpose of adducing additional evidence. The Secretary would also be required to file the committee's recommendation, if any, for modifying or setting aside the original order and any findings of the Secretary on review which would require his disapproval of such recommendations under section 8(d).

Section 5 of the attached bill provides that the term "Secretary" as used in this act and the amendments made by this act mean the Secretary of Labor.

Section 6 of the bill provides that the amendments made by sections 3 and 4 shall be applicable with respect to any committee findings or recommendations under the Fair Labor Standards Act pending before the Secretary, and any actions under that act pending before such committee, on or after the effective date of this act.

FIVE-YEAR PROGRAM OF GRANTS AND SCHOLARSHIPS FOR COLLEGIATE EDUCATION IN THE FIELD OF NURSING

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to expand the opportunities for young people in this country to become professional nurses. This bill proposes a 5-year program of grants and scholarships to aid the collegiate schools of nursing. I take great pleasure in introducing this proposal at this particular time. This year marks the 50th anniversary of the founding of the first collegiate school of nursing of the University of Minnesota.

This excellent school has provided a high quality of professional training which has attracted students from all over the country and from foreign lands as well. A pioneer in the education of nurses in a university, this school has made a valuable contribution to the health and well-being of the citizens of this country.

Our collegiate programs are especially designed to equip our nurses with broad educational training and solid grounding in the sciences. This is essential if they

are to effectively carry out today's complex nursing functions and assume responsibility for directing the increasing numbers of auxiliary personnel.

There is today a critical shortage of professional nurses. The greatest need is for highly skilled people who can apply scientific principles and make the discriminating judgments which are a part of modern nursing practice in hospitals, industries, homes, schools, in the military services, and in our technical assistance programs in foreign lands. University education is an essential background for such practice.

A conservative estimate by the National League for Nursing states that at least 30 percent of our nursing personnel should be educated in colleges or universities. At present only about 8.5 percent of our nurses hold college degrees. In the face of increasing demands for health services, we are losing ground. The percentage of university-educated nurses has increased only three-tenths of 1 percent since 1952.

We are all aware of the reasons for the increasing demands for health services—the unprecedented growth in population, the advance in medical science made possible by our support of medical research, the expansion of hospital and medical insurance, the better education and higher standard of living of our population, and the expansion of health facilities.

We build more and more hospitals; we establish more and more clinics, public health services and industrial health services; we develop programs for the care of the sick in their homes; we extend the fruits of our medical advances to aid those in other countries who are less fortunate than ourselves, and yet we do not adequately provide for the education of the professional nurses we must have to make all of these programs serve the people. This country has never paid serious attention to the financing of nursing education.

While education for other professions has long been centered in colleges and universities, the majority of nursing education has been and continues to be the responsibility of hospitals. There it is financed largely by students through their service to the hospital and through their fees. It is not reasonable to expect that we can forever continue to meet the needs of nursing education in this manner. Graduates from collegiate programs have been increasing slightly, but not nearly at the rate we need. If the nursing profession is to continue to attract the high caliber of young people it must have for our benefit, opportunities for nursing education in colleges and universities must be expanded immediately. The Federal Government must play its part. The critical shortage of highly skilled professional nurses is a serious national problem. It must be dealt with promptly.

The magnitude of the problem becomes more evident when we consider what our needs would be in the event of a national emergency. Good sense demands that we pay some attention to our requirements for health personnel in the event of war. Preparation for such a disaster requires the skills of organization, management, and teaching which fall within the practice of the professional nurse.

My bill has three major parts which would facilitate the immediate expansion of collegiate education in nursing.

First. It provides for grants to schools to assist with the cost of building and equipping needed classrooms, offices, libraries and laboratories.

Second. The bill provides for grants to schools of nursing to help meet the cost of instruction.

Third. The bill provides for scholarship aid to able young people who would not otherwise be able to enter the nursing profession. Qualified graduates of diploma schools of nursing would be eligible for such scholarships to enable them to further their nursing education. There are many graduates of the hospital diploma schools who need financial assistance in order to undertake advanced study. We cannot afford to waste these potential leaders in our health services.

For too long we have neglected to provide adequate financial support for nursing education. We have cried for more nurses without making it possible for our colleges and universities to provide education for this profession which is so essential to the health of all of us.

A companion bill, H.R. 1251, has been offered in the House of Representatives by Mrs. GREEN of Oregon. Mrs. GREEN is recognized for her untiring devotion to the cause of education. Prior to her election to the Congress she served as a teacher, and as a Member of the House of Representatives she has served with distinction on the Education and Labor Committee. It is indeed an honor and a privilege to join with her in introducing this Collegiate Nursing Education Act of 1959.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1118) to authorize a 5-year program of grants and scholarships for collegiate education in the field of nursing, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF DAVIS-BACON ACT, RELATING TO PAYMENT OF PREVAILING WAGES ON FEDERAL CONSTRUCTION WORK

Mr. HUMPHREY. Mr. President, on behalf of myself and the senior Senator from Michigan [Mr. MCNAMARA] I introduce a bill to amend the so-called Davis-Bacon Act, relating to the payment of prevailing wages on Federal construction work. This law was first enacted in 1931 and was considerably revised in 1935 to represent what was then a comparatively effective instrument for preventing the purchasing power of the Federal Government from undermining existing labor conditions in the construction industry.

Since 1935, however, experience has revealed many drawbacks in the framework for administering the Davis-Bacon Act. In fact changing conditions in the construction industry, and in methods of Federal financing have required a new look at the way the act operates today. That is the purpose of this bill—namely, to provide a basis for taking a new and more realistic look at the Davis-Bacon Act.

May I say at the outset, that major defects in the Davis-Bacon Act have become apparent over the years.

First, administration: It has been shown time and time again that the Secretary of Labor does not possess the necessary authority and responsibility to see that the Davis-Bacon Act is properly enforced. No right to enter and inspect for violations now exists, as it does under similar labor standards laws such as the Walsh-Healey Public Contracts Act and the Fair Labor Standards Act, granting the Secretary of Labor full power to investigate to see that these other laws are complied with. Furthermore, the Davis-Bacon Act now fails expressly to center in the Secretary the duty to find violations and to bar contractors from Government work for the prescribed 3-year period. Instead, these powers rest in the contracting officer or in the Comptroller General, with resulting failure in effective enforcement due to resulting diffusion of responsibility.

Second, wage determinations: Since 1935 the Secretary of Labor has confined himself to determining the basic hourly wage rate as the only prevailing rate required by the act. Nowadays, however, this basic hourly wage rate falls far short of reflecting the actual hourly labor costs on construction jobs. Collective agreements throughout the industry now cover many additional payments for the welfare of workers—payments which did not exist in 1935. For example, most agreements in many areas of the country now provide for payments, on an hourly or payroll basis, to so-called health and welfare funds, so as to provide much-needed sick and hospital and medical benefits to construction workers and their families. Payments are also frequently required to be made to pension funds, to vacation funds, and to supplementary unemployment benefit funds. Many agreements also require payments to various training funds of direct benefit to journeymen and apprentices whose skills are the lifeblood of the construction industry and the mainstay of those who depend upon this great industry for their livelihood.

Recent surveys have shown that the payments to these funds are not only a substitute for direct wage increases which workers would otherwise have received as a part of their basic hourly wage rate but, in addition, that these payments now are a very large part of the hourly wage costs in the construction industry.

In the plumbing and pipe-fitting branches of the construction industry alone, there are funds in more than 68 of 100 cities surveyed by the U.S. Department of Labor. Payments to these funds run as high as 46½ cents per straight-time hour or as high as 12 percent of the basic hourly wage. Other crafts in other cities have negotiated even higher payments.

These payments cannot be ignored or discouraged, because they exist to benefit

workers for whom they are made. Yet they are ignored and discouraged. In fact they are completely overlooked in the present administration of the Davis-Bacon Act. Day in and day out the Department of Labor is telling the various contracting agencies that the prevailing rate, in one area after another, is as much as 12 percent less than the actual rate. Day after day the Department of Labor is extending an open invitation to outside contractors to bring low wages and cheap labor into higher wage communities, because these lower labor costs give them a successful bidding advantage on Government work.

This type of unfair wage competition was the very reason for the enactment of the Davis-Bacon Act in the first place. It is the purpose of these amendments to upgrade the act so that it will once more carry out its original purpose.

Third, overtime and premium pay: Going hand in hand with "fringe" benefit payments are overtime and premium pay provisions now prevailing in most labor market areas across the country. These payments, and, in fact, all overtime and Sunday or holiday work were practically unheard of on Government work in 1935. Both the depression and the rigid 8-hour law combined to restrict all work to straight time hours during the normal working day.

But times have changed. The construction industry has been booming ever since the beginning of World War II and the 8 hour laws have been waived on Government work wherever time and one-half is paid for overtime work each day. Common practice in almost all major cities in the country has been to pay double the straight time rates for overtime work and for work on Saturdays, Sundays, and holidays. These practices provide still another aggravating factor which the Labor Department has ignored in determining the prevailing wage rate under the Davis-Bacon Act.

Fourth, coverage: Today, and for more than 25 years, the Davis-Bacon Act has only covered direct construction contracts of the Federal Government. All other types of Federally assisted construction have not been protected by the Davis-Bacon Act, except in those cases where the act has been extended on a spot basis to cover special Federal aid programs. Examples of this type of extension are the Hospital Survey and Construction Act—grants to States and local organizations for hospitals—the Federal Airport Act—grants to local agencies for airport construction—and various Federal housing acts—insuring loans or otherwise aiding multiple housing projects constructed locally. These extensions have been made largely on a "hit or miss" basis.

When the Davis-Bacon Act first became law, Federal aid to local construction did not exist the way it does today. At that time it was not important to cover all Federally assisted construction. Nowadays, however, a very large share of the Federal construction dollar is spent by means of various types of grants, loans, payments, or guarantees given to local agencies of one type or another and it has become increasingly necessary to cover these types of construction expenditures on a fair and permanent basis in order to make the Davis-Bacon Act once more fully operative in accordance with its original purpose.

To remedy these many defects, the bill I am introducing has four major objectives. They are:

First. Broaden the coverage of the present act by adding to the present coverage (a) all nonfarm construction in excess of $25,000 in value, at least one-third of which is financed by Federal funds, loans, payments, grants, or contributions, and (b) all Federally insured or guaranteed loans for the purpose of financing any nonfarm construction program other than housing developments of less than 10 units.

Second. The term "prevailing wage" modernized: The Secretary of Labor would be required to predetermine and Government contractors would be required to pay not only the prevailing hourly rate as presently specified in the Davis-Bacon Act but also prevailing contractor payments to (a) health and welfare funds; (b) retirement funds; (c) vacation funds; and (d) apprenticeship funds.

Third. Hours of work and overtime put on a prevailing basis: Under this particular provision of the amendments the Secretary of Labor would be required to predetermine and Government contractors would be required to pay the prevailing overtime rate for each construction craft on a daily and weekly basis, including prevailing overtime practice on Saturdays, Sundays, and holidays.

In addition, as a minimum requirement contractors would be required to pay not less than time and one-half for hours worked over 8 per day, over 40 hours per week, over 5 consecutive days and on Saturdays, Sundays, and the holidays.

Fourth. Enforcement centralized and Construction Appeals Board created: Under this particular amendment, the Secretary of Labor would have: (a) Authority to make uniform enforcement procedures for all Federal Government contracting agencies; (b) direct power—including the use of subpena—to investigate violations; and (c) authority to apply violation penalties, including authority to blacklist.

In addition this bill provides for the creation of a Construction Appeals Board appointed by the President consisting of one representative from the public, one from contractors, and one from labor. This three-man independent board would be required to speedily review and issue final decisions on appeal from the (a) Secretary's wage predeterminations, and (b) the Secretary's findings of violations.

These four major amendments are necessary so that Federal money will not be used to destroy prevailing wages, hours of work and working conditions, and to eliminate the present bidding advantage of unfair contractors in those areas where union building trades conditions are in fact the prevailing practice.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1119) to amend the Davis-Bacon Act and for other purposes, introduced by Mr. HUMPHREY (for himself and Mr. MCNAMARA), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

RESERVES REQUIRED TO BE MAINTAINED BY MEMBER BANKS OF FEDERAL RESERVE SYSTEM

Mr. ROBERTSON. Mr. President, on behalf of myself, the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Indiana [Mr. CAPEHART], I introduce, for appropriate reference, a bill to amend the provisions of the Federal Reserve Act concerning member bank reserves. I ask unanimous consent to have printed in the RECORD at this point a brief explanation of its provisions.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the explanation will be printed in the RECORD.

The bill (S. 1120) to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits, introduced by Mr. ROBERTSON (for himself, Mr. FULBRIGHT, and Mr. CAPEHART), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The explanatory statement presented by Mr. ROBERTSON is as follows:

STATEMENT BY SENATOR ROBERTSON

The bill would make three changes in present law: (1) It would authorize the Federal Reserve Board to permit member banks to include all or part of their vault cash holdings in their required reserves; (2) it would change the reserve requirement for demand deposits of central reserve city banks from the present range of 13 to 26 percent to a range of 10 to 20 percent, the same range as reserve city banks; and (3) it would give the Board more flexible authority to permit individual member banks in central reserve or reserve cities to carry reserves at the lower requirement levels specified for reserve city or country banks.

The Federal statutes relating to bank reserves have been the subject of discussion for many years. There have been numerous changes in these provisions, reflecting changing needs and circumstances. The provisions now in the law come largely from the Banking Act of 1935.

Under the National Banking Act, before the establishment of the Federal Reserve System, bank reserves were considered important primarily from the point of view of liquidity, to provide cash for depositors who wished to withdraw funds. The National Banking Act provided a pyramidal system under which banks in three central cities were required to keep a cash reserve equal to 25 percent of their deposits. Banks in 47 reserve cities were required to keep reserves equal to 25 percent of their deposits, half in cash, while half might either be in cash or on deposit in central reserve city banks. Country banks were required to keep reserves equal to 6 percent of deposits in the form of vault cash, and an additional amount equal to 9 percent of the deposits either as vault

cash or on deposit with reserve city or central reserve city banks.

The reports of the two Banking and Currency Committees at the time of the enactment of the Federal Reserve Act expressed great dissatisfaction with this pyramidal reserve system and attributed to it a major part of the blame for the repeated financial crises suffered by the country.

Under the Federal Reserve Act, member banks were required after a period of transition to keep all of their reserves in the Federal Reserve bank for the appropriate district. The amount of these reserves was specified in the act, as amended in 1917, as 3 percent for time deposits. For demand deposits, the act specified 7 percent for country banks, 10 percent for reserve city banks, and 13 percent for central reserve city banks. The Federal Reserve Board could designate the central reserve and reserve cities, and in addition could, by a 1918 amendment, lower the reserve classification of individual member banks in central reserve and reserve cities.

By emergency provisions in the Banking Act of 1933, and by general authority in the Banking Act of 1935, the Federal Reserve Board was given power to vary these reserve requirements. The Banking Act of 1935 authorized the Board to set reserve requirements from time to time within the following limits, in order to prevent injurious credit expansion or contraction:

Time deposits, 3 to 6 percent.

Demand deposits: Country banks, 7 to 14 percent; reserve city banks, 10 to 20 percent; central reserve city banks, 13 to 26 percent.

This authority to raise or lower reserve requirements gave the Federal Reserve Board a major new device to carry out monetary policy.

At the present time, the reserve requirements, and especially the authority of the Board to change the requirements within the statutory bounds, are considered of relatively little significance from the point of view of liquidity, and of primary significance as a device to control credit and to effectuate monetary policy. The original significance of the central reserve and reserve cities under the National Banking Act, is entirely gone.

It is appropriate, therefore, to review section 19 of the Federal Reserve Act, in the light of the primary function of the reserve requirements as a measure of monetary policy. The principal factors in this review should be those covered by this bill—use of vault cash to meet reserve requirements; closer coordination of the central reserve and reserve city reserve requirements; and greater flexibility in handling exceptional banks in central reserve and reserve cities.

NATIONAL WILDERNESS PRESERVATION SYSTEM

Mr. HUMPHREY. Mr. President, in the midst of our concern with the development of a civilization that will meet our material wants for food and fiber, for shelter and defense, we must remember also that we have very real and deep-seated needs for more than the materials of living. We require likewise for happy human lives the inspiration of the spiritual and the esthetic, the benefits of healthful environment, the relaxation that comes with recreation.

We satisfy these requirements not only in our urban temples, churches, museums, galleries, libraries, theaters, playgrounds, and parks, but also in the woods and open fields, along our streams, and in the wild lands of our parks and forests. We cherish the great outdoors, especially the still unspoiled stretches of our primeval lands and waters, and we rightfully think of their careful administration.

As our civilization advances, with its great industrial developments, its quick transportation, its multiplicity of conveniences, we are glad that the culture which includes this great mechanical, urban civilization includes also a regard for the preservation of some areas of our land still wild and natural, unspoiled as primeval wilderness.

A CHALLENGING OPPORTUNITY

During my decade of service in this U.S. Senate, Mr. President, one of my most challenging interests has been in the opportunity for seeing an enduring national policy and program established for the preservation of some of these great areas of wilderness for human use.

It has seemed apparent that by acting now and dealing with areas already in public ownership and within our national parks, forests, and wildlife refuges we can accomplish a wilderness preservation program without sacrificing other advantages or damaging other interests.

A COOPERATIVE PROPOSAL

On June 1, 1955, I had the privilege of inserting in the CONGRESSIONAL RECORD an address on "The Need for Wilderness Areas" in which the prospects for such a program were outlined by Howard Zahniser, the executive secretary and editor of the Wilderness Society. This was a cooperative proposal for preserving wilderness within an overall program which would respect other needs also.

A national wilderness preservation system, it was suggested, could be made up of areas already within our Federal estate and appropriate for the purpose.

No changes in jurisdiction would be involved.

No new land-administering agency would be created.

The areas within the system—areas already under some kind of Federal administration and still wilderness in character—would be those designated by the executive agency involved, but also with congressional approval. The administering agency would simply be charged with the responsibility of preserving the wilderness character of such areas as units also of the National Wilderness Preservation System.

AREAS CONTINUE TO SERVE PRESENT PURPOSES

The designated wilderness in the national forests, for example, would continue under the protection of the Forest Service but with the guarantee of perpetuity that Congress can give.

National park and monument areas in the system would continue under the National Park Service.

National wildlife refuges to be included would continue to be administered by the Fish and Wildlife Service as wildlife refuges.

Each area would continue to serve its peculiar purpose in the program of its particular administering agency, but every agency would be charged with the responsibility of preserving the wilderness character of any such area in its custody.

REMARKABLE PUBLIC INTEREST SHOWN

Following my introduction of this proposal in the CONGRESSIONAL RECORD a remarkable expression of interest came from every part of the country. I was encouraged to do what I could to see such a possibility become a reality.

As I reported to the Senate 3 years ago, on February 29, 1956, few seemed to doubt the underlying philosophy or dispute the practical need. Letters came from people in all walks of life—lay people and professional, educators, physicians, scientists, conservationists—people with a deep concern to preserve their heritage of the magnificent, almost untouched, natural areas in our national parks and monuments, our national forests, and wildlife refuges.

Excerpts from these letters were printed in the CONGRESSIONAL RECORD in connection with my remarks on February 29, 1956.

BILLS INTRODUCED BRING SUPPORT

Soon thereafter, on June 7, 1956, in behalf of myself and a coast-to-coast bipartisan group of cosponsors, I introduced in the 84th Congress, for study purposes, a bill to establish such a National Wilderness Preservation System.

Copies of this bill (S. 4013) and my remarks on its introduction were widely distributed for consideration and criticism.

When the Honorable JOHN P. SAYLOR, of Pennsylvania, introduced a companion bill in the House of Representatives and spoke with great force and eloquence in that Chamber on July 12, 1956, reprints of his remarks also were obtained and distributed, including likewise the full text of the bill.

Many letters in support of the measure were received from all parts of the country.

Representative SAYLOR had excerpts from these letters prepared in a compilation which he kindly permitted me to have printed in the CONGRESSIONAL RECORD, on February 11, 1957, the date on which I introduced the wilderness bill—S. 1176—to the 85th Congress and urged its enactment.

EXTENSIVE HEARINGS HELD

In June of 1957 hearings held on the wilderness bill in both Senate and House revealed further the strong public interest in seeing the proposal adopted. These hearings also brought out the criticisms and suggestions of the Forest Service, the National Park Service, and those who had previously opposed the bill.

As a result of these criticisms and suggestions the bill was carefully revised in two successive committee prints, and then with a few additional changes reintroduced last June 18 as S. 4028.

When conservationists were informed of this reintroduction last June they wrote many letters urging that the measure be enacted by the 85th Congress.

At the hearings on the new measure held here in Washington, D.C., on July 23, both the Department of Agriculture and the Department of the Interior, as well as the Bureau of the Budget, commended the bill as desirable legislation and outlined their few remaining objec-

tions and their suggestions for amendment.

Field hearings were also held in Bend, Oreg., in San Francisco, in Salt Lake City, in Albuquerque, on November 7, 10, 12, and 14. These hearings resulted in a better public understanding of the measure and demonstrated further the broad public support that the wilderness bill has aroused.

NEWSPAPER AND MAGAZINE INTEREST

During the past 3 years, since I first introduced the preliminary draft of the wilderness bill, newspapers and magazines have shown a growing interest in the proposal. At the conclusion of my remarks I shall ask unanimous consent to have the actual text of a sample of such writings included in the CONGRESSIONAL RECORD for the information of all Senators.

PERFECTED PROPOSAL NOW READY FOR ACTION

The significant fact here and now is that we have come to these opening days of the 86th Congress with a proposal that has been formulated after some years of study; subjected to a series of hearings, including two in Washington, D.C., and four in the West; clarified and otherwise revised to meet objections and criticisms; and endorsed by a deeply interested, informed, and aroused public opinion.

A proposal that in its very beginnings sought to avoid any disruption of established programs or enterprises, a bill that sought rather to respect the status quo in Government and business alike, a bill that deals only with Federal lands that are already part of our national forests, parks, and refuges, a bill that damages no other interest or program—this bill has been carefully improved through a series of revisions to meet objections and to take advantage of suggestions.

We now have a measure, Mr. President, that demands and deserves our immediate attention.

WILDERNESS BILL REINTRODUCED

Mr. President, once again it is my privilege to present the wilderness bill to the Senate. On behalf of myself, the junior Senator from Oregon [Mr. NEUBERGER], and Senators ROBERT BYRD of West Virginia, JOSEPH S. CLARK, PAUL H. DOUGLAS, WILLIAM LANGER, FRANK J. LAUSCHE, KARL MUNDT, MIKE MANSFIELD, THOMAS MARTIN, WAYNE MORSE, JAMES E. MURRAY, WILLIAM PROXMIRE, JENNINGS RANDOLPH, MARGARET CHASE SMITH, ALEXANDER WILEY, HARRISON A. WILLIAMS, JR., and HUGH SCOTT, I introduce for appropriate reference, a bill to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes.

COMMERCIAL INTERESTS NOT DAMAGED

I feel, Mr. President, that I can indeed assure the Senate that commercial interests will suffer no damage whatever by this program.

None of us here in the Senate need fear that after the enactment of this measure the commercial interests, whom we all respect and value, will come to us and complain that they have been hurt. None of them will suffer damage.

This bill, for example, does not give wilderness status to a single acre of forest land now available for timber production.

No lumber company could at present log any of the areas of wilderness protected by this measure without first encountering such a public protest against invading a protected area that the controversy over this bill would seem mild.

For the wilderness bill relates to Federal lands in parks, refuges, or in some other special status in which they already are removed from commercial availability.

LIVESTOCK INTERESTS PROTECTED

The opposition of livestock interests is similarly without basis in the provisions of this bill.

A special provision safeguards the continuation of the grazing that is now established on national forest land to be included in the wilderness system.

The provisions of the bill protect existing private rights and also provide safeguards against damage to the established projects of oil, gas, and mineral interests. Furthermore, the bill takes care to provide for the opening in the future of any national forest areas where and when the need for minerals is greater than that for wilderness. Needed reservoir projects are similarly provided for, and water rights are protected.

HOW MUCH TIMBER LAND IS AT STAKE?

Whatever commercial interests there may legitimately be in these areas of wilderness will thus be carefully safeguarded in this proposed program.

Of course, this is of great importance to those people who are directly affected, and to all of us whom they serve. Yet I cannot refrain from pointing out that the hue and cry raised by the representatives of commercial interests over this proposed wilderness bill sound way out of proportion to the area of land involved and to the value of these lands in the potential production of commercial resources.

In the first place, all the wilderness lands involved make up less than 2½ percent of all our lands.

If we consider our Federal holdings of land and the portion to be thus devoted to wilderness preservation, we see again the reasonableness of this program.

All of the Federal areas involved in the proposed Wilderness System make up less than 5.2 percent of our total Federal holdings. More than two-thirds of this is already in parks, monuments, or refuges and thus already removed from commercial use.

The wilderness bill carefully provides a due process for any additions or enlargements. It is a process that requires 90 days' public notice of any such proposal, by the agency involved, whenever the agency is ready to act or consider action. This notice must be followed by a hearing if there is a demand for the hearing. And finally, after the proposal is adopted, if it is, there are 120 days for congressional review.

These safeguards of due process apply to all areas of Federal land that might be involved, including Alaska, I might emphasize.

AVOIDING DAMAGE IS A PURPOSE OF THE BILL

Thus it seems to me plain that the policy and program to be established by this bill, however we look at it, will not be injurious to any commercial interests.

The wilderness bill has indeed been designed and perfected with the deliberate purpose of thus avoiding damage to other interests.

Furthermore, this bill carefully takes into consideration the various uses that can be made of the actual areas of wilderness which it seeks to protect.

It is not a single-purpose measure but rather seeks to establish a wilderness preservation program that recognizes the multiple uses that can be made of the wilderness areas.

NO CHANGES IN JURISDICTION

This important feature of the wilderness bill is immediately apparent in the fact that no areas will be removed by it from their present classifications or from the custody of their present administrators.

National forest lands continue to be within the national forests and under the jurisdiction of the Forest Service. National park system areas continue as such and under the National Park Service. The refuges and ranges similarly continue as at present under the Fish and Wildlife Service.

Furthermore, each area to be included in the wilderness system will continue to serve its present purpose. Its wilderness preservation will be an aspect of its management for some other concurrent purpose.

A MULTIPLE-PURPOSE WILDERNESS PROGRAM

This is a multiple-purpose wilderness program. The areas within the National park system will continue to be administered for the use and enjoyment of the people. The refuge areas included will continue to be administered, not for recreation as in parks, but for the wildlife. The national forest areas will continue to be administered on the multiple-use principle of the Forest Service, as wilderness but also serving other, consistent purposes.

A great deal has been said about multiple use in the discussions of the wilderness bill.

As a result of the earlier discussions a declaration of the multiple-use policy has been incorporated in the bill itself, in section 1(d), largely in the phraseology of the U.S. Forest Service.

This makes explicit what proponents of the bill had from the start considered to be implicit in the whole program.

It does not, of course, permit anything in a wilderness that would destroy it as such. But it does make clear that an area being preserved as wilderness can serve other purposes also.

WHAT "MULTIPLE USE" MEANS

Despite the fact that so much has been said about multiple use—maybe because so much has been said—multiple use does not seem to be well understood.

Some people seem to think that multiple use means only timber cutting plus a multiplicity of other things, but this is not so.

The Forest Service itself in explaining that national forests are multiple-use areas says that this means that each area yields the combination of uses best suited to public needs.

That is what the wilderness bill means when it directs that the national forests are to be administered—and I quote—"on a multiple-use basis so that all the resources thereof, including the recreational and wildlife habitat resources, will be used and developed to produce a sustained yield of products and services, including the establishment and maintenance of wilderness areas, for the benefit of all the people of this and future generations."

THE WILDERNESS BILL GIVES SANCTION TO MULTIPLE USE

Far from violating the multiple-use principle, this bill actually gives legal sanction to this principle.

What it means specifically is plain. It means a combination of uses that includes watershed protection, recreation, scientific research, and any others that are consistent with wilderness preservation.

THE NEED AND OPPORTUNITY FOR ACTION NOW

We are indeed fortunate that we still have these remnants of wilderness to preserve. We are fortunate that we have developed a program for their protection and preservation while there is yet a good opportunity to see it adopted without disruption of other interests.

Critics and even friends may chide us for our eagerness and anxiety and say there is no real or pressing need for such legislation now. Yet we can see all about us the mounting pressures.

We can recognize that all our lands are destined to be put to some human use, that no areas of wilderness can be expected to remain as such accidentally, that our only lasting hope for preservation is in the deliberate designation of areas to be preserved.

"DO SOMETHING BEFORE THE HOUSE IS OUT"

As I pointed out 2 years ago, those of us in Congress who are vitally interested in conservation are worried, and I think with good cause.

We see the pressure that is coming, and as elected representatives it is our clear duty to do something before the horse is out of the barn.

There seems to be a crisis every day in the world in which we live, and if we continue to manage our resources on the basis of continuing crises, our entire future will degenerate into a chronic confusion of crises.

The only way we are going to change this is by looking ahead and taking timely action.

That is what this wilderness bill proposes to do.

Instead of waiting until the crisis has engulfed us, we can now, by enacting this measure, make secure the preservation of those areas that do now in fact constitute our national wilderness system—the areas that are now in fact being handled as wilderness, even though they serve other purposes also.

It is much better to take such steps now in our present circumstances than to wait for the kind of pressing need for protective measures that must be accompanied by emergency action, the bitterness of urgent controversy, and the high cost of poor planning.

THE TEST AHEAD OF US

We do well to view thus in the relative calmness of our present opportunity our responsibility for preserving some of our wilderness.

The noted professor of economics at Harvard, John Kenneth Galbraith, in his current best selling book on "The Affluent Society," underscores the importance of such concerns as we have in wilderness preservation.

The test ahead of us, he concludes, "will be less the effectiveness of our material investment than the effectiveness of our investment in men."

Dr. Galbraith suggests that the problem ahead of us may be that of "a burgeoning population and of space in which to live with peace and grace."

It may be "the depletion of the materials which nature has stocked in the earth's crust and which have been drawn upon more heavily in this century than in all previous time together."

It may be that of "occupying minds no longer committed to the stockpiling of goods."

Whatever the problem, says Professor Galbraith, "the basic demand on America will be on its resources of ability, intelligence, and education."

To have failed to solve the problem of producing goods would have been to continue man in his oldest and most grievous misfortune—

Writes Dr. Galbraith in the closing paragraph of his book.

But to fail to see that we have solved it and to fail to proceed thence to the next task, would be fully as tragic.

We are rightfully proud of our material success, but we have more than material needs. Our young people especially need the experience that comes in unspoiled areas of wilderness. Certainly we should do our best to preserve the areas that are still wilderness, still in our Federal custody, still available for all of us today and for our successors also if we ourselves act responsibly.

Mr. President, I also ask unanimous consent that this bill lie over on the desk through the end of this week for the names of additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I ask unanimous consent that a detailed explanation of this bill be inserted at this point in the RECORD—exhibit A—along with the full text of the bill itself—exhibit B—and a supplementary memorandum—exhibit C—comprising a selection of letters and statements regarding the wilderness bill plus magazine and newspaper articles, editorials and reports.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the explanation, bill, and supplementary memorandum will be printed in the RECORD.

The bill (S. 1123) to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes, introduced by Mr. HUMPHREY (for himself, Mr. NEUBERGER, Mr. BYRD of West Virginia, Mr. CLARK, Mr. DOUGLAS, Mr. LANGER, Mr. MUNDT, Mr. LAUSCHE, Mr. MANSFIELD, Mr. MARTIN, Mr. MORSE, Mr. MURRAY, Mr. PROXMIRE, Mr. RANDOLPH, Mrs. SMITH, Mr. WILEY, Mr. WILLIAMS of New Jersey, and Mr. SCOTT, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The explanation, bill, and supplementary memorandum submitted by Mr. HUMPHREY are as follows:

EXHIBIT A

A DESCRIPTION OF THE NATIONAL WILDERNESS PRESERVATION BILL

In the preparation of this analysis and description I have been greatly aided by a summary of the earlier bill prepared by William Zimmerman, Jr., Washington Representative of Trustees for Conservation, and also by an analysis and series of comments written by Charles Callison, Conservation Director of the National Wildlife Federation.

I wish to express my appreciation to these conservation leaders and to acknowledge my use of their excellent interpretations.

A WILDERNESS POLICY

Section 1 lays down the broad policies for the formation of a national wilderness system.

It is made clear that the preservation of wilderness areas is in the public interest, to serve the public by providing opportunity for recreation, scenic enjoyment, scientific and historical study, and conservation of the primeval environment in such a manner as to preserve the wilderness unimpaired for future use and enjoyment.

Preservation of such areas is declared to be a desirable policy for the health, welfare, knowledge, and happiness of present and future generations.

These wilderness areas will not be locked up for the benefit of a few.

They will be preserved for the Nation, and will be available to any and all persons who want to see and visit and enjoy them.

It is made clear in the very first section that this bill relates to lands now in Federal ownership or control, either by congressional action, as in the national parks, or by administrative action, as in the national forests.

Wilderness areas under various designations are presently reserved and are not open to commercial exploitation.

The wilderness bill would set up standards and procedures for the guidance of the agencies which have been and will continue to be responsible for administration.

All of the areas which will be established as wilderness under this bill will continue to be managed by the bureaus which are now responsible.

In the Department of Agriculture, this is the Forest Service. In the Department of the Interior, these are the National Park Service, the Fish and Wildlife Service, the Bureau of Indian Affairs, and perhaps the Bureau of Land Management.

No new bureau or administrative agency will be needed. The two departments, acting through the bureaus, will have authority and machinery to carry out the purposes of this act.

They will have the added strength which will come from congressional affirmation of a national policy, clothed in a statute.

Multiple use

One other point in section 1 needs to be considered.

While it is required that the areas in the Wilderness System be so administered as to

preserve their wilderness character, the Congress would for the first time give statutory recognition to the policy of multiple use, particularly as carried out in the national forests.

Of course, this does not mean that every foot of a national forest is susceptible to half a dozen uses.

It does mean that half a dozen uses may be possible within the forest.

And specifically, in this connection, it means an investigation and a finding that certain parts of the forests have their highest and best use as wilderness.

A revision in this section removes the declaration that wilderness shall be paramount and instead substitutes the direct requirement that the wilderness character of the areas involved must be preserved.

The substitute is equally satisfactory for wilderness protection purposes but avoids offending Western water interests especially, who for well understandable reasons, do not want anything considered paramount to watershed protection.

The "policy" section

Section 1 is thus the "policy" section, setting forth principles and purpose.

SUBSECTION 1(A)

Subsection (a) of the opening section in addition to establishing a National Wilderness Preservation System points out the public purposes: "Recreational, scenic, educational, conservation, and historical use and enjoyment."

SUBSECTIONS 1(B) AND 1(C)

Subsection (b) gives additional reasons why wilderness areas must be protected, and subsection (c) declares wilderness preservation for public use to be a policy of Congress.

Areas that qualify, having retained the principal attributes of their primeval character are to be protected in national parks, national forests, national wildlife refuges, or other public lands.

Certain areas are to become part of the System with passage of this bill. Others may be added in accordance with procedures specified later in the bill.

All such areas are to be so administered as to "preserve their wilderness character."

This means the areas are not exclusively for wilderness but that the wilderness values shall be considered of greater importance to the people than, say, logging, or farming, or anything that would destroy these special areas as wilderness.

It does not prevent their use for purposes that will not threaten them as wilderness.

SUBSECTIONS 1(D) AND 1(E)

Subsection (d) approves the policies of "multiple use" and "sustained yield" management that have been developed by the U.S. Forest Service of the Department of Agriculture for the national forests.

A directive that wilderness areas, like other national forest lands, "shall be so managed as to protect and preserve the watersheds, the soil, the beneficial forest and timber growth, and all beneficial vegetative cover," is especially important. This provides for fire control and measures, such as hunting, to keep big game herds in control.

Subsection (e) defines "wilderness," a term that holds different meanings for different people: a place where man himself is a visitor who does not remain. This subsection makes plain that for the practical purposes of this act the term means the areas that are designated in section 2.

THE WILDERNESS SYSTEM

Section 2 states that the wilderness system shall comprise (subject to existing private rights, if any) the federally owned or controlled areas of land and water provided for in this section. The section has six subheadings:

SUBSECTION 2(A). NATIONAL FOREST WILDERNESS

(a) National forest areas: Areas within the national forests, classified as of June 1, 1958, as wilderness, wild, primitive, or roadless, are included, with the proviso that the Secretary of Agriculture must within 20 years make such boundary modifications of the primitive areas as to exclude any portions not predominantly of wilderness value or add adjacent national forest lands which he determines to be predominantly of wilderness value.

The Secretary by former versions of the bill would have had only 10 years within which to make such modifications, but in order to make sure that there is adequate time for the important investigations involved, the proposed time allowance has been doubled.

If the Secretary desires to include additional areas in the wilderness system he must give at least 90 days public notice and must also hold a hearing if there is demand for one.

A further check on the Secretary is provided in subsection (f), which permits congressional review of changes in wilderness areas, as explained later.

The Forest Service, acting without specific direction by Congress, has already set aside portions of national forests for wilderness preservation.

When first marked out for protection and study, such an area has been called primitive. Next the Service studies the area, revises the boundaries if necessary, and puts it into the wilderness area classification if it contains more than 100,000 acres. Tracts smaller than 100,000 acres are called wild areas.

There are three special areas in the wilderness canoe country of Minnesota that have been given the special designation of roadless areas, and are now grouped as the boundary waters canoe area.

There are now 44 primitive areas in the national forests, with a total of 8,355,983 acres.

An even dozen have been reclassified as wilderness areas and, combined, total 4,725,077 acres.

Twenty-one wild areas have 726,168 acres.

The Minnesota canoe area comprises 1,038,743 acres.

Altogether the primitive, wilderness, wild, and roadless areas total 14,395,971 acres. This is only 8 percent of the 181 million acres in the national forests.

Most of these areas are in high or steep mountain country where logging, grazing, and mining must be restricted anyway to protect the watersheds.

SUBSECTION 2(B). NATIONAL PARK SYSTEM AREAS

(b) National park system areas: The procedures for the national parks are similar to those for national forest areas, but they differ technically, because already, by statute, the parks are dedicated to a related preservation purpose.

An entire park is included in the wilderness system, but the Secretary of the Interior will be permitted to determine what portion of a park or monument may be required for roads, motor trails, and necessary buildings for visitors and administration.

The remainder of each park or monument embracing a block of 5,000 acres or more without roads will then be part of the wilderness system.

This section also includes language which will safeguard the high standards of the National Park Service, in accordance with the National Parks Act of 1916, and subsequent supplementary acts.

In a statement prepared for the Senate Committee on Interior and Insular Affairs, the National Park Service has estimated that there probably are 46 areas in the national park system (out of a total of 181 units in the system) that would be designated as wilderness.

The Secretary of the Interior would be given 10 years to designate such units and decide what part of each unit should be used for roads, buildings, and other facilities needed to accommodate park visitors. If the Secretary (National Park Service) has not completed the mapping job within 10 years, any national park or monument containing 5,000 acres or more of roadless country would become a part of the wilderness system.

Wilderness preservation has been an established policy that the National Park Service also has developed under acts of Congress creating the national park system.

SUBSECTION 2(C). REFUGEES

(c) National wildlife refuges and ranges: Recognizing that not all wildlife refuges and ranges are properly wilderness areas, even though they protect wildlife, the bill provides in this subsection that the Secretary of the Interior include such refuges and ranges, or portions thereof, as he determines proper.

The Secretary will have 5 years within which to make a survey of the refuges and ranges, before he makes this determination.

Only the larger areas would qualify, and even if they were large enough, any areas where water levels and vegetation are artificially controlled or manipulated to produce food and cover for wildlife would not qualify as wilderness.

These are good refuges but not necessarily wilderness.

Only about 20 of the 275 national wildlife refuges and ranges would be in the wilderness system.

SUBSECTION 2(D). THE INDIANS' WILDERNESS

A way is provided in subsection (d) for establishment of wilderness areas on Indian reservations if the Indians so wish.

Such lands really belong to the Indians, not to the public, and are only held in trust by the Government. Wilderness bill sponsors recognize this, and the bill makes it clear that wilderness areas can be established on reservations only if the Indians give their consent.

There is a significant revision here of S. 4028. The revision restores to the wilderness bill its earlier requirement that anything done with the Indians' wilderness must be with their consent.

In S. 4028 last summer the wilderness bill, in response to earlier criticisms, was changed to give authority to the Secretary of the Interior to establish wilderness areas on Indian reservations after "consultation" with the Indians. This was severely criticized—and rightly so, in my opinion.

As before, however, the wilderness bill now requires Indian consent. And it carefully safeguards all Indian rights and privileges.

On some reservations the best and highest use for some portions would be wilderness preservation.

Economically, too, such use would be desirable, for it would bring in more visitors and more cash than would be derived from any other kind of exploitation.

Finally, some of these Indian areas are contiguous to similar areas in national forests or national parks. If these Indian areas are not properly managed, the results could be disastrous for watershed protection and for scenic and other values.

SUBSECTION 2(E). OTHER UNITS

It is conceivable that some other Federal agency, such as the Defense Department, might own or control an area suitable for inclusion in the Wilderness Preservation System. There are a few areas of true wilderness owned by private individuals. It is conceivable that some of these areas might in the future be given or transferred to the

Federal Government for wilderness preservation. Subsection (e) makes it possible to accept such areas.

SUBSECTION 2(F). ADDITIONS OR OTHER CHANGES

(f) Additions, modifications, and eliminations: This paragraph provides that the responsible officials who have authority to make changes in the wilderness system shall do so only after public notice and shall report the changes to Congress.

The changes become effective at the end of a 120-day period, during which Congress may pass a concurrent resolution opposing the changes.

If the Congress does not act, the changes stand effective.

This paragraph also authorizes the acquisition of private lands within the boundaries of any wilderness unit.

Subsection (f) should be studied carefully. It provides specifically how existing wilderness areas may be changed, or how areas may be added to or eliminated from the System.

Public notice must be given for 90 days.

A hearing will be held if there is public demand for it.

Then the change, addition, or elimination can be made only if Congress does not disapprove within 120 days.

In other words, such changes would normally be carried out by the administrative agencies, in accordance with these rules, but Congress would have 120 days in which to take action if necessary.

The public would always be informed.

The wilderness bill would not blanket in new areas not now designated as wilderness or primitive in the national forests or not already included within national parks or wildlife refuges.

Additions could be made only through a prolonged, public procedure, and Congress, representing all the people, would have the final say.

The bill would not "freeze" or "lock up" such material resources as timber and minerals for all time.

Congress can abolish or change any wilderness area at any time by passing a bill. The President can open any area for mining if needed in the national interest under section 3(c)(2).

The bill itself provides an orderly procedure for changing wilderness areas. For every lock there is a key.

Wilderness use

Section 3 on "use of the wilderness" is important, for it makes clear that wilderness is for use by the public. This section also, in subsection 3(a), makes plain that the preservation of wilderness is not inconsistent with the purposes for which national parks, national forests, and other units have been established.

These units will be so administered for such other purposes as also to preserve their wilderness character.

SUESECTION 3(B). PROTECTION AGAINST WRONG USES

Subsection 3(b) prescribes certain general requirements for the maintenance of wilderness.

No permanent roads, no use of motor vehicles, motorized equipment, motorboats or aircraft, and no other mechanical transport or delivery of persons or things, and no structures or installations, including temporary roads, in excess of the minimum required for administration.

SUBSECTION 3(C). SPECIAL PROVISIONS

However, this section also makes certain exceptions or special provisions, giving recognition to prior established uses in national forests, such as grazing and the use of motorboats.

By the inclusion of one of the Department of Agriculture (Forest Service) recommendations made at the July 23, 1958, hearings, another special provision authorizes such measures within national forest areas as may be necessary in the control of insects and diseases, subject to conditions deemed desirable by the Secretary of Agriculture.

This subsection in paragraph 3(c)(2) authorizes the President to open specific areas in the national forests for prospecting, mining, or construction of reservoirs and water-conservation works if he finds that such uses will best serve the interests of the United States and the people thereof.

The third paragraph in this subsection relates to the roadless areas in the Superior National Forest which have been the subject of prior special legislation and administrative orders.

Pargaraph 4 of these special provisions deals with existing uses on wildlife refuges and ranges. It clearly authorizes the continuation of such uses as are authorized in the Executive order or the legislation establishing such unit.

Paragraph 5, the last in this section, contains language vital to colleagues from the West.

When the first wilderness bill was being discussed, some people felt that its enactment would change existing water laws and would deprive local communities of water, both domestic and irrigation. Although this was certainly not the intention of the sponsors, a short sentence was inserted to remove any doubts. The sentence says:

"Nothing in this act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water laws."

More lenient than some have thought

This section 3 which spells out the permitted uses of the wilderness areas, is more lenient than many have been led to believe.

It does say, in subsection (b), that use of roads, motor vehicles, motorized equipment, or motorboats, the landing of aircraft or other mechanical transport or delivery of persons or supplies, shall be held to the minimum required for administration of the areas in accordance with the purposes spelled out in the act.

The bill would not, however, close any area to hunting or fishing where these forms of recreation are now permitted.

National parks, of course, have always been closed to hunting, by law, although fishing is permitted. Certain wildlife refuges also are closed to hunting under law. The national forests are open to public hunting and fishing, under State law, except where special sanctuaries are set apart by State action.

Special provisions reiterated

To avoid any possible misunderstandings, it may be well to reiterate and review the special provisions spelled out in section 3 under subsection (c):

1. Grazing and the use of aircraft or motorboats may be continued on any national forest area where now permitted. These uses would be subject to such restrictions as the Chief of the Forest Service deems desirable, but this would not be adding anything new here, because the Forest Service now has the authority to make such restrictions.

The Secretary of Agriculture may permit such measures as he deems necessary for the control of forest insects and disease.

2. The President of the United States could open any national forest wilderness area to prospecting and mining, or permit reservoir construction, in the national interest, including the essential road construction involved.

3. The laws and regulations now in force for the roadless areas in Minnesota are reaffirmed. Where motorboats are now permitted, their use may be continued.

4. Where mineral leasing or other commercial developments are now permitted under the Executive order or law establishing any national wildlife refuge, such uses may continue.

5. No claim is made to exemption from State water laws on wilderness areas.

SECTION 4

The Wilderness Council

Section 4 establishes the National Wilderness Preservation Council.

The Council is not an administrative agency, and it has no authority over any of the agencies which do have jurisdiction.

It is composed of the Secretaries of the Interior and Agriculture, the Secretary of the Smithsonian Institution, all three of whom serve ex officio, and three citizen members, to be appointed by the President with the advice and consent of the Senate.

The citizen members, after the initial terms which are staggered, serve for 6 years. They receive no pay, but are allowed per diem and transportation costs when actually serving.

The Council is intended to bring to a focus our various wilderness interests and to be an information center. It is to be the repository for maps, official papers, and data about the Wilderness System, and it is authorized to coordinate and disseminate information.

The Council is required to present an annual report to the Congress, on its own operations and about the status of the Wilderness System.

The authorization for Council expenses is limited to $100,000 a year, and disbursements of funds would be made through the Smithsonian Institution, so that no new fiscal machinery need be established.

Section 4(b), which refers to sending the Council copies of regulations for the proper use of wilderness, was formerly a paragraph of section 3(a). It has been transferred in order to have in one section everything that concerns the Council, and especially to make sure that readers interested in the Council, pro or con, will not miss the clear-cut provision that the Council shall have no administrative jurisdiction over any unit of the Wilderness System nor over any agency that does have such jurisdiction.

Another revision, one suggested by the Forest Service spokesman at the July 23, 1958, hearings, provides that each of the Cabinet members on the Council may designate an alternate to serve for him.

Still another change provides that the Council may make surveys—instead of shall make—and may encourage the coordination of such surveys, instead of being required to coordinate.

Some people contend that the Council would be a superagency interfering with the administrative agencies, such as the Forest Service and Park Service, that have responsibility for managing the areas.

The Council would have absolutely no administrative jurisdiction over any area of land. It could issue no orders to, nor countermand any orders of, any agency of government.

Its duties would be factfinding, informational, and advisory only.

Nor would its advice be required. No administrative agency would have to consult this Council before taking any action it wished to take.

The Council would provide a central place where any citizen or any Congressman could go to find out about wilderness areas and wilderness policy, without having to wade through the redtape of 4 or 5 separate bureaus in 2 or more executive departments.

SECTION 5

Section 5 simply provides that this act shall be known as the National Wilderness Preservation Act. It is an act for which the American people will long be thankful, and of which we who here work for its enactment will long be proud.

In the overall view, the wilderness bill does the following important things to protect the public interest in preserving some wilderness areas for public use:

1. It establishes wilderness preservation as a policy of Congress and applies this policy to areas of land, such as parks, national forest, and refuges, where wilderness preservation fits in with other programs.

2. It makes it impossible for a bureau chief or Cabinet officer to abolish a wilderness area, reduce it in size, or add to it, merely by affixing his signature to an Executive order.

3. It gives the general public—the people who own the public lands—a voice in saying what shall be done with the wilderness areas. This voice would be exercised in two ways—at public hearings, and through elected representatives in Congress.

These three things are reasons why the wilderness bill has been proposed, and why it should be enacted.

EXHIBIT B

S. 1123

A bill to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a), in order to secure for the American people of present and future generations the benefits of an enduring resource of wilderness, there is hereby established a National Wilderness Preservation System. As hereinafter provided, this System shall be composed of federally owned or controlled areas in the United States and its Territories and possessions, retaining their primeval environment and influence and being managed for purposes consistent with their continued preservation as wilderness, which areas shall serve the public purposes of recreational, scenic, scientific, educational, conservation, and historical use and enjoyment by the people in such manner as will leave them unimpaired for future use and enjoyment as wilderness.

(b) The Congress recognizes that an increasing population, accompanied by expanding settlement and growing mechanization, is destined to occupy and modify all areas within the United States, its Territories, and possessions except those that are designated for preservation and protection in their natural condition. The preservation of such designated areas of wilderness is recognized as a desirable policy of the Government of the United States of America for the health, welfare, knowledge, and happiness of its citizens of present and future generations, particularly for those uses of such areas that facilitate recreation and the preservation or restoration of health.

(c) It is accordingly declared to be the policy of Congress (1) to secure the dedication of an adequate system of areas of wilderness to serve the recreational, scenic, scientific, educational, conservation, and historical needs of the people, and (2) to provide for the protection of these areas and for the gathering and dissemination of information regarding their use and enjoyment as wilderness. Pursuant to this policy the Congress gives sanction to the continued preservation as wilderness of those areas federally owned or controlled that are within national parks, national forests, national wildlife refuges, or other public lands, and that have so far retained under their Federal administration the principal attributes of their primeval character. It is pursuant to this policy and sanction that the National Wilderness Preservation System is established. The units of this System designated for inclusion by this Act, and those that may later be designated in accordance with its provisions, shall be so protected and administered as to preserve their wilderness character.

(d) In establishing thus a National Wilderness Preservation System to include units within the national forests it is further declared to be the policy of Congress to administer the national forests with the general objectives of multiple use and sustained yield, and in order to carry out this policy the Secretary of Agriculture is accordingly directed to administer the national forests on a multiple-use basis so that all the resources thereof, including the recreational and wildlife-habitat resources, will be used and developed to produce a sustained yield of products and services, including the establishment and maintenance of wilderness areas, for the benefit of all the people of this and future generations. Such areas of wilderness, like all other national forest land, shall be so managed as to protect and preserve the watersheds, the soil, the beneficial forest and timber growth, and all beneficial vegetative cover. The purposes of this act are further declared to be within and supplemental to but not in interference with the purposes for which national forests are established as set forth in the act of June 4, 1897 (30 Stat. 34, 35; U.S.C. 475, 551).

(e) A wilderness, in contrast with those areas where man and his own works dominate the landscape, is hereby recognized as an area where the earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain. For the purposes of this act the term "wilderness" shall include the areas provided for in section 2 of this act and such other areas as shall be designated for inclusion in the National Wilderness Preservation System in accordance with the provisions of this act.

NATIONAL WILDERNESS PRESERVATION SYSTEM

SEC. 2. The National Wilderness Preservation System (hereafter referred to in this Act as the Wilderness System) shall comprise (subject to existing private rights, if any) the federally owned or controlled areas of land and water provided for in this section and the related airspace reservations.

NATIONAL FOREST AREAS

(a) The Wilderness System shall include as wilderness areas the areas within the national forests classified on June 1, 1958, by the Department of Agriculture or the Forest Service as wilderness, wild, primitive, or roadless.

Provided, That the Wilderness System shall not include any primitive area which the Secretary of Agriculture shall determine to be not predominantly of wilderness value, and each primitive area included in the Wilderness System shall be subject to such boundary modification as the Secretary shall determine to be needed to exclude any portions not predominantly of wilderness value or to add any adjacent national forest lands that are predominantly of wilderness value. Determinations regarding national forest areas classified as primitive shall be made within twenty years after the date of this Act, and any such area regarding which such determinations have not been made shall then, with the exception of any roads, motor trails, structures, or other installations then existing, become a part of the Wilderness System without further regard to this proviso.

Additional areas for inclusion in the Wilderness System may be designated within national forests by the Secretary of Agriculture, after not less than ninety days' public notice and the holding of a public hearing, if there is a demand for such a hearing, and such designations shall take effect as provided in subsection (f) below. The publication of a proposal to add any national forest area or part thereof to the Wilderness System shall segregate the public lands involved from any or all appropriations under the public-land laws to the extent deemed necessary by the Secretary of Agriculture.

NATIONAL PARK SYSTEM AREAS

(b) At the times, in the manner, and with the exceptions hereinafter provided for, the Wilderness System shall include each park and monument in the National Park System on June 1, 1958, embracing a continuous area of five thousand acres or more without roads, and such additional units of the National Park System as the Secretary of the Interior shall prescribe.

Not later than ten years after the date of this Act, or within two years after the unit has been prescribed for addition to the Wilderness System, whichever is later, and ninety days after giving public notice in accordance with section 4 of the Administrative Procedure Act of 1946 (60 Stat. 238; 5 U.S.C. 1003), the Secretary of the Interior shall designate within each unit of the National Park System to be included in the Wilderness System such area or areas as he shall determine to be required for roads, motor trails, buildings, accommodations for visitors, and administrative installations. Each such unit, with the exception of the particular area or areas determined to be required for the aforesaid purposes, shall become a part of the Wilderness System when the designation of such area or areas has been made. Should the Secretary fail to make such a designation within the time limits specified, each such unit shall then become a part of the Wilderness System, with the exception of roads, motor trails, buildings, accommodations for visitors, and administrative installations then in existence.

No designation of an area for roads, motor trails, buildings, accommodations for visitors, or administrative installations shall modify or affect the application to that area of the provisions of the Act approved August 25, 1916, entitled "An Act to establish a National Park Service, and for other purposes" (39 Stat. 535, as amended; 16 U.S.C. 1 and the following). The accommodations and installations in such designated areas shall be incident to the conservation and use and enjoyment of the scenery and the natural and historical objects and flora and fauna of the park or monument in its natural condition. Further, the inclusion of any National Park System area within the Wilderness System pursuant to this Act shall in no manner lower the standards evolved for the use and preservation of such National Park System areas in accordance with the Act of August 25, 1916 (39 Stat. 535, as amended; 16 U.S.C., 1952 edition, sec. 1 and the following), the statutory authority under which the area was created, or any other Act of Congress which might pertain to or affect such National Park System area, including but not limited to, the Act of June 8, 1906 (34 Stat. 225; 16 U.S.C., 1952 edition, sec. 432 and the following), the provisions of title 16, United States Code, 1952 edition, section 796; and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C., 1952 edition, sec. 461 and the following).

NATIONAL WILDLIFE REFUGES AND RANGES

(c) The Wilderness System shall include such wildlife refuges and game ranges, or portions thereof, as the Secretary of the Interior shall designate. Within five years after the date of this Act the Secretary shall survey the refuges and ranges under his jurisdiction on June 1, 1958, and designate for inclusion in the Wilderness System those refuges and ranges, or portions thereof, that he determines to be appropriate. Further, the Secretary shall survey any refuges or ranges added to his jurisdiction after June 1, 1958, to determine if they are, or contain areas that are, suitable for inclusion in the Wilderness System, and shall make such determination and so designate the appropriate refuge, range, or portion thereof, within

two years after the refuge or range is added to his jurisdiction.

Within two years after the designation of any refuge or range in its entirety, and ninety days after giving public notice in accordance with section 4, Administrative Procedure Act of 1946 (60 Stat. 238; 5 U.S.C. 1003), the Secretary of the Interior shall designate within such refuge or range such area or areas as he shall determine to be required for roads and buildings and other installations for administration and protection of the wildlife, which area or areas shall be excluded from the Wilderness System. Should the Secretary fail to make such designation within the time limit specified, the refuge or range shall then become a part of the Wilderness System, with the exception of any road, building, or other installation for administration and protection then existing.

THE INDIANS' WILDERNESS

(d) The Wilderness System shall include such areas of tribal land on Indian reservations as the Secretary of the Interior may designate as appropriate for inclusion upon the recommendation of or with the consent of the tribes, bands, or groups concerned, acting through their tribal councils or other duly constituted authorities. Such designation shall not change title to the land or any beneficial interest therein, and shall not modify or otherwise affect the Indians' rights to the land.

The Secretary of the Interior shall make any addition, modification, or elimination recommended by any tribal council or other duly constituted authority of any tribe, band, or group with regard to any area of its tribal land.

Nothing in this Act shall in any respect abrogate any treaty with any tribe, band, or group of Indians, or in any way modify or otherwise affect the Indians' hunting and fishing rights or privileges.

OTHER UNITS

(e) The Wilderness System shall also include such units as may be designated within any federally owned or controlled area of land and/or water by the official or officials authorized to determine the use of the lands and waters involved, including any area or areas acquired by gift or bequest by any agency of the Federal Government for preservation as wilderness. The designation of, addition to, or modification or elimination of, such units shall be in accordance with regulations that shall be established in conformity with the purposes of this Act by the official or officials authorized to determine the use of the lands and waters involved, including, but not limited to, provisions for segregating any public lands involved from any or all forms of appropriation under the public-land laws pending addition of such units to the Wilderness System, and shall take effect as provided in subsection (f) below. Such regulations with regard to any privately owned area given or bequeathed to a Federal agency for preservation as wilderness shall be in accordance with such agreements as shall be made at the time of such gift or bequest.

ADDITIONS, MODIFICATIONS, AND ELIMINATIONS

(f) Any proposed addition to, modification of, or elimination from any area of wilderness established in accordance with this act, and any proposed addition or elimination of any unit to or from the Wilderness System, shall be made only after not less than ninety days' public notice and the holding of a public hearing, if there is a demand for such a hearing, and shall be reported with map and description to Congress by the Secretary of Agriculture, the Secretary of the Interior, or other official or officials having jurisdiction over the lands involved and shall take effect upon the expiration of the first period of one hundred and twenty calendar days, of continuous session of Congress, following the date on which the report is received by Congress; but only if during this period there has not been passed by Congress a concurrent resolution opposing such proposed addition, modification, or elimination: *Provided*, That nothing in this Act shall restrict or affect the authority of officials of the United States, acting pursuant to other law, to establish in the manner prescribed by such law, areas of the National Park System, or to make additions, modifications, or eliminations from any area of such National Park System pursuant to such authority. Within any unit of the Wilderness System the acquisition of any privately owned lands is hereby authorized, and such sums as the Congress may approve for such acquisition are hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

USE OF THE WILDERNESS

SEC. 3. (a) Nothing in this Act shall be interpreted as interfering with the purposes stated in the establishment of any national park or monument, national forest, national wildlife refuge, Indian reservation, or other Federal land area involved, except that any agency administering any area within the Wilderness System shall be responsible for preserving the wilderness character of the area and shall so administer such area for such other purposes as also to preserve its wilderness character. The Wilderness System shall be devoted to the public purposes of recreational, scenic, scientific, educational, conservation, and historical use. All such use shall be in harmony, both in kind and degree, with the wilderness environment and with its preservation.

(b) Except as specially provided in this section, and subject to existing private rights (if any), no portion of any area constituting a unit of the Wilderness System shall be used for any form of commercial enterprise not contemplated in the purposes of this Act. Within such areas, except as otherwise provided in this section and in section 2 of this Act, there shall be no permanent road; nor shall there be any use of motor vehicles, motorized equipment, or motorboats, or landing of aircraft, nor any other mechanical transport or delivery of persons or supplies, nor any temporary road, nor any structure or installation, in excess of the minimum required for the administration of the area for the purposes of this Act.

SPECIAL PROVISIONS

(c) The following special provisions are hereby made:

(1) Within national forest areas included in the Wilderness System grazing of livestock and the use of aircraft or motorboats where these practices have already become well established may be permitted to continue subject to such restrictions as the Secretary of Agriculture deems desirable. Within national forest areas included in the Wilderness System such measures may be taken as may be necessary in the control of insects and diseases, subject to such conditions as the Secretary of Agriculture deems desirable.

(2) Within national forest areas included in the Wilderness System the President may, within a specific area and in accordance with such regulations as he may deem desirable, authorize prospecting, mining, or the establishment or maintenance of reservoirs and water-conservation works, including the road construction found essential to such mining and reservoir construction, upon his determination that such use in the specific area will better serve the interests of the United States and the people thereof than will its denial.

(3) Other provisions of this Act to the contrary notwithstanding, the management of the Boundary Waters Canoe Area, formerly designated as the Superior, Little Indian Sioux, and Caribou roadless areas in the Superior National Forest, Minnesota, shall be in accordance with regulations established by the Secretary of Agriculture in accordance with the general purpose of maintaining, without unnecessary restrictions on other uses, including that of timber, the primitive character of the area, particularly in the vicinity of lakes, streams, and portages: *Provided*, That nothing in this Act shall preclude the continuance within the area of any already established use of motorboats. Nothing in this act shall modify the restrictions and provisions of the Shipstead-Nolan Act, Public Law 539, Seventy-first Congress, second session, July 10, 1930, and the Humphrey-Thye-Blatnik-Andresen Act, Public Law 607, Eighty-fourth Congress, second session, June 22, 1956, as applying to the Superior National Forest or the regulations of the Secretary of Agriculture. Modifications of the Boundary Waters Canoe Area within the Superior National Forest shall be accomplished in the same manner as provided in section 2 (a) and (f).

(4) Any existing use or form of appropriation authorized or provided for in the Executive order or legislation establishing any national wildlife refuge or range existing on the date of approval of this Act may be continued under such authorization or provision.

(5) Nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water laws.

NATIONAL WILDERNESS PRESERVATION COUNCIL

SEC. 4. (a) The National Wilderness Preservation Council is hereby created, to consist ex officio of the Secretary of the Interior, the Secretary of Agriculture, the Secretary of the Smithsonian Institution, and also three citizen members to be appointed by the President by and with the advice and consent of the Senate. The Secretary of the Interior, the Secretary of Agriculture, and the Secretary of the Smithsonian Institution may each designate an official of his department or institution to serve as his alternate in the Council. The citizen members shall be persons known to be informed regarding, and interested in the preservation of, wilderness; one of them shall be appointed initially for a term of 2 years, one for a term of 4 years, and one for a term of 6 years. After the expiration of these initial terms, each citizen member shall be appointed for a 6-year term. The President shall designate from among the citizen members a chairman, who shall serve for a 2-year term. The Secretary of the Smithsonian Institution shall be ex officio the secretary of the Council and, subject to the Council, shall maintain its headquarters.

(b) Copies of regulations established or issued in connection with the administration of any unit or units of the Wilderness System, copies of any subsequent amendments thereto, and copies of any reports with map and description submitted to Congress regarding additions, modifications, or eliminations in accordance with section 2(f) of this act, shall be forwarded to the secretary of the National Wilderness Preservation Council by such official or officials as shall establish or issue them. The Council shall maintain a public file of such copies, but shall have no administrative jurisdiction over any unit in the Wilderness System nor over any agency that does have such jurisdiction.

(c) The Council shall serve as the repository for, and shall maintain available for public inspection, such maps and official papers regarding the Wilderness System as may be filed with it. The Council shall serve as a nonexclusive clearinghouse for exchange of information among the agencies administering areas within the Wilderness System and may make, sponsor, and encourage the coordination of surveys of

wilderness needs and conditions and gather and disseminate information, including maps, for the information of the public regarding use and preservation of the areas of wilderness within the Wilderness System, including information and maps regarding State and other non-Federal areas. The Council is directed to consult with, advise, and invoke the aid of appropriate officers of the United States Government and to assist in obtaining cooperation in wilderness preservation and use among Federal and State agencies and private agencies and organizations concerned therewith. The Council, through its Chairman, shall annually present to the President for submission to the Congress not later than the tenth day of January, a report on the operations of the Council during the preceding fiscal year and on the status of the Wilderness System at the close of that fiscal year, including an annotated list of the areas included showing their size, location, and administering agency, and shall make such recommendations to Congress as the Council shall deem advisable.

(d) The Council shall meet annually and at such times between annual meetings as the Council shall determine, or upon call of the Chairman or any three members. Members of the Council shall serve as such without compensation but shall receive transportation expenses and in addition a per diem payment to be fixed by the Council, not to exceed $50 a day, as reimbursement for expenditures in connection with attending any meeting of the Council. A sum sufficient to pay the necessary expenses of the Council, including printing and binding and rent, not to exceed an annual expenditure of $100,000, is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated. Disbursements from such appropriations shall be made by the Secretary of the Smithsonian Institution. The Secretary of the Smithsonian Institution in behalf of the Council is authorized to accept private gifts and benefactions to be used to further the purposes of this Act, and such gifts and benefactions shall be deductible from income for Federal tax purposes and shall be exempt from Federal estate tax.

SEC. 5. This act shall be known as the "National Wilderness Preservation Act."

EXHIBIT C

SUPPLEMENTARY MEMORANDUM—A SELECTION OF REPORTS AND COMMENTS ON THE WILDERNESS BILL

Many individuals, organizations, and publications have endorsed the wilderness bill and have urged its enactment.

An understanding of the widespread interest in and support for this measure would require attention to the many letters and other comments referring to the bill in the 85th Congress. Essentially the same bill is now being reintroduced, in the 86th Congress.

CORRESPONDENCE

Those who have already written their comments to Senators and Representatives in Congress may naturally assume that their endorsements are on record. They may not realize that it will be helpful for them to reiterate their opinions for the benefit of a new Congress.

Accordingly it is well for us to note that such letters were received in great numbers, and selections have appeared in the published transcript of the Senate hearings held in Washington in June of 1957 and July of 1958 and in the West in November of 1958. Such correspondence has also been represented in the CONGRESSIONAL RECORD, particularly February 29, 1956, June 7, 1956, and February 11, 1957.

NEWSPAPER AND MAGAZINE COMMENT

Magazine articles and newspaper editorials reporting favorably on the wilderness bill were also impressively numerous during the 85th Congress and were represented in the printed transcripts of the hearings and in the CONGRESSIONAL RECORD.

These included Washington Post editorials on February 2, 1958, and July 6, 1958, entitled "Saving the Wild" and "Land Forever Wild"; a New York Times editorial on July 20, 1958, on "The Wilderness Bill," which "ought certainly to be passed"; a July 11, 1957, editorial in the Minneapolis Star entitled "The Wilderness Bill"; a column in the Denver Post of May 25, 1958, by Cal Queal called "New Kind of Tonic"; an editorial in the Bend (Oreg.) Bulletin on "The Wilderness Bill," saying it "deserves support"; an editorial in the January 29, 1958, Eugene (Oreg.) Register-Guard on "Wilderness in Our National Parks"; a St. Louis Post-Dispatch favorable editorial on March 6, 1958, called "To Preserve Our Heritage"; a Christian Science Monitor editorial of June 14, 1958, entitled "Wilderness Must Be There"; and an editorial in the San Francisco Chronicle of April 14, 1957, entitled "The Wilderness and the Future," saying that the bill offers "truly sound wilderness protection."

ORGANIZATION SUPPORT

Endorsements from conservation and other civic and educational organizations likewise were greatly encouraging during the 85th Congress. It can be assumed with confidence that such support for a bill that is essentially the same as its predecessor will be reiterated.

On pages 120 and 121 of the printed transcript of the July 23, 1958, hearings by the Senate Committee on Interior and Insular Affairs entitled "National Wilderness Preservation Act," there are listed 80 organizations who have expressed support of the bill. In two categories—national organizations and State, regional, and local organizations—they are as follows:

TWENTY-TWO NATIONAL ORGANIZATIONS SUPPORTING THE WILDERNESS BILL

AFL–CIO.
American Nature Association.
American Planning and Civil Association.
American Society of Mammalogists.
American White Water Affiliation.
Citizens Committee on Natural Resources.
Council of Conservationists.
Defenders of Furbearers.
Federation of Western Outdoor Clubs.
Garden Club of America.
General Federation of Women's Clubs.
Izaak Walton League of America.
National Audubon Society.
National Council of State Garden Clubs.
National Grange.
National Parks Association.
National Wildlife Federation.
Nature Conservancy.
Sierra Club.
Trustees for Conservation.
The Wilderness Society.
Wildlife Management Institute.

FIFTY-EIGHT STATE, REGIONAL, AND LOCAL ORGANIZATIONS SUPPORTING THE WILDERNESS BILL

Adirondack Mountain Club.
Albuquerque Game Protective Association.
American Bowhunters Association.
American Youth Hostels.
Appalachian Mountain Club.
Beaver County Sportsmen's League.
Billings Rod and Gun Club.
Bird Club of Westfield, N.J.
California Alpine Club.
Cascadians of Yakima.
Citizens Natural Resources Association of Wisconsin.
Conservation Council of Eastern Pennsylvania.
Conservation Forum of New York State.
Desert Protective Council.
Dude Ranchers Association.
East Orange Garden Club.
Federation of Garden Clubs of Virginia, Piedmont District.
F...thead Wildlife, Inc.
Friends of the Forest Preserve.
Friends of the Three Sisters Wilderness.
Friends of the Wilderness.
Garden Club of Virginia.
Georgia Conservation League, Region 3.
Green Mountain Club.
Hawk Mountain Sanctuary Association.
Idaho Wildlife Federation, District 2.
Illinois Audubon Society.
Independent Timbermen's Committee.
IWLA, Wisconsin Division.
MAZAMAS.
Montana Wilderness Association.
Montana Wildlife Federation.
Montclair Bird Club.
The Mountaineers.
The Natural History Society of Eugene.
Natural Resources Council of Illinois.
New York-New Jersey Trail Conference.
New York State Conservation Council.
North Cascade Conservation Council.
North Rocky Mountain Sportsmen's Association.
Obsidians.
Obsidian Princesses.
Oklahoma Garden Club.
Oklahoma Outdoor Council.
Otero County Wildlife Association.
Olympic Park Associates, Inc.
Philadelphia Conservationists, Inc.
Peoria Rod and Gun Club.
President's Quetico-Superior Committee.
Quetico-Superior Council.
Ravalli County Fish and Wildlife Association.
Roamer Hiking Club.
Rock Tavern Rod and Gun Club.
St. Petersburg Audubon Society.
Seattle Audubon Society.
The Trailfinders.
Trowel Garden Club.
Washington State Sportsmen's Council.

RECENT COMMENT

Since the adjournment of the 85th Congress, particularly in connection with and as a result of the field hearings held in November, interest in the wilderness bill has increased. Comments from sources previously not heard from have been widely circulated.

Notable among these was an Associated Press feature article by Bem Price dispatched from the Washington, D.C., headquarters but used by many member papers of the Associated Press throughout the country.

The Des Moines (Iowa) Sunday Register for December 21, 1958, ran this article on its front page. It appeared to be the paper's No. 2 item. First was a report on the Atlas satellite with an 8-column banner heading across the page, "Message to Space and Back." Next was a 7-column heading for Bem Price's dispatch entitled "The Great Debate: Are Wilds Doomed?"

The article is as follows:

[From the Des Moines Sunday Register, Dec. 21, 1958]

"THE GREAT DEBATE: ARE WILDS DOOMED?—SHARP CLASH OVER USE OF LAST FORESTS—PRESERVATION SOUGHT IN LEGISLATION

"(By Bem Price)

"WASHINGTON, D.C.—For many people the prospect of America exhausting its wild forests where a civilization-battered man can find peace for his soul is almost inconceivable.

"With our exploding population, however, the loss is possible, and therein lie the seeds of a dispute which will affect countless future citizens.

"There are those who would set aside, as this generation's gift to the future, between

50 and 55 million acres of wilderness in 11 Western States and Alaska which remain as the Indians found them thousands of years ago.

"Opponents hold that setting aside these lands would mean locking up potentially valuable assets, with a subsequent loss in taxes and wages from private exploitation.

"This is not a new dispute. It has been going on since the late 1860's when a national park was first proposed. Such a park did come into being in 1872. Arguments over such use of public land haven't changed much since.

"Preservation bill

"In each of the last two sessions of Congress efforts were made to pass a national wilderness preservation bill. Another effort probably will be made early in the coming 86th Congress.

"Fifty to 55 million acres appear to be a lot of land until you consider that the United States and Alaska contain 2,309,683,680 acres.

"Of this total the Federal Government owns or controls 477 million acres, including 181 million acres of forest land. About 58 million acres of true, roadless wilderness lands remain in the Nation.

"At present nearly all of the 50 to 55 million acres in the proposed law is restricted by Federal administrative decree to recreational use only. People can move into them by pack train, canoe, or on foot to hunt and fish.

"So what is the fuss about?

"The chief fear of opponents seems to be that once the wilderness preservation principle is established by law, more and more land will be brought under its protection.

"While the opponents generally agree that wilderness preservation is desirable, they object to preservation by an act of Congress—which is much tougher to change than administrative fiat.

"Remote areas

"These forests are administered by the Bureau of Indian Affairs, the Bureau of Land Management, the U.S. Forestry Service and the National Park Service.

"Forests which would be protected lie, for the most part, in the high and remote areas of the West where timber cutting, oil exploration, mining, and cattle grazing probably would be arduous and expensive. At least that is what the advocates of the proposal claim.

"An opposition point of view was given by Warwick M. Downing, of Denver, chairman of the oil industry public lands committee.

"Downing said:

" 'The U.S. Geological Survey recently reported that the public lands have earned $127,400,000 during the past year. This proposed bill would set aside at least 50 million acres now and probably soon another 50 million acres from which there would be no land revenue.

" 'The Department of the Interior and the public land States are committed to the doctrine of multiple use. For instance, land can be prospected for oil or for potash, or prospected for mining and used for grazing, or used both for grazing and timber operations.

" 'There is ample land in the national parks and in a few isolated areas for all wilderness purposes without directly setting aside tremendous areas for limited use.'

"Public land revenues

"Downing referred to public land revenues. None of the land which would be set aside as wilderness now produces revenue.

"More than 160,500,000 acres of public lands are now open to grazing, and 77,369,000 are open to mineral, gas, and oil exploitation. These figures represent acres actually under lease.

"Another opposition point of view came from G. R. (Jack) Milburn, of Grassrange, Mont., president of the American National Cattlemen's Association.

"Milburn recently told a cattlemen's meeting that 'the loss of grazing and other resource harvesting will have a great economic impact on our communities.'

"He argued that the wilderness preservation proposal would mean loss of revenue by the Government from grazing fees and would lower the value of ranches in the area.

"Not adequate consideration

"Milburn, like Downing, warned that the proposal would establish procedures for pulling additional public and private lands into this system of playgrounds for the few.

"W. D. Hagenstein, executive vice president of the Industrial Forestry Association of Portland, Oreg., said the wilderness bill would set aside millions of acres of Federal lands for recreation purposes without adequate consideration of the effect on local economies.

"Why the urge to place these forest lands in escrow by law?

"Howard Zahniser, executive secretary of The Wilderness Society, a nationwide group of conservationists with headquarters here, said in a report to his members:

" 'Those who have been studying wilderness preservation needs have come to the conclusion that all our land is destined to be put to some human use. The pressures of civilization are such that none of the land can be expected to escape.

" 'That recognition has led to the further understanding that none of our land can be expected to endure as wilderness accidentally.'

"Commercial interests generally have opposed the proposed law. The bill is supported by 22 national organizations, including the AFL–CIO, the General Federation of Women's Clubs, the Garden Club of America, the National Wildlife Federation, and the American Planning and Civic Association.

"Local support

"There are 58 State, regional, and local organizations also lending support to enactment of the measure.

"In the last Congress the wilderness bill was sponsored by 12 Senators—HUBERT HUMPHREY, Democrat, Minnesota; RICHARD NEUBERGER, Democrat, Oregon; H. ALEXANDER SMITH, Republican, Maine; KARL MUNDT, Republican, South Dakota; WAYNE MORSE, Democrat, Oregon; PAUL DOUGLAS, Democrat, Illinois; JAMES MURRAY, Democrat, Montana; ALEXANDER WILEY, Republican, Wisconsin; JOSEPH CLARK, Democrat, Pennsylvania; FRANK LAUSCHE, Democrat, Ohio; HENRY JACKSON, Democrat, Washington; and WARREN MAGNUSON, Democrat, Washington. The proposed bill contained this paragraph:

" 'The Congress recognizes that an increasing population * * * is destined to occupy and modify all areas within the United States * * * except those designated for preservation. * * * The preservation of such areas is recognized as a desirable policy of government * * * for the health, welfare, knowledge, and happiness of its citizens of present and future generations.'

"There is no doubt the U.S. population is booming. By the time a baby born January 1, 1959, reaches his 21st birthday, the United States will have between 230,8000,000 and 272,600,000 people. Present population is 175 million. At 41, the baby of 1959 will be hemmed in by an estimated 320 million people and all their landscape-cluttering works.

"What would the proposed law do?

"Safeguards cited

"Senator NEUBERGER has said safeguards would be included in the bill to protect the communities which are wholly reliant on national forest timber and other resources for a livelihood.

"The proposal permits grazing in the wilderness lands where such already is the established custom.

"Where recreation facilities exist, they will continue.

"The proposal creates no new bureaucracy save an unpaid advisory council. Those agencies that already administer the lands will continue to do so.

"A number of provisions have been written into the proposal since 1957 to meet objections by western commercial interests.

"Zahniser said, 'Our objective is to design a program that will avoid controversy.'

"Resources group

"Congress created a committee known as the National Outdoor Recreation Resources Commission.

"This commission is to study the Nation's recreation needs and report 2 years from now. Opponents of the wilderness bill hold that no action should be taken until this commission completes its study.

"Proponents hold that to wait 2 years is just another stalling action; that any report by the commission merely would complement the wilderness preservation bill."

OUTDOOR LIFE

The January 1959 issue of the magazine Outdoor Life has the entire monthly department "Reports from the Field" by Arthur Grahame devoted to an article entitled "Legislation to Watch" and devoted entirely to the wilderness bill. It is as follows:

"LEGISLATION TO WATCH

"(By Arthur Grahame)

"Introduction of legislation which, if enacted into law, will have good or bad effects on hunting and fishing will be a feature of the 1st session of the 86th Congress which convenes this month.

"Early in the session, Senator HUBERT H. HUMPHREY (Minnesota) will reintroduce his wilderness bill.

"For the past decade The Wilderness Society has been urging preservation of our remaining sizable areas of wilderness, most of which are federally owned. In 1955 a speech made by Howard Zahniser, the Society's executive secretary, interested Senator HUMPHREY in the project. The following year he introduced his first National Wilderness preservation system bill, but no action was taken on it. He reintroduced it in the 85th Congress. After the Senate Committee on Interior and Insular Affairs held public hearings on it, he substituted a revised bill designed to meet objections to it.

"Today there are 50 million acres in 163 areas—classified and administered as roadless, wild, wilderness, or primitive—in our national forests, national parks, Federal wildlife refuges and game ranges, and Indian reservations in 28 States and Hawaii. Three quarters of these are in the West, but several in the eastern half of the country are of importance to sportsmen—among them the Moosehorn Wildlife Refuge in Maine, Cape Hatteras National Seashore Recreation Area in North Carolina, Okefenokee Wildlife Refuge in Georgia, and Delta Wildlife Refuge in Louisiana.

"HUMPHREY's bill doesn't seek removal of these areas from jurisdiction of agencies now administering them to that of some new setup, but seeks to insure that they will remain real wildernesses. The bill would make Federal-owned wilderness areas units in a nationwide wilderness preservation system. Each unit would continue to be managed by the Federal agency that now administers it, and that agency would be responsible to Congress for preserving the area's true wilderness character.

"The law would not make the wilderness system perpetually inviolate by freezing any unit in unchangeable wilderness status.

Areas could be added to the system, modified, or eliminated from it after public hearings and with the consent of Congress. Agencies involved would be given ample time to decide whether or not certain areas now classified as wildernesses should be included permanently in the system, and only areas of predominantly wilderness value would be included. The law would not forbid multiple use of areas, provided such use would not detract from their wilderness character. Grazing, for example, could be continued where it now is permitted. Prospecting and mining would be barred unless the President ruled that they are in the national interest.

"The bill requires that, so far as practicable, machines be kept out of the areas—that road building and the use of motor vehicles, motorboats (including outboards), and aircraft be held to the minimum necessary for protection and efficient management of the areas. But it makes the exception that airplanes and motorboats may continue to be used where they now are established means of transportation.

"Hunting and fishing aren't mentioned in the bill, but its provisions guarantee continuance of hunting in all wilderness areas where it now is permitted, and of fishing in all wilderness areas that have fishable waters. Hunting would be prohibited, as it is now, in national park wilderness areas.

"Some sportsmen are lukewarm in their support of the bill because they think that the ruggedness, and often the cost, of travel and living in wilderness areas limits their use to a few hunters and fishermen. Supporters agree that this, fortunately, is the case, and point out that if such areas were used by many persons they would soon lose their wilderness character. But they insist that areas offering real wilderness hunting and fishing will be an indispensable part of the well-rounded system of recreational facilities, including easily accessible public hunting grounds and fishing waters, that we must develop to get maximum payoff from public lands.

"The revised bill has been approved by the Department of Agriculture and the Department of the Interior. But the former has recommended elimination of the provision for a National Wilderness Preservation Council—with an appropriation of up to $100,000 a year—which would have no administrative authority. Hence, it couldn't be much more than a glorified information center. Some supporters of the bill consider this provision its only weak spot.

"The bill is supported by 22 national and 55 regional, State, and local organizations interested in conservation. Among them are the Izaak Walton League, the Wildlife Management Institute, and the National Wildlife Federation. HUMPHREY says he has received letters endorsing it from every State.

"The bill is opposed by the American Pulpwood Association, American Forestry Association, Industrial Forestry Association, National Lumber Manufacturers Association, and American National Cattlemen's Association. In the Committee on Interior and Insular Affairs it has been opposed by Senators Frank A. Barrett, Wyoming, and Arthur V. Watkins and Wallace F. Bennett, both of Utah. Both Barrett and Watkins, incidentally, were defeated in the November elections. It was these Senators' last-minute insistence that additional public hearings be held in the West in November that kept the bill from being voted on before adjournment.

"Senator HUMPHREY expects that his toughest fight will be to get the bill cleared by the Committee on Interior and Insular Affairs. He's sure of more than enough bipartisan support to assure its enactment once it gets past the committee.

FIELD & STREAM

The "Conservation" department which Harold Titus edits in the magazine Field & Stream included in its January 1959 issue a section entitled "Wilderness Bill." It is as follows:

[From Field and Stream, January 1959]

"CONSERVATION

"(Harold Titus)

"Wilderness Bill

"Lawmakers are assembling in Washington for the organization of a new Congress. Before this body will come the usual number of proposals for legislation affecting the Nation's natural resources. At the present time one measure that will be of prime importance to conservationists stands out. This is known as the wilderness bill, designed to establish a wilderness-preservation policy backed up by enabling legislation. It will mark the third appearance of this bill in as many consecutive sessions.

"Four well-attended hearings held in the West 6 weeks ago by the Senate Interior and Insular Affairs Committee served to sharpen the lines of those forces which will debate the issue in coming months. The draft of the bill now before Congress appears to be satisfactory to all the public land agencies that are likely to be affected, but evidently it has served only to stimulate the opposition of those commercial interests which dislike the basic idea. Certain timber, grazing and mining groups registered their disapproval at the hearings and gave the other side an idea of what to expect when the actual debate in Congress begins.

"New Members of Congress should be approached and informed of the attitude of conservationists on this measure. In general, the positions of the older legislators is known, but it is possible that newcomers may hold the balance of power when the voting takes place. Conservationists may well ask one another if they are on record with their Senators and Representatives."

THE OREGONIAN

The issues posed before the American public in the field hearings on the wilderness bill were discussed in the (Portland) Oregonian on November 13, 1958, by Jalmar Johnson, the paper's associate editor, in an article entitled "Who Shall Have the Say on Wilderness?" It is as follows:

[From the Portland (Oreg.) Oregonian, Nov. 13, 1958]

"WHO SHALL HAVE THE SAY ON WILDERNESS?

"(By Jalmar Johnson)

"A great many Americans believe that parts of the national forests, as well as the national parks and other Government-owned lands, should be set aside in their natural state. Present and future generations need such areas of true wilderness, unprofaned by the workaday man and his works, in which to commune with nature for the good of both soul and body. Scientists need them as natural laboratories in which to study the interplay of flora and fauna as it exists free from human influence.

"The present bitter dispute over establishment of a national wilderness preservation system is not so much over the need for wilderness preservation, although there is no unanimity even on that, as over the methods of control. The latest national wilderness preservation bill would change the methods of control substantially.

"It would declare wilderness preservation to be a policy of Congress and, in areas included in the system, such preservation would be made paramount to other uses. The wilderness system would include all areas within the national forests classified now by the Forest Service as wilderness, wild, primitive, and roadless. Within 10 years the Secretary of Agriculture would be permitted to determine which primitive areas are predominantly of wilderness value and to modify boundaries accordingly. (Primitive, wilderness, wild, and roadless areas in the national forests now total 14,395,971 acres, or 8 percent of the total national forest area).

"Congress would have the veto power over any addition to, modification of, or elimination from any wilderness area established. Ninety days' public notice would have to be given of any proposed change and a hearing held if demanded. Congress, however, would have 120 days while in continuous session to pass a concurrent resolution opposing the change.

"In addition, a National Wilderness Preservation Council, consisting of the Secretaries of the Interior, Agriculture, and the Smithsonian Institution and three citizens appointed by the President with consent of the Senate, would be created. The Council would be the clearinghouse for the system but would have no administrative jurisdiction over any area.

"The proposed legislation would involve the national parks, national wildlife refuges and ranges and some other lands, as well as the national forests. Indian lands, since they technically belong to the Indians and not to the Government, will be eliminated. It is the proposed law, as it would apply to the national forests, which is of paramount concern to commercial interests in the West, however, since these are the lands which provide valuable natural resources for timbermen, livestock growers, miners, irrigators, etc.

"Hundreds of thousands of words of argument, pro and con, on wilderness preservation currently are being made part of the record of the Senate Committee on Interior and Insular Affairs. Senator RICHARD L. NEUBERGER, of Oregon, cosponsor of S. 4028 (wilderness bill) in the last session of Congress, conducted hearings last Friday at Bend and this Monday in San Francisco. Senator JAMES E. MURRAY and Senator CLINTON P. ANDERSON are conducting similar sessions this week at Salt Lake City and Albuquerque.

"At the risk of oversimplification, one might say that the arguments boil down to this:

"Most conservationists want Congress officially to recognize wilderness areas by legislative act and to have the final say in any changes in their borders. They want to make it more difficult for timber operators and others to whittle away at the edges of the wilderness areas. They want all the people of the United States, as represented by Congress and the proposed Wilderness Council, to have a voice in determining which lands should be kept in their wild state and which should yield their timber, grass, water, and minerals to the country's economy. Administrators of the lands, who now make such decisions, are too subject to pressure from those who would use the resources for profit, the bill's proponents argue.

"Commercial interests are for the status quo. They are bitterly opposed to any watering down of the multiple-use principle under which the national forests were established. They don't want Congress, the majority of whose Members come from States where wilderness, timber cutting, grazing, mining, irrigation, etc., are of minor importance, deciding what shall be done with the West's natural resources and every bit of Federal land not yet exploited. They don't want a National Wilderness Council, whose three citizen members might become tubthumpers for inclusion of vast areas of the West in a perpetual forest primeval, telling Congress what it should do. And they point out that only a very small portion of the American public is able to enjoy the wilderness where automobiles may not penetrate.

"Reference was made at the Bend hearing to the famous Three Sisters case of a couple of years ago in which a primitive area was reduced by 53,000 acres by the Forest Service in converting it into a more permanent wilderness area. The reduction was made to provide greater timber resources for mills in the Eugene area. Conservationists fought the proposal strenuously, although 197,000 acres remained in the wilderness area.

"This newspaper at that time expressed the view that the boundary change was in keeping with the forest management philosophy of Gifford Pinchot, patron saint of conservation, who sought the greatest good for the greatest number in the long run. One cannot but wonder whether this wise compromise between conflicting interests would have resulted if a Wilderness Council had then existed to stir up a veto-empowered Congress.

"How different the national and local view may be was demonstrated by two Izaak Walton League statements submitted to Senator NEUBERGER at Bend. A resolution from the national Walton League endorsed the wilderness preservation bill. A statement from the Oregon division of the league said directors did not approve the bill, although they were in substantial agreement with most of the objectives.

"The Oregon division recommended that such legislation should be held in abeyance until the Outdoor Recreational Resources Review Commission, which was set up by the 85th Congress, has made its report, which is due in 1961. That is not a bad idea, though one would be optimistic, indeed, if one seriously believed such a report would settle the controversy."

In its news column the Oregonian had earlier, on November 8, 1958, reported the hearing held in Bend, Oreg., on November 7, 1958, in a special dispatch by its staff correspondent, Phil F. Brogan, as follows:

[From the Portland (Oreg.) Oregonian, Nov. 8, 1958]

"OUTDOOR GROUPS, INDUSTRY SPLIT ON WILDERNESS BILL

"(By Phil F. Brogan, staff correspondent, the Oregonian)

"BEND.—Strongly conflicting views relative to the wilderness bill were expressed by delegations and individuals from the Pacific Northwest at a U.S. Senate Committee on Interior and Insular Affairs hearing here Friday, November 7, 1958.

"Senator RICHARD L. NEUBERGER, Democrat, of Oregon, presided at the all-day session assisted by Senator HENRY C. DWORSHAK, Republican, of Idaho. The Bend hearing is one of four to be held in the Western States relative to the controversial bill, original version of which was revised.

"Outdoor groups in favor

"Strong views in favor of the bill were voiced by recreationists, outdoor groups, sportsmen clubs, alpine groups, and others. These included the powerful Sierra Club of California with some 10,000 members in the United States, 250 of them in the Northwest.

"A phenomenal population growth in the United States is causing the encroachment of residential, industrial, agricultural, logging, and mining activities on the formerly vast areas of undeveloped wilderness, particularly in the West, Sanford S. Tepfer, Eugene, spokesman for the group, declared.

"From opponents of the measure which concerns a proposal that would give congressional recognition to wilderness preservation as a public land-management concept came condemnation. This opposition came from lumber interests, stockmen, and, among others, the Associated Oregon Industries. Hans Milius, Bend, spokesman for the ACI, declared that 'Legislation of this type is neither desirable nor necessary.' However, Milius said ACI would not object to legislation which would 'merely give congressional recognition to wilderness use.'

"Churchmen, represented by the Rev. R. Riley Johnson, Episcopal minister from Chelan, Wash., also entered a strong protest against the bill in behalf of the Protestant Episcopal Missionary District of Spokane, Wash.

"Action can be revoked

"But from other Washington groups came statements from garden clubs, outdoor groups, nature lovers, campers, sportsmen, and others in favor of the bill. Charles D. Hessey, Jr., representing the Cascadians of Yakima, Wash., declared: 'The wilderness bill is not irrevocable. The decision to destroy wilderness is a final choice. Any legal protection we can give to wilderness now Congress can revoke if the national welfare ever demands it.'

"The entire Tribal Council of the Warm Springs Confederated Tribes was present. Tribesmen learned that Indian lands may be withdrawn from the final version of the bill.

"Representatives of the western forest industry declared the wilderness system has created a serious problem for Oregon. He said he had been told wilderness and wild areas in Oregon are greater than the State of Rhode Island.

"Friends of the Three Sisters area, represented by Karl W. Onthank, Eugene, submitted strong support for the bill.

"Several compromise plans were suggested.

"Farm Bureau opposed

"But there was no compromise on the part of the Oregon Farm Bureau Federation, represented by R. E. Kerr, Eugene. He declared the bill diminishes rather than increases the recreation potential of the country, militates against conservation, and is not necessary and is untimely.

"The Oregon Cattlemen's Association and the Oregon Wool Growers also entered statements in protest of the bill as did the Washington Wool Growers. In support of the bill, Paul Gerhardt, Portland, representing the Trails Club of Oregon, said, 'The strongest case for this bill lies in the aura of the national forests which were initially instituted not for recreation but for timber and water management.'

"The Izaak Walton League of Oregon backed the bill as did Dr. James Kezer of the University of Oregon, who represented the Oregon Academy of Sciences.

"Scores of statements, newspaper editorials, clippings, and telegrams were entered in the record."

SAN FRANCISCO EXAMINER

The November 10, 1958, hearing held in San Francisco was reported in the San Francisco Examiner on November 11 in two news items in successive editions with the headings, "Wilderness Area Plan Aired Here" and "Battle of the Wilderness a Standoff." They are as follows:

[From the San Francisco (Calif.) Examiner, Nov. 11, 1958]

"WILDERNESS AREA PLAN AIRED HERE

"A seemingly endless procession of witnesses strode up to a wooden armchair in the health building auditorium here yesterday to tell a U.S. Senate hearing how they feel about the so-called wilderness bill.

"The subject matter—a bill on wilderness areas that lost in the last Congress but will be reintroduced next year—generated an almost equal division of opinion from the more than 50 witnesses.

"And among the phrases tossed into the hearing transcript from the opposing sides were: juvenile delinquency, States rights, the camping boom, automation, increased leisure, America's economic future, grizzly bears, and selfish interests.

"Accuse each other

"By far the most popular of these was selfish interests.

"Each side was prone to accuse the other side of misrepresenting them.

"Those favoring the bill were mainly conservationists and scientists; those opposed represented such resource industries as mining, oil and timber.

"Because 70 men and women had asked to appear at the 1-day hearing, Senator RICHARD L. NEUBERGER, Oregon Democrat who conducted the long session, imposed a 5-minute limit on all witnesses at the outset.

"Interests conflict

"The bill, of which Senator NEUBERGER was a cosponsor, would designate certain federally owned uninhabited regions as wilderness areas and establish a National Wilderness Preservation Council that would aid in their administration.

"Witnesses representing the resource industries, as well as spokesmen for the State and San Francisco Chambers of Commerce feel that the bill would seriously deter the natural resource development of the West.

"They claim that the benefactors of the bill would be a group of conservationists and hikers representing less than one-tenth of 1 percent of the U.S. population.

"Natural beauty

"The conservationists, on the other hand, argued that to designate wilderness areas for multiple uses—that is, to permit development of natural resources—would be to permit despoliation of natural beauty.

"Among the witnesses were a pretty Mills College sophomore, Fran Leonard, who urged passage of the bill; and Wendell Robie, chairman of the California State Board of Forestry, who opposed the bill as too inflexible.

"Robie and the others said there was no need to change the present machinery for establishing wilderness areas."

[From the San Francisco Examiner, Nov. 11, 1958]

"BATTLE OF THE WILDERNESS A STANDOFF—66 CONSERVATIONISTS, SCIENTISTS HURL WORDS

"Sixty-six citizens—most of them from the Bay area—hurled an assortment of bouquets and brickbats yesterday at a U.S. Senate bill on the future of Federal wilderness areas.

"The occasion was a 1-day hearing at the health center building here on the controversial wilderness bill that would confine certain Federal wilderness to recreational use.

"The hearing—which saw a seemingly endless procession of witnesses give their ideas on the bill—ended up with opinions about equally divided.

"Speaking limited

"Those favoring the bill were mainly conservationists and scientists; those opposed represented such resource industries as mining, oil and timber.

"Because of the large number of men and women asked to appear, Senator RICHARD L. NEUBERGER, Oregon Democrat, who conducted the long session, imposed a 5-minute limit on all witnesses.

"The bill, of which Senator NEUBERGER was a cosponsor, would designate certain federally owned, uninhabited regions as wilderness areas. It would also establish a National Wilderness Preservation Council that would serve, in effect, as an advisory commission.

"The bill lost in the last Congress, but it is to be reintroduced next year, perhaps in slightly modified form.

"Varied opinions

"Here are some of the opinions expressed:

"David R. Brower, executive director of the Sierra Club:

" 'Unbridled commercialism born of self-interest is the greatest threat there is to the beauty of America. The wilderness bill provides the bare minimum of restraint which should be imposed upon such commercialism.'

"Robert T. Patton, chairman of the public lands committee of the Western Oil and Gas Association, opposing the bill:

" 'We feel that preservation of wilderness areas for the recreational benefit of our Nation * * * should not be done on a wholesale basis, but should provide for proper utilization of the essential natural resources and other economic values.'

"Serious loss

"Charlotte E. Mauk, a technical editor at the University of California Radiation Laboratory, speaking as an individual:

" 'A few thousand acres of timberland here or so many square miles of reservoir site there cannot add much to the gross national product * * * but subtracting them from our dwindling wilderness resources amounts to a serious loss.

" 'We must respect our scenic savings account, lest we become a Nation of poverty in everything but dollars.'

"Dr. Russell H. Varian, scientist, inventor, and industrialist, of Palo Alto:

" 'The significance of wilderness to people lies, along with concepts of beauty and religion, in the category of human values. The wilderness is one of these intangible values of great worth which is in danger of shrinking to the vanishing point'."

SAN FRANCISCO CHRONICLE

The San Francisco Chronicle in a report by David Perlman described the November 10 hearing in a heading which read, "Hot Debate Here on Wilderness Bill." It is as follows:

[From the San Francisco Chronicle, Nov. 11, 1958]

"HOT DEBATE HERE ON WILDERNESS BILL

"(By David Perlman)

"A bill to preserve wilderness areas in Federal lands, and to protect them against commercial development, generated a lengthy and highly partisan quarrel here yesterday.

"The Federal measure, introduced in the Senate more than 2 years ago, is scheduled to come up again in the new Congress. Washington experts predict it will pass in amended form.

"The Senate's Interior and Insular Affairs Committee held one in a series of field hearings on the bill here yesterday, and 66 witnesses showed up to testify—all with strong and uncompromising points of view.

"Presiding was Senator RICHARD NEUBERGER, Democrat, of Oregon, Senator JAMES E. MURRAY, Democrat, of Montana, committee chairman, also attended.

"Ranged against each other at the hearing before an audience of 200 in the Health Department Building, 101 Grove Street, were conservationists from all over the West on one side, and spokesmen for such major industries as oil, timber, mining, and livestock on the other.

"There wasn't much middle ground.

"To the conservationists the proposed bill was essential as a means of stemming the exploitation of America's last remaining wilderness areas—about 2 percent of the country's land area where roads still don't exist and the scenery is unspoiled.

"The conservationists argued that wilderness areas have high scientific value as natural laboratories; that they help protect watershed resources; that they should be preserved for future generations.

"To the industry spokesmen the bill was an anathema—a piece of special interest legislation designed to lock up critically needed natural resources.

"The measure itself would continue existing machinery for administering the areas already classified as wilderness, but it would also provide that only Congress could remove a tract of land from the wilderness system. It would create an advisory Wilderness Preservation Council to help decide on what lands should be kept intact and what should be opened to development."

SAN FRANCISCO NEWS EDITORIAL

The San Francisco newspapers later commented editorially on the wilderness bill and the hearings it had called forth. The San Francisco News, under the heading "Ah, Wilderness," commented as follows:

[From the San Francisco (Calif.) News, Nov. 13, 1958]

"AH, WILDERNESS

"There are about 50 million acres of wilderness—planned and maintained by nature—left in the United States. They constitute 2 percent of the country. Most of it is in the West.

"This week a U.S. Senate committee held hearings in San Francisco on a bill to preserve the beauty and natural utility of these untouched lands.

"It is said to have an excellent chance of passing and we hope it does.

"The bill adds no new restrictions on mining, logging, and grazing; it simply confirms those that exist and requires congressional approval before an area can be removed from the wilderness category.

"Even the city lover who has no intention of trudging off into the wilds is comforted to know that such unscarred majesty remains.

"Future generations will not be thankful if this generation permits all of the 'original America' to be swallowed by ravenous progress."

CHRONICLE EDITORIAL

The San Francisco Chronicle on November 12, 1958, entitled its editorial on the wilderness bill "One Hundred Million Arguments." It was as follows:

[From the San Francisco (Calif.) Chronicle, Nov. 12, 1958]

"ONE HUNDRED MILLION ARGUMENTS

"The best argument for the wilderness-preservation bill which a Senate Interior subcommittee had under hearing in San Francisco this week is found in the latest word from the Census Bureau. It predicts that in the next 21 years this country may grow by almost 100 million in population.

"A prospect like that should wake up the public at large to the fight which conservationist groups are making for a truly effective wilderness reserve. They urge the enactment of a National Wilderness Preservation Act to protect that 2 percent of the Nation's land area, some 50 million acres, where roads still don't exist and the environment is unchanged by man.

"If Congress does not legislate wisely and soon to bar the gates against exploiters of these regions, many of them are certain to be overrun as the population swells to the estimated figure of 272 million by 1980. Once lost, a wilderness is lost forever.

"The key idea of the wilderness bill, S. 4028, is to take the power of opening or closing wilderness lands out of the hands of Federal agencies. Experience has shown that the pressures on them become almost irresistible. So the bill gives Congress alone the power to open up wilderness areas for private exploitation. There is, of course, a great deal of resistance to this idea. The sparsely populated Western States having the greatest expanses of federally owned land tend to be the most resistant; those with teeming populations the most favorable. Oil, mineral, livestock grazing and timber interests continue to oppose the bill, despite the fact that specific objections they made to its first draft have been accommodated.

"There may be legitimate further accommodations. But there should be no retreat from the main principle of keeping the vanishing American wilderness intact. Unless that decision is made by Congress, we'll find some day that there is no wilderness left, and that the Nation as a whole is relatively strapped for adequate park and recreation land as our cities are now."

PALO ALTO TIMES EDITORIAL

On November 14, 1958, the Daily Palo Alto (Calif.) Times warned editorially "When it's gone it's gone forever." The editorial is as follows:

[From the Daily Palo Alto (Calif.) Times, Nov. 14, 1958]

"WHEN IT'S GONE IT'S GONE FOREVER

"Let us suppose the conservationists win the fight for Federal legislation setting aside wilderness areas: If at some time in the future the natural resources of those areas are urgently needed for our economy, or for our defense, they will still be available.

"Let us suppose, on the other hand, the multiple use policy is adopted instead. The resources are utilized, recreation facilities are maintained, efficient use is made of the land—but there is no more wilderness. The quality that is gone can never be regained.

"Opponents of the bill which was debated heatedly in San Francisco Monday say they favor preserving the wilderness all right, but that they want it done by more flexible administrative means and in a way that will permit 'proper utilization of the essential natural resources and other economic values'.

"We do not believe this irreplaceable inheritance can be trusted to the decisions of administrators, who are subject to varying pressures. We do not believe that utilizing land is wilderness in the real meaning of the word.

"The bill itself defines wilderness as 'an area where the earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain.' It recognizes the multipurpose programs already under way on Federal lands, but undertakes to make sure that one of the multiple uses shall be wilderness preservation.

"Well-regulated exploitation and development can create beautiful recreation areas, but nothing takes the place of virgin mountains, streams, and forests among which man ventures reverently, knowing this is the very America his forefathers loved and that his children's children will rest their eyes on the same beauty.

"It will be a sorry day for the United States when its people must sacrifice this part of their natural heritage."

SALT LAKE TRIBUNE

In Salt Lake City, Utah, the Salt Lake Tribune reported of the November 12 hearing that "in number of speakers at least, it was the opposition that had the edge." This report by Jerry Voros, Tribune staff writer, is as follows:

[From the Salt Lake City Tribune, Nov. 13, 1958]

"OPPONENTS RIP WILDERNESS FOREST PROJECT—SUPPORTERS SAY BILL VITAL, 67 EXPLAIN VIEWS IN SALT LAKE

"(By Jerry Voros)

"Supporters of proposed Federal legislation to create wilderness areas which would be maintained with only access allowed by foot

or horse were branded dreamers and wishful thinkers Wednesday by cattle and sheep men, foresters, mining men and water officials.

"During 7 hours of verbal battling before the Senate Insular and Interior Committee, which held a hearing in the Salt Lake City Federal Building, lines were clearly drawn.

"Opponents, among the 67 witnesses which were heard, told the committee that the bill would be class legislation providing land use for only 1 percent of the Nation's population.

"They also claimed the bill ignored the multiple-use concept of present Federal forest management, would create another agency duplicating work now handled by other bureaus, would threaten economies of various areas and would allow for negative legislation.

"Backers of the bill, mostly fish and game officials and organized sports groups, argued action must be taken now to save portions of the Nation's wilderness or it would be too late forever.

"Senator JAMES E. MURRAY (Democrat, Montana) presided at the morning session and at a portion of the afternoon hearing.

"Then Senator HENRY C. DWORSHAK (Republican, Idaho) took over.

"Also attending were two newly elected Democratic Senators, FRANK E. (TED) MOSS of Utah, and GALE MCGEE, of Wyoming.

"The district courtroom in which the hearing was held was jammed and scores of persons stood in corridors. A committee clerk estimated 150 persons attended the sessions.

"Utah officials, headed by Gov. George D. Clyde, marched with opponents of the measure.

"Governor Clyde said people in the West are concerned by the bill because of the impact it would have on the future economy and on job opportunities for their children.

"He said the opposition to the bill does not imply opposition to wilderness preservation as a legitimate part of the multiple-use concept. He said the multiple-use concept cannot be too strongly emphasized.

" 'The resource of first importance, in my book, is water,' the Governor said.

"Other Utah officials to state opposition to the bill were Frank J. Allen, director of the Utah State Land Board; Jay R. Bingham, executive director of the Utah Water and Power Board, and C. J. Olsen, director of the Utah State Park and Recreation Commission.

"Supporters included the National Wildlife Federation, the Colorado Department of Fish and Game, The Dude Ranchers' Association, the Wind River (Wyo.) Outfitters' Association, the Utah Wildlife Federation, the Montana State Department of Fish and Game, the Montana Wildlife Federation, a host of local fish and game clubs in Wyoming and Montana and a United Mine Workers local from Rock Springs, Wyo.

"But in number of speakers at least, it was the opposition that had the edge.

"Other opponents of the bill included Rocky Mountain Oil & Gas Association, Vernal Chamber of Commerce, National Wool Growers, Utah Farm Bureau, Utah Wool Growers, North Dakota Oil & Gas Association, General Federation of Women's Clubs, Montana Stockgrowers Association, Utah Cattlemen's Association, Colorado Association of Soil Conservation Districts.

"Others opposed were the Idaho Wool Growers, National Wool Growers Association, Colorado Farm Bureau, the Utah Association of County Officials, the Colorado State Chamber of Commerce, Utah Farmers Union, the Wyoming Natural Resource Board and the Utah Water Users Association."

In the Salt Lake Tribune's Public Forum on November 13, 1958, a letter writer, W. S. Bolton, of Milford, Utah, undertook to correct some misinformation. His letter given the title Save Wilderness, is as follows:

[From the Salt Lake City Tribune, Nov. 13, 1958]

"THE PUBLIC FORUM: SAVE WILDERNESS

"EDITOR, TRIBUNE:

"Contrary to what some special interests will tell you, the wilderness bill is not designed to take away any of the privileges which are already established on the public lands. It does however protect certain public lands from further encroachment by selfish private interests that are concerned only in the pursuit of another dollar, regardless of its source.

"We have many forests and other public lands at the present that are a network of roads and show the scars of so-called progress wherever you turn. It is about time that we protected what we have left so that the generations to follow will not be cheated of their heritage, the untrammeled primitive areas of this great West.

"Regardless of what the various chambers of commerce and other drumbeaters broadcast, it is not progress just because it rings a cash register. When you cut a road across the side of a mountain covered with virgin timber so someone can take a picture from the front seat of a Cadillac, it strikes a decidedly sour note with millions of people.

"If the present trend continues and this bill in some form is not passed, your grandchildren will never know the thrill or satisfaction of penetrating into an area only occasionally visited by man and then without the use of a mechanical vehicle. They will be denied the soul-stirring drama of sitting by a campfire far in the hills without the background of billboards detailing the advantages of twice over television sets for those who wish to watch two old movies at the same time. They will never be able to spend 1 hour, much less an entire day, without the soul-jarring sight of an automobile accident unfolding before their eyes.

"W. S. BOLTON.

"MILFORD, UTAH."

ALBUQUERQUE JOURNAL

The hearings in Albuquerque on November 15 were reported in the Albuquerque Journal of that date by Wayne S. Scott in an article that was entitled "Wilderness Bill Is Called Threat and Advantage." It is as follows:

[From the Albuquerque (N. Mex.) Journal, Nov. 15, 1958]

"WILDERNESS BILL IS CALLED THREAT AND ADVANTAGE—WITNESSES HEARD IN SESSION HERE THROUGHOUT DAY

"(By Wayne S. Scott)

"The bill to establish a National Wilderness Preservation System was depicted here Friday both as a threat to economy of the West and as a means of providing a retreat from civilization and from the ravages of atomic warfare.

"The conflicting statements were made at a hearing conducted by U.S. Senator CLINTON P. ANDERSON, a member of the Senate Committee on Interior and Insular Affairs, which has the bill under consideration. Several hundred persons attended the hearing, forcing it to be moved from the Federal courtroom of Judge Waldo Rogers to the larger courtroom on the sixth floor of the Federal Building.

"Forty-two are heard

"Forty-two persons presented testimony during the day. Backers of the bill dipped into the Bible and into poetry to support their contention man needs areas away from civilization in which to retreat and find spiritual strength. Opponents declared it would hurt the livestock industry, hinder or halt continued development of oil and mining industries, and be in conflict with the multiple use principle of Federal lands.

"Indians offered the additional objection their lands could be declared wilderness, under present wording of the bill, without their consent. ANDERSON assured them this would be changed either to require their consent or to omit Indian lands from the proposed wilderness system.

"The bill, as presently worded, would declare a policy of preserving certain lands as wilderness areas, to include portions of national forests, national parks, wildlife refuges, Indian lands and other lands owned or controlled by the Federal Government. The Secretaries of Agriculture and Interior would have 2 to 10 years to designate Federal lands to be excluded and could later add other lands to the system on 90-day notice. With certain exceptions, roads, motor vehicles and landing fields would be excluded from the wilderness areas.

"The hearing was marked by one flareup between witnesses. This followed endorsement of the bill by Russell L. Hankins of the New Mexico Mountain Club.

"Attacks club

"Otto Hake, of Frank Bond and Son, Inc., which operates a large ranch in northern Sandoval County, asked Hankins' testimony be disregarded. Hake said hiking club members several years ago climbed Redondo Peak, on the Bond ranch, and charged, 'They left gates open and the cattle mixed, and it cost us hundreds of dollars to unmix them. * * * An appeal from an organization that destroys property and makes it hard for us to produce cattle should not be permitted.'

"Hankins angrily denied the charge and challenged Hake to prove gates were left open, property was destroyed and members of the New Mexico Mountain Club were responsible.

"Anderson stepped in at this point to advise club members to talk to Gordon Bond, head of the Bond firm, in an attempt to clear up the difficulty.

"State opposed

"The State of New Mexico was placed on record as opposing the wilderness preservation bill by S. E. Reynolds, State engineer, who said 'it could have serious consequences adversely affecting the economic development' of the State and its citizens. He mentioned several reservoir and irrigation projects present and proposed, in or so near the wilderness areas they would be handicapped if motor vehicles could not be used to reach them.

" 'The State is anxious to prevent the despoliation of her wilderness areas by commercial activity and to preserve these areas for the enjoyment of all of the people of the United States,' Reynolds declared. But he believed the bill under consideration was not the proper step. He advised action should wait for the report of the National Outdoor Recreation Resources Review Commission, which is due in 1961.

"Opposition of the New Mexico Farm and Livestock Bureau was expressed by John Augustine, secretary. He said that under the bill, a large amount of federally owned land could be set aside as wilderness areas, which he said would in fact be used only by a small portion of the people.

"Asks delay

"He also declared the measure would 'obstruct the special use programs' of national parks, national monuments and wild life refuges and would result in a 'locking up of natural resources in wilderness areas.' He, and almost all other witnesses who opposed

the bill, asked action be delayed until the National Outdoor Recreation Resources Review Commission has reported.

"Recommendation for 'passage of legislation setting up a wilderness system as one of the multiple uses of the national forests,' was made by the New Mexico Wildlife and Conservation Association. It recommended some changes in the present wording.

" 'The bill, fortunately, does not interfere with established uses, such as grazing of livestock,' the association said in a statement read by Elliott Barker, former director of the State game department. 'The bill does not impair, but rather enhances, watershed values of the areas. Watershed is, after all, the highest single use to which practically all existing wilderness, wild and primitive areas can be devoted.'

" 'A wilderness trip of any kind afoot or horseback is inspiring and educational,' Barker said in an individual statement. 'Who would deprive his children and their children after them of enjoying such a wonderful experience? Passage of the Wilderness Preservation Act will preserve that privilege for them.'

"Cattlemen's stand

"W. I. Driggers, president of the New Mexico Cattle Growers Association, declared it considers 'the multiple use of forest and public lands in New Mexico to be of paramount importance to the economic growth and progress of our State.' He said the State's livestock industry had an income of $126 millions last year, and expects $150 millions this year. He said the industry has not opposed the million acres now in wilderness, wild and primitive areas in New Mexico, but believes present law gives the Forest Service adequate authority to maintain them and establish new ones if needed.

" 'In New Mexico, 98 percent of the land area is adaptable only to grazing,' Driggers declared. 'The economy of our State is dependent upon livestock and farming; mining and oil development and all of these industries are dependent upon our public lands. Is it any wonder then that we look upon any move to disrupt the use and productivity of these lands with alarm?'

"Locals 1689 and 794 of the International Association of Machinists and the New Mexico AFL–CIO endorsed the bill in statements read by James Weber.

" 'We believe people, the general public, as opposed to individuals or groups with special interest, have first priority as to our natural resources,' read the machinists' statement.

"Clyde Ely, publisher of the Silver City Daily Press—in a city near the State's largest wilderness area—endorsed a wilderness bill but called for changes in the present draft.

"Two views

" 'There appear to be two camps, one unalterably opposed to the ideas of the other,' said Ely. 'It seems to me necessary changes can be made in the bill, and it ought to be passed then. As it stands now, it depends upon the whims of an administrator. We can have a wilderness today, and tomorrow the Secretary of Agriculture may wipe it out.'

"H. Ray Macht, rancher of Pagosa Springs, Colo., said he does not believe a wilderness area should do any harm to the livestock industry, but he called for some assurance grazing privileges will be continued.

" 'Testimony has been all for or all against the bill,' he said. 'I think we should open our ears and our eyes and our minds and realize there are several sides to this. I think it is necessary for us to compromise'."

THE DENVER POST

The columnist Cal Queal of the Denver Post reported on the hearings in his "Outdoor Empire" column for November 13, 1958, entitled "Final Hearing Held." This column by Cal Queal with a significant summary comment on the wilderness bill is as follows:

[From the Denver (Colo.) Post, Nov. 13, 1958]

"OUTDOOR EMPIRE

"(By Cal Queal)

"Final hearing held

"The last of a series of hearings in the West on the so-called wilderness bill is now under way in Albuquerque, N. Mex. The hearings are an opportunity for a last-ditch effort from opponents of the measure, who were opposed to such hearings until they saw the bill gaining enough support for possible enactment in the last Congress.

"As a delaying move for the bill's opponents, the tactic sort of backfired. Conservation interests have marshaled their forces to testify at the hearings and are making their opinions felt.

"Colorado conservationists are well represented in Albuquerque. Leading a four-man delegation from the State is Dr. Raymond R. Lanier, of Littleton, who is chairman of State parks and wilderness for the Colorado Izaak Waltonians. Also attending are three Denver men: Dr. Ernest Brunquist as a representative of the Colorado Mountain Club; Ed Hilliard, representing the Wildlife Federation, and George Kelly, representing the State's garden clubs.

"Dr. Lanier will present a three-point testimony favoring the bill, which, briefly described, would set aside areas of the Nation where wilderness recreation values would take preference over other uses, such as commercial development.

"Dr. Lanier's three points are these:

"1. The bill for the first time recognizes wilderness areas in the overall theory of land management.

"2. It protects such areas from adverse management decisions (decisions to change a wilderness designation would be given public notice for 90 days, with a hearing if the demand existed, and Congress would be given 120 days to act on the measure). The signature of a bureau chief or Cabinet officer would no longer be enough.

"3. The bill wouldn't impair multiple-use principles of the Forest Service, national parks, etc. It doesn't preclude grazing, mining, and other interests, but would at the same time have wilderness preservation as it major goal. The President can open any area for mining if needed in the national interest.

"Many points in the revised bill are misunderstood, sometimes willfully, by those interests who are fighting it. A few of these points of controversy we will make clear.

"The bill does not set a policy of special privilege or selfish interest. Groups that have made this charge are those who want to use the public lands for commercial purposes and private gain.

"The charge has been made that unreasonably large blocks of land will be pulled out of circulation for special interests, meaning recreationists. Altogether, the primitive, wilderness, wild and roadless areas that may come under the bill account for only 8 percent of the 181 million acres in the national forests. Most of these acres are in high or steep mountain country where logging, grazing, and mining are already restricted to protect the watersheds.

"The wilderness bill would not blanket in new areas not now designated as wilderness or primitive in the national forests, or areas already included within national parks or wildlife refuges. Additions could be made only through a prolonged public procedure, and Congress would have the final say.

"Private rights are protected under the bill. Grazing would be continued on any national forest area where it is now permitted. Reservoir construction or mining development could be permitted as the President deems necessary in the national interest.

"The wilderness preservation council provided for in the measure would have absolutely no administrative jurisdiction over any area of land. Its duties would be fact-finding, informational and advisory only. The council would be composed of the Secretary of the Interior, the Secretary of Agriculture, the Secretary of the Smithsonian Institution, and three citizens appointed by the President and confirmed by the Senate.

"Charges that the council would be a built-in lobby are unfounded. If it were such, so would be the case for the grazing advisory boards set up for public lands under the Taylor Grazing Act, the State and local committees created by law to run the farm conservation programs, and the advisory board on national parks and historic sites.

"The original bill provided for a council that could conceivably have been called packed for recreation interests, but the revised bill certainly could not.

"The Forest Service had objections to the original bill—valid ones. They were concerned that the original bill would take away authority they must have to manage wilderness areas. This major objection and others have been removed.

"The bill will make wilderness preservation a firm national policy, whereas up to now it has never been recognized as even a legitimate one.

"With the pace of life in America increasing daily, the assurance that there will be a haven from living pressures in the future becomes more important than ever. The wilderness bill will insure that haven."

A week after the last hearing was held in the West, Cal Queal reported in his "Outdoor Empire" column in the Denver Post for November 20, 1958, that the oft-repeated and vague charges of the opponents of the wilderness bill are wearing thin. Cal Queal's November 20 article is as follows:

[From the Denver (Colo.) Post, Nov. 20, 1958]

"OUTDOOR EMPIRE

"(By Cal Queal)

"It was obvious from the news out of Albuquerque, N. Mex., last week concerning the congressional hearings on the wilderness bill that opponents of the measure were there in force.

"But their oft-repeated and vague charges of 'conservation purism' and 'wildlife radicals' are wearing thin.

"By contrast, the viewpoints presented by supporters of the bill, including several Coloradans, were clear and well taken. The comments of two Colorado men were especially noteworthy.

"One of them was Ed Hilliard, a partner in Denver's Redfield Gunsight Co., who spoke as a member of the hunting industry—sporting goods dealers and manufacturers, motel and dude ranch operators, etc. He's also an outdoorsman, and much of what he said was guided by a close understanding of the problem of land for wildlife. Some of his comments:

" 'The game management people are being asked to produce more and more with less and less plant. The not-too-distant results of these trends could be the complete unavailability of the types of game that require relatively large tracts of terrain free of human influence.'

"Hilliard said he was referring particularly to elk, which in Colorado range through

wilderness and adjoining areas. He points out that timber and livestock industries have alternatives to the wilderness in pursuit of their livelihood, but that there is no alternative for elk.

"The manufacturer said he was not saying that large numbers of hunters use the wilderness.

" 'I do contend, however,' he said, 'that the wilderness areas serve as the magnet which attracts hunters and other users to a general area where the wilderness lies. The value or use of the wilderness, therefore, goes far beyond its use with respect to people actually setting foot in it.'

"To people who say the wilderness bill goes too far, and that such legislation isn't needed right now, Hilliard had this answer:

" 'The creation of national parks and national forests occurred far ahead of their time at the beginning of this century. Yet here we are only 60 years later running out, so to speak, of these irreplaceable assets.'

"Another interesting viewpoint was presented by H. Ray Macht, of Pagosa Springs, president of the Colorado Wildlife Federation. His remarks were particularly interesting because Macht also is a prominent Colorado stockman. Grazing interests have martialed their top talent to speak against the bill, and it was refreshing to see someone like Macht supporting it.

"Macht runs cattle on land which his grandparents and father ranched before him, and he has a grazing permit on forest land. Here are a few of the things he said:

" 'My father and I have seen this good country hurt and civilized, but more recently have seen a good gain back to nature and beauty through conservation. * * * This part of the National Forest (a portion near Macht's ranch) is becoming littered, rutted, and very civilized. A few miles from the ranch is a wilderness area—it has remained natural and beautiful.

" 'No stockman wants to see vital watersheds wasted in any way—whether by overgrazing, by fire, or by erosion caused by wheel tracks and jeep roads. I believe protection by the wilderness legislation is a good answer to these problems.

" 'They (federation members) have assured me that their primary aim is to have something left in a wild form for their children and grandchildren to enjoy, as they enjoy it.'

"That's a stockman speaking. We can't help but think there are many more like Macht, who have feelings on the matter entirely different from those of most livestock representatives who appeared at the hearings.

"Here are some charges opponents of the bill have used, along with the answers that take the starch out of them:

"There is the charge that grazing, and therefore the livestock economy of the West would suffer. In fact, there will be no change in the administration of wilderness areas regarding grazing privileges. Where grazing is now permitted, it will continue to be permitted, and under the jurisdiction of the forest service as in the past.

"The logging interests have objected. In fact, logging has never been carried out in wilderness areas, and there would be no change in this policy under the wilderness bill.

"Prospecting, mining and construction of water impoundments could be authorized in the areas when they were deemed to be in the national interest.

"Finally, the bill would create no new wilderness areas, but would add the protection of Congress to a land management system in effect since the early 1930's.

"The various opponents of the bill know these things, but have set up a smoke screen around the arguments for another reason. They know that when they want to move in on a wilderness area in the future, it's going to be a little bit tougher than it used to be.

"Considering that the lands concerned comprise only 2 percent of the Nation's acreage, and only 8 percent of national forest acreage, it should be tough—real tough—to take them over for private gain."

NATURE MAGAZINE EDITORIAL

Editorials in Nature magazine and in The Living Wilderness have commented significantly on the public interest in the wilderness bill, particularly with a bearing on the field hearings held in the West. The Nature magazine editorial in its November 1958, issue entitled "Speaking of Wilderness," is as follows:

[From Nature magazine, November 1958]

"SPEAKING OF WILDERNESS

"When Chairman JAMES E. MURRAY of the Senate Committee on Interior and Insular Affairs, announced recently a series of field hearings on the wilderness bill in the West, he issued conservationists a challenge that they should be prompt in accepting and meeting.

"The hearings have been scheduled for Bend, Oreg., November 7, San Francisco, November 10, Salt Lake City, November 12, and Albuquerque, November 14. Senator RICHARD L. NEUBERGER will conduct the Bend and San Francisco hearings, Senator MURRAY himself the hearings in Salt Lake City, and Senator CLINTON P. ANDERSON the final one in Albuquerque.

"We can be sure that those opposed to making wilderness preservation a firm national policy will do their best at the hearings to attack this measure, which conservation forces have been developing for more than a decade. It is a proposal that has been designed to fit into existing programs and to avoid conflict with other interests, but so far the representatives of the other interests involved have seemed slow to recognize this. If they still are unconvinced by November we can expect to see them at the field hearings in November—stockmen, lumbermen, mining interests, and others—objecting vociferously to this sound proposal to save some of our national lands for wilderness.

"Conservationists must accordingly be sure to be at these hearings in force, ready to demonstrate that Americans really are interested in wilderness, ready to point out that this is indeed a reasonable program that does not harm lumbermen or other interests, and prepared to urge that it be enacted as promptly as possible while our wilderness preservation opportunity is still here.

"Senator MURRAY, himself a friend and cosponsor of the wilderness bill, has acted with commendable promptness and decision in taking opponents of the bill at their word and scheduling this series of hearings in their own western regional centers.

"When proponents of the wilderness bill, a year earlier, sought to have field hearings arranged, Senators opposing the measure objected. Apparently they did not want to have the bill publicized and given the advantage of such hearings.

"When, however, widespread public interest in the legislation was apparent and its opponents faced the possibility of enactment in the 85th Congress, the prospect of hearings that could not be held until after Congress' adjournment seemed very enticing indeed.

" 'Insistence upon hearings in the West,' as Conservation Director Charles Callison, of the National Wildlife Federation puts it, 'was a final maneuver by opponents to prevent action on this important legislation in the 85th Congress.'

"But even as American Forests, a perennially imaginative fault-finder as far as the wilderness bill is concerned, admits, the proponents of the bill withdrew from the 85th Congress 'in good order with their hand visibly strengthened for a renewed assault next session.' Enactment in the 86th Congress was predicted by many, and the field hearings to be held during the congressional recess were recognized as a live transition to the 86th Congress.

"It is indeed time to see this wilderness policy and program finally enacted. More than 7 years ago it was, on our June-July 1951 editorial page, that we first enlisted in its support. 'The time has come,' we said then, 'to move positively and translate the wilderness thinking into specific terms of legislation.' We saw this then as an opportunity and a challenge to shift from the defensive to the offensive, and we have since continued to urge it along as an outstandingly important constructive program.

"The bill is needed because without its congressional sanctions the administrative programs so far successful cannot be counted on to endure in the face of pressures that obviously are increasing. It is urgent because the opportunity now to establish a wilderness policy and program without conflict cannot be expected to last.

"These are understandings that conservationists have had for some time. It is time now that they express them forcefully. These hearings offer each of us who resides within the Western States an excellent personal opportunity to do so.

"As Senator MURRAY has suggested, everyone interested in testifying should notify him at once—Senator JAMES E. MURRAY, Committee on Interior and Insular Affairs, U.S. Senate, Washington 25, D.C.—and tell him where the statement should be made—Bend, Oreg., November 7; San Francisco, Calif., November 10; Salt Lake City, Utah, November 12; or Albuquerque, N. Mex., November 14.

"Those unable to attend hearings are invited to send statements to Chairman MURRAY and indicate at which hearing they should be entered in the record.

"Thus by written statement, or better still by testimony, every conservationist in these Western States is given a personal opportunity to stand up and be heard in support of preserving some of our American wilderness wild and unspoiled."

It is interesting to note that, perhaps somewhat facetiously, the editor of Nature magazine, Richard W. Westwood, commented in his "Contents Noted by the Editor" department in his February 1959 magazine that political good fortune seemed to have been coincidental with sponsorship of the wilderness bill. Mr. Westwood's good-natured comment is as follows:

[From Nature magazine, February 1959]

"CONTENTS NOTED BY THE EDITOR

"Conservation's gains or losses in the 86th Congress are not yet completely assessable. No doubt there are Members of the new Congress not well informed on conservation issues, as well as others who have a good background in our field of interest. It is, no doubt, coincidence, but it is interesting to note that none of the many sponsors of the wilderness bill, whether Senator or Representative, Republican or Democrat, male or female, failed to return to the 86th Congress. On the other hand, some of the most active opponents of this legislation fell by the wayside in the last November election.

"R. W. W."

THE LIVING WILDERNESS

The Living Wilderness, published by The Wilderness Society, saw the field hearings as a challenge and an opportunity. The editorial in the magazine's Summer-Fall, 1958, issue was accordingly entitled "Challenge and Opportunity."

It was followed in the magazine by a detailed report entitled "Wilderness Bill Hearings," which included a summary of the testimony both against and for the measure at the July 23, 1958, hearings in Washington, D.C. These hearings have since been

printed by the committee and, thus available, make it unnecessary to present here the hearing report in The Living Wilderness, but it may be noted that this report, followed by the full text of the bill, did appear in the magazine's Summer-Fall 1958 issue on pages 34 to 45 inclusive and is there for reference.

The editorial in that issue is as follows:

[From the Living Wilderness, summer-fall 1958]

"CHALLENGE AND OPPORTUNITY

"Conservationists who want wilderness preservation to become a basic national policy in the United States are facing one of the most striking challenges they have yet known.

"They are facing the challenge—and opportunity—of a series of four public hearings to determine what public opinion on wilderness preservation really is.

"These hearings will be held by the chairman and two other key members of the Senate Committee on Interior and Insular Affairs.

"They will be held in regional centers of the West—in Bend, Oreg., San Francisco, Salt Lake City, and Albuquerque, on November 7, 10, 12, and 14.

"Subject of the hearings will be the revised wilderness bill—S. 4028—a measure to establish a national wilderness policy and program.

"At stake will be prospects for enacting this measure in the 86th Congress.

"As reported in the 'News Item Feature' beginning on page 34 of this magazine, the revised wilderness bill was the subject of Washington, D.C., hearings held on July 23, 1958, especially for the agencies and organizations who had opposed the bill before its revision. These hearings revealed favorable changes on the part of Federal agencies and some organizations. Others reiterated opposition, although in some cases commending the revisions.

"Immediate outcome was the decision to hold field hearings, insisted upon by opposing Senators. This ended progress toward enactment in the 85th Congress, but, far from defeat, provided a vital transition to the 86th Congress.

"Responding to this challenge, realizing the opportunity, will require participation in these hearings by all who can and will represent the public interest in wilderness preservation.

"The organizations and individuals concerned should write at once to Senator JAMES E. MURRAY, chairman, Committee on Interior and Insular Affairs, Washington 25, D.C., and arrange to appear at one or another of the hearings.

"Two things that wilderness bill supporters will want to know in preparation for these hearings—what are the objections and what is proposed—are presented in the 'News Item Feature' in this magazine.

"The detailed reports of testimony at the July 23, 1958, hearings provide an insight into the opposition.

"As to what is proposed and why, the bill itself is the best answer. In the words of its chief sponsor in the Senate, HUBERT H. HUMPHREY, of Minnesota, 'the bill speaks plainly its own purposes and intentions.' Its complete text is on the concluding four pages of this magazine and well merits careful reading in full by all who are concerned with wilderness.

"Aware of the nature of their opposition, familiar with the proposal they support, conservationists who want wilderness preservation to become a basic national policy can well be expected to make the November 1958 field hearings on the wilderness bill a significant series indeed."

In its Autumn 1958 issue, published after the November field hearings had been held, The Living Wilderness in its News Items of Interest department carried a report of the hearings released by the National Wildlife Federation in its Conservation News for December 1, 1958, "Wilderness Bill Hearings," as follows:

[From the Living Wilderness, autumn 1958]

"WILDERNESS BILL FIELD HEARINGS

"Surprising public support for the wilderness bill was disclosed in the field hearings held in four western cities in November, the National Wildlife Federation's Conservation News reported on December 1, 1958. While uncovering little new about the lineup of organized support and organized opposition, the News said 'the hearings did reveal an amount of public interest and a volume of support from the general public that surprised both the sponsors and the organized opposition.'

"The hearings were held on the revised Senate bill 4028 by the Senate Interior and Insular Affairs Committee, in Bend, Oreg., November 7; San Francisco, November 10; Salt Lake City, November 12, and Albuquerque, November 14, 1958.

"The text of the News report follows:

" 'Public hearings held on the wilderness bill in four western cities last month disclosed little new about the lineup of organized support and organized opposition.

" 'Conservation groups unanimously urged passage of legislation, although some did not endorse all details of S. 4028, the latest version of the bill and the draft upon which the hearings were conducted.

" 'Trade association spokesmen representing the timber, oil, mining, and livestock industries—commercial users of the public lands—generally were opposed. As in the past many of their statements bore little relationship to the actual language and purpose of the pending legislation.

" 'The hearings did reveal an amount of public interest and a volume of support from the general public that surprised both the sponsors and the organized opposition. The following interesting sidelight, for example, was reported by F. Ross Brown, vice president of the National Wildlife Federation, who attended the hearing at Bend, Oreg.:

" ' "A young lady representing the Junior High School of LaPine, Oreg., made a fervent appeal for enactment of the bill as a means of preserving these (wilderness) areas for her generation. She was followed by the president of the Junior Izaak Walton League club of Blue River on the Mackenzie. His statement also indicated the young people of this area feel they have an interest in the preservation of some of America's remnants of true wilderness."

" 'Letters 50 to 1 in favor of bill

" 'Unattached witnesses supporting the bill, speaking only as interested citizens, showed up also at the other hearings. But the one-sided aspect of general public sentiment was demonstrated most clearly in the large volume of written statements and telegrams sent to the hearings for inclusion in the printed record. These came from people who didn't have travel expenses paid by an organization and who could not personally afford the time and cost of attending in person.

" 'Benton J. Stong, the official of the Senate Interior Committee who managed arrangements and details of the hearings, said more than 350 written statements and telegrams were received for the record at Bend. Similar communications numbered 315 at San Francisco, 299 at Salt Lake City, and 185 at Albuquerque.

" 'The communications, totaling well over 1,100, ran in the proportion of 50 to 1 in favor of the wilderness bill.

" 'It was difficult to classify all of the witnesses definitely as either pro or con because some declared they were in favor of wilderness legislation but opposed to features of the pending bill. However, observers attending the Bend hearing estimated that of the 69 witnesses heard that day, a majority were in favor of S. 4028. Proponents had a definite edge among the 66 who testified at San Francisco, November 10. On the other hand, opponents who clearly outnumbered the advocates at Salt Lake City were cattlemen, irrigation groups, Chamber of Commerce officials, and Utah politicians who ganged up to denounce the measures. Opponents may have had a slight edge in numbers among the 42 witnesses at Albuquerque, November 14.

" 'Stockmen praise forest service

" 'Opposing arguments echoed and reechoed phrases like "locking up natural resources," "class legisaltion," and "threat to development of the West," according to William L. Reavley, of Salt Lake City, who attended all the hearings except the one at Bend.

" ' "While such phrases were common, the idea also was expressed by the opposition that the present wilderness administration is quite all right and for the most part entirely adequate," Reavley reported. "The Forest Service received a great deal of praise at each hearing, particularly from the livestock groups. This is an entirely new refrain for the stockmen who in the past have denounced the Service as despotic and who have sponsored legislation to handcuff the Federal agency or take the grazing lands away from it."

" 'The stockmen said the bill proposes to eliminate grazing from the public lands, which it would not do. S. 4028 contains specific language protecting all existing grazing privileges, even on national forests wilderness areas.

" 'The loggers said it would "create" or "blanket in" huge new wilderness areas, which it would not do. Only areas already classified as "wilderness," "wild," or "primitive" in the national forests and where logging is presently excluded, plus parts of certain national parks and wildlife refuges, would be affected. Additional wilderness areas could be established only through a long process involving public hearings and consideration by Congress.

" 'One Utah witness, representing county government, even testified the measure would remove lands from local taxation, something that could not happen because the bill applies only to lands already in public ownership.

" 'ORRR Commission used as opposition tool

" 'A favorite argument, repeated by innumerable opposition witnesses, was that wilderness legislation should be delayed until the new Outdoor Recreation Resources Review Commission, created by the last Congress, completes its study 3 years hence. It is now clear that some of the leading congressional opponents of wilderness preservation actively supported the ORRR Act as a means of blocking the wilderness bill. This has been confirmed by the actions of Senators ARTHUR V. WATKINS, of Utah, and FRANK A. BARRETT, of Wyoming, who passed up the hearings in order to attend a meeting of the ORRR Commission in Washington, D.C., November 11 and 12. Both worked for the ORRR bill and subsequently were appointed as Senate members of the Commission. At the November meeting, they tried to get the new Commission to go on record opposing early enactment of the wilderness bill. They failed. Both Watkins and Barrett have been outspoken opponents of wilderness legislation. Both were defeated for reelection and therefore must relinquish their posts on the ORRR Commission when their terms expire December 31.

" 'Objectors ignore changes in bill

" ' "The fact that sponsors of the bill have modified the original version to remove objections and to protect existing private rights seems to have little effect on the opposition," Reavley reported. "The trend of the testimony indicates that many commercial organizations in the West are going to fight any bill recognizing wilderness. Their arguments went beyond the bill in many cases and discussed the entire philosophy of public lands.

" ' "Some presented arrays of figures to show how much of the West is under the rigid hand of Uncle Sam and how much this retards progress. It was stated that government closer to home will produce better management of the resources. Another thought expressed was that each State should have the resources of the land within its boundaries developed exclusively for local use and not in any pattern of national need.

" ' "Although much testimony appeared to miss the mark entirely, there were many witnesses who showed they had studied the bill carefully. Several suggested amendments they thought would make it more palatable. Some said S. 4028 doesn't go far enough and recommended strengthening amendments. Presiding Senators gave Indian representatives assurance that a section of the bill affecting their reservations would be changed, either by taking it entirely out of the bill or modifying it to require consent by the Indians rather than mere consultation.

" ' "After the smoke cleared away the testimony of proponents could be boiled down something like this: They contend that wilderness recreation and enjoyment is one of the several multiple uses of the public lands and that wilderness values will be destroyed unless protected for that purpose. They contend this principle of multiple use, including wilderness, should be recognized by Congress rather than depend on mere administrative policy established and subject to change by a Secretary of Agriculture or other executive official. In essence, they believe this is about all S. 4028 does."

" 'Hearings endorsed as democratic way

" 'In his summary NWF Vice President Brown said the Bend hearing was "a practical demonstration of a democratic way of handling questions concerning our wilderness areas, national parks, and wildlife refuges."

" ' "The new bill to be enacted in Congress should, therefore, provide that after the national policy is established and boundaries for these areas set up, they should be changed only by legislative action that includes public hearings," Brown wrote.

" ' "It is apparent that the extremists on the wilderness question have reconciled themselves to a more multiple-use policy and have shown a fine attitude of compromise. Other conservation organizations, who perhaps have been thinking too liberally, now seem generally agreed that the last version (S. 4028) is a very good one.

" ' "The opposition, while admitting the desirability of wilderness preservation, seem to oppose any national legislation for fear it will restrict their sphere of influence and make it more difficult for selfish interests to invade these areas.

" ' "Finally, such hearings as this one at Bend certainly should be beneficial in educating the general public and should definitely increase the support for a wilderness bill."

" 'Veteran Senator JAMES E. MURRAY, of Montana, chairman of the Senate Committee on Interior and Insular Affairs, presided himself at the Salt Lake City hearing. Senator RICHARD L. NEUBERGER, of Oregon, conducted the Bend and San Francisco hearings, Senator CLINTON P. ANDERSON, of New Mexico, presided at Albuquerque. Senator HENRY DWORSHAK attended the Bend and Salt Lake City hearings. Two newly elected U.S. Senators attended the Salt Lake session. They were FRANK E. MOSS, of Utah, and GALE W. MCGEE, of Wyoming.

" 'The wilderness bill, probably somewhat revised as a result of the recent hearings, will be reintroduced shortly after the 86th Congress convenes in January. It will then have a number different from the present S. 4028'."

In its Autumn 1958 issue The Living Wilderness also noted the opposition to the wilderness bill expressed at the field hearings and subsequently by "those who have a commercial interest in making use of these wilderness lands," and commented as follows in an editorial entitled "If We Have To."

[From the Living Wilderness, autumn 1958]

"IF WE HAVE TO

"Advocates of the proposed National Wilderness Preservation Act have earnestly endeavored to avoid controversy and to see a national policy established through constructive cooperative efforts on the part of all concerned. They have espoused a bill that does not interfere with current uses of the areas involved but rather fits wilderness preservation into an overall program that includes other interests, too.

"Nevertheless responsible foresters, livestockmen, and others with commercial concerns seem determined to fight the proposal. As one long-experienced Federal official remarked with regard to the evidence of the field hearings in the West in November (reported on p. 30 of this magazine), those who have a commercial interest in making use of these wilderness lands, either now or in a future that they anticipate, are opposed to the bill, while all the rest of the interested public seems overwhelmingly in favor of it.

"Advocates of the measure, however, have shown no disposition to abandon the reasonableness of their proposal or attitude. On the contrary, they have maintained their confidence that responsible legislators and executives who are called on to resolve controversy into legislation can be expected to recognize the reasonableness and identify the opposition for what it is.

"But those urging action can hardly continue longer to spend valuable time meeting objections outlined by opponents only to find that when the objections have been met the opposition continues. Reluctant as they may be to do so, the advocates of the bill must now recognize that some controversy is inevitable, and they must press on earnestly in the public interest as they see it.

"There is, of course, considerable satisfaction in having made every effort to be cooperative and constructive—in having, as it were, proved the inevitability of opposition and controversy.

"There is also great encouragement in having evoked from the resulting public discussions such testimony as Martha Ann Platt's at Bend, Oreg., when representing the Mazamas she commended the wilderness bill's 'nobility of concept' and commented that 'in this age of intense commercialization and fierce competition it is refreshing and stimulating to have a practical yet idealistic concept presented that insures permanent wilderness treasures for everyone.'

"If the process of making idealism practical must itself share the age's fierce competition, the conservationists who long ago learned to fight for the freedom of the wilderness can certainly be expected to meet the challenge."

SIERRA CLUB BULLETIN

A final example of public comment on the wilderness bill, particularly on the western field hearings, that will be of interest and help to Members of the Senate and others interested is found in the Sierra Club Bulletin in a feature entitled "Wilderness Hearings—Report and Reply," on pages 11 and 12 of its January 1959 issue. This publication, issued by the Sierra Club from its San Francisco headquarters, first reprints a New York Times dispatch from Salt Lake City by Jack Goodman and follows this by a reply: Wilderness needs an automatic stay of invasion, first written as a letter to the New York Times by David R. Brower, executive director of the Sierra Club. This feature, comprising the New York Times dispatch and Mr. Brower's letter, is as follows:

[From Sierra Club Bulletin, January 1959]

"SENATE SCOUTS EXPLORE WESTERN WILDS

"(Late in November the New York Times published a report on the Senate field hearings on S. 4028 that troubled many people. The days passed by and no replies were published. Finally an official of the Times suggested that the club's executive director reply, which he did. Unfortunately the New York newspaper strike arrived at the same time. Seeing that the interim between report and reply would be too long, the Times has given the Sierra Club permission to reprint the report. David Brower's reply follows the report.—EDITOR.)

"By JACK GOODMAN

"SALT LAKE CITY.—Members of the Insular and Interior Committee of the U.S. Senate have been riding circuit this month—holding public hearings to determine whether there is a need for the establishment of a national wilderness preservation system to secure for the American people of present and future generations the benefits of an enduring resource of wilderness. If such a system were to be established it would be administered by a specially created council or agency.

"In hearings conducted in California, Utah, and New Mexico in the last few weeks, supporters of the wilderness bill have thus far found themselves out-talked by water users who say the measure would seriously limit future power and agricultural developments; by foresters who say the bill would trim the timber potential; mining men who state natural resources would be locked up forever; and by sheep and cattle men who view the proposed Senate bill, S. 4028, as a threat to their livelihood.

"The touring Senators gave ear to a variety of groups, including representatives of the Dude Ranchers' Association who rode in from the range (aboard commercial airliners) to plead for more wilderness. Official representatives of such sportsmen's groups as the Utah Wildlife Federation and the Jackson Hole Chapter of Izaak Walton League as well as a wilderness-minded, semi-bearded poet all turned up at Salt Lake City hearings to argue for the preservation of the type of countryside that is getting to be in short supply.

"In response to appeals of this kind, however, Montana Rancher J. S. Brenner referred to wishful thinking and daydreaming, and added: 'Most of us share delusions of being pathfinders and feel we were born 100 years too late. We picture ourselves leading great explorations, trapping and hunting expeditions and Indian battles. But we can't bring back those cherished days by legislation and it seems rather pathetically useless to try.'

"Better hunting

"The Wind River Outfitters' Association, represented at the Salt Lake City hearings by Rancher Leslie E. Shoemaker, advocated the perpetuation of big game herds in our area in the interest of better hunting, and therefore favored enactment of the wilderness bill without reservations. But bemused Senators, at the jampacked session in Salt Lake's Federal Building, moments later

heard another rangeland expert maintain that too much wilderness of the positive sort can and does lead to concentrations of elk that destroy feed and eventually destroy themselves through starvation.

"State land board and forestry officials, declaring that too much wild West was too much of a good thing, said that the wilderness envisioned by don't-destroy-the scenery advocates would itself be destructive of scenic areas. And C. T. Olsen, former U.S. Forest Service supervisor who is currently Utah State Park and Recreation Commission director, warned that control of insect invasions and fire is extremely difficult in roadless wilderness of the type under discussion.

"Discussing a proposed airspace limitation which would bar flights over primitive areas, Utah's Gov. George D. Clyde called the notion ridiculous and said other provisions of the proposed measure violate the rights of Utah's Indians. He cited studies indicating that few recreation seekers now penetrate existing wilderness preserves, and asserted that the proposed wilderness preservation, superimposed on existing and adequate administering agencies, would be a single-interest council, serving no useful purpose, but adding to the burden of expense.'

"The Governor, along with both opponents and proponents of the wilderness bill, drew attention to the fact that wilderness areas, primitive areas, wild areas, and roadless areas already exist under the jurisdiction of the U.S. Forest Service, along with wilderness areas within the national parks. It was made plain that fewer than 2 percent of all recreation seekers seem aware of the existence of such areas—a matter that irks many westerners.

"One Montana stockman, discussing the fortunate few who have time and money to hire professional packers and outfitters, asked: How about the average citizen? The easterner or westerner with a short vacation can only drive by these sacrosanct areas at a respectful distance and try to imagine the scenery, the hunting and fishing delights of roadless country. That can by no stretch of the imagination be called democracy, nor can it be honestly claimed to be preserved for all the people.'

"Chiefly under scrutiny at the Senate committee hearings are the 78 wildlands areas, comprising 14 million acres, administered by the U.S. Forest Service. Except for a relatively few areas heavily used by the public, the flora and fauna and historical values of the national parks in the West are already preserved in perpetuity, with grazing, lumbering and mining to all intents and purposes prohibited.

"Better conservation

"The situation regarding the 181 million acres of U.S. Forest Service lands—except for the present wilderness areas—is very different, because of multiple-use provisions applying to most Forest Service lands. Under the multiple-use philosophy, national forests are open to selective timbering, with efforts made to preserve scenic values while insuring a monetary return from the publicly owned forests.

"Advocates of this policy say cutting mature timber and planting and protection of new growth is "better conservation" than the wilderness philosophy practiced in national parks under which fallen timber may be left to rot, spread disease or cause fire hazards.

"Under the multiple-use concept controlled grazing is permitted, mining operations can be carried out, ski runs cleared and forest roads cut to picnic areas or lakes—situations that cannot prevail in the 78 wilderness, wild, primitive or roadless areas under Forest Service jurisdiction.

"From the vacationist standpoint, the existing wilderness areas deserve thoughtful consideration in both short-range and long-range terms. Of immediate concern, this off season gives opportunity to weigh the prospects for 1959 summertime visits to such typical wilderness regions as Utah's back-country Uinta primitive area of 243,957 acres; to the Anaconda-Pintlar, Spanish Peaks or Absarokee primitive areas in Montana; Wyoming's Wind River range; or the 11 wilderness areas comprising 800,000 acres in Colorado.

"Some wilderness purists prefer to hoof it into such regions, others arrange pack trips from dude ranches. In most cases, the "Wild West" being what it is today, sizable towns are situated near the end of pavement close to the preserves, and it is possible to park the family station wagon, rent a few horses, with or without guide, and enter the back country with comparative ease.

"National forest wilderness areas are governed under protective regulations (which will continue whether or not the wilderness bill passes) providing that 'there shall be no roads or other provision for motorized transportation, no commercial timber cutting, and no occupancy for hotels, stores, resorts, summer homes, organization camps, hunting or fishing lodges * * *' so any shelter must be of the visitor's own providing.

"Under the vagaries of past legislation, 'wild' and 'wilderness' areas are virtually alike except that the latter are larger; 'primitive' areas differ from 'wild' and 'wilderness' preserves only in that they were established earlier in the Nation's conservation history; while 'roadless' areas are not necessarily wholly without roads, since traffic arteries and livestock routes sometimes lead to private enclaves within preserves—ranches, mines, and suchlike which preceded establishment of the wildland tracts.

"The Righ Uintas primitive area in Utah, fairly typical of the regions which have been the focus of the preservationist uproar, was established as long ago as 1931. It contains 13,498-foot Kings Peak, highest in Utah; encircles fully 1,000 mountain lakes including an estimated 100 which have never been fished; encompasses grassy parks first visited by Robideaux, Bridger, and other mountain men; and protects a goodly supply of elk, bear, lynx, Bighorn sheep, and spectacular scenery.

"The Bridger wilderness area in Wyoming, just north of Pinedale in the Wind River country, contains 13,785-foot-high Gannett Peak, highest in that State, and scenery comparable to the more accessible Jackson Hole region. In Colorado, the 62,600-acre Maroon-Snowmass wild area is barely a brisk walk, for seasoned hikers, from Aspen. In contrast, the San Juan wilderness area in the Durango region is far enough from civilization to shelter most of the State's remaining grizzly bears.

"At the hearings they have been holding across the West, Senators have been meeting not a few citizens who have enjoyed camp in the Bitter Roots of Idaho, the Uncompahgre wild area of Colorado, and the Spanish Peaks of Montana. These hearty souls have impressed upon the legislators the fact that wilderness country holds a special place in the hearts of a dedicated, well-organized group of citizens.

"Scenic regions closed

"But the Senators have also learned that for every man who hikes into the back country, hundreds are obviously satisfied with what they can see in comfort from paved highways, while an intermediate number of tourists are a bit irked at finding scenic regions closed off to them by lack of passable highways.

"To most nonpartisan observers attending the hearings, it would appear that the multiple-use philosophy of the Forest Service concerning most lands under its jurisdiction, coupled with the present availability of wilderness lands kept pristine both by the Forest Service and the National Park Service, provide the necessary balance of acreage for those who want their West wild and those who want their western scenic regions accessible.

"Whatever the Senators, in their wisdom, decide to do as the result of the hearings, however, it might be a good idea for more vacationists to visit the fringes of the wildlands to see for themselves what all the shouting is about. (The New York Times, Sunday, Nov. 23, 1958.)"

"REPLY: WILDERNESS NEEDS AN AUTOMATIC STAY OF INVASION

"SAN FRANCISCO, CALIF., *December 19, 1958.*

"To the EDITOR OF THE NEW YORK TIMES:

"Mr. Jack Goodman's article (Times, November 23) about the Senate field hearings on the wilderness bill was recently shown me by several people—in Rochester, Boston, New York City, Washington, Chicago, and now in San Francisco—who were disturbed by it and urged that it be answered. In the intervening period I have questioned individuals who attended all four hearings—in Bend, Oreg.; San Francisco; Salt Lake City (from which Mr. Goodman filed); and Albuquerque. Their observations correlated with my own at the Bend and San Francisco hearings. The consensus: although Mr. Goodman's piece has an aura of impartiality, there is deep bias running through it and major error as well.

"An important difference exists between objectivity and advocacy, and between either of these and advocacy disguised as objectivity. It is not clear that Mr. Goodman revered this distinction. To avoid the same pitfall, let me say that I strongly favor the proposed National Wilderness Preservation System and believe its creation can be the most important legislative step in conservation since 1916.

"The internal evidence of the article's bias is inescapable:

"(1) The featured quotations from witnesses are all from statements by opponents, which are allowed to stand unanswered.

"(2) The descriptions of opponents are straight reporting, but those of proponents are colored.

"(3) The scant mention of proponents' arguments is immediately answered by an opponent's statement, and at length.

"(4) The proponents are described as 'outtalked' by the opponents, whereas I am afraid they were only outreported by Mr. Goodman. In my own biased view, opponents' arguments sounded like mimeographed versions of an original distortion. In San Francisco the proponents outnumbered the opponents by 39 to 22; the press coverage was equitable, as in Bend, and editorial comment favored the bill.

"With respect to error, Mr. Goodman starts out with a big one in his first paragraph, which says, 'If such a [wilderness] system were to be established it would be administered by a specially created council or agency.'

"This is untrue. There are other evidences that Mr. Goodman's study was cursory at best. If he found time for nothing else, he should have considered carefully the Times editorial of June 23, 1957, before contradicting its carefully considered language with an article seriously short of documentation. That editorial closed with a sentence worth remembering: 'The wilderness bill has met with a bureaucratic and a special interest opposition that its moderate and reasonable terms do not deserve.'

"One could hardly listen in on any of the hearings without realizing that the very opposition of the special interests in itself compellingly argues the need for the wilderness

bill. They must know that the present protection of wilderness is conveniently weak—weak enough to allow commercial exploitation of these dedicated areas without too much trouble. The bill's added protection would make that exploitation harder (by providing for congressional review of what the various administrators choose to add to the System or delete from it), and therefore, they think, should be opposed with vigor. For that very reason the bill should be supported with vigor by the public as a whole.

"A living wilderness, for which the proponents of the bill seek better protection, lives but once. The force of creation, uninterrupted by man's technology, has flowed there since the beginning. For all his intelligence, man has not yet learned how to restore wilderness or to phrase the questions which wilderness alone may be able to answer about the life force. Obliterate that wilderness and, as the physicist, Dr. J. A. Rush, of Texas, has said, man will have cut himself off from the evolutionary force that put him on this planet and in a deeply terrifying sense will be on his own.

"How shortsighted dare we get, or dare our reporting be? Wilderness is not now safe enough if its would-be invaders advocate status quo in its defenses. It needs an automatic stay of invasion from the Congress. For this fragment of living wilderness is all there is, and all that remains for future generations to inherit. It is one of the primal wonders of our land and our children have a right to know it.

"In utilitarian terms, what would the destruction of wilderness gain? That which the resource developers now seem to covet to the last commercial crumb amounts to but 2 percent of the area of the contiguous United States, and it contains the only two places where anyone can get more than 10 miles from a road. Only a little of that 2 percent is of appreciable commercial value and that little has an irreplaceable intangible value as wilderness. The small commercial potential will in itself enable no industry to survive. Wilderness may, however, have scientific and educational values that will enable mankind to survive in a civilized state. Man is bright enough, surely, to make his civilization flow around the few islands of wilderness and not over them.

"The proponents' case is summed up, in another context, by Romain Gary, who, in 'The Roots of Heaven,' has his man Laurencot saying:

" 'It's absolutely essential that man should manage to preserve something other than what helps to make soles for shoes or sewing machines, that he should leave a margin, a sanctuary, where some of life's beauty can take refuge and where he himself can feel safe from his own cleverness and folly. Only then will it be possible to begin talking of a civilization. A utilitarian civilization will always go on to its logical conclusion—forced labor camps.'

"Sincerely yours,

"DAVID R. BROWER,
"Executive Director, Sierra Club."

NEW USES AND NEW MARKETS FOR FARM PRODUCTS

Mr. CAPEHART. Mr. President, I introduce for appropriate reference a bill to find new uses for farm products and new markets, through research and other means, for farm products. I ask that the bill lie on the table until Monday, so that other Senators may join as cosponsors of the bill, if they wish to do so.

A bill similar to this has been introduced by myself and, I think, as many as 40 or 50 other Senators for the last 4 or 5 years. Last year the Senate passed this type of bill, in substance, by a vote of 82 to 0. The bill did not pass the House.

Mr. President, I ask unanimous consent that the bill be printed as a part of my remarks and that a statement I have prepared be printed also. I ask, further, that the names of the cosponsors be printed, including those who may later wish to be cosponsors of the bill.

I know of nothing which is more important than the solving of the Nation's farm problem. I am one who has believed for many years that the only way in which this problem can be solved is to find new uses and new markets for farm products, because the problem is overproduction. I do not think the problem can be solved by reducing the production of the farmers. I think new markets and new uses must be found. To reduce the production of farm products means a reduction in the general economy of the Nation. I simply do not think that is good economics.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD, and the bill will lie on the desk, as requested by the Senator from Indiana.

The bill (S. 1124) to provide for a scientific study and research program for the purpose of developing increased and additional industrial uses of agricultural products so as to reduce surpluses of such products and to increase the income of farmers, and for other purposes, introduced by Mr. CAPEHART (for himself, Mr. AIKEN, Mr. BRIDGES, Mr. CARLSON, Mr. CASE of New Jersey, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. EASTLAND, Mr. GOLDWATER, Mr. HRUSKA, Mr. MARTIN, Mr. SCHOEPPEL, Mr. SPARKMAN, Mr. ALLOTT, Mr. BEALL, Mr. DIRKSEN, Mr. YOUNG of North Dakota, Mr. LANGER, and Mr. MUNDT), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATIONS AND FINDINGS

SECTION 1. The Congress of the United States hereby makes the following declarations and findings concerning the development of new and additional industrial uses for agricultural products:

(a) Current productivity of farms in the United States is substantially in excess of current markets for their products at price levels which provide fair and substantial income to farmers.

(b) National defense and the security interests of the United States require increasing and expanding agricultural productivity to meet possible emergency needs of the United States and its allies, which productivity cannot be achieved or maintained at depressed farm prices resulting from overproduction or with acreage curtailments to avoid overproduction.

(c) It is in the national interest of the United States to increase the level of farm income in order that farmers may continue to share to a greater degree in the general prosperity of the Nation.

(d) No program has been developed, and none can be foreseen, that can successfully shrink farm production for an extended period of time; but research programs provide known means potentially to increase substantially the industrial uses of agricultural products and thereby to achieve farm prosperity based on full, rather than curtailed, production.

(e) Research facilities, both private and public, including those of land-grant colleges and universities, can and should be utilized for an all-out attack on the development of increased and additional industrial uses of agricultural products to enlarge opportunities for increased production by farmers and to reduce Government costs for the acquisition, storage, and ultimate disposition of agricultural commodities which are now a substantial financial burden to the Government.

(f) The cost to the United States of such a research program may be expected to be more than offset by increased tax revenues resulting from increased earnings of both farmers and those who sell goods, wares, and merchandise to farmers, as well as by savings to the United States in costs of current agricultural assistance programs.

PURPOSES

SEC. 2. The purposes of this Act are to find and develop through research, sponsored and financed by the United States, new industrial uses, and increased use under existing processes, of agricultural products.

ADMINISTRATION CREATED

SEC. 3. There is hereby created in the executive branch of the Government an Industrial Agricultural Products Administration (hereinafter referred to as the Administration), in which is vested the duties, powers, and responsibilities hereafter set out in this Act. Such powers, duties, and responsibilities of the Administration shall be vested in an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall serve during the pleasure of the President. The Administrator shall receive compensation at the rate of $22,500 per annum.

DUTIES, POWERS, AND RESPONSIBILITIES OF THE ADMINISTRATOIN

SEC. 4. The Administration shall conduct research, both scientific and chemical, make field studies, conduct both laboratory and field experiments, test production procedures on a commercial basis, maintain and expand pilot plants whenever necessary, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production, and otherwise promote the finding, development, and commercial use of new, increased, extended, and perfected processes, techniques, and programs for industrial uses of greater quantities of agricultural products.

POWERS OF THE ADMINISTRATION AND THE ADMINISTRATOR

SEC. 5. The Administration is authorized to:

(a) Utilize such existing facilities of the United States, and such trained personnel employed by the United States, as the President finds can feasibly be transferred to the Administration for carrying out the purposes of this Act. The President is hereby authorized to (1) transfer any such facility, facilities, or personnel to the Administration, or to (2) make any such facility, facilities, or personnel available to the Administration for carrying out the purposes of this Act.

(b) Build, purchase, or lease plant facilities, or necessary equipment, suitable for research, pilot plant, manufacturing, or other needs of the Administration in carrying out the purposes of this Act.

(c) Employ such personnel as may be necessary to carry out the purposes of this Act; and all technical or scientific employees engaged for research by the Administration

shall be exempt from the civil service laws and regulations.

(d) Employ or retain on a contract basis individuals, firms, institutions, and organizations, public and private, including land-grant colleges and universities, to conduct research programs for the Administration pursuant to this Act.

SEC. 6. The Administration is authorized to pay incentive awards to private citizens for suitable and acceptable suggestions to implement the program established by this Act, such payments to be made in accordance with previously published rules stating the amounts of, criteria for determining, and subjects of, such awards.

SEC. 7. The Administrator is authorized to appoint Industry Advisory Committees and to employ consultants without compensation or at rates of compensation not to exceed $50 per diem.

SEC. 8. The Administration may make grants to accredited schools, colleges, and universities for fellowships and scholarships in research for the purposes of this Act.

INDUSTRIAL AGRICULTURAL PRODUCTS AGENCY CREATED

SEC. 9. There is hereby created in the Department of Agriculture an Industrial Agricultural Products Agency (hereinafter referred to as the "Agency"). The duties, obligations, and responsibilities of the Agency shall be carried out by and under the direction of the Secretary of Agriculture.

DUTIES AND RESPONSIBILITIES OF THE AGENCY

SEC. 10. Under the delegations, directives, and policy determinations of the Administrator, the Agency shall carry out all of the duties, obligations, and responsibilities imposed upon the Administration by this Act, including the making of research contracts, employment of personnel, contracts for the construction, purchase, lease, or other acquisition of real or personal property, and the maintenance of all records, files, studies and other data undertaken pursuant to this Act. Notwithstanding any other provisions of this Act, the Administrator may delegate any power given him hereunder to the Agency, and he may control, supervise, and direct all Agency action permitted by law under this Act.

SEC. 11. The Administrator shall report semiannually to the Congress progress on research programs undertaken pursuant to this Act to find and develop new and increased industrial uses for agricultural products.

SEC. 12. The Agency may license, at a fair and reasonable royalty, any person, firm, or corporation to use any process developed by the Agency or to make and sell under any patent, or application for patent of the Agency. Such royalties shall be based upon fair compensation to the Government for its investment and shall be nondiscriminatory. Whenever the Administrator finds it in the public interest to do so, he may grant royalty-free licenses for processes developed under this Act, including the right to make and sell under any patent or application for patent of the Agency.

APPROPRIATIONS

SEC. 13. There is hereby authorized to be appropriated to the Department of Agriculture, for the Industrial Agricultural Products Agency, the sum of $100,000,000 for the fiscal year beginning July 1, 1959, and the same amount annually thereafter. There shall be paid out of such appropriations the salary of the Administrator as well as all other expenses of his office. The President is authorized to transfer to the Agency $1,000,000 out of unexpended Agricultural Department funds to initiate promptly this program following the enactment of this Act for and during the fiscal year ending June 30, 1959.

The statement presented by Mr. CAPEHART is as follows:

STATEMENT BY SENATOR CAPEHART

On behalf of myself and other Senators, I have introduced, for appropriate reference, a bill which, as I have said on the floor of this Senate on numerous occasions heretofore, will provide a far-reaching and permanent solution of the farm problem which has been with us for these many, many years.

It is a bill to provide a $100 million federally directed program of research and development to discover and perfect new uses for the everyday products of the American farm in industry.

It is identical with bills which I and other Senators introduced in the 84th and 85th Congresses. It is similar to a bill which was passed without opposition by the Senate in the 85th Congress and died in the House of Representatives.

It is a bill which agrees in theory and differs only in detail with the recommendations of the President's Commission on Increased Industrial Use of Agricultural Products created by an act of Congress with the full support of both Houses.

CONGRESS MUST SOLVE FARM PROBLEM

I know of no man who has studied and knows the facts who will disagree with the statement that the patchwork, makeshift farm laws under which we have been operating since the 1930's have been a miserable failure.

To finance that failure has cost the taxpayers of the United States in the neighborhood of $40 billion.

That figure represents more than 15 percent of the farm income in the same period.

All of us agree that some of the laws under which we have been operating have been good laws to meet an immediate, emergency situation. We have all recognized the need for stopgap measures, price-support provisions.

We have agreed with and supported those provisions under which this Government has financed research to teach the farmer how to produce more and more on a given amount of land. That has been money well spent and I have supported it.

So, even with reduced acreages we have continued to produce more and more and piled it up in costly and price-depressing surpluses.

What we have failed to do at the same time was to provide an equal amount of money to develop for the farmer new markets which would assure him, without any price supports at all, a market at a fair price for every ounce of crops he could produce on every acre of land he had to till.

By failing to do so, Congress and administrations over a long period of years have failed the American taxpayer in general and the American farmer in particular.

Those who admit the failure of our farm programs have included Presidents of the United States, Secretaries of Agriculture, and all of the leading farm organizations. The responsibility for that failure must be shared by everybody who has had anything to do with it. And that includes the Congress perhaps more than anybody else.

CORRECT OUR FAILURE NOW

We can now correct our error, on a long-range basis, through the passage of this bill. We can, thereby, not only correct failures of the past. We can, in addition, assure an era of permanent farm prosperity so important to the overall economy of the Nation.

Yes; we have failed. We must not fail again.

Now, what are some of the results of a failing farm program?

Well, one of the most glaring failures is the accumulation of Government-owned surpluses now estimated to have cost something over $9 billion.

I wonder if Senators know that it costs us $1½ million a day just to store that surplus. That's almost $550 million a year.

I wonder if they know that the interest on the money it took to buy that surplus cost us, in 1958, about $365 million.

Add it up. That's almost $1 billion a year, and I predict that if something isn't done to correct the situation the combined storage, interest, and handling charges will, within a year or so, exceed $1 billion a year. That simply cannot go on and on.

This bill is designed to reverse that situation by creating such a demand for farm products that there simply will be no surplus. It's that simple.

FARM INCOME DOWN

Now, what else has happened under our failing farm program?

For one thing, since World War II, the farmer's income from all sources has been pushed downward approximately 23 percent, while the income of the nonfarm population has moved upward approximately 48 percent.

Farm families of the Nation, on an average, now have only about 50 percent of income parity with other groups. That is inexcusable.

This has happened under farm programs submitted by Secretaries of Agriculture, approved by Congresses, and signed into law by Presidents of the United States at a cost of nearly $40 billion to the American taxpayer.

What else has happened?

Since the Korean war, the number of our farms has decreased by more than 1 million and farm employment by almost 3 million. Meantime, our total population has increased by about 30 million.

In the past 13 years it is estimated that farms of 50 acres or less dropped from about 4 percent to 2½ percent of total farm acreage, and that farms of 50 to 500 acres dropped from about 45 percent to below 38 percent; whereas farms of more than 500 acres rose from below 51 percent to almost 60 percent. Noncommercial farms and the substandard commercial farms, with sales below $2,500 per year, accounted for about 12 percent total farm sales in 1949, but are estimated at only 7 percent in 1958.

During the same period, however, family-type farms, with sales ranging from $2,500 to $25,000 per year, have seen their sales drop from about 62 percent to about 58 percent. The large to giant size farms, with sales about $25,000 per year, have expanded from 26 percent of total sales to 35 percent.

THE ANSWER IS NEW MARKETS

Why have our programs failed?

Basically, I am convinced, they have failed because they have been based on the negative theory of paying a farmer to curtail production rather than the sound, business-like theory of providing farmers with ample markets for everything they can grow on every acre of land available to them.

This bill would reverse that situation. It would assure ample markets, encourage production because of increased demand and create an agricultural and industrial prosperity the like of which this country has never seen before.

When you produce, through research, a new product, you create demands for new factories, new transportation facilities, new jobs.

This bill is the first step in that direction. It is my best judgment, based on three years of careful study, that within a relatively few years, the kind of federally sponsored research program I am here proposing would double the demand for farm products. In a minute, I will give you examples.

And, what would it cost? I have suggested that we start with a continuing appropriation of $1 million a year to get this

program under way on a crash basis. Remember, gentlemen, our surpluses alone cost us almost $1 billion a year.

FOR $1 MILLION A YEAR—WHAT?

What would the American people get for that million-dollar investment:

First, of course, it would mean to the farmer a new life of productivity. It would provide prosperity for him. It would permit him to follow his natural instinct to get everything he can out of his land.

Second, it would create new jobs. Obviously, the demand for farm labor would increase. But its effect on industrial labor generally would be even more phenomenal. Entire new industries with millions of new jobs would come into being—industries to manufacture new products. The demand for new transportation facilities—automobiles, trucks, buses, railroads, airlines, and so forth—would be tremendous. The demand for new farm machinery alone would provide an industrial and labor stimulus almost beyond our comprehension.

Third, the increase in retail business would mount into the billions of dollars. Farmers, laborers, and, I am convinced, just about every other category of business customer in the United States would have more money to spend for just about everything business has to sell.

Fourth, such a program would, in my opinion, mean the end of a tremendous tax burden now imposed to finance our vast agricultural assistance and storage programs of the moment—a burden which we gladly bear as long as it is necessary, but a burden which all of us will agree would be a welcome deletion from our national budgets. If we can bring this about—and I believe we can—it would enable us to reduce taxes substantially and to make it easier to retire the national debt at a faster pace.

We must throw the full white light of technical research and development, experimentation, test facilities, pilot plant operations and American technical know-how into an all-out effort to discover and perfect new industrial uses for just the everyday products of our land.

Now, I don't want to be misunderstood about existing research. The Department of Agriculture has been doing some very worthwhile experimental work. Our fine agricultural and technical schools are working at it constantly. We have some very limited utilization research plants under Government management. Within their limited facilities, all of these agencies have been doing a good job.

But, what I am talking about here *is* a much more comprehensive effort, a job with top priority under the direction of an administrator or administrative board with ample funds and the authority to knock heads together, if necessary, to get the job done.

It is my best judgment that we would begin to see tangible results of such a program within a reasonably short time. I believe that the Department of Agriculture and our research people have enough technical knowledge right now that, given a real opportunity to carry through, they can find industrial uses for 5 billion additional bushels of grain—corn, wheat, rye, barley, oats, rice, sorghum grains and others—each year.

Remember that we produce only about 6½ billion bushels now and that in some years as much as one-third of that amount has been surplus. It takes about 180 million acres to produce our present output. Add another 5 billion bushels to a real and continuing demand for grains and you begin to see the almost fantastic possibilities of this program we are talking about.

The great chemical and petroleum industries have developed, through research programs, ways to make everything from rubber to clothing materials from substitutes.

These research programs have developed in substantially the same proportion to the amount of money industries have plowed back into research from their profits. Our most successful industries are those which have devoted and are devoting more and more attention to research.

Industry is currently investing more than $3 billion a year, or 3 percent of gross sales in research. The result is obvious in a constant flood of new and improved products—fabrics, plastics, building materials, surface coatings, detergents, chemicals, and many others.

By contrast, agriculture spends not over $375 million on research—about 1 percent of gross sales, and most of this goes to improve and increase production. Federal and State governments spend $190 million of the total, of which no more than $18 million goes for utilization research. In other words, about one-twentieth of 1 percent of the gross sales of agriculture has been used on research to find new uses for agricultural products.

Some have said that our 6 million farmers ought to do this for themselves. I wish they could. But I believe there is general agreement among those who have studied the problem that here is a job the farmers simply cannot do for themselves.

Most of us remember not too many years ago when the production power on the farm was restricted to animal power, horses and mules. It has been estimated that this animal power consumed the production equivalent of some 80 million acres of feed grains.

The animal power is obsolete and there has been little or no research to develop new markets for the production of that 80 million acres.

I believe all Senators are familiar with what research did for the citrus industry at a time when it admittedly was in bad shape. The quick freezing process, perfected in part through research conducted by our own Department of Agriculture, reversed that economic trend. Not only was the industry stabilized, but new demands brought vast expansion, and every man, woman, and child in the United States enjoyed a potential benefit because of the greater accessibility of the healthful benefits of fresh citrus fruit juices.

Then, have a look at what once was called the lowly soybean. The earliest records show that a Chinese emperor in 2838 B.C. wrote of the highly valued nutritional qualities of the soybean. Yet it was not until about 1930 that research spearheaded by the late Henry Ford—research for industrial uses of the soybean—that this crop started the upward trend that has made it one of the great money crops of today.

It has long been my hope that we could use alcohol produced from grain as a part of our motor fuel. European countries have blended alcohol into their gasoline up to 25 percent. Were we to blend alcohol into our gasoline to the extent of 10 percent, it would require about 2 billion bushels of grain a year. In other words, that one use alone would go a long way toward solving the grain-surplus problem.

Admittedly, gasoline now can be produced cheaper than alcohol. However, I am thoroughly convinced that a broad program of research will lower the cost of producing alcohol from farm products.

At the present time when we make alcohol out of farm products we have a protein residue that is a very valuable food for animals. However, with improved methods brought about by research and trial commercialization, it is believed that the alcohol can be extracted and the protein residue will be a fine human food. Its value will then be many times greater than its value for livestock food. The alcohol would then become more or less a byproduct and it can be sold at a price that it will compete with gasoline for a part of this motor-fuel market. Who knows?

Our surpluses are primarily starches. From starch we make alcohol and from alcohol we can make rubber, we can make plastics, we can make a thousand and one things that are now being made from other materials.

These include solvents, surface coatings, plastics, chemicals, fibers, films, explosives, adhesives, lubricants, insecticides, drilling muds, paints, varnishes, and even paving materials.

Let us, for the purposes of this statement, discuss just exactly how this bill would work:

There is created in the executive branch of the Government an Industrial Agricultural Products Administration under the administrative direction of an Administrator, to be appointed by the President by and with the consent of the Senate.

The Administration shall conduct research, both scientific and chemical, make field studies, conduct both laboratory and field experiments, test production procedures on a commercial basis, maintain and expand pilot plants whenever necessary, maintain and operate manufacturing facilities where necessary to prove the commercial feasibility of volume production, and otherwise promote the finding, development, and commercial use of new, increased, extended, and perfected processes, techniques, and programs for industrial uses of greater quantities of agricultural products.

The Administration would be empowered to utilize existing facilities of the Government to carry out the program. It could build, purchase or lease plant facilities, necessary equipment, pilot plant, manufacturing or other needs to carry out the program.

In addition to this, however, the Commission might employ private industry—individuals, firms, institutions and organizations—and the services of land-grant colleges and universities to conduct research. Incentive awards are provided for. Industry advisory committees would cooperate. Consultants might be employed with only per diem pay. Grants to accredited schools, colleges and universities for fellowships and scholarships in research are authorized. The Administrator would be required to report semiannually to the Congress.

At this point the bill makes additional provisions for the participation of private enterprise. It is provided that the Industrial Agricultural Products Agency of the Department of Agriculture may license, at a fair and reasonable royalty, any person, firm, or corporation to use any process developed by the Agency or to make and sell under any patent, or application for patent of the Agency. Such royalties shall be based upon fair compensation to the Government for its investment and shall be nondiscriminatory. Whenever the Administrator finds it in the public interest to do so, he may grant royalty-free licenses for processes developed under this act, including the right to make and sell under any patent or application for patent of the Agency.

Yes; the possibilities are limitless, the potentiality so great as to require every bit of the imagination which has made America the great Nation it is.

Let me list a few more possibilities:

1. A high protein cattle food that could consume an additional 150 to 160 millions of bushels of wheat a year, the production equivalent of 7½ million acres.

2. Metallurgical oils from grain.

3. Oil, as a grain derivative, for use in the manufacture of paint.

4. Ethyl alcohol, for use in producing synthetic rubber, from grain. One ton of

rubber would consume 350 bushels of grain. Multiply that by the 900,000 tons of synthetic rubber we produce a year and it comes up 315 million bushels of grain, the production equivalent of about 7 million acres.

5. Microba rubber, a natural product, from the gluten in grain.

6. Ethyl alcohol from grain to be blended with gasoline. If just 10 percent of the blend was ethyl alcohol made from grain, it would require more than 2 billions of bushels of grain a year. That alone would absorb the grain surplus.

Now, there are many more potential uses of which we already know. Some say, and correctly so, that the cost of some of these uses would be so great as not to be practicable or competitive. Who knows? Finding ways to reduce the cost, make the uses practicable and the products competitive is just exactly what research programs—programs such as the one we here propose—are for.

I have listed a few of the better known possibilities for new industrial uses which we all know about, but I believe it might be helpful if I should record here, in order, the list of known uses given to me by the Department of Agriculture. The Department has estimated that these 11 uses would consume 2.6 to 2.7 billion bushels a year if fully developed by the program here proposed. They are as follows:

1. High protein food by fermentation, 150 million bushels a year.

2. Paint from vegetable oil, if 5 to 10 percent of the potential market is reached, 15 million to 60 million bushels a year.

3. Synthetic rubber, 365 million bushels a year.

4. Microba rubber, if 10 percent of the potential market is reached, 25 to 30 million bushels a year.

5. Increased use of starch in paper, 40 million to 100 million bushels a year.

6. Industrial exploitation of oxystarch, 10 million bushels a year.

7. Raising disease-free poultry for export, 13 million bushels a year.

8. New drug plants, 4½ million bushels a year.

9. Hardboard, boxboard, and building board from wheat, 20 to 40 million bushels a year.

10. Development of high amylose corn, 10 million bushels a year.

11. Blending 10 percent grain alcohol with gasoline, 2 billion bushels a year.

There are a great many other possible uses which have been called to my attention. These include smokeless powder, plastics, medicinals, toilet preparations, soaps, cleaners, anesthetics, antifreeze, dyes, varnishes, and synthetic fuels.

Who knows whether a program such as this may not some day solve the problem of our paper supply, now almost altogether limited to the pulpwood industry? I can foresee the day that we may raise our entire paper supply right on our farms.

Our publishers sometimes get concerned about the shortage or the threat of a shortage of paper. The task group on new and special crops points out that we can make not only paper but furniture and specialties from bamboo. They further point out that you can produce bamboo in the South from South Carolina to Texas and the coastal and Piedmont areas.

It will grow faster than the pine. This crop could be expanded for industrial purposes so that we could use a million acres of bamboo. This crop alone might solve the surplus problem facing cotton farmers.

We must remember always that what helps any segment of American agriculture helps all of American agriculture, and although I am a Hoosier, I am just as interested in the problems of the Cotton Belt as any other area.

I could go on and on with possibilities. New ones are reported from time to time. But, they are going to remain just possibilities unless we do something about it and do it now.

I am sure that most of you are familiar with and admire as I do the work of Mr. Wheeler McMillen, vice president of the Farm Journal and a recognized authority in this field. Called upon to comment in 1956 on the first bill of which I was the principal author, Mr. McMillen said, in part:

"If the Congress will adopt the principles of this bill and will provide adequate funds through the years, it will have taken the longest and soundest possible step toward making agriculture a permanently prosperous, expanding industry.

"It will add new products for the American standard of living. It will build new factories and create new jobs for years ahead.

"It will provide for American industry unfailing sources of raw materials, materials which will ever be renewable, annually reproductive as long as soil and water are conserved.

"It can in time remove, probably forever, the urgency of agricultural subsidies.

"It will work toward making American agriculture the growth industry that farmers want it to be. It will provide expanding opportunity for the family farm. It will make it possible for our fine farm boys and girls to live and prosper on the land they love.

"This proposal offers, in short, an infallible plan toward a richer rural civilization and, therefore, toward a better America."

In this position, he is joined by very distinguished company, including the heads of our farm organizations, deans of schools of agriculture, farm publication policymakers, newspapers editorial writers, scientists, economists, and many others.

The principle involved here has been supported by the American Farm Bureau, the National Grange, National Council of Farmer Co-ops, National Farmers Union, Reed Research, Inc., National Cotton Council, Corn Industry Research Foundation, National Farm Chemurgic Council, various leaders of organized labor, leading research scientists, experts from agricultural colleges, the Farm Journal, the Chemurgic Digest, the Oil and Gas Journal, the Indiana Farmers Guide, the Washington (D.C.) Star, Chicago Tribune, Cleveland Plain Dealer, Indianapolis News, Indianapolis Times, Indianapolis Star, South Bend Tribune, Hammond Times, Plymouth (Ind.) Pilot-News, Philadelphia Inquirer, Omaha World-Herald, Syracuse (N.Y.) Standard, LaPorte (Ind.) Herald-Argus, Kokomo Tribune, Lafayette Courier-Journal, and other farm magazines and newspapers.

I have the greatest admiration for our great schools of agriculture, one of the finest of which, Purdue University, is in my home State of Indiana. They have been and are doing an outstanding job. They are doing a great job for our agricultural industry.

So are our county agents, our extension schools and our 4-H Clubs. They have helped immeasurably to make ours the best fed Nation in the world. Every cent spent on their activities has been well spent. We should continue their programs and make them ever-expanding. The part they could play in the research program here suggested would be just as immeasurable—just as valuable.

As a businessman and a farmer, I know of only two ways to increase business. One is to sell more goods to existing customers. The other is to find new customers. We are selling all we can of our farm produce to existing customers. So, we must find new uses and new customers if we are going to solve permanently the farm problem.

It is time all of us admitted openly and frankly that our farm programs have failed to produce a permanent solution of one of the most serious problems of our Nation.

It is time to provide that solution by beginning to spend, through such a program as is proposed in this bill, a million dollars a year that will return us billions upon billions in the years to come.

PAVING OF ALASKA HIGHWAY

Mr. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to authorize appropriations for paving the Alaska Highway in Canada, with the cooperation of the Canadian Government.

I am pleased to be joined in introducing this bill by the senior Senator from Alaska [Mr. BARTLETT], the junior Senator from Alaska [Mr. GRUENING], my senior colleague from Oregon [Mr. MORSE], the senior Senator from Montana [Mr. MURRAY], the junior Senator from Montana [Mr. MANSFIELD], the senior Senator from Minnesota [Mr. HUMPHREY], the senior Senator from Colorado [Mr. ALLOTT], the senior Senator from California [Mr. KUCHEL], the junior Senator from California [Mr. ENGLE], the senior Senator from Nevada [Mr. BIBLE], the senior Senator from Florida [Mr. HOLLAND], the junior Senator from Massachusetts [Mr. KENNEDY], the junior Senator from Idaho [Mr. CHURCH], the junior Senator from Utah [Mr. Moss], and the junior Senator from Wyoming [Mr. MCGEE].

Mr. President, terms of the bill which I present today are similar to those contained in the measure which I submitted to the Senate on July 2, 1958, on behalf of myself and other Senators. Appropriations of $11 million a year for the 6 fiscal years beginning with fiscal year 1961 would be authorized for expenditure on improvement of the Alaska Highway and the Haines Cutoff, on the condition that the Government of Canada participate equally in the program. The bill provides that, in addition to sharing the cost of hard surfacing this section of highway, the Canadian Government agree to maintain it after completion of the project and make it accessible on free and nondiscriminatory terms to U.S. traffic.

Amounts cited in the bill are based on studies made by the Bureau of Public Roads. Total cost of the work is estimated at approximately $125 million, including about $15 million for making the 110-mile connection with Haines into an all-weather road.

The Alaska Highway extends from Dawson Creek, British Columbia, to Fairbanks, Alaska. Some 300 miles of this highway in Alaska are paved. The remaining 1,200 miles within the borders of Canada are surfaced only with gravel, except for a 50-mile stretch north of Dawson Creek.

Mr. President, a brief informative memorandum describing the background and status of the Alaska Highway has been prepared for me by Mr. Theo Sneed, technical staff member of the Senate Public Works Committee and a colonel with the United States Army Corps of Engineers detachments which constructed this great project during World War II. I ask unanimous consent that this memorandum be printed at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM ON THE ALASKA HIGHWAY

The Alaska Highway was completed under the supervision of the U.S. Army in 1943. A pilot road was pushed through the area by engineer troops from March to November 1942, being widened and relocated where necessary, to provide a two-lane graveled surface, with drainage and bridges, by American and Canadian contractors working under the supervision of the Bureau of Public Roads during the 1942 and 1943 working seasons.

The Alaska Highway as then completed extended from the end of the railroad at Dawson Creek, British Columbia, Canada, to Fairbanks, Alaska, a distance of about 1,550 miles. From Dawson Creek the highway passes through Fort St. John, British Columbia; Fort Nelson, British Columbia; Watson Lake, British Columbia; Whitehorse, Yukon Territory; Northway, Alaska; Tanacross, Alaska; Big Delta, Alaska; and Fairbanks. A cutoff road was constructed from Haines, Alaska, on the coast, to the Alaska Highway, 108 miles north of Whitehorse.

Extensive U.S. Army installations, including airfields, were constructed at Edmonton, Grande Prairie, Dawson Creek, Fort St. John, Fort Nelson, Watson Lake, Whitehorse, Northway, Tanacross, Big Delta, and Fairbanks. A telephone line extends along the Alaska Highway to Alaska, with a relay station about every hundred miles. A gasoline pipeline now extends from Haines, Alaska, on the coast, along the Haines Cutoff and the Alaska Highway to Fairbanks. A major airbase has been completed about 20 miles southeast of Fairbanks (Eilson Field), and the Arctic Testing Station of the Air Force is located at Big Delta, 95 miles southeast of Fairbanks.

Good highways extend from various points in the United States to Edmonton. From Glacier National Park, in Montana, through Calgary to Edmonton, 375 miles, and from Grand Forks, N. Dak., through Winnipeg, Manitoba, Regina, and Saskatoon, Saskatchewan, to Edmonton, 1,100 miles.

From Dawson Creek to the Yukon-Alaska border on the Alaska Highway, 1,221 miles, will require improvement of the existing highway with respect to drainage, minor relocations, bridge and culvert replacement, slide removals and corrections, and surfacing.

The Haines Cutoff within Canada consists of 110 miles from the junction with the Alaska Highway to the British Columbia-Alaska border, and would require major reconstruction and relocation, including grading, drainage, structures, removal of slides, and surfacing.

The Alaska Highway is improved and has a bituminous plant mix surface course in Alaska from the Canadian border to Fairbanks. It connects with the Richardson Highway, about 95 miles from Fairbanks. The Richardson Highway extends southward to the coast at Valdez, with the Glenn Highway extending from the Richardson Highway westward to Anchorage. Thus, Anchorage and Fairbanks, the major cities and defense centers in Alaska, are now connected by an improved highway. A cutoff road extends from the Richardson Highway at Gulkana northeastward to the Alaska Highway near Tanacross, about 100 miles east of Big Delta. Improved highways extend from Fairbanks to Circle, on the Yukon River (130 miles), and north to Livengood (95 miles).

The total length of highway proposed for improvement in Canada is 1,331 miles, at an estimated cost of about $125 million. It is proposed that the Canadian Government contribute 50 percent of the cost of construction and improvement of the highway, in addition to furnishing the necessary rights-of-way.

Mr. NEUBERGER. Mr. President, congressional approval of statehood for Alaska paved the way for political equality for this great northern land through full-fledged membership in the Union. Now it is Congress' responsibility to insure that social and economic equality is achieved through strengthening of the lines of communication between Alaska and the other 48 States.

I believe that the Government of Canada will wish to cooperate with the United States in this endeavor. Certainly, rich rewards in terms of increased trade and tourist travel would accrue to our neighbor to the north. I understand that officials in several Saskatchewan and Alberta cities have petitioned the Prime Minister of Canada to press Canada's participation in the paving of the Alaska Highway.

Recently there was brought to my attention an article published in the January 7, 1959, issue of the Daily Colonist, of Victoria, British Columbia, which reveals the desire of that great province to see such a project initiated soon. I ask unanimous consent that the article to which I refer be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUILD ALASKA ROAD, UNITED STATES, CANADA ASKED

Highways Minister P. A. Gaglardi suggested Tuesday that Canada and the United States should share 50–50 on a new north-south highway route through British Columbia.

"Or they could share 50–50 in bringing the Alaska Highway up to standard and hardsurface it," he said, discussing suggestions by Oregon Senator RICHARD NEUBERGER that the Alaska Highway should be paved in a Canada-United States venture.

Mr. Gaglardi said British Columbia's contribution in his plan would be to take over the highway or highways after the hard-surface is laid, and undertake maintenance costs.

The Minister said British Columbia has already undertaken to maintain the first 50 miles of the Alaska Highway north of Dawson Creek, and Ottawa is thinking of hard-surfacing another 50 miles this year.

The United States, he believed, should be prepared to pay 50 percent of new construction, or reconstruction and surfacing costs, since the highway routes through British Columbia would be of vital interest to Americans and Alaskans.

I am sure the two nations could agree, and establish a high degree of cooperation," Mr. Gaglardi said.

Mr. NEUBERGER. Mr. President, members of the Eisenhower administration have indicated to me their approval of the aims of my bill. In July 1958, I wrote to the President suggesting that he propose United States-Canadian cooperation in paving the Alaska Highway to the Prime Minister of Canada when the two met at Ottawa. The White House has since informed me that this subject was discussed in that conference. I am hopeful that the discussion will serve as a basis for further talks at a lower level and that a United States-Canadian agreement may be rapidly completed so that actual work may get underway immediately upon availability of funds.

The need for improving that great highway link across western Canada to Fairbanks, Alaska, is a matter with which I am personally familiar. During World War II I served in the U.S. Army as aide-de-camp to the late Gen. James A. O'Connor, of the Corps of Engineers, who was in charge of the construction of the Alaska Highway.

I have traveled many times from Fairbanks to Dawson Creek, through measureless solitudes of pine forests and majestic mountains, and I know we will never have reliable land contact with Alaska until the 1,500-mile Alaska Highway is paved.

Mr. President, since originally introducing this bill in the closing days of the last Congress, I have received numerous expressions of support from organizations and individuals located in Alaska and the other 48 States. This measure is nonpartisan. It would aid the development, not only of Alaska but of the intervening areas of western Canada, for the benefit of both nations. I believe that this proposal is one which deserves the unanimous support of Congress.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1125) to authorize the appropriation of funds for the construction, reconstruction, and improvement of the Alaska Highway, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Public Works.

Mr. BARTLETT. Mr. President, I wish to express my thanks and the thanks of Alaska for the vision and the helpfulness of the junior Senator from Oregon [Mr. NEUBERGER] in introducing a bill the purpose of which is to encourage the paving of the Canadian section of the famous Alaska Highway.

The junior Senator from Oregon has on many occasions demonstrated his friendship for Alaskans and his desire to promote the economy of that great area, now the newest of our States.

As he made the statement in the Senate Chamber a while ago in introducing his bill, my mind went back to a November day 16 years ago when he and I stood on the shores of Lake Kluane, as the Alaska Highway, one of the great engineering feats of World War II, was officially dedicated.

Mr. President, most of the Alaska section of that highway, extending over a distance of 202 miles, is now paved. Only 50 miles of the Canadian section is under a contract for paving, out of a total distance in the Canadian section of 1,221 miles.

This highway, from Dawson Creek, the point of origin, to Fairbanks, is a long one, extending for 1,520 miles. But should the Canadian section be paved, as a result of the bill introduced by the junior Senator from Oregon or otherwise, we shall have, I predict, the greatest rush of tourists to Canada and to Alaska in recent history. It is a great land. There is a good highway now, but it is only a gravel highway, and sometimes

travelers do not care to traverse the whole distance. But if the highway is paved, as it well can be by both countries, under the provisions of the bill offered by the junior Senator from Oregon, we are going to have there great tourist travel.

I am especially gratified the bill provides for maintenance on a year-round basis at the so-called Haines Cutoff, which provides the only access to an interior highway which southeastern Alaska has. Regrettably, under present circumstances, this is closed most of the year because of snow. If the bill should become law, then we will have a way to go by car from southeastern Alaska to Canada, and to all of the States, on a year-round basis.

Mr. President, I am mindful it was principally because of the hard work and unremitting efforts of the junior Senator from Oregon [Mr. NEUBERGER] that Alaska about 3 years ago was included for the first time within the Federal-aid highway system. We in Alaska owe much to the Senator, and we appreciate his work on our behalf.

Mr. GRUENING. Mr. President, I want to join my senior colleague in commending our good friend, the junior Senator from Oregon, for his repeated evidences of interest and support of Alaskan aspirations, and particularly for his reintroduction of the bill to pave the Alaska highway.

For a good many years the United States has shown an interest in the promotion and development of an inter-American highway, and the Congress has appropriated liberally for that purpose. I believe in recent years the United States has advanced something more than $120 million to assist 5 Central American countries to complete their portions of the inter-American highway. I think it may be fairly stated that no link in that inter-American highway could be deemed more important than a highway to connect the 48 States with the 49th State.

A highway connecting the 48 States with Alaska was constructed as a war measure. It was constructed following the report of a commission authorized by the Congress in 1938, under a bill sponsored by our able colleague, the senior Senator from Washington [Mr. MAGNUSON], who was then a Representative. It was a commission on which I had the honor to serve.

The route which was selected was not the route recommended by either the American members of our commission or the Canadian members of their commission, but was a route which yielded to war necessity and connected some of the airports which had been built by the Canadian Government the previous year. The United States built that highway. The United States paid for the highway, and operated it as a military measure.

One of the officers who assisted in the construction and operation of the Alaska highway was the same RICHARD NEUBERGER who has been so helpful to Alaska ever since, and is now sponsoring a bill to get the highway paved. He has repeatedly visited Alaska and has become familiar with its problems.

It is clear that unless the highway, which was not paved when it was turned over to the Canadian civil authorities after the close of hostilities, and has not been paved by them since it has become theirs, is not paved, its usefulness will be greatly diminished. Those who have traveled over the highway, as I have, realize the traffic will be greatly increased if it is paved, and it is proper that the highway should be paved. It has been of substantial economic benefit to the regions of Canada through which it passes and to Alaska, but those benefits could be much greater if the highway is hard surfaced. I am hopeful that such action will follow.

I must express some reservations about the financial terms of the bill. It would be my hope that the Canadian Government would see fit to pay the entire cost of the highway, in view of the great prosperity which that country has achieved. We have paved that portion of the highway which lies within Alaska.

In any event, it is important the highway be paved and that there be a first-class artery to connect the 48 States and the 49th State more efficiently. Therefore, I am happy to be a cosponsor of the measure.

I wish to conclude by saying that the people of Alaska will be eternally grateful to the junior Senator from Oregon, not merely for the introduction of this measure but for the repeated efforts he has made on our behalf. As my colleague pointed out, the junior Senator from Oregon was instrumental in finally securing, after 40 years of discrimination against Alaska and exclusion of Alaska from all Federal-aid highway legislation, the partial inclusion of Alaska under the old act. We were not and are not included under the Throughway Act, although we in Alaska are subject to all the taxes added especially to pay for the throughway system, which has enabled the building of highways and throughways in the other 48 States.

I think there is an obligation, in addition to the inherent need for this project, to push the fight to completion and, following that, to enable Alaska to secure a highway system comparable to those in the other 48 States.

Mr. NEUBERGER. Mr. President, will the Senator yield to me very briefly?

Mr. GRUENING. I yield.

Mr. NEUBERGER. Mr. President, I want to thank both my able colleagues from our newest State, and greatest State in area, for their kind remarks about my efforts regarding highways leading to Alaska and within Alaska.

I agree with the Senators completely that Alaska's problem is not simply to have the Alaska Highway hard surfaced but includes the need to have adequate roads built within this great land where now many of the leading communities are not tied together by any highways whatsoever.

I think we should urge the Senate and the House of Representatives to keep in mind the salient fact that this country, from its Treasury, has provided millions of dollars for the Inter-American Highway in Central America. That is a very important and worthy project, but it merely leads to neighboring countries. The Alaska Highway leads to the 49th State of the Union, a State of the Union equal to any other.

If we are going to spend vast sums of money building an inter-American highway in Central America, we certainly should try to work out an agreement with Canada to hard-surface the Alaska Highway, which leads to Fairbanks, which I believe is the second largest community in our new State of Alaska. I know our two able Senators from Alaska will work on this project, and will put similar effort to the greater project of securing good roads within Alaska, to tie together the communities of Alaska.

Mr. GRUENING. Mr. President, I thank my friend from Oregon. I agree with what he has said. I am hopeful that before the bill is enacted into law we shall be able to arrive at an understanding with the Canadian authorities as to Canadian participation.

I am happy the Senator brought up the fact that Alaska enters the Union in a unique situation, in which not only a few but the majority of its communities are unconnected to each other by highway. If we had a comparable situation in the United States with respect to land transportation—and I say that because Alaskans are very air minded and our air services are good—we would have one railway system extending from New York to Chicago, perhaps going by way of Cleveland and Detroit or Indianapolis. There would be a highway roughly paralleling that railway but taking a slightly different route, going perhaps through Philadelphia, Pittsburgh and Cincinnati. There might be a branch or two extending from that highway. The capital of the Nation would be unconnected with any other city by highway. There would be a few short stubs of roads going out from it and from a few of the cities. The rest of the country would have to depend on air transportation. That contrast illustrates the situation in Alaska today. Obviously a great area such as Alaska cannot be developed without highways. Our 48 States would never have developed without them. I am hopeful this Congress will see fit to initiate a measure or measures which will enable us to compensate for the many years of exclusion from Federal highway legislation—which will enable us to catch up, and to secure a highway system that is proper, just and necessary for the development of Alaska.

AMENDMENT OF SECTION 502 OF GENERAL BRIDGE ACT OF 1946

Mr. CASE of South Dakota. Mr. President, I introduce, for appropriate reference, a bill to amend section 502 of the General Bridge Act of 1946.

This bill is a proposal of the Department of Commerce to establish bridge clearances over navigable waters. It would result in savings of millions of dollars annually, the Department feels. Those savings would inure principally to the Federal-aid, State, and local highway programs, and in some degree to railroads and pipelines.

It is expected that the bill would not unduly affect waterway transportation. I believe enactment of this proposed legislation will be of great help as the country progresses with the mammoth highway building program.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1126) to amend section 502 of the General Bridge Act of 1946, and for other purposes, introduced by Mr. CASE of South Dakota, was received, read twice by its title, and referred to the Committee on Public Works.

PROPOSED LEGISLATION TO PROHIBIT TRANSPORTATION OF GAMBLING DEVICES IN INTERSTATE COMMERCE

Mr. KEATING. Mr. President, I introduce for appropriate reference a bill to punish the use of interstate commerce in furtherance of conspiracies to commit organized crime offenses against any of the several States. This bill is designed to mobilize the full power of the Federal Government in a drive against organized crime.

Mr. President, I introduce for appropriate reference three additional bills dealing with illegal gambling operations.

The first would prohibit the use of any interstate communication facilities for transmitting gambling information across State lines.

The second would redefine the term "gambling devices" in the present law to close loopholes which have developed.

The third bill would make it unlawful to use the mails or broadcasting facilities to promote lotteries and other similar gambling activities.

The PRESIDING OFFICER. The bills will be received and appropriately referred.

The bills, introduced by Mr. KEATING, were received, read twice by their titles, and referred, as indicated:

To the Committee on Interstate and Foreign Commerce:

S. 1129. A bill to improve the enforcement of laws pertaining to gambling by suppressing the transmission of certain gambling information; and

S. 1130. A bill to amend section 1 of the Act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce.

To the Committee on the Judiciary:

S. 1131. A bill to prohibit certain acts and transactions with respect to gambling materials; and

S. 1132. A bill to punish the use of interstate commerce in furtherance of conspiracies to commit organized crime offenses against any of the several States.

BASIC RIGHTS OF LABOR UNION MEMBERS AND ETHICAL PRACTICES IN THE CONDUCT OF UNION AFFAIRS

Mr. McCLELLAN. Mr. President, I introduce a bill for appropriate reference.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1137) to provide minimum standards guaranteeing basic rights of labor union members and ensuring ethical practices in the conduct of union affairs; to require disclosure of information to which union members and the public are entitled; to create fiduciary duties and obligations with respect to the administration, disbursement, and reporting of funds by officials of labor unions; to prevent abuses in the administration of union trusteeships; to prevent interference with the right to organize and bargain collectively; to prevent loss of Government revenues due to evasion of income tax laws; and for other purposes, introduced by Mr. MCCLELLAN, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the bill, together with an analysis thereof which I have prepared, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Labor-Management Basic Rights, Ethical Standards, and Disclosure Act of 1959."

Findings and policy

SEC. 2. (a) The Congress finds, from recent investigations in the labor and management fields, many instances of corruption, abuse of trust, tax evasion, disregard of democratic procedures and of the rights of individual workers, and other failures to observe necessary standards of responsibility and trust. The Congress also finds that remedial legislation is necessary to aid, protect, and further commerce, to insure the rights of union members, to protect the revenues of the United States, and to benefit the public welfare.

(b) It is declared to be the policy of the United States to advance the objectives, protect the interests, and correct the evils referred to in subsection (a) by (1) providing minimum standards of ethical practices, democratic representation, and due process of law for the protection of the members of such labor organizations; (2) requiring the reporting and disclosure of transactions in which abuses of trust or authority, conflicts of interests, and other improper activities may occur unless opened to scrutiny; (3) providing remedies for those injured by abuses of trust or authority; (4) regulating the imposition of trusteeships on subordinate unions; (5) providing adequate enforcement measures to assure compliance with the foregoing requirements; (6) providing that noncomplying persons whose labor or management practices do not justify the protection of privileges and immunities otherwise available under Federal law may be disqualified from such privileges and immunities; and (7) imposing criminal penalties for willful wrongdoing.

Definitions

SEC. 3. As used in this Act—

(1) "Labor organization" means a labor organization engaged in activities affecting commerce and includes any labor union or any organization of any kind, or any agency or employee representation committee, association, group, or plan, so engaged in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, conditions of work, or other matters incidental to employment relationships, and includes further any conference, joint board, joint council, or other local, State, regional, national, or international organization composed of representatives of such labor organizations or in which such labor organizations are associated or with which they are affiliated.

(2) "Labor organization engaged in activities affecting commerce" means a labor organization which has officers or members engaged in activities affecting commerce, or which represents employees engaged in such activities, or which represents employees or has officers or members who are employed by any employer or in any industry engaged in activities affecting commerce, including any labor organization certified under Federal law, acting, or recognized, as the representative of employees of any such employer or in any such industry, or actively seeking to represent any such employees, or receiving or issuing any charter from or to another labor organization which is representing or actively seeking to represent any such employees.

(3) "Affecting commerce" means any activity or industry in commerce or in which a labor dispute or a violation of this Act would hinder or obstruct commerce or the free flow of commerce, and includes any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act, 1947, as amended.

(4) "Commerce" means trade, traffic, commerce, transportation, or communication among the several States or between a State and any place outside thereof.

(5) "State" means any State or Territory of the United States, the District of Columbia, Hawaii, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act (67 Stat. 462).

(6) "Person" means one or more individuals, labor organizations, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, or receivers.

(7) "Employer" means any employer or any group or association of employers which is an employer within the meaning of any law of the United States relating to the employment of any employees or which, with respect to any private or public employment of employees, may deal with any labor organization concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work, and includes any person acting directly as an employer or indirectly in the interest of an employer in relation to an employee, except that as used in provisions of this Act subjecting employers to any requirement, liability, prohibition, administrative sanction, or punishment, "employer" shall not include the United States or any wholly owned Government corporation or any State or political subdivision of a State or any employer who is not engaged in any activity or in any industry affecting commerce.

(8) "Employee" includes any individual employed by an employer, and any individual whose work has ceased because of, or in connection with, any current labor dispute, or because of any unfair labor practice, or because of exclusion or explusion from a labor organization in any manner or for any reason inconsistent with the requirements of this Act.

(9) "Member", when used in reference to a labor organization, includes any person who has fulfilled or tendered the lawful requirements for membership in such organization, and who neither has voluntarily withdrawn from membership nor has been expelled from membership after appropriate proceedings consistent with lawful provisions of the constitution, bylaws, or other governing charter of such organization.

(10) "Officer", when used in reference to a labor organization, means any constitutional officer or any member of a board, council, committee, or other body established by the constitution, bylaws, or charter of a labor organization who is elected or appointed pursuant to and is empowered by such constitution, bylaws, or charter to exercise governing or executive functions with respect to such labor organization.

(11) "International labor organization" means any labor organization which has as members more than one local or constituent labor organization or the representatives or members of more than one such organization, and which exercises any governing or supervisory powers over such local or constituent organizations.

(12) "Trust in which a labor organization is interested" means a trust or other fund or organization (A) which was created or established by a labor organization, or one or more of the trustees or one or more members of the governing body of which is selected or appointed by a labor organization, and (B) a primary purpose of which is to provide benefits for the members of such labor organization or their beneficiaries.

(13) "Trusteeship" means control or management of funds, other property, operations, or procedures of one labor organization by any other labor organization through any receivership, trusteeship, or other procedure in which a supervisor, trustee, or other administrator is vested by such labor organization with authority normally exercised by any officer or officers, or by the membership, of such other labor organization.

(14) "General vote" means (A) in the case of a local labor organization, the concurrence in a vote, by secret ballot, of a majority of members present at a general membership meeting; and (B) in the case of an international labor organization, the concurrence of a majority of votes cast by delegates present at a general meeting of duly chosen delegates, or (C) in either case, a referendum conducted by secret ballot through the mails.

(15) "Secret ballot" means the expression by ballot, voting machine, or otherwise, but in no event by proxy, of a choice with respect to any election, referendum, or vote taken upon any matter, which is cast in such a manner that the person expressing such choice cannot be identified with the choice expressed.

(16) "Due notice" means (A) in the case of a local labor organization, not less than 15 days' written notice to each member at his last known address; and (B) in the case of an international labor organization, not less than 30 days' written notice to the principal office of each local or constituent labor organization entitled to such notice.

(17) "Aggregate compensation" includes all salary, fees, bonuses, commissions, or other emoluments payable or provided as compensation for services performed for, or by reason of the holding of any office in, or employment by, any labor organization or trust in which such labor organization is interested, and any amounts payable as an allowance for or in reimbursement of expenses incurred in the performance of such services or the holding of such office.

(18) "Secretary" means the Secretary of Labor.

TITLE I. RIGHTS TO BE GUARANTEED IN CHARTERS OF LABOR ORGANIZATIONS

Basic rights

SEC. 101. The constitution and bylaws or other governing charter of every labor organization shall contain provisions effectively designed to carry out the following objectives and to guarantee to its members the following rights:

(1) EQUAL RIGHTS.—Every member of a labor organization shall have equal rights and privileges within such organization, including identical voting rights and equal protection of its rules and regulations.

(2) ELIGIBILITY FOR MEMBERSHIP.—Every person who meets the reasonable qualifications uniformly prescribed by a labor organization for membership therein shall be eligible for and admitted to membership in such organization. The initiation fee, in the case of any individual seeking to become a member of such organization, shall not be in excess of 75 per centum of the amount of the prevailing weekly wage payable to individuals in the same category of employment as such person, as of the time such fee is imposed, in the vicinity of such bargaining unit.

(3) FREEDOM OF SPEECH.—Every member of a labor organization shall have the right to express any views, arguments or opinions regarding an matter respecting such organization or its officers, agents, or representatives, and to disseminate such views, arguments, or opinions either orally or in printed, graphic, or visual form, without being subject to penalty, discipline, or interference of any kind by such organization.

(4) FREEDOM OF ASSEMBLY.—Every member of a labor organization shall have the right to meet and assemble freely with any other members for the purpose of exchanging views and reaching decisions with respect to any matters pertaining to such organization or its officers, agents, or representatives, without being subject to penalty, discipline, or interference of any kind by such organization.

(5) FREEDOM FROM ARBITRARY FINANCIAL EXACTIONS.—Rules relating to the rate of dues and initiation fees, or the levying of any special or general assessment, may be adopted or amended only after due notice and by general vote.

(6) PROTECTION OF THE RIGHT TO SUE.—No labor organization shall limit the right of any member or officer thereof to institute an action in any court, or in a proceeding before any administrative agency, irrespective of whether or not the labor organization or its officers are named as defendants or respondents in such action or proceeding, or the right of any member or officer of such labor organization to appear as a witness in any judicial, administrative, or legislative proceeding, or to petition any legislature or to communicate with any legislator: *Provided*, That any such member or officer may be required to exhaust reasonable hearing procedures within such organization, not requiring longer than 3 months to final decision, before instituting legal or administrative proceedings against such organization or any officer thereof.

(7) SAFEGUARDS AGAINST IMPROPER DISCIPLINARY ACTION.—No member of a labor organization may be fined, suspended, expelled, or otherwise disciplined by such organization or any officer thereof except for breach of some published written rule of such organization which is not inconsistent with any of the provisions of this title. Disciplinary action may not be taken unless such member has been (A) served with a written copy of the provisions of the constitution and bylaws or other governing charter of such organization which contains a listing of the rights and safeguards afforded him pursuant to this title with respect to the conditions under which disciplinary action may be taken; (B) served with written specific charges; (C) given a reasonable time to prepare his defense; (D) afforded a full and fair hearing; and (E) afforded final review on a written transcript of the hearing, by an impartial person or persons (i) agreed to by such organization and the accused, or (ii) designated by an independent arbitration or mediation association or board.

(8) INSPECTION OF MEMBERSHIP LISTS.—Each member of a labor organization or his agent shall have the right to inspect a list of the names and last known addresses of all members of such organization. Such list shall be maintained at the principal place of business of such organization by a designated official thereof.

Standards applicable to local and international labor organizations

SEC. 102. The constitution and bylaws, or other governing charter of every labor organization shall contain provisions effectively designed to carry out the following objectives and to guarantee to its members the following rights:

(1) ELECTION OF OFFICERS AND MEMBERS OF GOVERNING BODIES.—The three principal officers, members of the board of directors, members of any executive committee of the board of directors which is authorized to act as a board of directors (unless selected by the board from its own number), members of a board of trustees, or members of any other governing body of a labor organization, shall be nominated and elected in the manner prescribed in section 302.

(2) DISCLOSURE OF VOTES BY DELEGATES.—Any vote by a delegate in his representative capacity shall be recorded in such manner that any person represented by such delegate can determine whether such delegate voted for or against any candidate or issue.

(3) SALARIES AND EXPENSE ALLOWANCES.—Any salaries or general expense allowances of officers, directors, trustees, and members of an executive committee or other such governing body of a local labor organization shall be established by the bylaws or by resolution adopted by general vote: *Provided*, That such bylaws or resolution may establish minimums and maximums within which such salaries may be determined by the trustees, directors, or members of an executive committee or other such governing body of such labor organization: *Provided further*, That nothing herein contained shall prevent the payment of expenses incurred or to be incurred by any such person upon itemized vouchers duly presented to the fiscal officer of such labor organization.

(4) PRESERVATION OF BALLOTS.—All ballots cast with reference to any matter which is required by the provisions of this Act to be decided by secret ballot, and all other documents relating to such secret ballot, shall be preserved for not less than two years after the date such vote is taken.

(5) AFFILIATED ORGANIZATIONS.—No organization or fund, whether or not incorporated, shall be created or financed by the funds of a labor organization except by general vote of the labor organization creating or financing such organization or fund, and any labor organization creating or financing such an organization or fund shall submit as a part of its annual financial report a schedule of the operations for the past fiscal year, or part thereof, of such organization or fund, which schedule shall be patterned after and audited in the same manner as is the annual financial report required by section 202(a)(K).

(6) BONDING.—All officers, agents, representatives, and employees of any labor organization who handle funds of such organization shall be bonded for the faithful discharge of their duties in the handling of such funds, and the bond of each such person in effect during any fiscal year of such organization shall be in an amount, (A) in the case of an international labor organization, not less than one-fourth of the gross income of such organization for the fiscal year of such organization immediately preceding such fiscal year, or $250,000, whichever is the lesser; or, if there be no such preceding fiscal year, not less than $50,000, and (B) in the case of a local labor organization, not less than the total of the dues and other assessments paid by the members thereof during the fiscal year of such organization immediately preceding such fiscal year or, if there be no such preceding fiscal year, in an amount not less than $10,000.

(7) RECORDS.—Records shall be kept of all actions taken at any general membership meeting, any meeting of directors, trustees, or members of any executive committee (including any executive committee appointed or elected by directors or trustees) of any labor organization and, in the case of an international labor organization, of all votes taken at any such meeting or at any convention; and such records shall be maintained for five years at the principal office or place of business of such organization and shall be available for inspection at reasonable times by any member of such organization or of a constituent unit of such organization, or by the attorney or other representative of such member.

(8) FINANCIAL RECORDS.—Detailed financial records, including annual audits by an independent certified accountant, showing all moneys received by any labor organization and the sources thereof, and all expenditures of such organization and the purpose thereof, shall be kept and maintained for five years by the chief fiscal officer of such organization at its principal place of business and shall be open to inspection, in the case of a local labor organization, by any member of such organization, and, in the case of an international labor organization, by any member of any constituent unit of such organization who has been authorized by vote of such constituent unit to inspect such records, or in either such case by the attorney or other representative of such member. Any such expenditure exceeding $100 in the case of a local labor organization, or $500 in the case of an international labor organization, shall be supported by a voucher from the person with respect to whom such expenditure is made.

(9) INVESTMENT OF SURPLUS FUNDS.—Every labor organization shall be entitled at all times to maintain a working capital of not in excess of the aggregate of the dues and assessments received by it during its latest fiscal year, or in the absence of such latest fiscal year, not in excess of $25,000, in the case of a local labor organization, and not in excess of $100,000, in the case of an international labor organization. All sums held by any labor organization in excess of such sum, other than pension or trust funds, shall be held in savings banks on time deposits or invested in such manner as may be permitted insurance companies by the laws of the State in which the principal place of business of such organization is located.

(10) COLLECTIVE BARGAINING AGREEMENTS.—A copy of each collective bargaining agreement made by a labor organization with any employer shall, in the case of a local labor organization, be forwarded on request to any employee of such employer whose rights as such employee are directly affected by such agreement, and in the case of an international labor organization, be forwarded to each constituent unit which has members directly affected by such agreement; and each labor organization shall maintain at its principal place of business copies of any such agreement made or received by it, which copies shall be available for inspection by any member or by any employee whose rights are affected by such agreement.

Standards applicable to local labor organizations

SEC. 103. The constitution and bylaws or other governing charter of every local labor organization shall contain provisions effectively designed to carry out the following objectives and to guarantee to its members the following rights:

(1) GENERAL MEMBERSHIP MEETING.—A general membership meeting shall be held not less than three times each year, and each member of the local labor organization shall be notified by mail of any such meeting not less than ten days prior to the date such meeting is to be held.

(2) DELEGATES TO INTERNATIONAL LABOR ORGANIZATION.—All delegates of a local labor organization to a meeting or convention of an international labor organization of which such local organization is a constituent unit shall be elected in the manner set forth in section 302; except that if such meeting or convention is called upon notice insufficient to permit the holding of such an election, such delegates may be selected in such other manner as may be provided by the constitution, bylaws, or other governing charter of such local labor organization.

(3) ROSTER OF MEMBERS OF LOCAL LABOR ORGANIZATION TO BE FURNISHED TO INTERNATIONAL LABOR ORGANIZATION.—Not more than thirty days prior to any meeting or convention of an international labor organization of which a local labor organization is a constituent unit, such local organization shall furnish to such international organization a roster of the members of such local organization, in order that such international organization may be able to determine the voting strength of such local organization.

(4) MERGER OF LOCALS OR TRANSFER OF MEMBERSHIP OR FUNDS.—No merger of a local labor organization with any other local labor organization, and no transfer of membership or funds from one local labor organization to anotner shall take place except after approval by a general vote of each local labor organization to be merged (in the case of a merger), each local labor organization affected (in the case of a transfer of membership), and the local labor organization from which funds are to be transferred (in the case of a transfer of funds), upon due notice stating in detail the purpose of the merger or transfer.

Standards applicable to international unions

SEC. 104. The constitution and bylaws or other governing charter of every international labor organization shall contain provisions effectively designed to carry out the following objectives and to guarantee to its members the following rights:

(1) CONVENTIONS.—Every international labor organization shall hold a convention or similar meeting of all its constituent units not less often than once every four years, at which time there shall be elected, in the manner provided for by section 302, all officers and members of any governing body required to be elected by section 102(1).

(2) VOTING AT CONVENTIONS.—All delegates elected or designated by the constituent units of an international labor organization pursuant to the provisions of section 103(2) to represent such constituent unit at any meeting or convention held by such labor organization shall have a vote in all elections for officers and upon other matters brought before such meeting or convention for action or ratification by vote, which vote shall be numerically equivalent, or proportionate, to the number of the members of such constituent unit as disclosed by the roster of members required to be furnished under the provisions of section 103(3).

(3) NOTICES OF MEETINGS OR CONVENTIONS.—Not less than thirty days prior to any meeting or convention of any international labor organization for the election of officers, directors, trustees, or members of an executive committee, a notice shall be sent by mail to the secretary of each constituent unit of such organization, which notice shall set forth the time, place, and a detailed agenda of such meeting or convention.

(4) EXTRAORDINARY MEETINGS.—Extraordinary meetings of an international labor organization shall not be held except upon fifteen days' notice to the secretary of each constituent unit of such organization. Such notice shall specify the nature of the business desired to be transacted at such extraordinary meeting. At any such meeting the international labor organization may recognize as the representatives of the constituent units of such organization the individuals who were elected or designated as such by such constituent units for the latest regular meeting, unless such constituent units shall have elected or designated other individuals to represent them at such extraordinary meeting.

(5) REPRESENTATIVES.—No person shall be entitled to vote as a representative or delegate of a constituent unit of an international labor organization unless such person shall have been elected or designated as such in the manner provided in section 103(2).

(6) ISSUANCE OF CHARTERS.—No international labor organization shall issue any charter to any constituent unit of such organization except upon written request therefor and upon written application setting forth facts meeting the membership requirements of such labor organization with respect to constituent units thereof. No charter shall be permitted to be issued or outstanding in the name of any organization which is not a bona fide labor organization. Within fifteen days after issuance of any local charter, the organization issuing such charter shall notify the Secretary of the name, purpose, and number of members of such chartered organization.

(7) TRUSTEESHIPS.—No international labor organization shall impose any trusteeship upon any constituent unit of such organization except in accordance with the standards and procedures provided for in section 303.

TITLE II. REPORTING AND DISCLOSURE

General requirements

SEC. 201. Every person required to file reports or other documents with the Secretary as provided in this Act shall—

(1) File, at the times and places and in the forms prescribed therefor, such reports or documents containing the information required by this Act, with adequate indexing and cross reference to indicate compliance with the relevant requirements of this Act;

(2) Maintain records of all substantiating information, documents, and related data necessary to explain and verify the reports and documents filed as required by this Act;

(3) Keep these records available for examination by any interested labor organization member or his authorized representatives, or by the Secretary or his authorized representatives, for a period of not less than five years after the filing of reports based on the information which they contain.

Reporting by labor organizations

SEC. 202. (a) Every labor organization shall file with the Secretary (1) copies of its constitution, bylaws, or other governing charter, which shall conform with and contain provisions designed to effectively accomplish the objectives of title I, and (2) a report signed by its president or other chief executive officer and by its secretary or other chief records officer, containing the following information, in such form as the Secretary may by rule or regulation require:

(A) The name of the labor organization, the address of its principal business office, and of any other office or offices regularly maintained by such organization;

(B) The statutory authority, if any, under which the labor organization is organized;

(C) The names and titles of its officers;

(D) The name and title of each officer, employee, agent, or representative of such organization, and of each attorney, accountant, consultant, or other person engaged or paid by the labor organization, whose aggregate compensation received from such organization in the preceding fiscal year exceeded

$10,000, or may reasonably be expected during the current fiscal year to exceed $10,000;

(E) The name and title of each member of the board of directors, board of trustees, executive committee, or other governing board or committee of the labor organization;

(F) The name and title of each trustee or other person responsible for the custody or administration of any trusts or funds in which the labor organization is interested;

(G) Aggregate compensation paid the preceding fiscal year or reasonably expected to be paid during the current fiscal year to each person referred to in clauses (C), (D), (E), and (F);

(H) Detailed statements, or references to specific provisions of documents filed under this subsection which contain such statements, showing the provisions made and procedures followed with respect to: (i) participation in insurance or other benefit plans, (ii) authorization for disbursement of union funds, (iii) audit of union financial transactions, and (iv) authorization for bargaining demands and strikes, and ratification of contract terms;

(I) Direct or indirect loans outstanding, or made during the preceding fiscal year, to any officer, employee, or member aggregating in excess of $500, together with a statement of the security, if any, and arrangements for repayment;

(J) Direct or indirect loans outstanding, or made during the preceding fiscal year, to any business enterprise, together with a statement of the security, if any, and arrangements for repayment;

(K) A financial statement certified by an independent certified public accountant, showing the assets and liabilities, including surplus accounts, of the labor organization as of the end of the preceding fiscal year, and its income, fully identified as to sources, and its expenditures, fully identified as to purposes and recipients, during such fiscal year; and

(L) A financial statement certified by an independent certified public accountant showing the assets and liabilities of each trust in which the labor organization is interested, as of the end of its preceding fiscal year, and the trust income fully identified as to sources, and the trust expenditures, fully identified as to purposes and recipients, during such fiscal year.

(b) Within thirty days after the occurrence of any change in the information required by clauses (A), (B), (C), (E), (F), and (H), of subsection (a)(2), the labor organization by which such report was filed shall file with the Secretary, in the same form as required by such subsection, an amendment to its report setting forth such change.

(c) Any labor organization required to file a report under subsection (a), shall file annual financial statements conforming to the requirements of clause (K) of subsection (a)(2), and annual financial statements conforming to the requirements of clause (L) of such subsection with respect to each trust in which it is interested. Any such annual statement conforming to the requirements of clause (K) shall include, for the fiscal year covered thereby, the information referred to in clauses (D), (G), (I), and (J).

(d) If the first statement required by either clause (K) or (L) of subsection (a)(2) is filed more than ninety days after the end of the preceding fiscal year, such statement shall also include a similar financial statement, certified by the principal fiscal officer of the labor organization or of the trust, as the case may be, showing the assets and liabilities of the labor organization, or of the trust, as the case may be, as of a date not more than ninety days prior to such filing, and showing income received and expenditures made during the period from the end of the preceding fiscal year to such date.

Reports of trusteeships

SEC. 203. Every labor organization which imposes a trusteeship over a subordinate labor organization shall file a report with the Secretary, signed by the president or other chief executive officer and by the secretary or other chief records officer of such organization imposing the trusteeship, certifying that such trusteeship was assumed and is exercised in conformance with the applicable requirements of section 303 of this Act, and providing the following information:

(1) The name and address of the subordinate organization over which trusteeship has been assumed;

(2) The date of assumption of trusteeship;

(3) The length of period for which trusteeship has been assumed or is expected to be exercised;

(4) The reason such trusteeship was assumed and the reason for its continuance;

(5) What remains to be done before full autonomy of the subordinate organization may be restored and what steps are being taken to remove any remaining obstacles;

(6) Whether any delegates to represent such subordinate organization in other bodies or meetings or conventions have been or are being selected and, if so, how selected, the nature and extent of participation of the membership in the selection, and the extent of authority of such delegates;

(7) An account of any funds transferred from the subordinate organization to the supervising organization during the period of trusteeship;

(8) A statement of the amount of normal per capita tax and assessments that would be payable by the subordinate organization if it were not under trusteeship; and

(9) The date, place, manner, and result of the last preceding general vote taken in accordance with the applicable provisions of section 303 of this Act.

Reports by officers, agents, representatives and employees of labor organizations

SEC. 204. (a) Every officer, agent, representative and employee of a labor organization (other than a clerical employee as defined by the Secretary), shall file with the Secretary a report, signed and attested by such person, listing and describing for the preceding fiscal year or, if such person has no fiscal year, for the preceding calendar year—

(1) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income which he or his spouse or minor child derived directly or indirectly from, an employer whose employees such labor organization represents or is actively seeking to represent, except payments and other benefits received as a bona fide employee of such employer;

(2) any transaction in which he or his spouse or minor child engaged, directly or indirectly, involving any stock, bond, security, or loan to or from, or other legal or equitable interest in the business of an employer whose employees such labor organization represents or is actively seeking to represent;

(3) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income which he or his spouse or minor child directly or indirectly derived from, any business a substantial part of which consists of buying from, selling or leasing to, or otherwise dealing with, the business of an employer whose employees such labor organization represents or is actively seeking to represent;

(4) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income which he or his spouse or minor child directly or indirectly derived from, a business any part of which consists of buying from, or selling or leasing directly or indirectly to, such labor organization;

(5) any direct or indirect business transaction or arrangement between him or his spouse or minor child and any employer whose employees his organization represents or is actively seeking to represent, except work performed and payments and benefits received as a bona fide employee of such employer and except purchases and sales of goods or services in the regular course of business at prices generally available to any employee of such employer; and

(6) any payment received directly or indirectly from any employer or his agent or any person who acts as a labor relations expert, adviser, or consultant to an employer, or from any agent or representative of such labor relations expert, adviser, or consultant, pursuant to any agreement or arrangement by which the officer, agent, representative or employee is to interfere with, coerce or restrain employees in the exercise of rights guaranteed by the National Labor Relations Act, as amended, or by the Railway Labor Act, as amended.

(b) The provisions of paragraphs (1), (2), (3), (4), and (5) of subsection (a) shall not apply to purchases at market value of securities traded on a securities exchange registered as a national securities exchange under the Securities Exchange Act of 1934 or of shares in an investment company registered under the Investment Company Act of 1940, or of securities of a public utility holding company registered under the Public Utility Holding Company Act of 1935, or to any income derived therefrom.

(c) Nothing contained in the preceding subsections of this section shall be construed to require any officer or employee of a labor organization to file a report under subsection (a) unless he or his spouse or minor child holds an interest in, has received income or a loan from, or has engaged in, a transaction described in such subsections.

Reports by employers

SEC. 205. Every employer who shall make or agree to make—

(1) any payment or loan, direct or indirect, of money or other thing of value, or any promise or agreement therefor, to any labor organization or officer or employee of any labor organization, except payments of the kinds referred to in section 302(c) of the Labor-Management Relations Act of 1947, as amended;

(2) any payment (except payment to an employee as compensation for or by reason of his regular services as an employee of such employer) to any of his employees, or any group or committee of such employees, for the purpose of causing such employee or group or committee of employees to interfere with, coerce, or restrain any other employees of such employer in the exercise of rights guaranteed to such employees by the National Labor Relations Act, as amended, or by the Railway Labor Act, as amended, unless such payments were contemporaneously or prior thereto disclosed to such other employees;

(3) any payment to a public or labor relations consultant or other person (except payment to an employee as compensation for or by reason of his regular services as an employee of such employer) pursuant to any understanding or agreement under which such person undertook to compensate employees of such employer for (A) interfering with, coercing or restraining any employees of such employer in the exercise of rights guaranteed to such employees by the National Labor Relations Act, as amended, or by the Railway Labor Act, as amended, or (B) procuring confidential information from employees of such employer concerning the exercise of such rights; or

(4) any payment to any person pursuant to any agreement or understanding by which such person undertook to provide such employer with the services of an individual, company, agency, or instrumentality engaged in the business of interfering with, restraining, or coercing employees in the exercise of rights guaranteed by the National Labor Relations Act, as amended, or by the Railway Labor Act, as amended,

shall file with the Secretary within thirty days after making or agreeing to make such a payment, whichever is earlier, a report signed by its president and treasurer or corresponding principal officers showing in detail the date and amount of each such payment and the name, address, and position, if any, in any firm or labor organization of the person to whom it was made, and a full explanation of the circumstances of all such payments, including the terms of any agreement or understanding pursuant to which they were made.

Reports by labor relations consultants

SEC. 206. Every person engaged in providing labor relations consultant service to an employer engaged in an industry affecting commerce pursuant to any agreement or arrangement under which he received or agreed to receive a payment or reimbursement from an employer required to be reported by such employer under the provisions of clause (3) or (4) of section 205, shall file within thirty days after receiving or agreeing to receive such sum, whichever is earlier, a report with the Secretary, signed by its president and treasurer or corresponding principal officers, showing in detail the date and amount of each such payment, and the name and address of the employer concerned, the names and occupations of any employees of such employer to whom any payment referred to in clause (3) of section 205 was made or intended to be made, directly or indirectly, and the name of the agency or instrumentality providing services under clause (4) of section 205, and a full explanation of the circumstances of all such transactions, including the terms of any agreement or understanding pursuant to which they were made.

Reports not required in certain cases

SEC. 207. Nothing contained in section 205 or 206 shall be construed to require any regular officer, supervisor, or employee of any employer to file a report in connection with services rendered to such employer, or to require any employer to file a report covering expenditures made to any regular officer, supervisor, or employee of an employer, as compensation for services as a regular officer, supervisor, or employee of such employer.

Disclosure of information contained in reports

SEC. 208. (a) The content of the reports and documents filed with the Secretary pursuant to the provisions of this title shall be public information, and the Secretary may publish any information and data concerning labor organizations, employers, and labor consultants, which he obtains pursuant to such provisions, use the information and data for statistical and research purposes, and compile and publish such studies, analyses, reports, and surveys based thereon as he may deem appropriate.

(b) The Secretary shall by regulation make provision for the inspection and examination, on the request of any person, of the information and data contained in any report or other document filed with him pursuant to the provisions of this title.

(c) The Secretary shall by regulations provide for the furnishing by the Department of Labor of copies of reports or other documents filed with the Department pursuant to this title, upon payment of a charge based upon the cost of the service: *Provided*, That the Secretary shall make available without payment of a charge, or require any labor organization to furnish, to such State agency as is designated by law or by the Governor of the State in which such labor organization is domiciled or carries on activities, upon request of the Governor of such State, copies of any reports and documents filed by such labor organization with the Secretary pursuant to this Act, or of information and data contained therein. All moneys received in payment of such charges shall be deposited in the general fund of the Treasury.

Time for filing reports

SEC. 209. (a) The report required to be filed by a labor organization under section 202(a) shall be filed within ninety days after the effective date of this title or the date on which such labor organization first becomes subject to this Act, whichever date is later.

(b) Annual financial statements required to be filed by section 202(c) shall be filed within sixty days following the end of the fiscal year in which the report required by section 202(a) is filed, and within sixty days following the end of each fiscal year thereafter.

(c) Reports required by section 203 to be filed by labor organizations exercising trusteeship shall be filed at the time of filing the report required by section 202(a) or within thirty days after the assumption of such trusteeship, whichever is later, and within thirty days following the end of each fiscal year during which such trusteeship continues to be exercised, except that the last such report shall be filed not later than thirty days following the termination of such trusteeship.

(d) Reports required to be filed for any fiscal or calendar year under section 204 shall be filed within thirty days following the end of such fiscal or calendar year, as the case may be.

Personal responsibility for filing reports

SEC. 210. Each person required to file, sign, or attest any report pursuant to the provisions of this title shall be personally responsible for the filing of such report and any statement contained therein.

TITLE III. RESPONSIBILITIES TO MEMBERS

Fiduciary responsibilities

SEC. 301. Every officer, agent, or other representative of a labor organization, or of a trust in which such organization is interested, shall, with respect to any money or other property in his custody or possession by virtue of his position as such officer, agent, or representative, have a relationship of trust to any such labor organization and the members thereof, or to any such trust and the beneficiaries thereof, and shall be responsible in a fiduciary capacity for such money or other property, notwithstanding any grant of authority purporting to exempt him from such responsibility.

Election and removal of labor organization officers

SEC. 302. (a) The provisions required by title I to be incorporated in the constitution and bylaws of every labor organization shall include provisions effectively designed to guarantee the following:

(1) Officers of a local labor organization, referred to in section 102(1), shall be elected at a general membership meeting, and the candidates receiving the greatest number of votes cast by members of the local labor organization who are eligible to vote shall be declared elected, and officers of an international labor organization, referred to in such section, shall be elected by the representatives of constituent units of such international labor organization, and the candidates receiving the greatest number of votes cast (computed in accordance with section 104 (2)) shall be declared elected except that a vacancy occurring during the term for which any such officer is elected may be otherwise filled if the constitution, bylaws or other governing charter of the local labor organization so provide.

(2) Terms of office of such officers shall be for a reasonable period, not to exceed four years in any international labor organization, and not to exceed two years in any local labor organization, except that any such officer may be permitted to serve for an additional period, not to exceed ninety days, pending the election and qualification of his successor.

(3) Reasonable procedures shall be established for nominating opposing candidates for each office under a party or other system which will afford members of the labor organization an opportunity to participate in the selection of candidates. Not more than 5 percentum of the membership of a local labor organization shall be required to nominate officers of such local organization. Not more than 5 per centum of the total number of local labor organizations, nor more than such number of local labor organizations as represents 5 per centum of the total membership of the international labor organization, shall be required to nominate officers of such international organization.

(4) Any member in good standing of a labor organization shall be eligible to be a candidate and to hold office in such organization, subject only to reasonable qualifications uniformly imposed.

(5) All members shall have reasonable opportunity, upon due notice, to participate, on an equal basis with all other members, in the election of their local officers by direct secret vote of the members, and in the election of their international or other officers either by direct secret vote of the members or through representatives to delegate bodies who are elected by direct secret vote of the members.

(6) The right of a member to be or to nominate a candidate, or to vote in any election shall not be affected in any manner by any delay or default in the payment of dues which have been withheld by his employer for payment to the labor organization pursuant to a collective bargaining agreement.

(7) Adequate election safeguards shall be provided, including observers and tellers acceptable to or representing all opposing candidates, and including physical election facilities acceptable to all opposing candidates. Upon request in writing signed by at least 10 per centum of those eligible to vote, the Secretary or his designee shall supervise the election and the counting of the votes.

(8) No moneys received by any labor organization from the proceeds of dues, assessments, or similar levies, and no moneys of an employer shall be contributed to, or applied to promote the candidacy of any person, or any cause, which is to be determined by a vote of the members of any labor organization, or by the delegates thereof, except that such funds may be utilized to defray the expenses of notices, factual statements of issues, and other expenses necessary for the holding of an election.

(9) Officers elected by the membership of a local labor organization may be removed by action of a duly constituted quorum of the board of directors, trustees, or executive committee, but only for cause shown and on notice and hearing. Other officers of a local labor organization shall be removable at any time by the person or body by whom they were appointed or elected.

(b) If the Secretary, upon application of any member of a local labor organization, finds that the constitution and bylaws of such labor organization do not provide an adequate procedure for the removal of an elected officer guilty of serious misconduct, such officer may be removed for cause shown and after notice and hearing by the members voting in a secret ballot conducted by the officers of such labor organization in ac-

cordance with proceedings not inconsistent with the provisions of this title. The Secretary is authorized to issue regulations promulgating standards and procedures designed to carry out the provisions of this subsection.

Trusteeships

SEC. 303. An international labor organization may provide in its constitution or bylaws for the assumption by a trustee, supervisor, administrator, or other person, of the administration of the affairs of a constituent labor organization, but only for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of such labor organization. Any such administration shall be imposed only in accordance with such provisions, and shall cease after the expiration of one year from the date of the assumption thereof unless prior to such date such constituent labor organization by general vote on due notice, shall vote to continue such assumption of administration, in which case such administration shall continue not more than one additional year. Such assumption of administration may be continued for additional periods of not more than one year each, but only upon general vote on due notice with respect to each such continuation. The person assuming control of the affairs of such constituent labor organization shall be required to perform all duties placed upon such constituent labor organization by the provisions of title I of this Act.

TITLE IV—ADMINISTRATION, ENFORCEMENT, AND PENALTIES

Compliance with titles I and II

SEC. 401. (a) Upon the filing by a labor organization of the documents required by section 202(a)(1) and the report required by section 202(a)(2), the Secretary shall issue to such labor organization a certificate of compliance with this Act.

(b)(1) No labor organization shall, after the expiration of 90 days following the effective date of this section—

(A) be certified or recognized as the representative of any employees by the National Labor Relations Board or any other department or agency of the Government, or

(B) be eligible to file an unfair labor practice charge under section 10(b) of the National Labor Relations Act, or to file with any department or agency of the Government any other charge, complaint, or petition as the representative of or on behalf of any employees,

during any period for which a certificate of compliance issued under subsection (a) is not in effect for such labor union and for each international labor organization of which it is an affiliate or constituent unit.

(2)(A) No labor organization, and no trust in which such labor organization is interested, shall be entitled to exemption from Federal income tax under section 501(a) of the Internal Revenue Code of 1954 for any taxable year which begins more than 90 days after the effective date of this section if on any day during such taxable year a certificate of compliance was not in effect under this Act for such labor organization and for each international labor organization of which it is an affiliate or constituent unit.

(B) In any case in which, during any taxable year which begins more than 90 days after the effective date of this section, there is a certificate of compliance in effect under this act for a labor organization, and for each international labor organization of which it is an affiliate or constituent unit, for less than the whole taxable year, the tax payable under the Federal income tax laws by such organizations, and the tax payable under such laws by any trust in which such organization is interested, shall be reduced by an amount which bears the same ratio to the amount otherwise payable as the number of days in such taxable year for which such certificate of compliance was in effect for such labor organization and for each such organization of which it is a constituent unit bears to the total number of days in such taxable year.

(C) In any case in which, on review as provided in subsection (e), the court determines any period of suspension of a certificate of compliance to have been wrongfully imposed or continued, such certificate shall be deemed for the purposes of this subsection to have been in effect during such period.

(c) The Secretary shall examine all documents, reports, and financial statements filed by a labor organization under this title, and if he is of the opinion that—

(1) any report or amendment thereto or any financial statement, filed pursuant to this title, contains a false or misleading statement with respect to a material matter;

(2) such document, report, or statement fails in a material respect to comply with the requirements of this act;

(3) there has been a failure to file any amendment to such report required by section 202(b) or any financial statement required by section 202(c); or

(4) there has been a failure in a material respect to comply with any provision required by this Act to be contained in the charter or bylaws or other governing charter of a labor organization,

the Secretary shall institute a proceeding to suspend the certificate of compliance of such organization, unless such failure or deficiency is corrected or remedied within such reasonable time as may be specified by the Secretary.

(d) A proceeding to suspend a certificate of compliance shall be commenced upon adequate notice to the labor organization or its subscribing officer directed to the principal place of business stated in its report filed under section 202. Such notice shall set forth in brief the particulars upon which such document, report, or statement is deemed by the Secretary not to comply with the requirements of this Act, or in which there has been a failure to file an amendment or financial statement or to comply with such provision of the constitution, bylaws, or other governing charter. At the time stated in the notice or at an agreed subsequent time, a hearing upon the charges set forth in such notice shall be held before such hearing officer as the Secretary may designate, who shall report his findings of fact, conclusions, and recommendations to the Secretary. Such findings, conclusions, and recommendations shall become final, in accordance with rules and regulations of the Secretary, as the findings, conclusions, and determination of the Secretary except that they shall be subject to review by the Secretary upon his own motion or upon motion of any aggrieved person. Upon such review, the Secretary shall enter an order affirming, modifying, or reversing the findings of fact, conclusions, and recommendations of the hearing officer. Any suspension of a certificate of compliance pursuant to any such order shall be terminated only upon application by the labor organization accompanied by a showing satisfactory to the Secretary that grounds for such suspension no longer exist. If the Secretary is not so satisfied he shall enter an order upon notice and hearing as provided in this subsection, denying such application. Upon the commencement of any proceeding under this subsection, the Secretary shall immediately notify the National Labor Relations Board, the National Mediation Board, or any other department or agency having authority to certify such labor organization as the representative of employees.

(e) Any labor organization aggrieved by an order of the Secretary under subsection (d) may obtain a review of such order in the United States court of appeals for the circuit in which the labor organization has its principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, by filing in such court a written petition praying that the order of the Secretary be modified or set aside. A copy of such petition shall forthwith be served upon the Secretary, and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding, certified by the Secretary, including the pleading and testimony upon which the order complained of was entered, and the findings and order of the Secretary. Upon such filing, the court shall have power to set aside, modify, or affirm the order of the Secretary. No objection that has not been urged before the Secretary shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Secretary with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Secretary, or the hearing officer, the court may order such additional evidence to be taken before the Secretary or the hearing officer, and to be made a part of the transcript. The Secretary may modify his findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and shall file such modified or new findings, which findings with respect to questions of fact if supported by substantial evidence on the record considered as a whole shall be conclusive, and shall file his recommendations, if any, for the modification or setting aside of his original order. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that it shall be subject to review by the Supreme Court of the United States in the same manner as in the case of judgments reviewable under section 1254 of title 28 of the United States Code. Petitions under this section shall be heard expeditiously.

Investigations

SEC. 402. (a) The Secretary shall have the power, and is directed, when he has probable cause to believe based upon documentary information or upon complaint received by him that any person has violated or is about to violate any provision of this Act or any rule or regulation thereunder or any provision required by this Act to be included in its charter or bylaws, to make an investigation for the purpose of ascertaining the facts with respect to such violation and to require or permit any person to file with him a statement in writing, under oath or otherwise as the Secretary shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Secretary is authorized, in his discretion, to publish information concerning any such violations.

(b) For the purposes of any investigation or hearing provided for in this Act, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49, 50), are hereby made applicable to the jurisdiction, powers, and duties of the Secretary or any officers designated by him.

(c) Upon request of the Secretary, the National Labor Relations Board and the National Mediation Board shall make available to the Secretary any documents or records in their custody or possession which the Secretary deems necessary to enable him to carry out his functions under this Act.

(d) Any person may make a complaint to the Secretary to the effect that any other person has not complied fully with this Act, or with any provision required by this Act to be contained in the constitution, bylaws, or other governing charter of a labor organization, and the Secretary may take such action upon such complaint as he may deem justified. No such complaint shall be made public by the Secretary except with the consent of the complainant.

(e) Whenever, in the administration of this Act, violations of any of the penal provisions of this Act are brought to the attention of the Secretary, he shall transmit any information which he may have concerning such violations to the Attorney General, who shall institute the necessary investigation and criminal proceedings.

Civil proceedings

SEC. 403. (a) The Secretary, or any member or members of a labor organization acting on their own behalf or on behalf of themselves and others similarly situated or on behalf of the organization, may maintain an action or proceeding in a district court of the United States to enjoin and restrain any act or omission of any officer, agent, or other representative of a labor organization or other person, in violation of any provision of this Act or of any provision required by this Act to be included in the constitution, bylaws, or other governing charter of such labor organization, or in violation of any duty or responsibility imposed by section 301 or 303 or any other provision of this Act, or for other appropriate relief including an accounting for and restitution to such labor organization of any money or other thing of value contributed or expended in violation of any such provision, duty, or responsibility.

(b) In any proceeding brought under this section, other than a proceeding brought by the Secretary, the plaintiff shall be entitled to recover from the labor organization his costs, including reimbursement for expenses necessarily paid or incurred in connection with such proceeding and a reasonable attorney's fee, if it appears to the satisfaction of the court that the action or proceeding was instituted in a good faith effort to conserve the assets of such organization for proper purposes, and the court may, if satisfied that justice will be served thereby, impose liability for reimbursement of such amounts on any defendant whom the court finds to have acted or omitted to act in disregard of any such provision, duty, or responsibility.

Proceedings to void illegal elections

SEC. 404. (a) Any member of a labor organization (1) who has exhausted the remedies available under the constitution, bylaws, or other governing charter of such organization and of any parent body, or (2) who has invoked such available remedies without obtaining a final decision within three calendar months after their invocation, may file a complaint with the Secretary alleging the violation of any provision of section 302 or of any provision required by such section to be contained in the constitution, bylaws, or other governing charter of the labor organization. The election in connection with which such violation is alleged to have occurred shall be presumed valid pending a final decision thereon under the provisions of this section, and in the interim the affairs of the organization shall be conducted by the officers elected, or in such other manner as its constitution and bylaws may provide.

(b) The Secretary shall investigate such complaint and, if he finds probable cause to believe that such violation occurred and has not been remedied, he shall, within 60 days after the filing of such complaint, bring a civil action against the labor organization as an entity in the appropriate district court of the United States to set aside the invalid election, if any, and to direct the conduct of an election under the supervision of the Secretary and in accordance with the provisions of section 302 and such rules and regulations as the Secretary may prescribe.

(c) If, upon a preponderance of the evidence after a trial upon the merits, the court finds (1) that an election has not been held within the time prescribed by section 302, or (2) that the violation of section 302 affected the outcome of an election, the court shall declare the election, if any, to be void and direct the conduct of a new election under supervision of the Secretary and, so far as lawful and practicable, in conformity with the constitution and bylaws of the labor organization. The Secretary shall promptly certify to the court the names of the persons elected and the court shall thereupon enter a decree declaring such persons to be the officers of the labor organization.

(d) An order directing an election, dismissing a complaint, or designating elected officers of a labor organization shall be appealable in the same manner as the final judgment in a civil action, but an order directing an election shall not be stayed pending appeal.

(e) If the court declares an election to be void after a trial on the merits, it shall have power to take appropriate steps to preserve and safeguard the assets of the organization pending the selection of officers.

Willful misrepresentations, false statements, and destruction of records

SEC. 405. (a) Any person who makes a false statement or misrepresentation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any document, report, or other information required under the provisions of this act or the rules or regulations issued thereunder shall be fined not more than $10,000 or imprisoned for not more than 1 year, or both.

(b) In any case in which the Secretary is of the opinion that a report or any amendment thereto, filed under this Act, contains a false or misleading statement with respect to a material matter, he may institute a proceeding against any officer or accountant who participated in the preparation or filing of such report or amendment, and if he determines that such officer or accountant participated in or consented to the inclusion of such false or misleading statement knowing it to be false or misleading, the Secretary may enter an order declaring such officer or accountant to be ineligible to act as an officer of, or accountant for, any labor organization.

Proceedings under this subsection and appeals from orders entered under this subsection shall be in accordance with the procedures set forth in section 401(d) and (e). Upon proper cause shown, and after notice and hearing, pursuant to rules and regulations promulgated by the Secretary, the Secretary may after one year revoke, suspend, or modify any order entered by him under this subsection.

(c) In any case in which the order suspending a certificate of compliance under this act is based in whole or in part upon the inclusion in any report, or in any amendment thereto, filed pursuant to the provisions of this Act, of a false or misleading statement, the Secretary may include in his order as a condition of termination of the period suspension, a requirement that any officer or accountant determined by the Secretary to have participated in or consented to the inclusion of such false or misleading statement be removed. In the event that such condition is not included in the order suspending the certificates of compliance, the Secretary at any time thereafter, either on his own initiative or on complaint, may summarily modify his order so as to include such condition. In any such case, the labor organization shall have the right to demand a hearing within 10 days to request the lifting or modification of such order and such hearing and any review thereof shall be conducted in the manner set forth in section 401(d) and (e).

False entry and destruction of records

SEC. 406. Any person who makes any false entry in or willfully destroys, conceals, or withholds any book or record, kept or made for any labor organization or any trust in which such organization is interested, with intent to injure, defraud, or mislead such organization or trust or any member or beneficiary thereof, or with intent to obstruct legal process or to prevent inspection by, or to mislead, any person authorized by law to examine or inspect such book or record, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

Embezzlement of funds

SEC. 407. Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use or the use of another any moneys, funds, securities, property, or other assets of a labor organization or of a trust in which such organization is interested, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

Loans by labor organizations and employers

SEC. 408. (a) No labor organization shall make any loan or loans, directly or indirectly, to any officer, agent, representative, or employee of such organization in an amount which, when added to the unpaid balance of any other loans made by such labor organization to such officer, agent, representative, or employee, exceeds $2,500.

(b) No employer shall make any loan or loans to any officer, agent, representative, or employee of a labor organization representing or actively seeking to represent his employees.

(c) Any person who shall willfully violate the provisions of this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

Counting of votes and transfer of funds during trusteeship

SEC. 409. (a) During any period when a subordinate body of a labor organization is in trusteeship, it shall be unlawful (1) to count the vote of delegates from such body in any convention or election of officers of the labor organization unless the delegates have been chosen in the manner prescribed in section 302(a), or (2) to transfer to such organization any current receipts or other funds of the subordinate body except the normal per capita tax and assessments payable by subordinate bodies not in trusteeship: *Provided,* That nothing herein contained shall prevent the distribution of the assets of a labor organization in accordance with its constitution, bylaws, or other governing charter upon the bona fide dissolution thereof.

(b) Any person who shall willfully violate the provisions of this section shall be fined not more than $10,000 or imprisoned not more than one year, or both.

Persons prohibited from holding certain positions in labor organizations

SEC. 410. (a) No individual who is an officer, director, trustee, member of any executive committee or other such governing body, business agent, manager, paid organizer, or paid employee of a labor organization and who is convicted in any court of the

crime of murder, rape, grand larceny, burglary, embezzlement, forgery, bribery, extortion, robbery, arson, violation of narcotics laws, or any other crime involving moral turpitude, or conspiracy to commit any of such crimes, shall be eligible to continue to serve as such officer, director, trustee, member of any executive committee or other such governing body, business agent, manager, paid organizer, or paid employee during the period commencing on the date he is convicted of such crime and ending on the date any appeal of his conviction has been finally disposed of, or in case no appeal of such conviction is filed within the time prescribed by law for the filing thereof, on the day after the last day of the period during which an appeal of such conviction may be filed.

(b) No individual who shall hereafter be convicted of a crime referred to in subsection (a) shall be eligible to serve as an officer, director, trustee, member of any executive committee or any other such governing body, business agent, manager, paid organizer, or paid employee of a labor organization during any period for which he is ineligible to vote in the State wherein such crime was committed by reason of having been convicted of such crime.

(c) No individual who has heretofore been convicted of a crime referred to in subsection (a) shall be eligible to serve as an officer, director, trustee, member of any executive committee or any other such governing body, business agent, manager, paid organizer, or paid employee of a labor organization during any period for which he is ineligible to vote in the State wherein such crime was committed by reason of having been convicted of such crime.

(d)(1) No individual who, after notice by the Secretary, shall have failed to file any information required to be filed by this Act, and who, after a hearing on a written record, is determined by the Secretary to have violated the provisions of this Act relating to the filing of information, and (2) no individual who has been convicted of any violation of this Act (other than a violation of the provisions of subsection (a), (b), or (c) of this section) shall be eligible to serve as an officer, director, trustee, member of any executive committee or any other such governing body, business agent, manager, paid organizer, or as any other paid officer or employee receiving compensation in excess of $4,000 per annum of a labor organization for a period of five years after such determination by the Secretary or such conviction. No individual with respect to whom the Secretary enters an order under the provisions of section 405 shall be eligible to serve as an officer, director, trustee, member of an executive committee, or other such governing body, business agent, manager, paid organizer, or accountant during any period for which such order is in effect. For the purposes of this subsection, any person who has been convicted of such a violation shall be deemed to have been convicted and under the disability of conviction from the date of the judgment of the trial court, or the date of the final sustaining of such judgment on appeal, whichever is the later event.

(e) No labor organization or officer thereof shall knowingly and willfully permit any person to assume or hold any office or paid position in violation of this section.

(f) Any person who shall willfully violate any provision of this section shall be fined not more than $10,000, or imprisoned for not more than one year, or both.

Bribery, collusion, and extortion

SEC. 411. (a) Any person who demands, extorts, requests, receives, or accepts, or agrees or attempts to receive or accept, any gift or payment to such person, or to another on behalf of such person, of money or other thing of value from any employer, or from any agent, representative, attorney, or consultant employed or engaged by such employer, with intent or purported intent to be influenced thereby with respect to any decision or action on any matter concerning the organization or representation of employees, or concerning any other activity of any labor organization or any trust in which such labor organization is interested, shall be fined not more than $10,000 or imprisoned not more than five years, or both.

(b) Any person who makes or offers or attempts to make any gift or payment, the receipt of which is prohibited by subsection (a), shall be fined not more than $10,000 or imprisoned not more than five years, or both.

Prohibited political activities

SEC. 412. (a) It shall be unlawful for any labor organization, or any officer, agent or representative of such organization—

(1) to make any contribution or expenditure out of money, trust funds, or other property of such labor organization, or in which such organization is interested, if the purpose is to influence voters participating in, or to affect the results of any election, party primary, convention or caucus for the purpose of nominating or electing candidates for any public offices, or to make any contribution out of such money, funds, or property to or on behalf of any such candidate, or

(2) to coerce, or attempt to coerce directly or indirectly, any member or employee of such labor organization to contribute services or money or other thing of value to any party, committee, organization, agency or person, for the purposes set forth in paragraph (1).

(b) Any person who shall willfully violate the provisions of this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(c) Nothing contained in this section shall impair the right of any individual officer, agent, representative or member of a labor organization to vote, to express his opinion on all political subjects and candidates, or to contribute his own services, money or other thing of value for political purposes.

Interference with rights of individuals

SEC. 413. (a) It shall be unlawful for any person through the use of force or violence, or threat of the use of force or violence, or by any other means, to intimidate or coerce or attempt to intimidate or coerce any member of a labor organization for the purpose of interfering with or preventing the exercise by such member of any right to which he is entitled under the provisions of this Act.

(b) Any person who shall willfully violate the provisions of this section, shall be fined not more than $10,000 or imprisoned for not more than five years, or both.

Failure to file reports required by sections 204, 205, and 206

SEC. 414. Any person who shall willfully violate the provisions of sections 204, 205, and 206 shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

Jurisdiction, venue, and service of process

SEC. 415. (a) The district courts of the United States, and the United States courts of any Territory or other place subject to the jurisdiction of the United States shall have jurisdiction in proceedings brought under this Act to restrain violations of, to enforce any duty created by, to compel disclosure of any information required to be submitted to the Secretary in accordance with, or grant any other relief authorized by, the provisions of this Act or the rules and regulations thereunder.

(b) For the purposes of actions by or against labor organizations or their officers, agents, or representatives in the district courts of the United States under the provisions of this Act, district courts shall be deemed to have jurisdiction of the labor organization, its officers, agents, or representatives (1) in the district in which such organization maintains its principal offices, or (2) in any district in which its duly authorized officers or agents are engaged in representing or acting for members, or conducting the affairs of a constituent organization over which it has assumed trusteeship.

(c) The service of summons, subpoena, or other legal process of any court of the United States upon an officer or agent of a labor organization, in his capacity as such, shall constitute service upon the labor organization.

(d) Any labor organization shall be bound by the acts of its agents. For the purposes of this Act, in determining whether any person is acting as an "agent" of another person so as to make such other person responsible for his acts, the question of whether the specific acts performed were actually authorized or subsequently ratified shall not necessarily be controlling.

(e) Any labor organization may be sued as an entity in the courts of the United States.

Rules and regulations

SEC. 416. The Secretary shall promulgate rules and regulations prescribing the form of the reports required under this Act, and such other rules and regulations as may be necessary to effectively carry out and prevent circumvention or evasion of the provisions of this Act.

TITLE V. MISCELLANEOUS

Effect on other laws

SEC. 501. Nothing in the foregoing provisions of this Act shall reduce or limit the responsibilities of any labor organization or any officer, agent, or other representative of a labor organization, or of any trust in which a labor organization is interested, under any other Federal law or under the laws of any State, and nothing in this Act shall take away any right or bar any remedy to which members of a labor organization are entitled under such other Federal law or law of any State.

Conforming changes in other laws

SEC. 502. Subsections (f) and (g) of section 9 of the National Labor Relations Act, as amended, are hereby repealed.

Separability

SEC. 503. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

Effective dates

SEC. 504. (a) Except as otherwise provided in this section, the provisions of this Act shall take effect ninety days after the date on which this Act is enacted.

(b) The provisions of section 204 shall be applicable, in the case of any person, with respect to fiscal years of such person ending after the effective date of this Act, or if such person has no fiscal year, with respect to calendar years ending after such date.

(c) The provisions of sections 301, 406, 407, 408, 411, and 413 shall take effect upon the date of enactment of this Act.

(e) The provisions of section 410 (a), (b), (c), and (e) shall take effect thirty days after the date of enactment of this Act.

(f) The provisions of section 202(a)(1) which require that copies of the constitution, bylaws, and other basic documents having similar effect shall conform with and contain provisions designed to effectively accomplish the objectives of title I shall

not apply, in the case of any labor organization which is in existence on the date of enactment of this Act and the constitution and bylaws or other governing charter of which permit an amendment or modification thereof only by a convention held for such purpose, until ten days after the holding of the next such convention held after the date of enactment of this Act, or two years, in the case of an international labor organization, or one year, in the case of a local labor organization, after the date of enactment of this Act, whichever is earlier.

ANALYSIS OF S. 1137

TITLE I. RIGHTS TO BE GUARANTEED IN CHARTERS OF LABOR ORGANIZATIONS

1. Establishes basic rights of individual members of labor organizations by requiring their constitution or bylaws to effectively guarantee (sec. 101):

(a) Equal rights of the members.
(b) Freedom of speech.
(c) Freedom of assembly.
(d) Uniform qualifications of membership.
(e) Freedom from arbitrary financial exactions.
(f) Protection of right of members to institute suits or to initiate administrative actions.
(g) Safeguards against arbitrary disciplinary action.
(h) Right to inspect membership lists.

2. Establishes standards for all labor organizations (local and international), by requiring their constitutions or bylaws to provide for (sec. 102):

(a) Election of officers by secret ballot under supervision designed to insure an honest count of the ballots, etc.
(b) Recording and disclosure of votes of delegates.
(c) Salaries and expenses of officers to be fixed by resolution adopted by general vote of members or delegates.
(d) Preservation of ballots and election documents for period of 2 years.
(e) No affiliated organization or fund to be created and financed by any labor organization unless it is authorized by general vote.
(f) Bonding of all officers handling funds of such organization.
(g) Records of meetings and financial records to be kept for five years.
(h) Investment of surplus funds to conform to requirements of State laws relating to insurance companies.
(i) Collective bargaining agreements made by locals to be made available to members on request, and those made by internationals to be filed with affected constituent units.

3. Establishes standards applicable to local labor organizations by requiring their charters or bylaws to provide for (sec. 103):

(a) General membership meetings not less than three times each year.
(b) Election of delegates to conventions by secret ballot.
(c) Merger of locals or transfer of membership from one local to another must be approved by majority vote by secret ballot of both locals, and transfers of funds from one local to another only upon such approval by majority vote of the local from which the transfer is made.

4. Establishes standards applicable to international labor organizations by requiring their charters or bylaws to provide for (sec. 104):

(a) Conventions at least once every four years.
(b) Fair and equitable representation of constituent units.
(c) Not less than thirty days' notice of time of such convention, and not less than fifteen days' notice in case of an emergency or extraordinary meeting.
(d) Only delegates elected or designated as provided by this Act shall be entitled to vote.
(e) Charters to be issued only to bona fide labor organizations.
(f) Trusteeships to be established only for purpose of correcting certain prescribed conditions, and to be continued only for limited time.

TITLE II. REPORTING AND DISCLOSURE

1. Requires report to be made to the Secretary of Labor by each labor organization, accompanied by copies of constitution and bylaws containing provisions conforming to foregoing requirements, such reports to contain certain specified information concerning the officers, organization, and financial activities of the organization, and to be kept up to date through the filing of reports of changes in such information and by the filing of annual financial reports (sec. 202).

2. Requires the making of special periodic reports concerning any trusteeship assumed by an international organization over its locals, such reports to contain certain specified information concerning the purpose, activities, and status of the trusteeship (sec. 203).

3. Requires the making of reports by officers and employees of labor organizations of any interests or income which they or their spouses or minor children hold or acquire in or receive from the business of the employer, or any business a substantial part of which consists of dealing with the employer or the labor organization, and of certain payments received from labor relations consultants (sec. 204).

4. Requires employers to report loans and payments made to labor organizations and their officers, payments to employees or labor relations consultants pursuant to agreements to coerce employees in the exercise of their rights, and payments to persons who procure the services of such consultants (sec. 205).

5. Requires reports by labor relations consultants who receive or agree to receive certain payments from employers setting forth amounts of such payments and certain other information concerning their activities (sec. 206).

6. Provides for making information in foregoing reports available for public inspection (sec. 208).

TITLE III. RESPONSIBILITIES TO MEMBERS

1. Establishes fiduciary status for officers and agents of labor organizations having custody of organization funds and property (sec. 301).

2. Provides democratic procedures for nomination and election of labor organization officers, sets maximum terms of office for such members of 2 years for officers of local and 4 years for officers of international organizations, provides for supervision of elections by the Secretary of Labor upon petition of 10 percent of members eligible to vote, prohibits use of labor organization funds for influencing outcome of union elections, and provides procedures for removal of officers guilty of misconduct (sec. 302).

3. Sets forth purposes for which trusteeships may be established, and provides that trusteeships shall end after 1 year unless extension is authorized by vote of the members of the local union over which the trusteeship is exercised (sec. 303).

TITLE IV. ADMINISTRATION, ENFORCEMENT, AND PENALTIES

1. Provides procedures for enforcement of provisions of the act, under which—

(a) Labor organizations which fail to file and keep up-to-date reports required by the act, or file false reports, or fail to conform to requirements set up by the bill will not be recognized as representatives of employees under the National Labor Relations Act or other Federal laws, and will be denied benefits now accorded such organizations under Federal income tax laws (sec. 401).
(b) The Secretary of Labor may make investigations to determine whether provisions of the bill are being violated (sec. 402).
(c) The Secretary of Labor or members of labor organizations affected by violations, may institute civil proceedings to enjoin violations, and to recover on behalf of the labor organization funds wrongfully expended (sec. 403).
(d) The Secretary may institute proceedings in a United States district court to void elections, upon complaint of members alleging that elections were conducted in violation of the standards set forth in the bill. The court in any such proceeding would be empowered to set aside the election if it finds that the outcome thereof was affected by the violation, and to direct the holding of a new election under supervision of the Secretary (sec. 404).

2. Criminal penalties are provided in the bill for—

(a) The making of false or misleading statements in reports or other documents filed under the bill (sec. 405).
(b) False entry in or destruction or concealment of books or records of labor organizations (sec. 406).
(c) Embezzlement or other unlawful conversion of funds of labor organizations (sec. 407).
(d) Making of certain loans by labor organizations or employers to officers or employees of labor organizations (sec. 408).
(e) Counting of votes of delegates of labor organizations under trusteeship who have not been elected by the membership of such organizations; and the transfer of funds of such organizations to the labor organizations exercising the trusteeship, in excess of amounts which would be so transferred in the absence of the trusteeship (sec. 409).
(f) Acting as an officer of a labor organization during period for which civil rights have been suspended for conviction of certain major crimes; or acting as such officer during 5-year period following conviction, or determination by the Secretary, of violations of certain provisions of the bill (sec. 410).
(g) Bribery, collusion, and extortion in labor management relations (sec. 411).
(h) Using funds of labor organizations for political purposes, or coercing union members to make political contributions (sec. 412).
(i) Coercing labor union members for the purpose of interfering with the exercise of the rights guaranteed under the bill (sec. 413).
(j) Failure to file reports required to be filed by individuals (as distinguished from those required to be filed by labor organizations) under the bills (sec. 414).

3. Provisions are also included conferring jurisdiction on the U.S. courts of actions brought under the bill, and relating to venue, service of process, and responsibility of labor organizations for acts of their agents for the purposes of such actions (sec. 415).

4. The Secretary is empowered to prescribe the forms of reports and to issue regulations for the administration of the provisions of the bill (sec. 416).

TITLE V. MISCELLANEOUS

This title contains provisions—

(a) Making clear that it is not the intent of the bill to reduce or limit the responsibilities of officers of labor organizations under any other Federal law or under State law, or to deprive members of a labor organization of rights or remedies to which they are entitled under such laws (sec. 501).
(b) Repealing provisions of the National Labor Relations Act which would be superseded by provisions of this bill (sec. 502).
(c) Effective date provisions under which (A) certain criminal provisions would take effect immediately, (B) the bill generally

would take effect 90 days after the date of its enactment, (C) provisions prohibiting holding of office by persons convicted of crimes would take effect 30 days after the date of enactment, and (D) provisions requiring inclusion of and compliance with provisions required to be in union constitutions or bylaws would be postponed for periods up to 1 year in the case of locals, or 2 years in the case of internationals, to enable them to hold any necessary conventions for the purpose of effecting necessary changes in their constitution or other governing charter.

Mr. McCLELLAN. Mr. President, the investigations of the Senate Select Committee on Improper Activities in the Labor or Management Field conducted during the past 2 years have conclusively revealed that in some areas and in some unions there have occurred and in many instances there still exist practices of corruption, breach of trust, violence, abuse of power, denial of basic rights and democratic processes to union members, collusion between dishonest management and unscrupulous labor officials, and other improper activities that seriously militate against the interest and welfare of workers, of management, and of the general public.

Legislation to prevent such practices and to correct the conditions resulting therefrom is imperative. Accordingly, I am today introducing the first of two, and possibly three, bills which I shall sponsor designed to prohibit such improper activities, to guarantee basic rights of labor union members, ethical practices, and the disclosure of information regarding union affairs to which union members and the public are entitled.

Mr. President, I make this reference to other bills that I shall introduce because the bill I am introducing today does not cover all of the evils in this field that need legislative attention; and this bill is not intended to do so.

This measure contains no proposed amendments to the Taft-Hartley law, nor does it attempt to make revisions in that act. It does not deal in any way with organizational or recognitional picketing, secondary boycotts, hot cargo shipments, nor does it undertake to resolve the no-man's land jurisdictional problem. All of these will be dealt with in follow-up measures which I shall introduce at an early date.

I have elected to follow this course, Mr. President, because the issues involved in the revision of the Taft-Hartley law, organizational or recognitional picketing, tightening the laws against secondary boycotts, hot cargo shipments and the no-man's land jurisdictional problem are all highly controversial; and, in my opinion, they should be considered separately, and voted up or down on their respective merits.

The general objectives of the bill I introduce today, as stated in its title are:

To provide minimum standards guaranteeing basic rights of labor union members and ensuring ethical practices in the conduct of union affairs; to require disclosure of information to which union members and the public are entitled; to create fiduciary duties and obligations with respect to the administration, disbursement, and reporting of funds by officials of labor unions; to prevent abuses in the administration of union trusteeships; to prevent interference with the right to organize and bargain collectively; to prevent loss of Government revenues due to evasion of income-tax laws; and for other purposes.

These are far less controversial and are more urgently needed than are the revisions or amendments to the Taft-Hartley law, to which I have referred. I feel that the enactment of legislation for these purposes should not be jeopardized by the injection of controversies that can be, and should be, resolved independently on their individual merits and in separate legislative enactments.

I do strongly feel, Mr. President, that bills dealing with these other issues should receive attention at this session of the Congress. They should not by any means be sidetracked or indefinitely deferred. The Congress has the urgent duty to act, and to act at this session, on all remedial legislation needed in the field of labor-management relations.

The Senate, after taking up and disposing of this measure, the Kennedy-Ervin bill, or the administration bill, introduced by Senator GOLDWATER, should promptly proceed to the consideration of bills dealing with revisions of Taft-Hartley, secondary boycotts, organizational picketing, hot-cargo shipments, and no-man's land jurisdictional problems. All of these should receive disposition at this session of the Congress.

I may say, Mr. President, that some conditions that now prevail, the infiltration of criminals and underworld characters in the field of labor-management relations, and the domination and control by hoodlums, gangsters, and racketeers in some segments of labor and business, as exposed by the Senate Rackets Committee, cannot longer be tolerated. These conditions must be corrected and the Congress must have the moral and political courage to meet its responsibility accordingly.

Mr. President, I invite the attention and earnest consideration of my colleagues to this measure. It has incorporated in it, in my judgment, all the features and all the provisions which are essential to deal with the segment of the problem which it is designed to cover.

There are other aspects of the overall problem which also urgently need attention. However, those are controversial problems, and they may be used, wittingly, intentionally, or otherwise, to saddle on a bill upon which possibly 90 percent of the membership of Congress can agree and support and enact, controversial issues which might bring about the defeat or rejection of any legislation in this field during this session of Congress.

I see no reason why we cannot separate the issues so that neither will jeopardize the other, and so that the Senate and the House can vote on those proposals which are controversial—and either enact or defeat them—and, at the same time, retain an opportunity to meet the duty of enacting legislation dealing with that segment of the issues about which there is little controversy and little disagreement, except possibly the means to the end, the object being generally agreed upon.

I sincerely urge the Committee on Labor and Public Welfare to give immediate consideration to this measure. I regret that, due to unavoidable circumstances involving pressure of official duties, I have not been able to present this measure earlier. I know it can have an opportunity for consideration if at any time any measure comes up on the floor of the Senate. Thus, I invite my colleagues to study the subject. I believe they will find it the answer to some of the questions to which they have given serious consideration and as they contemplate the necessity for legislation in this field.

VETERANS READJUSTMENT ASSISTANCE ACT OF 1959

Mr. YARBOROUGH. Mr. President, on behalf of myself, and Senators MCNAMARA, YOUNG of Ohio, MURRAY, and HART, I introduce, for appropriate reference, a bill entitled "The Veterans Readjustment Assistance Act of 1959," similar in pattern to the Korean GI bill, for the benefit of those serving in the Armed Forces since January 31, 1955. This bill calls for an extension of readjustment benefits until 1963, when the proposed draft extension would end, because I think that these two concepts, the draft and readjustment assistance, are inextricably linked in our contemporary situation.

We will soon be called upon to perform the stern duty of extending for 4 more years our laws compelling a period of military service for every qualified young man. This liability has rested on our young men since 1940, excepting one minor gap, and if extended as requested, will mean a whole generation of American boys will be following their fathers into the draft lottery system. Who knows what changes this will mean in our national outlook and character, our traditional love of freedom and aversion to the unrestrained power of the military over the person? And, particularly, what will be its effect on the second generation growing up under this system?

Fortunately, we can point to positive accomplishments and results from our past dealings with our servicemen and veterans. This is because the Congress has wisely provided two of the most farsighted and beneficial programs ever enacted, the two GI bills, providing educational and home-owning assistance, unemployment compensation and mustering out payments. In education alone, the World War II GI bill gave the Nation 450,000 engineers and 180,000 doctors and nurses; it gave those eligible for its benefits an average of 1½ to 2 years more schooling than those not so fortunate as to serve in our Armed Forces. Similar results are expected from the bill I have introduced covering post-Korean veterans. This is truly a wise and beneficial program, and one well calculated to restore to a young man what he has lost—time, the critical time when he must prepare himself for his adult life. In our recent past the returning serviceman has been assisted to

regain a substantial parity with his contemporaries who did not have to serve. I submit that we have equally cogent reasons now for restoring this right.

Let us squarely face the fact that the draft will be operating most inequitably within a short time. More than one-half of the young men in the draft-age group will never see military service. As was concluded in a recent Washington Post editorial February 4, 1959:

> All in all, however, the burdens and obligations are distributed very unequally among the 1,200,000 young men who come of military age each year. Some have their education, career, or family plans disrupted while many others make no national sacrifice at all.

While physical or mental disability will exclude a large number, others may remove themselves from draft consideration by the voluntary acts of staying in college or becoming fathers. It is doubly unfortunate that these worthwhile reasons for deferment are chiefly available to that smaller fraction, the financially able youth. This passes the burden of military service, always a financial handicap, to those who in the beginning are least able to afford it. This is class legislation, unfair and inequitable unless we act to equalize the disadvantage suffered by those who serve.

If we act, as presumably we must, to extend the draft, accepting it as the least onerous of a number of distressing choices, we must also act to remove the unnecessary burdens of honorable military service. We must remove it from the category of lost opportunities and financial handicap for those who return to civilian life. We must at least give the young man who fulfills his military obligation some means by which he can catch up with the world that has passed him by.

I think that readjustment benefits are a proper recognition of the Government's responsibilities to those who serve it. Especially when any day we may expect to see headlines of marines landing in Lebanon, or fliers shot down over the Russian border, we may ask why we are not giving these boys the same recognition and assistance we gave those who served before under similar circumstances. I feel that our young men deserve this assistance now, and that the Congress will so recognize with due deliberation rather than waiting until some other warlike incident goads us into action in this field.

We may expect that an act like this will eliminate many occasions for application of the draft by increasing the incentives for volunteering for military duty. It will, we may hope, desirably lower the age level of those entering the service, from those who have tried to finish college first, to those who will need help to finish college later. It should eliminate many complaints that a young man's future is too uncertain under present laws, by allowing him a full range of scheduling his education and his military service. And finally, it should greatly improve the morale of those in the military establishment, by clearly showing that the American Government and people do indeed appreciate and recognize the great service they are doing us all.

In brief, the bill I introduce today would establish a program of readjustment benefits for post-Korean veterans similar to those in the Korean GI bill, by providing rights to educational assistance, vocational rehabilitation, home loan guarantees, and mustering-out pay.

As chairman of the Veterans' Affairs Subcommittee. I expect to begin hearings in the near future to explore the exact manner in which this program will most equitably fit our present cold-war veterans in their readjustment needs. We must begin a program that will tell people of America that we are not drafting certain of their sons to lose 2 years from their competitive civilian status, but are giving them a challenging opportunity for honorable and patriotic service to their country, which will be suitably recognized.

I ask unanimous consent that the bill lie on the table for 1 week to give those who wish the opportunity of cosponsorship.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Texas.

The bill (S. 1138) to provide readjustment assistance to veterans who serve in the Armed Forces between January 31, 1955, and July 1, 1963, introduced by Mr. YARBOROUGH (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that a brief explanation of the bill be printed in full at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF GI BILL FOR POST-KOREAN VETERANS

The bill, the Veterans' Readjustment Assistance Act of 1959, has as its purpose the establishment of a balanced program of readjustment assistance for the benefit of post-Korean veterans, i. e., persons who first enter on active military duty in the Armed Forces between January 31, 1955, and July 1, 1963. The opening date respecting this class of veterans, January 31, 1955, is keyed to the cutoff date under the present GI bill for Korean veterans. The cutoff date respecting eligibility under this bill, July 1, 1963, is keyed to the proposed new termination date of the Universal Military Training and Service Act, which the Executive has recommended and which the Congress is expected to approve during this session.

Under the bill four major types of readjustment assistance, patterned closely after the aids in the GI bills for veterans of World War II and the Korean conflict, would be made available to post-Korean veterans. These are:

1. Education or vocational training assistance.

2. Vocational rehabilitation training for veterans with service-connected disabilities.

3. Guarantee and direct loan assistance for the purchase of (a) homes, including homes on farms, and (b) farmlands, livestock, machinery, etc., to be used in farming operations conducted by the veteran.

4. Mustering-out payments.

The four types of assistance are respectively proposed in sections 2 through 5 of the bill serially and are described below in principal detail.

SECTION 2—EDUCATION AND VOCATIONAL TRAINING

Eligibility: To be eligible for educational or vocational training assistance, the veteran must have served on active duty between January 31, 1955, and July 1, 1963, for 90 days or more, and must have been discharged under conditions other than dishonorable. In the case of a veteran discharged from service for a disability incurred on active duty, the 90-day service requirement would not apply.

Length of education or training: The education or vocational training period would be calculated by multiplying one and one-half times each day of the veteran's active military service between January 31, 1955, and July 1, 1963, and with respect to a veteran on active duty on June 30, 1963, active military service after such date until his first discharge or release from active service succeeding such date. The maximum education or training period to which a veteran could become entitled is 36 months. In computing a veteran's period of active military service, for purposes of determining his period of education or training, there would be an exclusion of time spent in certain courses of education sponsored by the Armed Forces.

Kind of training: Eligible veterans may use their educational entitlements to pursue the following kinds of training:

1. School courses, both at college and below college level. These courses may be pursued full time, three-fourths time, one-half time, or less than one-half time.

2. Cooperative courses, combining school and on-the-job training in alternating cycles. All cooperative courses must be pursued on full-time basis.

3. Correspondence courses and flight training.

4. On-the-job training: All job training must be pursued on full-time basis.

5. Institutional on-farm training: All farm training courses must be on full-time basis.

Educational allowances: A monthly allowance, paid directly to the veteran by the Veterans Administration, is the means by which the veteran is assisted in the pursuit of a program of education. For a veteran pursuing a full-time program in an educational institution, the education or training allowance would be as follows: For a veteran without dependents, $110 a month; for a veteran with one dependent, $135 a month; and for a veteran with more than one dependent, $160 a month. Proportionate rates are fixed for allowances concerning less than full-time courses, as well as on-the-job and on-the-farm training. From the education and training allowance, the veteran must meet all of the costs incident to his education—tuition, subsistence, books, supplies, fees, etc.

Expiration dates: Veterans must commence education or training under the bill within 3 years after their separation from service and complete their training within 8 years after separation; however, with respect to persons separated from service prior to the date of enactment of the bill, the 3-year delimiting period respecting commencement of training shall begin with the date of enactment of the bill. All education or training under the bill would end on June 30, 1963.

SECTION 3—VOCATIONAL REHABILITATION FOR DISABLED VETERANS

Eligibility: To be eligible for vocational rehabilitation training, a veteran must have need of such training, as determined by the Administrator of Veterans Affairs, to overcome the handicap of a physical or mental disability, which is rated at 10 percent or more of total disability, and which is in-

curred in or aggravated by active military service subsequent to January 31, 1955. The general requirement for a discharge under conditions other than dishonorable would apply.

Length of training: The length of training is dependent upon the needs of the veteran. In general, the period is limited to 4 years; however, upon appropriate findings by the Administrator of Veterans Affairs, additional time may be granted.

Kind of training: The veteran may enroll in an institution offering college training, in an institution below the college level, or in any other type of training which, in the view of the Administrator of Veterans Affairs, is designed to lead to the veteran's vocational rehabilitation.

Expiration dates: While there is no overall termination date with respect to the vocational rehabilitation program, there are dates beyond which individual veterans may not receive training. Generally veterans may not receive training more than 9 years after discharge or release from active military service. However, with respect to veterans who become eligible for vocational rehabilitation by virtue of the enactment of this bill, training may be afforded such persons until 9 years after the enactment of the bill or 9 years after discharge or release from service, whichever is latter. In addition, in certain hardship situations, the generally applicable expiration dates would be extended for 4 years. The additional 4-year period would be accorded in cases where (1) severe disability prevents training; (2) subsequent changes in discharges provide eligibility for training; and (3) service-connected disabilities are not established in time to begin and complete training before the general expiration dates.

Subsistence: A vocational rehabilitation trainee would receive a minimum subsistence allowance of $65 a month if he has no dependents, or $90 a month if he has one or more dependents; a full-time institutional trainee would receive $75 a month if he has no dependents, $105 a month if he has one dependent, and $120 a month if he has more than one dependent. Operative along with these rates is the following "floor" on combined compensation under the veterans disability laws and the subsistence allowance under this bill: Where the service-connected disability is less than 30 percent, the rate, if the veteran has no dependents, is $105 a month; if he has one dependent, $115 a month, plus $10 for one child and $7 for each additional child, and $15 for a dependent parent. Where the disability is rated at 30 percent or more, the rates for the above classifications would be $115, $135, $20 for one child and $15 for each additional child, and $15 for a dependent parent.

SECTION 4—LOANS

General statement: This section would make post-Korean veterans eligible for Veterans' Administration guaranteed loans and direct loans similar in type to those available to Korean veterans under existing law. There are, however, several notable distinctions between the proposed loans for post-Korean veterans and those already available to Korean veterans:

First, the loan rights of post-Korean veterans would not extend to the business loans and insured loans which are available to Korean veterans under sections 1813 and 1815, respectively, of title 38 of the United States Code.

Second, there would not be a special direct loan program for post-Korean veterans. Direct loans authorized by this bill for post-Korean veterans would be subject to the present direct loan laws under which no direct loan may be made after July 25, 1960.

Finally, unlike the loans available to Korean veterans, the proposed loans for post-Korean veterans would be subject to a guarantee fee in a sum not to exceed one-half of 1 percent of the amount of the loan. The guarantee fee is intended to be used in the accumulation of a reserve fund sufficient to cover any losses that might arise under the program, the goal being to make the post-Korean loan program altogether self-sustaining. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The fee would be deposited in a mortgage guarantee fund which would be used by the Administrator of Veterans Affairs to carry out the purposes indicated above.

Eligibility: To be eligible under the loan provisions of the bill, a veteran must have served on active duty between January 31, 1955, and July 1, 1963, for 90 days or more, and must have been discharged under conditions other than dishonorable. In the case of a veteran discharged from service for a disability incurred on active duty, the 90-day service requirement would not apply. The widow of a deceased veteran whose death resulted from active service would also be eligible.

Purpose and conditions of loans: The loans are for the purpose of assisting eligible veterans to purchase (a) homes, including homes on farms, and (b) farm lands, livestock, machinery, etc., to be used in farming operations conducted by veterans. Banks or other lending institutions would make the loans, with the Government guaranteeing 60 percent of a loan for residential real estate, or 50 percent of other real estate loans. The Government's guaranty with respect to a real estate home loan could not exceed $7,500, and with respect to other real estate loans could not exceed $4,000, or a pro-rated portion thereof. Loans of both types, or combinations thereof, would be guaranteed with interest at the rate generally applicable under the loan program for Korean veterans. (Presently, the interest rate may not exceed 4¾ percent per annum. If the proposed Housing Act of 1959 is enacted by the Congress, there would be a new interest rate not to exceed 5¼ percent per annum). The loans would have maturities of not more than 30 years, except in the case of farm realty, the maturities could be for 40 years. Under certain conditions, and in certain rural areas, the Veterans Administration is authorized to lend up to $13,500 directly to the veteran when private capital is not available for a guaranty loan.

Expiration dates: Loans may be guaranteed if made before July 1, 1973. If a loan report or application for loan guaranty is received by the Administrator of Veterans Affairs before such date, an additional period not to exceed one year will be allowed for disbursement of the loan and issuance of evidence of guaranty.

SECTION 5—MUSTERING-OUT PAYMENTS

Eligibility: To be eligible for mustering-out payments a person must have served on active duty between January 31, 1955 and July 1, 1963, for 60 days or more, and must have been discharged under conditions other than dishonorable after the date of enactment of this bill. (In accordance with established precedents, only persons having the rank of captain or less in the Army or Air Force, or lieutenant in the Navy, would be eligible for these payments.)

Amounts and conditions: The amount of the mustering-out pay would be $100 for each eligible person, without regard to whether his active duty was performed domestically or overseas. Persons who qualify for mustering-out payments both by reason of active service during the period prescribed by this bill and service during the Korean conflict, may elect to receive mustering-out payment under either period of service, but not both.

EFFECTIVE DATE OF BILL

The provisions of the bill shall become effective immediately upon its enactment, except that no mustering-out payments shall be made to persons on account of discharges which occur prior to its enactment, and no education or training allowance shall be paid with respect to any period prior to 60 days after the date of such enactment.

AMENDMENT OF DISTRICT OF COLUMBIA SALES TAX ACT

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from Oregon [Mr. MORSE], and the Senator from Indiana [Mr. HARTKE], I introduce, for appropriate reference, a bill to repeal the present 1 percent sales tax imposed in the District of Columbia on food purchased for consumption in the home. This measure is being cosponsored in the other body by Representative LOUIS C. RABAUT, of Michigan. The bill would not affect the levy on restaurant meals.

Hearings were held on August 12, 1957, before the Fiscal Affairs Subcommittee on the Senate Committee on the District of Columbia, but no action was taken, based on the asserted need for District of Columbia revenue. This fiscal expedient is most unfortunate since the existing tax does not provide the revenue that had been originally anticipated, but rather works a hardship on those who can least afford it. In addition, returns from other revenue sources, as revealed last year, exceed expectations. Local revenue needs are not so demanding that bread and milk need be levied upon; some $2.25 million annually gained by the District of Columbia food sales tax is most assuredly available in a less burdensome form and from sources where the cost of collection is not so high.

From the disappointing receipts from this tax, it appears that this 1 percent levy is even more of a burden on low-income families than elsewhere, for, to judge from the difference of more than $1 million in anticipated receipts. Those who can afford to do so are crossing the District line to shop in nearby Maryland and Virginia where no such tax is imposed. Those who cannot afford to do this remain behind and pay the additional 1 percent. Among the Nation's largest cities only in Chicago, Detroit, and St. Louis, other than Washington, is there a tax imposed on sales of food for off-premises consumption. New York, Philadelphia, Boston, Los Angeles, San Francisco, Atlanta, and New Orleans, among others, have no such tax.

The tax loss contemplated by this bill is a little more than a tenth of the $20.5 million revenues anticipated under the general 2 percent sales tax imposed in Washington and is only a very small portion of the some $250 million revenues anticipated for the District of Columbia under its present budget for fiscal year 1960.

Surely alternate sources of moneys can be found for the Capital City than this tax on food. No services to its citizens and to the Federal Establishment rendered by the local government need be curtailed by the repeal of this levy. Washington is one of the highest per capita income communities in the country and to impose upon its citizens less able to bear the burden a tax on their daily bread should be by no means a necessity.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1139) to amend the District of Columbia Sales Tax Act so as to exempt from tax sales of food for human consumption off the premises where such food is sold, introduced by Mr. JAVITS (for himself, Mr. MORSE, and Mr. HARTKE), was received, read twice by its title, and referred to the Committee on the District of Columbia.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. CARLSON. Mr. President, on behalf of myself, and Senators MORSE, MAGNUSON, NEUBERGER, CURTIS, CASE of South Dakota, and JACKSON, I introduce, for appropriate reference, a bill to amend the Agricultural Adjustment Act of 1938, as amended, which may be cited as the "Wheat Stabilization Act of 1959."

Other Senators may want to be cosponsors of this legislation; and, therefore, I ask unanimous consent that the bill lay on the desk until the conclusion of the session on Wednesday, February 25.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Kansas.

The bill (S. 1140) to amend the Agricultural Adjustment Act of 1938, as amended, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

APPOINTMENT OF DISTRICT JUDGE FOR DISTRICT OF MARYLAND

Mr. BUTLER. Mr. President, Maryland is a State of 2,650,000 people, and for the last 28 years has been served by only two district court judges. In recent years, the caseloads have grown substantially, and the median intervals between the filing and the ultimate disposition of cases commenced in the district of Maryland has increased to 11.2 months, despite the dedicated and conscientious services of Judges Watkins and Thomsen. Were it not for the valuable services of retired Judge Chesnut, the situation would be even more serious.

The urgent need for an additional judgeship in the district of Maryland is dramatically illustrated in statistics submitted by the Administrative Office of the U.S. Courts. Whereas the average number of civil cases filed in fiscal 1958 in the 259 district judgeships was 236, the average in the two Maryland judgeships was 524; and whereas the average number of criminal cases filed in these judgeships was 109, in Maryland's two judgeships the average was 198. As a result, the number of cases pending in each of Maryland's judgeships at the end of fiscal 1958 reached 459, whereas in the average judgeship, only 275 cases were pending.

This backlog of cases would have reached even greater proportions were it not for the fact that 412 cases were terminated per judgeship in Maryland as compared with a national average of 231 terminations per judgeship. This fact alone attests to the quality of the services being rendered by Maryland's district judges.

The State of Maryland can well anticipate a continuing growth in the volume of its judicial business; and if this business is to be accommodated, it is essential that the appointment of an additional district judge be immediately approved. On the other hand, if the caseloads are allowed to swell further and the delays between filing and disposition of cases are allowed to become longer, our entire judicial system will be placed in jeopardy.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1142) to provide for the appointment of a district judge for the district of Maryland, introduced by Mr. BUTLER, was received, read twice by its title, and referred to the Committee on the Judiciary.

ELECTION TO USE PROVISIONS OF TECHNICAL AMENDMENTS ACT OF 1958 BY CERTAIN SMALL BUSINESS CORPORATIONS

Mr. McCARTHY. Mr. President, I introduce, for appropriate reference, a bill to allow certain small business corporations, which had difficulty electing to use the provisions of the Technical Amendments Act of 1958, an additional 30-day period to elect to be taxed as partnerships.

The Technical Amendments Act of 1958, in its subchapter S, allowed certain small business corporations to be taxed as partnerships.

However, some of these corporations had difficulty in meeting the requirements for electing to use the provisions of this subchapter S not later than the end of the first month of its taxable year. Because the Technical Amendments Act was not passed until September of 1958, it was provided that in the case of a taxable year starting in 1958, but before the date of enactment, the corporation was allowed to make the election at any time within the 90-day period beginning on the day after enactment. This meant, practically, that they had until December 2, 1958, to make the election.

Small corporations with a fiscal year beginning October 1, for example, found extreme difficulty in electing the benefits of this act.

The difficulty which this amendment will correct can be illustrated in this manner. If a taxpayer had a fiscal year starting on, for example, September 1, which was one day before the date of enactment, he would have until December 2, 1958, to decide whether or not he wanted to make an election to be taxed under the new subchapter S. Since he would have to find out some information about the new subchapter, this period of time is not unreasonable. If the taxpayer had a fiscal year which started on October 1, however, instead of September 1, he would not be under the 90-day grace period provided in the act. He would, therefore, have to operate on the general rule of making the election within the first month of the taxable year, that is, before November 1, 1958.

The second taxpayer would have a 31-day shorter period for making his election to use subchapter S.

There is no reason why these taxpayers in the two cases which I have described should not have the same period of time to use the provisions of the subchapter.

I am introducing this bill to correct this situation. My bill will allow these small business corporations, which had less than 90 days after the enactment of the Technical Amendments Act of 1958 to make their election, an additional 30 days to make this election.

The PRESIDING OFFICER. The bill will be received and appropriately referred

The bill (S. 1145) to allow small business corporations which had less than 90 days after the enactment of the Technical Amendments Act of 1958 in which to make an election under section 1372 of the Internal Revenue Code of 1954 an additional 30 days in which to make such election, introduced by Mr. McCARTHY, was received, read twice by its title, and referred to the Committee on Finance.

DESIGNATION OF FOURTH SUNDAY IN SEPTEMBER OF EACH YEAR AS INTERFAITH DAY

Mr. KEATING. Mr. President, I introduce for appropriate reference a joint resolution designating the fourth Sunday in September of each year as Interfaith Day. I am especially proud that in New York State the interfaith movement has gained widespread approval and acceptance. Last September marked the 20th annual Interfaith Day celebration in New York City.

I find it particularly appropriate that this resolution be introduced during Brotherhood Week, for the interfaith movement is nobly dedicated to the brotherhood of man. The brotherhood of man under the fatherhood of God is a fundamental tenet of all religions. It is also basic to our American way of life. Our government of laws, rather than men, is founded upon equal justice for all.

Yet, tragically, we are still faced with events in this great land where religious and moral principles and law, the bedrock of our whole civilization, come under assault from evil and sinister forces.

That a little child should be turned away from a classroom—because the color of his skin is different.

That men should set upon their neighbors out of pointless prejudice.

That bombings of houses of worship and schools can take place in this land of freedom.

These are the symptoms of an illness turned into contagion by demagogs.

But let the apostles of hatred remember this:

They cannot win.

All decent human instincts oppose them. All religious beliefs deplore their aims. The vast majority of Americans deny their principles. The full majesty of the law is arrayed against their purposes.

Let such men find what comfort they can in strange alliances. Let them fight their rearguard action, their battle for delay and compromise.

The march toward full realization of the human rights of all Americans cannot be stopped. It has quickened tremendously in the last few years.

During this year's celebration of Brotherhood Week let us reaffirm our determination to bring to full fruition the justice and tranquility that are the birthright of all Americans. Only thus can we serve our God, our State, and our Nation.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 53) designating the fourth Sunday in September of each year as "Interfaith Day," introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas the United States of America was founded on the firm basis of freedom of thought and conscience; and

Whereas the fomenting of antagonism between Americans on a basis of sectarian creed is contrary to American traditions and to the spirit of the guarantees of freedom of worship embodied in the Constitution of the United States; and

Whereas it ought to be, and is hereby declared to be, the policy of Congress to encourage the mutual understanding of all people of good will; and

Whereas the program of the interfaith movement offers a practicable means for encouraging such mutual understanding: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth Sunday in September of each year is hereby designated as "Interfaith Day," and the President of the United States is authorized and requested to issue annually a proclamation calling on the people of the United States to observe such day, and urging the participation of all Americans and all religious groups in the United States, regardless of sect or creed, to participate in the observance of such day by such means as they may deem appropriate.

ERECTION OF STATUE OF TARAS SHEVCHENKO IN DISTRICT OF COLUMBIA

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a joint resolution authorizing the erection on public grounds in Washington of a statue of Taras Shevchenko, the Ukrainian national poet who, inspired by American constitutional democracy, sang to his people of liberty and freedom. Plans for the statue and its location would be subject to approval by the Department of Interior, the Commission of Fine Arts, and the National Capital Planning Commission.

The funds necessary for the erection of this statue would be raised by public subscription within 5 years of the enactment of the bill. I have received assurances that there would be little difficulty in securing these moneys from among the over 1 million Americans of Ukrainian descent. Early enactment of this legislation would make possible the dedication of the statue, or its site, in 1961, on the occasion of the 100th anniversary of Shevchenko's passing.

Taras Shevchenko was a bard of freedom. In his early life he recognized George Washington as the model for a national leader, and extolled him to his fellow countrymen as a true hero in their own higher aspirations toward freedom.

Born a serf, on an estate not far from the Dnieper River, in the heart of the Ukraine, in 1814, Shevchenko's ability as an artist was soon recognized by his owner and master, who took him to St. Petersburg, where he apprenticed him to a teacher of art. Shevchenko's talent soon attracted so much attention that the cultural circles of the court of Nicholas I arranged to secure money to buy his freedom.

He continued his art studies, and in 1840 published his first volume, "The Kobzar" or "Peasant Bard." The collection of poems in this work struck an answering chord throughout the Ukrainian world by their glorification of the Ukrainian past and their contrast of it with the wretched conditions then existing. He expressed his hopes for the future of his people. Then, in quick succession, there came other poems which expressed and amplified the meaning of the Kobzar.

Shevchenko revisited Ukraine in 1844. In 1845, after completing his course at the Art Academy of St. Petersburg, he went back to Ukraine, and joined a group of young men who, like himself, had grasped the idea of a federation of free Slavic republics, of which Ukraine was to be one. Within a year, he was arrested for his poetry, and was sentenced to service in a Russian disciplinary battalion in the Asian steppes, with a special order from the czar that he be not permitted to write or paint. He was not released until 1857, when he was already a broken man. He died in 1861, in St. Petersburg, on the eve of the liberation of the serfs. But until the very end, he had not wavered in his support of human and Ukrainian freedom and human dignity.

Shevchenko's poetry, despite attempts at official censorship, was known throughout all of Russian-held Ukraine, and became the model for Ukrainians living in the western Ukrainian lands within the Austro-Hungarian Empire. His name became synonymous among Ukrainians everywhere with the advocacy of national independence and democracy, of national interdependence, and of cooperation and of a high type of social and national thinking.

In 1917, it was the poetry of Shevchenko that inspired the Ukrainian movement for independence and encouraged the Ukrainian National Republic in its desperate struggle, alone and unaided, to protect itself against the aggression of the Russian Communists. It was Shevchenko's poetry that encouraged the Ukrainians forced within the Soviet Union to continue their struggles for freedom, and in World War II encouraged and fostered the Ukrainian opposition to both Fascism and Communism.

Today there are over 1 million Ukrainians and Americans of Ukrainian origin in the United States. Some emigrated here before World War I. Some came after World War II, under the provision for the settlement of displaced persons. Both groups have become American citizens, and are playing their constructive role in the United States of the present. Their young men and women are assuming positions of ever greater responsibility in American life. They are thrifty, industrious, and law-abiding people; and, one and all, they recognize the role that Shevchenko played in that development by linking the old democratic beliefs of the Ukrainians and their traditions, dating back to the time of the Second Ukrainian Kozak State, and even before, with the American ideals of independence, freedom, and equality, as expressed by George Washington and the other founders of the American Republic.

Mr. President, it is only fitting that the statue of such a national hero, who taught the American ideals of patriotism and service to man, should stand in the Capital of the United States.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 54) authorizing the erection of a statue of Taras Shevchenko on public grounds in the District of Columbia, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Rules and Administration.

DESIGNATION OF DECEMBER 15 OF EACH YEAR AS BILL OF RIGHTS DAY

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a joint resolution to establish December 15 of every year as Bill of Rights Day, December 15 being the anniversary of the date in 1791 on which the first 10 amendments to the Constitution, known as the Bill of Rights, were ratified by the requisite number of States.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 55) to establish December 15 of every year as Bill of Rights Day, introduced by Mr. KEATING, was received, read twice by its title, and referred to the Committee on the Judiciary.

SCHOOL CONSTRUCTION ASSISTANCE ACT OF 1959—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 9, 1959, the names of Senators YOUNG of North Dakota, SCOTT, BUSH, MUNDT, and ALLOTT were added as additional cosponsors of the bill (S. 1016) to authorize a 5-year program of assistance to school districts in meeting the debt service on loans for

construction of urgently needed elementary or secondary public school facilities, and for other purposes, introduced by Mr. MORTON (for Mr. SALTONSTALL and Mr. PROUTY) on February 9, 1959.

COLLEGE FACILITIES ACT OF 1959—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of February 9, 1959, the names of Senators YOUNG of North Dakota, SCOTT, JAVITS, BUSH, MUNDT, ALLOTT, and CASE of New Jersey were added as additional cosponsors of the bill (S. 1017) to assist institutions of higher education to market and retire bonds issued by them to finance the construction of college facilities, introduced by Mr. MORTON (for Mr. SALTONSTALL and Mr. PROUTY) on February 9, 1959.

ADDITIONAL SPONSOR OF BILL DEALING WITH DONATION OF SURPLUS PROPERTY

Mr. STENNIS. Mr. President, recently I introduced S. 1018, authorizing the donation of surplus property to certain agencies of the Government, including the Extension Service of the Department of Agriculture. I ask unanimous consent that the Senator from Vermont [Mr. AIKEN] be permitted to become a joint author of that bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

STANDING COMMITTEE ON VETERANS' AFFAIRS—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that when Senate Resolution 80, which relates to the establishment of a veterans' committee in the Senate, and which was submitted by the Senator from Kansas [Mr. SCHOEPPEL] on behalf of himself and other Senators, on February 17, 1959, is next printed, my name be added to it as a sponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. PROXMIRE:

Editorial on the use of dairy products, published in the Milwaukee Journal.

NOTICE OF HEARING ON NOMINATION OF JAMES W. RIDDLEBERGER, TO BE DIRECTOR OF INTERNATIONAL COOPERATION ADMINISTRATION

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate today received from the President of the United States the nomination of James W. Riddleberger, of Virginia, to be Director of the International Cooperation Administration, in the Department of State.

Notice is given that the Committee on Foreign Relations, at the expiration of 6 days, in accordance with the committee rule, will give consideration to this nomination.

DEVELOPMENT AND COORDINATION OF WATER RESOURCES

Mr. MANSFIELD. Mr. President, recently, with the cosponsorship of my distinguished senior colleague from Montana [Mr. MURRAY], I submitted Senate Resolution 48, looking to the development of recommendations for a comprehensive legislative program on water resources. In the following days, I received from many Senators expressions indicating their recognition of the urgent need for such a comprehensive legislative program, in order that the Senate may deal wisely with the complex and critical needs of all sections of the country. Although I shall not at this time burden the RECORD with the texts of these letters from Senators, many expressed their support of the program and their great interest in the problem of water resources. I appreciate their expressions of support, and I want to assure them that they will be kept closely informed of the progress of this endeavor.

On Monday, February 9, 1959, the distinguished chairman of the Committee on Appropriations, the Senator from Arizona [Mr. HAYDEN], placed in the CONGRESSIONAL RECORD, a highly informative article on the Arizona watershed program. I have read the article with interest and profit, and I commend it to the attention of all Senators who are concerned with the water resources of their own States. I am hopeful that at an early date the Senate Committee on Interior and Insular Affairs will report Senate Resolution 48.

The importance of a comprehensive legislative program for water resources is, I believe, well exemplified in statements made in an address by Dr. Edward A. Ackerman, a highly qualified scientist, who is executive officer of the Carnegie Institute. Dr. Ackerman said:

> Some of the most serious problems of the present, and certainly the most compelling of the future arise from the great versatility of water in serving our life and economy. Multiple-purpose planning is not an empty bureaucratic term as far as water is concerned. Not frequently the many uses of water must be met with the same supply. Some of the uses always turn out to be in direct conflict with each other.

I ask unanimous consent to have printed at the conclusion of my remarks the full text of Dr. Ackerman's address, entitled "Water Resources in the United States."

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. Mr. President, when I submitted Senate Resolution 48, I called attention to the fact that the adequacy of water resources is becoming an increasingly important factor in the economic development of many areas and regions of the United States. As an example, I pointed out that banks and other financial institutions responsible for the investment of large sums of money examine water problems in the broadest terms, and I included in my remarks on that occasion a study of water availability that had been prepared for the Federal Reserve Bank of Kansas City. This study appears on pages 1158–1160 of the RECORD.

The Federal Reserve Bank of Kansas City is continuing its proper and very wise concern with how, and when, possible water shortages may limit economic development. In a further study, these questions are brought to specific focus in the Federal Reserve District served by the Bank of Kansas City. This district comprises the States of Colorado, Kansas, Nebraska, and Wyoming, and portions of the States of Missouri, Oklahoma, and New Mexico. This study, it seems to me, is an outstanding example of how crucially important data on water resources can be made meaningful in relation to economic development.

The study presents an excellent summarization of data on the water supplies available in relation to future use requirements. It concludes with the observation that, on the basis of these data, water conservation measures are of legitimate concern in large parts of the district served by the Federal Reserve Bank of Kansas City. I quote the final sentence of report, because it is equally applicable to virtually every section of the United States:

> If the problem of water conservation within a region is to be approached intelligently, it is necessary to know something about economic questions such as (1) in what uses is water most productive when measured by some reasonable criterion such as maximization of the production or employment opportunities in the area; (2) is the structure of the economy evolving in such fashion as to make more or less productive use of water; and (3) could industries displaying a high degree of productivity in terms of water be operated successfully in the area?

These questions, so ably and concisely put, are among the major ones to be examined under the terms of Senate Resolution 48.

I ask unanimous consent to have the full text of this further report of the Federal Reserve Bank of Kansas City printed at the end of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

WATER RESOURCES IN THE UNITED STATES

(Lecture given at U.S. Department of Agriculture Graduate School, February 13, 1957, by Edward A. Ackerman)

There is a familiar aphorism, generally applied to nonmaterial things: Absence makes the heart grow fonder. Without question it can also be applied to water. We are having a good illustration of its application in the western drought. I am sure that many of you are all too familiar with the drought by now, and all of the statistics and data concerning it. Two million acres severely damaged and the 29 million acres

in danger. These figures now are so much a part of the public domain that they could be related by any quiz program contestant. Particularly since the President's trip, the drought in the Plains and Southwestern States has become the best publicized water resource problem since the Dust Bowl of the early 1930's.

The copious descriptions of the drought dramatically have outlined some properties which might be applied to water resources anywhere. The themes for my discussion here today will be taken from these attributes.

First, the drought has illustrated again the inescapable dependence of all living things on water. It also has illustrated again the vital dependence of a modern economy on water. It has shown that water is distributed unevenly, both geographically and in time. Some parts of the earth are more favored than others in their receipts of water. Some years, or periods of years, bring more plentiful supply or a more meager supply than others.

Perhaps more than anything else, the drought has brought out the fact that drought problems are of human creation as much as they are the result of natural catastrophe. We all know that our ignorance is deep as to the basic natural processes which lie behind the drought. We do not have the scientific vantage point where we can glimpse the grand natural design of these moisture fluctuations.

At the same time more and more people have been attracted by life in the western United States. Some have been attracted by the amenities of living in the open spaces under a dry climate. Others have shown a high propensity for risk-taking, and hope in the face of their ignorance and our general ignorance. As a nation we have reinforced the gambling instincts of these people, and their hope, by our pricing system. There can be little doubt that price supports for wheat have had a direct bearing on the condition of the drought area. Public action and water resource problems often are closely connected.

But I am getting ahead of my story. It probably is time that I turned your attention from the absence of water to the things that happen when it is present.

To understand the water resource problems we read about, it may be helpful to describe briefly the place that water has in our life, both physiologically and economically.

Where there is life there must be water. There is no organism today, plant or animal, which is not highly dependent on it. This is true even for those forms of desert life, like the kangaroo rat, which live for long periods without visible water intake. A seed will not sprout without water. Indeed the cells which make up the seedling growing from a seed are largely water. Water has a basic role in the formation of the protein molecule, the fundamental material for all living matter, plant and animal. No less than light it is essential to photosynthesis, the biochemical process by which food crops and all other plants obtain the principal raw materials for their growth. For every pound of dry stalk, leaf, or seed produced by any plant, from 300 to 1,000 pounds of water must be absorbed and discharged, or transpired, by the plant.

Apart from fat, the tissues of all animal bodies are 70 to 90 percent water, including those of our own bodies (about 71 percent water). Water's great importance to existence itself for the higher forms of life is shown by loss tolerances. An animal can lose nearly all its fat and one-half the protein from its normal body and still live. If it loses a tenth of its water it will die.

WATER AND A MODERN ECONOMY

The rain and snow which fall on U.S. territory must serve the consumptive life needs of every tree, crop, animal, and human being living here. But the runoff and infiltered waters have uses far beyond the food and sustenance which all living things require. In many ways it is at the heart of our industry, commerce, and other aspects of our organized economic life.

Water is by far our major industrial solvent. Consider the extent of its laundry uses alone in this respect. It is an essential waste carrier everywhere, and the most widely used means of fire control. Water also is one of the most widely enjoyed media for outdoor recreation. It is essential to the production of nearly every kilowatt-hour of electricity which lights our rooms, heats the electric range, turns the washing machine, or powers the television set. It offers the cheapest medium for heavy transportation. Few common industrial products are manufactured without the expenditure of water which weighs many times the finished material itself. It is used in our factories as a coolant, solvent, flotation medium, energy transfer agent, diluent, and in other ways.

To make the paper in a 5-pound Sunday newspaper 1,250 pounds (100 gallons) of water were used. The ton of steel in the average automobile requires 285 tons of water in its conversion from iron ore. Each gallon of gasoline consumed as the auto moves along the road represents the previous use of about 25 gallons of water in its manufacture.

One may go on with a long list of familiar modern commodities, all of which require the use of a great deal of water. That archtype of all modern industries, the chemical industry, in particular, is a heavy water consumer. This is illustrated by the manufacture of rayon. The 5 pounds of fiber found in a man's summer suit required the use of about 11,000 pounds of water in their creation. In short, our industry, like life itself, would not exist without water. Water is the most used material moving through our factories.

WHERE MOST WATER IS FOUND—THE SPECIAL NATURE OF HUMAN REQUIREMENTS

To meet these varied and great demands an enormous amount of water must be available constantly. Not all water is the same, and not all of it is usable in meeting these great demands. In addition it varies extremely in its geographical distribution.

A glance at any map of the world shows readily that there is a vast amount of water on the surface of the earth. Sixty-five percent of the earth's surface is composed of oceans and seas. In them there probably is water on the order of 155 trillion acre-feet.[1] This is about a million times the annual water use of the United States for all purposes.

These great bodies of water are useful to us and to other men as important highways of commerce, in their support of marine life, and as the principal source of water vapor which later serves the land with rain. However, the vast water supply of the oceans is of little use in meeting our most vital needs. This is because of our own specialized demand for water, and because of its superior qualities as a solvent, which has made the oceans great repositories of dissolved minerals. Sodium chloride, or common salt, is chief among them. It makes sea water useless for the consumptive water needs of men, and for the land animals and plants on which we depend. This is one of the great technical challenges: How can the nearly inexhaustible supplies of the sea be made to serve more of the needs of men? Ninety-three percent of all the water on earth is in the seas, yet none of it is usable for drinking by man or land animal without extremely expensive treatment. It is of no use in irrigating any crop.

The greatest water needs are for mineral-free or lightly mineralized water. This generally means a low content of chlorides and sulfates in solution, for very little water that comes from the surface of the land or underground is mineral free. Sea water leads all the major water sources in extent of mineral content, as well as in the total amount of water.

Men have had water problems from prehistoric times not only because water is a vital need, but also because the water required by life on land has a special nature. Fresh water is essential to it. It also appears to be indispensable to the industrial processes which have been organized on a large scale by civilized man. The kind of water we need is not found everywhere, even on the interior of the land masses. For instance, ground waters in large amounts may be found on or under sections of the Great Plains, the gulf Southwest, and the Great Basin, which have little use because they are saline or alkaline.

THE OCCURRENCE OF WATER ON LAND

Not only is most of the earth's water in the oceans, but also it is very erratically distributed on land. Generally speaking, fresh water is available wherever it rains or snows; and rain or snow falls most nearest the seas. Thus that part of the United States generally east of the 100th meridian and a section of the Pacific Coast States have the most abundant water supplies of the country. Between are large parts of the 17 Western States which are very sparsely provided with water. Some are permanent drought areas, some are sporadic deserts, like the section now being publicized.

Furthermore, concentrated water supplies, in which civilized man is most interested, are even more sharply localized. They occur in stream valleys that carry periodic runoff from rain or snow melt. They also occur in some porous rock or soil formations that have the capacity of storing and releasing water when they are tapped. In this country most, but not all of these formations occur in the Eastern States. Some important formations underlying the Great Plains and other parts of the West are in the nature of deposits rather than reservoirs. That is, they have very little known replenishment or recharge. They must be thought of as minable material, rather than continuously dependable future sources of water.

Taken over the Nation as a whole, continental U.S. territory probably receives on the average about 4.8 billion acre-feet of water a year through rain and snow. About 70 percent of this is returned directly to the atmosphere as evaporation, by transpiration in the growth processes of trees, crops, or other plants, by retention in vegetable tissue, or by infiltration into soil spaces and permanent ground water aquifers. About 1.4 billion acre-feet thus becomes surface discharge or runoff. This water forms the most readily usable concentrated supplies. In addition, great reserves of water are known to be stored underground. The usable ground water in storage is thought to be at least equal to 35 years' runoff.

Our present annual rate of consumption is about one-seventh the annual runoff, or about one two-hundredths of the estimated stored ground water. Thus in spite of uneven geographical distribution we seem to have a natural margin to work with in the future. Why then do we have water shortages, and other water problems?

WATER PROBLEMS DERIVING FROM OUR ECONOMIC AND SETTLEMENT HABITS

Water problems have become increasingly apparent in this century for several reasons. As I suggested in the first few minutes, our economic and settlement habits do not fit the pattern of water availability given by nature. Water's versatility leads us into confused and sometimes contradictory planning. Ignorance of the delicate balances involved in natural water supply frequently has led to permanent losses. Perhaps more

[1] An acre-foot is 325,850 gallons.

than anything else this Nation has problems because it is growing.

Even the sparsely settled United States is being rapidly filled with people. Our population has doubled since 1900. Within 25 years we expect to add another 55–60 million people. Since we use water at the rate of about 145 gallons per person per day we can anticipate direct new water requirements of at least 9–10 billion gallons a day by 1975 for people who are not yet with us.

The water problems brought by a growing population have been accentuated by an accelerating rate of water use. Since 1900 the rate of water use has increased about twice as fast as the population. In the time the population has doubled annual water consumption has quadrupled. Temporary shortages and underdevelopment in a basic growth situation of this kind are almost to be expected.

We have added water problems because civilized men insist upon living where water is not. In the United States we have developed a growing tendency to live and to farm in those sections of our country where water is scarce. The growth of the West, and especially of California and the Southwest, in the last two decades has been striking. Between 1930 and 1950 the population of the United States as a whole grew about 22 percent. That of nine Far Western and Southwestern States grew from 32 to 86 percent in the same period. As people are attracted by the amenities of the Californian and desert climates, as the suitability of the Southwest for defense activities is exploited, we create water supply and water development problems deliberately.

Even before concern about the drought area arose the water problems which the West faces became serious in the eyes of the U.S. Congress. Recently it committed the Nation to one of the largest water development projects ever planned, the $700 million Upper Colorado Basin project. Still another great Federal project is contemplated for Arizona, while the $700 million Columbia Basin project in the State of Washington now is nearing completion. The State of California is commencing work on a $1.6 billion program for the collection and movement of waters within its boundaries. There are many lesser works—completed, under construction, or planned—which are testimony to Americans' attraction to live in regions where water is naturally scarce. Out of the drought we cannot fail to get proposals for still other works of considerable cost.

Water problems also are created by our increasing tendency to concentrate in dense settlements. The United States is becoming more and more an urban Nation, and with each step in that direction a water problem is created. Water in sufficient quantities to serve cities of hundreds of thousands or of millions usually cannot be found in the immediate vicinity of such settlements. The drier the region the more serious the problem of finding an adequate urban supply, but cities in humid sections of the country have their water troubles also. Thus the Los Angeles area has to carry some of its water 250 miles, and even now is concerned about adding still more distant supplies. Denver will have to cross a mountain range to get enough water. A number of cities on the Plains and in the Southwest know what serious or crippling water supply difficulties mean. Some, like Wichita, Kans., or Dallas, Tex., have real engineering puzzles as to where they can turn in a dry envionment for the large additional supplies they need. In the humid East the great New York metropolitan area had first to tap the streams of the Catskills, and then the Delaware River, 70 miles away. Boston, Mass., solved its problem only with a 70-mile aqueduct that carries water from central Massachusetts to that metropolitan area. In all, the U.S. Geological Survey reported that in 1953 about one-third of the 200 cities in the country above 50,000 population were suffering in some degree from inadequate water supplies. One-fourth of all the people served by public water supplies had their service curtailed in the summer of 1953.

Few, if any, of these urban water problems are insurmountable. They all have solutions—at a cost. But as the people of the country reside more and more in urban and suburban areas, as they are destined to do, we add proportionately to problems of water supply.

Contrariwise we have created still another water problem for ourselves by insisting upon living and working where there is too much water. We have sought out land where natural safety valves are provided for the disposal of surplus water during periods of heavy rainfall or snowmelt. The fertile, level-lying flood plains of all streams are attractive to farmers, to the constructors of railways and highways, and to the urban developer. This is all right if our city buildings, factories, farms, and roads are constructed and located in a manner which recognizes the prior claim of the river to the flood plain space. More often than not we have ignored this seemingly obvious geographical fact. Thus disastrous floods are reported from some part of the country almost yearly. Not so many years ago it was the Ohio, the Tennessee, the Missouri, and the Mississippi. Only 5 years ago the half-billion dollar Kansas flood came, and in 1955 it was New England, Pennsylvania, and California which suffered multi-million-dollar flood damages. These all have occurred because we have ignored some of the basic geographical facts about water movements as we tilled, built, and went about our commerce. From man's point of view floods are like weeds and dirt—floodwaters are matter out of place. But they cannot be ignored.

FUTURE WATER PROBLEMS OF SERIOUS NATIONAL CONCERN

Some of the most serious problems of the present, and certainly the most compelling of the future arise from the great versatility of water in serving our life and economy. "Multiple-purpose planning" is not an empty bureaucratic term as far as water is concerned. Not infrequently the many uses of water must be met with the same supply. Some of the uses always turn out to be in direct conflict with each other.

Of water's many uses three or four are of special concern in the future. Irrigation, waste-carrying, industrial water supply, and recreational use deserve individual mention.

There probably is no unirrigated farm in the United States which could not improve its production by conversion of some land to irrigation. Only within the last few years has this fact been realized in the eastern section of the country. The future therefore now is likely to bring a large expansion of irrigation where formerly it had been considered a curiosity. Irrigation is a very heavy water user. Its expansion in the regions where the largest cities and the heaviest industrial use are located inevitably must create competition for both local and regional water supplies.

Some conception of the meaning of expanding irrigation for water use may be obtained from present water consumption. About half the water used for all consumptive purposes in the United States is taken by irrigation. This is true in spite of the fact that only 7 percent of our cultivated land is now irrigated. Ninety-six percent of our irrigation water used is in the 17 Western States. It is interesting that these 17 States, with less than a fourth of the national population, use more than half of the water consumed. Present use in the West clearly shows the major impact of irrigation upon water consumption wherever irrigation becomes prevalent.

The second water resource use of serious future concern is waste carrying. We popularly tend to obscure the importance of this water function by referring to "pollution." Waste disposal is actually one of the more important functions of water, and pollution is nothing more than waste disposal which disregards the multiple uses of water.

There is no doubt that water pollution has been increasing, is serious, and may be even more serious in the future. Carl Schwob, of the U.S. Public Health Service, reported in 1955 that effluent from sewage and industrial waste outlets equivalent to wastes from 150 million people was being discharged untreated into American streams. This includes waste water from toilets, bathtubs, sinks, laundries, hospitals, mortuaries, food processing plants, and other industrial plants. More than 2,000 industrial works were discharging inorganic wastes, like acids and poisonous chemicals, which are not measurable in terms of population equivalent.

No program yet in sight can take care of this backlog of pollution, and at the same time cope with the additional population and additional industry in prospect. In my opinion this includes the program of the Water Pollution Control Act passed in 1956 by the 84th Congress. Under present development planning we must therefore expect polluted waters from existing types of contamination to detract from water availability indefinitely into the future.

In addition we are faced with a new and partly unassessable problem as we look at the possibility of radioactive waste discharge, which may pollute surface waters from the atmosphere as well as from industrial waste water outlets. Because of this prospect we may have to examine entirely new methods of industrial locations and water development planning.

Other major water problems in prospect are the provision of water for industry, and a vast new demand for improved recreational use.

The President's Materials Policy Commission estimated a near trebling of industrial water use in 1975 as compared to 1950. The Commission considered industry the major prospective consumer of water, probably accounting for three-fifths of American water consumption in 1975. While it is likely that the Commission seriously underestimated irrigation demands, their forecast of industrial use is further indication of the need for multipurpose planning, even in the context given it by the Commission.

The recreational demand is difficult to appraise, but very real in spite of our past tendency to neglect it in development. As natural water sites are occupied, population grows, and work hours diminish further, the need for positive recreational planning in water development will be imperative.

THE COSTS OF FUTURE WATER DEVELOPMENT

The United States, then, is faced with water problems. Is it also faced with any actual and serious permanent shortage of the services which water can give? I believe the answer is "No".

This answer does not mean that every community, every region, and every enterprise will have all the water it could use. We know from the drought area that real shortages of large dimension are being experienced. Still other shortages are likely in the future. But we do have within our means now the engineering and technological skills to solve any water problem that can be anticipated in this country during this century. With runoff at seven times present annual consumption, and vast ground-water supplies, the Nation as a whole also would appear to have adequate natural supplies over this period. Pollution

control, water recycling, long-distance transportation of water, judicious industrial location, and careful multiple purpose planning could enable us to meet any problem that exists or is likely to arise. A more important question than our absolute capability to care for water problems is the question of the relative cost at which we undertake needed development.

The significance of this question is suggested by past water development expenditures. The capital investment of the United States for use and control of water already is about $50 billion. This is half again as much as our total investment in railways (about $32 billion). Within several decades we may expect expenditure by private interests, municipalities, States, and Federal Government to add as much as $150 billion more to the water facilities investment. Our annual water supply bill alone is on the order of $3 billion. Every business and every citizen, if only through taxes levied by city, State, and Nation, has a stake in the way we use and develop water.

Already we have made future water supply development far more costly than it need have been by poorly planned location of urban settlement and industry, by single purpose water planning, by indiscriminate use of streams for waste disposal, by commitments to develop some of the most expensive lands to irrigate in the Nation (as in the upper Colorado Basin project), by overbuilding industry, trade, and agriculture on "mined" ground water (as in southern Arizona, parts of California and possibly the southern High Plains in Texas), and by legal restrictions on the movement of water across State lines.

There is a second pertinent and important question. In view of the very significant differences in natural water supply throughout the country, which regions should be encouraged to develop further? That is, how far should we go in transporting water from surplus areas, or apparent surplus areas, to those which are in apparent need? With the technology of the past, there rarely has been question as to the desirability of transporting water from one surplus locality to an area where it can be used more effectively and economically. Throughout the West, for instance, the transportation of water from mountain catchment areas to arable alluvial lands lying below is considered only good sense. However, with our present technology and that of the future, we are entering a period in which interregional transport of water over great distances may be entirely feasible both technically and economically. The Los Angeles Basin, and for that matter a good part of southern California, already have been built on water transported over long distances. Suppose that it would be highly advantageous to take some of the water of the Great Lakes drainage, or from the middle or upper Mississippi, and ship it to Texas. Assuming that it were technically and economically feasible, which it well could be, there are likely to be formidable legal barriers to such water movements. At present we find it difficult to move water even within some large drainage basins.

Legal restrictions on water movement present some especially difficult problems for economical development in the future. Our State boundaries have very little relation to drainage basins, streamflow, or ground-water deposits. Accordingly, where water has been scarce, States have arrived at negotiated compact divisions of important water supplies. These water or streamflow divisions may have some relation to the economically most profitable use of the water. Often, however, they do not.

Up to the present such compartmentalizing of our rivers mainly has been restricted to the West. It now appears that it may be only a few years before similar negotiations are necessary in the Eastern States. The manner in which such negotiations are concluded will have serious consequences for the future cost of water development wherever agreements on water division apply.

If we cannot obtain water from the surface, you may say, why not draw it from the ground? We can, in large quantities. This is what some parts of the country are doing, like southern Arizona, the High Plains region of Texas, and many smaller basins of the West. But here we have a most interesting further question as to what we should do, and how what we do will affect the cost of supply. Some important aquifers definitely are in the minable class, with little water replacement from rain or other atmospheric source. Nevertheless the water in them probably should not remain economically sterile because it has a limited life. What sort of agricultural, and commercial growth should be based on such water? How closely should the development of this water be tied, financially and otherwise, to development of more secure supplies? Encouragement or even tolerance of development which gives maximum immediate profits to some can be very costly for the Nation and an individual region over the long run.

In coping with such problems we are technically fortunate. Our vision need not be limited by our present techniques, or even by your present natural supplies. Weather modification and desalinization are two examples of technical possibilities within the longer range view.

Weather modification or cloud seeding experiments and commercial efforts are already well under way to increase rain and snowfall where it is needed. One study showed about 20 percent of the country recently to be target areas for scientific rainmakers. Broadly viewed, the value of results from present weather modification methods is much in doubt. However, the boldness of concept and the scale of effort now being applied make weather modification something to watch, even if it is ambitious and we cannot yet plan upon it.

Work toward desalinization is just as bold an idea, although a more modest effort. This is the removal of mineral substances from salty water. The eventual development of a process which may freshen brackish water by solar distillation, by use of ion exchange or another physical method now seems promising. The water produced by such processes will not be cheap, but it is likely to be economically usable in dry areas possessing other economic advantages, but lacking water. This also is an effort to be watched, because eventually such techniques will apply to sea water.

These more ambitious technical objectives should not obscure other lesser, but still significant, goals for scientific and technical effort. Among them is work like plant breeding for lesser transpiration and smaller water consumption by crops than at present, use of salt water by industry, application of evaporation control substances to surface reservoirs, use of more advanced drilling and recovery techniques on ground water deposits, and others.

Thus the sky and the oceans and our own technical ingenuity would seem to supply the final limits in our search for water.

It is easy to end on such a general note of optimism, putting one's faith in the capacities of science to better our lot. For that reason it may be wise to examine a concrete case, the water supply problems of a single region. This is what I shall do briefly in closing.

To do this I should like to return to the region we started with, the drought area of the Southwest and the Great Plains. Let us assume that we wish to or must support more people in this region. We also insist that they be supported at a level of income which reflects national economic progress. To do this they need more water, perhaps a lot more water. Where do we get it?

The first place to look is toward the collection, storage, and distribution of surface waters now unused within the region itself. There is no doubt that the upper Colorado River storage project authorized last year by the Congress is a step in this direction. There also is an interesting plan in the making for the provision of water to all of the Texas coastal cities, and for the irrigation of a million acres more in the coastal section of Texas. This can be another step. I understand that the Texas plan is considered economically feasible without national subsidy. However, most projects of this kind in the West will depend on some subsidy, particularly if they are agricultural. There is a question, therefore, as to how far the remainder of the Nation wishes to go in the direction of subsidized water supply for further western growth.

A second additional source of water is the exploitation of ground-water deposits. Some of them could be mined at a high rate of withdrawal for perhaps 30 years, in the manner of the southern Arizona waters. But we have not yet decided what the social and economic implications of such a policy and practice would be. On a sustained-yield basis, the withdrawals might support only very modest growth.

We might also look for more water outside the region, importing it from regions of known and likely surplus. This is technically feasible. However, I would expect formidable legal handicaps to realizing such plans. Regional and State competition for water will be great enough to limit this source of additional water for the drought area sharply.

Were it possible, the best source of all would be increased rainfall. Can the rainmakers give us help? Regrettably, very little. We need the water most during the period of drought. But rainmakers not only need naturally formed clouds; they need a very special type of cloud. Very few, if any, seeding clouds appear in the drought area within a drought period. The rainmakers are as helpless as the rest of us in this situation.

This is the list. We may conclude that substantial additions to the usable water supply may be made in the drought areas, probably eliminating drought-period distress for the present population, and permitting some growth of population beyond the present. Use of extensive ephemeral ground waters can permit further significant additions to growth, but for a limited period only.

When I refer to the support of the present population or a growth in population in the drought areas, I must add a most important qualification. I do not mean the maintenance of people in the same places and the same activities as in the immediate past. The improved water supplies will be effective only where concentrated supplies can be made use of. This is on irrigable lands, on grazing lands related to irrigation areas, or in the activities that cities depend on. This added water can do nothing for the farmer of dryland crops during a drought such as the present one. These farmers are the heart of the present economic problems of the drought.

What we need most to help the dryland farmers is a scientific understanding of the rainfall cycle. Until we understand the great mechanism of the moisture cycle, economic foundations will continue to be laid on false hopes. The social psychology of the Nation encourages such actions. Thus, the most important activities relating to future economic and land planning on the Great Plains may be research on meteorology and climatology. Perhaps research can tell us what commonsense and experience have

not—the gambling odds faced by the farmer when he breaks the Plains with his plow. If we first seek adjustment to this environment, then we may be able to subdue it. Meanwhile, we might consider the words of a philosopher of another day: "There are two sorts of ruins—one is the work of time; the other of men."

EXHIBIT 2

[From Federal Reserve Bank of Kansas City Monthly Review, February 1959]

WATER AVAILABILITY: A DISTRICT PROBLEM?

In an article in the December issue of this Review, it was pointed out that a comparison of aggregate water use and aggregate water consumption leads to the conclusion that water shortage for the United States as a whole may not be so imminent as is often implied by writers on the subject. On the other hand, it was also suggested that such a highly aggregated comparison yields conclusions of a severely circumscribed utility since the geographical distribution of the water supply may be of such a nature as to conflict with such social goals as the diversification of industry, residence in climates offering superior amenities of life, and regional development. Then it was suggested that a regional approach to the problem is highly desirable since it is not quite so subject to the charge of overaggregation. For this reason, as well as because of the interest it may have for individuals and businesses residing in the 10th Federal Reserve District, some of the techniques used in the earlier article will be applied to an analysis of the water problem in the district. As the earlier article indicated, by far the largest portion of the district is constituted of an area in which annual precipitation is exceeded by the amount of evaporation and transpiration which would take place if water were freely available. Thus, the major portion of the district may reasonably be considered to have a dry climate. When this information is considered in conjunction with the fact that aridity often spawns types of uses which consume a large proportion of their water intake, one might well hypothesize that comparisons of water use and water availability would turn out much less favorably for the district than for the Nation as a whole. The following analysis, which relates to the six district States shown in table 1, demonstrates that this is, in fact, the case.[1]

TABLE 1.—*Average annual rainfall and average total quantity of water deposited per day—6 District States*

State	Average annual rainfall (inches)	Average daily amount [1] of water deposited (billions of gallons)
Colorado	16.38	80.98
Kansas	27.12	105.82
Nebraska	27.77	101.70
New Mexico	15.00	86.55
Oklahoma	31.70	105.11
Wyoming	13.89	64.50
Total		544.66

[1] Computed at the Federal Reserve Bank of Kansas City.

DISTRICT WATER AVAILABILITY

As can be observed from table 1, the average annual rainfall of the six district States is considerably lower than the national average of 30 inches. In fact, only Oklahoma has an annual rainfall at least as high as the national average. This situation is reflected in the fact that, whereas the land area of these States constitutes about 22 percent of the U.S. area, the total water deposited on them constitutes only about 13 percent of the U.S. total. As indicated in table 1, the average daily amount of water deposited on the district States is approximately 545 billion gallons. If it were to be assumed that the proportion of this amount lost due to evapotranspiration, runoff, and present consumptive uses [2] is similar for the United States and for the district States, a streamflow out of the district of some 136 billion gallons per day would remain. An independent estimate of streamflow from the district States can be obtained from readings of gaging stations on streams leaving the district States. Since the district spans the Continental Divide and since there are no streams running completely through the district from north to south, the readings on these streams will represent net outflow. A check of these readings discloses that, conservatively estimated, the probable surface outflow from the district during the period 1945 to 1950 was actually in the neighborhood of 60 billion gallons per day. This would seem to indicate that in the district a considerably higher proportion of total water resources is consumed by natural evapotranspiration and the various consumptive uses of man than is true of the Nation as a whole.

It should be noted that the conclusion of the above paragraph is consistent with the observation (see tables 2 and 3) that a considerably higher proportion of total water resources is used for irrigation in the district (around 90 percent) than is true nationally (a little less than one-half). It is also consistent with the relatively low atmospheric humidity found in large areas of the district.

TABLE 3.—*Water use in district States by the United States, 1900–1975*

[Billions of gallons per day]

Year	Irrigation	Public water supplies	Self-supplied use			Total water use
			Domestic	Industrial and miscellaneous	Steam electric power	
1900	20.19	3.00	2.00	10.00	5.00	40.19
1920	55.94	6.00	2.40	18.00	10.00	92.34
1940	71.03	10.10	3.10	29.00	22.20	135.43
1950	100.00	14.10	4.60	46.00	38.40	203.10
1955	119.84	17.00	5.40	60.00	59.80	262.04
1960	134.95	22.00	6.00	71.90	77.60	312.45
1965	148.07	25.00	6.50	87.70	92.20	359.47
1970	159.01	27.80	6.90	103.00	107.80	404.51
1975	169.68	29.80	7.20	115.40	131.00	453.08

NOTE.—The word "use" as found in this table does not indicate the same idea as the word "consumption" in the text. Use may be equated with the idea of water diversion or intake. Consumption refers to the difference between such water intake and water discharged and is roughly equal to evapotranspiration due to the productive process plus water embodied in the product. As has been pointed out before, the relationship between total use and total consumption is largely determined by the structure of use.

Source: U.S. Department of Commerce, Business Service Bulletin No. 136.

TABLE 3.—*Water use in district States by major use, 1950*

[Millions of gallons per day]

State	Rural	Municipal	Industrial	Irrigation	Total
Colorado	50	170	70	8,623.87	8,913.87
Kansas	80	135	195	223.18	633.18
Nebraska	80	110	70	2,321.12	2,581.12
New Mexico	31	60	15	3,303.13	3,409.13
Oklahoma	70	140	32	160.70	402.70
Wyoming	25	34	18	2,874.61	2,951.61
Total	336	649	400	17,506.61	18,891.61
Percent of grand total	1.78	3.44	2.12	92.67	100.00

Source: MacKichan, Kenneth A., "Estimated Use of Water in United States, 1950," U.S. Geological Survey Circular 115.

In accordance with the analysis used when the U.S. water supply situation was under consideration (December 1958 Monthly Review), the approximately 60 billion gallons of outward streamflow recorded by the gaging stations may be viewed as the maximum amount of water available, in the period immediately preceding 1950, for sustained development in the future. As was explained in the earlier article, this is true because any consumption of water in excess of the amount of streamflow would tend to result in a continuous depletion of ground-water resources.

The reader may have noted that the flow of the Missouri River from upstream States, which courses along a portion of the extreme eastern boundary of the six-State area, has been disregarded. This has been done because its importance as an actual and potential water source is probably limited to a narrow, relatively humid band along the eastern edge of the district and, therefore, its inclusion would seriously bias the representative quality of the aggregates used. In addition, interstate compacts, governing the division of the water of the Missouri's major tributaries among upstream States, and the probable streamflow requirements of the 9-foot navigation channel planned for the Missouri make it a less vast source of water for additional consumption in the district States than it might initially appear. In this connection, it should be noted that the Missouri is heavily dependent upon tributaries flowing into it from the west. Therefore, the depletion of the streamflow of the tributaries flowing into it from the district States would seriously deplete its streamflow and markedly inhibit effective navigation.

If it is assumed—in accordance with the situation prevailing at the national level—that approximately two-thirds of the gross water supply passes out of the district during relatively brief periods of heavy runoff, some 20 billion gallons per day would remain for use during the greater part of the year. If again, drawing upon the national relationship, it is assumed that one-half of the remaining supply must be reserved for the disposal of domestic and industrial wastes, salinity control, and navigation, a supply of about 10 billion gallons per day remain for future development in domestic, industrial, and irrigational uses.

The application of ratios drawn from national data in the last two steps of the analysis of district water supplies is necessarily very problematical. For example, one would expect the rate of rapid runoff to be higher in the district than nationally. This is due to the fact that a large share of the district's rainfall is deposited during heavy storms and also that the watersheds of the

[1] In the remainder of this article the term "district" will be used to indicate the six States shown in table 1. Missouri, the western part of which lies in the district, is included.

[2] Evapotranspiration refers to the return of water to the atmosphere by evaporation from streams, soils, and ponds, and by transpiration through the leaves of plants. A consumptive use of water is one which actually precludes (through evapotranspiration or embodiment in a product) the use of water by potential successive users.

district's river basins have less ground cover than is generally encountered in more humid areas. On the other hand, storage reservoirs for impounding storm runoff are probably more prevalent in the district river basins than elsewhere. The exact import of considerations such as these cannot be evaluated precisely at present, but it appears probable that the estimate of district water availability presented above is not unreasonable.

DISTRICT WATER USE

The 10 billion gallons of water per day, which according to the above analysis is roughly the amount available for future development, is equal to about one-half the total withdrawal for all purposes in the district in 1950. If it is presumed, as seems reasonable in the light of available evidence, that some two-thirds of the water used for irrigation and about 10 percent of the water used for domestic and industrial purposes is consumed, this would mean that nearly 12 billion gallons of water per day were consumed in the district in 1950. Thus, there appears to have been about 80 percent as much water available for development in the district as was being consumed.[3]

TABLE 4.—*Projected water use in the 10th district, 1975, based upon projected use in the United States*

[Billions of gallons per day]

Year	U.S.[1] use	District [2] use
1950	203.10	18.89
1955	262.04	24.37
1960	312.45	29.06
1965	359.47	33.43
1970	404.51	37.62
1975	453.08	42.14

ESTIMATED CONSUMPTION OF DISTRICT STATES IN 1975

Pattern I [3]	26.47
Pattern II [4]	13.21
Pattern III [5]	22.23

[1] Figures for U.S. water use in 1950 and 1955 and projections of water use for following years obtained from U.S. Department of Commerce, Business Service Bulletin No. 136.

[2] Based on the assumption that district water use will remain a constant proportion of national water use.

[3] Based on the assumption that the distribution between irrigational and nonirrigational uses of water in the district in 1975 would be similar to the distribution now prevailing in the district and that the rate of depletion per unit of water diverted for irrigation is ⅔ and in nonirrigational uses is 1/10.

[4] Similar to footnote 3, except that the 1975 distribution of water between irrigational and nonirrigational uses in the district was assumed equal to that projected for the United States in 1975. See table 1.

[5] Similar to footnote 3, except that the 1975 distribution of water between irrigational and nonirrigational uses in the district was assumed equal to that projected for the 17 Western States in 1975. See Heinrich J. Thiele, "The Water Problem in the West," Western Business Review, the College of Business Administration, University of Denver, August 1958.

[3] It should be noted at this point that the notion of water consumption is somewhat more clear cut when viewed from a regional rather than a national perspective. It is by no means clear that evapotranspiration or embodiment of water in a product constitutes a net reduction in the available quantity of water. Evapotranspiration over the land areas and oceans of the world is the source of rainfall. A significant proportion of the water evaporated or transpired over a large land mass is likely to return to that land mass in the form of precipitation. Similarly, water embodied in products is likely to find its way back into the water supply by way of sewage discharge or other means. Obviously, these problems of concept are the less severe the smaller the area under consideration.

This, of course, more nearly represents the maximum possible availability of water to the district rather than the probable availability since it neglects the fact that further large-scale depletion of streamflow by district States—at least in the western part of the district—could result in serious disagreement among upstream and downstream States or nations. This problem would present itself in extreme form in the case of the Rio Grande Basin, for example. When one excludes the 60,000 acre-feet of water which the United States has agreed to deliver to Mexico annually and the water committed to Texas by interstate compact, it is correct to say that essentially all the water produced in the upper Rio Grande sub-basin above Fort Quitman, Tex., is, on the average, consumed in it.[4]

WATER AND DISTRICT DEVELOPMENT

If the calculation which has been used to estimate the potential amount of water available in the district is approximately correct, what may be said concerning the probability that water will serve as a limiting factor in the economic development of the region? This question is analyzed in reference to two basic projections of water use. The first presumes that water use in the District will rise in the same proportion as that projected for the United States as a whole. The second presumes that district use will rise in the same proportion as that projected for the 17 Western States.

For each of these two projections, three alternative patterns of water use will be analyzed: (1) A pattern similar to that now found in the district; (2) a pattern similar to that projected for the United States in 1975; and (3) a pattern similar to that projected for the 17 Western States in 1975. Pattern I represents high irrigation use, pattern II represents low irrigation use, and pattern III represents intermediate irrigation use of water. In each case it will be assumed that the rate of depletion per unit of water diverted is two-thirds for irrigation and one-tenth for domestic and industrial uses.[5]

As table 4 indicates, if the use of water in the district grows at the same pace as projected national use, the rate of diversion will almost double between 1955 and 1975. The degree to which the consumption or depletion of district water resources advances will depend heavily upon the distribution of increased diversion as between alternative uses. Especially important is the distribution between irrigational and other uses because of the highly consumptive nature of irrigation. This point may be clearly seen in table 4. Given the conditions visualized in making the projections, pattern I, which presumes 93 percent of the water diverted in 1975 will be for irrigation (approximately the present pattern in the district), results in nearly twice the water consumption of pattern II, which presumes 38 percent of the water diverted in 1975 will be for irrigation (the projected pattern for the United States in 1975). Pattern III represents an intermediate result which rests upon the presumption that 75 percent of the water diverted in 1975 will be for irrigational purposes (the pattern projected for the 17 western States in 1975).

It will be noted that pattern I would add some 14 billion gallons of water a day to the 12 billion gallon consumption of the district States in 1950. This would exceed the total amount available for future development as it has been computed in the article. Pattern III, the intermediate irrigation pattern, would, on the other hand, exhaust the total supply by 1975. The amount of water consumed under the low irrigation situation, as illustrated by pattern II, would fall well within the limit of the total computed supply.

[4] The Report of the President's Water Resources Policy Commission, vol. II, 1950, p. 293.

[5] These depletion rates are meant to represent reasonable magnitudes. Obviously the rate of depletion for these broad categories of use will vary somewhat with the specific structure of use within each category.

TABLE 5.—*Projected water use in the 10th district, 1975, based upon projected use in the Western United States*

[Billions of gallons per day]

Year	Western States [1] use	District [2] use
1950	82.35	18.89
1955	127.66	29.28
1960	149.98	34.40
1965	170.51	39.11
1970	183.90	42.18
1975	197.30	45.25

ESTIMATED CONSUMPTION OF DISTRICT STATES IN 1975

Pattern I [3]	28.42
Pattern II [4]	14.19
Pattern III [5]	23.87

[1] Figures for water use in 1950 and 1955 and projections of water use for following years were obtained from Heinrich J. Thiele, "The Water Problem in the West," Western Business Review, the College of Business Administration, University of Denver, August 1958. The 1950 figure for Western States use is a backward projection based upon a statement in Mr. Thiele's text to the effect that water use increased by 55 percent during the years 1950 to 1955.

[2] Based on the assumption that district water use will remain a constant proportion of the projected water use of the Western States.

[3] Based on the assumption that the distribution between irrigational and nonirrigational uses of water in the district in 1975 would be similar to the distribution now prevailing in the district and that the rate of depletion per unit of water diverted for irrigation is ⅔ and in nonirrigational uses is 1/10.

[4] Similar to footnote 3, except that the 1975 distribution of water between irrigational and nonirrigational uses in the district was assumed equal to that projected for the United States in 1975. See table 1.

[5] Similar to footnote 3, except that the 1975 distribution of water between irrigational and nonirrigational uses in the district was assumed equal to that projected for the 17 Western States in 1975. See Heinrich J. Thiele, "The Water Problem in the West," Western Business Review, the College of Business Administration, University of Denver, August 1958.

The figures in table 5 were derived by a technique similar to that used in table 4, except that projected district water requirements are related to requirements projected for the 17 Western States rather than the United States as a whole. Since the rate of use of water in the Western States may be expected to grow relative to that of the Nation as a whole, this procedure results in higher estimated water use in the district in 1975 than was shown in table 4. The conclusions concerning the various patterns of water use which may be drawn from this table are basically similar to those drawn from table 4.

The calculations of water supply and use in the district presented in this article are necessarily crude and should be taken as no more than rough estimates. Nevertheless, even allowing for a large margin of error, they do indicate that potential water shortage is a severe problem in the district, especially if the pattern of use is not altered radically from that now prevailing. When one considers the problems of distribution concealed by the aggregate statistics even at a regional level, it becomes evident that the economic development of particular areas in the district may soon be seriously inhibited by water shortage.

It is often emphasized that various measures can be used to reduce greatly the quantity of water used in the output of a given amount of commodities. Most of these measures, it should be noted, relate to a reduction of use rather than depletion. And

the calculations in this article, it will be recalled, are based upon depletion. Even if measures were taken to reduce industrial depletion of water, total consumption could not be significantly reduced in either pattern I or pattern III by such conservation methods because of the predominant weight of irrigation in these patterns. Although certain measures, such as substitution of concrete pipes for open ditches and chemical retardation of evaporation from reservoirs, seem feasible for irrigation as water becomes more scarce, irrigation will undoubtedly, because of its very nature, remain a relatively high water-use industry.

CONCLUSION

The rather crude analysis presented above appears to confirm that water conservation measures are a matter of legitimate concern in large parts of the 10th district. Conservation may be brought about in two ways: (1) More efficient use of water in existing types of activities, and (2) the substitution of less water-consuming activities for more water-consuming activities, i.e., structural shifts in the economy. The first possibility is primarily a matter of engineering and the second is primarily a matter of economics. If the problem of water conservation within a region is to be approached intelligently, it is necessary to know something about economic questions such as: (1) in what uses is water most productive when measured by some reasonable criterion such as maximization of the production or employment opportunities in an area; (2) is the structure of the economy evolving in such a fashion as to make more or less productive use of water; and (3) could industries displaying a high degree of productivity in terms of water be operated successfully in the area?

FOREIGN POLICY BEGINS AT HOME

Mr. WILEY. Mr. President, we are accustomed to think of the foreign policy of the United States as being designed to meet conditions and dangers which arise beyond our borders. The threat from international communism, the awakening of the demands of peoples in underprivileged lands, the pressures from new nationalisms are today the subject matters of foreign policy.

We are at the same time increasingly aware of the interrelationship between what we do here as a Nation and our ability to project our influence abroad. An obvious example is the establishment of an adequate defense posture. Without a sound military establishment and a military strategy adapted to the needs of a rapidly changing technology and world situation, we cannot expect to continue as leader of the nations of the free world.

I believe that the people of this country are much less aware of the intimate connection between our Federal fiscal policy and the conduct of our relations with other countries. The Federal budget, for instance, contains many items of crucial significance in foreign policy. The state of the American economy generally is even more fundamental. In years past we have frequently heard used in the Halls of Congress, as an argument against the mutual security program, the cliché that the primary tactic of the Russians is to trick the United States into spending themselves into oblivion. Now that the Soviet Union has embarked on its own large-scale foreign-aid program, perhaps we shall hear less of that argument against the mutual security program. But the underlying point—namely, the importance of a healthy economy here—is, nevertheless, worthy of our continuing concern.

Just what is the connection between the American economy and the degree of success which we may hope to achieve abroad?

Although we did not seek it, we have been thrust into world leadership. A leader must be strong, in order to be successful. Not only must he be able to keep his own house in order, but he must make it a shining example to others.

We are now engaged in a struggle to stay free. We have reached the point where those who threaten us can, with a sudden military blow, do devastating damage to this country. Our opponents know full well, however, that at the same time their own country would be laid waste by our retaliatory power. This stalemate of deterrents by mutual horror seems likely to persist as far as we can see.

In the circumstances now prevailing in the world, our struggle with international communism seems likely more and more to concentrate on a fierce competition between different economic and political systems. The American system is one of real democracy and of a free, though not entirely private, system of economic organization. The contrasting Soviet system is one in which the state—that is, the Communist Party—owns, manages, hires, fires, fixes prices, makes economic plans, and does everything else which may be of controlling importance.

We are slowly becoming aware that in this competition between systems, the battleground is not so much in the countries of the competitors, where change seems unlikely. The real competition is in the neutral countries and in the newly independent and the hopeful-of-independence countries. These countries are watching closely to see how things are going in the United States, as compared with the way things go in the Soviet Union. In this age of travel, visitors from nations newly born are able to inspect the way of living and the standard of living in both the United States and in Communist countries. The real damage which the Russian sputnik did to us was that it destroyed an image, long held by the people of the world, that in the United States alone one could expect to find great leaps forward in technology and productivity.

Another fundamental connection between the economy of the United States and foreign policy is to be found in the fact that our economy and trade are tied up in so many ways with the economy and trade of other countries. The very size of the U.S. production and consumption unit in the world is significant. As the saying goes, when we sneeze, Europe catches pneumonia.

Furthermore, the United States depends for all except a few raw materials upon sources of supply elsewhere. The quantities of the materials we buy and the prices at which we buy them mean almost life or death to many producing countries. The investment—public and private—originating in the United States is likely to make the difference between success or failure in the efforts of underdeveloped countries to improve their living standards.

I might sum up all of this by quoting a statement made last year by the German Minister of Economy, Mr. Erhard:

> The U.S. dollar is the basis for the world payments system, and American stability is important for stability in worldwide economic relations.

Finally, the Federal budget itself is largely a foreign-policy budget; $48 billion, or 62.3 percent of the President's expenditure budget for the fiscal year 1960, is devoted to major national security and international affairs and finance needs. These programs are the bone and muscle of foreign policy. They will give us the strength we must have in negotiating with Communist leaders. These are the programs with which we must try to influence in our favor the course of events.

I have skipped quickly over some of the reasons why the foreign policies of this country must always be rooted in sound domestic economic policies. I am no economist. My education, experience, and service in the Senate do not qualify me as an expert on financial matters. However, as a layman I do try to understand the economic situation in this country.

Calvin Coolidge said, in 1922, "Inflation is repudiation."

The National War Labor Board said, in 1956:

> To prevent inflationary spirals it must be recognized that wages cannot be automatically adjusted to increases in living costs.

In 1949, the magazine Newsweek published this statement:

> Inflation is a form of hidden taxation which it is almost impossible to measure.

H. W. Prentiss, Jr., chairman of the board of Armstrong Cork Co., stated in a speech delivered in September 1948:

> No civilized country in the world has ever voluntarily adopted the extreme philosophy of either fascism or communism, unless the middle class was first liquidated by inflation.

Mr. President, let us ask ourselves a few questions. For instance, what is the number of owners of U.S. bonds? It is estimated that there are 40 million holders of savings bonds and marketable securities.

As of December 1958 there were 112 million life insurance policyholders.

Approximately 2 million persons are receiving annuities and regular payments from life insurance contracts.

Approximately 1,250,000 persons are receiving regular payments from private retirement plans.

As to the beneficiaries under social insurance and related programs, I present a table and ask unanimous consent that it be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 7.—*Beneficiaries and benefits under social insurance and related programs, by risk and program, 1940, 1950–57*

[Corrected to Sept. 18, 1958]

Risk and program	1940	1950	1951	1952	1953	1954	1955	1956	1957
	Amount of benefits (in thousands)								
Total	$1,540,259	$6,301,787	$6,834,351	$7,734,321	$8,937,551	$11,136,086	$12,096,782	$13,203,553	$15,787,785
Old-age retirement	326,472	1,402,849	2,189,344	2,574,046	3,300,153	3,953,835	5,127,473	5,912,664	7,452,365
Old-age, survivors, and disability insurance	17,150	651,409	1,321,061	1,539,327	2,175,311	2,697,982	3,747,742	4,361,231	5,687,814
Railroad retirement	83,342	176,925	187,085	267,343	281,656	324,910	335,880	379,782	420,164
Federal civil-service	49,069	135,267	152,428	175,616	209,327	233,101	263,797	315,990	378,971
Other Federal contributory	714	2,440	2,790	3,200	3,575	4,074	4,455	5,085	5,757
Federal noncontributory	53,427	149,222	190,630	191,340	201,000	229,672	273,127	309,726	345,759
State and local government retirement	103,000	230,000	273,000	310,000	343,000	385,000	427,000	470,000	550,000
Veterans' program	19,770	57,586	62,350	87,220	86,284	79,096	75,472	70,850	63,900
Survivorship:									
Monthly benefits	161,515	901,817	1,178,742	1,353,558	1,569,655	1,740,816	2,066,946	2,243,524	2,605,885
Old-age, survivors, and disability insurance	6,371	276,945	506,803	591,504	743,536	879,952	1,107,541	1,244,073	1,520,749
Railroad retirement	1,448	43,884	49,527	74,085	83,319	93,201	121,847	133,171	143,826
Federal civil service		8,409	14,014	19,986	27,325	32,530	39,362	49,675	58,265
Other Federal contributory						184	201	292	381
Federal noncontributory						1,148	1,569	2,109	2,689
State and local government retirement	16,000	26,000	29,000	30,000	32,000	35,000	38,000	40,000	45,000
Veterans' program	165,696	491,579	519,398	572,983	613,475	628,801	688,426	699,204	754,975
Workmen's compensation	32,000	55,000	60,000	65,000	70,000	70,000	70,000	75,000	80,000
Lump-sum payments	36,756	86,693	116,109	131,018	166,342	174,256	195,742	201,994	237,730
Old-age, survivors, and disability insurance	11,833	32,740	57,337	63,298	87,451	92,229	112,871	109,304	138,785
Railroad retirement	2,497	12,722	12,716	13,745	18,409	16,330	16,088	14,548	16,457
Federal civil service	5,810	8,147	7,755	8,364	8,850	8,957	9,318	9,853	10,622
Other Federal contributory	156	375	416	469	514	547	638	795	1,033
State and local government retirement	12,500	20,000	25,000	30,000	35,000	40,000	40,000	50,000	50,000
Veterans' program	3,960	12,709	12,885	15,142	16,118	16,193	16,827	17,494	20,853
Disability	480,855	2,442,545	2,487,294	2,632,130	2,850,798	2,975,559	3,175,397	3,333,285	3,578,738
Old-age, survivors, and disability insurance									56,676
Workmen's compensation	129,000	360,000	416,000	460,000	491,000	498,000	520,000	578,000	620,000
Veterans' program	298,081	1,674,622	1,585,588	1,635,005	1,754,153	1,842,284	1,982,043	2,030,948	2,109,129
Railroad retirement	30,824	77,315	81,647	93,857	92,456	103,989	103,089	110,663	118,337
Federal civil service	12,950	40,520	44,101	49,504	59,973	65,025	72,079	84,657	95,870
Other Federal contributory						315	351	290	326
Federal noncontributory		148,730	157,815	161,410	188,000	190,798	208,217	213,667	214,361
State and local government retirement	10,000	24,000	28,000	30,000	35,000	40,000	45,000	50,000	55,000
State temporary disability insurance		89,259	147,846	167,665	185,066	185,975	192,673	215,522	257,747
Railroad temporary disability insurance		28,099	26,297	34,689	45,150	49,173	51,945	49,538	51,292
Unemployment	534,661	1,466,217	862,752	1,043,557	1,050,603	2,291,620	1,531,224	1,512,086	1,913,067
State unemployment insurance	518,700	1,373,426	840,411	998,237	962,221	2,026,866	1,350,268	1,380,726	1,766,445
Railroad unemployment insurance	15,961	59,804	20,217	41,793	46,684	157,088	93,284	70,443	93,535
Veterans' unemployment allowances		32,987	2,124	3,527	41,698	107,666	87,672	60,917	53,087
Self-employment allowances to veterans		1,666	110	12					
	Beneficiaries (in thousands)								
Old-age retirement:									
Old-age, survivors, and disability insurance	77.2	1,918.1	2,756.8	3,187.3	3,888.7	4,589.6	5,443.2	6,190.9	7,623.3
Railroad retirement	102.0	174.8	182.0	268.6	288.5	307.7	329.2	347.3	368.6
Federal civil service	47.4	111.0	120.4	128.3	138.5	151.6	164.5	179.2	202.6
Other Federal contributory	.6	2.0	2.0	2.1	2.2	2.1	2.3	2.6	2.7
Federal noncontributory	32.8	71.3	87.1	87.8	90.9	95.2	104.0	113.9	126.3
State and local government retirement	113.0	213.0	230.0	250.0	270.0	292.0	315.0	345.0	395.0
Veterans' program	29.2	53.5	57.3	78.4	71.8	65.7	59.6	55.9	50.2
Survivorship (monthly benefits):									
Old-age, survivors, and disability insurance	35.7	1,093.9	1,286.8	1,484.6	1,687.5	1,891.9	2,096.6	2,282.3	2,633.0
Railroad retirement	3.0	136.3	146.8	149.9	157.7	167.2	196.5	210.6	220.7
Federal civil service		18.3	30.2	40.0	50.4	60.2	70.2	80.2	91.2
Other Federal contributory						.2	.2	.2	.3
Federal noncontributory						1.1	1.6	1.7	2.3
State and local government retirement	25.0	40.0	42.0	44.0	46.0	48.0	50.0	50.0	50.0
Veterans' program	323.2	991.7	1,011.2	1,044.2	1,086.0	1,122.2	1,152.9	1,173.9	1,176.9
Workmen's compensation									
Disability:									
Old-age, survivors, and disability insurance									123.7
Workmen's compensation									
Veterans' program	580.9	2,301.8	2,319.1	2,343.9	2,437.0	2,527.7	2,610.8	2,682.4	2,745.1
Railroad retirement	39.3	76.0	79.1	80.3	81.9	84.9	87.1	89.8	91.2
Federal civil service	15.5	43.0	45.8	48.4	52.1	56.6	61.2	66.0	73.1
Other Federal contributory						.2	.2	.2	.2
Federal noncontributory		56.0	61.1	68.1	78.1	82.4	85.2	87.1	83.3
State and local government retirement	14.3	32.0	35.0	38.0	42.0	45.0	50.0	50.0	55.5
State temporary disability retirement		54.1	71.3	75.0	83.4	81.7	80.9	86.5	91.4
Railroad temporary disability insurance		31.2	28.9	31.5	33.2	31.5	31.9	30.3	30.7
Unemployment:									
State unemployment insurance	982.4	1,305.0	796.9	873.6	812.1	1,614.9	1,099.5	1,037.0	1,250.2
Railroad unemployment insurance	41.5	76.8	29.0	42.6	40.2	110.4	63.1	47.6	59.6
Veterans' unemployment allowances		32.1	2.8	15.1	33.5	89.3	72.4	50.7	44.6
Self-employment allowances to veterans		1.5	1.0	.1					

As of October 29, 1958, there was $97.4 billion in time deposits in commercial banks, mutual savings banks, and postal savings systems.

The market value of shares on the New York Stock Exchange on December 31, 1957, was $195 billion; on December 31, 1958, it was $276 billion, or an increase of $81 billion.

As all of us know, the recession of 1958 did not last very long. Happily, we have now made up most of what has been lost. Our output has returned to a rate of just over $450 billion a year. The short duration of the recession and the quick recovery demonstrate the resiliency of the American economy.

Now that production and employment are moving upward, the concern of economists again turns to the maintenance of orderly growth. The problem again becomes one of counteracting the continuing underlying inflationary tendencies in the economy. A vigorous economic progress must be accompanied by a stable dollar.

Every economic group in our society must be prepared to do its part in the battle against inflation. The consumer should do his shopping wisely. The businessman must fight rising costs imaginatively. Labor unions must play their role responsibly. In other words,

everyone must bring an attitude of unselfishness—an awareness of the public interest—to the marketplace.

The Federal Government, under the administration of President Eisenhower, can be depended upon to discharge its responsibilities in helping to keep prices level as the production of the Nation grows. I shall not attempt to review now the many continuing programs of the Government which assist in improving the economy, while at the same time they have an important impact upon the economic well-being of the entire free world.

It is obvious that the Federal budget has a tremendous effect on our economy. Measured against the current gross national product annual rate of $450 billion, the estimated Federal expenditures of $77 billion in the next fiscal year loom very large, indeed. What kind of a Federal budget is appropriate for the present business situation, in which the level of business activity has recovered, but still has a considerable way to go before approaching anything like a boom? A deficit Federal budget is appropriate to a condition of downturn or recession. A Federal budget which results in a surplus of receipts over expenditures is appropriate for boom conditions. For the in-between situation, for normal growth conditions—which is what we are approaching now—we need to have in our Federal budget an approximate equality between receipts and expenditures. That is the kind of budget the President of the United States has recently submitted to the Congress.

All of us desire and urge a strong Defense Establishment, better highways, sound conservation measures, and safe airports. It is easy for Senators to agree on what it is necessary to have as a minimum in these expenditure areas. It may even be possible to find a general opinion on what it would be nice to have.

Some may say the real question is, "What can we afford?" I would not put my question that way, for that attitude implies that there is some critical tax rate or some point beyond which the American citizen will refuse to go in contributing to public expenditures. I do not believe this. I know the American people are willing to pay whatever it may cost to keep America strong and to keep peace in the world.

The hard question, it seems to me, is, What size of Federal budget and what tax rates will result in a proper rate of economic growth without dangerous inflation?

Inflation is the danger which worries me now. My concern can be expressed in the terminology employed by economists; but I, myself, think of it in terms of the life and livelihood of pensioners, retired people, and others who are obliged, through no fault of their own, to depend upon an income which is fixed as to the amount of dollars.

The PRESIDENT pro tempore. Under the 3-minute limitation, the time available to the Senator from Wisconsin has expired.

Mr. WILEY. Mr. President, I ask unanimous consent that I may proceed for an additional 3 minutes.

The PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered; and the Senator from Wisconsin may proceed.

Mr. WILEY. Mr. President, I know that the American people are worried about inflation. They are not even buying U.S. savings bonds as they used to. Within this month, the Treasury of the United States was forced to borrow an extra amount of cash because fewer people than expected exchanged their savings bonds, which had come to maturity, for new bonds. Too many people decided to take the cash instead.

Friends of this country abroad are also worried about the possibility of inflation in the United States. I should like to quote from some recent remarks by William McChesney Martin, Jr., the Chairman of the Board of Governors of the Federal Reserve System of the United States. Mr. Martin said:

> A recent trip to several countries of the Far East gave me a welcome opportunity to see ourselves as others see us. One distressing experience was to find among intelligent and perceptive men in those countries a growing distrust over the future of the American dollar. Whether or not it is justified and certainly I think it is not—it is important to recognize that this feeling exists.
>
> To the foreigner, much more than to Americans, the dollar is the symbol of this country's strength. A decline in the value of the dollar would suggest to him a decline in the faith and credit of the United States, signaling in his mind a decline not only in American economic strength but also in moral force.

We must also think about our ability to sell our goods abroad. Many exporters have pointed out that any further rises in the prices of American exports would be quite unfortunate because many countries selling the same things which we produce are now in a position to meet the prices asked for American goods. Indeed, some countries, to whom we have loaned money under provisions requiring that the loans be used to buy goods in the United States, have accepted such a restriction very reluctantly, because many of our prices are higher than elsewhere.

I do not wish to exaggerate the extent of inflation in the United States up to this moment. As a matter of fact, the American dollar has depreciated at a slower rate than almost any currency that I can think of, except the Swiss franc. In other words, there has been inflation everywhere, and less inflation here than elsewhere. Our dollar is still sound. Investors in the U.S. economy from European countries, for instance from Germany, have not yet felt it necessary to convert their dollar investments into their own currencies. They show no signs of doing so.

What I am concerned about is the future. Our political system—in fact, that of any democracy—probably lends itself to encouraging inflation.

It is easier for elected officials to reduce taxes that it is to raise taxes.

It is easier for elected officials to borrow than to tax the voters.

It is easier for elected officials to promise economic benefits than to figure out where the money is coming from.

It is easier to be financially unbalanced than to be balanced. Only one or two of all the States in the Union have a balanced budget at the present time.

I am encouraged about the way in which the Senate has proceeded thus far in this session in acting on legislation requiring expenditures of public funds. I should like to quote from a statement made by my distinguished colleague, the senior Senator from Pennsylvania [Mr. CLARK]. During the debate on the airport bill, the Senator said:

> Let us face up to the fact that we must balance the budget, and that the only way we can balance the budget is by getting more revenue. Let us have the political guts to face up to that fact. We can do that by closing tax loopholes, and in that way find as much revenue ar we need to balance the budget. I know that Members of the Senate have too much political courage to allow the budget to get out of hand. (CONGRESSIONAL RECORD, Feb. 6, 1959, p. 2048.)

Inflation is one of the greatest ills of modern times. It gradually eats away the savings of the careful, stable people who are the foundation of free society. And sometimes sudden inflation will suddenly destroy a whole group of carefully protected families.

The kind of attitude described by the Senator from Pennsylvania appeals to me as a sensible way—a politically courageous way—to approach these problems. If every Senator who proposes to increase the President's budget will agree to vote for the taxes necessary to keep the budget balanced, all will be well.

I state again that I am not an economist or a tax expert. Nevertheless, I believe it is high time that the Congress take a look at the long list of organizations and institutions which are exempt from payment of the Federal income tax. I realize that there are many worthy nonprofit corporations, such as charitable, religious, and educational institutions, on the list of tax-exempt organizations. I am not questioning the desirable principle involved. I have reason to believe, however, that there are some organizations now exempt which ought to pay.

It is time that we judged some other sacred cows.

What about the depletion allowance on the extraction of mineral resources? That allowance was fixed by law long ago, under different economic circumstances.

What about the deduction from taxes allowed for businessmen's expense accounts, under which many an unnecessary cost is passed to the consumer, and under which the Government is simultaneously deprived of much-needed revenue?

What about the capital gains tax? Why should the man who buys and sells, or produces and sells, be allowed to have a tax break which the wage earner cannot have? Should we reward brains in the stock investor more than we reward intelligence in our scientists and teachers who live on their salaries? Furthermore, why would it not be wise to proceed now to amend the Constitution of the

United States to give the President the right to veto individual items in appropriation bills?

As we proceed in the 86th Congress, let us consider carefully all of these possible methods for raising revenue or reducing unnecessary public expenditures. If we are to be strong in our foreign relations, we must remain strong at home. We are united as political parties upon the major objectives of U.S. foreign policy. Let us be united in the desire to maintain sound economic growth in this country, without which, I am sure we will agree, no foreign policy can save us.

"THIS IS AMERICA—ALBUQUERQUE, MONDAY"

Mr. CHAVEZ. Mr. President, the London Daily Express on Tuesday, February 10, 1959, published a column entitled "This Is America—Albuquerque, Monday."

It has to do with the activities of the Atomic Energy Commission in my home city in New Mexico.

The article is most instructive and interesting. Besides giving an outline of the activities of the Atomic Energy Commission, it covers the historical aspects of the State, and discusses matters affecting the social welfare of the community, including heart research being conducted there.

I ask unanimous consent that the article be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIS IS AMERICA—ALBUQUERQUE, MONDAY

H-bombs to Albuquerque are as bloaters to Yarmouth, bacon to Wiltshire, rock to Brighton, garden gnomes to Widecombe, coals to Newcastle. They are the great local product.

As I flew in I saw one of the cactus-covered hillocks beside the town honeycombed with mysterious holes, and three lines of electric fence around it.

The locals told me nonchalantly: "Oh, that's the warehouse," the H-bomb warehouse.

If people ever stopped wanting H-bombs so keenly it would mean a terrible slump in this bustling Spanish style New Mexico town.

Mind you, there are secondary craft industries like Indian silver, leatherwork, cowpunching, and atom bombs—but these are only old-fashioned tourist attractions.

Before 1942, when U.S. atom chief Robert Oppenheimer recalled he had been to school in a remote spot called Los Alamos and it might make a cute place for building bombs. Albuquerque was a sleepy town of 25,000 agricultural souls.

Since atomic city arrived, and since the U.S. Atomic Energy Commission moved its bomb headquarters to the Sandia base here, Albuquerque has grown to a swelling 200,000.

So when Ike announced his year's ban on nuclear tests there were some long faces in Albuquerque.

And today I learned for the first time from an official here of the fantastic reorganization in U.S. nuclear research that this ban has caused.

He told me that U.S. bomb research is virtually stymied without tests. The scientists can't go ahead improving their bombs without checking their ideas.

That meant that 55,000 workers kicking their heels. But, luckily for Albuquerque, when that year is over they'll have to be on hand and rarin' to go.

Peaceful atomic research is benefiting from the work of hundreds of America's best bomb scientists during this year.

So it's an ill wind * * * this time with a magnificent fallout.

They say that New Mexico has had four distinct civilizations—the Indian, the Spanish, the American, and the Atomic.

After the bombs, Albuquerque's most distinctive factor is its Indians.

And, strangely enough, these people, who have lived roughly the same way for the past 2,000 years, are closely bound up with bombs.

Two adobe pueblo villages, Santa Clara and Santa Domingo, nestle under Los Alamo's walls. Indians work in the laboratories.

I visited Isleta, a pueblo beside the muddy, romantic Rio Grande near Albuquerque, that is right out of the atomic age.

The mud huts are almost unchanged, except for the Ford Fairlanes and Oldsmobile convertibles standing beside the beehive bread ovens in the backyards.

In the village is a circular walled arena for secret ceremonials, the ancient Catholic missionary church, old men with copper faces and uncut hair, and a forest of TV aerials.

Although the huts look like stone-age survivals outside, inside they are clean and well furnished with whitewashed walls and wooden beams across the ceilings. The image of a stockbroker's cottage in Kent, right down to the electric spin drier and the 20-inch screen.

There's a price war in petrol on in the West. It's cheap enough for a start, but now in some places it is down to 24.9 cents a gallon—call it two bob.

The word for all white Americans here, whatever the nationality, is "Anglos."

It has been used since the first pioneers to distinguish American settlers from their Spanish predecessors.

The land-hungry whites pushed the local Indian tribes, the Navahoes and the Apaches, back and back, away from their original land.

Finally, they found the scrubbiest, most remote, infertile spots they could discover, and handed them over to them as "reservations."

It just happens that it is on this type of land that the 20th century has discovered both uranium and oil deposits.

The craze is dead, long live the craze. A storekeeper in Albuquerque offers a free hula hoop with every whirley whirler bought by his customers. The whirley whirler: A plate on a stick.

Another ill wind—one that blew much too good—blustered across Dallas as I left it.

The Dallas Heart Association sent up 22,069 bright red balloons with appeals for funds attached, with free tickets to a Dallas symphony concert aboard 150 of them.

Gale force winds wafted the balloons off toward Mexico border. Not one landed in Dallas.

RATON MACK URIOSTE

Mr. CHAVEZ. Mr. President, during the month I lost one of my best personal friends, Raton Mack Urioste. He was an outstanding citizen of Raton, N. Mex. He devoted a quarter of a century to the welfare of his family and the people of his community.

At the time of his death he was postmaster of Raton, and was loved by its patrons.

I ask unanimous consent that an editorial published in the Raton Daily Range, entitled "The P.M. Is Gone," be printed in the RECORD at the conclusion of these remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE P.M. IS GONE

In every community may be found one or more men whose work and interests enable them to keep their finger constantly on the collective pulse and to report accurately on their home town's attitudes and reactions well in advance. To a newspaper such an individual is a tremendous help and never-ending source of reliable information. For almost all our years in Raton Mack Urioste has been such a man.

But for a moment or two we would prefer to think of the place Mack has left vacant in the life of Raton. In his all-too-few years he had devoted nearly a quarter of a century to public service.

Few men in their lifetime, however long, have the opportunity to acquire the acquaintances and close friends that Mack enjoyed in Raton and northeastern New Mexico. Eight years in the treasurer's office brought him in contact with almost every family in Colfax County. And 15 years as postmaster provided him with an intimate knowledge of every family in Raton. Truly, his was a life of service to the people among whom he lived.

Serving his fellow man in his official capacities was not enough. He was among the first to have the vision of a new church for St. Joseph's parish but for Mack the vision was only the beginning. Working day and night in cooperation with Father Salas to whom he bid goodbye only a few days ago, Mack never slackened his efforts until the dedication of the beautiful new building was an accomplished fact. Even in his passing he is urging his friends and neighbors to help complete the financing that still remains to be done. Mack would want it no other way.

Long before the church project, Mack became one of the founders of the Raton Credit Union. Not a widely publicized organization, it has nevertheless provided financial help in times of need for hundreds of Ratonians.

An intimate friend of political leaders in high places, Mack was always willing and anxious to do anything he could that might benefit the community in which he lived. A quarter of a century ago he organized the Young Democrats of Colfax County. Often he traveled far and wide in the interest of better roads, new industries and payrolls for the area.

To his family, as well as the community, he leaves a rich heritage of public service that few can match and that will not soon be forgotten.

But to us Mack leaves something much more personal—memories—memories of the countless times we have "chewed the fat" with him about the mail service over which he presided, how delivery could be speeded to Gladstone, why Mrs. Jones was getting poor service in Albuquerque, why we kept getting 5c-due address-change notices on the same subscriber.

Mack leaves memories of some pretty hot arguments down through the years. But much more clear are the memories of the way the hatchet was buried an hour later over a cup of coffee and his always good-humored acceptance of our gripes.

Yes, for us, every bit as much as for those who have known him a lifetime, it is going to be hard to realize that "the P.M.," as we affectionately called him, is gone.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, communicated to the Senate the intelligence of the death of

Hon. DANIEL A. REED, late a Representative from the State of New York, and transmitted the resolutions of the House thereon.

LABOR LEGISLATION

Mr. GOLDWATER. Mr. President, in this morning's Washington Post and Times Herald there appeared an article which would indicate that the Republican members of the Subcommittee on Labor of the full Committee on Labor and Public Welfare were in full accord with the so-called labor reform bill entitled the Kennedy-Ervin bill, S. 505.

I want to set the record straight. At the suggestion of the Senator from Massachusetts [Mr. KENNEDY], it was agreed that the subcommittee had proceeded as far as it could go with the bill before it, and that the entire committee should be asked to work on the controversial amendments. The Republicans agreed that, because of the controversial amendments proposed, it would be to the interest of the entire committee to consider them, and that it would be better to have the details ironed out at that level. In fact, the Senator from Oregon [Mr. MORSE], who made the motion to send the bill to the full committee, stated we should permit the full committee to consider amendments which certain members feel are necessary in reporting the bill to the Senate.

I wanted to make this comment at this time because I am sure the press misinterpreted the remarks of the Senator from Massachusetts [Mr. KENNEDY], yesterday when members of the press inferred that the committee was unanimous in its observations that the measure was a good bill.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am glad to yield with the understanding that I may proceed further, because I have a few other matters to present.

Mr. DIRKSEN. I simply wish to concur in the observations made by the distinguished Senator from Arizona. What he said expressed exactly my understanding of the situation as we left the committee room. When the article was brought to my attention I noted it could easily be misinterpreted. I am delighted to have the record clear as to the explanation.

THE KENNEDY-ERVIN LABOR BILL

Mr. GOLDWATER. Mr. President, a man who for more than a year scrutinized the inner workings of Jimmy Hoffa's Teamsters Union has termed the Kennedy-Ervin labor bill "unacceptable and inefficient."

Godfrey P. Schmidt, one of the three court-appointed monitors named to clean up the Teamsters Union, made his statement in a letter to the Senator from Massachusetts [Mr. KENNEDY] sponsor of Senate bill 505, and chairman of the Subcommittee on Labor. Schmidt, a professor of constitutional law at Fordham University, had previously testified before the subcommittee concerning the labor reform measure.

Schmidt said:

One of the most rampant abuses of power in the labor movement consists in the practice of visiting reprisals upon union members and officers who dare to exercise free speech in opposition to the wishes or programs of powerful labor leaders. The Wagner Act long ago forbade reprisals by employers against workers who indulged in concerted activities.

The point is that a new unfair labor practice of labor leaders should be defined for the purpose of guaranteeing workers free speech and a bill of rights and freedom from reprisals when their views collide with those of their leaders.

Schmidt's statement continued:

Your bill would, I think, be unacceptable and inefficient precisely because it fails to take care of this most important abuse.

Schmidt asserted that his talks with workers convinced him that "no labor reform can be effectuated unless recognition and organizational picketing is banned. Your (KENNEDY's) prohibition of blackmail picketing is completely inadequate."

Since the irresponsible power of labor leaders needs curbing, Schmidt said: "Secondary boycotts, which is a source of this power must be limited."

He continued:

I think the administration bill's provisions in this respect should be incorporated in your bill. * * * I am not impressed by the argument that corrupt practices should be remedied by one bill and labor relations by another. * * * What you must strike at is the source of untrammeled power exercised by labor leaders. You must submit that power to reasonable and civilized regulation.

Schmidt declared:

It is no answer to say that we have criminal laws on our books to prevent and to punish threats and coercion. Such laws are usually inefficacious for the purpose I have in mind because their measure of proof is proof beyond a reasonable doubt.

Schmidt further said:

You asked me why the Teamsters membership have not risen up to oust the criminals from their union and to purge it of corrupt practices. Any rank and file member can give you the answer. He is afraid to protest. He is afraid to stand up and say what is on his mind in a union hall.

If he does, he incurs the peril of personal violence, of threats, and of a whole series of pressures ranging from frankly brutal to hypocritical subtle.

Mr. President, I ask unanimous consent to have printed in the RECORD the letter from Mr. Schmidt to the Senator from Massachusetts [Mr. KENNEDY] to which I have referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 9, 1959.

Hon. JOHN F. KENNEDY,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: When I appeared before the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare on January 29, 1959, you asked me to submit, in writing, my views on S. 505 (the so-called Kennedy-Ervin bill). Unfortunately, in view of my trip to the Orient, I do not have either the time or the facilities to give a detailed justification for the views which I express in this letter. However, I shall set forth herein the points which I regard as particularly important.

Before I address myself to them, may I take this occasion to thank you for the courtesies extended to me by yourself and your subcommittee and for the honor you did me in asking me to testify.

1. Perhaps the major evil to be remedied by any labor law at this time is the curbing of the unlimited power which has, over the years, been surrendered not so much to unionists, nor even to unions, but to union leaders. No honest man would want the dictatorial power presently exercised by many labor leaders. Nothing in this letter constitutes an effort to repress the legitimate aspirations of trade unionists and trade union leaders. What needs regulation is the lust for power of union leaders which (as the revelations of the McClellan committee demonstrate) has not been moderated by the consciences of the leaders involved. I have not been able to discern ethical or religious restraints in the conduct and frequent practices of the leaders who make legislation now necessary and urgent. In this connection, I am not interested in knowing whether the number of these leaders is large or small. I am sure that relative to our population, the number of murderers is small. That, however, is no argument against having laws against murder. The lust for power of which I write oppresses workers, employers, and the public. It has grown gross and uncivilized because of the special immunities yielded to or usurped by the leaders themselves.

2. One of the most rampant abuses of power in the labor movement, consists in the practice of visiting reprisals upon union members and officials who dare to exercise free speech in opposition to the wishes of the programs of powerful labor leaders. The Wagner Act long ago forbade reprisals by employers against workers who indulged in concerted activities. The measure of proof in such cases is a fair preponderance of the evidence. The labor boards have, with great solicitude, pursued employers who make use of reprisals against workers. The law should forbid the much more ruthless and extensive reprisals by labor leaders against the rank-and-file members and officers. The boards should use the same meticulous solicitude to prevent this type tyranny (which is breeding a dangerous servility in rank-and-file members) as it has used to punish employer tyranny. It is no answer to say (as I think Professor Cox said) that we have criminal laws on our books to prevent and to punish threats and coercion. Such laws are usually inefficacious for the purpose I have in mind; because their measure of proof is proof beyond a reasonable doubt. Threats and coercion have become so commonplace and widespread in the union movement as to suggest Fascist oppression and a faceless way of life for the rank and file worker. You asked me why the Teamsters membership have not risen up to oust the criminals from their union and to purge it of corrupt practices. Any rank and file member (who will talk frankly and courageously and who has not been brainwashed by the ceaseless union leader propaganda) can give you the answer. He is afraid to protest. He is afraid to stand up and say what is on his mind in a union hall. If he does, he incurs the peril of personal violence, of threats, and of a whole series of pressures ranging from frankly brutal to hypocritically subtle. He has been given no indication by Congress, the courts, and the law enforcement agencies that he has much of a chance to come off successfully if he enters the unequaled struggle against labor leaders. The latter have unlimited expense accounts, large union treasuries which they use as their own facilities, competent and often devious lawyers, paid

out of union treasuries, a horde of actual or potential investigators and goon squads to take care of the more recalcitrant cases. The worker stands alone against and unprotected from the union boss who is often feared more than any company boss. He must depend upon free legal advice given sporadically, or he must pay his own legal bills. The point is that a new unfair labor practice of labor leaders should be defined for the purpose of guaranteeing workers free speech and a bill of rights and freedom from reprisals when their views collide with those of their leaders. Your bill would, I think, be unacceptable and inefficient precisely because it fails to take care of this most important abuse.

3. From my conversations with rank and file workers, I am persuaded that they are as convinced as I am that no labor reform can be effectuated unless recognitional and organizational picketing is banned. Your prohibition of blackmail picketing is completely inadequate. In the first place, it neglects the rather obvious fact that your proposed section 8(b)7 (p. 48 of your bill) could very easily be evaded. In the second place, your language makes enforcement all but impossible. I see no reason why the coercive thrust of the picket line should be permitted to be used to prevent free choice of bargaining agents, which is supposed to be central to the labor relations policy of this country. When you questioned me on this point you were concerned with the plight of Puerto Rican workers who were being exploited by employers by means of low wages and bad working conditions. So am I. But such situations are far more rare, in my opinion, than the situation with which I am concerned, namely: the repeated instances of back-door agreements between corrupt or dictatorial labor leaders and employers, both of whom turn their backs on employees' wishes. Moreover, the case of the exploited worker can easily be handled by the traditional organizational methods which have made unionism great for many years past.

4. Since the irresponsible power of labor leaders needs curbing (it is this power which gives them the opportunity to play dictator), secondary boycotts, which is a source of this power, must be limited. (The original intention of those who framed the Taft-Hartley law has been betrayed or frustrated by a whole series of Board and court decisions.) I think the administration bill's provisions in this respect should be incorporated in your bill. With growing impertinence, labor leaders dragoon neutrals into participation in their labor disputes. We need the rational limitation which the administration bill provides. I am not impressed by the argument that corrupt practices should be remedied by one bill and labor relations by another bill. What you must strike at is the source of untrammeled power exercised by labor leaders. You must submit that power to reasonable and civilized regulation. Most of the corrupt practices revealed by the McClellan committee have been made possible, against the wishes of the decent rank and file majority, precisely because union leaders have held at the head of the worker several cocked guns: (a) compulsory unionism without any effective intraunion bill of rights; (b) organizational and recognitional picketing; and (c) the secondary boycott bloated to the unconscionable grab for power now permitted by the Board and the courts.

5. Your provisions on disclosure are laudable and necessary but not sufficient. Obviously, you want truthful information. Truthful information will always, or even generally, be supplied by labor leaders who are corrupt. Your disclosure provisions should be implemented with the power of searching investigation vested in some appropriate administrative agency. The rank-and-file worker should have the right to make his complaints to this agency and to the courts. This agency should have the duty to make checks and investigations where reports submitted to it suggest the need for such facts and investigation.

6. It is not enough to require submission to the Secretary of Labor of the constitutions and bylaws. Some of the constitutions and bylaws which are in effect today contain provisions which are a disgrace to industrial democracy and to those fundamental freedoms which are part of our Bill of Rights. Some unions' bylaws and constitutions, in effect, strip the worker of free speech and other rights and reduce them to the status of second-class citizens. You ought to provide certain minimum standards for mandatory inclusion in union bylaws and constitutions—standards guaranteeing: (a) Due process and fair hearings and trials; (b) free speech and a full bill of rights; (c) fair elections; (d) honest handling of union funds; (e) uniform accounting procedures; and (f) fair conduct of union meetings pursuant to established standards of parliamentary procedure. Also, I think there should be included a rule requiring (by secret balloting) the election rather than appointment of union stewards; and the posting of proper bonds of union officers who handle funds.

7. I am unalterably opposed to subdivision (d), section 101, page 7, of your bill. This would make possible the continued depredations of "paper" locals. Perhaps you might want to moderate, in connection with small unions, some of the details in reporting requirements, but on essentials, all unions should be covered.

8. Since the conflicts of interest listed in the first six paragraphs of section 102 do not cover the whole area of potential conflict and interest, you ought to add a seventh, in blanket form, to supply what is not covered in the previous six provisions.

9. In subdivision (c), page 10 of your bill, line 16 ought to read, "or minor child holds, or has held, an interest," and so forth.

10. On page 11, line 8, I think the adverb "solely" ought to be omitted.

11. On page 12, subdivision (b), line 15ff, I am unable to determine with clarity whether you intended to include lawyers. Your bill is ambiguous in this respect. I would be opposed to any requirements of disclosure which mandate breach of the rule of confidential communication between attorney and client.

12. On page 13, line 3, I think the word "solely" should be omitted.

13. On page 19, subdivision C, line 3, after the word "destroys," I think you ought to add the words, "changes or mutilates."

14. On page 20, lines 8 to 16, I think it ought to appear clearly that the court can preserve the status quo ante in a proper case. As your bill is worded, this might be impossible. Generally speaking, I am in favor of restoring to the courts their traditional equity jurisdiction. I think the anti-injunction acts have been an improper encroachment upon equity jurisdiction. Merely to decide that a labor dispute is involved and that, therefore, the court is powerless to go into the merits of the case is hardly the administration of justice.

15. As to section 110, pages 20–21, some provision ought to be included to prevent the unions' dues and assets from being used to pay fines imposed on labor "leaders."

16. On page 27, line 10, the trustee involved should also have to sign the report and the report should be distributed to the members of the trusteed local.

17. Your bill generally fails to provide standards for dissolutions and mergers of unions. Since mergers and dissolutions are used by "leaders" as instruments for perpetuation of their own power, they need special attention.

18. On page 29, section 204, the workers should have the right to go to the courts if the Secretary does not find "probable cause."

19. On page 33, line 1, membership in "good standing" should either be defined by reference to certain elementary standards or there should be a requirement that the union's constitution should define clearly the meaning of "good standing." As I indicated above, standards of fair elections should be included in the statutes. It is not enough merely to require that the elections be conducted in accordance with the constitution and bylaws.

20. On page 33, line 23ff, it is not enough to forbid union moneys from being used to promote the candidacy of any person. Union facilities, too, should be forbidden; or they should be granted on a basis of equality to all candidates.

21. On page 37, section 305, the list of misdeeds should be expanded to include conversion of union funds, reprisals against members and officers, and serious or repeated violations of union constitutions or bylaws.

When I return from the Orient I shall send you drafts of proposed statutory language.

Sincerely,

GODFREY P. SCHMIDT.

FINANCIAL TROUBLES OF THE STATES

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks an editorial entitled "The Example of Michigan's Trouble," published in the Hartford Courant of February 17, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUSH. Mr. President, the editorial shows that the difficulties of the State of Michigan are not confined to that State alone, but, rather, appear to be very general among many cities, towns, and States in the United States. The editorial calls attention to the serious financial plight in which many of these communities find themselves. It also points up the lessons contained in those facts at the Federal level of Government.

EXHIBIT 1

THE EXAMPLE OF MICHIGAN'S TROUBLE

The State of Michigan has been in a state of financial collapse, unable to pay its bills or meet its payrolls. Only a premature payment of taxes made voluntarily by Michigan industries has bailed the State out temporarily with a total of $35 million in prepaid taxes. This permitted first payments since November to the State's three major universities. They had been borrowing against anticipated full State payment in the future. Banks had already shut off payments on anticipation when Governor Williams' appeal was made.

This is a notable example, for Mr. Williams is one of the foremost among those Democrats who believe in a policy of government spending. There is no sign even now, with the State treasury empty, that he sees any error in his ways. As one byproduct, it is hardly likely that, having brought his own State to this financial crisis, he will be permitted to extend his philosophy further by a place on the national Democratic ticket.

But there is a deeper lesson behind this.

Let us hope it is read by those who have been flouting President Eisenhower's plea to hold the line on Government spending. What has happened in Michigan is an extreme case. But it is only a few degrees worse than the critical situation that exists in countless cities, towns, and States.

There may be a favored few, but it is fair to say that budgetary trouble assails practically every government unit in the country. A good portion of the taxable assets of the community is siphoned off by the Federal Government. Governor Leroy Collins of Florida pointed out at the last congress of States, that of the $1.9 billion paid in taxes in his State $1.2 billion went to the Federal Government.

In the past 10 years the national debt has jumped $12 billion. Yet in the same period, due to their inability to widen their taxable sources, the local governments have run up a debt increase of $32 billion, three times the national debt increase. State and local debt now stands at more than $50 billion, greater than the National Government's debt in any year prior to World War II.

Michigan is the first State to go flat broke, but it may not be the last. Local and State governments everywhere in the country are at their wits' end trying to balance the budget. Meanwhile the Federal Government, in response to the fallacy of "let Washington pay," is spending more than ever.

PRICING AMERICAN PRODUCTS OUT OF FOREIGN MARKETS

Mr. BUSH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Fool's Gold," published in the Wall Street Journal of February 18, 1959. The editorial points out, particularly, the dangers of inflation as it affects the export business of the United States, and also the danger that inflation might help quickly to price American products out of foreign markets.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOOL'S GOLD

That inflation is not just an idle threat invented by pennypinchers is shown by the increasing worry in Washington, and in the business community, over the U.S. position in world markets.

As an article in this newspaper the other day reported, one of the symptoms is that this year's American exports, like last year's, are expected to be well below those of 1957. Partly as a result, the 1959 outflow of gold and dollars to foreigners will probably run about $3 billion, a high figure not much below last year's.

Such figures in themselves are not considered to be necessarily a cause for immediate alarm. What they may portend, rather, are the possibilities that American firms could price themselves out of world markets and that there could a deepening international distrust of the U.S. dollar.

And the key element in these unpleasant possibilities would be the continuation of inflation-generating Federal deficits. As one banker put it: "If we should fail to contain inflation, our domestic costs and prices would rise faster than those in the rest of the world. If that should happen, many U.S. exports would be quickly priced out of world markets." Interestingly enough, some of our allies have been making notable efforts to restrain inflation.

Now it is often argued that factors other than deficits account for rising costs and prices—particularly the continual wage increases enforced by unions. Certainly that adds to costs and prices, but wage increases that are unjustified by economic performance usually reflect rather than cause an inflationary situation. The basic control, or lack of control, of the money supply is in the hands of the Government. And deficits can increase the effective money supply.

So it's no use pretending that we can forever run deficits without getting into trouble. The gold outflow is one more timely warning that inflation is fool's gold—not something for sensible nations to fool with.

THOMAS G. MEEKER, RECIPIENT OF ARTHUR S. FLEMMING AWARD

Mr. BUSH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement issued by Edward N. Gadsby, Chairman of the Securities and Exchange Commission, concerning Mr. Thomas G. Meeker, General Counsel of the Commission, who is the recipient of one of the 10 Arthur S. Flemming awards sponsored by the Junior Chamber of Commerce of Washington, D.C.

Mr. Meeker is an outstanding citizen of the State of Connecticut. All of us who know him are very pleased that he has been honored with this award.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C., February 17, 1959.

Chairman Edward N. Gadsby, of the Securities and Exchange Commission, today issued the following statement concerning Thomas G. Meeker, General Counsel of the Commission, the recipient of one of 10 Arthur S. Flemming awards sponsored by the Junior Chamber of Commerce of Washington, D.C.:

"The members and staff of the Commission join me in congratulating Thomas G. Meeker on his selection by the Arthur S. Flemming Awards Commission of the Junior Chamber of Commerce of Washington, D.C., as one of the 10 outstanding young men in the Federal service.

"Mr. Meeker was born on September 30, 1919, at Orange, N.J. A graduate of Wesleyan University (B.A., 1941) and of the Yale Law School (LL. B., 1948), he first served as law clerk to United States District Judges Carrol C. Hincks in New Haven and J. Joseph Smith in Hartford. From 1949 to 1954, Mr. Meeker was associated with the law firm of Gumbart, Corbin, Tyler & Cooper in New Haven, Conn.

"Appointed to the Commission's staff as Assistant General Counsel in May 1954, Mr. Meeker was named Associate General Counsel in June 1955. During the period June 20 to November 28, 1955, he also served as Acting Executive Director. He was appointed to his present position as General Counsel of the Commission in January 31, 1956.

"A member of the Federal and State bars in Connecticut, the United States courts of appeals for several circuits, and the United States Supreme Court, he has been active in the American Bar Association, the Federal Bar Association, the State Bar Association of Connecticut, and the New Haven County Bar Association and is now serving as secretary to the Judicial Council of Connecticut. From 1942 to 1946 Mr. Meeker was on active duty with the U.S. Marine Corps and is now a major in the Marine Corps Reserve.

"Mr. Meeker has brought to the public service an unusually high order of legal ability and a sound approach to highly technical and difficult problems in the very sensitive and complex field of securities and finance. In his capacity as General Counsel he has responsibility for the Commission's litigation in the courts; for coordinating the legal policies of the Commission; and for advising the Commission and the staff on a wide variety of problems. Mr. Meeker, both as a lawyer and administrator, has made many extremely significant contributions to the administration and enforcement of the Federal securities laws.

"The winners were chosen by a panel of distinguished judges from among 53 nominations by 23 Federal departments and agencies. The awards will be presented at a luncheon on Thursday, February 19, at the Statler Hotel, Washington, D.C. Mr. Meeker may be justifiably proud of his award and we extend to him our sincerest appreciation for his years of outstanding and devoted public service in the interest of investor protection."

EFFECTS OF FEDERAL BUDGET ON LIFE INSURANCE BUSINESS

Mr. SALTONSTALL. Mr. President, on January 6, 1959, the joint committee on economic policy of the Life Insurance Association of America issued a statement on the effects of the Federal budget on the life insurance business of the country. The statement emphasizes very strongly the need for a balanced budget and what such a balanced budget means to holders of life insurance policies in general. I ask unanimous consent that the statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON THE FEDERAL BUDGET, BY THEIR JOINT COMMITTEE ON ECONOMIC POLICY [1]

The life insurance business is greatly encouraged by President Eisenhower's announcement that the Federal budget to be presented to Congress this month for the next fiscal year will be a balanced one, with expenditures limited to receipts about $77 billion.

The life insurance business has been concerned with the inflationary forces in our economy which have eroded the value of the dollar, as evidenced by a steady rise in the cost of living over the past years. At the very base of our country's monetary system is the financial soundness of the Federal Government's operations.

If this country is to take seriously the threat of inflation, with its devastating effects upon our economy and the welfare of its citizens, the President's action should enlist universal support.

A balanced budget means living within our means. It is a sound step necessary to avoid a further drop in the purchasing power of the dollar. To incur a Federal deficit in prosperous times would surely produce a further rise in the cost of living. Wise management of the financial affairs of the country requires that the Federal budget be balanced in a period of prosperity. It also dictates that a budget surplus and retirement of a portion of the huge Federal debt

[1] Chairman, O. Kelley Anderson, president, New England Mutual Life Insurance Co.; Claude L. Benner, president, Continental American Life Insurance Co.; H. W. Brower, president, Occidental Life Insurance Co. of California; Paul F. Clark, chairman of the board, John Hancock Mutual Life Insurance Co.; Louis W. Dawson, president, the Mutual Life Insurance Co., N.Y.; Frederic W. Ecker, president, Metropolitan Life Insurance Co.; Leland J. Kalmbach, president, Massachusetts Mutual Life Insurance Co.; R. B. Richardson, president, Western Life Insurance Co.; Carrol M. Shanks, president, the Prudential Insurance Co. of America; Donald C. Slichter, president, the Northwestern Mutual Life Insurance Co.; Frazar B. Wilde, president, Connecticut General Life Insurance Co.; James Ralph Wood, president, Southwestern Life Insurance Co.

should be achieved in times of high prosperity.

The decision to bring the Federal budget into balance in the next fiscal year is supported by economic developments in recent months. Since the low point in the short business recession reached last spring, an excellent recovery has been achieved and the national economy is again approaching all-time highs of business activity. Most economists trained in business forecasting anticipate that business recovery will continue in 1959.

The developments in our national economy point up the wisdom of providing for a balanced Federal budget in the next fiscal year if we are to escape the consequences of a further drop in the value of the dollar. Under the business conditions which are developing our system of taxes should produce the required revenue to meet the estimated budget of $77 billion. The key question is whether Federal expenditures can be held to that figure. The budget wisely provides for no stinting of national defense expenditures, which will be at a peacetime high. However, to hold within the $77 billion limit the President calls for the ending of some temporary domestic programs and the holding of other non-defense programs at levels consistent with the public interest. This program should be strongly supported by the American people.

Since 1946 the cost of living has risen nearly 50 percent. Federal deficits in many of the postwar years have played no small role in this steady erosion in the value of our money. There is little doubt that the large Federal deficit which developed this year caused great concern and fear by the American people of a further rise in the cost of living. The experience which other countries have had since the war, and earlier, shows clearly that sound government financing is the prime essential for maintaining stability in the value of the dollar.

Although the monetary authorities have worked hard to hold down the cost of living, they need the assistance of an equally determined fiscal policy if the fight against inflation is to be won. Moreover, the difficult problems of managing the Federal debt can only be solved in the public interest if the Government lives within its means.

For all these reasons, the life insurance business strongly advocates that every effort be expended to bring the budget into balance. Holding down Federal expenditures will not be an easy task. We urge the support of all our citizens in this vital endeavor.

SENATOR GREEN, OF RHODE ISLAND, CHAIRMAN EMERITUS OF THE COMMITTEE ON FOREIGN RELATIONS

Mr. PASTORE. Mr. President, I believe the entire Senate will be interested in the action of the Committee on Foreign Relations on last Tuesday, when it unanimously adopted a resolution, submitted by the Senator from Arkansas [Mr. FULBRIGHT] thanking the former chairman, Senator GREEN, for his devoted service to the committee. The full text of the resolution is as follows:

Whereas Senator THEODORE FRANCIS GREEN, of Rhode Island, has been a member of the Committee on Foreign Relations from 1937 to 1947 and from 1949 to date and served as chairman from January 1957 to February 1959; and

Whereas Senator GREEN has served the people of this Nation by his initiative and hard work in obtaining approval by the Senate of such important foreign policy measures as the Middle East resolution, the Mutual Security Acts, the statute of the International Atomic Energy Agency, and numerous other measures and treaties important to the peace and security of the United States; and

Whereas in the discharge of his duties, Senator GREEN has at every opportunity encouraged the development of a foreign policy rooted in the national interest, has always devoted his full energy and ability to the services of his Nation, and has brought about closer relations between the legislative and executive branches of this Government and otherwise improved the operations of the Committee on Foreign Relations; and

Whereas Senator GREEN has asked to be relieved as chairman of the Committee on Foreign Relations: Therefore be it

Resolved, That the Committee on Foreign Relations expresses its warm affection for Senator GREEN and its deep appreciation for his devotion to duty and for the great service which he has rendered to the committee, to the Senate, and to the United States by his initiative and statesmanship; and be it further

Resolved, That the Committee on Foreign Relations, in order to continue to benefit by utilizing to the greatest extent possible the experience and knowledge of Senator GREEN, designate him as chairman emeritus of the Committee on Foreign Relations.

I hope that my colleague, the senior Senator from Rhode Island [Mr. GREEN], will enjoy many years of further distinguished service as chairman emeritus of the Committee on Foreign Relations.

DISPOSAL OF SURPLUS FARM COMMODITIES

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Chair has been recognizing Senators in the order in which they have addressed the Chair. The Senator from South Dakota [Mr. CASE] and the Senator from Vermont [Mr. PROUTY] have been addressing the Chair; and the Chair now recognizes the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I desire to express my appreciation of the manner in which the Chair has been alternating recognition from one side of the aisle to the other, during the morning hour.

Mr. President, I have been gratified by the responses which have been coming in by mail to the bill (S. 946), which I recently introduced to deal with the problem of surplus farm commodities. The bill provides that soil bank payments may, if the farmer chooses to do so, be paid in surplus grains, rather than in cash; and it also provides that farmers who choose this form of payment—in grains—will receive a bonus of 10 percent.

Mr. President, the bill has the key virtue of closing the back door while we are opening the front door, in order to reduce the surplus stocks now in storage. Too often, new stocks have come in at the back door, with the result that we made no progress.

The program of Senate bill 946 would retire from production land equal to the amount of grain put into the channels of trade or of use. It would put the farmer back on his feet, and in charge of his own farm; and it would free the taxpayer both from a part of the cost of the soil-bank program and from the cost of storing surpluses.

Mr. President, would farmers accept such a program? The response which farmers in many areas of the country have made to this proposal indicates that they most certainly would accept the program.

I have before me several letters on this subject. One is from Tampico, Ill., and is written by a farmer who says he has been saying for the last 3 years that this is the only kind of program that will work.

Another letter which I have received comes from Vermillion, S. Dak., and was written by a farmer who says he has been raising 500 to 600 hogs a year, but that he would be glad to put his entire farm into the soil bank, under this proposal.

I have also received letters from Centerville and Hecla, S. Dak., and from other points. I ask unanimous consent that the letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

VERMILLION, S. DAK.

DEAR SENATOR CASE: I wish to congratulate you on a very constructive proposal of offering surplus grains, instead of cash, as payment for acres retired in the soil bank—plus a 10 percent bonus.

I farm 480 acres of level land near Vermillion and raise 500 to 600 hogs per year.

I am not in the soil bank now but would be glad to put my entire farm in under the conditions you suggest.

Hoping your proposal becomes a reality.

GEORGE BALLARD.

TAMPICO, ILL.

DEAR SENATOR CASE: I see in the paper you are going to introduce a bill in Congress to pay soil bank farmers in grain instead of cash.

I have been saying for the last 3 years that kind of a program is the only one that will work and farmers that have any sense will go along with that kind of thinking. And it will save the Government billions of dollars in doing so.

Very truly yours,

K. O. SATTERFIELD.

HECLA, S. DAK.

DEAR SENATOR CASE: I note your proposal that surplus grains be offered to the farmers who will retire farmland from production.

Let me say that I fully agree with you, Mr. CASE. And I believe your new plan as stated has great merits over the old soil bank It would start to move out some of the 1953 and 1954 wheat and corn now stored in CCC binsites.

And then, too, it would give us a chance to put this grain through the regular channels of trade.

Well, Mr. CASE, more power to you. I trust you can put your proposal through in time for our new crop. It surely would save the Government buying more new bins.

With kind regards,

O. J. BENGTSSON.

CENTER POINT, IND.

DEAR SENATOR CASE: I wish to congratulate you on your proposal to cut farm surpluses. I have heard and talked to several persons the past couple of years that feel the same way you do about it.

So far as I have heard you are the only Senator or Congressman that could see through such a program. However, I feel that anyone that cannot understand it would find a problem in getting from his home State to Washington.

If the Government would spend the $1½ million that is spent each day for grain storage, the $1½ million that is spent on interest each day on the grain stored, $1½ billion that is spent on giveaways, plus the loss in spoiled grain and shipping costs, it would pay the greater part of a soil bank program that would work.

Sincerely yours,

BOB MOORE.

CENTERVILLE, S. DAK.

DEAR SENATOR CASE: I heard your talk on the farm problem and the bill you have introduced in Congress.

I didn't put my land in the soil bank because 5 years is too long for anybody who is not old enough to retire.

Our land around here is too high-priced to take $17 an acre for 5 years with taxes alone taking $2 an acre a year.

With expenses at an alltime high I feel that something such as this would be a great thing for us and the taxpayer wouldn't howl that the farm program was too costly. The Government already owns the grain from former years and there would be no need of any more cash outlay.

If the farmer was given the right to join such a program on a 1-year-at-a-time basis, I am sure there would be many who would do it.

I do feel that it should be required that the farmer put in all the land that he would be planting to a soil-depleting crop, excluding the hay and pasture.

This way it would prevent him from planting a substitute crop and thus defeat the purpose.

Hope you can get something done on this line.

Yours truly,

JOHN MONSON.

SIOUX FALLS, S. DAK.

DEAR SENATOR CASE: This is only a personal opinion, but I think the farm bill you introduced yesterday makes more sense than anything I've seen for a long time.

Hope it makes the grade.

Sincerely,

DOUG HILL.

ONE HUNDRED AND SIXTY-EIGHTH ANNIVERSARY OF ADMISSION OF VERMONT AS THE 14TH STATE OF THE UNION

Mr. PROUTY. Mr. President, 168 years ago yesterday the Congress of the United States of America took action which made my beloved State of Vermont the 14th member State of this abiding Union.

Although Vermont did not legally become one of the United States until March 4, 1791, the act of admittance was passed by Congress and signed by President George Washington on February 18, and Vermonters have traditionally taken notice of this date because they had worked hard to achieve it.

In the face of the opposition of its neighboring States—New York, New Hampshire, and Massachusetts, all three of which laid claim to portions of its land—and as a result of the indifference, and even opposition, of the Continental Congress, the hardy settlers of the Green Mountain country created, and for 14 years defended, its status as an independent Republic.

Vermonters are justly proud of the constitution adopted by the Windsor Convention in July of 1777. It provided the first express constitutional prohibition of any form of human slavery in all history. It made Vermont the first State in the country to provide for universal manhood suffrage without regard to property holdings—a very unique and liberal provision for those days.

From the very outbreak of the American Revolution, the people of Vermont contributed greatly to its successful conclusion.

Less than a month after Lexington and Concord, Ethan Allen and 83 of the Green Mountain boys crossed Lake Champlain, and captured from the British Fort Ticonderoga, at that time the largest and most impregnable fortification in the country.

It has never been disproved that Allen demanded the fort's surrender "in the name of the Great Jehovah and the Continental Congress," in spite of the fact, as a later critic stated, "that he held a commission from neither source."

The capture of Ticonderoga on May 10, 1775, followed 2 days later by the taking of the fort at Crown Point by Seth Warner and his men, deprived the British of an important northern base, and supplied General Washington with nearly 150 cannon which helped drive the British from Boston the next winter. Even more important than the military results of these victories was the thrill of pride and encouragement which swept through all the colonies at the news, and helped to unify them in the struggle for independence.

It is not surprising, therefore, that the two Commissioners from Vermont who presented to Congress their State's case for admission should have called attention to the contributions of the Vermonters. They told Congress:

> The citizens of that State, having shared in common with those of the other States, in the hazards and burthens of establishing the American Revolution, have long anxiously desired to be united with them, under the same general government. They have seen with great satisfaction a new and more perfect union of the people of America, and the unanimity with which they have recently approved the national Constitution manifests their attachment to it, and the zeal with which they desire to participate in its benefits.
>
> "Questions of interfering jurisdiction between them and the State of New York," they told the Congress, "have heretofore delayed this application. These points being now happily adjusted, the memorialists on behalf of their constituents, most respectfully petition that the Congress will consent to the admission of the State of Vermont, by that name and style, as a new and entire member of the United States."

The petition was granted. Vermont was admitted to the Union—the first new State after the original thirteen. As a Senator from that truly unique and historic State, I am happy to conclude that both Vermont and the United States have ever since been better for that action by the First Congress.

THE WILDERNESS BILL AND THE TIMBER AND LUMBER INTERESTS

Mr. MURRAY. Mr. President, such a furor of opposition to the wilderness bill has come from the timber and lumber interests that I requested my staff to investigate the timber supply situation and the effect of the bill on that industry.

Some witnesses before the Interior and Insular Affairs Committee have indicated that passage of the bill would destroy the industry. The more reasonable have contended that it would stop the growth of the lumber business.

The facts do not substantiate either of these claims. On the contrary, the industry depending on national forest areas will have to grow 50 percent if it is to use up all the allowable cut now available in the forests outside the proposed wilderness areas.

There are 14 States in which wilderness areas would be designated in the forests. There are 145 million acres of forest in the States; and only 9.6 percent of this, or less than 14 million acres, would go into wilderness.

The present allowable cut each year in the national forests in the 14 States is 7,910 million board-feet. The actual cut in 1958 was 5,200 million board-feet, or 66 percent of the allowable cut.

I have before me a table showing by States the allowable cut, the actual cut, and the percentages. I ask unanimous consent that it appear in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Allowable cut, million board-feet	Timber cut fiscal year 1958, million board-feet	Percent allowable actually cut
Arizona	240	174.0	72
California	1,362	947.0	70
Colorado	220	125.0	57
Idaho	880	513.0	58
Montana	825	395.0	48
Minnesota	224	133.0	59
Nevada	4	.2	5
New Mexico	131	62.0	47
North Carolina	41	47.0	115
Oregon	2,290	1,740.0	76
Utah	101	48.0	48
Washington	1,413	945.0	67
Wyoming	179	71.0	40
Total	7,910	5,200.0	66

Mr. MURRAY. Mr. President, in my own State of Montana we could double the cut of the lumbering industry in national forests and still have a few million board feet left uncut. In all of the States where the major wilderness reservations are to be made, there is still an excellent margin between the trees available for cutting and the actual cut.

Some time ago, I requested the making of a study of the possibilities of expanding the wood industries in my State. It developed that we have a supply of trees that will permit all existing companies to become larger, and that we could use a large number of new companies or new plants in the State, without going onto a single acre of the proposed wilderness lands.

In my opinion, it is very unfortunate that some of the commercial interests have exaggerated the effect of this splendid wilderness proposal.

The timber people are not going to be "closed down" or left without resources to grow. The bill is not going to terminate any grazing permits held by livestock men. The oil and the minerals

industries are not so hard-pressed for raw material that they need the right to punch holes in our most valuable scenic areas, which have exceptional recreational and scientific values, and will continue to contribute to watershed, game propagation, and other uses.

For 25 years, I have fought for the economic development of the West and of the Nation. I have supported measures to aid every industry now opposing the wilderness bill. I shall continue to do so, for my interest in their prosperity and growth is not diminished in any way.

My decision to support the wilderness bill is not a difficult one to make, for the facts show that it is a good measure, and that its enactment will not actually injure those who are expressing the greatest fear of it.

Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

THE MINING INDUSTRY AND THE PROGRAM OF THE DEPARTMENT OF THE INTERIOR

Mr. MURRAY. Mr. President, yesterday the Secretary of the Interior appeared before the House Committee on Interior and Insular Affairs, in response to an invitation from that committee. His statement outlined in some detail the program of the Department of the Interior, for this session of the Congress, on matters within the jurisdiction of the House committee and, by the same token, within the jurisdiction of the like committee of the Senate, which I have the honor to head.

I have read, with great interest, the statement of the Secretary. I have been advised of the supplementary information which the Secretary furnished the committee. I must commend his honesty and frankness in dealing with the questions propounded by the committee members. However, I am grievously disappointed by the failure of the Secretary to propose positive programs for the many problems confronting the people and industries coming within the jurisdiction of the Department of the Interior and the Senate Committee on Interior and Insular Affairs.

Consider, however, the feelings of the thousands of unemployed miners in our country, who had looked to the Department of the Interior for help, after the assertion last week by the Under Secretary of the Interior that his Department was "the agency of the Federal Government with primary responsibility in the mineral resources field"; and then imagine, if you can, their despair upon learning that the Secretary of the Interior yesterday advised the committee that he and the administration had no minerals legislation to propose to this Congress.

Mr. President, I find, though not surprisingly so, a marked resemblance between the statements of the Under Secretary at Denver, on February 6, and those of the Secretary of the Interior here, on the 18th, to the effect that the urgency of a balanced budget precludes any assistance for the mining industry. I concur fully in the reply that my colleague, the distinguished Senator from Utah [Mr. Moss], gave on February 7 in Denver to that statement.

However, I should like to point to one further statement made by the Under Secretary at Denver on February 6; I refer to his suggestion of protecting the domestic mining industry from further injury from imports.

Mr. President, that is like locking the door after the horse has been stolen. As pointed out yesterday by the distinguished Representative from Oklahoma, the Honorable ED EDMONDSON, imports of lead, zinc, and oil have almost destroyed that segment of the domestic mining industry; and administration efforts to remedy this have proved ineffectual. For the minor minerals-producing industry, for the most part now closed, Representative ULLMAN, of Washington, was advised by the Secretary of the Interior that no administration program of assistance is contemplated.

Mr. President, I cannot subscribe to the policies of this administration which deny to our mining industry the right to a healthy economic life. Consequently, I have already directed the staff of the Committee on Interior and Insular Affairs to undertake a comprehensive study of the difficulties besetting the domestic mining industry, and have directed them to make recommendations for the relief of this abused industry. Shortly, as a result of that study, legislation for the relief of the domestic mining industry will be proposed. We can no longer rely on the oft-repeated promises of the administration for remedial legislation. The 6 years that they have consumed in their study, without having presented a workable solution to the problems of the mining industry, are in my opinion far too long. The Congress must now proceed with the task of forging minerals legislation sufficiently strong to insure our national-security requirements, and sufficiently broad to maintain a healthy and prosperous domestic mining economy.

With the help and assistance of my colleagues in the Congress, this I propose to do.

Mr. President——

The PRESIDING OFFICER. The Senator from Montana is recognized.

DESTRUCTION BY FIRE OF THE FERGUS HOTEL AND THE BURKE HOTEL, AT LEWISTOWN, MONT.

Mr. MURRAY. Mr. President, the bustling city of Lewistown, Mont., recently suffered a tragic fire. The historic Burke Hotel burned to the ground. Less than a year ago the Fergus Hotel in the same city also burned down.

One of central Montana's most famous citizens, Joe Montgomery, 84, was burned out in both fires. I deeply regret the loss of personal possessions suffered by Mr. Montgomery, Manager Duane Muhle and his family, and the other occupants of the hotel. Mr. Montgomery suffered the loss of his valuable collection of central Montana souvenirs and photographs. Fortunately, no one was injured in the fire.

Mr. President, Joe Montgomery is as calm and intrepid under fire as he was more than 60 years ago when he served valiantly during the Spanish-American War. I believe my colleagues will be interested in his personal account of the fire; and I ask unanimous consent to insert in the RECORD, immediately following these remarks, the article entitled "Joe Montgomery Tells of Escape From Burke," which appeared in the February 12, 1959, issue of the Lewistown Daily News.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOE MONTGOMERY TELLS OF ESCAPE FROM BURKE

(By Joe Montgomery)

I wasn't quite sure what time it was, but when the man pounded on the door and yelled "This hotel's on fire," my feet automatically hit the carpet and I started to dress.

I have lived through six or seven fires, and was burned out of the Fergus Hotel last April. Anyway, I had my senses about me and dressed in my warmest clothing, including three pairs of drawers and two good wool undershirts.

Then I took a suitcase which I always have empty and ready for such an emergency. I wrapped a couple of bottles of scotch whisky in towels, to make sure they wouldn't break, and packed them with my collection of more than 20 plaid caps and some other things, including a bottle of toilet water, which just fit in the leftover space.

For the first time in all the fires that have got me out of bed I forgot to put on a tie and I hope my friends will excuse me for appearing half-dressed this morning.

Anyway, I opened the door of my room and found the hall so full of smoke I couldn't see an arm's length ahead.

I had long ago planned my route of escape in case a fire should come, I had a golf club by the door, and with it in one hand and the suitcase in the other I started to crawl across the hall to a room that led to a fire escape.

I found the suitcase encumbered me, so I left it on the hall floor with the intention of retrieving it after smashing open the door to the fire escape room with my golf club.

I smashed a hole in the door and reached in and was able to unlock the door immediately. But the room was full of smoke and I decided I better get the window out to the fire escape open before I tried to get the suitcase.

I needed both hands on the mashie to knock a big hole in the window, and then I pulled up a table to use to crawl out.

I thought of going back after the bag, and then I thought, "Why make a damn fool out of yourself by going back for the bag, a couple of bottles of whisky, and the hats?"

I climbed out onto the fire escape and that fresh air certainly smelled good.

NATIONAL ECONOMY STUDY BY JOINT COMMITTEE FOR THE ECONOMIC REPORT

Mr. MURRAY. Mr. President, the Washington Post for February 17 contained an excellent editorial giving its approval to the study of the national economy which is to be undertaken by the Joint Committee for the Economic Report, under the leadership of our distinguished colleague the Senator from Illinois [Mr. DOUGLAS]. The Post editorial points out his outstanding qualifications to do the job, which are undeniable. The Senator from Illinois was

a distinguished nationally known economist before he was elected to this body. His stature has been enhanced throughout the Nation by his service on the joint committee.

I ask unanimous consent to have this editorial printed in the body of the RECORD as evidence of the fact that the people of America will have far more confidence in the findings of an investigation chaired by Senator DOUGLAS than in the findings of an investigation by a commission handpicked by the Republican administration which invariably advocates policies of Wall Street bankers and industrialists.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ONE FOR THE DEMOCRATS

Senator LYNDON JOHNSON was wise indeed to recognize that he could not allow the Nixon Committee set up by President Eisenhower to have the field of economic investigation all to itself. Not only would it serve the Nation poorly to leave the exploration of vital questions in this area entirely to an administration whose leadership is already committed to one set of answers, it also would leave the Democrats woefully exposed on a major political battleground.

Senator PAUL DOUGLAS, Chairman of the Joint Economic Committee, is both professionally and politically qualified to lead an inquiry by the Democratic Congress. A distinguished economist in his own right, Senator DOUGLAS also is astute enough to understand that his mandate from Mr. JOHNSON is no narrow political assignment. He may be expected to conduct a broad study of the interrelationship of employment, economic growth and monetary stability—to determine, as nearly as it can be determined, to what extent the three can be reconciled in public policy.

And, happily, Senator-Economist DOUGLAS being the colorful and sensitive man he is, this exercise in the dismal science is unlikely to be a dull one. We look forward with relish to the first real exploration of these issues on a broad front undertaken by the Congress in recent years.

FINANCING OF HOMES

Mr. DIRKSEN. Mr. President, Sylvia Porter, who writes a column which is published in a number of newspapers, is certainly a competent financial writer. In last Sunday's Star there appeared an article by her entitled "Who Buys the Houses?" which refers to facts made available by efforts of the United States Savings and Loan League. The article is very interesting and timely. It indicates that 3 out of every 4 mortgages in the country are financed, not by a Federal agency such as the FHA or the VA, but, in fact, by conventional mortgages.

I ask unanimous consent that the column be printed in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Sunday Star, Feb. 8, 1959]

WHO BUYS THE HOUSES?

(By Sylvia Porter)

Who buys the houses in this Nation in which more than 60 percent of all families are homeowners.

In the great majority of cases the buyer is a man who either doesn't want or isn't eligible to get a mortgage insured or guaranteed by a Government agency. Three out of four homes purchased last year were bought with the aid of conventional mortgage financing—meaning with loans not insured by the FHA or guaranteed by the VA.

The typical house buyer in a metropolitan area is about 37. His annual income averages $7,300.

He typically buys a house containing six rooms, costing about $17,100 and gets a conventional mortgage of around $11,100. And he puts down around $6,000 in cash or 32 percent of the purchase price.

These facts are available for the first time in a pioneering study just completed by the United States Savings and Loan League and to be released in a few days.

SURVEY IS CITED

Despite the dominance of the conventional mortgage loan in the purchase of homes, little research has been done on the characteristics of the families using the conventional loan. As Miles L. Colean and Leon T. Kendall, the housing experts who wrote the report, colorfully put it:

"The world of home mortgages is like a family of three children where one does the bulk of the work and the other two get the bulk of the attention."

Because the Federal Housing Administration and Veterans' Administration are constantly involved in politics, many people mistakenly think they are the dominant influences in the housing market. And because these agencies constantly seek out publicity, many people minimize the conventional loans made by financial institutions.

Now we have some facts from this survey and a recent Bureau of Census report.

For instance, an impression I've had is that borrowers using conventional mortgages are older and have larger incomes than those using Government-backed mortgage contracts.

It isn't so. More than 60 percent of the buyers of new homes with conventional mortgages are under 40, more than 41 percent are under 35. And the average income of the conventional loan home buyer, according to the Census Bureau, is $5,682—below the $5,844 income of VA families, the $6,154 income of FHA families.

Another impression is that the FHA and VA programs primarily help finance lower-priced houses and are used most frequently by lower-income families.

FACTS OFFERED

It isn't so. Again according to Census Bureau figures, 35.4 percent of conventional loans go to finance homes priced under $8,000, compared with 12.5 percent of FHA loans and 9.5 percent of VA loans financing homes in this price class. And lowest-income families—those with incomes under $4,000—use conventional loans twice as frequently in buying homes as they use FHA or VA backed financing.

Enough of what isn't so. What is obviously so is that the conventional loan is a vital force in the housing market and an even steady flow of funds into this type of mortgage is imperative to sustain new home building and maintain the used home market.

There is serious talk of developing a national market for conventional mortgages. There is discussion of creating devices which would permit an applicant in areas where funds are scarce to get his mortgage in areas where money is plentiful.

The league properly doesn't give any clue to its views in this study. But a basic force behind the research surely was its belief that the conventional mortgage market can be expanded and strengthened. It can and should be.

INTEREST RATES ON GOVERNMENT BONDS

Mr. DIRKSEN. Mr. President, this morning the Wall Street Journal, which is certainly a carefully edited paper, carries this headline on page 3: "Treasury Soon May Seek Boost in Bonds' 4¼ Percent Interest Rate Ceiling if Rate Rise Continues, Eisenhower Says."

I notice the paper has published also, on page 16 of the same edition, the full transcript of the President's press conference. I note the President's reply to a query raised by Raymond P. Brandt, of the St. Louis Post-Dispatch. First I read the question:

Does the administration have any plans to ask Congress to increase the 4¼ percent ceiling on bonds?

This is the President's answer:

Well, of course, I think this: I think bonds should be marketed according to the demand, and I think if they are not, in the long run we run into difficulties, and this applies to the bonds or to the mortgages on housing, on Federal bonds, and everything else.

I think that if we are going to be a free enterprise country, we ought to take all of our debentures and our indebtedness and say, "All right, this money is going to earn this kind of return in this particular kind of an economy," whether it is on an upper leg or a lower leg, and I think if we don't try to do that, it would be bad.

Now, within the 4¼ we have always been able to do that. The reason your question is now pertinent is because the rate is getting close enough to make it look that you would have to sell bonds at a discount.

Now, the funny thing, they tell me under the law that you could offer a 4¼ bond and sell it at 95.

But it is clear in my—as I understand the spirit of that law, that that would not be violated, and I think we would have to go back to Congress if this situation, which I hope will not arise, really eventuates.

If anybody can find in that statement any intimation whatsoever that the President of the United States ever said, according to the headline on page 3, that President Eisenhower may "soon seek boost in bonds' 4¼ percent interest," he is a better scrutinizer of the English language than I.

I can only add to what I have said that I had a meeting with the Secretary of the Treasury yesterday. I know nothing is further from the thoughts of the Secretary of the Treasury than to boost the interest rates.

As I have indicated, the Wall Street Journal is a very well edited and careful newspaper, but I believe the correction I have suggested should be made.

THE BUDGET

Mr. DIRKSEN. Now, Mr. President, I have one other statement, which is in the nature of a response to a statement made by the distinguished majority leader at the last meeting of the Senate. He called attention to the fact—and parenthetically he gave me a copy of his statement to show the correctness of it—that in the 1960 budget the President had proposed increases as follows:

Mutual Security, 26 percent. Office of Civil and Defense Mobilization, 80 percent. U.S. Information Agency, 6 per-

cent. Fish and Wildlife Service, 12 percent. State Department salaries and expenses, 10 percent. Bureau of the Budget, 2 percent—contrasted with a 2-percent cut ordered this year for employees in all other Federal agencies.

The fact of the matter is that the Bureau of the Budget has already reduced its personnel by 1.4 percent. It calls upon other agencies to reduce their personnel by 2 percent. I think the Budget Bureau is going to achieve that objective. But one has to have the whole story to pass on this question.

In 1938 the Budget Bureau had 45 persons. In 1947 it had 585. In 1959 it had an estimated 425. In 1960 it will have an estimated 425. That is 160 fewer employees than it had in 1947.

That is the record. With respect to these other items, I shall not take time in the morning hour to discuss them, but I ask unanimous consent to amplify my remarks in the body of the RECORD and to deal with these other matters, and I would want to submit my facts before the day is over.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN subsequently said: Mr. President, when it is indicated that the President in his budget has asked for increased appropriations, the matter should be accompanied with sufficient detail to make clear the basic reason for such a request. Consider mutual security. The majority leader stated this was a 26-percent increase. On a fiscal year basis it would appear to be a 12-percent increase, which includes $35 million for military equipment, $75 million in capital for the Development Loan Fund, and $254 million for other economic assistance in meeting the stepped-up economic Communist program.

In the case of the Office of Civil and Defense Mobilization, which is a $39 million increase above the 1959 budget, $12 million is for contributions to States and local subdivisions for civil defense personnel and administrative costs which the Congress itself, under Public Law 606 in the last Congress, authorized. It should be pointed out also that during 1959 contributions for civil defense equipment were financed out of available balances and, therefore, $13 million is needed to keep the program at the 1959 level. Still another factor is that this increase embraces $12 million to finance civil defense functions which in prior years were charged against the appropriations for other agencies so that, in fact, this constitutes nothing more than a transfer of those functions to OCDM.

With reference to the U.S. Information Agency, where it is indicated that the 1960 budget calls for a 6-percent increase, the answer is that 4 million of the $7.6 million increase is the result of higher prices in foreign countries and for operating costs of newly constructed radio facilities. An additional $1.6 million will go for improved radio facilities to slash through the Iron Curtain and $1 million for the Informational Media Guarantee Fund, which was authorized by the last Congress under Public Law 477.

Now consider Fish and Wildlife Service, where the request was for a 12-percent increase. This amounts to $7.2 million. Part of this is authentic for the very simple reason that the last Congress under Public Law 585 increased receipts from the so-called duck stamps which are automatically appropriated for the Wildlife Service. Part of it is also for additional capital for the Fisheries Loan Fund. In addition to these ideas, the Alaska Statehood Act, approved by Congress, provides for payment to the State of Alaska of 70 percent of the net proceeds from the sales of sealskins and other products of the Pribilof Islands. Formerly these funds were available for the administration of the islands and have to be replaced by an appropriation of nearly $1 million. The remaining increase provides for operation of new fish hatcheries completed in fiscal 1959. So in every case the trail goes back to action taken by Congress.

In this connection perhaps it should be noted that the requests for other bureaus in the Department of Interior are considerably reduced from the 1959 level. In fact, there is a $58 million reduction for the Department of Interior as such, all of which puts this matter in an entirely different light.

It was stated that for the State Department for salaries and expenses there was a 10-percent increase in the request for fiscal year 1960. This would amount to $10.7 million. Of this amount, $1½ million is for the elevation of consulates to embassy status in the new independent African countries; the establishment of new oversea posts in areas where representation is necessary, and the $6 million comes about because of higher wages and prices overseas and additional workloads.

As for the Bureau of the Budget, I have already pointed out that the average permanent employment in the Budget Bureau for 1959 and 1960 is estimated at 425 positions, and this is 160 fewer than in 1947 and, in fact, lower than any time in the last 16 years with the exception of 1954, 1955, and 1956 when there was slightly less personnel in the Bureau of the Budget.

I believe these explanations will serve to indicate that there have been no arbitrary budget increases recommended by the President and that in every case they are either warranted on the basis of events or go directly to action heretofore taken by the Congress.

All this establishes, in my judgment, that the 1960 budget was prepared with the utmost care, and that deviations therefrom must be considered in the same spirit.

FAIR TRADE LEGISLATION

Mr. PROXMIRE. Mr. President, Tuesday, the senior Senator from Minnesota [Mr. HUMPHREY], introduced a national fair trade bill. I join the Senator from Minnesota in sponsoring this legislation, which is designed to save literally tens of thousands of American small businesses. This legislation is urgent. The survival of independent retail business depends on it. The bill provides emphatic safeguards for the consumer. It assures free choice to the manufacturer. I honestly think it will strengthen competition.

It does these things by outlawing predatory pricing practices in trademarked goods that are in competition. It would permit manufacturers of identified merchandise to establish and enforce on a national scale minimum resale prices on such merchandise by giving actual notice of the established prices to wholesalers and retailers.

Competition is assured, under this bill, not eliminated, for this reason: The rights embodied in the bill are available only to those manufacturers whose identified products are in free and open competition with articles of the same general class produced by others.

This bill does not discriminate against manufacturers who also function as wholesalers or retailers. Such a manufacturer may establish resale prices on his identified merchandise for his distributors even though he sells in competition with them, so long as he sells at the prices established for his distributors making comparable sales.

The bill does not require a manufacturer to establish resale prices on his identified products. In this regard, the proposed legislation is strictly permissive, completely voluntary, and furthermore, a manufacturer's established price becomes binding only through actual notice to his distributors.

Mr. President, I regard a National Fair Trade Act as necessary for the protection of the small businessman for the same basic reasons that I regard Federal milk marketing orders as necessary to protect the dairy farmer in the price he receives for his milk or Federal minimum wage laws to protect the laboring man in his daily labor. That is to say, this bill protects the small manufacturer, wholesaler, and retailer from the irresponsible pricing tactics of their larger and more powerful competitors.

In conclusion, let me say that I agree wholeheartedly with a statement made recently by the well known and highly respected syndicated columnist, Sylvia Porter, who observed that, "The little, independent businessman is our greatest safeguard against the monopolistic, corporate state. His birth must be encouraged and his survival must be assured, for he is, in effect, a protector of our whole way of life."

In addition, Mr. President, I ask unanimous consent to have inserted at this point in my remarks the statement which I made last year to a subcommittee of the Senate Interstate and Foreign Commerce Committee during its hearings last year on the national fair trade bill which was introduced in the last Congress by the Senator from Minnesota [Mr. HUMPHREY] and myself.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF HON. WILLIAM PROXMIRE, A UNITED STATES SENATOR FROM THE STATE OF WISCONSIN

Senator PROXMIRE. Thank you very much. It is a great pleasure and privilege to have an opportunity to appear before you. I have copies of my statement which I will distribute.

In my judgment the measure which I am supporting this morning before your committee constitutes the most important small business legislation the Congress has before

it. I feel very strongly that the adoption of this legislation is essential to the health and indeed to the existence of small business as we know it in America today.

Mr. Chairman, American small business is in serious trouble. All objective evidence—the number of failures, the number of voluntary discontinuances, the level of return on invested capital in small business, the share of the national production enjoyed by small business—all these indexes show that small business is steadily losing ground to big business and has become a prime victim of the recession.

The typical small business is a retail store, and the retail store has the poorest survival prospect of any business. This was strikingly demonstrated by figures presented to the Small Business Committee hearings on discount houses on June 23 by Mr. Victor LeBow, a New York City marketing consultant who specializes in the problems of retail businesses. Mr. LeBow stated that there are 1,900,000 retailers today. What are the prospects for a new retail business? Based on 7 years of postwar prosperity, between 1947 and 1954—and mind you, these were prosperous years—a retail store opening today has only a 74-percent chance of surviving the first 6 months, and 50–50 chance of staying open the first 2½ years. Stated another way, 26 out of 100 retail stores opening today will be out of business in 6 months. Eighty-three of them will not be in business 10 years from now.

Based on the years 1953–57, Mr. LeBow said that a turnover of 50 new stores is necessary to get 1 net addition to the number of retail businesses in operation.

In view of the fact that the situation is getting worse, in view of the fact that all the statistics are just overwhelming that a prime victim of the recession is the small business and small retail business especially, I think it is time Congress did something about it.

The Select Committee on Small Business, the Banking and Currency Committee, the Small Business Administration, and other agencies and committees have been deeply concerned about the problems of small business. Some extremely constructive proposals have been made to the Congress. Mr. Chairman, while this legislation is good and helpful, it is good and helpful for a relatively small segment of small business. The vast majority of small businesses are totally untouched by any other measures that are before Congress today. This Congress has already taken important steps to help the manufacturing concern or small corporation in several ways. The Small Business Committee has scheduled a series of inquiries into the action of the Defense Department in failing to provide that small manufacturing businesses get their share of the procurement dollar. This is an excellent, worthy inquiry, and one I warmly support. An omnibus small-business tax bill now before Congress would help the incorporated small businesses very greatly. I cosponsored and warmly support that legislation. The Johnson capital-bank bill, which has passed the Senate, would do much to provide capital for small units in industry, and we do know that the measures that have been considered by the Banking and Currency Committee and the measures that have been considered by the Small Business Committee, the actions that have been taken by the Small Business Administration helps a small fraction, though a very significant fraction of small business—retail stores by and large—are just not provided for.

Just as an example, the capital bank bill, the purpose of which was to help small business, passed the Banking and Currency Committee, passed the U.S. Senate—it is a Johnson bill—it is now over in the House. This is an excellent measure. It is a measure that is essential to small manufacturing concerns, but there is nobody, not the greatest friend of this bill who would pretend that it is going to help very many retail stores. It just can't. It is not designed to do that.

There is no question that the tax legislation that has been recommended and the tax bill that is being considered now by the House has an excellent chance of passing the Congress this year. It will provide tax relief, and it is going to be very helpful to small corporate business and is going to be helpful to small business generally, but it is not going to do the retail store very much good, and it is not going to help in that direction.

Of all the areas of American business, the retail stores have been the most characteristically small business. The overwhelming majority of stores and shops all over America are still small business, usually family business operations. The vast majority of American small businessmen are retail merchants. The independent proprietors, the free enterprise businessmen, can be said to be the backbone of American economic democracy. Here in the retail business is where the backbone of American democracy really is, in American small cities, towns, and villages, he represents the social, political, and moral leadership. In most American communities he provides the community spirit that builds our towns. The leadership, the time, the energy, and the money come from him.

Behind this vital community leadership is the wonderful family life that the "mom and dad" store provides. Like the family farm, the family business offers an ideal moral climate for the development of the invaluable qualities of character and morality. The energy-demanding work of the family store virtually eliminates juvenile delinquency. The qualities of thirft, industry, business sense, are developed and nurtured in the family atmosphere. The family store is an immensely valuable American institution. If any economic institution can be said to deserve preservation, certainly the family store is it.

Even if it were an economically inefficient operation, the argument for preserving and protecting the family store would be a strong one. But like the family farm, it is not inefficient. It is efficient. It has proven itself repeatedly. It lacks one important survival asset in our competitive economy, however, and that is capital, just like the family farm lacks capital. This lack of capital means that the large competitor, the chainstore or massive supermarket, even if less efficient, can engage in price-cutting operations until the little business is driven out.

I have talked personally with literally thousands of merchants all over my State of Wisconsin. I am convinced that there is no group in America more fervently and completely opposed to subsidies, including subsidies for themselves, than the small businessman. There is, however, one form of legislative protection that he desires, that he wants, that he needs and that he deserves. This is action by the Government to provide the kind of margin between what he pays for the goods he buys and what he receives for the goods he sells that will permit him to operate on a stable and efficient basis.

This is not to say that the American small businessman wants an end of competition, even of price competition. This is not to say that this legislation in any way would eliminate competition or even price competition. Indeed, in the long run I am completely convinced that price competition will be encouraged if the legislation I am supporting this morning is adopted.

Testimony before our Small Business Committee was replete with evidence that minimum margins on fair traded products which this legislation would permit, would still permit an enormous amount of price competition both between trademarked brands on the one hand, and unbranded products on the other, and within various trademarked brands.

I should like to present to the committee one striking demonstration of the fact that it is possible where fair trading prevails to have fair markups for the dealers, fair prices for the consuming public, and flexible pricing which adapts itself to changing conditions.

In the middle of 1954 a vicious price war erupted in the retailing of gasoline in New Jersey. Markups declined to the extent that it was impossible for the dealer to operate profitably. After public hearings in 1956 by the Small Business Committee, almost all the major suppliers in New Jersey began to fair trade their gasoline. Since that time the retailer has had a fair markup and the buying public has had fair prices.

I should like to offer for the record a table comparing the dealer's tank wagon price, the dealer margin, and the retail price (without tax) of gasoline in Newark, N.J.; Wilmington, Del.; Philadelphia, Pa.; and an average of 55 other cities. Newark is the only city represented on this table which has fair-trade gasoline, yet on June 1, 1958, the price of gasoline to the retail consumer in Newark was lower than it was in any other of those cities. Moreover, the table clearly proves that the retail price in Newark is as flexible as it is in any of the other cities.

(The table is as follows:)

House brand gasoline prices by quarters

Date	Newark, N.J.			Philadelphia, Pa.			Wilmington, Del.			Baltimore, Md.			55 city average		
	Dealer's tank wagon	Dealer's margin	Retail service station, excluding tax	Dealer's tank wagon	Dealer's margin	Retail service station, excluding tax	Dealer's tank wagon	Dealer's margin	Retail service station, excluding tax	Dealer's tank wagon	Dealer's margin	Retail service station, excluding tax	Dealer's tank wagon	Dealer's margin	Service station price, excluding tax
1953—July 1	15.9	5.3	21.2	16.1	4.8	20.9	16.1	5.9	22.0	15.8	5.7	21.5	16.55	5.52	22.07
Oct. 1	15.9	5.8	21.7	16.1	4.8	20.9	16.1	5.9	22.0	15.8	5.6	21.4	16.54	5.47	22.01
1954—Jan. 1	14.4	5.5	19.9	15.6	6.3	21.9	15.6	6.4	22.0	15.3	6.3	21.5	16.35	5.62	21.97
Apr. 1	13.65	2.25	15.9	15.4	6.5	21.9	15.4	6.6	22.0	14.6	6.9	21.5	16.24	5.36	21.60
July 1	13.9	3.0	16.9	15.4	5.5	20.9	15.4	6.6	22.0	14.6	6.9	21.5	16.05	5.53	21.58
Oct. 1	13.9	3.0	16.9	15.3	4.3	19.9	15.7	6.8	22.5	15.4	6.4	21.8	16.20	5.12	21.32
1955—Jan. 1	14.9	2.0	16.9	14.9	5.0	19.9	15.7	6.8	22.5	15.4	6.3	21.7	15.91	5.35	21.26
Apr. 1	14.9	3.0	17.9	15.3	4.6	19.9	15.7	6.8	22.5	14.9	6.8	21.7	16.24	5.18	21.42
July 1	11.4	3.5	14.9	12.9	4.0	16.9	15.7	6.8	22.5	14.0	7.7	21.7	16.33	5.11	21.44
Oct. 1	15.0	1.9	16.9	14.5	2.4	16.9	15.9	6.0	21.9	15.4	4.5	19.9	16.26	5.17	21.43
1956—Jan. 1	14.5	2.4	16.9	15.0	4.9	19.9	15.9	6.0	21.9	15.4	4.5	19.9	16.32	5.32	21.64
Apr. 1[1]	13.6	3.4	16.9	14.5	3.4	17.9	15.9	6.0	21.9	15.4	6.1	21.5	16.42	5.01	21.43
July 1	14.9	5.0	19.9	15.3	4.6	19.9	16.1	5.8	21.9	15.7	6.5	22.2	16.34	5.44	21.78
Oct. 1	14.9	5.0	19.9	14.6	4.3	18.9	16.1	4.8	20.9	15.7	6.5	22.2	16.40	5.34	21.74

[1] Esso established fair-trade prices Apr. 30, 1956.

House brand gasoline prices by quarters—Continued

Date	Newark, N.J.			Philadelphia, Pa.			Wilmington, Del.			Baltimore, Md.			55 city average		
	Dealer's tank wagon	Dealer's margin	Retail service station, excluding tax	Dealer's tank wagon	Dealer's margin	Retail service station, excluding tax	Dealer's tank wagon	Dealer's margin	Retail service station, excluding tax	Dealer's tank wagon	Dealer's margin	Retail service station, excluding tax	Dealer's tank wagon	Dealer's margin	Service station price, excluding tax
1957—Jan. 1	14.9	5.0	19.9	15.3	4.6	19.9	15.6	5.3	20.9	15.7	6.5	22.2	16.21	5.28	21.49
Apr. 1	15.9	5.0	20.9	14.6	5.3	19.9	16.6	4.3	20.9	16.7	6.5	23.2	16.63	5.32	21.95
July 1	16.1	5.8	21.9	14.0	3.9	17.9	14.7	5.2	19.9	16.9	6.3	23.2	16.65	5.54	22.19
Oct. 1	15.9	5.0	20.9	14.6	4.3	18.9	14.5	4.4	18.9	16.3	6.1	22.4	16.21	5.21	21.42
1958—Jan. 1	14.4	4.5	18.9	12.9	4.0	16.9	13.4	4.5	17.9	16.0	5.9	21.9	16.55	5.16	21.71
Apr. 1	15.2	4.7	19.9	15.2	4.7	19.9	15.2	4.7	19.9	15.3	5.6	20.9	16.39	5.19	21.58
June 1	14.2	4.7	18.9	15.2	4.7	19.9	15.7	4.2	19.9	15.3	5.6	20.9	16.07	5.36	21.43
June 20	13.2	4.7	17.9												

Source: Before July 1, 1956, Department of Statistics, American Petroleum Institute; starting July 1, 1956, National Petroleum News.

NOTE.—This chart shows how fair trade may promote low prices while preventing unfair competition.

The second table gives the tank-wagon price and the service-station price of gasoline in New Jersey after fair trade was adopted in 1956. It shows considerable variability in retail prices, over a range of 3 cents a gallon. It demonstrates beyond question that a fair-trade price responds to competition and is no more rigid than any other price. Of course, the important thing is that what fair trade does is to provide a stable margin within which a small business that does not have excessive capital can live, can survive, can operate.

(The table is as follows:)

New Jersey price changes during fair trade (excluding 7-cent tax)

After fair trade	Tank-wagon price to dealer	Service-station price
	Cents	*Cents*
Apr. 30, 1956	14.9	19.9
Jan. 10, 1957	15.9	20.9
June 26, 1957	16.1	21.1
July 30, 1957	15.9	20.9
Oct. 2, 1957	14.9	19.9
Dec. 6, 1957	[1] 14.9	18.9
Mar. 1, 1958	15.2	19.9
May 8, 1958	14.2	18.9
June 20, 1958	13.2	17.9

[1] Less ½ cent voluntary.

Furthermore, it is obvious that price competition is only one form of competition to the retail store. There is also service competition. There is the competition of location and convenience. There is competition of personality between the owners and employees of different stores. There is advertising competition. There is merchandising competition. There is inventory competition. Of all these forms of competition, and all of them are extremely important to the consumer, only price competition, on the basis of all the testimony of all the opponents of this legislation before our Small Business Committee, only price competition could be adversely affected by this legislation. And I think that the evidence that we had certainly convinced me that price competition is going to be of a much more healthy kind, of the kind that is in the long-run interest of the consumer if fair trade is encouraged, if fair trade, indeed, is made possible by this kind of legislation.

Mr. Chairman, I would just like to conclude by saying that when fair trade broke because its great and good friend, General Electric, decided finally that it just could not hold out any longer—and it was a good friend of fair trade—the situation in my State of Wisconsin was just a thack, it was disastrous. We found small businesses that were pushed into positions where they could not survive. The bankruptcies in Wisconsin have gotten larger. All for what purpose? The evidence is that this does not benefit the consumer in the long run, this insistence on jungle warfare of the kind that is bound to develop where you do not have some kind of fair trade, and I feel as strongly about this as I do about anything that has come before me: that if we are going to have small business live and exist and survive with health in our economy, then we must provide this kind of protection, which in view of the enormous Government sums that are spent in other areas, is a very modest kind of protection, indeed.

I want to thank you again, Mr. Chairman, for this opportunity to appear before you, and I want to apologize for the fact that this statement was not as it was printed, was not as complete as it should be, and you can be sure that we will have before you before the day is out a comprehensive statement in which we have all of the material included.

Senator BIBLE. Thank you very much, Senator PROXMIRE. On the contrary, it was a very good statement. I know of your interest in the bill and the work you have been doing on the Small Business Committee. I very much appreciate your appearance this morning. Thank you.

ANNIVERSARY OF BIRTH OF THADEUSZ KOSCIUSZKO

Mr. PROXMIRE. Mr. President, February 12 was the anniversary of the birth of Abraham Lincoln, one of the greatest Americans of all times, as all of us properly recognize each year.

There are hundreds of thousands of Polish-Americans, including some in my State of Wisconsin, who also proudly celebrate on this day the birth date of another great man who played a great role in the history of the United States.

He is Thadeusz Kosciuszko, a Polish general and national hero of both Poland and America. This great general came to the New World to fight under George Washington in the American Revolution. An outstanding military engineer, he built the fortifications of West Point in 1778 and took a prominent part in the Saratoga and Carolina campaigns.

After the American Revolution was successful, he returned to his own Poland and became a champion of Polish independence, leading his countrymen in uprisings against both Russian and Prussian oppressors.

Tragically, the celebration of General Kosciuszko's birth anniversary will be a silent one in Poland again this year. But this is a special reason why the tribute to this great champion of freedom and national inedependence should be a resounding one in this country. We must never let the freedom-loving people in Poland and in other countries held under the yoke of international communism by the force of Soviet arms forget that we will employ every means short of armed conflict to help them win their right to determine their own form of government and economic organization.

Two hundred years ago, General Kosciuszko brought his tremendous military ability to help our country win its independence. Today, the evolution of warfare has rendered military force utterly unrealistic and impractical as a means of accomplishing an identical end. But we want our brothers in Poland to know that the United States will utilize every possible political, economic, and moral sanction to help them win back their freedom from their Communist oppressors.

RETIREMENT OF FRANK HENRY HIGGINS, ASSISTANT SECRETARY OF THE ARMY

Mr. KEFAUVER. Mr. President, yesterday I read in the press the announcement that Frank Henry Higgins, the Assistant Secretary of the Army (Logistics), is leaving his post effective March 31. He is a fine public servant. I am sorry that he feels he must retire.

Secretary Higgins has served with outstanding distinction in this most responsible position. Secretary Higgins was nominated Assistant Secretary of the Army by President Eisenhower August 4, 1954, and was confirmed by this body on August 18, 1954.

In the past 4½ years, Secretary Higgins has been responsible for the obligation of over $20 billion through new procurement contracts for supplies and services to maintain and modernize the U.S. Army; for the purchasing of many items of food, clothing, textiles, vehicles, artillery, and so forth, for the Air Force, the Navy, the Marines; and for the procuring of substantial quantities of materiel for our allies under the military assistance program. He has had the tremendous responsibility of the management of an average annual inventory of $18.7 billion. The management of an inventory of this size spread throughout the world presents problems exceeding those of any industrial corporation in existence. The constant top level management required to assure that this inventory is continually screened to eliminate those items no longer required by our fighting forces and to replace them with new types of equipment coming off the production line and in doing this to insure the best possible use of the moneys provided by the Congress has

been most exemplarily provided by Mr. Higgins.

I would be remiss if I did not state that the effectiveness of the fighting forces today depends to a great extent on the ability of that force to maintain its mobility and to support itself in the field. One of the prime objectives of Secretary Higgins during his tenure of office was the ever continuing effort for standardization of equipment and the development of an ease of maintenance program. The success of Mr. Higgins' efforts are demonstrated by a substantial reduction in the total number of items in the Army's inventory since World War II. The true measure of his efforts will be felt in the event of an emergency—the logistical effort required to move and support great forces in the field will be greatly reduced.

In carrying out his directed responsibilities, the Assistant Secretary of the Army—Logistics—has ever been mindful of the fact that little could be done without the wholehearted support of American industry and the American public. Therefore, his responsibility was to enlighten the American public to the problems faced by the Army, and to encourage the participation of all in solving these complex problems. During the past 4½ years the Assistant Secretary has been instrumental in presenting in proper focus the Army's logistical program to the Congress. His many appearances before congressional committees have resulted in general support of the Army program and have done much toward securing congressional understanding. He has met across the table with over 7,000 executives of industry and military contracting personnel throughout the country and throughout the world, in an effort to create an area of understanding and to promote the military-industry team so vital to the success of the U.S. Army. In countless instances in open forums he has expressed clearly the Army problems and explained in detail the Army programs and procedures. He has invited industry criticism on any subject, at any time, with the Army profiting immeasurably therefrom. Probably, in the final analysis, this dedication to public understanding has been one of his outstanding accomplishments.

Secretary Higgins' retirement represents a great loss to the Army, to the Government, and to the country. I would like to extend my heartiest best wishes for him in the future and to say thanks for a job well done.

MANDATORY CURBS NEEDED ON OIL IMPORTS

Mr. YARBOROUGH. Mr. President, flood-control measures are planned to keep water in its proper course when a river goes on a rampage.

Today the economy of the United States is being badly damaged by a flood of foreign oil being brought into this country to compete with what is produced here at home. Immediate control measures are vitally needed to contain this flood and prevent it from doing more damage. But where piles of sandbags are urgently needed, the administration stands like the legendary Dutch boy trying to stop a crashing flood by hopefully poking its inadequate finger into the break in the dyke.

This Nation must immediately have mandatory curbs on oil imports. It not only needs this today, it has needed this for many, many months. For more than a year I, and other Members of the Congress, have been repeatedly bringing this urgent situation—which threatens our national economy and security—to the President's attention. We have asked for a definite program. All that is required is a simple Executive order. The administration has responded with the voluntary oil import program, which is definite only in that it is definitely vague.

Mr. President, we know from heartbreaking experience that this voluntary program does not work. A flood-swollen river is not stopped from wrecking property and human lives by saying, "You really are bringing in a little too much water and you ought to slow down, that is, if you want to."

The administration has told us how our Nation has been jerked from the brink of war by its diplomacy. Yet this same administration deliberately and unconcernedly is bringing a large group of Americans to the brink of financial ruin. This flood of imported oil has washed many of our people over that brink and more will follow if the flow is not stopped.

This is not an argument between tycoons. The administration, long noted for its love of ultrabig business, sees to it that the big cartels are not hurt. In fact, much of the foreign oil which is flooding into the United States is from fields overseas controlled by big American combinations.

The person who is being smashed in this operation is the independent oilman—the small businessman of the oil industry—the drillers and other workers in the fields, and the people in related industries such as the manufacture of drilling tools or the transportation of oil. These people are being deprived of their chance—their right—to make a living.

There has been a 17 percent decrease in the number of oil wells drilled in the United States. More and more people are being put out of work by a flow of imported oil which, in some weeks recently has run as high as 2 million barrels per day while American oil production has been cut back. This not only puts more jobless people on Government relief rolls, but, through the cut in tax revenues and the fact that less money is available, it hurts the State and national economy as well.

Yet the administration continues to exhibit its fascination in figures instead of a feeling for families, its interest in computation and calculation instead of in commonwealth, its concern for sums instead of for society.

The Nation's oil industry is of vital importance to the economy of the United States. And the value of oil to national defense cannot be reckoned.

We have asked the Eisenhower administration to find an agreeable solution to this pressing problem. An order from the President is all that is required. However, the administration has chosen to ignore rather than to explore.

The administration has often boasted to us of its statesmanship abroad, but it seems to have completely overlooked the critical need for united statesmanship when a segment of our economy is threatened here at home.

Mr. President, the board of directors of the American Association of the Oilwell Drilling Contractors has passed a resolution which I feel should be brought to the attention of the Government, and I ask unanimous consent to have it printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ON OIL IMPORTS

Whereas the Government-sponsored voluntary oil import program has proved entirely inadequate; and

Whereas the combined imports of crude oil and refined oil products in 1958 increased to a volume which constituted a 25-percent ratio to U.S. crude oil production; and

Whereas the combined imports of crude oil and refined oil products in recent months has been considerably above the 1958 average, in some weeks reaching 2 million barrels daily; and

Whereas it was necessary to restrict U.S. crude oil production in 1958 to an average of 6,700,000 barrels per day, a volume 460,000 barrels per day below 1957 rates; and

Whereas this condition has been one of the prime factors in causing the income of U.S. oil producers to decline sufficiently to result in a 17-percent decrease in the number of wells drilled for oil and gas in the United States; and

Whereas these conditions are creating widespread unemployment in oil well drilling, in oil production, and in the manufacturing and service industries dependent upon oil drilling and production activity: Now, therefore, be it

Resolved by the board of directors of the American Association of Oilwell Drilling Contractors at its meeting held at Lafayette, La., February 9, 1959, Hereby urges that the President's Cabinet Committee immediately formulate a definite oil import program which will include provisions for restricting imports of refined oil products as well as imports of crude oil, and that the program limit the imports of both crude oil and refined products to their 1954 ratio to U.S. crude oil production.

RESISTANCE OF PEOPLE OF WARREN COUNTY, VA., TO COURT DECREES ON INTEGRATION

Mr. EASTLAND. Mr. President, I take this opportunity to express my deep admiration of and appreciation for the good people of Warren County, Va. Their courageous conduct in refusing to bow and bend to illegal and unconstitutional Court decrees attempting to force integration of white and Negro children in the public schools is deserving of only the highest praise and commendation.

I want them to know that the people of Mississippi and of the South are deeply grateful to them for pursuing this course of conduct. The people of Warren County, Va., are making a fight for the whole South. Their action reflects their loyalty and allegiance to the most deep-seated and highest traditions of the South and the American Nation. It

is consonant with established law and custom. We sympathize with them that they should have been chosen as the victims and should be forced to abandon their fine educational institution and turn 33 classrooms and facilities for over 1,000 students over to the 22 Negro plaintiffs who precipitated this debacle, at the instigation of the NAACP.

Events regarding school integration happened thick and fast in Virginia. Warren County had already been forced to close its magnificent high school. The people thought the course was clear for the balance of this school year. The court order requiring that the high school be reopened on an integrated basis came like a thunderclap out of a blue sky. It was totally unexpected; but the fine people of Warren County rallied and have demonstrated to the world that they will not knuckle down to the NAACP and will not permit agitators to control their school system. They know through several hundred years of history what this means to their children and to their culture. The people of Warren County demonstrated that the combined will of the people at the level of the local community can solve even the most vexing and difficult problems by legal and peaceful means. Not one single, solitary white student showed up when the doors of the school opened. Thus the ultimate and most final order of the Court falls in futility and confusion. This course of action required the highest degree of conviction, courage, determination, and sacrifice.

The Supreme Court based its original integration decree of May 17, 1954, on alleged pseudomodern scientific authorities in psychology and sociology. If this Court has a real interest in psychology and sociology, I invite its attention to the situation it has precipitated in Warren County, Va. What the people there have done is nothing but a true psychological and sociological manifestation of a most evident truth. Freedom of choice in association, either by individuals or groups, is a fundamental, God-given, and inalienable right. It is this right that is being exercised in Warren County, and it is a right that can never be denied to a free people. This is fundamental in both psychology and sociology. The force of theory is shattered when it meets the facts and truth of life.

Warren County has furnished the example and inspiration for all the South to stand steadfast under the lash of Federal court tyranny. I do not believe that even this present Supreme Court will recklessly and heedlessly destroy the entire public school system in the Southern States. I have every confidence that the overwhelming majority of the people in the United States are in full and complete agreement with the people of the South in support of the constitutional doctrine of separate but equal facilities for the white and Negro races. All that is now required to attain this goal is for the people at the level of the local communities to emulate the exemplary conduct of Warren County when they, too, are presented with a similar crisis. These brave people go not, like the quarry slave at night, scourged to his dungeon, but are sustained and soothed by an unfaltering trust in the righteousness of their cause and the ultimate righteousness of their Government. Millions of Americans who love their Constitution and system of government congratulate them.

PERSONAL STATEMENT BY SENATOR ELLENDER

Mr. ELLENDER. Mr. President, it is seldom that I rise to criticize any of the articles written about me by my friends of the press. As a rule I do not pay too much attention to what they say about me, whether good or bad so long as they do not overlook me.

But today I feel I must break precedent. A while ago I read in today's issue of the Washington Daily News a highly critical article about me written by John T. O'Rourke, the editor of that newspaper.

Mr. O'Rourke's article contained numerous misstatements of fact as he attempted to tie together my recent statements of what I thought of Fidel Castro and a bill I have introduced which would make permanent provisions of the existing sugar act. As a matter of fact there is no connection at all between these two.

I am certain that if Mr. O'Rourke had read the RECORD, or had he taken the time to read the report I made of my trip, he would not have made the misstatement that I attribute to him.

I read now from the article by Mr. O'Rourke:

> No doubt U.S. Senator ALLEN ELLENDER'S remarks that Fidel Castro's actions are delaying extensions of the Sugar Act will irritate many Cubans both in and out of the government.

Mr. President, I wish to say that I did not raise such an issue. Let me explain what happened.

On February 17, the Committee on Agriculture and Forestry had Secretary of Agriculture Benson as a witness. In his report to the committee, Secretary Benson said it was his judgment that the existing Sugar Act should be extended at this session of Congress. He said such action would permit advance planning by growers of the industry. He proceeded to explain why.

At one point he stated:

> We have had one objection raised to pushing that right now, and that is the situation in Cuba. And I am sure you are apprised of that, Mr. Chairman. But we do feel it would be helpful to the domestic growers if the act could be extended.

This statement was made by Secretary Benson, not the Senator from Louisiana.

In other words, the first public utterance dealing with a possible delay in considering sugar legislation due to the current situation in Cuba was made by the Secretary of Agriculture.

Then there ensued a colloquy between Secretary Benson, the Senator from North Dakota [Mr. YOUNG], the Under Secretary of Agriculture, Mr. True D. Morse, and myself.

As shown on page 232 of the transcript of that hearing which I hold in my hand, I then said:

> And as Secretary Benson has just stated, the extension of the act will be delayed some because of the activities of Mr. Fidel Castro. I do not know what position Dr. Castro will take. He has been saying some nasty things about our country here recently, and I believe we ought to wait and see what is going to happen within the next few months before we take up the extension of the act.

Mr. President, I am sure no one will deny that Mr. Castro has said some nasty things about our country. I particularly remember his remarks about "gringos" dying in Cuba should the United States take any action to halt the postrevolution blood bath. If I were to place in the RECORD all the derogatory statements Fidel Castro has made about the people of the United States and the officials of our country here lately, the printing of those statements would probably fill a volume.

Mr. President, I also ask unanimous consent to have printed at this point in the RECORD the article entitled "Cubans Irked at ELLENDER," which was written by Mr. O'Rourke.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CUBANS IRKED AT ELLENDER

(By John T. O'Rourke, editor, Washington Daily News)

HAVANA, February 19.—No doubt U.S. Senator ALLEN ELLENDER'S remark that Fidel Castro's actions are delaying extension of the Sugar Act extensions will irritate many Cubans both in and out of the government.

This is the act under which Cuba can sell sugar in the United States. Sugar is, of course, the principal source of Cuba's national income.

However, there are a number of people who will simply shake their heads and sympathize with the people of the United States for having such a statesman as Senator ELLENDER on their backs.

Senator ELLENDER is quoted here today as saying that "Castro has been saying some very ugly things about us in the past few weeks." And that this might result in the U.S. Congress leaving the Sugar Act extension pending for a few months.

VISIT

Habaneros and U.S. Embassy staffers recall Senator ELLENDER'S visit here last December when they discovered that he didn't know what he was talking about, and furthermore that he admitted it.

He held a meeting with Embassy staffers, telling them he didn't want their opinions, and a press conference at the Embassy at which his most frequently repeated remark was "Of course, I don't know anything about this. I've heard a little talk about it, but strictly unofficial," etc.

He was asked whether he thought a civil war was going on.

"I don't know of any," he said. Then he asked:

"Has there been any fighting?" This was 2 weeks before the dictatorship collapsed and Batista fled.

The Senator said he had been reading about Cuba's troubles in the U.S. newspapers, but he thought they were grossly exaggerated.

PROMPTED

These remarks, according to Henry Goethals, of the Havana Times, were prompted by Senator ELLENDER'S remark that he thought the U.S. ban on sending arms to

Batista was most curious. He said he couldn't understand why the United States should not ship arms to a nation to help it maintain internal security. "Of course, if there really was a civil war going on that would be different," he said.

He said it was his impression that some bandits were burning the sugar fields, and that Batista needed guns to keep the peace. In referring to Castro's forces, Senator ELLENDER usually used the word bandit.

He said he thought it would be tragic if a civil war did actually happen in a place so prosperous and wonderful because only the people would suffer. About that time, the Batista secret police were killing people by the score and leaving the bodies in the streets.

POLLS

The Senator also said he heard that Dr. Castro had actually tried to prevent people from going to the polls and that he thought that was pretty bad. "Of course," he said, "I don't know this firsthand."

He was asked if he would try to see Dr. Castro (then fighting in the hills) when the Senator went to Oriente Province on his inspection trip to the Moa Bay mining camp. He said he was in no position to talk to Dr. Castro, that he was a legislator and had no intention of getting involved.

He said the public relations campaigns over the sugar quota were putrid and rotten and that he would do all that he could to retain Cuba's sugar quota. Apparently today he changed his mind.

But he is remembered by people who attended these meetings at the Embassy chiefly because he said he didn't want them to tell him, he wanted to tell them, and that by and large, his theme was that he didn't know what he was talking about.

They agreed.

Mr. ELLENDER. Mr. President, it is not my purpose to delay the Senate by going into a discourse of the decisions I reached on the situation as I found it during my recent trip to Cuba. My position is clearly stated in the report I filed with the Committee on Appropriations, and which I have also presented to Senators in this Chamber. However, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, excerpts from my report. These excerpts are based on the notes I made while I was in Cuba.

There being no objection, the excerpts from the review were ordered to be printed in the RECORD, as follows:

I found much resentment against the United States among some of the leading people, both Cubans and Americans, because we have failed to sell military equipment, for the maintenance of internal security, to the recognized (Batista) government. I was told that the Cubans have been forced to buy inferior arms from Italy, France, England, Switzerland, and even Israel.

I cannot understand why we refuse to sell military equipment to Cuba; arms shipments were stopped over a year ago, I was informed. It is my belief, from what I have been told, that, if the Cubans were able to obtain arms in time, the present government could easily stop the strife that has resulted from Fidel Castro's efforts to overthrow the government. There is no effort made to punish those who set fires to cane fields and mills, cut off water and electrical supplies, kidnap people, including U.S. citizens, sabotage ports, railroads, and the like. It would be calamitous to this country if it were engulfed by civil war.

I was informed by many people that the rank and file of labor is against Batista regime because of what was described as his denial of human rights. He rules by decree and the courts have little to say if the military should decide to shoot down a citizen in cold blood. I did not pursue the subject very far with our own people, for the reason that many of the conclusions reached were based on hearsay.

All Americans connected with our embassy and our missions here kept hands off of the election that took place recently. I was informed that over 60 percent of the people of Cuba participated in the election, which Batista's man won. There does not seem to be much unrest in and about Havana—I do not know about other parts of the island. However, I was told that much sabotage was going on, and that Castro was making all sorts of threats against those who do not choose to follow him.

In the absence of our Ambassador, our Chargé d'Affairs, Daniel Braddock, accompanied me to chat with Dr. Gonzalo Guell, Prime Minister of State and Minister of Foreign Affairs. A confidential résumé of the conversation, prepared by Dan Braddock, is available in the committee files for the use of Senators (exhibit A).

Dr. Guell is a very polished gentleman. I liked his manner. As he speaks he has a twinkle in his eye and the sign of a smile on his lips. He is tall and slender and looks the part of a statesman. He is very firm in his belief that Batista has done a good job and that it would be tragic for Castro to take the lead in Cuba. He said many of Castro's adherents are under Communist influence. Although he did not make the direct accusation, he hinted that some American newspapers and writers of influence, have made a hero of Castro and that it is somewhat difficult for his country to cope with the situation. He said the recent elections were fair, as far as he could see. He said the usually large number of the people did not vote in the election because of threats by the Castro forces—that people were in fear of voting because of the reprisals that might follow.

I would judge from our conversation that he realized that in some quarters Batista was not too well liked. He said that Cuba has never been so prosperous as she now is, and that this prosperity has come to pass under the Batista regime.

Dr. Guell was particularly critical of our policy of refusing to sell arms to his government. He declared several times that the conflict was, by no means, a civil war. He said he feared that if matters keep on deteriorating and if Castro kept on obtaining support from abroad, dire consequences might result. He complained that the Cuban army was not well equipped, that its armaments were old and worn, and more modern equipment was necessary. He indicated that if his government had been able to purchase equipment from the United States and if the United States had taken stringent precautions to prevent shipment of goods, wares, and arms to Castro and his followers, the disturbances could have been stopped many months ago.

He is a stanch Batista follower and I concluded that he mentioned many subjects that reflected the views of all Batista adherents.

I attended a very nice luncheon given by the American Chamber of Commerce at the American Club, of which Paul Heilman is president. All present were concerned with the situation here in Cuba, and agreed that it would be tragic for a fullblown civil war to break out. I spoke to them for a few minutes as to our own financing condition and with respect to foreign aid. Few, if any, believed that we should grant any sort of aid to the countries to the south of us—all agreed that private capital can, and will, do the job if given a chance.

That evening, I attended a dinner given by Mrs. Smith in the absence of her husband, the Ambassador, which many prominent Members of Congress and other Cuban officials attended.

I again met the Prime Minister and talked to him.

The chairman of the appropriations committee of the Cuban Senate, Senator Marino Lopez Blanco was present, as well as the President of the Senate Anselmo Alliegro, and the Speaker of the House Gaston Godoy. I enjoyed listening to these various officials.

I learned that during the last fiscal year there was a surplus in the Cuban treasury, but that this year, because of the additional burdens placed on the Government by the Castro movement, it will not be possible to balance the budget.

All agreed that Cuba had never in its history enjoyed more prosperity than now.

Again, I heard much resentment expressed at our refusal to continue to sell arms to the Batista government.

* * * * *

Havana is growing rapidly. Land is very expensive and building materials are likewise high. Apartment houses are going up all over the place. A new tunnel was recently completed that goes under the entrance to the harbor, near Morro Castle and lighthouse. The castle, or fort, built by the Spaniards many years ago, is now occupied by troops and used as a barracks, I was informed.

I took pictures of the Maine Monument, particularly the eagle at the top thereof. Several years ago the monument was badly damaged by a hurricane. The original eagle fell and a new one was made. The old one was repaired and placed on the grounds of our Ambassador's residence.

At noon I was guest at a dinner given by the Sugar Institute, at the country club. Mr. Arturo Manas, the president, is as fine a man as I met on this trip. An able lawyer and a devoted Cuban, he has much commonsense. He would be excellent presidential timber if it were possible to elect him. I was very much impressed with his sincerity.

Julio Lobo [Julius Wolf], the recognized sugar king, was present. He loves Louisiana and its people. He was graduated from Louisiana State University and was employed as a chemist in some of our Louisiana mills for a few years. He is extremely wealthy and controls much of the sugar that is produced here.

I was asked to say a few words at the dinner. I began by saying that although a few years ago I was branded as "Cuba's Public Enemy No. 1," I had no horns growing on my head, that I merely did what any good Senator would do—that is, represent my constituency. I complained of the bad publicity handed out by some lobbyists and public relations men, who represented some of the Cuban interests in Washington. I emphasized that the material furnished did not reflect the facts and that all I sought to do was to provide for our continental producers their just share of a larger quota resulting from more consumption, because of increased population.

I was given quite an ovation when I said that it was my hope that Cuban interests would join us in extending the act in its present form. It is my hope that we can do so.

* * * * *

No laborsaving devices are permitted in the cane industry here unless the same number of laborers are hired, and are paid at the current rate. In other words, improvements could be made but all savings would come to naught because the same number of employees must be employed and actually paid at current rates. In effect, they become fixtures and are entitled by law to be paid, whether or not their jobs are abolished because of modernization. The colonos, or farmers, cannot be dispensed with, except for refusal to pay rentals fixed by law. A colono cannot be dispossessed by a landowner unless

the landowner pays a high price for what is termed a vested right. No improvements can be made unless the colono agrees to it.

* * * * *

At 9 a.m. on December 14, I was met by a delegation from the American Chamber of Commerce. It will be recalled that I was guest of honor at a luncheon given by the chamber of commerce just a few days earlier.

I toured some of the villages along the coast on the new highway that is now being built to the east of Havana, and I visited a large cement plant operated by Mr. Scott Thompson. Aside from Mr. Thompson, I was accompanied by Mr. Paul Heilman and Mr. Lawrence Crosby, of the chamber of commerce.

Most Americans here in Havana fear that they are in danger. Little can be done by them politically and they are entirely dependent on the government in power. They cannot openly choose sides for fear of reprisals. Here in Havana, and the surrounding areas, Batista is very strong, although despised by many, I was informed. I was also told that those who profess to be with Castro would not necessarily support him to head the government—that Castro is being used as a tool, in the hope that sufficient sentiment can be created against Batista so as to force him to quit.

The trouble here has been brewing for quite some time and quite a few Americans I spoke with seemed to feel that about all that our Government has been doing is standing on the sidelines and letting the situation worsen. It was the hope of some that the situation might adjust itself.

Much blame is put for some of the trouble at the doorstep of two of our leading American newspapers. I heard it said more than once that Herbert L. Matthews, a writer for the New York Times, made a hero of Fidel Castro, and that he was assisted by Jules DuBois of the Chicago Tribune who, it was said elbows around with Castro. I was told that DuBois wrote some very complimentary articles about Castro. DuBois, I was informed, is head of the International Press Association. Quite a few persons said he hates Batista to such an extent that he wrote very irresponsible articles about conditions in Cuba. Much of the information was distorted, I was told.

Most of the Americans I spoke to here, as well as many leading Cubans, feel that both the New York Times and the Chicago Tribune acted in utter disregard of the truth when they printed stories favoring Castro, that both newspapers cast their responsibility to the winds and printed unwarranted articles about the situation here.

These articles, I was told, had the effect of making Castro a hero, and thus able to gather more and more strength.

As I mentioned earlier, I believe that few people would choose Castro as a leader; he is used as a symbol of the hate that the Cubans bear against Batista. I was told that Castro has been riding high because of the favorable publicity he received from the American press, but few would trust him to be president and successor of Batista.

I asked about the recent election held for a successor to Batista. Few people, except Batista partisans, would say that the election reflected the will of the people. President-elect Andres Rivero Agucro is pictured as a stooge of Batista. On the other hand, I was told that Castro caused many voters to stay away from the polls. He threatened all eligible voters with trouble if they should participate in the election. There were quite a few riots all over Cuba and no doubt many people were put in fear to such an extent that they did not vote.

If Castro were the only contender, there might be some merit in the contention that he would do more for the country than Batista, if given a chance. The trouble is that Castro does not have the field to himself. While Castro heads the 26th of July movement, he is being opposed by two other factions—one headed by Carlos Prio's Authentic Organization and another, the Revolutionary Directory headed by Foure Chamount. All three are vying for power, and I fear more trouble will ensue if any one faction wins out, through a coup d'etat, or otherwise.

Prio is a former President of Cuba and is operating out of Florida, I was told. He is one of the strong men of the day.

What makes it difficult for Batista is, of course, his unpopularity. He is despised to the point where some people would do almost anything for a change. From all I heard about Batista, he has doubtless ruled —particularly in the last 2 years—with an iron hand. There are many charges of corruption leveled against his government, particularly in Army circles, yet, no one is in a position to prosecute the offenders as long as Batista is in power.

Most people I talked with take the position that a change from Batista to Castro, or anyone else, will not result in peace. They feel that corruption will be rampant, as in the past.

I know nothing of the situation of my own knowledge but the consensus of opinion seems to be that the Cuban treasury has lost much at the hands of some greedy high government officials, who took advantage of their positions to make themselves rich. If that is true, it will be rather difficult for any one person to restore dignity and honesty to the government overnight. It will require time, patience, and honesty of purpose.

Many stated to me that Batista has done a good job, even if there were graft. There is much physical evidence of an improving economy over the last 4 or 5 years. It is contended by some, and I am inclined to agree, that Cuba has never been so prosperous as she now is. Cuba had a balanced budget until this year, when arms were purchased at a very high price to maintain internal security.

I asked why it was necessary for such high prices to be paid.

I was informed that the high prices were due to the United States refusal to sell arms to Cuba. Other sellers simply charged as much as the traffic would bear.

A United States embargo was placed on armaments early in the year. Why that was done, I could not find out except that we were afraid of siding with the recognized government against factions opposed to Batista, and thus incur criticism from the Russians for interfering with the internal affairs of a sovereign state.

Whatever happened to make us stop, we did stop.

In the meantime, as I previously stated, Cuba has been paying high prices for a variety of inferior weapons from France, Great Britain, Switzerland, and even Israel.

I am not prepared now to say what we should have done, because I do not have access to all the facts, but it strikes me that so long as there was no real civil war prevailing there was no reason why we should not have sold military equipment to Cuba to maintain internal security.

I was told that if we had lived up to our promise to deliver arms on order, Cuba would not be in the trouble she now finds herself. Many persons were emphatic in stating that the fact that Batista government did not have sufficient arms to restore law and order caused Castro to expand his operations, and with the favorable publicity given to him by the American press he captured the attention of the people and was thereby able to get more and more followers.

Today I am told Castro will not permit sugar to move out of Oriente Province unless he is paid so much "tribute" per bag by the growers. Batista's government (which is recognized by us) is not able to stop these unlawful acts. Some of the canegrowers are willing to comply because of fear of reprisal. I was told that much military hardware is being smuggled from the States to those who oppose Batista. There is no doubt a move to throw Batista out, no matter what the consequences may be.

I personally believe that it is risky for us to merely stand by and let these things happen. It is certain that conditions will get worse, and I doubt that a successor to Batista chosen in the heat of battle will be any improvement in the long run. If the civil strife now prevailing should be maintained, it may develop into a full-fledged civil war, which would be a tragedy for all parties concerned, including the United States. We cannot afford to merely stand on the sidelines.

Now, what to do is the question.

Certainly, since we have recognized the present regime, we should not hesitate to take such steps as are necessary to at least permit that regime to restore law and order and maintain internal security. If a fair amount of equipment to be used for that purpose is necessary, we should not hesitate to sell it. No one would expect us to take sides in case of bona fide civil war, and we should not.

I repeat, it would be a tragedy for civil war to break out in our backyard. Since Batista is held in disfavor in so many quarters, it may be possible to persuade him to quit, provided that the Government of Cuba is placed in the hands of a competent and independent provisional commission.

Since it is the objective of the factions that are opposing Batista to oust him and make an effort to restore law and order, all might agree to the selection of a competent commission to govern Cuba for the next few years, until tempers cool. Should that course be pursued, then those opposed to Batista would have won their point by causing him to agree to resign. Castro's main objective, I was told, is to rid Cuba of Batista, period.

Also, if such a suggestion were accepted it would be a Godsend, in that it would doubtless end the strife that is now going on, and avert an all-out civil war.

Unless such a course is pursued, Cuba's now thriving economy may be set back for many years. Private capital may cease to flow into the country because of instability.

From all that I have heard, I doubt that peace will come if the President-elect takes office in February. The Batista-haters will by no means be satisfied and strife will unquestionably persist for some time.

The Cubans are good people They are very sensitive and easily aroused, but I have a feeling that they would listen to reason. The Cubans look upon us as big brothers. The masses would welcome actual intervention by us, but of course that is out of the question. Since conditions have been allowed to deteriorate to such an extent, all that we can now do is to offer reasonable suggestions along the lines I have submitted, so that the Government can keep on functioning for the good of Cuba and not for the benefit of a chosen few.

Cuba should be sold to Cubans. They should be instilled with the great benefits that will accrue to all the people if only stability can be restored to their government.

Emphasis should be placed on the damage and losses that confront her should all-out war occur. We should appeal to the patriotism of all leaders to end the current strife, avert nationwide civil war, and enter into a cooling-off period so that order can be restored.

A commission, composed of good, honest men should take charge for at least 2 years. The military should be removed from the picture, except as may be necessary to assure internal security. Once this were done, then free elections could be scheduled and an effort made to elect honest, patriotic, and worthy servants to carry on for the people.

My fear is that if Castro is successful, strife will continue and the military will remain all powerful and will actually rule the country—that one dictator will merely be replaced by another.

This ends the extracts from my diary.

Mr. ELLENDER. Mr. President, I wish to refer further to Mr. O'Rourke's article in which he writes:

He said the public relations campaigns over the sugar quota were "putrid and rotten" and that he would do all that he could to retain Cuba's sugar quota. Apparently today he changed his mind.

Mr. O'Rourke was referring to me.

Mr. President, the statement I made that the public relations campaign on behalf of Cuban sugar growers being putrid was made 3 years ago, when the act as it now appears was placed on the statute books. The public relations results which were created in this country by sugar lobbyists from Cuba were, in my opinion, bad.

As a matter of fact, I feel sure that this bad public relations work caused a great many Senators to vote as they did on the bill. These lobbyists from Cuba made many statements that were untrue, and I resented them very much.

All I sought to do at that time was to give to the producers of sugar in the continental United States their just share of the increased domestic consumption, caused, in part, by our increase in population.

For Mr. O'Rourke to take out of context a statement made by me 3 years ago—a statement which is inapplicable to the present situation—is unpardonable. He should have known better.

I wish to state to the people of Cuba that, insofar as I am concerned, I shall do all I can to have the Sugar Act as it is now written extended, without any amendments.

I would also like to point out that in the last two paragraphs of his article, Mr. O'Rourke attempts to leave the impression that I was at odds with the personnel of our Embassy in Havana.

Nothing could be further from the truth. I asked them for information on various programs being conducted in that country and they furnished me with what I requested. I know of no friction between them and me. By and large, I found most of our Embassy personnel to be hard-working, conscientious persons who cooperated with me to the fullest extent.

As to the views I expressed at a press conference, they can be found in my diary quoted above.

CONSTITUTIONAL AMENDMENT TO RESTORE STATE AND LOCAL ADMINISTRATIVE CONTROL OVER PUBLIC SCHOOLS

Mr. TALMADGE. Mr. President, in a speech before the Senate on January 27, I proposed a constitutional amendment to restore State and local administrative control over public schools.

During the course of my remarks on that occasion, I referred to the fact that Congress, in voting last year to admit Alaska to the Union, gave to our 49th State exclusive and perpetual control over its public schools and colleges.

The fact that such a grant of authority was made obviously was not common knowledge, because its assertion by me has occasioned expressions of great surprise on the part of many Americans—including the President of the United States.

The New York Times of Thursday, January 29, in printing a transcript of the Chief Executive's news conference of the preceding day, quoted Mr. Eisenhower as stating that such was—to use his word—"a matter that I have not even heard about."

The Times' transcript added this further comment from the President:

I didn't know that there was any difference in the responsibility and authority of the new State of Alaska as compared to other States.

That, Mr. President, was an official statement by the man who signed into law the Alaska Statehood Act.

In order that there may be no mistaking the fact that such a grant of authority was approved by the 2d session of the 85th Congress, I wish to read directly from Public Law 85–508, which was passed in providing for the admission of the State of Alaska to the Union. On page 4 of that statute, the following language is found under the designation of section 6(j):

The schools and colleges provided for in this act shall forever remain under the exclusive control of the State, or its governmental subdivisions.

That language is clear and explicit; and, in the absence of any statement of legislative intent to the contrary, it can only be interpreted as giving to the State of Alaska and its political subdivisions the authority, for all time to come, to operate the State's schools and colleges as they may conjunctively see fit.

If so recent a provision of law is news to the President and the American people, Mr. President, perhaps it will be an even greater revelation for me to report that research just completed, at my request, by the Library of Congress discloses that 10 other States likewise were granted exclusive control over their educational institutions upon their admission to statehood.

Such grants of authority were made to the States of North Dakota, South Dakota, Montana, and Washington, in 1889; to the States of Idaho and Wyoming, in 1890; to the State of Utah, in 1894; to the State of Oklahoma, in 1906; and to the States of New Mexico and Arizona, in 1912.

In each case, Mr. President, the term "exclusive control" was used; and, with the one exception of Oklahoma, each such delegation of power was made forever. In the case of Oklahoma there was written into the law a further proviso assuring that the act would "not be construed to prevent the establishment and maintenance of separate schools for white and colored children."

I ask unanimous consent, Mr. President, to have the memorandum setting forth the specific language of the school provisions of those admission statutes, as provided me by the Legislative Reference Service of the Library of Congress, printed herewith in the RECORD, as a portion of my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., February 3, 1959.

To Hon. HERMAN E. TALMADGE.
From American Law Division.

Subject: List of the States which were given exclusive control over their public school systems by express provision of the enabling acts admitting them to the Union together with the text of the language used in each instance.

You have asked for a list of the States which were given exclusive control over their public school systems by express provision of the enabling acts admitting them to the Union together with the text of the language used in each instance.

In the statute enacted to enable the admission of the States of North Dakota, South Dakota, Montana, and Washington the following language appeared:

"The schools, colleges, and universities provided for in this act shall forever remain under the exclusive control of the said States, respectively, and no part of the proceeds arising from the sale or disposal of any lands herein granted for educational purposes shall be used for the support of any sectarian or denominational school, college, or university." (Public Law 52, 50th Cong., 2d sess., ch. 180, sec. 14; 25 Stat. 676, 680 (1889).)

Similar language appears in similar context in the enabling act or act of admission for each State admitted to the Union since that time. The specific provisions concerning each of these States are as follows:

IDAHO

"SEC. 8. • • • The schools, colleges, and universities provided for in this act shall forever remain under the exclusive control of the said State, and no part of the proceeds arising from the sale or disposal of any lands herein granted for educational purposes shall be used for the support of any sectarian or denominational school, college, or university." (51st Cong., 1st sess., ch. 656, sec. 8, 26 Stat. 215, 216 (1890).)

WYOMING

"SEC. 8. • • • The schools, colleges, and universities provided for in this act shall forever remain under the exclusive control of the said State, and no part of the proceeds arising from the sale or disposal of any lands herein granted for educational purposes shall be used for the support of any sectarian or denominational school, college, or university." (51st Cong., 1st sess., ch. 664, sec. 8, 26 Stat. 222, 223 (1890).)

UTAH

"SEC. 11. The schools, colleges, and university provided for in this act shall forever remain under the exclusive control of said State, and no part of the proceeds arising from the sale or disposal of any lands herein granted for educational purpose, or of the income thereof, shall be used for the support of any sectarian or denominational school, college, or university." (53d Cong., 2d sess., ch. 138, sec. 17, 28 Stat. 107, 110 (1894).)

OKLAHOMA

"SEC. 8. • • • Such educational institutions shall remain under the exclusive control of said State, and no part of the proceeds arising from the sale or disposal of any lands herein granted for educational purposes, or the income or rentals thereof, shall be used for the support of any religious or sectarian school, college, or university." (59th Cong., 1st sess., ch. 3335, sec. 8, 34 Stat. 267, 273 (1906).)

NOTE.—Section 3 of the same act contained the following provision:

"Fifth. That provisions shall be made for the establishment and maintenance of a system of public schools, which shall be open to all the children of said State and free from sectarian control; and said schools shall always be conducted in English: *Provided*, That nothing herein shall preclude the teaching of other languages in said public schools: *And provided further*, That this shall not be construed to prevent the establishment and maintenance of separate schools for white and colored children."

NEW MEXICO AND ARIZONA

"SEC. 8. That the schools, colleges, and universities provided for in this act shall forever remain under the exclusive control of said State, and no part of the proceeds arising from the sale or disposal of any lands granted herein for educational purposes shall be used for the support of any sectarian or denominational school, college, or university." (Applicable to New Mexico.)

"SEC. 26. That the schools, colleges, and universities provided for in this act shall forever remain under the exclusive control of the said State, and no part of the proceeds arising from the sale or disposal of any lands granted herein for educational purposes shall be used for the support of any sectarian or denominational school, college, or university." (Applicable to Arizona.) (61st Cong., 2d sess., ch. 310, secs. 8 and 26, 36 Stat. 557, 563, 573, 714.)

ALASKA

"SEC. 6. * * *

"(j) The schools and colleges provided for in this act shall forever remain under the exclusive control of the State, or its governmental subdivisions, and no part of the proceeds arising from the sale or disposal of any lands granted herein for educational purposes shall be used for the support of any sectarian or denominational school, college, or university." (July 7, 1958 [H.R. 7999] Public Law 85-508, 85th Cong., 2d sess., sec. 6j.)

You have also asked for certain excerpts from "The Commission on Intergovernmental Relations—A Report to the President for Transmittal to Congress." We are enclosing a copy of House Document No. 198, 84th Congress, 1st session, which contains the entire report of the Commission.

VINCENT A. DOYLE,
American Law Division.

Mr. TALMADGE. Mr. President, the number of States possessing such power well may be increased to an even dozen before the end of this session of Congress. That possibility exists because the Hawaiian statehood bills pending in both the Senate and the House of Representatives provide, in section 5(c), that "the schools and other educational institutions supported, in whole or in part, out of such public trust shall forever remain under the exclusive control of said State."

In bringing out these facts, Mr. President, it is not my intention to be critical of those States which have been granted extraordinary power over their public educational institutions.

To the contrary, it is my firm conviction that such power should be possessed and exercised by those States.

And, by the same token, it is my strong feeling that all of our 49 States should possess similar authority.

It is out of that conviction and feeling that I have proposed, as set forth in Senate Joint Resolution 32, an amendment to the Constitution of the United States which would assure all States of that right. If submitted by Congress and ratified by three-fourths of the States, it would add to our Constitution the following language:

Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution, or system is administered by such State and subdivision.

That is a proposition, Mr. President, with which every American who wishes a voice in the education of his children will agree.

That is a proposition, Mr. President, which every person who subscribes to our constitutional heritage of local self-government and local self-determination will support.

It is a proposition which is supported by history.

Our Founding Fathers recognized that education was a local responsibility, and thus left it as one of the areas retained for exclusive State and local control under the terms of the 9th and 10th amendments to the Constitution.

It is a proposition which is supported by the local nature of school financing.

According to figures supplied me by the Library of Congress, 53.9 percent of all public school revenue is raised on the local level, and 39.5 percent on the State level, compared to only 4.6 percent on the Federal level. A total of 79.7 percent of all capital outlay funds for public school facilities comes from the local level, which, added to another 8.8 percent from the State level, compares to only 3.6 percent from the Federal level.

It is a proposition which is supported by the findings of responsible Federal study groups.

In a report issued June 28, 1955, President Eisenhower's Commission on Intergovernmental Relations declared that the "national interest in education, like many other national objectives, is best served by State and local administration and control." The report characterized local control of education as "one of our most prized possessions."

Mr. President, I ask unanimous consent to have printed herewith in the RECORD the tables on sources of school revenue and capital outlay provided me by the Library of Congress and the text of chapter 9 of the report of the Commission on Intergovernmental Relations with reference to education.

There being no objection, the tables and the extract were ordered to be printed in the RECORD, as follows:

TABLE 3.—*Revenue and nonrevenue receipts, and balances from previous year, by State: 1955–56*

[Amounts in thousands of dollars]

Region and State	Total amount available (cols. 3+4+15)	Balances from previous year	Revenue receipts (taxes, appropriations, etc.), by source										Total nonrevenue receipts (bonds, loans, etc.)
			Total revenue receipts	Federal		State		Intermediate		Local [1]		Other revenue receipts [2]	
				Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Continental United States:														
1955–56	14,529,654	2,486,788	9,686,677	441,442	4.6	3,828,886	39.5	173,624	1.8	5,220,435	53.9	22,291	0.2	2,356,189
1953–54	11,825,192	2,134,336	7,866,852	355,237	4.5	2,944,103	37.4	240,733	3.1	4,306,521	54.7	20,258	.3	1,824,004
Percent increase, 1953–54 to 1955–56	22.9	16.5	23.1	24.3	----	30.1	----	(3)	----	21.2	----	10.0	----	29.2
Northeast	3,617,573	416,340	2,492,313	63,817	2.6	846,147	34.0	19	(4)	1,580,481	63.4	1,850	.1	708,920
Connecticut	156,705	----	123,870	6,120	4.9	32,639	26.3	----	----	85,111	68.7	----	----	32,835
Maine	44,809	1,576	38,076	1,972	5.2	10,316	27.1	----	----	25,784	67.7	4	(4)	5,156
Massachusetts	238,170	----	238,170	8,279	3.5	50,517	21.2	----	----	179,219	75.2	155	.1	----
New Hampshire	38,094	6,176	25,552	1,507	5.9	1,399	5.5	----	----	22,596	88.4	50	.2	6,366
New Jersey	534,821	108,643	329,087	8,258	2.5	79,518	24.2	19	(4)	240,749	73.2	544	.2	97,091
New York	1,804,960	228,189	1,083,981	21,340	2.0	386,473	35.7	----	----	675,241	62.3	928	.1	492,791
Pennsylvania	726,740	61,927	507,370	13,385	2.2	274,516	46.0	----	----	309,469	51.8	----	----	67,444
Rhode Island	46,367	8,758	37,609	2,051	5.5	5,983	15.9	----	----	29,576	78.6	----	----	----
Vermont	26,907	1,071	18,598	905	4.9	4,787	25.7	----	----	12,737	68.5	169	.9	7,238

See footnotes at end of table.

TABLE 3.—*Revenue and nonrevenue receipts, and balances from previous year, by State: 1955–56*—Continued

[Amounts in thousands of dollars]

Region and State	Total amount available (cols. 3+4+15)	Balances from previous year	Revenue receipts (taxes, appropriations, etc.), by source										Total nonrevenue receipts (bonds, loans, etc.)
			Total revenue receipts	Federal		State		Intermediate		Local [1]		Other revenue receipts [2]	
				Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
North Central	4,624,391	968,251	2,777,241	99,910	3.6	859,512	30.9	78,441	2.8	1,733,321	62.4	6,057	.2	878,900
Illinois	817,699	165,405	437,945	15,586	3.6	105,251	24.0	13	(4)	317,095	72.4	----------	----------	214,349
Indiana	297,092	----------	262,837	7,055	2.7	88,601	33.5	739	.3	166,491	63.3	551	.2	34,255
Iowa	308,870	83,552	174,046	4,899	2.8	22,922	13.2	1,802	1.0	141,812	81.5	2,612	1.5	51,271
Kansas	197,391	25,580	143,273	8,791	6.1	33,250	23.2	23,813	16.6	77,418	54.0	----------	----------	28,538
Michigan	874,535	192,024	528,281	13,501	2.6	256,257	48.5	1,809	.3	256,715	48.6	----------	----------	154,230
Minnesota	344,765	66,178	201,203	7,043	3.5	80,227	39.9	8,545	4.2	104,042	51.7	1,347	.7	77,384
Missouri	333,875	94,227	200,045	9,846	4.9	72,917	36.5	13,394	6.7	103,336	51.7	551	.3	39,603
Nebraska	138,583	35,095	69,220	3,485	5.0	4,515	6.5	6,971	10.1	53,948	77.9	302	.4	34,267
North Dakota	63,613	17,618	35,794	1,520	4.2	9,218	25.8	7,658	21.4	17,398	48.6	----------	----------	10,201
Ohio	829,113	185,147	474,057	17,814	3.8	142,398	30.0	54	(4)	313,697	66.2	93	(4)	169,909
South Dakota	71,647	22,521	42,445	2,558	6.0	4,275	10.1	7,067	16.6	28,545	67.3	----------	----------	6,680
Wisconsin	347,209	80,903	208,094	7,813	3.8	40,281	19.4	6,576	3.2	152,824	73.4	600	.3	58,213
South	3,315,996	409,583	2,537,787	174,759	6.9	1,377,693	54.3	21,422	.8	953,068	37.6	10,845	.4	368,626
Alabama	147,750	11,704	132,584	10,036	7.6	97,836	73.8	----------	----------	24,198	18.3	514	.4	3,462
Arkansas	87,068	13,846	63,100	7,038	11.2	26,724	42.4	----------	----------	29,337	46.5	----------	----------	10,123
Delaware	40,198	7,816	25,684	780	3.0	21,490	83.7	----------	----------	3,414	13.3	----------	----------	6,697
Florida	314,383	74,181	201,283	10,615	5.3	107,073	53.2	----------	----------	83,472	41.5	124	.1	38,919
Georgia	187,818	18,450	159,509	12,683	8.0	103,403	64.8	----------	----------	42,854	26.9	569	.4	9,858
Kentucky	112,897	----------	104,375	8,728	8.4	37,462	35.9	----------	----------	57,898	55.5	287	.3	8,522
Louisiana	251,225	43,720	171,005	7,913	4.6	107,742	63.0	----------	----------	53,865	31.5	1,485	.9	36,500
Maryland	225,916	21,952	157,593	13,112	8.3	51,445	32.6	----------	----------	92,483	58.7	554	.4	46,371
Mississippi	95,650	10,153	80,609	6,232	7.7	41,804	51.9	9,805	12.2	22,768	28.2	----------	----------	4,887
North Carolina	262,207	29,476	214,486	13,060	6.1	148,045	69.0	----------	----------	49,834	23.2	3,548	1.7	18,245
Oklahoma	166,850	----------	136,277	10,104	7.4	58,678	43.1	9,987	7.3	57,496	42.2	14	(4)	30,573
South Carolina	160,670	15,377	138,081	6,688	4.8	102,864	74.5	----------	----------	28,523	20.7	6	(4)	7,211
Tennessee	174,552	16,044	139,370	10,028	7.2	81,820	58.7	----------	----------	47,060	33.8	462	.3	19,138
Texas	713,663	98,321	514,915	24,917	4.8	277,498	53.9	1,630	.3	208,760	40.5	2,110	.4	100,427
Virginia	223,298	32,751	167,648	23,180	13.8	58,534	34.9	----------	----------	84,828	50.6	1,105	.7	22,899
West Virginia	110,717	13,077	92,847	4,231	4.6	55,275	59.5	----------	----------	33,274	35.8	66	.1	4,794
District of Columbia	41,133	2,714	38,419	5,415	14.1	----------	----------	----------	----------	33,004	85.9	----------	----------	----------
West	2,971,694	692,615	1,879,336	102,957	5.5	745,534	39.7	73,743	3.9	953,564	50.7	3,539	.2	399,742
Arizona	107,066	23,992	71,992	5,694	7.9	22,257	30.9	7,809	10.8	36,134	50.2	99	.1	11,082
California	1,777,560	416,320	1,096,263	50,729	4.6	450,376	41.1	22,650	2.1	569,930	52.0	2,578	.2	264,977
Colorado	220,676	68,180	109,904	6,905	6.3	20,427	18.6	8,837	8.0	73,521	66.9	214	.2	42,592
Idaho	54,397	8,142	37,405	2,194	5.9	9,574	25.6	5,120	13.7	20,517	54.9	----------	----------	8,850
Montana	82,898	24,963	48,322	2,793	5.8	11,969	24.8	13,387	27.7	20,173	41.7	----------	----------	9,614
Nevada	25,165	8,053	16,292	2,468	15.2	6,705	41.2	----------	----------	7,118	43.7	----------	----------	820
New Mexico	96,507	26,208	64,866	8,256	12.7	42,070	64.9	----------	----------	14,525	22.4	14	(4)	5,433
Oregon	171,767	23,298	135,983	4,855	3.6	35,965	26.4	4,933	3.6	90,229	66.4	----------	----------	12,486
Utah	84,320	17,868	60,673	3,484	5.7	22,941	37.8	----------	----------	34,132	56.3	117	.2	5,779
Washington	306,981	70,338	206,152	14,494	7.0	110,806	53.7	9,459	4.6	71,392	34.6	----------	----------	30,491
Wyoming	44,357	5,254	31,486	1,085	3.4	12,444	39.5	1,548	4.9	15,892	50.5	518	1.6	7,617
Outlying parts of the United States:														
Alaska	13,860	----------	13,860	2,642	19.1	6,838	49.3	----------	----------	4,380	31.6	----------	----------	----------
American Samoa	(5)	----------	(5)	295	----------	----------	----------	----------	----------	(5)	----------	----------	----------	----------
Canal Zone	2,902	----------	2,902	2,902	100.0	----------	----------	----------	----------	----------	----------	----------	----------	----------
Guam	2,238	----------	2,238	----------	----------	----------	----------	----------	----------	2,238	100.0	----------	----------	----------
Hawaii	29,724	191	29,532	3,330	11.3	----------	----------	----------	----------	26,053	88.2	149	.5	1
Puerto Rico	53,637	----------	53,637	9,545	17.8	----------	----------	----------	----------	44,092	82.2	----------	----------	----------
Virgin Islands	1,197	----------	1,197	143	12.0	----------	----------	----------	----------	1,051	87.8	3	.3	----------

[1] When a county operates public schools directly, it is classified as "local"; but when a county serves as an administrative unit between the State and local school districts it is classified as "intermediate."

[2] Includes gifts and also tuition and transportation fees from patrons.

[3] A direct comparison between the 1955–56 data and the 1953–54 data cannot readily be made because of a reclassification of items comprising "intermediate" and "local."

[4] Less than 0.05 percent.

[5] Incomplete; amount of local funds provided by villages not available.

NOTE.—Detail may not add to totals because of rounding.

TABLE 3.—*Total expenditures for public schools, capital outlay, and interest on school debt, for a period of 7 years: 1950–51 to 1956–57*

State	Total expenditures for public schools	Amount of capital outlay by source of funds					Amount for interest on debt
		Total	Local, 79.7 percent	State, 8.8 percent	Federal, 3.6 percent	School building authorities, 7.9 percent	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	$65,131,492,110	$14,972,593,217	$11,939,419,625	$1,311,548,270	$537,739,093	$1,183,886,229	$1,165,194,317
Alabama	783,722,756	87,735,247	52,091,686	21,288,048	14,355,513	0	4,384,699
Arizona	441,786,134	105,783,952	91,899,959	0	13,883,993	0	7,815,440
Arkansas	453,001,130	85,082,169	65,984,375	8,420,324	10,677,470	0	12,216,820
California	7,289,560,019	2,071,911,679	1,522,019,111	465,185,719	84,706,849	0	135,745,032
Colorado	663,775,783	171,341,541	160,490,615	0	10,850,926	0	16,147,526
Connecticut	892,691,000	207,102,000	190,022,697	10,869,366	6,209,937	0	18,979,000
Delaware	184,440,054	62,363,505	22,745,168	39,353,057	265,280	0	2,038,353
Florida	1,181,109,055	293,978,212	238,139,206	42,835,111	13,003,895	0	22,692,888
Georgia	1,162,170,050	268,525,857	101,973,165	----------	25,565,304	140,987,388	8,263,381
Idaho	259,555,022	53,468,427	49,597,684	0	3,870,743	0	4,231,329
Illinois	3,677,960,896	832,263,000	822,101,543	0	10,161,457	0	90,009,112
Indiana	1,621,014,568	258,976,324	166,223,361	8,252,965	5,420,623	79,079,375	13,034,000
Iowa	1,122,970,000	243,367,100	241,649,903	0	1,717,197	0	12,992,000
Kansas	950,568,438	253,533,973	244,337,169	0	9,196,804	0	20,403,000
Kentucky	786,874,000	144,851,796	31,302,996	8,582,880	4,873,921	100,092,000	15,863,950

TABLE 3.—*Total expenditures for public schools, capital outlay, and interest on school debt, for a period of 7 years: 1950–51 to 1956–57*—Continued

State	Total expenditures for public schools	Amount of capital outlay by source of funds					Amount for interest on debt
		Total	Local, 79.7 percent	State, 8.8 percent	Federal, 3.6 percent	School building authorities, 7.9 percent	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Louisiana	$1,171,992,057	$217,534,825	$212,974,618	$0	$4,560,207	0	$29,651,113
Maine	252,077,002	27,640,028	21,683,983	22,437	1,840,142	$4,093,466	2,203,108
Maryland	1,078,562,000	312,758,000	187,533,396	95,366,389	29,858,215	0	27,819,000
Massachusetts	1,581,047,000	255,637,424	254,440,009	0	1,197,415	0	
Michigan	3,484,082,012	787,915,231	726,665,867	32,619,691	28,629,673	0	50,850,890
Minnesota	1,434,801,770	355,611,000	352,970,687	0	2,640,313	0	31,678,000
Mississippi	449,014,225	53,863,529	39,057,614	10,426,283	4,379,632	0	88,000
Missouri	1,324,214,353	259,246,673	238,390,081	10,677,917	10,178,675	0	13,182,160
Montana	287,338,292	49,347,066	45,684,867	0	3,662,199	0	2,568,374
Nebraska	483,060,245	67,901,688	65,140,766	0	2,760,922	0	6,068,612
Nevada	115,528,662	34,629,041	29,328,523	500,000	4,802,518	0	2,840,229
New Hampshire	172,037,000	31,155,382	30,929,381	0	226,001	0	1,936,000
New Jersey	2,248,387,658	470,134,380	464,648,686	808,050	4,677,644	0	46,833,650
New Mexico	369,110,013	85,770,570	67,795,115	0	17,975,455	0	3,999,190
New York	7,242,438,000	1,789,790,000	1,778,718,000	0	11,072,000	0	201,863,000
North Carolina	1,464,504,000	320,573,776	230,360,973	83,738,803	6,474,000	0	22,570,081
North Dakota	248,063,329	45,255,229	40,421,190	4,548,812	285,227	0	2,498,694
Ohio	3,324,443,100	836,236,333	795,183,924	23,277,553	17,774,856	0	81,208,736
Oklahoma	860,347,849	157,216,936	138,580,487	0	18,636,449	0	12,115,000
Oregon	852,382,082	204,696,967	201,856,539	0	2,840,428	0	15,281,851
Pennsylvania	4,434,691,000	1,121,331,475	259,328,537	0	4,245,938	857,757,000	41,716,622
Rhode Island	202,954,759	22,264,709	20,151,575	0	2,113,134	0	
South Carolina	782,078,000	226,947,884	41,563,239	176,593,820	8,790,825	0	12,931,288
South Dakota	273,129,158	35,971,888	34,103,520	0	1,868,368	0	2,539,000
Tennessee	930,662,000	162,174,210	107,494,974	46,725,000	7,954,236	0	5,041,702
Texas	3,220,480,531	616,950,458	578,943,155	0	38,007,303	0	101,014,852
Utah	375,915,489	104,423,672	92,298,538	5,304,265	6,820,869	0	4,243,659
Vermont	135,224,670	20,682,377	15,140,352	5,356,874	185,151	0	1,338,363
Virginia	1,151,667,266	331,823,779	182,913,119	105,974,116	42,936,544	0	14,541,010
Washington	1,287,855,994	367,643,253	260,783,114	75,602,481	31,257,658	0	15,945,159
West Virginia	634,147,000	91,241,000	87,097,000	3,999,000	145,000	0	5,328,000
Wisconsin	1,375,357,000	293,305,744	265,545,274	25,219,309	664,161	1,877,000	12,846,000
Wyoming	182,603,689	48,342,908	47,691,885	0	651,023	0	2,636,444
District of Columbia	230,096,000	26,291,000	23,424,000	(23,424,000)	2,867,000	0	0
Total	610,946,089	74,608,149	8,135,915	29,620,800	36,851,434	0	3,713,104
Alaska	95,143,425	43,427,543	7,019,000	7,922,552	28,485,991	0	2,470,000
American Samoa	1,842,574	33,200			33,200	0	
Canal Zone	21,732,870	1,509,587	0	0	1,509,587	0	0
Guam	14,829,000	2,662,000		2,472,000	190,000	0	0
Hawaii	171,104,960	13,831,357	1,116,915	6,174,654	6,539,788	0	1,243,104
Puerto Rico	299,521,330	11,713,602	0	11,620,734	92,868	0	0
Virgin Islands	6,771,930	1,430,860	(1,430,860)	1,430,860		0	

Source: U.S. Office of Education. Thermofax copy of table 3 taken from manuscript of "Financing Public School Facilities," unpublished at this date.

CHAPTER 9. EDUCATION

Throughout their history, the American people have adhered strongly to the philosophy of popular education for citizenship. During colonial times and the early days of the Republic, voluntary secular groups, religious bodies, and the family were largely responsible for the maintenance of schools. Very early, however, a public responsibility came to be recognized, first in New England, later in other colonies, although from that time to the present, private and religious schools have continued as a very significant supplement to publicly supported education.

Beginning in the second quarter of the 19th century, the movement for universal primary and secondary education led to a tremendous growth of public schools throughout the country. Although local school districts or similar areas assumed the responsibility for public education, most of the State governments began to give financial support and to set minimum educational standards. Although responsibility for the immediate control and support of the primary and secondary school system is still in the school district, the role of the State governments has steadily expanded.

The educational activities of the National Government have been varied and do not make up any clearly defined pattern. In the ordinance of 1785 and in later instances, grants of public lands were authorized to help States and Territories establish school systems. Significant as these grants were, they constituted single transactions and did not initiate a continuing national program of action for the support of education.

ROLE OF THE NATIONAL GOVERNMENT

Of all the existing Federal programs, the activities of the Office of Education of the Department of Health, Education, and Welfare are most directly related to the promotion of education. The Office of Education conducts research, provides information and service to school authorities and to Government agencies in the United States and abroad, compiles and publishes statistics and bulletins, and performs varied service activities. It administers the temporary programs of financial assistance for school construction and operation in federally affected areas. It also administers grants to States in support of resident instruction at land-grant colleges and the program of aid to vocational education, started in 1917. While vocational education is now tied to general education more closely than it used to be, the Federal program grew largely from an interest in promoting certain vocational skills, and not education generally.

Most Federal activities in support of education have been incidental to other national objectives. Assistance to land-grant colleges, agricultural extension programs, and agricultural research have all been designed to improve agriculture. Aside from these specialized grants-in-aid, funds have been provided to institutions of higher education in support of ROTC and other training programs, defense research, and veterans' programs. None of these latter programs, of course, has as its object the support of education in general, and none is administered by the Office of Education. During the 1930's, the emergency public-works program, established for the purpose of providing employment, included many school building construction projects. Another program—grants for construction and operation of schools in areas especially affected by Federal activities—is an outgrowth of the impact of large wartime and defense installations on certain communities.

The cash and commodity grants to the States and to private nonprofit schools for school lunch programs are intended to promote child health, encourage the consumption of farm products, and prevent waste of food surpluses. School lunch programs are not directly related to the support of education. It should be noted that this program is administered nationally by the Department of Agriculture.

Notwithstanding the importance of these Federal programs, direct responsibility for general public education has been left with the States. Functions of primary and secondary education are generally carried out by local units. The extent of participation by the State governments varies widely from State to State.

The American people can take pride in the accomplishments of State and local governments in the continued extension of educational opportunities. Financial support has on the whole been generously provided and standards have steadily risen, even in the less wealthy States. There is ample reason to regard State and local control of education as one of our most prized traditions. The Commission is not complacent about the problems which confront our educational system as a result of the impending increase in school population and the resultant need for additional classrooms, and the existing shortage of teachers, but it believes that the American people will address themselves vigorously to their responsibilities in this matter.

That the primary responsibility for the support of general public education should continue to rest with the States and local

units is not in dispute. But there are disagreements in determining the nature of national responsibility, and in deciding how that responsibility should be discharged.

Since the early years of the Republic, our citizens have insisted upon free public education. In Madison's words, "a popular government, without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy, or perhaps both."[1] It is beside the point and completely unnecessary to justify a national interest in education solely upon considerations of national defense or population mobility. Although organized as a Federal system, ours is one nation, and there is an inherent and indisputable national interest in having an educated citizenry; only in this way can National, as well as State and local, self-government be ensured.

But there is nothing incompatible between the national interest in an educated citizenry and our tradition of leaving responsibility for general public education to the States. The national interest in education, like many other national objectives, is best served by State and local administration and control. The Commission believes that with certain exceptions, noted later, national action directly related to general public education is best confined to research, advisory, and clearinghouse functions such as those currently performed by the Office of Education.

It remains to apply these general considerations to existing Federal programs and to the present and anticipated shortages in elementary and secondary school facilities.[2]

SCHOOL LUNCH PROGRAMS

Irregular emergency grants for school lunches date back to 1933. Annual donations of agricultural commodities began in 1935, and annual cash grants for balanced lunches in 1943. The primary authorization for the present program is the National School Lunch Act of 1946, under which the Department of Agriculture distributes cash and commodities to States for nonprofit school lunches, and make cash payments directly to nonprofit private schools in the 27 States that prohibit any State payments to private schools.

In the fiscal year 1953, the National Government contributed in cash and commodities slightly more than one-quarter of the cost of the entire program. The States and local governments contributed about one-fifth, parents more than one-half. The National Government's contribution was almost equally divided between cash payments and commodity donations, so that national cash payments—just over $67 million—constituted a little over one-eighth of the total cost of $513 million. The program reached one-third of all elementary and secondary school children.

The value of Federal commodity purchases and donations rose to $109 million in the fiscal year 1954 and is estimated to reach $100 million in 1955, including expenditures of about $20 million out of the $50 million authorized for the milk program in 1954.

The Commission recognizes the accomplishments of the school lunch program and recommends that States take action to expand the program to include many schools and school children presently unable to participate.

With respect to Federal assistance to State and local school-lunch programs, the Commission recommends (1) the continuation of commodity donations as long as these stocks continue to be acquired and held as surplus by the National Government; and (2) the reduction and elimination of cash grants after a reasonable period of time, with the assumption by States, localities, and parents of full responsibility for the cash financing required.[3] [4]

Federal cash grants and commodity donations have played a major part in developing this highly beneficial program. That these grants have largely accomplished their purpose is evidenced by the increased State and local contributions and payments by parents. It would seem that from here on the strengthening of the program depends mainly on State action to reach additional schools and more children. In any event, the support of the National Government will continue for some time through substantial commodity donations; this support should be expanded, if feasible. With such support, the States and localities should, and can, assume full responsibility for the cash payments needed to supplement commodity donations by the National Government and payments by parents. The Commission emphasizes the fact that the National Government's cash contribution constitutes only a little over one-eighth of the total cost of the program. The assumption of this portion of the program by States, localities, and parents will not involve a hardship.

SCHOOLS IN FEDERALLY AFFECTED AREAS

Since 1941 the National Government has provided money for schools in what are legally defined as federally affected areas. Conditions of eligibility and allotment criteria are provided by law. Grants are made directly to eligible school districts, and matching is not required. Payments are now authorized up to June 30, 1956.

The Commission recommends that legislative authorization be continued for grants for school construction and operation in federally affected areas for such time as the need exists.

The existing legislation properly recognizes the obligation of the National Government to support education in areas where increased school enrollment arising from activities of the National Government places a substantial and continuing burden on local school districts. This burden is often aggravated by the tax-exempt status of Federal property in the affected areas. Special assistance for the support of schools will sometimes be unnecessary and in other cases can be substantially curtailed if the Commission's recommendations for payments in lieu of taxes are adopted. There will, however, be situations calling for continuing support from the National Government.

VOCATIONAL EDUCATION

Concerned by the shortages of trained labor, the National Government in 1917 provided grants-in-aid to the States for the salaries and training of teachers of agricultural, trade and industrial, and home economics subjects in public schools. Subsequent laws have broadened the scope of Federal aid. Total grants now amount to around $25 million, distributed among several categories.

In the fiscal year 1953, Federal grants accounted for only 17.4 percent of total public expenditures for vocational education. The States contributed 35.8 percent and local governments 46.8 percent. There are only 3 States in which State and local funds are not at least twice as large as Federal grants, and only 13 in which they are not three times as large. Many of the States with low per capita income are spending heavily for vocational education.

The Commission recommends that legislative action be taken to limit Federal grants-in-aid in behalf of vocational education to subjects vested with a clear and special national interest, and to establish new categories of Federal grants only to stimulate forms of training especially important to the national interest. It is further recommended that existing grants not meeting these criteria be eliminated after a reasonable period of time.[5] [6]

It is apparent that the States and localities have already assumed the major responsibility for supporting vocational education. Most of the existing federally aided programs have matured, and might well benefit from closer integration with the general educa-

---

[1] Letter to W. T. Barry, in "The Writings of Madison," ed. Gaillard Hunt, New York, 1910, vol. 9, p. 104.

[2] Chapter 6, on agriculture, has dealt with some of the Federal programs affecting agricultural research and education as carried on by the land-grant colleges. However, the Commission has had neither the time nor the resources to conduct adequate inquiries into other aspects of National-State relations in the field of higher education.

[3] Dr. Anderson and Congressmen Dolliver and Hays comment:

"We would go along with the recommendation of the Commission to reduce and ultimately eliminate the Federal cash grants for school lunches if we could be sure that the elimination of these grants would not endanger the whole school-lunch program. Ideally, the State and local governments and the parents should supply all the cash needed for the lunch program, but the Federal cash grant may be found to be an indispensable factor in the program's success, and we believe the program to be of national importance."

[4] Senators HUMPHREY and MORSE dissent:

"National cash grants and commodity donations have together played a major part in developing this highly beneficial program. The Federal Government should, therefore, continue to supply cash grants in addition to surplus commodities so as to encourage the expansion of the program. Cash grants are necessary to achieve a balanced program and balanced diets which surplus commodities alone will not afford."

[5] Dr. Anderson and Congressman HAYS comment:

"We accept the recommendation, although with some misgivings. We believe that the major subjects of vocational education now partly supported by Federal grants-in-aid are vested with a sufficient national interest to justify continuation of the grants, and that Congress is most unlikely to establish a new grant in any field of vocational education unless there is a sufficient national interest."

[6] Senators Humphrey and Morse and Congressman Dolliver state their position as follows:

"In view of the fact that this program was enacted with national initiative and leadership, it would be unwise at this time to abolish or taper off national participation. The 17 percent Federal contribution is a significant item budgetwise in many of the poorer school districts in rural areas.

"The vocational agriculture program, with the attendant programs of the Future Farmers of America, forms the backbone of many high school agricultural instruction systems in rural areas. It has been one of the major contributions to the development of scientific farming. It has been a major factor in increasing our food supply. The home economics, trades and industries, and distributive educational programs have to some degree brought about the same benefits.

"Since the vocational education program provides scarce vocational skills essential to national defense and the domestic economy, yet reaches less than 50 percent of the potential clientele, it should be expanded. Not until States have demonstrated their ability to administer such an expanded program should the National Government consider tapering off its leadership and participation.

"In fact, the National Government, in cooperation with the States, should explore other scarce skill areas to determine the national interest and need for expanding the program."

tional programs in the States and localities. The Commission recognizes, however, that revision of the program may be required from time to time to accommodate new types of training deemed vital to the national interest.

ELEMENTARY AND SECONDARY EDUCATION

Notwithstanding recordbreaking State and local expenditures for education in recent years, the Nation is faced with a current shortage of school facilities arising from a backlog accumulated in years of depression, war, and material shortages. On top of this, the unusually sharp rise in the birthrate following World War II will be reflected in an increase in elementary and high school enrollment from about 29 million in 1952 to nearly 39 million in 1959. In some areas, the situation is complicated by heavy population migration; in others, by the Supreme Court decision on racial segregation.

All this adds up to a serious immediate shortage of buildings and teachers. School construction reached an alltime high in 1954, but must rise to an even higher level if the backlog is to be wiped out and coming needs met. Operating expenditures, although they too are at new heights, must be substantially increased.

VIGOROUS STATE ACTION REQUIRED

The Commission believes that State and local governments ought to, and can, take care of primary and secondary school needs. Its Study Committee on Federal Responsibility in the Field of Education came to the conclusion that the State and local governments can, if they will, afford adequate educational services.[7] The Committee's report clearly indicates, however, that whether they do or do not will depend largely on the extent to which the State governments support local efforts.

Under nearly all State constitutions, State legislatures are obliged to provide for public education of all children. In practice, a substantial portion of this responsibility is carried out through local units of government, although State support of education has steadily increased until the States now contribute, nationwide, 46 percent of total State and local educational funds.

The States would have no trouble under ordinary circumstances in meeting their responsibilities. But the circumstances are not ordinary, and State reorganization and support of the educational system in a number of States must be accelerated rapidly if adequate standards are to be reached.

While the shortage of educational facilities varies widely from State to State, it varies much more widely from community to community within States. This situation intensifies the already serious problems, found in many States, that stem from marked disparities in the size and resources of local school districts.

A number of States have reorganized their school systems so as to eliminate large numbers of districts too small and too poor to do an adequate job. In the school year 1953–54, however, there were still some 62,000 school districts and other public school systems in the United States, the State totals ranging from 17 in Delaware to 6,113 in Nebraska. The consolidation of uneconomical school districts needs to be speeded in the interests of economy and the improvement of educational standards.

Consolidation should be supplemented by effective equalization procedures or other devices under which the State enables poorer districts to carry on a minimum school program. In addition, the State should help finance both current operations and capital outlays for buildings when the locality clearly lacks enough resources. These responsibilities are now recognized by some State legislatures; they should be universally recognized and discharged.[8]

It was pointed out in part I of this report that many States have severely restricted the taxing and borrowing powers of their subdivisions. Many of these restrictions, and some of the limits the States have imposed on their own taxing and borrowing powers, will, if not modified, deprive school systems of the increased capital outlays and operating revenues required during the next decade. The Commission's earlier recommendation that the States modify these constitutional and statutory limitations that impede effective State and local action is especially applicable to the financing of public education.

QUESTION OF FEDERAL AID

The proper course for State and local governments is quite clear. It is more difficult to determine what action, if any, the National Government should take to meet the serious immediate shortages that confront our elementary and secondary educational systems. The Commission, realizing that the welfare of the Nation's children is directly involved, has given intensive study to the exceedingly difficult question of Federal aid to education. No one denies that good schools are essential to the national welfare; the most important resource of the United States is its citizens—not its soil, minerals, climate, or extent of territory, important as these resources are. Every American child has a right to an adequate educational opportunity. The country owes to its children a suitable school plant.

That States should be responsible for providing adequate schools is unquestioned. The Commission firmly believes that they can and will properly discharge this responsibility. It is upon this premise that the following recommendation is presented.

The Commission recommends that responsibility for providing general public education continue to rest squarely upon the States and their political subdivisions. The Commission further recommends that the States act vigorously and promptly to discharge this responsibility. The Commission does not recommend a general program of Federal financial assistance to elementary and secondary education, believing that the States have the capacity to meet their educational requirements. However, where, upon a clear factual finding of need and lack of resources, it is demonstrated that one or more States do not have sufficient tax resources to support an adequate school system, the National Government through some appropriate means, would be justified in assisting such States temporarily in financing the construction of school facilities—exercising particular caution to avoid interference by the National Government in educational processes or programs.[9] [10] [11]

The Commission recognizes fully the paramount importance of education to the national interest. It cannot, however, blind itself to the reality that support of general public education by the National Government would present a situation quite different from that existing in grant-in-aid programs in other functional areas. There is no need to stimulate State and local activity, since education is already the largest of all State and local activities. There is not here, as in some grant-in-aid governments outside the community, local interest in the schools tends to diminish. From a practical point of view the division of responsibility for the financial support of education between two levels of government presents administrative difficulties, with support for schools occasionally being delayed while the governments involved resolve administrative differences with respect to controls or reach agreement on the share of the burden. The introduction of a third level of government in the fiscal program for the support of schools will make the task of school administration even more complicated and difficult. While it is conceded that grants-in-aid have served to stimulate local and State action, the hope for financial assistance from a higher level of government may, and in fact has, upon occasion delayed the development of important programs. Local officials, anxious to avoid the unpleasant task of raising taxes on their neighbors, may understandably be expected to wait for a grant-in-aid program to solve their dilemma. If the grant-in-aid program is not adopted or is reduced, the service may suffer. All this aside from the basic issue that controls are an essential ingredient in a grant-in-aid program.

"We believe that the control of our free public school system from Washington is wholly undesirable. The wealth of the Nation is to be found in the States. In most instances this wealth is as available to them as to the National Government. All taxes, generally speaking, come from the same pockets. When we send tax dollars to Washington that are ultimately intended for local use, we increase the power of centralized authority and the cost of administration."

[10] Dr. Anderson concurs with the substance and spirit of the Commission's recommendations and adds the following comment:

"I believe that the primary responsibility for the support of education should continue to remain with the State and local governments. I think they should first be given every opportunity and encouragement to finance education themselves insofar as they are willing and able. In cases of real emergency or great necessity, I see no objection to Federal aid. Whether such an emergency or state of need is now upon us, I would leave to the Congress to decide after it had held full hearings upon the subject."

[11] Senators HUMPHREY and MORSE and Congressman DINGELL dissent:

"We see no objection in principle and no sound reason to fear Federal aid for school construction or for the support of general elementary and secondary education. We believe that the needs of the Nation for an educated citizenry and the just claims of every child to a fair chance to get an adequate education outweigh the arguments in favor of complete State and local support for education.

"Congress recognized the interest of the National Government in the problem of school construction by passing Public Law 815 in 1950. Pursuant to the authority of this act, the Office of Education conducted a comprehensive survey concluding that there was a nationwide need for 312,000 additional classrooms in 1952 to house nearly 9 million pupils at a cost of about $10.6 billion. Moreover, in the next 5 years, it is estimated that approximately 720,000 public elementary and

[7] Senators HUMPHREY and MORSE add the following comment: "Although the Commission makes no recommendations with regard to Federal aid to education in general, we do not want to associate ourselves with the conclusions of the Commission's study committee which would imply no need for Federal aid."

[8] All States currently extend financial assistance in some form to school districts for purposes of school operation and maintenance. But only 15 to 20 States aid in school construction, and in over half of these the amount of aid is insignificant.

[9] Governors Driscoll and Thornton concur in the Commission's recommendation and add the following comment:

"It is generally agreed that a great strength in our public school system is its grassroots support. Our citizens have evidenced their intense desire to keep the management of their school system as close to the schoolhouse as is practical. There is evidence that indicates that when the financial support for local schools is substantially supplied by

programs, a tradition of joint National-State responsibility; on the contrary, education has been controlled traditionally by local units of government, with State aid and supervision.[12] There is no need for Federal leadership in setting minimum standards. There is a strong desire on all sides to avoid Federal setting of standards or conditions or the application of any other form of Federal control or supervision. There is a widespread feeling that any degree of Federal control over education would be dangerous.

If adequate educational opportunities were available only through a program of Federal financial assistance, the decision would be clear. But it does not follow that Federal aid is the way to get good schools. Under any moderate program of aid, the amount going to individual States would not be large enough to count effectively. And Federal aid in an amount sufficient to mitigate the problem significantly could result in such undermining of State and local responsibility as to endanger seriously the kind of educational system that has served us so well.

There are other special conditions. Twelve percent of the schoolchildren in the United States are educated in nonpublic schools, many of them in religious schools. The inclusion of these schools in any program of Federal aid would raise difficult legal questions and policy issues. Moreover, the key unit in the public educational system is the school district. If the National Government dealt directly with the Nation's tens of thousands of school districts, it would conflict with State educational responsibility and control. If it dealt only with the States, it could not achieve the objectives sought by Federal grants without imposing important and unwanted conditions.

Therefore, Federal financial assistance to any State should be resorted to only if it becomes clearly evident that such State does not have adequate tax resources to provide adequate physical facilities for elementary and secondary schools. In such cases, Federal financial assistance in the form of loans, loan guarantees, grants-in-aid, or a combination of these devices would be justifiable.[13] [14] [15]

---

secondary classrooms and related facilities will be needed at an estimated cost of about $28 billion.

"We agree with the Commission's recognition of the paramount importance of education to the national interest. In view of this importance, we do not feel that the solution to the urgent education needs should be postponed until the States correct their economic and constitutional limitations. We do not believe the Commission is justified in establishing a more rigid standard for a Federal grant-in-aid program in education than it has applied to other programs of lesser importance to the national interest."

[12] Senators HUMPHREY and MORSE here want to point out that there has also been a historical pattern of some Federal aid to education since the Ordinance of 1785 and that the expression of the national interest in maintaining high educational standards by Federal legislation has ample and respectable precedent in American Government.

[13] Governor Battle and Senator SCHOEPPEL comment:

"Should it be determined that any State does not have adequate tax resources to provide proper school facilities, and thus justify assistance from the National Government, such assistance should be by a cash grant rather than by loans or loan guarantees—it is believed it would not promote the cause of education to burden such a State with loan repayments when school operating costs would probably preempt all available State resources."

Mr. TALMADGE. Mr. President, the hundreds of letters I have received since proposing my amendment are proof of the heartfelt desire of the people of the United States to continue to administer the schools they have established and presently finance on the local level, in accordance with local wishes and conditions.

The issue of Federal versus local control of education is one which can be resolved only by letting the people speak for themselves. And the one way through which Congress can do that is through submitting an amendment along the lines I have suggested for the ratification or rejection of the people's elected representatives.

I know of no more eloquent way in which to demonstrate to the Senate the depth of public feeling on this issue than to make available for the reading of its membership some of the many newspaper editorials, columns, and news stories which have been written in support of my proposed amendment.

I therefore ask unanimous consent, Mr. President, to have printed at the conclusion of my statement a selected group of 58 editorials, columns, and news stories commenting upon the Talmadge school amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Atlanta Constitution, Jan. 28, 1959]

VOICES OF REASON HEARD ON SCHOOLS

On the school problem three voices have been heard this week that should check the stampede away from reason and law.

Speaking from years of observation and experience, an 82-year-old southeast Georgia judge told his court he doubts that any private school plan can ever take the place of public education. The judge, J. L. Renfroe, of the Ogeechee circuit, said further, "* * * we need people with courage to speak out constructively on the problem."

The day following the judge's statement, a helpful voice was sounded from a high source.

Senator HERMAN TALMADGE told fellow Senators and the Nation he recognized that the Supreme Court's school decision is an accomplished fact which will remain so until it is either reversed by the Court itself or modified by Congress or the people.

In the next breath, the Senator said most southerners find the decision unacceptable and don't aim to change their opinion any time soon.

But, he said, there is a constitutional way out, through local self-determination. He introduced a constitutional amendment under which, in his words, "this 86th Congress will give the people of America * * * the opportunity to reclaim their constitutional right to run their schools on the local level according to the wishes of the local people." Like Judge Renfroe, Senator TALMADGE declared his faith in public education and the need for its continuity.

The third voice of reason came Tuesday from the State board of regents opposing the bill before the Georgia Legislature which would set a ceiling on the age at which a student could be admitted to undergraduate or graduate school.

May the legislators hear these constructive voices and take a long look lest they pass laws, inevitably to be short-lived, which in their short lives do education much more harm than good. To repeal the State's compulsory attendance law, for example, would be to nullify a century of educational progress.

Let them consider instead the basic tenet of Senator TALMADGE's brief for his amendment—the right of people at the local level to run their schools as they wish.

Applying that tenet to the local school districts, letting each district work out its problem in its own way and in its own time, will break the deadlock and remove the threat that would wipe public education from the face of an entire State.

[From the Atlanta Constitution, Jan. 28, 1959]

SENATOR TALMADGE DOES A JOB

Senator HERMAN TALMADGE, of Georgia, in a speech delivered Tuesday on the floor of the Senate, seeking a constitutional amendment to return control of schools to local authority, did a necessary service for his State and region.

He became the first Deep South Senator or Congressman publicly to state the Supreme Court decision on the schools "is an accomplished fact which will remain so until it either is reversed by the Court itself or is nullified or modified by the Congress or the people."

For saying just that, ministers, editors, and all others who took such a position have been abused and smeared by forces loosed by those extremists who preached only defiance.

It is almost incredible that such a simple statement of fact and reality should not before have been made by a Deep South Senator or Congressman. But such was the miasma of fear and distortion of truth that it had not heretofore been uttered.

That it should have come from Senator HERMAN TALMADGE will surprise many, chiefly those outside his native State. But it will not so affect those who know him well. He is a politician of consummate skill. But he also has courage and character. He has an affection for his State. And this caused him to speak.

* * * * *

OUT OF SCOPE

It must be made clear that he does not believe the Court decision to have been within the scope of the Justices. He as strongly protests and disagrees as do others who share his opinion.

Despite the fact that the Southern States of Kentucky, North Carolina, Tennessee, Louisiana, Texas, Florida, and even Arkansas have taken successful steps to comply with the Court order, Senator TALMADGE makes clear his opinion that the Deep South States will not. It is on this basis that he introduced a constitutional amendment which would, if adopted, reverse the present constitutional legality.

To those outside this surrounded and constructed center of bitter defiance and resistance, the plain, unvarnished statement by the Senator that the Court decision is an accomplished fact may be greeted with mild derision. But on this spinning globe, things remain relative. And for his region, Senator TALMADGE's statement is news.

It cuts through the hypocrisy that has been one of the features of politics in the Deep South. A good 99 percent of the South's political leadership has all along admitted

[14] Governor Driscoll and Mayor Henderson comment:

"If a grant-in-aid program for capital construction is adopted, it should be limited to those States where need and lack of ability are clearly demonstrated, continued for a clearly prescribed limited period, and on terms that will encourage the State or States receiving assistance to resume their full responsibilities as quickly as possible."

[15] Governors Shivers and Thornton oppose grants-in-aid on any basis.

that the Court's action was constitutionally valid. They have said privately, "We know it is inevitable that the schools close unless some positive action is taken." But publicly they have encouraged the mob, the haters, the minds which think in terms of bombing churches and schools, by the most outrageous vilification and denials of Court authority and law. Even some of the most adamant and determined opponents of the Court decision have been shocked and dismayed by the recklessness and demagogic depth of statements by some southern Senators whose stature did not make politically necessary such words.

THE BACKGROUND

It is against this background that Senator TALMADGE's Court statement must be measured. He is an implacable opponent of the Court decision. But he has the necessary integrity to tell his people the truth:

"The Court action is an accomplished fact"—whether we like it or not.

The speech also included an eloquent plea for public education. It is a problem for local control and this those States themselves should be the first to admit and grant—while they ask it of the Federal Government. One of the curses of southern politics has been that it acts negatively—almost never positively.

Until someone says something better about education, Senator TALMADGE'S summation will do:

"With the exception of seeking the salvation of his immortal soul," he said, "man has no greater responsibility than seeing that his young are educated to the fullest extent of their abilities and are equipped spiritually and intellectually to achieve mankind's highest destiny."

[From the Atlanta Constitution, Jan. 29, 1959]

NEGATIVISM ON SCHOOLS IS CAST ASIDE AT LAST

Senator HERMAN TALMADGE's proposed constitutional amendment to vest control of public education in the States and their political subdivisions has one primary virtue over and above its practical aspects. It casts aside the purely negative approach and seeks a positive way out of the school dilemma.

For the first time a major Deep South politician seeks a way to keep the schools open through constitutional means. That in itself is recognition of the facts as they exist and thus opens a way to find positive solutions instead of piling up negative defenses which are bound to go the way of similar measures everywhere.

Senator TALMADGE is due the deepest thanks and gratitude for acknowledging the Supreme Court decision as a fact. He is due credit, too, for telling the people the simple truth which this newspaper has tried to point out so many times: The Court's decision is the law until such time as Congress and the people modify or nullify it by constitutional means.

It has been the rankest and cruelest deception on the part of some political leaders to maintain that the Court's decision can be evaded through defiance, breast-beating, and by refusal to acknowledge any decision has been made.

It is pleasing, indeed, to have a major southern political leader offer a measure not to close the schools but to keep them open. It is even more pleasing to have Senator TALMADGE acknowledge the absolute necessity of education and the public schools. Those who have fled into those dark recesses of despair in saying it would be all right to close the schools for an indefinite period might profit by reading his evaluation.

Should the Senator's proposal by chance be taken seriously, it may, indeed, be the only way to save public education in some Deep South States. Certainly it is preferable to a stubborn refusal to face facts, thus going down the inevitable road to destruction of our schools.

[From the Atlanta Journal, Jan. 28, 1959]

THE TALMADGE AMENDMENT

The remarks of Senator HERMAN TALMADGE made on his introduction of a constitutional amendment reaffirming the principle of local control of the public schools were cool and reasonable.

In them he faced facts. In abandoning the old and futile southern tactic of glorious death upon the ramparts in favor of a more realistic policy he promised a new and more aggressive day for the southern group in Congress.

The Senator said right out loud that like it or not, legal or not, constitutional or not, the Supreme Court's decision desegregating the public schools is effective and here to stay unless it is reversed, modified, or nullified.

The amendment he proposed would spell out the sovereignty of the States in the matter of schools. Such is the climate of the times that its passage is doubtful. For another thing, southern spokesmen in the past have been so negative that the country and Congress are in the habit of not listening when the floor is theirs.

But Senator TALMADGE's new departure and his realistic view of the matter will help create a new and more sympathetic audience for the South where it matters—outside the South. To further this cause he plans another address Thursday before the annual meeting of the Association of Cotton Textile Merchants in New York.

The Senator had some persuasive words to say about the need for the consent of the governed in these cases, and the disastrous and lasting effects of the use of force to bring about compliance with the decrees of the courts. To continue the present policy, he believes, would result in wrecking the public school systems of a number of States.

His amendment "would permit either retention of the status quo or orderly change as dictated by the requirements of public opinion and make certain that whatever change might take place would be by the constructive process of evolution rather than the destructive process of revolution."

Local option within a State? Not when said on the floor of the Senate in a discussion dealing with the rights of the States.

But the same philosophy holds good right down through the county and school district level.

[From the Atlanta Journal, Jan. 29, 1959]

THAR'S GOLD IN THAT CLAUSE

Yes, Mr. President, there is a new State, and its name is Alaska. And yes, Mr. President, it does have control over its schools, although we realize that is a novel and suspect situation in this day and time.

At his news conference Wednesday, President Eisenhower expressed surprise that Congress, in voting statehood to Alaska, had granted it exclusive control over its schools.

Although this provision in the statehood measure was pointed out at the time of its passage, little fuss was made over it. It stands, however, as a major development in this period of growing Federal intervention in local affairs.

Indeed, Alaska may eventually find that that little clause in its statehood package is as valuable as its gold and timber and other natural resources.

In the meantime, Senator HERMAN TALMADGE has offered a constitutional amendment that would make available the same status to the other States. His proposal deserves careful consideration. After all, we don't want to discriminate among the States, do we?

[From the Atlanta Journal and the Atlanta Constitution, Feb. 1, 1959]

FROM THE DARKNESS A LIGHT FINALLY SHINES

The significant event of the week was the emergence of a new national spokesman for the southern cause with a new and positive way of presenting the facts of the southern school problem to the Nation.

The spokesman is Senator HERMAN TALMADGE. His platform is the constitutional amendment he introduced reaffirming the principle of local control over local public schools. This is a principle the country held self-evident until the Supreme Court's anti-segregation decision of May 1954.

His proposition is reasonable, however unfashionable it may be in Washington political circles this year. His tactic is to present his argument before the vast and mute group of independent voters outside the South. These are the quiet people who are not allied with any pressure groups. With no axes to grind they vote their convictions. When their interest is aroused they exert a powerful influence on national affairs.

Senator TALMADGE's measured and temperate approach should appeal to these people, granted he can get a full hearing. Unfortunately, southern spokesmen in the past have been guilty of so many irresponsible statements, and have spoken so frequently for home consumption only, that the rest of the country quit listening a long time ago.

The Senator's concern is the fate of the public schools. If the present trend continues he sees them smashed between the will of the insistent courts and the will of so much of the South to resist.

His formula to save them is simple and well within the American tradition of local self-government.

He wants to see each State and locality free to make their own decisions as to when and how their schools can comply with the antisegregation rulings. This depends on local conditions and attitudes. It presumes voluntary acceptance rather than compliance under duress.

This is the most sensible approach yet, the first we know of that considers the human equation. This equation has been tragically overlooked by those who would force through a matter which only time and slow evolution of popular attitudes can solve.

Senator TALMADGE is a realist. He also is extraordinarily sensitive to grassroots thinking. Here he may have caught a rising tide of national criticism of the Supreme Court and Chief Justice Warren.

It is certain he realizes the futility of the old sound and fury tactics of southerners in Washington. It is also possible he senses the beginnings of a vast dissatisfaction on the part of the people of the South with the negative kind of leadership that promises everything but when the chips are down can deliver nothing but the pledge of a semiliterate future.

[From the Atlanta (Ga.) Journal-Constitution, Feb. 1, 1959]

TALMADGE'S SPEECH A REMARKABLE THING

(By Harold Davis)

Senator HERMAN TALMADGE's speech on the Senate floor last Tuesday afternoon is a remarkable document considering it came from him.

It is surprising mostly because of its tone which is mellow and one might say moderate if that term had not been so abused in recent times.

True, it has a line or two in it which has shock value all of its own, particularly this one: "Regardless of whether one accepts it or not, the Supreme Court's school decision is an accomplished fact. * * *"

But the real surprise is that thing which cannot be analyzed. You may call it tone if you wish.

RHAPSODY

The speech was a paean, a virtual rhapsody, in behalf of public education. "With the exception of seeking the salvation of his immortal soul," TALMADGE told the Senate, "man has no greater responsibility than seeing that his young are educated to the fullest extent of their abilities. * * *"

The rest of the talk was in similar vein, written in prose that was sustained throughout. It gave the impression that here is a man who really believes in public schools. That was one of the messages of the address.

The other was really the instrument by which the speech was made in the first place, the introduction of a constitutional amendment to turn the management of schools back to the States and communities.

To TALMADGE, the consent of both the State and local community would be necessary before either could integrate. That would take his proposal out of the strictly local option category.

However, as TALMADGE and everybody else knows, that question is beside the point anyway because the amendment has no chance of every becoming law.

The Senator was asked why, under these circumstances, he introduced the amendment.

He said that he has gotten tired of being perpetually on the defensive, that he wants to sponsor something he believes in and can advocate in the Nation's councils. A constitutional amendment to give the schools back to the States and localities fills the bill, he said, and thus, after long study and thought, he presented it last Tuesday.

Asked if he regards his amendment and accompanying speech as any change of direction for him, he says definitely not. He will stake his dedication to the cause of separation of the races against anybody's at any time, he declared.

BIG NEWS

A great many people in Georgia, newspaper editors in particular, evidently thought TALMADGE'S speech was big news. Several daily newspapers ran the entire text of what he had to say.

They evidently were impressed with his views about the public school system as well as with the intangible mood of the whole piece which could be gotten only by reading the entire effort.

However, the Senate was not impressed. This writer sat in the press gallery throughout the entire presentation and if there was a single solitary Senator except DICK RUSSELL listening to what TALMADGE was saying, this writer did not spot him even with a thorough search.

This fact dramatizes what ever southerner knows, that it is virtually impossible for the South to get a hearing up here unless a bill is actually pending before Congress in which the membership has a rapt interest.

This writer has now been in Washington more than 2 years and in that time has seen only one southerner get a hearing from the whole Senate on a civil rights matter. RUSSELL did it on July 2, 1957, with a speech showing the true effect of part III of the Civil Rights Act of that year.

[From the Moultrie (Ga.) Observer]

Georgia's Senator HERMAN TALMADGE, with other southern sponsors, has introduced before Congress the only realistic solution to the public school question which threatens to upset the equilibrium of democracy.

The proposed constitutional amendment would return the control of education to the intended sources—the States and local communities. Under provisions of the measure, which hit the congressional hopper this week with strong southern support, administrative control of the schools and educational systems would be vested in the State or political subdivision which operates it. Thus, it would be a positive answer to the Supreme Court decision of 1954 in which the High Court assumed legislative prerogatives in interpreting the Constitution.

[From the Atlanta Journal and Constitution, Feb. 1, 1959]

EASTERN PRESS THREW BLANKS AT TALMADGE

(By Albert Riley)

WASHINGTON.—Southerners can hardly be blamed for feeling at times that any attempt to get the South's viewpoint on school integration into the northern press is an exercise in futility.

A frustrating case in point was Senator HERMAN TALMADGE'S proposal last week for a constitutional amendment to end the race-mixing controversy by giving State and local governments exclusive control of their schools.

TALMADGE had given long and serious thought to this proposal. In fact, he did a lot of soul searching before he dared to present his plan to the Senate.

He well knew that some folks back home might criticize him for publicly admitting that the Supreme Court's 1954 school desegregation ruling is an accomplished fact, whether southerners like it or not.

And it must have given TALMADGE long pause before he, as author of the private school plan, publicly admitted that the closing of public schools would be tragic.

The junior Senator from Georgia, therefore, could scarcely be accused of submitting his constitutional amendment plan solely for home consumption.

TALMADGE is enough of a political realist to know that the chances of Congress actually adopting his amendment and submitting it to the 49 States are almost nil.

But he presented it in all seriousness to Congress—and the Nation—as the American way, the constitutional way and the commonsense way to resolve the issue and avoid further school closings in the South.

When eight other southern Senators agreed to cosponsor it and Senator RUSSELL endorsed it, this gave TALMADGE'S plan added prestige.

TALMADGE'S speech and his proposal got considerable attention from the radio and television networks. But, sadly, a large segment of the metropolitan northern press chose to ignore it, although working reporters in the Senate press gallery did not.

The wire services covered it, and so did many of the correspondents for individual newspapers.

But in many instances those stories did not see the light of print.

Of course, the nothern press could not be expected to give it either space or the play that southern papers did. But a spot check of northern papers on the day of the TALMADGE speech and the day after reveal a rather shocking omission * * * or at best a cavalier treatment * * * of a very serious proposal to solve one of the most divisive issues of our time.

Not all of the southern papers carried the story or gave it the prominence it seemed to deserve, but most of them did.

However, out of 22 big city northern papers surveyed, 11 ignored the TALMADGE story completely, while three others buried it deeply inside.

Only four of these northern papers played the story fairly prominently, and of these only one—the New York World-Telegram—found it worth page one. Four other northern papers gave the story reasonable space but obscure locations inside.

This reporter, of course, could not see all of the editions of all the papers checked. But here is what the survey found in the Tuesday afternoon papers, to which the speech was first released, and the morning editions of the next day:

Here in Washington, The Evening Star, normally very fair in presenting the southern side in its news columns, gave the TALMADGE plan a short story, buried inside, in its early editions, but left it out entirely in the home edition.

The Washington Daily News gave inside prominence to a civil rights controversy in Alabama but brushed the Talmadge proposal off with one paragraph.

The Washington Post and Times Herald, always quick to play up racial incidents in the South while downplaying those in the North, gave the Talmadge story six paragraphs under a small headline on page two.

The New York Times gave it nine paragraphs on page 20 under a one-column head.

The New York Herald Tribune gave it a good ride—11 paragraphs under a two-column headline top of page 3.

The New York World Telegram, with nine paragraphs beginning under a two-column head on page 1, gave it the most prominent display of any of the northern papers checked.

The New York Post prominently carried an NAACP charge of persecution in Monroe, N.C., and a story on the Alabama case, but nothing on the Talmadge amendment.

In Chicago, the Tribune had a story on the Alabama case and a civil rights case in Americus, Ga., plus a story about a cross-burning at Crestview, Fla., but not a line this reporter could find on the Talmadge story.

The Chicago Daily News gave the Talmadge story a prominent spot and six paragraphs on page 3.

The Chicago American carried nothing on it in the edition checked.

The Baltimore Evening Sun likewise omitted the Talmadge story in its Tuesday edition surveyed.

The Baltimore Sun's morning edition of Wednesday also completely ignored the Talmadge proposal, but carried the Alabama and the Americus, Ga., stories on page 1.

The Philadelphia Evening Bulletin gave it seven paragraphs and a two-column head at the top of page 15.

The Boston Globe ignored it, and so did the St. Louis Post-Dispatch, the Detroit Free Press, and the Milwaukee Sentinel.

The Detroit News had a nine paragraph story at the bottom of page 34.

The Pittsburgh Press did fairly well—five paragraphs at the top of page 4.

The Pittsburgh Post-Gazette had nothing, nor did the Cleveland News.

The Philadelphia Inquirer tacked three paragraphs inside on the end of a Norfolk integration story that began on page 1.

It may be, as one veteran Washington bureau chief of a big midwestern paper remarked sardonically, that a constitutional amendment proposal in Congress is "an exercise in futility, undertaken only for home consumption." Some news editors evidently share that view.

[From the Atlanta Journal]

SCHOOL CONTROL—TALMADGE WANTS ALASKA'S RIGHTS

(By Harold Davis)

WASHINGTON, February 4.—Amateur constitutional lawyers in this Capital City were addressing themselves to a freak problem this week—whether the new State of Alaska has been admitted to the Union with more rights and privileges than are enjoyed by some of the original 13 States.

The question has been in the air here for some time.

It was brought to the fore last Tuesday by Senator HERMAN E. TALMADGE. In an address to the Senate, he said that Georgia would like very much to have some of the special privileges which Congress gave

Alaska on its admission to the Union early this year.

The law which admitted Alaska gives that State perpetual and sole control over its schools and colleges.

The exact language of the act says:

"The schools and colleges provided for in this act shall forever remain under the exclusive control of the State, or its governmental subdivisions."

Mr. TALMADGE told the Senate that without meaning any disrespect for her sister State of Alaska, Georgia feels that she too is equally entitled to exclusive control of her schools and colleges.

This city, accustomed to paradoxes and anachronisms, merely raised its eyebrows and went its way without paying any regard to TALMADGE's point.

Asked about the matter of the Alaska proviso at his Wednesday press conference, President Eisenhower said he never heard of it and would therefore have no comment.

In attempting to check on how the exclusive control language got into the Alaska Act, the Atlanta Journal-Constitution ran into a blank wall.

The man who had the most to do with Alaskan statehood from the Washington viewpoint is former Delegate E. L. (BOB) BARTLETT. He was the Territory's nonvoting representative in Congress for many years.

He is now a Senator from the new State.

Senator BARTLETT's aid and assistant of many years says that the Delegate put the phrase in the statehood bills he introduced here because that is the way a statehood bill is written.

Many of the bills of the past had the proviso in them, the spokesman said, and who was Delegate BARTLETT to try to change tradition.

* * * * *

The first of the Bartlett bills to be seriously considered was in the 81st Congress (1949–51) and, sure enough, it contained the paragraph. The House approved the bill that year but Senator JOHN STENNIS, of Mississippi, sidetracked it in the Senate.

Senator BARTLETT's secretary said at least 11 statehood bills of past decades have had identical or similar exclusive control language.

A spot check of some now ancient statehood acts shows that on February 22, 1889, Congress passed enabling legislation which later that year brought four new States into the Union: North Dakota, South Dakota, Montana, and Washington.

Each of these had exclusive control of its school system provided in the enabling act.

On July 3, 1890, enabling legislation for Idaho was approved and exactly a week later a bill was OK'd for Wyoming. Both enabling acts contained the exclusive control paragraph.

The same was true for Utah (July 16, 1894), for New Mexico (June 20, 1910), and perhaps for others.

In the U.S. Senate, statehood legislation passes through the Interior and Insular Affairs Committee.

A high-ranking member of that committee's staff was asked what the proviso means now and what it meant when it first began to be used decades ago.

"I'll be doggoned if I know," the official said.

It is possible that the paragraph had a special meaning when it was first used, a significance now forgotten by history. And a Congress which loves tradition and dusty precedents just preserved the language because that was the way a new State was admitted.

The Senate is so tradition minded, for example, that silver snuffboxes filled with class A snuff still adorn desks in the Chamber, although not a Member has used snuff since way back when.

The exclusive control language in the Alaska Act is regarded as of little importance by most of the Senators and Congressmen who voted for it.

Only the courts could say whether it is really significant and whether some of the newer States have rights which some of the old ones do not now enjoy.

It would take a first-rate constitutional lawyer to put the question to the courts in proper form.

[From the Thomasville (Ga.) Times-Enterprise, Jan. 1959]

TALMADGE PLAN HAILED

Georgia's junior Senator has introduced a plan which would give to the States the constitutional right to control their own schools and the plaudits of his fellow Georgians will be ringing in his ears for many a day if the early comments are a fair sample. His associate in the U.S. Senate was the first to praise the Talmadge constitutional amendment proposal and he did so as soon as his colleague completed his speech.

The bill which was introduced in a masterly address by HERMAN TALMADGE, in essence calls for a "constitutional amendment which would vest exclusive administrative control of public schools in the States and their political subdivisions."

Cosponsors of the measure are Senators BYRD and ROBERTSON, of Virginia; HILL and SPARKMAN, of Alabama; EASTLAND and STENNIS, of Mississippi; and JOHNSTON, of South Carolina. Senator RUSSELL, who makes it a practice not to cosponsor any legislation, told the Senate he commended and congratulated his friends and colleague for a very able presentation and associated himself with all that was said by TALMADGE.

The proposal would allow State and local governments to decide how schools should be operated and whether or not they would be integrated. TALMADGE noted that the Supreme Court's school decision is an accomplished fact and suggested that the only way its decision can be reversed is by the Court itself or by Congress or the people. In carrying the case to the people, TALMADGE has started down what will undoubtedly be a long, long path, since constitutional amendments such as he proposes require a tedious process to be passed through before enactment.

Actually there appears to be scant hope that the action which TALMADGE requested can be taken. Getting the bill onto the floor of the Senate will be difficult, getting it before the people who would then decide the issue on a sort of local option poll might be well nigh impossible.

To a great many astute observers it seems that the Senator's speech will receive a good deal more attention than will the legislative measure which he presented for consideration. TALMADGE's address to an uncrowded Senate has already drawn the most laudatory of comments from southern leaders and the tone and tenor of the speech may exert some influence on northern Democrats and Republicans who are not classed with the violently liberal groups.

Those of us who have heard the Senator at his best know how capable an orator he can be, and are aware of the wealth of study and time which must go into the preparation of his speeches. Perhaps this came as a surprise to some of the liberals who might even be shocked into a realization of the profound truths voiced by TALMADGE when he cited the irreconcilable division of opinion between the Court and the Southern States and pointed to the possibility of more schools being closed and a Federal venture into the education field which could have tragic consequences.

It is within the realm of possibility that the Georgian has struck a powerful blow for the States rights advocates, who appear to be acting in a sound, dignified manner which cannot help but have some weight with the people of the Nation and the Representatives to the Congress.

[From the Americus (Ga.) Times-Recorder]

PRAISE FOR SENATOR TALMADGE

In a masterful address in the U.S. Senate a few days ago, Senator HERMAN TALMADGE, Georgia's junior representative in the upper House of Congress, presented a plan which would give to the various States the constitutional right to control their own schools, a right they enjoyed until 1954 when the U.S. Supreme Court legislated otherwise.

All Georgians and citizens throughout the South have been loud in the praise for Senator TALMADGE's proposal, and the Senator has received much commendation from fellow Senators from other sections of the Nation.

The proposal calls for a "constitutional amendment which would vest exclusive administration control of public schools in the States and their political subdivisions." Cosponsors of the amendment are Senators BYRD and ROBERTSON, of Virginia; HILL and SPARKMAN, of Alabama; EASTLAND and STENNIS, of Mississippi, and JOHNSTON, of South Carolina. Senator RICHARD RUSSELL, of Georgia, who makes it a practice not to cosponsor any legislation, told the Senate he commended and congratulated his colleague for a very able presentation and associated himself with all that was said by Talmadge.

The proposed amendment would allow State and local governments to decide how schools should be operated and whether or not they would be integrated. Senator TALMADGE noted that the Supreme Court's school decision is an accomplished fact and suggested that the the only way its decision can be reversed is by the Court itself, by Congress or by the people. TALMADGE's plan of carrying the question to the people will undoubtedly be a long procedure, since constitutional amendment requires a tedious process to be passed through before enactment. Actually there appears to be very little chance of the proposal getting off the ground at this time, but it will serve a good purpose in causing many, many citizens of the country to give the matter serious thought.

The proposal may have a good influence on the radical northern liberal Democrats and some members of the Republican Party who have been clamoring for violent action on so-called civil rights.

We commend Senator TALMADGE on his masterful address and his statesmankind proposal to the Congress. He has struck a good blow for States rights.

[From the Cobb County Times, Marietta, Ga., Jan. 29, 1959]

A PROFOUND MESSAGE FROM SENATOR TALMADGE

Senator HERMAN TALMADGE's address before the U.S. Senate Tuesday was an eloquent presentation of the southern viewpoint. A masterpiece of reason and commonsense, it stands as a notable monument amidst the tremendous flow of opinion—verbal and oral—directed at the current school problem.

Were it only possible for every American citizen to read or hear the Talmadge address, there would assuredly be a new, deeper, and more sympathetic understanding for the South's plight. For while deploring the Supreme Court decision, the Georgia Senator has clearly accepted the credo that the rulings of the High Court amount to an accomplished fact.

With considerable clarity, the Talmadge address has painted a realistic appraisal of conditions that now exist. At the same time,

it peers into the uncertain future where public education teeters in delicate balance. The appalling consequences of a failure to reconcile differences are spelled out in unmistakable profundity. No paraphrase can do justice to the Senator's message. Here are his own words:

"The destruction of public education in an entire region of our Nation would be an unparalleled catastrophe. * * * The American concept of universal education, more than any other factor, is responsible for the greatness which this Nation has achieved. And it very likely may prove to be the determining factor in the outcome of our present life-or-death struggle with international communism.

"Yet, Mr. President, a realistic appraisal of the facts of the matter affords no conclusion but that [destruction of public education] will be the inevitable result of binding the citizens of the South in the chains of circumstance now being forged around them."

It is this prospect which prompted Senator TALMADGE to propose a constitutional amendment that would vest exclusive control of schools with the State and its political subdivision. There is not, of course, any likelihood that Congress will agree to clear the way for individual States to vote on the amendment. One can only surmise what the verdict would be under these conditions.

The Talmadge address is a declaration of the Deep South's opinion. By studying its message carefully, an objective individual can draw an accurate summation of the problem which exists. Applying the powers of reason to its extreme views on each side can only render a solution impossible.

With extremists appearing to dominate the national political scene, it would seem reasonable to transfer the decision to States for action on the Talmadge amendment. But since this constitutional remedy to a national dilemma is unlikely, the future of public education remains in the abyss of uncertainty and despair.

[From the Marietta (Ga.) Daily Journal, Feb. 4, 1959]

THE TALMADGE OFFENSIVE

The adroitness of Georgia's Senator HERMAN TALMADGE during the opening days of the new session of Congress is attracting widespread attention. Demonstrating a remarkable ability to latch on to the initiative and to play the offensive role, TALMADGE is creating an image that resembles an able field marshal more than a junior Senator.

In rapid order, within a week's period, he has (1) offered a constitutional amendment which would vest in the States and local government control of public school administration; and (2) presented a bill requiring judicial experience for future Supreme Court appointees.

The value of these two proposals should not escape perceptive observers. The South, for some time, has been in the defensive corner, badgered by the incessant moves of civil rights exponents. The Talmadge proposals have turned the tables, at least for the moment. It is now up to the extremists in the liberal camp to deny their logic and feasibility. In the process of doing so, it is TALMADGE's hope that Americans outside of the South will gain information which will make them more sympathetic to the southern problem.

Correspondence received today from the Senator outlines this strategy with great clarity. He writes:

"It is my thinking that those of use who believe in the southern way of life have been too long in a defensive posture. Our struggle is for the minds of people outside the South and it was with that point in mind that I offered my proposed amendment. * * *

"If we can get around the lockout of information imposed by various news media outside the South and reach people in other areas of the country with our message, I believe we can get them thinking in proper perspective and win their support for a reaffirmation of the time-honored tenet of local self-government."

TALMADGE's latest proposal to strengthen the Supreme Court by requiring judicial experience has a better-than-average southern chance for acceptance. Many legal minds outside the South are concerned about the lack of adequate qualifications for Supreme Court service. Examination of these facts presented by TALMADGE explain why.

Of the nine present Justices, only five have had judicial experience and one of these received his training as a police court judge.

With the exception of one Justice, none has had prior judicial service for more than 5 years.

More than half of the Justices did not previously devote their major efforts to the practice of law.

If civil rights should cease to loom as such a live political issue, the chances for approval of TALMADGE's court bill would be considerably enhanced. Even with this drawback, the proposal is likely to win strong support from legal authorities across the land. If these men of respected stature come forward, the ensuing debate could be both healthy and informative for the American public.

Perhaps such a debate will open more eyes to the South's plight. It is this possibility that lends significance to the TALMADGE offensive.

[From the Columbus (Ga.) Ledger, Jan. 29, 1959]

A WAY TO SOLVE SCHOOL DILEMMA

There's no shortcut to integration of the races in public schools. Little Rock is ample proof of this. So are schools in Virginia. This list will continue to grow as the school crisis deepens in the South.

This seems to be the recurring theme in Senator HERMAN TALMADGE's most eloquent exposition of the South's position. His plea is contained in a statement accompanying his proposed constitutional amendment which would assure States and localities full control over education.

The amendment would declare that administrative control of any public school, public education institution, or public educational system is vested solely in the State or political subdivision which operates it. It would need the support of two-thirds of Congress and three-fourths of the 49 State legislatures to become effective.

Senator TALMADGE's proposed constitutional amendment is, indeed, a way out of the South's dilemma. In the atmosphere that exists today, it is, in all probability, the only way out. Otherwise, as Senator TALMADGE warns, the South faces an unparalleled catastrophe of wholesale school closings.

The Senator seems to be issuing a final call, a final rallying point in an effort to stave off the inevitable blow which will tumble the South and its educational plant to the depths from which it took so long to rise.

In his speech, Senator TALMADGE caught the temper of most thinking southerners. His calm plea stands out like a beacon, in contrast to the emotional stampede now on in the South to pile law upon law in a frantic effort to get around the Supreme Court ruling only to have them struck down as unconstitutional.

But, unfortunately, there, perhaps, will be little support outside the South for the proposal, even though there now seems to be some evidence that other areas of the Nation are beginning to take a second and more sympathetic look at the South's predicament in the school crisis.

There would be no problem, if one could, with the wave of a hand, change the hearts of men. But that, we know, is not the nature of man. It comes only through careful nurturing which, at one time in the South, was beginning to crack the hard crust of hate and prejudice.

The Congress and the Nation could very well find it in the country's interest to take a serious and prayerful look at the proposal which it has before it. Otherwise, the stampede which is sweeping the South along, could very well bring the walls tumbling down and lay waste to an entire section of the country.

[From the Columbus (Ga.) Enquirer, Jan. 30, 1959]

TALMADGE AMENDMENT WOULD SOLVE PROBLEM, BUT IT FACES TROUBLE

By presenting a proposed amendment to the Constitution of the United States, Senator HERMAN TALMADGE offers a way out of the dilemma that faces those who resist the Supreme Court's insistence that segregation be abandoned in the schools.

Here is the proposed amendment:

"Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution or system is administered by such State and subdivision."

It is beginning to look like a constitutional provision of this kind is going to be needed if a full measure of success is to be accomplished through continued resistance to integration.

It appears that this is Senator TALMADGE's view.

The Georgia Senator cited two points of view on the Supreme Court's antisegregation opinion. There are those, he said, who consider the decision to be the law of the land and who are determined to force its implementation regardless of the results. Senator TALMADGE went on to say that "there are others like myself who consider the decision to be outside the scope of the Constitution and who are dedicated to seeking its reversal by every lawful means."

Since there is no likelihood the two viewpoints ever will be reconciled, said Senator TALMADGE, "it is essential to the future welfare of the Nation that all citizens face up to the two incontrovertible facts of the situation." He listed them as follows:

"1. Regardless of whether one accepts it or not, the Supreme Court's school decision is an accomplished fact which will remain so until it is either reversed by the Court itself or is nullified or modified by Congress or the people; and,

"2. Regardless of whether one likes it or not, the overwhelming majority of the people of the South will neither accept nor submit to the forced implementation of that decision and there is no prospect of any change in that position within the foreseeable future."

Just how far the Talmadge amendment will get is not clear at this time. There will be a great deal of opposition to it, of course, but it is possible that an appreciable number of those favoring integration might support the idea of education being controlled by the States. Senator TALMADGE's leadership in this movement will be widely applauded, we are sure. It is a long-range attack on the problem in the interest of maintaining segregation in the schools of the South and many battles will be fought while the proposal is pending.

Senator TALMADGE argues that the amendment, which requires a two-thirds vote by both Houses of Congress and ratification by three-fourths of the States, "is compatible with everything that is American." The junior Senator asserted:

"It is the American way. It is the constitutional way. It is the way of reason and common sense."

Senator TALMADGE has produced an instrument that would solve the problem from the South's point of view if it could be passed. While the Georgian faces an uphill battle in his effort to put the amendment across, he is to be commended for the courage of the effort.

[From the Savannah (Ga.) Evening Press, Jan. 27, 1959]

TALMADGE HITS NAIL ON THE HEAD

Georgia's Senator HERMAN TALMADGE sees his proposed constitutional amendment to restore the right of local people to run local schools as an attempt to steer a positive approach to the dilemma created by the Supreme Court's school segregation decision, and first examination of the plan he advanced today in the Senate provides a healthy contrast to the political opportunism that has been indulged in by the congressional "liberals" regarding the serious social and moral problem that surrounds this issue.

In addressing the Senate today, the Senator rightly deplored the "unspeakable hypocrisy of using children as pawns of political expendiency," and called for a return to basic concepts of our Nation as a means of solving a national problem that could pose a serious threat to our future well-being.

Appraising the current condition in regard to the school segregation decision. Senator TALMADGE stated these cold facts: "(1) Regardless of whether one accepts it or not, the Supreme Court's school decision is an accomplished fact which will remain so until it is either reversed by the Court itself or is nullified or modified by Congress or the people; and (2) regardless of whether one likes it or not, the overwhelming majority of the people of the South will neither accept nor submit to the forced implementation of that decision and there is no prospect of any change in that position within the foreseeable future."

How to get out of this stalemate? Force won't do it. Federal control of education is not the answer. "Rearing a generation in ignorance is not the answer." The answer, Senator TALMADGE told his fellow lawmakers, is contained in a return to the concepts of self-government upon which this Nation was founded, "in removing external pressures seeking to force compliance with unacceptable directives and edicts and rather permitting local school patrons to determine for themselves the manner in which the schools attended by their children shall be administered."

To accomplish this, Senator TALMADGE's proposed amendment would read as follows:

"Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution, or system is administered by such State and subdivision."

Senator TALMADGE has long been a stanch advocate of the principles of local self-government and local self-determination, and his amendment would reaffirm these principles in the light of modern pressures to tending to weaken them. He refers to the very words of the Declaration of Independence that government derives its just powers from the consent of the governed, and views the Supreme Court decision as a refutation of this cornerstone of our freedom.

This newspaper believes that Senator TALMADGE may indeed be showing the way to a solution of the school segregation that would be compatible with the beliefs of all factions involved. For the future of education in the United States, we trust the Congress and the people will give it the serious consideration it merits.

[From the Savannah (Ga.) Morning News, Jan. 28, 1959]

TALMADGE AMENDMENT

We venture to speculate that the Talmadge amendment to solve the integration crisis is the most important piece of legislation bearing on domestic policy to be before the Congress in many a year.

The measure, introduced Tuesday by Senator TALMADGE, with seven southern cosponsors, would provide a means of assuring States and their subdivisions full control over public education. It would vest "administrative control of any public school, public education institution, or public education system" in the State or political subdivision which operates it.

The legislation, if passed by Congress and approved by the States, may be credited with averting a national catastrophe. For this Nation has been on the path to catastrophe for 5 years following the Supreme Court's perversion of our system of justice with a dictatorial order to integrate the races in public schools.

It has been made abundantly clear that the people of the South cannot accept this order in good conscience. If it is not counteracted in some way, we face the possibility of closing our public schools in Georgia and other Southern States. The very cornerstone of our democratic system would thus be undermined, and chaos would be the inevitable result.

This need not be the course of events, however, if steps are taken to correct the evil that has been done. It is up to the legislative branch of the Government to correct the grave error which has been perpetrated by the judicial branch. The Talmadge amendment is the channel through which this may be accomplished.

In a broader sense, the Talmadge amendment will serve to clarify our concepts of democracy. The Supreme Court has so disrupted the laws governing education that every school in the Nation is subject to the whim of the majority of the Court. The power the Justices wield today has all but destroyed our democratic system of checks and balances and the division of the Federal and State powers as established by the Founding Fathers.

Approval of the Talmadge amendment, which we strongly endorse, would not only provide the solution to the integration crisis, but would also serve to reaffirm our fundamental democratic beliefs.

[From the Savannah (Ga.) Morning News, Feb. 3, 1959]

ARE THE PEOPLE BLIND TO TYRANNY?

In Virginia this week Federal coercion finally brought about the enrollment of 21 Negro students in 7 public schools with a total enrollment of about 11,000.

The degree of saturation certainly will have little immediate effect on the overall educational program beyond the fact that it will probably be rather hard on the handful of Negro students who are being made the pawns of pressure groups. They constitute less than two-tenths of 1 percent of the total enrollment of the schools involved—thus creating a situation that has been termed "token" integration.

The significance of the Virginia case, however, far outweighs the rather small breach in the State's solid racial barrier in public schools, for it underscores the destruction of State sovereignty and local self-government.

It was not brought about by law.

The people of Virginia never voted to integrate their public schools racially—in fact, they voted almost solidly against it.

The Congress passed no law taking the control of schools away from the States and vesting it in the Federal Government.

The Constitution does not grant Federal jurisdiction over any phase of a State's operation of its public schools, nor did the writers of the Constitution and its amendments ever intend that any part of that document would be so construed.

The forcing of integration in Virginia was, instead, brought about because members of the Supreme Court declared that in their opinion the sociological aspects of racial segregation constitute a denial of equal protection of the laws as required by the 14th amendment.

Thus, the Court, in effect, amended the Constitution and wrote a new law without recourse to the people, in clear violation of the letter and the spirit of the 10th article of the Bill of Rights. Sentiment cannot change this fact. They set a precedent in judicial tyranny that contains the seeds that could destroy this Republic, for it affirms that in the opinion of the Court, government shall be of men and not of law. It is a precedent that could enable future Courts to hold any portion of the Constitution to men whatever current popular opinion favors so long as such findings are endorsed outside the Constitution by sociological or psychological studies.

The entire membership of the Supreme Court should have been impeached forthwith the day following their May 17, 1954, ruling.

But the people seeing the ruling as a source of temporary political advantage to themselves, or blinded by sectional hatred or perhaps apathetic, did nothing when the Supreme Court changed its motto from "I interpret the law," to "I am the law."

Senator TALMADGE last week introduced in the Upper Chamber a proposed constitutional amendment that would rectify the Supreme Court's folly and at the same time prevent certain irreparable harm from befalling the public school systems in many States of the South.

The amendment would simply spell out the fact that public education is the exclusive responsibility of States and their political subdivisions, not the Federal Government. Certainly there is nothing wrong with this concept. The act which granted statehood to Alaska says specifically "the schools and colleges provided for in this act shall forever remain under the exclusive control of the State, or its governmental subdivision." Are not existing States entitled to the same consideration? Are not the people at least entitled to vote on a constitutional amendment to provide uniformity in this matter?

The story of Senator TALMADGE's proposal was headlined on page 1 of newspapers throughout the South, and most of them gave it immediate editorial support. The New York Times the same day played the story in a single column on page 20 with the comment that the proposal was given no chance of passage in Congress.

Why is it that only the people of the South seem to recognize what is going on, and are ready to trust the judgment of the people by submitting the question to them in the form of a proposed constitutional amendment? This is a question those of us living in the South, who have friends living in other parts of the country, might well bring to their attention. It would help if

Congress started receiving some mail on the subject from places other than Dixie.

[From the Augusta Chronicle, Jan. 28, 1959]

A PRACTICABLE SOLUTION

Senator HERMAN TALMADGE, of Georgia—supported by Senators BYRD and ROBERTSON, of Virginia, Senator OLIN D. JOHNSTON, of South Carolina, Senators HILL and SPARKMAN, of Alabama, and Senators EASTLAND and STENNIS, of Mississippi—has proposed a solution to the problem of school integration that conforms to all of the requirements of justice, common sense, and constitutional law. He has proposed in the Senate an amendment to the Constitution of the United States vesting exclusive administrative control of the schools in the States and their political subdivisions.

The Talmadge amendment is as follows:

"Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution, or system is administered by such State and subdivision."

In other words, Senator TALMADGE proposes to allow the people of the United States to decide in the several States, whether or not their schools shall function on an integrated basis or a nonintegrated basis.

In so doing he has offered a way out of the catastrophic situation into which the Nation has been plunged by the relatively small but powerful group in Washington which is seeking to take over the administration of the Nation's schools. He has given recognition to the heretofore accepted principle that the people themselves, in the final analysis, are the ultimate authority in Government in the United States.

In presenting the proposed amendment in the Senate, Senator TALMADGE said that he spoke out for the voiceless masses—the schoolchildren—"who will suffer the drastic consequence of having the doors of the public schools closed in their faces."

In a masterly analysis of both the law and the current crisis, the Georgia Senator pointed out that there is an irreconcilable difference of opinion between those who would construe the segregation decisions of the U.S. Supreme Court as "the law of the land" and those who consider recent decisions of the Court to be outside the scope of the Constitution.

"Unless it is the wish of this Senate and this Congress," said Senator TALMADGE, "that the Nation be torn asunder and the schools of the South destroyed, action must be taken soon to resolve the issue on a realistic, constitutional basis."

Federal bayonets are not the answer, said Senator TALMADGE, nor is rearing a generation in ignorance the answer.

Historians of the future, he said, will regard as one of the gravest and most costly mistakes of our Nation the decision of the Supreme Court to make judicial questions out of matters of human relations which the sum total of the experience of mankind dictates should be left to the orderly processes of evolution.

Adoption of Senator TALMADGE'S proposal would pave the way for a solution of the problem in a peaceful, orderly manner. It would strip agitators of the power to force unwise action. It would free Governors, legislatures, and school boards for action in accord with local conditions and prevailing public opinion. It would, as Senator TALMADGE pointed out further, prevent destruction of the public schools of the South and would end for all time any threat from any quarter of Federal control of education. It would create a basis of unity at a time when it is vitally important that the American people present a united front to enemies of the Nation.

The great question is, Will the Senate of the United States adopt Senator TALMADGE'S proposal and thereby permit a peaceful solution of this disruptive issue?

As for Senator TALMADGE, he has long been a political leader of outstanding ability, but his wisdom in working out such an acceptable solution to the segregation issue entitles him to move up into the statesman class.

[From the Augusta Chronicle, Feb. 1, 1959]

LET THE PEOPLE DECIDE

The Chronicle definitely does not think the school systems of our States should be run by a Supreme Court school board in Washington.

The Chronicle believes that Senator HERMAN TALMADGE, of Georgia—in his suggested amendment to the U.S. Constitution by which the integration crisis can be settled justly—has offered a plan that is feasible and right from every standpoint.

The Chronicle also realizes that, in all probability, it will be very difficult for Senator TALMADGE and the distinguished cosponsors of the bill to secure its passage by Congress. The bill, we know, will be strongly opposed by the so-called liberals whose every action has indicated that they are not concerned about either the rights of the South or the well-being of the Nation.

Because of this, Senator TALMADGE and other southern Senators and Representatives need all the help they can get from the people in bringing pressure to bear on Congress for the passage of the bill. Senator TALMADGE has called upon the people of the Nation to let Senators and Congressmen know how they feel about this proposed amendment, which offers the only reasonable and peace-producing solution to the problem created by the U.S. Supreme Court and Federal interference from Washington.

Through the proposed amendment to the Constitution Senator TALMADGE seeks to vest exclusive control of all public schools in the people themselves, with each State and local community exercising the right to operate its school system in keeping with the expressed wish of the people in the respective States.

Senator TALMADGE, himself, in his speech presenting the proposed amendment in the Senate and in an address at the annual dinner of the Association of Cotton Textile Merchants of New York, has declared that he had an "abiding faith in the reason, good judgment, and commonsense of the great American Public." He has reaffirmed the principles of government laid down by the Founding Fathers of the Nation in their historic declaration that the very basis of our Government is that it derives its "just powers from the consent of the governed."

The Chronicle also believes that government derives its just powers from the consent of the people themselves and that the American people are intelligent enough and wise enough to make right decisions on any crucial issue when they are in full possession of the truth.

In this case all that Senator TALMADGE asks is that the people write to their Senators and Congressmen demanding that their representatives in Washington give them the right to render a decision on such a crucial issue.

To make such a letter-writing campaign fully effective it is necessary to reach not only Southern Senators and Representatives but as many of the Senators and Representatives from other States of the Union as possible.

The Chronical suggests, therefore, that every person write not only to southern Representatives in Washington but that letters be sent to friends in all parts of the country explaining the wisdom of the Talmadge amendment and asking them to cooperate in securing its passage by writing to their own Senators and Congressmen.

This will entail some effort on the part of individual citizens.

But, remembering how the soldiers of the American Revolution left their footprints in blood on the snow at Valley Forge, is it asking too much from those who have enjoyed the freedom won by those shoeless soldiers that they shall take the time and trouble to write letters in an effort to preserve the right of the people to govern themselves?

Send those letters into Washington by every means at your command. Give Senator TALMADGE the support he needs.

[From the Augusta Herald, Jan. 29, 1959]

TALMADGE'S SCHOOL CONTROL ADDRESS MASTERLY EXAMPLE OF STATESMANSHIP

Historians of the future, Georgia's HERMAN TALMADGE has told his fellow U.S. Senators in proposing a way to solve the integration crisis, "will record as one of the gravest and most costly mistakes of our Nation the decision of the Supreme Court to make judicial questions out of human relations."

And by the same token, the Herald believes, historians will recall Senator TALMADGE'S speech as one of the most masterly exhibitions of statesmanship of recent decades.

The junior Senator's measure, introduced with the support of seven Southern cosponsors, proposes a constitutional amendment vesting exclusive administrative control of public schools in the States and their political subdivisions.

This, the Herald believes, is not only the most practical suggestion as yet put forth to end the crisis, but also is the most important piece of legislation concerning domestic policy to come before Congress in many years.

After saying that a realistic appraisal of the facts of the matter affords no conclusion but that Southern schools will continue to close, TALMADGE stressed, that it was time that someone spoke out "in behalf of the voiceless masses who will suffer the consequences of this rash action."

And speak out he did.

"This critical juncture in our national life," he said, "is no time to permit divisive issues to rob the minds and talents of a great segment of our youth by closing the public schools in their faces.

"From their standpoint there is little difference between those who would destroy public schools with bombs and those who would close them with court orders."

To those who insist that compliance with court orders be compelled by Federal force, the Senator cited the "disastrous consequences" of such an attempt at Little Rock, and added:

"Federal bayonets are not the answer."

Although saying that he recognized that "the Supreme Court's decision is an accomplished fact which will remain so until it is either reversed by the Court itself or modified by Congress or the people," TALMADGE pointed out, in the next breath, that southerners find the decision unacceptable and do not aim to change their opinion any time soon.

TALMADGE'S voice most surely was the voice of calm reason, but the crucial question, of course, is whether Congress is yet ready to listen to reason of any kind on the issue.

Somehow, the Herald fears against its wishes, the Nation's lawmakers, either for political opportunism or sectional spite, or for both, are not disposed to view the situation sanely—and that what is virtually a cold war

between the North and the South will continue its perilous trend.

Be that as it may, historians of the future probably will record TALMADGE's plea for domestic peace as one of the most forceful of its time—and as one of the most momentous the Senate has ever heard.

[From the Augusta Herald, Jan. 31, 1959]

TALMADGE PROPOSAL NEEDS BACKING

There can be little doubt in the minds of most Southerners—and others who are interested in self-government and having a voice in the laws that are made—that Senator HERMAN TALMADGE'S amendment proposal vesting exclusive control of all public schools in the States themselves will have rough sledding.

There are too many factions, too much political pressure being brought to bear in the North for many Congressmen to go along with the idea.

If TALMADGE'S constitutional amendment passes and is ratified, it will take public opinion to do it.

The Georgia Senator is asking all Americans to let their Congressmen know their views. We can think of no better way to establish what the people really think than by doing exactly what he asks.

This amendment could well be the only solution to an educational problem that was born of political scheming and nursed by irresponsible radicals until it has grown into a full-size monster.

Let your Congressmen know how you feel about the Talmadge amendment. The Herald is for it 100 percent.

[From the Augusta Herald, Feb. 1, 1959]

ALASKAN CLAUSE ON EDUCATION AUTHORITY MAGNIFIES TALMADGE'S BILL EVEN MORE SO

President Eisenhower—quite unwittingly, we are sure—has publicly put his finger on the crux of the trouble insofar as the Nation's school integration problem is concerned.

When asked to comment on Senator HERMAN TALMADGE'S speech notation that the Alaskan Statehood Act contained a provision guaranteeing them complete control of their own educational system, the President seemed flabbergasted. Alaska, under its own terms, is guaranteed perpetual control of its classrooms and systems.

The provision read: "The schools and colleges provided for in this act shall forever remain under the exclusive control of the State, or its governmental subdivisions."

But although the President signed the Alaskan Statehood Act into law, after presumably reading over and studying its clauses—or at least being briefed on them by responsible aids—he now indicates he was ignorant of such a provision.

"Well, you are opening up a question," he told reporters at a news conference this week, "a matter that I have not even heard about * * * I didn't know that there was any difference in the responsibility and authority of the new State of Alaska as compared to other States."

He didn't know.

No wonder, then, that he declined to comment on TALMADGE'S proposed constitutional amendment which would invest the same authority in the other 48 States. That amendment, of course, is one of the hottest potatoes to come out of Senate legislation in many a day. President Eisenhower, you may be sure, won't be caught off base by commenting on it. Not when it affects the now infamous Supreme Court ruling of May, 1954.

The trouble that has grown out of that ruling could have been minimized, it seems to us, if the President had been more familiar with the facts before acting in certain drastic situations.

Little Rock could have been avoided.

As a matter of fact, much of the outraged indignation of southerners would have been avoided had not Federal troops been ordered into the Arkansas capital. The President apparently realized his error in judgment too late.

Regarding Senator TALMADGE'S proposal, the President stepped aside from comment, saying, "* * * I wouldn't have any authority to approve, favoring a constitutional amendment, until I had studied and looked at it."

That is the usual procedure for Chief Executives—studying the proposal or bill before signing or committing himself pro or con.

It is unfortunate that President Eisenhower has not always followed that procedure. It could have saved him considerable embarrassment at the press conference, and, had he exercised equally careful judgment in September 1957 he might have avoided national embarrassment and bitter feelings.

At any rate, as was pointed out some time ago by Senator TALMADGE, the new State of Alaska does have legal authority to regulate its own educational system. The good people of that northern land were not so eager for statehood that they sacrificed liberty for recognition.

The Herald, which did not favor statehood for Alaska for a number of reasons, nevertheless holds high admiration for these citizens. They want no Little Rock in Anchorage or Fairbanks.

Bearing this new development in mind, it would seem inconsistent, to say the least, if the other 48 States were denied the privilege of administering their own education.

Senator TALMADGE'S bill grows in magnitude by the day.

[From the Albany Herald, Jan. 28, 1959]

SENATOR TALMADGE SPEAKS PLAINLY

In the angry-hot jumble of words and deeds which have attended the deepening social crisis precipitated by the public schools decisions of the U.S. Supreme Court, there has been no keener or fairer statement of the issue and no more equitable remedy proposed than that made to the U.S. Senate yesterday by Georgia's Senator HERMAN E. TALMADGE. In that concise, forthright manner so familiar to his constituents, which has stamped the man as the leading political figure of his generation in this State, the Senator assessed the "two incontrovertible facts of the situation" in this plain fashion:

"1. Regardless of whether one accepts it or not, the Supreme Court school decision is an accomplished fact which will remain so until it either is reversed by the Court itself or is nullified or modified by Congress or the people; and

"2. Regardless of whether one likes it or not, the overwhelming majority of the people of the South will neither accept nor submit to the forced implementation of that decision and there is no prospect of any change in that position within the foreseeable future."

The issue, then, is starkly joined—and at ugly impasse. It begs for relief—not the "solution" of Little Rock, where Federal bayonets kept a handful of Negroes in the public schools last year at a cost of tens of millions of dollars to American taxpayers, resulting in the eventual closing of all the high schools of the community and the destruction of secondary education in an important city of the United States; and certainly not the "solution" of complete Federal Government command of education. For, as Senator TALMADGE was perceptive to observe, the "solution" of Little Rock spells disaster for democracy in tragic human terms. As for Federal control of education, the Senator points to "the abhorrent results we have witnessed in our lifetimes from the attempts by Nazi Germany and Communist Russia to control education at the national level." As for a third alternative, that of inaction which would compel an entire generation of southern children to forfeit their right to public education, the Georgian was wise to scorn "the unspeakable hypocrisy of using children as pawns of political expediency."

What, then, is the answer to this plaguing dilemma? First, in Mr. TALMADGE'S estimation, the issue must be resolved "on a realistic, constitutional basis." This belief is the essence of statesmanship of the highest order. It rejects such unconstitutional avenues as evasion, pigheadedness and mob rule. At the same time, it admits that no "one man, one legislative body or one court could devise a comprehensive answer which would cover all situations and meet all contingencies inherent in the present controversy." Still, history does point a way—fully constitutional and legally equitable—out of the quandary. It is grounded "in the recognition of the fundamental fact that public schools in the United States are local institutions which have been established and are operated and financed by local people on the local level." Here the Senator speaks as much as the capable lawyer that he is as an elected representative who fully comprehends the needs and moods of his own people. The Supreme Court itself supported his general thesis in ruling constitutional the Alabama pupil placement law, a decision that clearly delegated to the several States a definite area in which they and they alone may operate as they see fit to conduct their own affairs, relating to the educational process, so long as no citizen is denied his constitutional prerogatives because of race or creed.

So it is with legal as well as moral support that Mr. TALMADGE proposes that the Congress of the United States adopt a constitutional amendment "freeing the Governors, legislatures and school boards of the individual States to deal with each situation in the light of its own peculiar circumstances and in accordance with prevailing public opinion. That way lies in removing external pressures seeking to force compliance with unacceptable directives and edicts and rather permitting local school patrons to determine for themselves the manner in which the schools attended by their children shall be administered."

In essence, Senator TALMADGE'S constitutional amendment would allow those schools to integrate the races where the constitutional "consent of the governed" sanctioned a change in the community social order, but, importantly, would permit other schools to remain segregated on the traditional "separate but equal" basis if the administrators of these institutions and the public will so ruled.

What Senator TALMADGE espouses is uncontestedly democratic—submission of the issue to the people, through their elected representatives in the Congress and the several States, for a local determination, with two clear alternatives open to them: Segregation or integration. To this end, his constitutional amendment reads:

"Administrative control of any public school, public educational institutions, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution, or system is administered by such State and subdivision."

Surely this is, finally, the voice of sanity in an hour of unreasonable and unreasoning emotions. Surely this is justice and fair play for all Americans of whatever racial or religious origins. Surely this is the American tradition operating in its highest and

best sense. In the Senator's own words, his amendment "offers a constitutional solution to a national dilemma which is compatible with everything that is American and affords the one way in which those of us who disagree on the constitutional and sociological questions at issue can meet on firm common ground to serve the best interests of the present and future generations of American youth."

We congratulate Senator TALMADGE for both the agonizing thought and wrestling of the spirit which he so obviously devoted to one of the most cogent addresses of our memory in the U.S. Senate. We commend his constitutional amendment to the fair-minded judgment of the Senate, the House of Representatives and the legislatures of the 49 States. It is our sincere belief that this outstanding Georgian has, indeed, lighted a path for the Nation through the thick tangle of bias, misunderstanding, and tortured legalisms which are threatening to close the door on America's great saving grace in time of crisis—common sense.

[From the Albany (Ga.) Herald, Feb. 2, 1959]

YES, WE REALLY NEED A LAW

Senator HERMAN TALMADGE has caught the public imagination with several proposals which are well in advance of the thinking of a host of less thoughtful people. His objectives will not be gained immediately, though there is no good reason why they should not be recognized as desirable goals. His proposed constitutional amendment would place all public education completely under control of the States.

And in the words of thousands of local celebrities (there is at least one in every city, town, village, and farm community) "there ought to be a law"—to compel the Supreme Court of the United States to respect and abide by its own decisions.

When that Court handed down a decision long before segregation-integration had become a burning issue, that "separate but equal" schools met fully the requirements of the amendments written into the Constitution in the post-Civil War period, the people were justified in assuming that an important matter had been disposed of.

Our highest Court had spoken, and its decisions were the law of the land. The matter was settled. "Separate but equal"—the Nation's highest Court had spoken.

But on May 15, 1954, that highest Court, in an opinion written by its Chief Justice, made the astounding statement that it had been guilty of an earlier mistake. Separate but equal schools were not enough. Pupils of all colors must sit together in the same schools. Perhaps the same rooms. Under the same teachers.

This now is the law, said the High Court. And the other Federal courts are passing along the word.

We need something that will make Supreme Court decisions stick, so we can know.

[From the Macon Telegraph, Jan. 28, 1959]

TALMADGE BEGINS BIGGEST SELLING JOB OF HIS CAREER

Senator TALMADGE'S proposal for an amendment to the Federal Constitution is based on sound reasoning and a true sense of urgency because of the crisis in public education.

Mr. TALMADGE'S suggestion for amendment is not new. Congressman CARL VINSON and others have likewise proposed amendments, realizing that in the final analysis, the South's best hope for preserving both its racial pattern and its public schools lies in limiting the authority of the Supreme Court.

In proposing his amendment, Georgia's junior Senator captures in words the gloomy picture confronting our schools:

"The closing of any school anywhere is a lamentable occurrence.

"The closing of a public school system is a terrible tragedy.

"The destruction of public education in an entire region of our Nation would be an unparalleled catastrophe.

"Yet a realistic appraisal of the facts of the matter affords no conclusion but that that will be the inevitable result of binding the citizens of the South in the chains of circumstance now being forged around them.

"And the real losers of such an eventuality unfortunately will be those who will have the least to say about it—the schoolchildren of the South and their parents.

"With the exception of seeking the salvation of his immortal soul, man has no greater responsibility than seeing that his young are educated to the fullest extent of their abilities and are equipped spiritually and intellectually to achieve mankind's highest destiny."

Mr. TALMADGE is hopeful that men of good will outside the South will see the impending calamity and will support his amendment for the good of the Nation as a whole.

Like most of us, he recognizes that two diametrically opposing views are destined for a head-on crash unless some solution is reached. He believes this solution lies in local self-determination, based on the peculiar locality.

The Talmadge amendment would specifically save to the individual States and political subdivisions the exclusive right to determine the manner for administering the schools. It is designed to slam shut the door against unlimited interpretation by the Supreme Court in the public school area.

Mr. TALMADGE is a realist. He knows, as do all of us, that this amendment starts with two strikes against it. But he is counting on the national concern over the very real threat of disrupted public school systems in a vast segment of the country to create a favorable climate for considering the amendment.

The Senator can be expected to carry the message of crisis and the hope for solution in the amendment to every part of the Nation during the coming week.

The amendment is legally sound. The real question is: Can it be passed? With disaster the only foreseeable alternative for many southern school systems, HERMAN TALMADGE will be doing the most important selling job of his life.

[From the Macon (Ga.) News, Jan. 29, 1959]

THE AMENDMENT PROPOSED BY TALMADGE

Here is the language of Senator HERMAN TALMADGE'S proposed amendment to the Constitution of the United States:

"Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution or system is administered by such State and subdivision."

The South being a minority, in the Congress and in the Nation—both of which must approve for the amendment to become law—Talmadge's proposal may prove futile. But it is a magnificent move.

It is magnificent because it courageously faces up to two diametrically opposed facts: (1) The Supreme Court has said segregation is unconstitutional and the decision is not going to be changed; (2) the people of the South will close their public schools before they will accept mixing of the races in the classrooms.

Senator TALMADGE is seeking to head off the almost incredible threat of a general breakdown of public education in Georgia and her sister States. He clearly sees the peril in this. An intelligent and astute man, he realizes what a tremendous setback, economically and culturally, this would be for the South.

So he urged in a speech Tuesday that a constitutional amendment be adopted. It would permit State and local governments to decide for themselves whether to operate racially integrated or segregated schools by placing administrative control of public schools exclusively in the hands of the States and their political subdivisions.

He terms it a "commonsense" method of ending the bitter and tragic school controversy. That it is. And it is in the American tradition of local self-determination.

TALMADGE does not go so far as to endorse local option for political subdivisions exclusively. He believes the State and the various lesser governments would have to agree before the decision was made, based on local conditions, whether to segregate or integrate.

The Congress would first have to approve the proposed amendment. This is unlikely. Even if it happened, three-fourths of the legislatures of the 49 States would have to approve, and this is even more unlikely.

But Senator TALMADGE has spotlighted the problem. He has shown there is a way to resolve this heartrending conflict. He has put the prointegrationists on the defensive. By becoming the first prominent southern Senator to publicly recognize the easily recognized—no matter how distasteful—point that the desegregation decision is an accomplished fact, Senator TALMADGE has done his people a great service. He has done this by stating what is the truth.

The proposal is no idle gesture on TALMADGE'S part. He will take his campaign for the amendment to New York City tonight. He speaks at the annual banquet of the Association of Cotton Textile Merchants of New York. He will be speaking on other occasions, taking advantage of every opportunity offered him.

How much more worthwhile and realistic is Senator TALMADGE'S proposal than such absurd solutions as moving Negroes out of the South, impeaching the Supreme Court, or permitting children to grow up without an education.

[From the Rome News-Tribune, Jan. 28, 1959]

SENATOR TALMADGE'S COURAGEOUS EFFORT

Senator HERMAN TALMADGE, proposing an amendment to the United States Constitution which would restore administrative control over public educational systems to the State or unit of local government which operates them, performed one of the most significant acts of statemanship in the history of the Senate.

In introducing his proposed amendment, which also explicitly gives to the residents of a State or subdivision the right to determine for themselves how they want their schools administered, Senator TALMADGE drove to the heart of the present public school controversy. He said the Supreme Court of the United States has tried to make itself "a super board of education, superior to the Constitution, to Congress, and to the consent of the people."

The Senator from Georgia clearly exposed the terrible dilemma in which the South finds itself today. Like it or not, he said, the Supreme Court decision is "an accomplished fact which will remain so until it is either reversed by the Court itself or is nullified or modified by Congress, or the people."

Opposing this fait accompli, he pointed out, is the fact that the "overwhelming majority of the people of the South will neither accept nor submit to the forced implementation of that decision."

Senator TALMADGE said the real losers in the current situation are the schoolchildren of the South and their parents and he added that Federal bayonets, Federal control of education or a generation of ignorance are not the answer to the problem.

What fate awaits this effort to restore control of education to the people and their elected representatives? It must be approved by a two-thirds vote in both Houses of Congress and then be ratified by the legislature of three-fourths of the States to be effective. That is a long and difficult road for such a measure in this day of "liberal" kow-towing to pressure groups and blind obeisance to the doctrine of central government.

We cannot help but feel that, if Senator TALMADGE'S proposal makes its way successfully through the Congress, it can win a favorable reception from the people of the United States through their elected legislatures. Many, many of them, outside the South, have recognized the inherent danger in Federal dictatorship over the system of education and, consequently, the minds of future generations.

The junior Senator from Georgia has made a courageous and thoughtful effort to place this issue back where it belongs—in the hands of the people, not a five-man appointed tribunal.

[From the Griffin Daily News, Jan. 28, 1959]

AMENDMENT ON LOCAL CONTROL

Eight southern Senators have proposed a U.S. constitutional amendment that would give States and their subdivisions full control over public education.

Senator HERMAN TALMADGE introduced the measure Tuesday which was cosponsored by seven other Dixie Senators.

The amendment would have to be approved by two-thirds of both Houses in Congress and be ratified by three-fourths of the States to take effect. It was offered as the constitutional way of "reason and commonsense."

The bill is a move on the part of southern leaders to avoid wholesale school closing in the South.

As Senator TALMADGE put it, Federal bayonets, Federal control of education, or a generation of ignorance is not the answer.

Like it or not, he said, the Supreme Court decision is an accomplished fact which will remain so until it is either reversed by the Court itself or is nullified or modified by Congress or the people.

The proposed constitutional amendment seems to be a step toward the later alternative.

[From the Griffin Daily News, Feb. 2, 1959]

THE CASE FOR LOCAL CONTROL

(By Bill Knight)

Senator HERMAN TALMADGE of Georgia is giving the South the kind of vigorous and positive leadership it needs in efforts to regain the control of public schools from the Federal courts and place it where it rightfully belongs—in the hands of State and local governmental subdivisions.

The junior Senator from Georgia presented one of the key points in his program last week when he proposed a constitutional amendment to vest control of public educational institutions in the State or political subdivisions which operate them.

Today he announced plans to introduce a series of four companion measures to the constitutional amendment.

The measures will include bills to—

1. Prescribe minimum qualifications for Justices of the Supreme Court of the United States.

2. Withdraw the jurisdiction of the Supreme Court of the United States and U.S. circuit and district courts over all matters relating to the administration of public schools.

3. Require jury trials in all cases of contempt arising from the disobedience of any Federal injunction or restraining order.

4. Require the Supreme Court of the United States to accord a full hearing to all parties before acting upon any lower court decision.

The constitutional amendment proposal with the four companion measures is a positive approach. It sets down specific measures which would tend to prevent mass closing of public schools in the South.

After Senator TALMADGE had called for the constitutional amendment last week, he followed it up quickly by pointing out that the newest State in the Union, Alaska, was granted full local control over its public educational institutions. The Alaska State constitution provides that: "The schools and colleges provided for in this act shall forever remain under the exclusive control of the State or its governmental subdivisions."

The revelation even caught General Eisenhower by surprise. He was asked about the point at his news conference and with a blush admitted that he did not know that the provision was included in the Alaska constitution.

Senator TALMADGE has a strong argument here for State and local control of public schools. If Alaska has a right to administer its schools as it sees fit, then why shouldn't every State in the Union have the same right?

While Senator TALMADGE is setting forth his bold and positive program, the liberal and radical elements of Congress are not sitting still. They are busy cooking up another witches brew of so-called civil rights legislation.

The liberal civil rights proposals and the program as outlined by Senator TALMADGE are surely headed for a collision in Congress. The outcome is unpredictable.

One thing is certain, however. The South under the leadership of Senator TALMADGE and other champions of States rights is going into battle with a positive program and not just a bagful of loud objections.

For too long, now, we have shouted what we will not do and have been defeated in almost every instance by stubborn and unrealistic judicial decisions. Instead of saying what we will not do as has been the case since the segregation decision of the Supreme Court, it is time for us to say what we propose to do.

This is the essence of the Talmadge program.

In introducing his constitutional proposal, the Georgia Senator said the real losers in the current situation are the schoolchildren of the South and their parents.

"It is time that someone spoke out in behalf of the voiceless masses who will suffer the consequences of such rash action * * *," he declared.

With his program, Senator TALMADGE is doing just that.

[From the Griffin Daily News, Feb. 3, 1959]

GOOD EVENING

(By Quimby Melton)

"How can I help Senator HERMAN TALMADGE put over his plan, to amend the Constitution so that every State shall control its school and colleges?" a friend asked.

For he, like many others, believes that Senator TALMADGE has the first real plan that will solve the muddled, tragic, tense situation that faces our schools.

That is a question that no doubt occurred to many.

Here's what we told this friend.

We know it will do no good just to write our Congressman. For all of our Congressmen are in full approval of the Talmadge plan. Neither will it do any good to write to other southern Congressmen and Senators, for they, too, are all for the Talmadge amendment.

We also know that this proposed amendment will not be passed by the Congress unless a lot of Congressmen and Senators from other States "see the light."

And they will only "see the light" when their constituents let them know that they approve this proposed amendment.

So let's all get busy and write personal friends who live in Northern, Eastern, and Western States. Let's write them a friendly sort of letter, telling them what we think of this amendment and asking them to write their Congressmen, if they agree with us.

Do not write an argumentative sort of letter. Just tell the facts.

Do not have a lot of letters mimeographed. Make each letter a personal one. Send these letters to personal friends, to business firms with which you do business.

Such letters could result in many letters going to northern and eastern and western Congressmen, from their constituents. And such letters will have effect on their thinking.

Following our advice to this friend, we are writing personal letters to friends in California, Michigan, New York, Illinois, Massachusetts, Rhode Island, Maryland, Oklahoma, and Missouri. We have made a list and intend to write at least 2 dozen letters this week. These letters will be to personal friends.

In addition, we plan to write letters to concerns with which we have done business for many years.

It might be wise for various civic organizations to act on this suggestion and have officers of the organization write letters to other clubs like theirs in other States.

Right here in Spalding County we can start a movement that can catch fire all over the South. Thousands of letters, real personal letters not canned letters, can have a tremendous weight and could result in Congressmen from other States, realizing that the fight to preserve States rights and control of our schools, is not only of vital interest to Dixie, but to all the Nation.

Senator HERMAN TALMADGE has opened the way for us to solve our school problems. But he needs the help of every person who believes with him, that the individual States have certain rights that should never be surrendered.

So, if you want to back up HERMAN TALMADGE, sit right down and write a letter to a friend and point out the fact that he or she should be just as interested in solving the problem, as you.

May we suggest that anyone who is willing to do this send Good Evening a card saying how many letters he or she has written and to what States they went.

[From the Journal-Herald, Jan. 28, 1959]

TALMADGE HAS PLAN ON SCHOOLS

Senator HERMAN TALMADGE, in his weekly column on this page, explains an amendment which he proposed before the Senate this week.

The theme and purpose of the amendment, as the Georgian said in a speech before the upper House, is the vesting of exclusive administrative control of public schools in the States and their political subdivisions.

As usual, TALMADGE made a masterful presentation of the case for Georgia and the South. Whether his talk will gain new adherents for our cause remains to be seen but his remarks reflected sound reasoning.

He said there are two incontrovertible facts in today's school integration situation.

First, that the Supreme Court's school decision is an accomplished fact and, second, that the majority of the people of the South will neither accept nor submit to the decision and "there is no prospect of any

change in that position within the foreseeable future."

In proposing his amendment, TALMADGE said the way out of the present trouble lies in the recognition of the fact that public schools in the United States are local institutions.

He urged that local school patrons be permitted to determine for themselves the manner in which the schools shall be administered.

The Senator said Little Rock has shown that Federal bayonets are not the answer. Neither, he told the Senate, is Federal control of education.

"To those who advocate inaction and who would sit by idly and snugly while children go without an education, I would point out the unspeakable hypocrisy of using children as pawns of political expediency.

"Rearing a generation in ignorance is not the answer."

In agreeing with Senator TALMADGE we would point out that control at local level should mean just that. State laws which lay down a blanket policy for local systems threatened by integration, like Federal laws, tie the hands of school patrons who know their own problems best.

The battle to preserve segregation is, as Georgia's junior Senator says, rightly a matter to be handled by the people who are directly affected.

[From the Fitzgerald (Ga.) Leader, Feb. 5, 1959]

CONSTITUTIONAL WAY

Senator HERMAN TALMADGE again has shown his great potential for statesmanship in the introduction last week of his proposal for an amendment to the U.S. Constitution which would clearly place administration of public school systems directly under control of the State or subdivision which operates them.

In doing so Senator TALMADGE recognized the "accomplished fact" of the Supreme Court school decision on the race issue, while emphasizing the South's determination "neither (to) accept nor submit to the forced implementation of that decision."

His exposition of views, and his constitutional remedy for the impasse, comprise an argument which at least has a chance of acceptance outside the South. And regardless of the high-flown words of politicians, or the muddle of evasive laws which have been proposed, no plan to preserve segregation in the schools is going to be effective in the long run unless it has acceptance in other parts of the Nation.

George Washington warned in 1796 that "the Constitution which at any time exists till changed by an explicit and authentic act of the whole people is sacredly obligatory upon all."

He also urged the promotion, "as an object of primary importance" of institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened * * *."

The junior Senator from Georgia probably said it better in his remarks before the Senate last week: * *

"With the exception of seeking the salvation of his immortal soul, man has no greater responsibility than seeing that his young are educated to the fullest extent of their abilities and are equipped spiritually and intellectually to achieve mankind's highest destiny. The American concept of universal education, more than any other factor, is responsible for the greatness which this Nation has achieved."

In other parts of his Senate speech the Georgian could have been paraphrasing the first President of the United States.

In his Farewell Address, which attached as much importance to domestic problems as to his more widely quoted advice on foreign policy, Washington said:

"The basis of our political systems is the right of the people to make and alter their constitutions of government."

TALMADGE said:

"It (the proposed amendment) offers a constitutional solution to a national dilemma which is comparable with everything that is American and affords the one way in which those of us who disagree on the constitutional and sociological questions at issue can meet on firm common ground to serve the best interests of the present and future generations of American youth."

Washington said:

"It is important * * * that the habits of thinking in a free country should inspire caution in those entrusted with its administration to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department to encroach upon another (which) tends to consolidate the powers of all the departments in one, and thus to create * * * a real despotism."

TALMADGE said:

"It is basic in organized society that the rights and wishes of the individual must be subordinated to the dictates of public opinion and the requirements of public interest. And it would be well for members of all three branches of Government * * * to reflect upon the fact that the source of all law is the people and that laws and court decisions are enforceable only to the degree that they conform to the consent of the governed."

TALMADGE's position does not lack some appreciation outside the South.

"This is a straightforward way to press a view," one eastern newspaper commented. "Some may object that it has no chance of succeeding. But certainly it has more chance of winning support from reasonable men than do efforts to obtain reversal by smearing and undermining the authority of the courts."

Actually, the amendment could have implications beyond the school issue for which it is designed.

The language of the proposal would prevent denial to residents of any State or subdivision "the right to determine for themselves the manner in which any such school, institution, or system is administered by such State and subdivision."

Already there has been some debate on whether this means the control of schools shall be exclusively in the State, or also in the local (community) subdivisions.

Should the amendment be submitted to the people and adopted in its present language, and if it is determined that control of the schools shall remain at the State level, there might be required a review of the meaning of the controversial 10th amendment involving reservation of powers "to the States respectively, or to the people."

TALMADGE, in his Senate remarks, took note that there are some who "for selfish reasons" would prefer to keep the school issue unresolved.

But he urged the Congress to give the people of America "the opportunity to reclaim their constitutional right to run their schools on the local level according to the wishes of local people."

TALMADGE talked to the Senate in national, not sectional, language. Regardless of the outcome, that is the only kind of talk that has a chance of success on this issue.

[From the Wiregrass Farmer, Feb. 5, 1959]

SENATOR TALMADGE SPEAKS WISELY ON SEGREGATION

Senator HERMAN TALMADGE's sane and thoughtful plan to salvage the South's public school system and prevent bloodshed over impending efforts to integrate schools may have fallen largely on disinterested ears.

It is a shame and a discredit to the U.S. Congress that our National Congressmen and Senators may be so prejudiced against a southerner's voice that the constitutional amendment proposed by Senator TALMADGE will gain little serious consideration.

But the plan introduced in the U.S. Senate by the junior Senator from Georgia is by far the nearest to a way of reason and commonsense in solving the dilemma in which this Nation finds itself—torn asunder in much the same way that differences divided the Nation in days preceding the Civil War.

Senator TALMADGE's proposed amendment which would be submitted to the States for ratification or rejection if Congress approves it reads:

"Administrative control of any public school, public educational institution, or public education system operated by any State or any political or other subdivision thereof shall be vested exclusively in such State and subdivision, and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution, or system is administered by such State and subdivision."

In a speech accompanying the introduction of his proposal, Senator TALMADGE said that under such a constitutional provision the citizens of each State and subdivision would be left free to determine for themselves—in accordance with local conditions and procedures and attitudes—how and when their schools would comply with the U.S. Supreme Court's school decision.

This is a major change in the approach of the South toward the school integration crisis. For once a southerner is facing facts. For years now, our political leaders have been crying about the injustice, the legal incongruity, and the personalities behind the Supreme Court's decision calling for abandonment of separate but equal schools. Their tears, threats, and tantrums have amounted to nothing. The Supreme Court is not going to reverse itself. The decision has been made, and the South's only hope is to find a way to avoid being forced by tanks and bayonets to mix the races in the schools.

"Such a provision," the Senator declared, "would prevent destruction of the public schools of the South and would end for all time any threat from any quarter of Federal control of education. Such a provision would assure uninterrupted instruction for all children regardless of their color or place of residence.

"Such a provision would permit either retention of the status quo or orderly change as dictated by the requirements of public opinion and make certain that whatever change might take place would be by the constructive process of evolution rather than the destructive process of revolution."

Here is the crux of the Talmadge proposal and the wisest thing a Georgian has had to say on the entire chaotic question of school integration.

TALMADGE conceded that the course he advocated "will not be acceptable to those who wish to further their own partisan ambitions by punishing the South or to those who prefer for selfish reasons to keep the issue unresolved."

"Unless it is the wish of this Senate and this Congress that the Nation be torn asunder and the schools of the South destroyed, action must be taken soon to resolve the issue on a realistic, constitutional basis in the light of the facts.

"To those who insist that compliance be compelled by the Federal force, I would point out the disastrous consequences on such an attempt in Little Rock, Ark. Federal bayonets are not the answer.

"To those who would have the Federal Government finance and operate the schools of the South, I would point out the abhorrent results we have witnessed in our lifetime from the attempts by Nazi Germany and Communist Russia to control education at the national level. Federal control of education is not the answer.

"To those who advocate inaction and who would sit by idly and smugly while children go without an education, I would point out the unspeakable hypocrisy of using children as pawns of political expediency. Rearing a generation in ignorance is not the answer."

These words by Senator TALMADGE should be studied carefully by his fellow Georgians. Closing the schools is worse than rebellion against the Federal Government. It is rebellion against civilization.

Senator TALMADGE has spoken plainly and reasonably. His words are of little concern to the rest of the Nation. But for the South, his words are the handwriting on the wall.

[From the Post-Searchlight, Jan. 29, 1959]

TALMADGE CONSTITUTIONAL PROPOSAL SOUND

The constitutional proposal introduced in the U.S. Senate to guarantee State control of education by Senator HERMAN TALMADGE is sound. Although the Founding Fathers intended for education to be handled by the several States, they failed to spell it out by prohibting this function on the part of the Federal Government.

The proposal will take a two-thirds vote of the Senate and the House, and could become the law of the land within 7 years if ratified by 36 States. The amendment stands little chance of passing, but it is certainly a step in the right direction. At least it will put the question squarely up to the lawmakers who are always crying the need of going to the people on important questions.

[From the Austell Enterprise—A Builder in a Growing Community—Jan. 29, 1959]

TALMADGE BRILLIANCE SHINES LIKE A STAR

This newspaper has maintained for years that HERMAN TALMADGE is one of the most brilliant men in the country. In our opinion, he has proven it over and over again.

Now, however, few persons will deny the Senator's brilliance and devotion to the people of his State and Nation, with his introduction in the Congress of a constitutional amendment to give the several States the responsibility of education, and to stop forever the conflict between Federal and State Governments on this vital matter.

TALMADGE'S bill may not pass, but he has certainly rendered a worthwhile service to the entire country in his clear-cut and commonsense exposition of the subject.

[From the Thomaston Times, Jan. 29, 1959]

SENATOR TALMADGE MAY HAVE SEED OF IDEA THAT WILL TURN THE SOUTH FROM CHAOS

Senator HERMAN TALMADGE, perhaps the South's foremost student of the racial issue insofar as it concerns the schools, took the floor of the U.S. Senate Tuesday to propose a constitutional amendment that would place the control of schools in the hands of local governmental units.

In our own community that would mean that city schools would be controlled by the city of Thomaston and the Thomaston Board of Education and county schools by the county of Upson and county board of education, both with aid from the State of Georgia.

This solution to the South's dilemma, and indeed, the country's problem, may never be accepted by the Congress and the country but it is the seed of a brilliant idea that may lead us out of our patch into chaos.

Georgia's junior Senator has rendered the South a great service that, alone, should justify his term in the Senate.

[From the De Kalb County News Era, Decatur, Ga.]

THE RIGHT APPROACH

At long last there has been presented before the Congress a sane, logical and legal approach to a solution of the chaos the decision of the Supreme Court of May 17, 1954, created. In an eloquent, reasonable and sincere presentation Senator HERMAN TALMADGE has offered a constitutional amendment that if passed and ratified by two-thirds of the States would "vest exclusive administrative control of public schools in the States and their political subdivisions."

The Senator very strongly pointed out and clearly showed that by so amending the Federal Constitution we would invoke the American heritage of the "consent of the governed" and that it was the "American way," "the Constitutional way," and "the way of reason and commonsense."

Though he spoke primarily for the South it was crystal clear from Senator TALMADGE'S remarks that he recognized what is undoubtedly true that the issues created by the Court's decision were far reaching into the private lives of every citizen of every State. The South has and is bearing the brunt of the matter now, but at any moment the pendulum could swing with devastating effect into any and every other State.

He recognized the Court's decision as an "accomplished fact" whether we like it or not. He recognized the enormity and the peril of the problem it has created. In seeking a solution he very forcibly argued that Federal bayonets were not the answer, that using children as pawns of political expediency was not the answer and that rearing a generation in ignorance is not the answer. Neither is defiance the answer. The only answer is to be found in the American way, the democratic way, the legal way which is and in America has always been by the consent of the governed. The ratification of his proposed amendment would be the solution.

In the Senator's masterly presentation of his proposal he showed his real stature as a man with unbounded respect for law and order, a man with an intense devotion in the future of America, a great Georgian and a magnificent American. Come what may of his proposal nothing can detract from these superb qualities that have been so clearly shown by his action. Georgia is proud to hail him as her son. The South is honored to have him as her champion. The entire Nation will recognize in him a really true and great American. What a vivid contrast the logic, the reasoning, the sincerity and the brilliance of political integrity in this man as compared to the political ballyhoo of some others. What a marked difference there is between the sincere Americanism of Mr. TALMADGE and the political perfidy of some others.

Again we congratulate the Senator. The vast majority of the people of Georgia deeply appreciate his efforts to solve this critical problem by a realistic and constitutional approach. If there be a solution, we believe that what he has proposed is it.

[From the Nashville (Tenn.) Banner, Feb. 10, 1959]

ASKS BACKING OF TALMADGE AMENDMENT

(By Mickey McLinden)

The State legislature today received a strongly worded resolution which urges congressional support of Georgia Senator HERMAN TALMADGE'S amendment which would place control of school affairs exclusively in local hands.

The companion resolutions were introduced in both the State house and senate by the Shelby County delegation.

Specifically, it urges Tennessee's congressional delegation to support TALMADGE'S proposal which would amend the Federal Constitution so that administrative controls (of public schools) be vested in the hands of the individual States.

The resolution proclaims "the bedrock principle of constitutional government is the right of the people to decide * * * this principle of local control of local affairs was honored in this Nation until the judicial trespass in 1954 by the U.S. Supreme Court."

The judicial trespass referred to was the High Court's action in May 1954, in striking down the heretofore upheld "separate but equal" status of white and Negro schools in the South.

The resolution points out that TALMADGE'S amendment seeks neither segregation nor integration of public schools, but would leave each State free to make its own decision.

OTHERS JOIN TALMADGE

The resolution points out that seven other U.S. Senators have joined TALMADGE in his proposed constitutional revision to protect the rights of States and local governments in this important area (of public education).

Shortly after TALMADGE introduced his proposed amendment, President Eisenhower was asked at a news conference if he would favor such a revision.

The President told a Banner staff writer, Frank Van Der Linden, in response to the question that he would have to study the proposal before commenting.

Van Der Linden has reminded the President that the Alaskan Statehood Act gave the new State the exclusive right for perpetual control of its school system.

The President said he did not know Alaska had such a right.

SHELBY RESOLUTION

The resolution by the Shelby delegation follows:

"Resolution memorializing the Tennessee delegation to the Congress of the United States to exert its best efforts in behalf of an amendment to the Constitution of the United States proposed by Senator HERMAN TALMADGE

"Whereas the public school system of Tennessee and of each State is the responsibility of the States individually, and should be subject in all particulars exclusively to State and local jurisdiction; and

"Whereas Senator HERMAN TALMADGE, of the State of Georgia, has proposed an amendment to the Constitution of the United States which would assure that administrative controls be vested in the hands of the individual States and their subdivisions; and

"Whereas the bedrock principle of constitutional government is the right of the people to decide; and

"Whereas this principle of local control of local affairs was honored in this Nation until the judicial trespass in 1954 by the United States Supreme Court; and

"Whereas the proposed Talmadge amendment seeks neither segregation nor integration in the public schools, but would leave each State free to make its own decisions in this regard; and

"Whereas seven Senators from our sister Southern States have joined Senator TALMADGE in his proposal to protect the rights of States and local governments in this important area: Now, therefore, be it

"*Resolved*, That this 81st General Assembly of the State of Tennessee express by resolution its sentiment strongly in favor of the amendment to insure local control of local affairs and that it memorialize the Tennessee delegation to the Congress to exert its best efforts in behalf of the proposed amendment; be it further

"*Resolved*, That copies of this resolution be forwarded to Senator HERMAN TALMADGE with our thanks for his leadership in this important undertaking and to the Tennessee congressional delegation with our urgent request for their support."

[From the Tampa Tribune, Feb. 8, 1959]

INTERPOSITION THEORY LAID TO REST BY GEORGIA SENATOR

(By James A. Clendinen)

The loud collapse of massive resistance in Virginia a few days ago muffled another significant sound in the South: the soft thud of the interposition theory being laid to rest.

And no less a person than Senator HERMAN TALMADGE, of Georgia, wielded the shovel.

Three years ago the great interposition campaign was sweeping out of Virginia across the Southland, whooping behind the ghost of John C. Calhoun. The theory was this: That any State has a right to challenge the constitutionality of an act of Congress or a decree of the Supreme Court, and when such a challenge is made, the law or decree shall be nullified until and unless it is affirmed by legislatures of three-fourths of the States.

Under this theory, when southern legislatures denounced the Supreme Court's desegregation decision as unconstitutional, only a constitutional amendment abolishing segregation could make it the law. Until then, the States could simply pretend that the Supreme Court had never handed down its *Brown* v. *Board of Education* decision on that incredible day in 1954.

Interposition suffered the same weakness as the theory of secession: Ultimately, it was bound to bring on a test of force between State and Federal Governments. It did, at Little Rock. And the Federal Government won then, as it did in 1865.

Interposition, as a practical means of defeating integration, fell mortally wounded at Little Rock. Interposition, as a legal theory, seems now to have been interred by one of the Deep South's own leaders.

For Senator TALMADGE offered to the Senate the other day a constitutional amendment to permit the States to operate segregated schools if they wish to do so. In short, he proposed to reverse the disputed decision by constitutional amendment. This is directly contrary to the interpositionist argument that the Court decision, having been challenged by several States, is a nullity and shall not be recognized unless sustained by a constitutional amendment.

In a speech markedly moderate in tone, Senator TALMADGE said:

"Regardless of whether one accepts it or not, the Supreme Court's school decision is an accomplished fact which will remain so until it either is reversed by the Court itself or is nullified or modified by Congress or the people.

"And regardless of whether one likes it or not, the overwhelming majority of the people of the South will neither accept nor submit to the forced implementation of that decision and there is no prospect of any change in that position in the foreseeable future."

Therefore, he said, to prevent the South's public school system from being destroyed, it was the duty of Congress to adopt a solution "compatible with American constitutional concepts." That, he said, was a constitutional amendment vesting control of public schools in the States.

Even the Senate liberals who violently oppose segregation can hardly quarrel with the Talmadge procedure. This is the historically accepted method for reversing a Supreme Court decision.

Twice in American history the Court has been overruled by constitutional amendment. The first time was in 1798, with the adoption of the 11th amendment prohibiting Federal courts from entertaining suits against a State by citizens of another State. That grew out of a Supreme Court decision adverse to Georgia. The second occasion came more than a century later, when the 16th amendment was adopted to permit the levying of an income tax, which the Supreme Court had held unconstitutional.

In a Congress where so many Members weigh the segregation issue in terms of minority votes, it is unlikely that the Talmadge amendment will muster the necessary two-thirds approval. But submitting the amendment to the States is certainly the practical way to clear up the controversy over the law.

If the amendment is adopted, the States will have a clear and undisputed right to run their schools as they please.

If the amendment is rejected, the South won't like the Supreme Court decision any better but at least will know that it must be accepted as permanent law.

Calhoun's ghost may frown on the Senator from Georgia. But James Madison, the "Father of the Constitution," would bestow his benediction. For Madison said of the interposition-nullification doctrine that to give a minority of States such power to interpret the Constitution "would overturn the first principle of free government and in practice necessarily overturn the Government itself."

[From the Sarasota Journal]

A BATTLE WON, BUT—

Now that Virginia's massive resistance program has been broken down by the massive insistence of Federal judges carrying out Earl Warren's must-mix decree, it is presumed that those who are ardently in favor of forced integration are overjoyed.

They will presume that the battle has been won.

They will point to the graceful submission of Virginia to "the inevitable."

But what has come about is not "the inevitable." Nor will Virginia "massively comply" with the so-called law of the land. And while the battle may have been won by the force-it-down-their-throats advocates, the war has not been won—and never will be.

Let us look away from Dixie, look away from Virginia for a moment to the situation up the country, where supposedly everything is hunky-dory and they are going about integrating right and left.

Current dispatches from New York and Chicago indicate that this just is not so.

Here is an Associated Press item from New York City quoting the New York metropolitan council of the American Jewish Congress as charging that there is "de facto (in fact rather than in law) segregation in the city schools."

At the same time, the U.S. Civil Rights Commission was hearing testimony in New York indicating that open discrimination in housing has gone underground because of antibias laws and policies.

The executive director of the New York Commission on Intergroup Relations (that means force-'em-to-mix) concedes that "discrimination does exist in New York City's housing supply and this discrimination runs the gamut of types and costs of housing."

It is noteworthy at this point to call attention to the fact that when the aforementioned Civil Rights Commission held hearings on voting rights in Alabama, the Nation's television cameras were focused on the proceedings, and coast-to-coast movies of the South's policies and practices were telecast. But when the hearings turn to New York, the TV networks don't seem to think it important to show proceedings in New York City, whence they operate.

This is the rankest kind of discrimination—but it is the kind of attitude that has dominated TV networks, national magazines, and even the wire services for many, many years.

They, egged on by the bigots in New York City, try to damn the South, but they neglect to tell the story of New York City.

On the very same day came another Associated Press dispatch from Chicago which said: "Chicago is more racially segregated now than at any time in its history." State Treasurer Joseph D. Lohman says:

"Lohman, a former professor of sociology at the University of Chicago, said more than 70 percent of the Negro people live in neighborhoods which are 95 percent Negro. About 20 years ago such neighborhoods had a far greater mixed population, he added."

From this it may be indicated that while Earl Warren's decrees may be accepted nominally as "the law of the land," the vast majority of Americans, regardless of race, creed, or color, will either ignore these decrees, or seek to circumvent them.

This will be so not only in Virginia, but in New York, Chicago, and all across the land, from Maine to California.

There have been other notable instances where court decisions have backfired. The first and greatest, of course, was the Dred Scott decision. It took a Civil War to overthrow this one, but it was overthrown.

Then there was the celebrated "noble experiment" of prohibition, which brought on a massive wave of lawlessness, helping to create gangsterism.

It was a long and painful process but eventually the law of the land as spelled out in the prohibition amendments and subsequent congressional acts was overturned by due process.

That took more than 15 years to accomplish, but it was accomplished.

If it takes the same length of time to undo the Warren decrees, that would mean that forced integration will be out the window about 1969, or 15 years after the first decree on forced integration in the schools.

A slender start in this direction has been made by Senator HERMAN TALMADGE and seven associates. They are proposing a constitutional amendment which would spell out that the States, not the Federal Government, are responsible for the operation of the public schools.

Some (such as the Tallahassee Democrat in a supporting editorial Sunday) view this effort as "forlorn," but it is going in the right direction.

We will have more segregation before we get less of it.

[From the Chattanooga News-Free Press, Jan. 28, 1959]

SOUND, BUT FOREDOOMED

Senator HERMAN TALMADGE, of Georgia, yesterday proposed a constitutional amendment that is badly needed—and yet it would not provide anything the Constitution as it now stands does not clearly provide in language simple and legal.

Senator TALMADGE's proposed amendment states: "Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision and nothing contained in this Constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any school, institution, or system is administered by such State and subdivision."

This amendment needs to be adopted because the Warren Court has violated its oath of office to uphold the Constitution and has violated the Constitution, issuing decrees counter to and beyond its provisions, creating chaos, disorder, disruption, and tyranny. Adoption of the proposed amendment could, as Senator TALMADGE pointed out, solve the school integration crisis.

But if we had an honest Supreme Court, a new amendment would not be needed be-

cause already the Constitution provides in the 10th amendment: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people." Power to control public education is one of those powers not delegated to the Federal Government, thereby pointedly being left to the States exclusively, without Federal interference. Oh, but what about the 14th amendment? If we should skip over the multiple illegality which makes its adoption illegitimate, and accept it as it stands, section 5 of that amendment says: "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article." Congress, of course, has passed no integration-enforcing school laws, and the Warren Court has no legal power or right to do so.

The Talmadge amendment would clear the air, curb usurpation, provide solution. Of course, it will not be adopted. Senator TALMADGE himself told why. "It will not be acceptable," he said, "to those who wish to further their own partisan ambitions by punishing the South."

It is time, however, for every American in every section of the country to ask himself if our Nation can afford the "luxury" of internal unrest and tyranny as the result of having demagogs make political hay in the troubled field of racial relationships.

Senator TALMADGE said further—and by rereading the text of the proposed amendment the validity of this view may be proved: "I sincerely believe that there is not a Member of this Congress * * * who could not vote for such an amendment with a clear conscience and in complete consistency with his principles."

Here is something that is not afoul the principles of fairminded men, North and South, something that all could accept in good conscience, for it provides simply for local self-government, which is traditional in America.

Senator TALMADGE has been joined in sponsorship of this statesmanlike, but foredoomed, measure of conciliation by seven outstanding southern Senators. Senators ESTES KEFAUVER and ALBERT GORE, of Tennessee, of course, are not among them.

[From the Nashville (Tenn.) Banner, Jan. 28, 1959]

RIGHT, SENATOR TALMADGE: AS CONSTITUTION PROVIDES, LET THE PEOPLE DECIDE

In his proposed constitutional amendment to fix, beyond any question, the area of public school authority, Senator HERMAN TALMADGE goes to the heart of the school issue.

The stipulation sought is neither segregation nor integration; it provides simply that administrative controls shall be vested in the hands of the individual States and their subdivisions—which means that the decision would be made there and not in any blanket decree handed down by Washington, or a five-man majority of the Supreme Court.

Further, he proposes that this decision of where the controls belong be submitted to the people of the United States and rendered by them. Congress should need no reminder that government derives its just powers from the consent of the governed; and no consent has been given to divest the States of the authority and rights in question.

The seven southern Senators joining Senator TALMADGE in this step to codify by formal action a principle that was honored until the judicial trespass of 1954 occurred, do not stand alone in challenging that departure from the constitutional concept, or in insisting that an issue of such magnitude is for the people to decide. Not only other southern Congressmen, but Constitution-minded lawmakers of other regions, must see the merit of it.

It is, as the author of this amendment declares, a way to avert the "unparalleled catastrophe" of widespread school closings.

It is not the first suggestion to settle by the constitutional method the question of where these controls shall remain.

Eighteen months ago, on July 30, 1957, the Banner proposed the following amendment: "The public school system of these United States is the property of the States individually, and subject in all particulars exclusively to State and local jurisdiction."

The accompanying editorial declared the belief that that stipulation belongs as the 23d amendment to the United States Constitution, and that a resolution to that effect calling for such amendment should be drawn by Congress for immediate submission to the people.

It would, the Banner said, "define beyond doubt and arbitrary evasion, an area of authority historically reserved until—wholly without precedent, constitutional warrant, or legislative assent—the Supreme Court divested State and local governments of that jurisdiction."

It was further emphasized that the amendment would in no sense bar integration of schools where that is the wish of the States. They would have that right, exactly as they have had it all along.

The Talmadge resolution goes no less to the heart of the matter, providing equally the right of the people to decide for themselves, State by State.

Actually it would incorporate in the Constitution—as an unarguable safeguard—the point of law already validated 10 times in the legislation extending statehood, the latest case being Alaska.

The Banner repeats, the American people are confronted by a question demanding answer now. Congress is aware, surely, of a responsibility to the electorate in a matter thus far evading the sanction of legislative enactment.

For the sake of principle and security in a primary realm of concern to every right-thinking citizen, the amendment proposed is needed. It would provide effective and adequate guarantee of school stewardship where it belongs, where historically it has resided, but where right now it is increasingly endangered.

Senator TALMADGE and his cosponsors have furnished a means of redress. It should be swiftly adopted by Congress, and submitted to the people of 49 States to decide for themselves.

[From the Nashville (Tenn.) Banner, Jan. 31, 1959]

THE RIGHTS ARE SPECIFIED

When the Alaskan statehood bill was enacted last July, the legislation for that admission included the stated acknowledgment that Alaska's new constitution was Republican in form, and in conformity with the U.S. Constitution. That is, its organic legal structure and governmental arrangement did not trespass at any point on the Federal document which is the law of the land.

Pursuant to that admission, Congress wrote into the law the standard specification—included in 10 previous statehood conferments—that control of the public school system should be exclusively vested in State hands forever.

The measure passed, overwhelmingly. The President signed it. Alaska is a State. Under the law the State, and the State alone, shall regulate its schools.

That did not confer, strictly speaking, any special rights. It simply specified a right reserved to all the States. And, significantly enough, it was supported by some of the howling banshees who are fighting hardest, like Senators PAUL DOUGLAS, JACOB JAVITS, HUBERT HORATIO HUMPHREY, WAYNE MORSE, et al., to disestablish these very States rights.

It is to clarify this point, and add an unarguable clarifying clause to the Constitution, that Senator HERMAN TALMADGE and seven other southern Senators have proposed an amendment stating exactly what was specified in the school control clause of the Alaskan admission bill.

It will leave no twilight zone for the Supreme Court to exploit to suit the preferences of Myrdal & Co.

[From the Tallahassee (Fla.) Democrat]

A SOUND EFFORT, BUT FORLORN

Eight southern Senators have proposed a constitutional amendment to give States exclusive power to decide the administration of their public school system, without interference of any kind by Federal authority.

The amendment was introduced by Senator HERMAN E. TALMADGE, of Georgia, and cosponsored by Senators HARRY F. BYRD and A. WILLIS ROBERTSON, Virginia; OLIN D. JOHNSTON, South Carolina; LISTER HILL and JOHN J. SPARKMAN, Alabama; and JAMES O. EASTLAND and JOHN C. STENNIS, Mississippi.

Other southerners who did not join this group were in sympathy with the objective. Senator RICHARD B. RUSSELL, Georgia, expressed the views of the rest by praising the amendment as a means of "dealing with an almost sadistic attempt of the Supreme Court to force its peculiar ruling on the South." Certainly, Florida Senators will back the amendment.

There now likely will arise a great alarm that the southern Senators are trying to reverse the Supreme Court school desegregation decision. That's exactly what they are trying to do, and it is the most proper way of doing it.

The classic method of erasing erroneous or odious judicial interpretations of the Constitution is to change the Constitution at the point where the Court went astray.

If the critics of the original Supreme Court separate but equal decision had followed this method, or if the Court had insisted that it be followed instead of recklessly yielding to the pressure to make up the basic law as the changing court saw fit, we wouldn't have been in this mess.

Without relinquishing the right to use the same tactics the integrationists used to gain their ends, the South is fundamentally correct in seeking this constitutional amendment.

It is the most definitive means of making the Constitution conform to the will of the people as it is expressed through their State organizations. It is a long, hard method, requiring ratification by 37 of the 49 State legislatures.

Ratification seems hopeless, in the light of existing conditions, but if the South presents its case diligently to the Nation on the basis of principle, not demagogery, the passage of time and occurring events just might put it over.

In matters of governmental principle, men, and women of conviction should not hold back from a fight because the outcome seems hopeless.

There should be a relentless campaign, using every possible weapon of persuasion, to sell this amendment to the Nation on the sound contention that whenever Washington starts dictating local school policies on any subject, the people at home—everywhere—are going to have to take something they don't like.

[From the Nashville Tennessean, Jan. 28, 1959]

COURT'S CRITICS OPEN EYES TO HIGHER POWER AT LAST

Southern Senators who propose a constitutional amendment which would assure States and their subdivisions full control of

education—and thus override the 1954 decision of the Supreme Court—are now getting down to fundamentals.

The amendment as introduced by Senator TALMADGE, of Georgia, would declare that nothing contained in this Constiution shall be construed to deny the residents thereof (meaning the States) the right to determine for themselves the manner of administering the schools.

As far as the sponsors are concerned, this is a segregation amendment which comes close on the heels of new court blows to the theory of massive resistance to the present law.

Whether the Talmadge plan, co-sponsored by Senator HARRY F. BYRD and 6 others, will ever get approval of two-thirds of both Houses and ratification by three-fourths of the States is a matter of speculation. The odds would seem to be against it.

But in advancing the plan with such vigor, the backers have gone far towards undermining their claim that the Nation is at the mercy of nine capricious men on the Supreme Court or, as Mr. TALMADGE puts it, the whims of whatever five men happen to constitute a majority of the Court.

Reference is made to the disruptive laws applying to every school in the Nation. But the fact remains that rulings of the court with which the American citizenship is not in sympathy are always subject to change by ordered processes.

New members have been added to the High Court since 1954, but they too have shown their concurrence in the historic ruling of that year.

Coupling the new development with the recent State and Federal court decisions in Virginia which have left that State floundering for a way out, those who are pledged to fight integration to the last now show awareness of the fact that the Supreme Court is always answerable to the people and their representatives.

Espousal of a constitutional change in the opinion of this newspaper, has always been the logical course for those opposed to the integration ruling.

By inference, Mr. TALMADGE and his associates are saying that they are willing to leave the issue up to the Nation as a whole, which is certainly an entirely new approach. Perhaps they believe that sentiment against the Court has been built up to a point where there is a real chance of success.

Changing the Constitution as it applies to public schools would inevitably bring about the abrogation of other clauses of that document which have had traditional acceptance. Such a change can cause controversy and debate, and the guess is that it will.

In any case, however, a step has been taken to apply the yardstick of public opinion to the integration rulings of the courts—and especially the Supreme Court—with full assurance that decisions of lawmakers and citizens will prevail, as they should in this democracy. That is the reasoned way.

Earlier acceptance of this course would have prevented the futile fight over interposition and the succession of other court rebuffs which culminated last week in a double rejection of Virginia's segregation laws.

The Federal court said that Virginia cannot by State action close schools in some communities and keep them open in others; that it cannot by local action close some schools in a community and keep others open in that same community.

And the State supreme court decreed that Virginia cannot close public schools—except temporarily—without amending the State constitution, which requires a State system of public education. In addition, it cannot withhold State funds from a school even though it becomes racially mixed; it cannot establish State control over school funds raised by local taxes, take control of schools from local boards and vest the control in the Governor or use funds withheld from local schools to finance payment of tuition grants to pupils for use in attending segregated schools.

Considering these developments in Virginia, which was supposed to be showing the rest of the South how to evade the 1954 ruling, it is not surprising that a broader and more direct approach to the whole question at last has won favor.

[From the Washington Post, Jan. 30, 1959]

THE HONORABLE WAY

Senator TALMADGE and seven southern colleagues have chosen an altogether proper and dignified means of registering their disagreement with the Supreme Court school desegregation decision. In a commendably moderate speech Mr. TALMADGE has proposed a constitutional amendment to establish the exclusive right of the States to determine the manner of administration of schools. In his preamble the Georgia Senator speaks of the "terrible tragedy" of the closing of a public school system, and adds that the American concept of universal education, more than any other factor, is responsible for the greatness which this Nation has achieved.

Especially notable is Mr. TALMADGE'S recognition that the Supreme Court decision is an accomplished fact which will remain so until it either is reversed by the Court itself or is nullified or modified by Congress or the people. Of course, Congress has no power to nullify or modify a Supreme Court decision on a basic constitutional question. Mr. TALMADGE speaks, however, of his dedication to seeking reversal of the decision by every lawful means. This comes close to an acknowledgement that the decision is the supreme law of the land.

We hope that Mr. TALMADGE is wrong when he says that the overwhelming majority of people in the South will neither accept nor submit to the "forced implementation" of that decision—for the Court has indicated many means of gradual adjustment. And we have no thought that if the amendment is put to a vote either in Congress or among the State legislatures requisite majorities will elect to overrule the Supreme Court in its interpretation of the 14th amendment.

Nevertheless, this is the honorable way for those who disagree with the Court decision to make their case—to seek to amend the Constitution through the established process. If they should win two-thirds of both Houses of Congress and three-fourths of the State legislatures to their cause, no one could reasonably object. The obverse of this situation, of course, is that if they should fail, their obligation to respect the decision would become even clearer. At any rate, Mr. TALMADGE has sought to raise consideration of the problem to a legal plane from the muck of defiance and closed schools.

[From the Columbia Daily Herald]

LEFT TO THE PEOPLE THE TALMADGE AMENDMENT WILL PASS

Our hats are off to Senator HERMAN TALMADGE, of Georgia, for offering a constitutional amendment which would help solve some very serious school problems, both North and South. The amendment is steadily gaining support, albeit we are yet to hear it praised by our own U.S. Senators the Honorable ESTES KEFAUVER and the Honorable ALBERT GORE.

How anyone, no matter what his presidential ambitions or how bigoted his views, can fail to go along with the Talmadge amendment, is more than we can see.

For the Talmadge proposal is simplicity itself. It simply says that "nothing contained in this Constitution shall be construed to deny the residents (of the several States) the right to determine for themselves" the manner of operating public schools.

Actually such an amendment should not be needed. The Constitution does not even mention public education and expressedly says that all rights not granted the central government are "reserved to the States and the people thereof."

But because of the perverted views of the present Supreme Court, the amendment is essential to a peaceful future for America.

Of course, to be law, the amendment must pass both Houses by a two-thirds vote and be ratified by three-fourths of the States.

We firmly believe that if the decision is actually left up to the people of the several States, both North and South would favor it. Because of the influence of the Soapy Williamses and the PAUL DOUGLASES in the North and the ESTES KEFAUVERS of the South, it may not pass both Houses.

If it ever does, look out Chief Justice Warren—the people of the several States will speak through their several legislatures, not just on the race question, but on the fundamental rights of the States to handle their own internal affairs of which schools are the foremost. When they do, Justice Warren's little political playhouse which has split this Nation asunder in a serious schism will be forever toppled, and the Nation will again be united.

Is it constitutional for one or several States in a United States union to operate under a special law that gives that State or several of the States the right to operate and govern its public school system, when the High Court of that Nation puts a special ruling on the other States to integrate the public schools?

And what about a country that has been a Territory for a number of years of the United States, and by order of Congress is granted statehood, and in the statehood charter is given the right to govern its public schools for all time to come?

Now that is just what has happened and is happening in the United States today. Some of the States that were given statehood into the United States after the 14th amendment, have control of their public school systems, and Alaska was given under the congressional act granting statehood the right to control and govern its public schools throughout all eternity.

Is it constitutional for a High Court to say it is constitutional to order some States to integrate its public schools and at the same time exempt said States added to the United States after 14th amendment was fraudulently declared constittuional by Chief Justice Earl Warren and his "eight old men" and ordered all white schools to be desegregated and integrated by allowing Negro children to attend all white public schools and all Negro graduates to attend all white colleges and universities that are maintained by public taxation.

Now there is one thing that I would call the Tennessee Legislature's attention to, and that is the bill or resolution introduced by Senator TALMADGE, of Georgia, ordering a constitutional action on matters of segregation and integration of our public schools. In which it is pointed out that Alaska in its adoption of statehood into the United States was given the perpetual right to govern its public schools for all time to come, and possibly calling attention to States adopted into the Union after the 14th amendment was declared a law, the right to conduct its own school system. Senator TALMADGE is entitled to congratulations from the Tennessee Legislature.

* * * * *

Ike, when his attention was called to the fact that Alaska was given the right in its statehood adoption, to conduct its own school system said that he didn't know such

a clause was in the bill, and he was told, "Mr. President, you signed the bill." Let's congratulate Senator TALMADGE and his seven or eight Senator sponsors in this move, and let's do it now, and—Thasall.

[From the New York Herald Tribune, Jan. 30, 1959]

SOUTHERN PROGRAM TO END SCHOOL ISSUE IS QUESTIONED

(By David Lawrence)

WASHINGTON, January 29.—Eight southern Senators have taken a significant step to refute the notion that the South believes in lawless ways. Senator HERMAN E. TALMADGE, Democrat, of Georgia, has introduced a proposed amendment to the Federal Constitution which is intended to give the States exclusive control of their school systems.

Whether one agrees or disagrees with this proposal as a solution of the tragic conditions brought about by the segregation-integration controversy in the courts, the fact is that the southern Senators have come forward with a legitimate means of overcoming what they consider the ill effects of the 1954 "desegregation" decision of the Supreme Court of the United States.

VIEW OF TALMADGE

The big question, however, is whether the proposed amendment, when analyzed, does really provide the solution desired by the South, Senator TALMADGE rightly says:

"The closing of any school anywhere is a lamentable occurrence. The closing of a public-school system is a terrible tragedy. The destruction of public education in an entire region of our Nation would be an unparelleled catastrophe. Yet a realistic appraisal of the facts of the matter affords no conclusion but that that will be the inevitable result of binding the citizens of the South in the chains of circumstance now being forged around them. And the real losers of such an eventuality unfortunately will be those who have the least to say about it—the school children of the South and their parents."

AMENDMENT'S TEXT

But the amendment which Senator TALMADGE offers does not delineate the fundamental constitutional right of the parents to decide for themselves how their children shall be educated. The text of the proposed amendment is as follows:

"Administrative control of any public school, public educational institution, or public educational system operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such stall and subdivision, and nothing contained in this constitution shall be construed to deny to the residents thereof the right to determine for themselves the manner in which any such school, institution or system is administered by such State and subdivision."

It would be easy enough, however, for the Supreme Court to rule that even today nothing in the Constitution interferes with the right of local school authorities to administer the educational institutions themselves and that discrimination on the basis of race or color or creed is not an administrative matter at all but a question of citizenship rights.

RIGHTS OF PARENTS

What needs to be done, of course, is to include in the proposed amendment an affirmation of the right of parents—the citizens themselves—to determine what kind of educational institutions they wish their children to attend. The individual may discriminate but the State cannot. This means, under present conditions, two school systems or two sets of classes within the same school buildings or separate buildings.

Obviously there are parents who do not mind seeing their children enrolled in integrated schools. Other parents want their children in segregated schools. A constitutional amendment that spells out the rights of parents and gives a discretionary right to the State legislatures or local school boards to set up a dual system is the only method that will assure freedom of choice for the parents.

The tuition-grant system offers another alternative, but, in the absence of some new constitutional authority, this cannot mean any quasi-public school system but a 100 percent private system.

AN ISSUE FOR DECADES

The school controversy is not likely to be over for decades to come. The experience with the 18th amendment and its subsequent repeal by the adoption of the 21st amendment is an example of how a basic issue of sociological reform is finally handled by the American people. The question of whether drinking is morally right or wrong has not been settled yet by the provisions of the Constitution, but the right of each locality to control liquor sales now has been affirmed as constitutional.

Precisely this kind of solution is inevitable in the school controversy and, while the Talmadge amendment has that broad aim, it needs to be specifically amended to transfer the power of choice to the citizens, who can then demand of the States the type of schools they want their children to attend. A dual system is the only answer not only for the South but for many cities in the North where an increasing Negro population has merely served to introduce evasive schemes of residential gerrymandering to achieve something for which the southern people, when they try it, are denounced as attempting a lawless defiance of the Constitution.

[From the New York Times, Jan. 29, 1959]

THE MOVEMENT TO AMEND 14TH AMENDMENT

(By Arthur Krock)

WASHINGTON, January 28.—The eight southern Senators who sponsored the submission of Senator TALMADGE'S proposed amendment to the Constitution to legalize public school racial segregation would be joined by others in both branches of Congress if their motion should reach the voting stage. But in all likelihood the total would fall short of the two-thirds of the House and Senate membership which the Constitution requires for the submission of an amendment to the States.

Yet, with the public school system in Virginia beginning to crumble and the certainty that this will be repeated in some other Southern States, there is much to commend the constitutional process invoked by Senator TALMADGE. If it were to be employed, the indirect amending of the 14th amendment, by the Supreme Court in its 1954 decision forbidding State statutory racial segregation in the public schools would be written into the Constitution, or rejected, by the one method "valid to all intents and purposes" (art. V).

This decision was an indirect amendment because it ruled that the "separate and equal" southern racial system which the same Court established as constitutional in 1896 was unconstitutional in 1954, though not a line had been added to or subtracted from the 14th amendment that both decisions construed. Moreover, though the 14th specifies Congress as having the "power to enforce" it by "appropriate legislation," Congress has not acted in this legislative field, either contrary to the 1896 decision or otherwise.

The contention that Congress in 1958 did legislate the southern position in the controversy by granting to Alaska "exclusive control" over its schools is a quibble. The statehood law forbids to Alaska "acts" repugnant to the Constitution of the United States. And the Supreme Court's ruling that school racial segregation is such an act is binding until or unless reversed by the Court or canceled by Congress on constitutional amendment.

The southern resistance to the Supreme Court's reversal of its earlier and long-established interpretation would have been intense anyhow. But it was inflamed by the fact that State control of the operation of public education, locally financed, had been restricted in these circumstances solely by a new ruling of the Federal judiciary. Lawyers and judges outside the South have supported the southern protest on the same legal grounds.

It is most improbable that Congress would submit the Talmadge amendment to the States, or that if Congress did, there would follow the approval by the three-fourths of the States required by article V to amend the Constitution. Many more than one State plus one-fourth of the 49 (now approximately 14) would reject it. And the effect of this negation would be to accept the principle of the Supreme Court's 1954 decision as implicit in the text of the 14th amendment.

But the Talmadge proposal offers Congress and the States a means to insert the principle positively into the Constitution if this should be the will of three-fourths of the States, expressed either by their legislatures or by convention—the alternative method provided in article V.

His amendment states that "administrative control * * * of any public educational system operated by any State or by any political or other subdivision thereof shall be vested exclusively in such State or subdivision, and nothing contained in this Constitution shall be construed to deny the residents thereof the right to determine for themselves the manner in which any such * * * system is administered by such State and subdivision." Brought forward for a vote in the House and Senate, this could be substituted for by a simple text which would add to the 14th amendment a precise ban on any statute, State or Federal, requiring racial segregation in any public schools.

Sixty-six Senators and 290 Representatives could submit this to the States, and the make-up of Congress virtually assures that these would be forthcoming. Then the new principle asserted by the Supreme Court would be written into the Constitution for none to dispute on any ground if this is the will of the people of three-fourths of the States. And if this is not their will, it merits demonstration in view of the gravity of the problem of enforcing a judge-made constitutional command which is resisted by a whole section of the United States to the point of abandoning its public educational system.

[From the Nashville (Tenn.) Banner, Feb. 12, 1959]

CAPITOL HILL: GOVERNOR ENDORSES TALMADGE AMENDMENT

(By Neil Cunningham)

Gov. Buford Ellington has added his endorsement to a proposed constitutional amendment by Senator HERMAN TALMADGE, of Georgia, which would give States exclusive control over their schools.

A resolution is now pending before the State legislature which would memorialize Congress to approve the constitutional amendment.

TALMADGE'S amendment seeks neither segregation nor integration in public schools, but would leave each State free to make its own decision.

"The proposal by Senator TALMADGE is a logical solution to our current school problem," Ellington said.

"It proposes no advantage for either side, but simply would end the controversy about whether the Federal Government or the States would have control of their local affairs.

"In addition," the Governor said, "if the amendment is adopted by ratification, it will allow the voters of each State to give their preference on the school problem."

"In my opinion," he continued, "Senator TALMADGE's proposal is the most sensible approach to this problem that has been offered so far."

Seven other U.S. Senators have joined TALMADGE on his proposal constitutional revision "to protect the rights of States and local governments in this important area of public education."

[From the Nashville (Tenn.) Banner, Feb. 12, 1959]

FOR STATE SCHOOL CONTROLS: PUT TENNESSEE ON RECORD

Tennessee has the opportunity, by legislative action, to go on record for the Talmadge amendment expressly stating, in language none can misconstrue, that all public school controls are vested in State and local hands.

The strongly worded resolution introduced in both houses of the legislature expresses, the Banner believes, the statewide sentiment of Tennessee; the convictions of a people unwilling to see rights further eroded, and sensitive to the obligation of speaking out in defense of them.

Legislatures all over America are in session, units of government close to their constituents, and, under the Constitution, themselves authorized (when two-thirds of them agree) to apply for a convention seeking amendments.

If enough of these State bodies memorialize Congress to act, the Talmadge proposal cannot fail of adoption, for that would manifest beyond all argument the demand of the people to pass upon and decide for themselves the issue submitted.

It is fair to all, State by State. It is neither a segregation bill nor an integration bill. It would take nothing away from any State; it simply would redefine, beyond any argument, the right of the States individually to decide for themselves all school questions. In essence it would apply in 49 States the legal, formally written, statutory provisions enacted in behalf of the last 11 admitted to the Union.

As a State that is concerned, Tennessee can take this stand which unquestionably would be augmented by others. As an evidence of statewide sentiment, it can so instruct its congressional delegation.

The adoption of this resolution is a matter of urgency, and the general assembly should press it in the shortest time possible.

[From the Atlanta Journal, Feb. 8, 1959]

ALABAMA PRESSES MIX CURB IN TALMADGE-LIKE PROPOSAL

(By Fred Taylor)

MONTGOMERY, ALA., February 7.—Federal investigation of voting practices and new integration threats brought a raft of bills to strengthen Alabama's voter registration and segregation laws the first week of the special legislative session.

Members of both house and senate, spurred on by activities of agents for the Civil Rights Commission, which conducted two hearings here recently, feel that prompt action should be taken to pass bolstering legislation.

The lawmakers not only introduced bills to tighten statutes on voter registration and segregation, but called on Congress to restore to the States complete control of public schools.

Adopted unanimously by both houses was a resolution by State senator Ryan deGraffenried, of Tuscaloosa, asking Congress to authorize a special convention for submission of a constitutional amendment giving the States full control of educational systems.

The Tuscaloosa legislator, a former House member, pointed out that his resolution is similar to a bill introduced by U.S. Senator HERMAN TALMADGE, of Georgia. TALMADGE'S bill provides for Congress to submit a constitutional amendment to the various States. But the Alabama lawmaker believes Congress would be much more likely to let a convention act on such an amendment than it would to submit the amendment to the States.

[From the Atlanta Journal, Feb. 11, 1959]

HOUSE URGES TALMADGE PLAN ON SCHOOLS

The Georgia house Wednesday unanimously called on Congress to meet in special convention to pass Senator HERMAN TALMADGE'S constitutional amendment on State local option in school integration.

Copies of the resolution are being sent to every State in the Union in an effort to get two-thirds of the States to make the same request, which would authorize amending the Constitution.

Representative Wilbur A. Orr, Jr., of Wilkes County told the legislature that "Georgia is paving the way."

Under the Constitution two-thirds of the States may memorialize Congress to meet in special convention to amend the Constitution.

The bill was signed by a large number of administration leaders. It passed the house without objection.

The wording of the constitutional amendment proposed by the Georgia house was identical to that proposed by Senator TALMADGE. Mr. Orr specifically pointed out that the amendment would not provide for local option below the State level, a matter which was in doubt in the wording of Senator TALMADGE'S proposal.

The resolution provided that copies be sent to each of the other 48 Governors, presidents of the senate and speakers of the house. These people would be asked to encourage their legislatures to pass the same resolution.

[From the Jeff Davis County Ledger, Hazlehurst, Ga., Feb. 5, 1959]

CONSENT OF THE GOVERNED

There is a theory which has been put to the test that Government rightfully rests upon the consent of the governed. "The Social Contract," which Jean-Jacques Rousseau wrote in 1762, was a revolutionary pamphlet and contained numerous errors but it had a great influence on the French Revolution and is often quoted in behalf of freedom and against domineering use of power by the ruling classes or leaders.

While there are assumptions that cannot be proved true and statements that are actually not true in "The Social Contract," it is a powerful instrument and has made an impact which exists today.

Wilfully and deliberately the U.S. Supreme Court has ignored the concept of Rousseau, if any of the members know of his existence or book. The man does not count, for others have advocated the idea, but the thought means a great deal. The Court in its decisions has flouted all that there is in the belief that no law will stand up without the consent of those it affects; and that is taken to mean the people as a whole.

Now, the integration ruling of the Court does affect the South; it also affects other parts of the Nation. Both the nine men on the Court and the President of the United States are aware that the ruling has not, cannot, and will not, gain the consent of those governed—meaning the people of the South. Neither does it have the approval in many other smaller segments of this country.

Senator TALMADGE has introduced a bill to amend the Constitution so that the Supreme Court's edict would be no longer the authority; the matter would be left to the individual States. Monday the Senator from Georgia introduced a bill which would require members of the Supreme Court to have had at least 5 years experience prior to appointment. Of the nine now on the Court, he said, only five had any judicial experience (and one or two of these are recent appointees who were selected after much criticism because of the lack of training of other members), and one of them was—a police judge.

Senator TALMADGE'S approach has been widely applauded as a realistic and workable method. The Christian Science Monitor, with readers all over the world, declared it a straightforward way to press a view. It said "some may object that it has no chance of succeeding. But certainly it has more chance of winning support from reasonable men than do efforts to obtain reversal by smearing and undermining the authority of the courts. One of the unfortunate things about the school desegregation controversy is confusion over constitutional issues. It would help if both sides would make the right of local control of education dominant."

The 18th amendment, which is the prohibition amendment, was ratified by the States January 29, 1919; but, and note this, on December 5, 1933, the 21st amendment was ratified and it repealed the 18th.

Senator TALMADGE knew that it would take time, if his bill did win the approval through the long route it had to go—including ratification by the States—but he looked back and noted that it was 14 years before the people decided to let the States judge for themselves on prohibition.

It is a fact that today it is very unlikely that Senator TALMADGE'S proposal to amend the Constitution will be passed by the Senate; it is, however, possible that some of the power of the Court is going to be clipped. That is the wedge.

Once the Supreme Court has its authority challenged and a part revoked the way will be set. And the people of the United States, it will be found, do believe in the truism, if you want to call it that, that government rests on consent of the governed.

Georgia's Senator has found a clink in the armor, we hope, a legalistic, reasonable method of approach that may some day restore tranquility to a troubled South and at the same time serve the North.

[From the Savannah (Ga.) Morning News, Feb. 10, 1959]

LET'S END THIS PHONY CRISIS

As a general rule we try to avoid the use of slang words in editorials. In observing the current crisis over the school segregation matter, and all that it entails, however, one word keeps popping up again and again, "phony."

Phony is a slang adjective that means not genuine, or fake and thus it characterizes the whole school segregation controversy to date. The solution to the entire problem is at hand. We have but to make use of it. Some can't see it because they have become so embroiled in their own shallow emotions that they are like the woodsman who couldn't see the forest for the trees. Most, however, can't see it because they don't want to and have deliberately turned their backs. The solution is the Constitution.

Rather than turn to the Constitution, we have tried nearly everything else under the sun. We have abandoned the last pretense of consistency, we have applied foreign so-

ciological concepts to the corpus of our basic law, we have even declared war on each other by sending Federal troops into a sovereign State to enforce prevailing opinions. And the problem is no nearer a solution than when it was first created, in fact, the conditions some of us were so anxious to change have deteriorated immeasurably.

The situation was predicated from the outset on a phony procedure. This occurred in 1954 when, on the crest of a trend toward Federal centralization of government, the Supreme Court decided that the time had come to legislate and administer rather than interpret and adjudicate the law. Since then, the initial fallacy have been many times compounded.

Rather than correct the situation at its inception by a swift and positive return to the Constitution, a majority of our people yielded to passion and expediency. Politicians were quick to capitalize on mass psychology by fanning the almost extinct embers of sectional animosity back to full flame. The battle lines were quickly drawn over an issue that never should have existed—a phony issue if you please—and we found even the Vice President pointing with pride to the political allegiance held by the Chief Justice of this Nation, and charlatans from all quarters exploiting bigotry to win election as champions of tolerance. If the Republic survives, these will be written as the most shameful pages in our country's history, a record that will cause unborn generations of Americans to blush.

We are like a man who can neither open the door nor unplug the drain while the water slowly rises about him from an open spigot. He beats the walls with his fist, and dramatizes the situation for his wide-eyed audience, when all he need do to end the crises is turn off the faucet. Secretly, or in his subconscious, he knows this, but he refuses to admit it for he likes the excitement, and it helps him to stay in office. As the phony emergency vanishes, so will most of his political appeal.

Senator HERMAN TALMADGE recently introduced in the U.S. Senate a bill which said in effects, "Fellows, this thing has gone far enough, and real damage is being caused. Let's turn off the faucet and clean up the mess."

His solution is elementary and direct. It turned not to some mystic magic, but to the solution that has been available all the time—namely the Constitution and the people. He proposed a constitutional amendment that would give the people, as the only proper makers of the law, the right to fix for once and for all the responsibility for administration of this Nation's public schools.

Is a majority of the people aware of Senator TALMADGE'S proposed amendment and its implications? Unfortunately the answer is no. Lawmakers with little inclination to eliminate the conditions which help them get elected quickly busied themselves with other matters and pretended not to notice. Editors of influential newspapers, aware of practical politics, did their part by burying the story on inside pages with the comment that the bill had no chance of passage. Magazines which presumed to mold opinion immediately wrote it off by attempting to impute sectional motives. Only in the South was the action recognized and supported by news media and by the people. Elsewhere, the people are being fed a diet calculated to perpetuate the phony crisis. Reluctant resignation to a limited degree of coercion as an alternative to wholesale violence in Virginia is being interpreted now as a wholesale endorsement by the people of that State of a new and nonconstitutional method of creating laws of the land. Nothing could be further from the truth.

Its time for a return to sanity and to the Constitution in this Nation. The Talmadge amendment points the way. We in the South, who do realize what is happening, had better spread the word to our friends and acquaintances in other parts of the country. The people can end this phony crisis just as soon as their leaders give them the opportunity.

[From the Christian Science Monitor, Feb. 11, 1959]

TALMADGE ADVOCATES HOME-RULE SCHOOLS

(By Joseph H. Baird)

ATLANTA.—Senator HERMAN E. TALMADGE, of Georgia, is convinced that if the American people could express themselves, they would speak overwhelming in favor of administration of the public schools on a State and local level.

He has challenged the Nation's press—which he says is largely hostile to the southern viewpoint—to use its editorial columns to obtain a fair sampling of public opinion on this question.

The Senator, who recently introduced a constitutional amendment to give States and their political subdivisions complete control of the schools, threw down his challenge in a speech before the Georgia General Assembly February 11. He is here also to address a dinner meeting of the States Rights Council.

SHIFT IN VIEWS NOTED

Observers have noted a basic change of importance in the Talmadge approach to the school integration problem.

Although he has not said this in so many words, Senator TALMADGE apparently has abandoned the belief, held while he was Governor of Georgia, that integration can be indefinitely delayed by State legislation or measures such as the private school plan. Federal court rulings in the Arkansas and Virginia cases as well as the fact that he now views the problem from Washington rather than Atlanta apparently have caused him to believe the issue must be met on a national basis.

In addition to the school amendment and another setting forth qualifications for U.S. Court Justices he has sponsored already, Senator TALMADGE disclosed that he plans soon to introduce in the U.S. Senate three bills which would:

1. Withdraw the jurisdiction of the Supreme Court and U.S. circuit and district courts over all matters relating to the administration of public schools.

VOCAL MINORITY BLAMED

2. Require jury trials in all cases of contempt of court arising from the disobedience of any Federal injunction or restraining order.

3. Require the Supreme Court to accord a full hearing to all parties before acting upon any lower court decision.

Senator TALMADGE charged that the present school crisis, which threatens to destroy public education in the South, was precipitated by a militantly vocal minority who represent less than 10 percent of the Nation's population.

He blamed the Nation's press outside the South with abetting, both unknowingly and in many instances deliberately, the partisan aims of such pressure groups through disproportionate coverage of their self-serving assertions and through a lookout of news of the efforts of spokesmen for the other 90 percent of the American people to state their case. * * *

"If the press of the United States wishes to make an affirmative and constructive contribution toward reinstating a proper constitutional posture in national affairs, it can do so without taking sides by giving fair and adequate coverage to all viewpoints in its news columns and by using its editorial columns to ask and urge the citizens of this country to sit down and write their Senators and Congressmen how they personally feel about the matter.

COMMONSENSE URGED

"No paper genuinely dedicated to the journalistic tradition of public service could consider such a proposal either improper or unfair because only a publication with ulterior motives could have anything to fear from either impartial reporting about or an expression of public sentiment on any question.

"If we will only sell our position on a constitutional basis," he told the General Assembly, "all other considerations will take care of themselves.

"Our struggle is for the minds of people outside the South and our hope for sympathetic consideration for our viewpoint lies in appealing to the commonsense and good judgment of independent thinkers who live in other regions. I know there are countless thousands of them because every mail which comes into my office brings letters from all sections of the country."

THE WILDERNESS PRESERVATION BILL

Mr. NEUBERGER. Mr. President, earlier today I joined with the distinguished senior Senator from Minnesota [Mr. HUMPHREY] in his introduction of the wilderness preservation bill. I agree with the general purposes of his bill, as I have done in earlier years, and for that reason I participated as a cosponsor.

However, last year it was my privilege to hold hearings in the field, in the Western States, along with the very able and illustrious senior Senator from Montana [Mr. MURRAY], on behalf of the Senate Committee on Interior and Insular Affairs.

I presided at hearings held at San Francisco, Calif., and at Bend, Oreg. At those hearings some very cogent objections were voiced to certain provisions of the wilderness bill.

It is my belief that, when the bill is considered by the Senate Committee on Interior and Insular Affairs, such objections must be given due and careful consideration. For example, Indian lands are included in the Humphrey bill. It is my opinion that Indian lands are certainly quasi-private lands which belong to certain Indian tribes by treaty, and that they have merely been held in trust for them by the Federal Government.

I think perhaps we do not have a valid right to declare these lands belonging to our Indian wards as utter wilderness.

The U.S. Forest Service, which is an outstanding agency of our Government, has voiced certain objections to the bill as presently written. For example, the Forest Service does not agree with the procedure set up for classifying primitive areas. In addition, the Forest Service believes and advocates that there must be greater flexibility and latitude, so that the Forest Service can take timber from wilderness areas which are the victims of blowdown, insects, and pestilence, which timber otherwise would rot if the Forest Service could not go in with equipment to save the trees.

I shall not go into further detail, because I do not wish to presume at greater length on the time of the distinguished senior Senator from New York. I want the RECORD to show that while I am a cosponsor of the Humphrey bill and share many of the views expressed earlier today by the Senator from Minnesota

[Mr. HUMPHREY], and the Senator from Montana [Mr. MURRAY], it is my hope that the Committee on Interior and Insular Affairs will consider some of the suggestions and recommendations made for changes in the bill, when the bill comes before the Senate committee.

ORDER OF BUSINESS

Mr. JAVITS. Mr. President, I note the absence of the deputy majority leader, and hence I ask unanimous consent that I may suggest the absence of a quorum and that immediately upon conclusion of the call of the roll I may again be recognized.

The PRESIDING OFFICER (Mr. MCGEE in the chair). Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY ARGENTINE CONGRESSIONAL DELEGATION

Mr. MORSE. Mr. President, the Senate is greatly honored today by having a group of distinguished members of the Congress of the Argentine as its honored guests.

I ask unanimous consent that the Senate stand in recess for 5 minutes, in order that Senators may greet our distinguished visitors.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Thereupon (at 2 o'clock and 40 minutes p.m.) the Senate took a recess.

Mr. MORSE. Mr. President, the Foreign Relations Committee of the Senate has just finished a most delightful luncheon with these honored guests and with the Argentine Ambassador.

As chairman of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations, it is my privilege and pleasure to introduce our distinguished guests to the Senate. Following the introduction, they will remain, at their pleasure, in the rear of the Chamber, and we shall be delighted to have Members of the Senate who wish to meet them extend to them a welcome.

First, I am pleased to present the distinguished Ambassador from the Argentine, Hon. Cesar Hurtado. [Applause.]

Mr. MORSE then introduced the following members of the visiting Argentine congressional delegation. Each was greeted with applause:

SENATORS

Jose Gregario Juarez, senator from Tucuman.

Carlos Alberto Lebrero, senator from Buenos Aires.

Armando Luis Turano, senator from Buenos Aires.

DEPUTIES

Domingo Cialzeta, deputy from Corrientes.

Emilio R. Poitevin, deputy from Entre Rios.

Ubaldo H. Jara Melagrani, deputy from Chaco.

Rosario Domingo Diaz, deputy from Santa Fe.

Jorge D. Ferraris, deputy from Buenos Aires.

The senators and deputies are members of the same party, Unión Cívica Radical Intransigente—UCRI—which is the majority party.

Mr. MORSE. Let me say to these distinguished guests, on behalf of the Senate Foreign Relations Committee, that we have appointed you as our ambassadors not only to take the Senate's handclasp to the Congress of the Argentine and to your great President, who made a very fine impression in the United States on his recent visit, but to take the handclasp of friendship to the people of the Argentine. We want you to know that we recognize the tower of strength you are and will be in Latin America in the great struggle in the century ahead between freedom and totalitarianism. We know that the people of the Argentine can always be depended upon to be on the side of freedom. We welcome you most heartily. [Applause.]

The PRESIDING OFFICER (Mr. MCGEE in the chair). On behalf of the Senate, the Chair acknowledges the presence of these distinguished guests from the south, our fellow patriots and statesmen from Argentina.

Perhaps you gentlemen would like to know that we have just received a first-hand report from a student conference held nearby, in which the most eloquent voice raised in behalf of the principle of inalienable rights was a visiting student from your country. We believe that our common faith in the principles of Thomas Jefferson unites us, indeed, and we welcome you to the Senate.

Mr. DIRKSEN. Mr. President, I should like to say to our distinguished visitors that 19 years ago I was a guest of the Congress in Buenos Aires. At that time we were fortunate in having in the delegation, consisting of four House Members, a very distinguished Representative from the State of Texas, Richard Kleberg. He was very accomplished and could speak Spanish fluently. We thoroughly enjoyed the hospitality of your good country.

The thing that impressed me most during my visit to your Congress, as well as during visits to many other Latin American countries, was the fact that you spoke our language fluently, although we did not speak your language with equal fluency. We were welcomed in our own language.

When I returned, I made a report to the President and suggested that we energize a greater interest in the Spanish language, in the interest of better relations between ourselves and all the countries of Latin America, and in particular such a great and flourishing country as the Republic of the Argentine.

On behalf of the minority, I say "Welcome." May your sojourn in the United States be a happy one.

Mr. MANSFIELD. Mr. President, I wish to join the Presiding Officer, who has expressed the good wishes of the Senate to the Argentine delegation.

On behalf of the majority leader, I join in the remarks made by the distinguished minority leader to the Argentine delegation and express the hope that not only will this visit be fruitful, but that from it will come a better understanding between our two countries.

During the luncheon today, Senator Turano said that there is a great deal of similarity between the Argentine and the United States. The greatest similarity lies not in a comparison of our technical or industrial processes, but in the similar aims of our peoples, who represent two great nations which have exhibited a high degree of leadership in the affairs of all the Western Hemisphere.

We are delighted to have you here. We hope that this will be only the first of many visits to come. If we can do anything to make your visit a success, please let us know, and we shall do the best we can.

Mr. KUCHEL. Mr. President, quiero decir a nuestros amigos de la Argentina quienes estan aqui este dia que tenemos mucho gusto en verles en el Senado de los Estados Unidos. Deseamos una amistad continua entre ambos gran paises.

All of which merely means, Mr. President, that I am delighted to be able to utter a word or two of welcome to our friends from the Argentine in their native tongue. I address our distinguished guests in their own language merely to demonstrate that a few of us in the U.S. Senate can speak a little Spanish.

Mr. JAVITS. Mr. President, I shall be happy to shake the hands of our distinguished guests. I bid them welcome—con mucho gusto. I am very happy that they are here. I congratulate them on their trip. I know that it will help us in our relations with Argentina.

At the conclusion of the recess (2 o'clock and 45 minutes p.m.) the Senate was called to order by the Presiding Officer (Mr. McGee in the Chair).

THE GERMAN CRISIS

Mr. JAVITS. Mr. President, on Thursday last the distinguished deputy majority leader, the Senator from Montana [Mr. MANSFIELD] made an important speech in this Chamber on the German situation. It is my intention to address myself this afternoon to that speech and to advance some thoughts and solutions applying to the German crisis.

The Senator's speech was a thoughtful and considered speech, proposing a policy for the United States and acting under that provision of the Constitution which entitles the Senate to give the President its "advice and consent" in making "treaties"—in other words, foreign policy. Senator MANSFIELD in his speech said that he makes the suggestions in the spirit of responsible Demo-

cratic cooperation with the Republican administration in a matter of vital concern to all of the people of the United States.

I have a long-standing interest in the problems of Germany, going back to my service on the Foreign Affairs Committee of the House of Representatives where I was a member of two special study missions on Germany and also was a member of the subcommittee that pursued the inquiry there on the displaced persons camps in Germany in 1947. I feel that the issue is such an important one for our country and for the future peace of the world that it is important to give the other side of the picture from that given by my respected and distinguished colleague from Montana.

I may say parenthetically that I served as a member of the Committee on Foreign Affairs of the House of Representatives with the Senator from Montana. There is no question about his high patriotism and his tremendous interest and his great learning in this field. In essence, his proposal was "to call upon German leaders of the two Berlin communities, East and West—to begin serious efforts to unify the municipal governments and services of that city." At the same time my colleague suggested that the conciliatory services of the Secretary General of the United Nations be enlisted, and if agreement can be reached it would be desirable for "both Soviet and Allied forces in Berlin [to] be replaced with a United Nations police force composed of contingents from nations not directly involved." Also, he proposed that even if there was no arrangement for unifying Berlin the Allied military personnel in Berlin should be replaced with German militia "fully supported by NATO guarantees."

In a letter to the New York Times, which is dated February 16, my colleague from Montana made some qualifications and clarifications of his proposals. I shall return to that letter after I have completed my own thoughts on the subject.

The suggestions of the Senator from Montana for negotiations between the two communities of East and West Berlin on the unification of Berlin, to explore the possibility of putting a United Nations police force in there, should this happen, and his alternative, if it should not happen, for Germanizing—that is the word used by my colleague from Montana in his letter to the New York Times—the military units of West Berlin, were laid before the Senate and before the country, and received, as everyone knows, a very considerable amount of attention.

Indeed, I doubt very much that I would have been called upon to deal with the subject in the great detail in which I shall deal with it if his proposal had not commanded so much attention, not only here, but also in Europe, where, in my opinion, it can do very great damage unless it is made very clear, both by the Senator from Montana and myself, as he has already started to do in his letter to the New York Times, and by others, as to just exactly what we are about in respect to this grave and, indeed, igniting issue.

The Senator from Montana coupled his proposals with a suggestion of a "guarantee, for a period of time, of the kind of unified Germany which may emerge from discussion among the Germans"—presumably the East and West Germans—thereby enlarging the suggestion for East-West German negotiations to include all of Germany. Further he suggested "limitations of armaments throughout Germany and Central Europe." And a "pullback of the so-called ultimate weapons and the Armed Forces of both East and West from the points of imminent contact in Germany and Central Europe."

Those are the essential quotations. In practical effect, the salient proposals made were for negotiations between East and West Germany to establish an all-Berlin government, to wit: negotiations on Berlin itself. Also, although not as heavily emphasized, is the idea, contained in the Senator's statement, with respect to negotiations about the unification of Germany, again between East and West Germany.

In my opinion these proposals of the Senator from Montana represent the abandonment of the two main Western positions: first, that negotiations between East and West Germany are not the way to German unification, and that the unification of Berlin should be a part of the unification of Germany; and, second, that the unification of Germany should be accomplished, in the final analysis, by all-German elections, whatever might be the interim steps.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I express the hope that the Senator, while emphasizing these points, will keep in mind the fact that they were clarified, at least in my mind, in the letter which was printed in the New York Times, and that we will discuss that letter eventually.

Mr. JAVITS. I certainly intend to refer to every point at which there was an impact upon my colleague's policy proposal by his New York Times letter, so that those who are listening may be prepared when at the conclusion of my remarks I shall discuss his clarifications in detail. I have already referred to two. First, there is the idea of negotiation between the two Berlin communities, East and West; then the question of Allied military perscnnel in Berlin being replaced with German militia; and now comes the question of German elections.

Mr. MANSFIELD. Does the Senator from New York contend that East-West negotiations, either in Berlin or between the two German authorities—and I use that term advisedly—are negotiations in those two areas which are something new, or that they have been going on for some years?

Mr. JAVITS. I would say that the negotiations to which the Senator refers are so new as to be revolutionary, but that certainly arrangements have been made with respect to trade between the so-called two Germanys, and the Senator from Montana referred to them extensively in his speech. Certainly, they have contact. But the negotiations about unification, it is my position, are extremely new and extremely radical.

Mr. MANSFIELD. Does the Senator contend that there are no contacts on the municipal level between East Berlin and West Berlin?

Mr. JAVITS. I do not so contend. What I said about trade goes for municipal contacts. As I understand, the two parts of Berlin have arrangements about power, the operation of the subway, and probably other matters.

Mr. MANSFIELD. I simply wanted that point to be clear, because I think it ought to be brought out that on the basis of all the information we can get from responsible officials in the Government, the possibility of German elections, which I fully favor and fully endorse, is practically nil in the foreseeable future; and that foreseeable future may well encompass not simply a year, but perhaps a decade in time.

I thank the Senator from New York.

Mr. JAVITS. I thank the Senator from Montana. If he will allow me to do so, because they are so pertinent to what he has just said, I shall quote his own words, because it is elementary in his own thesis that there should be all-German elections for the unification of Germany.

The Senator's words on this subject are worth quoting. He said:

> If the unification of Germany is essential and inevitable and if it is neither our responsibility nor in the interests of this Nation to seek that unity by force, then I submit a policy which merely clings to an unrealizable slogan, of free all-German elections, which does not pursue German unification by other means, is not policy at all. It is a straitjacket.

At a later place, the Senator from Montana said:

> All-German elections may not be essential—but at least there must be a chance for men and women of Eastern Germany as well as Western Germany to express themselves and their political preferences and to participate in political affairs without the threat of terror.

Shades of Poland. Shades of the Geneva Conference of 1955 with its promise of free elections. Shades of what took place in every other country in Central Europe, where the history is that the minute there was a coalition government with Communists in it, and the minute there were not free elections, that was the end of the country. So far as the free world was concerned, it went down the drain.

So I suppose an immediately proper question is: How can the men and women of East Germany and West Germany have the chance to express themselves and their political preferences and to participate in political affairs without the threat of terror if there are to be no free all-German elections? Are we to assume that this right of expression of political preference is to be permitted by the respective German governments—in the case of East Germany, by its Communist puppet government?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I hope some way can be found by which the people of

East Germany will be allowed to express in what direction they would like to go. My guess is that 95 percent of the people of East Germany would vote for affiliation with West Germany. I think that as long as for the foreseeable future there is no possibility of all-German elections, so perhaps other ways and means should be found to try to break the impasse which keeps alive a partitioned Germany and a partitioned Berlin.

It is my belief that so long as Germany remains partitioned, there will be no peace in Europe. So long as there is no reasonable assurance that there will be peace in Europe, there will be no peace in the world.

I call the Senator's attention to the fact that the last two conflagrations which split the world wide open were ignited in Berlin.

Mr. JAVITS. I answer the Senator from Montana by saying that all this is completely true, but at the same time it must be said, on the other hand, that we must reflect that if there is a neutralized and a sterile Germany in the center of Europe, that is exactly the type of condition which brought on World War II. A Germany allied with the Soviet Union is certainly what brought on World War II. If there is to be a Germany, one part of which is Communist and the other part of which is free, and if they are then combined under those terms, it will mean that both sections will go Communist; and again another world war will be started. That is what I am talking about today.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. JAVITS. Not at the moment. I have a consolidated thought which I should like to express first. I shall be glad to yield shortly.

I should like to make one thing clear about my reason for speaking, especially in deference to my distinguished and, I think I may say in this case, my beloved colleague from Montana.

I do not want to make debating points or arguments which will embarrass him and embarrass me. I really hope we can, upon the anvil of debate, make clear our views on foreign policy. Let me emphasize that this type of debate is all too rare in this Chamber, on the part of both parties—Republicans and Democrats. I think it is high time that someone on my side stood on his hind legs and dealt with this subject, and that he should not simply sit here day after day while the foreign policy of the United States is being operated on in this Chamber, and keep silent.

Although I am a very junior Senator, I am seeking to debate this issue today. But what I am hoping to accomplish by speaking today is that upon the anvil of debate we shall endeavor, between us, to pound out a policy which will receive the support of Republicans and Democrats alike.

We are not talking about balanced budgets; we are not talking about a few airports; we are not talking about housing; we are not talking about all the other subjects which are important to the people, and about which we speak in this Chamber every day of the year. They are all very important, but they are not so vital as the life and death about which we are speaking this afternoon in the Senate.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. One of the reasons why I made my speech last Thursday, after 3 months of preparation, beginning on the day Mr. Khrushchev laid down his ultimatum on last November 27, was simply to try to generate the very idea which the Senator from New York is now voicing. I want the administration, the people of the United States, and our friends in Western Europe, to do a little thinking while there is still time to do some thinking on the Berlin and German situations.

I recall that in the case of Korea, we did our thinking and asked questions after we became involved in the Korean war. We went into that particular struggle united. But it was not long, once reverses began to show themselves, before we began to ask the questions: Why are we here? Where are we going? What is the purpose of all this?

Now we have 3 months before the deadline will be upon us. I must admit that I am surprised at some of the reactions, because I was trying to make constructive proposals. I was trying to uphold the hand of this administration. I was trying to give the administration room to maneuver, and flexibility, if the need arose, because I thought it was my responsibility, as one Senator, to do what I did.

I do not like to make speeches on foreign policy, because in the field of foreign policy one may step on someone else's toes. I must admit, in all candor, that I have sensitiveness in that respect. I do not like to step on other people's toes. But so long as I have the honor and the privilege of being a Senator of the United States, I intend to assume that responsibility; and in the words of an old friend of mine, with whom I served in the House, MIKE MONRONEY, "I am going to call 'em as I see 'em."

I thank the Senator from New York, because he is doing now the very thing I hoped would be done. I am delighted with the reaction to my speech, both pro and con, because we had better start thinking ahead, while there is time, rather than after the fact, if an impasse is reached by May 27, the deadline set by Mr. Khrushchev for us and our allies.

I do not mean that under any circumstances will we forfeit West Berlin to either East Germany or the Soviet Union. So far as the United States is concerned, regardless of our political affiliations, we will support the President of the United States and his Secretary of State to the hilt; and we will, of course, once the decision has been made, put our shoulders to the wheel and get right behind them.

Mr. JAVITS. I thank the Senator from Montana. What he has said is quite typical of him. I am delighted that we are meeting upon common ground, even though we may differ on the method of approach.

It is rather symptomatic of how we are both thinking that the next lines in my prepared remarks are these:

We have but 3 months to establish firmly the lines, link the bonds with allies, and establish in the minds of the people of the world our position, and to begin negotiations, if possible, regarding Berlin, for the Soviets have placed a red circle about the date of May 27 as the deadline imposed by them for settlement of the Berlin question.

My desire to make this clear is the reason why I did not yield to my dear friend, the distinguished Senator from Idaho [Mr. CHURCH]. I wanted to state my basic points.

I think the issue is basic. The issue is, will the United States, the United Kingdom, and France, now accept the basic position of the Soviet Union to allow negotiations—this is a point espoused by the Senator from Montana and myself—to take place between the Governments of West Germany and East Germany, respectively, about the unification of Berlin and of Germany? Or will the three Western Powers insist that negotiations must be among the four powers—that is, the three principal Western Powers which defeated Germany in World War II, plus the Soviet Union, with the role of the West and East German Governments that of advisers who are parties in interest, the negotiations to encompass the unification of all Germany and the problems incident thereto, including Berlin; a solution to be premised upon a free expression of will by all the German people in the only way we know to have their will expressed ultimately and finally—namely, by free, all-German elections.

Mr. President, this policy has now been crystallized by the text of the notes of the United States, Britain, France, and West Germany, delivered to the Soviet Union on February 16, inviting the Soviet Union to a foreign ministers' conference to undertake "negotiations among the four powers responsible for Germany"; and our position is based upon the repeatedly expressed conviction of the U.S. Government that "the continued division of Germany constitutes a danger to European security and world peace."

The question is, fairly and frankly, which of these alternative courses of action—the one suggested by my colleague from Montana or the one suggested by me and by the notes of the four powers, including West Germany—shall be pursued in the interest of peace and of the free world. I am of the decided opinion, Mr. President, that it is the policy reflected by notes of the four powers—the United States, the United Kingdom, France and West Germany—to the Soviet Union, rather than negotiations between the East and West German Governments.

Now I yield to my colleague, the Senator from Idaho.

Mr. CHURCH. I thank the Senator from New York. I wish to ask a question only to ascertain the position of the Senator from New York, not to challenge it.

From my reading of the press, it is my understanding that a short time ago the Secretary of State stated publicly that he did not think free elections in Germany constituted the only basis upon which we could seek unification. I do not quote him exactly; but I believe I have given a fair representation of his statement.

In view of that statement by the chief spokesman for this administration and the chief architect of its foreign policy, I wonder whether the distinguished Senator from New York is in support of that proposition or is opposed to it.

Mr. JAVITS. If the statement as quoted by the Senator from Idaho were correct, I would say I am not in support of that proposition. But the quotation which has been given to us by the Senator from Idaho is not a correct one, for what Mr. Dulles stated, as I understand it, is that he does not regard as a sine qua non all-German elections. But he said that, to begin with, we can start on this process without all-German elections; he said he did not regard all-German elections as an absolute condition precedent.

That is my understanding, and that is what I have constantly reiterated, as I do in my remarks today—in other words, that we do not take an inflexible position; we do not say there must be such elections or else we will not even talk to the other side.

I believe the difference between my colleague and myself and the position of most of the other countries of the world can be stated as follows: Are we going to let the Germans negotiate between themselves—which is his proposition—or are we going to have the negotiations conducted between the real parties in interest? Certainly, one of them is the Soviet Union, not East Germany, which is nothing but the Soviet Union's puppet and mask, as everyone knows.

Mr. MANSFIELD. Mr. President——

Mr. JAVITS. I yield.

Mr. MANSFIELD. Then, Mr. President, on the basis of what the Senator from New York has said, I see no difference between his position and mine, or between our position and that of the Secretary of State. I am sorry I do not have before me the transcript of the news conference. But that question was raised; and, as I recall, the Secretary of State said that was not the only basis upon which a united Germany could be brought into being. So I do not see any difference on that point.

I am willing to do anything which will bring about a unification of Germany. I want to see the two Germanys made into one; and I want to see that one Germany be a democratic, federal republic.

Mr. JAVITS. Mr. President, I neither want to obscure nor to forget the question. Let us not get off on the rabbit track of what Mr. Dulles said about free elections. I think what I have stated is correct, and I think the record will so prove. The Senator from Montana undoubtedly is equally sincere in his belief as to what the record will prove. So we shall simply refer to the record.

But the question is: Shall the East Germans negotiate this matter? Or shall the United Kingdom, the United States, France, and the Soviet Union negotiate it, with the two Germanys as their advisers?

I favor the latter. As I understand the speech made by my colleague, he favors the former. I believe that is the issue which is being debated this afternoon in the Senate.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield again to me?

Mr. JAVITS. I yield.

Mr. MANSFIELD. The Senator from New York points out in his speech, which I have read, and which is excellent, that for 14 years the occupying powers have been in Berlin. For a good many of those years the Western Powers and the Soviet Union have been trying to get together to discuss the question of Germany.

The basic tenet of our stand has been that the unification of Germany ought to be decided on the basis of free elections. I favor that. I wish it could be done. But when I ask the State Department officials what the possibilities are of achieving that sound and basic aim, they tell me, in effect, that they do not see a possibility of its occurrence within a decade.

So what are we going to do? Are we to wait for a decade for all-German elections? Or are we going to try to find other ways or means of bringing this question to a head, so it can be settled—and settled in a way which will be beneficial to the interests of the free world and, in particular, of the German people. That is the question.

So far as negotiations between the East Germans and the West Germans are concerned, I repeat that, in both Berlin and the two Germanys, negotiations have been going on. I realize that it is said that they have been going on at a very low level and that those negotiations cover chiefly transportation in the city of Berlin and commercial intercourse on an inter-zonal basis between East Germans and West Germans. But if we examine the record I believe we shall find that the negotiations have been on more than a low level, and that, instead, very high officials in the economic ministry of West Berlin have been carrying on contacts with—I assume; I cannot prove it—their counterparts in the East German Government. So, so far as negotiations between the two are concerned, they are nothing new.

We must find ways or means to end the impasse.

Although I repeat that I favor—and favor it clearly and absolutely—all-Germany elections, if they can be achieved, I ask whether we are to wait for a decade to bring this question to a head, and perhaps not even then achieve our goal.

Mr. JAVITS. I can answer the question by saying to my colleague that he does not know, and I do not know. If the East Germans were to negotiate, there might never be a chance to have free elections even if we were to wait ten decades. However, if we have to choose between waiting ten decades, and not even then having free elections, on one hand and waiting one decade and having free elections, on the other hand, I favor waiting one decade and having free elections. But that still is not the point.

In the Senate, Senators have a very happy arrangement of interrupting each other; and the result is that a Senator who is speaking often does not reach the main point of his remarks before he encounters arguments against it.

The main thing I have not yet stated is why I do not agree. I disagree in regard to who should do the negotiating. Why? I shall come to that point in my speech; in fact, perhaps it would be better for me to come to it now. So I shall state it now.

Mr. HUMPHREY. Mr. President, will the Senator from New York yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from New York yield to the Senator from Minnesota?

Mr. JAVITS. No, not yet.

Mr. HUMPHREY. I thought the Senator from New York was going to come later to the point to which he has referred.

Mr. JAVITS. No; under the circumstances, I shall discuss it now. The point is covered in my prepared remarks, as I am sure the occupants of the Press Gallery are aware. However, I shall discuss that point now.

The question is what will be the result within Germany itself. The minute we say we are going to let the West Germans and the East Germans negotiate, that will be, within Germany itself, what is known there as "the word."

What the "word" means is that the United States has thrown in, is finished, Germany is done. That is the "word." The minute that word goes out, everybody runs for cover. Everybody knows that they have got to do business with the Soviet Union, whether it is through the East Germans or elsewhere; that the United States is not going to stick it out, and they had better protect themselves.

Mr. President, we are supposed to be an unsophisticated Nation; but if two World Wars, and billions of dollars of our treasure, mountains of our labor, and oceans of our blood, have not taught us sophistication, then, Mr. President, I do not know my country.

That is why I am speaking today. What is our decision going to be in Germany? Is it going to be that we got tired of waiting and we should let the East and West Germans negotiate? It will be the "word" in Germany that counts. In my answer to the point made about our 14 years stay in Berlin, I wish to say we have waited 14 years. We have to find another way. I would not be making this speech if our State Department had not been trying to find another way. I am for egging them on. I want to help the Senator from Montana do it. I am not for letting those in the State Department lose their way. That is why I am bringing this question up. I am not for letting them lose their way in an effort to find another way.

Now I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I commend the Senator from New York for the fact that he has joined in this debate. I regret I have not heard all of his statement. I heard his summations. I know what the Senator from Montana said the other day. My observation is essentially this:

The value of the statement of the Senator from Montana of the past week is shown by the fact that we are having this debate today. What the Senator from Montana suggested was not that he had the formula, but that it was time there was some open public discussion of this question, over the radio, television, and in other directions.

In three reports of the Subcommittee on Disarmament, it was my privilege, in the preface of the reports, to point out that there should be a reexamination of the whole problem of central Europe. Two times, as a result of those reports, I received emissaries from the State Department, and elsewhere, suggesting it would be better if the suggestion was not stated so publicly—despite the fact that it had appeared in print and had been publicly stated.

My view is that the problem we face today is not a German problem. I happen to be one of those who believe that the crisis in Berlin, which was made a crisis by the action of Premier Khrushchev, gave us an opportunity to broaden the whole base of negotiations with the Soviet Union. I believe in negotiations, but I believe we ought to be sure of what we intend to get, and how long it may take to get it. We ought to know what is our ultimate objective. The ultimate objective must not be only the solution of the problem as it affects the city of Berlin. That is but a fraction, a point, and a minimal point, in the total picture. The total picture should include the reunification of Germany, however that reunification may be obtained.

It seems to me our first objective in negotiations with the Soviet Union should be an effort to negotiate for the withdrawal of Red troops from central Europe, because failure to have a withdrawal will not result in any kind of political solution that will have the possibility of being on a solid foundation.

Let me state my point more concisely: I happen to believe that negotiations between East and West Germans are not the solution. I concur in that statement. I believe the Senator from Montana was trying to point out, not a pat formula, but was trying to encourage further negotiations to seek some reasonable way out of an impasse which was more than a static situation, which was developing into a dangerous situation.

I do not believe really enough people in the country appreciate that there can be war over West Berlin. I do not believe really enough people in this country appreciate that the Premier of the Soviet Union has committed his country to an almost irretrievable position on West Berlin. When we negotiate, he has to have something to point to so there can be the appearance that the deadline has been observed. I have reason to believe that unless we are statesmanlike and very careful, unless we can come up with a legitimate program of negotiation, we may have a shooting war over Berlin. If we withdraw from Berlin merely for the purpose of withdrawing from conflict, we shall lose everything in Europe.

I believe negotiations should be taken under consideration by the major powers, as the Senator from New York is saying so pointedly today; but I do not think they should be limited to Germany only. Those negotiations must relate to Czechoslovakia, Romania, Poland, and other countries. After all, the problem is not Germany; the problem is the Soviet Union.

I do not happen to think there is going to be any immediate solution. I am sure the Senator from New York and the Senator from Montana will agree that, most likely, the negotiations will continue for months, perhaps for years. I caution my fellow Americans not to be impatient. The negotiation will take a great deal of time.

We cannot expect the Soviet Union to withdraw from positions in Central Europe unless we are willing to pay a price. We have not made up our minds what price we want to pay. The Soviets have 23 divisions in Germany. We have 5 in West Germany. If we are going to withdraw 5 divisions and the Soviet Union is going to withdraw 5 divisions, it will still have 18 divisions in Germany. So we cannot withdraw troops on the basis of division for division or man for man. It is going to be a slow process.

My point is, Mr. President, that we must know what we want before we start. Let us not be panicked into seeking a solution only of the West Berlin situation. If we plug only that hole, we may find that a leak has sprung somewhere else in the world.

In the next few days I intend to address myself to the problem of central Europe which has been precipitated by the Soviet Union's occupation of certain lands and by the Soviet Union's pressures on our own country as to central Europe.

The question is, how are we to relieve that pressure? How do we get that occupation relinquished? In order to do so, I am convinced we may have to prepare our officials for some fundamental revisions of free Western national security, troop locations, and foreign policy adjustments, that go far beyond some of the wishful thinking of today.

I am willing to negotiate in good faith, but we must negotiate so carefully that every step is examined 10 times under a microscope, for fear that we may be negotiated into an untenable position rather than a defensible position.

The argument being made is good. The argument is 5 years or 10 years late. It is at least 5 years late. We should have had this issue discussed a long time ago. I for one salute the Senator from Montana for having the courage, in the first place, to open the discussion of the question in the Senate. I commend the Senator from New York for coming back with a forceful and able presentation of what are some of the possible pitfalls in the negotiations and what are some of the opportunities. We need such discussion. When we complete discussion of this phase of the problem, we should proceed to a discussion of the Far East, and look into that question; and then be prepared to look at the question as it applies to the whole world.

Mr. JAVITS. I thank my colleague from Minnesota. I think that, as I develop my thesis, the Senator will find his thinking and mine in this situation run along nearly parallel lines.

Mr. President, first, I welcome the initiative of the Senator from Montana in coming forward with proposals. We do need, as he says, "a positive policy for peace" and the status quo is not such a policy. Also, this may be a rare opportunity for negotiating with the U.S.S.R. a new political and military order in Europe. But, if we are to do this with hope of success, we must deal with the real party in interest—the U.S.S.R.—and not allow a strictly East-West German negotiation in which West Germany will be dealing on its own but will know it is dealing not with East Germany but with the colossus U.S.S.R. itself.

I think that the basic proposition which must determine our course of action is our reason for being in Berlin at all. Our being there at all is to assure the people of Berlin that we and our allies recognize a responsibility for the unification of Germany under freedom which we cannot properly relinquish. We cannot sanction the Soviet takeover of Berlin or any part of Germany as an aftermath of a military victory in which we had such a large share. That is why we first took our stand in Berlin and that is why we are still there and that is why we are likely to stay there for some time to come.

The Senator from Montana says that "We are in Berlin to see to it that when that city is once again the capital of all Germany, as it surely will be, the concept of freedom and peace will not be absent from the scene." I wish I were as sure as he is that Berlin will once again surely be the capital of all Germany, but I think that is distinctly begging the question and assuming the success of the very purpose we intended to serve, an assumption which cannot be made, certainly, in the face of what my colleague proposes that our policy should be.

For, what is at stake is the fate of Europe and the fate of peace, not alone the fate of Germany. Berlin is not just a city, Berlin represents the most urgent point of contact between the leading powers in the free world and the Soviet Union.

And, most critically important, what we think will happen in Berlin is not nearly as important as what the Germans think will happen in Berlin. And to the Germans, as is shown by the statements of their leaders, negotiations between East and West Germany about Berlin represent the abandonment of Berlin by the leading powers of the free world who alone can maintain the free world's position there and give hope of a Germany unified in freedom and integrated into the European community—the best assurance against a return of German aggression.

Mr. President, I digress from my previously prepared text to state an observation. I am a lawyer. There are many attorneys in the Senate. We lawyers have an expression to the effect, "It isn't what the facts are; it is what the judge thinks they are that counts."

Mr. President, in essence the fundamental point I make about who should carry on the negotiations is that it is not the way the matter looks to us which is so vitally important. We Americans are great ones for negotiating and saying, "Let them get together and work it out." What is important is what this is going to mean to the people in Europe. From all the evidence we have, that is the principal difficulty with regard to what was proposed by my colleague from Montana.

As I said before, it will be taken in West Germany as the "word" that West Germany is to seek a deal with the Soviets at the risk of the isolation and neutralization of all of Germany. It would represent the acceptance by the Western allies of the Soviet's own construction of the agreements made with the Soviet Union with respect to Germany as well as with respect to the countries behind the Iron Curtain.

One of the important things about dictators is that they will always tell one what they are doing, if one will listen to them. The Soviet Union said very frankly in its document handed to the U.S. Ambassador on November 27, 1958, announcing its unilateral policy on Berlin:

> The governments of the three powers (United States, United Kingdom, and France) are seeking to keep in force the long since obsolete part of the wartime agreements which govern the occupation of Germany and which entitled them in the past to stay in Berlin.

East-West German negotiations on Berlin could be interpreted and I believe would be interpreted as our acceptance implied but clear, that we join in the denunciation of the wartime agreements.

The presence of the Western Powers in Berlin and the organization of the East German state cannot be looked at in a vacuum but must be considered in the light of what brought them into being. The rights of the Western Powers in Berlin are the result of the events of war and of conditions; namely, the encirclement of the city by Soviet-controlled territory, which have not been changed during the intervening time. The Western Powers are also in Berlin in accordance with the agreements concluded by the four powers at the meetings of foreign ministers after the conclusion of the war. It was originally proposed under the Potsdam Agreement of 1945 that the four powers should prepare Germany for reconstruction of its political life on a democratic basis with freedom for all democratic political parties, and that the Allied Council of Ministers should prepare a German peace settlement to be accepted by an all-German government. This was to be established as soon as conditions would permit. The Soviet Union sabotaged this agreement in the effort to bring all of Germany under its control, and, failing that, put East Germany under Communist control, suppressed its freedom, caused its economy to be communized, rearmed East Germany, and annexed the eastern territories—the Oder-Neisse line—outright.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. When the distinguished Senator from New York refers to the Oder-Neisse line, to what particular section does the Senator refer?

Does the Senator refer to the 69,000 square miles east of the Oder-Neisse, taken over by Poland at the instigation of Russia, for which the Soviet Union took an area of something like 90,000 square miles from the Poles and annexed it to the Soviet Union, or does the Senator mean the area west of the Oder-Neisse now incorporated in the East Germany territory?

Mr. JAVITS. I speak of the truncated territory, the territory which was taken in order to make the shift which was made with Poland.

Mr. MANSFIELD. The territory Poland now has?

Mr. JAVITS. That is correct.

Mr. MANSFIELD. I thank the Senator.

Mr. JAVITS. I make the point historically, because we all know the facts. Once the Russians decided they could not get all of Germany, they proceeded to work their will on East Germany as they pleased. This territorial annexation was one of the elements of their working their will on East Germany.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. JAVITS. I yield.

Mr. MANSFIELD. When and if the two Germanys are unified, does the Senator envisage there may be a problem connected with this so-called truncated area east of the Oder-Neisse—the irredenta, the lost territories—in the consideration of the German problem?

Mr. JAVITS. I think that will be a very big factor. I think it will be one of the really important facts to demonstrate that one has to deal with the real party in interest, which is the Soviet Union, which has its "sticky hands" on this, for all practical purposes.

Mr. MANSFIELD. I thank the Senator.

Mr. JAVITS. Mr. President, it was this sequence of events which forced the Western Powers to look to their own defenses and brought into being successively the Western European Union, the North Atlantic Treaty Organization, and the inclusion of West Germany in this common defense, and its rearmament, which is going on today.

If we needed any confirmation of the purposes of the Soviet Union and of the need for a judicious position on the part of the Western allies, it is supplied by the sheer arrogance of the Soviet proposal of November 27, 1958, in regard to Berlin. For the Soviet Union proposes that only West, not East, Berlin be made a free city.

They say, "East Berlin is the capital of East Germany. We cannot do anything with that. We want to make a free city of your part of it."

Also, says the Soviet Union, if a free city is set up in West Berlin—and now we come to one of those things which only dictators can say with a straight face—"it—the U.S.S.R.—will do its utmost to promote the attainment of these aims, especially by placing orders for such an amount of manufactured goods as would fully insure the stability and prosperity of the economy of the free city, and, also, by regular systematic supplies to West Berlin of the necessary raw material and foodstuffs on a commercial basis."

If the wolf in Little Red Riding Hood could talk, this is what he would be saying.

Considering the history of the Soviet Union and its operations in Eastern Europe and elsewhere, could anyone doubt for a minute that this is serving notice that the Soviet Union will impose promptly, through its puppet Communist German Democratic Republic of East Germany which surrounds Berlin, full economic control over the free city of West Berlin, a control inherent in the power of economic strangulation. And that will be the end of West Berlin as it has been up to now the end of East Berlin. The very implication of the term "free city" in its historic and legal application is not the freedom of its people but its defenselessness and reliance for security on the respect of its status by its neighbors.

Again using the Little Red Riding Hood analogy, are we willing to accept that guarantee from the Soviet wolf, and permit it to lie down in peace and quiet with Little Red Riding Hood, which would be West Berlin? I think our answer is emphatically "No."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Did the wolf lie down with Little Red Riding Hood? [Laughter.]

Mr. JAVITS. No; he did not. My children will call me to account for that analogy.

The Soviet proposal goes on to state:

> If this proposal is not acceptable to the U.S. Government there is no topic left for talks on the Berlin question by the former occupying powers.

Let it be noted again that there are no proposals here about East Berlin but only about West Berlin.

Stripped of all verbiage, this is really an ultimatum. I think the Senator from Minnesota is correct. The Soviet Union is on a hook. The question is how it is going to get off the hook, rather than whether it intends to go to war, though I thoroughly agree that we cannot rule anything out.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Montana.

Mr. MANSFIELD. I am glad the Senator from New York is emphasizing that this is an ultimatum, that we are facing a deadline and a dateline. I am delighted that he is bringing out these points before it is too late, rather than if and when something occurs which

might entail great loss of life, not only for Germans, but for Americans. That is what is worrying me to a considerable degree. I am delighted that the Senator is emphasizing that point.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. COOPER. I do not wish to interrupt the trend of the Senator's fine speech, but I should like to say that the Senator from New York is performing a constructive service this afternoon in giving us the benefit of his thinking. The distinguished Senator from Montana [Mr. MANSFIELD] did a good thing when he raised the Berlin question on the floor of the Senate a week ago.

I think it is true that neither the Congress of the United States nor the people of our country have made up their minds as to the seriousness of the situation. Since 1956 the Soviet Union has taken a number of setbacks. One in connection with the Suez crisis; another in the Lebanon crisis; and one in the Quemoy-Matsu crisis. We must take this fact into account when we judge the Soviet purpose in delivering an ultimatum over Berlin.

I very much hope that this debate, in which other Senators will undoubtedly join, will awaken the Congress and the people of the country to the fact that we may be facing one of the most dangerous crises we have faced with respect to Soviet Russia.

I gather from the speech of the distinguished Senator from New York that one of his chief differences with the Senator from Montana is on this point: While the Senator from Montana has suggested negotiations between the two governments in Berlin, the Senator from New York holds that no negotiations should take place unless the four powers take part—because the question of Berlin cannot be separated from the question of the union of Germany itself. I agree with the Senator from New York on this point.

In delivering an ultimatum, Russia has put itself on a limb, as the Senator says—in the position in which it will have to make adjustments, if any progress in negotiations is possible. Does not the Senator also believe that, without giving up the principles of our position—that is, that we will not withdraw our troops, or give up our rights of access—that while standing firm on our rights in Berlin, and the rights of the people of West Berlin, we must be thinking as to what our position will be in respect to the final solution of the problem of reuniting Germany?

I suggest that the ultimate solution of the Berlin problem, and of the German problem, may be related to the withdrawal of allied troops from Germany and of Russian troops behind Russian borders.

We must begin thinking about what our ultimate aim and purpose is. I am sure that Mr. Dulles is doing this. These are questions we can discuss.

I congratulate my friend for his very able discussion of this subject.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield while the Senator from Kentucky is on his feet?

Mr. JAVITS. I shall be glad to yield in just a moment. First, I wish to respond to the remarks of the Senator from Kentucky.

I am very grateful to my colleague from Kentucky, who is a most distinguished expert in the field of foreign policy.

I intend to yield in a moment to the Senator from Montana; and after I shall have done so, I hope I shall be allowed to complete my statement, when I shall be glad to yield again.

I have a set of explicit proposals which indicates the kind of thinking to which we must condition ourselves in order to bring about some solution.

I remind my colleague that I am very cognizant of what I consider to be a very interesting analysis made by Walter Lippmann in an article entitled "Mr. Dulles Is Needed," in which Mr. Lippmann sets forth his own analysis as to why the Russians got into this situation. That analysis—and I shall refer to it later—is of such a character that it compels us to think through exactly what we shall propose, in the way in which a good negotiator always thinks through a proposal. He asks himself, "Is it a proposal which is good for me? If so, is it a proposal which could be accepted by the other side?" Otherwise we completely outtrade ourselves.

I shall make these proposals in the same spirit in which the Senator from Montana made his. I believe they represent a pattern which should be acceptable to us, and ought to be acceptable to the party on the other side if he is negotiating in good faith.

I now yield to the Senator from Montana.

Mr. MANSFIELD. I join the Senator from Kentucky in commending the Senator from New York for taking the floor this afternoon; and I join the Senator from New York in commending the Senator from Kentucky for the impartial, unbiased, down-to-earth interest he has always shown in the field of foreign affairs. While he may deny that he is an expert and an authority, I beg to differ with him in that respect, because he is an outstanding authority in that field.

Seeing the Senator from Kentucky in the Chamber recalled to my mind an incident which I wish he would either corroborate or straighten out for the RECORD.

When I was a delegate to the United Nations Sixth General Assembly in Paris, in 1951, the Senator from Kentucky was also a delegate. At that time, as I recall—and I am speaking entirely from memory—the Senator from Kentucky handled the so-called German question.

Is it true that on one occasion, at the Palais de Chaillot in 1951, delegations representing both East and West Germans came before the Senator's committee and represented the two parts of Germany in a discussion on the question of Germany? Can the Senator corroborate that? I am not certain in my own mind.

Mr. COOPER. Mr. President, if the Senator from New York will defer once more, I should like to say that it is correct that in 1951 I was a delegate to the General Assembly of the United Nations, as was the distinguished Senator from Montana, Mr. MANSFIELD. At that time I had charge of the German question before the General Assembly. We asked representatives of the Governments of West Germany and East Germany to appear before our committee. The chief issue was whether it would be possible to get an agreement upon elections looking toward reunification. After the debate was finished, it was evident that there could be no agreement. The Russians, who as now were directing the East Germans, stated flatly that there could be no elections under United Nations supervision, and none except in the way they had proposed. Their proposal then was the same as today, the same method of elections proposed in Korea, and the same kind taken in Poland. Their proposals are designed to deny free elections, and to swallow free governments.

All this has led me to believe that Russia will not agree to any general elections at this time and that Russia will not give up its control over East Germany without some quid pro quo. It is a question which we must face.

On the other hand, as the Senator from New York has brought out so ably and rightly, this does not mean that we must give up our position in Berlin. I agree with him that it is better to wait 10 or 15 years to arrive at a just solution than settle it in the Russian way now.

But the danger, and the necessity for an ultimate settlement, requires that new approaches be made on both sides to avert the possibility of an awful war.

I referred earlier to the withdrawal of troops from Europe. I want it to be clear that I was speaking of the possibility of an ultimate settlement that would reunite Germany democratically. If this is a possibility, we may consider that all troops might be withdrawn from Germany if Russian troops retired behind Russian borders.

I see one common interest as a basis of negotiations. If we can assume that Russia does not want war, as our country does not want war, there may be a common basis of negotiation. I shall not interrupt my friend from New York any further.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KUCHEL. First I wish to say that I congratulate the able Senator from New York for leading a discussion in the Senate on perhaps the most crucial international question which today confronts not only the people of our country, but also the people of the free world.

I seek information on one point. I heard only a part of what the Senator from Montana said a few moments ago. I rely on my own somewhat faulty recollection to the effect that the General Assembly of the United Nations a half dozen years ago or so adopted a resolution under which a committee was to be appointed from among the members of the United Nations to determine if an

election might be held in Western Germany, in Communist East Germany, and in both parts of Berlin, and as to whether or not such elections could be held freely.

My recollection is that the United Nations General Assembly adopted such a proposal, that the committee was appointed, and that then the Russians of East Germany and of the eastern sector of Berlin refused to permit the members of the committee even to enter those two areas. Am I correct in that recollection?

Mr. JAVITS. I cannot state authoritatively whether that happened or not. I do have a recollection of a similar situation. However, I believe we can draw the analogy, because that appears to be the Communist pattern, judging by what they did with the United Nations Commission on Hungary. There they took the attitude that they would not admit the Commission at all. I have a dim recollection of the incident referred to by the Senator from California. I am sure we can take it as a finding of fact that that is the position taken by the Soviet Union and all of its satellites, that they will not let anyone in to investigate the question of whether any free election would be possible.

Mr. KUCHEL. I thank the Senator from New York. The establishment of that fact, it seems to me, is an abundant and powerful argument in favor of one of the fundamental parts of the Senator's thesis today with respect to the possibility of free elections in that area.

Mr. JAVITS. I thank my colleague. That is absolutely so.

Willy Brandt, governing mayor of the city of West Berlin, said in response to the Russian plan as soon as it was announced:

> It is the recognizable goal of Communist policy to make the whole of Berlin part of the so-called German Democratic Republic. No amount of talking can divert attention from this.

This is the summation of the point which represents the potent danger, indeed the unacceptable hazard, of negotiations between the East and West German Governments about Berlin is the fact that it will be taken without question as a signal in West Germany that this is the end of the position of the Western allies with respect to German unification; that the Western position upon the whole subject of Germany is crumbling and will likely be abandoned, and that West Germany had better move to make the best deal it can with the Soviet Union's puppets in East Germany before it is completely left at the post—abandoned, the victim, with no negotiating power whatever. We need not guess about this. The whole attitude of the West German Government and the government of West Berlin confirms for us the dreadful danger in which they consider themselves to be and the urgent need, therefore, for maintaining steadfastly the policy upon which we have embarked.

Willy Brandt, of course, is a leading member of the Social Democratic Party, the SPD, which is the primary minority party in the German Bundestag. Chancellor Adenauer is the leader of the Christian Democratic Party. These are the two major parties in West Germany.

Even our official policy now is not an inflexible policy; the Secretary of State has already noted that free elections may not necessarily be the first step toward German reunification, though they certainly should be the last step, and that free elections are not the only way in which to start the ball rolling.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. COOPER. I should like to make it clear as a point of the remarks I made a few minutes ago in respect to the disposition of troops, that I was talking in terms of the reunification of Germany, by the people of Germany in free elections. I stand wholeheartedly with the decision of the President of the United States and the Secretary of State, Mr. Dulles, and with the position of the Senator from New York, that we should not give up any rights we have in Berlin, that we should not give up rights of access either by air or by land, that we should not give up the rights of the people of free Germany. I believe there are common interests to be found—that of avoiding war, that of security—upon which negotiations can go forward.

I stand wholeheartedly with the President and Mr. Dulles in their firm positions.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I wish to associate myself with the remarks just made by the Senator from Kentucky. It should be made very clear that while we may discuss the question, and while we may have differences, there are certain things about which there are no differences, and that there are certain actions we intend to take in support of the President and the Secretary of State.

Mr. JAVITS. Now I should like to proceed with the remainder of my address. If any Senator wishes to ask me questions after I have concluded my remarks, I shall be glad to yield.

Mr. President, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, the actual questions and answers with respect to the statements of Secretary Dulles, and his statements on this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. In pursuance to the inquiry of my colleague from California [Mr. KUCHEL], I now make the following proposals for four-power negotiations, with East and West German advisory participation. The proposals, some of which are on the table, and some of which are not—and I will try to distinguish between them—are suggestions on which the four powers can negotiate and still have the flexibility to which we have referred. The proposals are:

First. A real understanding exists that the mutual security of both East and West demands that the military balance of power should not be changed to the detriment of either side. Proposals have been made for an undertaking by the North Atlantic Alliance not to move its defenses eastward beyond their present position, if a reunited Germany should choose to remain in the Atlantic Alliance, and to treat East Germany as a demilitarized buffer zone containing only ordinary police forces to maintain internal order, so that there will be no immediate entry into East Germany of NATO forces, even though they are Germans.

Second. Agreement is possible that no missile bases are to be built on German soil, East or West.

Third. There can be a thinning out of forces in West Germany—not now talking about West Berlin, but West Germany—in return for a thinning out of Soviet forces in East Germany, a process which lessened tensions after the achievement of German unification would make increasingly possible.

Fourth. The Western Powers have indicated their interest in entering into a European security pact, superimposed on both the NATO alliance and the Warsaw Pact alliance, to meet the Soviet proposal of an East-West nonaggression pact. In this respect, action is necessary. It should be made clear, however, that the conversion of Eastern European states into satellites is not condoned or approved.

In that respect, we should all recall the words of the Senator from Montana that East Germany is but one example of the complex of slavery which has been imposed upon Eastern Europe. It is my view that if we can be successful in working out the situation of East Germany, then we will begin to unlock the door of central Europe, while if we relegate East Germany to Soviet serfdom, for decades to come, we can write off Eastern Europe at one and the same time.

Fifth. Every effort is being made at Geneva to arrive at a solution with the Soviet Union on the problem of nuclear testing, and the prevention of surprise attack, both pacts to be made self-enforcing through effective systems of inspection and control under United Nations auspices. It is well known that those negotiations have gotten nowhere.

Under the spur of German reunification, these negotiations can be consummated. One way out of the present impasse at Geneva opened by a European settlement would be the acceptability of a short-term notice period for terminating any agreement entered into at Geneva, thereby relieving the parties of fears of being parties to an agreement with the operation of which they are dissastisfied, and to which they are tied for a long time.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Am I correct that under the fourth point enumerated by the Senator, he is advocating the possibility of entering into a European security pact?

Mr. JAVITS. The Senator is correct.

Mr. MANSFIELD. And that under his fifth point he is advocating a reasonable solution, at least, to the two conferences now in progress, one of them in suspension, the conference against surprise attacks—both conferences taking place in Geneva, by the way—and the other conference looking toward the ending of the testing of nuclear bombs?

Mr. JAVITS. The Senator is correct.

Mr. MANSFIELD. Does the Senator recall that my ninth suggestion, which I made a week ago today, covers the same territory in mentioning the Rapocki and Eden plans, and predicating consideration being given to them on reasonable agreements which may emerge from the Geneva conference on surprise attacks and the suspension of nuclear tests?

Mr. JAVITS. I do.

Mr. MANSFIELD. So we are in agreement.

Mr. JAVITS. I welcome more and more the areas of our agreement. I think I pointed out at the very inception of my speech the principal area of disagreement, which I did my utmost to narrow; and I am now demonstrating that, notwithstanding my conviction that we would be selling freedom down the river if we let the East and West Germans negotiate this deal, I still retain a considerable amount of faith that this whole picture can be cleared up. So I am delighted, rather than displeased, that there are areas of complete agreement between us as to where the flexibility ought to reside in terms of security pacts.

Mr. MANSFIELD. I am sure that the areas are more than merely the two enumerated.

Mr. JAVITS. I am sure of that, too.

This whole program, some of which the Senator from Montana, as he truly says, has outlined too, adopts again the negotiating policy we have found best with the Russians—just as is advanced in the Baruch-Hancock atomic weapons control plan—the step-by-step approach by which each act done depends on the completion of the preceding one.

It is very interesting that Khrushchev rejected this idea in the speech which he made just the other day, in which, incidentally, he got himself further out on a limb in terms of the use of force. He said, in practical effect, that the Russians have nothing to negotiate; that they do not have any accommodation for the idea of step-by-step activity; that there is nothing for them to negotiate. But I do not think that either the Senator from Montana or I or anyone else is confounded by that philosophy. That is the technique of, putting up a tough front, an ungiving attitude.

But I do not think that any of us can forget that when we did a real good job on the Berlin airlift, notwithstanding all the truculent statements which were made about the Berlin airlift, the Berlin airlift turned out to be successful. The Russians quit when they knew they were licked—not licked in any military sense, but licked in the sense that they understood the nonsupport by the people and the antagonism of the people of the whole world, and the successful lapse of time in order to bring about both things.

I think we ought to take a stern lesson from that when we are talking about the situation and the way in which it ought to be negotiated.

The Western Powers have not been truculent, even about the impediments which might be placed in the way of access to West Berlin after May 27, 1959. The suggestion is abroad that even the East German puppet government could, under proper circumstances be treated as the agent of the U.S.S.R.; also that United Nations consideration will be sought before there is any serious countermove by the Western Powers against an effort to impede access to West Berlin; and, finally, I think it is clearly implied that United Kingdom, United States, and French countermoves will be in relation to the seriousness of the impediments put up to West Berlin access.

The President made that clear just yesterday, in answering the sweeping, dangerous statement of Khrushchev, a statement which everyone understands, in which Khrushchev said that if anyone should start shooting, it would mean the beginning of war.

The President hastened to reassure him—and there he was on solid ground as a great military commander—that we do not intend to start shooting unless a situation which the Russians create demands it. It seems clear that we will resist, but we are not threatening major war over minor difficulties. We will react strongly only if it is really absolutely essential.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I was interested in the paragraph in which the Senator from New York said:

> The Western Powers have not been truculent, even about the impediments which might be placed in the way of access to West Berlin after May 27, 1959. The suggestion is abroad that even the East German puppet government could, under proper circumstances, be treated as the agent of the U.S.S.R.

Who made that suggestion?

Mr. JAVITS. As I understand, the suggestion was indicated, if not actually made, in the talks by the Secretary of State.

Mr. MANSFIELD. The Senator also said:

> United Nations consideration will be sought before there is any serious countermove by the Western Powers against an effort to impede access to West Berlin.

Who made that statement?

Mr. JAVITS. Again, I think, the Secretary of State.

Mr. MANSFIELD. And then:

> Finally, I think, it is clearly implied that U.K.-U.S.-French countermoves will be in relation to the seriousness of the impediments put up to West Berlin access.

That, likewise, is an indication of Western opposition. Does not this show that the Western position, under the leadership of Secretary Dulles, is one of fairly good flexibility at this time?

Mr. JAVITS. I think so.

Mr. MANSFIELD. Does it not indicate that the old position of rigidity both under Democratic and Republican administrations has been modified to a certain degree?

Mr. JAVITS. I thoroughly agree.

Mr. MANSFIELD. Would not the Senator agree that attempts made to widen further the field of maneuver and the area of negotiation might be in the best interests of the Western nations and might be used to strengthen the hand of Secretary Dulles in conducting negotiations affecting Berlin and Germany?

Mr. JAVITS. I think I made that point before with the Senator from Montana, namely, that I am all for showing them a new way, a better way, a clearer way; but I am not for showing them how to lose their way.

Hence, the fundamental point of difference, which I reiterate, that I want the four-power negotiations. I am against East and West German negotiations, because they will affirmatively and clearly sell Germany down the river. That is the whole point of the debate this afternoon.

Mr. MANSFIELD. As I understand the resolution, which I assume the Senator will submit, it contains something to the effect that the United States should continue to seek four-power negotiations with the Governments of France, Great Britain, and the U.S.S.R., with the West and East German governments as advisory in such negotiations, as the means whereby a free and united Germany may be created.

It seems to me that we are not too far apart in what I have said and what the Senator from New York is proposing in his speech and in the resolution he intends to submit to the Senate.

Mr. JAVITS. I hope we are not too far apart. I am delighted that the Senator from Montana has joined with me. I hope very much we can agree.

I hope very much that we can agree, because the various areas that both of us have described as "flexibility" are, as everyone knows—and quite properly so—the result of an apparent determination by the U.S. Government. I am not speaking on the basis of conversations with the President or with the Secretary of State, but I believe it is quite clear that this decision was made. First, there must be room for maneuvering; and, second, we must, once and for all, be at one with our allies.

So the whole complex situation we have been discussing today and to which I have been alluding in the course of my speech on the resolution I am proposing, is based upon the position essentially agreed upon between the United States, the United Kingdom, France, and West Germany. It is all to the good that we are together on a considered policy which is not rigid, but which at the same time preserves the fundamentals.

But I repeat that we should not forget where we began. We began with the proposition that because we have almost become exhausted, after waiting 14 years for this thing, let us let the East Germans and the West Germans "go at it." I am opposed to that; and that is what I have addressed myself to today.

If we are departing from that, and if now we are getting to what is now the Western formula, that is fine; and I am delighted that all the things said and done apparently have had a beneficial effect upon the thinking with which we began a week ago—the idea of East-West negotiations about Berlin and, incidentally, about Germany.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Of course, the first resolve of the resolution of the Senator from New York does, as I previously indicated, call for the use of the West German Government and the East German Government as advisers in such negotiations on the means whereby a free and united Germany may be created.

The Senator from New York has just finished stating that the Secretary of State is the one who has made the statement that even the East German puppet government could, under proper circumstances, be treated as the agent of the Soviet Union. I assume he means that would be agreed to by the United States, the United Kingdom, and France. Is that correct?

Mr. JAVITS. Yes; I assume it would be by the de facto action of those Governments in recognizing the East Germans as an agent.

Mr. MANSFIELD. In his resolution, the Senator from New York is advocating that the East Germans and the West Germans be considered as advisers; and he has said the Secretary of State has indicated that "under proper circumstances" the Western Powers would treat the East German puppet government as the agent of the Soviet Union.

Mr. JAVITS. I desire to have my position clearly understood. I have stated my position time and time again, and I shall state it again now: As everyone knows, the West German Government would be the adviser to the three Western Powers, when negotiating; and the East German Government, we assume, would be the adviser to the Soviet Government—although the Soviet Government would not have to have the East German Government as its adviser, if it did not wish it to be. But the essential framework is the four-power negotiations.

As I have said a dozen times this afternoon, we began with the proposition that we are going to be led out of this wilderness, so said the Senator from Montana, when we have East German and West German negotiations for the unification of Berlin and of Germany.

I have yet to analyze the letter written by the Senator from Montana to the New York Times—the letter in which he also begins to depart from that position. As I have stated, if he wishes to depart from the position, I am delighted. But let us not fail to remember where we started and why I have made this speech.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from New York yield to the Senator from Montana?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I wish the Senator from New York would analyze the statement I made last Thursday, as well as the 800- or 900-word letter I wrote to the New York Times.

But, as I understood the Senator from New York to say, he believes that, so far as the West Germans are concerned, the Western Powers should consider them as advisers; but that so far as the East Germans are concerned, the Western Powers should consider them as the agent of the Soviet Union itself—if I correctly interpret the statement he made. Such an arrangement would give the East Germans far more prestige and standing than that which would be accorded the West Germans, on the basis of the resolution of the Senator from New York.

Mr. JAVITS. I do not think that is at all what I have in mind. If the words I have used are inartistic, in the opinion of the Senator from Montana, I am sorry.

The important point is to relate this matter to action in regard to Berlin—for instance, in regard to the stopping of our convoy, just the other day, while it was on the road to Berlin. That would be the sort of act which would relate to agency. It will be noted that my resolution does not say anything about agency. It is not part of my prepared speech; it is not what I am talking about.

Mr. President, in essence we have to make up our minds whether we want to go for quick, one-package solutions, which is what we are offered in the prospect for negotiation between East and West Germany about Berlin; or whether we must, under the imperatives of our position, choose what seems to be the harder way, but is to me by far the more secure and the more sure: being willing to take time, to run risks, to enter into extended negotiations time and again, while standing by the fundamental principle upon which the whole morality of our policy is built—the principle of the self-determination of peoples and of the United Nations Charter.

We have now been in Berlin for almost 14 years. That is a very long time; but as the affairs of men go, it is not a very long time at all. We do not see the Soviet Union hastening to solutions and to the abandonment of positions which it considers to be critically important to its own security. So, for example, disarmament negotiations have dragged on, now, for just about the same length of time—14 years—without seemingly any change in the Soviet "nyet." Why, therefore, should we be in a panic about a particular solution on Berlin which nearly suits the Soviet Union, only because the U.S.S.R. is threatening us with a deadline? The answer is that we cannot afford to do so. Indeed, all of the sacrifice we are making now in respect of our foreign aid, education and information, and defense programs indicates that we cannot do so, and that we are prepared with fortitude to bear the burden which is implied until solutions secure for peace are arrived at.

I applaud—I believe my friend, the Senator from Montana, used these words—the challenge inherent in the proposals suggested for us by the Senator from Montana and his courage in bringing them forward. They are stimulating and provocative, and, therefore, are good for the country, and this is the spirit in which I am discussing them today. I want very much to discuss them today, and I hope I have been successful. It is my hope, because I think it is in the best interest of the country, that this discussion of the alternatives which are presented will firm us in our determination with respect to the rightness of our course, as we have recently crystallized and molded it, regarding the problems of Berlin, of Germany and of peace, as affected by them.

I have drawn up a resolution which carries out, for practical purposes, the ideas set forth in my speech, at least in terms of some expression on the part of the Senate of the United States.

Mr. President, I now submit the resolution, and request that it be appropriately referred.

The resolution (S. Res. 85) submitted by Mr. JAVITS, was referred to the Committee on Foreign Relations, as follows:

Whereas the Soviet Union on November 27, 1958, issued an ultimatum on Berlin stated to expire May 27, 1959; and

Whereas this ultimatum is in violation of the joint undertakings of Great Britain, France, the Soviet Union, and the United States to replace an aggressive dictatorship with democratic government in all of Germany; and

Whereas the exercise of democratic rights and free political life exists in Germany only in the western sectors of Berlin and the Federal Republic of Germany; and

Whereas the United States, in concert with Great Britain and France, and in agreement with West Germany, has repeatedly reiterated its firm intention to protect the freedom of the city of Berlin and to take whatever action is required to sustain this end; and

Whereas these free democratic powers have, in fact, at great sacrifice participated in the airlift when Berlin was previously subjected to similar pressure; and

Whereas these actions by the United States, France, and Great Britain have been taken at the repeated request of the free citizens of West Berlin and of their freely elected government; and

Whereas these citizens by overwhelming vote have but recently reaffirmed their intention to remain part of the free world and to resist, at whatever cost to them, any effort to incorporate them into the East German puppet regime; and

Whereas the United States, United Kingdom, France, and West Germany have notified the U.S.S.R. of their willingness to hold a foreign ministers' conference promptly to discuss the unification of Germany and Berlin, and stating that it is suggested that German advisers should be invited to the conference and should be consulted; and

Whereas the people of the United States regard the freedom of the city of Berlin to be vital to the peace, safety, and freedom of the free world; and

Whereas the abandonment of Berlin, in whatever guise, would force not only free Berlin but all of Germany to seek a compromising accommodation with the Soviet Union; and

Whereas the isolation and neutralization of Germany demanded by the Soviet Union as a price of such accommodation would inescapably make that country a marshaling ground for further Soviet advances, undermining the North Atlantic Treaty Organization, destroying the painstaking constructive

work toward European unification, atomizing the European Continent once again into isolated and indefensible states, and threatening the ultimate destruction of the liberties of the millions of Europeans who now enjoy the blessings of freedom; and

Whereas the consequence of each of these developments would be the significant weakening of the defenses of the United States and the freedom of its people: Now, therefore, be it

Resolved, That it is the sense of the Senate that:

1. The United States should continue to seek four-power negotiations with the governments of France, Great Britain, and the U.S.S.R. in a conference on the means whereby a free and united Germany may be created and to suggest that German advisers should be invited to the conference and should be consulted;

2. The United States should, in such negotiations, seek means by which the security of Europe, both East and West, may be guaranteed;

3. The United States should not accept a unilateral abrogation by the U.S.S.R. of the agreements regarding Germany or Berlin as affecting in any way the rights and responsibilities of the Western Powers whatever may be the actions of the U.S.S.R.; and

4. The United States should take whatever meaures may be required to maintain access to West Berlin from West Germany on all the routes that have been by agreement with the Soviet Union assigned to Great Britain, France, and the United States for themselves and for the benefit of the people of West Berlin; and be it further

Resolved, That a special committee of seven Senators be appointed by the Vice President and sent to West Berlin to express to the Senate of that city's government the Senate's spirit of understanding and support of the trials of the people of West Berlin in the present crisis.

Mr. DODD. Mr. President, will the Senator yield?

Mr. JAVITS. I shall yield to my colleague in a moment, because I wish to explain this.

Since I prepared this resolution, which was done yesterday, I heard from and collaborated with my friend from Connecticut [Mr. DODD] in the drafting of a resolution which he submitted earlier in the day. I believe that resolution expresses, indeed more clearly, exactly what I had in mind. I am delighted he undertook the initiative of drafting it. I shall join with him in urging prompt consideration of his resolution.

There is only one paragraph in mind which I hope very much will be carried forward here, and which the Senator from Connecticut did not include, because I suggested that he not include it—he would have been glad to do it—which I should like to suggest to my friend the deputy majority leader, the Senator from Montana [Mr. MANSFIELD], who can do more about it than can anyone else. That language reads:

Resolved, That a special committee of seven Senators be appointed by the Vice President and sent to West Berlin to express to the "senat" of that city's government the Senate's spirit or understanding and support of the trials of the people of West Berlin in the present crisis.

I have in mind that the delegation of seven Senators may be physically in Berlin on May 27, 1959, the date the Soviets have put a red ring around.

I yield now to my colleague from Connecticut.

Mr. DODD. Mr. President, I wish to say to the senior Senator from New York that I think he has made a great contribution to clarification of thinking on this subject, not only in this body, but throughout the country. I know that the Senator from Montana intended to do just that too. I commend the Senator from New York for what he has said here today and I agree heartily with him.

I should like to make a point or two. One of them is that I have had a larger amount of mail and inquiries on this subject than on any other in the week which has elapsed since the Senator from Montana made his speech. This fact led me to conclude that there is a lot of confusion in the minds of many people in Connecticut as to just where the United States stands on this vital issue. That is one reason why I think the statement of the Senator from New York today is very helpful. I have heard with great interest the questions and the responses of both the Senator from Montana and the Senator from New York, and I trust that this colloquy will help others understand our true posture.

That is the reason why I drew up the resolution to which the Senator from New York referred. I thought it would help at least to establish the fact that there are some basic principles about which there are really no differences between those of us in Congress, the administration, and the American people. I think it needs to be done.

I cannot speak with any authority about what the reaction has been abroad, except from what I have read in the newspapers. But if what I have read has been accurately reported, then great concern has been caused abroad by the appearance of division within this country.

I think we need to make more clear the area of agreement that exists. This I believe can be done by adoption of the resolution which I have proposed today. There are no doubt other ways, and more effective ways of doing it, but I have offered this resolution as one way to do it.

I think the suggestion included in the resolution of the Senator from New York, that a group of Senators be sent abroad to reassure the people of West Germany and of Western Europe, is a good suggestion. I would have been happy, if I had thought of it, to have had it in the resolution which I proposed.

I wonder if the Senator from New York, and the Senator from Montana, too, would not agree with me in this: I think the Senator from New York said that the key question is not the reunification of Germany important as that is. I think that is true. I wonder if he will agree as well that the key question is not a settlement by the ultimatum date, important as that is. The key question here is the survival of the free world, which will be impossible if West Germany is swallowed up by the Communists. That is the real issue as I understand it. I would like the Senator to comment on this proposition if he cares to do so.

Mr. JAVITS. I think the Senator from Connecticut is stating what we all believe, and I think the Senator from Minnesota had the same thought—that is, we are dealing with the fundamental peace of the world; that Germany is the focal point of the friction. If we have been given an opportunity, by the obvious threat in the so-called ultimatum, to get down to cases, then perhaps mankind has moved forward a little bit in respect to its very grave problems. I do agree with the Senator from Connecticut.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield now to my colleague from Kentucky.

Mr. MORTON. I thank the Senator from New York. First, I wish to commend the Senator from New York for his very able presentation and for the clarity with which he has gotten to the very root of this question. I had the privilege of serving with the Senator from New York for several terms in the House of Representatives when he was a member of the Foreign Affairs Committee. Other than that, I worked with him in my capacity as Assistant Secretary of State for Congressional Relations while the Senator from New York served on that committee. I know he was considered in the House, and nationally, for that matter, an especially well-informed Member of Congress on the complex problems of Germany.

I think the basic point is stated in the paragraph of his prepared text which reads:

I think the issue is a very basic one. The issue is, Will the United States, the United Kingdom, and France now accept the basic position of the Soviet Union to allow negotiations to take place between the Governments of West Germany and East Germany, respectively, about the unification of Berlin and of Germany?

I think that statement sums up the argument.

I think a great service has been rendered today by bringing the subject to the floor of the Senate and to the attention of the American people.

Along with the Senator from Connecticut, I have had much mail on the subject during the last week or 10 days. People are, let us say, uncertain as to what our course should be. I think the Senator from Montana rendered a service in getting the people started in thinking about the problem. If I may say so, I think the Senator from New York has put the matter back on the track.

I should like to make one other brief observation. In the latter part of the colloquy, mention was made as to the agency relationship of East Germany to the Soviet Union. It is a puppet government. There is no use kidding ourselves. Its policy direction comes from the Kremlin. Call the East German officials agents, call them what you will, they are actually getting their entire policy direction—their orders, so to speak—straight from the Kremlin. So it is simply and purely an academic question. If the Soviets themselves want to sit down and negotiate, or if they want to say, "This is my hired man who will sit down and negotiate," it is pretty much one and the same.

Mr. JAVITS. I thank my colleague. He has put his finger exactly on my major premise.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague from New York.

Mr. KEATING. I want to join in commending my senior colleague, the Senator from New York, for his presentation today and for the very concise manner in which he has stated the differences which exist in the methods for dealing with this problem, as well as the similarities. The Senator from Montana did undoubtedly serve a useful purpose, and is to be commended for starting off this discussion. But I desire to align myself firmly with the senior Senator from New York on the proposition that negotiations must be engaged in by the four major powers; that it would be fatal to leave the negotiations to the West German and East German Governments, as suggested by the Senator from Montana. The principal reason is that the Soviet Union would completely dominate and direct the negotiations on the other side. It is neither our desire nor our purpose, nor that of France or the United Kingdom, to attempt to act, think, dictate, or direct the West German Government in the manner that the Soviet Union has control over the East German Government.

If the Senator will permit, I should like to add this statement: I feel very strongly, in line with the expression of the Senator from Connecticut, with which I understand the Senator from New York is in agreement, that Berlin has become a symbol and a transcendental issue, but the stake in these negotiations is not the fate of a city or of a country or even of a continent—it is the whole future of freedom which is at stake.

I feel very strongly that these negotiations should be broad enough to make it clear that the issue of Berlin cannot be isolated from all the broader issues. Certainly we will concede the problem of Berlin cannot be isolated from the issue of reunification of Germany. By the same token, the problem of Germany cannot be isolated from the problem of Central and Eastern Europe. Any overall European settlement which did not deal with all these problems would be unrealistic and, in my judgment, doomed to failure.

I think the Senator from New York has performed a very great service for all of us in presenting this picture as he has today, in this well reasoned and eloquent speech.

Mr. JAVITS. I am very grateful to my colleague from New York, who is new to this body but who in the House showed an unparalleled capability for dealing with the problems of the National Legislature. I am confident he will make an equally fine record in this body.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Mr. President, I wish to compliment the distinguished senior Senator from New York on his able contribution to the discussion of the German questions. I will say that we are not very far apart in our understanding of the situation, and it is my hope that out of the speech and the debate this afternoon, as the distinguished Senator from Kentucky and the junior Senator from New York have said, there will come clarification.

When the Senator says that he supports the new policy of including East and West Germans in discussions of German unification he is approving a course which is consonant with my belief that there must be talk, a great deal of talk between Germans of East and West, if the problem is to be met.

I will say further that, like the able Senator from New York, I recognize unification of Berlin is a part of the total problem of German unity. It is the part, however, which must be dealt with from our point of view on an interim basis of priority, because it is there that the Western military position is most vulnerable and where the possibility of conflict is greatest and most imminent. Further, the divided Berlin setting does provide a microcosm in which it may be feasible to test various possibilities which have promise of pointing the way to an acceptable unification of all of Germany. I do not now know what these possibilities are. I doubt whether anyone else in the West knows at this time. Is it inconceivable that they may not include something other than free all-German elections at least in the initial stages? Until the Germans themselves begin to think, in all seriousness, not of what they would like to have in an ideal sense, but of what is possible, of what they can in all decency live with, today, we shall not know what the possibilities are.

I thank the Senator for his kind comments on my remarks of February 12th, and I compliment him again for his contribution today. We need this sort of discussion. We need a great deal of it in order to see clearly what is right for this country and for peace in the coming crisis in Germany.

If we will think and talk about the Berlin and German situations before the deadline, then I think we shall be on the way to making the correct decisions. I repeat, the time to think and talk is before May 27, not after the deadline has been reached, as was the case with regard to Korea, at which time we asked our questions and raised the postulates after we were involved.

As the able Senator from New York has pointed out, we still have 3 months before the impasse of the deadline takes place.

Mr. President, with the permission of the Senator from New York I should like to ask unanimous consent to have printed at this point in the RECORD the letter I wrote to the New York Times, which was published in today's issue of that paper.

Mr. JAVITS. Of course, Mr. President, I am very glad to concur in that request.

Mr. President, if the Senator will be kind enough, I ask that he add to his unanimous consent request the printing of the editorial from the New York Times of February 14, to which the letter was addressed.

Mr. MANSFIELD. Yes. Mr. President, I ask unanimous consent that the editorial which was published in the February 14 New York Times be printed prior to the printing of the letter which was published in this morning's New York Times, because the letter which was printed in this morning's paper is in effect an answer to questions raised in the editorial; an answer, in my opinion, to a challenge which had to be accepted, which I tried to do to the best of my ability.

Mr. JAVITS. I thank my colleague.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

THE MANSFIELD PROPOSALS

The Western Powers are now engaged in a wholesale review of their policies on Germany in an effort to meet the Soviet ultimatum on Berlin with new initiatives and programs designed to test to the limit of any possible Western concessions the real Soviet intentions. Meantime the search for new programs and formulas continues, and while it continues a contribution of any new ideas and suggestions can be only welcome and helpful.

An attempt to make such a contribution has been made by Senator MANSFIELD, recognized as a Democratic expert in foreign affairs. In it the Senator has made some points which need constant emphasis. He is right in emphasizing that the problem of German reunification is the key to the peace of Europe and that this problem is now moving toward a crisis. He is equally right in calling on the administration, Congress and the whole West to stand fast in Berlin. He is also right in emphasizing that German reunification must be accompanied by a security system that safeguards both Germany's neighbors and Germany itself.

But in attempting to work out formulas for attaining these ends Senator MANSFIELD has been lured into propositions which can only throw confusion into the Western ranks, impair Western unity and encourage the Soviets to press for a Western surrender. Indeed, there is an ominous, though of course unintentional, parallel between Senator MANSFIELD'S proposals and those of Premier Khrushchev.

Like Premier Khrushchev, Senator MANSFIELD insists that there are now two German States, or political authorities, even if East Germany is ruled by puppets manipulated by Moscow, and that therefore German reunification can no longer be brought about by the Big Four powers but only by talks between the two German regimes. If such talks involve a degree of recognition of East Germany, the Senator is willing to accept that, ignoring the fact that in practice this means either recognizing German partition or forcing West Germany into a deal with Moscow as East Germany's master.

Like Premier Khrushchev, who insists on preserving the social gains (meaning the Communist regime) in East Germany, Senator MANSFIELD is willing to accept a not fully representative democracy in East Germany, which would make the East German regime the Communist Trojan horse in a united Germany. He thinks that East Germans should have some genuine choice in the form of control exercised over them, but regards free elections as merely unrealizable slogan—without making any suggestions as to how a genuine choice is to be manifested under a Communist regime.

Finally, and perhaps immediately most important, Senator MANSFIELD, like Premier Khrushchev, proposes to take Berlin out of the context of the German problem and deal with it separately. The Senator would reunite Greater Berlin under an all-Berlin government, withdraw the Western forces and replace them first with a United Nations police force and later with German militia

under NATO guarantees. Quite aside from the fact that the Soviets have already annexed East Berlin to East Germany, and that West Berlin belongs to neither West Germany nor NATO, this proposal not only prejudices Western rights in Berlin but is the surest way to a conquest of free Berlin by a Communist-dominated militia.

Senator MANSFIELD admits that he can be wrong. He is wrong, we believe, on these points, and the sooner he rectifies them the better for the West and for peace.

SUGGESTIONS FOR GERMANY—PROPOSAL FOR THE SETTLEMENT OF THE BERLIN PROBLEM DEFENDED.

To the EDITOR OF THE NEW YORK TIMES:

I wish to thank you for the interest which you showed in my remarks in the Senate on February 12. In your editorial of February 14 you expressed the view that I was wrong on several points and that the sooner I rectified them "the better for the West and for peace."

I may indeed be wrong, as I noted. It is also possible that you may have misunderstood the points to which you refer.

As for the need for talks between the two German authorities, I did not equate two authorities with two Germanys, a distinction which you passed over. Let me assure you, therefore, that I have no desire to formally recognize the German partition. My suggestion was meant to point out that the Germans themselves, who have already talked successfully on some matters, might also be successful in talking on others of greater importance. I do not believe this is the equivalent of formalizing the partition. Certainly it does not mean "forcing West Germany into a deal with Moscow."

The offer of the Western nations to include Germans of both East and West in the approaching great-power talks is a modification of what I had in mind. It would be consonant with my view on the essentiality of a heavy German contribution to solution of the problem of German unification.

EXPLORING POSSIBILITIES

Your second concern may be the result of a hasty reading of the speech. You say I regard "free elections as merely an unrealizable slogan." If you will re-read the text you will find that I said "free all-German elections." Certainly free elections are devoutly to be wished for; but I see no likelihood of free all-German elections. My thought was that it would be worth while exploring the possibilities of assuring free peaceful political expression in the Eastern zone of Germany and free elections in each zone separately, as a step in unification.

I made the point that without some such assurances "the search for peace can lead to the jeopardizing of freedom." If there are Trojan horses in this suggestion, as you fear, I believe that further thought may lead you to the conclusion that they can be those of freedom planted in the midst of totalitarian East Germany, rather than the reverse.

Finally, you express concern over my suggestions regarding Berlin. Again, I believe your concern derives from a misinterpretation. First you say that I propose "to take Berlin out of the context of the German problem." Certainly Berlin is a part of the total German problem. It is also the part which requires the most immediate attention. To deal with Berlin in that sense is not to take it "out of the context of the German problem." It is to deal with it on the basis of the priority which it clearly must have from our point of view.

Your greatest concern is that I "would reunite Greater Berlin under an all-Berlin Government, withdraw the Western forces and replace them first with a United Nations police force and later with German militia under NATO guarantees." If you read the speech again, I believe you will find this interpretation is quite erroneous.

STEPS OUTLINED

I did call for efforts to reunify Greater Berlin and its public services which, incidentally, are already partly unified. I did propose U.N. conciliation. Further I suggested that if this conciliation were to produce unification of the city, then a U.N. interim emergency force would replace both Soviet and Allied forces in the city, not just the latter, as you infer.

I did not propose that this U.N. police force would give way eventually to a Germanized militia as you stated. Quite the contrary, I introduced the concept of a German militia not as a sequel but as an alternative, if U.N. conciliation failed to unify the city.

I emphasized that if Berlin could not be unified, forces representing the concept of freedom must remain in Berlin whether or not the Russians left and that these forces had to be Germanized as rapidly as possible. In context, I believe it is clear that Germanizing meant replacing the Allied forces in West Berlin with West Germans, backed by NATO guarantees.

With all due respect, I should point out that editorials in other papers did understand the proposal as I intended it to be understood (i.e., Washington Star, Feb. 14).

MIKE MANSFIELD.

U.S. SENATE.
WASHINGTON, *February 16, 1959.*

Mr. JAVITS. Mr. President, I also ask unanimous consent that the text of my resolution and the text of the resolution in which I joined with the distinguished junior Senator from Connecticut be printed in the RECORD at this point.

There being no objection, the texts of the resolutions were ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 85, BY MR. JAVITS

Whereas the Soviet Union on November 27 1958, issued an ultimatum on Berlin stated to expire May 27, 1959; and

Whereas this ultimatum is in violation of the joint undertakings of Great Britain, France, the Soviet Union, and the United States to replace an aggressive dictatorship with democratic government in all of Germany; and

Whereas the exercise of democratic rights and free political life exists in Germany only in the western sectors of Berlin and the Federal Republic of Germany; and

Whereas the United States, in concert with Great Britain and France, and in agreement with West Germany, has repeatedly reiterated its firm intention to protect the freedom of the city of Berlin and to take whatever action is required to sustain this end; and

Whereas these free democratic powers have, in fact, at great sacrifice participated in the airlift when Berlin was previously subjected to similar pressure; and

Whereas these actions by the United States, France, and Great Britain have been taken at the repeated request of the free citizens of West Berlin and of their freely elected government; and

Whereas these citizens by overwhelming vote have but recently reaffirmed their intention to remain part of the free world and to resist, at whatever cost to them, any effort to incorporate them into the East German puppet regime; and

Whereas the United States, United Kingdom, France, and West Germany have notified the U.S.S.R. of their willingness to hold a foreign ministers' conference promptly to discuss the unification of Germany and Berlin, and stating that it is suggested that German advisers should be invited to the conference and should be consulted; and

Whereas the people of the United States regard the freedom of the city of Berlin to be vital to the peace, safety, and freedom of the free world; and

Whereas the abandonment of Berlin, in whatever guise, would force not only free Berlin but all of Germany to seek a compromising accommodation with the Soviet Union; and

Whereas the isolation and neutralization of Germany demanded by the Soviet Union as a price of such accommodation would inescapably make that country a marshaling ground for further Soviet advances, undermining the North Atlantic Treaty Organization, destroying the painstaking constructive work toward European unification, atomizing the European Continent once again into isolated and indefensible states, and threatening the ultimate destruction of the liberties of the millions of Europeans who now enjoy the blessings of freedom; and

Whereas the consequence of each of these developments would be the significant weakening of the defenses of the United States and the freedom of its people: Now, therefore, be it

Resolved, That it is the sense of the Senate that:

1. The United States should continue to seek four-power negotiations with the governments of France, Great Britain, and the U.S.S.R. in a conference on the means whereby a free and united Germany may be created and to suggest that German advisers should be invited to the conference and should be consulted;

2. The United States should, in such negotiations, seek means by which the security of Europe, both East and West, may be guaranteed;

3. The United States should not accept a unilateral abrogation by the U.S.S.R. of the agreements regarding Germany or Berlin as affecting in any way the rights and responsibilities of the Western Powers whatever may be the actions of the U.S.S.R.; and

4. The United States should take whatever measures may be required to maintain access to West Berlin from West Germany on all the routes that have been by agreement with the Soviet Union assigned to Great Britain, France, and the United States for themselves and for the benefit of the people of West Berlin; and be it further

Resolved, That a special committee of seven Senators be appointed by the Vice President and sent to West Berlin to express to the Senate of that city's government the Senate's spirit of understanding and support of the trials of the people of West Berlin in the present crisis.

SENATE RESOLUTION 82, BY MR. DODD

Whereas a divided Germany threatens the peace, stability, and security of the world; and

Whereas the United States, as the leader of the free world, must provide strong and steady leadership to establish stability and reduce the dangers to world peace and security inherent in a divided Germany; and

Whereas the American people are united in their determination to honor our national commitments and fulfill our responsibilities for free world defense against Communist aggression: Now, therefore, be it

Resolved, That it is the sense of the Senate:

1. No plan or treaty calling for German reunification is acceptable which does not provide for a free government, ultimately freely selected by the people of West and East Germany.

2. Until an acceptable settlement of the German reunification problem is achieved, the continued presence of Western troops in West Berlin, which has proved agreeable to the German people, is under present conditions essential.

3. The interests of the free world and of the German people are better served by a free West Germany within the Western Community than by a superficially reunited Germany afflicted with a Communist East Germany.

4. No plan of German reunification or confederation is acceptable which would join a free democratic West Germany with a slave Communist East Germany, except through the free choice of the peoples of West Germany and East Germany.

5. Whoever may be in nominal control of East Germany, the United States should enforce its right of free access to West Berlin, in concert with its allies, by whatever means necessary.

6. Recognition can only be accorded to an East German government which is truly independent and truly representative of the wishes of the people of East Germany.

Mr. JAVITS. Mr. President, I shall not detain my dear friend, to whom I apologize, much longer. I think the Senator realizes I did not make a long speech in order to take up all of the time. I know the Senator is waiting to be recognized.

Mr. President, I said I would address myself to the letter of my distinguished colleague. That would be rather anticlimatic now, I think, but I should like to make one point with respect to the letter of my colleague to the New York Times dated February 16, 1959, now a part of the debate.

The Senator considered the fundamental question to which I addressed myself today, "Who shall do the negotiating?" and he said quite clearly that he now accepts a modification to his ideas. I think that is very good.

The Senator said:

The offer of the Western nations to include Germans of both East and West in the approaching great-power talks is a modification of what I had in mind. It would be consonant with my view on the essentiality of a heavy German contribution to solution of the problem of German unification.

Mr. President, I respectfully submit the Senator said it was a modification. We must draw these things in closely together. I shall not go into detail as to whether the Senator would have the Germans participating parties or not; I will say, simply, they could be advisers if the main negotiating parties wanted them to be. The point is that we should narrow the ground as much as we can. I hope and believe we can come to a common opinion.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. I express the hope that both of us, representing both parties, perhaps have been able to make a contribution to the foreign policy of this country which will redound to the interests of our people, to the interests of our allies in Western Europe, and, I would hope, most especially to the interests of the people and of the Government of West Germany as well.

Mr. JAVITS. I thank my colleague.

Mr. President, while I still have the floor, I should like to ask my distinguished colleague from Wyoming [Mr. McGEE], who has been very forbearing, to permit the junior Senator from New York [Mr. KEATING] and me to request action on a resolution as to the passing away of DAN REED in the House of Representatives. The junior Senator from New York and I promise not to take more than 2 minutes each to make a statement in this regard.

TRANSCRIPT OF NEWS CONFERENCE HELD BY SECRETARY DULLES

26. Question. Mr. Secretary, is it our position that free elections are the only method of reuniting Germany? In other words, do we say, "No free elections, no reunification?"

Answer. Well, we never have said that. The formula of reunification by free elections was the agreed formula. It seems to us to be a natural method. But I wouldn't say that it is the only method by which reunification could be accomplished.

29. Question. Mr. Secretary, to clarify an earlier answer that you made, you said that "free elections are the natural method for unifying Germany, but it is not the only method." Could you tell us what other methods there might be which could be acceptable to us and the West Germans and our allies?

Answer. No, I wouldn't want to speculate about that. There are all kinds of methods whereby countries and peoples draw together, and I merely said that I did not feel that we should treat any one method as an absolute exclusive one.

SECRETARY DULLES' NEWS CONFERENCE OF JANUARY 27, 1959

Question. Mr. Secretary at your last press conference you said in reply to a question that free elections were not the only means by which Germany might be reunified. There was a great deal of subsequent differences of opinion as to just what you meant by this remark. In fact the Department tended to knock it down to some degree, some of the interpretations. Looking back on it, can you tell us what you had in mind?

Answer. Well, I think to ascertain what I had in mind, it's necessary to recall precisely what the question was. I had said earlier that reunification by free elections was the normal method and the agreed method and represented U.S. policy. Then I was asked the question, "Does that mean that no free elections, no reunification?" and I said, no, we could not take the position that we would reject reunification merely because it came about by means other than free elections. But I also said later on in answer to another question that we did not at the moment have any alternative means in mind.

Now, anybody who knows history—and the American history is a good example—knows that unifications and reunifications can come about by means other than free elections. The original unification of this country came about through legislative action of the States, not by any general elections. The reunification that occurred in 1865 did not come about through free elections. And in the case of the unification of Alaska into our Union, there were general elections in Alaska but there were no general elections held in the United States on that subject.

So our own history illustrates a variety of ways by which unification and reunification can occur. And nobody can say that free elections are the only means by which there can be reunification. I would say that we would all be delighted if you would get a reunification of Germany, an effective reunification of Germany, by any means. But whether there are other means than free elections, I don't know. But you will recall that free elections is the agreed method. That was agreed to at the summit conference.

Question. Well, Mr. Secretary, in the context of the known public Soviet position and the known Western position, is it a fair interpretation to say that you're willing to sit down with the Soviets and discuss all possible ways that they may suggest or we may suggest which might bring about reunification—free elections or otherwise?

Answer. The essential point, the heart of the matter, is reunification. The method is less essential, as long as it is a method which achieves the result and assures that the result is obviously desired by the people. You don't want to impose anything against the people's will. But the main thing is to get reunification of Germany in freedom, as it has sometimes been put. It was agreed at the summit that the reunification should be brought about by means of free elections. And the Soviet Union agreed to that. That was a tough negotiation. I have never sat through a tougher negotiation than the secret session at which finally that was agreed to by the Soviet Union, including Mr. Khrushchev himself.

Now, if they want to suggest another method than the method they have already agreed to, it is I think primarily up to them to suggest the alternative and not up to us. We do not relinquish the agreement that we have merely in order to have what may be a kind of a wild goose chase looking for another method. We stand on the agreement that we have. If the Soviets have another method and say, "We don't want to have reunification by free elections but we are willing to have it some other way," we would of course listen to any proposal that they make. But it seems to me the primary responsibility to suggest an alternative rests upon the Nation which wants to get out of its present agreement, which is an agreement to do it by means of free elections.

Question. Well, does that mean, sir, that you do not consider their apparent qualified disposition toward confederation as a new alternative?

Answer. No, I do not. Quite to the contrary. Both the proposals for confederation and the proposal for a peace treaty with two Germanys are obviously designed not to bring about reunification but to perpetuate the partition, the division of Germany and to formalize it for an indefinite period of time. In other words, I consider them as proposals not for reunification but as proposals for permanent partition.

DEATH OF REPRESENTATIVE DANIEL A. REED, OF NEW YORK

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The Chair lays before the Senate a resolution from the House of Representatives, which the clerk will read.

The legislative clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of the Honorable DANIEL A. REED, a Representative from the State of New York.

Resolved, That a committee of 25 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect, the House do now adjourn.

Mr. JAVITS. Mr. President, on behalf of my colleague from New York [Mr. KEATING] and myself, I send to the

desk a resolution which I ask to have read, and for which I ask present consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 84) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. DANIEL A. REED, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate, at the conclusion of its business today, adjourn until Monday next.

Under the second resolving clause the Presiding Officer appointed Mr. JAVITS and Mr. KEATING as the committee on the part of the Senate to attend the funeral of the deceased Representative.

Mr. JAVITS. Mr. President, a tall, straight tree in the forest has fallen. Last night DANIEL ALDEN REED, of Dunkirk, N.Y., attorney, Congressman, devoted family man passed on at the age of 83. A former All-American football player, he deported himself always as the fine athlete he was, erect in posture, firm in manner and governed ever by a sense of fair play.

I shall take less than 2 minutes. Really one could talk for an hour about DAN REED. He was the dean of our delegation. I knew him very well in the House of Representatives. He was formerly chairman of the Committee on Ways and Means. He was the senior Republican on that committee for many years. I believe every Member of the House knows how DAN REED fought with all his heart and soul for economy, for strong money, and for integrity in the financial policies of the United States.

Also he had a lifelong devotion to the Interparliamentary Union, and attended its meetings year after year. Finally, in 1955, he was elected president of the American group to the Interparliamentary Union.

In the 83d Congress he was a member of the Foreign Economic Policy Commission established by the President.

He served in the House of Representatives for 45 years, which is a legendary period of time.

My colleague will perhaps deal with another phase of DAN's life. We both loved him dearly. I wish to speak of DAN REED as an athlete, a football player. He was a great man in that field, and one always knew it when one looked at him, even in his eighties.

DAN REED had other memorials in addition to those engraved in annals of the Republic. He also built men.

Upon his graduation from Cornell he coached football at his alma mater and other colleges in the East. He pioneered the use of pictures of his team in action to point out the errors of the players, projecting the pictures on a screen in the form of color slides. He carried this deep interest in color photography with him the rest of his years as a hobby.

Based upon his feeling for football, and the great reputation he achieved in it, DAN REED will always be to me a model of the straight man, both in his life and in his work, as well as in his devotion to the great sport which takes the best men have and uses it to the full.

DAN REED was a mentor, a friend, and an inspiration. Those who knew him mourn him. All will miss him.

Mr. KEATING. Mr. President, the death of Representative DANIEL A. REED this morning was certainly a grievous blow to me, and I feel sure it was to all those on both sides of the aisle in both Houses of Congress.

He was not only the dean of our New York delegation. He was the senior in point of service among Republicans in the House of Representatives. He was a grand and good soul. His lifelong service to the people he represented and his unswerving dedication to the causes which he felt were just and right serve as beacon lights for all in public service to follow.

DAN REED's kindly ways, fortified by a stern belief in principles so basic as to become the very warp and woof of the man himself, endeared him to all who were privileged to know him.

To me personally he was a tutor and a guide when I first came to the House of Representatives. He was understanding in his willingness to help and in his readiness to give sound advice when asked.

In those positions in which my conscience dictated that I should differ with him on issues, he was just as pleasant and agreeable the day after we had differed in our votes as he had been the day before. I shall always remember that.

The people of his Congressional District, the people of New York, and the people of the Nation have lost a tried and true friend and a stanch champion. The Congress and the Nation are the richer for DAN REED's years of dedicated service. All of us mourn his passing and extend our most sincere sympathy to his devoted wife and son in this sad hour. They can derive comfort, however, from the realization that DAN REED will live forever in the hearts of his host of friends and in the annals of the Congress of the United States, to which he contributed so significantly.

BASIC RESEARCH IN FORESTRY

Mr. McCARTHY. Mr. President, the distinguished Senator from Mississippi [Mr. STENNIS] recently inquired of the department of conservation of the State of Minnesota, as well as of similar departments in the other States, concerning the interest of the State of Minnesota in basic research in forestry. The commisisoner of conservation, the Honorable George A. Selke, has indicated in his reply to the Senator from Mississippi the great interest of the State of Minnesota in this research. I ask unanimous consent to have inserted in the RECORD a copy of Commissioner Selke's reply to the Senator from Mississippi.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF CONSERVATION,
St. Paul, February 11, 1959.

Hon. JOHN STENNIS,
U.S. Senator,
Washington, D.C.

DEAR SENATOR STENNIS: I acknowledge your letter of January 19 and note with appreciation your special interest in forestry research and its support by the Federal Government.

I referred your letter to the several divisions within the department of conservation which have an interest in forestry and its multiple uses. Their reports indicate wholehearted support to your proposals to obtain funds to enable an adequate program for basic research in forestry.

We, in Minnesota, look to our forests for many things. They supply the raw material for our forest industries and pulp and paper plants. They protect the headwaters of three major continental drainage basins, and they are the areas which provide the basis of our lucrative recreation industry.

One of our constant problems is the threat of devastating forest insect and disease epidemics. The spruce budworm, a native insect, which has caused tremendous timber losses in Canada, is now epidemic in Minnesota. Nearly a million acres suffered defoliation in 1958, and some tree mortality has already occurred. Reserach in methods for controlling such situations is highly essential.

The regeneration of our forests is often severely affected by insects and diseases which attack the cones, seeds, and the young seedlings. Research in preventing such losses could mean a solution to the continuing and costly process of tree planting. Aspen, a major tree, covers a large portion of Minnesota's forested areas. The Hypoxylon canker, a relative new disease of major proportion in aspen, must have more attention.

The other basic research need concerns the role of our forests as regulators of our water resource. The need for studies of the many watershed problems associated with the use made of our northern forests was recognized many years ago. A catastrophic effort was made to drain these forest areas and convert them to agriculture. The land, although ideal for trees, proved unsuitable for farming, and the counties were left with debts they could not pay. The damaging effect on ground-water recharge and flood stage is still unknown.

Our department of conservation, as well as sportsmen, industrialists, and water-users generally, recognize that these forests are not only important as a source of wood supply, but equally important for protecting the headwaters of rivers that carry the commerce, generate power, and provide water for industrial and domestic uses, as well as habitat for forest game.

Heavy use of our waters by pulp mills, fishermen, and industry, have caused conflicts to develop. These differences will not be resolved without a fund of sound, basic research information to call upon. Should these forested bogs and swamps be drained, or should they be maintained in their wild state? Some industries are planning to use water from our bogs. Farmers are using more water for irrigation. Yet no one knows the value of these vast bodies of water as a source of ground-water recharge or a stabilizing influence on streamflow.

We realize that there are several other fields of work where more basic research, including facilities, are required. These include recreation, wildlife, marketing, and utilization. In each a substantial increase in the research effort would be money well spent in the Lake States region. We sin-

cerely feel that these areas of research will be needed to round out the research effort nationally. Locally, however, we feel that research on insects and disease, watershed management research, and wildlife habitat research have too long been neglected and are most important.

In recapitulation, may I say that we believe additional information is necessary in the following several fields:

1. Added emphasis on insect and disease research is highly essential.

In Minnesota some examples of present problems are:

(a) Spruce budworm epidemic—now covers 1 million areas. Present research needs to be accelerated.

(b) Insects attacking seed and plantations—a main cause of failure to get reproduction in conifers.

(c) Hypoxylon canker—on aspen for some 30 million acres in the Lake States. Minnesota is losing as much aspen wood from this disease as it uses each year in its pulp mills.

(d) Root-rots in nurseries—spruce and pine seedlings are dying in Lake States nurseries because we don't know control.

2. Utilization and marketing research.

Excess of low-quality and little-used species. Research to lead to development of small wood-using industries and economical methods of harvesting.

3. Wildlife habitat studies.

Especially important in silviculture of aspen and conifers. Would be a significant supplement to work at Grand Rapids where lack of knowledge about wildlife food and feeding habits is a deterrent to solution of forest yields.

We also hope that adequate funds will be provided the Lake States Forest Experiment Station to complete the facilities which will be provided through the construction of the forestry laboratory at Grand Rapids, Minn. I understand about $200,000 is needed for the completion of the proposed service building and greenhouse.

We hope your efforts to provide basic information founded on thorough research will be successful.

Very truly yours,

GEORGE A. SELKE,
Commissioner of Conservation.

THE ECONOMIC GAP

Mr. KENNEDY. Mr. President, the attention of the Congress and the American people in recent weeks has been turned, and properly so, to the forthcoming "missile gap." I have spoken on this floor previously about this gap and the dangers it presents. I intend to address myself to the subject again, but I wish to speak today about a gap which constitutes an equally clear and present danger to our security.

Unlike the missile gap, the gap to which I allude will not reach the point of critical danger in 1961. That point has already been reached.

Unlike the missile gap, the gap to which I refer is not even on the surface being reduced by the combined efforts of our executive and legislative branches. It is, on the contrary, consistently ignored and steadily widening.

Unlike the missile gap, the gap to which I refer gives rise to no speculation as to whether the Russians will exploit it to their advantage and to our detriment. They are exploiting it now.

I am talking about the economic gap, the gap in living standards and income and hope for the future, the gap between the developed and the underdeveloped worlds; between, roughly speaking, the top half of our globe and the bottom half; between the stable, industrialized nations of the North, whether they are friends or foes, and the overpopulated, underinvested nations of the South, whether they are friends or neutrals.

It is this gap which presents us with our most critical challenge today. It is this gap which is altering the face of the globe, our strategy, our security, and our alliances, more than any current military challenge. And it is this economic challenge to which we have responded most sporadically, most timidly, and most inadequately.

Since the truce negotiations in Korea began 8 years ago, it should have been obvious that our greatest danger was no longer military. Since the Russians began their aid and trade penetration of the underdeveloped world some 5 years ago, it should have been obvious now that if India were to fall, if Latin America turned away and if the Middle East slid behind the Iron Curtain, then no amount of missiles, no amount of space satellites or nuclear-powered planes or atomic submarines could ever save us.

And yet our response to this economic gap has never equalled our obligation or our opportunity. The problem is neither regional nor temporary—it is global and long range. Our response has sometimes been wasteful in expenditure and grandiloquent in rhetoric—but it has never been global and long range.

We have reacted ad hoc to a crisis here and a crisis there, year by year, region by region. When the Latin Americans throw rocks at the Vice President, there is finally talk of a Latin American loan fund. When a friendly monarch is threatened in the Middle East, money is dispersed helter-skelter while there is brave but brief talk about an Arab development fund.

Let there be pressures from a north African nation and there is talk of economic aid to meet that crisis in that nation at that time. Let there be a foreign exchange crisis in India threatening all democratic hope in India and free Asia as a whole—and we bail the Indians out, at an inadequate level, for 1 year only.

This policy of using money on a crisis basis, from year to year, wherever difficulty arises, is expensive and ineffective. It is wasteful of our funds. It fails to stimulate effective long-range planning and effort by the recipients. It denies us the opportunity to impose meaningful standards for the use of our aid or significant requirements as to what they must do to match it. There is no follow through, no consistency, no attempt to match our effort to their need and our resources. And so, among the nations of the world, the rich grow richer as the poor grow poorer—with less capital and more people and fewer hopes. It is this kind of atmosphere which increases the appeal of a narrow nationalism and dictatorship which argues that economic interdependence with foreign nations is ominous.

The United States of America, the richest Nation on earth, has not given the poorer nations new hope. But it is an unfortunate fact that the Soviet Union and particularly China, have attracted the attention of the underdeveloped world to another, and seemingly quicker, route to closing the gap. Communist China's great leap forward was the primary event of 1958. We may discount her official figures—which claim to have doubled both agricultural and steel production—but they are based on a hard substance of fact, and they carry credibility in other nations.

China and India are roughly comparable in terms of their historic stages of economic growth and in resources; but China's rate of economic growth in 1958 was at least three times as high as India's. Especially in agricultural development and food production, where India's performance has been sagging, the Chinese record carries great appeal to underdeveloped Asian nations uncertain of which economic route they should follow. A top Ceylonese official was quoted earlier this year as expressing unrestrained admiration for Red Chinese economic achievements.

Within the last year the Chinese have produced their first automobile. Within the next year they may have launched their first earth satellite. Even more seriously, they may well begin to take their place among the select company of nuclear powers. This has been accomplished in part with the nearly $3 billion in credits which China has received from the Soviet Union since 1950, and the over 200 major industrial projects to which the Soviet Union has given technical and machine assistance. But perhaps more significant for the future is the fact that China has become a major trading nation—not only in southeast Asia, where she is gradually supplanting Japan, but also in the growing trade movements to Europe and Africa. Peking has used its position to launch a trade price war which supplements impressively the foreign economic offensive which the Soviet Union launched 3 years ago. Indian primary products such as manganese ore and oil seed, for example, now suffer heavily as a result of China's price competition.

In a year when China may well have increased her overall food production by one-half, Indian food production rose only by a few bare percentage points. Last year India produced only slightly more than 60 million tons of food grains, yet the minimum annual need for India at the start of her third 5-year plan 2 years from now will be 80 million tons. For the first time in modern history a government appears to have found a way—however brutal its human defects—which appears to solve the problems of large peasant underemployment and labor surplus. The mobilization of the unemployed mass of Chinese rural workers through economic communes, cottage industry, small pig-iron schemes, and all the rest is an achievement whose political and intellectual impact in less developed areas is bound to be immense.

We know that in a nation of stable population which is in the process of economic takeoff a program of investment of at least 8 percent of national income is necessary, for an annual growth

of 2 percent. But more typically these nations are also areas of great population growth. In countries with annual population increases of 2 to 3 percent such as India, it requires an additional 6 to 8 percent of investment if national income growth is not to be offset by the rise in population. During the past year India has had a national growth rate of only 3 percent, and 2 percent of this is largely dissipated by population increases. Two years ago India was reaching a national growth rate of nearly 5 percent, but the cutbacks in her plan and bad harvests have blighted this achievement.

In short, to nations in a hurry to emerge from the rut of underdevelopment, Communist China offers a potential model—1958 was their "round." As their trade and aid offensive mounted, as their own example proved more attractive, our trade and aid programs faltered and our economy stood still—with our recession cutting the price received for commodities the underdeveloped nations must sell, while our inflation continued to boost the prices they paid for our machinery.

But 1959 could and should be our "round," our year. We have in this Congress, in these next few months, a moment of opportunity which may never come again. If we act now, on the right scale, in the right way, we may reverse the ever-widening gap—we may diminish the threat of a Communist takeover, and increase the chances of a peaceful evolution in India and other uncommitted, less developed areas. This year, 1959, could be the year of their economic downfall—or the year of their economic "takeoff," enabling them to get ahead of their exploding population, to stabilize their economies, and to build a base for continuing development and growth. Whichever answer emerges will shape for a generation to come the destiny of the world and the security of our Nation. And which answer emerges is in large measure for this Congress to decide.

In recent years, the scale of our effort in foreign economic policy has been based upon what the administration considered to be the requirements of the domestic budgetary and political situation.

It is time now for that effort to be based upon the requirements of the international economic situation—and our own national security. Let us see exactly what is needed, when it is needed, how much of it must come from this country, and how much it will cost.

And then let us enact the program that will do the job. To do less than is needed is just as wasteful as to do more than is needed. To put it off is just as dangerous as refusing to do it at all.

THE DEVELOPMENT LOAN FUND

By what means do we attack this problem? If we are to mobilize our efforts and our resources to conquer this problem before it conquers us, what must we do? There are several desirable steps to be taken—and one urgent one.

We can and should increase the lending limits of the World Bank and enlarge the reserves of the International Monetary Fund. But this is not enough.

We can and should achieve a better balance between military and economic assistance and a more constructive use, including local economic development, of that military assistance. In some areas there are substantial untapped potentials for economic development purposes if local military forces can be guided on to constructive civilian tasks—public works, community construction, irrigation works, bridges—which will provide not only military training and preparation for local combat, but also a ferment for local progress. Such a redirection to constructive military purposes can help to reorient the goals and objectives of foreign military leaders toward domestic development and away from external adventure. But this is not enough.

We can and should take up the more imaginative proposals offered to break the logjam restricting our use of surplus farm crops abroad, to ease the food crisis in such nations as India and Pakistan without impairing the markets of such friends as Canada and Argentina. We are blessed with abundance, yet we are unable to make it more than a marginal asset in world leadership. We must expand the range of our agricultural aid and integrate it more closely with other foreign aid decisions. But this is not enough.

We can, and should, formally dedicate the year 1959 to the concept of international development, ease trade barriers and Export-Import Bank restrictions, work out international commodity agreements, expand technical assistance programs, encourage greater private investment, and take a series of other steps previously suggested on this floor and elsewhere. It is almost exactly a decade since the world emerged from its immediate postwar problems of reconstruction and confronted the long-run issues of growth. It is exactly 10 years since President Truman enunciated Point 4. There is a decade's experience to survey; successes and failures to be identified; experiences to be summarized and exchanged; technical and scientific problems to be isolated and subjected to concentrated efforts at breakthrough. Even more, there are forward commitments to be made and plans developed for the decade which lies before us. But all this is not enough.

The heart of any solution must be a substantial, long-term program of productive loans to underdeveloped areas from a fully capitalized central fund, capable of working with either independent nations or regional groupings.

This is not a new concept or proposal. The need for it is not new; I make no claim to being the first to describe it. On the contrary, the tool for which we are looking is already in existence, the Development Loan Fund.

But the hard facts of the matter are that the Development Loan Fund has never fulfilled the barest intentions, much less the long-range visions, of its architects here in the Senate. It has totally failed to fill the need for long-term capital, because it has never been given either a long term or very much capital. It has never become a going bank. It has never been permitted to take hold of any major foreign development effort such as India's. It has never given less developed nations a real incentive to present programs and activities of highest promise for future economic growth.

Instead the Development Loan Fund is in real danger of becoming just another lending institution without distinctive criteria or functions. It has tended to consider only conventional loan applications for particular projects without regard to their significance to the recipient's long-range overall economic development.

This is not only wholly inadequate to meet the crisis of the economic gap; it is also wholly contrary to the purpose of the program. The Senate Foreign Relations Committee originally intended a long-term fund capitalized at least at $1 billion a year. The administration enthusiastically urged a large scale and duration. But when it came to appropriating the actual funds, neither the Congress or the administration lived up to its earlier promises.

The Development Loan Fund has been forced to get by from year to year without enough funds to get very thoroughly underway. Practically all of its initial $700 million has been virtually committed, with a backlog of more than $1.7 billion in requests which have passed the first screening. Action is still awaited on more than one-half billion dollars in still other applications which meet the Development Loan Fund criteria. As a solution the administration's supplemental request for $225 million will not go very far for very many projects in very many countries. Neither will the $700 million and 1 more year of authorization requested in the President's budget.

There may be partisan approval for threatening to balance the budget by cutting this now hopelessly inadequate sum. There may be popular approval for standing by this meaningless figure, regardless of world developments. But there is only one responsible course which responsible citizens can approve. This Congress must take it. Another Congress may never have the opportunity.

Giving the Loan Fund continuity over a period of years will increase its effectiveness in a number of respects. In the first place, the leadership of the underdeveloped countries will not commit their political energies to development unless they see some prospect that the outside resources will be available over a period of years. In the second place, the Development Loan Fund has not been in a position to impose the kind of criteria of effective parallel effort by the recipient country for fear that if appropriations were not committed by the end of the fiscal year they would no longer be available. We can give recipients a strong incentive to meet serious conditions for the granting of loans only if we are in a position to hold the prospects of loans open over a period of time. Thus, continuity would actually increase the

efficiency of loan administration. Finally, continuity would greatly increase the incentive effect on countries slow to mobilize their own resources by providing the example of a few successful cases of countries which have responded.

Congress must obtain a clear and comprehensive picture of the necessary missions to be performed by the Development Loan Fund in narrowing this critical economic gap, and the amount of funds and time necessary to fulfill those missions. We must then provide those funds for that length of time.

The alternative is chaos, not economy, a continuing of ad hoc crisis expenditures, a further diffusion and dilution of our effort, a series of special cases and political loans, an overreliance on inflexible, hard loans through the Export-Import and World Banks, with fixed dollar repayment schedules that retard instead of stimulate economic development, a lack of confidence and effort in the underdeveloped world, and a general pyramiding of overlapping, standardless, incentiveless, inefficient aid programs. The cost of wasted effort, the cost of salvage after the damage has been done, and the cost of our lost security will be more than we can afford. But the cost of doing the job right is not more than we can afford. It may not be cheap or easy or popular, but we cannot afford to do less.

THE CASE OF INDIA

One nation in particular stands out as the primary example of what I am urging, one nation of particular importance to the free world, and in particular need of long-term development capital. That nation is India, the hinge of fate in Asia.

I cite India today because of her special importance, representing as she does some 40 percent of the population in the uncommitted world, representing the one great counter to the ideological and economic forces of Red China, and symbolizing for all Asia the testing ground for democracy under pressure.

I cite India today because that nation today represents the largest single area of opportunity to obtain maximum benefits from Development Loan Fund-type loans. India has moved into the stage of economic takeoff; her population, her economy, her absorptive capacity, her own efforts, and her administrative structure combine to deserve our firm commitment this year.

When this body decides the future of the Development Loan Fund this year, it will also in large measure be deciding the future of India.

After the distinguished Senator from Kentucky [Mr. COOPER] and I spoke to this body a year ago about our opportunities in India, the Senate accepted as a part of the Mutual Security Act our resolution recognizing this country's special stake in India's economic stability and growth. Although that amendment was deleted in conference, the United States has in the past year made further loans; and indicated our interest in joining Great Britain, Germany, Canada, and Japan to prevent a collapse of the Indian second 5-year plan.

But our assistance thus far has been limited to emergency aid, to meet immediate crises and existing shortages. We have not met the requirements essential for economic growth, nor have we alleviated the harsh realities which India faced a year ago. Her population continues nearly to out-pace economic development, her shortage of foreign exchange continues to increase, and a general loss of hope and morale continues to spread.

This is the critical year for India. This is the year when the second 5-year plan will prove to be either fruitful or futile. This is also the year when the third plan beginning in 1961 will be designed. This is the year, in short, when India must appraise her future and her relations with the rest of the world.

I do not say that India could not tread water for a few more years before going under. But this is the year the Indians need confidence that they can plan major efforts for long-range progress with some assurance of substantial, long-term assistance from the Western World.

More short-term credit cannot do the job. India now has large amounts of foreign debts, both public and private, which must be repaid in hard currency at the very time a new thrust will be needed to move into its third plan. As long as our efforts are aimed only at assuring short-term solvency, they only leave plans for an effective Indian development program suspended in mid-air—bringing still closer the hour of disaster.

Congress should, of course, base its aid programs on sound criteria and productive investment. But let us remember economies need time to mature. Our own Nation, in the days of its youth, sold railroad bonds to the British and other Europeans—and these were long 40- or 50-year debentures. With the growth of our productive capacity, we gradually became a creditor nation with the ability to repay these foreign investments. There is no question that the Indians, given proper assurance and assistance, could do the same.

Moreover, the foreign exchange shortage has had the effect of holding back private capitalism in India which had shown unexpected strength. A more secure margin in foreign reserves would give to the private sector its old buoyancy, and break down the outmoded wall between private and public planning and development.

But neither the Indians nor the Americans can achieve any success in these matters if we continue to concentrate obsessively on the size of the Indian deficit and how it can be chipped away little by little. Let us concentrate instead on trying to make a success of a common enterprise which is a sensible program for the next stage of Indian economic growth.

Last year Senator COOPER and I recommended that consideration be given to the creation of an international advisory group representing potential donor nations to examine India's needs and plans, and make precise recommendations to the member governments. The case for such an international consortium is even more compelling this year. We have talked for many years about moving the Western alliance along more constructive channels—about making something more out of it than an anti-Soviet venture. India presents us with such an opportunity—for several Western nations and Japan share a deep concern for the future of that vital area. Canada, Great Britain, Germany, and Japan would, I feel certain, have an interest in joining in a frank and realistic exchange and survey of India's future needs; and in making a proportional sacrifice and commitment to meet those needs.

Such a mission, particularly if it drew upon men of both national and international stature, such as John McCloy of the United States, Sir Oliver Franks of the United Kingdom, and Escott Reid of Canada, would be uniquely effective in providing a fresh approach, avoiding misunderstandings on both sides, encouraging the Indians in their association with the West, stimulating effective, efficient plans and appropriate lending criteria.

Such a donor's club, under the sponsorship of the World Bank, would not cut athwart any existing institutions. On the contrary, it would help to harmonize the individual aid programs of the individual nations, without trying to build a new bureaucratic superstructure. The initiative for such a cooperative examination of India's long-term needs must, of course, come from the Indians, just as the final decision following such consultations must be theirs alone.

Mr. President, I am submitting, together with the distinguished Senator from Kentucky [Mr. COOPER], a concurrent resolution which expresses the interest of Congress in the creation of a free world mission which would canvass India's requirements and make recommendations to participating nations regarding joint means by which they can more effectively support India's economic development efforts. I am delighted that in the House of Representatives Representative BOWLES of Connecticut and Representative MERROW of New Hampshire are submitting the same resolution on a bipartisan basis.

CONCLUSION

In the meantime, it is clear that revitalizing the Development Loan Fund is the most important step we can take to assure the Indians of our readiness to stand behind effective long-range economic development. It is also the most effective step we can take to give other governments in Asia and the Middle East, many of whom are now balanced precariously in deciding whether to channel their energies and resources around the tasks of economic growth or around military buildup and divisive conflict, new incentive and inspiration. The Development Loan Fund cannot be a magic solvent of all of India's difficulties, or those of the underdeveloped world in general. There are no such solutions. The gap is large. The barriers are great. The political and ideological dilemmas are many.

But I am equally confident that this Nation can recover the initiative, that we can give to a doubting world the

realization that we, and not Russia and China, can help them achieve stability and growth. We cannot be content merely to oppose what the Kremlin may propose, nor can we pretend that the East-West conflict is the only basis for our policy. Above all, we must not resolve these difficult issues of foreign aid by perpetual postponement and compromise. There are times when it is far better to do the right thing as a result of debate and sacrifice than the wrong thing as a testimonial to national unity.

In short, it is our job to prove that we can devote as much energy, intelligence, idealism, and sacrifice to the survival and triumph of the open society as the Russian despots can extort by compulsion in defense of their closed system of tyranny. We can give a convincing demonstration that we have not a propaganda or crisis interest but an enduring long-term interest in the productive economic growth of the less developed nations. We can finally make it clear to ourselves that international economic development is not, somehow, a nagging responsibility, to be faced each year in the context of giveaways and taxes—but a vast international effort, an enterprise of positive association, which lies close to the heart of our relations with the whole free world and which requires active American leadership.

As a nation, we think not of war but of peace; not of crusades of conflict but of covenants of cooperation; not of the pageantry of imperialism but of the pride of new states freshly risen to independence. We like to look, with Mr. Justice Holmes, beyond the vision of battling races and an impoverished earth to catch a dreaming glimpse of peace. In the words of Edmund Burke, we sit on a "conspicuous stage," and the whole world marks our demeanor. In this year and in this Congress we have an opportunity to be worthy of that role.

Mr. President, I send to the desk the concurrent resolution on behalf of the Senator from Kentucky and myself.

I ask unanimous consent to insert at this point in the RECORD a table which records the total amounts of loans made by the Development Loan Fund through January 15 of this year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In millions]

Asia:	
India	$175.0
Pakistan	70.2
Iran	47.5
Formosa	*33.0
Israel	15.0
Malaya	10.0
Korea	5.7
Ceylon	3.2
Thailand	1.75
Europe:	
Spain	23.0
Yugoslavia	22.5
Greece	12.0
Turkey	10.0
Africa:	
Sudan	10.0
Liberia	3.2
Tunisia	2.4
Latin America:	
Paraguay	$6.1
Honduras	5.0
Ecuador	4.7
Argentina	24.75

The concurrent resolution (S. Con. Res. 11), submitted by Mr. KENNEDY (for himself and Mr. COOPER), was referred to the Committee on Foreign Relations, as follows:

Whereas the continued vitality and success of the Republic of India is a matter of common free world interest, politically because of her 400 million people and vast land area; strategically because of her commanding geographic location; economically because of her organized national development effort; and morally because of her heartening commitment to the goals, values, and institutions of democracy: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the United States Government should invite other friendly and democratic nations to join in a mission to consult with India on the detailed possibilities for joint action to assure the fulfillment of India's second 5-year plan and the effective design of its third plan.

And that the Secretary of State report to the Congress on the feasibility of such a mission after consultation with interested Governments and with the Republic of India.

Mr. COOPER. Mr. President, I am glad to join with my colleague and friend, the distinguished junior Senator from Massachusetts [Mr. KENNEDY], in the submission of this resolution. Last year the Senator from Massachusetts and I submitted a somewhat similar resolution, which was adopted by the Senate. It expressed the sense of the Senate that the United States should give its support to India's economic development, as being important to peace and freedom.

I have spoken several times in the Senate, particularly during the debate last year on the Kennedy-Cooper resolution, on the importance of India's economic development to its own people, and to free democratic institutions in Asia. I shall not elaborate on those remarks today, for I think the arguments are well known. I believe it has become generally agreed that if India should fail to achieve its economic goals it would be a disastrous blow to democratic governments and democratic institutions in Asia.

I know that the question is asked: Is there any reason for attaching special interest assisting India? Without minimizing our interest in the aims and objectives of other countries which are striving to advance economically and politically in democratic methods, I wish to make two points which I believe have not been sufficiently emphasized or understood. These two considerations point up the fact that our economic support of India is of great importance.

First, the most important fact I can note is that the leaders of India, its government, its press, and particularly the overwhelming majority of its people have faith that democratic processes can succeed. They have faith that economic advancement can be achieved by voluntary means.

I cannot emphasize this point too strongly. It is a simple point, but a basic one. We cannot create that faith in other people. The people must hold that faith themselves. If that faith ever fails, no aid that we can give to India, or that any other country can give to India, can of itself re-create that faith.

Today in India that faith in democratic processes is alive. The time to make our assistance effective is while that faith is vitally alive.

I make one other point. The United States does not have sufficient funds or resources, and it is unlikely that we will ever have sufficient funds or resources, to provide assistance for the developing countries of the world either in such volume or as quickly as these countries desire, and need. It is therefore important that we let our aid generate industrial strength in countries which can in turn take up their part of the burden, by making this strength available to other countries seeking to advance.

After World War II, the United States made aid and assistance available to the countries of Europe for their economic rehabilitation. Since that time, those countries have been able to assist other countries of the world in their own economic advance.

In Asia, aside from Japan, India is the greatest industrial nation. Backward industrially itself, still it is a fact that second to Japan, India is the only Asian country whose industrial development gives promise of aid to the other countries of the region. I think it is true that, given success in its second 5-year plan and third 5-year plan—and considering its great resources in hydroelectric power, coal, and iron ore—there is the possibility that India will in turn be able to assist, as Japan is now assisting, the development of other democratic Asian countries. That is a second fact of great importance.

I wish to make clear that I am keenly aware of the economic problems of our own country—of the problems which some areas of this Nation are having in terms of their economic development. I feel very strongly that we must provide for their needs. At the same time, I recognize that there are problems in other parts of the world which can directly affect our own future, and that we must continue to give attention to them.

I think it is only fair to say that in the last year, particularly, the President of the United States, Secretary of State Dulles, and Under Secretaries of State Herter and Dillon, and as well as many members of their staffs, have given real attention to the problem which the Senator from Massachusetts [Mr. KENNEDY] has so ably presented today. They understand these issues thoroughly, and have worked with other countries to provide substantial aid to India's economic development.

Great assistance has been given by the United States to India. For reasons which have been advanced here today, I think that assistance can be justified. This resolution will give new meaning and purpose to these efforts, and I am very happy to join with my colleague in offering the resolution.

Mr. McGEE obtained the floor.

Mr. KENNEDY. Mr. President, I wonder if a quorum might be obtained before the Senator from Wyoming [Mr. McGEE] speaks. I know that a number of Senators are desirous of hearing him.

The PRESIDING OFFICER. Does the Senator from Wyoming yield for that purpose?

Mr. McGEE. I yield, provided I do not lose the floor.

Mr. KENNEDY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, when I first considered making these remarks, I considered a humble introduction which I thought I might use for launching purposes, namely, that with deep humility and considerable hesitation I had chosen to take the time of the Senate today. However, I shall change that opening phraseology and say that with grim determination and in a context of almost sheer exhaustion I pursue the thought which I insist shall get on the RECORD yet today.

In all seriousness, one of the advantages of being a freshman in this exciting new Senate has been exactly what has been happening to me this afternoon; that is, that one gets a liberal education in the vital questions of the day.

The debate between the distinguished Senator from New York [Mr. JAVITS] and the distinguished Senator from Montana [Mr. MANSFIELD] on the question of Germany, and the enlightened approach to economic developments overseas, which the distinguished Senator from Massachusetts [Mr. KENNEDY] has just expounded, all enrich our collective knowledge about questions from which we can find no escape.

In ordinary times, as a freshman, I think I would be interested in continuing this education without breaking silence. But these are not ordinary times. I have chosen, then, to speak today because of two factors pressing upon me. One has to do with the relatively significant role assigned to the freshman class of 1959 in the operations of this body. Some of the astute veterans in the Senate assure me that they do not recall when freshman Senators have received the important committee posts which the group of freshman Senators have received this year. That means that with this kind of responsibility we must raise our voices also in the opportunity which goes with it. We have no alibis, in other words, if things go awry.

There were times when a freshman Senator could excuse himself from what happened in the Senate by virtue of the fact that he had no authority in it anyway. No longer is that excuse available to us. Therefore, it is important that we participate to the best of our capabilities in the deliberations of the first session of the 86th Congress.

The second factor which has influenced my decision to speak today stems from the action of the electorate last November. Those of us fresh from the political wars of November 4 feel that we have brought back to this body what in a sense is a mandate from the people to act in certain ways in regard to the future. For that reason, I ask to be heard on the question I wish to discuss for the balance of the afternoon.

The question I ask is this: Why did the people vote in November to send such a crop of freshmen to this body? It was not alone a matter of Republicans versus Democrats. It was not alone a contrasting of political philosophies, because sometimes those philosophies divide both between parties and within parties. It was something more. Among the people there was widespread unrest in regard to the security of the Nation; there was a declared unhappiness over the surrender of our onetime military supremacy in the world; there was deep disturbance over the loss of our once-unquestioned economic pace and rate of growth; there was irritation over the loss of the psychological initiative in the cold war; there was profound dismay over the surrender of our scientific supremacy vis-a-vis that of the Soviet Union. The importance of those considerations in the realm of international affairs was borne out, it seems to me, by the ballots cast last November.

But the people back home had a second concern which was weighing heavily on their minds. It has to do with the state of the Nation's economy, balanced budgets, red ink, and inflation. In the midst of a year in which a balanced budget had been pledged, but one which was climaxed with a promise of a deficit of more than $10 billion, the people were sorely concerned as to what might be wrong.

Finally, among the constituency in the various States there was a sense of need for breaking with the past and seeking a new path of conduct in the future. Reputable men, distinguished Members of this body of both political parties, were given leaves of absence; as much because of this sense of the pressing needs of the future as for any other single consideration—because of the feeling that individuals closely identified with the past had had their day; that something new, something dynamic, was called for in what we are coming to call the nuclear age. Whether the new generation of Senators will produce is a question which only history will record, and then judge.

In making that decision, exactly what the people wished for, precisely what they sought, exactly what they expected, is not yet, I think, clear even in their own minds. It was only that they knew something was wrong, and they wanted to try a new approach.

It is with these thoughts in mind that, as one of the warriors straight from the political battlefront of last November, I would bring to this body the urgency of a fresh, new look at some of the questions which bear in upon us in these times.

Consider the question of the budget itself. I do not wish to engage in a partisan wrangle in regard to budgetary matters. Budgets are of the deepest concern to all of us. When I first entered this body, scarcely 6 weeks ago, I must say I was excited by the preamble of the remarks of the President of the United States in his state of the Union message. For the record, I should like to quote from that message. The President said:

> The basic question facing us today is more than mere survival—the military defense of national life and territory. It is the preservation of a way of life. We must meet the world challenge and at the same time permit no stagnation in America.

To my mind, this is the blueprint for what we should seek to accomplish at this session and in succeeding sessions of this body.

And then we were presented with the deliberations of many wise men on the budget requests, in order to fit into the outlines of this pattern the hope for the future which the President had sketched.

In assessing what was presented to the Congress, I believe we have every right to pass judgment in terms of the needs which confront us, in their relationship to the budget aimed at meeting those needs.

If there is submitted a budget which takes into account what the leadership of the world, the demands of our high standard of living, and the growth of our economy require, it then can be said to be an adequate and, indeed, a brilliant budget. But if it fails in these respects—for whatever reason—it is an inadequate budget. There are those who have used the term "political budget." I shall leave that term alone for the time being; and I shall merely suggest that our interest as Americans is not in a Republican or in a Democratic budget, but is in a budget which will meet the needs of our country. The President himself has set the line: the President of the United States has reminded us that in this contest with the Russians, our very security is at stake.

A former colleague of mine at the University of Chicago, Prof. Hans Morgenthau, has spoken of "the impending decline of the American Nation"; and a very distinguished political pundit, Walter Lippmann, has quoted Mr. Khrushchev as warning about—to use his phrase—"the last, great years of a great America." Their meaning is all too clear—namely, that our time is running out; that our days may, indeed, be numbered.

Mr. President, I suggest to you that what this Congress is being asked to consider, the framework within which it is being asked to fit its budget thinking, is grossly inadequate for the times in which we live. The demand confronting us is not for a balanced budget which will be inadequate; it is a demand for a totally necessary budget which we in America may be required to balance. The matter is one of facing facts, of meeting truths, and of laying those truths before our people.

We cannot lead the world, we cannot maintain the position we must maintain—namely, that of countering the threat posed by the Soviet Union—by

proceeding on a basis of business as usual, or of even less than that. In my opinion, as a onetime historian, it is morally wrong to be labeling as a reckless spender everyone who comes up with a new idea, to attack as unnecessary alarmists those who would probe the basis of our security, or to castigate as dangerous Socialists those who would improve our standard of life.

Mr. President, the times are too serious to permit the kind of name calling that has been forthcoming in these troubled days. The times are too critical for sloganeering. The time has come when we must tell the people of America the truth, and be prepared to face that truth.

I move to quote another passage from the state of the Union message of the President of the United States, when he said that if we are to survive "we must define these tasks and then understand what we must do to perform them."

It is precisely that which I think we have failed to do and which, in a very modest and humble way, I should like to suggest as a matter of procedure today.

We have refused to face up to the hard facts of our times, perhaps because of the imminence of a year divisible by four, which always seems to have a squeezy effect upon politicians; perhaps because of the human frailty of fear to face up to those facts; the frailty of eternal hope; hope for some easier way out.

Mr. President, let us not kid ourselves. We are not preparing for a future war; we are at war today—not a shooting war, let me quickly and carefully qualify that comment—but a war nonetheless determined in its ultimate objectives.

Mr. Khrushchev long since has been on record in his declaration that "we in the Soviet Union declare war on the economics of the United States." There was nothing in Khrushchev's statement in his recent address before his party, that shows he was thinking in any different terms than when he made the earlier statement. In fact, if we read carefully the lengthy statement of Mr. Khrushchev to the Soviet Congress—though we have those in our ranks who could outlast or outtalk him—it should leave us with just one sobering conclusion, and that is that the Soviet Union today exudes confidence, cockiness, brashness; they are sure of their cause. They are convinced they can win.

It is in this atmosphere that we are discussing, in this body, considerations in the national interest, on a business-as-usual basis.

I say in all candor to the Senators here this afternoon that the time has come to tell the people the truth. It is time that we present to the people a war budget, not a peace budget; a security budget, not a play budget. We can do no less than that if we measure up to our responsibilities, not to the Democratic or Republican Parties, but to the people of this country and to all the free world.

A war budget is an unpleasant prospect. It has even more unpleasant connotations. But I think it is the kind of frank budget that the times call for.

The American people have proved themselves capable of dealing with truth. They only insist on being told the truth in order to know with what they must cope.

I can still recall the plea of some people in this country in 1932 that if we were not careful, because of the crisis then existing, we would spend ourselves out of existence; that we would socialize ourselves out of democracy.

The hard truth is that it was because we told the truth, because we rose to the needs in 1932, that we saved capitalism and that we saved democracy.

In those days, when it appeared the budget had run out of proportion to any reasonable balance, we were confronted by a crisis that seemed even more impossible—the crisis of Europe—and for many months we preferred peaceful thinking about business as usual to militant thinking about the threat of war and the threat of Mr. Hitler.

The fact of war caught up with us, and in those hours I must confess I was not one of those with the greatest foresight. I was one of those, rather, who was disturbed about the size of the budget of the United States. I remember writing letters to my Congressman, insisting on an amendment to the Federal Constitution limiting the national debt to $45 billion, else we would be bankrupt. I was not looking with vision and confidence into the future, because we had been selling American capitalism short. We had been keeping our productive capacity under wraps.

I do not mind confession, that when the President of the United States in 1939 called for 30,000 planes a year, I thought he was wrong. When another man spoke about 60 million jobs in America, I thought he was up in a cloud. But we have all lived to see those things, and more, come to pass.

World War II taught us the terrific capacity of American industrial capitalism. It taught us that we ought to think carefully in the future about the full utilization of this economic potential that is ours.

And so I say, Mr. President, we can afford to, and must, whether we can afford it or not, tell the constituents back home the truth. We are wasting our time in this diddling and dawdling about balancing figures in the budget. Let us create a budget which will create the facts by which we hope to live, and then let us meet that budget.

I would propose, in these closing moments, specific examples that illustrate the premise I make today. First, let us emphasize America's capitalistic production. Capitalism, in my judgment, is America's secret weapon. In fact, it is all too secret. That is what is wrong with it. We have been keeping it out of sight. We have been unaware of its potential even in our own ranks. Those of us who had the chance to visit the Soviet Union have been impressed by the great curiosity among the plain people in that country about American capitalism.

The kind of capitalism the Communists are railing against is not the new, enlightened capitalism of present-day America. It is the 19th century capitalism that has long gone by the board except in some parts of Western Europe. It is that outmoded type of capitalism which is the target of Russia. It is that type of capitalism which is held up in disrespect and dishonor before the eyes of the rest of the world.

That is why I say we should put capitalism to work—the people's capitalism, as one man has rightly called it—for the kind of results being called for from the American economy.

We can put it to work in so many ways. One of the most direct ways is to bring people to this country, such as have come from Europe, and particularly the Soviet Union; to bring them here by the tens of thousands. They must see for themselves what we produce here.

When I was in New York for a year on leave of absence, one of the pleasant byproducts of my pursuit was to guide dignitaries from abroad around Manhattan Island.

I would always ask them, first of all, "What do you want to see, before I take you to what I think you ought to see?" The first thing they would always want to see—and it never varied—was the slums. They would say, "Show us your great American slums."

I would start the tour down on the lower East Side. It used to be pretty bad down there, but it is not so bad any more. I would have to say, "I am sorry it looks so good." They had already dismantled the Third Avenue El, and so there was no way to show them the men lying around in its shadows. The food lines were nonexistent, but I could describe how they used to be.

I always took them to Peter Stuyvesant's Village, where I would say, "This was one of the worst slums, but take a look at it now."

I would always end up in Harlem, where the Puerto Ricans and the Negroes are intermingled, and indeed we have some eyesores in that section of America. But I would challenge those foreign visitors on each occasion to find for me a parking place for the car in which we were riding, and they could not do it. This was the eye opener, particularly to the people from Asia. This was not the kind of slum they had been told existed in America, where even in the slum everyone had a car.

We in this country do not intend to stop there in the raising of our standard of living, but the story illustrates how we can help overcome the misconceptions which exist abroad with regard to our capitalism.

It is not without significance to note that people in the Soviet Union would stop one on the street to rub the cloth on his coat without any other formality of introduction, or would drop to the ground to rub the leather in one's shoes. One did not have to say anything. In fact, it was better if one did not, because the Russians were discovering things about America that their government had never told them. They were determining the new concepts of capitalism which we have to get across to all the world.

When I say we should be mobilizing our capitalism I mean that we must do

so here at home as well. We must sell ourselves. I sometimes accuse business groups in this country of being uncertain themselves about the strength of the system to which they give lip service. The fact is that we have to produce a full economy, with full employment and with full purchasing power, if this capitalism which the Russians are bent upon destroying is indeed to triumph. I have a personal faith and confidence that it will. I believe capitalism has the fiber and the capacity to meet whatever challenge is presented, but it will not do so if we follow a policy of retrenchment, of retirement, of operating at 50 or 60 percent of capacity, and of spreading unemployment with high rising prices. These are not the earmarks of a healthy capitalism or of an expanding economic growth.

I would suggest, second, that in addition to mobilizing capitalism, we must fight inflation and not simply talk about it. Fighting inflation is a serious undertaking. I need not remind Senators that inflation contributed greatly to the destruction of the German Republic in 1929 and contributed to the collapse of the Chinese Republic in 1949. It can well contribute to the undoing of America. We have to fight inflation, rather than merely treat it.

There has been altogether too great a reluctance on the part of all kinds of political spokesmen to fight inflation, to treat it as an emergency crisis rather than on a business-as-usual-and-comfortable basis.

The specter of controls looms on the horizon. I do not know whether controls are required: I am not an economist. I know that we had better openly, in frank debate and clear discussion with the people, weigh the necessities of controls on our economy if we are going to destroy the dangers of inflation.

I happen to agree with Mr. Baruch and Mr. Churchill and with my distinguished colleague from Wyoming [Mr. O'MAHONEY] when they say that inflation is the most serious internal problem facing us today. We must fight it, rather than tolerate it.

I want to suggest, third, that we must develop our resources. This is a proposition dear to my heart. Being a son of the West, I think America will find in the West one of her great opportunities to "beef up" our production and to "beef up" our economy to the point where it can withstand the impact of heavy military requirements year after year and withstand the increased burdens of new housing and of an enhanced standard of living in America. It is going to take farsightedness, and it is going to take long-range planning to bring this about.

The West has always been our storehouse, whether that West is Deerfield, Mass., as it was in the colonial days; whether it is the west of western Virginia; whether it is the west of the Mississippi Valley; or whether it is the Rocky Mountains and Pacific Coast, as at the present time.

We have in the West a storehouse of treasure such as this Nation has never known before. It is not in a bag. It is not ready to use. But it is there. It would be the greater part of wisdom on the part of this body to insist upon "crash" programs in new scientific research which would score breakthroughs as to some of the possible utilizing agents for these resources of the West. I think at once of a new chemical. I think it is called hexadecanol. I spent 5 weeks learning to say that word. It is a chemical film which is spread across the surface of water to prevent excess evaporation. If that is ever thoroughly worked out, we will make available to all areas of America vast new water resources. Water is becoming a critical resource, not only in the West but also with respect to the needs of every city in the land.

There are new lands in the West which can be brought to production. It may seem incongruous to some to think of new production or new cultivation in a moment when surpluses are a problem, but there are wise men who are already warning us that in 10 years or 20 years the problem of America will not be surpluses but will be shortages.

Mr. President, when that time comes, we in this body will not be able to pass a law to decree that we have more land so that we may have more production. Years are required to bring a piece of land to production. Foresight and planning are needed to provide for the future.

We have great reserves of coal, of uranium, of oil shale, and of means of extracting oil itself from the bowels of the earth. All of these require real breakthroughs in the realm of scientific know-how. There are problems of low temperature carbonization.

Mr. O'MAHONEY. Mr. President, will the Senator yield for a question?

Mr. McGEE. I am happy to yield to my colleague from Wyoming.

Mr. O'MAHONEY. I am happy to have heard my colleague allude to the great mineral resources which remain undeveloped in this country, but I wonder if it would not be well for the Senator to have printed in the RECORD at this point, in his very excellent and eloquent address, a statement with respect to uranium development in the West. I ask this question because I was a member of the Committee on Appropriations in the days of World War II, when the United States was working upon development of an atomic bomb, and the United States was dependent completely upon foreign sources of supply of uranium to make the bomb. That is not the case today, is it?

Mr. McGEE. No, indeed.

Mr. O'MAHONEY. The Senator realizes the great uranium deposits which have been discovered in New Mexico and in Wyoming, does he not?

Mr. McGEE. I do, indeed.

Mr. O'MAHONEY. Is it not a fact that the State of New Mexico now stands first among all the States of the Union in producing uranium, and that Wyoming stands second, and that those two States, together with some others, have made the United States completely independent of any foreign source of supply for the development of atomic energy?

Mr. McGEE. The senior Senator from Wyoming is so right.

Mr. O'MAHONEY. I think it is important that those who read the RECORD tomorrow morning, and Senators who have assembled on the floor since the Senator began speaking, should know the facts about resources which, only a few years ago, were not known to exist, but which we now know do exist, and which will help us to develop the nuclear age of which the Senator speaks.

Mr. McGEE. The Senator is correct.

Mr. O'MAHONEY. I should like to ask the Senator a question with respect to the conservation of water. The Senator has read the budget message of the President. Is it not a fact that in that message the President has indicated that it is not his purpose to recommend any appropriation for new starts of water conservation projects, either by the Bureau of Reclamation in the Department of the Interior, or by the Army Engineers in the Department of Defense? Is that not the fact?

Mr. McGEE. That is all too true.

Mr. O'MAHONEY. Is it not also the fact, as revealed by the studies and public hearings of the Committee on Interior and Insular Affairs and the Committee on Public Works, that in Soviet Russia the Communist leaders are working under a full head of steam to conserve the water supply of that nation, while we lag behind and say, "Let the water flow down to the sea unused"?

Mr. McGEE. I am glad to hear the Senator say that, because it recalls to my mind the impact in the Soviet Union of their rate of growth in this material area, as evidenced by new hydroelectric development. The evidence of new heavy industrial development now is borne out in far more learned expositions on what is behind the Iron Curtain than those of us who were mere tourists there might relate.

One stark fact which strikes any visitor there is the rapid rate of growth, the pace at which the Russians are moving. It ought to sober every American. It points out to us the imperative need for reliance on this great resource field of the West for expanding and providing new underpinning for the American economy—not only for the Western States, but for the entire Nation.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. MANSFIELD. I wish to join my distinguished colleague the senior Senator from Wyoming in commending the junior Senator from Wyoming on the remarks he is making this afternoon. I am especially interested in what he has to say about the West, because, as he knows better than I, in the area we come from, namely, the northern Rocky Mountain region, our States are semiarid. Our rainfall averages between 12 and 13 inches a year.

For many years water was considered a western problem. We appreciate water because it is our lifeblood. As the Senator from Wyoming has so cogently pointed out, water is no longer a western problem, but a national problem. We recall that a few years ago the reservoir

supplying water to New York City—I believe it is called the Croton Reservoir—almost ran dry. We know that the water level all over the country is dropping, and we know that studies are being made to bring about the desalinization of water so that we can increase our water supply as our industry grows and our population increases.

We know that even in our part of the country pollution of our streams is becoming quite a problem. Members of this body who come from the East will, of course, recognize how much greater a problem it is in their area.

Under the leadership of the distinguished senior Senator from Montana [Mr. MURRAY], ably abetted and seconded by the distinguished Senators from Wyoming [Mr. O'MAHONEY and Mr. McGEE] there is at the present time before the Committee on Interior and Insular Affairs a resolution calling for a national water survey. In many respects it is the most important resolution before this body at this time. I hope it will be favorably reported soon.

I am delighted that the distinguished junior Senator from Wyoming is bringing out the fine points in connection with water, as well as other resources. I am sure he will agree with me that the day may not be too far distant in this country when water, as such, will be far more important than oil.

Again I commend and congratulate the distinguished junior Senator from Wyoming for the fine and distinctive contribution he is making in the Senate this afternoon.

Mr. McGEE. I thank the Senator from Montana for his kind remarks, and point out to this group that to a great degree he himself has taken the initiative in the study of water resources, the kind of overall study which, in my judgment, should be extended to all the resources of the West. I am afraid we are very seriously lagging.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. MORSE. I do not know when I have ever sat in the Senate in silence when the water problem was being discussed; and so long as I remain a Member of this body I do not intend to remain silent whenever that issue is raised, because, in a very real sense, I think it is probably the most important domestic issue that has confronted the American people, and it will confront them for decades to come.

Before I supplement what my friend from Montana has said, I should like to be permitted a personal reference. We receive a great deal of satisfaction from political service. Our compensation is not entirely material. It takes intangible forms, but that does not make it any less valuable. I am experiencing here this afternoon one of the rich compensations of my political life. I would not embarrass the Senator from Wyoming further than to say that I am being very richly repaid this afternoon, as I listen to his maiden speech in the Senate, for my participation in his campaign last fall. I compliment him for the very fine speech he is making. I think it is only the introduction to a great service in the Senate on the part of the Senator from Wyoming.

I wish to supplement what the Senator from Montana [Mr. MANSFIELD] said about the water problem. Water means many things. At times, as the Senator from Wyoming himself has clearly implied, water means food for generations of unborn American boys and girls. Our population experts, in testifying before congressional bodies, have pointed out to us their concern over the question of getting enough food to feed the American population by the year 2000.

My grandchildren will be here then. I do not intend, during my service in the Senate, to fail in my responsibility to them and to millions of others like them, who are the grandchildren of other Americans of my generation.

When Mikoyan, the Deputy Prime Minister of Russia, was visiting this country, and the Foreign Relations Committee had lunch with him, we asked him some interesting questions, I thought, and we elicited from him some very interesting replies.

My cross-examination of him was somewhat indirect, in that I approached, in an indirect way, the problem of Russia's economic threat to the United States. I asked him to tell us what, if any, food products Russia was exporting at the present time. His answer was very interesting. He told us that the Russians are exporting wheat to Poland, Czechoslovakia, East Germany, and the Arab States.

I asked him if the Russians were exporting any other agricultural products. He said, "We are exporting some dairy products and some poultry products." They had not yet reached the point where they thought they could export beef or pork.

I asked him whether they contemplated an agricultural production which would make it possible for them to increase their food exportation in the relatively near future. His answer was in the affirmative. I would have the American people keep in mind that this economic threat of Russia is going to take many forms. However, when they start exporting on any large scale agricultural products, then I would say to the American people, "Look out," because they will then be threatening what I have always said is the greatest strength of our democracy, although we have not used it properly, because we will be faced with the problem in the year 2000 as to where we will get enough food, and we will be faced with the problem of survival and the kind of economic problem the Senator from Wyoming is talking about this afternoon, because when we talk about enlightened capitalism, we are talking about economic freedom.

Why is Russia going to be able to build up its food supply so that it will be possible to become a real threat to us in the exportation of food to the underdeveloped countries who are crying out for it? Because of our water table.

Every witness we have had before us, including the Senator from Wyoming, who has rendered such a great service in reporting to the people of this country on his trips to Russia, returned and told us what Russia is doing in the matter of conserving her water table and in developing her water resources, so that she can become an exporter of food. As one wins the stomachs of men in underdeveloped countries, he has a better chance of winning their minds. Therefore, I am glad that in the Senator's speech he has stressed the matter of the resources of the West and of the Nation, and especially the water resources problem.

Therefore, so long as I sit in the Senate I shall continue to say to the American people: Keep your eyes on the American water table, because it is falling. In so many parts of our land today, it is falling because of our shortsighted lack of statesmanship in the Government of the United States. The responsibility for that falling water table rests on the Congress of the United States and on the executive branch of the Government. For too long in the past we have not had men with sufficient vision in either Congress or in the executive branch to see the inescapable relationship between the level of the American water table and the future of civilization. Civilizations fall as the water table goes down. Our water table has started to go down. The Senator's warning today is one which reenforces the position of some of us in the Senate. I am delighted that we have a new leader in our ranks who will take this message to the American people before it is too late.

Mr. McGEE. I thank the Senator from Oregon for his very kind remarks and the thought-provoking content of his observations. He has pretty much put his finger on the problem. New dams do not go off like guns, and new lands do not streak through space and make headlines.

I should like to conclude my remarks very quickly with the suggestion of another facet of this subject, without developing the thought fully. We have been speaking about material things. I should like to invite the attention of my colleagues now to ideas and ideology. I believe that a great part of our difficulty in the world is that we have failed to recognize that most of the world is in the throes of revolution. That does not necessarily mean a Communist revolution. As a matter of fact, the Communist type of revolution has practically ceased. It is the kind of revolution that was triggered by us in 1776. It is an aspiration for human dignity and independence on the part of humanity as a whole. Unless we in our policy projects acknowledge not only the fact of revolution, or at least lend a sympathetic ear and an understanding heart to these movements, we will not have the world's people with us. We all too often give the impression that we are offended by revolt and are opposed to rebels. In all truth, these revolutions and these rebels will sweep right on, whether we like it or not.

The Russians sometimes have been smarter than we have been. While not agreeing with the revolution in China, we must admit that the Russians have been smart enough to get on it, so to speak, and ride it and use it to their own purposes.

This is our opportunity, because it is 1776, it is Tom Jefferson that triggered this movement in many areas of the world. This is an American idea, not a Russian idea. We must put it to work. The Communists have stolen what is indeed an American product. I think, therefore, that we have been doing too much thinking in military and material fields in our policy projections.

That is why it is so important not only for the Senate, but for the whole American economy, that the Senator from Montana [Mr. MANSFIELD] should open up the German question, as he did, and why it is so important that the Senator from Massachusetts [Mr. KENNEDY] should open up the question of economic development around the world. These are the projections to which we must turn. That is why I suggest a new willingness to explore and to get out of the static rut into which American policy has sunk of late. What the answers will be which will come out of these new explorations, or what the alternatives may come to stand for, we cannot say. However, we must try them. We must take a look at them.

I cannot help call to mind the eloquence of my colleagues from the West as I conclude with this observation. In our western movement, which carried us across the great plains and across the Rockies to the Pacific, we now have made an encircling movement of the Pacific in bringing in Alaska and soon, we trust, Hawaii. I recall, particularly, what our distinguished majority leader has said, that Wyoming has resources for 20 million people, although we have only 300,000 souls living there.

Here is our opportunity to look west. Horace Greeley was not alone in enunciating that thought. It is significant in America that as we shift our focus westward to the shores of the Pacific, that movement coincides with the shift of the focus of the world to the Pacific. I dare predict that within the time of those who listen to me today, our real concern in the world may not be Moscow, but possibly Peiping or New Delhi; indeed, what was once the Atlantic age of history will be swept away, or at least supplemented, by the new Pacific age of history. That puts us in a unique position. It means that if only we can have the confidence that expansion requires, we can meet the threat which the Soviets and even the Chinese now have forced upon us.

I cannot close without recollecting a recent evening when, with one of my children, I was reading the old legend of Rip Van Winkle. The Senators will recall the legend that when old Rip went to sleep, he slept for 20 years. When he went to sleep, George III was his king. When he awakened in 20 years, George Washington was his President.

Mr. President, old Rip slept through a revolution. I say to my colleagues: God help America if we do that today.

Mr. CHURCH. Mr. President, I wish to express my appreciation for the eloquent statement of faith in our country and her future which we have been privileged to hear this afternoon, and to commend the junior Senator from Wyoming for having made it.

As I listened to his speech, I could not help contrasting the philosophy which has been expressed by the Senator from Wyoming with what seemed to me to be the philosophy which was implicit within the state of the Union message that was delivered to Congress by the President a few short weeks ago. In that message, it will be recalled, with reference to the budget, the attitude and approach of the President, and, through him, of his administration, is to accept the present level of Federal income as the maximum optimum level, and then to proceed to cram within that income the program of the country in terms of our national needs and in terms of the dangers we face abroad. The box within which we cram this program is that represented by the present level of national income.

Contrast that philosophy with the philosophy expressed today by the distinguished junior Senator from Wyoming, who said, in a much more realistic way: Let us determine what our needs may be at home and abroad. Then let us undertake to raise whatever income is required to meet those needs and balance the budget.

I thought, too, of the contrast between the philosophy of the distinguished junior Senator from Wyoming and that which is implicit within the state of the Union message concerning the great internal problem of inflation. In the state of the Union message, the President said: Let us declare it to be, in the preamble of the Full Employment Act of 1946, an object of national policy to maintain a sound dollar. That was the program, that was the suggestion, of this administration as to how to deal with the continuing problem of inflation. Declare it to be an objective of the Nation to end inflation.

Contrast that viewpoint with the courageous statement made today by the distinguished junior Senator from Wyoming, who said that words are not enough; that it is obvious that our present program has failed and will continue to fail to stop inflation; therefore, let us determine what is needed and move forward to accomplish it, and in that way end inflation. Nice statements in the preambles of laws will never do it.

Going further in his address, contrast the Senator's position on the development of natural resources with that of the administration. The Senator from Wyoming said: Let us go into the West. Let us get on with the development of our rivers. Let the waters spread upon the deserts. Let us realize that dams are not built today or tomorrow, but are the products of long-term planning. Contrast that proposal with this administration's position of no new starts.

When one makes these contrasts, he cannot help concluding that in the state of the Union message what the President has asked us to do, in essence, is to assume a strong posture abroad backed up with a weak policy at home. The distinguished Senator from Wyoming has said: Let us assume a strong posture abroad, which can remain strong only if it is backed up with an equally strong policy a home. That is the truth; and the truth will out, today or tomorrow. Let us hope we come to realize it while there is still time.

I commend the distinguished junior Senator from Wyoming for the great contribution he has made to this subject.

Mr. McGEE. I thank the Senator from Idaho for his generous comments.

Mr. LONG. Mr. President, let me add my words of gratitude to those already expressed to the Senator from Wyoming for his message of enthusiasm and inspiration.

It seems to me that the Nation's budget is our greatest single expression of the purpose of the whole people of the Nation. The Senator from Wyoming has mentioned the evil of inflation. If inflation must come, then the Nation can somehow afford it. We have stood it before. If worst comes to worst, we can stand it again.

One thing which the Nation cannot afford at this time is the price of defeatism, with the entire world looking to us, with every American institution being challenged throughout the world. Yet, that is written through and through and is implicit in the budget sent to us by the President.

A short time ago I spoke to a responsible officer of the Army, one who would not volunteer to give his opinions in public. He explained to me that under present circumstances all the infantry which this Nation has could be placed in a single football stadium, with at least 10,000 seats to spare.

During the fighting in Korea, the United States had 24 Army divisions in action. Now we have a mere 14 divisions, and they are comprised not of 15,000 men, but of 13,000 men. The Army must now strip itself of one more division at a time when we cannot find a single Army officer who would recommend that such a decision is advisable.

I think the Senator from Wyoming will find that that situation is typical of the entire state of our defenses, and is caused by a timid Executive and by someone in the Bureau of the Budget who has been told to cram this budget within the expected income of the Nation, regardless of what may happen to the country.

I quite agree with the statement of the Senator from Wyoming that there is nothing which this Nation cannot achieve if we start with the right purpose. If we start with confidence, we can do it.

On the subject of inflation, the element of production is all too often overlooked. The economic policies of the Nation are self-defeating, in that they make for a steady reduction of production throughout the Nation. If we want to fight inflation, increased production is one of the first things we should seek. Productive capacity in every American industry across the length and breadth of the land has been wasted; 700,000 more persons are unemployed at this time, according to the administration's figures, than were unemployed in the same month a year ago. Yet there is nothing in the budget to support increased production, and thus get the Nation's economy moving in full stride.

The administration is still pursuing restrictive policies, saying that we cannot afford all the things which are proposed, while at the same time it promotes a policy of tight money and high interest rates which tend to prevent the expansion of the economy.

The policy of the administration has produced more and more inflation, because it has tended to restrict production and create more inflation than we have had in any similar peacetime period in the history of the Nation. It is a policy which is wasting more money in the national budget than any other single factor.

I congratulate the Senator from Wyoming for expressing his confidence in the future of the Nation. His confidence is not misplaced. Only the right kind of leadership is required to make certain that we will meet all the challenges of modern day life. The Senate is indeed fortunate to have the Senator here to bring this message, and I hope we shall hear similar expressions from him in the future.

The junior Senator from Wyoming received a completely unprecedented committee assignment. At the time when the junior Senator from Louisiana came to this body, he was informed that it took approximately 12 years for a Democratic Senator to be appointed to the Appropriations Committee. That happened to be the year when my senior colleague was assigned to that committee.

The leadership has shown great wisdom in seeing to it that those who have come here as freshman Senators, with great contributions to offer, have an opportunity to give the Senate the full benefit of their abilities.

Mr. McGEE. Mr. President, as always, I enjoy the exchange of views with the Senator from Louisiana. They are very stimulating.

Mr. GRUENING. Mr. President, will the Senator from Wyoming yield to me?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Wyoming yield to the Senator from Alaska?

Mr. McGEE. I yield.

Mr. GRUENING. I should like to add my tribute to those of my colleagues for the constructive, vibrant speech to which we have listened this afternoon. I have seldom been more moved by so eloquent an expression of a sound program. I believe it will be of great benefit to the country; and I believe the Senator's contribution is but one more piece of evidence that the people of the country are ready for leadership of the kind he has presented to us this afternoon.

Mr. McGEE. I thank the Senator from Alaska.

Mr. MUSKIE. Mr. President, will the Senator from Wyoming yield to me?

Mr. McGEE. I yield.

Mr. MUSKIE. I understand that the Senator from Wyoming has to rush to catch a plane, and I do not wish to delay his departure. However, as a freshman Senator, I wish to state how proud I am to be associated with one who can express himself as he has this afternoon.

Last fall I had the unusual opportunity of campaigning with others who were, for the first time, candidates for election to the Senate. As a result, I visited the Senator's State of Wyoming, as well as 13 other States, including the new State of Alaska.

I shall not take the time to comment on any particular portion of the remarks made this afternoon by the junior Senator from Wyoming, other than those he made at the outset of his speech.

I believe he has expressed eminently well what I myself learned of the thinking and the feeling of the people of the country in this day and age. I was exposed to it, as I have said, in 14 States in addition to my own. I could not take issue with one thing the Senator from Wyoming has said. In fact, I should like to associate myself with everything he has said.

Mr. McGEE. I thank the Senator from Maine.

Mr. O'MAHONEY. Mr. President, will my colleague yield to me?

Mr. McGEE. I yield.

Mr. O'MAHONEY. As a citizen of the State of Wyoming, as well as a Senator from that State, I wish to say to my junior colleague that I am proud of the presentation he has made here this afternoon.

Although he expected to obtain the floor early in the afternoon, circumstances which developed made that impossible; and it was not until a late hour that he succeeded in obtaining recognition. Then he yielded to several senior Senators who wished to request insertions in the RECORD or wished to make statements; and that delayed further my colleague's opportunity to commence his remarks.

Mr. President, I have served in this body for many years; and I wish to say that in all that time I do not remember any freshman Senator who has received the great welcome and appreciation and applause that have come to my colleague, the junior Senator from Wyoming. I am proud of that, and he can be proud of it. Senators gathered here, after the quorum call was withdrawn, because word had gone out that Senator McGEE, of Wyoming, was speaking.

I venture to say, Mr. President, that the remarks of my colleague will be read by many more persons in the CONGRESSIONAL RECORD, when it appears tomorrow morning, because those of us who have listened here to his remarks will carry away to all whom we meet word of the high approval the Senator's colleagues have given to him in his first expression of his thoughts on the floor of the Senate.

Personally, I want my colleague to know that I shall take great pleasure in advising our constituents in Wyoming that he has done a masterful job. I thank him.

Mr. McGEE. Mr. President, in closing I should like to say that we have just heard from the greatest professor under whom I ever studied; and I wish to pay tribute to him on that high level.

A FAIR AND EQUITABLE SOLUTION TO THE WHEAT PROBLEM

Mr. CARLSON. Mr. President, today I have introduced Senate bill 1140, which I believe provides a fair and equitable solution to the wheat problem confronting our farmers and our Government. The bill is cosponsored by the senior Senator from Oregon [Mr. MORSE], the junior Senator from Oregon [Mr. NEUBERGER], the senior Senator from Washington [Mr. MAGNUSON], the junior Senator from Washington [Mr. JACKSON], the Senator from Nebraska [Mr. CURTIS], and the Senator from South Dakota [Mr. CASE]. I requested that the bill be held at the Vice President's desk until next Wednesday, in order that other Senators might avail themselves of the opportunity to join in sponsoring the bill, if they wished to do so.

Mr. President, in introducing the bill, I have in mind the thought that the Congress and the wheatgrowers themselves must consider changes in our present farm program dealing with wheat. This is a marketing control, not a production control, program.

It is my contention that the most important problem of the wheatgrower today is that of maintaining sufficient income to permit the purchase of the products of industry and labor and to retain a satisfactory standard of living in the face of reduced acreage and rising cost of production.

I contend, further, that lower prices for wheat will not aid in solving the problem of excess supplies, either by reducing production or by noticeably increasing consumption, but will only serve to increase the marketing cost margins between the producers and the consumers.

Mr. President, the bill which authorizes a comprehensive wheat stabilization program, is similar in many respects to Senate bill 774, introduced by me during the 1st session of the 85th Congress, on behalf of myself and Mr. NEUBERGER, Mr. MORSE, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. BARRETT, Mr. MAGNUSON, Mr. JACKSON, Mr. YOUNG, Mr. CURTIS, Mr. HUMPHREY, and Mr. LANGER. The present bill is more comprehensive than my earlier bill, however, and is substantially improved in two important respects. In addition to maintaining prices and incomes for wheat producers at fair levels, Senate bill 1140 provides a definite program for reducing excessive Commodity Credit Corporation stocks of wheat and definite proposals for holding down wheatgrowers' feed-grain production. These are not simply style changes in a new 1959 model of the old bill. They are basic changes in engineering, which result in a wheat price stabilization plan that deals effectively with the current excessive accumulations of wheat and feed grains.

Mr. President, wheatgrowers in 1958 produced the largest crop on record. They produced almost 1.5 billion bushels on fewer than 54 million acres. Only 6 years ago, in 1952 and 1953, they harvested 69 million acres to obtain 1.2 billion bushels. This is a production record of which to be proud.

A part of the credit for this production record should go to the occurrence of favorable weather. But much credit must go to the wheat producers for their rapid adoption of technclogical advances

and improved land management programs in recent years.

Twenty years ago, wheat yields averaged only 13 bushels per planted acre. In the 1940's, yields had increased to nearly 16 bushels per planted acre; and in the early 1950's the average had moved up to 18 bushels. In 1956 and 1957, average yields were still higher—almost 20 bushels per planted acre. Then in 1958, with the weather man cooperating, wheatgrowers outdid themselves, and produced almost 26 bushels per planted acre, or 27.3 bushels per acre harvested.

This is a production record achieved by few groups in America. The wheat producers of America are entitled to high honors for this amazing performance. They surely are entitled to a price support program that assures them a fair reward for outstanding services rendered. Senate bill 1140, which I have introduced, does just this.

Mr. President, I am fully aware that the production records I have just cited, in combination with the outmoded price supports now in effect, have created serious surpluses and have caused program costs to skyrocket. But the record should be clear on this point. Wheat producers for several years have recommended giving up the present outmoded program for wheat. For at least 5 years they have been urging the adoption of domestic parity proposals as a replacement for the program which has piled up surpluses and inflated government costs.

In all seriousness, I want to say that in my judgment there would be no wheat crisis today if we had the vision and the wisdom to adopt a domestic parity program for wheat several years ago.

NINETEEN FIFTY-NINE WHEAT STABILIZATION PLAN EXPLAINED

As I said earlier, Senate bill 1140, which I have introduced, is an improved and more comprehensive version of earlier domestic parity plans for wheat which twice passed the House and once passed the Senate.

Those of us interested in the welfare of the wheatgrowers approached the drafting of a new bill to deal with the 1959–60 wheat situation, with the following four basic considerations in mind:

First. The new high levels of productivity must not be allowed to bankrupt the wheat-producing industry. This is a real threat in the absence of an effective program to stabilize prices and production.

Second. The buildup of Commodity Credit Corporation wheat stocks must be stopped, and they must gradually be reduced to a normal level.

Third. A further reduction in the acreage of wheat must not result in additional acres shifted to other crops.

Fourth. Increased yields per acre must not be reflected in increased Government holdings of wheat.

These basic considerations guided the drafting of Senate bill 1140:

It, first, sets up an annual national marketing quota of wheat equal to estimated domestic consumption plus exports, minus 75 million bushels, which are to be withdrawn from Commodity Credit Corporation stocks.

Second. Provides for loans on wheat, within this marketing quota, at 65 percent of parity, which at current parity prices would be $1.53 per bushel.

Third. Provides for income stabilization certificates for each producer equal to each farm's percentage share of the domestic food market—in bushels—which would be redeemable in an amount equal to 35 percent of parity, the difference between the loan level on national quota wheat and the parity price. However, each producer, to qualify for income stabilization certificates, must place in the conservation reserve an acreage equal to 20 percent, but not more than 30 percent, of his wheat acreage base.

Fourth. Requires that the certificates be purchased by processors, to accompany wheat milled for domestic use, at a price equal to their face value—35 percent of the parity price of wheat.

Fifth. Authorizes a defense stockpile of at least 500 million bushels of wheat, to be stored under 5-year storage contracts—at substantial savings, as compared with current rates.

Sixth. Removes restrictions on production and use of nonquota wheat, except for domestic food and for export.

These are the major provisions of Senate bill 1140. While it is a fairly long bill, in many ways it is a simple one.

It provides a fair return to wheat producers.

It gives producers fuller control of their farming business.

It enables producers to market only their best quality wheat for domestic food use and for export.

It provides adequate current supplies of wheat for domestic use and for export at stable prices.

It facilitates orderly marketing of the highest quality wheat through regular commercial channels.

It provides an adequate defense stockpile of wheat.

It provides for an orderly reduction of current surplus wheat stocks at the rate of 75 million bushels a year.

It reduces by $400 million or more a year the estimated annual Government cost of wheat price supports.

It reduces by $500 million or more a year total Government outlays, including investment in inventories.

It provides for an increase in the conservation reserve of 12 to 14 million acres of wheatland which otherwise each year would add 5 to 8 million tons of wheat or feed grains to current excessive feed supplies.

Finally, it protects and stabilizes foreign trade in wheat, including the interests of Canada and other wheat exporting nations, through its marketing quota provisions.

Mr. President, Senate bill 1140 is not perfect. When it is studied in detail by the members of the Committee on Agriculture and Forestry—and I hope it will be so studied in the very near future—it may be possible to make improvements in the wording of some sections. I do want the RECORD to show, however, that I am not one of those who consider the current wheat situation a terrible national headache. I rejoice in the great productive capacity of our wheat producers. I consider it a national asset that we can produce far more wheat than that needed for domestic food and for export. Senate bill 1140 authorizes a wheat stabilization plan which recognizes this situation and deals with it in a way which is fair and equitable to wheat producers, domestic consumers, feed-grain and livestock producers, and to producers in other exporting nations.

Mr. MORSE. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I yield.

Mr. MORSE. Before I make comment on the observations the Senator has just made as to the value of a wheat production program in this country, I desire to pay my compliments to the Senator from Kansas [Mr. CARLSON] for his leadership over the years in connection with legislation affecting the wheat problems of America. In fact, I wish to pay him a compliment for his leadership in the whole field of agricultural problems as we are confronted with them in the Senate.

The Senator from Kansas knows that time and time again I have looked to him for advice and leadership in regard to agricultural issues as they come before the Senate, and particularly in connection with the wheat problem.

The Senator from Kansas deserves great credit, not only from the wheat producers of this country, but from all agricultural leaders, for the great work he has done in the Senate in connection with agricultural problems.

He raised a point I want to reinforce, when he said, in effect, that we should not look at wheat production in this country as a national calamity. I share his view. Contrary to its being a calamity, the wheat production program of this country is one of our great national assets. The difficulty is, we have not made use of that asset as we should.

The Senator from Kansas, the Senator from Kentucky [Mr. MORTON], and I traveled in India a year ago last December, and we had an opportunity to see the work that is being done in the field of economic foreign relations by the wheat producers of the United States.

The wheat producers of this country are setting up in India and in Japan and in some other countries what really amounts to a course of education and demonstration in those countries as to the advantages of consumption of wheat in the diet of the people living there. They have been pretty much a rice-consuming people. In India, for instance, I went into one of the institutes that is being maintained by the wheat producers of this country. I talked to Indian leaders as to the results of the demonstration. They told me, as I was later told in Japan by Japanese leaders, that the interesting thing is that once the people learn to eat wheat, they prefer it to rice. They observed the great advantage of a wheat diet, so far as the health of their people is concerned.

Here is a public service that the wheat producers have been performing. It has

gone quite unheralded; yet it is a constructive contribution in our economic foreign policy.

I have said many times, and repeat now, that until the time when we shall need the surplus wheat—and we are going to need that surplus in the not too distant future—we can make of our surplus wheat one of the great weapons at our command against the spread of communism in the underdeveloped areas of the world where communism is a threat.

When some of our Canadian parliamentary brethren were in Washington a few weeks ago, and there was a discussion with those members of the Canadian Parliament, we had a very frank discussion about the opportunity I think Canada and the United States have to use wheat as an effective economic weapon against the spread of communism in underdeveloped areas of the world.

What I desire to stress here this afternoon, and our bill has it clearly in mind, is that we must maintain wheat production in the United States. The assumption is easily made, by the uninformed in agricultural problems, that, well, we can go back to growing wheat again whenever we want to, quite overlooking the fact that if the thousands of acres now producing so-called surplus wheat are cut out of production, it will be decades before they can be brought back to the level of production now in effect. When they are cut out of production, deterioration takes place. A wheat-producing area is not developed in a season or two or three.

We have what I like to refer to as a great seedbed in this country for the production of food which can be used to strengthen American economic foreign policy in the underdeveloped areas of the world. We owe it to the producers of wheat to see to it that a legislative program is adopted, such as the Senator from Kansas [Mr. CARLSON] has proposed for many years in the Senate, that will give the wheat producers the economic support which they are entitled to receive for their great service in producing food, a service they are rendering the American people and are rendering American economic foreign policy.

Mr. CARLSON. Mr. President, I appreciate very much the excellent statement which has just been made by the Senator from Oregon [Mr. MORSE], who has been closely associated with me in this program for several years. He comes from a great wheat-producing State, the State of Oregon. Not only that, he comes from a State which years ago had as a Member of the U.S. Senate a man who was very active in support of a program of domestic parity, or a two-price system for farm products, and particularly wheat—Senator McNary.

I would say this is a program which requires some sound thinking on the part of all of us. It has been a real privilege and pleasure to have had many sessions with the senior Senator from Oregon. I appreciate very much his cosponsoring of the proposed legislation on this occasion.

I think we have a very definite wheat problem. Every farmer in the country knows we have one. I sincerely hope this Congress will be able to deal with it on the basis I have suggested this afternoon.

POSSIBLE OBJECTIONS TO NATIONAL WHEAT STABILIZATION

From past experience I anticipate this national wheat stabilization plan will encounter objections on three grounds. These objections, however, are based on unfounded fears.

Fear No. 1: Midwest feed-grain and livestock producers may fear that large quantities of wheat will be produced for livestock feed under the proposed wheat price stabilization program, seriously depressing feed-grain and livestock prices.

However, this plan specifically provides that each producer must put at least 20 percent of his wheat base acreage in the conservation reserve to qualify for income stabilization payments. This assures that an acreage of wheat or feed grains equal to 20 percent of the wheat acreage base on each farm must be retired to the conservation reserve by each producer who qualifies for full economic benefits under the new program.

Assuming high participation in the program, some 12 to 14 million acres of cropland capable of producing 5 to 8 million tons of feed grains will be retired from production. This will not solve the feed-grain problem. But it certainly will not aggravate it. As compared with continuing the current program, it means 5 to 8 million fewer tons of wheat which ultimately may be used for livestock feed, because there is no other use for it, or 5 to 8 million fewer tons of feed grains produced on land diverted from wheat production.

Throughout the Plains States, land devoted to feed grains produce more pounds of feed per acre than when devoted to wheat even though the wheat is fed. In the Corn Belt States, feed grains produce fully one-half more pounds of feed per acre than wheat.

Only in Washington, Oregon, and Idaho do wheat yields exceed feed-grain yields in pounds per acre. In all other States any expansion in wheat acreage, or nonmarket quota wheat under the National wheat stabilization plan, will result in an equal or greater reduction in the production of other feed grains. I shall place in the RECORD a statement which shows wheat and feed-grain production per acre for selected States in 1957 and 1958.

Fear No. 2: Some people fear that this program will result in an unreasonable increase in the cost of bread. On occasion it has been referred to as a bread tax plan in favor of wheat producers. This is a most unfair characterization of the program. The sugar program includes a small tax on sugar to make possible income stabilization payments to sugar-beet and sugarcane producers in the United States. The wool program is based on protective tariffs on imported woolens which increase the domestic cost of woolen textiles, and a large part of these funds are utilized to make income stabilization payments to domestic wool producers.

In all fairness I ask, is it unreasonable to ask consumers to pay 3¼ cents for the wheat in a loaf of bread, instead of 2½ cents as at present? Especially if by doing so we can provide a fair and equitable income stabilization program for wheat producers and at the same time reduce Government costs, hence other taxes by an even greater amount.

Let me repeat, this wheat price stabilization plan utilizes precisely the same principles as the sugar and the wool price stabilization programs. All who supported those programs should favor the wheat price stabilization program as an extension of the same principles and equity considerations to wheat producers.

Moreover the cost of the income stabilization certificates which must be paid by the millers, if fully passed on to the consumers, would be about $100 million less than the additional annual cost of continuing the present outmoded price support program for wheat.

I believe consumers are willing to pay a fair and equitable price for their food. Between 1952 and 1958 the market price of wheat dropped from $2.11 to $1.76 a bushel. During this period, while the cost of wheat in a loaf of bread was declining, the retail price of a loaf of bread increased from 16 to 19.2 cents. In view of these facts, I think we should not hesitate to ask consumers to accept an increase in the cost of the wheat in a loaf of bread by three-fourths of 1 cent—or from 2½ to 3¼ cents; especially when this increase is the result of a program which achieves more than offsetting reductions in other Government costs.

Fear No. 3: Some people fear that this program will be considered a form of export dumping by our foreign friends. However, S. 1140 specifically provides that the Secretary of Agriculture shall set a marketing quota each year which includes the estimated amount of wheat for domestic food use and for export. It provides for loans at 65 percent of parity on quota wheat. Nonquota wheat will not be eligible for export under S. 1140. Exports of quota wheat will require a small subsidy equal to the difference between 65 percent of parity and the world price level. The only difference between the anticipated exports under S. 1140 and exports at the present is the requirement of much smaller subsidy payments under S. 1140. Otherwise exports for dollars and exports under Public Law 480 will be continued on exactly the same basis as at present.

Mr. President, in closing, I wish to return to my statement that the wheat price stabilization program authorized by S. 1140 will reduce Government costs by $400 million or more a year, while maintaining wheat producers' incomes at fair and equitable levels.

Under the present outmoded price support program for wheat, the Commodity Credit Corporation has acquired 1.3 billion bushels of wheat in the last 5 years, and is expected to acquire another 500 million bushels from the 1958 bumper crop.

The Commodity Stabilization Service estimates that the average storage and

interest charge on the wheat in CCC stocks is now 69 cents a bushel, which must be added to an acquisition cost of $2.11 a bushel. Hence, even though this wheat is sold for dollars, sold under Public Law 480, or under any other programs at the world market price of about $1.40 per bushel, net at shipping point, the average loss is $1.40 per bushel on all wheat acquired by the Commodity Credit Corporation.

Although, because of the lower support levels, the cost of wheat acquired in 1958 and 1959 will be a little lower than in earlier years, one can expect a net loss of at least $1.25 a bushel on every bushel acquired by the Commodity Credit Corporation. Net losses will be even greater on any wheat which must be disposed of as livestock feed.

S. 1140 provides loans at only 65 percent of parity on that quantity of wheat which will be used for domestic food and for export, minus 75 million bushels which must come from CCC stocks. This assures that there will be no further buildup in Government stocks; rather, that there will be an orderly reduction in existing stocks.

It is this feature of the national wheat stabilization program which will result in annual savings of $400 million or more a year.

Mr. President, I ask unanimous consent that a brief analysis of how the program works be printed in the RECORD as a part of these remarks.

There being no objection, the analysis was ordered to be printed in the RECORD as follows:

HOW THE PROGRAM WORKS

This is a marketing control, not a production control program.

The main features are:

1. Limits wheat marketed in commercial channels by establishing a national marketing quota.

2. Elimination of acreage controls.

3. Establishing marketing quota at less than domestic food and export requirements by 75 million bushels which would be removed annually from CCC stocks.

4. Providing a support price to all producers only on the amount of the marketing quota at 65 percent of parity.

5. Provides for the use of income stabilization certificates valued at 35 percent of parity for the domestic food portion of the crop to be issued to cooperating producers.

6. Requires placing of 20 percent of wheat base acreage in conservation reserve of soil bank to be eligible for income stabilization certificates.

7. Allows producers freedom of choice to plant and harvest best adapted crops without Government restrictions.

Mr. CARLSON. Mr. President, I have briefly analyzed what the proposed wheat stabilization program is; who developed it; what it will do for the wheat producer; what it will do for the American public; and what it will do for the feed grain producer.

I ask unanimous consent that this analysis be made a part of these remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

WHEAT STABILIZATION PROGRAM

WHAT IT IS

A program developed to stabilize wheat marketing, thereby stabilizing the income of wheat producers and reducing Government stocks of wheat.

WHO DEVELOPED IT?

The National Association of Wheat Growers, recognizing the precarious position of the wheat industry, the drain on the Federal Treasury, and the continuing accumulation of wheat and feed grains in Government stocks under the present program is presenting this plan for consideration of Congress.

WHAT IT WILL DO FOR THE WHEAT PRODUCER

1. Stabilize producers income at reasonable levels.

2. Allow freedom to plant and harvest crops best adapted without Government interferences.

3. Permit producers to carry reserve for short crop years.

4. Prevent wheat prices from reaching disastrously low levels.

5. Enables wheat producer to market best quality wheat in domestic food and export market, and lower grades in feed market.

6. Restores to wheat producer control of his farming business.

WHAT WILL IT DO FOR THE AMERICAN PUBLIC?

1. Materially reduce cost of wheat program to the taxpayer.

2. Stop buildup of Government holdings and start orderly reduction.

3. Insure adequate supply of high quality wheat for domestic food and export at reasonable prices.

4. Contribute to orderly marketing of highest quality wheat through regular commercial channels.

5. Insure continued ability of wheat producers to buy the products of industry and labor.

6. Stabilize incomes of small businesses in rural communities.

WHAT IT WILL DO FOR THE FEED GRAIN PRODUCER

1. Prevent shifting of diverted wheat acreage to feed grains.

2. Materially reduce feed grain production.

Mr. CARLSON. Mr. President, there are many factors that enter into the savings which would result from the enactment of this wheat-stabilization program, but I submit for the RECORD figures that have been prepared by the National Association of Wheat Growers, who are sponsoring this legislation.

I think it will be generally agreed that this program will save the U.S. Treasury substantial sums of money, which should be of great importance to the taxpayers of this Nation.

I ask unanimous consent that a table showing the savings in cost, prepared by the National Association of Wheat Growers, be made a part of these remarks.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

SAVINGS IN COST

It is estimated that under the present program 200 million bushels will be added to CCC stocks annually. The wheat-stabilization program provides for the reduction of CCC stocks by 75 million bushels annually, reduction in export subsidies of an estimated 20 cents per bushel, and savings in storage costs on the defense stockpile of approximately 16 cents per bushel. These features will result in a reduction in Government costs of $178 million and a net decrease in CCC stocks of $610 million annually.

	Present program	NAWG program
1. Price support operations:		
Amount taken over by CCC (annual increase) (bushels)	200,000,000	(1)
Estimated acquisition cost per bushel	$2	----------
Total annual investment	$400,000,000	----------
Interest on investment, at 2.5 percent	$10,000,000	----------
Storage charges, at 17 cents	$34,000,000	----------
2. Reduction of CCC stocks:		
Annual reduction (bushels)	----------	75,000,000
Present inventory value (acquisition costs and storage charge)	(2)	$2.80
Reduction in present investment	----------	$210,000,000
Saving in interest annually	----------	$5,250,000
Saving in storage cost annually	----------	$12,750,000
3. Export subsidy:		
Estimated domestic price (terminal)	$1.90	$1.70
Estimated world price (terminal)	$1.40	$1.40
Export subsidy (millions of bushels)	430	430
Estimated total subsidy	$215,000,000	$129,000,000
Total, items 1, 2, and 3:		
Total difference in CCC inventory	----------	$610,000,000
Total cash savings	----------	$148,000,000
Total net difference in CCC inventory and cash savings	----------	$758,000,000
4. Reduced storage costs on defense stockpile (recommended 5-year contracts in competitive bid bases):		
Storage rate per bushel (cents)	17	11
Annual cost on 500,000,000 bushels	$85,000,000	$55,000,000
Total, items 1, 2, 3, and 4:		
Total net difference in CCC inventory and cash savings	----------	$758,000,000
Cash savings	----------	$30,000,000
Total cash savings plus net CCC inventory reduction	----------	$788,000,000

[1] Net reduction 75,000,000 per year.
[2] CCC stocks increased 200,000,000 bushels annually.

Mr. CARLSON. Mr. President, I ask unanimous consent to have printed as a part of these remarks a table on production of wheat and feed grains.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Production per acre of wheat and of feed grains in pounds, selected States, 1957 and 1958

	1957		1958	
	Wheat	Feed grains	Wheat	Feed grains
Pacific Coast States:				
California	1,320	2,172	1,320	2,064
Oregon	2,160	1,614	2,064	1,562
Washington	2,224	2,007	2,184	1,619
Average, Pacific Coast States	1,901	1,931	1,856	1,748
Mountain States:				
Colorado	1,470	1,638	1,524	1,883
Idaho	2,280	1,816	2,064	1,825
Montana	1,164	1,240	1,386	1,413
Average, Mountain States	1,638	1,565	1,658	1,707

Production per acre of wheat and of feed grains in pounds, selected States, 1957 and 1958—Continued

	1957		1958	
	Wheat	Feed grains	Wheat	Feed grains
Plains States:				
Kansas	1,140	1,216	1,650	1,846
Nebraska	1,620	2,197	1,980	2,527
North Dakota	1,120	1,137	1,386	1,260
Oklahoma	750	852	1,560	1,316
South Dakota	1,212	1,499	1,434	1,404
Texas	870	1,552	1,320	1,705
Average, Plains States	1,119	1,409	1,556	1,676
Midwest States:				
Illinois	1,260	3,000	1,890	3,373
Indiana	1,530	2,860	1,920	3,182
Iowa	1,662	2,113	2,070	2,979
Michigan	1,740	2,212	2,280	2,523
Minnesota	1,356	2,327	1,884	2,450
Missouri	1,380	2,092	1,680	2,685
Ohio	1,320	2,546	1,860	2,921
Average, Midwest States	1,464	2,450	1,941	2,873
Average, above States	1,451	1,899	1,761	2,134

Mr. CARLSON. Mr. President, I ask unanimous consent that the text of the bill, which was introduced this morning, be made a part of these remarks.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

A BILL TO AMEND THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Wheat Stabilization Act of 1959.

SEC. 2. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by designating subtitles D and E as subtitles E and F, respectively, and (2) by inserting after subtitle C a new subtitle D, as follows:

"SUBTITLE D—MARKETING QUOTA AND INCOME STABILIZATION PLAN FOR WHEAT

"Legislative findings

"SEC. 379a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is preponderantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce and thereby assist farmers in obtaining parity of income by marketing wheat for domestc consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided by this subtitle.

"National marketing quota

"SEC. 379b. Not later than May 15 of each calendar year, the Secretary shall proclaim a national marketing quota which shall be in effect with respect to the marketing of wheat during the marketing year beginning on July 1 of the next succeeding calendar year. The national marketing quota for any marketing year shall be a number of bushels equal to the sum of the number of bushels which he determines will be consumed as human food in the continental United States, or outside the continental United States by members of the Armed Forces, during such marketing year and the number of bushels which he determines will be exported during such marketing year, less seventy-five million bushels.

"Apportionment of national marketing quota

"SEC. 379c. (a) The national marketing quota for wheat, less a reserve of not to exceed 1 per centum thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States in such manner that the quota of any State will bear the same ratio to the national quota as a figure determined by multiplying the base acreage of such State by its average yield bears to the corresponding figure for all of the States. For the purpose of this subsection, the base acreage of a State shall be the average number of acres planted to wheat in such State for the 1952 and 1953 crops, and the average yield of a State shall be the average, weighted by the county base acres, of the average yields of the counties in the State as determined in accordance with subsection (b) of this section. The reserve set aside herein for apportionment by the Secretary shall be used to make increases in quotas apportioned to counties under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat after 1953.

"(b) The State marketing quota for wheat, less a reserve of not to exceed 2 per centum thereof for apportionment as provided in subsection (c) of this section, shall be apportioned by the Secretary among the counties in the State in such manner that the quota of any county will bear the same ratio to the State quota as a figure determined by multiplying the base acreage of such county by its average yield bears to the corresponding figure for all of the counties in such State. For the purpose of this subsection, the base acreage of a county shall be the average number of acres planted to wheat in such county for the 1952 and 1953 crops, and the average yield of a county shall be the highest annual average number of bushels of wheat per acre harvested in such county during five consecutive years within the twenty-five-year period immediately preceding the year in which the first such apportionment is made.

"(c) The county quota shall be apportioned by the Secretary, through the county committees, among the farms within the county on which wheat has been planted during any one of the three marketing years immediately preceding the marketing year in which the apportionment is made and on which wheat was planted for the 1952 or 1953 crop, in such manner that the quota of any farm shall bear the same ratio to the county quota as a figure determined by multiplying the base acreage of such farm by its average yield bears to a corresponding figure for all of the farms in such county entitled to receive a farm marketing quota for wheat. For the purpose of this subsection the base acreage of a farm shall be the average number of acres planted to wheat on such farm for the 1952 and 1953 crops, with adjustments for abnormal weather conditions during such years, tillable acres, crop rotation practices, type of soil and topography. The average yield of a farm shall be the average annual yield in bushels per harvested acre of such farm for the five years immediately preceding the year in which such apportionment is made on the basis of actual or estimated yields for such years with appropriate adjustments as prescribed by regulations issued by the Secretary, for abnormal weather or other conditions affecting yields in any of the years. Not more than 2 per centum of the State quota shall be used for apportionment to farms on which wheat has been planted during any of the three marketing years immediately preceding the marketing year in which the apportionment is made but upon which wheat was not planted for the 1952 or 1953 crops. The Secretary may by regulations provide for the distribution of the farm marketing quota among individual producers on the farm on the basis of their respective shares in the wheat crop, or the proceeds thereof.

"Marketing of wheat

"SEC. 379d. (a) For the purposes of this subtitle, wheat marketed by a producer with respect to a farm after the beginning of the first marketing year for which a marketing quota and stabilization program is in effect under this subtitle shall be considered to be marketing quota wheat if—

"(1) the amount of such wheat when added to any other wheat marketed by the producer with respect to such farm as marketing quota wheat subsequent to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, does not exceed the total amount of wheat allotted to such farm as farm marketing quota (or portion thereof distributed to such producer) under this subtitle for such year and any subsequent marketing year or years up to and including the marketing year which begins in the calendar year in which the wheat is marketed, provided, such quota or quotas have been determined as herein provided, and a marketing card or cards or similar instruments for such quota or quotas have been issued to the producer; or

"(2) such wheat was harvested prior to the calendar year in which the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle begins, and could have been sold prior to the beginning of such marketing year without payment of a marketing penalty under Act of May 26, 1941 (U.S.C. 1340); and

"(3) such wheat is identified by such producer and by any subsequent seller or other transferor as marketing quota wheat in such manner as shall be prescribed by regulations of the Secretary.

"(b) For the purposes of this subsection, wheat marketed prior to the beginning of a marketing year shall be considered to have been marketed subsequent to the beginning of such marketing year if it is harvested during the calendar year in which such marketing year begins.

"(c)(1) Except as provided in this subsection and in section 379g, nothing contained in this subtitle shall be construed to prohibit or restrict the transfer or use of wheat other than marketing quota wheat.

"(2) Any person who, in connection with the sale or other transfer of wheat, represents such wheat to be marketing quota wheat and such wheat does not meet all the applicable requirements of subsection 379d. (a) hereof, shall forfeit to the United States a sum equal to three times the number of bushels of wheat involved in such misrepresentation, multiplied by the price support per bushel in effect under section 379m hereof for the marketing year in which the misrepresentation occurs. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

"(d) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, no person who first processes wheat into food products composed wholly or partly of wheat for do-

mestic food consumption or export, shall process any such wheat, and no person shall export unprocessed wheat, unless such person has in his possession evidence satisfactory to the Secretary that such wheat is either (1) marketing quota wheat, (2) imported wheat, (3) wheat sold by the Commodity Credit Corporation, or (4) wheat which was marketed by the producer thereof prior to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, and is not considered to have been marketed in such marketing year under the provisions of subsection (b) hereof.

"Domestic food quota

"SEC. 379e. Not later than May 15 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the Secretary determines will be consumed as human food in the continental United States, and outside the continental United States by members of the Armed Forces, during such marketing year.

"Stabilization certificates

"SEC. 379f. (a) The Secretary shall prepare for each marketing year stabilization certificates which shall be issued for each farm to which a farm marketing quota has been assigned under section 379c(c) for such year, and on which an amount of acreage equal to not less than 20 per centum or more than 50 per centum of the wheat base acreage of the farm under section 379(c) has been placed in the conservation reserve under the Soil Bank Act for such year: *Provided,* That no farm shall be ineligible for receipt of stabilization certificates by reason of the placing of more than 50 per centum of the wheat base of such farm in the conservation reserve if the placing of such acreage was provided for under a contract entered into prior to the beginning of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle. The certificates issued for any farm shall be in an amount which bears the same ratio to such farm marketing quota as the domestic food quota proclaimed under section 379e bears to the national marketing quota proclaimed under section 379b for such year. Stabilization certificates shall not be issued with respect to any farm in an amount in excess of the number obtained by multiplying the acreage planted to wheat by the average yield of such farm determined in accordance with section 379c(c). The stabilization certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of stabilization certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. The Secretary shall also issue and sell stabilization certificates to processors and importers in such quantities as are required by them in order to meet the requirements of subsections (a) and (b) of section 379g. Stabilization certificates shall be transferable only in accordance with regulations issued by the Secretary.

"(b) When the domestic food quota is proclaimed for any marketing year pursuant to section 379e hereof, the Secretary shall determine and proclaim the estimated parity price for wheat as of the beginning of the marketing year for which the domestic food quota is proclaimed. The value of any stabilization certificate issued for such marketing year shall be equal to 35 per centum of such estimated parity price of wheat per bushel, multiplied by the number of bushels of wheat with respect to which it is issued. The value of any stabilization certificate so determined shall remain constant and shall remain in effect until redeemed.

"(c) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell stabilization certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

"Acquisition of stabilization certificates by processors

"SEC. 379g. (a) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle and except as provided in subsection (d) hereof, no person shall process wheat into food products composed wholly or partly of wheat for domestic food consumption or export in excess of the quantity for which stabilization certificates issued pursuant to section 379f hereof have been acquired by such person.

"(b) Beginning with the first day of the first marketing year for which a marketing quota and stabilization certificate program is in effect under this subtitle, and except as provided in subsection (d) hereof, no person shall import or bring into the continental United States any food products containing wheat in excess of the quantity for which stabilization certificates issued pursuant to section 379f of this Act have been acquired by such person.

"(c) Upon the exportation from the continental United States of any food product containing wheat, with respect to which stabilization certificates as required herein have been acquired, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported in the food product. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter: *Provided, however,* That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

"(d) Upon the giving of a bond satisfactory to the Secretary under such rules and regulations as he shall prescribe to secure the purchase of and payment for such stabilization certificates as may be required, any person required to have a stabilization certificate in order to process wheat or import a food product composed wholly or partly of wheat may process or import any such commodity without having first acquired a stabilization certificate.

"(e) As used in this section and section 379d(d), (1) the term 'food' means human food but shall not be deemed to include liquor or beverages, and (2) the term 'export' shall not be deemed to include the shipment of food products for consumption by the Armed Forces of the United States outside the continental United States.

"Conversion factors

"SEC. 379h. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall be determined upon the basis of the weight of wheat used in the processing of such product.

"Civil penalties

"SEC. 379i. Any person who violates or attempts to violate, or participates or aids in the violation of any of the provisions of subsection (a) or (b) of section 379g, or of subsection (d) of subsection 379d hereof, shall forfeit to the United States a sum equal to three times the number of bushels of wheat involved in such violation, including the wheat in any product composed wholly or partly of wheat, multiplied by the price support per bushel in effect under section 379m hereof, for the marketing year in which such violation occurs. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States."

"Adjustments in national marketing and domestic food quotas

"SEC. 379j. If the Secretary has reason to believe that because of a national emergency or because of a material increase in demand for wheat, the national marketing quota or the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quotas shall be increased or shall be suspended, as the case may be. In case any national marketing quota is increased under this section, each farm marketing quota for wheat shall be increased in the same ratio. In case any domestic food quota for wheat is increased under this section, the amount of the stabilization certificates for each farm shall be increased in the same ratio.

"Reports and records

"SEC. 379k. (a) The provisions of section 373(a) of this Act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than $2,000 for each such violation.

"(b) The provisions of section 373(b) of this Act shall apply to all wheat farmers who are subject to the provisions of this subtitle.

"Referendum

"SEC. 379l. In the first referendum, held pursuant to section 336 hereof, following the enactment of this subtitle for the purpose of determining whether farmers eligible to vote in such referendum and voting on the question favor a marketing quota and stabilization certificate program under this subtitle in lieu of marketing quotas under subtitle B hereof, the Secretary shall submit on separate ballots the question of whether such farmers favor a marketing quota and stabilization certificate program under this subtitle in lieu of marketing quotas under subtitle B. If the Secretary determines that a majority of eligible farmers voting on such question favor such marketing quota and stabilization certificate program under this subtitle D, the Secretary shall, prior to the effective date of the national marketing quota proclaimed under subtitle B, hereof, suspend the operation of such quota and place into effect a marketing quota and stabilization certificate program for the crop with respect to which the referendum is held and subsequent wheat crops under the provisions of this subtitle, in which event the provisions of subtitle B relating to marketing quotas and acreage allotments for wheat shall no longer be in effect. If a majority of such farmers

do not favor such program the provisions of this subtitle shall be of no further force or effect. The determinations of the Secretary pursuant to this section shall be final and not subject to judicial review.

"Price support

"SEC. 379m. Notwithstanding any other provision of law—

"(a) Whenever a wheat marketing quota and stabilization certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section.

"(b) The Commodity Credit Corporation is directed to make available through loans, purchases, or other operations, price support to producers of wheat at a level not less than 65 per centum of the parity price for wheat as determined by the Secretary of Agriculture as of May 1 prior to the beginning of the marketing year on the amounts of the farm marketing quotas of such producers for such year.

"Security reserve for wheat

"SEC. 379n. (a) The Secretary is authorized and directed to establish a security reserve for wheat, and to transfer to such reserve 500,000,000 bushels of wheat owned by the Commodity Credit Corporation. Wheat placed in such reserve shall remain the property of the Commodity Credit Corporation, and, except for rotation to prevent spoilage, shall not be removed from such reserve except in case of war or other national emergency proclaimed by the President.

"(b) The Commodity Credit Corporation shall enter into contracts for the storage of wheat placed in the reserve established by this Act for such periods of time and on such terms as will result in the most economical cost. Such contracts shall be awarded on a basis which will provide adequate dispersal for security purposes among the producing States, having regard for the proportionate production of such State. Such contracts shall provide for the rotation of stocks to prevent spoilage and for such purpose shall contain a schedule of premiums and discounts for differences in quality.

"SEC. 379o. The provisions of sections 361 to 368, each inclusive, shall apply to farm marketing quotas established under this subtitle D."

CYPRUS TREATY

Mr. ALLOTT. Mr. President, I have just learned that our Greek, Turkish, and British friends have signed a treaty with respect to Cyprus. I am not yet familiar with all the details, but apparently everyone is quite optimistic that a solution satisfactory to all interests has been developed.

Congratulations are in order to the people of these countries, with whom we are allied, and particularly to their hard-working and diligent leaders who have so painstakingly and honestly tried to bring order out of a most trying and chaotic situation.

It is refreshing to see what can be accomplished through peaceful negotiations when a real effort is made to resolve legitimate differences. It keeps alive the hope that someday other human beings in Russia will agree to try honestly and in good faith to solve some of the hazardous situations which continue to threaten the peace of the world.

Mr. President, I now desire to turn to another subject.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

LEADVILLE, COLO.: AN ALL AMERICA CITY

Mr. ALLOTT. Mr. President, as noted recently, the National Municipal League now has named its 10th group of All America Cities. The jurors selecting these blue ribbon communities look not so much for model towns, but for progress and improvement based on alert, continuing citizen participation.

It is particularly fitting that one of these new All America Cities is Leadville, Colo. Only a few years ago, this was a dying mining camp. Many of the residents were feeling sorry for themselves. They were about to become a part of one of the Nation's largest ghost towns. Then they began to wake up. They realized their destiny was in their own hands. The revitalization is in the spirit of the men and women who made the first Leadville. The present generation will, I feel sure, build an even greater city.

I ask that portions of the story of the honor as it was published in the Herald Democrat of Leadville be reprinted as an inspiration for all community planners.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HONOR COMES TO LEADVILLE NEAR HER 80TH ANNIVERSARY

Leadville, which will celebrate her 80th anniversary January 28 has been selected as an All America City for 1958. The annual awards, which honor 11 cities, are sponsored jointly by the National Municipal League and Look magazine.

The awards are given for civic improvements, usually in Government, health, and recreation, industry or living areas. Leadville competed for the title against 100 other cities in the United States originally entered in the contest. The original number was narrowed to 22 finalists. These 22 were given the opportunity to present their claim to the honor at the National Conference on Government held at Colorado Springs in September.

* * * * *

The oral presentation of Leadville's argument to the jury in Colorado Springs was made by Richard Ferguson, who was then president of the Leadville Chamber of Commerce and Lake County Recreation director.

Ferguson's story of the progress of Leadville through citizen action as he told it to the jury in his own words, was as follows:

"Every child brought into the world deserves the chance to become a happy, self-respecting, self-reliant adult. The environment of the community will play an important part in the lives of all our children and help them gain adjustment in their lives. Historical Leadville was a prosperous mining camp during the exciting mining discovery era where many fortunes were made by some of the wealthiest families in our country but these fortunes contributed very little to the welfare of the city, leaving us with a glorious history and a theory that mining camps were boom towns and were not here to stay. This trend was always prevalent in Leadville and the theory was very difficult to overcome and the city stayed in a dormant stage for many years.

"Dating back to the glorious eighties until 1950 Leadville was an outdated city: Lacking modern schools; without sewer lines and a sanitation plant; the hospital was soon to be condemned; recreation was unheard of; the old buildings prevailed and new homes were not for this mining camp; civic, business houses, and municipal buildings were antiquated.

"The citizens became concerned about their city lacking adequate facilities and started to realize that their community should have the proper facilities to raise their families in an environment for the health, safety, and welfare of their loved ones. Finally in 1950 the bubble burst and things started to happen.

"The first citizen action began in 1950 when School Board President Edward Kelly, County Commissioner Harold Trevethan, and County Treasurer Emmett Irwin aroused the peoples' interest in a new, modern sanitation plant and an installation of the city's first sewer lines in Leadville. The group was unsuccessful in 1950, but with their persistence and the help of many interested citizens the bond issue was passed in 1951.

"The new sanitation plant and sewer lines were installed and Leadville now has one of the finest sanitation plants in Colorado which serves the entire city. This was the beginning of a new era for Leadville.

"The Leadville schools were old and inadequate for modern and up-to-date school plants, but to suppress the theory that the schools were good enough for grandfather and that Leadville was just a mining camp and wasn't here to stay was a difficult task to overcome. The school board and superintendent of schools, with the energetic help and support of all local unions, campaigned through the press and radio and appealed to the people to vote for new schools; personal contacts were made to gain further support and a citizens' committee with representatives from all clubs and organizations campaigned through the press and radio in conjunction with the local PTA. Another victory was won and the bond issue was passed in 1952 for $750,000 for new schools and again the citizen action brought results. The schools were built and are now occupied and serving the community well.

"Recreation in a mining camp? This was unheard of in Leadville. Action again began to speak louder than words and through the efforts of the Lake County Recreation Board, county commissioners, city officials and a citizen committee from most clubs and organizations, the wheels of progress were once again rolling. This group demanded an adequate recreation program and facilities and, in 1953, Leadville was the first small city in the State of Colorado to hire a full-time director of recreation and establish a year-round program. The recreation program has received State and national recognition. The city and county commissioners appropriated funds to carry out the program and these funds were used mainly for salaries, program, and some facilities. But to build the necessary facilities was another major project. The campaign by the citizens was again underway and donations started to come in; fund-raising drives started; labor and materials were donated; and in a few short years the community of Leadville had facilities valued at over $200,000 and they are all paid for without a bond issue. The unions, Elks, Moose, and Eagles were very instrumental in the success of these projects. The Lions Club, city and county, American Smelting & Refining Co., Resurrection Mining Co., and the American Metals Climax Co., donated labor, material, and equipment in any way that was physically possible. The community now proudly boasts of an indoor swimming pool and a patio with a children's wading pool, an ice skating rink which is larger than a football field under lights, tennis courts and basketball court, a lighted softball field with building and bleachers, a Little League stadium, kids' fishing pond, a park with picnic tables and fireplaces, and a playground with the most modern playground equipment. Plans are now on the drawing board for a new fieldhouse.

"The old St. Vincent's Hospital was condemned and the Sisters of Charity were

ready to depart from this historical mining camp after serving the community faithfully for over 70 years. The citizens became aroused at this plight and soon a citizens committee was organized to do something about this critical situation which was facing the community and which jeopardized the welfare of its people. The citizen committee soon became the new St. Vincent's Hospital Advisory Board. Citizen action was underway in this community of 5,000 to insure the stay of the devoted Sisters of Charity and all denominations were called upon to participate. Come-see tours were conducted and the general public was alarmed at the dire situation of the old St. Vincent's Hospital. The campaign was organized and all citizens were called upon to help with the fund drive for a new hospital. One of the most important phases of the drive was the house-to-house canvass of the workers securing pledges from every individual in the city and surrounding areas. Other groups contacted business, industry, and former residents from many places in the United States, as well as local clubs and organizations to aid with the fund drive. Although the Government participated 43 percent, the small community of Leadville dedicated a $1 million St. Vincent's Hospital in June 1958. The citizens had faith in each other regardless of their denomination and this new hospital is a monument to these people. The lay advisory board, which is very active in the success of the hospital, consists of members from all walks of life in the community. The members of this board are: Thomas Fahey, former superintendent of the American Smelting Co.; Robert Henderson, resident manager of the American Metals Climax Co.; Frank Coolbaugh, vice president of western operations of the American Metals Climax Co.; George Mitchell, union representative; Mrs. Wm. Rose, housewife; Wm. Wilson, controller, American Metals Climax Co.; Robert Nelson, local theater manager; Adolph Kuss, Sr., county commissioner; Emmett Irwin, county treasurer; Taylor Brown, former mayor; Steve Ferkovich, local Safeway Store manager.

PRIVATE ENTERPRISE KEPT UP WITH PUBLIC EFFORTS

"The progress of Leadville continued, and, in addition to development through citizen action, many individuals and organizations and business places started moving along with the new progress of the new community spirit and inspiration. Churches of all faiths were built or renovated; the Elks lodge built a beautiful new home for their members through a fund raising drive; the doctors built a new modern clinic near the new hosiptal; a vision center was built; new commercial buildings were built and renovated; the gracious Lake County courthouse was erected on the main street of Leadville and is one of the most beautiful buildings in the State of Colorado; the chamber of commerce built one of the most unique buildings and developed grounds with a mining atmosphere with beautiful landscaping; the new convent graces the city of Leadville to house the Sisters. All this major development was accomplished between 1956 and 1957.

"The progress did not stop in the new city development program. The Commercial Bank of Leadville, believing in the new faith instilled in the people of Leadville desiring a modern community, boldly started the unheard of venture and began Leadville's first housing project. The new project was accepted by the people and the project is still building today. This was followed by the American Builders who built 115 new homes in 1957. Many other citizens soon started building their own homes and others renovated their old homes completely.

LEADVILLE IS PROUD OF PAVED STREETS

"The new construction was well underway and the city was taking on a new look but the city still lacked paved streets. After an entre existence of dirt and dusty streets, an organized campaign was under way to do something about the condition of the streets. A citizens' committee was asked to work with the city council to promote this project. The group went from door to door with petitions for the people to sign and then petition the city to take action on the street project.

"The volunteer workers succeeded again and the city council hired a paving contractor and the streets of Leadville were paved in 1957 for the first time in the history of the city. Ironically, everyone paid cash for his share of the paving.

"Leadville is proud of the new look, and progress has not stopped; the new Union Building is now under construction, and when the building is completed in December it will have meeting rooms, large assembly room, offices, lounge, and bowling alleys; the St. Mary's School is being renovated and will be completed this fall; a major shopping center is now under construction, and many other new buildings are under construction or in the planning stages.

"Although the fortunes that were taken out of the ground in Leadville were transplanted to other places, we are very fortunate to have such fine progressive citizens planted on the surface who have given of their time, money, and faith to make our city what it is today.

"This is the story of a mining camp that was dormant for over 80 years without any progress. The citizens decided that their children and families would have a modern city with adequate facilities that are necessary for the health and welfare of their families. We now call Leadville a community, and not a mining camp that isn't here to stay.

"The community is especially indebted to our newspaper, the Herald-Democrat, and our radio station, KLVC, who wholeheartedly supported and backed the citizen action of Leadville. The city of Leadville has done so much with so little in such a short time."

TRIBUTE TO SECRETARY OF THE INTERIOR FRED A. SEATON

Mr. ALLOTT. Mr. President, the vibrant leadership and straightforward actions of our former colleague, Secretary of the Interior Fred A. Seaton, have earned him the respect of Members on both sides of the aisle. He has provided positive programs in the field of reclamation and realistic planning for the future of our mining industry. These are areas of endeavor of particular interest to the people in my own State of Colorado. He has lent new dignity to his high office—a dignity based upon humor and a real understanding of the people for whom his Department serves.

I ask unanimous consent that an article published in the February 6, 1959, edition of the Pueblo Star Journal and Chieftain be reprinted at this point in my remarks. The article not only reflects what I have said about this distinguished American, but also reflects the thinking of the people directly affected by the administration of his programs.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RECLAMATION, INDIAN STANDS POPULARIZE SEATON IN WEST

WASHINGTON.—Secretary of Interior Fred A. Seaton has put a new look on the administration and the Republican Party in the upper basin States and the Four Corners area.

And he has done so only 3 months after Republicans suffered disastrous reversals all over the area except in Arizona. He also has accomplished this feat in the face of the administration's resolve to keep tight reins on Uncle Sam's purse strings during the next fiscal year.

In his now-famous speech to a group of western Republicans meeting in Hawaii on November 12, 1958, the Secretary told them to accentuate the positive, to shift from reverse to forward drive.

He is practicing what he is preaching to other Republicans. And the upper basin and Four Corners States like the GOP new look fashioned by Seaton. The area is trying on for size a 1960 budget which fits it, happily discarding the deplorable 1959 sack of a budget.

RECLAMATION FUNDS

Interior's 1960 budget for the upper Colorado area is in shining contrast to last year's, largely thanks to Seaton. Consider the following:

The 1960 budget contains $77,035,000 for the upper Colorado project, to be allocated as follows: Glen Canyon Dam, $47,367,000; Flaming Gorge Dam, $13 million; Navajo Dam, $9,945,000; Paonia irrigation project in Colorado, $3,185,000, Vernal irrigation project in Utah, $2 million, and $818,000 for advance planning funds, much of which is earmarked for slow-starting Colorado projects, including Colorado's Curecanti Dam. The Fryingpan-Arkansas project was the only water project in the country singled out for requested authorization.

The 1959 Interior budget contained only $38,425,000 for upper Colorado, with virtually all of the money, $30,746,000, earmarked for Glen Canyon's construction. No construction money was provided for the other two large storage dams in New Mexico and in Utah-Wyoming, nor for the irrigation projects. The congressional indignation and outcry which resulted was immediate and basinwide. Congressional pressure was intense, and the administration lost every round. Congress ultimately provided $68,033,335 for upper Colorado for 1959 fiscal year. It completely reversed the administration's no-new-start policy on Flaming Gorge and Navaho Dams, and on the Paonia and Vernal projects.

The 1959 budget for upper Colorado was a key factor in the huge GOP reverses in the upper basin States in the 1959 election. The GOP lost Senate seats in Utah and Wyoming, governorships in New Mexico and Wyoming, House seats in Colorado and Utah. Impressive Democratic gains were made also at the State level at the expense of the battered GOP in Colorado, New Mexico, and Wyoming.

MORE INDIAN FUNDS

There was the same contrast in the Navaho-Hopi budgets for the Four Corners area. Interior's 1960 budget provides $38,031,963 for the Navaho-Hopi program, including $5 million for the new Navaho-Hopi $20 million road program. The 1959 Navaho budget was $22,628,091. And when the New Mexico and Arizona delegations teamed up to put the Anderson-Udall Navaho roads bill through Congress last year, two powerful administration agencies objected, including the Budget Bureau and Commerce Department.

At this point Seaton moved to persuade Commerce and Budget to withdraw their opposition. He played a key role in getting President Eisenhower to sign the Anderson-Udall bill. The bill opened up a major new route to California via southern and southwestern Colorado and the Navajo Reservation.

This year Seaton made a successful last-minute appeal to the Budget Bureau to provide several million more dollars for the Navajo roads program than originally was

scheduled for the 1960 budget. Now the administration has programed $5 million in 1960 appropriations for the Navajo road program, 1 million in 1959 appropriations, and 3 million in contract authority. This, in the face of a general administration downhold on new construction.

* * * * *

Seaton has given every evidence that he plans to defend his Interior budget against possible congressional cuts. His 1960 budget for upper basin and the Four Corners States has been hailed by the area.

The Pueblo Star-Journal and Chieftain and the Flagstaff Sun praised the 1960 Interior and reclamation budget, in editorials on January 21 and January 20. And the Farmington Times and Gallup Independent editori lly stated on January 20 that Seaton "is the Eisenhower administration official to whom the Four Corners country is most indebted for the handsome treatment this sector was accorded in the new Federal budget" for 1960.

CONTROL OF HATE LITERATURE AND BOMBINGS

Mr. ALLOTT. Mr. President, as a sponsor, along with the Senators from New York [Mr. JAVITS and Mr. KEATING] and others, of the several measures introduced during this session to deter mailing hate literature, antireligious bombings, and similar reprehensible acts; and not unmindful of the difficulties which will beset our effort to develop sound, effective legislation to accomplish this purpose, I ask unanimous consent that there be printed in the RECORD some telling remarks on the problem by Robert S. Gamzey in his column "Mile High Review," which was published in the Intermountain Jewish News of February 13, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MILE-HIGH VIEW

"Denver has received a tremendous spillover of antisemitic literature," the Anti-Defamation League expert reported. He revealed that Colorado legislators are receiving hatemongering sheets as they consider measures aimed at housing discrimination and vandalism at synagogues, churches, schools, and other buildings.

The resources of the Anti-Defamation League and other human relations agencies must now be directed toward exposing and counteracting bigotry poison flowing through the U.S. mails, Steinhauser told the BB meeting. He urged Federal legislation to strengthen the hands of the FBI in bombing cases. While he advocated a law to crack down on incitement to violence and destruction, he warned against legislation which might conflict with freedom of speech and press. This is the dilemma facing American democracy in dealing with bigots.

In the overall picture, the Anti-Defamation League professional assessed the positive advances of interfaith relations as outweighing the synagogue bombings in Nashville, Miami, Jacksonville, Atlanta, and Peoria.

"We have come a long way," said Steinhauser in summing up the enjoyment of equal right by American Jewry, the gradual but steady diminution of discrimination in employment, housing, education, and passage of State FEPC legislation outlawing job bias.

While a balance sheet on antisemitism would continue to show more assets than liabilities, the recent wave of synagogue bombings, flood of hate mail, the conflicting pressures suffered by southern Jewry over integration, and rising tension over church-state issues in public education make it imperative, in my opinion, for the implementation now of the decade-old McIver recommendations for an overall board of strategy and all-inclusive coordination and cooperation of Anti-Defamation League, American Jewish Committee, National Community Relations Advisory Council, American Jewish Congress, Jewish War Veterans, Jewish Labor Committee, Synagogue Councils, and other agencies operating in this vital field.

Never was unity more urgent.

PROPOSED CIVIL RIGHTS LEGISLATION

Mr. ALLOTT. Mr. President, in connection with Senate bills 435, 456, and 810, to enforce and insure the constitutional right to equal protection of the laws, which were introduced recently and for which I am a cosponsor, I ask unanimous consent to have printed in the body of the RECORD a letter received from Mr. Lawrence E. Fraley, Jr., of Boulder, Colo.

Senators will note that Mr. Fraley was not always a resident of our fine State, and as a matter of fact was born and raised in the South, where he obtained a firsthand knowledge of the problems facing those whose civil rights have been abused. Because of the simplicity and sensitivity with which my constituent states the challenge facing the Congress on behalf of the free world, I ask that all my colleagues, be they from East, West, North, or South, read this letter.

I believe that a wide reading of Mr. Fraley's thoughts would help to loosen the shackles of false issues that have come to surround the burning question of individual rights, and would move us toward a truer knowledge and realization of the principles for which this great country stands.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOULDER, COLO., *January 16, 1952.*

DEAR SENATOR ALLOTT: I am one of that group of Americans from Colorado whom you have been chosen to represent in the Government of the United States. I have a request to make of you, sir, concerning the future of America. I ask you with all sincerity and concern to press forward a strong civil rights program in Congress.

I was raised in the deep South and attended a Southern university. The news of the terrible incidents which filters into Colorado through the news media concerning abuse to Southern Negroes is often greeted here with apathy and unconcern. When I came to make my home in Colorado a couple of years ago this apathy frightened and disturbed me very much. You see, I was painfully aware that these ugly incidents were all too true. As a white Southerner, I had for years watched the pride and dignity of a whole race of people—Americans—being pounded and beaten from them. Where can a man turn when there is no honest and fair law to protect him, no voice for him in his Government, no enforced rights to guarantee security for him?

Must still another generation of Americans live and die without the hope of advancing—without the hope that their children can become better off than they have been? You and I and our ancestors of many generations have taken these things for granted and have come to identify America with them. But what are these other millions of oppressed people to associate with America?

Please speed civil rights legislation. I want to be proud of my country.

Most sincerely,

LAWRENCE E. FRALEY, Jr.

PROPOSED LABOR LEGISLATION

Mr. ALLOTT. Mr. President, with respect to the several labor bills recently introduced and now being considered by the Senate Committee on Labor and Public Welfare, I think an editorial printed by the Pueblo Star-Journal and Chieftain, Friday, December 5, 1958, is quite illuminating.

It illustrates that there is across this country an increasing awareness of the kind of legislation which will be required to eliminate some of the undesirable occurrences discovered by the McClellan committee and its predecessors. Because it was written before labor bills were introduced in this Congress, its impact falls heavily. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Pueblo (Colo.) Star-Journal, Dec. 5, 1958]

WILL THE NEXT CONGRESS PRODUCE GOOD LABOR LEGISLATION?

If what happened in the closing weeks of the 85th Congress is any indication of what may be attempted in the 86th Congress concerning amendments to the Taft-Hartley Act, then few people have much hope that the labor scene as revealed by the Senate McClellan Rackets Committee last year will change.

The Kennedy-Ives bill passed the Senate in spite of acknowledged weaknesses and shortcomings. But it was hoped that House hearings would produce strengthening amendments. The bill laid on the desk of the Speaker of the House for 40 days before it was referred to the Committee on Education and Labor and this made it too late for hearings. A last minute effort to bring the bill to the floor failed to get a majority of the House Members so the bill died.

During the political campaign, much was made over the fact that the Kennedy-Ives bill did not receive support of some House Members. It was claimed that it was a start toward progressive and constructive labor legislation.

But a critical examination of its provisions was what made the House refuse to even consider the bill on the floor. It was a weak bill and in some instances made the situation worse than it is under present law.

Examples of its weaknesses are the following: Under the title "Reporting and Disclosure" practically the same reports as are now being made by most unions to the Secretary of Labor under the Taft-Hartley Act would be required, with the chief difference being that the Secretary would be empowered to investigate and invoke Federal criminal penalties for willful violations. However, the Department of Labor stated that enforcement would be virtually impossible, inasmuch as the majority of local unions would be exempt from financial reports. Consequently the provisions would be ineffective in preventing skulduggery in financial affairs.

Some international unions have trusteeship provisions which mean that the national officers run the local unions. This has been one of the great abuses in several unions. The proposed changes in the law made the procedure more cumbersome. One of the basic rights under common law was not permitted under the amendments. The common law would have permitted local unions or their members to sue in State courts to vacate trusteeships illegally or improperly imposed and operated.

Much has been made of the need for secret ballots in elections of union officers, as well as in other votes as for strikes. But if there is an intent to operate the union regardless of the wishes of the members, secret ballot elections of officers and other votes are meaningless unless the electoral machinery and the counting of the ballots are under the control of an impartial authority. No such safeguards were provided in the Kennedy-Ives bill.

The Codes of Ethical Practices were supposed to take care of all of the gangsterism that had been revealed by the McClellan committee. But the most naive know that crooks, gangsters, and racketeers in the labor movement, and among employers, would never be deterred by voluntary Codes of Ethical Practices. There was no firm legislation provided in the Kennedy-Ives bill to cope with this situation.

Other amendments to the National Labor Relations Act would have increased still further the uncontrolled power in the hands of union leadership, rather than curbing it or putting it under restrictions so far as members are concerned. The abuses of the type revealed by the McClellan committee would never have been solved by the provisions of the Kennedy-Ives bill.

It is important to know what the Kennedy-Ives bill failed to do. It failed to deal with the problem of violence, intimidation, and coercion practiced against union members and their families, employers, and the general public by ruthless union leadership.

It failed to deal with the problem of the secondary boycott whereby the customers and suppliers of an employer are picketed and harassed in order to put pressure on him to sign up and herd his employees into a union against their will, or to succumb to certain provisions in union contracts.

It failed to deal with the problem of union monopoly power whereby national unions could control the labor supply of various industries and be in a position to dictate terms and conditions of settlement to all employers in the industry, regardless of their competitive situation or financial condition.

It failed to deal with the problem of the use of union funds and manpower for partisan political activities, even though many of the members to whom such funds belong were not in sympathy with either the candidates or the policies advocated by union officials.

Unions became more directly involved in the operation of one political party in the 1958 campaign than ever before in the history of this Nation. If the members approve of such procedure, no one can complain, but the use of funds and union personnel for political purposes which are paid in for other reasons is not subject to check by anyone under present law.

Directly involved in the operation of the unions and the malpractices revealed by the McClellan committee is compulsory union membership. Union leaders are permitted to maintain a captive membership which, in turn, permits them to operate the unions as their own private property. Unless there are provisions in the bill to protect the members and offset the power of compulsory union membership, Federal legislation is meaningless.

Will the 86th Congress do something about these conditions?

A DECLARATION OF INDEPENDENCE FROM FEDERAL DEPENDENCE

Mr. CURTIS. Mr. President, in these dark days when deficits are pictured as a virtue, we observe some things which are encouraging in spite of those trends which I contend are in error. We see all around us individuals who believe that all the problems must be placed before the Government of the United States and that the only place from which solutions can come is the Government of the United States, but there are also people and there are also communities which believe in themselves. They believe in the ability and responsibility of individual citizens, and they still believe in the responsibility of local communities.

Exactly such a movement got underway at Fremont, Nebr., in recent days. Four citizens fathered the idea. They were Dr. William Zimmerman, Mr. Hamilton F. Mitten, Mr. Eugene Buch, and Mr. Edward Jaksha. Those men had watched the Government of the United States operate in their own community. They disapproved what was going on, and disapproved of the burdens being placed upon the taxpayers. As a result, they drew up a document called "A Declaration of Independence from Federal Dependence," which they submitted to the local chamber of commerce, where it was adopted. I wish to read this declaration.

Whereas we, the members of the Fremont Chamber of Commerce are in agreement with the principles of individual freedom, a free market, and limited government; and

Whereas we believe the present trend in political thinking and fiscal policy will ultimately destroy our free institutions and the savings of our people and our children; and further we believe this same trend in political thinking and fiscal policy mortgages the future of our children to ultimately leave them economically destitute; politically enslaved, and defenseless; and

Whereas our Nation's strength lies in local, county, and State government, by citizens using local, county, and State funds; and that under the trend of the present political philosophy our people are slowly and surely being lulled to sleep and deprived of their substance; and

Whereas we deplore those Federal agencies and representatives of Federal agencies who, in addition to their primary function, engage in activities designed to expand and perpetuate those functions beyond their original design and concept:

We therefore call upon all chambers of commerce and all like-minded groups throughout these 49 States and Territories who hold to the principles upon which this Nation was founded and under which it has prospered; and who hold with us to the principles of individual freedom, a free market, and limited government to make and to project this same declaration:

To steadfastly resist further encroachment upon these principles by action of the Federal Government;

To limit our use of Federal funds and to seek a corresponding reduction in tax levies and governmental controls;

To avoid being deluded by glib tongue, trite phrase, and uneconomic thinking with promises of personal and financial security through the bait of Federal aid; there being no Federal aid, since Federal aid is our local money less the high cost of freight for political brokerage on its long trip to Washington and back—returned with the barnacles of Federal restrictions and bureaucratic controls.

With a belief in Almighty God, we therefore declare that those steps necessary to reestablish a government of the people, by the people and for the people, be taken by all the people, not tomorrow but today.

And further we in Fremont resolve to take those steps necessary to bring again to the banks of the Platte those functions of government now mushrooming on the banks of the Potomac.

There follow the signatures of Hamilton F. Mitten, Eugene W. Buch, Paul R. Todd, Edward A. Jaksha, and many others.

The last signature on the document is the signature of the famous person whose name appears on some of our early documents—Earl J. Lee.

This week three citizens from Fremont—Mr. Howard W. Shinrock, Mr. David Mitten, and Mr. Edward Jaksha—journeyed to Washington and presented this "Declaration of Independence from Federal Dependence" to many of Washington's outstanding citizens and personalities in Government, including the distinguished Vice President of the United States.

Whenever any of our citizens, relying upon their own initiative and their desire to be self-sustaining, suggest that our Federal Government not be so large, there are always those who dislike that philosophy and dislike having it projected.

I wish to say, Mr. President, that the citizens of Fremont to whom I have referred have rendered a distinct service to themselves, to their community, and to their Nation. It is my opinion that the greatest value which can come from their efforts is that it will help to slow down and stop the trend toward a larger Federal Government.

Occasionally when serious minded citizens protest spending programs going on in Washington their efforts are ridiculed by the spenders. An attempt is made to have such economizers state what existing Federal programs they want repealed. Such questions, however, beg the issue. The real battle facing the Congress at this time is over an effort to start new programs. It pertains to efforts to inject the Federal Government into new fields which have heretofore been handled by the States and localities, or by the citizens themselves.

The time to battle for economy is when the roll is called on legislation authorizing new programs. It is upon these votes that the battle lines are drawn in the 86th Congress. They involve housing, airports, Federal aid to education, and many other issues.

Again I commend these stalwart citizens of Freemont, Nebr., on their "Declaration of Independence from Federal Dependence."

Someone may ask, "Has this community practiced what it has preached?" It has. I hold in my hand a news account which appeared in the Omaha World Herald of Sunday, February 15, 1959. Four recent instances are set forth, in which Fremont, Nebr., has turned down Federal aid which it was asked to take. I wish to mention them.

—Federal funds totaling nearly 250 thousand dollars were available for airport modernization. But that meant Federal control, the razing of houses nearby, the closing off of a street and the ax for stately trees. The town fathers did the needed remodeling at a cost of nine thousand dollars.

—Federal funds were on hand for resurfacing Broad Street, which pierces the heart of downtown Fremont. To be eligible, the Government said, curbside parking would be banned forevermore. Again city fathers and merchants dug deep and gave Uncle Sam the brush-off.

—Bell Street (Highway 275) could be resurfaced, via Federal funds, providing bordering trees were removed and curb parking banned. Again Big Brother in Washington drew a cold shoulder.

—Federal funds amounting to two thousand dollars were offered on a matching basis for Civil Defense sirens. The city investigated, found that one siren priced at eight hundred dollars would work nicely and blew the whistle on Uncle.

They saved the Federal Government $2,000.

Mr. President, the hour is late and I shall not continue further. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks two of the editorials which have appeared in reference to this program which was instituted at Fremont, Nebr. One is from the York, Nebr., Daily News of February 14, and the other from the Kearney, Nebr., Daily Hub of February 13, 1959.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the York (Nebr.) Daily News-Times, Feb. 14, 1959]

GRASSROOTS ACTION

Hooray for the Fremont Chamber of Commerce.

They have drafted a declaration of independence from Federal dependence, and what's more, they plan to deliver it to Washington.

Copies of the declaration have been printed and are now in the process of being sent to the various organizations within the city for signatures. Chances are it won't take long to get the required signers, and the more who put their John Henry on the declaration, the more effective it will be.

Besides circulation of the declaration, the Fremont chamber is also raising funds to send two delegates to Washington to present the document to the Nebraska congressional delegation.

The declaration says that its signers favor "individual freedom, a free market and limited government."

"We believe the present trend in political thinking and fiscal policy will ultimately destroy our free institutions and the savings of our people and children; and further we believe this same trend in political thinking and fiscal policy mortgages the future of our children to ultimately leave them economically destitute, politically enslaved and defenseless."

The declaration also called for resistance to further encroachment in these principles by action of the Federal Government, and limitation of the use of Federal funds to seek a corresponding reduction in tax levies and Government controls.

The document urged supporters "to avoid being deluded by glib tongue, trite phrases and uneconomic thinking and financial security through the bait of Federal aid; there being no Federal aid, since Federal aid is our local money less the high cost of freight for political brokerage on its long trip to Washington and back."

The declaration pretty well sums up the feelings of most Nebraskans, and also, we believe, a majority of the citizens of this country.

Now if all chambers of commerce throughout our Nation will follow the lead taken by Fremont, we might end up with an effective grassroots movement that will change the thinking of many spenders in Washington.

FREMONTERS DECLARING THEIR INDEPENDENCE

Shades of '76.

The Fremont Chamber of Commerce has drafted a declaration of independence from federal dependence—and apparently, the members mean it.

Not only are the Fremonters asking for signatures on the petitions, but they're raising money to send some of their number to Washington, D.C., to present the petitions to the Nebraska congressional delegation.

These petitions make some brave statements, which certainly bear repeating here: "We believe the present trend in political thinking and fiscal policy will ultimately destroy all our free institutions and the savings of our people and our children; and further we believe this same trend in political thinking and fiscal policy mortgages the future of our children and ultimately leave them economically destitute, politically enslaved and defenseless."

Federal aid, the petition also points out, is only a portion of your tax dollar being returned to you—after the cost of overhead has been squandered.

The Federal Government can do nothing for the citizen as cheaply as he can do it himself. And rightfully, the Fremonters point out the Federal Government can do nothing for you until you give your cash to Washington, or permit your congressional representatives to mortgage your future.

The Federal aid money with which the Interstate Highway is to be built, for example, is coming from the Federal gasoline tax, a field in which the States used to have exclusive tax authority.

There are hundreds of examples of taxation, both hidden and out in plain sight, where the Federal Government first imposed the tax as an emergency measure—but in this "cradle to the grave" policy of caring for one and all, the emergency just never ends.

The Fremonters are a small voice crying in the wilderness, but we can appreciate their point of view, and offer them encouragement.

America didn't become the world's leading power by coddling its people or taxing its citizens to the full extent of their ability to pay, or running the national debt to nearly $300 billion.

Destroy the citizen's desire to provide for himself and his family, and we shall meet the Russians on common ground—socialism.

Mr. CURTIS. Mr. President, there are those who contend that we can serve our country by working and dreaming and fighting for greater deficits. I merely submit the question, Had that been the program throughout the past, where would our Nation be today? It has been built by individuals who have said, "What can we do for our country?" rather than "What can our country do for us?"

ANNIVERSARY OF UKRAINIAN INDEPENDENCE

Mr. CURTIS. Mr. President, the Ukrainian-American community at Omaha, Nebr., adopted certain resolutions on January 24, 1959, during the program commemorating the declaration of independence of the Ukraine in 1918.

The Ukrainian-American Association has requested that these resolutions be brought to the attention of the U.S. Government. I am therefore both happy and proud to offer for printing in the RECORD these resolutions, which were adopted at Omaha, Nebr., on January 24.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

Whereas January 22, 1959 will mark the 40th anniversary of the act of union by which Western Ukraine was united with the Ukrainian National Republic, and the 41st anniversary of the proclamation of the free and independent Ukrainian Republic.

Whereas, although Ukraine is presently under forcible occupation by the Soviet Communist aggressors, the love of freedom lives on in the hearts of the Ukrainian people, whose heroic resistance to oppression continues both passively and actively,

Whereas their struggle for freedom and independence is typical of the struggle of all liberty-loving people everywhere, and strongly emphasizes for us, the free Americans, that the price of freedom is eternal vigilance against the continuous aggression of Communist Moscow which now mortally threatens the security of the United States and all of the free world, and

Whereas in this Nation, citizens of Ukrainian descent have been in the forefront of the battle against Red Communist colonialism and imperialism:

Now, therefore, we, Americans of Ukrainian descent in Omaha, Nebr. who today, on January 24, 1959, observe the 40th anniversary of the proclamation of the Act of Union, and the 41st anniversary of the proclamation of the independent Ukrainian National Republic, urgently request our Government, our representatives and the people of the United States of America to support the Ukrainian people in their struggle for the restoration of their own, free and democratic government.

Mr. CURTIS. Mr. President, I yield the floor.

ADJOURNMENT TO MONDAY

Mr. MORSE. Mr. President, as a further mark of respect to the memory of the late distinguished Representative from New York, DANIEL A. REED, I move that the Senate adjourn until Monday, February 23, 1959, at 12 o'clock meridian.

The motion was unanimously agreed to; and (at 6 o'clock and 37 minutes p.m.) the Senate as a further mark of respect to the memory of the late Representative REED, adjourned, the adjournment being, under the order previously entered, until Monday, February 23, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 19, 1959:

DEPARTMENT OF STATE

James W. Riddleberger, of Virginia, to be Director of the International Cooperation Administration, in the Department of State, vice James H. Smith, Jr., resigned.

DEPARTMENT OF COMMERCE

Robert J. Dodds, Jr., of Pennsylvania, to be General Counsel of the Department of Commerce.

DEPARTMENT OF THE ARMY

Courtney Johnson, of Indiana, to be Assistant Secretary of the Army, vice Frank H. Higgins, resigned.

U.S. DISTRICT JUDGE

John F. Kilkenny, of Oregon, to be U.S. district judge for the district of Oregon, vice Claude McColloch, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 19, 1959:

UNITED NATIONS

TO BE ALTERNATE REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE 13TH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS

Benjamin Gerig, of Maryland.
Mason Sears, of Massachusetts.

U.S. ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

TO BE A MEMBER OF THE UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE FOR A TERM OF 3 YEARS EXPIRING JANUARY 27, 1962, AND UNTIL HIS SUCCESSOR HAS BEEN APPOINTED AND QUALIFIED

Franklin D. Murphy, of Kansas.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 19, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Hosea 14: 9: *The ways of the Lord are right, and the just shall walk in them.*

Our Heavenly Father, grant that during these days of Brotherhood Week, we may highly resolve to covet and cultivate more earnestly Thy ways of consideration and compassion toward all the needy members of the human family.

Make us eager to extend the hand of helpfulness to the weary and heavy laden and speak the word of hope to the sorrowing and lonely which will enable them to carry on with faith and courage.

May we daily pursue the journey of life with gladness, daring to believe in a glorious future when men everywhere shall live together as brothers on the high levels of peace and good will.

We thank Thee for the life and ministry of Thy servant, our beloved colleague, who now dwells with Thee in eternal blessedness. Grant unto the members of his bereaved family the consolations of Thy grace.

Hear us, in the name of our blessed Lord and Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

GENERAL LEAVE TO EXTEND

Mr. McCORMACK. Mr. Speaker, without establishing a precedent, in view of the unfortunate situation in which the House finds itself today due to the death of our dearly beloved friend from New York, I ask unanimous consent that all Members who may desire to do so may extend their remarks in the CONGRESSIONAL RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TRANSFER OF SPECIAL ORDERS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Members having special orders for today may, if they desire, transfer them to Tuesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ADJOURNMENT OVER

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, reserving the right to object, and of course, I shall not, I wonder if the gentleman could advise us at this time what the program may be for next week.

Mr. McCORMACK. I shall be very happy to.

On Monday there will be the reading of Washington's Farewell Address.

Tuesday there will be some resolutions coming out of the Committee on House Administration. I do not expect any contest but should it develop that a rollcall were asked on any of them, the rollcall, of course, because of an election in Illinois, would go over until Wednesday, if that is agreeable to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. It is.

Mr. McCORMACK. I have no other program to announce for next week. I do not want to foreclose myself from bringing up a bill next week should a rule be reported out on one of two bills now pending before the Rules Committee, but in that event I will give the House as early notice as possible.

Mr. HALLECK. But at the moment, there would be no really important legislation coming up next week with that exception.

Mr. McCORMACK. Yes. As I say, there may be a rule reported on a bill, but outside of matters from the Committee on House Administration on Tuesday I cannot see anything. However, I do not want to tie myself absolutely to that at this time.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE LATE DANIEL A. REED

Mr. TABER. Mr. Speaker, it is my sad duty to announce to the House the death of DANIEL A. REED, who represented the 43d District of New York for the past 42 years.

Mr. REED was a fine character, one of the finest I have ever known, one of the most loyal to his friends, one of the hardest workers; a man who took care of every responsibility that was his with reference to his district and to his work here in the House. I have never known a more devoted public servant.

To his widow and to his family I extend my sincerest sympathy.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. MARTIN. Mr. Speaker, this is a particularly sad moment for me because today brings the death of a great American, whose friendship and comradeship I have enjoyed in the 35 years I have been a Member of the House of Representatives.

In the death of DAN REED the country, the Congress, indeed all of us, have suffered a severe loss. Mr. REED was an expert on taxes and tariffs, and he gave a lifelong dedicated service to his country in those matters as well as his many other legislative activities. I recall in his early days he was a valiant champion of many educational causes.

In recent years all of the legislation that has passed through the Committee on Ways and Means, of which Mr. REED was once the honored chairman, have borne the imprint of his great knowledge. Other chairmen have always sought and obtained information from the well of his long experience. He was a man of unusually high character and he possessed, above all, the courage of his convictions. His word was as good as his bond. Some of the positions he advocated did not at the moment enjoy passing popularity, but that did not influence our dear friend, DAN REED. He was true to his beliefs. He was like the mighty oak that never yielded to the storm but stood fast always.

To me his death is a particularly great personal loss, not only because of the 35 years of close friendship, but because of the kindly assistance and the words of encouragement he gave me through the years when the going was rough especially when I was starting upon my legislative life. On many occasions he nominated me for the position of leader of my party. On one occasion it was from him that I received the oath as Speaker of this great legislative body. These all firmly fastened the bonds of our friendship.

DAN REED liked to listen to the troubles of all freshmen and give all a helping hand. He wanted to make their service here a little easier and a little better for America.

Only last Friday I visited him at the hospital. He was his usual cheery self. Faced with the necessity probably of undergoing a very serious operation, he did not quiver. He was determined to go on with it, and expressed the hope that shortly he might be able to resume the congressional work which was so important and dear to him.

DAN REED was what I might well term one of God's noblemen. Not a particle of malice did he bear to anyone. He loved people. He loved his country. He entered his task here in the halls of the Congress with but a single purpose: the preservation of the ideals and fundamental principles of American life.

As a coach at Cornell he was an inspiration to his college as he was to us here.

So, my friends, I join with you in the mourning of this man who left the imprint of his rugged patriotism on this generation; this man who was not only a great legislator and a great American, but one who always believed in standing firm for that which was best for his country. To his dear wife and family I wish to extend my deepest sympathy in their hour of bereavement. In her hour of sorrow Mrs. Reed can well find consolation in the fact that she is not alone in sorrow. All of us who have been privileged to enjoy his warm and generous friendship here in the House, or elsewhere, share with her in that sorrow.

May this great American find in the other world everlasting peace.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Speaker, death loves a shining mark, and in the early hours of this morning the Grim Reaper called from the busy and crowded forum of the House one of the most eminent men of the Congress or of the Nation.

The long and uninterrupted term of Congressman REED is one of the notable services in the annals of the House.

In length of service he was second only to the Speaker of the House and the distinguished gentleman from Georgia [Mr. VINSON].

In that more than 40 years he served in practically every position of honor to which any Member may reasonably aspire, and always with credit and distinction to himself and his constituency and the Congress.

He was for many years a member of the Committee on Ways and Means, historically and traditionally the greatest committee of either the House or the Senate.

He rose by gradation from the bottom to the top of that committee serving in recent years as either chairman or ranking minority member through one of the most critical periods in the history of the country and the world.

In all those years no piece of legislation was enacted by the House on recommendations of his committee that did not bear upon its pages the impress of his study, his legislative genius, and his personal integrity.

The House has suffered a great loss, as have all who knew him and loved him.

It is seldom that a man accomplishes anything of worth or importance or permanency but that a noble woman stands by his side. That was particularly true of Congressman REED. And to Mrs. Reed who has been a never-failing inspiration through all these years of service and achievement we tender our appreciation and our heartfelt sympathy.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I, too, am saddened by the news of the death of DAN REED. Mr. REED belonged not only to New York, and to the Nation, but also, at least in part, to Ohio. Many years ago, at the turn of the century DAN REED coached the University of Cincinnati's football team, and throughout his entire life he took great interest in that which went on, not only with the team that he had coached, but in all Ohio.

When I first came to this House he extended to me his friendship, and he was of great help and assistance to me throughout the years.

I visited him at Walter Reed Medical Center about 2 weeks ago. I found him in good spirits. We talked about many things, and he discussed with great interest that which had been going on in the House, because the House of Representatives was his very life. He loved this House, and he spoke of his desire, his hope, and his belief, that he would soon be able to return to this hallowed Chamber.

DANIEL A. REED was a man of splendid character. He was a man of great courage. He was a man of firm faith. He was a man of unusual and outstanding ability. He has contributed much in many ways, not only to the Congress of the United States and to the Committee on Ways and Means, on which he served and of which he served as chairman, and, in writing the tax laws of this country, but he also contributed to each and every one of us, who have had the opportunity and the privilege to serve with him, his friendship and his leadership.

He has left to those of us who are still here, and who have served with him in the House—to those of us who have called him friend throughout the years—many precious memories. And he has left to his family and to his loved ones the priceless heritage of a good name.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, it is with a deep sense of personal loss that I rise to pay my respects to another colleague who will no longer walk amongst us, my great and longtime friend, DAN REED. When I came down to the office this morning, the sad news of his passing, which I had already learned, was relayed to me by literally everyone I met in the corridors. To me this display of a universal feeling of sorrow was a true measure of DAN REED'S stature among his fellow Members, staff people and employees in the ranks here at the Capitol, who knew him so well.

As I reflect upon my acquaintance with him through the years, I recall that it was my great pleasure, shortly after I came here in 1935, to be invited to make a speech at Dunkirk, N.Y., which was in DAN REED'S district; in fact, his hometown. To me, a comparative newcomer, that assignment was a cherished honor because even then DAN REED was a veteran and a respected veteran in the Congress of the United States. And on that occasion I learned that DAN REED was held in the highest esteem by the people he so ably and conscientiously represented here in Congress through two generations. He was a man admired and loved by his home folks. As far as I am concerned, that is the ultimate testimonial to real greatness of character.

Those of us who have been witness to his distinguished career will remember this venerable statesman for his strength, his wisdom and his devotion to principle. He was a man of firm convictions. He voted for what he believed to be right.

The people of America may well be grateful that during the difficult times this Nation has been through in the past two decades, a man of DAN REED'S energy, ability and dedication occupied a position of vital importance to the well-being of our beloved country.

All of us know well the heavy burdens carried by the great Committee on Ways and Means, and none will deny that for many years the shoulders of DAN REED bore their full share of that burden. His contributions to sound legislation have been legion. We shall miss him sorely as a friend, a counselor, and a noble servant of mankind.

May I say to his bereaved family only this, that we have all lost a great friend but, having lost him, we reflect presently on the unquestioned fact that for his having been among us we are all better people and the country is a much, much better place in which to live.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, the National House of Representatives is the greatest legislative institution in the world, and it is the greatest legislative institution not only because of its origin under constitutional government but for the character of men and women who serve and who have served in this great body.

In this body are Members who are institutions themselves within the House. One of those rare institutions within the House was our late, beloved friend, DAN REED. So DAN REED was an institution within the greatest legislative institution in the world.

He and I were very close friends. I served on the Committee on Ways and Means with him before I was elected majority leader in 1940. What impressed me particularly about DAN REED, in addition to his kindness and his goodness, was his intellectual honesty. I can completely disagree with another person yet profoundly respect him in disagreement when I know his thoughts and his opinions are based on intellectual honesty. DAN REED was a sturdy oak in that respect. He was a man who had a definite concept of life, and he lived and adhered to the great truths in which he believed. He had a definite concept of his relation to the operation of government and he adhered to that concept not only with intellectual honesty but with intellectual courage, because he always spoke and voted in accordance with his judgment and his conscience. He has left his imprint upon the pages of the history of this great body of which we are Members, and that means upon the pages of history of our country.

Mrs. Reed and her loved ones can derive great consolation from several important factors: First, the good life he led, and second, the outstanding life he led as an American, the outstanding service he rendered to our country by reason of his membership in this body. To Mrs. Reed and loved ones I ex-

tend my profound sympathy in their bereavement.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, all of us who have been privileged to know DAN REED have today a most heavy heart. He was the kind of man whom we all too infrequently have the privilege to know. He will be long remembered in our hearts and in the monument of things he has done. For 40 long years he devoted himself, in everything he did and said, toward better government for the country he loved. Indeed, he devoted his life in the service of his country.

I look upon DAN REED as a rugged individual—rugged morally, rugged mentally, and rugged physically. He constituted the hard marble of all that is good. He so lived that I was proud beyond measure to call him my friend.

When I first came to Congress 24 years ago, I well remember taking a seat in the second row. I well remember the place and the circumstances. The man who happened to sit down by me was DAN REED. He asked me my name, where I was from, and what I intended to do in Congress. He said to call upon him for any assistance he might give. And on many occasion he did give me his willing guidance and assistance. In this first meeting I said, "Well, how long have you been here, Mr. REED?" He said, "Sixteen years." I looked at him and said, "Mr. REED, does anyone stay in Congress 16 years?" He simply looked at me and said, "You wait and see." That was 24 years ago.

DAN REED was privileged to be here for 40 long years. He served that long because his people at home saw the greatness of this man.

He was a man who loved people. His affection for everyone was beyond measure. Every employee of this House was practically a member of his family in his thinking. Not once did he pass our apartment building that he did not extend a kindly wave of greeting to my daughter when he saw her. No matter who you may be, how young or how old, of high or low position, for everyone DAN REED extended a hand and smile of cheer. To all he extended a hand willing to help. That is the type of individual he was, trying always to make someone happy, to make life just a little bit more pleasant for everyone. I know of no better way to express what I think of DAN REED than to repeat these few lines:

YOUR WAY TO HAPPINESS

Keep your heart free from hate, your mind from worry.
Live simply, expect little, give much.
Fill your life with love; scatter sunshine.
Forget yourself. Think of others, and do as you would be done by.

That was the life of DAN REED. With all of you in Congress and the untold numbers of his friends throughout the country I deeply mourn the passing of this great man. His life will serve as an inspiration to all of us. May God bring comfort to the Reed family. I hope they can find consolation in the knowledge that DAN REED will live forever, as a man of God who served God and country well.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Speaker, this is one of the saddest days that I have experienced since being a Member of Congress. My close personal friend, Congressman DAN REED, was more than a competent and dedicated legislator. He was at all times a perfect gentleman. He was one of the most thoughtful and most considerate men it has ever been my privilege to know. He has been an inspiration to me from the day I entered Congress, and I am sure he has been an inspiration to every Member of Congress who knew him. He was a tower of strength and integrity. He was so courageous. He never deviated from his convictions no matter what the pressures or politics may have dictated. He was sincere and honest in all that he ever did and his example will be emulated for years to come.

Mr. Speaker, I particularly have a deep feeling of personal loss. Mr. REED not only has been my close friend ever since I became a member of the Committee on Ways and Means, but he has been particularly helpful to me and most considerate of me in his capacity as the ranking minority member of the committee. I shall truly miss his counsel and assistance in the days ahead. Our country suffers in the loss of a man like Mr. REED. He spent practically his entire life in service to his district, State and Nation. I know of no man who has been more devoted. He has left his imprint.

I offer my condolences to Mrs. Reed, and the other members of the family in this hour of bereavement.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, it is with profound sadness that I rise on this occasion to pay tribute to a truly great American, DANIEL ALDEN REED, of Dunkirk, N.Y.

Mr. REED was born in Chautauqua County on September 15, 1875. He was educated at Cornell University in the profession of the law. Mr. REED is a man to whom the descriptive words statesman, humanitarian, and national leader truly apply. He had an abiding love of his country and his fellowman and dedicated his glorious life to the selfless service of both. He gave unstintingly of himself to preserve and nurture the concepts and ideals in which this Nation was founded.

It has been my privilege to serve in the Congress of the United States with Mr. REED since 1937. My close association with him on the Committee on Ways and Means dates back to 1943. Mr. REED was not only dean of the Republican delegation in point of service, but he was, I submit, a dean of the House in terms of integrity, principle, and patriotism and courage. Next March 4 Mr. REED would have begun his 41st year of continuous service in the House of Representatives. His great accomplishments during his tenure and the splendid example he set for us all will be enduring memorials to the fact that he was here.

It may be truly said that no words can do justice to the memory of DANIEL ALDEN REED. All we can do is to recognize and acknowledge the privilege that has been ours to serve with him in the Congress. We can also, in his memory, dedicate ourselves anew to the tasks that remain—tasks that would be better solved if Mr. REED were still with us to lend his counsel, guidance, and leadership.

On this sad occasion there is no eloquence in me. There is only sadness over the passing of DANIEL ALDEN REED and gratitude for having known this great American. His accomplishments will achieve immortality through the greatness of the Nation that he helped to guide toward the fulfillment of its destiny.

To his loving wife and his son my condolences, mixed with yours in our expression of sympathy and kindness to those who remain behind.

Mr. TABER. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. DURHAM].

Mr. DURHAM. Mr. Speaker, I am deeply grateful to have had the privilege of serving with a man who had all the characteristics that DAN REED exemplified here for more than 40 years. Truly we have lost a wise counselor and a man whom I deeply respected. He epitomized what I believe to be truly a man who loved freedom, who loved liberty, and who carried out in his actions on this floor and in his daily life those things that really make great Americans.

In the mornings when I encountered our friend and colleague, I looked at that fine, erect stature, which comes from athletic training, and it always gave me the thought that a man can carry on who takes care of himself physically to an old age certainly, and also can carry with him that brain power which is required of an individual in his actions today in such times as we are facing. Our colleague was fortunate indeed in both his physical and mental endowments.

I extend to his family and to his wife my deepest sympathy.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Rhode Island.

Mr. FORAND. Mr. Speaker, it was with profound regret that I learned this morning of the passing of our beloved colleague, the Honorable DANIEL A. REED, of New York.

To know DAN REED was to love him. He was gentle and humble and took a fatherly interest in all of us. Yet, DAN REED was a fighter. He was a man of principle and would not compromise for friend or foe when he felt a principle was involved.

He was a devoted public servant who commanded the respect of all who knew him, and his 40 years of service in Congress testifies to the fact that his constituents recognized this and reelected him even during the last few years when he was ill.

DAN REED will be missed by all of us, in the Committee on Ways and Means, of which he was once chairman, in the House of Representatives, where he has left his mark, and in his State which he served so well.

To his devoted wife and to his family we extend our sincere sympathy and we pray the good Lord to have mercy on his soul.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. RAYBURN. Mr. Speaker, DANIEL A. REED has passed. In his passing a great soul has met its Maker—and him unafraid. His lifework has been such that all may know him a man of greatness. Added to all of these he was a gentleman of the very best type. With you all and his family I shall miss him sorely.

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. Mr. Speaker, it is indeed with a heavy heart that I join my colleagues in paying this slight tribute to DAN REED.

DANIEL ALDEN REED was a gallant gentleman. One can say no more for any man. He was an example here in this House for 40 long years. During that time he never lost in stature, he never lost in courage, he never once compromised for the sake of expediency. He was an example to us all, he was a friend to us all. Regardless of party affiliation no man could help but admire him.

When I came to this House 12 years ago he was a friend to me; he was a counselor, and he was an example. He had one thing that I admire, and it has disappeared almost entirely from this world today—he had the power of righteous indignation. When he used to stand up on the floor of this House, as we have all seen him do many times, and talk to us as though we were the football squad of Cornell and he was still the coach, it gave one a great sense of going ahead, of going forward, and of being filled with courage.

Yes, we will all miss him, but we are all the better for having known him.

To his wife and to his family I extend my heartfelt sympathy. Having known him I know what their loss must be. But, Mr. Speaker, we can indeed say that "he was a man, take him for all in all, I shall not look upon his like again."

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Mr. Speaker, words are generally inadequate to express our feelings, but I must confess today that they are most inadequate to express what is in my heart with respect to DAN REED and his passing. One thing that certainly everybody in this Nation can say, and certainly those who knew him realize, our country this morning lost a great man, a great American citizen. I personally, Mr. Speaker, have lost a sympathetic and most helpful friend.

I have served under DAN REED's leadership on the Ways and Means Committee for the past 12 years. During that period he has been to me like a father not only with respect of legislation and the business of that committee, but also with respect to the day-to-day matters which confront us as Members of Congress.

DAN REED was, as has been said, a man of strong principles and firm convictions; he was an example that any individual and particularly any Member of Congress could well emulate. He was to me always, Mr. Speaker, an inspiration, and his memory will continue to be an inspiration to me for the rest of my life.

There is much than can be said about our friend and colleague, but words, Mr. Speaker, as I said in the beginning, are most inadequate, and it will not be my purpose to attempt to put into words all of my feelings.

I do wish, however, to express for myself and Mrs. Byrnes, our deep sympathy to Mrs. Reed, to his son, to his grandchildren and, yes, to his great-grandchildren.

Mr. HOEVEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Iowa.

Mr. HOEVEN. Mr. Speaker, a mighty oak has fallen. It is difficult for me to personally express my sentiments at the passing of my devoted friend and colleague, DAN REED. Furthermore, as chairman of the Republican Conference of the House of Representatives, I know I express the deepest sympathy of all my Republican colleagues at the passing of our dear friend. He was a man of the highest integrity; a completely honest individual and one who was wholly sincere in all his dealings with his fellowmen. DAN REED dared to stand on principle rather than political expediency and that is why he was so much admired and respected. I never knew of a more devoted public servant. He was a rugged American and best of all, a truly Christian gentleman. He will be sorely missed in the days that lie ahead. My deepest sympathy goes out to Mrs. Reed and all members of the family.

Soon the House of Representatives will adjourn as a mark of respect to our beloved friend. As a further remark of respect, I wish to announce that the Republican conference called for today will be postponed until next week.

Mr. FLYNT. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Georgia.

Mr. FLYNT. Mr. Speaker, I was saddened this morning when I learned the news that our able and beloved colleague, DAN REED, had been called to his final and eternal reward.

Hon. DANIEL A. REED, late a Representative of the State of New York, served with distinction as a Member of this body for more than 40 years.

I first came to know Mr. REED several years before my election to the House of Representatives. At that time he was serving as chairman of the Committee on Ways and Means of this body. From the time of my first introduction to him and knowledge of him, I was impressed with his ability, with his forthrightness, and with his courage.

In more recent years during which it has been my pleasure to serve as a colleague of his, my feeling of admiration, respect, and friendship has grown with each passing day. He fully justified the confidence placed in him on 21 different occasions by the voters of his district in New York which he so ably represented. His home community, his district, his State, and our Nation are all better places because of his contribution to America and the American way of life. In addition to his great ability as a legislator, he was beyond question a man possessed of one of the finest and noblest Christian characters of any individual whom it has ever been my privilege to know. Mrs. Flynt joins me in extending to Mrs. Reed and to her son our deepest sympathy and our heartfelt sorrow at his passing.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Speaker, it was with deep sorrow that I learned of the passing of DANIEL REED this morning. It was my privilege on becoming a Member of Congress 6 years ago to serve under his very capable leadership as chairman of the Committee on Ways and Means.

He was a dedicated statesman; one who was always considerate, kindly, and warm in his friendship with others.

Mr. REED's death is indeed a great loss not only to all of us, but also to his constituency whom he served so well in this body for the last 40 years.

The House will miss his wisdom, his great understanding, and his fine sense of fairness. I shall long remember his many kindnesses to me, and I shall miss his wise counsel.

In this dark hour I extend my sincere sympathy to his family.

Mr. TABER. Mr. Speaker, I yield to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Speaker, I wish to join my colleagues in this House, more particularly the members of the New York delegation, in expressing deep sorrow in the death of one of the great leaders of this Nation. In my 6 years of service in this House I learned to respect and admire DANIEL REED as a man of dignity, sincerity, and honesty. DAN REED was truly an American and a faithful public servant. This tragic loss is not only a loss to his wife and family, to whom I extend my sincere condolences, but a great loss to this Nation. The people of this country and the Members of this Congress have lost a great and a dedicated public servant. We will miss him.

Mr. TABER. Mr. Speaker, I yield to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Speaker, it has been some 30 years since I first had the

privilege of meeting DAN REED. During the first 10 years I knew him rather differently from the way in which most of you, all of you, perhaps, have known him, because I knew him as the wife of one who valued his friendship immensely because of connections and contacts in this House. My husband and DAN REED, with Clarence Hancock and several of the others who have gone over, were very close friends. They stood for those basic principles that Mr. REED demonstrated, certainly to the newer Members of the House, as few are able to do. Their friendship meant much to me even in those days.

I knew DAN REED as a generous friend, as a delightful host, as a charming guest. And then when, 19 years ago it was my privilege to take my place here, I knew him as one to whom I could go, a new Member in a strange place, to find help and encouragement and advice; always objective, never trying to get me to think his way, but putting before me many sides of the different problems that I took to him, oh, so gratefully.

Perhaps those of us who knew him in the early years of our stay here have a special sense of gratitude that we have been privileged to be here with him, to watch him, to listen to him; and I think perhaps some of us know very deeply and very well that if there ever was anyone who demonstrated in his life the fact that—

Never the spirit was born; the spirit shall cease to be never;
Never was time it was not; end and beginning are dreams!
Birthless and deathless and changeless remaineth the spirit forever;
Death hath not touched it at all, dead though the house of it seems.

It was DAN REED. And so in this House, he, with the other stalwarts who have gone before us, has filled this place with his spirit, for which we are deeply grateful.

Mr. Speaker, I join with everyone in hoping for Mrs. Reed and all those whom he loved, a deep sense of the continuance of his wonderful life, God keeping them and us.

Mr. TABER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. AUCHINCLOSS].

Mr. AUCHINCLOSS. Mr. Speaker, I join in reverence with my colleagues and indeed many citizens of our country in mourning the death of that great man, DANIEL A. REED, of the State of New York. For more than 40 years he represented the people of the 43d District of his great State with outstanding distinction and unselfish devotion. He was noted for his rugged courage, his determination to do what was right and he upheld the best traditions of our beloved country. He contributed much by his example and by his devotion to duty. He had unbounded faith in America and exemplified in an outstanding degree his love for liberty, for fair play, and honest thinking. He was a man's man and was admired and respected with deep affection by all who knew him. I join with all his friends in the realization that we have lost a man of great character whom it was a privilege and blessing to know and an honor to have been associated with.

Spun like a thread that feeds a weaver's loom,
Until at last the toiler's task is done.
So was his life a splendid tapestry,
Of priceless faith and friendship he had won.

I extend my deepest sympathy to his family and my prayers that in the knowledge of his devoted and priceless life they may receive God's comfort and peace.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker our esteemed friend DAN REED has been called to his reward. DAN lived a life filled with the finest traditions of manhood and of true Americanism. Dan believed in all the things big and fine and good for America. He believed in the Constitution of the United States and he lived up to its principles in all his doings.

DAN REED was a man whom you could approach with your problems and say, "DAN, I have a problem. I would like to explain it to you, and I want your advice." I did that on several occasions when I first came to Congress over 20 years ago, and his advice was always good. I owe him much.

I shall always cherish his friendship. For several years we lived just across the street from each other and many times we would walk together and talk about the problems which confronted this Congress and this great blessed land of ours.

He had the ability to look into the future, as did many of our former statesmen and as do many of our present statesmen. It was always good to hear him philosophize on the future of this country. I can well remember when he explained to me what he believed would happen if we did this or if we did that, and too often did the thing that brought about chaos in this country. DAN REED predicted these things would happen.

DAN was indeed one of God's noblemen. To his dear wife and family I extend my sincere sympathy, and I pray that the same God who took the Honorable DANIEL REED to his heavenly home give his loved ones strength to bear the great loss they have sustained in the passing of this great and good man, husband and father. God rest his soul.

Mr. TABER. Mr. Speaker, I yield to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Speaker, I share the grief of my colleagues today in the passing of a great American, DAN REED. I knew him by reputation 30 or 40 years ago. When I first came to Congress he was most helpful by his sympathetic understanding and kind and wonderful attitude.

I think that he imprinted as much as anyone ever did his character and the qualities of his personality on those who worked with him. In memorializing DAN REED today, I would like to recall the words of a Congressman of 120 years ago who sat in this House, John Quincy Adams. He had served as President of the United States. He had served as Ambassador to Russia, Prussia, Portugal, and France. One day, seated in the Congress, he penned a few words which I think DAN REED's life epitomized. He summed it up beautifully. He said:

Almighty Father, look with mercy down
And grant me virtue to perform my part,
The patriot's fervor and the statesman's art,
In thought, word, deed, preserve me from Thy frown.
Direct my path to ways of bright renown,
Guide my frail bark by truth's unerring chart,
Inspire my soul and purify my heart,
And with success my steadfast purpose crown.
My country's weal, be that my polar star.
Justice, the rock of ages, is Thy law
And when Thy summons comes to cross the bar
Be this my plea, Thy gracious smile to draw
That all my ways to justice were inclined
My only aims, the blessings of mankind.

I think that sums up DAN REED's life beautifully. He was a great Congressman and a cherished friend. He was a great American. Mrs. Dooley joins me in expressing to Mrs. Reed and her son our sincere condolences.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Colorado [Mr. CHENOWETH].

Mr. CHENOWETH. Mr. Speaker, I wish to extend to my colleagues from the State of New York my sincere sympathy on the great loss they have sustained in the passing of DANIEL A. REED. I wish to join all of my colleagues in paying tribute to his memory. I was greatly shocked and saddened this morning when I learned of his passing. I knew that he had been ill, but I had been hoping day by day that we would have the pleasure and privilege of seeing him once again on the floor of this Chamber.

When I first came to Congress, DAN REED was in his full vigor. I immediately recognized him as one of the outstanding Members of the House. I recall the forceful and impressive manner in which he expressed his views on pending legislation.

I looked upon DAN REED as one of the great Americans of this generation. It has been a rich experience to serve in this body with a man of his great capacity and lovable personality. I always enjoyed visiting with him, and he was never too busy to advise and counsel with those who sought his help.

DAN REED was a man of independent thought and action. He was absolutely fearless in taking his position on the issues of the day, and never hesitated to state just where he stood.

We can ill afford to lose men of the type of DAN REED in these critical days. His passing is an irreparable loss not alone to his district but to the entire Nation, and to every Member of this House.

Mrs. Chenoweth joins me in extending our deep personal sympathy to Mrs. Reed and the other members of the family.

Mr. TABER. Mr. Speaker, I yield to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, there have been few minutes in this House when I could find neither voice nor thought to express what was in my heart.

Today, nevertheless, as I sat here listening to these merited eulogies, I thought that I could not bring myself to speak, so great is my sense of personal loss. Last week I wrote to Mr. REED and said, "The House is a lonely place without you." Today, his presence gone, I realize what prophetic sadness was written in those words. And his answer came back to me—"Friendship is never lost, even if friends must be away." I like to think of that today. I knew Mr. and Mrs. Reed when I, too, like Mrs. BOLTON, came as a congressional wife to a new area and to a new scene. Their welcome was warm. Their friendship never ended. On the first day that I myself took my seat in the House, Mr. REED came and sat by me and said, "There isn't anything you can ask me to do, to be of help, that I would not wish I had thought of first."

Mr. Speaker, I am particularly glad today that last year on the floor of the House when Mr. REED gave a telling exposition of a difficult bill—magnificent in his 81 years and in his rugged strength, I impulsively thought: "Why wait—why wait to tell him what he means to the country and to yourself?" And so then, and I think I surprised him, I rose, when he was still here to hear it, to tell him what he meant to this Congress, to his age and to me personally. I would like to put just one more story in the RECORD, a story illuminating afresh his great magnificence of spirit. There was a bill on the floor of the House some years ago in which Mr. REED was tremendously interested. If there was anyone on the floor to whom he could have said, "I wish that you would vote my way," it was to me. He knew that I disagreed for once with his position. He would not stoop to exert an influence. When the vote was taken, I felt a personal sting to realize that I had voted against him. He had lost by just one vote. In walking out of the House I said, "You know, Mr. REED, I am sorry I did not vote with you, but I did not agree with you." I think then that DAN REED displayed his yardstick of life. He said, "I would rather lose on 10,000 bills than have you ever vote against your convictions." That was the yardstick by which he voted; that was the yardstick by which he lived; that was the yardstick by which we have come to honor him and will remember him as long as anyone remains in the House of Representatives who had the rare privilege of serving with this Christian gentleman. We will remember his power of conviction, his strength, his indomitable courage—and his loving kindness.

To Mrs. Reed, who for long years in the Congressional Club has done so much for the wives of the Members of the House, I send my deep and understanding sympathy.

Mr. TABER. Mr. Speaker, I yield to the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Speaker, God in His great wisdom has stretched forth His hand and has gathered into His home one of His children. I am too shaken with grief to express the depth of my feelings. Not since the death of my own beloved father have I felt such emptyness in my being, for DAN REED was to me more than a colleague; he was my counselor and my guide.

My greatest privilege in Congress was to have served with him on his committee.

The friendly and affectionate letters I have received from him since his illness will always be among my most treasured possessions. To him I owe more than I can ever repay. I have an abiding faith in the commmunion of saints; and though he is gone, yet he is here in spirit.

To his family I express my deepest sympathy.

Mr. TABER. Mr. Speaker, I yield to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Speaker, as a first-term Member of the House of Representatives, I hope I am not being presumptuous in rising to join my colleagues in paying respect to a man from my State whom I have long admired from afar and only recently from close up.

Although I have served in this distinguished body with DAN REED less than 2 months, I have had confirmed and multiplied in that short period of time the tremendous respect I have held for him over the years. To me, as I am sure to many other new Members of this body, DAN REED stood out as a tower of strength on which we could lean for guidance and look for assistance. He seemed to take a great deal of personal satisfaction in giving a needed helping hand to new Members even from his hospital bed.

Mr. Speaker, next month, on March 4 to be exact, DAN REED would have completed his 40th year of service in the Congress of the United States. During this time, his legislative efforts, particularly in the field of tax matters, have left behind their indelible mark for good on this country. One of DAN REED's everlasting monuments will be the overhaul of the vast and complex tax laws of this Nation which he sponsored in the 83d Congress as chairman of the House Ways and Means Committee. Out of these revisions, the first in more than 75 years, came savings to American taxpayers of some $7.4 billion annually.

Mr. Speaker, although DAN REED's achievements stand out by themselves as a monument to his service in Congress, I think it might be fitting for this body to consider some even more concrete testimonial to this man who has done so much for his country. I am thinking in terms of a memorial of some type on these Capitol premises.

I realize it is impossible to establish a memorial to every great legislator who has served in the Congress, but I can think of few men in our history who can match the achievements of DAN REED, either in length or quality of service to his country. Perhaps a memorial tower of some type might be a fitting testimonial to this man who was such a tower of strength to his country.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. DAVIS of Georgia. Mr. Speaker, there are times when it is most difficult to express the feelings in one's heart; this is such a time for me.

When we convened at the beginning of this session I noted with much regret that Mr. REED was not here to take the oath with us on the opening day, and that a committee was appointed to administer the oath to him. I had hoped he would recover and come back again to join in the deliberations of this body, and it was with deep sadness that I noted the flag at half mast today and heard the news that Mr. REED had passed away.

In the more than 12 years I have served as a Member of this House I have had many associations which will be among my cherished memories, but in the days to come I know I will have no memory which I shall cherish more than that of my association with Mr. REED. He was as a towering oak here in this body; he was straight, he was rugged, he was erect, he faced the world with eyes that did not flinch from the realities they saw. His character was in keeping with his erect bearing. He was a man of unwavering courage, of undiluted honesty, of unflagging energy and industry. He was the kind of public official this country can ill afford to lose. I shall certainly miss him greatly as a warm personal friend, and this Congress and this country will miss him greatly as an outstanding public official. I join with those who have spoken here today in extending my deepest sympathy to his family.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Speaker, there are occasions when individuals stay in a given position for a long time and simply grow old. That is not true in the Congress of the United States. No man can serve in this body for 40 years without rendering outstanding service or his people would not send him back. With only two exceptions, I believe, DAN REED had served here longer than any other Member of this body. He was no exception to the rule. To stay here for a period of 40 years a man must render outstanding service; he must be of outstanding character and he must be a man of great ability.

I have heard many people clash with DAN REED and at times disagree with his judgment, but I never heard anybody question DAN REED's character, his honesty or his patriotism. I do not think any of us who have known him ever questioned his courage. There are few men in this House who have shown the courage on this floor that DAN REED has shown. There are few Members of this House with whom I have been associated whose longtime judgment I felt was much better than Mr. REED's. Certainly, there are few men in this House or elsewhere that I have known whose character and whose integrity was of a higher order than DAN REED's.

It was my privilege to visit him about a week ago at the hospital. I thought he was on the road to recovery and would possibly be back here among his colleagues within a relatively short time. I learned yesterday afternoon that the doctors had decided they must perform a critical operation, but even so I was

terribly shocked to learn of his passing this morning.

There is nothing that any of us can say here that will add to the luster of DAN REED's memory. I realize there is nothing that any of us can say here that will comfort his family. But I would want Mrs. Reed, who is one of those who came from that same great mold that shaped her husband, to know that those of us here who knew her late husband sympathize with her in her bereavement. I who want Bill Reed to know that those of us who have worked with him here in the Congress recognized the greatness of the man he was so proud to call father.

Mr. Speaker, we cannot add to DAN REED's stature here. History is written. But we can hope that others of us will emulate the great example that he set.

Mr. ROBISON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. ROBISON. Mr. Speaker, the poet, Tennyson, in describing the death of a friend, wrote: "God's finger touched him, and he slept."

In such a way this morning, Mr. Speaker, did death come to our beloved friend and colleague, DAN REED.

When I first became a Member of this body, about a year ago, in deference to DAN REED's age and seniority I first called him Mr. REED. He would have none of this, however, and asked me to call him DAN; and it is thus that I shall remember him.

As each of us will recall, the early weeks and months of our congressional service are difficult ones and we have all of us found it necessary to impose upon the kindness and friendship of men who have learned through many years of experience the manner in which we should conduct ourselves and the ways in which we can best discharge our responsibilities. No one was ever more helpful or more kind to me in this way than DAN REED, and I shall always be grateful.

He was my congressional neighbor, a fellow alumnus of Cornell University, and my friend. I have sustained, as all of us have, a great loss. The people of the State of New York and, indeed of the Nation, have also sustained a great loss.

Mr. TABER. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Speaker, I first knew our beloved late colleague before he came to the Congress, when he was on the chautauqua circuit. I well remember how his great physique and his projecting personality impressed me as a young man. When I came to the Congress in 1921, he was one of the three Members of the present session who was here at that time. Although DAN REED has gone, he has achieved a record through which he will live and will influence our Government down through the years. He was as imperturbable in life as he is in death. His record will stand undisputed and respected throughout the years. We are all sad-hearted today that DAN REED is not with us any more.

His son, Bill, was one of my assistants when I was national chairman of my party. He is a wonderfully fine young man who, through the years, will reflect credit upon the record that his father has established.

His daughter, Ruth, and those who shall be the descendants of this great man may always be proud of him who so unstintingly served his Nation.

Through his life DAN REED was strengthened and given the great blessing through many years of marriage to his wife, Georgia, to whom we all express our great sympathy today.

That this great Representative of the State of New York served this Nation well is self-evident through his years of leadership on the Ways and Means Committee of the House. Both as a vigorous minority leader and as chairman of this powerful committee he always put the welfare of the citizens and our Nation ahead of all else. His sound thinking and firm principles of spartan economy inured to the benefit of every family in this great country.

A smaller incident comes to mind that so clearly demonstrates the great heart of the man who was DAN REED. Howard University, in the District of Columbia, has long been one of the better institutions of learning that has done much for a race that has needed all the help fellow Americans could give. There was a time when the appropriations of that university were annually tied up in committee and each year dealt with the personalities of Congress. DAN REED, with his great compassion and sense of equality, saw the problem and successfully presented a bill—H.R. 8466—to the 70th Congress and fought valiantly to see that this bill became Public Law 634, giving Howard University status and position to come under continuing appropriations of the Congress. This was just one of his many good deeds that shall go down in the record book.

I, personally, shall miss DAN REED. I know that this Nation shall mourn his passing but, above all, I know the things he has done; and the record of devotion that stands for all to see in the annals of this great body will do more than my humble words to bring honor to his memory. Our blessings go with him today; our sympathy to his family and friends.

Mr. TABER. Mr. Speaker, I yield to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Speaker, I rise as a junior Member of this body to pay respects to a distinguished senior son who has this day departed from us. However, I would like to record for posterity that even as this man was hospitalized and unknowingly on his deathbed, he gave advice to a junior Member of this body. It was my great good fortune to have the benefit of his wise counsel. I join with my other distinguished colleagues in paying tribute to a man of wisdom, tenacity, and loyalty to the Nation.

GENERAL LEAVE TO EXTEND

Mr. TABER. Mr. Speaker, I ask unanimous consent that all Members may have the right to extend their remarks in the body of the RECORD on the life, character, and public service of Mr. REED.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McINTIRE. Mr. Speaker, as one who has become a Member of this body in more recent years as compared with the long and distinguished service of Mr. REED, of New York, I want to join with my other colleagues in expressing my feeling of personal loss in his passing.

During the period that I have had the privilege of serving in the House of Representatives with Mr. REED, I have found him to be a source of strength, not only in relation to the principles for which he stood, but also in the sound advice which he so thoughtfully and unstintingly gave to younger Members seeking his counsel.

His devotion to his responsibilities as a legislator has served as a shining example for all of us. His careful consideration of both sides of the issues and the outstanding example of his personal life have been an inspiration to all who have had the privilege of knowing him and working with him.

Mrs. McIntire joins me in extending our deepest sympathy to Mrs. Reed and members of the family. DAN REED's passing will place in our memory one of America's distinguished servants, whose memory will continue to serve as a guiding beacon for his friends and acquaintances for the rest of our lives.

Mr. RIEHLMAN. Mr. Speaker, the death of DAN REED certainly brings a great deal of grief to all of us. He was as fine an American as ever walked these hallowed Halls of Congress. In serving his country in this great legislative body for 40 years, DAN REED was known and loved by every man and woman for his honor, integrity, and unimpeachable character. The feeling of great loss will not be confined to these United States, but will spread to nations in every corner of this earth because DAN REED devoted his time and interest for so many years to the Interparliamentary Union.

My personal feelings for DAN REED are particularly warm. When I came to Washington as a freshman legislator, he was one of the first members of our delegation to counsel with me on my committee assignments and, also, one of the first to give me advice and guidance in the complex work of being a Congressman. I know he gave of his time and energy in a like manner to countless grateful Congressmen.

DAN REED was an unselfish patriot. The interests of others and the welfare of his country were always foremost in his mind and heart. His kindly smile and greeting always gave me a lift. His invaluable knowledge and countless contributions to this great body will be sorely missed.

Mrs. Riehlman and I express our deepest sympathy to his beloved wife and family. In their hour of grief, I am confident that they will derive satisfaction and consolation from the knowledge

that he gave of his best in the interest of his fellow man.

DAN REED was a great statesman with a tireless spirit. We will miss him very much.

Mr. RAY. Mr. Speaker, the passing of DAN REED, merciful as that may have been for him, is a heavy loss to our country, to our State, and particularly to all of us who knew and worked with him. We all loved and respected and admired him.

He was sincere, straightforward, and forceful in all he did. Throughout his 40 years in this House he spoke and voted as his conscience and his judgment directed. Beyond that he was one of the wisest and most patriotic men I have known. His record of service to his country and to his fellow men is outstanding and will be long remembered and cherished.

My deepest sympathy goes to his wife and family.

Mr. KILBURN. Mr. Speaker, in the passing of DAN REED I have lost one of the best friends I ever had. DAN was a coach at Cornell when I entered there in 1912. I did not play football, but I knew him and when I came to Congress 19 years ago he kind of took me under his wing and took me down to be sworn in by Speaker Bankhead, and has given me kindly advice and help over the years. He had one of the finest characters I have ever known—strong and devoted to the welfare of our country.

My deepest sympathy goes to his devoted wife, Georgia, and his son, Bill.

Mr. BOSCH. Mr. Speaker, this House, the United States, and the world has lost a great man, a statesman in every sense of the word. He was truly a great American who believed in upholding the legislative processes under our Constitution. He was an outstanding figure both as former chairman and ranking minority member of our esteemed Committee on Ways and Means. He was dedicated to the principles of a sound fiscal policy and ever aware of the responsibility to the American taxpayer. It is impossible to put into words how much he will be missed.

Mr. REED was the kind of a man who upheld the hand and helped many a young man who has come to this Congress. As a freshman Member in the 83d Congress, I naturally sought his advice and counsel, and he was always willing and able to help. He will live on forever in the hearts and minds of all of us who were privileged to know him.

I extend my deepest sympathy to the family of this beloved and respected man, my colleague and friend, Hon. DANIEL A. REED.

Mr. O'BRIEN of Illinois. Mr. Speaker, this is a very sad day for me and for all of us in the House and particularly so for the members of the Committee on Ways and Means. DAN REED has served for many, many years in this House with distinction. He has served for many years on the Committee on Ways and Means, including a period as chairman of the committee and recently as its ranking Republican member. He was respected and admired by all members of the committee, and, indeed, by all Members of this body. The Nation has suffered a great loss on his death. He was a man of outstanding ability and dedicated to his work.

I extend my most sincere condolences to his dear wife and son in this hour of sadness.

Mr. THOMPSON of Texas. Mr. Speaker, the passing of the beloved and respected gentleman from New York, Mr. REED, calls to mind unnumbered events which have left in our minds such indelible memories.

I recall many occasions when I have sought the advice of this distinguished and learned gentleman. He always had time to listen, and to give of his thoughts to my problems.

Once, when he was chairman of the Ways and Means Committee, he took time from his incredibly busy schedule to work out and deliver a radio program with me—a younger man, and not of his party. I have no doubt that there are literally hundreds of our colleagues who have had similar experiences. Together, they tell a story of one of the kindest and most generous of our associates and one of the great men of our time.

We shall miss him and we sympathize from the bottom of our hearts with the members of his family who are left behind.

Mr. MACK of Washington. Mr. Speaker, our colleague DANIEL A. REED spent 40 years, or almost one-half of his lifetime, as a Member of the United States House of Representatives from New York State, and all who knew him admired and loved him. They respected him for his courage, his forthrightness, and his ability. They loved him for the kindly, friendly, and companionable qualities of his nature.

With DANIEL REED's passing today into that mysterious realm called death, all of us of both political parties who knew him and of his works rise unanimously to acclaim, "There was a man—a great patriot and a great American."

Of the almost 10,000 men and women who have served in the Congress of the United States during its 170 years' existence there never has been a nobler American than he. DAN REED is gone from earth but his example as man and legislator of dedicated service to country lives on to inspire all who remain and the countless others who will serve in this Chamber in the future. The more of us who strive to follow in DANIEL REED's footsteps the greater and grander the future of our Republic will be.

Mr. ROONEY. Mr. Speaker, this morning I was very much saddened when I learned of the passing of my dear friend and distinguished colleague, the Honorable DANIEL A. REED, of the 43d Congressional District of New York.

Congressman REED, affectionately known to all of us as DAN, leaves behind him in this body a reputation which will be difficult to excel. I enjoyed a warm friendship with DAN and had the privilege of spending considerable time in his company when we were delegates to the Interparliamentary Union conference in Rome, Italy, in 1948. He had many wonderful qualities. His unselfish character, gentleness of spirit and fine intellect increased the high esteem and admiration I already had for him. It was only natural that he had the friendship of so many sincere and loving friends.

During his long and illustrious career here in the House of Representatives, DAN REED held the esteem and respect of his colleagues on both sides of the aisle. He was extremely successful and effective in serving the people of his district, the State of New York, and the Nation. He was in truth a great American statesman and a fine and kindly Christian gentleman who will be sadly missed by his host of friends. I shall always think of him with fond memories. His dear wife and son have my deepest sympathy in their bereavement. I hope that they will be consoled by the knowledge that his life was dedicated to serving his country and his fellow man.

Not dead to us who loved him,
Not lost, but gone before.
He lives with us in memory
And will forever more.

Mr. VAN ZANDT. Mr. Speaker, the announcement of the death of our beloved colleague, Representative DANIEL A. REED, of New York, is a source of personal sorrow to me and I wish to join in the tribute of love and respect being tendered to the memory of one of the most able Members of the House of Representatives.

The dean of the Republican delegation in Congress, DAN REED, held the distinction in his 41 years of service in Congress of serving during the administration of seven different Presidents of the United States.

Mr. Speaker, DAN REED was a veteran of over 20 years in Congress when I took my seat in the 76th Congress in 1939. As a freshman in the House of Representatives I found his kindly admonitions instructive and helpful for he was literally a father to me during the early years of my congressional career. In subsequent years I often found his advice of great value in studying legislation and his willingness to impart information was always one of the distinguishing characteristics of a truly great American.

DAN REED left his imprint on my congressional district from his service rendered Pennsylvania State College, now Pennsylvania State University, as one of its first football coaches around the turn of the century. During the remainder of his life he never lost interest in Penn State, but returned there on many occasions during his congressional career to fill speaking engagements.

As ranking Republican member on the House Committee on Ways and Means, DAN REED was recognized as an expert on fiscal affairs and in the field of taxation.

While there were those of his associates who at times held conflicting views on legislation none ever doubted the sincerity of DAN REED nor were they lacking in respect for his ability to express himself in a forceful and cogent manner. The result was that he respected a colleague's point of view and by his deportment earned the respect of those who differed with him.

In DAN REED's death I have sustained the loss of a colleague and a sincere friend. His death marked the closing of a brilliant career in Congress and I join with my colleagues in extending my sincere sympathy to Mrs. Reed and members of the family in the death of a devoted husband, a loving father, and a distinguished Member of Congress.

Mr. PELLY. Mr. Speaker, like so many other Members of this House of Representatives who were fond of and deeply respected our colleague, DANIEL A. REED, I desire to express myself on this sad occasion.

DAN REED's work and life need no tribute in this Chamber. He was a great American and we, his associates, knew that—as did all who came in contact with him. Throughout this land of ours, the leadership and editorial writers everywhere will do honor and pay tribute more eloquently to his lasting accomplishments than can I.

Rather, what seems more in order for me today is to record something personal. It is my desire to say, for example, that I hope DAN REED knew how I felt about him and how grateful I shall always be for his help and also for his inspiration. Many times, and invariably in a kindly way, he assisted me with my legislation and other problems. But the real debt I owe him is for something that he gave in the way of example. His character and integrity and their influence and effect on me are beyond measure.

Great as DAN REED was as a political figure and great, too, as was his imprint in the affairs and destiny of this Nation, to me his greatest service was intangible and in the ideals he firmly stood for. One can conjure up the names of those of our time of greater prominence and fame, but anyone familiar with DANIEL A. REED and his inner qualities will have to place his name at the top of the list. In other words, his greatest service was his goodness that lives on in the minds and hearts of those who knew him.

May his family find comfort in the lasting honor and affection of his friends, of which Mr. Speaker, I am thankful and better for having been one.

Mr. GROSS. Mr. Speaker, it was with a heavy heart that I learned of the death this morning of the Honorable DANIEL A. REED, one of the finest Americans it has ever been my pleasure to know.

Through his long service in the House of Representatives, I am sure no Member ever attained greater stature and recognition for those virtues of integrity, capability, and courage with which he was so richly endowed. Once he had determined his position with respect to policy or legislation, there was no power on earth, political or otherwise, that could cause him to pursue a different course.

As a new Member of Congress, he was kind to me and I shall ever be grateful that through his kindness and patience I was able to draw from his vast store of wisdom and experience.

Only a few days ago, Mrs. Gross and I visited Mr. REED in his hospital room. He was eagerly counting the days when he could return to active duty in the House of Representatives to which he had contributed so much.

This great American is gone but his widow and his son and daughter must take consolation in the fact that it is given to few men to leave behind them so many warm and loyal friends.

Mr. AYRES. Mr. Speaker, the passing of Mr. REED will be a great loss to our country. He was kind, gentle, understanding, but determined to do that which he thought was right.

I well recall his reciting the incident during the days he was a crewman at Cornell University. He said, "If you pull hard and together you will be the winner."

My sympathy goes out to his relatives and loved ones.

Mr. McMILLAN. Mr. Speaker, I was shocked to learn of the passing of my good friend Congressman REED, of New York.

We have had some good statesmen here in the House of Representatives since the Congress of the United States was organized. I do not believe there has been a greater statesman as a Member of this body than Congressman REED, and his influence will be reflected in the history of the Congress when it is written by the historians.

I have been one of Congressman REED's greatest admirers since the day I was sworn in as a Member of the House of Representatives. I felt free to call on him for advice at all times, and he generously gave me the benefit of his opinion on proposed legislation and other matters concerning this great country of ours on numerous occasions. I always leaned heavily on him for advice and do not think I have ever missed being on the floor of the House when I knew that he was scheduled to address the House. I always found his opinion on legislation to be extremely sound, and one of the things that I most admired about him was the fact that he always voted his convictions whether they were agreeable to his party leadership, the President, or anyone else.

The State of New York and our Nation can ill afford to lose men of his stature. The Congress of the United States will never be the same, as far as I am concerned, without the presence of Congressman REED.

I remember very distinctly on numerous occasions while he was serving as chairman of the great Committee on Ways and Means how courteous and considerate he was to my constituents who had the privilege of appearing before that committee on certain bills that were being considered.

Words are inadequate for me to properly express my gratitude for all the good advice this fine statesman has given me during the past 20 years. I have never heard one Member of the House state that he did not admire Congressman REED, and we all realize that he was blessed with unusual ability and his character was far above reproach.

Mrs. McMillan joins me in expressing our deepest sympathy to his fine son, Bill, and Mrs. Reed, who is universally liked by every person privileged with her acquaintance.

Mr. PIRNIE. Mr. Speaker, the death of our distinguished colleague, DANIEL A. REED, saddens the hearts of all who knew him. We recall with pride his contribution to his country during over 40 years' service in this House. His great courage and sound judgment won and retained the respect of Members on both sides of the aisle. His diligent application to our Nation's fiscal problems gained for him an enviable reputation and great leadership responsibilities.

He was devoted to Cornell University, his alma mater, where his name is associated with the finest of football traditions and good sportsmanship. In his love of the game as player and coach, he reflected his basic traits of character—fierce determination, sincere cooperation, hard work and absolute fairness.

His counsel was generously given to those who sought his help. I recall with deep appreciation his friendly advice and assistance which I received at his bedside as he sought to make my early service in Congress more pleasant and more effective.

He was a tower of strength in the causes he advocated, a great lawyer and an able legislator. The genuine grief which has followed the announcement of his death attests, better than any words can express, the place he had in our hearts, and his career is an enduring monument to dedicated public service.

To his devoted wife and family the sympathy of his many friends and a grateful Nation is extended.

Mr. BUDGE. Mr. Speaker, one of the most rewarding experiences of my tenure in the House of Representatives was the privilege of acquaintance with and the resultant deep respect for the gentleman from New York [Mr. REED].

When he walked into the Chamber in his tall, erect manner he symbolized to me the dignity and character of the Congress of the United States.

He was in every sense of the word, the gentleman from New York.

Mr. HERLONG. Mr. Speaker, all of our hearts are sorrowed today to learn of the passing of our dear friend, DAN REED. He was stanch and steadfast in his beliefs and yet had a kindness and gentleness about him that endeared him to all who had the privilege of serving with him.

I well recall the day on the House floor when a tax measure was to come up, and Mr. REED was steadfastly urging a tax cut. The situation was such that the President could not go along with his ideas, but that did not sway Mr. REED at all. While the majority of the Congress was to oppose his proposal, it will well be recalled how, when he stood up to be recognized, the entire House of Representatives stood as one person in a tumultuous ovation to DAN REED, the man. Truly, that was an hour of triumph even though his idea did not get across. This demonstration by the House on that occasion was an outward showing of what all of us felt inside. It was because he was always so honest in the positions he took that he earned the admiration and respect of all of us, his colleagues.

Our country can ill afford to lose men of the stature of DAN REED. Our hearts go out to his loved ones who are left. It is our prayer that a kind providence will watch over them and comfort them in their and our country's great loss.

Mr. TOLLEFSON. Mr. Speaker, I join with my other colleagues in expressing deepest sorrow over the passing of our beloved Member, DAN REED. Few persons have been so highly regarded or held in such high esteem as he. He was a friend to every other Member and always was more than willing to help them with their problems. His advice and counsel were invaluable.

His contributions to this great legislative body and, through it, to the Nation were tremendous. His work will long be remembered by those who were associated with him. He devoted his life in service to his country and to his fellow man. It can truly be said that he gave his life to them.

We have lost a close friend and a most capable legislator. Through our love for him we can in some measure sympathize with his wonderful wife and his family who survive him. We pray that the Lord will comfort them in their hour of bereavement.

Mr. HORAN. Mr. Speaker, I, too, want to join with my colleagues in paying a sincere tribute to our late colleague, DAN REED—intelligent, patient, courageous, lovable, loyal in truth—all of the attributes to which each of us aspires.

I also want to join in expressing my sympathy to Mrs. Reed, his fine son, Bill, and to all the others in the family.

There is a passage that comes to mind as I review the life of DAN REED. That passage is from Henry Van Dyke, and it reads:

> There is a life that is worth living now as it was worth living in the former days, and that is the honest life, the useful life, the unselfish life, cleansed by devotion to an ideal. There is a battle that is worth fighting now as it was worth fighting then, and that is the battle for justice and equality: to make our city and our State free in fact as well as in name; to break the rings that strangle real liberty and to keep them broken; to cleanse, so far as in our power lies, the fountains of our national life from political, commercial, and social corruption; to teach our sons and daughters, by precept and example, the honor of serving such a country as America, that is work worthy of the finest manhood and womanhood. The well born are those who are born to do that work; the well bred are those who are bred to be proud of that work; the well educated are those who see deepest into the meaning and the necessity of that work. Nor shall their labor be for naught, nor the reward of their sacrifice fail them; for high in the firmament of human destiny are set the stars of faith in mankind, and unselfish courage and loyalty to the ideal.

Mr. PATMAN. Mr. Speaker, I count it as one of the fortunate experiences in my life that DAN REED became a neighbor of mine here in Washington, and I have for many years known him as a neighbor as well as in his role of a brilliant and hard-working Member of the House. We have occupied adjoining offices many years. I believe that there was never a man of higher integrity nor one more dedicated to the public service.

Our deep personal loss here is also the Nation's loss.

Mr. JOHANSEN. Mr. Speaker, as to the length of service of the Honorable DANIEL A. REED in this House, I am impressed by the fact that he began his more than 40 years of continuous membership in the year in which I entered high school.

Of his stature as a statesman; his distinguished service to the Nation, his State, and his district, and his unwavering devotion to American and Republican principles, there is little that I can add to the many merited tributes being paid by his colleagues. The man and his record tell the full story.

I shall always recall with deepest appreciation his kindness, helpfulness and friendliness to me as a much younger Member of this House.

I shall also recall with pleasure our friendly conversations about the days during the First World War when he served as secretary of the Flint Chamber of Commerce in my own State of Michigan.

To Mrs. Reed and the family, and to his constituents in the 43d District of New York, whom he served so long and faithfully, Mrs. Johansen and I extend our heartfelt sympathy.

Mr. OSTERTAG. Mr. Speaker, we have lost one of the pillars of the House today with the passing of DANIEL ALDEN REED, of New York. It is a sad day and a great loss for all of us, for all New Yorkers, and for all the people of our country. DAN REED was a great American and a true and dedicated public leader and public servant.

He was a man of firm beliefs and great integrity, and supported the principles and policies which he believed to be sound and right. For his steadfastness, his dedication to office, his loyalty and his leadership he possessed the respect and admiration of all Members of this body, supporter and adversary, alike.

DAN REED was the senior Republican Member in the House of Representatives. He came to Congress in 1919 and served here for more than 40 years. As a leading member of the Ways and Means Committee for so many years, DAN REED played an important role in shaping legislation in the important area of taxes, foreign trade, and social security.

As a leading member of the Interparliamentary Union, he worked long and hard toward improving world understanding and peace. In fact, it was while attending a meeting of the Interparliamentary Union in Rome several years ago that DAN REED suffered a heart attack which forced him to slow down his vigorous pace.

DAN REED was a temperate man, but his strength and forcefulness inspired all of his colleagues. It was an honor and a privilege to serve as his colleague. I am deeply grieved by his passing and know that these sentiments are shared by us all. Our sincere sympathy goes out to Mrs. Reed and the other members of the family.

Mr. REES of Kansas. Mr. Speaker, we are saddened today in the passing of a great American. DAN REED served his community, his State, and his country with honor and distinction. The people of his district were honored by his representation in this great legislative body during his years of devoted service.

DAN REED was an outstanding statesman. He was an effective legislator. He was kind. DAN REED was fair. He was generous. He was sincere. DAN REED commanded the respect of Members of both sides of the aisle. The Congress and the country are better because DAN REED lived and moved among us. DAN REED had those attributes that make up a real Christian gentleman. The members of his family have our deepest sympathy.

> I cannot say and will not say
> That he is dead. He is just away.
> With a cheery smile and a wave of the hand
> He has wandered into an unknown land,
> And left us dreaming how very fair
> It needs must be since he lingers there,
> And loyal still as he gave the blows
> Of his warrior strength to his country's foes.

Mr. BECKER. Mr. Speaker, I am indeed saddened over the death of an old friend, DAN REED. I feel this is a personal loss as well as a great loss to the House of Representatives and all of the people of the United States.

I have known DAN REED for a great many years and, during my time as a member of the Ways and Means Committee of the New York State Assembly, I had occasion to discuss tax matters and listen to the advice of DAN REED on many occasions. I followed his advice and leadership in the fields of taxation very consistently, and his loss in this regard will be felt deeply. He was always very friendly, kind, and considerate; and to his good wife and family I extend my heartfelt sympathy.

Mr. KEOGH. Mr. Speaker, it is with profound sadness that I rise to pay sincere tribute to the memory of my close personal friend and beloved colleague, DANIEL A. REED. I was shocked to learn of his passing. I grieve for his loss deeply and personally. His district, the State of New York, and the Nation will sorely miss him.

DAN REED was a great patriot, blessed with extraordinary talents and dedicated to the service of his country. With these talents he built a monument of service which will stand for years to come. DAN REED was a gentleman in the finest sense of the word. He was a man of the utmost integrity. He was a man of deep convictions and great courage. He was blessed with a keen legal mind and exceptionally sound judgment. With all these great qualities he had that quality of gentleness of approach and thoughtfulness of the feelings of others which is so rarely found.

My deepest sympathy goes to his beloved wife, Mrs. Reed, and other members of his family.

Mr. WEAVER. Mr. Speaker, it was with profound regret that I learned of the untimely death of our beloved colleague, DAN REED, of New York. One of the truly great men of our time has gone to his resting place. In DAN REED we had a fighter for freedom, a man who fought valiantly and well for a sound fiscal policy, and a man who toiled for

many years to help all the people of the Nation.

Few men in our time have had such a comprehensive grasp of fiscal affairs and taxation. Few could speak with such accurate knowledge, or so movingly on the subject.

To many men who draft and write tax laws, they are dealing simply with statistics, with dollars and cents, with Government finances. Not so with DAN REED. He realized full well that he was dealing with human beings, with their livelihood and their personal finances. This human touch permeated all that he tried to accomplish as a member of the Ways and Means Committee. It aided his understanding and added to his stature as a true and able statesman.

I would like at this point, Mr. Speaker, to extend my own sympathies and condolences to the family of our departed colleague.

Mr. CURTIS of Missouri. Mr. Speaker, I express my sympathy to the family of my close colleague, DANIEL A. REED. A chapter is finished and those of us who had a chance to read from this chapter have been enriched. It is a long chapter, a meaningful chapter, and a unique chapter. The sorrow is not for our friend who wrote it, but for those remaining who now must interpret it. The library of life is composed of many books and we are privileged to read from only one chapter in any book. The chapter preceding and following remain a holy mystery, but I believe we can get glimpses of the past and future through some of the more noble chapters available to us. The chapter written by DANIEL A. REED was among the noblest.

Mr. DULSKI. Mr. Speaker, I want to join with my colleagues in paying tribute to a fine man and a great American, Representative DANIEL REED.

I have been in Congress only a few weeks and had looked forward to his kindly assistance and wise counsel. I envy those who have had the privilage to receive his advice and guidance.

Mr. REED may not always have been in agreement with others, but he respected their thinking. Any time he participated in debate, he gave factual and concrete analysis of his thinking. Mr. REED was rugged in work but mild in heart, and was one of the great humanitarians of our time.

The good Lord has called him to his reward. Not only the State of New York but the entire country has sustained a great loss. We will find it most difficult to replace a man of his stature.

I would like to extend my sincerest sympathy to Mr. REED's wife, his son, and family.

Mr. MASON. Mr. Speaker, when our colleague, DAN REED, passed away, a towering oak fell making a great gap in the forest of men that time and time alone can fill. This House of Representatives will not be the same without DAN REED.

Several years ago I spoke for Congressman REED in his congressional district. On that occasion I said that his people must have selected him to represent them in Congress as the Israelites of old selected King Saul, their first king. They looked around for a man who stood head and shoulders above the common crowd. As the Good Book expresses it:

> He was higher than any of the people from his shoulders and upward * * * there is none like him among all the people.

DAN REED towered above the rank and file of men. Physically, mentally, morally, and spiritually he stood head and shoulders above the average member of society. He was a man among men, a leader, an inspiration to others, a man of strong convictions, steadfast and true.

Congressman REED will be missed—by his friends, by his people, but most of all by those who were near and dear to him.

To his loved ones and to his friends I offer the following comforting words from an unknown poet. They are words of faith and hope in the midst of sorrow and loss:

THERE IS NO DEATH

There is no death! The stars go down
To rise upon some other shore,
And bright in heaven's jeweled crown
They shine forevermore.

There is no death! The dust we tread
Shall change beneath the summer showers
To golden grain, or mellow fruit,
Or rainbow-tinted flowers.

There is no death! Although we grieve
When beautiful familiar forms
That we have learned to love
Are torn from our embracing arms.

Although with bowed and breaking heart,
With sable garb and silent tread,
We bear their senseless dust to earth,
And say that they are dead.

They are not dead! They have but passed
Beyond the mists that blind us here
Into the new and larger life
Of that serener sphere.

Tho' disenthralled and glorified,
They still are here and love us yet:
The dear ones they have left behind
They never can forget.

Mrs. WEIS. Mr. Speaker, to a man, the great leaders of this Congress have already risen to pay their final respects to the memory of DAN REED, and there is nothing that I, as a newcomer to Congress, can hope to add to what they have already said. The men and women who knew him longest and best have eloquently attested to his greatness, and to their everlasting respect and affection for him, and no greater tribute could be paid any man.

He has made his indelible mark upon all of us, and nothing could be said which would add to the stature of DAN REED, but I do want his wife and family to know that all of us share with them the deepest kind of regret.

DAN REED was, very simply, a great and good man—strong, courageous, dedicated, kind. Men of his mettle do not come our way in every generation, and his place here will be exceedingly hard to fill.

Mr. WHARTON. Mr. Speaker, while driving to my district on Thursday morning last, I heard on my car radio the sad and distressing news of the passing of our distinguished colleague, the Honorable DANIEL ALDEN REED. For several years in Washington, Uncle DAN and his good wife resided in an adjoining apartment and our pleasant association with them shall remain a treasured experience in our lives.

I have never met a more cheerful individual nor one more dedicated to his work and the betterment of his fellow man. His appreciative constituents of the 43d District of New York returned him to Congress time and again until he had attained something of a record in his 83d year and his 21st consecutive term in the House. From every walk of life, the people of his home district frequently expressed their regard with gifts raging from small delicacies for his table to a fine automobile purchased through popular subscription.

He was a friend and an inspiration to all and we shall miss his presence sorely, as we have during his long hospital confinement.

To his charming, courageous wife, Georgia, and his fine son, William, we extend our sincerest sympathy in their great loss. I am sure we echo the sentiments of all his friends and constituents in these hallowed words, "Well done thou good and faithful servant."

Mr. SIKES. Mr. Speaker, I have had the privilege of representing the people of the Third District of Florida since my election to the 77th Congress on November 5, 1940. When I compare these few years with the years of service by the late Honorable DANIEL ALDEN REED, Representative of the 43d District of New York, I realize even more the vast storehouse of knowledge and experience of which we are deprived today.

One has only to take a glance at a biographical sketch of this outstanding servant of the people to understand the greatness of his works and the leadership which he so unselfishly gave throughout his life. His honors, his accomplishments, and his many unpublicized moments of counsel, advice, and assistance to his colleagues establish DAN REED, as he was so affectionately known, as a member of that rare group of truly outstanding leaders our country has produced.

Mr. Speaker, I join with my colleagues in expressing my sincere sympathies to the family and friends of DAN REED. At the same time, I hope that others may follow the good examples and works of DAN REED, a great leader in Congress for a period which embraced nearly one-fourth of the life of the Republic.

Mr. LANE. Mr. Speaker, Representative DAN A. REED was a direct descendant of John and Priscilla Alden.

In everything that he said or did, he lived up to this inspiring heritage.

He was independent, courageous, and possessed of an integrity that was eternal.

His constituents had a high regard for his ability and his conscience. From the time he was first elected to Congress in 1918, he served continuously over a period of 40 years until death terminated his career at the age of 83.

As the dean of the Republican membership in this House, and as an outstanding expert in the complex and difficult field of taxation, he had established a reputation as guardian of the

public purse that won the respect of all his colleagues.

There were times when his opinions represented the minority viewpoint within his own party, but even then, no one dared to contest DAN REED on the facts. With his encyclopedic knowledge as a veteran member of the Ways and Means Committee, he was more than a match for any Representative who had only given 10 or 20 or 30 years of intensive study to the subject that DAN knew inside and out.

We shall always treasure the memory of his patriotism that was summed up during the debate on his bill to increase tariff protection for those American industries in need of it. In reply to an opponent of his bill, he said: "As long as I stand on the floor of Congress, I shall fight for my own country first, last and always."

That he did, with sincerity and wholehearted devotion during his long and honorable career, and right up to the end.

To his widow, Georgia, to his son, William T., and to his grandchild and to his great grandchildren, we extend our sympathy.

He has bequeated to them the greatest heritage of all, because Representative DANIEL ALDEN REED gave his best in the service of the United States and its people.

Mr. DORN of South Carolina. Mr. Speaker, the passing of our beloved friend, the Honorable DAN REED, is still difficult for us to realize. When a man of Mr. REED's character, ability and patriotism passes from the congressional scene, it leaves a vacuum. His loyalty, nonpartisanship and love of America has always been to me an inspiration.

When I first came to this Congress, he encouraged me to stand up for our country regardless of politics or pressure. He was a great American in the tradition of the Founding Fathers of our country. DAN REED was forthright, courageous, and pro-American. He stood up for States rights, the free enterprise system, and individual liberty.

Congressman REED believed that those things that made America the great Nation that it is also could preserve America. Mr. REED fought inflation, extravagance and waste in government. He believed in frugality, independence, thrift and virtue in government as well as in private life. The State of New York and the United States have lost a great statesman and we have lost a dear friend.

Mrs. Dorn joins in my deepest sympathy to his immediate family and to his constituents to whom he devoted so much of his time and affection.

Mr. COOLEY. Mr. Speaker, nothing I may say could possibly add dignity to the life nor splendor to the spirit of our departed friend, DANIEL A. REED. He by his own life enriched the lives of all who felt the tolerance and kindness of his great heart.

In paying this brief tribute to this great man I am prompted by sincere human affection.

For 25 years, during the entire time that I have served in Congress, I have enjoyed the friendship of this Christian gentleman, who by the nobility of his soul, the courage of his manhood, and the magnificence of his manner endeared himself to all his colleagues.

Although DAN REED was a statesman in the true sense of that word, he knew that the greatness of a Nation is not built by the crafts of statesmanship nor by the arts of artisans. He knew that the greatness of a nation must be built upon the moral fiber and fabric of people. He held fast to the verities of true religion and to the finest virtues of patriotism. He was dedicated to the immutable principles of justice and to the ancient institutions of freedom. He was devoted to the high and holy ethics of our civilization. He by his life built many grand monuments in the hearts of his countrymen and made many contributions to the welfare and happiness of the people of the world.

For many years I worked with him in the Interparliamentary Union, the oldest and the largest peace organization on earth. By his work in the Interparliamentary Union, he endeared himself to men and women around the world. He walked always in the paths of righteousness and he sought to find the pinnacles of peace and to lead mankind to the altars of liberty.

I happened to be with him in Rome when he was first stricken. He was a picture of magnificent manhood, strong, robust, and dynamic but always gentle and kind.

The tender sweetness of his genial manner was a living inspiration to his colleagues in Congress and to all who had the privilege of his friendship. He possessed all of the splendid virtues and fine sensibilities of true greatness. He rose to the full stature of mankind and he died in the faith of his fathers. He left his name without blemish, a heritage of honor to his children and his children's children. I knew of his great and true devotion for his lovely wife and I extend to her and to all the members of his fine family my very warm and sincere sympathy and express the hope that the Lord of mercy may sustain them in their hours of bereavement.

Mr. TABER. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of the Honorable DANIEL A. REED, a Representative from the State of New York.

Resolved, That a committee of 25 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the following: Mr. TABER, of New York; Mr. CELLER, of New York; Mr. MARTIN, of Massachusetts; Mr. ARENDS, of Illinois; Mr. BUCKLEY, of New York; Mr. HALLECK, of Indiana; Mr. KEOGH, of New York; Mr. SIMPSON, of Pennsylvania; Mr. MILLS, of Arkansas; Mr. ROONEY, of New York; Mr. BYRNES, of Wisconsin; Mr. RIEHLMAN, of New York; Mrs. ST. GEORGE, of New York; Mr. MULTER, of New York; Mr. DELANEY, of New York; Mr. DOLLINGER, of New York; Mrs. KELLY, of New York; Mr. MILLER, of New York; Mr. OSTERTAG, of New York; Mr. O'BRIEN, of New York; Mr. BECKER, of New York; Mr. PILLION, of New York; Mr. DULSKI, of New York; Mr. PIRNIE, of New York; Mr. STRATTON, of New York.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 1 o'clock and 24 minutes p.m.) under its previous order, the House adjourned until Monday, February 23, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

600. A letter from the Assistant Secretary of the Navy, transmitting a report on the progress in the Department of the Navy of the ROTC flight training program, pursuant to Public Law 879, 84th Congress; to the Committee on Armed Services.

601. A letter from the Administrator, General Services Administration, transmitting the semiannual report on all leases for periods exceeding 5 years entered into during the period from July 2, 1958, to December 31, 1958, inclusive, pursuant to Public Law 85–493 (72 Stat. 294); to the Committee on Government Operations.

602. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting correspondence regarding the cases of Keiji Uyeno, A–4882279, and Shizu Uyeno, 11352039, involving suspension of deportation under the provisions of section 244(a)(1) of the Immigration and Nationality Act of 1952, and requesting the return of the cases to their jurisdiction; to the Committee on the Judiciary.

603. A letter from the executive director, Reserve Officers Association of the United States, transmitting the audit report of March 31, 1958, of the Reserve Officers Association, pursuant to section 15b of Public Law 595, 81st Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURLESON: Committee on House Administration. H.R. 4521. A bill to authorize each Member of the House of Representative to employ an administrative assistant; without amendment (Rept. No. 40). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H.R. 4781. A bill to amend the Watershed Protection and Flood Prevention Act to provide that its loan provisions shall be applicable to certain other projects, and for other purposes; to the Committee on Agriculture.

By Mr. ADDONIZIO:

H.R. 4782. A bill to amend the Internal Revenue Code of 1954 to reduce from 65 to 62 the age at which the additional exemption on account of age becomes allowable in the case of a taxpayer or spouse who is a woman; to the Committee on Ways and Means.

H.R. 4783. A bill to provide for the admission of 50,000 refugees; to the Committee on the Judiciary.

By Mr. ANFUSO:

H.R. 4784. A bill to amend the National Housing Act to assist in relieving the shortage of housing for elderly persons and to increase the supply of rental housing for elderly persons; to the Committee on Banking and Currency.

By Mr. BELCHER:

H.R. 4785. A bill to amend section 407 of the Agricultural Act of 1949; to the Committee on Agriculture.

By Mr. BERRY:

H.R. 4786. A bill to restore to Cheyenne River Sioux tribal ownership certain land located in Dewey County, S. Dak.; to the Committee on Interior and Insular Affairs.

By Mr. BETTS:

H.R. 4787. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. BLATNIK:

H.R. 4788. A bill to extend educational benefits now provided for Korean conflict veterans to persons serving in the Armed Forces after January 31, 1955, and before the termination of compulsory military service under existing laws of the United States; to the Committee on Veterans' Affairs.

H.R. 4789. A bill to amend the Civil Service Retirement Act to increase to 2½ percent the multiplication factor for determining annuities for certain Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

H.R. 4790. A bill to amend the War Claims Act of 1948 to provide for the payment of benefits under such act to certain citizens and permanent residents of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON:

H.R. 4791. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

By Mr. CELLER:

H.R. 4792. A bill to authorize the Attorney General to compel the production of documentary material required in civil investigations for the enforcement of the antitrust laws, and for other purposes; to the Committee on the Judiciary.

By Mrs. CHURCH:

H.R. 4793. A bill for the establishment of a temporary National Advisory Committee for the Blind; to the Committee on Education and Labor.

By Mr. CUNNINGHAM:

H.R. 4794. A bill to provide a program of tax relief for small business and for persons engaged in small business; to the Committee on Ways and Means.

H.R. 4795. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. CURTIN:

H.R. 4796. A bill to provide a 1-year moratorium on FHA-insured and VA-guaranteed mortgage payments (both principal and interest), for mortgagors in economically depressed areas who are unemployed and unable to make such payments through no fault of their own, and for other purposes; to the Committee on Banking and Currency.

By Mr. CURTIS of Missouri:

H.R. 4797. A bill to amend the Internal Revenue Code of 1954 to encourage basic research in science by the allowance of a tax credit for contributions and other expenditures for basic research in science; to the Committee on Ways and Means.

H.R. 4798. A bill to amend section 104 of the Revised Statutes, with respect to contempt citations in the case of witnesses before congressional committees, and for other purposes; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 4799. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. HARRIS:

H.R. 4800. A bill to amend the Communications Act of 1934, the Federal Aviation Act of 1958 (with respect to the Civil Aeronautics Board), the Federal Power Act, the Federal Trade Commission Act, the Interstate Commerce Act, and the Securities Exchange Act of 1934, to strengthen the independence and effectiveness and increase the confidence of the public in the efficient, fair, and independent operation of the regulatory agencies which administer such provisions of law, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HIESTAND:

H.R. 4801. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 4802. A bill to limit the size of payments to farmers; to the Committee on Agriculture.

By Mr. JACKSON:

H.R. 4803. A bill to create the Freedom Commission for the development of the science of counteraction to the world Communist conspiracy and for the training and development of leaders in a total political war; to the Committee on Un-American Activities.

H.R. 4804. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. LOSER:

H.R. 4805. A bill to amend the National Labor Relations Act, as amended; to the Committee on Education and Labor.

By Mr. MULTER:

H.R. 4806. A bill to repeal certain miscellaneous excise taxes; to the Committee on Ways and Means.

H.R. 4807. A bill to amend title 38, United States Code, to provide vocational rehabilitation, education and training, and loan guarantee benefits for veterans of service after January 31, 1955; to the Committee on Veterans' Affairs.

H.R. 4808. A bill to amend sections 522 and 545 of title 38, United States Code, to increase the income limitations applicable to the payment of pension for non-service-connected disability or death to $1,800 and $3,000; to the Committee on Veterans' Affairs.

By Mr. POWELL:

H.R. 4809. A bill to amend the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RABAUT:

H.R. 4810. A bill to amend the District of Columbia Sales Tax Act so as to exempt from tax sales of food for human consumption off the premises where such food is sold; to the Committee on the District of Columbia.

H.R. 4811. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 4812. A bill to repeal the manufacturers excise taxes on automobiles and on parts and accessories, and to reduce the manufacturers excise tax on trucks and buses to 5 percent; to the Committee on Ways and Means.

By Mr. RIVERS of South Carolina:

H.R. 4813. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. RODINO:

H.R. 4814. A bill to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment; to the Committee on the Judiciary.

By Mr. ROGERS of Texas:

H.R. 4815. A bill to insure effective regulation of D.C. Transit System, Inc., and fair and equal competition between D.C. Transit System, Inc., and its competitors; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H.R. 4816. A bill to amend the Davis-Bacon Act and for other purposes; to the Committee on Education and Labor.

By Mr. SANTANGELO:

H.R. 4817. A bill to amend title 23 of the United States Code, relating to highways, in order to permit States having toll and free roads, bridges, and tunnels designated as part of the National System of Interstate and Defense Highways to designate other routes for inclusion in the Interstate System; to the Committee on Public Works.

By Mr. SMITH of Kansas:

H.R. 4818. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture.

H.R. 4819. A bill to amend title II of the Social Security Act to increase to $2,400 a year the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 4820. A bill to provide for the District of Columbia an appointed Governor and Secretary, and an elected legislative assembly and nonvoting Delegate to the House of Representatives, and for other purposes; to the Committee on the District of Columbia.

By Mr. THOMPSON of Texas:

H.R. 4821. A bill to amend the act of August 12, 1955, Public Law 378, 84th Congress (69 Stat. 707), so as to provide additional relief for losses sustained in the Texas City disaster; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.R. 4822. A bill to authorize the construction of a nuclear-powered tanker for operation by the U.S. Maritime Administration, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CURTIN:

H.J. Res. 256. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. HARRIS:

H.J. Res. 257. Joint resolution providing that certain communication activities at the IX Plenary Assembly of the International Radio Consultative Committee to be held in the United States in 1959 shall not be construed to be prohibited by the Communications Act of 1934 or any other law; to the Committee on Interstate and Foreign Commerce.

By Mr. SELDEN:

H.J. Res. 258. Joint resolution proposing an amendment to the Constitution of the United States reserving to the States exclusive control over public schools; to the Committee on the Judiciary.

By Mr. BOWLES:
H. Con. Res. 87. Concurrent resolution seeking United States initiative for a joint free world economic mission to India; to the Committee on Foreign Affairs.
By Mr. MERROW:
H. Con. Res. 88. Concurrent resolution seeking United States initiative for a joint free world economic mission to India; to the Committee on Foreign Affairs.
By Mr. BURLESON:
H. Res. 179. Resolution restricting the payment of dual compensation by the Clerk of the House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Missouri, memorializing the President and the Congress of the United States to establish a national recreational area on the Current and Eleven Point Rivers, and declare the rivers national streams, and to provide for the acquisition of the necessary land; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:
H.R. 4823. A bill for the relief of Anna Marina Marolo Rossiello; to the Committee on the Judiciary.
By Mr. BLATNIK:
H.R. 4824. A bill for the relief of Mate Vukelic; to the Committee on the Judiciary.
By Mr. CURTIN:
H.R. 4825. A bill for the relief of Jean K. Simmons; to the Committee on the Judiciary.
By Mr. CURTIS of Missouri:
H.R. 4826. A bill for the relief of Arthur E. Collins; to the Committee on the Judiciary.
By Mr. DORN of New York:
H.R. 4827. A bill for the relief of Judith and Veronika Askenazi; to the Committee on the Judiciary.
H.R. 4828. A bill for the relief of Bruce Rubenstein South; to the Committee on the Judiciary.
H.R. 4829. A bill for the relief of Mrs. Ro A Candelmo (Cho Ro A) and her minor son, David Phillip Candelmo; to the Committee on the Judiciary.
H.R. 4830. A bill for the relief of Primetta Galli; to the Committee on the Judiciary.
By Mr. FLYNN:
H.R. 4831. A bill for the relief of Istvan Bokor; to the Committee on the Judiciary.
By Mr. FRELINGHUYSEN:
H.R. 4832. A bill for the relief of Ioanna Leontaritou; to the Committee on the Judiciary.
By Mr. FRIEDEL:
H.R. 4833. A bill for the relief of Mrs. Anna Toezser; to the Committee on the Judiciary.
By Mrs. GRANAHAN:
H.R. 4834. A bill for the relief of Giuseppe Antonio Turchi; to the Committee on the Judiciary.
By Mr. JACKSON:
H.R. 4835. A bill for the relief of Milton S. Koblitz; to the Committee on the Judiciary.
H.R. 4836. A bill for the relief of Grace West Hawkins; to the Committee on the Judiciary.
H.R. 4837. A bill for the relief of Walter E. Durham; to the Committee on the Judiciary.
H.R. 4838. A bill for the relief of Robert Dunham; to the Committee on the Judiciary.
By Mr. LINDSAY:
H.R. 4839. A bill for the relief of Peter F. de Ullmann; to the Committee on the Judiciary.
By Mr. McFALL:
H.R. 4840. A bill for the relief of Montano Rigodo Ramirez; to the Committee on the Judiciary.
By Mr. MONAGAN:
H.R. 4841. A bill for the relief of Mrs. Halina Rudnicka; to the Committee on the Judiciary.
By Mr. OLIVER:
H.R. 4842. A bill for the relief of Yoli Bellussi and his wife, Janina Bellussi; to the Committee on the Judiciary.
By Mr. QUIGLEY:
H.R. 4843. A bill for the relief of Mrs. Anna Jaborek Gaussmann; to the Committee on the Judiciary.
By Mr. TEAGUE of California:
H.R. 4844. A bill for the relief of Mrs. Wong, Lau Sau Kam; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

82. By Mr. CANFIELD: Resolution adopted by the board of trustees, Milk Dealers' Association of Northern New Jersey, in opposition to any increase in Federal gasoline tax; to the Committee on Ways and Means.
83. By Mr. MONAGAN: Petition of the Public Utilities Commission of the State of Connecticut that the Federal excise taxes on telephone services are not consistent with the maintenance of a reasonably priced and nondiscriminatory public telephone service and, that such Federal excise taxes should be repealed; to the Committee on Ways and Means.
84. By the SPEAKER: Petition of township of Gloucester, N.J., petitioning consideration of their resolution with reference to giving favorable consideration to the Federal loan of funds for the construction of a superliner ship; to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

Use of Dairy Products

EXTENSION OF REMARKS
OF
HON. WILLIAM PROXMIRE
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Thursday, February 19, 1959

Mr. PROXMIRE. Mr. President, a few days ago the Milwaukee Journal paid a high and well-deserved compliment to Dr. George W. Calver, the chief medical officer in the Capitol. The Journal editorial complimented the vigor and fitness of the Members of the Senate, too, and noted—quite properly—that Dr. Calver deserves at least some of the credit. Certainly each one of us is grateful to Dr. Calver for the conscientious concern with which he helps to guard the health and fitness of members of the legislative branch of our Government.

The Journal editorial, however, was somewhat inaccurate on one point—namely, in stating that "Dr. Calver is telling Congressmen to avoid cream and butter." I have checked with Dr. Calver, who tells me that this is not his general advice to his patients. In fact, only in special, individual cases in which the patients are sufferng from specific problems of high blood cholesterol content does Dr. Calver warn his patients to avoid foods having a high content of animal fat and hydrolized vegetable fats, as well.

Specifically, Dr. Calver tells me, he advises patients to avoid all rich foods, such as gravies, sauces, fried foods, and so forth. He emphasizes that vegetable fats, when used in the preparation of foods, such as in frying, become hydrolized, and, therefore, contribute as seriously to the blood cholesterol problem as do animal facts. Finally, Dr. Calver emphasizes that it is the manner of life of the individual patients—rather than the characteristics of these foods—that is the determining factor as to whether they should avoid them. The fact of the matter is that fats are extremely high in energy—much higher than are proteins or carbohydrates. As Dr. Calver says, if a man is digging ditches or engaging in some other strenuous form of activity and exercise, he will readily burn up as much energy as he can consume; but a man who spends long hours of work at a desk, with little exercise, does not require a high-energy diet.

I am sure the Milwaukee Journal's editorial writer was being primarily facetious when he suggested that Wisconsin politicians might wish to suppress sound medical advice concerning the effects of diet upon health. Neither Wisconsin's dairy industry nor Wisconsin's official representatives would be party to encouraging individuals who have special health problems to consume foods which are not good for them. But on the other hand, it is important to have a clear and fair picture of precisely what the facts are—as fully as they are known to responsible medical authorities. Without this clarification, I fear that the Milwaukee Journal's editorial may have left its readers with a completely unintended, but nevertheless false, impression of the true health considerations in respect to dairy products. The fact is that milk and milk products are wholesome, nutritious, and health-giving foods; and any suggestion that this is not so would be a greater disservice to the American public than even to the dairy farmers.

Mr. President, I ask unanimous consent to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DANGEROUS DIET ADVICE

Watching the United States Senate in action recently we were struck by the physical vigor and trimness of the Members of that venerable body. Many of them had obviously been dieting. Many of them showed the results of exercise. Even 90-year-old Senator GREEN, Democrat, of Rhode Island, seemed physically spry—resulting in part from the fact that he walks to work every day and takes other forms of exercise.

Credit for some of this physical fitness must go to Dr. George W. Calver, resident physician to Congress. He's a great man for exercise—says a Congressman should take a brisk hour's walk before breakfast. And he's a great man for dieting, too. But he's going to have some trouble with Wisconsin's congressional delegation.

Dr. Calver is telling Congressmen to avoid cream and butter. He tells them they can eat oleomargarine. If these are requirements for physical fitness, Wisconsin's delegation won't carry off any fitness prizes. A diet restriction like that would be treason.

And it might—in Wisconsin—even be political suicide.

A Bill To Amend the Internal Revenue Code of 1954 To Encourage Basic Research in Science by the Allowance of a Tax Credit for Contributions and Other Expenditures for Basic Research in Science

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill to permit an allowance of a tax credit for contributions and other expenditures for basic research in science. The bill which I propose would provide a tax concession with respect to contributions to universities and nonprofit organizations for basic research in science as well as a tax concession to industry for basic research in science.

The tax concession in the case of contributions to universities and nonprofit organizations would take the form of a credit against tax to the extent of 90 percent of the contributions made with a further limitation that the credit shall not exceed 5 percent of the tax. In the case of basic research activities by industry the credit would be limited to 75 percent of the expenditures with a further limitation that the credit shall not exceed 3 percent of the tax.

It will be recalled that the report to the President on basic research by the National Science Foundation, dated October 19, 1957, indicated that the Nation's basic research effort must be substantially increased. This bill, I believe, would give effect to the recommendation made by the National Science Foundation by providing increased financial resources for basic science research on the part of universities and other nonprofit organizations as well as providing a positive encouragement to similar efforts on the part of industry.

It is my firm conviction that encouragement of basic research by inducing contributions to organizations covered under this bill and by encouraging industrial expenditures for such purpose is preferable to a system of governmental grants. Under the provisions of the bill interference in research programs by the Federal Government would be kept to a minimum. In the case of contributions to universities and nonprofit institutions, there would be no interference in that under the bill a determination of what constitutes basic research in science would be left to the conducting institution. In the case of expenditures by industry the bill would provide for the establishment of a certifying authority consisting of a board of eminent scientists appointed by the President on the recommendation of the National Science Foundation. Thus, there will be preserved in the Federal participation in the program, the point of view of the active scientific researcher rather than the point of view of an administrator of a Government agency.

It is my conviction that favorable action on this legislation designed to enhance basic scientific research in the United States would do much to assure the maintenance of our country's scientific and industrial world preeminence and is in the interest of fostering the improvement of humanity and the cause of peace.

A Joint Economic Mission to India

EXTENSION OF REMARKS
OF
HON. CHESTER BOWLES
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. BOWLES. Mr. Speaker, I wish to include in my remarks the following joint statement issued today by the distinguished junior Senator from Massachusetts [Mr. KENNEDY], the distinguished senior Senator from Kentucky [Mr. COOPER], the gentleman from New Hampshire [Mr. MERROW], and myself concerning the concurrent resolution which we have joined in introducing in this body and the other body today:

We are today introducing in both the House of Representatives and the Senate a concurrent resolution urging our Government to take the initiative in consulting other nations of the free world, including India, about the appropriateness and usefulness of a joint economic mission to India.

This is the great moment of assessment, appraisal, and forward planning for India as it seeks means to complete its second 5-year plan and to set in motion its third plan scheduled to begin in 1961.

There is a wide measure of support for these dramatic and critically important efforts, not only in the United States, but also among other nations of the free world. The 86th Congress, acting on a bipartisan basis in both Houses, can give timely assurances to India of our willingness to explore with other free nations all effective means for joint assistance to India in meeting her vital needs for long term democratic growth.

The text of the concurent resolution follows:

"Whereas the continued vitality and success of the Republic of India is a matter of common free world interest, politically because of her 400 million people and vast land area; strategically because of her commanding geographic location; economically because of her organized national development effort; and morally because of her heartening commitment to the goals and institutions of democracy: Now, therefore, be it

"*Resolved*: That it is the sense of Congress that the United States Government should invite other friendly and democratic nations to join in a free world mission to consult with India on the detailed possibilities for joint action to assure the fulfillment of India's second five-year plan and the effective design of its third plan; and that the Secretary of State report to the Congress on the feasibility of such a mission after consultation with interested governments and with the Republic of India."

Major Amendments Needed in Davis-Bacon Act

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. ROOSEVELT. Mr. Speaker, I join with my able colleague, the gentleman from Rhode Island [Mr. FOGARTY], in offering a bill to amend the so-called Davis-Bacon Act, relating to the payment of prevailing wages on Federal construction work. A companion measure is being introduced today in the other body by Senator HUMPHREY, of Minnesota, and Senator MCNAMARA, of Michigan.

This law was first enacted in 1931, and was considerably revised in 1935 to represent what was then a comparatively effective instrument for preventing the purchasing power of the Federal Government from undermining existing labor conditions in the construction industry.

Since 1935, however, experience has revealed many drawbacks in the framework for administering the Davis-Bacon Act. In fact, changing conditions in the construction industry, and in the methods of Federal financing, has required a new look at the way the act operates today. That is the purpose of this bill; namely, to provide a basis for taking a new and more realistic look at the Davis-Bacon Act.

May I say at the outset, that major defects in the Davis-Bacon Act have become apparent over the years.

FIRST. ADMINISTRATION

It has been shown time and time again that the Secretary of Labor does not possess the necessary authority and responsibility to see that the Davis-Bacon Act is properly enforced. No right to enter and inspect for violations now exists, as it does under similar labor standards laws such as the Walsh-Healey Public Contracts Act and the Fair Labor

Standards Act, granting the Secretary of Labor full power to investigate to see that there is compliance with these laws. Furthermore, the Davis-Bacon Act now fails expressly to charge the Secretary with the duty to find violations and to bar contractors from Government work for the prescribed 3-year period. Instead, these powers rest with the contracting officer or with the Comptroller General, with resulting failure in effective enforcement because of diffusion of responsibility.

SECOND. WAGE DETERMINATIONS

Since 1935, the Secretary of Labor has confined himself to determining the basic hourly wage rate as the only prevailing rate required by the act. Nowadays, however, this basic hourly wage rate falls far short of reflecting the actual hourly labor costs on construction jobs. Collective bargaining agreements throughout the industry now cover many additional payments for the welfare of workers—payments which did not exist in 1935. For example, most agreements in many areas of the country now provide for payments, on an hourly or payroll basis, to health and welfare funds, in order to provide much needed sick and hospital and medical benefits to construction workers and their families. Payments are also frequently required for pension funds, for vacation funds and for supplementary unemployment benefit funds. Many agreements also require payments to various training funds of direct benefit to journeymen and apprentices whose skills are the lifeblood of the construction industry and the mainstay of those who depend upon this great industry for their livelihood.

Recent surveys have shown that the payments to these funds are not only a substitute for direct wage increases which workers would otherwise have received as a part of their basic hourly wage rate, but in addition, that these payments now are a very large part of the hourly wage costs in the construction industry.

In the plumbing and pipefitting branches of the construction industry alone, there are funds in more than 68 of 100 cities surveyed by the U.S. Department of Labor. Payments to these funds run as high as 46½ cents per straight-time hour or as high as 12 percent of the basic hourly wage. Other crafts in other cities have negotiated even higher payments.

These payments cannot be ignored or discouraged because they exist to benefit workers for whom they are made. Yet they are ignored and discouraged. In fact they are completely overlooked in the present administration of the Davis-Bacon Act; the Department of Labor is telling the various contracting agencies that the prevailing rate, in one area after another, is as much as 12 percent less than the actual rate. Thus the Department of Labor is extending an open invitation to outside contractors to bring low wages and cheap labor into higher wage communities because these lower labor costs give them a successful bidding advantage on Government work.

This type of unfair wage competition was the very reason for the enactment of the Davis-Bacon Act in the first place. It is the purpose of these amendments to upgrade the act so that it will once more carry out its original purpose.

THIRD. OVERTIME AND PREMIUM PAY

Going hand in hand with fringe benefit payments are overtime and premium pay provisions now prevailing in most labor market areas across the country. These payments and all overtime, Sunday or holiday work were practically unheard of on Government work in 1935. Both the depression and the rigid 8-hour law combined to restrict all work to straight time hours during the normal working day.

But times have changed. The construction industry has been booming ever since the beginning of World War II and the 8-hour law has been waived on Government work wherever time and one-half is paid for overtime work each day. Common practice in almost all major cities in the country has been to pay double the straight time rates for overtime work and for work on Saturdays, Sundays, and holidays. These practices provide still another aggravating factor which the Labor Department has ignored in determining the prevailing wage rate under the Davis-Bacon Act.

FOURTH. COVERAGE

Today, and for more than 25 years, the Davis-Bacon Act has only covered direct construction contracts of the Federal Government. All other types of federally assisted construction have not been protected by the Davis-Bacon Act, except in those cases where the act has been extended to cover special Federal aid programs. Examples of this type of extension are the Hospital Survey and Construction Act—grants to States and local organizations for hospitals—the Federal Airport Act—grants to local agencies for airport construction—and various Federal housing acts—insuring loans or otherwise aiding multiple housing projects constructed locally. These extensions have been made largely on a "hit or miss" basis.

When the Davis-Bacon Act first became law, Federal aid to local construction did not exist the way it does today. At that time it was not important to cover all federally assisted construction. Nowadays, however, a very large share of the Federal construction dollar is spent by means of various types of grants, loans, payments, or guarantees given to local agencies of one type or another, and it has become increasingly necessary to cover these types of construction expenditures on a fair and permanent basis in order to make the Davis-Bacon Act once more fully operative in accordance with its original purpose.

To remedy these many defects, the bill I am introducing has four major objectives. They are:

First. To broaden the coverage of the present act to include: (a) All nonfarm construction in excess of $25,000 in value, at least one-third of which is financed by Federal funds, loans, payments, grants, or contributions; and (b) all federally insured or guaranteed loans for the purpose of financing any nonfarm construction program other than housing developments of less than 10 units.

Second. To modernize the term "prevailing wage": The Secretary of Labor would be required to predetermine, and Government contractors would be required to pay, not only the prevailing hourly rate as presently specified in the Davis-Bacon Act but also prevailing contractor payments to (a) health and welfare funds, (b) retirement funds, (c) vacation funds, (d) apprenticeship funds.

Third. To put hours of work and overtime on a prevailing basis: The Secretary of Labor would be required to predetermine, and Government contractors would be required to pay, the prevailing overtime rate for each construction craft on a daily and weekly basis including prevailing overtime practice on Saturdays, Sundays, and holidays.

In addition, as a minimum requirement, contractors would be required to pay not less than time and one-half for hours worked over 8 per day, over 40 hours per week, over 5 consecutive days, and on Saturdays, Sundays, and holidays.

Fourth. To centralize enforcement and create a construction appeals board: under this particular amendment, the Secretary of Labor would have (a) Authority to make uniform enforcement procedures for all Federal Government contracting agencies; (b) direct power—including the use of subpena—to investigate violations; and (c) authority to apply violation penalties, including authority to black list.

In addition, this bill provides for the creation of a Construction Appeals Board, appointed by the President, consisting of one representative from the public, one from contractors, and one from labor. This three-man independent board would be required to review and issue, as expeditiously as possible, final decisions on appeal from the (a) Secretary's wage predeterminations; and (b) the Secretary's findings of violations.

These four major amendments are necessary so that Federal money will not be used to destroy prevailing wages, hours of work and working conditions and to eliminate the present bidding advantage of unfair contractors in those areas where union building trades conditions are in fact the prevailing practice.

The Government's $10 Billion Gift to the Private Banks Last Year, and How Such Gifts Can Be Stopped

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. PATMAN. Mr. Speaker, last year the Government of the United States

made a free gift of slightly more than $10 billion worth of U.S. Government securities to the private commercial banks of this country.

This will be a surprising statement to some people. If the Government gave away $10 billion under most of the methods of gift-giving, the country would hear a great deal about it, and we would normally debate such a matter in this Chamber at considerable length.

The statement is, however, in no sense a surprise to people versed in the banking system. This sort of thing has happened many times before. Indeed, the amount of the gift of last year is well known in banking circles.

Now, of course, using the term "gift" may seem to exaggerate the matter, because the methods by which $10.4 billion of interest-bearing securities were transferred from the Treasury of the United States into the vaults of the private banks are slightly complex. If this were not so, then, of course, the general public would already know about the matter; and we could expect that a great number of people would be considerably exercised about it. But the term "gift" is literally correct. The Government of the United States gave away these bonds and other interest-bearing securities just as surely as if a convoy of trucks had hauled them from the Bureau of Engraving and Printing directly to the vaults of the private banks.

The more exact amount of this gift is $10,410 million. It was made in several lots between November 27, 1957, and November 26, 1958. The source of my figure is the Federal Reserve Bulletin for January 1959, page 33. This is an official publication of the Board of Governors of the Federal Reserve System, and it is available to all Members as well as to the general public. By reference to page 33, one may see that at the end of November 1957, all commercial banks in the United States held $56,910 million in U.S. Government obligations. A year later, at the end of November 1958, these banks held $67,320 million of Government securities. Thus the commercial banks increased their holdings of these obligations by $10,410 million within the 12-month period.

Before coming to the mechanics of how the Government put this $10.4 billion of Government securities into the hands of the banks, let me point out how the gift was distributed among the banks.

First, all classes of commercial banks shared to some extent in this gift. These include the New York and Chicago banks, the Reserve city banks, and the country banks. But 72 percent of these securities went to only 2 percent of all the banks in the country. And consider this—$2.3 billion went to only 18 New York City banks.

Now, how did the commercial banks of the country acquire this $10.4 billion of Government securities?

In a nutshell, they created the money with which to buy them. They created new money in this amount on the credit of the United States, which cost them not one penny. The Federal Reserve System gave the banks the wherewithal to create the money, and this meant that the banks could create the money automatically.

GOLDSMITHS OF OLD MANUFACTURED MONEY

More specifically, the Federal Reserve gave its member banks additional "reserves," and because of the fractional-reserve system on which the commercial banks operate, this meant that the banks could create several dollars of new money for each dollar of new reserves.

Now, for those who may not know about the fractional-reserve system, and how money is created under it, let me point out the elementary principles.

The best way to understand the fractional-reserve system is to begin with the operations of the goldsmiths who were the forerunners of our modern banking system.

There was a time—before there were any banks—when people who had gold usually took the gold into the goldsmith and left it with him for safekeeping. When a man left his gold with a goldsmith, the goldsmith would, of course, give the man a receipt, or claim check, for his gold. This receipt was supposed to mean that the depositor could come back and get his gold at any time. The receipts were transferable, so anyone having possession of a goldsmith's receipt was supposed to be able to present it to the goldsmith and obtain the gold.

What happened, of course, was that people who had these receipts found they could use them as money. In other words, people passed them from hand to hand in commercial transactions, without going back to the goldsmith to obtain the actual gold.

Furthermore, the goldsmith soon learned that the people holding these receipts rarely came in and asked for the gold, so he discovered that he could issue more receipts than he had gold. In short, the goldsmith began making "loans," and issuing receipts to people who had no gold on deposit. These receipts went into circulation as money, just as though the goldsmith had enough gold to back them up.

Each goldsmith was operating on the probability that all the people holding his receipts would not come in at one time and demand the gold.

As experience proved, the goldsmith could usually issue receipts in amounts several times the amount of the gold in his vault. The gold in his vault served the purpose of what today is called the bank's reserves. At least a little gold had to be in reserve to cover the possibility that some of the people holding his receipts would come in and demand the gold.

A pamphlet recently circulated by one of the big business associations claims that experience proved these goldsmiths could safely issue $10 in receipts for every dollar of gold. This is presumptive history, however, and is part of the bankers' current campaign to sell the idea that their own required reserves can safely be reduced to 10 percent. Actually, no one can say just how long the odds were that the old goldsmiths could safely play on. But we do know that this system of fractional reserves has given a great deal of trouble throughout its use. Most of the banking reforms and regulations which had been added over the years—including the Federal Deposit Insurance System—have been designed as safeguards against the trouble this system can cause.

PRIVATE BANKS MANUFACTURE MONEY

Today the private commercial banks create money in the same way as did the goldsmiths of old. The banks receive their reserves from the Federal Reserve System—not in the form of gold, but merely as bookkeeping credits. The actual gold is owned by the U.S. Government, buried at Fort Knox, and the Treasury simply issues certificates to the Federal Reserve System to back up whatever money the Federal Reserve System creates.

The Federal Reserve System operates on a fractional-reserve system, too. Under present law it can create money up to $4 for each dollar's worth of gold, or gold certificate. Under present Federal Reserve regulations, the private commercial banks can, in turn, create $7 on each dollar of reserves received from the Federal Reserve System. So, the potential money-creating ability of the whole banking system is $32 for each dollar's worth of gold—$4 created by the Federal Reserve plus $28 created on these $4 by the private commercial banks.

In considering how the commercial banks create money today, we must keep in mind that most of the money in use is in the form of bank deposits. This is what is sometimes called checkbook money.

Each time a commercial bank makes a loan or invests in a security, it creates money. It creates new deposits to the account of the person who receives the loan or sells the security. But the bank does not, of course, make any offsetting reduction in my account, your account, or the accounts of any other depositor. The bank that makes the loan may not, of course, be the same one to enjoy the increased deposits. The new deposits may go to some other bank or banks. But deposits in the banking system as a whole are increased. Furthermore, the person to whom the loan is made may immediately pay out the funds, but someone else's deposit account is increased, so the result is the same. New money has been created. The making of a loan or the purchase of a security by a commercial bank creates new money by that amount.

FEDERAL RESERVE GIVES PRIVATE BANKS RAW MATERIALS FOR MANUFACTURING MONEY

Last year, the percentage of deposits which the Federal Reserve System required its member banks to keep in reserve, on the average, allowed the banking system to create money up to $7, approximately, for each dollar of bank reserves.

As a part of its antirecession program of last year, the Federal Reserve System gave its member banks additional reserves on three different occasions. In February, the Federal Reserve Board reduced required reserves of all member banks by one-half of 1 percent. This

gave these banks $491 million of added reserves, on which they could create new money at the rate of 7 to 1. In other words, on the basis of these added reserves the banks could create up to $3.4 billion of new money—by making loans or purchasing securities in this amount.

Then, at the end of March and the beginning of April last year, the Board reduced required reserves another one-half of 1 percent. This gave the member banks more reserves amounting, in this instance, to $495 million. This one-half of 1 percent reduction was also given to all classes of member banks.

Finally, later in April, the Board made another reduction for the banks in New York and Chicago and in the Reserve cities—which accounts for only 5 percent of all the member banks. This time the Board passed over the country banks. Reserves of banks in New York and Chicago were reduced by another 1 percent, and reserves of the Reserve city banks, by another one-half of 1 percent, giving these banks additional reserves of $462 million, which meant they could expand the money supply up to another $3.2 billion.

All of these reserves handed out to the member banks last year came to a total of $1.5 billion, on which the commercial banking system could create new money in an amount up to $14.5 billion.

In addition to these reserves which the Federal Reserve System gave the banks through reductions in required reserves last year, the System also gave these banks other great quantities of reserves through the System's Open Market Committee. But for our present purposes it will not be necessary to discuss these.

It is enough to point out that the $14.5 billion of money-creating power given the banks through reductions in their required reserves were substantially all used by the banks to acquire and hold an added $10.4 billion of U.S. Government obligations.

PRIVATE BANKS SHOULD NOT BE GIVEN USE OF THE GOVERNMENT'S CREDIT TO LEND TO THE GOVERNMENT

The official reason stated for giving out these reserves is that they were intended to help the banks meet business needs for credit. Actually, there was no expansion of business loans during the year, but rather a reduction of $1.5 billion. The money which the banks created was, as I have indicated, substantially all used to acquire interest-bearing obligations of the United States. If these obligations draw interest at an average rate of 3 percent, it will mean that this $10.4 billion gift to the banks will cost the taxpayers about $350 million each year in interest payments, plus, of course $10.4 billion if and when the debt is retired.

Now, I doubt if many serious students of our banking system object to the practice of allowing the private banks to create money to be used to meet the credit needs of business. True, the Federal Reserve has the power to create the money, and to some extent uses it. But when money is created through loans to business or individuals, some risk is involved. The creator of the money assumes a risk in making the loan, and this is a matter which should be left to private banking decisions. We would not like the Federal Reserve System, a Government-owned agency, to have the job of deciding for which companies or individuals money will be created, and for which would-be borrowers money will not be created. It is better to delegate the Government's money-creating power to the private banks and let them use it for these purposes—within limits, of course, and with proper safeguards.

Personally, however, I have never been able to see any reason for allowing the private banks to create money on the credit of the United States to purchase interest-bearing obligations of the United States. In the purchase of U.S. Government obligations there is no function to be performed in separating the good credit risk from the poor credit risk. And the Government's credit which backs up its interest-bearing obligations is no better or worse than its credit on which the money is created. Finally, in creating money to buy Government obligations, the private banks perform no service for the Government which the Government cannot perform for itself—and without incurring interest charges.

Consequently, I am proposing that Congress take action to eliminate the abuses in this system which resulted in giving away $10.4 billion last year.

Recently I had a note from the research director of a large organization who asked for details about my proposal for eliminating the abuses in the private banks' use of the Government's power of creating money.

I have written the gentleman on this subject, and I hope the Members will be interested in my proposal. Certainly this abuse is no small matter. The $10.4 billion gift to the private banks last year was, for example, about the same as the total Federal deficit expected in the present fiscal year. As another example, it is a great deal more than the cost to the Government of all the farm price-support programs in the whole quarter-century such programs have been in effect.

Consequently, I invite the Members' attention to my letter as follows. I have not asked permission to use the gentleman's name, so I omit that.

FEBRUARY 17, 1959.

DEAR SIR: Thank you for your note of February 11 concerning my proposal for raising interest-free funds.

Let me put the matter in its proper context. First of all, let me emphasize that Government securities should, to the maximum extent possible, be paid for out of savings. This means that every effort should be made to sell the securities to individuals and groups who have the money to pay for them, such as individuals, insurance companies, savings banks, pension funds, and so on. In other words, the securities should be sold to anybody and everybody except the commercial banks. Ideally all securities should be paid for out of savings, except to the extent that increases in the money supply are desirable to meet the needs of the economic system.

The practice in recent years has been, however, to sell a large percentage of the new security issues to the commercial banks, which means that the private banking system creates the money with which to buy these securities. For example, in 1958 the Federal Reserve gave member banks additional reserves sufficient to allow them to create up to about $14 billion of new money. About $12 billion was actually created; and $10 billion of this was used by the banks to increase their holdings of interest-bearing Government securities.

In every practical respect we can say that the Federal Government made a gift of $10 billion in Government securities to private banks last year; and this gift, which cost the private banks nothing, will cost the taxpayers about $300 million a year to meet interest charges.

The Constitution reserves to Congress the power of creating and regulating money. There is no doubt about this. The power upheld in the legal tender cases decided by the Supreme Court in 1871 and 1874, and upheld again in the New Deal gold clause cases of 1935.

Congress has, however, delegated this power. It has delegated it primarily to the Federal Reserve System. And it has given the Federal Reserve System authority to delegate the money creating power, within wide limits, to the private banking system. The power to create money is inherent in the fractional-reserve system of the commercial banks and this system is authorized by law. More specifically, however, the Federal Reserve has authority to change, within limits, the fraction of reserves on which the banks may operate. At present, money can be, and is, created both by the Federal Reserve and the private banks. The Federal Reserve may give private banks additional reserves, which automatically allows these banks to create money—at the present time up to a maximum of $7 per dollar of additional reserves.

Or the Federal Reserve can itself create the money in any of several ways. Its principal mechanism is the Open Market Committee, which operates a trading center at the New York Bank. The Open Market Committee may buy Government securities, in which case the Federal Reserve System gives the private banks added reserves in exchange for them.

I have dwelt on the mechanics for this reason. My suggestion, that when money is created to buy Government bonds it ought to be created by the Federal Reserve, is frequently met with the statement that it would be much more "inflationary" for the Federal Reserve to buy a given quantity of bonds than for the private banks to do it. Such statements are only intended to confuse the issue. The statement would be entirely true if the Federal Reserve simply bought the bonds and took no action to offset the added reserves given the private banks, but it is not sensible to think that it would not take such action. It could, for example, use its everyday mechanism of raising reserve requirements to offset the effects, or even more than offset the effects.

My point is that I can see no reason why the private banks should be allowed to create money on the credit of the United States to buy interest-bearing obligations of the United States.

The Federal Reserve System is owned by the Government and its income, including the interest received on Government securities, flows back into the Treasury. At least its net income, after expenses, flows back to the Treasury. Its principal expenses are about $130 million a year for free services—such as cashing checks—to the private banks.

The simplest and the most practical way of accomplishing what I propose is to pass an outright prohibition against commercial banks increasing their holdings of Government securities beyond what they have held in a base period—say the date on which the prohibition is passed. In order to take care of changes in the asset positions of individual banks, the prohibition would need to contain a proviso for individual adjust-

ments. In other words, an individual bank could be allowed to acquire more Government securities as its capital account is increased.

In addition, another new authority would be needed. While the Open Market Committee can purchase and hold an unlimited quantity of Government securities, it must purchase these from the open market, not directly from the Treasury. The Federal Reserve Board, on the other hand, has authority in law to purchase securities directly from the Treasury, but this is limited to a maximum of $5 billion and, furthermore, this authority is intended for use only on a temporary basis. The Federal Reserve Board should then be given enlarged authority for purchasing Government securities directly from the Treasury.

Sincerely yours,

WRIGHT PATMAN.

A World Attack on Cancer

EXTENSION OF REMARKS
OF
HON. CHARLES O. PORTER
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article written for United Press International by my friend and colleague in the Senate, Senator RICHARD NEUBERGER, which appeared in the February 12, 1959, edition of the Eugene (Oreg.) Register-Guard:

THANKFUL TO BE ALIVE—NEUBERGER ASKS WORLD ATTACK ON CANCER

(EDITOR'S NOTE.—Last fall, Senator RICHARD L. NEUBERGER, 46-year-old Democratic Senator from Oregon, underwent surgery for removal of a cancerous tumor. Wednesday, he was en route back to Washington, grateful for being alive. In this dispatch, Senator NEUBERGER speaks frankly of his experience and, as he prepares to "resume a normal schedule of activity"—his physician's words—offers a message of hope to other cancer sufferers. He also speaks, from the basis of his own trying experience, of what he feels this country must do to bring the possibility of cure to all cancer victims.)

(By Senator RICHARD NEUBERGER)

It has become almost axiomatic to protest about our modern age. Yet if I did not live in a modern age, I would probably be dead now. Three miracles of modern medical science have given me a prospect for recovery from cancer which my doctors regard as excellent.

These miracles are (1) early detection of the tumor; (2) skillful surgery; and (3) the twin agents of cobalt radiation and chemotherapy, with their destructive impact on any of the tumor which might have spread.

Even before cancer was diagnosed in me, I stood on the floor of the U.S. Senate and advocated vastly increased Federal support of medical research. Yet I used glibly the reference that 40 million Americans were destined to have cancer. I never thought I might be among the 40 million. I always felt that this would be somebody else. I suppose countless citizens feel this way—otherwise we would not tolerate spending more on chewing gum than on cancer research, and many times more on such things as permanent waves and cigarettes.

INTERNATIONAL MEDICAL YEAR

Along with my colleagues, Senator LISTER HILL, of Alabama, and Senator HUBERT HUMPHREY, of Minnesota, I have been proposing an International Medical Year and a pooling of medical discoveries made by all nations. This has a particularly urgent meaning for me today. Cobalt radiation, a vital factor in the successful treatment I have undergone, was developed by such illustrious scientists of Canada as Dr. David A. Keyes and Dr. H. F. Batho. I am fortunate that no unwise import quota kept this marvel of their intellects from coming to the United States.

A brush with cancer tends to place many things in true perspective. First, one becomes profoundly grateful to all those who, through the long history of medical research, have contributed to the advances thus far made in treatment of this grim disease. Secondly, old antagonisms fade away. I no longer can transform political disagreements into any feelings of personal malice. When one is grateful to be alive, it is difficult to dislike a fellow human being.

I am keenly aware that some of the most eminent Members of the Senate have died of cancer during recent years—among them Charles L. McNary, of my own State of Oregon; Robert A. Taft, of Ohio; Arthur Vandenberg, of Michigan; Matthew Neely of West Virginia; and Brian McMahon, of Connecticut. That is why I regard it as so crucially important if I can stand in the Senate and stress to my colleagues that my own life has been spared, because I have had a type of cancer which has responded to a discovery thus far made in the realm of medical research.

Is it not vital that we devote every effort to extending these discoveries, if possible, into other areas of cancer where successful treatment has not yet been achieved? Does it make sense to invest in cancer research only about 1 percent of what we spend on research into armaments and weapons of war? Two out of every three American families are in peril of affliction from cancer.

From the very beginning, I told my doctors to include candidly in their medical bulletins the fact that my illness has been diagnosed as cancer. I realize that has not been done in the case of some public figures. Yet we need to have full understanding of this disease if it is to be conquered.

Medical scientists inform me that some people, knowing they may have cancer, still hesitate to seek treatment because they fear it is inevitably hopeless. Thus, if a person in public life does recover from cancer, it is an event which can give hope and courage for many millions of others.

The American Cancer Society reports that, already, about 30 or 35 percent of cancer victims are being saved. As new findings are attained in the field of chemotherapy, this percentage undoubtedly will be increased—especially if people seek immediate medical care.

MANY COMPETENT DOCTORS

While much remains to be known about cancer, I think it is essential that Americans have faith in the competence of their doctors. Some believe that capable care can be received only at a few nationally known medical centers. I chose to remain for treatment in my native city of Portland, Oreg., because I believe that knowledge and competence in this field are not confined to one or two famous places. I think I have been confirmed in this decision by the fact that, in my travels around our State this past fall and winter, I have met quite a few men and women who have recovered from cancer under the able auspices of their own local physicians.

The National Cancer Institute, which is part of our U.S. Public Health Service, makes grants throughout the Nation to all promising avenues in the area of cancer research. Your own life or that of a loved one might potentially be saved if you urge your Senator to vote full and adequate appropriations for this vital Government agency, which provides about 72 percent of the funds for research into the causes and possible cures of the series of diseases known as cancer.

Collegiate Nurse Training

EXTENSION OF REMARKS
OF
HON. EDITH GREEN
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mrs. GREEN of Oregon. Mr. Speaker, it is not only yesterday's headlines about a new weather satellite, the headlines of a few months ago about artificial planets, the fantastic growth and increasing complexity of our techniques of production which give evidence of an everchanging world. The arts of death, it is true, are rapidly making science fiction novels read like historical romances. But, thanks to the efforts of thousands and thousands of unsung men and women, the arts of life are advancing, too.

Today's nurse, though imbued with the same spirit that led Florence Nightingale to the Crimea, and Clara Barton to the battlefields of the Civil War, must operate in an entirely different context. In a former era, the American nurse gave baths, changed bed linen, cleaned up the hospital wards and performed other such vital but nonprofessional labors. It was not very many years ago that a nurse was not even authorized to give injections. But today the heroic figure of the woman—and man—in nurses' white symbolizes not only a person who is willing to give of her time and energy to care for the immediate needs of the sickroom, but in addition a person whose professional, technical, and scientific training is of a quality comparable with that of any profession.

Today's nurse cannot be just a high school graduate, whose spirit of applied Christianity alone qualifies her for this service. She is a skilled technician in the war against disease. In her hands any of our own lives may rest some day soon. To her education we should give careful and conscientious study.

Mr. Speaker, on the opening day of this 86th Congress, I introduced a bill—H.R. 1251—designed to assist in meeting the serious shortage of college-trained nurses. Today, in a nearby legislative body, a similar bill is being introduced by an American statesman whose leadership in the fight for adequate health facilities for the American people is unexcelled—the distinguished and able senior Senator from Minnesota [Mr. HUBERT HUMPHREY]. I have asked leave of the House to address myself to this legislation, and to the needs which prompted it.

The National Defense Education Act of 1958, within its own compass, was a

major step forward in meeting the needs of American higher education. But the victory gained by the passage of that act was not solely in terms of its substantive content. It was equally significant as a symbol of the recognition by the Congress and by the American people that higher education is a vital part of this Nation's strength. I do not refer solely, or even mostly to our military strength, although this is not unimportant. The 1958 act indicated to the Nation and to the world that we again asserted the Jeffersonian belief that an uneducated nation could not long be a free nation. This belief has been a keystone of the American system since our birth as a nation. It is as demonstrably true today as it has always been.

But the National Defense Education Act of 1958 did not have an even effect on all types of higher education. It emphasized science and mathematics, at the expense of other disciplines; and in terms of the context of the bill, this was perhaps justified. But there remains a shadow field, at the margins of science, as that term is used. There remains the healing arts, medicine and nursing. These are not considered as scientific fields within the meaning of the National Defense Education Act. Yet they are professions in which the paraphernalia and techniques of science are of the greatest importance. And they are fields which we must develop for the same reasons that we must develop the fields of science and mathematics. Our national supply of college-trained doctors and nurses—and especially the latter—must be strengthened if we are to meet the demands of the time, if we are to be adequately prepared for the possible needs of a civil defense emergency, if we are to meet the health needs of an evergrowing Nation.

The bill to which I address myself provides for grants-in-aid for the construction of teaching facilities for nursing education at the college level, in the amount of $20 million per year for each of 5 fiscal years; for grants-in-aid to help meet the costs of collegiate nursing instruction in the amount of $10 million per year for the same period, for $10 million yearly for scholarships for college training of nurses, both those just entering the profession and graduate nurses, and for the creation of an advisory committee appointed by the Surgeon General, to assist in the administration of the act. The bill contains appropriate safeguards against the intrusion of Federal control into the field of curriculum, personnel, and administration of the collegiate schools.

What evidence have we of a need for such legislation? To fully explain the desirability of an act such as I have proposed, it is necessary to speak at some length about the present state of nursing education.

In the first place, it is a surprising and sobering fact that of the 430,000 professional graduate nurses in the Nation in 1956, only 30,000—some 7 percent—have bachelor's degrees from an accredited college. One and five-tenths percent of the total number of nurses have master's degrees. In spite of the excellent working of Public Law 911, which the Congress enacted in 1956, the general picture has not changed. The latter act, designed to equip graduate professional nurses for supervisory duties, through assistance in the obtaining of master's degrees, has been less successful than was hoped, largely because of the serious shortage in some areas of nurses who have baccalaureate degrees, and who would thus be eligible for work on advanced degrees.

In the fields of teaching, administration, and supervision the picture is even more discouraging. In these three areas of nursing activity, where one might legitimately expect the percentage of nurses holding bachelor's degrees to be very large, the statistics indicate that only 22.4 percent are actually so prepared. In the very field of nursing education, where the possession of a college degree might legitimately be considered as absolutely essential, we find that only 77 percent of the nurses involved hold bachelor's degrees. I ask unanimous consent that two tables, showing the percentages of degree-holding nurses be inserted at this point in the RECORD, together with explanatory material from the U.S. Public Health Service.

TABLE 1.—*Estimated number and percentage of active graduate nurses holding academic degrees, in the United States, 1952 and 1956*

Degrees held	Number		Percentage	
	1952	1956	1952	1956
Total	374,600	430,000	100.0	100.0
No degree	343,750	393,600	91.8	91.5
Bachelors degree	27,050	30,000	7.2	7.0
Masters degree [1]	3,800	6,400	1.0	1.5

[1] Includes an estimated 75 nurses in 1952 and 125 in 1956 who hold doctorates.

Source: 1952 figures, "How many nurses have college degrees?" by Eugene Levine, Nursing Outlook, January 1954, p. 23; 1956 figures, table 2.

TABLE 2.—*Estimated percentage of active graduate nurses holding academic degrees, by field of nursing, in the United States, in 1956*

Occupational field	Number of nurses				Percentage of nurses		
	Total	Holding bachelors degree	Holding masters degree	Holding no degree	Holding bachelors degree	Holding masters degree	Holding no degree
All fields	430,000	30,000	6,400	393,600	7.0	1.5	91.5
Hospitals	265,800	14,700	2,200	248,900	5.5	.8	93.7
Directors	11,400	2,600	1,300	7,500	22.8	11.4	65.8
Supervisors and assistants	23,900	3,100	600	20,200	13.0	2.5	84.5
Head nurses and assistants	44,000	2,800	200	41,000	6.4	.4	93.2
General duty and others	186,500	6,200	100	180,200	3.3	.1	96.6
Public health	27,200	6,900	1,300	19,000	25.4	4.8	69.8
Supervisors	3,100	1,400	800	900	45.2	25.8	29.0
Staff nurses	24,100	5,500	500	18,100	22.8	2.1	75.1
Nursing education	10,400	5,300	2,700	2,400	51.0	26.0	23.0
Industry	17,000	800	100	16,100	4.7	.6	94.7
Doctors' offices, private duty, and other	109,600	2,300	100	107,200	2.1	.1	97.8

Source: Figures shown in this table are estimates based on published and unpublished sources. A description of the methods used in making these estimates and a list of source references can be obtained from the Division of Nursing Resources, Public Health Service, U.S. Department of Health, Education, and Welfare.
From Nursing Outlook, vol. 6, December 1958.

Explanation of sources of data used in table 2 of article "How Many Nurses Now Have College Degrees?" published in Nursing Outlook, vol. 6, p. 689, December 1958

Occupational field	Source of data
Hospitals, all categories of personnel.	Survey of 682 hospitals in the United States, conducted by the Division of Nursing Resources, Public Health Service, in the early part of 1958. The 682 hospitals represent a random sample of the 6,158 hospitals in the United States listed by the American Hospital Association.
Public health	Based on reports received from State health departments in the United States, as of Jan. 1, 1957. Tabulation prepared by Division of Public Health Nursing, Public Health Service.
Nursing education	Based on a 1957 survey of teachers in nursing education programs conducted by the American Nurses Association, a 1956 survey of schools of nursing conducted by the National League for Nursing, and on data collected in State surveys of nursing needs and resources conducted by Division of Nursing Resources during years 1955 to 1958.
Industry	Based on reports gathered by State health departments, Jan. 1, 1957, by occupational health program, Public Health Service.
Doctors' offices, private duty, and other.	Projected from data collected in State surveys of nursing needs and resources conducted by Division of Nursing Resources during years 1955 to 1958.

In an effort to meet the growing needs for college-trained nurses, the nursing profession itself, in the best traditions of American professionalism, has undertaken rigorous self-analysis, and has established a system of priorities, which I ask unanimous consent be printed at this point.

STATEMENT OF PRIORITIES—ADOPTED BY THE ANA BOARD OF DIRECTORS, FEBRUARY 1959

The ANA is concerned with providing the best possible nursing service for the American people. If this is to be accomplished, there must be an adequate supply of qualified professional practitioners of nursing.

The members of the association believe that the public must share in the responsibility of providing adequate financial support for nursing education.

Through its 1958–60 platform, the association is committed to promote legislation which will provide public funds for research, scholarships, and continued improvement in nursing education. At this time, primary needs for public support are in these two areas:

1. Traineeships, or scholarships for nurses in advanced programs preparing for teaching, administration and supervision.

2. Expansion of collegiate programs in nursing through assistance with costs of construction and instruction; and through

scholarships for students in supplemental and basic programs leading to the baccalaureate degree.

The first of these has been partially fulfilled by the passage of Public Law 911. The objectives stated in the second priority can be met, at least in part, by the subject legislation.

What are the needs that have called forth this bill? Why are we especially in need of college-trained nurses? In view of the fact that we have managed to get along with a nursing profession in which only a tiny fraction are college trained, why do we now emphasize this type of training instead of asking for assistance, if assistance is needed, for the traditional hospital-based nurse training facilities? These are all questions which may legitimately be asked, and they are questions which I hope the distinguished Committee on Interstate and Foreign Commerce will put to the nursing profession when this bill is brought up for hearings.

But let me, from the information I have at hand, briefly discuss the needs for more nurses and the reasons why training at the college level is urged by the leaders of the nursing profession.

The most reliable figures available indicate that the number of professional nurses in the Nation today is at an all-time high. In January 1956, there were about 430,000 professional nurses employed in the United States. This figure shows a ratio of 259 nurses to every 100,000 population. In a past era when few Americans could afford hospitalization, and even fewer availed themselves of it, this might have been an adequate ratio. But today the situation is vastly different. In 1957, 13 out of every 100 Americans went to a hospital. The growth of hospital insurance, the increasing public concern with health, the growth of other demands on the nursing profession such as industrial nursing, public health nursing, school nursing, and similar nursing activities outside of the hosptials, the increase in the number of hospitals themselves, the prolonged demand for nurses by the Armed Forces—all these factors have combined to bring the supply of trained professional nurses below the demand. The need for additional nurses is well documented and undeniable. At the insistence of the profession itself, the standards for nurse training, both in and out of the colleges, have been kept at a high level. This fact, of deep comfort to members of the public, whose very lives may some day rest in the hands of a trained nurse, has kept the supply of nurses from growing as it otherwise might.

With the growing gap between the public demand for nursing services and the limited supply of professional nurses, our hospitals have had to resort to varied techniques to fulfill their mission. The priceless skills of the professional nurse have had to be rationed, as it were, and the nonprofessional aspects of what were once the duties of the nurses have had to be handed over to nurses' aides, to practical nurses, and to hospital orderlies. But even with these techniques of stretching available skills, the need for professional nurses remains unfilled.

But, as I suggested earlier, why is it necessary to demand college training when the hospital-trained nurses now comprise such a vast portion of the profession?

Let me say first that no question can be posed as to the great work being done by hospitals in training nurses, nor as to the quality of the work done by these nurses. They are not second-best, they are not in some shadowy area of competence. The professional nurse today, whether hospital trained or college trained, deserves the highest praise and the deepest admiration of her fellow citizens. They are not overpaid by any stretch of the imagination, and they are far from underworked. For most people, the constant strain of the nursing profession, the intimacy with death and disease, the responsibilities that fall upon these dedicated men and women, put nurses in the same category as the members of other professions whose choice of a lifework can only be attributed to the overriding power of conscience and the will to self-sacrifice on behalf of humanity that characterizes, for example, teacher. It is not from any dissatisfaction with the caliber of the work being done by the average nurse today that the nursing profession itself has urged the expansion of college training programs.

First, the nurse today is being called upon increasingly to perform work of a scientific and technical nature which is a far different thing from the job given to the nurse of a generation ago. Let me quote from an article appearing in the New York Times of August 25, 1957, written by Wayne Phillips, a journalist of several years' experience on hospital staffs:

> Besides the basic subjects she is expected to have studied in high school—biology, chemistry, mathematics—the professional nurse today must have a good foundation in anatomy, physiology, microbiology, and nutrition. Through training in the specific needs of different types of patients, she is introduced to the principles not only of simple medicine and surgery, but also of urology, neurology, geriatrics, pediatrics, obstetrics, orthopedics, psychiatry, sociology, gynecology, ophthalmology, and otolaryngology. And she must learn the techniques of her profession as practiced in public health and clinical and industrial nursing as well as in hospitals.

The registered nurse today must prepare medications, assist at surgery, and carry out professional duties which not very many years ago were restricted to the medical profession itself. Here is the basic reason for the demands of America's nurses that the newcomers to the profession be encouraged and enabled to pursue their education to the collegiate level.

Today's nurse is doing a magnificent job for inadequate salaries, on the basis of preparation which is not always able to keep up with the increasing complexities of the nurse's job. She is being given more and more responsibility of a supervisory and educational capacity. The demands for a broader based, more professional training program are urgent. The willingness of the persons engaged in the profession is manifest. The time for action, Mr. Speaker, is now.

Mr. Speaker, in the days since H.R. 1251 was introduced, I have received from nurses' associations and from nursing educators, considerable mail in support of this bill. I ask unanimous consent that selections from this mail be printed at this point in the RECORD.

FEBRUARY 14, 1959.

The Honorable EDITH GREEN,
House of Representatives, Washington, D.C.

DEAR MRS. GREEN: District 12 of the Idaho State Nurses Association wishes to inform you that we are very much in favor of bill H.R. 1251, Collegiate Nursing Education Act.

Will you please send me a copy of the bill?

Mrs. BARBARA JOHANSEN, R.N.,
Legislative Committee, Route 1, Jerome, Idaho.

NEW YORK STATE NURSES ASSOCIATION,
Albany, N.Y., February 17, 1959.

Hon. EDITH S. GREEN,
Old House Office Building,
Washington, D.C.

DEAR MRS. GREEN: I am writing to you on behalf of the New York State Nurses Association in support of H.R. 1251, the Collegiate Nursing Education Act of 1959.

It is a well recognized fact in this State that if we are to meet the nursing shortage we must have better qualified teaching and administrative personnel as well as more students entering the nursing profession. If we can increase the number of students entering baccalaureate degree programs we will have taken a step toward remedying both the shortage in bedside nursing and teaching personnel as graduates of these programs may either remain in bedside nursing or in less time than it takes graduates of diploma school programs to prepare themselves for teaching and administrative posts.

The board of regents of the University of the State of New York being cognizant of the nursing shortage appointed a nurse resources study group for the purpose of surveying nursing personnel resources and needs and facilities in professional nursing education. These studies have now been completed, the first one published in 1956, the second only just released and now awaiting publication. Copies of both of these studies are enclosed for your information.

Acting on the recommendations of the nurse resources study group, the regents sponsored the following bills in the State legislature:

Senate Int. 1846, Brydges; Assembly Int. 2563, D. B. Lawrence: It would amend sections 601 and 611 of the education law, to establish 150 additional regents scholarships for basic professional education in nursing, to be awarded on statewide basis to pupils having highest standing on State list arranged in order of merit regardless of residence. The measure, which was referred to the senate finance and assembly ways and means committees carries an appropriation of $46,200.

Senate Int. 2429, Brydges; Assembly Int. 3091, Brady: Adds new section 626, repeals section 613, education law, to change and extend provisions relating to scholarships for advance professional educational nursing to provide for 60 regents fellowships for teachers and administrators of nursing, with awards to be based upon competitive examinations and entitle holder to $2,500 if income is $1,000 or less, and if income exceeds such amount, award shall be diminished by $1 for each $4 over $1,000, with no grant to be less than $500; provides for payments, fixes conditions of awards and appropriates $132,000. Assembly ways and means committee.

Comment: Under the present law, New York State annually grants 30 State scholarships for advanced nursing education. Each such scholarship is for $750 for 1 year of study.

While both of these measures, if passed and signed into law, would be of tremendous assistance to us in this State they would not nearly meet the real need as evidenced in the reports of the nurse resources study group, so you see that even though on a State level we are making every attempt to secure financial assistance we also need the kind of help proposed in your bill.

We are, therefore, urging you to do all in your power to secure passage of H.R. 1251 not only because it will help to prepare more nurses but because it will be reflected in the kind of care the public deserves.

May we also take this opportunity to thank you for your interest in our profession. Having had the pleasure of hearing you address our group in Washington last year we now feel more than ever indebted to you.

With all good wishes, I am,

Sincerely,

KATHERINE E. REHDER, R.N.,
Executive Director.

ALABAMA STATE NURSES' ASSOCIATION,
Montgomery, Ala., February 17, 1959.

Hon. EDITH S. GREEN,
Old House Office Building,
Washington 25, D.C.

DEAR MRS. GREEN: As executive director of the Alabama State Nurses' Association, I wish to express the appreciation of Alabama nurses for your interest in nursing education and your efforts in expanding opportunities for this education in colleges and universities throughout the United States in the introduction of H.R. 1251 in the House of Representatives to authorize a 5-year program of grants and scholarships for collegiate education in the field of nursing. Members of the Alabama State Nurses' Association are cognizant of the vital need in this State for the expansion of collegiate educational facilities and for scholarship assistance.

There is a critical need in Alabama for qualified teachers, supervisors and consultants in nursing if the people of the State are to receive optimum nursing care. Because of the high cost of education and the relatively low salaries in the nursing profession few Alabama nurses can afford to leave their jobs for an extended period of time, obtaining their advanced preparation on a sporadic, piecemeal basis—night classes combined with full or part time employment. According to a recent survey 25 percent of the active nurses in Alabama have earned some credits toward a degree. Every available scholarship on the baccalaureate level is being used and requests for additional scholarship assistance are frequent.

Preparation beyond the basic level is generally considered necessary for nursing education, public health nursing, occupational health nursing, anesthesia and certain levels in institutional nursing. Alabama nurses, however, have been handicapped in securing nursing education to fit them adequately for positions in these fields as indicated by the results of a 1958 study of nursing needs in the State. In the field of nursing education 5 percent are shown to have no preparation beyond the basic level while 29 percent have some hours toward a degree. Approximately 25 percent of the public health nurses, 64 percent of the institutional nurses, 67 percent of occupational health nurses and 20 percent of the anesthetists have no additional education beyond the R.N.

There are two collegiate nursing programs in the State, one at the University of Alabama headed by Dr. Florence Hixson as dean, the other at Tuskegee Institute, where Mrs. Lillian Harvey is dean. Both of these schools have limited facilities at present, a problem, which will naturally be emphasized as the student body increases.

Alabama during the past year was unable to use several of the traineeships granted under title II of Public Law 911 as we did not have graduates holding baccalaureate degrees eligible for admission to the masters program.

Assuring you of the full cooperation of the nurses of Alabama, I am,

Sincerely,

MRS. WALTER BRAGG SMITH, R.N.

KANSAS STATE NURSES' ASSOCIATION,
Topeka, Kans., February 16, 1959.

Hon. EDITH S. GREEN,
Old House Office Building,
Washington, D.C.

DEAR MRS. GREEN: We are pleased to learn of the bill you are introducing in the House of Representatives which will provide grants and scholarships for collegiate education in the field of nursing. We appreciate your concern and your practical efforts to provide opportunities for programs in nursing education in colleges and universities throughout the United States.

The University of Kansas, department of nursing, is the only collegiate program for nursing education in Kansas. One of the great needs at this school is for qualified faculty to teach the students seeking entrance to the program. This year there were more applicants for this particular school of nursing than could be accepted with the limited number of faculty for the school of nursing. We believe that this bill which you are introducing will assist directly with this critical need in our State.

Sincerely yours,

HULDA O. WEGENER, R.N.,
Executive Secretary.

THE CONNECTICUT
STATE NURSES' ASSOCIATION,
Hartford Conn., February 13, 1959.

Representative EDITH S. GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: We are a constituent of the American Nurses' Association and speak for the graduate nurse population in Connecticut. In this State there are 15,000 active practitioners in professional nursing. Because of the demands of our numerous urban centers, nursing in Connecticut presents a complex picture.

We have just learned through the American Nurses' Association that you have introduced H.R. 1251, to authorize a 5-year program of grants and scholarships for collegiate education in the field of nursing, and for other purposes.

We should like to express sincere appreciation to you on behalf of the nurses of Connecticut for this fine evidence of your public interest. Favorable action on this bill will benefit not only nurses but through them, all citizens in the United States. To increase our schools by at least 40 percent in the next decade and to meet increased demands for nursing service, we too, concur with you that favorable consideration be given to this bill.

We in Connecticut feel very strongly as to the need for such a law. At present we have only two collegiate schools of nursing in our State, the University of Connecticut under the guidance of Dean Carolyn L. Widmer (who is also the president of the Connecticut Nurses' Association) and the University of Bridgeport under the leadership of Dean Martha P. Jayne.

Two additional collegiate schools in Connecticut have closed because of lack of funds, one connected with a liberal arts college (St. Joseph's) and the second a post-baccalaureate program at Yale. We in Connecticut have felt the loss of these schools most keenly. Although we know we need 33 percent of our people prepared on a bachelor's level in Connecticut, only 10 percent of our students are enrolled in schools with bachelor's level preparation.

Nursing studies in Connecticut have shown that present faculty members of several of our nursing schools are inadequately prepared for teaching. And not only is there a shortage of teachers, but there is a shortage of qualified supervisory personnel and of professional registered nurses in Connecticut also. The public health nurses in our State ranked 39th nationally in a 1957 survey made by the USPHS in the number of nurses in public health positions who have had at least 1 year of approved preparation in public health nursing.

We are grateful for the Federal traineeships granted in the last legislative session. These have been helpful, but they are only the beginning. Because our need is so great we in Connecticut are taking every opportunity of improving our local area—we have introduced a bill in our 1959 State legislature asking for scholarship aid to registered nurses on a baccalaureate level—but we also need Federal assistance.

We must have well-prepared faculty in order to increase our student nurse enrollment. If we can do this, we can thus offer optimum care to the increased number of patients our ever-increasing lifespan and growing population presage.

We hope sincerely that it will be possible for you to lend your support for an early hearing. We, in turn, shall be happy to submit more detail as the time for the hearing approaches.

Sincerely yours,

ELEANOR LUNDBLAD, R.N.,
Executive Secretary.

COLORADO NURSES' ASSOCIATION,
Denver, Colo., February 16, 1959.

Representative EDITH S. GREEN,
House of Representatives,
Washington, D.C.

DEAR MRS. GREEN: The Colorado Nurses' Association is vitally interested in your bill, H.R. 1251, and is most grateful to you for your interest in the nursing profession. Nursing education is greatly in need of the help that interested and willing persons such as you can give, and we're deeply appreciative.

Since the introduction of your bill, we have discussed it with the directors of the baccalaureate programs in nursing in this State, and all have expressed the same problems.

These boil down to the extreme need for well-qualified teachers and supervisors, and for funds to obtain facilities and instructors to provide these people.

The directors in Colorado feel that persons with adequate preparation in curriculum-building, in supervision, in present-day concepts of how to teach, are sadly lacking, and that the present Federal traineeships help only the students, not the schools of nursing, since the tuition does not begin to meet the cost of obtaining such adequately prepared personnel.

Those with whom we have discussed the situation feel very strongly that there should be a pool of baccalaureate degree people, from which can be prepared in the master's program the teachers, administrators, and supervisors so badly needed. They believe that such a program might encourage a survey of the present masters degree curriculum which presently seems lacking in a number of areas, especially those of outright teaching methods and certain clinical areas, as well as administrative techniques.

We have in Colorado three schools of nursing offering baccalaureate programs. Following is a list of these schools with the names of the directors of the programs. We believe that you will hear from these people, too, about their needs.

Mrs. Henrietta Loughran, Dean, School of Nursing, University of Colorado, Boulder,

Colo.; Miss Louise Golden, Director, School of Nursing, University of Denver, Denver, Colo.; Miss Margaret Metzger, Director, Division of Nursing, Loretto Heights College, Loretto, Colo.

A check with the director of public health nursing in Colorado brought to light the fact that only about 50 percent of the public health supervisors have degrees, and only about 45 percent of the staff nurses in local health units are graduates of degree programs although 80 percent of these nurses have public health preparation. The great need in Colorado is for trained public health nurses for the rural areas. About 4 percent of the Colorado population has no generalized public health nursing service whatever. We were told that about 12–20 qualified public health nurses could be used throughout the State, particularly in the rural areas.

Again, we express our very great appreciation for the work you are doing on behalf of the nursing profession, and assure you of our cooperation and help wherever possible.

Very sincerely,

MARGARET LEWIS,
Chairman, Committee on Legislation.

TENNESSEE NURSES' ASSOCIATION, INC.,
Nashville, Tenn., February 16, 1959.

Hon. EDITH S. GREEN,
Old House Office Building,
Washington, D.C.

DEAR MRS. GREEN: Those of us present at the ANA conference on legislation in Washington last year still recall your stimulating keynote address with enthusiasm. It is with much satisfaction that we have learned of your introduction of the Collegiate Nursing Education Act of 1959 in this session of Congress.

Since a resurvey of nursing needs and resources in this State in 1955 revealed our critical shortage of adequately prepared nursing personnel, we have been working diligently to bring about solutions to some of our problems. At the moment we have two bills in the State legislature and a third to be introduced. Because of this activity, we have certain reports containing data about nursing needs in Tennessee that will interest you. Also, this information will indicate to you that the enactment of your bill, H.R. 1251, would help to meet the health needs of this particular State.

We deeply appreciate your continued interest in nursing and your willingness to work for expanding opportunities in nursing education in colleges and universities. If we can be of any assistance to you, please let us know.

Sincerely yours,

MARY ELIZABETH DUNN,
Registered Nurse.

Columbus Day Should Be a National Holiday

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. CRAMER. Mr. Speaker, on February 5 I introduced a bill, H.R. 4188, to make October 12, Columbus Day, a legal holiday.

Columbus Day is already a State holiday in 39 out of our 49 States.

In fact the only States which do not pay honor to the discovery of America are Alaska, the District of Columbia, Idaho, Maine, Massachusetts, North Carolina, South Carolina, South Dakota, Tennessee, Virginia, and Wyoming.

It is not always called Columbus Day. In Alabama October 12 is designated as Fraternal Day. In Indiana, North Dakota, and Ohio it is called Discovery Day, and in Wisconsin it is known as Landing Day.

Arkansas, Iowa, and Oregon call it Memorial Day.

It seems to me that with so many of the States celebrating October 12 each year as a legal or public holiday, the time has come to make it known as a national holiday for all Americans.

Certainly there is no event deserving more of nationwide acknowledgment and celebration than the discovery of America by Christopher Columbus.

There is no person in history, to whom the American citizenry is more indebted, than Christopher Columbus; no person of greater fortitude and determination; no person who better exemplifies the American impulse to discover new horizons, to press forward, to prove for ourselves the falseness of outmoded theories; and no person has made greater self-sacrifice or taken greater risks in order to serve the future of humanity.

It is only fitting that Columbus Day be declared by Congress as a legal national holiday.

Crime Prevention Week Observed

EXTENSION OF REMARKS
OF
HON. WILLIAM E. MINSHALL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. MINSHALL. Mr. Speaker, it is a sad fact that crime has become big business in the United States. Major crimes last year neared the 3 million mark, an appalling increase of 50 percent since 1952.

Recently, J. Edgar Hoover said:

> One of the greatest obstacles which law enforcement faces today is the apathy and disinterest of a large segment of the population. Far too many of our citizens seem to look upon lawlessness as a matter of concern only to the courts, the police, and others in related professional fields.

Last week, the Exchange Club of Fairview Park, Ohio, which lies in the 23d District, took a giant step in dispelling their community's apathy and disinterest in crime prevention.

Mr. Arlin Weardahl was chairman of the Exchange Club's observance of Crime Prevention Week, February 8–14, in Fairview Park. Mr. Weardahl and his committee performed a yeoman service in rallying local churches, parent-teacher organizations, youth clubs, service groups, and law-enforcement agencies in an impressive, week-long series of crime prevention programs.

The Fairview Herald, published by Mr. Emil M. Uschelbec, gave strong support to the week's activities, featuring a four-page spread on crime prevention in its February 5 edition. Commenting in its editorial columns, the newspaper stressed:

> Such a program also depends upon the interest of the average resident—your neighbor and mine—who helps the police, the schools and the churches to do the job. Crime is not absent from suburban communities such as ours—but we feel it is being effectively combated by such a program as this one.

Highlights of the week included special church services; talks by Juvenile Court Judge Albert A. Woldman, Detective Robert Lee and Patrolman Fred Standen, and Cuyahoga County Prosecutor John T. Corrigan; a special proclamation by Mayor James A. Dunson; open house at the Fairview Police Department under the charge of Chief Albert Burkhart.

Cooperating with the Exchange Club in sponsoring Crime Prevention Week in Fairview Park were the city administration, the police department, the Boosters Club, the recreation department, the amateur coaches association, the Fairview Athletic Club, and the board of education.

Mr. Weardahl's committee was composed of the Reverend Fred E. Blue, Jr., and Bill Gillam, of the Exchange Club, and Mayor Dunson, Chief Burkhart, Dr. Frank Barr, of the Fairview Park schools, and Recreation Director Nelson Russ.

President Frondizi's Visit

EXTENSION OF REMARKS
OF
HON. SEYMOUR HALPERN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. HALPERN. Mr. Speaker, we have witnessed in the first month of 1959 a friendly and good will conquest of the United States by the scholar-statesman President of Argentina, Dr. Arturo Frondizi. Next month the Chief Executives of Eire and El Salvador visit Washington and other great cities of our Nation. These visits are far more important than mere junkets; they present to America the image of our allies and they present to our allies a proper image of the United States.

There were many special aspects of the visit of President Frondizi; first, he came in the wake of the publicized tour of Soviet Russia's Mikoyan, who tried to sell us on comradeship with the Communists. As the head of International Packers in Chicago, A. Thomas Taylor, said in introducing President Frondizi:

> We prefer the spirit of partnership offered by Argentina to the spirit of comradeship offered by Russia.

During his 10 conference-filled days in 10 cities, President Frondizi dispelled any lingering doubts in the minds of American business and industrial interests that we have anything to fear in the partnership he offers our investors in the development of the enormous resources of his country. As DeGaulle has done in France, as Britain's belt-tightening

did after the war, so has Frondizi's austerity program impressed all of us with his dedicated determination to solve the economic problems of his country with a courageous disregard for the normal political perils.

Further, a group of 25 Argentine business and industrial leaders have come here to visit their counterparts in America, and they have candidly explained that most of them were opposed to Dr. Frondizi in his elections which made him President, but his courage since inauguration has so impressed them that they now find themselves in full support of his efforts to strengthen the economy of their country. Theirs is eloquent testimony to the Frondizi leadership.

All of this is of the utmost importance to our country, because we know the many shrewd moves of Soviet Russia to infiltrate not only the culture and government of countries in the Western Hemisphere, but also their economy. For a time, following the angry outbursts against us throughout Latin America at the time of Vice President NIXON's trip to South America, we were shocked and shamed by the obvious weaknesses in our relations with our onetime good neighbors. President Frondizi has reassured us that at least in the southernmost anchorage of the hemisphere, we have strong and good friends who are eager to be partners with us.

Certainly, in this connection, the work of the State Department's Division of Protocol, under Wiley Buchanan and his Deputy Chief, Clem Conger, is to be highly commended. And, also, in passing, I would like to note another role in this fine presentation of a clear image of Argentina to the United States. I refer to the splendid public relations in the handling of the informational task of the Frondizi trip. I understand this was handled through Tex McCrary's public relations firm. He and his associate, Jerry Finkelstein, are to be commended for performing a valuable service to this country when they make available to the U.S. press, quickly and concisely, all the necessary background information on the Government they represent.

We all know our failing as a nation to think of other nations in terms of individual images—nearly 400 million people of India are symbolized in Premier Nehru; France was almost anonymous until De Gaulle; England is the Royal Family and Sir Winston Churchill; and unfortunately, a few dictators have cast their shadows across the image of the whole of Latin America: Perón, Batista, Pérez-Jiménez, and still Trujillo. But now there is emerging a new image of Latin America: In El Salvador, José Maria Lemus; in Chile, Jorge Allessandri; in Mexico, Adolfo Lopez Mateos; in Venezuela, Romulo Betancourt.

And clearest image of all, reminiscent of our own Woodrow Wilson, is Frondizi of Argentina, who has in 10 days almost wiped out the memory of Perón. Of Dr. Frondizi it can be truly said: "He came, we saw, he conquered." This is a healthy victory for international public relations.

A Bill Which Proposes Congressional Procedures for Handling Contempt of Congress Citations

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1959

Mr. CURTIS of Missouri. Mr. Speaker, I have introduced today a bill which will amend section 194 of title II of the United States Code to provide in substance that all contempt citations which issue out of a House committee will be referred to the House Judiciary Committee for its study, recommendations and report to the House. Contempt proceedings are serious and should not be lightly entertained. If the present House procedures which treat them casually without adequate study are not changed the House will continue to find it difficult to have contempt citations enforced by the courts in judicial proceedings. The result will be that the investigating powers of the House will continue to be badly weakened. It is the basic prerogative of the Congress to investigate and legislate in legitimate areas of inquiry. This is not an unlimited right. It is subject to reasonable and necessary restraints which are contained in the same instrument which created this legislative prerogative, the Constitution. In its search for information it is necessary for the Congress to bring before its committee forums hundreds of citizens to testify and to relate their experiences pertinent to the legislative matter in question. If we in the Congress are to perform the duties prescribed for us by the Constitution, it is essential that we have the help and cooperation of all our citizens. We must have respect from the people for our congressional investigative committees for from a healthy respect comes the necessary cooperation. To gain this respect, we in the Congress must in turn respect the individual rights of all citizens who appear before our fact-finding committees to encourage the necessary rapport between the investigator and the witness. It is absolutely essential that we set up proper procedures that will strike a proper balance between committee rights and obligations arising from its legislative power and the rights and obligations of our individual citizen. The very nature of a contempt proceeding denotes disagreement between the investigator and the witness. This disagreement could be the result of one or many complex reasons. It could result from a disregard and disrespect for a duly constituted legislative investigative body. The question then arises what has occasioned this disrespect for a particular committee. When allegations are made that a committee has itself violated the individual and constitutional rights of a citizen who has appeared before its committee then a legitimate point of inquiry is raised which forms a very important part of the bundle of facts leading up to the request by the committee for a contempt citation.

Is the citing committee an appropriate judge of its alleged abuse and disregard of the rights of the individual witness? I submit that it is not. Is it consistent with our basic sense of fair play to permit the accuser to try and find guilty the accused of an act which may have been the consequence of the accuser's act? To ask the question is to answer it. What then is the solution? A possible solution lies in a fair and impartial congressional review by an appropriate House committee. I submit that the House Judiciary Committee in this instance would be an appropriate committee for review. Under present House rules it is possible for the particular committee in question to come before the House with its request for the contempt citation of an allegedly recalcitrant witness to present the matter under a rule limiting debate where only one point of view is presented and to secure House action on such a serious matter without a full inquiry into all of the facts leading up to the committee's request for such citation. The allegation has been made that a particular House committee has violated House rules of procedure and disregarded the individual rights of the particular witness. Then it is appropriate and necessary for the House of Representatives to make inquiry into these charges to determine their validity or invalidity as the case may be. The House must determine for itself whether one of its committees has exceeded the bounds when a report and resolution for a contempt citation is presented to it by one of its committees. It should consider among other things, first, what are the limits of the constitutional authorities of the Congress to investigate; second, what is the extent of the jurisdiction that the House granted to the committee involved; third, has the committee followed the rules of procedure established by the Congress in conducting the investigation and which gave rise to the alleged contempt. The failure of the House of Representatives to thoroughly consider each request for a contempt citation has resulted in the judicial reprimands contained in the Watkins decision and the Arthur Miller case and others. The review of each request for a contempt citation by an impartial third party will make each of us more aware of the constitutional rights of our citizens who appear before our committees and the duties which they demand for their protection and preservation. It will then be self-discipline that will thwart possible congressional committee abuses rather than attempt by the judiciary to discipline the Congress. If this is done the constitutional rights of our citizens will be preserved and the dignity and integrity and powers of the Congress will be maintained. I earnestly suggest, Mr. Speaker, that my proposed bill will fill

the obvious needs as above outlined. I am hopeful that the Congress will act upon this bill this year.

Who's Who and What Is Going on in Space—A Space Lesson

EXTENSION OF REMARKS
OF
HON. JAMES G. FULTON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. FULTON. Mr. Speaker, Abe Silverstein is Director of Space Flight Development at the National Aeronautics and Space Administration headquarters in Washington, D.C. Before the NASA was established, on October 1, 1958, he was associate director of the Lewis Flight Propulsion Laboratory, Cleveland, Ohio, a research center of the National Advisory Committee for Aeronautics, which formed the nucleus of the NASA.

Silverstein directs those NASA programs aimed at the development of space flight. Development programs under his direction include space probes and manned and unmanned satellite systems. He is also responsible for the development of propulsion systems capable of powering these space vehicles.

Silverstein is a native of Terre Haute, Ind., where he attended local grammar and high schools. He earned a bachelor of science in mechanical engineering degree in 1929, and a mechanical engineering degree in 1929, and a mechanical engineer professional degree in 1934, from Rose Polytechnic Institute. He was awarded an honorary Ph. D. degree by Case Institute of Technology in 1958.

Silverstein joined the National Advisory Committee for Aeronautics in 1929 and soon after helped design the full-scale wind tunnel at the Langley Aeronautical Laboratory. He later was placed in charge of this facility and directed research which increased the high-speed performance of most of the combat aircraft of World War II. This work was recognized as a major factor in gaining U.S. air superiority during the war.

In 1943 he was transferred to the Lewis Laboratory at Cleveland to select and train a staff which he directed in research at the altitude wind tunnel. These investigations led to significant improvements in both reciprocating and early turbojet aircraft engines. He also pioneered with large-scale ramjet engines, now used on certain missiles.

At the end of World War II, Silverstein was directing the work at several major research facilities at Lewis. He directed the erection of the $9 million NACA 8- by 6-foot supersonic wind tunnel, first operated in 1949, and the $33 million NACA 10- by 10-foot supersonic wind tunnel, completed in 1956. These facilities, the largest wind tunnels of their kind in the world, have greatly accelerated the development of supersonic aircraft. In 1952 he was appointed associate director of the Lewis Laboratory, a post he held until he was named to the headquarters staff of the NASA.

Silverstein was a member of several NACA committees and subcommittees, including: Committee on Aerodynamics, 1946 to 1947; Subcommittee on Self-Propelled Guided Missiles, 1945 to 1947; Subcommittee on Internal Flow, 1947; Subcommittee on High-Speed Aerodynamics, 1945 to 1957; Committee on Powerplants for Aircraft, 1951 to 1957; and the Special Committee on Space Technology, 1958.

He served as chairman of the Cleveland section of the Institute of Aeronautical Sciences, 1946 to 1947. He was a member of the committee on arrangements for the joint meeting of the Institute of the Aeronautical Sciences and the Royal Aeronautical Society, held in New York City, in 1949. The Assistant Secretary of Defense for Research and Development appointed him a member of the Technical Advisory Panel on Aeronautics for the year 1955, and as chairman of the ad hoc working group on rockets for 1956. He was a member of the scientific advisory board of the Chief of Staff, U.S. Air Force, for 1956 and 1957, and chairman of the OASD technical advisory panel on aeronautics, ad hoc group on propulsion for aircraft and missiles. He was a member of the Assistant Secretary of Defense's steering group of the Advisory Panel on Aeronautics for 1958.

Silverstein was American representative to the joint meeting of the Institute of the Aeronautical Sciences and the Royal Aeronautical Society, in London, in 1947. He delivered the annual Wright Brothers Lecture before the IAS in 1949.

He is a member of Tau Beta Pi, and a fellow of the Institute of the Aeronautical Sciences.

Silverstein, his wife Marion, and their three children, Joseph, Judith, and David, live at 7205 Rollingwood Drive, Chevy Chase, Md.

George Washington and Brooklyn

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. MULTER. Mr. Speaker, we in Brooklyn are not only celebrating the 227th anniversary of the birth of the Father of our Country, but also the 335th anniversary of the formal settlement of Brooklyn.

The first actual purchase of land on the present site of Brooklyn was made in 1636 at about what is now Gowanus Bay. Between the following year and 1654 a colony of Walloons built their dwellings on Waal-boght, which we now know as Wallabout Bay.

As early as 1642—only 6 years after the first land purchase—a ferry had been established by one Cornelis Dircksen, operating from Peck Slip, over in Manhattan, to what is now Fulton Street.

Nearby, at the intersection of Fulton and South Streets, the settlement of Breukelen—Broken Land—was established. It was named for a village in Old Holland.

In 1643 Lady Deborah Moody, having been excommunicated by the Puritan Church in Massachusetts because of her disbelief in infant baptism, settled with some English followers at Gravesend.

By 1660—the year of the Restoration in England—New Utrecht, Midwout—Midwood—and Bushwick had been established.

These Dutch-Walloon settlers brought to Manhattan and Long Island a type of culture and community life entirely their own, of which the Dutch Reformed Church was the focal point. Around it all else revolved. Even after the American Revolution, the pattern was still strong enough to impress itself upon the village and, later, the city. That pattern was, as one writer has described it, one of "order, sobriety, piety."

Oddly enough, the Dutch and Walloons cared nothing, in these early days, for waterfront rights: they were interested in farming the hinterland; it was the enterprising Yankee across the river who established warehouses, slaughterhouses, and tanneries to which the Long Island burghers brought their cattle bred on the salt meadows sloping down to Wallabout and Gowanus.

With the coming of American Independence and the consolidation into a closely knit union, Brooklyn, like her neighbor on Manhattan, thrived and prospered. When it was proposed in 1883, that the Long Island town be incorporated into the city of New York as a sensible and practical step, mutually advantageous to both communities, a roar of protest went up from the old-timers. Stout old Gen. Jeremiah Johnson, of Wallabout, speaking for the majority, roundly declared:

> Between New York and Brooklyn there is nothing in common, either in object, interest, or feeling—nothing that even apparently tends to their connection, unless it be the waters that flow between them. And even those waters, instead of, in fact, uniting them, form a barrier between them which, however frequently passed, still form and must forever continue to form an unsurmountable obstacle to their union.

The forerunner of the argument that Hawaii is too far from the mainland to be a State.

The following year the intrepid general and his triumphant followers secured from the legislature a city charter for the village. But, as one historian observes:

> The general's defiance was fateful. Geographically and hence commercially, Brooklyn was bound to the island of Manhattan; yet it became a city and remained one for 64 years. When incorporation finally took place, in 1898, the insurmountable obstacle to the union had already been spanned by the mighty Brooklyn Bridge. The Williamsburg and the Manhattan bridges followed and the high-sounding words of General Johnson have long since been lost in the roar of three subways under the river.

By daybreak of August 27, 1776, the powerful British Army, landing under the guns of the fleet, threatened the

encirclement and complete annihilation of the scanty and divided American forces. Perceiving the peril of the situation—the fate of the American cause hung indeed in the balance during these 2 days—Washington, in a masterly decision, evacuated his entire army from Brooklyn Heights during the night of the 29th in a counterstroke, unsurpassed for swiftness and efficiency in military annals. What is more, he had managed to bring back intact all the cannons, small arms, ammunition, tools, horns, and foodstuffs, so that when the bewildered British, puzzled by the strange silence, finally climbed into the empty works, they found, in the words of a contemporary historian, not "so much as a biscuit or a glass of rum wherewith to console themselves." Though men did not then perceive it, the independence of America was secured.

It is well that we inhabitants of old Breukelen think of those great days as we celebrate the birthday of the Father of our Country and our own civic anniversary.

Textile Industry Is Alarmed Over Imports From Tokyo

EXTENSION OF REMARKS
OF
HON. W. J. BRYAN DORN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. DORN of South Carolina. Mr. Speaker, the great American textile industry is alarmed over imports from Tokyo. The textile industry was hoping that Assistant Secretary Henry Kearns on his present trip to Tokyo would stand up for the American industry and its employees. I was shocked a moment ago to receive the following telegram from Mr. Leon Lowenstein of New York. Mr. Lowenstein is a patriotic American who is desperately trying to furnish employment for Americans. Mr. Lowenstein is working night and day to keep his industry going:

Hon. WILLIAM JENNINGS BRYAN DORN,
House of Representatives,
Washington, D.C.:

Today's news record reports U.S. Assistant Secretary of Commerce Henry Kearns as saying in Tokyo, "U.S. Government is interested in helping to expand the market for Japanese textile industry and is interested in seeing the Japanese textile market expand in the United States as much as the Japanese are interested." If such quotation is correct I wonder whether Mr. Kearns reflects official U.S. policy. By virtue of what authority does any department of our Government seek to expand markets for Japanese industry in the United States?

LEON LOWENSTEIN.

Now, Mr. Speaker, in response to Mr. Lowenstein's telegram, I am sending the following wire to the Honorable Lewis L. Strauss, Acting Secretary of Commerce:

Hon. LEWIS L. STRAUSS,
Acting Secretary of Commerce,
Washington, D.C.:

Fairchild News Service, under date of February 18 from Tokyo, Japan, reported Assistant Secretary Kearns as having said, "the U.S. Government is interested in helping to expand the market for the Japanese textile industry and is interested in seeing the Japanese textile market expand in the United States as much as the Japanese are interested."

I would be interested in knowing the source of the policy on which the Kearns statement is based. The American industry is presently sharing its textile markets with the Japanese to such an extent that it is injurious to our industry and its employees. Please advise why, in view of the present ease of access to our markets, the Assistant Secretary deems it a matter of policy to encourage the Japanese to seek an even larger share. The U.S. economy cannot be expected to absorb the Japanese industrial capacity which has been largely rebuilt with American tax dollars.

WM. JENNINGS BRYAN DORN,
Member of Congress.

Mr. Speaker, it is high time for this Congress to know whether or not the State Department and the Department of Commerce are really interested in helping the industry and labor of America or whether or not their first allegiance is to industry and labor in foreign lands.

This Congress has a continuing responsibility to see that our trade laws and agreements are properly administered by executive agencies.

Importance of the Boy Scout Movement

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mrs. BOLTON. Mr. Speaker, on February 13 last, it was my privilege to address a meeting of Scouters and their parents at the Windermere M.E. Church in East Cleveland on the "Importance of the Scout Movement." It was particularly significant that Boy Scout Week was being celebrated all over the Nation at the same time that Americans everywhere were commemorating the 150th anniversary of the birth of Abraham Lincoln.

Under unanimous consent to extend my remarks, I include the text of my speech herewith:

ADDRESS BY HON. FRANCES P. BOLTON, WESTERN RESERVE DISTRICT, BOY SCOUTS OF AMERICA, WINDERMERE METHODIST CHURCH, CLEVELAND, OHIO, FEBRUARY 13, 1959

Members of the board of the Western Reserve District (District No. 7) of the Greater Cleveland Council (No. 440) of the Boy Scouts of America, Den Mothers, Cubmasters, Scoutmasters, Explorer advisers, Scouters of every sort and kind, executive staffs and such Scouts as may be here, as well as your many guests: I greet you with a deep sense of the privilege it is to be amongst you here in this great Windermere Methodist Church on this fellowship night.

Yesterday in Washington a joint session of the Congress gathered to do honor to the humble, modest, magnificent Abraham Lincoln, of whom it was said that when he went to a town, a village, or just a gathering, "he brought light with him."

Gathered in the House Chamber at 11 a.m. on Thursday, February 12, were Members of the Senate and House, the Supreme Court, the Cabinet, and a very large representation of the diplomatic corps. The Army orchestra play in the Speaker's Lobby, the choir of the Coast Guard Academy sang in the Chamber, Frederick March recited the Gettysburg Address and Carl Sandburg, who of all others has studied every word Lincoln spoke and wrote, gave an address none present will forget. It was a deeply moving hour, I can assure you.

It seems to me peculiarly fitting that the week set aside as "Boy Scout Week" should contain the date of Lincoln's birth. And this year we celebrate the 150th anniversary. Could one find anywhere a more inspiring example for Scouts and Scout leaders than this great man?

Indeed, I would like to suggest that wherever and whenever Scouts from Cubs on up meet, they would ask that their hours of togetherness might be infiltrated by his simple ways, his deep understanding, and the challenge of his courage and his faith. I am very certain that his spirit rejoices that there are nearly 5 million Scouts and leaders currently in America; 26 million persons who have felt the impact of the Scout oath and are infinitely better for it.

Let us turn now to Scouting.

This is a wonderful organization to whom Congress granted a Federal charter on February 8, 1910. On this last evening of Boy Scout Week in the year of Our Lord 1959, let us glance over the long list of achievements, remembering that more than 4,780,000 active Cub Scouts, Boy Scouts, Explorers and their leaders have been meeting together in happy, earnest observance.

Since 1911, 331,719 Americans have qualified for Eagle Scout rank; 199 awards for heroism or meritorious service were made in 1957 by the Boy Scouts' National Court of Honor. The Safety merit badge has been earned by 869,756 Boy Scouts and Explorers. This is only part of a wonderful record. And let us rejoice that there are 7,589,183 Boy Scouts and leaders in 67 nations around the world.

A year or more ago I foregathered with many of you in a tent on the Chagrin Reservation. It had been raining heavily and the ground was soggy, the air water-charged. But there were no empty chairs and no one grumbled. It was my first direct contact with Scout leaders and it was a thrilling experience.

And here we are tonight under the delightfully friendly hospitable roof of this Windermere Methodist Church which gives such wonderful service to this community.

What a miraculous thing it is, this togetherness. Never in our history have we so needed strength of body, mind and soul, individually and collectively, as we do at this moment. We are pitted against an adversary who, in denying the very existence of God, signed his own ultimate death warrant, but who is terrible indeed in his present strength. We have found him to be ingenious, in some things brilliant, in others not. We know him to be cruel, ruthless, deceiving and deceitful. We have found him to be without morals and without honor. And we must have realized by now that we are in a long, dark, treacherous battle for the survival not only of the nation that Mr. Lincoln hoped would go "onward and upward," that "will not pass away," but of free men across the world.

And then it is as if someone lighted a little candle and set it upon a rock and darkness gathered her cloak about her and oh, so reluctantly, turned from us and began her long way through the gloom of hatred toward the pity and forgiveness of Him whom she had tried to destroy.

"On my honor I will do my best to do my duty to God and my country, and to obey the Scout law; to help other people at all times; to keep myself physically strong, mentally awake, and morally straight."

These lads and those who volunteer as leaders believe that "because God is, I am," their strength can be the support of free

men and women everywhere. Their faith can uphold the weakest among us, and even as it was with Lincoln they can bring light with them.

An organization such as the Boy Scouts of America does not come forth suddenly from the heart and mind of one man. No, a dream precedes it, a vision brings into being a tiny infant, lusty, perhaps, but not full-grown or fully panoplied as Minerva when she sprang from the head of Zeus. Yet, from the moment of birth this infant has drawn to itself the ever-increasing many whose dreams have been but fleeting, whose vision takes time to clear—the infant has become a powerful force in the Nation, praise Heaven, and makes itself felt across the world.

So has it been with this great Nation of ours which was indeed conceived in a dream and born because a few men with vision joined together to build a nation under God. But a nation is not built of bricks and mortar to fall in the first storm, but rather is it built and held together by the hopes and fears, the love and the labor of millions of men and women seeking a way to the infinite. So it is with Scouting. It rests upon the patient collaboration of literally millions of men and women determined that American boys no matter where they live shall have the opportunities that spell faith, hope and love, the greatest of the three.

I have said that the United States came into being because a few great souls saw a vision and determined that a nation dedicated to freedom, to the dignity of the individual and to the Eternal God should be born. It is not yet 200 years that we have lived—nor have we been too successful in giving true freedom of the spirit as well as freedom under law to every American. There is yet so much, so very much to do. And why not—for is not this great adventure we call living, as we come out of unconscious perfection and go toward perfected consciousness, given us that we may strive constantly to strengthen ourselves and those around us to the end that man everywhere may indeed be free?

What group is there better equipped than you of the Scouting world? What does Scouting stand for? Is it not training and discipline each of himself, each helping those with whom he comes in contact? Is it not very basic, very fundamental, not just for the Cub, the Scout, etc., but for the leaders as well, indeed, first of all? When you sit down with yourselves—alone—at the end of a Scout year and take stock, do you not find that you, as an individual, have grown in many directions? Do you not realize more and more each year the truth you came across long since and only half believed, that you cannot teach another (least of all an intuitive youngster) anything very vital about a character quality which you do not possess? Do you not find increasingly that as Walt Whitman so well said, "The gift is to the giver and comes back most to him"?

We need more Scouts, so we must have more trained and dedicated leaders. I have seen your plans toward this end and am glad indeed to add my earnest hope that the very fire of the need for men who will stand up individually and together to strengthen the great army of righteousness, will be a light which will inspire hundreds and thousands and millions to take up their part of the load.

Little by little in these years since Scouting was brought to these shores people are realizing that as President Coolidge said in 1926, Scouting is a movement that has a "unique power for fusing together in a common citizenhood in one generation, the different elements that make up the United States, which would otherwise take two or three generations of schooling and legislation."

Scouting makes visible the elements that have made us a Nation of free men, united in the certainty that in a land such as ours, "one Nation under God" there can be "liberty and justice for all."

Out of this community there can and must come a great tide of desire in the hearts of many to play a simple, quiet but very effective role in giving youngsters a clearer picture of what freedom means—of showing them that character is what makes a man and builds a nation—that honor and loyalty and courage and faith bound together intelligently with understanding will inevitably become a cleansing force not only here in these United States, but also throughout the world.

What must a boy do when he joins up? He must take the Scout oath solemnly, and as we say on Capitol Hill—"without reservations." Listen all over again as I read it to you:

"On my honor I will do my best to do my duty to God and my country, and to obey the Scout law; to help other people at all times; to keep myself physically strong, mentally awake, and morally straight."

Strong meat, friends, but potent, for the young respond to these things with every fiber of their threefold being. How much there is in those 40 words, friends. There is a promise in them so rich in possibility that one could sing for joy.

"To keep myself"—not anyone else for him—"physically strong." I watch the many Scout troops that flow in and out of Washington when winter is done with a real thrill. Oh, they often are hot and tired and their uniforms are mussed and tell the story of hikes in dust and rain. But Scouts do not slouch and shuffle along, as all too many school groups do, even at the end of a long, hard, and exciting day. Praise Allah, we have 4¾ million youngsters who can walk.

"To keep myself mentally awake." Just sit down with a group of them—they are like hungry vultures tearing at your brains.

Just the acknowledgment of their recognition of moral values puts the whole country outside the Iron Curtain and all it has grown to mean of atheistic materialism.

So it is not casually said that a Scout is trustworthy for when a Scout repeats the oath—the Scout law—he is really saying that he will be trustworthy, loyal, helpful, friendly, courteous, kind, obedient, cheerful, thrifty, brave, clean, and reverent. Rather wonderful, that—especially when one realizes that just the words have little value to the Scout unless they are backed by dedicated, constructive action.

Surely there are—just around the corner at least—the 600 who are needed right away, men and women like yourselves who have dreamed dreams of a strong, healthy, God-fearing land, and who will find such volunteer service more enriching than they would now believe.

I agree wholeheartedly with a statement contained in a recent Boy Scout annual report, which says:

"The development of our youth to be physically strong, mentally awake, and morally straight, to be citizens of character, with high spiritual ideals and motives, is not just a desirable thing, but it is essential if America is to fulfill its mission as the leader of the free world."

Let us remember that: "Scouting is a way of living. It values deeds above words. It builds character through habit and citizenship through service. It develops cooperation through cooperating. It learns through doing. Its outdoor craft enhealthens, deepens, and enriches boy life. Scouting is a process of making real men out of real boys, by a real program—an interest-gripping, growth-producing, character-building program of activities. Scout activities are of great worth in themselves as well as in their byproducts of habits and attitudes."

Again my deep appreciation for this privilege of sharing this fellowship night with you. And may the Infinite bless this work, strengthen and keep you, and may His light shine before you on whatever road you travel.

National Historic Shrine Assured Near Astoria

EXTENSION OF REMARKS
OF
HON. WALTER NORBLAD
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Thursday, February 19, 1959

Mr. NORBLAD. Mr. Speaker, under leave to extend my remarks, I include herewith an excellent article by Senator RICHARD L. NEUBERGER, of Oregon, regarding the Fort Clatsop National Memorial:

NATIONAL HISTORIC SHRINE ASSURED NEAR ASTORIA

(By RICHARD L. NEUBERGER, U.S. Senator for Oregon)

As Oregon commemorates 100 years of eventful history as a State, talented men and women of the U.S. National Park Service are bending over drawing boards at their regional offices in San Francisco, designing the visitors' center and museum building for the first national historical shrine ever to be located in Oregon.

This is the Fort Clatsop National Memorial, which Congress and the President have recently authorized for construction at a cost of approximately $350,000 near Astoria.

Fort Clatsop National Memorial will herald an epochal event which occurred more than half a century before statehood—the original crossing of the continent by Americans, when Meriwether Lewis and William Clark ended their overland pilgrimage at the mouth of the Columbia River. They spent the winter of 1804–05 in a primitive stockade of logs which they named "Fort Clatsop." It was the first such habitation by citizens of the United States along the Pacific seaboard.

The site of this occupancy, some 125 acres in expanded dimensions, will be the Fort Clatsop National Memorial.

In November I conferred at San Francisco with the National Park Service officials in charge of preparing plans for the great undertaking. They share my view that the buildings of the memorial should be in keeping with their Pacific Northwest locale, and that perhaps such native materials as field stone and Douglas-fir siding should characterize the edifices. These officials assured me of their enthusiasm for the project, because they believe our system of national historical shrines has too long neglected the Lewis and Clark expedition.

Representative WALTER NORBLAD of the First Oregon District and I jointly sponsored the legislation authorizing Fort Clatsop National Memorial, which passed both Chambers of Congress unanimously and was signed by President Eisenhower. Several months ago I presented to the Clatsop County Historical Society the pen which the President used for this purpose.

Both Representative NORBLAD and I consider it particularly appropriate that the first national historical shrine ever to be built in Oregon should be under way just as Oregon marks its first century of statehood.

In view of the existence of McLoughlin House at Oregon City, even many Oregon historians are perplexed by the claim that Fort Clatsop National Memorial will be our

State's first historical shrine of national proportions.

McLoughlin House, which pays tribute to the career of the illustrious Dr. John McLoughlin of the Hudson's Bay Co., is a national historical site, but it is under non-Federal ownership. It is privately owned and privately administered. Federal funds do not contribute to its operation or maintenance.

Fort Clatsop National Memorial, by contrast, will be developed and administered entirely by the U.S. Government. Title to the land will be vested in the Federal Government. Federal funds and personnel will be used in its administration—and, incidentally, the budget for operation will be about $22,000 annually.

Other similiar national memorials of great fame are the Lincoln and Jefferson Memorials in Washington, D.C., and the De Soto National Memorial of Florida. There also is the Wright Brothers National Memorial of Kitty Hawk, N.C., where two brothers named Orville and Wilbur Wright flew their handmade flying machine in 1903.

The Fort Clatsop National Memorial, which will be along U.S. 101, represents a longtime goal of the Oregon Historical Society. Through the years the society carefully marked the site of original Fort Clatsop, as the logs crumbled back into the earth from whence they had come. Without this diligence on the part of the historical society, there might have been so much doubt about the location of the winter headquarters of Lewis and Clark that the memorial never could have been authorized.

The Clatsop County Historical Society also has played a key role in the plans for Fort Clatsop. Two of its leaders, Otto Owen and Burnby M. Bell, have been particularly assiduous in marking out the location of the historic winter encampment of the Lewis and Clark party. These local people in Astoria will see the memorial actually under construction during the fiscal year which commences July 1, 1959, because the administration budget includes $157,250 for the start of work on the undertaking.

Such a sum will be sufficient to finance building of the houses to be occupied by the personnel of the memorial shrine. It also will provide for installation of sewage facilities, parking lots, access roads, wells for a domestic water supply and for rehabilitation and protection of the recreated log fort.

It is highly likely that Congress will go along with the administration's budget recommendations in this field, because the project is not controversial. Our Fort Clatsop legislation passed both the Senate and House unanimously.

The memorial will include the rebuilt log Fort Clatsop, which was a joint project of the Astoria Junior Chamber of Commerce and the Crown-Zellerbach Timber Co. at the time of the Lewis and Clark sesquicentennial in 1955. Buildings added by the National Park Service will be featured by the museum and visitors' center, and also by two staff residences for the superintendent and the historian of the project. Roads, trails and parking areas will complete the undertaking.

Lectures on the dramatic Lewis and Clark trek will take place daily at Fort Clatsop National Memorial for schoolchildren and other visitors. A booklet distributed by the Government will explain the historical significance of the site. Such men as Herbert E. Kahler, chief historian of the National Park Service, tell me that they expect Fort Clatsop National Memorial to become a mecca on the Pacific coast for families interested in American history.

I believe the entire project should be constructed and ready for formal dedication some time late in 1960 or early in 1961. It is hoped that the dedicatory address will be given by the President of the United States, whoever he may be, at that time. After all, Lewis and Clark, whom the memorial honors, were sent westward on their journey of high destiny by our country's eminent third President, Thomas Jefferson.

(Senator RICHARD L. NEUBERGER was the first Member of Congress to propose Fort Clatsop National Memorial. He and Representative WALTER NORBLAD were the successful sponsors of the legislation which President Eisenhower signed late last summer creating the historical shrine near Astoria.)

Speech by Hon. Barry Goldwater, of Arizona, at the Annual Saginaw County Lincoln Day Dinner

---

EXTENSION OF REMARKS
OF

HON. ALVIN M. BENTLEY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 19, 1959

Mr. BENTLEY. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I would like to submit the speech given in Saginaw, Mich., at the annual Saginaw County Lincoln Day Dinner by Hon. BARRY GOLDWATER, of Arizona. Senator GOLDWATER presented the citizens of Saginaw with a powerful explanation of the damage done to our State by a labor dominated and controlled State government. The results of Mr. Reuther's handiwork has been the destruction of the very thing on which his strength is based, the industrial job opportunities available in our State.

The speech follows:

SAGINAW LINCOLN DAY SPEECH BY SENATOR BARRY GOLDWATER, REPUBLICAN, OF ARIZONA, FEBRUARY 9, 1959

It is a real pleasure to be back in Michigan.

This is a State of great beginnings—of great achievements.

As a youngster in Arizona I remember reading about the energy and initiative, the inventiveness of Michigan.

For years I have been driving your great automobiles across rough desert trails. I have been giving them mountain road tests that would make your proving-ground courses seem like Sunday afternoon drives.

And they stand up to it.

Yes. It's a wonderful State.

As I flew in it seemed there must be thousands of lakes here.

Water everywhere.

When I think of what we could do in Arizona with some of this water.

Solidarity House and its landlord you can keep. Just let us have some of the water.

In this month, when we are thinking especially of the name of Lincoln, we Republicans look back to the origins of the Republican Party here in your State. You are citizens of Michigan; I know you love this State. But perhaps you will allow us Republicans from other parts of the country to look with some affection and pride toward the State where began the party of Lincoln—this party of ours which has stood from the beginning for liberty, for the concept of the individual as sacred, this party of ours which has always believed in the full exercise of citizenship rights, without obstruction, without surrender of any part of these rights to any person, or to any group.

I am proud especially to be talking to Saginaw Republicans.

As chairman of the Republican senatorial campaign committee, I watch political trends down into the counties and into the townships. In the recent November election, you Saginaw Republicans showed vitality and a comeback power that made us proud of you.

In most areas of the Middle West, the Republican Party did not sell itself to the voters. Here in the Saginaw area, you did, and you did it very well. In Michigan, generally, the Republican Party was much better than nearby States where, in some cases, the party lost a Senator, a Governor, and control of both houses in the State capitol.

Your candidate for governor, Paul Bagwell, fought a great battle to turn back a trend. He was backed by a party finance organization which did a great job in the face of adverse economic conditions, and by very effective staff assistance.

Above all, Paul Bagwell struck at a very real issue—the destruction of jobs in Michigan—a loss of jobs which has resulted from the flight of industry to other States. Gradually the realization has spread in this State that industry is fleeing from a hostile business climate created by a Democrat Governor's alliance with a powerful and ruthless union politician.

Was the issue effective? Well, Paul did not overcome this 10-year cumulative trend at a single blow, but he took on a Governor who ordinarily runs ahead of his ticket by a quarter of a million votes, and when Paul was through with him, he stood a poor fifth on the ticket.

Political observers were watching the Governor's race in Michigan with special interest. It was thought that the Governor, whose eagerness to be President is well known, would have to run a very strong race if he were to be considered a serious contender for the Democrat nomination in 1960.

Political observers were looking at this race as a sort of popularity index.

When the election was over, political reporters across the country looked at the Governor's poor result and then marked him off the list of Presidential contenders.

Just a week ago, in Washington, their judgment has again been confirmed. A nonpartisan research agency took a poll of all the Democrats elected to Congress to find what man these leading Democrats would like to see as Democrat candidate for president in 1960. Two hundred and eighty-three Democrat Representatives and 64 Senators were asked the question. The man who looked so eagerly toward the 1960 nomination before the race for the governor's chair now is favored by only two of these hundreds of national leaders of the Democrat Party.

The fact is, there are seven Democrat Representatives and two Senators in all, nine Michigan Democrats in the Congress. There seems to have been seven who did not express a preference for your Governor.

I believe that is as close to the bottom as you can get, without an absolute zero.

Bagwell was a great candidate, and he had a sound issue.

He took on Walter Reuther's candidate for governor and cut him to size. A fifth-place man in his own state. The fact is, Paul Bagwell seems to have put Walter Reuther's candidate for president completely out of the running.

For this, Michigan citizens owe Paul Bagwell a great vote of thanks. The rest of us, across the Nation, owe Paul Bagwell and you Republican workers an even greater vote of thanks.

Now let us look a little more closely at the issue you Republicans had here in Michigan.

On the face of it, the issue looks like a simple bread-and-butter problem, something directly connected with the everyday problems of anyone in Michigan who works for a living.

Some who thought about the importance of this issue went no further in their thinking. They saw that the issue was genuine, and also that it spoke importantly to every man and woman in Michigan who worked, or who depended upon someone who worked. This was enough.

Now I invite you to review again with me, briefly, the genuineness of this issue, considered as a purely economic matter, for a constant effort is being made by the union political propagandists and the Governor to blur and confuse these facts.

Let me say now that the issue here in Michigan has two major aspects, as I see it. On the surface, and very immediately, it is an economic problem—one, as I have said, which touches very directly every citizen of the State. Underneath, and more important, it is a profoundly moral problem—one which touches vitally upon the civil rights of Michigan citizens.

As I talk to you tonight I am reminded of an evening more than a year ago when I stood before an audience of Michigan Republicans in Detroit. Will you forgive me if I recall briefly several things I mentioned that night, because they seem just as pertinent now?

A few years ago, in Washington, as some of us were reviewing the economic trends of the country as a whole, we were paying special attention to the great economic expansion in the country during the period 1950 to 1956, after the Korean war and under the new Republican administration. This period was before the recent recession from which the country is presently recovering.

Now, looking again at the period of great national economic expansion, from 1950 to 1956, we find that 46 States, big and small, increased their number of factory jobs. Almost no State was so backward that it was not carried along by the tremendous expansion.

Only two States in that period lost factory jobs. One was little Rhode Island. The other, surprisingly enough, was Michigan, a great industrial State which we in the rest of the country had come to look upon as a leader, certainly not as a backward and weak State.

Let me remind you that 1955 was the greatest year for the production of automobiles in the history of the industry. The whole Nation was reaching hungrily toward Michigan for more and more automobiles and trucks. Even 1956 was one of the best years in history for automobile sales.

This enormous national demand was directed right at Michigan and should have produced an unprecedented prosperity in the State.

Why, then, did the exact opposite take place? Why, instead of a great gain in factory jobs, was there an actual loss in jobs?

What sickness in this State could be so acute that even a great economic "blood transfusion" from the rest of the Nation would still leave Michigan anemic?

What was so unique about this sickness that not one other large industrial State was affected? Why, too, were even small and relatively undeveloped rural States, with no industry like automobiles to attract a national demand, nevertheless increasing factory jobs, while Michigan limped along at the end of the procession?

There was something profoundly wrong with Michigan's economy. That was clear.

We looked with surprise at this State of Michigan, propped up on all sides by the greatest demand for automobiles in the history of the country. How could Michigan be the only State in the whole Middle West to lose factory jobs, almost the only State in this country?

This was almost unbelievable, but it was true.

Now I have, for some years, had a special interest in the State of Michigan. Five years ago a group of Michigan union men came to see me in Washington, because I was on the Senate Labor Committee. They asked for help in solving some of their problems. They told me their civil rights were being undermined by certain politically ambitious union leaders in Michigan.

Now these men were strongly loyal to their union's economic objectives. But they felt that meddling in politics was not the job for union leaders, and they were afraid that they would end up by jeopardizing their economic gains unless certain ambitious union leaders could be kept out of politics.

Deeper still, these men resented having their union-dues money diverted into political slush funds. They had to pay dues to hold their jobs, but they did not believe they ought to have to pay dues money which their union leaders would use for politics, sometimes for candidates actually opposed at the polls by their own union members.

This, the union men told me, was an immoral thing. This, they said, was a basic attack on their civil rights.

I was impressed by the sincerity of these men from Michigan. They were not crackpots or union soreheads. They were solid, family men, one of them a member of the United Automobile Workers for 18 years. As Senator CURTIS and I listened, we could see their problem was real, and it was important.

As I began then to study the Michigan situation, I became more and more struck by the fact that there were elements in your problem here which were national in importance. Since then I have followed developments here very closely. I am convinced now that Michigan is being used as a laboratory, a testing ground, for something new in America, something, in my opinion, that is potentially deadly. And I believe this statement is conservative, based on a compelling array of facts.

The methods used in Michigan, and the results of these methods on the economy and especially on the civil rights of Michigan citizens give us a preview. A preview of what we may expect if these forces in Michigan spread their methods to the rest of the country.

It is Michigan's problem now, but it threatens to be soon the problem of the Nation. In fact, it has already spread to many parts of the country, but only in Michigan do we see this thing in its mature form. We can study here not only cause; we can study some of the results. Not all the results, mind you, because you may have worse to come in this State, if some strong measures are not taken.

Now we are talking about results. Let us look again at the disastrous economic record of Michigan in recent years.

We know that Michigan was the only State in the Middle West, one of only two States in the whole Nation which lost factory jobs between 1950 and 1956. I would remind you again that this was a period of unprecedented economic expansion throughout the Nation. I would remind you again, too, that Michigan's greatest industry, automobiles, was receiving an unheard of stimulus from a prosperous Nation at the very time jobs were disappearing from the State.

While the whole Nation was going forward, Michigan was going backward.

Why?

I believe I know the cause. Paul Bagwell spelled it out. But in the heat of a campaign a picture can be blurred. Statements and counterstatements can lead to confusion, doubt.

The political campaign is over, and it is time now to review again the facts.

Even now there are those who would deliberately confuse this picture. There are those, I regret to say, who have much at stake in covering up or distorting the actual facts.

The simple fact is that industry is fleeing from Michigan. And new industry which the State needs so badly is avoiding the State.

This is no temporary condition. This flight of industry is so great and so swift that it more than made up for the enormous demands made upon the automotive industry in 1955 and 1956. Some people who wish to confuse this picture for political purposes have tried to blame Michigan's economic predicament upon last year's national recession. How do these people account for the very great loss of jobs at the height of the national boom, before there was any sign of a national recession?

Michigan's problem arose before the recession. When the recession came, Michigan was the worst spot in the country. And now, with the rest of the Nation climbing swiftly again, a professor in your State university predicts that Michigan will still continue to have a large pool of unemployed. And for how long? For an indefinite period of time.

Michigan's problem arises within the State itself. That is clear. The attempt to blame Michigan's problem on the national administration was a shoddy political trick.

Nor can the problem, it seems, be related to the large role which the automobile industry plays in the Michigan economy. If this were true the State should have made great increases in factory jobs when the auto industry was at its peak in 1955, 1956, and 1957, which were respectively the first, the fourth, and the third best years in more than a half century of the automobile business. Instead, as we have seen, Michigan was losing jobs at this time.

What then is the cause?

Is this flight of industry and jobs due to an attempt by industry to escape paying Michigan's high wages? Well, it may be true in some cases that a combination of high wages and fringe benefits have put some Michigan business out of competition.

Such is not the case with the major losses you have suffered. The great automobile industry is moving out of Michigan to Ohio and Indiana. These are not low-wage States. Ohio, in fact, was the third highest wage-level in the United States.

I have read that the automobile industry has built 29 new plants in Ohio alone since the war. The industry is certainly not moving to Ohio and Indiana to escape high wages.

No, except for a few marginal cases, wage differential is not the cause for this flight of industry and jobs from Michigan.

Now, finally, there are some who deny entirely that Michigan industry is actually leaving the State. They claim that the whole issue is artificial. They say it is a trumped-up political issue, without any real substance.

Now I have received a very interesting study by Professor Jamison of the University of Michigan. Professor Jamison shows beyond question that Michigan, once a national leader, has, since 1948, been falling behind the Nation in many types of industry—in furniture manufacture, in pulp paper and paper products, in chemicals, in petroleum and coal products, in rubber products, in leather and leather goods, in stone clay and glass, in primary metal products, in fabricated metal products, in electrical machinery and in transportation equipment.

According to Professor Jamison's report, Michigan not only has lost leadership in industries for which the State was once famous. It goes far deeper than that. Michigan is steadily losing across a broad front, big industries, small industries, and across a broad range of manufacturing.

What is wrong with Michigan's economy is not limited to any special size or type of industry. No, this sickness is general.

Only a few miles from Saginaw you have a great chemical manufacturer, Dow, one of the greatest in the country. Once this was a Michigan industry. You know that this great company has expanded its facilities not so much in Michigan, but outside the State. So great has this outstate expansion

been that now less than half of the total assets of the company remain in the State.

You all know this company. You know this outstate expansion to be true. Only recently in my study of your State did I learn of this fact.

No amount of political propaganda can hide facts of such magnitude and importance.

Now we have talked of industry leaving Michigan. What of industry searching for a location?

Is the sickness which is driving industry and jobs out of Michigan also keeping industry from coming into the State?

Since I last spoke in your State, somewhat more than a year ago, several studies have been developed which seem relevant. One was produced by an independent research organization in Chicago, Market Facts, Inc.; another was developed by McGraw-Hill Research for the magazine, Business Week. I found these studies told me a great deal about the attitudes of manufacturers toward coming into Michigan.

In each case the research organizations asked top manufacturing executives to list specific States they would consider if their company were going to select a site for a new plant.

The McGraw-Hill study received replies from 283 executives.

Now how did Michigan compare with other sites as a desirable plant site?

Of the 283 executives expresisng an opinion only 3 considered Michigan a first-choice location. Only 19 would give Michigan any consideration at all. When the size and importance and industrial history of Michigan is considered, I believe you will agree this reflects an attitude toward Michigan which could be disastrous to the economy of your State.

My own State of Arizona, relatively new in manufacturing, received almost twice as many first-choice mentions as did industrial Michigan.

Now let us turn to the Chicago study. Market Facts, Inc., interviewed 113 top manufacturing executives. They were asked to compare five Great Lakes States as desirable plant locations, Illinois, Indiana, Michigan, Ohio, and Wisconsin.

Market Facts asked the executives, as one question, to rate any one of the States as "worst." Do you know that every executive who gave a "worst" rating gave this rating to Michigan?

Now there is no doubt of the objectivity or the competence of either of these research organizations. Each has a national reputation, and each conducted their investigations with great safeguards to avoid bias of any kind.

Let us look at the opinions of these executives. Is there a possibility that their opinions would not necessarily be the same as their actions?

Well, there is a simple way to test their actions. We can look at actual plant construction in Michigan, and compare it with nearby States like Ohio and Indiana.

In the 2-year period, 1956–57, industrial contracts for construction in Indiana were a little short of $1 billion, $889,123,000. Ohio was larger with $921,678,000. This was a plant construction at the rate of $201 for each person in Indiana, $101 for each person in Ohio.

Michigan? Well Michigan's total plant construction in 1956 and 1957 was little more than a fifth that of Indiana or Ohio, and amounted to only $27 for each person in Michigan.

What does this mean to citizens of Michigan? It means that the plants not being built today will be the jobs that will die unborn tomorrow.

To the man looking for a job in Michigan today, this means no hope for new job opportunities tomorrow.

To the man who is paying taxes, the flight of industry and this failure of new industry to come into the States means this: The higher and higher taxes of Michigan will not be shouldered by a growing industry. The taxpayer will have to carry the additional burden which an expanding or incoming industry would otherwise have shared.

Now this is a bitter set of facts. And I hesitated long before deciding to address such an audience on facts which many of you must know better than I.

Yet I felt it might be useful for you to hear how these facts appear to an outsider—not entirely an outsider, I hope, since I have good friends in your State—but to one, not embroiled in the politics of your State, nor with any business interests here.

What facts I have seen convince me that your predicament is a matter not only of concern to Michigan but to the Nation. You are a great State, and what happens to you cannot be a matter of indifference to the rest of us.

Now, if you will be patient with me, I should like to proceed to the next step.

We have seen that the Michigan predicament is not due to the short-lived national recession, nor to the dominance of one industry in Michigan nor even to the lure of low-wage structures in other States.

We have seen that the Michigan predicament is very real and that there is a widespread conviction in the rest of the country that Michigan is no longer a good place in which to expand or to enter with a new manufacturing business. The McGraw-Hill and Market Facts studies clearly substantiate the fact that these opinions are widespread among manufacturing executives whose job it is to locate plant sites.

It does no good to try to hide these facts. Such facts cannot be hidden.

A doctor who tells a patient with cancer that he is suffering only from a slight stomach ache, to forget it, and it will go away, is doing his patient no favor.

The doctor who tells his patient the cold truth about the cancer gives the patient an opportunity to take realistic measures for a cure.

Now I would not presume to take the role of doctor for the State of Michigan. You have men here in this State who have been telling you the hard truth about your problem. Men who know a great deal more about your State than anyone from the outside could ever know.

It is very difficult for men who live here, who love this State, who have known its greatness, to tell the hard story of its present condition. It takes courage, and it takes integrity.

It is easier by far, especially for men who have more ambition than integrity, to repeat the empty optimistic things. Easier by far, and more popular, to say it is just a little passing stomach ache, or to pretend even that it does not exist at all.

To have a leader who takes this line is to have no leader at all, if the sickness is really acute. Such leadership is a kind of betrayal of trust.

Paul Bagwell said the hard things to the citizens of Michigan. He ran better in the recent election, not worse, because of this. He did not win, but he ran better than any Republican gubernatorial candidate in years. He will win the next time, because he deserves to.

As a man of integrity, as a responsible leader, he spoke the hard truths. The citizens of Michigan can trust a man like that.

We come then to the big question.

We know the great natural advantages of Michigan. We know of the great resources, the power, the skilled men. We know Michigan industry is close to great natural markets.

None of these economic advantages has disappeared.

Now, what has happened in Michigan? Your State has not lost any of the great resources, the great economic advantages it had 10 and 20 years ago.

I'll say tonight again what I said in Detroit over a year ago:

What is wrong with this State is not economic. It is political.

Some politicians in your State have feared that the real facts—the truth—might become apparent to the citizens of the State. Not only have they, in turn, denied the problem exists, they have also set up false causes, and then, finally, they have turned to deliberate obfuscation.

They have tried to make this problem look mysterious. I have read how they set up study committees ostensibly to find out what is causing the disastrous Michigan decline, but I cannot believe they are actually mystified by this problem. They know all too well the cause.

Well-intentioned people seem to have lent their names to these committees and, without intending to do so, have helped politicians to keep alive the myth that this is a mysterious thing. What do these committees accomplish? They have one major, but unexpressed objective—"to take the heat off" the politician.

Now it is not actually very difficult to find out why industry is leaving Michigan, and why other industry is staying out of the State.

In each of these industrial organizations there is a small group of responsible executives at the top who make such decisions. They know why they decide one way or the other. There is nothing mysterious about the process.

And I can tell you this. Their decisions have nothing to do with political partisanship. In my own State of Arizona, both houses of the legislature have heavy Democrat majorities. Yet Arizona is the most swiftly growing State in the Union, industrially. At the same time Michigan was declining in the number of factory jobs, between 1950 and 1956, the State of Arizona was increasing 130 percent.

No, responsible business leaders cannot afford the luxury of party bias when it comes to economic decisions. It is their responsibility to go where the business will thrive, stay out of areas where the business will be harmed.

It is not because your State administration is Democrat. It is because the Democrat Party in your State is a shell—merely a label—taken over by a special interest. That special interest is the United Automobile Workers. And I am not referring to the rank-and-file union members. I am referring to a few politically ambitious union leaders, men with a Socialist background.

These men own and operate the shell of a political party. They have retained only the Democrat label.

The key points in the party are manned by their crew. The machinery is fueled with union dues money from the general treasury of the United Automobile Workers.

This party in Michigan which still carries the label "Democrat" is so far to the left, so irresponsible, that even regular New Deal style Democrats find it very hard to accept.

Only last Friday Governor Docking, Democrat Governor of Kansas, made a public statement about the plight of Michigan. I saw the statement as reported in a Detroit paper. Docking said Michigan is completely broke because of a "bureaucracy" which has "run wild."

Now I ask you this, How bad does the situation have to be, for a New Deal Democrat to describe it as a bureaucracy which is running wild?

No, there is no mystery, no mystery at all, about the decision of business executives to move from this State, or to avoid the State, if they are already outside. No responsible executive could conscientiously expose his business to the hazards of a "bureaucracy running wild."

And I shall venture to suggest, furthermore, that businessmen would be better advised to avoid lending their names to committees set up to "take the heat off" leading politicians who are undermining a State's economy. May I suggest that such businessmen might better serve their State and their business by coming at once to grips with the real problem, which is political, and carrying the actual facts to the people. There is a responsibility to carry the whole story to the citizens of this State so that, better informed, they may make political decisions that are appropriate to the actual facts of their situation.

It can be understood why men in the business, for example, of selling industrial real estate might believe it in their short-run interest to obscure the real facts of Michigan's plight. It can also be understood why utilities executives whose rates are set by the State government, or leading educators on the State payroll, might find it difficult to resist an invitation from the executive office in Lansing to be listed on a committee, which is helpful to the public relations needs of the Governor.

How does any other businesman explain his presence on such a committee?

I have observed with interest the public statements of businessmen who declare their intention to get into politics. These expressions are very commendable. Businessmen, like all other citizens, should be informed and active citizens.

May I suggest as an elementary first step that these businessmen stop playing "footsie" with the forces of destruction? May I suggest that a little intestinal fortitude might be in order at this point?

Across America, in the fast-growing States, businessmen are getting into politics.

In my own State a successful businessman who had never held any political office ran for Governor and was elected Governor.

He fought a clean, hard fight, on principle. Imported union politicians threw everything they had at him and walked off the field with a bloody nose.

You are faced here in Michigan by a labor party, run by a small coterie of labor politicians, and disguised as the Democrat Party.

This political organization is completely ruthless and thoroughly irresponsible. The leaders of the organization make vital political decisions for this State, yet almost none of these decisions can be reached or influenced either by the voters, or by the union members.

Walter Reuther ran for public office only once. The voters had only one chance at him.

It was in 1937. Fresh from the violence of the sitdown strikes, flushed with victory, Reuther thought his prestige as a union leader could be transformed into political power.

Reuther and four other top officials of the union decided to run for city council in Detroit. And what happened? All were defeated.

Reuther ran 15th, out of 18 candidates.

I don't know what was wrong with the three who ran behind him. They must have been objectionable in the extreme.

The union members in Detroit wanted Reuther as union leader; they rejected him as a political leader. This same Walter Reuther who could not be elected to the city council of Detroit, now goes to the national convention of the Democrat Party and exercises a veto over the nominations to the Democrat national ticket.

His is the hidden hand behind the policies in the State of Michigan which have brought this great industrial State to its knees, on the verge of bankruptcy.

The stranglehold of the labor politicians on the State of Michigan is a well known fact to businessmen across the country.

Just a year ago the representative of one of the greatest industrial organizations in America cleared the air—took all the supposed mystery out of this situation. The occasion was a meeting of industrial development people and manufacturers from five neighboring States of Illinois, Indiana, Wisconsin, Ohio, and Michigan.

This industrialist told how industry is searching all over the United States for good plant sites. In Ohio, his company has built no less than 19 new plants in the last 5 years. In Michigan they have built only one. They are not planning, he said, to build any more in Michigan.

When he was asked why his company had decided not to build further in Michigan, he said, "Because of your labor government."

There was nothing mysterious about this decision.

Nor is there any doubt that this one industrial decision alone cost Michigan tens of thousands of jobs.

It does not seem to me to be necessary to set up a committee in an effort to discover what this man meant.

It is there, on the face of it.

What is necessary, is that the people of Michigan be given the facts.

Representative government is only sound when the political decisions are made by informed voters.

The great State of Michigan is bankrupt.

The executive is asking for new taxes which are estimated to add $38 to $40 million in taxes to the burden already carried by business and industry. How many more industries will decide to leave because of this new tax burden, no one can say.

The supreme court of your State of Michigan is adding its own special kind of nightmare to the businessman. A former United Automobile Workers organizer, now a justice on your supreme court bench, has just written an opinion which may, in effect, compel industry to finance strikes out of unemployment compensation funds.

This is the final touch. To convert the unemployment compensation fund into a strike fund, financed by industry.

If this trend continues, I venture to predict an increase in the departure of industry from Michigan. As your budgets and your debt become steadily larger, the industrial base which should provide tax revenue will grow smaller.

You will have larger and larger budgets on a smaller and smaller industrial base.

The man whose birthday we are honoring once spoke of such a situation.

Lincoln put it this way: "As an individual who undertakes to live by borrowing soon finds his original means devoured by interest, and next, no one left to borrow from; so must it be with a government."

It was true when Lincoln said it; the same is true today.

Lincoln Day is a mighty good time for us to be honest with ourselves. We must face and acknowledge our problems—not only in Michigan but across the Nation—if we are to solve them.

I can think of no better resolution for today in Michigan than to carry out to the people this idea of the greatest Republican of them all.

You have a great worthwhile task. The future of your State is truly at stake.

The economic problems of this State have an evil political root and it might well be the dedicated purpose of you all here tonight, as citizens first, and secondly as Republicans, to root out this evil cause of your great State's present discontent.

Every natural economic advantage which Michigan ever had, it still has. The economic problem of Michigan originates in a perversion of Michigan politics.

The problem can only be cured by sound political leadership.

In the final analysis, each citizen will solve the economic problem of Michigan alone—in the voting booth.

I wish you well. For success you will need some of the firmness, the devotion to truth, the dedication we knew in Lincoln.

Your task is formidable.

But the energy, the spirit, the inventiveness that always has characterized Michigan—this has not left the State of Michigan. You have not exported your courage.

The character it took to build this great State, will not fail to meet the present challenge.

You can do it.

Across the Nation, we others who are proud to follow in the tradition of Lincoln will be with you in spirit.

A great responsibility rests on you here in Michigan. For what happens here today can happen to the whole Nation tomorrow.

SENATE

MONDAY, FEBRUARY 23, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, and our fathers' God:

On this day hallowed by a grateful Nation, the towering form of one who has left his image and superscription forever upon our national life, being dead, yet speaketh.

With clamorous voices out of the present demanding our ears, we would listen again to the calm and reassuring voice of one who was Thy instrument in fashioning the fabric of our freedom. May his warning sentiments bequeathed for the meditation of all future generations come to us with undimmed freshness as a message for these turbulent times.

By patience and faith may we, like him, rise above the dangers and difficulties which confront us, as in this day of desperate battle his unsheathed sword inspires those who fight for the things of the spirit wherever liberty is challenged and imperiled by tyranny.

So, as the ages roll on, may the Nation which calls him father cherish the luster of Washington's selfless service and the greatness of his unsullied character.

We ask it in the name of the Christ he adored, at whose pierced feet he laid his all. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 19, 1959, was dispensed with.

CALL OF THE ROLL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

READING OF WASHINGTON'S FAREWELL ADDRESS

The PRESIDENT pro tempore. Under the order of January 24, 1901, Washington's Farewell Address will now be read to the Senate. The senior Senator from Colorado [Mr. ALLOTT] was previously designated by the Vice President to read the address today.

The Chair recognizes the Senator from Colorado.

Mr. ALLOTT advanced to the desk and read the Farewell Address, as follows:

To the people of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth, as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, suffering, and successes.

But these considerations, however powerfully they addressed themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south* in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its com-

merce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only, that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be involved, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them

on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit or party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes, that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties), ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessary parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interest.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith: Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collusions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance, and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view

them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, under the rule there will be the usual morning hour for the introduction of bills, petitions, and memorials. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of Washington; to the Committee on Public Works:

"HOUSE JOINT MEMORIAL 6

"To the Honorable Dwight D. Eisenhower, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress assembled:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas U.S. Highway 99 is the main avenue of communication between the new 49th State, Alaska, and the United States; and

"Whereas, U.S. Highway 99 extends from Alaska through Washington, Oregon, and California to Mexico and is classified as an international highway; and

"Whereas U.S. Highway 99 has been designated as an integral portion of the new 'National System of Interstate and Defense Highways,' and hereinafter referred to as the Interstate Highway System; and

"Whereas almost 50 percent of all tourist traffic coming into the State of Washington comes over the interstate bridge at Vancouver, Wash.; and

"Whereas there is now no toll road, toll bridge or other toll charge anywhere along this important highway; and

"Whereas for defense purposes the members of the headquarters of the 104th Reserve Infantry Division and the members of the headquarters of the Oregon Military Reserve District must cross the interstate bridge to report for duty at Vancouver Barracks; and

"Whereas a toll on said interstate bridge will be imposed upon the completion of the raising of the old bridge and would impair the free flow of interstate commerce between the State of Oregon and the State of Washington; and

"Whereas bonds for the Portland-Vancouver interstate bridges were sold, the contracts let and preliminary engineering phases of construction began 3 months prior to when the President signed the Federal Highway and Highway Revenue Acts of 1956, and therefore the interstate bridge between Vancouver, Wash., and Portland, Oreg., was not able to come under the Federal Highway and Revenue Act of 1956; and

"Whereas many workers who reside in Portland and Vancouver commute from one State to another and have invested in homes on the basis of a free bridge existing between the two States; and

"Whereas a toll bridge in this area would cause an economic emergency due to the necessity of a great number of residents having to sell their homes and move from one State to the other; and

"Whereas substantial costs of said bridge were due to the improvement of navigation of the Columbia River and traditionally these costs have been borne by the Federal Government in improving the free flow of commerce up and down a navigable stream and between States; and

"Whereas the State of Washington is engaged in industrial expansion and said toll would interfere with present industries and the possibility of new industry coming into the State; and

"Whereas the third largest industry in the State of Washington is the tourist trade which would be impaired by said toll; and

"Whereas it is believed that the intent of Congress in passing the new Federal Interstate Highway System was to make said system free of tolls and encourage the free flow of commerce and people; and

"Whereas section 109 of the Federal Highway and Highway Revenue Acts of 1956 (Public Law 627, approved June 29, 1956) provides in part as follows:

" 'It is hereby declared to be the intent and policy of the Congress to equitably reimburse those States for any portion of a highway which is on the Interstate System, whether toll or free, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957 and such highway meets the standards required by this title for the Interstate System. * * *;

" 'It is also declared to be the policy and intent of the Congress to provide funds necessary to make such reimbursements to the State as may be determined': Now, therefore, be it

"Resolved, That your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully memorialize and petition the President of the United States to recommend and the Congress of the United States to enact legislation clarifying the provisions of the Federal Highway and Highway Revenue Acts of 1956 for the purpose of having that portion of the Interstate Highway System known as the Portland-Vancouver Interstate Bridge continue to be operated as the toll-free bridge, and that the costs of improving navigation on the Columbia River and improving the existing highway be borne and paid for out of funds provided by the Congress from gas taxes and other revenues for the Interstate Highway System; and be it further

"Resolved, That copies of this resolution be transmitted to the Honorable Dwight D. Eisenhower, President of the United States, to the Secretary of Commerce of the United States, and to the Secretary of the U.S. Senate, Clerk of the United States House of Representatives, and to each Member of the congressional delegation for the State of Washington.

"Passed the house February 4, 1959.

"JOHN L. O'BRIEN,
"Speaker of the House.

"Passed the senate February 12, 1959.

"JOHN A. CHERBERG,
"President of the Senate.

"I hereby certify this to be a true and correct copy of house joint memorial 6.

"S. R. HOLCOMB,
"Chief Clerk, House of Representatives."

A resolution adopted by the Second Inter-American Congress of the Postal, Telegraph and Telephone International, held at Lima, Peru, relating to the achievement of more modern and efficient methods of communications among the peoples of North and South America; to the Committee on Interstate and Foreign Commerce.

VETERANS' ADMINISTRATION HOSPITALS IN GEORGIA—RESOLUTION

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the RECORD, and appropriately referred, a resolution adopted by the General Assembly of the State of Georgia memorializing Congress to increase facilities in hospitals for veterans in the State of Georgia.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 157

Resolution relating to Veterans' Administration hospitals in Georgia; and for other purposes

Whereas the Veterans' Administration Hospital, located on Peachtree Road in Atlanta, contains only 300 beds and was originally constructed to take care of veterans only of World War I, and since that time, the United States has been engaged in World War II and the Korean conflict, adding thousands of veterans to those from World War I; and

Whereas there are approximately 150,000 veterans living within a 50-mile radius of Atlanta, and the present hospital is woefully inadequate for this number of veterans; and

Whereas it is imperative that a new hospital for veterans be constructed in the Atlanta area to relieve these conditions; and

Whereas many veterans are not being cared for in other areas of Georgia, and the Veterans' Administration Hospital located at Dublin, Ga. has approximately 1,000 beds, of which only about one-half are being utilized; and

Whereas it would be of untold benefit to veterans and the State of Georgia if the remaining beds were placed in use: Now, therefore, be it

Resolved by the General Assembly of Georgia, That the Veterans' Administration is hereby urged and requested to construct a new Veterans' Administration Hospital in the Atlanta area and to utilize the entire facilities of the Hospital in Dublin; be it further

Resolved, That the members of the Georgia congressional delegation are hereby urged to continue their efforts to bring about the aforesaid; be it further

Resolved, That the Clerk of the House is hereby instructed to transmit a copy of this resolution to each member of the Georgia congressional delegation, to the presiding officers of the Senate and the House of Representatives of the U.S. Congress, to the Presi-

dent of the United States and to the proper officials of the Veterans' Administration.

In senate: Read and adopted February 12, 1959.

GEORGE D. STEWART,
Secretary.

In house: Read and adopted February 10, 1959.

GLENN W. ECCARD,
Clerk.

The PRESIDENT pro tempore laid before the Senate a resolution of the General Assembly of the State of Georgia, identical with the foregoing, which was referred to the Committee on Labor and Public Welfare.

RESOLUTION OF HOUSE OF REPRESENTATIVES OF TENNESSEE

Mr. KEFAUVER. Mr. President, I ask unanimous consent to have printed in the RECORD, House Joint Resolution 16, adopted by the House of Representatives of the State of Tennessee recommending that the report prepared by the U.S. Chamber of Commerce for disposal of the Tennessee Valley Authority, be rejected and condemned as unsound, unfair, and impractical in its attack on the TVA and indirectly upon the national defenses of the United States.

There being no objection, the resolution was referred to the Committee on Public Works and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE JOINT RESOLUTION 16

Whereas the U.S. Chamber of Commerce has issued a biased and inaccurate report entitled "TVA: What's Next" which proposed that TVA be dismembered, dispersed, and its power facilities sold; and

Whereas the TVA Board promptly and categorically refuted the above report and denounced it as a "misrepresentation of TVA and a disservice to the general public and the members of the U.S. Chamber of Commerce"; and

Whereas the action proposed by the U.S. Chambers of Commerce report would destroy a great public agency whose retention and growth is vitally essential to the welfare of the seven-State Valley area, and moreover, since a vast amount of its generated power is channeled into atomic energy and allied defense industries, its preservation and continuance is absolutely necessary to a strong and vigorous national defense program; and

Whereas it is proper that the 1959 General Assembly of the State of Tennessee take action on this paramount issue: Now, therefore, be it

Resolved by the House of Representatives of the 81st General Assembly of Tennessee (the Senate concurring), That the report prepared by the U.S. Chamber of Commerce's natural resources department, as titled in the preamble hereof, be forthwith rejected and the action suggested by said report be condemned as unsound, unfair, and impractical in its attack on the Tennessee Valley Authority and indirectly upon the national defenses of the United States; be it further

Resolved, That copies of this resolution be sent to the U.S. Chamber of Commerce, the members of the Tennessee delegation to Congress, and to the Board of Directors of the Tennessee Valley Authority.

Adopted: January 28, 1959.

JAMES L. BOMOR,
Speaker of the House of Representatives.
WM. D. BAIRD,
Speaker of the Senate.

Approved: February 4, 1959.

BUFORD ELLINGTON,
Governor.

RESOLUTION OF GENERAL ASSEMBLY OF STATE OF GEORGIA

Mr. TALMADGE. Mr. President, the General Assembly of Georgia unanimously has adopted a resolution memorializing Congress to call a convention for the purpose of considering the constitutional amendment I have proposed to restore State and local control over public schools.

I ask unanimous consent that this resolution be received and appropriately referred and that the text of it be printed herewith in the body of the RECORD.

There being no objection, the resolution was referred to the Committee on the Judiciary, and, under the rule, ordered to be printed in the RECORD, as follows:

HOUSE RESOLUTION 99

Resolution memorializing Congress to call a convention for the purpose of considering an amendment to the Constitution of the United States relative to the administration by the several States of their respective school systems; and for other purposes

Whereas recent decisions of the Supreme Court of the United States have tended to withdraw from the sovereign States power to administer their respective school systems in a fashion never contemplated or intended by the ratifiers of the Constitution; and

Whereas the unconscionable usurpation of power has caused much dissension, discord, and disagreement, not only among the several States in the Union, but among the races, and tends to destroy the very basis of the sovereignty of the several States; and

Whereas the enforcement of the decisions of the Supreme Court has led to bloodshed and tends to endanger public education throughout the several States of the Union; and

Whereas the statehood bill admitting Alaska to the Union provides that administrative control of the public schools shall be vested exclusively in such State; and

Whereas the junior Senator of the State of Georgia, Hon. HERMAN E. TALMADGE, has proposed an amendment to the Federal Constitution to grant to the several States the same right to control its public school system as has been granted to Alaska, in which this body concurs unanimously; and

Whereas, it is desirable that such amendment not provide for a local option, as to political subdivisions less than the States: Now, therefore, be it

Resolved by the General Assembly of Georgia, That the Congress of the United States be petitioned and is hereby petitioned to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

"ARTICLE—

"SECTION 1. Administrative control of any public school, public educational institution, or public educational system, operated by any State or by any political or other subdivision thereof, shall be vested exclusively in such State and subdivision, and nothing contained in this Constitution shall be construed to deny the residents thereof the right to determine for themselves the manner in which any school institution or system is administered by such State and subdivision"; be it further

Resolved, That the Congress of the United States be and it hereby is requested to provide the mode of ratification that said amendment shall be valid to all intents and purposes as part of the Constitution of the United States when ratified by the legislatures of three-fourths of the several States; be it further

Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each Member of the Congress in the State of Georgia; be it further

Resolved, That a duly attested copy of this resolution be immediately transmitted to the Governor of every State of the Union, the president of the State senate of every State, and the speaker of the house of representatives of every State, for the express purpose of encouraging the several sovereign States to take similar action in their legislatures to encourage the adoption of the foregoing amendment to the U.S. Constitution.

FORTY-FIRST ANNIVERSARY OF LITHUANIA'S INDEPENDENCE—RESOLUTION

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the American citizens of Lithuania in commemoration of the 41st anniversary of Lithuania's independence.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Resolution unanimously adopted, after due deliberation, by the American citizens of Lithuanian descent of the city of Chicago and the State of Illinois, at the commemoration of the 41st anniversary of Lithuania's independence, held under the auspices of the Lithuanian Council of Chicago at Maria High School Auditorium on the 15th day of February 1959:

"Whereas the American people continue to believe in certain inalienable principles enunciated in the American Declaration of Independence, the Constitution of the United States, the Atlantic Charter, the Universal Declaration of Human Rights and the Charter of the United Nations; and

"Whereas the people of Lithuania, firmly espousing the selfsame principles in their declaration of independence promulgated in 1918, have won their liberty by valiant fight against oppressors and, during 22 peaceful years, against seemingly insurmountable odds, converted war-devastated Lithuania into a prosperous and progressive country; and

"Whereas, in 1940, Soviet Russia, in conspiracy with Hitlerite Germany and in consistent and unilateral violation of all the treaties and declarations solemnly underwritten by it, viz., Peace and Non-Aggression Pacts with the Baltic States, occupied Lithuania and annexed her to the Soviet Union, and, in 1944, following the defeat of the German armies on the Eastern front, again took over that country, in complete disregard of the wartime policies and obligations under the Atlantic Charter and the Charter of the United Nations to which Soviet Russia is a cosignatory with the United States and other allied countries; and

"Whereas a major part of Europe, the cradle of modern civilization, and Asia, the most populous continent, lies today under the sway of lawless rule by the militant communism which, eagerly looking for new victims, continues rearing its ugly head in other adjacent areas; and

"Whereas the Communist conspiracy, by unprecedented and unorthodox methods has infiltrated deep into the still free world, using any deceit or strategem to further its ideological, psychological, or subversive attack upon every strata of free world society including education, art, press, labor, industry, agriculture, and government; and

"Whereas military preparedness of the free nations alone or together with isolated attempts to counter Communist aggression are not adequate to cope with the global Kremlin

strategy and its unorthodox methods: Now, therefore, be it

Resolved, That the patriotic American citizens of Lithuanian descent of Chicago, Ill., having carefully reviewed the events of the recent past and the deplorable state of international affairs at the beginning of the year 1959, respectfully submit to the President, Secretary of State, and Members of Congress of the United States:

"That the Government of the United States continue, in true American tradition, a vigorous and consistent policy to effectively confront the global and centrally controlled Kremlin conspiracy for world subjugation;

"That the Government of the United States utilize its leadership in political, military and economic world affairs to the benefit of mankind by providing a wise and coordinated leadership to the nations of the Western Hemisphere in their struggle to resist Communist imperialism;

"That the Government of the United States enlist the cooperation of the great potential anti-Communist force among the several hundreds of millions of the enslaved by employing all suitable means and measures, but avoiding premature and abortive uprisings, to assist the subjugated peoples to coordinate their fight for survival;

"That the Government of the United States, through its representatives in the United Nations strongly oppose the consideration and/or adoption of the 'Draft Code of Offenses Against the Peace and Security of Mankind,' as submitted by the Secretary General of the United Nations, which code in its present form would prohibit oppressed persons and organizations wrongfully enslaved by an aggressor nation to work and fight for their freedom and the restoration of their government to their own people and further said code destroys the agreements reached at the 'genocide convention' and ratified by the United Nations.

"That the Government of the United States insist upon the sanctity of treaties, much advertised by Soviet spokesmen since 1939, and invoke the authority of the United Nations to demand that the Soviet Government conform its policies to the principles of the Atlantic Charter and United Nations Charter solemnly underwritten by it, as well as honor its prewar international obligations under the peace treaties and nonaggression and friendship pacts concluded by the Soviet Union with the Republics of Lithuania, Latvia and Estonia, by withdrawing military and police forces and Communist Party apparatus from the occupied territories so that the people may freely fashion governments of their own choosing; be it further

"Resolved, That the Lithuanian Americans of Chicago, Ill., reaffirming their pledge of cooperation with the Government of the United States in its efforts to bring about peace, stability and prosperity in the world, express greatest appreciation and gratitude: To the President of the United States and his administration for steadfast adherence to the principles of morality and democracy in international relations and for the support extended to the cause of independence of Lithuania; to individual distinguished Members of the Senate and the House of Representatives who, on numerous occasions, have lent their moral encouragement to and sympathy with the Baltic and other persecuted peoples."

LITHUANIAN AMERICAN COUNCIL
OF CHICAGO,
ALFONSE F. WELLS, *President*.
EUPHROSINE MIKUZIS, *Secretary*.

Mr. KUCHEL. Mr. President, each February the people of the United States pay devout homage to two individuals, two great Presidents of our Nation, who are admired around the world for their sacrifices and devotion to the cause of independence and self-determination of mankind.

It is therefore exceedingly tragic that the month of February also is cause for the deepest regret that a once-free and proud nation, Lithuania, still is suffering under the heel of despotism. The passage of February 16, 1959, marked the 41st anniversary of the date when the Lithuanian National Council proclaimed the restoration of an independent nation whose life in tranquility and freedom lamentably was doomed to only a few brief years.

Lithuania stands as a shocking symbol of the ruthlessness of tyrannical communism. But the fires of liberty still burn behind the Iron Curtain. The long history of Lithuania, dating back to the 11th century and marked by repeated periods of suppression and subjugation, affords reason for hope that once again these courageous people will enjoy an independent, democratic existence.

Lithuania demonstrated for the world, during the shockingly brief span of freedom, 1918 to 1940, her right to stand with the free nations of the world.

The United States can do little materially at this time to aid Lithuania in regaining that rightful position. But the people of America, committed to the great principles which brought a free Lithuania into being 41 years ago, can nourish the ambitions and spiritually reinforce the determination of present-day victims of the Communist dictators to reestablish an independent nation. Our country for 18 years steadfastly has refused to acknowledge the despotic annexation of Lithuania and sister Baltic States by Soviet Russia during the early days of World War II and we must never acquiesce in the subjugation of the long-suffering Lithuanian people.

RESOLUTIONS OF CITY COUNCIL OF MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that three resolutions adopted by the City Council of Minneapolis on February 13, 1959, be printed at this point in the RECORD, and appropriately referred.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Banking and Currency:

"RESOLUTION URGING THE U.S. CONGRESS TO PROVIDE ADEQUATE FEDERAL RESOURCES FOR URBAN RENEWAL

"Whereas urban renewal is a major need in the city of Minneapolis; and

"Whereas this city, like many other cities, has initiated a number of urban renewal projects, relying on the continuation of substantial Federal financial support; and

"Whereas the city is unable to carry out these projects with its own fiscal resources; and

"Whereas it is unlikely that the State of Minnesota would add to its already overburdened budgets for aids to local governments for urban renewal purposes; and

"Whereas the American Municipal Association, of which Minneapolis is a direct member, has endorsed the continuation of adequate Federal grants for such purposes: Now, therefore, be it

"Resolved by the City Council of the City of Minneapolis, That the U.S. Congress be urged to adopt financial measures which will increase Federal support for urban renewal above the level proposed in the administrative budget.

"Resolved further, That a copy of this resolution be sent forthwith, to the President, Vice President, Speaker of the House, and to each Member of the House and Senate in the congressional delegation from Minnesota.

"Passed February 13, 1959.

"GEO. W. MARTENS,
"President of the Council.

"Approved February 13, 1959.

"GEO. W. MARTENS,
"Acting Mayor.

"Attest:

"LEONARD A. JOHNSON,
"City Clerk."

To the Committee on Interstate and Foreign Commerce:

"RESOLUTION URGING THE U.S. CONGRESS TO PROVIDE ADEQUATE FEDERAL RESOURCES FOR AIRPORT IMPROVEMENTS

"Whereas the city of Minneapolis is contributing heavily towards a large expansion program at the metropolitan area, and in support of a number of public airports in this area; and

"Whereas the construction of airports, improvement of facilities and installation of controls and safety measures are of great interstate importance; and

"Whereas the growing, purely local needs already require more city financial resources than are available; and

"Whereas it is unlikely that adequate financial support needed for metropolitan airport operation and development can come from the State of Minnesota in the face of the State's own budget balancing problems: Now, therefore, be it

"Resolved by the City Council of the City of Minneapolis, That the U.S. Congress be urged to adopt financial measures which will increase Federal support for airport construction and improvement above the level proposed in the administration's budget.

"Resolved further, That a copy of this resolution be sent forthwith, to the President, Vice President, Speaker of the House, and to each Member of the House and Senate in the congressional delegation from Minnesota; be it further

"Resolved, That a copy of this resolution be sent to the Minneapolis-St. Paul Metropolitan Airports Commission.

"Passed February 13, 1959.

"GEO. W. MARTENS,
"President of the Council.

"Approved February 13, 1959.

"GEO. W. MARTENS,
"Acting Mayor.

"Attest:

"LEONARD A. JOHNSON,
"City Clerk."

To the Committee on Appropriations:

"RESOLUTION URGING THE U.S. CONGRESS TO PROVIDE ADEQUATE APPROPRIATIONS FOR THE UPPER MISSISSIPPI HARBOR AT ST. ANTHONY FALLS IN MINNEAPOLIS

"Whereas the city of Minneapolis has met its obligations under the act of Congress authorizing the Upper Mississippi Harbor project at St. Anthony Falls by appropriating $300,000 each year since 1941 out of local property tax resources; and

"Whereas the aggregate of these local appropriations amounting to nearly $6 million have been applied to securing right-of-way required by the Federal Government in the harbor improvement, and to necessary bridge raising, constructing, and reconstruction; and

"Whereas it is important in the future development of Minneapolis that the harbor project be completed as soon as possible; and

"Whereas Senator HUMPHREY has announced that the Army Engineers can effectively and efficiently spend more than is

currently proposed for the Upper Mississippi Harbor project in the administration's budget, and that he will seek a larger appropriation: Now, therefore, be it

"*Resolved by the City Council of the City of Minneapolis,* That the U.S. Congress be urged to adopt appropriation measures which will expedite the completion of the Upper Mississippi Harbor project at St. Anthony Falls in Minneapolis to the maximum degree, supported by proof that the Army Engineers can spend enlarged appropriations effectively and efficiently.

"*Resolved further,* That a copy of this resolution be sent forthwith, to the President, Vice President, Speaker of the House, and to each Member of the House and Senate in the congressional delegation from Minnesota.

"Passed February 13, 1959.

"GEO. W. MARTENS,
"President of the Council.

"Approved February 13, 1959.

"GEO. W. MARTENS,
"Acting Mayor.

"Attest:

"LEONARD A. JOHNSON,
City Clerk."

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN:

S. 1150. A bill to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm; to the Committee on Finance.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 1151. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital and nursing home service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Finance.

S. 1152. A bill for the relief of Alicja Zofja Batukiewicz; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the first above-mentioned bill, which appear under a separate heading.)

By Mr. NEUBERGER (for himself and Mr. MORSE) (by request):

S. 1153. A bill to compensate the State of Oregon for firefighting costs; to the Committee on the Judiciary.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE:

S. 1154. A bill for the relief of Carl J. Fisher, captain, U.S. Army, retired; to the Committee on the Judiciary.

By Mr. TALMADGE:

S. 1155. A bill to require that litigants in cases reviewed by the Supreme Court be accorded an opportunity for hearing before that Court, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. TALMADGE when he introduced the above bill, which appear under a separate heading.)

By Mr. YOUNG of North Dakota:

S. 1156. A bill to provide for the establishment of a soil and water conservation laboratory in the Great Plains area; to the Committee on Agriculture and Forestry.

By Mr. O'MAHONEY (for himself, Mr. MURRAY, Mr. CHAVEZ, Mr. CARROLL, Mr. MCGEE, Mr. BYRD of West Virginia, Mr. YARBOROUGH, Mr. MANSFIELD, Mr. BIBLE, and Mr. ALLOTT):

S. 1157. A bill to encourage the development of petroleum and coal reserves within the United States; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. O'MAHONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 1158. A bill to amend the act regulating the bringing of actions for damages against the District of Columbia, approved February 28, 1933; and

S. 1159. A bill to facilitate the acquisition of real property under the District of Columbia Alley Dwelling Act; to the Committee on the District of Columbia.

By Mr. PROXMIRE (for Mr. MORSE):

S. 1160. A bill to amend the Labor Management Relations Act, 1947, so as to provide a more effective method of dealing with labor disputes in vital industries which affect the national security; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

By Mr. CASE of New Jersey:

S. 1161. A bill for the relief of Georgios Petinakis; to the Committee on the Judiciary.

By Mr. NEUBERGER:

S. 1162. A bill making an additional appropriation for the National Cancer Institute, Public Health Service, Department of Health, Education, and Welfare; to the Committee on Appropriations.

S. 1163. A bill to amend the National Defense Education Act of 1958 in order to promote the medical sciences, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. NEUBERGER when he introduced the above bills, which appear under a separate heading.)

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO OCCUPATIONAL TAXES ON CERTAIN FIREARMS

Mr. DIRKSEN. Mr. President, I introduce, for appropriate reference, a bill relating to the proration of the occupational tax on persons dealing in certain firearms.

During the summer and fall, representatives of the National Rifle Association, Sporting Arms and Ammunition Manufacturers Institute, the American Gun Dealers Association, the Washington Police Department, and gun collectors met with officials of the Treasury Department on several occasions, and agreed on the provisions of this proposed legislation. It was drafted by the Treasury Department, and has been introduced in the House by Representatives KING of California, SIKES of Florida, SAYLOR of Pennsylvania, SMITH of California, and MICHEL of Illinois.

The PRESIDING OFFICER (Mr. Moss in the chair). The bill will be received and appropriately referred.

The bill (S. 1150) to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm, introduced by Mr. DIRKSEN, was received, read twice by its title, and referred to the Committee on Finance.

INSURANCE AGAINST COSTS OF HOSPITAL AND NURSING HOME SERVICE FOR ELDER CITIZENS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to amend the Social Security Act so as to provide insurance against the costs of hospital and nursing home service for our elder citizens.

One of the most important and pressing social problems which we face today is finding means to insure a life of dignity and decency for our older citizens.

The number of Americans over 65 years of age has been steadily mounting. While at the turn of the century there were only 3 million over 65, today it is estimated that there are more than 14 million.

The income of our elder citizens is in most cases very low. The latest figures available—those of 1954—show that half of the families whose head was 65 or over had cash incomes of less than $2,000, and two-thirds of individuals over 65 who were living alone or with nonrelatives had a cash income of less than $1,000.

The problems faced by the elderly with but limited incomes are only too obvious. Adequate housing, medical care, clothing, and food are items which immediately come to mind.

We in this great and wealthy country have a social and moral obligation to provide adequate means whereby the elderly may enjoy a decent standard of living and may be free of constant anxiety over what will happen in time of serious illness.

I am very much pleased that the Senate Committee on Labor and Public Welfare has appointed a subcommittee for the purpose of studying the problems of our older citizens. Such a study is sorely needed. I know the new Subcommittee on Problems of the Aged and Aging, under the able chairmanship of the distinguished senior Senator from Michigan [Mr. MCNAMARA], will do an excellent job. From this study will come, I am sure, many fine and practical suggestions.

High on the list of problems of the elderly is that of adequate hospital and nursing home services. The purpose of the bill which I introduce today is to help meet this problem by providing that our Nation's social security program include insurance to cover the costs of such services for our older citizens.

The need for such an insurance program is apparent when we examine the statistics which show that only two out of five of our older citizens have any form of health insurance whatsoever, and much of this insurance is quite limited, and can be canceled at any time.

During the time a person is in his earning years, he often can provide for such contingencies through voluntary organizations that provide hospital care on an insurance plan. The wide group coverage at many places of employment

may bring such a program within his financial reach. Yet, when he retires, or when his providing days come to an end, he and his spouse face the possibility of hospital expenses with a dual handicap. On the one hand, their income is suddenly and substantially reduced; on the other, their right to group coverage in hospital insurance plans is lost, and the cost of private insurance plans is often beyond their reach. When sickness strikes, many are left with two alternatives, either to forego the desired treatment and suffer, or apply for public assistance. If the latter, the regular welfare funds are diminished or the overburdened hospitals are denied repayment for their services.

How much more logical it would be to provide a hedge against the additional hazards of hospital expense by incorporating an insurance plan to take care of it into our already operating national old-age and survivors program.

The hospital and nursing home insurance program which I am proposing would be financed by increasing the present Social Security tax on employees and employers by one-fourth percent each, and on the self-employed by three-eighths percent.

Mr. President, at this point I wish to pay tribute to the Honorable AIME J. FORAND, of Rhode Island, who is sponsoring in the other body House bill 4700, which is similar in some respects to my bill.

Mr. President, permit me to explain a few of the details of my own bill.

It would make persons eligible for hospital and nursing home benefits if they are eligible for old-age insurance, regardless of whether they have yet applied for it. Certainly, it would be undesirable to compel our elder citizens to stop working, in order to qualify for such benefits, if they feel that continued work will be socially constructive and advantageous to them.

This hospital and nursing home insurance program would entitle those eligible to up to 60 days of hospital care, with subsequent nursing home care, if necessary, up to a combined total of 120 days in any one year. Benefits included are hospital services, drugs, appliances, and care ordinarily furnished to patients in semi-private accommodations. Persons certified by a physician as needing the care could choose any hospital that admits them and that had contracted with the Secretary of Health, Education, and Welfare to furnish the services. Tuberculosis and mental hospitals are not covered, and hospital care received under workmen's compensation statutes would not be reimbursed by this insurance.

If a physician directed that nursing home care was needed for a condition that had required hospitalization, this would also be covered. Nursing home service would include skilled nursing care, related medical and personal services, and accompanying bed and board provided by a licensed nursing home operated in connection with a hospital or in which a medical doctor directs the care.

Positive prohibition of any direction of hospital activities is specified in the act.

If effective and economical administration of hospital insurance can be achieved through private, nonprofit insurance organizations, the Secretary is authorized to contract with them to provide it.

Hospital insurance payments under the bill would begin in the 12th month after the bill is enacted. It is estimated that 12 to 13 million persons would be eligible for coverage.

Mr. President, I have outlined the provisions of the amendments I am suggesting in this bill to the old-age, survivors, and disability insurance program. The bill also, of course, includes changes in the Internal Revenue Code, so as to include the wage and payroll tax increases necessary to finance the program.

The provisions of this bill are modest; they are deliberately limited in scope, in order to facilitate enactment of this much-needed measure in 1959. They deal with social insurance only.

Mr. President, in my opinion, this proposal should be enacted this year. I believe enactment of the bill is necessary in order to meet one of the major deficiencies in our welfare program. I believe the bill is realistic, in that it is a modest effort to handle this problem within our presently established social security system. I believe the bill is financially sound, in that it will be financed by the earning power of those who stand to benefit. I trust that my colleagues will join in this effort to meet the continuing challenge of meaningful social security.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1511) to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital and nursing home service for persons eligible for old-age and survivors insurance benefits, and for other purposes, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Finance.

COMPENSATION TO STATE OF OREGON FOR FIRE FIGHTING COSTS ON DEPARTMENT OF INTERIOR LAND

Mr. NEUBERGER. Mr. President, I am reintroducing a bill to compensate the State of Oregon for fire-fighting costs incurred by the State in extinguishing a forest fire on lands administered by the Department of Interior, This bill is identical to Senate bill 2601, which I sponsored in the previous session of Congress. I am introducing this bill at the request of officials of my State; and, despite the adverse reports by the Department of Interior, I am convinced of the merits and the equities of my State's case.

The Bureau of Land Management has over 2 million acres of forest land in western Oregon. Unlike the Forest Service the Bureau does not directly provide fire protection for these lands. The Bureau of Land Management lands are intermingled with private and State lands. In 1951, there was a catastrophic fire which burned almost 28,000 acres, including 11,000 acres of Bureau of Land Management lands. This fire originated on Bureau of Land Management lands, and cost half a million dollars to extinguish. The State has attempted to collect for the deficit incurred in fighting this fire, and it is the position of the officials of Oregon that the Federal Government has a responsibility to contribute $184,101.89.

Mr. President, on behalf of my colleague the distinguished senior Senator from Oregon [Mr. MORSE], and myself, I introduce, for appropriate reference, a bill to compensate the State of Oregon for costs of fighting the Vincent Creek Forest fire on lands administered by the Department of Interior.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1153) to compensate the State of Oregon for fire-fighting costs, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), by request, was received, read twice by its title, and referred to the Committee on the Judiciary.

HEARINGS FOR LITIGANTS IN CASES REVIEWED BY SUPREME COURT

Mr. TALMADGE. Mr. President, I view with grave concern the increasing tendency of the Supreme Court of the United States to act upon lower court decisions without hearing oral arguments on the points at issue.

There is nothing in the rules of the Supreme Court authorizing the determination of cases without oral arguments unless they are waived by the parties concerned. Yet, during the 1957–58 term that tribunal acted without benefit of hearings in a total of 153 cases.

I ask unanimous consent, Mr. President, that the list of those cases as compiled at my request by the Legislative Reference Service of the Library of Congress be printed at this juncture of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CASES DECIDED BY THE U.S. SUPREME COURT 1957 TERM IN WHICH NO ORAL ARGUMENTS WERE HEARD

1. *Virginia* v. *Maryland* (per curiam), 355 U.S. 3.
2. *Arkansas Public Service Commission* v. *U.S.* (per curiam), 355 U.S. 4.
3. *Krasnov et al.* v. *U.S.* (per curiam), 355 U.S. 5.
4. *Akron, Canton and Youngstown Railroad Co. et al.* v. *Frozen Food Express et al.* (per curiam), 355 U.S. 6.
5. *Simpson et al.* v. *U.S.* (per curiam), 355 U.S. 7.
6. *McCrary et al.* v. *Aladdin Radio Industries, Inc., et al.* (per curiam), 355 U.S. 8.
7. *Federal Trade Commission* v. *Crafts* (per curiam), 355 U.S. 9.
8. *Nationwide Trailer Rental System, Inc., et al.* v. *U.S.* (per curiam), 355 U.S. 10.
9. *White et al., doing business as Kitsap Automatic Dispenser Co. et al.* v. *Washington* (per curiam), 355 U.S. 10.
10. *Monson Dray Line, Inc.* v. *Murphy Motor Freight Lines, Inc. et al.* (per curiam), 355 U.S. 11.

11. *Willits et al* v. *Pennsylvania Public Utility Commission et al.* (per curiam), 355 U.S. 11.
12. *Lincoln Building Associates* v. *Barr et al., doing business as Swim for Health Association* (per curiam), 355 U.S. 12.
13. *Cottrell* v. *Pawcatuck Co. et al.* (per curiam), 355 U.S. 12.
14. *Gibralter Factors Corp.* v. *Slapo et al.* (per curiam), 355 U.S. 13.
15. *Interstate Commerce Commission* v. *Premier Peat Moss Corp. et al.* (per curiam), 355 U.S. 13.
16. *Four Maple Drive Realty Corp.* v. *Abrams, New York State Rent Administrator, et al.* (per curiam), 355 U.S. 14.
17. *Watson* v. *U.S.* (per curiam), 355 U.S. 14.
18. *Albanese* v. *Pierce et al.* (per curiam), 355 U.S. 15.
19. *U.S.* v. *Vorreiter* (per curiam), 355 U.S. 15.
20. *Uphaus* v. *Wyman, Attorney General of New Hampshire* (per curiam), 355 U.S. 16.
21. *Lewis* v. *Florida* (per curiam), 355 U.S. 16.
22. *McGee* v. *U.S.* (per curiam), 355 U.S. 17.
23. *Gutierrez* v. *Arizona* (per curiam), 355 U.S. 17.
24. *Gibson* v. *Thompson* (per curiam), 355 U.S. 18.
25. *Palermo* v. *Luckenbach Steamship Co., Inc.* (per curiam), 355 U.S. 20.
26. *Hobart* v. *Hobart* (per curiam), 355 U.S. 21.
27. *New Orleans Insurance Exchange* v. *U.S.* (per curiam), 355 U.S. 22.
28. *Hurt* v. *Oklahoma* (per curiam), 355 U.S. 22.
29. *Association of Lithuanian Workers et al.* v. *Brownell, Attorney General* (per curiam), 355 U.S. 23.
30. *Banta* v. *U.S. et al.* (per curiam), 355 U.S. 33.
31. *Banta* v. *U.S. et al.* (per curiam), 355 U.S. 34.
32. *Times Film Corp.* v. *City of Chicago et al.* (per curiam), 355 U.S. 35.
33. *Edwards* v. *U.S.* (per curiam), 355 U.S. 36.
34. *Corsa* v. *Tawes* (per curiam), 355 U.S. 37.
35. *Ford* v. *U.S.* (per curiam), 355 U.S. 38.
36. *District Lodge 34, Lodge 804, International Association of Machinists* v. *L. P. Cavett Co.* (per curiam), 355 U.S. 39.
37. *Wometco Television and Theatre Co.* v. *U.S. et al.* (per curiam), 355 U.S. 40.
38. *Swift et al.* v. *Borough of Bethel, Pa., et al.* (per curiam), 355 U.S. 40.
39. *Williams* v. *Simons*, 355 U.S. 49.
40. *In Re Lamkin* (per curiam), 355 U.S. 59.
41. *Poret et al.* v. *Sigler* (per curiam), 355 U.S. 60.
42. *Lee You Fee* v. *Dulles* (per curiam), 355 U.S. 61.
43. *Stinson* v. *Atlantic Coast Line Railroad Co.* (per curiam), 355 U.S. 62.
44. *City of Nashville* v. *U.S.* (per curiam), 355 U.S. 63.
45. *American Public Power Assoc.* v. *Power Authority of New York* (per curiam), 355 U.S. 64.
46. *Turner* v. *Wright* (per curiam), 355 U.S. 65.
47. *Rosenbloom* v. *U.S.* (per curiam), 355 U.S. 80.
48. *In re Latimer* (per curiam), 355 U.S. 82.
49. *Barr* v. *Matteo et al.*, 355 U.S. 171.
50. *Interstate Commerce Commission* v. *Ohio Railroad Co.* (per curiam), 355 U.S. 175.
51. *Atchison, Topeka and Santa Fe Railroad Co.* v. *Dixie Carriers, Inc.* (per curiam), 355 U.S. 179.
52. *Mounce* v. *U.S.* (per curiam), 355 U.S. 180.
53. *World Insurance Co.* v. *Bethea* (per curiam), 355 U.S. 181.
54. *Seatrain Lines, Inc.* v. *U.S.* (per curiam), 355 U.S. 181.
55. *Camo et al.* v. *Pennsylvania* (per curiam), 355 U.S. 182.
56. *Keco Industries, Inc.* v. *Cincinnati and Surburban Bell Telephone Co.* (per curiam), 355 U.S. 182.
57. *In Re Reteneller* (per curiam), 355 U.S. 183.
58. *Walsh* v. *First National Bank and Trust Co. of Scranton, Pa.* (per curiam), 355 U.S. 183.
59. *Virginia* v. *Maryland* (per curiam), 355 U.S. 269.
60. *Railroad Express Agency, Inc.* v. *U.S.* (per curiam), 355 U.S. 270.
61. *Carson* v. *City of Washington Court House, Ohio* (per curiam), 355 U.S. 270.
62. *Nelson* v. *Tennessee* (per curiam), 355 U.S. 271.
63. *MacDonald* v. *LaSalle National Bank, Conservator* (per curiam), 355 U.S. 271.
64. *Rosengard* v. *City of* Boston (per curiam), 355 U.S. 272.
65. *Southern Railway Co.* v. *U.S.* (per curiam), 355 U.S. 283.
66. *N. H. Lyons Co., Inc.* v. *Lubin, Industrial Commissioner of N.Y.* (per curiam), 355 U.S. 284.
67. *Grossman* v. *U.S.* (per curiam), 355 U.S. 285.
68. *Trotter* v. *Hall* (per curiam), 355 U.S. 285.
69. *Southern Railway* v. *U.S.* (per curiam), 355 U.S. 370.
70. *One, Incorporated* v. *Olesen* (per curiam), 355 U.S. 371.
71. *Sunshine Book Co.* v. *Summerfield* (per curiam), 355 U.S. 372.
72. *Zavada* v. *U.S.* (per curiam), 355 U.S. 392.
73. *Karadzole* v. *Artukovic* (per curiam), 355 U.S. 393.
74. *Strauss* v. *University of the State of N.Y.* (per curiam), 355 U.S. 394.
75. *Taylor* v. *Kentucky* (per curiam), 355 U.S. 394.
76. *Emray Realty Corp.* v. *Weaver* (per curiam), 355 U.S. 395.
77. *Alleghany Corp.* v. *Breswick and Co.* (per curiam), 355 U.S. 415.
78. *Honeycutt* v. *Wabash Railway Co.* (per curiam), 355 U.S. 424.
79. *Michigan-Wisconsin Pipe Line Co.* v. *Corporation Commission of Oklahoma* (per curiam), 355 U.S. 425.
80. *Spevack* v. *Strauss* (per curiam), 355 U.S. 601.
81. *Sears* v. *U.S.* (per curiam), 355 U.S. 602.
82. *Texas ex rel. Pan American Production Co.* v. *City of Texas, Texas* (per curiam), 355 U.S. 603.
83. *Oosterhoudt* v. *Morgan* (per curiam), 355 U.S. 603.
84. *Roel* v. *New York County Lawyers Association* (per curiam), 355 U.S. 604.
85. *Barnes* v. *National Broadcasting Co.*, Inc. (per curiam), 355 U.S. 604.
86. *Mills Mill* v. *Hawkins* (per curiam), 355 U.S. 605.
87. *Klig* v. *Rogers* (per curiam), 355 U.S. 605.
88. *Thillens, Inc.* v. *Morey* (per curiam), 355 U.S. 606.
89. *Rowland* v. *Texas* (per curiam), 355 U.S. 606.
90. *Bendix Aviation Corp.* v. *Indiana Department of State Revenue* (per curiam), 355 U.S. 607.
91. *Carlson* v. *Washington* (per curiam), 355 U.S. 607.
92. *Barnes* v. *Columbia Broadcasting System* (per curiam), 355 U.S. 608.
93. *Gostovich* v. *Valore* (per curiam), 355 U.S. 608.

356 U.S.

1. *American Motors Corp.* v. *City of Kenosha* (per curiam), 356 U.S. 21.
2. *Zivnostenska Banka* v. *Stephen* (per curiam), 356 U.S. 22.
3. *Houston Railway Co.* v. *U.S.* (per curiam), 356 U.S. 23.
4. *Marshall* v. *Brucker* (per curiam), 356 U.S. 24.
5. *Howard* v. *U.S.* (per curiam), 356 U.S. 25.
6. *Shelton* v. *U.S.* (per curiam), 356 U.S. 26.
7. *Ferguson* v. *St. Louis-San Francisco Railway Co.* (per curiam), 356 U.S. 41.
8. *Hurley* v. *Ragen* (per curiam), 356 U.S. 42.
9. *Columbia Broadcasting System, Inc.* v. *Loew's, Inc.* (per curiam), 356 U.S. 43.
10. *Forman et ux.* v. *Apfel Liquidating Receiver, et al.* (per curiam), 356 U.S. 43.
11. *Peoria Transit Lines, Inc.* v. *City of Peoria* (per curiam), 356 U.S. 225.
12. *Cantwell* v. *Cantwell* (per curiam), 356 U.S. 225.
13. *Pratt* v. *Dept. of the Army* (per curiam), 356 U.S. 226.
14. *Strong* v. *U.S.* (per curiam), 356 U.S. 226.
15. *Matles* v. *U.S.* (per curiam), 356 U.S. 256.
16. *U.S.* v. *Diamond* (per curiam), 356 U.S. 257.
17. *Mendoza-Martinez* v. *Mackey* (per curiam), 356 U.S. 258.
18. *Dandridge* v. *U.S.* (per curiam), 356 U.S. 259.
19. *Butler* v. *Whiteman* (per curiam), 356 U.S. 271.
20. *Georgia* v. *U.S.* (per curiam), 356 U.S. 273.
21. *Jung* v. *K. and D. Mining Co., Inc.* (per curiam), 356 U.S. 335.
22. *New Yorker Magazine, Inc.* v. *Gerosa* (per curiam), 356 U.S. 339.
23. *Van Newkirk* v. *McNeill* (per curiam), 356 U.S. 339.
24. *Philyaw* v. *Arkansas* (per curiam), 356 U.S. 340.
25. *Caine* v. *California* (per curiam), 356 U.S. 340.
26. *Pogar* v. *New York* (per curiam), 356 U.S. 341.
27. *Chauffeurs, Teamsters and Helpers Local Union 795* v. *Newell* (per curiam), 356 U.S. 341.
28. *Yates* v. *U.S.* (per curiam), 356 U.S. 363.
29. *Ratner* v. *U.S.* (per curiam), 356 U.S. 368.
30. *Sacher* v. *U.S.* (per curiam), 356 U.S. 576.
31. *Babcock* v. *California* (per curiam), 356 U.S. 581.
32. *North Western-Hana Fuel Co.* v. *U.S.* (per curiam), 356 U.S. 581.
33. *Porchetta* v. *Ohio* (per curiam), 356 U.S. 582.
34. *New York Trap Rock Corp.* v. *Town of Clarkston* (per curiam), 356 U.S. 582.
35. *Alhambra Gold Mine Corp.* v. *Alhambra Shumway Mines, Inc.* (per curiam), 356 U.S. 583.
36. *Browning* v. *Kansas* (per curiam), 356 U.S. 583.
37. *Ellis* v. *U.S.* (per curiam), 356 U.S. 674.
38. *Amlin* v. *Verbeem* (per curiam), 356 U.S. 676.
39. *Hill* v. *U.S.* (per curiam), 356 U.S. 704.

357 U.S.

1. *DeFebio* v. *County School Board of Fairfax County* (per curiam), 357 U.S. 218.
2. *Cash* v. *U.S.* (per curiam), 357 U.S. 219.
3. *Rogers* v. *Richmond* (per curiam), 357 U.S. 220.
4. *Morand* v. *City of Raleigh* (per curiam), 357 U.S. 343.
5. *Dunn* v. *County of Los Angeles* (per curiam), 357 U.S. 344.
6. *National Labor Relations Board* v. *Milk Drivers and Dairy Employees Local Unions Nos. 338 and 680, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, AFL–CIO* (per curiam), 357 U.S. 345.

7. *Klaw* v. *Schaffer* (per curiam), 357 U.S. 346.
8. *Glanzman and Bowery Enterprises* v. *Schaffer* (per curiam), 357 U.S. 347.
9. *Washington* v. *U.S.* (per curiam), 357 U.S. 348.
10. *Aaron* v. *Cooper* (per curiam), 357 U.S. 566.
11. *First Methodist Church of San Leandro* v. *Horstmann* (per curiam), 357 U.S. 568.
12. *Columbia Broadcasting System Inc.* v. *Atkinson* (per curiam), 357 U.S. 569.
13. *Pennsylvania* v. *Board of Directors of City Trusts of Philadelphia* (per curiam), 357 U.S. 570.
14. *National Biscuit Co.* v. *Pennsylvania* (per curiam), 357 U.S. 571.
15. *Primbs* v. *California* (per curiam), 357 U.S. 572.
16. *Joines* v. *U.S.* (per curiam), 357 U.S. 573.
17. *Indiviglio* v. *U.S.* (per curiam), 357 U.S. 574.
18. *Ross* v. *Schneckloth* (per curiam), 357 U.S. 575.
19. *Giordenello* v. *U.S.* (per curiam), 357 U.S. 576.
20. *Urrutia* v. *U.S.* (per curiam), 357 U.S. 577.
21. *Hansford* v. *U.S.* (per curiam), 357 U.S. 578.

Mr. TALMADGE. Mr. President, I am as opposed to gag rule in our courts as I am to gag rule in our legislative chambers. Freedom of speech and the right to be heard are inherent in our American tradition and when they are infringed upon it is the duty of Congress to provide an immediate remedy through the legislative process.

It is my conviction, Mr. President, that the ends of full justice are not being served by the present procedures of the Supreme Court, and it is out of that deep conviction that I herewith introduce for appropriate reference a bill to add a new paragraph to chapter 133 of title 28 of the United States Code, which would read as follows:

The Supreme Court shall not upon review of any case affirm, modify, vacate, set aside, or reverse any judgment, decree, or order of any court unless each party to such case has been accorded full opportunity for hearing thereon before the Supreme Court, including opportunity for the presentation of oral argument before such Court.

I believe it is in the best interests of all Americans, Mr. President, that such a law be enacted at the earliest possible time.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1155) to require that litigants in cases reviewed by the Supreme Court be accorded an opportunity for hearing before that Court, and for other purposes, introduced by Mr. TALMADGE, was received, read twice by its title, and referred to the Committee on the Judiciary.

ENCOURAGEMENT AND DEVELOPMENT OF PETROLEUM AND COAL RESERVES

Mr. O'MAHONEY. Mr. President, on behalf of myself and Senators MURRAY, CHAVEZ, CARROLL, MCGEE, BYRD of West Virginia, YARBOROUGH, MANSFIELD, BIBLE, and ALLOTT, I introduce for appropriate reference a bill to encourage the development of petroleum and coal reserves within the United States. The bill has been endorsed by some 10 Senators. I ask unanimous consent that it may lie on the desk until the last session of the Senate to be held this week, for endorsement by other Senators who may be interested in this matter.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk in accordance with the request of the Senator from Wyoming.

The bill (S. 1157) to encourage the development of petroleum and coal reserves within the United States, introduced by Mr. O'MAHONEY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. O'MAHONEY. Mr. President, I also ask unanimous consent that the text of the bill may be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. O'MAHONEY. Mr. President, we honor the memory of George Washington today while the Nation he founded faces one of the greatest crises of human freedom in all the history of mankind. We honor him as the founder of the first government of the people, all of the people, ever established on earth.

That government is now confronted in a worldwide economic struggle with a modern dictatorship more powerful than any ever before established. The issue in truth and in fact is liberty against slavery.

The Prime Minister of Great Britain, Harold Macmillan, is today in Moscow talking with the Soviet dictator on behalf of our most powerful ally in the modern struggle for freedom. That dictator has served notice upon all who believe in human freedom that the forces of freedom must leave Western Berlin before the end of May. This is the sort of ultimatum out of which shooting wars are made, and our own President, only last week, recognizing this danger, said himself that if shooting results in Berlin it will have to be begun by the Communists.

OIL IMPORTS FOUND TO THREATEN NATIONAL SECURITY

If war comes, the United States and the free world will need all the fuel resources we can command. This Government is the strongest of all the free nations. It is the strongest militarily; it is the strongest economically. It cannot afford to allow its energy resources to be weakened while we are actually engaged in the cold war with communism and while the shooting war obviously threatens. As long ago as February 1955 the President's Advisory Committee on Energy Supplies and Resources formally advised the President that the national security of this country had been endangered by the growing importation into the United States of petroleum and petroleum products, including residual fuel. As a consequence, a section was written into the Reciprocal Trade Agreements Extension Act to authorize the President to restrict imports of petroleum and petroleum products when the national security is threatened.

PRESIDENT ISSUES ORDER FOR VOLUNTARY RESTRICTION

On April 23, 1957, Gordon Grey, then Director of the Office of Defense Mobilization, certified to the President that the "whole field of petroleum and its products" required action, and later he recommended to the President that he instruct his special Presidential Committee on Imports to be governed accordingly. The President then issued the first restrictive order.

IMPORTS INCREASE

In the face of this order establishing a voluntary restriction of imports, the importation of petroleum and petroleum products increased rather than diminished. In 1955 the net importation of petroleum and its products amounted to 881,000 barrels a day. In 1958, 3 years later, after the first voluntary order had been revised by a second order, the net imports had reached a level of 1,370,000 barrels a day. That was an increase of almost half a million barrels every 24 hours.

OIL AND COAL INDUSTRIES SUFFER, AS DOES GOVERNMENT'S INCOME

In the meantime the domestic petroleum industry was deteriorating. The coal industry was likewise deteriorating. There is within the boundaries of the United States a productive capacity of approximately 3 million barrels per day which are shut in because increasing importations have robbed domestic producers of their market.

At the same time, unemployment has been increasing in the coal-producing areas of the United States. The steady decline of the production of petroleum and petroleum products and of coal in the United States, with its resulting unemployment, is reducing the tax receipts of the United States because it is reducing the activity of two most important industries. This reduction of tax receipts by the Government comes at the very time when the United States is under obligation to expend billions in the national defense.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The time of the Senator from Wyoming has expired.

Mr. O'MAHONEY. I understood that the Senator from Wisconsin had yielded time to me. I ask unanimous consent that I may conclude these remarks.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. For the information of Senators, is the Senate still in the morning hour?

The PRESIDING OFFICER. The Senate is still in the morning hour.

Mr. O'MAHONEY. I was under the impression that morning business had been concluded.

I ask unanimous consent that I may conclude these remarks.

The PRESIDING OFFICER. Without objection, the Senator may proceed.

IN A WAR WE WOULD NEED OUR OWN RESOURCES

Mr. O'MAHONEY. It is impossible to overestimate the importance of preserving to our country in this crisis the readiness to produce its petroleum and coal resources. This is no time to permit investments abroad of American capital, valuable though they are in times of peace, to blind us so that we cannot see the importance of preserving self-sufficiency at home in the materials like petroleum and coal which are essential to the waging of war. Hitler taught us in World War II how his submarines could shut off even South American supplies of petroleum and its products. It is no protection to the United States against a third world war that huge deposits of petroleum lie at the eastern extremities of the Mediterranean Sea or elsewhere in the Old World. We know that Nikita Khrushchev has command of modern submarines in far greater number than Hitler ever had of the submarines of 15 years ago. Modern skills and modern science have been used by the Communists to make their submarine fleet far more powerful than that of Hitler, and it would be folly to imagine that increasing oil imports from the Old World could continue to flow into the refineries of the United States if a third world war were launched.

We dare not run the risk of closing down a substantial part of our coal and petroleum sources of supply as we have been doing while no one in the Government can venture to predict what the result of the Soviet challenge respecting West Berlin will be.

WE HAVE TREMENDOUS RESERVES OF OIL AND COAL

The studies of the Senate Committee on Interior and Insular Affairs have indicated that the reserves of coal of all kinds within the boundaries of the United States amount to almost 2½ trillion short tons.

In the public land States more than one-third of the entire acreage of the United States is held by the Government and is subject to mineral leases, including leases for petroleum and coal. In seven Eastern States the Government has acquired a large area of oil and gas lands. Some 45 million acres of public land in Alaska is under oil and gas lease to the Government, and no one can predict how much more oil is to be found there. All in all, the Secretary of the Interior has at least 100 million acres of public land under oil and gas lease. Other substantial areas are under lease by the State of Texas. The Interior Department administers the as yet unexplored tidelands of the United States and, according to the Bureau of Land Management, approximately 500,000 acres of coal are under lease or permit in the public land States.

Not only is this true of the public land States, but in other States, such as Pennsylvania, there are great deposits of both oil and coal.

The same conditions which I have described as existing in the West exist there. The State of West Virginia has huge deposits of coal, production of which has practically ceased. Not only is there great unemployment there, but in many areas of that State the people actually lack food, because we have not stimulated the development of our coal industry when we have the need, the know-how, the skill, and the opportunity.

Liquid fuel can be made from coal. The senior Senator from West Virginia [Mr. RANDOLPH], then a Member of the House, and I were sponsors of legislation several years ago authorizing the Bureau of Mines to establish test plants to produce liquid fuel from coal and from oil shale. That experimentation has been stopped. It is my belief that it is needed again.

EXPLORATION AND PRODUCTION MUST BE STIMULATED

These tremendous areas and their underlying deposits are our sole certain source of energy supply if war comes.

It is essential, therefore, since the Interior Department, through its Bureau of Land Management, its Bureau of Mines, its Geological Survey, and the laws of Congress, has jurisdiction over these unexplored areas rich in natural resources and, since we are involved in an economic war and threatened by a shooting war which can shut us off from all foreign supplies, that we should now take immediate steps to make certain that the exploration and development of all of our areas capable of producing these domestic minerals is vigorously stimulated.

The bill which I have introduced could properly be referred to the Committee on Interior and Insular Affairs, because the Committee on Interior and Insular Affairs is the committee which, under the rules of the Senate, has been given jurisdiction over the problems involved in stimulating the production of petroleum and developing our mineral resources.

If war comes it will come by the submarine and it will come by the intercontinental ballistic missile. Only last month the Secretary of Defense, Neil H. McElroy, testified before Senate committees that the Department of Defense is not now planning to match the Communists missile for missile but will continue to maintain superiority with missiles of minor range and the Strategic Air Command of which we have been justly proud. In other words, it is acknowledged that we no longer have complete military superiority. We must, therefore, expand our own domestic sources of petroleum and coal and prevent them at the same time from being inundated by foreign supplies of petroleum which could so easily be cut off.

OUR RESOURCES MUST BE PROTECTED BY LEGISLATIVE ACTION

The United States has the resources of petroleum and coal. It must have the will to protect them, and it must no longer depend on voluntary Executive order control or Executive mandatory controls which will be the subject of litigation in the courts once the attempt is made to establish them.

This I say on the authority of the statements which have been filed with the Government at the request of the Secretary of State and the Secretary of Defense. They have been filed by some of the large integrated oil companies, and from the statements it is clear that they wish to place no limitation upon any importation. If this is carried out, then it becomes clear that it is of vital importance to the people of the United States that we develop our own domestic deposits of these vital minerals.

EXHIBIT 1

S. 1157

A bill to encourage the development of petroleum and coal reserves within the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Domestic Petroleum and Coal Development Act of 1959."

DECLARATION OF POLICY

SEC. 2. The continued exploration for and development of domestic petroleum reserves within the United States is essential to meet the domestic demand for crude petroleum and petroleum products so that the people of the United States may not become completely dependent upon the importation of such crude petroleum and petroleum products. To attain this objective it is necessary to maintain a reasonable balance between domestic production and the importation of such crude petroleum and petroleum products. The desirable ratio of such imports to total domestic demand is that which assures a vigorous level of domestic petroleum exploration and development. The importation of crude petroleum and petroleum products, including residual fuel in any form, should be restricted to the level at which that ratio is maintained. In administering such restrictions, quotas should be granted, with certain exceptions provided for in section 7 of this Act, only to refining companies in proportion to plant capacity.

OIL IMPORTS ADMINISTRATION

SEC. 3. The Secretary of the Interior (hereinafter referred to as the "Secretary") shall administer the provisions of this Act through an "Oil Imports Administration" (hereinafter referred to as the "Administration") which the Secretary shall establish as a separate agency within the Department of the Interior. The Secretary may appoint, without regard to the civil service laws, an Administrator of such Administration, who shall report directly to the Secretary and shall be compensated at the rate provided by law for Assistant Secretaries of the executive departments. The Secretary may also appoint a Deputy Administrator of the Administration and directors of the principal organizational divisions of the Administration, without regard to the civil service laws and the Classification Act of 1949. To the maximum extent possible the Secretary shall, in carrying out the provisions of this Act obtain and utilize the data and cooperation of existing Government agencies within and outside the Department of the Interior.

QUOTA PERIODS

SEC. 4. The Secretary shall establish quota periods of six months duration, during which quotas established under this Act shall be effective, based upon the seasonal demands of the petroleum industry. The first quota period established after the effective date of this section may be a period of less than six months.

DETERMINATION OF NATIONAL IMPORT LEVELS

SEC. 5. Not less than sixty days prior to each quota period, the Secretary shall estimate and publish in the Federal Register the total domestic demand for crude petroleum and petroleum products and the portion thereof which may be imported consistently with the maintenance of a vigorous level of domestic petroleum exploration and development. The Secretary shall at the same time

publish in the Federal Register the amount of imports so determined, in terms of barrels per day of crude petroleum and the crude petroleum equivalent of petroleum products, which shall be the national imports level for the ensuing quota period.

ALLOCATION OF QUOTAS

SEC. 6. Except as provided in section 7, quotas shall be allocated only to domestic refiners who shall make application not less than ninety days before each quota period. Not less than sixty days prior to each quota period the Secretary shall determine, announce, and publish in the Federal Register the import quotas for all applicant refiners. Such quotas shall be divided among refiners in such manner as to maintain competitive conditions between integrated and independent companies and the allocation to coastal refineries shall not be in excess of 40 per centum of the total import: *Provided*, That in the case of any refining plant served by pipeline from foreign sources or where conditions otherwise limit the procurement of domestic crude petroleum by ordinary practical means, a quota sufficient for that plant's crude petroleum requirements to maintain refining capacity shall be issued. The uniform quota percentage determined by the Secretary shall be that percentage which, applied to the aggregate capacity of all refining plants in the United States owners of which shall have applied for quotas, together with any additional amounts authorized as a result of the provision in the last preceding sentence and any special quotas authorized in section 7, will not exceed the national import level set for the following quota period. The Secretary shall issue quota certificates evidencing all quotas (including special quotas) issued under the provisions of this Act.

ALLOCATION OF SPECIAL QUOTAS

SEC. 7. Upon application and after hearing, special quotas may be awarded, in accordance with standards which shall be established by the Secretary and published in the Federal Register, in the following cases:

(1) Where a domestic producer operating abroad demonstrates that, despite all reasonable efforts by him, he is suffering as a result of import quotas in such foreign operations unreasonble drainage by others who have joint or offsetting interests in the same petroleum pool.

(2) Where an applicant desires to import special crude petroleums for special purposes and accordingly the importation thereof will not substantially replace domestic crude petroleum and will not therefore affect the national security.

(3) Where the applicant exports petroleum products refined by him and seeks a special quota to cover the crude equivalent of such products which will not compete in the domestic market.

(4) In cases where the applicant is an inland refinery and is suffering hardship by reason of inadequate access to the points of importation.

NONTRANSFERABILITY OF QUOTAS

SEC. 8. A quota may be used only for the importation of crude petroleum or petroleum products by the person to whom such quota was granted, and in the case of a quota for crude petroleum, the crude petroleum must be used in the plant for which the quota is granted unless, after application to the Secretary by the holder of the quota and after public hearing, the Secretary finds that the public interest and the purposes of this Act will be served by a transfer.

PETROLEUM PRODUCTS

SEC. 9. Quotas awarded under this Act shall cover both crude petroleum and petroleum products, including residual fuel. Such quotas shall be in terms of barrels per day of crude petroleum. Product importations shall be charged against such quotas according to their crude petroleum equivalent as determined and announced from time to time by the Secretary, and in the case of residual fuel the total imports in any calendar quarter of any year shall not exceed 10 per centum of the total domestic petroleum demand as determined by the Secretary when he determines the levels of national imports as provided in section 5 hereof.

FINALITY OF DETERMINATIONS

SEC. 10. The facts constituting the basis for any national import level or quota or denial thereof under the provisions of this Act, determined in conformity with rules and regulations prescribed by the Secretary, shall be reviewable only by the Secretary, and his determinations with respect thereto shall be final and conclusive.

APPEALS

SEC. 11. (a) An appeal may be taken, in the manner hereinafter provided, to the United States Court of Appeals for the District of Columbia in any of the following cases:

(1) By any applicant for a quota whose application is denied.

(2) By any person aggrieved by reason of any decision of the Secretary granting or revising any quota.

(b) Such appeal shall be taken by filing with said court, within twenty days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefore, together with proof of service of a true copy of said notice and statement upon the Secretary. Unless a later date is specified by the Secretary as part of his decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Secretary in the city of Washington. The Secretary shall thereupon, and in any event not later than ten days from the date of such service upon him, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Secretary to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of appellants' reasons for said appeal at the office of the Secretary in the city of Washington. Within thirty days after the filing of such appeal the Secretary shall file with the court the record upon which the decision complained of was entered, as provided in section 2112 of title 28, United States Code, and a list of all interested persons to whom he has delivered a copy of said notice of appeal.

(c) Within thirty days after the filing of such appeal any interested person may intervene and participate in the proceedings had upon such appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party together with proof of service of true copies of said notice and statement, both upon the appellant and upon the Secretary. Any person who would be aggrieved or whose interests would be adversely affected by reversal or modification of the decision of the Secretary complained of shall be considered an interested party.

(d) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision, and if it enters an order reversing the decision of the Secretary it shall remand the case to the Secretary to carry out the judgment of the court. Review by the court under the provisions of this section shall be limited to questions of law, and the findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Secretary are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States, upon writ of certiorari on petition therefor, under section 1254 of title 28 of the United States Code, by appellant, by the Secretary, or by any interested party intervening in the appeal.

(e) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and other interested parties intervening in said appeal, but not against the Secretary, depending upon the nature of the issues involved in such appeal and the outcome thereof.

REGULATIONS AND PUBLICATION OF DETERMINATIONS

SEC. 12. (a) The Secretary may establish such rules and regulations, which shall have the force and effect of law, as may be necessary to carry out the purposes and provisions of this Act. Any person knowingly violating any rule or regulation of the Secretary issued pursuant to this Act shall, upon conviction, be punished by a fine of not more than $100 for each such violation.

(b) All quotas established under the provisions of this Act shall be promptly published in the Federal Register and shall be accompanied by a statement of the basis and considerations upon which each such determination was made.

ACTION IN EMERGENCIES

SEC. 13. Whenever the President finds that a national economic or other emergency exists with respect to petroleum, he shall, by message to Congress, recommend such legislation to suspend the operation of or to amend this Act as he deems necessary in the public interest.

IMPORTATION IN EXCESS OF QUOTA PROHIBITED

SEC. 14. The importation of crude petroleum or petroleum products in excess of the quotas provided under the authority of this act is hereby prohibited. No importation of crude petroleum or petroleum products as defined herein unless exempted under section 10 hereof shall be cleared through customs unless a currently valid quota certificate issued under the provisions of this Act is filed with and as a supplement to the customs declaration.

ADMINISTRATIVE MATTERS

SEC. 15. In the administration of this Act the Secretary shall have the authority vested in the President under the provisions of subsections (b), (c), and (d) of section 710 of the Defense Production Act of 1950 (50 U.S.C. App. sec. 2160 (b), (c), and (d)).

DEFINITIONS

SEC. 16. As used in this Act—

(1) The term "United States" includes the several States, the District of Columbia, the Territory of Hawaii, and Puerto Rico.

(2) The term "petroleum" includes all forms of petroleum except those forms which are gaseous at normal temperature and atmospheric pressure.

(3) The term "crude petroleum" means petroleum at the wellhead.

(4) The term "petroleum products" includes all conversions and derivatives of petroleum.

(5) The term "refining capacity" means the demonstrable maximum efficient daily average crude throughput of a plant in complete operation, using the crude stream proposed for the quota period involved, with allowance for necessary shutdown time for routine maintenance, repairs, and other such matters.

EFFECTIVE DATE

SEC. 17. Sections 3 and 16 of this Act shall become effective on the date of enactment of this Act. The remainder of this Act shall become effective after 90 days following the date of enactment of this Act.

AMENDMENT OF LABOR MANAGEMENT RELATIONS ACT, TO PROVIDE EFFECTIVE METHOD OF DEALING WITH CERTAIN LABOR DISPUTES

Mr. PROXMIRE. Mr. President, on behalf of the senior Senator from Oregon [Mr. MORSE], I introduce, for appropriate reference, a bill to amend the Labor Management Relations Act, 1947, so as to provide a more effective method of dealing with labor disputes in vital industries which affect the national security. I ask unanimous consent to have printed in the RECORD a statement by the Senator from Oregon in explanation of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1160) to amend the Labor Management Relations Act, 1947, so as to provide a more effective method of dealing with labor disputes in vital industries which affect the national security, introduced by Mr. PROXMIRE (for Mr. MORSE), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The statement of Mr. MORSE, presented by Mr. PROXMIRE, is as follows:

STATEMENT BY SENATOR MORSE

I have introduced a bill designed to provide needed machinery to aid in the settlement of labor-management disputes that threaten the national welfare.

In 1949, when a labor dispute—a shipping strike—was raging in Hawaii, I said in the Senate, and I quote, that: "under the Taft-Hartley law we have the most ineffective procedure in this respect that I think can be provided * * * The American people are still being led to believe in the myth that the emergency disputes section of the Taft-Hartley law has done some good. As a matter of fact, it has done inestimable harm. It has caused great delay and it has failed to settle cases."

The truth of that estimate was proved again in 1950. That year I first introduced the measure I am introducing today, at least in substance, when a crisis in the coal industry was about to be "solved" by seizure of the mines.

Two years ago I again introduced it when a longshoremen's strike on the east coast threatened to paralyze shipping, and the health and welfare of a great metropolitan area.

It is also virtually the same proposal that was recommended for passage by the Senate Labor Committee in 1952.

Our committee study at that time indicated that the inflexible injunction provisions of the Taft-Hartley Act afford little help in furthering settlement once the injunction has been issued and has expired. That is what happened in the case of the longshoremen's strike of 1957. After the expiration of the injunction, the community is once again faced with the possibility of a crippling strike.

This proposed legislation is aimed at keeping the parties bargaining; it provides a continuing procedure under which the President and Congress keep surveillance of emergency disputes; both executive seizure and injunctions are permissible under my bill, with a congressional veto on such action.

These and its other provisions are designed to put the premium upon continued bargaining between the disputing parties.

Now is the time, in my opinion, to rewrite the totally inadequate emergency disputes section of the Taft-Hartley Act. We should do it now, when no emergency threatens, and the problem can be considered dispassionately.

A blue-ribbon committee of private citizens, all experts in labor relations, has just been selected by the Senate Labor Committee to conduct a complete study and review of the Taft-Hartley Act. I want this statement in the RECORD, and my bill, available to that advisory panel. It is my hope that it will give careful thought and study to this entire subject.

If it can propose something better than my bill, I shall be delighted; but I hope that at least it will cover this area in its deliberations.

BILLS FOR ADVANCEMENT OF MEDICAL RESEARCH IN GENERAL AND CANCER RESEARCH IN PARTICULAR

Mr. NEUBERGER. Mr. President, I introduce two simple legislative proposals designed to aid in solving one of the most complex and terrible riddles of our time—the mystery of cancer.

My first measure would provide $500 million for cancer research under the direction of the National Cancer Institute, this sum to remain available until expended.

The second bill would amend the National Defense Education Act of 1958 to permit forgiveness of up to 50 percent of loans granted under the program to persons who enter medical research.

Mr. President, my first suggestion is not new. I introduced a similar measure on May 2, 1957. Since that time close to a million persons in the United States have been stricken with cancer, and nearly half a million have died of the disease. Forty million Americans now living will contract cancer and the disease will reach into two out of three homes in our country. Unless new treatments and cures are found 26 million of us will die of cancer. Despite research advances, the threat of cancer remains ominous and omnipresent.

SCHEELE SUGGESTS FIGURE

The figure of $500 million is not one plucked from the air. In 1956, I was told by Dr. Leonard A. Scheele, former Surgeon General of the United States, who was then my neighbor in the Georgetown section of Washington, D.C., that the National Cancer Institute might use as much as this amount if the availability of such funds was known well in advance and if extensive preparations might be made for the employment of skilled scientists and medical researchers.

I resubmit this proposal to Congress today with a sense of urgency heightened by my own recent operation for cancer and knowledge of the terrible toll of human suffering reaped by this disease which I have gained during the past two years from visits to cancer clinics, interviews with cancer specialists, and study of the hundreds of letters from cancer victims and their families which have crossed my Senate office desk.

Cancer is the second leading cause of death in the United States today. It cuts across all age groups. More children die of cancer than of any other single cause except accidents. While 579 American children died of polio in the last year before the development of the Salk vaccine, more than six times this number succumbed to cancer—3,761.

ALL RESEARCH WILL BENEFIT

Incidence and mortality rates are guideposts in the allocation of resources for research on particular diseases. That disease which cripples and kills the greatest number across the widest age span can be said to deserve the greatest effort. But there is no effective way to measure human suffering, to rank the pain caused victim, family and friends by one disease as against that caused by another. I present this suggestion today in the belief that it provides an opportunity to exhibit the effect which removal of inhibiting financial restrictions can have on all medical research. I am confident that the results will benefit our general fight against disease.

My proposal follows principles which must guide all effective medical research. This measure would:

First. Insure continuity and stability in cancer research. Able investigators of the malignancy would be assured that their salaries were no longer reliant on the uncertainties of year-to-year congressional appropriations and thus there could be avoided the inevitable temptation to these people to abandon their research and laboratories for the greater financial rewards of private medical practice. Projects initiated would not have to be canceled for the reason of a lack of funds. Long-range studies could be planned and implemented. All promising leads could be explored.

Second. Permit expansion of basic as well as applied research. Great forward steps in medicine have resulted from fundamental studies originally deemed only distantly related to patient treatment. Expansion of available funds would allow a broader scope for cancer research.

Third. Recognize that medical research cannot move forward by an arbitrary schedule but free researchers from financial limitations which cramp the ingenuity of the mind.

I emphasize the importance of basic research. While basic research is not the sole objective of the bills, it is important to realize the value of basic research. Several years ago a member of the President's Cabinet said he did not see any reason to spend Government funds to find out why grass was green and fried potatoes were brown. But if a great Austrian monk had not learned why certain flowers growing in his garden had different colors, mankind might have been delayed for centuries in understanding the miracle of heredity.

CREATIVITY LIMITS UNKNOWN

Some have said that the fight against disease is restricted by the limits of human creativity. This is a truism; man cannot understand cancer faster than he can understand cancer. We shall never know the limits of human creativity in the field of cancer research until we supply sufficient funds to enable medical science to test its utmost powers—run the last test, analyze the final chemical, examine the terminal slide.

The Manhattan project which led to the atomic bomb compressed decades of

research into a few short years. The Nation was at war and the sense of urgency was great. Yet can any war compare in importance with the war against cancer? Almost two and one-half times as many Americans died of cancer during World War II as were killed in action on all our worldwide battlefronts. In 1 year cancer claimed nearly 10 times the number of Americans who perished in 3 years of fighting in Korea.

In fiscal year 1956 congressional appropriations for the National Cancer Institute were $24,978,000. In fiscal year 1957 the sum was $48,432,000—nearly double the previous fiscal period. For the current fiscal year Congress appropriated $75,268,000—triple the amount provided only 4 years before. These appropriations were approved by the Congress in the belief that they would significantly advance man's knowledge of cancer. They have. As a direct result of these moneys has come new understanding of possible cancer-inducing viruses, hormones, chemicals and bacteria, advances in treatment through chemotherapy, radiation, and surgery. These gains show the ability of science to put to effective use all resources made available. They represent not an end, but a challenge—proof that the frontiers of men's minds have not yet been reached.

ECONOMIC LOSS GREAT

Mr. President, dollar and cents figures are inadequate to describe the agony of cancer. Yet they reveal the economic loss which the Nation suffers annually because of this disease. It is estimated that in 1957, 570,000 new cases of cancer were diagnosed, resulting in a cost of 3½ million man-years of work and $14 million in lost goods and services. In 1956 alone, cancer disabilities cost 113,000 man-years lost in industry, $454,373,000 in lost earnings, and $55,709,000 in income tax revenue lost to the Federal Government.

Today we are spending $6.8 billion annually for weapons, missile and armaments research by the armed services, $6.1 billion on tobacco, $1.09 billion on jewelry, but less than $111 million on cancer research. The supercarrier *Forrestal* cost $204 million—nearly twice the total sum available for the fight against cancer.

Of the relatively meager sum available for cancer, $75 million—or nearly 70 percent—represents funds through the National Cancer Institute. If expenditures for cancer research are to reach a level commensurate with need, it is obvious that the Federal Government must lead the way.

Yet, despite this fact, the Eisenhower administration has budgeted less for cancer research in fiscal year 1960 than was provided by Congress for the current fiscal year.

Mr. President, during my short span of service in the United States Senate, I have seen appropriations for cancer research rise from $21,737,000 in the fiscal year 1955 to $75,268,000 in the current fiscal year. I have been proud to assist in obtaining these increases under the tutelage and guidance of the distinguished senior Senator from Alabama [Mr. HILL], the Senate leader in this endeavor. I hope that when his appropriations subcommittee considers funds for the National Institutes of Health later this year he will wish to give the proposal I offer today careful study, and that he will find it of merit.

UNITED STATES OPPORTUNITY UNIQUE

Congress has a great opportunity for service here, not only to the Nation but to the world. An all-out effort by the United States to remove the haunting threat of cancer would demonstrate to all nations the desire of our country to devote its rich resources to the betterment of mankind. With its wealth of talent and technology the United States has a responsibility which it cannot shirk.

Mr. President, progress in medical research is dependent upon availability of adequate funds for buildings, equipment, and personnel. But provision of necessary moneys is a sterile step if trained minds to utilize them are not present. Research and education are inseparable twins. Therefore, I suggest that Congress amend the National Defense Education Act of 1958, so as to provide for medical and science students the same incentive factor now existing for prospective elementary and secondary teachers under this law.

The authoritative Bayne-Jones report indicates that if there occurs an expansion of total national medical research expenditures to $900 million by 1970, there will be a need for 25,000 new medical researchers. Projection of current statistics shows that the supply of physicians and doctorates in science will fall short of this goal by 6,000. Long-range corrective measures are required if we are to meet even these minimum objectives—which are based on the assumption that the proportion of all research and development expenditures represented by medical research will remain constant at the average for the past decade. Federal assistance in the construction of new medical schools and Government aid for operating these and present schools will be necessary.

NEED IS IMMEDIATE

But the effect of these programs would not be felt for many years. Need is immediate. Both the total supply of doctors and scientists and the rate of entrance into research must be increased if we are to accelerate medical research.

A major block to achievement of these goals is the high cost of medical education. Leonard Engel, noted writer on medical and scientific subjects, reported recently in the New York Times:

> Tuition charges of $800 a year are not uncommon among private medical schools today, and one State school charges nonresidents $2,500 a year. Counting living expenses and the like, a medical degree now requires a 4-year outlay by the student and his family of about $14,000 or $3,500 a year. And to this must be added a further outlay during his 2 years of internship, when he is customarily rewarded with room, board, and a pittance of about $75 a month. The high cost of acquiring a medical degree is narrowing the population base from which future doctors are drawn.

Financial obstacles undoubtedly discourage many young men and women from attempting to enter upon the long training required to produce a qualified physician. Yet these persons might well possess the innate talent and intelligence which, when cultivated and channeled by the exacting discipline of medical science, might mean a significant contribution to the advance of man's knowledge of the human body.

Many students who have completed their undergraduate work, finished medical school, and served their internship and residency, find their economic position so precarious that they feel forced to employ their learned skills in private practice, where monetary rewards are, of course, greatest.

TUITION COSTS UP

Medical school tuition has risen 85 percent since 1940. Many medical students must borrow, in order to complete their education. A recent survey covering more than 6,000 medical students showed that one-third expect to be in debt when they graduate from medical school.

Mr. President, the National Defense Education Act of 1958 offers a mechanism through which Congress can assist in supplying the trained medical researchers we need.

Under the student loan program authorized by title II of the act, the Federal Government contributes $9 to each $1 supplied by colleges and universities for loans to needy and deserving students. Students may borrow up to $1,000 per year, and a maximum of $5,000. Special consideration is given to students with superior academic backgrounds who intend to teach in elementary or secondary schools, or to those whose academic backgrounds indicate superior capacity or preparation in science, mathematics, engineering, or a modern foreign language.

Both basic science and medical students are eligible for these loans, according to the liberal interpretation of the law by the Department of Health, Education, and Welfare. In the first allocation of these funds by the Department, 15 institutions devoted to the teaching of the healing arts received funds directly. In numerous other cases, medical schools affiliated with a university or college will obtain such moneys through allocations made by the parent institution.

Each institution receiving funds will handle its own student loan program and will select the individuals who will be granted loans to continue their education. Local administration will, of course, determine the extent to which medical students and basic science students intent upon a career in medical research will benefit.

EXTEND FORGIVENESS FEATURE

Title II of the existing act provides that 50 percent of each student loan will be canceled for 5 years of full-time teaching in a public elementary or secondary school, at the rate of 10 percent for each year of such service.

Mr. President, I propose that Congress extend to those who enter medical research the same loan repayment advantage now enjoyed by persons who become elementary and secondary teachers.

The amendment which I propose today would allow cancellation of not to exceed 50 percent of a loan, plus interest, granted under title II of the National Defense Education Act for full-time service in medical research in a Federal, public, or nonprofit institution at the rate of 10 percent of the amount of the loan, plus interest which was unpaid on the first day of such service for each full year of such service. In other words, Mr. President, for each full year that the graduate will spend in the realm of medical research, he or she will have 10 percent of the loan from the Federal Government forgiven; and this particular benefaction can extend up to 50 percent of the total loan.

In recognition of the fact that a medical student's training and period of depressed earning power does not end with graduation from medical school, but continues through internship and residency, my amendment further provides that interest shall not accrue and periodic installments need not be paid during a period, not in excess of 5 years, during which the borrower is serving in a hospital as a medical intern or as a resident physician.

SIGNIFICANT VALUES OBTAINABLE

Mr. President, I do not pretend that this proposal is a panacea. It does not reach the vital problem of inadequate medical school operating funds and facilities. Unfortunately, neither did the National Defense Education Act of 1958 solve our classroom shortage or aid in gaining decent salaries for teachers. However, my amendment provides significant values.

First, it will create a stimulatory impact on those desiring a career in medical research, or on persons already embarked upon training leading to such a vocation, but inhibited by lack of funds.

Second, its effect will be immediate. Knowledge that such financial support is available will be a factor weighed by those now debating the decision as to the career they will follow. In some cases, it will be a deciding factor in favor of medical research.

Third, it is a program which can be easily implemented through the administration of existing law.

If this plan is to be successful, Congress must provide necessary appropriations to allow full implementation of the loan program. Funds now available are inadequate for carrying out the purposes of the existing provisions of the National Defense Education Act. In the first distribution of grants under title II, 1,227 institutions submitted requests totaling $62 million. Appropriations permitted the allocation of only $6 million—an utterly inadequate sum in the face of demonstrated demand.

DECREASE HUMAN SUFFERING

Mr. President, the preamble to the National Defense Education Act of 1958 states that:

The defense of this Nation depends upon the mastery of modern techniques developed from complex scientific principles. It depends as well upon the discovery and development of new principles, new techniques, and new knowledge.

The case for expansion of medical research will stand on its own merits; it means the decrease of untold human suffering. But true national defense requires the maximum conservation of our human resources. In this sense, there could be no more significant modification of the National Defense Education Act of 1958.

Mr. President, in the Sunday New York Times of February 22, 1959, there appeared an article entitled "Cancer, Dulles, and Hope," written by the distinguished Dr. Howard A. Rusk, medical editor of that newspaper and one of the great medical writers of our time. Dr. Rusk noted the dismay felt round the world at the news of Mr. Dulles' cancer recurrence, discussed the treatments available to the Secretary of State, and pointed to the vital need for international cooperation to support an all-out effort against disease.

TOMORROW—OR THE FUTURE?

This week hearings will be held on the Health for Peace bill, introduced by the distinguished Senator from Alabama [Mr. HILL], which would establish the domestic machinery for implementing such a worldwide program. I am happy to be a cosponsor of this measure. I am confident that Congress will give it speedy approval.

Mr. President, I should like to read two paragraphs from Dr. Rusk's very able article, which vividly summarize the need for a vast expansion of cancer research. Dr. Rusk wrote:

Today, Secretary of State Dulles fights against time for his life. When will the scientific breakthrough come to solve the riddle of cancer? Tomorrow, or in the indefinite future?

No one knows. What we do know, however, is that the more scientists who are at work on the problem in laboratories all over the world, the greater are the odds for solution and the quicker that solution will come.

This, Mr. President, is one of the reasons why I make these proposals today.

Mr. President, I ask unanimous consent that there be printed in the RECORD at the conclusion of my remarks the New York Times article by Dr. Rusk, together with the text of the two bills which I have sent to the desk for appropriate reference.

The PRESIDING OFFICER. The bills will be received and appropriately referred; and, without objection, the bills and article will be printed in the RECORD.

The bills, introduced by Mr. NEUBERGER, were received, read twice by their titles, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Appropriations:

"S. 1162

"A bill making an additional appropriation for the National Cancer Institute, Public Health Service, Department of Health, Education, and Welfare

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, to provide an additional appropriation for the Department of Health, Education, and Welfare for the fiscal year ending June 30, 1959, namely:

"DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

"Public Health Service

"National Cancer Institute: For an additional amount to enable the Surgeon General, upon the recommendations of the National Advisory Cancer Council, to make grants-in-aid for research and training projects relating to cancer; to cooperate with State health agencies, and other public and private nonprofit institutions, in the prevention, control, and eradication of cancer by providing consultative services, demonstrations, and grants-in-aid; and to contract on a cost or other basis for supplies and services by negotiation, without regard to section 3709 of the Revised Statutes, in connection with the chemotherapy program, including indemnification of contractors to the extent and subject to the limitations provided in title 10, United States Code, section 2354, except that approval and certification required thereby shall be by the Surgeon General; and to otherwise carry out the provisions of title IV, part A, of the Public Health Service Act; $500,000,000 to remain available until expended."

To the Committee on Labor and Public Welfare:

"S. 1163

"A bill to amend the National Defense Education Act of 1958 in order to promote the medical sciences, and for other purposes

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 205(b)(2) of the National Defense Education Act of 1958 is amended by striking out 'or' before '(ii)', and by inserting after 'Armed Forces of the United States,' the following: 'or (iii) not in excess of 5 years, during which the borrower is serving in a hospital in a State as a medical intern or as a resident physician,'.

"SEC. 2. Section 205(b)(3) of such Act is amended by inserting before the semicolon at the end thereof a comma and the following: 'or for full-time service in medical research in a Federal, public, or nonprofit institution in a State at the rate of 10 per centum of the amount of such loan plus interest thereon which was unpaid on the first day of such service, for each full year of such service.' "

The article presented by Mr. NEUBERGER is as follows:

[From the New York Times, Feb. 22, 1959]

CANCER, DULLES, AND HOPE—A REPORT ON THE TREATMENTS AVAILABLE AND HOW RESEARCH CAN DEVELOP MORE

(By Howard A. Rusk, M.D.)

People around the world were shocked and grieved last week to learn that Secretary of State John Foster Dulles has a recurrence of gastro-intestinal cancer.

Immediately after it was reported that tissue and fluid had been removed during an operation for simple hernia repair, those experienced in cancer suspected this. Such a procedure is never done unless pathology is found in the underlying tissues. Cancer specialists were at once aware from the reports that the cancer cells in the abdominal fluid meant a general spread of the malignancy with a grave prognosis.

Cancer, which took the lives of 250,000 Americans in 1958, has been the second leading cause of death in the United States since 1938. Mortality from certain types of cancer, notably leukemia and cancer of the respiratory system has steadily increased in the last 25 years.

During this time, death from cancer of the digestive system, such as that affecting

Secretary Dulles, has declined. This decline has resulted from the great advances made in surgery, the most effective weapon in the war against cancer.

ADVANCES CITED

Technical advances combined with early diagnosis have permitted removal of tumors heretofore believed inoperable.

Five-year survival rates for patients with carcinoma of the stomach have increased almost 50 percent for patients with localized lesions, and to about 20 percent for patients with advanced disease.

Even so, the results of treating gastro-intestinal malignancy leave much to be desired. Cancer of the digestive system, which caused half of the cancer deaths in 1930, caused only 1 out of 3 such deaths in 1958. Even with this decline, this type of cancer still kills more people than any other.

Large-scale research is currently being conducted in cancer chemotherapy and a number of drugs have been found that cause temporary regressions in some types of cancer.

In almost all instances, however, these drugs are of only temporary value and none have significant value in cancer of the digestive tract. Nor can the encouraging results that have been obtained with radioactive isotopes and sex hormones be regarded as cures as yet.

TWO EFFECTIVE CURES

Currently there are only two known effective ways of curing cancer—surgery and radiation. Surgery seeks to effect the cure through the removal of all diseased tissue.

Treatment by X-ray and radium is based on the fact that radiant energy is more damaging to cancer cells than to normal cells. X-rays, when effective, act promptly, but are most efficient when brought into direct contact with radiosensitive types of cancer.

Gastrointestinal cancer is not usually one of the types that is sensitive to X-ray therapy. For the time being, at least, however, Secretary Dulles' physicians have decided this is the treatment of choice, and the Secretary is to have one radiation treatment daily from a million-volt X-ray machine.

This week, while the Nation and people around the world hope and pray for the recovery of our tireless, dedicated Secretary of State, public hearings will be held by the Senate Committee on Labor and Public Welfare on the International Health and Medical Research Act of 1959.

This proposed legislation, known popularly as the health-for-peace bill, would increase support of an allout international effort in the war against cancer, heart disease, and the other scourges of mankind.

FIFTY MILLION DOLLARS SOUGHT

The bill was introduced in the Senate by Senator LISTER HILL, Democrat, of Alabama, with 59 cosponsors, and in the House of Representatives by Representative JOHN E. FOGARTY, Democrat, of Rhode Island. It is an outgrowth of the proposals made by President Eisenhower in his state of the Union message in 1958. It would authorize an annual appropriation of $50 million for this international research effort.

Authorities in cancer research report that today there are many scientists throughout the world whose skills and experience are being fully utilized in cancer research. This bill would help mobilize these research specialists in an allout global attack.

Today Secretary Dulles fights against time for his life. When will the scientific breakthrough come to solve the riddle of cancer? Tomorrow or in the indefinite future?

No one knows. What we do know, however, is that the more scientists who are at work on the problem in laboratories all over the world the greater are the odds for solution and the quicker that solution will come.

What greater evidence of appreciation to Secretary Dulles for his dedicated service to our country and world peace could the Nation give than to add to its national effort against cancer an international attack? Cancer sufferers throughout the world would be given new hope in the realization that an international army of scientists was fighting for them. For some or for many victory might come in time.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, and so forth, were ordered to be printed in the RECORD, as follows:

By Mr. RUSSELL:

Address entitled "The Role of the Supreme Court as the Interpreter of the Constitution," delivered by Senator ERVIN, of North Carolina, at a meeting of the trust division of the American Bankers' Association in New York City.

By Mr. COOPER:

Address delivered by Senator HILL at the dedication of the National Education Association headquarters in Washington, D.C., on February 10, 1959.

By Mr. WILEY:

Excerpts from address entitled "Foreign Relations, 1796–1959," delivered by him before the Sons of the Revolution, at Troy, N.Y., on February 21, 1959.

By Mr. YARBOROUGH:

Address on the subject "New Challenges to Education," delivered by him at the National School Administrators Convention in Atlantic City, N.J., February 17, 1959.

By Mr. PROXMIRE:

Resolution of Common Council of Milwaukee, and address by Senator PROXMIRE, relating to the diversion of the waters of Lake Michigan.

ORDER FOR ADJOURNMENT TO THURSDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session today, it adjourn until Thursday next, at 12 o'clock noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

ELEVENTH ANNUAL ARTHUR FLEMMING AWARDS LUNCHEON

Mr. HUMPHREY. Mr. President, on February 19 I was privileged to address the 11th annual Arthur Flemming awards luncheon, in downtown Washington, honoring 10 outstanding young men in the Federal Government, 5 chosen from the scientific or technical fields, and 5 from the administrative and executive fields.

The occasion was intensely interesting to anyone who, like myself, shares a deep interest in the morale and efficiency of the Federal civil service.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD my address to the luncheon group of February 19; second, the 10 citations given to the 10 selected outstanding young men; next, the names of the judges who made the selections; and last, the program of the ceremony.

I hope our colleagues will at least look at the program and see what a remarkable job was performed by the Junior Chamber of Commerce of Washington, D.C.

There being no objection, the address, citations, list, and program, were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUMPHREY AT ARTHUR S. FLEMMING AWARDS LUNCHEON FEBRUARY 19, 1959

The Arthur S. Flemming award is appropriate recognition of one who has done much to increase public understanding of the role and stature of the public servant. It is an honor—a significant honor for these men to receive the award, and a rare privilege for those of us who participate in the award ceremony.

Recognition of this kind is a real incentive. It is encouraging. It is the kind of thing that makes a person feel good about the work he has been doing and the job he is in. I know the 10 honored here today are sincerely pleased and delighted and encouraged.

We are much indebted to the Jaycees and their awards cosponsor, the American Security & Trust Co. for this kind of recognition of excellence in Government.

How we keep the tone of Government high—the operation sharp and clean—is a matter of vital importance today. It demands, for one thing, that we must constantly search for new kinds of incentives and encouragement for the young people coming up.

One obvious incentive, and the incentive which has been traditional with private enterprise, has been the larger paycheck. Topflight young men and women in industry are drawing down very substantial salaries indeed. They get salaries which—let us be frank—Government cannot hope to match. Even though Government offers a liberal pension program and a good leave system, it cannot expect to approach the direct financial rewards of private industry.

Nevertheless, we should try to at least partly keep the gap closed between Government and private industry.

For example, I strongly support the President's request that the statutory limitation on the number of supergrades in the civil service system be broadened, in fact, largely left to the discretion of the Civil Service Commission.

By and large, of course, promising young men and women enter Government—and stay—for reasons which are more important than the pay they will earn. Necessarily they make their choice to take less pay than they can expect to draw outside in exchange for other considerations.

One overwhelming consideration in their choice, I am convinced, is the opportunity to serve. This is a genuine, rock-solid motivation. And the Nation has good reason to be grateful that so many fine young men and women truly feel the call to public service.

But no one is immune to discouragement and frustration. And it is too often true that promising young people in both industry and Government lose heart when they fail to find an outlet for their creative energies—when they feel themselves held down by redtape and severe budget limitations.

And it is also a little disheartening when a man has accomplished something worthwhile to have it go unnoticed and unmarked. All of us appreciate a pat on the back—a little encouragement goes a long way.

We have taken a step in the right direction with the enactment of the Employee Incentive Award system—which permits a Government employee's supervisors and agency the chance to give some tangible recognition for his achievements in contribution to the improved efficiency and economy of the service.

For the first time, under this act, we took steps to give a spot award to a Government

employee at about the time he has earned it. However, I believe that our restrictions on this program have been too tight—both in the amounts of the awards and in their frequency. We ought to be more generous and more liberal with the relatively small amounts involved, for it is clear that a modest investment in the incentive award system has encouraged a measurably greater efficiency and economy in Government. It's a good investment.

Another tremendously successful incentive has been the recently authorized off-the-job training program for outstanding employees. This is a highly significant departure from traditional Government procedures, and marks the beginning of what I hope will become a flourishing undertaking.

I would not be surprised if some of the men being honored here today were to take part in the new training program.

Certainly it is made to order for them.

There are other things we could do to encourage top performance. Why could we not, for instance, seriously consider expanding the off-the-job training program to arrange, for exceptionally meritorious career employees now and then, a sabbatical leave, not only to study at a university, but to travel and to hide out somewhere to read and think and to generate new ideas?

One excellent way of providing this opportunity might be with the use of counterpart funds secured through the operation of Public Law 480, from the sale of surplus food and fiber from the Commodity Credit Corporation stocks. Such funds, which are already in the hands of our Government, would provide at no expense to the American taxpayer, the opportunity for outstanding men in our civil service to travel and study with their counterparts in foreign governments, for in-service training in some cases, and for the training of civil servants in those governments which have far to go in bringing their administrative and technical services up to an efficient standard.

Our Government services both at home and abroad are part of our total defense structure. In fact, one of the great strengths of this Nation is the very high quality of our civil servants. One of the highest priority projects, in fact, which we should undertake when we are considering assistance to the new nations of Asia and Africa, is assistance in upgrading and improving the administrative structures of government.

Another idea that might be explored is based on the concept that, once a young person has reached a plateau of earnings, perhaps the greatest thing that you can do for him is to give him all the tools that he needs to put himself and his project into high gear. Why could we not consider, in addition to income awards, the idea of expanding the specific budget which an outstanding young scientist or administrator is using? Maybe it would be feasible to push a modest additional amount into his budget to be used relatively free of strings to buy new equipment, say, or for additional travel funds, or for additional or higher-grade assistants?

It would be sound investment. A man who is already making efficient use of his budget is likely to be a good bet to use additional funds to the lasting benefit of the Government.

These men being honored today are already tremendously interested in their jobs. Obviously they already have the kind of supervision and leadership that encourages the best from a man. Looking at it coldly, one might be tempted to ask, "Why worry about incentives for these men? They are going at top speed already."

Well, it's true. These men and hundreds like them who are pouring their energies into creative accomplishment already, do not need the spur of reward.

But, on the other hand, they have earned reward. They have earned recognition. They have earned the gratitude of their superior officers, and of the country.

Secondly, and equally important, awards to men like these will give the even younger men and women coming up something to shoot at. It is easier to hit something you can see than to shoot in a general direction and only hope to hit the mark. This is the way you raise the flag. This is the way you spur on the young employee who is fighting his way up from obscurity, in a way which the promotional system alone cannot quite accomplish.

And, ladies and gentlemen, we must never forget that a society does not produce excellence without incentives. The Russians are learning that—and they are demonstrating that they have learned it.

We in America—grateful as we are for the unselfish spirit which keeps so many of our finest minds in Government career service—cannot afford to depend solely on the public spirit of those men and women. The incentives to leave Government to enter private industry can become too nearly irresistible.

It is only wise and prudent for those of us who want to keep these fine men and women in Government service to make it easier for them to resist the temptation.

I think we are doing a fair job of it already. I think we can do even better.

Finally, may I again thank the junior chamber of commerce and your cosponsor for undertaking this particularly fine expression of confidence and appreciation of young men in Government. It reflects the kind of thinking in the business community which is slowly erasing the stereotype of the "bureaucrat in the public trough," and replacing it with a true public understanding of the Government administrator, technician, or scientist as a hardworking, enterprising and creative individual whose contributions to his society far outweigh society's rewards.

I can't tell you how grateful I am every single day to see so many fine young men and women entering public service and coming up through the ranks to take their place in the great decision-making process of our democratic government. We need them—all of them.

In this world of the midcentury, our Nation needs their dedication, their intelligence and their courage. The struggle toward a just and secure order of things in the world lays demands upon our Government in ways that earlier generations would not have dreamed of. It is a fortunate thing for our Nation and for the Western World that the yeast of ambition and the drive to accomplish are vital forces today in the civil service of the United States.

The 11th annual Arthur S. Flemming award is presented to Robert Allan Beall, supervisory physical scientist, Melting Laboratory, Division of Mineral Technology, Bureau of Mines, Department of the Interior, Albany, Oreg., for his outstanding accomplishments in scientific research and development, specifically for his development of the consumable-electrode method of melting and casting rare and reactive metals, and for his unusual ability to develop, train, and inspire men in new and untried scientific areas, in all of which he has shown marked ability, enthusiasm, and leadership. Because of his ingenuity, skill, fundamental training, and unflagging devotion to an extremely difficult problem, he was able to develop a melting process which revolutionized the melting and casting of highly reactive metals and at the same time retained their purity. This process was later granted a patent.

Mr. Beall's unrelenting persistence in advocating the necessity for melting zirconium in a vacuum to produce better ingots was justified recently when the Atomic Energy Commission specified that all reactor material should be melted in this fashion. All of the zirconium for the original reactor in the atomic-powered submarine, *Nautilus*, was melted under Mr. Beall's direction. Until he pioneered the casting of reactive metals, no sound, usable casting of commercial shapes had been produced.

Mr. Beall's interest has not been centered on applied research alone. He is pursuing an aggressive research effort on the theory and behavior of arcs. Part of this investigation has produced two high-speed moving pictures, taken at 5,000 frames per second, which reveal hitherto unsuspected arc behavior, and do much to explain the cause of commercial melting failures.

Recognizing that the arc-melting techniques developed by him offer the brightest hope for the realization of the consolidation of superpure metals and alloys in this age of new metal requirements, in which the demand is for ever-purer metals, I am honored to make the presentation of this award to Robert Allan Beall.

The 11th annual Arthur S. Flemming award is presented to Leo Mandelkern, chemist, Polymer Structure Section, National Bureau of Standards, for his outstanding achievements in scientific research as demonstrated by the contributions he has made to the chemistry and physics of high polymers. In this relatively new branch of science, which in recent years has produced many new materials for human use, Dr. Mandelkern is recognized today as one of the world's outstanding authorities. His pioneering research has done much to shed light on the properties and behavior of the various types of polymeric substances under varying conditions of temperature, pressure, and time.

One of Dr. Mandelkern's recent outstanding contributions is the discovery of how the glass temperature of a given type of polymer will vary with changes in its structure or with changes in composition. The value of this work can be appreciated especially when, for example, it is desired to develop a new elastic polymer that must retain its elastic properties at lower temperatures. Another one of Dr. Mandelkern's successful research projects has been concerned with the crystallization kinetics and melting temperatures of polymeric materials. This work has provided the basis for a rational selection of rubbers and plastics for specific applications, particularly in the aircraft and missile fields where extreme ranges of temperature are encountered. In another type of crystallization study, Dr. Mandelkern has made a very interesting and important scientific contribution. By appropriately crosslinking a fibrous molecule, he was the first to demonstrate that a material could be prepared having the property of not only contracting on melting and spontaneously elongating on crystallization, but also doing so in a cyclic manner without the application of any external force.

For his invaluable scientific achievements, for the inspiration he has given to the younger scientists just beginning their scientific research, and in recognition of his international reputation as a leader in the field of scientific research on polymeric materials, I am honored to make the presentation of the award to Leo Mandelkern.

The 11th annual Arthur S. Flemming award is presented to Joseph E. Rall, Chief, Clinical Endocrinology Branch, National Institute of Arthritis and Metabolic Diseases, National Institutes of Health, Bethesda, Md., for the importance of his research accomplishments, the originality of his thinking, and the breadth of his knowledge. Perhaps the most remarkable feature of this man is his understanding and demonstrated ability in a wide variety of the scientific disciplines, which include biochemistry, organic chemistry, physics, mathematics, physiology, and

medicine. As a result of his bringing these broad interests and abilities to bear upon one aspect of medical science—the thyroid gland and its diseases—Dr. Rall has become a recognized expert in this field.

Dr. Rall's research has provided important new information on the chemistry of the hormones secreted by the thyroid gland and the effects of these hormones on the tissues. These studies are of great importance since they have elucidated a completely new mechanism whereby the body can regulate the effects of an endocrine gland, a mechanism apart from the gland itself. This concept has explained a number of puzzling situations found in clinical medicine, and will have broad significance. His work on the treatment of thyroid cancer with radioiodine has led to a more rational use of this isotope, as well as to information applicable to the broader problem of radiation effects.

In recognition of the many facets of his abilities and performance which combine to make him a leader in the field of medical research, I am honored to make the presentation of this award to Joseph E. Rall.

The 11th annual Arthur S. Flemming award is presented to Douglas John Wilcox, Head, Underwater Ordnance Department, Naval Ordnance Test Station, China Lake, Calif., for his important contributions to the total national security as technical program director in the field of underwater ordnance. Mr. Wilcox, with signal success, has administered the complex internal affairs of his own department, with its dispersed laboratories, test facilities, and ranges; has integrated his program with other departments at the Naval Ordnance Test Station; and has coordinated the interlocked problems of a nationwide complex of nearly 40 major industrial and governmental organizations. These tasks have called for recognition of fleet needs, accurate foresight of areas where important advances in ordnance can be made, anticipation of administrative hurdles, and effective direction of scientific and administrative programs.

The integrated task-team approach has become Mr. Wilcox's trademark. He has visualized clearly the interrelationships of the various system components, and has established objectives, outlined courses of action, and delegated complete authority to his many task teams. His vision is evidenced by the many commitments fulfilled, and schedules met, and obstacles overcome in what is record time for weapons systems. The RAT (Rocket Assisted Torpedo), a product of such a team, may become more famous for its role in bringing effective systems engineering to the weapons system field, than for its wide implications as a piece of ordnance. With his ingratiating personality and skillful technical and administrative leadership, Mr. Wilcox has done much to stimulate the mutual respect, informal relationships, and readiness to accept one another's ideas necessary to the success of an effective weapons systems team.

For his outstanding contributions to the defense of our Nation, and in recognition of the fact that without his drive and outstanding devotion to the pursuit of the Navy's underwater ordnance programs under his management, these programs could not have been accomplished in the thorough, timely, and effective manner that has come to be associated with his name, I am honored to make the presentation of this award to Douglas John Wilcox.

The 11th annual Arthur S. Flemming award is presented to Wilson A. Maxim, Supervisory Meteorologist, Radiation Reconnaissance Branch, Aerial Reconnaissance Laboratory, Wright Air Development Center, Wright-Patterson Air Force Base, Ohio, who has distinguished himself through unusual and outstanding work accomplished in connection with two classified, high priority reconnaissance aircraft instrumentation programs. Previously there was no meteorological instrumentation available that would operate automatically at the desired altitudes. The scope and complexity of the programs were such that Mr. Maxim was considered the only engineer within the Aerial Reconnaissance Laboratory who could produce the required instrumentation packages within the extremely short deadline dates established by the Air Force. It was Mr. Maxim's professional ability and foresight, plus his dedication to the engineering fields of avionics and aeronautics and the science of meteorology, that enabled him to plan and execute a very comprehensive research instrumentation program. As a result of Mr. Maxim's work, the Air Force and the National Advisory Committee on Aeronautics are presently obtaining information of exceptional value regarding the upper air environment. The information is of critical concern in weapons design as well as in geophysical research. While the value of this data to the Air Force and to the Nation as a whole cannot be estimated in tangible terms, nevertheless its use will contribute markedly to more effective and economical aircraft and missile design, and to a more detailed knowledge of the composition and behavior of the atmosphere.

For the extremely unique and valuable geophysical information presently being collected routinely from high altitudes, mainly as a result of his outstanding scientific and engineering efforts, which data will permit research scientists and engineers to achieve a heretofore unparalleled understanding of certain critical aspects of the atmosphere at high altitudes, I am honored to make the presentation of this award to Wilson A. Maxim.

The 11th annual Arthur S. Flemming award is presented to Welcome W. Wilson, Regional Director, Office of Civil and Defense Mobilization, Denton, Tex., for his outstanding leadership and creative ability in developing ways and means of enabling States and communities to combat and to repair the ravages of natural disasters. With five States under his jurisdiction—Arkansas, Louisiana, New Mexico, Oklahoma, and Texas—Mr. Wilson had been in office only a short time when four of those States were stricken with a series of natural disasters, culminating in Hurricane Audrey which, in June of 1957, demolished Cameron, La. Tried by this ordeal, Mr. Wilson's previously developed plans for meeting just such a disaster revealed the imaginative planning and organizational ability that had created them, and, in largest measure, held casualties and damage to a minimum and speeded the recovery and rehabilitation of the stricken communities. Throughout the long disaster period Mr. Wilson, without regard to his own health or safety, supervised disaster operations, working long hours with minimum rest and sleep. The most significant accomplishment of the relief operation from the point of view of agency natural disaster planning was that the vast amount of Federal assistance rendered the stricken areas was supplied entirely from sources within the region, demonstrating that properly organized and administered, these resources can make a region self-supporting.

Later in 1957, Mr. Wilson and his associates revamped their regional planning in accordance with the lessons just learned. These improved operational plans were amply tested in the spring of 1958 when three of the States were again stricken by disaster. As a result of Mr. Wilson's foresight and leadership, relief, and rehabilitation operations were again conducted with maximum efficiency.

In recognition of the significantly higher degree of preparation for combating nationwide disaster resulting from an attack upon the country with nuclear weapons, and an increased public awareness of the need for civil defense preparedness, I am honored to make the presentation of this award to Welcome W. Wilson.

The 11th annual Arthur S. Flemming award is presented to Hermann Frederick Eilts, International Relations Officer and Officer in Charge, Baghdad Pact and SEATO Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State, for outstanding service to his country as an expert on Middle Eastern affairs. Mr. Eilts is responsible for advising, administering, and supervising all departmental and governmental operations pertaining to the development and implementation of U.S. policy toward the Baghdad Pact. The spectrum of those activities is unusually broad and embraces the political, military, economic, counter-subversive, public relations and administrative aspects of pact operations. Mr. Eilts has discharged these heavy responsibilities in a brilliant manner. He personally has been responsible in large measure for the success of U.S. participation in pact activities with all its ramifications, an extremely complex task. One of his major contributions has been, through skillful negotiation, a reconciliation of the varying points of views and interests on the U.S. side balanced against those of the pact members in such a way as to permit a compromise of varying positions without loss of basic substance. His accomplishments are particularly noteworthy in view of the fact that the United States is not a signatory of the Baghdad Pact.

Mr. Eilts has accompanied the Secretary of State on several of his worldwide missions, and has been charged with briefing him on pact problems and the U.S. position. Mr. Eilts' ability and capacity to organize, direct, and manage an international conference has won the commendation of the Secretary.

For his genuine interest in the progress of U.S. relations with all countries of the Middle East, to which he has contributed so much, and for his friendly, understanding approach to people, particularly the sensitive people of the Middle East, which has resulted in building up important contacts at all posts at which he has served, I am honored to make the presentation of this award to Hermann Frederick Eilts.

The 11th annual Arthur S. Flemming award is presented to Alan M. Lovelace, senior project engineer, Polymer Section, Materials Laboratory, Wright Air Development Center, Wright-Patterson Air Force Base, Ohio, for the planning, initiation, and supervision of a comprehensive research program on high temperature polymers, a program directed toward materials for high performance aircraft and astronautical applications. The preparation of technical reports is a routine requirement, but when the research is of a caliber to warrant publication in the foremost scientific journals, this represents a superior research program. This program has culminated in the development of a number of outstanding temperature resistant elastomers, vital to the Air Force, several of which are already commercially available.

The ability to recognize new areas which can be fruitfully explored is a mark of outstanding scientific performance. Primarily due to Dr. Lovelace's recognition of the need to develop a research program in the area of inorganic polymers, in response to the Air Force's requirement for materials with higher and higher temperature capabilities, such a program was established. This program has already achieved national renown. Dr. Lovelace early recognized the close relationship between his area of competence and the field of solid propellants. This resulted

in the first systematically organized research program on solid propellant chemistry.

Dr. Lovelace has established himself as an authority on fluorine chemistry through his personal research and coauthorship of numerous publications in this area, as well as papers presented at various professional meetings, and patents held in his name.

For his outstanding supervisory abilities in planning, organization, accomplishment, and leadership; his outstanding scientific competence, recognized throughout the chemical profession; his outstanding initiative in originating new areas of research; and his outstanding contributions to the advancement of chemical science, I am honored to make the presentation of this award to Alan M. Lovelace.

The 11th annual Arthur S. Flemming award is presented to Eugene Sheldon Staples, Special Assistant to the Director of the U.S. Information Agency, for consistently outperforming his individual assignments long before the next and more responsible assignment came due. His most outstanding successes have been in Chile, where, acting as public affairs officer, and directing the U.S. Information Service program for Chile, his performance far exceeded anything that could have been expected. Operating in an atmosphere of political and intellectual sophistication, and in competition with experienced and resourceful Communist leadership, he not only maintained the program in all its phases, but he further developed its operations and content so as greatly to increase its impact, achieving important gains in the ideological field. For example, he scored a resounding success with the Agency's atoms-for-peace exhibit; he developed a massive campaign on the theme of the Hungarian and Polish crises which directly affected political alinements in Chile; he successfully associated the theme of people's capitalism with the United States economic objectives in Chile in such a way as to provide a fresh, dynamic context for the large International Cooperation Administration program there; and he planned and launched a periodical for intellectuals which is considered the best of its kind so far produced in the Latin American area. Upon his departure from Chile he received universal and unprecedented commendation in the Chilean press, such outpouring of esteem for any departing American official being unequaled in recent years.

Back in this country, in his present position, Mr. Staples, with his customary initiative and skill, has handled important and sensitive assignments in a position which involves him in top-level deliberations, not only with USIA, but throughout the Government. He received a special, personal commendation from Vice President RICHARD M. NIXON for his superb performance under trying, often hazardous conditions while serving as press control officer with the Vice President's entourage on that official's recent tour of South America.

In recognition of his continuous topflight performance in a variety of important and difficult missions, I am honored to make the presentation of this award to Eugene Sheldon Staples.

The 11th annual Arthur S. Flemming award is presented to Thomas G. Meeker, General Counsel, Securities and Exchange Commission, for his exceptionally keen and trained legal mind, his unusually intelligent and sound approach to highly technical and difficult problems in the very sensitive and complex fields of securities and finance, and for his unique executive and administrative ability. In addition to acting as the chief law officer of the Commission, directing and coordinating all of its legal work and acting as its chief adviser on all legal matters, Mr. Meeker serves as the Commission's liaison officer with the Bureau of the Budget on legislative matters, and as its staff liaison representative with the Council of Economic Advisers. He also represents the Commission before committees of Congress. Mr. Meeker has consistently discharged all of these responsibilities with distinction.

Among his outstanding contributions, Mr. Meeker has proved himself to be a most persuasive advocate in presenting or defending the Agency's position before Federal trial and appellate courts, including the U.S. Supreme Court.

Aside from his achievements both as a lawyer and as an administrator in enabling the Commission to carry out effectively its statutory objectives, Mr. Meeker has contributed greatly to a better understanding on the part of the investing public and the legal profession, of the significant role played by the Commission and the impact of its work on the Nation's economy. He has lectured widely throughout the country before business and civic associations, legal and other professional societies, and in colleges and universities.

In recognition of the high regard in which he is held not only by the Securities and Exchange Commission, but also by the bench and the bar and the leaders of industry and the financial community, and for his untiring efforts and devotion to the principles of public service, I am honored to make the presentation of this award to Thomas G. Meeker.

ELEVENTH ANNUAL ARTHUR S. FLEMMING AWARDS LUNCHEON OF THE JUNIOR CHAMBER OF COMMERCE OF WASHINGTON, D. C., FEBRUARY 19, 1959, PRESIDENTIAL ROOM, HOTEL STATLER

Presiding: Kenneth Wells Parkinson, president, junior chamber of commerce.

Invocation: Rev. Frederick Brown Harris, D.D. Chaplain, U.S. Senate.

LUNCHEON

Message from President Eisenhower: Kenneth W. Parkinson, president, junior chamber of commerce.

Address: Hon. HUBERT H. HUMPHREY, U.S. Senator, Minnesota.

Introduction of board of judges: Henry M. Moore, chairman, Arthur S. Flemming Awards Commission.

PRESENTATION OF AWARDS

The National Anthem: U.S. Army Band, Maj. Hugh Curry, commanding officer; Sgt. Benjamin Ritter, directing; Sp5 Thomas Vasiloff, vocalist.

BOARD OF JUDGES

Mr. Francis Boyer, chairman; chairman of the board, Smith, Kline & French Laboratories, Inc.

Dr. Theodore A. Distler, executive director, Association of American Colleges.

Mr. Donald W. Douglas, Jr., president, Douglas Aircraft Co., Inc.

Adm. Ben. Moreell USN (Ret.); Charles S. Rhyne, immediate past president, American Bar Association.

NINETEEN HUNDRED AND FIFTY-EIGHT AWARD WINNERS

In the field of administration

Hermann F. Eilts, Department of State.

Thomas G. Meeker, Securities and Exchange Commission.

Eugene S. Staples, USIA.

Welcome W. Wilson, Office of Civil Defense Mobilization.

Douglas J. Wilcox, Department of the Navy.

In the field of science

Robert A. Beall, Department of the Interior.

Dr. Alan M. Lovelace, Department of the Air Force.

Dr. Leo Mandelkern, Bureau of Standards, Department of Commerce.

Wilson A. Maxim, Department of the Air Force.

Dr. Joseph E. Rall, Department of Health, Education, and Welfare.

EXPANSION OF THE SCHOOL LUNCH PROGRAM

Mr. WILEY. Mr. President, I rise to express deep disappointment at the inadequacy of funds in the 1960 budget for carrying on and expanding the school-lunch program.

Over the years, this splendid program has established an impressive record for improving the health of our schoolchildren by providing nourishing daily lunches. In addition, it also provides a useful outlet for our surplus commodities—including milk, cheese, butter, flour, and other products of the farms across the Nation.

In Wisconsin over 228,000 students are now being served in our schools. It is expected that next year an additional 20,000 will participate. Nationally, over 12 million boys and girls are now enjoying nourishing lunches; and this figure is expected to increase to over 13 million in the fiscal year 1960.

During the current year, Federal funds amounting to somewhat over $443 million were provided for the program. However, as proposed in the 1960 budget, the level of expenditure would be slashed by about one-third. In view of the increase of 1 million students participating in the program, the cutback in funds, if carried out, would be a serious curtailment.

As proposed, the new budget recommends $98.6 million for next year. This amount is definitely inadequate. The Congress, I believe, should provide additional funds to carry forward this fine program. To continue at approximately the current level of Federal participation, about $155 million will be required for the next fiscal year—about $10 million more than the amount for the current year.

However, my colleagues will recall that in recent years proposals for carrying forward this program have had almost the unanimous approval of the Congress.

I want to stress that this is not solely a federally supported program. Rather, it depends, for the most part, on local initiative and local financing for its support.

In Wisconsin, for example, our local school districts are matching Federal appropriations with about $5 for every $1 of Federal money.

If the funds are curtailed, this very useful program would be unwisely crippled.

I want to point out, also, that, according to reports of the Department of Agriculture, a large percentage of the new schools being constructed contain "built in" facilities for serving lunches to the students. These new schools, as well as existing ones, need early assurance of support so the authorities can go ahead with plans for the next year.

I respectfully call the attention of our colleagues on the Appropriations Committee to the need for additional money for the program.

As necessary, I shall propose legislation to attempt to assure that at least $155 million level is provided for continuation and expansion of the school lunch project for the next fiscal year.

Mr. President——

The PRESIDING OFFICER. The Senator from Wisconsin.

WHAT SHOULD THE UNITED STATES EXHIBIT AT THE MOSCOW FAIR?

Mr. WILEY. Mr. President, as all of us recognize, our continuing struggle against communism has many facets—economic, military, ideological, cultural, and spiritual. To meet the challenge in each of these spheres, we need the benefit of all the constructive thinking available.

To a large degree, the task, until now, has been to meet the Soviet threat in the scientific and military fields. Now—for a time, at least—there appears to be a stalemate, although this involves, among other things, periodic tests of our courage and purpose in deterring communism.

During this stalemate—based on fear of destruction—it is particularly important not only that we meet the Soviet advances in the nonmilitary fields, but also that we develop as constructive a U.S. program in these fields as possible.

As we know, American and Russian officials have signed agreements providing for exchange of such scientific and cultural exhibitions next summer in Moscow and New York.

The Moscow Fair will, of course, represent one of our few opportunities to present to the Russian people a picture—undistorted by propaganda—of our American way of life.

Currently, planning for the fair is now well along. The displays will include, among other things, films, publications, art exhibits, and other illustrations of how Americans work, live, play, and participate in community and national life.

In a recent issue of the Christian Science Monitor, Mr. Roscoe Drummond, in a special article, conveyed some constructive ideas on what he felt the U.S. exhibit should cover. Among other things, these included: First, displays to illustrate the reality of our freedom to dissent—freedom to speak, to write, to publish, without Government interference; second, our exhibit should show that we have a society which has the capacity to achieve great social changes without revolution and without purges; and third, our exhibit should show that we have an electoral process by which there can be a change in our Government officials without murder or exile.

To convey this impression—insofar as possible—would, I believe, be an important addition to the fair exhibit.

I request unanimous consent that Mr. Drummond's article be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT SHOULD UNITED STATES EXHIBIT?

(By Roscoe Drummond)

WASHINGTON.—For 6 weeks this summer several million Soviet citizens, whose minds have long been shielded from the outside world by Soviet censorship, will have the opportunity to see with their own eyes some things about the United States and Americans—as Americans themselves see them.

To do this the Government and private industry are jointly preparing an American National Exhibition for which they have leased an area of approximately two city blocks in Sokoliniki Park, a 15-minute subway ride from downtown Moscow.

By reciprocal agreement, the U.S.S.R. will hold an exhibition in the Coliseum in New York City for a month beginning June 28.

The purpose of the United States exhibit will be to present "a corner of America" in the heart of Moscow for as many to visit as can be attracted.

The general manager of the exhibit is Harold C. McClellan, Los Angeles industrialist and former Assistant Secretary of Commerce for International Affairs. The coordinator of the interested Federal agencies is Ambassador George V. Allen, Administrator of the United States Information Agency.

The concept of the exhibit is now well along and it aims to project an image of the United States through displays, films, publications, fine arts, and the performing arts. They will reflect how Americans live, work, learn, produce, consume, and play, and what they are and what they stand for—their cultural and spiritual values.

The major categories of the exhibit will be: America learns (education), America explores (science and research), America creates (art), America travels, America plays, and American community life.

There can be no doubt that these displays can give the Soviet visitors a beginning understanding of the United States which they haven't had before. But two question marks inevitably arise:

Isn't there too much in this exhibit which simply parallels aspects of the Soviet Union and not enough of what separates life in the United States from life in the U.S.S.R.?

Couldn't this deficiency be met, in part at least, by having one category of display devoted to how the American people govern themselves?

We both have natural science. We both have technology. We both have culture—as Pasternak has wonderfully shown for the Soviets. But what has American society got which the Soviets haven't? The answer, it seems to me, is:

1. We have freedom to dissent—freedom of people to speak, freedom of writers to write, freedom of printers to print, freedom of publishers to publish without Government interference. The Government is denied the power to interfere under the Bill of Rights.

2. We have a society which has the capacity to achieve great social changes without revolution and without purges. Examples: The first 100 days of the New Deal, the Supreme Court decision on public school integration.

3. We have a society within which some 90 million eligible voters have the right and the means to remove one set of Government officials and install others.

Here, I feel, is the missing category in the United States-Moscow exhibit—how the United States governs itself. There could be an exciting documentary film portraying some of the incidents and events in American history which illustrate the distinguishing aspects of our way of life.

There could be shots of the signing of the Declaration of Independence, the drafting of the Constitution which bound the Union together, examples of how the Bill of Rights works, scenes of the functioning of Congress, the nominating conventions, a Communist rally at Madison Square Garden, Roosevelt, Willkie, Dewey, Truman, Eisenhower, Stevenson on the stump, shots of libraries showing books in use on all sides of all controversies, the Supreme Court on decision day. There is no shortage of material.

It strikes me that many of our exhibits in natural science, technology, and culture will likely produce the Soviet reaction: "Why, we have much of this, some that is better."

Wouldn't there be merit, therefore, in exhibiting, without any political argument, some of the things the Soviets do not possess by showing American democracy at work?

DANGERS OF INFLATION

Mr. WILEY. Mr. President, I was very much impressed by an article entitled "What the French Have Found Out About Inflation," which I read in the Reader's Digest. The subheading of the article is "A Case History of the Worst Swindle a Government Can Commit Against Its Citizens."

The other day, on the floor of the Senate, I called attention to the fact—although it was not noticed at all by the newspapers—that in this country there are 40 million holders of U.S. bonds, there are 120 million insurance policyholders, and there are annuitants and those who are living on social security. At that time I asked: "What are we doing about inflation? What are we doing about the dollar? Are we going to see it decline to 10 cents?"

Mr. President, the article to which I have referred is very much in point; and I ask unanimous consent that it be printed in the body of the RECORD, following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT THE FRENCH HAVE FOUND OUT ABOUT INFLATION—A CASE HISTORY OF THE WORST SWINDLE A GOVERNMENT CAN COMMIT AGAINST ITS CITIZENS

(By Andre Visson)

(Born in Russia, educated in Western Europe, Andre Visson is a close student of international affairs and European politics. During World War II he served in Col. William J. Donovan's Office of Coordinator of Information, and subsequently organized the Eastern Europe department of the Office of War Information. Currently living in Paris, he is closely associated with many French political and business leaders.)

With typical French thrift and thought for the future, Roger Letourneau sold his house in Normandy and bought life annuities that would provide a minimum of comfort and security for himself and his wife in their later years.

That was in 1927.

Today, as a result of France's destructive inflation, the cost of living is 37 times what it was in 1927. And Roger Letourneau's widow has been cheated out of the comfort he sacrificed his home to provide for her.

As an "economically weak person"—to use the French official term for several million persons living in similar penury—Marie Letourneau receives from the Government a yearly allowance of 32,000 francs ($76). This peanut subsidy, added to her meager annuity, is of negligible help in keeping the wolf from her door. The pound of butter she could have bought for 10 francs in 1927 now costs 410 francs. When marketing, she buys one egg at a time, a little milk every other day, a slice of ham once a week. Thus has inflation victimized Marie Letourneau.

Her neighbor, Joseph Thomas, cabinetmaker, retired in 1938. He was 63, and in 40 years of work he had built up a nest egg of 2 million francs (about $57,000). Part of the sum was in savings banks, part in government annuities, part in corporate bonds. He looked forward to a pleasant life in re-

tirement. But Thomas reckoned without inflation.

Today he still has his prewar yearly income of 60,000 francs, supplemented by the Government allowance for the underprivileged. And his total present income is the equivalent of about $220 a year. He has had to sell practically everything he owned; during the winter he shivers in his shabby room, for he can't afford to buy coal at its present cost of 1,000 francs per 100 pounds.

In the same dreary and crumbling apartment building, 78-year-old Alfred Mercier leads a no less miserable existence. After 30 years of work for the Government, he retired in 1940 with an annual pension of 50,000 francs. A thrifty man with foresight to plan for old age, Mercier had, in 1920, bought insurance which would pay another 50,000 francs' annuity after age 60.

Poor Mercier was to discover that his dream of old-age security would turn into a nightmare of poverty. Only 7 years after his retirement, his 100,000 francs had lost 85 percent of their purchasing power. To buy what he could have bought for 100,000 francs in 1940 he would have needed in 1947 an income of 666,000 francs. To live at a bare subsistence level today, Alfred Mercier has had to find a part-time job as an accountant. He is 78 years old, and his sight is failing.

These victims of inflation are by no means exceptions. Some 4 million elderly men and women, almost one-tenth of France's population, have yearly incomes below the officially established "vital minimum" of 330,000 to 340,000 francs (about $800) a year.

Every Frenchman who put his savings in Government bonds or annuities, whether before or after World War II, has lost the major share of his capital. The scores of thousands of people who, in 1944–45, invested in the 3-percent bonds of the liberation loan are today getting the same interest they did 13 years ago, whereas the cost of living is 10 times what it was then. And, were these French men and women to sell their bonds now on the Paris Stock Exchange, they would get only about half the price they paid in 1945—and in depreciated francs at that.

And consider the disaster to more than a million World War I veterans whose once adequate pensions are now worth 70 cents a month or less.

No wonder that practically everybody in France considers inflation one of the worst national ills. Says Antoine Pinay, former Premier whom De Gaulle put in charge of the treasury, "Inflation corrupts everything—a balanced budget, investments, job security, social legislation, the moral health of all classes, even national prestige abroad."

How is it, then, that the thrifty, sensible French people let this evil overwhelm them?

In the answer we find a frightening example of how a disastrous inflation can develop when a government continually spends vastly larger sums of money than it can collect in taxes.

The staggering costs of two world wars, plus postwar military campaigns in Indochina and north Africa, were the main causes of inflation in France. Besides the heavy burden of military expenditures and the cost of postwar industrial reequipment, however, the state undertook the additional load of social charges and price-supporting subsidies. And, simultaneously, the value of the franc slipped lower and lower. Thus, by allowing its currency to go on losing purchasing power, the Government has been taking away from its citizens with its left hand what it was so generously giving them with its right.

This obsession of the French politicians with making their constituents happy at any cost—even at the risk of compelling them to pay a high price tomorrow for the favors bestowed upon them today—has also been responsible for the ever-growing number of people on the Government payroll. France today has to support an immensely costly, overstaffed, and often inefficient Government machinery. A report made in 1958 reveals that, out of a total French labor force of 21 million, some 3¼ million men and women—civil servants, military personnel, workers in nationalized industries—depend for their income on the state. Including individuals on Government pensions, the total number is about 6½ million.

The cost of all these jobs is an additional spur to inflation. There are others. Next to Russia and Norway, France is one of the most socialized countries in the world. In theory, at least, the Government pays 80 percent of all doctor and druggist bills. It pays for practically all education, from nursery school through university. The average French mother who cannot go to work because she has to care for children is also rewarded. Families of three or more children receive other perquisites. They ride, for example, at reduced rates on Government-owned buslines, railroads, and subways.

The result of all this socialist generosity for the French has been unfortunate, however. The French people have learned that, though it is very nice for the state to take the best possible care of its citizens—to help them with all kinds of economic subsidies, to provide jobs for them—the state needs ever more money to cover the cost of this generosity. And to get more money it finds itself having to print it.

On the eve of World War I, France had banknotes in circulation for 6 billion francs (then about $1.2 billion); at the end of the war, there were notes in circulation for 30 billion francs. Just before World War II, the volume of French banknotes went up to 142 billion francs. At the end of World War II, it jumped to 650 billion. Now it is up to 3,400 billion francs (about $8.1 billion at the present rate). Thus the French Government Printing Office has become a manufacturing agent for the nation's inflation.

The consequences have been disastrous. In last 2 years, while wages rose only slightly, Frenchmen paid 200 percent more for potatoes, 100 percent more for carrots. Ham, always popular on the French dining table, has doubled in price within the last 18 months. Says Albert Morieux, a grocer in Paris' populous Montparnasse area: "With the cost of living doubled since last year, people are restricting their purchases, resulting in a big cut in business for us." Thus inflation is ruining customer and shopkeeper alike.

So, the French are beginning to realize that there is not much difference between the state and a private person, as far as a budget is concerned. Neither can live beyond its means very long. To be sure, the state credit is infinitely greater than that of the richest individual. But even a national government's credit cannot last forever. When the state goes too heavily into debt its citizens are, finally, the ones to carry the burden. And among them it is those who live on a fixed income who feel the burden most painfully. French experience means that social welfare and old-age security, achieved at the cost of inflation, are neither welfare nor security. They are nothing but frauds and swindles.

This grim picture of what happens when a government tries to live beyond its income is on display today not only in France but in Argentina, Brazil, Chile, Peru, and other lands. The warning has not yet struck home in the United States—and the question is still to be decided whether it will be heeded soon enough to prevent disaster.

In France the people have found that, contrary to all the glowing promises of their politicians, the state can give them nothing free. One way or the other, the citizens have to pay in the end. If they do not pay in taxes they pay in inflation, which is the highest and the cruelest tax of all.

RETIREMENT OF EX-REPRESENTATIVE HARRIS ELLSWORTH, OF ROSEBURG, OREG., AS CHAIRMAN OF THE CIVIL SERVICE COMMISSION

Mr. NEUBERGER. Mr. President, early in 1957 President Eisenhower appointed ex-Representative Harris Ellsworth, of Roseburg, Oreg., as chairman of the Civil Service Commission. Mr. Ellsworth had just been defeated for reelection by CHARLES O. PORTER, of Eugene, after one earlier unsuccessful foray by Mr. PORTER against Representative Ellsworth in the 1954 elections.

Because of the partisan nature of this appointment, a number of Democrats in Oregon urged me to oppose confirmation of the nomination of Mr. Ellsworth and, if necessary, to voice the objection of "personally obnoxious." I was in a position to block the appointment, in view of my seat on the Senate Committee on Post Office and Civil Service, before which Mr. Ellsworth's nomination had to come, for consideration.

However, I decided that the President had a right to name a Civil Service chairman of his choice, and that no grounds of moral turpitude existed against ex-Representative Ellsworth. I decided to support the appointment. To the great credit and magnanimity of Representative CHARLES O. PORTER, he urged upon me a similar course, despite the two bitter political campaigns between Mr. Ellsworth and himself.

After 2 years of service, Harris Ellsworth is now retiring voluntarily as Chairman of the Civil Service Commission. I am happy to report that he has been a good Commission Chairman. He has brought credit to our State and to himself.

Jerry Kluttz, Federal Government personnel editor for the Washington Post and Times Herald, has written an article, dated February 23, 1959, in which he praises Chairman Ellsworth for making an impressive and favorable record. He particularly cites Mr. Ellsworth for being an appointee who has "done an above-average job as Chairman of the Civil Service Commission."

In our country, it has become a pattern of Government for defeated Senators and Representatives to be appointed to administrative and executive posts. Both Republicans and Democrats have relied on this device to take care of the party faithful.

I do not particularly favor such a policy, I must admit. The present Republican administration has used it excessively. Yet, in all fairness, the fact that a man or woman has served in the Senate or House should not disqualify him or her from service in the administrative arm of Government. It think it is a particularly auspicious event when one of these purely political and strictly partisan appointments turns out well. This has happened in the case of Harris Ellsworth, of Roseburg, Oreg., as chairman of the Civil Service Commission.

As Mr. Ellsworth retires from that position, Mr. President, I desire to wish him good fortune and good health during the years ahead. I feel certain that I speak

for many citizens of our State of Oregon—as well as for many Federal Government employees—when I voice these remarks.

I ask unanimous consent that the article entitled, "Impressive Record Left By Ellsworth as Civil Service Commission Chairman," written by Jerry Kluttz, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, Feb. 23, 1959]

IMPRESSIVE RECORD LEFT BY ELLSWORTH AS CSC CHAIRMAN

(By Jerry Kluttz)

Harris Ellsworth, who retires this week, is generally regarded as having done an above-average job as Chairman of the Civil Service Commission during the past 2 years.

His record is even more impressive when one considers his partisan political background as a critic of civil service. A powerful House Member during the early days of the first Eisenhower administration, Ellsworth joined those who demanded that the new administration be given a free hand to make appointments to jobs in grade 12 and above. The civil service career system would have been mangled if that had happened and the Chairman has long since realized it.

To his credit, Ellsworth didn't try to force his preconceived ideas on how the CSC should operate when he took over as its leader. Instead, he dug in, studied, listened, and usually came out with solid answers.

He leaves CSC as a stanch and enthusiastic supporter of its merit system. No one has a higher regard for CSC's own staff and the Government's civil service employees. He feels that Congress in particular and the public in general simply don't realize the rigid standards that must be met to acquire civil service jobs. No large private concern, he observed, subjects its applicants to such tests and clearances. "As a result," he says, "the Government has an elite corps of individuals and I have real respect for them."

Despite the fact that he was a political appointee, Ellsworth worked for the appointment of a career man to succeed him as Chairman. He regards his successor, Roger Jones, as just about the best qualified person that could be found.

Looking back, the Chairman says he's astonished by the lack of political pressure he was subjected to. Because of his 14 years in the House he fully expected the opposite to happen. But in the 2 years he had only a single experience of what he described as "unpleasant pressure" and he quickly rejected it.

Otherwise, he related, "I've never been aware of pressure as such. I never felt I had to do something I was opposed to. I never was made to feel that I was obligated to do what someone else wanted done. I honestly feel that this healthy condition is due to the fact that most people now realize that the CSC services other Federal agencies and has few favors to dispense."

Looking ahead, he's convinced of the need for a new system to fix the salaries of Federal employees and officials. The Chairman would like to see a salary board composed of experts set up in CSC; the board to recommend rate changes based on changed conditions in industry and the Nation's economy, and for the rates to become effective within 60 days unless the Congress vetoed them by a two-thirds vote.

Ellsworth also would like to see the Senate drop its requirement for confirmation of postmasters, a system he feels is outmoded and cumbersome and reflects on the merit system. He's outspoken against the secrecy curtain that frequently covers official discussions of employee problems. He regards the secrecy thrown around the O'Connell Cabinet Committee on Federal pay as prejudicing people against its many sense-making proposals. He'd also like to see the Congress give more time and attention to the Government's personnel problems.

HAWAIIAN STATEHOOD

Mr. CHURCH. Mr. President, 3 months ago I accompanied my distinguished colleague from Colorado [Mr. CARROLL] and Representatives LEO W. O'BRIEN, of New York; E. Y. BERRY, of South Dakota; and B. F. SISK, of California, to the Territory of Hawaii. The purpose of our visit was to conduct an informal, in-the-field investigation of present conditions in Hawaii, as they relate to the impending question of Hawaiian statehood. We came away impressed, not only with how fully qualified these islands are for statehood, but also with the need for prompt action in this session of Congress, in order that these worthy Americans should be no longer denied their rightful place in our Union of States.

Our visit was the occasion for editorial comment by the newspapers of Honolulu, reflecting the ardent interest there in the achievement of statehood.

I ask unanimous consent that certain of these editorials be included at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Honolulu Star-Bulletin, Nov. 25, 1958]

HERE TO STUDY STATEHOOD

Two U.S. Senators and three Congressmen are welcomed to Hawaii with special interest and hope.

They arrived Monday to conduct what some have described as possibly the last pre-statehood investigation of the Territory.

The visitors to whom the people of the Territory extend aloha are Senators FRANK CHURCH, of Idaho, and JOHN CARROLL, of Colorado, both Democrats, and Representatives LEO W. O'BRIEN, New York Democrat; E. Y. BERRY, South Dakota Republican; and B. F. SISK, California Democrat.

Representative O'BRIEN is chairman of the House Territories Subcommittee to which statehood legislation will be referred in the 86th Congress.

He has said that the purpose of the trip is to bring the Congress up to date on alleged Communist influence in the islands. Communist influence on Hawaii is one of the excuses most frequently used by opponents of statehood for their opposition to Hawaii.

The minority report of the House Interior Committee—unfavorable to statehood—linked the ILWU and communism.

On that point, our visitors will quickly find that the ILWU in the 1958 elections November 4 took a series of lickings.

Its political influence can't be rated high right now.

Hawaii welcomes this visit as a special opportunity to bring the record up to date. The visiting Congressmen will find, as the many others who have preceded them have found, that Hawaii meets every bona fide test of statehood, stands ready, willing, and worthy to enter the Union.

The visit—no junket—is extremely useful to Hawaii and the Nation. We hope it will clear away for the 86th Congress whatever misconceptions may still exist about Hawaii's right to join the Union as a State.

We pledge to our congressional visitors every cooperation in the achievement of their objective.

And we trust that they will return to Washington more convinced than ever that they should give us cordial, firm support immediately after the 86th Congress opens next January.

[From the Honolulu Star-Bulletin, Dec. 2, 1958]

NO POSSIBILITY FOR COMMONWEALTH

U.S. Senator FRANK CHURCH, here to study Hawaii's qualifications for statehood, has received several letters urging that Congress grant Hawaii commonwealth status.

These are undoubtedly either from the small group which formed the Commonwealth Party in the 1958 campaign; or from others who support commonwealth government under the illusion that if it were granted Hawaii, we'd be free from forking over Federal taxes, as Puerto Rico is free.

Senator CHURCH, an active and firm friend of Hawaii statehood, comments that there's no real possibility that the Congress will ever approve commonwealth status for Hawaii.

That has been pointed out many, many times since commonwealth agitation began here. But it does not end the activities of the commonwealth supporters.

There are not many of these. In the November 4 elections their total votes were tiny. But they gather some strength each time Congress turns down statehood for Hawaii.

If the 86th Congress, to convene in January, again bypasses, blockades, or beats down the Hawaii statehood bill, commonwealth advocates will gain a few more votes. They will be more aggressive before and during the 1960 campaign. They will point to nonaction by the Congress as proof that Hawaii will never get statehood.

Senator CHURCH and his fellow Congressmen can meet the illogical but plausible arguments of the commonwealthers most successfully by prompt, affirmative and cordial action to pass the Hawaii statehood bill early in the 86th Congress.

[From the Honolulu Advertiser, Dec. 3, 1958]

CHURCH ON STATEHOOD

Hawaii which has been vocal for decades in pressing its case for statehood, heard that case expressed by a friendly visitor on Saturday in words that could hardly be improved upon.

U.S. Senator FRANK CHURCH, of Idaho, said granting of statehood will complete the American Union and achieve something of great significance for America and for all people everywhere who believe in self-government. Conversely, he added, failure to grant statehood would be a tremendous impediment to America in its posture before the world, and a grievous blow to democracy.

He continued:

"If we give statehood to Hawaii we will complete our American Union. If we fail to give it the only reason that will be commented upon in the world at large will be the racial complexion of the people of Hawaii."

That is thoughtful language by a thoughtful statesman.

[From the Honolulu Star-Bulletin, Jan. 1, 1959]

HAWAII'S GREATEST PROGRESS LIES AHEAD—STATEHOOD IS THE GOAL FOR 1959

The Star-Bulletin's "This Is Hawaii" edition today is dedicated to a bright and glowing future for Hawaii.

It reviews the past only to the extent that it is necessary to provide the framework for the future. This annual New Year edition is far more than the usual summing up of what has happened during the year.

From the record of the past it seeks to chart the logical courses of the exciting new world before us in these mid-Pacific islands.

The story is told in scores of specially written articles, by trained reporters of the Star-Bulletin's staff, and by professional experts intimately associated with the fields on which they write.

The broad outlook is described by James H. Shoemaker, Bank of Hawaii vice president and economist whose conservative optimism has won him the respect of the business community, and the interest of laymen who feel the stimulus of his analyses.

Except for three uncertainties—labor-management relations, the level of military defense spending, and the rate of population growth—all major factors indicate a great and growing boom.

Add to the favorable factors outlined in the Shoemaker forecast the early achievement of statehood—and Hawaii's immediate future is indeed bright. For statehood will hasten many of the gains projected for the years ahead.

This newspaper since its founding has been dedicated to the cause of statehood.

Statehood will bring to the people of Hawaii not only political equality with our fellow citizens of the U.S. mainland, but add to the effectiveness of our Representatives in the Congress of the United States.

The cause of statehood for Hawaii is not one of political partisanship. It is a cause in which the major political parties of Hawaii have joined aggressively, determinedly and unitedly.

The one most significant development of 1959, apart from the possibility of statehood, is the inauguration of the jet transportation age in Hawaii. It will have expanding effects not only on the tourist industry, but on migration to the islands from the mainland, and the establishment of new businesses here.

Quick communication and transportation, by strengthening the links between Hawaii and the mainland, open up broader avenues for commerce and investment.

It requires no scholarly background in economics to foresee great things for Hawaii in the immediate future. The signs are all around us.

What demands will this great growth make of the people of Hawaii?

We will have to think in far more expansive terms than has been our practice in the past.

We will have to realize that with this growth must come a rapid increase in public services.

And, as travel to Hawaii increases, we must constantly remind ourselves of another vital requisite: To develop our travel industry we must scrupulously preserve those unique features of Hawaiian life that appeal to the visitor.

Never allow them to become submerged in the complex industrial community we are creating.

And it will become increasingly important to organize our development, to tie loose ends together in a general growth plan that will preserve what needs to be preserved while encouraging economic development to sustain a multiplying population.

There will be many new problems to tax our resourcefulness and our ingenuity. But we have the people, the abilities, the devotion to meet and master these problems.

So we enter 1959 with prospects high, confident that, great as has been Hawaii's economic, industrial and civil and cultural growth in the past, there need be no sag in the foreseeable future.

DEATH OF JAMES M. WILKINSON

Mr. KEFAUVER. Mr. President, I should like to say a few words about Jim Wilkinson, whose unfortunate passing has saddened all of us in the Senate. Mr. Wilkinson left Washington on Thursday for his home in Erwin, Tenn. He died on Friday.

Amid the busy rush of the Senate's affairs, Jim Wilkinson was a keeper of our doors and superintendent of messengers for many years. He was one of the finest men I have ever known. Before he came to Washington to serve his Government with courtesy and distinction, he had served his hometown of Erwin, Tenn., well for many other years as mayor of that city. This man, who sat outside the door of this Chamber as we spoke and argued and tended as best we could to the business of our Government, made our work easier and, in his quiet and efficient way, smoothed the way for us and for those who work with us.

We have lost a real friend and a true public servant in the passing of Jim Wilkinson.

AGRICULTURAL PRICE SUPPORTS

Mr. WILLIAMS of Delaware. Mr. President, for the past several years I have been advocating that the high, rigid price support program be repealed and that the Secretary of Agriculture be given greater discretionary authority to lower the support prices on the basic crops.

It has been my contention that the law as written was of far greater benefit to the large farmers than it was to the small farmers. In fact, the high rigid support program is little more than a Government guarantee on the operations of corporate type farming and actually encourages and underwrites absentee ownership to the detriment of the small farmers.

Today I shall incorporate in the RECORD statistics showing that the major benefits under this program have been going to the very large corporate operators.

This report will show that in 1957 just two operators received over $2½ million support on two basic crops produced. The first, the Producer's Rice Mill, Inc., Stuttgart, Ark., received Government support on rice produced in 1957 in the amount of $1,460,902.11.

The second, the Delta & Pine Land Co., Scott, Miss., received $1,157,502.35 Government support on cotton which they produced in 1957.

As a comparison, I call attention to the fact that these two operators received from the Government in support of their 1957 crops over five times as much as the total amount of price support received by all the farmers of the State of Delaware on all the crops they produced in 2 years—1956 and 1957.

These two companies alone in 1957 received more in price support for their crops than did all of the farmers in the State of Maryland combined.

The $1,460,000 which one of these companies received in support of their rice crops in 1957 represents an amount double that which was received by all the farmers in the State of Pennsylvania on all their crops for the same year.

As a further comparison, there were three companies—one in Mississippi, one in Arkansas, and one in California—which received over $3,400,000 in price support operations on the 1957 crops. That is greater than the total amount received on all the crops produced in 1957 by all the farmers in the four States of Delaware, Maryland, Pennsylvania, and New Jersey, combined.

There were 18 large operations in the United States, any one of which in 1957 received over four times as much as the total amount received on all the crops by all the farmers in our State of Delaware last year.

I cite these figures with the comparisons to emphasize that the Government's price support program, as the law is now written, is definitely not in the best interests of the bona fide American farmer. Instead of being in the best interests of the family type operation, the Federal Government under the present law is with the taxpayers' money encouraging and financing and consolidation of the farms under absentee ownership.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a report showing amounts paid in price support operations last year; first, those over $1 million; second, those over $500,000; third, those over $250,000; finally, those over $100,000, relating to recipients.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OVER $1 MILLION	
Cotton:	
Delta & Pine Land Co., Scott, Miss	$1,167,502.35
Rice:	
Producer's Rice Mill, Inc., Stuttgart, Ark	1,460,902.11
OVER $500,000	
Cotton:	
Westlake Farms, Inc., Stratford, Calif	854,450.67
OVER $250,000	
Cotton:	
Morrison Brothers, Higley, Ariz	481,465.32
Charles Urrea & Son, Mesa, Ariz	384,380.65
W. R. Neely, Chandler, Ariz	362,214.45
Hooper & Rugg, Casa Grande, Ariz	325,279.72
Phillips & Ellsworth, Mesa, Ariz	302,924.10
J. G. Adams & Son, Hughes, Ark	420,343.70
W. J. Deal, Mendota, Calif	370,040.84
Frank & Jim Garona, Bakersfield, Calif	350,290.43
Wilco Produce Co., Blythe, Calif	323,164.70
Waldo W. Weeth, Coalinga, Calif	282,895.20
Kesey Brothers, Pecos, Tex	323,914.08
John J. Dorr, Pecos, Tex	253,368.70
Rice:	
George Smith & Tenants, De Witt, Ark	316,362.50
South Texas Rice Farms, Rosharon, Tex	300,477.68
Wheat:	
Campbell Farming Corp., Hardin, Mont	330,267.51
OVER $100,000	
Corn:	
Emil Savich, Rensselaer, Ind	157,414.65
Richard Gumz, North Judson, Ind	161,329.67
Wm. Gehring, Inc., Rensselaer, Ind	140,983.34
Ernest Hundahl & Sons, Tekamah, Nebr	142,331.89

OVER $100,000—continued

Cotton:	
J. B. Hain, Sardis, Ala	$156,778.95
Miller Lumber Co., Marianna, Ark	233,319.26
Tillar & Co., Tillar, Ark	119,366.00
George B. Franklin & Son, Holly Ridge, La	128,118.87
Deltic Farm & Timber Co., Epps, La	125,443.04
Dan Seligman, Shaw, Miss	173,631.68
Dockery Farms, Cleveland Miss	171,116.27
Woolfolk Farms, Tunica, Miss	155,787.12
M. S. Knowlton Co., Perthshire, Miss	143,349.70
J. F. Apodaca, La Mesa, N. Mex	130,391.38
Tony Salopek, Las Cruces, N. Mex	119,162.39
Clark & Roberts, Pecos, Tex	237,328.84
Ralph's Farms, San Alizario, Tex	209,417.26
A. L. Cone, Lubbock, Tex	185,566.59
Rice:	
Craighead Rice Milling Co., Jonesboro, Ark	184,894.16
W. B. Bynum Cooperage Co., Dermott, Ark	163,683.68
Alice Sidney Farms, Jerome, Ark	114,416.68
Heidrick Bros., Woodland, Calif	189,882.20
J. J. Gayle & Son, Gueydan, La	149,977.23
J. A., J. E., and W. B. Layton, Sulphur, La	108,420.67
Hood and Hesic Denton, Sulphur, La	102,040.77
James K. and Cecil E. Greer, Hollandale, Miss	142,057.02
J. W. Adams & Son, J. H. Tigner, T. Farrer & E. W. Bailey, Jr., Angleton, Tex	161,373.81
Briscoe Production Co., Alvin, Tex	126,721.59
Lazy K. Ranch, Garwood, Tex	115,594.75
George P. Nelson, Katy, Tex	100,594.16
Wheat:	
J. H.-N. M. Monaghan Farms Co., Derby, Colo	214,872.34
Sprague Bros. Holyoke, Colo	112,301.81
Kjeldaard Bros., Big Springs, Nebr	102,037.01
Henry C. Hitch Ranch, Guymon, Okla	101,780.86
Amanda Duvall, Heppner, Oreg	104,988.51
L. C. Staley, Pullman, Wash	103,573.72

A SOUND SPORTS BILL

Mr. KEFAUVER. Mr. President, the people of the country are interested in the survival of minor league baseball as well as the major leagues. If either is to survive it is necessary that some protection be given to the minor leagues. Several bills are pending in Congress aimed at a solution to this problem.

I have introduced a bill, S. 886, which I hope will be discussed and considered by those interested in team sports. This bill was discussed by F. M. Williams, of the Nashville Tennessean, in his column of February 7.

I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KEFAUVER CONTROL BILL FIRST TO TAKE SIDE OF MINORS

(By F. M. Williams)

What is this that the tall Tennessean, Senator ESTES KEFAUVER, has done to the bellicose boys along the professional sports front? What's in this bill he introduced into the Congress of the United States this week that has evoked such a strange silence from the bosses of guys who play for pay in baseball, football, basketball, and hockey?

Bert Bell made an objection to that part of Kefauver's bill adjusting the national football league's drafting of college boys so as to give the players the right to say whether they want to sign with the club drafting them. But, otherwise, discussion of the bill has been very limted and very private, especially from baseball.

SOME SEE BASEBALL SHOCKED INTO SILENCE

There are some who say that the sheer audacity of Congress hinting it should have any control over some 16 men who run the multi-million-dollar business shocked the baseball folks into silence. The less cynical think that KEFAUVER's bill is such a long stride in the right direction that it would be unwise to make comment until they better acquaint themselves with its provisions. Two things that every minor leaguer readily believes must go into almost immediate effact, if they are to survive, are provided for in the proposal.

One concerns television. Kefauver's bill would prohibit a major league game from being shown in a minor league city on the day that city's team was playing at home. The other concerns control of players. The Tennessee Senator wants no major league club to have direct control over more than 80 men. While these appeal to the boys in the bushes, as the minor league have become known, they probably are not so well received in the majors.

But even the big league bosses are pleased over Kefauver's proposal to make the reserve clause legal. The reserve clause is that part of a player's contract which binds him forever to the club he originally signs with, unless sold or traded or given his release. Without it baseball could not operate, and under existing antitrust laws, the Supreme Court has broadly hinted it might someday rule it illegal.

The greatest thing about KEFAUVER's proposal is that it is the first to emerge with a minor league viewpoint. All the others now pending before Congress were written and introduced with no consideration of the name below the top level, and in effect, might as well never have been introduced to start with. Baseball's own rules, dictated by the big league owners, adequately care for the big leagues. Except, of course, that in murdering the minors the majors are committing suicide, for they are destroying the source of the material that keeps their show going.

THEN THERE'S PROBLEM OF TOO MUCH CONTROL

It has long been apparent that Federal control is the only control that can succeed, because it is the only law that will be observed by the majors. Then, of course, comes the problem of stopping Federal control before it gets to be a worse threat than now confronts baseball.

But getting back to KEFAUVER's bill. The question arises as to how control of players and control of television will be most immediately felt. The answer to controlled television is that it will boost the gate receipts of the minors. The answer to the player control is a little more complex.

General Manager Bill McCarthy, of the Nashville Vols, who testified last summer before KEFAUVER's Subcommittee on Antitrust and Monopoly Laws, and whose views are evident in several portions of the bill, thinks the first benefit to the minors would be in the matter of bonus players. He believes it will reduce considerably the number of untried prospects to whom the majors will pay tremendous sums of money to sign a contract. That will mean, he thinks, more younger players casting their lot with minor league clubs, developing their talents on the farms, and then being sold to the majors.

CERTAIN TO IMPROVE YOUNG TALENT

It certainly will improve talent from the top down. More of it will be available, for one thing, and more players will have renewed hopes of getting to the majors, for another. That will give them a better attitude as well as more incentive to bear down all the time.

Coming as it does on the heels of the terrific expression of confidence by Nashville fans in the game when they bought stock in Vols, Inc., the proposed legislation serves to further brighten the future of the minors. Control of television and of player contracts, along with baseball's own recent decision to try an unrestricted draft for 1 year, are the three greatest boosts to the minors since Branch Rickey started the farm system, and involuntarily, started the trend that now approaches dictatorship in baseball.

THE UKRAINE: THE TRAGEDY OF ITS ENSLAVEMENT

Mr. KUCHEL. Mr. President, the ruthless subjugation by Russia of the once free Ukraine long has been a stark notice of the cruel determination of despotic Communists to enslave and shackle independent peoples wherever and whenever possible.

Recently remarks were made in this Senate on the occasion of the 41st anniversary of the declaration of independence of the Ukraine. Tragically, that independence was short-lived and the people of the Ukraine became the first victims of communistic aggression.

Less than 2 weeks ago, the proceedings of the Senate were opened with a prayer by Msgr. Nicholas Babak, of Stamford, Conn., who voiced a universal hope of all freedom-loving individuals that the Iron Curtain eventually can be torn down and the people of the Ukraine emerge again into the atmosphere of independence and self-determination. I and other Senators listened to the prayer at that time. I am sure that hope is entertained by all Members of this body.

The enslavement of the Ukraine is a constant and continuing challenge to all lovers of democratic processes. Although unfortunately the hopes of early liberation are not bright, the United States, as a champion of freedom and independence, must foster and nourish the continuing faith of all peoples of Ukrainian heritage that their homeland's slavery ultimately will be ended.

The firm anti-Communist stand of hundreds of Americans of Ukrainian descent was affirmed not long ago at a rally in Los Angeles which demonstrated unmistakably that the 50 million people of the Ukraine have not been deserted or

forgotten. The rally adopted a series of resolutions which should hearten these and all other Communist-enslaved peoples. I ask unanimous consent to have printed in the RECORD, as a signal of continuing support from America, these courageous, forthright resolutions.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

We, the U.S. citizens of Ukrainian descent and residents of Los Angeles, Calif., gathered today on Saturday, December 20, 1958, at the Patriotic Hall, 1816 South Figueroa Street, Los Angeles, for a manifestation commemorating the 25th anniversary of the horrible famine, deliberately caused by Red Moscow in Ukraine, after listening to proper lectures, unanimously adopt the following resolutions:

"1. Commemorating the 25th anniversary of the horrible famine, deliberately organized by the Russian imperialists to enslave Ukraine, we join the action of all Ukrainians in the free world and we honor the glorious memory of all those who had lost their lives in the years of the mentioned famine proving their strivings for freedom and independence of Ukraine.

"2. We state that the only guilty and the only organizer of the mentioned famine in Ukraine was Red Moscow and we pledge to do our best by all means in order to condemn and to punish the guilty one for that first case of mass genocide.

"3. We are sending our cordial greetings to all Ukrainians in our home country and abroad, in freedom and in slavery, and especially to all those who remained in Ukraine without stopping their fight for freedom and independence of Ukraine and who continue their active and passive resistance against Russian dictators and their governors and servants in Ukraine.

"4. We watch with gratitude the endeavors of President Eisenhower and of the Members of both congressional Houses to stop the Red aggression and to support the strivings for freedom of the nations enslaved by Red Moscow.

"5. We state that in the psychological war against Red Moscow and against international communism our endeavors to spread the truth among nations under the Russian physical or moral occupation should be intensified.

"6. We are of the opinion that we should use all means possible to enlighten America and other nations of the free world about the genuine nature of the Russian imperialism, about communism, as well as about their methods. We regard, therefore, the so-called cultural interchange with Moscow in the present form to be false and harmful, because it gives Moscow a convenient disguised chance to spread Communist propaganda in the United States.

"7. We declare that the present so-called government of the Ukrainian Soviet Socialist Republic is only a branch of the Moscow center in Ukraine whose task is only to destroy Ukraine materially and morally and to build up the imperialist resources of Red Moscow. Outside of Ukraine, abroad, this so-called government tries to neutralize the liberation-actions of the Ukrainians in the free world.

"8. We send our friendly greetings to all the nations enslaved by Red Moscow and we wish them success in their fight for freedom.

"9. We are convinced that only the dismemberment of the Red Russian empire and the reestablishment of the independent nations for all the peoples enslaved by Russia today can bring a lasting peace in the world.

"10. We demand a resolution in the United Nations Organization condemning Red Moscow as an aggressor of all the nations enslaved by Red Moscow and branding Moscow for the genocide, for the deliberately caused famine, for mass deportations of the mentioned peoples, as well as for the Russian concentration camps."

For the committee:

BOHDAN HIRKA,
Chairman.
PAULO FORMANIUK,
Secretary.

THE LATE REPRESENTATIVE REED, OF NEW YORK

Mr. MUNDT. Mr. President, Congressman Dan Reed, of New York, was as well known to most of us as he was to his colleagues in the House. All of us who knew him certainly deeply mourn his passing.

All who knew him knew that he was a man of integrity. He was a man of high honor. He was a gentleman in every sense of the word. He was a loyal and true American.

I have heard Dan Reed called the King of the Rugged Individuals, and I can think of no better title for him. He was always concerned with the welfare of this Nation and cautious about some of the programs which he felt deviated from the pattern which our country should follow.

His work on the Ways and Means Committee of the House constituted trojan service for the welfare of our Nation. During his 42 years of service, he made substantial and lasting contributions to our national life and welfare.

When I first came to Congress, I knew about Dan Reed and about his rugged philosophy of government. I heard his praises sung by a great and good friend of mine from South Dakota, Charlie Christopherson, a former Member of the House. I learned to know Dan Reed well and to admire him greatly during my 10 years in the House of Representatives, and found that everything that Charlie Christopherson had told me about his integrity and about his strength of character and about his keen sense of character was certainly verified by my own experience with Dan Reed.

Charlie Christopherson and Dan Reed were men cast from the same mold. They were big men—physically, morally, and spiritually. They had the same philosophy of government. They were good friends and visited back and forth in each other's home during times when Congress was not in session. They worked for the best interests of our country. I feel that I knew Dan Reed well because I knew Charlie Christopherson so well. They were both like giant trees, and when they fell they left a vacant place against the sky.

I wish to extend my sincere sympathy to Mrs. Reed and to William Reed, who is a friend of all of us, who knew him as a former employee of the Senate. They can be comforted in the fact that Dan Reed, the husband and father, contributed so much that was good and so much that was lasting to the country he faithfully served for over 40 years.

Mr. COOPER. Mr. President, I did not have an opportunity to serve in the House of Representatives with the Honorable Dan Reed, but I did have an opportunity to know him and to talk with him on many occasions.

I first heard of him from a friend, John M. Robsion, who was my Congressman, representing the congressional district in Kentucky in which I lived. They had been friends for a long time, and they were both Republicans. They shared many convictions, and they were great patriots.

Congressman Robsion had told me about Congressman Reed, his friend. I came to know him when I first came here. Like others who have spoken and those who knew him, I came to admire his strength of character, his strong convictions, his great ability, and his patriotism. He was always thoughtful, kind, and helpful to me.

We knew his son, Bill Reed, who served as an employee in the Senate.

I should like to join with others in extending to Mrs. Reed and the family our sympathy.

USE OF RUSSIAN IMPORTED EQUIPMENT IN AMERICAN SCHOOLS AND COLLEGES

Mr. DIRKSEN. Mr. President, recently I have observed that there have been imported into this country from the Soviet Union various types of equipment, such as microscopes and electronic equipment, designed especially for the use of laboratories in schools and colleges. I understand that a good many thousands of pieces of this equipment are going into stock in this country, and the interesting point about this is that it can be sold for one-third or one-fourth of the cost of producing it in the United States. I do not say that at those prices the equipment constitutes a plan or a scheme; but it is rather interesting that it should be going to schools and colleges in the United States, because the equipment itself has a tremendously large propaganda value.

Mr. President, I have prepared a statement on this subject, and I ask unanimous consent that it be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN

Recently it has come to my attention that there have been imported into this country from the Soviet Union various types of equipment such as microscopes, projectors, electronic demonstrating equipment, which is available for use in schools and colleges in this country.

Some of this equipment was exhibited at various conventions in New York and I am advised that it is alleged to be comparable with equipment manufactured in the United States and sells for only one-third or one-fourth of the United States price.

It has been attracting a great deal of attention and it is fair to assume that the importers are now awaiting orders. It appears that a substantial stockpile has been accumulated and that additional equipment is available from the same sources in the Soviet Union.

This presents a very interesting situation. This equipment is not sent here to be sold at a profit, because at the prices at which it is offered according to reports, it could hardly yield a profit even though labor in Russia is not free and businesses pay no taxes because the tax collector really owns the business.

It would be easy, indeed, to use equipment intended for schools and colleges as part of a plan to convince people here at home that Russian equipment is better, her teaching methods are superior, and that she has so much apparatus of this type as to be supplying this country out of surplus. This would be an ideal project as a propaganda weapon.

Of course this is not the first time the Soviet Union has attempted to penetrate commodity and equipment markets because her forage in dropping the price of aluminum is so well known both here and in Canada. This whole matter presents something of a challenge in the space age. I would find no comfort if students and technicians were to say that our physical and electronic equipment is either not good enough or too costly and therefore we must turn to the Soviet Union for the apparatus with which to teach and educate the formative minds of our own country. This situation can produce some very awkward results and especially so in the case of public schools and institutions where public funds would be utilized for the purchase of such equipment. It is a matter that merits careful investigation because of the many implications which might be involved.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RESPONSIBILITY OF THE INDIVIDUAL SENATOR: ITS DISINTEGRATION—PART I, THE CAUCUS

Mr. PROXMIRE. Mr. President, this is the first in a series of speeches I intend to give on the floor of the Senate to protest the disintegration of the rights for all Senators in my party regardless of seniority or official position to take part in determining the most important decisions made in the U.S. Senate.

Mr. President, what I am about to say I ask the Official Reporters to take down verbatim. In the event another Senator shall invoke rule XIX, paragraph 2, to call me to order, I want to be sure that, in accordance with paragraph 5, rule XIX, I may have the exact words I uttered read to the Senate before the motion on my compliance with or violation of paragraph 2 of rule XIX is voted upon.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Insofar as I am concerned, I wish to assure the Senator from Wisconsin that there will be no invoking of the rule. It is my hope and expectation that the Senator will be allowed to complete his speech without any interruption of that nature. . .

Mr. PROXMIRE. I thank the Senator from Montana. I appreciate his remarks very much. I do wish, however, to clarify my statement in the written text, because in what I am about to say I intend no reflection whatsoever upon the conduct or motive of any Senator.

Senators have been confronted with a situation in this body that is not a reflection on their conduct or a consequence of their conduct. On the contrary, it is a reflection of the failure of all of us to act. This, and only this, is what I mean when I say that the typical Democratic Senator has literally nothing to do with determining the legislative program and policies of this party in the Senate.

Democratic Senators have done more than surrender a vital right. We have given up a duty to use the great office of U.S. Senator to its fullest in behalf of our sovereign States and our shared obligation to the national interest.

Today I shall talk about how the total disappearance of the Democratic Party caucus as an instrument of decision or even information has contributed to this situation. In later talks I shall discuss the effect of this surrender of right and duty on the role of our Democratic Policy Committee. I shall also discuss the consequences to the interests of the States themselves. Later I shall talk about how this evaporation of individual senatorial responsibility offends the obligations of this body to the party on whose platform we have run for election. I will also talk about the effect of this situation on the vital function of the Senate as a great deliberative body. Finally, I shall discuss how this has concentrated a unique degree of power in the hands of the majority leader, and I shall examine in detail the full implications of this concentration of power.

Mr. President, I know it will be said that party matters of this kind should be discussed only in party circles—privately, behind closed doors. There are two reasons why I have decided to make this a public discussion. First, I think this is very much the public's business. With my party the overwhelmingly dominant force in this powerful body, the public has a right to sit in on a full critical discussion of who exercises this power, how, and why.

Frankly, I have not discussed these proposals with the leadership, although I have been told by colleagues that they have tried this in the past with uniformly discouraging results. Also I am reminded of a Herblock cartoon showing a happy, smiling and hungry lion, labeled "Congressional leaders," leading into the lion's cave a Congressman carrying a banner labeled "reform." The caption on the cartoon is "Step into my office, lad, and tell me all about it." The floor of the cave is littered with the bareboned skeletons of previous Congressmen who have followed the suggestion of this happy lion.

Secondly, there is a very practical reason why I have taken this issue to the floor of the Senate. There is no other place where I can take it. The Democratic conference or caucus of the Senate is in fact dead—as I shall show shortly.

It will be said also that this kind of public talks on the floor of the Senate itself will accomplish no good, and may do serious harm; that it is foolish and useless.

Mr. President, I disagree, and there is precedent to support my position. I think I can show in the course of the speeches I shall make that there has never been a time when power has been as sharply concentrated as it is today in the Senate. But a similar problem of power concentration has confronted Senators in the past. The first step to its solution has been to talk about it: To pull it out in the cleansing scrutiny of public debate and national consideration. Before I am through I hope to point the way toward at least some modest reforms. And I honestly hope to achieve at least a beginning.

THE DEMOCRATIC CAUCUS

Here lies the Democratic caucus
Conceived by senatorial responsibility
And born with the Democratic Party—1800
Assassinated at the hand of senatorial indifferences—1953
"She labored faithfully and well to make
Senatorial leadership responsible to all the people."

VITAL ROLE OF CAUCUS

Mr. President, there is one body and only one body to which all Democratic Senators and only Democratic Senators belong. That is the Democratic conference—in past years called the Democratic caucus. This is the fountainhead of Democratic power in the Senate. The policy committee, the steering committee, the chairmen of all committees, the party whip, and, yes, the majority leader himself, all owe their offices to this convocation of all Democratic Senators, which also directs the assignment of Democratic members to all committees. During much of the history of the Senate the party conference or caucus has given all Democratic Senators their opportunity to exercise their right and fulfill their duty in determining our party's program and policies.

Mr. President, what has happened to that opportunity?

I took office in this body on August 29, 1957. Since that time the Democratic Party has had exactly two senatorial conferences or caucuses. The first was the first week in January 1958. This was the first Democratic Party caucus in this body for 1 full year. The second took place just last month. So this party in the Senate has been moving along at the rate of one conference or caucus a year. What caucuses! The caucus is not only immensely important, it offers the one and only opportunity for most of us as Democratic Senators to have a word to say about our Democratic program, the legislation this majority Democratic Party of ours will take up during the session.

What happened at these vital annual meetings? Let me describe them.

JANUARY 1958 DEMOCRATIC CAUCUS

In January of 1958 Senators assembled and listened to the majority leader read a speech which he had previously released to the press in full. After the speech the two Senators elected since the last previous meeting of the caucus—including myself—were introduced. Then four or five Senators were called on by the leader to discuss the Nation's defense posture; and the meeting adjourned. That was it.

That was the sum total of meetings of Democratic Senators in conference during all of 1958.

There was not a single matter of party business discussed. There was not even a mention of party program, not a whisper concerning any legislation. There was no provision on the agenda for such discussion. This was the sum total of opportunities for most Democratic Senators to influence the most important decisions made in this body during all of last year.

JANUARY 1959, DEMOCRATIC CAUCUS

The next meeting of the Senate Democratic caucus was a full year later. It took place just last month. Again the meeting was convened by the majority leader, who delivered another speech on the state of the Nation. This speech, too, had been released beforehand in full to the press. After the leader's speech, the only real caucus business that has transpired since I took office in 1957 then took place. The President pro tempore was renominated. The President pro tempore then declared that the majority leader, his assistant, and the secretary of the conference, had done a fine job last year, and without objection were elected again. The business of the caucus was over. The only business of the entire caucus had taken less than 2½ minutes. And Senators had surrendered for another year their right and duty to determine the Democratic Party's policies and program. There was a later speech by Senator HUMPHREY on his interview with Khrushchev, but there was no significant further consideration of party business, and no information on the party's program or policies before the caucus adjourned.

By the simple declaration of those few seconds, 63 Democratic Senators had elected a 64th Senator, as majority leader. The same leader became automatically chairman of the party's steering committee that determined all committee assignments. He was given the power to appoint all other members of the steering committee. He also became chairman of the policy committee, which schedules the legislative program. He was given the power to appoint all members of the policy committee. These powers have, of course, inhered for some time in the office of Democratic majority leader. But, as I shall show, there is a clear and sharp difference in the quality of this power now, a difference not simply in degree, but a difference in kind.

LA FOLLETTE PRECEDENT

My predecessor, the great Senator Bob La Follette, in opposing power concentration in the Senate 50 years ago, encountered a strikingly similar situation. Let me quote from the statement La Follette made on the floor after a similar caucus. This was a conference of the Republican Party, instead of the Democratic Party:

> I attended a caucus at the beginning of this Congress. I happened to look at my watch when we went into that caucus. We were in session 3 minutes and a half. Do you know what happened? Well, I will tell you. A motion was made that somebody preside. Then a motion was made that whoever presided should appoint a committee on committees; and a motion was then made that we adjourn. Nobody said anything but the Senator who made the motion. Then and there the fate of all the legislation of this session was decided. * * * Mr. President, if you will scan the committees of this Senate, you will find that a little handful of men are in domination and control of the great legislative committees of this body, and that they are a very limited number.

That statement was made by Senator La Follette 50 years ago.

TO WHOM IS MAJORITY LEADER NOW RESPONSIBLE?

Now, Mr. President, we come to the crux of our problem. Let me ask: With the collapse of the Democratic caucus as an instrument of decision, to whom is the majority leader responsible for his discharge of the immense powers with which the caucus in an instant endowed him for 2 full years?

Let me ask that question again: With the collapse of the Democratic caucus as an instrument of decision, to whom is the majority leader responsible for his discharge of the immense powers with which the caucus in an instant endowed him for 2 full years?

The truth is, in the final analysis, that the majority leader is, under the conditions of the present, ultimately responsible only to the electors of his own State, just as any other Senator is. Because this is so, the citizens of all the other States are in effect disenfranchised to a very substantial extent in the decisions that are exercised by the majority leader. The only way in which citizens of the other States can be assured of representation in the making of these decisions is to have their Senators participate in the making of the decisions. The decisions now being made by the majority leader must instead be made by the majority in the Senate through the instrument of an active and functioning majority caucus.

Before 1955, every Democratic majority leader had been responsible, at least in large part, to a Democratic President all the way back to 1880, when the Democratic caucus had been flourishing vigorously.

I call attention to the fact that this is a part of the difference in kind between the situation up until 1955 and the situation from 1955 until today, because when the majority leader is responsible to the President of the United States, there is an enormous difference between such a responsibility and that of a majority leader who is not responsible to anyone.

Because the President is nationally elected by a national party, with a national platform and program, the majority leader was responsible in a national sense. This responsibility has not been just a matter of academic theory. It has been a tough, practical fact of political life. The majority leader conferred with the President, reported to the President, and was the President's representative in the Senate. Of course, events like the resignation of Alben Barkley from the majority leadership when he disagreed with the President emphasized and underlined this relationship. The almost perfect cooperation between Majority Leader John Kern and Woodrow Wilson and an active and vigorous Democratic caucus from 1913 through 1916 was probably the classic expression of the responsibility.

I think Senators can hardly do better than go back to the period from 1913 to 1916 and consider how the Democratic majority operated; and it was a thin majority at that time. It was a majority which did not have the vast superiority we now have, a superiority, virtually, of two to one. The majority at that time was very close. It was also a majority having dissident groups, just as ours has, perhaps more so.

The majority of that time was a majority confronted with a tremendously difficult situation, including a change in the Presidency. But it was a majority which fulfilled its responsibility by passing some of the most significant legislation this Nation has ever seen. The entire New Freedom program of President Wilson was passed in the period from 1913 to 1916. There were not occasional caucuses; there were frequent caucuses. The Democratic Senators operated as a unit. The Democratic leader, John Kern, who was a splendid majority leader, took his direction from the unified decision of all Democratic Senators. But the fact is that throughout the history of this body up through 1954, the Democratic majority leader was always responsible either to an alert and active caucus, to a Democratic President, or both. Again I ask: To whom is the office of majority leader responsible now? With nearly a two-thirds control of the Senate by my party, this becomes a critical national question. This is not merely the business of our party; it is the business of the American people. With almost a two-thirds control of the Senate, the Democratic Party has tremendous power and a very great responsibility, a responsibility which should be definite, and definitely understood by the American people, by Democratic Senators and by the majority leader.

INDIVIDUAL SENATORIAL RESPONSIBILITY

Does the failure of Senators to insist on intervening by formally and publicly requesting a caucus mean that by our inaction we acquiesce in whatever our leadership may develop as a plan or program?

It is true of course that the caucus can be and I am sure would be convened to exercise direction and control over the majority leader at any time Senators requested such action. This was dramatically demonstrated to me when I started writing this speech on Friday. I asked them to see the minutes of past conferences or caucuses. I asked to see them as a member of the conference, thinking I could see them at any time. I was told that the majority leader felt that he needed the authority of the caucus to permit me, though a member of the caucus, to see them. He offered to call a meeting of the conference at once for this purpose alone if I so requested.

I want to make it clear that this was not in a direct conversation with the majority leader; it was indirect, through persons acting for him.

Such a meeting could be called. But of course this is never done. It is generally regarded as a leadership prerogative to call a conference. This is not

simply because the action by nonleadership Senators might be regarded as a rude intrusion or an affront to the leadership. It is also because only the leadership is in a position to lay out comprehensive, timely, and appropriate agenda for discussion. And, of course, the proof of the pudding is in the eating: While any Senator could request the leadership to call a conference, what do the facts show? As a matter of established fact, it never happens.

CAUCUSES SELDOM MEET

In the 85th Congress the Democratic caucus, as I have pointed out, met exactly twice during its 2-year life. Both times the leadership convened it. This was also true of the 84th Congress in its 2 years and of the 83d before that. According to all reports the meetings were as perfunctory and as totally unrelated to a party program as the meetings I have described. For some years prior to 1952 the meetings of the caucus were convened infrequently, though more often than once each year. I find, for example, press notices of 13 Democratic caucuses in the 81st Congress, only 7 during the 2-year life of the 80th, and 7 during the 2-year life of the 82d.

POLITICAL SCIENTISTS FAVOR FREQUENT CAUCUSES CALLED BY LEADERSHIP

Mr. President, what is perhaps the most authoritative statement by outstanding professional experts on this subject was made by the committee on political parties of the American Political Science Association in a report in 1950 entitled "Towards a More Responsible Two-Party System." In a recommendation to Congress these top political scientists recommend:

> Whether they be called caucuses or conferences, more frequent meetings of the party membership in each House should be held. Otherwise there can be no real discussion of party positions and no real participation in or check upon the decisions of the party leadership. Without such discussion and participation, efforts to make party operations more responsible will be futile.

Mr. President, let me repeat that quotation, because I believe it is extremely important that the Democratic Members of the Senate recognize that the words I have quoted are the considered judgment of the top political scientists:

> Whether they be called caucuses or conferences, more frequent meetings of the party membership in each House should be held. Otherwise there can be no real discussion of party positions and no real participation in or check upon the decisions of the party leadership. Without such discussion and participation, efforts to make party operations more responsible will be futile.

So said those top scientists.

Mr. President, although those words are the most recent authoritative ones on this subject that have been spoken by the members of the American Political Science Association, I think it interesting to recall that they were spoken in 1950. The association's committee then called for more frequent caucuses. But what has happened since then? As I have pointed out, we have been going along with one caucus a year, and it has had nothing to do with the program or the policies of our party.

Mr. President, should any Senator who feels so inclined be responsible for initiating these caucuses? Well, these authorities recommended that "the party leadership committees should be responsible for calling more frequent caucuses"; and then they added, Mr. President, "and developing the agenda of points for discussion."

Mr. President, if any Senator who felt like doing so were to convene a caucus, it is obvious that there would be chaos. There would not be the right kind of organization for a caucus. It would not be possible for any such Senator to schedule the consideration of pertinent proposed legislation; and, obviously, it would be a rude intrusion upon the prerogatives of the leadership; and, clearly, it would not get anywhere, because in such a caucus the sentiment would obviously be opposed to any Senator who might be so impertinent as to call such a caucus.

Mr. President, I think the authors of the report from which I have quoted deserve recognition, because all of them were eminent professors from our leading universities, specifically: Thomas S. Barclay, Stanford University; Clarence A. Berdahl, University of Illinois; Hugh A. Bone, University of Washington; Franklin L. Burdette, University of Maryland; Paul T. David, Brookings Institution; Merle Fainsod, Harvard University; Bertram M. Gross, Council of Economic Advisers; E. Allen Helms, Ohio State University; E. M. Kirkpatrick, Department of State; John W. Lederle, University of Michigan; Fritz Morstein Marx, American University; Louise Overacker, Wellesley College; Howard Penniman, Department of State; Kirk H. Porter, State University of Iowa; J. B. Shannon, University of Kentucky; and E. E. Schattschneider, Wesleyan University, chairman.

PRESIDENT WILSON WARMLY PRAISED CAUCUS

Mr. President, Woodrow Wilson more than 70 years ago, in his great "Constitutional Government," warmly praised the caucus as a vital "antidote to the committees—designed to supply the cohesive principle which the multiplicity and mutual independence of the committees so powerfully tend to destroy. The caucus is the drilling round of the party. There its discipline is renewed and strengthened, its uniformity of step and gesture regained. The voting and speaking in the House are generally merely the movements of a sort of dress parade, for which the exercises of caucus are designed to prepare. It is easy to see how difficult it would be for the party to keep its head amidst the confused cross movements of the committees without thus now and again pulling itself together in caucus, where it can ask itself its own mind, and pledge itself anew to eternal agreement."

Mr. President, I ask no such eternal agreement or discipline. Of course I recognize that it would probably be impossible, and very likely unwise if it were possible, to impose a caucus unit rule in this body even on matters of first importance in our party platform. I am not asking for that, or even for a consideration of it.

What I am asking for is that our leadership consider in due time calling regular caucuses with specific agendas proposing consideration of our legislative program. At least to begin with, I do not ask for more than a report by our leadership on what they plan for this body, and why. I ask an opportunity for all Members to express their viewpoint, and I ask that the caucus vote on important controversial issues, not to bind anyone, but for the guidance of our leadership.

INDIVIDUAL CONSCIENCE MUST NOT BE BOUND

It will be said that the party record is made by the votes of individual Senators, responsible only to their own conscience and to the electors of their States, free from direction by the party leaders in the Senate. That is all to the good and as it should be, as far as it goes. But what this overlooks is that, as a practical matter, an extremely vital element of decision is made on each item of legislation and on the general legislative program long before the individual Senators are given an opportunity to vote on the floor of the Senate. It is in this area of decision, before legislation reaches the floor for action, that the majority leader exercises his greatest power. It is in this area that the decision is made, to an extremely significant extent, as to what the practical alternatives will be upon which individual Senators can vote. The decisions that are made in this domain are vitally important to the Nation.

It is my objective to obtain for the individual Senator the opportunity to have an effective voice in the making of the extremely important, vital decisions that occur before legislation can reach the floor of the Senate for action, and to have a voice also in determining what legislation shall reach the floor for a vote.

I want to emphasize my deep conviction that the primary, fundamental responsibility of an elected representative must be to his own conscience. No consideration—whether of party interest or popular pressure—must ever override the judgment of an elected official's own conscience as to what is best for his State and his Nation. From the very beginning of my career in politics and government, I have never hesitated to follow the dictates of my conscience, although to do so has often brought me into sharp disagreement and conflict with members of my own party, as well as important groups among my friends and supporters. This principle I fully intend to follow absolutely. No party leader, no special interest group, however powerful, no consideration of personal friendship and association, will I ever allow to take primacy over my own conscience in determining how I shall vote or otherwise carry out the duties of any office that I might hold.

This principle of the absolute primacy of individual conscience in no way conflicts with the objective I am seeking now—to make the majority party caucus into a truly effective and representative agency of the will of the majority in the Senate. As a matter of fact, this principle would be reinforced greatly thereby; my present action is completely in ac-

cordance with my deepest belief that the individual conscience of each Senator must be supreme in guiding his official action. I seek to broaden the opportunity of every individual Senator to make his own voice heard when the big decisions are made in the Senate as to what will or what will not be done about the public's business. In no way do I mean to imply or to suggest that this would entail submission of the individual Senator's conscience to the will of the majority of the caucus. I will follow the dictates of my conscience against the decision of a caucus as readily as a decision of any leader, if I believe my course to be right and theirs wrong.

Mr. President, I come now to a subject which I know troubles many Senators, and I know it troubles many other American citizens, because the Senate has an unusual and a remarkable majority leader.

Mr. President, our party in the Senate enjoys a leader who has been more extravagantly and widely praised by his colleagues and the press throughout this country than any other leader who has graced this body. There is no man in America today who has been more widely credited with vigorous and positive leadership than has he. Most consider this leadership an important national asset. Heaven knows that in this day the American people need and want leadership.

In a later speech I shall discuss the full implications of this leadership and the power it has generated. But for the purpose of my speech today, I can see no reason why regular caucuses to provide a systematic and comprehensive briefing of all Democratic Senators by the leadership, with at least some guidance by the membership, should impede the drive and the accomplishment of the leadership. In fact, I honestly think, and bluntly say, it will improve the leadership. Without such a caucus we as Democratic Senators have immensely stepped up the horsepower and speed of this new streamlined Senate automobile, but we have tossed away the roadmap so that we are never sure where we are being taken.

Certainly in these perilous times, our Nation gravely needs strong and effective leadership. But even more important is the need that leadership be truly representative of the majority in the Nation, and that it be truly responsible to the people. These needs can be served only by an agency that is directly responsible to the people. The President of the United States is responsible to the national majority which elects him. The majority in the Senate is generally responsible also to a majority of the Nation. But the majority leader, under present conditions, is not. The only way that office of majority leader can be made relatively responsible to the people of the entire Nation is to make it directly and effectively responsible to the majority in the Senate, by assuring to each Senator a full opportunity to participate in making the important decisions now vested in the majority leader.

This will not weaken the leadership function which can be supplied to the Nation in the Senate. On the contrary, it will improve and strengthen it by transforming it into a more genuinely representative national leadership, instead of allowing this great power to exist without the effective sanction of the Senators who represent the other States and their people.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Oregon.

Mr. NEUBERGER. I have been listening with interest to the very able speech being delivered by the distinguished Senator from Wisconsin. I should like to ask him when he arrived at his conclusion regarding the adverse impact on the public welfare of the policies followed by the majority leader.

Mr. PROXMIRE. In reply to the distinguished Senator from Oregon, I should like to say that he puts words into my mouth. I do not think he will find anything in my speech to indicate that I think the policies of the majority leader have necessarily been adverse to and against the public interest. I shall come to that subject later. I have a speech which I intend to deliver on the consequences of this power. I think that there are certain decisions which perhaps might have been wiser. I think there have been certain decisions which have not been made which should have been made.

Mr. NEUBERGER. Let us not quibble about words. When did the Senator from Wisconsin decide to rise on the floor of the Senate and criticize the majority leader? I would be interested to learn the chronology of when the Senator from Wisconsin arrived at that decision.

Mr. PROXMIRE. These decisions are decisions which the Senator from Wisconsin has made over a substantial period of time. I think I began to feel uncomfortable about the situation at the very first caucus I attended. It began to appear to me that this was a situation which needed action—demanded action.

Mr. NEUBERGER. As I recall, the first caucus which the Senator from Wisconsin attended was in January 1958. Is that correct? That is my memory of it.

Mr. PROXMIRE. Yes.

Mr. NEUBERGER. I will tell the Senator why I am asking these questions. Unless my memory fails me, the Senator from Wisconsin, during that portion of his career before his election to a 6-year term, probably "buttered up" the majority leader more than any other Senator of the then 96 Members of this body. That is why I asked about the chronology, because I could not believe my eyes when a copy of the speech was delivered to me. Bells began to ring in my memory. I remembered tributes paid by the Senator from Wisconsin, after January 1958, to LYNDON JOHNSON that actually only would be applied to George Washington, who was memorialized earlier today by the able Senator from Colorado [Mr. ALLOTT] when he read the great Farewell Address.

I should like to ask the Senator a few questions——

Mr. PROXMIRE. May I reply to the first allegation now? I will say to the Senator from Oregon, that of course I praised the majority leader. I praised him when I thought he was right, and he often was. As I have just said in the speech I am delivering now, the drive, the emphasis, the initiative, and the effectual conduct of leadership of the majority leader has been a national asset. I think it will continue to be a national asset. I intend to continue to rise on the floor of the Senate and say I think he is right when I think he is right. I will also rise on the Senate floor and say the majority leader is wrong when I think he is wrong.

However, I should like to have an opportunity to reply to my good friend, and to point out that the words "buttered up"—[laughter]—have certain implications which I think are not warranted.

Mr. NEUBERGER. Let me say "lavishly praised."

Mr. PROXMIRE. I lavishly praised the Senator from Texas.

Mr. NEUBERGER. Let us say "glowingly lauded." I will read some of the tributes in just a moment.

Mr. PROXMIRE. I am delighted the Senator from Oregon is going to read them. I think it will serve an excellent purpose if he does read them, because I want to put in its proper perspective the criticism I am making. The proper perspective is that the Senator from Wisconsin has a right to speak out when he thinks the majority leader in his action and leadership should have direction and should have control by the Senators who gave him his power.

Mr. NEUBERGER. The reason I inquired about the chronology of the Senator's decision is the fact that it does amaze me that the Senator should have, a year ago, more than did any other Senator, glowingly praised and lavishly lauded and widely heralded—if those terms are acceptable—the majority leader of the Senate, and has now become such a vigorous critic of the majority leader.

For example, on April 1, 1958, the Senator from Wisconsin said, under the headline "A Strong Leader in the Senate," as appears in the CONGRESSIONAL RECORD, volume 104, part 5, page 5891:

> Mr. PROXMIRE. Mr. President, the Milwaukee Journal, in my home State of Wisconsin, recently carried an editorial tribute to the distinguished senior Senator from Texas [Mr. JOHNSON], our majority leader.

Then the Senator from Wisconsin went on to praise the Milwaukee Journal. I concur in the praise of that great newspaper. Then the Senator went on and read from the Milwaukee Journal as follows:

> The United States is getting little leadership from the White House. Fortunately, Congress is trying to fill the vacuum. Guiding the effort is LYNDON B. JOHNSON, remarkable Democratic leader in the Senate. * * * The driving Texan has given Congress direction and a sense of urgency.

Then the Senator from Wisconsin said:

> The editorial concludes with the central reason for the enormous contribution the

majority leader is making to our country when it says:

"He thinks the best way he can serve his country is as a responsible leader of the Democratic Party in the Senate."

I shall not read all the editorial.

Then I notice other tributes to Senator LYNDON JOHNSON, of Texas, which were made on February 28, 1958. I call attention to the fact that these dates are following the time when the Senator from Wisconsin said he first became disturbed about conduct of the party caucus by the majority leader. An article appearing in Harper's magazine by Mr. William S. White, entitled "Who Is LYNDON JOHNSON?" was being discussed. The Senator from Wisconsin, as appears in the CONGRESSIONAL RECORD, volume 104, part 3, page 3089, said:

Mr. PROXMIRE. Mr. President, I have read the very fine article by William S. White. I concur wholeheartedly in the remarks of the Senator from Montana—

That was Senator MANSFIELD.

I should like to add that this article is particularly important to the Senate, because it sets forth what our distinguished majority leader has done. He has occupied a very difficult role. It is never so heroic, never so flamboyant, never so appealing as that of the arch-crusader. It is a role of moderation, a role of outstanding responsibility. If the American people can have this article called to their attention they will understand that portion of the title which reads, "An Intimate Report on the Second Most Powerful Man in America." They will understand the great opportunity which Congress finds it has in this session to exert a kind of congressional leadership which the Nation has never seen. That is possible because of the outstanding ability of our distinguished majority leader.

My reason for raising this point is that it does seem to me that to accept what emoluments and benefits the majority leader could confer, and then to turn on him, after being elected to a 6-year term, certainly should be called to the attention of the Senate.

I have done this only because I was personally involved in an episode which the Senator from Wisconsin may remember. A vacancy occurred on the Committee on Agriculture and Forestry. I had applied a great length of time earlier, perhaps over a year earlier, for a seat on the Committee on Agriculture and Forestry. When the vacancy occurred, I had a priority for the seat.

The majority leader sought me out, and he said to me, "BILL PROXMIRE has reported that if he can only get on the Committee on Agriculture and Forestry, because of the dairying and farming situation in his State, his reelection is assured." He said, "I hope that you will see fit to bypass this vacancy, to which you are entitled."

I am trying to paraphrase as accurately as I can the majority leader in his conversation with me. He said, "I hope you will bypass this vacancy, to which you are entitled, having requested it earlier, and by seniority, so that Senator PROXMIRE can go on the Committee on Agriculture and Forestry and thus strengthen his position and prestige with the people in the great dairying State of Wisconsin."

I abdicated my chance to get on the Committee on Agriculture and Forestry. In all truthfulness, I must say I did not do it solely because the majority leader spoke to me. I did it because I would have had to relinquish my position on the Committee on Interior and Insular Affairs, and the people of my own State had several very vital matters pending before the Committee on Interior and Insular Affairs, particularly the crisis regarding the future of the great pine forest on the Klamath Indian Reservation. I felt I had to remain on the Interior Committee, and I have no regrets about the decision.

The point I am making is that, in the year 1958, the Senator from Wisconsin filled the CONGRESSIONAL RECORD with praise of the majority leader. I am not going to read all of the remarks, because there are many examples, and my legislative assistant, Mr. Lawrence Hobart, has had only 20 minutes to try to obtain these example from the library upstairs. I am sure we could cover these desks from end to end with material, if my memory is correct.

In 1958 the Senator from Wisconsin filled the CONGRESSIONAL RECORD with more praise of LYNDON JOHNSON than any other Member of the Senate, if my memory is correct. The Senator from Texas [Mr. JOHNSON] actually went to another Member of the Senate; namely, the junior Senator from Oregon, and asked him to relinquish an opportunity to become a member of a great Senate committee so that the Senator from Wisconsin could fill that vacancy and that position which was so important to the great agricultural State that the Senator helps to represent in the Senate.

I simply say, if the Senator is correct in telling the Senate that he began to be disturbed about the situation in January of 1958, I wonder why the Senator repeatedly put into the CONGRESSIONAL RECORD such extensive and lavish and glowing praise of the majority leader and his policies between then and the time the Congress adjourned prior to the Senator's reelection in 1958?

I want to say also that I do not wholly disagree with everything the Senator is saying today, but I think a man should whistle the same tune all the time. Many of the things the Senator is saying have a good deal of truth in them, although I am disturbed about the word "discipline" which has been applied to a party caucus in some of the Senator's statements.

I want to say that if all of the members of the Democratic caucus, meeting as the Senator suggests, decide we should spend $4.8 billion to subsidize a small portion of the farmers, I am not going to vote that way unless somebody holds my hand in an acetylene torch.

I do not wholly disagree with the Senator's statements, but I am amazed and surprised after all of the praise of the majority leader in 1958, to observe that now the Senator, so relatively soon thereafter, is making the speech the able Senator from Wisconsin is delivering today.

Mr. PROXMIRE. I reply to the Senator from Oregon that this is one of the most astonishing arguments I have ever heard. The position of the Senator from Oregon is that because I have praised the senior Senator from Texas in the past—apparently because I have praised him often and because I have praised him whenever I have thought he has done well, which was quite frequent—I should therefore not criticize him when I feel he should be criticized.

I shall be through shortly, but I have several points to make in answer to the long question asked me by my colleague from Oregon.

The position of the Senator from Oregon apparently is that once one praises a Senator and once one says a Senator is doing a good job, if the Senator does things which are wrong in the future, if the Senator makes mistakes in the future, or if one disagrees with the Senator in the future, one is forever after that in a position where he must not be critical, but has to go along with the Senator.

I think that we all recognize Emerson had a principle, whether he was right or wrong, when he said, "consistency is the hobgoblin of little minds."

Mr. NEUBERGER. "A foolish consistency."

Mr. PROXMIRE. Very well; "A foolish consistency."

I think it would be a foolish consistency indeed to feel that because I have praised the majority leader in the past I cannot criticize him now.

What the Senator from Oregon is saying, it seems to me, puts the finger on something I am going to bring up with emphasis in a later speech, and also emphasizes what is implicit in what I am saying today, namely, that because we have a majority leader doing a good job in many respects and because we have a majority leader whom we can praise often, we are in a position, apparently, where we must follow him wherever he leads and, furthermore, we cannot step in to use the caucus which has been used traditionally by Senators—particularly Democratic Senators—to guide and direct their leadership.

Furthermore I should like to make this point: The Senator has argued that because I accepted emoluments offered to me by LYNDON JOHNSON I should not criticize. This is exactly the point. I think the majority leader is a good majority leader. If I am assigned to a committee, am I obligated to LYNDON JOHNSON? Almost every Senator—well, every Senator on the Democratic side—has good committee assignments, including myself. I am happy to have them. I think it will be a sorry day in the U.S. Senate when 63 Democratic Senators feel that because the majority leader is the majority leader and because they received good committee assignments they are therefore, from now on, obligated to him, whether he is right or wrong.

It seems to me this is the kind of control and this is the kind of direction which is insidious and which can prevent Senators from being totally and completely unrestricted in representing their States and the Nation according to conscience and best judgment.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. NEUBERGER. The Senator used the phrase "in the future" when he discussed his attitude toward LYNDON JOHNSON. The point I am making is that, according to the Senator's own manuscript, and oral remarks made later, the Senator said he became disturbed about the caucus situation in January of 1958, yet most of his extensive praise of the majority leader took place after that time.

Mr. PROXMIRE. Well, unlike the Senator from Oregon and perhaps other extremely brilliant Senators, I move rather slowly on these things. It takes a long time, with a lot of experience and a lot of time having to intervene and a lot of incidents having to develop, before I can see the pattern which exists in the Senate. I suspected it. I felt it, at the same time I was swept along in a tide with a lot of other fine Democratic Senators who felt overwhelmed. The fact is that we had a vigorous and effective majority leader, giving very effective leadership to the Senate at a time when the American people needed and wanted leadership. I think that is true.

Mr. NEUBERGER. Was the Senator swept along to say, as shown by the CONGRESSIONAL RECORD:

> Mr. President, few men of his time can match the record of leadership of the senior Senator from Texas.

Was the Senator swept along in that manner? Who swept the Senator along to say—and again I repeat—the most extensive, lavish, and glowing praise which the Senator from Texas [Mr. JOHNSON] received from any Member of the Senate during 1958? Such was the praise the Senator from Texas received from the Senator from Wisconsin [Mr. PROXMIRE].

Mr. PROXMIRE. The Senator from Oregon——

Mr. NEUBERGER. The Senator was not swept along to do that.

Mr. PROXMIRE. The Senator from Oregon has not made an analysis of the remarks regarding the distinguished senior Senator from Texas by all other Senators, I am sure. There were many statements and speeches of warm praise for the Senator from Texas. The Senator deserved them. I was present and heard many remarks made.

What I am saying in my prepared speech today is—and I quote: "There is no man in America today who has been more widely credited with vigorous and positive leadership than has he," unquote.

I say, also—quote: "Most consider this leadership an important national asset," unquote.

I say the Senator has been widely praised by his colleagues, and I do not think I am misstating or completely reversing my position, so far as that is concerned. I think the position I have taken has largely been consistent.

Mr. NEUBERGER. Again I say to the Senator from Wisconsin—and I say it with all respect—that I believe the CONGRESSIONAL RECORD should show that his very extensive praise of Senator LYNDON JOHNSON occurred in 1958, prior to the election of the Senator from Wisconsin for a full 6-year term in the Senate; and the speech which is being delivered today, and the subsequent speeches critical of the majority leader, which will follow, occurred, or will have occurred, after the reelection of the Senator from Wisconsin for a full 6-year term in the Senate. Yet the Senator from Wisconsin has said—and I believe it is in the RECORD—that he began to be disturbed about this situation back in January 1958.

Mr. PROXMIRE. I think it is most unfortunate that the emphasis in this little exchange between the brilliant Senator from Oregon and myself has been upon criticism of the majority leader. Actually, I believe any fair-minded reading of my speech would show that it is a proposal for frequent Democratic caucuses, and an attempt to justify them, together with a plea to the leader to call them. I believe, to the extent that there is criticism of the leadership, it is tempered with recognition that this very able man has greatly contributed to his country. I honor him for that.

My good friend from Oregon has said little or nothing about the merits of my argument.

Mr. NEUBERGER. Let me say one thing, if I may, and then I shall be through.

As I stated earlier, I agree with much of the argument of the Senator from Wisconsin. However, the Senator has asked me to comment on the merits, and I do so briefly.

I think there should be more party caucuses. I wrote an article for the New York Times magazine a year ago in which I questioned the seniority system. I do not recall that I received any support on the floor of the Senate from the Senator from Wisconsin at that time, although a few of my colleagues did support me.

Mr. PROXMIRE. I have often praised the Senator from Oregon. I would have praised him then.

Mr. NEUBERGER. I am concerned when the Senator uses the word "discipline" with respect to a party caucus. If a Democratic Party caucus should decide that we should not pay out billions of dollars more for farm price supports for six favored commodities, does the Senator from Wisconsin feel that he would be bound or disciplined by that decision?

Mr. PROXMIRE. I wish the Senator from Oregon had been present during my speech.

Mr. NEUBERGER. I have read it.

Mr. PROXMIRE. In at least six different paragraphs I stated that the conscience of the individual Senator must take primacy. Under no circumstances would I consider myself bound by the unit rule in any vote of the caucus. I have stated that the purpose of the caucus was to give guidance to the leadership, and to let the leadership know how the rank and file Democratic Senators feel.

Mr. NEUBERGER. The word "discipline" was used somewhere in the Senator's speech. It is an 11-page speech. Therefore it is possible that he may have taken both sides of the argument.

Mr. PROXMIRE. The word was used in quoting Woodrow Wilson. After I had quoted Woodrow Wilson, I stated that I disagreed with him on that particular point, although I agreed with his general sentiment in expressing a great desire for caucuses, and emphasizing their great benefit.

Mr. NEUBERGER. I should like to see more party caucuses, but I do not want to see a situation in which there is to be rigid discipline, and in which the minority must go along with the majority, whether in connection with farm price supports, public power, taxation, foreign policy, or any other question before the Senate. I think that would be a bad mistake. I believe that then we would have retrogressed, rather than have made the progress which I am sure the Senator from Wisconsin seeks.

Mr. MORTON. Mr. President——

Mr. PROXMIRE. Before I yield to the distinguished Senator from Kentucky, let me say that while the Senator from Oregon seems to disagree on a few minor aspects, I find that he agrees with me that there should be more party caucuses. He agrees that they should not be binding on individual Members. I am delighted to welcome the Senator to my band. I am gratified that out of this criticism there has developed a real supporter.

I now yield to the Senator from Kentucky.

Mr. MORTON. Mr. President, I am sure that everything that has been said here has been in good humor. It will be recalled that when this colloquy began, the Senator from Oregon used the term "butter." It would have been terrible had he used the term "oleomargarine." [Laughter.]

Mr. PROXMIRE. I thank the Senator from Kentucky for that very sage observation. There is no word more beautiful than "butter."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. I should like to ask the Senator from Wisconsin if he has ever asked for a party conference in which to discuss the question of how the party conference should be handled.

Mr. PROXMIRE. I answer the Senator from Montana by pointing out that I stated in my speech that I had not done so. I have not done so because I feel that that should not be the function of individual Senators. It should be the function of the leadership, and should not be done by individual Senators.

Mr. MANSFIELD. Mr. President, will the Senator further yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. The Senator attended the last caucus or conference of the Democratic Party, last month, did he not?

Mr. PROXMIRE. Yes; I did.

Mr. MANSFIELD. Does the Senator recall that on that occasion the majority leader asked if any member of the conference had anything to say?

Mr. PROXMIRE. I recall that very well; but I also recall the context in which the question was asked. It was asked after the speech of the Senator

from Minnesota [Mr. HUMPHREY], and it was my understanding that the question was asked whether any Member present had a question with relation to his speech. That is my best recollection.

Mr. MANSFIELD. We could be looking at the situation from different points of view. It is my understanding—and I could be mistaken, just as the Senator from Wisconsin could be mistaken—that when the majority leader raised the question, it was up to any individual member of the conference to bring up any question he had in his mind. There was only one member of the conference absent, and that was the junior Senator from Oregon. It was up to any individual Senator to bring up any subject he wished to discuss at that time. I think that fact should be brought out for the record.

Mr. LONG. Mr. President, will the Senator yield.

Mr. PROXMIRE. I yield.

Mr. LONG. It was my impression that the context in which the question was asked last month was that of a suggestion that if any Senator had any matter to bring before the caucus, that was the time to bring it up. As I recall, most of us were anxious to get away from there and go about our business.

Mr. PROXMIRE. Does the Senator recall at what point in the caucus this question was asked? Was it at the end?

Mr. LONG. Yes; it was at the conclusion. But I am sure the Senator would anticipate that when the group is called together, the first thing to be done is to designate a candidate for President pro tempore, and decide who the majority leader should be. Someone must be selected to preside over the conference. After a word or two from those selected for those positions, the next thing in order is unfinished business—for example, any questions arising as a result of investigations during the recess, and things of that sort.

The next item in order is new business. I do not believe any member came there with the expectation that any unfinished business was to be taken up. It was my impression—and I believe the impression of most other Senators—that if any Senator had wished to bring up any particular subject, he had the privilege of bringing it up at that time. Of course, he might have been confronted with a situation which often exists. At that point the meeting room might be virtually deserted, or Senators might be busy and might desire to go somewhere else. It was my impression that any Member could have brought up any question he desired to raise.

Mr. PROXMIRE. I thank the Senator from Louisiana. I point out that what has been said exactly emphasizes what was wrong with the caucus which was held, and why it is so important that we have agenda determined in advance, so that all members may know the agenda in advance. Members should be solicited for suggestions, or invited to discuss any question they wish to discuss.

The caucus developed in the manner described by the Senator from Louisiana and the Senator from Montana. After it was over, I have no doubt that the question was asked whether any Senator had anything to bring up. I did not happen to hear that question, but I am sure it was asked.

That is not the atmosphere in which it is possible for our party to develop a legislative program, or for rank-and-file Senators to have anything to say about the legislative program. This agenda for legislative discussion should be a function of the leadership.

What I am calling for is a greater degree of democracy in our party in the Senate. And the first step toward this democracy is regular meetings of our party membership to permit all Senators to know where the leadership intends to take us, and to permit the membership, if it cares to do so, to indicate whether or not it wants to go there.

In a later speech I shall discuss in detail the effect of this surrender of responsibility by Democratic Senators on our obligation to the Democratic Party we represent and its platform. Suffice it to say here that without genuine caucuses there is no way we can exercise the responsibility every Democratic Senator shares to hold our leadership accountable to that platform. And, of course, without a caucus the whole process by which our party's program is rationalized and compromised to fit as well as possible the interests of every section of the country—this process is short circuited. This, too, I shall discuss in detail at a later date. And, Mr. President, without any significant caucuses of our party the policy committee assumes a degree of responsibility that is large and serious. I shall talk about that later also.

PROXMIRE PURPOSE

Mr. President, in conclusion, the junior Senator from Wisconsin was not sent to this body to delegate his authority as a Senator to any other Senator, no matter how able, wise, or good that Senator may be. This Senator is going to continue to call on the leadership to tell him what programs are to be proposed, when they are to be considered, and why. And when the leadership does inform me, I am going to do all I can to recover the traditional power U.S. Senators have had in the past to take part in determining how our leadership should act for our party and country.

I am not as sanguine about this, perhaps, as some may think I am, so I close with a quotation from William the Silent, which indicates my attitude on this entire great question. This is the only quotation that hangs in my office:

> It is not necessary to hope in order to undertake, or to succeed in order to persevere.

Mr. President, before I came on the floor I was puzzled and rather curious to know what kind of reaction there would be to my speech on the part of my colleagues, inasmuch as this is a very difficult speech to give. It is probably even more difficult to listen to. I wish to thank my colleagues for their willingness to give of their time to listen to the speech, and the fact that there are a number of my colleagues on the floor who came to listen to it without being solicited. It was a very hard and difficult speech for me to make.

I wish to thank the Senator from Oregon [Mr. NEUBERGER] for his characteristic interest and his great fairness in suggesting that, while he disagreed with me strongly with respect to the timing, the occasion, or some other aspect of the speech, he was fair enough to say that he agrees wholeheartedly with me in its objective.

THE REPUBLICAN CONFERENCE RULES, LEADERSHIP, AND COMMITTEES

Mr. DIRKSEN. Mr. President, I listened with great interest to the discussion of mechanics, policies, and procedures in the Senate. First, I wish to say that I have known the distinguished majority leader, the gentleman from Texas [Mr. JOHNSON] for 25 years. I consider him to be an able, dedicated, and patriotic American. In the time I have known him—and that goes back almost a quarter of a century—I have always found him to be entirely cooperative. I can say that on behalf of the minority.

But I am not insensible of the fact that the discussion which took place probably brings into sharp perspective a great question which often recurs to the minds of the people, particularly students. After all, students of political science and civics are tremendously interested in Senate procedures. I can speak only for the minority, of course, but I think I ought to make the record clear, first of all, by placing in the RECORD, in connection with my remarks, the text of the rules of the Republican conference. This particular issue is dated January 10, 1957. The rules have not been changed since that time, although amendments have been freely offered in the conference.

The rules set forth in some detail the method of the selection of party officials, the creation of the conference and of the policy committee, the duties of the officers, the creation of a campaign committee, and how the conference shall be called.

Actually, there are three ways in which the conference on this side of the aisle can be called: by the chairman; by a vote of the policy committee; or by the request of five Senators, when it shall become mandatory.

As a matter of fact, when the Republican Policy Committee meets weekly, it is actually a meeting of the Republican conference over the luncheon table, at which time we discuss all matters of pending business. Thus, so far as possible, all the information which is within the possession and the command of the leadership is freely diffused to every member.

Mr. President, in connection with these observations, I ask unanimous consent also to have printed at this point in the RECORD the personnel of our various committees: The Republican leadership, the policy committee, the campaign committee, the committee on committees, and the committee on personnel. I think this information will be of interest, because I have no recollection that

the Republican conference rules have ever been published in the CONGRESSIONAL RECORD.

There being no objection, the Republican conference rules and the personnel of Republican leadership, 86th Congress, 1st session, were ordered to be printed in the RECORD, as follows:

REPUBLICAN CONFERENCE RULES[1]

I

At the beginning of each Congress, or within 1 week thereafter, a Republican Party conference shall be held. At that conference there shall be elected the following officers: chairman of the conference, secretary of the conference, floor leader, whip, chairman of policy committee, and a policy committee of 15 Senators.

The chairman of the conference, the secretary of the conference, the floor leader, the whip, the chairman of the policy committee, the chairman of the committee on committees, the chairman of the Republican senatorial campaign committee, the chairman of the Republican personnel committee, and the President pro tem of the Senate (if a Republican), shall be members ex officio of the policy committee. The other six members shall be nominated by the chairman of the conference, subject to action by the conference. The six members so nominated and elected shall serve for 2 years and may be reelected for an additional 2 years, but no such member may serve more than 4 consecutive years and then shall be eligible for further service in such capacity only after an interval of 2 years. Within 24 hours after the election of the chairman of the conference each Senator may submit a list of six members suggested for nomination as members of the policy committee.

In all contested elections, vote shall be by written ballot.

The term of office of all party officers herein provided shall extend for not more than 2 years, and shall expire at the close of each Congress.

II

The chairman may call a conference at any time, and shall call a conference whenever requested to do so by the policy committee or in writing by five or more Senators. The policy committee shall meet at least once in 2 weeks, on a fixed day of the week and at a fixed hour to be determined by the committee. It may meet at any time on the call of its chairman. The committee shall permit any Senator to appear before it upon his request to present any matter in which he is interested.

III. DUTY OF PARTY OFFICERS

The chairman of the conference shall preside at all conference meetings, and perform such other duties as may be assigned to him by this resolution or by the conference.

The secretary shall keep accurate minutes of all conference proceedings. The minutes of all meetings of committees of the conference shall be kept by the party floor clerk and shall be filed with the secretary, which minutes shall be open to inspection by any member of the conference. The secretary and floor clerk, respectively, shall notify members of all conference and committee meetings. In the absence of the chairman, he shall have the same powers and duties to call meetings of the conference as the chairman.

The floor leader shall perform the customary duties of the majority or minority leader, as the case may be, on the floor of the Senate, and shall have full authority to deal with all questions of procedure after consulting the Republican Senators who are concerned.

The whip shall assist in securing attendance of members at party conferences and upon the floor of the Senate when their presence is considered necessary by the chairman or the floor leader, and shall perform such other duties as the chairman or floor leader may require.

The policy committee shall consider the legislative program in the Senate and the question whether any party policy is involved, shall prepare and present recommendations for action by the conference, and advise all Senators on legislative matters which they desire to present to the policy committee.

IV

A committee on committees shall be appointed at the beginning of each Congress to prepare and recommend to the conference the complete assignment of Republican Senators to committees, and shall recommend the filling of vacancies occurring during the Congress. The committee shall be appointed by the chairman of the conference immediately after his election subject to confirmation by the conference.

V

A Republican senatorial campaign committee shall be appointed at the beginning of each Congress by the chairman of the conference, subject to confirmation by the conference.

VI

No action by the conference upon any matter pending or to be proposed in the Senate shall be binding in any way on members in casting their votes thereon.

VII

These rules may be amended at any time by a majority vote of the conference, providing notice of the amendment has been given at least 1 week in advance to every member of the conference that action will be sought upon the subject covered by the amendment.

REPUBLICAN LEADERSHIP, 86TH CONGRESS, 1ST SESSION

LEVERETT SALTONSTALL, chairman of the conference.

MILTON R. YOUNG, secretary of the conference.

EVERETT MCKINLEY DIRKSEN, floor leader.

THOMAS H. KUCHEL, whip.

STYLES BRIDGES, chairman of policy committee.

ANDREW F. SCHOEPPEL, chairman of committee on committees.

BARRY GOLDWATER, chairman of campaign committee.

MARGARET CHASE SMITH, chairman of personnel committee.

Policy committee: STYLES BRIDGES, chairman, LEVERETT SALTONSTALL, MILTON R. YOUNG, EVERETT MCKINLEY DIRKSEN, THOMAS H. KUCHEL, ANDREW F. SCHOEPPEL, BARRY GOLDWATER, MARGARET CHASE SMITH, GEORGE D. AIKEN, KARL E. MUNDT, CARL T. CURTIS, THOMAS E. MARTIN, JOHN SHERMAN COOPER, KENNETH B. KEATING.

Campaign committee: BARRY GOLDWATER, chairman, ALEXANDER WILEY, HOMER E. CAPEHART, FRANK CARLSON, WALLACE F. BENNETT, PRESCOTT BUSH, J. GLENN BEALL, NORRIS COTTON.

Committee on committees: ANDREW F. SCHOEPPEL, chairman, WILLIAM LANGER, BOURKE B. HICKENLOOPER, JOHN J. WILLIAMS, HENRY DWORSHAK, FRANCIS CASE, of South Dakota, ROMAN L. HRUSKA, GORDON ALLOTT, CLIFFORD P. CASE, of New Jersey, THRUSTON B. MORTON, JACOB K. JAVITS, WINSTON L. PROUTY, HUGH SCOTT.

Personnel committee: MARGARET CHASE SMITH, chairman, STYLES BRIDGES, JOHN MARSHALL BUTLER.

[1] Amended by the conference, December 15, 1944, December 30, 1946, January 3, 1949, January 11, 1951, and March 6, 1953, and January 9, 1957.

THE CAUSES OF INFLATION

Mr. PROXMIRE. Mr. President, Dr. Gardiner Means' dramatic and persuasive analysis of the contribution of "administered prices" to inflation is contributing a new dimension to understanding what causes inflation and what we can do about it. He has recently written a substantial additional analysis of the consequences of administered prices on the cost of living, and Mr. President, I ask unanimous consent that it be printed in the RECORD following these remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STATEMENT BY DR. GARDINER C. MEANS SUBMITTED TO THE JOINT ECONOMIC COMMITTEE, FEBRUARY 16, 1959

Mr. Chairman and members of the Joint Economic Committee, I appreciate this opportunity to comment on the program for economic growth and stability contained in the Economic Report of the President. I am particularly concerned to do so because evidence I have available, some of which has already been introduced into your record, suggests that the President's program is based on a false conception of the twin problems of achieving full employment and preventing inflation.

First, let me discuss the matter of inflation. There are three types of inflation that need to be distinguished. First there is the classical type of inflation in which there is too much money chasing too few goods. This is a demand or monetary inflation. I believe there is general agreement among economists that if you start with full employment, the effect of an unbalanced budget and a loose monetary policy is to generate this kind of inflation. Also I believe there is general agreement that, under normal circumstances, a balanced budget and a tight money policy can prevent this type of inflation. This was the kind of inflation we had after the Second World War and again in the Korean war. Also there is a good deal of evidence that these classical inflations were over by 1953 and that by then the prices of commodities at the wholesale level had in very large measure adjusted to the new price level.

A second type of inflation is the rise of market-dominated prices in a recovery from a recession or depression. This type of inflation is often called a reflation because, unlike a monetary inflation which is harmful, it is a normal and necessary part of the process of economic recovery. Such a reflation does not involve a rise, or as much of a rise, in the inflexible administered prices since they do not usually drop as much as market-dominated prices in a recession. Of course, a balanced budget and a tight-money policy could stop such a rise of market-dominated prices but only by stopping the recovery and allowing unemployment to remain high.

The third type of inflation has been called an administrative inflation and involves a rise in prices in the more concentrated industries where there is a considerable area of discretion within which pricing policy can be made. Such pricing power clearly exists in such concentrated industries as steel and automobiles. It could also exist where markets are local and a few producers dominate the market. If this type of inflation occurs by itself, it involves a specialized price rise with the administration-dominated prices rising while market-dominated prices rise little or even fall. Such an administrative inflation could result from excessive wage increases or from business efforts to increase profit margins. But this kind of inflation

does not come from a general excess of demand and it cannot be halted by contracting demand except by creating unemployment. Indeed, there is some question whether even a very sizable amount of unemployment could prevent an administrative inflation as I will show below. Control of this type of inflation by a balanced budget and tight money can only succeed through high unemployment and may not succeed even then.

The relation between these three types of inflation should be noted. Classical inflation and reflation are, by their nature, exclusive since a classical inflation starts with full employment while reflation ends with full employment. On the other hand, an administrative inflation can accompany either or even occur when there is a general deflation in progress.

In recent testimony before the Senate Anti-Trust and Monopoly Subcommittee under the chairmanship of Senator KEFAUVER, I presented a set of charts which help to emphasize the difference between a classical inflation and an administrative inflation. I should like to introduce those charts here, though two of them have already been introduced into your record by Mr. Reuther.

The first two charts concern the period of inflation following the Second World War and the start of the Korean war. The inflation of this period was classical in its source, with too much demand seeking too few goods. Also it was classical in its results, a more or less general lift in the price level. This can be seen in chart I which shows the percentage increase from 1942 to 1953 in each of the commodity groups composing the BLS Wholesale Price Index.

Before discussing the chart, I want to say a word about why I selected the period from 1942 to 1953 as the period of the war inflations. I started with 1942 because the reflation from the great depression of the 1930's was not complete until then. In 1940 we had 8 million unemployed and in 1941 we still averaged 5.5 million unemployed. By early 1942, we had virtually full employment and the wholesale price index had just returned to the level it held in 1926–29 before the depression. For the end of the inflation period, I selected 1953 which was 2 years after the peak of the war inflation had been reached and the first of 2½ years of relative stability in the wholesale price index. By that time, commodity prices had recovered from most of the distortions arising from the process of inflation itself.

In chart I, each price group in the BLS Wholesale Price Index is represented by a column. The height of the column indicates the percent price increase from 1942 to 1953. The width of the column indicates the relative weight of the group in the wholesale price index. The area of the column indicates the contribution each group made to the rise in the wholesale price index.

The first thing to notice in chart I is the relatively general character of this classical inflation. With the exception of the extremes of lumber at one end and rubber at the other, there is a considerable similarity in the price movement. Seventy percent of the groups by weight rose between 49 and 77 percent. This is very much the result to be expected from a typical classical inflation. The difference in percentage increase for different groups presumably reflect the special conditions of supply and demand affecting each group, in addition to the general inflationary forces operating on all groups. Indeed these differences involve the kind of relative price adjustments which could be expected in the absence of inflation.

A second thing to notice is that there is no tendency for the administration-dominated prices of concentrated industries to behave differently from the market-dominated prices of the nonconcentrated industries. The black columns in the chart represent price groups in which administration-dominated prices are in heavy predominance; the light gray, those in which market-dominated prices prevail; and the dark gray, those with a more equal mixture of both types. As can be seen, some of the black groups went up less than average, others more. Some of the light gray went up less, some more than average. There is no evidence here of a significant difference in the behavior of the market-dominated and the administration-dominated prices. This further emphasizes the general character of this classical inflation so far as the end results are concerned.

When we look at the process of inflation, however, we find a quite unclassical difference in behavior between market and administration-dominated prices. In the beginning of a monetary inflation, market-dominated prices tend to rise more rapidly while administration-dominated prices lag well behind. Then, in a period of readjustment, market-dominated prices fall back while administration-dominated prices continue to rise until the two groups are more nearly in balance. The first stage in this process is shown in chart II. This chart does for the period 1942–47 what chart I does for the whole period. As can be seen, the price indexes for the market-dominated groups as a whole rose much more rapidly than the price indexes of the more concentrated industries. Thus, the behavior of administration-dominated prices helped to slow up the classical inflation rather than to initiate it. Only in the later stages did they catch up. This differential behavior in a classical inflation needs to be emphasized because it is so different from the differential behavior of these two groups of prices in the most recent inflation.

Charts III and IV shows the same kind of analysis for the inflation since 1953. Chart III shows the changes in prices from 1953 to 1957 and chart IV shows changes from 1953 to October 1958, the most recent date for which I had data at the time the charts were prepared. The year 1953 rather than the first half of 1955 was used as the starting point because there was a considerable amount of administrative inflation between those two periods which was covered up in the wholesale price index by the fact that reflation from the 1954 depression was not complete until the middle of 1955. This is clearly shown in the following table which indicates the percent price change for the 15 groups composing the wholesale index from the average for 1953 to the average for the first 6 months of 1955. The categories in black brackets are the black categories of the charts and represent the administration-dominated groups while those in light brackets are the dark gray categories representing mixed groups:

Commodity group:	*Percent change 1953 to first half of 1955*
[Rubber and rubber products]	+11
[Tobacco manufactures and bottled beverages]	+5
[Metal and metal products]	+4
[Nonmetallic minerals]	+3½
[Machinery and motive products]	+3
Lumber and lumber products	+1½
[Chemicals and allied products]	+1
[Pulp, paper and allied products]	+1
[Furniture and other household durables]	+1
[Fuel, power and lighting materials]	−1½
Processed food	−2
Textile products and apparel	−2
Miscellaneous products	−4
Farm products	−4½
Hides, skins, leather and leather products	−6

In this recession and recovery period, all six of the administration-dominated groups rose, five of them substantially while all but one of the market-dominated groups were below their 1953 level, three of them substantially. This suggests that the administrative inflation was in operation even between 1953 and the first half of 1955.

In this connection, I would call your attention to the chart on page 11 of the Economic Report of the President which uses the same base year 1953 and shows the more or less continuous rise of the prices of manufactured products.

The story told by charts III and IV is clear. In the price increase from 1953 to 1957, shown in chart III, the six administration-dominated groups rose most, the three mixed groups rose to an intermediate degree and the market-dominated groups rose little or actually fell. In chart IV, the comparison has been extended to October 1958 and also the metal and metal products group has been broken into semifinished and finished steel, fabricated steel, and metal and metal products (except steel), in order to bring out the important role played by steel prices in this period. Again the evidence clearly points to an administrative, not a classical, inflation.

The same differential phenomenon appears in the 1957–58 recession. The table below compares price changes from the second quarter of 1957 before the sharp recession began to the second quarter of 1958 when industrial production reached its lowest point. The analysis is limited to industrial products since, as the Economic Report points out, the prices of farm and food products reflect the sizable contraction in the supply of certain farm products, notably a short supply of fresh fruit and vegetables, due to bad weather conditions and the short supply of cattle. The metal and metal products group has been divided as in chart IV.

Price change:	*2d quarter 1957 to 2d quarter 1958*
Miscellaneous	+7.2
[Semifinished and finished steel]	+4.1
[Machinery and motive products]	+3.0
[Tobacco manufactures and bottled beverages]	+2.7
[Fabricated steel]	+2.7
[Furniture and other household durables]	+1.4
[Pulp, paper, and allied products]	+1.3
[Chemicals and allied products]	+1.2
Hides, skins, leather, and leather products	+.9
[Nonmetallic minerals]	+.3
[Rubber and rubber products]	−.4
Textile products and apparel	−2.0
Lumber and wood products	−3.2
[Fuel, power, and lighting materials]	−6.7
[Metal and metal products (ex steel)]	−9.9
Farm products	+7.8
Processed foods	+7.0

During this year of recession the industrial price average was very stable. But this stability of the industrial price index was a product of two opposite and offsetting developments, a continued inflation of administration-dominated prices and a deflation of market-dominated prices.

In the partial reflation period since last spring, the administrative inflation appears to have continued along with some reflation of market-dominated industrial prices, a compound movement which has been masked in the wholesale price index by the offsetting fall in the indexes of farm and food products as the particular scarcities of last spring have disappeared.

In the light of these facts, I do not think the Economic Report of the President is war-

ranted in stating that, "We may justifiably take satisfaction in the fact that the price level has been reasonably steady of late" (p. 4).

Also I do not accept the statement of the Economic Report that, "We may justifiably take satisfaction in the increases already achieved in employment, production, and incomes (p. 4). Rather, the failure of recovery to continue is a cause for some alarm. Consider the present situation.

As is true of most recessions, a part of the recent recession was a contraction of inventory. In recovery, the reversal of inventory contraction and the rebuilding of inventories is an important factor in contributing to a renewal of demand. But in the partial recovery to date, contraction of inventories had ceased by the middle of the fourth quarter of 1957 and the rebuilding of inventories is likely to be spread over a much longer period. As a result most of the impetus for recovery to be expected from this source has spent itself. Nor is there a sign of greatly expanded private investment. And yet unemployment is significantly greater than it was a year ago and during the last three months recovery has just kept pace with the normal growth in the labor force. For three months there has been no progress toward the recovery of full employment. Apparently in the presence of the tight money policy the Federal deficit, now running at the annual rate of $6 or $7 billion a year, is all that is keeping us from renewed recession and greater unemployment.

This seems to me to pose a major dilemma. The tight money policy was appropriately adopted in 1955, when there was heavy demand for capital goods, and if the inflation after early 1956 had been a product of a general excess of demand, the continuance of the tight money policy would have been called for. But a contraction of demand to control an administrative inflation is to limit expansion and force recession. Of course, it would be possible, by limiting demand, to prevent a rise in the average of wholesale prices by forcing down market-dominated prices enough to offset the rise in administration-dominated prices as clearly happened between the second quarter of 1957 and that of 1958. But this is to place the burden of price stability on small business, farmers, and the unemployed. Also, the evidence suggests that this does not stop the administrative inflation; it only masks it. And if recovery occurs, the reflation of market-dominated prices will unmask the administrative inflation that has already occurred.

Some people have suggested that, because of administrative inflation, we have to choose between price stability and underemployment on the one hand and full employment and creeping administrative inflation on the other. These do not seem to me to be the only choices. I believe it is well within our power to bring about both full employment and a stable price level. I hope that your committee will examine the problem as I have outlined it and, if you agree with the substance of my conclusions, will undertake to resolve this dilemma. Further, I would like to suggest that, in searching for a solution, you distinguish between (1) temporary measures which would allow the expansion of demand through fiscal and monetary means without engendering further administrative inflation even though such measures might not have long run value and (2) a more permanent solution which is likely to develop only out of extensive study of the problem and is not likely to be a simple solution if the values of free enterprise and the efficiencies of big business are to be preserved.

TABLE FOR CHART I

1942–1953

Weight:		*Slide rule measure of change*
3.0	Lumber and wood products	+165
13.5	Metal and metal products	+95
12.7	Processed foods	+77
19.3	Machinery and motive products	+72
7.7	Fuel, power, and lighting materials	65
10.7	Farm products	+64
2.6	Nonmetallic minerals	+60
1.4	Hides, skins, leather, and leather products	+54
5.8	Chemicals and allied products	+52
4.2	Furniture and other household durables	+49
2.4	Tobacco manufacturers and bottled beverages	+46
7.5	Textile products and apparel	+41
1.6	Rubber and rubber products	+24
92.4	Wholesale price index	+72

Source: Bureau of Labor Statistics.

The total weights do not add to 100 because 1947 weights were used and before 1947 there was no index for pulp, paper, and allied products and the miscellaneous products was not comparable. Their combined weights amounted to 7.6 points.

TABLE FOR CHART II

1942–47

		Slide rule measure of change
3.0	Lumber and wood products	+106
10.7	Farm products	+69
12.7	Processed foods	+66
1.4	Hides, skins, leather, and leather products	+56
7.5	Textile products and apparel	+46
5.8	Chemicals and allied products	+46
13.5	Metals and metal products	+41
7.7	Fuel, power, and lighting materials	+37
19.3	Machinery and motive products	+30
2.6	Nonmetallic minerals	+27
4.2	Furniture and other household durables	+26
2.4	Tobacco manufacturers and bottled beverages	+23
1.6	Rubber and rubber products	−2
92.4	Wholesale price index	+50

(See footnote table for chart I.)
Source: Bureau of Labor Statistics.

TABLE FOR CHART III

1953–1957

		Slide rule measure of change
13.5	Metal and metal products	+19
19.3	Machinery and motive products	+19
1.6	Rubber and rubber products	+16
2.6	Nonmetallic minerals	+14
5.2	Pulp, paper and allied products	+11
2.4	Tobacco manufacturers and bottled beverages	+9
7.7	Fuel, power and lighting materials	+7
4.2	Furniture and other household durables	+7
5.8	Chemicals and allied products	+4
12.7	Processed food	+1
1.4	Hides, skins, leather and leather products	+1
3.0	Lumber and wood products	−1
7.5	Textile products and apparel	−2
10.7	Farm products	−6
2.4	Miscellaneous products	−8
100.0	Wholesale price index	+6.8

Source: Bureau of Labor Statistics.

TABLE FOR CHART IV

1953–October 1958

		Slide rule measure of change
3.9	Finished and semifinished steel	+37
19.3	Machinery and motive products	+22
5.7	Fabricated steel products	+20
1.6	Rubber and rubber products	+17
2.6	Nonmetallic minerals	+15
5.2	Pulp, paper and allied products	+13
2.4	Tobacco manufactures and bottled beverages	+11
4.2	Furniture and other household durables	+8
3.9	Metal and metal products (except steel)	+5
12.7	Processed foods	+5
5.8	Chemicals and allied products	+4
7.7	Fuel, power and lighting materials	+3
1.4	Hides, skins, leather and leather products	+3
3.0	Lumber and wood products	+0.5
7.5	Textile products and apparel	−4
10.7	Farm products	−5
2.4	Miscellaneous products	−7
100.0	Wholesale price index	+8.0

Source: Bureau of Labor Statistics.

(1) Contains: Foundry and forged products; metal containers; hardware; fabricated structural metal products; fabricated nonstructural metal products. The weighted index resulting from combining these separate indexes contains some nonsteel products which could be removed by a more detailed segregation but is not likely to alter the index significantly.

(2) Contains: Iron ore; iron and steel scrap; pig and ferro alloys; nonferrous metals; plumbing equipment; heating equipment. The resulting weighted index contains some items of steel particularly in plumbing and heating equipment which involve both steel and other metals particularly cast iron. Since nonferrous metals constitute 20 percent of the weight in the combined index the steel inclusions cannot significantly influence the index.

Mr. PROXMIRE. Mr. President, I also ask unanimous consent that two excellent letters commenting on Dr. Means' analysis, one by Eugene Havas, which appeared in the February 19 edition of the Washington Post, and the other by Barrow Lyons, of Independent Features, be printed in the RECORD at this point following my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, Feb. 19, 1959]

"THOSE ADMINISTERED PRICES"

Congratulations on your forceful editorial of February 8 on "Those Administered Prices" and Bernard D. Nossiter's lucid presentation of this new type of inflation.

You have performed a great public service by printing Dr. Gardiner Means' charts comparing the administrative-type inflation of 1953–58 with the wartime inflation of 1942–47, so that the average man can understand what is plaguing us and could urge Congress to do something about it.

It is clear from Dr. Means' conclusions that the steel industry passed on to the consumer not only the wage increases granted to its employees, but much more. Indeed, in the

last 10 years the leader of the steel industry, the United States Steel Corp., increased its dividend fourfold from 4 or 5 percent to 18 percent, reinvested more than $1,250 million from undistributed profits, set up a pension fund of $1 billion, and wrote off about $2 billion in normal and accelerated depreciation.

No wonder that the equity of the United States Steel, which was valued at about $550 million by the stock market in 1948, increased to about $5 billion at current stock exchange prices. Somewhat similar is the story of the Bethlehem Steel Corp., which increased its dividends in the period of 1947 to 1957 from 6 to 28 percent.

These two corporations are producing about half of the total of the steel output and dictate the price policy of the industry. Had they refused to increase their prices in August 1958, following the announcement of a $4.50 per ton increase of the other companies such as Armco Steel, Jones-Laughlin, Republic Steel, there is no doubt that the price increases would have been rescinded by these lesser producers.

Whether some of the less efficient marginal steel companies needed the increase to maintain profitable operation is debatable; what is certain is that some of the big companies such as United States Steel, Bethlehem, Republic, etc., did not need it. Unless, of course, we are willing to acquiesce that United States Steel and Bethlehem Steel needed to earn close to 100 percent on their equity capital (before taxes) or that they needed to continue to pay a dividend of 18 or 28 percent, inaugurated in the prosperous years of 1956–57.

The average man does not realize that the so-called regular quarterly dividend of $0.75 for U.S. Steel, or $0.60 for Bethlehem Steel corresponds to 18 percent or 28 percent because the $100 par value stock was split in 1949 and in 1955 to the ratio of 1 to 6 in the case of U.S. Steel and 1 to 12 in the case of Bethlehem Steel. In the first half of 1957, when the steel industry operated at about 90 percent capacity, these two companies earned more than 100 percent on their equities before taxes, and at the present more than 80 percent operating capacity they are approximating that high profit ratio again.

Is it surprising that in face of such high profits steelworkers are restless and want another wage increase in the coming negotiations this spring? They can point to the huge benefits the managers are obtaining from their stock options. The annual report of U.S. Steel states that options were granted at $18.50 per share in 1953. These shares are now quoted around $90, so that in 5 years there is a capital gain of 500 percent, a free ride on the waves of administered price inflation.

This clearly demonstrates that the managers of the big corporations have a vested interest to make good on their stock option and that their pricing practices are not unrelated to their own interest, which is not identical with the public interest.

That such a situation calls for action by Congress is obvious. It is useless to hope that either the policy of the Federal Reserve System or budgetary measures, however sound and necessary they are by themselves, can stop inflation spurred by administrative price increases. The executive officers of the giant corporations cannot be unbiased judges of what is good for the country, when their actions of raising prices could so enhance their private fortunes.

Secretary Anderson, testifying before the joint congressional committee, said that when speculation is safe and saving is a gamble, the country is in a bad way. Nothing can be more true. Let us hope that Secretary Anderson will act in accord with his wise statement and present Congress with effective measures to stop the free ride on inflation.

He can do that by taxing profits realized on stock options at regular income tax rates, instead of the 25 percent capital gain rates. He can propose taxes for stock splits which are characteristic of an inflationary psychology: that it is safe to speculate and foolish to save or invest in Government bonds.

All the efforts of the administration to achieve price stability, balanced budget, and last but not least the easier and less expensive refinancing of the $80 billion Government debt due in a year, will be in vain if no appropriate measures are taken to end the now prevailing administrative pricing practices in the steel industry. Another steel price increase in July 1959, would further impair the present disequilibrium of our economy and the soundness of the dollar.

EUGENE HAVAS.

WASHINGTON.—A simple chart produced for the Kefauver Antitrust and Monopoly Subcommittee of the Senate has created a more disturbing effect upon the professional political mind than anything that has happened since the November elections. Matter of fact, it is one of the most important bits of economic evidence telling what is rotten with the American economy ever published.

This nasty little chart shows that since 1953 the only subsantial increases which have occurred in the wholesale price index have been in the highly concentrated (monopolized) industries. This is something hard to face and admit—at least for a lot of people.

Steel leads the procession with an increase of 37 percent in the 6 years encompassing 1953–58. (The figures stop at October 1958.) Machinery and motive equipment come next with a boost of 22 percent; fabricated steel next with 21 percent.

Then, in the following order, ranging downward between 20 and 10 percent follow rubber, non-metallic minerals, pulp and paper, tobacco and beverages. These are the chief culprits responsible for the rise in wholesale prices, and reflected in thousands of retail items.

THE MINOR OFFENDERS

Then there are four groups in which monopoly is only partial—where there remains a degree of price competition. The increase in the wholesale price index for these ranges between 8 and 3 percent. They are furniture, metal products other than steel, chemicals, fuel, and power. In this same class is the processed foods industry, in which competition still exists. Also, but showing much smaller price increases in the 6 years, are hides and leather products, and lumber and wood products—the last showing virtually no inflation.

Three industry groups show falling prices since 1953—textiles and apparel, farm products, and miscellaneous products. The last, which comprises many small, competitive industries in which there are many participants, is the low man on the totem pole. In the miscellaneous group the price decline is 7 percent, reflecting the plight of the small businessman in general. The farmer fared only slightly better. Wholesale farm prices dropped 4 percent in the 6 years. In all of these industries there is active competition.

An illuminating sidelight upon the chart is another which shows that between the period 1942–47 all of the largest increases were in the industries in which competition existed, while somewhat more moderate advances were made in the price-administered industries, those in which monopoly controls are exercised.

The point is that the 1942–47 period was one of commodity scarcity in which market conditions caused prices to rise. The 1953–58 period has been one of commodity availability, in which the free market industries have been hit by price declines, but the monopolized industries have relentlessly pushed prices upward despite plentiful supplies.

CREDIT TO GARDINER MEANS

The author of these charts was Dr. Gardiner C. Means, 25 years ago a leading Government ecoonmist, who became associated with the Committee for Economic Development in 1940 as its chief research economist. Until recently Dr. Means has remained with this group, regarded as the "leftwing" of the Big Business "progressives." Eric Johnston was its organizer.

It was chiefly the work of Dr. Means in the 1930's that revealed the disastrous effect of administered prices in driving the great depression to its lowest depths. In his most recent revelation he again casts a searchlight upon the problem of administered prices—showing how the inflexibility of monopoly-dominated industries almost inevitably increases unemployment. This time it is because prices have been forced higher in the face of receding demand; and now, although demand is improving, monopoly places a brake upon recovery.

ECONOMIC MERRY-GO-ROUND

While the Means charts have made a deep impression upon the economists, and upon those politicians who understand charts, they are not the tools with which elections are won.

So both the Democrats and Republicans are going to prove what is wrong with the economy. With the full support of Majority Leader LYNDON JOHNSON, the Joint Economic Committee of Congress will stage a full-dress investigation of the situation. Of course, it will be searching and nonpartisan. One can hardly expect it to be bipartisan, for desperate wrangling and obstruction between opposite camps is virtually inevitable.

The forthcoming investigation has been compared with the hearings held by the Temporary National Economic Committee between 1949 and 1951. Those comprised one of the most searching inquiries into our economy ever made by Congress. But the press did not follow the story very closely, and the war came along before findings could be digested and publicized; so the public never knew much about the TNEC investigation.

REPUBLICAN INVESTIGATION

On the other hand, President Eisenhower has appointed Vice President RICHARD M. NIXON as chairman of a Cabinet committee to explore and expose the problems of inflation.

There can be little doubt that organized labor will be held accountable for a large part of what ails us. Already the tocsin is being rung over the decline in foreign trade—all organized labor's fault for demanding higher wages, and thus outpricing the rest of the world. We should have lower wage standards, so that we can compete in the mad scramble of international competition, especially with Russia, it is claimed.

Few men are able to understand the intricacies of modern economic thought and doctrine. The testimony of experts is taken with large chunks of mental rocksalt because of the well-known habit of many economists to defend a point-of-view, rather than to speak as independent scientists. Even the college economists are not exempt from this charge in many instances, especially since big business has urged industrial support of university financial foundations. Thus, the public is confused.

THE PEOPLE'S INSTINCTS

Yet, despite the economic smog generated by the conflicting experts, despite the dependency of the great media of mass communication upon the advertising dollar, somehow the people, in time, get a sense of what is going on.

In countries where democratic tradition is less firmly rooted than in the United States the result of mass intuition can be violent revolution. We have seen this happen recently in Cuba. In the United States a political and economic cleansing, such as occurred in 1932, comes by peaceful methods.

Although the people are becoming very uneasy, we are generally still too comfortable for drastic action, most observers believe. Monopoly is still quite safe.

Harvey O'Connor, author of The Empire of Oil, writing recently on the visit of Fidel Castro to Venezuela compared that visit to the one Argentina's President Frondizi made to the United States. O'Connor's comment is searching. He asks: "Where is hope to be found? In the hearts of the people, or in the Treasuries of Washington and Wall Street?"

ADJOURNMENT TO THURSDAY

Mr. NEUBERGER. Mr. President, may I ask the distinguished acting minority leader [Mr. KUCHEL] if there is any further business to come before the Senate?

Mr. KUCHEL. Mr. President, I wonder if my friend the Senator from Oregon would suggest the absence of a quorum, so that I might have a very brief opportunity to inquire into the matter.

Mr. NEUBERGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NEUBERGER. Mr. President, under the order previously entered, I now move that the Senate stand in adjournment until Thursday of this week at noon.

The motion was agreed to; and (at 3 o'clock and 12 minutes p.m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, February 26, 1959, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 23, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Kings 5: 1: *He also was a mighty man in valour.*

Most merciful and gracious God, we have assembled here to commemorate the birthday of George Washington whom we reverently and affectionately call the Father of His Country.

Our minds and hearts expand with gratitude and pride when we think of his spirit of adventure, his fortitude in times of hardship, and his fidelity to the principles of righteousness and justice which inspired him to champion the cause of the oppressed Colonists.

We thank Thee above all for his forcible spirit and devout faith which sent him down on his knees in prayer in order that he might know how to march in step with the eternal will and wisdom of God.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of Thursday, February 19, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a resolution as follows:

SENATE RESOLUTION 84

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. Daniel A. Reed, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate, at the conclusion of its business today, adjourn until Monday next.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the Joint Select Committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 59–6.

GEORGE WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to the order of the House of February 16, 1959, the Chair recognizes the gentleman from West Virginial, Mr. MOORE, to read George Washington's Farewell Address.

Mr. MOORE read the Farewell Address, as follows:

To the people of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances

sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth, as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, suffering, and successes.

But these considerations, however powerfully they addressed themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south* in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the *secure* enjoyment of indispensable *outlets* for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves which so frequently afflict neighboring countries not tied together by the same government; which their own rivalship alone would be sufficient to produce, but which opposite foreign alliances attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western;* whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head; they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming

their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? Will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only, that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be involved, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding of them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit or party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foments occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchial cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasion of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not

trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should cooperate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes, that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties), ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessary parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interest.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith: Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collusions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a re-

spectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you my countrymen, these counsels of an old an affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance, and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
17th September, 1796.

GENERAL LEAVE TO EXTEND

Mr. McCORMACK. Mr. Speaker, without its being considered a precedent, I ask unanimous consent that all Members who may desire to do so may extend their remarks in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. IKARD, for 1 hour, on Wednesday, February 25, 1959.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 47 minutes p.m.) the House adjourned until tomorrow, Tuesday, February 24, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

604. A communication from the President of the United States, transmitting information on the amounts of assistance furnished to Yugoslavia during the fiscal year 1958, pursuant to section 143 of the Mutual Security Act of 1954, as amended; to the Committee on Foreign Affairs.

605. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation, entitled "A bill to amend section 508(b) of the Federal Crop Insurance Act, as amended (7 U.S.C. 1508); to the Committee on Agriculture.

606. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report on plans for works of improvement for the Walnut Creek watershed, Kansas and Nebraska, Gray's Creek watershed, Mississippi, upper Wabash watershed, Ohio, and Salt Creek watershed, Oklahoma, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1005); to the Committee on Agriculture.

607. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation entitled, "a bill to fix the compensation of the General Counsel of the Department of Commerce"; to the Committee on Post Office and Civil Service.

608. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation, entitled "A bill to provide for the annual audit of bridge commissions and authorities created by act of Congress, for the filling of vacancies in the membership thereof, and for other purposes"; to the Committee on Public Works.

609. A letter from the Acting Secretary of Defense, transmitting a report setting forth the financial condition of working capital funds of the Department of Defense at June 30, 1958, and the results of their operation for the year then ended, pursuant to section 405(c) of the National Security Act of 1947, as amended; to the Committee on Armed Services.

610. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation, entitled "A bill to revise the boundaries of Wright Brothers National Memorial, N.C., and for other purposes"; to the Committee on Interior and Insular Affairs.

611. A letter from the Secretary of the Treasury, transmitting the quarterly report on the Reconstruction Finance Corporation liquidation fund, Treasury Department activities, for the period ended December 31, 1958, pursuant to the Reconstruction Finance Corporation Liquidation Act, as amended (67 Stat. 230) and Reorganization Plan No. 1 of 1957 (22 F.R. 4633); to the Committee on Banking and Currency.

612. A letter from the Commissioner, Immigration and Naturalization Service, U.S.

Department of Justice, transmitting a communication requesting the return to the jurisdiction of the Department of certain cases which had previously been submitted under the provisions of section 244(a)(1) of the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

613. A letter from the Administrator, Small Business Administration, transmitting a report reflecting estimated obligations by principal activities of the Small Business Administration for the period July 1 through December 31, 1958, pursuant to section 10(b) of the Small Business Act of 1958 and Public Laws 85-536 and 85-699; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on Un-American Activities. Report pursuant to House Resolution 7, 86th Congress pertaining to Communist legal subversion (Rept. No. 41). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOORE: Committee on the Judiciary. H.R. 1992. A bill to repeal section 791 of title 18 of the United States Code so as to extend the application of chapter 37 of title 18, relating to espionage and censorship; without amendment (Rept. No. 42). Referred to the House Calendar.

Mr. WILLIS: Committee on the Judiciary. H.R. 2978. A bill to amend section 1870 of title 28, United States Code, to authorize the district courts to allow additional peremptory challenges in civil cases to multiple plaintiffs as well as multiple defendants; without amendment (Rept. No. 43). Referred to the House Calendar.

Mr. ROBERTS: Committee on Interstate and Foreign Commerce. S. 79. An act to amend the Federal Food, Drug, and Cosmetic Act to permit the temporary listing and certification of Citrus Red No. 2 for coloring mature oranges under tolerances found safe by the Secretary of Health, Education, and Welfare, so as to permit continuance of established coloring practice in the orange industry pending congressional consideration of general legislation for the listing and certification of food color additives under safe tolerances; without amendment (Rept. No. 44). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H.R. 4845. A bill to permit States or other duly constituted authorities to subject persons to liability for payment of property taxes on property located in Federal areas within such State; to the Committee on Interior and Insular Affairs.

By Mr. BAILEY:

H.R. 4846. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. ASPINALL:

H.R. 4847. A bill to encourage the development of petroleum and coal reserves within the United States; to the Committee on Ways and Means.

By Mr. BATES:

H.R. 4848. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from the admissions tax in the case of events for the benefit of a society for the prevention of cruelty to children; to the Committee on Ways and Means.

By Mr. BENTLEY:

H.R. 4849. A bill to provide for the recognition of the Polish Legion of American Veterans by the Secretary of Defense and the Administrator of Veterans' Affairs; to the Committee on Veterans' Affairs.

By Mr. CELLER:

H.R. 4850. A bill to amend subsection b of Section 60: Preferred Creditors; subsection e of Section 67: Liens and Fraudulent Transfers; and subsection e of Section 70: Title to Property; of the Bankruptcy Act (11 U.S.C. 96b, 107e, and 110e); to the Committee on the Judiciary.

H.R. 4851. A bill to amend title 10, United States Code, to authorize the Secretary of Defense, the Secretaries of the military departments, and the Secretary of the Treasury to settle certain claims for damage to, or loss of, property, or personal injury or death, not cognizable under any other law; to the Committee on the Judiciary.

H.R. 4852. A bill to amend Chapter 13: Wage Earners' Plans, of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. DOWDY:

H.R. 4853. A bill to amend section 872 of the act of March 3, 1901, relating to indecent publications in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FOGARTY:

H.R. 4854. A bill to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries; to the Committee on Education and Labor.

By Mr. FOLEY:

H.R. 4855. A bill to advance officers on the retired list of the Army to the highest general officer grade for which they satisfactorily performed the duties in time of war; to the Committee on Armed Services.

By Mrs. GRIFFITHS:

H.R. 4856. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. HAGEN:

H.R. 4857. A bill to amend the Internal Revenue Code of 1954 to provide that the exemption from the admissions tax for athletic games benefiting crippled or retarded children shall apply where the participants are recent graduates of designated schools or colleges as well as where they are currently students therein; to the Committee on Ways and Means.

By Mr. HUDDLESTON:

H.R. 4858. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 4859. A bill to amend the Agricultural Adjustment Act of 1938, as amended, to provide for lease and transfer of acreage allotments; to the Committee on Agriculture.

By Mr. IKARD:

H.R. 4860. A bill to provide that certain real property of the United States in Wise County, Tex., shall be disposed of only after giving former owners a reasonable opportunity to repurchase such property; to the Committee on Government Operations.

By Mr. JOHANSEN:

H.R. 4861. A bill to prohibit Federal assistance for research, surveys, and demonstrations in the field of education which involve pupil testing; to the Committee on Education and Labor.

By Mr. MACHROWICZ:

H.R. 4862. A bill to amend sections 1231, 272, and 631 of the Internal Revenue Code of 1954 with respect to iron ore royalties; to the Committee on Ways and Means.

By Mr. METCALF:

H.R. 4863. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a personal exemption for a foreign student who resides in his home while in the United States attending high school; to the Committee on Ways and Means.

H.R. 4864. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. MICHEL:

H.R. 4865. A bill to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm; to the Committee on Ways and Means.

By Mr. MILLS:

H.R. 4866. A bill to amend the Watershed Protection and Flood Prevention Act to permit the Secretary of Agriculture to contract for the construction of works of improvement upon request of local organizations; to the Committee on Agriculture.

By Mr. O'KONSKI:

H.R. 4867. A bill to extend wartime rates of compensation to veterans and their dependents for service-connected disabilities incurred during periods when individuals may be inducted for service in the military or naval service outside the continental limits of the United States of America; to the Committee on Veterans' Affairs.

By Mr. PELLY:

H.R. 4868. A bill to provide medical care for certain persons engaged on board a vessel with care, preservation, or navigation of such vessel; to the Committee on Interstate and Foreign Commerce.

By Mr. REECE of Tennessee:

H.R. 4869. A bill to amend the Trading With the Enemy Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. REUSS:

H.R. 4870. A bill to amend the Employment Act of 1946 to provide for its more effective administration, and to bring to bear an informed public opinion upon price and wage increases which threaten economic stability; to the Committee on Government Operations.

By Mr. RILEY:

H.R. 4871. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. SIKES:

H.R. 4872. A bill amending the jurisdiction of district courts in civil actions with regard to civil rights; to the Committee on the Judiciary.

By Mr. SMITH of California:

H.R. 4873. A bill to amend the Internal Revenue Code of 1954 to eliminate the proration of the occupational tax on persons dealing in machineguns and certain other firearms, to reduce occupational and transfer taxes on certain weapons, to make the transferor and transferee jointly liable for the transfer tax on firearms, and to make certain changes in the definition of a firearm; to the Committee on Ways and Means.

By Mr. SMITH of Kansas:

H.R. 4874. A bill to amend section 334 of the Agricultural Adjustment Act of 1938, as amended, to provide that for certain purposes of this section, farms on which the farm-marketing excess of wheat is adjusted to zero because of underproduction shall be regarded as farms on which the entire amount of the farm-marketing excess of wheat has been delivered to the Secretary or stored to avoid or postpone the payment of the penalty; to the Committee on Agriculture.

By Mr. THOMSON of Wyoming:

H.R. 4875. A bill to amend title 23 of the United States Code, to provide that the color of the pavement markings shall be that determined by the individual States as best accomplishing objectives under local driving conditions; to the Committee on Public Works.

H.R. 4876. A bill to amend section 30(a) of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 187a), to prevent the undesirable division of oil and gas leaseholds; to the Committee on Interior and Insular Affairs.

H.R. 4877. A bill to approve an order of the Secretary of the Interior adjusting, deferring, and canceling certain irrigation charges against non-Indian owned lands under the Wind River Indian irrigation project, Wyoming, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. VAN ZANDT:

H.R. 4878. A bill to establish a program of financial and technical assistance designed to alleviate conditions of substantial and persistent unemployment in economically depressed areas, and for other purposes; to the Committee on Banking and Currency.

By Mr. VINSON:

H.R. 4879. A bill to authorize the disposal of the Government-owned long-lines communication facilities in the State of Alaska, and for other purposes; to the Committee on Armed Services.

By Mr. WALTER:

H.R. 4880. A bill to amend chapter 15 of title 38, United States Code, to provide pension for the widows and children of veterans of service on the Mexican border who died while entitled to compensation for a disability incurred in such service; to the Committee on Veterans' Affairs.

H.R. 4881. A bill to amend the Internal Revenue Code of 1954 to repeal the manufacturers excise tax on mechanical lighters for cigarettes, cigars, and pipes; to the Committee on Ways and Means.

By Mr. WILSON:

H.R. 4882. A bill to amend section 303 of the Career Compensation Act of 1949 to provide that allowances may be paid thereunder for the transportation of dependents in connection with a permanent change of station whether or not a change of residence is involved; to the Committee on Armed Services.

H.R. 4883. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 4884. A bill to provide that the Channel Islands off the coast of southern California shall be referred to as the Juan Rodrigues Cabrillo Islands; to the Committee on Interior and Insular Affairs.

H.R. 4885. A bill to amend section 1215 of title 10 of the United States Code to equalize the benefits provided for retired members of the Armed Forces; to the Committee on Armed Services.

By Mr. WRIGHT:

H.R. 4886. A bill providing for the amendment of title 23, section 131 of the United States Code (sec. 122 of the Federal-Aid Highway Act of 1958), to clarify the said section with relation to municipalities and areas zoned under the laws of the States, and to recognize the laws of the States relating thereto; to the Committee on Public Works.

By Mr. YATES:

H.R. 4887. A bill to liberalize the tariff laws for works of art and other exhibition material, and for other purposes; to the Committee on Ways and Means.

By Mr. OLIVER:

H.J. Res. 259. Joint resolution providing for the construction and operation of an atomic power reactor demonstration facility in the State of Maine; to the Joint Committee on Atomic Energy.

By Mr. CANNON:

H. Res. 180. Resolution to provide for the reporting of 1960 appropriations in one consolidated bill; to the Committee on Rules.

By Mr. HARRIS:

H. Res. 181. Resolution to amend House Resolution 136, 86th Congress, agreed to January 29, 1959; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alaska, memorializing the President and the Congress of the United States to enact legislation as will adequately and annually recompense those persons presently engaged in the Bristol Bay Fishery who restrict their normal fish production in the national interest; to the Committee on Merchant Marine and Fisheries.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States urging construction of Libby Dam in two stages, with work beginning on the initial stage as soon as possible in order to protect the national interest in water and water resources rising in the United States, and requesting sufficient appropriations; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States relative to the Congress exercising its authority over the Federal Communications Commission to insure the continued operation of the free television stations in Montana; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Pennsylvania, memorializing the President and the Congress of the United States to establish a congressional committee to investigate the policies of the Tennessee Valley Authority so that further loss of employment in the United States, at a time when employment is now of grave concern, will be avoided; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAKER:

H.R. 4888. A bill for the relief of Cornelius Huang; to the Committee on the Judiciary.

H.R. 4889. A bill for the relief of Dr. Anwar Amin Anthony; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 4890. A bill for the relief of James Hawkins; to the Committee on the Judiciary.

By Mr. KING of California:

H.R. 4891. A bill for the relief of John Demetrios Zeras; to the Committee on the Judiciary.

By Mr. MACDONALD:

H.R. 4892. A bill for the relief of Anna Leone de Magistris; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 4893. A bill for the relief of William R. and Alice M. Reardon; to the Committee on the Judiciary.

By Mr. VINSON:

H.R. 4894. A bill for the relief of Georgia Kaolin Co.; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 4895. A bill for the relief of Setsuko Kamakura; to the Committee on the Judiciary.

By Mr. WILSON:

H.R. 4896. A bill for the relief of Comdr. James B. McVey; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

85. By Mr. BUSH: Petition of citizens of Coudersport and Roulette, Potter County, Pa., urging that the "temporary" 10 percent Federal excise tax on telephone charges be removed as soon as possible; to the Committee on Ways and Means.

86. By the SPEAKER: Petition of Robert Brooks Smith, Campbell, Tex., relative to redress of grievances; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Foreign Relations, 1796–1959

EXTENSION OF REMARKS
OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, February 23, 1959

Mr. WILEY. Mr. President, on Saturday night it was my privilege to deliver an address before the Sons of the Revolution, at Troy, N.Y. The meeting was a very interesting one. I ask unanimous consent that excerpts from my remarks on that occasion be printed in the RECORD.

There being no objection, the excerpts from the address were ordered to be printed in the RECORD, as follows:

FOREIGN RELATIONS, 1796–1959

(Excerpts of text prepared for delivery by Senator WILEY before Sons of the Revolution, at Troy, N.Y., Feb. 21, 1959, at 7 p.m.)

If Washington could revisit the United States today, about the only thing he would recognize would be the institutions of the Government which he helped to found and of which he was the first Chief Executive. In every physical respect, the country has changed and so has its place in the world, since 1796. Indeed, the change which has occurred in these 163 years is greater than the change which had occurred in all the time from 1796 back to Adam's bite out of the apple in the Garden of Eden. This change is continuing, and at an accelerating pace.

The challenge of 1796 was whether a new and relatively weak country, with a government founded on new and revolutionary principles, could survive in a skeptical and largely hostile world. The challenge of 1959 is whether this same country, now grown to be the richest and strongest on earth, can adapt itself with sufficient speed and flexibility to the rapidly changing world environment in which it finds itself.

The fact that Washington would still recognize the institutions of his Government is a tribute to the skill and wisdom with which he and his contemporaries laid the foundations for those institutions. The triangular structure of the Federal Government has proved itself both durable and flexible. It has, of course, grown to meet the new demands with which it has been confronted in each succeeding generation of its existence; but at the same time, it has retained in basic form the beautiful simplicity with which the Founding Fathers endowed it.

Washington became President at a time when Britain and France, the two titans of Europe, were engaged in bitter struggle. They were entering the last quarter of the Second Hundred Years War, and neither was overly respectful of the rights of the insignificant neutral on the western side of the Atlantic. From the long history of European wars and from the circumstances of the time, Washington correctly sensed that a policy of neutrality—or more accurately a policy of noninvolvement—was most likely to promote the national interests of the United States.

It was by no means certain, as Washington assumed the Presidency, that the United States was strong enough to resist involvement in the European war. This question was still in doubt at the end of Washington's second term, and he recognized this fact in his farewell address when he said:

"If we remain one people, under an efficient government, the period is not far off * * * when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected."

Washington hoped that the period was not far off; he knew it had not yet arrived. And in fact, within less than two decades of the farewell address, the United States was drawn into the final convulsion of the Anglo-French war.

In the same sentence which I have just quoted from his Farewell Address, Washington also predicted the period to be not far off "when we may defy material injury from external annoyance."

"Why," he asked, "forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?"

It was, and is, a good question. The only trouble is that the period which Washington foresaw to be not far off—the period "when we may defy material injury from external annoyance"—has come and gone. Thanks in part to the benign presence on the high seas of the British Navy, we enjoyed such a period for the century which intervened between the end of the Napoleonic Wars and the beginning of World War I.

But increasingly since 1914, the onrush of technology has ended our physical isolation in the world. And it has correspondingly made impossible a policy of political isolation.

Some, who were not convinced of this by World War I, were convinced by Pearl Harbor.

Others, who were not convinced by Pearl Harbor, were convinced by Hiroshima.

Others, who still remained skeptical, were convinced by the ICBM.

And finally, any who even then were not convinced, must certainly have been persuaded by sputnik.

This snowballing technology, on which no Nation has a monopoly, is at the bottom of the biggest political problem we face today; indeed, it is the heart and core of that problem.

It has given both to us and to the Soviet Union the means literally of destroying the human race.

It has awakened the aspirations of those two-thirds of the human race who for centuries have been somnolent under the pall of a deadening and all-pervading poverty.

It has made a better life possible for the hundreds of millions of Asia and Africa; and, through its improvements in communications, it has made it possible for these millions to glimpse the better life.

It has likewise made possible a better life for us, the American people, and we have been enjoying this better life. Never have so many lived so well.

This greater material well-being may have within it the seeds of its own destruction unless we come to grips with the implications of technological growth. I am frank to say I do not think we have even begun to glimpse those implications.

We are confronted, literally, with a choice between life and death, in a form in which it has never been presented before. If it is death, it will be, as I said, total death. If it is life, it can be—perhaps we can even say it will have to be—a more abundant life than has ever been known.

This has all come about so rapidly that we have not yet adjusted our thinking and our habits of living to it. What complicates the matter is that this change is not a single incident in history; it cannot be neatly bounded in time. It is a continuing process, and it is continuing at a rapidly growing rate. Great as has been its progress up till now, I think we are still only on the threshold of this technological revolution. And make no mistake about it: It is by far the greatest, the most portentious revolution of all time.

The possibilities, and the problems, which are opened up to us by this revolution are as boundless as the revolution itself. We can content ourselves with using the instruments it gives us for our own comfort and luxury and can for a period—I fear it will be a brief one—wallow in our private swimming pools, with the color television sets, the station wagons, and the hi-fi apparatus which are spewed out by our technology and our industry.

Or, we can use the new tools which we have acquired to secure our own place in the world and thereby put our rising standard of living on a firmer base. For example, we can—and we must use our new sources of energy to provide ourselves with better missiles and other means of defense. But we should also use these new sources to power the kind of irrigation projects which will make the deserts of the world bloom.

We can use our new found knowledge of electronics to bring Steve Allen into half the living rooms of America. But we should also use this same knoweldge to communicate the truth about ourselves to the hundreds of millions of people who are living in intellectual darkness.

What I am trying to say is that technology has now put into the hands of man instruments of the most awful potential for good or for evil. I emphasize that these instruments are in the hands of man; they are not in our hands alone. They can be used, I think—if we are wise enough—not only for strictly technical purposes, but also for broader sociological purposes. Science and technology, in other words, offer one means of building at least some kind of a bridge—fragile though it may be—between us and the Russians. One advantage of this approach is that it is nonpolitical and emphasizes the things that are common to all men. Most people would rather be well-fed than hungry, warm rather than cold, healthy rather than sick. There is no ideology in a slide rule, or hybrid corn, or a vial of penicillin. We should seize every opportunity, however, slight, to work together for constructive purposes rather than to work separately for mutual destruction.

On the foreign scene, the technological revolution has complicated our problems, as I have described, primarily because it has transformed communications, transportation, and weapons.

On the domestic scene, it has created what may well be an even bigger problem. At the same time that it has made the physical side of life easier, it has made the intellectual side of life enormously more difficult. The educational effort which must now go into producing a scientist or an engineer is vastly greater than what was required even a generation ago. But even so, it is a great deal easier for an individual to become a qualified atomic scientist than it is for him to become a qualified atomic statesman, and I hope those in charge of our schools will keep this fact in mind.

It has not been very long since leisure was the exclusive property of the upper class. The technological revolution could quite conceivably reverse that. We already have a situation where the factory laborer works 40 hours a week and spends his weekends on the golf course or at the movies or just puttering about the house; while, on the other hand, the factory manager works 6 days a week and spends most of Sunday worrying about next week. The Government clerk works a 40-hour week; his boss is likely to work 60 or 70 hours. What we are seeing, I think, is a reverse twist on the old Marxist doctrine—life is getting easier and easier for more and more people while it is getting harder and harder for fewer and fewer. This has within it political and social implications of the most profound and incalculable nature.

I shall certainly not attempt to deal with all of these implications, but let me comment in passing on only one of them, and this is a rather superficial one. It is frequently said these days, especially since sputnik went up, that children don't have to work hard enough in school. That may or may not be true, but it is difficult for me to understand how a father can logically expect his child to work harder than the father himself does. If a father sets an example of spending Saturday afternoon in front of a television set, does he really expect his son to spend Saturday afternoon with an algebra book?

I don't know what to do about this, or about the other problems I have mentioned. I do know that the first step in solving a problem is to define it, and I think that we haven't yet even begun to define some of our problems very precisely.

Now let me mention just one more change which has occurred since Washington's time—this on a somewhat different level from those I have been talking about. In 1790 the budget request for the domestic expenses of the Department of State was a little less than $8,000. This included the salary of the Secretary, which was $3,500, and eight employees—five clerks, a French interpreter, and two messengers. In addition, it included $691 to pay for rent, firewood, stationery, and newspapers.

Congress reduced the total from a little less than $8,000 to a little more than $6,000.

In 1792 the estimated cost of the Foreign Service—as distinguished from the domestic expenses of the State Department—was $40,000. This included the cost of 5 Ministers and 16 consular officers abroad.

By way of contrast, in the President's budget currently before Congress for the fiscal year 1960 the requests for the State Department, including both its foreign and domestic expenses, total $243 million. To this should be added requests of $107 million for the U.S. Information Agency and $3,498 million for the mutual security program.

Despite these and other changes, however, there has been an enduring quality, not only in our institutions, as I mentioned at the

outset, but also in our basic approach to policy. This can be very clearly traced in the policy pronouncements of our first and our present Secretary of State. Ten days after assuming the Office of Secretary of 1790, Jefferson wrote to his friend, the Marquis de Lafayette:

"I think, with others, that nations are to be governed with regard to their own interests, but I am convinced that it is to their interest, in the long run, to be grateful, faithful to their engagements, even in the worst of circumstances, and honorable and generous always. If I had not known that the head of our Government was in these sentiments, and that his national and private ethics were the same, I would never have been where I am."

The same ideas, of course, recur in the writings of the then head of the Government, that is, General Washington. And I am sure that our Secretary of State would also say that he would not be Secretary unless these ideas were shared likewise by the present head of the Government, General Eisenhower. And compare Jefferson's letter with a speech which Dulles made less than a month before he assumed the office of Secretary:

"I believe that we can still follow the good American tradition of openness, simplicity, and morality in foreign policy. The need today is to rekindle faith in freedom, and make it contagious, by a fresh demonstration of what to do with freedom."

That was good doctrine in 1796; it was good doctrine in 1952; and it remains good doctrine in 1959. It is, as Lincoln said of the Declaration of Independence, a sentiment "which gave liberty, not alone to the people of this country, but, I hope, to the world for all future time."

May I summarize foreign relations, 1796–1959:

In the earlier date there were two great nations, France and England. Now there are two—Russia and the United States.

Then we stood alone against the world—now England and France and the West stand with us against the Kremlin.

Then the world was large, taking months to cross the Atlantic—now we fly around the world in 40 hours.

Then there was no radio, or telegraph, or television, or telephone; no steam, or electric engines; no aircraft; no electronics. Now, as indicated, we are in the heart of a new great revolutionary age.

Then we were the laughing stock of the kingdoms of the world—now we are the envy.

Then we were experimenting with the rights of man while the kings were experimenting with curtailing those rights.

Then we stood alone, apart as the new experiment in government, independent and flexing our muscles. Now we stand, not alone, but interdependent and providing the bedrock for the free nations to rest on.

Then we had but a pittance of a national income and a national market—now we have one-half of the market of the world, and one-half of the income.

Then we talked of noninvolvement in the affairs of Europe—now, because every nation is neighbor to every other nation, we are involved not only in the affairs of Europe, but in the affairs of the whole earth.

Then we were about 15 percent urban and 85 percent agricultural. Now, the reverse is the truth.

Then we stretched along the Atlantic coast, now we encompass the whole distance between the oceans and the gulf.

Then a people of 4 million, now a people of 175 million.

I conclude in the words of Washington: "Let us raise a standard to which the wise and honest can repair."

The Role of the Supreme Court as the Interpreter of the Constitution

EXTENSION OF REMARKS
OF
HON. RICHARD B. RUSSELL
OF GEORGIA
IN THE SENATE OF THE UNITED STATES
Monday, February 23, 1959

Mr. RUSSELL. Mr. President, I have served in the Senate with many able lawyers. However, I do not believe that I have ever served with or known a greater lawyer than the distinguished senior Senator from North Carolina [Mr. ERVIN]. He is a jurist of experience and a scholar of many years of labor. He delivered a very noteworthy speech before the trust division of the American Bankers' Association in New York City on February 11 entitled "The Role of the Supreme Court as the Interpreter of the Constitution."

I ask unanimous consent that it may be printed in the RECORD so that it will be available to all who are interested in the preservation of the Constitution of the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ROLE OF THE SUPREME COURT AS THE INTERPRETER OF THE CONSTITUTION

(Address by U.S. Senator SAM J. ERVIN, JR., Democrat of North Carolina, before a meeting of the trust division of the American Bankers Association, New York City)

The constitution of my native State of North Carolina has always contained a warning which all Americans would do well to heed. It is this: "A frequent recurrence to fundamental principles is absolutely necessary to preserve the blessings of liberty." Let us pause for a few moments, and recur to some fundamental principles.

The men who composed the Constitutional Convention of 1787 were wise men. They had read the history of the long and bitter struggle of man for freedom, and had found this shocking but everlasting truth inscribed upon each page of that history: No man or set of men can be safely trusted with governmental power of an unlimited nature. As a consequence, they were determined, above all things, to establish a government of laws and not of men.

To prevent the exercise of arbitrary power by the Federal Government, they embodied in the Constitution the doctrine of the separation of governmental powers. In so doing, they utilized this doctrine in a twofold way. They delegated to the Federal Government the powers necessary to enable it to discharge its functions as a central government, and they left to each State the power to regulate its own internal affairs. It was this use of the doctrine of the separation of powers which prompted Chief Justice Salmon P. Chase to make this trenchant observation in *Texas* v. *White:* "The Constitution, in all its provisions, looks to an indestructible union, composed of indestructible States."

In their other utilization of the doctrine of the separation of governmental powers, the members of the Convention of 1787 vested the power to make laws in the Congress, the power to execute laws in the President, and the power to interpret laws in the Supreme Court and such inferior courts as the Congress might establish. Moreover, they declared, in essence, that the legislative, the executive, and the judicial powers of the Federal Government should forever remain separate and distinct from each other.

This brings me to my subject: "The Role of the Supreme Court as the Interpreter of the Constitution."

In discussing this subject, I must tell you the truth about the Supreme Court.

I know it is not popular in some quarters to tell the truth about this tribunal. Admonitions of this character come to us daily from such quarters: When the Supreme Court speaks, its decisions must be accepted as sacrosanct by the bench, the bar, and the people of America, even though they constitute encroachments on the constitutional domain of the President or the Congress, or tend to reduce the States to meaningless zeros on the Nation's map. Indeed, the bench, the bar, and the people must do more than this. They must speak of the Supreme Court at all times with a reverence akin to that which inspired Job to speak thus of Jehovah: "Though He slay me, yet will I trust Him."

To be sure, all Americans should obey the decrees in cases to which they are parties, even though they may honestly and reasonably deem such degrees unwarranted. But it is sheer intellectual rubbish to contend that Americans are required to believe in the infallibility of judges, or to make mental obeisance to judicial aberrations. They have an inalienable right to think and speak their honest thoughts concerning all things under the sun, including the decisions of Supreme Court majorities. It is well this is so because the late Chief Justice Harlan F. Stone spoke an indisputable truth when he said: "Where the courts deal, as ours do, with great public questions, the only protection against unwise decisions, and even judicial usurpation, is careful scrutiny of their action, and fearless comment upon it."

As one whose major efforts have centered in the administration of justice, I have the abiding conviction that tyranny on the bench is as objectionable as tyranny on the throne and that my loyalty to constitutional government compels me to oppose it. In entertaining this conviction, I find myself in the company of such great Americans as Thomas Jefferson, Andrew Jackson, and Abraham Lincoln, who refused to accept in abject silence what they conceived to be judicial usurpations.

I do not find it easy to express my disapproval of the action of the Supreme Court. I was taught in my youth to repose an absolute confidence in that Tribunal by my father, an active practitioner of law in North Carolina for 65 years, who was accustomed to refer to it with almost reverential awe. He used to say that the Supreme Court would administer justice according to law even though the heavens fell.

I regret to say, however, that the course of the Supreme Court in recent years has been such as to cause me to ponder the question whether fidelity to fact ought not to induce its members to remove from the portal of the building which houses it the majestic words, "Equal Justice Under Law" and to substitute for them the superscription, "Not justice under law, but justice according to the personal notions of the temporary occupants of this building."

Let me confess that I live in the South. Let me also confess that I deem the school desegregation decisions constitutionally indefensible. Nevertheless I assure you that I would be compelled to hold the opinion I have just expressed even if the school desegregation decisions had never been made.

The truth is that on many occasions during recent years the Supreme Court has usurped and exercised the power of the Congress and the States to amend the Constitution while professing to interpret it.

In so doing, the Supreme Court has encroached upon the constitutional powers of

Congress as the Nation's legislative body, and struck down State action and State legislation in areas clearly committed to the States by our system of constitutional government. This action has been accompanied by overruling, repudiating, or ignoring many contrary precedents of earlier years.

A study of the decisions invalidating State action and State legislation compels the conclusion that some Supreme Court Justices now deem themselves to be the final and infallible supervisors of the desirability or wisdom of all State action and all State legislation.

This is tragic indeed, because there is nothing truer than the belief attributed to the late Justice Louis D. Brandeis by Judge Learned Hand, that the States are the only breakwater against the ever-pounding surf which threatens to submerge the individual and destroy the only kind of society in which personality can survive.

Time does not permit me to analyze or even enumerate all of the decisions which sustain what I have said. I must content myself with stating in summary form the effect of only a few of them.

Congress is told by the Court that it really did not mean what it said in exceedingly plain English when it enacted statutes to regulate the naturalization of aliens and to punish criminal conspiracies to overthrow the Government by force. Congress is told by the Court that its committees must conduct their investigations according to rules imposed by the Court which make it virtually certain that no information will ever be obtained from an unwilling witness. Political parties are told by the Court that they must admit to their membership persons who oppose the things for which they stand. California is told by the Court that it cannot punish its residents for criminal offenses committed within its borders if such residents are ignorant of the statutes creating such criminal offenses. California and New Mexico are told by the Court that they cannot determine the fitness or qualifications of those who apply to them for licenses to practice law in their courts. New Hampshire and Pennsylvania are told by the Court that they cannot investigate or punish seditious activities within their borders. New York is told by the Court that it cannot prescribe standards of propriety and fitness for its teachers. North Carolina is told by the Court that it cannot determine the status of its own citizens within its own borders. Pennsylvania and the trustees of the will of Stephen Girard, who has slumbered "in the tongueless silence of the dreamless dust" for 126 years, are told by the Courts that the 14th amendment empowers the Court to write a post mortem codicil to the will which Stephen Girard made while he walked earth's surface and entertained the belief that disposing of private property by will is a matter for its owner rather than judges.

In saying these things, I am not a lone voice crying in a legal wilderness. The concurring opinion of the late Justice Robert H. Jackson in *Brown* v. *Allen*, and the resolution adopted by 36 State chief justices in Pasadena, Calif., disclose that a substantial portion of the judges and lawyers of America believe the Supreme Court is not confining itself to its allotted constitutional sphere.

I quote these words from Justice Jackson's concurring opinion: "Rightly or wrongly, the belief is widely held by the practicing profession that this Court no longer respects impersonal rules of law but is guided in these matters by personal impressions which from time to time may be shared by a majority of the justices. Whatever has been intended, this Court also has generated an impression in much of the judiciary that regard for precedents and authorities is obsolete, that words no longer mean what they have always meant to the profession, that the law knows no fixed principles." Justice Jackson closed his observations on this score with this sage comment: "I know of no way we can have equal justice under law except we have some law."

Let us consider and weigh the reasoning of those who seek to justify the proposition that it is permissible for the Supreme Court to amend the Constitution under the guise of interpreting it.

They make these assertions: The Constitution must change to meet changing conditions. As its authorized interpreter, the Supreme Court has the rightful power at all times to make the Constitution conform to the views of the majority of its members. Since the doctrine of stare decisis, i.e., the rule that judges stand by and follow the decisions of their own court, might handicap the Supreme Court in making the Constitution conform to the views of a majority of its members on some occasions, the Supreme Court is not bound by its own decisions on constitutional questions.

These arguments rest upon a wholly fallacious premise, namely, that the power to interpret and the power to amend are identical. The distinction between these powers is as wide as the gulf which yawns between Lazarus in Abraham's bosom and Dives in hell. The power to interpret the Constitution is the power to ascertain its meaning, and the power to amend the Constitution is the power to change its meaning.

It seems at first blush that those who advance these arguments overlook the significant fact that article V of the Constitution vests the power to amend the Constitution in the Congress and the States, and not in the Chief Justice and Associate Justices of the Supreme Court. But not so, They simply nullify article V with these neat assertions:

The method of amendment authorized by article V is too cumbersome and slow. Consequently, the Supreme Court must do the amending. The alternative is to let the Constitution freeze in the pattern which one generation gave it.

To a country lawyer, this is merely a high falutin' way of saying that the oath of a Supreme Court Justice to support the Constitution does not obligate him to pay any attention to article V or any other provision displeasing to him.

When all is said, the thesis that the Supreme Court has the rightful power to amend the Constitution under the guise of interpreting it is repugnant to the end the Founding Fathers had in mind when they gave this country a written Constitution. Indeed, it is incompatible with the primary object of all law.

"The Federalist," Judge Thomas M. Cooley's monumental treatise on "Constitutional Limitation," and certain great decisions of the Supreme Court antedating the last quarter of a century, reveal with unmistakable clarity the end the Founding Fathers had in mind in giving our country a written Constitution.

The Founding Fathers "were not mere visionaries toying with speculations or theories, but practical men, dealing with the facts of political life as they understood them." (*South Carolina* v. *United States.*)

They understood the facts of political life exceedingly well. The history of the world had taught them that what was done in the past might be attempted in the future. In consequence, they foresaw that the fundamentals of the Government they desired to establish and the liberties of the citizen they wished to secure would be put in peril in troublous times by both the Government and the people unless they protected such fundaments of government and such liberties by irrepealable law binding equally upon the Government and the governed at all times and under all circumstances. (Ex parte Milligan.)

The Founding Fathers knew that the surest way to protect the fundamentals of the Government they desired to establish and the liberties of the citizen they wished to secure was to enshrine them in a written Constitution, and thus put them beyond the control of impatient public officials, temporary majorities, and the varying moods of public opinion. To this end, they framed and adopted a written Constitution, thereby putting into form the Government they were creating and prescribing the powers that Government was to take (*South Carolina* v. *United States;* "Constitutional Limitations.")

The Founding Fathers knew that useful alterations of some provisions of the Constitution would be suggested by experience. Consequently they made provision for amendment as set out in article V. James Madison, whom historians rightly call the father of the Constitution, informs us that the Constitutional Convention preferred this mode for amending the Constitution because "it guards equally against that extreme facility, which would render the Constitution too mutable, and that extreme difficulty, which might perpetuate its discovered faults." ("The Federalist.")

Since the Constitution is a written instrument, its meaning does not alter, unless its wording is changed by amendment in the manner prescribed by article V. "That which it means when adopted it means now. * * * Those things which are within its grants of power, as those grants were understood when made, are still within them, and those things not within them remain still excluded." (*South Carolina* v. *United States.*)

Chief Justice John Marshall declared in his great opinion in *Gibbons* v. *Ogden* that "the enlightened patriots who framed our Constitution and the people who adopted it must be understood * * * to have intended what they said."

This being true, it is as clear as the noonday sun that the role of the Supreme Court as the interpreter of the Constitution is simply to ascertain and give effect to the intent of its framers and the people who adopted it. (*Gibbons* v. *Ogden; Ogden* v. *Saunders; Lake County* v. *Rollins.*) As Justice Miller said in ex parte Bain: "It is never to be forgotten that in the construction of the language of the Constitution here relied on, as indeed in all other instances where construction becomes necessary, we are to place ourselves as nearly as possible in the condition of the men who framed that instrument."

Since the meaning of a written Constitution is fixed when it is adopted and is not different at any subsequent time when a court has occasion to pass upon it, Judge Cooley was justified in declaring in his "Constitutional Limitations" that "a court * * * which should allow a change in public sentiment to influence it in giving a written constitution a construction not warranted by the intention of its founders would be justly chargeable with reckless disregard of official oath and public duty."

I know that in recurring to fundamental principles I lay myself open to the charge that I am setting the clock back. As one who believes truth to be eternal, I am not troubled by this charge. Moreover, I have observed that the charge is usually made by those who labor under the delusion that there was little, if any, wisdom on earth before they arrived. It was a wise man and not a wag who suggested that these persons object to setting the clock back because it would require them to adjust their clocks and their minds forward.

Let us reflect at this point on the primary object of all law.

Laws are designed to furnish rules of conduct for government and people. As a consequence, a law is destitute of value unless it has sufficient stability to afford reliable

rules to govern the conduct of government and people, and unless it can be found with reasonable certainty in established legal precedents. Justice Louis D. Brandeis had this truth in mind when he said: "It is usually more important that a rule of law be settled, than that it be settled right. Even where the error in declaring the rule is a matter of serious concern, it is ordinarily better to seek correction by legislation."

If the thesis that a majority of the members of the Supreme Court have the rightful power to change the meaning of the Constitution under the guise of interpreting it every time a sitting Justice wavers in mind or a newly appointed Justice ascends the Bench should find permanent acceptance, the Constitution would become to all practical intents and purposes an uncertain and unstable document of no beneficial value to the country. Yea, more than this, it would become a constant menace to sound government at all levels, and to the freedom of the millions of Americans who are not at liberty to join Supreme Court Justices in saying that Supreme Court decisions on constitutional questions are not binding on them.

I cannot forbear expressing my opinion that the notion that Supreme Court Justices are not bound by the decisions of the Court on constitutional questions exalts Supreme Court Justices above all other men, and is of the stuff of which judicial oligarchies are made. Be this as it may, what Justice Benjamin N. Cardozo said in "The Nature of the Judicial Process" concerning the contention that the judge is always privileged to substitute his individual sense of justice for rules of law applies with equal force to this notion. "That might result in a benevolent despotism if the judges were benevolent men. It would put an end to the reign of law."

What I have said on this point finds full support in the ringing words of Edward Douglas White, one of the ablest lawyers and wisest judges ever to grace the Supreme Court bench. He said: "In the discharge of its function of interpreting the Constitution, this Court exercises an august power. * * * It seems to me that the accomplishment of its lofty mission can only be secured by the stability of its teachings and the sanctity which surrounds them. * * * The fundamental conception of a judicial body is that of one hedged about by precedents which are binding on the Court without regard to the personality of its members. Break down this belief in judicial continuity, and let it be felt that on great constitutional questions this Court is to depart from the settled conclusions of its predecessors, and to determine them all according to the mere opinion of those who temporarily fill its bench, and our Constitution will, in my judgment, be bereft of value and become a most dangerous instrument to the rights and liberties of the people."

What has been said does not deny to the Supreme Court the power to overrule a prior decision in any instance where proper judicial restraint justifies such action. A sound criterion for determining when proper judicial restraint justifies a judge in overruling a precedent is to be found in the standard which Judge Learned Hand says his friend and colleague, Judge Thomas Swan, set for his own guidance: "He will not overrule a precedent unless he can be satisfied beyond peradventure that it was untenable when made; and not even then, if it has gathered around it the support of a substantial body of decisions based on it."

In ending this phase of my remarks, I wish to emphasize the precedents set by the Supreme Court on constitutional questions were tenable when made if they conformed to the intention of those who framed and adopted the constitutional provisions involved, no matter how inconsistent they may be with the views of Justices subsequently ascending the bench.

This brings me to the argument that Supreme Court Justices must nullify article V and usurp the power to amend the Constitution while pretending to interpret it to keep the Constitution from freezing in the pattern which one generation gave it.

I assert with all the emphasis at my command that there is really no substantial vadidity in this argument. I take this position for three reasons:

First. Although the Constitution does not change its meaning in the absence of amendment under article V, the provisions of the Constitution are pliable in the sense that they reach into the future and embrace all new conditions falling within the scope of the powers which they in terms confer. (*Missouri P. R. Co. v. United States; South Carolina v. United States.*) Existing grants of constitutional powers will enable the Federal Government to take action in virtually all new fields in which action on its part will be appropriate.

Second. As the possessor of all the legislative power of the Federal Government, Congress has complete authority at all times to make, amend, or repeal laws relating to all matters committed by the Constitution to the Federal Government.

Third. For these reasons, occasions which really call for amendments to the Constitution are comparatively rare. While it is frequently asserted that the method for amending the Constitution prescribed by article V is too cumbersome and slow for practical purposes, those who make the assertion furnish no satisfactory proof of its truth. To be sure, they cite as evidence the failure of Congress and the States to make constitutional changes they deem desirable. They overlook the fact, however, that the evidence they cite has just as logical a tendency to prove that the wisdom of Congress and the States exceeds theirs. Thomas Riley Marshall said that "it is as easy to amend the Constitution of the United States as it used to be to draw a cork." While this statement is not literally true, it is substantially true in instances where Congress and the States believe a constitutional amendment to be advisable.

In the final analysis, those who contend that Supreme Court Justices are justified in changing the meaning of constitutional provisions while pretending to interpret them confuse right and power.

What Justice Cardozo said of the judge as a legislation, in "The Nature of the Judicial Process," is relevant here.

He said: "I think the difficulty has its origin in the failure to distinguish between right and power, between the command embodied in a judgment and the jural principle to which the obedience of the judge is due. Judges have, of course, the power though not the right to ignore the mandate of a statute, and render judgment in despite of it. They have the power, though not the right, to travel beyond the walls of the interstices, the bounds set to judicial innovation by precedent and custom. Nonetheless, by that abuse of power, they violate the law."

Twenty years ago a great American, William E. Borah, a Senator from Idaho, made this moving statement:

"We do not know what the future has in store for us as a nation, but do know that the system of government which was brought forth on this continent nearly 150 years ago, baptized with the blessings and crowned with the wisdom of great leaders, has brought greater contentment and prosperity and more freedom to the average man and women than any form of government yet devised. This fact alone should burn into our very souls the determination to preserve it in all its essential principles. It is one thing to adopt and adjust principles to new conditions; it is another thing to permit new conditions to disregard principles; the former is the highest achievement of the statesman and the lawgiver, the latter the work of the timeserver and the adventurer."

In closing, I add this observation to Senator Borah's stirring words: We shall not preserve any of the essential principles of the Government which brought these great blessings to America if we permit the Constitution to be destroyed by judicial usurpation.

Public Housing and the Federal Budget

EXTENSION OF REMARKS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 23, 1959

Mr. TABER. Mr. Speaker, a balanced budget is the most critical goal which must be attained in this session of Congress. It is up to Congress, but here is a picture of just what makes this goal so difficult to reach.

The Constitution provides that no moneys be withdrawn from the Treasury of the United States without an appropriation authorized by law. For the last 20 years, it has been customary for several congressional committees to draft legislation providing for a so-called back-door approach to the Treasury, instead of going to the Congress and asking for an appropriation when said legislation calls for money to be spent for any purpose. This is done with a provision which authorizes the head of an agency, like the Housing Agency, to go to the Secretary of the Treasury, deliver to him a note or notes for whatever amount they might wish to draw, and apply it against the total sum which is made available by the bill. With such a provision, an agency can use the money without restraint, and can do just about as it wishes with it. The agency is not required either annually or at any other time, to go before a committee of Congress, and say what it would do with the money. There is no annual or other review provided for its operations. It is just a freelance in the spending of the money.

Clause 4 of rule XXI of the House rules provided for the solution of these problems and the appropriation of money through the Appropriations Committee. To quote the rule:

> No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations, nor shall an amendment proposing an appropriation be in order during the consideration of a bill or joint resolution reported by a committee not having that jurisdiction. A question of order on an appropriation in any such bill, joint resolution, or amendment thereto may be raised at any time.

This has been interpreted in several parliamentary rulings in the House of Representatives over the past 15 or 20 years in such a way that congressional committees other than the Appropriations Committee could bring in a bill with a provision for the back-door approach to the Treasury, such as I have described, and as a result of it, we have had a

tremendous amount of irresponsible legislation. Over $5 billion was appropriated last year by the Congress through the back-door method. Congressman HOWARD W. SMITH, of Virginia, has introduced a resolution, which is now up for consideration before the Rules Committee, which resolution would do away with this practice and force those people who have been avoiding a proper justification for withdrawing money from the Treasury to come before the Appropriations Committee for their money.

Conditions have come to pass where there has been no review of a lot of these Federal expenditures. It is absolutely necessary if we are going to maintain the liberties of the United States that we keep in the Appropriations Committee of the Congress the power to appropriate funds. If we allow legislation to continue to make provisions such as the recent housing bill passed by the Senate; namely, to turn over $3.7 billion to the Public Housing Administration to spend on public housing without any restrictions whatever and without any control and without any review over the 5½ years that is the period covered by the authority written into the bill, the Congress is simply shirking its responsibilities. Time after time, we find cases where expenditures have been made and will be made that the Congress did not approve and that the very people who are urging this type of legislation did not approve themselves. For instance, there is no control in the housing legislation as to what sort of construction there should be; there is no such thing as an attempt to maintain a good, clean job. The housing bill, as it presently is before the House committee, calls for $1.5 billion for urban renewal, $3.7 billion for housing, $400 million for college housing loans, and for veterans' housing, $300 million. The Founding Fathers who drew the Constitution, after having gone through a long period of war with Great Britain to obtain their liberties, thought that it was necessary to place a provision in the Constitution prohibiting the spending of money without an appropriation. When there is no appropriation of money, frankly, it appears to me as though the language was not sufficient to comply with the Constitution requirement for the proper appropriation of funds. With that in mind, Congressman SMITH has prepared and has before the Rules Committee House Resolution 161. It would require that these funds should pass through the Appropriations Committee, after being authorized by other committees by bills coming from them. It would require an annual review of what is going to be spent and what it is going to be spent for. We must protect our people from what is going on through a bloc of bureaucrats. Surely, that would save more money than any other action that we could take at this time. This resolution is the only way to restore to Congress the power to appropriate money given it by the Constitution.

These various projects—the public housing construction program where buildings are erected and rented to people who have incomes as high as $10,000 a year—are probably the most ridiculous of our governmental expenditures. The rents that these people pay are calculated to just above cover the cost of the maintenance of the buildings and the accessories. They do not pay a substantial amount into the Treasury. They pay no taxes upon the buildings and we are taxing the poor people who have been thrifty enough to buy and pay for their own houses, to pay for the cost and maintenance of these public housing projects.

Many of these property owners have less income than the people who are living in these public houses, and if there is any project whatever that we could get along without, this is it.

The urban renewal projects and the college housing projects and the veterans loan project can be taken care of by local and private capital, if the proper efforts are made to provide that sort of thing.

Somewhere, somehow, there must come a sense of responsibility and of meeting our obligations to the Government of the United States; to the necessity for keeping down our Federal budget so that we can prevent any more outbreaks of the inflation which has plagued the United States terrifically since the end of World War II.

Hoosier Guardsmen Defend Lives and Homes

EXTENSION OF REMARKS
OF
HON. WILLIAM G. BRAY
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 23, 1959

Mr. BRAY. Mr. Speaker, a few months ago, the National Guard of the United States introduced a slogan which reads: "Sleep well tonight, your National Guard is awake." This slogan seemed most appropriate to those of us who appreciate the important role the Guard plays in our Nation's defense picture, for we realize that without these thousands of citizen soldiers our manpower problem would indeed be critical.

Though this slogan was undoubtedly conceived to dramatize the Guard's important position in defending our country, it carries an implication in Indiana that brings it much closer to Hoosier hearts and homes.

For it was National Guardsmen who, day and night, worked and fought to help control the rampaging ice and water of the flooding Wabash River. Called from their own homes and families, from their civilian occupations, these Hoosier Guardsmen built dikes of sandbags, they evacuated stranded families, they literally moved small communities to safety.

When they were called, they moved quickly and without confusion. There was no question about rations, about transportation, about equipment, or anything else. They were ready and they were trained.

Every one of us—and every freedom loving citizen of this country—should thank God for the National Guard. We can sleep well because the National Guard is awake. Just ask the families along the Wabash River Valley.

Speech Delivered by Hon. Lister Hill, of Alabama, at the Dedication of the National Education Association Headquarters

EXTENSION OF REMARKS
OF
HON. JOHN SHERMAN COOPER
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Monday, February 23, 1959

Mr. COOPER. Mr. President, the distinguished senior Senator from Alabama delivered a remarkable speech at the dedication of the National Education Association headquarters in Washington, D.C., on February 10, 1959. I ask unanimous consent that it may be printed in the RECORD.

I was present at the dedication of the National Education Association headquarters and heard Senator HILL deliver his speech. The Senate has heard him speak many times on the floor of the Senate, and many of us have heard him in other forums. He always speaks eloquently and well. However, as I heard the distinguished Senator from Alabama speak before the delegates to the National Education Association on the educational problems of our country I thought that it was one of his finest speeches. The subject itself related to defense, the economic growth of the Nation, the necessity of our citizens being prepared to participate fully in democratic government, and to our basic concept of the full development of man.

The speech of the Senator from Alabama was philosophical, practical, and eloquent. It is a call for thought and action by our Government both at the local and Federal levels, and by the people of our Nation. It is a statement of permanent value for the people of our country.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY HON. LISTER HILL, OF ALABAMA, AT THE DEDICATION OF NATIONAL EDUCATION ASSOCIATION HEADQUARTERS, WASHINGTON, D.C., FEBRUARY 10, 1959

Dr. Givens, Mr. Secretary, Commissioner Derthick, Dr. Carr, officers, and friends of the National Education Association and of American education, it is an honor to be with you today to take part in the dedication of this magnificent building, the new headquarters for the National Education Association.

Impressive as is this fine new building, is the record of splendid service that NEA has rendered during the past century to the teachers, to education, and to the people of America.

As NEA begins its second century of service, it is fitting that these handsome new quarters become the home of the efficient and busy nerve center of the largest professional organization in the world.

I know the many services to your 700,000 members, the information and guidance you give to the teachers of the Nation to help them advance their professional competence and improve their economic status. I know your efforts to improve American education.

As your organization has worked to advance the cause of education on all fronts, your greatest fight has been made for educational opportunity for every American child.

Today, as your executive secretary and my friend, Dr. William G. Carr, has so aptly put it: "We have been concerned that every child get into school. Now we must ask what every child gets out of school."

The responsibilities of education have never been better summed up than in the blunt phrase of Thomas Jefferson:

"If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be."

America is challenged as never before by a ruthless, ambitious Communist Russia that has deliberately geared its education system to take advantage of the emerging new age of science, with massive and ever-increasing demands for more trained manpower and for new skills and techniques, with a premium upon intellectual excellence, and with its demand for devotion to the hard labor of rigorous thought.

America's traditional values of the dignity, the essential worth, and the inalienable rights of the individual are challenged by the Communist concept of the all-powerful state, where the individual is simply the tool of the state.

Our religious and cultural heritage is challenged by a society of dynamic, atheistic materialism.

Our system of economic opportunity through free enterprise and individual initiative faces driving competition from a regimented economy whose resources are used as political and diplomatic weapons.

Our science and technology are challenged and have been presently surpassed by sputnik, lunik, and other evidence of Russia's amazing scientific progress within a single generation.

And hanging darkly over all is the ominous possibility of nuclear war.

What are the resources of our people—resources of the mind and of the spirit—for meeting the challenge of a dynamic and ruthless Communist Russia, and the challenge of a swiftly changing world?

At the very roots of our resources and our capabilities lies America's system of education. Education provides not only the knowledge and technical training, but the intellectual discipline and incentives for meeting the challenge. In our democracy, education has a vast responsibility for instilling the patriotism, the sense of duty, the moral commitment to make a choice, to work in the cause of justice and human liberty. For well we know the uncommitted mind leads to the cynicism and decadence of the uncommitted heart.

The successful launching of Russia's sputniks struck a severe blow at the self-confidence of the American people and at our prestige in the world. Rarely have Americans questioned one another so intensively about our military posture, our scientific stature, and our educational system. In the wave of reproach and criticism that has swept America a principal target has been our system of education.

American education, it is charged, is obsessed with the teaching of "social adjustment," with gearing education to the lowest common denominator, with pressing America's children into an educational lockstep that moves them from grade to grade without regard for individual talents and capacities.

Some of these charges are true. For some time, you and I have been concerned over the vastly increased number of nonacademic courses in the secondary schools. We have been concerned that English language and literature have been diluted; that physics and chemistry have become general science; that algebra has become general mathematics. We have been concerned that education does not demand the rigorous effort, the mental discipline, the creative thinking, and the respect for learning that American education must have.

But education in America is not determined by the educators and the teachers alone. Education in America reflects the attitudes of a whole people. Our educational programs are determined by:

The businessman, the labor leader, the banker, and the mother who sit on the local school board;

By the industrialist whose factories provide jobs in the community and thereby influence the kind of education provided to fill those jobs;

By parents whose indulgence or whose desire for material success, prestige, and good incomes for their children shape so deeply the child's sense of values and his selection of courses;

By Government—Federal, State, and local—through the administrative agencies and the legislatures, through the funds they provide and the limitations and requirements they impose;

By the foundations and the philanthropists, in the types of grants and endowments they give; and

By the newspapers, radio and television, and the Nation's other mass communications media, as they contribute to public opinion and public attitudes.

It is fitting and proper that all these segments of American democracy play their rightful part in determining the shape and emphasis and function of American education. But when we come to assess the needs and deficiencies of American education, they should stand up and be counted and accept their share of the responsibility. The burden must not be put solely on the educators and the teachers, many of whom are dedicated men and women who give their lives to teaching, who, in their devotion and self-sacrifice, spend and are spent in the cause of educating America's children.

It is important to remember that our aim is to attack the problem, not the schools. Criticism and difference of opinion help to clear the air, but they are only part of the process of decision. Criticism is a measure of our desire for excellence, but it does not alone achieve excellence.

In the words of John Milton, "Where there is much desire to learn, there of necessity will be much argument, much writing, many opinions; for opinion in good men is but knowledge in the making."

We must not permit criticism to destroy our faith in the essential value, the proven success, and the democratic validity of our American school system—the great training ground for democracy. Are we to be made self-doubters by our aspirations and ideals?

What, then, is the American, this new man, who has made the deserts bloom, who has taken the drudgery out of farming and removed the backbreaking toil from factory labor, whose productivity per worker is by far the highest there is, who is surrounded by the world's best systems of communication and transportation, and who enjoys the highest standard of living in the world?

Was this progress made by a people with an inferior educational system?

There are some who look with trepidation on the incoming flood of school and college students that will double the present school population by 1970. There are some who feel this greatly increasing school population endangers the quality of American education. We need not feel besieged by the rising tide of students. Their claims to education are a sign of national health and vitality. Their millions constitute a national asset—a vast reservoir of skills and ambition and intellect. From so broad a base we can discover and develop the most talented young intellects.

In the last session of Congress—with the enactment of the National Defense Education Act—we took a major step for discovering and encouraging the Nation's potential intellectual talent, for creating wider opportunities for advanced training of our gifted young people, for providing better training and equipment for our teachers.

The principal objective of the National Defense Education Act is to help correct the serious imbalance in our educational system that for some years has been unfavorable to the teaching of mathematics, the sciences and foreign languages. Student loans at low interest rates and fellowship grants for advanced study give the able and qualified student an opportunity to complete his education and give the Nation the benefit of his maximum capabilities. Teachers may attend special institutes where they can learn the newest developments in their fields of study. Aptitude tests will reveal talented pupils at an early age. Guidance and counseling services will help students select the paths of study best suited to their individual capacities.

The act provides for research and experimentation into new uses for radio, television, films, and other teaching aids. Language centers are provided to give instruction in the language and culture of foreign peoples.

Expansion of area vocational educational schools will help provide the technicians so vitally needed to support the Nation's scientists and engineers. The latest findings of scientific research throughout the world will be assembled and translated.

As the National Defense Education Act strengthens America's education in mathematics, the sciences and languages, we must move to strengthen our whole educational system. The need for mobilizihg our intellectual resources has been dramatized chiefly by the shortage of scientists and engineers. But this deficiency is only part of a general shortage of specialized talent which affects virtually every aspect of our society and the strength of our America. We need more of every kind of talent, not merely more nuclear physicists and engineers, but more first rate biologists and doctors, teachers and politicians, economists and ministers, writers, poets, and philosophers—and leaders in all the varied activities that make up our national life. And this calls for total effort from the Nation.

In this effort, we recognize that the primary and basic responsibility for and the control and administration of our educational system, sensitive to the needs and desires of the people, rests with the States, the local communities and their college and universities. In enacting the National Defense Education Act, Congress reaffirmed this principle and the act declares:

"The Congress reaffirms the principle and declares that the States and local communities have and must retain control over and primary responsibility for public education."

In this effort, we recognize that education is a total responsibility of the Nation and that the Federal Government has primarily a twofold duty in American education: To strengthen the intellectual resources of our people to meet the needs of national security; to help relieve the disparities in the wealth of the individual States which impose an undue burden on the less wealthy States in their efforts to maintain adequate education programs. Assistance from the Federal Government should stimulate and encourage and challenge State and local action and never be a substitute for such action.

There are great disparities in the wealth of the States, and consequently in their ability to raise revenue and to support adequate educational programs.

It is axiomatic to say that taxes can be levied only where wealth exists. The disparity in taxable wealth between States is dramatically pointed out in a pamphlet prepared by Prof. R. L. Johns, of the University of Florida, and published last year by the NEA legisaltive commission. In this pamphlet, entitled "Ability and Effort of the States to Support the Public Schools," Dr. Johns showed that in 1955 the concentration of taxable wealth in five great industrial and commercial States—Illinois, Michigan, New York, Ohio, and Pennsylvania—was so great that over 60 percent of the total U.S. corporation income and profits taxes were raised in these States, although they have less than 30 percent of the school-age children of this country to educate. On the other hand, Dr. Johns points out that 21 nonindustrial and noncommercial States, having roughly the same number of children to educate, have taxable wealth which produced only slightly more than 8 percent of the corporation income and profits taxes of the United States. To put it another way, these five great industrial States have many times more the tax collecting possibilities than exist in the 21 nonindustrial and noncommercial States.

In our concern with sputniks, with rising enrollments, with the teaching potential of television and other mass communications media, we must not forget that the teacher is the central figure in the education process.

Inevitably the qualities and influence of the teacher are woven into the character of the Nation. We entrust the minds and characters of our most precious resource—our children—to the teacher for many hours of the day. We look to the teacher to help mold the child for the responsibilities of manhood and womanhood.

Teaching has for a long time been called a profession. It is time to make it a profession in fact.

The hour demands a bill of rights for the teacher, a bill of rights guaranteeing a salary that will enable the teacher to enjoy a good standard of living, permit recreation and travel, continued study and educational growth, and insure security in old age.

The bill of rights must go further. It must recognize the essential worth and dignity of the teacher and assure him of full opportunity to take part in the life of the community, outside the classroom.

But a bill of rights for the teacher is not self-enforcing. To become reality, such a bill of rights requires public understanding and public support. There must be a new consciousness by the public and by State and local officials of their obligations. You, the teachers, must inform the public of your needs and the needs of the schools.

I know that you have organized the citizenship committee of the National Education Association, and it has been an active, aggressive organization. Yet a recent survey by NEA revealed that two-thirds of the teachers in the United States felt a kind of pride in being aloof from politics and public affairs.

You cannot fulfill your obligations as teachers and as citizens by standing apart. Perhaps more than others, you have an opportunity—through your teaching and through your active example—to serve as a constructive and influential force in public affairs.

We stand today at one of the great watersheds of history. It is a commonplace that they are seldom noted until, looking back, we see them rising out of what Tennyson called "the eternal landscape of the past." Our generation can realize, in awe and humility, that we have been permitted the rare experience of crossing an epochal divide into a new valley of civilization.

To meet the challenge of this new epoch, to reap the rich harvest of its promises, we shall need unwavering determination and a burning resolve to reach the new heights demanded of us.

More than any other kind of society, democracy requires talent and leadership, widespread among all the people. The goal of our educational system must be the opportunity and the incentive for the fullest exercise of each individual's ability. America's strength requires that we have a people who hold a deep respect for education and intellectual attainment, who recognize that intellectual discipline is essential to our national purpose, who know the hard labor of intensive study and devoted, rigorous thought.

But for our people to meet the challenge of the Communist world, for them to measure up to the demands of the hour, the answer lies not alone in learning, and in such wisdom as they may acquire.

The foundation of the whole matter lies in the character of our people.

The great task of American education is to build this character, to instill the ideals and the faith to know what is right, and to instill the courage and resolution to choose to work and to fight for it.

Let us build upon the rock of the commandment of Joshua to his troops: "Choose you this day whom ye will serve; as for me and my house, we will serve the Lord."

New Challenges to Education

EXTENSION OF REMARKS
OF
HON. RALPH YARBOROUGH
OF TEXAS
IN THE SENATE OF THE UNITED STATES

Monday, February 23, 1959

Mr. YARBOROUGH. Mr. President, it was recently my pleasure and privilege to address the Texas breakfast at the National School Administrators convention held in Atlantic City, N.J.

The school administrators of this Nation are a most important group. To them and the teachers under their supervision falls the vital task of training the youth of the United States. The excellent record they have already established stands as a living monument to their skill and dedication to duty, particularly when we consider they have been forced to work with inadequate facilities and are generally underpaid. To remain at their posts and continue to work for the betterment of young people requires a missionary zeal. These people are to be heartily commended.

At the request of friends, I am asking unanimous consent to have my address, given February 17, 1959, printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NEW CHALLENGES TO EDUCATION

(Address by U.S. Senator RALPH YARBOROUGH at the annual Texas breakfast at the National Association of School Administrators convention, Atlantic City, N.J., February 17, 1959)

Mr. Chairman, fellow Texans, fellow Americans, I am very grateful for the privilege of participating in your annual meeting. This is a doubly pleasurable meeting to me, because some of the happiest days of my life have been spent in school—most of them as a student under inspiring teachers.

Although some of my former students in the Piney Woods country of the Neches River Valley may feel differently about those times, my 3 years as a country schoolteacher in Henderson County were to me some of the happiest days of all.

Now, as a member of the Senate Education Subcommittee, I am having an exceptional opportunity to learn something of the many complex problems facing our schools today.

In common with most informed Americans, I am deeply concerned about the lagging progress of public education and I am particularly concerned about it in Texas. This does not mean that I am critical of you and of our teachers. On the contrary, I commend you for doing an excellent job despite limited tools, inadequate pay, and lukewarm public support. It is my job, and the responsibility of every thinking citizen, to do everything possible to see that you have the funds to pay adequate teachers' salaries and to build adequate classrooms.

I firmly believe that teachers' pay in Texas should be raised from 50 percent to 100 percent, but not because I feel that every teacher is worth twice as much as he or she is now receiving. I am convinced that doubling teacher pay would not only solve the teacher shortage, it would create competition for the jobs. Then you as administrators would be in position to demand a high degree of excellence in this vital profession.

To those who say we "can't afford it," my answer is—we cannot afford to do otherwise. Like it or not, we cannot afford either having only half of our Texans educated, or having all Texans half educated. Yet, we are dangerously near that point.

Only one Texan in three over the age of 25 years has completed 4 years of high school. Texans rank 38th among people from all the States in the percentage qualified through the selective service mental test. Likewise, our students rank 38th among the students of other States in the per capita average number of days they attend school each year, under Texas' generally unenforceable compulsory school attendance law.

It is a shocking disgrace for big, rich Texas to rank 32d among the States in public school expenditures for each pupil in average daily attendance. But one must confess that is what might be expected in a State where an inept Government is blind to the needs of education. It taxed students by raising university tuition fees, and refused to tax the interests that are exploiting Texas, her people, and her resources.

A century and a quarter ago, our Texas forefathers revolted because of the failure of the general government to establish a public system of education in Texas.

Texas was ravaged by fire and by sword, her cities besieged, her towns burned, her heroes killed. But her right to a system of public education was won. Are we, the inheritors of those rights, to fail this, and the next generation? Are we too weak, too conformist, too servile and supine, to fight for what we know is right? Is big money to connote big ignorance? I call on every Texan to rally now, and help us build the best system of public education in the United States.

Proud, wealthy Texas is paying its elementary teachers an average of only $4,296 yearly, considerably below the national average. This is criminal neglect because the student is the casualty in the long run. As your representative in the Senate, I am working for the solution of this problem.

As a member of the Senate Education Subcommittee, I have been present at hearings on Senate bill No. 2, the so-called School Support Act of 1959 introduced by Senator MURRAY, of Montana. Under this provision,

Texas would be eligible to receive an allotment of $25 per school age child in fiscal 1959–60, $50 the next year, $75 the next year, and $100 per student in 1962–63. The estimated allotments for Texas by respective year would total $63.8 million; $132.9 million, $206.4 million, and $285.3 million.

This money, and I want to emphasize this—without any Federal controls or intervention—would be available to local school districts to use as local boards see fit, either for teacher pay increases or construction of new school rooms, or both.

Regardless of whether this bill passes, you can count on me to fight to see that we do not lose any of the good programs already underway. I will continue to strenuously oppose moves to abolish or to limit the school-lunch program, and the school-milk program, vocational education programs, and Federal assistance to federally impacted areas. I am working to expand all of these programs. You know, some of these people who are against spending money on public education, no matter why or where the money is needed, have been running around the State saying, "Why you've got to watch out for old RALPH YARBOROUGH. He's for Federal aid to education."

I'd like to clear that point up once and for all. I'm not just for Federal aid to education. I'm for all aid to education. The soundest investment we can make in America is in developing the minds of our young people. The need for more funds in the field of public education is so critical that revenues from local districts, cities, States, and the Federal Government all are required.

With this in mind, I have been shocked and saddened to learn that the board of regents of our Texas State teachers colleges have declined by an official resolution to participate in the student loan provisions of the National Defense Education Act of 1958. As you know, this is the act which primarily is designed to start us on the road to higher educational achievement, particularly in the field of science.

One provision of the National Defense Education Act of 1958, which, incidentally, I had the honor of coauthoring, provides funds for loans to college students. Most colleges in Texas and throughout the Nation have responded enthusiastically to this loan program as a very worthwhile means of assisting worthy students in securing a college education. But I was astonished to learn that the board of regents of Texas State teachers colleges have denied participation in these loans to students in five colleges.

Despite the fact that college officials had estimated a student loan need totaling $195,333, the board saw fit to deny this loan program to students at Sam Houston Teachers College, Southwest Texas State Teachers College, Stephen F. Austin, East Texas State, and Sul Ross College.

The board of regents of these colleges has made a decision which I would not want on my conscience. If a single student drops out of a single one of these schools for lack of funds, the regents should be held accountable. Ironically, one of the colleges which the regents prohibited from participating in the loan program has this statement of purpose printed on its letterhead: "Founded to promote the advancement of the profession of teaching. Dedicated to the cause of better schools. Devoted to the welfare of children and youth."

It is my sincere hope that the board of regents of Texas State teachers colleges, for the good of the students, will reconsider its position on this matter: A total of $21,758 has been reserved for the five colleges involved. If the regents finally deny this aid to their students, I shall make every effort to see that these funds are apportioned to other Texas students in other schools so that they will not be diverted to other States.

In my opinion, the people who make the mistake of opposing the granting of sufficient funds for the Nation's educational program are doing this country, themselves, and particularly our children, one of the greatest injustices of which they are capable.

Basically, the cold war now raging between democracy and communism around the world is a struggle for the minds of men. Enlightenment has always been free men's bulwark against tyranny. Education is the foundation stone of democracy, and it is an ever-increasing factor in the standard of living each man and his family can enjoy. We cannot, we must not, and we will not continue to deny all our students an education of the first class.

It would be simpler if I could say at this point, "Well, we are going to help you get some money, and that will solve the educational problems in America in general, and in Texas in particular."

But it isn't that simple. The educational problem facing us all goes much deeper than money. The thing we need most in education cannot be bought with money; it must grow again in the hearts and minds of the American people. I refer to the once proud dream that this land would be the world's model of universal educational attainment and cultural development. I refer to the spirit which made a backwoods boy named Abraham Lincoln study by firelight because he and other young people of his time recognized that knowledge is an invaluable stepping stone to happiness and to greatness.

What has become of the insatiable and inexorable quest for knowledge which played such a dominant role in pioneering of our Nation? Does it exist no more? Is a penchant for a bebop ducktail culture a passing fad, or evidence of the long decline?

As a people we have more time free from work and drudgery than any other people in the history of mankind. But are we Americans using this time, even a small portion of this free time, to improve our minds through new educational attainment or even serious thought?

The answer is all too obvious. We have become a Nation with its head stuck in a television set; a people establishing new records annually in the consumption of alcohol and happy pills. We spend our lives vainly searching for happiness from a bottle. We are more concerned with the tearful soap opera TV heroine than with Communist terror in Hungary.

This is a deadly trend. As Adlai Stevenson has said: "We have confused the free with the free and easy." We threaten to become a people whose principal purpose is piling up profits and partaking of fleeting pleasures.

In the words of Abraham Lincoln, "We cannot escape history. * * * We will be remembered in spite of ourselves. No personal significance or insignificance can spare one or the other of us. The fiery trial through which we pass will light us down, in honor or dishonor, to the latest generation."

There must be an awakening. As a people and a Nation we cannot afford to retire in the prime of our lives. We have reached what might be considered a breathing point in American history. But our indolence and vaculty and indifference cannot continue. This breathing point must not become a permanent campsite. Let us adopt as a national educational aim the motto of an American State "Ad astra per aspera," "To the stars through difficulties."

We must recapture our desire for high educational excellence, and unflinchingly meet the mental disciplines and hard work basic to superior knowledge.

Mass education of all the people, once an American monopoly, is fast coming to the whole world. We can maintain our leadership only by moving faster and working harder for educational progress than other countries now turning their efforts to mass education.

The parent, the teacher, and the politician must all make up their minds that easy courses, little discipline, and stinted funds for education will never add up to high educational standards. Major emphasis on athletic spectacles and academic trivia cannot produce a high percentage of well-educated citizens. It is more likely to produce mediocrity.

We must turn from mediocrity to educational excellence, not only in pursuit of happiness for more Americans, but to achieve educational superiority.

Never before in the history of man have the talents and the specially developed abilities of educated men been in more urgent demand. Never have the opportunities for educated, thinking, freemen been so great. The next 10, 20, or 30 years will tell whether this Nation produces the large numbers of high caliber citizens it so needs.

The brunt of the burden is on your shoulders. Those of us in public service can assist in the work of making known the need, and by helping to make funds available. But the real job of turning out young men and women who are intellectually prepared to be responsible Americans is up to you.

Upon the success or failure of your mission may well rest the eventual fate of freemen everywhere.

I wish you Godspeed.

Diversion of Water of Lake Michigan

EXTENSION OF REMARKS
OF
HON. WILLIAM PROXMIRE
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES

Monday, February 23, 1959

Mr. PROXMIRE. Mr. President, Tuesday I appeared before the House Public Works Committee in opposition to the Chicago water bill. I ask unanimous consent that my statement before that committee be printed in the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAM PROXMIRE, TUESDAY, FEBRUARY 17, 1959, BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS

H.R. 1 should be rejected because in the 6 years this kind of measure has been before the Congress there has never been a showing that the study which is the only authorized purpose of this bill is necessary.

The study is unnecessary for these reasons:

1. The Corps of Engineers has already testified (pp. 193, 194, in hearings before Senate Public Works Committee, July 19, 28, 29, and August 7, 1958) that they are fully satisfied that additional diversion will not improve navigation on the Illinois waterway, and will have an adverse effect on navigation on the Great Lakes (CONGRESSIONAL RECORD, vol. 104, pt. 2, p. 19532). In 6 years of consideration there has never been a showing that a study would contribute any useful information to a better understanding of navigation consequences. I challenge the author to show that this bill would provide any useful information on navigation although the effect on navigation is the only stated purpose of the bill.

2. The Corps of Engineers has also testified to certain knowledge of the effect of additional diversion on power generation—

that it would be favorable at Lockport but far more unfavorable on the St. Lawrence—with a total net loss of power. There is no indication in 6 years of consideration that the study authorized in this bill would contribute even one fact necessary to a better understanding of the consequences of diversion on power. Again I challenge the author to show that this bill would provide such information.

3. The only remaining purpose the study authorized in this bill could serve is the effect of additional diversion on sanitation. Although similar study bills have been introduced in three successive Congresses, there has never been a finding by the Public Health Service, the Illinois Board of Health, the Chicago Board of Health, any public health group of any kind, or even of a single competent or for that matter incompetent public health authority that increased diversion would be necessary for improved sanitation or public health or even desirable.

On the other hand the most competent public health survey ever made of Chicago (the Chicago and Cook County health survey by the U.S. Public Health Service) called for a series of other recommendations to improve sanitation in Chicago. It specifically considered additional diversion and failed to recommend it.

It is true that this previous study was made nearly 12 years ago. Nevertheless there have been no contrary findings by the Public Health Service since the publication of this book. It would seem to me that since improved sanitation is the only possible beneficial consequence of this bill—that the Public Health Service should be requested to furnish the Congress with a report on the public health justification, if any, for this study.

4. This bill is unnecessary because the Supreme Court has established jurisdiction over diversion by Chicago for some 50 years. Everything provided in this bill could be granted by the Supreme Court. The Court has been willing to grant Chicago temporary increases in diversion in the past. It did so as recently as 1956. It would do so again if the Court deemed such increase merited. Through the appointment of special masters the Court has built up a record of great competence in this matter. Obviously only lack of merit keeps Chicago from going to the Court for the diversion authorized in this bill.

Before the committee votes on this bill I respectfully suggest that it request the Public Health Service to indicate whether a 3-year study is necessary to provide conclusions on the consequences of additional diversion on the sanitary quality of water in the Illinois Waterway.

In the event the committee favorably considers the bill I respectfully suggest the following changes:

1. The bill calls for a recommendation from the Army only. Yet the study authorized by the bill will be entirely concerned with the sanitary quality of water on the Illinois Waterway. This is within the competence of the Public Health Service. Therefore the Public Health Service should be called on to provide its own recommendations.

2. The bill calls for a recommendation but provides no standards for judgment on which such a recommendation should be based. The Public Health Service should be asked to specify the standards that it would be necessary for additional diversion to achieve in order to warrant a favorable recommendation. In the absence of such prestated standards for favorable recommendation—the Congress is guaranteeing Chicago a favorable recommendation. The deck is being stacked in advance: The favorable-to-Chicago recommendation is inevitable. What Chicago wants is a stacked deck, a study that will provide a preconceived conclusion—a guarantee of a permanent additional diversion of 1,000 cubic feet of water per second.

3. The Public Health Service should be asked to indicate whether or not a study of alternative sanitation methods to achieve comparable purification without additional diversion would be necessary to permit reasonable recommendations. A Public Health Service staff report, dated April 8, 1957, and entitled "Estimated Costs of Treatment Measures Equivalent to Increased Diversion of Lake Michigan Water for Sanitation Purposes at Chicago" was submitted at the request of the Bureau of the Budget on April 29, 1957. The report was submitted to Roger W. Jones, Assistant Director for Legislative Reference, Bureau of the Budget, by Marion B. Folsom, then Secretary of Health, Education, and Welfare.

This staff report indicated that its information was based on limited data. On two of the four alternatives the Public Health Service declared that they were not in a position to estimate the effectiveness. The cost estimates are at variance with firm estimates made by the president of the Metropolitan Sanitary District of Chicago. The Chicago estimates are substantially lower. The head of the sanitation district himself states that the cost of one of the alternatives to diversion "would not be beyond the ability of the sanitary district." The Public Health Service concludes its staff study by declaring of another alternative, "Its use for reducing oxygen demand may be economically justified and found effective in meeting the unusual conditions at Chicago either alone or in combination with other approaches." If either of these conclusions should prove to be the case, they would in my judgment demolish any reason for consideration of diversion by Chicago.

Mr. PROXMIRE. Mr. President, the Milwaukee, Wis., Common Council has recently adopted a resolution declaring the opposition of our largest city to this water diversion proposal. I ask unanimous consent that the resolution of the Common Council of the City of Milwaukee be printed in the CONGRESSIONAL RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION DECLARING CITY OF MILWAUKEE OPPOSITION TO WATER DIVERSION PROPOSALS

Whereas by prior resolutions, this common council has recorded the position of the city of Milwaukee in opposition to proposals for diversion of water from Lake Michigan for the purposes of the Chicago Sanitary District; and

Whereas there is pending before the Congress of the United States bills to authorize additional diversion of water from Lake Michigan at Chicago; and

Whereas one of these bills is H.R. 1, introduced in the House of Representatives January 7, 1959: Now, therefore, be it

Resolved by the Common Council of the City of Milwaukee, as follows:

1. That the city of Milwaukee reiterates its position in opposition to increased or unreasonable diversion of water from Lake Michigan for the purposes of the Chicago Sanitary District, or comparable diversions of water elsewhere in the Great Lakes Basin; and

2. That the mayor, the deputy city attorney, and the municipal port director be and they are hereby authorized and directed to appear before congressional committees either in the House of Representatives or in the U.S. Senate holding hearings in Washington or elsewhere, and to express the opposition of the city of Milwaukee to legislation which would in any manner authorize the diversion of additional volumes of water from the Great Lakes Basin; and

3. That the city of Milwaukee hereby specifically declares its opposition to H.R. 1 pending before the Congress of the United States, or bills similar in intent; and

4. That the aforesaid persons enumerated in paragraph 2 are hereby authorized to confer with representatives of Great Lakes cities of Canada for the purpose of discussing matters pertaining to water diversion, and they are also authorized to meet with other representatives of the principal cities of the Great Lakes area in the United States for the purpose of discussing opposition to water diversion legislation; and be it further

Resolved, That copies of this resolution be transmitted by the city clerk to the President of the United States, to the Committee on Public Works, U.S. Senate, and to the appropriate committee of the House of Representatives; to Senators and Representatives from the State of Wisconsin; to the attorneys general of the Great Lakes States opposing water diversion; to the Great Lakes Harbors Association; to the Great Lakes Compact Commission; and to the Lake Carriers Association; and that the city representatives herein enumerated be authorized to collaborate with the legislators and regional groups designated with a view to achieving collaboration and effective opposition to any and all proposals for extraction of water from the Great Lakes Basin; to the injury of the port cities and the maritime interests of the Great Lakes.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, February 23, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of February 21, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas)

FEBRUARY 21, 1959.

The Life Insurance Company Income Tax Act of 1959 was the year's first tax bill and major legislation from the Ways and Means Committee in which I participated as a committee member. Because this bill affects many people (there are even more insurance policyholders than taxpayers), because insurance is a unique corporate type of business, and its taxation is extremely complicated and technical, I had a real tax baptism. Insurance is already the most heavily taxed thrift institution and the trend is well established away from savings in favor of protection only. At the least, I suggested in debate that the economic impact of State and Federal taxes plus this increase should be more carefully studied. While the bill attempted to improve existing law, and did in several ways, I opposed it finally because of the 90 percent increase in taxes over last year which may well result in increasing insurance premiums and in expanding social security, the Government's competitive provision for everyone's future. (My brief analysis of this insurance bill will be mailed to anyone requesting it.)

Labor leaders' joint pronouncements deserve everyone's attention. AFL–CIO's Reuther announced a march on Washington of the unemployed. AFL–CIO's Meany, in

Puerto Rico, announced labor's decision to demand more pay and shorter hours. How's that for logic? You are out of work, so your labor leader demands higher pay and Government intervention. Of course, the whole trouble of these two pronouncements springs from the fallacious unconstitutional reasoning behind the 1946 Employment Act which implies that the Federal Government is responsible for employment.

In economic fact, this cannot be, regardless of the political and demagogic appeal. Nor do I think Reuther and Meany believe it either. They know, too, that elbow grease, initiative, and work provide employment, not another Government made-work contract which must first drain the tax money from the people. The fact that Government does not first get the money in before spending it does not change the simple economic logic that if you spend more than you take in, live beyond your income, you build inflation resulting in weakened currency and ultimate economic crash. The logic of Messrs. Reuther and Meany is consistent only with that of socialists, not with freedom and free enterprise. If, because of Government control and big spending economic freedom is lost, then necessarily all personal freedoms will go. This attempted economic security sought by Government handout is not security at all, but a cancellation of all our freedoms, even as the prisoner in jail has the security of food, clothing and housing but lacks real freedom—to direct his life minute by minute, day by day, as he sees fit.

Battle of the Budget Department (U.S. News & World Report, Feb. 13). "Democrats are pushing programs they know the President will reject. Bills are framed to offer huge sums of aid to large groups. The political strategy: Show that the Democrats want to help people, but that a Republican President won't let them." Political attempts of this kind to take credit and place blame by spending our taxpayers' money, along with the labor leaders' demands, is absolutely contrary to the economic philosophy of free enterprise, the American way. Perhaps we should remember the 10 cannots, a modern addition to the Ten Commandments.

"You cannot bring about prosperity by discouraging thrift. You cannot help small men by tearing down big men. You cannot strengthen the weak by weakening the strong. You cannot lift the wage earner by pulling down the wage-payer. You cannot help the poor man by destroying the rich. You cannot keep out of trouble by spending more than your income. You cannot further the brotherhood of man by inciting class hatred. You cannot establish security on borrowed money. You cannot build character and courage by taking away man's initiative and independence. You cannot help men permanently by doing for them what they could and should do for themselves."

It was this philosophy of economic liberty which Abe Lincoln personified and which I endeavored to present in speeches over Lincoln's Birthday. Liberals, the big spenders charging our costs of government to the future, as I see it, are doing something absolutely immoral, charging our bills to our children and grandchildren. Taxpayers today can vote. Taxpayers as yet unborn cannot vote. Let's unburden our grandchildren. Further, let's not talk about cutting our debt and taxes without practicing what we preach, namely, by cutting down the wasteful Government spending programs and those in the welfare field.

George Washington's counsel in his "Farewell Address" has never been disproved: "As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinions should cooperate."

So, it's up to the voter—that's all there is to it. When will the people recognize, praise, and demand fiscal responsibility of the Congress? Now is the time.

Eulogy for the Late Bernard Austin

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, February 23, 1959

Mr. ANFUSO. Mr. Speaker, the late Assemblyman Bernard Austin represented the Fourth Assembly District of Brooklyn in the State legislature in Albany for many years. He died most unexpectedly on January 6, 1959, and his passing is a great loss to our community.

On February 26 the Williamsburg Post, No. 1004, of the American Legion, of which Bernard Austin was organizer and first commander, will hold a special memorial service for him. I have been invited by the post commander, Leo Price, and by Ira D. Brav, chairman of the memorial committee, to deliver a eulogy. I have prepared a few remarks expressing my feelings and thoughts regarding the deceased and wish to insert these remarks in the RECORD at this time:

EULOGY FOR BERNARD AUSTIN

I join with you on this sad occasion in paying tribute to the memory of a dear and departed friend with whom I was close for many years. His passing is a great personal loss to me. The 4th Assembly District, which he represented in Albany since 1935, is a part of my congressional district. I shall always remember the many times when we campaigned together and when we collaborated in helping constituents with their personal problems, as well as the community at large in its welfare, educational, civic and other problems.

It is now close to 2 months since Barney Austin has left our midst and has gone to the Great Beyond. For me, it is still difficult to believe that he is no longer with us. In the prime of his life he left his dear ones and his numerous friends who knew him so well and loved him so much. He left a great void in their hearts—one which will never be filled, one which will never be healed.

How weak and fruitless must be any word of mine to console his near ones and dear ones from the grief of a loss so overwhelming. Yet, I cannot refrain from bringing to them the consolation that may be found in the fact that Barney Austin was loved and highly respected by all who knew him.

It is sometimes said that while, on the one hand, the Black Angel destroys a mortal, on the other hand it presents him to us in boldest relief. The living man is too close to us, too much a part of us, to be viewed objectively. Death reveals him in his entirety. Thus we now can visualize in its fullness and grandeur the unique personality that we knew as Bernard Austin. How rich and how beautiful was the life and the soul of him whose achievements meant so much to so many of his generation.

And what is it that stands out most in this hour of bereavement? It is the inner man himself, his honesty, his sincerity, his unselfishness, his wise counsel, his friendship. There was no cause touching upon the welfare of the people of our community that did not find in him a stanch and devoted supporter. He was a man of keen intellect, a person of good judgment, one who was able to see through a problem to its end.

When we think of Barney Austin, we think of the words of the poet who said:

"Here was a man whose heart was good,
Who walked with men and understood.
His was a voice that spoke to cheer,
And fell like music to the ear.
His was a smile men loved to see,
His was a hand that asked no fee
For friendliness or kindness done.
And now that he has journyed on,
His is a fame that never ends,
And leaves behind uncounted friends."

Barney Austin was indeed a man of leadership, one of whom it can be truly said that his noble deeds have won for him a devoted following. These noble deeds will live forever in the hearts and in the minds of his many friends who came to pay their tribute to him today. He was a pillar of strength in our community for many years, and here among his friends his name will always occupy a foremost place of honor and love.

"And now he rests; his greatness and his sweetness
No more shall seem at strife;
And death has moulded into calm completeness
The status of his life."

May his memory be blessed and honored.

Isthmian Canal Policies

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 23, 1959

Mr. WALTER. Mr. Speaker, under a previous order of the House, our distinguished colleague the gentleman from Pennsylvania [Mr. FLOOD] will address this body tomorrow on the most timely and gravely serious subject of the Panama Canal—its control and jurisdiction.

As Members of this body know, he has made extensive studies of Isthmian problems, especially the diplomatic and juridical, and starting on March 26, 1958, made one of the most comprehensive series of addresses on this subject in Isthmian history.

Ever since the 1956 Suez Canal crisis, world attention has become increasingly focused on the Panama Canal. Thus, it is of the highest importance that the Congress, which is the ultimate authority in the determination of Panama Canal policies, should be fully informed.

I am sure that his address will be highly informative, definitely constructive, and delivered in his usual brilliant form.

The Farm Folly of a $9 Billion Surplus

EXTENSION OF REMARKS
OF

HON. THOMAS H. KUCHEL

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Monday, February 23, 1959

Mr. KUCHEL. Mr. President, by July of 1959 the U.S. Government will have over $9 billion of surplus farm commodities in Government inventories and under loan. It will cost the Treasury of the Government of the United States $1 billion a year—that is $1,000 million a year, Mr. President—merely to provide storage for the accumulated farm surpluses.

On January 30, 1959, in San Francisco, the distinguished Secretary of Agriculture, Mr. Benson, made a speech on farm problems generally and on the problems of the sugar beet industry in particular. I ask unanimous consent that the text of the address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FARM FOLLY OF A $9 BILLION SURPLUS

I am pleased to participate in this meeting sponsored by the California Beet Growers Association. I count it an added privilege to find here also so many representatives from other sugar beet areas throughout the country. It is always a joy to visit this historic and beautiful city in the Nation's leading agricultural State.

The development of the beet sugar industry is one of the most fascinating chapters in the history of American agriculture. It is a story of vision, initiative, struggle, of repeated failures and final success. It is a story of the triumph of perseverance by free men in a free economy in a free land. Perhaps it will not be amiss for us to refresh our minds on a point or two of that story.

Early in the history of this Nation, men of vision watched with keen interest the development of the beet sugar industry in Europe. The United States was then almost completely dependent on foreign countries for sugar. These men saw that if we could produce beet sugar here in the United States, great advantages would result. A new industry would bring new life to the economy. A new and profitable crop would be added to our agriculture.

Back in the 1830's the first recorded attempts were made to establish a beet sugar industry in this country. The Beet Sugar Society of Philadelphia in 1836 obtained 600 pounds of beet seed from Europe. But the seed was planted too late and no sugar resulted. Then about 1839 a factory at Northampton, Mass., succeeded in producing some 1,300 pounds of beet sugar. After operating for about 2 years, this factory closed its doors.

* * *

In the next few decades no less than 13 beet sugar factories were established in widely separated localities from Maine to California. One after the other, they all failed.

One of these attempts that is most interesting to me concerns the efforts of the Mormon pioneers to establish a beet sugar industry in Utah. In these early days, more than a century ago, the people of Utah, including some of my progenitors, were buying sugar for $1 a pound—at a time when a dollar went a great deal further than it does today.

After a study of beet sugar operations in France, Mormon Church officials organized the Deseret Manufacturing Co., intending to establish the industry in Utah. The company bought a complete sugar manufacturing outfit and shipped it from France to New Orleans. It arrived in April 1852. They brought the plant up the Mississippi and Missouri Rivers to Fort Leavenworth. There they loaded it into covered wagons. In November 1852, after many difficulties and hardships, the equipment reached its destination.

I wish I could say that this tremendous effort immediately resulted in the birth of a new industry in Utah and in the Nation. Unfortunately, history records that the promoters lacked sufficient technical knowledge and the factory produced only inedible syrup. Not until over a quarter of a century later was the first beet sugar industry in the United States established on a truly successful basis.

That was in 1879 at Alvarado, Calif.

Without taking anything away from California, however, I am happy to say that the people in Utah also persisted and eventually developed a flourishing sugar-beet industry.

In the past 80 years, the sugar-beet industry has had a steady growth. Some 64 factories now produce over 2 million tons of refined sugar annually.

California, the home of the first successful sugar-beet factory, is now also the Nation's largest producer of sugar beets.

Last year, despite a poor planting season and sharply reduced yields, California produced about one-fourth of all the sugar beets grown in the United States.

The sugar-beet industry is in a solid position. Production last year was about 15.3 million tons. This was about 30 percent above the 10-year average and only slightly below the all-time high of 1957. Yields per acre in the past 2 years have been higher than ever before. But you are not burdened with surpluses as producers of some other crops are. The industry has been doing a good job of expanding production and markets simultaneously.

Your operations have been realistic—geared to market conditions.

The Sugar Act is realistic legislation. It has brought benefits to sugar-beet and sugarcane farmers, to consumers of sugar, to the sugar industry as a whole, and to our foreign suppliers.

But the sugar program cannot be used as a model for farm crops in general, particularly those produced in quantities beyond our domestic needs. We import much of the sugar we consume. Therefore surpluses of sugar, when they develop, tend to occur abroad rather than in this country. We have helped alleviate the problem of surplus abroad. The U.S. Government and the domestic sugar industry have participated in the development of an international sugar agreement designed to stabilize the world market. I know it is due in no small part to the cooperation of many of you that no major difficulties have been encountered in adjusting our domestic production so as to prevent the piling up of surpluses here at home.

By keeping prices at reasonable levels the danger of pricing sugar out of the market has been avoided.

The program has permitted and encouraged more efficient production, Here in California from 1924 to 1957 yields per acre rose 127 percent. In our country's beet area the acreage per farm has doubled since the prewar period. This has permitted the use of labor-saving machines which have simplified production and harvesting problems and have reduced costs. During the past decade the man-hours required to produce a ton of beets have declined by at least one-third.

But, I repeat, the sugar program cannot be used as a model for wheat, cotton, corn, rice, peanuts, and tobacco programs, except in this respect, the sugar program has been realistic.

The programs for the six legislatively designated basic crops have not been realistic. The sugar program has been adapted to the particular circumstances surrounding U.S. production of sugar. The same cannot be said of the past programs for the basic crops.

Unrealistic programs have priced the basics out of some of their oldtime markets. Competitors at home and abroad used the artificial price umbrella to expand their production and move in. Surpluses piled up at home, followed by more and more cutbacks in acreage.

Last year we harvested 16 percent more acres of sugar beets than the 10-year average from 1947 to 1956. But last year, compared with the average for the same 10 years, we harvested 10 percent fewer acres of corn, 16 percent fewer acres of wheat, 25 percent fewer acres of peanuts, 26 percent fewer acres of rice, 34 percent fewer acres of tobacco, and 46 percent fewer acres of cotton.

Now I know there will be some who will quickly point out that comparing an import crop with export crops is not very meaningful. I don't want to read too much into this comparison. All I want to do is to show that where we have realistic programs—programs adapted to market conditions—programs that make sense—we can have an expanding agriculture. Where we have programs that are outmoded, unrealistic, not adapted to market conditions, we have a contracting agriculture.

As you know, the Administration has recommended that the Sugar Act be extended. Senator ELLENDER has introduced a bill to make the Sugar Act permanent. This measure is cosponsored by many Senators from Western States, including Senators KUCHEL and ENGLE of this State. These proposals illustrate the importance of this legislation, not only to farmers but to all our people.

It seems paradoxical, but the sugar program's popularity may constitute its greatest weakness. When the pressures to increase production are as great as they are in the case of domestic sugar beets and mainland cane, they demand attention.

The Department of Agriculture is charged with administering the act in a manner that will protect the welfare of consumers as well as the welfare of those engaged in the domestic sugar-producing industry—and that includes the growers.

I trust that all branches of our domestic sugar industry will collaborate with the Department in dealing with the problems that appear to face us in administering the sugar program. The success of the past has been due in large part to the fact that the sugar industry has borne a major share of responsibility for the administration of this program. Let us continue to face facts honestly and courageously. I feel confident that if we join in support of fearless and essential administrative actions, the sugar program will continue to be an effective force, bringing benefits to producers, the domestic sugar industry, and consumers.

Your future progress, like that of all agriculture, depends on how successfully you lower costs, improve quality, and expand markets.

As one who grew up in sugar-beet country, who was thinning beets with a short-handled hoe at the age of 7, I'm delighted to see the advances that are being made.

With your great record of achievement, you can look ahead to still further progress—to improved varieties, better control of disease, and such developments as the monogerm seed to bring greater efficiency and more profits in the future. The productive new varieties you are now growing have done well in holding down our old enemy, curly top. You've learned a lot about using fertilizer to increase yields. The sugar beet has been tailored to fit the machine, and ma-

chines have been built to take over most of the tasks in the fields.

But new problems are always arising. The new varieties don't stand up to virus yellows. And we have not yet achieved a quality in machine harvest that is as good as the best when beets are harvested by hand.

The search for the right answers is being carried forward on many fronts. Some of the solutions will come out of production research; others will grow out of research on processing problems. Still other advances will come from the basic research of our new pioneering laboratories.

With all these efforts we are building for the future—for greater efficiency in production and marketing, which means lower costs, for higher quality, and for new markets at home and abroad.

This is the road to a truly prosperous, expanding, and free agriculture.

Immediately before us, however, is the task of completing a long overdue revision of the farm price support programs as applied to the basic crops.

The President yesterday sent a special agricultural message to Congress. This was his fourth agricultural message. Again he called for changes in a farm program that has become outmoded, costly, discriminatory, and harmful.

We still have only a small part of the program the Administration asked for and that farmers need. We have had to fight every inch of the way to get more flexibility into the pricing mechanism. On some commodities—tobacco for example—nothing has been done. On others we got a little flexibility but not enough. That is why it has been necessary to devise and maintain such emergency programs as the soil bank and Public Law 480.

Our program really has never been put into operation. It has never been given a real try.

That is why the surpluses have built up. That is why a few farm commodities still have serious problems.

Yet our technicians estimate that, even with the little legislation we have been able to get on price supports, we have expanded markets and cut costs to taxpayers by a billion dollars in 1958. And farmers are taxpayers, too.

My fellow citizens, the situation is critical.

The present price support, acreage control program as it applies to wheat is bankrupt. Tobacco and peanuts are also in trouble.

Wheat is our No. 1 problem. Harvested wheat acreage has been cut by over 20 million acres since 1949—yet, under artificial pricing, combined with good weather, we now have by far the greatest wheat surplus in all history.

By July 1960 the carryover of wheat will be about 1½ billion bushels—enough to supply our normal domestic requirements for 2½ years. We will have $3½ billion tied up in wheat alone. We cannot continue to produce wheat for government by government-provided incentives.

We have spread the Wheat Belt all over America. Wheat acreage has increased in areas of high cost, while acres have been cut back in areas where production is most efficient. This doesn't make sense.

The cost of farm price and income stabilization programs have risen dangerously high.

By next July we will have over $9 billion of surplus farm commodities in Government inventory and under loan. The cost of storage and interest on these Government stocks will be $1 billion a year. This is fantastic and indefensible.

The program is unfair and discriminatory.

Farmers produce commercially about 250 farm crops. Only a very few are price supported. And 85 percent of our Federal inventory of farm commodities consists of just three crops—wheat, cotton, and corn.

Less than one-third of our farms account for by far the greater part of our price support outlays.

About one-fourth of the cotton farms have three-fourths of the cotton acreage allotments.

Two-fifths of the farms with wheat allotments have 90 percent of the allotted acres.

Thus, relatively small numbers of farms—usually those with the highest income—account for practically all of the Government price support outlays.

Finally, the old program is harmful not only to producers of wheat, tobacco, and peanuts—but harmful to agriculture as a whole.

It has caused distortions throughout our agricultural economy.

It has caused many people to regard farm programs with suspicion and resentment.

It has depressed farm income.

It has wasted farm resources.

It has placed a ceiling on farm opportunity.

It has enmeshed farmers in a maze of Government controls.

The President again recommended to the Congress further forthright changes in our farm price supports. He urged that price supports no longer be related to a standard 45 years old, but to a percentage of the average market price during the previous 3 years.

If the Congress still prefers to relate price supports to outmoded standards, the President urged that discretion be provided for establishing the level in accordance with guidelines fixed by law. This is now the case for all commodities except the few for which supports are mandatory.

The alternatives before us are clear. Take wheat. Either we must clamp down with more rigorous controls on wheat producers than we have ever had before—more controls that Congress has ever been willing to impose—or we must move toward market expansion and greater freedom to produce and compete.

The controls we have don't control. Wheat allotments have been cut. But wheat yields have nearly doubled in about 20 years. And last year's crop was the biggest ever.

Moreover, the controls provided by earlier Congresses have been watered down by later Congresses. The allotments used to be based on planted acres—now they are based on harvested acres. The minimum national allotment for wheat is 55 million acres, required by law. But if we applied the formula in the old 1938 law, still in effect, to wheat in 1959—please note this—the national allotment would be zero acres—no wheat production at all.

A far better approach, I believe, would be to provide wheatgrowers with a program that moves toward freedom to produce and compete for markets.

When such a program became fully effective, it would eliminate all acreage allotment and marketing quotas for wheat.

It would relate price supports for wheat to realistic market conditions.

Preferred quality wheat would then sell in the markets at premiums above support.

With such a program, wheat could really compete on its own merits. Better land use would result. High-hazard land would go into pasture and hay.

Other conservation measures would be adopted by farmers.

Farmers could more effectively manage their farms and their crop rotations.

There would be an adjustment of acreage between such competing crops as corn, grain sorghums, and soybeans.

Changes are needed for tobacco and peanuts also. The present laws require price supports at continually rising levels. As prices of U.S. tobacco increase, foreign buyers change their blends and turn to other sources of supply. Legislation is needed to permit adjustments in support levels.

For peanuts, too, the law should be changed so that growers can expand their markets.

The Agricultural Act of 1958 was a step toward more realistic programs for producers of corn, cotton, and rice. Now we need prompt and effective action in behalf of producers of wheat, tobacco, and peanuts.

This is not only the wheat, tobacco, and peanut producers' battle for realistic farm programs. This is your battle—the battle of everyone in every phase of agriculture.

Our present costly farm programs contribute to unbalancing the budget. That is of utmost concern to every citizen. No nation can go on indefinitely living beyond its income.

The President last week submitted a balanced budget for the coming fiscal year—a budget that "will help prevent further increases in the cost of living and the hidden and unfair tax that inflation imposes on personal savings and incomes."

As the President said in his Economic Report: "Our objective must be to establish a firm foundation for extending economic growth with stable prices into the months and years ahead. This will not come about automatically * * *. An indispensable condition for achieving vigorous and continuing economic growth is firm confidence that the value of the dollar will be reasonably stable in the years ahead."

This is of vital importance to all of us. During periods of economic expansion, the demand for sugar increases. Your prosperity, like that of our agriculture in general, depends on the soundness of the American economy.

We must keep our economy strong. Yes; we must keep America strong—strong economically, strong socially, but, above all, spiritually strong—so that our way of life may endure. This is your challenge and mine—a challenge to every American, no matter who or what he may be. "God grants liberty only to those who love it and are ready to guard and defend it." (Daniel Webster.)

Analysis of H.R. 3000 and H.R. 3001

EXTENSION OF REMARKS
OF
HON. HOWARD H. BAKER
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, February 23, 1959

Mr. BAKER. Mr. Speaker, on January 21, 1959, my distinguished friend and fellow member of the Committee on Ways and Means, A. S. HERLONG, JR., and I introduced H.R. 3000 and H.R. 3001 which provide for a basic reform of Federal tax rates and methods in five major tax areas. At the time these bills were offered to the Congress for consideration we stated:

The present Federal tax structure stunts economic growth since it both prohibits adequate capital accumulation and destroys capital once accumulated. We can no longer afford a Federal fiscal policy based only on short-term considerations, from fighting inflation in one year to fighting recession in another, while neglecting the root source of fiscal crises.

By removing tax blocks to progress, our bills would contribute more than any other possible Government action to our economic well-being and national security. In enabling the economy to grow much more rapidly and consistently than in recent years, these bills would counter the challenge of

Russian communism for world economic leadership; encourage other nations outside the Communist orbit to reorganize their tax systems to permit more rapid economic development out of their own capital; increase the supply and mobility of venture capital, thus insuring a rebirth of the American genius for the starting and development of businesses; provide new and better job opportunities; insure adequate revenues for military preparedness and all other necessary Federal expenditures; smother inflation with growth.

These bills advocate the principle of tax reduction whereby there would be scheduled annual cuts of individual taxes and corporate taxes over a period of 5 years. After the first reduction, further scheduled reductions would go into effect if budget expenditures were not in excess of $77 billion or, regardless, if the reductions would not result in budget unbalance. In addition, the bills would establish by statute more realistic depreciation service lives; defer the capital-gains tax on sales of long-term capital assets which are reinvested within the taxable year; and reduce the rates of tax on estates and gifts.

Because of the widespread interest that has already been manifested in this meritorious legislative proposal, my able cosponsor, the gentleman from Florida [Mr. HERLONG] and I have prepared a section by section analysis description of the purposes and provisions of our bills.

Sections 1 and 2 of the bills amend the Internal Revenue Code by adding new tax tables relating to annual reductions from January 1, 1959 through 1963 for individual taxpayers, including the rates applicable to heads of households. Section 3 of the proposals covers the new rate tables for the optional income tax where the taxpayer has adjusted gross income of less than $5,000.

Thus, beginning with January 1, 1959, there would be five annual coordinated reductions in all the graduated individual tax rates with the first bracket ultimately being reduced from the present 20 to 15 percent. The top graduated rate would be reduced from the present 91 to 47 percent over the 5 years, subject only to the postponement feature of the legislation covered in section 5 below.

Section 4 of the bills amends code section 11 relating to the tax imposed on corporate taxpayers. The present law provides for a corporate normal tax of 30 percent on taxable income and a 22-percent surtax on taxable income in excess of $25,000. The legislation provides five annual rate reductions spread between the normal and surtax. The first 3 reductions would reduce the normal tax 1 percentage point each year reducing this rate from 30 to 27 percent. The last 2 corporate tax reductions would reduce the surtax from 22 to 20 percent. Thus, at the end of the reduction period the corporate rate would be 47 percent, the same as the top individual graduated tax rate. The following summary will illustrate the scheduled corporate reductions:

Jan. 1, 1959:	
Normal	29
Surtax	22
Combined	51
Jan. 1, 1960:	
Normal	28
Surtax	22
Combined	50
Jan. 1, 1961:	
Normal	27
Surtax	22
Combined	49
Jan. 1, 1962:	
Normal	27
Surtax	21
Combined	48
Jan. 1, 1963:	
Normal	27
Surtax	20
Combined	47

Section 5 of H.R. 3000 and H.R. 3001 would add a new section 22 to the code setting forth the criteria to be considered in postponing any scheduled tax cut. At the time of introduction of the bills, we explained the mechanics of postponement as follows:

Taking the President's 1960 budget estimate as the benchmark, the legislation provides that income tax rate reductions may be postponed after those to be effectuated as of January 1, 1959. Postponement would be made in the event of determination as of November 15 in any year that spending for the fiscal year is running in excess of $77 billion, and a state of budget unbalance is threatened.

While the postponement procedures may be applied separately as between corporate and individual tax rate reductions, every postponement of an individual tax rate cut must be accompanied by a postponement of a corporate tax cut. The only limitation on this linkage is where the result would be to postpone a corporate reduction for more than 1 year.

The bills further provide that each scheduled reduction in either the individual or corporate tax may be postponed for only 1 year with the schedule of subsequent reductions also being moved ahead 1 year. Thus, if spending should not be kept under control, it would be possible to space out the income tax cuts over a maximum period of 9 years without new enabling legislation.

The legislation places the responsibility for initiating postponement in the hands of the President. Balance has been struck as between the Congress and the Executive in the final exercise of postponement authority.

This balance arises in that adequate opportunity is afforded the Congress, and its tax writing committees, to review the Federal revenue requirements as related to the proposed budget. The bills provide that Congress may take several alternative actions. When the President has postponed a scheduled individual rate reduction from January 1 to July 1, the Congress may, by means of a joint resolution approved before May 15, act to make the reduction become effective as of July 1. In the alternative, a scheduled reduction may be further postponed by the Congress until the next January 1. The same alternative disposition may be made with respect to corporate income taxes. Thus, the Congress may make effective on July 1 a previously postponed corporate reduction or postpone it further until January 1.

Provision is then made under the bills that where the Congress has not so acted by joint resolution the President, by May 15, may further postpone until the next January 1 any corporate or individual cut previously postponed. The criterion for such postponements under the presidential authority "shall be used so as to permit the maximum possible reduction to take effect on July 1 next in the taxes imposed by sections 1, 3, 11, and 3402 without causing an imbalance in the budget of the Federal Government for the following fiscal year."

Subsection 5(d) of the bills provides that a total postponement of any date upon which a scheduled rate reduction shall take effect cannot be for more than 1 year. Subsection 5(e) is a deferral provision wherein if a scheduled reduction is postponed under any of the alternative procedures outlined above, subsequent rate reduction dates not affected by the current postponement "shall be deferred for 1 year." It is by virtue of this postponement authority and the deferral provision of the bills that the rate reductions scheduled for 5 years may be deferred for a maximum of 9 years without revising the statute. Subsection 5(f) of the bills proposes definitions of the terms of reference "imbalance in the budget," "rate reduction date," "current fiscal year" and "following fiscal year."

Section 6 of the bills would amend code section 167 by adding new provisions relating to the tax treatment of depreciable property. The intent of these provisions is that their use be at the election of the taxpayer. This new approach would add six broad statutory classifications of property subject to depreciation and also set forth the maximum useful life to be applied to such classes, as follows:

Classification	*Maximum useful life, years*
Buildings	30
Standard and general-purpose machinery and equipment, including buildings useful only to house such machinery and equipment	12
Furniture and related equipment	10
Special-purpose machinery and equipment, including buildings useful only to house such machinery and equipment	6
Miscellaneous small equipment chargeable to capital account, including office machines	4
Automotive equipment	3

There are several limitations set forth in applying these provisions. The statutory reduction would be applicable only as to property with a useful life of 3 years or more and involves new acquisitions of business plant and equipment. The advantages of this reduction in useful life is phased out over a 5-year period so that on property acquired in the first year affected taxpayers may take only one-fifth of the amount of reduction. As to property acquired in the second and each succeeding years, an additional one-fifth of such amount may be taken each year during each of the succeeding 4 years as to property acquired in each of such later years, with this limitation

terminating entirely after December 31, 1963.

For example, assume a taxpayer acquired standard and general purpose machinery, which, under present law, would have a useful life of 16 years. Under the bill, the property would then fall into the standard and general purpose machinery category and for that property acquired in 1959, would have a useful life of 15⅕ years: 16−12=4÷5=⅘; 16−⅘=15⅕. Property in the same classification acquired in 1960 would have a useful life of 14⅖ and so on for property acquired in succeeding years until 1964, at which time the property acquired would have a useful life in this category of 12 years.

The bills also provide that except for taxpayers whose accounting is prescribed by a Federal or State regulatory body, the reductions in useful life of depreciable property "shall be applicable only to taxpayers whose books and records are kept in accordance with the determination of useful life there set forth."

As previously stated, we believe:

In practical effect, the new lives available for use in regard to property acquisitions in the fifth and succeeding years would permit an average increase of one-third in the rates of depreciation allowances. These increases would come on top of the liberal allowances in early years under the sum-of-the-year's digits and double declining balance methods, made available to taxpayers through the 1954 revenue code, and the extra first-year allowance granted to small business taxpayers in the legislation of 1958.

Section 6(b) of the legislation amends code section 1231, relating to capital gains and losses on property used in the trade or business, by providing that property subject to the special rule for depreciation shall not be entitled to capital gains treatment "except to that portion of the consideration received on the sale or exchange which exceeds the original cost or other basis of said property in the hands of the taxpayer." Thus, there is a limitation on the extent to which the long-term capital gains privilege may be applied to the adjusted basis of depreciable property.

Section 7 of the bills would add a new code section 1037 providing for the nonrecognition of gain on certain sales or exchanges of capital assets.

Our intention in offering this amendment is as follows:

In accordance with the precedent already established on the sale and repurchase of homes, our bills make statutory provision for tax-free transfer of capital by individuals, but not by corporations, from one investment to another when the transactions are completed within the taxable year, and the investments sold have been held by the taxpayer for at least 6 months. The result would be a deferral of tax on long-term gains until such time as the taxpayer disinvests. We have included this application of the rollover principle in the legislation since the only possible justification for taxing at any time the proceeds from sale of a long-term investment is that the seller is disinvesting with the intention of using capital gains as income for consumption purposes.

This deferral of tax on long-term gains is accomplished by providing that if capital assets are sold by an individual and within the same taxable year other such assets are purchased, any gain shall not be recognized to the extent that the aggregate purchase prices of such assets exceed the adjusted basis of capital assets sold during the year. Capital assets include those as defined in code section 1221 or property used in the trade or business as defined in code section 1231(b)(1). Where the purchase of capital assets results in such nonrecognition of gain there must be an adjustment to the basis of each of the capital assets purchased and held at the end of the taxable year. These adjustments to basis "shall include a reduction by an amount equal to the total amount of gain not so recognized allocated to each capital asset so purchased * * * in the proportion that the purchase price bears to the aggregate of the purchase prices of all such assets" purchased and held at the end of such taxable year.

For example, assume a taxpayer electing to apply this provision at the end of his taxable year to asset A costing $2,000, asset B costing $3,000, and asset C costing $5,000 purchased during such year. For the same taxable year under the bills, assume a gain from sales of other capital assets in the amount of $4,000 was elected not to be recognized. This nonrecognized gain would be allocated to the assets held in proportion to their purchase price so that asset A would have its $2,000 basis reduced by $800, asset B would have its basis reduced by $1,200, and asset C would have its basis reduced by $2,000. Therefore, the basis of the assets for the purposes of measuring gains on such assets on future transactions would be as follows: Asset A, $1,200; asset B, $1,800; asset C, $3,000.

In other words, as to assets purchased during any year any tax-free gain must be proportionately allocated to each such asset. The formula for allocation is the ratio of the purchase price of any one asset in relation to the total of purchase prices of similarly acquired assets during the same tax year. The right to invoke this nonrecognition or "rollover" of capital gain may be made at the election of the taxpayer.

Section 8 of the bills would reduce the top rate of estate tax and proportionately reduce the lowest and intervening rates. Section 9 would reduce the gift tax rates. Upon introduction we outlined these reductions as follows:

Instead of establishing a new formula for setting tax rates on estates and gifts, our bills would simply bring the top rate of estate tax down to 47 percent to coincide with the top rates of individual and corporate tax after 5 years, and consistent with the present relationship, reduce the top rate of gift tax to three-fourths of this figure, or 35.25 percent. All lower rates would be reduced in proportion. Thus, the estate tax rates would range by taxable brackets from 1.75 to 47 percent, compared with the present 3 to 77 percent, and the gift tax rates from 1.25 to 35.25 percent, compared with the present 2.25 to 57.75 percent.

Section 10 of the bills amends the withholding provisions of the code—section 3402—so as to conform the withholding tables and rates with the forward scheduled individual income tax reductions provided under the bills. Section 11 would amend the code provisions relating to declaration of estimated tax by individuals—section 6015—and corporations—section 6016—to make it clear that such declarations could be filed "on the basis of the tax rates in effect on the last day prescribed for the timely filing of the declaration of estimated tax."

Mr. Speaker, in closing we hope that this analysis will be helpful in furthering the objectives of our bills and understanding of the methods by which we seek to attain these objectives. Federal fiscal policy needs a new look—a long-range look that will provide greater economic growth, greater stability to Government revenues, and greater incentives to taxpayers. We believe our bills would contribute more than any other possible Government action to our economic well-being and national security.

Public Policy, Rural Electrification, and the Farm Telephone

EXTENSION OF REMARKS
OF
HON. GEORGE S. McGOVERN
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, February 23, 1959

Mr. McGOVERN. Mr. Speaker, one of the most remarkable achievements of the past quarter of a century is the extension of electricity and telephone service to the farms of America. No one can fully measure the benefits that have come to rural families in the form of electric lights, washing machines, refrigeration, telephones, and power equipment, all of which have lightened the labors and enriched the lives of farm families.

Both rural electrification and rural telephone service have been made possible largely through low-cost Federal loans to farmers' cooperatives. It is gratifying to know that this grassroots experiment in rural democracy has actually returned a profit to the Government as cooperatives have honored their loans and paid them back ahead of schedule. Furthermore, the program has brought countless millions of dollars to the main-streets of America, as farmers have purchased electrical equipment and appliances of all kinds.

Recently, I have been alarmed by Federal practices and proposals that jeopardize the continued growth and reasonable operation of the REA program. The proposal in the President's current budget message that REA interest rates be increased would, if actually applied, stifle rural electrification and telephone service.

The REA's for more than two decades have paid back their loans at the present 2-percent rate to the mutual benefit of both themselves and the American public.

Even if one recognizes that the administration has deliberately raised its own costs of borrowing money above the 2-percent level, it would be a wise public investment for the REA program to be

conducted as in the past. Vast Federal outlays were made to build the Nation's railway system and other needed services. Why not a small investment in the blessings of rural electricity? Or better still, why not a rollback of interest rates so that the Government can once again borrow its needed funds at a reasonable level?

In a recent column, Sylvia Porter, the financial analyst, points out that during World War II, military spending sent our national debt to $280 billion. The interest charge on that debt was $4.7 billion. "Today, the debt is about the same, $283 billion," writes Miss Porter. "Yet, the interest payment is much higher, up to $8 billion. This has been no accidental swelling in interest payments," she writes. "Instead, it has been the result of deliberate policies adopted at the higher policymaking levels in Washington."

I feel sure that many of my colleagues believe as I do that we must fight any disruption of the REA program that would certainly be caused by jumping interest rates on the rural electric association loans.

Recently, I received from Mr. Lawrence Stoley, Highmore, S. Dak., the secretary of the South Dakota Rural Telephone Association, a copy of the resolutions passed by that distinguished association at its annual meeting. I have also been honored recently with an invitation to address the annual meeting of the National Telephone Cooperative Association in Washington.

Believing that they will be of interest to my colleagues, I include a copy of the South Dakota resolutions, together with the text of my remarks to the national association:

ADDRESS OF CONGRESSMAN GEORGE S. MCGOVERN TO THE ANNUAL MEETING OF THE NATIONAL TELEPHONE COOPERATIVE ASSOCIATION, STATLER HOTEL, WASHINGTON, D.C., FEBRUARY 7, 1959

I feel honored to appear before the National Telephone Cooperative Association. Since I have lived most of my life in the agricultural heartland of America, your work has long been of keen interest to me.

I have enjoyed my associations with your colleagues in South Dakota and the able staff representing your interests here in Washington. You have made progress in spite of heavy odds. I admire your spirit and determination. You have my support and that of many of my colleagues as you continue your efforts to build a healthy and prosperous rural America.

Never before has American agriculture been faced with so clear a worldwide challenge. We are the possessors of a mighty weapon—agricultural abundance in a hungry world. I use the word "weapon" in referring to the only kind of war the American people want to fight, the war against poverty and hunger and disease. That is why I have sponsored in the Congress a "Food for Peace Resolution," which calls upon our Government to use our farm surplus as a tool for freedom and peace.

More than ever before, our Nation needs men of vision and courage of the type exemplified by the people comprising your organization. As we meet here today, our Nation is caught up in a titanic struggle for military and scientific supremacy. All the world and the space beyond has suddenly been turned into an enormous laboratory, with the launching of globe-circling satellites a commonplace occurrence.

As we concentrate more and more on scientific achievement, I believe a word of caution is in order. Just as we have learned that man cannot live by bread alone, so we should not forget that a nation cannot live by science alone. Our concentration on the secrets of outer space must not replace our concern over the welfare of our fellow human beings. Our world needs more than ever the timeless message of the Good Samaritan.

Given that premise, I see no reason why a nation which has the brainpower to put a half dozen manmade satellites into orbit in outer space, send an atomic-powered submarine beneath the polar icecap, and break the speed of sound, cannot find a way to achieve for its rural people a standard of living equal to that of its city dwellers. Is it too much to ask that farmers receive an income comparable to urbanites and enjoy such blessings as the telephone?

Basically, I believe our farm problem is one of attitude—a misplacement of values. If, for instance, the present administration had as much concern for farmers as it does for the investment bankers, most of your problems would vanish. You would have two telephones in every farm home and an extra one in the barn.

Of course, farmers do not enjoy such favor. I do not want to be partisan today but it is a fact that when this administration took over the reigns of government, it set out to flex farm prices downward and interest rates upward. Since 1952 farmers have lost about $18 billion in income. On the other hand, the money lenders have increased their incomes many billions of dollars.

Last week the President's budget message denounced the farm price support program and called for virtual abandonment of the parity concept for farm prices. He gave as his reason the excessive cost of the farm program—not taking note of the fact that much of this cost stems from Secretary Benson's mismanagement and mistaken views.

Significantly enough, the interest on the national debt in this fiscal year will cost us $8 billion—highest in history and the second largest item on the President's budget. Only the defense outlay costs more. Yet the President said nothing about reducing the exorbitant interest rates we are paying the investment bankers holding Government notes. As a matter of fact he implied that higher interest rates were forthcoming. And you and I get socked more and more on all of the money we borrow. The budget message clearly calls for an increase in interest rates on REA loans—an increase which would throttle rural electrification and rural telephone expansion.

I do want to discuss the rural telephone program now and offer some suggestions. But I felt it important to quickly sketch in a few broad background strokes.

The drive to bring modern communications to rural America began a half century ago. It progressed nicely through the years just following World War I when 38 percent of all farm homes were equipped with telephones.

Then came the 1920's, a steadily deteriorating farm economy, followed by the depression years. The rural telephone program languished for more than 2 decades. In 1945, there were actually fewer telephones on farms than there were in 1920. It was then that farmers, having climbed out the economic basement, began a concerted drive once again for an effective rural telephone program.

With the support of farmers the Nation over, and the help of friends in Congress, you and others like you pushed through a new Telephone Act in 1949. On October 28 of that year President Truman signed it into law.

It was a program of great promise and farmers' hopes were high. But, if I interpret correctly letters I have received from my constituents and official Government reports, the vast potentiality of the act has not been realized.

The information that has come to me leads me to conclude that the rural telephone program is in need of a booster charge.

A decade has gone by since the program was passed. Yet the percentage of farm homes with telephones has only increased from 38 percent to 56 percent.

Henry Ward Beecher once said: "Laws and institutions are constantly tending to gravitate. Like clocks, they must be occasionally cleaned and wound up, and set to true time."

Clearly, the rural telephone program has gravitated away from its original purpose. And just as clearly, it needs to be brought up to date in light of mid-20th century living conditions.

Actually, there doesn't seem to be any single roadblock holding the program back, but a combination of many.

For one thing, telephone co-ops have been plagued by restrictive rulings. Take, for instance, the equity fund requirement for cooperatives. This has been a tremendous hurdle. I know it has been modified somewhat because I was working with your representatives including Dick Dell at the time it was changed. We had been putting pressure on the people administering the program for a long time. But we all know the problem has not been eliminated. Further special considerations for cooperatives are necessary.

The fact that you must borrow your money from the Federal Government complicates matters, when you have an unfriendly administration in power. It is no secret that this administration is cool, if not hostile, toward your program.

Look at the President's budgetary recommendations for next year. Like those of the other years, his request for the rural telephone programs is too small to do the job. Fortunately, Congress has refused to go along with the President's telephone budget in the past and I feel confident that we will increase it this year.

It is bad enough to struggle with insufficient funds, but now the White House wants to increase interest rates on the money you borrow. I promise you that I, for one, will fight this move with all my strength. You need higher interest rates on your loans like a drowning man needs a millstone around his neck. You know it, and I know it.

Furthermore, the administration knows it. Just last year REA Administrator Hamil said in a statement before a Senate committee:

"I have loan applications that have come to me in REA, particularly in the telephone program where an increased interest rate would be difficult to handle. As a matter of fact, Senator, I have had applications in the telephone program that we have been unable to grant with a 2 percent interest rate."

It seems obvious that the administration is deliberately trying to freeze both the rural telephone and the rural electric programs.

Certainly it has given no indication that it intends to tailor its policies in accordance with the intentions of Congress, reiterated last spring by the Senate Committee on Appropriations. In its report, the committee said:

"The committee feels that the Rural Electrification Administration has a responsibility for assisting and promoting rural telephone cooperatives where necessary to secure telephone service to farmers."

The progress report on REA's telephone loans reveals, however, that this admonition has not been carried out. It shows that as of December 1957, REA had approved loans to 205 cooperative-type borrowers and 371 commercial company borrowers. As of December 1958, aggregate loans approved to cooperatives totaled 209, with loans approved to 429 commercial borrowers. Last year, REA approved loans to 62 new borrowers. Of these, 58 were commercial companies

and only 4 were cooperatives. That's a 14 to 1 ratio. Furthermore, the official report shows little stomach for promoting telephone co-that 75 percent of the total money loaned went to commercial borrowers. It is quite evident again that the administration has operatives.

No one would quarrel with this record, if it represented the most effective means of getting service into the remote rural areas. But the truth is that it does not.

As of December 1958, telephone cooperatives were serving approximately 2.5 subscribers per mile of line. In contrast, the commercial companies were serving nearly twice as many—4.6 subscribers per mile of line. It is obvious which type borrowers is serving the sparsely populated areas. It is also clear which type borrower has the greatest expenditure to make in getting started. When a cooperative gets a loan from REA, it can retain on the average of 32 miles of line in its old system. The commercial companies on the average retain about 77 miles of line.

Thus two points become clear: Cooperatives are the most effective instrument for getting service into the thinly populated areas, and they have greater handicaps to overcome than do their commercial counterparts.

On the face of the record, it is evident that we have a program suffering from malnutrition. To write a proper recovery prescription, we should do what all good doctors do with an ailing patient. Diagnose the trouble and take steps to correct the ailment.

Knowing that the commercial telephone companies do not like the RTA program, you can expect no help from that quarter. The Rural Electrification Administration itself seems preoccupied with the maintenance of an alleged neutrality policy, which says: "Don't do anything to offend anyone." All this seems to place the responsibility for improvement squarely on your shoulders.

For my part, I offer to you whatever assistance that is within the power of my office. I want to discuss legislation with you which you feel necessary to your program, and I would be happy and willing to meet with your representatives anytime to work out feasible proposals. May I suggest some steps we ought to consider immediately.

As a starting point, I would like to suggest the possibility of doing something about getting town and country to join forces in the extension of rural lines. Perhaps the time has come when we should raise or eliminate altogether the 1,500-population limitation that is now in the act.

We need also to fully explore the problem of cooperatives that are prevented from adding rural subscribers to their membership roles because they are barred from making the central town or small city a part of the same system.

Experience in the rural electric program has taught us that there would have been no program if REA personnel had not gone out into the rural areas and actually organized many cooperatives themselves. Perhaps the same type of assistance and promotion is needed here.

It may be that we should provide legislation transferring the funds and responsibility for co-op promotion from REA to the Farmer Cooperative Service, a branch of the Department of Agriculture exclusively devoted to cooperative problems and their solution. The best co-op talent in the Department could be brought into full play in this way. Since all agencies are now fully assimilated into the Department as a result of the Secretary's reorganization, I do not believe this transfer of assignment would cause any administrative problem. On the contrary, I believe the change would expedite the program.

Finally, Congress should move now to end the 10 percent wartime imposed excise tax on telephone service both for rural and city users. This is a discriminatory tax that was added as a war emergency measure which should be repealed.

I have touched upon a few of the more important points demanding attention in the rural telephone program. Before this fine convention concludes, I am sure you will have discussed many more.

Sometime prior to the time you leave this convention city for your homes, I would suggest that you pay a visit to your Congressmen and Senators up on the Hill. Sit down with them. Inform them of your problems. I can assure you, you will find willing listeners. Many of them look to you for guidance and leadership in this technical field.

When you get back to your homes, talk up the rural telephone cause among your neighbors at every opportunity. Marshal your strength. It is imperative that you revitalize your program. If you chart your course of action properly, and stick to it, I have no doubt that the promise of the Rural Telephone Act of 1949 will be fulfilled, as your part in the building of a more abundant rural America.

ANNUAL MEETING, SOUTH DAKOTA RURAL TELEPHONE COOPERATIVE ASSOCIATION, MARVIN HUGHITT HOTEL, HURON, S. DAK., DECEMBER 12, 1958

PROPOSED RESOLUTIONS

1. Increased interest rates

Whereas the President and the Administration appear determined to increase REA interest rates by two or three fold; and

Whereas it is also proposed to increase the cost of financing still further by adding administrative costs on to and in addition to the regular interest; and

Whereas the rural electrification and rural telephone programs have successfully operated over the past years at the normal 2 percent interest rate and have shown a profit to the United States Treasury; and

Whereas the present loans made to rural telephone cooperatives are made to serve rural areas with low density and low operating revenue; and

Whereas approximately 50 percent of the rural population does not have adequate telephone service; and

Whereas good telephone service to all areas of the United States is vital to the defense of our Nation: Now, therefore, be it

Resolved, That the Congress of the United States vigorously oppose any increase in REA interest rates and that the present interest rate of 2 percent be maintained and preserved.

2. Federal telephone excise tax

Whereas the Federal telephone excise tax was initiated as a wartime measure, and justified in the name of the national defense; and

Whereas the Federal telephone excise tax is still in effect, and continues to work an undue hardship on the rural telephone cooperative program; and

Whereas an excise tax is not in keeping with the concept which prevails under our Federal tax laws in that it is a form of regressive taxation, not in keeping with the concept of ability to pay and burdens those least able to pay: Now, therefore, be it

Resolved, That we here at the annual South Dakota Rural Telephone Cooperative Association meeting condemn this discriminatory tax and petition the Congress this session for its immediate repeal.

3. Encourage development of telephone cooperatives

Whereas the major portion of REA telephone loans are now being made to commercial companies, and

Whereas many areas now needing telephone service are undesirable to commercial companies, and

Whereas formation of cooperatives seems to be the only way in which such service may be made available to such areas: Now, therefore, be it

Resolved, That REA be requested to encourage organization of cooperatives to provide such service.

4. Participation in NRECA insurance program

Whereas the NRECA has made available its retirement and security program to telephone cooperatives, and

Whereas this provides a plan tailored to the needs of telephone cooperatives: Now, therefore, be it

Resolved, That all telephone cooperatives in the State be encouraged to participate in this group insurance plan.

5. REA service to telephone cooperatives

Whereas a number of telephone cooperatives find it difficult to set up an accounting system acceptable to REA: Now, therefore, be it

Resolved, That REA increase the number of field auditors to meet this need.

6. REA Administrator

Whereas the REA Act of 1935 provided for the strict nonpartisan administration of REA, by stipulating the appointment of an Administrator by the President of the United States, with confirmation by the Senate, for a 10-year term, to insure the nonpartisan, nonpolitical administration of REA; and

Whereas the Secretary of Agriculture, did in 1957, require that all loans to REA borrowers of $500,000 or more, and that all loans of any amount requested by new borrowers, be reviewed by the Secretary's office: Now, therefore, be it

Resolved, That the South Dakota Rural Telephone Cooperative Association, in annual meeting assembled, apprise the Congress of the United States of its vigorous opposition to any and all impairment of the authority of the Administrator as granted by the REA Act of 1935; and be it further

Resolved, That this association urge the Congress of the United States, as soon as it convenes in 1959 to pass a bill which would clearly and completely restore to the Administrator of REA all authority and functions vested in him by the REA Act of 1935.

"And All Her People One"

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, February 23, 1959

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech which I delivered last Friday night, February 13, before some 300 Oregon Democrats gathered for a fund raising dinner in Salem, Oreg.:

EARTH MIGHT BE FAIR

On January 4, the Sunday just before the convening of the 86th Congress, I attended a church service in Washington, D.C., invoking the blessings of God on the work of this Congress. One of the hymns, "Turn Back O Man," was familiar but it took on a particular meaning for me in connection with the jobs we Democrats have to do in Salem and in Washington, D.C. You may

remember the exhortation, "Turn back O man, forswear thy foolish ways."

Here is the second verse:

"Earth might be fair and all men glad and wise,
Age after age their tragic empires rise,
Built while they dream, and in that dreaming weep,
Would man but wake from out his haunted sleep,
Earth might be fair and all men glad and wise."

Earth might be fair. We have the resources, human and physical. This evening I will talk about some foolish ways we might well forswear and about four places on this earth: Latin America, Washington, D.C., Oregon, and China.

Yesterday morning I was in Venezuela as a guest of the President who was formally inaugurated today. A few weeks ago I went to Cuba and spoke with Fidel Castro. Next weekend I shall confer with him again and make a speech in Santiago near San Juan Hill where Americans and Cubans mingled their blood on the battlefields in their common cause against the Spanish oppressors.

THE POLICY WAS TO KOWTOW

In my first term in Congress I accepted invitations twice to Puerto Rico and once each in Costa Rico, Colombia, Venezuela, and Honduras. As you may remember, my interest in this area arose from my investigation into the disappearance of Gerry Murphy of Eugene. The Dominican official explanation of his death was officially rejected by the United States, but only after a period of reluctance during which I learned, to my surprise and dismay, that our usual policy was to kowtow to non-Communist dictators.

Certainly this is a foolish way we must forswear, and we are in the process of doing just that, if earth is to be fair. We cannot attempt to lead the free world and appear to be faithless to our own revolutionary origins and deepest traditions of freedom.

It is a surprise for me, and at times a little embarrassing, to see how famous I am in Latin America and how newspapers up here refer to me as a Latin American "expert" or "specialist." All I have done is reaffirm that we Norteamericanos remember our own Revolution against a tyrant. We like governments of and by the people based on law. We hate tyrants. Nothing very new or radical about that position, except that somehow our State Department had given the impression in Latin America that democracy was only for us and that we preferred to deal with "strong man" governments. This was wonderful for the Communists but not for us. The United States was identified with the tyrants and the Communists with the democratic elements opposed to tyrants.

A CHANGE FOR THE BETTER

It is gratifying to be able to say that our official policies are changing for the better in this respect, thanks to the Vice President's exciting trip, Milton Eisenhower's report, and perhaps some of the protests made by me, the New York Times, the AFL–CIO, and many others.

In all these matters I am conscious of my ignorance and I try to keep in touch with experts, including those in the State Department. Generally, my activities for democracy and against dictators have been warmly approved by career men in the Department of State. Recently I received an enthusiastic letter from the top man in our Embassy in Havana with respect to my visit in Cuba.

NOT FOR THE GOP ALONE

Yesterday was the 150th anniversary of the birth of Abraham Lincoln, a man I refuse to give to the Republicans, a man much respected and loved in Latin America. One hundred and one years ago Lincoln said: "Our reliance is in the love of liberty which God has planted in our bosoms. Our defense is in the preservation of the spirit which prizes liberty as the heritage of all men, in all lands, everywhere."

Let us now leave Latin America and turn to Washington, D.C., that city of alcohol, protocol, and Geritol. We do have a feverish pace. Last week my very able right-hand man, Jack Billings of Eugene, collapsed to the floor by his desk and had to be carried out on a stretcher. The doctors finally decided he had had a coronary without damage. He spent 4 days in the hospital and is now back at his desk.

As in Salem we in Washington, D.C., face great and urgent legislative challenges. We Democrats with our majorities have the opportunity and the responsibility. In Washington Senator JOHNSON has outlined a fine legislative program, a positive program, which I will be discussing as I travel around the Fourth Congressional District in the next few days.

"JUST A POLITICIAN"

The other day my colleague, the gentleman from Georgia, PAUL BROWN, told me about the politician who found a farmer in the backyard milking a cow. The farmer's wife called from the house to ask who he was and the farmer answered, "Just a politician." "You come right in the house," she yelled back, "and bring that cow with you."

Politicians are, as the libel lawyers put it, objects of fair comment which, you may have noticed, often includes a lot of unfair comment. "If you can't stand the heat, stay out of the kitchen," Harry Truman advises.

Alben Barkley and several brother Senators were once on a junket in a Middle Western State. Their bus stopped at a crossroads store. Alben and another Senator got out to stretch their legs. Alben spotted a native leaning against the store and proceeded to impress on him what a superduper Congressman this man had working for him in Washington. As they got back on the bus, the other Senator asked Alben, "By the way, what is the name of the Congressman from this district?" "Darned if I know," shrugged Barkley, "just some guy like you and me, trying to get along."

IN THE PUBLIC EYE

We politicians are, after all, only human beings, human beings often under tremendous strains. Of course, this is true in other lines of work except that the results do not receive so much public attention.

Let us consider the case of our two Senators. We talk about this privately. I think it is time to say something publicly. DICK and WAYNE were not getting along as we would wish. WAYNE's reception of DICK yesterday in the Senate and DICK's remarks are most encouraging. Both these men drive themselves hard. They are conscientious, intelligent, and courageous. They are human beings.

In partisan politics there is a tendency to choose up sides, a sort of polarization along adversary lines. This hasn't happened but it could happen. The Knight-Knowland rift didn't help the Republicans in California, nor would a MORSE-NEUBERGER split be an advantage to us in 1960.

I know that a few of you here tonight and some who are not here have already decided you are for one Senator and, hence, against the other. I tell you this is wrong. You don't and you can't know enough of all the circumstances to make any such judgment.

NO SIDES TO CHOOSE

I tell you this is unnecessary. The differences between them have not kept them from working effectively together on almost every issue. Naturally some of the newspapers try to blow the matter up. Last year I saw them quietly conferring in the Senate at a time when, if you believed some of the newspapers in Oregon, they were practically at each other's throats. Of course the Republicans want to encourage them to fight each other. How foolish of any Democrat to help in any way.

The test to apply to our Senators is not how amicably they get along but rather what they accomplish for the peace, prosperity, and freedom of the Nation. By this test they rank high on any list of leading Senators. They deserve our support and our friendship and I believe they have both. We are proud of them and their deeds which have earned them outstanding national reputations for political courage and intelligence. We grieve when they do not get along. We hope and pray that, for their own peace of mind, their differences will end. We will do all we can to speed that day.

NOT SAINTS, NOT LOST SINNERS

A politician, like anyone else, makes mistakes. Excessive adulation and excessive vilification are heaped on him. Seldom is he seen as just a guy trying to get along, to do this important, complex, and trying job as best he can.

Earth will be fair indeed when more citizens will evaluate their public officials as human beings, not as irreproachable saints or as unredeemable sinners.

Turning now to Oregon where the earth is fair in so many ways, but where too many persons are unemployed and where our per capita income is distressingly low. Our State is 100 years old tomorrow and naturally we look forward as well as into the past.

Certainly this celebration should call for a political truce. I congratulate Bob Holmes and the Democrats for their nonpartisan spirit in this matter. I reproach the few Republicans who delayed the issuance of the invitations to Mrs. Franklin Roosevelt, the Trumans, and Mr. Hoover. The centennial has no room for petty politics. The next hundred years will give us ample time for both petty and grand politics.

WHAT IS ESSENTIAL?

I read the Governor's inaugural address with great interest. Much had merit, just like the messages the President sends to Congress. What we now look for is deeds to match words. The spirit, however, seemed to me to be defeatist as indicated by his slogan, "Is this essential or merely desirable"? To the extent it has any meaning it denotes conservatism, caution, fear, when what we need, if earth is to be fair, is courage and confidence in the future of our great State. Hope, not desperation, is what we need now.

Oregon should stride into its second century, erect and unafraid. Is it essential that our children be able to go to college or just desirable? Only 18 out of every 100 of Oregon's eligible young men and women enter a 4-year college now. Is it essential that we have a full-time parole board or just desirable? Is it essential that Oregon families eat three meals a day or merely desirable?

Governor Hatfield's historic slogan belongs in history. It cannot help him or you or me answer our problems of progress in the present and future. All it really shows is a Republican attitude of despair and defeat.

OUR PROBLEMS ARE CHALLENGES

Our present economic position is bad. The latest figures from the Department of Labor show that 10.4 percent of the insured Oregon workers are drawing unemployment

benefits. This is the highest in the Nation. We were also atop this dubious pinnacle in January of 1957. Last year, in January 1958, we were one-tenth of a percent from the top with only Montana edging us out for this tragic booby prize.

We have areas of chronic unemployment. The Labor Department's list of major labor surplus areas includes Portland, Albany, Coos Bay, Eugene, Pendleton and Roseburg. Our per capita income figure for 1957 was $1,914, California's was $2,504, Washington's $2,128, and the national average was $2,027.

Between 1940 and 1953 the average Oregonian made 1.2 percent to 11.9 percent more money than the average American. Since then, that is since the coming of the Republican Eisenhower administration, Oregon's personal income has risen but not as fast as the national average, with the gap growing even wider. We Oregonians make our living mainly from our timber resources, then, much less, from agriculture and tourists. Each area is capable of tremendous expansion. Our potentialities give us no reason for despair. We can hope to provide our citizens with many desirable services. Our problems are challenges, not chains.

TRADE WITH MAINLAND CHINA

I want to conclude by recommending a change of national policy that could help Oregon become a prosperous State, in fact, a truly maritime State. Oregon fronts on the Pacific Ocean, a great highway for trade. We can only improve the benefits to cost ratios for harbors like Reedsport and many others if we open up trade with mainland China and vicinity. We now enforce a total embargo on our trade with China, a policy that began in 1950. The position of the administration remains as stated to me in a letter from the State Department April 17, 1957, "This country definitely intends to continue the embargo."

We who want this trade resumed only ask that we be permitted trade with China on the same basis we now trade with the Soviet Union. This of course means trade in only nonstrategic items.

China's trade is estimated at about $500 million per year.

In 1931 Oregon and Washington sent 314 million board-feet of lumber to China, whereas in 1956 these States only sent 299 million board-feet to all other nations. In terms of 1954 dollars the 1931 China trade in lumber alone would have meant $16,221,004 for operators, woodworkers and longshoremen in these two States. A similar situation exists for wheat and flour.

POTENTIAL IS STAGGERING

Ivan Bloch, a leading industrial consultant in Portland, says "potentials of this trade stagger the imagination." He predicts "a great possibility of numerous new jobs and industry in the Pacific Northwest if trade with China is reopened."

Restrictions on trade only serve to postpone, but cannot prevent, the development of the military power of Red China. Effects of embargoes are now evaded by purchase or barter from other countries of the items which we refuse to ship to Red China. To say that certain items cannot be shipped to Red China and then permit them to be shipped to Russia, from where they are forwarded to Red China, serves no purpose so far as hampering the Red China regime is concerned. What is accomplished is to strengthen the ties between the Communist countries. On the other hand, increased trade between the United States and Red China would be a means of weaning her away from the Soviet bloc.

Removal of barriers to trade with China would greatly benefit Japan, whose primary market has historically been the Asiatic mainland, mostly China. Resumption of trade with China would reduce the need for the export of many Japanese goods to the United States. Opening of the Chinese markets to Japan would remove from competition in the domestic markets of the United States many goods which are now a primary target for domestic protectionists.

TRADE FOR TRADE'S SAKE

Questions of trade and of diplomatic recognition of the Peiping regime can be considered separately. Trade should be considered on the basis of "trade for trade's sake" and trade questions not mixed with international politics. Efforts of "Yankee traders" were prime factors in the greatness achieved by the United States. That trade should not be unduly hampered now, trade itself being the greatest weapon in the hands of a diplomat and, if skillfully used, can be a great instrument of Government policy.

Some former "China traders" are of the opinion that United States machinery, trucks, automobiles, metals, specialized equipment of all kinds, petroleum, and certain agricultural products could now find a good market in China. The Peiping regime has indicated interest in the purchase of capital goods and petroleum. Trade is now conducted by the Peiping regime, which tends to bypass traders and warehouses to deal directly with governments, or, if that is impossible, directly with producers in the country from which they purchase goods.

Advocates of increased trade see a market for large quantities of capital goods continuing over many years. They are dissatisfied with restrictions which keep them out of the trade and permit Great Britain and other European country traders to lay the foundations for possible future trade. United States trade with mainland China would contribute to an improved standard of living for the Chinese people, creating a market for many of our consumer goods. Chinese people would be able to see how much better goods are produced in the United States.

A SOURCE OF IRRITATION

The United States must create friendships with other peoples. Increased trade with China would remove a source of irritation. The smoothing of trade relations would pave the way toward long-range adjustment of Asian problems. Hostility is determined by many factors other than economic strength; a strong industrialized Red China would not necessarily be an increased threat to the United States. Rather, Red China, through economic strength, will be in a position to assert independence of the Soviet Union and to oppose further Soviet penetration of the Chinese economy. Since trade with the West would not be a temporary, but a continuing benefit to China, it would be difficult to see why she would endanger that benefit by action which would threaten the United States, since China would have so much more to lose by any such action.

American policy should be based on considerations of the benefits to the West from trade in nonstrategic goods as well as consideration of that portion of trade which benefits the Communist world. Certain goods, when sold, are strategic to the selling nation's economy. Where trade yields a net advantage to the West, it should be allowed and should be used, if possible, as an instrument for extending Western influence inside the Communist borders.

The blockade is ineffective. The Red China regime has not been undermined, but only forced to rely almost exclusively on the Soviet Union. The time for a change in our policy is here.

Last year the Oregon Grange strongly endorsed this point of view.

Senator Knowland has been removed from politics. In January last year the California Democratic Council urged resumption of trade with China.

SENATOR MORSE ON DULLES POLICY

On July 4, 1957, Senator MORSE said, "One of the results of the shortsighted Dulles policy is to turn over to our allies the economic advantages of trade in nonstrategic goods. Pacific Coast States are suffering great losses as a result of the boycott."

Henry Ford II, in January of 1957, pleaded for realism with respect to trade with satellites. He asked: "Shouldn't we give the people of Red China some alternatives to their present ties with the Kremlin?"

Even President Eisenhower in June of 1957 said, "I am personally of the school that believes that trade, in the long run, cannot be stopped * * * I don't see as much advantage in maintaining the differential as some people do, although I have never advocated its complete elimination." The "differential" to which he refers is the additional embargoed list for China over the list for the Soviet Union. It is, of course, too much to hope that the President's views would be reflected in action.

THE TIME IS NOW

My chief legislative project in the 86th Congress is the removal of this embargo. Nothing could mean more to Oregon's economy. I am having the necessary legislation drafted. I am encouraging the organization of the many persons who believe strongly in the political and economic benefits of trade with China. We are, I am sure, more powerful than the miscalled China lobby and the committee of one million. I am talking with Pacific coast Congressmen like JACK SHELLEY, of San Francisco. I am gathering evidence from Government departments, shipping companies, and elsewhere. I hope that the Committee for Trade with China, now being formed, will soon send a delegation to Washington to confer with congressional proponents, with the Secretary of State and the President. If it is not possible to arrange immediately for a congressional sponsorship of a trade mission to China, then the Committee for Trade with China should sponsor such a mission. I would gladly be a member of such a mission and I know other Congressmen and other Oregonians who want to be included.

The time for Oregon to became a maritime State is now.

FOOLISH WAYS, FOOLISH WAYS

Oregon's unemployment must go down and her per capita income must go up. Foolish ways, such as no new construction starts for public works, tight money policies that depress the lumber market, trade policies that cut us off from natural markets—all these and more foolish ways must be forsworn if our earth will be fair and all men glad and wise.

It is up to us Democrats to provide the leadership. We will meet the challenge both in Salem and in Washington, D.C. We will go forward into another hundred years of achievement for the families who make Oregon their home. We Democrats believe that we can improve our society if we are determined and if we use the abilities God gave us—and if we are not afraid to make mistakes from time to time and start again.

We Democrats are fully in accord with the closing verse of "Turn Back O Man":

"Earth shall be fair, and all her people one,
Nor till that hour shall God's whole will be done.
Now, even now, once more from earth to sky
Peals forth in joy man's old undaunted cry,
'Earth shall be fair, and all her folks be one'."

Thank you very much.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 24, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 61: 10: *I will greatly rejoice in the Lord, my soul shall be joyful in my God.*

O Thou gracious Spirit of the infinite and eternal God, we thank Thee for our moments of prayer in the midst of days that are strange and strenuous and at times so very dark and dismal.

We humbly confess that feelings of fear and frustration frequently invade and infiltrate the sanctuary of our souls, causing us to live negatively and hopelessly.

Grant that the assurance of the righteousness and justice of God may strengthen and sustain us as we encounter difficult domestic and foreign problems.

In Christ's name we offer our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

FEDERAL RECORDS COUNCIL

The SPEAKER. Pursuant to the provisions of section 6, Public Law 754, 81st Congress, the Chair appoints as members of the Federal Records Council the following Members on the part of the House: Mr. STAGGERS and Mr. MERROW.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit during general debate in the House today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE HOME OF THE BRAVE BUT NOT THE LAND OF THE FREE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

THE SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, Cass County, Mich., prior to and during Civil War days, was a way station on the underground railway from the South to Canada, under which many a slave traveled on his way to freedom.

As the War Between the States drew to a close, many a colored person made it his permanent home, and Cass County has long been known as a locality where the Negro demonstrated his ability to earn, save, acquire property, an education, and participate, on an equal footing, in social and political life.

But today, those full of theory but short on fundamentals have once more demonstrated that, while this may be the home of the brave, it is no longer the land of the free.

While we are spending billions of dollars sweated out of taxpayers to carry progress to other peoples all over the world, here at home a paternalistic Government, dominated by so-called liberals and progressives, is denying freeborn Americans the moral and constitutional right to use their own property as they desire, even though that use injures no one.

Stanley Yankus, a native American, with an absolutely clean record, bought and paid for a farm in Cass County, Mich. He has a wife and three children. He decided to produce eggs for market and to use the grain, including wheat, grown on the farm to feed his hens and pullets. He established a paying, growing business.

But, in 1938, those who insist on directing and ordering the lives of others, under Democratic leadership, passed the agricultural adjustment legislation under which those producing certain crops, including wheat, were guaranteed an established price for what they raised and sold but were restricted in the acreage they might plant.

Yankus never was permitted to vote on the plan, never participated in it. He continued to grow wheat on more than the 10 acres allocated by the local committee. He fed the wheat to his chickens, sold the eggs.

Stanley was advised of the provisions of the Agricultural Act. He decided that he wanted none of it—no part of either the benefits paid under it or the restrictions imposed by it.

He mistakenly believed that the freedom, for which the forefathers fought and many of them died, still existed. Unfortunately, he was mistaken.

Now get these facts: Yankus bought and paid for his own land. He never received a dollar's benefit payment from either State or National Government. He paid his taxes. He never was permitted to vote on the Government's program limiting production. He planted more acres to wheat than the number allocated to him by the Government. He harvested his wheat, never sold a bushel, fed it to his poultry.

Nevertheless, down on him came the Federal Government. It imposed penalties. This Government seized $1,701 of his bank account. He still owes around $2,643 in unpaid fines and penalties and interest accumulating thereon imposed by a U.S. district court.

Stanley and his family have finally decided that, while this may be the home of the brave, it certainly no longer is the land of the free. He is contemplating selling his farm. He has made application and has been granted permission to settle in Adelaide, Australia, where he hopes to enjoy the status of a free citizen, no longer possible in America where the bureaucrats, the highbrows, the theorists, and those who insist upon ordering the lives of others, are day-by-day restricting liberties so dearly won by those who established this Republic.

No matter in what business you may be, you may be next.

The right to own and use your own property no longer exists. Try to get a job in a unionized industry; you pay the union dues first.

Stanley Yankus has courage in abundance. He is short on liberty. If he leaves us, it will be our loss—not his.

GROUND-BREAKING CEREMONY AT THE EAST FRONT OF THE CAPITOL

Mr. THORNBERRY. Mr. Speaker, I ask unanimous consent that I may insert in the RECORD at this point the proceedings of the ground-breaking ceremony at the east front of the Capitol today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

(The matter referred to follows:)

GROUND-BREAKING CEREMONY FOR THE EXTENSION OF THE EAST FRONT OF THE CAPITOL, TUESDAY, FEBRUARY 24, 1959, 11 A.M.

The Architect of the Capitol, J. George Stewart, acted as master of ceremonies.

Mr. STEWART. To the honored Members of the Congress, our neighbors on Capitol Hill, the distinguished members of the Supreme Court, their assistants, officials of the Library of Congress, and ladies and gentlemen, a warm welcome.

In undertaking this historic ground-breaking ceremony, it is proper that we should invoke the blessing of the Divine Providence. I ask the Chaplain of the House of Representatives, the Reverend Bernard Braskamp, to offer an invocation.

The Rev. Bernard Braskamp, D.D., Chaplain of the House of Representatives, offered the following prayer:

Psalms 127: 1: *Except the Lord build the house, they labor in vain that build it.*

O Thou, who wert the God of our fathers, we rejoice that Thou hast also revealed Thyself as the companion and counselor of all their succeeding generations.

We are now invoking the blessings of Thy presence and favor as we have assembled here for this ground-breaking service.

In turning to the prayer of the sacred Scriptures, we are reminded of that memorable day when Thou didst command the children of Israel to enlarge the place of their tent and to lengthen the cords and strengthen the stakes.

May we have within our hearts the testimony that we have heard and are heeding Thy voice calling and bidding us to strengthen and extend the walls of our Capitol.

Grant that when the work has been completed we may have the benediction of Thy grace and our chosen representatives may be inspired and find it possible to render larger service for our beloved country and all mankind.

To Thy name we ascribe all the praise and glory. Amen.

Mr. STEWART. It is my high honor, and personal privilege, to present a member of the Commission for the Extension of the United States Capitol, the Honorable EVERETT MCKINLEY DIRKSEN, the minority leader, U.S. Senate.

Senator DIRKSEN. Mr. Chairman, distinguished guests, ladies and gentlemen, I presume that any modification of a historic shrine and structure that has over the generations insinuated itself into the hearts and into the affections of the people brings a clash between sentiment and necessity. And, oddly enough, I think a case can be made for both sides. On the sentimental side, and I use the term most advisedly, I think of it in terms of reverence, devotion, and respect for those things that are a part of the great

pageantry of this Republic which have become so deeply instilled into the hearts of the people. I believe that sentiment, when the time comes to made a modification of one of our shrines, is a polite and good and felicitous deterrent, so that we do not act too hastily and too fast.

But on the other side, there is the question of necessity. One look at the dome this morning as it overhangs a bearing wall is probably better evidence than all the words that might be uttered in the House and in the Senate as to what the situation requires. It must be brought into line with the original concept of this Capitol.

Thousands—yes, perhaps millions—of people have seen the replica in the basement of the Capitol, and many have often wondered, no doubt, why the Capitol itself was not brought into line with the original architectural concept. In addition, of course, the rather soft sandstone walls that were built, portions of which have fallen on occasion, developed a situation that might conceivably jeopardize life and safety.

And so today we officially commemorate this modification of a great shrine and do it with full respect for sentiment and for the necessities as the result of the effacing hand of time. I can think of no person in whom at once that feeling of reverence and sentiment is so blended with a respect for reality and necessity as the very distinguished public servant who, for 46 years, has found in the Capitol the place for his labors. From here he has rendered the most distinguished service. From here he has uttered, over more than two generations, his hopes and his aspirations. He has devoted himself to the business of this Republic.

And so I am really honored, and I am greatly privileged today to introduce an old friend under whose Speakership I served in the House of Representatives when I was a Member of that body. So it is my high and happy privilege to present an old friend, SAM RAYBURN, Speaker of the House of Representatives and Chairman of the Commission for the Extension of the Capitol. [Applause.]

Mr. RAYBURN. Mr. Chairman, Senator DIRKSEN, I appreciate your kind words in presenting me to this distinguished audience. Along with Senator DIRKSEN I am one of those who has a great regard and respect for tradition. I like the old things if they are historic. I want them to be used as long as it is possible to use them.

We found here a part of a shrine. Not only is the Capitol of the United States a shrine but it is also a workshop. We did not remove this east front because we needed more room. It was removed principally because it was in a dangerous condition. That is what some of the best architects in the country said about it after they had inspected it. Of course, a great many people criticized our action who had never examined this building.

I might say also that in this building is housed the legislative branch of the Government, that part of the Government that is closest to the people because it comes directly from the people.

The legislative branch of the Government is the most important branch of the Government because there would be no laws to execute if the legislation were not passed by the Congress. There would be no laws to interpret if the Congress did not pass laws to be interpreted.

So here we need room, we need surroundings as pleasant as possible. We need this beautiful east front and we need to hide this overhanging dome here that was discovered by many, many people.

The east front of the Capitol, when this work is over, will look exactly as it did before, except it will not be built of a soft sandstone. It will be built of beautiful, light gray, almost white, Georgia marble. And it is my hope that nearing the completion of this beautiful structure we will be able to sandblast the Senate and the House wings, because many people do not know that they are of light Massachusetts marble. When this old "hill" has sitting upon it this magnificent, almost white structure, it will be the pride and joy of everybody.

So today I have come here to use the spade, and to turn the first piece of ground, hoping that in January 1961—and I have been promised that as much as anyone could be promised anything—the incoming President of the United States will walk through a hall just above us and will be inaugurated on the steps of the new east front of the Capitol.

Mr. Architect, I am ready to break the ground.

(The Speaker thereupon took the silver spade and broke the ground.)

BENEDICTION

Mr. STEWART. The Chaplain of the U.S. Senate, the Reverend Frederick Brown Harris, will now pronounce the benediction.

Dr. FREDERICK BROWN HARRIS. Our Father God, with the hallowed majesty of this shrine of each patriot's devotion casting its spell upon our spirits, as with eyes upon the future we reach out to enhance its glory, we think gratefully today of a lofty character whose hands laid its foundations in heroic yesterdays.

Into the days that beckon, which we pray may be symbolized by the splendor of the stately pillars soon to be fashioned, send us forth with patriotism pure and undefiled, in the spirit of George Washington, with valor and patience, through evil and good report, to the final coronation of freedom and truth as the light of Thy countenance is lifted upon us. Amen.

(Thereupon the ground-breaking ceremonies were concluded.)

JUVENILE DELINQUENCY CONTROL

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, I have introduced a bill H.R. 3464, entitled the "Juvenile Delinquency Control Projects Act."

Every year the problem of youthful lawbreakers grows more serious. Every year we are confronted by a barrage of articles in popular and scholarly magazines about what should be done to stop juvenile delinquency. Every year a large number of bills is introduced suggesting action by the Federal Government to help States and communities solve this appalling problem.

During the last Congress, the Subcommittee on Special Education of the Committee on Education and Labor, of which I have the honor to be chairman, held extended hearings on the general subject of juvenile delinquency.

Many of the Nation's outstanding leaders in the field of youth work testified before our committee. They strongly agreed that we need to know far more than we do at present about the causes of delinquency, the effectiveness of present methods of treatment and control, and development of new ways of handling juveniles who go against society.

EXPLANATION OF THE BILL

Mr. Speaker, my bill provides for this.

It provides $5 million a year for 5 years to pay part of the cost of projects which will demonstrate or develop techniques and practices for the prevention, diminution, and treatment of juvenile delinquency.

Projects may be proposed by States or other public or nonprofit private organizations.

Such projects would be evaluated by a National Advisory Council on Juvenile Delinquency consisting of 12 recognized authorities in professional or technical fields related to juvenile delinquency and members of the general public.

The Advisory Committee will make recommendations on the projects to the Secretary of Health, Education, and Welfare.

This bill provides for demonstration projects. We expect that projects approved under the bill will be of an action-research nature—that is, actual field trials of methods and techniques in controlling delinquency.

The bill requires complete reporting of results. The Secretary is directed to disseminate any significant findings on juvenile delinquency control as soon as they occur. He is also directed, at the end of the 5-year period, to make a complete evaluation of how knowledge about juvenile delinquency has been advanced by all the projects taken together. In the interim, the Secretary is to make annual reports of his actions on the recommendations of the National Advisory Council, and to submit to Congress recommendations about the administration of the act or further legislation he thinks desirable.

PROPOSED PROJECTS

Mr. Speaker, as an illustration of the results we might expect from this bill, let me recount a few examples of projects suggested by witnesses before our committee:

A former Commissioner of Social Security would like to prove what one or more good, well-trained probation officers can do with juvenile offenders.

The chief of a State child welfare bureau wants to demonstrate what could be done by working thoroughly through the schools, where early truancy and misbehavior often spell future trouble but where understaffed faculties can do little about it.

The director of a private welfare agency thinks they could learn how to perform their present services more efficiently.

A prominent psychiatrist favors a detailed study of one segment of a city to try to identify predelinquent children.

A former Chief of the U.S. Children's Bureau would like to see cities of different sizes experiment on different methods of how to train police for work with juveniles and different methods of organizing police bureaus.

A training school superintendent thinks the ingredients of the personality of adults who are able to influence youths to go straight could be identified.

A State youth control official wants to change one of his training schools to a therapeutic community with high grade

social workers to try to work changes in attitudes among those committed.

A correctional official hopes to perfect techniques to identify the few truly dangerous psychotic personalities among the thousands of juveniles he screens for probation, because he is scared to death he may miss one.

EXPECTED RESULTS

Mr. Speaker, I think we can expect significant results from a bill such as this. We have learned the value of demonstrations and research in many fields of endeavor. Not only in scientific fields does it pay off. Our Nation has realized wonderful results from similar demonstration and research projects in the fields of public health, vocational rehabilitation, and education. What could be a more practical step at this time than to assemble and spread what knowledge we now have about juvenile delinquency control, and to launch a broad, coordinated plan of demonstration projects to uncover and test new ways of dealing with this problem.

Mr. Speaker, I believe that this bill will go far in finding more effective ways to prevent and treat juvenile delinquency. I think this will begin a coordinated effort that will assure that all promising avenues of development are followed in the most efficient manner. Even more important, perhaps, I think that we can assure that what is known and discovered through projects begun under this bill will be made available to the States and communities, schools and churches, of this country. Only then can they deal with this difficult and growing problem in the soundest possible ways. Many of the ideas so readily advanced today about what should be done about delinquency may be sound. We will not know which are sound and under which conditions they will work until we go about testing these ideas in actual situations.

This bill is an example of the best kind of role for the Federal Government to play in solving our major social problems. The States and local units of government, the private voluntary organizations and individual families must ultimately do the job of eradicating juvenile delinquency. But we here at this level can help to provide them with the leadership, the coordination, and some of the knowledge and tools to do their job better.

Mr. Speaker, I hope that this bill will receive early, favorable consideration.

DEFENSE SPENDING

Mr. BECKER. Mr. Speaker, on February 19, the gentleman from Arizona [Mr. RHODES] took exception to an editorial published the preceding day in the Washington Post and Times Herald. The article in question gave even wider circulation to the frequently mouthed assertion by champions of national bankruptcy that we will face annihilation unless we spend billions of dollars more on defense, whether or not the expenditure is necessary.

The gentleman ably pointed out that the editorial could accomplish little more than to create psychological fear and panic, but I believe he neglected to mention that the Post turned its back completely on historical fact.

Like the members of the political faction it supports most frequently, the Post, by indirect quotation, took statements by Secretary of Defense Neil McElroy and twisted them into what it called a virtual acknowledgment that this administration had made a deliberate decision to accept a second-best position in the missile race with Russia.

I shall not dwell too long on the contents of this editorial, but shall say it continues in the usual vein about governmental spending. It boldly implies that budgetary deficits somehow are preferable to fiscal soundness, and are necessary to our moral well-being and economic strength. It also quotes the distinguished chairman of the House Military Appropriations Subcommittee as doing a great service to the Nation in his fight to have other billions of dollars added to our already enormous defense expenditures.

I should like to point out, Mr. Speaker, that Secretary McElroy, in testifying before the Senate Preparedness Subcommittee last month, said that instead of lapsing into a secondary position in its missile race with Russia, the United States would maintain an overall superiority in striking power with a diversified arsenal of intercontinental and shorter range missiles, and during the next 2 years or so, heavy bombers. Secretary McElroy did state that we have no intention of matching the Russians missile for missile in an arms race, but emphasized that we would be considerably stronger in carrying out the diversified program.

I have always had the greatest respect for the gentleman from Texas and his opinion on defense matters, but I should state for the edification of the Washington Post and the Members of this body who recommend additional spending on long-range missiles that such views somehow did not always come from the same source.

Apparently, what caused the change of view among those who today advocate such exorbitant defense spending was the orbiting of the first Russian sputnik.

Shortly before that event, this body considered several amendments to the 1958 military budget.

At this time, I shall quote from the CONGRESSIONAL RECORD, volume 103, part 6, page 8091. On this page of the RECORD on that date, we find the following:

> Mr. Chairman, my good friend the able gentleman from Pennsylvania has said that this is a contest between those who advocate weaker defense and those who advocate stronger defense. Well, there are some elected representatives of the people who think you get stronger defense if you get more efficiency and better management, fewer unnecessary military and civilian personnel. A stronger defense program is not necessarily the most expensive defense program. We cannot buy friends abroad with wasted dollars nor can we buy security at home with wasted billions.

The next statement comes from the RECORD of the same date on page 8092. It states:

> I think the adoption of the bill may mean in the long run that we will get better defense for fewer dollars. I know that there will eventually come a bitter revulsion against defense spending if we do not do our duty and try to keep it within bounds. Greater and greater appropriations tend to accelerate the inflation spiral.

A little later, on the same page, this statement appears:

> A gesture toward a demand for more efficiency and economy is in the best interest of national defense and in the best overall interest of the taxpayers generally.

Mr. Speaker, I cite these statements because they were made by the same gentleman who today is calling for the unnecessary expenditure of additional billions of dollars. What the gentleman said in 1957 was, in effect, what our Secretary of Defense told the Senate subcommittee last month. Briefly, Secretary McElroy said our diversified arms program will give us a stronger defense than a heavy concentration on one particular weapon. He stated that the additional expenditure called for would not accomplish what its sponsors said it would.

In conclusion, Mr. Speaker, I should point out that the gentleman from Texas voted in 1957 for deep budgetary cuts in our research and development program.

Today, he, the Washington Post, and many other advocates of deficit financing are calling for just the opposite.

I suggest, Mr. Speaker, that before the champions of uneconomic economy continue their cry for reckless spending of the taxpayers' money on just about everything, they examine their own position that day in May 2 years ago, shortly before the launching of Sputnik I, created such hysteria in some quarters.

COMMITTEE ON MERCHANT MARINE AND FISHERIES—EXPENSES OF STUDIES AND INVESTIGATIONS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 106) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective January 7, 1959, the expenses of the studies and investigations to be conducted pursuant to H. Res. 105 by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed $75,000, including expenditures for the employment of investigators, attorneys, and experts, and clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration.

SEC. 2. The chairman, with the consent of the head of the department or agency concerned, is authorized and empowered to utilize the reimbursable services, information, facilities, and personnel of any other departments or agencies of the Government.

SEC. 3. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

With the following committee amendment:

Page 1, line 1, strike out "7" and insert "3."

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Iowa.

Mr. GROSS. It is not proposed to bring up today this so-called administrative assistance bill; is it?

Mr. FRIEDEL. The gentleman is correct. We have seven noncontroversial bills today that passed our committee by unanimous consent.

Mr. GROSS. What is the status of that bill, if I may ask the gentleman? Personally, I hope it will be killed, and promptly.

Mr. FRIEDEL. It was approved by the subcommittee, approved by the full committee, and we are now asking for a rule.

Mr. GROSS. It is presently before the Rules Committee?

Mr. FRIEDEL. It is.

Mr. SCHENCK. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield.

Mr. SCHENCK. Will the chairman of the subcommittee inform the House that the resolutions he is now calling up have been unanimously approved by the committee, and also that they are for the 2-year period of the 86th Congress unless otherwise indicated?

Mr. FRIEDEL. The gentleman is correct. These bills were approved by both the subcommittee and the full committee by unanimous votes. One or two of these bills are for a 1-year period only, but most of them are for a 2-year period.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The resolution was agreed to and a motion to reconsider was laid on the table.

COMMITTEE ON FOREIGN AFFAIRS—EXPENSES OF CONDUCTING STUDIES AND INVESTIGATIONS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 114) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective January 4, 1959, the expenses of conducting the studies and investigations, authorized by H. Res. 113, Eighty-sixth Congress, incurred by the Committee on Foreign Affairs, acting as a whole or by subcommittee, not to exceed $150,000, including expenditures for the employment of such experts, clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee, signed by the chairman of the committee, and approved by the Committee on House Administration.

With the following committee amendment:

Page 1, line 1, strike out "4" and insert "3."

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Iowa.

Mr. GROSS. Do I understand this is about twice as much as was appropriated last year?

Mr. FRIEDEL. The gentleman is correct.

Mr. GROSS. Can the gentleman tell me anything about the amount of counterpart funds in foreign countries? Have these funds been spent, or what is the situation?

Mr. FRIEDEL. I will yield to my colleague the gentleman from Ohio [Mr. HAYS] to answer that question.

Mr. HAYS. I would like to say to the gentleman that last year the Foreign Affairs Committee had $75,000 appropriated to it, of which it turned back to the Treasury $48,000. It spent counterpart funds in the neighborhood of $47,000.

This was the committee that set up among other things, as the gentleman knows, the so-called Watchdog Committee on Foreign Aid, which I think under the direction of the gentleman from Pennsylvania [Mr. MORGAN] is doing an outstanding job in uncovering some of the wastes and inefficiencies in the foreign program. Obviously, that committee has to be staffed, and that is the reason for the requested increase. I would like, however, to pay tribute to Mr. MORGAN, who was acting chairman last year and is chairman this year, for the splendid leadership he has given this committee. The committee has a long record of turning money back to the Treasury.

Mr. GROSS. I have no intention of objecting to the appropriation of this amount of money, but I would like to be assured that there are plenty of counterpart funds, if it is possible to obtain that assurance, in the various countries of the world so that this being an off year there will be plenty available for the junketing Members of Congress.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXPENSES OF THE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 143), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That in carrying out its duties during the Eighty-sixth Congress, the Committee on the District of Columbia is authorized to incur such expenses (not in excess of $10,000) as it deems advisable. Such expenses shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXPENSES OF COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 146), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective January 3, 1959, the expenses of investigations and studies to be made pursuant to H. Res. 130 by the Committee on Interior and Insular Affairs (now comprised of the six former Committees on Insular Affairs, Territories, Public Lands, Irrigation and Reclamation, Mines and Mining, and Indian Affairs), acting as a whole or by subcommittee, not to exceed $60,000, including expenditures for the employment of stenographic and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXPENSES OF COMMITTEE ON EDUCATION AND LABOR

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 148), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective from January 3, 1959, the expenses of the studies and investigations to be conducted pursuant to H. Res. 147 by the Committee on Education and Labor, acting as a whole or by subcommittee, not to exceed $160,000, including expenditures for the employment of investigators, attorneys, and experts, and clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized and signed by the chairman of such committee and approved by the Committee on House Administration.

SEC. 2. The official committee reporters may be used at all hearings held in the District of Columbia, if not otherwise officially engaged.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXPENSES OF A SELECT COMMITTEE

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I submit a privileged resolution (H. Res. 160), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That effective January 3, 1959, the expenses of the study and investigation to be conducted by the select committee created by H. Res. 51, not to exceed $275,000, including expenditures for the employment of investigators, attorneys, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof, and approved by the Committee on House Administration.

With the following committee amendment:

On page 1, line 3, strike out "$275,000" and insert "$260,000."

The committee amendment was agreed to.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Iowa.

Mr. GROSS. What is this money to be used for? Can the gentleman tell me briefly?

Mr. FRIEDEL. I would like to call on the chairman of the Committee on Small Business to outline the operations of his committee as he explained the situation before our subcommittee.

Mr. GROSS. Perhaps I can give the gentleman some idea of what I am interested in. I have read the House Small Business Committee's final report for this year in which some 29 recommendations all made for investigation and further study of the problems of small business. It seems to me that you have been studying and investigating small business for the last 18 years, and I suggest that this segment of business is being studied to death. Small business is not only getting smaller but it is being destroyed. It is going out the window.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ACCOMPLISHMENTS OF HOUSE SMALL BUSINESS COMMITTEE

Mr. PATMAN. I will say to the gentleman that the committee is well pleased with what has been done, in the last 2 years in particular. We feel like we have had accomplishments to our credit every session of the Congress since 1941 when the Speaker of the House, the gentleman from Texas [Mr. RAYBURN], appointed this committee for the first time. Last year, it is my belief, by reason of the activities of the House Committee on Small Business, we placed upon the statute books one of the most far reaching bills to aid and assist small business that has ever been enacted by the United States Congress. We, for the first time in history, had before us in a congressional committee all the members of the Board of Governors of the Federal Reserve System. We interrogated each one individually, and each one admitted that there is no place in the present commercial banking system to supply the needs of small business for venture capital, risk capital, or long-term loans. After each of the seven members of the Board of Governors admitted that there is no place for small business to go to get adequate financing, we then called in the presidents and other officials of the banking associations, including the American Bankers Association, the Independent Bankers Association, and others, and from them we received the information for the first time for the record that there is no place for small business to go to get adequate venture capital, risk capital, or long-term loans. And, by reason of that record, which was so good and for the first time was presented in that way, the majority leader, U.S. Senator LYNDON B. JOHNSON, introduced a bill in the Senate, and I and others introduced one in the House, providing for a place for small business to go. And that bill was passed. It is now being administered by the Small Business Administration. A good start has not gotten under way at the present time, but the SBA is working at it. It takes time for a new law to be put into execution, I realize that, and we are patient about it but some progress is being made, and I feel that that one act that was passed, I believe by reason of the work and the efforts of the House Small Business Committee, is the finest act that was ever passed by Congress to help small business in this country.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, I will say to the gentleman I think it is about time the House Committee on Small Business was either made permanent and given authority to bring legislation to the House floor or it ought to be disbanded. I say to you that the big are getting bigger and small business is being destroyed. It is action, not further study, that is needed.

Mr. PATMAN. I concede what the gentleman says to a great extent is true, but that is not the fault of the House Small Business Committee. We have been working on it every year, and we bring these things to the attention of the Congress. And, the Congress has made many corrections, not just the one I mentioned of last year, but many more, and we are doing a fine job, I believe. This resolution has the unanimous approval of the members of the House Small Business Committee, and the acting chairman of the House Administration Committee, the gentleman from Maryland [Mr. FRIEDEL], advises me that it has the unanimous support of the Subcommittee on House Administration and the full Committee on House Administration. So, it has the unanimous support of three committees of the House, and I hope it is approved.

Mr. Speaker, House Resolution 160 is before the House for consideration and action today. It authorizes the expenditure of $260,000, to cover the expenses of the Select Committee on Small Business in carrying out its duties and responsibilities under House Resolution 51 in conducting studies and investigations of the problems of small business, particularly for the 1st session of the 86th Congress. House Resolution 160 has been sponsored unanimously by the majority and minority members of the Select Committee on Small Business, and has been reported favorably unanimously by the Committee on Administration.

In view of these circumstances, it is inconceivable that any question would be raised on the floor of the House regarding House Resolution 160. Therefore, my only purpose in addressing myself to this matter is to make sure that the Members are informed and refreshed regarding the work of the House Small Business Committee.

In general the work of the committee during the 85th Congress fell into three principal categories. They are:

First. Services rendered Members of the House in handling of inquiries and complaints involving small business problems.

Second. Investigations and studies of widely prevalent small business problems.

Third. Study of legislative proposals for solving small business problems.

The manner, quality and result of the work of the House Small Business Committee are matters of record. We are gratified with the results and happy that the House Small Business Committee is recognized as a factor in contributing to the many healthy, positive actions taken by the 85th Congress to help small business. Particular reference is made to the Small Business Investment Act of 1958. Much of the spade work in probing into the problems of small business financing preceding the approval of that law was accomplished by the House Small Business Committee. It made extensive investigations and held lengthy hearings regarding the financing of small business. A detailed report on that problem was made to the House by the House Small Business Committee—House Report No. 1889, 85th Congress.

The committee's hearings on problems of small business were notable and the reaction to them was favorable from all areas. Those hearings marked for the first time in history that all members of the Board of Governors of the Federal Reserve System appeared and testified individually and independently before a congressional committee. The information they gave the House Small Business Committee was valuable. Their testimony and testimony from the leaders of the American Bankers Association confirmed other testimony to the effect that a gap existed in the long-term and equity financing of small business which banks cannot and, according to their testimony, should not be called upon to fill. They pointed out that banks have responsibilities to depositors to avoid long-term financing operations so as to keep fairly liquid the resources the banks have on deposit. Out of all of our hearings and reports and the hearings and reports of other committees on this problem, the Congress developed and approved the Small Business Investment Act of 1958. That law is a milestone of the accomplishments in the interest of small business and our free and competitive enterprise system. Of course, it is only the first step and we recognize that the law needs improvement. The legislative proposals designed to bring about such improvement are now under study.

In addition to the work done by the House Small Business Committee in connection with the problems of small business financing, it made investigations, studies and reports respecting small-business problems widely prevalent in many industries and areas, including Government procurement, distribution practices in the petroleum industry, unfair practices in the dairy industry, unfair practices in the poultry industry, small-business problems in the alu-

minum industry, and shortcomings in the law enforcement activities affecting small business.

On all of these activities the committee made a report and an accounting to the House of Representatives when it submitted its final report January 3, 1959—House Report No. 2718. In that connection I would like to call to the attention of the Members a letter which we have received regarding that report. The letter is from one of the leading members of the faculty in the graduate school of business, Stanford University. It is as follows:

The annual report which the House Select Committee on Small Business printed recently is of such superior quality that I am planning to use it as one of the basic research studies in my second year graduate course numbered business 307 dealing with managerial economics. It effectively and realistically presents the challenge and problems of small business. It is particularly good in marking out what the role of Government can be in strengthening free, private, competitive enterprise. I congratulate you as the chairman of the committee upon the quality of the spadework evidenced in this annual report. You have cast a penetrating spotlight upon some of the most difficult, practical problems now faced by small business. I feel confident that teachers and students of small business alike feel indebted to you and to your committee for providing such vital materials for their education and instruction.

In addition to that letter, we have received many other letters from representatives of the dairy industry in the Midwestern States, and from small businessmen in that industry, and from others from all over the country, expressing their gratitude to the House Small Business Committee for the work it did during the 85th Congress in the interest of small business and our free and competitive enterprise system. For the information of the Members, I include here quotations from a few of those letters:

CULHANE'S DAIRY,
January 27, 1959.

Congressman WRIGHT PATMAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PATMAN: I am writing this letter to you as a small independent dairyman who appreciates your work. I think the growing trend of monopoly must be checked. The survival and future growth of small business will be more secure because of your efforts and those of other interested people. Big and great as this country is, it's nice to know that someone is thinking of the little fellow.

Very truly yours,

D. E. CULHANE,
Manager.

SANITARY DAIRY PRODUCTS, INC.,
Minden, La., January 30, 1959.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE PATMAN: I wish to express my appreciation to you for including us in your mailing list of "Price Discrimination in the Distribution of Dairy Products." If possible I would like to have six extra copies and would be more than glad to pay all costs.

We are vitally interested in these hearings and in having our Senators and Congressmen know the story of the milk industry. We are interested in this case as we have had a similar experience in the State of Louisiana. We attempted to do something about this condition by getting a law passed, Act No. 193, at the 1958 session of the Louisiana Legislature. Now the law has been contested by Borden Co. and Foremost Dairies, in Federal court. Federal Judge J. Shelly Wright, of New Orleans, La., has granted a temporary injunction to prevent the enforcement of the act.

We deeply appreciate your interest and concern for the small milk operator and urge you to use your influence to see that these conditions are corrected. We are not asking the Government to keep us in business if we cannot meet fair competition, but to correct unfair conditions as found in your conclusions on page 32 of the report.

This is of great importance, not only in this case, but all over the United States, in order that a few large concerns will not monopolize the milk industry as has happened in other industries.

Thanking you for including us and wishing you continued success in your work, I am,

Yours truly,

E. LEROY MILLER,
Manager.

REITER & HARTER, INC.,
Akron, Ohio, January 26, 1959.

Congressman WRIGHT PATMAN,
Chairman, Subcommittee on Small Business,
Washington, D.C.

DEAR CONGRESSMAN PATMAN: I wish to take this opportunity of thanking you for the work and effort that your committee has put into the report on the price discrimination in the distribution of dairy products.

It certainly gives us hope that the independent milk dealer will not vanish like the American Indian, from the industrial scenes of America.

We are using your report to bring to the attention of our legislature in the State of Ohio some of the forces which are causing the rapid numerical decrease of dealers in the dairy industry.

Again, we appreciate your fine cooperation in helping us little fellows.

Very truly yours,

HAROLD F. REITER.

OWEN'S DAIRY,
Englewood, Colo., February 2, 1959.

The Honorable WRIGHT PATMAN,
U.S. Congress,
Washington, D.C.

DEAR CONGRESSMAN PATMAN: I have just finished reading the report of the investigation conducted by the House Small Business Committee regarding the unfair trade practices in the dairy industry. You, as chairman of the subcommittee, should be commended for the outstanding job done in this investigation.

I only hope that the recommendations of the committee will be carried out by Congress. The unfair trade practices being carried on by the large concerns in the dairy industry are some of the major threats to our free enterprise system in these United States.

Congratulations on your work to date—and keep up the good work.

Respectfully,

PAUL R. MILLER.

OHIO VALLEY DAIRY,
Martins Ferry, Ohio, January 29, 1959.

The Honorable WRIGHT PATMAN,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: Please accept my sincerest congratulations and those of all independent dairymen in the State for Ohio for your outstanding work in connection with the report of the House Small Business Committee on unfair trade practices in the dairy industry.

We deeply appreciate your interest in our problems because we realize that the future of all independent business today depends upon the courage and determination of men like yourself.

Sincerely,

A. L. WEISKIRCHER,
Director, National Independent Dairy Association.

O'NEIL DAIRY CO., INC.,
Ames, Iowa, February 9, 1959.

Representative WRIGHT PATMAN,
House Office Building,
Washington, D.C.

DEAR MR. PATMAN: I wish to express my appreciation of the work you are doing in behalf of small business. If small business can be protected from unfair competition it will be in the race for survival. Otherwise its days are numbered. Thank you.

Yours very truly,

C. J. O'NEIL.

Also for the information of the Members, I ask unanimous consent that I be permitted to revise and extend my remarks by inserting at this point a statement of the summary of the work of the House Small Business Committee during the 85th Congress, including the listing of its reports.

The materials referred to are as follows:

SELECT COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, 86TH CONGRESS, 1ST SESSION—SUMMARY OF THE WORK OF THE COMMITTEE DURING THE 85TH CONGRESS

GENERAL

In general, the work of the committee fell in three principal categories.

1. Services rendered in the handling of inquiries and complaints.

2. Investigations and studies of widely prevalent small-business problems.

3. Study of legislative proposals for solving small-business problems.

The work performed in each of these categories is found explained in further detail as follows:

SERVICES RENDERED TO THE MEMBERS OF THE HOUSE IN HANDLING OF INQUIRIES AND COMPLAINTS

Representatives and owners of small-business firms located throughout the country are, for the most part, without knowledge of the organization of agencies of the Federal Government having responsibility respecting small business. Therefore, when these small-business firms want information about what assistance is available to them through Government agencies and how to go about contacting such agencies, they usually direct their inquiries either to their Representatives in the Congress or directly to the House Small Business Committee.

In many instances, these inquiries and complaints have been received by Members of the House from small-business firms which alleged that they were being mistreated and damaged as a result of trade practices used by their large competitors. In other instances, these firms without knowledge of the procedures of the executive agencies respecting defense contracts or loan applications, became hopelessly tangled in red-tape.

The staff of the committee from day to day throughout the 85th Congress carried a heavy workload of casework. The term "casework" is used to identify those problems pertaining to small business which were referred to the Small-Business Committee principally by Members of the House. In the handling of each of these day-to-day problems, the committee and its staff operated as a service agency for the Members. In doing so it served as a special link between the Members and parties from whom information was needed. Frequently the

needed factual information was secured from agencies of the executive branch of the Government. Occasionally it was obtained from offices of large corporations. In each instance the committee located the proper source, secured the pertinent data, arranged for appropriate consideration of the small-business concern's problem, and thereafter reported to the interested Member. Since the beginning of the 85th Congress the committee has handled 707 cases from 235 Members of the House regarding problems of small business, and some of them involved such knotty problems as to require the members of the staff to devote a substantial part of their time in handling them to completion.

In addition to the handling of these cases, thousands of inquiries were received requiring response merely by letter or telephone.

INVESTIGATIONS AND STUDIES OF WIDELY PREVALENT SMALL-BUSINESS PROBLEMS

The committee made extensive investigations, studied, and considered each of the following problems:

1. Financing of small business (H. Rept. 1889).
2. The facts about interlocking directorates (H. Rept. 1278).
3. Alleged monopolistic practices and conditions in the iron and steel scrap industry (ch. IX, H. Rept. 2718).
4. Price discrimination in the dairy industry (H. Rept. 2713).
5. Antitrust policies and their relation to small business (ch. VII, H. Rept. 2718).
6. Enforcement of laws affecting small business (H. Rept. 2714).
7. The administration of the Small Business Act (ch. V, H. Rept. 2718).
8. Effect of Government procurement policy on small business (ch. VI, H. Rept. 2718).
9. Competitive practices and conditions in the aluminum industry and their effect on small business (H. Rept. 2716).
10. Competitive practices and conditions in the aircraft industry and their effect on small business (ch. XII, H. Rept. 2718).
11. Distribution practices in the petroleum industry and their effect on small business (H. Rept. 1157).
12. The effect of the policies of the American Society of Composers, Authors, and Publishers on small-business firms (H. Rept. 1710).
13. Competitive practices and conditions in the poultry industry and their effect on small business (H. Rept. 2717).
14. Complaints of small and independent businessmen operating sightseeing businesses in the District of Columbia (H. Rept. 2681 and a special report by the chairman to the chairman of the House District Committee).

In addition to these investigations and studies, the committee, while it did not hold hearings on the subject, gave serious and extended study to the impact of the Federal tax structure on small-business enterprise. As a result of those studies, the Members of the committee urged that legislation be enacted which would relieve small business from some of the heavy burden of Federal taxes. (The attached exhibit A contains a complete listing of all reports made by the committee during the 85th Congress. Also attached is exhibit B containing a complete listing of all hearings held by the committee and its subcommittees during the 85th Congress).

STUDY OF LEGISLATIVE PROPOSALS FOR SOLVING SMALL-BUSINESS PROBLEMS

The members of the committee and its staff devoted a considerable amount of effort and time to the study and analysis of the need for new legislation to help small business. As a result of these efforts, a number of bills were introduced by members of the House Small Business Committee and by other Members of the House. When these bills were under consideration by the legislative and standing committees, members of the House Small Business Committee testified about the small-business problems involved. Otherwise, assistance was rendered by members of the House Small Business Committee and its staff to the legislative and standing committees, as requested, in the study and consideration of many of these proposals.

EXHIBIT A

REPORTS FOR THE 85TH CONGRESS

"Distribution Practices in the Petroleum Industry," interim report of Subcommittee No. 5 on Distribution Problems (committee print), April 7, 1957.

"Distribution Practices in the Petroleum Industry," interim report of Subcommittee No. 5 on Distribution Problems (H. Rept. 1157), August 14, 1957.

"A Case Study of a Procurement by the Atomic Energy Commission," Subcommittee No. 2 (H. Rept. 1277), November 30, 1957.

"Interlocking Directors and Officials of 135 Large Financial Companies of the United States, part I of a preliminary report (H. Rept. 1278), November 30, 1957.

"Financing Small Business by the Federal Reserve System," parts 1 and 2 (committee print), April 11, 1958.

"Policies of American Society of Composers, Authors, and Publishers," Subcommittee No. 5 (H. Rept. 1710), May 12, 1958.

"Problems of Small Business Financing" (H. Rept. 1829), June 17, 1958.

"Complaints of Small and Independent Businessmen Operating Sightseeing Businesses in the District of Columbia," by Hon. WRIGHT PATMAN, chairman, Committee on Small Business to Hon. JOHN L. MCMILLAN, chairman, Committee on the District of Columbia (committee print), July 31, 1958.

"Complaints of Small and Independent Businessmen Operating Sightseeing Businesses in the District of Columbia" (H. Rept. 2681), August 20, 1958.

"How To Obtain Financing Under the Small Business Investment Act of 1958, Questions and Answers" (committee print), August 21, 1958.

"Problems in the Poultry Industry," Subcommittee No. 6 on Food Industries (committee print), August 22, 1958.

"Price Discrimination in the Distribution of Dairy Products" (H. Rept. 2713), January 3, 1959.

"Law-Enforcement Activities Affecting Small Business," Subcommittee No. 1 (H. Rept. 2714), January 3, 1959.

"The Definition of 'Small Business' Within the Meaning of the Small Business Act of 1953, as Amended," Subcommittee No. 2 (H. Rept. 2715), January 3, 1959.

"Small Business Problems in the Aluminum Industry," Subcommittee No. 3 (H. Rept. 2716), January 3, 1959.

"Problems in the Poultry Industry," Subcommittee No. 6 (H. Rept. 2717), January 3, 1959.

"Final Report" (H. Rept. 2718), January 3, 1958.

EXHIBIT B

HEARINGS FOR THE 85TH CONGRESS

FULL COMMITTEE

"Small Business Problems Relating to Iron and Steel Scrap," part I, May 20, 22, 23, and 24, 1957, Washington, D.C.; part II, June 18, 19, 20, and 21, 1957, Washington, D.C.

"Complaints of Small and Independent Businessmen Operating Sightseeing Businesses in the District of Columbia," part I, May 12, 16, and 19, 1958, Washington, D.C.; part II, July 1958, supplemental statements.

"Problems of Small Business Financing," part I, November 19, 20, 21, and 22, 1957, Washington, D.C.; part II, April 16, 17, and 28, 1958, Washington, D.C.

SPECIAL SUBCOMMITTEE

"Price Discrimination in Dairy Products," part I, December 30 and 31, 1957, Dallas, Tex.; part II, March 6, 7, and 8, 1958, Kansas City, Mo.; part III, April 21, 22, 23, 24, and 25, 1958, Washington, D.C.

"The Small Business Administration," part I, March 26, 27, 28, April 2, 3, 4, 9, and 10, 1957, Washington, D.C.; part II, appendix to part I.

"Produce Procurement," December 3, 1957, New York City.

"The Definition of 'Small Business' Within the Meaning of the Small Business Act of 1953, as Amended," May 27, June 3, 4, 10, 17, 18, and 25, 1958, Washington, D.C.

SUBCOMMITTEE NO. 3

"Aluminum Industry," November 18, 19, 1957, March 11, 12, 13, April 29, 30, May 1, 6, and 7, 1958, Washington, D.C.

SUBCOMMITTEE NO. 4

"The Aircraft Industry," June 27 and 28, 1958, Los Angeles, Calif.

SUBCOMMITTEE NO. 5

"Distribution Practices in the Petroleum Industry," part I, April 10, 11, 12, and 13, 1957, Washington, D.C.; part II, April 16, 1957, Denver, Colo.; part III, April 24, 25, and 26, 1957, Los Angeles, Calif.; part IV, April 30 and May 1, 1957, Chicago, Ill.; part V, appendix to hearings.

"Policies of American Society of Composers, Authors, and Publishers," March 13, 14, 17, 18, and April 2, 1958, Washington, D.C.

SUBCOMMITTEE NO. 6

"Problems in the Poultry Industry," part I, May 9, 10, and 13, 1957, Washington, D.C.; part II, May 14, 15, and 16, 1957, Washington, D.C.; part III, July 31, August 1 and 13, 1957, Washington, D.C.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. FRIEDEL. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Mr. Speaker, a question to ask of the gentleman from Texas [Mr. PATMAN] who has been concerned with this matter for so long. I gather from the gentleman's remarks that he and the committee are pretty well satisfied with what they have been doing?

Mr. PATMAN. Yes, sir; the committee is supporting this resolution unanimously.

Mr. HOFFMAN of Michigan. That is what I understood, but I was not sure.

Mr. PATMAN. That is correct.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADDITIONAL LABORER, OFFICE OF THE POSTMASTER

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I offer a privileged resolution (H. Res. 158) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, until otherwise provided by law, there shall be paid out of the contingent fund of the House of Representatives compensation for the employment of one additional laborer, Office of the Postmaster, at a basic annual salary of $1,650.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE PRAYER ROOM IN THE U.S. CAPITOL

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 64, and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed fifty-four thousand two hundred additional copies of House Document Numbered 234, Eighty-fourth Congress, first session, entitled "The Prayer Room in the United States Capitol", of which forty-four thousand one hundred copies shall be for the use of the House of Representatives and ten thousand one hundred copies for the use of the Senate.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

TITLE 38, UNITED STATES CODE, VETERANS' BENEFITS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 75 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed for the use of the Committee on Veterans' Affairs three thousand five hundred additional copies of committee print entitled "Title 38, United States Code, Veterans' Benefits."

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

WASHINGTON'S FAREWELL ADDRESS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 48 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there shall be printed as a House document the pamphlet entitled "Washington's Farewell Address," and twenty-one thousand additional copies shall be printed for the use of the House of Representatives.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I wonder if there is any way, in the printing of these copies of Washington's Farewell Address, that we might underscore the statements which our first President made repeatedly with respect to foreign intrigues and our entangling alliances with foreign countries, and also his warnings about incurring debt on the part of the Federal Government. Does the gentleman agree that those warnings could be underscored?

Mr. HAYS. I would say to the gentleman that these copies will be prorated among the Members of the House, and each Member will be able to underscore his copies in any way he wants to.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPACE HANDBOOK: ASTRONAUTICS AND ITS APPLICATIONS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 95 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed as a House document the staff report entitled "Space Handbook: Astronautics and its Applications" (heretofore printed as a committee print for the use of the Select Committee on Astronautics and Space Exploration of the House of Representatives), and there shall be printed for the use of the Committee on Science and Astronautics of the House of Representatives seven thousand additional copies of such House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SUMMARY OF HEARINGS, SELECT COMMITTEE ON ASTRONAUTICS AND SPACE EXPLORATION

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 96 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed as a House document the staff report entitled "Summary of Hearings" (heretofore printed as a committee print for the use of the Select Committee on Astronautics and Space Exploration of the House of Representatives), and there shall be printed for the use of the Committee on Science and Astronautics of the House of Representatives eighteen thousand additional copies of such House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

THE INTERNATIONAL GEOPHYSICAL YEAR AND SPACE RESEARCH

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 97 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed as a House document the staff report entitled "The International Geophysical Year and Space Research" (heretofore printed as a committee print for the use of the Select Committee on Astronautics and Space Exploration of the House of Representatives), and there shall be printed for the use of the Committee on Science and Astronautics of the House of Representatives fifteen thousand additional copies of such House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SURVEY OF SPACE LAW

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 98 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed as a House document the staff report and bibliography entitled "Survey of Space Law" (heretofore printed as a committee print for the use of the Select Committee on Astronautics and Space Exploration of the House of Representatives), and there shall be printed for the use of the Committee on Science and Astronautics of the House of Representatives twelve thousand additional copies of such House document.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PRESENT RELATIONS OF THE FEDERAL GOVERNMENT TO THE AMERICAN INDIAN

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 145 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Interior and Insular Affairs, one thousand additional copies of committee print entitled "Present Relations of the Federal Government to the American Indian."

The resolution was agreed to.

A motion to reconsider was laid on the table.

BRIEFING ON THE INVESTMENT ACT

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up Senate Concurrent Resolution 5 and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Select Committee on Small Business of the Senate seven thousand additional copies of the committee print entitled "Briefing on the Investment Act".

The concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. JONES of Missouri. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 198) to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution.

The Clerk read the title of the joint resolution.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in

the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Robert V. Fleming, of Washington, District of Columbia, on July 23, 1959, be filled by the reappointment of the present incumbent for the statutory term of six years.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONSIDERATION OF CONSENT CALENDAR BILLS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a statement of the procedure which the members of the majority and minority objectors committees on the Consent Calendar will follow in the consideration of bills on the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The statement referred to follows:

On January 15 and on February 18, respectively, the majority and minority floor leaders appointed their respective personnel of the objectors committees, Mr. MCCORMACK, the gentleman from Massachusetts, appointing three members of his party and Mr. HALLECK, the gentleman from Indiana, appointing three members of his party. The objectors committees are unofficial committees of the House of Representatives, existing at the request and at the pleasure of the respective floor leaders of the two parties who, in order to facilitate the proper screening of legislation which may be placed on the Consent Calendar, designate Members of each side of the aisle charged with the specific responsibility of seeing to it that legislation passing by such procedure is in the interest of good government. The rule which is applicable to Consent Calendar procedure is rule 746 of the House Rules and Manual, found on pages 373, 374, and 375 of the Rules of the House of Representatives. The operation of such procedure is described on pages 95, 134, 135, 136, 173, and 327 of Cannon's Procedures in the House of Representatives.

For several sessions now objectors on both sides of the aisle have followed certain rules for consideration of Consent Calendar bills which they have made known to the Members at the beginning of a session. These rules are not publicized at this time to establish hard and fast procedures but rather to advise the Members of the House as to the manner in which the committee plans to operate throughout the 86th Congress. The members of the committees feel: That generally no legislation should pass by unanimous consent which involves an aggregate expenditure of more than $1 million; second, that no bill which changes national policy or international policy should be permitted to pass on the Consent Calendar but rather should be afforded the opportunity of open and extended debate; third, that any bill which appears on the Consent Calendar, even though it does not change national or international policy, or does not call for an expenditure of more than $1 million, should not be approved without the membership being fully informed of its contents, providing it is a measure that would apply to the districts of a majority of the Members of the House of Representatives, in which case the minimum amount of consideration that should be given such a bill would be clearance by the leadership of both parties before being brought before the House on the Consent Calendar—it has been the policy of the objectors on the Consent Calendar heretofore to put such a bill over without prejudice one or more times to give an opportunity to the Members to become fully informed as to the contents of such a bill, and the Consent Calendar objectors for the 86th Congress wish to follow like procedure; fourth, that if a bill has been placed on the Consent Calendar and the members of the committee having jurisdiction over the legislation show that it has not been cleared by the Bureau of the Budget, by the respective departments affected by such legislation, or that such reports from the committee or from the department show that the legislation is not in accord with the President's program, it should not pass on the Consent Calendar but that the chairman of the House committee having jurisdiction over the legislation should either call it up under Suspension of the Rules with the permission of the Speaker or should go to the Rules Committee for a rule for such legislation. While the members of the objectors committees feel that a report from the Bureau of the Budget is necessary before a bill should be placed upon the Consent Calendar, they do not wish to take the position that the report from the Bureau of the Budget must necessarily show the approval of such legislation by the Bureau. However, if such approval is not shown, then in the consideration of the legislation, even if considered on the Consent Calendar, the chairman reporting the bill, or the sponsor of the bill, should be willing to accept the responsibility of stating to the Members the action of the Budget of the Bureau and the reasons for such action.

The members of the Consent Calendar objectors committee also feel it fair to state to the membership that it is not their purpose to obstruct legislation or to object to bills or pass them over without prejudice because of any personal objection to said bill or bills by any one member or all of the members of the Consent Calendar objectors committee, but rather that their real purpose, in addition to expending legislation, is to protect the membership against having bills passed by unanimous consent which, in the opinion of the objectors any Member of the House might have objection to. The members of the Consent Calendar objectors committee earnestly request that the chairmen of the standing committees of the House having the responsibility for bringing legislation before the House take into consideration the contents of this statement before placing bills on the Consent Calendar. While it is not absolutely necessary that the sponsors of bills appearing on the Consent Calendar contact the various members of the Consent Calendar objectors committee, nevertheless, in the interest of saving time and avoiding the possibility of having bills laid over unnecessarily, it is good practice to do so; and the objectors welcome the continuance of the procedure of getting in touch with them at least 24 hours before the legislation is called up under the regular Consent Calendar procedure. In many instances such thoughtfulness on the part of the sponsors will clear away questions which the objectors have and consequently will make for the expeditious handling of legislation.

WAYNE N. ASPINALL,
JOHN J. MCFALL,
EDWARD P. BOLAND,
Majority Objectors.
GERALD R. FORD, Jr.,
THOMAS M. PELLY,
PHIL WEAVER,
Minority Objectors.

FEDERAL HIGHWAYS

Mr. THOMSON of Wyoming. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. THOMSON of Wyoming. Mr. Speaker, yesterday I introduced H.R. 4375, to amend the Federal Highway Act of 1958. I think that this bill is of sufficient importance to call it to the attention of the Members of the House.

Subsection (d) of section 109 of the present law provides that pavement markings "shall be subject to the approval of the State highway department with the concurrence of the Secretary—Commerce—who is directed to concur only in such installations as will promote the safe and efficient utilization of the highways."

The Secretary of Commerce, acting through the Bureau of Public Roads, has prescribed that all highway center lines shall be white. At least a substantial portion of the markings in Wyoming were changed from yellow to white.

When the Wyoming State Legislature convened in its biennial session, a bill was introduced on January 13, 1959, subsequently passed by the legislature and signed by the Governor, to require that all center markings and supplementary road shoulder markings be in bright yellow, the color previous used for such pavement markings. The margin by which this bill was passed would seem to indicate a clear-cut sentiment that the white markings are not suitable to the local driving conditions, where blowing snow or ground blizzards are encountered in some areas during the winter months, and that such white lines detract from the safety, rather than promote safety.

On my inquiry to the Bureau of Public Roads, it was ruled that the carrying out of such law would deny to the State of Wyoming further Federal-aid funds.

The Wyoming State Legislature adjourned on February 21, but shortly before doing so amended the act previously passed to provide that the State highway commission, after a hearing, may waive the application of the act to any highway or highway project, if necessary, to promote a safe and effective utilization of such highway or highway project.

I then introduced H.R. 4375. I sincerely hope that the Public Works Committee will hold hearings on this bill and give full consideration to it. In that manner, the burden would be placed squarely upon the Bureau of Public Roads to show that standardization of the color of pavement markings is essential to promoting the safe and efficient utilization of the highways. If this burden cannot be clearly satisfied, then as a matter of States rights and in the interest of protecting the safety of the traveling public under local driving conditions, I think the bill should be passed.

There is one thing for which I think we can all be thankful. That is that we

are here concerned with the color of the stripe that will be placed upon our inanimate public roads, and not upon our public schools or the children of America. This action certainly belies the representation by some that Federal funds do not mean Federal control.

AFL–CIO

Mr. RHODES of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Speaker, down in Puerto Rico, George Meany, Walter Reuther, and company are luxuriating in one of the world's more expensive hotels and issuing almost daily statements concerning the poor, the underprivileged, and the unemployed.

Indeed, Mr. Reuther has been so bold as to criticize President Eisenhower for the latter's conference in Acapulco with the President of Mexico. This, ostensibly, was too rich for Walter's blood.

I think it particularly interesting that such declarations from the boss of the United Auto Workers come at a time when his own union's newspaper, Solidarity, is devoting its entire front page to three stories: One describes the UAW program for handling the tragic problem of unemployment, the second urges Congress to support the UAW plan and states that Russia is better than the United States in just about every respect, and the third calls for an increase of $1 a month in union dues to replenish UAW's staggering strike fund.

Times may be tough for the UAW and other workers, but are not for the union bosses. Down in San Juan, the sun is warm and the accommodations are excellent. Besides, the working man and nonworking man about whom Meany, Reuther and company express such dolorous concern, are footing the bill.

But, Mr. Speaker, their views on welfare-state legislation are not the principal reason for my taking this time today. Rather, it is a statement by the AFL–CIO Executive Council on Labor-Management Reform Legislation. It was issued from the comfortable vantage point of San Juan February 17 to the Members of Congress who, perforce, must toil in cooler climes.

In brief, the council calls upon the Senate and this body to enact the Kennedy-Ervin bill and to junk any and all legislation which may bring erring union bosses into line.

The statement also points out that the Kennedy-Ervin bill is practically the same as the Kennedy-Ives measure, which was killed by a vote in this body during the closing minutes of the 85th Congress.

Perhaps the most alarming thing about the council's statement was the following quote:

> Again, just as last year, the administration is seeking to make political capital by defeating the bill and blaming the Democrats and the labor movement. This cynical maneuver did not fool the voters last year, nor will it deceive the Congress this year.

I think it obvious that Meany, Reuther, and all those on the council who do their bidding have been stricken rather seriously with acute amnesia.

Indeed, the Kennedy-Ives bill was opposed by this chameleonlike group after it passed the Senate. Speaking for the AFL–CIO on the subject, Meany said:

> The fallacy of writing legislation on the Senate floor has never been more clearly proven than in this instance. * * * As a result, S. 3974 (the Kennedy-Ives bill) as adopted last night by the Senate, contains provisions which we are certain will prove unworkable; which we know are unwise; provisions which are clearly unfair and unduly repressive.

I find it extremely difficult to understand why these sun-basking gentlemen who found the Kennedy-Ives bill so unworkable, unwise, unfair, and repressive could have given it such strong support.

The truth is, of course, that Meany, Reuther, and the council realized they could make political hay by covertly working for the defeat of the measure while overtly praising it more generously than they had any other bill in the past several years. The Meany-Reuther hierarchy, in order to take full advantage of this deceitful plan, sought, and is still seeking to blame the Republican Party for defeat of the Kennedy-Ives bill.

But Meany, Reuther, the AFL–CIO Council, and every Member of this body should know Democrats—not Republicans—killed the bill.

I served as a member of the Labor and Education Committee last session, and believe I can speak from firsthand knowledge when I say it was the Democrat leadership of this body which held the Kennedy-Ives bill on the Speaker's desk for 40 days and 40 nights as the 85th Congress drew to a close in a transparent, but successful, effort to guarantee the death of the measure.

I may also remind Meany, Reuther, and the council that the Democrat members of the Labor and Education Committee voted unanimously against reporting the Kennedy-Ives bill to the floor.

It may refresh the memory of those who are luxuriating in Puerto Rico to know, in fact, that Democrat members of the Labor Committee gave greater support to the administration reform bill than they did to Kennedy-Ives.

It also, perhaps, would be helpful for them to recall that in the dying minutes of the last session of Congress, the Democrat leadership of this body called the Kennedy-Ives bill up for a vote under a suspension of the rules. Because this procedure calls for a two-thirds vote, rather than a simple majority, for passage, the maneuver practically guaranteed defeat of the bill. Even had this procedure not been followed, however, the bill would have been killed. It did not receive a simple majority.

I call attention again to the phrase in the council statement which refers to a "cynical maneuver," and ask whether that phrase is applicable to the fact that many of the Democrats who voted against reporting the Kennedy-Ives bill to the floor supported it when it was called up under a suspension of the rules.

Unfortunately, what did help fool the voters last year was the cynical claim made then and now by the AFL–CIO and which I believe I have just disproved—that the Republican Party defeated labor-management reform legislation.

I can only assume that too much time spent in the sun at San Juan has had its debilitating effect upon Meany, Reuther, and the council.

They should know that such dangerous exposure is risked, proverbially, only by mad dogs and Englishmen.

NATIONAL RECREATIONAL AREA

Mr. UDALL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CARNAHAN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. CARNAHAN. Mr. Speaker, under permission to extend my remarks in the RECORD, I include Senate Resolution 33, Missouri State Senate, Jefferson City, Mo., memorializing the Congress of the United States to establish a national recreational area on the Current and Eleven Point Rivers as proposed by the National Park Service and the U.S. Forest Service and to declare the Current and Eleven Point Rivers national streams and to provide for the acquisition of the necessary land without exercising the power of eminent domain:

SENATE RESOLUTION 33

Resolution memorializing the Congress of the United States to establish a national recreational area on the Current and Eleven Point Rivers as proposed by the National Park Service and the U.S. Forest Service and to declare the Current and Eleven Point Rivers national streams and to provide for the acquisition of the necessary land without exercising the power of eminent domain

Whereas there exists, in the valleys of the Current and Eleven Point Rivers in Missouri, five springs of the first magnitude and many hundreds of smaller springs which provide a constant supply of clear, cold, sparkling water for these rivers; and

Whereas the phenomenon of such large volumes of clear, cold water issuing as springs amid rustic and picturesque surroundings, make places of wonder and rare natural beauty, which offer a lure and inspiration to those who come to view these extraordinary manifestations of nature, and to play, rest, and to refresh themselves in a peaceful and inspiring environment; and

Whereas these springs make a valuable contribution to fish life in these streams by providing favorable sites for fish hatcheries, and by discharging large quantities of crystal-clear water, they become the controlling factor favorable to the propagation and maintenance of gamefish and other aquatic life natural to both streams; and

Whereas the State of Missouri and the U.S. Forest Service own vast acreage adjacent to these streams suitable for recreational development and other improvements for the public use; and

Whereas the Current and Eleven Point Rivers are nationally famous for their "John Boat" float fishing trips through this Ozark scenic wonderland; and

Whereas the Arkansas-White-Red Basins, interagency committee, recognizing the unique natural qualities of the Current and Eleven Point Rivers of Missouri, and

their importance to present and future generations, recommended that appropriate State and Federal agencies prepare a plan to preserve and enhance the natural qualities of this region; and

Where as a plan was prepared by the National Park Service in cooperation with Missouri State agencies, and was published by the division of resources and development, to preserve and develop the Current and Eleven Point River country, without the exercise of the power of eminent domain; and

Whereas the United States Forest Service has indicated a similar interest in the preservation and development of land adjacent to these streams by recommending the creation of a national forest recreation area in a national recreation plan prepared and adopted in 1936: Now, therefore, be it

Resolved, That the Missouri Senate in its 70th general assembly, request of the Congress of the United States, that it establish a national recreation area along the Current and Eleven Point Rivers of Missouri, and that it declare the Current and Eleven Point Rivers as national streams; and be it further

Resolved, That this assembly request that the Congress enact the necessary legislation providing for the purchase and development of the national recreation area as heretofore described, lest the great scenic and recreational values of the Current and Eleven Point Rivers in Missouri be lost forever to public use by manmade encroachments; and be it further

Resolved, That the secretary of the senate be instructed to send copies of this memorial to the President of the U.S. Senate, to the Speaker of the U.S. House of Representatives, and to the Missouri Members of the House and Senate.

DR. O. C. ADERHOLD NAMED TO SOUTH'S HALL OF FAME

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Speaker, I am pleased to learn that Dr. O. C. Aderhold, president of the University of Georgia, has been named to the South's Hall of Fame for the Living, an honor limited to 200 living southerners.

Dr. Aderhold well deserves this high honor, for he has long been an outstanding leader in the field of education, and he has made vast contributions to his native State of Georgia and to the Nation.

From the time that Omer Clyde Aderhold started his career in education as a teacher in Jefferson, Ga., in 1923, he has repeatedly been called upon to assume positions of increased responsibility. Only through ability and devotion to duty could he have achieved this outstanding record of service.

Within a short time after Dr. Aderhold started teaching, he served as both principal and superintendent of this same high school. He then became an associate professor of education, and later a professor of education at the University of Georgia. Dr. Aderhold was named as dean of the College of Education, University of Georgia, in 1946. He has made great contributions to agriculture and to vocational education, and he has worked actively toward the achievement of a better balanced program for agriculture and industry.

Following this distinguished career of 27 years of service to education, including service as president of the Georgia Education Association, Dr. Aderhold was highly honored and again asked to assume increased responsibility when he became president of the University of Georgia in 1950. His unselfish and devoted efforts are reflected in the great achievements of the University of Georgia since that time.

Although his responsibilities in these positions have been extensive, he is the author and coauthor of numerous books and publications which will long continue to be of great value, and he has written many articles for national magazines. Dr. Aderhold has maintained a high sense of civic responsibility and has participated and given leadership to the work of numerous organizations which are dedicated to the improvement of the individual and of our local communities.

At this time, when great emphasis is being placed upon the importance of the proper training of our young people, it is especially appropriate that a man who has contributed so greatly to our educational progress, community betterment, agricultural and industrial progress should be named to the South's Hall of Fame for the Living.

At this point I wish to include two articles from the Athens, Ga., Banner-Herald, one dated January 14, 1959 and one dated February 10, 1959.

The articles follow:

[From the Athens (Ga.) Banner-Herald, Jan. 14, 1959]

ADERHOLD NOMINATED FOR SOUTH'S HALL OF FAME FOR LIVING

DECATUR, GA.—Dr. O. C. Aderhold, president of the University of Georgia, has been nominated for the South's Hall of Fame for the Living, an honor group limited to 200 living southerners for the 1959 additions.

Hubert F. Lee, founder of the South's Hall of Fame for the Living said that any friends of Dr. Aderhold who wish to second the nomination may write a letter to him telling why Dr. Aderhold should be so honored. Letters should be addressed to:

Hubert F. Lee, founder, South's Hall of Fame for the Living, 4592 Covington Road, Decatur, Ga.

"The Man of the South" is selected each year from the 200 on the honor group.

Some of those who have been honored as "Man of the South" have included Bishop Arthur J. Moore, Bobby Jones and the late Senator Walter F. George.

The honor group already numbers among its membership Abit Nix and Dean John Drewry. Lee installed Dean Drewry into the Hall of Fame at the 25th anniversary meeting of Sigma Delta Chi.

Abit Nix, a past grand master of Georgia Masons, was installed in 1956 at his home Mount Vernon Lodge 22 when the grand master of Georgia presented him with the past grand master's jewel and friends gathered to honor Mr. Nix. The report from the Athens Banner-Herald was inserted in the CONGRESSIONAL RECORD by Representative PAUL BROWN. Lee is a 32d degree mason.

Lee is editor of the magazine Dixie Business, which he started, in 1929. Because of Lee's friendship for the University of Georgia, he was recently invited to membership in the University of Georgia Alumni Society.

[From the Athens (Ga.) Banner-Herald, Feb. 10, 1959]

NAME ADERHOLD TO HALL OF FAME

Dr. O. C. Aderhold, president of the University of Georgia, has been named to the South's Hall of Fame for the Living, an honor group limited to 200 living southerners from which the "Man of the South" is named each year.

Selection was announced by Hubert F. Lee, for 30 years editor of Dixie Business, the sponsoring magazine.

Others being named to the honor group for 1959 include: Harllee Branch, Jr., president, The Southern Co., Atlanta; David Tennant Bryan, publisher, Richmond Times-Dispatch, News-Leader and president of the American Newspaper Publishers Association, Richmond; Norman Cocke, chairman, board of trustees of Duke University, Charlotte; H. McKinley Conway, Jr., publisher, Conway Publications, Atlanta; Dr. Ralph Draughon, president of API, Auburn, Ala.; Ben S. Gilmer, president, Southern Bell T. & T. Co., Atlanta; Clarence Haverty, chairman, Haverty Furniture Cos., Atlanta; George M. Ivey, Sr., president, J. B. Ivey & Co., Charlotte; Dr. James A. Jones, president, Union Theological Seminary, Richmond; Ben M. McKelway, editor, the Washington Star and president of the Associated Press, Washington, D.C.; Dr. John L. Plyler, president, Furman University, Greenville, S.C.; Dr. Clarence Poe, editor of The Progressive Farmer, Raleigh, N.C.; Nelson Poynter, publisher, the St. Petersburg (Fla.) Times.

THE LATE ROBERT L. M. PARKS

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Speaker, the South and the Nation have sustained a great loss in the death of Robbert L. M. Parks, editor of the Augusta Chronicle. He was one of the outstanding editors of the country, a devoted father and a loyal friend. Many of his editorials have been reprinted in the CONGRESSIONAL RECORD and by other newspapers throughout the country.

Bob Parks was known as a gentle and sincere man who was kind and thoughtful, and he was possessed of a keen mind. Prior to becoming editor of the Augusta Chronicle he had a large following as a sports editor and continued to have a lasting interest in sports.

He had a deep affection for his hometown of Augusta, and as an editorial in the Augusta Herald states, "He wanted progress for his community and he worked for it in the best way he knew how—through the pungent and truthful words of his editorial columns."

I wish to include at this point an editorial from the Augusta (Ga.) Chronicle of Saturday, February 21, 1959, in memory of this great editor:

ROBERT LEE MCALLISTER PARKS

The death of Robert Lee McAllister Parks, editor of the Chronicle, has saddened the city of Augusta.

Few men were as widely loved as was Mr. Parks. His sincerity, his gentleness, his genuine interest in the problems of others, his devotion to religion and to his family, his deep love for Augusta—all these things

were combined in a man of unusual character, dignity, and ability. As a friend said yesterday, he lived by the Golden Rule and toward all he showed kindness and consideration. He had a great gift for friendship.

Few men are able to attain the serenity that was such a marked quality in Mr. Parks. Quiet-spoken, exemplifying in every way the meaning of the word "gentleman," he was, nevertheless, a man of strong convictions. These convictions he was ever ready to sustain, both in his personal life and in his editorial work.

In his professional work he was recognized as one of the South's outstanding editors and outside the South even, his distinguished editorials commanded attention. They were often reprinted in leading newspapers of the country and his editorial views were frequently requested in national surveys of editorial opinion. Many of his editorials have been reprinted also in the CONGRESSIONAL RECORD at the request of Members of the U.S. Senate and the National House of Representatives because of the vigorous manner in which they emphasized American principles or made keen analytical comments on current issues.

But here in Augusta he will be long remembered not alone because of his distinguished editorial contributions in a disturbed period of the Nation's history but, particularly, because of his fine qualities as a man and as a citizen, always ready to give of his best to help in making Augusta a better and more progressive city.

He will be missed by many. None will feel a keener sense of loss than do his associates at the Augusta Chronicle.

AMERICAN BAR ASSOCIATION

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, the board of governors of the American Bar Association has presented to the membership through its house of delegates, a report obsessed with security and oblivious of individual liberty. With nothing more than a dogmatic assertion that our internal security has been weakened by judicial decisions, the ABA committee recommends a reversal of a number of decisions of the Supreme Court and seeks to substitute its own judgment for that of the Supreme Court. It is most unseemly for the Special Committee of the American Bar Association on Communist Tactics and Strategy to charge that the Court has "encouraged an increase in Communist activities and created a widespread public impression that resort to the judicial process is the means whereby subversives will be freed to go forth and further undermine our Nation."

This is a maligning of the Supreme Court which is most irresponsible. I say this in the light of the fact that the Communist Party has been reduced to a membership of 5,000 members in the United States and that subversion is under effective control by the FBI and other agencies while this committee would castigate the Supreme Court for its studied opinions and judgments. Again some members of the American Bar Association are seeing Communists under every bed. It is anomalous that we heard not even a peep out of them when the late Senator McCarthy uttered his diatribes that did much to corrode our liberties. They were then strangely silent.

Exception is vigorously taken to some of the decisions of the Court.

First, as to the Nelson case. Suffice it to say now that the legislative reversal of the Nelson case and the enforcement of 44 States and Territorial laws dealing with the same problem will not benefit the internal security of this country one iota. What it will do is take a problem national in scope and indivisible in character and by subjecting it to a multitude of law-enforcement agencies make it impossible for any one of them to deal with it effectively. What the Supreme Court said in this case was in affirmation of the decision of the highest court of the State of Pennsylvania, yet the committee aims no shaft at the Supreme Court of Pennsylvania.

Secondly, the ABA committee would like to restore the broad power arrogated by the Secretary of State in passport procedures. I say if we follow that advice this House will be trampling upon the constitutional right to travel of American citizens.

Third, the ABA committee suggests that the Congress make theoretical advocacy as well as incitement to action subject to punitive provisions of the Smith Act. If this House adopts that ill-conceived advice we will be engaged in a futile legislative exercise since there is grave doubt as to whether any court would enforce such a sweeping provision.

May I suggest that my fellow members of the ABA take a long, hard look at the proposals of their committee with a view toward achieving a position consonant with both individual liberties and the realities of subversion.

PORTLAND RACKETS DEALT ANOTHER BLOW

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, 2 years ago the mayor of Portland, the Honorable Terry Schrunk, was the focus of headlines all over the Nation. On the basis of testimony by an admitted Portland nightlife figure, Mayor Schrunk was accused of a great many things, and the accusations were headlined in the press. Many months later, when a jury of his peers, operating in the calm atmosphere of a courtroom, found Terry Schrunk innocent of the charges leveled at him, the publicity given to his acquittal was, to say the least, rather restrained.

In the last year, Mayor Schrunk, now free to carry out his duties, has waged an unremitting war on the narcotics peddlers who were so anxious to keep him out of office. The publicity given to this effort has been still less than that received by his acquittal. In the interests of fair play, I think it might interest the House to read the following editorial from the Sellwood-Moreland Bee of January 22, 1959, a Portland newspaper:

PORTLAND RACKETS DEALT ANOTHER BLOW

Perhaps some of the anguish which Terry Schrunk and his family went through after he became a candidate for the office of mayor of Portland was repaid last week when headlines revealed that the hold of a Portland narcotics ring has been broken.

Mayor Schrunk, pilloried during his campaign and after he took office because he was the known foe of all criminals, did not have too long to wait for the vindication. Recent news stories point up the truth that Portland's "bankrollers" are not just innocent purveyors of good times for those who stay up after the usual hours. Mayor Schrunk's leadership in the city and his administration of the police department under a chief who will not tolerate "protection" have resulted in the exposure of and apprehension of some of the city's toughest and most vicious criminals, the narcotics peddlers. This has been accomplished in just a little over 2 years—an amazing record for reform in a town that had become known coast to coast for its rackets.

With each month that passes the people of Portland have a better opportunity to understand what actually happened in Portland and why. The truth is being revealed. Let's hope that those who were blind to it are now willing to face the facts and lend their support to the fight, because the battle is not yet won. Criminals do not give up easily. Neither should citizens.

THE WORKERS BILL OF RIGHTS ACT OF 1959

Mr. BARDEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a summary of a bill I introduced.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BARDEN. Mr. Speaker, on February 16, I introduced two bills, the first H.R. 4473 and the second H.R. 4474. The first is a so-called antiracketeering bill. The second bill relates to the Taft-Hartley Act amendments.

I am including herewith a summary of H.R. 4473, which is known as the Workers Bill of Rights Act of 1959. This is a summary of each provision of the bill I referred to as having introduced on February 16.

The duty to enact effective labor law reform legislation is one of the most serious responsibilities of this Congress. The people of this country have been shocked by the startling disclosures of corruption, gangsterism, racketeering, embezzlement of union funds and property, and denial of the basic rights of union members, which have come to their attention as a result of the McClellan hearings and other investigations.

We know that the millions of American workers who are fine, upright American citizens look to us for effective labor legislation—legislation that will restore the authority and control of their affairs to the members of labor organizations and employees who are represented by

labor organizations, where it rightfully belongs, but where today in some of our largest labor organizations it rests only in theory.

Some of our largest and most powerful unions are under the complete control and domination of corrupt leaders who exercise their vast powers for their own personal aggrandizement, with utter disregard of the interests and welfare of the public and with arrogant contempt for the basic rights of millions of American working men and women.

Those corrupt labor leaders of whom I speak have entrenched themselves in power and have imposed upon the workers they represent dictatorial economic governments, the constitutions of which bristle with provisions which shackle the workers and deny to them the exercise of those basic rights which are the birthright of every American citizen.

The bill which I have introduced today, if enacted into law by this Congress, will wrest the control of these unions from the gangsters, hoodlums, and racketeers, and restore to the workers the right to control the affairs of their unions, the right to a government of laws rather than a government of tyranny imposed by gangsters, racketeers, mobsters, and power-mad demagogues.

The need for this legislation is not made less urgent because there are good labor leaders as well as bad ones any more than the need for laws against murder and treason is lessened by the fact that the vast majority of our population is made up of fine law-abiding God-fearing citizens.

SUMMARY OF THE LABOR BILL OF RIGHTS ACT OF 1959

TITLE I. A BILL OF RIGHTS FOR THE AMERICAN WORKINGMAN

I. Every labor union engaged in an activity affecting commerce shall maintain in its constitution and bylaws specific provisions guaranteeing to union members the following democratic rights:

(1) Eligibility for membership: Which requires that every employee be admitted to membership on a uniform basis.

(2) Freedom of speech, including the absolute right of every member to criticize union practices, policies, and officials.

(3) Freedom of assembly.

(4) Equal rights, including all voting rights and privileges, and equal protection of union rules.

(5) Freedom from arbitrary financial exaction, with the rate of dues and initiation fees being amended only by majority secret ballot vote.

(6) Protection of the rights to sue in any court or administrative agency, or to appear in any Federal or State judicial, administrative, or legislative proceeding.

(7) Freedom from improper disciplinary action, with no member being disciplined in any way, except for breach of a published written rule, not inconsistent with this act. Any accused shall be (a) served with a copy of this act, and the union's constitution and bylaws, (b) served with written specific charges, (c) given a reasonable time to prepare for defense, and (d) afforded all procedural due process guarantees.

(8) Participation in establishment of salaries through secret ballot majority vote.

(9) (a) Freedom of elections through secret ballot without fear of reprisal, including, if necessary, outside impartial supervision agency if requested by 10 percent of membership; (b) every member shall be entitled to become a candidate for union office.

(10) The exercise of these listed rights shall not be predicated upon or denied, because of delay of any employer in sending to the union the dues of any member.

II. Every local union shall maintain in its constitution and bylaws specific provisions to guarantee the following democratic processes:

(1) Roster of union members, with home addresses, open to membership inspection.

(2) General membership meetings not less than 3 times per year, upon specified notice.

(3) Election of officers, shop stewards, and governing bodies to be held by secret ballot upon 30 days' notice at general membership meeting.

(4) Nominations to be by the membership by secret ballot vote, without any restraint or coercion.

(5) Voting by members to be in person by secret ballot, with no proxy recognized.

(6) Tenure of officers, to be not in excess of 2 years.

(7) Removal of officers elected or appointed by any governing body, to be removed by such body, by majority vote.

(8) Delegates to international union, 60 percent of whom to be rank-and-file members, to be elected at membership meeting by secret ballot, with the right to instruct and bind such delegates on any issue.

(9) Records to be kept of all official actions, and open to member inspection.

(10) Financial records to be in detail showing all receipts and disbursements (expenditures in excess of $100 to be supported by voucher).

(11) Preservation of records to be for 5 years.

(12) Investments of surplus funds, in excess of permitted working capital (total of preceeding year's dues and assessments) to be held in savings banks, or invested as per State law regulating investment of funds by insurance companies.

(13) Collective bargaining agreements to be sent to each affected employee.

III. Every international union shall maintain in its constitution specific provisions to guarantee the following democratic processes:

(1) Conventions, to be held every 4 years for election of principal officers and members of governing boards.

(2) Terms of officers, not to be in excess of time period between conventions.

(3) Voting at conventions, or election of officers and all other business, to be by delegates of the constituent unions.

(4) Election of officers and members of governing bodies, to be by written secret ballot.

(5) Salaries of all officers and members of governing bodies to be specified in the bylaws adopted by a majority vote of the delegates with a permissible setting of maximums and minimums.

(6) Expense allowances, not to be allowed unless voted at general membership meeting or convention (except payment upon itemized voucher).

(7) Notices of conventions, to be upon 30 days' written notice, specifying time, place, and business to be transacted.

(8) Extraordinary meetings, to be held only on specified notice.

(9) Records, to be kept of all action taken and to be open for inspection by membership.

(10) Financial records (to be audited annually by independent CPA), to be maintained by the chief fiscal officer (any expenditure in excess of $500 to be supported by a voucher).

(11) Preservation of records, for a period of at least 5 years.

(12) Representatives, to be elected as per prescribed procedure.

(13) Roster of constituent union, of its membership to be forwarded to the international in order to determine delegates' voting strength.

(14) Investment of surplus funds, in excess of permitted working capital (total of preceding year's dues and assessments) to be held in savings bank, or invested as per State law regulating investment of funds by insurance companies.

(15) Collective bargaining agreements, to be forwarded to each affected employee.

(16) Issuance of charters, to be only upon written request and only to bona fide labor organizations.

(17) Trusteeships, to be established only under provision of union bylaws consistent with title III.

IV. Every local and international union shall maintain in their constitution and bylaws specific provisions dealing with the following:

(1) Preservation of ballots, to be for 2 years.

(2) Use of union funds, to be denied for the purpose of promoting any union candidacy or political cause.

(3) Organizations financed by union funds, to be on majority vote of membership by secret written ballot.

(4) Conviction of officers of certain offenses, to result in expulsion from union office.

(5) Strikes, to be called only after majority vote by secret written ballot, and no constituent unit a majority of whose members vote against such strike shall be required to participate therein or contribute thereto.

(6) Redress of grievances, to provide every member and officer with the right to appeal to the membership.

(7) Rules regarding the conduct of meetings, to insure democratic procedures which shall guarantee every member the right to speak freely, and to question union officers and representatives respecting any official action.

(8) Safeguards relating to approval of minutes of executive board meetings, to require specific approval of each item in such minutes by majority secret written vote.

(9) Candidates for union office, to guarantee to each member equal privileges, including access to list of the membership.

(10) Threats and interference, to prohibit by union constitution any threats or acts of violence, with specific penalties provided therefor.

(11) Merger of locals, to require a two-thirds vote by secret ballot for merger of local unions, or transfer of membership or funds.

(12) Recall of officers, shop stewards and other representatives to be by secret ballot or mailed referendum vote upon petition signed by 10 percent of membership.

V. (1) Every labor union engaged in activities affecting commerce shall file a registration statement with the Secretary of Labor, setting forth its name and address, as well as its constitution and bylaws. The Secretary is required to issue a certificate of compliance upon the union's filing the necessary documents, but the Secretary shall withhold the certificate if the documents or any amendments are deficient, and shall so notify the union.

The Secretary is authorized to issue an order to cancel or suspend any certificate of compliance when the statement filed by such union fails to conform to the requirements of this act. Review of the Secretary's order may be had in any appropriate circuit court of appeals by any aggrieved union.

(2) The processes of the National Labor Relations Board, or any other departments or agency of the Government, or Federal income-tax exemption, are denied to any union which fails to obtain or maintain a certificate of compliance.

(3) The Secretary, after due determination and proceeding, shall enter an order declaring any officer or accountant to be ineligible to act in such capacity for any union, when such officer or accountant participated in or consented to the inclusion of any false or misleading information in the registration statement.

VI. All registration statements, amendments thereto, and financial reports of labor unions shall be available for public inspection.

TITLE II. FIDUCIARY RESPONSIBILITIES OF UNION OFFICERS AND REPRESENTATIVES

I. A fiduciary responsibility is created between every officer of a union and any funds or property of such union under his custody and control.

II. Any one or more members of a union can maintain an action in any Federal or State court of competent jurisdiction to enjoin any act of any officer or other representative violative of this act; and seek restitution of any money or thing of value expended in violation of the act.

III. The Secretary shall petition the appropriate U.S. district court for injunctive relief for violations of the fiduciary responsibility.

IV. Every labor organization is prohibited from expending any money or other property of a union (required to be paid as a condition of membership) when the purpose is to influence voters in any election, primary, convention; to influence or affect a referendum in connection with any proposed legislation or changes in Federal or State constitutions; or to coerce employees of union or employees represented by the union, to contribute services or money for political purposes.

This section would not prohibit any labor organization or any individual member thereof, from engaging in any of the political activities listed above if the money or services used to promote such activities are voluntarily contributed.

V. Any person convicted of any violation of this act shall be ineligible to hold any union office for a period of 5 years. Any person ineligible to vote under State law, because of conviction of any crime, shall be ineligible to hold union office.

VI. All union officers or representatives handling union funds shall be bonded by an independent bonding company.

VII. Every labor organization shall file annual detailed financial reports with the Secretary of Labor.

VIII. Union officers are to report on any business and financial transactions with any employer and any conflict-of-interest transactions or holdings with any employer, whose employees the union represents or seeks to represent.

IX. Employers, their associations, consultants, and middlemen are required to report on arrangements or expenditures made to interfere with, restrain, or coerce employees in the exercise of their self-organizational rights.

X. All registration statements and amendments, financial reports, and documents shall be available for public inspection.

XI. The basic information and data needed to verify the above reports shall be preserved for 5 years.

XII. The Secretary of Labor is directed to seek injunctive relief upon any violation of the act in the appropriate U.S. district court.

XIII. Loans from unions to officers or other representatives in excess of $1,500 are prohibited. Loans from employers to any officer or other representative of a union representing or seeking to represent employees, prohibited.

XIV. Criminal penalties are provided for any willful violations of the act; for embezzlement of union funds or other property, extortion, and for destruction of pertinent books or records.

XV. Every union shall have the right to enforce standards and rules protecting such union from the infiltration of Communists, Fascists, or persons advocating the overthrow of the Government of the United States by any illegal method.

XVI. Any and all rights and liabilities under State law are preserved.

TITLE III. TRUSTEESHIPS

I. Every national or international union shall file with the Secretary of Labor semiannual reports which shall contain identifying information and data.

II. Trusteeships shall be established only in accordance with the national or international constitution, and for the purposes of (1) correcting any corruption or financial malpractice, (2) assuring performance of collective bargaining agreements and other duties related thereto, and (3) restoring democratic procedures, or otherwise carrying out the legitimate objects of such labor organizations.

III. During the period of any trusteeship it shall be unlawful—

(1) to count the votes of delegates of trusteed-locals in any convention unless chosen by secret ballot election wherein all members in good standing of trusteed-local were eligible to participate, or

(2) to transfer any current receipts or other funds of the trusteed-local except normal per capita tax and assessments payable by affiliated local unions not in trusteeship.

IV. (a) Upon written complaint of any affiliated local union or any member alleging that a labor organization has violated II or III above, the Secretary of Labor shall investigate and, if probable cause is found, bring a civil action in any district court of the United States to prevent or restrain such violation or for other appropriate relief. The identity of the complainant shall not be divulged.

(b) Trusteeships which are established pursuant to this act shall be presumed valid for 12 months and shall not be subject to attack during that period except upon clear and convincing proof that its establishment was not in good faith for a purpose allowable under II above.

Trusteeships shall be presumed invalid after expiration of 12-month period unless the national or international union shows by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable under II above. In the latter event the court may dismiss the complaint, enter a decree approving the continuation of the trusteeship for any period not in excess of 1 additional year, or retain jurisdiction of the cause.

V. The rights and remedies provided by this title shall be in addition to any other rights and remedies at law or in equity (Federal or State), except that upon the filing of a complaint by the Secretary of Labor the jurisdiction of the Federal district court over a trusteeship shall be exclusive and the final judgment shall be res judicata.

RURAL ELECTRIFICATION ACT

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, there is a serious weakness in the Rural Electrification Act, which borrowers may exploit to the detriment of American manufacturers and American workers.

In the legislation governing rural electrification loans, there is generalized language directing the borrowers to buy American to the extent practicable and the cost of which is not unreasonable.

Is this cost to be determined by American standards, or by the cheap labor standards of foreign countries? The law does not say.

Most Americans will agree that any money loaned by the U.S. Government to a corporation or cooperative in this country, must be used for the purchase of manufactured articles, or materials, or supplies produced in the United States, where such items are available and where they meet the quality specifications.

The fact that foreign companies, sometimes subsidized by their own governments, are able to pay the import duties and still underbid American companies in our domestic market, should not be the determining factor where money for the purchase of such equipment or supplies, is provided out of public funds. Recent events indicate, however, that borrowers are able to circumvent the "Buy American" provisions of the law, and that the REA, in the absence of specific authority, is unable to prevent them from taking advantage of this loophole.

I give you the following cases where the General Electric Co., of Lynn, Mass., lost out to a foreign competitor. If this should become a precedent, it would place American manufacturers at a hopeless competitive disadvantage in supplying the needs of our domestic market, with serious implications for the future of these corporations and their thousands of employees.

It seems to me that the OCDM should also take an interest in these disturbing developments, in order to protect and maintain those manufacturing facilities with their skilled employees, that are indispensable to our defense.

I ask Congress, the Tariff Commission, and the OCDM to consider these facts:

The REA approved a loan to the Medina Electric Cooperative of Hondo, Tex., on September 17, 1958, in the amount of $11,480,000 for the construction of a generating plant and related facility, to provide service to 17 counties in southwest Texas. This was in addition to $2,413,000 available from a prior loan, making a total of $13,893,000 available for the construction of a 66,000-kilowatt steam generating plant and transmission facility. Of this total, $12,107,000 will be spent for the generating plant itself, including mechanical equipment, the building, sites, ground, and so forth. The turbines in question will account for approximately 14 percent of this sum, or about $1,694,000.

Medina, the borrower, requested bid proposals from a group of domestic manufacturers, including General Electric, of Lynn, Mass., plus the Brown-Boveri Co., of Switzerland. REA requires a minimum of three bids. The contract was awarded to the foreign manufacturer. It calls for two generators. A third generator will be required, and it is apparent that the Swiss

company has the inside track on this bid also.

This is but the opening wedge of a practice that, unless it is stopped, could lead to a chain reaction that would disorganize our industrial economy.

I understand that the city of Los Angeles is accepting bids now for similar equipment and will probably award the contract to the Brown-Boveri Co., of Switzerland, because it will be able to underbid any American manufacturer.

This is not all. Consider the following needs and loans that may be used to purchase turbines from foreign manufacturers under the REA program:

State	Corporation	Turbine-kilowatts
Colorado	Arkansas River Valley G. and T.	22,000
Arkansas	M. & A. Electrical Power Corp.	44,000
Alaska	Golden Valley Electric	15,000
Mississippi	South Mississippi Electric Power Association.	22,000
Florida	West Florida Electric Corp.	22,000
New Mexico	Plains Electric T. & T. Corp.	33,000
South Carolina	Greenwood County Electric Corp.	22,000
Missouri	New England & Missouri Electric Power Corp.	16,500
Michigan	North Michigan Electric Power Corp.	16,500
Alaska	U.S. Army Corps of Engineers.	12,500

If we do not act promptly to reverse the loss suffered by General Electric, the door will be opened to a flood of imports that will put our turbine-manufacturing facilities out of business, and will displace thousands of American workers.

No Member of Congress can ignore the dangers inherent in this breakthrough.

Where funds of the U.S. Government are borrowed for use in this country, we must insist that the borrowers shall "buy American."

ESTONIAN INDEPENDENCE DAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, Estonians form one of the oldest and smallest nationality groups in Europe who have, through their long and turbulent history, preserved their distinct national identity. They are barely more than 1,000,000, and occupy their historic land of about 18,000 square miles on the northernmost part of the three Baltic countries, the "land of the Blessed Virgin." They have lived there from time immemorial, and their history records their heroic struggles against all comers, and against often formidable odds, since their Christianization in the 12th century. They have always fought for their freedom and independence, and when they found that it was impossible to form a sovereign, independent nation, early in modern times they placed themselves and their country under the sovereignty of Sweden. Then early in the 18th century Russia conquered their country and thenceforth they became Russian subjects. For more than 200 years they endured the autocratic and oppressive regime of the czars, but during all that time they clung to their national traditions and cherished one ideal, that of attaining their freedom and independence. The opportunity came to them in the course of the First World War. When the detested czarist regime in Russia was overthrown and shattered in the Russian Revolution of 1917, Estonians felt free to declare their independence, and they did this on February 24, 1918, by a proclamation, and at the same time established the Estonian Republic.

This Republic had a remarkable but rather short life; it lasted for only two decades. In the beginning of the last war unhappy Estonians witnessed the rape and destruction of their free and independent state by the Soviet Union. This was done in 1940, and in July of that year Estonia was annexed to the Soviet empire.

Since then, freedom and independence, happiness and joy has gone out of Estonia, and the unfortunate Estonians have been suffering in the hands of their cruel Communist overlords. In their historic homeland they are imprisoned behind the Iron Curtain, and thus completely sealed off from the free world. All their worldly possessions are nationalized, and they all work under harsh conditions, for the all-powerful and soul-devouring state, run by the minions of the Kremlin for the benefit of the Kremlin. One might think that their aspirations and hopes, and their future is also tied to that of the rulers in the Kremlin. Fortunately, however, that is not so. These liberty-loving and stouthearted Estonians still cling to their high ideals of freedom and independence, and they devoutly pray for their deliverance from Communist totalitarianism. On this 41st anniversary of their independence day, I gladly join all Americans of Estonian descent and hope that their unfortunate kinsmen suffering under totalitarian dictatorship will one day attain their freedom.

REGULATION OF FOREIGN COMMERCE

The SPEAKER. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 2 hours.

Mr. BAILEY. Mr. Speaker, I have asked for time on the floor today because I believe that the 85th Congress failed in its constitutional obligation to the people of the United States when it refused to bring back to itself the regulation of our foreign commerce.

Together with other Members I have introduced a bill, H.R. 4846 that would have the effect of restoring to Congress the function that it should never have relinquished. The new bill differs from the proposals of a year ago and I believe will be given a better reception by Members of the House. My reason for saying this is that the control over trade provided for in the present bill would not draw Congress itself into the details of cases under the escape clause but would leave this to the U.S. Tariff Commission, which is an agency of Congress.

Mr. Speaker, the bill is as follows:

A BILL TO REGULATE THE FOREIGN COMMERCE OF THE UNITED STATES BY AMENDING SECTION 350 OF THE TARIFF ACT OF 1930, AS AMENDED, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trade Agreements Adjustment Act of 1959."

SEC. 2. Sections 6 and 7 of the Trade Agreements Extension Act of 1958 are hereby repealed.

SEC. 3. Subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364), is amended to read as follows:

"(c) Upon receipt of the Tariff Commission's recommendation, the President shall within thirty days proclaim such rate or rates of duty or such import quota as recommended by the Commission, unless the recommendation proposes:

"(1) A rate or rates of duty higher than the rate or rates in effect on July 1, 1934, on the product in question or, if the rate is specific or compound, then higher, with respect to the specific rate or the specific part of the compound rate, than the ad valorem equivalent of such rate in effect on July 1, 1934, except that, if the product was not imported in commercial quantities before July 1, 1934, then higher than the ad valorem equivalent of the specific or compound rate or rates applicable to the product when it was first imported in commercial quantities subsequent to that date; or

"(2) An import quota that would reduce the import volume (measured by quantity if satisfactory statistics are available, otherwise by value) to a share of the domestic market for the product less than the share of such market supplied by the imports of such product during the year preceding the date when the concession was granted thereon in a trade agreement since 1934, except that, if more than one concession was granted, the year preceding the date when the principal concession was granted shall be selected. For purposes of this Act, a binding of a duty at a specified level in a trade agreement shall be regarded as a concession. For the purposes of establishing an import quota, a binding of an item on the free list in a trade agreement shall be regarded as a concession.

"Should the Commission's recommendation with respect to the rate or rates of duty or import quota fall within the specifications of paragraph (1) or (2) of this subsection, the President may decline to proclaim the recommendation if, within thirty days after its receipt, he finds and publicly reports as a fact that promulgation thereof would—

"(A) impair the national defense by reducing imports of the product in question to a quantity inadequate for the establishment or maintenance of a minimum supply necessary for the national defense; or

"(B) disrupt friendly relations with countries that are principal suppliers of the product in question, if such finding is supported by the further finding—

"(i) that production of the product in question is vital to the economy of one or more of the principal supplying countries;

"(ii) that exports of the product in question represent not less than 20 per centum of the total production of such product in one or more of the principal supplying countries; and

"(iii) that exports of the product in question to the United States normally represent not less than 25 per centum of the total exports of such product from one or more of the principal supplying countries.

"Should the President decline to proclaim the recommendation of the Commission in

pursuance of his finding in accordance with subparagraph (A) or (B) of this subsection, he shall, within sixty days after receiving the recommendation, proclaim in lieu thereof the rate or rates of duty, whether ad valorem or specific, in effect on July 1, 1934, on the product in question or an import quota that would not limit the import volume of the product to a share of the domestic market for the like or directly competitive product less than the share supplied by the imports thereof during the year preceding the date when the concession was granted thereon in a trade agreement since June 12, 1934. If the duty is specific or compound, it shall, with respect to the specific part thereof, be adjusted to reflect the ad valorem equivalent of such rate on July 1, 1934, or, if the product was not imported in commercial quantities before that date, then the ad valorem equivalent of such rate when the product was first imported in commercial quantities.

"The Tariff Commission shall, in each of its recommendations that proposes a rate of duty or an import quota as provided in paragraph (1) or (2) of this subsection supply the President with information setting forth (a) the rate or rates of duty that were in effect on July 1, 1934, with respect to the product in question, and their ad valorem equivalent if such rate or rates were specific in whole or in part on July 1, 1934, or on the later date specified in the preceding paragraph if the product was not imported in commercial quantities before July 1, 1934; and, should the recommendation propose an import quota, then (b) the import quota that would not reduce the import volume of the product to a share of the domestic market thereof smaller than the share of such market supplied by the imports of such product during the year preceding the date when the principal concession was granted thereon in a trade agreement since 1934.

"Whenever the President declines to proclaim a recommendation of the Tariff Commission that proposes a rate of duty or an import quota as provided in paragraphs (1) and (2) of this subsection, he shall so report to the chairmen, respectively, of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, setting forth his reasons for declining to proclaim the recommendation.

"The President may negotiate compensatory concessions with the principal supplying country or countries after withdrawal or modification of the concession as provided in this subsection: *Provided,* That the Secretary of State certifies to the President that reciprocal and substantially equal concessions, which he shall specify, were obtained from one or more countries which shall be named, in the trade agreement or agreements in which the duty reduction of the product in question was negotiated: *Provided further,* That the Secretary of State further certifies to the President that such reciprocal concessions have not been seriously impaired through imposition by the principal supplying country or countries of import quotas, by establishment of import licensing systems, by currency devaluation or by other restrictive act or acts: *Provided further,* That the Tariff Commission finds pursuant to a public hearing conducted for the purpose, the maximum duty reduction that may be made upon any product with respect to which a compensatory concession is under consideration without causing or threatening serious injury to the domestic producers of such product: *And provided further,* That the President shall negotiate no compensatory concession reducing the rate or rates of duty on any proposed product below the rate or rates found by the Tariff Commission to be the minimum that will prevent serious injury to the domestic producers of the product or products upon which duty reductions may be proposed."

Mr. Speaker, I want to take a little time to point out the reason for this new legislative proposal and then to explain the simplicity of the bill to this body.

REASON FOR THE BILL

The trade agreements bill passed in 1958 did not meet the problem of import competition faced by American industry and agriculture. That problem has in the meantime not subsided but has grown in seriousness. Many industries that had not previously been menaced by low-cost imports are now feeling the impact. The outlook is for more instead of less competition, not only in the domestic market, but in the markets of the world. The competitive advantage of other countries over the producers of this country is becoming progressively more obvious.

PURPOSE OF THE BILL

The purpose of the bill that I, together with other Members on both sides of the aisle, have introduced, is to give greater assurance to American industry and agriculture and the workers employed, that a true remedy is available to them when import competition confronts them with loss of markets, loss of jobs, reduction of earnings, both in terms of wages and profits, and destruction of expansion possibilities. The provisions of the bill would make possible the limitation and containment of injury without a drastic reduction of imports. It would make it possible for domestic industry and agriculture, while bearing the heavy and rigid cost burdens imposed upon them, to live with import competition that is not burdened to the same degree. This would be accomplished either through tariff adjustments or the use of import quotas, according to the needs of the case, or both.

BASIS OF THE BILL

The bill would do no more than bring practice under the trade agreements program into conformity with officially avowed policy. This policy is simply that no domestic industry is to be seriously injured through the operation of the trade agreements program, and has been reiterated many times by the Presidents of the past 25 years, by our Secretaries of State, and other responsible Federal officials. These avowals and assurances have pointed repeatedly to the remedy that is avowedly available in the escape clause, and have asserted without equivocation that when a trade agreement concession granted to other countries in the form of a duty reduction or similar device results in injury to a domestic industry, a remedy is at hand in the escape clause.

It has been made clear to Congress through statements by State Department and other officials before the House Committee on Ways and Means and the Senate Finance Committee that the escape clause is in the nature of a reservation. The other signatory nations to the trade agreements understand thoroughly that we as well as they have the unquestioned right to modify or withdraw a concession if it works harm to a domestic industry. This is fully understood all around.

Invocation of the reservation therefore should revolve only around a question of fact: and that is whether the domestic industry concerned has in fact been injured.

WHAT THE BILL WOULD DO

The bill, if enacted, would carry into effect, in fact and in practice, the stated and repeatedly avowed policy of the administrators of the trade program. It would do no more. It would look to the Tariff Commission, an agency of Congress, for public hearings and the finding of fact necessary for a report to the President.

Should the Commission find injury or a threat thereof as a fact, it would propose a remedy to the President. If this proposal would not carry the tariff to a higher level in its protective effect than existed before the duty was reduced, the President would proclaim the recommended rates.

Also, if the Commission in lieu of a tariff increase, should propose imposition of an import quota that would not cut imports back to a share of the market less than the share enjoyed by them when the trade agreement was made, this would be regarded as an alternate remedy equivalent to withdrawal of the concession and would be proclaimed by the President.

Should the Commission, however, recommend a duty rate higher than the rate existing before it was reduced in a trade agreement or should it propose an import quota that would restrict imports to a lesser share of the market than was enjoyed by them when the trade agreement was made, the President might decline to place such higher restrictions into effect on the grounds that doing so would be contrary to the reservation in the trade agreement and might therefore cause resentment among the principal supplying countries of the product in question. In order to refuse the Commission's proposal, the President must certify to the existence of specified facts supporting the economic importance of the exports of the product to one or more of the principal supplying countries. He might then reject the part of the Commission's recommendation that would lie above the rate that was in effect when the duty was first cut; and similarly with a quota if one was recommended by the Commission. If the duty rate was 50 percent before a trade agreement was made, for example, and it was reduced to 25 percent or to 15 percent under the trade agreements program, and the Tariff Commission merely recommended a restoration of the 50-percent rate, this would be proclaimed by the President. Should the Commission recommend raising the rate, say to 75 percent, the President might refuse to do so under stated circumstances but would nevertheless proclaim the 50-percent rate.

The Tariff Commission's recommendation would not come to Congress itself, as was proposed in the 1958 bills that sought restoration of congressional power over the tariff.

Provision is made in the bill for compensating other countries for withdrawal of concessions but two conditions must first be met: First, the Secretary of State must certify that reciprocal concessions

had actually been granted by specified countries and that such concessions had not subsequently been impaired substantially, and second, the Tariff Commission must find the peril point with respect to the item proposed for a compensatory reduction before such reduction was actually made, and the State Department would be bound by the Commission's finding. It could make no cut deeper than found by the Commission as the maximum that could be made without causing injury.

COMMENTARY ON THE BILL

It is clear that the bill would do no more than carry out the policy that has been so emphatically enunciated on numerous official occasions by members of the executive branch. It would give no occasion for any legitimate protest by any foreign country since it would take nothing away that had not been agreed to in advance in a trade agreement. A foreign country could properly complain only if it had grounds for calling into question the procedure of the Tariff Commission and the soundness of its findings. This it might do through the importing interests in this country who deal in the product as representatives of foreign exporters to this market. The Federal courts would be open to them.

There is no implication in any trade agreement that any country is to be called upon to deliver its market for any individual product to other countries without recourse. On the contrary, the trade agreements are to be mutually advantageous. They were sold to the American public in that light.

Mr. Speaker, I will quote just a few excerpts from official statements that will bear out what I have said here. The first one is from former President Roosevelt, who wrote to Congress when the act was first suggested in 1934:

The adjustment of our foreign trade relations must rest on the premise of undertaking to benefit and not to injure such interests. (See message of President Roosevelt to Congress in 1934, recommending the adoption of the trade agreements program at its inception.)

President Truman, on March 1, 1948, upon recommending another 3-year extension of the trade-agreements program, wrote to Congress, as follows:

I assured the Congress, when the Reciprocal Trade Agreements Act was extended in 1945, that domestic producers would be safeguarded in the process of expanding trade. That commitment has been kept.

President Eisenhower in a letter to Speaker JOSEPH W. MARTIN, JR., and read by the Speaker on the floor on the occasion of House action on H.R. 1, February 1, 1955, said: * *

No American industry will be placed in jeopardy by the administration of this measure. Were we to do so, we would undermine the ideal for which we have made so many sacrifices and are doing so much throughout the world to preserve.

On April 25, 1955, President Eisenhower again expressed himself on the subject. At that time he said:

Changes which would result in the threat of serious injury to industry or general reduction in employment would not strengthen the economy of this country or the free world. (The President was speaking of tariff reductions and other trade barriers and urged that they be gradual, selective, and reciprocal. Speech before Associated Press, April 25, 1955.)

In a speech delivered March 27, 1958—State Department Bulletin, Commercial Policy Series 168, April 4, 1958—President Eisenhower continued in the same vein, upholding the policy of 24 years' standing:

So in order to dispel honest doubts about the reciprocal trade legislation's great value to the entire Nation, we should first hammer home the fact that the safeguards in the law are being strengthened to cope with uneven impacts of import competition.

Mr. Speaker, these are quotations from two former Presidents and from the present President of the United States. The statements are clear and reflect no evasiveness or secret reservations; and therefore have all the appearance of meaning what they said.

Other statements equally unambiguous and clear were made during this quarter century period by those who were directly in charge of the law's administration, and they too said that the purpose was to help American industries and not to hurt them; and that if by some mistake or as a result of an unforeseen development an industry was in fact injured or threatened with serious injury a sure remedy could be found in the escape clause.

Now, Mr. Speaker, when we read the actual record under the escape clause we are driven to wonder how so wide a gulf could have developed between solemn assurances to the public no less than to the Congress, on the one hand, and actual practice on the other. On the record it is clear that since the escape clause first came into use a little over 10 years ago, it has been all but nullified by the President. Only from a fifth to one-sixth of the cases that have come before the Commission have culminated in a partial or complete restoration of the duty. The President has failed to put into effect seven unanimous recommendations of the Tariff Commission. Of some 60 cases only 10 have resulted in a remedy. These were nearly all cases of minor commercial significance; and in most of the cases favorably acted upon by the President, he diluted the recommendations of the Tariff Commission.

This is a far cry indeed from the assurances given to the public over the years with the undoubted purposes of gaining and holding support for the trade agreements program.

Mr. Speaker, we owe it to honesty in government and to fair dealing with the producers and industries of this country that have borne the brunt of import competition to set this record straight.

The present bills to amend the escape clause have this purpose and we should give them full and hearty support. We should support them not only as a matter of erasing a highly cynical record but as a means of doing what our Government has been telling the country that we have been doing but that in fact we have not been doing; namely, safeguarding the interests of our industries against the injurious effects of tariff reductions that turned sour or will turn sour in the future.

Mr. Speaker, I ask only that the facts be brought fully to light and that on these facts the Members of this House judge for themselves. There can be little question what their response will be. They will be shocked at the shameful disparity between solemn assurances and the actual record of performance. I urge all Members to study the record, both of the official statements on the escape clause and of the results of Tariff Commission hearings of cases under that clause. They owe it to their constituents to inform themselves of the facts and then to form their judgment on these very moderate bills.

Mr. Speaker, I feel confident that if the Members will do so they will give wholehearted approval to the bills that would do in fact what has so long and repeatedly been held before the public as the fundamental policy under the trade agreements program. If we cannot conform our official action to what is told to the American people by the executive branch over and over again through all means of communication, then we ought to say so to the people. As matters stand the public has been deceived by the duplicity of the executive branch over the past 25 years. The executive branch has not dared tell the truth lest its pet trade program go down in deserved defeat.

We here with these bills do not seek defeat of this trade program, but rather to make it do what the public has been told it would do and what the public has been led to believe that it would do, namely, that it would seek mutual benefits for domestic and foreign interests without doing serious injury to our industries and agriculture.

Instead of this we have opened industry after industry to disastrous competition from abroad. The only reason why more of these industries are not completely shut down is that our general prosperous situation has hidden the great competitive advantage that foreign producers enjoy in this market. Therefore the disaster that would have been visited upon us by the doubledealing engaged in by the executive branch in the administration of the trade program has merely been tempered. It has not been disposed of and lurks in the advantage of low wages paid abroad and the increasing mechanization in foreign countries.

As I said previously, Mr. Speaker, the action of the 85th Congress in extending the Trade Act for 4 years and leaving control over the tariff and foreign trade in the hands of the executive, did not solve the problem. Evidence is mounting every day that additional industries are being menaced by imports. If we are to stand by our responsibilities we must indeed respond to this threat as well as to the problem of import competition that has already developed and has been visiting distress upon our industry and labor.

I shall be happy now to yield time to other Members who may wish to express their views at this time.

I desire to call on the gentleman from Wyoming [Mr. THOMSON] for a statement.

Mr. THOMSON of Wyoming. Mr. Speaker, as a cosponsor of the bill that has been introduced by the gentleman from West Virginia [Mr. BAILEY] and explained by him, I wish to endorse what he has said.

I am tempted to at this time discuss how this has affected the industries, agriculture, jobs and expansion of my State of Wyoming and the West with which I am most familiar. I am further tempted to set forth how this has with increasing seriousness affected the jobs available to American workingmen and the future of their families.

At the proper time in this session of Congress I expect to do this. Right now I think it best to emphasize the history of this and what we and all Americans had a right to expect of the Executive.

I too have been impressed by the gulf that has separated practice from preachment in administration of the trade agreements program, particularly the escape clause.

I also agree that the 85th Congress did not produce a solution to the growing import problem. By passing the Trade Agreements Act with a 4-year extension I hope the impression was not given that this subject should now be left to lie fallow for 4 years. Since the problem to which many of us addressed ourselves in 1958 is still here, it is not too soon to start once more to do something about it.

The introduction of new bills here is a very heartening sign that the action of the 85th Congress is not regarded as foreclosing the possibility of enacting desirable legislation within the 4-year interval. In fact, I think it is a good thing that we should seek legislation that is not a part of the Trade Agreements Extension Act. We can, under these circumstances, consider modification of the act without being bedeviled by the accusation that all who would amend the act are really bent on killing the act's extension. It has long been true that many who supported amendments to the act were not seeking to prevent its extension. Nevertheless they were constantly accused of such intent by those who wanted no change in the law or wanted to eliminate or weaken even the few safeguards that it contains. All efforts to amend, they said, were but disguised efforts to kill.

Therefore, I think it is really more conducive to a more objective approach to the question of amendment when the extension of the whole act is not the issue. There can then be no confusion about the purpose of proposed amendments. It will be clear that the life of the act itself is not at stake.

Mr. Speaker, I have also been greatly impressed by the statements of the three Presidents and other executive officials to the effect that it is no part of the purpose of the trade agreements program to injure our industry, our agriculture, or our workers. The gentleman from West Virginia [Mr. BAILEY] has given some prime examples of the Presidential expressions on this subject. There are other equally official and definite statements that can be quoted. I have seen some that sound very convincing; and if those who spoke these words did not mean them, then something is wrong with their idea of statecraft and government. We are forced to believe that the statements were made in all sincerity. I shall give only a few quotations, but assure you that many more of the same kind can be supplied.

Former Secretary of State, the Honorable Cordell Hull, was the first witness who appeared before a congressional committee in 1934 to seek enactment of the trade agreements program. When he appeared before the Committee on Ways and Means of this House, where the legislation was initiated, he said:

> But in any event, whatever our Government may do in negotiating reciprocal trade arrangements, it will first see to it that they are mutually profitable and that they are not negotiated in a way that would result in injury or hurt to our own country.

This statement may be found on page 23 of the hearings before the Ways and Means Committee, March 1934.

Now, it might be said that Secretary Hull was speaking of injury to the country rather than injury to a particular industry or those employed in that industry, and that is true. However, on the next page of the testimony he became very explicit and said:

> But our purpose is to make a beginning by picking out one item very carefully here, another commodity over there very carefully, which, as is said, can be made the basis of an interchange in a mutually profitable way, so that instead of anybody being injured, the American people would be helped.

The Secretary emphasized the care that would be exercised in selecting the articles on which the duty would be reduced. But why be so very careful? Obviously because it was the purpose to make mutually profitable arrangements without injuring anybody, as the Secretary said. There would have been no need for such great care if the policy under which the Trade Agreements Act was to be administered had been one of indifference to injury. On the surface at least and as driven home in statement after statement to the country, the policy, however, was not one of indifference.

In 1934 Francis B. Sayre was Assistant Secretary of State and he was to be in immediate charge of the administration of the Trade Agreements Act if it was passed. He also testified before the Committee on Ways and Means and expressed himself on the question of injury.

> We are proposing—

He said—page 342 of the 1934 hearings—

> that * * * while enhancing general prosperity is not going to be unduly injurious to any individual industry.

What did Mr. Sayre mean? Evidently he was saying that it was not the policy to seek advancement of the general prosperity at the price of undue injury to any individual industry. And what did he mean by "unduly injurious"? Evidently he did not contemplate ruining or destroying any industry. When later the escape clause was adopted the word "serious" was used to modify the word "injury" and it may be assumed that undue injury would be the same as serious injury; and when in 1951 Congress passed the escape clause amendment it adopted the term "serious injury" as it had already been used in the clause when it existed in the form of an Executive order from 1947 to 1951.

It seems clear enough that both the Secretary of State and the Assistant Secretary of State who was to administer the Trade Agreements Act after its passage, stood four square for the exercise of great caution to see to it that no serious injury was to be visited upon any American industry as a means of benefiting other industries through tariff reductions.

In making these statements before the Committee of the House in which tariff legislation must originate, these high officials were speaking to the Congress as a whole and also to the American people. Their words, therefore, carried the weight of official expression of policy and represented a pledge of honor. These assurances were the forerunners of the escape clause which was later to be devised to carry out the policy.

> I want the American people and the American public cared for—

Continued Mr. Sayre—

> The State Department has that matter in very careful consideration and is trying to see whether it is possible to work out some kind of an arrangement which will not prove injurious to American producers.

Again, he said a little later in the same hearings:

> The State Department exists, in my conception, to promote American interests, not to injure them.

The Honorable Robert L. Doughton, of North Carolina, was chairman of the Ways and Means Committee. He said—page 469 of the 1934 hearings:

> The impression seems to be that the President * * * would just go in and barter away, or as some others say, obliterate American industry.
>
> Now, do you not have confidence enough * * * in the President of the United States with the agencies at his command, to work out this legislation * * * without injury to the welfare of the American people and American industry?

These words from Mr. Doughton make it clear that he agreed with Secretary of State Hull and Assistant Secretary Sayre.

The policy of no serious injury to American industry or business was carried forward to the Senate Finance Committee. The hearings on the Trade Agreements bill were held there during April and May 1934. Secretary Hull spoke as follows—page 16 of the hearings:

> That is the point I make about it, and the last thing that the President would want to do would be to injure business.

This language is plain enough; and the assurance it contains to be straight from the shoulder and free of any intent to deceive.

A little further on the Secretary virtually threw up his hands at the very notion that any intent existed to hurt

American industry. Said he—page 23 of the hearings, Senate Finance Committee, April, May 1934:

> If you want to reject this proposal, on the speculative possibility that somebody will purposely injure another, why, of course, that is not for me to comment on.

On this occasion Assistant Secretary Sayre was even more emphatic than when he appeared before the Ways and Means Committee. He said—page 72 of the Senate hearings:

> I know it is not in the contemplation of the present President, nor of any member of the administration, to go out and wreck industries. I think it is perfectly chimerical to suppose that the President, or anyone with the responsibility of acting under the authority which we hope you gentlemen will give us under this bill, is going to set out to wreck industries. Not for a moment.

Here it was made clear that not only the President was of no mind to wreck any domestic industry but no member of the administration or anyone acting under the authority of the law for the enactment of which the plea was made.

Under further questioning Mr. Sayre became very explicit. He no longer spoke in the extreme terms of "wrecking industries" which, of course, he knew no President would consciously accede to. He once more explained the care that would be taken in administering the act. These were his words—page 78, Senate hearings:

> It is a proceeding which will mean finding bargains which will prove to advantage to foreign trade, without undue injury to American producers.

He added that "those responsible for this program will have a real problem of finding just how trade can be increased, without undue injury to American producers." But, said Mr. Sayre, he had studied the problem enough himself to be convinced that we could secure substantial increase of foreign trade without injury.

A clearer statement of policy and purpose could hardly have been made than these words of Mr. Sayre—same page of the Senate hearings:

> The object is to increase our exports without increasing those kinds of imports which will work undue injury to American domestic producers.

Mr. Speaker, these sentiments and policies were indeed later woven into an Executive order—1947—which became known as the Escape Clause. This was to be the vehicle that would give substance and body to the no-injury policy. Four years after that—1951—Congress itself adopted a modified Escape Clause to assure domestic industries that had been seriously injured by imports or threatened with such injury that they would be given relief. This legislative action was in keeping with the policy expressed by the various executive spokesmen who had appeared before Congressional committees time after time repeating the policy first enunciated by Cordell Hull and Francis Sayre, quoted herein. These two State Department officials, in turn, were echoing the policy already expressed by President Roosevelt when he sent the trade agreements message to Congress, and quoted from just now by the gentleman from West Virginia [Mr. BAILEY].

Mr. Speaker, the question must inevitably arise how the great discrepancy between avowed policy and practice that has been noted could have come about. It has been said here and there that Congress itself was at fault; that it handed over its responsibility to the State Department, through the President, and was glad to be rid of its function of making the tariff, and that this delegation of power was justifiable.

I do not wish to deal in the Constitutional aspects of this question other than to say that Congress in any case cannot transfer its function to the executive and leave on the doorsteps of the White House a given responsibility simply because it itself does not wish to be bothered.

The fact in any case is that after observing the course taken by the State Department over a period of 17 years Congress did pass the escape-clause legislation. Since a similar clause was written into the General Agreement on Tariffs and Trade—GATT—no less than into the Executive order of 1947, already mentioned, it was clear that Congress had some reason for legislation; and, indeed, it did. It changed the escape clause in some important respects and added to it definite criteria of injury as a guide to the Tariff Commission.

This action certainly did not spell congressional indifference to what was going on under the escape clause.

Subsequently, Congress amended the clause several more times to make doubly sure that any industry threatened with or actually suffering severe injury from imports as a result of a trade agreement concession would have a remedy. This was no more than insisting that the executive branch practice what it so solemnly and extensively preached.

Yet, no visible change in the Presidential disposition of Tariff Commission recommendations under the escape clause was noticeable. It became obvious that the intent of Congress was as thoroughly disregarded by the Executive as were its own assurances to the American people. The State Department, in effect, took the bit into its own teeth and operated as if it had sole jurisdiction in the regulation of our foreign commerce. It advised the President against proclaiming Tariff Commission recommendations and the results have reflected the Department's influence. The gravitation of trade agreements administration into the hands of State Department personnel, more than anything else, no doubt accounted for the wide split between practice and avowed policy.

This ugly situation can no longer be hidden. Import competition is spreading and confronting different industries and the jobs for American workers with serious problems of survival. A solution is essential to the domestic economic expansion that nearly everyone points to as necessary if we are to find employment for the growing number of workers in this country.

At the same time, our industry and agriculture is finding it more difficult to compete in exports with other countries, and more and more of our industries are finding it necessary to establish themselves overseas, investing in plants abroad as a means of tapping lower wages, but, at the same time, leaving home communities in this country, stranded and bypassed, to suffer from unemployment and economic decay.

Even our huge mass-production industries are beginning to issue outcries against the competitive situation in imports and exports. The automobile, steel, and electrical-equipment industries are finding that even their mass-production processes and the labor-saving devices that are supposed to lower their unit costs are no longer equal to the competitive onslaught from abroad.

Mr. Speaker, it is obvious that something must be done, and that we cannot look to the executive branch for leading the way. The fact is that it is largely the executive practices in this field that are responsible for the present highly unsatisfactory situation. What is needed is a way of bringing that branch to do what it has been telling the Congress and the people that it was doing.

The bill explained by the gentleman from West Virginia is the least that can be offered to correct a situation that should never have been allowed to develop in the first place. I am for it; I have introduced the bill myself and plead with this Congress that it rise to its responsibility and pull away from the mistaken path beaten by the State Department in its delivery of our industries and the jobs of American workers into the hands of our foreign competitors.

I fervently hope that every Member will take another look at this situation and reach a judgment on the basis of the record. I sincerely believe that if they do so we will legislate in accordance with the new bill, and that we will do so in the present Congress. Surely the 4-year extension of the Trade Agreements Act last year cannot be allowed to have the effect of closing the doors of the present Congress to trade legislation so long as there is a need for it. This need, indeed, is pressing, and I feel sure that this House will not sidestep its responsibility.

Mr. BAILEY. Mr. Speaker, I thank the distinguished gentleman from Wyoming. I now yield to our distinguished colleague, the gentleman from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, it has been clear for some time that there is something radically wrong with the way in which the trade agreements program has been administered. Many of us have long been aware of this; many of us have felt it; but it was not so easy to put a finger on the spot and say "this is where the trouble lies."

Mr. Speaker, I think we have now found not only a clue but the whole of the culprit. Some reviews of the history of the trade agreements program have thrown a revealing light on the subject. A number of excerpts and quotes from our Presidents and Secretaries of State on the trade agreements policy have already been given this afternoon. It is almost unbelievable that so cynical a record could have been made.

The result is an example of what can happen when a branch of the Government that is responsible for carrying out a function under the Constitution hands it to another branch for execution. We have seen here this afternoon how the actual practices under the trade agreements program could hardly be recognized as the same program as the one described in the official statements of policy that have been made by the White House, the Secretaries of State, and others. What has been said is one thing. What has been done is something very different, bearing little visible relationship to what has been professed. This, to say the least, is a sorry and humiliating state of affairs.

It has only been in the past several years of the period since 1934 that interest in import competition began to spread and to arouse alarm. Our larger industries had appeared to be immune to the undercutting power of such competition. They had the advantage, remember, of mass production, of advanced mechanization, and even automation. It made little difference, it was said, that these industries, such as steel, automobiles, and electrical equipment, paid wages anywhere from 3 to 5 or 10 times as high as those prevailing in other countries. It was claimed that our higher productivity per man would take care of that, and that we had greatly outdistanced the rest of the world with our technology and industrial know-how.

Well, that is what some of the economists said. But when the first Russian satellite was fired in October 1957 they began to feel a slight tremor of uneasiness. Perhaps we were not quite as invulnerable technologically and industrially as we had been told we were. If the Russians could challenge us in the scientific world was it not possible that other industrial countries might develop the skill and the productivity that would challenge our industrial supremacy? Might not this challenge come all the sooner because of the billions of dollars in the form of modern industrial and other machinery that we had in recent years shipped abroad? Add to this the thousands of productivity teams that were sent to visit and study our factories, and we could guess that our industrial lead was possibly as vulnerable as was our lead in the military field.

Mr. Speaker, during the many years when we were busy tearing down our tariffs we overlooked several economic forces that were making us more vulnerable to imports. We leveled our price structure and costs upward without a thought about what would happen when the chickens came home to roost. Now even the great mass production industries are finding the pressure of import competition increasing at home while facing ever greater difficulty in exporting to other countries. Smaller industries by the score are finding it even more difficult to hold their accustomed share of the domestic market. At the same time there are those who would encourage greater private foreign investments. This can only mean that the potential expanded employment which is so sorely needed at home will take place elsewhere, rather than here. Our labor force will not be absorbed as it otherwise would be. Plant expansion that would give work to thousands of our building trades workers will be dampened down. The industries that would supply the materials for the greater expansion will find their market pinched by that much. Labor, in particular, would be bypassed in favor of more employment abroad.

It is obvious that we need, not further tariff reductions that will make us more vulnerable, but a proper remedy against injury, the seeds of which were planted in previous tariff reductions. This does not call for any general tariff increase. Nobody suggests such a course. It does mean giving reality to the words of those who seemingly so faithfully promised that none of our industries would be unduly injured by the trade agreements program.

The bills that have been introduced were designed to do just that. I have joined with other House Members in introducing and sponsoring this legislation. While their effects would be to restore to Congress its authority over the tariff and trade, they would not bring the tariff writing process back to Congress. This would be left to the Tariff Commisison. No more would Congress be asked to write tariff rates than it now sets railroad and public utility rates. Rate adjustment would fall to the Tariff Commission within set limits and would be carried out under the escape clause, case by case, as the need arose.

If the past is any guide, the adjustments would not come rapidly; for even if all the Tariff Commission recommendations of the past 10 years had been promulgated, only a small part of our trade would have been affected. A study of Tariff Commission recommendations will show that in many instances the Commission has, moreover, recommended only a partial restoration of the duty to its previous level. It will also show that the Commission has failed to find serious injury in about half the cases brought before it. There need be no fear, therefore, that passage of the present bill would lead to any great increase in our tariff rates. Our trade as a whole would not be greatly restricted. In fact, if we placed import competition on a fair basis, our trade would increase in the long run. Fair competition in the home market has led to more trade than we would enjoy if cutthroat competition were the rule. There is no reason why it would not have the same effect in foreign trade.

Mr. Speaker, we cannot much longer continue to build up industry abroad, in view of the lower wages paid in other countries, while at the same time our costs continue to rise, without courting economic disaster. We have every reason to applaud greater industrial efficiency abroad as well as greater industrialization and a rising standard of living; but these goals do not call upon us to handicap ourselves. It is not necessary to expose our producers to competition that they cannot meet in order to help other countries. To assume that this is necessary represents false economics, and belies the benefits of our many laws that seek to place our own interstate commerce on a basis of fair competition. Not least of these are our minimum wage laws that are designed to protect the employers who pay fair wages against the competition of those who would depress wages, as a means of gaining a competitive advantage. We have also taken steps to protect the American wage standard by preventing an influx of workers from abroad. Our restrictive immigration laws were to a great degree designed for that very purpose.

The effect of these various laws, including our farm price support program and obligatory collective bargaining, have set us apart from the rest of the world on a plateau, competitively speaking. Already many of our exports are highly subsidized as a means of moving our goods into world markets. The whole process has caught up with itself. Now we must either lower this plateau or be prepared to defend it where it needs it, against undermining competition from the outside.

This is simple commonsense. It is the kind of sense expressed by the many official Government witnesses who during the past 25 years have come before our committees and testified that it was not the purpose of the trade agreements program to wreck or hurt our industries, but to set up a carefully worked out program that would be mutually beneficial. There is nothing mutually beneficial when our producers are sacrificed for what President Roosevelt called the will-o'-the-wisp of foreign markets.

In 1943 Secretary of State Cordell Hull in an appearance before the House Ways and Means Committee on April 12 spoke very sensibly, and sought to allay fears of what would happen if we continued indefinitely to reduce our tariffs. He said—page 17 of the hearings:

> Every precaution is provided in advance to take care of any unexpected development that might be injurious or materially hurtful to any of our industries.

Mr. Speaker, we could live with a trade program the carrying out of which actually conformed to these words of Mr. Hull. Unfortunately these words of the Secretary of State were not in fact honored.

No wonder that the American people were sold on the trade agreements program when they read of such solemn assurances that nothing would be done "that might be injurious or materially hurtful to any of our industries"; or that any unexpected developments in that direction would be taken care of in advance.

But what a difference between what Mr. Hull promised and what was later delivered when the unexpected developments did turn up and became materially hurtful to our industries.

Mr. Hull was strongly backstopped by Mr. Sayre, his assistant, as late as 1943 or after 9 years of the trade agreements program. Also testifying before the House Ways and Means Committee, Mr. Sayre on April 15, 1943, said:

> We consider that our mandate is only the granting of such concessions as can be done without injuring domestic producers.

What would anyone be led to think after listening to or reading these words of the man who had for a number of years been in direct charge of the administration of the trade agreements program in the Department of State? Were these statements meant to deceive the Congress and the people or were they sincere?

"It isn't a matter of theory," said Mr. Sayre, speaking, of course, with the full approval of Mr. Hull and expressing official policy. Not a matter of theory at all, he said, and continued:

It is a matter of practical hardheaded, brass-tack determination of "Can we increase American exports without unduly injuring American producers?"

Again, Mr. Sayre said—page 245 of the Ways and Means Committee hearings—speaking about negotiations with Australia, New Zealand, and South Africa:

We run there into various competitive goods. It is a difficult problem. We are not going to go ahead unless we find a way of doing so without injuring American producers.

Mr. Speaker, how could anyone sitting on the Ways and Means Committee at the time have doubted what the intentions of the State Department were? It seems incredible that the policy could have been anything other than what the quotations express.

During the war period there was really no occasion to test the policy so vigorously set forth by Mr. Hull and Mr. Sayre over a period of 10 years; but there can be no doubt what that policy was.

The Vice Chairman of the U.S. Tariff Commission also testified in 1943. In a statement made to the Ways and Means Committee, he supported the views expressed by the Secretary of State and others. He said—page 312 of the hearings—that while the men who work on the trade agreements program are not infallible there should be a strong presumption that they are responsible and their decisions wise. Then he added something that is of the very essence of the dispute that has raged in recent years about the escape clause:

Nevertheless, there is ample opportunity, under the program, to deal with situations not foreseen at the time of the negotiations and to remedy any mistakes that may be made.

What, Mr. Speaker, has in actual practice become of this "ample opportunity" to remedy any mistake that might be made?

What, indeed, has become of the whole policy under the guise of which the trade program was sold to the American people?

Has that policy changed? If it has not changed, then what may be said of its execution?

It is virtually impossible to run a test that will go backward beyond 1950 because the escape clause did not become very active as a remedy against injury before that time. To be sure, in 1948 Mr. William L. Clayton, a former Under Secretary of State, said of the escape clause as it existed at that time:

Part I of the Executive order provides for the so-called escape clause. That is very simple, Mr. Chairman, and I think one that is very workable and very effective for the purpose for which it was adopted.

* * * * *

I submit, Mr. Chairman, that in my opinion that is a very effective means of giving relief to producers who have been injured or who are able to show that they are seriously threatened with injury.

This testimony was given before the Ways and Means Committee—pages 416–417 of the hearings—by the man who had taken the place of Mr. Sayre in immediate charge of the program.

Nineteen hundred forty-eight was too early to judge the escape clause; but the evidence is incontrovertible that it was still the policy, as expressed by the man who spoke for the State Department on the subject, that is, Mr. Clayton, not to injure American producers and to give them a remedy should injury nevertheless occur.

Now, Mr. Speaker, if we come on down to more recent years we will find that the policy enunciated by President Roosevelt, Messrs. Hull, Sayre, and Clayton continued to be adhered to by the subsequent Presidents and Secretaries of State and other executive officials, from 1950 to date. However, since 1950 the escape clause was more frequently resorted to and it was with the advent of the escape clause actions that the divergence between professed policy and practice began to assert itself.

I have quoted enough and shall leave it to others to complete the record.

I am completely satisfied that there is a solid foundation in the asserted executive trade agrements policy to justify fully and to support the provisions of the proposed new legislation. If it is contrary to that policy to expose domestic producers to serious injury as a result of the trade agrements program—and who can doubt it after reading the record?—if that is the policy that has been advertised to the country as a whole, as it has, then it is surely in order to carry it out by appropriate legislation; and that is what the new bill or bills would do.

I for one find myself in thorough agreement with the proposed legislation and hope that it will be adopted.

I thank the gentleman from West Virginia.

Mr. BAILEY. I thank the distinguished gentleman from Georgia [Mr. DAVIS] for his contribution.

Mr. Speaker, I now yield to the gentleman from Washington [Mr. MACK].

Mr. MACK of Washington. Mr. Speaker, the trade agreements program, first enacted in 1934, has now been in force almost 25 years. In 1958 our exports dropped approximately 19 percent from their high point of $19.5 billion in 1957. At the same time our imports fell much less or something over 5 percent. But for the heavy subsidy of our exports our sales abroad would unquestionably have declined even more sharply.

It is becoming clear now for all to see what many of us foresaw as the inevitable result of the trade and other policies that we have pursued since the end of World War II. These policies have made of our economy a sitting target for exporters of other countries. There was a time when our high labor and other costs were not so much of a handicap because our system of mass production resulted in lower unit costs in many industries than were enjoyed in other countries despite their much lower wage rates. During the past 10 years this advantage has been slowly but surely slipping away.

This result should have been anticipated; but we insisted on continuing the course of further tariff reductions even as we became competitively weaker in foreign trade. We helped build up the industries of other countries through distribution of tens of billions of dollars among our competitors in the four corners of the world.

Mr. Speaker, we may have done well to help the war-torn countries get back on their feet. It is heartening to know, for example, that European production is far ahead of its 1938 level.

In international affairs gratitude has been a scarce commodity. What we do have a right to expect after our far-flung foreign-aid extension is the freedom to look after ourselves and our economy in the light of new developments and vast changes, such as those that have occurred in the past decade. We have managed badly. Today it is no longer possible for us to defend ourselves against the results of the unforeseen developments cited in the escape clause in our trade agreements. We cannot take corrective action without bringing down upon us a barrage of protests from the countries that we have helped back to their feet and to the highest level of prosperity in their history. In great part this is the fault of our postwar policies. Foreign countries have learned that a sharp protest is usually sufficient to bring us to heel and to cause us to beat a retreat.

The question has been posed how it could come to pass that a policy that has been so thoroughly sold to Congress and to the people as has the assurance that the trade-agreements program would not seriously hurt any American industry could have become the hollow sham that it is today.

Mr. Speaker, it happened because the State Department in pursuit of a policy of international planning and reshaping of the world economy succeeded in binding this country in the General Agreement on Tariffs and Trade to a course of action that contemplated the surrender of our economic sovereignty to an international trade organization. The principles underlying the agreement were directly at odds with the Presidential assurances and the statements of successive Secretaries, Under Secretaries, and Assistant Secretaries of State to congressional committees and to the country. The two courses of action, the one called for by the international executive agreement, that is, the general agreement, just mentioned, signed in Geneva in 1947, and, the other, the no-injury assurances given for home consumption, which implied continuing mastery over our household, were at cross purposes and therefore incompatible.

We could not carry out our commitments under GATT, in other words, and at the same time honor the assurances of

the State Department made in such apparent sincerity to Congress and to the country.

It is obvious that between the two, the assurances to Congress and to the American people that the free-trade program would not hurt domestic industries, was the part that gave way. We could not be true to ourselves and at the same time to the foreign countries to which the State Department had made commitments that went far beyond its authority. The alternatives were mutually exclusive. In the inevitable showdown, our Government preferred to remain faithful to foreign commitments rather than to assurances to the people at home.

In the present case, that is, in the field of trade agreements and the tariff, our executive leaders, armed with the power delegated to them by Congress, felt compelled to allay the many fears that were expressed by those who were concerned with the impact of wholesale tariff reductions. Should they not succeed, the power might at the next expiration date of the grant, be withdrawn. Therefore, it was necessary to keep both Congress and the domestic industry people happy.

What happened was as much as anything the result of a double delegation. The Congress delegated to the President and he in turn put the task into the hands of the State Department. Of course, even there, the delegation went on to lower official levels.

It was at the working level, with the hands of the dedicated and philosophical free traders and world planners, that the real work was done. These enthusiasts favored international control of trade for social purposes. It was they who thought up the ill-fated International Trade Organization charter, known as the ITO, that was turned down by Congress in 1950. It was they who engineered the global trade controls vested in GATT and it was they who sought to bring this country into a world economic council which would tell us what we should produce and what we should leave to other countries. It was also they who envisioned the channeling of trade according to the directions of those who presumed to know what each country could produce most economically. In their view private enterprise could not be trusted to find the right channels. Government officials representing the different countries could do it much better, they held.

They made a shambles of the constitutional authority of Congress to regulate our foreign commerce. They made the written commitments to other countries that put Congress in the position of going along or repudiating the obligations of Uncle Sam.

The fact is, Mr. Speaker, that the trade agreements program has been administered in a manner harmful to many domestic industries. Recent Presidents have steadfastly refused to impose an import quota on any industrial as distinguished from an agricultural or raw product. This refusal is in accordance with our commitment under GATT—the General Agreement on Tariffs and Trade. We have agreed to the renunciation of import quotas as a means of regulating foreign commerce, with some transitory exceptions. Rather I should say, the State Department agreed to this renunciation on the part of the United States without consulting Congress.

The fact is that no Congress sitting could give such consent because each successive Congress is a new Congress returned by the electorate and is not and cannot be bound by action of any of its predecessors. No Congress can divest itself of the duty to carry out its constitutional obligations; and the regulation of foreign commerce and fixing the tariff are such obligations.

Mr. Speaker, I come from a State in which the plywood and fishing industries are important employers and have witnessed the damage that can be done by low-cost imports.

An import quota, in the judgment of the policymakers of the hardwood plywood industry, is the only suitable method of remedying the injury inflicted by imports. Since most of the imports come from Japan a tariff of exorbitant height would be necessary to put on the brakes. Such a high tariff would have the effect of excluding many other countries from our market entirely.

This puts the President in this position: he has said that no industry is to be jeopardized by imports under the trade agreements program. Therefore he must desire to respond to the needs of the plywood industry. Yet he cannot act to do so because the State Department has deprived him of the only suitable instrument. He could not impose an import quota on plywood without violating GATT. The State Department has shot his best weapon out of his hands.

The State and Commerce Departments have accepted statements by Japan that she would limit her plywood exports to the United States voluntarily as a full solution of the plywood import problem. This is no solution for Japan can change her voluntarially imposed quotas at any time. This so-called solution through voluntary quotas imposed by exporting nations on themselves is no solution at all, since it reposes control of imports in the hands of the exporter nation and not of the importing nation, where the injury to domestic industry occurs.

It cannot be said that he has not recognized the injury caused by imports since he could not otherwise countenance the activities of the State and Commerce Departments in negotiating clandestinely behind the scenes to limit Japanese exports to this country. In fact, he set aside a finding of injury in the velveteen case by the Tariff Commission on the grounds that the so-called voluntary export quota self-imposed by Japan made action unnecessary.

The upshot is that our foreign trade policy is in a highly contradictory posture and that our right as a country to adjust to changing international economic developments has been consigned to the dead letter office. We have become paralyzed and helpless as a result of the General Agreement on Tariffs and Trade.

There is only one proper way out of this contradictory predicament and this lies in carrying out in fact the principle upon which the trade agreements program has been continuously recommended to the Congress and the country—the providing of relief to industries whose employment and prosperity have been injured by heavy imports of competitive products from low-wage nations. This will dissolve the contradiction and the duplicity in which the President and the State Department now stand, to their great discredit.

Mr. Speaker, the bill that has been introduced by the gentleman from West Virginia [Mr. BAILEY], myself, and others will go a long way toward setting the situation right.

Mr. BAILEY. Mr. Speaker, I now yield to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, I have often wondered on what grounds it could be said that the surest way to promote peace lay in expanding trade. Yet that was and is one of the principal justifications advanced in support of the trade agreements program. It has been my impression that some of the bloodiest wars in history were fought for commercial reasons. Many competent observers regarded World War I as the culmination of commercial rivalry between Britain and Germany.

It has been an odd development to find the trade agreements program advocated now as a weapon to be used against Russia. From being a sure instrument for the establishment of universal peace we now behold the 25-year-old program advertised as a suitable or even indispensable weapon of the cold war. In the last extension of the program in 1958 its supporters said we must have more of GATT as a means of engaging in economic warfare with Russia.

GATT must be a versatile instrument. It is said to serve as a means of promoting peace, and yet by others it is said to serve just as well as a weapon of economic warfare.

Mr. Speaker, I have not made a practice of quoting former President Truman to establish or bolster a point. In this instance, however, the former President speaks outside the field of politics and I believe that what he said on the question of trade and peace is worthy of attention. In an article that appeared in a local newspaper on February 18, Mr. Truman said that Mikoyan had told the Soviet Party Congress that peace is promoted by trade and that nations that trade with each other live peacefully side by side.

If Mikoyan had come here—

Continued Mr. Truman—

not with blandishments of trade, but with a program of peace, his chances of success would have been greatly enhanced.

But Mikoyan has the mistaken belief, as do the Kremlin leaders and, I suspect, some businessmen here, that trade comes first and is a cure-all for all international differences. They believe that if you have trade, peace automatically follows.

Two world wars—

Adds Mr. Truman—

have proved that trade alone is not the road to peace.

I think it would be a good idea for Mr. Truman to go before the Ways and Means Committee and the Senate Finance Committee and tell them what he has said in his article. Evidently the former President does not share the sublime faith of Cordell Hull in the healing powers of world trade.

The fact is that a sharp distinction should be drawn when we talk of trade and peace, between trade that is competitive and trade that is complementary. The latter, that is, complementary trade does indeed usually but not always contribute to peace. The United States and Brazil have such a relationship. Brazilian coffee stirs up no resentment here even though it is one of our No. 1 imports. It does not threaten any coffee industry in this country because we have none. Brazil likes us as a customer. We in turn ship products to Brazil that Brazil needs but does not manufacture or has not previously manufactured. So, Brazil is our customer for other products and generally our relations are very amicable.

This is as it should be and would be expected to be. Brazil sided with us in two world wars. This was natural, since we had no commercial crosscurrents.

Our relations with Argentina have not been so smooth. Our trade is not so complementary. Argentina has things to ship us that we also produce, such as meat products, corn, and wool. In that case trade means rivalry, and rivalry can lead to ill feeling.

A good part of our imports encounter little or no competition in this country. Generally these imports are free of duty. Our free-list imports account for 50 percent of our total imports. The imports that cause trouble are those that compete with products that we make very well ourselves and for which we can generally supply the market ourselves or a large share of it.

The same situation obtains in our exports. When we seek to sell automobiles in England or France or Italy, we immediately encounter almost insuperable obstacles. Why? Because those countries also have automobile industries and fear the ruin that our competition might visit upon them.

Sometimes the keenest rivalry develops in competition for third markets. The British, for example, compete with the Germans and the Japanese and others in Latin America and elsewhere. The Japanese and the Europeans compete for our own market. In this process there is no magnetism that draws the competing countries together. The effect is quite the opposite.

I am glad to register satisfaction that Mr. Truman has noted the fallacy that trade as such promotes peace. I would be happier if this fallacy could be dispelled more widely and if in the shaping of our foreign-trade policy the realities of trade, including the friction caused by trade rivalry were pondered and given proper weight. The notion that free trade would lead to peace is the worst kind of propaganda and we do ourselves no credit if we exhaust ourselves chasing what former President Roosevelt called the will-o'-the-wisp of foreign markets.

Mr. BAILEY. Mr. Speaker, I now recognize the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, I assure you that I shall support vigorously any legislation designed to protect American jobs from excessive imports. I associate myself with the gentlemen who speak in favor of the bill to amend section 350 of the Tariff Act of 1930. Let me be frank to add, however, that this measure will not alone provide the answer to all the economic problems attributable to unrealistic foreign trade policies.

In the 10 years that I have been active in the crusade to protect our Nation's domestic fuel producers and transporters from the ravages of residual oil imports, I have time and again been forced to the conclusion that a definite quota—established by law—is the only foolproof answer. I solicit the cooperation of my colleagues in bringing about the enactment of such legislation in this session.

Whether or not you have oil or coal production in your district, you cannot help but be sympathetic with the thousands upon thousands of your fellow Americans who are not working today because the product of their labor is not wanted in this country. It has been displaced by a foreign commodity. Many millions of tons of coal that once came from the mines of Pennsylvania and other Appalachian States are no longer marketable along our Atlantic seaboard because residual oil produced in foreign countries is being shipped in and unloaded at whatever price is necessary to undersell coal.

This is the simple reason for much of the unemployment that prevails in central and western Pennsylvania. We need not offer any involved theories to explain the situation. Anyone who lives along the Pennsylvania Railroad line between Pittsburgh and eastern points can see for himself what has happened. The trainloads of coal that should be going to seaboard utilities and industrial plants are just not moving. In the absence of this coal traffic, there had to be layoffs for trainmen and maintenance crews.

Back where the coal would be produced are idle men trying to understand the logic of government policies that deprive Americans of the opportunity to earn a living. The men who sell timber and other supplies to coal mines are in the same boat astride economic reefs. So are the various businessmen who normally sell to miners, railroaders, and their families.

You have compassion for these people but you hear the internationalists' chorus that becomes more vocal each time we get close to amending our foreign trade laws, so you hesitate and—it has been our unfortunate experience in past years—you decide to string along with the status quo in hopes that some other force or forces will provide the economic stimulus to get our people back to work. Mining and railroading industries have been the guinea pigs in these international experiments for entirely too long. I appeal to my colleagues to move now—not next year or when the Trade Agreements Act expires—to provide some relief from the illicit foreign competition that we have been forced to endure for almost since the end of World War II.

I remind you also that the very lives of the citizenry of our country are threatened when America looks to foreign nations instead of to its own manpower and ingenuity to provide the essential ingredients of a strong defensive structure. I have many times warned that the oil supply lines from Venezuela and the Dutch West Indies could be severed in an instant if the seething international situation should explode. Shipments from the Middle East could, of course, be halted with even greater facility and expediency.

Now I should like to discuss a very grave matter that would place our country in still greater jeopardy. You may already have heard that a tanker flying a foreign flag was scheduled to bring into this country a cargo of residual oil from the fields of Russian-controlled Rumania. I was advised this morning that the ship has arrived and is now anchored at Gravesend Bay and that it is expected to discharge its cargo at Edgewater, N.J. The capacity of that ship is 10,000 barrels. Ten thousand barrels, Mr. Speaker. Ten thousand barrels of Communist produced oil to displace coal or oil that would otherwise come from American mines or refineries. Ten thousand barrels of reliance upon the strategy of the Kremlin rather than on the capacity of American industry.

Think of it, Mr. Speaker. Through the Black Sea, the Bosporus, and then the long haul through the Mediterranean and, finally, through the Strait of Gibraltar and across the Atlantic. Yet that cargo can be unloaded at a price with which the coal produced only a short distance away cannot compete. Why, my distinguished friends, I am quite confident that the Soviet masters would be very happy to subsidize—if necessary—tanker after tanker if we in this country would be so blind as to permit our mines and oil drilling and producing activities to remain idle in this critical hour. Who would be willing to depend upon the mills of the Donets Basin for the steel used in our missile and airplane programs? In actuality, the ability of the United States to obtain all the steel needed in our defense pattern would be shifted right over to those Rumanian oil wells if enough coal is displaced in this country. We close our mines and they cannot be opened at a moment's notice. It may take months or even years and sometimes drainage and flooding render them useless for evermore. I remind you that just 10 of those tankers could close down a mine producing over 40,000 tons of coal annually. For those who may not remember, mines of that size and every size were vitally needed in World War II. Coal goes into sharply accelerated demand in every emergency. I beg you to join in preventing the further deterioration of this essential industry.

We must support the legislation under discussion at this time. We must also—for the sake of this Nation's economy and security—pass a quota limitation on residual oil imports.

Mr. BAILEY. Mr. Speaker, I want to thank the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT].

At this time, Mr. Speaker, I ask unanimous consent to insert in the RECORD the comments on this matter of the distinguished gentleman from South Carolina [Mr. HEMPHILL].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. HEMPHILL. Mr. Speaker, I want to thank the gentleman from West Virginia for his dedicated interest in the problem of reciprocal trade. I can see that he understands fully the departure of the present practice of reciprocal trade from the original theory of reciprocity in order to get strategic materials and to furnish other countries with other manufactured goods which those countries could not produce.

The reciprocal trade circle, instead of being a wholly beneficial circle, is what we want to call now a vicious circle, and the question now is which of the American industries is next expendable.

Reciprocal trade, as now practiced, is responsible for a large part of our unemployment today.

The small foreign car is finding a ready market here in this country—a small foreign car made by labor paid far less than the average automobile worker's pay in this country.

We who have lived in the textile area know of the heavy impact of foreign trade on the lives of these people. To the textile people whose living depends upon being able to work for a living wage, the situation is terrifically serious.

We find that the Elgin National Watch Co. plans to manufacture and assemble watches in Switzerland. Where does that put the American seeking employment in the watch industry?

The Navy recently made a heavy purchase of Japanese steel. What responsibility do we have to the steelworkers of America?

We are informed that 20 percent of the total tan calfskins used in the United States in 1958 were imported. What responsibility do we have to the cattlemen, or to the workers on leather goods?

I recognize the fact that the total U.S. exports are very high. I recognize the necessity of exports. No one will deny that we do not need trade. And yet, I do not believe anyone could conscientiously say that we do not have the responsibility first to the citizens of this country, and to their sources of employment. Perhaps it is time to shift from foreign aid to U.S. aid, and perhaps it is time to take a second look.

While we are so-called guaranteeing the trade balance in other countries, Americans are suffering.

To show you something about the pace from pay of Japanese industrial workers, whose imports are undermining our markets, I quote from the Wall Street Journal, as attached to the Japanese Report, volume V, No. 3, February 1, 1959:

> This busy gentleman illustrates some striking new facts about industrial Japan. First, the Nipponese factory hand today is financially a lot better off than he is commonly pictured abroad, with more leisure to indulge his traditional artistic bent, and second, Japan's automobile industry, which barely existed before the war, now is sprinting ahead to a position of importance—and is invading the U.S market in the process. * * *
>
> Automobiles, however, are on a lengthening list of export products that are facing rising labor costs—a trend that is weakening one of Japan's traditional advantages in world markets.
>
> One of the peculiarities of the Japanese wage system is that very little merit is involved in pay raises. If one asks Mr. Yamamoto how much a skilled toolmaker earns as compared with say, a man who just tightens bolts all day the personnel man will counter with another question: "How old are they?"
>
> If both have been with the company the same time, chances are their wages aren't more than 10 percent to 15 percent apart—no matter what duties they have, unless they're foremen or managers. "We don't hire skilled workers," says Mr. Yamamoto. "We train them ourselves from youth."
>
> Pay increases are given automatically every year. Thus, the average manufacturing worker in a big plant who starts at $30 or so per month is almost sure to be making around $100 after 12 years' service, $170 10 years later, and perhaps $220 after 30 years' service. Through this entire period he may have been doing exactly the same job. Nowadays the implications of this system—a constantly rising wage bill for the same work—are beginning to worry Japanese exporters who fear they'll soon be priced out of overseas markets.

I hope that the gentleman's remarks will bear fruit, and arouse the corrective activity which this legislation and its policy deserves.

Mr. BAILEY. Mr. Speaker, at this time I yield to the distinguished gentleman from North Carolina [Mr. WHITENER].

Mr. WHITENER. Mr. Speaker, I want to commend the distinguished gentleman from West Virginia and those who have so eloquently again pleaded the cause of the working people of this country whose jobs have been so jeopardized by an unrealistic program of so-called reciprocal trade.

Mr. Speaker, I come from a district in North Carolina that has come in recent years to suffer greatly from import competition. The principal product is, of course, textiles. So serious has this situation become, not only in my district and in my State but throughout the South and New England, that during the recent recess of Congress a subcommittee of the Interstate and Foreign Commerce Committee of the other body held hearings on the problems of the textile industry.

Among the conclusions reached by that body of outstanding Members of the U.S. Senate was one that called for import quotas as a means of regulating the harmful import competition and keeping it within bounds. I heartily agree that steps must be taken immediately to deal effectively with this menace from the low-wage countries of the Far East, principally Japan and Hong Kong. Otherwise the domestic textile industry will be severely crippled if not destroyed.

Basically, I think the trouble lies in extremely low wages paid in many of the textile-producing countries, together with the modern machinery installed so extensively in those countries in recent years. No one can question that this is true. There is no longer any question about the ability of the Far Eastern producers to take away our market both at home and abroad, the only limitation being their present and ever-increasing capacity to produce. Japan today leads the world in textile exports. India is second. England and the United States have lost their leadership in this field.

This is not a matter about which we can afford to be complacent. I am well aware, as are all of our colleagues, of our international relations and of the Russian menace. Nor is it a secret that Japan needs and must have an opportunity to export if it is to live. We are confronted with many difficulties in reaching a solution to this problem of import competition. Foreign countries today receive our raw cotton at prices from 25 to 30 percent below those paid by the textile manufacturers of North Carolina, New England, and other parts of this land of ours. This is an anomalous situation, but it is not the only aspect of our policy that is odd and even bizarre.

In selling raw cotton abroad at world prices we are now competing with the very countries where we stimulated cotton production since the war. During this postwar period we have also stimulated the development of textile industries in a number of so-called underdeveloped countries. They are therefore trending toward self-sufficiency and even toward exportation in many cases. In either case our own exports decline. In the meanwhile, imports pour into this country. All these contradictory actions place us in the position of fighting and frustrating with one hand what we do with the other.

And what has been our defense? In 1955 we reduced the duty on textiles at the Geneva Conference, right in the face of what was already obvious, namely, the coming flood of imports. What happened? The story is too well known to need repeating. Suffice it to say that imports rose so rapidly that they posed an actual threat of destruction to our own industry.

What was the response of the executive departments who have replaced Congress in the regulation of our foreign trade?

Instead of invoking the laws applicable to situations of this kind, the executive branch did all within its power to prevent their invocation. The last thing it wanted was a restoration of the constitutional power of Congress. Instead, the executive moved carefully away from the law and had recourse to an arrangement worked out in secret behind the scenes in the State and Commerce Departments. This resulted in a so-called voluntary export quota imposed by Japan herself. Aside from leaving Hong Kong outside of the arrangement, the agreement which

we all know was not an agreement, provided no means of enforcement. It established no rights for American manufacturers. There were no records of any hearings or conferences or any published provisions of any agreement that they might be invoked. It left the industry as a pawn at the mercy of the whims of the two executive departments.

Even now, though exports from Hong Kong have zoomed skyward, that country has refused to listen to any restrictions on those exports. Whether the goods come from Japan or Red China or originate in Hong Kong is beside the point. It is apparent that the Japanese restrictions on imports to this country are not effective in holding down the yardage to the volume agreed to in the arrangement. Also, Japan at this very hour is clamoring for a higher volume and should her desires not prevail, she may upset the whole arrangement without violating any legal commitment whatever and, of course, Hong Kong has expressed displeasure over what she calls our effort to meddle in her export trade.

The fact is that in sidestepping the laws on the subject the executive departments have led us into a no man's land where no true bearing exists and where uncertainty must persist as long as the voluntary arrangement lasts. It is time that some regularity be introduced into this field where highly irregular action has been taken. I am sure that nothing but chaos will result unless we get back to operation according to law.

Mr. Speaker, I have followed the course of our trade agreements legislation for several years now and I am convinced that we must have something that is more workable than anything that is now on the scene if our industries are to have a fair chance to operate at a reasonable profit and contribute their proper share to the upkeep and expansion of our economy.

It is completely absurd to continue to look to our much vaunted superior industrial know-how to keep us going in a world in which the bases of international trade competition have changed profoundly in recent years. How long, Mr. Speaker, does it take and how much damage must be done before we look the changed facts in the face?

In recent months some very significant expressions have come from some of our industrial leaders. These should be eye openers, not simply because the men expressing themselves are industrial leaders, but because they are leaders in our mass-production industries. I refer to the huge steel and automobile industries. They had long been accustomed to ride on the profitable wave of exports and were above the storm of troublous import competition. For years, nay, for decades, they seemed to be immune to the fears that assailed lesser industries. They were the very embodiment of American industrial efficiency and the pride of our technological leadership.

Only last autumn Mr. Roger Blough, chairman of United States Steel Corp., and not much later Mr. Ernest R. Breech, chairman of the Ford Motor Co., confessed to the country that things were no longer what they used to be. We were losing our export markets, they both said, and were even being assailed in our home market by imports. The U.S. economy, they said, was pricing itself out of the world market and laying itself open to competitive onslaught from abroad. The trouble, they said, lay in the high production costs prevailing in this country.

Now, Mr. Speaker, this is something that all of us have known; but the fact has consistently been denied by our learned economists who have contended, without rhyme or reason, that our higher productivity made up for our greater production costs. That this was not true, except in a few mass-production industries, was well known to scores of smaller industries or large though less integrated industries, such as the textile industry, for years.

That the standouts, such as the steel, automobile, and electrical equipment industries, should now acknowledge this fact is the result of postwar developments. This country itself has shipped to other industrial and nonindustrial countries modern machinery and equipment to the extent of billions of dollars, much of it under our foreign-aid program. That there exists much technical competence and skill in other countries can no longer be doubted. Not only does that skill exist but it was given a great deal of guidance and thrust through the study of thousands of productivity teams sent to this country.

Mr. Speaker, what should we have expected? Many of us were sure that what has happened would happen; and we were concerned about it. We tried, legislatively, to do something about it.

The evidence of competitive discomfiture from which the great domestic steel industry is now suffering is a story of long standing with smaller industries. When the giants begin to groan under the strain it should not require much imagination to appreciate what must be the lot of many smaller industries.

Mr. Speaker, I, too, feel very strongly that the 85th Congress, of which I had the honor of being a Member, did not face up to the import problem, in simply extending the trade agreements program another 4 years. It left matters very nearly in the status quo; and that is not satisfactory—indeed, far from satisfactory. It would virtually deny to our industries a remedy against the errors and miscalculations made by our Government in negotiating tariff reductions. Yet, nothing is clearer than the inability to foresee the effects of tariff reductions.

This fact was not only not denied by executive officials who testified on the trade agreements program on various occasions when the trade agreements act was up for renewal, but was openly admitted and met. Mr. William L. Clayton, who has already been quoted this afternoon and who was one of the leading State Department promoters of freer trade, himself a great cotton export merchant, addressed himself to this question before the Senate Finance Committee. The chairman of the committee posed the question of possible unwise trade agreements that might be made. Let me quote. This is very enlightening—page 40 of the 1948 hearings, Senate Finance Committee:

> The CHAIRMAN. I devoutly hope you have made wise trade agreements. I devoutly hope that, but I do not think you can demonstrate that.
>
> Mr. CLAYTON. I think we have.
>
> The CHAIRMAN. Until we get to the time that we really commence to balance supply with demand, not only here but elsewhere.
>
> Mr. CLAYTON. I think we have made wise trades, and I think we must not overlook the fact.
>
> The CHAIRMAN. If you have not, if you have sacrificed the proper safeguarding of domestic industry, when this thing really gets to working, when the world commences to bring its supply into balance with demand, you will have subjected this country to the greatest cataclysm that ever befell it.
>
> Mr. CLAYTON. On that I respectfully disagree.
>
> The CHAIRMAN. Oh, that certainly will happen if you have made bad judgment, will it not?
>
> Mr. CLAYTON. No. I think that movement into action promptly under the escape clause to correct any bad judgment that has been made and prompt action will be taken.

According to Mr. Clayton the remedy for any bad judgment exercised in the making of a trade agreement lay in the escape clause.

Former Chairman of the Tariff Commission, Mr. Oscar B. Ryder, also testified at that hearing. This is what he said:

> Mr. RYDER. I had something to do with the drafting of the escape clause as it was originally drafted, and put into the Mexican agreement. It was drafted because of the very obvious difficulty of foreseeing what would be the situation at the end of the war. * * *
>
> Manifestly, what looked safe then now might in conditions after the war be entirely unsafe. So in solving that problem, we hit upon, at my suggestion, the present escape clause which is written into the Mexican agreement (p. 133, 1948 hearings, Senate Finance Committee).

Admissions of fallibility in making tariff reductions were freely made by other official witnesses who discussed the escape clause. Almost without exception these witnesses pointed to the escape clause as the remedy or safety valve.

Yet, although Congress has legislated several times to show its intent and to avoid further misinterpretations, such legislation has been almost completely ignored by the White House.

I agree with what has been said here this afternoon. The 1958 extension bill did very little to bring us any nearer to what has been the uniformly declared policy under the Trade Agreements Act: namely, avoidance of serious injury to domestic producers or industries.

One reason, in my judgment, why more was not done in 1958 lay in the provision of the amendments offered on the floor to bring Tariff Commission decisions before Congress for final disposition. This may have been regarded as saddling Congress with too much technical detail.

The present bill would not do this. It would, on the contrary, implement the declared policy of successive administrations of both parties to the effect that there is a sure remedy against injury resulting from error or unforeseen de-

velopment. In bringing this policy into actual practice there can be no question of foreign objection since this very policy is recognized in the trade agreements themselves.

Therefore, so long as a Tariff Commission recommendation goes no further than rescinding a tariff cut, there can be no legitimate objection from abroad, except to impugn the Commission's proceedings; and, of course, the courts are open to such a challenge.

I am of the firm opinion that we in Congress owe it to the millions of people in this country who have a vital stake in the fairness of import competition and prevention of serious injury, to pass legislation that will accomplish these objectives and to abandon the unsatisfactory policy that has characterized the clear record of the executive branch in this field.

Mr. Speaker, this question is one which is upon the hearts and minds of management and labor alike. It is one which should be upon the minds and hearts of every Member of this great body which has the responsibility for legislating for the future of this Nation.

Just a few days ago, I, by chance, had an opportunity to run into an executive in the import department of one of the foreign automobile manufacturers. We had a rather interesting conversation. I could not, during the conversation, avoid remembering some of the arguments we had here in this House just a few months ago when the so-called Reciprocal Trade Agreements Act was extended. As I talked to this young man, and he was a very brilliant young gentleman, he pointed out to me how many automobiles they were sending into this country each year, and he said very proudly:

Of course, that is my job. We have not scratched the surface.

He said:

You know we like to do business in your country. We like to export our automobiles into the United States because we are not concerned or bothered by a lot of redtape and difficulties. We can do it so much easier than we can even in countries which do not produce automobiles to any extent.

So, Mr. Speaker, I today again with my colleagues would like to urge that not only the Members of this body, but that the people in the business life of this country of ours—those who may consider that they have individual interests which are in conflict with the great textile industry and with the jobs of the 227,000 textile employees in North Carolina—be a little more considerate of the plight of others as they deal with this problem. Let us hope that they will join together, as we are doing here today, in an earnest effort and fervent desire to take that course of action which will best promote the economy of this country and the welfare of every living American.

Mr. BAILEY. I thank the distinguished gentleman from North Carolina.

Mr. Speaker, I yield to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Speaker, on other occasions I have risen to call to the attention of this House the plight of the hardwood plywood industry which has been under attack of the foreign producers of low priced hardwood plywood for a number of years. My district contained a number of hardwood plywood and hardwood veneer plants. These plants have been forced to close or operate on a restricted basis receiving extremely low prices for their plywood due to imports of unfairly low priced hardwood plywood from foreign countries.

In 1955 the American hardwood plywood industry appealed to the Tariff Commission for relief from the low priced plywood imports. The Tariff Commission found that injury had not existed for a sufficient length of time to determine a trend. Relief was, therefore, denied.

The American hardwood plywood industry has again appealed to the Tariff Commission for relief and a hearing will be held on April 14, 1959. I sincerely hope that the Commission will give this case the most careful consideration, keeping in mind that it is the intent of this Congress that domestic industry shall receive relief from imports causing or threatening to cause injury.

In order to meet the standard of living which we have created through our minimum wage and hour law and our labor management law, it is essential that our domestic industry be permitted to increase its volume of production in order to decrease the unit cost of the product. To obtain this needed volume, our industry must be guaranteed the right to participate in the increased volume which results from our increase in population and individual income. If a domestic industry is foreclosed by imports from participating in the increase in consumption, it will be destroyed eventually by imports. The exclusion of domestic industry from increased consumption is injurious and this fact must be recognized.

The Tariff Commission decision in the hardwood plywood case was handed down in June 1955. A review of what has happened since the decision is illustrative of the need for reversal of our policy of favoring imports over domestic products. Statistics obtained from the Department of Commerce disclose the following:

Hardwood plywood imports in 1958 will reach an alltime high. In the period January–November, plywood imports amounted to 811 million square feet, 30 million square feet in excess of the same period 1957. It is estimated that imports of 1958 will approximate 870 million square feet.

In 1954, the year preceding the Tariff Commission decision, hardwood plywood imports were 426 million square feet. This represented 36.1 percent of total U.S. shipments. In 1957 hardwood plywood imports were 842 million square feet, representing 52 percent of U.S. shipments. In the first three quarters of 1958, domestic shipments of hardwood plywood amounted to 564 million square feet and imports 637 million square feet, representing 53 percent of the total U.S. market consumption since 1955.

Highly industrial Japan is the principal shipper of low-priced plywood to the United States. In 1951, Japan shipped 13 million square feet to the United States; in 1957, 679.8 million square feet, an increase of 5,300 percent. In 1958, plywood imports from Japan will approximate 665 million square feet, an increase since the Tariff Commission decision of 55 percent.

During this period of tremendous increases in imports our domestic industry has showed a steady decline in shipments, sales, profits, and last but not least, the number of employees.

An industry survey shows that since 1955 shipments are down 17 percent; profit has declined 7.3 percent and profit before tax 5.6 percent. The profit before taxes for the industry was approximately 1 percent on sales in the first half of 1958. Many companies were in the red. This is the direct result of hardwood plywood imports.

Our domestic producers of hardwood plywood have been buffeted on all sides. The low-priced imports have prevented our producers from passing on the increases in labor, material, and freight costs through price increases. The large quantities shipped in by the foreign producers have excluded the domestic producers from participation in the increased consumption and regaining increased costs through increased volume.

My district has been seriously injured by the import of low-priced plywood. It is my opinion that it is high time for the administrative agencies to enforce the intention of Congress as expressed in the laws and stop the increasing injury to our domestic economy from imports. I am sure my colleagues are aware of the increase in unemployment to 4,700,000 at a time when we are supposedly coming out of a recession. I know of one industry which can and will increase employment if imports are restricted to a reasonable percent of our market. I refer, of course, to the hardwood plywood industry. I am sure many other industries could return some of their people to the payroll and maybe add a few.

This morning's papers carry the story that the AFL–CIO leaders now propose a 35-hour workweek, a 7-hour day. The reason is the need for the employment of more persons. A shorter week will increase the costs of our products and make our industries more vulnerable to imports from countries having low wages and longer work hours. The administration should revise its approach to the problem of foreign trade and devote its efforts within the framework of our laws to obtain substantially full employment for our country rather than full employment for foreign countries.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. In the tragic passing of our distinguished and wonderful patriot and colleague, Daniel A. Reed, of New York, we have lost one of the greatest defenders of our industry, both management and labor; one of the greatest fighters for the protection of the textile industry and other industries that we have ever had in the United States. A man of the greatest

integrity, we shall miss him beyond my power to express.

I commend the gentleman from West Virginia [Mr. BAILEY] for his valiant fight month after month and year after year for protection of our industries. I would like to protest most vehemently the way our textile industry has been thrown away in this country without any excuse. It has caused great hardships and want. It does not apply to any one particular party. Both parties have been to blame in not helping us. For years I have warned and warned on the floor of this House that the textile industry was disappearing. For years I have warned how Japan, for instance, has been taking our textile markets. I will be glad to help in any way I can to restore it to the United States. I want to protect other industries in our country also.

Mr. BAILEY. Mr. Speaker, I yield to the distinguished gentleman from West Virginia [Mr. MOORE].

Mr. MOORE. Mr. Speaker, I desire to thank the distinguished gentleman from West Virginia [Mr. BAILEY], for sharing with me some of his time today in bringing the complete picture before the House concerning the trade agreements program of this country. There are several aspects of it which have been presented very firmly and very sincerely today, all of which I want to concur in, and to congratulate my colleagues who have gone before me this afternoon for the very complete presentation that has been made.

However, there are other aspects of this particular program that I would like to speak to you concerning. One in particular.

Mr. Speaker, I, for one, have been very much interested in the history of the trade agreements program and also in the escape clause. What has been said on the floor this afternoon has, I am sure, been an eye opener to those who were not aware of this history. I am also sure that it will come as a surprise to many good people on the outside who had no idea of the strong commitment made by the executive branch to the Congress that the trade agreements program would be so carried out that it would not seriously hurt any of our industries or producers.

The wide discrepancy that has been uncovered between assurance and performance will also go far toward explaining the bitterness of these who have in good faith applied to the Tariff Commission for relief only to find that a likely Presidential veto awaited them if the Commission found serious injury. As someone has already pointed out, the President has set aside seven unanimous Commission decisions, and of a total of some thirty recommendations, including the seven just mentioned, the President has acted affirmatively in only eleven cases. This means a fatality of about two to one. When the Tariff Commission's own rejections are taken into account, running a little over 50 percent, it is obvious that the chances of obtaining a remedy under the escape clause are something less than one in four.

Now I ask you to listen to a few more words from the mouths of those who went before congressional committees as official spokesmen of the State Department in support of the trade agreements program.

Read against the record of escape clause action just cited, these words from Mr. William Clayton, Under Secretary of State for Economic Affairs, to the Senate Finance Committee in 1948, are in sharp contrast:

> We also have the escape clause which permits the withdrawal of any concession which endangers a domestic industry. * * * Designed to be operated by the Tariff Commission reporting directly to the President, it offers a prompt and sure remedy always available when needed.

I join with other Members who have spoken, in calling attention to the flatfootedness of the assurances given to Congress, and therefore to the American people. Little doubt could be left in the minds of the committee members. The preceding statement was made to the Senate Finance Committee, as already said; but that was not the end of it. Committee members were skeptical and put many questions. The chairman asked whether the President, Mr. Truman, and the State Department had not given affirmative assurances in hearings that no American industry would be injured. Mr. Clayton said:

> That is right, and we put in the escape clause to make sure that was carried out.

Asked by the chairman why—the State Department—after promising that no industry would be injured, they speculated with this promise, Mr. Clayton replied very firmly:

> We don't speculate, Mr. Chairman. We put in an absolute condition which will guarantee the performance of that promise, which is the escape clause.

An absolute guarantee, my colleagues, that every industry would be given the protection of this particular clause in the law.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to my colleague from West Virginia.

Mr. BAILEY. I would like for the record to show that the State Department did not put the escape clause in; it was put into the extension of the Trade Agreements Act on the floor of the House and Senate in 1951.

Mr. MOORE. I thank the gentleman for setting the record straight. I am only quoting from the testimony which was given in 1948 with respect to this particular clause.

Mr. BAILEY. At that time they had a so-called escape clause, but it did not set up any procedure whereby an industry could apply to the Tariff Commission for a hearing.

Mr. MOORE. I thank the gentleman very much.

After further prodding on the question, Mr. Clayton once more answered:

> The point is, Senator, and I go back to it, he emphasized, showing clearly that his words were not lightly spoken, and I contend that I am right, that under this Executive order of February 25, 1947 (the escape clause), relief has to be given and will be given to an American producer who makes out a good case.

One would think that this would have exhausted the subject. Yet it was further pursued. There were some lingering doubts in the minds of committee members. Replying to a question inquiring how the point—peril point—could be found, that is, the point below which a tariff could not be cut without causing injury, Mr. Clayton said simply:

> We don't attempt to find it with absolute certainty, because we know we can't.

What he added was very significant and showed the basic approach to the problem. He said:

> But what we do say is that if there are those cases where we take some calculated risk in order to achieve an overall desideratum, and we find we are wrong, we have a protection, here in the escape clause, so the mistake, if it occurs, can be corrected.

In other words, Mr. Clayton admitted both the possibility of mistakes in reducing duties and also in taking "calculated risks" but was quick to point to the remedy by which any such errors could be corrected. If the mistake occurs it can be corrected, he said. Also he said "relief has to be given and will be given to an American producer who makes out a good case."

What is a good case? Is it not a good case if six members of the Tariff Commission unanimously find serious injury after full hearings of all interested parties who wish to testify? Why then has the President set aside seven such unanimous recommendations of the Commission?

Quite obviously there is something seriously wrong. Was Mr. Clayton so contemptuous of a committee of the Senate that he willfully undertook to mislead it? Quite surely not. Then where does the failure to square performance with promises actually lie?

Through what opening did it creep?

Mr. Dulles later—1955—drew a distinction between an industry as a whole and a segment of an industry. He thought injury to an industry as a whole could not be countenanced, but perhaps injury to only part of an industry could be justified. In the same year Congress plugged that concept very effectively by adopting an amendment making it clear that the escape clause did extend to segments of an industry.

Mr. Dulles confirmed what has been said on the floor of this House this afternoon, namely, that the right to withdraw a concession is recognized by all parties to the trade agreements. Said he—1955 hearings before Senate Finance Committee, page 2062:

> In other words, we have gotten the agreement of all countries to the effect that when we give them a tariff concession we can always get out of it through the operation of the escape clause. We have made the escape clause a multilateral undertaking instead of just a unilateral undertaking.

This makes it clear that there is no question about withdrawing a concession, that is, restoring a duty to its original level, if serious injury takes place. The only remaining question would be a

question of fact, of whether such injury was actually occurring or threatening.

The finding on this question of fact has been given to the Tariff Commission.

From the record as I read it, and from the numerous excerpts from official statements that have been given to us this afternoon, I have no remaining doubt that a finding of serious injury by the Tariff Commission should automatically open the door to a remedy. I do not see how any other conclusion could be drawn from the record.

I am therefore in full accord with legislation that would produce this effect. I think it is wholly justified and should be passed. No other country could complain with any shadow of right unless it alleged faulty procedure or faulty findings by the Commission.

I think it is an open-and-shut case, that a finding of serious injury by the Commission should unquestionably assure a remedy, as has been so numerously promised, so long as the remedy merely reestablished the status quo. This is what the identical bills provide. I strongly favor enactment. To me it seems a matter of simple justice and putting executive practice on the same track as the policy affirmations that have been made to Congress.

The country will not much longer be blinded to the facts. The President and the State Department have been saying one thing and doing something quite different over the years. This is not a partisan matter. The public has been misled. It is high time that this unwholesome situation be set right. I heartily join with those whose purpose it is to do so.

Mr. BAILEY. I thank my colleague from West Virginia for his participation in this program.

I now yield to my colleague from West Virginia [Mr. HECHLER].

Mr. HECHLER. I desire to commend my colleague from West Virginia [Mr. MOORE] for his able and thorough presentation just concluded. And I desire to compliment the distinguished dean of the West Virginia delegation [Mr. BAILEY], for his long and tireless efforts on behalf of the people of West Virginia and the Nation.

Mr. Speaker, West Virginians are without doubt the principal victims of Government trade policies that subordinate economic and security considerations to international diplomacy and protocol. Unless you have lived in the middle of the distress created by unfair competition, you cannot visualize the destructive capacity of some of the phases of the present trade agreements program.

Our struggle against the inequities that permit foreign oil to submerge entire communities in economic disaster is now in its 10th year. In fact, our working people felt the impact of alien residual oil from the end of World War II. Over the years I have followed closely the efforts of West Virginia's congressional delegations and their colleagues from other coal-producing States. I recognize that the situation has been forcefully explained from time to time on the floors of the House and Senate, yet today's membership in Congress includes a great many gentlemen whose service began only last month and who would not be expected to understand fully the problems created by excessive imports of residual oil. For their benefit I shall review briefly what has been happening in east-coast fuel markets over the past decade.

Residual oil, which is left over in the refining process after gasoline and other products have been removed from the crude, was introduced into the east-coast industrial markets from Venezuela and the Dutch West Indies on a somewhat modest scale. The 45 million barrels which flowed to our shores in 1946 were not too discernible as a threat to the domestic economy in a period of high industrial activity, but as these conditions began to level off, the intruder insisted on remaining and even widened his area of encroachment.

In 1949, residual oil imports rose to 74 million barrels. While the domestic coal and oil industries were being forced to cut back production, the oil originating in alien refineries pushed ruthlessly forward, the international oil shippers manipulating pricing at dockside in whatever manner was necessary to undersell coal. Congressional hearings were undertaken, and investigators learned that residual oil imports in 1949 had cost the United States coal miner about $45 million in wages and had taken another $25 million from the pay envelopes of railroaders.

In energy value, a ton of bituminous coal equals 4.167 barrels of residual oil. Members of the Congress conducting the hearings realized that, if the shipments from abroad continued to flood U.S. markets, the problem of national security would grow more serious. At the beginning of World War II Germany had only 60 submarines, but they were sufficient to reduce world shipping and to cut off much of the tanker traffic between Texas and New York and other east coast ports. By 1950 Russia was reported to have 300 submarines, so the Senate committee whose membership included the late Matthew M. Neely and the late Robert A. Taft warned that the Nation's defense would be imperiled unless foreign oil were prohibited from continuing to impair coal's ability to retain its proper place in the mobilization base.

How the situation has worsened since those dark days of 1949 is explained in last year's record of residual oil imports. During 1958 a total of 170,900 barrels of residual oil entered the United States. In addition, another 69,500,000 barrels of residual oil was produced in this country from imported crude. In energy value, the direct residual oil imports plus the residual oil coming from foreign crude amounted to 57,700,000 tons of bituminous coal. And meanwhile Russia's submarine force has grown in number to 500.

That is the same situation as it exists today, Mr. Speaker. In 1949 the Nation's coal and railroad industries were badly crippled by the 18 million tons of coal equivalent that came from lands abroad in the form of residual oil. Today that misery has been multiplied by three, and the foreign oil shippers who stood before Senators Neely and Taft pledging their allegiance and responsibility have in the meantime blatantly and arrogantly disregarded every principle of legitimate competition. They have brutally seized every opportunity to grasp increasing shares of the Nation's energy market in full knowledge that their actions have brought unemployment, hunger, and destitution to coal communities in Virginia, West Virginia, Kentucky, and Pennsylvania.

Only yesterday I returned from an intensive personal investigation of the employment situation in two counties of my district—Wayne and Lincoln Counties. Mr. Speaker, my great State is in serious economic trouble. Unemployment runs as high as 50 percent in some areas. Children are hungry and their clothes are in tatters. The lamp of hope is flickering. The younger people are leaving the State. One mother tearfully told me yesterday, Mr. Speaker, that her son had been trying to get work for over a year and finally left to try to get a job in Gary, Ind.

We need help, Mr. Speaker. We need to put a legislative check on these shippers who do such great harm to our national economy and security. Let us approve the legislation which my distinguished colleague [Mr. BAILEY] has offered, and let us follow up with a definite quota limitation on the imports of residual oil and of all crude oil and products.

Mr. BAILEY. Mr. Speaker, I now yield to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Speaker, I desire to join with other Members in paying tribute today to the gentleman from West Virginia [Mr. BAILEY] for the legislation which he has introduced and to indicate my support for this legislation.

Mr. Speaker, I think we are dealing here with a problem which often is discussed in theoretical terms when actually it is a condition occurring in various sections of our country that should concern us. I know that many of us are sympathetic with the broad objectives of reciprocal trade, as the gentleman has already outlined it himself. We recognize that in many cases, for example in the case of Japan, there is a responsibility on our part to contribute as we may be able to build a strong economy in Japan so that the Japanese people can resist communism. But, Mr. Speaker, we also are confronted, as I say, with a condition rather than a theory, a condition of severe unemployment. In my district in New York State, where we have the glove industry, for example, an industry which has been threatened seriously by foreign competition for many years, we are confronted with imports of gloves made in Japan by labor paid 3, 4, and 5 cents an hour, competing with labor which is paid in New York State $1 or $1.25 or $1.50 an hour. This condition, in turn, has resulted in widespread unemployment in the glove industry. A similar condition is now spreading into the carpet industry in the city of Amsterdam, and just the

other day this same condition was dramatically underlined in regard to the great turbine industry of the General Electric Co. where, again, because of a differential in wages, one of the great turbine manufacturing plants of the country is being forced to lay off people, while one of the largest contracts for a steam turbine ever let in history is being turned over by the TVA to a British firm. The General Electric Co. and Members of this House have joined in a protest against that award from the point of view of national security. And from the point of view of rising unemployment this is an even more serious problem, too.

Mr. Speaker, the gentleman from West Virginia and others today have referred to the escape clause procedure incorporated into the Reciprocal Trade Agreements Act. Let me say that I join with them in their doubts as to whether this escape clause procedure actually gives much escape. Only the other day the carpet industry, which has been very seriously hard hit by unemployment, went before the Tariff Commission for escape clause action and was flatly turned down. If people have to walk the streets completely before there is any recognition of the serious impact of imports, then there is, indeed, need for the corrective legislation which has been advanced by the gentleman from West Virginia.

Mr. Speaker, I believe that all of us are primarily interested in protecting the jobs and welfare of our own people. I think the time for a revaluation of the impact of our foreign trade policies and programs on the important economic needs of our own people is already overdue. Perhaps if our economy were running at full tilt and if we were genuinely committed to full employment, then some of these problems might not have arisen. But when we find that in the face of rising unemployment jobs are being lost and people are being thrown out of work, not by tens but by hundreds, in some of the established industrial sections of our country as a result of our trade policies, then certainly we, as Members of the Congress, have a responsibility to protect the economic welfare of our own people. The bill introduced by the distinguished gentleman from West Virginia [Mr. BAILEY] is, in my judgment, an important step forward in that direction.

Mr. BAILEY. I thank the gentleman from New York.

Mr. Speaker, at this time I yield to the gentleman from Massachusetts [Mr. LANE].

Mr. LANE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I should like to extend my thanks to the gentleman from West Virginia [Mr. BAILEY] for bringing this important subject matter to the attention of the Congress, and I am hopeful that every member of the Committee on Ways and Means will take the opportunity of reading the statements made here on the floor of the House today with reference to that matter.

Mr. Speaker, the President assured us, under the authority delegated to him by Congress, that no domestic industry would be harmed by the Trade Agreements Act.

Besides, was there not an escape clause that would provide a remedy in the event that any American industry suffered as a result of imports that undermined its competitive position at home?

But the escape clause has failed to provide the minimum protection expected from it.

Between 1947 and 1951 the Tariff Commission dismissed most of the applications by American manufacturers seeking to defend themselves from the merciless competition of imports produced by cheap labor abroad.

The Tariff Commission did not bother to explain why it was adhering to a policy that was driving some American manufacturers out of business, pushing thousands of Americans out of their jobs, and turning whole communities into distressed areas.

Exasperated by the indifference of the Tariff Commission, the affected industries worked hard to secure a legislative remedy. Finally, in 1951, the Congress amended the Trade Agreements Act to provide for a statutory escape clause.

It established guidelines for the Commission and insisted on an accounting by that agency whenever it dismissed an application for relief or whenever it decided that there was no injury or threat to the industry seeking tariff protection.

Responding to this congressional action, the Tariff Commission began to take a more realistic view of the situation. It observed injury in many more cases, and recommended to the President that relief measures should be invoked.

At last it appeared that those American industries which were in jeopardy from import competition, would not have to move to some foreign country in order to stay alive.

The Chief Executive of their National Government would surely exercise those powers at his command, to invoke protection under the escape clause.

But now it was the Commission's turn to experience frustration.

In the majority of cases, the President turned down the Commission's recommendations.

By the exercise of his discretionary power, he has nullified the legitimate remedies inherent in the escape clause.

I am not sure whether this administration's preoccupation with foreign affairs is responsible for this indifference toward industries at home that are suffering from the severe competition of imports, or whether it considers these industries as expendable.

In any event, this arbitrary action by the President, ignoring the Congress, its constitutional authority over tariffs and trade, and the agency it established to carry out its intent, is a sweeping assumption of power that is worrying American industries and American workers.

The door to relief provided by law has been closed.

The escape clause has been repealed by the administration's refusal to recognize the harm that has been done to specific American industries, and by its refusal to invoke the remedies provided by the Trade Agreements Extension Act. Bear in mind that other nations recognized our right to invoke the escape clause, where the facts justified its use.

I maintain that the administration is not following due process of law.

It is not enough to assert that it is right. It must cite clear evidence, in each case, to support its conclusions.

Legislation to make the escape clause effective where its use is warranted by the facts, and to protect the public's right to know, is imperative.

For that purpose, I suggest that we amend and adjust the Trade Agreements Act.

Look at the high and continuing level of unemployment, and there you will see the warning that we must correct the abuses in the administration's conduct of our tariff policy.

Mr. Speaker, I am in complete agreement with what Members have said about the need of legislation to make it possible to regulate import competition so that our industry has a chance to live and operate according to American standards. This includes maintenance of a wage standard that creates the necessary purchasing power to sustain our industry.

In this connection I want to say that new legislation would not be necessary if the President would carry out the recommendations of the Tariff Commission. Unfortunately the findings of the Commission have found little favor at the White House. I say this is unfortunate because there is no point in having a Tariff Commission if the President is going to make his own decisions in any case. Since the Congress has the responsibility of regulating foreign commerce and has also to make the tariff, we cannot give this function away. We can indeed set up a Commission, as we have done, but this must not be a subterfuge whereby the Congress can toss its function over to the President. The responsibility is still ours.

When the President overrides the Tariff Commission he in fact sets himself up above the level of Congress. He makes the final decision as if he were the court of last resort in a field that belongs exclusively to Congress under the Constitution.

Since the President has ignored the mandate of the law under the escape clause that says that no concession is to remain in effect if it results in serious injury or a threat of serious injury to a domestic industry and has elected to substitute his own judgment for that of the Tariff Commission, the agency created by Congress to act for it, it is clear that further legislation is necessary. I may say that it is necessary if the very words of the three Presidents since the trade agreements program was first enacted are themselves to be honored. We have heard repeated references to the promises and assurances of the Presi-

dents that the trade agreements were not intended to hurt American industry unduly or seriously.

Mr. Speaker, I can testify to the fact that the textile industry has indeed been hurt and hurt grievously by imports. The injury was inflicted as long as 3 years ago and is still continuing. Yet no action has been taken under the escape clause. Instead the President has given his blessings to an arrangement with Japan by which that country undertakes to limit its own exports to this country. This is not a satisfactory disposition of the problem. It takes it completely out of the field of law and out of the range of orderly and regular procedure, to be disposed of by the executive branch as it alone sees fit, with no legal recourse by the domestic industry. The whole negotiations were carried on secretly and behind the scenes. No semblance of notice was given. No hearings were held. Nothing was given out to the public setting forth what was under way nor what was the subject of negotiation. Other such arrangements have been made and others are said to be contemplated. This course of action is nothing more nor less than regulation of foreign commerce without even the consultation of Congress. At this point I wish to insert into the RECORD an editorial from the Meriden (Conn.) Record of February 14 entitled "Quotas Are Made To Be Broken." It refers to the Japanese self-imposed export quota on stainless steel flatware. The Japanese established such a quota for 1958. They were to ship not over 5,500,000 dozen pieces to this country in 1958. Yet, according to our Department of Commerce figures they had shipped 6,954,914 dozen in the first 10 months.

QUOTAS ARE MADE TO BE BROKEN

When is a quota not a quota?

The answer, apparently, is when it is voluntarily undertaken by the Japanese. At least that is the conclusion to be drawn from the experience of the U.S. steel flatware industry.

The flatware industry, as the people of Meriden and Wallingford have reason to know so well, has been seriously harmed by the importation of stainless steel flatware from Japan. So serious was this competition, that the U.S. Tariff Commission in 1958 unanimously found that American industry was severely harmed by foreign imports and it recommended the withdrawal of all concessions under GATT (General Agreement on Tariffs and Trade.)

Quick to anticipate a loss to their new-fledged stainless steel flatware industry, the Japanese offered a voluntary quota proposal which President Eisenhower accepted rather than follow the Tariff Commission recommendations for a withdrawal of concessions. Under the agreement, the Japanese were pledged to a voluntary quota of 5,500,000 dozen pieces of stainless flatware for 1958.

The U.S. flatware industry accepted the quota with resignation and with misgivings, and the misgivings were justified. The U.S. Bureau of Census has reported that for the first 10 months of 1958 imports of Japanese stainless flatware reached 6,954,914 dozen, and at this rate, it is likely that the total imports for 1958 may have been more than 8,500,000 dozen.

The unfairness of the Japanese competition in the U.S. flatware market is a familiar story in this area. American flatware makers pioneered in the manufacture of stainless; they promoted the product and established the market for it among American housewives. Then, in 1955, the Japanese, recognizing the ready-made market, began moving in, with the help of tariff concessions from GATT.

Japanese entry into the flatware market was solely for export purposes. A nation which eats with chopsticks has no use for knives, forks, and spoons, except to sell them. Japanese stainless sells in the United States for 25 to 50 percent of the price of American-made stainless, simply because the Japanese wage rate is one-tenth of the rates paid in Meriden and Wallingford factories, and because materials cost only half as much in Japan as in this country.

How much further Japan will go in capturing the American flatware market depends upon how much further she is allowed to go. The percentage of Japanese flatware in the total U.S. stainless and plated flatware consumption ranged from 1.7 percent in 1951 to 29.7 in 1958. As a result, 20 percent of the workers in the U.S. flatware industry have already lost their jobs to Japanese workers, and the end is not in sight.

This is not a problem which the U.S. flatware industry can cope with alone. It must have the help of the Government, not to establish an American monopoly, but at least to bring about conditions of fair competition. The experience of 1958 has proved how valueless is the system of voluntary quotas. Some substantial help along the lines proposed by the U.S. Tariff Commission is in order, and right away is not too soon. Imposition of reasonable mandatory quotas would seem to be part of the answer.

Mr. Speaker, the welfare of those of our industries that are faced with ruinous import competition is being used as a trading pawn in our diplomacy. Particular industries are called upon as sacrificial offerings in behalf of what those who conduct our foreign relations calculate to be best for the country. Imports, in a sense, are given the right of eminent domain. At the same time there is no compensation of those who are deprived of their market and their jobs.

At no time, Mr. Speaker, have the Presidents since 1934 or any of their spokesmen, such as the Secretary of State, the Secretary of Commerce, and others, indicated that the policy behind the trade-agreements program proposed any such course. Quite the contrary. It was in fact specifically denied. Yet we find the course pursued. In fact, in refusing to accept some of the Tariff Commission's recommendations the President has more than once cited the unfavorable effect that would be produced in our foreign relations if he placed the recommendation into effect.

Mr. William L. Clayton, former Under Secretary of State and a principal architect of GATT, who has already been quoted on the floor, spoke positively to the Ways and Means Committee on this point. This is what he said as he testified in favor of extension of the Trade Agreements Act:

> The charge has been made that these agreements are often made, and concessions are often granted, as to our import duties, for political or diplomatic reasons. I can assure you gentlemen that * * * I have known of no single case in which that has been done.
>
> We make these agreements purely on economic grounds in order to try to increase the international trade of the United States.

That was very plain speaking and leaves no room for a double interpretation. Concessions in trade agreements were made strictly on economic grounds and no other.

If concessions were to be made solely on economic grounds, it follows that their modifications or withdrawal in accordance with the escape clause should also be made solely on economic grounds. There should be none but economic justification for rescinding a concession that was granted on purely economic grounds. The kind of justification to be invoked was spelled out in the escape clause as adopted by Congress in 1951 and as subsequently amended. This justification is serious injury or a threat of such injury to a domestic industry attributable in part to trade-agreement concession. That is the only consideration provided in the law, and nothing else can properly be read into it. Yet the President regularly cites other reasons for rejecting Tariff Commission recommendations.

This is not as it should be. If the law as it stands were carried out there would be much less opposition to the trade agreements program. Our industry would find it possible to live with the program. There would be no unjustified interference with trade. Import competition would simply be placed on a fair basis and thus prevented from disrupting our industries, our employment and our labor standards.

We have several laws that are designed to assure fair competition in interstate commerce. Surely if our antitrust laws are justified; if the Federal Trade Commission is beneficial, no less than other acts such as the Robinson-Patman Act, a law such as the escape clause is equally justified. After all it only seeks to prevent injury from imports that undermine our standards. Also if our minimum wage laws and the Walsh-Healey Public Contracts Act are justified, both of which are specifically designed to eliminate wage-cutting or the payment of substandard wages as a means of gaining competitive advantage, it is logical and it makes good sense to apply some similar restriction on goods that come into our stream of commerce from the outside. In fact, particularly because we do have these domestic laws, including price supports for farm products, all of which in combination creates higher costs of production, it is all the more necessary to avoid undermining them from beyond our borders.

We have in recent years, hand-in-hand with the tariff-cutting program, helped increase the competitive advantage of other countries. We have helped them set up mass production with the use of modern machinery. This has greatly cut down our previous advantage. Even before we did this many industries in this country found themselves in difficulty with import competition. The situation is now much worse. Many of our industries are opening branch plants abroad or entering into manufacturing arrangements overseas. They are doing this as a means of competing in foreign markets and in some instances they are shipping their foreign output into this country. The leading

example is the automobile industry. Everyone knows what this does to employment here.

Having helped industry abroad as extensively as we have, we are under no obligation to maintain specially favorable competitive conditions for imports, giving them advantages that our own industry does not enjoy. Our foreign representatives, our diplomats, and our Secretary of State, should have no difficulty in making our situation clear to other countries. We do not seek exclusion of imports. We ask only that they be placed on a reasonably competitive basis.

I am completely in favor of legislation that will assure means of putting and keeping imports on a fair competitive basis. The legislation offered here today is designed for that purpose and would go no further. Not by the widest stretch of the imagination can it be interpreted as legislation that would lead to a general tariff increase. In 10 years only a small part of our total imports have been covered by the escape clause cases that have come before the Tariff Commission. Even if they had all been decided favorably our imports as a whole would not have been seriously affected. After all, the Tariff Commission itself has found favorably in less than half of the cases. Any fear that imports would be dealt a heavy blow if the escape clause were administered as intended, so that only those concessions would be modified or withdrawn that had been found seriously to injure our industries, is wholly unfounded.

Mr. Speaker, I hope that this legislation is given an early hearing by the Ways and Means Committee and that we enact it into law as a simple act of equity; and also as a means of bringing the administration of the Trade Agreements Act into conformity with its professed intent, namely, a program that is mutually beneficial to our own industry and industry abroad.

Mr. BAILEY. I thank the distinguished gentleman from Massachusetts.

Mr. Speaker, I now yield to the gentleman from Kentucky [Mr. SILER].

Mr. SILER. Mr. Speaker, I should like to associate myself, too, with the distinguished gentleman from West Virginia [Mr. BAILEY] in his espousal of this proposed legislation, H.R. 4846. This is nonpartisan in its nature. It is bipartisan in the interest of all Members who come from districts in the United States that are affected by this legislation.

I come from a great State, down in Kentucky. There we have the best and the topmost basketball team in the United States. At this very moment it is rated as No. 1 in the Nation.

Down there we make half of the world's whisky. I am not proud of that, but it is the greatest whisky-producing State in all of the United States.

There we produce some of the greatest racehorses in all the world. It is the home of Man o' War and many other great racehorses of the past.

We also have some of the prettiest women in the world in Kentucky, so much so that when the male of the species passes one of these beautiful women on the street he is apt to stumble over his own feet and blush for shame because of her beauty; or if he happens to be shaving and looks out the window and sees one of them pass, he may cut his face so that he looks like Custer's last stand. We also have one of the world's greatest and best known underground caverns, the Mammoth Cave of Kentucky, said to be one of the seven natural wonders of the world. But, in spite of these superlatives we, in Kentucky, are in trouble in some of the districts of our State. Some of the railroads have been hard hit in their productive employment. Some of the coal mine districts have been practically destroyed and a large part of this destruction comes from the importation of foreign residual oil about which we have been talking and the restriction of which this proposed legislation seeks to enforce.

In Harlan County alone in my State, 10 years ago we had 32 large coal mines which employed many men. Now we have only nine. In 1950 we had a total coal-mine employment in that county of 12,500. But, now the ranks of those coal miners in that county alone have been reduced to 5,000, which is a 60-percent reduction in the employees of one Kentucky county. Suppose the employees in one of the counties of your district had been decreased 60 percent? How would you feel about a measure of this kind? The total population of this same county has declined in the past 10 years or so from 80,000 down to 52,000 and all of this reduction and ruination to this one county has come about in considerable measure because of the importation of foreign residual oil over the past decade or so.

If some of you had visited in some good American homes in depressed areas, as I did last fall, you would have done some weeping unless the milk of human kindness in you has been chilled into ice water or unless the tenderness of your heart has become as tough as shoe leather. The want and the need and the unemployment can all be traced in large measure to the importation of foreign residual oil and its displacement of American miners and American railroad employees.

The merits of the legislation proposed here today have already been explained thoroughly. As representatives of an area where the transportation industries have assumed such an important role from both an economic and security standpoint, I should like to take a moment to point out the inherent danger of a policy which will emaciate that transportation system unless corrective measures are soon taken.

Railroads cannot afford to maintain the coal cars, locomotives, and other facilities necessary for emergency service under present conditions. Because bituminous coal demand has experienced such substantial decreases as a consequence of unbearable competition from foreign residual oil, great quantities of rolling stock are rusting away and otherwise deteriorating on railroad sidings. In 1957, almost 14,000 open hoppers were retired—approximately 1,000 more than the new cars ordered at the end of the year. In 1958, a total of 21,898 were retired as against an order of only 13,822 new cars.

In these figures are grave danger to the national defense. There is ample evidence that not enough coal can be produced to meet emergency conditions unless mine capacity is maintained in the interim period. Assuming, however, that output could somehow keep up with demand, the fact remains that this coal would be of no practical value if left at the mine mouth. Its serviceability is realized only when it reaches points of consumption. Unless an active, vigorous transportation system is kept in ready condition, we are just not going to have the cars necessary if the international tension line is snapped at Berlin, the Middle East, or at any of the other trouble spots around the world, resulting in total and catastrophic war.

While I have only mentioned railroads and coal, there are other industries affected by overdoses of imports that also have my earnest consideration. In the interest of time I shall not make a detailed listing of those industries and businesses that need to be sheltered under the self-preservation umbrella of the proposed legislation. I ask the House to give the railroad workers, the miners, and all employees whose jobs have been washed away by excessive imports—give us this legislation and whatever other laws are necessary to restore employment in my State and yours.

Mr. BAILEY. I thank the gentleman from Kentucky. Mr. Speaker, I now yield to the distinguished gentleman from Maine [Mr. OLIVER].

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein two newspaper articles pertinent to the subject.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. OLIVER. Mr. Speaker, I thank the gentleman from West Virginia [Mr. BAILEY] for an opportunity to say a few words on the import situation in my part of the country, the State of Maine. I have been greatly impressed by the evidence presented here this afternoon of growing concern over the competitive situation in the United States as we face the rising tide of imports. From all accounts, from the expression of industrial leaders in a variety of industries, it is becoming clear that this country is losing rapidly its hitherto solid competitive standing in world trade.

All sorts of evidence is accumulating that we are pricing ourselves out of world markets. That spells a decline in our exports or a yet heavier subsidization of our exports if we insist on maintaining them at a high level. At the same time it obviously has another meaning. It means that our domestic industries are becoming more rather than less exposed to low-cost imports. We are finding it more difficult to compete with imports for the same reason that our exports are no longer able to find as ready a market abroad as before.

Our higher wages, despite our industrial advancement, result in higher unit costs than prevail in other countries,

where low wages are now being combined with machinery that is just as good as our own and in some cases more modern. For many years our higher wages in the mass production industries were no competitive handicap in exporting and did not open us up to heavy import competition. Even that is undergoing a change. Our smaller and less mechanized industries have long had great difficulty in competing with imports. Today they find it more difficult than ever before.

In my district there are plants that make hardwood plywood, others that make wooden spring clothespins, and, of course, we have the remains of a once thriving textile industry. Each of these three industries has been hard hit by imports. They are all desperate for a remedy against the great damage that has been inflicted on them by imports.

[From the Kennebec Journal, Augusta, Feb. 19, 1959]

IMPORTS VERSUS JOBS

It is a matter of concern to textile labor and management in Maine, in New England—anywhere in this country, in fact—that foreign exporters of cotton textiles to this country should start clamoring for trade, not aid, at the very first United States suggestion that they should impose some voluntary controls upon themselves.

Sooner or later the question boils down to something like this: Are the jobs of Oriental textile workers as important to the political and economic well-being of the United States as are the jobs of textile workers in Augusta, Waterville, Lewiston, Biddeford, and other American cities?

Trade, not aid, shouted an English-language newspaper in Hong Kong, the British crown colony off the China coast, the other day when U.S. Assistant Secretary of Commerce Henry Kearns arrived there and commented—rather mildly, it semed to us—on the precipitous and alarming increase in Hong Kong's textile shipments to the United States.

And the Hong Kong Chamber of Commerce publicly charged that attacks in this country on Hong Kong's increasing textile exports have been unscrupulous and dishonest.

But what are Americans supposed to do? Are Americans supposed to stand aside while what remains of the U.S. textile industry and the jobs of thousands of American textile mill employes are sacrificed—in order to provide more and more trade, not aid for textile exporters in Japan, in Hong Kong, in India, in Egypt and elsewhere around the globe?

Thus far our Government hasn't had the heart to erect tariff barriers that would halt all textile importation into this country for the protection of domestic textile workers. All it has done has been to politely request foreign exporters not to overdo it—as the Assistant Secretary of Commerce asked in Hong Kong, the other day.

But textile mill jobs are important to people in Augusta, Lewiston, Biddeford and elsewhere in Maine. They're important to a lot of people in Massachusetts, Connecticut, North and South Carolina and elsewhere around the country. They deserve the fullest protection this Government can give them.

Of course there will be denunciations of U.S. policy abroad, whenever that policy cuts a little into exporters' profits—as in the Hong Kong incident, which stirred a hornets' nest merely because a U.S. official had suggested that a little voluntary policing of competition for more of the U.S. market would be appreciated.

But which matters most, to Washington—the welfare of foreign exporters, or the jobs of thousands of U.S. millworkers?

It ought not to be necessary even to have to ask such a question.

Mr. Speaker, I am not pleading for lower wages. I am saying that if we are going to maintain the high wage standards of this country it is time that we do something to make it possible to sustain them against the onslaught from without. It is clear that we cannot hold them if we allow imports from low-wage and slave areas of the world a free run of our market. For example, Mr. Speaker, please note this attempt of Russia to penetrate our paper pulp industry.

[From the Portland Sunday Telegram, Feb. 22, 1959]

IT'S COMING IN—CHEAP RUSSIAN WOODPULP WORRIES MAINE PAPER MILLS

(By Harold J. Boyle)

Maine businessmen developed a mild case of jitters Saturday when they studied reports of a mounting flow of foreign-made goods headed for this country.

Biggest shock to Maine was the report that Russia will ship 20,000 tons of woodpulp to a Connecticut importer at a price of $115 a ton, or $40 under the standard U.S. price of $155 a ton. This woodpulp makes bleached sulphite, which is used by several Maine companies in their fine-grade papers.

Maine paper manufacturers agreed that 20,000 tons will not immediately affect the industry in this State. But they showed genuine concern over the Connecticut importer's hint that he hopes to step up these shipments to 200,000 tons a year.

"Two hundred thousand tons of Russian pulp imported into this country at that low price would be bad—very bad—for the Maine paper industry," an S. D. Warren official at Westbrook said Saturday night.

Also disturbing was the same Connecticut importer's "hopes" for marketing Russian newsprint in the United States. Newsprint is one of Maine's largest industries. It is operating under capacity at this time due to a surplus throughout this country and Canada.

The report on Russia's invasion into the U.S. paper-pulp market appeared Friday in a national magazine, Business Week.

It said that the Orbit Sales Co., Inc., of New Haven, Conn., made a deal for the 20,000 tons of Russian woodpulp at $115 a ton, delivered in this country. It quoted Orbit's president, saying he had an ultimate goal of 200,000 tons, or the same amount England is buying this year. "And we may start buying newsprint," the magazine quotes Louis Zemel, the Orbit president.

CAN UPSET MARKET

The national magazine said that trade analysts in the Commerce and State Departments do not expect a sizable increase in Soviet-U.S. trade at this time. But it added that these Government analysts "don't underestimate the damage the Russians can do by upsetting markets through well timed cut rate sales."

Foreign imports made news on another Maine front last week. Maine steel fabricators said they were offered steel from Luxembourg at $32 a ton under U.S. prices of $135 a ton. These offerings are for reinforcing steel used in the construction industry. Little, if any, is being bought in Maine today.

One Portland fabricator said Saturday that a bid for a small construction job in this State several weeks ago indicated that the contractor would use foreign steel. He didn't get the job.

FOREIGN STEEL A PROBLEM

None of the foreign steel can be used on Federal or State projects in Maine, these fabricators believe. But they point out that contractors bidding on private construction work in this State may specify the lower priced foreign steel to get the work during the current letdown in the construction industry.

The threat of lower price foreign goods is being felt in Maine about a year after it hit other sections. Japan has been landing steel plates about $20 a ton under U.S. prices on the west coast the past 12 months. It is reported to have captured 52 percent of the barbed wire market in this country in that 12-month period.

From what has been presented here on the floor and to which I have listened with great interest, it is almost unbelievable that the necessary remedy should be withheld. If the trade agreements into which we entered were to be mutually beneficial both at home and abroad and if it is against the policy to injure seriously our own industries, as has been so steadfastly maintained by all the public officials who have given testimony in support of the trade agreements, then it is indeed hard to reconcile the disposition of cases under the escape clause.

I am greatly concerned that the industries in my area that are suffering from import competition not only be assured of a remedy by highly placed executive officials in a general way, but actually have extended to them the policy of no injury that has been so widely proclaimed. Mere words of assurance are no substitute for the action that is needed to set things right competitively.

No one here this afternoon has asked for embargoes or shutting off of trade; nor do I. We profit from trade when it is mutually beneficial; and we should have as much mutually beneficial trade as possible. We do not profit from trade that severely injures one side of the deal; and that is the situation in the textile industry in Maine, in the plywood industry, and in the wooden clothespin industry.

What we need is such a degree of regulation of imports, preferably by import quota, as will insure our domestic industry of its fair share of our own market. That is all we ask and that is what we need if we are going to pull our weight in the economy and our share of the tax and employment burden of the country.

The bill that has been introduced would square practice with preachment and would get rid of what can only impress the people back home as doubletalk.

Mr. Speaker, if we are looking for an explanation of the contradiction between the trade-agreements policy as it is given out for home consumption and what actually is done in the showdown we have but to take notice of what is going on right now.

Assistant Secretary of Commerce Henry Kearns has just completed a trip to the Far East where he visited several countries and spoke quite freely. In Bangkok, Thailand, he had this to say:

While it is necessary for our Government to occasionally impose import restrictions when it appears that an industry may be unduly damaged, it has generally been the policy of the United States to keep such restrictions to an absolute minimum. The result has been a substantial lowering of restrictions whether they be tariffs or quotas. It is our intention to progress much further in this area of freer trade.

Now, Mr. Speaker, there is no objection to a little globetrotting by an Assistant Secretary of Commerce. The Commerce Department has its commercial attachés in various embassies reporting through the State Department, and the Assistant Secretary for International Affairs is entitled to know from firsthand observation how well our far-flung representation is functioning.

On the other hand, it is the constitutional function of Congress to regulate our foreign commerce and to make our tariff. It is therefore incumbent upon Congress to make the policy. The executive branch, of which the Department of Congress is a part, carries out the policies and the laws passed by Congress to express these policies.

What then should be the limitations on Mr. Kearns as he travels in the Far East, one of the trouble spots in the world? Should he go about making freewheeling speeches that are intended to bind Congress? For example, when Mr. Kearns says that it is our intention to progress much further in this area of freer trade, is he speaking for your constituents or mine? Or for whom is he speaking? Who gave him his commission to go abroad and engage in the regulation of foreign commerce? Our trade policy is a controversial issue. What the last Congress did or what this Congress does cannot bind an ensuing Congress. How then can Mr. Kearns with all confidence say what is our intention as a nation?

Mr. Kearns went to Hong Kong, whose exports of textiles to this country have been skyrocketing. There he ran into great hostility as reported by the press. Hong Kong has developed into what appears to be a wide loophole in the Japanese self-imposed export quota on cotton textiles. Evidently they had little time for Mr. Kearns.

In Japan Mr. Kearns undertook to bring about closer agreement on the yardage of cotton goods that Japan will ship to this country under her voluntary export quota plan. Japan seeks an expansion beyond last year's quota of 235 million yards.

Mr. Kearns is quoted in the Daily News Record as having said in Tokyo on February 19 that the U.S. Government was only trying to advise on a Japanese quota which we hope will prevent our Congress from taking restrictive action. He then added, it is said, at a press conference: "Let's not say Congress—just restrictive action from our side."

Mr. Speaker, I think this visit of Mr. Kearns and what he said in Bangkok, his reception in Hong Kong, and his negotiations in Tokyo give an excellent example of how and why the trade agreements program has become so highly suspect by the domestic industries that have suffered so harshly from its administration. His visit muddies the waters and much of what he said is out of order. According to the news report that I have quoted, Mr. Kearns reportedly said to the Vice Foreign Minister of Japan, Hisanari Yamada:

Some Congressmen raising a hue and cry against foreign products are urging import restrictions but their fuss is just for public consumption.

If true, Mr. Speaker, Mr. Kearns should, upon his return to this country, be asked to explain his statement in all its unfortunate implications.

The sooner we bring the regulation of our foreign commerce back into its proper channels the less will it get fouled up in unnecessary and irresponsible actions of itinerant executive officials fishing in water that lies outside their domain. For this reason among others I am in favor of the legislation proposed here today.

Mr. BAILEY. I thank the distinguished gentleman from Maine.

Mr. Speaker, I yield the remainder of my time to the distinguished gentleman from Pennsylvania [Mr. DENT].

Mr. DENT. Mr. Speaker, I would like to say that I join the gentleman from West Virginia in the long and effective fight that he has made over the years.

Particularly I want to call attention to those Members who are present here today and who have heard a great number of the proponents of the so-called Liberal Trade Agreements Act say that the only thing American industry had to do was to produce cheaply enough and they would not have to fear foreign competition. It may be interesting to note that there is one industry that has succeeded, through the utilization of the technical advancements within that industry, to place that industry in the enviable position of being able to produce cheaper than any other nation on the face of the earth. I am speaking of the coal industry of the United States. Without aid from the Government, without assistance of any kind, they have been able to produce in their latest venture as much as 47 tons of coal per day per man. This compares to 1½ tons of coal per day per man in Europe, and 11 tons per day per man on a national evaluation. What has this meant? It has meant that this industry, without aid from the Government, has been able to compete in the foreign markets. But what have the foreign markets done to protect themselves? They have not taken the terrible position that our free traders and spokesmen for the liberal trade policy have taken. They have deliberately, willingly, and knowingly passed a direct tariff upon American coal that has invaded their market. They have done it with the simple, lone excuse that it meant employment for their coal producers, the very thing that we abhor, the very thing that we stay away from, the very thing that we cannot mention in the Halls of Congress.

Why, the protection of American jobs has become so outmoded and so far out of tune with the present-day thinking that we are supposed to give away American opportunities in order that we may have friends somewhere overseas. I will tell you this much about friends, and I think every one of us knows it, that the friends you give something to do not remain your friends very long. To lose a friend, just lend him money, and to lose these friends of ours overseas, just let them take us for suckers, and suckers we are in every instance where there has been an injury, because we have failed to invoke the so-called escape clause.

I know that the tartaric acid industry is small, but what happened to it is significant: When the United States had a tariff of 8 cents a pound on tartaric acid and 5 cents a pound on cream of tartar our industry was able to compete with the other producers all over the world. Then we turned over to GATT—that superstructure in our foreign economic field, not with the consent of Congress but by action of the State Department and the President—when GATT took charge of affairs they lowered the tariff on tartaric acid to 5 cents and on cream of tartar to 2½ cents. The producer, and the lone producer in the United States of any consequence, petitioned under the escape clause. He was denied relief. In December of 1957 he went completely out of business and left this country without one producer of tartaric acid and cream of tartar. Subsequent action was taken by the Tariff Commission after production had been closed in the United States. It recommended, and GATT approved, a tariff of 12 cents a pound on tartaric acid, a 50 percent increase, more than was ever needed or we were interested in, and 7½ cents a pound, another increase of 50 percent, on cream of tartar.

This example I have just given you is just one little beginning in the gnawing away process that is being used to deliberately undermine the American way of life and American standards of life and American labor's freedom to compete in world markets.

Now let us go to another phase of this matter. The differential a generation ago between wages paid in this country and wages paid in Europe was greater than the differential is today. It has been said that labor and labor costs in our country make the principal difference in competitive prices, especially in the case of the TVA generators. Let me tell you this, that if the American men working in the Westinghouse Corp. in East Pittsburgh, my home district, were to work for absolutely nothing, if they were to take not one nickel for all their labor, there would still be a difference of $2,500,000 between their bid and the successful British bidder on certain big generators. So there is something besides the wage of the American working man that enters into the cost picture in TVA contracts.

I have with me hundreds of letters, petitions, and telegrams from my constituents protesting the action of TVA and REA in purchasing electrical equipment from foreign concerns. I do not intend to include all of these; however, two of them appear to cover the gist of the volume of correspondence I have received. Therefore, I submit the letters from Mr. A. E. Lo Buono, 200 Susan Drive, Irwin, Pa., and Mr. and Mrs. Bernard R. Sinwell, Main Street, Westmoreland City, Pa., respectively:

DEAR MR. DENT: I recently became aware of the fact that the U.S. Government is making it their policy to buy an increasing amount of electrical equipment from companies in foreign countries. This is a matter

of deep concern to me, as I am employed by the Westinghouse Electric Corp., and my job security depends on my company's getting orders.

I understand that just recently an order for a large steam-turbine generator to be built for the Tennessee Valley Authority was awarded to a firm in England. I also understand that if Westinghouse had received this order, it would have meant 1,080,000 manhours of work for employees of our company and another 375,000 hours of work for employees of suppliers to Westinghouse, or the equivalent of jobs for 700 people for 1 full year. If times get hard this coming year and I am put on short time, the memory of that loss is really going to hurt.

I realize that you are only one in the House of Representatives, but I feel that if you would use your influence to bring this to the attention of others in Congress, eventually results would become evident. I would appreciate your investigation of this serious problem, and hope that we as job holders and breadwinners for our families will not suffer as a result of unwise action on the part of the Government.

Very truly yours,

A. E. Lo Buono.

Dear Mr. Dent: For some time we have been concerned about the increasing amounts of electrical equipment the Government of this country has been purchasing from foreign firms, particularly the important order for the Nation's biggest steam-turbine generator, to be built for the Tennessee Valley Authority, which was awarded to C. A. Parsons, Ltd., a firm in England. I understand the TVA awarded this order completely within the present Government policy.

Personally, I feel such electrical equipment should be purchased in this country, primarily as a national safeguard, also to provide additional employment which is so desperately needed today. This would also benefit our Government taxwise by the increased employment.

Why should our Government be so concerned about the people of England when they refuse to buy such equipment outside their own country.

I think it is high time our Government wake up and face reality instead of worrying about the people of England. It is quite obvious our Government has done more than its share in helping England, without taking money out of the workingman's pocket to help them when the fact remains that England has done so little in return.

I, for one, have voted and have helped elect you as our Representative in hope of having the welfare of the American people at heart.

I feel that when you appreciate the feeling of the American people on this subject, you will take the necessary steps to remedy this situation.

Very respectfully yours,

Mr. and Mrs. Bernard R. Sinwell.

The fact remains, although hidden in trick phrases, catch slogans, and deliberate falsehoods, that the United States never could compete in the world market on price and price alone.

The only reason we were able to ship goods was because our American market was intact, it was all ours. After we provided our needs we had goods which we sent abroad at cheaper prices than we charged here at home.

That was before we started building up competitive enterprises abroad. Now, we have lost our dumping grounds for our surplus goods, but we have opened up our private oyster beds to the poachers from all over the world.

American labor has always been paid proportionally higher wages than in foreign countries. In fact, I would venture to say that the differential was even greater a generation ago. Today all the blame for our loss of not only foreign markets, but our own markets as well, is placed at the door of labor.

Certainly our labor is high, but so are the taxes that labor pays and by the same token, the same goes for industry.

When we started giving preferential treatment to foreign investment and made it more profitable to manufacture abroad and sell it here, we put the first nail into the coffin of the American economy.

Every industry in America has felt the competitive pinch from American-owned or controlled production facilities operating in low economy nations shipping into the United States.

One Pennsylvania rubber company lost 1½ million yards of production because the American manufacturer of raincoats, their customer, moved his operations to Japan.

Another New England hardware manufacturer moved lock, stock, and barrel to Italy, but he still sells his product on the American market. In every line we find the American shelves carrying goods once supplied by American capital and American workmen.

Recently a report was circulated showing how disastrous the importation of tartaric acid in the United States has become. The largest producer of tartaric acid in the United States has just closed his plant.

The "know it alls" will point their fingers at American labor and yet the simple fact of the matter is that Congress is to blame indirectly. The reciprocal trade agreements are no longer subject to congressional review and under this arrangement many strange deals have been made.

For instance, we will import $1 million worth of tartaric acid in exchange for American pharmaceuticals. The Spaniards may be getting the medicine, but it is the American economy that needs it.

We have built up the West German economy to such extent that we just cannot bid against their steel producers. An order for $150 million worth of steel and pig iron was sold by West Germany to the Argentine nation by the monopolistic Thysen steel combine. It might be good to remember at this point that we do not allow monopolies here, family or no family ownership.

With the way our Government is running things, it is just possible that American money and machinery produced the steel in West Germany and American money financed the purchase by the Argentine Government. Who knows?

A contractor building bridges buys his steel in Germany, ships it here, and ships American dollars and American payrolls over there while we have some 28 million to 30 million tons of steel capacity idle and thousands of steel workers unemployed.

The story of underbidding by electrical equipment workers in England and Switzerland is becoming a threat that can no longer be treated lightly.

For instance, the three generators for the Ice Harbor lock and dam on the Snake River. The British bid $5 million, General Electric bid $5.44 million. The difference was 9 percent. That 9 percent difference will not pay the difference in taxes paid by our American producer and the unemployment compensation, social security, hospitalization, and all the other payroll costs assessed by Government and not the manufacturer who is still expected to compete for his own Government's business.

This story has been and is being repeated over and over in Government sponsored or financed projects. What happens when private utilities follow their Government into bringing foreign power-producing equipment into this country?

One thing we have to make up our minds to. We have to make a decision. We are either going to be a producing nation or a buying nation.

If we are not to be producers and if we are going to be buyers, we better find something for our producers to do because we just cannot maintain our highly touted standard of living without production payrolls.

This is not isolationist talk, it's just plain horse sense; not showhorse, but just plain workhorse sense.

For the record, here are a few excerpts from wires from workers in some of the affected industries. Under unanimous consent, I submit some for the Record at this point:

There is an increasing awareness of the spot we find ourselves in. Most of us want to help our neighbors. Most of us are not afraid of a competitive trade race if we start even. The start won't be even until our foreign competitors pay their labor decent wages, give them the social benefits we enjoy, give them universal schooling, good roads, free elections, pay their share for mutual protection and policing the world's peace. That will take another generation; in the meantime, we can't continue the present program without destroying or lowering our own standard of living. The choice will take courage, but choose we must.

Four to five million production workers on the chronic unemployment lists of this Nation spells disaster.

The only use for it is to rekindle the American pride in America and all its institutions, its industries, its labor, its educational systems, its rocks and rills, its templed hills.

Americans will pay backbreaking taxes; yes, we will complain about them, but if the revenues are spent for America and Americans, we will pay them less grudgingly.

EISENHOWER CANNOT SLOUGH HIS RESPONSIBILITY

The SPEAKER. Under the previous order of the House, the gentleman from Florida [Mr. Sikes] is recognized for 15 minutes.

Mr. SIKES. Mr. Speaker, a very fine editorial appearing in the February 13, 1959, issue of the Florida Times-Union has been called to my attention, and after a careful reading of the subject matter I thought it would be fitting to bring it to the attention of my colleagues. It is believed that the point of view expressed by the Times-Union will be shared by a great majority of the membership of this body and I am glad to

insert it in the RECORD. The editorial follows:

EISENHOWER CAN'T SLOUGH HIS RESPONSIBILITY

The intended purpose is quite clear of the Justice Department's release of papers showing that Little Rock Mayor Woodrow Wilson Mann urgently requested President Eisenhower to send troops to Little Rock in 1957. The President would like to slough some of the responsibility for that infamous decision. This he cannot do because of the very nature of executiveship.

The mere attempt gives tragic insight into the man now in the White House. As a soldier, Eisenhower has spent most of his life acquiring a working knowledge of the chain of command, which is the central element of all military discipline and effective action. He must have heard a million times that responsibility within the chain of command flows both up and down in a delicate balance. He has professed great admiration for the system and, indeed, brought it with him to Washington. Yet at the moment of domestic crisis, the President forgot the lesson repeated to him so many times. He acted outside the chain of command. The tragic nature of this incident can be compared only to the experience of Sir Anthony Eden, who trained for an entire lifetime to be Prime Minister of England, and when he finally got the job and was faced with the crisis of Suez he was not equal to it.

Unlike Eden, President Eisenhower certainly was aware of his error. The 17-month delay in releasing the news of the telegram indicates this. He knew that the chain of command between a mayor and the President must include the Governor, no matter how much either disapproves of the individual holding that office. He also must have known that total responsibility for one's decisions is the terrible burden of all executiveship.

This responsibility is indivisible; it cannot be shared. The combat commander alone has responsibility for the lives of the men he leads into battle. The labor leader must assume complete responsibility for the turmoil of the strikes he calls. A corporation president has total responsibility for his company's profits or losses. A President keeps the responsibility for the use of troops against the people of a State. Any attempt by any of these executives to wiggle from under their responsibilities borders upon being petty.

It is easy to predict that the purpose of releasing Mayor Mann's message will not be achieved. All men, even Presidents of the United States, are judged by their fellow men and by their own consciences. In this case, the judgment already has been made by both.

REPLY TO CRITICISMS OF 615 ECONOMISTS' VIEWS ON INFLATION, UNEMPLOYMENT, AND RELATED ISSUES

The SPEAKER. Under the previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, on Tuesday, February 11, the Joint Economic Committee released a most important report dealing with inflation and unemployment, and such related issues as monetary policies, tax policies, and so on. It is a brief report. It gives a statistical summary of the views which 615 economists on the faculties of the country's leading universities and colleges hold on these subjects. The basis of the report is a questionnaire which the committee sent out last summer, to obtain the judgments and views of academic economists on these matters of public interest.

Since I was chairman of the committee at the time these questionnaires were sent out, and during the period when most of the work was done in compiling the answers, I issued a press release announcing a publication of the report, and transmitting copies of the report to the news services.

On the next day—Wednesday—the gentleman from Missouri [Mr. CURTIS] addressed the House on the subject of this report and my press release. He pointed out that my press release contained a statistical error. My release cited a figure which did not agree with the figure shown in the report from which it was supposed to have been taken. I am indebted to the gentleman, both for his alertness in spotting the discrepancy and for his so ably calling attention to it. Also, I have noticed that the gentleman was kind enough to suggest the possibility that I simply made an error—which I take to mean that he concedes a possibility that the error was unintentional—and I appreciate his generosity in that respect.

If our colleague had properly corrected my error and done no more, I would be content. But that is not the case.

MANY BIG ERRORS SUBSTITUTED FOR ONE SMALL ERROR

In attempting to correct my statistical error, he substituted an error of much greater magnitude. More than that I feel that my colleague may have used my error to springboard a speech going into other aspects of the report which it would have been better if he had not gone into.

Certainly the gentleman had a perfect right to issue any statement or make any address about the report he cared to. This is understood. I must point out, however, that the gentleman's statement on Wednesday contains several quite serious errors which require comment. It made several new statistical errors. It gave a highly misleading impression of the report and the views of the 615 economists. It made an unfair and completely unfounded charge that the economists on the faculties of our universities and colleges are biased in favor of maximum employment at any cost. It questioned the value of the committee's report and the value of the economists' views. And, finally, my colleague recommended that in the future the views of the academic economists be left unsolicited and unknown, ending with ringing denunciations. I quote:

> What are economic facts cannot be determined by selecting a group of experts, however expert, and obtaining their majority vote by letter ballot. What is true is not changed one jot or tittle by the proclamations of thunderous majorities.

Now what, may we ask, is the "truth" that is not changed? And what are the economic facts that are to be determined? Is the official propaganda line to be taken as truth and all else error? Are the pronouncements from the White House to be taken as "economic fact" and all disagreements as merely biased opinions? Are we to listen only to the thunderous voice of big business and hear no other advice or counsel?

I suggest the gentleman's whole philosophy is in error.

ON ECONOMIC ISSUES ECONOMISTS' VIEWS SHOULD BE SOUGHT, NOT SILENCED

Obviously there are no certain truths or "economic facts" by which we can answer such questions as whether we can have both full employment and stable prices; whether a given degree of inflation is better or worse than the consequences, if there are consequences; whether stronger antitrust policies would stop price increases; and so on. We are dealing here with policy questions for which there are no answers but judgments and opinions. We are dealing with questions over which group interests are in hard conflict and the sharpest ideological struggles are taking place. We should not close our ears to all voices but the voices on one side. And we must, I think, obtain as much expert and objective judgment and opinion as we can get.

Certainly the economists' knowledge is an incomplete and imperfect knowledge. They are the first to state that. And perhaps their opinions are influenced to some degree by propaganda.

Where judgments and opinions are uncertain, perhaps there is a tendency to adopt and express what seems the authoritative view. And, of course, the big-business community is almost always able to surround its position with what seems to be the highest authority.

And perhaps, too, some of the academic economists are consciously or unconsciously motivated by personal interests. If they aspire to large opportunities for research, as most seem to, they must hope to be favored with grants from one of the foundations which are so generously endowed with big corporations' money. Then, too, since the courts ruled a few years ago that corporate gifts to schools may be deducted from taxes, our colleges and universities have become to an important extent dependent on how the corporation executives decide to dispense this tax money.

And perhaps, too, there is a natural selection influencing the choice of faculty members. The trustees and advisory boards of the colleges and universities are made up largely of big businessmen and big bankers, not labor leaders, small businessmen, farmers, or consumer representatives. I doubt whether there is much tendency for economists whose views are too much out of step with the views of big business to be selected as faculty members.

Biases there may be. But if so, I suggest they are in the direction of my colleague's party line, not the other way. And I suggest that he demands too much.

These economists have been asked to give their judgments and opinions on matters in which they are at least much more expert than the rest of us. Their expertness makes them at least a little more immune to propaganda, and at least a little better prepared to give sound opinions on the tough economic problems than most of the rest of us. And at least they are more objective than the councils of big business from which

pours most of the economic opinions on public policy.

Certainly their judgments and opinions are worth obtaining, and they ought to be carefully weighed.

I might add that the individual economists who were invited to answer the committee's questionnaire were not selected by the committee. A supply of the forms was sent to the head of the economics department in each of 150 institutions granting higher degrees in economics, and the department head was asked to pass them out. The list of institutions was compiled by the Office of Education, Department of Health, Education, and Welfare.

BANKERS CHANGED THE ARGUMENT FOR HIGH UNEMPLOYMENT

As to whether the committee's questionnaire has any value, let me point out where it has already proved of quite significant value.

The questionnaire was sent to the economists last summer. The No. 1 question put to the economists was whether or not they think we can have in this country both a high level of employment and a high degree of stability in the general price level and by feasible means.

In other words, this questionnaire opened up for question what had become by then a foregone conclusion in big business and banking circles, and the questionnaire received considerable publicity in the banking and trade journals. A basic tenet of the official propaganda line was being questioned.

For at least 4 years, to my knowledge, big bankers and big business executives had been conducting a sales campaign to persuade themselves and the rest of the country that our declared national policy of maintaining maximum employment, maximum production and purchasing power could be achieved only with disastrous inflation.

During 1954 and 1955, the subject of amending the Employment Act of 1946 became the speech topic of every big-business executive or banker called upon to make a speech to other businessmen or bankers. And then, at the beginning of 1956, in celebration of the 10th anniversary of the Employment Act of 1946, the public drive was launched. We were told from all sides that the act must be amended to make "price stability" a goal co-equal with the other goals stated in the act. Mere flag waving? Perhaps. But the people behind this drive did not think so. They thought then, and think now, that such an amendment will have quite real effects. They think it will serve as a mandate to have continuous unemployment of 5 percent, 6 percent, 7 percent—who knows how much more?

ECONOMISTS BELIEVE BOTH HIGH EMPLOYMENT AND HIGH DEGREE OF PRICE STABILITY ARE FEASIBLE

An overwhelming majority of the 615 economists who answered this questionnaire have expressed the view that it is entirely feasible for this country to have both a high level of employment and a high degree of price stability.

True, this is now the official party line. Even the President has recently said as much. But this was not so last summer when this questionnaire was sent out. And I suggest that the mere fact that the questionnaire went out caused the big financial groups to reappraise their position on this issue. I suggest they were prodded, without waiting to see the economists' answers, to recognize the weakness of the notion that there must always be a large percentage of the labor force for which our economic systems cannot make room—without inflation.

So far as I know, the American Bankers Association was the first to shift to the new line. On October 7 of last year the Economic Policy Commission of the ABA issued a policy statement announcing the new line. And it condemned as "defeatist" those who might wish to cling to the older, contrary line. It said:

> Some hold that we are faced with a Hobson's choice between maximum employment and price-level stability—that we cannot have one without sacrificing the other. This is a defeatist view. There is no reason to assume that these two objectives are basically incompatible. There is no conflict between them unless "maximum employment" is defined as synonymous with continuous brimful employment, supported by governmental policies aimed at eliminating even minor fluctuations in output and employment.

Now I do not mean to suggest that this shift in propaganda line reflects any real shift in policy. On the contrary, the policy is the same. This ABA statement still demanded that the Employment Act of 1946 be amended, and for the purpose of providing the mandate which I have mentioned. The statement said that the amendment "would strengthen the hands of those in our Government and in the Federal Reserve System who are trying to help keep our economy sound."

But at least this much has been accomplished: The country is no longer being told that we must choose between full employment and galloping inflation. A boom which would eliminate the so-called frictional unemployment, yes, it is agreed that would be highly inflationary without Government controls. But the emphasis now is on how compatible the objectives of high employment and stable prices really are. So at least the big issue has been dressed in a different argument, and this may have considerable effect on how the issue is resolved.

THE CRITIC MISREPRESENTS ECONOMISTS' VIEWS

I come now to one of the most serious misimpressions of the economists' views created by the address of the gentleman from Missouri [Mr. CURTIS]. Here is his statement which I submit creates an impression that an overwhelming majority of the economists are clamoring for an unemployment ratio of 5 percent or more as a "condition for achieving a high degree of price stability":

> Exactly 36 percent said they would accept an unemployment ratio, and this was a surprising thing, an unemployment ratio between 5 and 7 percent as a condition for achieving a high degree of price stability. Thirty percent would insist on a lower ratio; the remainder would allow the ratio to go even above 7 percent.

Yet in reality the views expressed by these economists were just the opposite of the impressions which that statement conveys. There are several things wrong with the statement.

First, the gentleman neglected to mention that the economists who were invited to answer this question were those who had answered "yes" to the previous question. And the previous question was: "Do you believe it feasible to achieve simultaneously both relatively high employment and relatively high stability of the general price level?"

In other words, these economists were asked how high a ratio of unemployment they would accept "if necessary" to achieve relatively high stability of prices, despite the fact that in their answers to the previous question they indicated they do not think any high unemployment ratio is necessary. This is quite different from the impression given that these economists are practically clamoring for these unemployment ratios.

A second thing that is wrong with my colleague's statement is this: He accounted for 30 percent of the economists as those who would insist on an unemployment ratio of less than 5 percent; he accounted for another 36 percent as those who would accept a ratio between 5 and 7 percent; and then he stated "the remainder would allow the ratio to go even above 7 percent."

Yet clearly the remainder, which is 33 percent, did not indicate they would accept an unemployment ratio of above 7 percent. My colleague reached this conclusion only by adding into this group the 24.4 percent shown in the table on page 3 of the report as making no response to the question whatever. We cannot, I think, merely assume that these 24 percent of the economists who did not answer the question about unemployment ratios would have said, if they had answered, that they "would allow the ratio to go even above 7 percent." There is no basis for such an assumption.

Obviously, when we look at what the questions and answers show, rather than the highly misleading inference my colleague has drawn, the basis for his great surprise at how conservative these answers are tends to disappear.

Incidentally, exactly 36 percent did not say they would accept an unemployment ratio between 5 and 7 percent—if necessary. The exact figure is 34.5 percent and it is arrived at by consolidating answers shown in the report which give a less conservative picture if left unconsolidated. Actually, 24.6 percent indicated they would not accept unemployment as high as 6 percent—if such were a necessary condition to achieving a relatively high degree of price stability. Only 9.9 percent said they would accept a ratio of between 6 and 7 percent. And only 11 percent said they would accept higher ratios—if necessary.

I assume that my colleague's manhandling of the economists' views on unemployment was inadvertent. I do point out, however, that he has created misimpressions which could have quite serious practical consequences. They are in the main stream of the big propaganda drive of the day. And these misimpressions go to the basic ideological difference between his political party

and mine. They make propaganda for the central policy being urged by big business and by finance, and it is this policy that forms the battleground over which real and pending economic issues are being fought.

In contrast, my statistical error overstates the number of economists who think banking facilities can be improved, and this is a relatively academic issue. There is no serious proposal to overhaul the private banking system, and no big legislative decisions or Presidential vetoes are likely to be influenced by what has been said on this subject.

THE CRITIC'S CHARGE THAT ECONOMISTS ON UNIVERSITY FACULTIES ARE BIASED

I come now to my colleague's charge that the academic economists are biased. His statement was:

> In view of the characteristic bias of many of our good academic economists in favor of maximum employment at any cost, it is really remarkable that this survey turned up as conservative an overall response as it did. In fact, it was quite conservative.

As an aside, it is interesting to note here that the term "conservative" in my colleague's book means views that agree with the big-business party line, while the word "bias" means views which do not. Furthermore, I have already dealt with one of the statements which the gentleman found so surprisingly conservative. It turns out not to be so conservative when we look to see what the economists actually did say about unemployment ratios, rather than at what he thought they said.

Actually, there is no foundation whatever for charging that the academic economists are biased in favor of maximum employment at any cost. Furthermore, the only cost which has been suggested for maximum employment is that of inflation. And as I have pointed out, 73 percent of the economists who returned the questionnaire said they believed it feasible to have both high levels of employment and a high degree of price stability. So there is hardly any room for them to be biased in favor of maximum employment at any cost when they have already said they do not believe there is any significant cost.

THE CRITIC MADE NEW STATISTICAL ERRORS

Let me come now to the error in my press release and the greater error which my colleague substituted for it. This release stated that nearly two-thirds of these economists "indicated that they felt there were important inadequacies in the banking facilities of the country, growing out of the tendency of bankers to content themselves with holding riskless assets in the form of Government and Government-guaranteed bonds and loans at ever higher interest rates rather than to function as vigorous and enterprising suppliers of funds to business by meeting local banking needs."

In the context in which this statement was made the reader could assume that nearly two-thirds of these economists referred to two-thirds of all the 615 economists who returned the questionnaire had indicated that there are inadequacies for the reasons I cited. My colleague correctly pointed out that nearly two-thirds of all the economists who returned the questionnaire did not say this.

Actually, this was said by nearly two-thirds—64.9 percent—of only those economists who responded to the questions as to whether or not there are local or regional inadequacies in any of the several respects about which questions were asked.

However, at this point my colleague asserted that the correct number of economists who had said banking facilities are inadequate for the reason I cited "is less than two-thirds of about one-fifty, of two-fifteenths, which is a very small group."

If it were only two-fifteenths of all the economists who returned the questionnaire, this would be only 81 economists. Yet, the second table on page 8 of the report plainly shows that 200 economists answered that banking facilities are inadequate locally or regionally for the reason I cited, namely, that the bankers tend to hold riskless Government securities. And these 200 economists accounted for 64.9 percent of all of the 308 economists who responded to any of these questions one way or the other. We may assume, I think, that the economists who did not answer either "yes" or "no" to these questions felt that they were probably not able to give a competent opinion.

So a more accurate statement would be this: Approximately one-half of the economists who returned the questionnaire—308 of the 615—answered either "yes" or "no" to one or more of the questions concerning local or regional inadequacies in banking facilities; and of these 308 economists nearly two-thirds—64.9 percent—said there were inadequacies for the particular reason stated in my press release.

I would interpret these facts to mean this: Of those economists who felt they could give a competent judgment on the adequacy of local or regional banking facilities, nearly two-thirds said these facilities are inadequate for the reason I stated. And a large number of economists, 308, apparently did feel competent to express a judgment on this subject.

Thus, while there was a technical inaccuracy in my press release, it does not seem to me that the press release conveys a very misleading impression. Certainly the correct figures do not support my colleague's statement that:

> So just the reverse was true as the result of this question as sent out—just the reverse of what the gentleman from Texas said in his press release.

So, contrary to my colleague's argument, perhaps debate on the floor of the House is not the best way to try to work out statistical computations after all.

THE ECONOMISTS' ANSWER TO ALL QUESTIONS ARE SALIENT

While my colleague conceded no value to the economists' answers to the committee's questionnaire, he nevertheless picked and chose among their answers and presented in his statement those answers which he considered to be the salient findings. I suggest that the answers to all the questions are salient; and I strongly invite the Members' attention to the committee's full report which, being brief, I ask to have inserted in the RECORD.

Now a closing observation about my colleague's disdain for "the proclamations of thunderous majorities."

Herbert Spencer said, in his First Principles, that:

> The fact disclosed by a survey of the past that majorities have been wrong must not blind us to the complementary fact that majorities have usually not been entirely wrong.

TABULATION OF REPLIES SUBMITTED TO THE SUBCOMMITTEE ON ECONOMIC STABILIZATION OF THE JOINT ECONOMIC COMMITTEE, CONGRESS OF THE UNITED STATES

The Joint Economic Committee through its Subcommittee on Economic Stabilization has, by questionnaire, secured the professional views of economic experts at colleges and universities on a number of questions of current economic policy. These were designed to cover not only key issues related to stabilization, but also certain related banking questions.

The economic policy questionnaire was mailed on September 10, 1958, and replies received through October 31 were tabulated.

The questionnaire was distributed in the first instance by sending a supply of forms to the heads of economics departments in 150 institutions granting higher degrees in economics, with the request that the questionnaire be distributed to individual faculty members of the respective departments. The list of institutions canvassed was compiled from data published by the Office of Education, Department of Health, Education, and Welfare; all the 49 States, the District of Columbia, and Hawaii were represented.

The coverage of the inquiry and its results is evidenced by the number and geographical distribution of the responses received. By the closing date, 615 completed questionnaires had been returned from all parts of the Nation. These constituted about 40 percent of the number of economists that it is estimated were reached through department heads.

The committee recognizes the difficulties of answering economic policy questions categorically. As a matter of practicality, however, the questions were nevertheless put in multiple-choice form, so that a minimum of time would be required of the individual respondents and summarization of the results would be facilitated. In addition to the direct answers which lent themselves to tabulation, many respondents accepted the subcommittee's invitation to make qualifying and amplifying statements.

In general, the answers have been tabulated as marked, with note taken of the comments and reservations. Comments have not been treated as affecting the answer unless, as in a few cases, the qualifications seemed to invalidate or contradict the answer indicated in the multiple-choice boxes.

The letters sent to departmental chairmen, the questionnaire itself, and a list of the universities contacted are reproduced in the appendix.

The committee is appreciative of the public spirit of the economists who gave time and effort to this study. It is, of course, understood that views summarized in the tabulations are those of the responding economists and do not necessarily reflect the views of the subcommittee or its individual members.

TABULATION OF REPLIES TO ECONOMIC POLICY QUESTIONNAIRES [1]

1. The Employment Act of 1946 contemplates, either explicitly or by implication,

[1] Detail in the tables may not add to totals because of rounding.

several objectives of public policy. Success in the achievement of any of them may on occasion necessitate some sacrifice in attainment of another. Recent discussion has focused on the problem of reconciling maximum employment with maintaining stability of the general price level.

A. Do you believe it feasible to achieve simultaneously both relatively high employment and relatively high stability of the general price level?

	Yes		No		No response		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
In the short run?	369	60.0	222	36.1	24	3.9	615	100.0
In the long run?	450	73.2	151	24.6	14	2.3	615	100.0

If your answer is "Yes," you may wish to indicate the maximum level of unemployment (seasonally adjusted) that you would be prepared to accept, if necessary, as a condition for achieving a high degree of price stability:

Maximum level of unemployment as percent of labor force	Number	Percent
Under 3 percent	18	2.9
3 percent and under 4 percent	77	12.5
4 percent and under 5 percent	92	15.0
5 percent and under 6 percent	151	24.6
6 percent and under 7 percent	61	9.9
7 percent and under 8 percent	21	3.4
8 percent and under 10 percent	23	3.7
10 percent	19	3.1
11 percent through 20 percent	3	.5
Total responses	465	75.6
No response	150	24.4
Grand total	615	100.0

You may wish also to indicate what in your judgment constitutes a satisfactorily "high degree of price stability":

Maximum yearly price change	Number	Percent
Under 1 percent	26	4.2
1 percent and under 2 percent	82	13.3
2 percent and under 3 percent	74	12.0
3 percent	48	7.8
4 percent	12	2.0
5 percent	20	3.3
6 percent through 10 percent	12	2.0
Total responses	274	44.6
No response or not tabulated [1]	341	55.4
Grand total	615	100.0

[1] Includes, in addition to no response, essay-type responses and those relating solely to the long run.

B. If these two objectives are not, in your opinion, fully compatible, please indicate which, over the long run, you believe should be given the greater emphasis:

	Number	Percent
Maximum employment	329	53.5
Price stability	113	18.4
No response	173	28.1
Total	615	100.0

C. Do you believe that standby authority for direct controls should be available in order to assure sustained high employment combined with high stability of the general price level?

	Number	Percent
Yes	413	67.2
No	187	30.4
No response	15	2.4
Total	615	100.0

If your answer is "Yes," please indicate which types of controls you favor—

	Number	Percent of total answering "Yes"
Of business investment	197	47.7
Of consumer credit	384	93.0
Of prices	182	44.1
Of wages	179	43.3

If your answer is "Yes," do you think that the strengthening of competition (through vigorous antitrust and related policies) could be expected—

	Yes		No		No response		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
To reduce the need for such direct controls?	250	60.5	136	32.9	27	6.5	413	100.0
To eliminate such need?	13	3.1	270	65.4	130	31.5	413	100.0

2. A. In its anti-inflationary actions of recent years, how would you characterize the Federal Government's use of the following basic policies?

	Too little		Enough		Too much		No response		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Tax increases (either new or continued)	376	61.1	183	29.8	29	4.7	27	4.4	615	100.0
Expenditure limitations	303	49.3	199	32.4	71	11.5	42	6.8	615	100.0
Monetary tightness	158	25.7	310	50.4	117	19.0	30	4.9	615	100.0
Appeals for voluntary restraint over wage and price increases	157	25.5	163	26.5	222	36.1	73	11.9	615	100.0

B. In its antirecessionary actions during recent months, how would you characterize the Federal Government's use of these policies?

	Too little		Enough		Too much		No response		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Tax reductions	339	55.1	235	38.2	14	2.3	27	4.4	615	100.0
Expenditure acceleration and increases	224	36.4	272	44.2	98	15.9	21	3.4	615	100.0
Monetary ease	125	20.3	429	69.8	41	6.7	20	3.3	615	100.0

3. A. In the control of inflation, a combination of policies may be called for and varying emphasis be appropriate under different circumstances. If you believe, however, that as a general proposition reliance or preference should be placed more heavily on one type of policy than another, please indicate:

	Number	Percent
No general rule	165	26.8
Tabulated	209	34.0
Not tabulated [1]	241	39.2
Total	615	100.0

	Primary emphasis	
	Number	Percent
General rule as follows:		
Tax policy	55	26.3
Expenditure policy	23	11.0
Monetary policy	118	56.5
Direct control	13	6.2
Total	209	100.0

[1] No response was tabulated in which more than 1 primary emphasis was indicated. These included 80 responses in which primary emphasis was placed on both tax policy and expenditure policy. In these cases the respondents may have intended to indicate that they considered these as inseparable aspects of fiscal policy; if so, then a total of 158 out of 289, or 54.7 percent, placed primary emphasis on some combination of tax and expenditure policies.

B. Do you believe:

That "tight money" served to dampen inflation during 1955–57?

	Number	Percent
Yes	459	74.6
No	130	21.1
No response	26	4.2
Total	615	100.0

That, by adding to costs, or otherwise, "tight money" may have contributed to rising prices?

	Number	Percent
Yes	108	17.6
No	430	69.9
No response	77	12.5
Total	615	100.0

C. Do you believe that in recent years rising prices have resulted in significant part from a tendency of real wage increases to exceed the rise of productivity?

	Number	Percent
Yes	310	50.4
No	250	40.7
No response	55	8.9
Total [1]	615	100.0

[1] Many respondents answering this question interpreted it as referring to the rise of wages, as the term is ordinarily used, rather than of deflated or real wages. In several cases, indeed, this was made explicit and in a large number of others no other interpretation was consistent with the comments that were added.

4. A. In the exercise of monetary policy, Federal Reserve authorities may utilize three interrelated techniques. Please indicate your appraisal of the use made of these in actions taken in recent years to check inflation:

	Under utilized		Appropriate utilization		Over utilized		No response		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Open-market operations	234	38.0	297	48.3	22	3.6	62	10.1	615	100.0
Reserve requirements	214	34.8	308	50.1	28	4.6	65	10.6	615	100.0
Discount rate	87	14.1	319	51.9	147	23.9	62	10.1	615	100.0

B. Please indicate your appraisal of the use made of these techniques to check the current recession and promote recovery:

	Under-utilized		Appropriate utilization		Over-utilized		No response		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Open-market operations	216	35.1	309	50.2	12	2.0	78	12.7	615	100.0
Reserve requirements	178	28.9	332	54.0	30	4.9	75	12.2	615	100.0
Discount rate	106	17.2	344	55.9	92	15.0	73	11.9	615	100.0

6. Do you favor—

	Yes		No		No response		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Permitting banks to pay interest on demand deposits?	257	41.8	285	46.3	73	11.9	615	100.0
Requiring banks to pay interest on Government deposits?	194	31.5	331	53.8	90	14.6	615	100.0
Restoration of free domestic exchange of dollars for gold—								
Soon?	36	5.9	505	82.1	74	12.0	615	100.0
Ultimately?	49	8.0	474	77.1	92	15.0	615	100.0

7. A. Are there important inadequacies of banking facilities with respect to—

	Yes		No		No response		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Nationally								
Business needs?	126	20.5	351	57.1	138	22.4	615	100.0
Broad public interest?	161	26.2	308	50.1	146	23.7	615	100.0
Assuring adequate competition?	164	26.7	299	48.6	152	24.7	615	100.0
Locally or regionally								
Business needs?	222	36.1	202	32.8	191	31.1	615	100.0
Broad public interest?	189	30.7	211	34.3	215	35.0	615	100.0
Assuring adequate competition?	251	40.8	169	27.5	195	31.7	615	100.0

B. If "Yes," are these due to—

	Yes		No		No response		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Lack of sufficient number of banks?	32	13.2	122	50.4	88	36.4	242	100.0
Lack of sufficient banking outlets (including branches)?	40	16.5	106	43.8	96	39.7	242	100.0
Lack of sufficient banking capital?	31	12.8	111	45.9	100	41.3	242	100.0
Tendency of bankers to hold riskless assets (Government and Government-guaranteed bonds and loans) rather than to function as enterprisers meeting local banking needs	149	61.6	44	18.2	49	20.2	242	100.0
Locally or regionally								
Lack of sufficient number of banks?	99	32.1	114	37.0	95	30.8	308	100.0
Lack of sufficient banking outlets (including branches)?	110	35.7	96	31.2	102	33.1	308	100.0
Lack of sufficient banking capital?	90	29.2	105	34.1	113	36.7	308	100.0
Tendency of bankers to hold riskless assets (Government and Government-guaranteed bonds and loans) rather than to function as enterprisers meeting local banking needs?	200	64.9	47	15.3	61	19.8	308	100.0

5. Please check whichever of the following statements most closely corresponds to your opinion:

	Number	Percent
In using open-market operations to influence long-term interest rates, Federal Reserve authorities—		
Should limit themselves exclusively (except in correcting "disorderly markets") to purchase and sale of Treasury bills	46	7.5
Should follow a flexible policy as regards securities dealt in, varying the types as circumstances may require	523	85.0
Should subordinate other considerations to "pegging" the Government bond market (as was done prior to 1951)	14	2.3
No response	32	5.2
Total	615	100.0

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SCHOOL SUPPORT ACT OF 1959

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Montana [Mr. METCALF] is recognized for 1 hour.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include tables, charts, and extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, this year, 1959 is an important centennial year in the history of education.

The year 1859 was crowded with many important events in the history of education. That was the year Charles Darwin's "Origin of Species," one of the greatest scientific books of all time, was published in England. It was the year that the Union Institute, forerunner of Duke University, was established in North Carolina. It was the year of the death of Horace Mann, founder of the American system of free public schools. But, most important it was the year Congress passed a bill sponsored by Senator Justin S. Morrill of Vermont, granting 20,000 acres of public land to each State for every Senator and Representative the State had in Congress. The purpose of the bill was to endow a college of agriculture and mechanic arts in every State. Although this bill was vetoed, a later bill granting 30,000 acres for this purpose was approved and became law in 1862. But it was in 1859 that Congress took the initial action leading to establishment of the land-grant colleges and universities, which have played such an important role in American education.

I hope that the action the Congress takes in 1959 will parallel in importance for the promotion of education the action that the Congress took just a century ago. But even more I hope that the

legislation of the Congress in the field of education will not be vetoed this year as it was in 1859.

An opportunity equal to any of the great moments for the advancement of education in the past presents itself to us now. An effort to make the most of this opportunity is embodied in the School Support Act of 1959 which several of my colleagues and I have introduced in this 86th Congress.

In every sense that makes this measure acceptable to the dedicated and thoughtful authorities on education in the United States, the enactment of this bill should make the current year a memorable one in the history of education.

In brief review, here are its principal provisions:

MAIN PROVISION OF H.R. 22

The bill proposes to provide financial assistance for the support of public schools by appropriating funds to the States to be used for constructing school facilities and for teachers' salaries. It declares that Congress finds there is a serious national shortage of classrooms and teachers which requires immediate action on the part of the Federal Government. It authorizes Federal appropriations equal to $25 for each school-age child for the fiscal year beginning July 1, 1959; $50 for the fiscal year beginning July 1, 1960; $75 for the fiscal year beginning July 1, 1961; and $100 for each fiscal year thereafter. It directs the U.S. Commissioner of Education to allot to each State complying with the provisions of this act an amount based on the ratio between the school-age population of that State and the school-age population of all such States.

The bill provides that the allotment to any State shall be reduced proportionately whenever the State school effort index falls below the national school effort index. It establishes the formulas for determining the indexes based on the relationship between the expenditures per public-school child and the income per child of school age. This provision is not applicable during the first 3 years of the program.

H.R. 22 provides that grants for school construction or for teachers' salaries shall be based upon certification to the U.S. Commissioner of Education from the State educational agency that the allotment will be distributed among the public school districts and used solely for school construction or for teachers' salaries or for both at the discretion of the State.

The bill prohibits any Federal interference over State school systems.

A full argument for this bill, with supporting facts and figures, would be voluminous. I shall not ask you to hear such an argument from me. Many of the relevant facts are too well known to bear repetition. They have been brought out in committee hearings and remarks on the floor over a period of years. I invite you, however, to consider some of the most recent relevant data and briefly to reconsider some of the basic reasons why Congress should enact this legislation.

SHORTAGE OF CLASSROOMS

On January 28 of this year the Office of Education, Department of Health, Education, and Welfare, released certain factual information having tragic implications for the welfare of this Nation. The Office reported that at the start of the current school year public school enrollment in this country was approximately 1,843,000 or nearly 2 million above the normal classroom capacity of the public schools. This was revealed in reports from the States in the Office of Education's fifth annual survey of public school enrollment, teachers, and school housing.

The number of public school pupils in excess of public school classroom capacity was 5.4 percent of the total enrollment last fall. The District of Columbia and 18 States reported an increase in excess of enrollment over classroom capacity since the fall of 1957.

Altogether the States reported a need for 140,500 additional instruction rooms. Of these 65,300 were needed to accommodate the 1,843,000 pupils enrolled in excess of normal capacity and 75,200 to replace facilities considered obsolete or otherwise unsatisfactory.

The most important figures which the Office of Education's report includes are those which show that, despite an almost unbelievable effort on the part of the States and localities, the problem is not only getting no better, but shows indications of worsening. Last year a record number of classrooms was completed, a total of 71,600. Yet, the classroom shortage was reduced by only slightly over 1 percent. This year, the anticipated total construction is only 68,000, while the need—due to increased new enrollment and larger numbers of abandoned classrooms—will be even greater. This means that rather than a slight reduction in the backlog of needed classrooms, this year will probably bring about an increase.

These findings must be considered conservative. The information upon which the Office of Education based its report was gathered before the disastrous Chicago fire. As a result of that fire, school districts all over America are inspecting the schools and condemning hundreds of additional classrooms as unsafe and school buildings as fire traps.

Tens of thousands of school children in America are attending school in classrooms that are obsolete, that are firetraps, unsafe, and makeshift. The figures show that the widespread idea that this Nation provides equal educational opportunities for all its children is only a myth.

SHORTAGE OF TEACHERS

The aforementioned report by the U.S. Office of Education also gave data on the number of teachers teaching on substandard credentials in the United States in the fall of 1958. These figures tell the story of the Nation's failure to offer financial and other rewards for teaching sufficient to keep in our schools enough people who can meet even the minimum requirements for licenses to teach. The result is a sordid picture of desperate employment by school boards of tens of thousands of persons to teach in our schools on emergency, substandard certificates. Last fall there were 92,337 persons teaching in our schools on substandard certificates—68,156 in elementary schools and 24,181 in secondary schools.

I do not need to explain to any thinking person what this means for public education in the United States, at a time when we are engaged in a life-or-death competition with the Soviet Union, the outcome of which will depend upon education.

I do not need to point out to you, either, that the main reason that we, as a Nation, do not have nearly enough well-qualified teachers in our schools is that we do not pay teachers enough. As a result, because we as a people have a distorted sense of values, measuring everything according to dollars, teachers in the United States do not generally have the high social prestige which should accompany the importance of their work in our society. Because their prestige is lower than it should be, teachers often do not receive the respect due them from their pupils. The result is a grave disciplinary problem. This adds to the other burdens the teachers of our time are obliged to bear. No wonder so many of them are leaving the profession. The vicious circle is completed to the detriment of education in America.

The contrast between the income of the American teachers and the incomes in other fields is a striking one. It is especially striking and particularly pertinent, for example, in the field of entertainment. For both the teacher and the entertainer seek the attention and the interest of audiences made up in no small part of American youth. Generally we pay teachers a ridiculous fraction of the pay accorded to baseball players and actors. If we thus debase the teaching profession by according it little pay and no respect, and persist in keeping its standards low, how can we expect to meet on the educational level the challenge and the competition being directed at us—in these very fields—by the Soviet Union? We may well ask ourselves: Which is more important, the evanescent pleasures of entertainment or the education of America's children?

Yet our survival as a Nation and the survival of the free world hangs in the balance.

WHAT THE RUSSIANS ARE DOING

We have recently obtained from some of our most prominent American citizens, and from other respectable sources, considerable information concerning what the Russians are doing in public education. It all sums up to a complete dedication to education by the Government and the people of the U.S.S.R.

We know that teachers in the Soviet Union occupy a position of relatively high income, high respect and social prestige, and many special privileges. We know that a good many college pro-

fessors in the Soviet Union receive salaries comparable to those of American corporation presidents. We know that the Soviet Government is devoting a large percentage of its budget to education. We know a lot of other things about Soviet education that might well cause us to stop and think.

Furthermore we have observed with astonishment some of the results of the Russian commitment to education. We have heard testimony, for example, that there are numerous Russians in other countries who can speak the languages of those countries, as well as our own, but that there are relatively few Americans in other countries who can speak the languages of those countries, and Russian. The startling Russian advances toward the conquest of space are too well known to require comment.

What is the significance of this for America? An answer has been given by former U.S. Senator William Benton, who said several years ago:

A recent trip to the U.S.S.R. has convinced me that education has become a main feature of the cold war; that Russia's classrooms and libraries, her laboratories and teaching methods may threaten us more than her hydrogen bombs. * * *

The Communists from the earliest days gave up butter for guns, but they gave up meat for education. (School and Society, May 26, 1956, p. 175.)

This statement by Mr. Benton can scarcely be quoted too often nor thought about too much in America. Neither can the recent statement made by the U.S. Commissioner of Education following the return of a group of American educators from a visit to the Soviet Union, namely:

Everywhere we went we saw indication after indication of what we could only conclude amounted to a total commitment to education (in the U.S.S.R.). (Address before the National Press Club in Washington, June 13, 1958.)

STATISTICS BY STATES

I offer for inclusion in the RECORD at this point a table showing full 1958 statistics on enrollment, teachers, and schoolhousing in full-time public elementary and secondary day schools, by States. The table was prepared in the Educational Statistics Branch of the U.S. Office of Education. From it anyone can gather significant information on how his own State falls short in provision for public elementary and secondary education:

Fall 1958 statistics on enrollment, teachers, and schoolhousing in full-time public elementary and secondary day schools, by State

Region and State	Number of pupils enrolled			Number of classroom teachers			Number of teachers teaching under substandard credentials [1]			Degree or number of semester hours required for lowest regular teaching certificate [2]	
	Total	Elementary [3]	Secondary [3]	Total	Elementary [3]	Secondary [3]	Total	Elementary [3]	Secondary [3]	Elementary [3]	Secondary [3]
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Continental United States*	33,936,470	23,314,852	10,621,618	1,300,560	811,813	488,747	92,337	68,156	24,181		
North Atlantic:											
Connecticut	440,832	[5] 317,133	[5] 123,699	17,892	11,166	6,726	[4] 1,200	[4] 1,000	[4] 200	B	B
Delaware	73,551	43,897	29,654	3,234	1,783	1,451	486	426	60	B	B
Maine	191,622	144,657	46,965	7,653	5,282	2,371	377	283	94	96	B
Maryland	557,540	342,670	214,870	20,784	11,228	9,556	5,096	3,724	1,372	B	B
Massachusetts	809,100	541,735	267,365	33,040	19,868	13,172	844	528	316	B	B
New Hampshire	98,953	69,051	29,902	4,112	2,652	1,460	241	157	84	B	B
New Jersey	971,000	[5] 734,090	[5] 237,000	41,500	28,300	13,200	5,600	4,500	1,100	B	B
New York	2,624,582	1,596,470	1,028,112	111,234	60,357	50,877	5,000	2,000	3,000	B	[6] M
Pennsylvania	1,915,051	1,174,436	740,615	68,943	38,593	30,350	[7] 500	[7] 300	[7] 200	B	B
Rhode Island	125,165	[11] 74,858	[11] 50,307	4,988	[11] 2,652	[11] 2,336	307	143	164	B	B
Vermont	71,061	50,953	20,108	3,045	2,010	1,035	340	250	90	B	B
District of Columbia	113,030	75,382	37,648	4,089	2,362	1,727	900	600	300	B	[22] B
Southeast:											
Alabama	780,000	472,000	308,000	26,000	14,500	11,500	3,600	2,700	900	94	B
Arkansas [15]	420,700	262,800	157,900	13,830	8,020	5,810	3,730	2,210	1,520	[23] B	[23] B
Florida	857,723	523,452	334,271	32,521	18,693	13,828	516	485	31	B	B
Georgia	893,431	641,799	251,632	30,950	20,625	10,325	491	436	55	60	B
Kentucky	614,607	446,257	168,350	22,602	15,167	7,435	2,800	2,128	672	B	B
Louisiana	655,191	488,832	166,359	25,377	16,440	8,937	1,482	1,083	399	B	B
Mississippi	552,000	446,000	106,000	16,620	10,520	6,100	3,850	3,272	578	B	B
North Carolina	1,061,171	810,680	50,491	36,000	26,150	9,850	1,866	1,604	262	B	B
South Carolina	558,212	373,254	184,958	19,762	12,096	7,666	42	28	14	B	B
Tennessee	769,506	588,437	181,069	27,795	20,550	7,245	1,300	1,000	300	B	B
Virginia [15]	[16] 803,719	[16] 565,377	[16] 238,342	29,783	18,445	11,338	2,378	2,015	363	B	B
West Virginia	458,425	292,700	165,725	16,458	10,064	6,394	1,317	1,027	290	B	B
Great Lakes and Plains:											
Illinois	1,612,145	1,196,306	415,839	67,040	45,743	21,297	5,449	4,458	991	B	B
Indiana	910,000	[11] 555,100	[11] 354,900	33,000	17,721	15,279	3,500	2,706	794	B	B
Iowa	554,223	374,086	180,137	24,746	14,531	10,215	337	231	106	60	B
Kansas	441,000	[8] 330,000	[8] 111,000	20,100	12,300	7,800				[17] 60	[17] 60
Michigan	1,603,194	1,026,907	576,287	62,000	39,700	22,300	8,500	6,250	2,250	B	B
Minnesota	650,800	400,000	250,800	28,025	15,500	12,525	650	494	156	B	B
Missouri	787,419	607,689	[9] 179,730	28,680	[9] 20,480	[9] 8,200	477	322	155	64	B
Nebraska	267,618	191,346	76,272	14,021	9,393	4,628	441	313	128	12	B
North Dakota	[13] 127,003	[13] [2] 95,373	31,630	[18] 6,939	[13] 4,977	1,962	242	210	32	[13] 32	B
Ohio	1,782,637	1,230,097	552,540	65,812	40,030	25,782	5,008	4,000	1,008	B	B
South Dakota	145,608	109,580	36,028	8,007	5,732	2,275	320	155	165	[21] 30	B
Wisconsin	675,000	495,000	180,000	27,050	18,600	8,450	894	780	114	64	B
West and Southwest:											
Arizona	273,734	215,280	58,454	9,215	6,877	2,338	109	109		B	M
California	3,035,000	2,075,000	960,000	104,600	66,600	38,000	11,000	8,000	3,000	B	B+30
Colorado	360,972	229,464	131,508	15,177	8,760	6,417	345	275	70	90	B
Idaho	149,638	91,393	58,245	6,034	3,339	2,695	977	951	26	B	B
Montana	136,901	91,652	45,249	6,689	4,315	2,374	354	314	40	60	B
Nevada	56,396	38,813	17,583	2,318	1,473	845	13	13		62	B
New Mexico	204,137	125,642	78,495	7,925	4,825	3,100	11	11		B	B
Oklahoma	[20] 540,433	[20] 336,149	204,284	19,439	11,251	8,188	164	78	86	B	B
Oregon	359,215	[5] 264,350	[5] 94,865	14,701	[5] 10,423	[5] 4,278	1,863	1,813	50	B	B
Texas	1,956,000	1,514,000	442,000	74,621	49,753	24,868	4,100	2,255	1,845	B	B
Utah	218,157	134,531	83,626	7,790	4,343	3,447	650	469	181	B	B
Washington	595,850	451,447	144,403	24,799	15,110	9,689	2,300	1,800	500	B	B
Wyoming	77,218	[4] 58,817	[4] 18,401	3,620	2,514	1,106	370	250	120	B	B
Outlying parts of the United States:											
Alaska	36,418	30,330	6,088	1,591	1,275	316	135	115	20	90	B
American Samoa	5,615	3,800	1,815	255	194	61	5		5	[24]	[23] B
Canal Zone	10,739	6,454	4,285	345	197	148	5	5		[14] B	[14] B
Guam	13,092	10,792	2,300	483	382	101	84	84		60	B
Hawaii	134,467	[11] 82,995	[11] 51,472	4,394	[11] 2,703	[11] 1,691	750	[11] 535	[17] 215	B	B
Puerto Rico	562,487	397,211	165,276	12,306	7,651	4,655	2,926	1,584	1,342	67	B
Virgin Islands	6,515	4,456	2,059	197	124	73	64	64		60	60

See footnotes at end of table.

Fall 1958 statistics on enrollment, teachers, and schoolhousing in full-time public elementary and secondary day schools, by State—Continued

Region and State	Number of pupils in excess of normal capacity of the accessible publicly owned school plants in use			Inventory of instruction rooms				Additional instruction room needed (as of fall 1958)			Instruction rooms scheduled for completion during 1958–59 school year
	Total	Elementary [3]	Secondary [3]	Available, beginning 1957–58 school year	Completed during 1957–58 school year	Abandoned for instructional purposes during the 1957–58 school year	Available, beginning 1958–59 school year	Total	To accommodate excess enrollment reported in col. 13	To replace unsatisfactory facilities (exclusive of those in col. 21)	
(1)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Continental United States	1,843,000	1,250,000	593,000	1,178,367	71,600	17,300	1,232,667	140,500	65,300	75,200	68,440
North Atlantic:											
Connecticut	22,135	12,392	9,743	15,385	1,169	313	16,241	1,064	880	184	854
Delaware	2,457	1,512	945	2,641	215	51	2,805	164	82	82	378
Maine	10,004	6,709	3,295	7,385	126	61	7,450	835	487	348	87
Maryland	60,971	35,792	25,179	16,867	1,336	176	18,027	3,421	2,406	1,015	1,214
Massachusetts	48,929	20,852	19,077	34,270	1,507	345	35,432	3,353	1,620	1,733	1,332
New Hampshire	4,630	2,606	2,024	3,725	222	67	3,880	339	144	195	108
New Jersey	79,000	46,000	33,000	31,800	2,200	300	33,700	3,500	2,700	800	1,600
New York	201,000	118,000	83,000	101,100	5,600	300	106,400	11,000	7,000	4,000	6,100
Pennsylvania	[10] 16,312	[9] 9,738	[5] 6,574	65,908	3,158	968	68,098	[9]	[10] 544	[9]	1,916
Rhode Island	4,335	[11] 2,497	[11] 1,838	4,394	100	87	4,407	568	145	423	270
Vermont	4,652	3,244	1,408	3,055	87	56	3,086	953	223	730	117
District of Columbia	16,793	14,978	1,815	3,634	33	----------	3,667	608	572	36	135
Southeast:											
Alabama	56,000	37,000	19,000	22,888	587	100	23,375	11,936	1,899	10,037	963
Arkansas [15]	19,400	14,000	5,400	9,394	700	140	9,954	1,200	790	410	400
Florida	76,112	50,959	25,153	26,051	2,355	212	28,194	5,043	2,545	2,498	2,031
Georgia	98,457	72,351	26,106	28,888	2,634	1,250	30,272	4,686	3,530	1,156	1,149
Kentucky	50,650	36,200	14,450	[14] 21,667	1,134	511	22,290	9,222	1,633	7,589	1,000
Louisiana	29,721	22,004	7,717	22,327	1,900	575	23,652	1,974	1,172	802	1,808
Mississippi	44,604	32,601	12,003	15,189	859	836	15,212	5,133	1,725	3,408	2,776
North Carolina	42,850	[9]	[9]	36,685	1,596	570	37,711	3,706	1,459	2,247	1,525
South Carolina	17,600	10,200	7,400	18,863	797	511	19,149	1,636	636	1,000	511
Tennessee	27,137	20,353	6,784	23,638	610	200	24,048	3,238	904	2,334	1,100
Virginia [15]	71,544	48,044	23,500	26,203	1,487	503	27,187	4,718	2,501	2,217	1,599
West Virginia	26,430	15,047	11,383	16,042	309	180	16,171	2,093	739	1,354	178
Great Lakes:											
Illinois	37,657	28,977	8,680	54,221	3,301	630	56,892	2,008	1,184	824	2,487
Indiana	25,000	15,000	10,000	29,802	2,047	327	31,522	1,699	833	866	2,000
Iowa	37,000	29,000	8,000	20,030	800	865	19,965	1,580	1,480	100	600
Kansas	[9]	[9]	[9]	22,413	[9]	[9]	[9]	[9]	[9]	[9]	410
Michigan	150,050	87,770	62,280	54,998	4,130	150	58,978	11,117	6,002	5,115	4,500
Minnesota	22,000	13,000	9,000	24,885	1,600	263	26,222	4,173	804	3,369	1,500
Missouri	48,600	37,505	[5] 11,095	27,778	1,600	343	29,035	4,342	1,737	2,605	1,500
Nebraska	10,887	7,764	3,123	13,655	435	292	13,798	652	370	282	218
North Dakota	3,000	[12] 2,000	[12] 1,000	[10] 5,794	218	28	[10] 5,984	330	130	200	200
Ohio	39,884	32,347	7,537	61,711	2,155	532	63,334	2,624	1,622	1,002	3,386
South Dakota	6,859	4,498	2,361	8,291	354	238	8,407	707	377	330	212
Wisconsin	2,000	1,500	500	28,166	1,800	225	29,741	379	79	300	1,700
West and Southwest:											
Arizona	28,429	27,750	679	8,180	477	95	8,562	1,350	952	398	303
California	90,000	75,000	15,000	89,000	10,000	1,000	98,000	7,000	3,000	4,000	11,000
Colorado	25,709	15,378	10,331	13,385	1,031	228	14,188	1,138	645	493	1,000
Idaho	6,858	4,249	2,609	5,693	183	84	5,792	693	220	473	285
Montana	4,587	2,701	1,886	6,520	251	102	6,669	492	207	285	192
Nevada	3,422	3,040	382	2,022	282	75	2,229	249	113	136	173
New Mexico	23,684	14,742	8,942	7,268	533	174	7,627	2,133	1,029	1,104	604
Oklahoma	3,840	2,150	1,690	24,856	1,149	493	25,512	327	123	204	1,000
Oregon	8,786	[5] 4,891	[5] 3,895	14,061	685	249	14,497	699	285	414	490
Texas	148,620	110,139	38,481	67,706	5,180	2,010	70,876	5,971	4,783	1,188	3,917
Utah	13,535	9,420	4,115	7,090	311	61	7,340	829	488	341	543
Washington	23,500	12,000	11,500	19,593	1,619	337	20,875	1,887	764	1,123	949
Wyoming	3,000	2,250	750	3,250	65	----------	3,315	150	100	50	120
Outlying parts of the United States:											
Alaska	4,298	2,419	1,879	1,280	103	34	1,349	279	174	105	169
American Samoa	355	----------	355	207	25	10	222	32	12	20	26
Canal Zone	120	120	----------	397	24	23	398	9	4	5	18
Guam	307	307	----------	488	23	26	485	304	20	284	72
Hawaii	2,968	[11] 1,268	[11] 1,700	4,486	391	117	4,760	550	96	454	321
Puerto Rico	210,863	179,216	31,647	10,089	1,029	80	11,038	5,957	5,384	573	803
Virgin Islands	963	963	----------	160	34	21	173	46	23	23	10

[1] Some of the teachers included in cols. 8–10 may have met the minimum general education requirements given in col. 11 and 12 but lack either the required semester hours of professional education or directed teaching.

[2] "B" means the bachelor's degree, the equivalent of 120–128 semester hours; "M" means the master's degree.

[3] Unless otherwise noted, data for elementary and secondary schools are classified by type of organization of the school, rather than by grade group.

[4] State advises that "these teachers are working toward standard certificates; their present certificates are emergency but not substandard."

[5] Data for elementary and secondary schools are reported by grade-group: kindergarten through grade 8 for elementary, and grades 9 to 12 for secondary.

[6] Represents requirement for all secondary teachers except for a few teaching nonacademic subjects.

[7] Represents the number of teachers who are on emergency certification for more than half their teaching load.

[8] Incomplete; represents only the difference between normal capacity and total number attending schools on multiple sessions.

[9] Data not available.

[10] Incomplete; see footnote 8.

[11] Data for elementary and secondary schools are reported by grade-group: kindergarten through grade 6 for elementary, and grades 7 to 12 for secondary.

[12] Represents requirement for teaching in junior high schools; master's degree required for teaching in senior high schools.

[13] Represents requirement for a regular certificate; requirement for a permit is 60 semester hours.

[14] Based on inventory of classrooms on June 30, 1957.

[15] Includes data for schools closed by administrative authority.

[16] Includes enrollment as of June 30, 1958 for closed schools in Charlottesville and Norfolk.

[17] Current requirement; a bachelor's degree will be required after the 1st semester of the current school year.

[18] Excludes kindergarten.

[19] Represents requirement for teaching in rural schools; minimum requirement for teaching in graded schools is 64 semester hours.

[20] Includes 2,075 1-room schools.

[21] Represents requirement for teaching in rural schools; requirement for teaching in town schools is 60 semester hours.

[22] Data for 1957–58.

[23] No regular certification requirements for teaching grades 1–9; bachelor's degree required for teaching grades 10–12.

[24] Represents requirement for teaching in schools for U.S. citizens; in schools for Latin Americans the requirement is a Republic of Panama normal school certificate, or its equivalent.

[25] Represents requirement for teaching in junior high schools for U.S. citizens; master's degree required for teaching in high schools for U.S. citizens. Requirement for teaching in secondary schools for Latin Americans is an associate in arts certificate.

*Totals in cols. 13, 14, 15, 17, 18, 19, 20, 21, and 22 include estimate for nonreporting States.

What this might mean to us was partly expressed in 1955 by Chairman Lewis L. Strauss of the U.S. Atomic Energy Commission who said that:

If there is to be another (shooting) war among the great nations of the world before the human race discovers a method of abolishing resort to combat, that war may be survived by the country with the greatest stockpile of nuclear weapons and instruments of their delivery. But such a war will almost certainly be lost by the country with the fewest resources in trained manpower. (Aircraft Industries Association, Planes, January 1955.)

America must have trained manpower in all fields. Our whole national citizenry must be prepared, through education, for peaceful competition or for war if—God forbid—it should ever be forced upon us. Addressing the National Education Association 2 years ago, President Eisenhower declared that:

Our schools are strong points in our national defense. Our schools are more important than our Nike batteries, more necessary than our radar warning nets, and more powerful even than the energy of the atom.

THE ADMINISTRATION'S PROPOSAL

In spite of this astute observation by President Eisenhower, he has offered the present Congress only a feeble and ineffectual proposal for Federal action for the advancement of education in the United States.

The administration's plan, made public on February 9 of this year by Secretary Flemming of the Department of Health, Education, and Welfare, has met with adverse criticism even from prominent members of the Republican Party. For example, Senator COOPER, top Republican on the Senate Labor and Public Welfare Committee, said that he would introduce the administration's bills but he does not believe Mr. Eisenhower's proposals will meet the needs for elementary school construction.

Senator MURRAY, chairman of the Senate subcommittee considering school aid bills, has said that he considers the program a legislative monstrosity and that it appears to be designed not to help education but to help bankers. I heartily agree with Senator MURRAY's opinion although I question whether it would even be of help to the bankers.

The administration's proposal is described as a sound fiscal approach to the school construction problem in the United States. An analysis of this proposal shows that it is neither a fiscally sound nor an appreciable help to the school districts of this country which are struggling against overwhelming odds to deal with the great educational crisis which is facing us.

In summary, what this bill provides is the underwriting of school bonds—the interest and principal payments—with the credit of the U.S. Government. "Underwriting" is used here in a similar manner to the way in which you as an individual "underwrite" the repayment of a loan made to a friend of yours when you agree to cosign a note of his at the bank. In other words, it is the same principle as that applied to the veterans housing program which was extended by legislation recently adopted in this House.

Payments would not be made from the funds established under this proposal unless there was a finding that the district had made a "reasonable tax effort." "Reasonable tax effort" is, however, left undefined. The proposal would authorize appropriations of $300 million for each of the next 5 fiscal years to be used as a Federal debt service obligation fund. These funds would be distributed among the States on the basis of a complicated formula which takes into account: (a) the number of pupils enrolled in the public schools of the State, (b) the need of the schools in the State, and (c) the relative degree of effort which the State's school districts are making to meet their classroom shortage.

In order to qualify for the amount of "underwriting" which the formula would allow, the State would have to submit a State plan which would detail the way in which these funds would be distributed to the various school districts in the State, guarantee a continued "reasonable tax effort" from all districts participating, and provide for State participation in an amount equal to that provided by the Federal Government.

The element of "fiscal responsibility" which this plan claims to present, is found in the fact that there will be no money spent in this fiscal year—except for administrative expenses, which, incidentally, run quite high. Expenditures—if, indeed, they may ever be substantial—will come in future years. President Eisenhower's budget will not be thrown out of balance, but those of future administrations might be. It appears that the President is not so strongly opposed to "deficit financing" as long as it is "deferred deficit financing."

A major problem is the legal impediments which would limit the number of districts which could participate in the program. Many districts have already reached constitutional or statutory limitations on bonded indebtedness. Underwriting any future bond issues would be of no help to them. There is no way they can go further in debt without action which is very difficult to obtain.

At this point, I would like to introduce a tabulation which gives some indication of the extent of this problem:

PERCENTAGE OF DISTRICTS BY STATE WHICH HAVE REACHED LEGAL INDEBTEDNESS OR MILLAGE LIMITS AS OF APRIL 1958

Alabama, 80 percent.
Alaska, no figures available.
Arizona, no figures available.
Arkansas, 29 percent.
California, 22 percent enrolling approximately 30 percent of all pupils.
Colorado, no figures available.
Connecticut, no figures available.
Delaware, less than 1 percent.
Florida, 70 percent.
Georgia, 17 percent.
Idaho, 14 percent.
Illinois, 2 percent.
Indiana, no figures available.
Iowa, less than 10 percent.
Kansas, no figures available.
Kentucky, 27 percent enrolling approximately two-thirds of all pupils.
Louisiana, between 7 and 12 percent.
Maine, 40 percent.
Maryland, no figures available.
Massachusetts, no figures available.
Michigan, no legal maximum (15 percent are at practical limit).
Minnesota, 12 percent.
Mississippi, less than 10 percent.
Missouri, 12½ percent.
Montana, no figures available.
Nebraska, no districts at maximum.
Nevada, almost 100 percent.
New Hampshire, 15 percent.
New Jersey, 50 percent.
New Mexico, 100 percent.
New York, no districts at maximum.
North Carolina, no districts at maximum.
North Dakota, 2 percent of total; 15 percent of town districts (which have greatest need).
Ohio, 10 percent.
Oklahoma, 14 percent.
Oregon, 10 percent.
Pennsylvania, 75 to 80 percent.
Rhode Island, 82 percent.
South Carolina, no figures available.
South Dakota, 20 percent.
Tennessee, 56 percent.
Texas, 30 percent.
Utah, no figures available.
Vermont, no districts at maximum.
Virginia, no limitation for counties; 50 percent of cities have reached maximum.
Washington, 19 percent of districts enrolling 70 percent of pupils.
West Virginia, 42 percent.
Wisconsin, less than 1 percent.
Wyoming, 12 districts enrolling about 20 percent of the pupils.

From these figures it can be seen that more than half the districts in 7 States could not—under existing State laws—participate in this program; that a substantial portion of the districts could not do so in another 17 States; and that at least some districts could not participate in another 7. Of the remaining States, seven show no disability, and we do not have information regarding the rest.

The percentage of districts in the various States which have reached the maximum debt limit is not adequate to describe the problem, however, because the districts which have reached their maximum are those which are probably in the worst need, as well as being the districts which have shown the greatest willingness to try to solve their own problem.

It seems to be possible that this limited aid would be of no help even to those districts which had not reached debt limitations. In order to qualify for any aid in repayment of their indebtedness they would have to be declared incapable of meeting their financial obligations, or their proposed financial obligations. It is quite probable that in most States it would be impossible for a district to contract a bonded indebtedness upon which there had been a definite finding of this nature by a State agency. Certainly, any such procedure would bring about costly and time-consuming taxpayers' suits challenging the legality of such action.

Even if it were assumed that the legal difficulties just discussed could be overcome, there is still the problem of the States' constitutional authority to participate in the ways this proposal would require. The administration's proposal envisions three methods of State participation: First, State grants to school districts in equal amounts to the Federal guarantees; second, State loans in these amounts; or third, State guarantees equal to those of the Federal Government. The Secretary of Health, Education, and Welfare admits that referen-

dums or constitutional amendments would be necessary in many States in order for the last method to be used because of the inability of many States to incur debt. Such State actions might also be necessary in the other cases due to the financial conditions of the State governments. Under current conditions, most States would be unable to raise the amounts of money which would be required without deficit financing, and, thus, the same problems would be raised as under the guarantee method.

At this point, I introduce a tabulation showing the relative provisions in the 49 States:

ABILITY OF STATES TO INCUR BONDED DEBT PROVISIONS WHICH WOULD HAVE TO BE MET

Alabama: Constitutional amendment.

Arizona: Constitutional amendment (vote limited to real property taxpayers).

Arkansas: Referendum.

California: Referendum for general indebtedness, legislature may borrow up to $300,000.

Colorado: Constitutional amendment.

Connecticut: No provisions regarding indebtedness.

Delaware: Legislature may borrow with three-fourths vote of both houses.

Florida: Constitutional amendment.

Georgia: Constitutional amendment.

Idaho: Legislature may borrow $2 million; all other requires referendum (including tax for payment of interest and principal).

Illinois: Referendum (including tax for payment for interest).

Indiana: Constitutional amendment.

Iowa: Referendum (including tax for payment of interest and principal).

Kansas: Legislature may borrow $1 million. All other must be approved by referendum (including tax to pay interest and principal).

Kentucky: Referendum (including tax to pay for interest and principal).

Louisiana: Constitutional amendment.

Maine: Constitutional amendment for authorization by the electorate; legislature may borrow for most purposes.

Maryland: No real limit on legislature.

Massachusetts: Legislature may borrow with two-thirds vote of both houses.

Michigan: Constitutional amendment (vote limited to property taxpayers and spouses).

Minnesota: Constitutional amendment.

Mississippi: No provisions regarding indebtedness.

Missouri: Referendum, except in special cases.

Montana: Legislature may borrow up to $100,000. Others require referendum (including tax to pay for interest and principal).

Nebraska: Constitutional amendment.

Nevada: Legislature may borrow up to 1 percent assessed value of property; all other requires constitutional amendment.

New Hampshire: No provisions regarding indebtedness.

New Jersey: Legislature may borrow up to $100,000. Other requires referendum (including tax to pay interest and principal).

New Mexico: Referendum—limited to 1 percent of assessed valuation (including tax to pay for interest and principal).

New York: Referendum, and approval of legislature.

North Carolina: Constitutional amendment.

North Dakota: Legislature may borrow up to $100,000. All others require constitutional amendment.

Ohio: Constitutional amendment.

Oklahoma: Referendum (including tax for interest and principal).

Oregon: Legislature may borrow up to 13 percent of assessed valuation for specified purposes.

Pennsylvania: Constitutional amendment.

Rhode Island: Legislature may borrow up to $50,000. All other requires referendum.

South Carolina: Referendum—two-thirds majority (including tax to pay interest and principal).

South Dakota: Legislature may borrow up to one-half of 1 percent with a two-thirds vote.

Tennessee: No provisions for indebtedness.

Texas: Constitutional amendment.

Utah: Legislature may borrow 1½ percent assessed property valuation.

Vermont: No provisions.

Virginia: Referendum—limited to 1 percent of assessed valuation.

Washington: Referendum (including tax to pay interest and principal).

West Virginia: Constitutional amendment (including tax to pay principal).

Wisconsin: Constitutional amendment.

Wyoming: Legislature may borrow up to the amount of the tax revenues for the current year; all other requires a referendum (limited to 1 percent of the assessed property valuation).

Alaska: Referendum.

NOTE.—If it were assumed that most of the States—given their current financial situations—would have to incur indebtedness in order to participate in this proposed program it can be readily seen that the legal obstacles would be great. If the amount to be borrowed were large at all, 17 States would have to pass constitutional amendments; referendums would be required in 18 States; the legislatures of 9 States could handle the problem with varying degrees of difficulty; and there is no information as yet obtained on 5 States.

If the States which require constitutional amendments or referendums were placed with the State of South Dakota, which places extremely strict limitations on the legislature in its borrowing power, into a category which might be called "States Facing High Legal Barriers Against Raising Money for Matching Requirements" the States so included would contain about 110,000 of the 140,500 classrooms presently needed.

If, despite the many problems which have already been raised, this Congress decided to go ahead with such a program, and the States agreed to undertake the changes in their fundamental law which would be required, there is still the question of how much aid this program would provide. It is probable that those States which would have to change constitutional requirements could not participate for at least 3 years, because of the time necessary to accomplish the amendments. As an example, my State would have to have such an amendment. We have a biennial legislative session, and by the time this proposal could go into effect, there would be no opportunity for initiation of the amendment at this session. This means that the earliest such legislation could be passed would be in the 1961 session. Then the proposed amendment would have to be submitted to the voters at the next general election—November 1962. If all these procedures were followed, the State of Montana would then be able to participate in 2 of the 5 years of the program, and it would receive a potential allocation of $4 million of U.S. credit, provided it could put up an equal amount. Some of this money might eventually find its way into funds for school construction, although the problems mentioned above make that possibility seem unlikely.

Certainly the situation in Montana is similar to that in many other States.

But for the sake of argument, assume that some few districts in the United States do qualify for this proposed aid. Experts in the municipal bond field have informed me that the administration's proposal could be a very disruptive influence in the field of school finance. Those bonds backed by a Federal and State guarantee which were offered for sale would be much more attractive to prospective investors than would those which are not so favored. In a normal market—which contains only so much money for investment in this type of security—an influx of such "guaranteed" bonds would have a tendency to drive up the interest rate of the bonds issued by the unaided districts. Indeed, those districts which did not meet the "need" and "effort" criteria established by the State, but which were having financial difficulty, might find it extremely difficult to market their bonds at all.

A last criticism of the administration's bill—and a very important one—is that it does nothing to alleviate the problem of inadequate teachers' salaries, despite the fact that the Secretary of Health, Education, and Welfare has stated on many occasions that these should be at least doubled. Perhaps it is just as well that the bill does not go into this subject, in view of what it has recommended for school construction. If the administration undertook to improve teachers' salaries in the same manner that they have moved to meet the classroom shortage, it would probably bring about a lowering of their salaries rather than an increase.

The administration's proposal, if enacted, would establish another Federal bureaucracy, and this would be one of the worst sort, having power to establish various petty restrictions and stipulations respecting school-construction loans that would be harassing to State and local school officials. The Eisenhower proposal is not only utterly inadequate; it sidesteps the problem which should be met head on.

THE FEDERAL CONTROL BUGABOO

The crisis in education in the United States is real. It is probably the most crucial problem facing our country today. This is no time for us to allow ourselves to be frightened by the bogey man of "Federal control over education." This bogey man has been used too long by selfish interest groups to conceal their real reasons for opposing Federal participation in financing education. We know that their real reason for opposing it has generally been the unwillingness of big corporations to pay a fairer share of the taxes—Federal taxes—needed to support education. Other real reasons for opposing further Federal participation in financing education have included, first, an unwillingness or inability to see educational problems as being national in scope; and second, a refusal or inability to recognize public education as being a primary—perhaps the primary—public responsibility.

Federal control over education through Federal participation in financing it has not developed in the nearly two centuries of such Federal aid, which began with

grants of land for this purpose. However, in recent years the Congress has not lived up to its declaration in the famous ordinance of 1787 that "Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged."

The talk about Federal control of education in recent years, insofar as Federal financial aid is concerned, has referred not to actual Federal control that has ever developed, but to the supposed possibility of future Federal control. Yet practically all of the bills introduced have contained safeguards against Federal control, as does my present bill, H.R. 22. The idea, which some people would still have us believe, that the Congress cannot enact such legislation without opening an avenue of Federal control over education is about the sheerest nonsense I have ever heard.

A NATIONAL RESPONSIBILITY

The times demand our reexamination of the entire role of the Federal Government in education. I agree with the recent statement by Secretary Flemming of the Department of Health, Education, and Welfare, that there is a grave need for agreement on national goals for education, as well as agreement on a fair share of responsibility of Government at all levels, for the support of education.[4] However, while we are seeking an agreement on such comprehensive and long-range matters we must enact legislation to meet immediate needs. I believe that enactment of H.R. 22 would go a long way toward meeting such needs.

It is clear that the Federal Government inherently bears a large share of the responsibility for financing public education, even though the States and localities have traditionally borne most of the cost. We cannot hope to preserve our form of government unless all of our people are educationally equipped to understand its basic principles and their application to current problems. The outcome of our life or death competition with the Soviet Union will depend upon the capacities of our whole people. Their abilities will depend in turn upon the provisions for their education.

Under the Constitution the Federal Government is responsible for the national defense and has a duty to promote the general welfare. It cannot discharge these obligations without giving greater aid to the States and localities for school construction and teachers' salaries.

SOME IMPORTANT FACTS

The National Education Association has just released a pamphlet—"Can America Afford Better Schools?" February 1959—which is abundant in factual statements, graphic representations, and tabulations that sum up, in my opinion, to a conclusive argument for enactment of H.R. 22. I will summarize these facts for you, interjecting observations of my own.

The American standard of living is high. Many of us individually buy not only what we actually need but many things we merely want in addition—such as the latest model car or television set, or new clothes each season. As a group we are finding money for better highways, subsidies to industry and agriculture, and more and improved weapons for war. But we need to find money for increasing support for education. By increasing national productivity through more and better education, we will make still more money available for our growing wants. In addition we will establish a safeguard for peace. It is obviously through the maximum development of all of America's human resources that our strength can be made a greater deterrent to war. Increased and better endowed education will not only contribute to our strength but will serve at the same time as a sound basis for the development of understanding and friendship between ourselves and other peoples, through international educational exchanges.

Despite higher taxes, consumer expenditures in the United States have been going up $11.8 billion a year since 1948. In the 10 years since then we have spent $110 billion for new automobiles and $151 billion for tobacco, alcoholic beverages, and cosmetics, but we have spent only $78 billion for public elementary and secondary schools.

The facts show that the Nation can afford to spend a great deal more for public schools. Between 1948 and 1957 our gross national product—the value of all goods and services—increased 70 percent; our national income—the aggregate earnings of labor and property—increased 63 percent; per capita disposable personal income after taxes increased 38 percent; and personal savings increased 88 percent.

Now let us take a look at the sources of support for public education. In some States local taxes on real estate carry most of the load. In other States it is borne mainly by State taxes—personal and corporate income, tobacco, and various indirect taxes.

In some States local support can be increased by raising real estate taxes. In other States property taxes are already very high and taxpayer resistance is growing.

Some States can increase their taxes for education and other functions, but other States are already taxing everything from soft drinks to electric meters.

How do the several levels of Government in the United States share the total bill for public elementary and secondary schools? Local governments pay 56 percent and State governments pay 40 percent, while the Federal Government pays only 4 percent of the total cost. However, education's share of all taxes, local, State, and Federal, is less than it was 50 years ago.

In recent years, local and State debt has been increasing faster than Federal debt. The Federal debt has gone up only 10 percent since 1948, whereas local and State debt has increased 182 percent since 1948.

Uncle Sam is our biggest tax collector. The Federal Government collects and spends almost 3 out of every 4 tax dollars.

It is obvious that the Federal Government has not assumed a reasonable share of school costs and must assume a much larger share if the educational needs of the Nation's children are to be met. Many of the States and localities are fully utilizing their tax resources. The Federal Government must return to the States some of the revenue which it collects on a national scale, for use in the field of education.

Unless the Federal Government puts its shoulder to the educational wheel the American people can expect: First, larger and larger classes in most localities; second, half-day schooling for additional thousands of the Nation's children; third, lower teachers' salaries and loss of competent teachers from schools; fourth, greater shortages of trained manpower; fifth, social, economic, and political deterioration, and sixth, ultimate loss of the brain-power race with other nations.

Within the next 10 years the cost of public education will double, or more than double. There are many reasons for this. The school-age population will continue to increase; cost of facilities and professional services will rise and boys and girls will stay in school longer.

Under our present tax system, a doubling of school costs would mean that thousands of communities would have to increase their real estate taxes by 50 percent to 100 percent. Some States would have to double their sales taxes; others would have to double their income taxes. The people will not endure such tax burdens.

The Federal Government has far greater tax resources and more efficient tax machinery than the State and local governments. It can offset the competition among the States where tax exemption and other devices are used to attract business and industry.

Because of the mobility of population in the United States, with about 15 percent of the school-age population moving from one State to another every 5 years, the quality of education in every State is affected by the quality in others. Yet the Federal Government alone is in a position to help raise the quality of education in all the States.

The children of America are the future citizens of the Nation, not merely of the States and local communities. This fact alone lays upon the Federal Government a heavy share of the responsibility for the schooling of the Nation's youth.

Finally let me remind you that the current brain-power race with the Soviet Union makes education our first line of defense.

I have given you many reasons why, in order to discharge its responsibility for the national defense, and for the promotion of the national welfare, the Federal Government must contribute a much larger share of the cost of elementary and secondary education. H.R. 22 offers a feasible, equitable, and expeditious means of accomplishing this. The fate of the Nation depends upon early enactment by the Congress of such a measure.

[4] Address by Secretary Flemming to the National Education Association; Washington Star, Feb. 10, 1959, p. A–10.

IMPORTS OF CATTLE AND DAIRY PRODUCTS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Nebraska [Mr. BROCK] is recognized for 5 minutes.

Mr. BROCK. Mr. Speaker, dutiable cattle imports exceeded 1 million head in the fiscal year 1957–58. This was almost seven times the imports of the previous year and far higher than in any recent 12-months period. Beef and veal imports exceeded $103 million, three times the value imported a year earlier.

The first reaction in reading the above paragraph would cause us to believe that many of these cattle have come in to replenish the herds depleted due to drought but when you examine the statistics of the Department of Agriculture you find that for the fiscal year 1957–58 of 1,054,000 head of cattle imported only 29,000 were for breeding purposes; and 20,000 to improve our dairy herds. The remaining number competed with the ranchers of United States in the stocker and feeder cattle markets.

Imports of eggs exceeded $1 million, six times as many as in the previous 12 months. Disregarding the fact we have a depressed egg market in most of the United States, we continue to import. When I left the farm in late December, other Nebraska farmers and I were receiving 27 cents a dozen for eggs which is much less than cost of production. To my surprise, eggs in the Washington groceries are 75 cents.

The Department of Agriculture has done nothing to curtail these imports and has taken lightly the predictions of our best agriculture economists who foresee a drastic drop in domestic farm prices for live animals beginning in the second quarter of 1959. The 1958 imports of cattle and beef were equal to about 8 percent of domestic production. Taking into account the usual relationships between supplies and prices of beef cattle these imports must have lowered domestic cattle prices 15 percent or more.

Since most of the imports of live cattle come in through a few markets near the Canadian and Mexican borders and often are bunched at particular seasons of the year, national and yearly totals greatly understate the regional disruption in markets caused by these imports. In the seasons when imports are heaviest, local markets in the communities near the Canadian and Mexican borders are especially hard hit.

Imports of all dairy products amounted to about $42 million in both 1956–57 and 1957–58, and since July 1, 1958, imports of livestock and livestock products have continued at the same high rate that they maintained in the first 6 months of the year. Imports of sheep and feeder lambs have been unusually high in recent months. Without doubt when the figures for the calendar year 1958 become available, they will show even larger imports of livestock and livestock products than in the fiscal year 1957–58 which closed on June 30, 1958. These imports too have depressed domestic livestock prices.

My computations indicate nearly 1 billion pounds of red meat imports in 1958, or nearly 4 percent of the total supply, to say nothing of the "on the hoof" imports. The processed red meat imports are at an all time record high, at just about the time when we are going to establish new records with our domestic production. According to the "Foreign Agricultural Outlook Charts," domestic production has declined 9 percent from 1956 through 1958 and foreign imports have increased 60 percent during the same period.

I would say that this situation is inexcusable. The historical comparisons hint strongly that it stems from administration policy, rather than from any legal compulsion of the Mutual Trade Treaty, because of the sharp upturn in 1953 from 1952. We are still importing pork from Poland, and in even greater quantities than in 1955, when our "on the hoof" price went below 10 cents at Sioux City.

I am opposed in principle to buying meat from Poland because it was an ally of Russia and so close to the Iron Curtain. Poland cannot produce enough meat for its own country, let alone export any. This is the real crime of our imports from Poland. You can bet the Polish farmer isn't getting the added income from the American price, but the exporters and the importers are getting it. Possibly our competition has increased it enough in Poland, so the Poles can't afford to buy it. I visualize hungry Polish children standing with their faces pressed to my dining room window, watching me eat their food.

These imports too, are hurting our domestic livestock industry.

The foregoing facts convince me that the Secretary of Agriculture should review the entire program of imports, of livestock and livestock products. He should give consideration to establishing a quota system geared to the demand for such imports in relation to U.S. production.

HON. THEODORE FRANCIS GREEN

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Rhode Island [Mr. FOGARTY] is recognized for 60 minutes.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, on last Wednesday, February 18, in the other Chamber a remarkable event occurred which prompts me to make these few brief remarks.

I refer to the unanimous resolution of the Senate Foreign Relations Committee designating my good friend and fellow Rhode Islander, THEODORE FRANCIS GREEN, as chairman emeritus of that committee. It has been said that there is no precedent among Senate committees for such action.

Mr. Speaker, the full text of the resolution of that committee reads as follows:

Whereas Senator THEODORE FRANCIS GREEN, of Rhode Island, has been a member of the Committee on Foreign Relations from 1937 to 1947 and from 1949 to date, and served as chairman from January 1957 to January 1959; and

Whereas Senator GREEN has served the people of this Nation by his initiative and hard work in obtaining approval by the Senate of such important foreign policy measures as the Middle East Resolution, the Mutual Security Acts, the Statute of the International Atomic Energy Agency, and numerous other measures and treaties important to the peace and security of the United States; and

EXPRESSES APPRECIATION

Whereas in the discharge of his duties Senator GREEN has at every opportunity encouraged the development of a foreign policy rooted in the national interest, has always devoted his full energy and ability to the services of his Nation, and has brought about closer relations between the legislative and executive branches of this Government, and otherwise improved the operations of the Committee on Foreign Relations; and

Whereas Senator GREEN has asked to be relieved as chairman of the Committee on Foreign Relations: Therefore be it

Resolved, That the Committee on Foreign Relations expresses its warm affection for Senator GREEN and its deep appreciation for his devotion to duty and for the great service which he has rendered to the committee, to the Senate, and to the United States by his initiative and statesmanship; and be it further

Resolved, That the Committee on Foreign Relations, in order to continue to benefit by utilizing to the greatest extent possible the experience and knowledge of Senator GREEN, designates him as chairman emeritus of the Committee on Foreign Relations.

We are all familiar with the courageous and patriotic action taken by my distinguished congressional colleague a few weeks ago when he announced his decision to relinquish the chairmanship of that important major committee because of physical infirmities of sight and hearing. In so doing he has made it possible for the chairmanship to be assumed by the distinguished and able Senator from Arkansas, WILLIAM FULBRIGHT, with whom I was proud to serve in this House more than a decade ago.

Senator GREEN's decision was taken, as we know, against the wishes and recommendations of all of his colleagues on the Senate Foreign Relations Committee and against the urging of many of his associates in the other body who desired him to carry on. I know that he reached that decision in the recesses of his own heart and mind and he has done that which he believes is the right thing for his country and his party. To me it is an almost unprecedented example of putting service to one's country over one's own personal interest in maintaining power and position.

As so well stated in a special editorial in the Providence Journal on January 31, his action "can only inspire a feeling of profound respect." Mr. Speaker, the entire editorial entitled "Senator GREEN Commands the Nation's Respect" reads as follows:

SENATOR GREEN COMMANDS THE NATION'S RESPECT

The resignation of Senator THEODORE FRANCIS GREEN as chairman of the Senate Committee on Foreign Relations can only inspire a feeling of profound respect.

A man of 91 who can retain the sense of objectivity and the capacity for self-sacrifice that this action required can truly be said to possess the wisdom of old age. This can be, in its own way, a quality as precious as the vigor and alertness of youth. Rhode Island can be proud to have Mr. GREEN continue his term as its representative in the the U.S. Senate.

Our suggestion that the time had come for the Senator to step down from the foreign relations chairmanship was based on a belief that his great age made his continuation in that vital post, at this time, a handicap to the national interest. This was not an easy suggestion to make, any more than it could have been an easy one for Mr. GREEN to hear. Insofar as it may have helped influence his decision, our reaction is by no means one of gratification, but rather of admiration.

Moreover, the significance of the resignation extends beyond the honor it does Senator GREEN's personal character. The hope is that the precedent he has set may help to redeem the congressional seniority system itself.

Since there seems no way of changing the system that elevates men to key committee chairmanships solely on the basis of their length of service, the only way to prevent Members from clinging to such posts after the years have robbed them of their capacity to serve effectively is to appeal to their personal patriotism and moral courage. Senator GREEN has set a standard in these respects that may be as valuable to the national interest in the future as his immediate readiness to place the foreign relations chairmanship in the capable hands of Senator FULBRIGHT, of Arkansas.

These newspapers have differed often with THEODORE FRANCIS GREEN throughout his long public career. We will doubtless continue to do so on occasion as long as he holds political office—although recently we have had occasion as often to agree with him. We have tried to respect his integrity and his motives, as we hope he does ours in the position we have taken on the need for the resignation he has now submitted. For our own part, we can sincerely say our respect is increased markedly by his act.

What THEODORE FRANCIS GREEN has done, therefore, sets a shining example to all of us in that respect and is one from which we can all profit. In this day and age when so much emphasis and value its placed upon retention of power and influence it is refreshing for a democracy to witness the chairman of one of its most powerful and noted legislative committees stand aside for purely patriotic motives.

But let us not conclude that the services of Senator GREEN as a member of the Foreign Relations Committee will be diminished in any substantial respect. In my opinion they will be enhanced by this action.

Since first coming to Washington in 1941 as a Member of the Rhode Island congressional delegation, I have had the fortunate opportunity of coming to know those rare talents of mind and heart which THEODORE FRANCIS GREEN possesses—qualities which this country so deeply needs and which we are fortunate to have in our service in times of peace and war.

During these years I have developed the highest regard for Senator GREEN not only as a learned statesman but also as a personal counselor and adviser to me on those occasions when I have needed the benefit of his wise experience.

THEODORE FRANCIS GREEN comes from a rugged New England pioneering family which has given to this Nation several Senators and several Members of this House.

It is in keeping with the tradition of this great Rhode Island family to do that which is unexpected or difficult but nevertheless that which is right.

As a dynamic and thoroughly courageous governor of the State of Rhode Island, THEODORE FRANCIS GREEN was a fearless champion of democratic rights. This is the man who battled for basic social reforms—for social justice—when to do so was not the most popular thing to do. But he carried many of them into effect in our native State as Governor and later as a Senator helped to implement them in our Federal legislative system.

I shall never forget that this is the man who withstood the whiplash of organized criticism when he instituted a sweeping judicial reform in the State of Rhode Island which gave us a bipartisan Supreme Court for the first time since the Civil War. Who can forget that this brave and just action an his part is said to have caused the publisher of the Chicago Tribune to cut a star from the flag at the top of the Tribune Building in Chicago and to issue an order that the name or picture of Senator THEODORE FRANCIS GREEN would never again appear in his publication.

So I know the measure of the man and know the cool, temperate but firm review which he made of this recent matter and which led him to take this eventful step. Therefore, I can say that I was not surprised at his decision.

I am happy to know that Senator GREEN will carry on his duties as a member of the Foreign Relations Committee and other committees of the Senate. Whatever the disabilities of sight or hearing, let there be no mistake about his capacity to carry on the onerous duties of government. I have personal knowledge, as I am sure many of you do, of his keen and ready wit, his athletic stamina, his extensive fund of knowledge, all of which combine to make him a rare man, indeed.

His education both in the universities of this country and abroad, as well as his long experience in both executive and legislative offices, are assets which the Federal Government is, indeed, fortunate to be able to utilize.

Both you and I know of examples over the years of men in high Government positions who have refrained from the relinquishment of power and position for far more serious and impeding physical disabilities. There is no reason to detail them. Some have existed in the various Cabinets of the Chief Exceutive as well as in the legislative and judicial branches of government.

So what THEODORE FRANCIS GREEN has done is all the more remarkable and will be long remembered. It ought not go unnoticed and I am sure it will not by all of us. It is in this sense and this sense only that I make these few brief remarks.

I believe we can appropriately say of my distinguished colleague and dear friend, Senator THEODORE FRANCIS GREEN, what Oliver Wendell Holmes said of Daniel Webster—

> Thy heart shall own,
> A nation's homage
> Nobler than its throne.

Mr. Speaker, I yield to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Speaker, I join with my colleague from Rhode Island [Mr. FOGARTY] in this tribute to a great American.

Senator THEODORE FRANCIS GREEN, the senior Senator from Rhode Island, has once again, by his recent action, given us an example of his greatness, of his patriotism, and of his love for America. He did what few, if any, Members of Congress have ever done—step down voluntarily from the chairmanship of a great committee.

He relinquished the chairmanship of the Senate Foreign Relations Committee because he felt that his impaired sight and hearing made it impossible for him to discharge the duties of that high office as he felt it should be done.

I have known Senator GREEN intimately for more than a half century. I served under him while he was Governor of our State and we were both elected to Congress for the first time, on the same ticket, in 1936, he to the Senate and I to the House. I cherish the fact that he has been my friend, and I am thankful for his wise counsel.

He is a man of wealth with a heart of gold. Although endowed with this world's goods he has always taken an interest in those less fortunate than himself.

He was one of the first to sponsor cafeterias for workers in plants, and one of the originators of a banking system that made loans to needy people.

He always has taken a great interest in education and made possible the education of a number of youngsters who, without him, never would have been able to attend college.

He has devoted himself to the care of the unfortunates and during his service as Governor of our State he rehabilitated and expanded the facilities at our State institutions. The new and up-to-date buildings that he sponsored there is a monument to his humanitarianism.

This is only a minor part of what could be said of this great man.

Is it any wonder, then, that the leaders and members of the Senate, and, particularly the members of the Senate Foreign Relations Committee, should have tried to prevail on Senator GREEN to continue as chairman. They knew of his devotion to duty and his unrelenting efforts in the interest of our country.

But all their efforts were of no avail. A great man had made a great decision. America came first with Senator GREEN.

While his decision brought regrets we all can take comfort in the fact that Senator GREEN will continue to give of his experience and sound counseling both in the Committee on Foreign Relations and in the U.S. Senate.

We of Rhode Island salute Senator GREEN. We love him.

Mr. FOGARTY. Mr. Speaker, at this time I yield to the distinguished chair-

man of the House Committee on Foreign Affairs, Dr. MORGAN.

Mr. MORGAN. Mr. Speaker, I rise at this time to express my admiration and praise for the distinguished elder statesman, Senator THEODORE FRANCIS GREEN, of Rhode Island. It has been my privilege to serve with Senator GREEN on a number of important conference committees where I had unusual opportunities personally to observe his keenness of intellect and his rare legislative ability.

When Senator GREEN became chairman of the Senate Committee on Foreign Relations in the last Congress he brought with him an unusual background of fine qualifications for this key post. Senator GREEN is a graduate of Harvard Law School; he received degrees from Brown University, and also studied in the Universities of Bonn and Berlin. He was admitted to the Rhode Island bar in 1892, and has engaged in the practice of law since long before most of us were born. He not only has a profound knowledge of law but also has the distinction of having taught Roman law at Brown University before the turn of the century. His fluency in both French and German, together with his firsthand knowledge of many key areas of the world, increased his value as a member and as chairman of the Committee on Foreign Relations.

Senator GREEN's long public career is characterized by the time and boundless energy he has given in many fields of activity. He commanded a company of infantry during the Spanish-American War and later served in his State legislature and then as Governor of Rhode Island. He served as a delegate to all Democratic National Conventions from 1912 to 1952, and has been Democratic national committeeman from Rhode Island since 1936.

Senator GREEN has become one of our great outstanding public figures. He has won affection and esteem for his legislative wisdom and skill as well as for his ebullient good spirits. At 91 Senator GREEN is still more vigorous than many a quarter century his junior. Last December Senator GREEN underwent surgery for cataracts and, unfortunately, his vision has not fully returned. He has also suffered a hearing impairment to the extent that it had become increasingly difficult for him to preside over meetings of the Foreign Relations Committee.

A measure of greatness of this distinguished public servant may be found in his voluntary relinquishment of the honors and responsibilities that go with the chairmanship of a major Senate committee. When he realized the physical limitations imposed by his impaired vision and hearing he resigned from this important post so that these impairments would not interfere with the efficient conduct of committee functions.

Fortunately Senator GREEN is retaining his membership on the Foreign Relations Committee. I believe that all who know him agree that his brilliant career is enhanced by this act of patriotic self-sacrifice on his part. The lessening of his visual acuity and his hearing are not of a degree that would interfere with his efficient and capable discharge of his senatorial duties. I am happy that he retains his membership on the Foreign Relations Committee. His long experience, his keen intellect and memory qualify him to serve as an invaluable counselor to his able and brilliant successor and his other colleagues.

Mr. FOGARTY. Mr. Speaker, I yield to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS. Mr. Speaker, I am very happy to take this opportunity to remark briefly that I have enjoyed a very pleasant association with the distinguished Senator from Rhode Island, Senator GREEN. He has been chairman of the Senate delegation to the NATO Parliamentary Conference and has always been elected chairman of both the House and Senate delegations when we arrived at the Conference, because we acted as one delegation.

He has made a great contribution because, as my chairman of the Committee on Foreign Affairs has said, he is fluent in both French and German. He has a wide acquaintance among the legislators of the NATO countries, and he has played a profound and influential part in making the NATO Parliamentary Conference a successful, going organization.

It was my good fortune I think 5 or 6 years ago to be present in Bonn, Germany, at which time his fraternity at the University of Bonn gave a dinner for him. I believe he was the only member of his class who was yet alive. At that dinner Senator GREEN gave a speech in fluent German to the assembled members of this fraternity from the University of Bonn. To me it was a tremendously impressive thing. It was an illustration of how he has gone about through the years building good will for the United States in foreign countries.

I am sorry to see him leave the chairmanship of the Foreign Relations Committee, but I quite agree with my chairman, Dr. MORGAN, that it was a measure of his mark as a statesman that when physical impairment involved him to such an extent that he thought he could not quite give 100 percent the effective service he had been giving he chose to retire. I am glad he stayed on the committee and I am glad he is still in the Senate, and that we will have the benefit of his advice.

Mr. FOGARTY. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, it is not only an official but a personal pleasure for me to join with my distinguished friend the gentleman from Rhode Island [Mr. FOGARTY] in honoring the distinguished senior Senator from Rhode Island, Senator THEODORE F. GREEN.

I have known Senator GREEN for the past 30 years. He served with me on three occasions on the Democratic committee on platform and resolutions of the Democratic National Committee, also as a member of the drafting subcommittee.

The record Senator GREEN has made in public life as Governor of his State and as a Member of the U.S. Senate has made its profound impression upon the pages of this history of his State and of our Nation.

Senator GREEN is a gentleman in every respect—one who can disagree without being disagreeable. He symbolizes the fine things of life that enable him to be a symbol and inspiration for others to follow. As a legislator in the Senate of the Congress of the United States, Senator GREEN has wielded a powerful and constructive influence. In the trying world of today, Senator GREEN has sensed the real issues which confront all nations and all peoples who want to be free under their own law. He knows the dangers of the press of atheistic communism and has ably given leadership to combat the same. He is one of the great Americans of this trying period of the world's history and the people of America are grateful that he is serving in the Congress of the United States during this historic period.

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that any other Members who may desire to do so may extend their remarks at this point in the RECORD regarding Senator GREEN.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I am delighted to join in this well-deserved tribute to the distinguished senior Senator from Rhode Island, the Honorable THEODORE FRANCIS GREEN.

Senator GREEN's long and outstanding record of public service cannot fail to impress everyone in these halls. As soldier, State legislator, chief executive of the State of Rhode Island, and then a Member of the United States Senate, he served his State and Nation with devotion and brilliance seldom matched in the annals of our history.

As a member of the Committee on Foreign Affairs, I have had particular occasion to observe Senator GREEN's work in that important field. He was untiring in his efforts aimed at strengthening our foreign policy programs, and advancing the unity of the free world in the face of the Communist threat. He made a tremendous personal contribution to this end through his extensive travels and his numerous personal contacts abroad.

I was deeply moved when, out of pure devotion to his country, Senator GREEN decided to relinquish the chairmanship of the Committee on Foreign Relations in the belief that the heavy burdens of that office may be borne by younger shoulders. His completely unselfish decision will always remain as an example and inspiration to the men and women chosen by the American people to represent them in these halls. I am very happy, however, that Senator GREEN will continue as the ranking member of the Committee on Foreign Relations. His wise counsel and wealth of experience are very much needed in these crucial times, and I am glad that they will continue to be at the service of our country.

In concluding, I want to wish the senior Senator from Rhode Island the best of health and God's choicest blessings in the years to come. May he continue serving our country in this legislative body for many more years.

FEDERAL AID TO DEPRESSED AREAS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. VAN ZANDT] is recognized for 20 minutes.

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a table.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, on February 23, or yesterday, I introduced H.R. 4878, a bill to aid depressed areas.

It might be said that what we need right now is not new bills to aid depressed areas but an act signed by the President which would bring Federal assistance to the scores of communities in the United States which have for years been plagued with chronic unemployment. I fully agree with this view.

My record in favor of depressed area legislation is crystal clear.

For years I have cooperated with my colleagues on both sides of the aisle interested in this type of legislation and my disappointment was as great as theirs when the President vetoed the Douglas-Spence bill last fall.

Mr. Speaker, on the subject of Federal aid to depressed areas there are some excellent bills pending before this session of Congress. In this connection, it would not be difficult for me to support the bill introduced by my colleague, the gentleman from Pennsylvania [Mr. FLOOD], and its companion bill in the Senate introduced by Senator DOUGLAS, of Illinois.

At this point, however, it is pertinent to ask—and I do so in all sincerity—why solicit a repetition of last year's veto by having the Douglas-Flood bill given similar treatment since it resembles to a marked degree the Douglas-Spence bill in the 85th Congress.

Frankly, the possibility of another veto is cause for great concern.

While there is no one in the Senate or the House who would stoop to playing politics with the misery of unemployment, we cannot ignore the fact that unless a bill is enacted the suffering of the people in the depressed areas is not going to be alleviated.

Mr. Speaker, among the sponsors of depressed area legislation there exist two conflicting points of view.

To begin with, in principle the administration has endorsed aid to depressed areas.

In addition, the two great major political parties also endorsed the principle in their 1956 platforms.

Therefore, the question that Congress must resolve is the extent of aid to the depressed areas of the Nation.

In an effort to reach this common objective, it is imperative that reasonable people should be willing to compromise.

In this connection, it is my belief that the President will find it possible to accept a reasonable compromise between the administration bill and the Douglas-Flood version of the legislation.

In my plea for a reasonable compromise, it must be thoroughly understood that I am not presuming to speak for the administration nor have I had any consultations with administration leaders on the subject.

Mr. Speaker, let us be practical and face the facts concerning depressed area legislation.

In the event of a Presidential veto of the Douglas-Flood bill, I have been unable to find anyone willing to flatly predict that the veto will be overridden by the House of Representatives.

The fear of being unable to override a veto is based on the fact that it requires two-thirds of the votes cast to accomplish that purpose.

Therefore—looking the facts right in the face—when you review the position of those Members of the House today in relation to their last year's vote on the Douglas-Spence bill, one finds that the margin of victory would be insufficient to override a possible Presidential veto of the Douglas-Flood bill.

Mr. Speaker, to improve our chances of enacting depressed area legislation, I introduced H.R. 4878, a bill which represents a compromise between the administration's approach and the Douglas-Flood proposal.

With a few exceptions, my compromise bill, H.R. 4878, offers the same types of aid contained in the Douglas-Spence bill vetoed last year.

For example, instead of making every depressed area eligible for the same types of assistance, my bill provides different degrees of Federal assistance based upon the level of chronic unemployment and the need in such areas.

In this connection, it is my belief that areas which have suffered greater levels of unemployment should be entitled to a greater degree of aid than those communities whose problems of unemployment are of a lesser degree.

Briefly, my bill, H.R. 4878, provides for the following programs:

First. Technical assistance: Depressed areas would be eligible for technical assistance to help the communities to appraise their physical and human resources, which would prepare them to plan constructive programs to attract new businesses and expand existing businesses in these areas.

Second. Community loans: Depressed communities would be eligible to receive loans from a revolving fund of $100 million.

We know that the conventional lending facilities in depressed areas are not as venturesome as those in growing and expanding communities.

The fund would put the depressed areas on a more equal footing with other communities in attracting new jobs.

Third. Public facilities: Some communities need improvement in public facilities before they would become sufficiently attractive to new businesses which might desire to locate in these areas.

My bill provides for an establishment of a $25 million revolving fund from which these communities would be able to borrow.

While the figure may appear modest, attention is called to the fact that legislation is pending before the House which would establish special funds for community facilities.

Meanwhile, under my bill, H.R. 4878, a smaller fund would be allocated and earmarked to aid depressed areas.

In addition, the most depressed communities which do not have the sufficient resources to borrow funds would be eligible to receive grants up to a maximum of $25 million.

At this point, let me stress that this is not an annual appropriation but is intended to be a $25 million revolving fund from which these communities would be able to borrow.

The administrator of the program would be expected to limit the grants only to communities with the greatest need for aid and which do not have sufficient resources to repay the loans in the foreseeable future.

It should be stressed that this is no giveaway program; under the provisions of my bill grants would be made only for projects which would provide lasting improvements and thus broaden the economic base of the communities.

Fourth. Vocational training and subsistence: One of the big problems of the people in depressed areas is the fact that many of their industries have declined or disappeared and, consequently, the demand for the skills acquired by the people in these areas has also diminished or vanished.

In order to enable these people whose skills have become obsolete to gain new employment, we must provide facilities to retrain them.

But many have been unemployed for a long period of time, and it would be unreasonable to expect that they could undergo an effective period of vocational training without any means of support.

Consequently, while the unemployed are undergoing training and if they are no longer eligible for unemployment compensation, they would be receiving subsistence payments equal to the average unemployment insurance in their States during the period while they are undergoing training, but not for a period exceeding 13 weeks.

Only the unemployed residing in the communities with the highest level of unemployment would be eligible for this type of aid and the total amount that would be appropriated for this program would be limited to $5 million a year.

Mr. Speaker, in brief, these are the provisions of my compromise bill, H.R. 4878.

They are modest, but at the same time will provide a sound program of Federal assistance to depressed areas.

All of us are deeply concerned by the latest reports about the rise of unemployment.

Experience has shown that the people in depressed areas are the ones that are mostly hit by any rise in unemployment and are the last to recover from the onslaught of recession.

Therefore, it is urged that we enact the program contained in my compromise bill, H.R. 4878, as a realistic means of providing an effective program to aid the chronically depressed areas of the Nation.

Since the cost of depressed area legislation has proved a stumbling block in

the past and impeded our efforts, let me point out that the cost of the Douglas-Flood bill is $389.5 million as compared to the cost of the administration bill which is $53 million.

By way of contrast, my compromise bill, H.R. 4878, will cost $158 million or just about midway between the cost of the Douglas-Flood bill and the administration bill.

Mr. Speaker, at this point in my remarks I should like to include the following comparative analysis of the provisions and costs of the Douglas-Flood, administration, and Van Zandt bills:

Main provisions of the Douglas-Flood, administration, and Van Zandt bills

Douglas-Flood bill	Administration bill	Van Zandt bill
Title: Area Redevelopment Act	Area Assistance Act of 1959	Same as administration bill.
Purpose: To establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas.	To assist areas to develop and maintain stable and diversified economies by a program of financial and technical assistance and otherwise, and for other purposes.	Do.
Organization: Establishes the Area Redevelopment Administration as an independent agency.	President appoints an Area Assistance Administrator who reports to the Secretary of Commerce.	Do.
Criteria for area eligibility:		
a. Industrial areas with unemployment of 12 percent for 12 months; or 9 percent for 15 out of 18 months; or 6 percent for 18 out of 24 months, or 15 percent for 6 months if causes are not temporary.	a. Labor market areas where the nontemporary unemployment rate (1) is currently 6 percent and (2) has averaged at least 6 percent—	a. Same as administration bill.
	(a) for 4 out of preceding 5 years and has been 50 percent above national average.	a(2)a. Designated category I.
	(b) for 3 out of preceding 4 years and has been 75 percent above the national average, or	a(2)b. Designated category II.
	(c) for 2 out of preceding 3 years and has been 100 percent above the national average.	a(2)c. Designated category III.
	(3) Also, nonagricultural employment has declined, or has increased less than in the country as a whole, during preceding 5 years. (Loans and technical assistance grants.)	
b. Rural areas with the largest number and percentage of low-income families and having a condition of substantial and persistent unemployment or underemployment.	b. "1 industry" towns, small towns in rural areas and rural low-income areas (technical assistance grants only).	
(NOTE.—The term "redevelopment areas" may include 1 or more counties, or 1 or more municipalities, or a part of a county or municipality.)		
Loans:		
a. $100 for industrial redevelopment areas	a. $50,000,000 for eligible labor market areas	a. Same as Douglas-Flood bill.
b. $100 for rural redevelopment areas	(NOTE.—Area assistance fund to be financed by congressional appropriation.)	b. $25,000,000 for public facilities (categories II and III only).
c. $100 for public facilities.		
(NOTE.—Area redevelopment fund to be financed by public debt transactions.)		
Terms for industrial loans:		
a. Up to 65 percent of project cost for 30 years with interest at Treasury cost plus 0.5 percent minimum of 10 percent State and local and 5 percent private funds.	a. Up to 35 percent of project cost for 25 years at rate of interest to be determined; at least 15 percent funds from State or local sources.	a. Up to 33⅓ percent of the project cost for category I, 50 percent, category II, and 75 percent category III; at least 15 percent from State or local sources.
b. Loans for land, construction and machinery	b. Loans for land and buildings only	b. Same as Douglas-Flood bill.
c. Loans must be approved by the official State or local development agency. If none exists, the Administrator appoints a local redevelopment committee.	c. Loans must be approved by State development agency	c. Same as administration bill.
d. Project must be consistent with an overall economic development program.	d. Project must be consistent with an overall economic development program	d. Same as administration and Douglas-Flood bills.
Grants:		
a. Provides $75,000,000 for community facilities grants	a. No grants for community facilities. However, amends title II of the Housing Amendments of 1955 to give first priority for public facilities loans in areas of substantial and persistent unemployment.	a. Provides $25,000,000 for community facilities (category III only).
b. Provides $4,500,000 annually for economic studies and technical assistance grants.	b. Provides $3,000,000 annually for technical assistance grants. Of this amount $1,500,000 is available for "1 industry" towns, small towns in rural areas, and low-income areas not otherwise eligible.	b. Same as administration bill.
Technical assistance: Information, advice, and technical assistance limited to redevelopment areas.	Technical assistance on economic development available to all areas.	Same as Douglas-Flood bill but Federal share limited to 33⅓ percent (category I), 50 percent (category II) and 75 percent (category III).
Housing amendment: Amends Housing Act of 1949 to permit industrial development of urban renewal areas and the Housing Act of 1954 to extend urban planning grants to industrial redevelopment areas.	Amends Housing Act of 1949 to permit industrial development of urban renewal areas and the Housing Act of 1954 to extend urban planning grants to industrial redevelopment areas.	Same as Douglas-Flood bill.
Vocational training: Provides for vocational training through the Secretary of Labor and the Secretary of Health, Education, and Welfare. If State vocational education agency is unable to provide facilities and services, administrator may contract for them.	Provides for vocational training through the Secretary of Labor and the Secretary of Health, Education, and Welfare.	Do.
Retraining payments: Secretary of Labor makes retraining subsistence payments for up to 13 weeks for those undergoing vocational training or retraining.	None provided	Same as Douglas-Flood bill but limited to category III communities.
Total costs: $369,500,000 in loans and grants, including $10,000,000 annual ceiling on retraining subsistence payment. (Other costs not specified.)	$53,000,000 in loans and technical assistance grants. (Other costs not specified.)	$158,000,000, including $5,000,000 annual ceiling on retraining subsistence payments (other costs not specified).

Summary costs of the Douglas-Flood, administration, and Van Zandt bills

	Douglas-Flood bill	Administration bill	Van Zandt bill
Loans:			
Industrial areas	$100,000,000	$30,000,000	$100,000,000
Rural areas	100,000,000		
Public facilities	100,000,000		25,000,000
Total	[1] 300,000,000	[2] 30,000,000	[1] 125,000,000
Grants (annual):			
Public facilities	75,000,000		25,000,000
Technical assistance, annual	4,500,000	3,000,000	[4] 3,000,000
Total loans and grants	379,500,000	53,000,000	153,000,000
Administration	([3])	([3])	([3])
Retraining subsistence training payments to States	[4] 10,000,000	None	5,000,000
Vocational training	([3])	([3])	([3])

[1] Financed by public debt transactions.
[2] Financed by congressional appropriation.
[3] Not specified.
[4] Annually.

Mr. Speaker, in connection with depressed area legislation, let me state that I have no pride of authorship.

My sole desire is to aid the people in the depressed areas and to attain such a laudable objective the spirit of compromise should be dominant in our minds.

As one who represents two chronically depressed areas in Pennsylvania with unemployment as high as 14 percent of our labor force and which has plagued us for years, my goal is that Congress enact without delay an effective bill in a form acceptable to the President, thereby eliminating the prospects of another Presidential veto.

Mr. Speaker, the residents of the 269 depressed areas of the Nation are entitled to this type of legislation, and it is my sincere hope that we can compromise any differences and enact a depressed area bill without further delay.

THE LATE DAVID PATRICK DOYLE

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FOGARTY. Mr. Speaker, several weeks ago I was deeply saddened and greatly shocked with the news of the loss of a close associate and dear friend who served as my administrative assistant in my early days as a Member of this House. His untimely death comes as a great loss not only to his family and to those like myself with whom he had been associated, but also to the many Members of the Congress with whom he had a bond of close friendship.

I refer to David Patrick Doyle, affectionately known to all of us as Dave Doyle.

When I was first elected to the House and came to take my seat in the 77th Congress in January 1941 Dave came with me as my assistant. He had worked diligently on my behalf in the campaign of 1940 and willingly gave up his law practice in the State of Rhode Island and his position as acting district court judge of the fourth district court to cast his fortunes with my own.

I can never forget the tremendous assistance which he gave me in those early days when as an uninitiated Member of Congress I needed valuable advice and assistance to guide me in the appropriate and effective discharge of my congressional duties. I found in Dave Doyle a tower of strength upon whom I heavily relied.

In 1948 Dave chose to return to his career as a lawyer and assumed a position as counsel in the legal department of the National Catholic Welfare Conference. Here he found an opportunity to use his rich talents for the advancement of the many national charities and educational programs which that great organization sponsors.

Dave Doyle was not a complex individual. He exemplified simplicity and directness and avoided all pretense and false pride. His affable and good-natured personality recommended him to all. He was devoted to his family, to his country and to his friends, and he demonstrated these loyalties in numerous ways on numerous occasions.

I truly believe that I can say he left a mark of improvement upon anyone with whom he was closely associated, and in that sense lived a rich, full life during the 49 years which he spent here. To his devoted wife, Mary, and his children, David P., Jr., Sheila, Michael, and Maureen he has left a record of achievement of which they can always be justly proud. My prayer is that his family will be consoled by the knowledge that Dave's life was well and valuably spent. I extend to them my deep and sincere sympathy upon their loss.

Dave was particularly devoted to his native State of Rhode Island and despite his many years of residence here in the Washington area, never lost his active interest in the welfare of that State.

His keen interest in political affairs continued and I cannot recall a campaign in which I have been actively engaged in which Dave Doyle was not ever ready to assist me in every way.

I personally feel his loss very deeply—it is the loss of a loyal, devoted friend of whom there are few and far between. In the years to come I shall remember his ability, his accomplishments, his constructiveness, his noble character, and all that he stood for. In my memory I shall always cherish his friendship.

The last thing that Dave Doyle would want is anything in the way of a eulogy. However, I shall always remember that his own pastor, Rev. Paul V. Heller, in mentioning this fact on the day of his funeral, told the hundreds of friends and relatives gathered there that Dave could not object to a quotation from the scriptures which aptly summarized his life. It was this:

> Lay not up to yourselves treasures on earth: where the rust and moth consume, and where thieves break through, and steal. But lay up to yourselves treasures in heaven: where neither the rust nor moth doth consume, and where thieves do not break through, nor steal. For where thy treasure is, there is thy heart also.

The National Catholic Welfare Conference, with whom Dave Doyle was associated at the time of his death, issued a bulletin to advise its members of his untimely passing. Since their tribute so well typifies what is in all our hearts, I am taking the liberty of quoting it in full:

> IN MEMORIAM
>
> On January 26, after a lingering illness, Mr. David Patrick Doyle was called to his eternal reward.
>
> In his death the legal department, of whose staff he was for 11 years a valued member, has suffered a loss that is truly poignant and irreparable.
>
> Those who were associated with him personally not only cherished the warmth of his unique and buoyant personality, but were in constant admiration of his utter dedication to the noblest ideals of Christian life and work.
>
> To those ideals he gave himself with unswerving persistence expressed so often in his admonition, "Stout heart," and strengthened by an almost childlike confidence in the aid of the Holy Ghost. It was as though he had been inspired by the words of the psalmist: "He chose David, too for his servant; took him away from herding the sheep * * * bade him be the shepherd of * * * his own people * * * his own domain. His was the loyal heart that should tend them, his the skillful hand that should be their guide."
>
> His devotion to home and family, to country, and to his church was absorbing, indeed almost passionate, in its intensity. His faith, and his love for the church were the consuming interests of a life of service whose record can find adequate recognition only in the book of life.
>
> To his mother, his widow, his children, and all the other sorrowing members of his family we of the legal department who were privileged to share the grace of his talents and his friendship offer our deepfelt and prayerful sympathy in a loss that we, too, feel ever so keenly.
>
> May he rest in peace.

DANIEL A. REED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, the passing of our distinguished colleague, Hon. DANIEL A. REED, of New York, a close friend of mine for so many years, is indeed a very great shock to me. For over a third of a century, we worked together in the House of Representatives. Together we faced many grave and difficult decisions involving the United States of America. A great American, his patriotism and loyalty to his country was a part of every fiber of his physical body and every emotion of his mind and heart and soul.

Possessed of the highest principles, of the finest ideals, of the highest integrity, the Honorable DANIEL A. REED, during his long career of public service, has carved his place in the history of America. His great work in the Congress of the United States will stand forever as a monument of achievement for his Nation and country which he so deeply loved. As a man of steel and determination, he courageously faced up to every challenge of all he thought was right. As a man of gentle spirit, his kindness touched the lives of many. But more than these great deeds, more than his great accomplishments, more than his tremendous contribution during his time on earth, is his gentleness and fairness toward his fellow men. I came to know this kindness, this thoughtfulness, and this gentle courtesy. In the memory and hearts of his associates here and elsewhere these gentle qualities are forever engraved.

With his fine family, his wonderful wife, and all his colleagues, I join in the mourning of his passing. I know that those of us who worked with him and knew him so well are better for this enriching association. I know that our country is a finer place in which to live because of his dedicated work and his greatness. Mankind has deeply benefited because of his life on earth. Able and courageous, honored and respected, the people of America are proud this great man was born, developed, molded

in this land of freedom. All America gave him, he gave back in quality and quantity. Those of us who knew him so well are proud he was our friend and are thankful for his association. Surely his mission in life and on earth has been fulfilled. Now he belongs to God.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS, for 40 minutes, today.

Mr. LINDSAY, for 10 minutes, on Thursday next.

Mr. BOWLES, for 1 hour, on Thursday, and to revise and extend his remarks.

Mr. ROOSEVELT, for 15 minutes, today.

Mr. GEORGE P. MILLER for 30 minutes, on Monday next.

Mr. PATMAN, for 1 hour on February 26 and 1 hour on March 2, in each case to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous matter.

Mr. MCGOVERN in two instances and include extraneous matter.

Mr. UDALL and to include extraneous matter.

Mr. MULTER and include extraneous matter.

Mr. COFFIN and include extraneous matter.

Mr. GATHINGS in two instances.

Mr. RIVERS of South Carolina.

Mr. ZELENKO.

Mr. GALLAGHER.

Mr. WILLIS.

Mr. JENSEN (at the request of Mr. MOORE) and to include an editorial.

Mr. KNOX (at the request of Mr. MOORE) and to include extraneous matter.

HOW THE PEOPLE OF WISCONSIN FEEL ABOUT DICTATORS

The SPEAKER pro tempore. Under previous order of the House the gentleman from Wisconsin [Mr. REUSS] is recognized for 40 minutes.

Mr. REUSS. Mr. Speaker, the people of Wisconsin love democracy and our free, democratic institutions as deeply and devotedly as the people of any State. And, like the vast majority of all of the people of the United States, the people of Wisconsin hate dictatorships.

Nowhere in the heritage of Wisconsin's people is there anything to indicate acceptance or approval of dictatorial, tyrannical governments. On the contrary, the people of Wisconsin are in large measure the descendants of immigrants who came to the United States to gain freedom, from such countries as Germany, Norway, Ireland and Poland, where in many cases they were deprived of liberty and of the benefits of self-government. These immigrants and their descendants loathe dictatorships in any form. My own grandfather was a forty-eighter, one of the many German immigrants who came to the United States more than a century ago because they abhorred tyranny.

The history of Wisconsin is filled with examples of the State's leadership in making democracy work. Wisconsin was in the forefront of the great political, social and educational reforms of the 20th century which improved and advanced our democratic institutions. The progressive tradition, epitomized by Old Bob La Follette, vigorously opposed all forms of political bossism thwarting genuine democratic self-government. The great University of Wisconsin and the other educational institutions of the State are dedicated to the dissemination of truth, and the advancement of freedom. This is the Wisconsin idea, the Wisconsin way of life.

Mr. Speaker, we in Wisconsin respect the right of all nations to choose their own form of government. We believe that the United States should not interfere in the internal affairs of other countries. We hope that other peoples will, of their own volition, choose democratic institutions as the best means of improving their own well-being.

We recognize that certain social and economic forces have erected powerful obstacles to the achievement of stable democracies in many parts of the world. We observe this to be true in Latin America. But we have also seen, and we applaud, the solid progress that democratic forces have made recently in Latin America.

In the last decade, dictatorial regimes have been overthrown in Argentina, Peru, Venezuela, Colombia, and Cuba. Only four dictators remain—in the Dominican Republic, Haiti, Nicaragua, and Paraguay.

The people of Wisconsin, I am sure, feel that democratic governments dedicated to advancing industrialization, wiping out illiteracy, spreading the techniques of modern medicine, and in general raising the standard of living of the underprivileged masses, offer the best hope of destroying the possibility of the growth of communism in Latin America.

We in Wisconsin think it significant that more and more individuals and groups—educators, labor groups, leading members of the Catholic Church, lay groups of many kinds—have played active and articulate roles leading to the overthrow of dictatorships in Latin America.

The people of Wisconsin earnestly hope that this trend toward democracy in Latin America will continue. We firmly believe that the Government of the United States should cooperate to the fullest with these democratic regimes. We believe in extending hearty greetings and warm friendship to democratic governments. We believe that dictators, on the other hand, should be treated with coolness but diplomatic correctness.

One of the dictatorships existing in Latin America is that of the Dominican Republic, presided over by Generalissimo Rafael Trujillo.

Mr. Speaker, I think the people of Wisconsin and the Nation are well aware of the fact that the Trujillo government is a dictatorship. It is not necessary to list here the activities of Trujillo, but to illustrate the point briefly I wish to quote the following paragraphs from an editorial which appeared in the Milwaukee Journal on February 17, 1959:

> Trujillo has been operating for a long time. He has managed to take over for himself and his family most of the profitable businesses of the country. The saying goes that if a business "loses money, it's government owned; if it makes money, it's Trujillo's."
>
> His brother Hector is President of the country. His brother Arismendi is a lieutenant general and head of public information and culture. Two other brothers are high in the armed forces. His son Rafael, Jr. (Ramfis), is a lieutenant general and chief of staff.
>
> Half of the armed forces officers above the rank of colonel are Trujillo relatives. Political opponents have been liquidated or are in jail. His people do just exactly what he tells them, or else. He is a dictator in the worst sense—and he differs from the worst of his kind only in that he has spent some public money for public purposes.

Mr. Speaker, we in Wisconsin do not advocate any interference on the part of our Government leading to the overthrow of the Trujillo regime. But the people of Wisconsin, I am sure, recognize what this regime represents—a mockery of democratic aspirations.

Mr. Speaker, I have just read a speech given recently before the Congress of the Dominican Republic by the gentleman from Wisconsin [Mr. WITHROW]. This speech is highly laudatory of Generalissimo Trujillo and his government.

It is my practice never to engage in personal contention with other Members of the House over their speeches.

However, Mr. Speaker, because this speech in the Dominican Republic was given by a Representative of Wisconsin, appearing in the capacity of an official visitor, I feel that I must comment on it. I shall do so without engaging in personalities, and without rancor, but to set forth what I feel certain to be the feelings of the people of Wisconsin on this subject.

I would like to point out that yesterday I wrote the gentleman from Wisconsin [Mr. WITHROW] giving him prior notification, as follows:

> CONGRESS OF THE UNITED STATES,
> HOUSE OF REPRESENTATIVES,
> *Washington, D.C., February 23, 1958.*
>
> Hon. GARDNER R. WITHROW,
> *Member of Congress, House of Representatives, Washington, D.C.*
>
> DEAR GARDNER: I am securing a special order to address the House tomorrow, Tuesday, February 24, 1959, on the problem of dictators.
>
> In the course of this address, I shall have to refer to your recent remarks to the Dominican Congress as reported in the Herald of the Dominican Republic, dated Saturday, February 7, 1959. I enclose a copy of the text of your speech as it appeared in this newspaper. I intend to offer this text for the CONGRESSIONAL RECORD.
>
> I am writing this letter so that you may have prior notification of my subject.
>
> Sincerely,
>
> HENRY S. REUSS,
> *Member of Congress.*

Mr. Speaker, I herewith include the text of the speech of the gentleman from

Wisconsin [Mr. WITHROW] before the Dominican Congress in joint session as it appears in the Herald of the Dominican Republic dated Saturday, February 7, 1959:

COMPLETE TEXT OF SPEECH OF U.S. REPRESENTATIVE GARDNER R. WITHROW BEFORE DOMINICAN CONGRESS IN JOINT SESSION, AS IT APPEARS IN THE HERALD OF THE DOMINICAN REPUBLIC, DATED SATURDAY, FEBRUARY 7, 1959

I am somewhat surprised to find myself here today. I came here as an invited visitor, and I hope, as a friend. But, you have raised me to the level of an official visitor, and you have bestowed upon me a privilege that is yours alone to give. I shall long remember this privilege.

The weather, the food, the hospitality of those in official positions and those good citizens whom I met on streets, in offices, and in their homes—all have impressed me greatly. I suppose I should confine myself to political niceties, and to spend my time recounting some of the details of my visits and my observations. And I suppose I ought to speak in platitudes.

But I am not going to do this. I am not going to waste your time. Rather, I am going to tell you what I think, and how I feel on some events and matters which are of supreme importance to you and to me.

LAUDS DOMINICAN REPUBLIC INDEPENDENCE

What I am about to say might be interpreted as independence. It is. It is the same type of independence which you as a nation have displayed, and for which you are admired. I have always had the feeling that the Dominican Republic by its nature is always willing to meet another country or another person more than halfway—a feeling that you wanted to be liked and to like. But, at the same time, it is also clear that you do not really need anyone to get along. I congratulate you on a true independence.

For a time, I had thought I might visit in the Dominican Republic in a capacity as a member of the House Committee on Foreign Affairs. Instead, I stand before you as a friend who is free to say and do what he thinks is right. To achieve a committee seat, I would not have been free to speak out openly as I have done, and as I expect to do in the Congress of the United States. I do not bargain in principles of this nature. There are those in the Republican administration who would impose upon those of us of the same political party certain restrictions, which I, for one, was unwilling to accept in order to gain some little personal objective in the way of committee assignments in the Congress. But let us leave this.

EXPRESSES CONCERN OVER WAR

I am seriously concerned with the rumors of war, not in the international sense, but in the sense of armed conflict in the Caribbean and in this hemisphere.

There are small groups in the Congress of the United States who covet war and who encourage revolution.

This same type encouraged Hungary, and then left that little nation by itself in the crucial hour, and in the final analysis. You all know the result. I would not place much faith in the willingness or ability of any Member of Congress to lead or fight in a battle for democracy except in debate in the Congress.

That is the way they fought the battle to liberate Hungary from the Communists, and the Communists hold Hungary more tightly today and there are many, many more graves to mark the evidence of the uselessness of such leadership.

In a couple of instances, revolution in this hemisphere has led to big loans being granted by the United States to the successful revolutionaries.

It is thus evident that politics is profitable, and that we will pay for brigandry. It is also evident that these revolutionaries cannot cope with the complexities of modern government.

I am afraid too many of us in the Congress have read the famous speeches of 1775, but at the same time we fail to acknowledge we are not the men of steel of '75.

IN CONGRESS, A NITWIT OR TWO

Like any other country, we in the United States have a nitwit or two. But, unlike so many other nations, we sometimes elect one or two to the Congress. It just so happens that these are usually elected on the mistaken idea that they are not expedient.

Let me tell you very frankly and truthfully that the United States is not free to make the decisions today that it might make under other circumstances. The foreign aid program, about which the American taxpayer yells so loudly, is mute evidence that we recognize the fact that we are not free to decide a problem or an issue.

One of the reasons the United States seems so confusing is that not since the Civil War has the United States tasted war upon American soil. Several times we have gone to war over on another street (and by this word street I mean another country) and we have participated in tearing the devil out of someone else's yard. When it was all over, we have returned home to our own neat yard and street, which was unchanged from before and witnessed no destruction.

You may recall that during War One, one of the great songs was "Over There." It meant someplace else. In War Two the United States Air Force sang almost to a man "Off we go into the wide blue yonder"—which meant someplace else again. Most recently, we were in a war in Korea. It was simply called "the Korean war," which plainly located it far outside the United States.

War has taught the United States absolutely nothing, because the people at home have not suffered from want, from injury. It will take yet another war to teach us anything.

The buzz bomb and the airplane in World War II reduced the natural barrier of the English Channel to nothing, and real pain came to London. The missile has reduced the Atlantic to nothing, and next time pain, hunger, misery, and suffering will surely come to the United States.

It last came to us in 1861, and it was horrible. We have simply forgotten it all. We called our internal war a civil war. Just why, I do not recall at the moment since I am not much of a scholar in the military sense. I do know that our War Between the States was fought because neither Abraham Lincoln nor anyone else could clearly define between the social and the political.

CITES LINCOLN

Even today it goes on in the Congress of the United States. The political equalities of man are unmistakable in the Constitution of the United States. The social equalities are what we are arguing about, I suppose. Wasn't it Abraham Lincoln who said, "This Nation cannot exist, half slave and half free"? Let's apply those immortal words of Lincoln to today's cold war with communism. Can this world exist when peoples are half enslaved by communism and are half free? It is thus apparent that war three is on the horizon.

REASONS FOR WAR

There are just four reasons for war. First would be a war for land to live upon. Second is a war for wealth. Third is a war for power. Fourth and last is a war for security.

I cannot envision, nor does history record any instance, of the Dominican Republic engaging in any war except for security. That is why these reports about aggression in the Caribbean and the Latin Americas is so ridiculous to me, and to those of us who do any thinking in the Congress.

On the other hand, the overtones of the reports of aggression upon the Dominican Republic are reminiscent of Communist propaganda.

Always, the Hitlers and the Stalins have started up rumor wars, and usually started wars, on the ground it was necessary to save some country or people from itself or to protect themselves and their country. We are hearing that propaganda now. Let me bluntly tell you to beware, and to see it for what it is. And, let me tell you further, you cannot predict American reaction.

There were those in the United States who were overjoyed when rebellion took place recently in Cuba. Then, we were horrified that blood ran in the streets, and that we were called "Gringos." In Venezuela we cheered a revolution that we knew nothing about. Yet we were appalled when the new junta levied another 10 percent on our oil investments. Some of the Members of the Congress are all for revolution, but not satisfied with the postrevolution.

A PREDICTION: TROUBLE

I predict that if the United States continues to condone revolutions, and works toward any solidification of these revolution governments, we will have succeeded in joining together a new force in this hemisphere whose demands upon the United States will be beyond our imagination, and definitely against the United States interests and those of the remainder of the hemisphere.

Revolution is nothing more than the pitting of father against brother, and son against son, the dividing of families. The Latin is foremost in the world in dedication to his family, even into second and third cousins. Therefore, I can think of no greater crime against Christianity than to initiate a war—a civil war—in which families are divided against themselves. The Spanish civil war, in which Anglo-Saxons were joined on both sides, will be a lasting monument in horror, if we think of it from the Spanish speaking point of view, which we must.

It must seem to you that I have spoken at some length upon revolutions. I have, because they are war, and I do not want war, and you don't either.

For more than a quarter of a century you in the Dominican Republic have lived in peace and security. No other American state has achieved the prosperity you have. No other state could give you more than you have now. It is quite possible, however, that there are other states which might like to have yours, and may resort to armed means to try to get it. And these invaders do not charge ashore with a banner and dedication to your welfare.

Recognize them for the politically dissatisfied, the international brigands they probably will be, whose goal is personal power not government for the people, and who play the stakes of today for international revolution, and usually a big United States loan. It's diplomatic plunder.

I am not too happy with the fact that the United States has served as an incubator, or springboard, for plotting. The policy of nonintervention also should be one of detention of those who would use the Congress of the United States or the United States itself for their own political welfare.

PUERTO RICO A LIABILITY

I am not at all happy over the situation which seems to be prevalent in Puerto Rico, your neighbor. This United States posses-

sion appears to harbor political liabilities to the Western Hemisphere. Living there at this time is one known to you who could not satisfy his political ambitions, but is trying to satisfy his hates. I refer, of course, to German Ornes.

I was also distressed recently to learn that it was Gov. Muñoz Marín, of Puerto Rico, who was quoted by an Assistant Secretary of State for the United States as their authority upon the personal integrity and purposes of the new revolutionary leader of Cuba.

It is peculiar that the State Department had no information of its own upon which to base a course of decision. But, it is far more strange that the political leader of a United States land should be on such familiar terms.

In the new Congress, in lieu of the Committee on Foreign Affairs, I asked for and got membership on the House Committee on Interior and Insular Affairs. This committee handles much of the legislation and affairs of Puerto Rico, among others.

I can promise you this—that I shall get to the bottom, and to the solution, of some of these strange things.

SUGGESTS TRUJILLO VISIT WASHINGTON

It has been my pleasure to meet with your President, the Honorable Héctor Trujillo. His simplicity is warming, and his programs sound and promising. It was my keen personal pleasure to meet with Generalissimo Trujillo.

The Dominican Ambassador to the United States, the Honorable Manuel A. de Moya, had spoken so knowingly and lovingly of Generalissimo Trujillo that I was prepared for a monumental meeting. But, I was not prepared for this meeting at all. I say this candidly—you have got to be with the generalissimo and speak with him before you actually catch up with the personality and full concept of the man who has given the Dominican Republic these great 27 years.

Ambassador de Moya is easily the star of the diplomatic corps in Washington. However, I remarked to the Ambassador that if the Dominican Republic could persuade the generalissimo to come to Washington I should be surprised if there wasn't a whole, new foreign policy concept given to the Western Hemisphere and the world.

This is no depreciation of Ambassador de Moya, but more an appreciation of the insight and organizational concepts needed in Washington in our State Department and the foreign policies.

I lack the time in residence here, the personal knowledge, and the understanding of conditions of yesteryear to grandize Generalissimo Trujillo honestly and completely.

In a brief 27 years—which is nothing in measuring history and government—the Dominican Republic went from rags and ruin to the position today where you are the envy of all your neighbors and many foreign nations. In moving that quickly, I think it only natural that the general may have stepped upon some toes and perhaps offended some others, and some may hate him for it.

Our great President, Franklin D. Roosevelt, earned violent hatred in pulling the United States out of a staggering depression. Today Roosevelt, another great, stepped upon more touchy toes than any American. That patient and brilliant great, Abraham Lincoln, plunged us into a civil war, for which he was hated and assassinated. The number of your enemies is not a measure of your worth, but more a yardstick of your success.

I would suspect the generalissimo's love for his country and his dedicated drive to raise its economy and international standing to its highest possible levels before he goes to a greater Christian reward might make him somewhat impatient with those who seek to intercede with his forward march of progress. But, our general, Dwight Eisenhower, is known to get impatient, too, with associates whose views he regards as not in the national interests. As a matter of cold fact, I sometimes get impatient also, and I am sure most of you have too.

THE IGNORANCE OF CRITICS

Thus, with the critics, you must remember they are always people who can't do it themselves, but always manage to get themselves into a position where they feel they can tell others how to do it.

There is no one in the Congress of the United States who knows the generalissimo personally, or knows the Dominican Republic has. The critics are made up of dissatisfied politicians, the ignorant, and those with such infertile minds that they succumb to the suave chicaneries of exiles and liberals of the type of Muñoz-Marín of Puerto Rico.

I seriously doubt I would be standing here today if the Dominican Republic had any other but Trujillo at the helm. I am not just guessing when I say this—because you can survey some of your neighbors both east and west to refresh your memories—I am not guessing or taking too great a liberty in stating that this would have been just another Latin republic without the genius and the forceful drive of the generalissimo. I think you know this, too. I said I wanted to speak frankly, and in this same vein I firmly believe that if Generalissimo Trujillo had been born in the United States he would have been elected President of those United States.

Perhaps if he had, there would be no cold war, no widespread communism that there is today. And, from a taxpayer standpoint, there would have been no $300 billion national debt we have today either. I don't know how you do this, but he has succeeded in establishing a record of having no external debt—the only country I know of able to do so.

DEBT DIDN'T PASS UNITED STATES BY

We have never been able to find a man who could achieve that financial stability and yet manage to develop our natural resources and bring a full prosperity under peaceful means.

If you people don't know how well off you are you are going to find out someday under another circumstance. This Congress could achieve no greater help for the Dominican Republic than to begin now determining just how the era of Trujillo can be carried on into perpetuity. You owe that to the Dominican Republic and you would contribute greatly to the Dominican Republic, and you would contribute greatly to the welfare of the hemisphere. You ought to do it now while you have the abilities yet at hand to do it right and lastingly.

I have spoken frankly, and perhaps a little too long. It is very probable I have covered too many fields. If I have, I must apologize to you, one and all. But, just as France had her Foreign Legion, the Dominican Republic has a foreign legion, too, and I am just a soldier in your ranks. I hope you will support your Government, that you will defend your Government from within and without, and I shall help you. You can always count on me.

You have been gracious, you have been kind, and stimulating. Until we meet again.

Mr. Speaker, in the light of what I said earlier, it is only necessary to reiterate a few central points.

First, the people of Wisconsin respect the organs of democracy in general, and the Congress of the United States in particular. Yet the gentleman from Wisconsin [Mr. WITHROW] is quoted as saying:

For a time, I had thought I might visit in the Dominican Republic in a capacity as a member of the House Committee on Foreign Affairs. Instead, I stand before you as a friend who is free to say and do what he thinks is right. To achieve a committee seat, I would not have been free to speak out openly as I have done, and as I expect to do in the Congress of the United States.

And again:

Like any other country, we in the United States have a nitwit or two. But, unlike so many other nations, we sometimes elect one or two to the Congress.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. HAYS. The last statement I would say would be a complete violation of the rules of the House, and I would be constrained to offer a resolution to do something about it, but I have had the privilege of reading the complete speech of the gentleman from Wisconsin, and after reading it I do not know whether I will object.

Mr. REUSS. And again the gentleman from Wisconsin [Mr. WITHROW] is quoted as saying:

I would not place much faith in the willingness or ability of any Member of Congress to lead or fight in a battle for democracy except in debate in the Congress.

Second, the people of Wisconsin think dictatorship is an evil, not something to be exalted and glorified. Yet the gentleman from Wisconsin is quoted as having said:

For more than a quarter of a century you in the Dominican Republic have lived in peace and security. No other American state has achieved the prosperity you have. No other state could give you more than you have now.

And again:

I congratulate you on a true independence.

And again:

It has been my pleasure to meet with your President, the Honorable Hector Trujillo. His simplicity is warming, and his programs sound and promising. It was my keen personal pleasure to meet with Generalissimo Trujillo * * * I say this candidly—you have got to be with the Generalissimo and speak with him before you actually catch up with the personality and full concept of the man who has given the Dominican Republic these great 27 years. Ambassador de Moya is easily the star of the diplomatic corps in Washington.

And again:

I firmly believe that if Generalissimo Trujillo had been born in the United States he would have been elected President of those United States.

Thirdly, the people of Wisconsin are proud of the Commonwealth of Puerto Rico—that showcase of democracy in the Caribbean—and of its inspiring leader, Governor Muñoz-Marín. Yet the gentleman from Wisconsin is quoted as saying:

The critics (of the Dominican Republic) are made up of dissatisfied politicians, the ignorant, and those with such infertile minds that they succumb to the suave chicaneries of exiles and liberals of the type of Muñoz-Marín of Puerto Rico.

And again:

I am not at all happy over the situation which seems to be prevalent in Puerto Rico,

your neighbor. This U.S. possession appears to harbor political liabilities to the Western Hemisphere. * * *

I was also distressed recently to learn that it was Governor Muñoz-Marín of Puerto Rico who was quoted by an Assistant Secretary of State for the United States as their authority upon the personal integrity and purposes of the new revolutionary leader of Cuba.

It is peculiar that the State Department had no information of its own upon which to base a course of decision. But it is far more strange that the political leader of a U.S. land should be on such familiar terms.

In the new Congress, in lieu of the Committee on Foreign Affairs, I asked for and got membership on the House Committee on Interior and Insular Affairs. This committee handles much of the legislation and affairs of Puerto Rico, among others.

I can promise you this—that I shall get to the bottom, and to the solution, of some of these strange things.

Mr. Speaker, I am sure that the gentleman from Wisconsin [Mr. WITHROW], as an "official visitor" to the Dominican Republic, was not expressing the views of the people of Wisconsin in that speech. I have endeavored to set the record straight in that respect, for the people of Wisconsin are the only ones for whom I have a right to speak.

I hope, Mr. Speaker, that those who can speak for the people of the entire United States—the President and the Secretary of State, or the acting chief of the State Department—will speak out firmly and strongly to men and women everywhere who love freedom, and make clear that the views expressed by the gentleman from Wisconsin not only do not represent the people of Wisconsin, but do not represent the people of the United States, nor the policy of the Government of the United States.

Mr. KASTENMEIER. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. KASTENMEIER. Mr. Speaker, our Latin American neighbors have been sharply critical of the United States because of a widespread feeling among them that we are not only kindly disposed toward Latin dictators but actually support their efforts to remain in power. Many of us have long urged that our Government make every attempt to allay these fears of our Latin American friends through concrete, affirmative actions.

In the midst of efforts by our Government to show our Latin American neighbors that we truly believe in a democratic form of rule for all people the gentleman from Wisconsin's Fifth District cites an address which unequivocally supports the dictatorship of Generalissimo Trujillo in the Dominican Republic.

Mr. Speaker, I join the gentleman from Wisconsin's Fifth District in expressing regret and concern over such remarks. I wish to assure you that the people of the Second District of Wisconsin and myself are dedicated in our opposition to any form of tyrannical rule, whether it is Generalissimo Trujillo's or any other. And I thank the gentleman from Wisconsin's Fifth District for pointing out to this body the tradition and heritage of the people of the State of Wisconsin in their opposition to military dictatorships and their faith in our democracy.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio.

Mr. HAYS. The gentleman from Wisconsin read a part of the article from the Dominican newspaper, but he did not read the entire quotation, and I would like to have in the RECORD the rest of this speech made in a foreign country to a foreign legislature. The gentleman read, and I quote:

For a time I had thought I might visit in the Dominican Republic in a capacity as a member of the House Committee on Foreign Affairs. Instead, I stand before you as a friend who is free to say and do what he thinks is right. To achieve a committee seat, I would not have been free to speak out openly as I have done, and as I expect to do in the Congress of the United States.

The gentleman stopped there. I wish to continue. I read further:

I do not bargain in principles of this nature. There are those in the Republican administration who would impose upon those of us of the same political party certain restrictions, which I, for one, was unwilling to accept in order to gain some little personal objective in the way of committee assignment in the Congress.

Now, here is a Member of Congress talking to a foreign legislature, saying that in order to get a seat on the Foreign Affairs Committee that his party required of him something that he was unwilling to give. I am defending his party because I would like to know what it was that his party was demanding of him that was so odious that he would not take a seat on the Foreign Affairs Committee because he would have to comply. I do not think that seats on the Foreign Affairs Committee or any other committee are handed out in that fashion, and I do not think it behooves a Member of the Congress of the United States to go to a foreign country and get up in front of their legislature and make any such assertions, which is not only a reflection on his party, the Republican Party, but which is also a reflection upon the Democratic Party and the Congress of the United States and the people of the United States.

I also think if it was not illegal, certainly it was unethical, to get up and say, as the gentleman is quoted as saying before the same legislature, to not only say that if Generalissimo Trujillo—and I want to say for the record that I never at any time attacked the leader of the Dominican Republic, not even when I criticized the expenditures of his son last year; I merely said that I did not think we ought to give him any more money, but I did not attack him personally, and I am not attacking him personally here—but I think it ill becomes a Member of the U.S. Congress to get up and say that if he, General Trujillo, had been born in the United States he would have been President. Then he went on to say that if he had been President there would be no cold war, no widespread communism that there is today, and from a taxpayer's standpoint there would have been no $300 billion national debt.

Now, as the Washington Post pointed out in its editorial, presumably that if the generalissimo had been the President of the United States and accomplished all this, that on the 7th day he would have rested.

Mr. REUSS. I thank the gentleman, and would point out that I have never on this floor criticized or even mentioned the head of state of the Dominican Republic. It is not my custom to speak critically of foreign heads of state here; it is only because the gentleman from Wisconsin [Mr. WITHROW], has seen fit to make the address which he has made to the legislature of the Dominican Republic that I have felt it my duty to speak here this afternoon.

Mr. WITHROW. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I gladly yield to the gentleman from Wisconsin.

Mr. WITHROW. I shall answer what has been said on the floor, and I thank the gentleman for having written me informing me he was going to make this speech. First of all, I would like to say at this time that the House never asked me to do anything in order to get a seat on the Committee on Foreign Affairs.

The other thing I would like to point out is you are taking what I said out of context.

Mr. REUSS. The entire remarks are being placed in the RECORD. If the gentleman will ask unanimous consent that I may proceed, I will be delighted right now to read the entire verbatim transcript of the speech. The only reason I did not do so is that the distinguished gentleman from Iowa, Mr. HOEVEN, earlier this afternoon pointed out to me that a policy meeting of his party, the Republican Party, was to be held, and in the interest of keeping the proceeding this afternoon short I did not read the entire transcript. But I shall be delighted not to object to the gentleman's unanimous-consent request, if he cares to make it, and I will read the entire verbatim transcript, word for word, as taken down by the court reporter in the Dominican Republic on February 7. That verbatim transcript was sent to the gentleman yesterday by me so that if the slightest comma was misplaced, he might give us notice.

Mr. WITHROW. I would like to inform the gentleman there was no court reporter there. The remarks that he has attributed to me here as my remarks were taken down by a newspaper. I have never defended a dictator but I think he has been a benevolent dictator, I think he has done a good job for those people. If it is treason to say that, I am guilty of treason.

Mr. REUSS. Nobody has suggested that the gentleman is guilty of treason. But let me say that if ever so much as a syllable, so much as a punctuation point, in the verbatim transcript of the gentleman's speech was wrong, I delivered it to the gentleman 24 hours ago so that he might have an opportunity to correct

it. The entire facilities of the CONGRESSIONAL RECORD are open to him to make the correction.

Mr. WITHROW. Your heart is bleeding for me, I know that, and I appreciate it. I would like to ask another question. Has the gentleman ever been to the Dominican Republic?

Mr. REUSS. No; I have never been to the Dominican Republic.

Mr. WITHROW. You talk as if you have not been there.

Mr. REUSS. The gentleman talks as if he had been.

Mr. HAYS. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Ohio.

Mr. HAYS. I may say that the statement I read about Mr. WITHROW's remarks in reference to getting on the Committee on Foreign Affairs were not taken out of context. They were the complete statement as it appeared in this story, and it has to do with what he said about the Committee on Foreign Affairs. That is why I read the whole thing. The copy I have says that it is a true and exact copy of the complete context of the speech of U.S. Representative GARDNER R. WITHROW before the Dominican Congress in a joint session as it was reported in the Herald of the Dominican Republic. If the gentleman did not say this or if he did not get up there and criticize the Members of the Congress of the United States and the Congress of the United States and his own political party, then I think he owes it to the House to repudiate this story right here and now. If he did not say there are nitwits in Congress he should say that he did not make the statement. The only reason I did not file a resolution about that is because after reading his statement I decided he might be right. If he did not say so, I think he should say so right now and not say he is being quoted out of context, because I read the whole thing. I want to know who threatened him or what promise was made.

Mr. WITHROW. Nobody threatened me. I was not threatened by anyone.

Mr. HAYS. Did you make that statement before the Dominican Congress?

Mr. WITHROW. I will answer those questions when I want to answer them. I am not going to answer them on the spur of the moment. I received Congressman REUSS' letter this morning about 11:30, and I came over on the floor immediately. Now I have the speech that I gave down there.

Mr. HAYS. Will the gentleman answer one little question on the spur of the moment? Did you make this speech on the spur of the moment?

Mr. WITHROW. I made a speech but I never said there were nitwits elected to the Congress.

Mr. HAYS. I am glad to hear the gentleman say that and I hope that will be reported in the Dominican Republic.

Mr. WITHROW. I have been here for quite a while and I have always been honest with the Members of this House.

Mr. HAYS. Nobody is impugning the gentleman's honesty.

Mr. WITHROW. I believe I have their respect. We had a little controversy over the Dominican Republic before, and you, in a loud sort of a way——

Mr. HAYS. I will point out to the gentleman that we did not have any controversy over the Dominican Republic. But, since the gentleman has brought that up, I did object to the gentleman——

Mr. HOFFMAN of Michigan. Mr. Speaker, I make the point of order that a quorum is not present. I think the folks ought to hear it.

Mr. HAYS. Well, I think so, too. It is all right with me. I would like to take it up when there is a quorum.

The SPEAKER. The Chair will count. [After counting.] Evidently a quorum is not present.

ADJOURNMENT

Mr. MORRIS of New Mexico. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 21 minutes p.m.) the House adjourned until tomorrow, Wednesday, February 25, 1959, at 12 o'clock noon.

REPORTS OF COMMITTEES ON COUNTERPART FUNDS

Mr. BURLESON. Mr. Speaker, the Mutual Security Act of 1958, chapter IV, section 401(a), requires the Committee on House Administration to publish in the CONGRESSIONAL RECORD, within 10 legislative days after receipt, the consolidated report of each committee of the House using foreign currencies—counterpart funds—during the preceding year. Accordingly, there is shown herein, within the prescribed time limit, the consolidated reports of the Committee on Public Works and the Committee on Veterans' Affairs:

COUNTERPART FUNDS, FEB. 15, 1959

Report of Committee on Public Works, House of Representatives—Foreign currency and U.S. dollar equivalents expended between July 1, 1958, and Dec. 31, 1958

Country	Name of currency	Transportation		Lodging		Meals		Gratuities		Miscellaneous		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
France	Francs	361,500	854.00	60,000	150.00	100,000	250.00	20,000	50.00	20,000	50.00	561,500	1,354.00
Italy	Lire					3,600	60.00	6,000	10.00			9,600	70.00
Great Britain	Pounds					60	168.00	10	28.00	10	28.00	80	224.00
Germany	Marks					160	40.00	40	10.00			200	50.00
Spain	Pesetas					1,200	30.00	200	5.00	200	5.00	1,600	40.00
Netherlands	Guilders	455	119.73	357	93.94	250	65.79					1,062	279.46
Total		361,955	973.73	60,357	243.94	105,270	613.79	26,250	103.00	20,210	83.00	574,042	2,017.46

CHARLES A. BUCKLEY,
Chairman, Committee on Public Works.

COUNTERPART FUNDS, JAN. 30, 1959

Report of Committee on Veterans' Affairs, House of Representatives—Foreign currency and U.S. dollar equivalents expended between Aug. 14, 1958, and Sept. 29, 1958

Country	Name of currency	Transportation		Lodging		Meals		Gratuities		Miscellaneous		Total	
		Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars	Foreign currency	U.S. dollars
Germany	Deutsche-marks.			882	210	420	100	84	20	54	12.50	1,440	342.50
Italy	Lire			112,519	180	43,736	70	11,247	18	7,498	12.00	175,000	280.00
The Netherlands	Guilders			325	85	190	50	38	10	47	13.00	600	158.00
Total													780.50

OLIN E. TEAGUE,
Chairman, Committee on Veterans' Affairs.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

614. A letter from the Comptroller General of the United States, transmitting a report on examination of the pricing of landing gears purchased from Menasco Manufacturing Co., Burbank, Calif., by Department of the Air Force prime contractors; to the Committee on Government Operations.

615. A letter from the Chairman, Federal Trade Commission, transmitting the 44th Annual Report of the Federal Trade Commission for the fiscal year ending June 30, 1958; to the Committee on Interstate and Foreign Commerce.

616. A letter from the Chief Justice, Supreme Court of the United States, transmitting a copy of the report of the proceedings of the annual meeting of the Judicial Conference of the United States, held at Washington, D.C., September 17–19, 1958; to the Committee on the Judiciary.

617. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a draft of proposed legislation entitled "A bill to authorize contracts for the leasing of buildings in the District of Columbia for the use of the National Aeronautics and Space Administration"; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRIEDEL: Committee on House Administration. House Resolution 106. Resolution to provide funds for the expenses of the studies and investigations authorized by House Resolution 105; with amendment (Rept. No. 45). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 114. Resolution providing for expenses of conducting studies and investigations authorized by House Resolution 113; with amendment (Rept. No. 46). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 143. Resolution to provide funds for necessary miscellaneous expenses of the Committee on the District of Columbia; without amendment (Rept. No. 47). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 146. Resolution to provide funds for the expenses of the investigations authorized by House Resolution 130; without amendment (Rept. No. 48). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 148. Resolution providing for the expenses incurred pursuant to House Resolution 147; without amendment (Rept. No. 49). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 160. Resolution providing for the payment of expenses of the select committee created by House Resolution 51; with amendment (Rept. No. 50). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 158. Resolution authorizing the employment of one additional laborer, Office of the Postmaster of the House of Representatives; without amendment (Rept. No. 51). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 64. Concurrent resolution authorizing the printing of additional copies of House Document No. 234, 84th Congress, entitled "The Prayer Room in the U.S. Capitol"; without amendment (Rept. No. 52). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Concurrent Resolution 75. Concurrent resolution authorizing the printing of additional copies of committee print entitled "Title 38, United States Code, Veterans' Benefits"; without amendment (Rept. No. 53). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 48. Resolution to print additional copies of "Washington's Farewell Address"; without amendment (Rept. No. 54). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 95. Resolution authorizing the printing as a House document of the staff report entitled "Space Handbook: Astronautics and Its Applications"; without amendment (Rept. No. 55). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 96. Resolution authorizing the printing as a House document of the staff report entitled "Summary of Hearings"; without amendment (Rept. No. 56). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 97. Resolution authorizing the printing as a House document the staff report entitled "The International Geophysical Year and Space Research"; without amendment (Rept. No. 57). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 98. Resolution authorizing the printing as a House document the staff report and bibliography entitled "Survey of Space Law"; without amendment (Rept. No. 58). Ordered to be printed.

Mr. HAYS: Committee on House Administration. House Resolution 145. Resolution authorizing additional copies for use of the Committee on Interior and Insular Affairs of committee print entitled "Present Relations of the Federal Government to the American Indian"; without amendment (Rept. No. 59). Ordered to be printed.

Mr. HAYS: Committee on House Administration. Senate Concurrent Resolution 5. Concurrent resolution to print additional copies of a committee print entitled "Briefing on the Investment Act"; without amendment (Rept. No. 60). Ordered to be printed.

Mr. JONES of Missouri: Committee on House Administration. House Joint Resolution 198. Joint resolution to provide for the reappointment of Robert V. Fleming as citizen regent of the Board of Regents of the Smithsonian Institution; without amendment (Rept. No. 61). Ordered to be printed.

Mr. KEOGH: Committee on Ways and Means. H.R. 10. A bill to encourage the establishment of voluntary pension plans by self-employed individuals; with amendment (Rept. No. 64). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 147. A bill to suspend temporarily the tax on the processing of palm oil, palm-kernel oil, and fatty acids, salts, and combinations or mixtures thereof; without amendment (Rept. No. 65). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 213. A bill to provide that certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees without regard to the existing limitations upon the time within which such a modification may be made; with amendment (Rept. No. 66). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on House Administration. H.R. 519. A bill to revise the laws relating to depository libraries; without amendment (Rept. No. 67). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 2411. A bill to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature; without amendment (Rept. No. 68). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H.R. 3323. A bill to establish a peacetime limitation on the number of lieutenant generals in the Marine Corps; without amendment (Rept. No. 69). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 3681. A bill to provide for the free entry of certain chapel bells imported for the use of the Abelard Reynolds School No. 42, Rochester, N.Y.; without amendment (Rept. No. 70). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H.R. 4413. A bill to provide improved opportunity for promotion for certain officers in the naval service, and for other purposes; with amendment (Rept. No. 71). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOLTZMAN: Committee on the Judiciary. H.R. 2909. A bill relating to the maintenance and travel expenses of judges; without amendment (Rept. No. 72). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KILDAY: Committee on Armed Services. H.R. 3412. A bill to authorize the appointment of Robert Wesley Colglazier, Jr., as permanent brigadier general of the Regular Army; without amendment (Rept. No. 62). Referred to the Committee of the Whole House.

Mr. KILDAY: Committee on Armed Services. H.R. 3413. A bill to authorize the appointment of Philip Ferdinand Lindeman as permanent colonel of the Regular Army; without amendment (Rept. No. 63). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ADDONIZIO:

H.R. 4897. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. ANDERSON of Montana:

H.R. 4898. A bill to improve the landtenure patterns on the Fort Belknap Reservation; to the Committee on Interior and Insular Affairs.

H.R. 4899. A bill to provide that certain lands shall be held in trust for Indian tribes on the Fort Belknap Reservation, and to provide that such lands shall become part of such reservation; to the Committee on Interior and Insular Affairs.

H.R. 4900. A bill to provide for the establishment by the Secretary of the Interior of a Pacific Northwest account, and for other

purposes; to the Committee on Interior and Insular Affairs.

By Mr. BAILEY:

H.R. 4901. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BAUMHART:

H.R. 4902. A bill declaring the inundation of property because of, or aggravated by, wind, waves, or tidal effects on the Great Lakes to be properly within the flood-control activities of the Federal Government; to the Committee on Public Works.

H.R. 4903. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. BECKWORTH:

H.R. 4904. A bill to extend the time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees; to the Committee on Ways and Means.

By Mr. BENNETT of Michigan:

H.R. 4905. A bill to grant a pension of $100 per month to all honorably discharged veterans of World War I who are 60 years of age; to the Committee on Veterans' Affairs.

H.R. 4906. A bill to prohibit discrimination because of age in the hiring and employment of persons by Government contractors; to the Committee on the Judiciary.

H.R. 4907. A bill to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to the Committee on Banking and Currency.

By Mr. BOYKIN:

H.R. 4908. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. BROCK:

H.R. 4909. A bill to amend the Soil Bank Act and the Federal Crop Insurance Act in order to permit certain payments made under such acts to be made in grain with a 10-percent bonus in lieu of cash, if the producer elects the payment in grain from stocks controlled by the Commodity Credit Corporation; to the Committee on Agriculture.

H.R. 4910. A bill to authorize the Secretary of the Army to provide for bank-erosion control along the Missouri River below Gavins Point Dam between Yankton, S. Dak., and Ponca, Nebr.; to the Committee on Public Works.

By Mr. BROOKS of Louisiana:

H.R. 4911. A bill to authorize the National Science Foundation to conduct additional basic research; to the Committee on Science and Astronautics.

H.R. 4912. A bill to authorize the National Science Foundation to develop food supplies for extended space travel; to the Committee on Science and Astronautics.

H.R. 4913. A bill to amend the National Aeronautics and Space Act of 1958 to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia for its use; to the Committee on Science and Astronautics.

By Mr. BROYHILL:

H.R. 4914. A bill to amend the Civil Service Retirement Act to increase from 2 to 2½ percent the retirement multiplication factor used in computing annuities of certain employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. BYRNE of Pennsylvania:

H.R. 4915. A bill to extend by 6 months the period for which additional benefits may be paid under the Temporary Unemployment Compensation Act of 1958; to the Committee on Ways and Means.

H.R. 4916. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. CURTIN:

H.R. 4917. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. DAVIS of Georgia:

H.R. 4918. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 4919. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. DEROUNIAN:

H.R. 4920. A bill to amend sections 1461 and 1462 of title 18 of the United States Code to increase the penalties for offenses involving the dissemination of obscene matter; to the Committee on the Judiciary.

By Mr. DINGELL:

H.R. 4921. A bill to amend the National Labor Relations Act in order to permit supervisors to be considered as employees under the provisions of such act, and for other purposes; to the Committee on Education and Labor.

H.R. 4922. A bill to amend the National Labor Relations Act with respect to the effect of State laws on union shop agreements; to the Committee on Education and Labor.

By Mr. DIXON:

H.R. 4923. A bill to maintain the domestic cobalt industry by increasing certain rates of duty and thereby decrease the dependence of the United States on foreign sources for this vital strategic and critical metal; to the Committee on Ways and Means.

By Mr. EVINS:

H. R. 4924. A bill to amend title 38 of the United States Code to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

By Mr. FINO:

H.R. 4925. A bill to provide certain sick leave benefits for postal field service employees who are veterans of World War I, World War II, and the Korean conflict; to the Committee on Post Office and Civil Service.

By Mr. FLYNN:

H.R. 4926. A bill to amend the Social Security Act and the Internal Revenue Code so as to provide insurance against the costs of hospital, nursing home, and surgical service for persons eligible for old-age and survivors insurance benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. FULTON:

H.R. 4927. A bill to encourage and stimulate the production and conservation of coal in the United States through research and development by creating a Coal Research and Development Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. GROSS:

H.R. 4928. A bill to amend the Public Health Service Act to protect the public from unsanitary milk and milk products shipped in interstate commerce, without unduly burdening such commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. KASEM:

H.R. 4929. A bill to allow the importation free of duty of certain stained glass windows for use in St. Mary's Church at Whittier, Calif.; to the Committee on Ways and Means.

By Mr. KNOX:

H.R. 4930. A bill to amend sections 1231, 272, and 631 of the Internal Revenue Code of 1954 with respect to iron ore royalties; to the Committee on Ways and Means.

By Mr. LANE:

H.R. 4931. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. LANE (by request):

H.R. 4932. A bill to amend chapter 15 of title 38, United States Code, to provide for payment of a pension of $100 per month to World War I veterans who have attained the age of 60 years; to the Committee on Veterans' Affairs.

By Mr. McGINLEY:

H.R. 4933. A bill to make permanent the provisions of the Sugar Act of 1948; to the Committee on Agriculture.

By Mr. McGOVERN:

H.R. 4934. A bill to supplement the antitrust laws of the United States by requiring that corporations, in industries so heavily concentrated that monopoly or the threat of monopoly is present, file advance notice and make public justification before effectuating price increases; to the Committee on the Judiciary.

H.R. 4935. A bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, so as to provide increases in benefits, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 4936. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

By Mr. MACK of Washington:

H.R. 4937. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. MATTHEWS:

H.R. 4938. A bill to amend the Agricultural Adjustment Act of 1938 to make permanent the definition of "peanuts" which is now in effect on a temporary basis; to the Committee on Agriculture.

By Mr. CLEMENT W. MILLER:

H.R. 4939. A bill to provide for the issuance of a special postage stamp in commemoration of the 50th anniversary of the first landing of an airplane on board a ship, by Eugene B. Ely at San Francisco in 1911; to the Committee on Post Office and Civil Service.

By Mr. MOORE:

H.R. 4940. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. MOORHEAD:

H.R. 4941. A bill to amend Public Law 587 by permitting the withholding by the Federal Government from wages of employees of certain taxes imposed by municipalities; to the Committee on Ways and Means.

By Mr. MORRIS of New Mexico:

H.R. 4942. A bill to amend section 4521 of the Internal Revenue Code of 1954 to provide an additional tax upon imports of petroleum and petroleum products; to provide that such additional taxes shall be deposited in the highway trust fund; and for other purposes; to the Committee on Ways and Means.

By Mr. MONTOYA:

H.R. 4943 A bill to amend section 4521 of the Internal Revenue Code of 1954 to provide an additional tax upon imports of petroleum and petroleum products; to provide that such additional taxes shall be deposited in the highway trust fund; and for

other purposes; to the Committee on Ways and Means.

By Mr. OSMERS:

H.R. 4944. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

By Mr. PELLY:

H.R. 4945. A bill to regulate the granting of free or reduced-rate transportation of employees of the U.S. Government by common carriers by water engaged in foreign commerce and in commerce between the United States and its Territories and possessions; to the Committee on Merchant Marine and Fisheries.

By Mr. RHODES of Arizona:

H.R. 4946. A bill to establish penalties for the operation of a motor vehicle in interstate or foreign commerce without a valid motor vehicle operator's license, and to provide for a register in the Department of Commerce in which shall be listed the names of persons refused a motor vehicle operator's license or who have had such licenses revoked; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H.R. 4947. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of farm enterprises, and for other purposes; to the Committee on Education and Labor.

H.R. 4948. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for hired farm labor employed by large farm enterprises, and for other purposes; to the Committee on Education and Labor.

By Mr. SCHWENGEL:

H.R. 4949. A bill to protect the right of the blind to self-expression through organizations of the blind; to the Committee on Education and Labor.

By Mr. THOMSON of Wyoming:

H.R. 4950. A bill to regulate the foreign commerce of the United States by amending section 350 of the Tariff Act of 1930, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. TOLLEFSON:

H.R. 4951. A bill to amend section 1371 of the Internal Revenue Code of 1954 to permit stock of a small business corporation which is owned by a husband and wife to be treated as owned by a single shareholder for purposes of determining the number of shareholders of such corporation; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 4952. A bill to amend the act authorizing the Crooked River Federal reclamation project, Oregon, in order to increase the capacity of certain project features for future irrigation of additional lands; to the Committee on Interior and Insular Affairs.

By Mr. UTT:

H.R. 4953. A bill to repeal the excise tax on amounts paid for communication services or facilities; to the Committee on Ways and Means.

H.R. 4954. A bill to authorize payment of the claims of certain former owners of property vested by the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIS:

H.R. 4955. A bill to provide a 1-year period during which certain veterans may be granted national service life insurance; to the Committee on Veterans' Affairs.

H.R. 4956. A bill to amend section 2385, title 18, United States Code, to define the term "organize" as used in that section; to the Committee on the Judiciary.

H.R. 4957. A bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes; to the Committee on the Judiciary.

H.R. 4958. A bill to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court; to the Committee on the Judiciary.

H.R. 4959. A bill to establish rules of interpretation governing questions of the effect of acts of Congress on State laws; to the Committee on the Judiciary.

By Mr. BROYHILL (by request):

H.R. 4960. A bill to amend section 19 of the Federal Reserve Act to permit national banks to count their vault cash as part of their required reserves; to the Committee on Banking and Currency.

H.R. 4961. A bill to amend section 24 of the Federal Reserve Act to increase the amount which a national bank may invest in short-term residential and farm construction loans; to the Committee on Banking and Currency.

H.R. 4962. A bill to provide that cumulative voting of shares of stock in the election of national bank directors shall be permitted only if authorized in the articles of association; to the Committee on Banking and Currency.

By Mr. BOGGS:

H.J. Res. 260. Joint resolution proposing an amendment to the Constitution of the United States reserving to the States exclusive control over public schools; to the Committee on the Judiciary.

By Mr. FULTON:

H.J. Res. 261. Joint resolution to authorize participation by the United States in parliamentary conferences with Canada; to the Committee on Foreign Affairs.

By Mr. SCHERER:

H.J. Res. 262. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. UTT:

H.J. Res. 263. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BOGGS:

H. Con. Res. 89. Concurrent resolution expressing the sense of the Congress with respect to a program for paying the national debt; to the Committee on Ways and Means.

By Mr. MILLS:

H. Res. 182. Resolution authorizing the Committee on Ways and Means to conduct studies and investigations relating to matters within its jurisdiction; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. FORAND: Memorial of the Rhode Island General Assembly memorializing Congress with respect to the construction of a breakwater across the northern approaches to Coddington Cove in Newport, R.I.; to the Committee on Public Works.

By Mrs. PFOST: Memorial of the State of Idaho Legislature memorializing Congress to approve legislation to bring about the early establishment of a sound dollar based on a modern gold standard; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under Clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLE:

H.R. 4963. A bill for the relief of Stylianos Paparizos; to the Committee on the Judiciary.

By Mr. BRAY:

H.R. 4964. A bill for the relief of Mrs. Betty L. Fonk; to the Committee on the Judiciary.

By Mr. BROOKS of Texas:

H.R. 4965. A bill for the relief of Pioneer Air Lines, Inc.; to the Committee on the Judiciary.

By Mr. BUCKLEY:

H.R. 4966. A bill for the relief of Anna Maria Rossomondo; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 4967. A bill for the relief of Dragutin Horvat; to the Committee on the Judiciary.

By Mr. DEROUNIAN:

H.R. 4968. A bill for the relief of Anna Paganopoulou Barbatsuly and Haralampos Barbatsuly; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.R. 4969. A bill for the relief of Mrs. Helen Carlyle Munroe; to the Committee on the Judiciary.

By Mr. HOLTZMAN:

H.R. 4970. A bill for the relief of Haralambos Groutas; to the Committee on the Judiciary.

By Mr. JOHNSON of Maryland:

H.R. 4971. A bill for the relief of Mrs. Ruby B. Simms; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 4972. A bill for the relief of Arshalouis Simeonian; to the Committee on the Judiciary.

H.R. 4973. A bill for the relief of Elizabeth M. A. de Cuevas Faure; to the Committee on the Judiciary.

H.R. 4974. A bill for the relief of Roberto Santini; to the Committee on the Judiciary.

H.R. 4975. A bill for the relief of Eleanor Mary Hinder; to the Committee on the Judiciary.

By Mr. MADDEN:

H.R. 4976. A bill for the relief of Mrs. Sylviana Cica; to the Committee on the Judiciary.

By Mr. MOSS:

H.R. 4977. A bill for the relief of Maria L. Teixeira; to the Committee on the Judiciary.

H.R. 4978. A bill for the relief of Elena A. Bartolome, a minor; to the Committee on the Judiciary.

By Mr. RHODES of Arizona:

H.R. 4979. A bill for the relief of Yee You Gee; to the Committee on the Judiciary.

By Mr. ROONEY:

H.R. 4980. A bill for the relief of Lina Bohl; to the Committee on the Judiciary.

H.R. 4981. A bill for the relief of Mina and Henek Sznaider; to the Committee on the Judiciary.

By Mr. SCHERER:

H.R. 4982. A bill for the relief of Allison Lee Hudson; to the Committee on the Judiciary.

H.R. 4983. A bill for the relief of Charlotte Van Nooijen; to the Committee on the Judiciary.

By Mr. TABER:

H.R. 4984. A bill for the relief of Constanzo Manes; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

87. By Mr. RABAUT: Petition of the Detroit Common Council for consideration of its resolution protesting the amendments to the Natural Gas Act as well as any attempt to avoid public hearings on the merits of such amendments; to the Committee on Interstate and Foreign Commerce.

88. By the SPEAKER: Petition of Clifford Crail, Cincinnati, Ohio, relative to requesting an investigation of Hon. Michael V. DiSalle, Governor of the State of Ohio; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Life Insurance Company Income Tax Act of 1959

EXTENSION OF REMARKS
OF
HON. VICTOR A. KNOX
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. KNOX. Mr. Speaker, last week the membership of the House of Representatives approved legislation known as the Life Insurance Company Income Tax Act of 1959.

Since 1921 this area of taxation has posed a most difficult and perplexing problem. It is therefore appropriate for me to compliment my committee chairman and each fellow member of the committee who have labored so diligently and with such efficiency to prepare this legislation for consideration.

The insurance company of today is not the simple protective agency of yesterday, but rather today it serves its policyholders as bank and protection agency. The result has been that the savings operation has become so intertwined with the pure insurance function that it is difficult to determine who is the beneficiary of the investment income. The problem of taxing the company's income and not the income necessary to meet long-range contingencies and commitments is difficult of solution.

It is my belief that this legislation takes the most practical and effective approach to the problem. No longer will this industry be taxed by means of a fictitious formula that taxes investment income of a company even though that company sustained a net loss on its year's operation.

This bill, H.R. 4245, departs from the present inequitable system by including the various types of income in the tax base. The underwriting gains which were previously untaxed are now included in the tax base along with the free investment income and with capital gains.

Although I concur generally with the approach this legislation takes to the solution of the problem, it was with some hesitancy that I voted affirmatively. I question whether there has been sufficient consideration given to what the economic impact will be under circumstances of retroactively imposing such a substantial tax increase on this industry. We must be certain that this legislation will not result in such a burden as to discourage saving through the purchase of life insurance. It is essential to the future economic well-being of this country that our people are encouraged to provide for their own future security.

It must also be noted that the insurance industry is heavily taxed at the State level and the cumulative burden of all taxes must be weighed in considering the appropriateness of a particular tax.

It was for these reasons that I felt compelled to express my views on the possible ramifications of this bill. I am confident that during the legislation's further study in the Congress careful consideration will be given to these economic factors.

The Federal Budget

EXTENSION OF REMARKS
OF
HON. EDWIN E. WILLIS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. WILLIS. Mr. Speaker, the people know more about a balanced budget and deficit financing than we give them credit for. They know that from personal experience. For example, they know that when they live within their means, they are operating on a balanced budget. They know that when they spend more than they make, they are going into debt, which is exactly the same thing as deficit financing. There are a few of them who do not care one way or another, but most of them do. They know that their habits should not be more costly than their own purse can buy. And make no mistake about it, they expect the President and the Congress to find a way not to spend more money than the Government takes in. We will be hearing more and more about this subject, and so far as I am concerned, I am willing to stand up and be counted right now.

But first let me say, Mr. Speaker, that I do not believe in name calling. I want to express my personal views without regard to conservative, liberal, Democratic, Republican, or any other kind of partisan politics.

In my opinion, the most serious threat to our economy is inflation. Deficit spending breeds inflation and inflation in turn reduces the value of the dollar. In his History of the French Revolution, Carlyle once said, "You cannot quench fire with oil. You must choke a deficit or else it will swallow you." In short, I believe in and have made it a practice in my own way to vote against deficit spending and for a balanced budget. In fact, I believe we should try to go one step further. We should strive to spend less than we take in and apply the difference against the public debt, because I, frankly, do not see how we can hope to have a general tax reduction until that is done. If we cannot do it now, how can we expect to do it in case of a more serious national emergency.

Now, in Government as in business, a budget is composed of two parts, the income and the outgo. When the one is equal to the other, then the budget is in balance. But when the proposed expenditures exceed the anticipated revenues, then the budget is out of balance. We cannot have our cake and eat it too, and in this situation, in order to bring it back into balance, we must either reduce the expenditures or increase the taxes. That is exactly the position the President found himself in when he received the estimate of income and expenses from the Budget Bureau. In other words, the Budget Bureau estimated the outgo to be more than the income under all existing taxes, and they had to either trim down the expenses some more or propose new taxes. They chose to recommend new taxes. That is the hitch.

Let us take a look at the President's budget itself. We call it the budget for the fiscal year 1960, but it actually covers the period from July 1, 1959, to June 30, 1960. It is a very complex document, containing over 1,000 pages and weighing over 10 pounds. It provides for the operation and services of every branch of the Government in every congressional district and in every section of the country. We refer to it as the President's budget because in the final analysis, the occupant of the White House, whoever he may be, directs the policy of his administration and has the right on a broad scale to reduce or increase the expenditures of this or that department or function of our Government. We all know, however, that the President himself does not and cannot possibly be expected to prepare his budget. The job is done by the Bureau of the Budget, which is the right arm of the President. It is a big job, indeed, and a year round checking and bookkeeping operation. Every single item of proposed expenditure, and each and all demands made upon our Government must be weighed and considered, approved, increased, shaved down or disapproved. They cannot possibly please everyone. In the end, some people feel that the proposed expenditures are too low, while others, with equal sincerity, believe that they are too high; some people, or some sections in the country, are glad, some are half-pleased, some are displeased, and still others are downright mad. As I said, a few people just do not care, but most of them are dead serious in wanting to know at least one thing: does it balance? It is to these people that I address myself.

Well then, does this one balance? The answer is "Yes," provided the Budget Bureau has correctly estimated the expenses at $77 billion; and provided they have correctly estimated the revenues, under all existing taxes, at $76 billion, and provided further that Congress adopts their recommendations and imposes $1 billion of new taxes to make up the difference. In order to make my points clearer, I speak in round figures throughout.

I want to be more specific. After screening the demands of all the Federal departments and agencies, including requirements for public improvements, flood control, navigation, highways, public housing, veterans, welfare and social security, agriculture, postal services, the administration of justice, and the manifold other functions of our Government, the interest on the public debt and the staggering cost of cur national defense, the Bureau of the Budget estimated that the expenditures for the next fiscal year, which actually covers the period from July 1, 1959, to June 30, 1960, will amount to about $77 billion. So much for the outgo.

Now let us consider the estimated income for the same period, July 1, 1959, to June 30, 1960.

For the information of Members of Congress and others, the Bureau of the Budget issued a pamphlet entitled "The Federal Budget in Brief." According to this pamphlet, the income of our Government from all sources and under all existing taxes for the fiscal years 1957, 1958, and 1959 was as follows:

Fiscal year:	*Income (in billions)*
1957 (July 1, 1956, to June 30, 1957)	$71
1958 (July 1, 1957, to June 30, 1958)	69
1959 (July 1, 1958, to June 30, 1959)	68

Mr. Speaker, it is perfectly obvious that if the business trend in the last 3 fiscal years should continue, the estimated expenditures for the next fiscal year, amounting to $77 billion, would far exceed the income. And if that should happen, the proposed budget of the President would be way out of balance. But in the pamphlet I refer to, the Bureau of the Budget states that "with continued vigorous economic recovery" the revenues during next fiscal year will amount to about $76 billion. Now the Bureau of the Budget has been operating as an agency of the executive department of the Government for a very long time. And I respect their expert opinion. They certainly are in a much better position than I am to make an educated guess about anticipated revenues. I am sure that they would not deliberately mislead Congress. In fact, it has been their practice to stay on the conservative side over the years. I know they are sincere, and I hope they are right. Nevertheless, their estimate of income is certainly based on an optimistic business outlook, and that is why I said that the budget, as presented, is in balance, "provided they have correctly estimated the revenues."

But let us assume that the estimates are correct and that the income from all sources and under all existing taxes will turn out to be $76 billion against their estimated expenditures of about $77 billion. At this point the budget is still out of balance, and, as I previously indicated, in order to bring it into balance, the President and his advisers had to either recommend trimming down the estimated expenses or increasing the revenues somehow to the tune of about $1 billion. Do you realize what $1 billion is? Let me illustrate. If you placed $1,000 bills one on top of the other, the stack would be as high or higher than the Washington Monument. Or put it this way. Using round figures again, only about 1 billion minutes have gone by since the birth of our Lord Jesus Christ. Take up your pencil and figure it for yourself.

In any event, in order to make up the difference between the income and the outgo, whatever that exact figure might be, the President wants Congress to make seven new tax adjustments.

But, Mr. Speaker, a rose by any other name would still smell the same. In plain language, they want Congress to impose a brand new tax on jet fuel, raise the general gasoline tax, raise the postal rates, raise the income tax of life insurance companies, raise the taxes on cooperatives, and reduce or juggle the 27½-percent depletion allowance, which is another name for raising the taxes on income derived from oil and gas. They also suggest an adjustment of other fees and charges so that persons receiving special services will more nearly pay the cost of those services. I do not know exactly what is meant by this particular item. I might be able to go along with the general idea, but I will want more information about it. In fact, all the proposals have been made in such very general terms that we will not know what each one means in dollars and cents until the administration bills are actually introduced.

I recognize that certain tax injustices have developed over the years and I believe that this should properly be the subject of a broad study by the Committee on Ways and Means, but I doubt that this can be done overnight, so to speak. I have great respect for the Committee on Ways and Means and if and as they make recommendations, I will most certainly consider them.

And I want to say that I, for one, applaud the President's determination to balance the budget. I am for it because I firmly believe in fiscal integrity. In short, I agree with the President on the necessity for a balanced budget but I disagree with him on his way of achieving it. He recommends that we do it by first increasing taxes, while I think we should first try to do it by reducing certain expenditures.

My policy will be this. I will study each item of expenditure and each item of appropriation as they are presented on the floor for debate. I realize full well that different people in my congressional district, or in any other given area for that matter, have different ideas about where to cut and we have to try to reflect the views of the majority. Even that becomes a difficult task at times, but we have to do the best we can under the circumstances existing when we cast our votes.

But when all my votes for expenditures are laid side by side with those for appropriations, they will spell out a balanced budget. In other words, I will not personally vote to spend more than we take in. And I think that, at least, is the general feeling of the people I represent. Just to give one example, I am quite sure that the people of my district would prefer for me to vote to cut down on foreign aid rather than to vote for an increase in the gasoline tax. As a matter of fact, I have always voted against all foreign aid. The President's budget calls for almost $4 billion for foreign aid. If we should eliminate this one item in toto, as I will vote to do, or if we even cut it in half, the budget would not only be in balance, without new taxes, but there would be enough left to boot to apply a sizable sum against the national debt.

The Cotton Textile Industry

EXTENSION OF REMARKS
OF
HON. FRANK M. COFFIN
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. COFFIN. Mr. Speaker, those of us who come from areas relying on the cotton textile industry are accustomed to two lines of reasoning: First, the industry is ailing and going downhill; and, second, measures seeking to assist the industry involve subsidies or other types of governmental assistance and should therefore be avoided.

Both statements ignore one vital phenomenon which affects no other industry in so great a degree as cotton textiles. I do not know of any other industry where our Government follows a policy of paying about one-fourth of the price of cotton going to an overseas manufacturer. Indeed, what the Government is actually doing is giving an overseas manufacturer a free bale of cotton for every three he buys. Think what our own manufacturers could do if one bale in four were free. As it is, however, not only must they pay the full price for all bales, but they have the doubtful pleasure of knowing that their taxes have helped pay for that extra fourth bale that is given to their competitors.

The recent news of an increase in the cotton export subsidy ran through all the cotton mills north and south like a wintry breeze. It was almost unbelievable that, at a time when the Congress has been working toward a lessening of this differential, the official policy of the U.S. Department of Agriculture has served to aggravate the situation, thus putting our domestic manufacturers at a greater disadvantage in competing with foreign manufacturers and contributing to unrest in cotton growing areas in other nations by further depressing the world market price.

On February 4, 1959, the Secretary of Agriculture announced that it will pay a subsidy of 8 cents per pound on cotton exports during the crop year beginning August 1, 1959. This is 1.5 cents per pound more than the export subsidy which the Department has been paying this year.

Under the program we will be furnishing foreign cotton mills with U.S. cotton at a price of 23.5 cents, while our own

manufacturers will be paying 31.5 cents a pound for the same cotton. This will mean a 34-percent differential in raw material costs, to the detriment of American mills.

In announcing the projected price drop on export cotton, the Secretary of Agriculture served notice on foreign buyers that by holding off on purchases of U.S. cotton until after August 1, great savings could be realized. This reduces our exports and contributes further to cotton surpluses. It hurts the farmer, the exporter, and the manufacturer. Unless the administration is willing to modify its approach to this problem, Congress will have no alternative but to adopt legislation which will effectively protect domestic manufacturers in the pricing of domestic cotton.

Is It Evil To Own a Large Farm?

EXTENSION OF REMARKS
OF
HON. E. C. GATHINGS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. GATHINGS. Mr. Speaker, propagandists are busy in an effort to build up resentment against a farmer because he owns or operates a sizable acreage. These people would lead one to believe that a large operation is wicked and evil since such farmers allegedly receive the major part of Government benefits.

If that argument were valid it could just as well be argued that the farm programs are just a dole or handout to farmers irrespective of the size of this participation by them.

A few days ago I received a letter from Mr. Lloyd Godley, of Osceola, Ark., on this subject. The writer of the letter is a farmer, general manager of the Mississippi County (Ark.) Production Credit Association, and one of the Nation's foremost agricultural leaders. His letter is recommended reading.

I am attaching also my reply to Mr. Godley's letter:

OSCEOLA, ARK., *February 11, 1959.*
Hon. E. C. "TOOK" GATHINGS,
House of Representatives,
Washington, D.C.

DEAR "TOOK": Why is there such a persistent drive to sway public opinion on our farm problems by condemning larger than family-size farming operations?

It is distressing that some of our stanchest friends seem to have succumbed to the idea that bigness in agriculture is evil. They say that big farmers get most of the price support money, but ignore the fact that 20 percent of the farmers grow 80 percent of the crops.

Farmers, large or small, do not generally approve of discrimination because of the size of a farming operation. They feel that we should have a sound farm economic program, not a farm relief program.

Most people are aware of the fact that our Nation has been made great because of every man's privilege of becoming as big as his energy, inclination, and ingenuity will permit. They do not believe that the farmer should be singled out by his Government as being one entitled to less consideration than those of other economic groups.

A few days ago I was talking with a typical so-called family-type farmer and here is what he said. "My son likes farming and I would like to send him to an agricultural college for a degree in agriculture. He and I have talked it over and we have just about decided that it may be wiser for him or any other ambitious farm boy to prepare for some other field. Here is my son's thinking, and I agree with him, the Government will in the years to come limit the benefit of farm programs to small operators. In that case the ambitious farmer who wishes to fully apply his managerial ability will be materially handicapped by Government restrictions relative to the size of his farming operation."

I could not disagree with the thinking of this father and son.

Most certainly I do not wish to criticize those very fine and able Congressmen and Senators who are devoted to the cause of agriculture, but I do think it is a disservice to the cause of agriculture when farmers are divided as to the size of their operation and when one group is set apart as deserving of less consideration because of his apparent success.

This farmer's son could prepare to enter big business, big industry, or big labor without fear of economic restrictions or reprisals and with the knowledge that he would be permitted full exercise of his managerial and executive ability. But, not so in agriculture if limitations become law. It would be easy to understand if this were the enemies of agriculture advocating this policy, not the friends.

Our farm leaders who have joined themselves together for the purpose of formulating programs to present to the Congress are constantly haunted by the fear that program benefits will be limited to a certain size farming operation.

If we may console ourselves by the fact that no compulsory program has ever had limitations due to size of operation then we may be led to believe that none ever will.

On the other hand, if all big farmers were exempt from allotment compliance we would indeed be buried by surplus.

To be sure we farmers have much unfair competition but it doesn't come from the legitimate farmer. It comes from those who make their money in some other business and enter farming as a fascinating hobby.

If there can be any legal way, this type of farming should be eliminated but not at the expense of honest-to-goodness farmers who have through their own efforts built up a large farming operation.

No industrial corporation has ever had tariff benefits limited because of the size of the business, nor has any fast tax writeoff or any other subsidy been limited to industry or business because of size—then why discriminate against agriculture.

What we need is farm legislation that will permit agriculture a fair share of the national income. It should not be tied in with social legislation.

When farm people have a stable expanding income consistant with the progress of the other segments of our economy, farmers will set and maintain their own social pattern which will not be inconsistent with the well-being and traditions of this Nation.

It is a fact that small farmers have made a mighty contribution to the social and economic structure of this Nation, but they have never been deprived by law from expanding to the full extent of their ability.

They should never be so handicapped.

Many farmers believe that the issue of "limitations" is the greatest stumbling block in the road to sound and permanent farm legislation.

I am writing this with the hope that a farmer's viewpoint may be of value to you in your deliberation on this vital issue.

With best wishes, I am

Sincerely,

LLOYD GODLEY.

FEBRUARY 19, 1959.

Mr. LLOYD GODLEY,
Osceola, Ark.

DEAR LLOYD: Your letter is greatly appreciated and so clearly depicts the valid and sound arguments in opposition to payment limitation movements which have grown up in recent years. I have in my file an earlier letter from you on this subject which I prize most highly. This story needs to be told and reiterated.

It is true that larger farm operators receive the greater return from benefits provided by the Government. The message is being related and emphasized as if such a person is a culprit, scoundrel, or grand rascal. His participation in these programs is greater since his contributions in volume output are larger. It is an effort to poison and prejudice the minds of the American people that the large farmer should be made smaller. That theory—if carried to its ultimate end conclusion—would mean that if a person had saved his money and lived frugally and acquired new holdings from time to time he would find himself confronted with a movement to split up his operations among his less fortunate brother farmers. That type of philosophy is not in keeping with the principles of equality of opportunity to the citizen. The incentive of the individual should be encouraged under our system.

You are right when you say that no effort is being made to penalize large industry. Subsidies for railroads are not being made on the basis of the length of the line or the amount of equipment and other properties that the railroads possess; subsidies to the airlines and steamship people have no such limitations. Fast tax writeoffs have benefited all size operators. Your letter is most convincing, plausible, and informative upon this subject; and I am grateful to you for writing me.

With personal regards and best wishes, I am,

Yours sincerely,

E. C. GATHINGS.

Railroad Retirement Benefits

EXTENSION OF REMARKS
OF
HON. GEORGE S. McGOVERN
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. McGOVERN. Mr. Speaker, today I have introduced a bill to amend the Railroad Retirement Act of 1937, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act. Several of the major features of this bill include: An increase in retirement and survivor annuities and pensions by 10 percent; an increase in unemployment benefits rates, and an extension of unemployment benefits periods beyond the 130 days allowed by present laws; and a reduction from 65 to 62 in the age at which spouses and women employees may receive annuities at a reduced rate.

The Railroad Retirement Act has been a great boon to the railroad people of

this country, providing well deserved security in the years after they have left active railroad service. However, this legislation is now in need of amendment to keep it in tune with the times.

It is well known that in periods of rising prices such as we have had over the past few years, that persons on fixed incomes are most severely hurt. The increases granted to retired railroad employees have not kept pace with the increases in the cost of living.

I believe that this bill will provide the necessary liberalization in railroad retirement provisions and railroad unemployment insurance while, at the same time, by alterations in the financing of these benefits, insure the continuance of the program on a sound financial basis.

Estonian Independence

EXTENSION OF REMARKS
OF
HON. CORNELIUS E. GALLAGHER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. GALLAGHER. Mr. Speaker, during their entire modern history Estonians have enjoyed national independence for a very short time, for only two decades. After living under the mild sovereignty of the Swedes during the 16th and 17th centuries, and after enduring the oppressive regime of the Russian czars in the 18th and 19th centuries, early in the 20th they attained their freedom and national independence toward the end of the First World War. That was the culmination of their long struggles, and the realization of their national dream. When the autocratic Russian regime was shattered, they proclaimed their independence and on February 24, 1918, established the Estonian Republic. Thenceforth in the midst of hard but pleasant work, they all were happy and joyful in their homeland. And all seemed to be going well for about two decades. Then the evil forces of the world were let loose; the Second World War started, and the Estonians, with a host of other countries, saw the doom of their independent status as a nation and the loss of freedom as individuals. In 1940 Estonia was overrun by the Red Army and in July the country was annexed to the Soviet Union.

Since then, for almost two decades, Estonians have been suffering under totalitarian dictatorship, and have been bearing the brunt of alien philosophies imposed upon them by godless Communists. In this indescribable suffering all seems gloomy, and the immediate future does not look bright. But these courageous and tough fighters for freedom, long schooled in adversity, cling tenaciously to their ideals of freedom and never entertain any doubt about the victory of their righteous cause, the cause of freedom and independence. On this 41st anniversary celebration of their Independence Day we can heartily echo their genuine and patriotic sentiments and hope for the realization of their goal.

The Jewish Memorial Hospital

EXTENSION OF REMARKS
OF
HON. HERBERT ZELENKO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. ZELENKO. Mr. Speaker, it is with great satisfaction that I speak again of the Jewish Memorial Hospital—one of the great voluntary health institutions of the city of New York and of the District which I have the honor to represent here.

This institution will observe the 54th year of its founding at a dinner to be held in the grand ballroom of the Waldorf-Astoria Hotel on Saturday evening, April 4.

This event, which draws the outstanding citizens from the great metropolis of New York, is one of the high points in our city's community life. Men and women who have demonstrated their civil leadership, and sense of philanthropic responsibility, overflow the dinner to mark their personal tribute to a rare hospital institution. I say rare, because along with its high and highly regarded services for the healing and health of all of the people of the area in which it is located, Jewish Memorial Hospital is noted, and distinctively so, as "The Hospital With a Smile."

Since its founding in 1905, the hospital has grown some 900 percent beyond its first modest beginnings. Yet community demands on the hospital continue to mount. As a result, a new building program is under way that will enlarge the hospital's facilities still more. This building program, developed under the leadership of Jesse H. Barkin, president of the Jewish Memorial Hospital board of trustees, promises to be a shining example of the American pattern of volunteer humanitarian achievement.

Mr. Barkin is fortunate in having associated with him a group of outstanding New York citizens, selfless in their devotion and generous with their time, money, and effort for the hospital.

Jewish Memorial Hospital looks ahead. As one aspect of its forethought, it constructed a special research and laboratory building several years ago in which research is being carried on today for advances in the medical and surgical achievements of tomorrow. A group of dedicated doctors, surgeons, technicians, and researchers are here gathered in an impressive human brotherhood of healing and mercy.

Outstanding in the work of this research laboratory is an extraordinary organization known as the Marcia Slater Society for Research in Leukemia. Its origin is itself a deeply stirring story of courage and aspiration. Its achievements are a unique expression of the human capacity to evoke creative values out of deep personal tragedy.

The Marcia Slater Society for Research in Leukemia was founded in 1950 following the death by leukemia of a child of 8 named Marcia Slater. In the clouded years before she passed into the Great Beyond, Jewish Memorial Hospital mustered every resource of medical skill to prolong her life. Outstanding in this effort was Dr. Harry Wallerstein, now the president of Jewish Memorial Hospital's medical board. So impressed were the parents and friends of the tragically ill Marcia, that they set out to organize a group that would contribute to the study of leukemia and, hopefully, learn to deal with this dread killer.

The group, which called itself the Marcia Slater Society for Research in Leukemia, is not composed of men and women of great wealth. On the contrary, here are average American men and women, with all of the responsibilities of earning a living, of maintaining a harmonious family life and of contending with the problems that face each and every one of us. But this condition does not prevent their fervent and enthusiastic support of a program to make possible substantial research in leukemia. So dedicated, so devoted was and is this group that, as of today, it has been able to contribute $90,000 to the research program in leukemia, headed by Dr. Harry Wallerstein.

Here I want to pay particular tribute to those who have inspired and guided its work.

Dr. Harry Wallerstein, himself, and the officers of the society, Miriam Kaufman, president; Helen Canter, vice president; Evelyn M. Riskin, treasurer; Florence Rosenwasser, financial secretary; Bea Rubine, recording secretary; Frances Edenberg, corresponding secretary; Edythe Willen, auditor; Evelyn Slater, honorary president; Dorothy Silverman, honorary past president; and Gussie A. Wallerstein, honorary vice president.

I believe that my colleagues in Congress agree with me in my regard for this organization of average American men and women, as a shining example of the best and noblest in our American tradition.

Estonian Independence Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. MULTER. Mr. Speaker, Estonians are one of the smallest and bravest of the non-Russian nationality groups upon whom Soviet communism was forced in July 1940.

These sturdy and stouthearted people, living in their ancient homeland from time immemorial on the northeastern shore of the Baltic, have had difficulty in maintaining their national in-

dependence, yet they have never been completely subdued by their conquerors. For more than 200 years before the First World War their country was part of the Russian Empire, where they lived there under the oppressive regimes of the czars. Nevertheless they succeeded in maintaining their distinct national character and clung steadfastly to their common goal, that of attaining their independence. When the Czar of Russia was overthrown, they had their chance, and on February 24, 1918, they proclaimed their independence.

That was 41 years ago. For about two decades they enjoyed their richly deserved independence in their newly constituted Republic. They lost their independence early in the last war and since then have been suffering under the worst of tyrannies. Today, these helpless but not hopeless people bear the heavy yoke of their Communist taskmasters in the firm belief that in the end they will once more regain their freedom and independence. We in the free world, in observing the 41st anniversary of Estonian Independence Day, ardently join them in that expectation. We pray that they all will live to see that day.

Congress Should Have More, Not Less, Control Over TVA—H.R. 3460 and Similar Bills Should Not Pass

EXTENSION OF REMARKS
OF
HON. BEN F. JENSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. JENSEN. Mr. Speaker, a reading of the record of TVA from its inception in 1933 discloses that TVA has engaged in a progressive assumption and usurpation of powers that Congress never intended it should have. In fact, TVA officials and its proponents have from time to time denied the authority and the intention to do the very things that were later assumed or claimed. Such an agency should have greater congressional control, not less.

It would take volumes on volumes to set forth all the various statements and claims that TVA and its proponents have made relative to the future programs or actions of TVA, and the record of failure to perform in accordance with such claims or contentions. A few of the more obvious failures of TVA to act in accordance with the expressions of its officials and proponents are here noted.

In regard to the cost of TVA, the author of the TVA bill in the House stated that the entire proposed TVA program could be completed for less than $150 million. An opponent who prophesied at the time that it would be a billion-dollar program was only half right. It now has cost $2 billion in money appropriated out of the U.S. Treasury, in addition to the loss of freedom and initiative of the people in the TVA region itself due to the autocratic power placed in the hands of a three-man board.

Surely an agency that has had almost unlimited and dictatorial control of the spending of over $3,760,000,000 from its inception to June 30, 1958, and whose annual gross income now approaches one quarter billion dollars, should have more congressional control, not less.

TVA's 14,600 employees are under the almost unlimited control of the three men who run TVA. It would seem more proper to provide that these 14,600 TVA employees come under the United States Civil Service Commission laws and regulations as do most Federal employees, rather than to continue or expand the almost unlimited control that three men now have over these TVA employees.

TVA DENIED IT PLANNED TO CONSTRUCT STEAM PLANTS

TVA told the U.S. Court of Appeals with reference to the Sheffield steam plant near Wilson Dam that was turned over to TVA:

> Said steam electric generating plant has not been and is not being operated and there is no plan or intention to operate said plant now or in the future, or to construct or operate any other steam electric generating plants.

This contention to a high U.S. court was made in order to obtain a favorable ruling on the question of the legality of TVA's operations and program. The record of failure on this point is highlighted by the later operation of the steam plant in question and the construction of many other steam electric plants by TVA, one of which is now boastfully claimed by TVA to be the largest steam electric plant in the world.

Such action clearly indicates that the people's representatives in Congress should have more, not less, control over the operations and expansions of the TVA power empire.

TVA told the U.S. Court of Appeals that TVA "has disposed of and will dispose of only such electric energy as is generated from waterpower inevitably created by the operations of the said dams for navigation and flood control and which is not needed for governmental purposes and which would otherwise be wasted."

Today more than 72 percent of the electric power TVA disposes of comes from steam electric plants This is another indication of why TVA cannot be trusted and should have more congressional control, not less.

TVA officials have gradually usurped or assumed a utility responsibility for the area in which they operate, and after such assumption try to claim that Congress by its action in providing the bond issue to purchase the Tennessee Electric Power Co. properties gave TVA such a utility responsibility.

This of course is not in keeping with the TVA position before the congressional investigation of TVA in 1938. At that time a high TVA official who was in charge of the negotiations for acquisition of the Tennessee Electric Power Co. system said in reply to a question as to whether TVA intended to purchase the Tennessee Electric Power Co. steam plants:

> In the case of the acquisition the plan has been that TVA would acquire the hydro plants in the Tennessee River system and the local public agencies would acquire the major steam plants.

And in regard to operation of these steam plants the same official also said:

> My point on it is this, that these steam plants are located near these large cities. TVA at the present time is not set up to operate these large steam plants where the local public agencies would have a substantial organization and crew, and very probably the operation of the steam plant would fit in better with the organization setup of those agencies than it would with ours.
>
> Take the Memphis situation, for example. There is a large steam plant at Memphis, which the city will probably purchase in case of an acquisition. Now, that plant would very probably be operated by the city to support our service to Memphis. In recognition of the support to our service to Memphis we would make an adjustment in our power bill. But the city would operate the plant, and I think that arrangement would be better than TVA operating the plant because we would have to maintain a steam plant personnel over in Memphis for that purpose alone. And the same thing would apply at Nashville.

Of course the record is clear on the failure of TVA to follow this claimed program for acquisition and operation of the utility company steam plants.

As a matter of fact, the contracts TVA executed with these local public agencies were "captive" contracts that prevented the very type of operation TVA told the Congress it intended to accomplish under the proposed bond issue amendment to the TVA Act. There can be no question that the distributors of TVA power such as Memphis, Nashville, Chattanooga, Knoxville, and others could have constructed steam electric plants to provide for the load growth of their respective areas that was in excess of the hydroelectric capabilities of the TVA system. Such operation could have been integrated with the TVA system for maximum benefit and economy.

TVA officials also told the Congress that the TVA power contracts with the industrial customers provided for cancellation and utilization of such power for the preference customers of TVA.

I can find no record of any cancellation of such contracts in accord with these TVA statements. In fact TVA has, over the years, steadily promoted and increased the sale of power to industry.

This is but another example of why TVA cannot be trusted with more corporate power but should have greater congressional control.

TVA officials have from time to time attempted to claim that they have not encouraged industry to locate or move to the TVA territory. Yet a TVA Director early in TVA existence made it quite clear that TVA did have a policy or intention to promote such industrial expansion in the TVA area. He said in a speech:

> I am very definitely of the opinion that it is the Authority's duty to encourage and

stimulate the growth of large-scale industry in the Tennessee Valley area. We are making provision for one of the largest hydroelectric developments in the world, with a potential 3 million horsepower available. We are expending and expect to expend, millions upon millions of dollars in construction activities, all looking toward the development of more and more power. Although we are bending every effort to greatly increase the use of electricity in the home and on the farm, it is obvious that only a large-scale industrial expansion will absorb the great pool of power which is thus being created. As we lay our plans for developing this cheap power in great quantities, it seems to me to be mandatory that we also lay plans for utilizing it in an industrial expansion program.

And a few years later at a congressional hearing this same TVA Director said:

But industries don't set themselves up in a region automatically. There must be some organizing force, with technical and research facilities. We believe it is appropriate that some of this technical and research work should be undertaken by the Tennessee Valley Authority as an agency of all the people.

One could spend a full year in going over the thousands and thousands of pages of TVA record of its claims and contentions in public speeches, releases, and congressional testimony and the record of later failure to act in compliance with one after another of the earlier claimed actions, programs, and policies. This record gives abundant reason why TVA cannot be trusted with more corporate power but should have greater and more strict congressional control than it has had in the past.

The three TVA directors now have more power than three good men should want or more than three bad men should ever have. The present congressional control of TVA as now interpreted by TVA and as acquiesced in by some committees of Congress gives them almost unlimited control over the spending of nearly one-quarter billion dollars a year. To relieve them of even the present limited control should be unthinkable to any representative of the American people who has sworn to uphold the Constitution of the United States and its American form of government. Steps should be taken to reestablish the congressional controls that are inherent under the Constitution.

The Constitution of the United States provided for three separate branches of government. This was to act as a system of balances and checks. The people's representatives in Congress were given a most important task of writing the laws for the executive department to administer. The Constitution also provided for the House of Representatives to initiate the revenue measures needed to provide the funds necessary for the operations of the Government. * This authority to provide revenues and the authorization and appropriation of the funds needed to carry out the various acts of Congress was the check on the operations of the executive department through control of the purse strings. To relinquish this inherent control as provided for by the Constitution would be a betrayal of the oath of office to uphold the Constitution. It is quite clear that under H.R. 3460 and similar bills the legislative branch would be relinquishing its responsibility to maintain the check provided for by the framers of the Constitution. TVA needs more control by the people's representatives in Congress, not less.

Last year in the discussion of H.R. 8002, Congressman after Congressman stood on the floor of the House to say that there was a great need for more control by the Congress on the funds being expended by the executive department. Certainly this need for greater congressional control applies to TVA as much, if not more so, than to any other executive department of the Government.

If TVA had operated in the manner in which its officials initially told the Congress it was going to operate, then there would be less need to insist on greater control. But after 20-odd years of progressive failure to so operate and the gradual but continuing usurpation and assumption of powers not intended by the Congress, it is time to call a halt. TVA needs more congressional control, not less.

Under unanimous consent, I include along with my own remarks, an editorial from the Argus, of Rock Island, Ill., dated December 1, 1958:

TVA, 25-YEAR FRAUD

One of the largest and most amazing projects of the 20th century, the Tennessee Valley Authority, is starting on its second quarter-century.

Built at the taxpayers' expense, at a total cost of $1.5 billion, it is the Nation's largest power generating enterprise.

It buys more coal than any enterprise in America. It generates more power annually than all of France. It is now studying the possibilities of utilizing atomic power.

Yet when the TVA act was established, power wasn't even mentioned in the purpose preamble. The whole project was put over, and was approved by the U.S. Supreme Court, as a flood-control scheme.

It is concerned also with navigation, develops fertilizer and reforests eroded areas.

Originally intended to utilize hydroelectric power, it gets 75 percent of its electricity from steamplants—an aim originally disavowed.

It has the backing of hot-eyed southern conservatives who receive its cheap power at the expense of the rest of the Nation, of wild-eyed radicals in the North and of plain and fancy crackpots everywhere.

Norman Thomas, the Socialist leader, called it the only genuine socialistic measure of the New Deal.

Intended to serve electricity only to valley homes and farms, it distributes 51 percent of its power to U.S. defense agencies.

And it isn't satisfied with that. It seeks the authority—which was denied in the last session of Congress—to issue bonds for the construction of more plants.

It disavows any intentions to expand, but Philip Sporn, head of the American Electric Power Co., says a careful study of its proposal shows it would be able to take in 25,000 more square miles—a 30 percent increase—where private utilities now operate, and that it might go even farther.

That would be fully in accord with TVA's history.

It can move with confidence because it has a tremendous tax advantage over the private utilities. The latter pay 23.4 percent of their revenue from electric operations to State and Federal Governments. TVA pays 5 percent to local and State governments and nothing to Washington, though it has returned $250 million on its original investment, at the rate of 4 percent.

TVA paid only $4,148,000 in taxes in 1956, last year for which figures are available. But it did better than some Government power schemes at that. The Hoover Dam project pays $600,000 a year to Nevada and Arizona, but all other Federal power projects pay no taxes. If they were taxed at the rate of private utilities, they would pay a total of $82,523,610 into all governments.

What they fail to pay has to be made up by taxpayers in all parts of the country. As one utility executive put it, TVA's waters flow through three States and drain the other 45.

And TVA uses its 4-to-1 tax advantage to club the private companies out of existence.

This will continue as long as the American people, through their Congress, allow TVA to get away with it.

The private companies are asking that TVA be sold off to private and municipal interests. But TVA is still fighting to expand and will renew its bonding request in the next session of Congress.

There is a big principle involved in this unfair advantage which TVA is allowed to use against private companies. Congress ought to stop it.

Even if there were no such principle, the Nation as a whole should be tired of subsidizing the relatively small area which uses cheap TVA power. If private companies were operating throughout this area, Federal tax money would be swelled and the load on the rest of the Nation would be reduced accordingly.

TVA is a fraud against free enterprise and a fraud against the Nation's taxpayers.

Time To Repeal Telephone Excise Tax

EXTENSION OF REMARKS
OF
HON. GEORGE S. McGOVERN
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. McGOVERN. Mr. Speaker, today I have introduced legislation designed to repeal the excise tax on telephone service. The 10-percent sales tax on telephone users was levied during World War II as a temporary measure to reduce the load on overburdened telephone facilities and to raise funds for financing the war effort. The original purposes of this tax have long since faded from the scene, and yet this burdensome tax remains.

It may be argued that all taxes are burdensome, but that they are necessary to finance the vital services provided by the Federal Government. However, the tax on communications facilities is particularly severe, and I believe unfair, because it is a regressive sales tax which is imposed on everyone alike without reference to ability to pay. I have always opposed the use of a sales tax where it was not designed to fulfill a specific need.

Now, Federal sales taxes are levied on luxury items such as jewelry, liquor, and nightclub entertainment, and these I believe are well justified. But certainly one

cannot put telephone service in the same category as these luxury items. Telephone service is a public utility of the same nature as electricity, gas, and water on which there are no Federal excise taxes.

This tax is also illogical in view of the Federal Government's efforts to promote the extension of telephone coverage through the telephone program of the REA. This program has greatly benefited the rural people of our Nation. But one should note that over 40 percent of our farm families today are still without the benefit, indeed the vital necessity, of telephone service. It is time to repeal this excise tax which runs directly counter to the stated aims of the Federal Government to promote telephone service.

Senator Hayden Views the Budget

EXTENSION OF REMARKS
OF
HON. STEWART L. UDALL
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. UDALL. Mr. Speaker, the senior Senator from my State, the Honorable CARL HAYDEN, last week began his 48th consecutive year of service in the Congress, a record unequaled by any person since the founding of our Republic. In addition, since March 4, 1927, Senator Hayden has been a member of the Appropriations Committee of the other body, and thus has participated in the preparation of more appropriations than any other Member of the Congress.

In my opinion, Senator HAYDEN's wide experience as a legislator and the deep insight he has acquired over the years into fiscal matters makes his views unusually valuable in analyzing the present budget pending before the Congress. Last week there appeared in some Arizona newspapers a statement by the Senator regarding the controversy over Federal fiscal policies. Mr. Speaker, I believe Senator HAYDEN's perspective on the budget will be of interest to many of our colleagues, and consequently I am inserting the full text of his statement below:

I can think of no better way to begin a prompt response to your letter of January 29, and the attached editorial than to ask you to look over the enclosed copy of The Federal Budget in Brief for the fiscal year beginning on the first of next July, which is just off the press. The details set forth in the pamphlet should be helpful to you in appraising the financial problem with which the Congress is faced.

At page 18 is a breakdown of the $45,805 million for the costs of major national security which requires 59.5 cents out of the taxpayer's dollar. Paying for the cost of past wars by benefits to veterans, p. 30, and interest on the public debt, p. 32, requires an additional 17.1 cents or a total of over 76 cents of high priority demands against his dollar. Add to that about 5.4 cents for welfare costs, p. 26, and 2.2 cents to maintain the general Government, p. 34, where there is no prospect of reduction, leaves a margin of 16 cents out of which, with difficulty, some cuts could be made.

Only a small part of the $45 billion requested by the President for national security would be required if we could live our own lives in our own way without regard to what is being done in the rest of the world. But to do so we would have to ignore completely the fact that Russian controlled communism is an actual menace which must be met by the free world being prepared to either win a war against it or by being so strong that the dictators in Moscow will be afraid to start a war.

So much has happened in the meantime that there is no possible way to get Government back where it was intended to be—in 1776. We now live in a nation where many men, from the Revolution to this day, have been perfectly willing to give up their lives ahead of time to make our Nation free and to keep it free. That very freedom has made it possible to create such favorable living conditions that the average American can now expect to live 20 years longer than he could hope to do when I was born some 80 years ago. That there is an ever increasing number of older people who are no longer capable of supporting themselves is a fact from which we cannot escape. The present social security system and the other welfare activities undoubtedly have their defects, for which time and experience will find a remedy; but something very much like them just has to be in existence, and Congress will do well to hold what they will continue to cost close to 5 cents out of the taxpayer's dollar.

The objective of all Federal aid for the construction of highways is to make it possible to move people and things from where they are to where they are needed in the least time and at the least cost. It is a capital investment which is certain to pay good dividends. To supply the money required to build the needed highways, Congress has provided that the receipts from the Federal excise taxes on gasoline, motor oil, automobiles and accessories shall be deposited in a trust fund in the Treasury, to be available only for the construction and improvement of highways. Since the highway users rather than the general taxpayers pay their costs, highway funds are not included in the Budget.

The tabulation on page 58 of the Budget pamphlet shows that during the New Deal from 1933 to 1940 the public debt was increased by $20,429 million. From 1941 to 1946, the World War II period, the public debt mounted rapidly from $48,961 million to a peak of $269,422 million. The Budget was balanced in 1947 and 1948 with resulting debt reductions, but the costs of the fighting in Korea again caused deficits and there were no payments on the national debt until 1956 and 1957. Expenditures due to the cold war are the primary cause of the existing deficit.

I point out these figures to indicate the situation with which the Congress is faced. The one sure way to balance the budget is to increase the rates of Federal taxation, but nobody wants to pay more taxes. The Constitution provides that all revenue legislation originate in the House of Representatives. The indications are that the Committee on Ways and Means, which reports revenue bills to that body, will not do more than recommend the enactment of legislation designed to plug loopholes in the existing tax laws which may possibly produce about a billion dollars in additional revenue. That sum will not go very far in taking care of an estimated deficit which could amount to over $10 billion if business conditions do not improve as the President has predicted that they will. We can all join in the hope that he has made a good guess.

Except in time of war, Congress has never, during my service as a member of the Appropriations Committee, granted to any President as much money as he asked for in his annual Budget estimates. At the last session of Congress the appropriations were $600 million less than the Budget requests.

Installation Banquet Veterans of World War I, U.S.A., Boston Naval Shipyard Barrack No. 1240, Boston, Mass.

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, February 24, 1959

Mr. LANE. Mr. Speaker, I wish to include herein part of an address delivered by me at the installation banquet conducted by the Veterans of World War I of the U.S.A., Boston Naval Shipyard Barrack No. 1240, held at the Linwood Grille, near Fenway Park in Boston, Mass., on Monday evening, February 23, 1959. Outgoing Comdr. Anthony D. Tieso officiated as the toastmaster of the evening, and the welcoming remarks were given by Department Commander Melvin D. Eddy. The installation of the newly elected officers was conducted by Department Senior Vice Commander Frank Farnham. The newly elected Comdr. William Francis Cooney extended the thanks of the organization to all invitees and the members, and presented an appropriate gift to Past Department Commander Francis W. Powers, and Department Commander Melvin D. Eddy:

It was George Washington who recommended that all officers who should continue in service to the end of the Revolutionary War should be entitled to half pay during life.

The Congress took favorable action on his recommendation.

We have come a long way since those days, regarding the coverage and the substance of pensions for veterans.

In spite of the fact that there is a movement under way—in 1959—to renege on the Nation's obligation to its veterans.

Those who are conducting this campaign do not dare to make a frontal attack for they know it would arouse a storm of opposition.

Instead, they are trying to divide the veterans by making a distinction between needy and nonneedy veterans in order to promote confusion and dissension. This is the opening wedge to reduce present pensions, and to throw a permanent roadblock in the way of pensions for all honorably discharged veterans of World War I which they see coming up over the horizon.

Unfortunately, many corporations and wealthy individuals seem to have persuaded the President that the budget must be balanced at all costs at the expense of our missile and space programs, the economic expansion of our country, and the American tradition of providing pensions for its ageing veterans.

These are the very same people who solemnly asserted that "nothing is too good for our boys" back in 1917 and 1918.

But today they want to forget those assurances and those promises.

During the very month that they honor the birthdays of two great Presidents they conveniently overlook George Washington's recommendations, and they avoid Abraham

Lincoln's reminder that we must "care for him who shall have borne the battle and for his widow and his orphan."

But no matter how hard they try, no matter what devious techniques they employ they cannot get around the precedent, and the moral obligation of providing pensions, that are deeply rooted in our history.

The first national pension law was passed by the Continental Congress on August 26, 1776. Every officer, soldier, or sailor losing a limb in any engagement, or being so disabled in the service of the United States as to render him incapable of earning his livelihood, was promised half pay for life, or during disability.

The Revolutionary service pension law of 1818, introduced a new principle into this field of legislation. Before this time, disability was the firm requirement for the payment of any pension. With the new law, mere service in the Armed Forces, together with poverty, became the basis for entitlement.

Congress adopted a pure service pension schedule for the Revolutionary War survivors, on June 7, 1832. This act granted full pay for life to veterans who had served a minimum of 2 years.

The Mexican War Pension Act of 1887 granted a pension, if the veteran was suffering from disabilities to a pensionable degree. Veterans 62 years of age or older, were entitled to a disability pension, regardless of any disability.

The trend was plain to see. Congress was becoming more liberal with the experience of each successive war.

In the debate on the Mexican War Pension Act, Senator Hoar, of Massachusetts, pleaded for uniformity, for consistency of action on the part of Congress. He explained that if the Government were bound as a matter of principle, to pension soldiers or sailors who do not need a pension, and who are under no disability, then it is a universal principle, and, as such, the veterans of all wars are entitled to the pension. Enactment of the bill, said the Senator, would very shortly compel the Congress to take the next step—a pure service pension for the Civil War veterans.

The Mexican War Pension Act was debated for 3 years, but logic and honor finally prevailed, and Congress passed the bill in January of 1887.

The Dependent Pension Act of 1890 was a service-pension law. Pensioners, however, were required to demonstrate their inability to perform manual labor as a means of supporting themselves. Because of this strange twist, the law spawned many abuses, and gave rise to much dissatisfaction.

Widespread agitation led to the act of May 11, 1912, setting up a formula whereby the Civil War veteran must have served at least 90 days in that conflict, and that he must be 62 years of age or older. The payments, provided for on a graduated scale according to length of service, were increased by subsequent legislation.

The act of June 5, 1920, was entitled "An act to pension soldiers and sailors of the War with Spain, the Philippine Insurrection, and the China Relief Expedition."

It provided that any such veteran who has reached the age of 62 years shall, upon making proof of such fact, be placed upon the pension roll.

As for pure service pensions, the Spanish-American War is the most recent conflict where such provisions have been authorized by the Congress. Obviously, the veterans of World War I are next in line for this entitlement.

When Congress passed a bill to provide adjusted compensation for the veterans of 1917–18, it was vetoed by President Harding on September 19, 1922. In the message explaining his action, the President was looking to the future when he said that it is inevitable, as the years pass, that pension provision for World War veterans will be made, as it has been made for those who served in previous wars.

That prophecy was made over 36 years ago.

When we average out the length of time that the veterans of five previous wars in American history—up to and including the Spanish-American War—had to wait before service pensions were authorized, we find that it takes nearly 43 years.

We, the veterans of World War I, with over 40 years behind us, are getting close to the time of our entitlement.

When we consider that our honored senior, the Spanish-American War veterans, only had to wait 22 years for their pensions, it would appear that favorable action on our claim cannot be delayed much longer.

In the last session of the Congress, when my bill to provide a Federal charter for our organization was being debated, there were a few who opposed the bill. They insisted that our group was organized for the sole purpose of "lobbying through Congress a general pension bill that would provide $100 monthly to all World War I veterans regardless of need or length of service beyond 90 days."

I objected to that general accusation, pointing out that our organization serves the social and fraternal needs of its members. It also makes a positive contribution to every community in which there is a barrack, by its example of good citizenship, and by its perpetuation of those ideals that give young Americans in every generation, the faith and the courage to work for, and if necessary to fight in the defense of our freedoms.

But as to the charge that we are seeking a pension I say, "So what?"

There is nothing sudden or surprising in such a proposal—more than 40 years after World War I, and following a precedent that was firmly established long ago.

We believe that the veteran who is 62 years of age or older is entitled to a pension of $100 per month upon proof of age and honorable service, as a matter of right.

We are confident that this formula is the simplest and fairest method by which the Nation's obligation to the aging veterans of World War I will be honored.

In the school of practical experience, we have learned that few people in positions of leadership and influence showed any interest in our objective, until our organization was founded. Its rapid growth within the period of several years, has opened the eyes of our legislators, and is reminding a grateful, but sometimes absent-minded nation, that the pension issue is approaching decision day.

We are building unity and strength and inspiring comradeship through our membership in the Veterans of World War I of the U.S.A. We realize that only by such mobilization of our forces, directed toward the goal of a pension for all veterans of that conflict, can we win to our side, the public support that is necessary for victory in this campaign.

That is why we attack the administration's sly proposal, whereby the benefits for needy veterans—covering both compensation and pensions—might actually be increased.

No self-respecting veteran is opposed to additional aid for our needy comrades.

But we resent the deception inherent in this proposal.

Under the guise of helping the neediest veterans, it seeks, eventually, to determine eligibility on the basis of need alone, and thus completely undermine the obligation to provide a pure service pension to all aging veterans.

It is a clever maneuver, but it does not fool us.

We will not permit this administration to turn back the clock.

An old trick, being dusted off for use again, is to scare the public by estimating the cost of veterans' benefits some years from now. But this one-sided slanting of the facts fails to mention the mortality rates.

There are few survivors of the Spanish-American War.

The ranks of World War I veterans have been thinned in the space course of 40 years. Even the veterans of World War II are beginning to decline in number. In any case, about 22 more years must pass before they, in turn, become eligible for pensions.

It is no coincidence, therefore, that the administration and its big business advisers would like to readjust the Nation's pension program.

It is designed to block the veterans of World War I.

We would like to believe that it is motivated by fear of our growing strength, and that it merely represents a last-ditch effort to stop or slow down our drive.

That is only true in part.

They have had this idea in the back of their minds for a long time.

Some years after every war, when they think that people have forgotten the promises that were made in time of national emergency, certain financial interests always attempt to sabotage veterans' benefits so that they can keep more for themselves.

Under the current excuse of balancing the budget they believe that the opportunity they have been waiting for has arrived.

But the people on November 4, 1958—and in no uncertain fashion—demonstrated that they are in no mood for the Federal Government to abandon its responsibilities.

As employees of the Boston Naval Shipyard you are well aware of other moves they would like to make in the name of economy.

If they had their way, everything would be farmed out to private contractors—including the U.S. Navy, the Veterans' Administration hospitals, the civil service, and perhaps the Government itself.

If they had their way.

But the people have the final authority over their representative form of government. As long as we have truly enterprising organizations like the Veterans of World War I of the U.S.A., the economizers will not be able to default on their obligations.

We know that we are on the right course, and we intend to follow it until we reach our goal.

Civil Affairs and Military Government Combat Support Axioms

EXTENSION OF REMARKS

OF

HON. L. MENDEL RIVERS

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 24, 1959

Mr. RIVERS of South Carolina. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include an article which appeared in the January 1959 issue of the Military Review, U.S. Army Command and General Staff College publication, as a supplement to "CAMG Operations in Atomic Age Warfare," which appeared in the January 1958 issue of the same publication.

This splendid contribution entitled "CAMG Combat Support Axioms" was

written by our distinguished junior Senator, STROM THURMOND, brigadier general, U.S. Army Reserve:

CAMG COMBAT SUPPORT AXIOMS

(By Brig. Gen. STROM THURMOND, U.S. Army Reserve)

(This article supplements "CAMG Operations in Atomic Age Warfare" written by Brig. Gen. STROM THURMOND and published in the January 1958 issue of the Military Review—Editor.)

The primary objective of civil affairs and military government operations (CAMGO) is to provide CAMG combat support. Toward this end, all energies, all actions, and all thought must be focused.

For this reason, CAMGO personnel devote themselves to acquiring a more specific, a more practical understanding of the combat commander's needs and problems and of the CAMG support that they can give him to assist in accomplishing fully the combat mission which has been assigned to him.

Before proceeding it would be well to decide what is meant by the term "CAMG combat support."

Referring to the "Dictionary of U.S. Army Terms," published by the Department of the Army in November 1953, as Special Regulations 320–5–1, we find that combat support is defined as: "operational assistance furnished combat elements."

After considering also the definition, therein, of such other terms as combat element, tactical element, and tactical troops, the following synthesis is submitted:

CAMG combat support is CAMG operational assistance furnished in a combat operation. CAMG troops provide CAMG operational assistance in direct support of combat troops, and are engaged under a combat commander, to operate as a part of his unit in combat.

COMMUNISM

Another basic CAMGO objective is to support and implement our national policies. Foremost of these policies is to combat and neutralize Communist social and political orientation of an area liberated by military force from Communist control.

The combat commander, as the one personally responsible for achieving CAMGO objectives, must be fully cognizant of these political military objectives of the Armed Forces of our country. He is the one who must constantly consider the human, political, and economic aspects of the area of his combat operations. The CAMG organization at his disposal is the instrument with which he removes or neutralizes all Communist influences in areas occupied by the military forces he controls. Any neglect of this responsibility will cause a vacuum quickly filled by Communist-oriented policy.

Of value in this connection is a little-known study of the 3 years of intensive Communist CAMG planning and subsequent occupation of a community entitled The Reds Take a City: The Communist Occupation of Seoul, by John W. Riley, Jr., and Wilbur Schramm, and published in 1951.

It is evident that our own CAMG planning must include a full comprehension of Communist CAMG planning. As a minimum, our CAMG planning must be directed at neutralizing the effectiveness of Communist aggressive efforts.

Furthermore, we must be constantly vigilant in our awareness that, as an instrument of foreign policy, CAMG is for us as it is for the Communists a weapon for waging war. It is an adjunct to other military weapons, perhaps, but, nevertheless, an essential military accessory for winning not only the war, but also the peace.

MILITARY VERSUS CIVIL AUTHORITY

Still another basic objective of CAMG operations is to provide for the early transfer of responsibility from the military commander to a designated civil agency of government.

CAMGO personnel are not engaged in social or economic experiments or studies for their own delectation or for academic professional interest.

The CAMGO job is to get things done as expeditiously as possible, to achieve actual military operational objectives, and to withdraw as soon as the military operational need has been met.

The pace is quick, not leisurely.

It must be kept in mind that prolonged military occupation is not the task before us.

TRANSFER TO CIVIL CONTROL

In order to facilitate the smooth transfer of control, civilian organizations under military supervision should be introduced early in the more stable parts of the area of operations and gradually replace specialized CAMG units and activities.

It is a cardinal rule, though, that there cannot be divided responsibility for the control of an area. Either the civil or the military authority must control the area. The agencies of either, however, can be used to support the other before and after the transfer of control, which must be accomplished smoothly, whether control is being transferred from civil to military authority or from military back to civil authority.

Historical examples of civilian organizations which served under military control are the United Nations Relief and Rehabilitation Administration (UNRRA) in World War II and the International Cooperation Administration (ICA) in Korea.

Such civilian organizations, under the control of the theater army commander, and in turn under the supervision of his G5, definitely reduce the requirement of CAMGO personnel. CAMG units replaced move forward to augment the CAMG combat support units.

INTERNATIONAL OBLIGATIONS

The remaining objective basic to CAMG operations is to comply with international treaties, agreements, or customary law.

For this reason, among others, there is in the modern nuclear age army a fifth general staff section concerned with all military-civil matters including the government, economy, inhabitants, and institutions in areas where U.S. Armed Forces are employed.

This insures that the combat commander is properly advised of his responsibilities, of the limitations on his courses of action, and of his capabilities deriving from political, economic, and social factors.

In his estimates of the combat situation, the combat commander carefully weighs these civil affairs and military government factors along with those dealing with personnel, intelligence, operations, and logistics.

The combat commander's decisions are influenced not only by his own and the enemy's relative combat power and disposition of forces, and not only by such factors as weather and terrain, but also by civil conditions in the area of his combat operations.

CAMG ACTIVITY

The CAMG activity is not new to the Army; only the organization of that activity is fairly recent.

Our CAMG experiences during World War I, and the preceding foreign military engagements of our Armed Forces, strongly indicated early in World War II the urgency and importance of organizing the CAMG activity that inevitably accompanies combat operations.

The scope of the CAMG activity is vast; the details of possible actions are numerous; and volumes could be written on each functional segment of the CAMG activity.

Because generalizations often seem vague, there is a need to search assiduously for clear, complete axiomatic statements to identify the elements of CAMG activity.

Concrete definitions are needed, sufficiently comprehensive in scope and in conveying understanding, of the practical part performed by CAMGO personnel as an operational element in the combat commander's organization.

Toward this end, axioms of CAMG combat support will be explored in an effort to determine how to achieve the basic objectives of CAMG operations previously mentioned.

Were warfare conducted in an arena set apart, such as the jousts of medieval knights, or as in many modern military maneuvers on military reservations, the combat commander could limit his concern to the factors of terrain and weather and the dispositions of friendly and enemy forces, their firepower, and capabilities. However, this is not the way it actually happens on the fields of battle.

Wherever we fight there are people, except perhaps in certain parts like the interior of deserts, at sea, or in an arctic region. It is because people interfere with war and war interferes with people that military commanders must consider the effect on projected combat operations of people, their actions, attitudes, institutions, and resources.

COMBAT COMMANDER RESPONSIBLE

Independence of action often results in the belief that subordinates concerned with particular CAMG matters are responsible for CAMG operations.

This is far from true and we must reemphasize again that the responsibility for CAMG operations is lodged only in the military commander of the area to whom CAMG authority has been delegated, whoever he may be, and regardless of whatever other concerns he may have.

The CAMG mission is part of the combat commander's mission. He must accomplish it even without using the CAMGO personnel and units specifically designated and available to him.

The CAMG organization assists the combat commander as any other service assists him in its particular sphere, but he is responsible.

Specifically trained CAMGO personnel, backed by CAMG organizations extending from the front to the rear through all the echelons of command, increase the combat commander's CAMG capability many hundredfold.

And, what is equally important, the combat commander is not compelled to divert from combat tasks personnel whose special training and competence is needed elsewhere to engage with the enemy.

COMBAT ELEMENT

It is the combat element which first contacts the civilian element upon the initial entry of our Armed Forces into enemy-held territory. It is the combat commander who first establishes the military control which must later be transferred to a civil agency.

The manner in which the people are handled at this early moment by the combat commander determines their first and most lasting attitude toward our Armed Forces. That attitude may become actively hostile or passively neutral. On the other hand, that attitude may be cultivated to become one of cooperation and, perhaps, even result in active assistance to the operations of the combat commander.

In view of the tremendous drain upon our own resources of modern atomic age warfare, it is essential that maximum utilization be made of the resources, including manpower, in areas where our Armed Forces are employed.

While it is true that international law requires the combat commander to restore and maintain public order and safety and

to provide for the well being of the inhabitants of an area coming under his military control, the combat commander can do this in such a way as will contribute to his combat success.

CONVERSION PROCESS

The conversion of formerly enemy-held territory to reinforce and even augment the commander's combat power, in terms of resource utilization, is a significant aspect of CAMG combat support.

A paradox arises, however, in this CAMG conversion process. In order to exploit efficiently and effectively the resource potential in support of combat operations, it is not only necessary but also desirable to comply with the provisions of international law regarding restoring and maintaining public order and safety and providing for the well-being of the inhabitants.

In the resulting climate of good will, CAMG personnel, by working through civil officials, can make labor available for building military roads, bridges, warehouses, bunkers, and other facilities. They can locate and cause to be utilized for military purposes sawmills, stone quarries, workshops, pure water sources, stockpiles of construction materials, raw and processed materials, and many other civilian supplies, services, and facilities.

CAMG WEAPON

In the search for weapons of greater combat effectiveness, it is found that the CAMG weapon, as an instrument of the foreign policy of our Government, has proved itself on many battlefields throughout the world. It delivers on the ground, in the combat environment, an augmentation of combat power—in terms of usable resources—of tremendous magnitude.

Every person, organization, and echelon in the military structure, from the front to the rear, is required to contribute to the support of combat operations. This is equally true of the CAMG organization, and all CAMG actions must be directed toward this common goal, even at the expense, if necessary, of long-range rehabilitation and reconstruction programs in rear areas.

PERSONNEL COMPETENCE

It is of primary importance not only to have the CAMG organization, as such, but also to have the technological and professional competence of CAMGO personnel brought to peak efficiency for functioning in the combat environment.

Because CAMG concerns primarily are operational in nature, it is necessary that CAMGO personnel be thoroughly grounded in the various aspects of military science and tactics. To perform their part in combat operations, CAMGO personnel must have a comprehensive knowledge of the functions of the G3 section. Only in this way can they understand how the G5 section plays its operational role in the integrated staff of the combat commander.

The precept of Thomas Paine unqualifiedly applies: "Where knowledge is duty, ignorance is a crime."

It is the duty of every CAMG officer to qualify himself fully as an alter ego to the combat commander, capable of contributing to estimates of the combat situation and of participating in the formulation and implementation of combat decisions.

COMBAT SUPPORT TASKS

The exploration for axioms of CAMG combat support reveals that there are certain actions which are conditional, while there are others which recur in all cases. It may be concluded from this that CAMG combat support has two categories of tasks—conditional and recurring.

Conditional tasks are such as arise out of U.S. policy with regard to a particular area and the limitations imposed by the natural conditions of the area.

Recurring CAMG combat support tasks, on the other hand, may be defined, in general, as gaining assistance and avoiding interference of the inhabitants, their economy, and institutions in areas where U.S. Armed Forces are engaged in combat.

More specifically stated, recurring CAMG combat support tasks fall into six additional categories:

1. Civil conditions: Preventing and suppressing disease, starvation, unrest, and other conditions which derive from combat relationships and which would handicap or obstruct tactical and logistical operations, and combating enemy efforts to exploit such conditions.

2. Resource utilization: Promoting the availability and utilization of local resources, facilities, and services, and of governmental, economic, and social agencies, for the benefit of the tactical and logistical effort, and denying their use to the enemy.

3. Civil security: Assuring the security of combat troops from civil sources, using public safety agencies to eliminate active and passive sabotage and guerrilla activity, and coordinating civil defense with military area security and damage control operations.

4. International law.—Complying with international law and agreements. This includes provisions for restoring and maintaining public order and safety, for civilian relief supply, and for the care and movement of civilian war and disaster victims, such as casualties, refugees, evacuees, concentration camp internees, displaced persons, and other needy persons.

5. Civil authority.—Reestablishing civil authority; transferring the area from military to civil control; and providing assistance to established civil authority in emergencies and disasters and, where indicated, in the routine conduct of government.

6. Military-civil matters.—Providing a focal point for handling all military-civil matters and, thereby, avoiding a diversion of combat and other military personnel from their primary military tasks by concern with civil as well as with military-civil matters.

CONCLUSION

This presentation is intended only to be suggestive of the vast range of CAMG combat support. A great deal of effort is yet required to define in practical terms all aspects of the CAMG capability to support the combat commander's operations.

There must be a mutual understanding on the part of combat commanders and CAMGO personnel of the responsibilities and capabilities of each in this increasingly vital field.

(Brig. Gen. STROM THURMOND is a 1923 graduate of Clemson College. He was admitted to the South Carolina Bar in 1930 and to practice in all Federal courts, including the U.S. Supreme Court. He has served as county superintendent of education; State senator; circuit judge; and Governor of South Carolina. He volunteered for service in World War II and served from 1942 to 1945 in Europe with Headquarters, First Army, participating in the Normandy invasion with the 82d Airborne Division. He served in the Philippines until the war with Japan terminated. A past national president of the Reserve Officers' Association, he is President of the Military Government Association. He was elected to the U.S. Senate from South Carolina in 1954 as a write-in candidate for the term ending January 1961.)